BT Global Services

Announcing new investment in Turkey, Middle East and Africa

February 2012
BT ...a global leader in networked IT services

Introduction
Jeff Kelly
CEO
BT, an introduction

BT is one of the world’s leading communications services companies, serving the needs of customers in the UK and in more than 170 countries worldwide

- Providing high quality telecommunications services since 1846
- Revenues of more than £20 billion in 2011
- 93,000 employees globally
- £1 billion in R&D spend on innovation
- Relationships with 25 universities globally, including Cambridge, MIT and Tsinghua
- First network-research focused R&D centre in the Middle East, operated in partnership with Etisalat and Khalifa University in Abu Dhabi

- The Official Communications Service Provider for the London 2012 Olympic and Paralympic Games. We will be carrying every call, piece of data, image and sports report for the games.
- A long track record of acting responsibly and supporting the communities to whom we deliver services. In 2011 we maintained gold sector status in the Dow Jones Sustainability Index and ‘Platinum Plus’ level in the Business in the Community Corporate Responsibility Index.
BT Global Services

The global leader in networked IT services

BT Global Services is a global leader in managed networked IT services, operating globally and delivering locally to help our customers thrive in a changing world

Our strengths

- 22,000 people globally supporting enterprise customers, with one of the largest professional services capabilities in our industry
- Bringing together a broad portfolio of services
- A track record of delivering for customers globally in more than 170 countries
- Underpinned with a unique breadth of scope, reach and capability
- Recognised as market leading for customer service and innovation
Working with the world’s leading organisations

Experience and track record of delivery

A global leader in managed networked IT services
• Multinational corporations
• Financial institutions
• Public sector organisations
• Major companies in key markets globally

Experience, and a track record
• Around 7,000 corporate and public sector customers across more than 170 countries
• Widely recognised as market leader by industry watchers
In more than 170 countries, across every industry sector
... with a wide range of customers globally
BT’s family of services which can be used individually, or in powerful combinations

Our professional services team deliver value to you by aligning our services to your business objectives and optimising implementation.
What makes us different?

Customers want to work with a global managed networked IT services leader, operating globally and delivering locally to help them thrive in a changing world.

Global assets: people and technology
Industry experience and solutions
Professional Services people and capability
Innovation and new solutions based on strength in the UK

We’re investing globally to make improvements in the areas our customers tell us are important to them. Today’s announcement is a key part of that.
BT’s new investment in Turkey, Middle East and Africa

Luis Alvarez
President, EMEA & Latin America

Olivier Campenon
Vice President, EMEA
This region offers some of the most exciting opportunities in the world.

Over the past decade six of the world’s ten fastest-growing countries were African.
(The Economist, Dec 2011)

UK and Turkey agreed to double bilateral trade in goods by 2015.
(UK Trade & Investment, Nov 2011)

The United Arab Emirates is the UK’s largest export market in the Middle East and North Africa.
(UK Trade & Investment, Jun 2011)
Regional companies are increasingly driving the global business agenda

**Gulf Today**

Beko, the international home appliance brand from the Turkey-headquartered Arcelik Group, announced an expected 250% growth in sales by 2016 in the Middle East region, driven by the company’s commitment to creating products designed with the environmentally-conscious consumer in mind.

**Mining Reporter**

Anglo American announces the successful commissioning of the third of its four major growth projects during 2011, delivering on the company’s strategic plan to drive substantial organic volume growth from approved projects across its copper (+43%), nickel (+180%) and iron ore (+80%) businesses.

**Wall Street Journal Europe**

Emirates Airline, the Middle East's biggest carrier, will continue to pursue an aggressive growth strategy despite a hike in fuel cost. The carrier kicked off the Dubai Air Show Sunday with the single-largest commercial aircraft order in Boeing Co.’s history, snapping up 50 wide-body 777-300s.
Our own customer research shows that expansion into the region is a top priority for our customers.

**Nestle** to invest **$400 million** in the Middle East during the next three years.

Following strong growth in Africa and Latin America, **SABMiller** will invest more than **$260 million** to build capacity in these subsidiaries.

**Unilever** recently identified Turkey as one of its **key markets** moving forward. It will also become the operational base for 36 countries.

Source: company announcements
Innovative networked IT services investments create a £5.4bn market opportunity for BT

Of the following issues, which are the three most important to your organisation at the moment?

- Virtualizing servers: 33%
- Simplifying WAN structures: 35%
- Converging voice and data onto IP: 25%
- Improving performance of WAN applications: 44%
- Improving WAN security: 40%
- Putting Video over WAN: 18%
- Deploying Unified Communications: 22%
- Moving towards Cloud Computing: 27%
- Deploying Apps on Mobile Devices: 19%

**Customer’s IT priorities**

- Improving network performance
- Enhancing network security
- Optimizing network infrastructure
- Seizing the opportunity of cloud computing

“Increasingly BT appears to be readying its global customers’ networks for upcoming cloud services, especially supporting customer operations into emerging markets such as China, South-east Asia, and the Middle East/Africa.”

Ovum

Source: IDC Webinar, European Telecom Operators – Expansion into Emerging Markets, November 2011 (Middle East and Africa combined, based on 258 interviews with IT professionals in Africa and 257 IT professionals in ME).
BT has substantial operations across the region, and is delivering services to leading customers in key sectors

Key facts:
- Operating since 1985
- Three regional hubs: Johannesburg, Istanbul and Dubai. A joint-venture in Saudi Arabia
- Supporting 600 customers in 45 countries across the region
- Offering a wide range of networked IT services including IP infrastructure, application services, outsourcing solutions and business transformation

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“BTGS’s vertical initiatives represent an industry strategy that is fully integrated with its global MNC efforts.”

Ovum 2011
A strong reputation with local, regional and global businesses operating across the region.
Already serving customers in Turkey

- Direct sales operations since 2004 with sales and support staff based in Istanbul and Ankara
- Over 650 satellite site connections serving 17 customers in Turkey and in the Middle East and North Africa region as well as Central Asia. Over 850 MPLS network connections
- More than 360 BT Radianz connections serving financial services industry in Turkey
- Istanbul is a regional hub serving more than 250 customers in Turkey, Greece, Israel, Malta and Cyprus

“BT enjoys a unique position in Turkey with its satellite centre of excellence in Istanbul, providing services to customers across the whole Middle East and North Africa region as well as Central Asia.”

Luis Alvarez, President, BT Global Services EMEA & Latin America
Already serving customers in the Middle East

- Dubai office designated regional hub for operations in the Middle East and North Africa in 2006, providing support for customers based across the region
- Supporting over 200 customers at more than 1,300 locations
- More than 700 BT Radianz connections serving financial services industry
- Presence in Saudi Arabia through a joint venture
- First telco-focused Research and Development Centre in the Middle East in collaboration with Etisalat and Khalifa University, located in Abu Dhabi

“Real-time access to customer data is a critical requirement for Emirates as we expand globally, and BT was able to quickly identify Emirates’ business demands as both an airline company driven by efficiency and a customer-centric approach.”

Richard Vaughan
Head of Operational Services
Emirates’
Already serving customers in South Africa

- Present on the market with direct sales operations since 1992 with sales and support staff based in offices in Johannesburg, Cape Town and Durban
- Supporting over 200 customers at over 700 locations
- More than 300 BT Radianz connections serving financial services industry
- Black Economic Empowerment (BEE) partnership with Sekunjalo signed in 2008
- Networks and customer support delivered from service centre in Durban, one of the first ITIL certified centres in South Africa

“Only a few suppliers could cover key global markets. In the final analysis we chose the BT HP Alliance because it proposed the most complete solution. It also put forward the strongest financial case for taking costs out of our ICT environment.”

Craig Charlton
Group Head of IM
Anglo American
We’re recognising the region’s potential with new investments and a solid expansion plan

Building on our long term commitment to the region, we are accelerating our growth:

1. **Investing in our network infrastructure:**
   Improving our network reach across the region, as part of our global network approach

2. **Innovative new products and solutions:**
   Launching innovative new products and solutions

3. **Expanding our team:**
   Adding skills and capabilities, as well as new partners to increase our presence

“This plan will result in doubling the size of our business, benefiting our existing customers and addressing new emerging multinational corporations.”

Jeff Kelly, CEO
Investing in infrastructure, improving coverage for our customers

- **Further enhancing** our infrastructure with **3** additional network nodes in the UAE, Qatar and Oman

- **Global Ethernet** enablement in **4** countries (Turkey, UAE, South Africa, Saudi Arabia)

- **Network interconnection agreements** in South Africa and Turkey, expanding the reach into **12** additional countries in Sub-Saharan Africa and enhancing network coverage in Turkey

- **Investment into own infrastructure** connecting Johannesburg to SAT3 undersea cable and the world

- **A global Centre of Excellence for satellite communications in Istanbul** with coverage in the Middle East, North Africa and Central Asia

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**BT Connect**

Networks that think
Expanding own infrastructure in South Africa

- **International routing facility** at Melkbostrand SAT3 landing station, providing for direct access to subsea cable, connecting Africa to the world

- **Investment into FibreCo’s** new network connection between Cape Town and Johannesburg, turning BT into the first global operator in control of its own network infrastructure in South Africa

- **Network interconnection** with Internet Solutions, expanding network reach into Angola, Botswana, Ghana, Kenya, Mauritius, Mozambique, Namibia, Nigeria, Tanzania, Uganda, Zambia and Zimbabwe

- **Data Centre services** deployed via own infrastructure and strategic partner facilities in the region
Launch of new, innovative products and services

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<td>• Ethernet Access coverage in 21 cities across MEA</td>
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<td>• BT Ethernet Connect Global expanded to 4 countries</td>
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<td></td>
<td>• New BT IP Connect nodes in Oman, Qatar and UAE</td>
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<td>• Fibre investment in South Africa optimizing network costs</td>
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<td>• BT Connect Applications including Diamond IP in South Africa, Saudi Arabia, UAE and Turkey</td>
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<td>• BT One Managed Microsoft Lync in South Africa, UAE and Turkey</td>
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<td>• BT One Cloud in South Africa, UAE and Turkey</td>
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<td>• BT Contact Global Inbound and new Voice Gateway infrastructure in UAE and Turkey</td>
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<td>BT Compute</td>
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<td>• BT On Demand Compute in South Africa, Saudi Arabia, UAE and Turkey delivered from BT Cloud</td>
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<td>• BT Data Centre Services deploying own data centre in Istanbul and partner facilities in South Africa</td>
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<td>• BT Assure Managed Firewall, Ethical Hacking, Securemail</td>
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Expanding our team with 170 new professionals

- Strengthening our technical expertise in ICT Security, IT Services and Unified Communications
- Sector-specific expertise in financial services, consumer packaged goods, manufacturing, logistics and telecommunications
- Enhancing our design and delivery capabilities
- Strengthening our network control and customer service centre in Durban

“BT continues to be innovative and adaptive in its overall business model as it moves up the services value chain”

Current Analysis
BT Advise
Knowledge that delivers

- Over 50 highly skilled BT Advise professional services specialists to support customer needs and locally deliver consulting, integration and managed services

- Professional service practices in Customer Relationship Management, Unified Communications, IP Networks, Security and IT Services

- Sector-specific expertise with focus on global banking and financial markets, government and health, consumer packaged goods, logistics and manufacturing

“BT Global Services' in-house consulting and professional services strengths are a differentiator. BT has done a good job of packaging these into “Quick Start” engagements around key areas such as mobility, security, unified communications and IT operational efficiency.”

Sandra O’Boyle
Current Analysis
The investments we’re announcing today will result in BT doubling the size of our operations

- Growing to around 400 employees
- Adding more than 50 consultants-strong professional services team drawing on expertise of BT’s global practice
- Connecting 6,000 customer sites across the region
- Expanding to 21 network points of presence and new interconnection agreements further expanding reach
- Rolling out Ethernet services to 21 cities, including Istanbul, Dubai, Abu Dhabi, Riyadh, Casablanca, Manama, Doha, Cape Town, Johannesburg, Pretoria
- Launching new products and solutions across the region
- Establishing a regional satellite centre of excellence in Istanbul, Turkey
- Strengthening sector-specific expertise in financial services, consumer packaged goods, manufacturing, logistics and telecommunications
BT is embarking on a new chapter in its journey across the Middle East and Africa

Customers want to work with a global managed networked IT services leader, operating globally and delivering locally to help them thrive in a changing world

- Global assets: people and technology
- Industry experience and solutions
- Professional Services people and capability
- Innovation and new solutions based on strength in the UK

Building on our long term commitment to the region, we are:

- ✔ investing into our network infrastructure
- ✔ launching new products and services
- ✔ adding additional people to the existing team

Operating globally and delivering locally for the world’s leading organisations.
Thank you!