

Orange Channel Briefing

PAYM v1

January/February 2010

Issued 28th November 2009

Changes are highlighted in blue

Headlines

Priorities

1. a) Pay monthly talkplans
b) Mobile internet bundles
c) Sat Nav with Orange Maps
d) Out of bundle rates
2. 36 month handset contracts
3. a) SIM Only – 30 Day
b) SIM Only – 18 Month
4. Magic Numbers

What starts

1. Unlimited texts on Panther plans (24month)
2. 17.5% VAT pricing – all prices in this document are shown at 17.5% VAT (Archived documents will show 15%)

What ends

1. Free Mobile internet browsing 500MB – on plans £30 24month plans
2. 15% VAT pricing

For all other proposition support, please refer to <http://enable.orange.co.uk/hub>

1. a) Pay monthly talkplans

The pay monthly market has changed significantly in the past 18 months with strong growth on lower end talkplans and SIM Only. Whilst Orange is performing well from a volume point of view, this shift towards the low end is not sustainable and we will continue to face the following challenges throughout 2009:

- More commoditisation = less differentiation between brands
- Less 'currency' in minutes and texts – further investment at the low end will continue to drive down value, difficult to invest at the high end as customers can get what they need at a much lower price point, there is again less differentiation between brands
- Declining prices across the market = lower ARPU, we need to find new ways to drive revenue
- Challenging sales mix – we need to restore our mix away from the low end and back to £35+, an area where we used to dominate
- Following extensive research a new range of SIM Only, 24 and 18 month packages have been created. The research showed that customers are more engaged and interested in multimedia than ever before. Key elements have therefore been included throughout the refresh to help generate new revenue and create a point of differentiation from Orange. These are mobile internet browsing, Email with BlackBerry and Sat Nav (Orange Maps). The key changes are:
 - Enhancement of minutes and texts across selected price points
 - Removal of all Canary packages to streamline the range (connections to Canary have been very low)
 - Removal of high end benefits positioning of Panther – Panther is now positioned around its key benefit which becomes unlimited Email. This will only be available on BlackBerry's to begin with
 - 500MB anytime mobile internet browsing included on selected high tier packages
 - Positioning chargeable browsing bundles into the tariff structure
 - Sat Nav (Orange Maps) included with selected mid to high tier packages but will also be subject to handset compatibility.
 - Simplification of out of bundle rates
 - Stepped approach to aid up-sell and re-establishment of mix towards the higher end
 - These changes take effect from 2 April 2009 and will be the only consumer tariffs available to new and existing customers after this date.
 - Existing customers can and will continue on their existing talkplan until requesting any changes
 - They can migrate to a refreshed talkplan at point of upgrade or during their contract in line with standard migration rules
 - When migrating, customers may lose any benefits associated with their existing plan. This is particularly important with customers on existing Panther talkplans who won't necessarily keep benefits such as free Answer Phone when migrating to selected new Panther talkplans as Panther has now been repositioned.

For information on our new iPhone pay monthly tariffs please visit www.orange.co.uk/paymonthly

a. 24 and 18 month tariffs

Example 24 month reference table displayed by all possible individual plans:

Package	Dolphin							Racoon						Panther				
	£15	£20	£25	£30	£35	£40	£70	£20	£25	£30	£35	£40	£70	£25	£30	£35	£40	£70
Minutes	100	200	400	600	900	1200	3000	200	400	600	900	1200	3000	400	600	900	1200	3000
Texts	Unlimited Texts							300	300	500	500	500	500	300	500	500	500	500
Segmented benefit	Unlimited Texts							Unlimited UK landline minutes						Unlimited Email & Text				
Mobile Internet	500MB for £5.00 a month			500MB included				500MB for £5.00 a month			500MB included			500MB included				
	Unlimited for £10.00 a month			Unlimited for £5.00 a month				Unlimited for £10.00 a month			Unlimited for £5.00 a month							
Sat Nav	£5 per month		Included					£5 per month		Included				£5 per month	Included			
Additional benefit	Excluded				Itemised Billing and Answer phone			excluded			Itemised Billing and Answer phone			excluded		Itemised Billing and Answer phone		

Notes on all 24 month tariffs:

Business rules on 24 month tariffs:

- Dolphin is available on plans 15 upwards (unlimited texts), Racoon is available on plans 20 upwards (unlimited UK landline calls), Panther is available on plans 25 upwards (unlimited email only available on Blackberry's)
- Orange Maps included subject to device from plans 30 upwards.
- On 35 plans upwards 500MB of anytime mobile internet browsing is inclusive. This can be upgraded to unlimited for an extra £5.00 per month.
- As an option on all plans 15 – 30, we are offering the £5.00 per month bundle of 500MB of anytime mobile internet browsing or £10.00 per month bundle for unlimited anytime mobile internet browsing.
- Customers will benefit from free Answer Phone and free itemised billing from plans 40+.
- All new Dolphin and Racoon customers who join on plans £30 and below, who do not take up the £5.00 chargeable option will have 2 months free unlimited evening and weekend browsing automatically applied to their account. After the trial period this will continue at £5.00 per month unless they opt out. This is also available to upgrading customers on an eligible plan who have not previously had a 2 month trial, see section 1c.
- Talk plans will be positioned as 24 months in store. We will highlight that 18 month plans are available at an extra cost of £5.00 per month (except Dolphin 15 which is only available on 24 months)

Example 18 month reference table displayed by all possible individual plans:

Package	Dolphin						Racoon						Panther				
	£25	£30	£35	£40	£45	£75	£25	£30	£35	£40	£45	£75	£30	£35	£40	£45	£75
Minutes	200	400	600	900	1200	3000	200	400	600	900	1200	3000	400	600	900	1200	3000
Texts	Unlimited Texts						300	300	500	500	500	500	300	500	500	500	500
Segmented benefit	Unlimited Texts						Unlimited UK landline minutes						Unlimited Push Email				
Mobile Internet	500MB for £5.00 a month			500MB included			500MB for £5.00 a month			500MB Included							
	Unlimited for £10.00 a month			Unlimited for £5.00 a month			Unlimited for £10.00 a month			Unlimited for £5.00 a month							
Inclusive Sat Nav	Excluded		Handset Specific				excluded		Handset Specific				excluded		Handset Specific		
Additional benefit	Excluded			Itemised Billing and Answer phone			excluded			Itemised Billing and Answer phone			excluded			Itemised Billing and Answer phone	

Notes on all 18 month tariffs:

- Dolphin (unlimited texts) and Racoon (unlimited UK landline calls) available from 25 plans upwards
- On 30 plans upwards Panther is available (unlimited email only available on Blackberry's and selected Nokia handsets and Orange Maps included subject to device on 35 plans upwards
- On 45 plans upwards 500MB of anytime mobile internet browsing is inclusive This can be upgraded to unlimited for an extra £5.00 per month
- On 45 plans upwards customers will also benefit from free Answer Phone, free itemised billing and dedicated customer services line
- As an option on all plans 25 – 40, we are positioning the £5.00 per month bundle of 500MB of anytime mobile internet browsing or £10.00 per month bundle for unlimited anytime mobile internet browsing.
- All new Dolphin and Racoon customers who join on 25 – 40 plans who do not take up the £5.00 chargeable option will have 2 months free unlimited evening and weekend browsing automatically applied to their account. After the trial period this will continue at £5.00 per month unless they opt out. This is also available to upgrading customers on an eligible plan who have not previously had a 2 month trial

1. b) Mobile internet browsing

A range of mobile internet browsing options, bundles and offers, some of which are being positioned as part of the tariff refresh. All pay monthly customers will benefit from:

- Free personalised home page – highlighting new services which include links relevant to them
- Usage cap – customers browsing outside of an inclusive amount or bundle will never be charged more than £1.50 per day
- Free download area – customers can browse this area for free, data charges for the download will be free and customers will be clearly informed how much the download item itself will cost before any download commences
- Communication of free areas – all the free pages are clearly indicated to customers so they are aware when they will have to pay for browsing
- Free search tool and free music area

Please note:

- New and existing customers are now provisioned with a flat rate tariff for out of bundle browsing which is £3 per MB
- Roaming is charged at £8 per MB in roaming zones 3-7 and £3 in zones 1 & 2 – see www.orange.co.uk/abroad
- The £1.50 daily cap applies to UK usage only

Refer to archive for breakdown of Mobile internet browsing bundles

1. c) Sat Nav with Orange Maps

Orange Maps is a service that allows customers to enjoy the benefits of Sat Nav on their mobile phone with low monthly subscriptions. There are 2 bundles to choose from – Orange Maps Basic and Orange Maps premium. The basic package will be inclusive with selected 24 and 18 month talk plans for customers with a compatible device, see section 1a for details.

Sat Nav by Orange Maps includes:

- Constantly updated maps with up to date information
- Turn by turn GPS guidance with 3D maps and voice instruction
- Pedestrian optimised navigation for when you're on foot
- Local search of thousands of locations including restaurants and petrol stations
- Information you need to call various points of interest
- Send locations to your contacts via text message

Orange Maps Basic – inclusive with selected talk plans or £5.00 per month including European coverage

Orange Maps Professional - £7.50 per month, also includes live traffic updates and speed camera alerts

This is available to all new and existing pay monthly customers, subject to handset compatibility. The range of compatible handsets is always updated – see www.orange.co.uk/orangemaps

The application will be embedded on some of the available devices. For all other applicable devices customer should download the application for free by visiting www.orange.co.uk/orangemaps to start using the service.

Business Rules

- Unlimited use applies to Orange Maps in the UK only and not other data usage
- Standard data roaming charges apply outside the UK
- European coverage is available in the following countries – Republic of Ireland & Channels Islands, Albania, Andorra, Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Norway, Portugal, San Marino, Slovakia, Spain, Sweden, Switzerland, Vatican City.
- All Orange Maps Professional features are available in the UK but may not all be available in every European country listed above.

1. d) Out of bundle rates

UK Out of bundle rates for Orange to Orange, cross network and landline calls have been simplified and from April 2nd at 20p per minute flat rate will apply to out of bundle calls of this type.

UK Calls per minute	Charge @ 17.5% VAT	
Non Geographic numbers (0845 & 0870)	20p	
Freephone numbers* (0800/0808/050)	15p	
Standard UK landlines (01/02/03)	20 p	
Orange to Orange	20p	
Answerphone	12p	
Orange to other UK networks	20p	
07 call forwarding services	maximum of 20p	
070	maximum of 75p	
08	maximum of 55p	
09	maximum of £1.70 per min or per call	
Minimum call duration/charge	5p	
Text Messages	12p	
SMS delivery receipts	1p	

*Charity lines supported by the Telephone Helpline association will remain free

Please note that customers who connect on or before 1 April 2009 will continue to pay the previous out of bundle rates for calls to UK landline, Orange numbers and other UK networks

- Standard UK Landlines – 12p per minute
- Orange to Orange calls – 12p per minute
- Orange to other UK networks – 35p per minute

2. NEW: 36 Month handset Contracts

What is it?

Our new range of low end 36 month contracts are now available on pay monthly. By signing up for one of our new tariffs, the customer will get a handset upon connection and will also be entitled to an in-life upgrade 18 months in to contract by calling CS. This offers only a limited range of handsets. There are 3 price points ranging between £5 and £15.

	36 Month		
Package	£5	£10	£15
Price	£5.00	£10.00	£15.00
Minutes	50	100	200
Texts	50	300	1000*

*Note reduction in texts on Orange 15 from unlimited to 1000 from 1 July 2009

Who can have it?

Available to all new customer and those upgrading.

When is it available

From 1 June 2009, on-going.

Business Rules

- Mid contract upgrade must be claimed through CS
- Minimum call charge of 25p
- Customer is not eligible for Magic Numbers
- Buybacks are not available with 36 month contracts
- Discounted broadband is not available with 36 month contracts
- Customers are not eligible for TRY
- Your Group is not available

The out of bundle charges are as follows:

	Out of bundle 36 month contracts
UK calls (per min)	25p
Voicemail (per min)	25p
Minimum call charge	25p
Texts (per text)	15p

3. SIM Only

a) 30 Day contracts

Our SIM Only plans have also been updated in line with the tariff refresh. They will continue to be available on a 30 day rolling contract. As we are not giving away a new handset, we have been able to reduce the level of credit check for SIMO packages. If a customer fails a handset credit check, they can be re-credit checked for SIM Only.

Example SIM Only reference table displayed by individual plan:

Package	Dolphin				Racoon			
	£15	£20	£25	£30	£15	£20	£25	£30
Minutes	200	600	700	1200	300	600	700	1200
Texts	Unlimited Texts				100	100	100	500
Segmented benefit	Unlimited Texts				Unlimited UK Landline Calls			
Mobile internet	(excluded)		500MB included		(excluded)		500MB included	

- SIM Only is available to new customers and those moving from Orange PAYG
- Customers who wish to migrate from a standard talk plan to SIMO can do so once they are out of contract by calling CS
- Orange pay monthly customers cannot upgrade to SIM Only in store - they need to call 150 and upgrade through retentions.
- 10% line rental discount offers are not applicable with SIM Only (as only available on minimum 18 month contracts)
- SIM Only is not available with any other offers or promotions; this includes Magic Numbers, gift with purchase and Buyback
- Please be aware that the reduced SIM Only credit check (available since 8 October 2008) will not guarantee acceptance to all customers and any customers wanting a combination of SIM Only and standard contracts must be credit checked using the highest value talk plan requested, as per normal business rules.

From 1 June, we updated our out of bundle rates for SIMO contracts. The following prices are different to handset connections (listed in section f):

Out of bundle SIMO	
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UK calls (per min)	25p
Voicemail (per min)	25p
Minimum call charge	25p
Texts (per text)	15p

3. b) SIMO 18 Month contracts

What is it?

Our SIM Only plans have been extended to include a range of 18 month SIM Only plans. Price points will start from £10.00 up to £30.

18 Month plan				
Dolphin				
Package	£10	£15	£20	£30
Minutes	100	300	800	1600
Texts	500	Unlimited text		
Segmented Benefit	Unlimited text			
Mobile Internet	(excluded)			500MB Included

- Please note that the level of credit check will currently be in line with pay monthly h/set credit check, not the SIMO 30 day contract.
- Customers taking this offer will also be eligible for Magic Numbers

Who can have it?

The new tariffs will be available for all new connections and upgrades.

When is it available?

The £10 tariff is available from 2 May 2009. All others price points are available from 1 June 2009, these are on-going.

Business rules

- Broadband discount is not available with 18 month SIMO contracts.
- Talk with Blackberry is not available with SIMO 18 month.
- Not available with buybacks
- Customers of SIMO are not eligible for TRY
- Out of bundle rates are aligned to 30 day SIMO as follows:

	Out of bundle SIMO (18m)	
UK calls (per min)	25p	
Voicemail (per min)	25p	
Minimum call charge	25p	
Texts (per text)	15p	

4. Magic Numbers

What is it?

PAYM customers who sign up for a minimum contract of 18 months can nominate another Orange mobile number or landline number connected to the home broadband package, which they can make unlimited calls for the life of their contract. The customer can then add another Magic Number every 6 months after, which will continue even when they are out of contract

Who can have it?

- Customers joining or upgrading on 18 or 24 month contracts

When is it available?

- On-going

How do they get it?

- Customers can register by calling CS, using the Magic Numbers IVR, calling 150 from their handset, register online at orange.co.uk/youraccount.
- Customers on existing legacy talk plans can now have Magic Numbers as a loyalty promotion when they upgrade. With a phone on 18 month contracts or without a phone on 12 month contracts.
- If customers who are on the legacy 'pay for a minute' Magic Numbers proposition complain about not having the new proposition then they can switch to the new offering through customer services. However once they start the unlimited offering they will lose any accrued Magic Numbers and will start with one new Magic Number.

Comms messages:

Following a ruling by the ASA, Magic Numbers positioning needs to be updated with immediate effect. The ASA felt our positioning was wrong because Magic Numbers is not "free" per se, but only free when received as part of an eligible talk plan. So we revised the positioning statement, verified it with Brand and with Legal. The ASA recently responded to us and have accepted this revised positioning:

"Pick an Orange number and enjoy unlimited calls as part of your plan. Add another number every six months, for as long as you stay on an eligible tariff."

Please incorporate this revised wording and the sentiment it catches.

Magic Numbers are available to new and existing customers signing an 18 month contract. A Magic Number can include any Orange UK mobile number or landline number connected to the home broadband package.