

22. SITA

22.1 COMPANY INFORMATION

Exhibit 41 – SITA at a glance

Shareholders	603 members in airlines and transport related companies
Director General	Mr John Watson
Established	1949
Revenue 2000	US\$ 1.57 billion (later financial results not published)
Investments	SITA Telecommunications Holdings (US\$300 million)
Shareholdings & partnerships	<ul style="list-style-type: none">• Subsidiary companies: SITA Telecommunications Holdings• Global alliances with Belgacom and TMI
Headquarters	Geneva
Branches	220 countries & territories
Employees 2002	3,800

Societe Internationale de Telecommunications Aeronautiques (SITA) is the world's major provider of global information and telecommunications solutions to the air transport industry. With over 50 years experience, it offers total service to around 740 air transport industry members and more than 1,800 customers, supporting them globally in over 220 countries and territories.

Since 1949, when it was founded as a non-profit cooperation under United Nations auspices, SITA has been delivering services to the air transport industry, and has built a massive network to coordinate airline data around the world.

SITA's customers include airlines, aerospace, airports, airfreight, travel and global distribution companies, airport authorities and governmental organisations.

Originally, SITA - together with its then partner companies, Equant Network Services, Equant Integration Services and Equant Application Services - owned and operated the world's largest international voice and data network. Because they were provided over a single, seamless global network, SITA's solutions are fully managed end-to-end. They include global voice solutions, call centre solutions, intranet, extranet and Internet solutions, remote access services to corporate information over local dial-up lines, and many other wide area network systems and services.

In November 2000, France Telecom bought control of Equant and merged it with its international arm Global One. The merger was completed in June 2001. The Equant/Global One combination will have full control of the SITA-Equant network. Subsequently, SITA announced that it expected to continue using the Equant network through a proposed 10-year renewable strategic agreement with France Telecom and Equant, replacing the original joint venture agreement with Equant.

In the second half of 2000, SITA restructured itself into three key divisions. First, the Customer Relationship Management Division reflects the company's strategy of increased customer service. This division is investing US\$120 million over three years in CRM services and developments. Second, the Commercial Division encompasses the group's sales and marketing activities across the globe. This is part of the company's focus on integrated services for customers. Further reflecting this strategy, SITA established the Infrastructure Services and Strategic Development Division.

In October 2001, SITA acquired the Equant Applications Services (EAS) business unit from France Telecom. The unit will operate as SITA Advanced Travel Solutions, a subsidiary of SITA Information

Networking Computing, and will continue to provide Web-based applications and e-commerce integration services for the travel and transport sectors.

22.1.1 Historic revenues

Table 81 – Revenue for years ending December – 1995-2000

Year	Revenue (US\$ billion)
1995	1.1
1996	1.3
1997	1.5
1998	1.2
1999	1.4
2000	1.6

(Source: Paul Budde Communication based on company data.)

The company no longer publishes financial results.

22.1.2 Brief company history

1949

- Founded as a cooperative by 11 international airlines as non-profit organization.

1950

- SITA's first telecommunications centre opens in Rome.

1966

- Introduction of SITA's first message switching computer.

1972

- SITA creates International Telecommunications Services - ITS (now EQUANT Integration Services) to provide integrated network solutions to SITA members.

1981

- Introduction of the Data Transport Network, the core of SITA's advanced network.

1984

- VHF AIRCOM, SITA's first air-ground service is introduced.

1990

- Scitor (now EQUANT Network Services) is established, as a commercial subsidiary, to provide value-added network services to markets outside the air transport industry.

1993

- SITA purchases a 70% stake in EQUANT Application Services - formerly Novus.

1996

- SITA signs a US\$400 million outsourcing contract with SABRE computer services, adding 24,000 connections to the network in the USA. The world's first Electronic Travel Authority System (ETAS) is implemented for the Australian Department of Multicultural Affairs by SITA and CPS systems. SITA's corporate intranet access is the world's first solution offering companies fully managed and dedicated single-supplier, multi-country access. Asynchronous Transfer Mode (ATM) technology begins to be installed progressively over the SITA network to enable the transport of mixed voice and data traffic.

1997

- VARIG outsource their domestic network to SITA in a 10-year, US\$129 million contract. Scitor rebranded as Equant Network Services. SITA and Air France combine their telecommunications networks and services in France and is also awarded a contract valued at one billion Francs (US\$160 million), over a period of seven years. Equant successfully completes its Initial Public Offering (IPO) on July 21, 1998, raising US\$768 million on the New York Stock Exchange and the Paris Bourse. Equant NV is announced, as the new name for the holding company STH, with three operating divisions: Equant Network Services, Equant Integration Services (formerly ITS) and Equant Application Services (formerly Novus). SITA and Equant remain joint venture partners operating the world's largest commercial data network in terms of geographic coverage.

1999

- SITA celebrates 50 years of serving the air transport industry. With 679 members using SITA's services across a network that extends to over 220 countries and territories, providing the world's largest geographic reach.

2000

- France Telecom bought Equant, which resulted in the termination of the SITA-Equant joint venture which owned and operated their network.

2001

- SITA expected to continue using Equant's network through a proposed 10-year renewable strategic agreement with France Telecom and Equant, replacing the joint venture agreement with Equant. SITA acquired the Equant Applications Services (EAS) business unit from France Telecom.

22.2 SERVICES

Basic network services are offered through SITA SC, and value-added services are offered through SITA INC (Information Networking Computing), headquartered in Amsterdam, the Netherlands; and its network services through SITA SC, headquartered in Geneva Switzerland.

SITA services, whether managed or outsourced are based around two main areas: application services and a wide portfolio of customer infrastructure services, including the network and desktop. E-commerce and e-business applications, along with Application Service Provision (ASP) are areas of strong focus and are fully integrated with SITA's desktop and network infrastructure services. The portfolio of value-added solutions is provided to the air transport industry over a single, seamless global voice and data network - the largest in the world. This enables SITA to offer fully managed end-to-end or desktop-to-desktop solutions, with global service provision backed up by local presence.

22.2.1 E-business, ASP and IP services

SITA is taking a leading role in transforming e-business within the air transport industry. It has an independent ASP venture with SAP, and is also the majority owner of Aerospan.com, the comprehensive, neutral, e-marketplace to enable the global air transport industry to plan, source, buy, sell and collaborate online.

These ventures form a major part of SITA's e-business capability and are complementary to SITA's digital certification service and portal, sponsored by Airbus, for the distribution of technical documentation, called IDIS (Interactive Distributed Information and Support). They are fully integrated with its wide range of IP enabled applications and infrastructure solutions and value-added services, including a growing portfolio of managed security services and Internet-hosting services:

- **Enterprise Hub services** – connecting existing electronic messaging, Electronic Data Interchange (EDI) and other systems with other directory services;
- **Clearing House services** – a framework for electronic commerce and trade for business communities;
- **SPEC2000** – electronic trading for the airline and aircraft manufacturing industries using the Air Transport Association electronic commerce standards for aircraft parts procurement.

These services are tailored to suit the needs of the following industries:

- **Airlines** – includes integrated reservation and booking services to manage fares-analysis, passenger reservation and automated ticketing; baggage services to manage passenger baggage; flight management services to facilitate the flight operations of airlines; aeronautical mobile services for airlines' air-ground communication; a full portfolio of communication, outsourcing, IP, e-business and consulting services for the airline industry; and specific solutions to support the requirements of alliances and regional airlines.
- **Airports** – services to more than 500 airports on six continents, helping airports to combat congestion, maximize limited resources, improve operating efficiencies, reduce costs and help identify new streams of revenue. SITA's CUTE is used by over 270 different customers, including airport operators, airlines and their handling agents, representing over 21,000 intelligent

workstations worldwide at 185 sites. SITA's Airport-in-a-Box integrates all critical airport applications, network, hardware and support systems to automate and combine both operational and business activities. A centralized database ensures accurate information is available to all parties and the core applications include Airport Central – airport operations and management database;

- **AirportVision** – airport information display system and AirportResource Manager - automatic schedule and allocation of key airport equipment. Additionally, using its Internet and wireless technologies SITA can extend traditional passenger processing and flight information displays to the surrounding community.
- **Aircraft** – provides airlines with air-ground communications for flight operations, aircraft maintenance and engineering, air traffic control and cabin administrative communications, as well as inflight e-mail, Internet access, telephone and fax services for passengers. Around 990 commercial aircraft of more than 40 airlines, and over 500 corporate aircraft routinely use SITA's SATELLITE AIRCOM for air-ground communications, more than any Inmarsat service provider. SITA has the world's largest VHF AIRCOM network and SITA's VHF datalink is offered in more than 160 countries and territories by 637 ground stations. AIRCOM supports real-time planning and tracking within an airline flight operations centre with a range of integrated solutions including AIRCOM Crew, AIRCOM FleetWatch and AIRCOM Flight Briefing. Over 100 airlines operating some 4,400 aircraft now use SITA's VHF AIRCOM or SATELLITE AIRCOM networks and 22 ATS providers use ATS AIRCOM for data link messaging.
- **Aerospace** – AeroNet – the world's first Intranet – has over 100 users, and using industry forums such as the Aerospace Focus Group, AeroNet Technical Advisory Board and the establishment of the Digital Certification Workgroup, SITA continues to develop and provide IT solutions specifically for the air transport industry.
- **Logistics and airfreight** – over 200 airlines, forwarders and ground-handling agents worldwide use SITA's cargo management services, managing the operating environment at some 140 airports. SITA has the world's largest multi-hosted cargo automation service, SuperCargo, currently in use by over 50 airlines worldwide, processing over 6 million airway bills in 2000. SuperCargo Online provides Internet and Intranet access to SITA's cargo services.
- **International relations and government** – SITA's iBorders' portfolio of integrated services enables governments to streamline passenger processing while considerably improving border security management. The iBorders portfolio evolved out of the Electronic Travel Authority System (ETAS) and Advanced Passenger Processing (APP) technology, developed by SITA in partnership with Carrier PreSelection (CPS) Systems and the Government of Australia. These technologies were first used successfully by the Australian Government to efficiently manage record numbers of visitors to Sydney during the 2000 Olympic games.

22.2.2 IP and network infrastructure

SITA's Internet Protocol (IP) solutions are designed to meet the air transport industry's requirements for security and performance. SITA is leading the migration to network computing and IP solutions for global high-speed and Internet-related services have been signed with British Airways, Cathay Pacific, Emirates and KLM. SITA supports a full portfolio of managed network services and offers integrated voice and data over IP; wireless; mobile; security; customer information and service management services.

Over 100 major international airlines, the leading aerospace companies and several airports use SITA's Internet technology services, ranging from Virtual Private Network (VPN) services for private corporate Intranets, to AeroNet its industry extranet, and global Internet access services.

In June 2001, SITA expects to supply network services through a proposed 10-year renewable strategic agreement with France Telecom and Equant, replacing the joint venture agreement with Equant. The agreement is a key building block in SITA's strategy to continue to provide competitive network services globally, integrated with value-added applications and with the desktop environment:

- **Corporate Internet Access** – a fully managed dedicated Internet connectivity solution for multinational businesses;
- **LAN Access Internet Gateway** – easy, reliable connectivity to the Internet from within a multi-protocol corporate network;

- **Internet Hosting** – a customized solution to establish an Internet presence quickly and professionally with interconnection to reservations and fares systems;
- **Intranet Connect** – the means to build a high-performance, reliable and secure private communications environment, connecting the global enterprise;
- **Network solutions for Lotus Notes** – to enable multinational organisations to establish fully managed global networking and information strategies for their Notes users;
- **AeroNet** – SITA AeroNet is the world's first community intranet, dedicated to the needs of the aerospace industry. AeroNet has all the capabilities of an 'open' Internet service, but with the end-to-end management, flexibility and security required for corporate communications;
- **Intranets for airfreight** – a network service that links all the trading partners involved in the freight sector worldwide, using a global community intranet;
- **IP@SITA** – a portfolio of products and services that uses Internet Protocol to provide reliable and secure access to corporate information via a private network infrastructure;
- **CoAction@SITA** – solutions to facilitate companies' ability to work collaboratively across multiple locations and communicate internally and externally;
- **CallCentre@SITA** – a full range of call centre outsourcing solutions that could include inbound and outbound services to handle orders, direct marketing, helpdesk, inquiry support, etc;
- **MobileConnect@SITA** – a range of remote access solutions to improve the efficiency and productivity of travelling/mobile staff through worldwide connectivity and unified integrated information services;
- **Internet Dial** – provides global Internet access and roaming. Internet Dial customers have access to more than 200 cities through a single provider, eliminating the need for multiple local ISPs. The service makes use of the international SuperPOP infrastructure, which includes a newly commissioned SuperPOP in Sydney, and local peering agreements with other ISPs to route traffic locally and efficiently.

22.2.2.1 *Managed data networks service*

SITA Managed Data Network Services provide access to a single, seamless network 24 hours a day, seven days a week. SITA's understanding of the global business environment, and their local customer support infrastructure in over 150 locations worldwide ensures effective international communications through a range of networking options – all available from one network provider:

- complete network management and operation, including full support, implementation and management;
- provision of leased lines and networking equipment, worldwide;
- dedicated project and account management to ensure the highest quality services;
- low risk, low cost alternative to private networking.

Direct Access, Dial Access, Local Area Networking and SITAVISION Network management services, are part of SITA's MDNS portfolio.

22.2.2.2 *SITAmail messaging*

SITAMAIL provides fast and reliable corporate communications over the world's largest global network. Over 225 countries and territories, each supported by SITA Network professionals, are directly accessible from laptops, PCs, terminals, LANs and mainframes. Customers electronic mail, groupware, fax and telex requirements are supported on a genuinely global scale, over a single seamless network that operates 24 hours a day, 7 days a week. SITAMAIL includes ADMS (Administration Management Domain) services as well as and X.400 Mailbox service.

22.2.2.3 *Global voice services*

Launched into the corporate voice arena in late 1995, SITA offers Global Voice Services in 64 countries. Negotiations are continuing with PTTs worldwide to enable the service to be offered in still more markets. Australia is one country to be the prime contender for a million dollar voice node to

serve the Asia Pacific region. This announcement followed the launch of a new 24-hour customer service facility opened in Sydney.

SITA claims that this product is unique, offering the only truly seamless international VPN. Existing dial plans can be used and new numbers added to include new sites. The product also features fully managed network configuration, capacity planning, routing and resilience, calling line identification, call screening and barring, a single rate throughout the day and customised pricing. Innovative pricing plans can result in prices that are 50% less than international PSTN prices and up to 20% less than private networks.

22.2.3 Desktop end-to-end solutions

SITA has a fully managed service portfolio, providing end-to-end services on a global basis for the air transport industry. With over 20 years specific desktop experience and managing over 150,000 units of customer equipment worldwide, SITA provides a complete desktop integration solution - covering design, implementation and maintenance of the desktop and local infrastructure environment. A recent contract for desktop infrastructure provision has been signed with British Airways.

SITA has a network outsourcing portfolio of over US\$1 billion with leading airlines and global distribution services and a number of other air transport customers worldwide.

22.3 NETWORK INFRASTRUCTURE

22.3.1 Overview

SITA's network services and solutions are provided over a network with the largest geographical coverage in the world, linking over 2,100 cities in 220 countries with the latest high-performance data and voice switches interconnected through high-speed digital networks. Customers benefit from centralized billing, as well as multi-lingual support throughout the world. Responsibility is taken for all liaison with local telecommunication operators and suppliers:

- in covering 220 countries and territories, the network reaches more countries in the world than the United Nations. The UN has a presence in 185 countries;
- total traffic over the network grew to 170 trillion characters in 2000, up nearly 100 on the previous year.;
- the network reached over 175, 000 user connections in 2000, over a 9% increase on the previous year;
- SITA has provided an international reach for over 40 years;
- the network never sleeps - customers are supported 24 hours a day on a global basis;
- the network is built on the latest high performance data and voice switches interconnected through high-speed digital highways, and including ATM BPX nodes and scores of circuits housed on Passport switches worldwide;
- the network is made up of more than 1,700 circuits representing a consolidated transmission capacity of around 1,400Mb/s and includes over 13,000 managed routers;
- the network consistently achieves core availability of 99.99%;
- SITA maintains 150,000 units of customer premises equipment in the air transport industry, through 170 service delivery facilities worldwide;
- SITA is managing VPNs for over 200 customers worldwide;
- SITA has over 20 years experience of installing and maintaining desktop services for air transport companies, including airports, deploying and managing customized integration services for desktop and Local Area Networks (LAN).

22.3.2 Backbone

With the deployment of frame relay services and the emergence of other broadband technologies such as ATM, SITA has implemented higher capacity switching using both Nortel Networks and Cisco equipment. SITA's network supports all traffic types such as video, voice and transparent data.

The 1300th Nortel Passport node, was installed in May 2001. Growth continues. Used for high-speed access and switching, this type of node allows SITA to offer customers the world's first global network that fully integrates voice, data and video. Nortel Networks was selected in 1990 to supply switching and access nodes for this new generation of network, supporting industry communications standards. Over 2300 Nortel DPN 100 switches, providing customer connectivity to x.25 and SNA, as well as dial access are also currently in operational on the network.

A multi-year agreement is in place with Cisco Systems for carrier-class ATM switches as part of a major program to increase the capacity and speed of its global backbone network.

SITA voice services are supported through Nortel DMS100 and DMS GSP switches located in Atlanta, Frankfurt, Paris, Sydney, London and soon Tokyo, as well as a number of access voice switches dispersed around the world. These switches are linked together via the Passport network, and interconnected locally via in-country telephone networks. Customer access is through either leased lines or dial-up over local telephone networks.

22.3.3 Management support services

SITA has responded to the market demand for project management services by developing and implementing a comprehensive methodology and support infrastructure within the organization. 1,500 engineers and technicians worldwide supply support and equipment maintenance to over 142,000 devices. SITA's consistency of service globally is maintained by highly qualified and experienced staff that has developed a strong relationship with local telecommunications authorities all over the world.

22.3.4 Network supervision, customer support and consultancy

Regional Control Centres supervise the network 24 hours a day, supported by Global Network Control Centres in Singapore, Paris and Atlanta, as well as specialized Centres of Excellence in Atlanta (Messaging), London (Voice) and Sophia-Antipolis (LAN Interconnect).

SITA has five Global Customer Support Centres located in around the world providing high-level software and technical support to customers around the clock, wherever they are located. SITA's teams around the world offer highly qualified engineers and technicians who speak the right languages, know the local culture and maintain good relationships with local operators.

SITA also provides maintenance and support services to customers around the world, offering flexible and customized maintenance solutions to meet specific requirements.

SITA employs experienced consultants to work with customers to identify and define complete networking requirements. SITA's network design/network audit specialists are experienced in the design and implementation of LAN, Wide Area Networks (WAN) and Internetworking solutions. A comprehensive project management service ensures every aspect of the deployment of a customer's IT infrastructure is expertly handled. The integration service includes staging, cabling design qualification, site surveys and cabling installation. Customers' requirements for leading-edge client/server technology are fully supported through experience in a broad range of collaborative computing and groupware technologies such as Lotus Notes and Domino, and in the latest network technologies such as Microsoft NT.

22.4 PARTNER COMPANIES

22.4.1 *Equant*

While SITA meet the air transport industry's requirements for integrated information and telecommunications solutions, worldwide, Equant meets the global communications requirements of a wide range of industries, such as banks and financial institutions, petrochemical organisations, travel agents, tour operators, hotel chains and other multinational organisations.

Equant has regional headquarters are located in Atlanta, London and Singapore, and it has sales, marketing and business support offices in over 22 countries.

Equant and SITA provide services over the same network and work closely together to develop the extent and functionality of the network for the benefit of their respective customers.

In November 2000, France Telecom bought control of Equant and merged it with its international arm Global One. The merger was completed in June 2001. The Equant/Global One combination will have full control of the SITA-Equant network. For more information on these events, see: *France Telecom, chapter 12, page 86* and see separate report: *Equant* at www.budde.com.au.

22.4.2 *France Telecom*

In June 2001, SITA expects to supply network services through a proposed ten-year renewable strategic agreement with France Telecom and Equant, replacing the joint venture agreement with Equant. The agreement is a key building block in SITA's strategy to continue to provide competitive network services globally, integrated with value-added applications and with the desktop environment.

France Telecom is one of the world's leading telecommunications carriers, and provides businesses, consumers and other carriers with a complete portfolio of solutions that spans local, long-distance and international telephony, data, wireless, multimedia, Internet, cable TV, broadcast and value-added services. With the acquisition of the UK mobile operator Orange, France Telecom is the second largest European mobile operator, totalling more than 21 million subscribers. France Telecom is listed on the New York Stock Exchange and Paris Bourse. Wanadoo, France Telecom's consumer Internet subsidiary, has been listed on the Paris Bourse since July 2000.

22.4.3 *The ITS Group*

A wholly owned subsidiary of SEH, ITS is a major international company in its own right. Employing more than 1,000 staff worldwide, ITS operates through subsidiaries covering the Americas, Asia Pacific, Australasia, Japan, Europe, Middle East and Africa.

The ITS Group was founded in 1972 to offer integrated telecommunication product and service solutions to the world's airlines and major multinational corporations. In 2001 ITS is a leading supplier of international network services, communications equipment, maintenance and support to a wide range of customers.

The company is London-based. Through offices in over 100 cities worldwide, ITS brings these key benefits to clients:

- truly global coverage and support;
- a full range of products and services;
- intimate knowledge of conditions in each country;
- local staff who serve customers in their own language;
- all facilitated through a single point of contact.

22.5 CONTACT DETAILS

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