

## Section 2

### Question 11-20

You are going to hear an address given at the annual meeting of an international computer company by the company president. First, look at questions 11 to 16.

As you listen to the first part of the talk, answer questions 11 to 16.

Good morning, fellow members of the board, staff members and our dear stockholders. Welcome to our sixth annual general meeting. It is my pleasure to give you an overview of how the orange computer company has done in the past year. When I have finished, we will be very happy to answer any questions you might have. Most of what I have to say is very encouraging but to get it over with, I'll start with the bad news. Actually, it's not too bad. This time a year ago, we told you that we were about to launch our first mobile phone line. Cell phone for our American friends. After a major promotion, our four mobile phones hit the market exactly one week later. Given our excellent company reputation, very promising results from our market research and what we thought were attractive winning features at very competitive prices, our competitors were ready and waiting, with new models at prices that we had to match. So match them we did. But given the difficulty of breaking into this market, sales have been disappointing both in Europe and especially in North America. Given the massive growth of China's mobile phone production in recent years and our lack of experience in that part of the world, we did not market the phones in Asia. So our mobile phone subsidiary is still limping along, but sales are slowly growing. We believe the long battery life and reliability are beginning to have a larger impact on consumers. So we have planned a new promotion and marketing campaign stressing these two strengths.

Our research also shows that after only a few weeks, most purchasers of the fanciest most expensive mobile phones end up only using the basic functions. Phone calls, messages and chatting. So we will be appealing to the more conservative consumers. Those who look for reliability rather than those who feel they need to always have the very latest and most complicated models. We are confident that we will soon build a strong position in this target market.

Now, look at questions 17 to 20.

As the talk continues, answer questions 17 to 20.

Now for the good news. As you can see in the annual report, total group income from sales increased to just over one point eight three billion euros. A very healthy 9.5%. And net profit after taxes increased to 126 million euros or 18%. So you can look forward to a significant rise in share dividends and an even

bigger increase in the value of your stock holdings in orange computers. Let me briefly describe the main reasons for our even better than expected growth and profits, this past year. One is the fruits of our merger four years ago, with ribbon Optical, Europe's largest camera and CCD maker. Our decision to get into the high-end digital and professional camera market has proven to be the right one. We have been particularly successful in the medical imaging field. Starting from nothing three years ago, our equipment is now being used by twelve percent of Europe's hospitals and we have already, after just 18 months made a promising entry into the North American Market. In fact, just yesterday, we signed a 1.2 million dollar contract with one of America's best-known medical schools. Another major reason for a very profitable year was the increased outsourcing of our programming to India and China. This has resulted in very significant cost reductions on our software side and I am happy to tell you that we managed to increase the proportion of the programming we outsourced, without laying off any of our European programming staff, who we keep for those software and platform projects, that we wish to keep most closely to ourselves. Efforts to increase energy efficiency have also reduced costs. We are also pleased that our decision, explained to you at our meeting a year ago, to stick to our core business and not to enter such areas as games, playstations, music, MP3 and the like. Mobile phones were the one exception, is in our opinion proving correct. The competition is very fierce in these fields with minimum returns and in the case of the music side, extremely costly and legal fees.

**Question 11-13**

Write **NO MORE THAN TWO WORDS** for each answer.

Name three types of people in the audience

11. ....

12. ....

13. ....

**Question 14-15**

Choose **TWO** letters, A-E

Why were sales of the company's new mobile phones disappointing?

- A. The company didn't promote them.
- B. Poor market research
- C. Lack of experience
- D. Competitors were ready with new models.
- E. Not easy to break into the cell phone market

**Question 16**

Write **NO MORE THAN THREE WORDS** for your answer

16. In addition to reliability, what quality will the company stress in its next mobile phone marketing campaign? .....

**Question 17-20**

Write **NO MORE THAN TWO WORDS** for each answer

**17.** The company's professional digital cameras are selling well in the field of .....

List two things that have reduced the company's costs.

**18.** .....

**19.** .....

**20.** The company is not involved in digital music because of fierce competition, high legal fees, and  
.....