Company Number: 2412603

ORANGE HOLDINGS (UK) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2011

ORANGE HOLDINGS (UK) LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

CONTENTS

ORANGE HOLDINGS (UK) LIMITED
DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011

Principal activities, business review, future developments and risks and uncertainties

The principal activity of the company is that of a holding company The company ceased to hold any investments during the year The directors expect the company to become dormant and do not expect any risks or uncertainties to affect the company for the foreseeable future.

Going concern review

As the company ceased to trade during the year, in accordance with FRS 18 Accounting Policies, the directors have prepared the financial statements on a break-up basis

Results for the year and dividends

The loss for the year was £1,771,000 (2010 profit of £9,073,000) on turnover of £nil (2010 £nil)

Detailed results for the year are shown in the profit and loss account on page 6

An interim dividend of £80,467,000 was paid to its sole parent company, Orange Telecommunications Group Limited, during 2011 (2010 £nil) The directors do not recommend the payment of a final dividend (2010 £nil)

Directors and Company Secretary

The directors, who held office during the year, and up to the date of approval of the financial statements, are given below

	date appointed	*date resigned*
Johan Van den Cruijce	1 April 2010	
Sian Williams	1 April 2010	
Orange Limited		16 June 2011
Ibiyeme Solanke (Company secretary)	30 September 2011	
Charles Mowat (Company secretary)		30 September 2011

There are no directors' interest requiring disclosure under the Companies Act 2006.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that he is obliged to take as director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

DIRECTORS' REPORT (Continued)

Re-appointment of auditor

The auditor, Ernst & Young LLP, has indicated its willingness to continue in office.

By order of the board

Sian Williams
Director

Date 24/8/12

Registered Office
Norton Rose Company Secretarial Service Ltd
3 More London Riverside
London
SE1 2AQ

ORANGE HOLDINGS (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORANGE HOLDINGS (UK) LIMITED

We have audited the financial statements of Orange Holdings (UK) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 15 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORANGE HOLDINGS (UK) LIMITED (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Naresh Alimchandani (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 29 August 2012

ORANGE HOLDINGS (UK) LIMITED

PROFIT AND LOSS ACCOUNT
COMPANY NUMBER - 2412603
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Administrative expenses		(3,255)	(4)
OPERATING LOSS		(3,255)	(4)
Gain on sale of investments		-	27,000
Interest receivable and similar income	4	458	559
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,797)	27,555
Tax on (loss) / profit on ordinary activities	6	1,026	(18,482)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	12	(1,771)	9,073

All the above amounts are in respect of discontinued activities

The company has no recognised gains or losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

ORANGE HOLDINGS (UK) LIMITED

BALANCE SHEET
COMPANY NUMBER - 2412603
AT 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
FIXED ASSETS			
Tangible assets	7	-	-
Investments	8	-	-
		-	-
CURRENT ASSETS			
Debtors Amount falling due within one year	9	679	103,433
Cash at bank and in hand		-	124
		679	103,557
CREDITORS: Amounts falling due within one year	10	(191)	(20,831)
NET ASSETS		488	82,726
CAPITAL AND RESERVES			
Called up share capital	11	-	30,657
Profit and loss account	12	488	52,069
TOTAL EQUITY SHAREHOLDER'S FUNDS	13	488	82,726

These financial statements and the notes on pages 6 to 12 were approved by the board of directors and authorised for issue on 23 July 2012 and are signed on its behalf by

S Williams

Sian Williams
Director

Date 24|8|12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

(a) *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The accounts have been prepared on a break-up basis, with assets stated at their recoverable value and liabilities including all anticipated closure costs The Directors considered that no adjustments were required to the financial statements as a result of adopting the break-up basis of preparation

In accordance with Financial Reporting Standard 18 "Accounting Policies", the directors have reviewed the accounting policies set out below and are of the opinion that they are appropriate for the purpose of giving a true and fair view of the results of Orange Holdings (UK) Limited for the year ended 31 December 2011

(b) *Consolidation*

The company is exempt from preparing group financial statements under Section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking Accordingly, these financial statements present information about the company and not its group

(c) *Finance costs*

Finance costs represent interest charges on inter-company borrowings and external overdraft facilities, and are charged to the profit and loss account as incurred

(d) *Taxation*

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is recognised in respect of all timing differences that have originated but not been reversed by the balance sheet date, where transactions or events that result in an obligation to pay more taxation in the future or a right to pay less taxation in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings

A net deferred tax asset is regarded as recoverable, and therefore recognised, only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred taxation is measured at the average taxation rates that are expected to apply in the periods in which the timing differences are expected to reverse based on taxation rates or laws that have been enacted or substantively enacted by the balance sheet date Deferred taxation is measured on a non-discounted basis

2. Cash flow statement and related party disclosures

The results of the company are included in the consolidated financial statements of France Telecom S A , which are publicly available Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996)

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are fully owned by the France Telecom S A , its ultimate parent company, or a member of the France Telecom S A group

3. Auditor's remuneration

The auditor's remuneration of £17,000 (2010 £15,000) has been borne and paid for by Orange Corporate Services Limited, a fellow subsidiary undertaking of the France Telecom S A group

4. Interest receivable and similar income

	2011 £'000	2010 £'000
Interest received from group undertakings	458	559

5. Employees and directors' remuneration

The directors of the company are also directors of a number of subsidiaries of the ultimate parent undertaking The directors do not believe that it is practicable to apportion their remuneration between remuneration for services as directors of the company and their remuneration for services as directors of the fellow subsidiary companies The emoluments of the directors of the company were paid and borne by another group company for which it is not practicable to allocate an amount to the company (2010 £nil)

The company had no employees in 2011 (2010 nil) and, as a result, no employee related costs have been incurred during the year (2010 £nil)

6. (a) Tax on profit on ordinary activities

	2011 £'000	2010 £'000
Current tax		
UK Corporation tax on (loss) / profit of the year	11	156
Adjustments in respect of previous years	(1,037)	18,326
Total current tax (note 6(b))	(1,026)	18,482
Tax (credit) / charge on (loss) / profit on ordinary activities	(1,026)	18,482

(b) Factors affecting the current tax charge

The current tax assessed for the year is different from the average UK standard rate of corporation tax of 26 5% (2010 28%) The difference is explained as follows

	2011 £'000	2010 £'000
(Loss) / profit on ordinary activities before tax	(2,797)	27,555
(Loss) / profit on ordinary activities multiplied by the average UK standard rate of corporation tax of 26 5% (2010 28%)	(741)	7,715
Factors affecting the charge		
Non-taxable gain on disposal	-	(7,561)
Disallowable expenses	752	2
Adjustments in respect of previous years	(1,037)	18,326
Current tax (credit) / charge for the year (note 6(a))	(1,026)	18,482

(c) Factors that may affect future tax charges

Announcements were made during 2010, 2011 and 2012 by the Chancellor of the Exchequer of proposed changes to corporation tax rates that will have an effect on future tax charges of the company The change in the corporation tax rate, effective 1 April 2011, from 28% to 26% was enacted in two steps, initially to 27% on 20 July 2010 and then subsequently to 26% on 29 March 2011 A reduction to 24%, effective 1 April 2012, was also enacted in two steps, initially to 25% on 5 July 2011 and then subsequently to 24% on 26 March 2012 A reduction to 23%, effective 1 April 2013, was enacted on 3 July 2012 The further reduction to 22%, expected to apply from 1 April 2014, has been announced but not enacted

As the company had not recognised any deferred tax at 31 December 2011 (2010 £nil), the enacted tax rate reductions had no impact (2010 no impact) on deferred taxation in the company's reported figures However, the two (2010 one) tax rate reductions enacted during the year did result in the value of the company's year end unrecognised deferred tax asset reducing by £55,000 (2010 £27,000) to £684,000 (2010 £739,000)

The company estimates that the additional tax rate reductions from 25% to 22% could reduce the value of the 2011 year end unrecognised deferred tax asset by up to a further £82,000 to £602,000

(d) Deferred taxation

At 31 December 2011, the company had an unrecognised deferred tax asset relating to capital tax losses of £684,000 (2010 £739,000), measured using a tax rate of 25% (2010 27%)

These losses have not been recognised as the recognition criteria set out in FRS 19 have not been met

7. Tangible fixed assets

	Short term Leasehold Improvements £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
At 1 January 2011	4,403	2,000	6,403
Disposal	(4,403)	(2,000)	(6,403)
At 31 December 2011	-	-	-
Depreciation			
At 1 January 2011	4,403	2,000	6,403
Disposal	(4,4,03)	(2,000)	(6,403)
At 31 December 2011	-	-	-
Net book amount			
At 1 January 2011 and 31 December 2011	-	-	-

8. Investments

	Shares in subsidiary undertakings £'000
Cost	
1 January 2011	-
Disposals	-
31 December 2011	-
Amounts provided	
1 January 2011	-
Released on disposals	-
31 December 2011	-
Net book value	
1 January 2011 and 31 December 2011	-

On 26 September 2011 the investment in Orange 3G Limited was sold to its immediate parent company, Orange Telecommunications Group Limited, for £1 The company held no investments at 31 December 2011

9. Debtors

	2011 £'000	2010 £'000
Amounts owed by group undertakings	679	103,433

Amounts due from group undertakings are due within one year

10. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Corporation tax	167	20,831
Accruals	24	-
	191	20,831

11. Share capital

	2011 Number	2011 £'000	2010 Number	2010 £'000
Authorised 'A' ordinary shares of £1	1	-	1	-
Allotted, called up and fully paid 'A' ordinary shares of £1	1	-	1	-
Authorised 'B' ordinary shares of £1	--	-	20,975,793	20,976
Allotted, called up and fully paid 'B' ordinary shares of £1	-	-	20,975,793	20,976
Authorised 'C' ordinary shares of £1	-	-	9,681,135	9,681
Allotted, called up and fully paid 'C' ordinary shares of £1	-	-	9,681,135	9,681

On 26 September 2011 the company reduced its share capital by 30,656,928 by cancelling all 'B' and 'C' ordinary shares of £1 each

12. Profit and Loss Account

	2011 £'000	2010 £'000
At 1 January	52,069	42,996
Shares cancelled during the financial year	30,657	-
Dividend paid on equity shares during the financial year	(80,467)	-
(Loss) / profit for the financial year	(1,771)	9,073
At 31 December	488	52,069

13. Reconciliation of movements in equity shareholders' funds

	2011 £'000	2010 £'000
(Loss) / profit for the financial year	(1,771)	9,073
Dividends declared and paid during the year	(80,467)	-
(Net decrease) / increase in equity shareholders' funds	(82,238)	9,073
Opening equity shareholders' funds	82,726	73,653
Closing equity shareholders' funds	488	82,726

14. Ultimate parent undertaking

The immediate parent undertaking at 31 December 2011 was Orange Telecommunications Group Limited, which is a company incorporated in the United Kingdom

The ultimate parent undertaking and controlling party at 31 December 2011 is France Telecom S A , which is the parent undertaking of the smallest and largest group to consolidate these financial statements France Telecom S A is a company incorporated in France Copies of France Telecom S A consolidated financial statements can be obtained from the 78, Rue Olivier de Serres, 75505 Paris Cédex 15, France

15 Events since the balance sheet date

On 26 March 2012, a further tax rate reduction to 24%, effective 1 April 2012, was enacted On 3 July 2012, a tax rate reduction to 23%, effective 1 April 2013, was enacted As the company has not recognised any deferred tax in its financial statements, the enactment of the rate reductions has had no impact on the reported position However, the value of the company's 2011 year end unrecognised deferred tax asset has reduced by £55,000 to £629,000