Company Number: 3856936

ORANGE INTERNATIONAL LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2002

ORANGE INTERNATIONAL LIMITED

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ORANGE INTERNATIONAL LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2002.

Principal activities, business review and future developments

The principal activity of the Company is to act as a holding company for its subsidiary undertaking.

In March 2003, the Company's intermediate parent company, Orange S.A., began a group reorganisation project involving changes to its operating and corporate structure. The corporate restructuring is being effected by bringing the Orange S.A. group's international operations outside France and the UK under a single management organisation and by grouping those Rest of the World entities under a UK holding company, Orange Global Limited, a wholly owned subsidiary of Orange S.A..

Therefore, on 14 March 2003, ownership of Orange Holdings Limited, the Company's immediate parent company, was transferred from Orange plc to Orange Global Limited.

Results for the year

The loss for the year was £70,000 (2001: £50,264,000).

Detailed results for the year are shown in the profit and loss account on page 4.

Dividends and transfer to reserves

No dividends were paid during the year (2001: £nil). The directors do not recommend the payment of a final dividend (2001: £nil).

The loss for the year of £70,000 (2001: £50,264,000) has been transferred to reserves.

Directors

The directors who held office during the year, and up to the date of signature, are given below :

	date appointed	*date resigned*
Graham E Howe		4 February 2002
Mark E Wollner		1 August 2002
Philippe McAllister		17 February 2003
Michael F Latimer		17 February 2003
Thomas W Cohen	4 February 2002	17 February 2003
Orange plc	17 February 2003	

No personal director had any interest in the share capital of the Company or any Orange plc group companies.

Research and Development

There were no research and development activities undertaken by the Company during the year.

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

Following the conversion of our auditors, PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned and the directors appointed its successor, PricewaterhouseCoopers LLP as auditors. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By order of the board

Philippe McAllister
On behalf of Orange plc, Director

Date: 30/07/03

Registered Office:
St. James Court
Great Park Road
Almondsbury Park
Bradley Stoke
Bristol BS32 4QJ

ORANGE INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORANGE INTERNATIONAL LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

Date: 30 July 2003

ORANGE INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £'000	2001 £'000
Administrative Expenses	6	(70)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(70)	-
Tax on loss on ordinary activities	5	-	(50,264)
LOSS FOR THE YEAR	10	(70)	(50,264)

All activities relate to continuing operations.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

ORANGE INTERNATIONAL LIMITED

BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002 £'000	2001 £'000
FIXED ASSETS			
Investments	6	-	70
CURRENT ASSETS			
Debtors: Amounts falling due after one year	7	254,353	254,353
CREDITORS: Amounts falling due within one year	8	(50,265)	(50,265)
NET CURRENT ASSETS		204,088	204,088
TOTAL ASSETS LESS CURRENT LIABILITIES		204,088	204,158
NET ASSETS		204,088	204,158
CAPITAL AND RESERVES			
Called up share capital	9	914,020	914,020
Profit and loss account	10	(709,932)	(709,862)
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	204,088	204,158

The financial statements on pages 4 to 9 were approved by the board of directors on 30 July 2003 and are signed on its behalf by:

....

Michael D Newnham
on behalf of Orange plc, Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1. Accounting policies

(a) *Accounting convention*

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

In November and December 2000, the Accounting Standards Board issued Financial Reporting Standard 17: "Retirement Benefits" and Financial Reporting Standard 19: "Deferred Tax".

The Company has adopted Financial Reporting Standard 19 in the financial statements. However, the adoption of Financial Reporting Standard 19 has had no impact on the results for 2002 or 2001.

The company has chosen not to adopt Financial Reporting Standard 17 early but has complied with the transitional disclosures required by the standard.

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 International Limited for year ended 31 December 2002.

(b) *Consolidation*

The Company is exempt from preparing Group Financial statements under Section 228 of the Companies Act 1985 as it is a wholly owned subsidiary undertaking. Accordingly, these financial statements present information about the Company and not its Group.

(c) *Foreign currencies*

Transactions in foreign currencies are recorded at the exchange rates ruling on the dates of those transactions, adjusted for the effects of any hedging arrangements. Foreign currency monetary assets and liabilities are translated into sterling at year end rates.

(d) *Deferred taxation*

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to sell the asset, or on the unremitted earnings of subsidiaries, associates and joint ventures where there is no binding agreement to distribute these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(e) *Investments*

Investments, held as fixed assets, comprise equity shareholdings and are stated at cost less provision for any permanent diminution in value. Income is recognised upon receipt of dividends when receivable.

(f) *Impairment*

If a significant indicator of a possible impairment is noted, the need for any fixed asset impairment provision is assessed by comparison of the carrying value of the asset against the higher of net realisable value and value in use. The value in use is determined from estimated discounted future cash flows. Discount rates are based on the circumstances applicable in each case.

2. Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Orange S.A. and is included in the consolidated financial statements of Orange 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 Financial Reporting Standard 1 (*revised 1996*).

The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Orange S.A. group, an intermediate parent company, or investees of the Orange S.A. group.

3. Employees

The Company had no employees in 2002, and therefore no employee costs have been incurred (2001: £nil)

4. Directors' emoluments

The Orange plc group is managed on a unified basis. Orange Personal Communications Services Limited pays the directors emoluments on behalf of Orange plc and all of its subsidiary companies. The emoluments of Messrs Wollner and McAllister are not disclosed here as it is not practical to split their remuneration between the services provided to Orange Personal Communications Services Limited and other group companies. Their remuneration is fully disclosed in the financial statements of Orange Personal Communications Services Limited. The emoluments of Mr. Howe are not disclosed here as he is remunerated for his services to the Orange plc group and his emoluments are therefore fully disclosed in the financial statements of Orange plc. The emoluments of Messrs Latimer and Cohen are not disclosed here as their emoluments are fully disclosed in Orange Holdings Limited, the immediate parent company.

During the year five directors (2001: six) participated in the two group defined contribution pension schemes.

5. Tax on loss on ordinary activities

	2002	*2001*
	£'000	£'000
Corporation tax		
Corporation tax charge for the year	-	50,264
Deferred tax		
Timing differences, origination and reversal	-	-
Tax on loss on ordinary activities	-	50,264

The tax assessed for the period is higher than (2001: higher than) the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2002	2001
	£'000	£'000
Loss on ordinary activities before taxation	(70)	-
Loss on ordinary activities multiplied by standard rate in the UK (30%) (2001: 30%)	(21)	-
Factors affecting the charge / (credit) :		
Taxable capital gain on investment disposal	-	50,264
Disallowable expenses	21	-
Corporation tax charge for the year	-	50,264

There is no unprovided deferred taxation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

6. Investments

	Shares in Subsidiary Undertakings
	£'000
Cost:	
1 January 2002	70
31 December 2002	70
Amounts provided:	
1 January 2002	-
Impairment loss in the year	(70)
31 December 2002	(70)
Carrying value at 31 December 2002	-
Carrying value at 31 December 2001	70

During the year impairment losses of £70,000 were incurred in respect of a provision to write off the Company's Investment in Orange International B.V.

Details of the subsidiary undertaking in which the company holds 20% or more of the nominal value of the ordinary issued share capital is as follows :

Name of company	Country of incorporation and operation	Principal activity	Percentage shareholding
Orange International B.V.	Netherlands	Non-trading	100%

Administrative expenses are entirely comprised of impairment charges. The auditors' remuneration was borne by Orange plc, an intermediate parent company as at 31 December 2002.

7. Debtors

	2002	2001
	£'000	£'000
Amounts due from subsidiary undertakings	42	29
Amounts due from parent undertaking	254,311	254,324
	254,353	254,353

8. Creditors: amounts falling due within one year

	2002	2001
	£'000	£'000
Corporation Tax	50,264	50,264
Other Creditors	1	1
	50,265	50,265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

9. Share capital

	2002		2001	
	Number	£'000	Number	£'000
Authorised ordinary shares of £1	1,000,000,000	1,000,000	1,000,000,000	1,000,000
Allotted, called up and fully paid ordinary shares of £1	914,020,000	914,020	914,020,000	914,020

10. Reserves

	Profit and Loss Account
	£'000
1 January 2002	(709,862)
Loss for the year	(70)
31 December 2002	(709,932)

11. Reconciliation of movements in shareholders' funds

	2002	2001
	£'000	£'000
Loss for the year	(70)	(50,264)
Shareholders' funds as at 1 January	204,158	254,422
Shareholders' funds as at 31 December	204,088	204,158

12. Financial support

It is the intention of the shareholders of Orange S.A., a group company, to make available sufficient funds to allow the Company to meet its obligations as they fall due for a period of at least one year from the date of these financial statements.

13. Contingent liabilities

After reviewing available information relating to contingent liabilities and consulting with the company's legal counsel, management considers that there are no matters likely to have a material effect on the company's financial condition, results of operations or liquidity.

14. Ultimate parent undertaking

The immediate parent undertaking is Orange Holdings Limited, a company incorporated in the United Kingdom. The parent undertaking of the smallest group to consolidate these financial statements is Orange S.A., a company incorporated in France.

The ultimate parent undertaking and controlling party at 31 December 2002 is France Telecom S.A., which is the parent undertaking of the 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 General Counsel at 6 place d'Alleray, 75505 Paris Cedex 15, France.