

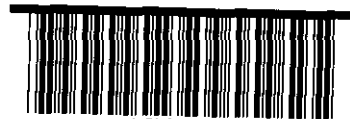
Company Number: 3856936

**ORANGE INTERNATIONAL LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED**

**31 DECEMBER 2005**



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**ORANGE INTERNATIONAL LIMITED**

**ANNUAL REPORT FOR THE YEAR ENDED**  
**31 DECEMBER 2005**

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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 2005.

### Principal activities, business review and future developments

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

On 9 October 2005 the subsidiary undertaking, Orange International B.V., was liquidated. As this investment had previously been fully impaired by the Company, there was no additional cost to the Company from this liquidation except for the write-off of a loan to the subsidiary for £81,000.

### Results for the year

The loss for the year was £81,000 (2004: £nil).

### Dividends and transfer to reserves

No dividends were paid during the year (2004: £nil). The directors do not recommend the payment of a final dividend (2004: £nil).

The loss for the year of £81,000 (2004: £nil) has been transferred to reserves.

### Directors

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

Orange Limited

There are no director's interest requiring disclosure under the Companies Act, 1985.

### Research and Development

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

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 these 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

**ORANGE INTERNATIONAL LIMITED**

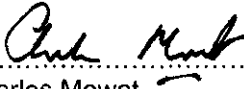
**DIRECTORS' REPORT (continued)**

The directors are responsible for keeping proper accounting records that 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 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**

The auditors, Ernst & Young LLP have indicated their willingness to continue in office.

By order of the board



Charles Mowat  
Company Secretary

Date: 30 October 2006

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

## **Independent Auditors' Report**

### **To the members of Orange International Limited**

We have audited the company's financial statements for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of Shareholders' Funds and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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**

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005, and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
1 More London Place  
London, SE1 2AF

Date: 30 October 2006

**ORANGE INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	<u>2005</u>	<u>2004</u>
		<u>£'000</u>	<u>£'000</u>
Administrative Expenses	3	<u>(81)</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(81)</b>	<b>-</b>
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
<b>LOSS FOR THE YEAR</b>	11	<b><u>(81)</u></b>	<b><u>-</u></b>

All activities relate to continuing operations.

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.

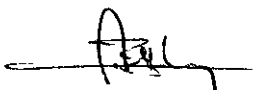
There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

**ORANGE INTERNATIONAL LIMITED**

**BALANCE SHEET AT 31 DECEMBER 2005**

	<u>Notes</u>	<u>2005</u> <u>£'000</u>	<u>2004</u> <u>£'000</u>
<b>FIXED ASSETS</b>			
Investments	7	-	-
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due after one year	8	254,272	254,353
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(4,653)</u>	<u>(4,653)</u>
<b>NET CURRENT ASSETS</b>		<u>249,619</u>	<u>249,700</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>249,619</u>	<u>249,700</u>
<b>NET ASSETS</b>		<u>249,619</u>	<u>249,700</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	914,020	914,020
Profit and loss account	11	<u>(664,401)</u>	<u>(664,320)</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	12	<u>249,619</u>	<u>249,700</u>

The financial statements on pages 4 to 9 were approved by the board of directors on 30 October 2006 and are signed on its behalf by:

  
.....  
Bernard Ghillebaert  
on behalf of Orange Limited, Director

## ORANGE INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

#### **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 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 the Company for the year ended 31 December 2005.

*(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.

*(g) Pension and other post retirement obligations*

Orange in the United Kingdom operates two defined contribution schemes for its eligible employees and directors. The Company's contributions to the pension scheme are charged to the profit and loss account in the year to which they relate.

#### **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 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 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 France Telecom S.A. group, the ultimate parent company, or investees of the France Telecom S.A. group.



**ORANGE INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**3. Operating Profit / (Loss)**

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Operating loss is stated after (charging) :		
Write-off of Loan Receivable from Subsidiary undertaking	(81)	-

The auditors' remuneration was borne by Orange Global Limited, an intermediate parent.

**4. Employees**

The Company had no employees in 2005, and therefore no employee costs have been incurred (2004:£nil).

**5. Directors' emoluments**

Orange in the United Kingdom is managed on a unified basis. Orange Personal Communications Services Limited hosts the employment contracts and operates the payroll on behalf of the Company and other holding companies in the UK.

During the year no directors (2004: none) participated in the two group defined contribution pension schemes.

**6. Tax on profit / (loss) on ordinary activities**

	<u>2005</u>	<u>2004</u>
	£'000	£'000
<b>Current tax</b>		
UK corporation tax on profit / (loss) of the year	-	-
Adjustment in respect of previous years	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Tax on profit / (loss) on ordinary activities</b>	<u>-</u>	<u>-</u>

The tax assessed for the period is more than (2004: equal to) the UK standard rate of corporation tax (30%). The differences are explained as follows :

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Profit / (Loss) on ordinary activities before taxation	<u>(81)</u>	<u>-</u>
Profit / (Loss) on ordinary activities multiplied by UK standard rate of corporation tax (30%) (2004: 30%)	(24)	-
Factors affecting the charge / (credit) :		
Disallowable expenses	<u>24</u>	<u>-</u>
Current tax charge / (credit) for the year	<u>-</u>	<u>-</u>

There is no unprovided deferred taxation.

**ORANGE INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**7. Investments**

	Shares in Subsidiary Undertakings £'000
<b>Cost:</b>	
1 January 2005	70
Disposals re liquidation of Investment	(70)
31 December 2005	-
<b>Amounts provided:</b>	
1 January 2005	(70)
Reverse Provisions on liquidation of Investment	70
31 December 2005	-
Carrying value at 31 December 2005	-
Carrying value at 31 December 2004	-

Following the liquidation of the Company's sole subsidiary undertaking, Orange International B.V., on 9 October 2005, the Company no longer holds 20% or more of the nominal value of the ordinary issued share capital of any entity.

**8. Debtors**

	2005 £'000	2004 £'000
Amounts due from subsidiary undertaking	-	77
Amounts due from associate undertaking	254,272	254,276
	<u>254,272</u>	<u>254,353</u>

**9. Creditors: amounts falling due within one year**

	2005 £'000	2004 £'000
Corporation Tax	4,653	4,653
	<u>4,653</u>	<u>4,653</u>

**10. Share capital**

	2005		2004	
	Number	£'000	Number	£'000
Authorised ordinary shares of £1	<u>1,000,000,000</u>	<u>1,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid ordinary shares of £1	<u>914,020,000</u>	<u>914,020</u>	<u>914,020,000</u>	<u>914,020</u>

**ORANGE INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**11. Reserves**

	Profit and Loss Account £'000
1 January 2005	(664,320)
Loss for the year	(81)
31 December 2005	<u>(664,401)</u>

**12. Reconciliation of movements in shareholders' funds**

	2005 £'000	2004 £'000
Profit / (Loss) for the year	(81)	45,612
Shareholders' funds as at 1 January	<u>249,700</u>	<u>204,088</u>
Shareholders' funds as at 31 December	<u>249,619</u>	<u>249,700</u>

**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 ultimate parent undertaking and controlling party at 31 December 2005 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 General Counsel at 6 place d'Alleray, 75505 Paris Cedex 15, France.