

APPENDIX 5.4
(referred to in paragraph 5.35)

**Orange SA: profit and loss accounts for the two years to
31 December 2001, and balance sheet as at 31 December 2001**

TABLE 1 **Orange SA: consolidated profit and loss account for two years ended 31 December 2001**

	€ billion		£ billion*	
	2000	2001	2000	2001
Group turnover	12.1	15.1	7.3	9.4
Cost of sales	<u>-5.4</u>	<u>-5.8</u>	<u>-3.3</u>	<u>-3.6</u>
Gross profit	6.7	9.3	4.1	5.8
Selling and distribution costs	<u>-4.9</u>	<u>-5.9</u>	<u>-3.0</u>	<u>-3.7</u>
EBITDA	1.8	3.3	1.1	2.0
Depreciation and amortization (excluding goodwill amortization)	<u>-1.4</u>	<u>-1.8</u>	<u>-0.8</u>	<u>-1.1</u>
Operating profit	0.4	1.4	0.2	0.9
Net interest expense	-0.4	-0.4	-0.2	-0.3
Equity in net loss of affiliates	<u>-0.4</u>	<u>-0.6</u>	<u>-0.2</u>	<u>-0.4</u>
Loss/income before tax and goodwill	-0.4	0.4	-0.2	0.2
Income taxes	<u>-0.5</u>	<u>-0.7</u>	<u>-0.3</u>	<u>-0.4</u>
Loss before goodwill amortization and minority interests	-0.9	-0.3	-0.5	-0.2
Goodwill amortization	-0.6	-0.6	-0.4	-0.3
Minority interests	<u>0.2</u>	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>
Loss before exceptional impairment charge	-1.3	-0.9	-0.8	-0.6
Exceptional impairment charge	<u>0.0</u>	<u>-3.6</u>	<u>0.0</u>	<u>-2.3</u>
Net loss for year	-1.3	-4.5	-0.8	-2.8
<i>Performance indicators</i>				
Gross profit as percentage of turnover	55	62		
EBITDA as percentage of turnover	15	22		
Operating profit as percentage of turnover	3	9		
Interest expense as percentage of operating income	100	29		
Loss/income before tax and goodwill as percentage of turnover	-3	3		

Source: Orange SA Annual Report.

*Converted at average exchange rate of €1 equals £0.61 and £0.62 for 2000 and 2001 respectively.

TABLE 2 **Orange SA: consolidated balance sheet as at 31 December 2001**

	€ billion	£ billion*
	2001	2001
<i>Fixed assets</i>		
Goodwill	3.8	2.3
Intangible assets	8.9	5.4
Tangible assets	9.8	6.0
Investments under equity method	4.9	3.0
Non-consolidated investments	0.3	0.2
Other long-term assets	0.0	0.0
Deferred income taxes	<u>0.5</u>	<u>0.3</u>
	28.2	17.2
<i>Current assets</i>		
Inventories	0.2	0.1
Trade accounts receivables	2.9	1.8
Deferred income taxes	0.1	0.1
Prepaid expenses and other	1.4	0.9
Cash and cash equivalents	<u>0.8</u>	<u>0.5</u>
	5.4	3.3
Total assets	33.6	20.5
<i>Liabilities and shareholders' equity</i>		
Shareholders' equity	18.8	11.5
Minority interests	0.1	0.1
Long-term debt	3.9	2.4
UMTS vendor financing	0.2	0.1
Other long-term liabilities	<u>0.3</u>	<u>0.2</u>
	4.4	2.7
Current portion of long-term debt, bank overdrafts and other short-term borrowings	3.1	1.9
Trade accounts payable	4.4	2.7
Accrued expenses and other current liabilities	2.3	1.4
Deferred income taxes	0.1	0.0
Deferred income	<u>0.4</u>	<u>0.2</u>
	10.2	6.2
Total liabilities and shareholders' equity	33.6	20.5
<i>Indicators on borrowing levels</i>		
Long-term debt as percentage of total assets	12	
Long-term debt as percentage of total assets (excluding goodwill and intangibles)	20	
Long-term and short-term debt as percentage of total assets	21	
Long-term and short-term debt as percentage of total assets (excluding goodwill and intangibles)	36	

Source: Orange SA Annual Report.

*Converted at year-end exchange rate of €1 equals £0.61 for 2001.

Note: May not add up because of rounding.