

VODAFONE INTERNATIONAL OPERATIONS LIMITED

Company No: 2797438

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2012

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VODAFONE INTERNATIONAL OPERATIONS LIMITED

Company No: 2797438

REPORT OF THE DIRECTORS

The directors submit their annual report and audited financial statements for the year ended 31 March 2012

Principal activity and review of business

The activities of Vodafone International Operations Limited ("the Company") are the holding of intercompany balances associated with management of funding and related treasury matters for the Vodafone Group Plc group of companies ("the Group") The Company also acts as an investment holding company The directors do not anticipate that the business of the Company will change in the foreseeable future The directors are satisfied with the position and performance of the Company

Results and dividends

The profit and loss account is set out on page 5 of the financial statements For the year ended 31 March 2012, there was a loss on ordinary activities after taxation of £287,639,000 (2011 profit of £2,843,747,000) The profit in the year ended 31 March 2011 included income from investments

The directors do not recommend the payment of a dividend (2011 Nil)

Directors

The directors of the Company, who served throughout the year, unless otherwise indicated, are as follows

A N Halford	(resigned 7 October 2011)
J C Morton	
G R G Rudolph	
P G Stephenson	
N A Wright	

Auditor

Deloitte LLP have indicated their willingness to continue in office for the next financial year In addition the company had, prior to 1 October 2007, passed an elective resolution dispensing with the requirement to re-appoint its auditor annually

Registered office

The registered office of the Company is Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England

VODAFONE INTERNATIONAL OPERATIONS LIMITED

Company No: 2797438

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 adequate 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.

Indemnification of directors

In accordance with the Company's articles of association and to the extent permitted by law the directors may be granted an indemnity from the Company in respect of liabilities incurred as a result of their office. In respect of those matters for which the directors may not be indemnified, Vodafone Group Plc maintained a directors' and officers' liability insurance policy throughout the financial period. This policy is renewed annually in August. Neither the Company's indemnity nor the insurance provides cover in the event that the director is proven to have acted dishonestly or fraudulently.

Statement as to disclosure of information to auditor

Having made the requisite enquiries, so far as each of the directors is aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware, and each of the directors has taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The report of the directors was approved by the Board on 12 September 2012 and signed on its behalf by



PJB Dawe-Lane

Director, for and on behalf of Vodafone Corporate Secretaries Limited
Secretary

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VODAFONE INTERNATIONAL OPERATIONS LIMITED

We have audited the financial statements of Vodafone International Operations Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 auditor

As explained more fully in the statement of directors' responsibilities, 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 March 2012 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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

VODAFONE INTERNATIONAL OPERATIONS LIMITED (continued)

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



Andrew Bond ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom

12 September 2012

VODAFONE INTERNATIONAL OPERATIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

		2012	2011
	Note	£'000	£'000
Administrative expenses	2	(7)	(11)
Income from fixed asset investments	3	-	3,904,322
Impairment of fixed asset investments	3	<u>(55,000)</u>	<u>(988,478)</u>
Operating (loss)/profit		(55,007)	2,915,833
Interest receivable and similar income	4	149,995	148,838
Interest payable and similar charges	5	<u>(464,365)</u>	<u>(248,749)</u>
(Loss)/profit on ordinary activities before taxation		(369,377)	2,815,922
Tax credit on (loss)/profit on ordinary activities	6	<u>81,738</u>	<u>27,825</u>
(Loss)/profit for the year	11	<u><u>(287,639)</u></u>	<u><u>2,843,747</u></u>

The Company has no other recognised gains or losses in the current or preceding year and therefore no separate statement of total recognised gains and losses has been presented

All results derive from continuing operations

The accompanying notes are an integral part of these financial statements

VODAFONE INTERNATIONAL OPERATIONS LIMITED

Company No: 2797438

BALANCE SHEET

AT 31 MARCH 2012

		2012	2011
	Note	£'000	£'000
FIXED ASSETS			
Investments	7	95,629,762	95,684,762
CURRENT ASSETS			
Debtors	8	30,080,156	29,876,248
Creditors amounts falling due within one year	9	<u>(93,303,148)</u>	<u>(92,866,601)</u>
NET CURRENT LIABILITIES		<u>(63,222,992)</u>	<u>(62,990,353)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		<u><u>32,406,770</u></u>	<u><u>32,694,409</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	21,739,600	21,739,600
Share premium account	11	37,537,816	37,537,816
Profit and loss account	11	<u>(26,870,646)</u>	<u>(26,583,007)</u>
TOTAL SHAREHOLDERS' FUNDS	12	<u><u>32,406,770</u></u>	<u><u>32,694,409</u></u>

The financial statements were approved by the Board on 25 September 2012 and were authorised for issue and signed on its behalf by

 Director
 P G Stephenson

The accompanying notes are an integral part of these financial statements

VODAFONE INTERNATIONAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

1. Statement of accounting policies

The particular accounting policies adopted are described below. The accounting policies have been applied on a consistent basis during the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards.

Basis of preparation

The directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

The financial statements are prepared in pounds sterling as this is the most appropriate functional currency for the Company's operations.

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 pounds sterling at year end rates.

All foreign exchange differences are recognised in the profit and loss account.

The foreign exchange gain or loss from remeasuring the foreign currency loans or foreign exchange contracts which provide a hedge against the exchange risk associated with foreign currency denominated equity investments are recognised in the profit and loss account.

The gain or loss on the foreign currency denominated equity investments attributable to the hedged exchange risk is adjusted against the carrying amount of the investment and recognised in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Cash flow statement

In accordance with the provisions of Financial Reporting Standard 1 (Revised), a cash flow statement has not been prepared since the Company is a wholly owned subsidiary of Vodafone Group Plc, a company registered in England and Wales, which prepares consolidated financial statements that include the cash flows of the Company, and which are publicly available.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

VODAFONE INTERNATIONAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2012

2. Administrative expenses

Fees for the audit of the Company's annual financial statements of £1,916 (2011 £1,916) were borne by the Company in the current year

The directors did not receive any remuneration from the Company in the financial year (2011 £nil)

There were no employees employed directly by the Company during the current or preceding year

3. Operating (loss)/profit

	2012	2011
	£'000	£'000
Operating profit is stated after (crediting)/charging		
Income from fixed asset investments	-	(3,904,322)
Impairment of fixed asset investments	<u>55,000</u>	<u>988,478</u>

4. Interest receivable and similar income

	2012	2011
	£'000	£'000
Group undertakings	<u>149,995</u>	<u>148,838</u>

5. Interest payable and similar charges

	2012	2011
	£'000	£'000
Group undertakings	<u>464,365</u>	<u>248,749</u>

VODAFONE INTERNATIONAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2012

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

	2012	2011
	£'000	£'000
UK corporation tax at 26% (2011 28%)	<u>81,738</u>	<u>27,825</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 26% (2011 28%)

The actual tax credit for the current and previous year differs from the tax credit at the standard rate for the reasons set out in the following reconciliation

	2012	2011
	£'000	£'000
(Loss)/profit on ordinary activities before tax	<u>(369,377)</u>	<u>2,815,922</u>
Tax on (Loss)/profit on ordinary activities before tax at standard rate of 26% (2011 28%)	96,038	(788,458)
Factors affecting tax credit for the year		
Dividend income exempt from tax	-	1,093,057
Impairment of fixed asset investments	<u>(14,300)</u>	<u>(276,774)</u>
Current tax credit for the year	<u>81,738</u>	<u>27,825</u>

With effect from 1 April 2012 the UK corporation tax rate is 24%

7. Investments

	Shares in Group Undertakings £'000
Cost	
31 March 2011 and 31 March 2012	<u>142,474,440</u>
Provision for impairment	
31 March 2011	(46,789,678)
Amount provided for during the year	<u>(55,000)</u>
31 March 2012	<u>(46,844,678)</u>
Net book value	
31 March 2011	<u>95,684,762</u>
31 March 2012	<u>95,629,762</u>

VODAFONE INTERNATIONAL OPERATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012

7. Investments (continued)

Investments include the following significant investments in the ordinary share capital of the following

<u>Company Name</u>	<u>Country of registration</u>	<u>% shareholding</u>
Multi Risk Limited	Malta	100.00%
Vodafone Overseas Holdings Limited	England and Wales	100.00%
Vodafone Worldwide Holdings Limited	England and Wales	100.00%
Aztec Limited	Jersey	100.00%
General Mobile Corporation Limited	England and Wales	100.00%
Globe Limited	Jersey	100.00%
Plex Limited	Jersey	100.00%
Voda Limited	England and Wales	100.00%
Vodafone (New Zealand) Hedging Limited	England and Wales	100.00%
Vodafone Holdings (Jersey) Limited	Jersey	100.00%
Vodafone International Holdings Limited	England and Wales	100.00%
Vodafone Mobile Communications Limited	England and Wales	100.00%
Vodafone Satellite Services Limited	England and Wales	100.00%
Vodafone Group Services Limited	England and Wales	100.00%
Vodafone Financial Operations	England and Wales	98.64%
Vizzavi Finance Limited	England and Wales	57.33%

The Company also holds 12,095,911,245 irredeemable preference shares of £0.01 each in Vodafone Worldwide Holdings Limited and 16,000,000 redeemable preference shares of £1 each in Voda Limited

8. Debtors

	2012	2011
	£'000	£'000
Amounts owed by Group undertakings	29,998,418	29,848,423
Group relief receivable	81,738	27,825
	<u>30,080,156</u>	<u>29,876,248</u>

VODAFONE INTERNATIONAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2012

9. Creditors amounts falling due within one year

	2012	2011
	£'000	£'000
Amounts owed to immediate parent undertaking	22,686,406	-
Amounts owed to ultimate parent undertaking	68,082,722	50,825,740
Amounts owed to group undertakings	2,534,018	42,040,859
Other creditors	2	2
	<u>93,303,148</u>	<u>92,866,601</u>

10 Called up share capital

	2012	2011
	£'000	£'000
Allotted, issued and fully paid		
21,739,600,218 (2011 21,739,600,218) ordinary shares of £1 each	<u>21,739,600</u>	<u>21,739,600</u>

11 Reserves

	Share Premium account	Profit and loss account
	£'000	£'000
1 April 2011	37,537,816	(26,583,007)
Loss for the year	-	(287,639)
31 March 2012	<u>37,537,816</u>	<u>(26,870,646)</u>

VODAFONE INTERNATIONAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2012

12. Reconciliation of movements in shareholders' funds

	2012	2011
	£'000	£'000
(Loss)/profit for the year	(287,639)	2,843,747
Premium on share capital subscribed	-	152,471
Net movement in shareholders' funds	(287,639)	2,996,218
Opening shareholders' funds	32,694,409	29,698,191
Closing shareholders' funds	32,406,770	32,694,409

13. Related party disclosures

The Company is a wholly owned subsidiary of Vodafone Group Plc and has taken advantage of the exemption granted by paragraph 3(c) Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc group companies or interests of the Group who are related parties

14. Ultimate parent company

The immediate parent company of Vodafone International Operations Limited is Vodafone European Investments, a company registered in England and Wales. The ultimate parent company and controlling entity of Vodafone International Operations Limited, and the smallest and largest group which prepares consolidated financial statements and of which the Company forms a part, is Vodafone Group Plc, a company registered in England and Wales. As a wholly owned subsidiary of a company registered in England and Wales, for which consolidated financial statements are prepared, the Company has taken advantage of Section 400 of the Companies Act 2006 and has not prepared consolidated financial statements.

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2012 may be obtained from the company's website www.vodafone.com or from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.

VOCI

VODAFONE INTERMEDIATE ENTERPRISES LIMITED	GBP
VODAFONE EUROPE UK	EUR
VODAFONE FINANCE SWEDEN	EUR
VODAFONE S LTD	EUR
VODAFONE PANAFON UK LTD	EUR
VODAFONE INVESTMENT UK	EUR
VODAFONE MARKETING UK	EUR
Vodafone Cellular Limited	
Vodafone International Holdings Limited	
Vodafone Investments Limited	

VODAFONE NOMINEES LIMITED	GBP
Vodafone S UK	USD
Vodafone European Investments	
Vodafone Mobile Communications Limited	
Vodafone Overseas Holdings Limited	

VODAFONE INVESTMENTS AUSTRALIA LIMITED	GBP
AZTEC	GBP
PLEX Limited	GBP
Globe Limited	GBP
Vodafone Mobile Enterprise Limited	
Vodafone Worldwide Holdings Limited	
Vodafone	
Vocata Limited	

VODAFONE EURO HEDGING TWO	EUR
VODAFONE EUROPEAN PORTAL LIMITED	GBP
VODAFONE EURO HEDGING LIMITED	EUR
VODAFONE GLOBAL CONTENT SERVICES LIMITED	EUR
VODAFONE JERSEY DOLLAR HOLDINGS LIMITED	USD
VODAFONE JERSEY FINANCE	USD
Vodafone International Operations Limited	
Vodafone Mobile Network Limited	
Vodafone Oceania Limited	
Vodafone New Zealand Hedging Limited	
Vodafone Finance Luxembourg Limited	
Vodafone Financial Operations	

VODAFONE FINANCE EUROPE	EUR
VODAFONE JERSEY TEN HOLDINGS LIMITED	JPY
VIVAZI FINANCE LIMITED	EUR
Voda Limited	
Vodafone Ten France Limited	
VODAFONE 4 UK	
Vodafone International 2 Limited	
Vodafone Americas 4 Limited	

Vodafone Benelux Limited (Matching Company)	
Vodafone Consolidated Holdings Limited (Matching)	
Vodafone Holding Luxembourg (Matching Company)	
Vodafone France UK (Matching Company)	

VPL	
VORL	
VZ	

Key

Comments & other	
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TIL	