

VODAFONE EUROPEAN INVESTMENTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2007

REGISTERED No: 3961908



VODAFONE EUROPEAN INVESTMENTS

REPORT OF THE DIRECTORS

The directors submit their annual report and audited financial statements for the year ended 31 March 2007

Principal activity and review of business

The Company's principal activity is acting as a holding company for companies in the Vodafone Group. The Company is an unlimited company. The directors do not anticipate that the business of the Company will change in the foreseeable future.

Results and dividends

The profit and loss account is set out on page 5 of the financial statements. For the year ended 31 March 2007, there was a loss on ordinary activities after taxation of £16,527,369,000 (2006 - profit of £2,961,135,000). The loss for the year reflects amounts written off fixed asset investments amounting £18,110,441,000 (2006 - £nil).

During the year, the Company declared and paid three separate dividends amounting to a total of £11,355,242,000 (2006 - £12,456,211,000).

Date	£'000
30 September 2006	7,573,387
30 November 2006	1,342,495
31 March 2007	2,439,360
	<u>11,355,242</u>

These dividends were paid to Vodafone Group Plc who are the registered holders of 100,000,101 ordinary shares (2006: 100,000,001). Vodafone International Operations Limited, who was the registered holder of one ordinary share of £1 in the capital of the Company until 10 November 2006, irrevocably waived its entitlement to dividends. Vodafone Nominees Limited, who acquired the one ordinary share of £1 from Vodafone International Operations Limited on 10 November 2006, has also irrevocably waived its entitlement to dividends.

Directors

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

J De Geus	
M J Pitt	(resigned 2 March 2007)
P G Stephenson	
N A Wright	(appointed 22 December 2006)

Auditors

The Company has passed an elective resolution under section 386(1) of the Companies Act 1985 to dispense with re-appointment of auditors annually.

VODAFONE EUROPEAN INVESTMENTS

REPORT OF THE DIRECTORS

Directors' statement of responsibilities

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

Company law of England and Wales 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). The financial statements are required by law to 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 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,
- prepare the financial statements on a 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 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.

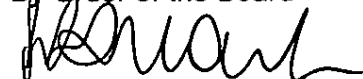
Statement as to disclosure of information to auditors

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and the directors have 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 auditors are aware of that information.

Registered office

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

By Order of the Board



P R S Howie
Secretary

10 October 2007

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
VODAFONE EUROPEAN INVESTMENTS

We have audited the financial statements of Vodafone European Investments for the year ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report whether, in our opinion, the directors' report is consistent with the financial statements. In addition, we report to you if, in our opinion, 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
VODAFONE EUROPEAN INVESTMENTS (continued)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2007 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

24 October 2007

VODAFONE EUROPEAN INVESTMENTS
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007 £'000	2006 £'000
Administrative expenses	2	(6)	(5)
Other income and expenditure		<u>988</u>	<u>-</u>
Operating profit / (loss)		982	(5)
Amounts written off fixed asset investments	3	<u>(18,110,441)</u>	<u>-</u>
Loss on ordinary activities before interest		(18,109,459)	(5)
Interest receivable and similar income	4	2,338,018	4,296,188
Interest payable and similar charges	5	<u>(77,891)</u>	<u>(65,990)</u>
(Loss) / profit on ordinary activities before taxation		(15,849,332)	4,230,193
Tax on (loss) / profit on ordinary activities	6	<u>(678,037)</u>	<u>(1,269,058)</u>
(Loss) on ordinary activities after taxation and transferred to reserves / profit on ordinary activities after taxation and retained for the year	12	<u>(16,527,369)</u>	<u>2,961,135</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 EUROPEAN INVESTMENTS

BALANCE SHEET

AT 31 MARCH 2007

	Note	2007 £'000	2006 £'000
FIXED ASSETS			
Investments	8	41,395,221	-
CURRENT ASSETS			
Debtors	9	73,098,883	82,116,111
CREDITORS amounts falling due within one year	10	(3,630,521)	(2,875,579)
NET CURRENT ASSETS		<u>69,468,362</u>	<u>79,240,532</u>
NET ASSETS		<u>110,863,583</u>	<u>79,240,532</u>
CAPITAL AND RESERVES			
Called up share capital	11	100,000	100,000
Share premium account	12	43,250,816	1,855,595
Profit and loss account	12	<u>67,512,767</u>	<u>77,284,937</u>
TOTAL SHAREHOLDERS' FUNDS	13	<u>110,863,583</u>	<u>79,240,532</u>

The financial statements were approved by the Board of Directors on 10 October 2007 and were signed on its behalf by


 P G Stephenson Director

The accompanying notes are an integral part of these financial statements

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

1. Statement of accounting policies

The principal accounting policies adopted, which have been applied consistently throughout the current year and the preceding year, are described below

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards

Foreign currencies

Transactions in foreign currency 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.

All foreign exchange differences are dealt with 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.

Deferred tax is provided in full on timing differences which 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 laws that have been enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in financial statements. 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.

Investments

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

Cash flow

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 and publishes consolidated accounts that include a consolidated cash flow statement.

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

2. Administrative expenses and operating loss

The directors received no remuneration for services to the Company in the financial year (2006 - £nil)

Audit fees of £1,875 (2006 £1,680) were borne by the company during the current year

The Company did not have any employees throughout the current or preceding year

3. Amounts written off investments

An amount of £18,110,441,000 was written off investments during the year (2006 £nil)

4. Interest receivable and similar income

	2007 £'000	2006 £'000
Interest receivable from parent company	173,128	135,370
Interest receivable from fellow subsidiary undertakings	2,164,890	4,160,818
	<u>2,338,018</u>	<u>4,296,188</u>

5. Interest payable and similar charges

	2007 £'000	2006 £'000
Interest payable to parent company	77,797	65,990
Interest payable to fellow subsidiary undertakings	94	-
	<u>77,891</u>	<u>65,990</u>

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

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

	2007 £'000	2006 £'000
Corporation tax charge at 30% (2006 – 30%)	678,037	1,269,058

The standard rate of tax for the year and the previous year, based on the UK standard rate of corporation tax, is 30%. The actual tax charge for the current year differs from the tax (credit)/charge at the standard rate for the reasons set out in the following reconciliation

	2007 £'000	2006 £'000
(Loss) / profit on ordinary activities before tax	(15,849,332)	4,230,193
Tax (credit) / charge on (loss) / profit on ordinary activities before tax at standard rate of 30% (2006 30%)	(4,754,800)	1,269,058
Factors affecting the tax (credit) / charge for the year		
Other permanent difference	(296)	-
Amount written off investments	5,433,133	-
Corporation tax charge at 30% (2006 - 30%)	678,037	1,269,058

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

7. Dividends

	2007 £'000	2006 £'000
Equity – interim on ordinary shares £75 734 per £1 share (2006 £nil per £1 share)	7,573,387	-
Equity – interim on ordinary shares £13 425 per £1 share (2006 £nil per £1 share)	1,342,495	-
Equity – final on ordinary shares £24 394 per £1 share (2006 £38 023 per £1 share)	2,439,360	12,465,211
	<u>11,355,242</u>	<u>12,465,211</u>

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

8. Investments

Shares in Group undertakings £'000

Cost

As at 1 April 2006 -

Additions 65,816,527

Disposals (6,310,865)

Cost as at 31 March 2007 59,505,662

Provision for permanent diminution in value

As at 1 April 2006 -

Amounts provided for during the year (18,110,441)

As at 31 March 2007 (18,110,441)

Net book value

As at 31 March 2007 41,395,221

As at 31 March 2006 -

The fixed asset investment of £41,395,221,000 comprises a 100% shareholding in the ordinary share capital of Vodafone International Operations Limited, a company registered in England and Wales

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

9. Debtors

	2007 £'000	2006 £'000
Amounts owed by ultimate parent undertaking	4,124,811	-
Amounts owed by Group undertakings	68,974,071	82,116,111
	<u>73,098,882</u>	<u>82,116,111</u>

10. Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to ultimate parent undertaking	2,943,010	1,596,154
Amounts owed to Group undertakings	9,474	-
Corporation tax	678,037	1,269,058
Accruals and deferred income	-	10,367
	<u>3,630,521</u>	<u>2,875,579</u>

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

11. Called up share capital

	2007 £'000	2006 £'000
Authorised		
100,000,000,000 (2006 – 100,000,000,000) ordinary shares of £1 each	100,000,000	100,000,000
	<hr/>	<hr/>
Called up, allotted and fully paid		
100,000,112 (2006 – 100,000,002) ordinary shares of £1 each	100,000	100,000
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During the year 110 ordinary shares were issued to Vodafone Group Plc. The nominal value of the shares was £110. The shares were issued as consideration for the acquisition of investments valued at £59,505,662,000.

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2007

12. Reserves

	Share Premium Account £'000	Profit and Loss Account £'000
1 April 2006	1,855,595	77,284,937
Issue of shares, at a premium, as consideration for acquisition of investments	59,505,662	-
Loss for the year transferred to reserves	-	(16,527,369)
Dividends	-	(11,355,242)
Transfer to profit and loss account	(18,110,441)	18,110,441
31 March 2007	<u>43,250,816</u>	<u>67,512,767</u>

13. Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
(Loss) for the year transferred to reserves / retained profit	(16,527,369)	2,961,135
Dividends	(11,355,242)	(12,465,211)
Issue of shares, at a premium, as consideration for acquisition of investments	59,505,662	-
Net movement in shareholders' funds	<u>31,623,051</u>	<u>(9,504,076)</u>
Opening shareholders' funds	<u>79,240,532</u>	<u>88,744,608</u>
Closing shareholders' funds	<u>110,863,583</u>	<u>79,240,532</u>

VODAFONE EUROPEAN INVESTMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2007

14. Related party disclosures

The Company has taken advantage of the exemption granted by paragraph 3(c) of 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

15. Ultimate parent company

The immediate and ultimate parent company and controlling entity of Vodafone European Investments 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 Group accounts are prepared, the Company has taken advantage of Section 228 of the Companies Act 1985 and has not prepared consolidated accounts

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2007 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