

Registered No. 4196996

O2 Communications Limited

Annual Report and Financial Statements for the year ended 31 March 2005



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O2 Communications Limited

Directors

C Fletcher Smith
R Harwood

Secretary and registered office

O2 Secretaries Limited

Wellington Street
Slough
Berkshire
SL1 1YP

O2 Communications Limited

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2005.

Review of activities

The Company has not traded during the year ended 31 March 2005 and has made neither profit or nor loss. The Directors do not anticipate any changes in the foreseeable future.

Directors and secretaries

The Directors who held office during the year were as follows:

C Fletcher Smith
R Harwood

The Secretary who held office during the year was O2 Secretaries Limited.

Beneficial interests

Following the Scheme of Arrangement of mmO2 plc dated 12 January 2005 (the "Scheme") becoming effective on 14 March 2005, O2 plc became the ultimate holding company of mmO2 plc. In addition, as part of the capital reorganisation forming the Scheme, all options and awards granted over mmO2 plc shares under the various employee share schemes were automatically rolled over into options and awards over an identical number of O2 plc shares. There was no change to option prices, the number of shares under option/award or the length of the vesting period. Consequently the share interests of the Directors and their immediate families shown below, reflect those as at 31 March 2005 in the ordinary shares of 0.1 pence each in the share capital of O2 plc and as at 1 April 2004 of such share interests in the ordinary shares of 0.1 pence each in the share capital of mmO2 plc.

The Register of Directors' Interests indicated that the Directors who held office at the end of the financial year had the following interests in O2 plc's ordinary shares of 0.1p each.

	At 1 April 2004	Acquired	Disposed	At 31 March 2005
C Fletcher Smith	6,744	1,438	-	8,182
R Harwood	7,397	1,438	-	8,835

The Register of Directors' Interests indicated that the Directors who held office at the end of the financial year had the following interests in mmO2 plc's deferred shares of £1 each.

	At 1 April 2004	Acquired	Disposed	At 31 March 2005
C Fletcher Smith	-	20	20	-
R Harwood	-	20	20	-

Executive Share Options

The table below shows the options granted under the O2 Share Option Plan. Vesting is subject to the satisfaction of certain performance criteria as detailed in the O2 plc annual report.

	At 1 April 2004	Granted	Exercised	Lapsed	At 31 March 2005	Exercise Price	Dates between which exercisable
C Fletcher Smith	137,931	-	102,068	-	35,863	87p	23/11/04-22/11/11
C Fletcher Smith	133,695	-	-	-	133,695	46p	25/7/05-24/7/12
R Harwood	61,956	-	-	-	61,956	46p	25/7/05-24/7/12

O2 Communications Limited

Directors' Report

Sharesave Options

The table below shows the options over O2 plc ordinary shares held by Directors during the year, through their participation in the O2 Sharesave Plan:

	At 1 April 2003	Granted	Exercised	Lapsed	At 31 March 2004	Exercise price	Dates between which exercisable
C Fletcher Smith	21,477	-	-	-	21,477	44p	13/2/06-12/8/06
R Harwood	21,477	-	-	-	21,477	44p	13/2/06-12/8/06

The closing market price of O2 plc shares at 31 March 2005 was 119.25p and the range in mmO2 plc and O2 plc shares (as applicable) from 1 April 2004 to that date was 84.25p to 131.25p.

Performance Share Plan

Under the O2 Performance Share Plan ("PSP"), C Fletcher Smith has been granted contingent awards of 113,766 shares (1 April 2004: 60,141) and R Harwood has been granted contingent awards of 29,260 shares (1 April 2004: 11,132). Entitlement to these shares at the end of a three-year period is dependent upon the continued employment of the participant by O2 plc or one of its subsidiaries, and is subject to the satisfaction of certain performance criteria as detailed in the O2 plc annual report.

Non-beneficial interests

At 31 March 2005, C Fletcher Smith and R Harwood had a non-beneficial interest in 956,316 shares held in trust by Hill Samuel Offshore Trust Company Limited as trustee of the PSP.

Political and charitable contributions

The Company made no political contributions during the year (2004: nil).

Statement of Directors' responsibilities

A statement by the Directors of their responsibilities for preparing the financial statements is included on page 5.

Auditors

The Company has been dormant within the meaning of Section 249AA, Companies Act 1985, throughout the year, and has remained dormant to this date. Consequently, no auditors have been appointed.

By order of the board



Authorised signatory
for and on behalf of O2 Secretaries Limited
Company Secretary
August 2005

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O2 Communications Limited

Balance Sheet as at 31 March 2005

	<i>Note</i>	2005 £	2004 £
Current assets			
Debtors	<i>1</i>	1	1
Capital and reserves			
Called up share capital	<i>2</i>	1	1
Equity Shareholders' funds		<u>1</u>	<u>1</u>

The notes on page 6 form part of these financial statements.

The Company does not trade and therefore has no profit, loss or cash flows for the year ended 31 March 2005. There were no other recognised gains or losses in the period.

For the year ended 31 March 2005, the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 249b(2). The directors acknowledge their responsibility for:

- (i) ensuring the Company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the ~~board~~ of directors
behalf by

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August 2005 and were signed on its

Director

L. FLETCHER SMITH

O2 Communications Limited

Notes to the Financial Statements

	2005 £	2004 £
1. Debtors		
Amounts owed by parent undertaking	<u>1</u>	<u>1</u>
2. Share capital		
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Issued</i>		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

3. Parent company and controlling party

At the end of the year, the immediate parent company was O2 Holdings Limited. The ultimate parent company and controlling party is O2 plc, a company incorporated in England and Wales.

Copies of the financial statements of O2 plc may be obtained from the Secretary, O2 plc, Wellington Street, Slough, Berkshire SL1 1YP.