

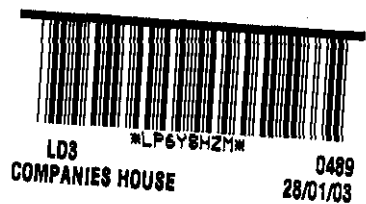
VODAFONE EUROPEAN INVESTMENTS

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2002

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 2002.

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 2002, there was a loss on ordinary activities after taxation of £735,419,000 (2001 – profit of £88,416,587,000).

The directors do not recommend the payment of a dividend (2001 - £nil).

Directors

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

R N Barr	(appointed 6 September 2001)
M D Prudden	(resigned 27 July 2001)
S R Scott	
P G Stephenson	(appointed 6 September 2001)
A H Thomas	(appointed 6 September 2001, resigned 9 November 2001)
C P Ward	(appointed 1 November 2001)

Directors' share interests

The interests in the ordinary shares of Vodafone Group Plc of the directors of the Company are set out below:

	Ordinary Shares		Ordinary Share Options			
	31.3.02	31.3.01*	(Note 1) 31.3.02	(Note 1) 31.3.01*	(Note 2) 31.3.02	(Note 2) 31.3.01*
R N Barr	155,916	149,766	10,456	10,456	744,100	744,100
S R Scott	107,503	56,124	22,347	18,998	4,383,910	2,057,551
P G Stephenson	15,419	11,230	13,570	13,570	189,300	189,300
C P Ward	128,208	124,710	18,951	18,951	364,700	364,700

* If appointed during the year, shareholding at date of appointment.

VODAFONE EUROPEAN INVESTMENTS

REPORT OF THE DIRECTORS (CONTINUED)

Directors' share interests (continued)

(Note 1) The options are granted under the Vodafone Group 1998 Sharesave Scheme and the Vodafone Group Plc Savings Related Share Options Scheme.

(Note 2) The options are granted under the Vodafone Group 1998 Company Share Option Scheme, the Vodafone Group Plc Executive Share Option Scheme, the Vodafone Group 1998 Executive Share Option Scheme, the Vodafone Group Plc 1999 Long Term Stock Incentive Plan and the Vodafone Group Plc Share Option Scheme.

In addition to the above interests in the ordinary shares and share options of Vodafone Group Plc, the following directors also held beneficial interests in shares receivable under the Vodafone Group Long Term Incentive Plan ("LTIP") and the Vodafone Group Short Term Incentive Plan ("STIP"):

	LTIP		STIP	
	31.3.02	31.3.01*	31.3.02	31.3.01*
S R Scott	206,335	108,041	16,884	36,917
R N Barr	118,323	117,739	96,473	95,997

* If appointed during the year, shareholding at date of appointment.

Details of these schemes are included in the Board's Report to Shareholders on Directors' Remuneration in Vodafone Group Plc's Annual Report & Accounts and Form 20-F for the year ended 31 March 2002.

None of the directors held beneficial interests in the shares of Vodafone European Investments or in the shares of any other Group company in the current or preceding financial year, except as noted above.

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

VODAFONE EUROPEAN INVESTMENTS

REPORT OF THE DIRECTORS (CONTINUED)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records which 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 the systems of internal financial controls and 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 Company has passed an elective resolution under section 386(1) of the Companies Act 1985 to dispense with re-appointment of auditors annually.

Registered office

The registered office of the Company is at The Courtyard, 2-4 London Road, Newbury, Berkshire, RG14 1JX, England.

By Order of the Board



P R S Howie
Secretary

16 January 2003

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 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 of the state of the Company's affairs as at 31 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
London

24 January 2003

VODAFONE EUROPEAN INVESTMENTS

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2002

	Note	2002 £'000	2001 £'000
Profit on sale of fixed asset investment		-	88,416,587
Write down of fixed asset investment		(735,419)	-
(Loss)/profit on ordinary activities before taxation	2	(735,419)	88,416,587
Tax on profit on ordinary activities	3	-	-
Retained (loss)/profit for the financial year	8	(735,419)	88,416,587

The Company had 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.

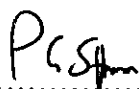
VODAFONE EUROPEAN INVESTMENTS

BALANCE SHEET

AT 31 MARCH 2002

	Note	2002 £'000	2001 £'000
CURRENT ASSETS			
Debtors	5	89,668,180	90,403,599
CREDITORS: Amounts falling due within one year	6	(31,417)	(31,417)
NET ASSETS		<u>89,636,763</u>	<u>90,372,182</u>
CAPITAL AND RESERVES			
Called up share capital	7	100,000	100,000
Share premium account	8	1,855,595	1,855,595
Profit and loss account	8	<u>87,681,168</u>	<u>88,416,587</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	9	<u>89,636,763</u>	<u>90,372,182</u>

The financial statements were approved by the Board of Directors on 6 January 2003 and were signed on its behalf by:


Director
 P G Stephenson

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2002

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 are prepared under the historical cost convention, and in accordance with applicable 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.

Deferred taxation

The Company has adopted FRS19 Deferred Tax. 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 law. 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.

Cash flow

In accordance with the provisions of FRS1 (Revised), a cash flow statement has not been prepared since the Company is a wholly owned subsidiary of Vodafone Group Plc, a company incorporated in England, which prepares consolidated accounts that include a consolidated cashflow statement.

VODAFONE EUROPEAN INVESTMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2002

2. (Loss)/profit on ordinary activities before taxation

Neither the directors nor the auditors received any remuneration for services to the Company in the financial year (2001 - £ nil).

Audit fees were borne by another group company.

There were no employees other than the directors of the Company throughout the year or the preceding year.

3. Tax on profit on ordinary activities

The standard rate of tax for the year based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current year is less than the standard rate for the reasons set out in the following reconciliation:

	2002 £	2001 £
(Loss)/Profit on ordinary activities before taxation	(735,419)	88,416,587
Tax on (loss)/profit on ordinary activities before taxation at 30%	(220,626)	26,524,976
Factor affecting tax charge for the year:		
Non taxable write-off of investment	220,626	-
Non taxable intra group transfer of investment		(26,524,976)
Current tax charge for the year	-	-

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002

4. Investments

	£'000
1 April 2001	-
Additions	735,419
Write down	(735,419)
31 March 2002	-

The Company held no investments as at 31 March 2002.

5. Debtors

	2002 £'000	2001 £'000
Amounts owed by group undertakings	89,668,180	90,403,599
	<u>89,668,180</u>	<u>90,403,599</u>

6. Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Accruals and deferred income	31,417	31,417
	<u>31,417</u>	<u>31,417</u>

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002

7. Called up share capital

	2002 £'000	2001 £'000
Authorised:		
100,000,000,000 (2001 – 100,000,000,000) ordinary shares of £1 each	100,000,000	100,000,000
Called up, allotted and fully paid:		
100,000,002 (2001 – 100,000,002) ordinary shares of £1 each	100,000	100,000

8. Reserves

	Share premium account £'000	Profit and loss account £'000
1 April 2001	1,855,595	88,416,587
Retained loss for the financial year	-	(735,419)
31 March 2002	1,855,595	87,681,168

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002

9. Reconciliation of shareholders' funds

	2002 £'000	2001 £'000
New share capital subscribed	-	1,955,595
(Loss)/profit for financial year	(735,419)	88,416,587
Net movement in equity shareholders' funds	(735,419)	90,372,182
Opening equity shareholders' funds	90,372,182	-
Closing equity shareholders' funds	89,636,763	90,372,182

10. Related party disclosures

The Company has taken advantage of the exemption granted by paragraph 3(c) of FRS8, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc group companies or interests of the Group who are related parties.

11. 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 incorporated in England..

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2002 may be obtained from The Company Secretary, Vodafone Group Plc, The Courtyard, 2-4 London Road, Newbury, Berkshire, RG14 1JX, England.