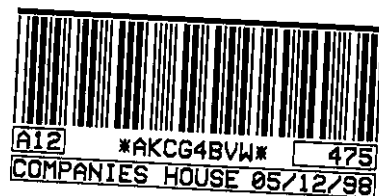


VODAFONE (HOLDINGS) LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 1998
REGISTERED NO: 2227940



VODAFONE (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report and audited financial statements for the year ended 31 March 1998.

Principal activity and future prospects

Vodafone (Holdings) Limited is a holding company of Vodafone Limited, a company which operates a cellular radio network in the United Kingdom. The Company will continue to act as a holding company.

Results and dividends

The profit and loss account is set out on page 4 of the financial statements and shows a profit on ordinary activities after taxation of £360,000,000 (1997 - £300,000,000).

The directors paid a dividend of 90.0p per share during the year (1997 - 75.0p per share).

The retained profit for the year was £nil (1997 - £nil).

Directors

The directors of the Company who served throughout the year were as follows:

D Channing Williams
C C Gent
K J Hydon

Statement of directors' responsibilities

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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

VODAFONE (HOLDINGS) LIMITED

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 to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' share interests

The shareholdings and share options in Vodafone Group Plc of C C Gent, K J Hydon and D Channing Williams are disclosed in the Annual Report and Accounts of Vodafone Group Plc.

None of the directors had any interest in the shares of either Vodafone (Holdings) Limited or other Group companies.

Year 2000

The Company is giving high priority to the impact of the millennium and is taking significant and positive steps to minimise the effect of the Year 2000 date change issues. However, the Company is dependent upon suppliers meeting their targets.

The Company has not incurred any costs in the current financial year in relation to Year 2000 compliance and is satisfied that the total future amount will not be material to the future profitability or liquidity of the Company.

Auditors

A resolution proposing the reappointment of Deloitte & Touche as auditors to the Company will be put to the Annual General Meeting.

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



S R Scott
Secretary
19 OCT 1998

AUDITORS' REPORT

to the members of

VODAFONE (HOLDINGS) LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

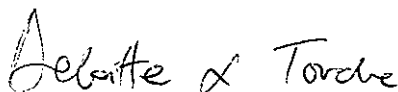
Basis of opinion

We conducted our audit in accordance with 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 at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

3 October 1998

VODAFONE (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1998

	Note	1998 £'000	1997 £'000
Income from shares in subsidiary undertakings	2	393,698	335,576
Profit on ordinary activities before taxation		<u>393,698</u>	<u>335,576</u>
Tax on ordinary profit on ordinary activities	3	(33,698)	(35,576)
Profit on ordinary activities after taxation		<u>360,000</u>	<u>300,000</u>
Dividends	4	(360,000)	(300,000)
Retained profit for the financial year		<u>-</u>	<u>-</u>

There are no recognised gains or losses nor movement in shareholders' funds in the current or preceding financial year other than the result for those years.

The Company's results are derived from continuing operations.

VODAFONE (HOLDINGS) LIMITED

BALANCE SHEET

AT 31 MARCH 1998

	Note	1998 £'000	1997 £'000
FIXED ASSETS			
Investments	5	1,500,000	1,500,000
CREDITORS: amounts falling due within one year	6	1,100,000	1,100,000
TOTAL ASSETS LESS CURRENT LIABILITIES		400,000	400,000
CAPITAL AND RESERVES			
Attributable to equity interests:			
Called up share capital	7	400,000	400,000
		400,000	400,000

The financial statements were approved by the Board of Directors on 19 Oct 1998 and signed on its behalf by:



K J Hydon

VODAFONE (HOLDINGS) LIMITED

STATEMENT OF ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

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

VODAFONE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

1 Profit and loss account

Neither the directors nor the auditors received any remuneration from the Company in the financial year (1997 - £nil).

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

2 Income from shares in subsidiary undertakings

	1998 £'000	1997 £'000
Dividends received	393,698	335,576
	<hr/>	<hr/>

3 Tax on profit on ordinary activities

	1998 £'000	1997 £'000
Tax credit on UK dividends received	33,698	35,576
	<hr/>	<hr/>

4 Dividends

	1998 £'000	1997 £'000
Interim dividend paid	360,000	300,000
	<hr/>	<hr/>

5 Fixed asset investments

	1998 £'000	1997 £'000
Cost:		
Vodafone Limited	1,500,000	1,500,000
	<hr/>	<hr/>

The Company holds 100% of the issued ordinary share capital of Vodafone Limited, which comprises 1,000 ordinary shares of £1 each.

Vodafone Limited is registered in England, and operates a cellular radio network in the United Kingdom.

VODAFONE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1998

6 Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Amounts owed to fellow subsidiary undertaking	1,100,000	1,100,000

7 Called up share capital

	1998 £'000	1997 £'000
Authorised:		
500,000,000 ordinary shares of £1 each	500,000	500,000
Allotted, issued and fully paid:		
400,000,002 ordinary shares of £1 each	400,000	400,000

8 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.

9 Ultimate holding company

The ultimate holding company and controlling entity of Vodafone (Holdings) Limited is Vodafone Group Plc, which is incorporated in England. As a wholly owned subsidiary of a company registered in England, for which Group accounts are prepared, the Company has taken advantage of Section 228 of the Companies Act and has not prepared consolidated accounts.

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