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TELECOMS INSURANCE SERVICES SA, Geneva

*Financial statements for the
Year ended March 31, 2006
and Auditors' Report*

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REPORT OF THE STATUTORY AUDITORS

To the General Meeting of the Shareholders of
Telecoms Insurance Services SA, Geneva

As statutory auditors, we have examined the accounting records and the financial statements of Telecoms Insurance Services SA, for the year ended March 31, 2006

These financial statements are the responsibility of the Board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards as well as with International Standards on Auditing (ISA), which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made by management and the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

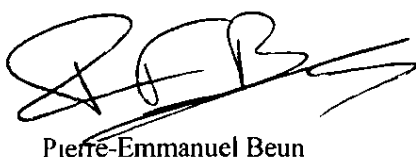
In our opinion, the accounting records, the financial statements and the proposed appropriation of available earnings comply with Swiss law and the Company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

DELOITTE SA



Annik Jaton Huni
Auditor in charge



Pierre-Emmanuel Beun

4 July, 2007

Attached

- Financial statements (balance sheet, statement of income and retained earnings and notes)
- Proposed appropriation of available earnings

TELECOMS INSURANCE SERVICES SA, Geneva**BALANCE SHEET AT MARCH 31, 2006**

(with 2005 comparative figures)

(expressed in CHF)

	<u>NOTES</u>	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash at bank and in hand		-	537,171
Loan receivable from shareholder	4	2,583,975	3,205,357
Debtors, prepayments and deposits		57,382	53,495
Total current assets		<u>2,641,357</u>	<u>3,796,023</u>
TOTAL ASSETS		<u><u>2,641,357</u></u>	<u><u>3,796,023</u></u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Taxation payable		-	912,781
Loan payable to shareholder		22,813	-
Other creditors		17,930	29,169
Total current liabilities		<u>40,743</u>	<u>941,950</u>
SHAREHOLDERS' EQUITY			
Share capital	5	100,000	100,000
General reserve		50,000	50,000
Retained earnings		<u>2,450,614</u>	<u>2,704,073</u>
Total shareholders' equity		<u>2,600,614</u>	<u>2,854,073</u>
TOTAL		<u><u>2,641,357</u></u>	<u><u>3,796,023</u></u>

See notes to financial statements

TELECOMS INSURANCE SERVICES SA, Geneva**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2006
(with 2005 comparative figures)**

(expressed in CHF)

	<u>2006</u>	<u>2005</u>
INCOME		
Commission	-	220,028
Investment return - investment income	<u>14,296</u>	<u>30,853</u>
Total income	<u>14,296</u>	<u>250,881</u>
EXPENSES		
Personnel costs	-	286,484
Depreciation charge	-	41,573
Foreign exchange loss, net	2,175	1,694
Other expenses	<u>69,564</u>	<u>217,423</u>
Total expenses	<u>71,739</u>	<u>547,174</u>
Loss for the year before taxation	(57,443)	(296,293)
Taxation credit / (charge)	<u>(196,016)</u>	<u>278,309</u>
NET LOSS FOR THE YEAR	<u>(253,459)</u>	<u>(17,984)</u>
RETAINED EARNINGS, beginning of year	2,704,073	2,752,057
Dividend	-	-
Transfer to general reserve	-	(30,000)
Loss in current year	<u>(253,459)</u>	<u>(17,984)</u>
RETAINED EARNINGS, end of year	<u>2,450,614</u>	<u>2,704,073</u>

See notes to financial statements

TELECOMS INSURANCE SERVICES SA, Geneva

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

(with 2005 comparative figures)

(expressed in CHF)

1 GENERAL

Telecom Insurance Services SA ("the Company") was incorporated on May 30, 2000. The Company's activity was that of co-ordinating the insurance business of companies within the Carphone Warehouse Group. At the date of this report the Company is dormant.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, and in accordance with the provisions of the Swiss Code of Obligations.

Significant accounting policies are set out below.

Fiscal year - The Company's fiscal year, which is based on the Group's financial year, is based on a 52 week period ending on the last Saturday in March. The year ended April 1, 2006 (2005 - April 2) was a 52 week fiscal year. The Company's statutory financial year ends on March 31 each year. The Company's management believes that the level of transactions between March 31, 2006 and April 1, 2006 (2005 - April 2) is insignificant.

Taxation - Under the applicable federal and cantonal tax laws, income and capital taxes are due in the fiscal year when the taxable income is earned and the capital accrues. The Company follows the policy of providing in each year for income and capital taxes which will be assessed on net income and capital based on the financial statements of the current year.

3 PLEDGED ASSETS

An amount of CHF nil (2005 - CHF 44,000) had been pledged for a rental guarantee.

4 LOAN RECEIVABLE FROM SHAREHOLDER

A revolving credit agreement was signed on January 2002 between the Company and Carphone Warehouse Group plc. Interest is payable on the amounts advanced at a margin rate of 100 basis points over the Swiss LIBOR for the period.

5 SHARE CAPITAL

	<u>2006</u>	<u>2005</u>
Authorised		
1,000 Ordinary shares of CHF 100 each	<u>100,000</u>	<u>100,000</u>
Alloted, called-up and fully paid		
1,000 Ordinary shares of CHF 100 each	<u>100,000</u>	<u>100,000</u>

6 FIRE INSURANCE

The Company no longer has any assets.

TELECOMS INSURANCE SERVICES SA, Geneva

**PROPOSED APPROPRIATION
OF AVAILABLE EARNINGS**

(expressed in CHF)

The Board of Directors of Telecoms Insurance Services SA proposes that the balance of retained earnings available at March 31, 2006 amounting to CHF 2,450,614 be carried forward
