REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: March 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report: __________

For the transition period from: __________ to __________

Commission file number: 001-10086

VODAFONE GROUP PUBLIC LIMITED COMPANY

(Exact name of Registrant as specified in its charter)

England

(Jurisdiction of incorporation or organization)

Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, England

(Address of principal executive offices)

Rosemary Martin (Group General Counsel and Company Secretary)
tel +44 (0) 1635 33251, fax +44 (0) 1635 580 857

Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, England

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Name of each exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Schedule A</td>
<td>See Schedule A</td>
</tr>
</tbody>
</table>

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer’s classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary Shares of 11 3/7 US cents each 51,577,525,830
7% Cumulative Fixed Rate Shares of £1 each 50,000

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes ☑ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.

Yes ☐ No ☑

Indicate by check mark whether the registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes ☑ No ☐
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑

Accelerated filer ☐

Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP ☑

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow

Item 17 ☑ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

SCHEDULE A

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Name of each exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares of 11 3/7 US cents each</td>
<td>NASDAQ Global Select Market*</td>
</tr>
<tr>
<td>American Depositary Shares (evidenced by American Depositary Receipts) each representing ten ordinary shares</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>5.00% Notes due December 2013</td>
<td>NASDAQ Global Select Market</td>
</tr>
<tr>
<td>4.150% Notes due June 2014</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>5.375% Notes due January 2015</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>5% Notes due September 2015</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>3.375% Notes due November 2015</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>2.875% Notes March 2016</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>5.75% Notes March 2016</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>5.625% Notes due February 2017</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>4.625% Notes due July 2018</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>5.450% Notes due June 2019</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>4.375% Notes due March 2021</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>7.875% Notes due February 2030</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>6.25% Notes due November 2032</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>6.15% Notes due February 2037</td>
<td>New York Stock Exchange</td>
</tr>
</tbody>
</table>

* Listed, not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.
Delivering a more valuable Vodafone

Group highlights for the 2011 financial year

<table>
<thead>
<tr>
<th>Metric</th>
<th>Amount</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£45.9bn</td>
<td>3.2% growth</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>£11.8bn</td>
<td>3.1% growth</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>£7.0bn</td>
<td>2.7% decrease</td>
</tr>
<tr>
<td>Mobile customers</td>
<td>370.9m</td>
<td>14.5% growth</td>
</tr>
<tr>
<td>Total dividends</td>
<td>8.90p</td>
<td>7.6% growth</td>
</tr>
</tbody>
</table>
Highlights of the year

- Group revenue increased 3.2% to £45.9 billion with a strong result from emerging markets and signs of renewed growth in some parts of Europe.
- Adjusted operating profit rose 3.1% to £11.8 billion, supported by a good performance from our US associate, Verizon Wireless.
- Free cash flow of £7.0 billion, reflecting consistent levels of capital expenditure and strong working capital performance.
- £14.2 billion expected to be raised from agreed disposals of interests in China Mobile (China), SoftBank (Japan) and, after year end, SFR (France).
- Total dividends per share of 8.90 pence, up 7.1% in line with our dividend per share growth target. £6.8 billion committed to share buybacks.

Our new strategy

In November 2010 we unveiled an updated strategy to move us from ‘A Stronger Vodafone’ to ‘A More Valuable Vodafone’. The new strategy is composed of four main elements:

**Focus on key areas of growth potential**

Mobile data, emerging markets, enterprise, total communications and new services.

**Deliver value and efficiency from scale**

Using our size and scale to drive cost efficiencies and operational effectiveness.

**Generate liquidity or free cash flow from non-controlled interests**

Releasing liquidity and free cash flow from minority stakes and investments.

**Apply rigorous capital discipline to investment decisions**

Allocating capital to maximise shareholder value.

Find out more on pages 12 to 27

You can visit our online annual report at: www.vodafone.com/investor

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*a* These sections make up the directors’ report

The terms ‘Vodafone’, the ‘Group’, ‘we’, ‘our’ and ‘us’ refer to the Company and, as applicable, its subsidiaries and/or interests in joint ventures and associates.

Unless otherwise stated references: to ‘year’ or ‘2011’ mean the financial year ended 31 March 2011; to ‘2010’ or ‘previous year’ mean the financial year ended 31 March 2010; to the ‘third quarter’, ‘previous quarter’ or ‘Q3’ are to the quarter ended 31 December 2010; and to the ‘fourth quarter’ or ‘Q4’ are to the quarter ended 31 March 2011.

All amounts marked with an (*) represent organic growth which presents performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates.

Definitions of terms used throughout the report can be found.
This report is dated 17 June 2011.
About us
A business intent on meeting all our customers’ communication needs

Technologies and resources
The latest technologies offering our best customer experience

Network infrastructure
We have one of the largest mobile footprints in the world with more than 224,000 base station sites. During the year our networks carried around 650 billion minutes of voice traffic (equivalent to 2.09 minutes per month, per customer) and 18 petabytes of data equivalent to downloading over 540 three-minute videos clips every second.

Network performance
We continue to invest around €6 billion a year to maintain leadership on our network. Tests show that in the European region, Vodafone and Egypt, Vodafone offers peak user data download speeds which are on average 40% faster than our best competitors.

Research and development (R&D)
We drive innovation through new technologies and enhancements to existing capabilities. This year R&D expenditure amounted to £2.8 billion.

Customer support technologies
Our billing and customer relationship management systems are being enhanced to enable our customers to manage a single account, with a single bill, for multiple devices or for several people.

Licences and spectrum
Licences and spectrum enable us to deliver fixed and mobile communications services in certain markets. During the year we acquired additional licences and spectrum in seven markets, including India for third generation (3G) services and Germany for the provision of fourth generation (4G) or LTE services, to enhance the speed, coverage and quality of voice and data services in those markets.

Strategic agreements
We work closely with some of the world’s leading companies to deliver innovative products and services to our customers. Our agreements with Samsung, Google®, Microsoft®, HTC and others have enabled us to be first to market with cutting edge smart devices. We now distribute the Apple iPad in the UK and to our enterprise customers in Europe. For enterprise customers, in partnership with Microsoft we provide the Microsoft Online suite which provides hosted email, conferencing and collaboration services. In conjunction with RIM® and Nokia, Vodafone customers using smartphones will be able to securely pay for applications via their Vodafone bill.

Branding
According to Brand Finance plc, the Vodafone brand has risen to become the fifth most valuable brand in the world. In the 2010 calendar year we renewed our title partnership with the Vodafone McLaren Mercedes Formula One team. This has been a strong year for the sponsorship with increased television viewing figures and greater exposure.

People
We employed approximately 83,500 people worldwide during the year, compared to 85,000 the previous year.

Employees by activity (000)

Customer and administration  17
Operations  12
Sales and distribution  15
Distribution
A broad range of channels through which customers can access our services and products

Direct channels
We directly own and manage about 2,200 stores around the world and we also have around 10,300 Vodafone-branded stores run through franchise and exclusive dealer arrangements. In most of our local markets sales forces also sell directly to enterprise customers.

Indirect channels
The level of indirect distribution varies between markets and may include using third party service providers, independent dealer, distributors and retailers.

Online
The internet has also become an increasingly powerful and cost-effective distribution channel. 51% of our European contract customers receive their bills online.

Services
Services to meet all our customers’ needs

Voice
We are one of the largest carriers of mobile voice traffic in the world, providing domestic, international and roaming voice services to more than 370 million customers.

Messaging
Our networks sent and received over 292 billion text, picture, music and video messages this year.

Data
More than 75 million customers buy our mobile data services which allow access to the internet, email and applications on their phones, tablets, laptops and netbooks.

Fixed line
Over six million customers use our fixed broadband services in 13 markets to meet their total communications needs. In addition, through Gateway, we provide wholesale carrier services to more than 40 African countries.

Other service revenue
This includes managed services, such as secure remote network access, and revenue from mobile virtual network operators generated from selling access to our network at the wholesale level.

Service revenue by type (%)

Devices
Ensuring that our services are available through multiple platforms

Smartphones and tablets
These have advanced capabilities including access to email, social media and mobile applications such as Google Maps™ and Facebook. Smartphones now account for 10% of the total number of phones used by our customers in Europe. We now supply the iPhone in 19 markets.

Vodafone branded handsets
We are making Vodafone branded handsets available to mass market audiences while offering differentiated experiences. During the year 14 new handsets were released under our own brand and we shipped 5.8 million.

4G/LTE mobile broadband USB stick
The Samsung GT-B3740 is our first ever 4G/LTE network device which enables customers to experience super-fast mobile broadband.

Other connected devices
In addition to handsets, we supply a range of innovations connected devices. During the year we launched our first ever USB sticks based on 4G/LTE technology and Vodafone WebBox which enables customers to connect to the internet using existing television sets by simply plugging in a keyboard with an embedded mobile SIM.

Table of Contents
Vodafone at a glance
We are one of the world’s largest mobile communications companies by revenue

Base station
We are leaders in data networks with over 66,000 3G sites delivering high-speed mobile broadband capability.

Vodafone M-Pesa
Over 20 million people in emerging markets use this service to send and receive money using their mobile phones. More on page 20.

Revenue ($bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>32.0</td>
</tr>
<tr>
<td>Africa, Middle East, and Asia Pacific</td>
<td>15.7</td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Adjusted operating profit ($bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>Adjusted operating profit ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>3.7</td>
</tr>
<tr>
<td>Africa, Middle East, and Asia Pacific</td>
<td>4.0</td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Capital expenditure ($bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>Capital expenditure ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>3.7</td>
</tr>
<tr>
<td>Africa, Middle East, and Asia Pacific</td>
<td>2.2</td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Operating free cash flow ($bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>Operating free cash flow ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>1.5</td>
</tr>
<tr>
<td>Africa, Middle East, and Asia Pacific</td>
<td>-7.4</td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions</td>
<td>-0.7</td>
</tr>
</tbody>
</table>

Partner markets
Partner markets extend our reach outside our equity investments by entering into a partnership agreement with a local mobile operator, enabling a range of our global products and services to be marketed in that operator’s territory. Under the terms of these partnership agreements, we cooperate with our partners in the development and marketing of certain services and products. These partnerships create additional revenue through fees paid by the partners to access Vodafone Group products, services and our brand portfolio without the need for equity investment.

As part of the agreement for the sale of Vodafone’s interest in SFR to Vivendi, we have entered into an agreement with SFR which will continue our commercial cooperation and will allow us to continue to deliver cross-border services to customers across the major markets of western Europe.
Business review

Europe

Our mobile subsidiaries and joint ventures in Europe operate under the brandnames 'Vodafone' and our major fixed-line businesses operate as 'Vodafone or Eire' as 'Teled 1' or in Spain as 'T2'.

Revenue

- 2.3% decrease to £32.0bn (2010: £32.8bn)
- 20.0% growth to £13.3bn (2010: £11.1bn)

Adjusted operating profit

- 9.8% decrease to £5.7bn (2010: £6.4bn)
- 55.5% growth to £1.3bn (2010: £0.8bn)

Capital expenditure

- 9.2% decrease to £3.7bn (2010: £2.1bn)
- 53.7% growth to £2.2bn (2010: £1.3bn)

Operating free cash flow

- 9.2% decrease to £7.5bn (2010: £8.2bn)
- 53.7% growth to £2.4bn (2010: £1.5bn)

Mobile customers by market

<table>
<thead>
<tr>
<th>Country</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>36.7</td>
</tr>
<tr>
<td>Italy</td>
<td>23.1</td>
</tr>
<tr>
<td>UK</td>
<td>19.1</td>
</tr>
<tr>
<td>Spain</td>
<td>12.5</td>
</tr>
<tr>
<td>Turkey</td>
<td>16.8</td>
</tr>
<tr>
<td>Romania</td>
<td>6.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>6.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5.0</td>
</tr>
<tr>
<td>Greece</td>
<td>3.9</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>5.2</td>
</tr>
<tr>
<td>Hungary</td>
<td>2.7</td>
</tr>
<tr>
<td>Ireland</td>
<td>2.2</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>1.6</td>
</tr>
<tr>
<td>Malta</td>
<td>0.2</td>
</tr>
<tr>
<td>Total</td>
<td>147.4</td>
</tr>
</tbody>
</table>

Africa, Middle East and Asia Pacific (AMAP)

Our subsidiaries and joint ventures in AMAP operate under the 'Vodafone' brand, or in the case of Vodacom and its mobile subsidiaries as 'Vodacom' and Gateway brands. In India, we operate as 'Vodafone Essar'. Our associate in Hong Kong operates as 'Safaricom'.

Revenue

- 20.0% growth to £13.3bn (2010: £11.1bn)

Adjusted operating profit

- 55.5% growth to £1.3bn (2010: £0.8bn)

Capital expenditure

- 6.2% growth to £2.2bn (2010: £1.3bn)

Operating free cash flow

- 55.7% growth to £2.4bn (2010: £1.5bn)

Notes

1. The table of mobile customers in Europe includes 265 million customers in South Africa to Non-Controlled Interests and Common Functions and intercompany eliminations.
2. Controlled and jointly controlled businesses. "Includes mobile customers representing 265 million customers in our Polish joint venture Polkomtel which is 44.4% owned.
3. The table of mobile customers in AMAP includes 2.4 million customers in South Africa to Non-Controlled Interests and Common Functions.
4. Agreed proceeds of £7.4bn from the sale of Non-Controlled Interests.
Chairman’s statement

“I leave Vodafone with huge optimism for its future”

Improving operational performance
After the macroeconomic shocks of the previous financial year and the business challenges that accompanied them, our overall operating environment did not deteriorate further during the year. Most markets saw economic growth recover, although southern Europe remained weaker.

Within this context, the Group has performed well. We achieved organic service revenue growth of 2.9%, a significant change in momentum from last year’s 1.6% decline.

Our adjusted operating profit was up 3.1% at £11.8 billion, reflecting a stable performance in our controlled operations and strong growth in the contribution from Verizon Wireless, our Associate.

Data has been the key driver of growth over the last year. Our customers around the world are increasingly drawn to the experience of the mobile internet and related services. Organic data revenue growth was 26.4% achieved through combining increasingly disciplined pricing structures with a broad range of devices and a network with a deserved reputation for market leading speed and reliability.

We have continued to make substantial investments in our infrastructure to maintain our advantage over our peers, with a total capital expenditure outlay of £6.7 billion during the year. The Group, however, remains highly cash generative, with free cash flow for the year totalling £7.0 billion.

Delivering value from non-controlled interests
The Board remains committed to achieving full value from the non controlled interests within the Group. This has been an ongoing process, starting with the disposals of our interests in Belgium and Swèisscom five years ago, but inevitably paused during the financial crisis when asset prices were depressed. During the year, we successfully disposed of our holdings in China Mobile Limited and Softbank, generating proceeds of £7.4 billion. Just after the year end, we were pleased to announce the sale of our 44% interest in SFR, the number two mobile operator in France.

Increasing shareholder returns
This time last year the Board was in place a target to grow total dividends per share by at least 7% per annum over the following three years, and I am pleased to announce a 23% increase in the final dividend for the March 2011 year giving a total payout for the year of £80.9 billion.

In addition, from the proceeds from our portfolio rationalisation, we have committed £6.8 billion to share buyback programmes. Combined with the dividend, this takes total committed shareholder returns during the year to £15.7 billion, or 17% of our market capitalisation at 31 March 2011, including share price appreciation, our total shareholder return for the year was 23% compared to 8% for the FTSE 100.

Tax policy
During the year, the Group has been involved in two high profile tax cases in the UK and India. Our tax policy is straightforward: we pay taxes that are due in the countries where we make profits or record capital gains in line with the prevailing legislation of those jurisdictions.

Our people
I am proud to say every year that our people all around the world are absolutely committed to serving our customers and are often the difference between Vodafone and our competitors. However, this year I must highlight the extraordinary commitment and dedication shown to maintaining services to customers in two of our markets in extremis.

In Egypt, our employees risked their personal safety in a very volatile environment to keep the network up and running at a time when mobile communication was more important than ever, keeping the voice network up to less than 24 hours.

In New Zealand, our people responded magnificently to the earthquake that devastated Christchurch in February 2011. They ensured network coverage was maintained 24 hours a day despite major power outages and structural damage, and managed unprecedented levels of demand as the mobile phone became the primary means of communication for the people of Christchurch and the rescue services. The team worked around the clock to ensure the safety of our own staff and to provide temporary towers and subsidised packages to support customers’ communications needs.

The Vodafone Foundation
We have continued to fund the good work of the Vodafone Foundation. Through the Vodafone Foundation and our network of national affiliate foundations we support communities and societies in the countries in which we operate. In this financial year we invested a total of £50 million in foundation programmes and social causes.

Our World of Difference programme is now in 20 countries and has so far enabled 1,692 people to take paid time to work for a charitable purpose of their choice in their own community or in a developing country.

Our Model for Good programme, combining our technology with our giving, saw the launch of Instant Network, a partnership with Telecoms Sans Frontières which enables a network to be deployed from three suitcases covering 10sqkm for usage of up to 12,000 people. Field trials are currently underway.
Across the Group we continue to promote and give money simply and freely to support charitable appeals following disasters. Using this platform we raised over NZ$1.3 million for the Red Cross to support the people of Christchurch.

The Board
During the year the Board appointed Renee James as a non-executive director. Renee is Senior Vice President and General Manager of the Software and Services Group for Intel Corporation. She joined the Board in January 2011 and it is clear that her industry knowledge and expertise will make a strong contribution to the Board through another period of technological change.

The Board welcomed the publication in February of the Davies Review on Women on Boards and, in line with its recommendations, it is our aspiration to have a minimum of 25% female representation on the Board by 2015. The Financial Reporting Council is currently consulting on changes to the UK Corporate Governance Code including a recommendation that companies adopt a boardroom diversity policy: we expect to comply with any such recommendation. The Board recognises the importance of gender balance throughout the Group and continues to support our CEO, Vittorio Colao, in his efforts to build a diverse organisation. Further information can be found in the Corporate Governance section of this report.

After five years as Chairman I am retiring from the Board at the AGM in July. It has been a privilege to chair a Board of such diverse and rich experience, and to help steer the Group through the challenges of a dynamic industry and an uncertain economic environment.

Sir John Bond
Chairman

Our approach has led to strong returns to shareholders over the last five years. Total shareholder return since July 2006 has been 82%, compared to 22% for the FTSE 100. We are delighted to welcome Gerard Kleisterlee as Vodafone’s new Chairman. As CEO of Philips, Gerard spent ten successful years at the helm of an international consumer technology business, and the Group is certain to make continued good progress under his stewardship. I wish him, and the Group, all the best for the future.
Mobile telecommunications industry

An industry with 5.6 billion customers with growth driven by increasing global demand for data services and rising mobile penetration in emerging markets

Where the industry is now

Revenue and customers
- The mobile industry generates around US$900 billion of annual revenue and accounts for around 1.5% of world GDP.
- There are 5.6 billion mobile customers which is equivalent to around 80% of the world population.
- Approximately 75% of mobile customers are in emerging markets such as India and China.

Mobile services account for around 60% of telecommunications revenue with the remainder coming from fixed. Within mobile, the majority of income comes from voice calls in mature markets such as Europe. However, the fastest growing revenue segment is data services such as access to the internet through laptops, tablets and smartphones.

The number of mobile customers far exceed other forms of electronic communication. Only 1.3 billion people have fixed line telephones, 2.1 billion have access to the internet and 1.2 billion have televisions.

The mobile proportion of voice calls has increased over the last five years and now accounts for 85% of all calls made, with the remainder over fixed lines, reflecting the benefits of mobility, lower cost handsets and cheaper calling plans.

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Competitors and regulation
- There are typically between three to five mobile network operators per market, although in some markets, such as India, there are considerably more.
- Regulators continue to seek to impose policies to lower the cost of access to mobile networks.

The telecommunications industry is competitive with consumers having a large choice of mobile and fixed line operators from which to select services. Newer competitiveness, including handset manufacturers, internet companies and software providers, are also entering the market offering integrated communication services.

Industry regulators continue to impose lower mobile termination rates (the fees mobile companies charge for calls received from other companies’ networks) and lower roaming prices.

The combination of competitive and regulatory pressures contributed to a 10% decline in the global average price per minute in the 2010 calendar year. However, price pressures are being partly offset by increased mobile usage leading to a 6% increase in mobile service revenue over the same period.

Mobile customer penetration

Mobile penetration

March 2011: 16.8 billion

Mobile penetration

March 2011: 15.0

Mobile penetration

March 2011: 10.7

Mobile penetration

March 2011: 6.7

Mobile penetration

March 2011: 0.8

Mobile penetration

March 2011: 0.5

Mobile penetration

March 2011: 0.5

The industry data in pages 8 and 9 has been sourced from Wireless Intelligence, Strategy Analytics, Merrill Lynch, Bernstein NGS and CSC.
A growing industry
Data traffic has more than doubled year-on-year due to a range of smart connected devices and significant progress in mobile network technology.

Where the industry is going

Mobile data and networks
- Mobile data traffic is driving revenue growth.
- Network speeds are increasing dramatically because of improving technology.
- The pace of product innovation remains high.

In 2006 data accounted for 3% of industry revenue, in 2010 it reached 13% and by 2014 it is expected to be 21%. Demand is being driven by the widening range of smart connected devices, such as mobile broadband sticks, smartphones and tablets, greater network speeds and an increased range of applications with greater functionality. Smartphone sales grew by 60% in the 2010 calendar year, compared to a 16% increase in the 2009 calendar year, and are expected to continue to grow due to lower entry prices, device innovation and attractive applications.

Today’s 3G networks offer typically achieved data download speeds of up to 4 Mbps which is around 100 times faster than that delivered by 2G networks ten years ago. The industry has recently begun to deploy 4G/LTE networks which will provide typically achieved rates of up to 12 Mbps, depending on the capability of the devices and the network.

Device innovation is a key feature of our industry. Recent developments include femtocells which enhance customers’ indoor 3G signals via a fixed line broadband connection and mobile Wi-Fi devices which allow customers to share their mobile broadband connection with others.

Mobile data demand is being accelerated by devices and network improvements

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone share of industry handset shipments (%)</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td>Typically achieved data download speeds (Mbps)</td>
<td>2.2</td>
<td>4</td>
</tr>
</tbody>
</table>

Emerging markets
- Mobile phone usage continues to grow rapidly.
- Data represents a significant growth opportunity.

The number of customers using mobile services in emerging markets, such as India and Africa, has grown rapidly over the last ten years, increasing by over 17 times, compared to nearly 150% in more mature markets such as Europe. The key driver of growth has been a fundamental need for communication services against a background of often low quality alternative fixed line infrastructure and strong economic growth.

Most of the future growth in mobile customers is expected to continue to be in emerging markets where mobile penetration is only around 30% compared to approximately 150% in mature markets such as Europe, supported by the expectation of continued strong economic growth.

Data also represents a substantial growth opportunity in emerging markets both in terms of mobile broadband and mobile internet services. It is being driven partly by lack of fixed line broadband infrastructure but also by locally relevant content and services in local languages, and software innovations that glue customers a high quality mobile internet experience on affordable handsets.

Emerging market customer growth will be driven by rising mobile penetration and GDP growth

- Market customer growth
  - 2006 – 2014 estimated cumulative annual growth rate (CAGR)
  - 18%
  - 6%
  - 7%
  - 18%
Chief Executive’s review

“We are gaining or holding market share in most of our major markets and are leading our competitors in the drive to migrate customers to smartphones and data packages.”

Financial review of the year

We have performed well this year, combining a better operational performance with good strategic progress. Organic service revenue growth improved during the year, with a strong result from emerging markets and signs of renewed growth in some parts of Europe.

Customers have adopted data services in increasing numbers, as smartphones proliferate and the tablet market begins to take off. Our network investment is becoming a key differentiator, as we are leading the migration to smartphones in most of our European operations. Through this and our continued stronger commercial focus, we are growing our market share against most of our rivals.

However, markets remain competitive and the economic environment, particularly across southern Europe, is challenging. We continue to keep a tight rein on costs and working capital, allowing us to maintain our levels of investment while again delivering a strong free cash flow performance.

Group revenue for the year was up 5.2% to £45.9 billion, with Group service revenue up 2.9% on an organic basis and up 2.3% in Q4. Adjusted EBITDA margin fell 1 percentage point, reflecting continuing weakness across southern Europe, higher growth in lower margin markets and the increased investment in migrating our customers to higher value smartphones. As a result, adjusted EBITDA was £9.86 billion year on year.

Group adjusted operating profit rose 5.1% to £11.8 billion, at the top end of our guidance range after allowing for currency exchange rate movements and despite the additional costs incurred by Verizon Wireless’s iPhone launch. The main drivers were good growth in the Americas, Middle East and Asia Pacific region (AMAP) and a strong performance from Verizon Wireless.

We recorded impairment charges of £6.1 billion relating to our businesses in Spain, Greece, Portugal, Italy and Ireland which were primarily driven by higher discount rates given sharply increased interest rates. The impairment in Spain represented approximately half of the total.

Free cash flow was £7.2 billion, at the top end of our medium-term guidance as a result of our continued financial discipline and strong working capital performance. Capital expenditure was £6.2 billion, broadly flat on last year and in line with our target, as we focused on widening our data coverage and improving network performance.

Adjusted earnings per share was 16.5 pence, up 40% on last year, reflecting higher profitability and lower shares in issue as a result of the ongoing 6.2 billion buyback programme. The board is recommending a final dividend per share of 6.05 pence to give total dividends per share for the year of 8.90 pence, up 7.1% year on year.

Europe

Organic service revenue in Europe was down 0.4% during the year and down 0.8% in Q4. This represents a good recovery on last year (-5.8%)

Organic service revenue growth in AMAP was 9.3%, accelerating through the year to a level of 11.8% in Q4. Our two major businesses, India and Verizon, reported growth of 16.7% and 5.8% respectively. Our performance in India has been driven by increasing voice penetration and a more stable pricing environment. In South Africa, Vodafone continues to benefit from the record margins from the strong growth in India.

Delivering a more valuable Vodafone

In November 2010 we announced an updated strategy designed to build on the progress made during my first two years as CEO. There are four main elements to the strategy to build a more valuable Vodafone:

- Focus on key areas of growth potential
- Deliver value and efficiency across the business
- Generate liquidity from non-controlled interests and
- Apply rigorous capital discipline to investment decisions.

I am pleased to say that we are making good progress in each area.
Focus on five key areas of growth potential

Mobile data: data revenue was up 26.4% year-on-year to £3.1 billion, and now represents 12.0% of Group service revenue. We have continued to increase the penetration of smartphones into our customer base as these are a key driver of data adoption.

Network quality is absolutely central to our data strategy, and we have made further significant investments over the last 12 months to improve the speed and stability of our coverage. Based on third party tests performed in 16 of our main SG markets, we achieved overall data performance in 13 markets.

Enterprise: revenue in the overall European enterprise segment was up 0.5% year-on-year and represented 29.5% of our European service revenue. Within this, Vodafone Global Enterprise, which serves our multinational customers, delivered revenue growth of around 8% thanks to some important customer wins and increased penetration of existing customer accounts. This market offers attractive growth opportunities, as multinationals and smaller companies alike look not only to manage costs but also to move to converged platforms and improve mobile connectivity for their workforce.

Emerging markets: the Group has an attractive level of exposure to emerging markets where penetration is lower and GDP growth higher than in the more mature markets of western Europe.

Total communications: we continue to develop our fixed line capabilities to meet our customers’ total communications needs beyond mobile connectivity. Revenue from our fixed line operations amounted to £3.4 billion, up 3.9% year-on-year.

New services: machine-to-machine platforms (M2M), mobile financial services and near-field communications, among other new services, all offer potential for incremental growth. During the year we made good progress in our M2M business and continued the growth and expansion of our mobile money transfer platform, which now has over 20 million customers in Asia and is currently being trailed in India.

Deliver value and efficiency from scale

The current composition of the Group has enabled us to increase efficiency and achieve favourable comparable cost positions in many markets. During the year we oversaw establishment of a more formal relationship with Verizon to leverage our purchasing power across a wide range of suppliers.

Generate liquidity or free cash flow from non-controlled interests

During the year we agreed disposals of our 5.2% stake in China Mobile Limited and our SoftBank interests for a total cash consideration of £7.4 billion. Subsequent to the year end, we announced the sale of our 44% holding in STT, the number two mobile operator in France to Vivendi, the majority shareholder, for £3.3 billion. These three transactions crystallised significant value for shareholders, with £6.3 billion of proceeds being committed to share buy-back programmes.

Applying rigorous capital discipline to investment decisions

We continue to apply capital discipline to our investment decisions. We apply rigorous commercial analysis and demanding hurdle rates to ensure that any investment or corporate activity will enhance shareholder returns. We will continue to undertake regular reviews of Vodafone’s entire portfolio to ensure that we optimise value for shareholders.

Prospects for 2012 financial year

We enter the new financial year in a strong position. We are gaining or holding market share in most of our major markets, and are leading our competitors in the drive to migrate customers to smartphones and data packages. We will continue to focus on our key growth areas of data, enterprise and emerging markets, while maintaining investment in network quality and the development of new services.

However, we continue to face challenging macroeconomic conditions across our southern European footprint, and we expect further required costs to mobile termination rates to have a negative impact of about 2.5 percentage points on service revenue growth in the 2012 financial year.

The Group adjusted EBITDA margin is expected to continue to decline, albeit at a lower rate than in the 2011 financial year. The main driver is the persistent revenue decline in some of our southern European operations.

Adjusted operating profit is expected to be in the range of £11.0 billion to £11.8 billion, reflecting the loss of our £0.5 billion share of profits from STT as a result of the disposal of our 44% interest.

Free cash flow is expected to be in the range of £6.0 billion to £6.5 billion, reflecting continued strong cash generation offset by the £0.3 billion reduction in dividends from STT and China Mobile Limited in the 2012 financial year, and the more limited working capital improvements available going forward.

Capital expenditure is expected to be at a similar level to last year at constant exchange rates.

We are well positioned to continue to deliver value to shareholders through the achievement of our medium-term targets for revenue, free cash flow and dividend growth, our commitment to investment in profitable growth areas, and our clear capital discipline.

Vittorio Colao
Chief Executive
Strategy in action

“Our new strategy is delivering a more valuable Vodafone”

Our strategic goals

Focus on key areas of growth potential
More on pages 14 to 24

We aim to deliver organic service revenue growth of 1-4% per year until the year ending 31 March 2014. We see five key areas of growth potential:

- Mobile data: accelerate mobile data growth opportunity;
- Emerging markets: increase mobile penetration and data adoption;
- Enterprise: selectively expand growth segments;
- Local communications: continue to develop the adoption of converged fixed and mobile services; and
- New services: expand into new growth areas including machine-to-machine and financial services.

Deliver value and efficiency from scale
More on page 25

We will continue to drive benefit from the Group’s scale advantage and maintain our focus on cost. We have favourable cost positions in many markets and intend to generate further significant savings from technology standardisation, offshoring, outsourcing and platform sharing.

Generate liquidity or free cash flow from non-controlled interests
More on page 26

We will seek to maximise the value of non-controlled interests either through generating liquidity by increasing free cash flow in contents to fund profitable investment and enhance shareholder returns.

Apply rigorous capital discipline to investment decisions
More on page 27

We will continue to apply capital discipline to our investment decisions through rigorous commercial analysis and demanding investment criteria to ensure any investment in existing businesses or acquisitions will enhance value for shareholders.

We aim to maintain our lower single A long-term credit rating.

Notes:
1. See “Principal risks and uncertainties” on pages 45 to 46 for more details on the risks facing our business and “Reconciliation and Reintegration” on page 9 for details on how we manage and mitigate risk.
2. Organic growth which presents performance on a comparable basis, in active terms of merger and acquisition activity and foreign exchange rates.
3. India, Vodafone Egypt, Turkey, Ghana, Qatar and Fiji.
Our business in India has grown from 28 million customers at the time of acquisition in May 2007 to become our largest market with over 134 million customers at 31 March 2011.

### Business review

**Business drivers**

The following are some of our principal business drivers which may influence our performance:

- A number of factors may impact the prices we charge and therefore the revenue we receive including:
  - Competition
  - Regulatory decisions and legislation on mobile termination rates, international roaming charges and the availability and cost of spectrum; and
  - Changes in macroeconomic conditions.

- The net savings from our cost efficient programmes may be impacted by inflationary pressures and the volume of traffic on our networks which can affect our operating costs. Network spillover will be used both to invest in commercial activities or respond to competitor activity or retained for margin enhancement.

- In those businesses in which we have non-controlling interests, matters such as the timing and amount of cash distribution may require the consent of our partners which can influence the level of fees we receive from that business.

- The returns we make on investments may be impacted by competitor activity, regulatory decisions and macroeconomic conditions that affect our commercial position, financial performance and the market environment in which we operate.

- The cost of financing investment and hence the return on investment may be influenced by changes in credit markets or our credit ratings.

- Dividends and sale proceeds from non-controlled interests (£bn)
  - Dividend income from non-controlled interests
  - Cash received from the sale of non-controlled interests

- Return to shareholders (£bn)
  - Dividend paid
  - Share buybacks

£15.7bn

Total returns to shareholders over the last three years.

**Key revenue performance indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenue growth</td>
<td>8.3%</td>
<td>8.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Data revenue growth</td>
<td>25.6%</td>
<td>19.3%</td>
<td>36.4%</td>
</tr>
<tr>
<td>Emerging markets service revenue growth</td>
<td>5.4%</td>
<td>7.9%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Europe enterprise service revenue growth</td>
<td>—</td>
<td>(4.8)%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Fixed-line revenue growth</td>
<td>2.1%</td>
<td>7.9%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

**Organic European operating expenses (£bn)**

<table>
<thead>
<tr>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>3.9</td>
<td>3.7</td>
</tr>
</tbody>
</table>

**Notes:**

4) Excludes India, Ghana and Qatar as these were not owned for the full financial year.
5) Information not available.
6) Includes retained dividend receipts from Verizon Wireless.
7) The net investment return is expected to be received in April 2012 from the sale of the Group’s Investment in Softbank.
Mobile data: strategy

Our data revenue was up 26.4% year-on-year to £5.1 billion and now represents 12.0% of Group service revenue. Network quality is central to our data strategy and based on third party tests performed in 16 of our main 3G markets, we rank first for overall data performance in 13 markets.
Focus on key areas of growth potential: Mobile data—strategy

**How the market is developing**

The fastest growing sector of the global telecommunications market is mobile data. According to industry estimates, between 2010 and 2014 total global revenue from fixed voice will decline by US$70 billion, while voice will increase by US$374 billion, fixed data will increase by US$49 billion and mobile data will increase by US$138 billion (source: IDC Worldwide Black Book 2010).

Mobile data penetration of our customer base in Europe is around 37%, far higher than in developing countries such as India at around 19% which highlights the opportunities in emerging markets. Data usage growth on our networks has been significant, growing by around 35% across the Group over the last year compared with 25% for voice.

Mobile data demand is being accelerated by the wide range of sophisticated devices available, including mobile broadband sticks, smartphones and tablets, greater network speeds and an increased range of applications.

**Approach**

We already have a strong data position in Europe thanks to our significant 3G investment, with over 66,000 3G sites providing high speed mobile data and 65% of our 3G network providing theoretical downlink speeds faster than 14.4 Mbps. Some of our European targets are set out in the table below.

<table>
<thead>
<tr>
<th>Number of 3G sites</th>
<th>Target by 31 March 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>66,000</td>
<td>90,000</td>
</tr>
</tbody>
</table>

We have also launched commercial initiatives to encourage mobile data usage, including:

- Set pricing plans to give customers more control (see page 19);
- Re-designing customer experience and support systems to provide a better mobile data experience;
- A multiplicity of data enabled devices such as smartphones, tablets, low-cost handsets and USB sticks;
- Managing smartphone and network yields to deliver profitable growth.

**Typical achieved speeds in Vodafone’s network (Mbps)**

- Vodafone’s market average?
- Best competitor market average

<table>
<thead>
<tr>
<th></th>
<th>Downlink</th>
<th>Uplink</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>4.2</td>
<td>1.3</td>
</tr>
<tr>
<td>UK</td>
<td>3.0</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Note:

(1) European average of Egypt and Vodafone.

Source: Vodafone commissioned third party drive tests on data user speeds (September 2010 to January 2011).
Mobile data technology

We have collaborated with our main suppliers to pioneer the development of single RAN base station equipment which enables us to replace our existing 2G and 3G base stations with one solution which also supports LTE, providing significant savings in energy consumption and maintenance, and delivering improvements in capacity and coverage.
Focus on key areas of growth potential: Mobile data–technology

Network trials
We always aim to deliver a market-leading customer experience and we are a third party to compare our networks with those of our major competitors. During the year we benchmarked our 3G mobile 3G markets. The results showed that we are the leading data services provider in 13 markets. On average across the networks measured we were almost 40% faster on data downloads than our best competitor and 40% faster on data uploads, a result achieved through our investment in extensive network upgrades and optimisation.

Inventing to increase coverage

Continued site deployment
At 31 March 2011 we had over 66,000 3G sites in Europe, providing 83% 3G coverage across our major European markets. This represents an increase of over 8,000 sites during the year.

Vodafone 3G station
We have continued to introduce Vodafone 3G stations, which are now available in our markets. These innovative devices deliver a personal 3G mobile phone signal to customers through a fixed line broadband connection, giving coverage to customers where mobile operators are unable to provide a strong enough signal. At 31 March 2011 Vodafone 3G stations were in service in seven of our markets serving almost 400,000 customers.

Investing to improve customer experience

High speed packet access (‘HSPA’) upgrades
We have continued to upgrade our HSPA networks with 80% of our European 3G network approved for 4.2Mbps theoretical peak downlink speeds or above and 90% providing 7.2Mbps above theoretical downlink speeds. Peak downlink speeds of up to 45.2Mbps (downlink) and 5.8Mbps (uplink) are now supported in several key traffic areas. These figures are theoretical peak rates delivered in ideal radio conditions with no customer contention for resources.

Long-term evolution (‘LTE’)
During the year we commercially launched our 4G/LTE technology in Germany and Sweden. Wireless launched in the US. 4G/LTE can offer better performance than our current 3G/HSPA technology, while increasing network capacity.

High capacity backhaul upgrades
To support the high speed data capabilities introduced across our access networks we have upgraded our backhaul and backbone transmission networks, which connect our base stations together to the latest high bandwidth IP technologies.

As part of a strategy to implement scalable and cost-effective backhaul solutions we have deployed high capacity IP microwave technology and high bandwidth optical fibre transmission solutions. In Europe about 80% of our radio base stations are served by self-built fibre transmission links whereas in Asia we have physically installed and own the infrastructure and over 25% are currently connected using high capacity technologies.

New services and capabilities engineering
We have deployed the in-band network services in all major markets for the first time, giving the ability to deliver high-quality services directly across the network. To this infrastructure, we have added a range of additional services engineered to optimise content and services as well as manage our costs. We have improved 3G data service quality in this way in 18 markets.

Network sharing
To reduce the cost of mobile network infrastructure, we have continued to use network sharing agreements with other operators in all of our controlled markets, with 70% of the new radio sites throughout the Group being shared with other mobile network operators.

Single radio access network (‘RAN’) and green technology
By 31 March 2011 we had installed over 9,000 of these new single RAN base stations. We are also working hard to reduce our carbon footprint through the wide-scale adoption of leading edge green technology solutions. Across our markets we are equipping our radio sites with advanced carbon efficient solutions such as wind, solar and fuel cells.

Research and development (‘R&D’)
Our R&D ambition is to pioneer innovative services and technology in order to connect anyone and any device to one another and to the internet. We have introduced six key programmes to achieve these ambitions, networks of the future: smart charging, mobile location analysis, consumer electronics, automotive, M2M.

Our focus over the next year will be on data and smart communication. We are also launching an innovation centre in the US and have strengthened our patent portfolio through strategic patent filing activity in areas relevant to our business interests.
Mobile data: customer experience, pricing and connected devices
We are enhancing our customer care, retail presence and online service to ensure that customers get the best data experience. We are introducing data centric store formats and we now have 5,000 specialised data customer care representatives in Europe.
Focus on key areas of growth potential: Mobile data—customer experience, pricing and connected devices

Customer experience
To accelerate the opportunities of mobile data we are investing in providing a better data experience to our customers through all channels. They interact with us through retail stores, online, through our call centres and via our mobile phones. We place great importance on multi-channel capabilities to make it convenient and easy for people to contact us. We have developed the online self service and sales function, and website visits have grown to approximately 155 million a month.

Most of our markets are able to provide individually relevant offers, specific to a particular customer based on their usage patterns, and we are seeing as many as 50% of customers accepting them when offered. We are enhancing our billing and customer management platforms to make it easier for people to have several Vodafone SIMs, subscriptions and bundles, using different devices. We are also developing a single view of all our customers which will allow multiple services used by a customer to be managed and presented on a single bill.

To better understand our customers’ satisfaction, we started a NPS (Net Promoter Score) this year to measure to what extent customers would recommend us to others. We are a market leader in either consumer or enterprise in over 60% of our markets. We are also implementing programmes in all our controlled markets to get direct feedback from customers to help us improve service.

Pricing
Tiered data pricing in Europe
We have introduced tiered data pricing to allow customers more control over their mobile data spend and therefore encourage mobile data use. Customers are charged for the amount of data they use rather than a flat fee for a high level or unlimited use. The benefits include providing smaller and less expensive allowances for people who do not use much data and better cost management for higher users as well as optimising the capacity of the data network.

Data roaming
This year we launched a market leading smartphone roaming data plan that allows our European customers to use their home data plan abroad for only €2.50 a day to access the Internet, emails and applications, making data roaming easier and more affordable.

Smart connected devices
Our handset portfolio is key to our strategy as it helps differentiate us from the competition, acquire customers and increase data usage.

Smartphones and tablets
We aim to have the most attractive portfolio in the market. Smartphones now account for 63% of the total number of phones used by our customers in Europe and this is expected to grow strongly. We are also driving down the cost of smartphones in order to make the data experience available for lower income segments in both European and emerging markets. Examples of this are the Android powered Vodafone 845 and 945 devices launched during the year.

We also aim to lead the tablet segment, which is growing rapidly. We were the first operator to launch an Android Honeycomb tablet with the launching Galaxy Tab 10.1% and we have started to distribute the Apple iPad 2.

Vodafone branded handsets
We have developed a broad range of Vodafone branded handsets focused on mobile internet experience and design differentiation. The Android-powered Vodafone 845 and 945 are competitively priced mobile internet, further into the prepaid segment. The Vodafone 555 accelerated the widespread use of quality devices and related messaging and social network environments. Additionally, devices such as the Vodafone 549 powered with Opera Mini enhance mobile internet browsing experiences even on low bandwidth connections.

Other devices
During the year we introduced the Vodafone 16605 USB stick which provides theoretical peak data download speeds of 42.2 Mbps using 3G/EDGE/LTE technology and a 4G LTE USB stick which has the potential for faster download speeds. We also launched Vodafone WebBox (see page 21 for further information) and Vodafone TV services (see page 23 for further information).

Smartphone yield management
Evidence from our main markets shows that smartphones are driving incremental ARPU uplift and longer customer lifetimes relative to non-smartphones.

Across our markets we are working to optimise the smartphone migration path by carefully managing how we allocate acquisition differentiation subsidies, managing our smartphone portfolio, and maximising data attachment on smartphones and the penetration of integrated tariffs. As data penetration and usage amongst existing customers grows, we are introducing tiered data allowances.

Mobile Wi-Fi R201
A mobile Wi-Fi hotspot device that lets customers share their mobile connection with up to five users at the press of a button.

Customer experience
To accelerate the opportunities of mobile data we are investing in providing a better data experience to our customers through all channels. They interact with us through retail stores, online, through our call centres and via our mobile phones. We place great importance on multi-channel capabilities to make it convenient and easy for people to contact us. We have developed the online self service and sales function, and website visits have grown to approximately 155 million a month.

Most of our markets are able to provide individually relevant offers, specific to a particular customer based on their usage patterns, and we are seeing as many as 50% of customers accepting them when offered. We are enhancing our billing and customer management platforms to make it easier for people to have several Vodafone SIMs, subscriptions and bundles, using different devices. We are also developing a single view of all our customers which will allow multiple services used by a customer to be managed and presented on a single bill.

To better understand our customers’ satisfaction, we started a NPS (Net Promoter Score) this year to measure to what extent customers would recommend us to others. We are a market leader in either consumer or enterprise in over 60% of our markets. We are also implementing programmes in all our controlled markets to get direct feedback from customers to help us improve service.

Pricing
Tiered data pricing in Europe
We have introduced tiered data pricing to allow customers more control over their mobile data spend and therefore encourage mobile data use. Customers are charged for the amount of data they use rather than a flat fee for a high level or unlimited use. The benefits include providing smaller and less expensive allowances for people who do not use much data and better cost management for higher users as well as optimising the capacity of the data network.

Data roaming
This year we launched a market leading smartphone roaming data plan that allows our European customers to use their home data plan abroad for only €2.50 a day to access the Internet, emails and applications, making data roaming easier and more affordable.

Smart connected devices
Our handset portfolio is key to our strategy as it helps differentiate us from the competition, acquire customers and increase data usage.

Smartphones and tablets
We aim to have the most attractive portfolio in the market. Smartphones now account for 63% of the total number of phones used by our customers in Europe and this is expected to grow strongly. We are also driving down the cost of smartphones in order to make the data experience available for lower income segments in both European and emerging markets. Examples of this are the Android powered Vodafone 845 and 945 devices launched during the year.

We also aim to lead the tablet segment, which is growing rapidly. We were the first operator to launch an Android Honeycomb tablet with the launching Galaxy Tab 10.1% and we have started to distribute the Apple iPad 2.

Vodafone branded handsets
We have developed a broad range of Vodafone branded handsets focused on mobile internet experience and design differentiation. The Android-powered Vodafone 845 and 945 are competitively priced mobile internet, further into the prepaid segment. The Vodafone 555 accelerated the widespread use of quality devices and related messaging and social network environments. Additionally, devices such as the Vodafone 549 powered with Opera Mini enhance mobile internet browsing experiences even on low bandwidth connections.

Other devices
During the year we introduced the Vodafone 16605 USB stick which provides theoretical peak data download speeds of 42.2 Mbps using 3G/EDGE/LTE technology and a 4G LTE USB stick which has the potential for faster download speeds. We also launched Vodafone WebBox (see page 21 for further information) and Vodafone TV services (see page 23 for further information).

Smartphone yield management
Evidence from our main markets shows that smartphones are driving incremental ARPU uplift and longer customer lifetimes relative to non-smartphones.

Across our markets we are working to optimise the smartphone migration path by carefully managing how we allocate acquisition differentiation subsidies, managing our smartphone portfolio, and maximising data attachment on smartphones and the penetration of integrated tariffs. As data penetration and usage amongst existing customers grows, we are introducing tiered data allowances.
Focus on key areas of growth potential: Emerging markets

Customer growth will be driven by rising mobile penetration and GDP growth

The number of customers using mobile services in emerging markets such as India and Africa has grown rapidly over the last ten years, increasing by over 177 times compared to nearly 105% in more mature markets such as Europe. In the 2010 calendar year the Indian mobile market increased by more than 225 million customers, nearly four times the size of the UK population. The key driver of growth has been a fundamental need for communication services against a background of low quality fixed infrastructure and strong economic growth.

Most of the future growth in mobile phone users is expected to continue to be in emerging markets where mobile penetration is still only approximately 70% compared with around 150% in Europe, supported by the expectation of continued strong economic growth. We expect to see between 20 to 40 percentage points of additional penetration by 2014 in emerging markets.

Data is the next major opportunity

Data represents a substantial growth opportunity as only 19% of our active customers in emerging markets use data services which is below half in Western Europe. There are two significant opportunities. On this mobile broadband, helped by the lack of a comprehensive fixed broadband infrastructure in emerging markets. Already in South Africa mobile broadband accounts for around 90% of all broadband. The other is mobile internet which we are driving by:

- enhancing the mobile Internet experience through our Opera Mini browser software which provides faster page downloads;
- driving down the cost of Internet enabled handsets powered by Opera Mini, with prices starting at US$45;
- today-for-today micro pricing which allows the purchase of Internet services, for example the download of a single ring tone; and
- locally relevant content and services in local languages.

Development impact of products and services

Mobile services are a key driver of economic development in emerging markets by increasing access to communications and mobile enabled services. We continued to market Vodafone-branded competitively priced handsets, selling 1.7 million devices during the year in these emerging markets.

The uptake of Vodafone M-Pesa, which brings financial services to people without bank accounts, continued to grow, making an increasing contribution to economic development in countries that lack conventional banking services. It now has over 20 million customers globally (111 million in 2010), who transferred around US$500 million a month in the previous financial year. We launched Vodafone M-Pesa in South Africa, Qatar and Fiji during the year, bringing the total to six markets, and began pilots in India with ICICI Bank and HDFC Bank.

The Vodafone WeBox (see opposite) was launched in South Africa in February 2011 and other markets will follow in the 2012 financial year.

Strong performance

We are either number one or two in six of our seven emerging markets based on revenue. This year’s performance highlights include:

- increased revenue market share in India and Turkey;
- data revenue growth of 45.3% in Vodafone and 57.7% in Egypt;
- surpassing the 13.4 million customer mark in India, an increase of 54.4 million over the year.

We launched 3G services in India in February 2011 and anticipate that this will provide further revenue growth opportunities going forward.

Notes:
(1) Source: 8x8 Inc.
(2) India, Vodafone Egypt, Turkey, Ghana, Qatar and Fiji.

Vodafone 3G

In April 2011 we launched one of our most affordable devices which now comes pre-loaded with Vodafone M-Pepper mobile payment services and a prepaid balance indicator that helps customers keep track of their spend credit to avoid over-spending.
A Vodafone innovation bringing internet access to a customer’s existing television set just by plugging in a keyboard with a built-in mobile SIM card. It was developed specifically for customers in emerging markets where technology and cost barriers often exclude people from enjoying readily available internet access.
Machine-to-machine (‘M2M’) services

Machine-to-machine communications, commonly known as M2M or telemetry, enables devices to communicate with one another via built-in mobile SIM cards. This allows key information to be automatically exchanged without human intervention, making it possible to reduce costs and improve efficiency and services to customers, for example, enabling drivers to upload and download real-time information to their sat nav devices on traffic jams which can help reduce journey times and save fuel.

Focus on key areas of growth potential:

Enterprise

Enterprise customers

Our enterprise customers range from small-office-home-office (SoHo) businesses and small to medium-sized enterprises (SMEs), through to large domestic and multinational companies. Across the Group, we have 34 million enterprise customers accounting for around 9% of all customers and around 23% of service revenue.

Selected expansion in growth markets

SoHo and SME

Our focus for SoHos and SMEs is to provide customers with integrated fixed and mobile communications solutions, whether the customer commits to a service. This helps customers reduce costs and simplify administration. Vodafone One Net, for example, brings together fixed and mobile communications in one system and now has around 1.4 million end users in six markets. By extending our partnership with Microsoft we provide our customers with hosted email, conferencing and collaboration services in a single package called Office 365, which is now available in four markets.

Domestic companies

For larger domestic companies, we provide unified communications solutions delivering integrated mobile and fixed services, fixed voice and data services, IP Virtual Private Networks and Network Integration services.

Multinational companies

Vodafone Global Enterprise manages the communication needs of over 360 of our largest multinational corporate customers. It provides a range of managed services which bring together every aspect of a customer’s telecommunications infrastructure, both fixed and mobile, providing greater visibility and control of expenditure. During the year Vodafone Global Enterprise achieved organic revenue growth of around 8%. New customers and renewed contracts this year included Unilever, Luxottica and Bosch. In March 2011 Vodafone Global Enterprise received the HP Supplier of the Year Award for its role in delivering globally consistent managed mobility services to Hewlett Packard.

In October 2010 we acquired Quickcomm and TinT Enterprise Management, which are specialist providers of telecoms expense management services. The acquisitions will strengthen our ability to provide our enterprise customers with greater visibility and control over their combined fixed-line and mobile expenditure.

In the area of health, Vodafone Global Enterprise is working with partners such as Novartis on innovative health projects. Further information is contained in “Sustainable business” on page 30.
Vodafone TV

This is a new service launched in four markets, that provides a wide range of content over the airwaves through a fixed line broadband connection. In Germany it is supplied through an innovative "hybrid" set-top box which delivers free and pay TV channels transmitted by satellite, cable or broadband. It also provides on-demand films and TV programmes, and other premium content.

Focus on key areas of growth potential:
Total communications

To meet customers' total communications needs beyond just mobile we have developed our fixed line capabilities including voice calls and broadband data, to provide a full suite of services. We are implementing customer mobility and fixed line communications into one service and provide related services such as Vodafone TV. Enterprise customers in particular have shown an increasing demand for receiving all their communication products from one company.

Approach

Our European strategy is to obtain long-term access to fast fixed broadband to serve high value customers in a capital efficient manner. Access is obtained through wholesale agreements, partnerships or acquisitions.

Fixed services

Fixed broadband and voice account for around 81% of our service revenue. We have fixed services in 13 countries with 6.1 million fixed broadband customers at 31 March 2011, a 5.5% increase over the previous year. In addition, through Gateway, we provide wholesale carrier services in over 40 African countries.

Combining fixed and mobile services

The Vodafone DSL Router, now available in 11 markets, up from nine in markets the previous year, combines mobile and fixed broadband services. This means customers can connect immediately after purchase via the USB broadband modem and then later with fixed broadband when this has been provisioned. During the year we have enriched this product in our largest fixed markets (Germany, Italy and Spain) through the integration of digital living network alliance (DLNA) capabilities which facilitates the sharing of digital media between different electronic devices. For example, a DLNA compliant TV can operate with a DLNA compliant PC to play music or video, or display photos.

We have been offering triple play services (fixed broadband, voice and TV) in Portugal since 2009. This year we increased our presence in the home TV market by launching services in Italy, Spain and Germany.

Application services

We offer a range of total communications applications as well as services for enterprise and consumer customers. For example Vodafone Always Best Connected software enables customers to stay connected to the Internet on the best available connection whenever they are by automatically managing the switching between connection types including mobile broadband, Wi-Fi and LAN. Vodafone PC Backup is an online back-up and restore service that enables users to remotely store data securely and automatically via their internet connection.
Focus on key areas of growth potential:
New services

We have strategically chosen to expand into a number of new growth segments to create additional revenues and enhanced customer experience that complement our core voice and data products.

Machine-to-machine (M2M)
M2M connections allow devices to communicate with one another via built-in mobile SIM cards. This allows us to offer services such as fleet tracking and asset management, remote monitoring of, for example, vending machines, cash machines and building management, as well as security and surveillance. We are now serving around 3.3 million M2M connections around the world. Further information is contained in “Focus on key areas of growth potential: Enterprise” on page 22 and “Sustainable business” on page 56.

Third party billing
We work with third party content and service providers to simplify our customers’ experience when they purchase applications and content by letting our customers charge these services direct to their mobile account (Charge to Bill). We provide a single technical interface to these providers to reach all our European customers and we plan to expand this reach to other parts of the world over the 2012 financial year.

Financial services
Vodafone Wireless has a value in all markets. Further information is contained in “Focus on key areas of growth potential: Financial services” on page 20.

Near field communication (NFC)
NFC allows communication between devices when they are touched together or brought within a few centimetres of each other. We aim to make mobile phones the preferred device for most personal transactions including payments, tickets, coupons, identification and the provision of information. We have been developing mobile NFC standards since 2006, have conducted trials in several markets and are now developing services and partnerships in preparation for commercial launch in key markets.

Mobile advertising
We have an established mobile advertising business in 18 countries with a wide range of capabilities. The fast adoption of smartphone devices is promoting mobile as an alternative channel to reach consumers and we are collaborating with other mobile network operators to make the most of the potential of mobile advertising.
Delivering cost efficiency from sharing resources

This year we established two shared service centres in India to provide quick, simple and cost effective customer contact points for our technology and business operations and data services for our finance and administration functions in seven European markets and across India. We expect to gain significant benefits to help consolidate, standardise and optimise the way we run our operations.

Deliver value and efficiency from scale

Against a background of continual price pressures due to competition and regulation we continually seek to improve our cost efficiency. During the year we reduced our European operating costs by 4% on an organic basis, equivalent to saving over £140 million. We have used the savings to fund investment in customer facing activities and growth areas such as data and enterprise services.

Our cost advantage

Based on external independent benchmarking we have achieved relatively low cost positions in many markets. This reflects both our scale as one of the world’s largest mobile communications companies by revenue and our ongoing cost focus.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent reduction</th>
<th>Global benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network cost to carry a unit of data</td>
<td>4%</td>
<td>Top quartile position</td>
</tr>
<tr>
<td>Terminating cost to purchase a handset</td>
<td>4%</td>
<td>Top quartile position</td>
</tr>
<tr>
<td>General supplies</td>
<td>4%</td>
<td>Better than global benchmark</td>
</tr>
</tbody>
</table>

Notes:
1. All figures are year on year comparison.
2. The Hackett Group world cost benchmark.

Our achievements to date

We have been taking advantage of the large scale of our networks. We are sharing base station sites where this makes commercial sense in order to reduce site rental and maintenance costs. We have also renegotiated leases on most of our sites, are standardising the technology we deploy, and have reduced the energy consumption of our sites and switching centres. We are reducing costs in maintenance and field activities in particular through outsourcing.

We use the Vodafone Procurement Company, the central Group procurement function based in Luxembourg, to leverage our scale to achieve better prices, more value and drive standardisation across the business. We have further reduced costs by centralising the purchasing of handsets. Our large size also allows us to drive ethical, health and safety, labour and environmental standards with our suppliers and also to get the best rates on warehousing, inbound and outbound logistics, and repair costs.

Our shared service centres in Hungary, India and Egypt have allowed us to reduce costs as well as deliver better service. Additionally, we have outsourced application development and maintenance to third party providers on multi-year competitive tenders.

70% New radio sites deployed this year built as shared sites to reduce operating costs

Over £140m Reduction in organic European operating costs due to our cost saving
Verizon Wireless

In the US, our associate Verizon Wireless has continued to perform strongly. Organic service revenue increased by 5.8% led by a 3.1% increase in the customer base to 88.4 million and strong data revenue growth driven by increased smartphone penetration. Verizon Wireless launched 4G LTE services in December 2010 and began distribution of the iPhone on its network in February 2011.

Generate liquidity or free cash flow from non-controlled interests

Non-controlled interests constitute around 40% (based on third party estimates) of the value of the Group’s assets at 31 March 2011. We aim to maximise the value of these interests either by generating liquidity or increasing free cash flow in order to fund profitable investment and enhance shareholder returns.

Verizon Wireless

Verizon Wireless is our largest non-controlled interest, in which we have an equity interest of 45%. It is the revenue market leader in the US and performed strongly this year with service revenue growth of 5.8%”. To create additional value we are working closely with Verizon Wireless on several initiatives that leverage our combined scale and scope including purchasing of network equipment, IT and services, technology enhancements and propositions for multinational companies. We received around $1.0 billion in dividends this year, in relation to tax related dividend receipts see “Dividends from associates and to non-controlling shareholders” on page 48 for further information, which was substantially less than our proportionate share of Verizon Wireless’ free cash flow which shows the material opportunity for incremental returns.

Polkomtel

Polkomtel trades as Plus in Poland and is a leading operator in Poland. Along with the four other owners we are exploring options for a sale of the business.

Bharti Airtel

Bharti is the market leader in India. Following the purchase of our controlling interest in Vodafone Essar in India in 2007, we sold 36% of our stake in Bharti in 2008 and retained a 44% indirect interest.

Sale of interests

In September 2010, we sold our 3.2% interest in China Mobile Limited for €4.3 billion. In November 2011, we sold our interests in Satoshi Bank in Japan for £3.3 billion and approximately half of the proceeds have been received to date and used to reduce the Group’s net debt. The remaining proceeds are expected to be received in April 2012. In April 2011, we announced the sale of our 44% interest in SFR, the second largest mobile operator in France, for €6.8 billion. The transaction, which is subject to competition authority and regulatory approvals, is expected to complete during the second calendar quarter of 2011.

39% Group adjusted operating profit from Verizon Wireless (2010: 30%)

Proceeds from the sale of all of these interests are being used to reduce net debt and committed to a €6.8 billion buyback of our shares of which €2.4 billion had been completed as at 19 July 2011.
Creating value for shareholders

We aim to increase shareholder returns through regular dividends and one-off returns. In 2009 we established a target to grow total dividends per share by at least 7% per annum until the financial year ending 31 March 2013, and consistent with this, total dividends per share increased by 71% in 2011 to 8.90 pence per share. In addition, we have committed £6.8 billion to buying back our shares, of which £2.6 billion had been returned as at 16 May 2011.

Apply rigorous capital discipline to investment decisions

Discipline of regular business reviews
We are focused on maximising returns to our shareholders and therefore careful how we invest shareholders' money. We regularly review the cash needs of each of our businesses across the globe, taking into account their performance and competitive position.

How we invest your money

Organic investment
We make capital investments, such as for new equipment or spectrum, in our existing businesses to improve their performance and drive organic growth.

Returns to shareholders
We thoroughly review the best ways to provide returns to our shareholders. We have a target of increasing total dividends per share by at least 7% a year until the financial year ending 31 March 2013. When we have surplus funds we consider additional returns to shareholders through special dividends or share buyback programmes.

Selective acquisitions
When managing capital we also consider whether to strengthen the Group by acquiring other companies to increase our operations in a particular market. All potential acquisitions are judged on strict financial and commercial criteria, especially whether they would provide meaningful scale in a particular segment, the cost of the acquisition and the ability to enhance the Group's free cash flow. For example, in March 2011 we announced our intention to acquire Bicomp Nl, the Netherlands' largest independent telecom retailer, which will expand our Dutch stores from 86 to 796.

Investment principles
All of our investments, whether in existing businesses or acquisitions, are subject to rigorous commercial analysis and demanding hurdle rates (the minimum return on an investment) to ensure they enhance shareholder returns. We remain committed to our target credit rating of low single A/A long-term debt, as this provides us with a low cost of debt and good access to liquidity from financial institutions.

7% Target annual increase in total dividends per share until March 2013

Low single A
Target long-term credit rating
Key market review
Revenue trends continue to improve

- Group organic service revenue growth improved during the year, with a strong result from emerging markets and encouraging signs of renewed growth in some parts of Europe.
- In Europe service revenue was down 0.4% during the year; however, this was significantly better than last year’s decline of 3.8%. We are seeing positive revenue trends in the more stable economies of northern Europe such as Germany, the UK and the Netherlands, while our remaining mature markets in Europe, particularly those impacted by government austerity measures, have seen declining revenue growth. Turkey has seen significant revenue growth this year, driven by improvements both in voice and data revenue.
- Service revenue growth in our Africa, Middle East and Asia Pacific region was 9.5%. Our two major businesses within this region, India and Vodafone, reported continued strong growth reflecting the benefits of rising mobile penetration in India and a more stable pricing environment and strong take-up of data services in South Africa.
- See operating results on pages 34 to 38 for further details of performance within each of our markets during the year.

We have gained or held market share in most of our key markets

<table>
<thead>
<tr>
<th>Country</th>
<th>Key achievements</th>
<th>Organic service revenue growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Germany</strong></td>
<td>Excluding the impact of regulated termination rate cuts, service revenue growth was 2.1%.</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Strong growth in enterprise segment due to significant customer wins.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Our first market to launch 4G/LTE.</td>
<td></td>
</tr>
<tr>
<td>Service revenue growth (€m)</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA margin (%)</td>
<td>37.4</td>
<td></td>
</tr>
<tr>
<td>Operating free cash flow (€m)</td>
<td>2,077</td>
<td></td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>Increased market share in a challenging economic and competitive environment.</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>A 21.5% increase in data revenue due to increased smartphone penetration.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New with 1.7 million fixed broadband customers (on a 100% basis), up 29%.</td>
<td></td>
</tr>
<tr>
<td>Service revenue growth (€m)</td>
<td>(2.1)</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA margin (%)</td>
<td>46.2</td>
<td></td>
</tr>
<tr>
<td>Operating free cash flow (€m)</td>
<td>2,067</td>
<td></td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>Extremely challenging economic environment and increasing competitive pressure.</td>
<td>(4.0)</td>
</tr>
<tr>
<td></td>
<td>New integrated voice and data plans to support smartphone adoption.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New management in place since April, 2011.</td>
<td></td>
</tr>
<tr>
<td>Service revenue growth (€m)</td>
<td>(4.9)</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA margin (%)</td>
<td>30.4</td>
<td></td>
</tr>
<tr>
<td>Operating free cash flow (€m)</td>
<td>885</td>
<td></td>
</tr>
</tbody>
</table>
Our strong brand and increased customer focus supported by our leading network performance is driving our improved performance.

### Revenue by key market (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Germany</th>
<th>Italy</th>
<th>Spain</th>
<th>UK</th>
<th>India</th>
<th>Vodacom</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>32</td>
<td>35</td>
<td>28</td>
<td>19</td>
<td>16</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>2011</td>
<td>34</td>
<td>34</td>
<td>37</td>
<td>33</td>
<td>21</td>
<td>19</td>
<td>4</td>
</tr>
</tbody>
</table>

### Mobile service market share (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>34</td>
<td>54</td>
</tr>
<tr>
<td>Italy</td>
<td>34</td>
<td>53</td>
</tr>
<tr>
<td>Spain</td>
<td>32</td>
<td>52</td>
</tr>
<tr>
<td>UK</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>India</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>South-Africa</td>
<td>34</td>
<td>53</td>
</tr>
</tbody>
</table>

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### Business review

#### United Kingdom
- **Service revenue growth (%)**: 4.7
- **Adjusted EBITDA margin (%)**: 23.4
- **Operating free cash flow (£m)**: 950

#### India
- **Service revenue growth (%)**: 16.2
- **Adjusted EBITDA margin (%)**: 25.6
- **Operating free cash flow (£m)**: 435

#### Vodacom
- **Service revenue growth (%)**: 5.8
- **Adjusted EBITDA margin (%)**: 33.7
- **Operating free cash flow (£m)**: 1,339

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**Notes:**

(1) Adjusted EBITDA margin and operating free cash flow are adjusted for certain items.

(2) Q3 2010 and Q3 2011 data exclude mobile broadband revenue.

(3) Adjusted EBITDA margin and operating free cash flow are adjusted for certain items.

(4) Q3 2010 and Q3 2011 data exclude mobile broadband revenue.

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**Key achievements**

- **United Kingdom**
  - Significant year-on-year improvement in revenue trends.
  - Data revenue increased by 28.5% due to increasing penetration of smartphones.
  - Strong contract customer growth due to increased commercial focus.

- **India**
  - Revenue growth improved through the year as the customer base increased and price declines slowed.
  - Fourth successive year of gaining mobile service market share.
  - Launched VoiceBox service for internet access.
  - Continued network investment with over 5,200 base stations now 4G/LTE ready.

- **Vodacom**
  - Strong revenue growth led by increasing demand for mobile broadband services.
  - Launched VoiceBox service for internet access.
  - Continued network investment with over 5,200 base stations now 4G/LTE ready.
Sustainable business
Sustainability underpins everything we do

Strategy
Our sustainability strategy has three components:
- sustainable societies: helping create more sustainable societies by providing communication services to meet the needs of people in emerging markets and facilitating the transition to a low carbon society;
- eco-efficiency: cutting our carbon footprint in developed markets, reducing carbon intensity in rapidly growing emerging markets and minimising other environmental impacts; and
- ethical business: ensuring responsible, ethical and honest behaviour throughout our operations and supply chains.

Performance for the year
Creating more sustainable societies
Our networks, products and services have been making a difference to people’s lives around the world and contributing towards achieving the United Nations Millennium Development Goals.

Many of our innovative services, pricing plans and products, such as Vodafone WeBox, Vodafone-branded handsets and Vodafone M-Pesa are tailored to emerging markets. See “Focus on key areas of growth potential: Emerging markets” on page 20 for further information.

Vodafone mHealth Solutions uses mobile communications to improve the efficiency of healthcare. In developed countries, our focus is on remote care services, including assisted living and condition management, saving costs and improving patients’ quality of life, as well as mobile-based services that increase the efficiency of clinical trials. In emerging markets we are using mobile to improve access to medicine, for example, “SMS for Life”, a supply chain management solution which helps clinics manage supplies of malaria drugs. It has successfully improved stock management in Tanzania and is now being rolled out in other countries in collaboration with Mounts and other pharmaceutical companies.

Mobile communications, particularly M2M connections, have been playing a part in the transition to a low carbon society by facilitating the development of smart energy grids and improving the efficiency and emissions from vehicle travel (see page 22). We have been working with British Gas in the UK and Italy to provide M2M connections in homes for over one million smart meters to allow consumers to monitor and reduce their electricity and gas use.

Eco-efficiency
Our total CO2 emissions increased by 62.6% to 1.96 million tonnes principally due to the inclusion of India, South Africa, Ghana and Qatar in our reporting, and were approximately level against last year on a like-for-like basis. Our targets to reduce our absolute CO2 emissions in developed markets by 50% from the 2007 financial year baseline by March 2020, and
in emerging markets we are setting carbon intensity targets to reduce emissions per network node.

We are deploying more efficient equipment across our network, working with suppliers to develop more efficient equipment, and using solar and wind power to generate renewable energy for grid base stations.

**Ethical business**

Our business and sustainability strategies are underpinned by our business principles and code of conduct, which stress the importance of responsible, ethical and honest behaviour in everything we do. This means being a responsible employer, maintaining the health and safety of our employees and contractors (see “People” on page 51), ensuring high standards of labour and environmental protection in our supply chain, transparent and ethical business practices, clear pricing and maintaining a safe internet experience (including child safety and privacy). In response to the proposed disclosure requirements on conflict minerals required by the US Dodd-Frank legislation, we continue to strengthen our due diligence activities on the source and chain of custody of these materials. The issue of human rights and access to communications has been brought into sharp focus by continuing events in the Middle East and North Africa.

**Social investment**

The Vodafone Foundation and its network of 27 local foundations continue to invest in the communities in which Vodafone operates. Specific initiatives include Mobiles for Good projects which include the piloting of handsets for women at risk of domestic violence and an instant network which provides rapid network coverage for emergencies. Red Alert SMS fundraising services for emergency appeals and its World of Difference programme which enables individuals to take paid time to work for a charity of their choice for up to a year. We make grants to a variety of local charitable organisations meeting the needs of their communities. Total donations for the year were €8.6 million and included donations of £3.7 million towards foundation operating costs.

**Energy efficiency**

Solar and wind power are providing renewable energy to our off-grid base stations in Spain.

**Sustainability governance**

The Executive Committee is ultimately responsible for our sustainability performance and receives a formal update every year, as does the Board. Each local market has a sustainability management structure and a system for monitoring performance and reporting to the Group. We also influence and monitor the sustainability performance of our joint ventures, outsourcing partners and other organisations with which we work.

The Vodafone Sustainability Expert Advisory Panel met twice during the year to discuss sustainability issues. We engage a wide range of stakeholders, including customers, investors, employees, suppliers, communities, governments and regulators.

Our 11th annual sustainability report, which is assured by Ernst & Young, U.K. using the International Standard on Assurance Engagements (ISAE3000) to check adherence to the AA1000 Accountability Principles Standard (AA1000APS) is available at www.vodafone.com/sustainability. 16 local markets also publish their own sustainability reports.

**Key performance indicators**

<table>
<thead>
<tr>
<th>Vodafone Group</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy use (GWh) (direct and indirect)</td>
<td>4,117</td>
<td>3,278</td>
<td>2,944</td>
</tr>
<tr>
<td>Carbon dioxide emissions (mTons of CO2)</td>
<td>1,056</td>
<td>1,212</td>
<td>1,222</td>
</tr>
<tr>
<td>Percentage of energy sourced from renewables</td>
<td>19.42</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td>Number of phones collected for reuse and recycling (millions)</td>
<td>1.23</td>
<td>1.33</td>
<td>1.53</td>
</tr>
<tr>
<td>Network equipment waste generated (tonnes)</td>
<td>7,473</td>
<td>5,870</td>
<td>4,544</td>
</tr>
<tr>
<td>Percentage of network equipment waste sent for reuse or recycling</td>
<td>99</td>
<td>98</td>
<td>97</td>
</tr>
</tbody>
</table>

*N*ote: (1) These performance indicators were calculated using actual or estimated data collected by our mobile operating companies. The data include mobile minutes, charging and billing revenues, direct measurement tests and estimations where required; the carbon shadow-emissions figure was assessed using the ICAI-Co2 conversion factor for the electricity provided by the national grid suppliers of the International Energy Agency and for ultra energy sources integrated companies. The 2011 data includes data from China, India, Mexico, Spain, South Africa and excludes all other Vodafone markets. Our joint venture figures are included pro-rata.

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People

Our people are integral to building and sustaining our success

Organisation effectiveness and change
We employed an average of around 85,900 people worldwide during the year and saw an increase in the percentage of women in senior roles, up from 14.5% to 16.5%. People numbers have changed in different areas of the business according to overall business strategy. For example, in Vodafone head count was increased to support the growing enterprise business and data in India, while we reduced headcount to grow the business in Ghana, to drive operational efficiencies and reduce headcount through redundancy and outsourcing of network operations, call centres and facilities. And in the UK we reduced back office roles and increased investment in customer-facing activities.

We have also made a number of changes to our structure, governance and accountability to help us concentrate on our main commercial and financial priorities. These changes include the creation of a Group Commercial unit, expansion of the role and scope of Group Technology to oversee our regional structure into two distinct regions, plus reporting line changes to align teams more closely with their functions.

Employment policies and employee relations
Our employment policies are developed to reflect local legal, cultural and employment requirements. We aim to be recognised as an employer of choice and therefore seek to maintain high standards and good employee relations wherever we operate.

Our goal is to create a working culture that is inclusive for all. We believe that having a diverse workforce helps to meet the different needs of our customers across the globe. An inclusive culture and environment is one which respects, values and celebrates and makes the most of the individual differences we each bring to Vodafone, to the benefit of our customers, employees, shareholders, business partners and the wider communities in which we operate. We do not condone unfair treatment of any kind and offer equal opportunities in all aspects of employment and advancement, regardless of race, nationality, gender, age, marital status, sexual orientation, disability, religious or political beliefs. This also applies to apprenticeships, self-employed and contract workers who work for us. In our latest people survey, 87% of employees agreed that Vodafone treats people fairly, regardless of their gender, background, age or beliefs.
The main emphasis of our global diversity strategy has been on gender diversity and to increase the number of women in management positions which has risen to 16.3%. Efforts to increase the percentage further will continue during the 2012 financial year. Our second priority has been to increase talent from our emerging markets in Group roles and senior leadership positions.

During the year we ran a series of two-to-three days diversity and inclusion workshops for over 450 people from human resources teams globally to support their senior leaders who had previously attended inclusive leadership workshops in their local market.

Health, safety and wellbeing
The health, safety and wellbeing of everyone affected by our business activities has continued to be a high priority. The implementation of the Vodafone fatality prevention plan saw a significant reduction of 33% in fatalities in India, Ghana and Turkey, where there were 14 fatalities in those countries this year compared to 21 in the previous year. Sadly, across the Group 21 fatalities have occurred this year, including four fatalities that occurred within the Vodafone Group operations which are included in the Group figure for the first time this year. The Vodafone fatality prevention plan has now been rolled out across Vodafone subsidiaries which has seen a reduction in fatal incidents to one in the last six months of the financial year. Out of the Group total, 17 were third-party contractors and four were Vodafone employees. Further details can be found in the Group’s 2011 sustainability report.

As part of a more robust governance programme, we introduced external health and safety benchmark reviews. These reviews evaluated health and safety management systems in several countries, including New Zealand, Czech Republic, Hungary, Romania, Vodafone South Africa and Egypt.

Culture, communications and engagement
In October 2010 we carried out our sixth annual global people survey. The survey measures employees’ level of engagement, a combination of pride, loyalty and motivation and 90% of those surveyed responded. We achieved an overall employee engagement score of 75 which means we have maintained a high score in employee engagement for the last five years running.

Regular, consistent and open communication is fundamental to high levels of employee engagement. Our people have access to information about our business through a global internet with local language translations and content where appropriate. The Chief Executive communicates directly with all employees through regular team meetings, small and video updates, and this is reinforced by local chief executive communications in all our markets. Relevant performance and change issues are also discussed with our employees through team meetings, round table discussions or through elected ‘representative’ bodies in some of the European countries.

Our culture is based on The Vodafone Way. All of our senior leadership team (approximately 210 people) have now been through the Leading in The Vodafone Way workshop which provides a picture of how The Vodafone Way works day-to-day. Local markets will roll out a similar programme for all their managers. We have also created a community of change leaders, senior leaders from most regions, to identify what more can be done to further embed The Vodafone Way.

Talent and resourcing
During the year our employees continued to perform at a high level and we strengthened our leadership team. This was achieved partly by introducing talent identification tools and partly by investing in staff with high potential and helping them with their career planning and development. Quarterly talent reviews are held to discuss performance, succession plans and key individuals, and at our monthly Executive Committee meetings we discuss the senior leadership roles.

A global graduate and recruitment programme was introduced with a target to hire 250-300 top graduates across the Group during the year. By 31 March 2011 we had recruited 306. In addition, we partnered with nine leading MBA schools in Europe, the US, Africa and India to recruit 15-20 MBA graduates for key management roles.

Learning and capability development
We are committed to helping people reach their full potential through ongoing training and development. People identify and agree their development objectives with their managers every year as part of the performance dialogue process. Local, functional and global learning programmes are provided to meet people’s development needs, delivered through a blend of classroom training, e-learning, coaching, mentoring and on-the-job experience.

During the year we invested around $35 million in training programmes. In our most recent people survey, 72% of our employees rated the opportunity to develop the skills that they need to do their job well as good or very good.

In terms of our global leadership development programme for high-potential managers, we invited four thousand so far. 124 people have completed the programme.

Performance, reward and recognition
We reward employees based on their performance, potential and contribution to the success of the business and we aim to provide competitive and fair rates of pay and benefits in every country where we operate. We also offer competitive retirement and other benefit provisions which vary depending on local conditions and practices in individual markets.

Global short-term incentive plans are offered to a large percentage of employees and global long-term incentive plans are offered to our senior managers. Both plans are paid according to individual and company performance.

Key performance indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>83,662</td>
<td>84,590</td>
<td>78,097</td>
</tr>
<tr>
<td>Nationalities in top senior management roles</td>
<td>29</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>Women in top senior management roles</td>
<td>16.5%</td>
<td>14.5%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Employee turnover rates</td>
<td>15%</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Notes:
1. Figures are based on our total people on payroll at the end of each year.
2. These are our reported counts at year-end.

Diversity and inclusion
Our inclusion culture respects, values, celebrates and values the diversity of our people.
Operating results

This section presents our operating performance, providing commentary on how the revenue and the adjusted EBITDA performance of the Group and its operating segments within Europe, Africa, Middle East and Asia Pacific, and Non-Controlled Interests and Common Functions have developed in the last three years.

2011 financial year compared to the 2010 financial year

<table>
<thead>
<tr>
<th>Group¹(²)</th>
<th>2011</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Africa, Middle East and Asia Pacific</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions²</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Eliminations</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Revenue</td>
<td>32,015</td>
<td>13,304</td>
<td>659</td>
</tr>
<tr>
<td>Service revenue</td>
<td>30,097</td>
<td>12,292</td>
<td>412</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>10,823</td>
<td>3,999</td>
<td>(152)</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>5,726</td>
<td>1,272</td>
<td>4,820</td>
</tr>
</tbody>
</table>

Notes:

(1) The Group revised its segment structure on 1 October 2010. See note 3 to the consolidated financial statements.
(2) Current period results reflect average exchange rates of €1:£1.18 and £1:US$1.56.
(3) Common Functions primarily represent the results of the partner markets and the net result of unallocated central Group costs.
(4) Organic growth includes Vodacom at the current level of ownership but excludes Australia following the merger with Hutchison 3G Australia on 9 June 2009.
(5) Income and expense for the year ended 31 March 2011 included £56 million representing the net loss on disposal of certain Alltel investments by Verizon Wireless. This is included within the line item “Share of results in associates” in the consolidated income statement.
(6) Non-operating income and expense for the year ended 31 March 2011 includes £3,019 million profit arising on the sale of the Group’s 3.2% interest in China Mobile Limited. For further details see “Other significant transactions” on page 49.

Revenue

Group revenue increased by 3.2% to £45,884 million and Group service revenue increased by 2.4% to £42,738 million. On an organic basis Group service revenue increased by 2.1%(¹), with a 0.8 percentage point improvement between the first and second half as both Europe and AMAP delivered improved organic service revenue trends.

In Europe service revenue fell by 0.4%(²) with a decline of 0.3%(³) in the second half of the year. Both the UK and Germany performed well delivering full year service revenue growth of 4.7%(³) and 0.8%(³) respectively. Spain continued to experience economic pressures which have intensified competition leading to a 6.9%(³) decline in service revenue. Service revenue also declined by 2.1%(³) in Italy driven by a challenging economic and competitive environment combined with the impact of termination rate cuts. Our improved commercial offers in Turkey have delivered service revenue growth of 28.9%(³), despite a 52% cut in termination rates which was effective from 1 April 2010. Challenging economic and competitive conditions continued in our other central European businesses where service revenue growth was also impacted by mobile termination rate cuts. European enterprise revenue increased by 0.5%(³) with improved roaming activity and important customer wins.

In AMAP service revenue grew by 9.5%(³). Vodacom continued to perform well, with strong data revenue growth from mobile broadband offsetting weaker voice revenue which was impacted by two termination rate cuts during the year. In India service revenue increased by 16.2%(³), driven by an increase in the mobile customer base and a more stable

Adjusted EBITDA and profit

Adjusted EBITDA decreased by 0.4% to £14,670 million with a 1.1 percentage point decline in both the reported and organic adjusted EBITDA margin.

In Europe adjusted EBITDA decreased by 3.7%(³), with a decline in adjusted EBITDA margin of 1.7 percentage points, primarily driven by a reduction in service revenue in most markets and higher investment in acquisition and retention costs, partially offset by operating cost efficiencies.

In AMAP adjusted EBITDA increased by 7.5%(³), driven primarily by growth in India, together with improvements in Vodacom, Ghana, New Zealand and Qatar, partially offset by a slight decline in Egypt. The adjusted EBITDA margin fell 0.6 percentage points(³), the two main factors behind the decline being higher recurring licence fee costs in India and the change in regional mix from the strong growth in India.

Adjusted operating profit grew by 3.1% as a result of an increase in the Group’s share of results of Verizon Wireless partially offset by the decline in Group adjusted EBITDA. The Group’s share of results in Verizon Wireless, the Group’s associate in the United States, increased by 8.5%(³) primarily due to the expanding customer base, robust data revenue, efficiencies in operating expenses and lower acquisition costs partially offset by higher customer retention costs reflecting the increased demand for smartphones in the United States.

The Group recorded other net income of £5,342 million, primarily in relation to a £2.8 billion net gain on the sale of the Group’s interests in China Mobile Limited, £1.8 billion on the settlement of a tax case and £0.5 billion from the disposal of
pricing environment towards the end of the year. In Qatar the customer base reached 757,000 by the end of the year, with 45% of the population now actively using Vodafone services less than two years after launch. On an organic basis, service revenue in Egypt declined by 0.8% where performance was impacted by the socio-political unrest during the fourth quarter.

Investments in SoftBank Mobile Corp.
Operating profit decreased by 41.0% primarily due to higher impairment losses compared to the prior year. Impairment losses totalling £6,150 million were recorded relating to our businesses in Spain (£2,950 million), Italy (£1,050 million), Ireland (£1,000 million), Greece (£800 million) and Portugal (£350 million) primarily resulting from increased discount rates as a result of
increases in government bond rates together with lower cash flows within business plans, reflecting weaker country-level macro economic environments. The impairment loss in the prior year was £2,100 million.

Profit for the year decreased by 8.7%.

### Net investment income/(financing costs)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>1,309</td>
<td>716</td>
</tr>
<tr>
<td>Financing costs</td>
<td>(429)</td>
<td>(1,512)</td>
</tr>
</tbody>
</table>

**Net investment income/(financing costs)** 880 (796)

Analysed as:

- Net financing costs before income from investments (852) (1,024)
- Potential interest charges arising on settlement of outstanding tax issues (1) (46) (23)
- Income from investments 83 145
- Foreign exchange (2) 256 (1)
- Equity put rights and similar arrangements (3) 95 (94)
- Interest related to the settlement of tax cases (4) 872 201
- Disposal of SoftBank financial instruments (5) 472 —

**Notes:**

1. Excluding interest credits related a tax case settlement.
2. Comprises foreign exchange rate differences reflected in the income statement in relation to certain intercompany balances and the foreign exchange rate differences on financial instruments received as consideration on the disposal of Vodafone Japan to SoftBank in April 2006.
3. Includes foreign exchange rate movements, accretion expense and fair value charges. Further details of these options are provided on page 51.
4. The £872 million in the year ended 31 March 2011 relates to the settlement of a tax case and the £201 million in the previous year relates to the settlement of the German tax loss claim.
5. See “Other significant transactions” on page 49.

Net financing costs before income from investments decreased from £1,024 million to £852 million primarily due to a reduction in net debt, partially offset by an increase in average interest rates for debt denominated in US dollars. At 31 March 2011 the provision for potential interest charges arising on settlement of outstanding tax issues was £396 million (31 March 2010: £1,312 million), with the reduction primarily reflecting the settlement of a tax case.

### Taxation

The adjusted effective tax rate for the year ended 31 March 2011 was 24.5%. This is in line with the adjusted effective tax rate for the year ended 31 March 2010 of 24.0%.

Tax on adjustments to derive adjusted profit before tax includes tax payable on the gain on the disposal of the Group’s 3.2% interest in China Mobile Limited.

Income tax expense includes a credit of £929 million arising as a result of the settlement of a tax case in July 2010. For further details see note 4 to the consolidated financial statements in the half-year financial report for the six months ended 30 September 2010.

### Earnings per share

Adjusted earnings per share increased by 4.0% to 16.75 pence for the year ended 31 March 2011 due to growth in adjusted earnings and a reduction in shares arising from the Group’s share buyback programme. Basic earnings per share decreased to 15.2 pence primarily due to the £6,150 million of impairment charges partially offset by a gain on disposal of the Group’s 3.2% interest in China Mobile Limited and the settlement of a tax case.

### Table of Contents

- Performance
- Taxation
- Earnings per share
- Adjusted profit attributable to equity shareholders

### Weighted average number of shares outstanding

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>52,408</td>
<td>52,595</td>
</tr>
<tr>
<td>2010</td>
<td>52,748</td>
<td>52,849</td>
</tr>
</tbody>
</table>

**Notes:**

1. The year ended 31 March 2011 includes £56 million representing the net loss on disposal of certain Alltel investments by Verizon Wireless. This is included within the line item “Share of results in associates” in the consolidated income statement.
2. The year ended 31 March 2011 includes £3,019 million representing the profit arising on the sale of the Group’s 3.2% interest in China Mobile Limited.
3. See notes 2, 3, 4 and 5 in “Net investment income/(financing costs)” above.
4. These amounts comprise ‘Other net income’ of £5,342 million

### Europe

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>Italy</th>
<th>Spain</th>
<th>UK</th>
<th>Other</th>
<th>Eliminations</th>
<th>Europe</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended 31 March 2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>7,900</td>
<td>5,722</td>
<td>5,133</td>
<td>5,271</td>
<td>8,253</td>
<td>(264)</td>
<td>32,015</td>
<td>2.5</td>
</tr>
<tr>
<td>Service revenue</td>
<td>7,471</td>
<td>5,432</td>
<td>4,735</td>
<td>4,931</td>
<td>7,787</td>
<td>(259)</td>
<td>30,097</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>2,952</td>
<td>2,643</td>
<td>1,562</td>
<td>1,233</td>
<td>2,433</td>
<td>—</td>
<td>10,823</td>
<td>(7.1)</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>1,548</td>
<td>1,903</td>
<td>915</td>
<td>348</td>
<td>1,012</td>
<td>—</td>
<td>5,726</td>
<td>(9.8)</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>37.4%</td>
<td>46.2%</td>
<td>30.4%</td>
<td>23.4%</td>
<td>29.5%</td>
<td>—</td>
<td>33.8%</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. Excluding interest credits related a tax case settlement.
2. Comprises foreign exchange rate differences in the income statement in relation to certain intercompany balances and the foreign exchange rate differences on financial instruments received as consideration on the disposal of Vodafone Japan to SoftBank in April 2006.
3. Includes foreign exchange rate movements, accretion expense and fair value charges. Further details of these options are provided on page 51.
4. The £872 million in the year ended 31 March 2011 relates to the settlement of outstanding tax issues on the disposal of Vodafone Japan to SoftBank in April 2006.
5. The £201 million in the year ended 31 March 2011 relates to the settlement of a tax case and the £201 million in the previous year relates to the settlement of the German tax loss claim.
6. See “Other significant transactions” on page 49.
7. The £872 million in the year ended 31 March 2011 relates to the settlement of a tax case and the £201 million in the previous year relates to the settlement of the German tax loss claim.
8. See notes 2, 3, 4 and 5 in “Net investment income/(financing costs)” above.
9. These amounts comprise ‘Other net income’ of £5,342 million.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenue</td>
<td>7,722</td>
<td>5,780</td>
<td>5,298</td>
<td>4,711</td>
<td>7,943</td>
<td>31,159</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>3,122</td>
<td>2,843</td>
<td>1,956</td>
<td>1,141</td>
<td>2,582</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>1,695</td>
<td>2,107</td>
<td>1,310</td>
<td>155</td>
<td>1,084</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>39.0%</td>
<td>47.2%</td>
<td>34.2%</td>
<td>22.7%</td>
<td>30.9%</td>
<td>35.5%</td>
</tr>
</tbody>
</table>

Note:

(1) The Group revised its segment structure on 1 October 2010. See note 3 to the consolidated financial statements.
Revenue declined by 2.5% reflecting a 3.2 percentage point impact from unfavourable foreign exchange rate movements. On an organic basis service revenue declined by 0.4%(*) reflecting reductions in most markets offset by growth in Germany, the UK, the Netherlands and Turkey. The decline was primarily driven by lower voice revenue resulting from continued market and regulatory pressure on pricing and the challenging economic climate, partially offset by growth in data and fixed line revenue.

Adjusted EBITDA decreased by 7.1% including a 3.5 percentage point impact from unfavourable exchange rate movements. On an organic basis adjusted EBITDA decreased by 3.7%(*), with a 1.7 percentage point decline in adjusted EBITDA margin resulting from a reduction in service revenue in most markets and higher customer investment, partially offset by operating cost savings.

<table>
<thead>
<tr>
<th></th>
<th>Organic change</th>
<th>M&amp;A activity change</th>
<th>Foreign exchange change</th>
<th>Reported change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue — Europe</td>
<td>0.6</td>
<td>0.1</td>
<td>(3.2)</td>
<td>(2.5)</td>
</tr>
</tbody>
</table>

Service revenue

- **Germany**: 0.8 (4.1) (3.3)
- **Italy**: (2.1) (3.9) (6.0)
- **Spain**: (6.9) (3.7) (10.6)
- **UK**: 4.7
- **Other Europe**: 0.5 (3.0) (2.0)
- **Europe**: (0.4) 0.1 (3.1) (3.4)

Adjusted EBITDA

- **Germany**: (1.5) (3.9) (5.4)
- **Italy**: (3.1) (3.9) (7.0)
- **Spain**: (16.8) (3.3) (20.1)
- **UK**: 8.0
- **Other Europe**: (2.4) 0.2 (3.6) (5.8)
- **Europe**: (3.7) 0.1 (3.5) (7.1)

Adjusted operating profit

- **Germany**: (4.9) (3.8) (8.7)
- **Italy**: (5.9) (3.8) (9.7)
- **Spain**: (27.3) (2.9) (30.2)
- **UK**: 125.1
- **Other Europe**: (2.0) (4.9) (6.6)
- **Europe**: (6.1) 0.1 (3.8) (9.8)

Germany

Service revenue increased by 0.8%(*) driven by strong data and messaging revenue growth. Data revenue grew by 27.9%(*) as a result of increased penetration of smartphones and Superflat Internet tariffs. Mobile revenue remained stable in the fourth quarter despite a termination rate cut effective from 1 December 2010. Enterprise revenue grew by 3.6%(*) driven by strong customer and data revenue growth.

Adjusted EBITDA declined by 1.5%(*), with a 1.6 percentage point reduction in the adjusted EBITDA margin. This decline was driven by increased customer acquisition and retention, contributed to by the launch of the iPhone in the third quarter, partially offset by operating cost efficiencies.

During the year we acquired LTE spectrum in Germany and launched LTE services towards the end of the year, initially targeting rural areas underserved by fixed broadband.

Italy

Service revenue declined by 2.1%(*) primarily driven by the challenging economic and competitive environment, the impact of termination rate cuts and customer tariff optimisation. The average contract customer base grew by 12.6% enabling the partial offset of these pressures. Data revenue growth remained strong at 21.5%(*) driven by the high level of customers migrating to smartphones and taking advantage of data plans. There was continued investment to improve quality and coverage of the network. Fixed line revenue continued to grow with the broadband customer base reaching 1.7 million at 31 March 2011 on a 100% basis.

Adjusted EBITDA decreased by 3.1%(*), with a fall in the adjusted EBITDA margin of 1.0 percentage point, as a result of the decline in service revenue and higher investment in acquisition and retention costs partially offset by a reduction in operating expenses.

Spain

Service revenue declined by 6.9%(*) impacted by continued intense competition, general economic weakness and the penetration of lower priced tariffs into the customer base. New integrated plans were introduced in the third quarter in response to the demand for combined voice and data tariffs driven by the increase in smartphones. Data revenue grew by 14.8%(*) driven by mobile broadband and mobile internet. One-off items contributed to a 1.8 percentage point(*) improvement to service revenue growth for the fourth quarter.

Adjusted EBITDA decreased 16.8%(*), with a 3.8 percentage point fall in the adjusted EBITDA margin, due to lower service revenue and proportionately higher acquisition and retention costs, partially offset by a reduction in operating expenses.

UK

Service revenue increased by 4.7%(*) driven by data revenue growth due to increasing penetration of smartphones and mobile internet bundles and strong net contract customer additions, which more than offset continued competitive pressures and weaker prepaid revenue. The termination rate cuts announced in March 2011 are expected to have a significant negative impact on revenue growth during the 2012 financial year.

Adjusted EBITDA increased by 8.0%(*) with the adjusted EBITDA margin increasing by 0.7 percentage points, reflecting higher service revenue partially offset by higher customer acquisition and retention costs.

Other Europe

Service revenue increased by 0.5%(*) with growth in Turkey and the Netherlands being partially offset by declines in other markets due to the challenging economic environment and intense competitive factors. In Turkey service revenue grew by 28.9%(*) driven by strong growth in both data and voice revenue, despite a 52% cut in termination rates effective from 1 April 2010. In Greece service revenue declined by 19.4%(*) with intense competition driving a reduction in prepaid revenue and economic factors leading to customer tariff optimisation.

Adjusted EBITDA declined by 2.4%(*), with declines in all markets except Turkey and the Netherlands, due primarily to lower service revenue and higher acquisition and retention costs partially offset by operating cost efficiencies.
### Africa, Middle East and Asia Pacific

<table>
<thead>
<tr>
<th></th>
<th>India</th>
<th>Vodacom</th>
<th>Other</th>
<th>Eliminations</th>
<th>Africa, Middle East and Asia Pacific</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended 31 March 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>3,855</td>
<td>5,479</td>
<td>3,971</td>
<td>(1)</td>
<td>13,304</td>
<td>20.0</td>
</tr>
<tr>
<td>Service revenue</td>
<td>3,804</td>
<td>4,839</td>
<td>3,650</td>
<td>(1)</td>
<td>12,292</td>
<td>20.0</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>985</td>
<td>1,844</td>
<td>1,170</td>
<td>—</td>
<td>3,999</td>
<td>20.7</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>15</td>
<td>827</td>
<td>430</td>
<td>—</td>
<td>1,272</td>
<td>55.5</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>25.6%</td>
<td>33.7%</td>
<td>29.5%</td>
<td>—</td>
<td>30.1%</td>
<td></td>
</tr>
</tbody>
</table>

|                      |        |         |       |              |                                     |          |
| **Year ended 31 March 2010** |        |         |       |              |                                     |          |
| Revenue               | 3,114  | 4,450   | 3,526 | (1)         | 11,089                              |          |
| Service revenue       | 3,069  | 3,954   | 3,224 | (1)         | 10,246                              |          |
| Adjusted EBITDA       | 807    | 1,528   | 977   | —           | 3,312                               |          |
| Adjusted operating profit | (37)  | 520     | 335   | —           | 818                                 |          |
| Adjusted EBITDA margin| 25.9%  | 34.3%   | 27.7% | —           | 29.9%                               |          |

**Notes:**

1. The Group revised its segmental structure on 1 October 2010. See note 3 to the consolidated financial statements.
2. Organic growth includes Vodacom at the current level of ownership and excludes Australia following the merger with Hutchison 3G Australia on 9 June 2009.

Revenue grew by 20.0% with an 8.5 percentage point benefit from foreign exchange rate movements and the full year impact of the consolidation of Vodacom results from 18 May 2009 partially offset by the impact of the creation of the Vodafone Hutchison Australia (‘VHA’) joint venture on 9 June 2009. On an organic basis service revenue grew by 9.5% driven primarily by growth in India and continued growth from Vodacom and the rest of the region, other than Egypt where performance was impacted by the socio-political unrest during the fourth quarter.

Adjusted EBITDA grew by 20.8% with foreign exchange rate movements contributing 8.0 percentage points of growth. On an organic basis adjusted EBITDA grew by 7.5% driven primarily by growth in India, together with improvements in Vodacom, Ghana, Qatar and New Zealand, partially offset by a decline in Egypt following pricing pressure and socio-political unrest.

### Service revenue

<table>
<thead>
<tr>
<th></th>
<th>India</th>
<th>Vodacom</th>
<th>Other Africa, Middle East and Asia Pacific</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>16.2</td>
<td>5.8</td>
<td>7.2</td>
<td>9.5</td>
</tr>
<tr>
<td></td>
<td>6.7</td>
<td>6.7</td>
<td>(0.9)</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>9.9</td>
<td>9.9</td>
<td>6.9</td>
<td>8.5</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>India</th>
<th>Vodacom</th>
<th>Other Africa, Middle East and Asia Pacific</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>15.1</td>
<td>4.9</td>
<td>5.1</td>
<td>9.5</td>
</tr>
<tr>
<td></td>
<td>7.0</td>
<td>4.9</td>
<td>10.9</td>
<td>22.1</td>
</tr>
<tr>
<td></td>
<td>9.9</td>
<td>10.9</td>
<td>10.9</td>
<td>20.7</td>
</tr>
</tbody>
</table>

### Adjusted operating profit

<table>
<thead>
<tr>
<th></th>
<th>India</th>
<th>Vodacom</th>
<th>Other Africa, Middle East and Asia Pacific</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>134.0</td>
<td>5.7</td>
<td>2.2</td>
<td>9.5</td>
</tr>
<tr>
<td></td>
<td>6.5</td>
<td>38.2</td>
<td>(3.0)</td>
<td>39.9</td>
</tr>
<tr>
<td></td>
<td>140.5</td>
<td>51.5</td>
<td>29.2</td>
<td>59.0</td>
</tr>
</tbody>
</table>

### Africa, Middle East and Asia Pacific

**India**

Service revenue grew by 16.2% including a 1.7 percentage point benefit from Indus Towers, the Group’s network sharing joint venture. Growth was driven by a 39.0% increase in the average mobile customer base and stable usage per customer. In May 2010, the Group sold the Vodafone Hutchison Australia joint venture to Vodafone and Vodafone Australia. In November 2010, the Group acquired a 40% stake in Indus Towers.

In South Africa data revenue growth was driven by a 48.9% increase in data usage due to strong growth in mobile connect cards and smartphones. In addition, successful commercial activity, particularly in off-peak periods, drove higher voice usage during the year which partially offset the impact of termination rate cuts. Net customer additions returned to pre-registration levels for the first time in the third quarter, with the trend continuing during the fourth quarter with net additions of 1.2 million.

In Vodacom’s operations outside South Africa service revenue growth continued with strong performances from Tanzania and Mozambique. Trading conditions remain challenging in the Democratic Republic of Congo and the gateway operations. Adjusted EBITDA grew by 4.9% driven by the increase in service revenue, strong handset sales and lower interconnection costs, partially offset by higher operating expenses.

On 1 April 2011 Vodacom refreshed its branding to more closely align with that of the Group.

Note:

1. Data revenue in South Africa grew by 41.8%. Excluding the impact of reclassifications between messaging and data revenue during the year, data revenue grew by 35.9%.
Operating results continued

Other Africa, Middle East and Asia Pacific

Service revenue grew by 7.2% (*) with growth across all markets except Egypt. In Qatar the customer base reached 757,000 by the end of the year, with 45% of the population now actively using Vodafone services. The decline in Egypt service revenue was driven by a combination of termination rate reductions, competitive pressure on pricing and socio-political unrest during the fourth quarter, offset in part by strong customer and data revenue growth during the year. In Ghana service revenue growth of 21.0% (*) was supported by competitive tariffs and improved brand awareness.

VHA integration remains on track and a number of important initiatives were completed during the financial year to begin realising the benefits of the merger. Contact centre operations were consolidated into two major centres in Hobart and Mumbai India, substantial progress was made in the consolidation of the retail footprint, and a major refit of retail stores is underway. VHA appointed new suppliers for network managed services, core, transmission and IT managed services.

Adjusted EBITDA increased by 5.1% (*) driven by growth in Ghana, New Zealand and Qatar partially offset by a decline in Egypt resulting primarily from the lower effective price per minute but also impacted by the sociopolitical unrest during the fourth quarter.

Non-Controlled Interests and Common Functions Verizon Wireless (1)

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>% change</th>
<th>Organic(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18,711</td>
<td>17,222</td>
<td>8.6</td>
<td>6.0</td>
</tr>
<tr>
<td>Service revenue</td>
<td>17,238</td>
<td>15,898</td>
<td>8.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>7,313</td>
<td>6,689</td>
<td>9.3</td>
<td>6.7</td>
</tr>
<tr>
<td>Interest</td>
<td>(261)</td>
<td>(298)</td>
<td>(12.4)</td>
<td></td>
</tr>
<tr>
<td>Tax(2)</td>
<td>(235)</td>
<td>(205)</td>
<td>14.6</td>
<td></td>
</tr>
</tbody>
</table>

Share of result in Verizon Wireless

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,569</td>
<td>4,112</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Notes:

(1) All amounts represent the Group’s share unless otherwise stated.
(2) The Group’s share of the tax attributable to Verizon Wireless relates only to the corporate entities held by the Verizon Wireless partnership and certain state taxes which are levied on the partnership. The tax attributable to the Group’s share of the partnership’s pre-tax profit is included within the Group tax charge.
(3) Organic growth rates include the impact of a non-cash revenue adjustment which was recorded by Verizon Wireless to defer previously recognised data revenue that will be earned and recognised in future periods. Excluding this the equivalent organic growth rates for service revenue, revenue, adjusted EBITDA and the Group’s share of result in Verizon Wireless would have been 6.4% (*), 6.6% (*), 8.2% (*) and 10.8% (*) respectively.

In the United States Verizon Wireless reported 2.6 million net mobile customer additions bringing its closing mobile customer base to 88.4 million, a 3.1% increase. Customer growth improved in the fourth quarter of the year following the launch of the iPhone 4 on the Verizon Wireless network in February 2011.

Service revenue growth of 5.8% (*) was driven by the expanding customer base and robust data revenue primarily derived from growth in the penetration of smartphones.

The adjusted EBITDA margin remained strong despite the competitive challenges and economic environment. Efficiencies in operating expenses and lower customer acquisition costs resulting from lower volumes have been partly offset by a higher level of customer retention costs reflecting the increased demand for smartphones.

As part of the regulatory approval for the Alltel acquisition, Verizon Wireless was required to divest overlapping properties in 105 markets. On 26 April 2010 Verizon Wireless completed the sale of network and licence assets in 26 markets, encompassing 0.9 million customers, to Atlantic Tele-Network for US$0.2 billion. On 22 June 2010 Verizon Wireless completed the sale of network assets and mobile licences in the remaining 79 markets to AT&T Mobility for US$2.4 billion. As a result the Verizon Wireless customer base reduced by approximately 2.1 million net customers on a 100% basis, partially offset by certain adjustments in relation to the Alltel acquisition.

On 23 August 2010 Verizon Wireless acquired a spectrum licence, network assets and related customers in southwest Mississippi and in Louisiana, formerly owned by Centennial Communications Corporation, from AT&T Inc. for cash consideration of US$0.2 billion. This acquisition was made to enhance Verizon Wireless’ network coverage in these two locations.

Group(1)

2010 financial year compared to the 2009 financial year

Group service revenue increased by 8.9% to £41,719 million, with favourable exchange rates contributing 5.7 percentage points of growth and merger and acquisition activity contributing 5.0 percentage points. During the year the Group acquired an additional 15% stake in Vodacom and fully consolidated its interests and Common Functions(2) in India, combined with direct and customer cost savings.

In Africa, Middle East and Asia Pacific service revenue rose by 14.7%(*) due to strong growth in Vodacom and India. India’s service revenue increased by 14.7%(*), 4.7 percentage points of which was delivered by the network sharing joint venture Indus Towers with the remainder being driven by a 46.7% increase in the mobile customer base offset in part by a decline in mobile voice pricing. In Egypt service revenue grew by 1.3%(*) and Qatar increased its mobile customer base to 465,000, following the launch of services in July.

Notes:
(1) 2010 results reflect average exchange rates of £1:€1.13 and £1:US$1.60.
(2) Common Functions primarily represents the results of the partner markets and the net result of unallocated central Group costs and excludes income from intercompany royalty fees.
(3) Organic growth includes India and Vodacom (except the results of Gateway) at the current level of ownership but excludes Australia following the merger with Hutchison 3G Australia on 9 June 2009.

Revenue

Group service revenue increased by 8.9% to £41,719 million, while organic service revenue declined by 1.6%(*). Service revenue was impacted by challenging economic conditions in Europe offset by growth in Africa, Middle East and Asia Pacific.

In Europe service revenue fell 3.8%(*), a 2.1 percentage point decline on the previous year reflecting challenging economic conditions in most markets, regulatory pressures on pricing, offset by growth in Italy, Turkey and the Netherlands. The decline was primarily driven by reduced voice revenue resulting from continued market and regulatory pressure on pricing and slower usage growth partially offset by growth in data and fixed line. Turkey returned to growth in the second half of the financial year with service revenue growing 31.3%(*) in the fourth quarter. Romania experienced intense competition throughout the year with service revenue declining 19.9%(*). Mobile termination rate cuts in the region which became effective during the year, contributed 2.4 percentage points to the decline in service revenue. Data revenue grew by 17.7%(*) due to an increase in data plans sold with smartphones and good PC connectivity revenue across the region. Fixed line revenue increased by 7.5%(*) with the number of fixed broadband customers reaching 5.4 million at 31 March 2010, a net increase of 860,000 customers during the financial year.

In Africa, Middle East and Asia Pacific service revenue rose by 7.5%(*) due to strong growth in Vodacom and India. India’s service revenue increased by 14.7%(*), 4.7 percentage points of which of which was delivered by the network sharing joint venture Indus Towers with the remainder being driven by a 46.7% increase in the mobile customer base offset in part by a decline in mobile voice pricing. In Egypt service revenue grew by 1.3%(*) and Qatar increased its mobile customer base to 465,000, following the launch of services in July.

Adjusted EBITDA and profit

Adjusted EBITDA increased by 1.7% to £14,735 million, with favourable exchange rates contributing 5.8 percentage points and the impact of merger and acquisition activity, primarily the full consolidation of Vodacom, contributing 3.3 percentage points to adjusted EBITDA growth.

In Europe, adjusted EBITDA decreased by 8.9%(*), with a decline in the adjusted EBITDA margin of 1.5 percentage points, primarily driven by the downward revenue trend, reduced adjusted EBITDA margins across the majority of Europe, investment in Turkey to drive growth in the second half of the financial year and the growth of lower margin fixed line operations partially offset by operating and direct cost savings.

In Africa, Middle East and Asia Pacific adjusted EBITDA increased by 5.5%(*) due to strong revenue growth in Vodacom and India, combined with direct and customer cost savings partially offset by declines in other markets due to pricing and recessionary pressure and the start-up in Qatar.

Operating profit increased primarily due to changes in impairment losses. In the 2010 financial year, the Group recorded net impairment losses of £2,100 million. Vodafone India was impaired by £2,300 million primarily due to intense price competition following the entry of a number of new operators into the market. This was partially offset by a £200 million reversal in relation to Vodafone Turkey resulting primarily from movements in discount rates. In the prior year impairment losses of £5,800 million were recorded.

Adjusted operating profit decreased by 2.5%, or 7.0%(*) on an organic basis, with a 6.0 percentage point contribution from favourable exchange rates, whilst the impact of merger and acquisition activity reduced adjusted operating profit growth by 1.5 percentage points.

The share of results in Verizon Wireless, the Group’s associate in the US, increased by 8.0%(*) primarily due to the expanding customer base, robust data revenue and operating expenses efficiencies partially offset by higher customer acquisition and retention costs.
Net financing costs

<table>
<thead>
<tr>
<th></th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>716</td>
<td>795</td>
</tr>
<tr>
<td>Financing costs</td>
<td>(1,512)</td>
<td>(2,419)</td>
</tr>
<tr>
<td><strong>Net financing costs</strong></td>
<td>(796)</td>
<td>(1,624)</td>
</tr>
</tbody>
</table>

Analysed as:

- Net financing costs before dividends from investments: (1,024) £m (1,480) £m
- Potential interest charges arising on settlement of outstanding tax issues: (23) £m (81) £m
- Dividends from investments: 145 £m 110 £m
- Foreign exchange: (1) £m 235 £m
- Equity put rights and similar arrangements: (94) £m (570) £m
- Interest on settlement of German tax claim: 201 £m —

**Total:** (796) £m (1,624) £m

Notes:

1. Excluding interest on settlement of German tax claim.
2. Comprises foreign exchange differences reflected in the income statement in relation to certain intercompany balances and the foreign exchange differences on financial instruments received as consideration in the disposal of Vodafone Japan to SoftBank in April 2006.
3. Primarily represents foreign exchange movements and accretion expense. Further details of these options are provided on page 51.
4. See “Taxation” below for further details.

Net financing costs before dividends from investments decreased from £1,480 million to £1,024 million primarily due to the impact of significantly lower interest rates given our preference for floating rate borrowing, partially offset by the 13.4% increase in average net debt being offset by changes in the currency mix of debt. At 31 March 2010 the provision for potential interest charges arising on settlement of outstanding tax issues was £1,312 million (31 March 2009: £1,635 million).

**Taxation**

The effective tax rate was 0.6% (2009:26.5%). This rate was lower than our weighted average statutory tax rate principally due to the impact of the agreement of the German tax authorities' decision that €15 billion of losses booked by a German subsidiary in 2001 are tax deductible. The credit includes benefits claimed in respect of prior years as well as the recognition of a deferred tax asset for the potential use of losses in future tax years.

**Earnings per share**

Adjusted earnings per share decreased by 6.2% to 16.11 pence for the year ended 31 March 2010 due the prior year tax benefit discussed above. Basic earnings per share increased to 16.44 pence primarily due to the impairment losses of £5,900 million in relation to Spain, Turkey and Ghana in the prior year compared to net impairment losses of £2,100 million in 2010 and the income tax credit arising from the German tax settlement discussed above.

**2010 2009**

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit attributable to equity shareholders</strong></td>
<td>8,645</td>
<td>3,078</td>
</tr>
</tbody>
</table>

**Pre-tax adjustments:**

- Impairment losses, net: 2,100 £m 5,900 £m
- Other income and expense: (114) £m —
- Non-operating income and expense: 10 £m 44 £m
- Investment income and financing costs: (106) £m 335 £m

**Total:** 1,890 £m 6,279 £m

**Taxation:** (2,064) £m (300) £m

**Adjusted profit attributable to equity shareholders:** 8,471 £m 9,057 £m

**Weighted average number of shares outstanding**

<table>
<thead>
<tr>
<th></th>
<th>Million 2010</th>
<th>Million 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic</strong></td>
<td>52,595</td>
<td>52,737</td>
</tr>
<tr>
<td><strong>Diluted</strong></td>
<td>52,849</td>
<td>52,969</td>
</tr>
</tbody>
</table>

Notes:

1. See notes 1 and 2 in "Net financing costs" to the left.

**Europe**

<table>
<thead>
<tr>
<th>Country</th>
<th>Germany £m</th>
<th>Italy £m</th>
<th>Spain £m</th>
<th>UK £m</th>
<th>Other £m</th>
<th>Eliminations £m</th>
<th>Europe £m</th>
<th>% change £</th>
<th>Organic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended 31 March 2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>8,008</td>
<td>6,027</td>
<td>5,713</td>
<td>5,025</td>
<td>8,357</td>
<td>(297)</td>
<td>32,833</td>
<td>0.2 (4.5)</td>
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</tr>
<tr>
<td>Service revenue</td>
<td>7,722</td>
<td>5,780</td>
<td>5,298</td>
<td>4,711</td>
<td>7,943</td>
<td>(295)</td>
<td>31,159</td>
<td>0.9 (3.8)</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>3,122</td>
<td>2,843</td>
<td>1,956</td>
<td>1,310</td>
<td>1,084</td>
<td>—</td>
<td>11,644</td>
<td>(3.9) (8.9)</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>1,695</td>
<td>2,107</td>
<td>1,310</td>
<td>155</td>
<td>1,084</td>
<td>—</td>
<td>6,351</td>
<td>(7.0) (12.6)</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>39.0%</td>
<td>47.2%</td>
<td>34.2%</td>
<td>22.7%</td>
<td>30.9%</td>
<td>35.5%</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Germany £m</th>
<th>Italy £m</th>
<th>Spain £m</th>
<th>UK £m</th>
<th>Other £m</th>
<th>Eliminations £m</th>
<th>Europe £m</th>
<th>% change £</th>
<th>Organic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended 31 March 2009</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>7,847</td>
<td>5,547</td>
<td>5,812</td>
<td>5,392</td>
<td>8,514</td>
<td>(343)</td>
<td>32,769</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>7,535</td>
<td>5,347</td>
<td>5,356</td>
<td>4,912</td>
<td>8,070</td>
<td>(343)</td>
<td>30,877</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>3,225</td>
<td>2,565</td>
<td>2,034</td>
<td>1,368</td>
<td>2,920</td>
<td>—</td>
<td>12,112</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>1,835</td>
<td>1,839</td>
<td>1,421</td>
<td>328</td>
<td>1,406</td>
<td>—</td>
<td>6,829</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>41.1%</td>
<td>46.2%</td>
<td>35.0%</td>
<td>25.4%</td>
<td>34.3%</td>
<td>37.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Revenue increased by 0.2% benefiting from exchange rate movements. On an organic basis service revenue declined by 3.8%(*) reflecting reductions in most markets partially offset by growth in Italy, Turkey and the Netherlands. The decline was primarily driven by reduced voice revenue resulting from continued market and regulatory pressure on pricing and slower usage growth as a result of the challenging economic climate. This was partially offset by growth in data and fixed line revenue.

Adjusted EBITDA decreased by 3.9% resulting from an organic decline partially offset by a positive contribution from foreign exchange rate movements. On an organic basis, adjusted EBITDA decreased by 8.9%(*) resulting from a decline in organic service revenue in most markets and increased customer investment partially offset by operating and direct cost savings. The adjusted EBITDA margin declined 1.5 percentage points.

<table>
<thead>
<tr>
<th></th>
<th>Organic change</th>
<th>M&amp;A activity</th>
<th>Foreign exchange</th>
<th>Reported change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue — Europe</td>
<td>(4.5)</td>
<td>0.1</td>
<td>4.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Service revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>(3.5)</td>
<td>—</td>
<td>6.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Italy</td>
<td>1.9</td>
<td>—</td>
<td>6.2</td>
<td>8.1</td>
</tr>
<tr>
<td>Spain</td>
<td>(7.0)</td>
<td>—</td>
<td>5.9</td>
<td>(1.1)</td>
</tr>
<tr>
<td>UK</td>
<td>(4.7)</td>
<td>0.6</td>
<td>—</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Other</td>
<td>(6.0)</td>
<td>—</td>
<td>4.4</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Europe</td>
<td>(3.8)</td>
<td>0.1</td>
<td>4.6</td>
<td>0.9</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>(8.9)</td>
<td>—</td>
<td>5.7</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Italy</td>
<td>4.3</td>
<td>—</td>
<td>6.5</td>
<td>10.8</td>
</tr>
<tr>
<td>Spain</td>
<td>(9.9)</td>
<td>—</td>
<td>6.1</td>
<td>(3.8)</td>
</tr>
<tr>
<td>UK</td>
<td>(17.7)</td>
<td>1.1</td>
<td>—</td>
<td>(16.6)</td>
</tr>
<tr>
<td>Other</td>
<td>(16.0)</td>
<td>—</td>
<td>4.4</td>
<td>(11.6)</td>
</tr>
<tr>
<td>Europe</td>
<td>(8.9)</td>
<td>0.1</td>
<td>4.9</td>
<td>(3.9)</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>(13.2)</td>
<td>(0.1)</td>
<td>5.7</td>
<td>(7.6)</td>
</tr>
<tr>
<td>Italy</td>
<td>7.8</td>
<td>—</td>
<td>6.8</td>
<td>14.6</td>
</tr>
<tr>
<td>Spain</td>
<td>(13.8)</td>
<td>—</td>
<td>6.0</td>
<td>(7.8)</td>
</tr>
<tr>
<td>UK</td>
<td>(58.3)</td>
<td>5.6</td>
<td>—</td>
<td>(52.7)</td>
</tr>
<tr>
<td>Other</td>
<td>(27.7)</td>
<td>—</td>
<td>4.8</td>
<td>(22.9)</td>
</tr>
<tr>
<td>Europe</td>
<td>(12.6)</td>
<td>0.1</td>
<td>5.5</td>
<td>(7.0)</td>
</tr>
</tbody>
</table>

**Italy**

Service revenue growth was 1.9%(*) with strong growth in data revenue, driven by higher penetration of PC connectivity devices and mobile internet services, and fixed revenue. The continued success of dual branding led to a closing fixed broadband customer base of 1.3 million on a 100% basis. Increased regulatory, economic and competitive pressures led to the fall in voice revenue partially mitigated through initiatives to stimulate customer spending and the continued growth in high value contract customers. Mobile contract customer additions were strong both in consumer and enterprise segments and the closing contract customer base was up by 14.5%.

Adjusted EBITDA increased by 4.3%(*) and adjusted EBITDA margin increased by 1.0 percentage point as a result of increased revenue, continued operational efficiencies and cost control.

**Spain**

Full year service revenue declined by 7.0%(*) primarily due to a decline in voice revenue which was driven by continued intense competition and economic weakness, including high unemployment, termination rate cuts effective from April and October 2009 and increased involuntary churn. In the fourth quarter the service revenue decline improved to 6.2%(*) as voice usage increased due to further penetration of our flat rate tariffs and fixed line revenue continued to grow with 0.6 million fixed broadband customers by the end of the financial year.

Adjusted EBITDA declined 9.9%(*) and the adjusted EBITDA margin decreased by 0.8 percentage points as the decline in service revenue, the increase in commercial costs and the dilutive effect of lower margin fixed line services more than offset the reduction in overhead costs.

**UK**

Service revenue declined by 4.7%(*) with lower voice revenue primarily due to a mobile termination rate reduction effective from July 2009, continued intense competition and economic pressures resulting in customers optimising bundle usage and lower roaming revenue. These were partially offset by higher messaging revenue, strong growth in data revenue driven by the success of mobile internet bundles and higher wholesale revenue derived from existing MVNO agreements. The decline in the fourth quarter slowed to 2.6%(*) driven by higher data growth and the impact of mobile customer additions achieved through the launch of new products and expanded indirect distribution channels.

The 17.7%(*) decline in adjusted EBITDA was primarily due to lower service revenue and increased customer investment partially offset by cost efficiency initiatives, including streamlined processes, outsourcing and reductions in publicity and consultancy.

Germany

Service revenue declined by 3.5%(*) driven by a 5.0%(*) reduction in mobile revenue partly offset by a 1.3%(*) improvement in fixed line revenue. The mobile revenue decline was driven by a decrease in voice revenue impacted by a termination rate cut effective from April 2009, reduced roaming, competitive pressure and continued tariff optimisation by customers. The service revenue decline in the fourth quarter slowed to 1.6%(*) with mobile revenue declining 1.8%(*) driven by the acceleration in data growth and improved usage trends. Data revenue benefited from an increase in Superflat Internet tariff penetration to over 500,000 customers, a 46% increase in smartphones and an 85% increase in active Vodafone Mobile Connect cards compared with the previous year.

Fixed line revenue growth of 1.3%(*) was supported by a 0.4 million increase in fixed broadband customers to 3.5 million at 31 March 2010 and a 0.2 million increase in wholesale fixed broadband customers to 0.4 million at 31 March 2010.

Adjusted EBITDA declined by 8.9%(*) driven by lower service revenue and investment in customer acquisition and retention offset in part by lower interconnect costs and a reduction of operating expenses principally from fixed and mobile integration synergies.
Operating results continued

Other Europe

Service revenue decreased by 6.0%(*) with declines in all countries except the Netherlands and Turkey, which returned to growth in the second half of the year, as all markets were impacted by the economic downturn. In the Netherlands service revenue increased 3.0%(*) benefiting from strong growth in visitor revenue. Service revenue in Turkey increased by 31.3%(*) in the fourth quarter driven by an improving trend in outgoing mobile revenue. The quality and mix of customers continued to improve, with Vodafone remaining the market leader in mobile number portability in Turkey. In Romania service revenue declined by 19.9%(*) due to intense competition throughout the year, mobile termination rate cuts and the continued impact on ARPU resulting from local currency devaluation against the euro, as tariffs are quoted in euros while household incomes are earned in local currency. In the Czech Republic and Hungary the decline in service revenue was driven by mobile termination rate cuts which became effective during the year, impacting incoming mobile voice revenue and challenging economic conditions. Vodafone launched its 3G network services in the Czech Republic during the fourth quarter. Service revenue in Greece declined by 14.5%(*) primarily due to a mobile termination rate cut effective from January 2009, tariff changes and a particularly tough economic and competitive climate. Service revenue in Ireland declined due to a combination of recessionary and competitive factors. In Portugal there was a termination rate reduction effective from April 2009 which contributed to a fall in service revenue of 4.9%(*).

Adjusted EBITDA declined by 16.0%(*) mainly due to a reduction in service revenue coupled with turnaround investment in Turkey. The significant service revenue growth in the second half of the financial year in Turkey was driven by investment and improvement in many areas of the business. These led to higher operating costs which, when coupled with increased interconnect costs arising from the introduction of new “any network” tariffs plans, resulted in negative adjusted EBITDA for the financial year. In Romania adjusted EBITDA decreased by 26.5%(*) due to the revenue decline but this was partially offset by strong cost reduction initiatives in all areas. The adjusted EBITDA margin fell by 3.4 percentage points with declines in all markets except the Netherlands, Portugal, Czech Republic and Hungary. The decline in service revenue was partially offset by lower customer costs and a reduction in operating expenses.

Africa, Middle East and Asia Pacific

<table>
<thead>
<tr>
<th></th>
<th>India</th>
<th>Vodacom</th>
<th>Other</th>
<th>Eliminations</th>
<th>Africa, Middle East and Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended 31 March 2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>3,114</td>
<td>4,450</td>
<td>3,526</td>
<td>(1)</td>
<td>11,089</td>
</tr>
<tr>
<td>Service revenue</td>
<td>3,069</td>
<td>3,954</td>
<td>3,224</td>
<td>(1)</td>
<td>10,246</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>807</td>
<td>1,528</td>
<td>977</td>
<td>—</td>
<td>3,312</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>(37)</td>
<td>520</td>
<td>335</td>
<td>—</td>
<td>818</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>25.9%</td>
<td>34.3%</td>
<td>27.7%</td>
<td></td>
<td>29.9%</td>
</tr>
</tbody>
</table>

|                      |           |            |            |              |                                     |
| **Year ended 31 March 2009** |           |            |            |              |                                     |
| Revenue              | 2,689     | 1,778      | 3,258      | (2)          | 7,723                               |
| Service revenue      | 2,604     | 1,548      | 2,953      | (2)          | 7,103                               |
| Adjusted EBITDA      | 717       | 606        | 1,072      | —            | 2,395                               |
| Adjusted operating profit | (30)     | 373        | 580        | —            | 323                                 |
| Adjusted EBITDA margin | 26.7%    | 34.1%      | 32.9%      |              | 31.0%                               |

Note:
(1) Organic growth includes Vodacom (except the results of Gateway) at the current level of ownership and includes India but excludes Australia following the merger with Hutchison 3G Australia on 9 June 2009.

Revenue increased by 43.6% benefiting from the treatment of Vodacom as a subsidiary and the full consolidation of its results from 18 May 2009 combined with a significant benefit from foreign exchange rate movements, offset in part by the impact of the creation of a joint venture in June 2009 between Vodafone Australia and Hutchison 3G Australia. On an organic basis service revenue increased by 7.5%(*) reflecting a 51% increase in the mobile customer base and continued strong data revenue growth partially offset by a decline in mobile voice pricing. India contributed around 64% of the region’s organic service revenue growth.
Adjusted EBITDA increased by 38.3%, also benefiting from the full consolidation of Vodacom and positive foreign exchange rate movements, offset in part by the creation of the joint venture in Australia. On an organic basis adjusted EBITDA increased by 5.5% with adjusted EBITDA margin decreasing due to turnaround investment in Ghana, the competitive pricing environment in India and the impact of launching services in Qatar. Service revenue grew by 4.6% (*) driven by a robust expansion continued with the addition of 9,000 base stations usage during the year, with costs decreasing as a percentage decreasing due to turnaround investment in Ghana, the competitive pricing environment in India and the impact of launching services in Qatar.

Adjusted EBITDA increased by 6.3% (*) driven by the increase in the customer base, with record net additions for the quarter of 9.5 million, partially offset by ongoing competitive pressure on mobile voice pricing. Customer penetration in the Indian mobile market reached an estimated 50% at 31 March 2010 representing an increase of 16.0 percentage points compared to 31 March 2009.

Adjusted EBITDA grew by 9.2% (*) driven by the increased customer base and the 37.6% increase in total mobile minute usage during the year, with costs decreasing as a percentage of service revenue despite the pressure on pricing. Network expansion continued with the addition of 9,000 base stations by Indus Towers and an additional 16,000 by Vodafone Essar.

Service revenue grew by 4.6% (*) driven by a robust performance in South Africa offset by revenue declines in Tanzania and the Democratic Republic of Congo. Data revenue increased by 32.9% (*) driven by increased penetration of mobile broadband and higher mobile internet usage. The introduction of prepaid customer registration in South Africa negatively impacted customer growth in the year and mobile termination rate reductions are expected to reduce growth in the 2011 financial year, with the first reduction taking effect from 1 March 2010.

Adjusted EBITDA increased by 10.4% (*) driven by the

### Other Africa, Middle East and Asia Pacific

Service revenue increased by 2.9% (*) driven by the performance of Egypt and Qatar. In Egypt service revenue grew by 1.3% (*) as pressure on voice pricing and a 1.0% impact of retrospective mobile termination rate reductions introduced in the fourth quarter was offset by 31% growth in the average customer base and 64.2% (*) growth in data and fixed line revenue, with data driven by increased penetration of mobile internet devices. Having launched services in July 2009, Qatar increased its mobile customer base to 465,000 customers at 31 March 2010, representing 28% of the total population.

Adjusted EBITDA declined 4.8% (*) with a 5.2% decline in adjusted EBITDA margin due to pricing, recessionary pressures and the impact of start-up costs in Qatar offset in part by efficiency savings.

On 9 June 2009 Vodafone Australia successfully completed its merger with Hutchison 3G Australia to form a 50:50 joint venture, Vodafone Hutchison Australia Pty Limited. Since the merger the joint venture has performed well delivering 8% pro-forma service revenue growth in the fourth quarter and cost synergies to date of £65 million, in line with management’s expectations.

Non-Controlled Interests and Common Functions Verizon Wireless

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Service revenue</td>
<td>15,896</td>
<td>12,862</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>6,689</td>
<td>5,543</td>
</tr>
<tr>
<td>Interest</td>
<td>298 (297)</td>
<td>37.3</td>
</tr>
<tr>
<td>Tax</td>
<td>205 (198)</td>
<td>3.5</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(80)</td>
<td>(78)</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>93</td>
<td>57</td>
</tr>
<tr>
<td>Group’s share of result in Verizon Wireless</td>
<td>4,112</td>
<td>3,542</td>
</tr>
</tbody>
</table>

Notes:

(1) All amounts represent the Group’s share unless otherwise stated.
(2) The Group’s share of the tax attributable to Verizon Wireless relates only to the corporate entities held by the Verizon Wireless partnership and certain state taxes which are levied on the partnership. The tax attributable to the Group’s share of the partnership’s pre-tax profit is included within the Group tax charge.

In the United States Verizon Wireless reported 3.4% (3) million net mobile customer additions bringing its closing mobile customer base to 85.7 million, up 4.3% (3). Customer growth reflected recent market trends towards the prepaid segment alongside market leading customer churn. Service revenue growth of 6.3% (*) was driven by the expanding customer base and robust data revenue derived from growth in multimedia handsets and smartphones.

The adjusted EBITDA margin remained strong despite the tougher competitive and economic environment. Efficiencies in operating expenses have been partly offset by a higher level of customer acquisition and retention costs, particularly for high-end devices including smartphones.

The integration of the recently acquired Alltel business is going according to plan. Store rebranding is complete and mobile service revenue growth from Indus Towers for the fourth quarter was lower than in the third quarter as the fourth quarter represented the first anniversary of significant revenue being earned from the network sharing joint venture. Mobile service revenue growth was driven by the increase in the customer base, with record net additions for the quarter of 9.5 million, partially offset by ongoing competitive pressure on mobile voice pricing. Customer penetration in the Indian mobile market reached an estimated 50% at 31 March 2010 representing an increase of 16.0 percentage points compared to 31 March 2009.

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increase in service revenue and lower direct costs and regulatory fees in South Africa.

Network for US$0.2 billion. Verizon Wireless has agreed to sell the network assets and mobile licences in the remaining 79 markets, corresponding to approximately 1.5 million customers, to AT&T for US$2.4 billion. This transaction remains subject to receipt of regulatory approval and is expected to complete by 30 June 2010.

Other Non-Controlled Interests

The share of profit in SFR increased reflecting the foreign exchange benefits upon translation of the results into sterling.

Note:

(3) Customers have been restated to reflect retail customers only, as reported externally by Verizon Wireless.
Guidance

2012 financial year and medium-term guidance

<table>
<thead>
<tr>
<th>2011 actual performance £bn</th>
<th>2012 guidance £bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit</td>
<td>11.8</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>7.0</td>
</tr>
</tbody>
</table>

2012 financial year

Adjusted operating profit is expected to be in the range of £11.0 billion to £11.8 billion, reflecting the loss of our £0.5 billion share of profits from SFR as a result of the disposal of our 44% stake.

Free cash flow is expected to be in the range of £6.0 billion to £6.5 billion, reflecting continued strong cash generation offset by the £0.3 billion reduction in dividends from China Mobile Limited and SFR in the 2012 financial year, and the more limited working capital improvements available going forward. Capital expenditure is expected to be at a similar level to last year on a constant currency basis.

Medium-term guidance

The execution of the updated strategy is targeted to achieve annual growth in organic service revenue of between 1% and 4% in the period to 31 March 2014. We expect that the Group adjusted EBITDA margin will stabilise by the end of this period.

As a result of the loss of £0.5 billion of cash dividends from our disposals of stakes in China Mobile Limited and SFR, we expect that annual free cash flow generation will now be in the £5.5 billion to £6.5 billion range in the period to March 2014, underpinning the three year 7% per annum dividend per share growth target issued in May 2010. We continue to expect that total dividends per share will be no less than 10.18 pence for the 2013 financial year.

The free cash flow target range excludes any incremental benefit that we derive from our strategy to generate liquidity or incremental cash flow from non-controlled interests of the Group such as Verizon Wireless and Polkomtel.

Assumptions

Guidance for the 2012 financial year and the medium-term is based on our current assessment of the global economic outlook and assumes foreign exchange rates of £1:€1.15 and £1:US$1.50. Actual exchange rates were £1:€1.18 and £1:US$1.56.

Notes:

(1) The Group’s guidance reflected assumptions for average exchange rates for the 2011 financial year of approximately £1:€1.15 and £1:US$1.50. Actual exchange rates were £1:€1.18 and £1:US$1.56.

(2) The Group’s guidance did not include the impact of the revenue recognition and Alltel related adjustments in Verizon Wireless.

(3) After Verizon iPhone launch costs.
The following discussion of principal risk factors and uncertainties identifies the most significant risks that may adversely affect our business, operations, liquidity, financial position or future performance. Additional risks not presently known to us, or that we currently deem less material, may also impact our business. This section should be read in conjunction with the “Forward-looking statements” on page 148 of this document.

Adverse macroeconomic conditions in the markets in which we operate could impact our results of operations.

Adverse macroeconomic conditions and deterioration in the global economic environment, such as further economic slowdown in the markets in which we operate, may lead to a reduction in the level of demand from our customers for existing and new products and services. In difficult economic conditions, consumers may seek to reduce discretionary spending by reducing their use of our products and services, including data services, or by switching to lower-cost alternatives offered by our competitors. Similarly, under these conditions the enterprise customers that we serve may delay purchasing decisions, delay full implementation of service offerings or reduce their use of our services. In addition, adverse economic conditions may lead to an increased number of our consumer and enterprise customers that are unable to pay for existing or additional services. If these events were to occur it could have a material adverse effect on our results of operations.

The continued volatility of worldwide financial markets may have a negative impact on our access to finance.

Our key sources of liquidity in the foreseeable future are likely to be cash generated from operations and borrowings through long-term and short-term issuances in the capital markets as well as committed bank facilities. Due to volatility experienced in capital and credit markets around the world, new issuances of debt securities may experience decreased demand. Adverse changes in credit markets or our credit ratings could increase the cost of borrowing and banks may be unwilling to renew credit facilities on existing terms. Any of these factors could have a negative impact on our access to finance.

Regulatory decisions and changes in the regulatory environment could adversely affect our business.

As we have ventures in a large number of geographic areas, we must comply with an extensive range of requirements that regulate and supervise the licensing, construction and operation of our telecommunications networks and services. In particular, there are agencies which regulate and supervise the allocation of frequency spectrum and which monitor and enforce regulation and competition laws which apply to the mobile telecommunications industry. Decisions by regulators regarding the granting, amendment or renewal of licences, to us or to third parties, could adversely affect our future operations in these geographic areas. In addition, other changes in the regulatory environment concerning the use of mobile phones may lead to a reduction in the usage of mobile phones or otherwise adversely affect us. Additionally, decisions by regulators and new legislation, such as those relating to international roaming charges and call termination rates, could affect the pricing for, or adversely affect the revenue from, the services we offer. Further details on the regulatory framework in certain countries and regions in which we operate, and on regulatory proceedings, can be found in “Regulation” on page 140.

Increased competition may reduce our market share and revenue.

We face intensifying competition and our ability to compete effectively will depend on, among other things, our network quality, capacity and coverage, pricing of services and equipment, quality of customer service, development of new and enhanced products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources. Competition could lead to a reduction in the rate at which we add new customers, a decrease in the size of our market share and a decline in our ARPU as customers choose to receive telecommunications services or other competing services from other providers. Examples include but are not limited to competition from internet based services and MVNOs.

The focus of competition in many of our markets continues to shift from customer acquisition to customer retention as the market for mobile telecommunications has become increasingly penetrated. Customer deactivations are measured by our churn rate. There can be no assurance that we will not experience increases in churn rates, particularly as competition intensifies. An increase in churn rates could adversely affect profitability because we would experience lower revenue and additional selling costs to replace customers or recapture lost revenue.

Increased competition has also led to declines in the prices we charge for our mobile services and is expected to lead to further price declines in the future. Competition could also lead to an increase in the level at which we must provide subsidies for handsets. Additionally, we could face increased competition should there be an award of additional licences in jurisdictions in which a member of our Group already has a licence.

Delays in the development of handsets and network compatibility and components may hinder the deployment of new technologies.

Our operations depend in part upon the successful deployment of continuously evolving telecommunications technologies. We use technologies from a number of vendors and make significant capital expenditure in connection with the deployment of such technologies. There can be no assurance that common standards and specifications will be achieved, that there will be inter-operability across Group and other networks, that technologies will be developed according to anticipated schedules, that they will perform according to expectations or that they will achieve commercial acceptance. The introduction of software and other network components may also be delayed. The failure of vendor performance or technology performance to meet our expectations or the failure of a technology to achieve commercial acceptance could result in additional capital expenditure by us or a reduction in our profitability.

We may experience a decline in revenue or profitability notwithstanding our efforts to increase revenue from the introduction of new services.

As part of our strategy we will continue to offer new services to our existing customers and seek to increase non-voice service revenue as a percentage of total service revenue. However, we may not be able to introduce these new services commercially or may experience significant delays due to problems such as the availability of new mobile devices, higher than anticipated prices of new devices or availability of new content services. In addition, even if these services are introduced in accordance with expected time schedules, there is no assurance that revenue from such services will increase ARPU or maintain profit margins.

Expected benefits from our cost reduction initiatives may not be realised.

We have entered into several cost reduction initiatives principally relating to network sharing, the outsourcing of IT application, development and maintenance, data centre consolidation, supply chain management and a business transformation programme to implement a single, integrated operating model using one enterprise resource planning (‘ERP’) system. However, there is no assurance that the full extent of the anticipated benefits will be realised in the timeline envisaged.
Changes in assumptions underlying the carrying value of certain Group assets could result in impairment. We complete a review of the carrying value of Group assets annually, or more frequently where the circumstances require, to assess whether those carrying values can be supported by the net present value of future cash flows derived from such assets. This review examines the continued appropriateness of the assumptions in respect of highly uncertain matters upon which the valuations support the carrying values of certain Group assets are based. This includes an assessment of discount rates and long-term growth rates, future technological developments, and timing and quantum of future capital expenditure as well as several factors which may affect revenue and profitability identified within the other risk factors in this section such as intensifying competition, pricing pressures, regulatory changes and the timing for introducing new products or services. Discount rates are in part derived from yields on government bonds, the level of which may change substantially from period to period and which may be affected by political, economic and other developments which are beyond our control. Due to our substantial carrying value of goodwill under International Financial Reporting Standards, the revision of any of these assumptions to reflect current or anticipated changes in operations or the financial condition of the Group could lead to an impairment in the carrying value of certain Group assets. While impairment does not impact reported cash flows, it does result in a non-cash charge in the consolidated income statement and thus no assurance can be given that any future impairments would not affect our reported distributable reserves and therefore our ability to make distributions to our shareholders or repurchase our shares. See “Critical accounting estimates” on page 77 and note 10 to the consolidated financial statements.

Our emerging market footprint may present exposure to unpredictable economic, political, regulatory, tax and legal risks. Political, regulatory, economic and legal systems in emerging markets may be less predictable than in countries with more stable institutional structures. Since we operate in and are exposed to emerging markets, the value of our investments in these markets may be adversely affected by political, regulatory, economic, tax and legal developments which are beyond our control and anticipated benefits resulting from acquisitions and other investments we have made in these markets may not be achieved in the time expected or at all. For further information on legal and tax proceedings see note 28.

We participate in joint ventures which expose us to operational and financial risk. We participate in a number of joint ventures, some of which we do not control. Whether or not we hold majority interests or maintain operational control in our joint ventures, our partners may have economic or business interests or goals that are inconsistent with ours, exercise their rights in a way that prohibits us from acting in a manner which we would like or they may be unable or unwilling to fulfil their obligations under the joint venture or other agreements. In particular, some of our interests in mobile licences are held through entities in which we are a significant but not a controlling owner. Under the governing documents for some of these partnerships and corporations, certain key matters such as the approval of business plans and decisions as to the timing and amount of cash distributions require the consent of our partners. In others these matters may be approved without our consent. We may enter into similar arrangements as we participate in ventures formed to pursue additional opportunities. Although we have not been materially constrained by our participation in joint ventures to date, no assurance can be given that the actions or decisions of our joint venture partners will not affect our ventures in a way that hinders our corporate objectives or reduces any anticipated cost savings or revenue enhancement resulting from these ventures.

Expected benefits from investment in networks, licences and new technology may not be realised. We have made substantial investments in the acquisition of licences and in our mobile networks, including the roll out of 3G networks. We expect to continue to make significant investments in our mobile networks due to increased usage and the need to offer new services and greater functionality afforded by new or evolving telecommunications technologies. Accordingly, the rate of our capital expenditures in future years could remain high or exceed that which we have experienced to date. There can be no assurance that the introduction of new services will proceed according to anticipated schedules or that the level of demand for new services will justify the cost of setting up and providing new services. Failure or a delay in the completion of networks and the launch of new services, or increases in the associated costs, could have a material adverse effect on our operations.

Our business may be impairs by actual or perceived health risks associated with the transmission of radio waves from mobile telephones, transmitters and associated equipment. Concerns have been expressed that the electromagnetic signals emitted by mobile telephone handsets and base stations may pose health risks at exposure levels below existing guideline levels and may interfere with the operation of electronic equipment. In the event of national governments responding to public concern with the imposition of more stringent exposure limits, our costs may be increased. In addition, as described under the heading “Legal proceedings” in note 28 to the consolidated financial statements, several mobile industry participants including Verizon Wireless and ourselves have had lawsuits filed against us alleging various health consequences as a result of mobile phone usage including brain cancer. While we are not aware that such health risks have been substantiated, there can be no assurance that the actual or perceived risks associated with radio wave transmission will not impair our ability to retain customers and attract new customers, reduce mobile telecommunications usage or result in further litigation. In such event, because of our strategic focus on mobile telecommunications, our business and results of operations may be more adversely affected than those of other companies in the telecommunications sector.

Our business would be adversely affected by the non-supply of equipment and support services by a major supplier. Companies within the Group source network infrastructure and other equipment, as well as network-related and other significant support services, from third party suppliers. The withdrawal or removal from the market of one or more of these major third party suppliers could adversely affect our operations and could require us to make additional capital or operational expenditures.

Our business could be adversely affected by disruptions to our telecommunications networks. We are dependent on the secure operation of our telecommunications networks and attacks on critical infrastructure, or disruption of our networks caused by other factors beyond our control, pose an increasing threat. As the importance of mobile communication in everyday life, as well as during times of crisis, increases and the volume of personal and business data being communicated and stored by network operators grows, organisations and individuals look to us to maintain service and protect sensitive information. Any significant interruption in our service or in our ability to protect sensitive information, whether caused by acts of terrorism, industrial action, natural disasters, political unrest or otherwise, could have a material adverse effect on our revenue and our reputation.
Financial position and resources

Consolidated statement of financial position

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>68,558</td>
<td>74,258</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>20,181</td>
<td>20,642</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>38,105</td>
<td>36,377</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>7,373</td>
<td>11,499</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>134,217</td>
<td>142,766</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquidity investments</td>
<td>17,003</td>
<td>14,219</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>151,220</td>
<td>156,985</td>
</tr>
<tr>
<td><strong>Total equity shareholders’ funds</strong></td>
<td>87,555</td>
<td>90,381</td>
</tr>
<tr>
<td><strong>Total non-controlling interests</strong></td>
<td>6</td>
<td>429</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>87,561</td>
<td>90,810</td>
</tr>
</tbody>
</table>

**Liabilities**

**Borrowings**
- Long-term: 28,375 28,632
- Short-term: 9,906 11,163

**Taxation liabilities**
- Deferred tax liabilities: 6,486 7,377
- Current taxation liabilities: 2,262 2,874
- Other non-current liabilities: 1,373 1,550
- Other current liabilities: 15,257 14,579

**Total liabilities** 63,695 66,175

**Total equity and liabilities** 151,220 156,985

**Assets**

**Intangible assets**
At 31 March 2011 our intangible assets were £68.6 billion (2010: £74.3 billion) with goodwill comprising the largest element at £45.2 billion (2010: £51.8 billion). The decrease primarily resulted from impairment losses of £6.2 billion, amortisation of £3.5 billion and unfavourable foreign exchange rate movements of £0.9 billion partially offset by £4.7 billion of additions. Refer to note 10 to the consolidated financial statements for further information on the impairment charge.

**Property, plant and equipment**
Property, plant and equipment decreased from £20.6 billion at 31 March 2010 to £20.2 billion at 31 March 2011 predominantly as a result of foreign exchange rate movements and bond repayments during the year.

**Investments in associates**
Investments in associates increased from £36.4 billion at 31 March 2010 to £38.1 billion at 31 March 2011 primarily due to our share of the results of associates, after deductions of interest, tax and non-controlling interest, which contributed £5.1 billion to the increase, mainly arising from our investment in Verizon Wireless, partially offset by £1.4 billion of dividends received and unfavourable foreign exchange movements of £1.9 billion.

Other non-current assets
Other non-current assets decreased to £7.4 billion at 31 March 2011 (2010: £11.5 billion) mainly due to other investments which totalled £1.4 billion at 31 March 2011 compared to £7.6 billion at 31 March 2010. The decrease was primarily as a result of the disposal of our 3.2% interest in China Mobile Limited and our interests in SoftBank investments.

**Total equity shareholders’ funds**
Total equity shareholders’ funds decreased from £90.4 billion at 31 March 2010 to £87.6 billion at 31 March 2011. The profit for the year of £9.0 billion was more than offset by equity dividends of £4.5 billion, an other comprehensive loss of £4.5 billion and the share buyback of £2.1 billion.

**Borrowings**
Long-term borrowings and short-term borrowings decreased to £38.3 billion at 31 March 2011 from £39.8 billion at 31 March 2010 mainly as a result of foreign exchange rate movements and bond repayments during the year.

**Taxation liabilities**
Current tax liabilities decreased from £2.9 billion at 31 March 2010 to £2.3 billion at 31 March 2011 mainly as a result of lower outstanding tax liabilities in the US as a result of accelerated tax depreciation and the resolution of long-standing tax disputes.

**Other current liabilities**
Other current liabilities increased from £14.6 billion at 31 March 2010 to £15.3 billion at 31 March 2011. Trade payables at 31 March 2011 were equivalent to 37 days (2010:31 days) outstanding, calculated by reference to the amount owed to suppliers as a proportion of the amounts invoiced by suppliers during the year. It is our policy to agree terms of transactions, including payment terms, with suppliers and it is our normal practice that payment is made accordingly.

**Contractual obligations and contingencies**
A summary of our principal contractual financial obligations is shown below. Further details on the items included can be found in the notes to the consolidated financial statements. Details of the Group’s contingent liabilities are included in note 28 to the consolidated financial statements.

**Contractual obligations and contingencies**

<table>
<thead>
<tr>
<th>Contractual obligations(1)</th>
<th>Total</th>
<th>&lt;1 year</th>
<th>1-3 years</th>
<th>3-5 years</th>
<th>&gt;5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings(2)</td>
<td>45,226</td>
<td>10,864</td>
<td>8,727</td>
<td>10,093</td>
<td>15,542</td>
</tr>
<tr>
<td>Operating lease commitments(3)</td>
<td>6,513</td>
<td>1,225</td>
<td>1,704</td>
<td>1,240</td>
<td>2,344</td>
</tr>
<tr>
<td>Capital commitments(3)(4)</td>
<td>2,124</td>
<td>1,885</td>
<td>228</td>
<td>11</td>
<td>—</td>
</tr>
<tr>
<td>Purchase commitments(5)</td>
<td>5,937</td>
<td>3,619</td>
<td>1,835</td>
<td>142</td>
<td>341</td>
</tr>
<tr>
<td><strong>Total contractual cash obligations(1)</strong></td>
<td>59,800</td>
<td>17,593</td>
<td>12,494</td>
<td>11,486</td>
<td>18,227</td>
</tr>
</tbody>
</table>

Notes:
1. The above table of contractual obligations includes commitments in respect of options over interests in Group businesses held by non-controlling shareholders (see “Option agreements and similar arrangements”) and obligations to pay dividends to non-controlling shareholders (see “Dividends from associates and to non-controlling shareholders”). The table excludes current and deferred tax liabilities and obligations under post employment benefit schemes, details of which are provided in notes 6 and 23 to the consolidated financial statements respectively. The table also excludes the contractual obligations of associates.
2. See note 22 to the consolidated financial statements.
3. See note 27 to the consolidated financial statements.
Current assets
Current assets increased to £17.0 billion at 31 March 2011 from £14.2 billion at 31 March 2010 due to an increase in cash and short-term investments resulting from the disposal of our interests in SoftBank and the element of the proceeds from the disposal of our 3.2% interest in China Mobile Limited not utilised for the share buyback programme.

(4) Primarily related to network infrastructure.

(5) In addition to the purchase commitments disclosed above, Vodafone Netherlands has announced its intention to acquire BelCompany BV, one of the largest telecom retailers in the Netherlands, from the Macintosh Retail Group for €120 million. The transaction is subject to regulatory and other approvals.

Equity dividends
The table below sets out the amounts of interim, final and total cash dividends paid or, in the case of the final dividend for the 2011 financial year, proposed, in respect of each financial year.

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>Interim</th>
<th>Final</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2.35</td>
<td>4.41</td>
<td>6.76</td>
</tr>
<tr>
<td>2008</td>
<td>2.49</td>
<td>5.02</td>
<td>7.51</td>
</tr>
<tr>
<td>2009</td>
<td>2.57</td>
<td>5.20</td>
<td>7.77</td>
</tr>
<tr>
<td>2010</td>
<td>2.66</td>
<td>5.65</td>
<td>8.31</td>
</tr>
<tr>
<td>2011</td>
<td>2.85</td>
<td>6.05(1)</td>
<td>8.90</td>
</tr>
</tbody>
</table>

Note:
(1) The final dividend for the year ended 31 March 2011 was proposed on 17 May 2011 and is payable on 5 August 2011 to holders on record as of 3 June 2011. For American depositary share (‘ADS’) holders the dividend will be payable in US dollars under the terms of the ADS depositary agreement. Dividend payments on ordinary shares will be paid by direct credit into a nominated bank or building society account or, alternatively, into the Company’s dividend reinvestment plan. The Company no longer pays dividends in respect of ordinary shares by cheque.
We provide returns to shareholders through dividends and have historically paid dividends semi-annually, with a regular interim dividend in respect of the first six months of the financial year payable in February and a final dividend payable in August. The directors expect that we will continue to pay dividends semi-annually.

In November 2010 the directors announced an interim dividend of 2.85 pence per share representing a 7.1% increase over last year’s interim dividend. The directors are proposing a final dividend of 6.05 pence per share representing a 7.1% increase over last year’s final dividend. Total dividends for the year increased by 7.1% to 8.90 pence per share.

In May 2010 the directors issued a dividend per share growth target of at least 7% per annum for each of the financial years in the period ending 31 March 2013, assuming no material adverse foreign exchange rate movements. We expect that total dividends per share will therefore be no less than 10.18p for the 2013 financial year. See page 44 for the assumptions underlying this expectation.

Liquidity and capital resources

The major sources of Group liquidity for the 2011 and 2010 financial years were cash generated from operations, dividends from associates and borrowings through short-term and long-term issuances in the capital markets. We do not use non-consolidated special purpose entities as a source of liquidity or for other financing purposes.

Our key sources of liquidity for the foreseeable future are likely to be cash generated from operations and borrowings through long-term and short-term issuances in the capital markets as well as committed bank facilities.

Our liquidity and working capital may be affected by a material decrease in cash flow due to factors such as reduced operating cash flow resulting from further possible business disposals, increased competition, litigation, timing of tax payments and the resolution of outstanding tax issues, regulatory rulings, delays in the development of new services and networks, licence and spectrum payments, inability to receive expected revenue from the introduction of new services, reduced dividends from associates and investments or increased dividend payments to non-controlling shareholders. Please see the section titled “Principal risk factors and uncertainties” on pages 45 and 46.

We are also party to a number of agreements that may result in a cash outflow in future periods. These agreements are discussed further in “Option agreements and similar arrangements” at the end of this section.

Wherever possible, surplus funds in the Group (except in Albania, Egypt, India and Vodafone) are transferred to the centralised treasury department through repayment of borrowings, deposits, investments, share purchases and dividends. These are then loaned internally or contributed as equity to fund our operations, used to retire external debt, invested externally or used to pay dividends.

Cash flows

Free cash flow decreased by 2.7% to £7,049 million primarily due to higher taxation payments and dividends to non-controlling shareholders in subsidiaries partially offset by improved cash generated from operations and lower payments for capital expenditure.

Cash generated by operations increased by 0.4% to £15,392 million primarily driven by foreign exchange rate movements and working capital improvements. Cash capital expenditure decreased by £328 million primarily due to lower expenditure in India. We invested £2,982 million in licences and spectrum including £1,725 million in India and

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash generated by operations</strong></td>
<td>15,392</td>
<td>15,337</td>
</tr>
<tr>
<td><strong>Cash capital expenditure</strong>(1)</td>
<td>(5,658)</td>
<td>(5,986)</td>
</tr>
<tr>
<td><strong>Disposal of intangible assets and property, plant and equipment</strong></td>
<td>51</td>
<td>48</td>
</tr>
<tr>
<td><strong>Operating free cash flow</strong></td>
<td>9,785</td>
<td>9,399</td>
</tr>
</tbody>
</table>

Taxation

Dividends received from associates and investments(2) | 1,509 | 1,577 |
Dividends paid to non-controlling shareholders in subsidiaries | (320) | (56) |
Interest received and paid | (1,328) | (1,406) |
**Free cash flow** | 7,049 | 7,241 | (2.7) |

Other amounts(3)

| Licence and spectrum payments | (2,982) | (899) |
| Acquisitions and dispositions(4) | (183) | (2,683) |
| Contributions from non-controlling shareholders in subsidiaries(5) | — | 613 |
| Equity dividends paid | (4,468) | (4,139) |
| Purchase of treasury shares | (2,087) | |
| Foreign exchange | 834 | 1,038 |
| Other(6) | 5,250 | (174) |

**Net debt decrease** | 3,458 | 907 |
**Opening net debt** | (33,316) | (34,223) |
**Closing net debt** | (29,859) | (33,316) | (10.4) |

Notes:

(1) Cash paid for purchase of property, plant and equipment and intangible assets, other than licence and spectrum payments.

(2) Year ended 31 March 2011 includes £373 million (2010:£389 million) from our interest in SFR and £1,024 million (2010:£1,034 million) from our interest in Verizon Wireless.

(3) Comprises items in respect of: the UK CFC settlement (£800 million), tax relating to the disposal of China Mobile Limited (£208 million), the SoftBank disposal (£1,409 million) and the court deposit made in respect of the India tax case (£356 million). The latter is included within the line item “Purchase of interests in subsidiaries and joint ventures, net of cash acquired” in the consolidated statement of cash flows.

(4) Year ended 31 March 2011 includes net cash and cash equivalents paid of £183 million (2010: £1,777 million) and assumed debt of £nil (2010: £906 million).

(5) Year ended 31 March 2010 includes £613 million in relation to Qatar.

(6) Year ended 31 March 2011 includes £4,264 million in relation to the disposal of our 3.2% interest in China Mobile Limited.

Dividends from associates and to non-controlling shareholders

Dividends from our associates are generally paid at the discretion of the board of directors or shareholders of the individual operating and holding companies and we have no rights to receive dividends except where specified within certain of the Group’s shareholders’ agreements such as with SFR, our associate in France. Similarly, we do not have existing obligations under shareholders’ agreements to pay dividends to non-controlling interest partners of our subsidiaries or joint ventures, except as specified below.

Included in the dividends received from associates and
£1,210 million in Germany.

Payments for taxation increased by 14.3% to £2,597 million primarily due to the absence of the one-time benefit of additional tax deductions which were available in Italy in the previous year.

Dividends received from associates and investments were stable at £1,509 million.

investments is an amount of £1,024 million (2010: £1,034 million) received from Verizon Wireless. Until April 2005 Verizon Wireless’ distributions were determined by the terms of the partnership agreement distribution policy and comprised income distributions and tax distributions. Since April 2005 only tax distributions have been issued. Following the announcement of Verizon Wireless’ acquisition of Alltel, certain additional tax distributions were agreed in addition to the tax distributions required by the partnership agreement. Taken together with recent revisions to the tax distribution provisions in the partnership agreement, current projections forecast that tax distributions will cover the US tax liabilities arising from our partnership interest in Verizon Wireless.

Under the terms of the partnership agreement the Verizon Wireless board has no obligation to effect additional distributions above the level of the tax distributions. However, the Verizon Wireless board has agreed that it will review distributions from Verizon Wireless on a regular basis. When considering whether distributions will be made each year, the Verizon Wireless board will take into account its debt position, the relationship
between debt levels and maturities, and overall market conditions in the context of the five year business plan. It is expected that Verizon Wireless’ free cash flow will be deployed in servicing and reducing debt in the near term.

During the year ended 31 March 2011 cash dividends totalling £373 million (2010: £389 million) were received from SFR. Following SFR’s purchase of Neul Cegetel it was agreed that SFR would partially fund debt repayments by a reduction in dividends between 2009 and 2011 inclusive. In April 2011 we announced an agreement to dispose of our 44% interest in SFR. We will also receive a final dividend from SFR of €200 million (£176 million) on completion of the transaction. Future cash flows will be reduced by the loss of dividends from SFR.

Verizon Communications Inc. has an indirect 23.1% shareholding in Vodafone Italy and under the shareholders’ agreement the shareholders have agreed to take steps to cause Vodafone Italy to pay dividends at least annually, provided that such dividends will not impair the financial condition or prospects of Vodafone Italy including, without limitation, its credit standing. During the 2011 financial year Vodafone Italy paid dividends net of withholding tax totalling €325 million to Verizon Communications Inc.

Given Vodacom’s strong financial position and cash flow generation, the Vodacom board has decided to increase its dividend payout ratio from 40% to approximately 60% of headline earnings for the year ended March 2011.

Acquisitions

We invested £183 million (2010: £1,777 million), net of cash and cash equivalents acquired, in acquisition activities during the year.

Other significant transactions

On 10 September 2010 we sold our entire 3.2% interest in China Mobile Limited for a total consideration of €4.3 billion before tax and transaction costs. Future cash flows will be reduced by the loss of dividends from China Mobile Limited.

On 9 November 2010 we agreed to sell to SoftBank Corp. of Japan our interests which were originally received as part of the proceeds from the sale of Vodafone Japan in 2006, for a total consideration of ¥412.5 billion (£3.1 billion). ¥212.5 billion of the consideration was received in December 2010 and ¥200 billion (£1.5 billion) is expected to be received in April 2012.

On 30 March 2011 the Essar Group exercised its written option of shares at 16 May 2011 was £2,580 million. The aggregate amount of consideration paid by the Company for the shares at 16 May 2011 was £2,580 million.

Following the announcement of the agreement to dispose of our 44% interest in SFR on 3 April 2011, we also announced that we will return £4 billion of the net proceeds to shareholders by way of a share buyback programme. This programme will commence following completion of the existing £2.8 billion programme.

Shares purchased are held in treasury in accordance with irrevocable instructions, are shown below:

<table>
<thead>
<tr>
<th>Date of share purchase</th>
<th>Number of shares purchased(1) '000</th>
<th>Average price paid per share '000</th>
<th>Maximum value of shares that may yet be purchased under the programme(2) £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2010</td>
<td>115,400</td>
<td>161.78</td>
<td>115,400</td>
</tr>
<tr>
<td>October 2010</td>
<td>187,500</td>
<td>165.50</td>
<td>302,900</td>
</tr>
<tr>
<td>November 2010</td>
<td>209,400</td>
<td>170.21</td>
<td>512,300</td>
</tr>
<tr>
<td>December 2010</td>
<td>162,900</td>
<td>167.44</td>
<td>675,200</td>
</tr>
<tr>
<td>January 2011</td>
<td>177,090</td>
<td>176.67</td>
<td>852,290</td>
</tr>
<tr>
<td>February 2011</td>
<td>134,700</td>
<td>179.23</td>
<td>986,990</td>
</tr>
<tr>
<td>March 2011</td>
<td>250,900</td>
<td>177.26</td>
<td>1,237,890</td>
</tr>
<tr>
<td>April 2011</td>
<td>135,100</td>
<td>176.61</td>
<td>1,372,990</td>
</tr>
<tr>
<td>May 2011</td>
<td>127,000</td>
<td>170.14</td>
<td>1,499,990</td>
</tr>
<tr>
<td>Total</td>
<td>1,499,990(4)</td>
<td>172.01</td>
<td>1,499,990</td>
</tr>
</tbody>
</table>

Notes:

(1) The nominal value of shares purchased is 11 7/9 US cents each.

(2) No shares were purchased outside the publicly announced share buyback programme.

(3) In accordance with shareholder authority granted at the 2010 AGM.

(4) The total number of shares purchased represents 2.9% of our issued share capital at 16 May 2011.

The aggregate amount of consideration paid by the Company for the shares at 16 May 2011 was £2,580 million.

Funding

We have maintained a robust liquidity position throughout the year thereby enabling us to service shareholder returns, debt and expansion through capital investment. This position has been achieved through continued delivery of strong operating performance.

**Table of Contents**

**Vodafone Group Plc Annual Report 2011**

**Performance**

**Acquisitions**

**Other significant transactions**

**Notes:**

(1) The nominal value of shares purchased is 11 7/9 US cents each.

(2) No shares were purchased outside the publicly announced share buyback programme.

(3) In accordance with shareholder authority granted at the 2010 AGM.

(4) The total number of shares purchased represents 2.9% of our issued share capital at 16 May 2011.

The aggregate amount of consideration paid by the Company for the shares at 16 May 2011 was £2,580 million.

Following the announcement of the agreement to dispose of our 44% interest in SFR on 3 April 2011, we also announced that we will return £4 billion of the net proceeds to shareholders by way of a share buyback programme. This programme will commence following completion of the existing £2.8 billion programme.

Shares purchased are held in treasury in accordance with sections 724 to 732 of the Companies Act 2006 and are cancelled in accordance with the Association of British Insurers guidelines. The movement in treasury shares during the year is shown below:

<table>
<thead>
<tr>
<th>Number of shares purchased(1) '000</th>
<th>Average price paid per share '000</th>
<th>Total number of shares purchased(2) '000</th>
<th>Maximum value of shares that may yet be purchased under the programme(2) £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 April 2010</td>
<td>5,146</td>
<td>7,810</td>
<td></td>
</tr>
<tr>
<td>Reissue of shares</td>
<td>(150)</td>
<td>(232)</td>
<td></td>
</tr>
<tr>
<td>Purchase of shares</td>
<td>1,238</td>
<td>2,125</td>
<td></td>
</tr>
<tr>
<td>Canceled shares</td>
<td>(1,000)</td>
<td>(1,532)</td>
<td></td>
</tr>
</tbody>
</table>

**31 March 2011**

5,234 8,171

**Funding**

We have maintained a robust liquidity position throughout the year thereby enabling us to service shareholder returns, debt and expansion through capital investment. This position has been achieved through continued delivery of strong operating performance.
cash, transferred (in certain circumstances) for the purposes of an employee share scheme or cancelled. If treasury shares are sold, such sales are deemed to be a new issue of shares and will accordingly count towards the 5% of share capital which the Company is permitted to issue on a non pre-emptive basis in any one year as approved by its shareholders at the

cash flows, the impact of the working capital reduction programme, issuances of short-term and long-term debt, and non-recourse borrowing assumed in respect of the emerging market businesses. It has not been necessary for us to draw down on our syndicated committed bank facilities during the year.
Vodafone Group Plc Annual Report 2011

Financial position and resources continued

Net debt

Our consolidated net debt position at 31 March was as follows:

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Cash and cash equivalents(1)</td>
<td>6,252</td>
</tr>
<tr>
<td>Short-term borrowings:</td>
<td></td>
</tr>
<tr>
<td>Bonds</td>
<td>(2,470)</td>
</tr>
<tr>
<td>Commercial paper(2)</td>
<td>(1,660)</td>
</tr>
<tr>
<td>Put options over non-controlling interests</td>
<td>(3,113)</td>
</tr>
<tr>
<td>Bank loans</td>
<td>(2,070)</td>
</tr>
<tr>
<td>Other short-term borrowings(1)</td>
<td>(593)</td>
</tr>
<tr>
<td>(9,906)</td>
<td>(11,163)</td>
</tr>
<tr>
<td>Long-term borrowings:</td>
<td></td>
</tr>
<tr>
<td>Put options over non-controlling interests</td>
<td>(78)</td>
</tr>
<tr>
<td>Bonds, loans and other long-term borrowings</td>
<td>(28,297)</td>
</tr>
<tr>
<td>(28,375)</td>
<td>(28,632)</td>
</tr>
<tr>
<td>Other financial instruments(3)</td>
<td>2,171</td>
</tr>
<tr>
<td>Net debt</td>
<td>(28,858)</td>
</tr>
</tbody>
</table>

Notes:

(1) At 31 March 2011 the amount includes £531 million (2010: £604 million) in relation to cash received under collateral support agreements.

(2) At 31 March 2011 US$551 million was drawn under the US commercial paper programme and £1,490 million was drawn under the euro commercial paper programme.

(3) Comprises i) mark-to-market adjustments on derivative financial instruments which are included as a component of trade and other receivables (2011: £2,045 million; 2010: £2,056 million) and trade and other payables (2011: £2,128 million; 2010: £2,140 million) and ii) short-term investments in index linked government bonds and collateral support agreements included as a component of other investments (2011: £674 million; 2010: £388 million).

At 31 March 2011 we had £6,252 million of cash and cash equivalents which are held in accordance with our treasury policy.

We hold cash and liquid investments in accordance with the counterparty and settlement risk limits of the Board approved treasury policy. The main forms of liquid investments at 31 March 2011 were money market funds, UK index linked government bonds and bank deposits.

Net debt decreased by £3,458 million to £29,858 million primarily due to the sale of our interests in SoftBank and the element of the proceeds from the sale of our 3.2% interest in China Mobile Limited which was not committed to the share buyback programme. The £7,049 million free cash flow generated during the year was primarily used to fund £4,468 million of dividend payments to shareholders as well as spectrum purchases in Germany and India. Net debt represented 32.8% of our market capitalisation at 31 March 2011 compared with 41.6% at 31 March 2010. Average net debt at month end and accounting dates over the 12 month period ended 31 March 2011 was £31.4 billion and ranged between £28.4 billion and £34.9 billion during the year.

The cash received from collateral support agreements mainly reflects the value of our interest rate swap portfolio which is committed bank facilities (see “Committed facilities”), which mature on 9 March 2016 and 1 July 2015 respectively. No amounts had been drawn under either bank facility.

Bonds

We have a €30 billion euro medium-term note programme and a US shelf programme which are used to meet medium to long-term funding requirements. At 31 March 2011 the total amounts in issue under these programmes split by currency were US$14.3 billion, £2.6 billion, €10.6 billion and £0.2 billion sterling equivalent of other currencies.

In the year ended 31 March 2011 bonds with a nominal value equivalent of £0.7 billion at the relevant 31 March 2011 foreign exchange rates were issued under the US shelf and the euro medium-term note programme. The bonds issued during the year were:

<table>
<thead>
<tr>
<th>Date of bond issue</th>
<th>Maturity of bond</th>
<th>Nominal amount equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ million</td>
<td>Sterling million</td>
</tr>
<tr>
<td>August 2010</td>
<td>August 2011</td>
<td>64</td>
</tr>
<tr>
<td>March 2011</td>
<td>March 2016</td>
<td>374</td>
</tr>
<tr>
<td>March 2011</td>
<td>March 2021</td>
<td>311</td>
</tr>
</tbody>
</table>

At 31 March 2011 we had bonds outstanding with a nominal value of £20,987 million (2010: £21,963 million).

Committed facilities

The following table summarises the committed bank facilities available to us at 31 March 2011.

<table>
<thead>
<tr>
<th>Committed bank facilities</th>
<th>Amounts drawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 July 2010</td>
<td>No drawings have been made against this facility. The facility supports our commercial paper programmes and may be used for general corporate purposes including acquisitions.</td>
</tr>
<tr>
<td>9 March 2011</td>
<td>No drawings have been made against this facility. The facility supports our commercial paper programmes and may be used for general corporate purposes including acquisitions.</td>
</tr>
<tr>
<td>16 November 2006</td>
<td>This facility was drawn down in full on 14 February 2007. The facility is available for financing capital expenditure in our Turkish operating company.</td>
</tr>
<tr>
<td>28 July 2008</td>
<td>This facility was drawn down in full on 12 August 2008. The facility is available for financing the roll-out of converged fixed mobile broadband telecommunications network in Italy.</td>
</tr>
<tr>
<td>15 September 2009</td>
<td>This facility was drawn down</td>
</tr>
</tbody>
</table>
substantially net present value positive. See note 21 to the consolidated financial statements for further details on these agreements.

Commercial paper programmes
We currently have US and euro commercial paper programmes of US$15 billion and £5 billion respectively which are available to be used to meet short-term liquidity requirements. At 31 March 2011 an amount external to the Group of €1,490 million (£1,317 million) was drawn under the euro commercial paper programme and US$551 million (£343 million) was drawn down under the US commercial paper programme, with such funds being provided by counterparties external to the Group. At 31 March 2010 US$245 million (£161 million) was drawn under the US commercial paper programme and €2,491 million (£2,219 million), £161 million and US$33 million (£22 million) was drawn under the euro commercial paper programme. The commercial paper facilities were supported by US$4.2 billion (£2.6 billion) and €4.2 billion (£3.7 billion) of syndicated

**29 September 2009**
US$0.7 billion export credit agency loan facility, final maturity date 19 September 2018
An initial drawing was made of US$120 million on 3 November 2010. The facility is available for financing eligible Swedish goods and services.

maturing 30 July 2017 in full on 30 July 2010. The facility is available for financing capital expenditure in our German operations.
Under the terms and conditions of the €4.2 billion and US$4.2 billion syndicated committed bank facilities lenders have the right, but not the obligation, to cancel their commitments and have outstanding advances repaid no sooner than 30 days after notification of a change of control. This is in addition to the rights of lenders to cancel their commitment if we commit an event of default; however, it should be noted that a material adverse change clause does not apply.

The facility agreements provide for certain structural changes that do not affect the obligations to be specifically excluded from the definition of a change of control.

The terms and conditions of the €0.4 billion loan facility maturing on 14 February 2014 are similar to those of the €4.2 billion and US$4.2 billion syndicated committed bank facilities with the addition that, should our Turkish operating company spend less than the equivalent of €0.8 billion on capital expenditure, we will be required to repay the drawn amount of the facility that exceeds 50% of the capital expenditure.

The terms and conditions of the €0.4 billion loan facility maturing 12 August 2015 are similar to those of the €4.2 billion and US$4.2 billion syndicated committed bank facilities with the addition that, should our Italian operating company spend less than the equivalent of €1.5 billion on capital expenditure, we will be required to repay the drawn amount of the facility that exceeds 18% of the capital expenditure.

The loan facility agreed on 15 September 2009 provides €0.4 billion of seven year term finance for the Group’s virtual digital subscriber line (‘VDSL’) project in Germany. The terms and conditions are similar to those of the €4.2 billion and US$4.2 billion syndicated committed bank facilities with the addition that should the Group’s German operating company spend less than the equivalent of €0.8 billion on VDSL related capital expenditure, the Group will be required to repay the drawn amount of the facility that exceeds 50% of the VDSL capital expenditure.

The Group entered into an export credit agency loan agreement on 29 September 2009 for US$0.7 billion. The terms and conditions of the facility are similar to those of the €4.2 billion and US$4.2 billion syndicated committed bank facilities with the addition that the Company is permitted to draw down under the facility based on the eligible spend with Ericsson up until the final drawdown date of 30 June 2011. Quarterly repayments of any drawn balance commenced on 30 June 2010 with a final maturity date of 19 September 2018.

Furthermore, certain of our subsidiaries are funded by external facilities which are non-recourse to any member of the Group other than the borrower due to the level of country risk involved. These facilities may only be used to fund their operations. At 31 March 2011 Vodafone Essar had facilities of INR 281 billion (€3.9 billion) of which INR 262 billion (€3.7 billion) is drawn. Vodafone Egypt has a partly drawn EGP 1.2 billion (€121 million) syndicated bank facility of EGP 4.0 billion (€418 million) that matures in March 2014. Vodacom had fully drawn facilities of ZAR 6.1 billion (€741 million), US$120 million (€73 million) and TZZ 87 billion (€36 million), Vodafone Americas has a US$1.4 billion (€871 million) US private placement with a maturity of 17 August 2015 and Ghana had a fully drawn facility of US$75 million (€47 million) with a final maturity of 15 March 2018.

In aggregate we have committed facilities of approximately £15,703 million, of which £7,247 million was undrawn and £8,456 million was drawn at 31 March 2011.

We believe that we have sufficient funding for our expected working capital requirements for at least the next 12 months. Further details regarding the maturity, currency and interest
rates of the Group’s gross borrowings at 31 March 2011 are included in note 22 to the consolidated financial statements.
Directors and senior management

Our business is managed by our Board of directors (‘the Board’). Biographical details of the directors and senior management at 17 May 2011 are as follows:

Board of directors

Chairman

1. Sir John Bond†, aged 69, became Chairman of Vodafone Group Plc in July 2006, having previously served as a non-executive director of the Board, and is Chairman of the Nominations and Governance Committee. He is Chairman of Xstrata plc and a non-executive director of A.P. Møller – Mærsk A/S and Shui On Land Limited (Hong Kong SAR). He retired from the position of Group Chairman of HSBC Holdings plc in May 2006. Previous non-executive directorships include the London Stock Exchange plc, Orange plc, British Steel plc, the Court of the Bank of England and Ford Motor Company, US. He is also an advisor to Northern Trust in Chicago. Sir John will retire from the Board at the conclusion of the Company’s AGM on 26 July 2011.

Executive directors

2. Vittorio Colao, Chief Executive, aged 49, was appointed Chief Executive of Vodafone Group Plc after the AGM in July 2005. He joined the Board in October 2006 as Chief Executive, Europe and Deputy Chief Executive. The early part of his career was spent in the Milan office of McKinsey & Co working on media, telecommunications and industrial goods, with additional responsibility for recruitment. In 1996 he joined Omnitel Pronto Italia, which subsequently became Vodafone Italy, and was appointed Chief Executive in 1999. He was then appointed Regional Chief Executive Officer, Southern Europe for Vodafone Group Plc in 2001, became a member of the Board in 2002 and was appointed to the role of Regional Chief Executive Officer for Southern Europe, Middle East and Africa for Vodafone in 2003. In 2004 he left Vodafone to join RCS MediaGroup, the leading Italian publishing company, where he was Chief Executive until he rejoined Vodafone as Chief Executive Officer, Europe. He sits on the International Advisory Board of Bocconi University, Italy.

3. Andy Halford, Chief Financial Officer, aged 52, joined the Board in July 2005. He joined Vodafone in 1999 as Financial Director for Vodafone’s Northern Europe, Middle East and Africa region. In 2002 he was appointed Chief Financial Officer of Verizon Wireless in the US and is currently a member of the Board of Representatives of the Verizon Wireless partnership. Prior to joining Vodafone he was Group Finance Director at Omnitel Pronto Italia, a company specialising in industrial engineering. He returned to France Telecom in 1999 as Group’s Chief Financial Officer, aged 61, was appointed to the Board in 2009. He is responsible for all aspects of Vodafone’s networks, IT capability and research and development. Prior to joining Vodafone he held the positions of Executive Vice President and President, Nortel EMEA, having joined Nortel in 1982 where he gained a wealth of international experience across both the wireline and wireless industries and in business applications and solutions. Prior to Nortel, he spent several years with British Telecom.

Deputy Chairman and senior independent director

6. John Buchanan§†, aged 68, became Deputy Chairman and senior independent director in July 2006 and has been a member of the Board since April 2003. He retired from the board of directors of BP p.l.c. in 2002 after six years as Group Chief Financial Officer and executive director following a wide-ranging career with the company. He was a member of the United Kingdom Accounting Standards Board from 1997 to 2001. He is Chairman of Smith & Nephew plc, Senior Independent Director of BHP Billiton plc, Chairman of The International Chamber of Commerce (UK) and is Chairman of the trustees for the UK Christchurch Earthquake Appeal. Previous non-executive directorships include AstraZeneca plc and Boots plc.

Non-executive directors

7. Alan Jebson†, aged 61, joined the Board in December 2006. In May 2006 he retired from his role as Group Chief Operating Officer of HSBC Holdings plc, a position which included responsibility for IT and Global Resourcing. During a long career with HSBC he held various positions in IT including the position of Group Chief Information Officer. He held responsibility for the Group’s international systems including the consolidation of HSBC and Midland systems following the acquisition of Midland Bank in 1993. He originally joined HSBC as Head of IT Audit in 1978 where, building upon his qualification as a chartered accountant, he built an international audit team and implemented controls in the group’s application systems. He is also a non-executive director of Experian Group Plc and MacDonald Dettwiler and Associates Ltd. in Canada.

8. Samuel Jonah‡, aged 61, was appointed to the Board in April 2009. He is Executive Chairman of Jonah Capital (Pty) Limited, an investment holding company in South Africa and serves on the boards of various public and private companies including The Standard Bank Group. He previously worked for Ashanti Goldfields Company Limited, becoming Chief Executive Officer in

GlobeCast from 1995 to 1999. He was Executive Vice President of Nouvelles Frontieres Group from December 1999 until the end of 2001 when he moved to the position of Chief Executive Officer of Assystem-Brime, a company specialising in industrial engineering. He returned to France Telecom Group in 2003 as Senior Vice President of Group Finance and Chief Financial Officer. Until January 2006 he was Senior Executive Vice President, in charge of NExT Financial Balance & Value Creation and a member of the France Telecom Group Strategic Committee. From 2006 to 2008 he was Chairman and Chief Executive Officer of TDF Group. He is President of the Supervisory Board of Assystem, SA in France and serves as a non-executive director on the boards of ISS Equity A/S, ISS Holding A/S and ISS A/S.

5. Stephen Pusey, aged 49, Group Chief Technology Officer, joined Vodafone in September 2006 and was appointed to the Board in June 2009. He was responsible for all aspects of Vodafone’s networks, IT capability and research and development. Prior to joining Vodafone he held the positions of Executive Vice President and President, Nortel EMEA, having joined Nortel in 1982 where he gained a wealth of international experience across both the wireline and wireless industries and in business applications and solutions. Prior to Nortel, he spent several years with British Telecom.

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Executive Officer of
9. Nick Landi, aged 63, joined the Board in December 2006 and is Chairman of the Audit Committee. Solely for the purposes of relevant legislation he is the Board's appointed financial expert on the Audit Committee. In June 2006 he retired as Chairman of Ernst & Young LLP after a distinguished career spanning 36 years with the firm. He became an audit partner in 1978 and held a number of management appointments before becoming Managing Partner in 1992. He was appointed Chairman and joined the Global Executive Board of Ernst & Young Global LLP in 1995. He serves as a non-executive director of Alliance Boots GmbH, BBA Aviation plc and the Ashmore Group plc and was appointed as a non-executive director of the Financial Reporting Council on 1 April 2011. He is an advisor to the board of SNR Denton LLP, a member of the Advisory Board of Alsbridge plc, Chairman of the Board of Trustees of Farnham Castle, and is a member of the Finance and Audit Committees of the National Gallery. He is also Chairman of the board of trustees of the Vodafone Foundation.

10. Anne Lauvergeon§, aged 51, joined the Board in November 2005. She is Chief Executive Officer of AREVA Group, the leading French energy company, having been appointed to that role in July 2001. She started her professional career in 1983 in the steel industry and in 1990 she was named Advisor for Economic International Affairs at the French Presidency and Deputy Chief of its Staff in 1991. In 1995 she became a Partner of Lazard Frères & Cie, subsequently joining Alcatel Telecom as Senior Executive Vice President in March 1997. She was responsible for international activities and the Group's industrial shareholdings in the energy and nuclear fields. In 1999 she was appointed Chairman and Chief Executive Officer of AREVA NC. She is currently also a member of the Advisory Board of the Global Business Coalition on HIV/AIDS and a non-executive director of Total S.A. and GDF SUEZ.

11. Luc Vandevelde‡, aged 60, joined the Board in September 2003 and is Chairman of the Remuneration Committee. He is a director of Société Générale and the Founder and Managing Director of Change Capital Partners LLP, a private equity fund. He was formerly Chairman of the Supervisory Board of Carrefour SA, Chairman of Marks & Spencer Group plc and Chief Executive Officer of Promôdes, and has held senior European and international roles with Kraft General Foods.

12. Anthony Watson CBE‡, aged 66, was appointed to the Board in May 2006. He is currently Chairman of Marks & he was Chief Executive of Hermes Pensions Management Limited, a position he had held since 2002. Previously he was Hermes’ Chief Investment Officer having been Managing Director of AMP Asset Management plc and the Chief International Investment Officer of Citicorp Investment Management from 1991 until joining Hermes in 1998. He was Chairman of The Strategic Investment Board in Northern Ireland until he retired in March 2009. In January 2009 he was awarded a CBE for his services to the economic redevelopment of Northern Ireland.

13. Philip Yea‡, aged 56, became a member of the Board in September 2005. He has held a number of roles in the private equity industry, most notably at 3i Group plc where he was Chief Executive from 2004 until January 2009, and prior to 3i at Investcorp, where his main focus was on the turnaround and performance of portfolio investments. He is a former Finance Director of Diageo plc, the global drinks group, where as Finance Director of Guinness plc he was closely involved in the creation of Diageo through Guinness’s merger with Grand Metropolitain P.L.C. in 1997. Philip holds a number of advisory positions including to HRH The Duke of York in his role as the UK’s Special Representative for International Trade & Investment, as well as to PricewaterhouseCoopers in the UK and Bridges Ventures. He is also Chairman of the trustees of the British Heart Foundation. He has previously held non-executive roles at HBOS plc and Manchester United plc.

Appointments since the 2010 AGM

14. Renee James, aged 46, joined the Board in January 2011. She is Senior Vice President and General Manager of the software and services group for Intel Corporation with responsibility for delivering software products and support across Intel’s entire product line by building and distributing software and services products and partnering with independent software partners in the industry. In addition, she is the Chairman of the software subsidiaries of Intel, Havok, WindRiver Systems and McAfee, and also serves as an independent director on the VMware Inc. Board of Directors and is a member of its Audit Committee. She holds bachelor’s and master’s degrees from the University of Oregon.

15. Gerard Kleisterlee, aged 64, was appointed to the Board on 1 April 2011. He retired as President/Chief Executive Officer and Chairman of the Board of Management and the Group Management Committee of Koninklijke Philips Electronics N.V. (‘Philips’) on 31 March 2011 after a career with Philips spanning over more than three decades. He has been a member of the Daimler AG Supervisory Board since April 2009, a non-executive director of the Supervisory Board and member of the Audit Committee of Royal Dutch Shell since November 2010, and a member of the Board of Directors of Dell since December 2010. He will succeed Sir John Bond as Chairman of the Company on conclusion of the AGM on 26 July 2011.

§ Audit Committee
Spencer Pension Trust Ltd and is the Senior Independent Director of Hammerson plc and Witan Investment Trust. He is a non-executive director of Lloyds Banking Group plc and sits on the Advisory Board of Norges Bank Investment Management. He joined the Board of the Shareholder Executive in October 2009, having been a member of its Advisory Group since April 2008. Prior to joining the Vodafone Board

† Nominations and Governance Committee
‡ Remuneration Committee
Executive Committee

Chaired by Vittorio Colao, this committee focuses on the Group’s strategy, financial structure and planning, succession planning, organisational development and Group-wide policies. The Executive Committee membership comprises the executive directors, details of whom are shown on page 52 above, and the senior managers who are listed below.

Senior management

Members of the Executive Committee who are not also executive directors are regarded as senior managers of the Company.

Warren Finegold, aged 54, Group Strategy and Business Development Director, joined the Executive Committee in April 2006 as Chief Executive, Global Business Development with responsibility for mergers and acquisitions and business development. He assumed his current position in August 2009 when his role was expanded to include Group Strategy. He started his career with Hill Samuel & Co. Limited as an Executive in the Corporate Finance department, advising clients on mergers and acquisitions. He then moved to Goldman Sachs International in 1986 where he held positions in New York and London. Prior to joining Vodafone he was a Managing Director of UBS Investment Bank where he held a number of senior positions, most recently as head of its technology team in Europe.

Matthew Kirk, aged 50, Group External Affairs Director, was appointed to his current position and joined the Executive Committee in March 2009. Matthew joined Vodafone in 2006 as Group Director of External Relationships. Prior to that he was a member of the British Diplomatic Service for more than 20 years and before joining Vodafone served as British Ambassador to Finland.

Morten Lundal, aged 46, Group Chief Commercial Officer, was appointed to his current position in October 2010, having joined the Executive Committee in November 2008, and previously served as Chief Executive Officer for the Africa and Central Europe region. He joined Nordic mobile operator, Telenor, in 1997 and held several Chief Executive Officer positions including for the Internet Division and Telenor Business Solutions as well as the position of Executive Vice President for Corporate Strategy before becoming the Chief Executive Officer of Telenor’s Malaysian subsidiary, DiGi Telecommunications.

Rosemary Martin, aged 51, was appointed Group General Counsel and Company Secretary in March 2010. She previously served as Chief Executive Officer of the Practical Law Group prior to which she previously spent 11 years with Reuters Group Plc. in various company secretary and legal roles, with the last five years as Group General Counsel and Company Secretary. Before joining Reuters she was a partner with Mayer, Brown, Rowe & Maw. She is a non-executive director of HSBC Bank Plc (the European arm of HSBC Group) and a member of Chartered Accountants of England and Wales Corporate Governance Committee.

Nick Read, aged 46, Chief Executive Officer, Africa, Middle East and Asia Pacific region, was appointed to this position in October 2010. He became a member of the Executive Committee in November 2008 at the time serving as Chief Executive Officer for the Asia Pacific and Middle East region. He joined Vodafone in 2002 and has held a variety of senior roles including Chief Financial Officer and Chief Commercial Officer of Vodafone Limited, the UK operating company, and was appointed Chief Executive Officer of Vodafone Limited in early 2006. Prior to joining Vodafone he held senior global finance positions with United Business Media plc and Federal Express Worldwide.

Ronald Schelieken, aged 47, Group Human Resources Director, joined Vodafone and the Executive Committee in January 2009. Ronald is responsible for the Vodafone human resources management function as well as health and safety, and Vodafone’s property and real estate. Prior to joining Vodafone he was Executive Vice President Human Resources for Royal Dutch Shell plc’s global downstream business. Prior to working for Shell he worked for nine years at PepsiCo in various international senior human resources roles including assignments in Switzerland, Spain, South Africa, the UK and Poland. In his last role he was responsible for the Europe, Middle East and Africa region for PepsiCo Foods International. Prior to PepsiCo he worked for nine years for AT&T in human resources roles in the Netherlands and Poland.

Other Board and Executive Committee members

The following members also served on the Board or the Executive Committee during the year:

Simon Murray was a non-executive director until his retirement on 27 July 2010. Terry Kramer was Regional President – Vodafone Americas and a member of the Executive Committee until 31 July 2010. Wendy Becker was Group Chief Marketing Officer and a member of the Executive Committee until January 2011.
Corporate governance

Our business principles set out the standards we set ourselves to ensure we operate lawfully, with integrity and with respect for the culture of every country in which we do business.

Compliance with the Combined Code

Our ordinary shares are listed in the UK on the London Stock Exchange. In accordance with the Listing Rules of the UK Listing Authority, we confirm that throughout the year ended 31 March 2011 and at the date of this document we were compliant with the provisions of, and applied the principles of, Section 1 of the 2008 FRC Combined Code on Corporate Governance (the “Combined Code”). The Combined Code can be found on the FRC website (www.frc.org.uk). This corporate governance section, together with the “Directors’ remuneration” section on pages 62 to 73, provides detail of how we apply the principles and comply with the provisions of the Combined Code.

The FRC issued the new UK Corporate Governance Code in 2010, applicable for financial years beginning on or after 29 June 2010. We will report on it for the first time in our 2012 financial year and intend to be in compliance.

Corporate governance statement

We comply with the corporate governance statement requirements pursuant to the FSA’s Disclosure and Transparency Rules by virtue of the information included in this “Corporate governance” section of the annual report together with information contained in the “Shareholder information” section on pages 132 to 138.

Board organisation and structure

The role of the Board

The Board is responsible for the overall conduct of the Group’s business and has the powers, authorities and duties vested in it by and pursuant to the relevant laws of England and Wales and the articles of association of the Company. The Board:

• has final responsibility for the management, direction and performance of our businesses;
• is required to exercise objective judgement on all corporate matters independent from executive management;
• is accountable to shareholders for the proper conduct of the business; and
• is responsible for ensuring the effectiveness of and reporting on our system of corporate governance.

The Board has a formal schedule of matters reserved to it for its decision and these include:

• Group strategy and long-term plans;
• major capital projects, acquisitions or divestments;
• annual budget and operating plan;
• group financial structure, including tax and treasury;
• annual and half-year financial results and shareholder communications;
• system of internal control and risk management; and
• senior management structure, responsibilities and succession plans.

The schedule is reviewed annually. It was last formally reviewed in March 2011 at which time, it was determined that no amendments were required.

Other specific responsibilities are delegated to Board committees which operate within clearly defined terms of reference.

Board meetings

The Board meets at least eight times a year and the meetings are structured to allow open discussion. All directors participate in discussing strategy, trading and financial performance and risk management. All substantive agenda items have comprehensive briefing material which is circulated one week before the meeting.

The following table shows the number of years directors have been on the Board at 31 March 2011 and their attendance at scheduled Board meetings they were eligible to attend during the year:

<table>
<thead>
<tr>
<th>Director Name</th>
<th>Years on Board</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir John Bond</td>
<td>6</td>
<td>8/8</td>
</tr>
<tr>
<td>John Buchanan</td>
<td>8</td>
<td>8/8</td>
</tr>
<tr>
<td>Vittorio Colao</td>
<td>4</td>
<td>8/8</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>1</td>
<td>8/8</td>
</tr>
<tr>
<td>Andy Hallford</td>
<td>5</td>
<td>8/8</td>
</tr>
<tr>
<td>Renee James (since 1 January 2011)</td>
<td>&lt;1</td>
<td>3/3</td>
</tr>
<tr>
<td>Alan Jebson</td>
<td>4</td>
<td>7/8</td>
</tr>
<tr>
<td>Samuel Jonah</td>
<td>2</td>
<td>8/8</td>
</tr>
<tr>
<td>Nick Land</td>
<td>4</td>
<td>8/8</td>
</tr>
<tr>
<td>Anne Lauvergeon</td>
<td>5</td>
<td>6/8</td>
</tr>
<tr>
<td>Simon Murray (until 27 July 2010)</td>
<td>–</td>
<td>2/2</td>
</tr>
<tr>
<td>Stephen Fusey</td>
<td>1</td>
<td>8/8</td>
</tr>
<tr>
<td>Luc Vandevelde</td>
<td>7</td>
<td>8/8</td>
</tr>
<tr>
<td>Anthony Watson</td>
<td>5</td>
<td>8/8</td>
</tr>
<tr>
<td>Philip Yea</td>
<td>5</td>
<td>8/8</td>
</tr>
</tbody>
</table>

In addition to regular Board meetings, there are a number of other meetings to deal with specific matters. Directors unable to attend a Board meeting because of another engagement are nevertheless provided with all the information relevant for such meetings and are able to discuss issues arising in the meeting with the Chairman or the Chief Executive.

Division of responsibilities

The roles of the Chairman and Chief Executive are separate and there is a division of responsibilities that is clearly established, set out in writing and agreed by the Board to ensure that no one person has unfettered powers of decision. The Chairman is responsible for the operation, leadership and governance of the Board, ensuring its effectiveness and setting its agenda. The Chief executive is responsible for the management of the Group’s business and the implementation of Board strategy and policy.

Board balance and independence

Our Board consists of 15 directors, 13 of whom served throughout the year. At 31 March 2011, in addition to the Chairman, Sir John Bond, there were four executive directors and nine non-executive directors. Renee James and Gerard Kleisterlee were appointed as non-executive directors with effect from 1 January 2011 and 1 April 2011 respectively. Simon Murray was a member of the Board until his retirement at the annual general meeting (‘AGM’) on 27 July 2010.

The Board welcomed the publication of the Davies Review on Women on Boards in February 2011. It is our aspiration to have a minimum of 25% female representation on the Board by 2015. Subject to securing suitable candidates, we intend to effect the changes required to the Board’s composition by recruiting additional directors and/or filling vacancies which arise when directors do not seek re-election, by appointing new directors who fit the skills criteria and gender balance.
reference. Details of the responsibilities delegated to the Board committees are given on pages 57 and 58.

which would meet the Board’s aspirations. The FRC is currently consulting on changes to the UK Corporate Governance Code which may result in the Code including a recommendation
that companies adopt a boardroom diversity policy; we expect to comply with any such recommendation. The Board recognises the importance of gender balance throughout the Group and continues to support Vittorio Colao in his efforts to build a diverse organisation. Further information, including the proportions of women in senior management and within the organisation overall, is contained in our 2011 sustainability report at www.vodafone.com/sustainability.

The Deputy Chairman, John Buchanan, is the nominated Senior Independent Director and his role includes being available for approach or representation by directors or significant shareholders who may feel inhibited about raising issues with the Chairman. He is also responsible for conducting an annual review of the performance of the Chairman and, in the event it should be necessary, convening a meeting of the non-executive directors.

We consider all of our present non-executive directors to be fully independent. The Board is aware of the other commitments of its directors and is satisfied that these do not conflict with their duties as directors of the Company. Changes to the commitments of the directors are reported to the Board.

There are no cross-directorships or significant links between directors serving on the Board through involvement in other companies or bodies. For the purpose of section 175 of the Companies Act 2006, the Company’s articles of association include a general power for the directors to authorise any situations or a change in circumstances relating to an existing potential conflict related) for consideration and, as appropriate, authorisation in accordance with the Companies Act 2006 and the articles of association. Where an authorisation was granted, it would be recorded in a register of potential conflicts and reviewed periodically. On an ongoing basis directors are responsible for notifying the Company Secretary if they become aware of actual or potential conflict situations or a change in circumstances relating to an existing authorisation. To date, no conflicts of interest have been identified.

Under the laws of England and Wales, the executive and non-executive directors are equal members of the Board and have overall collective responsibility for the Company’s direction. In particular, non-executive directors are responsible for:

- bringing a wide range of skills and experience, including independent judgement on issues of strategy, performance, financial controls and systems of risk management;
- constructively challenging the strategy proposed by the Chief Executive and executive directors;
- scrutinising and challenging performance across the Group’s business;
- assessing risk and the integrity of the financial information and controls; and
- ensuring appropriate remuneration and succession planning arrangements are in place in relation to executive directors and other senior executive roles.

Board effectiveness

Information and professional development

From time to time the Board receives detailed presentations from non-Board members on matters of significance. Financial plans, including budgets and forecasts, are regularly discussed at Board meetings. The non-executive directors periodically visit different parts of the Group and are provided with briefings and information to assist them in performing their duties.

The Chairman is responsible for ensuring that induction and training programmes are provided and the Company Secretary organises the programmes. Individual directors are also expected to take responsibility for identifying their training needs and to take steps to ensure that they are adequately informed about the Company and their responsibilities as a director. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a director of a listed company.

On appointment, individual directors undergo an induction programme covering, amongst other things:

- the business of the Group;
- their legal and regulatory responsibilities as directors;
- briefings and presentations from relevant executives; and
- opportunities to visit business operations.

If appropriate the induction will also include briefings on the scope of the internal audit function and the role of the Audit Committee, meetings with the external auditor and other areas of the Company. The Company Secretary deems appropriate considering the director’s area of responsibility. Throughout their period in office the directors are continually updated on the Group’s businesses and the regulatory and industry specific environments in which it operates. These updates are by way of written briefings and meetings with senior executives and, where appropriate, external sources.

Performance evaluation

Performance evaluation of the Board, its committees and individual directors takes place on an annual basis and is conducted within the terms of reference of the Nominations and Governance Committee with the aim of improving the effectiveness of the Board and its committees, individual contributions and the Group’s performance as a whole. The evaluation is designed to determine whether the Board continues to be capable of providing the high level judgement required and whether, as a Board, the directors are informed and up to date with the business and its goals and understand the context within which it operates. Every three years the performance evaluation is conducted by an independent external advisor. The last external evaluation took place in respect of the 2010 financial year.

This year the Board undertook a formal self-evaluation of its own performance. The process was led by the Chairman and included a review of the administration of the Board and its committees covering the operation of the Board and its committees, agendas, reports and information produced for their consideration. Using questionnaires completed by all directors, the Chairman produced a report on Board performance which was sent to and considered by the Nominations and Governance Committee before being discussed with the Board members at a Board meeting.

The Chairman led the assessment of the Chief Executive and the non-executive directors, the Chief Executive undertook the performance reviews for the executive directors and the Senior Independent Director led the review of the performance of the Chairman.

The Chairman reported the results of the evaluations at the Board meeting in March 2011. The performance of each
Appointments to the Board

There is a formal, rigorous and transparent procedure for the appointment of new directors to the Board. Candidates are identified and selected on merit against objective criteria and with due regard to the benefits of diversity on the Board, including gender. This process was followed during the recruitment of Renee James and Gerard Kleisterlee and is described in the section on the Nominations and Governance Committee set out on page 57.

director of the Board was found to be effective and it was concluded that the Board provides the effective leadership and control required for a listed company. The Nominations and Governance Committee confirmed to the Board that the contributions made by the directors offering themselves for election and re-election at the AGM in July 2011 continue to be effective and that the Company should support their election and re-election. In addition, the Board considered recommendations made by directors during the Board performance evaluation for the improvement of Board procedures and its effectiveness.
Consequently, some changes in Board practice are being implemented, including extending the duration of Audit Committee meetings and allocating more time in the Board schedule for strategy discussions. The Board will continue to review its procedures, its effectiveness and development in the financial year ahead.

Re-election of directors
Although not required by the articles of association, in the interests of good corporate governance the directors have resolved that, subject to the recommendation of the Nominations and Governance Committee, they will all submit themselves for re-election at each AGM. Accordingly, at the AGM to be held on 26 July 2011, all the directors will offer themselves for re-election with the exception of Sir John Bond who is retiring from the Board. New directors seek election for the first time in accordance with the articles of association.

Independent advice
The Board recognises that there may be occasions when one or more of the directors feels it is necessary to take independent legal and/or financial advice at the Company’s expense. There is an agreed procedure to enable them to do so.

Indemnification of directors
In accordance with our articles of association and to the extent permitted by the laws of England and Wales, directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office. In respect of those matters for which the directors may not be indemnified, we maintained a directors’ and officers’ liability insurance policy throughout the financial year. Neither our indemnity nor the insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

Board committees
The Board has established an Audit Committee, a Nominations and Governance Committee and a Remuneration Committee, each of which has formal terms of reference approved by the Board. The Board reviews the terms of reference for each of the committees on an ongoing basis and is satisfied that they comply with the requirements of the Combined Code. The terms of reference for all Board committees can be found on our website at www.vodafone.com/governance or a copy can be obtained by application to the Company Secretary at our registered office.

The committees are provided with all necessary resources to enable them to undertake their duties in an effective manner. The Company Secretary or her delegate acts as secretary to the committees. The minutes of committee meetings are circulated to all directors.

Each committee has access to such information and advice, both from within the Group and externally, at the Company’s cost as it deems necessary. This may include the appointment of external consultants where appropriate. Each committee undertakes an annual review of the effectiveness of its terms of reference and makes recommendations to the Board for changes where appropriate.

Audit Committee
The members of the Audit Committee during the year, together with a record of their attendance at meetings which they were eligible to attend, are set out below:

<table>
<thead>
<tr>
<th>Meetings attended</th>
<th>Nick Land, Chairman and financial expert</th>
<th>John Buchanan</th>
<th>Alan Jebson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4/4</td>
<td>4/4</td>
<td>4/4</td>
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</table>

The Audit Committee's responsibilities include:

- overseeing the relationship with the external auditor;
- reviewing our preliminary results announcement, half-year results and annual financial statements;
- monitoring compliance with statutory and listing requirements for any exchange on which our shares and debt instruments are quoted;
- reviewing the scope, extent and effectiveness of the activity of the Group internal audit department;
- engaging independent advisors as it determines is necessary and to perform investigations;
- reporting to the Board on the quality and acceptability of our accounting policies and practices including, without limitation, critical accounting policies and practices; and
- playing an active role in monitoring our compliance efforts in respect of Section 404 of the Sarbanes-Oxley Act.

At least twice a year the Audit Committee meets separately with the external auditor, the Chief Financial Officer and the Group Audit Director without other management being present. Further details on the work of the Audit Committee and its oversight of the relationships with the external auditor can be found under “Auditor” and the “Report from the Audit Committee” which are set out on pages 60 and 61.

Nominations and Governance Committee
The members of the Nominations and Governance Committee during the year, together with a record of their attendance at meetings which they were eligible to attend, are set out below:

<table>
<thead>
<tr>
<th>Meetings attended</th>
<th>Sir John Bond, Chairman</th>
<th>John Buchanan</th>
<th>Luc Vandevelde</th>
<th>Anthony Watson (from 26 July 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7/7</td>
<td>7/7</td>
<td>7/7</td>
<td>5/5</td>
</tr>
</tbody>
</table>

The Nominations and Governance Committee’s key objective is to ensure that the Board comprises individuals with the requisite skills, knowledge and experience to ensure that it is effective in discharging its responsibilities. The Nominations and Governance Committee:

- leads the process for identifying and making recommendations to the Board of candidates for appointment as directors giving full consideration to succession planning and the leadership needs of the Group;
- makes recommendations to the Board on the composition of the Nominations and Governance Committee and the composition and chairmanship of the Audit and Remuneration Committees;
- regularly reviews the structure, size and composition of the Board including the balance of skills, knowledge and experience and the independence of the non-executive directors, and makes recommendations to the Board with regard to any change; and
- is responsible for the oversight of all matters relating to corporate governance, bringing any issues to the attention of the Board.

During the financial year an external search was commissioned, using an independent consulting firm which actively searches for female as well as male candidates, for a non-executive director with relevant international experience.
The Audit Committee is comprised of financially literate members having the necessary ability and experience to understand financial statements. Solely for the purpose of fulfilling the requirements of the Sarbanes-Oxley Act and the Combined Code, the Board has designated Nick Land, who is an independent non-executive director satisfying the independence criteria.

In February 2010 the Board initiated a succession planning process to search for a new chairman. The independent consulting firm was provided with a detailed brief of the desired candidate profile and their services were used to conduct a thorough search to identify suitable candidates. The Nominations and Governance Committee considered a list of potential candidates.
candidates and those shortlisted were met by members of the Board. Following an interview process, Gerard Kleisterlee was invited to join the Board and to become Vodafone’s chairman in succession to Sir John Bond. In accordance with the Combined Code, Sir John Bond did not chair the Nominations and Governance Committee when dealing with the appointment of Mr Kleisterlee. The Deputy Chairman took the chair. Mr Kleisterlee’s deep knowledge of the commercial sector, his international experience and familiarity with business in emerging markets were factors in the Board’s decision.

The Nominations and Governance Committee meets periodically when required. In addition to scheduled meetings, there are a number of ad hoc meetings to address specific matters. No one other than a member of the Nominations and Governance Committee is entitled to be present at its meetings. The Chief Executive, other non-executive directors and external advisors may be invited to attend.

Remuneration Committee

The members of the Remuneration Committee during the year, together with a record of their attendance at scheduled meetings which they were eligible to attend, are set out below:

<table>
<thead>
<tr>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luc Vandevelde, Chairman</td>
</tr>
<tr>
<td>Samuel Jonah (from 1 June 2010)</td>
</tr>
<tr>
<td>Simon Murray (until 27 July 2010)</td>
</tr>
<tr>
<td>Anthony Watson</td>
</tr>
<tr>
<td>Philip Yea</td>
</tr>
</tbody>
</table>

In addition to scheduled meetings, there were a number of ad hoc meetings to deal with specific matters. The responsibilities of the Remuneration Committee include:

- determining, on behalf of the Board, the policy on the remuneration of the Chairman, the executive directors and the senior management team;
- determining the total remuneration packages for these individuals including any compensation on termination of office; and
- appointing any consultants in respect of executive directors’ remuneration.

The Chairman and Chief Executive may attend the Remuneration Committee’s meetings by invitation. They do not attend when their individual remuneration is discussed. No director is involved in deciding his or her own remuneration.

Further information on the Remuneration Committee’s activities is contained in “Directors’ remuneration” on pages 62 to 73.

Executive Committee

The executive directors, together with certain other Group functional heads and regional chief executives, meet 11 times a year as the Executive Committee under the chairmanship of the Chief Executive. The Executive Committee is responsible for our competitive and financial performance, reviewing strategy and new business opportunities including major acquisitions and disposals, the management of our capital structure and funding, and key organisational and policy decisions. The members of the Executive Committee and their biographical details are set out on pages 52 and 54.

The Executive Committee members and the chief executive officers of the major operating companies and other selected individuals, depending on topics discussed, met twice during the year to discuss strategy.

Company Secretary

- is responsible for ensuring that the correct Board procedures are followed and advises the Board on corporate governance matters; and
- administers the procedure under which directors can, where appropriate, obtain independent professional advice at the Company’s expense.

The appointment or removal of the Company Secretary is a matter for the Board as a whole.

Relations with shareholders

We are committed to communicating our strategy and activities clearly to our shareholders and, to that end, we maintain an active dialogue with investors through a planned programme of investor relations activities. The investor relations programme includes:

- formal presentations of full year and half-year results, and interim management statements;
- briefings with major institutional shareholders in the UK, the US and in Continental Europe after the half-year results and preliminary announcement, to ensure that the investor community receives a Balanced and complete view of our performance and the issues we face;
- regular meetings between institutional investors and analysts and the Chief Executive and Chief Financial Officer to discuss business performance;
- hosting investors and analysts sessions at which senior management from relevant operating companies deliver presentations which provide an overview of each of the individual businesses and operations;
- attendance by senior executives across the business at relevant meetings and conferences throughout the year;
- responding to enquiries from shareholders and analysts through our Investor Relations team; and
- www.vodafone.com/investor which is a section dedicated to shareholders on our website.

Overall responsibility for ensuring that there is effective communication with investors and that the Board understands the views of major shareholders on matters such as governance and strategy rests with the Chairman, who makes himself available to meet shareholders for this purpose.

The Senior Independent Director and other members of the Board are also available to meet major investors on request. The Senior Independent Director has a specific responsibility to be available to shareholders who have concerns, for whom contact with the Chairman, Chief Executive or Chief Financial Officer has either failed to resolve their concerns or for whom such contact is inappropriate.

At the 2007 AGM the shareholders approved amendments to the articles of association which enabled us to take advantage of the provisions in the Companies Act 2006 to communicate with our shareholders electronically. Following that approval, unless a shareholder has specifically asked to receive a hard copy, they will receive notification of the availability of the annual report on our website www.vodafone.com/investor. For this year shareholders will receive the notice of meeting and form of proxy in paper through the post unless they have previously opted to receive email communications. We do not intend to send the notice of meeting and form of proxy to shareholders in paper through the post for the 2012 financial year unless shareholders have specifically asked to receive communications in hard copy. Shareholders continue to have the option to appoint proxies and to give voting instructions electronically.

The principal communication with private investors is via the annual report and through the AGM, an occasion which is
The Company Secretary acts as secretary to the Board and to the committees of the Board and, with the consent of the Board, may delegate responsibility for the administration of the committees to other suitably qualified staff. The Company Secretary:

- assists the Chairman in ensuring that all directors have full and timely access to all relevant information; attended by all our directors and at which all shareholders present are given the opportunity to question the Chairman, the Chairmen of the Audit, Nominations and Governance, and Remuneration Committees and the rest of the Board. After the AGM shareholders can meet informally with directors.

A summary presentation of results and development plans is also given at the AGM before the Chairman deals with the formal business of the meeting. The AGM is broadcast live on our website (www.vodafone.com/agm) and a recording of the webcast can subsequently be viewed on our website. All
The Board has overall responsibility for the system of internal control. Expressions are normally understood.

Political donations

The directors consider that it is in the best interest of shareholders that we participate in public debate and opinion forming on matters which affect our business. In order not to inhibit these activities and to avoid inadvertent infringement of the Companies Act 2006, at the 2008 AGM the directors sought and received shareholders’ approval for the Company and its subsidiaries to be authorised, for the purposes of part 14 of the Companies Act 2006, to make political donations and to incur political expenditure during the period from the AGM to the conclusion of the AGM for the 2012 financial year or 29 July 2012, whichever is earlier, up to a maximum aggregate amount of £100,000 per year. Neither the Company nor any of its subsidiaries have made any such political donations during the year. It is our Group policy not to make or incur political donations or political expenditure as those expressions are normally understood.

Internal control

The Board has overall responsibility for the system of internal control. A sound system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The process of managing the risks associated with social, environmental and ethical impacts is also discussed under “Sustainable business” on pages 30 to 31.

The Board has established procedures that implement in full the Turnbull Guidance “Internal Control: Revised Guidance for Directors on the Combined Code” for the year under review and to the date of approval of the annual report. These procedures, which are subject to regular review, provide an ongoing process for identifying, evaluating and managing the significant risks we face. See page 75 for management’s report on internal control over financial reporting.

Monitoring and review activities

There are clear processes for monitoring the system of internal control and reporting any significant control failings or weaknesses together with details of corrective action. These include:

- A formal annual confirmation provided by the Chief Executive and Chief Financial Officer of each Group company certifying the operation of their control systems and highlighting any weaknesses, the results of which are reviewed by regional management, the Audit Committee and the Board;
- A review of the appropriateness of disclosures undertaken by the Chief Executive and the Chief Financial Officer which includes formal annual meetings with the Group’s Disclosure Committee; and
- Periodic examination of business processes on a risk basis including reports on controls throughout the Group undertaken by the Group internal audit department which reports directly to the Audit Committee.

In addition, we review any reports from the external auditor
presented to the Audit Committee and management relating to internal financial controls.

Any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. Management is required to apply judgement in evaluating the risks we face in achieving our objectives, in determining the risks that are considered acceptable to bear, in assessing the likelihood of the risks concerned materialising, in identifying our ability to reduce the

Activity and progress on these matters are reported both into the Risk Council and the Executive Committee.

Review of effectiveness

The Board and the Audit Committee have reviewed the effectiveness of the internal control system including financial, operational and compliance controls and risk management, in accordance with the Combined Code for the period from 1 April 2010 to 17 May 2011 (the date of approval of our annual report). No significant failings or weaknesses were identified during this review. However, had there been any such failings or weaknesses, the Board confirms that necessary actions would have been taken to remedy them.
Disclosure controls and procedures

We maintain “disclosure controls and procedures”, as such term is defined in Rule 13a-15(e) of the Exchange Act, that are designed to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarised and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

The directors, the Chief Executive and the Chief Financial Officer have evaluated the effectiveness of the disclosure controls and procedures and, based on that evaluation, have concluded that the disclosure controls and procedures are effective at the end of the period covered by this document.

Going concern

The going concern statement required by the Listing Rules and the Combined Code is set out in the “Directors’ statement of responsibility” on page 75.

Auditor

Following a recommendation by the Audit Committee, and in accordance with Section 489 of the Companies Act 2006, a resolution proposing the reappointment of Deloitte LLP as our auditor will be put to the shareholders at the 2011 AGM. We do not indemnify our external auditor.

In its assessment of the independence of the auditor and in accordance with the US Public Company Accounting Oversight Board’s standard on independence, the Audit Committee receives in writing details of relationships between the Company and Deloitte LLP that may have a bearing on their independence and receives confirmation that they are independent of the Company within the meaning of the securities laws administered by the SEC.

In addition, the Audit Committee pre-approves the audit fee after a review of both the level of the audit fee against other comparable companies, including those in the telecommunications industry, and the level and nature of non-audit fees, as part of its review of the adequacy and objectivity of the audit process.

In a further measure to ensure auditor independence is not compromised we have a policy that provides for the pre-approval by the Audit Committee of permitted non-audit services by Deloitte LLP. The policy lists categories of non-audit services from which the auditor is excluded from providing. For certain specific permitted services the Audit Committee has pre-approved that Deloitte LLP can be engaged by management subject to specified fee limits for individual engagements and fee limits for each type of specific service permitted. For all other services, or those permitted services that exceed the specified fee limits, the Chairman of the Audit Committee, or in his absence another member, can pre-approve permitted services which have not been pre-approved by the Audit Committee.

In addition to their statutory duties, Deloitte LLP is also engaged where, as a result of their position as auditor, they either must, or are best placed to, perform the audit-related services in question. This is primarily work in relation to matters such as shareholder circulars, Group borrowings, regulatory filings, and certain business acquisitions and disposals. Other work is awarded on the basis of competitive tender.

During the year Deloitte LLP and its affiliates charged the Group £9 million (2010: £9 million, 2009: £8 million) for audit and audit-related services and a further £1 million (2010: £1 million) for audit-related services and a further £1 million (2010: £1 million) for audit-related services.

US listing requirements

Vodafone’s American depositary shares are listed on the NASDAQ Stock Market LLC (‘NASDAQ’) and we are therefore subject to the rules of NASDAQ as well as US securities laws and the rules of the SEC. NASDAQ requires US companies listed on the exchange to comply with NASDAQ’s corporate governance rules but foreign private issuers, such as the Company, are exempt from many of those rules. However, pursuant to NASDAQ Listing Rule 5615 we are required to disclose a summary of any material ways in which the corporate governance practices we follow differ from those required by NASDAQ for US companies. The material differences are as follows:

Independence

• The NASDAQ rules require that a majority of the Board be comprised of independent directors and the rules include detailed definitions that US companies must use for determining independence.

• The Combined Code requires a company’s board of directors to assess and make a determination as to the independence of its directors.

While the Board does not explicitly take into consideration NASDAQ’s detailed definitions, it has carried out an assessment based on the requirements of the Combined Code and has determined in its judgement that all of the non-executive directors are independent within those requirements. At 17 May 2011 the Board comprised the Chairman, four executive directors and ten non-executive directors.

Committees

• NASDAQ rules require US companies to have a nominations committee, an audit committee and a compensation committee, each composed entirely of independent directors, with the nominations committee and audit committee required to have a written charter that addresses the committees’ purpose and responsibilities.

• Both our Nominations and Governance Committee and our Remuneration Committee have terms of reference and compositions that comply with the Combined Code’s requirements.

• Our Nominations and Governance Committee is chaired by the Chairman of the Board and its other members are non-executive directors of the Company.

• Our Remuneration Committee is composed entirely of non-executive directors whom the Board has determined to be independent.

• The Audit Committee is composed entirely of non-executive directors whom the Board has determined to be independent and who meet the requirements of Rule 10A-3 under the Exchange Act.

We consider that the terms of reference of these committees, which are available on our website (www.vodafone.com/governance), are generally responsive to the relevant NASDAQ rules but may not address all aspects of these rules.

Code of conduct

Under NASDAQ rules US companies must adopt a code of conduct applicable to all directors, officers and employees. We have adopted a Code of Conduct which applies to all employees. It sets out what conduct is expected of employees as they adhere to our Business Principles and draws their attention to the Group’s policies. In addition, a Code of Ethics has been adopted in compliance with Section 406 of the
£1 million, 2009: £1 million) for non-audit assignments which primarily comprised fees in relation to a number of taxation assignments totalling £1 million (2010: £1 million, 2009: £1 million). The auditor was considered the most suitable supplier for the services given its extensive knowledge of the Group. After reviewing external requirements and guidelines in place, the types of services rendered were considered by the Audit Committee not to impact the objectivity and independence of Deloitte LLP. An analysis of these fees can be found in note 4 to the consolidated financial statements.

Sarbanes-Oxley Act which is applicable to the senior financial and principal executive officers. We have made our Code of Ethics available on our website (www.vodafone.com/governance).

Quorum
Under NASDAQ rules companies are required to have a minimum quorum of 33.33% of the shareholders of ordinary shares for shareholder meetings. However, our articles of association provide for a quorum for general meetings of shareholders of two shareholders regardless of the level of their aggregate share ownership.
related party transactions

The NASDAQ rules require companies to conduct appropriate reviews of related party transactions and potential conflicts of interest via the company’s audit committee or other independent body of the board of directors.

We are subject to extensive provisions under the Listing Rules issued by the FSA in the UK (the “Listing Rules”) governing transactions with related parties, as defined therein, and the Companies Act 2006 also restricts the extent to which companies incorporated in England and Wales may enter into related party transactions.

Our articles of association contain provisions regarding disclosure of interests by our directors and restrictions on their votes in circumstances involving conflicts of interest.

In lieu of obtaining an independent review of related party transactions for conflicts of interests, but in accordance with the Listing Rules, the Companies Act 2006 and our articles of association, we seek shareholder approval for related party transactions that meet certain financial thresholds or where transactions have unusual features.

Shareholder approval

NASDAQ requires shareholder approval for certain transactions involving the sale or issuance by a listed company of share capital.

Under the NASDAQ rules, whether shareholder approval is required, among other things, the number of shares to be issued or sold in connection with a transaction, while we are bound by the provisions of the Listing Rules which state that shareholder approval is required, among other things, when the size of a transaction exceeds a certain percentage of the size of the listed company undertaking the transaction.

In accordance with our articles of association we also seek shareholder approval annually for issuing shares and to disapply the pre-emption rights that apply under law in line with limit guidelines issued by investor bodies.

Report from the Audit Committee

The Audit Committee assists the Board in carrying out its responsibilities in relation to financial reporting requirements, risk management and the assessment of internal controls. The Audit Committee also reviews the effectiveness of the Company’s internal audit function and manages the Company’s relationship with the external auditor. For further details, its terms of reference can be found on the Vodafone website (www.vodafone.com/governance).

The Audit Committee is composed of independent, non-executive directors selected to provide the wide range of financial and commercial expertise necessary to fulfil the Committee’s duties. The membership of the Committee is set out in the table on page 57. By invitation of the Chairman of the Audit Committee, the Chief Executive, the Chief Financial Officer, the Group Financial Controller, the Director of Financial Reporting, the Group Audit Director and the external auditor also attend the Audit Committee meetings. Relevant people from the business are also invited to attend certain meetings in order to provide insight and enhance the Audit Committee's awareness of key issues and developments in the business which are relevant to the Audit Committee in the performance of its role.

During the year ended 31 March 2011 the principal activities of the Audit Committee were as follows:

Financial reporting

The Audit Committee reviewed and discussed with management and the external auditor the half-year and annual financial statements focusing on, amongst other matters:

• the quality and acceptability of accounting policies and practices;
• the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements; and
• material areas in which significant judgements have been applied.

Risk management and internal control

The Audit Committee reviewed the process by which the Group evaluated its control environment, its risk assessment process and the way in which significant business risks were managed. It also considered the Group Audit Director’s reports on the effectiveness of internal controls, significant identified frauds and any identified fraud that involved management or employees with a significant role in internal controls. The Audit Committee was also responsible for oversight of the Group’s compliance activities in relation to section 404 of the Sarbanes-Oxley Act.

Internal audit

The Audit Committee monitored and reviewed the scope, extent and effectiveness of the activity of the Group Internal Audit department and received reports from the Group Audit Director which included updates on audit activities, progress of the Group audit plan, the results of any unsatisfactory audits and the action plans to address these areas, and resource requirements of the internal audit department. The Audit Committee held private discussions with the Group Audit Director as necessary throughout the year.

External auditor

The Audit Committee reviewed and monitored the independence of the external auditor and the objectivity and effectiveness of the audit process and provided the Board with its recommendation to the shareholders on the reappointment of Deloitte LLP as external auditor. The Audit Committee approved the scope and fees for audit services and, after consideration of whether they were permissible under the Group’s policies, non-audit services provided by Deloitte LLP.

Private meetings were held with Deloitte LLP without management being present to ensure that there were no restrictions on the scope or independence of their audit.

Audit Committee effectiveness

The Audit Committee conducts a formal review of its effectiveness annually and concluded that its performance was effective. Details of the Board and Committee
To aid their review, the Audit Committee considered reports from the Group Financial Controller and the Director of Financial Reporting and also reports from the external auditor, Deloitte LLP, on the scope and outcome of their half-year review and annual audit.

evaluation process can be found under “Performance evaluation” on page 56.

Nick Land
On behalf of the Audit Committee
Dear Shareholder

Although business conditions were somewhat more stable this year compared to the prior year, the global economy still remained challenging. As a consequence, the Remuneration Committee has maintained its focus on ensuring that the Company’s remuneration policies in general, and the packages of the executive directors in particular, were designed to allow the Company to recruit, retain and motivate its talented people and to ensure those people were fully incentivised to maximise shareholder value.

The key principles of our reward philosophy are set out on page 63. Each year the Remuneration Committee reviews these principles as well as the operation and design of the compensation packages provided to executives. If changes are required, the Committee is both willing and able to effect those changes. The key changes made during the year are detailed below:

- In order to reflect the equal importance of growing revenue and profit we rebalanced the relative weightings of these two measures in the short-term incentive plan. At the same time we also changed the definition of profit from adjusted operating profit to adjusted EBITDA. Details of this are on page 65.
- In order to simplify the long-term incentive awards both the co-investment requirement and the matching awards are now defined in terms of a percentage of gross salary. Details of this plan are on page 64.

Remuneration Committee

The Remuneration Committee is comprised to exercise independent judgement and consists only of independent non-executive directors. In anticipation of the retirement of Simon Murray on 27 July 2010, the Board appointed Samuel Jonah to the Remuneration Committee. Further details can be found on page 58.

Remuneration Committee members

- Samuel Jonah (from 1 June 2010)
- Simon Murray (until 27 July 2010)
- Anthony Watson
- Philip Yea

The Remuneration Committee regularly consults with the Chief Executive and the Group HR Director on various matters relating to the appropriateness of awards for executive directors and senior executives, though they are not present when their own compensation is discussed. In addition, the Group Reward and Policy Director provides a perspective on information provided to the Committee, and requests information and analyses from external advisors as required. The Deputy Group Company Secretary advises the Committee on corporate governance guidelines and acts as secretary to the Committee.

Management attendees at Remuneration Committee meetings

- Chief Executive: Vittorio Colao
- Group HR Director: Ronald Schellekens
- Group Reward and Policy Director: Adrian Jackson
- Deputy Group Company Secretary: Philip Yea

In order to ensure greater alignment with shareholders we have re-emphasised the importance of share ownership for executives and have introduced share ownership goals to all our operating company chief executives and to the rest of the senior leadership team. Details of the current ownership levels are on page 63 where it is noted that at the year end and the value of shares held by the Executive Committee exceeded £15 million.

Finally after reviewing base salaries for the Executive Committee it was decided appropriate to make some modest salary increases. Details of the increases for the executive directors are found on page 67 but it should be noted that the average increase for the Executive Committee is 3% which is in line with general increases for employees of the Group based in the UK.

As in previous years the Remuneration Committee has had dialogue with its shareholders about the changes and appreciates the feedback from them. The Remuneration Committee will continue to take an active interest in investors’ views and the voting on the remuneration report. As such, it hopes to receive your support at the AGM on 26 July 2011.

Luc Vandevelde
Chairman of the Remuneration Committee
17 May 2011

External advisors

The Remuneration Committee appointed Towers Watson (‘TW’) and PricewaterhouseCoopers LLP (‘pwc’) as independent advisors in 2007. During the year TW supplied market data and advice on market practice and governance and pwc provided performance analyses and advice on plan design and performance measures. The advisors also provided advice to the Company on general human resource and compensation related matters. In addition, pwc provided a broad range of tax, share scheme and advisory services to the Group during the year.

As noted in his biographical details on page 53 of this annual report, Philip Yea sits on an advisory board for pwc. In light of their role as advisor to the Remuneration Committee on remuneration matters, the Committee continue to consider this position and have determined that there is no conflict or potential conflict arising.

Meetings

The Remuneration Committee had five meetings during the year. The Committee’s work during these meetings and throughout the year included, but was not limited to:

- a review of the total compensation packages of the executive directors and the most senior management of the company;
- approval of the global short-term incentive bonus framework and targets;
- approval of the 2011 global short-term incentive bonus payout;
- approval of the long-term incentive framework, targets and 2011 grant levels;
- approval of the July 2008 global long-term incentive vesting...
level;

• approval of the introduction of share ownership goals to all operating company chief executive officers and selected senior leadership individuals below the Board and Executive Committee;

• a review of the current UK corporate governance environment and the implications for our company;

• a review of the director’s remuneration report; and

• a review of Chairman’s fees.

On an annual basis, the Committee’s effectiveness is reviewed as part of the evaluation of the Board.
Reward philosophy

The principles of reward, as well as the individual elements of the reward package, are reviewed each year to ensure that they continue to support our company strategy. These principles are set out below.

Competitive reward assessed on a total compensation basis

Vodafone wishes to provide a level of remuneration which attracts, retains and motivates executive directors of the highest calibre. Within the package there needs to be the opportunity for executive directors to achieve significant upside for truly exceptional performance. The package provided to the executive directors is reviewed annually on a total compensation basis i.e. single elements of the package are not reviewed in isolation. When the package is reviewed it is done so in the context of individual and company performance, internal relativities, criticality of the individual to the business, experience and the scarcity or otherwise of talent with the relevant skill set.

The principal external comparator group (which is used for reference purposes only) is made up of companies of similar size and complexity to Vodafone, and is principally representative of the European top 25 companies and a few other select companies relevant to the sector. The comparator group excludes any financial services companies. When undertaking the benchmarking process the Remuneration Committee makes assumptions that individuals will invest their own money into the long-term incentive plan. This means that individuals will need to make a significant investment in order to achieve the maximum payout. Pay for performance

A high proportion of total reward will be awarded through short-term and long-term performance related remuneration. The Remuneration Committee believes that incorporating and setting appropriate performance measures and targets in the package is paramount — this will be reflected in an appropriate balance of operational and equity performance.

This is demonstrated in the charts below where we see that at target payout over 70% of the package is delivered in the form of variable pay which rises to almost 90% if maximum payout is achieved. Fixed pay comprises base salary and pension contributions, while variable pay comprises the annual bonus and the long-term incentive opportunity assuming maximum co-investment and no movement in current share price.

Alignment to shareholder interests

Current levels of ownership and the date by which the goal should be or was required to be achieved are as shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Goal as a % of salary</th>
<th>Current % of salary held</th>
<th>Value of shareholding (£m)</th>
<th>Date for goal to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vittoz Colao</td>
<td>400%</td>
<td>460%</td>
<td>4.9</td>
<td>July 2012</td>
</tr>
<tr>
<td>Ajay Haftord</td>
<td>300%</td>
<td>634%</td>
<td>4.4</td>
<td>July 2010</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>300%</td>
<td>154%</td>
<td>1.2</td>
<td>June 2014</td>
</tr>
<tr>
<td>Stephen Pusey</td>
<td>300%</td>
<td>340%</td>
<td>1.3</td>
<td>June 2014</td>
</tr>
</tbody>
</table>

Note:

(1) Based on a share price at 31 March 2011 of 176.5 pence and includes net intrinsic value of any option gains.

Collectively the Executive Committee including the executive directors own 8.7 million Vodafone shares, with a value of £15.2 million at 31 March 2011.

Alignment with shareholders is also achieved through the use of total shareholder return (‘TSR’) measure in the Global Long-Term Incentive (‘GLTI’) plan.

Incentive targets linked to business strategy

When designing our incentives, performance measures are chosen that support our strategic objectives as shown below:

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>Supported by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on key areas of growth potential — Aiming to deliver organic service revenue growth of 1 — 4% a year until the year ended 31 March 2014 in five key areas: mobile data, emerging markets, enterprise, total communications and new services.</td>
<td>Adjusted EBITDA, free cash flow and relative performance targets in the Global Short-Term Incentive Plan (‘GSTIP’).</td>
</tr>
<tr>
<td>Generate liquidity or free cash flow from non-controlled interests — Aim to seek to maximise the value of non-controlled interests through generating liquidity or increasing free cash flow in order to fund profitable investments and enhance shareholders returns.</td>
<td>The use of TSR as a performance measure in GLTI as well as the value of the underlying shares.</td>
</tr>
<tr>
<td>Apply rigorous capital discipline to investment decisions — Continuing to apply capital discipline to our investment decisions through rigorous commercial analysis and demanding investment criteria to ensure any investment in existing businesses or acquisitions will enhance value for shareholders.</td>
<td>Free cash flow targets in both the GSTIP and GLTI as well as the TSR target in the GLTI.</td>
</tr>
</tbody>
</table>

Assessment of risk

In setting the balance between base salary, annual bonus and long-term incentive levels, the Remuneration Committee has considered the risk involved in the incentive schemes and is satisfied that the following design elements mitigate the principal risks:

• The heavy weighting on long-term incentives which reward sustained performance;
• The need for short-term incentive payouts to be used to purchase and hold investment shares in order to fully participate in the long-term arrangements; and
• A considerable weighting on non—financial measures in the short-term plan, which provides an external perspective on our performance by focusing on customer satisfaction and performance relative to our competitors.

The Remuneration Committee will continue to consider the risks involved in the incentive plans on an ongoing basis.
these goals.
The remuneration package

The table below summarises the main components of the reward package for executive directors.

### Table: Executive Remuneration Details

<table>
<thead>
<tr>
<th>Objective and practice</th>
<th>Performance period</th>
<th>Award size and performance conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base salary</strong></td>
<td></td>
<td>• Level of skill and experience, scope of responsibilities, individual and business performance, and competitiveness of the total remuneration package are taken into account when determining the appropriate level of base salary.</td>
</tr>
<tr>
<td></td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td><strong>Global Short-Term Incentive Plan (‘GSTIP’)</strong></td>
<td>1 year</td>
<td>• Performance over the financial year is measured against stretching financial and non-financial performance targets set at the start of the financial year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Summary of the plan in the 2011 financial year:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• service revenue (30%);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• operating profit (20%);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• free cash flow (20%); and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• competitive performance assessment (30%).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Target bonus is 100% of base salary.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Minimum and maximum bonus is in a range of 0 — 200% of base salary with maximum only paid out for exceptional performance.</td>
</tr>
<tr>
<td><strong>Global Long-Term Incentive Plan (‘GLTI’) base awards</strong></td>
<td>3 years</td>
<td>• Performance over three financial years is measured against stretching targets set at the beginning of the performance period.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Vesting is determined based on a matrix of two measures as follows:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• free cash flow as our operational performance measure; and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• relative TSR as our external performance measure.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Awards vest to the extent performance conditions are satisfied, three years from grant.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The Chief Executive’s base award will have a target face value of 137.5% of base salary as of June 2011. The base award for the other executive directors will have a target face value of 110% of base salary as of June 2011.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Minimum vesting is zero times and maximum vesting is four times the base award level.</td>
</tr>
<tr>
<td><strong>Global Long-Term Incentive Plan (‘GLTI’) co-investment matching awards</strong></td>
<td>3 years</td>
<td>• GLTI matching awards are subject to the same performance conditions as the main GLTI award.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Executive directors can co-invest up to their annual gross salary.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Matching awards will be granted on a one for one basis at target performance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Minimum vesting is zero times and maximum vesting is four times the target award level.</td>
</tr>
</tbody>
</table>

**Other remuneration**

In addition to base pay and incentive opportunities as described in the table above, the Company offers a competitive package of retirement and other benefits as follows:

- Executive directors may choose to participate in the defined contribution pension scheme or to receive a cash allowance in lieu of pension. The cash payment or pension contribution is equal to 30% of annual gross salary. From 6 April 2011 contributions into the defined contribution pension scheme are restricted to £50,000 per annum. Any residual of the 30% pension benefit will be delivered as a cash allowance.
- Company car or cash allowance worth £19,200 per annum.
- Private medical insurance.
- Chauffeur services, where appropriate, to assist with their role.
Rewards to executive directors during the 2011 financial year

| Reward elements       | Vittorio Colao | Andy Halford | Michel Combes | Stephen Pusa
|-----------------------|----------------|--------------|---------------|----------------
| **Base salary**       | Vittorio’s base salary was increased from £975,000 to £1,065,000 in July 2010. | Andy’s base salary was increased from £674,100 to £700,000 in July 2010. | Michel’s base salary was increased from £740,000 to £770,000 in July 2010. | Stephen’s base salary was increased from £500,000 to £550,000 in July 2010.
| **Annual bonus**      | The target bonus was £1,065,000 and the maximum bonus was £2,130,000. | The target bonus was £700,000 and the maximum bonus was £1,400,000. | The target bonus was £770,011 and the maximum bonus was £1,540,000. | The target bonus was £790,000 and the maximum bonus was £1,100,000. | 
| **Long-term incentive plan** | In June 2010 the base award had a face value of 137.5% of base salary at target performance. | In June 2010 the base award had a face value of 110% of base salary at target performance. | In June 2010 the base award had a face value of 110% of base salary at target performance. | In June 2010 the base award had a face value of 110% of base salary at target performance. |
| **Investment opportunity** | Vittorio invested the maximum into the GLTI plan (731,796 shares) and therefore received a matching award with a face value of 100% of base salary at target. | Andy invested the maximum into the GLTI plan (506,910 shares) and therefore received a matching award with a face value of 100% of base salary at target. | Michel invested 53% of the maximum into the GLTI plan (275,960 shares) and therefore received a matching award with a face value of 53% of base salary at target. | Stephen invested 37% of the maximum into the GLTI plan (141,834 shares) and therefore received a matching award with a face value of 37% of base salary at target. |

Pay and performance for the 2012 financial year

The Remuneration Committee considers the remuneration increases for the different groups of employees across all of our local markets and other relevant factors when assessing the pay of the executive directors. During its regular review of total compensation in March 2011, the Remuneration Committee decided that due to an improvement in business performance, with a return to revenue growth, and continued focus on profit and strong cash flow, that modest salary increases for the executive directors would be appropriate. Individual increases will become effective from 1 July 2011 and are set out in the table on page 67. When determining these increases the Remuneration Committee took into account the general increases in each of the major markets. It should be noted that the average increase for the executive directors is 2.8% and for the whole of the Executive Committee it is 3% which is in line with increases in the rest of the Group based in the UK.

Details of the GSTIP

The short-term incentive plan rewards performance over the one year operating cycle. This plan consists of four performance measures, three of which are financial measures with the fourth being an assessment of our competitive performance including market share performance relative to our competitors measured by revenue and profit, as well as customer endorsement and satisfaction measured by net promoter score. Each performance measure has an individual weighting which is reviewed each year to ensure alignment with our strategy. In the table below we describe our achievement against each of the performance measures and the resulting total incentive payout level for the year ended 31 March 2011.

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Weighting</th>
<th>Between threshold and target</th>
<th>Between target and maximum</th>
<th>Above maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenue</td>
<td>30%</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td>20%</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow</td>
<td>20%</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive performance assessment</td>
<td>30%</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total incentive payout level</strong></td>
<td>124.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Changes to the GSTIP in 2012

For the 2012 financial year the framework for our annual incentive plan will remain the same as in 2011. However, to emphasise our focus on profitable growth we have rebalanced the weightings for service revenue and profit so the two measures are equally weighted. As a result, the spl of weightings for our performance measures for the 2012 financial year will be:

- Service revenue – 25%;
- Profit (“earnings before interest tax depreciation amortisation”) – 25%;
- Free cash flow – 20%; and
- Competitive performance assessment – 30%.

We believe these measures continue to support our strategy by capturing our underlying operational performance, and our performance as viewed by our customers and in relation to our competition.
The first award under the current GLTI plan was made in July 2008 (2009 financial year) and will vest in July 2011. Details of how the plan works are included in the table on page 64. The extent to which awards vest depend on two performance conditions:

- underlying operational performance as measured by free cash flow; and
- relative TSR against a peer group median.

### Free cash flow

The free cash flow performance is based on a three year cumulative adjusted free cash flow figure. The definition of adjusted free cash flow is reported free cash flow excluding:

- Verizon Wireless additional distributions;
- the impact of any mergers, acquisitions and disposals;
- certain material one-off tax settlements; and
- foreign exchange rate movements over the performance period.

The cumulative adjusted free cash flow target and range for awards in the 2012, 2011, 2010 and 2009 financial years are shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold</td>
<td>50%</td>
<td>16.70</td>
<td>18.00</td>
<td>15.50</td>
<td>15.50</td>
</tr>
<tr>
<td>Target</td>
<td>100%</td>
<td>19.20</td>
<td>20.50</td>
<td>18.00</td>
<td>17.50</td>
</tr>
<tr>
<td>Superior</td>
<td>150%</td>
<td>20.45</td>
<td>21.75</td>
<td>19.25</td>
<td>18.50</td>
</tr>
<tr>
<td>Maximum</td>
<td>200%</td>
<td>21.70</td>
<td>23.00</td>
<td>20.50</td>
<td>19.50</td>
</tr>
</tbody>
</table>

The target free cash flow level is set by reference to the Company’s three year plan and market expectations. The Remuneration Committee considers the targets to be critical to the Company’s long-term success and its ability to maximise shareholder value, and to be in line with the strategic goals of the Company. The Remuneration Committee also considers these targets to be sufficiently demanding with significant stretch where only outstanding performance will be rewarded with a maximum payout.

### TSR out-performance of a peer group median

We have a limited number of appropriate peers and this makes the measurement of a relative ranking system volatile. As such, the out-performance of the median of a peer group is felt to be the most appropriate TSR measure. The peer group for the performance condition for the 2011, 2010 and 2009 financial years is:

- BT Group;
- Deutsche Telekom;
- France Telecom;
- Telecom Italia;
- Telefonica; and
- Emerging market composite (consists of the average TSR performance of Bharti, MTN and Turkcell).

The relative TSR position will determine the performance multiplier. This will be applied to the free cash flow vesting percentage. There will be no multiplier until TSR performance exceeds median. Above median the following table will apply to the 2012, 2011, 2010 and 2009 financial years (with linear interpolation between points):

<table>
<thead>
<tr>
<th>Out-performance of peer group median</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median 0.0% p.a.</td>
<td>No increase</td>
</tr>
<tr>
<td>65th percentile 4.5% p.a.</td>
<td>1.5 times</td>
</tr>
<tr>
<td>80th percentile (upper quintile) 9.0% p.a.</td>
<td>2.0 times</td>
</tr>
</tbody>
</table>

The performance measure has been calibrated using standard techniques.

### Combined vesting matrix

The combination of the two performance measures gives a combined vesting matrix as follows:

<table>
<thead>
<tr>
<th>Free cash flow measure</th>
<th>TSR performance Up to median</th>
<th>65th</th>
<th>80th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold</td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
</tr>
<tr>
<td>Target</td>
<td>100%</td>
<td>150%</td>
<td>200%</td>
</tr>
<tr>
<td>Superior</td>
<td>150%</td>
<td>225%</td>
<td>300%</td>
</tr>
<tr>
<td>Maximum</td>
<td>200%</td>
<td>300%</td>
<td>400%</td>
</tr>
</tbody>
</table>

The combined vesting percentages are applied to the target number of shares granted.
Performance shares vesting in 2011

Adjusted free cash flow for the three year period ended on 31 March 2011 was £16.9 billion and the graph below shows our TSR performance against our peer group for the same period resulted in an outperformance of the median by 3.9%. Using the matrix above, this results in a payout of 30.6% of the maximum. These shares will vest in July 2011.

The free cash flow performance is approved by the Remuneration Committee. The performance assessment in respect of the TSR out-performance of a peer group median is undertaken by pwc.

Pay for the 2012 financial year

The information provided in the table below explains what the executive directors who were on the Board on 31 March 2011 will actually receive from base salary and awards made previously with performance conditions which ended on 31 March 2011 but that will vest in the 2012 financial year.

<table>
<thead>
<tr>
<th>Base salary</th>
<th>Vittorio Colao</th>
<th>Andy Halford</th>
<th>Michel Combes</th>
<th>Stephen Pusey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary effective from July 2011</td>
<td>£1,110,000</td>
<td>£700,000</td>
<td>£790,000</td>
<td>£575,000</td>
</tr>
</tbody>
</table>

GSTIP (Annual bonus) (1)

| Target (100% of base salary at 31 March 2011) | £1,065,000 | £700,000 | £770,000 | £550,000 |
| Percentage of target achieved for the 2011 financial year | 124.2% | 124.2% | 96.8% | 124.2% |
| Actual bonus payout in June 2011 | £1,322,730 | £869,400 | £745,052 | £683,100 |

GLTI performance shares

| GLTI performance base share awarded in July 2008 | 4,126,587 | 2,282,447 | 2,589,782 | 942,132 |
| GLTI performance match share awarded in July 2008 | 3,001,154 | 2,074,952 | 736,919 | 500,844 |
| Vesting percentage based on cumulative adjusted three year free cash flow and TSR out-performance | 30.6% | 30.6% | 30.6% | 30.6% |
| GLTI performance shares vesting in 2011 | 2,181,088 | 1,333,363 | 1,017,970 | 441,550 |

Note:

(1) The executive directors’ GSTIP for the 2011 financial year is payable in June 2011 with actual payments detailed in the table above. Vittorio Colao, Andy Halford and Stephen Pusey were measured solely against Group performance, whilst Michel Combes was measured on both Group and Europe region performance.
Directors’ remuneration continued

Other considerations
Service contracts of executive directors
The Remuneration Committee has determined that after an initial term of up to two years' duration executive directors’ contracts should thereafter have rolling terms and be terminable on no more than 12 months notice.

The table below summarises the key elements of their service contract:

<table>
<thead>
<tr>
<th>Provision</th>
<th>Detailed items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice period</td>
<td>12 months</td>
</tr>
<tr>
<td>Retirement date</td>
<td>Normal retirement date</td>
</tr>
<tr>
<td>Termination payment</td>
<td>Up to 12 months salary</td>
</tr>
<tr>
<td></td>
<td>Bonus paid up to termination day</td>
</tr>
<tr>
<td></td>
<td>Entitlements under incentive plans and benefits that are consistent with the terms of such plans</td>
</tr>
<tr>
<td>Remuneration</td>
<td>Salary, pension, and benefits</td>
</tr>
<tr>
<td></td>
<td>Company car or cash allowance</td>
</tr>
<tr>
<td></td>
<td>Participation in the GSTIP, GLTI and the employee share schemes</td>
</tr>
<tr>
<td>Non-competition</td>
<td>During employment and for 12 months thereafter</td>
</tr>
</tbody>
</table>

Additionally, all of the Company’s share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control to the extent that any performance condition has been satisfied. The Remuneration Committee may also decide that the extent to which an award will vest will be further reduced pro-rata to reflect the acceleration of vesting.

Fees retained for external non-executive directorships
Executive directors may hold positions in other companies as non-executive directors. Michel Combes was the only executive director with such positions held at Assystem SA and ISS Group, and in accordance with Group policy he retained fees for the year of €50,223 from Assystem SA and DKK243,750 from ISS Group (£73,250 in total).

Cascade to senior management
The principles of the policy are cascaded, where appropriate, to the other members of the Executive Committee as set out below.

Cascade of policy to Executive Committee – 2011 financial year

Long-term incentive
The long-term incentive is consistent with the executive directors including the opportunity to invest in the GLTI to receive matching awards. In addition, Executive Committee members have a share ownership requirement of two times base salary.

All-employee share plans
The executive directors are also eligible to participate in the all-employee plans.

Summary of plans

Sharesave
The Vodafone Group 2008 Sharesave Plan is an HM Revenue & Customs ('HMRC') approved scheme open to all staff permanently employed by a Vodafone Company in the UK as of the eligibility date. Options under the plan are granted at up to a 20% discount to market value. Executive directors’ participation is included in the option table on page 71.

Share Incentive Plan
The Vodafone Share Incentive Plan is an HMRC approved plan open to all staff permanently employed by a Vodafone Company in the UK. Participants may contribute up to a maximum of £125 per month (or 5% of salary if less) which the trustee of the plan uses to buy shares on their behalf. An equivalent number of shares are purchased with contributions from the employing company. UK-based executive directors are eligible to participate.

Dilution
All awards are made under plans that incorporate dilution limits as set out in the guidelines for share incentive schemes published by the Association of British Insurers. The current estimated dilution from subsisting awards, including executive and all-employee share awards, is approximately 3.4% of the Company’s share capital at 31 March 2011 (3.1% at 31 March 2010).

Funding
A mixture of newly issued shares, treasury shares and shares purchased in the market by the employee benefit trust are used to satisfy share-based awards. This policy is kept under review.

Other matters
The Share Incentive Plan and the co-investment into the GLTI plan include restrictions on the transfer of shares while the shares are subject to the plan. Where, under an employee share plan operated by the Company, participants are the beneficial owners of the shares but not the registered owner, the voting rights are normally exercised by the registered owner at the discretion of the participant.
Remuneration for the year ended 31 March 2011

The remuneration of executive directors was as follows:

### Salary/fees

<table>
<thead>
<tr>
<th>Director</th>
<th>2011 £'000</th>
<th>2010 £'000</th>
<th>Incentive schemes(1)</th>
<th>Cash in lieu of pension</th>
<th>Benefits/other(2)</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Vittorio Colao</td>
<td>1,043</td>
<td>975</td>
<td>1,323</td>
<td>1,255</td>
<td>313</td>
<td>292</td>
</tr>
<tr>
<td>Andy Halford</td>
<td>694</td>
<td>674</td>
<td>869</td>
<td>868</td>
<td>208</td>
<td>169</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>763</td>
<td>737</td>
<td>745</td>
<td>818</td>
<td>229</td>
<td>221</td>
</tr>
<tr>
<td>Stephen Pusey</td>
<td>538</td>
<td>491</td>
<td>683</td>
<td>632</td>
<td>161</td>
<td>147</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,038</strong></td>
<td><strong>2,877</strong></td>
<td><strong>3,620</strong></td>
<td><strong>3,573</strong></td>
<td><strong>911</strong></td>
<td><strong>829</strong></td>
</tr>
</tbody>
</table>

Notes:
1. These figures are the cash payouts from the 2011 financial year Vodafone GSTIP and are in relation to the performance against targets in adjusted operating profit, service revenue, free cash flow and competitive performance for the financial year ended 31 March 2011.
2. Includes amounts in respect of cost of living allowance, private healthcare and car allowance.

The aggregate remuneration we paid to our Executive Committee(1) for services for the year ended 31 March 2011 is set out below. The aggregate number of Executive Committee members at 31 March 2011 was six, a reduction of two compared to 31 March 2010.

### Pensions

Vittorio Colao, Andy Halford, Michel Combes and Stephen Pusey take a cash allowance of 30% of base salary in lieu of pension contributions.

The Executive Committee, including the executive directors, are provided benefits in the event of death in service. They also have an entitlement under a long-term disability plan from which two-thirds of base salary, up to a maximum benefit determined by the insurer, would be provided until normal retirement date.

Pension benefits earned by the director in the year ended 31 March 2011 were:

<table>
<thead>
<tr>
<th>Director</th>
<th>Total accrued benefit at 31 March 2011(1) £'000</th>
<th>Change in accrued benefit over the year(1) £'000</th>
<th>Transfer value at 31 March 2010(2) £'000</th>
<th>Change in transfer value less member contributions £'000</th>
<th>Change in accrued benefit in excess of inflation(3) £'000</th>
<th>Transfer value of change in accrued benefit net of member contributions £'000</th>
<th>Employer allocation/ contribution to defined benefit plans £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andy Halford</td>
<td>17.8</td>
<td>—</td>
<td>628.0</td>
<td>701.2</td>
<td>73.2</td>
<td>(0.8)</td>
<td>(32.8)</td>
</tr>
</tbody>
</table>
In respect of the Executive Committee, the Group has made aggregate contributions of £508,600 (2010: £851,000) into defined contribution pension schemes.
Long-term incentives

Performance shares

Conditional awards of ordinary shares made to executive directors under the Vodafone Global Incentive Plan ('GIP') for the relevant financial years are shown below. Long-term incentive shares that vested during the year ended 31 March 2011 are also shown below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of shares</th>
<th>Shares conditionally awarded during the 2011 financial year(1)</th>
<th>Shares forfeited during the 2011 financial year(2)</th>
<th>Shares vested during the 2011 financial year(3)</th>
<th>Total interest in performance shares at 31 March 2011(4)</th>
<th>Total value(5)</th>
<th>Market price at date awards granted £'000</th>
<th>Vesting date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vittorio Colao</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>1,557,409</td>
<td>(1,168,057)</td>
<td>(389,352)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>4,126,587</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>4,564,995</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>1,817,866</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15,068,011</td>
<td>7,078,144 (1,168,057)</td>
<td>(389,352)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andy Halford</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>1,190,305</td>
<td>(892,729)</td>
<td>(297,576)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>2,282,447</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>2,074,952</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>2,524,934</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7,494,394</td>
<td>4,113,513 (892,729)</td>
<td>(297,576)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michel Combes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>2,589,792</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>736,919</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>2,771,771</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6,632,326</td>
<td>3,514,341 (368,494)</td>
<td>(122,831)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephen Pusey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>491,325</td>
<td>(368,494)</td>
<td>(122,831)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>942,132</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>500,844</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>1,693,018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,317,998</td>
<td>2,264,115 (368,494)</td>
<td>(122,831)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(1) The awards were granted during the year under the Vodafone Global Incentive Plan using an average of the closing share prices on each of the five working days prior to 28 June 2010 being 142.9 pence. These awards have a performance period running from 1 April 2010 to 31 March 2013. The performance conditions are a matrix of free cash flow performance and relative TSR. The vesting date will be in June 2013.

(2) Shares granted on 24 July 2007 vested on 24 July 2010. The performance condition on these awards was a relative TSR measure against the companies making up the FTSE Global Telecoms index at the start of the performance period. The threshold relative TSR performance target was met and as such shares vested at 25%. The share price on the vesting date was 151.5 pence.

(3) The share vesting gave rise to cash payments equal to the equivalent value of dividends over the vesting period. These cash payments equated to £91,484 for Vittorio Colao, £70,198 for Andy Halford and £28,976 for Stephen Pusey.

(4) The total interest at 31 March 2011 includes awards over three different performance periods ending on 31 March 2011, 31 March 2012 and 31 March 2013. The performance conditions for the award vesting in July 2011 are a matrix of free cash flow performance and relative TSR.

(5) The total value is calculated using the closing mid-market share price at 31 March 2011 of 176.5 pence.
### Share options

No options have been granted to directors during the year. The following information summarises the directors’ options under the Vodafone Group 2008 Sharesave Plan (‘SAYE’), the Vodafone Group 1998 Company Share Option Scheme (‘CSOS’), the Vodafone Group Plc 1999 Long-Term Stock Incentive Plan (‘LTSIP’) and the GIP HMRC approved awards may be made under all of the schemes mentioned. The table also summarises the directors’ options under the Vodafone Group 1998 Executive Share Option Scheme (‘ESOS’) which is not HMRC approved. No other directors have options under any of these schemes.

In the past, options under the Vodafone Group 1998 Sharesave Scheme were granted at a discount of 20% to the market value of the shares and options under the Vodafone Group 2008 Sharesave Plan were also granted at a discount of 20% to the market value of the shares at the time of the grant. No other options may be granted at a discount.

<table>
<thead>
<tr>
<th>Grant date</th>
<th>Number of shares</th>
<th>Options granted during the 2011 financial year</th>
<th>Options exercised during the 2011 financial year</th>
<th>Options lapsed during the 2011 financial year</th>
<th>Options held at 31 March 2011</th>
<th>Option price (1)</th>
<th>Date from which exercisable</th>
<th>Expiry date</th>
<th>Market price on exercise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vittorio Colao</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6,493,118</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6,493,118</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andy Halford</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTSIP Jul 2001</td>
<td>152,400</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>152,400</td>
<td>151.56</td>
<td>Jul 2004</td>
<td>Jul 2011</td>
<td></td>
</tr>
<tr>
<td>SAYE Jul 2009</td>
<td>9,669</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>9,669</td>
<td>93.85</td>
<td>Sep 2012</td>
<td>Feb 2013</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,815,884</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(66,900)</td>
<td>3,748,984</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephen Pusey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIP Sep 2006</td>
<td>1,034,259</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,034,259</td>
<td>113.75</td>
<td>Sep 2009</td>
<td>Sep 2016</td>
<td></td>
</tr>
<tr>
<td>SAYE Jul 2009</td>
<td>9,669</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>9,669</td>
<td>93.85</td>
<td>Sep 2012</td>
<td>Feb 2013</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,991,484</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,991,484</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michel Combes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAYE Jul 2009</td>
<td>9,669</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>9,669</td>
<td>93.85</td>
<td>Sep 2012</td>
<td>Feb 2013</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9,669</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>9,669</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

1. The closing mid-market share price on 31 March 2011 was 176.5 pence. The highest mid-market share price during the year was 185.0 pence and the lowest price was 126.5 pence.

2. The performance condition on these options is a three year cumulative growth in adjusted earnings per share. The options vested at 100% on 24 July 2010.
Non-executive directors’ remuneration

The remuneration of non-executive directors is reviewed annually by the Chairman following consultation with the Remuneration Committee Chairman. Our policy is to pay competitively for the role including consideration of the time commitment required. In this regard, the fees are benchmarked against a comparator group of the FTSE 15 companies. Following the 2011 review there will be no increase to the fees of non executive directors. However, there is an increase to the Deputy Chairman and Chairmanship of the Remuneration Committee fees from 1 April 2011.

### Non-executive directors

<table>
<thead>
<tr>
<th>Position/role</th>
<th>Fee payable (£’000s)</th>
<th>From 1 April 2011</th>
<th>From 1 April 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair(1)</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Deputy Chairman</td>
<td>175</td>
<td>162</td>
<td>155</td>
</tr>
<tr>
<td>Non-executive director</td>
<td>115</td>
<td>115</td>
<td>115</td>
</tr>
<tr>
<td>Chairmanship of Audit Committee</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Chairmanship of Remuneration Committee</td>
<td>25</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Note:

1. The Chairman’s fee also includes the fee for the Chairmanship of the Nominations and Governance Committee.

In addition, an allowance of £6,000 is payable each time a non-Europe based non-executive director is required to travel to attend Board and committee meetings to reflect the additional time commitment involved.

Details of each non-executive director’s remuneration for the 2011 financial year are included in the table below.

Non-executive directors do not participate in any incentive or benefit plans. The Company does not provide any contribution to their pension arrangements. The Chairman is entitled to use of a car and a driver whenever and wherever he is providing his services to or representing the Company.

Chairman and non-executive directors service contracts

The Chairman, Sir John Bond, has a contract that may be terminated by either party on 12 months notice. The date of his letter of appointment is 5 December 2005. Sir John Bond will be standing down from his role as Chairman and Chair of the Nominations and Governance Committee and will not stand for re-election at the AGM on 26 July 2011. Subject to his election by shareholders, Gerard Kleisterlee will become Chairman in succession to Sir John Bond.

Non-executive directors, including the Deputy Chairman, are engaged on letters of appointment that set out their duties and responsibilities. The appointment of non-executive directors may be terminated without compensation. Non-executive directors are generally not expected to serve for a period exceeding nine years.

The terms and conditions of appointment of non-executive directors are available for inspection at the Company’s registered office during normal business hours and at the AGM (for 15 minutes prior to the meeting and during the meeting).

Information for non-executive directors serving during the year ended 31 March 2011:

<table>
<thead>
<tr>
<th>Position/role</th>
<th>Salary/fees</th>
<th>Benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011 (£’000)</td>
<td>2010 (£’000)</td>
<td>2011 (£’000)</td>
</tr>
<tr>
<td>Chairman</td>
<td>Sir John Bond</td>
<td>600</td>
<td>575</td>
</tr>
<tr>
<td>Deputy Chairman</td>
<td>John Buchanan</td>
<td>162</td>
<td>155</td>
</tr>
<tr>
<td>Non-executive directors</td>
<td>Renee James(1)</td>
<td>35</td>
<td>—</td>
</tr>
<tr>
<td>Non-executive directors</td>
<td>Alan Jebson(1)</td>
<td>151</td>
<td>146</td>
</tr>
<tr>
<td>Non-executive directors</td>
<td>Samuel Jonah(1)</td>
<td>151</td>
<td>140</td>
</tr>
<tr>
<td>Non-executive directors</td>
<td>Nick Land</td>
<td>140</td>
<td>135</td>
</tr>
<tr>
<td>Non-executive directors</td>
<td>Anne Lauvergeon</td>
<td>115</td>
<td>110</td>
</tr>
<tr>
<td>Simon Murray (retired)</td>
<td>26 July 2010</td>
<td>38</td>
<td>110</td>
</tr>
<tr>
<td>Luc Vandevelde</td>
<td>135</td>
<td>130</td>
<td>—</td>
</tr>
<tr>
<td>Anthony Watson</td>
<td>115</td>
<td>110</td>
<td>—</td>
</tr>
<tr>
<td>Philip Yea</td>
<td>115</td>
<td>110</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>1,757</td>
<td>1,721</td>
<td>3</td>
</tr>
</tbody>
</table>

Note:

1. Salary/fees includes travel allowances.
**Beneficial interests**

The beneficial interests of directors and their connected persons in the ordinary shares of the Company, which includes interests in the Vodafone Share Incentive Plan, but which excludes interests in the Vodafone Group share option schemes, and the Vodafone Group short-term or long-term incentives, are shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>16 May 2011</th>
<th>31 March 2011</th>
<th>1 April 2010 or date of appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir John Bond</td>
<td>370,677</td>
<td>370,677</td>
<td>357,584</td>
</tr>
<tr>
<td>John Buchanan</td>
<td>222,223</td>
<td>222,223</td>
<td>211,055</td>
</tr>
<tr>
<td>Vittorio Colao</td>
<td>2,307,663</td>
<td>2,307,663</td>
<td>1,575,567</td>
</tr>
<tr>
<td>Andy Halford</td>
<td>2,335,914</td>
<td>2,335,622</td>
<td>2,186,541</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>670,589</td>
<td>670,297</td>
<td>392,223</td>
</tr>
<tr>
<td>Stephen Pusey</td>
<td>544,733</td>
<td>544,733</td>
<td>402,599</td>
</tr>
<tr>
<td>Renee James(1)</td>
<td>50,000</td>
<td>50,000</td>
<td>—</td>
</tr>
<tr>
<td>Alan Jebson</td>
<td>82,340</td>
<td>82,340</td>
<td>82,340</td>
</tr>
<tr>
<td>Samuel Jonah</td>
<td>55,350</td>
<td>55,350</td>
<td>—</td>
</tr>
<tr>
<td>Gerard Kleisterlee(1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nick Land</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Anne Lauvergeon</td>
<td>28,936</td>
<td>28,936</td>
<td>28,936</td>
</tr>
<tr>
<td>Simon Murray (retired 27 July 2010)</td>
<td>—</td>
<td>—</td>
<td>246,250</td>
</tr>
<tr>
<td>Luc Vandevelde</td>
<td>89,030</td>
<td>89,030</td>
<td>72,829</td>
</tr>
<tr>
<td>Anthony Watson</td>
<td>115,000</td>
<td>115,000</td>
<td>115,000</td>
</tr>
<tr>
<td>Philip Yea</td>
<td>61,250</td>
<td>61,250</td>
<td>61,250</td>
</tr>
</tbody>
</table>

Note:

(1) Non-executive directors appointed to the Board as follows: Renee James 1 January 2011, Gerard Kleisterlee 1 April 2011.

At 31 March 2011 and during the period from 1 April 2011 to 16 May 2011, no director had any interest in the shares of any subsidiary company. Other than those individuals included in the table above who were Board members at 31 March 2011, members of the Group’s Executive Committee at 31 March 2011 had an aggregate beneficial interest in 2,755,152 ordinary shares of the Company. At 16 May 2011 the directors had an aggregate beneficial interest in 6,968,705 ordinary shares of the Company and the Executive Committee members had an aggregate beneficial interest in 2,755,736 ordinary shares of the Company. None of the directors or the Executive Committee members had an individual beneficial interest amounting to greater than 1% of the Company’s ordinary shares.

**Interests in share options of the Company**

At 16 May 2011 there had been no change to the directors’ interests in share options from 31 March 2011 (see page 71).

Other than those individuals included in the table above, at 16 May 2011, members of the Group’s Executive Committee held options for 2,620,271 ordinary shares at prices ranging from 115.3 pence to 167.8 pence per ordinary share, with a weighted average exercise price of 161.9 pence per ordinary share exercisable at dates ranging from July 2008 to July 2017.

Sir John Bond, John Buchanan, Alan Jebson, Renee James, Samuel Jonah, Gerard Kleisterlee, Nick Land, Anne Lauvergeon, Luc Vandevelde, Anthony Watson and Philip Yea held no options at 16 May 2011.

**Directors’ interests in contracts**

None of the current directors had a material interest in any contract of significance to which the Company or any of its subsidiaries was a party during the financial year.

Luc Vandevelde
On behalf of the Board
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**Vodafone Group Plc** Annual Report 2011

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<td>31. Employees</td>
<td>124</td>
</tr>
<tr>
<td>32. Subsequent events</td>
<td>124</td>
</tr>
</tbody>
</table>

Separate financial statements required by Rule 3-09 of Regulation S-X

Report of Independent Registered Public Accounting Firm
Directors’ statement of responsibility

Financial statements and accounting records

Company law of England and Wales 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 and of the Group at the end of the financial year and of the profit or loss of the Group for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as issued by the IASB, in accordance with IFRS as adopted for use in the EU and Article 4 of the EU IAS Regulations;
- state for the Company financial statements whether applicable UK accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the EU IAS Regulation. They are also responsible for the system of internal control, for safeguarding the assets of the Company and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board confirms to the best of its knowledge:

- the consolidated financial statements, prepared in accordance with IFRS as issued by the International Accounting Standards Board (‘IASB’) and IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the directors’ report includes a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that it faces.

Neither the Company nor the directors accept any liability to any person in relation to the annual report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and Schedule 10A of the Financial Services and Markets Act 2000.

Disclosure of information to auditor

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the Company’s auditor is 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 auditor is aware of that information.

Going concern

After reviewing the Group’s and Company’s budget for the next financial year, and other longer term plans, 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 auditor is aware of that information.

Management’s report on internal control over financial reporting

As required by Section 404 of the Sarbanes-Oxley Act, management is responsible for establishing and maintaining adequate internal control over financial reporting for the Group.

The Company’s internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; are designed to provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with IFRS, as adopted by the EU and IFRS as issued by the IASB, and that receipts and expenditures are being made only in accordance with authorisation of management and the directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Any internal control framework, no matter how well designed, has inherent limitations including the possibility of human error and the circumvention or overriding of the controls and procedures, and may not prevent or detect misstatements. Also projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the internal control over financial reporting at 31 March 2011 based on the Internal Control -Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (‘COSO’). Vodacom’s controls have been included in the Group’s assessment for the first time this year. Based on management’s assessment management has concluded that the internal control over financial reporting was effective at 31 March 2011.

Management has excluded from its assessment the internal control over financial reporting of entities which are accounted for under the equity method, including Verizon Wireless and SFR, because the Group does not have the ability to dictate or modify the controls at these entities and does not have the ability to assess, in practice, the controls at these entities. Accordingly, the internal controls of these entities, which contributed a net profit of £5,059 million (2010: £4,742 million) to the profit for the financial year, have not been assessed, except relating to controls over the recording of amounts relating to the investments that are recorded in the Group’s consolidated financial statements.

During the period covered by this document there were no changes in the Company’s internal control over financial reporting that have materially affected or are reasonably likely to materially affect the effectiveness of the internal controls over financial reporting.

The Company’s internal control over financial reporting at 31 March 2011 has been audited by Deloitte LLP, an independent registered public accounting firm who also audit the Group’s consolidated financial statements. Their audit report on internal controls over financial reporting is on page 76.

By Order of the Board

Rosemary Martin
are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. Further detail is included within liquidity and capital resources on pages 48 to 51 and notes 21 and 22 to the consolidated financial statements which include disclosure in relation to the Group’s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

Company Secretary
17 May 2011
Audit report on internal controls

Report of independent registered public accounting firm to the members of Vodafone Group Plc

We have audited the internal control over financial reporting of Vodafone Group Plc and subsidiaries and applicable joint ventures (the 'Group') as of 31 March 2011 based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in management’s report on internal controls over financial reporting, management has excluded from its assessment the internal control over financial reporting of those entities that are accounted for under the equity method, including Verizon Wireless and Société Française du Radiotéléphone S.A. (“SFR”), because the Group does not have the ability to dictate or modify controls at these entities and does not have the ability to assess, in practice, the controls at these entities. Accordingly, the internal controls over financial reporting of these entities, which contributed a net profit of £5,059 million to the profit for the financial year, have not been assessed, except relating to the Group’s controls over the recording and related disclosures of amounts relating to the investments that are recorded in the consolidated financial statements.

The Group’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management’s report on internal control over financial reporting. Our responsibility is to express an opinion on the Group’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of 31 March 2011, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Group as of and for the year ended 31 March 2011, prepared in conformity with International Financial Reporting Standards ('IFRS'), as adopted by the European Union and IFRS as issued by the International Accounting Standards Board. Our report dated 17 May 2011 expressed an unqualified opinion on those financial statements.

Deloitte LLP
Chartered Accountants and Registered Auditor
London
United Kingdom
17 May 2011
Critical accounting estimates

The Group prepares its consolidated financial statements in accordance with IFRS as issued by the IASB and IFRS as adopted by the EU, the application of which often requires judgements to be made by management when formulating the Group’s financial position and results. Under IFRS, the directors are required to adopt those accounting policies most appropriate to the Group’s circumstances for the purpose of presenting fairly the Group’s financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provides an explanation of each below.

The discussion below should also be read in conjunction with the Group’s disclosure of significant IFRS accounting policies which is provided in note 2 to the consolidated financial statements, “Significant accounting policies”.

Management has discussed its critical accounting estimates and associated disclosures with the Company’s Audit Committee.

Impairment reviews

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management’s expectations of:

- growth in adjusted EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Group prepares and approves formal five year management plans for its operations, which are used in the value in use calculations. In certain developing markets the fifth year of the management plan is not indicative of the long-term future performance as operations may not have reached maturity. For these operations, the Group extends the plan data for an additional five year period.

For businesses where the five year management plans are used for the Group’s value in use calculations, a long-term growth rate into perpetuity has been determined as the lower of:

- the nominal GDP rates for the country of operation; and
- the long-term compound annual growth rate in adjusted EBITDA in years six to ten estimated by management.

For businesses where the plan data is extended for an additional five years, an assumed long-term growth rate has been determined as the lower of:

- the nominal GDP rates for the country of operation; and
- the long-term compound annual growth rate in adjusted EBITDA in years six to ten estimated by management.

The Group’s review includes the key assumptions related to sensitivity in the cash flow projections. Further details are provided in note 10 to the consolidated financial statements.

Revenue recognition and presentation

Arrangements with multiple deliverables

In revenue arrangements including more than one deliverable, the delivery of a deferred tax asset to part of the tax unit of accounting and the arrangement consideration is allocated to each unit of accounting based on its relative fair value.

Determining the fair value of each deliverable can require complex estimates due to the nature of the goods and services provided. The Group generally determines the fair value of individual elements based on prices at which the deliverable is regularly sold on a standalone basis after considering volume discounts where appropriate.

Presentation: gross versus net

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party’s respective role in the transaction.

Where the Group’s role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost.

Where the Group’s role in a transaction is that of an agent, revenue is recognised on a net basis with revenue representing the margin earned.

Taxation

The Group’s tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group’s total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits, losses and/or cash flows.

The complexity of the Group’s structure following its geographic expansion makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve.

Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the consolidated income statement and tax payments.

Significant items on which the Group has exercised accounting judgement include litigation with the Indian tax authorities in relation to the acquisition of Vodafone Essar (see note 28 to the consolidated financial statements), recognition of a deferred tax asset in respect of the losses arising following the agreement of German tax loss claims (see note 6 of the consolidated financial statements) and the recognition of a deferred tax asset in respect of losses in Luxembourg following the settlement of the CFC tax case (see note 6 to the consolidated financial statements). The amounts recognised in the consolidated financial statements in respect of each matter are derived from the Group’s best estimation.
additional five years for the Group’s value in use calculations, a long-term growth rate into perpetuity has been determined as the lower of:

- the nominal GDP rates for the country of operation; and
- the compound annual growth rate in adjusted EBITDA in years nine to ten of the management plan.

Changing the assumptions selected by management, in particular, the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group’s impairment evaluation and hence results.

and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means eventual resolution could differ from the accounting estimates and therefore impact the Group’s results and cash flows.

Recognition of deferred tax assets
The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered.
Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

Historical differences between forecast and actual taxable profits have not resulted in material adjustments to the recognition of deferred tax assets.

Business combinations
The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the income statement.

Goodwill
The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite lived and finite lived intangible assets.

On transition to IFRS the Group elected not to apply IFRS 3, “Business combinations”, retrospectively as the difficulty in applying these requirements to the large number of business combinations completed by the Group from incorporation through to 1 April 2004 exceeded any potential benefits. Goodwill arising before the date of transition to IFRS, after adjusting for items including the impact of proportionate consolidation of joint ventures, amounted to £78,753 million.

If the Group had elected to apply the accounting for business combinations retrospectively it may have led to an increase or decrease in goodwill and increase in licences, customer bases, brands and related deferred tax liabilities recognised on acquisition.

Finite lived intangible assets
Other intangible assets include the Group’s aggregate amounts spent on the acquisition of licences and spectrum, computer software, customer bases, brands and development costs. These assets arise from both separate purchases and from acquisition as part of business combinations.

On the acquisition of mobile network operators the identifiable intangible assets may include licences, customer bases and brands. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset where no active market for the assets exist. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets.

The relative size of the Group’s intangible assets, excluding goodwill, makes the judgements surrounding the estimated useful lives critical to the Group’s financial position and performance.

At 31 March 2011 intangible assets, excluding goodwill, amounted to £233,322 million (2010: £22,420 million) and represented 15.4% (2010:14.3%) of the Group’s total assets.

Estimation of useful life

Licences and spectrum fees
The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Group will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group’s expectation of the period over which the Group will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology. Historically any changes to economic lives have not been material following these reviews.

Customer bases
The estimated useful life principally reflects management’s view of the average economic life of the customer base and is assessed by reference to customer churn rates. An increase in churn rates may lead to a reduction in the estimated useful life and an increase in the amortisation charge. Historically changes to the estimated useful lives have not had a significant impact on the Group’s results and financial position.

Capitalised software
The useful life is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. For computer software licences, the useful life represents management’s view of expected benefits over which the Group will receive benefits from the software but not exceeding the licence term. For unique software products controlled by the Group, the life is based on historical experience with similar products as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives have not resulted in material changes to the Group’s amortisation charge.

Property, plant and equipment
Property, plant and equipment also represent a significant proportion of the asset base of the Group being 13.3% (2010:13.1%) of the Group’s total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group’s financial position and performance.

Estimation of useful life
The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. Increasing an asset’s expected life or its residual value would result in a reduced depreciation charge in the consolidated income statement.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Furthermore, network infrastructure is only depreciated over a period that extends beyond the expiry of the associated licence under which the operator provides telecommunications services if there is a reasonable expectation of renewal or an alternative future use for the asset.

Historically changes in useful lives and residual values have not resulted in material changes to the Group’s depreciation charge.
The useful life used to amortise intangible assets relates to the expected future performance of the assets acquired and management’s judgement of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of intangible assets is as follows:

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see note 28 to the consolidated financial statements). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.
Report of independent registered public accounting firm

To the Board of Directors and Shareholders of Vodafone Group plc

We have audited the accompanying consolidated statements of financial position of Vodafone Group plc and subsidiaries (the "Company") as of 31 March 2011 and 31 March 2010, and the related consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended 31 March 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2011 and 31 March 2010, and the results of its operations and its cash flows for each of the three years in the period ended 31 March 2011, in conformity with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union and IFRS as issued by the International Accounting Standards Board ("IASB").

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company’s internal control over financial reporting as at 31 March 2011, based on the criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated 17 May 2011 expressed an unqualified opinion on the Company’s internal control over financial reporting.

Deloitte LLP
Chartered Accountants and Registered Auditor
London
United Kingdom
17 May 2011
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Consolidated income statement
for the years ended 31 March

<table>
<thead>
<tr>
<th>Note</th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3</td>
<td>45,884</td>
<td>44,472</td>
</tr>
<tr>
<td>Cost of sales</td>
<td></td>
<td>(30,814)</td>
<td>(29,439)</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>15,070</td>
<td>15,033</td>
</tr>
<tr>
<td>Selling and distribution expenses</td>
<td></td>
<td>(3,067)</td>
<td>(2,981)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td>(5,300)</td>
<td>(5,328)</td>
</tr>
<tr>
<td>Share of result in associates</td>
<td></td>
<td>5,059</td>
<td>4,742</td>
</tr>
<tr>
<td>Impairment losses</td>
<td></td>
<td>14</td>
<td>(6,150)</td>
</tr>
<tr>
<td>Other income and expense</td>
<td></td>
<td>(10)</td>
<td>114</td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td>5,596</td>
<td>9,480</td>
</tr>
<tr>
<td>Non-operating income and expense</td>
<td></td>
<td>3,022</td>
<td>(10)</td>
</tr>
<tr>
<td>Investment income</td>
<td></td>
<td>1,309</td>
<td>716</td>
</tr>
<tr>
<td>Financing costs</td>
<td></td>
<td>(429)</td>
<td>(1,512)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td></td>
<td>9,498</td>
<td>8,674</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td>(1,628)</td>
<td>(56)</td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td></td>
<td>7,870</td>
<td>8,618</td>
</tr>
</tbody>
</table>

Attributable to:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity shareholders</td>
<td>7,968</td>
<td>8,645</td>
<td>3,078</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(98)</td>
<td>(27)</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>7,870</td>
<td>8,618</td>
<td>3,080</td>
</tr>
</tbody>
</table>

Basic earnings per share

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>15.20p</td>
<td>16.44p</td>
<td>5.84p</td>
</tr>
</tbody>
</table>

Diluted earnings per share

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>15.11p</td>
<td>16.36p</td>
<td>5.81p</td>
</tr>
</tbody>
</table>

Consolidated statement of comprehensive income
for the years ended 31 March

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gains/(losses) on revaluation of available-for-sale investments, net of tax</td>
<td>310</td>
<td>206</td>
<td>(2,383)</td>
</tr>
<tr>
<td>Foreign exchange translation differences, net of tax</td>
<td>(2,132)</td>
<td>(1,021)</td>
<td>12,375</td>
</tr>
<tr>
<td>Net actuarial gains/(losses) on defined benefit pension schemes, net of tax</td>
<td>136</td>
<td>(104)</td>
<td>(163)</td>
</tr>
<tr>
<td>Revaluation gain</td>
<td>—</td>
<td>860</td>
<td>68</td>
</tr>
<tr>
<td>Foreign exchange gains transferred to the income statement</td>
<td>(630)</td>
<td>(84)</td>
<td>(3)</td>
</tr>
<tr>
<td>Fair value gains/(losses) transferred to the income statement</td>
<td>(2,192)</td>
<td>3</td>
<td>—</td>
</tr>
<tr>
<td>Other, net of tax</td>
<td>19</td>
<td>67</td>
<td>(40)</td>
</tr>
<tr>
<td>Other comprehensive (loss)/income</td>
<td>(4,489)</td>
<td>(73)</td>
<td>9,854</td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>7,870</td>
<td>8,618</td>
<td>3,080</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>3,381</td>
<td>8,545</td>
<td>12,934</td>
</tr>
</tbody>
</table>

Attributable to:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity shareholders</td>
<td>3,567</td>
<td>8,312</td>
<td>13,037</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(186)</td>
<td>233</td>
<td>(103)</td>
</tr>
<tr>
<td>Total</td>
<td>3,381</td>
<td>8,545</td>
<td>12,934</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
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### Financials

Consolidated statement of financial position
at 31 March

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>45,236</td>
<td>51,838</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>23,322</td>
<td>22,420</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>20,181</td>
<td>20,642</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>38,105</td>
<td>36,377</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,381</td>
<td>7,591</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>2,018</td>
<td>1,033</td>
</tr>
<tr>
<td>Post employment benefits</td>
<td>97</td>
<td>34</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3,877</td>
<td>2,831</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>134,217</td>
<td>142,766</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>537</td>
<td>433</td>
</tr>
<tr>
<td>Taxation recoverable</td>
<td>281</td>
<td>191</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>9,259</td>
<td>8,784</td>
</tr>
<tr>
<td>Other investments</td>
<td>674</td>
<td>388</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6,252</td>
<td>4,423</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>17,003</td>
<td>14,219</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Called up share capital</td>
<td>4,082</td>
<td>4,153</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>153,760</td>
<td>153,509</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(8,171)</td>
<td>(7,810)</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>6,486</td>
<td>7,377</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>15,545</td>
<td>20,184</td>
</tr>
<tr>
<td><strong>Total equity shareholders’ funds</strong></td>
<td>87,555</td>
<td>90,381</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-controlling interests</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Put options over non-controlling interests</td>
<td>(2,874)</td>
<td>(2,950)</td>
</tr>
<tr>
<td><strong>Total non-controlling interests</strong></td>
<td>6</td>
<td>429</td>
</tr>
</tbody>
</table>

| **Total equity**                       | 87,561  | 90,810  |

<table>
<thead>
<tr>
<th>Non-current liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term borrowings</td>
<td>28,375</td>
<td>28,632</td>
</tr>
<tr>
<td>Taxation liabilities</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>6,486</td>
<td>7,377</td>
</tr>
<tr>
<td>Post employment benefits</td>
<td>87</td>
<td>237</td>
</tr>
<tr>
<td>Provisions</td>
<td>482</td>
<td>497</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>804</td>
<td>816</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>36,584</td>
<td>37,559</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>9,906</td>
<td>11,163</td>
</tr>
<tr>
<td>Taxation liabilities</td>
<td>1,912</td>
<td>2,874</td>
</tr>
<tr>
<td>Provisions</td>
<td>559</td>
<td>497</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>14,698</td>
<td>14,082</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>27,075</td>
<td>28,616</td>
</tr>
</tbody>
</table>

| **Total equity and liabilities**       | 151,220 | 156,985 |

The consolidated financial statements were approved by the Board of directors and authorised for issue on 17 May 2011 and were signed on its behalf by:

Vittorio Colao  
Chief Executive

Andy Halford  
Chief Financial Officer

The accompanying notes are an integral part of these consolidated financial statements.
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Consolidated statement of changes in equity

for the years ended 31 March

<table>
<thead>
<tr>
<th>Share capital £m</th>
<th>Additional paid-in capital(1) £m</th>
<th>Treasury shares £m</th>
<th>Retained losses £m</th>
<th>Currency reserve £m</th>
<th>Pensions reserve £m</th>
<th>Investment reserve £m</th>
<th>Revaluation surplus £m</th>
<th>Other comprehensive income £m</th>
<th>Equity shareholders' funds £m</th>
<th>Non-controlling interests £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 April 2008</td>
<td>4,182</td>
<td>153,139</td>
<td>(7,856)</td>
<td>(81,980)</td>
<td>5,974</td>
<td>(96)</td>
<td>4,531</td>
<td>112</td>
<td>78,043</td>
<td>(1,572)</td>
<td>76,471</td>
</tr>
<tr>
<td>Issue or reissue of shares</td>
<td>3</td>
<td>4</td>
<td>65 (44)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>28</td>
<td>—</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Purchase of own shares</td>
<td>—</td>
<td>—</td>
<td>(1,000)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(1,000)</td>
<td>—</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Redemption or cancellation of shares</td>
<td>(32)</td>
<td>47</td>
<td>755 (770)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Share-based payment</td>
<td>—</td>
<td>158 (2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>158</td>
<td>—</td>
<td>158</td>
<td></td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>—</td>
<td>—</td>
<td>(87)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(87)</td>
<td>436</td>
<td>349</td>
<td></td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>—</td>
<td>—</td>
<td>3,078</td>
<td>12,477</td>
<td>(163)</td>
<td>(2,383)</td>
<td>68 (40)</td>
<td>13,037</td>
<td>(103)</td>
<td>12,934</td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td>—</td>
<td>—</td>
<td>3,078</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3,078</td>
<td>2</td>
<td>3,080</td>
<td></td>
</tr>
<tr>
<td>OCI – before tax</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>12,614</td>
<td>(220)</td>
<td>(2,383)</td>
<td>68 (56)</td>
<td>10,023</td>
<td>(105)</td>
<td>9,918</td>
</tr>
<tr>
<td>OCI – taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(134)</td>
<td>57</td>
<td>—</td>
<td>16 (61)</td>
<td>—</td>
<td>(61)</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Transfer to the income statement</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>— (3)</td>
<td>—</td>
<td>—</td>
<td>(3)</td>
<td>—</td>
<td>(3)</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>—</td>
<td>—</td>
<td>(4,017)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(4,017)</td>
<td>(162)</td>
<td>(4,179)</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>16</td>
</tr>
</tbody>
</table>

**31 March 2009**

| —                             | —                             | —                 | 4,153             | 153,348           | 18,451             | 2148                | 180 (3)                       | 86,162                       | (1,385)                     | 84,777    |

| Issue or reissue of shares | —                             | —                 | 189 (119)         | —                 | —                 | —                   | —                   | 70                          | —                           | 70                          |           |
| Share-based payment | —                             | 161 (2)           | —                 | —                 | —                 | —                   | —                   | 161                         | —                           | 161                         |           |
| Acquisition of subsidiaries | —                             | —                 | (133)             | —                 | —                 | —                   | —                   | (133)                       | 1,636                       | 1,503                       |           |
| Comprehensive income | —                             | —                 | 8,645             | (1,365)           | (104)             | 209                 | 860                 | 67                          | 8,312                       | 233                         | 8,545     |
| Profit/(loss) | —                             | —                 | 8,645             | —                 | —                 | —                   | 8,645               | (27)                        | 8,618                       | —                           |           |
| OCI – before tax | —                             | —                 | —                 | —                 | (1,320)           | (149)               | 377                 | 860                         | 79                          | (153)                       | 260       |
| OCI – taxes | —                             | —                 | —                 | 39                 | 45                 | (171)               | —                   | (12)                        | (99)                        | —                           | (99)      |
| Transfer to the income statement | —                             | —                 | —                 | (84)              | —                 | 3                   | (81)                | —                           | (81)                        | —                           |           |
| Dividends | —                             | —                 | —                 | (4,131)           | —                 | —                   | —                   | (4,131)                     | (56)                        | (4,187)                     |           |
| Other | —                             | 37                | (97)              | —                 | —                 | —                   | —                   | (60)                        | 1                           | 59                          |           |

**31 March 2010**

| —                             | —                             | —                 | 4,153             | 153,509           | 17,086             | (363)               | 2,357                         | 1,040                       | 90,381                       | 429       |

| Issue or reissue of shares | —                             | —                 | 232 (125)         | —                 | —                 | —                   | —                   | 107                         | —                           | 107                         |           |
| Redemption or cancellation of shares | (71)                         | 71                | 1,532             | (1,532)           | —                 | —                   | —                   | —                           | —                           | —                           |           |
| Purchase of own shares | —                             | —                 | (2,125)           | —                 | —                 | —                   | —                   | —                           | (2,125)                     | —                           | (2,125)   |
| Share-based payment | —                             | 180 (2)           | —                 | —                 | —                 | —                   | —                   | 180                         | —                           | 180                         |           |
| Acquisition of subsidiaries | —                             | —                 | (120)             | —                 | —                 | —                   | —                   | (120)                       | 35                          | 85                          |           |
| Comprehensive income | —                             | —                 | 7,968             | (2,669)           | 136               | (1,882)             | —                   | 14                          | 3,567                       | (186)                       | 3,381     |
| Profit/(loss) | —                             | —                 | 7,968             | —                 | —                 | —                   | 7,968               | (98)                        | 7,870                       | —                           |           |
| OCI – before tax | —                             | —                 | —                 | (2,053)           | 190               | 347                | —                   | 14                          | (1,502)                     | (88)                       | (1,590)   |
| OCI – taxes | —                             | —                 | —                 | 14                 | (54)              | (37)               | —                   | (77)                        | —                           | (77)                       |           |
| Transfer to the income statement | —                             | —                 | —                 | (630)             | —                 | (2,192)             | —                   | (2,822)                     | —                           | (2,822)                     |           |
| Dividends | —                             | —                 | —                 | (4,468)           | —                 | —                   | (4,468)             | (328)                       | (4,796)                     | —                           |           |
| Other | —                             | —                 | 271               | (238)             | —                 | —                   | 33                  | 56                          | 89                          | —                           |           |

**31 March 2011**

| —                             | —                             | —                 | 4,082             | 153,760           | (8,171)            | (77,661)            | 14,417                        | (227)                       | 237                         | 78       |

**87,555**
Notes:
(1) Includes share premium and the capital redemption reserve.
(2) Includes a £24 million tax credit (2010: £11 million credit, 2009: £9 million charge).
(3) Amount for 2011 includes a £208 million tax credit.
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Vodafone Group Plc Annual Report 2011

### Financials

Consolidated statement of cash flows

for the years ended 31 March

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<th>2011  £m</th>
<th>2010  £m</th>
<th>2009  £m</th>
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<tr>
<td><strong>Net cash flow from operating activities</strong></td>
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<td></td>
<td></td>
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<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of interests in subsidiaries and joint ventures, net of cash acquired</td>
<td>(402)</td>
<td>(1,777)</td>
<td>(1,389)</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>(4,290)</td>
<td>(2,134)</td>
<td>(1,764)</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(4,350)</td>
<td>(4,841)</td>
<td>(5,204)</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(318)</td>
<td>(522)</td>
<td>(133)</td>
</tr>
<tr>
<td>Disposal of interests in subsidiaries, net of cash disposed</td>
<td>—</td>
<td>—</td>
<td>4</td>
</tr>
<tr>
<td>Disposal of interests in associates</td>
<td>—</td>
<td>—</td>
<td>25</td>
</tr>
<tr>
<td>Disposal of property, plant and equipment</td>
<td>51</td>
<td>48</td>
<td>317</td>
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<tr>
<td>Disposal of investments</td>
<td>4,467</td>
<td>17</td>
<td>253</td>
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<tr>
<td>Dividends received from associates</td>
<td>1,424</td>
<td>1,436</td>
<td>647</td>
</tr>
<tr>
<td>Dividends received from investments</td>
<td>85</td>
<td>141</td>
<td>108</td>
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<tr>
<td>Interest received</td>
<td>1,659</td>
<td>195</td>
<td>302</td>
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<td>Taxation on investing activities</td>
<td>(208)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash flow from investing activities</strong></td>
<td>(1,882)</td>
<td>(7,437)</td>
<td>(6,834)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of ordinary share capital and reissue of treasury shares</td>
<td>107</td>
<td>70</td>
<td>22</td>
</tr>
<tr>
<td>Net movement in short-term borrowings</td>
<td>(573)</td>
<td>227</td>
<td>(25)</td>
</tr>
<tr>
<td>Proceeds from issue of long-term borrowings</td>
<td>4,861</td>
<td>4,217</td>
<td>6,181</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(4,064)</td>
<td>(5,184)</td>
<td>(2,729)</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(2,087)</td>
<td>—</td>
<td>(963)</td>
</tr>
<tr>
<td>B share capital redemption</td>
<td>—</td>
<td>—</td>
<td>(15)</td>
</tr>
<tr>
<td>Equity dividends paid</td>
<td>(4,468)</td>
<td>(4,139)</td>
<td>(4,013)</td>
</tr>
<tr>
<td>Dividends paid to non-controlling shareholders in subsidiaries</td>
<td>(320)</td>
<td>(56)</td>
<td>(162)</td>
</tr>
<tr>
<td>Contributions from non-controlling shareholders in subsidiaries</td>
<td>—</td>
<td>613</td>
<td>—</td>
</tr>
<tr>
<td>Other transactions with non-controlling shareholders in subsidiaries</td>
<td>(137)</td>
<td>—</td>
<td>618</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,578)</td>
<td>(1,601)</td>
<td>(1,470)</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td>(8,259)</td>
<td>(5,883)</td>
<td>(2,556)</td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td>1,854</td>
<td>(226)</td>
<td>2,823</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
The consolidated financial statements are prepared in accordance with IFRS as issued by the IASB. The consolidated financial statements are also prepared in accordance with IFRS adopted by the European Union (‘EU’), the Companies Act 2006 and Article 4 of the EU IAS Regulations.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. For a discussion on the Group's critical accounting estimates see “Critical accounting estimates” on pages 77 and 78. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Amounts in the consolidated financial statements are stated in pounds sterling.

Vodafone Group Plc is registered in England (No. 1833679).

2. Significant accounting policies

Accounting convention

The consolidated financial statements are prepared on a historical cost basis except for certain financial and equity instruments that have been measured at fair value.

New accounting pronouncements adopted

IFRS 3 (Revised) “Business Combinations”

The Group adopted IFRS 3 (Revised) on 1 April 2010. The revised standard introduces changes in the accounting for business combinations that impacts the amount of goodwill recognised, the reported results in the period that a business combination occurs and future reported results. The adoption of this standard is likely to have a significant impact on the Group’s accounting for future business combinations.

Amendment to IAS 27 “Consolidated and Separate Financial Statements”

The Group adopted the amendment to IAS 27 on 1 April 2010. The amendment requires that when a transaction occurs with non-controlling interests in Group entities that do not result in a change in control, the difference between the consideration paid or received and the recorded non-controlling interest should be recognised in equity. In cases where control is lost, any retained interest should be remeasured to fair value with the difference between fair value and the previous carrying value being recognised immediately in the income statement. The adoption of this standard may have a significant impact on the Group’s accounting for future transactions involving non-controlling interests.

The adoption of this standard has resulted in a change in presentation within the statement of cash flows of amounts paid to acquire non-controlling interests in Group entities that do not result in a change in control. In the year ended 31 March 2011 £137 million related to such transactions was classified as “Other transactions with non-controlling shareholders in subsidiaries” within “Net cash flows from financing activities”, whereas these amounts would have previously been recorded in “Purchase of interests in subsidiaries and joint ventures, net of cash acquired” within “Cash flows from investing activities”. There is no material impact in the comparative period.

Group is currently assessing the impact of the standard on its results, financial position and cash flows.

The Group has not adopted the following pronouncements, which have been issued by the IASB or the IFRIC. These pronouncements have been endorsed for use in the EU, unless otherwise stated. The Group does not currently believe the adoption of these pronouncements will have a material impact on the consolidated results, financial position or cash flows of the Group.

• Amendments to IFRS 1, “Severe hyperinflation and removal of fixed dates for first-timer adopters”, effective for annual periods beginning on or after 1 July 2011. This standard has not yet been endorsed for use in the EU.

• Amendments to IFRS 7, “Financial Instruments: Disclosure”, effective for annual periods beginning on or after 1 July 2011. This standard has not yet been endorsed for use in the EU.

• “Improvements to IFRSs”, effective over a range of dates, with the earliest being for annual periods beginning on or after 1 January 2011.

• Amendment to IFRS 1, “Limited Exemption from Comparative IFRS 7 disclosures for first-time adopters”, effective for annual periods beginning on or after 1 July 2010.

• Amendment to IAS 12, “Deferred tax: Recovery of Underlying Assets”, effective for annual periods beginning on or after 1 January 2012. This standard has not yet been endorsed for use in the EU.

• Amendment to IAS 24, “Related Party Disclosures — State-controlled Entities and the Definition of a Related Party”, effective for annual periods beginning on or after 1 January 2011.

• Amendment to IFRIC 14, “Prepayments on a Minimum Funding Requirement”, effective for annual periods beginning on or after 1 January 2011.

• IFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments”, effective annual periods beginning on or after 1 July 2010 with early adoption permitted.

The Group has also not adopted the following pronouncements, all of which were issued by the IASB on 12 May 2011 and which are effective for annual periods beginning on or after 1 January 2013. These pronouncements have not yet been endorsed for use in the EU. The Group has not completed its assessment of the impact of these pronouncements on the consolidated results, financial position or cash flows of the Group. However, the Group currently expects that IFRS 11, “Joint Arrangements”, will have a material impact on the presentation of the Group’s interests in its joint ventures owing to the Group’s significant investments in joint ventures as discussed in note 13.

• IFRS 10, “Consolidated Financial Statements”, which replaces parts of IAS 27, “Consolidated and Separate Financial Statements and all of SIC-12, ‘Consolidation – Special Purpose Entities’, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The remainder of IAS 27, ‘Separate Financial Statements’, now contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates only when an entity prepares separate financial statements and is therefore not applicable in the Group’s consolidated financial statements.

New accounting pronouncements not yet adopted

Phase I of IFRS 9 "Financial Instruments" was issued in November 2009 and is effective for annual periods beginning on or after 1 January 2013. This standard has not yet been endorsed for use in the EU. The standard introduces changes to the classification and measurement of financial assets and the requirements relating to financial liabilities in relation to the presentation of changes in fair value due to credit risks and the removal of an exemption from measuring certain derivative liabilities at fair value. The

requires a single method, known as the equity method, to account for interests in jointly controlled entities which is consistent with the accounting treatment currently applied to investments in associates. The proportionate consolidation method currently applied to the Group's interests in joint ventures is prohibited. IAS 28, 'Investments in Associates and Joint Ventures', was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investment in associates, it now sets out the requirements for the application of the equity method when accounting for joint ventures. The application of the equity method has not changed as a result of this amendment.

• IFRS 12, 'Disclosure of Interest in Other Entities', is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The
• standard includes disclosure requirements for entities covered under IFRS 10 and IFRS 11.

• IFRS 13, ‘Fair Value Measurement’, provides guidance on how fair value should be applied where its use is already required or permitted by other standards within IFRS, including a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled, both unilaterally and jointly, by the Company.

Accounting for subsidiaries

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder’s share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred. The acquiree’s identifiable assets and liabilities are recognised at their fair values at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group’s previously held equity interest in the acquiree, if any, over the net amounts of identifiable assets acquired and liabilities assumed at the acquisition date.

The interest of the non-controlling shareholders in the acquiree may initially be measured either at fair value or at the non-controlling shareholders’ proportion of the net fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Acquisition of interests from non-controlling shareholders

In transactions with non-controlling parties that do not result in a change in control, the difference between the fair value of the consideration paid or received and the amount by which the non-controlling interest is adjusted is recognised in equity.

Interests in joint ventures

income, expenses and cash flows of jointly controlled entities are combined with the equivalent items in the results on a line-by-line basis. Any goodwill arising on the acquisition of the Group’s interest in a jointly controlled entity is accounted for in accordance with the Group’s accounting policy for goodwill arising on the acquisition of a subsidiary.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group’s share of the net assets of the associate, less any impairment in the value of the investment. Losses of an associate in excess of the Group’s interest in that associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

The licences of the Group’s associate in the US, Verizon Wireless, are indefinite lived assets as they are subject to perfunctory renewal. Accordingly, they are not subject to amortisation but are tested annually for impairment, or when indicators exist that the carrying value is not recoverable.

Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment loss. If goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Goodwill arising before the date of transition to IFRS, on 1 April 2004, has been retained at the previous UK GAAP amounts, subject to being tested for impairment at that date.

Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group’s share of the assets, liabilities,

Finite lived intangible assets
Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method,
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, using the straight-line method, over their estimated useful lives, as follows:

- **Freehold buildings**: 25 – 50 years
- **Leasehold premises**: the term of the lease

**Equipment, fixtures and fittings:**

- **Network infrastructure**: 3 – 25 years
- **Other**: 3 – 10 years

Depreciation is not provided on freehold land.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

### Impairment of assets

#### Goodwill

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Impairment losses recognised for goodwill are not reversed in a subsequent period.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The Group prepares and approves formal five year management plans for its operations, which are used in the value in use calculations. In certain developing markets the fifth year of the management plan is not indicative of the long term future performance as operations may not have reached maturity. For these operations, the Group extends the plan data for an additional five year period.

### Property, plant and equipment and finite lived intangible assets

At each reporting period date, the Group reviews the carrying amounts of its property, plant and equipment and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its estimated recoverable amount.
losses.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement.
Revenue
Revenue is recognised to the extent the Group has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue is measured at the fair value of the consideration received, exclusive of sales taxes and discounts.

The Group principally obtains revenue from providing the following telecommunication services: access charges, airtime usage, messaging, interconnect fees, data services and information provision, connection fees and equipment sales. Products and services may be sold separately or in bundled packages.

Revenue for access charges, airtime usage and messaging by contract customers is recognised as services are performed, with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

Revenue from interconnect fees is recognised at the time the services are performed.

Revenue from data services and information provision is recognised when the Group has performed the related service and, depending on the nature of the service, is recognised either at the gross amount billed to the customer or the amount receivable by the Group as commission for facilitating the service.

Customer connection revenue is recognised together with the related equipment revenue to the extent that the aggregate equipment and connection revenue does not exceed the fair value of the equipment delivered to the customer. Any customer connection revenue not recognised together with related equipment revenue is deferred and recognised over the period in which services are expected to be provided to the customer.

Revenue for device sales is recognised when the device is delivered to the end customer and the sale is considered complete. For device sales made to intermediaries, revenue is recognised if the significant risks associated with the device are transferred to the intermediary and the intermediary has no general right of return. If the significant risks are not transferred, revenue recognition is deferred until sale of the device to an end customer by the intermediary or the expiry of the right of return.

In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met: (1) the deliverable has value to the customer on a stand-alone basis and (2) there is evidence of the fair value of the item. The arrangement consideration is allocated to each separate unit of accounting based on its relative fair value.

Commissions
Intermediaries are given cash incentives by the Group to connect new customers and upgrade existing customers. For intermediaries who do not purchase products and services from the Group, such cash incentives are accounted for as an expense. Such cash incentives to other intermediaries are also accounted for as an expense if:

- the Group receives an identifiable benefit in exchange for the cash incentive that is separable from sales transactions to that intermediary; and
- the Group can reliably estimate the fair value of that benefit.

Inventory
Inventory is stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average costs and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the income statement.

Rents payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Foreign currencies
The consolidated financial statements are presented in sterling, which is the parent company’s functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction date. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences and other changes in the carrying amount of the security. Translation differences are recognised in the income statement and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets, such as investments in equity securities, classified as available-for-sale are reported as part of the fair value gain or loss and are included in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than sterling are expressed in sterling using exchange rates prevailing at the reporting period date. Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised directly in equity.

On disposal of a foreign entity, the cumulative amount previously recognised in equity relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition
Cash incentives that do not meet these criteria are recognised as a reduction of the related revenue.

of a foreign operation are treated as assets and liabilities of the foreign operation and translated accordingly.

In respect of all foreign operations, any exchange differences that have arisen before 1 April 2004, the date of transition to IFRS, are deemed to be nil and will be excluded from the determination of any subsequent profit or loss on disposal.
2. Significant accounting policies continued

The net foreign exchange gain recognised in the consolidated income statement is £1,022 million (2010: £35 million gain, 2009: £131 million loss).

Research expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Post employment benefits
For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability on the statement of financial position. Scheme liabilities are assessed using the projected unit funding method and applying the principal actuarial assumptions at the reporting period date. Assets are valued at market value.

Actuarial gains and losses are taken to the statement of comprehensive income as incurred. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred.

Other movements in the net surplus or deficit are recognised in the income statement, including the current service cost, any past service cost and the effect of any curtailment or settlements. The interest cost less the expected return on assets is also charged to the income statement. The amount charged to the income statement in respect of these plans is included within operating costs or in the Group’s share of the results of equity accounted operations as appropriate.

The Group’s contributions to defined contribution pension plans are charged to the income statement as they fall due.

Cumulative actuarial gains and losses at 1 April 2004, the date of transition to IFRS, have been recognised in the statement of financial position.

Taxation
Income tax expense represents the sum of the current tax payable and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible. The Group’s liability for current tax is calculated using UK and foreign tax rates and laws that have been enacted or substantively enacted by the reporting period date. Assets are valued at market value.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are not recognised to the extent they arise from the initial recognition of non tax deductible goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting period date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting period date.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also recognised directly in equity.

Financial instruments
Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

Other investments
Other investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Other investments classified as held for trading and available-for-sale are stated at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity, determined using the weighted average cost method, is included in the net profit or loss for the period.

Other investments classified as loans and receivables are stated at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables
Trade payables are not interest bearing and are stated at their nominal value.

Financial liabilities and equity instruments
Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial
Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.
Capital market and bank borrowings
Interest bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method, except where they are identified as a hedged item in a fair value hedge. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments
Equity instruments issued by the Group are recorded at the proceeds received, net of direct issuance costs.

Derivative financial instruments and hedge accounting
The Group’s activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Group’s policies approved by the Board of directors, which provide written principles on the use of financial derivatives consistent with the Group’s risk management strategy. Changes in values of all derivatives of a financing nature are included within investment income and financing costs in the income statement. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. The Group designates certain derivatives as either:
- hedges of the change of fair value of recognised assets and liabilities (‘fair value hedges’); or
- hedges of net investments in foreign operations.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, or the Company chooses to end the hedging relationship.

Fair value hedges
The Group’s policy is to use derivative instruments (primarily interest rate swaps) to convert a proportion of its fixed rate debt to floating rates in order to hedge the interest rate risk arising, principally, from capital market borrowings. The Group designates these as fair value hedges of interest rate risk with changes in fair value of the hedging instrument recognised in the income statement for the period together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective. The ineffective portion is recognised immediately in the income statement.

Net investment hedges
Exchange differences arising from the translation of the net investment in foreign operations are recognised directly in equity. Gains and losses on those hedging instruments (which include bonds, commercial paper and foreign exchange contracts) designated as hedges of the net investments in foreign operations are recognised in equity to the extent that the hedging relationship is effective. These amounts are included in exchange differences on translation of foreign operations as stated in the statement of comprehensive income. Gains and losses relating to hedge ineffectiveness are recognised immediately in the income statement for the period. Gains and losses accumulated in the translation reserve are included in the income statement when the foreign operation is disposed of.

Put option arrangements
The potential cash payments related to put options issued by the Group recognises the cost of writing such put options, determined as the excess of the fair value of the option over any consideration received, as a financing cost.

Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The charge arising is recorded as a financing cost. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors’ best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share-based payments
The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using a binomial pricing model, being a lattice-based option valuation model, which is calibrated using a Black-Scholes framework. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group uses historical data to estimate option exercise and employee termination within the valuation model; separate groups of employees that have similar historical exercise behaviour are considered separately for valuation purposes. The expected life of options granted is derived from the output of the option valuation model and represents the period of time that options are expected to be outstanding. Expected volatilities are based on implied volatilities as determined by a simple average of no less than three international banks, excluding the highest and lowest numbers. The risk-free rates for periods within the contractual life of the option are based on the UK gilt yield curve in effect at the time of grant.

Some share awards have an attached market condition, based on total shareholder return (‘TSR’), which is taken into account when valuing the fair value of the share awards. The valuation for the TSR is based on Vodafone’s ranking within the same group of companies, where possible, over the past five years. The volatility of the ranking over a three year period is used to determine the probable weighted percentage number of shares that could be expected to vest and hence affect fair value.

The fair value of awards of non-vested shares is equal to the closing price of the Vodafone’s shares on the date of grant, adjusted for the present value of future dividend entitlements where appropriate.
the Group over the equity of subsidiary companies are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary.

The amount that may become payable under the option on exercise is initially recognised at fair value within borrowings with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.
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Notes to the consolidated financial statements continued

3. Segment analysis

The Group has a single group of related services and products being the supply of communications services and products. Segment information is provided on the basis of geographic areas, being the basis on which the Group manages its worldwide interests. Revenue is attributed to a country or region based on the location of the Group company reporting the revenue. Inter-segment sales are charged at arm’s length prices.

During the year ended 31 March 2011 the Group changed its organisation structure to enable continued improvement in the delivery of the Group’s strategic goals. The Europe region now consists of all existing controlled businesses in Europe plus the Group’s interests in Czech Republic, Hungary, Romania and Turkey. The Africa, Middle East and Asia Pacific region includes the Group’s interests in Egypt, India, Ghana, Kenya, Qatar and Vodacom as well as Australia, New Zealand and Fiji.

Interests and Common Functions includes Verizon Wireless, SFR and Polkomtel as well as central Group functions. The tables below present segment information on the revised basis, with prior years amended to conform to the current year presentation.

### Segment revenue

<table>
<thead>
<tr>
<th>Segment</th>
<th>Region</th>
<th>Group</th>
<th>Adjusted EBITDA(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td>£m</td>
</tr>
<tr>
<td>31 March 2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>£7,900</td>
<td>(51)</td>
<td>7,849</td>
</tr>
<tr>
<td>Italy</td>
<td>5,730</td>
<td>(31)</td>
<td>5,691</td>
</tr>
<tr>
<td>Spain</td>
<td>5,133</td>
<td>(62)</td>
<td>5,071</td>
</tr>
<tr>
<td>UK</td>
<td>5,271</td>
<td>(50)</td>
<td>5,221</td>
</tr>
<tr>
<td>Other Europe</td>
<td>8,253</td>
<td>(70)</td>
<td>8,183</td>
</tr>
<tr>
<td>Europe</td>
<td>32,279</td>
<td></td>
<td>32,015</td>
</tr>
<tr>
<td>India</td>
<td>3,855</td>
<td>(1)</td>
<td>3,854</td>
</tr>
<tr>
<td>Vodacom</td>
<td>5,479</td>
<td></td>
<td>5,479</td>
</tr>
<tr>
<td>Other Africa, Middle East and Asia Pacific</td>
<td>3,971</td>
<td></td>
<td>3,971</td>
</tr>
<tr>
<td>Africa, Middle East and Asia Pacific</td>
<td>13,305</td>
<td>(1)</td>
<td>13,304</td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions</td>
<td>659</td>
<td></td>
<td>659</td>
</tr>
<tr>
<td>Group</td>
<td>46,243</td>
<td>(265)</td>
<td>45,978</td>
</tr>
<tr>
<td>Verizon Wireless</td>
<td>18,711</td>
<td></td>
<td>18,711</td>
</tr>
</tbody>
</table>

31 March 2010

<table>
<thead>
<tr>
<th>Segment</th>
<th>Region</th>
<th>Group</th>
<th>Adjusted EBITDA(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td>£m</td>
</tr>
<tr>
<td>Germany</td>
<td>£8,008</td>
<td>(41)</td>
<td>7,967</td>
</tr>
<tr>
<td>Italy</td>
<td>6,027</td>
<td>(40)</td>
<td>5,987</td>
</tr>
<tr>
<td>Spain</td>
<td>5,713</td>
<td>(81)</td>
<td>5,632</td>
</tr>
<tr>
<td>UK</td>
<td>5,025</td>
<td>(47)</td>
<td>4,978</td>
</tr>
<tr>
<td>Other Europe</td>
<td>8,357</td>
<td>(88)</td>
<td>8,269</td>
</tr>
<tr>
<td>Europe</td>
<td>33,130</td>
<td></td>
<td>32,833</td>
</tr>
<tr>
<td>India</td>
<td>3,114</td>
<td>(1)</td>
<td>3,113</td>
</tr>
<tr>
<td>Vodacom</td>
<td>4,450</td>
<td></td>
<td>4,450</td>
</tr>
<tr>
<td>Other Africa, Middle East and Asia Pacific</td>
<td>3,526</td>
<td></td>
<td>3,526</td>
</tr>
<tr>
<td>Africa, Middle East and Asia Pacific</td>
<td>11,090</td>
<td>(1)</td>
<td>11,089</td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions</td>
<td>667</td>
<td></td>
<td>667</td>
</tr>
<tr>
<td>Group</td>
<td>44,887</td>
<td>(298)</td>
<td>44,589</td>
</tr>
<tr>
<td>Verizon Wireless</td>
<td>17,222</td>
<td></td>
<td>17,222</td>
</tr>
</tbody>
</table>

31 March 2009

<table>
<thead>
<tr>
<th>Segment</th>
<th>Region</th>
<th>Group</th>
<th>Adjusted EBITDA(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td>£m</td>
</tr>
<tr>
<td>Germany</td>
<td>£7,847</td>
<td>(59)</td>
<td>7,778</td>
</tr>
<tr>
<td>Italy</td>
<td>5,547</td>
<td>(39)</td>
<td>5,508</td>
</tr>
<tr>
<td>Spain</td>
<td>5,812</td>
<td>(95)</td>
<td>5,717</td>
</tr>
<tr>
<td>UK</td>
<td>5,392</td>
<td>(48)</td>
<td>5,344</td>
</tr>
<tr>
<td>Other Europe</td>
<td>8,514</td>
<td>(102)</td>
<td>8,412</td>
</tr>
<tr>
<td>Europe</td>
<td>33,112</td>
<td></td>
<td>32,769</td>
</tr>
<tr>
<td>India</td>
<td>2,669</td>
<td>(2)</td>
<td>2,667</td>
</tr>
<tr>
<td>Vodacom</td>
<td>1,778</td>
<td></td>
<td>1,778</td>
</tr>
<tr>
<td>Other Africa, Middle East and Asia Pacific</td>
<td>3,258</td>
<td></td>
<td>3,258</td>
</tr>
<tr>
<td>Africa, Middle East and Asia Pacific</td>
<td>7,725</td>
<td>(2)</td>
<td>7,723</td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions</td>
<td>614</td>
<td></td>
<td>614</td>
</tr>
<tr>
<td>Group</td>
<td>41,451</td>
<td>(345)</td>
<td>41,106</td>
</tr>
<tr>
<td>Verizon Wireless</td>
<td>14,085</td>
<td></td>
<td>14,085</td>
</tr>
</tbody>
</table>

Notes:

1. The Group’s measure of segment profit, adjusted EBITDA, excludes the Group’s share of results in associates. The Group’s share of results in associates, by segment, for the year ended 31 March 2011 is Other Europe £nil (2010: £nil; 2009: £3 million), Vodacom £nil (2010: £2 million; 2009: £1 million), Other Africa, Middle East and Asia Pacific £51 million (2010: £56 million; 2009: £31 million) and Non-Controlled Interests and Common Functions £5,008 million (2010: £4,688 million; 2009: £4,084 million).

2. Values shown for Verizon Wireless, which is an associate, are not included in the calculation of Group revenue or adjusted EBITDA.
## Financials

A reconciliation of adjusted EBITDA to operating profit is shown below. For a reconciliation of operating profit to profit before taxation, see the consolidated income statement on page 80.

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>14,670</td>
<td>14,735</td>
<td>14,490</td>
</tr>
<tr>
<td>Depreciation, amortisation and loss on disposal of fixed assets</td>
<td>(7,967)</td>
<td>(8,011)</td>
<td>(6,824)</td>
</tr>
<tr>
<td>Share of results in associates</td>
<td>5,059</td>
<td>4,742</td>
<td>4,091</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>(6,150)</td>
<td>(2,100)</td>
<td>(5,900)</td>
</tr>
<tr>
<td>Other income and expense</td>
<td>(16)</td>
<td>114</td>
<td>—</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>5,596</td>
<td>9,480</td>
<td>5,857</td>
</tr>
</tbody>
</table>

### Notes:

1. Comprises goodwill, other intangible assets and property, plant and equipment.
2. Includes additions to property, plant and equipment and computer software, reported within intangible assets.
4. Operating profit

Operating profit has been arrived at after charging/(crediting):

The total remuneration of the Group’s auditor, Deloitte LLP, and its affiliates for services provided to the Group is analysed below:

Note:

1) The increase in the year ended 31 March 2010 primarily arose from the consolidation of Vodacom Group Limited as a subsidiary from 18 May 2009.

In addition to the above, the Group’s joint ventures and associates paid fees totalling £1 million (2010: £2 million, 2009: £3 million) and £5 million (2010: £7 million, 2009: £6 million) respectively to Deloitte LLP and other member firms of Deloitte Touche Tohmatsu Limited during the year. Deloitte LLP and other member firms of Deloitte Touche Tohmatsu Limited have also received amounts totalling less than £1 million in each of the last three years in respect of services provided to pension schemes and charitable foundations associated to the Group.

A description of the work performed by the Audit Committee in order to safeguard auditor independence when non-audit services are provided is set out in “Corporate governance” on page 60.
## 5. Investment income and financing costs

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale investments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends received</td>
<td>83</td>
<td>145</td>
<td>110</td>
</tr>
<tr>
<td>Loans and receivables at amortised cost</td>
<td>339</td>
<td>423</td>
<td>339</td>
</tr>
<tr>
<td>Gain on settlement of loans and receivables(^{(1)})</td>
<td>472</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fair value through the income statement (held for trading):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives — foreign exchange contracts</td>
<td>38</td>
<td>3</td>
<td>71</td>
</tr>
<tr>
<td>Other(^{(2)})</td>
<td>263</td>
<td>92</td>
<td>275</td>
</tr>
<tr>
<td>Equity put rights and similar arrangements(^{(3)})</td>
<td>114</td>
<td>53</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,309</td>
<td>716</td>
<td>795</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing costs:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items in hedge relationships:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other loans</td>
<td>746</td>
<td>888</td>
<td>782</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>(338)</td>
<td>(464)</td>
<td>(180)</td>
</tr>
<tr>
<td>Dividends on redeemable preference shares</td>
<td>58</td>
<td>56</td>
<td>53</td>
</tr>
<tr>
<td>Fair value hedging instrument</td>
<td>(47)</td>
<td>228</td>
<td>(1,458)</td>
</tr>
<tr>
<td>Fair value of hedged item</td>
<td>40</td>
<td>(183)</td>
<td>1,475</td>
</tr>
<tr>
<td>Cash flow hedges transferred from equity</td>
<td>17</td>
<td>82</td>
<td>—</td>
</tr>
<tr>
<td>Other financial liabilities held at amortised cost:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans and overdrafts(^{(4)})</td>
<td>629</td>
<td>591</td>
<td>452</td>
</tr>
<tr>
<td>Other loans(^{(5)})</td>
<td>121</td>
<td>185</td>
<td>440</td>
</tr>
<tr>
<td>Potential interest on settlement of tax issues(^{(6)})</td>
<td>(826)</td>
<td>(178)</td>
<td>(81)</td>
</tr>
<tr>
<td>Equity put rights and similar arrangements(^{(3)})</td>
<td>19</td>
<td>94</td>
<td>627</td>
</tr>
<tr>
<td>Finance leases</td>
<td>9</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Fair value through the income statement (held for trading):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives — forward starting swaps and futures</td>
<td>1</td>
<td>206</td>
<td>308</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>429</td>
<td>1,512</td>
<td>2,419</td>
</tr>
</tbody>
</table>

**Net (investment income)/financing costs**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>(880)</td>
<td></td>
<td>796</td>
<td>1,624</td>
</tr>
</tbody>
</table>

**Notes:**

1. Gain on settlement of loans and receivables issued by SoftBank Mobile Corp.
2. Amounts include foreign exchange gains on investments held following the disposal of Vodafone Japan to SoftBank Corp. and for 2011, foreign exchange gains on net investment in foreign operations.
3. Includes amounts in relation to the Group’s arrangements with its minority partners in India.
4. The Group capitalised £138 million of interest expense in the year (2010: £1 million; 2009: £nil). The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 9.8%.
6. Amounts for 2011, 2010 and 2009 include a reduction of the provision for potential interest on tax issues.
6. Taxation

Income tax expense

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United Kingdom corporation tax expense/(income):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>141</td>
<td>40</td>
<td>(132)</td>
</tr>
<tr>
<td>Adjustments in respect of prior years</td>
<td>(5)</td>
<td>(4)</td>
<td>(318)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>136</td>
<td>36</td>
<td>(450)</td>
</tr>
<tr>
<td><strong>Overseas current tax expense/(income):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>2,152</td>
<td>2,377</td>
<td>2,111</td>
</tr>
<tr>
<td>Adjustments in respect of prior years</td>
<td>(477)</td>
<td>(1,718)</td>
<td>(934)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,675</td>
<td>659</td>
<td>1,177</td>
</tr>
<tr>
<td><strong>Total current tax expense</strong></td>
<td>1,811</td>
<td>695</td>
<td>727</td>
</tr>
</tbody>
</table>

Deferred tax on origination and reversal of temporary differences:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom deferred tax</td>
<td>(275)</td>
<td>(166)</td>
<td>20</td>
</tr>
<tr>
<td>Overseas deferred tax</td>
<td>92</td>
<td>(473)</td>
<td>362</td>
</tr>
<tr>
<td><strong>Total deferred tax (income)/expense</strong></td>
<td>(183)</td>
<td>(639)</td>
<td>382</td>
</tr>
<tr>
<td><strong>Total income tax expense</strong></td>
<td>1,628</td>
<td>56</td>
<td>1,109</td>
</tr>
</tbody>
</table>

Tax (credited)/charged directly to other comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax (credit)/charge</td>
<td>(14)</td>
<td>(38)</td>
<td>133</td>
</tr>
<tr>
<td>Deferred tax (credit)/charge</td>
<td>(117)</td>
<td>137</td>
<td>(72)</td>
</tr>
<tr>
<td><strong>Total tax (credited)/charged directly to other comprehensive income</strong></td>
<td>(131)</td>
<td>99</td>
<td>61</td>
</tr>
</tbody>
</table>

Tax (credited)/charged directly to equity

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax (credit)/charge</td>
<td>(5)</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td>Deferred tax (credit)/charge</td>
<td>(19)</td>
<td>(10)</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total tax (credited)/charged directly to equity</strong></td>
<td>(24)</td>
<td>(11)</td>
<td>9</td>
</tr>
</tbody>
</table>

Factors affecting tax expense for the year

The table below explains the differences between the expected tax expense on continuing operations, at the UK statutory tax rate of 28%, and the Group's total tax expense for each year. Further discussion of the current year tax expenses can be found in the section titled "Operating results" on page 35. Subsequently, the UK statutory tax rate reduced to 26%, effective from 1 April 2011 and the impact on the year end tax balances is included in 'effect of current year changes in statutory tax rates' below.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit before tax as shown in the consolidated income statement</strong></td>
<td>9,498</td>
<td>8,674</td>
<td>4,189</td>
</tr>
<tr>
<td>Expected income tax expense on profit at UK statutory tax rate</td>
<td>2,659</td>
<td>2,429</td>
<td>1,173</td>
</tr>
<tr>
<td>Effect of taxation of associates, reported within operating profit</td>
<td>145</td>
<td>160</td>
<td>118</td>
</tr>
<tr>
<td>Impairment losses with no tax effect</td>
<td>1,722</td>
<td>588</td>
<td>1,652</td>
</tr>
<tr>
<td>Impact of agreement of German write down losses(1)</td>
<td>—</td>
<td>(2,103)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Expected income tax expense at UK statutory rate on profit from continuing operations, before impairment losses and taxation of associates</strong></td>
<td>4,526</td>
<td>1,074</td>
<td>2,943</td>
</tr>
<tr>
<td>Effect of different statutory tax rates of overseas jurisdictions(2)</td>
<td>(141)</td>
<td>516</td>
<td>382</td>
</tr>
<tr>
<td>Effect of current year changes in statutory tax rates</td>
<td>(29)</td>
<td>35</td>
<td>(31)</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>143</td>
<td>5</td>
<td>(26)</td>
</tr>
<tr>
<td>Assets revalued for tax purposes</td>
<td>(21)</td>
<td>—</td>
<td>(155)</td>
</tr>
<tr>
<td>Effect of previously unrecognised temporary differences including losses(3)</td>
<td>(2,122)</td>
<td>(1,040)</td>
<td>(881)</td>
</tr>
<tr>
<td>Adjustments in respect of prior years(1)</td>
<td>(1,028)</td>
<td>(387)</td>
<td>(1,124)</td>
</tr>
<tr>
<td>Expenses not deductible for tax purposes and other items</td>
<td>677</td>
<td>425</td>
<td>423</td>
</tr>
<tr>
<td>Exclude taxation of associates</td>
<td>(519)</td>
<td>(572)</td>
<td>(422)</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>1,628</td>
<td>56</td>
<td>1,109</td>
</tr>
</tbody>
</table>

Notes:
(1) See "Taxation" on page 40.
(2) 2011 includes the impact of the disposal of China Mobile Limited.
(3) See note below regarding deferred tax asset recognition in Luxembourg.
Deferred tax

Analysis of movements in the net deferred tax balance during the year:

<table>
<thead>
<tr>
<th>Source</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Exchange movements</td>
<td>305.00</td>
</tr>
<tr>
<td>Credited to the income statement</td>
<td>183.00</td>
</tr>
<tr>
<td>Credited directly to OCI</td>
<td>117.00</td>
</tr>
<tr>
<td>Credited directly to equity</td>
<td>19.00</td>
</tr>
<tr>
<td>Reclassification to current tax(1)</td>
<td>1,249</td>
</tr>
<tr>
<td>Arising on acquisition</td>
<td>3.00</td>
</tr>
<tr>
<td>31 March 2011</td>
<td>(4,468)</td>
</tr>
</tbody>
</table>

Note:
(1) See note below regarding CFC settlement.

Deferred tax assets and liabilities, before offset of balances within countries, are as follows:

<table>
<thead>
<tr>
<th>Source</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Amount credited/(charged)</td>
<td>£m</td>
</tr>
<tr>
<td>in income statement</td>
<td></td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>(1,374)</td>
</tr>
<tr>
<td>Tax losses</td>
<td>1,198</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>764</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(405)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Gross deferred tax asset</td>
<td>£m</td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>253.00</td>
</tr>
<tr>
<td>Tax losses</td>
<td>27,882.00</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(1,775)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(2,844)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Gross deferred tax liability</td>
<td>£m</td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>(3,682)</td>
</tr>
<tr>
<td>Tax losses</td>
<td>(25,784)</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(1,775)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(3,408)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Less amounts unrecongnised</td>
<td>£m</td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>(3,429)</td>
</tr>
<tr>
<td>Tax losses</td>
<td>2,098.00</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(1,775)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(1,362)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Net recognised deferred tax asset/(liability)</td>
<td>£m</td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>627.00</td>
</tr>
<tr>
<td>Tax losses</td>
<td>(27,185)</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(4,086)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(2,295)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>31 March 2011</td>
<td>(2,255)</td>
</tr>
</tbody>
</table>

Analysed in the statement of financial position, after offset of balances within countries, as:

<table>
<thead>
<tr>
<th>Source</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax asset</td>
<td>2,018.00</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>(6,486)</td>
</tr>
<tr>
<td>31 March 2011</td>
<td>(4,468)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Amount credited/(charged)</td>
<td>£m</td>
</tr>
<tr>
<td>in income statement</td>
<td></td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>(577)</td>
</tr>
<tr>
<td>Tax losses</td>
<td>493.00</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(22)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>745</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Gross deferred tax asset</td>
<td>£m</td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>627.00</td>
</tr>
<tr>
<td>Tax losses</td>
<td>27,816.00</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(4,086)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(3,135)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Gross deferred tax liability</td>
<td>£m</td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>(2,881)</td>
</tr>
<tr>
<td>Tax losses</td>
<td>(27,185)</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(4,086)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(2,295)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Less amounts unrecongnised</td>
<td>£m</td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>(1)</td>
</tr>
<tr>
<td>Tax losses</td>
<td>631.00</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(4,086)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(634)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Net recognised deferred tax asset/(liability)</td>
<td>£m</td>
</tr>
<tr>
<td>Accelerated tax depreciation</td>
<td>(2,255)</td>
</tr>
<tr>
<td>Tax losses</td>
<td>631.00</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>(4,086)</td>
</tr>
<tr>
<td>Other short-term temporary differences</td>
<td>(634)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>31 March 2010</td>
<td>(6,344)</td>
</tr>
</tbody>
</table>

Factors affecting the tax charge in future years

Factors that may affect the Group’s future tax charge include the impact of corporate restructurings, the resolution of open issues, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

The Group is routinely subject to audit by tax authorities in the territories in which it operates, and the items discussed below have reached litigation. The Group holds provisions in respect of the potential tax liability that may arise, however, the amount ultimately paid may differ materially from the amount accrued and could therefore affect the Group’s overall profitability and cash flows in future periods.

On 22 July 2010 Vodafone reached agreement with the UK tax authorities with respect to the UK Controlled Foreign Company ("CFC") tax case. Vodafone will pay £1.25 billion to settle all outstanding CFC issues from 2001 to date and has also reached agreement that no further UK CFC tax liabilities will arise in the near future under current legislation. Longer term, no CFC liabilities are expected to arise as a consequence of the likely reforms of the UK CFC regime due to the facts established in this agreement.

A Spanish subsidiary, Vodafone Holdings Europe SL ("VHESL"), has resolved its dispute with the Spanish tax authorities regarding the tax treatment of interest expenses claimed in the accounting periods ended 31 March 2003 and 31 March 2004.
At 31 March 2011 the gross amount and expiry dates of losses available for carry forward are as follows:

<table>
<thead>
<tr>
<th>Losses for which a deferred tax asset is recognised</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanding within 5 years</td>
<td>1</td>
<td>8,081</td>
<td>8,082</td>
<td></td>
</tr>
<tr>
<td>Expanding within 6-10 years</td>
<td>2,198</td>
<td>559</td>
<td>102,932</td>
<td>105,689</td>
</tr>
</tbody>
</table>

The losses arising on the write down of investments in Germany are available to use against both German federal and trade tax liabilities. Losses of £3,892 million (2010: £3,922 million) are included in the above table on which a deferred tax asset has been recognised. The Group has not recognised a deferred tax asset on £13,389 million (2010: £14,544) of the losses as it is uncertain that these losses will be utilised.

Included in the table above are losses amounting to £1,907 million (2010: £1,909 million) in respect of UK subsidiaries which are only available for offset against future capital gains and since it is uncertain whether these losses will be utilised, no deferred tax asset has been recognised.

The losses above also include £82,725 million (2010: £83,168 million) that have arisen in overseas holding companies as a result of revaluations of those companies’ investments for local GAAP purposes. No deferred tax asset is recognised in respect of £78,757 million of these losses as it is uncertain whether these losses will be utilised. A deferred tax asset has been recognised for the remainder of these losses (see below).

A total deferred tax asset of £1,143 million has been recognised in relation to some of the losses of a fiscal unity in Luxembourg as the members of this fiscal unity are expected to generate taxable profits against which these losses will be utilised. £856 million of the asset has been recognised as a result of the agreement reached with the UK tax authorities in respect of the CFC tax case (discussed above).

The Group holds provisions in respect of deferred taxation that would arise if temporary differences on investments in subsidiaries, associates and interests in joint ventures were to be realised after the year end reporting date. No deferred tax liability has been recognised in respect of a further £41,607 million (2010: £51,783 million) of unremitted earnings of subsidiaries and joint ventures because the Group is in a position to control the timing of the reversal of the temporary difference and it is probable that such differences will not reverse in the foreseeable future. It is not practicable to estimate the amount of unrecognised deferred tax liabilities in respect of these unremitted earnings.

7. Equity dividends

<table>
<thead>
<tr>
<th>Declared during the financial year:</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final dividend for the year ended 31 March 2010: 5.65 pence per share (2009: 5.20 pence per share, 2008: 5.02 pence per share)</td>
<td>2,976</td>
<td>2,731</td>
<td>2,667</td>
</tr>
<tr>
<td>Interim dividend for the year ended 31 March 2011: 2.85 pence per share (2010: 2.66 pence per share, 2009: 2.57 pence per share)</td>
<td>1,492</td>
<td>1,400</td>
<td>1,350</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,468</strong></td>
<td><strong>4,131</strong></td>
<td><strong>4,017</strong></td>
</tr>
</tbody>
</table>

| Proposed after the end of reporting period and not recognised as a liability: | £m | £m |
|---|---|
| Final dividend for the year ended 31 March 2011: 6.05 pence per share (2010: 5.65 pence per share, 2009: 5.20 pence per share) | 3,106 | 2,976 | 2,731 |

8. Earnings per share

<table>
<thead>
<tr>
<th>Weighted average number of shares for basic earnings per share</th>
<th>2011 Millions</th>
<th>2010 Millions</th>
<th>2009 Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>52,408</td>
<td>52,595</td>
<td>52,737</td>
<td></td>
</tr>
</tbody>
</table>

| Effect of dilutive potential shares: restricted shares and share options | 340 | 254 | 232 |

| Weighted average number of shares for diluted earnings per share | 52,748 | 52,849 | 52,969 |

| Earnings for basic and diluted earnings per share | £m | £m | £m |
|---|---|---|
| 7,968 | 8,645 | 3,078 |
9. Intangible assets

For licences and spectrum and other intangible assets, amortisation is included within the cost of sales line within the consolidated income statement. Licences and spectrum with a net book value of £3,845 million (2010: £2,570 million) have been pledged as security against borrowings.

The net book value at 31 March 2011 and expiry dates of the most significant licences are as follows:

<table>
<thead>
<tr>
<th>Expiry date</th>
<th>2011 (£m)</th>
<th>2010 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>December 2020/2025</td>
<td>5,540</td>
</tr>
<tr>
<td>UK</td>
<td>December 2021</td>
<td>3,581</td>
</tr>
<tr>
<td>India</td>
<td>September 2030</td>
<td>1,746</td>
</tr>
<tr>
<td>Qatar</td>
<td>June 2028</td>
<td>1,187</td>
</tr>
<tr>
<td>Italy</td>
<td>December 2021</td>
<td>1,002</td>
</tr>
</tbody>
</table>

During the 2011 financial year the Group completed a number of smaller acquisitions for net cash consideration of £46 million paid during the year. The aggregate fair values of goodwill, identifiable assets and liabilities of the acquired operations were £24 million, £25 million and £3 million, respectively. In addition, the Group completed the acquisition of certain non-controlling interests for net cash consideration of £137 million.

During the year ended 31 March 2010, the aggregate cash consideration in respect of purchases of interests in subsidiaries and joint ventures, net of cash acquired, was as follows:

<table>
<thead>
<tr>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash consideration paid:</td>
</tr>
<tr>
<td>Vodacom Group Limited</td>
</tr>
<tr>
<td>Other acquisitions completed during the year</td>
</tr>
<tr>
<td>Acquisitions of non-controlling interests</td>
</tr>
<tr>
<td>Acquisitions completed in previous years</td>
</tr>
<tr>
<td>1,733</td>
</tr>
<tr>
<td>Net overdrafts acquired</td>
</tr>
<tr>
<td>1,777</td>
</tr>
</tbody>
</table>
Notes to the consolidated financial statements continued

Total goodwill acquired was £1,185 million and included £1,193 million in relation to Vodacom, £27 million in relation to other acquisitions completed during the year and a reduction of £35 million resulting from amendments to provisional purchase price allocations on acquisitions completed in previous periods. In addition, there was a reduction of £102 million in relation to the merger of Vodafone Hutchison Australia.

Vodacom Group Limited ("Vodacom")

On 20 April 2009 the Group acquired an additional 15% stake in Vodacom for cash consideration of ZAR 20.6 billion (£1.6 billion). On 18 May 2009 Vodacom became a subsidiary following the listing of its shares on the Johannesburg Stock Exchange and concurrent termination of the shareholder agreement with Telkom SA Limited, the seller and previous joint venture partner. During the period from 20 April 2009 to 18 May 2009 the Group continued to account for Vodacom as a joint venture, proportionately consolidating 65% of the results of Vodacom.

The results of the acquired entity were consolidated in the income statement from 18 May 2009. From 18 May 2009 to 31 March 2010 the acquired entity contributed £90 million to the profit attributable to equity shareholders of the Group.

The purchase price allocation is set out in the table below:

<table>
<thead>
<tr>
<th>Net assets acquired:</th>
<th>Bookvalue £m</th>
<th>Fair value adjustments £m</th>
<th>Fairvalue £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifiable intangible assets(1)</td>
<td>271</td>
<td>2,931</td>
<td>3,202</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,603</td>
<td></td>
<td>1,603</td>
</tr>
<tr>
<td>Other investments</td>
<td>25</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Inventory</td>
<td>56</td>
<td></td>
<td>56</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>870</td>
<td></td>
<td>870</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>58</td>
<td></td>
<td>58</td>
</tr>
<tr>
<td>Current and deferred taxation liabilities</td>
<td>(140)</td>
<td>(834)</td>
<td>(974)</td>
</tr>
<tr>
<td>Short and long-term borrowings</td>
<td>(1,312)</td>
<td></td>
<td>(1,312)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(897)</td>
<td>8</td>
<td>(889)</td>
</tr>
<tr>
<td><strong>Net identifiable assets acquired</strong></td>
<td>534</td>
<td>2,105</td>
<td>2,639</td>
</tr>
<tr>
<td><strong>Goodwill(2)</strong></td>
<td></td>
<td></td>
<td>1,193</td>
</tr>
<tr>
<td><strong>Total asset acquired</strong></td>
<td>3,832</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td></td>
<td>(973)</td>
<td></td>
</tr>
<tr>
<td><strong>Revaluation gain</strong></td>
<td></td>
<td>(860)</td>
<td></td>
</tr>
<tr>
<td><strong>Value of investment held prior to acquisition</strong></td>
<td></td>
<td>(422)</td>
<td></td>
</tr>
<tr>
<td><strong>Total consideration(3)</strong></td>
<td></td>
<td></td>
<td>1,577</td>
</tr>
</tbody>
</table>

Notes:

(1) Identifiable intangible assets of £3,202 million consist of licences and spectrum fees of £1,454 million and other intangible assets of £1,748 million.

(2) The goodwill is attributable to the expected profitability of the acquired business and the synergies expected to arise after the Group’s acquisition of Vodacom.

(3) Includes £5 million of directly attributable costs.

10. Impairment

Impairment losses

The net impairment losses recognised in the consolidated income statement, as a separate line item within operating profit, in respect of goodwill and licences and spectrum fees are as follows:

<table>
<thead>
<tr>
<th>Cash generating unit</th>
<th>Reportable segment</th>
<th>2011(1) £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>Italy</td>
<td>1,050</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>Spain</td>
<td>2,950</td>
<td></td>
<td>3,400</td>
</tr>
<tr>
<td>Greece</td>
<td>Other Europe(2)</td>
<td>800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>Other Europe(2)</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>Other Europe(2)</td>
<td>350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Other Europe</td>
<td>—</td>
<td>(200)</td>
<td>2,250</td>
</tr>
<tr>
<td>India</td>
<td>India</td>
<td>—</td>
<td>2,300</td>
<td></td>
</tr>
<tr>
<td>Ghana</td>
<td>Other Africa, Middle East and Asia Pacific</td>
<td>—</td>
<td>—</td>
<td>250</td>
</tr>
</tbody>
</table>

**6,150** | **2,100** | **5,900**

Notes:

(1) Impairment charges for the year ended 31 March 2011 relate solely to goodwill.

(2) Total impairment losses in the Other Europe segment were £2,150 million in the year ended 31 March 2011.
Year ended 31 March 2011

The impairment losses were based on value in use calculations. The pre-tax adjusted discount rates used in the most recent value in use calculation in the year ended 31 March 2011 are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-tax adjusted discount rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>11.3%</td>
</tr>
<tr>
<td>Spain</td>
<td>11.5%</td>
</tr>
<tr>
<td>Greece</td>
<td>14.0%</td>
</tr>
<tr>
<td>Ireland</td>
<td>14.5%</td>
</tr>
<tr>
<td>Portugal</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

During the year ended 31 March 2011 the goodwill in relation to the Group’s investments in Italy, Spain, Greece, Ireland and Portugal was impaired by £1,050 million, £2,950 million, £800 million, £1,000 million and £350 million, respectively. The impairment charges were primarily driven by increased discount rates as a result of increases in government bond rates. In addition, business valuations were negatively impacted by lower cash flows within business plans, reflecting weaker country-level macro economic environments.

The pre-tax risk adjusted discount rates used in the previous value in use calculations at 31 March 2010 are disclosed below.

Year ended 31 March 2010

The net impairment losses were based on value in use calculations. The pre-tax adjusted discount rates used in the value in use calculation in the year ended 31 March 2010 were as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-tax adjusted discount rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>13.8%</td>
</tr>
<tr>
<td>Turkey</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

During the year ended 31 March 2010 the goodwill in relation to the Group’s operations in India was impaired by £2,300 million primarily due to intense price competition following the entry of a number of new operators into the market. The pre-tax risk adjusted discount rate used in the previous value in use calculation at 31 March 2009 was 12.3%.

In addition, impairment losses of £200 million, previously recognised in respect of intangible assets in relation to the Group’s operations in Turkey, were reversed. The reversal was in relation to licences and spectrum and was as a result of favourable changes in the discount rate. The cash flow projections within the business plans used for impairment testing were substantially unchanged from those used at 31 March 2009. The pre-tax risk adjusted discount rate used in the previous value in use calculation at 31 March 2009 was 19.5%.

Year ended 31 March 2009

The impairment losses were based on value in use calculations. The pre-tax adjusted discount rates used in the value in use calculation in the year ended 31 March 2009 were as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-tax adjusted discount rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>10.3%</td>
</tr>
<tr>
<td>Turkey</td>
<td>19.5%</td>
</tr>
<tr>
<td>Ghana</td>
<td>26.9%</td>
</tr>
</tbody>
</table>

During the year ended 31 March 2009 the goodwill in relation to the Group’s operations in Spain was impaired by £3,400 million following a fall in long-term cash flow forecasts resulting from the economic downturn.

In addition, the goodwill and other intangible assets in relation to the Group’s operations in Turkey was impaired by £2,250 million. At 30 September 2008 the goodwill was impaired by £1,700 million following adverse movements in the discount rate and adverse performance against previous plans. During the second half of the 2009 financial year, impairment losses of £300 million in relation to goodwill and £250 million in relation to licences and spectrum resulted from adverse changes in both the discount rate and a fall in the long-term GDP growth rate. The cash flow projections within the business plans used for impairment testing were substantially unchanged from those used at 30 September 2008.

The goodwill in relation to the Group’s operations in Ghana was also impaired by £250 million following an increase in the discount rate.

Goodwill

The carrying value of goodwill at 31 March was as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>2011 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>12,200   12,301</td>
</tr>
<tr>
<td>Italy</td>
<td>13,615   14,786</td>
</tr>
<tr>
<td>Spain</td>
<td>7,133    10,167</td>
</tr>
<tr>
<td>Other</td>
<td>12,288   14,584</td>
</tr>
<tr>
<td></td>
<td>45,236   51,838</td>
</tr>
</tbody>
</table>
The key assumptions used in determining the value in use are:

<table>
<thead>
<tr>
<th>Assumption</th>
<th>How determined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted adjusted EBITDA</td>
<td>Budgeted adjusted EBITDA has been based on past experience adjusted for the following:</td>
</tr>
<tr>
<td></td>
<td>• voice and messaging revenue is expected to benefit from increased usage from new customers, the introduction of new services and traffic moving from fixed networks to mobile networks, though these factors will be offset by increased competitor activity, which may result in price declines, and the trend of falling termination rates;</td>
</tr>
<tr>
<td></td>
<td>• non-messaging data revenue is expected to continue to grow strongly as the penetration of 3G enabled devices and smartphones rises and new products and services are introduced; and</td>
</tr>
<tr>
<td></td>
<td>• margins are expected to be impacted by negative factors such as an increase in the cost of acquiring and retaining customers in increasingly competitive markets and the expectation of further termination rate cuts by regulators and by positive factors such as the efficiencies expected from the implementation of Group initiatives.</td>
</tr>
<tr>
<td>Budgeted capital expenditure</td>
<td>The cash flow forecasts for capital expenditure are based on past experience and include the ongoing capital expenditure required to roll out networks in emerging markets, to provide enhanced voice and data products and services and to meet the population coverage requirements of certain of the Group’s licences. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and computer software.</td>
</tr>
<tr>
<td>Long-term growth rate</td>
<td>For businesses where the five year management plans are used for the Group’s value in use calculations, a long-term growth rate into perpetuity has been determined as the lower of:</td>
</tr>
<tr>
<td></td>
<td>• the nominal GDP rates for the country of operation; and</td>
</tr>
<tr>
<td></td>
<td>• the long-term compound annual growth rate in adjusted EBITDA in years six to ten estimated by management.</td>
</tr>
<tr>
<td>Pre-tax risk adjusted discount rate</td>
<td>The discount rate applied to the cash flows of each of the Group’s operations is generally based on the risk free rate for ten year bonds issued by the government in the respective market. Where government bond rates contain a material component of credit risk, high quality local corporate bond rates may be used.</td>
</tr>
<tr>
<td></td>
<td>These rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific Group operating company. In making this adjustment, inputs required are the equity market risk premium (that is the required increased return required over and above a risk free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the specific Group operating company relative to the market as a whole.</td>
</tr>
</tbody>
</table>
| | In determining the risk adjusted discount rate, management has applied an adjustment for the systematic risk to each of the Group’s operations determined using an average of the betas of comparable listed mobile telecommunications companies and, where available and appropriate, across a specific territory. Management has used a forward-looking equity market risk premium that takes into consideration both studies by independent economists, the average equity market risk premium over the past ten years and the market risk premiums typically used by investment banks in evaluating acquisition proposals.
Other than as disclosed below, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of any cash generating unit to exceed its recoverable amount.

31 March 2011

The estimated recoverable amounts of the Group's operations in Italy, Spain, Greece, Ireland and Portugal equalled their respective carrying values and, consequently, any adverse change in key assumptions would, in isolation, cause a further impairment loss to be recognised. The estimated recoverable amounts of the Group's operations in Turkey, India and Ghana exceeded their carrying values by approximately £1,481 million, £977 million and £138 million, respectively.
The table below shows the key assumptions used in the value in use calculations.

<table>
<thead>
<tr>
<th>Country</th>
<th>Assumptions used in value in use calculation</th>
<th>Pre-tax adjusted discount rate</th>
<th>Long-term growth rate</th>
<th>Budgeted adjusted EBITDA(1)</th>
<th>Budgeted capital expenditure(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td></td>
<td>11.9%</td>
<td>0.8%</td>
<td>(1.0)</td>
<td>9.6% - 11.3%</td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td>11.5%</td>
<td>1.6%</td>
<td>—</td>
<td>7.8 - 10.6%</td>
</tr>
<tr>
<td>Greece</td>
<td></td>
<td>14.0%</td>
<td>2.0%</td>
<td>1.2</td>
<td>10.7 - 12.3%</td>
</tr>
<tr>
<td>Ireland</td>
<td></td>
<td>14.5%</td>
<td>2.0%</td>
<td>2.4</td>
<td>9.4 - 11.6%</td>
</tr>
<tr>
<td>Portugal</td>
<td></td>
<td>14.0%</td>
<td>1.5%</td>
<td>(1.2)</td>
<td>12.4 - 14.1%</td>
</tr>
<tr>
<td>Turkey</td>
<td></td>
<td>14.1%</td>
<td>6.1%</td>
<td>16.8</td>
<td>10.0 - 16.6%</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td>14.2%</td>
<td>6.3%</td>
<td>16.5</td>
<td>12.9 - 22.7%</td>
</tr>
<tr>
<td>Ghana</td>
<td></td>
<td>20.8%</td>
<td>6.3%</td>
<td>41.4</td>
<td>7.3 - 41.3%</td>
</tr>
</tbody>
</table>

Notes:
1. Budgeted adjusted EBITDA is expressed as the compound annual growth rates in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.
2. Budgeted capital expenditure is expressed as the range of capital expenditure as a percentage of revenue in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.

The table below shows, for Turkey, India and Ghana, the amount by which each key assumption must change in isolation in order for the estimated recoverable amount to be equal to its carrying value.

<table>
<thead>
<tr>
<th>Country</th>
<th>Change required for the carrying value to equal the recoverable amount(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Turkey (p)</td>
</tr>
<tr>
<td>Pre-tax adjusted discount rate</td>
<td>5.6%</td>
</tr>
<tr>
<td>Long-term growth rate</td>
<td>(19.6)%</td>
</tr>
<tr>
<td>Budgeted adjusted EBITDA(2)</td>
<td>(4.7)%</td>
</tr>
<tr>
<td>Budgeted capital expenditure(3)</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Notes:
1. The recoverable amount for Greece, which was impaired at 30 September 2010, equals the carrying value at 31 March 2011.
2. Budgeted adjusted EBITDA is expressed as the compound annual growth rates in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.
3. Budgeted capital expenditure is expressed as the range of capital expenditure as a percentage of revenue in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.

The changes in the following table to assumptions used in the impairment review would, in isolation, lead to an (increase)/decrease to the aggregate impairment loss recognised in the year ended 31 March 2011:

<table>
<thead>
<tr>
<th>Country</th>
<th>Increase by 2 pps Ebn</th>
<th>Decrease by 2 pps Ebn</th>
<th>Increase by 2 pps Ebn</th>
<th>Decrease by 2 pps Ebn</th>
<th>Increase by 2 pps Ebn</th>
<th>Decrease by 2 pps Ebn</th>
<th>Increase by 2 pps Ebn</th>
<th>Decrease by 2 pps Ebn</th>
<th>Increase by 2 pps Ebn</th>
<th>Decrease by 2 pps Ebn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>(2.4)</td>
<td>1.0%</td>
<td>(1.5)</td>
<td>2.2%</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.3)</td>
<td>0.4%</td>
<td>(0.7)</td>
<td>—</td>
</tr>
<tr>
<td>Spain</td>
<td>(2.2)</td>
<td>1.0%</td>
<td>(2.2)</td>
<td>1.3%</td>
<td>(0.1)</td>
<td>0.2%</td>
<td>0.1%</td>
<td>0.4%</td>
<td>(0.3)</td>
<td>—</td>
</tr>
<tr>
<td>Greece</td>
<td>1.0%</td>
<td>(2.0)</td>
<td>1.4%</td>
<td>(1.3)</td>
<td>(0.2)</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.3%</td>
<td>(0.3)</td>
<td>—</td>
</tr>
<tr>
<td>Ireland</td>
<td>(1.1)</td>
<td>1.0%</td>
<td>(1.0)</td>
<td>1.0%</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>—</td>
</tr>
</tbody>
</table>

Notes:
1. Budgeted adjusted EBITDA is expressed as the compound annual growth rates in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.
2. Budgeted capital expenditure is expressed as the range of capital expenditure as a percentage of revenue in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.

### 31 March 2010

The estimated recoverable amount of the Group’s operations in India equalled its respective carrying value at 31 March 2010 and, consequently, any adverse change in key assumptions would, in isolation, cause a further impairment loss to be recognised. The estimated recoverable amount of the Group’s operations in Turkey, Germany, Ghana, Greece, Ireland, Italy, Portugal, Romania, Spain and the UK exceeded their carrying value by approximately £130 million, £4,752 million, £18 million, £118 million, £259 million, £1,253 million, £1,182 million, £372 million and £1,207 million respectively.

The table below shows the key assumptions used in the value in use calculations.
Notes:

(1) Budgeted adjusted EBITDA is expressed as the compound annual growth rates in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.

(2) Budgeted capital expenditure is expressed as the range of capital expenditure as a percentage of revenue in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.
The table below shows, for Turkey, Germany, Ghana, Greece, Ireland, Italy, Portugal, Romania, Spain and the United Kingdom, the amount by which each key assumption must change in isolation in order for the estimated recoverable amount to be equal to its carrying value.

<table>
<thead>
<tr>
<th></th>
<th>Turkey</th>
<th>Germany</th>
<th>Ghana</th>
<th>Greece</th>
<th>Ireland</th>
<th>Italy</th>
<th>Portugal</th>
<th>Romania</th>
<th>Spain</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax adjusted discount rate</td>
<td>0.5</td>
<td>1.8</td>
<td>1.0</td>
<td>0.7</td>
<td>1.0</td>
<td>0.8</td>
<td>4.5</td>
<td>2.0</td>
<td>0.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Long-term growth rate</td>
<td>(1.1)</td>
<td>(1.9)</td>
<td>(5.1)</td>
<td>(0.9)</td>
<td>(1.2)</td>
<td>(0.8)</td>
<td>(5.6)</td>
<td>(2.6)</td>
<td>(0.6)</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Budgeted adjusted EBITDA(1)</td>
<td>(2.0)</td>
<td>n/a</td>
<td>(2.8)</td>
<td>(3.7)</td>
<td>(8.7)</td>
<td>(5.0)</td>
<td>n/a</td>
<td>(14.1)</td>
<td>(4.5)</td>
<td>(7.8)</td>
</tr>
<tr>
<td>Budgeted capital expenditure(2)</td>
<td>1.5</td>
<td>n/a</td>
<td>2.5</td>
<td>2.8</td>
<td>7.0</td>
<td>5.1</td>
<td>n/a</td>
<td>13.8</td>
<td>3.5</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Notes:

(1) Budgeted adjusted EBITDA is expressed as the compound annual growth rates in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.

(2) Budgeted capital expenditure is expressed as the range of capital expenditure as a percentage of revenue in the initial ten years for Turkey and Ghana and the initial five years for all other cash generating units of the plans used for impairment testing.

11. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Land and buildings £m</th>
<th>Equipment, fixtures and fittings £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 April 2009</td>
<td>1,421</td>
<td>43,943</td>
<td>45,364</td>
</tr>
<tr>
<td>Exchange movements</td>
<td>(6)</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Arising on acquisition</td>
<td>157</td>
<td>1,457</td>
<td>1,614</td>
</tr>
<tr>
<td>Additions</td>
<td>115</td>
<td>4,878</td>
<td>4,993</td>
</tr>
<tr>
<td>Disposals</td>
<td>(27)</td>
<td>(1,109)</td>
<td>(1,136)</td>
</tr>
<tr>
<td>Change in consolidation status</td>
<td>(107)</td>
<td>(2,274)</td>
<td>(2,381)</td>
</tr>
<tr>
<td>Other</td>
<td>(24)</td>
<td>(58)</td>
<td>(34)</td>
</tr>
<tr>
<td>31 March 2010</td>
<td>1,577</td>
<td>46,845</td>
<td>48,422</td>
</tr>
<tr>
<td>Exchange movements</td>
<td>(16)</td>
<td>(678)</td>
<td>(694)</td>
</tr>
<tr>
<td>Additions</td>
<td>122</td>
<td>4,604</td>
<td>4,726</td>
</tr>
<tr>
<td>Disposals</td>
<td>(21)</td>
<td>(3,001)</td>
<td>(3,022)</td>
</tr>
<tr>
<td>Other</td>
<td>69</td>
<td>(732)</td>
<td>(663)</td>
</tr>
<tr>
<td>31 March 2011</td>
<td>1,731</td>
<td>47,038</td>
<td>48,769</td>
</tr>
</tbody>
</table>

Accumulated depreciation and impairment:

<table>
<thead>
<tr>
<th></th>
<th>Land and buildings £m</th>
<th>Equipment, fixtures and fittings £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 April 2009</td>
<td>583</td>
<td>25,531</td>
<td>26,114</td>
</tr>
<tr>
<td>Exchange movements</td>
<td>(12)</td>
<td>(260)</td>
<td>(272)</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>102</td>
<td>4,354</td>
<td>4,456</td>
</tr>
<tr>
<td>Disposals</td>
<td>(10)</td>
<td>(995)</td>
<td>(1,005)</td>
</tr>
<tr>
<td>Change in consolidation status</td>
<td>(28)</td>
<td>(1,461)</td>
<td>(1,489)</td>
</tr>
<tr>
<td>Other</td>
<td>(2)</td>
<td>(22)</td>
<td>(24)</td>
</tr>
<tr>
<td>31 March 2010</td>
<td>633</td>
<td>27,147</td>
<td>27,780</td>
</tr>
<tr>
<td>Exchange movements</td>
<td>(4)</td>
<td>(114)</td>
<td>(118)</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>99</td>
<td>4,273</td>
<td>4,372</td>
</tr>
<tr>
<td>Disposals</td>
<td>(19)</td>
<td>(2,942)</td>
<td>(2,961)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>(485)</td>
<td>(485)</td>
</tr>
<tr>
<td>31 March 2011</td>
<td>709</td>
<td>27,879</td>
<td>28,588</td>
</tr>
</tbody>
</table>

Net book value:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2010</th>
<th>31 March 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>944</td>
<td>1,022</td>
<td></td>
</tr>
<tr>
<td>19,698</td>
<td>19,159</td>
<td></td>
</tr>
<tr>
<td>20,642</td>
<td>20,181</td>
<td></td>
</tr>
</tbody>
</table>

The net book value of land and buildings and equipment, fixtures and fittings includes £131 million and £155 million respectively (2010: £91 million and £111 million) in relation to assets held under finance leases. Included in the net book value of land and buildings and equipment, fixtures and fittings are assets in the course of construction, which are not depreciated, with a cost of £38 million and £2.375 million respectively (2010: £45 million and £1.496 million). Property, plant and equipment with a net book value of £972 million (2010: £389 million) has been pledged as security against borrowings.
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### Financials

#### 12. Principal subsidiaries

At 31 March 2011 the Company had the following principal subsidiaries carrying on businesses which affect the profits and assets of the Group. Unless otherwise stated the Company’s principal subsidiaries all have share capital consisting solely of ordinary shares and are indirectly held. The country of incorporation or registration of all subsidiaries is also their principal place of operation. All subsidiaries are directly or indirectly owned by the Company except for Vodafone Qatar Q.S.C. (1)

<table>
<thead>
<tr>
<th>Name</th>
<th>Principal activity</th>
<th>Country of incorporation or registration</th>
<th>Percentage shareholdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodafone Business Africa Group (PTY) Limited(3)(4)</td>
<td>Holding company</td>
<td>South Africa</td>
<td>66.0</td>
</tr>
<tr>
<td>Ghana Telecommunications Company Limited</td>
<td>Network operator</td>
<td>Ghana</td>
<td>70.0</td>
</tr>
<tr>
<td>VM, SA(4)(5)</td>
<td>Network operator</td>
<td>Mozambique</td>
<td>56.1</td>
</tr>
<tr>
<td>Vodafone Congo (RDC) s.p.r.l.(4)</td>
<td>Network operator</td>
<td>Democratic Republic of Congo</td>
<td>33.7</td>
</tr>
<tr>
<td>Vodafone Group Limited(6)</td>
<td>Network operator</td>
<td>South Africa</td>
<td>66.0</td>
</tr>
<tr>
<td>Vodafone Lesotho (Pty) Limited(4)</td>
<td>Network operator</td>
<td>Lesotho</td>
<td>52.8</td>
</tr>
<tr>
<td>Vodafone Tanzania Limited(4)</td>
<td>Network operator</td>
<td>Tanzania</td>
<td>42.9</td>
</tr>
<tr>
<td>Vodafone Albania Sh.A.</td>
<td>Network operator</td>
<td>Albania</td>
<td>99.9</td>
</tr>
<tr>
<td>Vodafone Americas Inc.(7)</td>
<td>Holding company</td>
<td>US</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Czech Republic a.s.</td>
<td>Network operator</td>
<td>Czech</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone D2 GmbH</td>
<td>Network operator</td>
<td>Republic</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Egypt Telecommunications S.A.E.</td>
<td>Network operator</td>
<td>Egypt</td>
<td>54.9</td>
</tr>
<tr>
<td>Vodafone España S.A.U.</td>
<td>Network operator</td>
<td>Spain</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Essar Limited(8)</td>
<td>Network operator</td>
<td>India</td>
<td>59.9</td>
</tr>
<tr>
<td>Vodafone Europe B.V.</td>
<td>Holding company</td>
<td>Netherlands</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Group Services Limited(9)</td>
<td>Global products and services provider</td>
<td>England</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Holding GmbH</td>
<td>Holding company</td>
<td>Germany</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Holdings Europe S.L.U.</td>
<td>Holding company</td>
<td>Spain</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Magyarorszag Mobil Telekvozklesi Zartkoruen Mukodo Reszvenyvitasasag(10)</td>
<td>Network operator</td>
<td>Hungary</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone International Holdings B.V.</td>
<td>Holding company</td>
<td>Netherlands</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Investments Luxembourg S.a.r.l.</td>
<td>Holding company</td>
<td>Luxembourg</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Ireland Limited</td>
<td>Network operator</td>
<td>Ireland</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Libertel B.V.</td>
<td>Network operator</td>
<td>Netherlands</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Limited</td>
<td>Network operator</td>
<td>England</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Malta Limited</td>
<td>Network operator</td>
<td>Malta</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Marketing S.a.r.l.</td>
<td>Provider of partner market services</td>
<td>Luxembourg</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone New Zealand Limited</td>
<td>Network operator</td>
<td>New Zealand</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone-Panafon Hellenic Telecommunications Company S.A.</td>
<td>Network operator</td>
<td>Greece</td>
<td>99.9</td>
</tr>
<tr>
<td>Vodafone Portugal-Comunicaes Pessoais, S.A. (11)</td>
<td>Network operator</td>
<td>Portugal</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Qatar Q.S.C.(1)</td>
<td>Network operator</td>
<td>Qatar</td>
<td>23.0</td>
</tr>
<tr>
<td>Vodafone Romania S.A.</td>
<td>Network operator</td>
<td>Romania</td>
<td>100.0</td>
</tr>
<tr>
<td>Vodafone Telekomunikasyon A.S.</td>
<td>Network operator</td>
<td>Turkey</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Notes:**

1. The Group has rights that enable it to control the strategic and operating decisions of Vodafone Qatar Q.S.C., Vodacom Congo (RDC) s.p.r.l. and Vodacom Tanzania Limited.

2. Effective ownership percentages of Vodafone Group Plc at 31 March 2011, rounded to nearest tenth of one percent.

3. Previous name was Gateway Group (Pty) Limited.

4. Shareholding is indirect through Vodafone Group Limited. The indirect shareholding is calculated using the 66.0% ownership interest in Vodacom referred to in note 6 below.

5. The share capital of VM, SA consists of 60,000,000 ordinary shares and 469,690,618 preference shares.

6. At 31 March 2011 the Group owned 65.0% of the issued share capital of Vodafone Group Limited (‘Vodacom’) with the 66.0% ownership interest in the outstanding shares in Vodacom resulting from the acquisition of treasury shares by Vodacom.

7. Share capital consists of 395,834,251 ordinary shares and 1.65 million class D and E redeemable preference shares, of which 100% of the ordinary shares are held by the Group.

8. The Group’s aggregate direct and indirect equity interest in Vodafone Essar Limited (‘VEL’) was 59.9% at 31 March 2011. The Group has call options to acquire shareholdings in companies which indirectly own a further 7.1% interest in VEL. The shareholders of these companies also have put options which, if exercised, would require Vodafone to purchase the remaining shares in the respective company. If these options were exercised, which can only be done in accordance with the Indian law prevailing at the time of exercise, the Group would have a direct and indirect interest of 67.0% of VEL. On 30 March 2011 the Essar Group exercised its put option over 22.0% of VEL following which, on 31 March 2011, the Group exercised its call option over the remaining 11.0% of VEL owned by the Essar Group.

9. Share capital consists of 600 ordinary shares and one deferred share, of which 100% of the shares are held indirectly by Vodafone Group Plc.

10. Trades as Vodafone Hungary Mobile Telecommunications Company Limited.
38.6% of the issued share capital of Vodafone Portugal-Comunicações Pessoais, S.A. is held directly by Vodafone Group Plc.
13. Investments in joint ventures

Principal joint ventures

At 31 March 2011 the Company had the following joint ventures carrying on businesses which affect the profits and assets of the Group. Unless otherwise stated the Company’s principal joint ventures all have share capital consisting solely of ordinary shares, which are indirectly held, and the country of incorporation or registration is also their principal place of operation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Principal activity</th>
<th>Country of incorporation or registration</th>
<th>Percentage shareholdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indus Towers Limited</td>
<td>Network infrastructure</td>
<td>India</td>
<td>25.2(\text{(%)})</td>
</tr>
<tr>
<td>Polkomtel S.A.(^{(3)})</td>
<td>Network operator</td>
<td>Poland</td>
<td>24.4</td>
</tr>
<tr>
<td>Vodafone Hutchison Australia Pty Limited(^{(3)})</td>
<td>Network operator</td>
<td>Australia</td>
<td>50.0</td>
</tr>
<tr>
<td>Vodafone Fiji Limited</td>
<td>Network operator</td>
<td>Fiji</td>
<td>49.0(\text{(%)})</td>
</tr>
<tr>
<td>Vodafone Omnitel N.V.(^{(5)})</td>
<td>Network operator</td>
<td>Netherlands</td>
<td>76.9(\text{(%)})</td>
</tr>
</tbody>
</table>

Notes:

(1) Rounded to nearest tenth of one percent.

(2) Vodafone Essar Limited, in which the Group has a 59.9% equity interest, owns 42.0% of Indus Towers Limited.

(3) Polkomtel S.A. and Vodafone Hutchinson Australia Pty Limited have a year end of 31 December.

(4) The Group holds substantive participating rights which provide it with a veto over the significant financial and operating policies of Vodafone Fiji Limited and which ensure it is able to exercise joint control over Vodafone Fiji Limited with the majority shareholder.

(5) The principal place of operation of Vodafone Omnitel N.V. is Italy.

(6) The Group considered the existence of substantive participating rights held by the non-controlling shareholder provide that shareholder with a veto right over the significant financial and operating policies of Vodafone Omnitel N.V., and determined that, as a result of these rights, the Group does not have control over the financial and operating policies of Vodafone Omnitel N.V., despite the Group’s 76.9% ownership interest.

Effect of proportionate consolidation of joint ventures

The following table presents, on a condensed basis, the effect on the consolidated financial statements of including joint ventures using proportionate consolidation. The results of Vodacom Group Limited are included until 18 May 2009 when it became a subsidiary and the results of Safaricom Limited (‘Safaricom’) are included until 28 May 2008, at which time its consolidation status changed from joint venture to associate. The results of Australia are included from 9 June 2009 following its merger with Hutchison 3G Australia and results from the 4.8% stake in Polkomtel acquired during the 2009 financial year are included from 18 December 2008.

<table>
<thead>
<tr>
<th>Year</th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7,849</td>
<td>7,896</td>
<td>7,737</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(4,200)</td>
<td>(4,216)</td>
<td>(4,076)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>3,649</td>
<td>3,680</td>
<td>3,661</td>
</tr>
<tr>
<td>Selling, distribution and administrative expenses</td>
<td>(1,624)</td>
<td>(1,369)</td>
<td>(1,447)</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>(1,050)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operating income and expense</td>
<td>—</td>
<td>(12)</td>
<td>—</td>
</tr>
<tr>
<td>Operating profit</td>
<td>975</td>
<td>2,299</td>
<td>2,214</td>
</tr>
<tr>
<td>Net financing costs</td>
<td>(146)</td>
<td>(152)</td>
<td>(170)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>829</td>
<td>2,147</td>
<td>2,044</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(608)</td>
<td>(655)</td>
<td>(564)</td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>221</td>
<td>1,492</td>
<td>1,480</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>19,043</td>
<td>20,787</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>1,908</td>
<td>763</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>20,951</td>
<td>21,550</td>
<td></td>
</tr>
<tr>
<td>Total shareholders’ funds and total equity</td>
<td>16,389</td>
<td>17,407</td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,887</td>
<td>833</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>2,675</td>
<td>3,310</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>4,562</td>
<td>4,143</td>
<td></td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>20,951</td>
<td>21,550</td>
<td></td>
</tr>
</tbody>
</table>
14. Investments in associates

At 31 March 2011 the Company had the following principal associates carrying on businesses which affect the profits and assets of the Group. The Company’s principal associates all have share capital consisting solely of ordinary shares, unless otherwise stated, and are all indirectly held. The country of incorporation or registration of all associates is also their principal place of operation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Principal activity</th>
<th>Country of incorporation or registration</th>
<th>Percentage(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cellco Partnership(2)</td>
<td>Network operator</td>
<td>US</td>
<td>45.0</td>
</tr>
<tr>
<td>Société Française du Radiotéléphone S.A. ('SFR')(3)</td>
<td>Network operator</td>
<td>France</td>
<td>44.0</td>
</tr>
<tr>
<td>Safaricom Limited(4)(5)</td>
<td>Network operator</td>
<td>Kenya</td>
<td>40.0</td>
</tr>
</tbody>
</table>

Notes:
(1) Rounded to nearest tenth of one percent.
(2) Cellco Partnership trades under the name Verizon Wireless.
(3) On 3 April 2011 the Group announced an agreement to sell its entire 44% interest in SFR. See note 32 for further information.
(4) The Group also holds two non-voting shares.
(5) At 31 March 2011 the fair value of Safaricom Limited was KES 61 billion (£456 million) based on the closing quoted share price on the Nairobi Stock Exchange.

The Group’s share of the aggregated financial information of equity accounted associates is set out below. The amounts for the year ended 31 March 2009 include the share of results in Safaricom from 28 May 2008, at which time its consolidation status changed from being a joint venture to an associate.

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of revenue in associates</td>
<td>24,213</td>
<td>23,288</td>
<td>19,307</td>
</tr>
<tr>
<td>Share of result in associates</td>
<td>5,059</td>
<td>4,742</td>
<td>4,091</td>
</tr>
<tr>
<td>Share of discontinued operations in associates</td>
<td>18</td>
<td>93</td>
<td>57</td>
</tr>
</tbody>
</table>

2011 2010
£m £m
Non-current assets 45,446 47,048
Current assets 5,588 4,901
Share of total assets 51,034 51,949

Non-current liabilities 5,719 8,295
Current liabilities 6,656 6,685
Non-controlling interests 554 592
Share of total liabilities and non-controlling interests 12,929 15,572
Share of equity shareholders’ funds in associates 38,105 36,377

15. Other investments

Non-current other investments comprise the following, all of which are classified as available-for-sale, with the exception of other debt and bonds, which are classified as loans and receivables, and cash held in restricted deposits:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity securities</td>
<td>1</td>
<td>4,072</td>
</tr>
<tr>
<td>Unlisted securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity securities</td>
<td>967</td>
<td>879</td>
</tr>
<tr>
<td>Public debt and bonds</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Other debt and bonds</td>
<td>72</td>
<td>2,355</td>
</tr>
<tr>
<td>Cash held in restricted deposits</td>
<td>338</td>
<td>274</td>
</tr>
<tr>
<td></td>
<td>1,381</td>
<td>7,591</td>
</tr>
</tbody>
</table>

Included within current assets:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government bonds</td>
<td>610</td>
<td>388</td>
</tr>
<tr>
<td>Other</td>
<td>64</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>674</td>
<td>388</td>
</tr>
</tbody>
</table>

At 31 March 2010 listed equity securities included £4,071 million in relation to the Group’s 3.2% interest in China Mobile Limited which was sold in September 2010 for £4,264 million generating a £3,019 million income statement gain, including income statement recognition of foreign exchange rate gains previously recognised in equity.

Unlisted equity securities include a 26% interest in Bharti Infotel Private Limited through which the Group has a 4.37% economic interest in Bharti Airtel Limited. Unlisted equity investments are recorded at fair value where appropriate, or at cost if their fair value cannot be reliably measured as there is no active market upon which they are traded.
For public debt and bonds and cash held in restricted deposits, the carrying amount approximates fair value. The short-term investments primarily consist of index linked gilts with less than six years to maturity, which can be readily converted into cash via the gilt repurchase market and are held on an effective floating rate basis.
16. Inventory

Inventory is reported net of allowances for obsolescence, an analysis of which is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods held for resale</td>
<td>537</td>
<td>433</td>
<td></td>
</tr>
</tbody>
</table>

Cost of sales includes amounts related to inventory amounting to £5,878 million (2010: £5,268 million; 2009: £4,853 million).

17. Trade and other receivables

The Group’s trade receivables are stated after allowances for bad and doubtful debts based on management’s assessment of creditworthiness, an analysis of which is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included within non-current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>92</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>1,719</td>
<td>678</td>
<td></td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>137</td>
<td>148</td>
<td></td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>1,929</td>
<td>1,946</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,877</td>
<td>2,831</td>
<td></td>
</tr>
</tbody>
</table>

| Included within current assets: |       |       |       |
| Trade receivables            | 4,185 | 4,008 |       |
| Amounts owed by associates   | 53    | 24    |       |
| Other receivables            | 1,606 | 1,122 |       |
| Prepayments and accrued income | 3,299 | 3,446 |       |
| Derivative financial instruments | 116   | 182   |       |
|                      | 9,259 | 8,784 |       |

The carrying amounts of trade and other receivables approximate their fair value. Trade and other receivables are predominantly non-interest bearing.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included within “Derivative financial instruments”:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value through the income statement (held for trading):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>1,292</td>
<td>1,031</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange swaps</td>
<td>99</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,391</td>
<td>1,163</td>
<td></td>
</tr>
<tr>
<td>Fair value hedges:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>654</td>
<td>965</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,045</td>
<td>2,128</td>
<td></td>
</tr>
</tbody>
</table>

The fair values of these financial instruments are calculated by discounting the future cash flows to net present values using appropriate market interest and foreign currency rates prevailing at 31 March.
18. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>896</td>
<td>745</td>
</tr>
<tr>
<td>Money market funds</td>
<td>5,015</td>
<td>3,678</td>
</tr>
<tr>
<td>Other</td>
<td>341</td>
<td>—</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents as presented in the statement of financial position</strong></td>
<td><strong>6,252</strong></td>
<td><strong>4,423</strong></td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>(47)</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents as presented in the statement of cash flows</strong></td>
<td><strong>6,205</strong></td>
<td><strong>4,363</strong></td>
</tr>
</tbody>
</table>

Bank balances and money market funds comprise cash held by the Group on a short-term basis with original maturity of three months or less. The carrying amount of cash and cash equivalents approximates their fair value.

19. Called up share capital

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares of 11(\frac{3}{7}) US cents each allotted, issued and fully paid: (^{(1)(2)})</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 April</td>
<td>57,809,246,732</td>
<td>4,153</td>
</tr>
<tr>
<td>Allotted during the year</td>
<td>1,876,697</td>
<td>—</td>
</tr>
<tr>
<td>Cancelled during the year</td>
<td>(1,000,000,000)</td>
<td>(71)</td>
</tr>
<tr>
<td>31 March</td>
<td>56,811,123,429</td>
<td>4,082</td>
</tr>
</tbody>
</table>

Notes:

1. The concept of authorised share capital was abolished under the Companies Act 2006, with effect from 1 October 2009, and consequential amendments to the Company’s articles of association removing all references to authorised share capital were approved by shareholders at the 2010 annual general meeting.

2. At 31 March 2011 the Group held 5,233,597,599 (2010: 5,146,112,159) treasury shares with a nominal value of £376 million (2010: £370 million). The market value of shares held was £9,237 million (2010: £7,822 million). During the year 150,404,079 (2010: 149,298,942) treasury shares were reissued under Group share option schemes.

Allotted during the year

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Nominal value £m</th>
<th>Net proceeds £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK share awards and option scheme awards</td>
<td>35,557</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>US share awards and option scheme awards</td>
<td>1,841,140</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total for share awards and option scheme awards</strong></td>
<td><strong>1,876,697</strong></td>
<td>—</td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>
20. Share-based payments

The Company currently uses a number of equity settled share plans to grant options and shares to its directors and employees. The maximum aggregate number of ordinary shares which may be issued in respect of share options or share plans will not (without shareholder approval) exceed:

- 10% of the ordinary share capital of the Company in issue immediately prior to the date of grant, when aggregated with the total number of ordinary shares which have been allocated in the preceding ten year period under all plans; and

- 5% of the ordinary share capital of the Company in issue immediately prior to the date of grant, when aggregated with the total number of ordinary shares which have been allocated in the preceding ten year period under all plans, other than any plans which are operated on an all-employee basis.

Share options

Vodafone Group executive plans

No share options have been granted to any directors or employees under the Company’s discretionary share option plans in the year ended 31 March 2011.

There are options outstanding under a number of plans: the Vodafone Group 1998 Executive Share Option Scheme and the Vodafone Group 1998 Company Share Option Scheme, the Vodafone Group 1999 Long-Term Stock Incentive Plan and the Vodafone Global Incentive Plan. These options are normally exercisable between three and ten years from the date of grant. The vesting of some of these options is subject to satisfaction of performance conditions. Grants made to US employees are made in respect of ADSs.

Vodafone Group Sharesave Plan

The Vodafone Group 2008 Sharesave Plan and its predecessor, the Vodafone Group 1998 Sharesave Scheme, enable UK staff to acquire shares in the Company through monthly savings of up to £250 over a three or five year period, at the end of which they also receive a tax free bonus. The savings and bonus may then be used to purchase shares at the option price, which is set at the beginning of the invitation period and usually at a discount of 20% to the then prevailing market price of the Company’s shares.

Share plans

Vodafone Group executive plans

Under the Vodafone Global Incentive Plan awards of shares are granted to directors and certain employees. The release of these shares is conditional upon continued employment and for some awards achievement of certain performance targets measured over a three year period.

Vodafone Share Incentive Plan

The Vodafone Share Incentive Plan enables UK staff to acquire shares in the Company through monthly purchases of up to £125 per month or 5% of salary, whichever is lower. For each share purchased by the employee, the Company provides a free matching share.

Movements in ordinary share options and ADS options outstanding

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions</td>
<td>Millions</td>
<td>Millions</td>
<td>Millions</td>
<td>Millions</td>
<td>Millions</td>
</tr>
<tr>
<td>1 April</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>266</td>
<td>334</td>
<td>373</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(1)</td>
<td>(2)</td>
<td>(11)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(72)</td>
<td>(47)</td>
<td>(16)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(26)</td>
<td>(32)</td>
<td>(19)</td>
</tr>
<tr>
<td>31 March</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>171</td>
<td>266</td>
<td>334</td>
</tr>
</tbody>
</table>

Weighted average exercise price:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average exercise price:</td>
<td>£1.41</td>
<td>£1.41</td>
<td>£1.42</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>£1.14</td>
<td>£0.94</td>
<td>£1.21</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>£1.10</td>
<td>£1.50</td>
<td>£1.47</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>£1.33</td>
<td>£1.11</td>
<td>£1.09</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>£2.25</td>
<td>£1.67</td>
<td>£1.55</td>
</tr>
<tr>
<td>31 March</td>
<td>£14.82</td>
<td>£15.07</td>
<td>£15.37</td>
</tr>
</tbody>
</table>
Financials

Summary of options outstanding and exercisable at 31 March 2011

<table>
<thead>
<tr>
<th></th>
<th>Outstanding</th>
<th></th>
<th></th>
<th>Exercisable</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shares</td>
<td>Weighted</td>
<td>Weighted</td>
<td>Shares</td>
<td>Weighted</td>
</tr>
<tr>
<td></td>
<td>Millions</td>
<td>average</td>
<td>average remaining</td>
<td>Millions</td>
<td>average</td>
</tr>
<tr>
<td></td>
<td></td>
<td>exercise</td>
<td>contractual life</td>
<td></td>
<td>exercise</td>
</tr>
<tr>
<td></td>
<td></td>
<td>price</td>
<td></td>
<td></td>
<td>price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Months</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Months</td>
</tr>
<tr>
<td>Vodafone Group savings related and Sharesave Plan:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£0.01 – £1.00</td>
<td>12</td>
<td>£0.94</td>
<td>28</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>£1.01 – £2.00</td>
<td>8</td>
<td>£1.19</td>
<td>34</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>£1.03</td>
<td>31</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vodafone Group executive plans:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£1.01 – £2.00</td>
<td>3</td>
<td>£1.63</td>
<td>5</td>
<td>3</td>
<td>£1.63</td>
</tr>
<tr>
<td>Vodafone Group 1999 Long-Term Stock Incentive Plan:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£0.01 – £1.00</td>
<td>42</td>
<td>£0.90</td>
<td>15</td>
<td>42</td>
<td>£0.90</td>
</tr>
<tr>
<td>£1.01 – £2.00</td>
<td>106</td>
<td>£1.52</td>
<td>28</td>
<td>106</td>
<td>£1.52</td>
</tr>
<tr>
<td></td>
<td>148</td>
<td>£1.35</td>
<td>24</td>
<td>148</td>
<td>£1.35</td>
</tr>
<tr>
<td>Other share option plans:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£1.01 – greater than £3.01</td>
<td>—</td>
<td>£2.47</td>
<td>11</td>
<td>—</td>
<td>£2.47</td>
</tr>
<tr>
<td>Vodafone Group 1999 Long-Term Stock Incentive Plan:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$10.01 – $30.00</td>
<td>1</td>
<td>$14.82</td>
<td>18</td>
<td>1</td>
<td>$14.82</td>
</tr>
</tbody>
</table>

Fair value of options granted

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected life of option (years)</td>
<td>3-5</td>
<td>3-5</td>
<td>3-5</td>
</tr>
<tr>
<td>Expected share price volatility</td>
<td>27.5-27.6%</td>
<td>32.5-33.5%</td>
<td>30.9-31.0%</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>5.82%</td>
<td>6.62%</td>
<td>5.04%</td>
</tr>
<tr>
<td>Risk free rates</td>
<td>1.3-2.2%</td>
<td>2.5-3.0%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Exercise price</td>
<td>£1.14</td>
<td>£0.94</td>
<td>£1.21</td>
</tr>
</tbody>
</table>

The fair value of options granted is estimated at the date of grant using a lattice-based option valuation model which incorporates ranges of assumptions for inputs as disclosed above.

Share awards

Movements in non-vested shares during the year ended 31 March 2011 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Global AllShare Plan</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weighted average fair value at grant date</td>
<td>Weighted average fair value at grant date</td>
<td>Weighted average fair value at grant date</td>
</tr>
<tr>
<td></td>
<td>Millions</td>
<td>Millions</td>
<td>Millions</td>
</tr>
<tr>
<td>1 April 2010</td>
<td>£1.15</td>
<td>340</td>
<td>374</td>
</tr>
<tr>
<td>Granted</td>
<td>—</td>
<td>126</td>
<td>126</td>
</tr>
<tr>
<td>Vested</td>
<td>(15)</td>
<td>(66)</td>
<td>(81)</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(2)</td>
<td>(30)</td>
<td>(32)</td>
</tr>
<tr>
<td>31 March 2011</td>
<td>£1.02</td>
<td>370</td>
<td>387</td>
</tr>
</tbody>
</table>

Other information

The weighted average grant date fair value of options granted during the 2011 financial year was £0.27 (2010: £0.26; 2009: £0.39).

The total fair value of shares vested during the year ended 31 March 2011 was £113 million (2010: £100 million; 2009: £84 million).

The compensation cost included in the consolidated income statement in respect of share options and share plans was £156 million (2010: £150 million; 2009: £128 million) which is comprised entirely of equity-settled transactions.

The average share price for the year ended 31 March 2011 was 159.5 pence (2010: 132 pence).
Notes to the consolidated financial statements continued

21. Capital and financial risk management

Capital management

The following table summarises the capital of the Group:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Borrowings</td>
<td>38,281</td>
<td>39,795</td>
</tr>
<tr>
<td>Other financial instruments</td>
<td>(2,171)</td>
<td>(2,056)</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>29,858</td>
<td>33,316</td>
</tr>
<tr>
<td>Equity</td>
<td>87,561</td>
<td>90,810</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>117,419</td>
<td>124,126</td>
</tr>
</tbody>
</table>

The Group’s policy is to borrow centrally using a mixture of long-term and short-term capital market issues and borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries. The Board has approved three internal debt protection ratios being: net interest to operating cash flow (plus dividends from associates); retained cash flow (operating cash flow plus dividends from associates less interest, tax, dividends to minorities and equity dividends) to net debt; and operating cash flow (plus dividends from associates) to net debt. These internal ratios establish levels of debt that the Group should not exceed other than for relatively short periods of time and are shared with the Group’s debt rating agencies being Moody’s, Fitch Ratings and Standard & Poor’s. The Group complied with these ratios throughout the financial year.

Financial risk management

The Group’s treasury function provides a centralised service to the Group for funding, foreign exchange, interest rate management and counterparty risk management.

Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by the Board, most recently on 1 February 2011. A treasury risk committee comprising of the Group’s Chief Financial Officer, Group General Counsel and Company Secretary, Corporate Finance Director and Director of Financial Reporting meets at least annually to review treasury activities and its members receive management information relating to treasury activities on a quarterly basis. The Group accounting function, which does not report to the Group Corporate Finance Director, provides regular update reports of treasury activity to the Board. The Group’s internal auditor reviews the internal control environment regularly.

The Group uses a number of derivative instruments for currency and interest rate risk management purposes only that are transacted by specialist treasury personnel. The Group mitigates banking sector credit risk by the use of collateral support agreements.

Credit risk

The Group considers its exposure to credit risk at 31 March to be as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposits</td>
<td>896</td>
<td>745</td>
</tr>
<tr>
<td>Cash held in restricted deposits</td>
<td>338</td>
<td>274</td>
</tr>
<tr>
<td>Government bonds</td>
<td>610</td>
<td>388</td>
</tr>
<tr>
<td>Money market fund investments</td>
<td>5,015</td>
<td>3,678</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2,045</td>
<td>2,128</td>
</tr>
<tr>
<td>Other investments — debt and bonds</td>
<td>75</td>
<td>2,366</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>4,277</td>
<td>4,087</td>
</tr>
<tr>
<td>Other receivables</td>
<td>3,325</td>
<td>1,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,581</strong></td>
<td><strong>15,446</strong></td>
</tr>
</tbody>
</table>

The Group invests in UK index linked government bonds on the basis that they generate a swap return in excess of LIBOR and are amongst the most creditworthy of investments available.

Money market investments are in accordance with established internal treasury policies which dictate that an investment’s long-term credit rating is no lower than single A. Additionally, the Group invests in AAA unsecured money market mutual funds where the investment is limited to 10% of each fund.

In respect of financial instruments used by the Group’s treasury function, the aggregate credit risk the Group may have with one counterparty is limited by firstly, reference to the long-term credit ratings assigned for that counterparty by Moody’s, Fitch Ratings and Standard & Poor’s and secondly, as a consequence of collateral support agreements introduced from the fourth quarter of 2008. Under collateral support agreements the Group’s exposure to a counterparty with whom a collateral support agreement is in place is reduced to the extent that the counterparty must post cash collateral when there is value due to the Group under outstanding derivative contracts that exceeds a contractually agreed threshold amount. When value is due to the counterparty the Group is required to post collateral on identical terms. Such cash collateral is adjusted daily as necessary.

In the event of any default ownership of the cash collateral would revert to the respective holder at that point. Detailed below is the value of the cash collateral, which is reported within short-term borrowings, held by the Group at 31 March 2011:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash collateral</strong></td>
<td><strong>531</strong></td>
<td><strong>604</strong></td>
</tr>
</tbody>
</table>

The majority of the Group’s trade receivables are due for maturity within 90 days and largely comprise amounts receivable from consumers and business customers. At 31 March 2011 £2,233 million (2010: £2,111 million) of trade receivables were not yet due for payment. Total trade receivables consisted of £2,852 million (2010: £2,709 million) relating to the Europe region and £1,425 million (2010: £1,358 million) relating to the Africa, Middle East and Asia Pacific region. Accounts are monitored by management and provisions for bad and doubtful debts raised where it is deemed appropriate.
market risk

Interest rate management

Under the Group’s interest rate management policy, interest rates on monies received and outstanding debt denominated in euros, US dollars and sterling are maintained on a floating rate basis except for periods up to six years where interest rate fixing has to be undertaken in accordance with treasury policy. Where assets and liabilities are denominated in other currencies interest rates may also be fixed. In addition, fixing is undertaken for longer periods when interest rates are statistically low.

At 31 March 2011 71% (2010: 36%) of the Group’s gross borrowings were fixed for a period of at least one year. For each one hundred basis point fall or rise in market interest rates for all currencies in which the Group had borrowings at 31 March 2011 there would be a reduction or increase in profit before tax by approximately £30 million (2010: increase or reduce by £165 million) including mark-to-market revaluations of interest rate and other derivatives and the potential interest on outstanding tax issues. There would be no material impact on equity.

Foreign exchange management

As Vodafone’s primary listing is on the London Stock Exchange its share price is quoted in sterling. Since the sterling share price represents the value of its future multi-currency cash flows, principally in euro, US dollars and sterling, the Group maintains the currency of debt and interest charges in proportion to its expected future principal multi-currency cash flows and has a policy to hedge external foreign exchange risks on transactions denominated in other currencies. Yen debt is used as a hedge against the value of yen assets as the Group has minimal yen cash flows.

Liquidity risk

At 31 March 2011 the Group had £4.2 billion and US$4.2 billion syndicated committed undrawn bank facilities and US$15 billion and £5 billion commercial paper programmes, supported by the £4.2 billion and US$4.2 billion syndicated committed bank facilities, available to manage its liquidity. The Group uses commercial paper and bank facilities to manage short-term liquidity and manages long-term liquidity by raising funds in the capital markets.

£4.2 billion of the syndicated committed facility has a maturity date of 1 July 2015 and US$4.2 billion has a maturity of 9 March 2016 which may be extended by a further year if agreed by those banks who have participated in the facility. Both facilities have remained undrawn throughout the financial year and since year end and provide liquidity support.

The Group manages liquidity risk on long-term borrowings by maintaining a varied maturity profile with a cap on the level of debt maturing in any one calendar year, therefore minimising refinancing risk. Long-term borrowings mature between one and 26 years.

Liquidity is reviewed daily on at least a 12 month rolling basis and stress tested on the assumption that all commercial paper outstanding matures and is not reissued. The Group maintains substantial cash and cash equivalents which at 31 March 2011 amounted to £8,252 million (2010: £4,423 million).
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Notes to the consolidated financial statements continued

21. Capital and financial risk management continued

Under the Group’s foreign exchange management policy, foreign exchange transaction exposure in Group companies is generally maintained at the lower of £5 million per currency per month or €15 million per currency over a six month period. In addition, a US dollar denominated financial liability arising from the options granted over the Essar Group’s interests in Vodafone Essar in the 2008 financial year and as discussed on page 51, was held by a legal entity with a euro functional currency. A 14% (2010: 12%) change in US$/€ exchange rates would have a £436 million (2010: £393 million) impact on profit or loss in relation to this financial instrument.

The Group recognises foreign exchange movements in equity for the translation of net investment hedging instruments and balances treated as investments in foreign operations. However, there is no net impact on equity for exchange rate movements as there would be an offset in the currency translation of the foreign operation.

The following table details the Group’s sensitivity of the Group’s operating profit to a strengthening of the Group’s major currencies in which it transacts.

Fair value of financial instruments

The table below sets out the valuation basis of financial instruments held at fair value by the Group at 31 March 2011.

<table>
<thead>
<tr>
<th>Financial assets:</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swaps</td>
<td>—</td>
<td>—</td>
<td>1,946</td>
</tr>
<tr>
<td>Foreign exchange contracts</td>
<td>—</td>
<td>—</td>
<td>99</td>
</tr>
<tr>
<td>Interest rate futures</td>
<td>—</td>
<td>—</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>2,076</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial investments available-for-sale:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed equity securities</td>
</tr>
<tr>
<td>Unlisted equity securities</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Financial liabilities:</td>
</tr>
<tr>
<td>Derivative financial instruments:</td>
</tr>
<tr>
<td>Interest rate swaps</td>
</tr>
<tr>
<td>Foreign exchange contracts</td>
</tr>
</tbody>
</table>

Notes:

(1) Level 1 classification comprises financial instruments where fair value is determined by unadjusted quoted prices in active markets for identical assets or liabilities.

(2) Level 2 classification comprises financial instruments where fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Fair values for unlisted equity securities are derived from observable quoted market prices for similar items. Derivative financial instrument fair values are present values determined from future cash flows discounted at rates derived from market sourced data.

(3) Details of listed and unlisted equity securities are included in note 15 “Other Investments”.

The percentage movement applied to each currency is based on the average movements in the previous three annual reporting periods. Amounts are calculated by retranslating the operating profit of each entity whose functional currency is either euro or US dollar.

<table>
<thead>
<tr>
<th>Currency</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro 4% change</td>
<td>230</td>
</tr>
<tr>
<td>US dollar 13% change</td>
<td>594</td>
</tr>
</tbody>
</table>

At 31 March 2010 sensitivity of the Group’s operating profit was analysed for euro 12% change and US dollar 15% change, representing £804 million and $917 million respectively.

Equity risk

The Group has equity investments, primarily in Bharti Infotel Private Limited, which is subject to equity risk. See note 15 to the consolidated financial statements for further details on the carrying value of this investment. The Group disposed of its 3.2% interest in China Mobile Limited on 10 September 2010.
### Financials

#### 22. Borrowings

Carrying value and fair value information

<table>
<thead>
<tr>
<th></th>
<th>Short-term Borrowings</th>
<th>Long-term Borrowings</th>
<th>Total Borrowings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans</td>
<td>2,070</td>
<td>5,872</td>
<td>7,942</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>47</td>
<td>60</td>
<td>107</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>1,660</td>
<td>2,563</td>
<td>4,223</td>
</tr>
<tr>
<td>Bonds</td>
<td>2,470</td>
<td>16,046</td>
<td>18,516</td>
</tr>
<tr>
<td>Other liabilities(1)(2)</td>
<td>3,659</td>
<td>3,906</td>
<td>7,565</td>
</tr>
<tr>
<td>Bonds in fair value hedge relationships</td>
<td></td>
<td>4,265</td>
<td>10,147</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,906</td>
<td>28,375</td>
<td>38,281</td>
</tr>
<tr>
<td></td>
<td>11,163</td>
<td>26,832</td>
<td>38,995</td>
</tr>
</tbody>
</table>

Notes:


Banks loans include a ZAR 3.5 billion loan borrowed by Vodafone Holdings SA Pty Limited (‘VHSA’), which directly and indirectly owns the Group’s interest in Vodacom Group Limited. VHSA has pledged its 100% equity shareholding in Vodafone Investments SA (‘VISA’), which holds a direct 20.1% equity shareholding in Vodacom Group Limited, as security for its loan obligations. The terms and conditions of the pledge mean that should VHSA not meet all of its loan payment and performance obligations, the lenders may sell the equity shareholding in its subsidiary VISA at market value to recover their losses, with any remaining sales proceeds being returned to VHSA. Vodafone International Holdings B.V. has also guaranteed this loan with recourse only to the VHSA shares it has pledged. The terms and conditions of the security arrangement mean the lenders may be able to sell these respective shares in preference to the VISA shares held by VHSA. An arrangement has been put in place where the Vodacom Group Limited shares held by VHSA and VISA are held in an escrow account to ensure the shares cannot be sold to satisfy the pledge made by the Company. The maximum collateral provided is ZAR 3.5 billion, being the carrying value of the bank loan at 31 March 2011 (2010: ZAR 4.85 billion). Bank loans also include INR 262 billion of loans held by Vodafone Essar Limited (‘VEL’) and its subsidiaries (the ‘VEL Group’). The VEL Group has a number of security arrangements supporting certain licences secured under the terms of tri-party agreements between the relevant borrower, the department of telecommunications, Government of India and the agent representing the secured lenders and certain share pledges of the shares under VEL. The terms and conditions of the security arrangements mean that should members of the VEL Group not meet all of their loan payment and performance obligations, the lenders may sell the pledged shares and enforce rights over the certain licences under the terms of the tri-party agreements to recover their losses, with any remaining sales proceeds being returned to the VEL Group. Each of the eight legal entities within the VEL Group provide cross guarantees to the lenders in respect to debt contracted by the other seven.

The fair value and carrying value of the Group’s short-term borrowings is as follows:

#### Financial liabilities measured at amortised cost

<table>
<thead>
<tr>
<th></th>
<th>Sterling equivalent nominal value</th>
<th>Fair value</th>
<th>Carrying value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011 £m</td>
<td>2010 £m</td>
<td>2011 £m</td>
</tr>
<tr>
<td>Bonds</td>
<td>7,316</td>
<td>9,910</td>
<td>7,425</td>
</tr>
<tr>
<td></td>
<td>2,444</td>
<td>1,113</td>
<td>2,463</td>
</tr>
<tr>
<td></td>
<td>5.875% euro 1.25 billion bond due June 2010</td>
<td>1,113</td>
<td>1,124</td>
</tr>
<tr>
<td></td>
<td>171</td>
<td></td>
<td>171</td>
</tr>
<tr>
<td></td>
<td>5.5% US dollar 750 million bond due June 2011</td>
<td>471</td>
<td>478</td>
</tr>
<tr>
<td></td>
<td>467</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1% US dollar 100 million bond due August 2011</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Euro floating rate note due January 2012</td>
<td>1,146</td>
<td>1,148</td>
</tr>
<tr>
<td></td>
<td>1,144</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>US dollar floating rate note due February 2012</td>
<td>306</td>
<td>306</td>
</tr>
<tr>
<td></td>
<td>306</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.35% US dollar 500 million bond due February 2012</td>
<td>322</td>
<td>322</td>
</tr>
<tr>
<td></td>
<td>311</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>9,760</td>
<td>11,023</td>
<td>9,888</td>
</tr>
<tr>
<td></td>
<td>9,906</td>
<td>11,163</td>
<td></td>
</tr>
</tbody>
</table>
22. Borrowings continued

The fair value and carrying value of the Group’s long-term borrowings is as follows:

<table>
<thead>
<tr>
<th>Sterling equivalent nominal value</th>
<th>Fair value</th>
<th>Carrying value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans</td>
<td>5,728</td>
<td>4,149</td>
</tr>
<tr>
<td>Redeemable preference shares</td>
<td>1,027</td>
<td>1,174</td>
</tr>
<tr>
<td>Bonds:</td>
<td>14,581</td>
<td>11,455</td>
</tr>
<tr>
<td>5.5% US dollar 750 million bond due June 2011</td>
<td>—</td>
<td>494</td>
</tr>
<tr>
<td>US dollar floating rate note due February 2012</td>
<td>—</td>
<td>329</td>
</tr>
<tr>
<td>5.35% US dollar 500 million bond due February 2012</td>
<td>—</td>
<td>329</td>
</tr>
<tr>
<td>3.625% euro 1,250 million bond due November 2012</td>
<td>1,104</td>
<td>1,113</td>
</tr>
<tr>
<td>6.75% Australian dollar 265 million bond due January 2013</td>
<td>171</td>
<td>160</td>
</tr>
<tr>
<td>Euro floating rate note due June 2013</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Czech krona floating rate note due September 2013</td>
<td>751</td>
<td>757</td>
</tr>
<tr>
<td>5.0% US dollar 1,000 million bond due December 2013</td>
<td>623</td>
<td>658</td>
</tr>
<tr>
<td>6.875% euro 1,000 million bond due December 2013</td>
<td>883</td>
<td>891</td>
</tr>
<tr>
<td>Euro floating rate note due June 2014</td>
<td>1,104</td>
<td>1,113</td>
</tr>
<tr>
<td>4.15% US dollar 1,250 million bond due June 2014</td>
<td>778</td>
<td>823</td>
</tr>
<tr>
<td>4.625% sterling 350 million bond due September 2014</td>
<td>350</td>
<td>—</td>
</tr>
<tr>
<td>4.625% sterling 525 million bond due September 2014</td>
<td>525</td>
<td>—</td>
</tr>
<tr>
<td>5.125% euro 500 million bond due April 2015</td>
<td>442</td>
<td>445</td>
</tr>
<tr>
<td>5.0% US dollar 750 million bond due September 2015</td>
<td>467</td>
<td>—</td>
</tr>
<tr>
<td>3.375% US dollar 500 million bond due November 2015</td>
<td>311</td>
<td>329</td>
</tr>
<tr>
<td>6.25% euro 1,250 million bond due January 2016</td>
<td>1,104</td>
<td>—</td>
</tr>
<tr>
<td>2.875% US dollar 600 million bond due March 2016</td>
<td>374</td>
<td>—</td>
</tr>
<tr>
<td>5.75% US dollar 750 million bond due March 2016</td>
<td>467</td>
<td>—</td>
</tr>
<tr>
<td>4.75% euro 500 million bond due June 2016</td>
<td>442</td>
<td>—</td>
</tr>
<tr>
<td>5.625% US dollar 1,300 million bond due February 2017</td>
<td>809</td>
<td>—</td>
</tr>
<tr>
<td>5.375% sterling 600 million bond due December 2017</td>
<td>600</td>
<td>—</td>
</tr>
<tr>
<td>5% euro 750 million bond due June 2018</td>
<td>663</td>
<td>668</td>
</tr>
<tr>
<td>8.125% sterling 450 million bond due November 2018</td>
<td>450</td>
<td>—</td>
</tr>
<tr>
<td>4.375% US dollar 600 million bond due March 2021</td>
<td>311</td>
<td>—</td>
</tr>
<tr>
<td>7.875% US dollar 750 million bond due February 2030</td>
<td>467</td>
<td>494</td>
</tr>
<tr>
<td>6.25% US dollar 495 million bond due November 2032</td>
<td>308</td>
<td>326</td>
</tr>
<tr>
<td>8.125% US dollar 1,700 million bond due February 2037</td>
<td>1,058</td>
<td>1,119</td>
</tr>
</tbody>
</table>
During the year ended 31 March 2011 fair value hedge relationships relating to bonds with nominal value US$2,800 million (£1,743 million), €1,750 million (£1,546 million) and £1,925 million were de-designated.

Fair values are calculated using quoted market prices or discounted cash flows with a discount rate based upon forward interest rates available to the Group at the reporting date.

### Bonds in fair value hedge relationships:

<table>
<thead>
<tr>
<th>Bond Description</th>
<th>Fair Value (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.625% sterling 350 million bond due September 2014</td>
<td>3,962</td>
</tr>
<tr>
<td>4.625% sterling 525 million bond due September 2014</td>
<td>9,395</td>
</tr>
<tr>
<td>2.15% Japanese yen 3,000 million bond due April 2015</td>
<td>4,199</td>
</tr>
<tr>
<td>5.375% US dollar 900 million bond due January 2015</td>
<td>10,085</td>
</tr>
<tr>
<td>5.0% US dollar 750 million bond due September 2015</td>
<td>4,265</td>
</tr>
<tr>
<td>6.25% euro 1,250 million bond due January 2016</td>
<td>10,147</td>
</tr>
<tr>
<td>5.75% US dollar 750 million bond due March 2016</td>
<td>23</td>
</tr>
<tr>
<td>4.75% euro 500 million bond due June 2016</td>
<td>21</td>
</tr>
<tr>
<td>5.625% US dollar 1,300 million bond due February 2017</td>
<td>24</td>
</tr>
<tr>
<td>5.375% sterling 600 million bond due December 2017</td>
<td>22</td>
</tr>
<tr>
<td>4.625% US dollar 500 million bond due July 2018</td>
<td>23</td>
</tr>
<tr>
<td>8.125% sterling 450 million bond due November 2018</td>
<td>22</td>
</tr>
<tr>
<td>4.65% euro 1,250 million bond due June 2019</td>
<td>21</td>
</tr>
<tr>
<td>5.375% euro 500 million bond due January 2022</td>
<td>20</td>
</tr>
<tr>
<td>5.625% sterling 250 million bond due December 2025</td>
<td>19</td>
</tr>
<tr>
<td>6.6324% euro 50 million bond due December 2028</td>
<td>18</td>
</tr>
<tr>
<td>5.9% sterling 450 million bond due November 2032</td>
<td>17</td>
</tr>
</tbody>
</table>

### Long-term borrowings:

<table>
<thead>
<tr>
<th>Period</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>26,320</td>
</tr>
<tr>
<td>2012</td>
<td>26,558</td>
</tr>
<tr>
<td>2013</td>
<td>27,726</td>
</tr>
<tr>
<td>2014</td>
<td>27,712</td>
</tr>
<tr>
<td>2015</td>
<td>28,375</td>
</tr>
<tr>
<td>2016</td>
<td>28,632</td>
</tr>
</tbody>
</table>
Maturity of borrowings

The maturity profile of the anticipated future cash flows including interest in relation to the Group’s non-derivative financial liabilities on an undiscounted basis, which, therefore, differs from both the carrying value and fair value, is as follows:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Bank loans £m</th>
<th>Redeemable preference shares £m</th>
<th>Commercial paper £m</th>
<th>Bonds £m</th>
<th>Other liabilities £m</th>
<th>Loans in fair value hedge relationships £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1,881</td>
<td>52</td>
<td>1,670</td>
<td>3,292</td>
<td>3,766</td>
<td>203</td>
<td>10,864</td>
</tr>
<tr>
<td>In one to two years</td>
<td>528</td>
<td>52</td>
<td>—</td>
<td>2,009</td>
<td>191</td>
<td>203</td>
<td>2,983</td>
</tr>
<tr>
<td>In two to three years</td>
<td>2,510</td>
<td>52</td>
<td>—</td>
<td>2,919</td>
<td>60</td>
<td>203</td>
<td>5,744</td>
</tr>
<tr>
<td>In three to four years</td>
<td>321</td>
<td>52</td>
<td>—</td>
<td>3,251</td>
<td>60</td>
<td>765</td>
<td>4,447</td>
</tr>
<tr>
<td>In four to five years</td>
<td>885</td>
<td>52</td>
<td>—</td>
<td>3,613</td>
<td>901</td>
<td>195</td>
<td>5,646</td>
</tr>
<tr>
<td>In more than five years</td>
<td>1,825</td>
<td>1,240</td>
<td>—</td>
<td>7,725</td>
<td>—</td>
<td>4,752</td>
<td>15,542</td>
</tr>
</tbody>
</table>

The maturity profile of the Group’s financial derivatives (which include interest rate and foreign exchange swaps), using undiscounted cash flows, is as follows:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Bank loans £m</th>
<th>Redeemable preference shares £m</th>
<th>Commercial paper £m</th>
<th>Bonds £m</th>
<th>Other liabilities £m</th>
<th>Loans in fair value hedge relationships £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2011</td>
<td>7,942</td>
<td>1,169</td>
<td>1,660</td>
<td>18,516</td>
<td>4,729</td>
<td>2,465</td>
<td>38,281</td>
</tr>
<tr>
<td>Within one year</td>
<td>3,406</td>
<td>93</td>
<td>2,572</td>
<td>1,634</td>
<td>3,983</td>
<td>510</td>
<td>12,198</td>
</tr>
<tr>
<td>In one to two years</td>
<td>858</td>
<td>56</td>
<td>—</td>
<td>3,008</td>
<td>145</td>
<td>510</td>
<td>4,577</td>
</tr>
<tr>
<td>In two to three years</td>
<td>847</td>
<td>56</td>
<td>—</td>
<td>1,712</td>
<td>156</td>
<td>510</td>
<td>3,281</td>
</tr>
<tr>
<td>In three to four years</td>
<td>1,852</td>
<td>56</td>
<td>—</td>
<td>2,671</td>
<td>—</td>
<td>510</td>
<td>5,089</td>
</tr>
<tr>
<td>In four to five years</td>
<td>138</td>
<td>56</td>
<td>—</td>
<td>2,152</td>
<td>31</td>
<td>1,977</td>
<td>4,354</td>
</tr>
<tr>
<td>In more than five years</td>
<td>598</td>
<td>1,370</td>
<td>—</td>
<td>6,009</td>
<td>68</td>
<td>22,635</td>
<td>29,606</td>
</tr>
<tr>
<td>31 March 2010</td>
<td>7,643</td>
<td>1,242</td>
<td>2,563</td>
<td>13,849</td>
<td>4,351</td>
<td>10,147</td>
<td>39,795</td>
</tr>
</tbody>
</table>

Effect of discount/financing rates

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Payable £m</th>
<th>Receivable £m</th>
<th>Payable £m</th>
<th>Receivable £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>14,840</td>
<td>15,051</td>
<td>13,067</td>
<td>13,154</td>
</tr>
<tr>
<td>In one to two years</td>
<td>631</td>
<td>829</td>
<td>929</td>
<td>938</td>
</tr>
<tr>
<td>In two to three years</td>
<td>724</td>
<td>882</td>
<td>1,083</td>
<td>974</td>
</tr>
<tr>
<td>In three to four years</td>
<td>667</td>
<td>770</td>
<td>1,040</td>
<td>932</td>
</tr>
<tr>
<td>In four to five years</td>
<td>619</td>
<td>690</td>
<td>868</td>
<td>816</td>
</tr>
<tr>
<td>In more than five years</td>
<td>3,715</td>
<td>4,592</td>
<td>7,607</td>
<td>5,912</td>
</tr>
<tr>
<td>31 March 2011</td>
<td>21,196</td>
<td>22,814</td>
<td>24,594</td>
<td>22,726</td>
</tr>
</tbody>
</table>

The currency split of the Group’s foreign exchange derivatives, all of which mature in less than one year, is as follows:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Sterling £m</th>
<th>Receivable £m</th>
<th>Payable £m</th>
<th>Receivable £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>10,198</td>
<td>14,000</td>
<td>8,257</td>
<td>11,189</td>
</tr>
<tr>
<td>In one to two years</td>
<td>8,650</td>
<td>14,326</td>
<td>2,382</td>
<td>1,108</td>
</tr>
<tr>
<td>In two to three years</td>
<td>1,545</td>
<td>3,715</td>
<td>1,882</td>
<td>835</td>
</tr>
<tr>
<td>In three to four years</td>
<td>1,040</td>
<td>7,607</td>
<td>770</td>
<td>5,755</td>
</tr>
<tr>
<td>In four to five years</td>
<td>868</td>
<td>2,164</td>
<td>690</td>
<td>1,485</td>
</tr>
<tr>
<td>In more than five years</td>
<td>5,912</td>
<td>2,164</td>
<td>690</td>
<td>1,485</td>
</tr>
<tr>
<td>2011</td>
<td>14,272</td>
<td>14,272</td>
<td>12,288</td>
<td>12,288</td>
</tr>
</tbody>
</table>

Payables and receivables are stated separately in the table above as settlement is on a gross basis. The £54 million net payable (2010: £37 million net receivable) in relation to foreign exchange financial instruments in the table above is split £153 million (2010: £95 million) within trade and other payables and £99 million (2010: £132 million) within trade and other receivables.

The present value of minimum lease payments under finance lease arrangements under which the Group has leased certain of its equipment is analysed as follows:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>In two to five years</td>
<td>45</td>
<td>47</td>
</tr>
<tr>
<td>In more than five years</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
The Group has entered into interest rate futures to alter the level of protection against interest rate movements during some future periods. During the period June 2010 to December 2016 euro denominated interest rate swaps will reduce the level of fixed rate debt in the Group by an amount equal to £833 million. US dollar denominated futures will reduce the level of fixed rate debt during the period March 2016 to March 2019 for an amount equal to £321 million. US dollar denominated interest rate futures will reduce the level of fixed rate debt during the periods September 2012 to December 2012 and December 2013 to March 2014 for amounts equal to £4,487 million and £1,282 million respectively.

At 31 March 2010 the Group had entered into euro and US dollar denominated interest rate futures. The euro denominated interest rate futures cover the period June 2010 to September 2010, September 2010 to December 2010 and December 2010 to March 2011 for amounts equal to £7,888 million, £8,461 million and £4,067 million respectively. The average effective rate which has been fixed is 1.27%. The US dollar denominated interest rate futures cover the period June 2010 to September 2010, September 2010 to December 2010 and December 2010 to March 2011 for amounts equal to £3,197 million, £2,582 million, and £1,119 million respectively. The average effective rate which has been fixed is 0.86%.

Borrowing facilities

At 31 March 2011 the Group’s most significant committed borrowing facilities comprised two bank facilities which remained undrawn throughout the period of £4,150 million (£3,665 million) and US$4,170 million (£2,596 million) both expiring between four and five years (2010: two bank facilities of US$4,115 million (£2,709 million) and US$5,025 million (£3,308 million)), a US$650 million (£405 million) bank facility which expires in more than five years (2010: US$650 million (£428 million)), a £259 million (2010: £259 million (£1,821 million)) term credit facility expired during the period, two loan facilities of £400 million (£353 million) and £350 million (£309 million) both expiring between two and five years (2010: two loan facilities of £400 million (£356 million) and £350 million (£312 million) and a loan facility of £410 million (£362 million) which expires in more than five years (2010: £410 million (£365 million)). The £400 million and £350 million loan facilities were fully drawn on 14 February 2007 and 12 August 2008 respectively and the £410 million facility was drawn on 30 July 2010.

Under the terms and conditions of the £4,150 million and US$4,170 million bank facilities, lenders have the right, but not the obligation, to cancel their commitment 30 days from the date of notification of a change of control of the Company and have outstanding advances repaid on the last day of the current interest period.

The facility agreements provide for certain structural changes that do not affect the obligations of the Company to be specifically excluded from the definition of a change of control. This is in addition to the rights of lenders to cancel their commitment if the Company has committed an event of default.

The terms and conditions of the £400 million loan facility are similar to those of the US dollar bank facilities, with the addition that, should the Group’s Turkish operating company spend less than the equivalent of US$800 million on capital expenditure, the Group will be required to repay the drawn amount of the facility that exceeds 50% of the capital expenditure.

The terms and conditions of the £350 million loan facility are similar to those of the US dollar bank facilities, with the addition that, should the Group’s Italian operating company spend less than the equivalent of €1,500 million on capital expenditure.
June 2012 to September 2012 for amounts equal to £2,083 million, £833 million, £7,185 million and £6,811 million respectively. Additional cover is provided for the period March 2013 to March 2014 and March 2015 to March 2016 for average amounts for each period equal to £2,006 million and £2,331 million respectively. The US dollar denominated interest rate futures cover the periods June 2011 to September 2011, June 2013 to September 2013 and September 2013 to December 2013 for amounts equal to £3,601 million, £1,923 million and £833 million respectively. The average effective rate which has been fixed is 2.87% for euro denominated interest rate futures and 1.33% for US dollar denominated interest rate futures.

The terms and conditions of the €410 million loan facility are similar to those of the US dollar bank facilities, with the addition that, should the Group’s German fixed line operation, spend less than the equivalent of €824 million on capital expenditure, the Group will be required to repay the drawn amount of the facility that exceeds 50% of the capital expenditure.
In addition to the above, certain of the Group’s subsidiaries had committed facilities at 31 March 2011 of £7,152 million (2010: £5,759 million) in aggregate, of which £667 million (2010: £1,647 million) was undrawn. Of the total committed facilities £2,137 million (2010: £1,139 million) expires in less than one year, £3,719 million (2010: £2,880 million) expires between two and five years, and £1,296 million (2010: £1,740 million) expires in more than five years.

Redeemable preference shares

Redeemable preference shares comprise class D and E preferred shares issued by Vodafone Americas, Inc. An annual dividend of US$51.43 per class D and E preferred share is payable quarterly in arrears. The dividend for the year amounted to £58 million (2010: £56 million). The aggregate redemption value of the class D and E preferred shares is US$1.65 billion. The holders of the preferred shares are entitled to vote on the election of directors and upon each other matter coming before any meeting of the shareholders on which the holders of ordinary shares are entitled to vote. Holders are entitled to vote on the basis of twelve votes for each share of class D or E preferred stock held. The maturity date of the 825,000 class D preferred shares is 6 April 2020. The 825,000 class E preferred shares have a maturity date of 1 April 2020. The class D and E preferred shares have a redemption price of US$1,000 per share plus all accrued and unpaid dividends.

23. Post employment benefits

Background

At 31 March 2011 the Group operated a number of pension plans for the benefit of its employees throughout the world, which vary depending on the conditions and practices in the countries concerned. The Group’s pension plans are provided through both defined benefit and defined contribution arrangements. Defined benefit schemes provide benefits based on the employees’ length of pensionable service and their final pensionable salary or other criteria. Defined contribution schemes offer employees individual funds that are converted into benefits at the time of retirement. The Group operates defined benefit schemes in Germany, Ghana, Greece, India, Ireland, Italy, Turkey, the United Kingdom and the United States. Defined contribution pension schemes are currently provided in Australia, Egypt, Greece, Hungary, Ireland, Italy, Kenya, Malta, the Netherlands, New Zealand, Portugal, South Africa, Spain and the United Kingdom. The Group’s principal defined benefit pension scheme in the United Kingdom was closed to new entrants from 1 January 2006 and closed to future accrual by current scheme in the United Kingdom. The Group’s principal defined benefit pension plans for the benefit of its employees throughout the world, which vary depending on the conditions and practices in the countries concerned. The Group’s pension plans are provided through both defined benefit and defined contribution arrangements. Defined benefit schemes provide benefits based on the employees’ length of pensionable service and their final pensionable salary or other criteria. Defined contribution schemes offer employees individual funds that are converted into benefits at the time of retirement.

The Group operates defined benefit schemes in Germany, Ghana, Greece, India, Ireland, Italy, Turkey, the United Kingdom and the United States. Defined contribution pension schemes are currently provided in Australia, Egypt, Greece, Hungary, Ireland, Italy, Kenya, Malta, the Netherlands, New Zealand, Portugal, South Africa, Spain and the United Kingdom. The Group’s principal defined benefit pension scheme in the United Kingdom was closed to new entrants from 1 January 2006 and closed to future accrual by current members on 31 March 2010.

Income statement expense

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined contribution schemes</td>
<td>130</td>
<td>110</td>
<td>73</td>
</tr>
<tr>
<td>Defined benefit schemes</td>
<td>4</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>Total amount charged to the income statement (note 31)</td>
<td>134</td>
<td>160</td>
<td>113</td>
</tr>
</tbody>
</table>

Defined benefit schemes

The principal actuarial assumptions used for estimating the Group’s benefit obligations are set out below:

<table>
<thead>
<tr>
<th></th>
<th>2011(1) %</th>
<th>2010(1) %</th>
<th>2009(1) %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of inflation</td>
<td>3.1</td>
<td>3.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Rate of increase in salaries</td>
<td>2.9</td>
<td>4.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Rate of increase in payments and deferred pensions</td>
<td>3.1</td>
<td>3.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Discount rate</td>
<td>5.6</td>
<td>5.7</td>
<td>6.3</td>
</tr>
<tr>
<td>Expected rates of return:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>8.2</td>
<td>8.5</td>
<td>8.4</td>
</tr>
<tr>
<td>Bonds(2)</td>
<td>5.1</td>
<td>5.1</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Notes:

(1) Figures shown represent a weighted average assumption of the individual schemes.

(2) For the year ended 31 March 2011 the expected rate of return for bonds consisted of a 5.3% rate of return for corporate bonds (2010: 5.5%; 2009: 6.1%) and a 3.6% rate of return for government bonds (2010: 4.0%; 2009: 4.0%).

The expected rate of return on assets assumptions are derived by considering the expected long-term rates of return on plan investments. The overall rate of return is a weighted average of the expected returns of the individual investments made in the group plans. The long-term rates of return on equities are derived from considering current risk free rates of return with the addition of an appropriate future risk premium from an analysis of historic returns in various countries. The long-term rates of return on bonds are set in line with market yields currently available at the statement of financial position date.

Mortality assumptions used are consistent with those recommended by the individual scheme actuaries and reflect the latest available tables, adjusted for the experience of the Group where appropriate. The largest scheme in the Group is the UK scheme and the tables used for this scheme indicate a further life expectancy for a male/female currently aged 65 of 23.5/24.3 years (2010: 22.3/25.4 years, 2009: 22.0/24.8 years) and a further life expectancy from age 65 of 23.5/24.3 years (2010: 22.3/25.4 years, 2009: 22.0/24.8 years) and a further life expectancy from age 65 for a male/female non-pensioner currently aged 40 of 27.0/26.6 years (2010: 24.6/27.9 years, 2009: 23.2/26.0 years).

Measurement of the Group’s defined benefit retirement obligations are particularly sensitive to changes in certain key assumptions including the discount rate. An increase or decrease in the discount rate of 0.5% would result in a £156 million decrease or a £178 million increase in the defined benefit obligation respectively.

Charges made to the consolidated income statement and consolidated statement of comprehensive income (‘SOCI’) on the basis of the assumptions stated above are:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>12</td>
<td>29</td>
<td>46</td>
</tr>
<tr>
<td>Interest cost</td>
<td>95</td>
<td>77</td>
<td>83</td>
</tr>
<tr>
<td>Expected return on pension assets</td>
<td>(103)</td>
<td>(76)</td>
<td>(82)</td>
</tr>
<tr>
<td>Curtailment/settlement</td>
<td>—</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>Total included within staff costs</td>
<td>4</td>
<td>50</td>
<td>40</td>
</tr>
</tbody>
</table>

Actuarial losses recognised in the SOCI (190) 149 220

Cumulative actuarial losses recognised in the SOCI 306 496 347
23. Post employment benefits continued

Fair value of the assets and present value of the liabilities of the schemes

The amount included in the statement of financial position arising from the Group’s obligations in respect of its defined benefit schemes is as follows:

![Table](image)

An analysis of net assets/(deficits) is provided below for the Group’s principal defined benefit pension scheme in the UK and for the Group as a whole.

![Analysis Table](image)

It is expected that contributions of £28 million will be paid into the Group’s defined benefit retirement schemes during the year ending 31 March 2012. The assets of the scheme are held in an external trustee administered fund.

Actual return on pension assets:

![Actual Return Table](image)

The schemes have no direct investments in the Group’s equity securities or in property currently used by the Group.
History of experience adjustments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience adjustments on pension liabilities:</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Amount</td>
<td>23</td>
<td>8</td>
<td>6</td>
<td>(5)</td>
<td>(2)</td>
</tr>
<tr>
<td>Percentage of pension liabilities</td>
<td>1%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Experience adjustments on pension assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>(6)</td>
<td>286</td>
<td>(381)</td>
<td>(176)</td>
<td>26</td>
</tr>
<tr>
<td>Percentage of pension assets</td>
<td>—</td>
<td>19%</td>
<td>(35%)</td>
<td>(14%)</td>
<td>2%</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset retirement obligations</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Arising on acquisition</td>
<td>—</td>
<td>20</td>
<td>20</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amounts capitalised in the year</td>
<td>40</td>
<td>—</td>
<td>40</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amounts charged to the income statement</td>
<td>—</td>
<td>259</td>
<td>259</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Utilised in the year — payments</td>
<td>(3)</td>
<td>(157)</td>
<td>(160)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amounts released to the income statement</td>
<td>—</td>
<td>(37)</td>
<td>(37)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>(21)</td>
<td>—</td>
<td>(21)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>361</td>
<td>545</td>
<td>906</td>
<td>20</td>
<td>40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>559</td>
<td>497</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>482</td>
<td>497</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,041</td>
<td>994</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Provisions have been analysed between current and non-current as follows:

Asset retirement obligations

In the course of the Group’s activities, a number of sites and other assets are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are generally expected to occur at the dates of exit of the assets to which they relate, which are long-term in nature.

Other provisions

Included within other provisions are provisions for legal and regulatory disputes and amounts provided for property and restructuring costs. The Group is involved in a number of legal and other disputes, including notification of possible claims. The directors of the Company, after taking legal advice, have established provisions after taking into account the facts of each case. The timing of cash outflows associated with legal claims cannot be reasonably determined. For a discussion of certain legal issues potentially affecting the Group, refer to note 28. The associated cash outflows for restructuring costs are substantially short-term in nature. The timing of the cash flows associated with property is dependent upon the remaining term of the associated lease.
25. Trade and other payables

The carrying amounts of trade and other payables approximate their fair value. The fair values of the derivative financial instruments are calculated by discounting the future cash flows to net present values using appropriate market interest and foreign currency rates prevailing at 31 March.

<table>
<thead>
<tr>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included within non-current liabilities:</td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>80</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>329</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>395</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>804</strong></td>
</tr>
<tr>
<td>Included within current liabilities:</td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>4,453</td>
</tr>
<tr>
<td>Amounts owed to associates</td>
<td>23</td>
</tr>
<tr>
<td>Other taxes and social security payable</td>
<td>1,140</td>
</tr>
<tr>
<td>Other payables</td>
<td>520</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>8,409</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>153</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,698</strong></td>
</tr>
</tbody>
</table>

The carrying amounts of trade and other payables approximate their fair value. The fair values of the derivative financial instruments are calculated by discounting the future cash flows to net present values using appropriate market interest and foreign currency rates prevailing at 31 March.

<table>
<thead>
<tr>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included within “Derivative financial instruments”:</td>
<td></td>
</tr>
<tr>
<td>Fair value through the income statement (held for trading):</td>
<td></td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>342</td>
</tr>
<tr>
<td>Foreign exchange swaps</td>
<td>153</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>495</strong></td>
</tr>
<tr>
<td>Fair value hedges:</td>
<td></td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>548</strong></td>
</tr>
</tbody>
</table>

26. Reconciliation of net cash flow from operating activities

<table>
<thead>
<tr>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the financial year</td>
<td>7,870</td>
<td>8,618</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based payments</td>
<td>156</td>
<td>150</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>7,876</td>
<td>7,910</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>91</td>
<td>101</td>
</tr>
<tr>
<td>Share of result in associates</td>
<td>(5,059)</td>
<td>(4,742)</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>6,150</td>
<td>2,100</td>
</tr>
<tr>
<td>Other income and expense</td>
<td>16</td>
<td>(114)</td>
</tr>
<tr>
<td>Non-operating income and expense</td>
<td>(3,022)</td>
<td>10</td>
</tr>
<tr>
<td>Investment income</td>
<td>(1,309)</td>
<td>(716)</td>
</tr>
<tr>
<td>Financing costs</td>
<td>429</td>
<td>1,512</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>1,628</td>
<td>56</td>
</tr>
<tr>
<td>(Increase)/decrease in inventory</td>
<td>(107)</td>
<td>2</td>
</tr>
<tr>
<td>(Increase)/decrease in trade and other receivables</td>
<td>(387)</td>
<td>(714)</td>
</tr>
<tr>
<td>Increase/(decrease) in trade and other payables</td>
<td>1,060</td>
<td>1,164</td>
</tr>
<tr>
<td>Cash generated by operations</td>
<td>15,392</td>
<td>15,337</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(3,397)</td>
<td>(2,273)</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td><strong>11,995</strong></td>
<td><strong>13,064</strong></td>
</tr>
</tbody>
</table>
27. Commitments

Operating lease commitments

The Group has entered into commercial leases on certain properties, network infrastructure, motor vehicles and items of equipment. The leases have various terms, escalation clauses, purchase options and renewal rights, none of which are individually significant to the Group.

Future minimum lease payments under non-cancellable operating leases comprise:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1,225</td>
<td>1,200</td>
</tr>
<tr>
<td>In more than one year but less than two years</td>
<td>958</td>
<td>906</td>
</tr>
<tr>
<td>In more than two years but less than three years</td>
<td>746</td>
<td>776</td>
</tr>
<tr>
<td>In more than three years but less than four years</td>
<td>638</td>
<td>614</td>
</tr>
<tr>
<td>In more than four years but less than five years</td>
<td>602</td>
<td>512</td>
</tr>
<tr>
<td>In more than five years</td>
<td>2,344</td>
<td>2,235</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,513</strong></td>
<td><strong>6,243</strong></td>
</tr>
</tbody>
</table>

The total of future minimum sublease payments expected to be received under non-cancellable subleases is £240 million (2010: £246 million).

Capital commitments

<table>
<thead>
<tr>
<th>Company and subsidiaries</th>
<th>2011 £m</th>
<th>2010 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts placed for future capital expenditure not provided in the financial statements (1)</td>
<td>1,786</td>
<td>1,800</td>
</tr>
</tbody>
</table>

Note:

(1) Commitment includes contracts placed for property, plant and equipment and intangible assets.

The commitments of Cellco Partnership (‘Cellco’), which trades under the name of Verizon Wireless, are disclosed within the consolidated financial statements of Cellco for the year ended 31 December 2010, which are included as an exhibit to our 2011 annual report on Form 20-F filed with the SEC.

28. Contingent liabilities

Performance bonds

Performance bonds require the Group to make payments to third parties in the event that the Group does not perform what is expected of it under the terms of any related contracts or commercial arrangements.

Credit guarantees — third party indebtedness

Credit guarantees comprise guarantees and indemnities of bank or other facilities including those in respect of the Group’s associates and investments.

Other guarantees and contingent liabilities

Other guarantees principally comprise commitments to the India Supreme Court of INR 85 billion (£1,188 million) in relation to the taxation matter discussed on page 122. The Group has pledged money market funds (£1,387 million) for this guarantee.

The Group also enters into lease arrangements in the normal course of business which are principally in respect of land, buildings and equipment. Further details on the minimum lease payments due under non-cancellable operating lease arrangements can be found in note 27.

The Company has covenanted to provide security in favour of the Trustee of the Vodafone Group UK Pension Scheme whilst there is a funding deficit in the scheme. The initial security was in the form of a Japanese law share pledge over 400,000 class 1 preferred shares of ¥200,000 in BB Mobile Corp. During the year, the Company and trustee agreed to replace the initial security with a charge over UK index linked gilts (‘ILG’) held by the Company. A charge in favour of the Trustee was agreed over ILG 2016 with a notional value of £100 million and ILG 2013 with a notional value of £48.9 million. The security may be replaced either on a voluntary or mandatory basis. As and when alternative security is provided, the Company has agreed that the security cover should include additional headroom of 33%, although if cash is used as the security asset the ratio will revert to 100% of the relevant liabilities or where the proposed replacement security asset is listed on an internationally recognised stock exchange in certain defined core jurisdictions, the trustee may decide to agree a lower ratio than 133%.
28. Contingent liabilities continued

Legal proceedings

The Company and its subsidiaries are currently, and may be from time to time, involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities that are incidental to their operations. However, save as disclosed below, the Company and its subsidiaries are not currently involved in any legal or arbitration proceedings (including any governmental proceedings which are pending or known to be contemplated) which may have, or have had in the 12 months preceding the date of the approval of this report, a significant effect on the financial position or profitability of the Company and its subsidiaries. With the exception of the Vodafone 2 enquiry, due to inherent uncertainties, no accurate quantification of any cost, or timing of such cost, may arise from any of the legal proceedings outlined below can be made.

The Company was one of a number of co-defendants in four actions filed in 2001 and 2002 in the Superior Court of the District of Columbia in the United States alleging personal injury, including brain cancer, from mobile phone use. The Company is not aware that the health risks alleged in such personal injury claims have been substantiated and vigorously defends such claims. In August 2007 the trial court dismissed all four actions against the Company on the basis of the federal pre-emption doctrine. On 29 October 2009 the District of Columbia Court of Appeals ruled on the plaintiffs' appeal of the trial court's dismissal of all claims in the action on the basis of the federal pre-emption doctrine. The Court of Appeals upheld the dismissal of all claims. However, the decision permits the plaintiffs to continue any claims alleging i) injuries in respect of mobile phones purchased before 1 August 1996 (the date of the Federal Communication Commission's Specific Absorption Rate standard ('FCC standard')); ii) injuries in respect of mobile phones alleged not to have complied with the FCC standard; and iii) fraud and misrepresentation in respect of the sale or marketing of mobile phones in question. The cases were returned to the trial court to be adjudicated in accordance with the Court of Appeals' decision and on 3 May 2010 plaintiffs in the four actions filed amended complaints with the Superior Court. The defendants filed a motion to dismiss the amended complaints on 30 July 2010. The plaintiffs in these four actions have agreed to dismiss the Company from the actions on jurisdiction grounds. However, the plaintiffs have reserved the right to recommence the actions against the Company if evidence supporting an assertion of jurisdiction were to emerge. On 30 September 2010 the plaintiffs filed a stipulation for the voluntary dismissal of the Company and the order granting the stipulation dismissing the Company without prejudice was entered on the court record on 5 October 2010.

On 22 July 2010 the Company settled the Vodafone 2 CFC case with HMRC by agreeing to pay £1.25 billion (comprising £800 million in the 2011 financial year, with the balance to be paid in instalments over the following five years) in respect of all outstanding CFC issues from 2001 to date. It was also agreed that no further UK CFC tax liabilities will arise in the near future under current legislation. Longer term, no CFC liabilities are expected to arise as a consequence of the likely reforms of the CFC regime due to the facts established in this agreement.

Vodafone Essar Limited ('VEL') and Vodafone International Holdings B.V. ('VIHBV') each received notices in August 2007 and September 2007, respectively, from the Indian tax authority alleging potential liability in connection with alleged failure by VIHBV to deduct withholding tax from consideration paid to the Hutchison Telecommunications International Limited group ('HTIL') in respect of HTIL's gain on its disposal to VIHBV of its interests in a wholly-owned subsidiary that indirectly holds interests in VEL. Following the receipt of such adjudication on the facts with permission granted to VIHBV to appeal that decision back to the High Court should VIHBV disagree with the tax authority's findings. On 30 October 2009 VIHBV received a notice from the tax authority requiring VIHBV to show cause as to why it believed that the tax authority did not have competent jurisdiction to proceed against VIHBV for the default of non-deduction of withholding tax from consideration paid to HTIL. VIHBV provided a response on 29 January 2010. On 31 May 2010 VIHBV received an order from the Indian tax authority confirming their view that they did have jurisdiction to proceed against VIHBV as well as a further notice alleging that VIHBV should be treated as the agent of HTIL for the purpose of recovering tax on the transaction. VIHBV appealed this ruling to the Bombay High Court. On 8 September 2010 the Bombay High Court ruled that the tax authority had jurisdiction to decide whether the transaction or some part of the transaction could be taxable in India. VIHBV appealed this decision to the Supreme Court on 14 September 2010. A hearing before the Supreme Court took place on 27 September 2010 at which the Supreme Court made the appeal and asked the tax authority to quantify any liability. On 22 October 2010 the Indian tax authority quantified the alleged tax liability and issued a demand for payment of INR 112.2 billion (£1.6 billion) of tax and interest. VIHBV has contested the amount of such demand both on the basis of the calculation and on the basis that no tax was due in any event. On 15 November 2010 VIHBV was asked to make a deposit with the Supreme Court of INR 25 billion (£356 million) and provide a guarantee for INR 85 billion (£1,188 million) pending final adjudication of the case, which request it duly complied with. The Supreme Court will now hear the appeal on the issue of jurisdiction as well as on the challenge to quantification on 19 July 2011. On 23 March 2011 VIHBV received a notice requesting it to explain why it should not be liable for penalties of up to 100% of any tax found due for alleged failure to withhold. On 15 April 2011 the Supreme Court, in response to an application made by VIHBV, allowed the Indian tax authority to continue its investigations into the application of penalties but stayed the Indian tax authorities from enforcing any liability until after the outcome of the Supreme Court hearing scheduled for 19 July 2011. After investigations, on 29 April 2011, the Indian tax authority raised an order alleging penalties were due but noting that these would not be served in line with the Supreme Court stay. In addition, the separate proceedings taken against VIHBV to seek to treat it as an agent of HTIL in respect of its alleged tax on the same transaction have been deferred until the outcome in the first matter is known. VEL's case also continues to be stayed pending the outcome of the VIHBV Supreme Court hearing. VIHBV believes that neither it nor any other member of the Group is liable for such withholding tax, or is liable to be made an agent of HTIL; however, the outcome of the proceedings remains uncertain and such proceedings may or may not dispose of the matter in its entirety and there can be no assurance that any outcome will be favourable to VIHBV or the Group.

In light of the uncertainty created by the Indian tax authority's actions as set out above, VIHBV, through its indirectly wholly owned subsidiary Euro Pacific Securities Ltd, has sought confirmation from the Authority for Advanced Rulings ('AAR') in India on whether tax should be withheld in respect of consideration payable on the acquisition of Essar Group's ('Essar') offshore holding in VEL. A ruling from the AAR is expected by the end of May 2011 at the latest. The Group does not believe that there is any legal requirement to withhold tax in respect of these transactions but if, contrary to expectations, the AAR directs tax to be withheld, this amount is anticipated to be approximately an additional US$1 billion.
notices, VEL and VIHBV each filed writs seeking orders that their respective notices be quashed and that the tax authority take no further steps under the notices. Initial hearings were held before the Bombay High Court and in the case of VIHBV the High Court admitted the writ for final hearing in June 2008. In December 2008 the High Court dismissed VIHBV's writ. VIHBV subsequently filed a special leave petition to the Supreme Court to appeal the High Court's dismissal of the writ. On 23 January 2009 the Supreme Court referred the question of the tax authority's jurisdiction to seek to pursue tax back to the tax authority for
29. Directors and key management compensation

Directors

Aggregate emoluments of the directors of the Company were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and fees</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Incentive schemes</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other benefits(1)</td>
<td>1</td>
<td>1</td>
<td>1(2)</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>9</td>
<td>7</td>
</tr>
</tbody>
</table>

Notes:
(1) Includes the value of the cash allowance taken by some individuals in lieu of pension contributions.
(2) Includes the value of payments in respect of loss of office and relocation to the US.

The aggregate gross pre-tax gain made on the exercise of share options in the year ended 31 March 2011 by directors who served during the year was £nil (2010: £1 million, 2009: £nil).

Further details of directors’ emoluments can be found in “Directors’ remuneration” on pages 62 to 73.

Key management compensation

Aggregate compensation for key management, being the directors and members of the Executive Committee, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and fees</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Incentive schemes</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other benefits(1)</td>
<td>1</td>
<td>1</td>
<td>1(2)</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>9</td>
<td>7</td>
</tr>
</tbody>
</table>

30. Related party transactions

The Group’s related parties are its joint ventures (see note 13), associates (see note 14), pension schemes, directors and Executive Committee members. Group contributions to pension schemes are disclosed in note 23. Compensation paid to the Company’s Board and members of the Executive Committee is disclosed in note 29.

Transactions with joint ventures and associates

Related party transactions with the Group’s joint ventures and associates primarily comprise fees for the use of products and services including network airtime and access charges, and cash pooling arrangements.

No related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of these consolidated financial statements except as disclosed below. Transactions between the Company and its joint ventures are not material to the extent that they have not been eliminated through proportionate consolidation or disclosed below.

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of goods and services to associates</td>
<td>327</td>
<td>281</td>
<td>205</td>
</tr>
<tr>
<td>Purchase of goods and services from associates</td>
<td>171</td>
<td>159</td>
<td>223</td>
</tr>
<tr>
<td>Purchase of goods and services from joint ventures</td>
<td>206</td>
<td>194</td>
<td>57</td>
</tr>
<tr>
<td>Net interest receivable from joint ventures(1)</td>
<td>(14)</td>
<td>(44)</td>
<td>(18)</td>
</tr>
</tbody>
</table>

Trade balances owed:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>by associates</td>
<td>52</td>
<td>24</td>
<td>50</td>
</tr>
<tr>
<td>to associates</td>
<td>23</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>by joint ventures</td>
<td>27</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td>to joint ventures</td>
<td>67</td>
<td>40</td>
<td>33</td>
</tr>
<tr>
<td>Other balances owed by joint ventures(1)</td>
<td>176</td>
<td>751</td>
<td>311</td>
</tr>
</tbody>
</table>

Note:
(1) Amounts arise primarily through Vodafone Italy, Vodafone Hutchison Australia and Indus Towers and represent amounts not eliminated on consolidation. Interest is paid in line with market rates.

Amounts owed by and owed to associates are disclosed within notes 17 and 25. Dividends received from associates are disclosed in the consolidated statement of cash flows.
30. Related party transactions continued

Transactions with directors other than compensation

During the three years ended 31 March 2011, and as of 16 May 2011, neither any director nor any other executive officer, nor any associate of any director or any other executive officer, was indebted to the Company.

During the three years ended 31 March 2011, and as of 16 May 2011, the Company has not been a party to any other material transaction, or proposed transactions, in which any member of the key management personnel (including directors, any other executive officer, senior manager, any spouse or relative of any of the foregoing or any relative of such spouse) had or was to have a direct or indirect material interest.

31. Employees

The average employee headcount during the year by nature of activity and by segment is shown below. During the year the Group changed its organisation structure. The information on employees by segment are presented on the revised basis, with prior years amended to conform to the current year presentation.

<table>
<thead>
<tr>
<th>By activity:</th>
<th>2011 Employees</th>
<th>2010 Employees</th>
<th>2009 Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>14,171</td>
<td>14,099</td>
<td>13,889</td>
</tr>
<tr>
<td>Selling and distribution</td>
<td>28,311</td>
<td>27,398</td>
<td>25,174</td>
</tr>
<tr>
<td>Customer care and administration</td>
<td>41,380</td>
<td>43,493</td>
<td>40,034</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83,862</strong></td>
<td><strong>84,990</strong></td>
<td><strong>79,097</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By segment:</th>
<th>2011 Employees</th>
<th>2010 Employees</th>
<th>2009 Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>12,594</td>
<td>13,507</td>
<td>13,788</td>
</tr>
<tr>
<td>Italy</td>
<td>6,121</td>
<td>6,207</td>
<td>6,247</td>
</tr>
<tr>
<td>Spain</td>
<td>4,389</td>
<td>4,326</td>
<td>4,354</td>
</tr>
<tr>
<td>UK</td>
<td>8,174</td>
<td>9,766</td>
<td>10,350</td>
</tr>
<tr>
<td>Other Europe</td>
<td>18,953</td>
<td>18,582</td>
<td>19,015</td>
</tr>
<tr>
<td>Europe</td>
<td>50,231</td>
<td>52,388</td>
<td>53,754</td>
</tr>
<tr>
<td>India</td>
<td>10,743</td>
<td>10,132</td>
<td>8,674</td>
</tr>
<tr>
<td>Vodacom</td>
<td>7,320</td>
<td>6,833</td>
<td>3,246</td>
</tr>
<tr>
<td>Other Africa, Middle East and Asia Pacific</td>
<td>10,896</td>
<td>10,887</td>
<td>9,525</td>
</tr>
<tr>
<td>Africa, Middle East and Asia Pacific</td>
<td><strong>28,959</strong></td>
<td><strong>27,852</strong></td>
<td><strong>21,445</strong></td>
</tr>
<tr>
<td>Non-Controlled Interests and Common Functions</td>
<td>4,672</td>
<td>4,750</td>
<td>3,898</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83,862</strong></td>
<td><strong>84,990</strong></td>
<td><strong>79,097</strong></td>
</tr>
</tbody>
</table>

The cost incurred in respect of these employees (including directors) was:

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>2,960</td>
<td>3,045</td>
<td>2,607</td>
</tr>
<tr>
<td>Social security costs</td>
<td>392</td>
<td>415</td>
<td>379</td>
</tr>
<tr>
<td>Share-based payments (note 20)</td>
<td>156</td>
<td>150</td>
<td>128</td>
</tr>
<tr>
<td>Other pension costs (note 23)</td>
<td>134</td>
<td>160</td>
<td>113</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,642</strong></td>
<td><strong>3,770</strong></td>
<td><strong>3,227</strong></td>
</tr>
</tbody>
</table>

32. Subsequent events

SFR

On 3 April 2011 the Group announced an agreement to sell its entire 44% shareholding in SFR to Vivendi for cash consideration of €7.75 billion (£6.8 billion). The Group will also receive a final dividend from SFR of €200 million (£176 million) on completion of the transaction.

Subject to customary competition authority and regulatory approvals, the transaction is expected to complete during the second calendar quarter of 2011.

At 31 March 2011 the SFR investment had a carrying value of £4.2 billion and was reported within the Non-Controlled Investments and Common Functions segment.
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Shareholder information

Financial calendar for the 2012 financial year

Interim management statement 22 July 2011
Half-year financial results announcement 8 November 2011

Further details will be published at www.vodafone.com/investor as they become available. Results announcements are available online at www.vodafone.com/investor — we do not publish them in the press.

Dividends

Full details on the dividend amount per share can be found on page 47. Set out below is information relevant to the final dividend for the year ended 31 March 2011.

<table>
<thead>
<tr>
<th>Ex-dividend date</th>
<th>1 June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend reinvestment plan last election date</td>
<td>15 July 2011</td>
</tr>
<tr>
<td>Dividend payment date(1)</td>
<td>5 August 2011</td>
</tr>
</tbody>
</table>

Note:
(1) Payment date for both ordinary shares and American depositary shares (‘ADSs’).

Dividend payment methods

Currently holders of ordinary shares and ADSs can:

- have cash dividends paid direct to a bank or building society account; or
- elect to use the cash dividends to purchase more Vodafone ordinary shares under the dividend reinvestment plan (see below) or, in the case of ADSs, have the dividends reinvested to purchase additional Vodafone ADSs.

ADS holders can, in addition to the above, have their cash dividends paid in the form of a cheque.

Holders of ordinary shares:

- resident in the UK automatically receive their dividends in pounds sterling provided that UK bank details have been provided to the Company;
- resident in the eurozone (defined for this purpose as a country that has adopted the euro as its national currency) automatically receive their dividends in euros provided that euro bank details have been provided to the Company; and
- resident outside the UK and eurozone automatically receive dividends in pounds sterling by lodging UK bank account details but may elect to receive dividends in local currency into their bank account directly via our registrars’ global payments service. Visit www.investorcentre.co.uk for details, and terms and conditions.

For dividend payments in euros, the sterling/euro exchange rate will be determined by us in accordance with the Company’s articles of association, up to 13 business days prior to the payment date.

We will pay the ADS depositary, BNY Mellon, its dividend in US dollars. The sterling/US dollar exchange rate for this purpose will be determined by us up to ten New York and London business days prior to the payment date. Cash dividends to ADS holders will be paid by the ADS depositary in US dollars.

Further information about the dividend payments can be found at www.vodafone.com/dividends or, alternatively, please contact our registrars or the ADS depositary, as applicable, for further details.

Dividend reinvestment

We offer a dividend reinvestment plan which allows holders of ordinary shares, who choose to participate, to use their cash dividends to acquire additional shares in the Company. These are purchased on their behalf by the plan administrator through a low cost dealing arrangement.

For ADS holders BNY Mellon maintains a Global Buy DIRECT Plan which is a direct purchase and sale plan for depositary receipts with a dividend reinvestment facility.

Telephone share dealing

A telephone share dealing service operated by our registrars is available for holders of ordinary shares. The service is available from 8.00 am to 4.30 pm, Monday to Friday, excluding bank holidays, on telephone number +44 (0)870 703 0084. Detailed terms and conditions are available on request by calling the above number.

Registrars and transfer office

If private shareholders have any enquiries about their holding of ordinary shares, such as a change of address, change of ownership or dividend payments, they should contact our registrars at the address or telephone number below.

Computershare Investor Services PLC maintain the Company’s share register and holders of ordinary shares can visit the registrars’ investor centre at www.investorcentre.co.uk to view and update details of their shareholding.

ADS holders should address any queries or instructions regarding their holdings to the depositary bank for the Company’s ADR programme at the address or telephone number below. At www.bnymellon.com/shareowner ADS holders can view their account information, make changes and conduct many other transactions.

The Registrars
Computershare Investor Services PLC
The Pavilions
Bridgewater Road, Bristol BS99 6ZZ, England
Telephone: +44 (0)870 702 0198
www.investorcentre.co.uk/contactus

ADS depositary
BNY Mellon
BNY Mellon Shareowner Services
PO Box 358516

Holders of ordinary shares resident in Ireland:
Computershare Investor Services (Ireland) Limited
PO Box 9742
Dublin 18, Ireland
Telephone: +353 (0)818 300 999
www.investorcentre.co.uk/contactus
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Additional information

Internet share dealing
An internet share dealing service is available for holders of ordinary shares who want to buy or sell ordinary shares. Further information about this service can be obtained from our registrars on +44 (0)870 702 0198 or by logging onto www.computershare.com/dealing/uk.

Online shareholder services
We provide a number of shareholder services online at www.vodafone.com/ investor where shareholders may:
• register to receive electronic shareholder communications. Benefits to shareholders include faster receipt of communications, such as annual reports, with cost and time savings for the Company. Electronic shareholder communications are also more environmentally friendly;
• update registered address or dividend bank mandate instructions;
• view and/or download the 2011 annual report;
• check the current share price;
• calculate dividend payments; and
• use interactive tools to calculate the value of shareholdings, look up the historic price on a particular date and chart Vodafone ordinary share price changes against indices.

Shareholders and other interested parties can also receive company press releases, including London Stock Exchange announcements, by registering for Vodafone news via the website at www.vodafone.com/media. Registering for Vodafone news will enable users to:
• access the latest news from their mobile; and
• have news automatically emailed to them.

Annual general meeting (‘AGM’) The twenty-seventh AGM of the Company will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 26 July 2011 at 11.00 a.m.
A combined review of the year and notice of AGM, including details of the business to be conducted at the AGM, will be circulated to shareholders or can be viewed on our website at www.vodafone.com/AGM. Shareholders who have registered to receive communications electronically will receive an email notification when the document is available to view on the website.

The AGM will be transmitted via a live webcast which can be viewed on the website at www.vodafone.com/AGM on the day of the meeting and a recording will be available to view after that date.

ShareGift
We support ShareGift, the charity share donation scheme (registered charity number 1052686). Through ShareGift shareholders who have only a very small number of shares, which might be considered uneconomic to sell, are able to donate them to charity. Donated shares are aggregated and sold by ShareGift, the proceeds being passed on to a wide range of UK charities. Donating shares to charity gives rise neither to a gain nor a loss for UK capital gains tax purposes and UK taxpayers may also be able to claim income tax relief on the value of the donation.

ShareGift transfer forms specifically for our shareholders are available from our registrars, Computershare Investor Services PLC, and even if the share certificate has been lost or destroyed, the gift can be completed. The service is

Share price history
Upon flotation of the Company on 11 October 1988 the ordinary shares were valued at 170 pence each. When the Company was finally demerged on 16 September 1991 the base cost of Racal Electronics Plc shares for UK taxpayers was apportioned between the Company and Racal Electronics Plc for Capital Gains Tax purposes in the ratio of 80.036% and 19.964% respectively. Opening share prices on 16 September 1991 were 332 pence for each Vodafone share and 223 pence for each Racal share.
On 21 July 1994 the Company effected a bonus issue of two new shares for every one then held and on 30 September 1999 it effected a bonus issue of four new shares for every one held at that date. The flotation and demerger share prices therefore may be restated as 11.333 pence and 22.133 pence respectively.
On 31 July 2006 the Group returned approximately £9 billion to shareholders in the form of a B share arrangement. As part of this arrangement, and in order to facilitate historical share price comparisons, the Group’s share capital was consolidated on the basis of seven new ordinary shares for every eight ordinary shares held at this date. Share prices in the five year data table below have not been restated to reflect this consolidation.

The closing share price at 31 March 2011 was 176.5 pence (31 March 2010: 152.0 pence). The closing share price on 16 May 2011 was 168.3 pence.

The following tables set out, for the periods indicated, i) the reported high and low middle market quotations of ordinary shares on the London Stock Exchange, and ii) the reported high and low sales prices of ADSs on the New York Stock Exchange (‘NYSE’)/NASDAQ. The Company transferred its ADSs from the NYSE to NASDAQ on 29 October 2009.

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>London Stock Exchange Pounds per ordinary share</th>
<th>NYSE/NASDAQ(1) Dollars per ADS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>2007</td>
<td>1.54</td>
<td>1.08</td>
</tr>
<tr>
<td>2008</td>
<td>1.98</td>
<td>1.36</td>
</tr>
<tr>
<td>2009</td>
<td>1.70</td>
<td>0.96</td>
</tr>
<tr>
<td>2010</td>
<td>1.54</td>
<td>1.11</td>
</tr>
<tr>
<td>2011</td>
<td>1.85</td>
<td>1.27</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>London Stock Exchange Pounds per ordinary share</th>
<th>NYSE/NASDAQ(1) Dollars per ADS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>2009/2010</td>
<td>First quarter</td>
<td>1.33</td>
</tr>
<tr>
<td></td>
<td>Second quarter</td>
<td>1.44</td>
</tr>
<tr>
<td></td>
<td>Third quarter</td>
<td>1.45</td>
</tr>
<tr>
<td></td>
<td>Fourth quarter</td>
<td>1.54</td>
</tr>
<tr>
<td>2010/2011</td>
<td>First quarter</td>
<td>1.53</td>
</tr>
<tr>
<td></td>
<td>Second quarter</td>
<td>1.64</td>
</tr>
<tr>
<td></td>
<td>Third quarter</td>
<td>1.80</td>
</tr>
<tr>
<td></td>
<td>Fourth quarter</td>
<td>1.85</td>
</tr>
<tr>
<td>2011/2012</td>
<td>First quarter(2)</td>
<td>1.83</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>London Stock Exchange Pounds per ordinary share</th>
<th>NASDAQ Dollars per ADS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>November 2010</td>
<td>1.80</td>
<td>1.59</td>
</tr>
<tr>
<td>December 2010</td>
<td>1.72</td>
<td>1.60</td>
</tr>
<tr>
<td>January 2011</td>
<td>1.85</td>
<td>1.68</td>
</tr>
</tbody>
</table>
generally free. However, there may be an indemnity charge for a lost or destroyed share certificate where the value of the shares exceeds £100. Further details about ShareGift can be obtained from its website at www.ShareGift.org or at 17 Carlton House Terrace, London SW1Y 5AH (telephone: +44 (0)207 930 3737).

Asset Checker Limited

We participate in Asset Checker, the online service which provides a search facility for solicitors and probate professionals to quickly and easily trace UK shareholdings relating to deceased estates. For further information visit www.assetchecker.co.uk or call +44 (0)870 707 4004.

<table>
<thead>
<tr>
<th>Month</th>
<th>Feb 2011</th>
<th>Mar 2011</th>
<th>Apr 2011</th>
<th>May 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.83</td>
<td>1.85</td>
<td>1.83</td>
<td>1.74</td>
</tr>
<tr>
<td></td>
<td>1.72</td>
<td>1.67</td>
<td>1.69</td>
<td>1.66</td>
</tr>
<tr>
<td></td>
<td>29.75</td>
<td>29.67</td>
<td>29.46</td>
<td>29.27</td>
</tr>
<tr>
<td></td>
<td>27.90</td>
<td>26.71</td>
<td>28.06</td>
<td>27.12</td>
</tr>
</tbody>
</table>

Notes:
(1) The Company transferred its ADSs from the NYSE to NASDAQ on 29 October 2009.
(2) Covering period up to 16 May 2011.
Inflation and foreign currency translation

Inflation

Inflation has not had a significant effect on the Group’s results of operations and financial condition during the three years ended 31 March 2011.

Foreign currency translation

The following table sets out the pounds sterling exchange rates of the other principal currencies of the Group, being: “euros”, “€” or “eurocents”, the currency of the European Union (‘EU’) member states which have adopted the euro as their currency, and “US dollars”, “US$”, “cents” or “¢”, the currency of the US.

<table>
<thead>
<tr>
<th>Currency (=£1)</th>
<th>2011</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro</td>
<td>1.18</td>
<td>1.13</td>
<td>4.4</td>
</tr>
<tr>
<td>US dollar</td>
<td>1.56</td>
<td>1.60</td>
<td>-0.38</td>
</tr>
</tbody>
</table>

At 31 March:

<table>
<thead>
<tr>
<th>Currency (=£1)</th>
<th>2011</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro</td>
<td>1.13</td>
<td>1.12</td>
<td>0.9</td>
</tr>
<tr>
<td>US dollar</td>
<td>1.61</td>
<td>1.52</td>
<td>5.9</td>
</tr>
</tbody>
</table>

The following table sets out, for the periods and dates indicated, the period end, average, high and low exchange rates for pounds sterling expressed in US dollars per £1.00.

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>31 March</th>
<th>Average</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.97</td>
<td>1.89</td>
<td>1.98</td>
<td>1.74</td>
</tr>
<tr>
<td>2008</td>
<td>1.99</td>
<td>2.01</td>
<td>2.11</td>
<td>1.94</td>
</tr>
<tr>
<td>2009</td>
<td>1.43</td>
<td>1.72</td>
<td>2.00</td>
<td>1.37</td>
</tr>
<tr>
<td>2010</td>
<td>1.52</td>
<td>1.60</td>
<td>1.70</td>
<td>1.44</td>
</tr>
<tr>
<td>2011</td>
<td>1.61</td>
<td>1.56</td>
<td>1.64</td>
<td>1.43</td>
</tr>
</tbody>
</table>

The following table sets out, for the periods indicated, the high and low exchange rates rates for pounds sterling expressed in US dollars per £1.00.

<table>
<thead>
<tr>
<th>Month</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2010</td>
<td>1.63</td>
<td>1.56</td>
</tr>
<tr>
<td>December 2010</td>
<td>1.59</td>
<td>1.54</td>
</tr>
<tr>
<td>January 2011</td>
<td>1.60</td>
<td>1.55</td>
</tr>
<tr>
<td>February 2011</td>
<td>1.63</td>
<td>1.60</td>
</tr>
<tr>
<td>March 2011</td>
<td>1.64</td>
<td>1.60</td>
</tr>
<tr>
<td>April 2011</td>
<td>1.67</td>
<td>1.61</td>
</tr>
</tbody>
</table>

Markets

Ordinary shares of Vodafone Group Plc are traded on the London Stock Exchange and in the form of ADSs on NASDAQ. The Company had a total market capitalisation of approximately £86.4 billion at 16 May 2011 making it the second largest listing in The Financial Times Stock Exchange 100 index and the 28th largest company in the world based on market capitalisation at that date.

ADRs, each representing ten ordinary shares, are traded on NASDAQ under the symbol ‘VOD’. The ADRs are evidenced by ADRs issued by BNY Mellon, as depositary, under a deposit agreement, dated as of 12 October 1988, as amended and restated on 26 December 1989, 16 September 1991, 30 June 1999, 31 July 2006 and 30 July 2009 between the Company, the depositary and the holders from time to time of ADRs issued thereunder.

ADS holders are not members of the Company but may instruct BNY Mellon on the exercise of voting rights relative to the number of ordinary shares represented by their ADRs. See “Articles of association and applicable English law — Rights attaching to the Company’s shares — Voting rights” on page 135.

Shareholders at 31 March 2011

<table>
<thead>
<tr>
<th>Number of ordinary shares held</th>
<th>31 March 2011</th>
<th>Number of accounts</th>
<th>% of total issued shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 999</td>
<td>430,021</td>
<td>0.21</td>
<td></td>
</tr>
<tr>
<td>1,001 – 5,000</td>
<td>79,461</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td>5,001 – 50,000</td>
<td>27,629</td>
<td>0.61</td>
<td></td>
</tr>
<tr>
<td>50,001 – 100,000</td>
<td>1,266</td>
<td>0.14</td>
<td></td>
</tr>
<tr>
<td>100,001 – 500,000</td>
<td>1,094</td>
<td>0.44</td>
<td></td>
</tr>
<tr>
<td>More than 500,000</td>
<td>1,638</td>
<td>98.28</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>540,967</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Geographical analysis of shareholders

At 31 March 2011 approximately 46.9% of the Company’s shares were held in the UK, 30.2% in North America, 14.4% in Europe (excluding the UK) and 8.5% in the rest of the world.

Major shareholders

BNY Mellon, as custodian of the Company’s ADR programme, held approximately 17% of the Company’s ordinary shares of 11½ US cents each at 16 May 2011 as nominee. The total number of ADRs outstanding at 16 May 2011 was 886,242,945. At this date 1,369 holders of record of ordinary shares had registered addresses in the US and in total held approximately 0.007% of the ordinary shares of the Company. At 16 May 2011 the following percentage interests in the ordinary share capital of the Company, disclosable under the Disclosure and Transparency Rules, (DTR 5), have been notified to the directors:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Rock, Inc.</td>
<td>6.00%</td>
</tr>
<tr>
<td>Legal &amp; General Group Plc</td>
<td>3.59%</td>
</tr>
</tbody>
</table>

The rights attaching to the ordinary shares of the Company held by these shareholders are identical in all respects to the rights attaching to all the ordinary shares of the Company. The directors are not aware, at 16 May 2011, of any other interest of 3% or more in the ordinary share capital of the Company. The Company is not directly or indirectly owned or controlled by any foreign government or any other legal entity. There are no arrangements known to the Company that could result in a change of control of the Company.

Articles of association and applicable English law

The following description summarises certain provisions of the Company’s articles of association and applicable English law. This summary is qualified in its entirety by reference to the Companies Act 2006 of England and Wales and the Company’s articles of association. Information on where shareholders can obtain copies of the articles of association is provided under “Documents on display” on page 137.

The Company is a public limited company under the laws of England and Wales. The Company is registered in England and Wales under the name Vodafone Group Public Limited Company with the registration number 1833679. All of the Company’s ordinary shares are fully paid. Accordingly, no further contribution of capital may be required by the Company from the holders of such shares.

English law specifies that any alteration to the articles of association must be approved by a special resolution of the shareholders.

Articles of association

Pursuant to the Companies Act 2006, the object clauses and other provisions which are contained in a company’s memorandum of association are deemed to be contained in the company’s articles of association unless they are removed.
by a special resolution of the company. If removed, the company’s objects are unrestricted.

By a special resolution passed at the 2010 AGM the Company removed its object clause together with all other provisions of its memorandum of association which, by virtue of the Companies Act 2006, are treated as forming part of the Company’s articles of association.
Dividend rights

Holders of 7% cumulative fixed rate shares are entitled to be paid in respect of each financial year, or other accounting period of the Company, a fixed cumulative preferential dividend of 7% per annum on the nominal value of the fixed rate shares. A fixed cumulative preferential dividend may only be paid out of available distributable profits which the directors have resolved should be distributed. The fixed rate shares do not have any other right to share in the Company’s profits.

Holders of the Company’s ordinary shares may, by ordinary resolution, declare dividends but may not declare dividends in excess of an amount recommended by the directors. The Board of directors may also pay interim dividends. No dividend may be paid other than out of profits available for distribution. Dividends on ordinary shares can be paid to shareholders in whatever currency the directors decide, using an appropriate exchange rate for any currency conversions which are required.

If a dividend has not been claimed for one year after the date of the resolution passed at a general meeting declaring that dividend or the resolution of the directors providing for payment of that dividend, the directors may invest the dividend or use it in some other way for the benefit of the Company until the dividend is claimed. If the dividend remains unclaimed for 12 years after the relevant resolution either declaring that dividend or providing for payment of that dividend, it will be forfeited and belong to the Company.

Voting rights

The Company’s articles of association provide that voting on substantive resolutions (i.e. any resolution which is not a procedural resolution) at a general meeting shall be decided on a poll. On a poll, each shareholder who is entitled to vote and is present in person or by proxy has one vote for every share held. Procedural resolutions (such as a resolution to adjourn a general meeting or a resolution on the choice of Chairman of a general meeting) shall be decided on a show of hands, where each shareholder who is present at the meeting has one vote regardless of the number of shares held, unless a poll is demanded. In addition, the articles of association allow persons appointed as proxies by two or more shareholders entitled to vote at general meetings to vote for and against a resolution on a show of hands.

Under English law two shareholders present in person constitute a quorum for purposes of a general meeting unless a company’s articles of association specify otherwise. The Company’s articles of association do not specify otherwise, except that the shareholders do not need to be present in person and may instead be present by proxy to constitute a quorum.

Under English law shareholders of a public company such as the Company are not permitted to pass resolutions by written consent.

Record holders of the Company’s ADSs are entitled to attend, speak and vote on a poll or a show of hands at any general meeting of the Company’s shareholders by the depositary’s appointment of them as corporate representatives with respect to the underlying ordinary shares represented by their ADSs. Alternatively holders of ADSs are entitled to vote by supplying their voting instructions to the depositary or its nominee who will vote the ordinary shares underlying their ADSs in accordance with their instructions.

Employees are able to vote any shares held under the Vodafone Group Share Incentive Plan and ‘My ShareBank’ (a
Rights attaching to the Company’s shares

At 31 March 2011 the issued share capital of the Company was comprised of 50,000 7% cumulative fixed rate shares of £1.00 each and 51,577,525,830 ordinary shares (excluding treasury shares) of 11\(\frac{3}{7}\) US cents each.

Holders of the Company’s 7% cumulative fixed rate shares are only entitled to vote on any resolution to vary or abrogate the rights attached to the fixed rate shares. Holders have one vote for every fully paid 7% cumulative fixed rate share.
Liquidation rights
In the event of the liquidation of the Company, after payment of all liabilities and deductions in accordance with English law, the holders of the Company’s 7% cumulative fixed rate shares would be entitled to a sum equal to the capital paid up on such shares, together with certain dividend payments, in priority to holders of the Company’s ordinary shares. The holders of the fixed rate shares do not have any other right to share in the Company’s surplus assets.

Pre-emptive rights and new issues of shares
Under Section 549 of the Companies Act 2006 directors are, with certain exceptions, unable to allot the Company’s ordinary shares or securities convertible into the Company’s ordinary shares without the authority of the shareholders in a general meeting. In addition, Section 561 of the Companies Act 2006 imposes further restrictions on the issue of equity securities (as defined in the Companies Act 2006 which include the Company’s ordinary shares and securities convertible into ordinary shares) which are, or are to be, paid up wholly in cash and not first offered to existing shareholders. The Company’s articles of association allow shareholders to authorise directors for a period specified in the relevant resolution to allot i) relevant securities generally up to an amount fixed by the shareholders and ii) equity securities for cash other than in connection with a pre-emptive offer up to an amount specified by the shareholders and free of the pre-emption restriction in Section 561. At the AGM in 2010 the amount of relevant securities fixed by shareholders under (i) above and the amount of equity securities specified by shareholders under (ii) above were both in line with corporate governance guidelines. The directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise. In order to retain such maximum flexibility, the directors propose to renew the authorities granted by shareholders in 2010 at this year’s AGM. Further details of such proposals are provided in the 2011 notice of AGM.

Disclosure of interests in the Company’s shares
There are no provisions in the articles of association whereby persons acquiring, holding or disposing of a certain percentage of the Company’s shares are required to make disclosure of their ownership percentage although such requirements exist under rules derived from the Disclosure and Transparency Rules (‘DTRs’). The basic disclosure requirement upon a person acquiring or disposing of shares that are admitted to trading on a regulated market and carrying voting rights is an obligation to provide written notification to the Company, including certain details as set out in DTR 5, where the percentage of the person’s voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (falling within DTR 5.3.1R) reaches or exceeds 3% and reaches, exceeds or falls below each 1% threshold thereafter.

Under Section 793 of the Companies Act 2006 the Company, by notice in writing, require a person that the Company knows or has reasonable cause to believe is, or was during the preceding three years, interested in the Company’s shares to indicate whether or not that is correct and, if that person does or did hold an interest in the Company’s shares, to provide certain information as set out in the Companies Act 2006, DTR 3 deals with the disclosure by persons “discharging managerial responsibility” and their connected persons of the occurrence of all transactions conducted on their account in the shares of the Company. Part 28 of The Companies Act 2006 sets out the statutory functions of the Panel on Takeovers & Mergers (the ‘Panel’). The Panel is

General meetings and notices
Subject to the articles of association, annual general meetings are held at such times and place as determined by the directors of the Company. The directors may also, when they think fit, convene other general meetings of the Company. General meetings may also be convened on requisition as provided by the Companies Act 2006.

An annual general meeting needs to be called by not less than 21 days’ notice in writing. Subject to obtaining shareholder approval on an annual basis, the Company may call other general meetings on 14 days’ notice. The directors may determine that persons entitled to receive notices of meetings are those persons entered on the register at the close of business on a day determined by the directors but not later than twenty-one days before the date the relevant notice is sent. The notice may also specify the record date, the time of which shall be determined in accordance with the articles of association and the Companies Act 2006.

Shareholders must provide the Company with an address or (so far as the Companies Act 2006 allows) an electronic address or fax number in the United Kingdom in order to be entitled to receive notices of shareholders’ meetings and other notices and documents. In certain circumstances the Company may give notices to shareholders by publication on the Company’s website and advertisement in newspapers in the United Kingdom. Holders of the Company’s ADSs are entitled to receive notices under the terms of the deposit agreement relating to the ADSs.

Under Section 336 of the Companies Act 2006 the annual general meeting of shareholders must be held each calendar year and within six months of the Company’s year end.

Electronic communications
The Company has previously passed a resolution allowing it to communicate all shareholder information by electronic means, including making such information available on the Company’s website. Those shareholders who have positively elected for website communication (or are deemed to have consented to receive electronic communication in accordance with the Companies Act 2006) will receive written notification whenever shareholder documentation is made available on the website.

Variation of rights
If at any time the Company’s share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the Companies Act 2006, either with the consent in writing of the holders of three quarters in nominal value of the shares of that class or at a separate meeting of the holders of the shares of that class. At every such separate meeting all of the provisions of the articles of association relating to proceedings at a general meeting apply, except that i) the quorum is to be the number of persons (which must be at least two) who hold or represent by proxy not less than one third in nominal value of the issued shares of the class or, if such quorum is not present on an adjourned meeting, one person who holds shares of the class regardless of the number of shares he holds; ii) any person present in person or by proxy may demand a poll and iii) each shareholder will have one vote per share held in that particular class in the event a poll is taken. Class rights are deemed not to have been varied by the creation or issue of new shares ranking equally with or subsequent to that class of shares in sharing in profits or assets of the Company or by a redemption or repurchase of the shares by the Company.

Limitations on voting and shareholding
As far as the Company is aware there are no limitations
responsible for issuing and administering the Code on Takeovers & Mergers which includes disclosure requirements on all parties to a takeover with regard to dealings in the securities of an offeror or offeree company and also on their respective associates during the course of an offer period.

imposed on the transfer, holding or voting of the Company’s ordinary shares other than those limitations that would generally apply to all of the shareholders. No shareholder has any securities carrying special rights with regard to control of the Company.
The Company is subject to the information requirements of the Exchange Act applicable to foreign private issuers. In accordance with these requirements the Company files its annual report on Form 20-F and other related documents with the SEC. These documents may be inspected at the SEC’s public reference rooms located at 100 F Street, NE Washington, DC 20549. Information on the operation of the public reference room can be obtained in the US by calling the SEC on +1-800-SEC-0330. In addition, some of the Company’s SEC filings, including all those filed on or after 4 November 2002, are available on the SEC’s website (www.sec.gov). Shareholders can also obtain copies of the Company’s articles of association from our website at www.vodafone.com/governance or from the Company’s registered office.

Material contracts

At the date of this annual report the Group is not party to any contracts that are considered material to the Group’s results or operations except for its US$4.2 billion and €4.2 billion credit facilities which are discussed under “Financial position and resources” on page 50.

Exchange controls

There are no UK government laws, decrees or regulations that restrict or affect the export or import of capital, including but not limited to, foreign exchange controls on remittance of dividends on the ordinary shares or on the conduct of the Group’s operations.

Taxation

As this is a complex area investors should consult their own tax advisor regarding the US federal, state and local, the UK and other tax consequences of owning and disposing of shares or ADSs in their particular circumstances.

This section describes, primarily for a US holder (as defined below), in general terms, the principal US federal income tax and UK tax consequences of owning or disposing of shares or ADSs in the Company held as capital assets (for US and UK tax purposes). This section does not, however, cover the tax consequences for members of certain classes of holders subject to special rules including officers of the Company, employees and holders that, directly or indirectly, hold 10% or more of the Company’s voting stock.

A US holder is a beneficial owner of shares or ADSs that is for US federal income tax purposes:

- a citizen or resident of the US;
- a US domestic corporation;
- an estate, the income of which is subject to US federal income tax regardless of its source; or
- a trust, if a US court can exercise primary supervision over the trust’s administration and one or more US persons are authorised to control all substantial decisions of the trust.

If a partnership holds the shares or ADSs, the US federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the shares or ADSs should consult its tax advisor with regard to the US federal income tax treatment of an investment in the shares or ADSs.

This section is based on the US Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, and on the tax laws of the United Kingdom and the Double Taxation Convention between the United States and the United Kingdom (the ‘treaty’), all as currently in effect.

This section is further based in part upon the representations of the depositary and assumes that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

Based on this assumption, for purposes of the treaty and the US-UK double taxation convention relating to estate and gift taxes (the ‘Estate Tax Convention’), and for US federal income tax and UK tax purposes, a holder of ADRs evidencing ADSs will be treated as the owner of the shares in the Company represented by those ADSs. Generally exchanges of shares for ADRs and ADRs for shares will not be subject to US federal income tax or to UK tax other than stamp duty or stamp duty reserve tax (see the section on these taxes below).

T axation of dividends

UK taxation

Under current UK tax law no withholding tax will be deducted from the dividends we pay. Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on the dividends we pay unless the dividends fall within an exempt class and certain other conditions are met. It is expected that the dividends we pay would generally be exempt.

A shareholder in the Company who is an individual resident for UK tax purposes in the United Kingdom is entitled, in calculating their liability to UK income tax, to a tax credit on cash dividends we pay on our shares or ADSs and the tax credit is equal to one-ninth of the cash dividend.

US federal income taxation

Subject to the PFIC rules described below, a US holder is subject to US federal income taxation on the gross amount of any dividend we pay out of our current or accumulated earnings and profits (as determined for US federal income tax purposes). Dividends paid to a non-corporate US holder in tax years beginning before 1 January 2013 that constitute qualified dividend income will be taxable to the holder at a maximum tax rate of 15% provided that the ordinary shares or ADSs are held for more than 60 days during the 121 day period beginning 60 days before the ex-dividend date and the holder meets other holding period requirements. Dividends paid by us with respect to the shares or ADSs will generally be qualified dividend income. A US holder is not subject to a UK withholding tax. The US holder includes in gross income for US federal income tax purposes only the amount of the dividend actually received from us and the receipt of a dividend does not entitle the US holder to a foreign tax credit.

Dividends must be included in income when the US holder, in the case of shares, or the depositary, in the case of ADSs, actually or constructively receives the dividend and will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. Dividends will be income from sources outside the United States. For the purpose of the foreign tax credit limitation, foreign source income is classified in one or two baskets and the credit for foreign taxes on income in any basket is limited to US federal income tax allocable to that income. Generally the dividends we pay will constitute foreign source income in the passive income basket.

In the case of shares, the amount of the dividend distribution to be included in income will be the US dollar value of the pound sterling payments made determined at the spot pound sterling/US dollar rate on the date of the dividend distribution, regardless of whether the payment is in fact converted into US dollars. Generally any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is to be included in income to the date the
These laws are subject to change, possibly on a retroactive basis.

payment is converted into US dollars will be treated as ordinary income or loss. Generally the gain or loss will be income or loss from sources within the United States for foreign tax credit limitation purposes.
Taxation of capital gains

UK taxation

A US holder may be liable for both UK and US tax in respect of a gain on the disposal of our shares or ADSs if the US holder is:

- a citizen of the United States resident or ordinarily resident for UK tax purposes in the United Kingdom;
- a citizen of the United States who has been resident or ordinarily resident for UK tax purposes in the United Kingdom, ceased to be so resident or ordinarily resident for a period of less than five years of assessment and who disposed of the shares or ADSs during that period (a ‘temporary non-resident’), unless the shares or ADSs were also acquired during that period, such liability arising on that individual’s return to the UK;
- a US domestic corporation resident in the United Kingdom by reason of being centrally managed and controlled in the United Kingdom; or
- a citizen of the United States or a US domestic corporation that carries on a trade, profession or vocation in the United Kingdom through a branch or agency or, in the case of US domestic companies, through a permanent establishment and that has used the shares or ADSs for the purposes of such trade, profession or vocation or has used, held or acquired the shares or ADSs for the purposes of such branch or agency or permanent establishment.

Under the treaty capital gains on dispositions of the shares or ADSs are generally subject to tax only in the country of residence of the relevant holder as determined under both the laws of the United Kingdom and the United States and as required by the terms of the treaty. However, individuals who are residents of either the United Kingdom or the United States and who have been residents of the other jurisdiction (the US or the UK, as the case may be) at any time during the six years immediately preceding the relevant disposal of shares or ADSs may be subject to tax with respect to capital gains arising from the dispositions of the shares or ADSs not only in the country of which the holder is resident at the time of the disposition but also in that other country (although, in respect of UK taxation, generally only to the extent that such an individual comprises a temporary non-resident).

US federal income taxation

Subject to the PFIC rules described below a US holder that sells or otherwise disposes of our shares or ADSs will recognise a capital gain or loss for US federal income tax purposes equal to the difference between the US dollar value of the amount realised and the holder’s tax basis, determined in US dollars, in the shares or ADSs. Generally a capital gain of a non-corporate US holder that is recognised in tax years beginning before 1 January 2013 is taxed at a maximum rate of 15% provided the holder has a holding period of more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of losses is subject to limitations.

Additional tax considerations

UK inheritance tax

An individual who is domiciled in the United States (for the purposes of the Estate Tax Convention) and is not a UK national will not be subject to UK inheritance tax in respect of our shares or ADSs on the individual’s death or on a transfer of the shares or ADSs during the individual’s lifetime, provided that any applicable US federal gift or estate tax is paid, unless the shares or ADSs are part of the business property of a UK permanent establishment or pertain to a UK fixed base used for UK taxation, generally only to the extent that such charge would still apply. In accordance with the terms of the deposit agreement, any tax or duty payable on deposits of shares by the depositary or the custodian of the depositary will be charged to the party to whom ADSs are delivered against such deposits.

No stamp duty will be payable on any transfer of our ADSs provided that the ADSs and any separate instrument of transfer are executed and retained at all times outside the United Kingdom. A transfer of our shares in registered form will attract a valorem stamp duty generally at the rate of 0.5% of the purchase price of the shares. There is no charge to ad valorem stamp duty on gifts.

PFIC rules

We do not believe that our shares or ADSs will be treated as stock of a passive foreign investment company (‘PFIC’) for US federal income tax purposes. This conclusion is a factual determination that is made annually and thus is subject to change. If we are treated as a PFIC, any gain realised on the sale or other disposition of the shares or ADSs would in general not be treated as capital gain unless a US holder elects to be taxed annually on a mark-to-market basis with respect to the shares or ADSs. Otherwise a US holder would be treated as if he or she has realised such gain and certain “excess distributions” rateably over the holding period for the shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated. An interest charge in respect of the tax attributable to each such year would also apply. Dividends received from us would not be eligible for the preferential tax rate applicable to qualified dividend income for certain non-corporate holders.

UK stamp duty and stamp duty reserve tax

Stamp duty will, subject to certain exceptions, be payable on any instrument transferring our shares to the custodian of the depositary at the rate of 1.5% on the amount or value of the consideration if on sale or on the value of such shares if not on sale. Stamp duty reserve tax (‘SDRT’), at the rate of 1.5% of the price or value of the shares, could also be payable in these circumstances and on issue to such a person but no SDRT will be payable if stamp duty equal to such SDRT liability is paid. A recent ruling by the European Court of Justice has determined that the 1.5% SDRT charge on issue to a clearance service is contrary to EU law. HMRC have indicated that where new shares are first issued to a clearance service or to a depositary within the European Union, the 1.5% SDRT charge will not be levied, to the extent that the clearance service or depositary is located outside the European Union, HMRC have indicated that such charge would still apply. In accordance with the terms of the deposit agreement, any tax or duty payable on deposits of shares by the depositary or the custodian of the depositary will be charged to the party to whom ADSs are delivered against such deposits.

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SDRT is generally payable on an unconditional agreement to transfer our shares in registered form at 0.5% of the amount or value of the consideration for the transfer, but is repayable if, within six years of the date of the agreement, an instrument transferring the shares is executed or, if the SDRT has not been paid, the liability to pay the tax (but not necessarily interest and penalties) would be cancelled. However, an agreement to transfer our ADSs will not give rise to SDRT.

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for the performance of independent personal services. Where the shares or ADSs have been placed in trust by a settlor they may be subject to UK inheritance tax unless, when the trust was created, the settlor was domiciled in the United States and was not a UK national. Where the shares or ADSs are subject to both UK inheritance tax and to US federal gift or estate tax, the estate tax convention generally provides a credit against US federal tax liabilities for UK inheritance tax paid.
History and development

The Company was incorporated under English law in 1984 as Racal Strategic Radio Limited (registered number 1833679). After various name changes, 20% of Racal Telecom Plc capital was offered to the public in October 1988. The Company was fully demerged from Racal Electronics Plc and became an independent company in September 1991, at which time it changed its name to Vodafone Group Plc.

Since then we have entered into various transactions which consolidated our position in the United Kingdom and enhanced our international presence. The most significant of these transactions were as follows:

- the merger with AirTouch Communications, Inc. which completed on 30 June 1999. The Company changed its name to Vodafone AirTouch Plc in June 1999 but then reverted to its former name, Vodafone Group Plc, on 28 July 2000;
- the acquisition of Mannesmann AG which completed on 12 April 2000. Through this transaction we acquired businesses in Germany and Italy and increased our indirect holding in SFR;
- through a series of business transactions between 1999 and 2004 we acquired a 97.7% stake in Vodafone Japan. This was then disposed of on 27 April 2006; and
- on 8 May 2007 we acquired companies with interests in Vodafone Essar for US$10.9 billion (£5.5 billion), following which we control Vodafone Essar.

Other transactions that have occurred since 31 March 2008 are as follows:

19 May 2008 — Arcor: We increased our stake in Arcor for €460 million (£366 million) and now own 100% of Arcor.

17 August 2008 — Ghana: We acquired 70.0% of Ghana Telecommunications for cash consideration of £486 million.

9 January 2009 — Verizon Wireless: Verizon Wireless completed its acquisition of Alltel Corp. for approximately US$5.9 billion (£3.9 billion).

20 April 2009 — South Africa: We acquired an additional 15.0% stake in Vodacom for cash consideration of ZAR 20.6 billion (£1.6 billion). On 18 May 2009 Vodacom became a subsidiary.

10 May 2009 — Qatar: Vodafone Qatar completed a public offering of 40.0% of its authorised share capital raising QAR 3.4 billion (£0.6 billion). The shares were listed on the Qatar Exchange on 22 July 2009. Qatar launched full services on its network on 7 July 2009.

9 June 2009 — Australia: Vodafone Australia merged with Hutchison 3G Australia to form a 50:50 joint venture, Vodafone Hutchison Australia Pty Limited.

10 September 2010 — China Mobile Limited: We sold our entire 3.2% interest in China Mobile Limited for cash consideration of £4.3 billion.

30/31 March 2011 — India: The Essar Group exercised its underwritten put option over 22.0% of Vodafone Essar Limited (‘VEL’), following which we exercised our call option over the remaining 11.0% of VEL owned by the Essar Group. The total consideration due under these two options is US$5 billion (£3.1 billion).

3 April 2011 — SFR: We agreed to sell our entire 44% interest in SFR to Vivendi for a cash consideration of €7.75 billion (£6.8 billion). We will also receive a final dividend from SFR of €200 million (£176 million) on completion of the transaction which, subject to competition authority and regulatory approvals, is expected during the second calendar quarter of 2011.
Regulation

Our operating companies are generally subject to regulation governing the operation of their business activities. Such regulation typically takes the form of industry specific law and regulation covering telecommunications services and general competition (antitrust) law applicable to all activities. The following section describes the regulatory frameworks and the regulatory developments at the global and regional level and in selected countries in which we have significant interests. Many of the regulatory developments reported in the following section involve ongoing proceedings or consideration of potential proceedings that have not reached a conclusion. Accordingly, we are unable to attach a specific level of financial risk to our performance from such matters.

European Union ('EU')

The European Commission (the 'Commission') has begun to consult on the future scope and nature of universal service provision in the EU. Current obligations generally involve the provision of a fixed connection allowing access to voice and simple data services. In some countries those operators responsible for providing universal services receive compensation from a fund to which we and others are required to make a financial contribution. The Commission has indicated that it would be reluctant to extend the scope of these funds to include very high speed broadband deployment and that additional financing for such projects should instead be sought from general taxation. The Commission has also published a broadband strategy which proposes that the European Investment Bank offer support for broadband infrastructure projects which fulfil certain criteria.

Roaming

The current roaming regulation (the ‘roaming regulation’) entered into force in July 2009 and requires mobile operators to supply voice and text roaming services under retail price caps. Wholesale price caps also apply to voice, text and data roaming services. Caps are adjusted (reduced) annually. The regulation expires in 2012 and the Commission is currently undertaking a review to determine what should happen thereafter. The Commission expects to publish formal proposals for the new roaming regulations during the summer of 2011. These will then be considered by the European Parliament and Council of Ministers (the ‘Council’). In the meantime, the Commission has indicated that there is widespread support for the continuation of some aspects of regulation beyond 2012 and that this may extend to data services which are currently excluded from regulation. The Commission has consulted on a variety of options for regulation including a continuation of existing price caps, closer alignment of roaming prices to domestic prices, or the implementation of various ‘structural’ solutions, such as the decoupling of roaming services from domestic services, all of which would be intended to increase competition in either the retail or the wholesale roaming markets.

Call termination

In June 2010 the body of European Regulators for Electronic Communications (‘BEREC’) concluded that a move to ‘bill and keep’, in which no termination rates are payable between operators was “more promising (than existing call termination arrangements) in the long-term”. In the meantime, national regulators are required to take utmost account of the Commission’s existing recommendation on the regulation of fixed and mobile termination rates published in 2009.

At 31 March 2011 the termination rates effective for our subsidiaries and joint ventures within the EU, which differs from our Europe region, ranged from 3.00 eurocents per minute (2.64 pence) to 7.38 eurocents per minute (6.49 pence), at the relevant 31 March 2011 exchange rate.

Spectrum

In July 2009 the Council adopted the amended GSM directive allowing the use of the 900 MHz and 1800 MHz GSM bands for universal mobile telecommunications service (‘UMTS’) technology (‘refarming’) and, in the future, other technologies. Member states were required to implement this by May 2010, subject to the undertaking of a competition review by the national regulator.

In September 2010 the Commission published a proposed radio spectrum policy programme (‘RSPP’) for consideration by the European Parliament and Council. The RSPP proposes that all member states release 800 MHz spectrum for mobile broadband services by 1 January 2013 unless the Commission agrees otherwise. It also provides guidance to national regulators to ensure that competition is safeguarded when rights of use for existing spectrum are changed (e.g. through refarming) or when new spectrum is assigned. Various amendments to the draft RSPP have been proposed by the European Parliament and Council.

Europe region

Germany

Our current termination rate was reduced in December 2010 to 3.36 eurocents per minute, effective until 30 November 2012.

The rates that access seekers have to pay in order to unbundle Deutsche Telekom’s VDSL network were set by the national regulator in March 2010. We have appealed against these rates. The national regulator obliged Deutsche Telekom to grant access to its projected fibre to the home access network at ex post regulated rates in March 2011.

In May 2010 we acquired nationwide 15 year licences for 2x10 MHz of 800 MHz spectrum, 2x5 MHz of 2.1 GHz spectrum, 2x20 MHz of 2.6 GHz spectrum and 25 MHz of 2.6 GHz unpaired spectrum for a cost of €1.4 billion (£1.2 billion).

Italy

In July 2008 the national regulator reduced our termination rate to 8.85 eurocents per minute, in July 2009 to 7.70 eurocents per minute and in July 2010 to 6.60 eurocents per minute. Termination rates will reduce to 5.30 eurocents per minute in July 2011. The national regulator is currently consulting upon further reductions to 4.1 cents in January 2012 with further reductions to 0.98 cents by January 2015.

In November 2010 the Government entered into a memorandum of understanding with telecommunications operators, including Vodafone, to jointly develop a plan for the deployment of next generation fixed infrastructure in Italy.

In December 2010 the Italian regulator increased the monthly cost of an unbundled copper local loop from €8.49 (which had applied until 1 May 2010) to €8.70 for the period 1 May to 31 December 2010, to €9.02 for 2011 and to €9.28 for 2012, subject to Telecom Italia’s network meeting certain quality thresholds. In February 2011 the national regulator approved the price increases for the 2011 wholesale products charge.

In January 2011 the national regulator launched a consultation on the obligations to be imposed on Telecom Italia in relation to its fibre network. These proposals vary significantly from the principles in the NGA recommendation described above as they do not require unbundled access where there are or could be two competing networks. We have objected to these proposals.

Spain

The national regulator has adopted a glide path of termination rate reductions to 4.00 from October 2011 to April 2012.
Fixed network regulation

In September 2010 the Commission published a recommendation on the regulation of fibre ‘next generation’ broadband access networks (the ‘NGA recommendation’), of which national regulators are required to take utmost account. The Commission recommends that national regulators ensure operators that have significant market power make unbundled access to fibre networks available to competitors on a cost-oriented basis which reflects the risk profile of the investment.

The national regulator has adopted an immediate 7% increase in the price at which we and other operators obtain unbundled copper local loops from Telefónica while it undertakes further analysis of these costs.
The national regulator has determined the net cost and industry contributions corresponding to universal service contributions for 2007. Vodafone is required to contribute €14.9 million. We are currently appealing this decision.

In June 2010 the Spanish Ministry of Industry, Tourism and Commerce issued a wideranging consultation on spectrum. In February 2011 the Government confirmed its plans under which operators (including Vodafone) will return small amounts of their existing 900 MHz and 1800 MHz spectrum, the remaining licences would be extended until 2030 and refarming would be allowed in these bands. A tender process for the 2.6 GHz and 800 MHz bands will also be undertaken in the 2011 calendar year, with the 800 MHz spectrum available for use from around 2015. The national competition authority has commenced an investigation into the wholesale origination and termination charges levied by all Spanish mobile operators for SMS services.

United Kingdom
Our regulated average termination rate is currently 2.98 pence per minute. The national regulator has finalised the process to decide the rates that will apply from 1 April 2011 to 31 March 2015. It has imposed a glidepath with annual adjustments that would see a reduction to 0.69 pence per minute (plus inflation adjustment) in 2014 and 2015. The mobile network operators have until 16 May 2011 to appeal this decision.

All 2G licences have been modified to allow refarming to 3G. All 3G licences will also be made indefinite rather than expiring in 2021.

The national regulator will carry out a competition assessment and consultation process to what restrictions, if any, might be applied to participation in the auction of 800 MHz and 2.6 GHz spectrum, which is expected to be conducted in early 2012.

As part of the conditions for clearance of the merger between Orange UK and T-Mobile UK, the Commission has required them to dispose of 2x15 MHz of spectrum in the 1800 MHz band. If they fail to do so, this spectrum will be included in the auction.

Other Europe
Albania
Vodafone Albania acquired the single 3G licence (2x15 MHz) for £31.4m in November 2010. Commercial services were launched in January 2011.

Greece
The national regulator is currently consulting on the renewal/re-auction of existing 900 MHz licences expiring in 2012.

Hungary
In October 2010 the Hungarian Parliament adopted a law which imposes a significant additional tax burden on the telecommunications, retail and energy sectors. The law came into force in December 2010 and will apply until at least January 2013, although the Hungarian government has indicated that it may be further extended. Vodafone prepaid 7,343,503,000 HUF (£24 million) in December 2010. A large number of firms have asked the Commission to review the legality of the tax, which they are currently doing.

Ireland
The national regulator has proposed auctioning all spectrum in the 900 MHz and 1800 MHz spectrum bands at the same time as an auction of 800 MHz spectrum in 2011, with spectrum Malta
The national regulator has concluded a process for the renewal/issue of all 900 MHz and 1800 MHz spectrum which allows Vodafone to retain all but five MHz of its 900 and 1800 MHz spectrum for 15 years. Vodafone has also secured an additional 20 MHz of 1800 MHz spectrum.

Netherlands
Our termination rate reduced to 4.20 eurocents per minute in January 2011 following a cost model analysis by the NRA which proposes reducing to 1.2 eurocents per minute by September 2012. This decision is currently under appeal. Auctions of 2.6 GHz spectrum concluded in April 2010. Vodafone acquired 2x10 MHz of 2.6 GHz of spectrum for the reserve price of €200,000.

In February 2011 the Government announced plans to auction 800 MHz, 900 MHz, 1800 MHz, 2.1 GHz and 2.6 GHz spectrum in early 2012. It proposes to reserve two 800 MHz licences for new entrants.

Portugal
The national regulator has adopted a glide path of termination rate reductions from May 2010 to take the rate from 6.50 eurocents per minute to 3.50 eurocents per minute by August 2011. The national regulator is currently consulting on a cost modelling process to determine rates beyond August 2011.

The spectrum auction in Portugal was delayed and is now expected in 2011 and will include a number of spectrum bands including 800 MHz and 2.6 GHz.

The competition authority has started an investigation into certain retail pricing initiatives undertaken by Vodafone in early 2011.

Romania
Proposals for the renewal of Vodafone's 900/1800 MHz licences, which expire in December 2011, are expected shortly.

In February 2011 Vodafone was fined €28 million by the competition authority in relation to an alleged refusal to interconnect with another party in 2006. We appealed this decision in April 2011. Other enquiries remain ongoing. In April 2011 we were advised that new proceedings in relation to termination rates and subsidies for handsets will be initiated.

Turkey
Our termination rates are currently set at 0.032 Lira per minute.

Africa, Middle East and Asia Pacific region

India
The national regulator’s decision to reduce interconnection charges to Rs 0.20 per minute effective 1 April 2010 was successfully appealed to the appellate body. The national regulator launched a new interconnect charges consultation process in April 2011 and has been directed by the appellate body to implement new rates by June 2011.

In May 2010 we secured 20 year licences for 2x5 MHz of 3G spectrum in nine circles in the Indian auction for a total price of INR 116.2 billion (£1.7 billion). These circles include Delhi, Mumbai, Kolkata and a further three ‘A’ circles and three ‘B’ circles providing a footprint covering 66% of VEL’s current revenue base. In May 2010 the national regulator made recommendations on the spectrum management and licensing framework which includes far-reaching proposals for spectrum refarming which would be allowed in these bands. A tender process for the 2.6 GHz and 800 MHz bands will also be undertaken in the 2011 calendar year, with the 800 MHz spectrum available for use from around 2015. The national competition authority has commenced an investigation into the wholesale origination and termination charges levied by all Spanish mobile operators for SMS services.

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Ireland
The national regulator has proposed auctioning all spectrum in the 900 MHz and 1800 MHz spectrum bands at the same time as an auction of 800 MHz spectrum in 2011, with spectrum Malta
The national regulator has concluded a process for the renewal/issue of all 900 MHz and 1800 MHz spectrum which allows Vodafone to retain all but five MHz of its 900 and 1800 MHz spectrum for 15 years. Vodafone has also secured an additional 20 MHz of 1800 MHz spectrum.

Netherlands
Our termination rate reduced to 4.20 eurocents per minute in January 2011 following a cost model analysis by the NRA which proposes reducing to 1.2 eurocents per minute by September 2012. This decision is currently under appeal. Auctions of 2.6 GHz spectrum concluded in April 2010. Vodafone acquired 2x10 MHz of 2.6 GHz of spectrum for the reserve price of €200,000.

In February 2011 the Government announced plans to auction 800 MHz, 900 MHz, 1800 MHz, 2.1 GHz and 2.6 GHz spectrum in early 2012. It proposes to reserve two 800 MHz licences for new entrants.

Portugal
The national regulator has adopted a glide path of termination rate reductions from May 2010 to take the rate from 6.50 eurocents per minute to 3.50 eurocents per minute by August 2011. The national regulator is currently consulting on a cost modelling process to determine rates beyond August 2011.

The spectrum auction in Portugal was delayed and is now expected in 2011 and will include a number of spectrum bands including 800 MHz and 2.6 GHz.

The competition authority has started an investigation into certain retail pricing initiatives undertaken by Vodafone in early 2011.

Romania
Proposals for the renewal of Vodafone’s 900/1800 MHz licences, which expire in December 2011, are expected shortly.

In February 2011 Vodafone was fined €28 million by the competition authority in relation to an alleged refusal to interconnect with another party in 2006. We appealed this decision in April 2011. Other enquiries remain ongoing. In April 2011 we were advised that new proceedings in relation to termination rates and subsidies for handsets will be initiated.

Turkey
Our termination rates are currently set at 0.032 Lira per minute.

Africa, Middle East and Asia Pacific region

India
The national regulator’s decision to reduce interconnection charges to Rs 0.20 per minute effective 1 April 2010 was successfully appealed to the appellate body. The national regulator launched a new interconnect charges consultation process in April 2011 and has been directed by the appellate body to implement new rates by June 2011.

In May 2010 we secured 20 year licences for 2x5 MHz of 3G spectrum in nine circles in the Indian auction for a total price of INR 116.2 billion (£1.7 billion). These circles include Delhi, Mumbai, Kolkata and a further three ‘A’ circles and three ‘B’ circles providing a footprint covering 66% of VEL’s current revenue base. In May 2010 the national regulator made recommendations on the spectrum management and licensing framework which includes far-reaching proposals for spectrum
available in 2013. In the meantime, Vodafone’s and O2’s 900 MHz licences will be renewed until the commencement of the new licences in 2013.

In February 2011 the national regulator recommended a new spectrum valuation approach for 1800 MHz spectrum. These recommendations will be reviewed by the Union Minister of Communications and IT.

In September 2010 VEL’s appeal against the increase in 2G spectrum fees of 1% to 2% of adjusted gross revenue (effective from 1 April 2010) was unsuccessful. VEL then appealed to the Supreme Court in October 2010 and was granted a stay against the order increasing spectrum charges.
South Africa
The national regulator may recommence the process for an auction of the 2.6 GHz and 3.5 GHz bands during the 2012 financial year.
In October 2010 the national regulator published a regulation establishing a glide path for mobile and fixed termination rates over the period to March 2014. The mobile termination rate will decline from a peak/off-peak rate of ZAR 0.89/0.77 respectively to ZAR 0.40 per minute from 1 March 2013.

Other Africa, Middle East and Asia Pacific
Egypt
The national regulator set termination rates at 65% of each operator’s on-net retail revenue per minute in September 2008. Mobinil obtained interim relief against this regulation and a final order is awaited to clarify its application. On 28 January 2011, during a period of socio-political unrest and demonstrations, the government ordered Vodafone and the two other licensed mobile operators to temporarily suspend mobile services in certain areas. Vodafone subsequently restored its voice network to its customers the following day, and data and SMS were unavailable for five and nine days respectively.

Licences
The table below summarises the most significant mobile licences held by our operating subsidiaries and our joint venture in Italy at 31 March 2011. We present the licences by frequency band since in many markets, including the majority of Europe, they can be used for a variety of technologies including 2G, 3G and in the future LTE.

Mobile licences

<table>
<thead>
<tr>
<th>Country by region</th>
<th>800 MHz expiry date</th>
<th>900 MHz expiry date</th>
<th>1800 MHz expiry date</th>
<th>2.1 GHz expiry date</th>
<th>2.6 GHz expiry date</th>
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</thead>
<tbody>
<tr>
<td>Europe (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>December 2025</td>
<td>December 2016</td>
<td>December 2016</td>
<td>December 2020</td>
<td>December 2025</td>
</tr>
<tr>
<td>Italy</td>
<td>n/a</td>
<td>February 2015</td>
<td>February 2015</td>
<td>December 2021</td>
<td>n/a</td>
</tr>
<tr>
<td>Spain</td>
<td>n/a</td>
<td>February 2020</td>
<td>July 2023</td>
<td>April 2020</td>
<td>n/a</td>
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<tr>
<td>UK</td>
<td>n/a</td>
<td>See note(1)</td>
<td>See note(1)</td>
<td>December 2021</td>
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</tr>
<tr>
<td>Albania</td>
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<td>June 2016</td>
<td>June 2016</td>
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<td>n/a</td>
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<tr>
<td>Czech Republic</td>
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<td>January 2021</td>
<td>February 2025</td>
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<tr>
<td>Greece</td>
<td>n/a</td>
<td>September 2012(2)</td>
<td>August 2016</td>
<td>August 2021</td>
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<tr>
<td>Hungary</td>
<td>n/a</td>
<td>July 2014(3)</td>
<td>July 2014(3)</td>
<td>December 2019(4)</td>
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<tr>
<td>Ireland</td>
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<td>December 2015</td>
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<td>Malta</td>
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<td>May 2011</td>
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<td>March 2013</td>
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<td>October 2021</td>
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<td>—</td>
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<td>November 2031</td>
<td>March 2021</td>
<td>March 2021</td>
<td>n/a</td>
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Africa, Middle East and Asia Pacific

<table>
<thead>
<tr>
<th>Country by region</th>
<th>November 2014 —</th>
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<td>India(4)</td>
<td>n/a</td>
<td>December 2026</td>
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<td>Vodafone: South Africa</td>
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<td>See note(5)</td>
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<td>Egypt</td>
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<td>January 2022</td>
</tr>
<tr>
<td>Ghana</td>
<td>n/a</td>
<td>December 2019</td>
</tr>
<tr>
<td>New Zealand</td>
<td>n/a</td>
<td>November 2031</td>
</tr>
<tr>
<td>Qatar</td>
<td>n/a</td>
<td>June 2028</td>
</tr>
</tbody>
</table>

Notes:
(1) Indefinite licence with a one year notice of revocation.
(2) One third of the 900 MHz spectrum will expire in 2016.
(3) Options to extend these licences.
(4) India is comprised of 23 separate service area licences with a variety of expiry dates. Option to extend 900/1800 licences by ten years. Vodafone acquired 3G licences in nine of the service areas in May 2010.
(5) Vodafone’s South African spectrum licences are renewed annually. As part of the migration to a new licensing regime the NRA has issued Vodafone a service licence and a network licence which will permit Vodafone to offer mobile and fixed services. The service and network licences have 20 year duration and will expire in 2028. Vodafone also holds licences to...
provide 2G and/or 3G services in the Democratic Republic of Congo, Lesotho, Mozambique and Tanzania.

The NRA has issued provisional licences with the intention of converting these to full licences once the NRA board has been reconvened.
Non-GAAP information

In the discussion of our reported financial position, operating results and cash flows, information is presented to provide readers with additional financial information that is regularly reviewed by management. However, this additional information presented is not uniformly defined by all companies including those in the Group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. Such non-GAAP measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

Adjusted EBITDA

Adjusted EBITDA is operating profit excluding share in results of associates, depreciation and amortisation, gains/losses on the disposal of fixed assets, impairment losses and other operating income and expense. We use adjusted EBITDA, in conjunction with other GAAP and non-GAAP financial measures such as adjusted operating profit, operating profit and net profit, to assess our operating performance. We believe that adjusted EBITDA is an operating performance measure, not a liquidity measure, as it includes non-cash changes in working capital and is reviewed by the Chief Executive to assess internal performance in conjunction with adjusted EBITDA margin, which is an alternative sales margin figure. We believe it is both useful and necessary to report adjusted EBITDA as a performance measure as it enhances the comparability of profit across segments.

Because adjusted EBITDA does not take into account certain items that affect operations and performance, adjusted EBITDA has inherent limitations as a performance measure. To compensate for these limitations, we analyse adjusted EBITDA in conjunction with other GAAP and non-GAAP operating performance measures. Adjusted EBITDA should not be considered in isolation or as a substitute for a GAAP measure of operating performance.

A reconciliation of adjusted EBITDA to the closest equivalent GAAP measure, operating profit, is provided in note 3 to the consolidated financial statements on page 91.

Group adjusted operating profit and adjusted earnings per share

Group adjusted operating profit excludes non-operating income of associates, impairment losses and other income and expense. Adjusted earnings per share also excludes amounts in relation to equity put rights and similar arrangements and certain foreign exchange rate differences, together with related tax effects. We believe that it is both useful and necessary to report these measures for the following reasons:

- these measures are used for internal performance analysis;
- these measures are used in setting director and management remuneration; and
- they are useful in connection with discussion with the investment analyst community and debt rating agencies.

Reconciliations of adjusted operating profit and adjusted earnings per share to the respective closest equivalent GAAP measures, operating profit and basic earnings per share, are provided in “Operating results” beginning on page 34.

Cash flow measures

In presenting and discussing our reported results, free cash flow and operating free cash flow are calculated and presented even though these measures are not recognised within IFRS. We believe that it is both useful and necessary to communicate free cash flow to investors and other interested parties, for the following reasons:

- free cash flow allows us and external parties to evaluate our liquidity and the cash generated by our operations. Free cash flow does not include payments for licences and spectrum included within intangible assets, items determined independently of the ongoing business, such as the level of dividends, and items which are deemed discretionary, such as cash flows relating to acquisitions and disposals or financing activities. In addition, it does not necessarily reflect the amounts which we have an obligation to incur. However, it does reflect the cash available for such discretionary activities, to strengthen the consolidated statement of financial position or to provide returns to shareholders in the form of dividends or share purchases;
- free cash flow facilitates comparability of results with other companies although our measure of free cash flow may not be directly comparable to similarly titled measures used by other companies;
- these measures are used by management for planning, reporting and incentive purposes; and
- these measures are useful in connection with discussion with the investment analyst community and debt rating agencies.

A reconciliation of cash generated by operations, the closest equivalent GAAP measure, to operating free cash flow and free cash flow, is provided in “Financial position and resources” on page 48.

Other

Certain of the statements within the section titled “Chief Executive’s review” on pages 10 to 11 contain forward-looking non-GAAP financial information for which at this time there is no comparable GAAP measure and which at this time cannot be quantitatively reconciled to comparable GAAP financial information.

Certain of the statements within the section titled “Guidance” on page 44 contain forward-looking non-GAAP financial information which at this time cannot be quantitatively reconciled to comparable GAAP financial information.

Organic growth

All amounts in this document marked with an “(*)” represent organic growth which present performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates. We believe that “organic growth”, which is not intended to be a substitute for or superior to reported growth, provides useful and necessary information to investors and other interested parties for the following reasons:
• it provides additional information on underlying growth of the business without the effect of certain factors unrelated to the operating performance of the business;
• it is used for internal performance analysis; and
• it facilitates comparability of underlying growth with other companies, although the term “organic” is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies.
Non-GAAP information continued

Reconciliation of organic growth to reported growth is shown where used, or in the table below:

<table>
<thead>
<tr>
<th>31 March 2011</th>
<th>Organic change</th>
<th>M&amp;A activity</th>
<th>Foreign exchange</th>
<th>Reported change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 2011</td>
<td>2.5</td>
<td>0.2</td>
<td>(1.5)</td>
<td>1.2</td>
</tr>
<tr>
<td>H1 2011</td>
<td>1.7</td>
<td>1.5</td>
<td>0.5</td>
<td>3.7</td>
</tr>
<tr>
<td>Change</td>
<td>0.8</td>
<td>(1.3)</td>
<td>(2.0)</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Revenue</td>
<td>2.8</td>
<td>0.8</td>
<td>(0.4)</td>
<td>3.2</td>
</tr>
<tr>
<td>Service revenue</td>
<td>2.1</td>
<td>0.9</td>
<td>(0.6)</td>
<td>2.4</td>
</tr>
<tr>
<td>Service revenue for the quarter ended 31 March 2011</td>
<td>2.5</td>
<td>0.1</td>
<td>(2.2)</td>
<td>0.4</td>
</tr>
<tr>
<td>Data revenue</td>
<td>26.4</td>
<td>1.2</td>
<td>(1.2)</td>
<td>26.4</td>
</tr>
<tr>
<td>Fixed line revenue</td>
<td>5.2</td>
<td>1.7</td>
<td>(3.5)</td>
<td>3.4</td>
</tr>
<tr>
<td>Emerging markets service revenue</td>
<td>11.8</td>
<td>3.4</td>
<td>6.8</td>
<td>22.0</td>
</tr>
<tr>
<td>Vodafone Global Enterprise revenue</td>
<td>8</td>
<td>—</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(0.7)</td>
<td>1.4</td>
<td>(1.1)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>1.8</td>
<td>2.5</td>
<td>(1.2)</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Europe

<table>
<thead>
<tr>
<th>Service revenue</th>
<th>31 March 2010</th>
<th>31 March 2009</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenue</td>
<td>(3.8)</td>
<td>0.1</td>
<td>4.6</td>
<td>0.9</td>
</tr>
<tr>
<td>Change</td>
<td>(1.7)</td>
<td>2.5</td>
<td>13.2</td>
<td>14.0</td>
</tr>
<tr>
<td>Service revenue for the six months ended 31 March 2011</td>
<td>(0.3)</td>
<td>0.2</td>
<td>(3.5)</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Service revenue for the quarter ended 31 March 2011</td>
<td>(0.8)</td>
<td>0.2</td>
<td>(3.2)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Northern Europe service revenue growth</td>
<td>2.7</td>
<td>(1.2)</td>
<td>(2.8)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Southern Europe service revenue growth</td>
<td>(2.9)</td>
<td>1.2</td>
<td>(3.5)</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Enterprise revenue</td>
<td>0.5</td>
<td>0.2</td>
<td>(3.2)</td>
<td>(2.5)</td>
</tr>
</tbody>
</table>

Germany — service revenue excluding the impact of termination rate cuts | 2.1 | — | (4.1) | (2.0) |

Italy — data revenue | 21.5 | — | (4.8) | 16.7 |

Spain — data revenue | 14.8 | — | (4.8) | 10.0 |

UK — data revenue | 28.5 | — | — | 28.5 |

Greece — service revenue | (19.4) | — | (3.2) | (22.6) |

Turkey — service revenue | 28.9 | 3.6 | 2.7 | 35.2 |

Africa, Middle East and Asia Pacific

| Service revenue for the quarter ended 31 March 2011 | 11.8 | (1.3) | 0.7 | 11.2 |
| Vodacom — data revenue(1) | 43.8 | 9.7 | 15.2 | 68.7 |
| South Africa — data revenue | 41.8 | 9.5 | 15.6 | 66.9 |
| Egypt — service revenue | (0.8) | — | (1.0) | (1.8) |
| Egypt — data revenue | 37.7 | — | (1.5) | 36.2 |
| Ghana — service revenue | 21.0 | — | 1.6 | 22.6 |
| Indus Towers — contribution to India service revenue growth | 1.7 | — | 0.1 | 1.8 |
| Percentage point reduction in adjusted EBITDA margin | (0.6) | 1.0 | (0.2) | 0.2 |

Verizon Wireless

| Revenue | 6.0 | — | 2.6 | 8.6 |
| Service revenue(2) | 5.8 | — | 2.6 | 8.4 |
| Adjusted EBITDA | 6.7 | (0.1) | 2.7 | 9.3 |
| Group’s share of result of Verizon Wireless | 8.5 | (0.1) | 2.7 | 11.1 |
## Additional information

<table>
<thead>
<tr>
<th>Period</th>
<th>Organic change %</th>
<th>M&amp;A activity %</th>
<th>Foreign exchange %</th>
<th>Reported change %</th>
</tr>
</thead>
</table>

### 31 March 2010

**Group**

| Service revenue | (1.6) | 4.9 | 5.6 | 8.9 |
| Data revenue | 19.3 | 6.9 | 6.8 | 33.0 |
| Fixed line revenue | 7.9 | 6.0 | 6.7 | 20.6 |
| Emerging markets service revenue | 7.9 | 31.3 | 7.9 | 47.1 |

**Europe**

| Service revenue | (3.8) | 0.1 | 4.6 | 0.9 |
| Data revenue | 17.7 | — | 5.5 | 23.2 |
| Fixed line revenue | 7.5 | — | 6.3 | 13.8 |
| Enterprise revenue | (4.8) | — | 4.5 | (0.3) |
| Germany — service revenue for the quarter ended 31 March 2010 | (1.6) | — | (2.4) | (4.0) |
| Germany — mobile service revenue | (5.0) | — | 6.0 | 1.0 |
| Germany — mobile service revenue for the quarter ended 31 March 2010 | (1.8) | — | (2.3) | (4.1) |
| Germany — fixed line revenue | 1.3 | — | 6.1 | 7.4 |
| Spain — service revenue for the quarter ended 31 March 2010 | (6.2) | — | (2.3) | (8.5) |
| UK — service revenue for the quarter ended 31 March 2010 | (2.6) | — | — | (2.6) |
| Greece — service revenue | (14.5) | — | 5.6 | (8.9) |
| Netherlands — service revenue | 3.0 | — | 6.4 | 9.4 |
| Portugal — service revenue | (4.9) | — | 6.1 | 1.2 |
| Romania — service revenue | (19.9) | — | 5.2 | (14.7) |
| Romania — adjusted EBITDA | (26.5) | — | 4.7 | (21.8) |
| Turkey — service revenue for the quarter ended 31 March 2010 | 31.3 | — | 1.5 | 32.8 |

**Africa, Middle East and Asia Pacific**

| India — service revenue for the quarter ended 31 March 2010 | 6.5 | — | 0.1 | 6.6 |
| Indus Towers — contribution to India service revenue growth for the quarter ended 31 March 2010 | 0.3 | — | 0.1 | 0.4 |
| Vodacom — data revenue | 32.9 | 155.3 | 57.3 | 245.5 |
| Egypt — service revenue | 1.3 | — | 4.7 | 6.0 |
| Egypt — data and fixed line revenue | 64.2 | — | 4.4 | 68.6 |

**Verizon Wireless**

| Revenue | 5.0 | 11.8 | 5.5 | 22.3 |
| Service revenue | 6.3 | 11.7 | 5.6 | 23.6 |
| Adjusted EBITDA | 4.4 | 10.9 | 5.4 | 20.7 |
| Group’s share of result of Verizon Wireless | 8.0 | 2.5 | 5.6 | 16.1 |

### 31 March 2009

**Group**

| Service revenue | (0.3) | 3.1 | 13.1 | 15.9 |
| Data revenue | 25.9 | 0.7 | 17.1 | 43.7 |
| Fixed line revenue | 2.1 | 21.3 | 22.1 | 45.5 |
| Emerging markets service revenue | 6.4 | 14.2 | 6.4 | 27.0 |

**Europe**

| Germany — service revenue | (2.5) | (0.1) | 17.6 | 15.0 |
| Italy — service revenue | 1.2 | 4.7 | 19.2 | 25.1 |
| Spain — service revenue | (4.9) | 2.5 | 17.7 | 15.3 |
| UK — service revenue | (1.1) | 0.3 | — | (0.8) |

**Africa, Middle East and Asia Pacific**

| India — pro-forma revenue | 33 | 9 | 6 | 48 |
| Vodacom — service revenue | 13.8 | 2.1 | (5.2) | 10.7 |

**Notes:**

1. Data revenue in South Africa grew by 41.8%(*). Excluding the impact of reclassifications between messaging and data revenue during the year, data revenue grew by 35.9%(*).
2. Organic growth rates include the impact of a non-cash revenue adjustment which was recorded to properly defer previously recognised data revenue that will be earned and recognised in future periods. Excluding this the equivalent growth rates for service revenue, revenue, adjusted EBITDA and the Group’s share of result in Verizon Wireless would have been 6.4%(*), 6.6%(*), 8.2%(*), and 10.8%(*), respectively.
3. Excludes India, Ghana and Qatar as these were not owned for the full financial year.
<table>
<thead>
<tr>
<th>Item</th>
<th>Form 20-F caption</th>
<th>Location in this document</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Identity of directors, senior management and advisers</td>
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<td>2</td>
<td>Offer statistics and expected timetable</td>
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<td>—</td>
</tr>
<tr>
<td>3</td>
<td>Key information</td>
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<td>3A</td>
<td>Selected financial data</td>
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<td>Shareholder information — Inflation and foreign currency translation</td>
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<td>3C</td>
<td>Reasons for the offer and use of proceeds</td>
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<td>3D</td>
<td>Risk factors</td>
<td>Principal risk factors and uncertainties</td>
<td>45 to 46</td>
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<td>4</td>
<td>Information on the Company</td>
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<tr>
<td>4A</td>
<td>History and development of the company</td>
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Forward-looking statements

This document contains “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives.

In particular, such forward-looking statements include statements with respect to:

- the Group’s expectations regarding its financial and operating performance, including statements contained within the Chief Executive’s review on pages 10 to 11, the Group’s 7% dividend per share growth target contained on pages 8, 27, 44 and 48, and the guidance statement for the 2012 financial year and the medium-term guidance statement for the three financial years ending 31 March 2014 on page 44 of this document, and the performance of joint ventures, associates, including Verizon Wireless and VHA, other investments and newly acquired businesses;
- intentions and expectations regarding the development of products, services and initiatives introduced by, or together with, Vodafone or by third parties, including new mobile technologies, such as the introduction of 4G, the Vodafone M-Pesa money transfer system, tablets and an increase in download speeds and 3G sites;
- expectations regarding the global economy and the Group’s operating environment, including future market conditions, growth in the number of worldwide mobile phone users and other trends, including increased data usage;
- revenue and growth expected from the Group’s total communications strategy, including data revenue growth, and its expectations with respect to long-term shareholder value growth;
- mobile penetration and coverage rates, termination rate cuts, the Group’s ability to acquire spectrum, expected growth prospects in the Europe, Africa, Middle East and Asia Pacific regions and growth in customers and usage generally;
- expected benefits associated with the merger of Vodafone Australia and Hutchison 3G Australia;
- anticipated benefits to the Group from cost efficiency programmes;
- possible future acquisitions, including increases in ownership in existing investments, the timely completion of pending acquisition transactions and pending offers for investments, including licence acquisitions, and the expected funding required to complete such acquisitions or investments;
- expectations regarding the Group’s future revenue, operating profit, adjusted EBITDA margin, free cash flow, capital intensity, depreciation and amortisation charges, foreign exchange rates, tax rates and capital expenditure;
- expectations regarding the Group’s access to adequate funding for its working capital requirements and share buyback programmes, and the rate of dividend growth by the Group (including the Group’s 7% dividend per share growth target) or its existing investments; and
- the impact of regulatory and legal proceedings involving Vodafone and of scheduled or potential regulatory changes.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “anticipates”, “aims”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans” or “targets”. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following:

- the ability of the Group to integrate new technologies, products and services with existing networks, technologies, products and services;
- the Group’s ability to generate and grow revenue from both voice and non-voice services and achieve expected cost savings;
- a lower than expected impact of new or existing products, services or technologies on the Group’s future revenue, cost structure and capital expenditure outlays;
- slower than expected customer growth, reduced customer retention, reductions or changes in customer spending and increased pricing pressure;
- the Group’s ability to expand its spectrum position, win 3G and 4G allocations and realise expected synergies and benefits associated with 3G and 4G;
- the Group’s ability to secure the timely delivery of high quality, reliable handsets, network equipment and other key products from suppliers;
- loss of suppliers, disruption of supply chains and greater than anticipated prices of new mobile handsets;
- changes in the costs to the Group of, or the rates the Group may charge for, terminations and roaming minutes;
- the Group’s ability to realise expected benefits from acquisitions, partnerships, joint ventures, franchises, brand licences, platform sharing or other arrangements with third parties, particularly those related to the development of data and internet services;
- acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities which may have a negative impact on the Group’s financial condition and results of operations;
- the Group’s ability to integrate acquired business or assets and the imposition of any unfavourable conditions, regulatory or otherwise, on any pending or future acquisitions or dispositions;
- the extent of any future write-downs or impairment charges on the Group’s assets, or restructuring charges incurred as a result of an acquisition or disposition;
- developments in the Group’s financial condition, earnings and distributable funds and other factors that the Board takes into account in determining the level of dividends;
- the Group’s ability to satisfy working capital requirements through borrowing in capital markets, bank facilities and operations;
- changes in foreign exchange rates, including particularly the exchange rate of pounds sterling to the euro and the US dollar;
- changes in the regulatory framework in which the Group operates, including the commencement of legal or regulatory action seeking to regulate the Group’s permitted charging rates;
- the impact of legal or other proceedings against the Group or other companies in the communications industry; and
- changes in statutory tax rates and profit mix, the Group’s ability to resolve open tax issues and the timing and amount of any payments in respect of tax liabilities.

Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found under “Principal risk factors and uncertainties” on pages
• general economic and political conditions in the jurisdictions in which the Group operates and changes to the associated legal, regulatory and tax environments;
• increased competition, from both existing competitors and new market entrants, including mobile virtual network operators;
• levels of investment in network capacity and the Group’s ability to deploy new technologies, products and services in a timely manner, particularly data content and services;
• rapid changes to existing products and services and the inability of new products and services to perform in accordance with expectations,

45 and 46 of this document. All subsequent written or oral forward-looking statements attributable to the Company or any member of the Group or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Subject to compliance with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.
2G networks are operated using global system for mobile (‘GSM’) technology which offer services such as voice, text messaging and basic data. In addition, all the Group’s controlled networks support general packet radio services (‘GPRS’), often referred to as 2.5G. GPRS allows mobile devices to access IP based data services such as the internet and email.

A cellular technology based on wide band CDMA delivering voice and data services.

4G technology offers even faster data transfer speeds than 3G/HSPA, increases network capacity and is able to deliver sustained customer throughputs of between 6-12 Mbps in real network conditions.

The total of connection fees, trade commissions and equipment costs relating to new customer connections.

American depositary receipts is a mechanism designed to facilitate trading in shares of non-US companies in the US stock markets. The main purpose is to create an instrument which can easily be settled through US stock market clearing systems.

American depositary shares are shares evidenced by American depositary receipts. ADSs are issued by a depositary bank and represent one or more shares of a non-US issuer held by the depositary bank. The main purpose of ADSs is to facilitate trading in shares of non-US companies in the US markets and, accordingly, ADRs which evidence ADSs are in a form suitable for holding in US clearing systems.

Annual general meeting.

Service revenue excluding fixed line revenue, fixed advertising revenue, revenue related to business managed services and revenue from certain tower sharing arrangements divided by average customers.

This measure includes the aggregate of capitalised property, plant and equipment additions and capitalised software costs.

Code-division multiple access refers to any of several protocols used in 2G and 3G communications. It allows numerous signals to occupy a single transmission channel, optimising availability of bandwidth.

Total gross customer disconnections in the period divided by the average total customers in the period.

Controlled and jointly controlled measures include 100% for the Group’s mobile operating subsidiaries and the Group’s proportionate share for joint ventures.

Customer costs include acquisition costs, being the total of connection fees, trade commissions and equipment costs relating to new customer connections, and retention costs, being the total of trade commissions, loyalty scheme and equipment costs relating to customer retention and upgrades, as well as expenses related to ongoing commissions.

This measure includes the profit or loss on disposal of property, plant and equipment and computer software.

Direct costs include interconnect costs and other direct costs of providing services.

A digital subscriber line which is a fixed line enabling data to be transmitted at theoretical peak speeds of up to 16 Mbps.

Digital terrestrial television.

Operating profit excluding share in results of associates, depreciation and amortisation, gains/losses on the disposal of fixed assets, impairment losses and other operating income and expense.

In most our networks we also provide an advanced version of GPRS called enhanced data rates for GSM evolution (‘EDGE’). This provides...
Emerging markets
India, Vodacom, Egypt, Turkey, Ghana, Qatar and Fiji.

Fixed broadband customer
A fixed broadband customer is defined as a physical connection or access point to a fixed line network.

FRC

Free cash flow
Operating free cash flow after cash flows in relation to taxation, interest, dividends received from associates and investments and dividends paid to non-controlling shareholders in subsidiaries but before licence and spectrum payments and for the year ended 31 March 2011 other items in respect of: the UK CFC settlement, tax relating to the disposal of China Mobile Limited, the SoftBank disposal and the court deposit made in respect of the India tax case.

FSA
Financial Services Authority.

HSDPA
High speed downlink packet access is a wireless technology enabling theoretical network to mobile data transmission speeds of up to 43.2 Mbps.

HSPA
High speed packet access or third generation ('3G') is a wireless technology operating wideband code division multiple access ('W-CDMA') technology, providing customers with voice, video telephony, multimedia messaging and high speed data services.

Impairment
A downward revaluation of an asset.

‘in the cloud’
This means the customer has little or no equipment at their premises and all the equipment and capability is run from the Vodafone network instead. This removes the need for customers to make capital investment and instead they have an operating cost model with a recurring monthly fee.

Interconnect costs
A charge paid by Vodafone to other fixed line or mobile operators when a Vodafone customer calls a customer connected to a different network.

IP
Internet protocol ('IP') is the method by which data is sent from one computer to another on the internet.

LAN
A local area network supplies networking capability to a group of computers in close proximity to each other.

LTE
Long-term evolution ('LTE') is 4G technology which offers even faster data transfer speeds than 3G/HSPA, increases network capacity and is able to deliver sustained customer throughputs of between 6-12 Mbps in real network conditions.

Mark-to-market
Mark-to-market or fair value accounting refers to accounting for the value of an asset or liability based on the current market price of the asset or liability.
Definition of terms continued

**Mobile broadband**
Also known as mobile internet (see below).

**Mobile customer**
A mobile customer is defined as a subscriber identity module ('SIM'), or in territories where SIMs do not exist, a unique mobile telephone number, which has access to the network for any purpose, including data only usage, except telemetric applications. Telemetric applications include, but are not limited to, asset and equipment tracking, mobile payment and billing functionality, e.g. vending machines and meter readings, and include voice enabled customers whose usage is limited to a central service operation, e.g. emergency response applications in vehicles.

**Mobile internet**
Browser based access to the internet or web applications using a mobile device, such as a smartphone, connected to a wireless network.

**Mobile termination rate ('MTR')**
A per minute charge paid by a telecommunications network operator when a customer makes a call to another mobile or fixed line network operator.

**MVNO**
Mobile virtual network operators, companies that provide mobile phone services but do not have their own licence of spectrum or the infrastructure required to operate a network.

**Net debt**
Long-term borrowings, short-term borrowings and mark-to-market adjustments on financing instruments less cash and cash equivalents.

**Net promoter score**
Net promoter score ('NPS') is a customer loyalty metric used to monitor customer satisfaction.

**Operating costs**
Operating expenses plus customer costs other than acquisition and retention costs.

**Operating expenses**
Operating expenses comprise primarily of network and IT related expenditure, support costs from HR and finance and certain intercompany items.

**Operating free cash flow**
Cash generated from operations after cash payments for capital expenditure (excludes capital licence and spectrum payments) and cash receipts from the disposal of intangible assets and property, plant and equipment.

**Organic growth**
The percentage movements in organic growth are presented to reflect operating performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates.

**Partner markets**
Markets in which the Group has entered into a partner agreement with a local mobile operator enabling a range of Vodafone’s global products and services to be marketed in that operator’s territory and extending Vodafone’s reach into such markets.

**Penetration**
Number of SIMs in a country as a percentage of the country’s population. Penetration can be in excess of 100% due to customers owning more than one SIM.

**Petabyte**
A petabyte is a measure of data usage. One petabyte is a million gigabytes.

**Pps**
Percentage points.

**Pro-forma growth**
Pro-forma growth is organic growth adjusted to include acquired business for the whole of both periods.

**Reported growth**
Reported growth is based on amounts reported in pounds sterling as determined under IFRS.

**RAN**
Radio access network is part of a mobile telecommunication system which conceptually sits between the mobile phone and the base station.

**Retention costs**
The total of trade commissions, loyalty scheme and equipment costs relating to customer retention and upgrade.

**Roaming**
Allows our customers to make calls on other operators’ mobile networks while travelling abroad.
Service revenue

Service revenue comprises all revenue related to the provision of ongoing services including, but not limited to, monthly access charges, airtime usage, roaming, incoming and outgoing network usage by non-Vodafone customers and interconnect charges for incoming calls.

Smartphone devices

A smartphone is a mobile phone offering advanced capabilities including access to email and the internet.

Smartphone penetration

The number of smartphone devices divided by the number of registered SIMs, excluding data only SIMs.

Spectrum

The radio frequency bands and channels assigned for telecommunication services.

Tablet device

A tablet is a slate shaped, mobile or portable, casual computing device equipped with a finger operated touchscreen or stylus, for example, the Apple iPad.

Visitor revenue

Amounts received by a Vodafone operating company when customers of another operator, including those of other Vodafone companies, roam onto its network.

Wi-Fi

A Wi-Fi enabled device such as a smartphone can connect to the internet when within a range of a wireless network connected to the internet.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated income statement data (£m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>45,884</td>
<td>44,472</td>
<td>41,017</td>
<td>35,478</td>
<td>31,104</td>
</tr>
<tr>
<td>Operating profit/(loss)</td>
<td>5,596</td>
<td>9,480</td>
<td>5,857</td>
<td>10,047</td>
<td>(1,564)</td>
</tr>
<tr>
<td>Profit/(loss) before taxation</td>
<td>9,498</td>
<td>8,674</td>
<td>4,189</td>
<td>9,001</td>
<td>(2,383)</td>
</tr>
<tr>
<td>Profit/(loss) for the financial year from continuing operations</td>
<td>7,870</td>
<td>8,618</td>
<td>3,080</td>
<td>6,756</td>
<td>(4,806)</td>
</tr>
<tr>
<td>Profit/(loss) for the financial year</td>
<td>7,870</td>
<td>8,618</td>
<td>3,080</td>
<td>6,756</td>
<td>(5,222)</td>
</tr>
</tbody>
</table>

| **Consolidated statement of financial position data (£m)** |      |      |      |      |      |
| Total assets           | 151,220 | 156,985 | 152,699 | 127,270 | 109,617 |
| Total equity           | 87,561  | 90,810  | 84,777  | 76,471  | 67,293  |
| Total equity shareholders’ funds | 87,555 | 90,381 | 86,162 | 78,043 | 67,067 |

| **Earnings per share** |      |      |      |      |      |
| Weighted average number of shares (millions) |      |      |      |      |      |
| — Basic                 | 52,408 | 52,595 | 52,737 | 53,019 | 55,144 |
| — Diluted               | 52,748 | 52,849 | 52,969 | 53,287 | 55,144 |

| **Basic earnings/(loss) per ordinary share (pence)** |      |      |      |      |      |
| — Profit/(loss) from continuing operations | 15.20p | 16.44p | 5.84p  | 12.56p | (8.94)p |
| — Profit/(loss) for the financial year | 15.20p | 16.44p | 5.84p  | 12.56p | (9.70)p |
| — Diluted earnings/(loss) per ordinary share | 15.11p | 16.36p | 5.81p  | 12.50p | (8.94)p |
| — Profit/(loss) for the financial year | 15.11p | 16.36p | 5.81p  | 12.50p | (9.70)p |

| **Cash dividends** |      |      |      |      |      |
| Amount per ordinary share (pence) | 8.90p | 8.31p | 7.77p | 7.51p | 6.76p |
| Amount per ADS (pence) | 89.0p | 83.1p | 77.7p | 75.1p | 67.6p |
| Amount per ordinary share (US cents) | 14.33c | 12.62c | 11.11c | 14.91c | 13.28c |
| Amount per ADS (US cents) | 143.3c | 126.2c | 111.1c | 149.1c | 132.8c |

| **Other data** |      |      |      |      |      |
| Ratio of earnings to fixed charges | 5.7  | 3.6  | 1.2  | 3.9  | —   |
| Ratio of earnings to fixed charges deficit | — | — | — | — | (4,389) |

Notes:

1. See note 8 to the consolidated financial statements, “Earnings per share”. Earnings and dividends per ADS is calculated by multiplying earnings per ordinary share by ten, the number of ordinary shares per ADS. Dividend per ADS is calculated on the same basis.

2. The final dividend for the year ended 31 March 2011 was proposed by the directors on 17 May 2011 and is payable on 5 August 2011 to holders of record as of 3 June 2011. The total dividends have been translated into US dollars at 31 March 2011 for purposes of the above disclosure but the dividends are payable in US dollars under the terms of the ADS depositary agreement.

3. For the purposes of calculating these ratios, earnings consist of profit before tax adjusted for fixed charges, dividend income from associates, share of profits and losses from associates, interest capitalised, interest amortised and profits and losses on ordinary activities before taxation from discontinued operations. Fixed charges comprise one third of payments under operating leases, representing the estimated interest element of these payments, interest payable and similar charges, interest capitalised and preferred share dividends.
Events occurring subsequent to the approval of the Company’s Annual Report on 17 May 2011

SFR

Further to the announcement dated 3 April 2011 (see note 32 to the consolidated financial statements), and following clearance of the transaction by the relevant competition and regulatory authorities, the Group announced on 16 June 2011 the completion of the disposal of its entire 44% shareholding in SFR to Vivendi.

The Group received cash consideration of €7.75 billion (£6.8 billion) from Vivendi and a final dividend from SFR of €200 million (£176 million). Vodafone and SFR have also entered into a Partner Market agreement which will maintain their commercial co-operation.

Indian tax case

In light of the uncertainty created by the Indian tax authority’s actions set out in note 28 to the consolidated financial statements, Vodafone International Holdings BV, through its indirect wholly owned subsidiary, Euro Pacific Securities Ltd, has sought confirmation from the Authority for Advanced Rulings (‘AAR’) in India on whether withholding tax is due in respect of consideration payable on the acquisition of Essar Group’s offshore holding in Vodafone Essar Limited. The hearing at the AAR has been further adjourned until 1 July 2011. The first possible tax payment date will be 7 July 2011.
The following treasury shares, beneficial interests, share price history, shareholder information and regulation information contained within the Annual Report on Form 20-F has been updated to reflect the position as at 14 June 2011:

**Treasury Shares**

*(Information as at the approval of the Company’s Annual Report on 17 May is disclosed on page 49 of this Annual Report on Form 20-F)*

Details of the shares purchased to 14 June 2011 (inclusive), including those purchased under irrevocable instructions, are as follows:

<table>
<thead>
<tr>
<th>Date of share purchase</th>
<th>Number of shares purchased&lt;sup&gt;1)&lt;/sup&gt; '000</th>
<th>Average price paid per share inclusive of transaction costs Pence</th>
<th>Total number of shares purchased under share repurchase programme&lt;sup&gt;2)&lt;/sup&gt; '000</th>
<th>Maximum value of shares that may yet be purchased under the programme&lt;sup&gt;3)&lt;/sup&gt; £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2010</td>
<td>115,400</td>
<td>161.78</td>
<td>115,400</td>
<td>2,613</td>
</tr>
<tr>
<td>October 2010</td>
<td>187,500</td>
<td>165.50</td>
<td>302,900</td>
<td>2,303</td>
</tr>
<tr>
<td>November 2010</td>
<td>209,400</td>
<td>170.21</td>
<td>512,300</td>
<td>1,947</td>
</tr>
<tr>
<td>December 2010</td>
<td>162,900</td>
<td>167.44</td>
<td>675,200</td>
<td>1,674</td>
</tr>
<tr>
<td>January 2011</td>
<td>177,090</td>
<td>176.67</td>
<td>852,290</td>
<td>1,361</td>
</tr>
<tr>
<td>February 2011</td>
<td>134,700</td>
<td>179.23</td>
<td>986,990</td>
<td>1,120</td>
</tr>
<tr>
<td>March 2011</td>
<td>250,900</td>
<td>177.26</td>
<td>1,237,890</td>
<td>675</td>
</tr>
<tr>
<td>April 2011</td>
<td>135,100</td>
<td>176.81</td>
<td>1,372,990</td>
<td>436</td>
</tr>
<tr>
<td>May 2011</td>
<td>179,300</td>
<td>170.84</td>
<td>1,552,290</td>
<td>130</td>
</tr>
<tr>
<td>June 1 to June 14, 2011 (inclusive)</td>
<td>79,373</td>
<td>163.23</td>
<td>1,631,663</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,631,663</strong></td>
<td><strong>171.60</strong></td>
<td><strong>1,631,663</strong></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

1. The nominal value of shares purchased is 11 3/7 US cents each.
2. No shares were purchased outside the publicly announced share buyback programme.
3. In accordance with the shareholder authority granted at the 2010 AGM.
4. The total number of shares purchased represents 3.19% of our issued share capital at 14 June 2011.

The aggregate amount of consideration paid by the Company for the shares at 14 June 2011 was £2,800 million.
Beneficial interests

(Information as at the approval of the Company’s Annual Report on 17 May is disclosed on page 73 of this Annual Report on Form 20-F)

The beneficial interests of directors and their connected persons in the ordinary shares of the Company, which includes interests in the Vodafone Share Incentive Plan, but which excludes interests in the Vodafone Group share options schemes, and the Vodafone Group short-term or long-term incentives, are shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>14 June 2011</th>
<th>16 May 2011</th>
<th>31 March 2011</th>
<th>1 April 2010 or date of appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir John Bond</td>
<td>370,677</td>
<td>370,677</td>
<td>370,677</td>
<td>357,584</td>
</tr>
<tr>
<td>John Buchanan</td>
<td>222,223</td>
<td>222,223</td>
<td>222,223</td>
<td>211,055</td>
</tr>
<tr>
<td>Vittorio Colao</td>
<td>2,307,663</td>
<td>2,307,663</td>
<td>2,307,663</td>
<td>1,575,567</td>
</tr>
<tr>
<td>Andy Halford</td>
<td>2,336,070</td>
<td>2,335,914</td>
<td>2,335,622</td>
<td>2,186,541</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>670,745</td>
<td>670,589</td>
<td>670,297</td>
<td>392,223</td>
</tr>
<tr>
<td>Stephen Pusey</td>
<td>544,733</td>
<td>544,733</td>
<td>544,733</td>
<td>402,599</td>
</tr>
<tr>
<td>Renee James(1)</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>—</td>
</tr>
<tr>
<td>Alan Jebson</td>
<td>82,340</td>
<td>82,340</td>
<td>82,340</td>
<td>82,340</td>
</tr>
<tr>
<td>Samuel Jonah</td>
<td>55,350</td>
<td>55,350</td>
<td>55,350</td>
<td>—</td>
</tr>
<tr>
<td>Gerard Kleisterlee(1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nick Land</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Anne Lauvergeon</td>
<td>28,936</td>
<td>28,936</td>
<td>28,936</td>
<td>28,936</td>
</tr>
<tr>
<td>Simon Murray (retired 27 July 2010)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>246,250</td>
</tr>
<tr>
<td>Luc Vandeveldie</td>
<td>89,030</td>
<td>89,030</td>
<td>89,030</td>
<td>72,829</td>
</tr>
<tr>
<td>Anthony Watson</td>
<td>115,000</td>
<td>115,000</td>
<td>115,000</td>
<td>115,000</td>
</tr>
<tr>
<td>Philip Yea</td>
<td>61,250</td>
<td>61,250</td>
<td>61,250</td>
<td>61,250</td>
</tr>
</tbody>
</table>

(1) Non-executive directors appointed to the Board as follows: Renee James 1 January 2011, Gerard Kleisterlee 1 April 2011.

At 31 March 2011 and during the period from 1 April 2011 to 14 June 2011, no director had any interest in the shares of any subsidiary company. Other than those individuals included in the table above who were Board members at 31 March 2011, members of the Group’s Executive Committee at 31 March 2011 had an aggregate beneficial interest in 2,755,152 ordinary shares of the Company. At 14 June 2011 the directors had an aggregate beneficial interest in 6,969,017 ordinary shares of the Company and the Executive Committee members had an aggregate beneficial interest in 2,756,048 ordinary shares of the Company. None of the directors or the Executive Committee members had an individual beneficial interest amounting to greater than 1% of the Company’s ordinary shares.
Interests in share options of the company

At 14 June 2011 there had been no change to the directors’ interests in share options from 31 March 2011.

Other than those individuals included in the table above, at 14 June 2011, members of the Group’s Executive Committee held options for 2,620,271 ordinary shares at prices ranging from 115.3 pence to 167.8 pence per ordinary share, with a weighted average exercise price of 161.9 pence per ordinary share exercisable at dates ranging from July 2008 to July 2017.

Sir John Bond, John Buchanan, Alan Jebson, Renee James, Samuel Jonah, Gerard Kleisterlee, Nick Land, Anne Lauvergeon, Luc Vandeveld, Anthony Watson and Philip Yea held no options at 14 June 2011.

Share price history

(Information as at the approval of the Company’s Annual Report on 17 May is disclosed on page 133 of this Annual Report on Form 20-F)

The closing share price at 31 March 2011 was 176.5 pence (31 March 2010: 152.0 pence). The closing share price on 14 June 2011 was 160.75 pence.

The following tables set out, for the periods indicated, i) the reported high and low middle market quotations of ordinary shares on the London Stock Exchange and ii) the reported high and low sales prices of ADSs on the New York Stock Exchange ("NYSE")/NASDAQ. The Company transferred its ADSs from the NYSE to NASDAQ on 29 October 2009.

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>London Stock Exchange Pounds per ordinary share</th>
<th>NYSE/NASDAQ Pounds per ADS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>2007</td>
<td>1.54</td>
<td>1.08</td>
</tr>
<tr>
<td>2008</td>
<td>1.98</td>
<td>1.36</td>
</tr>
<tr>
<td>2009</td>
<td>1.70</td>
<td>0.96</td>
</tr>
<tr>
<td>2010</td>
<td>1.54</td>
<td>1.11</td>
</tr>
<tr>
<td>2011</td>
<td>1.85</td>
<td>1.27</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>London Stock Exchange Pounds per ordinary share</th>
<th>NYSE/NASDAQ Pounds per ADS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>2009/10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First quarter</td>
<td>1.33</td>
<td>1.11</td>
</tr>
<tr>
<td>Second quarter</td>
<td>1.44</td>
<td>1.12</td>
</tr>
<tr>
<td>Third quarter</td>
<td>1.45</td>
<td>1.32</td>
</tr>
<tr>
<td>Fourth quarter</td>
<td>1.54</td>
<td>1.32</td>
</tr>
<tr>
<td>2010/11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First quarter</td>
<td>1.53</td>
<td>1.27</td>
</tr>
<tr>
<td>Second quarter</td>
<td>1.65</td>
<td>1.36</td>
</tr>
<tr>
<td>Third quarter</td>
<td>1.80</td>
<td>1.57</td>
</tr>
<tr>
<td>Fourth quarter</td>
<td>1.85</td>
<td>1.67</td>
</tr>
<tr>
<td>2011/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First quarter (2)</td>
<td>1.79</td>
<td>1.59</td>
</tr>
</tbody>
</table>
Markets

Ordinary shares of Vodafone Group Plc are traded on the London Stock Exchange and in the form of ADSs on NASDAQ. The Company had a total market capitalisation of approximately £82.3 billion at 14 June 2011, making it the second largest listing in The Financial Times Stock Exchange 100 index and the 29th largest company in the world based on market capitalisation at that date.

Geographical analysis of shareholders

At 31 March 2011 approximately 46.9% of the Company’s shares were held in the UK, 30.2% in North America, 14.4% in Europe (excluding the UK) and 8.5% in the rest of the world.

Major shareholders

BNY Mellon, as custodian of the Company’s ADR programme, held approximately 17.45% of the Company’s ordinary shares of 11 3/7 US cents each at 14 June 2011 as nominee. The total number of ADRs outstanding at 14 June 2011 was 893,258,980. At this date 1,372 holders of record of ordinary shares had registered addresses in the US and in total held approximately 0.007% of the ordinary shares of the Company. At 14 June 2011 the following percentage interests in the ordinary share capital of the Company, disclosable under the Disclosure and Transparency Rules, (DTR 5), have been notified to the directors:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Rock, Inc.</td>
<td>6.29%</td>
</tr>
<tr>
<td>Legal &amp; General Group Plc</td>
<td>3.61%</td>
</tr>
</tbody>
</table>

Notes:

(1) The Company transferred its ADSs from the NYSE to NASDAQ on 29 October 2009.
(2) Covering period to 14 June 2011.

Shareholder information

(Information as at the approval of the Company’s Annual Report on 17 May is disclosed on page 134 of this Annual Report on Form 20-F)

<table>
<thead>
<tr>
<th>Month</th>
<th>London Stock Exchange Pounds per ordinary share</th>
<th>NYSE/NASDAQ(^{(2)}) Dollars per ADS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>November 2010</td>
<td>1.80</td>
<td>1.59</td>
</tr>
<tr>
<td>December 2010</td>
<td>1.72</td>
<td>1.60</td>
</tr>
<tr>
<td>January 2011</td>
<td>1.85</td>
<td>1.68</td>
</tr>
<tr>
<td>February 2011</td>
<td>1.83</td>
<td>1.72</td>
</tr>
<tr>
<td>March 2011</td>
<td>1.85</td>
<td>1.67</td>
</tr>
<tr>
<td>April 2011</td>
<td>1.83</td>
<td>1.69</td>
</tr>
<tr>
<td>May 2011</td>
<td>1.74</td>
<td>1.66</td>
</tr>
<tr>
<td>June 2011(^{(2)})</td>
<td>1.64</td>
<td>1.59</td>
</tr>
</tbody>
</table>

Notes:

(1) The Company transferred its ADSs from the NYSE to NASDAQ on 29 October 2009.
(2) Covering period to 14 June 2011.
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The rights attaching to the ordinary shares of the Company held by these shareholders are identical in all respects to the rights attaching to all the ordinary shares of the Company. The directors are not aware, at 14 June 2011, of any other interest of 3% or more in the ordinary share capital of the Company. The Company is not directly or indirectly owned or controlled by any foreign government or any other legal entity. There are no arrangements known to the Company that could result in a change of control of the Company.

Regulation

(Information as at the approval of the Company’s Annual Report on 17 May is disclosed on page 141 of this Annual Report on Form 20-F)

United Kingdom

Vodafone and three other mobile operators appealed the national regulator's final decision in respect of the wholesale mobile voice call termination rates that will apply from 1 April 2011 to 31 March 2015. The matter will now be considered by the UK Competition Commission whose final decision is expected in February or March 2012.
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December 31, 2010, 2009 and 2008
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## Consolidated Statements of Income

**Cellco Partnership (d/b/a Verizon Wireless)**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong> (including $94, $102 and $106 from affiliates)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>$55,994</td>
<td>$53,497</td>
<td>$42,635</td>
</tr>
<tr>
<td>Equipment and other</td>
<td>7,925</td>
<td>8,634</td>
<td>6,697</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>63,919</td>
<td>62,131</td>
<td>49,332</td>
</tr>
<tr>
<td><strong>Operating Costs and Expenses</strong> (including $1,696, $1,651 and $1,541 from affiliates)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of service (exclusive of items shown below)</td>
<td>8,342</td>
<td>7,722</td>
<td>6,015</td>
</tr>
<tr>
<td>Cost of equipment</td>
<td>11,423</td>
<td>12,222</td>
<td>9,705</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>18,727</td>
<td>18,289</td>
<td>14,220</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,458</td>
<td>7,347</td>
<td>5,405</td>
</tr>
<tr>
<td>Total operating costs and expenses</td>
<td>45,950</td>
<td>45,580</td>
<td>35,345</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>17,969</td>
<td>16,551</td>
<td>13,987</td>
</tr>
<tr>
<td><strong>Other Income (Expenses)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(316)</td>
<td>(1,141)</td>
<td>(161)</td>
</tr>
<tr>
<td>Interest income and other, net</td>
<td>90</td>
<td>71</td>
<td>265</td>
</tr>
<tr>
<td><strong>Income Before Provision for Income Taxes</strong></td>
<td>17,743</td>
<td>15,481</td>
<td>14,091</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>(1,067)</td>
<td>(797)</td>
<td>(802)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$16,676</td>
<td>$14,684</td>
<td>$13,289</td>
</tr>
</tbody>
</table>

Net income attributable to non-controlling interest: 295, 286, 263
Net income attributable to Cellco Partnership: 16,381, 14,398, 13,026
Net Income: $16,676, $14,684, $13,289

See Notes to Consolidated Financial Statements.
### Consolidated Balance Sheets — As Adjusted

**Cellco Partnership (d/b/a Verizon Wireless)**

(Dollars in Millions)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$5,331</td>
<td>$607</td>
</tr>
<tr>
<td>Receivables, net of allowances of $328 and $356</td>
<td>6,007</td>
<td>5,721</td>
</tr>
<tr>
<td>Due from affiliates, net</td>
<td>126</td>
<td>58</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>1,072</td>
<td>1,373</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>608</td>
<td>3,335</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>13,144</td>
<td>11,094</td>
</tr>
<tr>
<td>Plant, property and equipment, net</td>
<td>32,253</td>
<td>30,850</td>
</tr>
<tr>
<td>Wireless licenses</td>
<td>72,843</td>
<td>72,005</td>
</tr>
<tr>
<td>Goodwill</td>
<td>17,434</td>
<td>17,303</td>
</tr>
<tr>
<td>Other intangibles and other assets, net</td>
<td>2,370</td>
<td>3,100</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$138,044</td>
<td>$134,352</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Partners’ Capital</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt, including current maturities</td>
<td>$4,869</td>
<td>$2,998</td>
</tr>
<tr>
<td>Due to affiliates</td>
<td>—</td>
<td>5,003</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>7,139</td>
<td>6,123</td>
</tr>
<tr>
<td>Advance billings</td>
<td>2,090</td>
<td>1,695</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>912</td>
<td>415</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>15,010</td>
<td>16,234</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>11,634</td>
<td>18,661</td>
</tr>
<tr>
<td>Deferred tax liabilities, net</td>
<td>10,514</td>
<td>10,593</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>1,464</td>
<td>1,877</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>38,622</td>
<td>47,365</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Partners’ capital</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>97,399</td>
<td>84,863</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>61</td>
<td>136</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>1,962</td>
<td>1,988</td>
</tr>
<tr>
<td><strong>Total Partners’ capital</strong></td>
<td>99,422</td>
<td>86,987</td>
</tr>
</tbody>
</table>

**Total liabilities and Partners’ capital**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>$138,044</td>
<td>$134,352</td>
</tr>
</tbody>
</table>

See Notes to Consolidated Financial Statements.
## Consolidated Statements of Cash Flows

**Cellco Partnership (d/b/a Verizon Wireless)**

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dollars in Millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cash Flows from Operating Activities

- **Net income**: $16,676, $14,684, $13,289
- **Adjustments to reconcile income to net cash provided by operating activities**:
  - Depreciation and amortization: 7,458, 7,347, 5,405
  - Provision for uncollectible receivables: 746, 696, 507
  - Provision for deferred income taxes: 65, 147, 176
- **Changes in current assets and liabilities, net of the effects of acquisition/disposition of businesses**:
  - Receivables, net: (1,076), (1,000), (1,032)
  - Inventories, net: 308, (127), 60
  - Prepaid expenses and other current assets: (104), (42), (74)
  - Accounts payable and accrued liabilities: 1,505, (607), (365)
  - Other operating activities, net: 31, 830, 181
- **Net cash provided by operating activities**: 25,547, 21,928, 18,147

### Cash Flows from Investing Activities

- **Capital expenditures (including capitalized software)**: (8,438), (7,152), (6,510)
- **Acquisition of businesses and licenses, net of cash acquired**: (332), (4,881), (10,277)
- **Proceeds from dispositions**: 2,594, —, —
- **Investment in debt obligations**: —, —, (4,766)
- **Other investing activities, net**: (495), (29), (526)
- **Net cash used in investing activities**: (6,671), (12,062), (22,079)

### Cash Flows from Financing Activities

- **Proceeds from affiliates**: —, —, 9,363
- **Repayments to affiliates**: (5,005), (6,291), (3,891)
- **Net (decrease) increase in revolving affiliate borrowings**: —, (457), 307
- **Issuance of long-term debt**: —, 9,223, 10,324
- **Repayment of long-term debt**: (5,016), (17,028), (1,505)
- **Distributions to partners**: (3,845), (3,138), (1,529)
- **Other financing activities, net**: (286), (795), (318)
- **Net cash (used in) provided by financing activities**: (14,152), (18,486), 12,751
- **Increase (decrease) in cash and cash equivalents**: 4,724, (8,620), 8,819
- **Cash and cash equivalents, beginning of year**: 607, 9,227, 408
- **Cash and cash equivalents, end of year**: $5,331, $607, $9,227

See Notes to Consolidated Financial Statements.

B-5
Consolidated Statements of Changes in Partners’ Capital — As Adjusted
Cellco Partnership (d/b/a Verizon Wireless)

(Dollars in Millions)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Partners’ Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>$84,863</td>
<td>$73,387</td>
<td>$62,404</td>
</tr>
<tr>
<td>Cumulative effect of change in accounting for pension and other post-employment benefits (Note 1)</td>
<td>—</td>
<td>—</td>
<td>(23)</td>
</tr>
<tr>
<td>Adjusted balance at beginning of year</td>
<td>84,863</td>
<td>73,387</td>
<td>62,381</td>
</tr>
<tr>
<td>Net income</td>
<td>16,381</td>
<td>14,398</td>
<td>13,026</td>
</tr>
<tr>
<td>Contributed capital</td>
<td>(344)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Distributions declared to partners</td>
<td>(3,845)</td>
<td>(2,582)</td>
<td>(2,085)</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>4</td>
<td>65</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>97,399</td>
<td>84,863</td>
<td>73,387</td>
</tr>
</tbody>
</table>

| **Accumulated Other Comprehensive Income (Loss)** |            |            |            |
| Balance at beginning of year | 136         | (93)       | (50)       |
| Cumulative effect of change in accounting for pension and other post-employment benefits (Note 1) | —         | —          | 23         |
| Adjusted balance at beginning of year | 136         | (93)       | (27)       |
| Unrealized (losses) gains on cash flow hedges, net | (66)      | 175        | (53)       |
| Defined benefit pension and postretirement plans | 9          | 54         | (13)       |
| Other comprehensive (loss) income | (75)      | 229        | (66)       |
| Balance at end of year | 61          | 136        | (93)       |

| **Total Partners’ Capital Attributable to Cellco Partnership** | $97,460 | 84,999 | 73,294 |

| **Non-controlling Interest** |            |            |            |
| Balance at beginning of year | 1,988      | 1,692      | 1,681      |
| Net income attributable to non-controlling interest | 295       | 286        | 263        |
| Contributed capital | —          | 31         | —          |
| Non-controlling interests in disposed/acquired company | (34)     | 497        | —          |
| Distributions | (287)      | (280)      | (249)      |
| Acquisitions of non-controlling partnership interests | (240)   | —          | —          |
| Other | —          | 2          | (3)        |
| Balance at end of year | 1,962      | 1,988      | 1,692      |

| **Total Partners’ Capital** | $99,422 | $86,987 | $74,986 |

| **Comprehensive Income** |            |            |            |
| Net income               | $16,676    | $14,684    | $13,289    |
| Other comprehensive (loss) income per above | (75)      | 229        | (66)       |
| **Total Comprehensive Income** | $16,601 | $14,913 | $13,223 |

| **Comprehensive income attributable to non-controlling interest** | $295 | $286 | $263 |
| **Comprehensive income attributable to Cellco Partnership** | 16,306 | 14,627 | 12,960 |
| **Total Comprehensive Income** | $16,601 | $14,913 | $13,223 |

See Notes to Consolidated Financial Statements.
1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Cellco Partnership (the “Partnership”), a Delaware general partnership doing business as Verizon Wireless, provides wireless voice and data services and related equipment using one of the most extensive and reliable wireless networks in the nation. Verizon Wireless continues to expand its penetration of data services and offerings of data devices for both consumer and business customers. The Partnership has one segment and operates domestically only. References to “our Partners” refers to Verizon Communications, and its subsidiaries (“Verizon”), which owns 55% of the Partnership, and Vodafone Group Plc, and its subsidiaries (“Vodafone”), which owns 45% of the Partnership.

These consolidated financial statements include transactions between the Partnership and Verizon and Vodafone (“Affiliates”) for the provision of services and financing pursuant to various agreements (see Notes 7 and 11).

Consolidated Financial Statements and Basis of Presentation

The consolidated financial statements of the Partnership include the accounts of its majority-owned subsidiaries and the partnerships in which the Partnership exercises control. Investments in businesses and partnerships which the Partnership does not control, but has the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method of accounting. Investments and partnerships which the Partnership does not have the ability to exercise significant influence over operating and financial policies are accounted for under the cost method of accounting. Equity and cost method investments are included in Deferred charges and other assets, net in our consolidated balance sheets. All significant intercompany accounts and transactions have been eliminated.

We have evaluated subsequent events through June 16, 2011, the date these consolidated financial statements were available to be issued.

During the second quarter of 2010, we recorded a one-time non-cash adjustment of $268 million primarily to reduce wireless data revenues. This adjustment was recorded to properly defer previously recognized wireless data revenues that were earned and recognized in future periods. As the amounts involved were not material to our consolidated financial statements in the current or any previous reporting period, the adjustment was recorded during the second quarter.

During 2010, we changed our accounting policy to immediately recognize actuarial gains and losses for pension and other post-employment benefits in the year in which the gains and losses occur. The cumulative effect of the change on Partners’ Capital as of January 1, 2008 was a decrease of approximately $23 million, with the corresponding increase to Accumulated other comprehensive income. This change was not material to our consolidated statements of income or consolidated statement of cash flows in the current or any previous reporting periods presented.

Use of Estimates

We prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”), which require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Examples of significant estimates include: the accounting for allowances for uncollectible accounts receivable, unbilled revenue, fair values of financial instruments, depreciation and amortization, the recoverability of intangible assets, goodwill and other long-lived assets, accrued expenses, inventory
reserves, unrealized tax benefits, valuation allowances on tax assets, contingencies and allocation of purchase prices in connection with business combinations.

Revenue Recognition
The Partnership earns revenue by providing access and usage of its network, which includes voice and data revenue. In general, access revenue is billed one month in advance and is recognized when earned; the unearned portion is classified in Advance billings in the consolidated balance sheets. Usage revenue is generally billed in arrears and recognized when service is rendered and included in unbilled revenue, within Receivables, net in the consolidated balance sheets. Equipment sales revenue associated with the sale of wireless devices and accessories is recognized when the products are delivered to and accepted by the customer, as this is considered to be a separate earnings process from the sale of wireless services. For agreements involving the resale of third-party services in which we are considered the primary obligor in the arrangements, we record revenue gross at the time of sale.

We report taxes imposed by governmental authorities on revenue-producing transactions between us and our customers on a net basis.

Advertising Costs
Costs for advertising products and services as well as other promotional and sponsorship costs are charged to Selling, general and administrative expense in the periods in which they are incurred.

Vendor Rebates and Discounts
The Partnership recognizes vendor rebates or discounts for purchases of wireless devices from a vendor as a reduction of Cost of equipment when the related wireless devices are sold. Vendor rebates or discounts that have been earned as a result of completing the required performance under the terms of the underlying agreements but for which the wireless devices have not yet been sold are recognized as a reduction of inventory cost. Advertising credits are granted by a vendor to the Partnership as reimbursement of specific, incremental, identifiable advertising costs incurred by the Partnership in selling the vendor's wireless devices. These advertising credits are restricted based upon a marketing plan agreed to by the vendor and the Partnership, and accordingly, advertising credits received are recorded as a reduction of those advertising costs when recognized in the Partnership's consolidated statements of income.

Cash and Cash Equivalents
We consider all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates quoted market value, and includes approximately $5,004 million and $192 million at December 31, 2010 and 2009, respectively, held in money market funds that are considered cash equivalents.

Inventory
Inventory consists primarily of wireless equipment held for sale, which is carried at the lower of cost (determined using a first-in, first-out method) or market. The Partnership maintained inventory valuation reserves of $74 million and $106 million as of December 31, 2010 and 2009, respectively, for obsolete and slow moving device inventory based on analyses of inventory ageings and changes in technology.

Capitalized Software
Capitalized software consists primarily of direct costs incurred for professional services provided by third parties and compensation costs of employees which relate to software developed for internal use either during the application stage or for upgrades and enhancements that increase functionality. Costs are capitalized and amortized on a straight-line basis over their estimated useful lives. Costs incurred in the preliminary project stage of development and maintenance are expensed as incurred. For a discussion of our
impairment policy for capitalized software costs, see “Valuation of Assets” below. Also see Note 3 for additional detail of capitalized non-network software reflected in our consolidated balance sheets.

Plant, Property and Equipment

Plant, property and equipment primarily represents costs incurred to construct and expand capacity and network coverage on Mobile Telephone Switching Offices and cell sites. The cost of plant, property and equipment is depreciated over its estimated useful life using the straight-line method of accounting. Periodic reviews are performed to identify any category or group of assets within plant, property and equipment where events or circumstances may change the remaining estimated economic life. This principally includes changes in the Partnership’s plans regarding technology upgrades, enhancements, and planned retirements. Changes in these estimates resulted in an increase in depreciation expense of $260 million, $319 million, and $228 million for the years ended December 31, 2010, 2009, and 2008, respectively. Major improvements to existing plant and equipment are capitalized. Routine maintenance and repairs that do not extend the life of the plant and equipment are charged to expense as incurred. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the related lease.

Upon the sale or retirement of plant, property and equipment, the cost and related accumulated depreciation or amortization is eliminated and any related gain or loss is reflected in the consolidated statements of income in Selling, general and administrative expense.

Interest expense and network engineering costs incurred during the construction phase of the Partnership’s network and real estate properties under development are capitalized as part of plant, property and equipment and recorded as construction in progress until the projects are completed and placed into service.

Valuation of Assets

Long-lived assets, including plant, property and equipment and intangible assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Wireless Licenses

The Partnership’s principal intangible assets are licenses, which provide the Partnership with the exclusive right to utilize certain radio frequency spectrum to provide wireless communication services. While licenses are issued for only a fixed time, generally ten years, such licenses are subject to renewal by the Federal Communications Commission (“FCC”). Renewals of licenses have occurred routinely and at nominal costs, which are expensed as incurred. Moreover, the Partnership has determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of the Partnership’s wireless licenses. As a result, the wireless licenses are treated as an indefinite lived intangible asset, and are not amortized. The Partnership reevaluates the useful life determination for wireless licenses at least annually to determine whether events and circumstances continue to support an indefinite useful life.

The Partnership tests its wireless licenses for potential impairment annually, and more frequently if indications of impairment exist. The Partnership evaluates its licenses on an aggregate basis, using a direct income-based value approach. This approach estimates fair value using a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date. If the fair value of the aggregated wireless licenses is less than the aggregated carrying amount of the wireless licenses, an impairment is recognized. Interest expense incurred while qualifying activities are performed to ready wireless licenses for their intended use is capitalized as part of wireless licenses. The capitalization period ends when a license is substantially complete and the license is ready for its intended use.
Goodwill

Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. Impairment testing of goodwill is performed annually or more frequently if indications of potential impairment exist. The impairment test for goodwill uses a two-step approach, which is performed for our one reporting unit. Step one compares the fair value of the reporting unit (calculated using a market approach and a discounted cash flow method) to its carrying value. If the carrying value exceeds the fair value, there is a potential impairment and step two must be performed. Step two compares the carrying value of the reporting unit’s goodwill to its implied fair value (i.e., fair value of reporting unit less the fair value of the unit’s assets and liabilities, including identifiable intangible assets). If the implied fair value of goodwill is less than the carrying amount of goodwill, an impairment is recognized.

Fair Value Measurements

Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities
- Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities
- Level 3 – No observable pricing inputs in the market

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

See Note 4 for further details on our fair value measurements.

Foreign Currency Translation

The functional currency for all of our operations is the U.S. dollar. However, we have transactions denominated in a currency other than the local currency, principally debt denominated in Euros and British Pounds Sterling. Gains and losses resulting from exchange-rate changes in transactions denominated in a foreign currency are included in earnings.

Derivatives

The Partnership uses derivatives from time to time to manage the Partnership’s exposure to fluctuations in the cash flows of certain transactions. We measure all derivatives at fair value and recognize them as either assets or liabilities on our consolidated balance sheets. Our derivative instruments are valued primarily using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified as Level 2. Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period. Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item. Changes in the fair value of the effective portions of cash flow hedges are reported in other comprehensive income (loss) and recognized in earnings when the hedged item is recognized in earnings.

Employee Benefit Plans

The Partnership maintains a defined contribution plan, the Verizon Wireless Savings and Retirement Plan (the "Savings and Retirement Plan"), for the benefit of its employees. The Savings and Retirement Plan includes both an employee savings and profit sharing component. Under the employee savings component,
employees may contribute a percentage of eligible compensation to the Savings and Retirement Plan. Up to the first 6% of an employee's eligible compensation contributed to the Savings and Retirement Plan is matched 100% by the Partnership. Under the profit sharing component, the Partnership may elect, at the sole discretion of the Human Resources Committee of the Board of Representatives, to contribute an additional amount in the form of a profit sharing contribution to the accounts of eligible employees. (See Note 6)

Long-Term Incentive Compensation
The Partnership measures compensation expense for all stock-based compensation awards made to employees and directors based on estimated fair values. See Note 8 for further details.

Income Taxes
The Partnership is not a taxable entity for federal income tax purposes. Any federal taxable income or loss is included in the respective partners' consolidated federal return. Certain states, however, impose taxes at the partnership level and such taxes are the responsibility of the Partnership and are included in the Partnership's tax provision. The consolidated financial statements also include provisions for federal and state income taxes, prepared on a stand-alone basis, for all corporate entities within the Partnership. Deferred income taxes are recorded using enacted tax law and rates for the years in which the taxes are expected to be paid or refunds received. Deferred income taxes are provided for items when there is a temporary difference in recording such items for financial reporting and income tax reporting.

The Partnership uses a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and provides disclosures regarding uncertainties in income tax positions. The Partnership recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense.

Concentrations
The Partnership relies on local and long-distance telephone companies, some of whom are related parties (Note 11), and other companies to provide certain communication services. Although management believes alternative telecommunications facilities could be found in a timely manner, any disruption of these services could potentially have an adverse impact on our business, results of operations and financial condition.

The Partnership depends upon various key suppliers to provide it, directly or through other suppliers, with the equipment and services, such as switch and network equipment, handsets and other devices and wireless data applications that are needed to operate the business. Most of our handset and other device suppliers rely on Qualcomm Incorporated ("Qualcomm") for the manufacture and supply of the chipsets used in their devices. In addition, a small group of suppliers provide nearly all of our network cell site and switch equipment and, in many instances, due to compatibility issues, we must use the same supplier for both the cell site equipment and switches in a given area of our network footprint. If any of our key network cell site and switch equipment suppliers, or other suppliers, fail to provide equipment or services on a timely basis or fail to meet our performance expectations, we may be unable to provide services to our customers in a competitive manner or continue to maintain and upgrade our network. Because of the costs and time lags that can be associated with transitioning from one supplier to another, our business could be substantially disrupted if we were required to, or chose to, replace the products or services of one or more major suppliers with products or services from another source, especially if the replacement became necessary on short notice. Any such disruption could increase our costs, decrease our operating efficiencies and have a material adverse effect on our business, results of operations and financial condition.

No single customer receivable is large enough to present a significant financial risk to the Partnership.

Recently Adopted Accounting Standards
The adoption of the following accounting standards and updates during 2010 did not result in a significant impact to our consolidated financial statements:
Recent Accounting Standards

On January 1, 2011, we prospectively adopted the accounting standard update regarding revenue recognition for multiple deliverable arrangements. This method allows a vendor to allocate revenue in an arrangement using its best estimate of selling price if neither vendor specific objective evidence nor third party evidence of selling price exists. Accordingly, the residual method of revenue allocation is no longer permissible. The adoption of this standard update is not expected to have a significant impact on our consolidated financial statements.

On January 1, 2011, we prospectively adopted the accounting standard update regarding revenue recognition for arrangements that include software elements. This requires tangible products that contain software and non-software elements that work together to deliver the products essential functionality to be evaluated under the accounting standard regarding multiple deliverable arrangements. The adoption of this standard update is not expected to have a significant impact on our consolidated financial statements.

2. Acquisitions and Dispositions

On August 23, 2010, the Partnership acquired the net assets and related customers of six operating markets in Louisiana and Mississippi in a transaction with AT&T Inc. (AT&T) for cash consideration of $235 million. These assets were acquired to enhance the Partnership’s network coverage in these operating markets. The preliminary purchase price allocation primarily resulted in $106 million of wireless licenses and $72 million in goodwill.

Acquisition of Alltel Corporation

On June 5, 2008, the Partnership entered into an agreement and plan of merger with Alltel Corporation (“Alltel”), a provider of wireless voice and data services to consumer and business customers in 34 states, and its controlling stockholder, Atlantis Holdings LLC, an affiliate of private investment firms TPG Capital and GS Capital Partners, to acquire, in an all-cash merger, 100% of the equity of Alltel for cash consideration of $5,925 million. The Partnership closed the transaction on January 9, 2009.

The Partnership has completed the appraisals necessary to assess the fair values of the tangible and intangible assets acquired and liabilities assumed, the fair value of non-controlling interests, and the amount of goodwill recognized as of the acquisition date.

The fair values of the assets acquired and liabilities assumed were determined using the income, cost, and market approaches. The fair value measurements were primarily based on significant inputs that are not observable in the market other than interest rate swaps (see Note 4) and long-term debt assumed in the acquisition. The income approach was primarily used to value the intangible assets, consisting primarily of wireless licenses and customer relationships. The cost approach was used as appropriate for property, plant, and equipment. The market approach was utilized in combination with the income approach for certain acquired investments. Additionally, Alltel historically conducted business operations in certain markets through non-wholly owned entities (“Managed Partnerships”). The fair value of the non-controlling interests in these Managed Partnerships as of the acquisition date of approximately $586 million was estimated by
using a market approach. The fair value of the majority of the long-term debt assumed and held was primarily valued using quoted market prices.

The following table summarizes the consideration paid and the allocation of the assets acquired, including cash acquired of $1,044 million, and liabilities assumed as of the close of the acquisition, as well as the fair value at the acquisition date of Alltel’s non-controlling partnership interests:

<table>
<thead>
<tr>
<th>Assets acquired</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$2,760</td>
</tr>
<tr>
<td>Plant, property and equipment</td>
<td>3,513</td>
</tr>
<tr>
<td>Wireless licenses</td>
<td>9,444</td>
</tr>
<tr>
<td>Goodwill</td>
<td>16,242</td>
</tr>
<tr>
<td>Intangible assets subject to amortization</td>
<td>2,391</td>
</tr>
<tr>
<td>Other acquired assets</td>
<td>2,444</td>
</tr>
<tr>
<td>Total assets acquired</td>
<td>36,794</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities assumed</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>1,833</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>23,929</td>
</tr>
<tr>
<td>Deferred income taxes and other liabilities</td>
<td>4,982</td>
</tr>
<tr>
<td>Total liabilities assumed</td>
<td>30,744</td>
</tr>
<tr>
<td>Net assets acquired</td>
<td>6,050</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(458)</td>
</tr>
<tr>
<td>Contributed capital</td>
<td>333</td>
</tr>
<tr>
<td>Total cash consideration</td>
<td>$5,925</td>
</tr>
</tbody>
</table>

Included in the above purchase price allocation is $2,064 million of net assets that were subsequently divested as a condition of the regulatory approval as described below.

Wireless licenses have an indefinite life, and accordingly, are not subject to amortization. The weighted average period prior to renewal of these licenses at acquisition was approximately 5.7 years. The customer relationships, included in Intangible assets subject to amortization are being amortized using an accelerated method over 8 years, and other intangibles are being amortized on a straight-line basis or an accelerated method over a period of 2 to 3 years. At the time of the acquisition, goodwill of approximately $1,363 million was expected to be deductible for tax purposes.

**Pro Forma Information**

The unaudited pro forma information presents the combined operating results of the Partnership and Alltel, with the results prior to the acquisition date adjusted to include the pro forma impact of: the elimination of transactions between the Partnership and Alltel; the adjustment of amortization of intangible assets and depreciation of fixed assets based on the purchase price allocation; the elimination of merger expenses and management fees incurred by Alltel; and the adjustment of interest expense reflecting the assumption and partial redemption of Alltel’s debt and incremental borrowing incurred by the Partnership to complete the acquisition of Alltel.

The unaudited pro forma results are presented for illustrative purposes only and do not reflect the realization of potential cost savings, or any related integration costs. Certain cost savings may result from the merger; however, there can be no assurance that these cost savings will be achieved. These pro forma results do not purport to be indicative of the results that would have actually been obtained if the merger had occurred as of January 1, 2008, nor does the pro forma data intend to be a projection of results that may be obtained in the future.
The following unaudited pro forma consolidated results of operations assume that the acquisition of Alltel was completed as of January 1, 2008:

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>Year ended December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$58,572</td>
</tr>
<tr>
<td>Net income</td>
<td>13,398</td>
</tr>
</tbody>
</table>

Consolidated results of operations reported for the year ended December 31, 2009 were not significantly different than the pro forma consolidated results of operations assuming the acquisition of Alltel was completed on January 1, 2009.

During the twelve months ended December 31, 2009, we recorded pretax charges of $88 million primarily related to the Alltel acquisition that were comprised of acquisition related costs recorded in Selling, general and administrative expense in the consolidated statements of income.

**Alltel Divestiture Markets**

As a condition of the regulatory approvals by the Department of Justice ("DOJ") and the Federal Communications Commission ("FCC") to complete the acquisition of Alltel in January 2009, the Partnership was required to divest overlapping properties in 105 operating markets in 24 states (the Alltel Divestiture Markets). Total assets and total liabilities divested were approximately $2.6 billion and $0.1 billion, respectively, principally comprised of network assets, wireless licenses and customer relationships, and were included in Prepaid expenses and other current assets and Other current liabilities, respectively, on the accompanying condensed consolidated balance sheet at December 31, 2009.

On May 8, 2009, the Partnership entered into a definitive agreement with AT&T Mobility LLC (AT&T Mobility), a subsidiary of AT&T, pursuant to which AT&T Mobility agreed to acquire 79 of the 105 Alltel Divestiture Markets, including licenses and network assets, for approximately $2.4 billion in cash. On June 9, 2009, the Partnership entered into a definitive agreement with Atlantic Tele-Network, Inc. (ATN), pursuant to which ATN agreed to acquire the remaining 26 Alltel Divestiture Markets, including licenses and network assets, for $200 million in cash. During the second quarter of 2010, the Partnership received the necessary regulatory approvals and completed both transactions. Upon the completion of the divestitures, we recorded a tax charge of approximately $201 million for the taxable gain on the excess of book over tax basis of the goodwill associated with the Alltel Divestiture Markets.

**Acquisition of Rural Cellular Corporation**

On August 7, 2008, Verizon Wireless acquired 100% of the outstanding common stock and redeemed all of the preferred stock of Rural Cellular Corporation ("Rural Cellular") in a cash transaction valued at approximately $1.3 billion. The final purchase price allocation primarily resulted in $1.1 billion of wireless licenses and $0.9 billion in goodwill. Rural Cellular was a wireless communications service provider operating under the trade name of "Unicel," focusing primarily on rural markets in the United States.

As part of its regulatory approval for the Rural Cellular acquisition, the FCC and DOJ required the divestiture of six operating markets. On December 22, 2008, we exchanged assets acquired from Rural Cellular and an additional cellular license with AT&T for assets having a total aggregate value of approximately $0.5 billion.
3. Wireless Licenses, Goodwill and Other Intangibles, Net

Wireless Licenses

The changes in the carrying amount of wireless licenses are as follows:

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>Wireless Licenses (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1, 2009</td>
<td>$ 62,392</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>9,444</td>
</tr>
<tr>
<td>Capitalized interest on wireless licenses</td>
<td>268</td>
</tr>
<tr>
<td>Reclassifications, adjustments and other(b)</td>
<td>(99)</td>
</tr>
<tr>
<td>Balance as of December 31, 2009</td>
<td>72,005</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>178</td>
</tr>
<tr>
<td>Capitalized interest on wireless licenses</td>
<td>657</td>
</tr>
<tr>
<td>Reclassifications, adjustments and other</td>
<td>3</td>
</tr>
<tr>
<td>Balance as of December 31, 2010</td>
<td>$ 72,843</td>
</tr>
</tbody>
</table>

(a) During the years ended December 31, 2010 and 2009, approximately $12.2 billion of wireless licenses were under development for commercial service for which we were capitalizing interest costs. In December 2010, a portion of these licenses were placed in service. Accordingly, approximately $3.3 billion of wireless licenses continue to be under development for commercial service.

(b) Reclassifications, adjustments and other during 2009 primarily includes the reclassification of wireless licenses associated with the pre-merger operations of the Partnership that are included in the Alltel Divestiture Markets (see Note 2) and included in Prepaid expenses and other current assets in the accompanying consolidated balance sheets.

The Partnership evaluated its wireless licenses for potential impairment as of December 15, 2010 and December 15, 2009. These evaluations resulted in no impairment of the Partnership’s wireless licenses.

During 2008, the Partnership was the winning bidder in the FCC’s auction of spectrum in the 700 MHz band and paid the FCC $9,363 million to acquire 109 licenses in this band.

The average remaining renewal period of our wireless license portfolio was 6.9 years as of December 31, 2010.

Goodwill

The changes in the carrying amount of goodwill are as follows:

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>Goodwill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1, 2009</td>
<td>$ 955</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>16,242</td>
</tr>
<tr>
<td>Reclassifications, adjustments and other(a)</td>
<td>106</td>
</tr>
<tr>
<td>Balance as of December 31, 2009</td>
<td>17,303</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>131</td>
</tr>
<tr>
<td>Reclassifications, adjustments and other</td>
<td>—</td>
</tr>
<tr>
<td>Balance as of December 31, 2010</td>
<td>$17,434</td>
</tr>
</tbody>
</table>

(a) Reclassifications, adjustments and other during 2009 includes adjustments to goodwill associated with the finalization of the Rural Cellular purchase accounting partially offset by the reclassification of goodwill associated with the pre-merger operations of the Partnership that are included in the Alltel.
The Partnership completed its impairment test as of December 15, 2010 and December 15, 2009. These tests resulted in no impairment of the Partnership’s goodwill.

Other Intangibles, net
Other intangibles, net are included in Other intangibles and other assets, net and consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>At December 31, 2010</th>
<th></th>
<th>At December 31, 2009</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Amount</td>
<td>Accumulated Amortization</td>
<td>Net Amount</td>
<td>Gross Amount</td>
</tr>
<tr>
<td>Customer lists (6 to 8 years)</td>
<td>$2,142</td>
<td>$ (905)</td>
<td>$1,237</td>
<td>$2,122</td>
</tr>
<tr>
<td>Capitalized software (2 to 5 years)</td>
<td>1,009</td>
<td>(457)</td>
<td>552</td>
<td>879</td>
</tr>
<tr>
<td>Other (1 to 3 years)</td>
<td>382</td>
<td>(348)</td>
<td>34</td>
<td>397</td>
</tr>
<tr>
<td>Total(a)</td>
<td>$3,533</td>
<td>$(1,710)</td>
<td>$1,823</td>
<td>$3,398</td>
</tr>
</tbody>
</table>

(a) Based on amortizable intangible assets existing at December 31, 2010, the estimated amortization expense for the five succeeding fiscal years and thereafter is as follows:

<table>
<thead>
<tr>
<th></th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>565</td>
</tr>
<tr>
<td>2012</td>
<td>427</td>
</tr>
<tr>
<td>2013</td>
<td>344</td>
</tr>
<tr>
<td>2014</td>
<td>247</td>
</tr>
<tr>
<td>2015</td>
<td>181</td>
</tr>
<tr>
<td>Thereafter</td>
<td>59</td>
</tr>
<tr>
<td>Total</td>
<td>$1,823</td>
</tr>
</tbody>
</table>

4. Fair Value Measurements

The following table presents the balances of assets measured at fair value on a recurring basis as of December 31, 2010:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expense and other current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative contracts—Cross currency swaps (Current)</td>
<td>$—</td>
<td>$ 7</td>
<td>$—</td>
<td>$ 7</td>
</tr>
<tr>
<td>Other intangibles and other assets, net:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative contracts—Cross currency swaps (Non-current)</td>
<td>$—</td>
<td>$101</td>
<td>$—</td>
<td>$101</td>
</tr>
</tbody>
</table>

Derivative contracts consist of cross currency swaps. Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are
We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the fair value hierarchy during 2010.

Fair Value of Short-term and Long-term Debt

The fair value of our term note due to affiliates was determined based on future cash flows discounted at current rates. The fair value of our short-term and long-term debt is determined based on quoted market prices or future cash flows discounted at current rates. Our financial instruments also include cash and cash equivalents, and trade receivables and payables. These financial instruments are short term in nature and are stated at their carrying value, which approximates fair value. The fair value of our term note due to affiliates and short-term and long-term debt were as follows:

<table>
<thead>
<tr>
<th></th>
<th>At December 31, 2010</th>
<th>At December 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Value</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Term notes due to affiliates</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Short and long-term debt</td>
<td>16,503</td>
<td>18,697</td>
</tr>
</tbody>
</table>

Derivative Instruments

We have entered into derivative transactions to manage our exposure to fluctuations in foreign currency exchange rates and interest rates. We employ risk management strategies which may include the use of a variety of derivatives including cross currency swaps and interest rate swap agreements. We do not hold derivatives for trading purposes.

We measure all derivatives, including derivatives embedded in other financial instruments, at fair value and recognize them as either assets or liabilities on our consolidated balance sheets. The derivative instruments discussed below are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified as Level 2. Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period. Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item. Changes in the fair value of the effective portions of cash flow hedges are reported in other comprehensive income (loss) and recognized in earnings when the hedged item is recognized in earnings.

Cross Currency Swaps

We have entered into cross currency swaps designated as cash flow hedges to exchange approximately $2.4 billion of British Pound Sterling and Euro denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as mitigate the impact of foreign currency transaction gains or losses. The fair value of the cross currency swaps included in Prepaid expenses and other current assets and Other intangibles and other assets, net was $7 million and $101 million at December 31, 2010, respectively. The fair value of the cross currency swaps included in Other intangibles and other assets, net was $315 million at December 31, 2009. For the years ended December 31, 2010 and 2009, a pretax $207 million loss and $310 million gain, respectively, on the cross currency swaps has been recognized in Other comprehensive income, a portion of which was reclassified to Interest income and other, net to offset the related pretax foreign-currency transaction gain or loss on the underlying debt obligations.
Alltel Interest Rate Swaps

As a result of the Alltel acquisition, the Partnership acquired seven interest rate swap agreements with a notional value of $9.5 billion that paid fixed and received variable rates based on three-month and one-month London Interbank Offered Rate ("LIBOR") with maturities ranging from 2009 to 2013. During 2009, we settled all of these agreements for a gain that was not significant. Changes in the fair value of these swaps were recorded in earnings through settlement.

Concentrations of Credit Risk

Financial instruments that subject us to concentrations of credit risk consist primarily of temporary cash investments, trade receivables and derivative contracts. Our policy is to deposit our temporary cash investments with major financial institutions. Counterparties to our derivative contracts are also major financial institutions. The financial institutions have all been accorded high ratings by primary rating agencies. We limit the dollar amount of contracts entered into with any one financial institution and monitor our counterparties’ credit ratings. We generally do not give or receive collateral on swap agreements due to our credit rating and those of our counterparties. While we may be exposed to credit losses due to the nonperformance of our counterparties, we consider the risk remote and do not expect the settlement of these transactions to have a material effect on our results of operations or financial condition.

5. Non-controlling Interest

Non-controlling interests in equity of subsidiaries were as follows:

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>At December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Verizon Wireless of the East LP</td>
<td>$1,179</td>
</tr>
<tr>
<td>Cellular partnerships</td>
<td>783</td>
</tr>
<tr>
<td>Non-controlling interest in consolidated entities</td>
<td>$1,962</td>
</tr>
</tbody>
</table>

Verizon Wireless of the East LP

Verizon Wireless of the East LP is a limited partnership formed in 2002 and is controlled and managed by the Partnership. Verizon held the non-controlling interest of Verizon Wireless of the East LP at December 31, 2010 and 2009. Verizon is not allocated any of the profits of Verizon Wireless of the East LP.

6. Supplementary Financial Information

Supplementary Balance Sheet Information

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>At December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Receivables, Net:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$5,150</td>
</tr>
<tr>
<td>Other receivables</td>
<td>866</td>
</tr>
<tr>
<td>Unbilled revenue</td>
<td>319</td>
</tr>
<tr>
<td></td>
<td>6,335</td>
</tr>
<tr>
<td>Less: allowance for doubtful accounts</td>
<td>(328)</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>$6,007</td>
</tr>
</tbody>
</table>
Table of Contents

<table>
<thead>
<tr>
<th>Accounts Receivable Allowances:</th>
<th>Balance at beginning of the year</th>
<th>Additions charged to expense</th>
<th>Write-offs, net of recoveries</th>
<th>Balance at end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$356</td>
<td>$746</td>
<td>$(774)</td>
<td>$328</td>
</tr>
<tr>
<td>2009</td>
<td>244</td>
<td>696</td>
<td>(584)</td>
<td>356</td>
</tr>
<tr>
<td>2008</td>
<td>217</td>
<td>507</td>
<td>(480)</td>
<td>244</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plant, Property and Equipment, Net:</th>
<th>At December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Land</td>
<td>$ 262</td>
</tr>
<tr>
<td>Buildings (20-40 yrs.)</td>
<td>9,481</td>
</tr>
<tr>
<td>Wireless plant and equipment (3-15 yrs.)</td>
<td>45,293</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment (5 yrs.)</td>
<td>4,152</td>
</tr>
<tr>
<td>Leasehold improvements (5 yrs.)</td>
<td>3,811</td>
</tr>
<tr>
<td>Construction-in-progress(b)</td>
<td>2,431</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>65,430</td>
</tr>
<tr>
<td>Plant, property and equipment , net(a)</td>
<td>(33,177)</td>
</tr>
<tr>
<td></td>
<td>$ 32,253</td>
</tr>
</tbody>
</table>

(a) Interest costs of $121 million and $88 million and network engineering costs of $393 million and $351 million were capitalized during the years ended December 31, 2010 and 2009, respectively.

(b) Construction-in-progress includes $919 million and $784 million of accrued but unpaid capital expenditures as of December 31, 2010 and 2009, respectively.

<table>
<thead>
<tr>
<th>Accounts Payable and Accrued Liabilities:</th>
<th>At December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$4,003</td>
</tr>
<tr>
<td>Accrued payroll</td>
<td>442</td>
</tr>
<tr>
<td>Related employee benefits</td>
<td>1,424</td>
</tr>
<tr>
<td>Taxes payable</td>
<td>529</td>
</tr>
<tr>
<td>Accrued commissions</td>
<td>518</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>223</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$7,139</td>
</tr>
</tbody>
</table>

Supplementary Statements of Income Information

<table>
<thead>
<tr>
<th>Service Revenue:</th>
<th>For the Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Voice revenue</td>
<td>$36,465</td>
</tr>
<tr>
<td>Data revenue</td>
<td>19,529</td>
</tr>
<tr>
<td>Total service revenue</td>
<td>$55,994</td>
</tr>
</tbody>
</table>
### Supplementary Cash Flows Information

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>For the Years Ended December 31,</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and Promotional Cost:</td>
<td></td>
<td>$1,801</td>
<td>$2,036</td>
<td>$1,779</td>
</tr>
<tr>
<td>Employee Benefit Plans:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matching contribution expense</td>
<td></td>
<td>$217</td>
<td>$216</td>
<td>$185</td>
</tr>
<tr>
<td>Profit sharing expense</td>
<td></td>
<td>108</td>
<td>94</td>
<td>103</td>
</tr>
<tr>
<td>Depreciation and Amortization:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of plant, property and equipment</td>
<td></td>
<td>$6,771</td>
<td>$6,545</td>
<td>$5,258</td>
</tr>
<tr>
<td>Amortization of other intangibles</td>
<td></td>
<td>687</td>
<td>802</td>
<td>147</td>
</tr>
<tr>
<td>Total depreciation and amortization</td>
<td></td>
<td>$7,458</td>
<td>$7,347</td>
<td>$5,405</td>
</tr>
<tr>
<td>Interest Expense, Net:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td></td>
<td>$(1,094)</td>
<td>$(1,497)</td>
<td>$(490)</td>
</tr>
<tr>
<td>Capitalized interest</td>
<td></td>
<td>778</td>
<td>356</td>
<td>329</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td></td>
<td>$(316)</td>
<td>$(1,141)</td>
<td>$(161)</td>
</tr>
</tbody>
</table>

### Debt

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>For the Years Ended December 31,</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash paid for income taxes</td>
<td></td>
<td>$1,236</td>
<td>$384</td>
<td>$575</td>
</tr>
<tr>
<td>Interest paid, net of amounts capitalized</td>
<td></td>
<td>284</td>
<td>738</td>
<td>90</td>
</tr>
</tbody>
</table>

7. Debt

<table>
<thead>
<tr>
<th>Interest Rates %</th>
<th>Maturities</th>
<th>At December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable and other</td>
<td>3.75 - 5.55</td>
<td>2011 - 2014</td>
</tr>
<tr>
<td>7.375 - 8.875</td>
<td>2011 - 2018</td>
<td>5,975</td>
</tr>
<tr>
<td>Floating</td>
<td>2011</td>
<td>1,250</td>
</tr>
<tr>
<td>Alltel notes</td>
<td>6.50 - 7.875</td>
<td>2012 - 2032</td>
</tr>
<tr>
<td>Unamortized discount, net of premium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt, including current maturities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: current maturities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total long-term debt</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Term notes payable to Affiliate (a):

<table>
<thead>
<tr>
<th>Promissory note</th>
<th>Maturities</th>
<th>At December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promissory note</td>
<td>Floating</td>
<td>2010</td>
</tr>
<tr>
<td>Total due to affiliates, including current maturities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: current maturities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total long-term due to affiliates</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) All affiliate term notes were payable to Verizon Financial Services LLC (“VFSL”), a wholly-owned subsidiary of Verizon.
Debt

Verizon Wireless Capital LLC, a wholly-owned subsidiary of the Partnership, is a limited liability company formed under the laws of Delaware on December 7, 2001 as a special purpose finance subsidiary to facilitate the offering of debt securities of the Partnership by acting as co-issuer. Other than the financing activities as a co-issuer of the Partnership’s indebtedness, Verizon Wireless Capital LLC has no material assets, operations or revenues. The Partnership is jointly and severally liable with Verizon Wireless Capital LLC for co-issued notes, as indicated below.

Discounts, premiums, and capitalized debt issuance costs are amortized using the effective interest method.

On June 28, 2010, the Partnership exercised its right to redeem the outstanding $1.0 billion of aggregate floating rate notes due June 2011 at a redemption price of 100% of the principal amount of the notes, plus accrued and unpaid interest through the date of redemption. These notes were issued in June 2009.

During 2010, the Partnership repaid the remaining $4.0 billion of borrowings that were outstanding under a three-year term loan facility that had an original maturity of September 2011. No borrowings remain outstanding under this facility as of December 31, 2010 and this facility has been cancelled.

During November 2009, the Partnership and Verizon Wireless Capital LLC completed an exchange offer to exchange privately placed notes issued in November 2008, and February and May 2009 for new notes with similar terms.

In May 2009, the Partnership and Verizon Wireless Capital LLC co-issued $1.3 billion aggregate principal amount floating rate notes due 2011 and $2.8 billion aggregate principal amount 3.75% notes due 2011 in a private placement resulting in cash proceeds of approximately $4.0 billion, net of discounts and issuance costs. In May 2011, these notes matured and were repaid in full using cash generated from operations.

In February 2009, the Partnership and Verizon Wireless Capital LLC co-issued $750 million aggregate principal amount 5.25% notes due 2012 and $3.5 billion aggregate principal amount 5.55% notes due 2014 in a private placement resulting in cash proceeds of $4.2 billion, net of discounts and issuance costs.

On January 9, 2009, the Partnership borrowed $12.4 billion under a $17.0 billion credit facility (“Bridge Facility”) in order to complete the acquisition of Alltel and repay a portion of the approximately $24 billion of Alltel debt assumed. The Partnership used cash generated from operations and the net proceeds from the sale of notes in private placements issued in February 2009, May 2009 and June 2009, which are described above to repay the borrowings under the Bridge Facility. The Bridge Facility and the commitments under the Bridge Facility were terminated.

After completion of the Alltel acquisition and repayments of Alltel debt, including repayments through December 31, 2010, approximately $2.3 billion aggregate principal amount of Alltel Corporation notes and Senior PIK toggle notes remain outstanding and held by third parties. The Alltel Corporation notes are not guaranteed by the Partnership or by any subsidiary of Alltel and are unsecured.

In August 2009, the Partnership repaid $444 million of borrowings that were outstanding under a three-year term loan facility.

Term Notes Payable to Affiliate

Under the terms of a fixed rate promissory note with VFSL, the Partnership may borrow, repay and re-borrow up to a maximum principal amount of $750 million. Amounts borrowed under this note bear interest at a rate of 5.8% per annum. The fixed rate note matures August 1, 2013 and gives VFSL the right to cancel this note and require settlement of the aggregate unpaid principal and interest under this note on August 1.
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2011 or August 1, 2012. There were no outstanding borrowings under this note as of December 31, 2010 and 2009.

During 2009, we used cash generated from operations to repay all of the remaining borrowings under a $2.4 billion floating rate promissory note payable to VFSL. During 2009, we used cash generated from operations to repay $4.4 billion of a $9.4 billion floating rate promissory note payable to VFSL, reducing the outstanding balance to $5.0 billion. During 2010, the Partnership repaid the remaining $5.0 billion of this note and this note has been cancelled.

Debt Covenants

As of December 31, 2010, we are in compliance with all of our debt covenants.

Maturities of Long-Term Debt

Maturities of long-term debt outstanding at December 31, 2010 are as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>(dollars in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$4,869</td>
</tr>
<tr>
<td>2012</td>
<td>1,550</td>
</tr>
<tr>
<td>2013</td>
<td>1,450</td>
</tr>
<tr>
<td>2014</td>
<td>3,500</td>
</tr>
<tr>
<td>2015</td>
<td>669</td>
</tr>
<tr>
<td>Thereafter</td>
<td>4,502</td>
</tr>
</tbody>
</table>

8. Long-Term Incentive Plan

Verizon Wireless Long Term Incentive Plan (“Wireless Plan”)

The Wireless Plan provides compensation opportunities to eligible employees and other participating affiliates of the Partnership. The plan provides rewards that are tied to the long-term performance of the Partnership. Under the Wireless Plan, value appreciation rights (“VARs”) are granted to eligible employees. As of December 31, 2010, all VARs were fully vested. We have not granted new VARs since 2004.

VARs reflect the change in the value of the Partnership, as defined in the plan. Similar to stock options, the valuation is determined using a Black-Scholes model. Once VARs become vested, employees can exercise their VARs and receive a payment that is equal to the difference between the VAR price on the date of grant and the VAR price on the date of exercise, less applicable taxes. VARs are fully exercisable three years from the date of grant with a maximum term of 10 years. All VARs were granted at a price equal to the estimated fair value of the Partnership, as defined in the Wireless Plan, at the date of the grant.

The Partnership employs the income approach, a standard valuation technique, to arrive at the fair value of the Partnership on a quarterly basis using publicly available information. The income approach uses future net cash flows discounted at market rates of return to arrive at an estimate of fair value, as defined in the plan.

The following table summarizes the assumptions used in the Black-Scholes model during the years ended December 31, 2010, 2009 and 2008:

<table>
<thead>
<tr>
<th></th>
<th>2010 Ranges</th>
<th>2009 Ranges</th>
<th>2008 Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-free rate</td>
<td>0.14% – 0.88%</td>
<td>0.15% – 1.63%</td>
<td>0.6% – 3.3%</td>
</tr>
<tr>
<td>Expected term (in years)</td>
<td>0.03 – 2.0</td>
<td>0.38 – 2.5</td>
<td>1.2 – 3.0</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>31.05% – 47.56%</td>
<td>35.37% – 61.51%</td>
<td>33.9% – 58.5%</td>
</tr>
</tbody>
</table>

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The risk-free rate is based on the U.S. Treasury yield curve in effect at the measurement date. Expected volatility was based on a blend of the historical and implied volatility of publicly traded peer companies for a period equal to the VARs expected life, ending on the measurement date.

For the years ended December 31, 2010, 2009, and 2008, the intrinsic value of VARs exercised during the period was $66 million, $178 million, and $554 million, respectively.

Cash paid to settle VARs for the years ended December 31, 2010, 2009, and 2008 was $67 million, $169 million, and $549 million, respectively.

Awards outstanding at December 31, 2010, 2009 and 2008 under the Wireless Plan are summarized as follows:

The following table summarizes the status of the Partnership’s VARs as of December 31, 2010:

<table>
<thead>
<tr>
<th>Outpanding, January 1, 2008</th>
<th>VARs</th>
<th>Weighted Average Exercise Price of VARs</th>
<th>Vested VARs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exercised</td>
<td>60,412</td>
<td>$17.58</td>
<td>60,412</td>
</tr>
<tr>
<td>Cancelled/Forfeited</td>
<td>(3,817)</td>
<td>18.47</td>
<td></td>
</tr>
<tr>
<td>Outstanding, December 31, 2008</td>
<td>28,244</td>
<td>16.54</td>
<td>28,244</td>
</tr>
<tr>
<td>Exercised</td>
<td>(11,442)</td>
<td>16.53</td>
<td></td>
</tr>
<tr>
<td>Cancelled/Forfeited</td>
<td>(211)</td>
<td>17.63</td>
<td></td>
</tr>
<tr>
<td>Outstanding, December 31, 2009</td>
<td>16,591</td>
<td>16.54</td>
<td>16,591</td>
</tr>
<tr>
<td>Exercised</td>
<td>(4,947)</td>
<td>24.47</td>
<td></td>
</tr>
<tr>
<td>Outstanding, December 31, 2010</td>
<td>11,569</td>
<td>13.11</td>
<td>11,569</td>
</tr>
</tbody>
</table>

(a) The weighted average exercise price is presented in actual dollars; VARs are presented in actual units.

The following table summarizes the status of the Partnership’s VARs as of December 31, 2010:

<table>
<thead>
<tr>
<th>Range of Exercise Prices</th>
<th>VARs</th>
<th>Average Remaining Contractual Life (Years)</th>
<th>Weighted Average Exercise Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8.74 - $14.79</td>
<td>9,407</td>
<td>2.72</td>
<td>$12.26</td>
</tr>
<tr>
<td>$14.80 - $22.19</td>
<td>2,162</td>
<td>0.78</td>
<td>16.76</td>
</tr>
<tr>
<td>Total</td>
<td>11,569</td>
<td></td>
<td>$13.11</td>
</tr>
</tbody>
</table>

(a) As of December 31, 2010 the aggregate intrinsic value of VARs outstanding and vested was $352 million.

Verizon Communications Inc. Long Term Incentive Plan

The 2009 Verizon Communications Inc. Long-Term Incentive Plan (the Verizon Plan) permits the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and other awards to Partnership employees. The maximum number of shares available for awards from the Verizon Plan is 119.6 million shares.
Restricted Stock Units
The Verizon Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant. The RSUs outstanding at January 1, 2010 are classified as liability awards because the RSUs will be paid in cash upon vesting. The RSU award liability is measured at its fair value at the end of each reporting period and, therefore, will fluctuate based on the performance of Verizon common stock. The RSUs granted during 2010 are classified as equity awards because these RSUs will be paid in Verizon common stock upon vesting. Compensation expense for RSUs classified as equity awards is measured based on the market price of Verizon common stock at the date of grant and is recognized over the vesting period. Dividend equivalent units are also paid to participants at the time the RSU award is paid, and in the same proportion as the RSU award.

The Partnership had approximately 4.3 million and 3.5 million RSUs outstanding under the Verizon Plan as of December 31, 2010 and 2009, respectively.

Performance Stock Units
The Verizon Plan also provides for grants of Performance Stock Units ("PSUs") that generally vest at the end of the third year after the grant. As defined by the Verizon Plan, the Human Resources Committee of the Board of Directors of Verizon determines the number of PSUs a participant earns based on the extent to which the corresponding goals have been achieved over the three-year performance cycle. All payments are subject to approval by the Verizon Human Resources Committee. The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting. The PSU award liability is measured at its fair value at the end of each reporting period and, therefore, will fluctuate based on the price of Verizon's stock as well as performance relative to the targets. Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award.

The Partnership had approximately 6.3 million and 5.2 million PSUs outstanding under the Verizon Plans as of December 31, 2010 and 2009, respectively. As of December 31, 2010, unrecognized compensation expense related to the unvested portion of the Partnership’s RSUs and PSUs was approximately $101 million and is expected to be recognized over a weighted-average period of approximately two years.

Stock-Based Compensation Expense
For the years ended December 31, 2010, 2009 and 2008, the Partnership recognized compensation expense for stock based compensation related to VARs, RSUs and PSUs of $217 million, $169 million and $19 million, respectively.

9. Income Taxes
Provision for Income Taxes
The provision for income taxes consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>For the Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Current tax provision:</td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$ 874</td>
</tr>
<tr>
<td>State and local</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td>1,002</td>
</tr>
</tbody>
</table>

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A reconciliation of the income tax provision computed at the statutory tax rate to the Partnership’s effective tax rate is as follows:

<table>
<thead>
<tr>
<th></th>
<th>For the Years Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>Deferred tax provision:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>1</td>
<td>335</td>
</tr>
<tr>
<td>State and local</td>
<td>64</td>
<td>(188)</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>147</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>$1,067</td>
<td>$ 797</td>
</tr>
</tbody>
</table>

Deferred taxes arise because of differences in the book and tax bases of certain assets and liabilities. The significant components of the Partnership’s deferred tax assets and (liabilities) are as follows:

<table>
<thead>
<tr>
<th></th>
<th>For the Years Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>Income tax provision at the statutory rate</td>
<td>$6,210</td>
<td>$5,418</td>
</tr>
<tr>
<td>State income taxes, net of U.S. federal benefit</td>
<td>140</td>
<td>27</td>
</tr>
<tr>
<td>Interest and penalties</td>
<td>—</td>
<td>28</td>
</tr>
<tr>
<td>Other</td>
<td>183</td>
<td>—</td>
</tr>
<tr>
<td>Partnership income not subject to federal or state income taxes</td>
<td>(5,466)</td>
<td>(4,676)</td>
</tr>
<tr>
<td>Provision for income tax</td>
<td>$1,067</td>
<td>$ 797</td>
</tr>
</tbody>
</table>

Deferred taxes arise because of differences in the book and tax bases of certain assets and liabilities. The significant components of the Partnership’s deferred tax assets and (liabilities) are as follows:

|                                | December 31, |        |
|                                | 2010        | 2009    |
| Deferred tax assets:           |             |        |
| Net operating loss carryforward| $62         | 505     |
| Valuation allowance            | (23)        | (23)    |
| State tax deductions           | 102         | 103     |
| Other                          | 233         | 262     |
| Total deferred tax assets      | $374        | 847     |
| Deferred tax liabilities:      |             |        |
| Intangible assets              | $(9,384)    | $(9,555)|
| Plant, property and equipment  | (1,173)     | (1,452)|
| Other                          | (218)       | (116)  |
| Total deferred tax liabilities | $(10,775)   | $(11,123)|
| Net deferred tax asset-current(a) | $113      | $317   |
| Net deferred tax liability-no current | $(10,514) | $(10,593)|

(a) Included in prepaid expenses and other current assets in the accompanying consolidated balance sheets.

At December 31, 2010, the Partnership had state net operating loss carryforwards of $1,377 million. These net operating loss carryforwards expire at various dates principally from December 31, 2017 through December 31, 2025.
A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1</td>
<td>$506</td>
<td>$77</td>
<td>$67</td>
</tr>
<tr>
<td>Additions based on tax positions related to the current year</td>
<td>7</td>
<td>212</td>
<td>25</td>
</tr>
<tr>
<td>Additions for tax positions of prior years</td>
<td>8</td>
<td>222</td>
<td>16</td>
</tr>
<tr>
<td>Reductions due to lapse of applicable statute of limitations</td>
<td>(8)</td>
<td>(5)</td>
<td>(14)</td>
</tr>
<tr>
<td>Settlements</td>
<td>(120)</td>
<td>—</td>
<td>(17)</td>
</tr>
<tr>
<td>Balance as of December 31</td>
<td>$393</td>
<td>$506</td>
<td>$77</td>
</tr>
</tbody>
</table>

Upon the acquisition of Alltel on January 9, 2009, the Partnership recorded a liability of $222 million for unrecognized tax benefits. As of December 31, 2010, $183 million of this balance remains. It is reasonably possible that the range of possible outcomes can change by a significant amount and accordingly, an estimate of the range of possible outcomes cannot be made until issues are further developed or examinations closed.

During the year, the Partnership’s subsidiaries settled and closed several examinations that resulted in the release of approximately $120 million in previously unrecognized tax benefits. As a result of the settlements, the Partnership’s subsidiaries paid approximately $42 million including interest to satisfy the assessments. Additionally, the Partnership’s subsidiaries released approximately $8 million in previously unrecognized tax benefits during the year resulting from the lapse of the statute of limitations in several jurisdictions.

Included in the total unrecognized tax benefits balance as of December 31, 2010, is $240 million of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate. The remaining unrecognized tax benefits relate to temporary items that would not affect the effective tax rate.

The Partnership had approximately $38 million for the payment of interest and penalties accrued as of December 31, 2010, relating to the $393 million of unrecognized tax benefits reflected above.

The Partnership or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and local jurisdictions. The Partnership is generally no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 1997. The Internal Revenue Service (IRS) is currently examining some of the Partnership’s subsidiaries. As a result of the anticipated resolution of various income tax matters within the next twelve months, the Partnership believes that it is reasonably possible that the unrecognized tax benefits may be adjusted. An estimate of the amount of the change attributable to any such settlement cannot be made at this time.

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10. Leases

As Lessee

The Partnership has entered into operating leases for facilities and equipment used in its operations. Lease contracts include renewal options that include rent expense adjustments based on the Consumer Price Index as well as annual and end-of-lease term adjustments. Rent expense is recorded on a straight-line basis over the non-cancellable lease term which is generally determined to be the initial lease term. Leasehold improvements related to these operating leases are amortized over the shorter of their estimated useful lives or the non-cancellable lease term. For the years ended December 31, 2010, 2009, and 2008, the Partnership recognized rent expense of $1,363 million, $1,149 million, and $845 million, respectively, in Cost of service and $469 million, $504 million, and $391 million, respectively, in Selling, general and administrative expense in the accompanying consolidated statements of income.

The aggregate future minimum rental commitments under non-cancellable operating leases, excluding renewal options that are not reasonably assured for the periods shown at December 31, 2010, are as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Operating Leases (dollars in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$1,384</td>
</tr>
<tr>
<td>2012</td>
<td>1,210</td>
</tr>
<tr>
<td>2013</td>
<td>1,044</td>
</tr>
<tr>
<td>2014</td>
<td>894</td>
</tr>
<tr>
<td>2015</td>
<td>734</td>
</tr>
<tr>
<td>Thereafter</td>
<td>4,263</td>
</tr>
<tr>
<td>Total minimum payments</td>
<td>$9,529</td>
</tr>
</tbody>
</table>

11. Other Transactions with Affiliates

In addition to transactions with Affiliates in Note 7, other significant transactions with Affiliates are summarized as follows:

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>For the Years Ended December 31, 2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue related to transactions with affiliated companies</td>
<td>$94</td>
<td>$102</td>
<td>$106</td>
</tr>
<tr>
<td>Cost of service(a)</td>
<td>1,471</td>
<td>1,377</td>
<td>1,252</td>
</tr>
<tr>
<td>Selling, general and administrative expenses(b)</td>
<td>225</td>
<td>274</td>
<td>289</td>
</tr>
<tr>
<td>Interest incurred(c)</td>
<td>9</td>
<td>66</td>
<td>319</td>
</tr>
</tbody>
</table>

(a) Affiliate cost of service primarily represents charges for long distance, direct telecommunication and roaming services provided by affiliates.
(b) Affiliate selling, general and administrative expenses include charges from affiliates for services provided, including insurance, leases, office telecommunications, and billing and lockbox services, as well as services billed from the Verizon Service Organization (“VSO”) and Verizon Corporate Services for functions performed under service level agreements.
(c) Interest costs of $7, $56 and $252 were capitalized in Wireless licenses and Plant, property and equipment, net in the years ended December 31, 2010, 2009 and 2008, respectively (See Notes 3 and 6).

Receivable from Affiliates, Net

The net amounts due from or payable to affiliates as a result of services provided in the normal course of business are presented in Due from affiliates, net within Current assets in the consolidated balance sheets.
As required under the Partnership Agreement, we paid aggregate tax distributions of $3,845 million, $3,138 million and $1,529 million to our Partners during the years ended December 31, 2010, 2009, and 2008 respectively. In addition to our quarterly tax distribution to our Partners, our Partners have directed us to make supplemental tax distributions to them, subject to our board of representatives’ right to reconsider these distributions based on significant changes in overall business and financial conditions. During the year ended December 31, 2010, we made supplemental tax distributions in the aggregate amount of $667 million, which is included in the total distribution paid above. Subsequent annual supplemental tax distributions in the amount of $667 million comprised of $300 million to Vodafone and $367 million to Verizon Communications in each of 2011 and 2012 are scheduled to be paid in equal quarterly installments during each of those years on the same dates that the established regular quarterly tax distributions are made.

Through May 13, 2011, we paid tax distributions to our Partners of $1,434 million, including aggregate tax distributions of $1,100 million as well as supplemental tax distributions of $334 million.

Additionally, in November 2008, we provided our Partners with the customary calculation of the aggregate tax distribution of $556 million for the quarter ending September 30, 2008. With respect to this tax distribution, however, Verizon Communications and Vodafone agreed to defer payment. On April 23, 2009, we made payment of the deferred distribution in full (without interest, premium or other adjustment) of the applicable amounts to our Partners, which is included in the total distributions paid in 2009.

### 12. Accumulated Other Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting partners’ capital that, under GAAP, are excluded from net income. The components of Accumulated other comprehensive income are as follows:

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<th>(dollars in millions)</th>
<th>December 31,</th>
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<td></td>
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<td>Unrealized gains on cash flow hedges, net</td>
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<td>Defined benefit pension and postretirement plans</td>
<td>5</td>
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<tr>
<td>Accumulated other comprehensive income</td>
<td>$61</td>
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### 13. Commitments and Contingencies

Bell Atlantic, now known as Verizon Communications, and Vodafone entered into an alliance agreement to create a wireless business composed of both companies’ U.S. wireless assets, as amended, which we refer to as the “Alliance Agreement”. The Alliance Agreement contains a provision, subject to specified limitations, that requires Verizon and Vodafone to indemnify the Partnership for certain contingencies, excluding PrimeCo Personal Communications L.P. contingencies, arising prior to the formation of the Partnership.

The Partnership is subject to lawsuits and other claims, including class actions and claims relating to product liability, patent infringement, intellectual property, antitrust, partnership disputes, and relations with resellers and agents. The Partnership is also defending lawsuits filed against the Partnership and other participants in the wireless industry alleging adverse health effects as a result of wireless phone usage. Various consumer class action lawsuits allege that the Partnership violated certain state consumer protection laws and other statutes and defrauded customers through misleading billing practices or statements. These matters may involve indemnification obligations by third parties and/or affiliated parties covering all or part of any potential damage awards against the Partnership and/or insurance coverage.

All of the above matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, the ultimate liability with respect to these matters as of December 31, 2010 cannot be ascertained. The potential effect, if any, on the consolidated financial statements of the Partnership, in the period in which these matters are resolved, may be material.
In addition to the aforementioned matters, the Partnership is subject to various other legal actions and claims in the normal course of business. While the Partnership’s legal counsel cannot give assurance as to the outcome of each of these other matters, in management’s opinion, based on the advice of such legal counsel, the ultimate liability with respect to any of these actions, or all of them combined, will not materially affect the consolidated financial statements of the Partnership.

Verizon has entered into reimbursement agreements with third-party lenders that permit these lenders to issue letters of credit to third parties on behalf of the Partnership and our subsidiaries, including Alltel, following the acquisition of Alltel.

We have commitments primarily related to sponsorships and the purchase of network services, equipment and software from suppliers totaling $44.9 billion. Of this total amount, $13.7 billion, $14.0 billion, $17.0 billion, $0.1 billion and $0.1 billion are expected to be purchased in 2011, 2012, 2013, 2014 and 2015 and thereafter, respectively.
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Representatives and Partners of
Cellco Partnership d/b/a Verizon Wireless:

We have audited the accompanying consolidated balance sheets of Cellco Partnership and subsidiaries d/b/a Verizon Wireless (the "Partnership") as of December 31, 2010 and 2009, and the related consolidated statements of income, cash flows and changes in partners’ capital for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Partnership’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

New York, New York
February 28, 2011 (June 16, 2011 as to Notes 7 and 11)
### Table of Contents

ADR Payment Information

#### Fees payable by ADR holders

The Bank of New York Mellon, the depositary, collects its fees for delivery and surrender of ADRs directly from investors depositing shares or surrendering ADRs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors, including in connection with the payment of dividends, by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

<table>
<thead>
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<th>Persons depositing or withdrawing shares must pay:</th>
<th>For:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.00 (or less) per 100 ADRs (or portion of 100 ADRs)</td>
<td>• Issuance of ADRs, including issuances resulting from a distribution of shares or rights or other property</td>
</tr>
<tr>
<td>• Cancellation of ADRs for the purpose of withdrawal, including if the deposit agreement terminates</td>
<td></td>
</tr>
<tr>
<td>• Any cash distribution to ADR registered holders</td>
<td></td>
</tr>
</tbody>
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$.02 (or less) per ADR (or portion thereof). The current per ADR fee to be charged for an interim dividend is $0.01 per ADR and for a final dividend is $0.02 per ADR.

- A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADRs
- Registration or transfer fees

<table>
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<td>• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADR registered holders</td>
<td></td>
</tr>
<tr>
<td>• Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares</td>
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<tr>
<td>• Cable, telex, facsimile transmissions and delivery expenses (when expressly provided in the deposit agreement)</td>
<td></td>
</tr>
<tr>
<td>• Converting foreign currency to US dollars</td>
<td></td>
</tr>
<tr>
<td>• As necessary</td>
<td></td>
</tr>
</tbody>
</table>

Taxes and other governmental charges the depositary or the custodian have to pay on any ADR or share underlying an ADR, for example, stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depositary or its agents for servicing the deposited securities

• As necessary
Fees Payable By The Depositary To The Issuer

The depositary collects fees for the delivery and surrender of ADRs directly from investors depositing shares or surrendering ADRs for the purpose of withdrawal or from intermediaries acting for them. The depositary also collects fees for making distributions to investors (including on the payment of dividends by the Company) by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. As set out above, pursuant to the deposit agreement, the depositary may charge up to $0.02 per ADR in respect of dividends paid by us. We have agreed with the depositary that any dividend fee collected by it is paid to us, net of any dividend collection fee charged by it. We have agreed with the depositary that it will charge $0.01 per ADR in respect of any interim dividend and $0.02 per ADR in respect of any final dividend. As at 31 March 2011, we have received approximately $19.6 million arising out of fees charged in respect of dividends paid.

We also have an agreement with the depositary that it will absorb any of its out-of-pocket maintenance costs for servicing the holders of the ADRs up to $1 million per calendar year. However, any of the depositary’s out-of-pocket maintenance costs which exceed the $1 million annual aggregate limit will be reimbursed by us.
SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

VODAFONE GROUP PUBLIC LIMITED COMPANY
(Registrant)

/s/ R E S Martin
Rosemary E S Martin
Group General Counsel and Company Secretary

Date: 17 June 2011
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Index to Exhibits to Form 20-F for year ended 31 March 2011


2.1 Indenture, dated as of February 10, 2000, between the Company and Citibank, N.A. as Trustee, including forms of debt securities (incorporated by reference to Exhibit 4(a) of Amendment No. 1 to the Company’s Registration Statement on Form F-3, dated November 24, 2000).


2.3 Eighth supplemental Trust Deed dated July 10, 2009, between the Company and the Law Debenture Trust Corporation p.l.c. further modifying the provisions of the Trust Deed dated July 16, 1999 relating to a €30,000,000,000 Euro Medium Term Note Programme (incorporated by reference to Exhibit 2.3 to the Company’s Annual Report of Form 20-F for the financial year ended March 31, 2010).

4.1 Agreement for US$4,675,000,000 7 year Revolving Credit Facility (subsequently increased by accession of further lenders to US$5,025,000,000), dated June 24, 2005, among the Company and various lenders, (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 20-F for the financial year ended March 31, 2006).

4.2 Notice of cancellation dated March 7, 2011 in respect of the US$5,025,000,000 Revolving Credit Facility dated June 24, 2005.

4.3 Agreement for US$4,015,000,000 5 year Revolving Credit Facility dated March 9, 2011, among the Company and various lenders.


4.5 Agreement for US$4,315,000,000 3 year Revolving Credit Facility dated 29 July 2008 among the Company and various lenders. (incorporated by reference to Exhibit 4.29 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2009).

4.6 Notice of cancellation dated June 29, 2010 in respect of the US$4,315,000,000 Revolving Credit Facility dated July 29, 2008.

4.7 Agreement for €4,000,000,000 5 year Revolving Credit Facility dated July 1, 2010 among the Company and various lenders.

4.8 Lender Accession Agreement with Bank of China Limited, London Branch, effective as of March 17, 2011.

4.9 Vodafone Group Long Term Incentive Plan (incorporated by reference to Exhibit 4.5 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2001).
| 4.10 | Vodafone Group Short Term Incentive Plan (incorporated by reference to Exhibit 4.6 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2001). |
| 4.11 | Vodafone Group 1999 Long Term Stock Incentive Plan (incorporated by reference to Exhibit 4.7 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2001). |
| 4.12 | Vodafone Group 1998 Company Share Option Scheme (incorporated by reference to Exhibit 4.8 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2001). |
| 4.13 | Vodafone Group 1998 Executive Share Option Scheme (incorporated by reference to Exhibit 4.9 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2001). |
| 4.14 | Vodafone Group 2005 Global Incentive Plan (incorporated by reference to Exhibit 4.8 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2006). |
| 4.15 | Service Contract of Andrew Halford (incorporated by reference to Exhibit 4.16 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2006). |
| 4.16 | Agreement for Services for Sir John Bond (incorporated by reference to Exhibit 4.13 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2007). |
| 4.17 | Letter of Appointment of Dr. John Buchanan (incorporated by reference to Exhibit 4.11 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2003). |
| 4.18 | Letter of Appointment of Anne Lauvergeon (incorporated by reference to Exhibit 4.22 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2006). |
| 4.19 | Letter of Appointment of Luc Vandevelde (incorporated by reference to Exhibit 4.22 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2004). |
| 4.20 | Letter of Appointment of Anthony Watson (incorporated by reference to Exhibit 4.26 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2006). |
| 4.21 | Letter of Appointment of Philip Yea (incorporated by reference to Exhibit 4.27 to the Company’s Annual Report for the financial year ended March 31, 2006). |
| 4.22 | Service contract of Vittorio Colao (incorporated by reference to Exhibit 4.22 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2009). |
| 4.23 | Letter of appointment of Alan Jebson (incorporated by reference to Exhibit 4.23 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2007). |
| 4.24 | Letter of appointment of Nick Land (incorporated by reference to Exhibit 4.24 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2007). |
| 4.26 | Letter of Appointment of Sam Jonah (incorporated by reference to Exhibit 4.26 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2009). |
| 4.27 | Service contract of Michel Combes (incorporated by reference to Exhibit 4.27 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2009). |
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4.28  Service contract of Stephen Pusey (incorporated by reference to Exhibit 4.28 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2009).

4.29  Letter of indemnification for Andy Halford (incorporated by reference to Exhibit 4.25 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2010).

4.30  Letter of indemnification for Michel Combes (incorporated by reference to Exhibit 4.26 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2010).

4.31  Letter of indemnification for Steve Pusey (incorporated by reference to Exhibit 4.27 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2010).

4.32  Letter of indemnification for Dr. John Buchanan (incorporated by reference to Exhibit 4.28 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2010).

4.33  Letter of indemnification for Philip Yea (incorporated by reference to Exhibit 4.29 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2010).

4.34  Letter of indemnification for Luc Vandevelde (incorporated by reference to Exhibit 4.30 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2010).

4.35  Letter of Appointment of Renee James.


8.  The list of the Company’s subsidiaries is incorporated by reference to note 12 to the Consolidated Financial Statements included in the Annual Report.

12.  Rule 13a – 14(a) Certifications.

13.  Rule 13a – 14(b) Certifications. These certifications are furnished only and are not filed as part of the Annual Report on Form 20-F.


15.2  Consent letter of Deloitte LLP, New York.
The Companies Acts
Public Company Limited by Shares
ARTICLES OF ASSOCIATION
OF
VODAFONE GROUP PUBLIC LIMITED COMPANY
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The Companies Acts
Company Limited by Shares
ARTICLES OF ASSOCIATION
Adopted on 27 July 2010 pursuant to a Special Resolution passed on 27 July 2010.
of
VODAFONE GROUP PUBLIC LIMITED COMPANY
PRELIMINARY ARTICLES
1 Table A and other standard regulations do not apply
The regulations in Table A of the Companies Act 1948, and any similar articles or regulations in the Companies Acts do not apply to the Company.

2 The meaning of words and phrases used in the Articles
2.1 The following table gives the meaning of certain words and phrases as they are used in these Articles. However, the meaning given in the table does not apply if that is inconsistent with the context in which a word or phrase appears. After the Articles there is a glossary which explains various words and phrases. The glossary is not part of the Articles, and it does not affect their meaning. Throughout the Articles, those words and expressions explained in this Article 2.1 are printed in bold and those explained in the glossary are printed in italics.

<table>
<thead>
<tr>
<th>Words and Phrases</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Act</td>
<td>Any act of Parliament, enactment or statutory legislation.</td>
</tr>
<tr>
<td>Adjusted Total of Capital and</td>
<td>This is defined in Article 114.2.</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
</tr>
<tr>
<td>ADR Depositary</td>
<td>A custodian or other person or persons approved by the directors who:</td>
</tr>
<tr>
<td></td>
<td>holds shares in the Company under arrangements where either the custodian or some other person issues American Depositary Receipts which evidence American Depositary Shares representing shares in the Company, and/or</td>
</tr>
<tr>
<td></td>
<td>is appointed by or on behalf of the Company to hold Share Warrants.</td>
</tr>
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<tr>
<th>Words and Phrases</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>alternate director</td>
<td>This is defined in Article 115.1.</td>
</tr>
<tr>
<td>American Depositary Receipts</td>
<td>These represent American Depositary Shares either physically or in the form of Direct Registration Receipts.</td>
</tr>
<tr>
<td>American Depositary Shares</td>
<td>These represent shares in the Company and are evidenced by American Depositary Receipts.</td>
</tr>
<tr>
<td>Appointed Number</td>
<td>The number of Depositary Shares to which each appointment as a Nominated Proxy relates.</td>
</tr>
<tr>
<td>Appointed Proxy</td>
<td>This is defined in Article 155.1.</td>
</tr>
<tr>
<td>Approved Depositary</td>
<td>Someone appointed:</td>
</tr>
<tr>
<td></td>
<td>to hold the shares in the Company or any rights or interests in any of the shares in the Company; and</td>
</tr>
<tr>
<td></td>
<td>to issue securities, documents of title or other documents which evidence that the holder of them owns or is entitled to receive the shares, rights or interests held by the Approved Depositary.</td>
</tr>
<tr>
<td></td>
<td>A nominee acting for someone appointed to do these things will also be treated as an Approved Depositary. The arrangements for the Approved Depositary to do the things described above must be approved by the directors. The trustees of any scheme or arrangements for or principally for the benefit of employees of the Group will also be treated as an Approved Depositary unless the directors decide otherwise. References in the Articles to an Approved Depositary or to shares held by it refer only to an Approved Depositary and to shares held by it in its capacity as an Approved Depositary.</td>
</tr>
<tr>
<td>approved transfer</td>
<td>This is defined in Article 67.11, for the purposes of Article 67.</td>
</tr>
<tr>
<td>Articles</td>
<td>The Company’s Articles of Association, including any changes made to them.</td>
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<tr>
<td>Associated Company</td>
<td>This is defined in Article 145.4, for the purposes of Article 145.</td>
</tr>
<tr>
<td>Bearer</td>
<td>This is defined in Article 147.1.</td>
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<tr>
<td>Borrowings</td>
<td>This is defined in Article 114.2, for the purposes of Article 114.</td>
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<tr>
<td>certificated form</td>
<td>This is defined in Article 2.18.</td>
</tr>
<tr>
<td>class meeting</td>
<td>This is defined in Article 35.1.</td>
</tr>
<tr>
<td>Common Seal</td>
<td>Any seal which the Company may have under the Companies Acts and which the Company may use to execute documents.</td>
</tr>
</tbody>
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 Companies Act 2006

The company law provisions of the Companies Act 2006 (as defined therein), for the time being in force.

Companies Acts

The Companies Acts as defined in Section 2 of the Companies Act 2006 (where provisions are for the time being in force), the CREST Regulations and other legislation relating to companies and affecting the Company (including any orders, regulations or other subordinated legislation made under them) in force from time to time.

Company Communications Provisions

The meaning of company communications provisions is given in the Companies Acts.

Company

Includes any company, corporate body and any corporation established anywhere in the world.

Company representative

This is defined in Article 74.

the Company

Vodafone Group Public Limited Company.

CREST Regulations

The Uncertificated Securities Regulations 2001.

default shares

This is defined in Article 67.1, for the purposes of Article 67.

Depositary Shares

The total number of Ordinary Shares which are registered in the name of the Approved Depositary or its nominee at that time.

Direct Registration Receipt

An American Depositary Receipt in uncertificated form, the ownership of which is recorded in the Direct Registration System.

Direct Registration System

The system maintained by the ADR Depositary in which the ADR Depositary records the ownership of Direct Registration Receipts.

direction notice

This is defined in Article 67.3 for the purposes of Article 67.

elected shares

This is defined in Article 131.10.

electronic form

This is defined in Article 2.21.

electronic means

This is defined in Article 2.21.

Fixed Rate Shares

The 7 per cent cumulative fixed rate shares of £1 each in the Company.

General Meeting

Any general meeting of the Company, including any general meeting held as the Company’s Annual General Meeting.

Group

This is defined in Article 114.2, for the purposes of Article 114.

London Stock Exchange

London Stock Exchange plc.
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<tr>
<td>Nominated Proxy</td>
<td>Each person the Approved Depositary has appointed as a proxy under Article 164.1.</td>
</tr>
<tr>
<td>Nominated Proxy Register</td>
<td>This is defined in Article 164.2, for the purposes of Articles 164 and 165.</td>
</tr>
<tr>
<td>operator</td>
<td>Euroclear UK &amp; Ireland Limited or any other operator of a relevant system under the CREST Regulations.</td>
</tr>
<tr>
<td>Ordinary Shareholder</td>
<td>A holder of the Company’s Ordinary Shares.</td>
</tr>
<tr>
<td>Ordinary Shares</td>
<td>Ordinary shares of US$0.11 3/7 each in the Company.</td>
</tr>
<tr>
<td>paid-up share or other security</td>
<td>Includes a share or other security which is treated or credited as paid-up.</td>
</tr>
<tr>
<td>pay</td>
<td>Includes any kind of reward or payment for services.</td>
</tr>
<tr>
<td>principal meeting place</td>
<td>This is defined in Article 58.2.</td>
</tr>
<tr>
<td>Procedural Resolution</td>
<td>A resolution or question put to the vote of a General Meeting of a procedural nature (such as a resolution on a simple clerical amendment to correct an obvious error in a Substantive Resolution, a resolution to adjourn a General Meeting or a resolution on the choice of chairman of a General Meeting).</td>
</tr>
<tr>
<td>proxy form</td>
<td>This includes any document, electronic form or website based form which appoints a proxy.</td>
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<td>Proxy Register</td>
<td>This is defined in Article 156.1.</td>
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<td>Record Date</td>
<td>This is defined in Article 161.1, for the purposes of Article 161.</td>
</tr>
<tr>
<td>Record Time</td>
<td>This is defined in Article 165.4, for the purposes of Article 165.</td>
</tr>
<tr>
<td>Register</td>
<td>The Company’s register of members.</td>
</tr>
<tr>
<td>Registered Office</td>
<td>The Company’s registered office or in the case of sending or supplying any document or information by electronic means or by means of a website in accordance with the Companies Acts and these Articles, the address stated for the purpose of receiving such document or information by electronic means or by means of a website.</td>
</tr>
<tr>
<td>Relevant Company</td>
<td>This is defined in Article 101.5, for the purposes of Article 101.</td>
</tr>
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<td>Words and Phrases</td>
<td>Meaning</td>
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<tr>
<td>relevant system</td>
<td>A relevant system under the CREST Regulations whose operator allows shares or other securities of the Company to be transferred using that system.</td>
</tr>
<tr>
<td>relevant value</td>
<td>This is defined in Article 131.5, for the purposes of Article 131.</td>
</tr>
<tr>
<td>rights of any share</td>
<td>The rights attached to a share when it is issued, or afterwards.</td>
</tr>
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<td>satellite chairman</td>
<td>This is defined in Article 58.7.</td>
</tr>
<tr>
<td>satellite meeting</td>
<td>This is defined in Article 58.2.</td>
</tr>
<tr>
<td>Secretary</td>
<td>Any person appointed by the directors to do work as the company secretary including where the context allows any assistant or deputy secretary.</td>
</tr>
<tr>
<td>securities offer</td>
<td>This is defined in Article 152.3, for the purposes of Article 152.</td>
</tr>
<tr>
<td>Securities Seal</td>
<td>A seal used to stamp the Company’s securities as evidence that the Company has issued them. The Company’s Securities Seal is a facsimile of the Company’s Common Seal but with the addition of the word “securities”.</td>
</tr>
<tr>
<td>Share Warrant</td>
<td>A share warrant to bearer issued by the Company.</td>
</tr>
<tr>
<td>shareholder</td>
<td>A holder of the Company’s shares.</td>
</tr>
<tr>
<td>shareholders’ meeting</td>
<td>A meeting of shareholders including both a General Meeting of the Company and a class meeting.</td>
</tr>
<tr>
<td>shares</td>
<td>Shares which are in issue at the relevant time.</td>
</tr>
<tr>
<td>sterling</td>
<td>The currency of the United Kingdom.</td>
</tr>
<tr>
<td>subsidiary</td>
<td>A subsidiary as defined in Section 1159 of the Companies Act 2006.</td>
</tr>
<tr>
<td>subsidiary undertaking</td>
<td>A subsidiary undertaking as defined in Section 1162 of the Companies Act 2006.</td>
</tr>
<tr>
<td>Substantive Resolution</td>
<td>Any resolution or question put to the vote of a General Meeting which is not a Procedural Resolution.</td>
</tr>
<tr>
<td>takeover offer</td>
<td>A takeover offer as defined in Section 974 of the Companies Act 2006.</td>
</tr>
<tr>
<td>terms of a share</td>
<td>The terms on which a share was issued.</td>
</tr>
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Words and Phrases

Transfer Office

Meaning
The place where the Register is kept or in the case of sending or supplying any document or information by electronic means or by means of a website in accordance with the Companies Acts and these Articles, the address stated for the purpose of receiving such document or information by electronic means or by means of a website.

UK Listing Authority

Meaning
The Financial Services Authority in its capacity as the competent authority for official listing under Part VI of the Financial Services and Markets Act 2000.

uncertificated form

Meaning
This is defined in Article 2.19.

United Kingdom

Meaning
Great Britain and Northern Ireland.

working day

Meaning
A day on which banks in the United Kingdom are generally open for business, excluding Saturdays, Sundays and public holidays.

2.2 References to a debenture include debenture stock and references to a debenture holder include a debenture stockholder.

2.3 Where the Articles refer to a person who is automatically entitled to a share by law, this includes a person who is entitled to the share as a result of the death, or bankruptcy, of a shareholder.

2.4 Words which refer to a single number also refer to plural numbers, and the other way around.

2.5 Words which refer to males also refer to females and to other persons.

2.6 The words “including” and “include” and words of similar effect shall not be deemed to limit the general effect of the words which precede them.

2.7 References to a person or people include companies, unincorporated associations and so on.

2.8 References to officers include directors, managers and the Secretary, but not the Company’s auditors.

2.9 References to the directors are to the board of directors unless the way in which directors is used does not allow this meaning.

2.10 Any headings in these Articles are only included for convenience. They do not affect the meaning of the Articles. References to an Article are to a numbered paragraph of these Articles.

2.11 When an Act or the Articles are referred to, the version which is current at any particular time will apply.

2.12 Where the Articles give any power or authority to anybody, this power or authority can be used on any number of occasions, unless the way in which the word is used does not allow this meaning.
2.13 Any word or phrase which is defined in the Companies Acts (excluding any modification to them by a further Act which is not in force when these Articles are adopted) means the same in the Articles, unless the Articles define it differently, or the way in which the word or phrase is used is inconsistent with the definition given in the Companies Acts.

2.14 Where the Articles say that anything can be done by passing an ordinary resolution, this can also be done by passing a special resolution.

2.15 Where the Articles refer to any document being made effective this means being signed, sealed, authenticated or executed in some other legally valid way.

2.16 Where the Articles refer to months or years, these are calendar months or years.

2.17 Articles which apply to fully-paid shares can also apply to stock. References in those Articles to share or shareholder include stock or stockholder.

2.18 Where the Articles refer to shares in certificated form, this means that ownership of the shares can be transferred using a transfer document (rather than in accordance with the CREST Regulations) and that a share certificate is usually issued to the owner.

2.19 Where the Articles refer to shares in uncertificated form, this means that ownership of the shares can be transferred in accordance with the CREST Regulations without using a written transfer document and that no share certificate is issued to the owner.

2.20 Where the Articles refer to a period of clear days, the period does not include the date the notice is delivered, or treated as being delivered, nor the date of the General Meeting or other relevant event.

2.21 The expressions “hard copy form”, “electronic form” and “electronic means” shall have the same respective meanings as in the Company Communications Provisions.

2.22 The term address when used in relation to communications via electronic means or by means of a website includes any number or address used for the purposes of such communication.

2.23 Where the Articles refer to anything that should be in writing, this means it should be written or produced by any substitute for writing (including anything in electronic form) or partly one and partly another.

2.24 References to a person being present at a General Meeting include a person present by company representative.

SHAREHOLDERS’ LIABILITIES

3 Each shareholder’s liability (as a shareholder) is limited to the amount (if any) that is unpaid on the shares that he or she holds.
FIXED RATE SHARES

4 Right of Fixed Rate Shares to profits

4.1 If the Company has profits which are available for distribution and the directors resolve that these should be distributed, the holders of the Fixed Rate Shares are entitled, before the holders of any other class of shares, to be paid in respect of each financial year or other accounting period of the Company a fixed cumulative preferential dividend ("preferential dividend") at the rate of 7 per cent. per annum on the nominal value of the Fixed Rate Shares which is paid-up or treated as paid-up.

4.2 Subject to Article 4.3 below, the preferential dividend will be paid yearly, on 31 March in respect of each financial year ending on or before that date. If this date is not a working day, the payment will be made on the next working day.

4.3 When the Company has to calculate a dividend on the Fixed Rate Shares for a period other than a calendar year ending on 31 March (being another accounting period, the first dividend period arising for the Fixed Rate Shares or otherwise), the daily dividend rate will be worked out by dividing the yearly dividend rate by 365 days. This daily rate will then be multiplied by the actual number of days which have passed in the relevant period, but not including the date of payment, to give the amount payable for that period.

4.4 Except as provided in this Article, the Fixed Rate Shares do not have any other right to share in the Company's profits.

5 Right of Fixed Rate Shares to capital

5.1 If the Company is wound up (but in no other circumstances involving a repayment of capital or distribution of assets to shareholders whether by reduction of capital, redeeming or buying back shares or otherwise), the holders of the Fixed Rate Shares will be entitled, before the holders of any other class of shares to:

- repayment of the amount paid-up or treated as paid-up on the nominal value of each Fixed Rate Share;
- the amount of any dividend which is due for payment on, or after, the date the winding up commenced which is payable for a period ending on or before that date. This applies even if the dividend has not been declared or earned;
- any dividend arrears on any Fixed Rate Shares held by them. This applies even if the dividend has not been declared or earned; and
- a proportion of any dividend in respect of the financial year or other accounting period which began before the winding up commenced but ends after that date. The proportion will be the amount of the dividend that would otherwise have been payable for the period which ends on that date. This applies even if the dividend has not been declared or earned.

5.2 If there is a winding up to which Article 5.1 applies, and there is not enough to pay the amounts due on the Fixed Rate Shares, the holders of the Fixed Rate Shares will share what is available in proportion to the amounts to which they would otherwise be entitled. The holders of the Fixed Rate Shares will be given preference over the holders of other classes of shares which rank behind them in sharing in the Company's assets.
5.3 Except as provided in this Article 5, the **Fixed Rate Shares** do not have any other right to share in the **Company**’s surplus **assets**.

6 **Voting rights of Fixed Rate Shares**

6.1 The holders of the **Fixed Rate Shares** are only entitled to receive notice of **General Meetings**, or to attend, speak and vote at **General Meetings**, as set out below:

- If a resolution is to be proposed at the **General Meeting** to **wind up** the **Company**, they are entitled to receive notice of the **General Meeting** and can attend, but are not entitled to speak or vote.
- If a resolution is to be proposed at the **General Meeting** which would vary or **abrogate** the **rights** attached to the **Fixed Rate Shares**, they are entitled to receive notice of the **General Meeting** and are entitled to attend, speak and vote but only in respect of such resolution or any motion to **adjourn** the **General Meeting** before such resolution is voted on.

6.2 If the holders of the **Fixed Rate Shares** are entitled to vote at a **General Meeting**, each holder of a **Fixed Rate Share** present in person or by **proxy** has one vote on a **show of hands** and on a **poll** every holder of a **Fixed Rate Share** who is present in person or by **proxy** shall have one vote in respect of each **fully-paid** **Fixed Rate Share**.

7 **Varying the rights of Fixed Rate Shares**

The **rights** of the holders of the **Fixed Rate Shares** will be regarded as being varied or **abrogated** if any resolution is passed for the reduction of the amount of capital **paid-up** on the **Fixed Rate Shares** but not for the repayment of the **Fixed Rate Shares** at **par value**. Accordingly, this can only take place if:

- holders of at least three quarters in **nominal value** of the **Fixed Rate Shares** agree in writing; or
- a **special resolution** is passed at a separate **class meeting** by the holders of the **Fixed Rate Shares** approving the proposal, in accordance with Article 35.

8 **Fractions of shares**

8.1 If any **shares** are **consolidated** or divided, the directors have the power to deal with any fractions of **shares** which result or any other difficulty that arises. **Subject to** Article 8.3, if the directors decide to sell any **shares** representing fractions, they must do so for the best price reasonably obtainable and distribute the net proceeds of sale among **shareholders** in proportion to their fractional entitlements in accordance with their **rights** and interests. The directors can sell to any person (including the **Company**, if the **Companies Acts** allow this) and can authorise any person to transfer those **shares** to the buyer or in accordance with the buyer’s instructions. The buyer does not need to take any steps to see how any
money he paid is used. Nor will his ownership of the shares be affected if the sale was irregular or invalid in any way.

8.2 So far as the Companies Acts allow, when shares are consolidated or divided, the directors can treat a shareholder’s shares which are held in certificated form and in uncertificated form as separate shareholdings. The directors can also arrange for any shares which result from a consolidation or division and which represent rights to fractions of shares to be entered in the Register as shares in certificated form where this makes it easier to sell them.

8.3 Where any shareholder’s entitlement to a portion of the proceeds of sale amounts to less than £3, that shareholder’s portion may at the directors’ discretion be distributed to an organisation which is a charity for the purposes of the laws of England and Wales.

9 The power to reduce capital

The Company’s shareholders can pass a special resolution to reduce in any way:

- the Company’s share capital; or
- any capital redemption reserve, share premium account or other undistributable reserve.

This is subject to any restrictions under the Companies Acts.

10 The special rights of new shares

10.1 If the Company issues new shares, the new shares can have any rights or restrictions attached to them. The rights can take priority over the rights of existing shares, or existing shares can take priority over them, or the new shares and the existing shares can rank equally. These rights and restrictions can apply to sharing in the Company’s profits or assets. Other rights and restrictions can also apply, for example to the right to vote.

10.2 The powers conferred by Article 10.1 are subject to the provisions of Article 10.5.

10.3 The rights and restrictions referred to in Article 10.1 can be decided by an ordinary resolution passed by the shareholders. The directors can also take these decisions if they do not conflict with any resolution passed by the shareholders.

10.4 The rights of any new shares can include rights for the holder and/or the Company to have them redeemed. The directors may determine the terms, conditions and manner of redemption of any such shares.

10.5 The ability to attach particular rights and restrictions to new shares may be restricted by special rights previously given to holders of any existing shares.

11 The directors’ power to deal with shares

11.1 Subject to the provisions of the Companies Acts, these Articles and any resolution of the Company, the directors may allot shares in the Company and grant rights to subscribe for shares, or to convert any security into shares, to such persons, at such times and on such
11.2 The directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise for each Allotment Period all the powers of the Company to (i) allot shares; (ii) grant rights to subscribe for shares; and (iii) convert any security into shares, but only up to an aggregate nominal amount equal to the Section 551 Amount. By such authority the directors may, during the Allotment Period, make offers or agreements which would or might require shares to be allotted, or rights to be granted, after the expiry of such period.

11.3 During each Allotment Period the directors shall be empowered to allot equity securities wholly for cash pursuant to and within the terms of the authority in Article 11.2 and to sell treasury shares wholly for cash:

• in connection with a pre-emptive offer; and
• otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount equal to the Section 561 Amount, as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment or sale. Under such power the directors may, during the Allotment Period, make offers or agreements which would or might require equity securities to be allotted after the expiry of such period.

11.4 For the purposes of this Article:

• “Allotment Period” means (i) the period from the date of adoption of these Articles until 30 September 2011 or, if sooner, the end of the next Annual General Meeting, or (ii) any period specified as such by the Relevant Ordinary Resolution;
• “Section 551 Amount” means US$1 for the first Allotment Period and for any other Allotment Period means the amount specified as such by the Relevant Ordinary Resolution;
• “equity securities”, “ordinary shares” and references to the allotment of equity securities shall have the same meanings as in Section 560 of the Companies Act 2006;
• “Section 561 Amount” means US$1 for the first Allotment Period and for any other Allotment Period means the amount specified as such in the Relevant Special Resolution;
• “pre-emptive offer” means an offer of equity securities open for acceptance for a period fixed by the directors to (a) holders (other than the Company) on the register on a record date fixed by the directors of ordinary shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
• “Relevant Ordinary Resolution” means, at any time, the most recently passed resolution varying, renewing or further renewing the authority conferred by Article 11.2;
• “Relevant Special Resolution” means, at any time, the most recently passed special resolution renewing or further renewing the authority conferred by Article 11.3;
• in the case of rights to subscribe for shares, or to convert any securities into shares, of the Company, the nominal value of such securities shall be taken to be the nominal value of the shares which may be allotted pursuant to such rights.

12 Power to pay commission and brokerage

12.1 The Company can use all the powers given by the Companies Acts to pay commission or brokerage to any person who:
• applies, or agrees to apply, for any new shares; or
• gets anybody else to apply, or agree to apply for, any new shares.

12.2 The rate per cent or amount of the commission paid, or agreed to be paid, must be disclosed as required by the Companies Acts and must not exceed 10 per cent of the price at which the shares in respect of which the commission is paid are issued (or an equivalent amount). The commission can be paid in cash or by the allotment of fully-paid shares, or any combination of the two, or in any other way allowed by the Companies Acts.

13 No trusts or similar interests recognised

13.1 The Company will only be affected by, or recognise, a current and absolute right to whole shares. The fact that any share, or any part of a share, may not be owned outright by the registered owner is not of any concern to the Company, for example if a share is held on any kind of trust.

13.2 The only exception to what is said in Article 13.1 is for any right:
• which is expressly given by these Articles; or
• which the Company has a legal duty to recognise.

SHARES IN UNCERTIFICATED FORM

14 Holding shares in uncertificated form and effect of the CREST Regulations

14.1 Subject to the Articles and so far as the Companies Acts allow this, the directors can decide that any class of shares can:
• be held in uncertificated form and that title to such shares can be transferred using a relevant system; or
• no longer be held and transferred in uncertificated form.

14.2 These Articles do not apply to shares of any class which are held in uncertificated form to the extent that the Articles are inconsistent with the:
• holding of shares of that class in uncertificated form;
• transfer of title to shares of that class by means of a relevant system; or
• CREST Regulations.

14.3 The directors can also lay down regulations which:
• govern the issue, holding and transfer, and where appropriate, the mechanics of conversion and redemption, of these shares and securities;
• govern the conversion of certificated shares into uncertificated shares and the conversion of uncertificated shares into certificated shares;
• govern the mechanics for payments involving a relevant system; and
• make any other provisions which they consider are necessary to ensure that these Articles are consistent with the CREST Regulations, and with any rules or guidance of an operator of a relevant system.

These regulations will, if they say so, apply instead of the other provisions in the Articles relating to certificates, and the transfer, conversion and redemption of shares and other securities, and any other provisions which are not consistent with the CREST Regulations. If the directors do make any regulations under this Article 14.3, Article 14.2 will still apply to the Articles, read with those regulations.

14.4 The Company may by notice to the holder of a share require that a share:
• if it is in uncertificated form, be converted into certificated form; and
• if it is in certificated form, be converted into uncertificated form,
to enable it to be dealt with in accordance with the Articles.

14.5 If:
• the Articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares; and
• shares in uncertificated form are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,
the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to shares in uncertificated form.

14.6 The directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of a share in uncertificated form or otherwise to enforce a lien in respect of it. This may include converting such share to certificated form.

14.7 Unless the directors resolve otherwise, shares which a shareholder holds in uncertificated form must be treated as separate holdings from any shares which that shareholder holds in certificated form.

14.8 A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.
SHARE CERTIFICATES

15  Certificates

15.1 When a shareholder is first registered as the holder of any class of shares in certificated form, he is entitled to receive, free of charge, one certificate for all the shares in certificated form of that class which he holds. If he holds shares of more than one class in certificated form, he is entitled to receive a separate share certificate for each class.

15.2 The Company must also observe any requirements of the CREST Regulations when issuing share certificates. Where the Companies Acts allow, the Company does not need to issue share certificates.

15.3 If a shareholder receives more shares in certificated form of any class he is entitled, without charge, to another certificate for the additional shares.

15.4 If a shareholder transfers part of his shares covered by a certificate, he is entitled, free of charge, to a new certificate for the balance if the balance is also held in certificated form. The old certificate will be cancelled.

15.5 The Company does not have to issue more than one certificate for any share in certificated form, even if that share is held jointly.

15.6 When the Company delivers a certificate to one joint holder of shares in certificated form, this is treated as delivery to all of the joint shareholders.

15.7 If requested in writing to do so, the Company can deliver a certificate to a broker or agent who is acting for a person who is buying shares in certificated form, or who is having shares transferred to him in certificated form.

15.8 The directors can decide how share certificates are made effective. For example, they can be:
- signed by two directors or one director and the Secretary;
- signed by one director in the presence of a witness who attests to the signature;
- sealed with the Common Seal or the Securities Seal (or in the case of shares on a branch Register, an official seal for use in the relevant territory); or
- printed, in any way, with a copy of the signature of those directors and the Secretary. The copy can be made or produced mechanically, electronically or in any other way the directors approve so long as it complies with the Companies Acts.

15.9 A share certificate must state the number and class of shares to which it relates and the amount paid-up on those shares. It cannot be for shares of more than one class.

15.10 If all the issued shares of the Company, or a particular class of shares, are fully-paid and rank equally with each other for all purposes, none of those shares will (unless the directors pass a resolution to the contrary) have a distinguishing number as long as it remains fully-paid and ranks equally for all purposes with all the shares of the same class which are issued and fully-paid.

15.11 The time limit for the Company to prepare a share certificate for shares in certificated form is:
**CALLS ON SHARES**

- two months after the allotment of a new share;
- five working days after a valid transfer of fully-paid shares is presented for registration;
- two months after a valid transfer of partly-paid shares is presented for registration; or
- where a request relating to Share Warrants has been made in accordance with Article 154.1, as set out in Article 154.3.

**15.12** Article 15.11 only applies to the extent that the terms of issue of shares do not provide otherwise.

**15.13** Share certificates will also be prepared and sent earlier where either the London Stock Exchange or the UK Listing Authority requires it.

**16 Replacement share certificates**

**16.1** If a shareholder has four or more share certificates for shares of the same class which are in certificated form, he can ask the Company for these to be cancelled and replaced by a single new certificate. The Company must comply with this request and the directors can require the shareholder to pay the Company’s reasonable administrative expenses for doing so.

**16.2** A shareholder can ask the Company to cancel and replace a single share certificate with two or more certificates, for the same total number of shares. The Company must comply with this request and the directors can require the shareholder to pay the Company’s reasonable administrative expenses for doing so.

**16.3** A shareholder can ask the Company for a new certificate if the original is:
- damaged or defaced; or
- lost, stolen, or destroyed.

**16.4** If a certificate has been damaged or defaced, the Company can require satisfactory evidence and for the certificate to be delivered to it before issuing a replacement. If a certificate is lost, stolen or destroyed, the Company can require satisfactory evidence, together with an indemnity, before issuing a replacement. In each case the directors can impose such other terms as they think fit.

**16.5** The directors can require the shareholder to pay the Company’s exceptional out-of-pocket expenses for issuing any share certificates under Article 16.3.

**16.6** Any one joint shareholder can request replacement certificates under this Article 16.

**CALLS ON SHARES**

The directors can call on shareholders to pay any money which has not yet been paid to the Company for their shares. This includes both the nominal value of the shares and any
premium which may be payable. If the terms of issue of the shares allow this, the directors can:

- make calls as often, and whenever, they think fit;
- decide when and where the money is to be paid;
- decide that the money can be paid by instalments; or
- wholly or partly revoke or postpone any call.

A call is treated as having been made as soon as the directors pass a resolution authorising it.

18 The liability for calls

18.1 A shareholder who has received at least 14 days’ notice giving details of the amount called, the time (or times) and place or address for payment must pay the call as required by the notice. Joint shareholders are liable jointly and severally to pay any money called for in respect of their shares.

18.2 A shareholder due to pay the amount called shall still have to pay the call even if, after the call was made, he transfers the shares to which the call related.

19 Interest and expenses on unpaid calls

If a call is made and the money due remains unpaid, the shareholder is liable to pay interest on the money and any expenses incurred by the Company because of his failure to pay the call on time. The interest will run from the day the money is due until it has actually been paid. The yearly interest rate will be a reasonable rate fixed by the directors (or, where they do not fix a reasonable rate, 10 per cent). The directors can decide not to charge any or all of such expenses and interest.

20 Sums which are payable when a share is allotted are treated as a call

If the terms of a share require any money to be paid at the time the share is allotted, or at any fixed date (whether in relation to the nominal value of the shares or any premium which may apply), then the liability to pay the money will be treated in the same way as a liability for a valid call for money on shares which is due on the same date. If this money is not paid, everything in the Articles relating to non-payment of calls applies. This includes Articles which allow the Company to forfeit or sell shares and to claim interest.

21 Calls can be for different amounts

On an issue of shares, if the terms of such shares allow, the directors can decide that allottees or the subsequent holders of such shares can be called on to pay different amounts, or that they can be called on at different times.

22 Paying calls early

22.1 The directors can accept payment in advance of some or all of the money due from a shareholder before he is called on to pay the money. Any payment accepted in advance of
a shareholder being called on shall, to the extent of such payment, extinguish the liability upon the shares in respect of which it is made. The Company can agree to pay interest on money paid in advance until it would otherwise be due to the Company at a rate (up to a maximum yearly interest rate of 10 per cent) agreed between the directors and the shareholder.

22.2 The money which is paid in advance in this way shall not be included in calculating the dividend payable on the shares in respect of which the money paid in advance has been paid.

FORFEITING SHARES

23 Notice following non-payment of a call

Articles 23 to 34 apply if a shareholder fails to pay the whole amount of a call, or an instalment of a call, by the date on which it is due. The directors can serve a notice on him any time after the date on which the call or the instalment is due, if the whole amount immediately due has not been paid.

24 Contents of the notice

A notice served under Article 23 must:

• demand payment of the amount immediately payable, plus any interest and expenses incurred by the Company by reason of such non-payment;
• give a date by when the total must be paid, but this must be at least 14 days after the notice is served on the shareholder;
• state where the payment(s) must be made; and
• state that if the full amount demanded is not paid by the time and at the place or address stated, the Company can forfeit the shares on which the call or instalment was due.

25 Forfeiture if the notice is not complied with

If a notice served under Article 23 is not complied with, the shares to which it relates can be forfeited at any time while any amount (including interest) is still outstanding. This is done by the directors passing a resolution stating that the shares have been forfeited.

26 Forfeiture will include unpaid dividends

All dividends which are due on (and other money payable in respect of) the forfeited shares, but not yet paid, will also be forfeited.

27 Surrender

The directors may accept a surrender of any share liable to be forfeited pursuant to Article 25.
28 Dealing with forfeited shares

28.1 The directors can sell, dispose of or re-allot any forfeited or surrendered share on any terms and in any way that they decide. The Company may keep the consideration received from doing this. The directors can, if necessary, authorise any person to transfer a forfeited or surrendered share to any other person and may cause such other person to be registered as the holder of the share.

28.2 The new shareholder’s ownership of the share will not be affected if the steps taken to forfeit or surrender the share, or the sale or disposal of the share, were invalid or irregular, or if anything that should have been done was not done, and the new shareholder is not obliged to enquire as to how the purchase money (if any) is used.

29 Cancelling forfeiture

29.1 After a share has been forfeited or surrendered, the directors can cancel the forfeiture or surrender. But they can only do this before the share has been sold, re-allotted or disposed of. This can be on any terms that they decide.

29.2 If a share has not been sold or disposed of after three years from the date of forfeiture, the directors must cancel the share.

30 The position of shareholders after forfeiture

30.1 A shareholder loses all rights in connection with forfeited or surrendered shares and ceases to be a shareholder in respect of those shares. If the shares are in certificated form, he must surrender any certificate for those shares to the Company for cancellation. A person is still liable to pay calls which have been made, but not paid, before the forfeiture of his shares. He must also pay interest on the unpaid amount (at the rate of interest which was payable on the unpaid amount before the forfeiture) until it is paid. If no interest was payable before the forfeiture on the unpaid amount, the directors can fix the rate of interest on the unpaid amount, but it must not be more than 10 per cent a year, until it is paid.

30.2 The shareholder continues to be liable for all claims and demands which the Company could have made relating to the forfeited share. He is not entitled to any credit for the value of the share when it was forfeited or for money received by the Company under Article 28, unless the directors decide to allow credit for all or any of that value. The directors may also decide to waive any payment due either completely or in part.

LIENS ON PARTLY-PAID SHARES

31 The Company’s lien on shares

The Company has a lien on all partly-paid shares. This lien has priority over claims of others to the shares and extends to all dividends and other money payable on the shares or in respect of them. This lien is for any money owed to the Company for the shares. The directors can decide to give up any lien which has arisen or that any share for a specified period of time be entirely or partly exempt from this Article. They can also decide to suspend any lien which would otherwise apply to particular shares. Unless otherwise
agreed, the registration of a transfer of any share over which the Company has a lien shall operate as a waiver of that lien.

32 Enforcing the lien by selling the shares

32.1 If the directors want to enforce the lien referred to in Article 31, they can sell some or all of the shares in any way they decide. The directors can authorise someone to transfer the shares sold. But they cannot sell the shares until all of the following conditions are met:

- the money owed by the shareholder must be immediately payable;
- the directors must have given a notice in writing to the shareholder. This notice must specify the shares concerned and say how much is due. It must also demand that this money is paid, and say that the shareholder’s shares can be sold by the Company if the money is not paid;
- the notice in writing must have been sent to or served on the shareholder, or on any person who is automatically entitled to the shares by law; and
- the money has not been paid by at least 14 days after the notice has been served. 32.2 The new shareholder’s ownership of the share will not be affected if the sale or disposal of the share was invalid or irregular, or if anything that should have been done was not done and is not obliged to enquire as to how the purchase money (if any) is used.

33 Using the proceeds of the sale

If the directors sell any shares under Article 32, the net proceeds will first be used to pay off the amount which is then payable to the Company. The directors will pay any money left over to the former shareholder, or to any person who would otherwise be automatically entitled to the shares by law provided that the Company’s lien will also apply to any money left over, to cover any money still due to the Company which is not yet payable: the Company has the same rights over this money as it had over the shares immediately before they were sold. If the shares are in certificated form, the Company need not pay over anything left under this Article until the certificate representing the shares sold has been delivered to the Company for cancellation.

34 Evidence of forfeiture or enforcement of lien

A director, or the Secretary, can make a statutory declaration declaring:

- that he is a director or the Secretary of the Company;
- that a share has been properly forfeited or surrendered or sold to satisfy a lien under the Articles; and
- when the share was forfeited or sold.

This will be conclusive evidence of these facts which cannot be disputed as against all persons claiming to be entitled to the share. Such declaration shall constitute a good title to the share subject to compliance with any other transfer formalities required by law.
35 Changing the special rights of shares

35.1 If the Company’s share capital is split into different classes of share, and if the Companies Acts allow this and unless the Articles or rights attached to any class of share say otherwise, the special rights which are attached to any of these classes of share can be varied or abrogated if this is approved by a special resolution in accordance with Articles 35 and 36. This must be passed at a separate meeting of the holders of the relevant class of shares. This is called a class meeting. Alternatively, the holders of at least three-quarters of the existing shares of the relevant class, excluding any shares held as treasury shares, (by nominal value) can give their consent in writing.

35.2 The special rights of a class of shares can be varied or abrogated while the Company is a going concern, or while the Company is being wound up, or if winding up is being considered.

35.3 All the Articles relating to General Meetings apply, with any necessary changes, to a class meeting, but with the following adjustments:

• At least two people who hold (or who act as proxies for) at least one third of the total nominal value of the existing shares of the class are a quorum. However, if this quorum is not present at an adjourned class meeting, one person who holds shares of the class, or his proxy, is a quorum, regardless of the number of shares he holds.
• Anybody who is personally present, or who is represented by a proxy, can demand a poll.
• On a poll, the holders of shares will have one vote for every share of the class which they hold.
• If a class meeting is adjourned for any reason including a lack of quorum, the adjourned meeting may be held less than 10 clear days after the original class meeting notwithstanding Article 55.1.

35.4 This Article also applies to the variation or abrogation of special rights of shares forming part of a class. Each part of the class which is being treated differently is viewed as a separate class in operating this Article.

36 More about the special rights of shares

The special rights of shares or of any class of shares are not regarded as varied or abrogated if:

• new shares are created, or issued, which rank equally with or behind those shares or that class of shares in sharing in profits or assets of the Company;
• the Company redeems or buys back its own shares.

But this does not apply if the terms of the shares or class of shares expressly provide otherwise.
TRANSFERRING SHARES

37 Share transfers

37.1 Unless the Articles provide otherwise, any shareholder can transfer some or all of his shares to another person.

37.2 Every transfer of shares in certificated form must be in writing, and either in the usual standard form, or in any other form approved by the directors.

37.3 Transfers of uncertificated shares are to be carried out using a relevant system and must comply with the CREST Regulations.

38 More about transfers of shares in certificated form

38.1 The transfer form for shares in certificated form must be delivered to the Transfer Office (or any other place the directors may decide). The directors may refuse to recognise a transfer unless the transfer form:
   • has with it the share certificate for the shares to be transferred and any other evidence which the directors ask for to prove that the person wishing to make the transfer is entitled to do this;
   • is properly stamped (for payment of stamp duty) where this is required;
   • is being used to transfer only one class of shares; and
   • is in favour of not more than four joint holders.

38.2 If the share being transferred is a fully-paid-up share, a share transfer form must be signed by the person making the transfer. If the transfer is being made by a company, the share transfer form does not need to be under that company's seal.

38.3 If the share being transferred is not a fully-paid-up share a share transfer form must also be signed by the person to whom the share is being transferred. If the transfer is being made to a company, the transfer form does not need to be under that company's seal.

38.4 The person making a transfer of shares will be treated as continuing to be the shareholder until the name of the person to whom a share is being transferred is put on the Register for that share.

38.5 No fee is payable to the Company for transferring shares or registering changes relating to the ownership of shares.

38.6 If a share transfer is registered, or if the directors have any grounds for suspecting fraud, the Company can keep the share transfer form. Otherwise, if the directors refuse to register a transfer, the share transfer form will be returned, when notice of refusal is given, to the person lodging it.

39 The Company can refuse to register certain transfers

39.1 The directors can refuse to register a transfer of any shares:
   • in certificated form, if the relevant conditions in Article 38 are not satisfied; or
39.2 If the directors decide not to register a transfer of a share in certificated form, they must notify in writing the person to whom such share was to be transferred and the person intending to transfer such share, of the decision not to register the transfer. Such notice shall give reasons for the decision to refuse registration. This must be done no later than two months after the Company receives the transfer. The directors do not have to give any reasons for refusing to register a transfer of any shares in uncertificated form.

40 Overseas branch registers

If the Company transacts business in a country or territory referred to in Section 129 of the Companies Act 2006, it may arrange for a branch register of the shareholders resident in that country or territory to be kept there.

PERSONS AUTOMATICALLY ENTITLED TO SHARES BY LAW

41 When a shareholder dies

41.1 When a sole shareholder dies (or a shareholder who is the last survivor of joint shareholders dies), his legal personal representatives will be the only people whom the Company will recognise as being entitled to his shares.

41.2 If a shareholder who is a joint shareholder dies, the remaining joint shareholder or shareholders will be the only people who the Company will recognise as being entitled to his shares.

41.3 This Article does not discharge the estate of any sole or joint shareholder from any liability.

42 Registering personal representatives

A person who becomes automatically entitled to a share by law can either be registered as the shareholder or can select some other person to whom the share is to be transferred. The person who is automatically entitled by law must provide any evidence of his entitlement which is reasonably required by the directors.

43 A person who wants to be registered must give notice

If a person who is automatically entitled to shares by law wants to be registered as a shareholder, he must deliver or send a notice to the Company saying that he has made this decision. He must sign this notice, or authenticate it in accordance with Article 141, and it must be in the form which the directors require. This notice will be treated as a transfer form and all of the provisions of these Articles about registering transfers of shares apply to it. The directors have the same power to refuse to register the automatically entitled person as they would have had in deciding whether to register a transfer by the person who was previously entitled to the shares.
44 Having another person registered

If a person who is automatically entitled to a share by law wants the share to be transferred to another person, he must do the following:

• for a share in certificated form sign a transfer form to the person he has selected; and
• for a share in uncertificated form transfer such share using a relevant system.

The directors have the same power to refuse to register the person selected as they would have had in deciding whether to register a transfer by the person who was previously entitled to the shares.

45 The rights of people automatically entitled to shares by law

45.1 A person who is automatically entitled to a share by law is entitled to any dividends or other money relating to the share, upon supplying to the Company such evidence as the directors may reasonably require to show his title to the share, even though he is not registered as the holder of that share. However, if the directors have served a notice on any such person requesting him to choose between registering himself or transferring the share, and such person does not comply with the notice within 90 days, the directors can withhold the dividend and other money until the notice has been properly complied with. The directors can also withhold the dividend if the person who was previously entitled to the share could have had their dividend withheld.

45.2 Unless and until he is registered as a shareholder the person automatically entitled to a share by law is not entitled:

• to receive notices of General Meetings, or to attend or vote at these meetings; and
• (subject to Article 45.1) to any of the other rights and benefits of being a shareholder, unless the directors decide to allow this.

45.3 A person entitled to a share who has elected for that share to be transferred to some other person pursuant to Article 44 shall cease to be entitled to any rights or advantages in relation to such share upon that other person being registered as the holder of that share.

46 Prior notices binding

If a notice is given to a shareholder in respect of a share, a person entitled to that share is bound by the notice if it was given to the shareholder before the name of the person entitled was entered into the Register.

SHAREHOLDERS WHO CANNOT BE TRACED

47 Shareholders who cannot be traced

47.1 The Company can sell any shares at the best price reasonably obtainable if:
• during the 12 years before the earliest of the advertisements referred to below, at least three dividends on the shares have been payable and none has been claimed;
• after this 12-year period, the Company announces that it intends to sell the shares by placing an advertisement in a United Kingdom national newspaper and in a newspaper appearing in the area which includes the address held by the Company for serving notices relating to the shares; and
• during this 12-year period, and for three months after the last advertisement appears in the newspapers, the Company has received no indication as to the whereabouts or existence of the shareholder or any person who is automatically entitled to the shares by law.

47.2 To sell any shares in this way, the Company can authorise any person to transfer the shares. This transfer will be just as effective as if it had been made by the registered holder of the shares, or by a person who is automatically entitled to the shares by law. The ownership of the person to whom the shares are transferred will not be affected even if the sale is irregular or invalid in any way.

47.3 The net sale proceeds belong to the Company until claimed under this Article, but it must pay these to the shareholder who could not be traced, or to the person who is automatically entitled to the shares by law, if that shareholder, or that other person, asks for it.

47.4 The Company must record the name of that shareholder, or the person who was automatically entitled to the shares by law, as a creditor for this money in its accounts. The money is not held on trust, and no interest is payable on the money. The Company can keep any money which it has earned on the net sale proceeds. The Company can use the money for its business, or it can invest the money in any way that the directors decide. However, the money cannot be invested in the Company’s shares, or in the shares of any holding company of the Company.

47.5 In the case of uncertificated shares, this Article is subject to any restrictions which apply under the CREST Regulations.

48 The Annual General Meeting

Except as provided in the Companies Acts, the Company must hold an Annual General Meeting once in each period of six months beginning with the day following the Company’s accounting reference date, in addition to any other General Meetings which are held in the year. The notice calling the Annual General Meeting must say that the meeting is the Annual General Meeting. The Annual General Meeting must be held in accordance with the Companies Acts. The directors must decide when and where to hold the Annual General Meeting.

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49 Calling a General Meeting

The directors can decide to call a General Meeting at any time in accordance with the Companies Acts. General Meetings must also be called promptly in response to a requisition by shareholders under the Companies Acts. If a General Meeting is not called in response to such a request by shareholders, it can be called by the shareholders who requested the General Meeting in accordance with the Companies Acts. Any General Meeting requisitioned in this way by shareholders shall be called in the same manner as nearly as possible to that in which General Meetings are called by the directors. The directors must decide when and where to hold a General Meeting.

50 Notice of General Meetings

50.1 Notices of General Meetings shall include all information required to be included by the Companies Acts.

50.2 Notices of General Meetings must be given to the shareholders, except in cases where the Articles or the rights attached to the shares state that the holders are not entitled to receive them from the Company. Notice must also be given to the Company's auditors. The day when the notice is served (see Article 137), or is treated as served, and the day of the General Meeting do not count towards the period of notice. In relation to any class of shares some of which are in uncertificated form the Company can decide that only people who are entered on the Register at the close of business on a particular day are entitled to receive such a notice. That day shall be a day chosen by the Company and falling not more than 21 days before the notice is sent.

50.3 For the purposes of determining which persons are entitled to attend a meeting, the Company may specify in the notice of the meeting a time by which a person must be entered on the Register in order to have the right to attend the meeting. For the purposes of determining which persons are entitled to vote at a meeting, and how many votes such persons may cast, the Company must specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to vote at the meeting. The directors may at their discretion resolve that, in calculating such period, no account shall be taken of any part of any day that is not a working day (within the meaning of Section 1173 of the Companies Act 2006).

PROCEEDINGS AT GENERAL MEETINGS

51 The chairman of a General Meeting

51.1 The Chairman of the directors will be the chairman at every General Meeting, if he is present and willing to take the chair.

51.2 If the Company does not have a Chairman, or if the Chairman is not present and willing to chair the General Meeting, a Deputy Chairman will chair the meeting if he is present and willing to take the chair.

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51.3 Where there is more than one Deputy Chairman at a **General Meeting** and there is more than one present, and the Chairman is not there, the Deputy Chairman to take the chair will be the longest serving Deputy Chairman present.

51.4 If the **Company** does not have a Chairman or a Deputy Chairman, or if neither the Chairman or any Deputy Chairman are present and willing to chair the **General Meeting**, after waiting ten minutes from the time that a meeting is due to start, the directors who are present will choose one of themselves to act as chairman. If there is only one director present, he will be chairman if he is willing.

51.5 If there is no director present and willing to be chairman, then a **shareholder** may be elected to be the chairman by a resolution of the **Company** passed at the **General Meeting**. A **proxy**, who is not also a director or **shareholder**, cannot be appointed as the chairman.

51.6 To avoid any doubt, nothing in these **Articles** restricts or excludes any of the powers or rights of a chairman of a meeting which are given by the general law.

52 **Security, and other arrangements at General Meetings**

52.1 The directors can put in place any arrangements or restrictions they think necessary to ensure the safety and security of people attending a **General Meeting** and the orderly conduct of the **General Meeting**, including requiring those attending to submit to searches.

52.2 Either the chairman of a **General Meeting**, or the **Secretary**, can take any action he considers necessary (including **adjourning** the **General Meeting**) for:

- the safety of people attending a **General Meeting** (for example, if there is not enough room for the **shareholders** and **proxies** who want to attend the **General Meeting**); or
- proper and orderly conduct at a **General Meeting** (for example, where the behaviour of someone present could prevent the business of the **General Meeting** being carried out in an orderly way); or
- any other reason to make sure that the business of the **General Meeting** can be properly carried out.

Where the chairman of a **General Meeting** or the **Secretary** decides to **adjourn** a **General Meeting** in this way, he can **adjourn** the **General Meeting** to a time, date and place he decides (or indefinitely). He does not need the agreement of those present at the **General Meeting** to do this.

52.3 The directors may refuse entry to, or remove from, a **General Meeting** any **shareholder**, **proxy** or other person who fails to comply with such arrangements or restrictions.

52.4 If anyone has gained entry to a **General Meeting** and refuses to comply with any security arrangements or restrictions, or disrupts the proper and orderly conduct of the **General Meeting**, the chairman can at any time, without the consent of the **General Meeting**, order this person to leave or be removed from the **General Meeting**.

52.5 The chairman of a **General Meeting** can invite any person to attend and speak at the **General Meeting** who they consider has the knowledge or experience of the business of the **Company** to assist in the deliberations of the meeting.
52.6 The chairman’s decision on points of order, matters of procedure or matters arising incidentally out of the business of a General Meeting will be final, as will his decision, acting in good faith, on whether a point or matter is of this nature.

53 Overflow meeting rooms
The directors can arrange for any people who they consider cannot be seated in the main meeting room, where the chairman will be, to attend and take part in a General Meeting in an overflow room or rooms. Any overflow room must have a live video and two way sound link with the main room for the General Meeting, where the chairman will be. The video and sound link must enable those in all the rooms to see and hear what is going on in the other rooms. The notice of the General Meeting does not have to give details of any arrangements under this Article. The directors can decide on how to divide people between the main room and any overflow room. If any overflow room is used, the General Meeting will be treated as being held, and taking place, in the main room.

54 The quorum needed for General Meetings
Before a General Meeting starts to conduct business, there must be a quorum present. If there is not, the meeting cannot carry out any business other than appointing a chairman. Unless other Articles say otherwise, a quorum for all purposes is two people who are entitled to vote. They can be personally present or proxies for shareholders or duly authorised company representatives or a combination of shareholders, duly authorised company representatives and proxies.

55 The procedure if there is no quorum
55.1 This Article 55 applies if a quorum is not present either within 30 minutes of the time fixed for a General Meeting to start or within any longer period (being no longer than an hour from the time fixed for the General Meeting to start) on which the chairman may decide and if during the meeting a quorum ceases to be present. If the General Meeting was called by shareholders it is cancelled. Any other General Meeting is adjourned to another day, time and place stated in the notice of General Meeting or (if not so specified) as the directors may decide, provided that the adjourned meeting shall be held not less than 10 clear days after the original General Meeting.

55.2 If a quorum is not present within 15 minutes of the time fixed for the start of the adjourned meeting, the adjourned General Meeting shall be cancelled.

56 Adjourning meetings
56.1 Subject to Article 52, the chairman of a General Meeting can adjourn a meeting which has a quorum present, if this is agreed by those present at the General Meeting. This can be to a time, date and place proposed by the chairman or may be an indefinite adjournment. The chairman must adjourn the General Meeting if the General Meeting directs him to. In these circumstances the General Meeting will decide how long the adjournment will be, and where it will adjourn to. If a General Meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned General Meeting.
56.2 General Meetings can be adjourned more than once. But if a General Meeting is adjourned for more than 30 days or indefinitely, at least seven days’ notice must be given of the adjourned General Meeting in the same way as was required for the original General Meeting. If a General Meeting is adjourned for less than 30 days, there is no need to give notice of the adjourned General Meeting, or about the business to be considered there.

56.3 An adjourned General Meeting can only deal with business that could have been dealt with at the original General Meeting before it was adjourned.

57 Amending resolutions

57.1 A special resolution to be proposed at a General Meeting may be amended by ordinary resolution provided that no amendment may be made other than a mere clerical amendment to correct an obvious error.

57.2 An ordinary resolution to be proposed at a General Meeting may be amended by ordinary resolution provided that:

- notice of the proposed amendment has been:
  - lodged in writing at the Registered Office; or
  - received electronically at the address specified for receiving notices in electronic form,
  at least two clear business days before the time appointed for holding the General Meeting or adjourned General Meeting at which the resolution is to be proposed;
- such notice has been given by a person entitled to vote at the General Meeting in question; and
- the chairman of the General Meeting decides in good faith that the amendment is within the scope of the business of the meeting as described and does not impose further obligations on the Company.

57.3 If the chairman of a General Meeting, acting in good faith, rules an amendment to a resolution out of order, any error in that ruling will not affect the validity of a vote on the original resolution.

58 Satellite meeting places

58.1 To assist with the organisation and administration of any General Meeting, the directors may decide that the General Meeting will be held at more than one location.

58.2 For the purposes of these Articles, any General Meeting taking place at two or more locations will be treated as taking place where the chairman of the General Meeting is in attendance (to be known as the principal meeting place) and any other location where that meeting takes place is referred to in these Articles as a satellite meeting.

58.3 A shareholder present in person or by proxy at a satellite meeting may be counted in the quorum and can exercise all rights that they would have been able to exercise if they were present at the principal meeting place.

58.4 The directors can make and change such arrangements as they consider appropriate to:
• ensure that all shareholders and proxies for shareholders wanting to attend the meeting can do so;
• ensure that all persons attending the meeting are able to take part in the business of the meeting and to see and hear anyone else addressing the meeting;
• ensure the safety of persons attending the meeting and the orderly conduct of the meeting; and
• restrict the numbers of shareholders and proxies at any one location to a number that can be safely and conveniently accommodated there.

58.5 Whether any shareholder or proxy is entitled to attend a satellite meeting will depend on any arrangements then in force and stated in the notice of General Meeting or adjourned General Meeting.

58.6 If the communication equipment fails or if any other arrangements fail for shareholders to take part in the meeting at more than one place, the chairman may adjourn the meeting under Article 56. Such an adjournment will not affect the validity of such meeting, or any business conducted at such meeting up to the point it is adjourned, or any action taken following such a meeting.

58.7 A person (known as a satellite chairman) may be appointed by the directors to preside at each satellite meeting. Every satellite chairman appointed:
• will carry out all requests made by the chairman of the General Meeting;
• can take whatever action they think necessary to maintain the proper and orderly conduct of the satellite meeting; and
• will have all powers necessary or desirable to carry out these duties.

VOTING PROCEDURES

59 How votes are taken

59.1 All Substantive Resolutions will only be decided on a poll. All Procedural Resolutions will be decided by a show of hands, unless a poll is demanded before the resolution is put to the vote on a show of hands or on the result of the show of hands being declared by the chairman. A poll can be demanded by:
• the chairman of the General Meeting;
• at least five shareholders at the General Meeting (including proxies of shareholders entitled to vote) who are entitled to vote;
• one or more shareholders at the General Meeting who are entitled to vote (including proxies of shareholders entitled to vote) and who have, between them, at least 10 per cent of the total votes of all shareholders who have the right to vote at the General Meeting (excluding the rights attaching to shares held as treasury shares); or
• one or more shareholders who have shares which allow them to vote at the General Meeting (including proxies of shareholders entitled to vote), where the
total amount which has been **paid-up** on their **shares** is at least 10 per cent of the total sum **paid-up** on all **shares** which give the right to vote at the **General Meeting**.

59.2 A demand for a **poll** can be withdrawn if the chairman agrees to this. If a **poll** is demanded, and this demand is then withdrawn, any declaration by the chairman of the result of a vote on that resolution by a **show of hands**, which was made before the **poll** was demanded, will stand.

60 **How a poll is taken**

60.1 If a **poll** is demanded or held in the way allowed by the **Articles**, the chairman of the **General Meeting** can decide where, when and how it will be carried out. The result is treated as the decision of the **General Meeting** where the **poll** was demanded, even if the **poll** is carried out after the **General Meeting**.

60.2 The chairman can:

- decide that a ballot, voting papers, tickets, or electronic means, or any such combination, will be used;
- appoint one or more scrutineers (who need not be **shareholders**);
- decide to **adjourn** the **General Meeting** to such day, time and place as he decides for the result of the **poll** to be declared.

60.3 If a **poll** is called, a **shareholder** can vote either personally or by his **proxy**. If a **shareholder** votes on a **poll**, he does not have to use all of his votes or cast all his votes in the same way.

61 **Where there cannot be a poll**

Notwithstanding any other provision in these **Articles**, a **poll** is not allowed on a vote to elect a chairman of a **General Meeting**, nor is a **poll** allowed on a vote to **adjourn** a **General Meeting**, unless the chairman of the **General Meeting** demands a **poll**.

62 **A General Meeting continues after a poll is demanded**

A demand for a **poll** on a particular matter does not stop a **General Meeting** from continuing and dealing with matters other than the question on which the **poll** was demanded.

63 **Timing of a poll**

A **poll** on a resolution to **adjourn** the **General Meeting** must be taken immediately at the **General Meeting**. Any other **poll** can either be taken immediately at the **General Meeting** or within 30 days from the date it was demanded and at a time and place decided on by the chairman. No notice is required for a **poll** which is not taken immediately if the time and place at which it is to be taken are announced at the **General Meeting** at which it is demanded. In any other case, at least seven clear days’ notice must be given specifying the time and place at which the **poll** is to be taken.
64 The effect of a declaration by the chairman

On a vote on a resolution at a General Meeting on a show of hands, a declaration by the chairman that the resolution:

- has or has not been passed; or
- has or has not been passed with a particular majority,

is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. An entry in respect of such a declaration in minutes of the meeting recorded in accordance with the Companies Acts is also conclusive evidence of that fact without such proof. This Article does not have effect if a poll is demanded in respect of the resolution (and the demand is not subsequently withdrawn).

VOTING RIGHTS

65 The votes of shareholders

65.1 At a General Meeting:

(i) on a show of hands every shareholder (who is entitled to be present and to vote) who is present in person and, subject to Article 65.1(ii), every proxy present (who has been duly appointed) shall have one vote;

(ii) on a show of hands, a proxy has one vote for and one vote against the resolution if the proxy has been duly appointed by more than one shareholder entitled to vote on the resolution, and the proxy has been instructed:

- by one or more of those shareholders to vote for the resolution and by one or more other of those shareholders to vote against it; or
- by one or more of those shareholders to vote either for or against the resolution and by one or more other of those shareholders to use his discretion as to how to vote; and

(iii) on a poll, every shareholder (who is entitled to be present and to vote) who is present in person or by proxy (who has been duly appointed) shall have one vote for every share which he holds.

This is subject to Article 50.3 and any special rights or restrictions which are given to any class of shares by, or in accordance with, the Articles.

65.2 A proxy shall not be entitled to vote on a show of hands or on a poll where the shareholder appointing the proxy would not have been entitled to vote on the resolution had he been present in person.

66 Shareholders who owe money to the Company

Unless the Articles provide otherwise, the only people who are entitled to attend and/or vote at General Meetings or to exercise any other right conferred by being a shareholder in relation to General Meetings, are shareholders who have paid the Company all calls, and all other sums, relating to their shares which are due at the time of the General
Meeting. This applies both to attending the General Meeting personally and to appointing a proxy.

67 Suspension of rights on non-disclosure of interest

67.1 This Article applies if any shareholder, or any person appearing to be interested in shares (within the meaning of Part 22 of the Companies Act 2006) held by that shareholder, has been properly served with a notice under Section 793 of the Companies Act 2006, requiring information about interests in shares, and has failed for a period of 14 days from the date of the notice to supply to the Company the information required by that notice. Then (subject to the provisions of the Companies Acts and this Article, and unless the directors otherwise decide) the shareholder is not (for so long as the failure continues) entitled to attend or vote either personally or by proxy at a shareholders’ meeting or to exercise any other right in relation to a shareholders’ meeting as holder of:

- the shares in relation to which the default occurred (called default shares);
- any further shares which are issued in respect of default shares; and
- any other shares held by the shareholder holding the default shares.

67.2 Any person who acquires shares subject to restrictions under Article 67.1 is subject to the same restrictions, unless:

- the transfer was an approved transfer (see Article 67.11); or
- the transfer was by a shareholder who was not himself in default in supplying the information required by the notice under Article 67.1 and a certificate in accordance with Article 67.3 is provided.

67.3 Where the default shares represent 0.25 per cent or more of the existing shares of a class, the directors can in their absolute discretion by notice in writing (a direction notice) to the shareholder direct that:

- any dividend or part of a dividend or other money which would otherwise be payable on the default shares shall be retained by the Company (without any liability to pay interest when that dividend or money is finally paid to the shareholder);
- the shareholder will not be allowed to choose to receive shares in place of dividends in accordance with Article 131; and/or
- subject to Article 67.4, no transfer of any of the shares held by the shareholder will be registered unless:
  - either the transfer is an approved transfer (see Article 67.11);
  - or the shareholder is not himself in default as regards supplying the information required; and (in this case)
    - the transfer is of part only of his holding; and
    - when presented for registration, the transfer is accompanied by a certificate by the shareholder. This certificate must be in a form satisfactory to the directors and state that after due and careful
enquiry the shareholder is satisfied that none of the shares included in the transfer are default shares.

67.4 Any direction notice can treat shares of a shareholder in certificated and uncertificated form as separate shareholdings and either apply only to shares in certificated form or to shares in uncertificated form or apply differently to shares in certificated and uncertificated form. In the case of shares in uncertificated form the directors can only use their discretion to prevent a transfer if this is allowed by the CREST Regulations.

67.5 The Company must send a copy of the direction notice to each other person who appears to be interested in the shares covered by the notice, but if it fails to do so, this does not invalidate the direction notice.

67.6 A direction notice has the effect which it states while the default resulting in the notice continues. It then ceases to apply when the directors decide (which they must do within one week of the default being cured). The Company must give the shareholder notice in writing of the directors’ decision as soon as reasonably practicable.

67.7 A direction notice also ceases to apply to any shares which are transferred by a shareholder in a transfer permitted under Article 67.3 even where a direction notice restricts transfers.

67.8 Where a person who appears to be interested in shares has been served with a notice under Section 793 of the Companies Act 2006 and the shares in which he appears to be interested are held by an Approved Depositary, this Article shall be treated as applying only to the shares which are held by the Approved Depositary in which that person appears to be interested and not (so far as that person’s apparent interest is concerned) to any other shares held by the Approved Depositary.

67.9 Where the shareholder on which a notice under Section 793 of the Companies Act 2006 is served is an Approved Depositary, the obligations of the Approved Depositary as a shareholder will be limited to disclosing to the Company any information relating to any person who appears to be interested in the shares held by it which has been recorded by it in accordance with the arrangement under which it was appointed as an Approved Depositary.

67.10 For the purposes of this Article a person is treated as appearing to be interested in any shares if the shareholder holding those shares has been served with a notice under Section 793 of the Companies Act 2006 and:

- the shareholder has named that person as being so interested; or
- (after taking into account the response of the shareholder to the notice and any other relevant information) the Company knows or reasonably believes that the person in question is or may be interested in the shares.

67.11 For the purposes of this Article a transfer of shares is an approved transfer if:

- it is a transfer of shares to an offeror under an acceptance of a takeover offer; or
- the directors are satisfied that the transfer is made in connection with a sale in good faith of the whole of the beneficial ownership of the shares to a person unconnected with the shareholder or with any person appearing to be interested in the shares. This includes such a sale made through a recognised investment
exchange or any other stock exchange outside the United Kingdom on which the Company’s shares are normally traded. For this purpose any associate (as that word is defined in Section 435 of the Insolvency Act 1986) is included amongst the people who are connected with the shareholder or any person appearing to be interested in the shares.

67.12 Where a person who has an interest in American Depositary Shares receives a notice under this Article 67, that person is considered for the purposes of this Article 67 to have an interest in the number of shares represented by those American Depositary Shares which is specified in the notice and not in the remainder of the shares held by the ADR Depositary.

67.13 Where the ADR Depositary receives a notice under this Article 67, the ADR Depositary shall only be required to supply information relating to any person who has an interest in the shares held by the ADR Depositary which has been recorded by the ADR Depositary under the arrangements made with the Company (including in the Proxy Register maintained under Article 156) when it was appointed as the ADR Depositary.

67.14 This Article does not restrict in any way the provisions of the Companies Acts which apply to failures to comply with notices under Section 793 of that Companies Act 2006.

68 The votes of joint holders
Where a share is held by joint shareholders any one joint shareholder can vote at any General Meeting (either personally or by proxy) in respect of such share as if he were the only shareholder. If more than one of the joint shareholders votes (either personally or by proxy), the only vote which will count is the vote of that one of them who is listed first on the Register for the share.

PROXIES

69 Appointment of proxies

69.1 Any shareholder may appoint a proxy or (subject to Article 69.3) proxies to exercise all or any of his rights to attend or speak and vote at a General Meeting of the Company. A proxy need not be a shareholder.

69.2 Proxies may also be appointed to act at General Meetings in the circumstances, and in the manner, provided for in Articles 151.2, 155, 157, 158 and 161, and Articles 69 to 73 should be read subject to their terms.

69.3 A shareholder may appoint more than one proxy in relation to a General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or (as the case may be) a different £10, or multiple of £10, of stock held by him.

70 Completing proxy forms

70.1 A proxy form:

- must be in writing; and
70.2 A proxy form given by:

- an individual must be signed by the shareholder appointing the proxy, or by an agent who has been properly appointed in writing, or authenticated in accordance with Article 141; or
- a company must be sealed with the company’s seal or signed by an officer or agent who is authorised to act on behalf of the company, or authenticated in accordance with Article 141.

Unless the contrary is shown, the directors are entitled to assume that where a proxy form purports to have been signed, or authenticated in accordance with Article 141, by an officer or agent on behalf of a company that such officer or agent was duly authorised by such company without requiring any further evidence. Signatures and authentications need not be witnessed.

70.3 The proxy form must make provision for three-way voting on all resolutions intended to be proposed, other than resolutions which are merely procedural.

70.4 The accidental omission to send a proxy form, or make a proxy form available, to a shareholder entitled to it (or non receipt by him of the proxy form) will not invalidate any resolution passed or proceedings at the General Meeting to which the proxy form relates.

71 Delivering proxy forms

71.1 The appointment of a proxy must be received in the manner set out in, or by way of note to, or in any document accompanying, the notice convening the meeting (or if no address is so specified, at the Transfer Office):

- in the case of a meeting or adjourned meeting, not less than 48 hours before the commencement of the meeting or adjourned meeting to which it relates;
- in the case of a poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after the poll was demanded, not less than 48 hours before the commencement of the meeting or adjourned meeting at which the poll was demanded; and
- in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll,

and in default shall not be treated as valid.

71.2 The directors may at their discretion resolve that, in calculating the periods mentioned in Article 71.1, no account shall be taken of any part of any day that is not a working day (within the meaning of Section 1173 of the Companies Act 2006).

71.3 Directors can decide to accept proxies delivered by electronic means or by means of a website, subject to any limitations, restrictions or conditions they decide to apply.

71.4 In relation to any shares in uncertificated form, the directors can permit a proxy to be appointed by electronic means in the form of an uncertificated proxy instruction. They can also permit any supplement to, or amendment or withdrawal of, any uncertificated proxy
instruction by a further uncertificated proxy instruction. The directors can set out the method of determining when any uncertificated proxy instruction is to be treated as received by the Company. The directors can treat any uncertificated proxy instruction which appears or claims to be sent on behalf of the shareholder as sufficient evidence that the person sending the instruction is authorised to send it on behalf of that shareholder.

71.5 If a proxy form is signed, or authenticated in accordance with Article 141, by an agent, the power of attorney or other authority relied on to sign or authenticate it, or a copy which has been certified by a notary, or certified in some other way specified by the directors, must (if required by the Company) be delivered with the proxy form in accordance with the instructions for delivery of proxy forms which are set out in the notice of General Meeting or on the proxy form, unless the power of attorney or other form of authority has already been registered with the Company.

71.6 If this Article 71 is not complied with, the proxy will not be able to act for the person who appointed him.

71.7 A proxy form delivered by an Approved Depositary except in respect of a person appointed in accordance with Articles 164 and 165 may be delivered to the appropriate place or address referred to in Article 71.1 by electronic means or in any other way the directors decide.

71.8 Where two or more proxy forms are delivered for use by the same shares, the one which has been delivered last will be treated as replacing and revoking the others which have been delivered.

71.9 If a proxy form which relates to several General Meetings has been properly delivered for one General Meeting or adjourned General Meeting, it does not need to be delivered again for any later General Meeting which the proxy form covers.

71.10 Unless the proxy form says otherwise, it will be valid at an adjourned General Meeting as well as for the original General Meeting to which it relates.

71.11 A shareholder can attend and vote at a General Meeting on a show of hands or on a poll even if he has appointed a proxy to attend and vote at that meeting. However, if he votes in person on a resolution, then as regards that resolution his appointment of a proxy will not be valid.

72 Cancellation of proxy’s authority

72.1 Neither the death or insanity of a shareholder who has appointed a proxy, nor the revocation or termination by a shareholder of the appointment of a proxy (or of the authority under which the appointment was made), shall invalidate the proxy or the exercise of any of the rights of the proxy thereunder, unless notice of such death, insanity, revocation or termination shall have been received by the Company in accordance with Article 72.2.

72.2 Any such notice of death, insanity, revocation or termination must be received at the address or one of the addresses (if any) specified for receipt of proxies in, or by way of note to, or in any document accompanying, the notice convening the meeting to which the appointment of the proxy relates (or if no address is so specified, at the Transfer Office):
• in the case of a meeting or adjourned meeting, not less than one hour before the commencement of the meeting or adjourned meeting to which the proxy appointment relates;

• in the case of a poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after it was demanded, not less than one hour before the commencement of the meeting or adjourned meeting at which the poll was demanded; or

• in the case of a poll taken more than 48 hours after it was demanded, not less than one hour before the time appointed for the taking of the poll.

73 Authority of proxies
A proxy shall have the right to exercise all or any of the rights of his appointor, or (where more than one proxy is appointed) all or any of the rights attached to the shares in respect of which he is appointed the proxy to attend, and to speak and vote, at a General Meeting of the Company.

74 Representatives of companies
Subject to the Companies Acts, a company which is a shareholder can authorise any person or persons to act as its representative or representatives at any General Meeting which it is entitled to attend. Such person or persons are each called a company representative. The directors of that company must pass a resolution to appoint a company representative. If the governing body of that company is not a board of directors, the resolution can be passed by its governing body.

75 Challenging votes
Any objection to the right of any person to vote or the way in which the votes have been counted must be made at the General Meeting (or adjourned General Meeting) at which the vote is cast. If a vote is not disallowed at the General Meeting, it is valid for all purposes. Any such objection must be raised with the chairman of the General Meeting and will only change the decision of the General Meeting on any resolution if the chairman of the General Meeting decides that the vote cast may have affected the decision of the General Meeting. His decision on matters referred to him under this Article is final.

76 The number of directors
There must be at least three directors (other than alternate directors), but the shareholders can vary the number of directors by passing an ordinary resolution.

77 Qualification to be a director
A director need not be a shareholder, but a director who is not a shareholder is entitled to attend and speak at shareholders’ meetings.
Directors’ fees and expenses

78.1 Each of the directors shall be paid a fee for his services. The directors can decide on the amount, timing and manner of payment of directors’ fees, but the total of the fees paid to all of the directors (excluding amounts paid as special pay under Article 79, amounts paid as expenses under Article 80 and any payments under Article 81) must not exceed:

- £1.5 million a year; or
- any higher sum decided on by an ordinary resolution at a General Meeting.

This remuneration shall accrue from day to day.

78.2 Unless an ordinary resolution is passed which provides otherwise, the fees will be divided between some or all of the directors in the way that they decide. If they fail to decide, the fees will be shared equally by the directors, except that any director holding office as a director for only part of the period covered by the fee is only entitled to a pro rata share covering that broken period.

Special pay

79.1 The directors can award special pay if any director performs extra or special services of any kind including:

- holding any executive post;
- acting as chairman or deputy chairman (whether or not this office is executive or non-executive);
- travelling or staying outside his main residence for any business or purposes of the Company; and
- serving on any committee of the directors.

79.2 Special pay can take the form of salary, commission or other benefits or expenses or more than one of such forms or can be paid in some other way. This is decided on by the directors and may be a fixed sum or percentage of profits or otherwise. Such special pay can be either in addition to or instead of any other fees, expenses and other benefits a director may be entitled to receive.

Directors’ expenses

In addition to any fees and expenses paid under Articles 78 and 79, the Company will repay to a director all expenses properly incurred in:

- attending and returning from shareholders’ meetings;
- attending and returning from directors’ meetings;
- attending and returning from meetings of committees of the directors; or
- in or with a view to the performance of his duties.
81 Directors’ pensions and other benefits

81.1 The directors may pay or provide:

• pensions;
• annual payments;
• gratuities; or
• other allowances or benefits

to any person who is, or who was, a director who had a salary or place of profit with the Company or with any company which is or has been a subsidiary of the Company or a predecessor in business of the Company or any such subsidiary. The director can decide to extend these arrangements to any member of his family (including a spouse and a former spouse) or to any person who was or is dependent on him. The director can also decide to contribute (before as well as after he ceases to receive a salary or occupy a place of profit) to any scheme or fund or to pay premiums to a third party for these purposes.

81.2 No director or former director is accountable to the Company or its shareholders for a benefit of any kind given in accordance with this Article. The receipt of a benefit of any kind given in accordance with this Article does not prevent a person from being or becoming a director.

82 Appointing directors to various posts

82.1 The directors can appoint any director as chairman, or a deputy chairman, or to any executive position on which they decide. So far as the Companies Acts allow, they can decide on how long these appointments will be for, and on their terms. Subject to the terms of any contract with the Company, they can also vary or end these appointments.

82.2 A director will automatically stop being chairman, deputy chairman, managing director, deputy managing director, joint managing director or assistant managing director if he is no longer a director. Other executive appointments will only stop if the contract or resolution appointing the director to a post says so. If a director’s appointment ends because of this Article, this does not prejudice any claim for breach of contract against the Company which may otherwise apply.

82.3 The directors can delegate to a director appointed to an executive post any of the powers which they jointly have as directors. These powers can be delegated on such terms and conditions as decided by the directors either in parallel with, or in place of, the powers of the directors acting as a board. The directors can change the basis on which these powers are given or withdraw them from the executive.

CHANGING DIRECTORS

83 Retiring directors

At each Annual General Meeting all those directors who were elected or last re-elected at or before the Annual General Meeting held in the third calendar year before the current year shall automatically retire.

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Eligibility for re-election
A retiring director is eligible for re-election, unless the directors resolve otherwise not later than the date of the notice of such Annual General Meeting.

Re-electing a director who is retiring
85.1 At a General Meeting at which a director retires (whether at an Annual General Meeting or otherwise), he may be re-elected (as long as the director has not told the Company in writing that he does not wish to be re-elected) if the shareholders pass an ordinary resolution to re-elect him.

85.2 A director retiring at a General Meeting retires at the end of that meeting (or adjourned meeting), or if earlier, when a resolution at a General Meeting is passed to appoint some other person in his place. Where a retiring director is re-elected he continues as a director without a break.

The power to fill vacancies and appoint extra directors
86.1 The directors can appoint any person as an extra director or to fill a casual vacancy. Any director appointed in this way automatically retires at the next General Meeting after his appointment. At this General Meeting he can be elected by the shareholders as a director.

86.2 At a General Meeting the shareholders can also pass an ordinary resolution to fill a casual vacancy or to appoint an extra director.

Extra directors can only be appointed under this Article up to the limit (if any) on the total number of directors under the Articles (or any variation of the limit approved by the shareholders in accordance with the Articles).

Removing and appointing directors by an ordinary resolution
87.1 The shareholders can pass an ordinary resolution to remove a director, even though his time in office has not ended. This applies despite anything else in the Articles, or in any agreement between him and the Company. Special notice of the ordinary resolution must be given to the Company as required by the Companies Acts. But if a director is removed in this way, it will not affect any claim which he may have for damages for breach of any contract of service between him and the Company.

87.2 Subject to Article 86, the shareholders can pass an ordinary resolution to elect a person to replace a director who has been removed in the way described in Article 87.1. If no director is appointed under this Article, the vacancy can be filled under Article 86.

87.3 Any person appointed under Article 87.2 will be treated, for the purpose of determining the time at which he is to retire, as if he had become a director on the day on which the director he replaced was last elected.

When directors are disqualified
Any director automatically ceases to be a director in any of the following circumstances if:
• a bankruptcy order is made against him or any analogous event occurs in relation to him under any applicable laws;
• he makes any arrangement or composition with his creditors or applies for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act or any analogous event occurs in relation to him under any applicable laws;
• a court which claims jurisdiction to protect people who are unable to manage their own affairs has made an order detaining him or appointing a person to manage his property or affairs;
• he has missed directors’ meetings for a continuous period of six months, without permission from the directors, and the directors have passed a resolution removing him from office;
• he is prohibited from being a director by law or any power conferred on the directors or shareholders under these Articles or ceases to be a director by virtue of any provision of the Companies Act 2006;
• except where his contract of service prevents him from resigning, he:
  (i) delivers to the Company a resignation notice in writing, signed, or authenticated in accordance with Article 141, by him or on his behalf; or
  (ii) offers in writing to resign and the directors pass a resolution accepting the offer;
• all the other directors serve a notice in writing upon him requiring him to resign. He will cease to be a director when the notice is served on him. Such a notice can consist of several documents in the same form signed, or authenticated in accordance with Article 141, by one or more directors.

89 Director ceasing to be a member of a committee

When a director stops being a director for any reason, he will also automatically cease to be a member of any committee. Removal from office will be without prejudice to any claim which he or the Company might bring in relation to any contract of service between him and the Company.

DIRECTORS’ MEETINGS

90 Directors’ meetings

The directors can decide when and where to have directors’ meetings and how they shall be conducted, and on the quorum. They can also adjourn their meetings.

91 Who can call directors’ meetings

A directors’ meeting can be called by any director. The Secretary must also call a directors’ meeting if a director asks him to.
92  How directors’ meetings are called

Directors’ meetings are called by giving notice to all the directors. This notice may be given to a director personally, by word of mouth, by notice in writing (sent to him at his last known address) or by electronic means (sent to him at his last known electronic address or number). Any director can waive notice of any directors’ meeting, including one which has already taken place.

93  Quorum

93.1 If no other quorum is fixed by the directors, three directors are a quorum. A directors’ meeting at which a quorum is present can exercise all the powers, authorities and discretions of the directors whether by or under these Articles or exercisable by the directors generally.

93.2 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

93.3 A director who ceases to be a director at a directors’ meeting can continue to be present and act as a director and be counted in the quorum until the end of that meeting if no other director objects and a quorum would not otherwise be present.

94  The Chairman of directors’ meetings

94.1 The directors can elect any director as Chairman or as one or more Deputy Chairmen for such periods as the directors decide. If the Chairman is at a directors’ meeting, he will chair it. In his absence, the chair will be taken by a Deputy Chairman, if one is present. If there is no Chairman or Deputy Chairman present within five minutes of the time when the directors’ meeting is due to start, the directors who are present can choose which one of them will be the Chairman of the directors’ meeting.

94.2 Where there is more than one Deputy Chairman present at a meeting, and the Chairman is not there, the Deputy Chairman to take the chair will be the longest serving Deputy Chairman present.

95  Voting at directors’ meetings

Matters for decision which arise at a directors’ meeting will be decided by a majority vote. The chairman of the meeting will not have a second, casting vote.

96  Directors can act even if there are vacancies

96.1 The remaining directors can continue to act even if one or more of them ceases to be a director. But if and so long as the number of directors falls below the minimum which applies under Article 76 (including any variation of that minimum approved by an ordinary resolution of shareholders), the remaining director(s) can only:

• either appoint further directors to make up the shortfall; or
• call a General Meeting.
If no director is willing or able to act under this Article, any two shareholders can call a General Meeting to appoint extra directors.

Directors' meetings by video conference and telephone

Any or all of the directors, or members of a committee, can take part in a directors’ meeting of the directors or of a committee by way of a video or web conference or conference telephone, or similar equipment, designed to allow everybody to take part in the directors’ meeting.

Taking part in this way will be counted as being present at the directors’ meeting. A directors’ meeting which takes place by way of video or web conference, conference telephone or similar equipment will be treated as taking place where most of the participants are. If there is no largest group, directors’ meetings will be treated as taking place where the chairman of the meeting is.

A directors’ meeting held in the way described in Article 97.1 will be valid as long as in one single place, or in places connected by way of video or web conference, telephone conference, or similar equipment, a quorum is present.

Director's written resolutions

Any director may, and the Secretary at the request of a director shall, propose a written resolution by giving written notice to the other directors.

A directors’ written resolution is adopted when all the directors entitled to vote on such a resolution have signed one or more copies of it, or otherwise indicated their agreement to it in writing or electronically.

A directors’ written resolution is not adopted if the number of directors who have signed it or agreed to it in writing or electronically is less than the quorum for a directors’ meeting.

A directors’ written resolution signed or agreed to by an alternate director does not need also to be approved by his appointor. If the directors’ written resolution is signed or agreed to by a director who has appointed an alternate director, it does not need to be approved by the alternate director acting in that capacity.

Once a directors’ written resolution has been adopted, it must be treated as if it had been a resolution passed at a directors’ meeting in accordance with these Articles.

A directors’ written resolution will be valid at the time it is signed or agreed to by the last director.

The resolution can be:
• in the form of letter;
• in electronic form (as long as it is in writing); or
• in any other way the directors may approve.
The validity of directors’ actions

Everything which is done by any directors’ meeting, or by a committee of the directors, or by a person acting as a director, or as a member of a committee, will, in favour of anyone dealing with the Company in good faith, be valid even though it is discovered later that any director, or person acting as a director, was not properly appointed or elected. This also applies if it is discovered later that anyone was disqualified from being a director, or had ceased to be a director, or was not entitled to vote. In any of these cases, in favour of anyone dealing with the Company in good faith, anything done will be as valid as if there was no defect or irregularity of the kind referred to in this Article.

DIRECTORS’ INTERESTS

Authorisation of directors’ interests

100.1 For the purposes of Section 175 of the Companies Act 2006, the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

100.2 Authorisation of a matter under Article 100.1 shall be effective only if:

- the matter in question shall have been proposed in writing for consideration at a meeting of the directors, in accordance with the board of directors’ normal procedures or in such other manner as the directors may determine;
- any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the “Interested Directors”); and
- the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

100.3 Any authorisation of a matter under Article 100.1 extends to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

100.4 Any authorisation of a matter under Article 100.1 shall be subject to such conditions or limitations as the directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the directors at any time. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation.

100.5 Subject to any conditions or limitations imposed under Article 100.4, a director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under Article 100.1 and any contract, transaction, arrangement or proposal relating thereto shall not be liable to be avoided on the grounds of any such benefit.

100.6 This Article does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company.
Directors may have interests

**101.1 Subject to** compliance with Article 101.2, a director, notwithstanding his office, may have an interest of the following kind:

- where a director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any **Relevant Company**;
- where a director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction, arrangement or proposal with a **Relevant Company**, or in which the **Company** is otherwise interested;
- where the director (or a person connected with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any **Relevant Company** (other than as auditor) whether or not he or it is remunerated therefor;
- an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- an interest, or a transaction, arrangement or proposal giving rise to an interest, of which the director is not aware;
- any matter already authorised under Article 100.1; or
- any other interest authorised by ordinary resolution.

No authorisation under Article 100.1 shall be necessary in respect of any such interest.

**101.2 Subject to** Sections 177 and 182 of the **Companies Act 2006** the director shall declare the nature and extent of any interest permitted under Article 101.1, and not falling within Article 101.3, at a meeting of the directors, by written declaration to the **Company** or in such other manner as the directors may determine.

**101.3 No declaration of an interest shall be required by a director in relation to an interest:**

- falling within the fourth, fifth and sixth bullet paragraph of Article 101.1;
- if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as being aware of anything of which they ought reasonably to be aware); or
- if, or to the extent that, it concerns the terms of his service contract (as defined in Section 227 of the **Companies Act 2006**) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these **Articles**.

**101.4 A director shall not, save as otherwise agreed by him, be accountable to the **Company** for any benefit which he (or a person connected with him) derives from any interest referred to in Article 101.1, and no contract, transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest.**

**101.5 For the purposes of this Article 101, "**Relevant Company**" shall mean the **Company**; a **subsidiary undertaking** of the **Company**; any **holding company** of the **Company** or a **subsidiary undertaking** of any such **holding company**; any body corporate promoted by the **Company**; or any body corporate in which the **Company** is otherwise interested.**
102 Restrictions on quorum and voting

102.1 Save as provided in this Article 102, and whether or not the interest is one which is authorised pursuant to Article 100.1 or permitted under Article 101.1, a director shall not be entitled to vote on any resolution in respect of any contract, transaction, arrangement or proposal, in which he (or a person connected with him) is interested. Any vote of a director in respect of a matter where he is not entitled to vote shall be disregarded.

102.2 A director shall not be counted in the quorum for a meeting of the directors in relation to any resolution on which he is not entitled to vote.

102.3 Subject to the provisions of the Companies Acts, a director shall (in the absence of some other interest than is set out below) be entitled to vote, and be counted in the quorum, in respect of any resolution concerning any contract, transaction, arrangement or proposal:

• in which he has an interest of which he is not aware;
• in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
• in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;
• which involves the giving of any security, guarantee or indemnity to the director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
• concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings (i) in which offer he is or may be entitled to participate as a holder of securities; or (ii) in the underwriting or sub-underwriting of which he is to participate;
• concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) is not the holder of, or beneficially interested in, one per cent. or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of the relevant body corporate;
• relating to an arrangement for the benefit of the employees or former employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;
• concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of directors or for the benefit of persons who include directors;
• concerning the giving of indemnities in favour of directors;
• concerning the funding of expenditure by any director or directors on (i) defending criminal, civil or regulatory proceedings or actions against him or them, (ii) in connection with an application to the court for relief, or (iii) defending him or them in any regulatory investigations;

• concerning the doing of anything to enable any director or directors to avoid incurring expenditure as described in the tenth bullet paragraph of this Article 102.3 immediately above; and

• in respect of which his interest, or the interest of directors generally, has been authorised by ordinary resolution.

102.4 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company (or any body corporate in which the Company is interested), the proposals may be divided and considered in relation to each director separately. In such case, each of the directors concerned (if not debarred from voting under the sixth bullet paragraph of Article 102.3) shall be entitled to vote, and be counted in the quorum, in respect of each resolution except that concerning his own appointment or the fixing or variation of the terms thereof.

102.5 If a question arises at any time as to whether any interest of a director prevents him from voting, or being counted in the quorum, under this Article 102, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive, except in a case where the nature or extent of the interest of such director has not been fairly disclosed. If any such question shall arise in respect of the chairman of the meeting, the question shall be decided by resolution of the directors and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the directors.

103 Confidential information

103.1 Subject to Article 103.2, if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required to disclose such information to the Company or to the directors, or to any director, officer or employee of the Company, or otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director.

103.2 Where such duty of confidentiality arises out of a situation in which the director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 103.1 shall apply only if the conflict arises out of a matter which has been authorised under Article 100.1 above or falls within Article 100 above.

103.3 This Article 103 is without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 103.
104 Directors’ interests — general

104.1 For the purposes of Articles 100 to 103:

- where the context permits, any reference to an interest includes a duty and any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- an interest of a person who is connected with a director shall be treated as an interest of the director; and
- Section 252 of the Companies Act 2006 shall determine whether a person is connected with a director.

104.2 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may, and shall if so requested by the directors, take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation:

- absenting himself from any meeting or part of a meeting of the directors at which the relevant situation or matter falls to be considered; and
- not reviewing documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

104.3 The Company may by ordinary resolution ratify any contract, transaction, arrangement or proposal, not properly authorised by reason of a contravention of any provisions of Articles 100 to 103.

DIRECTORS’ COMMITTEES

105 Delegating powers to committees

The directors can delegate any of their powers, or discretions, to committees of one or more directors. This includes powers or discretions relating to directors’ pay or giving benefits to directors. If the directors have delegated any power or discretion to a committee, any references in these Articles to using that power or discretion include its use by the committee. Any such delegation may be either collaterally with or to the exclusion of their own powers and the directors may revoke or alter the terms of any such delegation. Any such person or committee shall, unless the directors otherwise resolve, have power to sub-delegate any of the powers or discretions delegated to them. Any committee must comply with any regulations laid down by the directors. These regulations can require or allow people who are not directors to be co-opted onto the committee, and can give voting rights to co-opted members. However:

- there must be more directors on a committee than co-opted members; and
• a resolution of the committee is only effective if a majority of the members of the committee present at the time of the resolution were directors.

106 Committee procedure

If a committee includes two or more people, the Articles which regulate directors’ meetings and their procedure will also apply to committee meetings (if possible), unless these are inconsistent with any regulations for the committee which have been laid down under Article 105.

DIRECTORS’ POWERS

107 The directors’ management powers

107.1 The Company’s business will be managed by the directors. They can use all the Company’s powers except where the Articles, or the Companies Acts, provide that powers can only be used by the shareholders voting to do so at a General Meeting. The general management powers under this Article are not limited in any way by specific powers given to the directors by other Articles.

107.2 The directors are, however, subject to:
• the provisions of the Companies Acts;
• the requirements of these Articles; and
• any other requirements (whether or not consistent with these Articles) which are approved by the shareholders by passing a special resolution at a General Meeting.

However, if any change is made to these Articles or if the shareholders approve a requirement relating to something which the directors have already done which was within their powers, this will not invalidate any prior act of the directors which would otherwise have been valid.

108 Provision for employees on cessation or transfer of business

The directors may make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director, former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

109 The power to establish local boards

109.1 The directors can set up local committees, local boards or local agencies to manage any of the Company’s business. These can be either in or outside the United Kingdom. The directors can appoint, remove and re-appoint anybody (who need not be a director) to be:
• members of any local committee, board or agency; or
• managers or agents of the Company.
109.2 The directors can:

- decide on the pay and other benefits of people appointed under this Article;
- delegate any of their authority, powers or discretions to:
  - any local board or committee; or
  - any manager, or agent of the Company;
- allow local committees or boards, managers or agents to delegate to another person;
- allow the members of local committees, boards or agencies to fill any vacancies on them;
- allow the members of local committees, boards or agencies to continue to act even though there are vacancies on them;
- remove any people they have appointed under this Article; and
- cancel or change an appointment or delegation made under this Article, although this will not affect anybody who acts in good faith who has not had any notice of any cancellation or variation.

Any appointment or delegation by the directors which is referred to in this Article can be on any terms and conditions decided on by the directors.

109.3 A person who is employed by, or occupies an office with, the Company may be given a title which includes the words “Associate Director”. This will not imply that such person is a director of the Company or that he is entitled to act as a director or be deemed to be a director for the purposes of these Articles.

110 The power to appoint attorneys

110.1 The directors can appoint anyone (including the members of a group which changes over time) as the Company’s attorney or attorneys by granting a power of attorney or by authorising him or them in some other way. The attorney or attorneys can either be appointed directly by the directors, or the directors can give someone else the power to select attorneys. The directors can decide on the purposes, powers, authorities and discretions of attorneys.

110.2 The directors can decide for how long a power of attorney will last and they can apply any terms and conditions to it. The power of attorney can also include any provisions which the directors decide on for the protection and convenience of anybody dealing with the attorney. The power of attorney can also allow the attorney to sub-delegate any or all of his power, authority or discretion to any other person.

111 Bank mandates

The directors may by resolution authorise such person or persons as they think fit to act as signatories to any bank account of the Company and may amend or remove such authorisation from time to time by resolution.
112 Name

The Company may change its name by resolution of the directors.

113 Borrowing powers

So far as the Companies Acts allow, the directors can exercise all the powers of the Company to:

- borrow money;
- issue (subject to the provisions of the Companies Acts regarding authority to allot debentures convertible into shares) debentures and other securities; and
- give any form of:
  - guarantee; and
  - security, either outright or as collateral and over all or any of the Company’s undertaking, property and uncalled capital, for any debt, liability or obligation of the Company or of any third party.

114 Borrowing restrictions

114.1 The directors must:

- limit the Borrowings of the Company and
- exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings to ensure that the total amount of all Borrowings by the Group outstanding at any time will not exceed 1.5 times the Adjusted Total of Capital and Reserves at such time.

This limitation on Borrowings will only affect subsidiary undertakings to the extent that the directors can restrict the borrowings of the subsidiary undertakings by exercising the rights or powers of control which the Company has over its subsidiary undertakings. The Company may consent in advance to exceeding the borrowing limit by passing an ordinary resolution at a General Meeting.

114.2 In this Article:

- Group means the Company and its subsidiary undertakings for the time being;
- Adjusted Total of Capital and Reserves means the aggregate of the share capital and reserves as shown in the latest audited consolidated balance sheet of the Group (including the amount paid-up or credited as paid-up on the issued share capital of the Company, the share premium account, capital redemption reserve, profit and loss account and other reserves included within the Group’s equity shareholders’ funds) (the “Reserves”) but:
  - adjusted as appropriate in respect of any variation to the paid-up share capital or reserves since the date of the latest audited consolidated balance sheet as recorded within the monthly management accounting records of the Group.
Borrowings means the aggregate amount of all liabilities and obligations of the Group which in accordance with the accounting bases and principles of the Group are treated as borrowings in the latest audited consolidated balance sheet of the Group but:

- adding any amount which has been deducted at any time from the Reserves of the Group for goodwill arising on consolidation either by direct charge to Reserves or by charge to the Group’s consolidated profit and loss account; and
- making such other adjustments (if any) as the auditors of the Company consider appropriate.

The determination of the Company’s auditors as to the amount of the Adjusted Total of Capital and Reserves and the total amount of Borrowings at any time shall be conclusive and binding on all concerned and for the purposes of their computation the Company’s auditors may at their discretion make such further or other adjustments (if any) or determinations as they think fit. Nevertheless the directors may act in reliance on a bona fide estimate of the amount of the Adjusted Total of Capital and Reserves and the total amount of Borrowings at any time and if in consequence the borrowing limit is inadvertently exceeded an amount of borrowings equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Company’s auditors or otherwise the directors became aware that such a situation has or may have arisen.

No lender or other person dealing with the Group need be concerned whether the borrowing limit is observed. No debt incurred or security given in breach of the borrowing limit will be invalid or ineffective unless the lender or the recipient of the security had express notice at the time when the debt was incurred or security given, that the limit had been or would as a result be breached.

ALTERNATE DIRECTORS

Any director may appoint any person (including another director) to act in his place (such person is called an alternate director). Such appointment requires the approval of the
directors, unless the proposed alternate director is another director. A director appoints an alternate director by delivering an appointment notice signed, or authenticated in accordance with Article 141, by him (or in any other manner which has been approved by the directors) to the Registered Office. An alternate director need not be a shareholder.

115.2 The appointment of an alternate director ends if the director appointing him ceases to be a director, unless that director retires at a General Meeting at which he is re-elected under Article 85.1. A director can also remove his alternate by delivering a notice signed, or authenticated in accordance with Article 141, by him (or doing something else which has been approved by the directors) delivered to the Registered Office. An alternate director can also be removed as an alternate by a resolution of the directors.

115.3 An alternate director is entitled to receive notices of directors’ meetings once he has given the Company an address to which notices may be served on him. He is entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all functions of the director appointing him as a director. If he is himself a director or attends any such meeting as an alternate for more than one director, he will have one vote for each director for whom he acts as an alternate, in addition to his own vote as a director. However, he may not be counted more than once for the purposes of the quorum. If his appointor is temporarily unable to act through ill health or disability his signature of or authentication of any directors’ written resolution is as effective as the signature or authentication of his appointor.

115.4 If the directors decide to allow this, Article 115.3 also applies in a similar fashion to any meeting of a committee of which his appointor is a member.

115.5 An alternate director shall be an officer of the Company and shall alone be responsible to the Company for his own actions and mistakes. Except as said in this Article 115, an alternate director:

• does not have power to act as a director;
• is not considered to be a director for the purposes of the Articles;
• is not considered to be the agent of his appointor; and
• cannot appoint an alternate director.

115.6 Subject to the Companies Acts, an alternate director is entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be indemnified to the same extent as if he were a director. However, he is not entitled to receive from the Company as alternate director any pay, except only such part (if any) of the pay otherwise payable to his appointor as such appointor may direct the Company in writing to pay to his alternate.

THE SECRETARY

116 The Secretary and deputy and assistant secretaries

116.1 The Secretary is appointed by the directors. The directors decide on the terms and period of his appointment so long as allowed to do so by the Companies Acts. The directors can
116.2 The directors can also appoint one or more people to be deputy or assistant secretary. Anything which the Companies Acts allow to be done by or to the Secretary can, if there is no Secretary, or the Secretary is for any reason not capable of doing what is required of him, also be done by or to any deputy or assistant secretary. If there is no deputy or assistant secretary capable of acting, the directors can appoint any officer to do what would be required of the deputy or assistant secretary.

117 The Seal

117.1 The directors are responsible for arranging for the Common Seal and any Securities Seal to be kept safely. The Common Seal and any Securities Seal can only be used with the authority of the directors or of a committee authorised by the directors to use it. The Securities Seal can be used only for sealing securities issued by the Company in certificated form and sealing documents creating or evidencing securities issued by the Company.

117.2 Subject to the provisions of these Articles which relate to share certificates, every document which is sealed using the Common Seal must be signed personally by:
   • one director and the Secretary; or
   • two directors; or
   • by a director or any other persons who are authorised to do so by the directors in the presence of a witness who attests to the signature.

117.3 Where a signature is required to witness the Common Seal, the directors may decide that the individual need not sign the document personally but that his signature may be printed on it mechanically, electronically or in any other way the directors approve.

117.4 Securities and documents which have the Securities Seal stamped on them do not need to be signed unless the directors or the Companies Acts require this.

117.5 The directors can use all the powers given by the Companies Acts relating to official seals for use abroad.

117.6 Certificates for debentures or other securities of the Company may be printed in any way and may be sealed and/or signed for in any manner allowed by these Articles.

117.7 As long as it is allowed by the Companies Acts, any document signed by:
   • one director and the Secretary; or
   • by two directors; or
   • one director in the presence of a witness who attests to the signature,
and expressed to be entered into by the Company shall have the same effect as if it had been made effective by using the Common Seal.
118 Establishing that documents are genuine

118.1 Any director, or the Secretary, has power to identify as genuine any of the following and to certify copies or extracts from them as true copies or extracts:

- any documents relating to the Company’s constitution;
- any resolutions passed by the shareholders or any class of shareholders, or by the directors or by a committee of the directors; and
- any books, documents, records or accounts which relate to the Company’s business.

The directors can also delegate this power to other people.

118.2 When any books, documents, records or accounts are not kept at the Registered Office, the officer of the Company who has custody of them is treated as a person who has been authorised by the directors to identify them as genuine and to provide certified copies or extracts from them.

118.3 A document which appears to be a copy of a resolution or an extract from the minutes of any meeting, and which is certified as a copy or extract as described in Article 118.1 or 118.2 is conclusive evidence for anyone who deals with the Company on the strength of the document that:

- the resolution has been properly passed; or
- the extract is a true and accurate record of the proceedings of a valid meeting.

DIVIDENDS

119 Final dividends

The directors may recommend the amount of any final dividend. The shareholders can then declare dividends by passing an ordinary resolution, but the amount declared cannot exceed the amount recommended by the directors.

120 Fixed and interim dividends

120.1 If the directors consider that the profits of the Company justify such payments, they can pay:

- fixed dividends on any class of shares carrying a fixed dividend on the dates fixed for the payment of those dividends; and
- interim dividends on shares of any class of any amounts and on any dates and for any period which they decide.

120.2 If the directors act in good faith, they are not liable to any shareholders for any loss they may suffer because a lawful dividend (whether fixed or interim) has been paid under this Article on other shares which rank equally with or behind their shares.
Dividends not in cash

If the directors recommend this, shareholders can pass an ordinary resolution to direct all or part of a dividend to be paid by distributing specific assets (and in particular paid-up shares or debentures of any other company) rather than cash. The directors must give effect to that resolution. Where any difficulty arises on the distribution and valuation of the assets, the directors can settle it as they decide. In particular, they can:

- issue fractional certificates;
- value assets for distribution purposes;
- pay cash of a similar value to adjust the rights of persons entitled to the dividend; and/or
- transfer any assets to trustees for persons entitled to the dividend.

Calculation and currency of dividends

122.1 All dividends will be divided and paid in proportions based on the amounts which have been paid-up on the shares during any period for which the dividend is paid. Sums which have been paid-up in advance of calls do not count in calculating the amount of a dividend to be paid on a share. If the terms on which any share is issued provide that such share will be entitled to a dividend as if it were a fully-paid-up, or partly-paid-up, share from a particular date (in the past or the future), it will be entitled to a dividend on this basis. This Article applies unless the rights attached to any shares, or the terms of any shares, provide otherwise.

122.2 Unless the rights attached to any shares, or the terms of any shares, or the Articles provide otherwise, a dividend, or any other money payable in respect of any share, can be paid to a shareholder in whatever currency the directors decide, using an appropriate exchange rate selected by the directors for any currency conversions which are required.

122.3 The directors can decide that a particular Approved Depository should be able to receive dividends in a currency other than the currency in which it is declared and can make arrangements accordingly. In particular, if an Approved Depository has chosen or agreed to receive dividends in another currency, the directors can make arrangements with the Approved Depository for payment to be made to the Approved Depository for value on the date on which the relevant dividend is paid, or a later date decided on by the directors.

Deducting amounts owing from dividends and other money

If a shareholder owes any money for calls on shares, or money relating in any other way to shares, the directors can deduct any of this money (as long as it is immediately payable) from:

- any dividend on any shares held by the shareholder; or
- any other money payable by the Company in connection with the shares.

Money deducted in this way can be used to pay amounts owed to the Company in connection with the shares.
124 Payments to shareholders

124.1 Any dividend or other money payable in connection with the shares must be paid to:

- the holder of that share;
- if the share is held by more than one person, whichever of the joint holders’ names appears first in the Register;
- if the member is no longer entitled to the share, the person or persons who have become automatically entitled to the shares by law; or
- such other person or persons as the member (or, in the case of joint holders of a share, all of them) may direct.

124.2 Any dividend or other money payable in cash (whether in sterling or foreign currency) relating to a share can be paid by such method as the directors, in their absolute discretion, may decide. Different methods of payment may apply to different shareholders or groups of shareholders (such as overseas shareholders). Without limiting any other method of payment which the Company may adopt, the directors may decide that payment can be made wholly or partly:

- by inter-bank transfer, electronic form, electronic means or by such other means approved by the directors directly to an account (of a type approved by the directors) as instructed by the shareholder or the joint shareholders; or
- by cheque or warrant or any other similar financial instrument made payable to the shareholder who is entitled to it and sent direct to his registered address or, in the case of joint shareholders, to the shareholder who is first named in the Register and sent direct to his registered address, or to someone else named in an instruction from the shareholder (or from all joint shareholders).

124.3 If the directors decide that payments will be made by electronic transfer to an account (of a type approved by the directors) nominated by a shareholder or joint shareholders, but no such account is nominated by the shareholder or joint shareholders or an electronic transfer into a nominated account is rejected or refunded, the Company may credit the amount payable to an account of the Company to be held until the shareholder nominates a valid account.

124.4 An amount credited to an account under Article 124.3 is to be treated as having been paid to the shareholder at the time it is credited to that account. The Company will not be a trustee of the money and no interest will accrue on the money.

124.5 The Company will not pay interest on any dividend or other money due to a shareholder in respect of his shares, unless the rights of the shares provide otherwise.

124.6 Payment by electronic transfer, cheque or warrant, or in any other way, is made at the risk of the people who are entitled to the money. The Company is treated as having paid a dividend if a payment using electronic or other means approved by the directors is made in accordance with instructions given by the Company or if such a cheque or warrant is cleared. The Company will not be responsible for a payment which is lost or delayed.

124.7 For joint shareholders, the Company can rely on a receipt for a dividend or other money paid on shares from any one of them.
125 Record dates for payments and other matters

Any dividend or distribution on shares of any class can be paid to the holder or holders of the shares shown on the Register, at the close of business on whatever day may be provided in the resolution declaring the dividend or providing for the distribution. The dividend or distribution will be based on the number of shares registered on that day. This Article applies whether what is being done is the result of a resolution of the directors or a resolution passed at a General Meeting. The date can be before any relevant resolution was passed. This Article does not affect the rights to the dividend or distribution as between past and present shareholders.

126 No interest on dividends

No interest is payable on any dividend or other money payable in connection with the shares unless the terms of issue of those shares or the provisions of any agreement between the Company and the shareholders provide otherwise.

127 Retention of dividends

127.1 The directors may retain all or part of any dividend or other money payable in connection with the shares on which the Company has a lien in respect of which a notice has been issued following non-payment of a call in accordance with Article 23.

127.2 The Company must use any amounts retained under Article 127.1 towards satisfaction of the moneys payable to the Company in respect of that share.

127.3 The Company must notify the person otherwise entitled to payment of the sum that it has been retained and how the retained sum has been used.

127.4 The directors may retain the dividends payable upon shares:

- in respect of which any person is entitled to become a member pursuant to Article 41 until such person shall become a member in respect of such shares; or
- which any person is entitled to transfer pursuant to Article 44 until such person has transferred those shares.

128 Dividends which are not claimed

128.1 If an amount is held in an account pursuant to Article 124.3, or a payment made by cheque, warrant or any other written financial instrument for an amount payable under Article 124.2 has not been claimed, for one year after the passing of either the resolution passed at a General Meeting declaring that dividend or the resolution of the directors providing for payment of that dividend, the directors may invest the dividend or use it in some other way for the benefit of the Company until the dividend is claimed. If a dividend has not been claimed for 12 years after either the passing of the relevant resolution either declaring that dividend or providing for payment of that dividend, it will be forfeited and belong to the Company again.

128.2 If an amount is held in an account pursuant to Article 124.3, or a cheque, warrant or other written financial instrument for an amount payable under Article 124.2 has been sent back or is not cashed, for two dividends in a row, the Company can stop paying dividends. If the
shareholder or a person automatically entitled to the shares by law claims those dividends in writing (before they are forfeited under Article 128.1), the Company must start paying dividends by any payment method approved by the directors in accordance with Article 124.

129 Waiver of dividends

Where a shareholder wants to waive his entitlement to all or any part of a dividend, he may do so by delivering a notice in writing to that effect, signed, or authenticated in accordance with Article 141, by him, to the Company. If appropriate, the notice in writing may be signed, or authenticated in accordance with Article 141, by whoever has become automatically entitled to the shares by law. For the waiver to be effective, the Company must accept the notice in writing and act on it. The Company may, however, decline to act on the notice in writing and continue to pay dividends to the shareholder accordingly.

CAPITALISING RESERVES

130 Capitalising reserves

130.1 Subject to any special rights attaching to any class of shares, the shareholders can pass an ordinary resolution to allow the directors to change into capital any sum which:

- is part of any of the Company’s reserves (including premiums received when any shares were issued, capital redemption reserves or other undistributable reserves); or

- the Company is holding as undistributed profits.

130.2 Unless the ordinary resolution states otherwise the directors will use the sum which is changed into capital for the Ordinary Shareholders on the Register at the close of business on the day the resolution is passed (or another date stated in the resolution or fixed as stated in the resolution). The sum set aside must be used to pay up in full shares of the Company and to allot such shares and distribute them to holders of Ordinary Shares as bonus shares in proportion to their holdings of Ordinary Shares at the time. The shares can be Ordinary Shares or, if the rights of other existing shares allow this, shares of some other class.

130.3 If any difficulty arises in operating this Article, the directors can, subject to the Companies Act 2006 and the CREST Regulations, resolve it in any way which they decide. For example they can deal with entitlements to fractions of a share. They can decide that the benefit of fractions of a share belongs to the Company or that fractions of a share are ignored or deal with fractions of a share in some other way.

130.4 The directors can appoint any person to sign any contract with the Company on behalf of those who are entitled to shares under the resolution. Such a contract is binding on all concerned.

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SCRIP DIVIDENDS

131 Ordinary Shareholders can be offered the right to receive extra shares instead of cash dividends

131.1 The directors can offer Ordinary Shareholders the right to choose to receive extra Ordinary Shares, which are credited as fully-paid shares instead of some or all of their cash dividend. Before they can do this, the shareholders must have passed an ordinary resolution authorising the directors to make this offer.

131.2 The ordinary resolution can apply to a particular dividend or dividends (whether declared or not). Alternatively, it can apply to some or all of the dividends which may be declared or paid in a specified period. The specified period must end no later than five years after the ordinary resolution is passed. The directors can (without the need for any further ordinary resolution) offer rights of election in respect of any dividend declared or proposed after the date these Articles are adopted and at, or prior to, the next Annual General Meeting.

131.3 The directors can offer Ordinary Shareholders or persons automatically entitled by operation of law the right to request new Ordinary Shares instead of cash for:
  • the next dividend proposed to be paid; or
  • in respect of that dividend or all future dividends (if shares are made available as an alternative to a cash dividend), until they tell the Company that they no longer wish to receive new Ordinary Shares, or the authority given under Article 131.1 expires and is not renewed (whichever happens earlier).

The directors can also allow Ordinary Shareholders to choose between these alternatives.

131.4 An Ordinary Shareholder opting for new shares is entitled to Ordinary Shares whose total relevant value is as near as possible to the cash dividend (disregarding any tax credit) he would have received, but no greater than such cash dividend.

131.5 The relevant value of an Ordinary Share is a value calculated in the manner set out in the ordinary resolution or, if the ordinary resolution does not set out how the relevant value of an Ordinary Share is to be calculated, then the relevant value of an Ordinary Share is the average value of the Ordinary Shares for the five dealing days starting from, and including, the day when the shares are first quoted “ex dividend”. This average value is worked out from the average middle market quotations for the Ordinary Shares on the London Stock Exchange, as published in its Daily Official List. A certificate or report from the Company’s auditors as to the amount of the relevant value will be conclusive evidence of that amount.

131.6 After the directors have decided to apply this Article to a dividend, they must notify eligible Ordinary Shareholders in writing of their right to choose new Ordinary Shares. Where Ordinary Shareholders have already chosen to receive new Ordinary Shares in place of all cash future dividends, if new Ordinary Shares are available, the Company will not notify them of a right to receive new Ordinary Shares. Instead, the Company will remind them that they have already chosen to receive new Ordinary Shares and explain to them how to tell the Company if they wish to start receiving cash dividends again.
131.7 The directors can set a minimum number of Ordinary Shares in respect of which the right to choose new Ordinary Shares can be exercised. No Ordinary Shareholder or person who is automatically entitled to an Ordinary Share by law will receive a fraction of a share. The directors can decide how to deal with any fractions left over and the Company can, if the directors decide, receive the benefit of any or all of these.

131.8 The directors can exclude or restrict the right to choose new Ordinary Shares, or make any other arrangements where they decide that:

- this is necessary or convenient to deal with any legal or practical problems in relation to holders of Ordinary Shares with registered addresses in any particular territory under the laws of any territory, or requirements of any recognised regulatory body or stock exchange in any territory; or

- special formalities would otherwise apply in connection with the offer of new Ordinary Shares (including Ordinary Shares being represented by American Depositary Shares); or

- it would be impractical or unduly onerous to give the right to any Ordinary Shareholder or that for some other reason the offer should not be made to them.

131.9 The directors can exclude or restrict the right to choose new Ordinary Shares in the case of any shareholder who is an Approved Depositary or a nominee for an Approved Depositary. They can do this if the offer or exercise of the right to or by the people on whose behalf the Approved Depositary holds the shares would suffer from legal or practical problems of the kind mentioned in Article 131.8. If other Ordinary Shareholders (other than those excluded under Article 131.8) have the right to choose new Ordinary Shares, the directors must be satisfied that an appropriate dividend reinvestment plan or similar arrangement is available to a substantial majority of the people on whose behalf the Approved Depositary holds shares or that such arrangements will be available promptly. The first sentence of this Article 131.9 does not apply until the directors are satisfied of this.

131.10 If an Ordinary Shareholder chooses to receive new Ordinary Shares, no dividend on the Ordinary Shares for which he has chosen to receive new Ordinary Shares (which are called the elected shares), will be declared or payable. Instead, new Ordinary Shares will be allotted on the basis set out earlier in this Article. To do this the directors will convert into capital a sum equal to the total nominal value of the new Ordinary Shares to be allotted. They will use this sum to pay up in full the appropriate number of new Ordinary Shares. These will then be allotted and distributed to the holders of the elected shares as set out above. The sum to be converted into capital can be taken from any amount which is then in any reserve or fund (including the share premium account, any capital redemption reserve and the profit and loss account). Article 130 applies to this process, so far as it is consistent with this Article 131.

131.11 The new Ordinary Shares rank equally in all respects with the existing fully-paid-up Ordinary Shares at the time the new Ordinary Shares are allotted. The new Ordinary Shares are not entitled to share in the dividend from which they arose or any other dividend or distribution or other entitlement which has been declared, made or paid or is payable by reference to such record date or earlier record date.

131.12 Unless the directors decide otherwise or the CREST Regulations or the rules of a relevant system require otherwise, any new Ordinary Shares which an Ordinary Shareholder has chosen to receive instead of some or all of his cash dividend will be:
• shares in uncertificated form if the corresponding elected shares were uncertificated shares on the record date for that dividend; and
• shares in certificated form if the corresponding elected shares were shares in certificated form on the record date for that dividend.

131.13 The directors can decide that new Ordinary Shares will not be available in place of any cash dividend. They can decide this at any time before new Ordinary Shares are allotted in place of such dividend, whether before or after Ordinary Shareholders have chosen to receive new Ordinary Shares.

131.14 The directors have the power to do all acts and things they consider necessary to give effect to this Article.

ACCOUNTS

132 Accounting and other records

132.1 The directors must make sure that proper accounting records that comply with the Companies Acts are kept. These records must explain the Company’s transactions and show its financial position at any time with reasonable accuracy.

133 Location and inspection of records

133.1 The accounting records must be kept:
• at the Registered Office; or
• at any other place which the Companies Acts allow and the directors decide on.

133.2 The Company’s officers always have the right to inspect the accounting records.

133.3 No shareholder (other than a shareholder who is also an officer) has any right to inspect any books or papers of the Company unless:
• the Companies Acts or a proper court order give him that right; or
• the directors authorise him to do so; or
• he is authorised by an ordinary resolution to do so.

COMMUNICATIONS WITH SHAREHOLDERS

134 Serving and delivering notices and other documents

134.1 To the extent permitted and unless required otherwise by the Companies Acts, any other Act applying to the Company or these Articles, the Company can send, serve, supply or deliver any offer, notice, information or any other document, including a share certificate, on or to a shareholder:
• personally:
by posting it in a letter (with postage paid) to the shareholder’s registered address or by causing it to be left at that address in some other way; or

- by electronic means and/or by making such offers, notices, information or documents available on a website.

134.2 The Company Communication Provisions have effect, subject to the provisions of Articles 137, 138 and 141, for the purposes of any provisions of the Companies Acts or these Articles that authorise or requires offers, notices, information or any other documents to be sent, served, supplied or delivered by or to the Company.

134.3 Articles 134 to 141 do not affect any provision of the Companies Acts requiring offers, notices, information or documents to be sent, served, supplied or delivered in a particular way.

135 Notices to joint holders

135.1 Anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the Register in respect of the share.

135.2 If more than one joint holder gives instructions or notifications to the Company pursuant to these Articles then save where these Articles specifically provide otherwise, the Company shall only recognise the instructions or notifications of whichever of the joint holders’ names appears first in the Register.

135.3 Any offer, notice, information or any other document which is authorised or required to be sent or supplied to joint holders of a share may be sent or supplied to the joint holder whose name stands first in the Register in respect of the share, to the exclusion of the other joint holders. For such purpose, a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices may, subject to any Act applying to the Company, be disregarded.

135.4 The provisions of this Article shall have effect, subject to the Companies Acts, in place of the Company Communications Provisions regarding notices to joint holders.

136 Notices for shareholders with foreign addresses

Subject to the Companies Acts and any other Act applying to the Company, the Company shall not be required to send offers, notices, information or any other documents to a shareholder who (having no registered address within the United Kingdom) has not supplied to the Company a postal address within the United Kingdom for the service of notices.

137 When notices are served

137.1 If an offer, notice, information or any other document is delivered or served by hand, it is treated as being delivered or served at the time it is handed to the shareholder or left at his registered address.
137.2 If an offer, notice, information or any other document (including a share certificate) is sent or supplied by the **Company** in hard copy form, or in electronic form, but to be delivered other than by **electronic means**, and which is sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours after the time it was posted, and in proving such receipt it shall be sufficient to show that such offer, notice, information or other document was properly addressed, pre-paid and posted.

137.3 If an offer, notice, information or any other document is sent or supplied by the **Company** by **electronic means** it shall be deemed to have been received by the intended recipient two hours after it was transmitted, and in proving such receipt it shall be sufficient to show that such offer, notice, information or other document was properly addressed.

137.4 If an offer, notice, information or any other document is sent or supplied by the **Company** by means of a website it shall be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

137.5 This Article shall have effect, **subject to** any mandatory provision of the **Companies Acts** and any other **Act** applying to the **Company**, in place of the **Company Communications Provisions** relating to when offers, notices, information or any other documents are deemed delivered.

138 Serving notices and documents on shareholders who have died or are bankrupt

138.1 A person who claims to be entitled to a share in consequence of the death or bankruptcy of a **shareholder** or otherwise by operation of law shall supply to the **Company**:

- such evidence as the directors may reasonably require to show his title to the share; and
- an address within the **United Kingdom** for the service of notices,

whereupon he shall be entitled to have served upon or delivered to him at such address any offer, notice, information or any other document to which the said **shareholder** would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such offer, notice, information or any other document on all persons interested (whether jointly with or claiming through or under him) in the share.

138.2 Save as provided by Article 138.1, any offer, notice, information or any other document delivered or sent to the address of any **shareholder** in pursuance of these **Articles** shall, notwithstanding that such **shareholder** be then dead or bankrupt or in liquidation, and whether or not the **Company** has notice of his death or bankruptcy or liquidation, be deemed to have been duly delivered or sent in respect of any share registered in the name of such **shareholder** as sole or first-named joint holder.

138.3 The provisions of this Article shall have effect in place of the **Company Communications Provisions** regarding the death or bankruptcy of a holder of **shares** in the **Company**.
139 If documents are accidentally not sent or the postal services are suspended
139.1 The accidental failure to send, or the non-receipt by any person entitled to any offer, notice, information or any other document relating to any meeting or other proceeding shall not invalidate the meeting or other proceeding.
139.2 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable to give notice by post in hard copy form of a shareholders' meeting, such notice shall be deemed to have been given to all shareholders entitled to receive such notice in hard copy form if such notice is advertised in at least one national newspaper and such notice shall be deemed to have been given on the day when the advertisement appears. In any such case, the Company shall (i) make such notice available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof and (ii) send confirmatory copies of the notice by post to such shareholders if at least seven days prior to the meeting the posting of notices again becomes practicable.

140 When entitlement to notices stops
140.1 If the Company sends a notice or other communication to a shareholder on two separate occasions during a 12-month period and each of them is returned undelivered or the Company receives notification that such notice or other communication has not been delivered in each case then that shareholder will not be entitled to receive notices or other communications from the Company.
140.2 A shareholder who has ceased to be entitled to receive notices or communications from the Company pursuant to Article 140.1 becomes entitled to receive a notice or communication again by supplying the Company with:
   • a new postal address; or
   • an electronic address,
   for the service of notices.
140.3 For the purposes of this Article 140, references to a communication include references to any method of payment; but nothing in this Article 140 will entitle the Company to stop sending any dividend by any means, unless the Company is also entitled to do so under Article 128.2.

141 Signature or authentication of documents sent electronically
141.1 Where these Articles require an offer, notice, information or any other document to be signed or authenticated by a shareholder or any other person then any such offer, notice or other document sent or supplied in electronic form or by means of a website shall be sufficiently authenticated in any manner authorised by the Company Communications Provisions or in such other manner approved by the directors.
141.2 The directors may determine procedures for validating offers, notices, information or any other documents sent or supplied in electronic form or by means of a website, and any offer, notice, information or any other document, not validated in accordance with such procedures shall be deemed not to have been received by the Company.
142 Minutes

142.1 The directors must ensure that minutes are entered in books kept for the purpose of:
- all appointments of officers made by the directors;
- the names of the directors present at each directors’ meeting and of any committee of the directors;
- all resolutions and proceedings at all General Meetings of the Company, the holders of any class of shares in the Company, the directors and any committees of the directors.

142.2 If any such minute purports to be signed or authenticated by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting this shall be conclusive evidence of the proceedings.

WINDING UP

143 Directors’ power to petition

The directors can present a petition to the Court in the name and on behalf of the Company for the Company to be wound up.

DESTROYING DOCUMENTS

144 Destroying documents

144.1 The Company can destroy all:
- forms of transfer of shares, and documents sent to support a transfer, and any other documents which were the basis for making an entry on the Register, after six years from the date of registration;
- dividend payment instructions and notifications of a change of address or name, after two years from the date these were registered;
- cancelled share certificates, one year after the date they were cancelled; and
- proxy appointments from one year after the end of the meeting to which the appointment relates.

144.2 A document destroyed in accordance with Article 144.1 is conclusively treated as having been a valid and effective document in accordance with the Company’s records relating to the document. Any action of the Company in dealing with the document in accordance with its terms before it was destroyed is conclusively treated as properly taken.

144.3 Articles 144.1 and 144.2 only apply to documents which are destroyed in good faith and if the Company has not been informed that keeping the documents is relevant to any claim.
144.4 For documents relating to shares in uncertificated form, the Company must also comply with any rules (as defined in the CREST Regulations) which limit its ability to destroy these documents.

144.5 This Article does not make the Company liable if it:
- destroys a document earlier than referred to in Article 144.1; or
- would not be liable if this Article did not exist.

144.6 The Company can, subject to the Companies Acts, destroy a document earlier than the dates mentioned in Article 144.1 if the Company makes a permanent record (whether made electronically or by any other means) of that document before it is destroyed.

144.7 This Article applies whether a document is destroyed or disposed of in any other manner.

DIRECTORS’ LIABILITIES

145 Indemnity

145.1 Subject to the provisions of, and so far as may be permitted by and consistent with, the Companies Acts, rules made by the UK Listing Authority and local law as applicable, every director, Secretary and officer of the Company and of each Associated Company of the Company may be indemnified by the Company out of its own funds against:
- any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company other than in the case of a director of the Company or any Associated Company:
  (i) any liability to the Company or any Associated Company; and
  (ii) any liability of the kind referred to in Section 234(3) of the Companies Act 2006; and
- any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

145.2 Subject to the provisions of, and so far as may be permitted by and consistent with, the Companies Acts, the rules of the UK Listing Authority and local law as applicable, every director, Secretary and officer of the Company and of each Associated Company of the Company may be indemnified by the Company out of its own funds against:
- any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company, if it is the trustee of an occupational pension scheme (within the meaning of Section 235(6) of the Companies Act 2006), in so far as such liability relates to the Company’s or any such Associated Companies’ activities as trustee of such occupational pension scheme and other than in the case of a director of the Company or any Associated Company any liability of the kind referred to in Section 235(3) of the Companies Act 2006; and
145.3 Where a director, Secretary or officer is indemnified against any liability in accordance with this Article 145, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

145.4 In this Article Associated Company shall have the meaning given by Section 256 of the Companies Act 2006.

145.5 So far as the Companies Acts allow, the Secretary and other officers, who are not directors of the Company or an Associated Company of the Company are exempted from any liability to the Company or any Associated Company of the Company where that liability would be covered by the indemnity in Article 145.1.

146 Insurance and defence funding

146.1 For the purpose of this Article each of the following is a Relevant Company:

- the Company;
- any holding company of the Company;
- any company in which the Company or its holding company or any of the predecessors of the Company or of its holding company has or had any interest, whether direct or indirect; and
- any company which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or such other company.

146.2 Without limiting Article 145 in any way, the directors can arrange for the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time:

- directors, officers or employees of any Relevant Company; or
- trustees of any pension fund or employees’ share scheme in which employees of any Relevant Company are interested.

This includes, for example, insurance against any liability incurred by them for any act or omission:

- in performing or omitting to perform their duties; and/or
- in exercising or omitting to exercise their powers; and/or
- in claiming to do any of these things; and/or
- otherwise in relation to their duties, powers or offices.

146.3 Subject to the provisions of and so far as may be permitted by the Companies Act 2006, rules made by the UK Listing Authority and local law as applicable, the Company:
• may provide a director, Secretary or officer of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by him in:
  (i) defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company; or
  (ii) in connection with any application for relief under the provisions mentioned in Section 205(5) of the Companies Act 2006;
and
• may do anything to enable any such director, Secretary or officer to avoid incurring such expenditure.

146.4 The terms set out in Section 205(2) of the Companies Act 2006 shall apply to any provision of funds or other things done under Article 146.3.

146.5 Subject to the provisions of and so far as may be permitted by the Companies Acts, rules made by the UK Listing Authority and local law as applicable, the Company:
• may provide a director, Secretary or officer of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company; and
• may do anything to enable any such director, Secretary or officer to avoid incurring such expenditure.

146.6 In this Article Associated Company shall have the meaning given thereto by Section 256 of the Companies Act 2006.

SHARE WARRANTS

147 Issue of Share Warrants

147.1 The Company can issue Share Warrants which state that the bearer of the Share Warrant ("Bearer") is entitled to the shares specified in the Share Warrant. The Company can only do this in a way which is allowed under the Companies Acts and in Articles 147 to 154. Share Warrants can provide for the payment of future dividends and other distributions relating to the shares. Payment can be made by exchanging coupons which can be attached to the Share Warrants, or in any other way which the directors determine.

147.2 The Bearer of a Share Warrant is entitled to the number of shares which are specified in it. These shares can be transferred by one person delivering the Share Warrant to another.

147.3 Subject to Article 147.2, the provisions of the Articles relating to share certificates and transferring shares do not apply to Share Warrants.

147.4 Each Share Warrant must be issued under the Seal.
147.5 The directors can decide on the language and form of, and the number of shares represented by, each Share Warrant. Subject to the Articles, the directors can vary the conditions of issue of any Share Warrant from time to time.

148 Directors can accept a certificate instead of a Share Warrant

148.1 The directors can accept a certificate from the persons referred to in Article 148.2 stating that they hold Share Warrants on behalf of someone named in the certificate as proof of matters set out in such certificate. The certificate will be in such form as the directors decide (including details of the number of shares to which the Share Warrant relates).

148.2 The only people who may deliver a certificate to the Company are the ADR Depositary or any bank or agent which has been appointed by the Company. For the purposes of Articles 147 to 153, the Company can treat the deposit of the certificate as though the Share Warrant itself had been deposited at the Transfer Office.

148.3 As long as the certificate is in a form agreed by the directors, the Company does not need to make any further enquiry into the accuracy of the information contained in the certificate.

149 Requesting a Share Warrant

149.1 A Share Warrant will only be issued if a shareholder requests in writing that a Share Warrant is issued for some or all of the shares which are registered in his name.

149.2 The request must be addressed to the directors at the Transfer Office. The directors can specify the form of the request, and can require that evidence is sent with the request to prove the identity of the person making the request and his right to the shares. The directors do not have to agree to this request.

149.3 Where a shareholder requests that Share Warrants are issued in relation to shares registered in his name, and there are share certificates in respect of those shares, a Share Warrant will only be issued once the share certificates have been delivered to the Transfer Office for cancellation.

149.4 A person who requests a Share Warrant (including a person requesting a Share Warrant in the circumstances described in Article 150) is responsible (and will re-imburse the Company) for all and any stamp duties, stamp duty reserve tax, bearer instrument duty, taxes, charges, fees, interest and penalties payable in connection with the issue of the Share Warrants. This Article 149.4 applies unless the person requesting the Share Warrant agrees otherwise with the Company.

150 Replacing Share Warrants

150.1 If a Share Warrant is damaged or defaced, the Bearer can request a new one, once he returns the damaged or defaced Share Warrant to the directors at the Transfer Office. Once any payments of the types described in Article 149.4 are made (if any), a new Share Warrant will be issued.

150.2 If a Share Warrant is said to have been lost, stolen or destroyed, the directors can issue a replacement (although they do not have to do so). The directors can require satisfactory evidence of the loss, theft or destruction, an indemnity, the payment of any exceptional out
of pocket expenses, and payments of the types described in Article 149.4 before issuing a replacement.

150.3 The Bearer can ask the directors to cancel his existing Share Warrant and replace it with two (or more) Share Warrants which together represent the same number of shares which the original single Share Warrant represented. The directors do not have to comply with this request. If they do, the Bearer will have to surrender his original Share Warrant and can be required by the directors to make any payments of the types described in Article 149.4 before the new Share Warrants are issued.

151 Rights of the Bearer

151.1 The Bearer (or a person who has deposited his Share Warrant in accordance with Article 151.2 or if the directors so decide, Article 148.2) shall be entitled to the same rights and be subject to the same obligations as those to which he would be entitled or subject if he were the registered holder of the shares to which the Share Warrant relates. This is subject to the provisions of Articles 147 to 154.

151.2 Where a Bearer deposits his Share Warrant, together with a declaration in writing giving his name and address, at the Transfer Office (or some other place specified by the directors) he has certain rights at any General Meeting (or some other place specified by the directors) he has certain rights at any General Meeting provided that such Share Warrant is deposited at least 48 hours in advance of such meeting. For as long as the Share Warrant remains so deposited, the person who deposited it will have the following rights as if he were the registered holder from the time of deposit of the shares specified in the Share Warrant at a General Meeting:

- the right to sign a form requiring a General Meeting;
- the right to give notice of his intention to submit a resolution at a General Meeting;
- the right to attend, speak and vote, appoint a proxy and exercise the other rights of a shareholder at a General Meeting.

151.3 Any Share Warrant which is deposited in accordance with Article 151.2 must remain deposited until the end of the General Meeting at which the person who deposited the Share Warrant desires to attend or be represented.

151.4 If a person presents a Share Warrant at the Transfer Office, the Company is entitled to assume that this person is the owner of the Share Warrant. The Company can pay dividends or moneys relating to the shares specified in the Share Warrant which are due to this person either to such person or to an account specified by him. If the Company does this, it shall have performed its obligation to pay that dividend or those moneys.

152 Bearers of Share Warrants participating in securities offers

152.1 In the case of a securities offer, there is no need to contact any Bearer individually. Instead, all the Company need do is advertise the details of the securities offer in a leading United Kingdom national daily newspaper (and any other newspapers the directors decide on).

152.2 If, following the publication of the advertisement referred to above, the Bearer deposits the Share Warrant (or, if appropriate, the coupon attached to the Share Warrant) at the Transfer Office (or some other place mentioned in the advertisement), within the time limit
set out in the securities offer, he shall have the same right to participate in the securities offer as if he were the registered holder of the shares specified in the Share Warrant.

152.3 For the purposes of this Article, a securities offer means an offer of shares, securities or debentures to shareholders or any class of shareholders, or a proposed issue of shares pursuant to Article 130.

153 Communications with Bearers of Share Warrants

153.1 In the case of any communication (for example, a notice of General Meeting, a circular or annual report) with shareholders, there is no need for the Company to contact any Bearer individually. Instead, all the Company need do is advertise the communication in a leading United Kingdom national daily newspaper (and any other newspapers the directors decide on), giving an address where copies of the communication may be obtained by the Bearer.

153.2 The Company must communicate with the Bearer in a different way, if the London Stock Exchange requires this.

154 Issuing shares to which the Share Warrant relates

154.1 The Bearer can ask to be registered as a shareholder (or that another person be so registered) in respect of all or any of the shares specified in the Share Warrant. In order to do so he must deposit at the Transfer Office (or another place specified by the directors):
   • the Share Warrant; and
   • a signed declaration in a form agreed by the directors which sets out the names and addresses of the persons, and the numbers of shares, in whose name he wishes such shares to be registered.

154.2 The Company will comply with a request made in accordance with Article 154.1 only upon the payment (or reimbursement) by the Bearer of all and any stamp duties, stamp duty reserve tax, bearer instrument duty, taxes, charges, fees, interest and penalties payable in connection with the issue of the shares. The Company may, however, agree that any such taxes or costs do not have to be paid by the Bearer.

154.3 If the Company complies with a request made in accordance with Article 154.1, the person named in the declaration will be entitled to have his name entered as a member in the Register in respect of the shares specified in the declaration and to receive a share certificate for them. The time limit for the Company to prepare a share certificate under this Article 154.3 is two months from the decision to comply with a request made in accordance with Article 154.1.

154.4 If the declaration does not deal with all the shares to which the Share Warrant relates, a new Share Warrant for the remaining shares will be issued, without charge, to the person who deposited the old Share Warrant. The new Share Warrant will only be issued upon the cancellation of the old Share Warrant.
ADR DEPOSITARY

155 ADR Depositary can appoint proxies

155.1 The ADR Depositary can appoint more than one person to be its proxy. As long as the appointment complies with the requirements in Article 155.2, the appointment can be made in any way and on any terms which the ADR Depositary thinks fit. Each person appointed in this way is called an Appointed Proxy.

155.2 The appointment must set out the number of shares in relation to which an Appointed Proxy is appointed. This number is called the Appointed Number. The Appointed Number of all Appointed Proxies appointed by the ADR Depositary, when added together, must not be more than the number of Depositary Shares (as calculated in Article 155.3).

155.3 The Depositary Shares attributable to the ADR Depositary consist of the total of the number of shares:

- registered in the name of the ADR Depositary;
- represented by Share Warrants which have been deposited by the ADR Depositary with the Company in accordance with Article 151; and
- represented by Share Warrants which are set out in a certificate from the ADR Depositary accepted by the directors in accordance with Article 148.

156 The ADR Depositary must keep a Proxy Register

156.1 The ADR Depositary must keep a register of the names and addresses of all the Appointed Proxies. This is called the Proxy Register. The Proxy Register will also set out the Appointed Number of shares of each Appointed Proxy. This can be shown by setting out the number of American Depositary Receipts which each Appointed Proxy holds and stating that the Appointed Number of shares can be ascertained by multiplying the said number of American Depositary Receipts by such number which for the time being is equal to the number of shares which any one American Depositary Receipt represents.

156.2 The ADR Depositary must let anyone whom the directors nominate inspect the Proxy Register during usual business hours on a working day. The ADR Depositary must also provide, as soon as possible, any information contained in the Proxy Register if it is demanded by the Company or its agents.

157 Appointed Proxies can only attend General Meetings if properly appointed

An Appointed Proxy may only attend a General Meeting if he provides the Company with evidence in writing of his appointment by the ADR Depositary for that General Meeting. This must be in a form agreed between the directors and the ADR Depositary.

158 Rights of Appointed Proxies

Subject to the Companies Acts and these Articles and so long as the Depositary Shares are sufficient to include an Appointed Proxy’s Appointed Number:
• at a General Meeting which an Appointed Proxy is entitled to attend, he is entitled to the same rights and has the same obligations in relation to his Appointed Number of shares as if the ADR Depositary was the registered holder of such shares and he had been validly appointed in accordance with Articles 69 to 71 by the ADR Depositary as its proxy in relation to those shares; and

• an Appointed Proxy can himself appoint another person to be his proxy in relation to his Appointed Number of shares, as long as the appointment is made and deposited in accordance with Articles 69 to 71 and, if it is, the provisions of these Articles will apply to such an appointment as though the Appointed Proxy was the registered holder of such shares and the appointment was made by him in that capacity.

159 Sending information to an Appointed Proxy

The Company can send to an Appointed Proxy at his address in the Proxy Register all the same documents which are sent to shareholders.

160 The Company can pay dividends to an Appointed Proxy

The Company can pay to an Appointed Proxy at his address in the Proxy Register all dividends or other moneys relating to the Appointed Proxy’s Appointed Number of shares instead of paying this amount to the ADR Depositary. If the Company does this, it will not have any obligation to make this payment to the ADR Depositary as well.

161 The Proxy Register may be fixed at a certain date

161.1 In order to determine which persons are entitled as Appointed Proxies to:

• exercise the rights conferred by Article 158;
• receive documents sent pursuant to Article 159; and
• be paid dividends pursuant to Article 160

and the Appointed Number of shares in respect of which a person is to be treated as having been appointed as an Appointed Proxy for such purpose, the ADR Depositary may determine that the Appointed Proxies who are entitled are the persons entered in the Proxy Register at the close of business on a date (a Record Date) determined by the ADR Depositary in consultation with the Company.

161.2 When a Record Date is determined for a particular purpose:

• the Appointed Number of shares in respect of an Appointed Proxy will be treated as the number appearing against his name in the Proxy Register as at the close of business on the Record Date;
• this can be shown by setting out the number of American Depositary Receipts which each Appointed Proxy holds and stating that the number of shares can be ascertained by multiplying the said number of American Depositary Receipts by such number which for the time being is equal to the number of shares which any one American Depositary Receipt represents; and
• changes to entries in the Proxy Register after the close of business on the Record Date will be ignored in determining the entitlement of any person for the purpose concerned.

162 The nature of an Appointed Proxy’s interest

Except as required by the Companies Acts, no Appointed Proxy will be recognised by the Company as holding any interest in shares upon any trust. Except for recognising the rights given in relation to General Meetings by appointments made by Appointed Proxies pursuant to Article 158, the Company is entitled to treat any person entered in the Proxy Register as an Appointed Proxy as the only person (other than the ADR Depositary) who has any interest in the shares in respect of which the Appointed Proxy has been appointed.

163 Validity of the appointment of Appointed Proxies

163.1 If any question arises as to whether any particular person or persons has or have been validly appointed to vote (or exercise any other right) in respect of any shares (for example because the total number of shares in respect of which appointments are recorded in the Proxy Register is more than the number of Depositary Shares) this question will, if it arises at or in relation to a General Meeting be determined by the chairman of the General Meeting. His decision (which can include declining to recognise a particular appointment or appointments as valid) will, if made in good faith, be final and binding on all persons interested.

163.2 If a question of the type described in Article 163.1 arises in any circumstances other than at or in relation to a General Meeting, the question will be determined by the directors. Their decision (which can include declining to recognise a particular appointment or appointments as valid) will also, if made in good faith, be final and binding on all persons interested.

Approved Depositaries

164 Appointments

164.1 Subject to these Articles and the relevant Act or Acts, an Approved Depositary can appoint as its proxy or proxies in relation to any Ordinary Shares which it holds, anyone it thinks fit and can decide how and on what terms to appoint them. Each appointment must state the number of Ordinary Shares it relates to and the total number of Ordinary Shares in respect of which appointments exist at any time must not be more than the total number of Depositary Shares which are registered in the name of the Approved Depositary or its nominee at that time.

164.2 The Approved Depositary must keep a register (the Nominated Proxy Register) of each person it has appointed as a Nominated Proxy under Article 164.1 and the Appointed Number. The directors will decide what information about each Nominated Proxy is to be recorded in the Nominated Proxy Register. Any person authorised by the Company may inspect the Nominated Proxy Register during usual business hours and the Approved
Depositary will give such person any information which he requests as to the contents of the Nominated Proxy Register.

165 Rights of Nominated Proxies

165.1 A Nominated Proxy may only attend a General Meeting if he provides the Company with evidence in writing of his appointment as such. This must be in a form agreed between the directors and the Approved Depositary.

165.2 Subject to these Articles and the relevant Act or Acts, and so long as the Approved Depositary or a nominee of the Approved Depositary holds at least his Appointed Number of Ordinary Shares, a Nominated Proxy is entitled to attend a General Meeting which holders of Ordinary Shares are entitled to attend, and he is entitled to the same rights, and subject to the same obligations, in relation to his Appointed Number of Depositary Shares as if he had been validly appointed in accordance with Articles 69 to 73 by the registered holder of these shares as its proxy in relation to those shares.

165.3 A Nominated Proxy may appoint another person as his proxy for his Appointed Number of Depositary Shares, as long as the appointment is made and deposited in accordance with Articles 69 to 73, and these Articles apply to that appointment and to the person so appointed as though those Depositary Shares were registered in the name of the Nominated Proxy and the appointment was made by him in that capacity. The directors may require such evidence as they think appropriate to decide that such appointment is effective.

165.4 For the purposes of determining who is entitled as a Nominated Proxy to exercise the rights conferred by Articles 165.2 and 165.3 and the number of Depositary Shares in respect of which a person is to be treated as having been appointed as a Nominated Proxy for these purposes, the Approved Depositary can decide that the Nominated Proxies who are so entitled are the people entered in the Nominated Proxy Register at a time and on a date (a Record Time) agreed between the Approved Depositary and the Company.

165.5 When a Record Time is decided for a particular purpose:-

- a Nominated Proxy is to be treated as having been appointed for that purpose for the number of shares appearing against his name in the Nominated Proxy Register as at the Record Time; and
- changes to entries in the Nominated Proxy Register after the Record Time will be ignored for this purpose.

165.6 Except for recognising the rights given in relation to General Meetings by appointments made by Nominated Proxies pursuant to Article 165.3, the Company is entitled to treat any person entered in the Nominated Proxy Register as a Nominated Proxy as the only person (other than the Approved Depositary) who has any interest in the Depositary Shares in respect of which the Nominated Proxy has been appointed.

165.7 At a General Meeting the chairman of the General Meeting has the final decision as to whether any person has the right to vote or exercise any other right relating to any Depositary Shares. In any other situation, the directors have the final decision as to whether any person has the right to exercise any right relating to any Depositary Shares.
This glossary is to help readers understand the Company’s Articles of Association. Words are explained as they are used in the Articles - they might mean different things in other documents. The glossary is not legally part of the Articles, and it does not affect their meaning. The definitions are intended to be a general guide — they are not precise.

abrogate If the special rights of a share are abrogated, they are cancelled or withdrawn.

accrue If interest is accruing, it is running or mounting up, day by day.

adjourned In relation to a shareholders’ meeting, means that the meeting has come to an end for the time being, to be continued at a later time or day, at the same or a different place and adjourned and adjourn shall be construed accordingly.

agent A person who has been appointed to act for another person.

allot When new shares are allotted, they are set aside for the person they are intended for. This will normally be after the person has agreed to pay for a new share, or has become entitled to a new share for any other reason. As soon as a share is allotted, that person gets the right to have his name put on the register of shareholders. When he has been registered, the share has also been issued.

allottee A person to whom a share is allotted (see renunciation).

asset Any property of any description which is of any value to its owner.

attorney An attorney is a person who has been appointed to act for another person in a particular way. The person is appointed by a formal document, called a power of attorney.

automatically entitled to a share by law In some situations, a person will be entitled to have shares which are registered in somebody else’s name registered in his own name. Or he can require the shares to be transferred to another person. When a shareholder dies, or the sole survivor of joint shareholders dies, his personal representatives have this right. If a shareholder is made bankrupt, his trustee in bankruptcy has the right.

beneficial interest A person on whose behalf or for whose benefit a trustee holds shares has a beneficial interest in those shares.

brokerage Commission which is paid to a broker by a company issuing shares, where the broker’s clients have applied for shares.

call A call to pay money which is due on shares which has not yet been paid. This happens if the Company issues shares which are partly-paid, where money remains to be paid to the Company for the shares. The money which has not been paid can be “called” for. If all the money to be paid on a share has been paid, the share is called a fully-paid share.

capital redemption reserve A reserve of funds which a company may have to set up to ensure that the Company’s capital base remains the same when shares are redeemed or bought back. It is equivalent to the amount by which the Company’s issued share capital is reduced by the redemption or purchase.

casual vacancy A vacancy amongst the directors which occurs by reason of the death, resignation or disqualification of a director, or from the failure of an elected director to accept his
appointment, or for any other reason except the retirement of a director in accordance with the Articles.

charge See lien and charge.

consolidate When shares are consolidated, they are combined with other shares. For example, every three £1 shares might be consolidated into one new £3 share.

cumulative dividends If a dividend which is cumulative cannot be paid in one year because the company does not have enough profits to cover the payment, the shareholder has the right to receive the dividend in a future year, when the company has enough profits to pay the dividend. Compare this with a non-cumulative dividend.

debenture A typical debenture is a type of long-term borrowing by a company. The loan usually has to be repaid at a fixed date in the future, and carries a fixed rate of interest.

declare Generally, when a final dividend is declared, it becomes due to be paid.

dividend arrears Any dividend arrears. This includes any dividends on shares with cumulative rights which could not be paid, but which have been carried forward.

documents of title The documents which show that a person owns something.

electronically Any document or information sent or supplied by electronic means.

executed A document is executed when it is signed, authenticated or sealed or made valid in some other way.

exercise When a power is exercised, it is put to use.

forfeit When a share is forfeited it is taken away from the shareholder and becomes the property of the Company which can do with it as it likes. This process is called “forfeiture”. This can happen if a call on a partly-paid share is not paid on time.

fully-paid shares When all of the money which is due to the Company for a share has been paid, a share is called a fully-paid share.

good title If a person has good title to a share, he owns it outright.

holding company A company which controls another company (for example by owning a majority of its shares) is called the holding company of that other company. The other company is the subsidiary of the holding company.

indemnity If a person gives another person an indemnity, he promises to make good any losses or damage which the other might suffer. The person who gives the indemnity is said to “indemnify” the other person.

in issue See issue.

instruments Formal legal documents.

issue When a share has been issued, everything has been done to make the shareholder the owner of the share. In particular, the shareholder’s name has been put on the Register of shareholders. Existing shares which have been issued are “in issue”.

liabilities Debts and other obligations.

liable jointly and severally Where more than one person is liable jointly and severally it means that any one of them may be sued, or they can all be sued together.
Where the Company has a lien and charge over shares, it can take the dividends, and any other payments relating to the shares which it has a charge over, or it can sell the shares, to repay the debt and so on.

members Are shareholders.

nominal value The nominal value of the share. The nominal value of the US$0.113/7 Ordinary Shares is US$0.113/7; This value is shown on the share certificate for a share, if there is one. When the Company issues new shares this can be for a price which is at a premium to the nominal value. When shares are bought and sold on the stock market this can be for more, or less, than the nominal value. The nominal value is sometimes also called the “par value”.

non-cumulative dividends If a dividend which is non-cumulative cannot be paid in one year because the Company does not have enough profits available to cover the payment, the shareholder does not have the right to receive the dividend in a future year. This is the opposite to a cumulative dividend.

ordinary resolution A decision reached by a simple majority of votes — that is by more than 50 per cent. of the votes cast.

par value See nominal value.

partly-paid shares If any money remains to be paid on a share, it is said to be partly-paid. The unpaid money can be “called” for.

personal representatives A person who is entitled to deal with the property (“the estate”) of a person who has died. If the person who has died left a valid will, the will appoints “executors” who are personal representatives. If the person died without a will, the courts will appoint one or more “administrators” to be the personal representatives.

poll A poll vote is usually a card vote but to the extent permitted by the Companies Acts may be an electronic vote. On a poll vote, the number of votes which a shareholder has will depend on the number of shares which he owns. An Ordinary Shareholder has one vote for each share he owns. A poll vote is different to a show of hands vote, where each person who is entitled to vote has just one vote, however many shares he owns.

power of attorney A formal document which legally appoints one or more persons to act on behalf of another person.

pre-emption rights The right of some shareholders which is given by the Companies Acts to be offered a proportion of certain classes of newly issued shares and other securities before they are offered to anyone else. This offer must be made on terms which are at least as favourable as the terms offered to anyone else.

premium If the Company issues a new share for more than its nominal value (for example because the market value is more than the nominal value), the amount above the nominal value is the premium.

proxy A proxy is a person who is appointed by a shareholder to attend a shareholders’ meeting and vote for that shareholder. A proxy is appointed by using a proxy form. A proxy does not have to be a shareholder. At a shareholders’ meeting a proxy can exercise the rights of the shareholder that appointed him.

proxy form A form which a shareholder uses to appoint a proxy to attend a shareholders’ meeting and vote for him. The proxy form must be delivered to the Company before the meeting to which it relates.
quorum The minimum number of shareholders or directors who must be present before a meeting can start. When this number is reached, the meeting is said to be “quorate”.

rank & ranking When either capital or income is distributed to shareholders, it is paid out according to the rank (or ranking) of the shares. For example, a share which ranks before (or ahead of) another share in sharing in the Company’s income is entitled to have its dividends paid first, before any dividends are paid on shares which rank behind (or after) it. If there is not enough income to pay dividends on all shares, the available income must be used first to pay dividends on shares which rank ahead, and then to shares which rank behind. The same applies for repayments of capital. Capital must be paid first to shares which rank ahead in sharing in the Company’s capital, and then to shares which rank behind. The Company’s Fixed Rate Shares rank ahead of its Ordinary Shares. Where certain shares rank equally with other shares, both types of shares have the same rights as each other.

recognised investment exchange An “investment exchange” which has been officially recognised by the UK authorities. An investment exchange is a place where investments, such as shares, are traded. The London Stock Exchange is a recognised investment exchange.

redeem and redemption When a share is redeemed, it is effectively bought back by the Company in return for a sum of money (the “redemption price”) which was fixed before the share was issued. This process is called redemption. A share which can be redeemed is called a “redeemable” share.

relevant system This is a term used in the CREST Regulations for a computer-based system which allows shares without share certificates to be transferred without using transfer forms. The CREST system for paperless share dealing is a “relevant system”.

renunciation Where a share has been allotted, but no one has been entered on the share register as the holder of the share, it can be renounced by the allottee to another person. This transfers the right to be registered as the holder of the share to another person. This process is called renunciation.

requisition a meeting A formal process which shareholders can use to call a shareholders’ meeting. Generally speaking the shareholders who want to call a meeting must hold at least 10 per cent of the issued shares.

reserve fund or reserves A fund which has been set aside in the accounts of a company. Profits which are not paid out to shareholders as dividends, or used up in some other way, are held in a reserve fund by the company. The capital redemption reserve and share premium account are also reserve funds.

revoke To withdraw, or cancel.

securities All shares, bonds and other investment instruments issued by a company which entitle the holder to a share in the profits or assets of that company, to receive a cash payment from a company or to subscribe for such a security.

share premium account If a new share is issued by the Company for more than its nominal value (generally because the market value is more than the nominal value) then the amount above the nominal value is the premium, and the total of these premiums is held in a reserve fund (which cannot be used to pay dividends) called the share premium account.

show of hands A shareholder raises his hand to vote at a shareholders’ meeting (unless there is a poll). Each person who is entitled to vote has just one vote, however many shares he holds.
special notice This term is defined in Companies Acts. Broadly, if special notice of a resolution is required by the Companies Acts, the resolution is not valid unless the Company has been told about the intention to propose it at least 28 days before the shareholders’ meeting at which it is proposed (although in certain circumstances the meeting can be on a date less than 28 days from the date of the notice).

special resolution A decision reached by a majority of at least 75 per cent of votes cast.

special rights These are the rights of a particular class of shares, as distinct from rights which apply to all shares generally. Typical examples of special rights are where the shares rank, their rights to sharing in income and assets and voting rights.

statutory declaration A formal way of declaring something in writing. Particular words and formalities must be used — these are laid down by the Statutory Declarations Act of 1835.

stock When shares have been converted into stock the holder’s interest in the Company is expressed by reference to a sum of money divided into transferable units. For example, the interest of a shareholder with one hundred £1 shares might have been converted into £100 worth of stock transferable in units of £1 each.

stockholder A holder of stock.

subject to Where something else has priority, or prevails, or must be taken into account. When a statement is subject to another statement this means that the first statement must be read in the light of the other statement, which will prevail if there is any conflict.

subordinate Where a right or interest is subordinated to something else, it ranks behind it.

subsidiary This is a term used by the Companies Act 2006. A company which is controlled by another company (for example because the other Company owns a majority of its shares) is called a subsidiary of that company.

subsidiary undertaking This is a term used by the Companies Acts. It is a wider definition than subsidiary. Generally speaking it is a company which is controlled by another company because the other company:

- has a majority of the votes in the company either alone, or acting with others;
- is a shareholder who can appoint or remove a majority of the directors; or
- can exercise dominant influence over the company because of anything in the Company’s Articles, or because of a certain kind of contract.

treasury shares Where shares which are held by a company as treasury shares in line with Sections 724 to 726 of the Companies Act 2006.

trustees People who hold property of any kind for the benefit of one or more other people under a kind of arrangement which the law treats as a “trust”. The people whose property is held by the trustees are called the beneficiary.

uncertificated proxy instruction A properly authenticated instruction sent by means of a relevant system, in line with the rules of the relevant system to a person acting on the Company’s behalf, on terms decided by the directors.

unincorporated associations Associations, partnerships, societies and other bodies which the law does not treat as a separate legal person to their members.

warrant See the definition of dividend warrant.
**wind up** The formal process to put an end to a **company**. When a **company** is **wound up** its **assets** are distributed. The **assets** go first to creditors, and then to **shareholders**. **Shares** which **rank** first in sharing in the **Company**’s **assets** will receive any funds which are left over before any **shares** which **rank** after (or behind) them.
NOTICE OF CANCELLATION

7 March 2011
THE ROYAL BANK OF SCOTLAND PLC (as Agent)
Attention: Loans Admin Unit
The Royal Bank of Scotland plc
2nd Floor
Bankside 3
90-100 Southwark Street
London
SW1 0SW

VODAFONE GROUP PLC
US$5,025,000,000 Revolving Credit Facility dated 24 June 2005 (the Agreement)

We refer to the above Agreement and to the $4,170,000,000 Revolving Credit Facility to be entered into by Vodafone Group Plc with the Royal Bank of Scotland plc as agent on or about the date of this notice (the “New Facility Agreement”). Terms defined and references construed in the Agreement have the same meaning and construction in this notice.

In accordance with section 7.2 of the Agreement, we hereby give one Business Day’s written notice of Vodafone’s intention to cancel the unutilised portion of the Total Commitments under the Agreement in whole as 09 March 2011, provided that the New Facility Agreement is duly signed and executed on such date.

This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please acknowledge your acceptance of this notice by signing below.

Yours faithfully

For and behalf of
Vodafone Group Plc
We agree to the above:

For and behalf of the Agent
The Royal Bank of Scotland plc
Vodafone Group Plc
Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, England
Telephone: +44 (0)1635 33251, Facsimile: +44 (0) 1635 676746
FACILITY AGREEMENT
DATED 9 March 2011
US$4,015,000,000
REVOLVING CREDIT FACILITY
for
VODAFONE GROUP PLC

ALLEN & OVERY
ALLEN & OVERY LLP
LONDON
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THIS AGREEMENT is dated 9 March 2011 and made BETWEEN:

(1) VODAFONE GROUP PLC (registered number 1833679) as borrower ("Vodafone");

(2) THE FINANCIAL INSTITUTIONS listed in Part 3 of Schedule 1 as Mandated Lead Arrangers;

(3) THE FINANCIAL INSTITUTIONS listed in Part 4 of Schedule 1 as Co Arrangers;

(4) THE FINANCIAL INSTITUTIONS listed in Part 1 of Schedule 1 as Original Lenders;

(5) THE ROYAL BANK OF SCOTLAND PLC as agent (in this capacity the “Agent”); and

(6) THE ROYAL BANK OF SCOTLAND PLC (NEW YORK BRANCH) as U.S. swingline agent (in this capacity the “U.S. Swingline Agent”).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

“Acceptable bank”
means a bank or financial institution which has a rating for its long-term unsecured and non-credit enhanced debt obligations of A- or higher by S&P or Fitch or A3 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency.

“Acquisition”
means the acquisition of any interest in the share capital (or equivalent) or in the business or undertaking of any company or other person (including, without limitation, any partnership or joint venture).

“Additional Borrower”
means any member of the Restricted Group which becomes an additional borrower pursuant to Clause 27.8 (Additional Borrowers) and which has not been released as a borrower in accordance with Clause 27.9 (Removal of Borrowers).

“Additional Guarantor”
means any member of the Group which at such time has become a Guarantor in accordance with Clause 27.7 (Additional Guarantors) and has not been released in accordance with Clause 15.9 (Removal of Guarantors).

“Additional Lender”
means a financial institution or other entity which becomes an additional lender pursuant to Clause 2.8 (Additional Lenders) or a transferee, successor or permitted assignee of such financial institution or other entity which is for the time being participating in the Facility.
“Adjusted Group Operating Cash Flow” means, without double counting, in relation to any period, a sum equal to the Consolidated Group’s total operating profit or loss for continuing operations, acquisitions (as a component of continuing operations) and discontinued operations before taxation, interest and after:

(a) adding depreciation;
(b) adding amortisation;
(c) deducting the profit or adding any loss on exceptional items which are included in the foregoing;
(d) deducting any gain or adding any loss on disposal of tangible or intangible fixed assets;
(e) adjusting for movements in working capital (being movements in stock, creditors, provision, and debtors);
(f) adding dividends or proceeds of a similar nature received from any entity not in the Consolidated Group; and
(g) excluding exceptional items,

and for the avoidance of doubt excluding (other than as set out in paragraph (f) above) the results of any entity not in the Consolidated Group.

“Advance” means a Revolving Credit Advance or a Swingline Advance.

“Affected Lender” has the meaning given to it in Clause 2.2(c) (Overall facility limits).

“Affiliate” means, in relation to a person, a Subsidiary or a Holding Company of that person and any other Subsidiary of that Holding Company.

“Agent’s Spot Rate of Exchange” means the spot rate of exchange as determined by the Agent for the purchase of the relevant Optional Currency in the London foreign exchange market with U.S. Dollars at or about 11.00 a.m. on a particular day.

“Agreed Percentage” means in relation to a Lender and a Swingline Advance, the amount of its Revolving Credit Commitment expressed as a percentage of the Total Commitments.

“All Quoting Credit Rating Agencies” has the meaning given to it in Clause 9.5(a).
“Applicable GAAP”
means the generally accepted accounting principles applied in the preparation of the consolidated accounts of Vodafone for the year ended 31 March 2010.

“Arranger”
means a financial institution or other entity listed in Part 3 or Part 4 of Schedule 1.

“Asset Disposal”
means any sale, transfer, grant, lease or other disposal of an asset (which for the avoidance of doubt does not include returns to shareholders) by any member of the Controlled Group to a person outside the Controlled Group made after the Signing Date.

“Available Cash”
means:
(a) cash in hand and cash in deposits repayable on demand with any Qualifying Financial Institution; and
(b) the marked to market position of in the money derivative contracts; and
(c) Liquid Resources,
to the extent denominated in any freely convertible and transferable currencies, beneficially owned and unencumbered by any Security Interests other than Permitted Security Interests.

“Available Commitment”
means a Lender’s Commitment minus:
(a) in relation to any proposed Advance, the amount of its participation in any outstanding Advances other than that Lender’s participation in any Advances that are due to be repaid or prepaid on or before the proposed Drawdown Date; and
(b) in relation to any proposed Advance, the amount of its participation in any Advances that are due to be made on or before the proposed Drawdown Date,

“Availability Period”
means, subject to Clause 6 (Extension Option), the period from the Signing Date up to and including the date which is five years after the Signing Date or, if that day is not a Business Day, the preceding Business Day.

“Back to Back Loan”
means any Financial Indebtedness made available to a member of the Restricted Group to the extent that the economic exposure of the creditor in respect of that Financial Indebtedness (taking any related transactions together) is reduced by reason of that creditor:
(a) having recourse directly or indirectly to a deposit of cash or cash equivalent investments beneficially owned by any member of the Restricted Group placed, as
part of a related transaction, with that creditor (or an Affiliate of that creditor) or a financial institution approved by that creditor; or
(b) having granted a funded sub-participation or similar arrangement to a member of the Restricted Group.

“Borrower”
means Vodafone or an Additional Borrower.

“Borrower Accession Agreement”
means an agreement substantially in the form of Part 3 of Schedule 5 or with such amendments as the Agent may approve (such approval not to be unreasonably withheld or delayed) or may reasonably require.

“Business Day”
means a day (other than a Saturday or Sunday) on which banks and the interbank and foreign exchange markets are open for general business in:
(a) London; and
(b) if a payment is required in U.S. Dollars, New York; or
(c) if a payment is required in euro, a TARGET Day.

“Change of Control”
has the meaning given to it in Clause 8.4 (Change of Control).

“Combined Commitments”
means the aggregate of the Total Commitments under this Agreement and the Total Commitments under and as defined in the 2015 Facility.

“Combined Swingline Commitments”
means the aggregate of the Swingline Total Commitments under this Agreement and the Swingline Total Commitments under and as defined in the 2015 Facility.

“Commitment”
means a Revolving Credit Commitment or a Swingline Commitment, in each case to the extent not transferred, cancelled or reduced under or in accordance with this Agreement.

“Consolidated Group”
means Vodafone (or, following a Hive Up, NewTopco), its IFRS Consolidated Subsidiaries and Joint Ventures.

“Consolidated Subsidiaries”
means those Subsidiaries of Vodafone (or, following the Hive Up, NewTopco) which would be required to be consolidated in the consolidated accounts of Vodafone (or, following the Hive Up, NewTopco) in accordance with Applicable GAAP.

“Contractual Currency”

has the meaning given to it in Clause 24.1(a) (Currency indemnity).

“Controlled Group”

means Vodafone (or, following a Hive Up, NewTopco) and its Controlled Subsidiaries.

“Controlled Subsidiaries”

means, those Subsidiaries of Vodafone (or, following a Hive Up, NewTopco) in which Vodafone or NewTopco, as the case may be, controls more than 50% of such Subsidiaries voting rights and has recourse to the cash flows of the Subsidiary. Until the first certificate is given by Vodafone to the Agent in accordance with Clause 17.2(c) (Financial information) (in respect of the financial year ended 31 March 2010), the Controlled Subsidiaries include, without limitation, the following operating Subsidiaries as at 1 June 2010: Arcor AG & Co.; Vodafone Romania S.A.; Vodafone Czech Republic a.s.; Vodafone Albania Sh.A; Vodafone D2 GmbH; Vodafone Egypt Telecommunications S.A.E; Vodafone España S.A.; Vodafone Essar Limited; Vodafone Hungary Mobile Telecommunications Ltd; Vodafone Ireland Limited; Vodafone Libertel B.V.; Vodafone Limited; Vodafone Malta Limited; Vodafone New Zealand Limited; Vodafone Omnitel N.V.; Vodafone-Panafon Hellenic Telecommunications Company S.A.; Vodafone Telekomunikasyon A.S., Vodafone Portugal-Comunicações Pessoais S.A. Vodacom Group Limited and Ghana Telecommunication Company Limited.

“Controlled USA Group”

means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with any U.S. Obligor, are treated as a single employer under Section 414(b) or (c) of the U.S. Code.

“Core Jurisdictions”

are member states of the European Union as at 1 January 2010 (being Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK), Japan, United States, Australia, New Zealand, Canada and Switzerland and any other states which become members of the European Union after 1 January 2010 provided that Vodafone has notified the Agent in writing of its agreement to their inclusion in this definition of Core Jurisdictions.

“CTA”


“Credit Rating Agency”

has the meaning given to it in Clause 9.5 (Margin).

“Default”
means (a) an Event of Default or (b) an event which, with the expiry of any grace period or giving of any notice specified in Clause 19.2 (Non-payment), 19.3 (Breach of other obligations), 19.5 (Cross default), 19.6 (Winding up), 19.8 (Enforcement proceedings) or 19.10 (Similar proceedings) would constitute an Event of Default.

“Default Margin”
has the meaning given to it in Clause 9.3 (Default interest).

“Default Rate”
has the meaning given to it in Clause 9.3 (Default interest).

“Defaulting Lender”
means any Lender:
(a) which has failed to make its participation in an Advance available or has notified the Agent that it will not make its participation in an Advance available by the Drawdown Date of that Advance in accordance with Clause 5.6 (Payment of proceeds);
(b) which has otherwise rescinded or repudiated a Finance Document; or
(c) with respect to which an Insolvency Event has occurred and is continuing,
unless, in the case of paragraph (a) above:
(i) its failure to pay is caused by:
   (A) administrative or technical error and payment is made within three Business Days of its due date; or
   (B) a Disruption Event and payment is made within eight Business Days of its due date; or
(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“Designated Term”
has the meaning given to it in Clause 9.3(a)(ii) (Default interest).

“Discharged Obligations”
has the meaning given to it in Clause 27.4(c)(i) (Procedure for novations).

“Discharged Rights”
has the meaning given to it in Clause 27.4(c)(iii) (Procedure for novations).

“Disruption Event”
means either or both of:
(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the payment transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
   (i) from performing its payment obligations under the Finance Documents; or
   (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,
   (and which (in either such case)) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“Drawdown Date”

means the date for the making of an Advance.

“ERISA”

means the U.S. Employee Retirement Income Security Act of 1974, as amended (or any successor legislation thereto), and any rule or regulation issued thereunder from time to time in effect.

“EURIBOR”

means in relation to any Advance or unpaid sum in euro:

(a) the percentage rate per annum of the offered quotation for deposits in euro determined by the Banking Federation of the European Union for a period equal or comparable to the Required Period which appears on Telerate Page 248 at or about 11.00 a.m. Brussels time on the applicable Rate Fixing Day; or

(b) if the rate cannot be determined under paragraph (a) above, the rate expressed as a percentage to be the arithmetic mean (rounded upwards, if necessary, to the nearest five decimal places) of the respective rates notified to the Agent by each of the Reference Banks (provided at least two Reference Banks are quoting) as the rate at which it is offered deposits in euro and for the Required Period by prime banks in the European interbank market at or about 11.00 a.m. Brussels time on the Rate Fixing Day for such period, and for the purposes of this definition:

(i) “Required Period” means the Term of such Advance for Revolving Credit Advances, or the period in respect of which EURIBOR falls to be determined in relation to any unpaid sum; and

(ii) “Telerate Page 248” means the display designated as Page 248 on the Telerate Service (or such other pages as may replace Page 248 on that service or such other service as may be nominated by the Banking Federation of the European Union.
(including the Reuter’s Screen) as the information vendor for the purposes of displaying the Banking Federation of the European Union rates for deposits in euro).

“Event of Default”
means an event specified as such in Clause 19 (Default).

“Existing Commitment”
has the meaning given to it in Clause 17.8(a)(i) (Priority borrowing).

“Existing Lender”
has the meaning given to it in Clause 27.2(a) (Transfers by Lenders).

“Existing Parties”
has the meaning given to it in Clause 27.4(c)(i) (Procedure for novations).

“Facility”
means any of the facilities to draw Revolving Credit Advances, or Swingline Advances referred to in Clause 2.1 (Facilities).

“Facility Office”
means the office(s) notified by a Lender to the Agent:
(a) on or before the date it becomes a Lender; or
(b) by not less than five Business Days’ notice,
as the office(s) through which it will perform all or any of its obligations under this Agreement.

“Fee Letters”
means each letter:
(a) dated on or about the date of this Agreement between the Agent and Vodafone; and
(b) dated on or about the date of this Agreement between the Original Lenders as at the Signing Date and Vodafone; and
(c) (if applicable) entered into between an Additional Lender and Vodafone substantially in the form of Schedule 7,
in each case setting out the amount of various fees referred to in Clause 21.3 (Agent’s fee) or 21.4 (Front-end fees).

“Federal Funds Rate”
means, on any day:
(a) the rate per annum determined by the U.S. Swingline Agent to be the Federal Funds Rate (as published by the Federal Reserve Bank of New York) at or about 1.00 p.m. (New York City time) on that day; or

(b) if such rate is not published at such time, the rate for such day will be the arithmetic mean as determined by the U.S. Swingline Agent of the rates for the last transaction in overnight Federal funds arranged prior to noon (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the U.S. Swingline Agent.

“Final Maturity Date”
means the last day of the Availability Period.

“Finance Document”
means this Agreement, each Fee Letter, Novation Certificate, Borrower Accession Agreement, Guarantor Accession Agreement and Increase Confirmation and any other document agreed in writing as such by the Agent and Vodafone.

“Finance Party”
means an Arranger, a Lender, the Agent or the U.S. Swingline Agent.

“Financial Indebtedness”
means any indebtedness in respect of:
(a) moneys borrowed or raised by way of loan or redeemable preference shares or in the form of any debenture, bond, note, loan stock, commercial paper or similar instrument;
(b) any acceptance credit, bill-discounting, note purchase or documentary credit facility;
(c) any finance lease;
(d) any receivables purchase, factoring or discounting arrangement under which there is recourse in whole or in part to any member of the relevant group;
(e) any other transaction having the commercial effect of a borrowing; and
(f) any guarantees or other legally binding assurance against financial loss in respect of the indebtedness of any person arising under an obligation falling within (a) to (e) above (but, for the avoidance of doubt, excluding any guarantees in respect of indebtedness falling within (i) to (v) below), but without double counting and excluding (i) preference shares which are not accounted for as indebtedness under IFRS GAAP, (ii) any convertible or exchangeable debt which must or, at the option of the issuer, may be converted or exchanged without condition (other than the availability of sufficient authorised share capital of the issuer), prior to or upon the date any amount of principal would otherwise fall due in respect of that debt, into equity share capital or preference shares, which in each case are not redeemable on or before the Final Maturity Date, (iii) deferred consideration in respect of the cost of Acquisitions, (iv) obligations of any member of the relevant group arising under any form of exchangeable, convertible, option or
other similar instrument issued by that member of the relevant group in connection with a transaction the commercial effect of which is to 
effect the disposal by that member of the relevant group of shares or partnership or other ownership interests in any other person or entity 
(whether or not having a separate legal identity), provided that any such instrument may not, on or prior to the Final Maturity Date, be 
converted (whether by acceleration, maturity or otherwise) into cash or any other instrument constituting or evidencing Financial 
Indebtedness and (v) for the avoidance of doubt, derivatives primarily entered into to manage currency, credit or interest rate risks or to 
assist in purchasing or selling shares.

“Fitch”
means Fitch Investors Services Inc.

“Group”
means Vodafone and its Consolidated Subsidiaries or, following a Hive Up, NewTopco and its Consolidated Subsidiaries (and “Member of 
the Group” means any of them).

“Guarantor”
means each of:
(a) Vodafone; and
(b) each Additional Guarantor.

“Guarantor Accession Agreement”
means a deed substantially in the form of Part 2 of Schedule 5 or with such amendments as the Agent may approve (such approval not to be 
unreasonably withheld or delayed) or may reasonably require.

“Hive Up”
means a reorganisation by way of a scheme of arrangement (other than in an insolvency) or otherwise under which Vodafone becomes a 
Subsidiary of NewTopco, NewTopco controls (directly or indirectly) all of the voting rights in Vodafone (other than any voting rights in 
Vodafone in respect of the 50,000 7 per cent fixed rate shares issued in 1999 or any other voting rights in Vodafone held by holders of a 
class of capital issued by Vodafone, where such voting rights relate only to any variation in the rights attaching to that class of capital issued 
by Vodafone) and NewTopco becomes the listed ultimate Holding Company of the Group.

“Holding Company”
means in relation to a person, an entity of which that person is a Subsidiary.

“HMRC”
means HM Revenue & Customs.

“IFRS Consolidated Subsidiaries”
means those Subsidiaries of Vodafone (or, following a Hive Up, NewTopco) which would be required to be fully consolidated (which 
excludes proportionate consolidation) in the
consolidated accounts of Vodafone (or, following a Hive Up, NewTopco) in accordance with IFRS GAAP.

"IFRS GAAP" means the generally accepted accounting principles applied in the preparation of the IFRS consolidated audited accounts of Vodafone for the year ended 31 March 2010 or later audited accounts, if notified by Vodafone in writing to the Agent within three months (or such longer period as may be agreed by the Agent) of publication of such audited accounts.

"Impaired Agent" means the Agent or the U.S. Swingline Agent at any time when:
(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
(b) the Agent or the U.S. Swingline Agent otherwise rescinds or repudiates a Finance Document;
(c) (if the Agent or the U.S. Swingline Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of Defaulting Lender; or
(d) an Insolvency Event has occurred and is continuing with respect to the Agent or the U.S. Swingline Agent;

Unless, in the case of paragraph (a) above:
(i) its failure to pay is caused by:
   (A) administrative or technical error and payment is made within three Business Days of its due date; or
   (B) a Disruption Event and payment is made within eight Business Days of its due date; or
(ii) the Agent or the U.S. Swingline Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"Increase Confirmation" means a confirmation substantially in the form set out in Schedule 9 (Form of Increase Confirmation).

"Increase Lender" has the meaning given to that term in Clause 2.3 (Increase).

"Insolvency Event" in relation to a Finance Party, means that the Finance Party:
(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability to pay its debts as they become due in each case under the laws of any relevant jurisdiction applicable to that Finance Party;
(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
(d) has made against it a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or an order is made for its winding-up or liquidation;
(e) has an order made against it for a bank insolvency pursuant to Part 2 of the Banking Act 2009 or a bank administration pursuant to Part 3 of the Banking Act 2009;
(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets other than by way of Undisclosed Administration;
(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above.

“Intermediate Holding Company”
means, in relation to Vodafone, an entity (other than NewTopco) which is a Subsidiary of NewTopco and of which Vodafone is a Subsidiary.

“ITA 2007”

“Joint Venture”
means an entity (which is not an IFRS Consolidated Subsidiary) in which any member of the Consolidated Group holds a long term interest and shares control under a contractual arrangement where each venturer has a veto over policy decisions and which is, or would be, accounted for on a proportionate basis under IFRS GAAP.

“Lender”
means each Original Lender, each Additional Lender (if any) and each Increase Lender (if any).
“Lender Accession Agreement”
means an agreement substantially in the same form of Part 4 of Schedule 5 or with such amendments as the Agent may approve or may reasonably require.

“LIBOR”
means in relation to any Advance or unpaid sum in Sterling or U.S. Dollars:
(a) the percentage rate per annum of the offered quotation for deposits in the currency of the relevant Advance or unpaid sum for a period equal or comparable to the Required Period which appears on Telerate Page 3750 at or about 11.00 a.m. on the applicable Rate Fixing Day; or
(b) if the rate cannot be determined under paragraph (a) above, the rate expressed as a percentage determined by the Agent to be the arithmetic mean (rounded upwards, if necessary, to the nearest five decimal places) of the respective rates notified to the Agent by each of the Reference Banks quoting (provided that at least two Reference Banks are quoting) as the rate at which it is offered deposits in the required currency and for the Required Period by prime banks in the London interbank market at or about 11.00 a.m. on the Rate Fixing Day for such period,

and for the purposes of this definition:
(i) “Required Period” means the Term of such Advance for Revolving Credit Advances or the period in respect of which LIBOR falls to be determined in relation to any unpaid sum; and
(ii) “Telerate Page 3750” means the display designated as Page 3750 on the Telerate Service (or such other pages as may replace page 3750 on that service or such other service as may be nominated by the British Bankers’ Association (including the Reuters Screen) as the information vendor for the purposes of displaying British Bankers’ Association Interest Settlement Rates for deposits in the currency concerned).

“Liquid Resources”
means a current asset investment held as a readily disposable store of value which can be disposed of without curtailing or disrupting the business of the disposer and which is either:
(a) readily convertible into a known amount of cash at or close to its carrying value; or
(b) traded in an active market.

“Long Term Credit Rating Assigned to Vodafone”
has the meaning given to it in Clause 9.5(d) (Margin).

“Majority Lenders”
means, at any time:
(a) Lenders whose Revolving Credit Commitments aggregate more than 60 per cent. of the Total Commitments; or
(b) if the Total Commitments have been reduced to zero, Lenders whose Revolving Credit Commitments aggregated more than 60 per cent. of the Total Commitments immediately before the reduction.

“Mandatory Cost”
means in relation to an Advance (other than a Swingline Advance), the percentage rate per annum calculated by the Agent in accordance with Schedule 3.

“Margin”
in relation to an Advance at any time, means the percentage rate per annum determined to be the Margin applicable to that Advance in accordance with Clause 9.5 (Margin).

“Maturity Date”
means the last day of the Term of:
(a) a Revolving Credit Advance; or
(b) a Swingline Advance.

“Member of the Group”
has the meaning given to it in the definition of Group.

“Moody’s”
means Moody’s Investors’ Service, Inc.

“Multi-employer Plan”
means a “multi-employer plan” as defined in Section 4001(a)(3) of ERISA to which any U.S. Obligor or any member of the Controlled USA Group has an obligation to contribute.

“Net Debt”
means at any time, Total Gross Borrowings less Available Cash, both at that time. Net Debt for any Ratio Period will be calculated as the aggregate of Net Debt outstanding on the last day of each month during the relevant Ratio Period (as shown in Vodafone’s, or following a Hive Up, NewTopco’s, consolidated management accounts prepared at the end of each month during the relevant Ratio Period) divided by the number of months during the relevant Ratio Period.

“NewTopco”
means a company used for the purposes of a Hive Up.

“New Lender”
has the meaning given to it in Clause 27.2(a) (Transfers by Lenders).
“New York Business Day”
means a day (other than a Saturday or Sunday) on which banks are open for business in New York.

“Novation Certificate”
has the meaning given to it in Clause 27.4(a)(i) (Procedure for novations).

“Obligor”
means each Borrower and each Guarantor.

“Operating Cash Flow”
means, without double counting, total operating profit or loss for continuing operations before taxation, interest and after (i) adding depreciation, (ii) adding amortisation, (iii) deducting the profit or adding the loss on exceptional items which are included in the foregoing, (iv) deducting any gain or adding any loss on disposal of tangible or intangible fixed assets, (v) adjusting for movements in working capital (being movements in stock, creditors, provisions and debtors) and (vi) excluding exceptional items.

“Optional Currency”
means, in relation to any Advance or proposed Advance, Sterling or euro.

“Original Dollar Amount”
means:
(a) the principal amount of an Advance denominated in U.S. Dollars; or
(b) the principal amount of an Advance denominated in any other currency, translated into U.S. Dollars on the basis of the Agent’s Spot Rate of Exchange on the date of receipt by the Agent of the Request for that Advance.

“Original Lender”
means a financial institution or other entity listed in Part 1 or Part 2 of Schedule 1 or a transferee, successor or permitted assignee of such financial institution or other entity which is for the time being participating in the Facility.

“Overdue Amount”
has the meaning given to it in Clause 9.3(a) (Default interest).

“Participating Member State”
means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

“Party”
means a party to this Agreement.
PBGC means the Pension Benefit Guaranty Corporation referred to and defined in ERISA, or any successor.

Permitted Security Interest means:

(a) any Security Interest arising out of retention of title provisions or created or subsisting over documents of title, insurance policies (including any export credit agencies’ agreements) and sale contracts in relation to commercial goods in each case created or made in the ordinary course of business to secure the purchase price of such goods or loans to finance such purchase price; or

(b) any Security Interest over any assets acquired by a member of the Restricted Group after 31 May 2010 (and/or over the assets of any person that becomes a member of the Restricted Group after 31 May 2010) provided that:
   (i) any such Security Interest is in existence before such acquisition or before such person becomes a member of the Restricted Group and is not created in contemplation of such acquisition or such person becoming a member of the Restricted Group; and
   (ii) to the extent that the aggregate principal amount secured by such Security Interest upon such acquisition or such person becoming a member of the Restricted Group thereafter exceeds (measured in the same currency) the amount available to be drawn (assuming all drawdown conditions will be met) under the relevant commitment existing at the time of such acquisition or such person becoming a member of the Restricted Group, such Security Interest shall not fall within this paragraph (b);

for the purposes of this paragraph (b) Restricted Group shall not include any companies which have become members of the Restricted Group due to the expansion of the definition of Core Jurisdiction to include any other states which become members of the European Union after 31 May 2010; or

(c) any Security Interest created for the purpose of securing obligations of Vodafone (or, following a Hive Up NewTopco) or any member of the Restricted Group under any agreement (including, without limitation, any agreement under Section 106 of the Town and Country Planning Act 1990 or Section 111 of the Local Government Act 1972) entered into with a local or other public authority and related to the development or maintenance of property owned by Vodafone (or, following a Hive Up, NewTopco) or any member of the Restricted Group; or

(d) any Security Interest created on or subsisting over any asset held in Clearstream Banking, société anonyme or Euroclear Bank S.A./N.V. as operator of the Euroclear System, or any other securities depository or any clearing house pursuant to the standard terms and procedures of the relevant clearing house applicable in the normal course of trading; or

(e) any Security Interest which arises in connection with any cash management, set-off or netting arrangements made between banks or financial institutions and any member(s) of the Restricted Group in the ordinary course of business; or
(f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as pre-judgment security for costs or expenses where any member of the Restricted Group is prosecuting or defending such action in the bona fide interest of the Controlled Group; or

(g) any Security Interest created pursuant to any order of attachment, distraint, garnishee order, arrestment, adjudication or injunction or interdict restraining disposal of assets or similar legal process arising in connection with pre-judgment court proceedings; or

(h) any Security Interest which arises by operation of law in the ordinary course of trading and securing an amount not more than 45 days overdue or which is being contested in good faith on the basis of favourable legal advice; or

(i) any Security Interest over shares in entities which are not members of the Restricted Group which do not secure Financial Indebtedness of the Restricted Group (or over shares and/or other ownership interests in and/or loans to entities which are Project Finance Subsidiaries to secure Project Finance Indebtedness); or

(j) to the extent they constitute Security Interests (or to the extent that the relevant transaction includes the creation of any Security Interest over the assets which are the subject of the finance lease), finance leases in respect of existing or future assets; or

(k) any Security Interest comprising a right of set-off which arises by agreement between parties providing mutual rights of set-off or operation of law or by agreement having substantially the same effect; or

(l) any Security Interest for taxes, assessments or charges not yet due or that are being contested in good faith by appropriate proceedings and (unless the amount thereof is not material to the Consolidated Group’s financial condition) for which adequate reserves are being maintained (in accordance with generally accepted accounting principles); or

(m) deposits or pledges to secure obligations under workers’ compensation, social security or similar laws, or under unemployment insurance; or

(n) any Security Interest created with the prior written consent of the Majority Lenders; or

(o) any Security Interest over deposits of cash or cash equivalent investments securing (directly or indirectly) Financial Indebtedness under (i) finance or structured tax lease arrangements as described in paragraph (b) of Clause 17.8 (Priority borrowing) or (ii) Back to Back Loans; or

(p) any Security Interest securing Project Finance Indebtedness over the assets (or the income, cash flow or other proceeds deriving from the assets) which are the subject of that Project Finance Indebtedness; or

(q) any Security Interest (a “Substitute Security Interest”) which replaces any other Security Interest permitted under paragraphs (a) to (p) above inclusive and which secures an amount not exceeding the principal amount secured by such permitted Security Interest (or, in the case of paragraph (b) above, the amount available to be drawn, assuming all drawdown conditions will be met) at the time it is replaced together with any interest accruing on such amounts from the date such Substitute Security Interest is created or arises and any related fees or expenses provided that the
existing Security Interest to be replaced is released and all amounts secured thereby are paid or otherwise discharged in full at or prior to the time of such Substitute Security Interest being created or arising; or

(r) any Security Interest over the shares or other interests as described in paragraph (iv) of the last paragraph of the definition of Financial Indebtedness securing indebtedness of a kind referred to in that paragraph; or

(s) any Security Interest created (i) between Obligors (including by an Obligor to a member of the Restricted Group which concurrently becomes an Obligor) or (ii) by a member of the Restricted Group which is not an Obligor in favour of an Obligor or to another member of the Restricted Group; or

(t) any Security Interest over Available Cash created in the ordinary course of business to secure obligations, liabilities or performance criteria in relation to any mobile telecommunications licence where such Security Interest is required to be in compliance with the requirements of the relevant telecommunications regulator or an associated governmental or regulatory body; or

(u) any Security Interest over Available Cash created to defease (directly or indirectly) Financial Indebtedness in the form of debentures, bonds, notes, loan stock, or other similar instruments issued by a Controlled Subsidiary where (A) such Financial Indebtedness was either in existence at the Signing Date or (B) if the Subsidiary became a Controlled Subsidiary after the Signing Date such Financial Indebtedness existed at the time that the Controlled Subsidiary became a part of the Controlled Group and was not created in contemplation of that Controlled Subsidiary becoming part of the Controlled Group; or

(v) any other Security Interest (in addition to those listed in (a) to (u) above) where the aggregate principal amount secured by all such Security Interests does not exceed €3,000,000,000 or its equivalent.

“Plan” means an “employee benefit plan” as defined in Section 3(3) of ERISA.

“Prime Rate” means the prime commercial lending rate for U.S. Dollars from time to time announced by the U.S. Swingline Agent. Each change in the interest rate on a Swingline Advance which results from a change in the Prime Rate becomes effective on the day on which the change in the Prime Rate becomes effective.

“Principal Subsidiary” means, from the date that each notice is given by Vodafone to the Agent pursuant to Clause 17.2(c) (Financial information) or, as the case may be, 17.2(d) (Financial information) the four Controlled Subsidiaries which are members of the Restricted Group whose revenues are primarily generated by operations licensed by telecommunications authorities in Core Jurisdictions (excluding for this purpose any Subsidiaries whose principal activity is to act as a Holding Company of other Subsidiaries) that had the largest, if positive or smallest if negative Operating Cash Flow in the previous financial year of Vodafone or, following the Reorganisation Date, NewTopco.
Until the first notice is given by Vodafone to the Agent (in respect of the financial year ended 31 March 2010), the Principal Subsidiaries are Vodafone Limited, Vodafone D2 GmbH, Vodafone Omnitel N.V. and Vodafone España S.A. being Vodafone’s principal subsidiaries operating in UK, Germany, Italy and Spain, respectively.

For the purposes of this definition, until such new notice is given by Vodafone to the Agent pursuant to Clause 17.2(c) (Financial information) or, as the case may be, Clause 17.2(d) (Financial information), if any Principal Subsidiary sells, transfers, merges into or with or otherwise disposes of the majority of its undertakings or assets whether by a single transaction or a number of related transactions (unless such Principal Subsidiary is the surviving entity following such merger) (the “Seller”) to any member of the Restricted Group (the “Purchaser”), then from the date of the relevant sale, transfer, merger or disposal the Purchaser shall be deemed to become a Principal Subsidiary and the Seller shall no longer be deemed to be a Principal Subsidiary.

On the date of each notice given by Vodafone (or as the case may be, NewTopco) to the Agent pursuant to Clause 17.2(c) (Financial information) or, as the case may be, Clause 17.2(d) (Financial information), any Subsidiary which is identified as a Principal Subsidiary in the relevant notice, which was not identified as such in the immediately preceding notice, shall be deemed to immediately replace any Subsidiary which was a Principal Subsidiary immediately prior to the delivery of the notice and which is not named in such notice.

“Project Finance Indebtedness” means any Financial Indebtedness which finances or otherwise relates to the acquisition, development, ownership and/or operation of an asset or combination of assets whether directly or indirectly, where the Financial Indebtedness is incurred pursuant to facilities available prior to the date the relevant entity becomes a member of the Controlled Group (and not created in contemplation of the acquisition):

(a) which is incurred by a Project Finance Subsidiary; or

(b) in respect of which the person or persons to whom such borrowing is or may be owed by the relevant debtor (whether or not a member of the Controlled Group) has or have no recourse whatsoever to any member of the Controlled Group (other than to a Project Finance Subsidiary) for any payment or repayment in respect thereof other than:

(i) recourse to such debtor for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset or assets; and/or

(ii) recourse to such debtor for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by such debtor over such asset or assets or the income, cash flow or other proceeds deriving from the asset (or given by any shareholder or the like in the debtor over its shares and/or other ownership interest in and/or loans to the debtor) to secure such Financial Indebtedness or any recourse referred to in paragraph (iii) below, provided that:

(A) the extent of such recourse to such debtor is limited solely to the amount of any recoveries made on any such enforcement; and
(B) such person or persons are not entitled, by virtue of any right or claim arising out of or in connection with such Financial Indebtedness, to commence proceedings for the winding up or dissolution of the debtor or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the debtor or any of its assets (save only for the assets the subject of that Security Interest); and/or

(iii) recourse:

(A) to such debtor generally, or directly or indirectly to a member of the Controlled Group, under any form of assurance, undertaking or support which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specific way) for breach of an obligation (not being a payment obligation or any obligation to procure payment by another or an indemnity in respect thereof or any obligation to comply or procure compliance by another with any financial ratios or other tests of financial condition) by the person against whom such recourse is available; and/or

(B) to shares and/or other ownership interest in and/or loans to and/or the assets of such debtor and/or any Project Finance Subsidiary owned by a member of the Controlled Group; or

(c) which the Majority Lenders have agreed in writing to treat as Project Finance Indebtedness.

“Project Finance Subsidiary”

means any member of the Controlled Group:

(a) whose principal assets and business are constituted by the ownership, acquisition, development and/or operation of any asset or combination of assets whether directly or indirectly; and

(b) none of whose Financial Indebtedness in respect of the financing of the ownership, acquisition, development and/or operation of any such asset benefits from any recourse whatsoever (including, without limitation, any obligation to subscribe for equity or provide loans) to any member of the Controlled Group (other than such person or another Project Finance Subsidiary) in respect of any payment or repayment in respect thereof, except as expressly referred to in paragraph (b)(iii) of the definition of “Project Finance Indebtedness”; and

(c) which has been designated as such by Vodafone by written notice to the Agent.

“Qualifying Financial Institution”

means any bank or financial institution that as part of its business generally receives deposits or other repayable funds and grants credits for its own account.
“Qualifying Lender”
means a Lender which is beneficially entitled to interest payable to that Lender in respect of an Advance and is:
(a) a Lender;
   (i) which is a bank (as defined for the purpose of Section 879 of the ITA 2007) making an Advance under this Agreement; or
   (ii) in respect of an Advance made under this Agreement by a person that was a bank (as defined for the purpose of Section 879 of the ITA 2007) at the time that that Advance was made,
       and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that Advance at the time payments are made; or
(b) a Treaty Lender.

“Rate Fixing Day”
means:
(a) the Drawdown Date for an Advance denominated in Sterling; or
(b) the second TARGET Day before the Drawdown Date for an Advance denominated in euro; or
(c) the second Business Day before the Drawdown Date for an Advance denominated in U.S. Dollars,
or such other day as the Agent, after consultation with Vodafone and the Lenders, may designate as market practice in the relevant interbank market for leading banks to give quotations in the relevant currency for delivery on the relevant Drawdown Date.

“Ratio Period”
has the meaning given to it in Clause 18.2 (Calculation times and periods).

“Recovering Finance Party”
has the meaning given to it in Clause 30.1 (Redistribution).

“Recovery”
has the meaning given to it in Clause 30.1 (Redistribution).

“Redistribution”
has the meaning given to it in Clause 30.1(c) (Redistribution).
“Reference Banks”
means, subject to Clause 27.10 (Reference Banks), the principal London offices of BNP Paribas, Barclays Bank PLC, JPMorgan Chase Bank, N.A. and The Royal Bank of Scotland plc.

“Reference Bond”
has the meaning given to it in Clause 9.5(d) (Margin).

“Relevant Tax”
means any tax imposed or levied by or in (or by any political sub-division or taxing authority of any of the following):
(a) the UK;
(b) the United States; or
(c) any other jurisdiction in or through which any payment under the Finance Documents is made.

“Reportable Event”
means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the U.S. Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the U.S. Code.

“Reorganisation Date”
means the date NewTopco or any other Intermediate Holding Company acquires any shares or assets (other than the shares in Vodafone acquired pursuant to the Hive Up) in circumstances where the aggregate market value of the assets of Vodafone (as determined by Vodafone (acting reasonably)) immediately following the acquisition is an amount which represents 95 per cent. or less of the aggregate market value of the assets of NewTopco (as determined by Vodafone (acting reasonably)) at that time.

“Request”
means a request made by a Borrower to utilise a Facility, substantially in the form of Schedule 4 (or in such other form as may be agreed by the Agent and Vodafone).

“Requested Amount”
means the amount requested in a Request.
“Reserve Asset Costs”
means in relation to any Advance for any period:
(a) for any Lender lending from a Facility Office in the United Kingdom, the Mandatory Cost (to the extent notified by any Lender in accordance with Clause 9.1 (Interest rate for all Advances) as applicable to that Advance); or
(b) for any Lender lending from a Facility Office in a Participating Member State the cost, if any, notified by any Lender to the Agent as the cost (expressed as a percentage of that Lender’s participation made in all Advances made from that Facility Office) to it of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

“Restricted Group”
means Vodafone, NewTopco (following the Reorganisation Date) and any Controlled Subsidiary (other than a Project Finance Subsidiary) of Vodafone or, following the Reorganisation Date, NewTopco:
(a) whose principal operations or assets are located in a Core Jurisdiction; and/or
(b) whose revenues are primarily generated by operations licensed by telecommunications authorities in Core Jurisdictions, but excludes any Controlled Subsidiary whose principal business is satellite telecommunications or cable.

“Revolving Credit Advance”
means an advance (other than a Swingline Advance) made to a Borrower by the Revolving Credit Lenders under the Revolving Credit Facility.

“Revolving Credit Commitment”
means:
(a) in respect of an Original Lender, the amount in U.S. Dollars set opposite the name of that Lender in Part 1 of Schedule 1 (Lenders and Commitments) or assumed by it in accordance with Clause 2.3 (Increase); and
(b) in respect of an Additional Lender, the amount in U.S. Dollars set out as a Revolving Credit Commitment in the relevant Lender Accession Agreement or assumed by it in accordance with Clause 2.3 (Increase), in each case to the extent not transferred, cancelled or reduced under or in accordance with this Agreement.

“Revolving Credit Facility”
means the multicurrency revolving credit facility referred to in a Clause 2.1(a) (Facilities).
“Revolving Credit Lender” means, subject to Clause 27.2 (Transfers by Lenders), a Lender listed in Part 1 of Schedule 1 (Lenders and Commitments) in its capacity as a participant in the Revolving Credit Facility and/or an Additional Lender.

“Rollover Advance” means any Advance (other than a Swingline Advance) made during the Availability Period which is drawn down to refinance in whole or in part any outstanding Advance (other than a Swingline Advance) where, after making and applying the proceeds of that Advance, the aggregate principal amount outstanding under the Revolving Credit Facility is not greater than the aggregate amount outstanding under that Facility immediately prior to that Advance being made.


“Security Interest” means any mortgage, charge, assignment by way of security, pledge, lien or other security interest securing any obligation of any person.

“Separate Loan” has the meaning given to that term in Clause 7.3 (Separate Loans).

“Signing Date” means the date of this Agreement.

“Single Employer Plan” means a Plan which is maintained by any U.S. Obligor or any member of the Controlled USA Group for employees of Vodafone or any member of the Controlled USA Group.

“Subsidiary” means:
(a) a subsidiary within the meaning of section 1159 of the Companies Act 2006; and
(b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

“Substitute Security Interest” has the meaning given to it in the definition of Permitted Security Interest, paragraph (q).

“Swingline Advance” means an advance made to a Borrower by the Swingline Lenders under the Swingline Facility.
“Swingline Affiliate”
means, in relation to a Lender, any Swingline Lender that is an Affiliate of that Lender and which is notified to the Agent and the U.S. Swingline Agent by that Lender in writing to be its Swingline Affiliate.

“Swingline Commitment”
means:
(a) in respect of a Swingline Lender which is an Original Lender, the amount in U.S. Dollars set opposite its name under the heading “Swingline Commitment” in Part 2 of Schedule 1 (Swingline Lenders and Swingline Commitments) or assumed by it in accordance with Clause 2.3 (Increase); and
(b) in respect of a Swingline Lender which is an Additional Lender, the amount in U.S. Dollars set out as a Swingline Commitment in the relevant Lender Accession Agreement or assumed by it in accordance with Clause 2.3 (Increase),
in each case to the extent not transferred, cancelled or reduced under or in accordance with this Agreement.

“Swingline Facility”
means the committed U.S. Dollars swingline facility referred to in Clause 2.1(b) (Facilities).

“Swingline Lender”
means, subject to Clause 27.2 (Transfers by Lenders), an Original Lender listed in Part 2 of Schedule 1 as a swingline lender or an Additional Lender in respect of which a Swingline Commitment is specified in the relevant Lender Accession Agreement.

“Swingline Rate”
means, on any day, the higher of:
(a) the Prime Rate; and
(b) the aggregate of the Federal Funds Rate plus 0.50 per cent. per annum.

“Swingline Total Commitments”
means the aggregate for the time being of the Swingline Commitments, being US$1,700,000,000 at the date of this Agreement or as may be increased pursuant to paragraph (b) of Clause 2.8 (Additional Lenders) up to a maximum of US$5,000,000,000.

“TARGET Day”
means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) payment system which utilises a single shared platform and which was launched on 19 November 2007 and is open for the settlement of payments in euro.

“Tax Credit”
has the meaning given to it in Clause 11.6 (Refund of Tax Credits).
“Tax on Overall Net Income”
in relation to a Finance Party, means any tax on the overall net income, profits or gains of that Finance Party or any of its Holding Companies (or the overall net income, profits or gains of a division or branch of that Finance Party or any of its Holding Companies).

“Tax Payment”
has the meaning given to it in Clause 11.6 (Refund of Tax Credits).

“Taxes Act”

“Term”
means the period selected by a Borrower in a Request for which the relevant Revolving Credit Advance or Swingline Advance is to be outstanding.

“Total Commitments”
means the aggregate for the time being of the Revolving Credit Commitments, being, at the date of this Agreement, US$4,015,000,000 or as may be increased pursuant to paragraph (b) of Clause 2.8 (Additional Lenders) up to a maximum of US$7,500,000,000 (including the Swingline Total Commitments but without double counting).

“Total Gross Borrowings”
means at any time, the aggregate outstanding principal amount of Financial Indebtedness of the Consolidated Group (including the marked to market position of out of the money derivative contracts).

“Treaty Lender”
means a Lender which is (i) resident (as such term is defined in the appropriate double taxation treaty) in a country with which the United Kingdom has an appropriate double taxation treaty under which residents of that country are entitled to complete exemption from United Kingdom tax on interest and is entitled to apply under the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 to have interest paid to its Facility Office without withholding or deduction for or on account of United Kingdom taxation; and (ii) does not carry on business in the United Kingdom through a permanent establishment with which the investments under this Agreement in respect of which the interest is paid are effectively connected; and for this purpose “double taxation treaty” means any convention or agreement between the government of the United Kingdom and any other government for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains.

“UK” or “United Kingdom”
means the United Kingdom of Great Britain and Northern Ireland (but excluding, for the avoidance of doubt, the Channel Islands).

“Undisclosed Administration”
means in relation to a Lender the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

“United States”
means the United States of America.

“U.S. Code”
means the United States Internal Revenue Code of 1986 (as amended).

“U.S. Obligor”
means any Obligor which is incorporated in the United States or any State thereof (including the District of Columbia).

“U.S. Tax Obligor”
means any Obligor which makes a payment of interest, the receipt of which would be considered to be U.S. source income under Section 861 of the U.S. Code.

“2012 Facility”
means the US$4,675,000,000 multi currency revolving seven year facility dated 24 June 2005 with a capacity of $5,025,000,000 as at 1 June 2010, as may be increased in accordance with its terms and conditions from time to time, and as may be amended and restated from time to time and made between, amongst others, Vodafone Group Plc, the Arrangers and Lenders identified therein and The Royal Bank of Scotland plc as Agent and U.S. Swingline Agent and due June 2012.

“2015 Facility”
means the €4,000,000,000 multi currency revolving five year facility dated 1 July 2010 with a capacity of €4,000,000,000 as at 1 July 2010 and made between, amongst others, Vodafone Group Plc, the Arrangers and Lenders identified therein and The Royal Bank of Scotland plc as Agent and Euro Swingline Agent and due 1 July 2015.

1.2 Construction

(a) In this Agreement, unless the contrary intention appears, a reference to:

(i) “agreed form” means, in relation to any document, such document in a form previously agreed in writing by or on behalf of the Agent and Vodafone;

“assets” of any person includes all or any part of that person’s business, operations, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;

an “authorisation” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration and notarisation;
“Barclays Capital” means Barclays Capital, the investment banking division of Barclays Bank PLC;
a “finance lease” has the meaning given to it in IAS 17 as in effect at 1 April 2010;
“indebtedness” is a reference to any obligation for the payment or repayment of money, whether as principal or surety and whether present or future, actual or contingent;
a “month” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that, if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that month;
a “regulation” includes any regulation, rule, official directive, request or guideline (in each case, whether or not having the force of law, but if not having the force of law, is generally complied with by the persons to whom it is addressed) of any governmental or supranational body, agency, department or regulatory, self-regulatory authority or organisation; and
a reference to the currency of a country is to the lawful currency of that country for the time being, “£” and “Sterling” is a reference to the lawful currency of the United Kingdom for the time being, “US$” and “U.S. Dollars” is a reference to the lawful currency of the United States for the time being and “euro” and “€” is a reference to the lawful currency of those member states of the European Communities that adopt or have adopted the euro under the legislation of the European Community for Economic and Monetary Union;
(ii) a provision of a law is a reference to that provision as amended or re-enacted;
(iii) a Clause or a Schedule is a reference to a clause of or a schedule to this Agreement;
(iv) a person includes its successors, transferees and assigns;
(v) words importing the plural shall include the singular and vice versa;
(vi) a Finance Document or another document is a reference to that Finance Document or that other document as novated or, with the approval of Vodafone, amended or supplemented;
(vii) the term “Affiliate”, in relation to The Royal Bank of Scotland plc, shall not include (i) the UK government or any member or instrumentality thereof, including Her Majesty’s Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including Her Majesty’s Treasury and UK Financial Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings; and
(viii) a time of day is a reference to London time.
(b) Unless the contrary intention appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
(c) The index to and the headings in this Agreement are for convenience only and are to be ignored in construing this Agreement.

(d) (i) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999;
(ii) Notwithstanding any term of any Finance Document, the consent of any third party is not required for any variation (including any release or compromise of any liability under) or termination of that Finance Document.

2. THE FACILITIES

2.1 Facilities

Subject to the terms of this Agreement, the Lenders grant to the Borrowers:

(a) a committed multicurrency revolving five year facility (subject to Clause 6 (Extension Option)), under which the Lenders will, when requested by a Borrower, make cash advances in U.S. Dollars or Optional Currencies to that Borrower on a revolving basis during the Availability Period already defined; and
(b) a committed U.S. Dollars swingline advance facility (which is a sub-division of the Revolving Credit Facility) under which the Swingline Lenders will, when requested by a Borrower, make to that Borrower Swingline Advances during the Availability Period.

2.2 Overall facility limits

(a) The Swingline Facility is not independent of the Revolving Credit Facility. The aggregate Original Dollar Amount of all outstanding Advances (including Swingline Advances) under:
(i) the Revolving Credit Facility, shall not at any time exceed the Total Commitments at that time; and
(ii) the Swingline Facility, shall not at any time exceed the Swingline Total Commitments at that time.

(b) The aggregate Original Dollar Amount of:
(i) the participations of a Lender in Revolving Credit Advances plus that Lender’s and, if applicable, that Lender’s Swingline Affiliate’s (if any), participations in outstanding Swingline Advances shall not at any time exceed that Lender’s Revolving Credit Commitment at that time; and
(ii) the participations of a Swingline Lender in Swingline Advances shall not at any time exceed that Swingline Lender’s Swingline Commitment at that time.

(c) If, in respect of any Revolving Credit Advance, the operation of Clause 5.4 (Amount of each Lender’s participation in an Advance) would otherwise have caused a Lender (the “Affected Lender”) to breach paragraph (b)(i) above then:
(i) each Affected Lender will participate in the relevant Revolving Credit Advance only to the extent that the Original Dollar Amount of its participation in that Revolving
Credit Advance (when aggregated with the Original Dollar Amount of its and, if applicable, that Lender’s Swingline Affiliate’s (if any), participations in other outstanding Revolving Credit Advances and Swingline Advances) will not exceed its Revolving Credit Commitment; and

(ii) each other non-Affected Lender’s participation in that Revolving Credit Advance will be recalculated in accordance with Clause 5.4 (Amount of each Lender’s participation in an Advance), but, for the purpose of the recalculation, the Affected Lenders’ Revolving Credit Commitments will be deducted from the Total Commitments and the amount of the Affected Lenders’ participations in that Revolving Credit Advance (if any) will be deducted from the requested amount of the Revolving Credit Advance.

2.3 Increase

(a) Vodafone may by giving prior notice to the Agent by no later than the date falling 60 Business Days after the effective date of a cancellation of:

(i) the Available Commitments of a Defaulting Lender in accordance with paragraph (d) of Clause 8.5 (Right of prepayment and cancellation); or

(ii) the Commitments of a Lender in accordance with Clause 14.1 (Illegality),

request that the Total Commitments be increased (and the Total Commitments shall be so increased in an aggregate amount of up to the amount of the Available Commitments or Commitments so cancelled as follows:

(A) the increased Commitments will be assumed by one or more Lenders or other banks or financial institutions (each an “Increase Lender”) selected by Vodafone and which is further acceptable to the Agent (acting reasonably)) and each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;

(B) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;

(C) each Increase Lender shall become a Party as a “Lender” and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;

(D) the Commitments of the other Lenders shall continue in full force and effect; and

(E) any increase in the Total Commitments shall take effect on the date specified by Vodafone in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.

(b) An increase in the Total Commitments will only be effective on:

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(i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender;

(ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase the performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Agent shall promptly notify to Vodafone and the Increase Lender.

(c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.

(d) Unless the Agent otherwise agrees or the increased Commitment is assumed by an existing Lender, Vodafone shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee of US$3,000 and Vodafone shall promptly on demand pay the Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under this Clause 2.3.

(e) Vodafone may pay to the Increase Lender a fee in the amount and at the times agreed between Vodafone and the Increase Lender in a letter between Vodafone and the Increase Lender setting out that fee. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph (e).

(f) Clause 27.2(f) to (j) inclusive (Transfers by Lenders) shall apply mutatis mutandis in this Clause 2.3 in relation to an Increase Lender as if references in that Clause to:

(i) an “Existing Lender” were references to all the Lenders immediately prior to the relevant increase;

(ii) the “New Lender” were references to that “Increase Lender”; and

(iii) a “retransfer” were references to a “transfer”.

2.4 Number of Requests and Advances

(a) Unless the Agent agrees otherwise, no more than one Request (other than Requests for Swingline Advances only) may be delivered on any one day but that Request may specify any number and type of Advances from the Revolving Credit Facility or the Swingline Facility or either of them.

(b) Unless the Agent agrees otherwise, no more than 10 Advances (not including Swingline Advances) may be outstanding at any one time.

2.5 Nature of rights and obligations

(a) The obligations of a Finance Party and each Obligor under the Finance Documents are several. Failure of a Finance Party or an Obligor to carry out those obligations does not relieve any other Party of its obligations under the Finance Documents. No Finance Party or Obligor is responsible for the obligations of any other Finance Party or Obligor under the Finance Documents save and to the extent that the relevant obligations are guaranteed by another Obligor.
(b) The rights of a Finance Party under the Finance Documents are divided rights. A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce those rights.

2.6 Vodafone as Obligors’ agent

Each Obligor:

(a) irrevocably authorises and instructs Vodafone to give and receive as agent on its behalf all notices (including Requests) and sign all documents in connection with the Finance Documents on its behalf (including but not limited to amendments and variations and execution of any new Finance Documents) and take such other action as may be necessary or desirable under or in connection with the Finance Documents; and

(b) confirms that it will be bound by any action taken by Vodafone under or in connection with the Finance Documents.

2.7 Actions of Vodafone as Obligors’ agent

The respective liabilities of each of the Obligors under the Finance Documents shall not be in any way affected by:

(a) any irregularity (or purported irregularity) in any act done by or any failure (or purported failure) by Vodafone; or

(b) Vodafone acting (or purporting to act) in any respect outside any authority conferred upon it by any Obligor; or

(c) the failure (or purported failure) by or inability (or purported inability) of Vodafone to inform any Obligor of receipt by it of any notification under this Agreement.

2.8 Additional Lenders

(a) Any financial institution or other entity may, subject to the terms of this Agreement, become an Additional Lender. The relevant financial institution or other entity will become an Additional Lender on the date specified in a Lender Accession Agreement which has been delivered to the Agent duly completed and executed by that financial institution or other entity and countersigned by Vodafone on behalf of itself and each other Obligor.

(b) Upon the relevant financial institution or other entity becoming an Additional Lender, the Total Commitments shall be increased (subject to the Total Commitments being a maximum of US$7,500,000,000 and the Combined Commitments being a maximum of US$7,500,000,000 plus €7,500,000,000(or its equivalent in dollars calculated at the Agent’s Spot Rate of Exchange)) by the amount set out in the relevant Lender Accession Agreement as that Additional Lender’s Revolving Credit Commitment. If such Additional Lender so provides in the relevant Lender Accession Agreement, the Swingline Total Commitments shall be increased (subject to the Combined Swingline Commitments being a maximum of US$5,000,000,000 plus €2,550,000,000 (or its equivalent in dollars calculated at the Agent’s Spot Rate of Exchange)) by the amount set out in the relevant Lender Accession Agreement as that Additional Lender’s Swingline Commitment.

(c) Each Additional Lender will participate only in Advances with a Drawdown Date following the date on which it became an Additional Lender and only then if:
(i) it has become an Additional Lender in time to receive sufficient notice of the relevant Advance from the Agent pursuant to Clause 5.5 (Notification of the Lenders); and
(ii) immediately before such an Advance is to be made either (A) no Advances are or will be outstanding or (B) all outstanding Advances at that time are or will be immediately repaid or prepaid in full in accordance with the terms of this Agreement.
(d) On and from the Drawdown Date on which the Additional Lender makes an Advance under paragraph (c) above, the Additional Lender shall participate in each new Revolving Credit Advance or, as the case may be, Swingline Advance in accordance with Clause 5.4 (Amount of each Lender’s participation in an Advance).
(e) The execution by Vodafone of a Lender Accession Agreement constitutes confirmation by each Guarantor that its obligations under Clause 15 (Guarantee) shall continue unaffected except that those obligations shall extend to the Total Commitments as increased by the addition of the relevant Additional Lender’s Revolving Credit Commitment (including such Additional Lender’s Swingline Commitment but without double counting) and shall be owed to each Finance Party including the relevant Additional Lender.

3. PURPOSE
3.1 Purpose
Each Revolving Credit Advance will be used for the refinancing of the 2012 Facility, following which each Advance will be applied in or towards providing support for the Group’s continuing commercial paper programmes and each Revolving Credit Advance will be applied for general corporate purposes of the Group including, but not limited to, Acquisitions (provided that a Swingline Advance may not be applied in or towards refinancing another Swingline Advance).
3.2 No monitoring
Without affecting the obligations of any Borrower in any way, no Finance Party is bound to monitor or verify the application of the proceeds of any Advance.

4. CONDITIONS PRECEDENT
4.1 Initial conditions precedent
The obligations of each Finance Party to any Borrower under this Agreement are subject to the conditions precedent that:
(a) the Agent has notified Vodafone and the Lenders that it has received all of the documents set out in Part 1 of Schedule 2 in the agreed form or such other form and substance satisfactory to the Agent. The Agent will give such notice of receipt within two Business Days after receiving the relevant documents and finding them in form and substance satisfactory to it; and
(b) the Agent confirms on or prior to the Signing Date (i) the 2012 Facility has been cancelled and (ii) all amounts outstanding under such 2012 Facility have been repaid.

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4.2 Conditions to all drawdowns and rollovers

The obligations of each Lender to participate in any Advance are subject to the further conditions precedent that on the date of the Request for the Advance (if applicable) and on the date on which the relevant amount is to be drawn down:

(a) the representations and warranties in Clause 16 (Representations and Warranties) are correct and will be correct immediately after the relevant Advance or amount is drawn down in each case in all material respects; and

(b) in the case of a Rollover Advance, no Event of Default is continuing or would result from the proposed Advance, and in the case of any other drawdown, no Default has occurred and is continuing or would result from drawdown of the relevant Advance or amount.

5. ADVANCES

5.1 Receipt of Requests

(a) A Borrower may borrow Advances under the Revolving Credit Facility (other than Swingline Advances) if the Agent receives, not later than 5.00 p.m. on the third Business Day before the proposed Drawdown Date, or, in the case of an Advance in Sterling, not later than 5.00 p.m. on the Business Day before the proposed Drawdown Date, a duly completed Request, copied, to the U.S. Swingline Agent.

(b) A Borrower may borrow Swingline Advances if the U.S. Swingline Agent receives, not later than 11.00 a.m. (New York City time) on the proposed Drawdown Date, a duly completed Request, copied to the Agent.

5.2 Completion of Requests for Revolving Credit Advances

A Request for a Revolving Credit Advance will not be regarded as having been duly completed unless:

(a) the Drawdown Date is a Business Day falling during the Availability Period;

(b) only one currency is specified for each separate Advance and the Requested Amount for each separate Advance is in a minimum amount:

(i) if in euro, of €25,000,000;
(ii) if in Sterling, of £20,000,000; or
(iii) if in U.S. Dollars, of US$25,000,000,

or, in any such case:

(A) if less, is in an amount equal to the unutilised portion of the Total Commitments; or

(B) such other amount as Vodafone and the Agent may agree;

(c) only one Term for each separate Advance is specified which:

(i) does not overrun the Final Maturity Date; and

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(ii) is a period of 7 days, one month, two, three (or such comparable period as the Borrower may adopt to reflect international futures exchange settlement dates) or six months (or such other period as may be agreed by Vodafone and (if not more than six months) the Agent or (if more than six months) all of the Lenders); and

(d) the payment instructions comply with Clause 10.1 (Place of payment).

5.3 Completion of Requests for Swingline Advances

A Request for a Swingline Advance will not be regarded as having been duly completed unless:

(a) the Drawdown Date is a New York Business Day falling during the Availability Period;

(b) it is specified that the Swingline Advance is to be made in U.S. Dollars under the Swingline Facility;

(c) the Requested Amount is a minimum of US$15,000,000 or such other amount as the U.S. Swingline Agent and Vodafone may agree;

(d) only one Term is specified, which:

   (i) does not overrun the Final Maturity Date; and

   (ii) is a period not exceeding five Business Days; and

(e) the payment instructions comply with Clause 10.1 (Place of payment).

5.4 Amount of each Lender’s participation in an Advance

The amount of a Lender’s participation in an Advance will be the proportion of the Requested Amount which:

(a) in the case of a Revolving Credit Advance, its Revolving Credit Commitment bears to the Total Commitments; and

(b) in the case of a Swingline Advance, its Swingline Commitment bears to the Swingline Total Commitments,

in each case on the date of receipt of the relevant Request, adjusted in the case of paragraph (a) above (if necessary) to reflect the operation of Clause 2.2(c) (Overall facility limits).

5.5 Notification of the Lenders

The Agent (or, in the case of Swingline Advances, the U.S. Swingline Agent) shall promptly notify each Lender (or, as the case may be, Swingline Lender) of the details of the requested Advance and the amount of its participation in such Advance.

5.6 Payment of proceeds

Subject to the terms of this Agreement, each Lender (or, as the case may be, Swingline Lender) shall make its participation in an Advance available to the Agent (or, in the case of a
participation in a Swingline Advance, the U.S. Swingline Agent) for the Borrower concerned for value on the relevant Drawdown Date.

6. EXTENSION OPTION

(a) Vodafone may by notice to the Facility Agent (the Extension Request) not more than 60 days and not less than 30 days before first anniversary of the date of this Agreement (the First Anniversary), request that the Final Maturity Date be extended for a further period of one year.

(b) The Facility Agent must promptly notify the Lenders of an Extension Request.

(c) Each Lender may, in its sole discretion, agree to an Extension Request. Subject to paragraph (g) below, each Lender that agrees to an Extension Request by the date falling 15 days before the First Anniversary, will, on the First Anniversary, extend its Commitments for a further period of one year, from the then current Final Maturity Date and the Final Maturity Date with respect to the Commitments of that Lender will be extended accordingly.

(d) If any Lender fails to reply to an Extension Request on or before the date falling 15 days before the First Anniversary, it will be deemed to have refused that Extension Request and its Commitments will not be extended.

(e) Subject to paragraph (g) below, each Extension Request is irrevocable.

(f) If one or more (but not all) of the Lenders agree to an Extension Request, then by the date falling no later than ten days before the First Anniversary, the Facility Agent must notify Vodafone and the Lenders which have agreed to the extension, identifying in that notification which Lenders have not agreed to the Extension Request.

(g) Vodafone may, on the basis that one or more of the Lenders have not agreed to the Extension Request and no later than the date falling 5 days before the First Anniversary, withdraw the request by notice to the Facility Agent which will promptly notify the Lenders.

7. REPAYMENT

7.1 Repayment of Revolving Credit Advances

(a) Each Borrower shall repay each Revolving Credit Advance made to it in full on its Maturity Date to the Agent for the Lenders, but since the Revolving Credit Facility is available on a revolving basis during the Availability Period amounts repaid may be reborrowed subject to the terms of this Agreement.

(b) No Revolving Credit Advance may be outstanding after the Final Maturity Date.

7.2 Repayment of Swingline Advances

(a) Each Borrower shall repay each Swingline Advance made to it in full on its Maturity Date to the U.S. Swingline Agent for the Swingline Lenders. No Swingline Advance may be outstanding after the Final Maturity Date.

(b) Each Swingline Advance shall be repaid on its Maturity Date in accordance with paragraph (a) above. In the event and to the extent that a Swingline Advance is not so repaid, each Lender will, within four Business Days of a demand to that effect from the U.S. Swingline Agent, pay to the U.S. Swingline Agent on behalf of the Swingline Lenders
(which shall be deemed to be a drawing of that Lender’s Commitment) an amount equal to its Agreed Percentage (without set-off, counterclaim, withholding or other deduction) of the principal amount outstanding of such Swingline Advance and accrued interest (including default interest) thereon to the date of actual payment by such Lender (provided that no Lender shall be obliged to exceed its Commitment as a result of any such payment). The relevant Borrower shall forthwith reimburse the Lenders (through the Agent) in full for each payment made by the Lenders under this paragraph (b). Each amount the relevant Borrower is required to reimburse to the Lenders under this paragraph (b) shall be deemed to be an Overdue Amount which fell due for payment by the relevant Borrower on the day on which the payment by the Lenders giving rise to the reimbursement obligation was made and shall accrue default interest under Clause 9.3 (Default interest) accordingly. The obligations of each Lender under this paragraph (b) are unconditional and shall not be affected by the occurrence or continuance of a Default.

7.3 Separate Loans

(a) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Facilities then outstanding will be automatically extended to the earlier of:

(i) the first Business Day falling 364 days after the date on which the Agent or a Borrower gives notice to the Defaulting Lender and the other Parties that the relevant Lender has become a Defaulting Lender, and will be treated as separate Facilities (the “Separate Loans”) denominated in the currency in which the relevant participations are outstanding; and

(ii) the last day of the Availability Period.

(b) A Borrower to whom a Separate Loan is outstanding may prepay that Separate Loan by giving 10 Business Days’ prior notice to the Agent. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (b) to the Defaulting Lender concerned as soon as practicable on receipt.

(c) Interest in respect of a Separate Loan will accrue for successive Terms selected by a Borrower by the time and date specified by the Agent acting reasonably and will be payable by that Borrower to the Defaulting Lender on the last day of each Term of that Advance.

(d) The terms of this Agreement relating to the Facilities generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (a) to (c) above inclusive in which case those paragraphs shall prevail in respect of any Separate Loans.

(e) If at any time while a Separate Loan is outstanding the Borrower transfers the relevant Defaulting Lender’s outstanding participations to a Replacement Lender in accordance with Clause 27.5 (Replacement of Lenders), each Separate Loan transferred to the Replacement Lender will automatically become, on the last day of the current Term for each such Separate Loan, a Revolving Credit Advance and paragraphs (a) to (c) above (inclusive) shall cease to apply to that Advance while such Replacement Lender is not a Defaulting Lender.

8. PREPAYMENT AND CANCELLATION

8.1 Automatic cancellation of Total Commitments

(a) The Revolving Credit Commitments of each Lender shall be automatically cancelled at the close of business in London on the Final Maturity Date.
(b) The Swingline Commitment of each Swingline Lender shall be automatically cancelled at the close of business in New York on the Final Maturity Date.

8.2 Voluntary cancellation

(a) Vodafone may by giving not less than one Business Day’s prior written notice to the Agent, cancel the unutilised portion of the Total Commitments in whole or in part (but, if in part, in an aggregate minimum amount of US$75,000,000) in such proportions as Vodafone may designate in the notice of cancellation. Any cancellation in part shall be applied against the Revolving Credit Commitment of each Lender pro rata.

(b) Whenever part of the Total Commitments is cancelled, the Swingline Commitments will not be cancelled unless (i) the amount of the Swingline Total Commitments would exceed the Total Commitments after such cancellation or (ii) the Swingline Commitment of any Swingline Lender would exceed its Commitment after such cancellation. In any such case, the Swingline Total Commitments shall, at the same time as the cancellation of the Total Commitments takes effect, be cancelled by such amount as is necessary to ensure that after the relevant cancellation of the Total Commitments the Swingline Total Commitments do not exceed the Total Commitments and the Swingline Commitment of each Swingline Lender does not exceed its Commitment.

8.3 Voluntary prepayment

(a) Any Borrower may by giving not less than five Business Days’ prior written notice to the Agent, prepay the whole or any part of the Revolving Credit Advances (but, if in part, in an aggregate minimum Original Dollar Amount, taking all prepayments made by all the Borrowers on the same day together, of US$100,000,000).

(b) Any Borrower may prepay the whole of any Swingline Advance at any time.

(c) Any voluntary prepayment in part made under paragraph (a) above will be applied against all the Revolving Credit Advances pro rata (or against such Revolving Credit Advances as Vodafone (or the relevant Borrower) may designate in the notice of prepayment).

8.4 Change of Control

If control of Vodafone (other than as a result of a Hive Up) or, following a Hive Up, NewTopco, passes to any person acting either individually or in concert (a Change of Control):

(a) Vodafone shall, promptly upon becoming aware thereof, notify the Agent who shall inform the Lenders;

(b) any Lender may, if it determines that as a result of the Change of Control:

(i) the level of its exposure to Vodafone, NewTopco and/or the entity which acquires control of Vodafone or NewTopco, as the case may be is unacceptably high in each case in the sole opinion of the Lender; or

(ii) it no longer wishes (in its sole discretion and acting in good faith) to continue lending to Vodafone or NewTopco, as the case may be (whether for relationship, internal policy or any other reason);
propose to Vodafone (through the Agent) the revised terms (if any) which it requires in order to continue to participate in the
Facilities; and

(c) if those revised terms have not been agreed with that Lender (or that Lender is not prepared, for one or more of the reasons set out in
paragraph (b)(i) or (ii) above, to continue on any terms) within 30 days of the date of notification in paragraph (a) above (or such
longer period as that Lender may agree in writing) then on expiry of 30 days from the date of notification in paragraph (a) above that
Lender may by notice to the Agent (which shall promptly inform Vodafone) cancel the whole (but not part only) of such Lender’s
Commitments and following service of such notice:

(i) such Lender’s Commitments shall be cancelled on the date of service of the notice or as specified in it; and

(ii) all such Lender’s outstanding Advances shall be repaid or prepaid on the last day of the then current Term applicable thereto, and
no amount may be outstanding to such Lender thereafter.

For the purposes of this Clause 8.4, “control” has the meaning given to it in relation to a body corporate by Section 1124 of the Taxes Act.

8.5 Right of prepayment and cancellation

If:

(a) any Borrower is required to pay or is notified by any Lender in writing that it will be required to pay any amount to a Lender under
Clause 11 (Taxes) or Clause 13 (Increased Costs); or

(b) if circumstances exist such that a Borrower will be required to pay any amount to a Lender under Clause 11 (Taxes); or

(c) any Lender notifies the Agent pursuant to Clause 9.1(c) (Interest rate for all Advances) that they incur Reserve Asset Costs of the type
referred to under paragraph (b) of the definition thereof,

Vodafone may, whilst (in the case of paragraphs (a) and (b) above) the circumstances giving rise or which will give rise to the
requirement continue or, (in the case of paragraph (c) above) such Reserve Asset Costs are greater than zero, serve a notice of
prepayment and cancellation on that Lender through the Agent. On the date falling five Business Days after the date of service of the
notice:

(i) each Borrower will prepay the participations of that Lender in all outstanding Advances made to that Borrower; and

(ii) the Lender’s Commitments shall be permanently cancelled on the date of service of the notice.

(d) If any Lender becomes a Defaulting Lender, Vodafone may, at any time whilst the Lender continues to be a Defaulting Lender, give
the Agent five Business Days’ notice of cancellation of each Available Commitment of that Lender.

(e) On the notice referred to in paragraph (d) above becoming effective, each Available Commitment of the Defaulting Lender shall
immediately be reduced to zero.
The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (e) above, notify all the Lenders.

8.6 Miscellaneous provisions

(a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable. The Agent shall notify the Lenders promptly of receipt of any such notice.

(b) All prepayments under this Agreement shall be made together with accrued interest on the amount prepaid and any other amounts due under this Agreement in respect of that prepayment (including, but not limited to, any amounts payable under Clause 24.2(c) (Other indemnities) if not made on the Maturity Date of the relevant Revolving Credit Advance or Swingline Advance).

(c) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.

(d) Subject to the provisions of this Agreement, any amount prepaid in respect of the Revolving Credit Facility during the Availability Period may be reborrowed.

(e) Subject to Clause 2.3 (Increase), no amount of the Total Commitments, (including the Swingline Total Commitments) cancelled under this Agreement may subsequently be reinstated.

9. INTEREST

9.1 Interest rate for all Advances

(a) The rate of interest on each Advance (other than any Swingline Advance) for its Term, is the rate per annum determined by the Agent to be the aggregate of:

(i) the applicable Margin;

(ii) LIBOR or, in the case of an Advance denominated in euro, EURIBOR; and

(iii) Reserve Asset Costs (if any).

(b) The rate of interest on each Swingline Advance for each day during its Term is the rate per annum determined by the U.S. Swingline Agent to be the Swingline Rate for that day plus any applicable Reserve Asset Costs.

(c) In this Agreement:

(i) Reserve Asset Costs for an Advance for any Term will be calculated only on that portion of that Advance owed to Lenders who have notified the Agent that they incur the relevant Reserve Asset Costs in relation to Advances (and, in the case of Mandatory Costs, supplied the information required under paragraphs 6 and 7 of Schedule 3);

(ii) a Lender will only be entitled to Reserve Asset Costs if it has given a notification to the Agent as contemplated in paragraph (i) above; and

(iii) any amounts payable pursuant to paragraph (b) of the definition of “Reserve Asset Costs” shall be expressed as a percentage rate per annum for the relevant Term.
9.2 Due dates

Except as otherwise provided in this Agreement, accrued interest on each Advance is payable by the relevant Borrower on its Maturity Date and also, in the case of any Advance with a Term longer than six months, at six monthly intervals after its Drawdown Date for so long as the Term is outstanding.

9.3 Default interest

(a) If a Borrower fails to pay any amount payable by it under this Agreement when due (an "Overdue Amount"), it shall forthwith on demand by the Agent or, as the case may be, the U.S. Swingline Agent, pay interest on the Overdue Amount from the due date up to the date of actual payment, both before and after judgment, at a rate (the "Default Rate") determined by the Agent or, as the case may be, the U.S. Swingline Agent to be one per cent. per annum (the "Default Margin") above the higher of:

(i) the rate on the Overdue Amount under Clause 9.1 (Interest rate for all Advances) immediately before the due date (in the case of principal); and

(ii) the rate which would have been payable under Clause 9.1 (Interest rate for all Advances) if the Overdue Amount had, during the period of non-payment, constituted a Revolving Credit Advance in the currency of the Overdue Amount for such successive Terms of such duration as the Agent may determine (each a "Designated Term"),

except that during any grace period specified in Clause 19.2 (Non-payment) the Default Margin portion of the Default Rate will only apply to overdue payments of principal.

(b) The Default Rate will be determined on each Business Day or the first day of, or two Business Days before the first day of, the relevant Designated Term, as appropriate.

(c) If the Agent or, as the case may be, the U.S. Swingline Agent, determines that deposits in the currency of the Overdue Amount are not at the relevant time being made available by the Reference Banks to leading banks in the relevant interbank market, the Default Rate will be determined by reference to the cost of funds to the Agent or, as the case may be, the U.S. Swingline Agent, from whatever sources it selects, acting reasonably at all times, after consultation with the Reference Banks.

(d) Default interest will be compounded at the end of each Designated Term.

(e) The Agent shall notify Vodafone of the duration of each Designated Term.

9.4 Notification of rates of interest

The Agent or, as the case may be, the U.S. Swingline Agent will promptly notify each relevant Party of the determination of a rate of interest under this Agreement.

9.5 Margin

(a) The Margin applicable to each Advance (other than any Swingline Advance) will be the lowest percentage rate specified in Column 2 below which corresponds to the criteria in relation to the Long Term Credit Rating Assigned to Vodafone in Column 1 below by Moody’s, Fitch and/or S&P (as the case may be) (each a "Credit Rating Agency") at the relevant time.
Moody’s/Fitch/S&P ratings | Margin (per cent. per annum)
--- | ---
Any two are equal to or higher than: Aa3/AA-/AA- | 0.25
Any two are equal to or higher than: A1/A+/A+ | 0.30
Any two are equal to or higher than: A2/A/A | 0.35
Otherwise | 0.40

All Quoting Credit Rating Agencies are lower than: A3/A-/A- | 0.50

For the purposes of this Clause 9.5(a) “All Quoting Credit Rating Agencies” means at any time each Credit Rating Agency which has a Long Term Credit Rating Assigned to Vodafone at the relevant time.

(b) For the purposes of paragraph (a) above:

(i) the Margin applicable to an Advance throughout the whole of its Term will be determined according to the Long Term Credit Rating Assigned to Vodafone as at the Drawdown Date of the Advance; and

(ii) if on the Drawdown Date of any Advance only one Credit Rating Agency assigns a long term credit rating to Vodafone, the Margin applicable to that Advance will be determined in accordance with paragraph (i) by reference to such Long Term Credit Rating Assigned to Vodafone, or in the event that there is no Long Term Credit Rating Assigned to Vodafone the Margin applicable to that Advance will be 0.50 per cent. per annum.

In the case of Clause 9.5(b)(ii) above, where the ratings category will be determined by one Credit Rating Agency only, the words “Any two are” and “All Quoting Credit Rating Agencies” in Column 1 of the table above shall be construed as a reference to the rating determined pursuant to Clause 9.5(b)(ii) above.

(c) Promptly upon becoming aware of the same, Vodafone shall inform the Agent in writing if any change in the Long Term Credit Rating Assigned to Vodafone occurs or the circumstances contemplated by paragraph 9.5(b)(ii) above arise.

(d) For the purpose of this Clause 9.5 the “Long Term Credit Rating Assigned to Vodafone” means, at any time, the solicited long term credit rating assigned at that time to Vodafone by the relevant Credit Rating Agency (but, for the avoidance of doubt, disregarding any outlook or review action, including placing Vodafone on creditwatch or any similar or analogous step, taken by such Credit Rating Agency) where the rating is based primarily on the unsecured credit risk (not credit enhanced or collateralised) of Vodafone in a manner comparable to the credit structure of Vodafone’s €1,250,000,000 bond issue due January 2022 (the “Reference Bond”), or if the Reference Bond ceases to be outstanding, such other outstanding series of listed bonds issued or guaranteed by Vodafone with a maturity date following and closest to January 2022. References in this paragraph (d) to Vodafone shall, following the
Reorganisation Date, be references to NewTopco, provided that a long term credit rating has been assigned to NewTopco.

9.6 Non-Business Days
If a Term would otherwise end on a day which is not a Business Day, that Term shall instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10. PAYMENTS

10.1 Place of payment
All payments by an Obligor or a Lender under this Agreement shall be made to the Agent or (if the payment relates to the Swingline Facility) the U.S. Swingline Agent to its account at such office or bank in the principal financial centre of the country of the currency concerned (or, in the case of euro, in the principal financial centre of a Participating Member State or London) or as it may notify to that Obligor or Lender for this purpose.

10.2 Funds
Payments under this Agreement to the Agent or, as the case may be, the U.S. Swingline Agent shall be made for value on the due date at such times and in such funds as the Agent or, as the case may be, the U.S. Swingline Agent may specify to the Party concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

10.3 Distribution
(a) Each payment received by the Agent or, as the case may be, the U.S. Swingline Agent under this Agreement for another Party shall, subject to paragraphs (b) and (c) below, be made available by the Agent or, as the case may be, the U.S. Swingline Agent to that Party by payment (on the date of value of receipt and in the currency and funds of receipt) to its account with such bank in the principal financial centre of the country of the relevant currency (or, in the case of euro, in the principal financial centre of a Participating Member State or London) as it may notify to the Agent or, as the case may be, the U.S. Swingline Agent for this purpose by not less than five Business Days’ prior notice.
(b) The Agent or, as the case may be, the U.S. Swingline Agent may apply any amount received by it for an Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from an Obligor under this Agreement in the same currency on such date or in or towards the purchase of any amount of any currency to be so applied.
(c) Where a sum is to be paid under this Agreement to the Agent or, as the case may be, the U.S. Swingline Agent for the account of another Party, the Agent or, as the case may be, the U.S. Swingline Agent is not obliged to pay that sum to that Party until it has established that it has actually received that sum. The Agent or, as the case may be, the U.S. Swingline Agent may, however, assume that the sum has been paid to it in accordance with this Agreement and, in reliance on that assumption, make available to that Party a corresponding amount. If the sum has not been made available but the Agent or, as the case may be, the U.S. Swingline Agent has paid a corresponding amount to another Party, that Party shall forthwith on demand refund the corresponding amount to the Agent or, as the case may be, the U.S. Swingline Agent together with interest on that amount from the date of payment to the date of receipt,
calculated at a rate reasonably determined by the Agent or, as the case may be, the U.S. Swingline Agent to reflect its cost of funds.

10.4 Currency
(a) (i) A repayment or prepayment of an Advance is payable in the currency in which the Advance is denominated.
(ii) Interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.
(iii) Amounts payable in respect of costs, expenses, taxes and the like are payable in the currency in which they are incurred.
(iv) Any other amount payable under this Agreement is, except as otherwise provided in this Agreement, payable in U.S. Dollars.
(b) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (acting reasonably and after consultation with Vodafone); and
(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of the currency unit into the other, rounded up or down by the Agent (acting reasonably); and
(iii) if a change in any currency of a country occurs this Agreement will be amended to the extent the Agent and Vodafone agree (such agreement not to be unreasonably withheld) to be necessary to reflect the change in currency and to put the Lenders and the Obligors in the same position, as far as possible, that they would have been in if no change in currency had occurred.

10.5 Set-off and counterclaim
All payments made by an Obligor under this Agreement shall be made without set-off or counterclaim.

10.6 Non-Business Days
(a) If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment shall instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
(b) During any extension of the due date for payment of any principal under this Agreement interest is payable on the principal at the rate payable on the original due date.

10.7 Impaired Agent or U.S. Swingline Agent
(a) If, at any time, the Agent or, as the case may be, the U.S. Swingline Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the

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Finance Documents to the Agent or U.S. Swingline Agent in accordance with this Clause 10 (Payments) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payment must be made on the due date for payment under the Finance Documents.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account pro rata to their respective entitlements.

(c) A party who has made a payment in accordance with this Clause 10.7 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent or, as the case may be, successor U.S. Swingline Agent, in accordance with Clause 20.15 (Resignation of the Agent or the U.S. Swingline Agent), each Party which has made a payment to a trust account in accordance with this Clause 10.7 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount(s) together with any accrued interest to the successor Agent or, as the case may be, the successor U.S. Swingline Agent for distribution in accordance with Clause 10.3 (Distribution).

10.8 Partial payments

(a) If the Agent or, as the case may be, the U.S. Swingline Agent receives a payment insufficient to discharge all the amounts then due and payable by an Obligor under this Agreement, the Agent or, as the case may be, the U.S. Swingline Agent shall apply that payment towards the obligations of the Obligors under this Agreement in the following order:

(i) first, in or towards payment pro rata of any unpaid costs, fees and expenses of the Agent and the U.S. Swingline Agent under this Agreement;

(ii) secondly, in or towards payment pro rata of any accrued fees due but unpaid under Clause 21 (Fees);

(iii) thirdly, in or towards payment pro rata of any interest due but unpaid under this Agreement;

(iv) fourthly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and

(v) fifthly, in or towards payment pro rata of any other sum due but unpaid under this Agreement.

(b) The Agent or, as the case may be, the U.S. Swingline Agent, shall, if so directed by all the Lenders, vary the order set out in paragraphs (a) (ii) to (a)(v) above. The Agent or, as the case may be, the U.S. Swingline Agent, shall notify Vodafone of any such variation.

(c) Paragraphs (a) and (b) above shall override any appropriation made by any Obligor.
11. TAXES

11.1 Gross-up

All payments by an Obligor to a Finance Party under the Finance Documents shall be made free and clear of and without deduction for or on account of any Relevant Taxes, except to the extent that the Obligor is required by law to make payment subject to any such taxes. Subject to Clause 11.4 (Qualifying Lenders) and Clause 11.5 (U.S. Taxes), if any Relevant Tax or amounts in respect of Relevant Tax are deducted or withheld from any amounts payable or paid by an Obligor, to a Finance Party under the Finance Documents, the Obligor shall pay such additional amounts as may be necessary to ensure that the relevant Finance Party receives a net amount equal to the full amount which it would have received had that Relevant Tax or those amounts in respect of Relevant Tax not been so deducted or withheld.

11.2 Indemnity

Save to the extent that the relevant Finance Party is compensated by an increased payment under Clause 11.1 (Gross-up), but otherwise without prejudice to the provisions of Clause 11.1 (Gross-up), but subject to Clause 11.4 (Qualifying Lenders) and Clause 11.5 (U.S. Taxes), if a Finance Party or the Agent (or, as the case may be, the U.S. Swingline Agent) on behalf of that Finance Party is required to make any payment on account of any Relevant Tax on or in relation to any sum received or receivable hereunder by such Finance Party or the Agent (or, as the case may be, the U.S. Swingline Agent) on behalf of that Finance Party (including a sum received or receivable under this Clause 11) or any liability in respect of any such payment on account of any Relevant Tax is incurred by such Finance Party or the Agent (or, as the case may be, the U.S. Swingline Agent) on behalf of that Finance Party (in all cases other than any Tax on Overall Net Income), the relevant Obligor shall, within five Business Days of demand by the Agent (or, as the case may be, the U.S. Swingline Agent) indemnify such Finance Party against such payment or liability in respect of such payment, together with any interest, penalties, reasonable costs and reasonable expenses payable or incurred in connection therewith other than any such interest, penalties, costs or expenses arising as a result of a failure by a Finance Party to make payment of such tax when due.

11.3 Tax receipts

All taxes required by law to be deducted or withheld by an Obligor from any amounts paid or payable under the Finance Documents shall be paid by the relevant Obligor when due and the Obligor shall, within 15 days of the payment being made, deliver to the Agent for the relevant Lender evidence satisfactory to that Lender acting reasonably (including any relevant tax receipts which have been received) that the payment has been duly remitted to the appropriate authority.

11.4 Qualifying Lenders

(a) An Obligor is not required to pay to a Lender any amounts under Clause 11.1 (Gross-up) or Clause 11.2 (Indemnity) in respect of Relevant Tax imposed by the United Kingdom if, on the date on which the payment falls due, the relevant Lender is a Party but is not a Qualifying Lender (other than as a result of the introduction, suspension, withdrawal or cancellation of, or change in, or change in the official interpretation, administration or official application of, any law, regulation having the force of law, tax treaty or any published practice or published concession of any relevant taxing authority in any jurisdiction with which the relevant Lender has a connection, occurring after the Signing Date or, if later, the date on which that Lender becomes a Party).
(b) A Treaty Lender shall:

(i) promptly and, in any event, within seven Business Days after it becomes a Lender, deliver to its local revenue authority for certification such UK HMRC forms (“Claim Forms”) as may be required for any Obligor making a payment to such Treaty Lender to obtain authorisation from the UK HMRC to make such payment without deduction for or on account of any taxes;

(ii) in circumstances where the procedure for Treaty relief contemplated in paragraph (i) above requires a local revenue authority to return a certified Claim Form to the Treaty Lender for submission by that Treaty Lender to the UK HMRC, (a) take all reasonable follow up action available to the Treaty Lender to facilitate the return in a timely manner to the Treaty Lender of such Claim Form, duly stamped or certified by the relevant revenue authority and (b) submit such Claim Form to the UK HMRC as soon as reasonably practicable (and in any event within seven Business Days) after receipt of that Claim Form from the local revenue authority; and

(iii) in all other circumstances relating to the Treaty relief procedure contemplated in (i) above, following the submission of Claim Forms by the Treaty Lender to the relevant local revenue authority, respond promptly to any further requests any Treaty Lender receives from the relevant local revenue authority and, on receipt of written request from Vodafone to do so, take all reasonable follow up action to facilitate the submission by the relevant local revenue authority of duly stamped or certified Claim Forms to the UK HMRC in a timely manner.

If there is any change in the procedure by which certification is to be made or to be notified to the UK HMRC, the Treaty Lender’s obligations shall be modified in such manner as the Treaty Lender may reasonably determine so that such amended obligations shall, as far as possible, have the same or equivalent effect as the original obligations. No Obligor resident in the UK shall be liable to pay any sums to any Treaty Lender under Clause 11.1 (Gross-up) or Clause 11.2 (Indemnity) unless the Treaty Lender has complied with its obligations under this Clause 11.4.

(c) Subject to paragraph (d) below, each Lender warrants to Vodafone, on each date upon which it makes an Advance and on the due date for each payment of interest to the Lender:

(i) that it is a Qualifying Lender; and

(ii) if it is a Treaty Lender, it has delivered (or will deliver within the time limits specified herein) the forms described in paragraph (b) above.

(d) If a Lender or, as the case may be, the Facility Office of a Lender is aware that it is or will become unable to make the warranty set out in paragraph (c) above it will promptly notify the Agent and Vodafone. Notwithstanding such notification to Vodafone, the Agent will promptly notify Vodafone and from the date of the first such notification received by Vodafone the warranty in paragraph (c) above will no longer be made by that Lender.

11.5 U.S. Taxes

(a) A U.S. Tax Obligor shall not be required to pay any amount pursuant to Clause 11.1 (Gross-up) or any amount pursuant to Clause 11.2 (Indemnity) in respect of Relevant Tax imposed by the United States (including, without limitation, federal, state, local or other income taxes, branch profits or franchise taxes “U.S. Taxes”) with respect to a sum payable by it pursuant
to this Agreement to a Lender if on the date a payment of interest falls due under this Agreement either:

(i) in the case of a Lender which is not a United States person (as such term is defined in Section 7701(a)(30) of the U.S. Code), such Lender is not entitled to receive interest payable under this Agreement free and clear of any U.S. Taxes imposed by way of deduction or withholding at the source under applicable law as in effect on the date such Lender becomes a party to this Agreement or, if such Lender has designated a new Facility Office, the date of such designation; or

(ii) such Lender has failed to provide the relevant U.S. Tax Obligor with the appropriate form, certificate or other information with respect to such sum payable that it was required to provide pursuant to paragraphs (b) and (c) below; or

(iii) such Lender is subject to such tax by reason of any connection between the Lender or its Facility Office and the jurisdiction imposing such tax on the Lender or its Facility Office other than a connection arising solely from this Agreement or any transaction contemplated hereby.

(b) At any time after a U.S. Tax Obligor becomes (and while there continues to be a U.S. Tax Obligor) a Party to this Agreement, if a Lender is not a United States person (as such term is defined in Section 7701(a)(30) of the U.S. Code) it shall submit, as soon as reasonably practicable after:

(i) the date on which the U.S. Tax Obligor becomes a Party to this Agreement (if requested by the relevant U.S. Tax Obligor);

(ii) the date on which the relevant Lender becomes a Party to this Agreement; or

(iii) the date on which the relevant Lender designates a new Facility Office,

(but, in each case, no later than the due date for the next interest payment), in duplicate to each U.S. Tax Obligor duly completed and signed originals of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI or applicable successor form relating to such Lender and evidencing such Lender’s complete exemption from withholding on all amounts (to which such withholding would otherwise apply) to be received by such Lender, including fees, pursuant to this Agreement in connection with any borrowing by a U.S. Tax Obligor. Thereafter such Lender shall submit to each U.S. Tax Obligor such additional duly completed and signed originals of one or the other such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxation authorities) or any additional information, in each case as may be required under then current United States law or regulations to claim the inapplicability of or exemption from United States withholding taxes on payments in respect of all amounts (to which such withholding would otherwise apply) to be received by such Lender, including fees, pursuant to this Agreement in connection with any borrowing by a U.S. Tax Obligor unless such Lender is unable to do so as a result of a change in, the introduction of, suspension, withdrawal or cancellation of, or change in the official interpretation, administration or official application of, the U.S. Code or any regulation promulgated thereunder or of a convention or agreement for the avoidance of double taxation and the prevention of fiscal evasion between the government of the United States of America and the jurisdiction in which the relevant Lender has a connection, occurring after the date the Lender becomes a Party to this Agreement or, if such Lender has designated a new Facility Office, the date of such designation.
(c) At any time after a U.S. Tax Obligor becomes (and while there continues to be a U.S. Tax Obligor) a Party to this Agreement, if a Lender is a United States person (as such term is defined in Section 7701(a)(30) of the U.S. Code) it shall, as soon as practicable after:

(i) the date on which the U.S. Tax Obligor becomes a Party to this Agreement (if requested by the relevant U.S. Tax Obligor);
(ii) the date on which the relevant Lender becomes a Party to this Agreement; or
(iii) the date on which the relevant Lender designates a new Facility Office,

(but, in each case, no later than the due date for the next interest payment), and thereafter, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form or forms to be delivered, submit in duplicate to each U.S. Tax Obligor a duly completed and signed United States Internal Revenue form W-9 evidencing that such Lender is a United States person and shall submit any additional information that may be necessary to avoid United States withholding taxes on all payments, including fees, (to which such withholding would otherwise apply) to be received pursuant to this Agreement in connection with any borrowing by a U.S. Tax Obligor.

11.6 Refund of Tax Credits

If any Obligor pays any amount to a Finance Party under this Clause 11 (a “Tax Payment”) and that Finance Party obtains a refund of a tax, or a credit against tax by reason of either the circumstances giving rise to the Obligor’s obligation to make the Tax Payment or that Tax Payment (a “Tax Credit”) then that Finance Party shall reimburse that Obligor such amount, which that Finance Party determines in good faith, as can be determined to be the proportion of the Tax Credit as will leave that Finance Party (after that reimbursement) in no better or worse position than it would have been in if the Tax Payment had not been paid. Nothing in this Clause 11 shall interfere with the right of each Finance Party to arrange its affairs in whatever manner it thinks fit and no Finance Party is obliged to disclose any information regarding its tax affairs or computations to an Obligor which it reasonably considers confidential.

12. MARKET DISRUPTION

12.1 Market disturbance

Notwithstanding anything to the contrary herein contained, if and each time that prior to or on a Drawdown Date relative to an Advance (other than, in the case of paragraph (a), (b) or (c) below, a Swingline Advance) to be made:

(a) only one or no Reference Bank supplies a rate for the purposes of determining LIBOR or EURIBOR (as the case may be) in accordance with paragraph (b) of the relevant definition; or

(b) the Agent is notified by Lenders whose participations in that Advance would represent 50 per cent. or more of that Advance that (i) deposits in the currency of that Advance may not in the ordinary course of business be available to them in the relevant interbank market for a period equal to the Term concerned in amounts sufficient to fund their participations in that Advance or (ii) LIBOR or EURIBOR (as the case may be) does not adequately represent their cost of funds; or
the Agent (after consultation with the Reference Banks) shall have determined (which determination shall be conclusive and binding upon all Parties) that by reason of circumstances affecting the relevant interbank market generally, adequate and fair means do not exist for ascertaining the LIBOR or EURIBOR (as the case may be) applicable to such Advance during its Term, the Agent shall promptly give written notice of such determination or notification to Vodafone and to each of the Lenders.

12.2 Alternative rates

If the Agent gives a notice under Clause 12.1 (Market disturbance):

(a) Vodafone and the Lenders whose participations in the relevant Advance would represent 50 per cent. or more of that Advance may (through the Agent) agree that (except in the case of a Rollover Advance) that Advance shall not be borrowed; or

(b) in the absence of such agreement by the Drawdown Date specified in the relevant Request (and in any event in the case of a Rollover Advance):

(i) the Term of the relevant Advance shall be one month;

(ii) the Advance shall be made in the currency requested or, in the case of Clause 12.1(b)(i) (Market disturbance), in U.S. Dollars (or, if the currency requested for the relevant Advance is U.S. Dollars, euro); and

(iii) during the Term of the relevant Advance the rate of interest applicable to such Advance shall be the Margin plus applicable Reserve Asset Costs plus the rate per annum notified by each Lender concerned to the Agent before the last day of such Term to be that which expresses as a percentage rate per annum the cost to such Lender of funding its participation in such Advance from whatever sources it may reasonably select.

13. INCREASED COSTS

13.1 Increased costs

(a) Subject to Clause 13.2 ( Exceptions), Vodafone will forthwith on demand by a Finance Party pay that Finance Party the amount of any increased cost incurred by it or any of its Holding Companies as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) of any law or regulation (including any relating to reserve asset, special deposit, cash ratio, liquidity or capital adequacy requirements or any other form of banking or monetary control) or (ii) compliance with any law or regulation made after the date of this Agreement.

(b) Promptly following the service of any demand, Vodafone will pay to that Finance Party such amount as that Finance Party certifies in the demand (with sufficient details for the calculations to be verified) will in its reasonable opinion compensate it for the applicable increased cost and in relation to the period expressed to be covered by such demand.

(c) When calculating an increased cost, a Finance Party will only apply the costs incurred in relation to the Facilities. Nothing contained in this Clause 13.1 shall oblige the Finance Party to disclose any information (other than information which is readily available in the public
domain or which is not in the reasonable opinion of the Finance Party confidential) relating to the way in which it employs its capital or arranges its internal financial affairs.

(d) In this Agreement “increased cost” means:

(i) an additional cost incurred by a Finance Party or any of its Holding Companies as a result of it performing, maintaining or funding its obligations under, this Agreement; or

(ii) that portion of an additional cost incurred by a Finance Party or any of its Holding Companies in making, funding or maintaining all or any advances comprised in a class of advances formed by or including its participations in the Advances made or to be made under this Agreement as is attributable to it making, funding or maintaining its participations; or

(iii) a reduction in any amount payable to a Finance Party or the effective return to a Finance Party under this Agreement or on its capital (or the capital of any of its Holding Companies); or

(iv) the amount of any payment made by a Finance Party, or the amount of interest or other return foregone by a Finance Party, calculated by reference to any amount received or receivable by a Finance Party from any other Party under this Agreement.

13.2 Exceptions

Clause 13.1 (Increased costs) does not apply to any increased cost:

(a) compensated for by the payment of the Reserve Asset Costs; or

(b) attributable to any tax or amounts in respect of tax; or

(c) occurring as a result of any negligence or default by a Lender or its Holding Company relating to a breach of any law or regulation including but not limited to a breach by that Lender or Holding Company of any fiscal, monetary or capital adequacy limit imposed on it by any law or regulation; or

(d) to the extent that the increased cost was incurred in respect of any day more than six months before the first date on which it was reasonably practicable to notify Vodafone thereof (except in the case of any retrospective change); or

(e) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision (“BCBS”) in June 2004 in the form existing on the date of this Agreement but excluding any amendment taking account of or incorporating any measure from the Basel III Framework (“Basel II”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

In this Agreement, **Basel III Framework** means the global regulatory standards on bank capital adequacy and liquidity referred to by the BCBS as “Basel III” or “the Basel III Framework,” published in December 2010, together with any further guidance or standards in relation to “Basel III” or “the Basel III Framework” published or to be published by the BCBS.
14. ILLEGALITY AND MITIGATION

14.1 Illegality
If it becomes unlawful in any jurisdiction for a Lender to give effect to any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Advance, then the Lender may notify Vodafone through the Agent accordingly and thereupon, but only to the extent necessary to remove the illegality:

(a) each Borrower shall, upon request from that Lender within the period allowed or if no period is allowed, forthwith, repay any participation of that Lender in the Advances made to it together with all other amounts payable by it to that Lender under this Agreement; and

(b) the Lender’s Commitments shall be cancelled immediately.

14.2 Mitigation
Notwithstanding the provisions of Clauses 9.1 (Interest rate for all Advances), 11 (Taxes), 13 (Increased Costs) and 14.1 (Illegality), if in relation to a Finance Party circumstances arise which would result in:

(a) a payment pursuant to paragraph (b) of the definition of “Reserve Asset Costs”; or

(b) any deduction, withholding or payment of the nature referred to in Clause 11 (Taxes); or

(c) any increased cost of the nature referred to in Clause 13 (Increased Costs); or

(d) a notification pursuant to Clause 14.1 (Illegality),
then without in any way limiting, reducing or otherwise qualifying the rights of such Finance Party or the Agent, such Finance Party shall promptly upon becoming aware of the same notify the Agent thereof (whereupon the Agent shall promptly notify Vodafone) and such Finance Party shall use reasonable endeavours to transfer its participation in the Facility and its rights hereunder and under the Finance Documents to another financial institution or Facility Office not affected by circumstances having the results set out in paragraph (a), (b), (c), or (d) above and shall otherwise take such reasonable steps as may be open to it to mitigate the effects of such circumstances provided that such Finance Party shall not be under any obligation to take any such action if, in its opinion, to do so would or would be likely to have a material adverse effect upon its business, operations or financial condition or would involve it in any unlawful activity or any activity that is contrary to its policies or any request, guidance or directive of any competent authority (whether or not having the force of law) or (unless indemnified to its satisfaction) would involve it in any significant expense or tax disadvantage.

15. GUARANTEE

15.1 Guarantee
Each Guarantor jointly and severally, irrevocably and unconditionally:

(a) as principal obligor, guarantees to each Finance Party that if and whenever:
(i) an amount is due and payable by a Borrower under or in connection with any Finance Document; and
(ii) demand for payment of that amount has been made by the Agent on that Borrower,
that Guarantor will forthwith on demand by the Agent pay that amount as if that Guarantor instead of that Borrower were expressed to be the principal obligor; and
(b) indemnifies each Finance Party on demand against any loss or liability suffered by it if any obligation guaranteed by any Guarantor is or becomes unenforceable, invalid or illegal (the amount of that loss being the amount expressed to be payable by the relevant Borrower in respect of the relevant sum).

15.2 Continuing guarantee
This guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by the Borrowers under the Finance Documents, regardless of any intermediate payment or discharge in part.

15.3 Reinstatement
(a) Where any discharge (whether in respect of the obligations of any Borrower or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Guarantors under this Clause 15 shall continue as if the discharge or arrangement had not occurred (but only to the extent that such payment, security or other disposition is avoided or restored).
(b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

15.4 Waiver of defences
The obligations of each Guarantor under this Clause 15 will not be affected by any act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause 15 or prejudice or diminish those obligations in whole or in part, including (whether or not known to it or any Finance Party):
(a) any time or waiver granted to, or composition with, any Borrower or other person;
(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
(d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of a Borrower or any other person;
(e) any variation (however fundamental) or replacement of a Finance Document so that references to that Finance Document in this Clause 15 shall include each variation or replacement;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, to the intent that the Guarantors’ obligations under this Clause 15 shall remain in full force and its guarantee be construed accordingly, as if there were no unenforceability, illegality or invalidity; and

(g) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any Borrower under a Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall, for the purposes of the Guarantors’ obligations under this Clause 15, be construed as if there were no such circumstance.

15.5 Immediate recourse

Except as provided in Clause 15.1(a)(ii) (Guarantee), each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 15.

15.6 Appropriations

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in a suspense account (bearing interest at a commercial rate) any moneys received from any Guarantor or on account of that Guarantor’s liability under this Clause 15, with any interest earned being credited to that account.

15.7 Non-competition

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been paid in full, no Guarantor shall, after a claim has been made or by virtue of any payment or performance by it under this Clause 15:

(a) be subrogated to any rights, security or moneys held, received or receivable by any Finance Party (or any trustee or agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Guarantor’s liability under this Clause 15; or

(b) claim, rank, prove or vote as a creditor of any Borrower or its estate in competition with any Finance Party (or any trustee or agent on its behalf); or
(c) receive, claim or have the benefit of any payment, distribution or security from or on account of any Borrower, or exercise any right of set-off as against any Borrower.

Each Guarantor shall hold in trust for and forthwith pay or transfer to the Agent for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause 15.7.

15.8 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other security now or hereafter held by any Finance Party.

15.9 Removal of Guarantors

(a) Any Guarantor (other than, Vodafone (subject to paragraph (b) below) and, following the Reorganisation Date, NewTopco and any Intermediate Holding Company (subject to paragraph (c) below) of Vodafone) which is not a Borrower, may, at the request of Vodafone and if no Default is continuing, cease to be a Guarantor by entering into a supplemental agreement to this Agreement at the cost of Vodafone in such form as the Agent may reasonably require which shall discharge that Guarantor’s obligations as a Guarantor under this Agreement.

(b) If on the Reorganisation Date, NewTopco or any Intermediate Holding Company have acceded as Guarantors in accordance with Clause 27.7 (Additional Guarantors) and no Default is continuing or would result from Vodafone’s resignation as a Guarantor, Vodafone may cease to be a Guarantor with effect from the Reorganisation Date by entering into a supplemental agreement to this Agreement at the cost of Vodafone or NewTopco in such form as the Agent may reasonably require which shall discharge Vodafone’s obligations as a Guarantor under this Agreement.

(c) If NewTopco has acceded as a Guarantor in accordance with Clause 27.7 (Additional Guarantors) and no Default is continuing or would result from Intermediate Holding Company’s resignation as a Guarantor, Intermediate Holding Company may cease to be a Guarantor by entering into a supplemental agreement to this Agreement at the cost of Vodafone or NewTopco in such form as the Agent may reasonably require which shall discharge Intermediate Holding Company’s obligation as a Guarantor under this Agreement.

15.10 Limitation on guarantee of U.S. Guarantors

Notwithstanding any other provision of this Clause 15, the obligations of each Guarantor incorporated in the United States (other than NewTopco and any Intermediate Holding Company, to the extent incorporated in the United States) (a “U.S. Guarantor”) under this Clause 15 shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Bankruptcy Code or any applicable provisions of comparable state law (collectively, the “Fraudulent Transfer Laws”), in each case after giving effect to all other liabilities of such U.S. Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such U.S. Guarantor in respect of intercompany indebtedness to the Borrowers or Affiliates of the Borrowers to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such U.S. Guarantor hereunder) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such U.S. Guarantor pursuant to
(a) applicable law or (b) any agreement providing for an equitable allocation among such U.S. Guarantor and other Affiliates of the Borrowers of obligations arising under guarantees by such parties.

16. REPRESENTATIONS AND WARRANTIES

16.1 Representations and warranties

Each Obligor makes the representations and warranties set out in this Clause 16 to each Finance Party (in respect of itself and where relevant its Controlled Subsidiaries only).

16.2 Status

(a) It is a duly incorporated and validly existing corporation under the laws of the jurisdiction of its incorporation.
(b) Except to the extent specified in the applicable Borrower Accession Agreement or Guarantor Accession Agreement, each Obligor is classified as a corporation for U.S. federal income tax purposes.

16.3 Powers and authority

It has the power to:
(a) enter into and comply with, all obligations expressed on its part under the Finance Documents;
(b) (in the case of a Borrower) to borrow under this Agreement; and
(c) (in the case of a Guarantor) to give the guarantee in Clause 15 (Guarantee),
and has taken all necessary actions to authorise the execution, delivery and performance of the Finance Documents.

16.4 Non-violation

The execution, delivery and performance of the Finance Documents will not violate:
(a) any provisions of any existing law or regulation or statute applicable to it; or
(b) to any material extent, any provisions of any mortgage, contract or other undertaking to which it or any of its Controlled Subsidiaries which is a member of the Restricted Group is a party or which is binding upon it or any of its Controlled Subsidiaries which is a member of the Restricted Group, the consequences of which would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their material obligations under the Finance Documents.

16.5 Borrowing limits

Borrowings under this Agreement up to and including the maximum amount available under this Agreement, together with borrowings under the 2015 Facility up to and including the maximum amount available under the 2015 Facility, will not cause any limit (except to the extent the limit has been waived) on borrowings or, as the case may be, on the giving of guarantees (whether imposed in its Articles of Association or otherwise), or on the powers of its board of directors, applicable to it to be exceeded.
16.6 Authorisations
All necessary consents or authorisations of any governmental authority or agency required by it in connection with the execution, validity, performance or enforceability of the Finance Documents have been obtained and are validly existing.

16.7 No default
Neither it nor any of its Controlled Subsidiaries which is a member of the Restricted Group is in default under any law or agreement by which it is bound the consequences of which would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

16.8 Accounts
The audited consolidated financial statements of Vodafone (or, following a Hive Up, NewTopco) most recently delivered to the Agent (which, at the date of this Agreement are the audited consolidated accounts of Vodafone for the year ended 31 March 2010):
(a) give a true and fair view of the consolidated financial position of Vodafone (or, following a Hive Up, NewTopco) as at the date to which they were drawn up; and
(b) have been prepared in accordance with generally accepted accounting principles applied by Vodafone (or, following a Hive Up, NewTopco) at such time, consistently applied except for changes disclosed in such financial statements which are necessary to reflect a change in generally accepted accounting principles or the adoption of international finance reporting standards.

16.9 No Event of Default
No Event of Default has occurred and is continuing in respect of it or any of its Subsidiaries which is a member of the Restricted Group.

16.10 Investment Company
Each Borrower which is a U.S. Obligor either (i) is not an investment company as defined under United States Investment Company Act of 1940, as amended, or (ii) is exempt from the registration provisions of the Act pursuant to an exemption under that Act.

16.11 ERISA
(a) Each member of the Controlled USA Group has fulfilled its obligations under the minimum funding standards of ERISA and the U.S. Code with respect to each Plan maintained by such member or any member of the Controlled USA Group where non-fulfilment of such obligations would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.
(b) Each Obligor is in compliance with the applicable provisions of ERISA, the U.S. Code and any other applicable United States Federal or State law with respect to each Plan maintained by such Obligor where non-fulfilment of or non-compliance with such provisions would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.
(c) No Reportable Event has occurred with respect to any Plan maintained by an Obligor or any member of the Controlled USA Group and no steps have been taken to reorganise or terminate any Single Employer Plan or by that Obligor to effect a complete or partial withdrawal from any Multi-employer Plan where non-compliance or such Reportable Event, reorganisation, termination or withdrawal would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

(d) No member of the Controlled USA Group has:

(i) sought a waiver of the minimum funding standard under Section 412 of the U.S. Code in respect of any Plan; or
(ii) failed to make any contribution or payment to any Single Employer Plan or Multi-employer Plan, or made any amendment to any Plan, and no other event, transaction or condition has occurred which has resulted or would result in the imposition of a lien or the posting of a bond or other security under ERISA or the U.S. Code; or
(iii) incurred any material, actual liability under Title I or Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA,

if such seeking, failure or incurrence would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

16.12 Anti-Terrorism Laws

In this Clause 16.12, Anti-Terrorism Law means each of:

(a) Executive Order No. 13224 on Terrorist Financing: Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism issued September 23, 2001, as amended by Order 13268 (as so amended, the Executive Order);
(b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (commonly known as the USA Patriot Act) (the USA Patriot Act);
(c) the Money Laundering Control Act of 1986, 18 U.S.C. sect. 1956; and
(d) any similar law enacted in the United States of America subsequent to the date of this Agreement.

Restricted Party means any person listed:

(a) in the Annex to the Executive Order;
(b) on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury; or
(c) in any successor list to either of the foregoing.
(d) No U.S. Obligor or any of its Subsidiaries:
   (i) is, or is controlled by, a Restricted Party;
   (ii) to the best of its knowledge, has received funds or other property from a Restricted Party; or
   (iii) to the best of its knowledge, is in breach of or is the subject of any action or investigation under any Anti-Terrorism Law.
(e) Each U.S. Obligor and each of its Subsidiaries have taken reasonable measures to ensure compliance with the Anti-Terrorism Laws.

16.13 Times for making representations and warranties
(a) The representations and warranties set out in this Clause 16 (excluding Clause 16.10 (Investment Company) to Clause 16.12 (Anti-Terrorism Laws) (inclusive)):
   (i) are made by Vodafone on the Signing Date and, in the case of an Obligor which becomes a Party after the Signing Date, will be deemed to be made by that Obligor on the date it executes a Borrower Accession Agreement or Guarantor Accession Agreement; and
   (ii) are deemed to be made again by each Obligor on the date of each Request and on each Drawdown Date with reference to the facts and circumstances then existing.
(b) The representation and warranties set out in Clauses 16.10 (Investment Company), 16.11 (ERISA) and 16.12 (Anti-Terrorism Laws):
   (i) are made by Vodafone on the date on which the first U.S. Obligor executes a Borrower Accession Agreement or a Guarantor Accession Agreement as the case may be;
   (ii) are deemed to be made by each Obligor which becomes a party after the Signing Date on the date it executes a Borrower Accession Agreement or Guarantor Accession Agreement, provided that there is a U.S. Obligor;
   (iii) are deemed to be made again by each Obligor on the date of each Request and on each Drawdown Date with reference to the facts and circumstances then existing, provided that there is a U.S. Obligor.

17. UNDERTAKINGS

17.1 Duration
The undertakings in this Clause 17 will remain in force from the Signing Date for so long as any amount is or may be outstanding under this Agreement or any Commitment is in force.

17.2 Financial information
Vodafone shall supply to the Agent:
   (a) as soon as the same are publicly available (and in any event within 180 days of the end of each of its financial years): 62
(i) the audited consolidated financial statements of the Consolidated Group for that financial year; and
(ii) (if published) each other Obligor’s audited statutory accounts for that financial year, consolidated if that Obligor has Subsidiaries and consolidated accounts are prepared and published;

(b) as soon as the same are publicly available (and in any event within 90 days of the end of the first half-year of each of its financial years) the interim unaudited financial statements of the Consolidated Group for that half-year;

(c) within 20 days of the day on which the accounts referred to in paragraph (a)(i) above or (b) above are posted on Vodafone’s website in accordance with paragraph (e) below (provided that it shall not be a Default under this Clause 17.2 unless Vodafone fails to so supply within 10 days of written request by the Agent (on its own accord or at the request of a Lender) made at any time following the date of such posting) a certificate signed by a Vodafone authorised officer (or following a Hive Up, a NewTopco authorised officer), or in their absence any director of Vodafone or NewTopco, as the case may be, establishing (in reasonable detail) compliance with Clauses 17.8 (Priority borrowing) and 18 (Financial Covenant) as at the date to which those accounts were drawn up and identifying the Principal Subsidiaries and the operating Subsidiaries which are Controlled Subsidiaries;

(d) if, after the date of the most recent certificate delivered pursuant to paragraph (c) above and prior to the date that the next certificate is required to be delivered, a Principal Subsidiary ceases to be Principal Subsidiary as a result of (A) a sale or transfer to or a merger into or with an entity which is not a member of the Restricted Group or (B) the acquisition of a new Principal Subsidiary, a certificate signed by a Vodafone authorised officer (or following a Hive Up, a NewTopco authorised officer), or in their absence any director of Vodafone or NewTopco, as the case may be, which identifies the Principal Subsidiary which has ceased to be a Principal Subsidiary and the new Principal Subsidiary.

(e) Reports required to be delivered pursuant to clauses (a)(i) and (b) above for Vodafone shall be deemed to have been delivered on the date on which Vodafone posts such reports to its website on the Internet at the website address listed for Vodafone in Clause 33.2(d) (Addresses for notices) or another relevant website to which the Agent and the Lenders have access and such posting shall be deemed to satisfy the reporting requirements of paragraphs (a)(i) and (a)(ii) above. The Borrower shall provide paper copies of the deliverables required by paragraphs (c) above and (d) above to the Agent (in sufficient copies for all the Lenders if the Agent so requests).

17.3 Information — miscellaneous

Vodafone shall supply to the Agent:

(a) all documents despatched by the ultimate Holding Company of the Controlled Group to its shareholders (or any class of them) or by Vodafone or such ultimate Holding Company to the creditors of the Controlled Group generally (or any class of them) at the same time as they are despatched; and

(b) as soon as reasonably practicable, such further publicly available information (including that required to comply with “know your customer” or similar identification procedures) in the possession or control of any member of the
Controlled Group regarding the business, financial or corporate affairs of the Controlled Group, as the Agent may reasonably request,

17.4 Notification of Default
Vodafone shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of it.

17.5 Authorisations
Each Obligor shall promptly:
(a) obtain, maintain and comply in all material respects with the terms of; and
(b) if requested, supply certified copies to the Agent of,
any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, any Finance Document.

17.6 Pari passu ranking
Each Obligor will procure that its obligations under the Finance Documents do and will rank at least pari passu with all its other present and future unsecured and unsubordinated obligations (save for those obligations mandatorily preferred by applicable law).

17.7 Negative pledge
No Obligor will, and each Obligor will procure that none of its Subsidiaries which is a member of the Restricted Group will, create or permit to subsist any Security Interest on or over any of its assets except for any Permitted Security Interest.

17.8 Priority borrowing
Each Obligor will procure that none of its Subsidiaries (which is a member of the Restricted Group and which is not a Guarantor) will create, assume, incur, guarantee, permit to subsist or otherwise be liable in respect of any Financial Indebtedness owed to persons outside the Restricted Group except for:
(a) Financial Indebtedness of any Subsidiary which became a member of the Restricted Group after 1 May 2010 (unless it became a member of the Restricted Group due to the expansion of the definition of Core Jurisdiction to include members of the European Union after 1 May 2010) provided that:
(i) any such Financial Indebtedness is either (A) outstanding before that Subsidiary becomes a member of the Restricted Group and was not created in contemplation of that Subsidiary becoming a member of the Restricted Group and/or (B) drawn at any time under commitments in existence before that Subsidiary becomes a member of the Restricted Group (“Existing Commitment”) and that commitment was not created in contemplation of that Subsidiary becoming a member of the Restricted Group and/or (C) drawn at any time under commitments (“New Commitments”) which have refinanced Existing Commitments in whole or in part, to the extent that any such New Commitments do not exceed the Existing Commitments, and provided that to the extent that any New Commitment is to be guaranteed by
an Obligor, the obligors under the New Commitments will have validly and legally acceded as Additional Guarantors in accordance with Clauses 27.7(a) and 27.7(b) (Additional Guarantors) prior to any Obligor providing a guarantee of the New Commitments; and

(ii) to the extent that the aggregate principal amount of such Financial Indebtedness exceeds the amounts calculated under paragraph (i) above upon that Subsidiary becoming a member of the Restricted Group (measured in the same currency), the excess amount of such Financial Indebtedness shall not fall within this paragraph (a); or

(b) Financial Indebtedness under finance or structured tax lease arrangements (including, but not limited to qualifying technological equipment leases) to the extent matched as part of those arrangements by deposits of cash or cash equivalent investments (including, but not limited to securities issued by G7 governments) or other securities rated at least A by S&P or A2 by Moody’s or A by Fitch which are treated by the creditor concerned as available to reduce its net exposure; or

(c) Financial Indebtedness which is created with the prior written consent of the Majority Lenders; or

(d) Financial Indebtedness to the extent matched by cash balances or cash equivalent investments (including, but not limited to securities issued by G7 governments) or other securities rated at least A by S&P or A2 by Moody’s or A by Fitch, held by members of the Restricted Group which are treated as available for netting by the creditors to whom that Financial Indebtedness is owed under cash management or netting arrangements in the ordinary course of business; or

(e) Financial Indebtedness under any finance lease or structured tax lease arrangements (including, but not limited to qualifying technological equipment leases) entered into in respect of assets which were or are acquired or become part of the Restricted Group after 31 March 2010; or

(f) Financial Indebtedness under or in connection with any other finance lease entered into in respect of existing assets or future assets (to the extent they are subject to Security Interests contemplated under paragraph (j) of the definition of “Permitted Security Interest”); or

(g) Financial Indebtedness under Back to Back Loans; or

(h) Financial Indebtedness of any member of the Controlled Group which operates as a finance company to the extent that any such Financial Indebtedness is on-lent to an Obligor or to a member of the Controlled Group outside the Restricted Group; or

(i) Financial Indebtedness in relation to bonds and preference shares as set out in Schedule 8 (Fixed Rate Bonds and Preference Shares); or

(j) Financial Indebtedness that has been defeased to the extent that it is subject to Security Interests contemplated under paragraph (u) of the definition of “Permitted Security Interest”; or

(k) Financial Indebtedness incurred solely in contemplation of an initial public offering or other disposal of the companies or partnerships incurring such Financial Indebtedness, to the extent that (i) the aggregate principal amount of such Financial
Indebtedness does not exceed US$5,000,000,000 (or its equivalent in other currencies) whilst such Financial Indebtedness is owed by a member of the Restricted Group; and (ii) the creditors in respect of such Financial Indebtedness have recourse for no more than ninety days to any member of the Controlled Group which is or whose assets are not intended to be subject to the initial public offering or disposal; or

(i) Project Finance Indebtedness; or

(m) Financial Indebtedness owed to persons outside the Restricted Group under guarantees or other legally binding assurances against financial loss granted by Vodafone Deutschland GmbH or any of its Subsidiaries in respect of any asset, undertaking or business not forming part of the mobile or wireless telecommunications business of the Restricted Group; or

(n) Financial Indebtedness under this Agreement; or

(o) any liability of a Subsidiary in respect of Financial Indebtedness incurred in connection with the Verizon Wireless partnership provided that:

(i) that Subsidiary has no assets other than (1) its interests in or derived from the Verizon Wireless partnership and (2) other assets with an aggregate market value not exceeding US$3,000,000,000 at any time and (3) other assets with an aggregate market value not exceeding US$4,500,000,000 at any time provided that if such assets are lent within the Restricted Group they are only lent to an Obligor; and

(ii) the person or persons to whom such Financial Indebtedness is or may be owed has or have no recourse whatsoever to any member of the Group for any payment or repayment in respect of such Financial Indebtedness (other than to that Subsidiary); or

(p) other Financial Indebtedness to the extent that the sum of:

(i) the aggregate unpaid principal amount of the Financial Indebtedness of all the members of the Restricted Group which are not Guarantors and owed to persons outside the Restricted Group (other than Financial Indebtedness under paragraphs (a) to (o) above inclusive); plus

(ii) the aggregate unpaid principal amount of Financial Indebtedness secured by Security Interests referred to in paragraph (v) of the definition of “Permitted Security Interest” (to the extent not falling within paragraph (i) above), does not exceed €3,500,000,000 or its equivalent in other currencies.

Compliance with this Clause 17.8 will be tested on the last day of each financial half year. For the purposes of paragraph (p) above, Financial Indebtedness of the Restricted Group not denominated in (or which has not been swapped into) Sterling shall be notionally converted (from the currency in which it is denominated or, as the case may be, into which it has been swapped) to Sterling at the rate of exchange used in the management accounts of the relevant Obligor for that relevant financial quarter.
17.9 Disposals

No Obligor will, and each Obligor will procure that none of its Subsidiaries which is a member of the Restricted Group will, either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, make any Asset Disposals other than:

(a) Asset Disposals:
   (i) on arm’s length terms which are, in the opinion of an Obligor, at fair market value; or
   (ii) required by law or any governmental authority or agency (including without limitation any authority or agency of the European Union); or
   (iii) made in good faith for the purpose of carrying on the business of the Controlled Group which it is reasonable to believe will benefit the Controlled Group; and

(b) a transfer of all or any part of the assets of the Controlled Group to NewTopco and/or any Intermediate Holding Company of Vodafone.

17.10 Restriction on Acquisitions

Vodafone will not, and will procure that no member of the Controlled Group will, make any Acquisition unless the major part of the Controlled Group’s business remains telecommunications, data communications and associated businesses.

17.11 Margin Stock

(a) In this Clause 17.11,

Margin Regulations means Regulations T, U and X issued by the Board of Governors of the United States Federal Reserve System.

Margin Stock means “margin stock” or “margin securities” as defined in the Margin Regulations.

(b) No Obligor may:
   (i) extend credit for the purpose, directly or indirectly, of buying or carrying Margin Stock; or
   (ii) use any Advance, directly or indirectly, to buy or carry Margin Stock or for any other purpose in violation of the Margin Regulations.

18. FINANCIAL COVENANT

18.1 Financial ratio

(a) Vodafone will, subject to paragraph (c) below, procure that for each Ratio Period the ratio of Net Debt of the Consolidated Group to two times Adjusted Group Operating Cash Flow for such Ratio Period will not exceed 3.75:1.
(b) If the ratio in paragraph (a) above exceeds 3.25:1 Vodafone will re-calculate the financial ratio for such Ratio Period substituting the words “Controlled Group” for the words “Consolidated Group” in paragraph (a) above and in every definition used to make such calculation and provide the results of such calculation to the Agent, with sufficient copies for each Lender, for their information only.

(c) If the ratio in paragraph (a) above exceeds 3.75:1, but the ratio in paragraph (b) above does not exceed 3.75:1, Vodafone will not be in breach of paragraph (a) above.

(d) Any calculation made in accordance with paragraph (b) above will be accompanied by a statement from Vodafone, or following a Hive Up, NewTopco containing or appending a reconciliation of the differences between the tests and ratios under paragraph (a) above and paragraph (b) above.

18.2 Calculation times and periods

(a) The first test date for the financial ratio specified in Clause 18.1 (Financial ratio) will occur on 30 September 2010.

(b) Each subsequent test date will be on the last day of each financial half year and year of Vodafone or, following a Hive Up, NewTopco. The financial ratio will be calculated using data for the period (each a “Ratio Period”) ending on each test date and beginning 6 months before the relevant test date.

18.3 Information sources

(a) Subject to adjustments that may be required by the operation of definitions in Clause 18.1 (Financial ratio), all information for calculation of the financial ratios set out in Clause 18.1 (Financial ratio), Clause 18.1(b) (Financial ratio) and Clause 19.5 (Cross default) will be extracted from figures denominated in the base currency (as defined in paragraph (c) below) used in the preparation of and extracted from:

(i) the unaudited consolidated interim financial statements of Vodafone, or following a Hive Up, NewTopco;

(ii) the consolidated annual financial statements of Vodafone, or following a Hive Up, NewTopco;

(iii) Vodafone’s, or following a Hive Up, NewTopco’s consolidated management accounts, as the case may be, which in respect of paragraphs (i) and (ii) above were delivered to the Agent under Clauses 17.2(a)(i) and 17.2(b) (Financial information).

(b) Information from Vodafone’, or following a Hive Up, NewTopco’s consolidated management accounts will be disclosed only when the relevant interim or annual financial statements and compliance certificates are delivered to the Agent or as required in connection with Clause 19.5(a)(ii) (Cross default).

(c) Any amount outstanding in a currency other than the currency used in the latest consolidated published financial statements (the “base currency”) is to be taken into account at the base currency equivalent of that amount calculated at the rate used in the latest consolidated financial statements delivered to the Agent under Clause 17.2 (Financial information) or the latest consolidated management accounts, as appropriate.
18.4 Know Your Customer

Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

19. DEFAULT

19.1 Events of Default

Each of the events set out in Clauses 19.2 (Non-payment) to 19.15 (United States Bankruptcy Laws) (inclusive) is an Event of Default (whether or not caused by any reason whatsoever outside the control of any Obligor or any other person).

19.2 Non-payment

An Obligor does not pay within four Business Days (the “Initial Grace Period”) of the due date any amount payable by it under the Finance Documents at the place at, and in the currency in, which it is expressed to be payable unless its failure to pay is caused by:

(a) administrative or technical error and payment is made within a further two Business Days after the expiry of the Initial Grace Period;

or

(b) a Disruption Event and payment is made within a further four Business Days after the expiry of the Initial Grace Period;

19.3 Breach of other obligations

(a) Vodafone does not comply with Clause 18 (Financial Covenant).

(b) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in paragraph (a) above or in Clause 19.2 (Non-payment)) and such failure (if capable of remedy before the expiry of such period) continues unremedied for a period of 21 days from the earlier of the date on which (i) such Obligor has become aware of the failure to comply or (ii) the Agent gives notice to Vodafone requiring the same to be remedied.

19.4 Misrepresentation

A representation or warranty made or repeated by any Obligor in any Finance Document is found to be untrue in any respect material in the context of performance of the Finance Documents when made or deemed to have been made.

19.5 Cross default

(a) (i) Any Financial Indebtedness of any Obligor is:

(A) not paid when due or within any originally applicable grace period; or

(B) declared due, or is capable of being declared due, prior to its specified maturity as a result of an event of default (however described) except this paragraph (B) does not apply to:

I. Financial Indebtedness quoted or listed on a stock exchange; or

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II. Financial Indebtedness of an Obligor arising solely under paragraph (f) of the definition of “Financial Indebtedness” in Clause 1.1 (Definitions); or

(ii) any Financial Indebtedness of any Principal Subsidiary is:
   (A) not paid when due or within any originally applicable grace period; or
   (B) declared due prior to its specified maturity as a result of an event of default (howsoever described) and is not paid within three Business Days of being declared due,
   except this paragraph (ii) only applies if the ratio calculated in accordance with Clause 18.1(a) (Financial ratio) for the most recent Ratio Period is greater than 3.25:1; or

(iii) an Event of Default has occurred under the 2015 Facility and is continuing.

(b) Paragraph (a) above does not apply:
   (i) to Project Finance Indebtedness; or
   (ii) to Financial Indebtedness which in aggregate is less than £100,000,000 (or equivalent currency); or
   (iii) where the payment or occurrence of the event concerned is being contested in good faith; or
   (iv) where the default is under a bond and is capable of waiver without bondholder consent; or
   (v) to Financial Indebtedness owed to a member of the Restricted Group.

19.6 Winding up
An order is made or an effective resolution is passed for winding up any Obligor or any Principal Subsidiary (except for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Majority Lenders) or a petition is presented (which is not set aside or withdrawn within the earlier of 30 days of its presentation or by not later than the date for the hearing of such petition) for an administration order or for the winding up of any Obligor or any Principal Subsidiary except where demonstrated to the reasonable satisfaction of the Majority Lenders that any such petition is being contested in good faith.

19.7 Insolvency process
(a) A liquidator, administrator, receiver, trustee, sequestrator or similar officer is appointed in respect of all or any part of the assets of any Obligor or any Principal Subsidiary which generates a material part of the revenues of that Obligor or that Principal Subsidiary; or
(b) any Obligor or any Principal Subsidiary, by reason of financial difficulties, enters into a composition, assignment or a moratorium in respect of any indebtedness or arrangement with any class of its creditors.
19.8 Enforcement proceedings
A distress, execution, attachment or other legal process is levied, enforced or sued out upon or against all or any part of the assets of any Obligor or any Principal Subsidiary which generates a material part of the revenues of that Obligor or that Principal Subsidiary except where the same is being contested in good faith or is removed, discharged or paid within 30 days.

19.9 Insolvency
Any Obligor or any Principal Subsidiary is deemed under Section 123(1)(e) or 123(2) of the Insolvency Act 1986 to be unable to pay its debts.

19.10 Similar proceedings
Anything having a substantially similar effect to any of the events specified in Clauses 19.6 (Winding up) to 19.9 (Insolvency) inclusive shall occur under the laws of any applicable jurisdiction in relation to any Obligor or any Principal Subsidiary.

19.11 Unlawfulness
It is or becomes unlawful for any Obligor to perform any of its payment or other material obligations under the Finance Documents.

19.12 Guarantee
The guarantee of any Guarantor under Clause 15 (Guarantee) is not effective or is alleged by an Obligor to be ineffective for any reason (other than by reason of written release or waiver by the Finance Parties or in accordance with Clause 15.9 (Removal of Guarantors)).

19.13 Cessation of business
Any Obligor or any Principal Subsidiary ceases to carry on all or substantially all of its business otherwise than:

(a) as a result of a transfer of all or any part of its business to a member of the Restricted Group or
(b) as a result of a disposal permitted under Clause 17.9 (Disposals); or
(c) with the prior written consent of the Majority Lenders.

19.14 Litigation
Any litigation proceedings are current which are reasonably likely to be adversely determined and which would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

19.15 United States Bankruptcy Laws
(a) In this Clause 19.15 and Clause 19.16 (Acceleration):

U.S. Bankruptcy Law means the United States Bankruptcy Code or any other United States Federal or State bankruptcy, insolvency or similar law.
U.S. Debtor means an Obligor that is incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia) or that has a place of business or property in the United States of America.

(b) Any of the following occurs in respect of a U.S. Debtor:

(i) it makes a general assignment for the benefit of creditors;
(ii) it commences a voluntary case or proceeding under any U.S. Bankruptcy Law; or
(iii) an involuntary case under any U.S. Bankruptcy Law is commenced against it and is not controverted within 20 days or is not dismissed or stayed within 60 days after commencement of the case; or
(iv) an order for relief or other order approving any case or proceeding is entered under any U.S. Bankruptcy Law.

19.16 Acceleration

(a) On and at any time after the occurrence of an Event of Default while such event is continuing the Agent may, and if so directed by the Majority Lenders, will by notice to Vodafone, declare that an Event of Default has occurred and:

(i) if not already cancelled under paragraph (b) below, cancel the Total Commitments; and/or
(ii) demand that all the Advances, together with accrued interest, and all other amounts accrued under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
(iii) demand that all the Advances be payable on demand, whereupon they shall immediately become payable on demand.

(b) If an Event of Default described in Clause 19.15 (United States Bankruptcy Laws) occurs, the Commitments which are available to any U.S. Debtor will, if not already cancelled under this Agreement, be immediately and automatically cancelled and all amounts owed by any U.S. Debtor outstanding under the Finance Documents will be immediately and automatically due and payable, without the requirement of notice or any other formality.

20. THE AGENTS AND THE ARRANGERS

20.1 Appointment and duties of the Agents

Each Finance Party (other than the Agent) irrevocably appoints the Agent to act as its agent under and in connection with the Finance Documents and each Swingline Lender appoints the U.S. Swingline Agent to act as its agent in relation to the Swingline Facility, and each Finance Party irrevocably authorises the Agent or, as the case may be, the U.S. Swingline Agent on its behalf to perform the duties and to exercise the rights, powers and discretions that are specifically delegated to it under or in connection with the Finance Documents, together with any other incidental rights, powers and discretions. The Agent or, as the case may be, the U.S. Swingline Agent shall have only those duties which are expressly specified in this Agreement. Those duties are solely of a mechanical and administrative nature.
20.2 Role of the Arrangers

Except as otherwise provided in this Agreement, no Arranger has any obligations of any kind to any other Party under or in connection with any Finance Document.

20.3 Relationship

The relationship between the Agent or, as the case may be, the U.S. Swingline Agent and the other Finance Parties is that of agent and principal only. Nothing in this Agreement constitutes the Agent or, as the case may be, the U.S. Swingline Agent as trustee or fiduciary for any other Party or any other person and the Agent or, as the case may be, the U.S. Swingline Agent need not hold in trust any moneys paid to it for a Party or be liable to account for interest on those moneys.

20.4 Majority Lenders’ directions

(a) The Agent or, as the case may be, the U.S. Swingline Agent will be fully protected if it acts in accordance with the instructions of the Majority Lenders in connection with the exercise of any right, power or discretion or any matter not expressly provided for in the Finance Documents. Any such instructions given by the Majority Lenders will be binding on all the Lenders. In the absence of such instructions the Agent or, as the case may be, the U.S. Swingline Agent may act as it considers to be in the best interests of all the Lenders.

(b) Neither the Agent nor the U.S. Swingline Agent is authorised to act on behalf of a Lender (without first obtaining that Lender’s consent) in any legal or arbitration proceedings relating to any Finance Document.

20.5 Delegation

The Agent or, as the case may be, the U.S. Swingline Agent may act under the Finance Documents through its personnel and agents.

20.6 Responsibility for documentation

Neither the Agent, the U.S. Swingline Agent nor any Arranger is responsible to any other Party for:

(a) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document by any other Party; or

(b) the collectability of amounts payable under any Finance Document; or

(c) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document by any other Party.

20.7 Default

(a) The Agent or, as the case may be, the U.S. Swingline Agent is not obliged to monitor or enquire as to whether or not a Default has occurred. Neither the Agent nor the U.S. Swingline Agent will be deemed to have knowledge of the occurrence of a Default. However, if the Agent or, as the case may be, the U.S. Swingline Agent receives notice from a Party referring to this Agreement, describing the Default and stating that the event is a Default, it shall promptly notify the Lenders of such notice.
(b) The Agent or, as the case may be, the U.S. Swingline Agent may require the receipt of security satisfactory to it whether by way of payment in advance or otherwise, against any liability or loss which it will or may incur in taking any proceedings or action arising out of or in connection with any Finance Document before it commences these proceedings or takes that action.

20.8 Exoneration
(a) Without limiting paragraph (b) below, the Agent or, as the case may be, the U.S. Swingline Agent will not be liable to any other Party for any action taken or not taken by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct or breach of any of its obligations under or in connection with the Finance Documents.
(b) No Party may take any proceedings against any officer, employee or agent being an individual of the Agent or, as the case may be, the U.S. Swingline Agent in respect of any claim it might have against the Agent or, as the case may be, the U.S. Swingline Agent or in respect of any act or omission of any kind (including negligence or wilful misconduct) by that officer, employee or agent in relation to any Finance Document.
(c) Any officer, employee or agent being an individual of the Agent, or as the case may be, the U.S. Swingline Agent may rely on paragraph (b) above and enforce its terms under the Contract (Rights of Third Parties) Act 1999.
(d) Nothing in this Agreement shall oblige the Agent or an Arranger to carry out any “know your customer” or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and an Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or an Arranger.

20.9 Reliance
The Agent or, as the case may be, the U.S. Swingline Agent may:
(a) rely on any notice or document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
(b) rely on any statement made by a director or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
(c) engage, pay for and rely on legal or other professional advisers selected by it (including those in the Agent’s or, as the case may be, the U.S. Swingline Agent’s employment and those representing a Party other than the Agent or, as the case may be, the U.S. Swingline Agent).

20.10 Credit approval and appraisal
Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms that it:
(a) has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by
the Agent, the U.S. Swingline Agent or the Arrangers in connection with any Finance Document; and
(b) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

20.11 Information
(a) The Agent or, as the case may be, the U.S. Swingline Agent shall promptly forward to the person concerned the original or a copy of any document which is delivered to the Agent or, as the case may be, the U.S. Swingline Agent by a Party for that person.
(b) The Agent shall promptly supply a Lender with a copy of each document received by the Agent under Clause 4 (Conditions Precedent), 27.7 (Additional Guarantors) or 27.8 (Additional Borrowers) upon the request and at the expense of that Lender.
(c) Except where this Agreement specifically provides otherwise, the Agent or, as the case may be, the U.S. Swingline Agent is not obliged to review or check the accuracy or completeness of any document it forwards to another Party.
(d) The Agent shall provide to Vodafone within five Business Days of a request by Vodafone (but no more than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made or document to be delivered under or in connection with the Finance Documents), the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.
(e) Except as provided above, the Agent or, as the case may be, the U.S. Swingline Agent has no duty:
(i) either initially or on a continuing basis to provide any Lender with any credit or other information concerning the financial condition or affairs of any Obligor or any related entity of any Obligor whether coming into its possession or that of any of its related entities before, on or after the Signing Date; or
(ii) unless specifically requested to do so by a Lender in accordance with this Agreement, to request any certificates or other documents from any Obligor.

20.12 The Agent, the U.S. Swingline Agent and the Arrangers individually
(a) If it is also a Lender, each of the Agent, the U.S. Swingline Agent and the Arrangers has the same rights and powers under this Agreement as any other Lender and may exercise those rights and powers as though it were not the Agent, the U.S. Swingline Agent or an Arranger.
(b) Each of the Agent, the U.S. Swingline Agent and the Arrangers may:
(i) carry on any business with an Obligor or its related entities;
(ii) act as agent or trustee for, or in relation to any financing involving, an Obligor or its related entities; and

(iii) retain any profits or remuneration in connection with its activities under the Finance Documents, or in relation to any of the foregoing.

20.13 Indemnities

(a) Without limiting the liability of any Obligor under the Finance Documents, each Lender shall forthwith on demand indemnify the Agent or, as the case may be, the U.S. Swingline Agent for its proportion of any liability or loss incurred by the Agent or, as the case may be, the U.S. Swingline Agent in any way relating to or arising out of its acting as the Agent or, as the case may be, the U.S. Swingline Agent, except to the extent that the liability or loss arises directly from the Agent’s or, as the case may be, the U.S. Swingline Agent’s negligence or wilful misconduct.

(b) A Lender’s proportion of the liability or loss set out in paragraph (a) above is the proportion which its Commitment bears to the Total Commitments at the date of demand or, if the Total Commitments have been cancelled, bore to the Total Commitments immediately before being cancelled.

20.14 Compliance

(a) The Agent or, as the case may be, the U.S. Swingline Agent, may refrain from doing anything which might, in its reasonable opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its reasonable opinion, is necessary or desirable to comply with any law or regulation of any jurisdiction.

(b) Without limiting paragraph (a) above, the Agent or, as the case may be, the U.S. Swingline Agent, need not disclose any information relating to any Obligor or any of its related entities if the disclosure might, in the opinion of the Agent or, as the case may be, the U.S. Swingline Agent, constitute a breach of any law or regulation or any duty of secrecy or confidentiality or be otherwise actionable at the suit of any person.

20.15 Resignation of the Agent or the U.S. Swingline Agent

(a) Notwithstanding its irrevocable appointment, the Agent or, as the case may be, the U.S. Swingline Agent, may resign by giving notice to the Lenders and Vodafone, in which case the Agent or, as the case may be, the U.S. Swingline Agent, may forthwith appoint one of its Affiliates as successor Agent or, failing that, the Majority Lenders may after consultation with Vodafone appoint a reputable and experienced bank as successor Agent or, as the case may be, successor U.S. Swingline Agent.

(b) If the appointment of a successor Agent or, as the case may be, successor U.S. Swingline Agent is to be made by the Majority Lenders but they have not, within 30 days after notice of resignation, appointed a successor Agent or, as the case may be, successor U.S. Swingline Agent which accepts the appointment, the retiring Agent or, as the case may be, the retiring U.S. Swingline Agent may, following consultation with Vodafone, appoint a successor Agent or, as the case may be, successor U.S. Swingline Agent.

(c) The resignation of the retiring Agent or, as the case may be, retiring U.S. Swingline Agent and the appointment of any successor Agent or, as the case may be, successor U.S. Swingline Agent will both become effective only upon the successor Agent or, as the case may be, successor U.S. Swingline Agent notifying all the Parties that it accepts the appointment. On
giving the notification and receiving such approval, the successor Agent or, as the case may be, successor U.S. Swingline Agent will succeed to the position of the retiring Agent or, as the case may be, retiring U.S. Swingline Agent and the term “Agent” or, as the case may be, “U.S. Swingline Agent” will mean the successor Agent or, as the case may be, successor U.S. Swingline Agent.

(d) The retiring Agent or, as the case may be, retiring U.S. Swingline Agent shall, at its own cost, make available to the successor Agent or, as the case may be, successor U.S. Swingline Agent such documents and records and provide such assistance as the successor Agent or, as the case may be, successor U.S. Swingline Agent may reasonably request for the purposes of performing its functions as the Agent or, as the case may be, the U.S. Swingline Agent under this Agreement.

(e) Upon its resignation becoming effective, this Clause 20 shall continue to benefit the retiring Agent or, as the case may be, retiring U.S. Swingline Agent in respect of any action taken or not taken by it under or in connection with the Finance Documents while it was the Agent or, as the case may be, the U.S. Swingline Agent, and, subject to paragraph (d) above, it shall have no further obligation under any Finance Document.

(f) The Majority Lenders may by notice to the Agent or, as the case may be, the U.S. Swingline Agent, require it to resign in accordance with paragraph (a) above. In this event, the Agent or, as the case may be, the U.S. Swingline Agent shall resign in accordance with paragraph (a) above but it shall not be entitled to appoint one of its Affiliates as successor Agent or successor U.S. Swingline Agent.

(g) Any successor Agent or, as the case may be, successor U.S. Swingline Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original party to this Agreement.

20.16 Lenders

The Agent or, as the case may be, the U.S. Swingline Agent may treat each Lender as a Lender, entitled to payments under this Agreement and as acting through its Facility Office(s) until it has received notice from the Lender to the contrary by not less than five Business Days prior to the relevant payment.

20.17 Chinese wall

In acting as Agent, U.S. Swingline Agent or Arranger, the agency and syndications division of each of the Agent, the U.S. Swingline Agent and each Arranger shall be treated as a separate entity from its other divisions and departments. Any information acquired at any time by the Agent, the U.S. Swingline Agent or any Arranger otherwise than in the capacity of Agent, U.S. Swingline Agent or Arranger through its agency and syndications division (whether as financial advisor to any member of the Group or otherwise) may be treated as confidential by the Agent, U.S. Swingline Agent or Arranger and shall not be deemed to be information possessed by the Agent, U.S. Swingline Agent or Arranger in their capacity as such. Each Finance Party acknowledges that the Agent, the U.S. Swingline Agent and the Arrangers may, now or in the future, be in possession of, or provided with, information relating to the Obligors which has not or will not be provided to the other Finance Parties. Each Finance Party agrees that, except as expressly provided in this Agreement, none of the Agent, U.S. Swingline Agent or any Arranger will be under any obligation to provide, or under any liability for failure to provide, any such information to the other Finance Parties.
21. FEES

21.1 Commitment fee

(a) Vodafone shall pay to the Agent for distribution to each Lender pro rata to the proportion its Revolving Credit Commitment bears to the Total Commitments from time to time a commitment fee at the rate of 35 per cent. of the applicable Margin on any undrawn, uncalled amount of the Total Commitments on each day.

(b) Commitment fee is calculated and accrues on a daily basis on and from the Signing Date and is payable quarterly in arrears. Accrued and unpaid commitment fee is also payable to the Agent for the relevant Lender(s) on any amount of its Revolving Credit Commitment, which is cancelled voluntarily by the Borrower at the time the cancellation takes effect (but only in respect of the period up to the date of cancellation).

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

21.2 Utilisation fee

(a) Vodafone shall pay to the Agent for distribution to each Lender pro rata to the proportion its Revolving Credit Commitment bears to the Total Commitments from time to time a utilisation fee in accordance with paragraphs (b) and (c) below and at the rate per annum specified in paragraph (b) below on any outstanding drawn amount of any Advance on each day.

(b) The utilisation fee will be paid on the aggregate outstanding amount of all Advances for each day upon which the outstanding Advances exceed one half of the Total Commitments, at the rate of 0.40 per cent per annum.

(c) The utilisation fee is calculated and accrues on a daily basis and is payable at the end of each Term.

21.3 Agent’s fee

Vodafone shall pay to the Agent for its own account an agency fee in the amounts and on the dates agreed in the relevant Fee Letter.

21.4 Front-end fees

(a) Vodafone shall pay to the Agent for the Original Lenders as at the Signing Date a front-end fee in the amount and on the date specified in the relevant Fee Letter.

(b) If so agreed between Vodafone and an Additional Lender, Vodafone shall pay to such Additional Lender a front-end fee in the amounts and on the dates specified in the relevant Fee Letter.

21.5 VAT

Any fee referred to in this Clause 21 is exclusive of any United Kingdom value added tax. If any value added tax is so chargeable, it shall be paid by Vodafone at the same time as it pays the relevant fee.

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22. EXPENSES

22.1 Initial and special costs
Vodafone shall forthwith on demand pay the Agent, the U.S. Swingline Agent and the Arrangers the amount of all out-of-pocket costs and expenses (including but not limited to legal fees up to an amount agreed, in the case of (a)(i) below, with the Arrangers) reasonably incurred by any of them in connection with:

(a) the negotiation, preparation, printing and execution of:
   (i) this Agreement and any other documents referred to in this Agreement; and
   (ii) any other Finance Document (other than a Novation Certificate) executed after the Signing Date;
(b) any amendment, waiver, consent or suspension of rights (or any proposal for any of the foregoing) requested by or on behalf of an Obligor and relating to a Finance Document or a document referred to in any Finance Document or any amendment to this Agreement to reflect a change in currency of a country pursuant to Clause 10.4(b)(iii) (Currency); and
(c) any other agency matter not of an ordinary administrative nature, arising out of or in connection with a Finance Document in the amount agreed between the Agent and Vodafone at the relevant time.

22.2 Enforcement costs
Vodafone shall within five Business Days of receiving written demand pay to each Finance Party the amount of all costs and expenses (including but not limited to legal fees) incurred (or in the case of (b) below reasonably incurred) by it:

(a) in connection with the enforcement of any Finance Document; or
(b) in connection with the preservation of any rights under any Finance Document.

23. STAMP DUTIES
Vodafone shall pay and within five Business Days of receiving written demand indemnify each Finance Party against any liability it incurs in respect of any stamp, registration or similar tax which is or becomes payable in any jurisdiction in or through which any payment under the Finance Documents is made or any Obligor is incorporated or has any assets in connection with the entry into, performance or enforcement of any Finance Document.

24. INDEMNITIES

24.1 Currency indemnity
(a) If a Finance Party receives an amount in respect of an Obligor’s liability under the Finance Documents or if that liability is converted into a claim, proof, judgment or order in a currency other than the currency (the “Contractual Currency”) in which the amount is expressed to be payable under the relevant Finance Document:
(i) that Obligor shall indemnify that Finance Party as an independent obligation against any loss or liability arising out of or as a result of the conversion;

(ii) if the amount received by that Finance Party, when converted into the Contractual Currency at a market rate in the usual course of its business, is less than the amount owed in the Contractual Currency, the Obligor concerned shall forthwith on demand pay to that Finance Party an amount in the Contractual Currency equal to the deficit (provided that if the amount received by the Finance Party following such conversion is greater than the amount owed, the Finance Party shall pay to such Obligor an amount equal to the excess); and

(iii) the Obligor shall pay to the Finance Party concerned on demand any exchange costs and taxes payable in connection with any such conversion.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

24.2 Other indemnities

Vodafone shall forthwith on demand indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:

(a) the occurrence of any Default; or

(b) the operation of Clause 19.16 (Acceleration); or

(c) any payment of principal or an Overdue Amount being received from any source otherwise than in the case of Revolving Credit Advances or Swingline Advances on its Maturity Date (and, for the purposes of this paragraph (c), the Maturity Date of an Overdue Amount is the last day of each Designated Term); or

(d) a Default or an action or omission by an Obligor resulting in an Advance not being disbursed after a Borrower has delivered a Request for that Advance.

Vodafone’s liability in each case includes any loss or expense, (excluding loss of Margin) in respect or on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document, any amount repaid or prepaid or any Advance.

24.3 Breakage costs

If a Finance Party receives or recovers any payment of principal of an Advance or of an Overdue Amount other than on its Maturity Date or, as the case may be, the last day of the Designated Term for the purposes of calculation of the amount payable by Vodafone under Clause 24.2(c) (Other indemnities) in respect of the amount so received or recovered, that Finance Party shall calculate:

(a) the additional interest (excluding the Margin) which would have been payable on the principal so received or recovered had it been received or recovered on the relevant Maturity Date or, as the case may be, the last day of the Designated Term; and

(b) the amount of interest which would have been payable to that Finance Party on the relevant Maturity Date or, as the case may be, the last day of the Designated Term concerned in respect of a deposit by that Finance Party in the currency of the amount received or recovered placed with a prime bank in London earning interest from (and
including) the earliest Business Day for placing deposits in such currency following receipt of that amount up to (but excluding) the relevant Maturity Date or, as the case may be, the last day of the applicable Designated Term, and if the amount payable under paragraph (a) above is greater than the amount payable under paragraph (b) above, Vodafone will, forthwith on receipt of a demand from the relevant Finance Party pursuant to Clause 24.2(c) (Other indemnities), pay to that Finance Party an amount equal to the difference between the amount payable under paragraphs (a) and (b) above.

25. EVIDENCE AND CALCULATIONS

25.1 Accounts
Accounts maintained by a Finance Party in connection with this Agreement are prima facie evidence of the matters to which they relate (except in a case of manifest error).

25.2 Certificates and determinations
Any certification or determination by a Finance Party of a rate or amount under this Agreement is, in the absence of manifest error, prima facie evidence of the matters to which it relates.

25.3 Calculations
Interest and the fees payable under Clause 21.1 (Commitment fee) accrue from day to day and are calculated on the basis of the actual number of days elapsed and a year of 360 days, or, in the case of interest at the Swingline Rate or any interest payable in an amount denominated in Sterling, 365 days.

26. AMENDMENTS AND WAIVERS

26.1 Procedure
(a) Subject to Clause 26.2 (Exceptions) and Clause 26.3 (NewTopco), any term of the Finance Documents may be amended or waived with the agreement of Vodafone and the Majority Lenders. The Agent may effect, on behalf of the Lenders, an amendment to which the Majority Lenders have agreed.

(b) The Agent shall promptly notify the other Parties of any amendment or waiver effected under paragraph (a) above, and any such amendment or waiver shall be binding on all the Parties.

26.2 Exceptions
An amendment or waiver which relates to:
(a) the definition of “Majority Lenders” in Clause 1.1 (Definitions); or
(b) an extension of the date for, or a decrease in an amount or a change in the currency of, any payment under the Finance Documents; or
(c) an increase in or extension of a Lender’s Commitment or a change to the Margin; or
(d) a change in the guarantee under Clause 15 (Guarantee) otherwise than in accordance with Clause 27.7 (Additional Guarantors) or Clause 15.9 (Removal of Guarantors); or
(e) a term of a Finance Document which expressly requires the consent of each Lender;
(f) Clause 27.5 (Replacement of Lenders);
(g) Clause 30 (Pro Rata Sharing) or this Clause 26; or
(h) any Term exceeding six months,
may not be effected without the consent of each Lender. Any amendment or waiver which changes, or relates to the rights and/or obligations
of the Agent or U.S. Swingline Agent shall also require the Agent’s or the U.S. Swingline Agent’s (as applicable) agreement.

26.3 NewTopco
Any amendment substituting a reference to Vodafone with a reference to NewTopco:
(a) to any procedural or administrative provision of this Agreement; or
(b) which puts the Parties in substantially the same position as applied prior to the Hive Up,
may be effected by agreement between NewTopco and the Agent.

26.4 Waivers and remedies cumulative
The rights of each Party under the Finance Documents:
(a) may be exercised as often as necessary;
(b) are cumulative and not exclusive of its rights under the general law; and
(c) may be waived only in writing and specifically.
Delay in exercising or non-exercise of any such right is not a waiver of that right.

26.5 Disenfranchisement of Defaulting Lenders
(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage
(including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent,
waiver, amendment or other vote under the Finance Documents, that Defaulting Lender’s commitments will be reduced by the amount of
its Available Commitments.
(b) For the purposes of this Clause 26.5, the Agent may assume that the following Lenders are Defaulting Lenders:
(i) any Lender which has notified the Agent that it has become a Defaulting Lender;
(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraph (a) or (b) of the definition of
“Defaulting Lender” has occurred, and in the case of the events or circumstances referred to in paragraph (a) of the definition of
“Defaulting Lender”, none of the exceptions to that paragraph apply,
unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

## 26.6 Replacement of a Defaulting Lender

(a) Vodafone may, at any time a Lender has become and continues to be a Defaulting Lender, by giving five Business Days’ prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 27 (Changes to the Parties) all (and not part only) of its rights and obligations under this Agreement;

(ii) require such Lender to (and such Lender shall) transfer pursuant to Clause 27 (Changes to the Parties) all (and not part only) of the undrawn Commitments of the Lender; or

(iii) require such Lender to (and such Lender shall) transfer pursuant to Clause 27 (Changes to the Parties) all (and not part only) of its rights and obligations in respect of the Facilities,

to a Lender or other bank or financial institution, (a "Replacement Lender") selected by Vodafone, and which is acceptable to the Agent (acting reasonably) and which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender’s participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender’s participation in the outstanding Advances and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 26.6 shall be subject to the following conditions:

(i) Vodafone shall have no right to replace the Agent;

(ii) neither the Agent nor the Defaulting Lender shall have any obligation to Vodafone to find a Replacement Lender;

(iii) the transfer must take place no later than 45 Business Days after the notice referred to in paragraph (a) above; and

in no event shall a Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

(c) An amendment or waiver which relates to this Clause 26 may not be effected without the consent of each Lender.

## 27. CHANGES TO THE PARTIES

### 27.1 Transfers by Obligors

(a) No Obligor may assign, transfer, novate or dispose of any of, or any interest in, its rights and/or obligations under this Agreement provided that without any further consent from the Lenders or the Agent it may, subject to paragraph (b) below and provided that no Default is
continuing or would result from any such transfer, transfer its rights and obligations under this Agreement to NewTopco or any Intermediate Holding Company and NewTopco or the Intermediate Holding Company will execute a document, or documents, in favour of the Lenders in form and substance the same as this Agreement, with references to such Obligor in this Agreement amended to mean NewTopco or such Intermediate Holding Company (as applicable), provided that if such transfer is to an Intermediate Holding Company, the Agent may, within 30 days of receipt of notification of such transfer, require NewTopco to accede as a Guarantor. The Agent shall (and is hereby authorised to) execute on behalf of the Finance Parties any such document or documents executed by NewTopco or the Intermediate Holding Company provided that the conditions set out in this Clause 27.1 are satisfied.

(b) The transfer of rights and obligations under this Agreement to NewTopco or any Intermediate Holding Company shall not require the consent of the Lenders or the Agent provided that NewTopco or the Intermediate Holding Company, as applicable, is incorporated and tax resident in the United Kingdom or in the United States and prior to such transfer Vodafone provides satisfactory evidence to the Agent that it is tax resident in one of those jurisdictions. Subject to paragraph (c) below, the prior written consent of the Majority Lenders shall be required in relation to the transfer of rights and obligations to a NewTopco or an Intermediate Holding Company incorporated elsewhere.

(c) All Lender consent will be required for any transfer of rights under this Agreement to a NewTopco or an Intermediate Holding Company to the extent the transferee is incorporated or established or carrying on its principal business in a country which is subject to OFAC sanctions or United Nations sanctions under Article 41 of the UN Charter.

27.2 Transfers by Lenders

(a) A Lender (the “Existing Lender”) may at any time assign, transfer or novate any of its rights and/or obligations under this Agreement to another bank, financial institution, central bank or federal reserve (the “New Lender”) provided that:

(i) subject to paragraph (b) below Vodafone (or following a Hive Up, NewTopco) has, except while an Event of Default is continuing or in the case of an assignment, transfer or novation to an Affiliate or another Lender, given its prior written consent (in the case of a transfer to a financial institution, such consent to be in its absolute discretion and, in the case of a transfer to a bank, central bank or federal reserve such consent not to be unreasonably withheld or delayed);

(ii) in the case of a partial assignment, transfer or novation of rights and/or obligations, a minimum amount of US$8,000,000 in aggregate and in multiples of US$1,000,000 (unless to an Affiliate or to a Lender or the Agent agrees otherwise) must be assigned, transferred or novated; and

(iii) in the case of an assignment, transfer or novation by a Swingline Lender, a portion of that Swingline Lender’s Swingline Commitment must also be assigned, transferred or novated to the extent necessary (if at all) to ensure that the Swingline Lender’s Swingline Commitment does not exceed its Commitment after the assignment, transfer or novation.

(b) Vodafone must respond to a request for its consent to a transfer made under paragraph (a)(i) above as soon as is reasonably practicable and, in any event, no later than 15 Business Days after the day on which it received the request, or Vodafone will be deemed to have given its consent to the transfer.
(c) A transfer of obligations will be effective only if either:

(i) the obligations are novated in accordance with Clause 27.4 (Procedure for novations); or

(ii) the New Lender gives prior written notice to Vodafone and, except while an Event of Default is continuing or in the case of an assignment, transfer or novation to an Affiliate or another Lender, obtains the consent of Vodafone in accordance with paragraph (a)(i) above and confirms to the Agent and Vodafone that it undertakes to be bound by the terms of this Agreement as a Lender in form and substance satisfactory to the Agent. On the transfer becoming effective in this manner the Existing Lender shall be relieved of its obligations under this Agreement to the extent that they are transferred to the New Lender; and

(iii) the Agent has performed all “know your customer” or other checks relating to any person that it is required to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(d) Nothing in this Agreement restricts the ability of a Lender to sub-contract an obligation if that Lender remains liable under this Agreement for that obligation.

(e) On each occasion an Existing Lender assigns, transfers or novates any of its rights and/or obligations under this Agreement (other than to an Affiliate), the New Lender shall, on the date the assignment, transfer and/or novation takes effect, pay to the Agent for its own account a fee of US$3,000.

(f) An Existing Lender is not responsible to a New Lender for:

(i) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document; or

(ii) the collectability of amounts payable under any Finance Document; or

(iii) the accuracy of any statements (whether written or oral) made in connection with any Finance Document.

(g) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under this Agreement or any Commitment is in force.

(h) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a retransfer from a New Lender of any of the rights and/or obligations assigned, transferred or novated under this Clause 27; or
(ii) support any losses incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under this Agreement or otherwise.

(i) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement and its Commitment has been cancelled or reduced to nil.

(j) If any assignment, transfer or novation results either:
   (i) at the time of the assignment, transfer or novation; or
   (ii) at any future time where the additional amount was caused as a result of laws and/or regulations in force at the date of the assignment, transfer or novation,
in additional amounts becoming due under Clause 11 (Taxes) or amounts becoming due under Clause 13 (Increased Costs), the New Lender shall be entitled to receive such additional amounts only to the extent that the Existing Lender would have been so entitled had there been no such assignment, transfer or novation.

27.3 Affiliates of Lenders

(a) Each Lender may fulfil its obligations in respect of any Advance through an Affiliate if:
   (i) the relevant Affiliate is specified in this Agreement as a Lender or becomes a Lender by means of a Novation Certificate in accordance with this Agreement and subject to any consent required under Clause 27.2 (Transfers by Lenders); and
   (ii) the Advances in which that Affiliate will participate are specified in this Agreement or in a notice given by that Lender to the Facility Agent.

In this event, the Lender and the Affiliate will participate in Advances in the manner provided for in paragraph (ii) above.

(b) If paragraph (a) above applies, the Lender and its Affiliate will be treated as having a single Commitment and a single vote, but, for all other purposes, will be treated as separate Lenders.

27.4 Procedure for novations

(a) A novation is effected if:
   (i) the existing Lender and the New Lender deliver to the Agent a duly completed certificate (a Novation Certificate), substantially in the form of Part 1 of Schedule 5, with such amendments as the Agent approves to achieve a substantially similar effect (which may be delivered by fax and confirmed by delivery of a hard copy original but the fax will be effective irrespective of whether confirmation is received); and
   (ii) the Agent executes it (as soon as practicable for it to do so).

(b) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Agent to execute any duly completed Novation Certificate on its behalf.

(c) To the extent that they are expressed to be the subject of the novation in the Novation Certificate:
(i) the Existing Lender and the other Parties (the “Existing Parties”) will be released from their obligations to each other (the “Discharged Obligations”);
(ii) the New Lender and the Existing Parties will assume obligations towards each other which differ from the Discharged Obligations only insofar as they are owed to or assumed by the New Lender instead of the Existing Lender;
(iii) the rights of the Existing Lender against the Existing Parties and vice versa (the “Discharged Rights”) will be cancelled; and
(iv) the New Lender and the Existing Parties will acquire rights against each other which differ from the Discharged Rights only insofar as they are exercisable by or against the New Lender instead of the Existing Lender,
all on the date of execution of the Novation Certificate by the Agent or, if later, the date specified in the Novation Certificate.

(d) If the effective date of a novation is after the date a Request is received by the Agent but before the date the requested Advance is disbursed to the relevant Borrower, the Existing Lender shall be obliged to participate in that Advance in respect of its Discharged Obligations notwithstanding that novation, and the New Lender shall reimburse the Existing Lender for its participation in that Advance and all interest and fees thereon up to the date of reimbursement (in each case to the extent attributable to the Discharged Obligations) within three Business Days of the Drawdown Date of that Advance.

(e) The Agent shall only be obliged to execute a Novation Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

27.5 Replacement of Lenders

(a) In this Clause 27.5:

Non-consenting Lender means a Lender which does not agree to a consent or amendment to, or a waiver of, a provision of a Finance Document requested by Vodafone where:
(i) the consent, waiver or amendment requires the consent of all the Lenders;
(ii) a period of not less than 15 Business Days (or such other longer period as agreed from time to time between the Agent and Vodafone) has elapsed from the date the consent, waiver or amendment was requested; and
(iii) 80% of the Lenders have agreed to the consent, waiver or amendment.

Prepayment Lender means, at any time, a Lender in respect of which a Borrower is at that time entitled to serve a notice under Clauses 8.5 (a) to (c) (Right of prepayment and cancellation) (inclusive), but has not done so.

Relevant Lender means:
(i) a Prepayment Lender; or
(ii) a Non-Consenting Lender.
**Replacement Lender** means a Lender or any other bank or financial institution selected by Vodafone which:

(i) in the case of a person which is not an existing Lender is acceptable to the Agent (acting reasonably); and
(ii) is willing to assume all of the obligations of the Relevant Lender.

(b) Subject to paragraph (e) below, Vodafone may, on giving 10 Business Days’ prior notice to the Agent and a Relevant Lender, require that Relevant Lender to transfer all of its rights and obligations under this Agreement to a Replacement Lender.

(c) On receipt of a notice under paragraph (b) above the Relevant Lender must transfer all of its rights and obligations under this Agreement:

(i) in accordance with Clause 27.2 (Transfers by Lenders);
(ii) on the date specified in the notice;
(iii) to the Replacement Lender specified in the notice; and
(iv) for a purchase price equal to the aggregate of:
   (A) the Relevant Lender’s share in the outstanding Facilities;
   (B) any Break Costs incurred by the Relevant Lender as a result of the transfer; and
   (C) all accrued interest, fees and other amounts payable to the Relevant Lender under this Agreement as at the transfer date.

(d) No member of the Group may make any payment or assume any obligation to or on behalf of the Replacement Lender as an inducement for a Replacement Lender to become a Lender, other than as provided in paragraph (c) above.

(e) Notwithstanding the above, Vodafone’s right to replace:

(i) a Non-Consenting Lender may only be exercised within 45 Business Days after the date the consent, waiver or amendment was requested by Vodafone;
(ii) a Prepayment Lender may only be exercised whilst it is entitled to serve a notice under Clause 8.5 (Right of prepayment and cancellation); and
(iii) a Non-Consenting Lender or Prepayment Lender under this Clause 27.5 shall in no way be obliged to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.

**27.6 Pro rata interest settlement**

If the Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 27.2 (Transfers by Lenders) or any novation pursuant to Clause 27.4 (Procedure for novations) the transfer date of which, in each case, is after the date of such notification and is not on the last day of a Term):
any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall
continue to accrue in favour of the Existing Lender up to but excluding the transfer date ("Accrued Amounts") and shall become due
and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Term (or, if the Term is
longer than six Months, on the next of the dates which falls at six monthly intervals after the first day of that Term); and

(b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of
doubt:
(i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender;
and
(ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 27.6,
have been payable to it on that date, but after deduction of the Accrued Amounts.

27.7 Additional Guarantors
(a) (i) Vodafone will procure that NewTopco and any Intermediate Holding Company of Vodafone will become an Additional Guarantor on
or before the Reorganisation Date by executing and delivering the documents set out in paragraph (iii) below on or before the
Reorganisation Date.
(ii) Subject to Vodafone’s prior written consent, any other member of the Group may become an Additional Guarantor.
(iii) The relevant company will become an Additional Guarantor upon:
(A) the delivery to the Agent of a Guarantor Accession Agreement duly executed by that company; and
(B) delivery to the Agent of all those other documents listed in Part 2 of Schedule 2, in each case in the agreed form or in such other
form and substance satisfactory to the Agent.

(b) The execution of a Guarantor Accession Agreement constitutes confirmation by the Additional Guarantor concerned that the
representations and warranties set out in Clauses 16.1 (Representations and warranties) to 16.6 (Authorisations) to be made by it on the date
of the Guarantor Accession Agreement are correct, as if made with reference to the facts and circumstances then existing.

27.8 Additional Borrowers
(a) (i) Any member of the Restricted Group, or following a Hive Up (and subject to the proviso below), NewTopco or any Intermediate
Holding Company incorporated and tax resident in the United Kingdom or in the United States or, subject to the prior written consent
of the Majority Lenders (or, if paragraph (iii) below applies, all the Lenders), elsewhere which Vodafone nominates may become an
Additional Borrower, provided that on or prior to the date on which NewTopco or any Intermediate Holding Company accedes as an
Additional Borrower it also accedes as an Additional Guarantor.
(ii) The relevant member of the Restricted Group will become an Additional Borrower upon:

(A) the delivery to the Agent of a Borrower Accession Agreement duly executed by that member of the Restricted Group; and
(B) delivery to the Agent of all those other documents listed in Part 3 of Schedule 2, in each case in the agreed form or in such other form and substance satisfactory to the Agent.

(iii) All Lender consent will be required for any Additional Borrower to the extent the Additional Borrower is incorporated or established or carrying on its principal business in a country which is subject to OFAC sanctions or United Nations sanctions under Article 41 of the UN Charter.

(b) The execution of a Borrower Accession Agreement constitutes confirmation by the Additional Borrower concerned that the representations and warranties set out in Clauses 16.1 (Representations and warranties) to 16.6 (Authorisations) to be made by it on the date of the Borrower Accession Agreement are correct, as if made with reference to the facts and circumstances then existing.

27.9 Removal of Borrowers

(a) Any Borrower (other than Vodafone (subject to paragraph (b) below) or, if applicable, NewTopco) which has no liabilities to the Finance Parties in respect of outstanding Advances or any other liabilities to the Finance Parties under the Finance Documents (other than as a Guarantor) may, at the request of Vodafone and if no Default is outstanding or will result from such action, cease to be a Borrower by entering into a supplemental agreement to this Agreement at the cost of Vodafone in such form as the Agent may reasonably require which shall discharge that Borrowers’ obligations as a Borrower under this Agreement.

(b) If on the Reorganisation Date:

(i) NewTopco and any Intermediate Holding Company has acceded as a Guarantor in accordance with Clause 27.7 (Additional Guarantors);
(ii) Vodafone has no liabilities to the Finance Parties in respect of outstanding Advances or any other liabilities to the Finance Parties under the Finance Documents (other than as a Guarantor); and
(iii) no Default is continuing.

Vodafone may cease to be a Borrower with effect from the Reorganisation Date by entering into a supplemental agreement to this Agreement at the cost of Vodafone or NewTopco in such form as the Agent may reasonably require which shall discharge Vodafone’s obligations as a Borrower under this Agreement.

27.10 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with Vodafone) appoint another Lender or an Affiliate of a Lender which is not a Reference Bank to replace that Reference Bank.
27.11 Register

The Agent, acting solely for this purpose as agent of the Borrowers, shall keep a register of all the Parties including in the case of Lenders, their respective commitments, the obligations owing to each, and the details of their Facility Office notified to the Agent from time to time, and shall supply any other Party (at that Party’s expense) with a copy of the register on request.

The Agent shall record in the register any transfer by an Obligor or by a Lender described in Clause 27.1(a) or (b) (Transfers by Obligors) or 27.2 (Transfers by Lenders), respectively, and any other modification to the Borrowers, Lenders, Guarantors, or outstanding obligations. The Agent shall record the names and addresses of each Lender and the respective Commitments of and obligations owing to each Lender. The entries in the register shall, in the absence of manifest error, be conclusive and each Obligor, the Agent, and each Lender shall treat each person whose name is recorded in the register as a Lender notwithstanding any notice to the contrary. The register shall be available for inspection by each Obligor at any reasonable time and from time to time upon reasonable prior notice.

27.12 Security over Lenders’ rights

In addition to the other rights provided to Lenders under this Clause 27, each Lender may at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank (including but not limited to, any government authority, department or agency (including HM Treasury)); and

(b) with the prior written consent of Vodafone (or following a Hive Up, NewTopco), such consent not to be unreasonably withheld or delayed, in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities, except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

28. DISCLOSURE OF INFORMATION

28.1 Disclosure

(a) A Lender may disclose to any of its Affiliates, any person to whom or for whose benefit a Lender charges, assigns or otherwise creates security (or may do so) pursuant to Clause 27.12 (Security over Lenders’ rights) or any person with whom it is proposing to enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement:
(i) a copy of any Finance Document; and
(ii) any information which that Lender has acquired under or in connection with any Finance Document,
provided that a Lender shall not disclose any such information to a person other than one of its Affiliates or a federal reserve or central bank
(as long as the relevant Affiliate, federal reserve or central bank is informed that such information is confidential) unless that person has
provided to that Lender a confidentiality undertaking addressed to that Lender and Vodafone substantially in the form of Schedule 6 or such
other form as Vodafone may approve.

(b) Paragraphs 1(a), 1(c), 2(b), 3, 6, 8, 9 and 12 of Schedule 6 (Form of Confidentiality Undertaking from New Lender) shall be deemed to be
incorporated herein as if set out in full (mutatis mutandis), but as if references therein to “we” “us” or “our” were to each Finance Party and
references to “you” were to Vodafone.

28.2 Disclosure to numbering service providers
(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide
identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:
(i) names of Obligors;
(ii) country of domicile of Obligors;
(iii) place of incorporation of Obligors;
(iv) date of this Agreement;
(v) the name of the Agent and the Arranger;
(vi) date of each amendment and restatement of this Agreement;
(vii) amount of Total Commitments;
(viii) currencies of the Facilities;
(ix) type of Facilities;
(x) ranking of Facilities;
(xi) Maturity Date for the Facilities;
(xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above (inclusive); and
(xiii) such other information agreed between such Finance Party and Vodafone,
to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors
by a numbering service provider and
the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) If requested, the Agent shall notify Vodafone and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

29. SET-OFF

29.1 Contractual set-off

Whilst an Event of Default subsists each Obligor authorises each Finance Party to apply any credit balance to which that Obligor is entitled on any account of that Obligor with that Finance Party in satisfaction of any sum due and payable from that Obligor to that Finance Party under the Finance Documents but unpaid. For this purpose, each Finance Party is authorised to purchase with the moneys standing to the credit of any such account such other currencies as may be necessary to effect such application.

29.2 Set-off not mandatory

No Finance Party shall be obliged to exercise any right given to it by Clause 29.1 (Contractual set-off).

29.3 Notice of set-off

Any Finance Party exercising its rights under Clause 29.1 (Contractual set-off) shall notify Vodafone promptly after set-off is applied.

30. PRO RATA SHARING

30.1 Redistribution

If any amount owing by an Obligor under any Finance Document to a Finance Party (the "Recovering Finance Party") is discharged by payment, set-off or any other manner other than through the Agent in accordance with Clause 10 (Payments) (a "Recovery"), then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the Recovery to the Agent;

(b) the Agent shall determine whether the Recovery is in excess of the amount which the Recovering Finance Party would have received had the Recovery been received by the Agent and distributed in accordance with Clause 10 (Payments);

(c) subject to Clause 30.3 (Exceptions), the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "Redistribution") equal to the excess;

(d) the Agent shall treat the Redistribution as if it were a payment by the Obligor concerned under Clause 10 (Payments) and shall pay the Redistribution to the
Finance Parties (other than the Recovering Finance Party) in accordance with Clause 10.8 (Partial payments); and

(e) after payment of the full Redistribution, the Recovering Finance Party will be subrogated to the portion of the claims paid under paragraph (d) above, and that Obligor will owe the Recovering Finance Party a debt which is equal to the Redistribution, immediately payable and of the type originally discharged.

30.2 Reversal of redistribution
If under Clause 30.1 (Redistribution):

(a) a Recovering Finance Party must subsequently return a Recovery, or an amount measured by reference to a Recovery, to an Obligor; and

(b) the Recovering Finance Party has paid a Redistribution in relation to that Recovery, each Finance Party shall, within three Business Days of demand by the Recovering Finance Party through the Agent, reimburse the Recovering Finance Party all or the appropriate portion of the Redistribution paid to that Finance Party. Thereupon the subrogation in Clause 30.1(e) (Redistribution) will operate in reverse to the extent of the reimbursement.

30.3 Exceptions
(a) A Recovering Finance Party need not pay a Redistribution to the extent that it would not, after the payment, have a valid claim against the Obligor concerned in the amount of the Redistribution pursuant to Clause 30.1(e) (Redistribution).

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal proceedings, if the other Finance Party had an opportunity to participate in those legal proceedings but did not do so and did not take separate legal proceedings.

31. SEVERABILITY
If a provision of any Finance Document is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of the Finance Documents; or

(b) the legality, validity or enforceability in other jurisdictions of that or any other provision of the Finance Documents.

32. COUNTERPARTS
This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

33. NOTICES
33.1 Giving of notices
(a) All notices or other communications under or in connection with this Agreement shall be given in writing or by facsimile. Any such notice will be deemed to be given as follows:
(i) if in writing, when delivered; and
(ii) if by facsimile, when received.

However, a notice given in accordance with the above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

(b) Any Party may agree with any other Party to give and receive notices by telex in which case the notice will be deemed given when the correct answerback is received.

33.2 Addresses for notices

(a) The address and facsimile number of each Party (other than the Agent, the U.S. Swingline Agent and Vodafone) for all notices under or in connection with this Agreement are:
(i) that notified by that Party for this purpose to the Agent on or before it becomes a Party; or
(ii) any other notified by that Party for this purpose to the Agent by not less than five Business Days’ notice.

(b) The address and facsimile numbers of the Agent are:

For Operational Duties (such as Drawdowns, Interest Rate Fixing, Interest/fee calculations and payments)
The Royal Bank of Scotland plc
2nd Floor
Bankside 3
90-100 Southwark Street
London.
SE1 0SW

Contact: Lending Operations
Facsimile: 020 7615 0156

For Non Operational Matters (such as documentation; covenant compliance; amendments & waivers)
The Royal Bank of Scotland plc
Level 5
135 Bishopsgate
London
EC2M 3UR

Contact: Bob Ottewill, Associate Director, Syndicated Loans Agency
Telephone: 020 7085 3817
Facsimile: 020 7085 4564
Email: bob.ottewill@rbs.com

or such other as the Agent may notify to the other Parties by not less than five Business Days’ notice.
(c) The address and facsimile numbers of the U.S. Swingline Agent are:

**Primary Operations Contact:**

The Royal Bank of Scotland plc  
600 Washington Boulevard  
Stamford, CT, USA  
06901

Contact: Charles Ray  
Telephone: 001 203 897 3559  
Facsimile: 001 212 401 1494 or 001 212 401 1336  
Email: charles.ray@rbs.com  
Email: AgencyOps@rbs.com

**Secondary Operations Contact:**

The Royal Bank of Scotland plc  
600 Washington Boulevard  
Stamford, CT, USA  
06901

Contact: Lynne Alfarone  
Telephone: 001 203 971 7606  
Facsimile: 001 212 401 1494 or 001 212 401 1336  
Email: lynne.alfarone@rbs.com  
Email: AgencyOps@rbs.com

or such other as the U.S. Swingline Agent may notify to the other Parties by not less than five Business Days’ notice.

(d) The address, facsimile number and website of Vodafone are:

Vodafone Group Plc  
Vodafone House  
The Connection  
Newbury RG14 2FN

Contact: Director of Treasury  
Telephone: 01635 682421  
Facsimile: 01635 676 746  
Website: [http://www.vodafone.com/start/investor_relations/financial_reports.html](http://www.vodafone.com/start/investor_relations/financial_reports.html)

or such other as Vodafone may notify to the other Parties by not less than five Business Days’ notice.

(e) The Agent shall, promptly upon request from any Party, give to that Party the address or facsimile number of any other Party applicable at the time for the purposes of this Clause 33.

33.3 Communication when Agent or U.S. Swingline Agent is Impaired Agent

If the Agent or, as the case may be, the U.S. Swingline Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent or, as the case may be, the
U.S. Swingline Agent, communicate with each other directly and (while the Agent or the U.S. Swingline Agent is an impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a successor Agent or, as the case may be, successor U.S. Swingline Agent has been appointed.

34. LANGUAGE

(a) Any notice given under or in connection with any Finance Document shall be in English.

(b) All other documents provided under or in connection with any Finance Document shall be:

(i) in English; or

(ii) if not in English, accompanied by a certified English translation and, in this case, the English translation shall prevail unless the document is a statutory or other official document.

35. JURISDICTION

35.1 Submission

(a) For the benefit of each Finance Party, each Obligor agrees that the courts of England have jurisdiction to settle any disputes in connection with any Finance Document or any non-contractual obligation arising out of or in connection with any Finance Document and accordingly submits to the jurisdiction of the English courts.

(b) Notwithstanding paragraph (a) above, any New York State court or U.S. Federal court sitting in the City and County of New York also has jurisdiction to settle any dispute in connection with any Finance Document, and, for the benefit of the Finance Parties, each Obligor submits to the jurisdiction of those courts.

(c) The English and New York courts are the most appropriate and convenient courts to settle any such dispute and each Obligor waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with any Finance Document.

35.2 Service of process

(a) Without prejudice to any other mode of service, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints Vodafone as its agent for service of process relating to any proceedings before the English courts in connection with any Finance Document (and Vodafone accepts this appointment);

(ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned;

(iii) consents to the service of process relating to any such proceedings by prepaid posting of a copy of the process to its address for the time being applying under Clause 33.2 (Addresses for notices); and

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(iv) agrees that if the appointment of any person mentioned in paragraph (i) or (ii) above ceases to be effective, the relevant Obligor shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within 15 days, the Agent is entitled to appoint such a person by notice to Vodafone.

(b) Prior to the accession of a US Obligor who is not incorporated or having a place of business in New York State such US Obligor must appoint an agent for service of process in any proceedings before any court located in the State of New York on terms reasonably satisfactory to the Agent.

35.3 Forum convenience and enforcement abroad

Each Obligor:

(a) waives objection to the English courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with a Finance Document; and

(b) agrees that a judgment or order of an English court in connection with a Finance Document is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

35.4 Non-exclusivity

Nothing in this Clause 35 limits the right of a Finance Party to bring proceedings against an Obligor in connection with any Finance Document:

(a) in any other court of competent jurisdiction; or

(b) concurrently in more than one jurisdiction.

36. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

37. USA PATRIOT ACT

Each Finance Party that is subject to the requirements of the USA Patriot Act hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Obligors, which information includes the name and address of the Obligors and other information that will allow such Finance Party to identify the Obligors in accordance with the USA Patriot Act. Each Obligor agrees that it will provide each Finance Party with such information as it may request in order for such Finance Party to satisfy the requirements of the USA Patriot Act.

38. WAIVER OF TRIAL BY JURY

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH ANY FINANCE DOCUMENT OR ANY TRANSACTION CONTEMPLATED BY ANY FINANCE DOCUMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.
THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.
## SCHEDULE 1

**LENDERS AND COMMITMENTS**

### PART I

**LENDERS AND COMMITMENTS**

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<tr>
<th>Original Lender</th>
<th>Commitment (US$)</th>
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<tr>
<td>Abbey National Treasury Services Plc (Trading as Santander Global Banking and Markets)</td>
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<td>Australia and New Zealand Banking Group Limited</td>
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<td>Banco Bilbao Vizcaya Argentaria S.A., London Branch</td>
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<td>BNP Paribas</td>
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<td>Sumitomo Mitsui Banking Corporation</td>
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## PART 2
### SWINGLINE LENDERS AND SWINGLINE COMMITMENTS

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<tbody>
<tr>
<td>Australia and New Zealand Banking Group Limited</td>
<td>155,000,000</td>
</tr>
<tr>
<td>Barclays Bank PLC</td>
<td>155,000,000</td>
</tr>
<tr>
<td>Bank of America, N.A.</td>
<td>155,000,000</td>
</tr>
<tr>
<td>Abbey National Treasury Services Plc (Trading as Santander Global Banking and Markets)</td>
<td>155,000,000</td>
</tr>
<tr>
<td>Citibank, N.A.</td>
<td>155,000,000</td>
</tr>
<tr>
<td>Deutsche Bank AG, London Branch</td>
<td>155,000,000</td>
</tr>
<tr>
<td>Goldman Sachs Bank USA</td>
<td>155,000,000</td>
</tr>
<tr>
<td>Mizuho Corporate Bank, Ltd.</td>
<td>155,000,000</td>
</tr>
<tr>
<td>Morgan Stanley Bank, N.A.</td>
<td>135,000,000</td>
</tr>
<tr>
<td>Morgan Stanley Senior Funding Inc</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Sumitomo Mitsui Banking Corporation</td>
<td>155,000,000</td>
</tr>
<tr>
<td>The Bank of New York Mellon</td>
<td>75,000,000</td>
</tr>
<tr>
<td>TD Bank Europe Limited</td>
<td>75,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,700,000,000</strong></td>
</tr>
</tbody>
</table>
PART 3

MANDATED LEAD ARRANGERS

Abbey National Treasury Services Plc (Trading as Santander Global Banking and Markets)
Australia and New Zealand Banking Group Limited
Banco Bilbao Vizcaya Argentaria S.A.
Banc of America Securities Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Barclays Capital
BNP Paribas
Citigroup Global Markets Limited
Deutsche Bank AG, London Branch
Goldman Sachs International
HSBC Bank plc
ING Bank N.V., London Branch
Intesa Sanpaolo S.p.A.
J.P. Morgan plc
Lloyds TSB Bank plc
Mizuho Corporate Bank, Ltd
Morgan Stanley Bank International Limited
National Australia Bank Limited
Nomura International plc
The Royal Bank of Scotland plc
Sumitomo Mitsui Banking Corporation
UBS Limited
UniCredit Bank AG
PART 4
CO-ARRANGERS

Banco de Sabadell, S.A., London Branch
The Bank of New York Mellon
Commerzbank Aktiengesellschaft, London Branch
Société Générale, London Branch
Standard Chartered Bank
TD Bank Europe Limited
SCHEDULE 2
CONDITIONS PRECEDENT DOCUMENTS
PART 1
TO BE DELIVERED BEFORE THE FIRST ADVANCE

1. Constitutional documents
   A copy of the articles of association and certificate of incorporation of Vodafone.

2. Authorisations
   (a) A copy of a resolution of the board of directors of Vodafone or, if applicable, of a committee of the board of directors (together with a copy of the resolution of the board of directors constituting that committee):
      (i) approving the terms of, and the transactions contemplated by, this Agreement and the Fee Letters and resolving that it execute and, where applicable, deliver this Agreement and the Fee Letters;
      (ii) authorising a specified person or persons to execute and, where applicable, deliver this Agreement and the Fee Letters on its behalf; and
      (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including Requests) to be signed and/or despatched by it under or in connection with the Finance Documents;
   (b) a specimen of the signature of each person authorised by the resolution referred to in paragraph (a) above;
   (c) a certificate of an authorised signatory of Vodafone confirming that as at the first Drawdown Date the borrowing of the Total Commitments in full and the borrowing of the Total Commitments under (and as defined in) the 2015 Facility in full would not together cause any borrowing limit or limit on the giving of guarantees binding on it to be exceeded (whether as a result of such limit having been waived or otherwise);
   (d) a certificate of an authorised signatory of Vodafone certifying that each copy document specified in this Part 1 of Schedule 2 and supplied by Vodafone is correct, complete and in full force and effect as at a date no earlier than the Signing Date.

3. Legal opinions
   A legal opinion of Allen & Overy LLP, English law counsel to the Agent, in relation to English law.

4. Fee Letter
   Duly executed Fee Letters referred to in paragraphs (a) and (b) of the definition of “Fee Letters”.
PART 2
TO BE DELIVERED BY AN ADDITIONAL GUARANTOR

1. A Guarantor Accession Agreement, duly executed (if appropriate, under seal) by the Additional Guarantor.

2. A copy of the memorandum (if applicable) and articles of association and certificate of incorporation (or other equivalent constitutional documents) of the Additional Guarantor.

3. A copy of a resolution of the board of directors of the Additional Guarantor:
   (a) approving the terms of, and the transactions contemplated by, the Guarantor Accession Agreement and resolving that it execute the Guarantor Accession Agreement as a deed;
   (b) authorising a specified person or persons to execute the Guarantor Accession Agreement as a deed; and
   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents to be signed and/or despatched by it under or in connection with this Agreement.

4. If the Additional Guarantor is not NewTopco and the lawyers referred to in paragraph 10 below advise it to be necessary or desirable, a copy of a resolution, signed by all the holders of the issued or allotted shares in the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Guarantor Accession Agreement.

5. If the Additional Guarantor is not NewTopco, a copy of a resolution of the board of directors of each corporate shareholder in the Additional Guarantor:
   (a) approving the terms of the resolution referred to in paragraph 4 above; and
   (b) authorising a specified person or persons to sign the resolution on its behalf.

6. A certificate of a director of the Additional Guarantor certifying that the borrowing of the Total Commitments in full and the borrowing of the Total Commitments under (and as defined in) the 2015 Facility in full would not together cause any borrowing limit or limit on the giving of guarantees binding on it to be exceeded (whether as a result of such limit being waived or otherwise).

7. A copy of any other authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Guarantor Accession Agreement or for the validity and enforceability of any Finance Document.

8. A specimen of the signature of each person authorised by the resolutions referred to in paragraphs 3 and, if applicable, 5 above.
9. A copy of the latest annual statutory audited accounts of the Additional Guarantor.

10. A legal opinion of Allen & Overy, legal advisers to the Agent, and, if applicable, other lawyers approved by the Agent in the place of incorporation of the Additional Guarantor addressed to the Finance Parties.

11. A certificate of an authorised signatory of the Additional Guarantor certifying that each copy document specified in this Part 2 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Guarantor Accession Agreement.
PART 3

TO BE DELIVERED BY AN ADDITIONAL BORROWER

1. A Borrower Accession Agreement, duly executed (if appropriate, under seal) by the Additional Borrower.

2. A copy of the memorandum and articles of association and certificate of incorporation (or other equivalent constitutional documents) of the Additional Borrower.

3. A copy of a resolution of the board of directors of the Additional Borrower:
   (a) approving the terms of, and the transactions contemplated by, the Borrower Accession Agreement and resolving that it execute the Borrower Accession Agreement;
   (b) authorising a specified person or persons to execute the Borrower Accession Agreement; and
   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents to be signed and/or despatched by it under or in connection with this Agreement.

4. A certificate of a director of the Additional Borrower certifying that the borrowing of the Total Commitments in full and the borrowing of the Total Commitments under (and as defined in) the 2015 Facility in full would not together cause any borrowing limit or limit on the giving of guarantees binding on it to be exceeded (whether as a result of such limit being waived or otherwise).

5. A copy of any other authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Borrower Accession Agreement or for the validity and enforceability of any Finance Document.

6. A specimen of the signature of each person authorised by the resolutions referred to in paragraph 3 above.

7. A copy of the latest annual statutory audited accounts of the Additional Borrower (if any).

8. A legal opinion of Allen & Overy, legal advisers to the Agent, and, if applicable, other lawyers approved by the Agent in the place of incorporation of the Additional Borrower addressed to the Finance Parties.

9. A certificate of an authorised signatory of the Additional Borrower certifying that each copy document specified in this Part 3 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Borrower Accession Agreement.
SCHEDULE 3
MANDATORY COST FORMULAE

1. The Mandatory Cost for an Advance (other than a Swingline Advance) is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Advance (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the Mandatory Cost Rate) for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders’ Mandatory Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Advance) and will be expressed as a percentage rate per annum.

3. The Mandatory Cost Rate for any Lender lending from a Facility Office in the UK will be calculated by the Agent as follows:

    (a) in relation to a sterling Advance:

\[
\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)} \text{ per cent. per annum}
\]

    (b) in relation to an Advance in any currency other than sterling:

\[
\frac{E \times 0.01}{300} \text{ per cent. per annum}
\]

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Margin and the Mandatory Cost) payable on the Advance for the relevant Term of the Advance.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to that Lender on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 6 below and expressed in pounds per £1,000,000.

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4. For the purposes of this Schedule 3:

(a) “Eligible Liabilities” and “Special Deposits” have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) “Fees Rules” means the rules on periodic fees contained in the Financial Services Authority Fees Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) “Fee Tariffs” means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) “Tariff Base” has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

5. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

6. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

7. In addition to any notification required under Clause 9.1(c) (Interest rate for all Advances), each Lender shall supply any information required by the Agent for the purpose of calculating its Mandatory Cost Rate. In particular, but without limitation, each Lender shall supply the following information in writing on or prior to the date on which it becomes a Lender:

(a) its jurisdiction of incorporation and the jurisdiction of its Facility Office; and

(b) any other information that the Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Agent in writing of any change to the information provided by it pursuant to this paragraph 7.

8. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 6 and 7 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender’s obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

9. The Agent shall have no liability to any person if such determination results in a Mandatory Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 6 and 7 above is true and correct in all respects.

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10. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Mandatory Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 6 and 7 above.

11. Any determination by the Agent pursuant to this Schedule 3 in relation to a formula, the Mandatory Cost, a Mandatory Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

12. The Agent may from time to time, after consultation with Vodafone and the Lenders, determine and notify to all Parties any amendments which are required to be made to this Schedule 3 in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England or the Financial Services Authority (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

“Reference Banks” has the meaning set out in Clause 1.1 (Definitions) of this Agreement.
To: THE ROYAL BANK OF SCOTLAND PLC as [Agent/U.S. Swingline Agent*]

From: [BORROWER]

Date: [     ]

Vodafone Group Plc US $ [     ]

Revolving Credit Agreement dated [  ] 2011 (as amended from time to time)

1. We wish to utilise the Revolving Credit Facility* and/or the Swingline Facility* by way of Advances*/Swingline Advances* as follows:

   (a) Drawdown Date: Revolving
       Credit Facility: [     ]*
       Swingline Facility: [     ]*

   (b) Requested Amount (including currency): Revolving
       Credit Facility: [     ]*
       Swingline Facility: [     ]*

   (c) Term: Revolving
       Credit Facility: [     ]*
       Swingline Facility: [     ]*

   (d) Payment Instructions: Revolving
       Credit Facility: [     ]*
       Swingline Facility: [     ]*

2. We confirm that each condition specified in [Clause 4.2 (Conditions to all drawdowns and rollovers)]** is satisfied on the date of this Request and this Advance would not cause any borrowing limit binding on us to be exceeded.

   [By:]
   [BORROWER]
   [Authorised Signatory]

** Delete as applicable depending on whether the Advance is a Rollover Advance.
SCHEDULE 5
FORMS OF ACCESSION DOCUMENTS
PART 1
NOVATION CERTIFICATE

To: THE ROYAL BANK OF SCOTLAND PLC as Agent
From: [THE EXISTING LENDER] and [THE NEW LENDER] Date: [ ]

Vodafone Group Plc US$ [ ]
Revolving Credit Agreement dated [●] 2011 (as amended from time to time)

We refer to Clause 27.4 (Procedure for novations).

1. We [ ] (the “Existing Lender”) and [ ] (the “New Lender”) agree to the Existing Lender and the New Lender novating all the Existing Lender’s rights and obligations referred to in the Schedule in accordance with Clause 27.4 (Procedure for novations).

2. The specified date for the purposes of [Clause 27.4(c) (Procedure for novations)] is [date of novation].

3. The Facility Office and address for notices of the New Lender for the purposes of Clause 33.2 (Addresses for notices) are set out in the Schedule.

4. The New Lender confirms that it has given notice to Vodafone of the entry into of this Novation Certificate [and has obtained Vodafone’s consent]* in accordance with Clause 27.2(c)(ii) (Transfers by Lenders).

5. This Novation Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

* Delete as applicable depending on whether Vodafone’s consent is required.
THE SCHEDULE
Rights and obligations to be novated

[Details of the rights and obligations of the Existing Lender to be novated.]

[New Lender]

[Existing Lender]  [New Lender]

By:  By:  By:

Date:  Date:  Date:

THE ROYAL BANK OF SCOTLAND PLC
PART 2

GUARANTOR ACCESSION AGREEMENT

To: THE ROYAL BANK OF SCOTLAND PLC as Agent

From: [PROPOSED GUARANTOR]

Date: [ ]

Vodafone Group Plc U.S $ [ ] Revolving Credit Agreement
dated [●] 2011 (as amended from time to time) (the “Credit Agreement”)

Terms used in this Deed which are defined in the Credit Agreement shall have the same meaning in this Deed as in the Credit Agreement.

We refer to Clause 27.7 (Additional Guarantors).

We, [name of company] of [Registered Office] (Registered no. [ ]) agree to become an Additional Guarantor and to be bound by the terms of the Credit Agreement as an Additional Guarantor in accordance with Clause 27.7 (Additional Guarantors). [In addition, we also agree to become bound by all the terms of the Credit Agreement expressed to apply to or be binding on NewTopco]

Our address for notices for the purposes of Clause 33.2 (Addresses for notices) is:

[ ]

[If not classified as a corporation: [Name of company] is [classified as a partnership/OR/ disregarded as an entity separate from its owner] and is owned by [NAME OF OWNER(S)] for U.S. federal income tax purposes.]

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

Executed as a deed by ) Director
[PROPOSED GUARANTOR] )
acting by ) Director/Secretary
And )

* Only in the case of accession by NewTopco.

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To: THE ROYAL BANK OF SCOTLAND PLC as Agent
From: [PROPOSED BORROWER]

Vodafone Group Plc —US$ [ ] Revolving Credit Agreement
dated [●] 2011 (as amended from time to time) (the “Credit Agreement”)

Terms used herein which are defined in the Credit Agreement shall have the same meaning herein as in the Credit Agreement.

We, [Name of company] of [Registered Office] (Registered no. [ ] agree to become party to and to be bound by the terms of the Credit Agreement as an Additional Borrower in accordance with Clause 27.8 (Additional Borrowers).

The address for notices of the Additional Borrower for the purposes of Clause 33.2 (Addresses for notices) is: [ ]

[If not classified as a corporation: [Name of company] is [classified as a partnership/OR/ disregarded as an entity separate from its owner] and is owned by [NAME OF OWNER(S)] for U.S. federal income tax purposes.]

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

[ADDITIONAL BORROWER]
By: THE ROYAL BANK OF SCOTLAND PLC
By: [Date]
To: THE ROYAL BANK OF SCOTLAND PLC as Agent
From: [PROPOSED ADDITIONAL LENDER]
[Date]

Vodafone Group Plc —US$ [ ] Revolving Credit Agreement
dated [●] 2011 (as amended from time to time) (the “Credit Agreement”)

Terms used herein which are defined in the Credit Agreement shall have the same meaning herein as in the Credit Agreement.

We refer to Clause 2.8 (Additional Lenders).

We, [Name of Additional Lender] agree to become party to and to be bound by the terms of the Credit Agreement as an Additional Lender in accordance with Clause 2.8 (Additional Lenders) with effect on and from [insert date].

Our Revolving Credit Commitment is € [ ].[Our Swingline Commitment is € [ ]]

We confirm to each Finance Party that we:

(a) have made our own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and have not relied exclusively on any information provided to us by a Finance Party in connection with any Finance Document; and

(b) will continue to make our own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Commitment is in force.

The Facility Office and address for notices of the Additional Lender for the purposes of Clause 33.2 (Addresses for notices) is:

[ ]

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

[ADDITIONAL LENDER]

By:
THE ROYAL BANK OF SCOTLAND PLC
By:
VODAFONE GROUP PLC
By:

Delete if not applicable.
SCHEDULE 6
FORM OF CONFIDENTIALITY UNDERTAKING FROM NEW LENDER

To: [Existing Lender];
Vodafone Group Plc;

Dear Sirs,

We refer to the US$ [         ] Revolving Credit Agreement dated [*] 2011 (as amended from time to time) (the “Credit Agreement”) between, among others, Vodafone Group Plc and The Royal Bank of Scotland plc (as Agent).

This is a confidentiality undertaking referred to in clause 28 (Disclosure of Information) of the Credit Agreement. A term defined in the Credit Agreement has the same meaning in this undertaking.

We are considering entering into contractual relations with [insert name of Lender] (the Existing Lender) and understand that it is a condition of our receiving information about Vodafone Group Plc and its related companies and any Finance Document and/or any information under or in connection with any Finance Document that we execute this undertaking.

1. Confidentiality Undertaking

We undertake (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to our own confidential information, (b) to use the Confidential Information only for the Permitted Purpose, (c) to use all reasonable endeavours to ensure that any person to whom we pass any Confidential Information (unless disclosed under paragraph 2(b) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it and (d) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Facilities, other than directly to the Group Treasurer of Vodafone.

2. Permitted Disclosure

You agree that we may disclose Confidential Information:

(a) to members of the Purchaser Group and their officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Purchaser Group;
(b) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Purchaser Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Purchaser Group.

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3. Notification of Required or Unauthorised Disclosure
We agree (to the extent permitted by law) to inform you of the full circumstances of any disclosure under paragraph 2(b) above or upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. Return of Copies
If you so request in writing, we shall return all Confidential Information supplied by you to us and destroy or permanently erase all copies of Confidential Information made by us and use all reasonable endeavours to ensure that anyone to whom we have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that we or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 2(b) above.

5. Continuing Obligations
The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if we become a party to the Facilities or (b) twelve months after we have returned all Confidential Information supplied to us by you and destroyed or permanently erased all copies of Confidential Information made by us (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed provided that any such Confidential Information retained in accordance with paragraph 4 above shall remain confidential, subject to paragraph 2, for the period during which it is retained).

6. Consequences of Breach, etc.
We acknowledge and agree that you or members of the Group (each a Relevant Person) may be irreparably harmed by the breach of the terms hereof and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by any member of the Purchaser Group.

7. No Waiver; Amendments, etc.
This letter sets out the full extent of our obligations of confidentiality owed to you in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges hereunder. The terms of this letter and our obligations hereunder may only be amended or modified by written agreement between us.

8. Inside Information
We acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and we undertake not to use any Confidential Information for any unlawful purpose.
9. **Nature of Undertakings**

   The undertakings given by us under this letter are given to you and (without implying any fiduciary obligations on your part) are also given for the benefit of each other member of the Group.

10. **Governing Law and Jurisdiction**

   This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts.

11. **Third Party Rights**

   (a) Subject to paragraphs 6 and 9 above the terms of this letter may be enforced and relied upon only by you and us and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

   (b) Notwithstanding any provisions of this letter, the parties of this letter do not require the consent of any Relevant Person to rescind or vary this letter at any time.

12. **Definitions**

   In this letter:

   **Confidential Information** means any information relating to Vodafone, the Group and/or the Facilities provided to us by you or any of your Affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by us before the date the information is disclosed to us by you or any of your affiliates or advisers or is lawfully obtained by us thereafter, other than from a source which is connected with the Group and which, in either case, as far as we are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

   “**Permitted Purpose**” means considering and evaluating whether to enter into the Facilities; and

   “**Purchaser Group**” means us, each of our holding companies and subsidiaries and each subsidiary of each of our holding companies (as each such term is defined in the Companies Act 1985).

Yours faithfully

For and on behalf of

[New Lender]
SCHEDULE 7

FORM OF ADDITIONAL LENDER’S FEE LETTER

Vodafone Group Plc (“Vodafone”)
Vodafone House
The Connection
Newbury
Berkshire RG14 2FN

For the attention of [Director of Treasury]

[DATE]

Dear Sirs,

Fee Letter

You have asked us to participate in a US$ [ ] credit facility (the “Facility”) to provide support for the Group’s continuing commercial paper programmes and for general corporate purposes of the Group including, but not limited to, acquisitions.

Terms defined in the credit agreement dated [•] 2011 between (inter alia) Vodafone and the financial institutions listed therein (the “Credit Agreement”) have the same meaning in this letter unless otherwise defined in this letter or the context otherwise requires.

This letter sets out the terms upon which you have agreed to pay a fee in relation to our participation in the Facility.

1. Fee

You will pay to us for our account a non-refundable up-front fee equal to [ ] per cent. flat calculated on our Revolving Credit Commitment as at the date on which we become an Additional Lender pursuant to clause 2.8 (Additional Lenders) of the Credit Agreement and payable 5 Business Days after that date;

2. Finance Document

This Fee Letter is a Finance Document.

3. No Set-off

All payments to be made under this Fee Letter will be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

4. Governing Law

This letter and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

If you agree to the above please sign and return the enclosed copy of this letter.

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This letter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single
copy of this letter.

Yours faithfully,

[            ]

For and on behalf of
[ADDITIONAL LENDER]

We agree to the terms set out above.

[            ]

For and on behalf of Vodafone Group Plc
[DATE]
SCHEDULE 8
FIXED RATE BONDS AND PREFERENCE SHARES

US Bonds and Preference Shares
Financial Indebtedness of Vodafone Americas Inc. (previously AirTouch Communications, Inc.) under $1.65bn fixed rate preference shares issued by Vodafone Americas Inc. due April 2020.

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FORM OF INCREASE CONFIRMATION

To: THE ROYAL BANK OF SCOTLAND PLC as Agent and Vodafone, for and on behalf of each Obligor

From: [the Increase Lender] (the “Increase Lender”)

[DATE]

Vodafone Group Plc US$ [ ] Revolving Credit Agreement
dated [*] 2011 (as amended from time to time) (the “Credit Agreement”)

1. We refer to the Credit Agreement. This agreement (the “Agreement”) shall take effect as an Increase Confirmation for the purpose of the Credit Agreement. Terms defined in the Credit Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to clause 2.3 (Increase) of the Credit Agreement.

3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the “Relevant Commitment”) as if it was an Original Lender under the Credit Agreement.

4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the “Increase Date”) is [ ].

5. On the Increase Date, the Increase Lender becomes party to the relevant Finance Documents as a Lender.

6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 33.2 (Addresses for notices) are set out in the Schedule.

7. The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in of Clause 2.3(f) (Increase).

8. The Increase Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is:
   (a) [a Qualifying Lender (other than a Treaty Lender);]
   (b) [a Treaty Lender;]
   (c) [not a Qualifying Lender].

9. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

10. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English Law.

11. This Agreement has been entered into on the date stated at the beginning of this Agreement.

[2] Delete as applicable – each Increase Lender is required to confirm which of these three categories it falls within.
THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Increase Lender]
By:

This Agreement is accepted as an Increase Confirmation for the purpose of the Credit Agreement by the Agent and the Increase Date is confirmed as [ ].

Agent
By:
SIGNATORIES

Borrower and Guarantor

VODAFONE GROUP PLC

By: ANDREW NIGEL HALFORD  NEIL GARROD

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Mandated Lead Arrangers

ABBNEY NATIONAL TREASURY SERVICES PLC (TRADING AS SANTANDER GLOBAL BANKING AND MARKETS)
By: KIERAN RYAN STEVEN WAHNON

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
By: MARK CHERRY

BANCO BILBAO VIZCAIA ARGENTARIA S.A.
By: NICHOLAS CONWAY DAVID ROCA

BANC OF AMERICA SECURITIES LIMITED
By: KATE DAVEY

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
By: SIMON LELLO

BARCLAYS CAPITAL
By: MARK POPE

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BNP PARIBAS
By: MIKE MOLLOY

CITIGROUP GLOBAL MARKETS LIMITED
By: MIKKEL GRONLYKKE

DEUTSCHE BANK AG, LONDON BRANCH
By: MICHAEL STARMER-SMITH
By: JENS HOFMANN

GOLDMAN SACHS INTERNATIONAL
By: JENS HOFMANN

HSBC BANK PLC
By: DAVID STENT

ING BANK N.V., LONDON BRANCH
By: STEVEN FITCH
By: PAUL SAMUELS

INTESA SANPAOLO S.P.A.
By: PAUL SAMUELS
By: STEVEN FITCH
By: MARK FOLEY
By: CHRISTOPHER PIPER

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J.P. MORGAN PLC
By: CARLOS VAZQUEZ

LLOYDS TSB BANK PLC
By: NIGEL DUFFIELD

MIZUHO CORPORATE BANK, LTD
By: RICHARD ALLEN

MORGAN STANLEY BANK INTERNATIONAL LIMITED
By: MATHIAS BLUMSCHEIN

NATIONAL AUSTRALIA BANK LIMITED ABN 12 004 044 937
By: J. K. HEMINSLEY

NOMURA INTERNATIONAL PLC
By: MORVEN JONES

THE ROYAL BANK OF SCOTLAND PLC
By: PETER ELLEMAN
Lenders

ABBEY NATIONAL TREASURY SERVICES PLC (TRADING AS SANTANDER GLOBAL BANKING AND MARKETS)
By: KIERAN RYAN STEVEN WAHNON

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
By: MARK CHERRY

BANCO BILBAO VIZCAYA ARGENTARIA S.A., LONDON BRANCH
By: NICHOLAS CONWAY DAVID ROCA

BANK OF AMERICA, N.A.
By: KATE DAVEY

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
By: SIMON LELLO

BARCLAYS BANK PLC
By: MARK POPE

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JPMORGAN CHASE BANK N.A.
By: CARLOS VAZQUEZ

LLOYDS TSB BANK PLC
By: NIGEL DUFFIELD

MIZUHO CORPORATE BANK, LTD
By: RICHARD ALLEN

MORGAN STANLEY BANK, N.A.
By: MELISSA JAMES

MORGAN STANLEY SENIOR FUNDING INC
By: MELISSA JAMES

NATIONAL AUSTRALIA BANK LIMITED ABN 12 004 044 937
By: J. K. HEMINSLEY
COMMERZBANK AKTIENGESELLSCHAFT, LONDON BRANCH
By: PETER RICHEY
By: MARK SMYTH

SOCIÉTÉ GÉNÉRALE, LONDON BRANCH
By: JON ELTRINGHAM

STANDARD CHARTERED BANK
By: STEPHEN LILLEY
By: JACKIE EDWARDS

TD BANK EUROPE LIMITED
By: PHILIP BATES

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Swingline Lenders

ABBEY NATIONAL TREASURY SERVICES PLC (TRADING AS SANTANDER GLOBAL BANKING AND MARKETS)
By: KIERAN RYAN STEVEN WAHNON

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
By: MARK CHERRY

BANK OF AMERICA, N.A.
By: KATE DAVEY

BARCLAYS BANK PLC
By: MARK POPE

CITIBANK, N.A.
By: MIKKEL GRONLYKKE

DEUTSCHE BANK AG, LONDON BRANCH
By: MICHAEL STARMER-SMITH SIMON DERRICK

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GOLDMAN SACHS BANK USA
By: MARK WALTON

MIZUHO CORPORATE BANK, LTD
By: RICHARD ALLEN

MORGAN STANLEY BANK, N.A.
By: MELISSA JAMES

MORGAN STANLEY SENIOR FUNDING INC
By: MELISSA JAMES

SUMITOMO MITSUI BANKING CORPORATION
By: ERIC SCHIPPER

THE BANK OF NEW YORK MELLON
By: WILLIAM M. FEATHERS

TD BANK EUROPE LIMITED
By: PHILIP BATES
To: THE ROYAL BANK OF SCOTLAND PLC as Agent  
From: BANK OF CHINA LIMITED, LONDON BRANCH  

Vodafone Group Plc — US$4,015,000,000 Revolving Credit Agreement  
dated 9 March 2011 (the “Credit Agreement”)  

Terms used herein which are defined in the Credit Agreement shall have the same meaning herein as in the Credit Agreement.

We refer to Clause 2.8 (Additional Lenders).

We, Bank of China Limited, London Branch agree to become party to and to be bound by the terms of the Credit Agreement as an Additional Lender in accordance with Clause 2.8 (Additional Lenders) with effect on and from ____ March 2011.

Our Revolving Credit Commitment is US$155,000,000.

We confirm to each Finance Party that we:

(a) have made our own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and have not relied exclusively on any information provided to us by a Finance Party in connection with any Finance Document; and
(b) will continue to make our own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Commitment is in force.

The Facility Office and address for notices of the Additional Lender for the purposes of Clause 33.2 (Addresses for notices) is:

Bank of China Limited, London Branch  
1 Lothbury, London, EC2R 7DB

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This letter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this letter.

BANK OF CHINA LIMITED, LONDON BRANCH  
By:  
THE ROYAL BANK OF SCOTLAND PLC  
By:  
VODAFONE GROUP PLC  
By:  

1
To: The Finance Parties named in the Credit Agreement (as defined below);
   Vodafone Group Plc

Dear Sirs,

We refer to the US$4,015,000,000 Revolving Credit Agreement dated 9 March 2011 (the “Credit Agreement”) between, among others, Vodafone Group Plc and The Royal Bank of Scotland plc (as Agent).

This is a confidentiality undertaking referred to in clause 28 (Disclosure of Information) of the Credit Agreement. A term defined in the Credit Agreement has the same meaning in this undertaking.

We are considering entering into contractual relations with the Finance Parties named in the Credit Agreement and understand that it is a condition of our receiving information about Vodafone Group Plc and its related companies and any Finance Document and/or any information under or in connection with any Finance Document that we execute this undertaking.

1. Confidentiality Undertaking

We undertake (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to our own confidential information, (b) to use the Confidential Information only for the Permitted Purpose, (c) to use all reasonable endeavours to ensure that any person to whom we pass any Confidential Information (unless disclosed under paragraph 2(b) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it and (d) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Facilities, other than directly to the Group Treasurer of Vodafone.

2. Permitted Disclosure

You agree that we may disclose Confidential Information:

   (a) to members of the Purchaser Group and their officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Purchaser Group;

   (b) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Purchaser Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Purchaser Group.

3. Notification of Required or Unauthorised Disclosure

We agree (to the extent permitted by law) to inform you of the full circumstances of any disclosure under paragraph 2(b) above or upon becoming aware that Confidential Information has been disclosed in breach of this letter.

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4. Return of Copies
If you so request in writing, we shall return all Confidential Information supplied by you to us and destroy or permanently erase all copies of Confidential Information made by us and use all reasonable endeavours to ensure that anyone to whom we have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that we or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 2(b) above.

5. Continuing Obligations
The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if we become a party to the Facilities or (b) twelve months after we have returned all Confidential Information supplied to us by you and destroyed or permanently erased all copies of Confidential Information made by us (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed provided that any such Confidential Information retained in accordance with paragraph 4 above shall remain confidential, subject to paragraph 2. for the period during which it is retained).

6. Consequences of Breach, etc.
We acknowledge and agree that you or members of the Group (each a Relevant Person) may be irreparably harmed by the breach of the terms hereof and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by any member of the Purchaser Group.

7. No Waiver; Amendments, etc.
This letter sets out the full extent of our obligations of confidentiality owed to you in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege hereunder operate as a waiver thereof nor will any single or partial exercise of any other right, power or privileges hereunder. The terms of this letter and our obligations hereunder may only be amended or modified by written agreement between us.

8. Inside Information
We acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and we undertake not to use any Confidential Information for any unlawful purpose.

9. Nature of Undertakings
The undertakings given by us under this letter are given to you and (without implying any fiduciary obligations on your part) are also given for the benefit of each other member of the Group.
10. Governing Law and Jurisdiction
   This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts.

11. Third Party Rights
   (a) Subject to paragraphs 6 and 9 above the terms of this letter may be enforced and relied upon only by you and us and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.
   (b) Notwithstanding any provisions of this letter, the parties of this letter do not require the consent of any Relevant Person to rescind or vary this letter at any time.

12. Definitions
   In this letter:
   Confidential Information means any information relating to Vodafone, the Group and/or the Facilities provided to us by you or any of your Affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by us before the date the information is disclosed to us by you or any of your affiliates or advisers or is lawfully obtained by us thereafter, other than from a source which is connected with the Group and which, in either case, as far as we are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;
   “Permitted Purpose” means considering and evaluating whether to enter into the Facilities; and
   “Purchaser Group” means us, each of our holding companies and subsidiaries and each subsidiary of each of our holding companies (as each such term is defined in the Companies Act 1985).

Yours faithfully
For and on behalf of
Bank of China Limited, London Branch
NOTICE OF CANCELLATION

To: THE ROYAL BANK OF SCOTLAND PLC (as Agent)
Attention: Loans Admin Unit
The Royal Bank of Scotland plc
2nd Floor
Bankside 3
90-100 Southwark Street
London.
SE1 OSW
29 June 2010

VODAFONE GROUP PLC

US$4,315,000,000 Revolving Credit Facility dated 29 July 2008 (the Agreement)

We refer to the above Agreement and to the €4,000,000,000 Revolving Credit Facility Agreement to be entered into by Vodafone Group Plc with The Royal Bank of Scotland plc as agent on or about the date of this notice (the “New Facility Agreement”). Terms defined and references construed in the Agreement have the same meaning and construction in this notice.

In accordance with Section 7.2 of the Agreement, we hereby give one Business Day’s written notice of Vodafone’s intention to cancel the unutilised portion of the Total Commitments under the Agreement in whole on or around 30 June 2010, provided that the New Facility Agreement is duly signed and executed on such date.

This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please acknowledge your acceptance of this notice by signing below.

Yours faithfully

For and on behalf of
Vodafone Group Plc

For and on behalf of the Agent
The Royal Bank of Scotland plc

Vodafone Group Plc
Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, England
Telephone: +44 (0)1635 33251, Facsimile: +44 (0)1635 676746
5 YEAR FACILITY AGREEMENT
DATED 1 JULY 2010
EURO 4,000,000,000
REVOLVING CREDIT FACILITY
for
VODAFONE GROUP PLC

ALLEN & OVERY
ALLEN & OVERY LLP
LONDON
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THIS AGREEMENT is dated 1 July 2010 and made BETWEEN:

(1) VODAFONE GROUP PLC (registered number 1833679) as borrower (“Vodafone”);
(2) THE FINANCIAL INSTITUTIONS listed in Part 3 of Schedule 1 as Mandated Lead Arrangers;
(3) THE FINANCIAL INSTITUTIONS listed in Part 4 of Schedule 1 as Co Arrangers;
(4) THE FINANCIAL INSTITUTIONS listed in Part 1 of Schedule 1 as Original Lenders;
(5) THE ROYAL BANK OF SCOTLAND PLC as agent (in this capacity the “Agent”); and
(6) THE ROYAL BANK OF SCOTLAND PLC as euro swingline agent (in this capacity the “Euro Swingline Agent”).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

“Acceptable bank” means a bank or financial institution which has a rating for its long-term unsecured and non-credit enhanced debt obligations of A- or higher by S&P or Fitch or A3 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency.

“Acquisition” means the acquisition of any interest in the share capital (or equivalent) or in the business or undertaking of any company or other person (including, without limitation, any partnership or joint venture).

“Additional Borrower” means any member of the Restricted Group which becomes an additional borrower pursuant to Clause 26.8 (Additional Borrowers) and which has not been released as a borrower in accordance with Clause 26.9 (Removal of Borrowers).

“Additional Guarantor” means any member of the Group which at such time has become a Guarantor in accordance with Clause 26.7 (Additional Guarantors) and has not been released in accordance with Clause 14.9 (Removal of Guarantors).

“Additional Lender” means a financial institution or other entity which becomes an additional lender pursuant to Clause 2.8 (Additional Lenders) or a transferee, successor or permitted assignee of such financial institution or other entity which is for the time being participating in the Facility.
“Adjusted Group Operating Cash Flow”
means, without double counting, in relation to any period, a sum equal to the Consolidated Group’s total operating profit or loss for continuing operations, acquisitions (as a component of continuing operations) and discontinued operations before taxation, interest and after:
(a) adding depreciation;
(b) adding amortisation;
(c) deducting the profit or adding any loss on exceptional items which are included in the foregoing;
(d) deducting any gain or adding any loss on disposal of tangible or intangible fixed assets;
(e) adjusting for movements in working capital (being movements in stock, creditors, provision, and debtors);
(f) adding dividends or proceeds of a similar nature received from any entity not in the Consolidated Group; and
(g) excluding exceptional items,
and for the avoidance of doubt excluding (other than as set out in paragraph (f) above) the results of any entity not in the Consolidated Group.
“Advance”
means a Revolving Credit Advance or a Swingline Advance.
“Affected Lender”
has the meaning given to it in Clause 2.2(c) (Overall facility limits).
“Affiliate”
means, in relation to a person, a Subsidiary or a Holding Company of that person and any other Subsidiary of that Holding Company.
“Agent’s Spot Rate of Exchange”
means the spot rate of exchange as determined by the Agent for the purchase of the relevant Optional Currency in the London foreign exchange market with euros at or about 11:00 a.m. on a particular day.
“Agreed Percentage”
means in relation to a Lender and a Swingline Advance, the amount of its Revolving Credit Commitment expressed as a percentage of the Total Commitments.
“All Quoting Credit Rating Agencies”
has the meaning given to it in Clause 8.5(a).
“Applicable GAAP”
means the generally accepted accounting principles applied in the preparation of the consolidated accounts of Vodafone for the year ended 31 March 2010.

“Arranger”
means a financial institution or other entity listed in Part 3 or Part 4 of Schedule 1.

“Asset Disposal”
means any sale, transfer, grant, lease or other disposal of an asset (which for the avoidance of doubt does not include returns to shareholders) by any member of the Controlled Group to a person outside the Controlled Group made after the Signing Date.

“Available Cash”
means:
(a) cash in hand and cash in deposits repayable on demand with any Qualifying Financial Institution;
(b) the marked to market position of in the money derivative contracts; and
(c) Liquid Resources,
to the extent denominated in any freely convertible and transferable currencies, beneficially owned and unencumbered by any Security Interests other than Permitted Security Interests.

“Available Commitment”
means a Lender’s Commitment minus:
(a) in relation to any proposed Advance, the amount of its participation in any outstanding Advances other than that Lender’s participation in any Advances that are due to be repaid or prepaid on or before the proposed Drawdown Date; and
(b) in relation to any proposed Advance, the amount of its participation in any Advances that are due to be made on or before the proposed Drawdown Date,

“Availability Period”
means the period from the Signing Date up to and including the date which is five years after the Signing Date or, if that day is not a Business Day, the preceding Business Day.

“Back to Back Loan”
means any Financial Indebtedness made available to a member of the Restricted Group to the extent that the economic exposure of the creditor in respect of that Financial Indebtedness (taking any related transactions together) is reduced by reason of that creditor:
(a) having recourse directly or indirectly to a deposit of cash or cash equivalent investments beneficially owned by any member of the Restricted Group placed, as part of a related transaction, with that creditor (or an Affiliate of that creditor) or a financial institution approved by that creditor; or
(b) having granted a funded sub-participation or similar arrangement to a member of the Restricted Group.

“Borrower”
means Vodafone or an Additional Borrower.

“Borrower Accession Agreement”
means an agreement substantially in the form of Part 3 of Schedule 5 or with such amendments as the Agent may approve (such approval not to be unreasonably withheld or delayed) or may reasonably require.

“Business Day”
means a day (other than a Saturday or Sunday) on which banks and the interbank and foreign exchange markets are open for general business in:

(a) London; and

(b) if a payment is required in U.S. Dollars, New York; or

(c) if a payment is required in euro, a TARGET Day.

“Change of Control”
has the meaning given to it in Clause 7.4 (Change of Control).

“Combined Commitments”
means the aggregate of the Total Commitments under this Agreement and the Total Commitments under and as defined in the 2012 Facility.

“Combined Swingline Commitments”
means the aggregate of the Swingline Total Commitments under this Agreement and the Swingline Total Commitments under and as defined in the 2012 Facility.

“Commitment”
means a Revolving Credit Commitment or a Swingline Commitment, in each case to the extent not transferred, cancelled or reduced under or in accordance with this Agreement.

“Consolidated Group”
means Vodafone (or, following a Hive Up, NewTopco), its IFRS Consolidated Subsidiaries and Joint Ventures.

“Consolidated Subsidiaries”
means those Subsidiaries of Vodafone (or, following the Hive Up, NewTopco) which would be required to be consolidated in the consolidated accounts of Vodafone (or, following the Hive Up, NewTopco) in accordance with Applicable GAAP.

“Contractual Currency”
has the meaning given to it in Clause 23.1(a) (Currency indemnity).
“Controlled Group”
means Vodafone (or, following a Hive Up, NewTopco) and its Controlled Subsidiaries.

“Controlled Subsidiaries”
means, those Subsidiaries of Vodafone (or, following a Hive Up, NewTopco) in which Vodafone or NewTopco, as the case may be, controls more than 50% of such Subsidiaries voting rights and has recourse to the cash flows of the Subsidiary. Until the first certificate is given by Vodafone to the Agent in accordance with Clause 16.2(a)(iii) (Financial information) (in respect of the financial year ended 31 March 2010), the Controlled Subsidiaries include, without limitation, the following operating Subsidiaries as at 1 June 2010: Arcor AG & Co.; Vodafone Romania S.A.; Vodafone Czech Republic a.s.; Vodafone Albania Sh.A; Vodafone D2 GmbH; Vodafone Egypt Telecommunications S.A.E; Vodafone España S.A.; Vodafone Essar Limited; Vodafone Hungary Mobile Telecommunications Ltd; Vodafone Ireland Limited; Vodafone Libertel B.V.; Vodafone Limited; Vodafone Malta Limited; Vodafone New Zealand Limited; Vodafone Omnitel N.V.; Vodafone-Panafon Hellenic Telecommunications Company S.A.; Vodafone Telekomunikasyon A.S., Vodafone Portugal-Comunicações Pessoais S.A., Vodacom Group Limited and Ghana Telecommunication Company Limited.

“Controlled USA Group”
means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with any U.S. Obligor, are treated as a single employer under Section 414(b) or (c) of the U.S. Code.

“Core Jurisdictions”
are member states of the European Union as at 1 January 2010 (being Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK), Japan, United States, Australia, New Zealand, Canada and Switzerland and any other states which become members of the European Union after 1 January 2010 provided that Vodafone has notified the Agent in writing of its agreement to their inclusion in this definition of Core Jurisdictions.

“CTA”

“Credit Rating Agency”
has the meaning given to it in Clause 8.5 (Margin).

“Default”
means (a) an Event of Default or (b) an event which, with the expiry of any grace period or giving of any notice specified in Clause 18.2 (Non-payment), 18.3 (Breach of other obligations), 18.5 (Cross default), 18.6 (Winding up), 18.8 (Enforcement proceedings) or 18.10 (Similar proceedings) would constitute an Event of Default.

“Default Margin”
has the meaning given to it in Clause 8.3 (Default interest).
has the meaning given to it in Clause 8.3 (Default interest).

“Defaulting Lender”
means any Lender:
(a) which has failed to make its participation in an Advance available or has notified the Agent that it will not make its participation in an Advance available by the Drawdown Date of that Advance in accordance with Clause 5.6 (Payment of proceeds);
(b) which has otherwise rescinded or repudiated a Finance Document; or
(c) with respect to which an Insolvency Event has occurred and is continuing,
unless, in the case of paragraph (a) above:
(i) its failure to pay is caused by:
   (A) administrative or technical error and payment is made within three Business Days of its due date; or
   (B) a Disruption Event and payment is made within eight Business Days of its due date; or
(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“Designated Term”
has the meaning given to it in Clause 8.3(a)(ii) (Default interest).

“Discharged Obligations”
has the meaning given to it in Clause 26.4(c)(i) (Procedure for novations).

“Discharged Rights”
has the meaning given to it in Clause 26.4(c)(iii) (Procedure for novations).

“Disruption Event”
means either or both of:
(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the payment transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
   (i) from performing its payment obligations under the Finance Documents; or
(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,
(and which (in either such case)) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“Drawdown Date”

means the date for the making of an Advance.

“ERISA”

means the U.S. Employee Retirement Income Security Act of 1974, as amended (or any successor legislation thereto), and any rule or regulation issued thereunder from time to time in effect.

“EURIBOR”

means in relation to any Advance or unpaid sum in euro:

(a) the percentage rate per annum of the offered quotation for deposits in euro determined by the Banking Federation of the European Union for a period equal or comparable to the Required Period which appears on Reuters Page EURIBOR01 at or about 11.00 a.m. Brussels time on the applicable Rate Fixing Day; or

(b) if the rate cannot be determined under paragraph (a) above, the rate expressed as a percentage to be the arithmetic mean (rounded upwards, if necessary, to the nearest five decimal places) of the respective rates notified to the Agent by each of the Reference Banks (provided at least two Reference Banks are quoting) as the rate at which it is offered deposits in euro and for the Required Period by prime banks in the European interbank market at or about 11.00 a.m. Brussels time on the Rate Fixing Day for such period,

and for the purposes of this definition:

(i) “Required Period” means the Term of such Advance for Revolving Credit Advances, or the period in respect of which EURIBOR falls to be determined in relation to any unpaid sum; and

(ii) “Reuters Page EURIBOR01” means the display designated as Page EURIBOR01 on the Reuters Service (or such other pages as may replace Page EURIBOR01 on that service or such other service as may be nominated by the Banking Federation of the European Union as the information vendor for the purposes of displaying the Banking Federation of the European Union rates for deposits in euro).

“Event of Default”

means an event specified as such in Clause 18 (Default).

“Existing Commitment”

has the meaning given to it in Clause 16.8(a)(i) (Priority borrowing).

“Existing Lender”

has the meaning given to it in Clause 26.2(a) (Transfers by Lenders).

“Existing Parties”
has the meaning given to it in Clause 26.4(c)(i) (Procedure for novations).

“Facility”
means any of the facilities to draw Revolving Credit Advances, or Swingline Advances referred to in Clause 2.1 (Facilities).

“Facility Office”
means the office(s) notified by a Lender to the Agent:
(a) on or before the date it becomes a Lender; or
(b) by not less than five Business Days’ notice,
as the office(s) through which it will perform all or any of its obligations under this Agreement.

“Fee Letters”
means each letter:
(a) dated on or about the date of this Agreement between the Agent and Vodafone; and
(b) dated on or about the date of this Agreement between the Original Lenders as at the Signing Date and Vodafone; and
(c) (if applicable) entered into between an Additional Lender and Vodafone substantially in the form of Schedule 7,
in each case setting out the amount of various fees referred to in Clause 20.3 (Agent’s fee) or 20.4 (Front-end fees).

“Final Maturity Date”
means the last day of the Availability Period.

“Finance Document”
means this Agreement, each Fee Letter, Novation Certificate, Borrower Accession Agreement, Guarantor Accession Agreement and Increase Confirmation and any other document agreed in writing as such by the Agent and Vodafone.

“Finance Party”
means an Arranger, a Lender, the Agent or the Euro Swingline Agent.

“Financial Indebtedness”
means any indebtedness in respect of:
(a) moneys borrowed or raised by way of loan or redeemable preference shares or in the form of any debenture, bond, note, loan stock, commercial paper or similar instrument;
(b) any acceptance credit, bill-discounting, note purchase or documentary credit facility;
(c) any finance lease;
(d) any receivables purchase, factoring or discounting arrangement under which there is recourse in whole or in part to any member of the relevant group;

(e) any other transaction having the commercial effect of a borrowing; and

(f) any guarantees or other legally binding assurance against financial loss in respect of the indebtedness of any person arising under an obligation falling within (a) to (e) above (but, for the avoidance of doubt, excluding any guarantees in respect of indebtedness falling within (i) to (v) below),

but without double counting and excluding (i) preference shares which are not accounted for as indebtedness under IFRS GAAP, (ii) any convertible or exchangeable debt which must or, at the option of the issuer, may be converted or exchanged without condition (other than the availability of sufficient authorised share capital of the issuer), prior to or upon the date any amount of principal would otherwise fall due in respect of that debt, into equity share capital or preference shares, which in each case are not redeemable on or before the Final Maturity Date, (iii) deferred consideration in respect of the cost of Acquisitions, (iv) obligations of any member of the relevant group arising under any form of exchangeable, convertible, option or other similar instrument issued by that member of the relevant group in connection with a transaction the commercial effect of which is to effect the disposal by that member of the relevant group of shares or partnership or other ownership interests in any other person or entity (whether or not having a separate legal identity), provided that any such instrument may not, on or prior to the Final Maturity Date, be converted (whether by acceleration, maturity or otherwise) into cash or any other instrument constituting or evidencing Financial Indebtedness and (v) for the avoidance of doubt, derivatives primarily entered into to manage currency, credit or interest rate risks or to assist in purchasing or selling shares.

“Fitch” means Fitch Investors Services Inc.

“Group” means Vodafone and its Consolidated Subsidiaries or, following a Hive Up, NewTopco and its Consolidated Subsidiaries (and “Member of the Group” means any of them).

“Guarantor” means each of:

(a) Vodafone; and

(b) each Additional Guarantor.

“Guarantor Accession Agreement” means a deed substantially in the form of Part 2 of Schedule 5 or with such amendments as the Agent may approve (such approval not to be unreasonably withheld or delayed) or may reasonably require.

“Hive Up” means a reorganisation by way of a scheme of arrangement (other than in an insolvency) or otherwise under which Vodafone becomes a Subsidiary of NewTopco, NewTopco controls (directly or indirectly) all of the voting rights in Vodafone (other than any voting rights in Vodafone in respect of the 50,000 7 per cent. fixed rate shares issued in 1999 or any other voting rights in Vodafone held by holders of a class of capital issued by Vodafone, where such voting rights relate
only to any variation in the rights attaching to that class of capital issued by Vodafone) and NewTopco becomes the listed ultimate Holding Company of the Group.

“Holding Company”

means in relation to a person, an entity of which that person is a Subsidiary.

“HMRC”

means HM Revenue & Customs.

“IFRS Consolidated Subsidiaries”

means those Subsidiaries of Vodafone (or, following a Hive Up, NewTopco) which would be required to be fully consolidated (which excludes proportionate consolidation) in the consolidated accounts of Vodafone (or, following a Hive Up, NewTopco) in accordance with IFRS GAAP.

“IFRS GAAP”

means the generally accepted accounting principles applied in the preparation of the IFRS consolidated audited accounts of Vodafone for the year ended 31 March 2010 or later audited accounts, if notified by Vodafone in writing to the Agent within three months (or such longer period as may be agreed by the Agent) of publication of such audited accounts.

“Impaired Agent”

means the Agent or the Euro Swingline Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Agent or the Euro Swingline Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Agent or the Euro Swingline Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of Defaulting Lender; or

(d) an Insolvency Event has occurred and is continuing with respect to the Agent or the Euro Swingline Agent;

Unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error and payment is made within three Business Days of its due date; or

(B) a Disruption Event and payment is made within eight Business Days of its due date; or

(ii) the Agent or the Euro Swingline Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“Increase Confirmation”
means a confirmation substantially in the form set out in Schedule 9 (Form of Increase Confirmation).

"Increase Lender"
has the meaning given to that term in Clause 2.3 (Increase).

"Insolvency Event"
in relation to a Finance Party means that the Finance Party:
(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability to pay its debts as they become due in each case under the laws of any relevant jurisdiction applicable to that Finance Party;
(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
(d) has made against it a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or an order is made for its winding-up or liquidation;
(e) has an order made against it for a bank insolvency pursuant to Part 2 of the Banking Act 2009 or a bank administration pursuant to Part 3 of the Banking Act 2009;
(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets other than by way of Undisclosed Administration;
(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above.

"Intermediate Holding Company"
means in relation to Vodafone, an entity (other than NewTopco) which is a Subsidiary of NewTopco and of which Vodafone is a Subsidiary.

"ITA 2007"

"Joint Venture"
means an entity (which is not an IFRS Consolidated Subsidiary) in which any member of the Consolidated Group holds a long term interest and shares control under a contractual arrangement where each venturer has a veto over policy decisions and which is, or would be, accounted for on a proportionate basis under IFRS GAAP.

“Lender” means each Original Lender, each Additional Lender (if any) and each Increase Lender (if any).

“Lender Accession Agreement” means an agreement substantially in the same form of Part 4 of Schedule 5 or with such amendments as the Agent may approve or may reasonably require.

“LIBOR” means in relation to any Advance or unpaid sum in Sterling or U.S. Dollars:

(a) the percentage rate per annum of the offered quotation for deposits in the currency of the relevant Advance or unpaid sum for a period equal or comparable to the Required Period which appears on Reuters Page LIBOR01 at or about 11.00 a.m. on the applicable Rate Fixing Day; or

(b) if the rate cannot be determined under paragraph (a) above, the rate expressed as a percentage determined by the Agent to be the arithmetic mean (rounded upwards, if necessary, to the nearest five decimal places) of the respective rates notified to the Agent by each of the Reference Banks quoting (provided that at least two Reference Banks are quoting) as the rate at which it is offered deposits in the required currency and for the Required Period by prime banks in the London interbank market at or about 11.00 a.m. on the Rate Fixing Day for such period,

and for the purposes of this definition:

(i) “Required Period” means the Term of such Advance for Revolving Credit Advances or the period in respect of which LIBOR falls to be determined in relation to any unpaid sum; and

(ii) “Reuters Page LIBOR01” means the display designated as Page LIBOR01 on the Reuters Service (or such other pages as may replace page LIBOR01 on that service or such other service as may be nominated by the British Bankers’ Association as the information vendor for the purposes of displaying British Bankers’ Association Interest Settlement Rates for deposits in the currency concerned).

“Liquid Resources” means a current asset investment held as a readily disposable store of value which can be disposed of without curtailing or disrupting the business of the disposer and which is either:

(a) readily convertible into a known amount of cash at or close to its carrying value; or

(b) traded in an active market.

“Long Term Credit Rating Assigned to Vodafone” has the meaning given to it in Clause 8.5(d) (Margin).

“Majority Lenders”
means, at any time:

(a) Lenders whose Revolving Credit Commitments aggregate more than 60 per cent. of the Total Commitments; or

(b) if the Total Commitments have been reduced to zero, Lenders whose Revolving Credit Commitments aggregated more than 60 per cent. of the Total Commitments immediately before the reduction.

“Mandatory Cost” means in relation to an Advance (other than a Swingline Advance), the percentage rate per annum calculated by the Agent in accordance with Schedule 3.

“Margin” means the percentage rate per annum determined to be the Margin applicable to that Advance in accordance with Clause 8.5 (Margin).

“Maturity Date” means the last day of the Term of:

(a) a Revolving Credit Advance; or

(b) a Swingline Advance.

“Member of the Group” means Moody’s Investors’ Service, Inc.

“Multi-employer Plan” means a “multi-employer plan” as defined in Section 4001(a)(3) of ERISA to which any U.S. Obligor or any member of the Controlled USA Group has an obligation to contribute.

“Net Debt” means at any time, Total Gross Borrowings less Available Cash, both at that time. Net Debt for any Ratio Period will be calculated as the aggregate of Net Debt outstanding on the last day of each month during the relevant Ratio Period (as shown in Vodafone’s, or following a Hive Up, NewTopco’s, consolidated management accounts prepared at the end of each month during the relevant Ratio Period) divided by the number of months during the relevant Ratio Period.

“NewTopco” means a company used for the purposes of a Hive Up.

“New Lender” has the meaning given to it in Clause 26.2(a) (Transfers by Lenders).

“Novation Certificate”
has the meaning given to it in Clause 26.4(a)(i) (Procedure for novations).

“Obligor”
means each Borrower and each Guarantor.

“Operating Cash Flow”
means, without double counting, total operating profit or loss for continuing operations before taxation, interest and after (i) adding depreciation, (ii) adding amortisation, (iii) deducting the profit or adding the loss on exceptional items which are included in the foregoing, (iv) deducting any gain or adding any loss on disposal of tangible or intangible fixed assets, (v) adjusting for movements in working capital (being movements in stock, creditors, provisions and debtors) and (vi) excluding exceptional items.

“Optional Currency”
means, in relation to any Advance or proposed Advance, Sterling or U.S. Dollars.

“Original Euro Amount”
means:
(a) the principal amount of an Advance denominated in euro; or
(b) the principal amount of an Advance denominated in any other currency, translated into euro on the basis of the Agent’s Spot Rate of Exchange on the date of receipt by the Agent of the Request for that Advance.

“Original Lender”
means a financial institution or other entity listed in Part 1 or Part 2 of Schedule 1 or a transferee, successor or permitted assignee of such financial institution or other entity which is for the time being participating in the Facility.

“Overdue Amount”
has the meaning given to it in Clause 8.3(a) (Default interest).

“Participating Member State”
means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

“Party”
means a party to this Agreement.

“PBGC”
means the Pension Benefit Guaranty Corporation referred to and defined in ERISA, or any successor.
“Permitted Security Interest”

means:

(a) any Security Interest arising out of retention of title provisions or created or subsisting over documents of title, insurance policies (including any export credit agencies’ agreements) and sale contracts in relation to commercial goods in each case created or made in the ordinary course of business to secure the purchase price of such goods or loans to finance such purchase price; or

(b) any Security Interest over any assets acquired by a member of the Restricted Group after 31 May 2010 (and/or over the assets of any person that becomes a member of the Restricted Group after 31 May 2010) provided that:

(i) any such Security Interest is in existence before such acquisition or before such person becomes a member of the Restricted Group and is not created in contemplation of such acquisition or such person becoming a member of the Restricted Group; and

(ii) to the extent that the aggregate principal amount secured by such Security Interest upon such acquisition or such person becoming a member of the Restricted Group thereafter exceeds (measured in the same currency) the amount available to be drawn (assuming all drawdown conditions will be met) under the relevant commitment existing at the time of such acquisition or such person becoming a member of the Restricted Group, such Security Interest shall not fall within this paragraph (b);

for the purposes of this paragraph (b) Restricted Group shall not include any companies which have become members of the Restricted Group due to the expansion of the definition of Core Jurisdiction to include any other states which become members of the European Union after 31 May 2010; or

(c) any Security Interest created for the purpose of securing obligations of Vodafone (or, following a Hive Up, NewTopco) or any member of the Restricted Group under any agreement (including, without limitation, any agreement under Section 106 of the Town and Country Planning Act 1990 or Section 111 of the Local Government Act 1972) entered into with a local or other public authority and related to the development or maintenance of property owned by Vodafone (or, following a Hive Up, NewTopco) or any member of the Restricted Group; or

(d) any Security Interest created on or subsisting over any asset held in Clearstream Banking, société anonyme or Euroclear Bank S.A./N.V. as operator of the Euroclear System, or any other securities depository or any clearing house pursuant to the standard terms and procedures of the relevant clearing house applicable in the normal course of trading; or

(e) any Security Interest which arises in connection with any cash management, set-off or netting arrangements made between banks or financial institutions and any member(s) of the Restricted Group in the ordinary course of business; or

(f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as pre-judgment security for costs or expenses where any member of the Restricted Group is prosecuting or defending such action in the bona fide interest of the Controlled Group; or
(g) any Security Interest created pursuant to any order of attachment, distraint, garnishee order, arrestment, adjudication or injunction or interdict restraining disposal of assets or similar legal process arising in connection with pre-judgment court proceedings; or
(h) any Security Interest which arises by operation of law in the ordinary course of trading and securing an amount not more than 45 days overdue or which is being contested in good faith on the basis of favourable legal advice; or
(i) any Security Interest over shares in entities which are not members of the Restricted Group which do not secure Financial Indebtedness of the Restricted Group (or over shares and/or other ownership interests in and/or loans to entities which are Project Finance Subsidiaries to secure Project Finance Indebtedness); or
(j) to the extent they constitute Security Interests (or to the extent that the relevant transaction includes the creation of any Security Interest over the assets which are the subject of the finance lease), finance leases in respect of existing or future assets; or
(k) any Security Interest comprising a right of set-off which arises by agreement between parties providing mutual rights of set-off or operation of law or by agreement having substantially the same effect; or
(l) any Security Interest for taxes, assessments or charges not yet due or that are being contested in good faith by appropriate proceedings and (unless the amount thereof is not material to the Consolidated Group’s financial condition) for which adequate reserves are being maintained (in accordance with generally accepted accounting principles); or
(m) deposits or pledges to secure obligations under workers’ compensation, social security or similar laws, or under unemployment insurance; or
(n) any Security Interest created with the prior written consent of the Majority Lenders; or
(o) any Security Interest over deposits of cash or cash equivalent investments securing (directly or indirectly) Financial Indebtedness under (i) finance or structured tax lease arrangements as described in paragraph (b) of Clause 16.8 (Priority borrowing) or (ii) Back to Back Loans; or
(p) any Security Interest securing Project Finance Indebtedness over the assets (or the income, cash flow or other proceeds deriving from the assets) which are the subject of that Project Finance Indebtedness; or
(q) any Security Interest (a “Substitute Security Interest”) which replaces any other Security Interest permitted under (a) to (p) above inclusive and which secures an amount not exceeding the principal amount secured by such permitted Security Interest (or, in the case of paragraph (b) above, the amount available to be drawn, assuming all drawdown conditions will be met) at the time it is replaced together with any interest accruing on such amounts from the date such Substitute Security Interest is created or arises and any related fees or expenses provided that the existing Security Interest to be replaced is released and all amounts secured thereby are paid or otherwise discharged in full at or prior to the time of such Substitute Security Interest being created or arising; or
(r) any Security Interest over the shares or other interests as described in paragraph (iv) of the last paragraph of the definition of Financial Indebtedness securing indebtedness of a kind referred to in that paragraph; or
(s) any Security Interest created (i) between Obligors (including by an Obligor to a member of the Restricted Group which concurrently becomes an Obligor) or (ii) by a member of the...
Restricted Group which is not an Obligor in favour of an Obligor or to another member of the Restricted Group; or

(t) any Security Interest over Available Cash created in the ordinary course of business to secure obligations, liabilities or performance criteria in relation to any mobile telecommunications licence where such Security Interest is required to be in compliance with the requirements of the relevant telecommunications regulator or an associated governmental or regulatory body; or

(u) any Security Interest over Available Cash created to defease (directly or indirectly) Financial Indebtedness in the form of debentures, bonds, notes, loan stock, or other similar instruments issued by a Controlled Subsidiary where (A) such Financial Indebtedness was either in existence at the Signing Date or (B) if the Subsidiary became a Controlled Subsidiary after the Signing Date such Financial Indebtedness existed at the time that the Controlled Subsidiary became a part of the Controlled Group and was not created in contemplation of that Controlled Subsidiary becoming part of the Controlled Group; or

(v) any other Security Interest (in addition to those listed in (a) to (u) above) where the aggregate principal amount secured by all such Security Interests does not exceed €3,000,000,000 or its equivalent.

“Plan” means an “employee benefit plan” as defined in Section 3(3) of ERISA.

“Principal Subsidiary” means, from the date that each notice is given by Vodafone to the Agent pursuant to Clause 16.2(a)(iii) (Financial Information) or, as the case may be, 16.2(a)(iv) (Financial Information) the four Controlled Subsidiaries which are members of the Restricted Group whose revenues are primarily generated by operations licensed by telecommunications authorities in Core Jurisdictions (excluding for this purpose any Subsidiaries whose principal activity is to act as a Holding Company of other Subsidiaries) that had the largest, if positive or smallest if negative Operating Cash Flow in the previous financial year of Vodafone or, following the Reorganisation Date, NewTopco.

Until the first notice is given by Vodafone to the Agent (in respect of the financial year ended 31 March 2010), the Principal Subsidiaries are Vodafone Limited, Vodafone D2 GmbH, Vodafone Omnitel N.V. and Vodafone España S.A. being Vodafone’s principal subsidiaries operating in UK, Germany, Italy and Spain, respectively.

For the purposes of this definition, until such new notice is given by Vodafone to the Agent pursuant to Clause 16.2(a)(iii) (Financial Information) or, as the case may be, 16.2(a)(iv) (Financial Information), if any Principal Subsidiary sells, transfers, merges into or with or otherwise disposes of the majority of its undertakings or assets whether by a single transaction or a number of related transactions (unless such Principal Subsidiary is the surviving entity following such merger) (the “Seller”) to any member of the Restricted Group (the “Purchaser”), then from the date of the relevant sale, transfer, merger or disposal the Purchaser shall be deemed to become a Principal Subsidiary and the Seller shall no longer be deemed to be a Principal Subsidiary.

On the date of each notice given by Vodafone (or as the case may be, NewTopco) to the Agent pursuant to Clause 16.2(a)(iii) (Financial Information) or, as the case may be, 16.2(a)(iv) (Financial Information), any Subsidiary which is identified as a Principal Subsidiary in the relevant notice, which was not identified as such in the immediately preceding notice, shall be deemed to immediately replace any Subsidiary which was a Principal Subsidiary immediately prior to the delivery of the notice and which is not named in such notice.

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“Project Finance Indebtedness” means any Financial Indebtedness which finances or otherwise relates to the acquisition, development, ownership and/or operation of an asset or combination of assets whether directly or indirectly, where the Financial Indebtedness is incurred pursuant to facilities available prior to the date the relevant entity becomes a member of the Controlled Group (and not created in contemplation of the acquisition):

(a) which is incurred by a Project Finance Subsidiary; or

(b) in respect of which the person or persons to whom such borrowing is or may be owed by the relevant debtor (whether or not a member of the Controlled Group) has or have no recourse whatsoever to any member of the Controlled Group (other than to a Project Finance Subsidiary) for any payment or repayment in respect thereof other than:

(i) recourse to such debtor for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset or assets; and/or

(ii) recourse to such debtor for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness in an enforcement of any Security Interest given by such debtor over such asset or assets or the income, cash flow or other proceeds deriving from the asset (or given by any shareholder or the like in the debtor over its shares and/or other ownership interest in and/or loans to the debtor) to secure such Financial Indebtedness or any recourse referred to in paragraph (iii) below, provided that:

(A) the extent of such recourse to such debtor is limited solely to the amount of any recoveries made on any such enforcement; and

(B) such person or persons are not entitled, by virtue of any right or claim arising out of or in connection with such Financial Indebtedness, to commence proceedings for the winding up or dissolution of the debtor or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the debtor or any of its assets (save only for the assets the subject of that Security Interest); and/or

(iii) recourse:

(A) to such debtor generally, or directly or indirectly to a member of the Controlled Group, under any form of assurance, undertaking or support which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specific way) for breach of an obligation (not being a payment obligation or any obligation to procure payment by another or an indemnity in respect thereof or any obligation to comply or procure compliance by another with any financial ratios or other tests of financial condition) by the person against whom such recourse is available; and/or

(B) to shares and/or other ownership interest in and/or loans to and/or the assets of such debtor and/or any Project Finance Subsidiary owned by a member of the Controlled Group; or

(c) which the Majority Lenders have agreed in writing to treat as Project Finance Indebtedness.

“Project Finance Subsidiary”
means any member of the Controlled Group:

(a) whose principal assets and business are constituted by the ownership, acquisition, development and/or operation of any asset or combination of assets whether directly or indirectly; and

(b) none of whose Financial Indebtedness in respect of the financing of the ownership, acquisition, development and/or operation of any such asset benefits from any recourse whatsoever (including, without limitation, any obligation to subscribe for equity or provide loans) to any member of the Controlled Group (other than such person or another Project Finance Subsidiary) in respect of any payment or repayment in respect thereof, except as expressly referred to in paragraph (b)(iii) of the definition of Project Finance Indebtedness; and

(c) which has been designated as such by Vodafone by written notice to the Agent.

“Qualifying Financial Institution”

means any bank or financial institution that as part of its business generally receives deposits or other repayable funds and grants credits for its own account.

“Qualifying Lender”

means a Lender which is beneficially entitled to interest payable to that Lender in respect of an Advance and is:

(a) a Lender;

(i) which is a bank (as defined for the purpose of Section 879 of the ITA 2007) making an Advance under this Agreement; or

(ii) in respect of an Advance made under this Agreement by a person that was a bank (as defined for the purpose of Section 879 of the ITA 2007) at the time that that Advance was made,

and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that Advance at the time payments are made; or

(b) a Treaty Lender.

“Rate Fixing Day” means:

(a) the Drawdown Date for an Advance denominated in Sterling; or

(b) the second TARGET Day before the Drawdown Date for an Advance denominated in euro; or

(c) the second Business Day before the Drawdown Date for an Advance denominated in U.S. Dollars,

or such other day as the Agent, after consultation with Vodafone and the Lenders, may designate as market practice in the relevant interbank market for leading banks to give quotations in the relevant currency for delivery on the relevant Drawdown Date.
“Ratio Period” has the meaning given to it in Clause 17.2 (Calculation times and periods).

“Recovering Finance Party” has the meaning given to it in Clause 29.1 (Redistribution).

“Recovery” has the meaning given to it in Clause 29.1 (Redistribution).

“Redistribution” has the meaning given to it in Clause 29.1(c) (Redistribution).

“Reference Banks” means, subject to Clause 26.10 (Reference Banks), the principal London offices of BNP Paribas, Barclays Bank PLC, JPMorgan Chase Bank, N.A. and The Royal Bank of Scotland plc.

“Reference Bond” has the meaning given to it in Clause 8.5(d) (Margin).

“Relevant Tax” means any tax imposed or levied by or in (or by any political sub-division or taxing authority of any of the following):
(a) the UK;
(b) the United States; or
(c) any other jurisdiction in or through which any payment under the Finance Documents is made.

“Reportable Event” means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the U.S. Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the U.S. Code.

“Reorganisation Date” means the date NewTopco or any other Intermediate Holding Company acquires any shares or assets (other than the shares in Vodafone acquired pursuant to the Hive Up) in circumstances where the aggregate market value of the assets of Vodafone (as determined by Vodafone (acting reasonably)) immediately following the acquisition is an amount which represents 95 per cent. or less of the aggregate market value of the assets of NewTopco (as determined by Vodafone (acting reasonably)) at that time.
“Request”
means a request made by a Borrower to utilise a Facility, substantially in the form of Schedule 4 (or in such other form as may be agreed by the Agent and Vodafone).

“Requested Amount”
means the amount requested in a Request.

“Reserve Asset Costs”
means in relation to any Advance for any period:
(a) for any Lender lending from a Facility Office in the United Kingdom, the Mandatory Cost (to the extent notified by any Lender in accordance with Clause 8.1 (Interest rate for all Advances) as applicable to that Advance); or
(b) for any Lender lending from a Facility Office in a Participating Member State the cost, if any, notified by any Lender to the Agent as the cost (expressed as a percentage of that Lender’s participation made in all Advances made from that Facility Office) to it of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

“Restricted Group”
means Vodafone, NewTopco (following the Reorganisation Date) and any Controlled Subsidiary (other than a Project Finance Subsidiary) of Vodafone or, following the Reorganisation Date, NewTopco:
(a) whose principal operations or assets are located in a Core Jurisdiction; and/or
(b) whose revenues are primarily generated by operations licensed by telecommunications authorities in Core Jurisdictions, but excludes any Controlled Subsidiary whose principal business is satellite telecommunications or cable.

“Revolving Credit Advance”
means an advance (other than a Swingline Advance) made to a Borrower by the Revolving Credit Lenders under the Revolving Credit Facility.

“Revolving Credit Commitment”
means:
(a) in respect of an Original Lender, the amount in euro set opposite the name of that Lender in Part 1 of Schedule 1 (Lenders and Commitments) or assumed by it in accordance with Clause 2.3 (Increase); and
(b) in respect of an Additional Lender, the amount in euro set out as a Revolving Credit Commitment in the relevant Lender Accession Agreement or assumed by it in accordance with Clause 2.3 (Increase),
in each case to the extent not transferred, cancelled or reduced under or in accordance with this Agreement.
“Revolving Credit Facility” means the multicurrency revolving credit facility referred to in a Clause 2.1(a) (Facilities).

“Revolving Credit Lender” means, subject to Clause 26.2 (Transfers by Lenders), a Lender listed in Part 1 of Schedule 1 (Lenders and Commitments) in its capacity as a participant in the Revolving Credit Facility and/or an Additional Lender.

“Rollover Advance” means any Advance (other than a Swingline Advance) made during the Availability Period which is drawn down to refinance in whole or in part any outstanding Advance (other than a Swingline Advance) where, after making and applying the proceeds of that Advance, the aggregate principal amount outstanding under the Revolving Credit Facility is not greater than the aggregate amount outstanding under that Facility immediately prior to that Advance being made.


“Security Interest” means any mortgage, charge, assignment by way of security, pledge, lien or other security interest securing any obligation of any person.

“Separate Loan” has the meaning given to that term in Clause 6.3 (Separate Loans).

“Signing Date” means the date of this Agreement.

“Single Employer Plan” means a Plan which is maintained by any U.S. Obligor or any member of the Controlled USA Group for employees of Vodafone or any member of the Controlled USA Group.

“Subsidiary” means:
(a) a subsidiary within the meaning of section 1159 of the Companies Act 2006; and
(b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

“Substitute Security Interest” has the meaning given to it in the definition of Permitted Security Interest, sub clause (q).

“Swingline Advance” means an advance made to a Borrower by the Swingline Lenders under the Swingline Facility.

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“Swingline Affiliate”
means, in relation to a Lender, any Swingline Lender that is an Affiliate of that Lender and which is notified to the Agent and the Euro Swingline Agent by that Lender in writing to be its Swingline Affiliate.

“Swingline Commitment”
means:
(a) in respect of a Swingline Lender which is an Original Lender, the amount in euro set opposite its name under the heading “Swingline Commitment” in Part 2 of Schedule 1 (Swingline Lenders and Swingline Commitments) or assumed by it in accordance with Clause 2.3 (Increase); and
(b) in respect of a Swingline Lender which is an Additional Lender, the amount in euro set out as a Swingline Commitment in the relevant Lender Accession Agreement or assumed by it in accordance with Clause 2.3 (Increase),
in each case to the extent not transferred, cancelled or reduced under or in accordance with this Agreement.

“Swingline Facility”
means the committed euro swingline facility referred to in Clause 2.1(b) (Facilities).

“Swingline Lender”
means, subject to Clause 26.2 (Transfers by Lenders), an Original Lender listed in Part 2 of Schedule 1 as a swingline lender or an Additional Lender in respect of which a Swingline Commitment is specified in the relevant Lender Accession Agreement.

“Swingline Rate”
means, in relation to a Swingline Advance, the percentage rate per annum which is the aggregate of:
(a) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Euro Swingline Agent at its request quoted by the Reference Banks to leading banks in the European interbank market as of 11.00 a.m. Central European time on the Drawdown Date for that Swingline Advance for the offering of deposits in euro for a period comparable to the Term for the relevant Swingline Advance and for settlement on that day; and
(b) the Margin; and
(i) Reserve Assets Costs (if any).

“Swingline Total Commitments”
means the aggregate for the time being of the Swingline Commitments, being €1,800,000,000 at the date of this Agreement or as may be increased pursuant to paragraph (b) of Clause 2.8 (Additional Lenders) up to a maximum of €2,550,000,000.

“TARGET Day”
means a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET) payment system which utilises a single shared platform and which was launched on 19 November 2007 and is open for the settlement of payments in euro.

“Tax Credit” has the meaning given to it in Clause 10.6 (Refund of Tax Credits).

“Tax Credit”

in relation to a Finance Party, means any tax on the overall net income, profits or gains of that Finance Party or any of its Holding Companies (or the overall net income, profits or gains of a division or branch of that Finance Party or any of its Holding Companies).

“Tax Payment” has the meaning given to it in Clause 10.6 (Refund of Tax Credits).


“Term” means the period selected by a Borrower in a Request for which the relevant Revolving Credit Advance or Swingline Advance is to be outstanding.

“Total Commitments” means the aggregate for the time being of the Revolving Credit Commitments, being, at the date of this Agreement, €4,000,000,000 or as may be increased pursuant to paragraph (b) of Clause 2.8 (Additional Lenders) up to a maximum of €7,500,000,000 (including the Swingline Total Commitments but without double counting).

“Total Gross Borrowings” means at any time, the aggregate outstanding principal amount of Financial Indebtedness of the Consolidated Group (including the marked to market position of out of the money derivative contracts).

“Treaty Lender” means a Lender which is (i) resident (as such term is defined in the appropriate double taxation treaty) in a country with which the United Kingdom has an appropriate double taxation treaty under which residents of that country are entitled to complete exemption from United Kingdom tax on interest and is entitled to apply under the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 to have interest paid to its Facility Office without withholding or deduction for or on account of United Kingdom taxation; and (ii) does not carry on business in the United Kingdom through a permanent establishment with which the investments under this Agreement in respect of which the interest is paid are effectively connected; and for this purpose ”double taxation treaty” means any convention or agreement between the government of the United Kingdom and any other government for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains.

“UK” or “United Kingdom”
means the United Kingdom of Great Britain and Northern Ireland (but excluding, for the avoidance of doubt, the Channel Islands).

“Undisclosed Administration” means in relation to a Lender the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

“United States” means the United States of America.


“U.S. Obligor” means any Obligor which is incorporated in the United States or any State thereof (including the District of Columbia).

“U.S. Tax Obligor” means any Obligor which makes a payment of interest, the receipt of which would be considered to be U.S. source income under Section 861 of the U.S. Code.

“2011 Facility” means the US$4,315,000,000 multi currency revolving three year facility dated 29 July 2008 with a capacity of US$4,115,000,000 as at 1 June 2010 and made between, amongst others, Vodafone Group Plc, the Arrangers and Lenders identified therein and The Royal Bank of Scotland plc as Agent and U.S. Swingline Agent and due July 2011.

“2012 Facility” means the US$4,675,000,000 multi currency revolving seven year facility dated 24 June 2005 with a capacity of $5,025,000,000 as at 1 June 2010, as may be increased in accordance with its terms and conditions from time to time, and as may be amended and restated from time to time and made between, amongst others, Vodafone Group Plc, the Arrangers and Lenders identified therein and The Royal Bank of Scotland plc as Agent and U.S. Swingline Agent and due June 2012.

1.2 Construction

(a) In this Agreement, unless the contrary intention appears, a reference to:

(i) “agreed form” means, in relation to any document, such document in a form previously agreed in writing by or on behalf of the Agent and Vodafone;

(ii) “assets” of any person includes all or any part of that person’s business, operations, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;

an “authorisation” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration and notarisation;
“Barclays Capital” means Barclays Capital, the investment banking division of Barclays Bank PLC;
a “finance lease” has the meaning given to it in IAS 17 as in effect at 1 April 2010;
“indebtedness” is a reference to any obligation for the payment or repayment of money, whether as principal or surety and whether
present or future, actual or contingent;
a “month” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the
next calendar month, except that, if there is no numerically corresponding day in the month in which that period ends, that period shall
end on the last Business Day in that month;
a “regulation” includes any regulation, rule, official directive, request or guideline (in each case, whether or not having the force of
law, but if not having the force of law, is generally complied with by the persons to whom it is addressed) of any governmental or
supranational body, agency, department or regulatory, self-regulatory authority or organisation; and
a reference to the currency of a country is to the lawful currency of that country for the time being, “£” and “Sterling” is a reference to
the lawful currency of the United Kingdom for the time being, “US$” and “U.S. Dollars” is a reference to the lawful currency of the
United States for the time being and “euro” and “€” is a reference to the lawful currency of those member states of the European
Communities that adopt or have adopted the euro under the legislation of the European Community for Economic and Monetary
Union;

(ii) a provision of a law is a reference to that provision as amended or re-enacted;
(iii) a Clause or a Schedule is a reference to a clause of or a schedule to this Agreement;
(iv) a person includes its successors, transferees and assigns;
(v) words importing the plural shall include the singular and vice versa;
(vi) a Finance Document or another document is a reference to that Finance Document or that other document as novated or, with
the approval of Vodafone, amended or supplemented; and
(vii) a time of day is a reference to London time.

(b) Unless the contrary intention appears, a term used in any other Finance Document or in any notice given under or in connection with any
Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(c) The index to and the headings in this Agreement are for convenience only and are to be ignored in construing this Agreement.

(d) (i) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce
any of its terms under the Contracts (Rights of Third Parties) Act 1999;
(ii) Notwithstanding any term of any Finance Document, the consent of any third party is not required for any variation (including any
release or compromise of any liability under) or termination of that Finance Document.
2. THE FACILITIES

2.1 Facilities

Subject to the terms of this Agreement, the Lenders grant to the Borrowers:

(a) a committed multicurrency revolving 5 year facility, under which the Lenders will, when requested by a Borrower, make cash advances in euro or Optional Currencies to that Borrower on a revolving basis during the Availability Period already defined; and

(b) a committed euro swingline advance facility (which is a sub-division of the Revolving Credit Facility) under which the Swingline Lenders will, when requested by a Borrower, make to that Borrower Swingline Advances during the Availability Period.

2.2 Overall facility limits

(a) The Swingline Facility is not independent of the Revolving Credit Facility. The aggregate Original Euro Amount of all outstanding Advances (including Swingline Advances) under:

(i) the Revolving Credit Facility, shall not at any time exceed the Total Commitments at that time; and

(ii) the Swingline Facility, shall not at any time exceed the Swingline Total Commitments at that time.

(b) The aggregate Original Euro Amount of:

(i) the participations of a Lender in Revolving Credit Advances plus that Lender’s and, if applicable, that Lender’s Swingline Affiliate’s (if any), participations in outstanding Swingline Advances shall not at any time exceed that Lender’s Revolving Credit Commitment at that time; and

(ii) the participations of a Swingline Lender in Swingline Advances shall not at any time exceed that Swingline Lender’s Swingline Commitment at that time.

(c) If, in respect of any Revolving Credit Advance, the operation of Clause 5.4 (Amount of each Lender’s participation in an Advance) would otherwise have caused a Lender (the “Affected Lender”) to breach sub-paragraph (b)(i) above then:

(i) each Affected Lender will participate in the relevant Revolving Credit Advance only to the extent that the Original Euro Amount of its participation in that Revolving Credit Advance (when aggregated with the Original Euro Amount of its and, if applicable, that Lender’s Swingline Affiliate’s (if any), participations in other outstanding Revolving Credit Advances and Swingline Advances) will not exceed its Revolving Credit Commitment; and

(ii) each other non-Affected Lender’s participation in that Revolving Credit Advance will be recalculated in accordance with Clause 5.4 (Amount of each Lender’s participation in an Advance), but, for the purpose of the recalculation, the Affected Lenders’ Revolving Credit Commitments will be deducted from the Total Commitments and the amount of the Affected Lenders’ participations in that Revolving Credit Advance (if any) will be deducted from the requested amount of the Revolving Credit Advance.

2.3 Increase

(a) Vodafone may by giving prior notice to the Agent by no later than the date falling 60 Business Days after the effective date of a cancellation of:
(i) the Available Commitments of a Defaulting Lender in accordance with paragraph (d) of Clause 7.5 (Right of prepayment and
cancellation); or
(ii) the Commitments of a Lender in accordance with Clause 13.1 (Illegality),
request that the Total Commitments be increased (and the Total Commitments shall be so increased in an aggregate amount of up to the
amount of the Available Commitments or Commitments so cancelled as follows:
(iii) the increased Commitments will be assumed by one or more Lenders or other banks or financial institutions (each an “Increase
Lender”) selected by Vodafone and which is further acceptable to the Agent (acting reasonably) and each of which confirms its
willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which
it is to assume, as if it had been an Original Lender;
(iv) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another
as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;
(v) each Increase Lender shall become a Party as a “Lender” and any Increase Lender and each of the other Finance Parties shall assume
obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have
assumed and/or acquired had the Increase Lender been an Original Lender;
(vi) the Commitments of the other Lenders shall continue in full force and effect; and
(vii) any increase in the Total Commitments shall take effect on the date specified by Vodafone in the notice referred to above or any later
date on which the conditions set out in paragraph (b) below are satisfied.

(b) An increase in the Total Commitments will only be effective on:
(i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender;
(ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase the performance by the Agent of all
necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the
increased Commitments by that Increase Lender, the completion of which the Agent shall promptly notify to Vodafone and the
Increase Lender.
(c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to
execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance
with this Agreement on or prior to the date on which the increase becomes effective.
(d) Unless the Agent otherwise agrees or the increased Commitment is assumed by an existing Lender, Vodafone shall, on the date upon which
the increase takes effect, pay to the Agent (for its own account) a fee of €2,500 and Vodafone shall promptly on demand pay the Agent the
amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under
this Clause 2.3.
(e) Vodafone may pay to the Increase Lender a fee in the amount and at the times agreed between Vodafone and the Increase Lender in a letter
between Vodafone and the Increase Lender setting out that fee. A reference in this Agreement to a Fee Letter shall include any letter
referred to in this paragraph.
(f) Clause 26.2(f) to (j) inclusive (Transfers by Lenders) shall apply mutatis mutandis in this Clause 2.3 in relation to an Increase Lender as if references in that Clause to:
(i) an “Existing Lender” were references to all the Lenders immediately prior to the relevant increase;
(ii) the “New Lender” were references to that “Increase Lender”; and
(iii) a “retransfer” were references to a “transfer”.

2.4 Number of Requests and Advances

(a) Unless the Agent agrees otherwise, no more than one Request (other than Requests for Swingline Advances only) may be delivered on any one day but that Request may specify any number and type of Advances from the Revolving Credit Facility or the Swingline Facility or either of them.

(b) Unless the Agent agrees otherwise, no more than 10 Advances (not including Swingline Advances) may be outstanding at any one time.

2.5 Nature of rights and obligations

(a) The obligations of a Finance Party and each Obligor under the Finance Documents are several. Failure of a Finance Party or an Obligor to carry out those obligations does not relieve any other Party of its obligations under the Finance Documents. No Finance Party or Obligor is responsible for the obligations of any other Finance Party or Obligor under the Finance Documents save and to the extent that the relevant obligations are guaranteed by another Obligor.

(b) The rights of a Finance Party under the Finance Documents are divided rights. A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce those rights.

2.6 Vodafone as Obligors’ agent

Each Obligor:

(a) irrevocably authorises and instructs Vodafone to give and receive as agent on its behalf all notices (including Requests) and sign all documents in connection with the Finance Documents on its behalf (including but not limited to amendments and variations and execution of any new Finance Documents) and take such other action as may be necessary or desirable under or in connection with the Finance Documents; and

(b) confirms that it will be bound by any action taken by Vodafone under or in connection with the Finance Documents.

2.7 Actions of Vodafone as Obligors’ agent

The respective liabilities of each of the Obligors under the Finance Documents shall not be in any way affected by:

(a) any irregularity (or purported irregularity) in any act done by or any failure (or purported failure) by Vodafone; or

(b) Vodafone acting (or purporting to act) in any respect outside any authority conferred upon it by any Obligor; or

(c) the failure (or purported failure) by or inability (or purported inability) of Vodafone to inform any Obligor of receipt by it of any notification under this Agreement.
2.8 Additional Lenders

(a) Any financial institution or other entity may, subject to the terms of this Agreement, become an Additional Lender. The relevant financial institution or other entity will become an Additional Lender on the date specified in a Lender Accession Agreement which has been delivered to the Agent duly completed and executed by that financial institution or other entity and countersigned by Vodafone on behalf of itself and each other Obligor.

(b) Upon the relevant financial institution or other entity becoming an Additional Lender, the Total Commitments shall be increased (subject to the Total Commitments being a maximum of €7,500,000,000 and the Combined Commitments being a maximum of €7,500,000,000 plus US$10,000,000,000 (or its equivalent in euros calculated at the Agent’s Spot Rate of Exchange)) by the amount set out in the relevant Lender Accession Agreement as that Additional Lender’s Revolving Credit Commitment. If such Additional Lender so provides in the relevant Lender Accession Agreement, the Swingline Total Commitments shall be increased (subject to the Combined Swingline Commitments being a maximum of €2,550,000,000 plus US$10,000,000,000 (or its equivalent in euros calculated at the Agent’s Spot Rate of Exchange)) by the amount set out in the relevant Lender Accession Agreement as that Additional Lender’s Swingline Commitment.

(c) Each Additional Lender will participate only in Advances with a Drawdown Date following the date on which it became an Additional Lender and only then if:

(i) it has become an Additional Lender in time to receive sufficient notice of the relevant Advance from the Agent pursuant to Clause 5.5 (Notification of the Lenders); and

(ii) immediately before such an Advance is to be made either (A) no Advances are or will be outstanding or (B) all outstanding Advances at that time are or will be immediately repaid or prepaid in full in accordance with the terms of this Agreement.

(d) On and from the Drawdown Date on which the Additional Lender makes an Advance under paragraph (c) above, the Additional Lender shall participate in each new Revolving Credit Advance or, as the case may be, Swingline Advance in accordance with Clause 5.4 (Amount of each Lender’s participation in an Advance).

(e) The execution by Vodafone of a Lender Accession Agreement constitutes confirmation by each Guarantor that its obligations under Clause 14 (Guarantee) shall continue unaffected except that those obligations shall extend to the Total Commitments as increased by the addition of the relevant Additional Lender’s Revolving Credit Commitment (including such Additional Lender’s Swingline Commitment but without double counting) and shall be owed to each Finance Party including the relevant Additional Lender.

3. PURPOSE

3.1 Purpose

Each Revolving Credit Advance will be used for the refinancing of the 2011 Facility, following which each Advance will be applied in or towards providing support for the Group’s continuing commercial paper programmes and each Revolving Credit Advance will be applied for general corporate purposes of the Group including, but not limited to, Acquisitions (provided that a Swingline Advance may not be applied in or towards refinancing another Swingline Advance).

3.2 No monitoring

Without affecting the obligations of any Borrower in any way, no Finance Party is bound to monitor or verify the application of the proceeds of any Advance.
4. CONDITIONS PRECEDENT

4.1 Initial conditions precedent

The obligations of each Finance Party to any Borrower under this Agreement are subject to the conditions precedent that:

(a) the Agent has notified Vodafone and the Lenders that it has received all of the documents set out in Part 1 of Schedule 2 in the agreed form or such other form and substance satisfactory to the Agent. The Agent will give such notice of receipt within two Business Days after receiving the relevant documents and finding them in form and substance satisfactory to it; and

(b) the Agent confirms on or prior to the Signing Date (i) the 2011 Facility has been cancelled and (ii) all amounts outstanding under such 2011 Facility have been repaid.

4.2 Conditions to all drawdowns and rollovers

The obligations of each Lender to participate in any Advance are subject to the further conditions precedent that on the date of the Request for the Advance (if applicable) and on the date on which the relevant amount is to be drawn down:

(a) the representations and warranties in Clause 15 (Representations and Warranties) are correct and will be correct immediately after the relevant Advance or amount is drawn down in each case in all material respects; and

(b) in the case of a Rollover Advance, no Event of Default is continuing or would result from the proposed Advance, and in the case of any other drawdown, no Default has occurred and is continuing or would result from drawdown of the relevant Advance or amount.

5. ADVANCES

5.1 Receipt of Requests

(a) A Borrower may borrow Advances under the Revolving Credit Facility (other than Swingline Advances) if the Agent receives, not later than 5.00 p.m. on the third Business Day before the proposed Drawdown Date, or, in the case of an Advance in Sterling, not later than 5.00 p.m. on the Business Day before the proposed Drawdown Date, a duly completed Request, copied, to the Euro Swingline Agent.

(b) A Borrower may borrow Swingline Advances if the Euro Swingline Agent receives, not later than 9.30 a.m. (Central European time) on the proposed Drawdown Date, a duly completed Request, copied to the Agent.

5.2 Completion of Requests for Revolving Credit Advances

A Request for a Revolving Credit Advance will not be regarded as having been duly completed unless:

(a) the Drawdown Date is a Business Day falling during the Availability Period;

(b) only one currency is specified for each separate Advance and the Requested Amount for each separate Advance is in a minimum amount:

(i) if in euro, of €25,000,000;
(ii) if in Sterling, of £20,000,000; or
(iii) if in U.S. Dollars, of U.S.$25,000,000,
or, in any such case:
(A) if less, is in an amount equal to the unutilised portion of the Total Commitments; or
(B) such other amount as Vodafone and the Agent may agree;
(c) only one Term for each separate Advance is specified which:
(i) does not overrun the Final Maturity Date; and
(ii) is a period of 7 days, one month, two, three (or such comparable period as the Borrower may adopt to reflect international futures exchange settlement dates) or six months (or such other period as may be agreed by Vodafone and (if not more than six months) the Agent or (if more than six months) all of the Lenders); and
(d) the payment instructions comply with Clause 9.1 (Place of payment).

5.3 Completion of Requests for Swingline Advances

A Request for a Swingline Advance will not be regarded as having been duly completed unless:
(a) the Drawdown Date is a Business Day falling during the Availability Period;
(b) it is specified that the Swingline Advance is to be made in euro under the Swingline Facility;
(c) the Requested Amount is a minimum of €15,000,000 or such other amount as the Euro Swingline Agent and Vodafone may agree;
(d) only one Term is specified, which:
   (i) does not overrun the Final Maturity Date; and
   (ii) is a period not exceeding five Business Days; and
(e) the payment instructions comply with Clause 9.1 (Place of payment).

5.4 Amount of each Lender’s participation in an Advance

The amount of a Lender’s participation in an Advance will be the proportion of the Requested Amount which:
(a) in the case of a Revolving Credit Advance, its Revolving Credit Commitment bears to the Total Commitments; and
(b) in the case of a Swingline Advance, its Swingline Commitment bears to the Swingline Total Commitments,
in each case on the date of receipt of the relevant Request, adjusted in the case of paragraph (a) (if necessary) to reflect the operation of Clause 2.2(c) (Overall facility limits).
5.5 Notification of the Lenders

The Agent (or, in the case of Swingline Advances, the Euro Swingline Agent) shall promptly notify each Lender (or, as the case may be, Swingline Lender) of the details of the requested Advance and the amount of its participation in such Advance.

5.6 Payment of proceeds

Subject to the terms of this Agreement, each Lender (or, as the case may be, Swingline Lender) shall make its participation in an Advance available to the Agent (or, in the case of a participation in a Swingline Advance, the Euro Swingline Agent) for the Borrower concerned for value on the relevant Drawdown Date.

6. REPAYMENT

6.1 Repayment of Revolving Credit Advances

(a) Each Borrower shall repay each Revolving Credit Advance made to it in full on its Maturity Date to the Agent for the Lenders, but since the Revolving Credit Facility is available on a revolving basis during the Availability Period amounts repaid may be reborrowed subject to the terms of this Agreement.

(b) No Revolving Credit Advance may be outstanding after the Final Maturity Date.

6.2 Repayment of Swingline Advances

(a) Each Borrower shall repay each Swingline Advance made to it in full on its Maturity Date to the Euro Swingline Agent for the Swingline Lenders. No Swingline Advance may be outstanding after the Final Maturity Date.

(b) Each Swingline Advance shall be repaid on its Maturity Date in accordance with paragraph (a) above. In the event and to the extent that a Swingline Advance is not so repaid, each Lender will, within four Business Days of a demand to that effect from the Euro Swingline Agent, pay to the Euro Swingline Agent on behalf of the Swingline Lenders (which shall be deemed to be a drawing of that Lender’s Commitment) an amount equal to its Agreed Percentage (without set-off, counterclaim, withholding or other deduction) of the principal amount outstanding of such Swingline Advance and accrued interest (including default interest) thereon to the date of actual payment by such Lender (provided that no Lender shall be obliged to exceed its Commitment as a result of any such payment). The relevant Borrower shall forthwith reimburse the Lenders (through the Agent) for each payment made by the Lenders under this paragraph (b). Each amount the relevant Borrower is required to reimburse to the Lenders under this paragraph (b) shall be deemed to be an Overdue Amount which fell due for payment on the day on which the payment by the Lenders giving rise to the reimbursement obligation was made and shall accrue default interest under Clause 8.3 (Default interest) accordingly. The obligations of each Lender under this paragraph (b) are unconditional and shall not be affected by the occurrence or continuance of a Default.

6.3 Separate Loans

(a) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Facilities then outstanding will be automatically extended to the earlier of:

(i) the first Business Day falling 364 days after the date on which the Agent or a Borrower gives notice to the Defaulting Lender and the other Parties that the relevant Lender has become a Defaulting Lender, and will be treated as separate
Facilities (the “Separate Loans”) denominated in the currency in which the relevant participations are outstanding; and

(ii) the last day of the Availability Period.

(b) A Borrower to whom a Separate Loan is outstanding may prepay that Separate Loan by giving 10 Business Days’ prior notice to the Agent. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (b) to the Defaulting Lender concerned as soon as practicable on receipt.

(c) Interest in respect of a Separate Loan will accrue for successive Terms selected by a Borrower by the time and date specified by the Agent acting reasonably and will be payable by that Borrower to the Defaulting Lender on the last day of each Term of that Advance.

(d) The terms of this Agreement relating to the Facilities generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (a) to (c) above in which case those paragraphs shall prevail in respect of any Separate Loans.

(e) If at any time while a Separate Loan is outstanding the Borrower transfers the relevant Defaulting Lender’s outstanding participations to a Replacement Lender in accordance with Clause 26.5 (Replacement of Lenders), each Separate Loan transferred to the Replacement Lender will automatically become, on the last day of the current Term for each such Separate Loan, a Revolving Credit Advance and paragraphs (a) to (c) above (inclusive) shall cease to apply to that Advance while such Replacement Lender is not a Defaulting Lender.

7. PREPAYMENT AND CANCELLATION

7.1 Automatic cancellation of Total Commitments

(a) The Revolving Credit Commitments of each Lender shall be automatically cancelled at the close of business in London on the Final Maturity Date.

(b) The Swingline Commitment of each Swingline Lender shall be automatically cancelled at the close of business in London on the Final Maturity Date.

7.2 Voluntary cancellation

(a) Vodafone may by giving not less than one Business Day’s prior written notice to the Agent, cancel the unutilised portion of the Total Commitments in whole or in part (but, if in part, in an aggregate minimum amount of €75,000,000) in such proportions as Vodafone may designate in the notice of cancellation. Any cancellation in part shall be applied against the Revolving Credit Commitment of each Lender pro rata.

(b) Whenever part of the Total Commitments is cancelled, the Swingline Commitments will not be cancelled unless (i) the amount of the Swingline Total Commitments would exceed the Total Commitments after such cancellation or (ii) the Swingline Commitment of any Swingline Lender would exceed its Commitment after such cancellation. In any such case, the Swingline Total Commitments shall, at the same time as the cancellation of the Total Commitments takes effect, be cancelled by such amount as is necessary to ensure that after the relevant cancellation of the Total Commitments the Swingline Total Commitments do not exceed the Total Commitments and the Swingline Commitment of each Swingline Lender does not exceed its Commitment.

7.3 Voluntary prepayment

(a) Any Borrower may by giving not less than five Business Days’ prior written notice to the Agent, prepay the whole or any part of the Revolving Credit Advances (but, if in part, in an aggregate
minimum Original Euro Amount, taking all prepayments made by all the Borrowers on the same day together, of €100,000,000).

(b) Any Borrower may prepay the whole of any Swingline Advance at any time.

c) Any voluntary prepayment in part made under paragraph (a) above will be applied against all the Revolving Advances pro rata (or against such Revolving Credit Advances as Vodafone (or the relevant Borrower) may designate in the notice of prepayment).

7.4 Change of Control

If control of Vodafone (other than as a result of a Hive Up) or, following a Hive Up, NewTopco, passes to any person acting either individually or in concert (a “Change of Control”):

(a) Vodafone shall, promptly upon becoming aware thereof, notify the Agent who shall inform the Lenders;

(b) any Lender may, if it determines that as a result of the Change of Control:

(i) the level of its exposure to Vodafone, NewTopco and/or the entity which acquires control of Vodafone or NewTopco, as the case may be or is unacceptably high in each case in the sole opinion of the Lender;

(ii) it no longer wishes (in its sole discretion and acting in good faith) to continue lending to Vodafone or NewTopco, as the case may be (whether for relationship, internal policy or any other reason);

propose to Vodafone (through the Agent) the revised terms (if any) which it requires in order to continue to participate in the Facilities; and

(c) if those revised terms have not been agreed with that Lender (or that Lender is not prepared, for one or more of the reasons set out in paragraph (b)(i) or (ii) above, to continue on any terms) within 30 days of the date of notification in paragraph (a) above (or such longer period as that Lender may agree in writing) then on expiry of 30 days from the date of notification in paragraph (a) above that Lender may by notice to the Agent (which shall promptly inform Vodafone) cancel the whole (but not part only) of such Lender’s Commitments and following service of such notice:

(i) such Lender’s Commitments shall be cancelled on the date of service of the notice or as specified in it; and

(ii) all such Lender’s outstanding Advances shall be repaid or prepaid on the last day of the then current Term applicable thereto, and no amount may be outstanding to such Lender thereafter.

For the purposes of this Clause 7.4, “control” has the meaning given to it in relation to a body corporate by Section 1124 of the Taxes Act.

7.5 Right of prepayment and cancellation

If:

(a) any Borrower is required to pay or is notified by any Lender in writing that it will be required to pay any amount to a Lender under Clause 10 (Taxes) or Clause 12 (Increased Costs); or
(b) if circumstances exist such that a Borrower will be required to pay any amount to a Lender under Clause 10 (Taxes); or
(c) any Lender notifies the Agent pursuant to Clause 8.1(c) (Interest rate for all Advances) that they incur Reserve Asset Costs of the type referred to under paragraph (b) of the definition thereof,

Vodafone may, whilst (in the case of paragraphs (a) and (b) above) the circumstances giving rise or which will give rise to the requirement continue or, (in the case of paragraph (c) above) such Reserve Asset Costs are greater than zero, serve a notice of prepayment and cancellation on that Lender through the Agent. On the date falling five Business Days after the date of service of the notice:

(i) each Borrower will prepay the participations of that Lender in all outstanding Advances made to that Borrower; and
(ii) the Lender’s Commitments shall be permanently cancelled on the date of service of the notice.

(d) If any Lender becomes a Defaulting Lender, Vodafone may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent 5 Business Days, notice of cancellation of each Available Commitment of that Lender.

(e) On the notice referred to in paragraph (d) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.

(f) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (e) above, notify all the Lenders.

7.6 Miscellaneous provisions

(a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable. The Agent shall notify the Lenders promptly of receipt of any such notice.

(b) All prepayments under this Agreement shall be made together with accrued interest on the amount prepaid and any other amounts due under this Agreement in respect of that prepayment (including, but not limited to, any amounts payable under Clause 23.2(c) (Other indemnities) if not made on the Maturity Date of the relevant Revolving Credit Advance or Swingline Advance).

(c) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.

(d) Subject to the provisions of this Agreement, any amount prepaid in respect of the Revolving Credit Facility during the Availability Period may be reborrowed.

(e) Subject to Clause 2.3 (Increase), no amount of the Total Commitments, (including the Swingline Total Commitments) cancelled under this Agreement may subsequently be reinstated.

8. INTEREST

8.1 Interest rate for all Advances

(a) The rate of interest on each Advance (other than any Swingline Advance) for its Term, is the rate per annum determined by the Agent to be the aggregate of:

(i) the applicable Margin;
(ii) EURIBOR or, in the case of an Advance denominated in Sterling or U.S. Dollars, LIBOR; and

(iii) Reserve Asset Costs (if any).

(b) The rate of interest on each Swingline Advance for each day during its Term is the rate per annum determined by the Euro Swingline Agent to be the Swingline Rate for that day.

(c) In this Agreement:

(i) Reserve Asset Costs for an Advance for any Term will be calculated only on that portion of that Advance owed to Lenders who have notified the Agent that they incur the relevant Reserve Asset Costs in relation to Advances (and, in the case of Mandatory Costs, supplied the information required under paragraph 6 and 7 of Schedule 3);

(ii) a Lender will only be entitled to Reserve Asset Costs if it has given a notification to the Agent as contemplated in sub paragraph (i) above; and

(iii) any amounts payable pursuant to paragraph (b) of the definition of Reserve Asset Costs shall be expressed as a percentage rate per annum for the relevant Term.

8.2 Due dates

Except as otherwise provided in this Agreement, accrued interest on each Advance is payable by the relevant Borrower on its Maturity Date and also, in the case of any Advance with a Term longer than six months, at six monthly intervals after its Drawdown Date for so long as the Term is outstanding.

8.3 Default interest

(a) If a Borrower fails to pay any amount payable by it under this Agreement when due (an "Overdue Amount"), it shall forthwith on demand by the Agent or, as the case may be, the Euro Swingline Agent, pay interest on the Overdue Amount from the due date up to the date of actual payment, both before and after judgment, at a rate (the "Default Rate") determined by the Agent or, as the case may be, the Euro Swingline Agent to be one per cent. per annum (the "Default Margin") above the higher of:

(i) the rate on the Overdue Amount under Clause 8.1 (Interest rate for all Advances) immediately before the due date (in the case of principal); and

(ii) the rate which would have been payable under Clause 8.1 (Interest rate for all Advances) if the Overdue Amount had, during the period of non-payment, constituted a Revolving Credit Advance in the currency of the Overdue Amount for such successive Terms of such duration as the Agent may determine (each a "Designated Term"),

except that during any grace period specified in Clause 18.2 (Non-payment) the Default Margin portion of the Default Rate will only apply to overdue payments of principal.

(b) The Default Rate will be determined on each Business Day or the first day of, or two Business Days before the first day of, the relevant Designated Term, as appropriate.

(c) If the Agent or, as the case may be, the Euro Swingline Agent, determines that deposits in the currency of the Overdue Amount are not at the relevant time being made available by the Reference Banks to leading banks in the relevant interbank market, the Default Rate will be determined by reference to the cost of funds to the Agent or, as the case may be, the Euro Swingline Agent, from whatever sources it selects, acting reasonably at all times, after consultation with the Reference Banks.
(d) Default interest will be compounded at the end of each Designated Term.

(e) The Agent shall notify Vodafone of the duration of each Designated Term.

8.4 Notification of rates of interest

The Agent or, as the case may be, the Euro Swingline Agent will promptly notify each relevant Party of the determination of a rate of interest under this Agreement.

8.5 Margin

(a) The Margin applicable to each Advance will be the lowest percentage rate specified in Column 2 below which corresponds to the criteria in relation to the Long Term Credit Rating Assigned to Vodafone in Column 1 below by Moody’s, Fitch and/or S&P (as the case may be) (each a “Credit Rating Agency”) at the relevant time.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2 Margin (per cent. per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s/Fitch/S&amp;P ratings</td>
<td>Margin (per cent. per annum)</td>
</tr>
<tr>
<td>Any two are equal to or higher than: Aa3/AA-/AA-</td>
<td>0.40</td>
</tr>
<tr>
<td>Any two are equal to or higher than: A1/A+/A+</td>
<td>0.45</td>
</tr>
<tr>
<td>Any two are equal to or higher than: A2/A/A</td>
<td>0.525</td>
</tr>
<tr>
<td>Otherwise</td>
<td>0.60</td>
</tr>
<tr>
<td>All Quoting Credit Rating Agencies are lower than: A3/A-/A-</td>
<td>0.70</td>
</tr>
</tbody>
</table>

For the purposes of this Clause 8.5(a) “All Quoting Credit Rating Agencies” means at any time each Credit Rating Agency which has a Long Term Credit Rating Assigned to Vodafone at the relevant time

(b) For the purposes of paragraph (a) above:

(i) the Margin applicable to an Advance throughout the whole of its Term will be determined according to the Long Term Credit Rating Assigned to Vodafone as at the Drawdown Date of the Advance; and

(ii) if on the Drawdown Date of any Advance only one Credit Rating Agency assigns a long term credit rating to Vodafone, the Margin applicable to that Advance will be determined in accordance with paragraph (i) by reference to such Long Term Credit Rating Assigned to Vodafone, or in the event that there is no Long Term Credit Rating Assigned to Vodafone the Margin applicable to that Advance will be 0.70 per cent. per annum.

In the case of Clause 8.5(b)(ii) above, where the ratings category will be determined by one Credit Rating Agency only, the words “Any two are” and “All Quoting Credit Rating Agencies” in Column 1 of the table above shall be construed as a reference to the rating determined pursuant to Clause 8.5(b)(ii) above.

(c) Promptly upon becoming aware of the same, Vodafone shall inform the Agent in writing if any change in the Long Term Credit Rating Assigned to Vodafone occurs or the circumstances contemplated by paragraph 8.5(b)(ii) above arise.
(d) For the purpose of this Clause 8.5 the “Long Term Credit Rating Assigned to Vodafone” means, at any time, the solicited long term credit rating assigned at that time to Vodafone by the relevant Credit Rating Agency (but, for the avoidance of doubt, disregarding any outlook or review action, including placing Vodafone on creditwatch or any similar or analogous step, taken by such Credit Rating Agency) where the rating is based primarily on the unsecured credit risk (not credit enhanced or collateralised) of Vodafone in a manner comparable to the credit structure of Vodafone’s €1,250,000,000 bond issue due January 2022 (the “Reference Bond”), or if the Reference Bond ceases to be outstanding, such other outstanding series of listed bonds issued or guaranteed by Vodafone with a maturity date following and closest to January 2022. References in this paragraph (d) to Vodafone shall, following the Reorganisation Date, be references to NewTopco, provided that a long term credit rating has been assigned to NewTopco.

8.6 Non-Business Days

If a Term would otherwise end on a day which is not a Business Day, that Term shall instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

9. PAYMENTS

9.1 Place of payment

All payments by an Obligor or a Lender under this Agreement shall be made to the Agent or (if the payment relates to the Swingline Facility) the Euro Swingline Agent to its account at such office or bank in the principal financial centre of a Participating Member State or London (or in the case of payments in U.S. Dollars, New York) or as it may notify to that Obligor or Lender for this purpose.

9.2 Funds

Payments under this Agreement to the Agent or, as the case may be, the Euro Swingline Agent shall be made for value on the due date at such times and in such funds as the Agent or, as the case may be, the Euro Swingline Agent may specify to the Party concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

9.3 Distribution

(a) Each payment received by the Agent or, as the case may be, the Euro Swingline Agent under this Agreement for another Party shall, subject to paragraphs (b) and (c) below, be made available by the Agent or, as the case may be, the Euro Swingline Agent to that Party by payment (on the date of value of receipt and in the currency and funds of receipt) to its account with such bank in the principal financial centre of the country of the relevant currency (or, in the case of euro, in the principal financial centre of a Participating Member State or London) as it may notify to the Agent or, as the case may be, the Euro Swingline Agent for this purpose by not less than five Business Days’ prior notice.

(b) The Agent or, as the case may be, the Euro Swingline Agent may apply any amount received by it for an Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from an Obligor under this Agreement in the same currency on such date or in or towards the purchase of any amount of any currency to be so applied.

(c) Where a sum is to be paid under this Agreement to the Agent or, as the case may be, the Euro Swingline Agent for the account of another Party, the Agent or, as the case may be, the Euro Swingline Agent is not obliged to pay that sum to that Party until it has established that it has actually received that sum. The Agent or, as the case may be, the Euro Swingline Agent may, however, assume that the sum has been paid to it in accordance with this Agreement and, in reliance on that assumption, make available to that Party a corresponding amount. If the sum has not been
made available but the Agent or, as the case may be, the Euro Swingline Agent has paid a corresponding amount to another Party, that Party shall forthwith on demand refund the corresponding amount to the Agent or, as the case may be, the Euro Swingline Agent together with interest on that amount from the date of payment to the date of receipt, calculated at a rate reasonably determined by the Agent or, as the case may be, the Euro Swingline Agent to reflect its cost of funds.

9.4 Currency

(a) (i) A repayment or prepayment of an Advance is payable in the currency in which the Advance is denominated.

(ii) Interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.

(iii) Amounts payable in respect of costs, expenses, taxes and the like are payable in the currency in which they are incurred.

(iv) Any other amount payable under this Agreement is, except as otherwise provided in this Agreement, payable in euro.

(b) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (acting reasonably and after consultation with Vodafone); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of the currency unit into the other, rounded up or down by the Agent (acting reasonably); and

(iii) if a change in any currency of a country occurs this Agreement will be amended to the extent the Agent and Vodafone agree (such agreement not to be unreasonably withheld) to be necessary to reflect the change in currency and to put the Lenders and the Obligors in the same position, as far as possible, that they would have been in if no change in currency had occurred.

9.5 Set-off and counterclaim

All payments made by an Obligor under this Agreement shall be made without set-off or counterclaim.

9.6 Non-Business Days

(a) If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment shall instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal under this Agreement interest is payable on the principal at the rate payable on the original due date.
9.7 Impaired Agent or Euro Swingline Agent

(a) If, at any time, the Agent or, as the case may be, the Euro Swingline Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent or Euro Swingline Agent in accordance with Clause 9 (Payments) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payment must be made on the due date for payment under the Finance Documents.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account pro rata to their respective entitlements.

(c) A party who has made a payment in accordance with this Clause 9.7 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent or, as the case may be, successor Euro Swingline Agent, in accordance with Clause 19.15 (Resignation of the Agent or the Euro Swingline Agent), each Party which has made a payment to a trust account in accordance with this Clause 9.7 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount) together with any accrued interest to the successor Agent or, as the case may be, the successor Euro Swingline Agent for distribution in accordance with Clause 9.3 (Distribution).

9.8 Partial payments

(a) If the Agent or, as the case may be, the Euro Swingline Agent receives a payment insufficient to discharge all the amounts then due and payable by an Obligor under this Agreement, the Agent or, as the case may be, the Euro Swingline Agent shall apply that payment towards the obligations of the Obligors under this Agreement in the following order:

(i) first, in or towards payment pro rata of any unpaid costs, fees and expenses of the Agent and the Euro Swingline Agent under this Agreement;

(ii) secondly, in or towards payment pro rata of any accrued fees due but unpaid under Clause 20 (Fees);

(iii) thirdly, in or towards payment pro rata of any interest due but unpaid under this Agreement;

(iv) fourthly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and

(v) fifthly, in or towards payment pro rata of any other sum due but unpaid under this Agreement.

(b) The Agent or, as the case may be, the Euro Swingline Agent, shall, if so directed by all the Lenders, vary the order set out in subparagraphs (a)(ii) to (v) above. The Agent or, as the case may be, the Euro Swingline Agent, shall notify Vodafone of any such variation.

(c) Paragraphs (a) and (b) above shall override any appropriation made by any Obligor.
10. TAXES

10.1 Gross-up

All payments by an Obligor to a Finance Party under the Finance Documents shall be made free and clear of and without deduction for or on account of any Relevant Taxes, except to the extent that the Obligor is required by law to make payment subject to any such taxes. Subject to Clause 10.4 (Qualifying Lenders) and Clause 10.5 (U.S. Taxes), if any Relevant Tax or amounts in respect of Relevant Tax are deducted or withheld from any amounts payable or paid by an Obligor, to a Finance Party under the Finance Documents, the Obligor shall pay such additional amounts as may be necessary to ensure that the relevant Finance Party receives a net amount equal to the full amount which it would have received had that Relevant Tax or those amounts in respect of Relevant Tax not been so deducted or withheld.

10.2 Indemnity

Save to the extent that the relevant Finance Party is compensated by an increased payment under Clause 10.1 (Gross-up), but otherwise without prejudice to the provisions of Clause 10.1 (Gross-up), but subject to Clause 10.4 (Qualifying Lenders) and Clause 10.5 (U.S. Taxes), if a Finance Party or the Agent (or, as the case may be, the Euro Swingline Agent) on behalf of that Finance Party is required to make any payment on account of any Relevant Tax on or in relation to any sum received or receivable hereunder by such Finance Party or the Agent (or, as the case may be, the Euro Swingline Agent) on behalf of that Finance Party (including a sum received or receivable under this Clause 10) or any liability in respect of any such payment on account of any Relevant Tax is incurred by such Finance Party or the Agent (or, as the case may be, the Euro Swingline Agent) on behalf of that Finance Party (in all cases other than any Tax on Overall Net Income), the relevant Obligor shall, within five Business Days of demand by the Agent (or, as the case may be, the Euro Swingline Agent) indemnify such Finance Party against such payment or liability in respect of such payment, together with any interest, penalties, reasonable costs and reasonable expenses payable or incurred in connection therewith other than any such interest, penalties, costs or expenses arising as a result of a failure by a Finance Party to make payment of such tax when due.

10.3 Tax receipts

All taxes required by law to be deducted or withheld by an Obligor from any amounts paid or payable under the Finance Documents shall be paid by the relevant Obligor when due and the Obligor shall, within 15 days of the payment being made, deliver to the Agent for the relevant Lender evidence satisfactory to that Lender acting reasonably (including any relevant tax receipts which have been received) that the payment has been duly remitted to the appropriate authority.

10.4 Qualifying Lenders

(a) An Obligor is not required to pay to a Lender any amounts under Clause 10.1 (Gross-up) or Clause 10.2 (Indemnity) in respect of Relevant Tax imposed by the United Kingdom if, on the date on which the payment falls due, the relevant Lender is a Party but is not a Qualifying Lender (other than as a result of the introduction, suspension, withdrawal or cancellation of, or change in, or change in the official interpretation, administration or official application of, any law, regulation having the force of law, tax treaty or any published practice or published concession of any relevant taxing authority in any jurisdiction with which the relevant Lender has a connection, occurring after the Signing Date or, if later, the date on which that Lender becomes a Party).

(b) A Treaty Lender shall:
   (i) promptly and, in any event, within seven Business Days after it becomes a Lender, deliver to its local revenue authority for certification such UK HMRC forms ("Claim Forms") as may be required for any Obligor making a payment to such Treaty Lender to obtain authorisation.
from the UK HMRC to make such payment without deduction for or on account of any taxes;

(ii) in circumstances where the procedure for Treaty relief contemplated in (i) above requires a local revenue authority to return a certified Claim Form to the Treaty Lender for submission by that Treaty Lender to the UK HMRC, (a) take all reasonable follow up action available to the Treaty Lender to facilitate the return in a timely manner to the Treaty Lender of such Claim Form, duly stamped or certified by the relevant revenue authority and (b) submit such Claim Form to the UK HMRC as soon as reasonably practicable (and in any event within seven Business Days) after receipt of that Claim Form from the local revenue authority; and

(iii) in all other circumstances relating to the Treaty relief procedure contemplated in (i) above, following the submission of Claim Forms by the Treaty Lender to the relevant local revenue authority, respond promptly to any further requests any Treaty Lender receives from the relevant local revenue authority and, on receipt of written request from Vodafone to do so, take all reasonable follow up action to facilitate the submission by the relevant local revenue authority of duly stamped or certified Claim Forms to the UK HMRC in a timely manner.

If there is any change in the procedure by which certification is to be made or to be notified to the UK HMRC, the Treaty Lender’s obligations shall be modified in such manner as the Treaty Lender may reasonably determine so that such amended obligations shall, as far as possible, have the same or equivalent effect as the original obligations. No Obligor resident in the UK shall be liable to pay any sums to any Treaty Lender under Clause 10.1 (Gross-up) or Clause 10.2 (Indemnity) unless the Treaty Lender has complied with its obligations under this Clause 10.4(b).

(c) Subject to (d) below, each Lender warrants to Vodafone, on each date upon which it makes an Advance and on the due date for each payment of interest to the Lender:

(i) that it is a Qualifying Lender; and

(ii) if it is a Treaty Lender, it has delivered (or will deliver within the time limits specified herein) the forms described in paragraph (b).

(d) If a Lender or, as the case may be, the Facility Office of a Lender is aware that it is or will become unable to make the warranty set out in paragraph (c) of this Clause 10.4 it will promptly notify the Agent and Vodafone. Notwithstanding such notification to Vodafone, the Agent will promptly notify Vodafone and from the date of the first such notification received by Vodafone the warranty in paragraph (c) above will no longer be made by that Lender.

10.5 U.S. Taxes

(a) A U.S. Tax Obligor shall not be required to pay any amount pursuant to Clause 10.1 (Gross-up) or any amount pursuant to Clause 10.2 (Indemnity) in respect of Relevant Tax imposed by the United States (including, without limitation, federal, state, local or other income taxes, branch profits or franchise taxes “U.S. Taxes”) with respect to a sum payable by it pursuant to this Agreement to a Lender if on the date a payment of interest falls due under this Agreement either:

(i) in the case of a Lender which is not a United States person (as such term is defined in Section 7701(a)(30) of the U.S. Code), such Lender is not entitled to receive interest payable under this Agreement free and clear of any U.S. Taxes imposed by way of deduction or withholding at the source under applicable law as in effect on the date such Lender becomes a party to this Agreement or, if such Lender has designated a new Facility Office, the date of such designation; or
such Lender has failed to provide the relevant U.S. Tax Obligor with the appropriate form, certificate or other information with respect to such sum payable that it was required to provide pursuant to paragraphs (b) and (c) below; or

such Lender is subject to such tax by reason of any connection between the Lender or its Facility Office and the jurisdiction imposing such tax on the Lender or its Facility Office other than a connection arising solely from this Agreement or any transaction contemplated hereby.

At any time after a U.S. Tax Obligor becomes (and while there continues to be a U.S. Tax Obligor) a Party to this Agreement, if a Lender is not a United States person (as such term is defined in Section 7701(a)(30) of the U.S. Code) it shall submit, as soon as reasonably practicable after:

(i) the date on which the U.S. Tax Obligor becomes a Party to this Agreement (if requested by the relevant U.S. Tax Obligor);

(ii) the date on which the relevant Lender becomes a Party to this Agreement; or

(iii) the date on which the relevant Lender designates a new Facility Office,

(b) At any time after a U.S. Tax Obligor becomes (and while there continues to be a U.S. Tax Obligor) a Party to this Agreement, if a Lender is a United States person (as such term is defined in Section 7701(a)(30) of the U.S. Code) it shall, as soon as practicable after:

(i) the date on which the U.S. Tax Obligor becomes a Party to this Agreement (if requested by the relevant U.S. Tax Obligor);

(ii) the date on which the relevant Lender becomes a Party to this Agreement; or

(iii) the date on which the relevant Lender designates a new Facility Office,

(but, in each case, no later than the due date for the next interest payment), in duplicate to each U.S. Tax Obligor duly completed and signed originals of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI or applicable successor form relating to such Lender and evidencing such Lender’s complete exemption from withholding on all amounts (to which such withholding would otherwise apply) to be received by such Lender, including fees, pursuant to this Agreement in connection with any borrowing by a U.S. Tax Obligor. Thereafter such Lender shall submit to each U.S. Tax Obligor such additional duly completed and signed originals of one or the other such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxation authorities) or any additional information, in each case as may be required under then current United States law or regulations to claim the inapplicability of or exemption from United States withholding taxes on payments in respect of all amounts (to which such withholding would otherwise apply) to be received by such Lender, including fees, pursuant to this Agreement in connection with any borrowing by a U.S. Tax Obligor unless such Lender is unable to do so as a result of a change in, the introduction of, suspension, withdrawal or cancellation of, or change in the official interpretation, administration or official application of, the U.S. Code or any regulation promulgated thereunder or of a convention or agreement for the avoidance of double taxation and the prevention of fiscal evasion between the government of the United States of America and the jurisdiction in which the relevant Lender has a connection, occurring after the date the Lender becomes a Party to this Agreement or, if such Lender has designated a new Facility Office, the date of such designation.

At any time after a U.S. Tax Obligor becomes (and while there continues to be a U.S. Tax Obligor) a Party to this Agreement, if a Lender is a United States person (as such term is defined in Section 7701(a)(30) of the U.S. Code) it shall, as soon as practicable after:

(i) the date on which the U.S. Tax Obligor becomes a Party to this Agreement (if requested by the relevant U.S. Tax Obligor);

(ii) the date on which the relevant Lender becomes a Party to this Agreement; or

(iii) the date on which the relevant Lender designates a new Facility Office,

(but, in each case, no later than the due date for the next interest payment), and thereafter, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form or forms to be delivered, submit in duplicate to each U.S. Tax Obligor a duly completed and signed United States Internal Revenue form W-9 evidencing that
such Lender is such a United States person and shall submit any additional information that may be necessary to avoid United States withholding taxes on all payments, including fees, (to which such withholding would otherwise apply) to be received pursuant to this Agreement in connection with any borrowing by a U.S. Tax Obligor.

10.6 Refund of Tax Credits

If any Obligor pays any amount to a Finance Party under this Clause 10 (a “Tax Payment”) and that Finance Party obtains a refund of a tax, or a credit against tax by reason of either the circumstances giving rise to the Obligor’s obligation to make the Tax Payment or that Tax Payment (a “Tax Credit”) then that Finance Party shall reimburse that Obligor such amount, which that Finance Party determines in good faith, as can be determined to be the proportion of the Tax Credit as will leave that Finance Party (after that reimbursement) in no better or worse position than it would have been in if the Tax Payment had not been paid. Nothing in this Clause 10 shall interfere with the right of each Finance Party to arrange its affairs in whatever manner it thinks fit and no Finance Party is obliged to disclose any information regarding its tax affairs or computations to an Obligor which it reasonably considers confidential.

11. MARKET DISRUPTION

11.1 Market disturbance

Notwithstanding anything to the contrary herein contained, if and each time that prior to or on a Drawdown Date relative to an Advance (other than, in the case of paragraphs (a), (b)(ii) or (c) below, a Swingline Advance) to be made:

(a) only one or no Reference Bank supplies a rate for the purposes of determining EURIBOR or LIBOR (as the case may be) in accordance with paragraph (b) of the relevant definition; or

(b) the Agent is notified by Lenders whose participations in that Advance would represent 50 per cent. or more of that Advance that (i) deposits in the currency of that Advance may not in the ordinary course of business be available to them in the relevant interbank market for a period equal to the Term concerned in amounts sufficient to fund their participations in that Advance or (ii) EURIBOR or LIBOR (as the case may be) does not adequately represent their cost of funds; or

(c) the Agent (after consultation with the Reference Banks) shall have determined (which determination shall be conclusive and binding upon all Parties) that by reason of circumstances affecting the relevant interbank market generally, adequate and fair means do not exist for ascertaining the EURIBOR or LIBOR (as the case may be) applicable to such Advance during its Term, the Agent shall promptly give written notice of such determination or notification to Vodafone and to each of the Lenders.

11.2 Alternative rates

If the Agent gives a notice under Clause 11.1 (Market disturbance):

(a) Vodafone and the Lenders whose participations in the relevant Advance would represent 50 per cent. or more of that Advance may (through the Agent) agree that (except in the case of a Rollover Advance) that Advance shall not be borrowed; or

(b) in the absence of such agreement by the Drawdown Date specified in the relevant Request (and in any event in the case of a Rollover Advance):

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the Term of the relevant Advance shall be one month;

(ii) the Advance shall be made in the currency requested or, in the case of Clause 11.1(b)(i) (Market disturbance), in euro (or, if the currency requested for the relevant Advance is euro, U.S. Dollars); and

(iii) during the Term of the relevant Advance the rate of interest applicable to such Advance shall be the Margin plus applicable Reserve Asset Costs plus the rate per annum notified by each Lender concerned to the Agent before the last day of such Term to be that which expresses as a percentage rate per annum the cost to such Lender of funding its participation in such Advance from whatever sources it may reasonably select.

12. INCREASED COSTS

12.1 Increased costs

(a) Subject to Clause 12.2 (Exceptions), Vodafone will forthwith on demand by a Finance Party pay that Finance Party the amount of any increased cost incurred by it or any of its Holding Companies as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) of any law or regulation (including any relating to reserve asset, special deposit, cash ratio, liquidity or capital adequacy requirements or any other form of banking or monetary control) or (ii) compliance with any law or regulation made after the date of this Agreement.

(b) Promptly following the service of any demand, Vodafone will pay to that Finance Party such amount as that Finance Party certifies in the demand (with sufficient details for the calculations to be verified) will in its reasonable opinion compensate it for the applicable increased cost and in relation to the period expressed to be covered by such demand.

(c) When calculating an increased cost, a Finance Party will only apply the costs incurred in relation to the Facilities. Nothing contained in this Clause 12.1 shall oblige the Finance Party to disclose any information (other than information which is readily available in the public domain or which is not in the reasonable opinion of the Finance Party confidential) relating to the way in which it employs its capital or arranges its internal financial affairs.

(d) In this Agreement “increased cost” means:

(i) an additional cost incurred by a Finance Party or any of its Holding Companies as a result of it performing, maintaining or funding its obligations under, this Agreement; or

(ii) that portion of an additional cost incurred by a Finance Party or any of its Holding Companies in making, funding or maintaining all or any advances comprised in a class of advances formed by or including its participations in the Advances made or to be made under this Agreement as is attributable to it making, funding or maintaining its participations; or

(iii) a reduction in any amount payable to a Finance Party or the effective return to a Finance Party under this Agreement or on its capital (or the capital of any of its Holding Companies); or

(iv) the amount of any payment made by a Finance Party, or the amount of interest or other return foregone by a Finance Party, calculated by reference to any amount received or receivable by a Finance Party from any other Party under this Agreement.
12.2 Exceptions

Clause 12.1 (Increased costs) does not apply to any increased cost:

(a) compensated for by the payment of the Reserve Asset Costs; or
(b) attributable to any tax or amounts in respect of tax; or
(c) occurring as a result of any negligence or default by a Lender or its Holding Company relating to a breach of any law or regulation including but not limited to a breach by that Lender or Holding Company of any fiscal, monetary or capital adequacy limit imposed on it by any law or regulation; or
(d) to the extent that the increased cost was incurred in respect of any day more than six months before the first date on which it was reasonably practicable to notify Vodafone thereof (except in the case of any retrospective change); or
(e) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (“Basel II”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates). For the avoidance of doubt, the foregoing shall not apply to any amendments, supplements, restatements or changes to Basel II.

13. ILLEGALITY AND MITIGATION

13.1 Illegality

If it becomes unlawful in any jurisdiction for a Lender to give effect to any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Advance, then the Lender may notify Vodafone through the Agent accordingly and thereupon, but only to the extent necessary to remove the illegality:

(a) each Borrower shall, upon request from that Lender within the period allowed or if no period is allowed, forthwith, repay any participation of that Lender in the Advances made to it together with all other amounts payable by it to that Lender under this Agreement; and
(b) the Lender’s Commitments shall be cancelled immediately.

13.2 Mitigation

Notwithstanding the provisions of Clauses 8.1 (Interest rate for all Advances), 10 (Taxes), 12 (Increased Costs) and 13.1 (Illegality), if in relation to a Finance Party circumstances arise which would result in:

(a) a payment pursuant to paragraph (b) of the definition of Reserve Asset Costs; or
(b) any deduction, withholding or payment of the nature referred to in Clause 10 (Taxes); or
(c) any increased cost of the nature referred to in Clause 12 (Increased Costs); or
(d) a notification pursuant to Clause 13.1 (Illegality),

then without in any way limiting, reducing or otherwise qualifying the rights of such Finance Party or the Agent, such Finance Party shall promptly upon becoming aware of the same notify the Agent.
of the results set out in (a), (b), (c), or (d) above and shall otherwise take such reasonable steps as may be open to it to mitigate the effects of such circumstances provided that such Finance Party shall not be under any obligation to take any such action if, in its opinion, to do so would or would be likely to have a material adverse effect upon its business, operations or financial condition or would involve it in any unlawful activity or any activity that is contrary to its policies or any request, guidance or directive of any competent authority (whether or not having the force of law) or (unless indemnified to its satisfaction) would involve it in any significant expense or tax disadvantage.

14. GUARANTEE

14.1 Guarantee

Each Guarantor jointly and severally, irrevocably and unconditionally:

(a) as principal obligor, guarantees to each Finance Party that if and whenever:

(i) an amount is due and payable by a Borrower under or in connection with any Finance Document; and

(ii) demand for payment of that amount has been made by the Agent on that Borrower,

that Guarantor will forthwith on demand by the Agent pay that amount as if that Guarantor instead of that Borrower were expressed to be the principal obligor; and

(b) indemnifies each Finance Party on demand against any loss or liability suffered by it if any obligation guaranteed by any Guarantor is or becomes unenforceable, invalid or illegal (the amount of that loss being the amount expressed to be payable by the relevant Borrower in respect of the relevant sum).

14.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by the Borrowers under the Finance Documents, regardless of any intermediate payment or discharge in part.

14.3 Reinstatement

(a) Where any discharge (whether in respect of the obligations of any Borrower or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Guarantors under this Clause 14 shall continue as if the discharge or arrangement had not occurred (but only to the extent that such payment, security or other disposition is avoided or restored).

(b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

14.4 Waiver of defences

The obligations of each Guarantor under this Clause 14 will not be affected by any act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations
under this Clause 14 or prejudice or diminish those obligations in whole or in part, including (whether or not known to it or any Finance Party):

(a) any time or waiver granted to, or composition with, any Borrower or other person;
(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
(d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of a Borrower or any other person;
(e) any variation (however fundamental) or replacement of a Finance Document so that references to that Finance Document in this Clause 14 shall include each variation or replacement;
(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, to the intent that the Guarantors’ obligations under this Clause 14 shall remain in full force and its guarantee be construed accordingly, as if there were no unenforceability, illegality or invalidity; and
(g) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any Borrower under a Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall, for the purposes of the Guarantors’ obligations under this Clause 14, be construed as if there were no such circumstance.

14.5 Immediate recourse

Except as provided in Clause 14.1(a)(ii) (Guarantee), each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 14.

14.6 Appropriations

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
(b) hold in a suspense account (bearing interest at a commercial rate) any moneys received from any Guarantor or on account of that Guarantor’s liability under this Clause 14, with any interest earned being credited to that account.
14.7 Non-competition

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been paid in full, no Guarantor shall, after a claim has been made or by virtue of any payment or performance by it under this Clause 14:

(a) be subrogated to any rights, security or moneys held, received or receivable by any Finance Party (or any trustee or agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Guarantor’s liability under this Clause 14; or

(b) claim, rank, prove or vote as a creditor of any Borrower or its estate in competition with any Finance Party (or any trustee or agent on its behalf); or

(c) receive, claim or have the benefit of any payment, distribution or security from or on account of any Borrower, or exercise any right of set-off as against any Borrower.

Each Guarantor shall hold in trust for and forthwith pay or transfer to the Agent for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause 14.7.

14.8 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other security now or hereafter held by any Finance Party.

14.9 Removal of Guarantors

(a) Any Guarantor (other than, Vodafone (subject to Clause 14.9(b) below) and, following the Reorganisation Date, NewTopco and any Intermediate Holding Company (subject to Clause 14.9(c) below) of Vodafone) which is not a Borrower, may, at the request of Vodafone and if no Default is continuing, cease to be a Guarantor by entering into a supplemental agreement to this Agreement at the cost of Vodafone in such form as the Agent may reasonably require which shall discharge that Guarantor’s obligations as a Guarantor under this Agreement.

(b) If on the Reorganisation Date, NewTopco or any Intermediate Holding Company have acceded as Guarantors in accordance with Clause 26.7 (Additional Guarantors) and no Default is continuing or would result from Vodafone’s resignation as a Guarantor, Vodafone may cease to be a Guarantor with effect from the Reorganisation Date by entering into a supplemental agreement to this Agreement at the cost of Vodafone or NewTopco in such form as the Agent may reasonably require which shall discharge Vodafone’s obligations as a Guarantor under this Agreement.

(c) If NewTopco has acceded as a Guarantor in accordance with Clause 26.7 (Additional Guarantors) and no Default is continuing or would result from Intermediate Holding Company’s resignation as a Guarantor, Intermediate Holding Company may cease to be a Guarantor by entering into a supplemental agreement to this Agreement at the cost of Vodafone or NewTopco in such form as the Agent may reasonably require which shall discharge Intermediate Holding Company’s obligation as a Guarantor under this Agreement.

14.10 Limitation on guarantee of U.S. Guarantors

Notwithstanding any other provision of this Clause 14, the obligations of each Guarantor incorporated in the United States (other than NewTopco and any Intermediate Holding Company, to the extent incorporated in the United States) (a “U.S. Guarantor”) under this Clause 14 shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Bankruptcy Code or any applicable provisions of comparable state
law (collectively, the “Fraudulent Transfer Laws”), in each case after giving effect to all other liabilities of such U.S. Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such U.S. Guarantor in respect of intercompany indebtedness to the Borrowers or Affiliates of the Borrowers to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such U.S. Guarantor hereunder) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such U.S. Guarantor pursuant to (a) applicable law or (b) any agreement providing for an equitable allocation among such U.S. Guarantor and other Affiliates of the Borrowers of obligations arising under guarantees by such parties.

15. REPRESENTATIONS AND WARRANTIES

15.1 Representations and warranties

Each Obligor makes the representations and warranties set out in this Clause 15 to each Finance Party (in respect of itself and where relevant its Controlled Subsidiaries only).

15.2 Status

(a) It is a duly incorporated and validly existing corporation under the laws of the jurisdiction of its incorporation.

(b) Except to the extent specified in the applicable Borrower Accession Agreement or Guarantor Accession Agreement, each Obligor is classified as a corporation for U.S. federal income tax purposes.

15.3 Powers and authority

It has the power to:

(a) enter into and comply with, all obligations expressed on its part under the Finance Documents;

(b) (in the case of a Borrower) to borrow under this Agreement; and

(c) (in the case of a Guarantor) to give the guarantee in Clause 14 (Guarantee),

and has taken all necessary actions to authorise the execution, delivery and performance of the Finance Documents.

15.4 Non-violation

The execution, delivery and performance of the Finance Documents will not violate:

(a) any provisions of any existing law or regulation or statute applicable to it; or

(b) to any material extent, any provisions of any mortgage, contract or other undertaking to which it or any of its Controlled Subsidiaries which is a member of the Restricted Group is a party or which is binding upon it or any of its Controlled Subsidiaries which is a member of the Restricted Group, the consequences of which would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their material obligations under the Finance Documents.
15.5 Borrowing limits
Borrowings under this Agreement up to and including the maximum amount available under this Agreement, together with borrowings under the 2012 Facility up to and including the maximum amount available under the 2012 Facility, will not cause any limit (except to the extent the limit has been waived) on borrowings or, as the case may be, on the giving of guarantees (whether imposed in its Articles of Association or otherwise), or on the powers of its board of directors, applicable to it to be exceeded.

15.6 Authorisations
All necessary consents or authorisations of any governmental authority or agency required by it in connection with the execution, validity, performance or enforceability of the Finance Documents have been obtained and are validly existing.

15.7 No default
Neither it nor any of its Controlled Subsidiaries which is a member of the Restricted Group is in default under any law or agreement by which it is bound the consequences of which would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

15.8 Accounts
The audited consolidated financial statements of Vodafone (or, following a Hive Up, NewTopco) most recently delivered to the Agent (which, at the date of this Agreement are the audited consolidated accounts of Vodafone for the year ended 31 March 2010):
(a) give a true and fair view of the consolidated financial position of Vodafone (or, following a Hive Up, NewTopco) as at the date to which they were drawn up; and
(b) have been prepared in accordance with generally accepted accounting principles applied by Vodafone (or, following a Hive Up, NewTopco) at such time, consistently applied except for changes disclosed in such financial statements which are necessary to reflect a change in generally accepted accounting principles or the adoption of international finance reporting standards.

15.9 No Event of Default
No Event of Default has occurred and is continuing in respect of it or any of its Subsidiaries which is a member of the Restricted Group.

15.10 Investment Company
Each Borrower which is a U.S. Obligor either (i) is not an investment company as defined under United States Investment Company Act of 1940, as amended, or (ii) is exempt from the registration provisions of the Act pursuant to an exemption under that Act.

15.11 ERISA
(a) Each member of the Controlled USA Group has fulfilled its obligations under the minimum funding standards of ERISA and the U.S. Code with respect to each Plan maintained by such member or any member of the Controlled USA Group where non-fulfilment of such obligations would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.
(b) Each Obligor is in compliance with the applicable provisions of ERISA, the U.S. Code and any other applicable United States Federal or State law with respect to each Plan maintained by such Obligor where non-fulfilment of or non-compliance with such provisions would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

(c) No Reportable Event has occurred with respect to any Plan maintained by an Obligor or any member of the Controlled USA Group and no steps have been taken to reorganise or terminate any Single Employer Plan or by that Obligor to effect a complete or partial withdrawal from any Multi-employer Plan where non-compliance or such Reportable Event, reorganisation, termination or withdrawal would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

(d) No member of the Controlled USA Group has:

(i) sought a waiver of the minimum funding standard under Section 412 of the U.S. Code in respect of any Plan; or

(ii) failed to make any contribution or payment to any Single Employer Plan or Multi-employer Plan, or made any amendment to any Plan, and no other event, transaction or condition has occurred which has resulted or would result in the imposition of a lien or the posting of a bond or other security under ERISA or the U.S. Code; or

(iii) incurred any material, actual liability under Title I or Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA,

if such seeking, failure or incurrence would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

15.12 Anti-Terrorism Laws

(a) In this Clause,

Anti-Terrorism Law means each of:

(i) Executive Order No. 13224 on Terrorist Financing: Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism issued September 23, 2001, as amended by Order 13268 (as so amended, the Executive Order);

(ii) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (commonly known as the USA Patriot Act) (the USA Patriot Act);

(iii) the Money Laundering Control Act of 1986, 18 U.S.C. sect. 1956; and

(iv) any similar law enacted in the United States of America subsequent to the date of this Agreement.

Restricted Party means any person listed:

(i) in the Annex to the Executive Order;

(ii) on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury; or

(iii) in any successor list to either of the foregoing.
(b) No U.S. Obligor or any of its Subsidiaries:
   (i) is, or is controlled by, a Restricted Party;
   (ii) to the best of its knowledge, has received funds or other property from a Restricted Party; or
   (iii) to the best of its knowledge, is in breach of or is the subject of any action or investigation under any Anti-Terrorism Law.

(c) Each U.S. Obligor and each of its Subsidiaries have taken reasonable measures to ensure compliance with the Anti-Terrorism Laws.

15.13 Times for making representations and warranties

(a) The representations and warranties set out in this Clause 15 (excluding Clause 15.10 (Investment Company) to Clause 15.12 (Anti-Terrorism Laws) (inclusive)):
   (i) are made by Vodafone on the Signing Date and, in the case of an Obligor which becomes a Party after the Signing Date, will be deemed to be made by that Obligor on the date it executes a Borrower Accession Agreement or Guarantor Accession Agreement; and
   (ii) are deemed to be made again by each Obligor on the date of each Request and on each Drawdown Date with reference to the facts and circumstances then existing.

(b) The representation and warranties set out in Clause 15.10 (Investment Company), 15.11 (ERISA) and 15.12 (Anti-Terrorism Laws):
   (i) are made by Vodafone on the date on which the first U.S. Obligor executes a Borrower Accession Agreement or a Guarantor Accession Agreement as the case may be;
   (ii) are deemed to be made by each Obligor which becomes a party after the Signing Date on the date it executes a Borrower Accession Agreement or Guarantor Accession Agreement, provided that there is a U.S. Obligor;
   (iii) are deemed to be made again by each Obligor on the date of each Request and on each Drawdown Date with reference to the facts and circumstances then existing, provided that there is a U.S. Obligor.

16. UNDERTAKINGS

16.1 Duration
The undertakings in this Clause 16 will remain in force from the Signing Date for so long as any amount is or may be outstanding under this Agreement or any Commitment is in force.

16.2 Financial information
(a) Vodafone shall supply to the Agent:
   (i) as soon as the same are publicly available (and in any event within 180 days of the end of each of its financial years):
      (A) the audited consolidated financial statements of the Consolidated Group for that financial year; and

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(B) (if published) each other Obligor’s audited statutory accounts for that financial year, consolidated if that Obligor has Subsidiaries and consolidated accounts are prepared and published;

(ii) as soon as the same are publicly available (and in any event within 90 days of the end of the first half-year of each of its financial years) the interim unaudited financial statements of the Consolidated Group for that half-year;

(iii) within 20 days of the day on which the accounts referred to in paragraph (i) (A) or (ii) above are posted on Vodafone’s website in accordance with paragraph (b) below (provided that it shall not be a Default under this Clause 16.2 unless Vodafone fails to so supply within 10 days of written request by the Agent (on its own accord or at the request of a Lender) made at any time following the date of such posting) a certificate signed by a Vodafone authorised officer (or following a Hive Up, a NewTopco authorised officer), or in their absence any director of Vodafone or NewTopco, as the case may be, establishing (in reasonable detail) compliance with Clauses 16.8 (Priority borrowing) and 17 (Financial Covenant) as at the date to which those accounts were drawn up and identifying the Principal Subsidiaries and the operating Subsidiaries which are Controlled Subsidiaries; and

(iv) if, after the date of the most recent certificate delivered pursuant to paragraph (iii) above and prior to the date that the next certificate is required to be delivered, a Principal Subsidiary ceases to be Principal Subsidiary as a result of (A) a sale or transfer to or a merger into or with an entity which is not a member of the Restricted Group or (B) the acquisition of a new Principal Subsidiary, a certificate signed by a Vodafone authorised officer (or following a Hive Up, a NewTopco authorised officer), or in their absence any director of Vodafone or NewTopco, as the case may be, which identifies the Principal Subsidiary which has ceased to be a Principal Subsidiary and the new Principal Subsidiary.

(b) Reports required to be delivered pursuant to clauses (a)(i) and (a)(ii) above for Vodafone shall be deemed to have been delivered on the date on which Vodafone posts such reports to its website on the Internet at the website address listed for Vodafone in Clause 32.2(d) (Addresses for notices) or another relevant website to which the Agent and the Lenders have access and such posting shall be deemed to satisfy the reporting requirements of clauses (a)(i) and (a)(ii) above. The Borrower shall provide paper copies of the deliverables required by clauses (a)(iii) and (a)(iv) above to the Agent (in sufficient copies for all the Lenders if the Agent so requests).

16.3 Information — miscellaneous

Vodafone shall supply to the Agent:

(a) all documents despatched by the ultimate Holding Company of the Controlled Group to its shareholders (or any class of them) or by Vodafone or such ultimate Holding Company to the creditors of the Controlled Group generally (or any class of them) at the same time as they are despatched; and

(b) as soon as reasonably practicable, such further publicly available information (including that required to comply with “know your customer” or similar identification procedures) in the possession or control of any member of the Controlled Group regarding the business, financial or corporate affairs of the Controlled Group, as the Agent may reasonably request.

16.4 Notification of Default

Vodafone shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of it.
16.5 Authorisations
Each Obligor shall promptly:
(a) obtain, maintain and comply in all material respects with the terms of; and
(b) if requested, supply certified copies to the Agent of,
any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, any Finance Document.

16.6 Pari passu ranking
Each Obligor will procure that its obligations under the Finance Documents do and will rank at least pari passu with all its other present and future unsecured and unsubordinated obligations (save for those obligations mandatorily preferred by applicable law).

16.7 Negative pledge
No Obligor will, and each Obligor will procure that none of its Subsidiaries which is a member of the Restricted Group will, create or permit to subsist any Security Interest on or over any of its assets except for any Permitted Security Interest.

16.8 Priority borrowing
Each Obligor will procure that none of its Subsidiaries (which is a member of the Restricted Group and which is not a Guarantor) will create, assume, incur, guarantee, permit to subsist or otherwise be liable in respect of any Financial Indebtedness owed to persons outside the Restricted Group except for:
(a) Financial Indebtedness of any Subsidiary which became a member of the Restricted Group after 1 May 2010 (unless it became a member of the Restricted Group due to the expansion of the definition of Core Jurisdiction to include members of the European Union after 1 May 2010) provided that:
   (i) any such Financial Indebtedness is either (A) outstanding before that Subsidiary becomes a member of the Restricted Group and was not created in contemplation of that Subsidiary becoming a member of the Restricted Group and/or (B) drawn at any time under commitments in existence before that Subsidiary becomes a member of the Restricted Group (“Existing Commitment”) and that commitment was not created in contemplation of that Subsidiary becoming a member of the Restricted Group and/or (C) drawn at any time under commitments (“New Commitments”) which have refinanced Existing Commitments in whole or in part, to the extent that any such New Commitments do not exceed the Existing Commitments, and provided that to the extent that any New Commitment is to be guaranteed by an Obligor, the obligors under the New Commitments will have validly and legally acceded as Additional Guarantors in accordance with Clause 26.7(a) and 26.7(b) (Additional Guarantors)) prior to any Obligor providing a guarantee of the New Commitments; and
   (ii) to the extent that the aggregate principal amount of such Financial Indebtedness exceeds the amounts calculated under paragraph 16.8(a)(i) above upon that Subsidiary becoming a member of the Restricted Group (measured in the same currency), the excess amount of such Financial Indebtedness shall not fall within this paragraph (a); or
(b) Financial Indebtedness under finance or structured tax lease arrangements (including, but not limited to qualifying technological equipment leases) to the extent matched as part of those arrangements by deposits of cash or cash equivalent investments (including, but not limited to securities issued by G7 governments) or other securities rated at least A by S&P or A2 by Moody’s or A by Fitch which are treated by the creditor concerned as available to reduce its net exposure; or

(c) Financial Indebtedness which is created with the prior written consent of the Majority Lenders; or

(d) Financial Indebtedness to the extent matched by cash balances or cash equivalent investments (including, but not limited to securities issued by G7 governments) or other securities rated at least A by S&P or A2 by Moody’s or A by Fitch, held by members of the Restricted Group which are treated as available for netting by the creditors to whom that Financial Indebtedness is owed under cash management or netting arrangements in the ordinary course of business; or

(e) Financial Indebtedness under any finance lease or structured tax lease arrangements (including, but not limited to qualifying technological equipment leases) entered into in respect of assets which were or are acquired or become part of the Restricted Group after 31 March 2010; or

(f) Financial Indebtedness under or in connection with any other finance lease entered into in respect of existing assets or future assets (to the extent they are subject to Security Interests contemplated under paragraph (j) of the definition of Permitted Security Interests); or

(g) Financial Indebtedness under Back to Back Loans; or

(h) Financial Indebtedness of any member of the Restricted Group which operates as a finance company to the extent that any such Financial Indebtedness is on-lent to an Obligor or to a member of the Controlled Group outside the Restricted Group; or

(i) Financial Indebtedness in relation to bonds and preference shares as set out in Schedule 8 (Fixed Rate Bonds and Preference Shares); or

(j) Financial Indebtedness that has been defeased to the extent that it is subject to Security Interests contemplated under paragraph (u) of the definition of Permitted Security Interests; or

(k) Financial Indebtedness incurred solely in contemplation of an initial public offering or other disposal of the companies or partnerships incurring such Financial Indebtedness, to the extent that (i) the aggregate principal amount of such Financial Indebtedness does not exceed U.S.$5,000,000,000 (or its equivalent in other currencies) whilst such Financial Indebtedness is owed by a member of the Restricted Group; and (ii) the creditors in respect of such Financial Indebtedness have recourse for no more than ninety days to any member of the Controlled Group which is or whose assets are not intended to be subject to the initial public offering or disposal; or

(l) Project Finance Indebtedness; or

(m) Financial Indebtedness owed to persons outside the Restricted Group under guarantees or other legally binding assurances against financial loss granted by Vodafone Deutschland GmbH or any of its Subsidiaries in respect of any asset, undertaking or business not forming part of the mobile or wireless telecommunications business of the Restricted Group; or

(n) Financial Indebtedness under this Agreement; or
(o) any liability of a Subsidiary in respect of Financial Indebtedness incurred in connection with the Verizon Wireless partnership provided that:

(i) that Subsidiary has no assets other than (1) its interests in or derived from the Verizon Wireless partnership and (2) other assets with an aggregate market value not exceeding U.S.$3,000,000,000 at any time and (3) other assets with an aggregate market value not exceeding U.S.$4,500,000,000 at any time provided that if such assets are lent within the Restricted Group they are only lent to an Obligor; and

(ii) the person or persons to whom such Financial Indebtedness is or may be owed has or have no recourse whatsoever to any member of the Group for any payment or repayment in respect of such Financial Indebtedness (other than to that Subsidiary); or

(p) other Financial Indebtedness to the extent that the sum of:

(i) the aggregate unpaid principal amount of the Financial Indebtedness of all the members of the Restricted Group which are not Guarantors and owed to persons outside the Restricted Group (other than Financial Indebtedness under paragraphs (a) to (o) above inclusive); plus

(ii) the aggregate unpaid principal amount of Financial Indebtedness secured by Security Interests referred to in paragraph (v) of the definition of Permitted Security Interest (to the extent not falling within (i) above),

does not exceed €3,500,000,000 or its equivalent in other currencies.

Compliance with this Clause 16.8 will be tested on the last day of each financial half year. For the purposes of paragraph (p) above, Financial Indebtedness of the Restricted Group not denominated in (or which has not been swapped into) Sterling shall be notionally converted (from the currency in which it is denominated or, as the case may be, into which it has been swapped) to Sterling at the rate of exchange used in the management accounts of the relevant Obligor for that relevant financial quarter.

16.9 Disposals

No Obligor will, and each Obligor will procure that none of its Subsidiaries which is a member of the Restricted Group will, either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, make any Asset Disposals other than:

(a) Asset Disposals:

(i) on arm’s length terms which are, in the opinion of an Obligor, at fair market value; or

(ii) required by law or any governmental authority or agency (including without limitation any authority or agency of the European Union); or

(iii) made in good faith for the purpose of carrying on the business of the Controlled Group which it is reasonable to believe will benefit the Controlled Group; and

(b) a transfer of all or any part of the assets of the Controlled Group to NewTopco and/or any Intermediate Holding Company of Vodafone.
16.10 Restriction on Acquisitions

Vodafone will not, and will procure that no member of the Controlled Group will, make any Acquisition unless the major part of the Controlled Group’s business remains telecommunications, data communications and associated businesses.

16.11 Margin Stock

(a) In this Clause,

Margin Regulations means Regulations T, U and X issued by the Board of Governors of the United States Federal Reserve System.

Margin Stock means “margin stock” or “margin securities” as defined in the Margin Regulations.

(b) No Obligor may:

(i) extend credit for the purpose, directly or indirectly, of buying or carrying Margin Stock; or

(ii) use any Advance, directly or indirectly, to buy or carry Margin Stock or for any other purpose in violation of the Margin Regulations.

17. FINANCIAL COVENANT

17.1 Financial ratio

(a) Vodafone will, subject to sub-clause (c) below, procure that for each Ratio Period the ratio of Net Debt of the Consolidated Group to two times Adjusted Group Operating Cash Flow for such Ratio Period will not exceed 3.75:1.

(b) If the ratio in paragraph (a) above exceeds 3.25:1 Vodafone will re-calculate the financial ratio for such Ratio Period substituting the words “Controlled Group” for the words “Consolidated Group” in paragraph (a) above and in every definition used to make such calculation and provide the results of such calculation to the Agent, with sufficient copies for each Lender, for their information only.

(c) If the ratio in paragraph (a) above exceeds 3.75:1, but the ratio in paragraph (b) above does not exceed 3.75:1, Vodafone will not be in breach of Clause paragraph (a) above.

(d) Any calculation made in accordance with paragraph (b) above will be accompanied by a statement from Vodafone, or following a Hive Up, NewTopco containing or appending a reconciliation of the differences between the tests and ratios under paragraph (a) above and paragraph (b) above.

17.2 Calculation times and periods

(a) The first test date for the financial ratio specified in Clause 17.1 (Financial ratio) will occur on 30 September 2010.

(b) Each subsequent test date will be on the last day of each financial half year and year of Vodafone or, following a Hive Up, NewTopco. The financial ratio will be calculated using data for the period (each a “Ratio Period”) ending on each test date and beginning 6 months before the relevant test date.

17.3 Information sources

(a) Subject to adjustments that may be required by the operation of definitions in Clause 17.1 (Financial ratio) all information for calculation of the financial ratios set out in Clause 17.1 (Financial ratio),
Clause 17.1(b) (Financial ratio) and Clause 18.5 (Cross default) will be extracted from figures denominated in the base currency (as defined in paragraph (c) below) used in the preparation of and extracted from:

(i) the unaudited consolidated interim financial statements of Vodafone, or following a Hive Up, NewTopco;
(ii) the consolidated annual financial statements of Vodafone, or following a Hive Up, NewTopco; or
(iii) Vodafone’s, or following a Hive Up, NewTopco’s consolidated management accounts,
as the case may be, which in respect of (i) and (ii) above were delivered to the Agent under sub-clauses 16.2(a)(i)(A) and (ii) of Clause 16.2 (Financial information).

(b) Information from Vodafone’s, or following a Hive Up, NewTopco’s consolidated management accounts will be disclosed only when the relevant interim or annual financial statements and compliance certificates are delivered to the Agent or as required in connection with Clause 18.5(a)(ii) (Cross default).

(c) Any amount outstanding in a currency other than the currency used in the latest consolidated published financial statements (the “base currency”) is to be taken into account at the base currency equivalent of that amount calculated at the rate used in the latest consolidated financial statements delivered to the Agent under Clause 16.2 (Financial information) or the latest consolidated management accounts, as appropriate.

17.4 Know Your Customer
Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

18. DEFAULT

18.1 Events of Default
Each of the events set out in Clauses 18.2 (Non-payment) to 18.15 (United States Bankruptcy Laws) (inclusive) is an Event of Default (whether or not caused by any reason whatsoever outside the control of any Obligor or any other person).

18.2 Non-payment
An Obligor does not pay within four Business Days (the Initial Grace Period) of the due date any amount payable by it under the Finance Documents at the place at, and in the currency in, which it is expressed to be payable unless its failure to pay is caused by:

(a) administrative or technical error and payment is made within a further two Business Days after the expiry of the Initial Grace Period; or
(b) a Disruption Event and payment is made within a further four Business Days after the expiry of the Initial Grace Period.
18.3 Breach of other obligations

(a) Vodafone does not comply with Clause 17 (Financial Covenant).

(b) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in paragraph (a) above or in Clause 18.2 (Non-payment)) and such failure (if capable of remedy before the expiry of such period) continues unremedied for a period of 21 days from the earlier of the date on which (i) such Obligor has become aware of the failure to comply or (ii) the Agent gives notice to Vodafone requiring the same to be remedied.

18.4 Misrepresentation

A representation or warranty made or repeated by any Obligor in any Finance Document is found to be untrue in any respect material in the context of performance of the Finance Documents when made or deemed to have been made.

18.5 Cross default

(a) (i) Any Financial Indebtedness of any Obligor is:

(A) not paid when due or within any originally applicable grace period; or

(B) declared due, or is capable of being declared due, prior to its specified maturity as a result of an event of default (howsoever described) except this paragraph (B) does not apply to:

(1) Financial Indebtedness quoted or listed on a stock exchange; or

(2) Financial Indebtedness of an Obligor arising solely under paragraph (f) of the definition of Financial Indebtedness in Clause 1.1 (Definitions); or

(ii) any Financial Indebtedness of any Principal Subsidiary is:

(A) not paid when due or within any originally applicable grace period; or

(B) declared due prior to its specified maturity as a result of an event of default (howsoever described) and is not paid within three Business Days of being declared due, except this paragraph (ii) only applies if the ratio calculated in accordance with Clause 17.1(a) (Financial ratio) for the most recent Ratio Period is greater than 3.25:1; or

(iii) an Event of Default has occurred under the 2012 Facility and is continuing.

(b) Paragraph (a) above does not apply:

(i) to Project Finance Indebtedness; or

(ii) to Financial Indebtedness which in aggregate is less than £100,000,000 (or equivalent currency); or

(iii) where the payment or occurrence of the event concerned is being contested in good faith; or

(iv) where the default is under a bond and is capable of waiver without bondholder consent; or

(v) to Financial Indebtedness owed to a member of theRestricted Group.
18.6 Winding up

An order is made or an effective resolution is passed for winding up any Obligor or any Principal Subsidiary (except for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Majority Lenders) or a petition is presented (which is not set aside or withdrawn within the earlier of 30 days of its presentation or by not later than the date for the hearing of such petition) for an administration order or for the winding up of any Obligor or any Principal Subsidiary except where demonstrated to the reasonable satisfaction of the Majority Lenders that any such petition is being contested in good faith.

18.7 Insolvency process

(a) A liquidator, administrator, receiver, trustee, sequestrator or similar officer is appointed in respect of all or any part of the assets of any Obligor or any Principal Subsidiary which generates a material part of the revenues of that Obligor or that Principal Subsidiary; or

(b) any Obligor or any Principal Subsidiary, by reason of financial difficulties, enters into a composition, assignment or a moratorium in respect of any indebtedness or arrangement with any class of its creditors.

18.8 Enforcement proceedings

A distress, execution, attachment or other legal process is levied, enforced or sued out upon or against all or any part of the assets of any Obligor or any Principal Subsidiary which generates a material part of the revenues of that Obligor or that Principal Subsidiary except where the same is being contested in good faith or is removed, discharged or paid within 30 days.

18.9 Insolvency

Any Obligor or any Principal Subsidiary is deemed under Section 123(1)(e) or 123(2) of the Insolvency Act 1986 to be unable to pay its debts.

18.10 Similar proceedings

Anything having a substantially similar effect to any of the events specified in Clauses 18.6 (Winding up) to 18.9 (Insolvency) inclusive shall occur under the laws of any applicable jurisdiction in relation to any Obligor or any Principal Subsidiary.

18.11 Unlawfulness

It is or becomes unlawful for any Obligor to perform any of its payment or other material obligations under the Finance Documents.

18.12 Guarantee

The guarantee of any Guarantor under Clause 14 (Guarantee) is not effective or is alleged by an Obligor to be ineffective for any reason (other than by reason of written release or waiver by the Finance Parties or in accordance with Clause 14.9 (Removal of Guarantors)).

18.13 Cessation of business

Any Obligor or any Principal Subsidiary ceases to carry on all or substantially all of its business otherwise than:

(a) as a result of a transfer of all or any part of its business to a member of the Restricted Group or
(b) as a result of a disposal permitted under Clause 16.9 (Disposals); or
(c) with the prior written consent of the Majority Lenders.

18.14 Litigation

Any litigation proceedings are current which are reasonably likely to be adversely determined and which would have a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

18.15 United States Bankruptcy Laws

(a) In this Subclause 18.15 and Subclause 18.16 (Acceleration):

U.S. Bankruptcy Law means the United States Bankruptcy Code or any other United States Federal or State bankruptcy, insolvency or similar law.

U.S. Debtor means an Obligor that is incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia) or that has a place of business or property in the United States of America.

(b) Any of the following occurs in respect of a U.S. Debtor:

(i) it makes a general assignment for the benefit of creditors;
(ii) it commences a voluntary case or proceeding under any U.S. Bankruptcy Law; or
(iii) an involuntary case under any U.S. Bankruptcy Law is commenced against it and is not controverted within 20 days or is not dismissed or stayed within 60 days after commencement of the case; or
(iv) an order for relief or other order approving any case or proceeding is entered under any U.S. Bankruptcy Law.

18.16 Acceleration

(a) On and at any time after the occurrence of an Event of Default while such event is continuing the Agent may, and if so directed by the Majority Lenders, will by notice to Vodafone, declare that an Event of Default has occurred and:

(i) if not already cancelled under paragraph (b) below, cancel the Total Commitments; and/or
(ii) demand that all the Advances, together with accrued interest, and all other amounts accrued under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
(iii) demand that all the Advances be payable on demand, whereupon they shall immediately become payable on demand.

(b) If an Event of Default described in Subclause 18.15 (United States Bankruptcy Laws) occurs, the Commitments which are available to any U.S. Debtor will, if not already cancelled under this Agreement, be immediately and automatically cancelled and all amounts owed by any U.S. Debtor outstanding under the Finance Documents will be immediately and automatically due and payable, without the requirement of notice or any other formality.
19. THE AGENTS AND THE ARRANGERS

19.1 Appointment and duties of the Agents

Each Finance Party (other than the Agent) irrevocably appoints the Agent to act as its agent under and in connection with the Finance Documents and each Swingline Lender appoints the Euro Swingline Agent to act as its agent in relation to the Swingline Facility, and each Finance Party irrevocably authorises the Agent or, as the case may be, the Euro Swingline Agent on its behalf to perform the duties and to exercise the rights, powers and discretions that are specifically delegated to it under or in connection with the Finance Documents, together with any other incidental rights, powers and discretions. The Agent or, as the case may be, the Euro Swingline Agent shall have only those duties which are expressly specified in this Agreement. Those duties are solely of a mechanical and administrative nature.

19.2 Role of the Arrangers

Except as otherwise provided in this Agreement, no Arranger has any obligations of any kind to any other Party under or in connection with any Finance Document.

19.3 Relationship

The relationship between the Agent or, as the case may be, the Euro Swingline Agent and the other Finance Parties is that of agent and principal only. Nothing in this Agreement constitutes the Agent or, as the case may be, the Euro Swingline Agent as trustee or fiduciary for any other Party or any other person and the Agent or, as the case may be, the Euro Swingline Agent need not hold in trust any moneys paid to it for a Party or be liable to account for interest on those moneys.

19.4 Majority Lenders’ directions

(a) The Agent or, as the case may be, the Euro Swingline Agent will be fully protected if it acts in accordance with the instructions of the Majority Lenders in connection with the exercise of any right, power or discretion or any matter not expressly provided for in the Finance Documents. Any such instructions given by the Majority Lenders will be binding on all the Lenders. In the absence of such instructions the Agent or, as the case may be, the Euro Swingline Agent may act as it considers to be in the best interests of all the Lenders.

(b) Neither the Agent nor the Euro Swingline Agent is authorised to act on behalf of a Lender (without first obtaining that Lender’s consent) in any legal or arbitration proceedings relating to any Finance Document.

19.5 Delegation

The Agent or, as the case may be, the Euro Swingline Agent may act under the Finance Documents through its personnel and agents.

19.6 Responsibility for documentation

Neither the Agent, the Euro Swingline Agent nor any Arranger is responsible to any other Party for:

(a) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document by any other Party; or

(b) the collectability of amounts payable under any Finance Document; or

(c) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document by any other Party.
19.7 Default

(a) The Agent or, as the case may be, the Euro Swingline Agent is not obliged to monitor or enquire as to whether or not a Default has occurred. Neither the Agent nor the Euro Swingline Agent will be deemed to have knowledge of the occurrence of a Default. However, if the Agent or, as the case may be, the Euro Swingline Agent receives notice from a Party referring to this Agreement, describing the Default and stating that the event is a Default, it shall promptly notify the Lenders of such notice.

(b) The Agent or, as the case may be, the Euro Swingline Agent may require the receipt of security satisfactory to it whether by way of payment in advance or otherwise, against any liability or loss which it will or may incur in taking any proceedings or action arising out of or in connection with any Finance Document before it commences these proceedings or takes that action.

19.8 Exoneration

(a) Without limiting paragraph (b) below, the Agent or, as the case may be, the Euro Swingline Agent will not be liable to any other Party for any action taken or not taken by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct or breach of any of its obligations under or in connection with the Finance Documents.

(b) No Party may take any proceedings against any officer, employee or agent being an individual of the Agent or, as the case may be, the Euro Swingline Agent in respect of any claim it might have against the Agent or, as the case may be, the Euro Swingline Agent or in respect of any act or omission of any kind (including negligence or wilful misconduct) by that officer, employee or agent in relation to any Finance Document.

(c) Any officer, employee or agent being an individual of the Agent, or as the case may be, the Euro Swingline Agent may rely on paragraph (b) above and enforce its terms under the Contract (Rights of Third Parties) Act 1999.

(d) Nothing in this Agreement shall oblige the Agent or an Arranger to carry out any “know your customer” or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and an Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or an Arranger.

19.9 Reliance

The Agent or, as the case may be, the Euro Swingline Agent may:

(a) rely on any notice or document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;

(b) rely on any statement made by a director or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and

(c) engage, pay for and rely on legal or other professional advisers selected by it (including those in the Agent’s or, as the case may be, the Euro Swingline Agent’s employment and those representing a Party other than the Agent or, as the case may be, the Euro Swingline Agent).
19.10 Credit approval and appraisal
Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms that it:

(a) has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Agent, the Euro Swingline Agent or the Arrangers in connection with any Finance Document; and

(b) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

19.11 Information

(a) The Agent or, as the case may be, the Euro Swingline Agent shall promptly forward to the person concerned the original or a copy of any document which is delivered to the Agent or, as the case may be, the Euro Swingline Agent by a Party for that person.

(b) The Agent shall promptly supply a Lender with a copy of each document received by the Agent under Clauses 4 (Conditions Precedent), 26.7 (Additional Guarantors) or 26.8 (Additional Borrowers) upon the request and at the expense of that Lender.

(c) Except where this Agreement specifically provides otherwise, the Agent or, as the case may be, the Euro Swingline Agent is not obliged to review or check the accuracy or completeness of any document it forwards to another Party.

(d) The Agent shall provide to Vodafone within 5 Business Days of a request by Vodafone (but no more than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made or document to be delivered under or in connection with the Finance Documents), the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

(e) Except as provided above, the Agent or, as the case may be, the Euro Swingline Agent has no duty:

(i) either initially or on a continuing basis to provide any Lender with any credit or other information concerning the financial condition or affairs of any Obligor or any related entity of any Obligor whether coming into its possession or that of any of its related entities before, on or after the Signing Date; or

(ii) unless specifically requested to do so by a Lender in accordance with this Agreement, to request any certificates or other documents from any Obligor.

19.12 The Agent, the Euro Swingline Agent and the Arrangers individually

(a) If it is also a Lender, each of the Agent, the Euro Swingline Agent and the Arrangers has the same rights and powers under this Agreement as any other Lender and may exercise those rights and powers as though it were not the Agent, the Euro Swingline Agent or an Arranger.

(b) Each of the Agent, the Euro Swingline Agent and the Arrangers may:
(i) carry on any business with an Obligor or its related entities;
(ii) act as agent or trustee for, or in relation to any financing involving, an Obligor or its related entities; and
(iii) retain any profits or remuneration in connection with its activities under the Finance Documents, or in relation to any of the foregoing.

19.13 Indemnities

(a) Without limiting the liability of any Obligor under the Finance Documents, each Lender shall forthwith on demand indemnify the Agent or, as the case may be, the Euro Swingline Agent for its proportion of any liability or loss incurred by the Agent or, as the case may be, the Euro Swingline Agent in any way relating to or arising out of its acting as the Agent or, as the case may be, the Euro Swingline Agent, except to the extent that the liability or loss arises directly from the Agent’s or, as the case may be, the Euro Swingline Agent’s negligence or wilful misconduct.

(b) A Lender’s proportion of the liability or loss set out in paragraph (a) above is the proportion which its Commitment bears to the Total Commitments at the date of demand or, if the Total Commitments have been cancelled, bore to the Total Commitments immediately before being cancelled.

19.14 Compliance

(a) The Agent or, as the case may be, the Euro Swingline Agent, may refrain from doing anything which might, in its reasonable opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its reasonable opinion, is necessary or desirable to comply with any law or regulation of any jurisdiction.

(b) Without limiting paragraph (a) above, the Agent or, as the case may be, the Euro Swingline Agent, need not disclose any information relating to any Obligor or any of its related entities if the disclosure might, in the opinion of the Agent or, as the case may be, the Euro Swingline Agent, constitute a breach of any law or regulation or any duty of secrecy or confidentiality or be otherwise actionable at the suit of any person.

19.15 Resignation of the Agent or the Euro Swingline Agent

(a) Notwithstanding its irrevocable appointment, the Agent or, as the case may be, the Euro Swingline Agent, may resign by giving notice to the Lenders and Vodafone, in which case the Agent or, as the case may be, the Euro Swingline Agent, may forthwith appoint one of its Affiliates as successor Agent or, failing that, the Majority Lenders may after consultation with Vodafone appoint a reputable and experienced bank as successor Agent or, as the case may be, successor Euro Swingline Agent.

(b) If the appointment of a successor Agent or, as the case may be, successor Euro Swingline Agent is to be made by the Majority Lenders but they have not, within 30 days after notice of resignation, appointed a successor Agent or, as the case may be, successor Euro Swingline Agent which accepts the appointment, the retiring Agent or, as the case may be, the retiring Euro Swingline Agent may, following consultation with Vodafone, appoint a successor Agent or, as the case may be, successor Euro Swingline Agent.

(c) The resignation of the retiring Agent or, as the case may be, retiring Euro Swingline Agent and the appointment of any successor Agent or, as the case may be, successor Euro Swingline Agent will both become effective only upon the successor Agent or, as the case may be, successor Euro Swingline Agent notifying all the Parties that it accepts the appointment. On giving the notification and receiving such approval, the successor Agent or, as the case may be, successor Euro Swingline Agent will succeed to the position of the retiring Agent or, as the case may be, retiring Euro
Swingline Agent and the term “Agent” or, as the case may be, “Euro Swingline Agent” will mean the successor Agent or, as the case may be, successor Euro Swingline Agent.

(d) The retiring Agent or, as the case may be, retiring Euro Swingline Agent shall, at its own cost, make available to the successor Agent or, as the case may be, successor Euro Swingline Agent such documents and records and provide such assistance as the successor Agent or, as the case may be, successor Euro Swingline Agent may reasonably request for the purposes of performing its functions as the Agent or, as the case may be, the Euro Swingline Agent under this Agreement.

(e) Upon its resignation becoming effective, this Clause 19 shall continue to benefit the retiring Agent or, as the case may be, retiring Euro Swingline Agent, and, subject to paragraph (d) above, it shall have no further obligation under any Finance Document.

(f) The Majority Lenders may by notice to the Agent or, as the case may be, the Euro Swingline Agent, require it to resign in accordance with paragraph (a) above. In this event, the Agent or, as the case may be, the Euro Swingline Agent shall resign in accordance with paragraph (a) above but it shall not be entitled to appoint one of its Affiliates as successor Agent or successor Euro Swingline Agent.

(g) Any successor Agent or, as the case may be, successor Euro Swingline Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original party to this Agreement.

19.16 Lenders
The Agent or, as the case may be, the Euro Swingline Agent may treat each Lender as a Lender, entitled to payments under this Agreement and as acting through its Facility Office(s) until it has received notice from the Lender to the contrary by not less than five Business Days prior to the relevant payment.

19.17 Chinese wall
In acting as Agent, Euro Swingline Agent or Arranger, the agency and syndications division of each of the Agent, the Euro Swingline Agent and each Arranger shall be treated as a separate entity from its other divisions and departments. Any information acquired at any time by the Agent, the Euro Swingline Agent or any Arranger otherwise than in the capacity of Agent, Euro Swingline Agent or Arranger through its agency and syndications division (whether as financial advisor to any member of the Group or otherwise) may be treated as confidential by the Agent, Euro Swingline Agent or Arranger in their capacity as such. Each Finance Party acknowledges that the Agent, the Euro Swingline Agent and the Arrangers may, now or in the future, be in possession of, or provided with, information relating to the Obligors which has not or will not be provided to the other Finance Parties. Each Finance Party agrees that, except as expressly provided in this Agreement, none of the Agent, Euro Swingline Agent or any Arranger will be under any obligation to provide, or under any liability for failure to provide, any such information to the other Finance Parties.

20. FEES

20.1 Commitment fee
(a) Vodafone shall pay to the Agent for distribution to each Lender pro rata to the proportion its Revolving Credit Commitment bears to the Total Commitments from time to time a commitment fee at the rate of 35 per cent. of the applicable Margin on any undrawn, uncancelled amount of the Total Commitments on each day.
(b) Commitment fee is calculated and accrues on a daily basis on and from the Signing Date and is payable quarterly in arrear. Accrued and unpaid commitment fee is also payable to the Agent for the relevant Lender(s) on any amount of its Revolving Credit Commitment, which is cancelled voluntarily by the Borrower at the time the cancellation takes effect (but only in respect of the period up to the date of cancellation).

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

20.2 Utilisation Fee

(a) Vodafone shall pay to the Agent for distribution to each Lender pro rata to the proportion its Revolving Credit Commitment bears to the Total Commitments from time to time a utilisation fee in accordance with paragraph (b) and (c) below and at the rate per annum specified in paragraph (b) below on any outstanding drawn amount of any Advance on each day.

(b) The utilisation fee will be paid on the aggregate outstanding amount of all Advances for each day upon which the outstanding Advances exceed one half of the Total Commitments, at the rate of 0.55 per cent. per annum.

(c) The utilisation fee is calculated and accrues on a daily basis and is payable at the end of each Term.

20.3 Agent’s fee

Vodafone shall pay to the Agent for its own account an agency fee in the amounts and on the dates agreed in the relevant Fee Letter.

20.4 Front-end fees

(a) Vodafone shall pay to the Agent for the Original Lenders as at the Signing Date a front-end fee in the amount and on the date specified in the relevant Fee Letter.

(b) If so agreed between Vodafone and an Additional Lender, Vodafone shall pay to such Additional Lender a front-end fee in the amounts and on the dates specified in the relevant Fee Letter.

20.5 VAT

Any fee referred to in this Clause 20 is exclusive of any United Kingdom value added tax. If any value added tax is so chargeable, it shall be paid by Vodafone at the same time as it pays the relevant fee.

21. EXPENSES

21.1 Initial and special costs

Vodafone shall forthwith on demand pay the Agent, the Euro Swingline Agent and the Arrangers the amount of all out-of-pocket costs and expenses (including but not limited to legal fees up to an amount agreed, in the case of (a)(i) below, with the Arrangers) reasonably incurred by any of them in connection with:

(a) the negotiation, preparation, printing and execution of:

(i) this Agreement and any other documents referred to in this Agreement; and

(ii) any other Finance Document (other than a Novation Certificate) executed after the Signing Date;
(b) any amendment, waiver, consent or suspension of rights (or any proposal for any of the foregoing) requested by or on behalf of an Obligor and relating to a Finance Document or a document referred to in any Finance Document or any amendment to this Agreement to reflect a change in currency of a country pursuant to Clause 9.4(b)(iii) (Currency); and

c) any other agency matter not of an ordinary administrative nature, arising out of or in connection with a Finance Document in the amount agreed between the Agent and Vodafone at the relevant time.

21.2 Enforcement costs
Vodafone shall within five Business Days of receiving written demand pay to each Finance Party the amount of all costs and expenses (including but not limited to legal fees) incurred (or in the case of (b) below reasonably incurred) by it:

(a) in connection with the enforcement of any Finance Document; or

(b) in connection with the preservation of any rights under any Finance Document.

22. STAMP DUTIES
Vodafone shall pay and within five Business Days of receiving written demand indemnify each Finance Party against any liability it incurs in respect of any stamp, registration or similar tax which is or becomes payable in any jurisdiction in or through which any payment under the Finance Documents is made or any Obligor is incorporated or has any assets in connection with the entry into, performance or enforcement of any Finance Document.

23. INDEMNITIES

23.1 Currency indemnity
(a) If a Finance Party receives an amount in respect of an Obligor’s liability under the Finance Documents or if that liability is converted into a claim, proof, judgment or order in a currency other than the currency (the “Contractual Currency”) in which the amount is expressed to be payable under the relevant Finance Document:

(i) that Obligor shall indemnify that Finance Party as an independent obligation against any loss or liability arising out of or as a result of the conversion;

(ii) if the amount received by that Finance Party, when converted into the Contractual Currency at a market rate in the usual course of its business, is less than the amount owed in the Contractual Currency, the Obligor concerned shall forthwith on demand pay to that Finance Party an amount in the Contractual Currency equal to the deficit (provided that if the amount received by the Finance Party following such conversion is greater than the amount owed, the Finance Party shall pay to such Obligor an amount equal to the excess); and

(iii) the Obligor shall pay to the Finance Party concerned on demand any exchange costs and taxes payable in connection with any such conversion.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

23.2 Other indemnities
Vodafone shall forthwith on demand indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:
(a) the occurrence of any Default; or
(b) the operation of Clause 18.16 (Acceleration); or
(c) any payment of principal or an Overdue Amount being received from any source otherwise than in the case of Revolving Credit Advances or Swingline Advances on its Maturity Date (and, for the purposes of this paragraph (c), the Maturity Date of an Overdue Amount is the last day of each Designated Term); or
(d) a Default or an action or omission by an Obligor resulting in an Advance not being disbursed after a Borrower has delivered a Request for that Advance.

Vodafone’s liability in each case includes any loss or expense, (excluding loss of Margin) in respect or on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document, any amount repaid or prepaid or any Advance.

23.3 Breakage costs

If a Finance Party receives or recovers any payment of principal of an Advance or of an Overdue Amount other than on its Maturity Date or, as the case may be, the last day of the Designated Term for the purposes of calculation of the amount payable by Vodafone under sub-clause (c) of Clause 23.2 (Other indemnities) in respect of the amount so received or recovered, that Finance Party shall calculate:

(a) the additional interest (excluding the Margin) which would have been payable on the principal so received or recovered had it been received or recovered on the relevant Maturity Date or, as the case may be, the last day of the Designated Term; and
(b) the amount of interest which would have been payable to that Finance Party on the relevant Maturity Date or, as the case may be, the last day of the Designated Term concerned in respect of a deposit by that Finance Party in the currency of the amount received or recovered placed with a prime bank in London earning interest from (and including) the earliest Business Day for placing deposits in such currency following receipt of that amount up to (but excluding) the relevant Maturity Date or, as the case may be, the last day of the applicable Designated Term,

and if the amount payable under paragraph (a) above is greater than the amount payable under paragraph (b), Vodafone will, forthwith on receipt of a demand from the relevant Finance Party pursuant to sub-clause (c) of Clause 23.2 (Other indemnities), pay to that Finance Party an amount equal to the difference between the amount payable under (a) and (b) above.

24. EVIDENCE AND CALCULATIONS

24.1 Accounts

Accounts maintained by a Finance Party in connection with this Agreement are prima facie evidence of the matters to which they relate (except in a case of manifest error).

24.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under this Agreement is, in the absence of manifest error, prima facie evidence of the matters to which it relates.
24.3 Calculations
Interest and the fees payable under Clause 20.1 (Commitment fee) accrue from day to day and are calculated on the basis of the actual number of days elapsed and a year of 360 days, or, in the case of interest at the Swingline Rate or any interest payable in an amount denominated in Sterling, 365 days.

25. AMENDMENTS AND WAIVERS

25.1 Procedure
(a) Subject to Clause 25.2 (Exceptions) and Clause 25.3 (NewTopco), any term of the Finance Documents may be amended or waived with the agreement of Vodafone and the Majority Lenders. The Agent may effect, on behalf of the Lenders, an amendment to which the Majority Lenders have agreed.

(b) The Agent shall promptly notify the other Parties of any amendment or waiver effected under paragraph (a) above, and any such amendment or waiver shall be binding on all the Parties.

25.2 Exceptions
An amendment or waiver which relates to:

(a) the definition of “Majority Lenders” in Clause 1.1 (Definitions); or

(b) an extension of the date for, or a decrease in an amount or a change in the currency of, any payment under the Finance Documents; or

(c) an increase in or extension of a Lender’s Commitment or a change to the Margin; or

(d) a change in the guarantee under Clause 14 (Guarantee) otherwise than in accordance with Clause 26.7 (Additional Guarantors) or Clause 14.9 (Removal of Guarantors); or

(e) a term of a Finance Document which expressly requires the consent of each Lender; or

(f) Clause 26.5 (Replacement of Lenders); or

(g) Clause 29 (Pro Rata Sharing) or this Clause 25; or

(h) any Term exceeding six months,

may not be effected without the consent of each Lender. Any amendment or waiver which changes, or relates to the rights and/or obligations of the Agent or Euro Swingline Agent shall also require the Agent’s or the Euro Swingline Agent’s (as applicable) agreement.

25.3 NewTopco
Any amendment substituting a reference to Vodafone with a reference to NewTopco:

(a) to any procedural or administrative provision of this Agreement; or

(b) which puts the Parties in substantially the same position as applied prior to the Hive Up,

may be effected by agreement between NewTopco and the Agent.
25.4 Waivers and remedies cumulative

The rights of each Party under the Finance Documents:

(a) may be exercised as often as necessary;
(b) are cumulative and not exclusive of its rights under the general law; and
(c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

25.5 Disenfranchisement of Defaulting Lenders

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender’s commitments will be reduced by the amount of its Available Commitments.

(b) For the purposes of this Clause 25.5, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender;
(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a) or (b) of the definition of “Defaulting Lender” has occurred, and in the case of the events or circumstances referred to in paragraph (a) of the definition of “Defaulting Lender”, none of the exceptions to that paragraph apply, unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

25.6 Replacement of a Defaulting Lender

(a) Vodafone may, at any time a Lender has become and continues to be a Defaulting Lender, by giving five Business Days’ prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 26 (Changes to the Parties) all (and not part only) of its rights and obligations under this Agreement;
(ii) require such Lender to (and such Lender shall) transfer pursuant to Clause 26 (Changes to the Parties) all (and not part only) of the undrawn Commitments of the Lender: or
(iii) require such Lender to (and such Lender shall) transfer pursuant to Clause 26 (Changes to the Parties) all (and not part only) of its rights and obligations in respect of the Facilities, to a Lender or other bank or financial institution, (a “Replacement Lender”) selected by Vodafone, and which is acceptable to the Agent (acting reasonably) and which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender’s participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender’s participation in the
outstanding Advances and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:

(i) Vodafone shall have no right to replace the Agent;
(ii) neither the Agent nor the Defaulting Lender shall have any obligation to Vodafone to find a Replacement Lender;
(iii) the transfer must take place no later than 45 Business Days after the notice referred to in paragraph (a) above; and
(iv) in no event shall a Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

26. CHANGES TO THE PARTIES

26.1 Transfers by Obligors

(a) No Obligor may assign, transfer, novate or dispose of any of, or any interest in, its rights and/or obligations under this Agreement provided that without any further consent from the Lenders or the Agent it may, subject to Clause 26.1(b) below and provided that no Default is continuing or would result from any such transfer, transfer its rights and obligations under this Agreement to NewTopco or any Intermediate Holding Company and NewTopco or the Intermediate Holding Company will execute a document, or documents, in favour of the Lenders in form and substance the same as this Agreement, with references to such Obligor in this Agreement amended to mean NewTopco or such Intermediate Holding Company (as applicable), provided that if such transfer is to an Intermediate Holding Company, the Agent may, within 30 days of receipt of notification of such transfer, require NewTopco to accede as a Guarantor. The Agent shall (and is hereby authorised to) execute on behalf of the Finance Parties any such document or documents executed by NewTopco or the Intermediate Holding Company provided that the conditions set out in this Clause 26.1 are satisfied.

(b) The transfer of rights and obligations under this Agreement to NewTopco or any Intermediate Holding Company shall not require the consent of the Lenders or the Agent provided that NewTopco or the Intermediate Holding Company, as applicable, is incorporated and tax resident in the United Kingdom or in the United States and prior to such transfer Vodafone provides satisfactory evidence to the Agent that it is tax resident in one of those jurisdictions. Subject to paragraph (c) below, the prior written consent of the Majority Lenders shall be required in relation to the transfer of rights and obligations to a NewTopco or an Intermediate Holding Company incorporated elsewhere.

(c) All Lender consent will be required for any transfer of rights under this Agreement to a NewTopco or an Intermediate Holding Company to the extent the transferee is incorporated or established or carrying on its principal business in a country which is subject to OFAC sanctions or United Nations sanctions under Article 41 of the UN Charter.

26.2 Transfers by Lenders

(a) A Lender (the "Existing Lender") may at any time assign, transfer or novate any of its rights and/or obligations under this Agreement to another bank, financial institution, central bank or federal reserve (the "New Lender") provided that:

(i) subject to paragraph (b) below Vodafone (or following a Hive Up, NewTopco) has, except while an Event of Default is continuing or in the case of an assignment, transfer or novation
to an Affiliate or another Lender, given its prior written consent (in the case of a transfer to a financial institution, such consent to be in its absolute discretion and, in the case of a transfer to a bank, central bank or federal reserve such consent not to be unreasonably withheld or delayed);

(ii) in the case of a partial assignment, transfer or novation of rights and/or obligations, a minimum amount of €8,000,000 in aggregate and in multiples of €1,000,000 (unless to an Affiliate or to a Lender or the Agent agrees otherwise) must be assigned, transferred or novated; and

(iii) in the case of an assignment, transfer or novation by a Swingline Lender, a portion of that Swingline Lender’s Swingline Commitment must also be assigned, transferred or novated to the extent necessary (if at all) to ensure that the Swingline Lender’s Swingline Commitment does not exceed its Commitment after the assignment, transfer or novation.

(b) Vodafone must respond to a request for its consent to a transfer made under paragraph (a)(i) above as soon as is reasonably practicable and, in any event, no later than 15 Business Days after the day on which it received the request, or Vodafone will be deemed to have given its consent to the transfer.

(c) A transfer of obligations will be effective only if either:

(i) the obligations are novated in accordance with Clause 26.4 (Procedure for novations); or

(ii) the New Lender gives prior written notice to Vodafone and, except while an Event of Default is continuing or in the case of an assignment, transfer or novation to an Affiliate or another Lender, obtains the consent of Vodafone in accordance with Clause 26.2 (a)(i) above and confirms to the Agent and Vodafone that it undertakes to be bound by the terms of this Agreement as a Lender in form and substance satisfactory to the Agent. On the transfer becoming effective in this manner the Existing Lender shall be relieved of its obligations under this Agreement to the extent that they are transferred to the New Lender; and

(iii) the Agent has performed all “know your customer” or other checks relating to any person that it is required to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(d) Nothing in this Agreement restricts the ability of a Lender to sub-contract an obligation if that Lender remains liable under this Agreement for that obligation.

(e) On each occasion an Existing Lender assigns, transfers or novates any of its rights and/or obligations under this Agreement (other than to an Affiliate), the New Lender shall, on the date the assignment, transfer and/or novation takes effect, pay to the Agent for its own account a fee of £2,500.

(f) An Existing Lender is not responsible to a New Lender for:

(i) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document; or

(ii) the collectability of amounts payable under any Finance Document; or

(iii) the accuracy of any statements (whether written or oral) made in connection with any Finance Document.

(g) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

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(i) has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under this Agreement or any Commitment is in force.

(h) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a retransfer from a New Lender of any of the rights and/or obligations assigned, transferred or novated under this Clause 26; or

(ii) support any losses incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under this Agreement or otherwise.

(i) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement and its Commitment has been cancelled or reduced to nil.

(j) If any assignment, transfer or novation results either:

(i) at the time of the assignment, transfer or novation; or

(ii) at any future time where the additional amount was caused as a result of laws and/or regulations in force at the date of the assignment, transfer or novation,

in additional amounts becoming due under Clause 10 (Taxes) or amounts becoming due under Clause 12 (Increased Costs), the New Lender shall be entitled to receive such additional amounts only to the extent that the Existing Lender would have been so entitled had there been no such assignment, transfer or novation.

26.3 Affiliates of Lenders

(a) Each Lender may fulfil its obligations in respect of any Advance through an Affiliate if:

(i) the relevant Affiliate is specified in this Agreement as a Lender or becomes a Lender by means of a Novation Certificate in accordance with this Agreement and subject to any consent required under Clause 26.2 (Transfers by Lenders); and

(ii) the Advances in which that Affiliate will participate are specified in this Agreement or in a notice given by that Lender to the Facility Agent.

In this event, the Lender and the Affiliate will participate in Advances in the manner provided for in sub-paragraph (ii) above.

(b) If paragraph (a) above applies, the Lender and its Affiliate will be treated as having a single Commitment and a single vote, but, for all other purposes, will be treated as separate Lenders.

26.4 Procedure for novations

(a) A novation is effected if:

(i) the Existing Lender and the New Lender deliver to the Agent a duly completed certificate (a “Novation Certificate”), substantially in the form of Part 1 of Schedule 5, with such
amendments as the Agent approves to achieve a substantially similar effect (which may be delivered by fax and confirmed by
delivery of a hard copy original but the fax will be effective irrespective of whether confirmation is received); and
(ii) the Agent executes it (as soon as practicable for it to do so).
(b) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Agent to execute any duly completed
Novation Certificate on its behalf.
(c) To the extent that they are expressed to be the subject of the novation in the Novation Certificate:
   (i) the Existing Lender and the other Parties (the “Existing Parties”) will be released from their obligations to each other (the
       Discharged Obligations);
   (ii) the New Lender and the Existing Parties will assume obligations towards each other which differ from the Discharged Obligations
       only insofar as they are owed to or assumed by the New Lender instead of the Existing Lender;
   (iii) the rights of the Existing Lender against the Existing Parties and vice versa (the “Discharged Rights”) will be cancelled; and
   (iv) the New Lender and the Existing Parties will acquire rights against each other which differ from the Discharged Rights only insofar
       as they are exercisable by or against the New Lender instead of the Existing Lender,
all on the date of execution of the Novation Certificate by the Agent or, if later, the date specified in the Novation Certificate.
(d) If the effective date of a novation is after the date a Request is received by the Agent but before the date the requested Advance is
disbursed to the relevant Borrower, the Existing Lender shall be obliged to participate in that Advance in respect of its Discharged
Obligations notwithstanding that novation, and the New Lender shall reimburse the Existing Lender for its participation in that Advance
and all interest and fees thereon up to the date of reimbursement (in each case to the extent attributable to the Discharged Obligations)
within three Business Days of the Drawdown Date of that Advance.
(e) The Agent shall only be obliged to execute a Novation Certificate delivered to it by the Existing Lender and the New Lender once it is
satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in
relation to the transfer to such New Lender.
26.5 Replacement of Lenders
(a) In this Subclause:
   Non-consenting Lender means a Lender which does not agree to a consent or amendment to, or a waiver of, a provision of a Finance
Document requested by Vodafone where:
   (i) the consent, waiver or amendment requires the consent of all the Lenders;
   (ii) a period of not less than 15 Business Days (or such other longer period as agreed from time to time between the Agent and
Vodafone) has elapsed from the date the consent, waiver or amendment was requested; and
   (iii) 80% of the Lenders have agreed to the consent, waiver or amendment.
Prepayment Lender means, at any time, a Lender in respect of which a Borrower is at that time entitled to serve a notice under Clause 7.5 (a) to (c) (inclusive) (Right of prepayment and cancellation), but has not done so.

Relevant Lender means:
(i) a Prepayment Lender; or
(ii) a Non-Consenting Lender.

Replacement Lender means a Lender or any other bank or financial institution selected by Vodafone which:
(i) in the case of a person which is not an existing Lender is acceptable to the Agent (acting reasonably); and
(ii) is willing to assume all of the obligations of the Relevant Lender.

Subject to paragraph (e) below, Vodafone may, on giving 10 Business Days’ prior notice to the Agent and a Relevant Lender, require that Relevant Lender to transfer all of its rights and obligations under this Agreement to a Replacement Lender.

On receipt of a notice under paragraph (b) above the Relevant Lender must transfer all of its rights and obligations under this Agreement:
(i) in accordance with Clause 26.2 (Transfers by Lenders);
(ii) on the date specified in the notice;
(iii) to the Replacement Lender specified in the notice; and
(iv) for a purchase price equal to the aggregate of:

(A) the Relevant Lender’s share in the outstanding Facilities;
(B) any Break Costs incurred by the Relevant Lender as a result of the transfer; and
(C) all accrued interest, fees and other amounts payable to the Relevant Lender under this Agreement as at the transfer date.

No member of the Group may make any payment or assume any obligation to or on behalf of the Replacement Lender as an inducement for a Replacement Lender to become a Lender, other than as provided in paragraph (c) above.

Notwithstanding the above, Vodafone’s right to replace:
(i) a Non-Consenting Lender may only be exercised within 45 Business Days after the date the consent, waiver or amendment was requested by Vodafone;
(ii) a Prepayment Lender may only be exercised whilst it is entitled to serve a notice under Clause 7.5 (Right of prepayment and cancellation); and
(iii) a Non-Consenting Lender or Prepayment Lender under this Clause 26.5 shall in no way be obliged to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.
26.6 Pro rata interest settlement

If the Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 26.2 (Transfers by Lenders) or any novation pursuant to Clause 26.4 (Procedure for novations)) the transfer date of which, in each case, is after the date of such notification and is not on the last day of a Term):

(a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the transfer date (“Accrued Amounts”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Term (or, if the Term is longer than six Months, on the next of the dates which falls at six monthly intervals after the first day of that Term); and

(b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

(i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and

(ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 26.6, have been payable to it on that date, but after deduction of the Accrued Amounts.

26.7 Additional Guarantors

(a) (i) Vodafone will procure that NewTopco and any Intermediate Holding Company of Vodafone will become an Additional Guarantor on or before the Reorganisation Date by executing and delivering the documents set out in paragraph (iii) below on or before the Reorganisation Date.

(ii) Subject to Vodafone’s prior written consent, any other member of the Group may become an Additional Guarantor.

(iii) The relevant company will become an Additional Guarantor upon:

(A) the delivery to the Agent of a Guarantor Accession Agreement duly executed by that company; and

(B) delivery to the Agent of all those other documents listed in Part 2 of Schedule 2, in each case in the agreed form or in such other form and substance satisfactory to the Agent.

(b) The execution of a Guarantor Accession Agreement constitutes confirmation by the Additional Guarantor concerned that the representations and warranties set out in Clauses 15.1 (Representations and Warranties) to 15.6 (Authorisations) to be made by it on the date of the Guarantor Accession Agreement are correct, as if made with reference to the facts and circumstances then existing.

26.8 Additional Borrowers

(a) (i) Any member of the Restricted Group, or following a Hive Up (and subject to the proviso below), NewTopco or any Intermediate Holding Company incorporated and tax resident in the United Kingdom or in the United States or, subject to the prior written consent of the Majority Lenders (or, if sub-paragraph (iii) below applies, all the Lenders), elsewhere which Vodafone nominates may become an Additional Borrower, provided that on or prior to the date on which NewTopco or any
Intermediate Holding Company accedes as an Additional Borrower it also accedes as an Additional Guarantor.

(ii) The relevant member of the Restricted Group will become an Additional Borrower upon:

(A) the delivery to the Agent of a Borrower Accession Agreement duly executed by that member of the Restricted Group; and

(B) delivery to the Agent of all those other documents listed in Part 3 of Schedule 2, in each case in the agreed form or in such other form and substance satisfactory to the Agent.

(iii) All Lender consent will be required for any Additional Borrower to the extent the Additional Borrower is incorporated or established or carrying on its principal business in a country which is subject to OFAC sanctions or United Nations sanctions under Article 41 of the UN Charter.

(b) The execution of a Borrower Accession Agreement constitutes confirmation by the Additional Borrower concerned that the representations and warranties set out in Clauses 15.1 (Representations and warranties) to 15.6 (Authorisations) to be made by it on the date of the Borrower Accession Agreement are correct, as if made with reference to the facts and circumstances then existing.

26.9 Removal of Borrowers

(a) Any Borrower (other than Vodafone (subject to Clause 26.9(b) below) or, if applicable, NewTopco) which has no liabilities to the Finance Parties in respect of outstanding Advances or any other liabilities to the Finance Parties under the Finance Documents (other than as a Guarantor) may, at the request of Vodafone and if no Default is outstanding or will result from such action, cease to be a Borrower by entering into a supplemental agreement to this Agreement at the cost of Vodafone in such form as the Agent may reasonably require which shall discharge that Borrowers’ obligations as a Borrower under this Agreement.

(b) If on the Reorganisation Date:

(i) NewTopco and any Intermediate Holding Company has acceded as a Guarantor in accordance with Clause 26.7 (Additional Guarantors);

(ii) Vodafone has no liabilities to the Finance Parties in respect of outstanding Advances or any other liabilities to the Finance Parties under the Finance Documents (other than as a Guarantor); and

(iii) no Default is continuing,

Vodafone may cease to be a Borrower with effect from the Reorganisation Date by entering into a supplemental agreement to this Agreement at the cost of Vodafone or NewTopco in such form as the Agent may reasonably require which shall discharge Vodafone’s obligations as a Borrower under this Agreement.

26.10 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with Vodafone) appoint another Lender or an Affiliate of a Lender which is not a Reference Bank to replace that Reference Bank.
26.11 Register

The Agent, acting solely for this purpose as agent of the Borrowers, shall keep a register of all the Parties including in the case of Lenders, their respective commitments, the obligations owing to each, and the details of their Facility Office notified to the Agent from time to time, and shall supply any other Party (at that Party’s expense) with a copy of the register on request.

The Agent shall record in the register any transfer by an Obligor or by a Lender described in Clause 26.1(a) or (b) or 26.2, respectively, and any other modification to the Borrowers, Lenders, Guarantors, or outstanding obligations. The Agent shall record the names and addresses of each Lender and the respective Commitments of and obligations owing to each Lender. The entries in the register shall, in the absence of manifest error, be conclusive and each Obligor, the Agent, and each Lender shall treat each person whose name is recorded in the register as a Lender notwithstanding any notice to the contrary. The register shall be available for inspection by each Obligor at any reasonable time and from time to time upon reasonable prior notice.

26.12 Security over Lenders’ rights

In addition to the other rights provided to Lenders under this Clause 26, each Lender may at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) with the prior written consent of Vodafone (or following a Hive Up, NewTopco), such consent not to be unreasonably withheld or delayed, in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities, except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

27. DISCLOSURE OF INFORMATION

27.1 Disclosure

(a) A Lender may disclose to any of its Affiliates, any person to whom or for whose benefit a Lender charges, assigns or otherwise creates security (or may do so) pursuant to Clause 26.12 (Security over Lenders’ rights) or any person with whom it is proposing to enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement:

(i) a copy of any Finance Document; and

(ii) any information which that Lender has acquired under or in connection with any Finance Document,
provided that a Lender shall not disclose any such information to a person other than one of its Affiliates or a federal reserve or central bank (as long as the relevant Affiliate, federal reserve or central bank is informed that such information is confidential) unless that person has provided to that Lender a confidentiality undertaking addressed to that Lender and Vodafone substantially in the form of Schedule 6 or such other form as Vodafone may approve.

(b) Paragraphs 1(a), 1(c), 2(b), 3, 6, 8, 9 and 12 of Schedule 6 (Form of Confidentiality Undertaking from New Lender) shall be deemed to be incorporated herein as if set out in full (mutatis mutandis), but as if references therein to “we” were to each Finance Party and references to “you” were to Vodafone.

27.2 Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:

(i) names of Obligors;
(ii) country of domicile of Obligors;
(iii) place of incorporation of Obligors;
(iv) date of this Agreement;
(v) the name of the Agent and the Arranger;
(vi) date of each amendment and restatement of this Agreement;
(vii) amount of Total Commitments;
(viii) currencies of the Facilities;
(ix) type of Facilities;
(x) ranking of Facilities;
(xi) Maturity Date for the Facilities;
(xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and
(xiii) such other information agreed between such Finance Party and Vodafone,
to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) If requested, the Agent shall notify Vodafone and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and
(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

28. SET-OFF

28.1 Contractual set-off

Whilst an Event of Default subsists each Obligor authorises each Finance Party to apply any credit balance to which that Obligor is entitled on any account of that Obligor with that Finance Party in satisfaction of any sum due and payable from that Obligor to that Finance Party under the Finance Documents but unpaid. For this purpose, each Finance Party is authorised to purchase with the moneys standing to the credit of any such account such other currencies as may be necessary to effect such application.

28.2 Set-off not mandatory

No Finance Party shall be obliged to exercise any right given to it by Clause 28.1 (Contractual set-off).

28.3 Notice of set-off

Any Finance Party exercising its rights under Clause 28.1 (Contractual set-off) shall notify Vodafone promptly after set-off is applied.

29. PRO RATA SHARING

29.1 Redistribution

If any amount owing by an Obligor under any Finance Document to a Finance Party (the “Recovering Finance Party”) is discharged by payment, set-off or any other manner other than through the Agent in accordance with Clause 9 (Payments) (a “Recovery”), then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the Recovery to the Agent;

(b) the Agent shall determine whether the Recovery is in excess of the amount which the Recovering Finance Party would have received had the Recovery been received by the Agent and distributed in accordance with Clause 9 (Payments);

(c) subject to Clause 29.3 (Exceptions), the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “Redistribution”) equal to the excess;

(d) the Agent shall treat the Redistribution as if it were a payment by the Obligor concerned under Clause 9 (Payments) and shall pay the Redistribution to the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 9.8 (Partial payments); and

(e) after payment of the full Redistribution, the Recovering Finance Party will be subrogated to the portion of the claims paid under paragraph (d) above, and that Obligor will owe the Recovering Finance Party a debt which is equal to the Redistribution, immediately payable and of the type originally discharged.
29.2 Reversal of redistribution

If under Clause 29.1 (Redistribution):

(a) a Recovering Finance Party must subsequently return a Recovery, or an amount measured by reference to a Recovery, to an Obligor; and

(b) the Recovering Finance Party has paid a Redistribution in relation to that Recovery, each Finance Party shall, within three Business Days of demand by the Recovering Finance Party through the Agent, reimburse the Recovering Finance Party all or the appropriate portion of the Redistribution paid to that Finance Party. Thereupon the subrogation in Clause 29.1(e) (Redistribution) will operate in reverse to the extent of the reimbursement.

29.3 Exceptions

(a) A Recovering Finance Party need not pay a Redistribution to the extent that it would not, after the payment, have a valid claim against the Obligor concerned in the amount of the Redistribution pursuant to Clause 29.1(e) (Redistribution).

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal proceedings, if the other Finance Party had an opportunity to participate in those legal proceedings but did not do so and did not take separate legal proceedings.

30. SEVERABILITY

If a provision of any Finance Document is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of the Finance Documents; or

(b) the legality, validity or enforceability in other jurisdictions of that or any other provision of the Finance Documents.

31. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

32. NOTICES

32.1 Giving of notices

(a) All notices or other communications under or in connection with this Agreement shall be given in writing or by facsimile. Any such notice will be deemed to be given as follows:

(i) if in writing, when delivered; and

(ii) if by facsimile, when received.

However, a notice given in accordance with the above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
(b) Any Party may agree with any other Party to give and receive notices by telex in which case the notice will be deemed given when the correct answerback is received.

32.2 Addresses for notices

(a) The address and facsimile number of each Party (other than the Agent, the Euro Swingline Agent and Vodafone) for all notices under or in connection with this Agreement are:
   (i) that notified by that Party for this purpose to the Agent on or before it becomes a Party; or
   (ii) any other notified by that Party for this purpose to the Agent by not less than five Business Days’ notice.

(b) The address and facsimile numbers of the Agent are:
   For Operational Duties (such as Drawdowns, Interest Rate Fixing, Interest / fee calculations and payments)
   The Royal Bank of Scotland plc
   2nd Floor
   Bankside 3
   90-100 Southwark Street
   London.
   SE1 0SW
   Contact: Lending Operations
   Facsimile: 020 7615 0156

   For Non Operational Matters (such as documentation; covenant compliance; amendments & waivers)
   The Royal Bank of Scotland plc
   Level5
   135 Bishopsgate
   London
   EC2M 3UR
   Contact: Bob Ottewill, Associate Director, Syndicated Loans Agency
   Telephone: 020 7085 3817
   Facsimile: 020 7085 4564
   Email: bob.ottewill@rbs.com
   or such other as the Agent may notify to the other Parties by not less than five Business Days’ notice.

(c) The address and facsimile numbers of the Euro Swingline Agent are:
   The Royal Bank of Scotland plc
   135 Bishopsgate
   London
   EC2M 3UR
   Contact: Loans Admin Unit, Caroline Wiseman
   Telephone: 020 7672 7452
   Facsimile: 020 7615 7673
or such other as the Euro Swingline Agent may notify to the other Parties by not less than five Business Days’ notice.

(d) The address, facsimile number and website of Vodafone are:

Vodafone Group Plc
Vodafone House
The Connection
Newbury RG14 2FN

Contact: Director of Treasury
Telephone: 01635 682421
Facsimile: 01635 676 746

Website: [http://www.vodafone.com/start/investor_relations/financial_reports.html](http://www.vodafone.com/start/investor_relations/financial_reports.html)

or such other as Vodafone may notify to the other Parties by not less than five Business Days’ notice.

(e) The Agent shall, promptly upon request from any Party, give to that Party the address or facsimile number of any other Party applicable at the time for the purposes of this Clause 32.

32.3 Communication when Agent or Euro Swingline Agent is Impaired Agent

If the Agent or, as the case may be, the Euro Swingline Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent or, as the case may be, the Euro Swingline Agent, communicate with each other directly and (while the Agent or the Euro Swingline Agent is an impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a successor Agent or, as the case may be, successor Euro Swingline Agent has been appointed.

33. LANGUAGE

(a) Any notice given under or in connection with any Finance Document shall be in English.

(b) All other documents provided under or in connection with any Finance Document shall be:

(i) in English; or

(ii) if not in English, accompanied by a certified English translation and, in this case, the English translation shall prevail unless the document is a statutory or other official document.

34. JURISDICTION

34.1 Submission

(a) For the benefit of each Finance Party, each Obligor agrees that the courts of England have jurisdiction to settle any disputes in connection with any Finance Document or any non-contractual obligation arising out of or in connection with any Finance Document and accordingly submits to the jurisdiction of the English courts.

(b) Notwithstanding paragraph (a) above, any New York State court or U.S. Federal court sitting in the City and County of New York also has jurisdiction to settle any dispute in connection with any Finance Document, and, for the benefit of the Finance Parties, each Obligor submits to the jurisdiction of those courts.
(c) The English and New York courts are the most appropriate and convenient courts to settle any such dispute and each Obligor waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with any Finance Document.

34.2 Service of process

(a) Without prejudice to any other mode of service, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints Vodafone as its agent for service of process relating to any proceedings before the English courts in connection with any Finance Document (and Vodafone accepts this appointment);

(ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned;

(iii) consents to the service of process relating to any such proceedings by prepaid posting of a copy of the process to its address for the time being applying under Clause 32.2 (Addresses for notices); and

(iv) agrees that if the appointment of any person mentioned in paragraph (i) or (ii) above ceases to be effective, the relevant Obligor shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within 15 days, the Agent is entitled to appoint such a person by notice to Vodafone.

(b) Prior to the accession of a US Obligor who is not incorporated or having a place of business in New York State such US Obligor must appoint an agent for service of process in any proceedings before any court located in the State of New York on terms reasonably satisfactory to the Agent.

34.3 Forum convenience and enforcement abroad

Each Obligor:

(a) waives objection to the English courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with a Finance Document; and

(b) agrees that a judgment or order of an English court in connection with a Finance Document is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

34.4 Non-exclusivity

Nothing in this Clause 34 limits the right of a Finance Party to bring proceedings against an Obligor in connection with any Finance Document:

(a) in any other court of competent jurisdiction; or

(b) concurrently in more than one jurisdiction.

35. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
36. USA PATRIOT ACT

Each Finance Party that is subject to the requirements of the USA Patriot Act hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Obligors, which information includes the name and address of the Obligors and other information that will allow such Finance Party to identify the Obligors in accordance with the USA Patriot Act. Each Obligor agrees that it will provide each Finance Party with such information as it may request in order for such Finance Party to satisfy the requirements of the USA Patriot Act.

37. WAIVER OF TRIAL BY JURY

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH ANY FINANCE DOCUMENT OR ANY TRANSACTION CONTEMPLATED BY ANY FINANCE DOCUMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.
## Lenders and Commitments

**Part 1**

### Lenders and Commitments

<table>
<thead>
<tr>
<th>Original Lender</th>
<th>Commitment (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia and New Zealand Banking Group Limited</td>
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</tr>
<tr>
<td>Banco Bilbao Vizcaya Argentaria S.A., London Branch</td>
<td>150,000,000</td>
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<tr>
<td>Bank of America, N.A.</td>
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<tr>
<td>Banco Santander, S.A., London Branch</td>
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<tr>
<td>Barclays Bank PLC</td>
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<tr>
<td>BNP Paribas, London Branch</td>
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<tr>
<td>Caja de Ahorros Y Monte de Piedad de Madrid</td>
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<tr>
<td>Citibank, N.A.</td>
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<td>Deutsche Bank AG, London Branch</td>
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<td>Goldman Sachs Bank USA</td>
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<td>HSBC Bank plc</td>
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<td>ING Bank N.V., London Branch</td>
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<td>Original Lender</td>
<td>Commitment</td>
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<td>----------------------------------------------------------</td>
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<td>The Royal Bank of Scotland plc</td>
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<tr>
<td>Standard Chartered Bank</td>
<td>80,000,000</td>
</tr>
<tr>
<td>Société Générale</td>
<td>80,000,000</td>
</tr>
<tr>
<td>TD Bank Europe Limited</td>
<td>80,000,000</td>
</tr>
<tr>
<td>The Bank of New York Mellon</td>
<td>80,000,000</td>
</tr>
<tr>
<td>Sumitomo Mitsui Banking Corporation</td>
<td>70,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,000,000,000</strong></td>
</tr>
</tbody>
</table>
## PART 2

### SWINGLINE LENDERS AND SWINGLINE COMMITMENTS

<table>
<thead>
<tr>
<th>Swingline Lender</th>
<th>Swingline Commitments €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banco Bilbao Vizcaya Argentaria S.A., London Branch</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Banco Santander, S.A., London Branch</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Barclays Bank PLC</td>
<td>150,000,000</td>
</tr>
<tr>
<td>BNP Paribas, London Branch</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Deutsche Bank AG, London Branch</td>
<td>150,000,000</td>
</tr>
<tr>
<td>HSBC Bank plc</td>
<td>150,000,000</td>
</tr>
<tr>
<td>ING Bank N.V., London Branch</td>
<td>150,000,000</td>
</tr>
<tr>
<td>JPMorgan Chase Bank N.A.</td>
<td>150,000,000</td>
</tr>
<tr>
<td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td>
<td>150,000,000</td>
</tr>
<tr>
<td>The Royal Bank of Scotland plc</td>
<td>150,000,000</td>
</tr>
<tr>
<td>UBS AG, London Branch</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Unicredit Luxembourg S.A.</td>
<td>150,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,800,000,000</strong></td>
</tr>
</tbody>
</table>
PART 3

MANDATED LEAD ARRANGERS

Australia and New Zealand Banking Group Limited
Banco Bilbao Vizcaya Argentaria S.A., London Branch
Banc of America Securities Limited
Banco Santander, S.A., London Branch
Barclays Capital
BNP Paribas, London Branch
Caja de Ahorros Y Monte De Piedad De Madrid
Citigroup Global Markets Limited
Deutsche Bank AG, London Branch
Goldman Sachs International
HSBC Bank plc
ING Bank N.V., London Branch
Intesa Sanpaolo S.p.A.
J.P. Morgan plc
Lloyds TSB Bank plc
Mizuho Corporate Bank, Ltd
Morgan Stanley Bank International Limited
National Australia Bank Limited ABN 12 004 044 937
Nomura International PLC
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Royal Bank of Scotland plc
UBS Limited
Unicredit Bank AG
PART 4
CO-ARRANGERS

Banco de Sabadell, S.A., London Branch
Commerzbank Aktiengesellschaft, London Branch
Société Générale, Corporate & Investment Banking (The Corporate and Investment Banking Division of Société Générale)
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
TD Bank Europe Limited
The Bank of New York Mellon

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SCHEDULE 2
CONDITIONS PRECEDENT DOCUMENTS
PART 1
TO BE DELIVERED BEFORE THE FIRST ADVANCE

1. Constitutional documents
   A copy of the memorandum and articles of association and certificate of incorporation of Vodafone.

2. Authorisations
   (a) A copy of a resolution of the board of directors of Vodafone or, if applicable, of a committee of the board of directors (together with a copy of the resolution of the board of directors constituting that committee):
      (i) approving the terms of, and the transactions contemplated by, this Agreement and the Fee Letters and resolving that it execute and, where applicable, deliver this Agreement and the Fee Letters;
      (ii) authorising a specified person or persons to execute and, where applicable, deliver this Agreement and the Fee Letters on its behalf; and
      (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including Requests) to be signed and/or despatched by it under or in connection with the Finance Documents;
   (b) a specimen of the signature of each person authorised by the resolution referred to in paragraph (a) above;
   (c) a certificate of an authorised signatory of Vodafone confirming that as at the first Drawdown Date the borrowing of the Total Commitments in full and the borrowing of the Total Commitments under (and as defined in) the 2012 Facility in full would not together cause any borrowing limit or limit on the giving of guarantees binding on it to be exceeded (whether as a result of such limit having been waived or otherwise);
   (d) a certificate of an authorised signatory of Vodafone certifying that each copy document specified in this Part 1 of Schedule 2 and supplied by Vodafone is correct, complete and in full force and effect as at a date no earlier than the Signing Date.

3. Legal opinions
   A legal opinion of Allen & Overy LLP, English law counsel to the Agent, in relation to English law.

4. Fee Letter
   Duly executed Fee Letters referred to in paragraphs (a) and (b) of the definition of Fee Letters.
PART 2
TO BE DELIVERED BY AN ADDITIONAL GUARANTOR

1. A Guarantor Accession Agreement, duly executed (if appropriate, under seal) by the Additional Guarantor.

2. A copy of the memorandum and articles of association and certificate of incorporation (or other equivalent constitutional documents) of the Additional Guarantor.

3. A copy of a resolution of the board of directors of the Additional Guarantor:
   (a) approving the terms of, and the transactions contemplated by, the Guarantor Accession Agreement and resolving that it execute the Guarantor Accession Agreement as a deed;
   (b) authorising a specified person or persons to execute the Guarantor Accession Agreement as a deed; and
   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents to be signed and/or despatched by it under or in connection with this Agreement.

4. If the Additional Guarantor is not NewTopco and the lawyers referred to in paragraph 10 below advise it to be necessary or desirable, a copy of a resolution, signed by all the holders of the issued or allotted shares in the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Guarantor Accession Agreement.

5. If the Additional Guarantor is not NewTopco, a copy of a resolution of the board of directors of each corporate shareholder in the Additional Guarantor:
   (a) approving the terms of the resolution referred to in paragraph 4 above; and
   (b) authorising a specified person or persons to sign the resolution on its behalf.

6. A certificate of a director of the Additional Guarantor certifying that the borrowing of the Total Commitments in full and the borrowing of the Total Commitments under (and as defined in) the 2012 Facility in full would not together cause any borrowing limit or limit on the giving of guarantees binding on it to be exceeded (whether as a result of such limit being waived or otherwise).

7. A copy of any other authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Guarantor Accession Agreement or for the validity and enforceability of any Finance Document.

8. A specimen of the signature of each person authorised by the resolutions referred to in paragraphs 3 and, if applicable, 5 above.

9. A copy of the latest annual statutory audited accounts of the Additional Guarantor.

10. A legal opinion of Allen & Overy, legal advisers to the Agent, and, if applicable, other lawyers approved by the Agent in the place of incorporation of the Additional Guarantor addressed to the Finance Parties.
11. A certificate of an authorised signatory of the Additional Guarantor certifying that each copy document specified in this Part 2 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Guarantor Accession Agreement.
PART 3
TO BE DELIVERED BY AN ADDITIONAL BORROWER

1. A Borrower Accession Agreement, duly executed (if appropriate, under seal) by the Additional Borrower.

2. A copy of the memorandum and articles of association and certificate of incorporation (or other equivalent constitutional documents) of the Additional Borrower.

3. A copy of a resolution of the board of directors of the Additional Borrower:
   (a) approving the terms of, and the transactions contemplated by, the Borrower Accession Agreement and resolving that it execute the Borrower Accession Agreement;
   (b) authorising a specified person or persons to execute the Borrower Accession Agreement; and
   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents to be signed and/or despatched by it under or in connection with this Agreement.

4. A certificate of a director of the Additional Borrower certifying that the borrowing of the Total Commitments in full and the borrowing of the Total Commitments under (and as defined in) the 2012 Facility in full would not together cause any borrowing limit or limit on the giving of guarantees binding on it to be exceeded (whether as a result of such limit being waived or otherwise).

5. A copy of any other authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Borrower Accession Agreement or for the validity and enforceability of any Finance Document.

6. A specimen of the signature of each person authorised by the resolutions referred to in paragraph 3 above.

7. A copy of the latest annual statutory audited accounts of the Additional Borrower (if any).

8. A legal opinion of Allen & Overy, legal advisers to the Agent, and, if applicable, other lawyers approved by the Agent in the place of incorporation of the Additional Borrower addressed to the Finance Parties.

9. A certificate of an authorised signatory of the Additional Borrower certifying that each copy document specified in this Part 3 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Borrower Accession Agreement.
SCHEDULE 3
MANDATORY COST FORMULAE

1. The Mandatory Cost for an Advance (other than a Swingline Advance) is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Advance (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the Mandatory Cost Rate) for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders’ Mandatory Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Advance) and will be expressed as a percentage rate per annum.

3. The Mandatory Cost Rate for any Lender lending from a Facility Office in the UK will be calculated by the Agent as follows:
   (a) in relation to a sterling Advance:
   
   \[
   \frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)} \text{ per cent. per annum}
   \]
   
   (b) in relation to an Advance in any currency other than sterling:
   
   \[
   \frac{E \times 0.01}{300} \text{ per cent. per annum.}
   \]

   Where:
   A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.
   B is the percentage rate of interest (excluding the Margin and the Mandatory Cost) payable on the Advance for the relevant Term of the Advance.
   C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.
   D is the percentage rate per annum payable by the Bank of England to that Lender on interest bearing Special Deposits.
   E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 6 below and expressed in pounds per £1,000,000.

4. For the purposes of this Schedule:
   (a) “Eligible Liabilities” and “Special Deposits” have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;
(b) “Fees Rules” means the rules on periodic fees contained in the Financial Services Authority Fees Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) “Fee Tariffs” means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) “Tariff Base” has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

5. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

6. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

7. In addition to any notification required under Clause 8.1(c) (Interest rate for all Advances), each Lender shall supply any information required by the Agent for the purpose of calculating its Mandatory Cost Rate. In particular, but without limitation, each Lender shall supply the following information in writing on or prior to the date on which it becomes a Lender:

(a) its jurisdiction of incorporation and the jurisdiction of its Facility Office; and

(b) any other information that the Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Agent in writing of any change to the information provided by it pursuant to this paragraph.

8. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 6 and 7 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender’s obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

9. The Agent shall have no liability to any person if such determination results in a Mandatory Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 6 and 7 above is true and correct in all respects.

10. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Mandatory Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 6 and 7 above.

11. Any determination by the Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, a Mandatory Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.
The Agent may from time to time, after consultation with Vodafone and the Lenders, determine and notify to all Parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England or the Financial Services Authority (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

“Reference Banks” has the meaning set out in Clause 1.1 (Definitions) of this Agreement.
SCHEDULE 4
FORM OF REQUEST

To: THE ROYAL BANK OF SCOTLAND PLC as [Agent/Euro Swingline Agent*]
From: [BORROWER]

Date: [          ]

Vodafone Group Plc —€ [ ]
Revolving Credit Agreement dated [●] 2010

1. We wish to utilise the Revolving Credit Facility* and/or the Swingline Facility* by way of Advances*/Swingline Advances* as follows:

| Drawdown Date: | Revolving Credit Facility: | [ ]* |
|               | Swingline Facility:        | [ ]* |

(b) Requested Amount (including currency):

| Revolving Credit Facility: | [ ]* |
| Swingline Facility:        | [ ]* |

(c) Term:

| Revolving Credit Facility: | [ ]* |
| Swingline Facility:        | [ ]* |

(d) Payment Instructions:

| Revolving Credit Facility: | [ ]* |
| Swingline Facility:        | [ ]* |

2. We confirm that each condition specified in [Clause 4.2 (Conditions to all drawdowns and rollovers)]** is satisfied on the date of this Request and this Advance would not cause any borrowing limit binding on us to be exceeded.

[By: [BORROWER]
Authorised Signatory]

---

** Delete as applicable depending on whether the Advance is a Rollover Advance.
We refer to Clause 26.4 (Procedure for novations).

1. We [ ] (the “Existing Lender”) and [ ] (the “New Lender”) agree to the Existing Lender and the New Lender novating all the Existing Lender’s rights and obligations referred to in the Schedule in accordance with Clause 26.4 (Procedure for novations).

2. The specified date for the purposes of Clause 26.4(c) (Procedure for novations) is [date of novation].

3. The Facility Office and address for notices of the New Lender for the purposes of Clause 32.2 (Addresses for notices) are set out in the Schedule.

4. The New Lender confirms that it has given notice to Vodafone of the entry into of this Novation Certificate [and has obtained Vodafone’s consent* in accordance with Clause 26.2(c)(ii) (Transfers by Lenders)].

5. This Novation Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

* Delete as applicable depending on whether Vodafone’s consent is required.
THE SCHEDULE

Rights and obligations to be novated

[Details of the rights and obligations of the Existing Lender to be novated.]

[New Lender]

[Facility Office] Address for notices]

[Existing Lender] [New Lender] THE ROYAL BANK OF SCOTLAND PLC

By: By: By:

Date: Date: Date:

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PART 2
GUARANTOR ACCESSION AGREEMENT

To: THE ROYAL BANK OF SCOTLAND PLC as Agent
From: [PROPOSED GUARANTOR]

Date: [          ]

Vodafone Group Plc —€ [ ] Revolving Credit Agreement
dated [●] 2010 (the “Credit Agreement”)

Terms used in this Deed which are defined in the Credit Agreement shall have the same meaning in this Deed as in the Credit Agreement.

We refer to Clause 26.7 (Additional Guarantors).

We, [name of company] of [Registered Office] (Registered no. [          ]) agree to become an Additional Guarantor and to be bound by the terms of the Credit Agreement as an Additional Guarantor in accordance with Clause 26.7 (Additional Guarantors). [In addition, we also agree to become bound by all the terms of the Credit Agreement expressed to apply to or be binding on NewTopco]*

Our address for notices for the purposes of Clause 32.2 (Addresses for notices) is:

[ ]

[If not classified as a corporation: [Name of company] is [classified as a partnership /OR/ disregarded as an entity separate from its owner] and is owned by [NAME OF OWNER(S)] for U.S. federal income tax purposes.]

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

Executed as a deed by   )  Director
[PROPOSED GUARANTOR]   )
acting by   )  Director/Secretary
And   )

* Only in the case of accession by NewTopCo.
To: THE ROYAL BANK OF SCOTLAND PLC as Agent
From: [PROPOSED BORROWER]

[Date]

Vodafone Group Plc -€ [   ] Revolving Credit Agreement
dated [●] 2010 (the “Credit Agreement”)

Terms used herein which are defined in the Credit Agreement shall have the same meaning herein as in the Credit Agreement.

We refer to Clause 26.8 (Additional Borrowers).

We, [Name of company] of [Registered Office] (Registered no. [          ] agree to become party to and to be bound by the terms of the Credit Agreement as an Additional Borrower in accordance with Clause 26.8 (Additional Borrowers).

The address for notices of the Additional Borrower for the purposes of Clause 32.2 (Addresses for notices) is:

[   ]

[If not classified as a corporation: [Name of company] is [classified as a partnership/OR/ disregarded as an entity separate from its owner] and is owned by [NAME OF OWNER(S)] for U.S. federal income tax purposes.]

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

[ADDITIONAL BORROWER]

By:

THE ROYAL BANK OF SCOTLAND PLC

By:

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PART 4
LENDER ACCESSION AGREEMENT

To: THE ROYAL BANK OF SCOTLAND PLC as Agent
From: [PROPOSED ADDITIONAL LENDER]

[Date]

Vodafone Group Plc - € [ ] Revolving Credit Agreement
dated [•] 2010 (the “Credit Agreement”)

Terms used herein which are defined in the Credit Agreement shall have the same meaning herein as in the Credit Agreement.

We refer to Clause 2.8 (Additional Lenders).

We, [Name of Additional Lender] agree to become party to and to be bound by the terms of the Credit Agreement as an Additional Lender in accordance with Clause 2.8 (Additional Lenders) with effect on and from [insert date].

Our Revolving Credit Commitment is € [ ] [Our Swingline Commitment is €[ ]]]

We confirm to each Finance Party that we:

(a) have made our own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and have not relied exclusively on any information provided to us by a Finance Party in connection with any Finance Document; and

(b) will continue to make our own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Commitment is in force.

The Facility Office and address for notices of the Additional Lender for the purposes of Clause 32.2 (Addresses for notices) is:

[ ]

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

[ADDITIONAL LENDER]
By:
THE ROYAL BANK OF SCOTLAND PLC
By:
VODAFONE GROUP PLC
By:

1 Delete if not applicable
To: [Existing Lender];
Vodafone Group Plc;

Dear Sirs,

We refer to the €[ ] Revolving Credit Agreement dated [●] 2010 (the “Credit Agreement”) between, among others, Vodafone Group Plc and The Royal Bank of Scotland plc (as Agent).

This is a confidentiality undertaking referred to in Clause 27 (Disclosure of Information) of the Credit Agreement. A term defined in the Credit Agreement has the same meaning in this undertaking.

We are considering entering into contractual relations with [insert name of Lender] (the “Existing Lender”) and understand that it is a condition of our receiving information about Vodafone Group Plc and its related companies and any Finance Document and/or any information under or in connection with any Finance Document that we execute this undertaking.

1. Confidentiality Undertaking

   We undertake (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to our own confidential information, (b) to use the Confidential Information only for the Permitted Purpose, (c) to use all reasonable endeavours to ensure that any person to whom we pass any Confidential Information (unless disclosed under paragraph 2(b) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it and (d) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Facilities, other than directly to the Group Treasurer of Vodafone.

2. Permitted Disclosure

   You agree that we may disclose Confidential Information:

   (a) to members of the Purchaser Group and their officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Purchaser Group;

   (b) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Purchaser Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Purchaser Group.

3. Notification of Required or Unauthorised Disclosure

   We agree (to the extent permitted by law) to inform you of the full circumstances of any disclosure under paragraph 2(b) above or upon becoming aware that Confidential Information has been disclosed in breach of this letter.

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4. Return of Copies
If you so request in writing, we shall return all Confidential Information supplied by you to us and destroy or permanently erase all copies of Confidential Information made by us and use all reasonable endeavours to ensure that anyone to whom we have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that we or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 2(b) above.

5. Continuing Obligations
The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if we become a party to the Facilities or (b) twelve months after we have returned all Confidential Information supplied to us by you and destroyed or permanently erased all copies of Confidential Information made by us (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than sub-paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed provided that any such Confidential Information retained in accordance with paragraph 4 shall remain confidential, subject to paragraph 2, for the period during which it is retained).

6. Consequences of Breach, etc.
We acknowledge and agree that you or members of the Group (each a “Relevant Person”) may be irreparably harmed by the breach of the terms hereof and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by any member of the Purchaser Group.

7. No Waiver; Amendments, etc.
This letter sets out the full extent of our obligations of confidentiality owed to you in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges hereunder. The terms of this letter and our obligations hereunder may only be amended or modified by written agreement between us.

8. Inside Information
We acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and we undertake not to use any Confidential Information for any unlawful purpose.

9. Nature of Undertakings
The undertakings given by us under this letter are given to you and (without implying any fiduciary obligations on your part) are also given for the benefit of each other member of the Group.

10. Governing Law and Jurisdiction
This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts.
11. Third Party Rights

(a) Subject to paragraph 6 and to paragraph 9 the terms of this letter may be enforced and relied upon only by you and us and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

(b) Notwithstanding any provisions of this letter, the parties of this letter do not require the consent of any Relevant Person to rescind or vary this letter at any time.

12. Definitions

In this letter:

“Confidential Information” means any information relating to Vodafone, the Group and/or the Facilities provided to us by you or any of your Affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by us before the date the information is disclosed to us by you or any of your affiliates or advisers or is lawfully obtained by us thereafter, other than from a source which is connected with the Group and which, in either case, as far as we are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

“Permitted Purpose” means considering and evaluating whether to enter into the Facilities; and

“Purchaser Group” means us, each of our holding companies and subsidiaries and each subsidiary of each of our holding companies (as each such term is defined in the Companies Act 1985).

Yours faithfully
For and on behalf of
[New Lender]
Dear Sirs,

Fee Letter

You have asked us to participate in a €[ ] credit facility (the “Facility”) to provide support for the Group’s continuing commercial paper programmes and for general corporate purposes of the Group including, but not limited to, acquisitions.

Terms defined in the credit agreement dated [●] 2010 between (inter alia) Vodafone and the financial institutions listed therein (the “Credit Agreement”) have the same meaning in this letter unless otherwise defined in this letter or the context otherwise requires.

This letter sets out the terms upon which you have agreed to pay a fee in relation to our participation in the Facility.

1. Fee
   You will pay to us for our account a non-refundable up-front fee equal to [ ] per cent. flat calculated on our Revolving Credit Commitment as at the date on which we become an Additional Lender pursuant to Clause 2.8 (Additional Lenders) of the Credit Agreement and payable 5 Business Days after that date;

2. Finance Document
   This Fee Letter is a Finance Document.

3. No Set-off
   All payments to be made under this Fee Letter will be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

4. Governing Law
   This letter and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

If you agree to the above please sign and return the enclosed copy of this letter.

This letter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this letter.
Yours faithfully,

[..........................]

For and on behalf of
[ADDITIONAL LENDER]

We agree to the terms set out above.

[..........................]

For and on behalf of
Vodafone Group Plc

[DATE]
SCHEDULE 8
FIXED RATE BONDS AND PREFERENCE SHARES

US Bonds and Preference Shares

Financial Indebtedness of Vodafone Americas Inc. (previously AirTouch Communications, Inc.) under $1.65bn fixed rate preference shares issued by Vodafone Americas Inc. due April 2020.
FORM OF INCREASE CONFIRMATION

To: THE ROYAL BANK OF SCOTLAND PLC as Agent and Vodafone, for and on behalf of each Obligor
From: [the Increase Lender] (the “Increase Lender”)

[DATE]

Vodafone Group Plc - € [ ] Revolving Credit Agreement
dated [●] 2010 (the “Credit Agreement”)

1. We refer to the Credit Agreement. This agreement (the “Agreement”) shall take effect as an Increase Confirmation for the purpose of the Credit Agreement. Terms defined in the Credit Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 2.3 (Increase) of the Credit Agreement.

3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the “Relevant Commitment”) as if it was an Original Lender under the Credit Agreement.

4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the “Increase Date”) is [ ].

5. On the Increase Date, the Increase Lender becomes party to the relevant Finance Documents as a Lender.

6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 32.2 (Addresses for notices) are set out in the Schedule.

7. The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in paragraph (f) of Clause 2.3 (Increase).

8. The Increase Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is:
   (a) [a Qualifying Lender (other than a Treaty Lender);]
   (b) [a Treaty Lender;]
   (c) [not a Qualifying Lender].

9 This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

[9/10] This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English Law.

[10/11] This Agreement has been entered into on the date stated at the beginning of this Agreement.

Delete as applicable — each Increase Lender is required to confirm which of these three categories it falls within.

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THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Increase Lender]
By:

This Agreement is accepted as an Increase Confirmation for the purpose of the Credit Agreement by the Agent and the Increase Date is confirmed as [ ].

Agent
By:

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SIGNATORIES

Borrower and Guarantor

VODAFONE GROUP PLC
By: ANDY HALFORD  NEIL GARROD

Mandated Lead Arrangers

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
By: MARK CHERRY

BANCO BILBAO VIZCAYA ARGENTARIA S.A., LONDON BRANCH
By: DAGMAR DE GALAINENA  JANUSZ PIOTROWIEZ
GLOBAL CLIENTS  GLOBAL CLIENTS
VICE PRESIDENT  VICE PRESIDENT

BANC OF AMERICA SECURITIES LIMITED
By: ALLISON M.B. EDWARDS
SENIOR VICE PRESIDENT

BANCO SANTANDER, S.A., LONDON BRANCH
By: GRAEME MARKS  GRANT SESSIONS

BARCLAYS CAPITAL
By: CHRIS BICHENO

115
BNP PARIBAS, LONDON BRANCH
By: M.E. MOLLOY TIM BOLTON

CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID
By: JOSE LUIS GARcía PÉREZ CESAR DÍAZ DE TERÁN LÓPEZ

CITIGROUP GLOBAL MARKETS LIMITED
By: GEORGI YORDANOV
VICE PRESIDENT UK BANKING AND BROKING

DEUTSCHE BANK AG, LONDON BRANCH
By: MICHAEL STARMER-SMITH JONATHAN MORFORD

GOLDMAN SACHS INTERNATIONAL
By: SIMON DINGEMANS

HSBC BANK PLC
By: DAVID STENT
INTESA SANPAOLO S.P.A.
By: MARIAN SEXTON  PAUL SAMUELS

ING BANK N.V., LONDON BRANCH
By: STEVE FITCH  LINDSAY CORNELISSEN

J.P. MORGAN PLC
By: CARLOS VAZQUEZ

LLOYDS TSB BANK PLC
By: NIGEL DUFFIELD

MIZUHO CORPORATE BANK, LTD
By: ROBERT PETTITT

MORGAN STANLEY BANK INTERNATIONAL LIMITED
By: MATHIAS BLUMSCHEIN

NATIONAL AUSTRALIA BANK LIMITED ABN 12 004 044 937
By: JON HEMINSLEY

DIRECTOR, INSTITUTIONAL BANKING
NOMURA INTERNATIONAL PLC
By:  CHARLES PITTS-TUCKER

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
By:  SIMON LELLO  JONATHAN LAMB

THE ROYAL BANK OF SCOTLAND PLC
By:  PETER ELLEMMANN  TREVOR NELSON

UBS LIMITED
By:  J. CAMPBELL  ALAN GREENHOW
      DIRECTOR  DIRECTOR

UNICREDIT BANK AG.
By:  KATRIN LUTZE  SIMONE SORG

Co-Arrangers

BANCO DE SABADELL, S.A., LONDON BRANCH
By:  CARLOS FRANQUES  NEIL FARREN

COMMERZBANK AKTIENGESELLSCHAFT, LONDON BRANCH
By:  IAN ANDERSON  MARK SMYTH
STANDARD CHARTERED BANK
By: STEVE LILLEY			RICH SHRESTHA
SOCIÉTÉ GÉNÉRALE, CORPORATE & INVESTMENT BANKING (THE CORPORATE AND INVESTMENT BANKING DIVISION OF SOCIÉTÉ GÉNÉRALE)
By: MICHAEL MACAGNO
SUMITOMO MITSUI BANKING CORPORATION
By: KONSTANTINOS KARABALIS
	DEPUTY GENERAL MANAGER
TD BANK EUROPE LIMITED
By: HEATHER OWEN
	VP DIRECTOR
THE BANK OF NEW YORK MELLON
By: WILLIAM M. FEATHERS
	VICE PRESIDENT

Lenders
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
By: MARK CHERRY
BANCO BILBAO VIZCAYA ARGENTARIA S.A., LONDON BRANCH
By: DAGMAR DE GALAINENA JANUSZ PIOTROWIEZ
    GLOBAL CLIENTS VICE PRESIDENT GLOBAL CLIENTS VICE PRESIDENT

BANCO DE SABADELL, S.A., LONDON BRANCH
By: CARLOS FRANQUES NEIL FARREN

BANCO SANTANDER, S.A., LONDON BRANCH
By: GRAEME MARKS GRANT SESSIONS

BANK OF AMERICA, N.A.
By: ALLISON M.B. EDWARDS
    SENIOR VICE PRESIDENT

BARCLAYS BANK PLC
By: CHRIS BICHENO

BNP PARIBAS, LONDON BRANCH
By: M.E. MOLLOY TIM BOLTON

CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID
By: JOSE LUIS GARCÍA PÉREZ CÉSAR DÍAZ DE TERÁN LOPEZ
CITIBANK, NA LONDON
By: GEORGI YORDANOV
VICE PRESIDENT UK BANKING AND BROKING

COMMERZBANK AKTIENGESELLSCHAFT, LONDON BRANCH
By: IAN ANDERSON        MARK SMYTH

DEUTSCHE BANK AG, LONDON BRANCH
By: MICHAEL STARMER-SMITH  JONATHAN MORFORD

GOLDMAN SACHS BANK USA
By: MARK WALTON
   AUTHORISED SIGNATORY

HSBC BANK PLC
By: DAVID STENT

ING BANK N.V., LONDON BRANCH
By: STEVE FITCH        LINDSAY CORNELISSEN

INTESA SANPAOLO S.P.A.
By: MARIAN Sexton     PAUL SAMUELS
DEUTSCHE BANK AG LONDON BRANCH
By:  MICHAEL STARMER-SMITH  JONATHAN MORFORD

HSBC BANK PLC
By:  DAVID STENT

ING BANK N.V., LONDON BRANCH
By:  STEVE FITCH  LINDSAY CORNELISSEN

JPMORGAN CHASE BANK, N.A.
By:  CARLOS VAZQUEZ

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
By:  SIMON LELLO  JONATHAN LAMB

THE ROYAL BANK OF SCOTLAND PLC
By:  PETER ELLEMANN  TREVOR NELSON

UBS AG, LONDON BRANCH
By:  J. CAMPBELL  ALAN GREENHOW
   DIRECTOR  DIRECTOR
UNICREDIT LUXEMBOURG S.A.
By: ROBERT REIDENBACH MICHAEL WIEBER
Agent
THE ROYAL BANK OF SCOTLAND PLC
By: PETER ELLEMANN TREVOR NELSON
Euro Swingline Agent
THE ROYAL BANK OF SCOTLAND PLC
By: PETER ELLEMANN TREVOR NELSON
To: THE ROYAL BANK OF SCOTLAND PLC as Agent
From: BANK OF CHINA LIMITED, LONDON BRANCH

Exhibit 4.8

March 2011

Vodafone Group Plc — €4,000,000,000 Revolving Credit Agreement
dated 1 July 2010 (as amended from time to time) (the “Credit Agreement”)

Terms used herein which are defined in the Credit Agreement shall have the same meaning herein as in the Credit Agreement.

We refer to Clause 2.8 (Additional Lenders).

We, Bank of China Limited, London Branch agree to become party to and to be bound by the terms of the Credit Agreement as an Additional Lender in accordance with Clause 2.8 (Additional Lenders) with effect on and from _____ March 2011.

Our Revolving Credit Commitment is €150,000,000.

We confirm to each Finance Party that we:

(a) have made our own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Credit Agreement and have not relied exclusively on any information provided to us by a Finance Party in connection with any Finance Document; and

(b) will continue to make our own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Credit Agreement or any Commitment is in force.

The Facility Office and address for notices of the Additional Lender for the purposes of Clause 32.2 (Addresses for notices) is:

Bank of China Limited, London Branch
1 Lothbury, London, EC2R 7DB

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This letter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this letter.

BANK OF CHINA LIMITED, LONDON BRANCH
By:

THE ROYAL BANK OF SCOTLAND PLC
By:

VODAFONE GROUP PLC
By:

[Signature]

1
8 October 2010
Ms Renee J James

Dear Renee

NON-EXECUTIVE DIRECTORSHIP OF VODAFONE GROUP PUBLIC LIMITED COMPANY

Further to our discussions, this letter is to confirm the terms of your appointment as a non-executive director of Vodafone Group Public Limited Company (the “Company”), without prejudice to your obligations to the Company under English Law.

1 Role

Your obligations and responsibilities as a non-executive director are to the Company and, like all directors, you should act at all times in the best interests of the Company, exercising your independent judgement on all matters. Non-executive directors have the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs. Your appointment as non-executive director of the Company is subject to the Company’s Articles of Association (the “Articles”) and the latter will prevail in the event of any conflict between them and the terms of this Letter. A copy of the current version of the Articles is available on the Company’s website at www.vodafone.com.

In my view, the role of the non-executive director has a number of key elements and I look forward to your contribution in these areas:

- Strategy: you should constructively challenge and contribute to the development of strategy;
- Performance: you should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- Risk: you should satisfy yourself that financial information is accurate and that financial controls and systems of risk management are robust and defensible; and
- People: non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning.

Sir John Bond
Chairman
2 Appointment and Term

Subject to the terms of this letter, your appointment will commence on 1 January 2011 (the “Effective Date”). The Articles require that directors submit themselves for re-election by shareholders periodically and as a Board we have resolved that all the Directors will submit themselves for re-election every year\(^1\). The Nominations and Governance Committee each year review and consider the submission of the Directors for re-election. In the event that when you submit yourself for re-election you are not elected, your appointment as director will automatically terminate. You will not be entitled to receive any compensation from the Company in respect of the termination of your directorship. In accordance with the recommendations of the Combined Code, after nine years’ service on the Board, a director may not be considered independent and as a Company we have resolved not to ask our shareholders to re-elect anyone with more than nine years’ Board service.

Overall, we anticipate a time commitment from you involving attendance at all Board meetings (the Company currently has eight each year), the Annual General Meeting (usually held in July each year) and at least one Company/site visit per year. You will be expected to devote appropriate preparation time ahead of each meeting. In addition, each of the principal Board Committees meets about four or five times a year (and in some cases more frequently) and you should anticipate being a member of at least one of these Committees beginning on the first anniversary of your appointment to the Board.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. If you are unable to attend a Board meeting in person, I hope, nevertheless, that you will be able to join those meetings either by videoconference or teleconference facilities. I would be grateful if, before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company, you would seek my agreement.

3 Fees

As you will be a non-executive director of the Company, the Board as a whole will determine your remuneration in accordance with the requirements of good corporate governance, the Financial Services Authority’s Combined Code and the Financial Services Authority’s Listing Rules. The fee for your services is £115,000 per annum and it is paid in equal instalments monthly in arrears. You may elect to be paid either in cash or in the Company’s shares. Please let me know if you may prefer to receive shares. You will also be entitled to be repaid all travelling and other expenses properly incurred in performing your duties in accordance with the Articles of Association. Directors who have to undertake intercontinental travel to attend Board meetings are paid an additional allowance of £6,000 per meeting attended and as you are based in California you will be entitled to receive this payment. If you are invited to serve on one or more of the Committees of the Board (in which case this will be covered in a separate communication setting out the Committee’s terms of reference and any specific responsibilities that may be involved) no additional fee will be payable, unless you are invited to Chair a Committee, in which case an additional fee will be payable in equal instalments monthly in arrears for so long as you hold that position. We currently pay the Chair of our Audit Committee an additional £25,000 per annum, and the Chair of our Remuneration Committee £20,000 per annum. Payment of all fees will cease immediately after your appointment as a non-executive director of the Company terminates for any reason.

\(^1\) The Company’s Annual General Meeting in 2011 will be held on Tuesday 26 July 2011 and if you accept this appointment it is the Company’s intention to submit you for election by the Company’s shareholders at that meeting.
4 Dealing in the Company’s shares
You shall (and you shall procure that your “connected persons”, including your spouse and any dependent children shall) comply with the provisions of the Criminal Justice Act 1993, the Financial Services and Markets Act 2000, the Financial Services Authority’s Model Code as set out in the Listing Rules and rules and regulations laid down by the Company from time to time in relation to dealing in the Company’s shares. Further guidance is provided in your director information pack.

5 Competitive Businesses
In view of the sensitive and confidential nature of the Company’s business you agree that for so long as you are a non-executive director of the Company you will not, without the consent of the Board, which shall not be withheld unreasonably, be engaged or interested in any capacity in any business or with any company which is, in the reasonable opinion of the Board, competitive with the business of any company in the Group. In the event that you become aware of any potential conflicts of interest, these should be disclosed to me and to the Company Secretary as soon as possible.

6 Confidentiality
You agree that you will not make use of, divulge or communicate to any person (except in the proper performance of your duties) any of the trade secrets or other confidential information of or relating to any company in the Group which you have received or obtained from or through the Company. This restriction shall continue to apply after the termination of your appointment without limit in point of time but shall cease to apply to information or knowledge which comes into the public domain otherwise than through your default or which shall have been received by you from a third party entitled to disclose the same to you.

Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of inside information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from me or from the Company Secretary. Please note that all media enquiries concerning the Company must be referred immediately to the Group External Affairs Director.

7 Illness or Incapacity
If you are prevented by illness or incapacity from carrying out your duties for a period exceeding three consecutive calendar months or at different times for a period exceeding in aggregate three calendar months in any one period of twelve calendar months or if you become prohibited by law or under the Articles of Association of the Company from being a non-executive director of the Company, then the Company may terminate your appointment immediately.

8 Effect of Termination
Upon termination of your appointment howsoever arising, you shall forthwith or upon request of the Company, resign from office as a non-executive director of the Company and all other offices held by you in any other companies in the Group and your membership of any organisation acquired by virtue of your tenure of any such office, and should you fail to do so, the Company is hereby irrevocably authorised to appoint some person in your name and on your behalf to sign any documents and do anything necessary or requisite to give effect thereto.
9 Return of Company Property

You agree that upon termination of your appointment as a non-executive director, you will immediately deliver to the Company all property belonging to the Company or any member of its Group, including all documents or other records made or compiled or acquired by you during your appointment concerning the business, finances or affairs of the Group.

10 Independent Professional Advice

In accordance with the Financial Services Authority’s Combined Code, the Board has agreed procedures for directors in the furtherance of their duties to take independent professional advice if necessary, at the Company’s expense. A copy of the relevant Board resolution is enclosed in your director information pack. Naturally, if you have any queries or difficulties at any time please feel free to discuss them with me. I am also available at all times to provide you with information and advice you may need.

11 Indemnification and Insurance

You will have the benefit of the following indemnity in relation to liability incurred in your capacity as a Director of the Company. This indemnity is as wide as English law currently permits:

(i) The Company will provide funds to cover costs as incurred by you in defending legal proceedings brought against you in your capacity as, or as a result of your being or having been, a Director of the Company including criminal proceedings and proceedings brought by the Company itself or an Associated Company;

(ii) The Company will indemnify you in respect of any proceedings brought by third parties, including both legal and financial costs of an adverse judgment brought against you in your capacity as, or as a result of your being or having been, a Director of the Company; and

(iii) The Company will indemnify you for liability incurred in connection with any application made to a court for relief from liability, where the court grants such relief.

For the avoidance of doubt, the indemnity granted does not cover:

(i) Unsuccessful defence of criminal proceedings, in which instance the Company would seek reimbursement for any funds advanced;

(ii) Unsuccessful defence of an action brought by the Company itself or an Associated Company, in which instance the Company would seek reimbursement for any funds advanced;

(iii) Fines imposed by regulatory bodies;

(iv) Fines imposed in criminal proceedings; and

(v) Liability incurred in connection with any application under Section 144(3) or (4) of the Companies Act 1985 (acquisition of shares by innocent nominee) or section 1157 of the Companies Act 2006 (general power to grant relief in case of honest and reasonable conduct), where the court refuses to grant you relief, and such refusal is final. (For reference, a summary of these sections is appended to this letter).

It is a condition of the provision of this indemnity that you shall notify the Company without delay upon becoming aware of any claim or potential claim against you and that you have a duty to mitigate any loss incurred.
The Company maintains Directors and Officers insurance as additional cover for Directors which, if the insurance policy so permits, may provide funds in circumstances where the law prohibits the Company from indemnifying Directors. A brief summary of the cover was provided in the email I sent you on 30 July 2010 and further information can be provided by the Company Secretary on request.

12 Review Process
The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role, please discuss them with me as soon as is appropriate.

13 Contract for Services
It is agreed that you will not be an employee of the Company or any of its subsidiaries and that this letter shall not constitute a contract of employment.

In this letter:

“Board” means the board of directors of the Company from time to time or any person or committee nominated by the board of directors as its representative or to whom (and to that extent) it has delegated powers for the purposes of this letter.

“Group” means the Company and any other company which is its subsidiary or in which the Company or any subsidiary of the Company controls not less than 25% of the voting shares (where “subsidiary” has the meaning given to it by section 736 of the Companies Act 1985).

This letter shall be governed by and construed in accordance with English Law. Both parties submit to the exclusive jurisdiction of the English Courts as regards any claim or matter arising in connection with the terms of this letter.

Please acknowledge receipt and acceptance of the terms of this letter by signing the enclosed copy and returning it to the Company Secretary. I am greatly looking forward to working with you.

Kind regards.

Yours sincerely

John Bond

I hereby accept that the terms of this letter constitute the terms of my appointment as a non-executive director of the Company.

Signed: Renee J James
Date: October 10, 2010

October 2010
Dear Mr Kleisterlee

NON-EXECUTIVE DIRECTORSHIP OF VODAFONE GROUP PUBLIC LIMITED COMPANY

Further to our discussions, this letter is to confirm the terms of your appointment as a non-executive Director of Vodafone Group Public Limited Company (the “Company”) from 1 April 2011 and your appointment as Chairman of the company from the conclusion of the Company’s Annual General Meeting in July 2011.

1 Appointment and Term

1.1 Subject to the terms of this letter, your appointment as a non-executive Director will commence on 1 April 2011 (the “Effective Date”) and is for an initial term of three years from the Effective Date, unless terminated earlier in accordance with the Articles or the terms of this letter. The Board has resolved that all the Directors of the Company shall submit themselves for re-election by the Company’s shareholders each year at the Annual General Meeting and you agree that in the event that when you submit yourself for re-election you are not elected, your appointment as a Director, your appointment as Chairman and this agreement will automatically terminate. You will not be entitled to receive any compensation from the Company in respect of the termination of your directorship.

1.2 Your engagement as Chairman of the Company will commence at the conclusion of the Company’s Annual General Meeting in July 2011 (the “Chairman Commencement Date”) and will continue from that date until terminated in accordance with the terms of this letter.

2 Role as a non-executive Director

2.1 We anticipate a time commitment from you involving attendance at all Board meetings and the Annual General Meeting. You will be expected to devote appropriate preparation time ahead of each meeting. By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role, including making yourself available in the event the Board is required to deal with crises. If you are unable to attend a Board meeting in person, it is hoped that you will be able to join those meetings either by videoconference or teleconference facilities.

Vodafone Group Plc
Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, England
T+44 (0)1635 33251 F+44 (0)1535 580857 www.vodafone.com

2.2 Your obligations and responsibilities as a non-executive director are to the Company and, like all Directors, you should act at all times in the best interests of the Company, exercising your independent judgement on all matters. Non-executive Directors have the same general legal responsibilities to the Company as any other Director. The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs. Your appointment as non-executive Director of the Company is subject to the Company’s Articles and the latter will prevail in the event of any conflict between them and the terms of this letter. A copy of the current version of the Articles is included in your Director information pack.

2.3 The role of the non-executive Director has a number of key elements and it is expected that you will contribute in these areas:

2.3.1 Strategy: you should constructively challenge and contribute to the development of strategy;

2.3.2 Performance: you should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

2.3.3 Risk: you should satisfy yourself that financial information is accurate and that financial controls and systems of risk management are robust and defensible; and

2.3.4 People: non-executive Directors are responsible for determining appropriate levels of remuneration of executive Directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning.

3 Role and Responsibilities as Chairman

Your role and additional responsibilities as Chairman and certain related matters are set out in Appendix 2.

4 Regulatory Requirements

Your appointment as a non-executive Director and Chairman is subject to the Companies Act 2006, general law, the Listing, Prospectus and Disclosure and Transparency Rules of the UK Financial Services Authority and the Articles.

5 Fees

5.1 Prior to the Chairman Commencement Date, the fee for your services as a non-executive Director of the Company will be £115,000 (less any withholdings required by law). You will also be entitled to be repaid all travelling and other expenses properly incurred in performing your duties in accordance with the Articles and the Company’s expenses policy from time to time.

5.2 From the Chairman Commencement Date, the provisions relating to your fees and benefits set out in Appendix 2 shall apply.

5.3 Payment of all fees will cease immediately after your appointment as a non-executive Director and/or Chairman of the Company terminates for any reason.
6 Dealing in the Company’s shares
You shall (and you shall procure that your wife and dependent children shall) comply with all relevant rules of law, the provisions of the Criminal Justice Act 1993, the Financial Services and Markets Act 2000, the Model Code as set out in Annex 1 to Rule 9 of the Listing Rules and rules and regulations laid down by the Company from time to time in relation to such matters.

7 Outside Interests
7.1 It is accepted and acknowledged that you have business interests other than those of the Company. As a condition to your appointment commencing you are required to declare any such directorships, appointments and interests to the Board in writing in the form of the attached Appendix 1.
7.2 If you take on any additional interests or become aware of any potential conflicts of interests, these must be disclosed to the Board as soon as they arise or become known to you.
7.3 If at any time you are considering acquiring any new interest which might give rise to a conflict of interest with the Group you must first discuss the matter with the Board and, if necessary, obtain its consent.

8 Competitive Businesses
In view of the sensitive and confidential nature of the Company’s business you agree that for so long as you are a non-executive director of the Company you will not, without the consent of the Board, which shall not be withheld unreasonably, be engaged or interested in any capacity in any business or with any company which is, in the reasonable opinion of the Board, competitive with the business of any company in the Group.

9 Confidentiality
9.1 You agree that you will not make use of, divulge or communicate to any person (except in the proper performance of your duties) any of the trade secrets or other confidential information of or relating to any company in the Group which you have received or obtained from or through the Company or any information which has been provided to you on the basis it is confidential. This restriction shall continue to apply after the termination of your appointment without limit in point of time but shall cease to apply to information or knowledge which comes into the public domain otherwise than through your default or which shall have been received by you from a third party entitled to disclose the same to you.
9.2 Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance in accordance with the Company’s share dealing code.

10 Termination
10.1 Your appointment as Chairman (the “Engagement”) will continue until terminated by either party giving written notice as set out in paragraph 10.2 of this letter.
10.2 Either you or the Company may terminate the Engagement by giving not less than six months’ written notice to the other.
10.3 The Company may terminate the Engagement with immediate effect by giving written notice if you do not perform the duties of the Engagement for a period of 130 days (whether or not consecutive) in any period of 365 days because of sickness, injury or other incapacity. This notice can be given whilst you continue not to perform your duties or on expiry of the 130 day period.

10.4 The Company may terminate the Engagement with immediate effect by giving written notice if you:

10.4.1 have not performed you duties under this agreement to the standard required by the Board; or

10.4.2 commit any serious or persistent breach of your obligations under this agreement; or

10.4.3 are guilty of any gross misconduct or conduct yourself (whether in connection with the Engagement or not) in a way which is harmful to any Group Company; or

10.4.4 are guilty of dishonesty or are convicted of an arrestable criminal offence (other than a motoring offence which does not result in imprisonment) whether in connection with the Engagement or not; or

10.4.5 become of unsound mind, are bankrupted or have a receiving order made against you or make any general composition with your creditors or take advantage of any statute affording relief for insolvent debtors; or

10.4.6 become disqualified from being a director of a company.

10.5 You will have no claim for damages or any other remedy against the Company if the Engagement is terminated for any of the reasons set out in paragraphs 10.3 or 10.4.

11 Restrictions after Termination

11.1 You are likely to obtain trade secrets and confidential information and personal knowledge of and influence over customers and employees of the Group during the course of the Engagement. To protect the interests of the Company, you agree that you will be bound by the following covenants:

11.1.1 for the period of six months following the Termination Date you will not be employed in, or carry on for your own account or for any other person, whether directly or indirectly, (or be a director of any company engaged in) any business which is or is about to be in competition with any business of the Company or any other Group Company being carried on by such company at the Termination Date provided you were concerned or involved with that business to a material extent at any time during the 12 months prior to the Termination Date; and

11.1.2 for the period of twelve months following the Termination Date you will not (either on your own behalf or for or with any other person, whether directly or indirectly,) entice or try to entice away from the Company or any other Group Company any person who was an F band employee or higher employee (or equivalent) of such a company at the Termination Date and who had been such an employee at any time during the six months prior to the Termination Date.

11.2 Each of the paragraphs contained in paragraph 11.1 constitutes an entirely separate and independent covenant. If either covenant is found to be invalid this will not affect the validity or enforceability of the other covenant.
11.3 Following the Termination Date, you will not represent yourself as being in any way connected with the businesses of the Company or of any other Group Company (except to the extent agreed by such a company).

12 Offers on Liquidation

You will have no claim against the Company if the Engagement is terminated by reason of liquidation in order to reconstruct or amalgamate the Company or by reason of any reorganisation of the Company and you are offered engagement with the company succeeding to the Company upon such liquidation or reorganisation and the new terms offered to you are no less favourable to you than the terms of this agreement.

13 Return of Company Property

13.1 At any time during the Engagement (at the request of the Company) and in any event when the Engagement terminates, you will immediately return to the Company:

13.1.1 all documents and other materials (whether originals or copies) made or compiled by or delivered to him during the Engagement and concerning all the Group Companies, you will not retain any copies of any materials or other information; and

13.1.2 all other property belonging or relating to any of the Group Companies.

14 Directorships

14.1 Your office as a Director of the Company or any other Group Company is subject to the Articles of the relevant company (as amended from time to time). If the provisions of this letter conflict with the provisions of the Articles, the Articles will prevail.

14.2 You must resign from any office held in any Group Company if the Engagement is terminated or if you are asked to do so by the Company.

14.3 If you do not resign as an officer of a Group Company, having been requested to do so in accordance with paragraph 14.2, the Company will be appointed as your attorney to effect your resignation. By entering into this agreement, you irrevocably appoint the Company as your attorney to act on your behalf to execute any document or do anything in your name necessary to effect your resignation in accordance with paragraph 14.2. If there is any doubt as to whether such a document (or other thing) has been carried out within the authority conferred by this paragraph 14.3, a certificate in writing (signed by any Director or the secretary of the Company) will be sufficient to prove that the act or thing falls within that authority.

14.4 During the Engagement you will not do anything which could cause you to be disqualified from continuing to act as a Director of any Group Company.

14.5 You must not resign your office as a director of any Group Company without the agreement of the Company.

15 Indemnity and Insurance

15.1 During the continuance of the Engagement and where applicable thereafter you will have the benefit of the following indemnity in relation to liability incurred in your capacity as a Director of the Company:
15.1.1 the Company will provide funds to cover costs as incurred by you in defending legal proceedings brought against you in his capacity as, or as a result of your being or having been, a Director of the Company including criminal proceedings and proceedings brought by the Company itself or an Associated Company;

15.1.2 the Company will indemnify you in respect of any proceedings brought by third parties, including both legal and financial costs of an adverse judgment brought against you in your capacity as, or as a result of his being or having been, a Director of the Company; and

15.1.3 the Company will indemnify your for liability incurred in connection with any application made to a court for relief from liability, where the court grants such relief.

15.2 For the avoidance of doubt, the indemnity does not cover:

15.2.1 unsuccessful defence of criminal proceedings, in which instance the Company would seek reimbursement for any funds advanced;

15.2.2 unsuccessful defence of an action brought by the Company itself or an Associated Company, in which instance the Company would seek reimbursement for any funds advanced;

15.2.3 fines imposed by regulatory bodies;

15.2.4 fines imposed in criminal proceedings; and

15.2.5 liability incurred in connection with any application under Section 661 (3) or (4) or the Companies Act 2006 (acquisition of shares by innocent nominee) or section 1157 of the Companies Act 2006 (general power to grant relief in case of honest and reasonable conduct), where the court refuses to grant relief, and such refusal is final.

15.3 It is a condition of the provision of this indemnity that you shall notify the Company without delay upon becoming aware of any claim or potential claim against you and that you have a duty to mitigate any loss incurred.

15.4 The Company maintains and will throughout the Engagement maintain Directors and Officers insurance as additional cover maintained for Directors which, if the insurance policy so permits, may provide funds in circumstances where the law prohibits the Company from indemnifying Directors. You shall be entitled to the benefit of such cover in your capacity as, or as a result of his being or having been, a Director of the Company.

16 Notices

16.1 Any notices given under this agreement must be given by letter or fax. Notice to the Company must be addressed to its registered office at the time the notice is given. Notice to you must be given to him personally or sent to his last known address.

16.2 Except for notices given by hand, notices given by post will be deemed to have been given on the next working day after the day of posting and notices given by fax will be deemed to have been given in the ordinary course of transmission.

17 Data Protection Act 1998

17.1 For the purposes of the Data Protection Act 1998 you give your consent to the holding, processing and disclosure of personal data (including sensitive data within the meaning of the
Act) provided by you to the Company for all purposes relating to the performance of this agreement including, but not limited to:

17.1.1 administering and maintaining personnel records;
17.1.2 paying, reviewing and administering fees and other remuneration and benefits;
17.1.3 undertaking performance appraisals and reviews; and
17.1.4 taking decisions as to his fitness for work.

17.2 You acknowledge that during your Engagement you will have access to and process, or authorise the processing of, personal data and sensitive personal data relating to employees, customers and other individuals held and controlled by the Company. You agree to comply with the terms of the Act in relation to such data and to abide by the Company's data protection policy issued from time to time.

18 Independent Professional Advice

In accordance with the Financial Reporting Council’s Corporate Governance Code, the Board has agreed procedures for directors in the furtherance of their duties to take independent professional advice if necessary, at the Company’s expense. A copy of the relevant Board resolution is enclosed in your director information pack. Naturally, if you have any queries or difficulties at any time please feel free to discuss them with me or the Company Secretary. The Senior Independent Director will also be available to provide you with information and advice you may need.

19 Contract for Services

It is agreed that you will not be an employee of the Company or any of its subsidiaries and that this letter shall not constitute a contract of employment.

20 Miscellaneous

20.1 This agreement may only be modified by the written agreement of the parties.
20.2 You cannot assign this agreement to anyone else.
20.3 References in this agreement to rules, regulations, policies, handbooks or other similar documents which supplement it, are referred to in it or describe any benefits arrangement are references to the versions or forms of the relevant documents as amended or updated from time to time. In the event of conflict between the agreement and any such documents, the terms of this agreement shall prevail.
20.4 This agreement supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in it. It contains the whole agreement between the parties relating to the Engagement at the date the agreement was entered into (except for those terms implied by law which cannot be excluded by the agreement of the parties). You acknowledge that you have not been induced to enter into this agreement by any representation, warranty or undertaking not expressly incorporated into it. You agree and acknowledge that your only rights and remedies in relation to any representation, warranty or undertaking made or given in connection with this agreement (unless such representation, warranty or undertaking was made fraudulently) will be for breach of the terms of this agreement, to the exclusion of all other rights and remedies (including those in tort or arising under statute).
In this letter:

“Articles” means the Articles of Association of the Company.

“Board” means the board of directors of the Company from time to time or any person or committee nominated by the board of directors as its representative or to whom (and to that extent) it has delegated powers for the purposes of this letter.

“Engagement” means your appointment as Chairman pursuant to this agreement.

“Group” means the Company and any other company which is its subsidiary or in which the Company or any subsidiary of the Company controls not less than 25% of the voting shares (where “subsidiary” has the meaning given to it by section 1159 of the Companies Act 2006).

“Group Company” means a member of the Group and Group Companies will be construed accordingly.

“Listing Rules” means the Listing Rules made by the UK Financial Services Authority under Section 74 of the Financial Services and Markets Act 2000.

“Termination Date” means the date on which the Engagement terminates.

This letter shall be governed by and construed in accordance with English Law. Both parties submit to the exclusive jurisdiction of the English Courts as regards any claim or matter arising in connection with the terms of this letter.

Please acknowledge receipt and acceptance of the terms of this letter by signing the enclosed copy and returning it to the Company Secretary.

Kind regards.

Yours sincerely

Sir John Bond
for and on behalf of Vodafone Group Plc
I hereby accept that the terms of this letter constitute the terms of my appointment as a non-executive director and Chairman of the Company.

EXECUTED as a DEED by

in the presence of:

Witness's signature

Name                   Paula Fowler
Address                One Kingdom Street
                        London
                        W2 6BV
Occupation             Personal Assistant
## Appendix 1

### Details of outside interests

<table>
<thead>
<tr>
<th>Entity</th>
<th>Position Held</th>
<th>Date and Term of Appointment</th>
<th>Time commitment required</th>
<th>Shareholding/ Share options/ Other interests</th>
</tr>
</thead>
</table>

10
Appendix 2
Chairman’s Duties and Related Matters

1 Chairman’s Duties

1.1 From the Chairman Commencement Date and subject to and in accordance with the Articles you will serve the Company as Chairman of the Board.

1.2 You will:
   1.2.1 devote such of your working time, attention and skill to the Engagement as you, together with the Board, shall consider necessary for the fulfilment of your duties as Chairman;
   1.2.2 fulfil with due diligence and to the best of your ability the obligations incumbent upon you pursuant to your appointment;
   1.2.3 accept any offices or directorships in any subsidiary of the Company as reasonably required by the Board and will, subject always to your agreement, accept appointments in other Group Companies upon the request of the Board;
   1.2.4 comply with all rules and regulations issued by the Company;
   1.2.5 obey the lawful directions of the Board; and
   1.2.6 use all reasonable endeavours to promote and safeguard the interests and reputation of the Group.

1.3 You accept that the Company may require you to perform duties for any other Group Company for part of your working time and that you may be required to travel and work outside the United Kingdom from time to time. The Company will remain responsible for the payments and benefits you are entitled to receive under this letter.

2 Other Directorships
From the Chairman’s Commencement Date, you may not serve as a non-executive director of more than one non-Group company quoted on a recognised Stock Exchange without the prior approval of the Board and in the event you wish to accept such a position you will not do so until receipt of that approval, such approval not to be unreasonably withheld or delayed.

3 Office Facilities
From the Chairman’s Commencement Date, the Chairman will be provided with appropriate office facilities, including the services of a secretary, by the Company within the United Kingdom and/or The Netherlands.
4 Fee and other Benefits

4.1 From the Chairman Commencement Date, the Company will pay you a fee of £600,000 per annum (less any withholdings required by law), paid monthly in arrears by bank credit transfer on or about the 28th day of each month. The fee will be reviewed by the Board at the time it reviews fees for the non-executive directors of the Company (the first such review to take place in 2012) and the revised fee, if different, will take effect from when determined by the Board.

4.2 The fee referred to in paragraph 4.1 of this Schedule includes director’s fees from the Group Companies and any other companies in which you are required to accept a directorship under the terms of this letter. To achieve this:

4.2.1 you will repay any fees you receive to the Company; or

4.2.2 your fees will be reduced by the amount of those fees; or

4.2.3 a combination of the methods set out in paragraphs 4.2.1 and 4.2.2 of this Schedule will be applied.

References to fees in paragraph 4.2 exclude any fees received as a result of a directorship held in accordance with paragraph 2 of this Schedule.

4.3 For the avoidance of doubt, you will not be entitled to participate in short-term and long-term incentive plans and schemes in accordance with the Company’s executive remuneration policy as determined by the Remuneration Committee.

4.4 To assist in the performance of your duties under this agreement you will, during the continuance of the Engagement, be entitled to the use of a car and a driver whenever and wherever you are providing services to or representing the Company.

5 Expenses

5.1 The Company will refund you all your reasonable expenses properly incurred by you in performing your duties as Chairman, provided that these are incurred in accordance with Company policy from time to time.

5.2 The Company will reimburse you for the cost of hotel accommodation incurred when you are in the UK and elsewhere in connection with your duties for the Company.

5.3 When flying in discharge of your duties as Chairman, you are entitled to fly first class. In exceptional circumstances, and after prior notification to the Senior Independent Director or, in his absence, the Chairman of the Remuneration Committee, you may use the services of a private aviation company if one is used by the Company.

5.4 The Company will require you to produce receipts or other documents as proof that you have incurred any expenses you claim.

5.5 For the avoidance of doubt, if you are required to be accompanied by your spouse on any occasion or to any event in the performance of your duties, your spouse’s expenses will also be paid or reimbursed by the Company.
### UNAUDITED COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES(1)

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
<th>2008 £m</th>
<th>2007 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing costs per consolidated income statement</td>
<td>429</td>
<td>1,512</td>
<td>2,419</td>
<td>2,014</td>
<td>1,612</td>
</tr>
<tr>
<td>One third of rental expense</td>
<td>629</td>
<td>553</td>
<td>466</td>
<td>387</td>
<td>340</td>
</tr>
<tr>
<td>Interest capitalized</td>
<td>138</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Fixed charges</strong>(2)</td>
<td><strong>1,196</strong></td>
<td><strong>2,065</strong></td>
<td><strong>2,885</strong></td>
<td><strong>2,401</strong></td>
<td><strong>1,952</strong></td>
</tr>
<tr>
<td>Profit/(loss) before taxation from continuing operations</td>
<td>9,498</td>
<td>8,674</td>
<td>4,189</td>
<td>9,001</td>
<td>(2,383)</td>
</tr>
<tr>
<td>Share of profit in associates</td>
<td>(5,059)</td>
<td>(4,742)</td>
<td>(4,091)</td>
<td>(2,876)</td>
<td>(2,728)</td>
</tr>
<tr>
<td>Fixed charges</td>
<td>1,196</td>
<td>2,065</td>
<td>2,885</td>
<td>2,401</td>
<td>1,952</td>
</tr>
<tr>
<td>Dividends received from associates</td>
<td>1,424</td>
<td>1,436</td>
<td>647</td>
<td>873</td>
<td>791</td>
</tr>
<tr>
<td>Preference dividend requirements of a consolidated subsidiary</td>
<td>(89)</td>
<td>(86)</td>
<td>(82)</td>
<td>(65)</td>
<td>(69)</td>
</tr>
<tr>
<td>Interest capitalized</td>
<td>(138)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td><strong>6,832</strong></td>
<td><strong>7,347</strong></td>
<td><strong>3,548</strong></td>
<td><strong>9,334</strong></td>
<td><strong>(2,437)</strong></td>
</tr>
<tr>
<td><strong>Ratio of earnings to fixed charges</strong></td>
<td>5.7</td>
<td>3.6</td>
<td>1.2</td>
<td>3.9</td>
<td>—</td>
</tr>
<tr>
<td><strong>Deficiency between fixed charges and earnings</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(4,389)</td>
</tr>
</tbody>
</table>

**Notes:**

1. All of the financial information presented in this exhibit is unaudited.
2. Fixed charges include (1) interest expensed (2) interest capitalized (3) amortised premiums, discounts and capitalised expenses related to indebtedness, (4) an estimate of the interest within rental expense, and (5) preference security dividend requirements of a consolidated subsidiary. These include the financing costs of subsidiaries and joint ventures.
Exhibit 12

RULE 13a-14(a) CERTIFICATION

I, Vittorio Colao, certify that:

1. I have reviewed this annual report on Form 20-F of Vodafone Group Plc (the “Company”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and have:

(a) Designed such disclosure controls and procedures, and caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and

5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

17 June 2011
Date
/s/ Vittorio Colao
Vittorio Colao
Chief Executive
I, Andy N. Halford, certify that:

1. I have reviewed this annual report on Form 20-F of Vodafone Group Plc (the “Company”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and

5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

17 June 2011
/s/ Andy Halford
Date

Andy N. Halford
Chief Financial Officer
RULE 13a-14(b) CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Vodafone Group Plc, a company incorporated under the laws of England and Wales (the “Company”), hereby certifies, to such officer’s knowledge, that:

The Annual Report on Form 20-F for the year ended 31 March 2011 (the “Report”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

17 June 2011 /s/ Vittorio Colao

Date Vittorio Colao

Chief Executive

RULE 13a-14(b) CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Vodafone Group Plc, a company incorporated under the laws of England and Wales (the “Company”), hereby certifies, to such officer’s knowledge, that:

The Annual Report on Form 20-F for the year ended 31 March 2011 (the “Report”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

17 June 2011 /s/ Andy Halford

Date Andy N. Halford

Chief Financial Officer
CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-81825 and 333-149634 on Form S-8 and Registration Statement No. 333-168347 on Form F-3 of our reports dated May 17, 2011, relating to the consolidated financial statements of Vodafone Group Plc, and the effectiveness of Vodafone Group Plc’s internal control over financial reporting, appearing in this Annual Report on Form 20-F of Vodafone Group Plc for the year ended March 31, 2011.

/s/ Deloitte LLP

Deloitte LLP
London, United Kingdom
June 16, 2011
CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-81825 and 333-149634 on Form S-8 and Registration Statement No. 333-168347 on Form F-3 of Vodafone Group Plc of our report dated February 28, 2011 (June 16, 2011 as to Note 7 & Note 11) relating to the consolidated financial statements of Cellco Partnership d/b/a Verizon Wireless appearing in this Annual Report on Form 20-F of Vodafone Group Plc for the year ended March 31, 2011.

/s/ Deloitte & Touche LLP
New York, New York
June 16, 2011