HPL TECHNOLOGIES INC
Form SC 13D/A
October 03, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 2)*

HPL TECHNOLOGIES, INC.

(Name of Issuer)

Common Stock, $0.001 par value

(Title of Class of Securities)

40426C105

(CUSIP Number)

Rex S. Jackson

Senior Vice President and General Counsel

Synopsys, Inc.

700 East Middlefield Road

Mountain View, CA 94043

(650) 584-5000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

October 2, 2005

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person s initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 40426C105

1.	Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only) Synopsys, Inc., I.R.S. Identification No. 56-1546236		
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) o (b) o		
3.	SEC Use Only		
4.	Source of Funds (See Instructions) WC		
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o		
6.	Citizenship or Place of Organization State of Delaware		
Number of Shares Beneficially Owned by Each Reporting Person With		7.	Sole Voting Power 6,239,128 shares of common stock
		8.	Shared Voting Power 5,106,750 shares of common stock (1)
		9.	Sole Dispositive Power 6,239,128 shares of common stock
		10.	Shared Dispositive Power 5,106,750 shares of common stock (1)
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 11,345,878 shares of common stock (1)		
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o		
13.	Percent of Class Represented by Amount in Row (11) 27.5% of common stock (2)		
14.	Type of Reporting Person (See Instructions) CO		

2

(1) Does not include options to purchase an aggregate of 2,198,670 shares of common stock of HPL Technologies, Inc., some of which options are exercisable within 60 days of October 2, 2005, held by the persons who have entered into Voting Agreements with the reporting person as described herein.

(2) Based on 41,305,348 shares outstanding on October 2, 2005 as represented by HPL in the Merger Agreement (as defined herein).

Neither the filing of this statement on Schedule 13D nor any of its contents shall be deemed to constitute an admission by Synopsys, Inc. that it is the beneficial owner of any of the common stock referred to herein (other than the 6,239,128 shares of common stock described as being actually owned by Synopsys, Inc.) for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed.

Amendment No. 2 to Statement on Schedule 13D

This Amendment No. 2 (the ***Amendment***) amends and supplements the Statement on Schedule 13D originally filed on July 2, 2004 and amended on September 27, 2005, by Synopsys, Inc., a Delaware corporation (***Synopsys***).

This Amendment is being filed by Synopsys and relates to an Agreement of Merger among Synopsys, Snap Acquisition, Inc., a Delaware corporation and wholly-owned subsidiary of Synopsys (***Acquisition Sub***) and HPL Technologies, Inc., a Delaware corporation (***HPL***), dated as of October 2, 2005 (the ***Merger Agreement***), pursuant to which, and subject to the conditions set forth therein, Acquisition Sub will merge with and into HPL and HPL would become a wholly-owned subsidiary of Synopsys (the ***Merger***). Upon the consummation of the Merger, each share of HPL common stock (other than shares owned by Synopsys, Acquisition Sub, HPL or any wholly-owned subsidiary of Synopsys or HPL, or by any stockholder of HPL who is entitled to and properly exercises appraisal rights under Delaware law) will be converted into the right to receive $0.30 in cash.

Item 1. Security and Issuer

The class of equity securities to which this statement relates is common stock, par value $0.001, of HPL. The principal executive offices of HPL are located at 2033 Gateway Place, Suite 400, San Jose, California 95110.

Item 2. Identity and Background

(a) The name of the corporation filing this statement is Synopsys, Inc., a Delaware corporation.

(b) The address of Synopsys principal office is 700 East Middlefield Road, Mountain View, CA 94043.

(c) Synopsys provides electronic design automation software that enables its customers to design complex integrated circuits and systems-on-chips in the global semiconductor and electronics industries.

(d) Neither Synopsys nor, to Synopsys knowledge, any person named on Schedule A attached hereto during the last five years, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Neither Synopsys nor, to Synopsys knowledge, any person named on Schedule A attached hereto during the last five years, was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree, or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) To Synopsys knowledge, each of the individuals identified on Schedule A attached hereto is a citizen of the United States except for Dr. Aart de Geus who is a citizen of the Netherlands, Dr. Raul Camposano who is a citizen of Germany and Dr. Newton who is a citizen of Australia.

Set forth on Schedule A is the name and principal occupation or employment, and the name, principal business and address of any corporation or other organization in which such employment is conducted, of each of the directors and executive officers of Synopsys as of the date hereof.

Item 3. Source and Amount of Funds or Other Consideration

Synopsys purchased 6,239,128 shares of HPL common stock (the ***Purchased Shares***) from a third party for an aggregate purchase price of $2,869,998.88. The source of the funds for the Purchased Shares was Synopsys working capital.

In order to induce Synopsys to enter into the Merger Agreement and to facilitate the consummation of the Merger, certain stockholders of HPL have entered into voting agreements with Synopsys as described in Item 4

4

and Item 5 of this Schedule 13D. No other consideration was paid in exchange for such stockholders entering into the voting agreements.

Item 4. Purpose of Transaction

(a) - (b) The Merger Agreement provides for the acquisition by Synopsys of all of the outstanding common stock of HPL through a merger of Acquisition Sub with and into HPL, as a result of which HPL will become a wholly-owned subsidiary of Synopsys. The obligations of Synopsys and HPL to complete the Merger are subject to a number of conditions set forth in the Merger Agreement.

In order to induce Synopsys to enter into the Merger Agreement, HPL s directors and certain of HPL s executive officers collectively owning 5,106,750 of the outstanding shares of HPL common stock (the ***Voting Shares***) have entered into voting agreements with Synopsys pursuant to which they have agreed, in their respective capacities as stockholders of HPL, to vote all of the shares of HPL common stock beneficially owned by them, as well as any additional shares of HPL common stock which they may acquire (pursuant to HPL stock options or otherwise) in favor of the Merger and certain related matters (the ***Voting Agreements***).

The following stockholders of HPL have entered into Voting Agreements with Synopsys: Elias Antoun; Lawrence Kraus; Yervant Zorian; Cary D. Vandenberg; Michael P. Scarpelli; Dean Frazier; and Brian Gordon.

The description contained in this Item 4 of the transactions contemplated by the Merger Agreement and the Voting Agreements is qualified in its entirety by reference to the full texts of the Merger Agreement and the form of Voting Agreement, copies of which are incorporated by reference in this Schedule 13D see Exhibits 2.1 and 2.2.

(c) Not applicable.

(d) If the Merger is consummated, HPL will become a wholly-owned subsidiary of Synopsys, and Synopsys will subsequently determine the size and membership of the board of directors of HPL and the officers of HPL.

(e) The Merger Agreement prohibits HPL from issuing securities, disposing of securities or changing its capitalization, except under limited circumstances set forth therein. Upon consummation of the Merger, the number of outstanding shares of HPL common stock will be adjusted as contemplated by the Merger Agreement. The Merger Agreement further prohibits HPL from declaring, accruing, setting aside or paying any dividend or making any other distribution in respect of any shares of capital stock, or repurchasing, redeeming or otherwise reacquiring any shares of capital stock or other securities. Upon consummation of the Merger, HPL will become a wholly-owned subsidiary of Synopsys and will become eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended.

(f) Upon consummation of the Merger, HPL will become a wholly-owned subsidiary of Synopsys.

(g) The Merger Agreement contains provisions that limit the ability of HPL to engage in a transaction that would entail a change of control of HPL during the pendency of the Merger Agreement.

(h) Upon consummation of the Merger, HPL common stock will not be quoted on any quotation system or exchange and will cease to be traded on the OTC bulletin board.

(i) Upon consummation of the Merger, HPL common stock will become eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended.

(j) Other than as described above, Synopsys currently has no plan or proposal which relates to, or may result in, any of the matters listed in Items 4(a) - (i) of Schedule 13D (although Synopsys reserves the right to develop such plans).

Item 5. Interest in Securities of the Issuer

(a) - (b) Synopsys is the record holder of the Purchased Shares, and Synopsys possesses the sole power to vote and to direct the vote, and sole power to dispose or to direct the disposition, of the Purchased Shares. As described in Item 4 (a)-(b) of this Amendment, as a result of the Voting Agreements, Synopsys has the shared power to vote, with respect to certain matters relating to the Merger as set forth in such Voting Agreements, the Voting Shares. The total of the Purchased Shares and the Voting Shares is 11,345,878 shares, representing approximately 27.5% of the outstanding common stock of HPL beneficially owned by Synopsys (based on the total number of shares outstanding as represented by HPL in the Merger Agreement). To Synopsys knowledge, no shares of HPL common stock are beneficially owned by any of the persons identified in Schedule A to this Schedule 13D.

The description contained in this Item 5 of the transactions contemplated by the Voting Agreements is qualified in its entirety by reference to the full text of the form of Voting Agreement, a copy of which is incorporated by reference in this Schedule 13D as Exhibit 2.2.

Schedule B to this Schedule 13D sets forth, to the best of Synopsys knowledge, the following information for those persons with whom Synopsys shares the power to vote or to direct the vote or to dispose or to direct the disposition of the Voting Shares: the name, address, and principal occupation or employer, of such person. To the best of Synopsys knowledge, all of the persons listed on Schedule B to this Schedule 13D are citizens of the United States.

During the past five years, to the knowledge of Synopsys, no person listed on Schedule B to this Schedule 13D has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

During the past five years, to the knowledge of Synopsys, no person listed on Schedule B to this Schedule 13D has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of or prohibiting or mandating activity subject to federal or state securities laws or finding any violation with respect to such laws.

(c) Synopsys has not, and to Synopsys knowledge none of the executive officers and directors of Synopsys has, engaged in any transaction in HPL common stock during the past 60 days.

(d) To Synopsys knowledge, no other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Purchased Shares or the Voting Shares.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Concurrently with its purchase of the Purchased Shares from a third party, Synopsys entered into a Rights Agreement with HPL. Pursuant to this Rights Agreement, HPL granted Synopsys registration and board observer rights. Other than as described in this Amendment (including pursuant to the Merger Agreement and the Voting Agreements) Synopsys is not a party to any other contracts, arrangements, understandings or

relationships (legal or otherwise) with respect to any securities of HPL, including but not limited to transfer or voting of any of the securities, finder s fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

6

Item 7. Material to Be Filed as Exhibits

Exhibit No.		Description
2.1		Agreement of Merger, dated as of October 2, 2005, by and among Synopsys, Inc., Snap Acquisition, Inc., a wholly-owned subsidiary of Synopsys, Inc., and HPL Technologies, Inc.
2.2		Form of Voting Agreement dated as of October 2, 2005, executed by each of Elias Antoun, Lawrence Kraus, Yervant Zorian, Cary D. Vandenberg, Michael P. Scarpelli, Dean Frazier and Brian Gordon, and Synopsys, Inc.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

October 3, 2005
Date

SYNOPSYS, INC.

/s/ Rex S. Jackson
Signature

Rex S. Jackson, Senior Vice President and General Counsel
Name/Title

Schedule A

Directors and Executive Officers of Synopsys, Inc.

The following table sets forth the name, business address and present principal occupation or employment of each director and executive officer of Synopsys, Inc. Except as indicated below, the business address of each person is c/o Synopsys, Inc., 700 East Middlefield Road, Mountain View, CA 94043.

BOARD OF DIRECTORS

Dr. Aart de Geus

Chairman and CEO, Synopsys, Inc.

Dr. Chi-Foon Chan

President and Chief Operating Officer,

Synopsys, Inc.

Bruce R. Chizen

President, Adobe Systems Incorporated

345 Park Avenue

San Jose, California 95110

Deborah A. Coleman

General Partner, SmartForest Ventures

209 SW Oak Street, First Floor

Portland, Oregon 97204

Dr. A. Richard Newton

Professor of Electrical Engineering and Computer

Sciences, University of California at Berkeley

Berkeley, California 94720

Dr. Sasson Somekh

President, Novellus Systems, Inc.

4000 N. First Street

San Jose, California 95134

Roy Vallee

Chairman and CEO, Avnet, Inc.

2211 S. 47 th Street

Phoenix, Arizona 85034

Steven C. Walske

Chief Business Strategist,

Parametric Technology Corporation

140 Kendrick Street

Needham, Massachusetts 02494

EXECUTIVE OFFICERS

Name	Title
Dr. Aart de Geus	Chairman and Chief Executive Officer
Dr. Chi-Foon Chan	President and Chief Operating Officer
Vicki L. Andrews	Senior Vice President, Worldwide Sales
Dr. Raul Camposano	Senior Vice President, Chief Technology Officer and General Manager, Silicon Engineering Group
John Chilton	Senior Vice President and General Manager, Solutions Group
Janet S. Collinson	Senior Vice President, Human Resources and Facilities
Dr. Antun Domic	Senior Vice President and General Manager, Implementation Group
Manoj Gandhi	Senior Vice President and General Manager, Verification Group
Jay N. Greenberg	Senior Vice President, Marketing
Deirdre Hanford	Senior Vice President, Worldwide Application Services
Rex S. Jackson	Senior Vice President, General Counsel and Corporate Secretary, Acting Chief Financial Officer

Schedule B

Persons with whom Synopsys shares voting power

Name and Title	Employer	Business Address
Elias Antoun Director, HPL Technologies, Inc. and President and Chief Executive Officer, Genesis Microchip, Inc.	Genesis Microchip, Inc.	c/o HPL Technologies, Inc. 2033 Gateway Place, Suite 400 San Jose, California 95110
Lawrence Kraus Director, HPL Technologies, Inc. and Manager, Advantest America, Inc.	Advantest America, Inc.	c/o HPL Technologies, Inc. 2033 Gateway Place, Suite 400 San Jose, California 95110
Yervant Zorian Director, HPL Technologies, Inc. and Vice President and Chief Scientist, Virage Logic Corporation	Virage Logic Corporation	c/o HPL Technologies, Inc. 2033 Gateway Place, Suite 400 San Jose, California 95110
Cary D. Vandenberg President and Chief Executive Officer, HPL Technologies, Inc.	HPL Technologies, Inc.	2033 Gateway Place, Suite 400 San Jose, California 95110
Michael P. Scarpelli Chief Financial Officer, Senior Vice President and Secretary, HPL Technologies, Inc.	HPL Technologies, Inc.	2033 Gateway Place, Suite 400 San Jose, California 95110
Dean Frazier Vice President of Marketing, HPL Technologies, Inc.	HPL Technologies, Inc.	2033 Gateway Place, Suite 400 San Jose, California 95110
Brian Gordon Vice President of Software Engineering, HPL Technologies, Inc.	HPL Technologies, Inc.	2033 Gateway Place, Suite 400 San Jose, California 95110

EXHIBIT INDEX

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11

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awards of ordinary shares made to executive directors under the Vodafone Group Plc 1999 Long Term Stock Incentive Plan and the Vodafone Global Incentive Plan are shown below. Long term incentive shares that vested and were sold or transferred during the year ended 31 March 2008 are also shown below. Total interest Shares Shares sold in performance forfeited or transferred shares at in respect of in respect of 1 April 2007 Shares conditionally awards for awards for or date of awarded during the the 2005 the 2005 Total interest in long term appointment (1) 2008 financial year financial year financial year incentives at 31 March 2008 Value at date Number Number of award(2) Number Number Number Total value(5) of shares of shares £ 000 of shares(3) of shares (3) of shares(4) £ 000 Arun Sarin 6,242,306 3,065,872 5,145 1,440,000 576,806 7,291,372 11,003 Vittorio Colao 1,073,465 1,557,409 2,613 2,630,874 3,970 Andy Halford 1,622,150 1,190,305 1,997 135,617 2,676,838 4,039 Notes: (1) Restricted share awards under the Vodafone Group Plc 1999 Long Term Stock Incentive Plan and the Vodafone Global Incentive Plan. (2) The value of awar ds granted during the year under the Vodafone Global Incentive Plan is based on the price of the Company s ordinary shares on 29 June 2007 of 167.8 pence. These awards have a performance period running from 1 April 2007 to 31 March 2010. The vesting date will be in July 2010. (3) Shares in respect of awards made in the 2005 financial year, granted on 28 July 2004, were sold or transferred on 28 July 2007. The closing middle market price of the Company s ordinary shares was 119.0 pence on 2 July 2004, the date of the award. The closing middle market price was 162.1 pence on 5 July 2007 (the date of vesting of Andy Halford s 2004 share grant) and 148.1 pence on 30 July 2007 (the date of vesting of Arun Sarin s 2004 share grant). (4) The total interest at 31 March 2008 includes awards over three performance periods ending on 31 March 2008, 31 March 2009 and 31 March 2010. (5) The value at 31 March 2008 is calculated using the closing middle market price of the Company s ordinary shares at 31 March 2008 of 150.9 pence. The aggregate number of shares conditionally awarded during the year to the Company s senior management is 4,391,443 shares. For a description of the performance and vesting conditions see 2007 GLTI performance shares on page 73. Share options The following information summarises the directors options under the Vodafone Group 1998 Sharesave Scheme, the Vodafone Group 1998 Company Share Option Scheme, Vodafone Group Plc 1999 Long Term Stock Incentive Plan and the Vodafone Global Incentive Plan, which are all HMRC approved schemes . The table also summarises the directors options under the Vodafone Group 1998 Executive Share Option Scheme, which is not HM Revenue & Customs approved . No other directors have options under any of these schemes . Options have only been granted to directors during the 2008 financial year under the Vodafone Global Incentive Plan (under which GLTI options were granted) . For a description of the performance and vesting conditions see 2007 GLTI share options on page 73. Under the Vodafone Group 1998 Sharesave Scheme, options may be 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 .

Options Options Options Weighted Options held at granted exercised lapsed during average 1 April 2007 during the during the the 2008
Options exercise Earliest or date of 2008 financial 2008 financial financial held
at price at date from Latest appointment (1) year year year 31 March 2008 31 March 2008 which expiry
Number Number Number Number Number Pence exercisable date
Arun Sarin 28,281,629 5,912,753 3,522,353 30,672,029 132.4 July 2006 July 2017 Vittorio Colao 3,472,975 3,003,575 6,476,550 150.5 November 2009 July 2017 Andy Halford 5,767,986 2,295,589 8,063,575 141.0 July 2002 July 2017 Note: · The weighted average exercise price of options over shares in the Company granted during the year and listed above is 167.8 pence. The earliest date from which they are exercisable is July 2010 and the latest expiry date is July 2017. For a description of the performance and vesting conditions see 2007 GLTI share options on page 73. The aggregate number of options granted during the year to the Company s senior management, other than executive directors, is 8,469,214 . The weighted average exercise price of the options granted to senior management during the year is 167.8 pence. The earliest date from which they are exercisable is July 2010 and the latest expiry date is July 2017. Vodafone Group Plc Annual Report 2008 79

Vodafone Governance Directors Remuneration continued Further details of the options outstanding at 31 March 2008 as disclosed on the previous page are as follows: Exercisable Exercisable Market price greater than Option price greater than option price[(1)] market price[(1)] Not yet exercisable Weighted Weighted Weighted
average average average
Options exercise Latest Options exercise Latest Options exercise Latest
held price expiry held price expiry held price expiry
Number Pence date Number Pence date Number Pence date Arun Sarin 10,915,924 119.2 July 2014 19,756,105 139.6 July 2017 Vittorio Colao 6,476,550 150.5 July 2017 Andy Halford 554,585 114.2 July 2014 344,800 214.6 July 2011 7,164,190 139.6 July 2017 Note: · Market price is the closing middle market price of the Company s ordinary shares at 31 March 2008 of 150.9 pence. During the year, the share price moved between a high of 197.5 pence and a low of 137.5 pence. The Company s register of directors interests (which is open to inspection) contains full details of directors shareholdings and options to subscribe . These options by exercise price were: Options Options Options Options held at granted exercised lapsed 1 April 2007 during the during the during the Options Option or date of 2008 2008 2008 held at price appointment financial year financial year financial year 31 March 2008 Pence Number Number Number Number Number
Vodafone Group 1998 Executive Share Option Scheme (Unapproved) 255.00 114,000 114,000 282.30 66,700 66,700 Vodafone Group 1998 Company Share Option Scheme (Approved) 255.00 11,500 11,500 282.30 200 200 Vodafone Group 1998 Sharesave Scheme 95.30 16,710 16,710 91.64 10,202 10,202 Vodafone Group Plc 1999 Long Term Stock Incentive Plan[(1)] 151.56 152,400 152,400 90.00 94,444 94,444 119.25 7,612,787 7,612,787 119.00 7,285,631 3,522,353 3,763,278 145.25 7,507,295 7,507,295 Vodafone Group Plc Global Incentive Plan[(1)] 115.25 11,177,746 11,177,746 135.50 3,472,975 3,472,975 167.80 11,211,917 11,211,917 37,522,590 11,211,917 3,522,353 45,212,154 Note: · The Vodafone Group Plc 1999 Long Term Stock Incentive Plan and Vodafone Group Plc Global Incentive Plan are both HMRC approved. However, note that the actual awards made under these plans may be approved or unapproved. 80Vodafone Group Plc Annual Report 2008

Beneficial interests The directors beneficial interests in the ordinary shares of the Company, which includes interests in the Vodafone Share Incentive Plan, but which excl udes interests in the Vodafone Group share option schemes, and the Vodafone Group short term or long term incentives, are shown below: 1 April 2007 or 23 May 2008 31 March 2008 date of appointment Sir John Bond 224,926 224,926 207,620 Dr John Buchanan 200,009 200,009 191,913 Arun Sarin(1) 7,776,629 7,776,629 5,994,854 Vittorio Colao 180,063 180,063 - Andy Halford 782,134 781,826 350,632 Dr Michael Boskin 10,000 10,000 10,000 Anne Lauvergeon 27,125 27,125 27,125 Professor Jürgen Schrempp 8,750 8,750 8,750 Luc Vandevelde 17,500 17,500 17,500 Philip Yea 61,250 61,250 61,250 Anthony Watson 100,000 100,000 100,000 Nick Land 25,000 25,000 25,000 Alan Jebson 75,000 75,000 75,000 Simon Murray(2) 157,500 157,500 157,500 Notes: (1) Arun Sarin also has a non-beneficial interest as the trustee of two family trusts, each holding 5,005 shares. (2) Simon Murray was appointed as a non-executive director on 1 July 2007. At 31 March 2008, and during the period from 1 April 2008 to 23 May 2008, 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 2008, members of the Group s Executive Committee, at 31 March 2008, had an aggregate beneficial interest in 2,598,326 ordinary shares of the Company. At 23 May 2008, Executive Committee members had an aggregate beneficial interest in 2,599,250 ordinary shares of the Company, none of whom had an individual beneficial interest amounting to greater than 1% of the Company s ordinary shares. Interests in share options of the Company at 23 May 2008 At 23 May 2008, there had been no change to the directors interests in share options from 31 March 2008. Other than those individuals included in the table above, at 23 May 2008, members of the Group s Executive Committee at that date held options for 25,229,599 ordinary shares at prices ranging from 91.6 pence to 293.7 pence per ordinary share, with a weighted average exercise price of 139.5 pence per ordinary share exercisable at dates ranging from July 2002 to July 2017. Sir John Bond, John Buchanan, Dr Michael Boskin, Alan Jebson, Anne Lauvergeon, Nick Land, Professor Jürgen Schrempp, Luc Vandevelde, Philip Yea, Anthony Watson and Simon Murray held no options at 23 May 2008. 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 subsidiary undertakings was a party during the financial year. [Graphic Appears Here] Luc Vandevelde On behalf of the Board Vodafone Group Plc Annual Report 2008 81

Vodafone Financials Contents

| | | { Audit Report on the Consolidated Financial Statements } 132 { Audit Report on the Company Financial Statements } 133 { Company Financial Statements of Vodafone Group Plc } 134 | | | Notes to the Company Financial Statements:

1 . Basis of preparation 135

2 . Significant accounting policies 135 3 . Fixed assets 136 4 . Debtors 136 5 . Creditors 137 6 . Share capital 137 7 . Share-based payments 138 8 . Reserves and reconciliation of movements in equity shareholders funds 138 9 . Equity dividends 139 10 . Contingent liabilities 139 Separate financial statements required by Rule 3-09 of Regulation S-X B-1 Report of Independent Registered Public Accounting Firm B-25 Directors Statement of Responsibility 83 Audit Report on Internal Controls 84 Critical Accounting Estimates 85 Consolidated Financial Statements Consolidated Income Statement for the years ended 31 March 88 Consolidated Statement of Recognised Income and Expense for the years ended 31 March 88 Consolidated Balance Sheet at 31 March 89 Consolidated Cash Flow Statement for the years ended 31 March 90 Notes to the Consolidated Financial Statements: 1. Basis of preparation 91 2. Significant accounting policies 91 3. Segment analysis 96 4. Operating profit/(loss) 98 5. Investment income and financing costs 99 6. Taxation 100 7. Equity dividends 102 8. Earnings/(loss) per share 102 9. Intangible assets 103 10. Impairment 104 11. Property, plant and equipment 107 12. Principal subsidiary undertakings 108 13. Investments in joint ventures 109 14. Investments in associated undertakings 110 15. Other investments 110 16. Inventory 111 17. Trade and other receivables 111 18. Cash and cash equivalents 112 19. Called up share capital 112 20. Share-based payments 113 21. Transactions with equity shareholders 115 22. Movements in accumulated other recognised income and expense 115 23. Movements in retained losses 115 24. Borrowings 116 25. Post employment benefits 121 26. Provisions 123 27. Trade and other payables 123 28. Acquisitions 124 29. Disposals and discontinued operations 125 30. Reconciliation of net cash flows from operating activities 127 31. Commitments 127 32. Contingent liabilities 128 33. Directors and key management compensation 129 34. Related party transactions 129 35. Employees 130 36. Subsequent events 130 37. New accounting standards 131

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 IFRS as adopted for use in the EU; 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 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; provide reasonable assurance that transactions are recorded as necessary permit the preparation of financial statements in accordance with IFRS, as adopted by the European Union 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 2008 based on the Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) . Management has not evaluated the internal controls of Vodacom Group (Pty) Limited (Vodacom), which is accounted for using proportionate consolidation and the conclusion regarding the effectiveness of internal control over financial reporting does not extend to the internal controls of Vodacom . Management is unable to assess the effectiveness of internal control at Vodacom due to the fact that it does not have the ability to dictate or modify its controls and does not have the ability, in practice, to assess those controls . Key sub-totals that result from the proportionate consolidation of Vodacom, whose internal controls have not been assessed, are set out below. Vodacom 2008 £m Total assets 1,093 Net assets 400 Revenue 1,609 Profit for the financial year 260 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 1985 and Article 4 of the EU IAS Regulation . They are also responsible for the system of internal cont rol, 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 . Directors responsibility statement The Board confirms to the best of its knowledge: the Consolidated Financial Statements, prepared in accordance with IFRS as issued by the 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 of the Financial Services and Markets Act 2000. Disclosure of information to auditors Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company s auditors

are 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 auditors are aware of that information . Going concern After reviewing the Group s and the Company s budget for the next financial year, and other longer term plans, the directors 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 . Management s report on internal control over financial reporting As required by section 404 of the Sarbanes -Oxley Act of 2002, management is responsible for establishing and maintaining adequate internal control over fina ncial reporting for the Group. Management is not required to evaluate the internal controls of entities accounted for under the equity method . Accordingly, the internal controls of these entities, which contributed a net profit of £2,876 million (2007: £2,728 million) to the profit (2007: loss) 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 Annual Report, 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 . Based on management s assessment, management has concluded that the internal control over financial reporting was effective at 31 March 2008. The Company s internal control over financial reporting, as at 31 March 2008, has been audited by Deloitte & Touche LLP, a n 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 84. By Order of the Board [Graphic Appears Here] Secretary 27 May 2008 Vodafone Group Plc Annual Report 2008 83

Vodafone Financials 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 2008 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 Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Vodacom Group (Pty) Limited (Vodacom), as the Group does not have the ability to dictate, modify or assess the controls . Vodacom constitutes 0.5 percent and 0.9 percent of net assets and total assets, respectively, 4.5 percent of revenue, and 3.9 percent of net income of the consolidated financial statement amounts as of and for the year ended 31 March 2008. Accordingly, our audit did not include the internal control over financial reporting at Vodacom . 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 mana gement 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 . 84 Vodafone Group Plc Annual Report 2008

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 2008, 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 2008, 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 (IASB). Our report dated 27 May 2008 expressed an unqualified opinion on those financial statements . [Graphic Appears Here] Deloitte & Touche LLP
Chartered Accountants and Registered Auditors London United Kingdom 27 May 2008 Critical Accounting Estimates The Group prepares its Consolidated Financial Statements in accordance with IFRS as issued by the International Accounting Standards Board and IFRS as adopted by the European Union, 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 Asset recoverability 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, as noted below. 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 . Group management currently undertakes an annual impairment test covering goodwill and other indefinite lived assets and also reviews finite lived assets and investments in associated undertakings at least annually to consider whether a full impairment review is required . Assumptions There are a number of assumptions and estimates involved in calculating the net present value of future cash flows from the Group s businesses, including management s expectations of: growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation; timing and quantum of future capital expenditure; uncertainty of future technological developments; long term growth rates; and the selection of discount rates to reflect the risks involved . The Group prepares and internally approves formal ten year plans for its businesses and uses these as the basis for its impairment reviews. Management uses the initial five years of the plans, except in markets which are forecast to grow ahead of the long term growth rate for the market. In such cases, further years will be used until the forecast growth rate trends towards the long term growth rate, up to a maximum of ten years. For mobile

businesses where the first five years of the ten year management plan 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 EBITDA in years six to ten of the management plan. For mobile businesses where the full ten 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 compound annual growth rate in EBITDA in years nine to ten of the management plan. For non-mobile businesses, no growth is expected beyond management s plans for the initial five year period. 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. The Group s review includes the key assumptions related to sensitivity in the cash flow projections . The following changes to the assumptions used in the impairment review would have led to an impairment loss being recognised in the year ended 31 March 2008:
Increase Decrease by 2% by 2% £bn £bn Discount rate 0.3 - Budgeted EBITDA(1) 0.2 Capital expenditure (2) - Long term growth rate - Notes: (1) Represents the compound annual growth rate for the initial five years of the Group s approved financial plans. (2) Represents capital expenditure as a percentage of revenue in the initial five years of the Group s approved plans. Business combinations Goodwill only arises in business combinations . The amount of goodwill initially recognised 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 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, assuming 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. Vodafone Group Plc Annual Report 2008 85

Vodafone Financials Critical Accounting Estimates continued 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 . Intangible assets, excluding goodwill Other intangible assets include the Group s aggregate amounts spent on the acquisition of 2G and 3G licences, computer software, customer bases, brands and development costs. These assets arise from both separate purchases and from acquisition as part of business combinations . 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 2008, intangible assets, excluding goodwill, amounted to £18,995 million (2007: £15,705 million) and represented 14.9% (2007: 14.3%) of the Group s total assets. Estimation of useful life The useful life used to amortise intangible assets relates to the 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: 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 a ppropriateness . 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 13.1% (2007: 12.3%) 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 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 have

not resulted in material changes to the Group s depreciation charge. Cost capitalisation Cost includes the total purchase price and labour costs associated with the Group s own employees to the extent that they are directly attributable to construction costs, or where they comprise a proportion of a department directly engaged in the purchase or installation of a fixed asset. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved . For the year ended 31 March 2008, internal costs capitalised were £245 million (2007: £244 million) and represented approximately 5% (2007: 6%) of expenditure on property, plant and equipment and computer software .
86 Vodafone Group Plc Annual Report 2008

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 profit and loss and/or cash flow variances . See Financial Position and Resources on page 54. 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 a provision in respect of an enquiry from UK HMRC with regard to the CFC tax legislation (see note 32 to the Consolidated Financial Statements), potential tax losses in respect of a write down in the value of investments in Germany (see note 6 to the Consolidated Financial Statements) and litigation with the Indian tax authorities in relation to the acquisition of Vodafone Essar (see note 32 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 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 . 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. Revenue recognition and presentation Revenue from mobile telecommunications comprises amounts charged to customers in respect of monthly access charges, airtime charges, messaging, the provision of other mobile telecommunications services, including data services and information provision, fees for connecting users of other fixed line and mobile networks to the Group s network, revenue from the sale of equipment, including handsets, and revenue arising from the Group s partner network agreements . Arrangements with multiple deliverables In revenue arrangements including more than one deliverable, the arrangement consideration is allocated to each deliverable based on the fair value of the individu al element . 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 . Deferral period Customer connection fees, when combined with related equipment revenue, in excess of the fair value of the equipment are deferred and recognised over the expected life of the customer relationship . The life is determined by reference to historical customer churn rates. An increase in churn rates would reduce the expected customer relationship life and accelerate revenue recognition . Historically, changes to the expected customer relationship lives have not had a significant impact on the Group s results and financial position . Any excess upgrade or tariff migration fees over the fair value of equipment provided are deferred over the average upgrade or tariff migration period as appropriate . This time period is calculated based on historical activity of customers who upgrade or change tariffs. An increase in the time period would extend the period over which revenue is recognised . Presentation 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.
Vodafone Group Plc Annual Report 2008 87

Vodafone Financials Consolidated Income Statement for the years ended 31 March 2008 2007 2006 Note £m £m £m Revenue 3 35,478 31,104 29,350 Cost of sales (21,890) (18,725) (17,070) Gross profit 13,588 12,379 12,280 Selling and distribution expenses (2,511) (2,136) (1,876) Administrative expenses (3,878) (3,437) (3,416) Share of result in associated undertakings 14 2,876 2,728 2,428 Impairment losses 10 (11,600) (23,515) Other income and expense 29 (28) 502 15 Operating profit/(loss) 3,4 10,047 (1,564) (14,084) Non-operating income and expense 29 254 4 (2) Investment income 5 714 789 353 Financing costs 5 (2,014) (1,612) (1,120) Profit/(loss) before taxation 9,001 (2,383) (14,853) Income tax expense 6 (2,245) (2,423) (2,380) Profit/(loss) for the financial year from continuing operations 6,756 (4,806) (17,233) Loss for the financial year from discontinued operations 29 (491) (4,588) Profit/(loss) for the financial year 6,756 (5,297) (21,821) Attributable to: - Equity shareholders 23 6,660 (5,426) (21,916) - Minority interests 96 129 95 6,756 (5,297) (21,821) Basic earnings/(loss) per share Profit/(loss) from continuing operations 8 12.56 p (8.94) p (27.66) p Loss from discontinued operations 8,29 (0.90) p (7.35) p Profit/(loss) for the financial year 8 12.56 p (9.84) p (35.01) p Diluted earnings/(loss) per share Profit/(loss) from continuing operations 8 12.50 p (8.94) p (27.66) p Loss from discontinued operations 8,29 (0.90) p (7.35) p Profit/(loss) for the financial year 8 12.50 p (9.84) p (35.01) p Consolidated Statement of Recognised Income and Expense for the years ended 31 March 2008 2007 2006 Note £m £m £m Gains on revaluation of available -for-sale investments, net of tax 22 1,949 2,108 705 Exchange differences on translation of foreign operations, net of tax 22 5,537 (3,804) 1,494 Net actuarial (losses)/gains on defined benefit pension schemes, net of tax 22 (37) 50 (30) Revaluation gain 22 112 Foreign exchange (gains)/losses transferred to the Consolidated Income Statement 22 (7) 838 36 Fair value gains transferred to the Consolidated Income Statement 22 (570) - Other 22 37 - Net gain/(loss) recognised directly in equity 6,909 (808) 2,317 Profit/(loss) for the financial year 6,756 (5,297) (21,821) Total recognised income and expense relating to the year 13,665 (6,105) (19,504) Attributable to: - Equity shareholders 13,912 (6,210) (19,607) - Minority interests (247) 105 103 13,665 (6,105) (19,504) The accompanying notes are an integral part of these Consolidated Financial Statements 88Vodafone Group Plc Annual Report 2008

Consolidated Balance Sheet [Graphic Appears Here] at 31 March 2008 2007 Note £m £m
Non-current assets Goodwill 9 51,336 40,567 Other intangible assets 9 18,995 15,705
Property, plant and equipment 11 16,735 13,444 Investments in associated undertakings 14
22,545 20,227 Other investments 15 7,367 5,875 Deferred tax assets 6 436 410 Post
employment benefits 25 65 82 Trade and other receivables 17 1,067 494 118,546 96,804
Current assets Inventory 16 417 288 Taxation recoverable 57 21 Trade and other
receivables 17 6,551 5,023 Cash and cash equivalents 18 1,699 7,481 8,724 12,813
Total assets 127,270 109,617 Equity Called up share capital 19 4,182 4,172 Share
premium account 21 42,934 43,572 Own shares held 21 (7,856) (8,047)
Additional paid-in capital 21 100,151 100,185 Capital redemption reserve 21 10,054 9,132
Accumulated other recognised income and expense 22 10,558 3,306 Retained losses
23 (81,980) (85,253) Total equity shareholders funds 78,043 67,067
Minority interests 1,168 226 Written put options over minority interests
(2,740) - Total minority interests (1,572) 226 Total equity 76,471 67,293
Non-current liabilities Long term borrowings 24 22,662 17,798
Deferred tax liabilities 6 5,109 4,626 Post employment benefits 25 104 123
Provisions 26 306 296 Trade an d other payables 27 645 535 28,826 23,378
Current liabilities Short term borrowings 24,34 4,532 4,817
Current taxation liabilities 5,123 5,088 Provisions 26 356 267 Trade and other
payables 27 11,962 8,774 21,973 18,946 Total equity and liabilities 127,270 109,617 The
Consolidated Financial Statements were approved by the Board of
directors on 27 May 2008 and were signed on its behalf by:
Arun Sarin Andy Halford [Graphic Appears Here] Chief Executive Chief
Financial Officer The accompanying notes are an integral part of these Consolidated Financial
Statements . Vodafone Group Plc Annual Report 2008 89

Vodafone Financials Consolidated Cash Flow Statement for the years ended 31 March 2008 2007 2006 Note £m £m £m Net cash flows from operating activities 29, 30 10,474 10,328 11,841 Cash flows from investing activities Purchase of interests in subsidiary undertakings and joint ventures, net of cash acqui red (5,957) (2,805) (4,186) &KURQUCN_QH_KPVGTGUVU_KP_UWDUKFKCT[_WPFGTVCMKPIU___PGV_QH_ECUJ_FKURQUGF___ &KURQUCN_QH_KPVGTGUVU_KP_CUUQEKCVGF_WPFGTVCMKPIU___ Purchase of intangible assets (846) (899) (690) Purchase of property, plant and equipment (3,852) (3,633) (4,481) Purchase of investments (96) (172) (57) Disposal of property, plant and equipment 39 34 26 Disposal of investments 785 80 1 Dividends received from associated undertakings 873 791 835 Dividends received from investments 72 57 41 Interest received 438 526 319 Net cash flows from investing activities 29 (8,544) 3,865 (7,593) Cash flows from financing activities Issue of ordinary share capital and reissue of treasury shares 310 193 356 Net movement in short term borrowings (716) 953 708 Proceeds from issue of long term borrowings 1,711 5,150 5,256 Repayment of borrowings (3,847) (1,961) (1,371) . QCPU_TGRCKF_VQ_CUUQEKCVGF_WPFGTVCMKPIU___ 2WTEJCUG_QH_VTGCUWT[_UJCTGU___ $_UJCTG_ECRKVCN_TGFGORVKQP___ $_UJCTG_RTGHGTGPEG_FKXKFGPFU_RCKF___ Equity dividends paid (3,658) (3,555) (2,749) Dividends paid to minority shareholders in subsidiary undertakings (113) (34) (51) Interest paid (1,545) (1,051) (721) Net cash flows from financing activities 29 (7,865) (9,352) (5,076) Net cash flows (5,935) 4,841 (828) Cash and cash equivalents at beginning of the financial year 18 7,458 2,932 3,726 Exchange gain/(loss) on cash and cash equivalents 129 (315) 34 Cash and cash equivalents at end of the financial year 18 1,652 7,458 2,932 The accompanying notes are an integral part of these Consolidated Financial Statements _ _ ___ 90Vodafone Group Plc Annual Report 2008

Notes to the Consolidated Financial Statements 1. Basis of preparation The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Consolidated Financial Statements are also prepared in accordance with IFRS adopted by the European Union (EU), the Companies Act 1985 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 page 85. 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. 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. Basis of consolidation The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled, both unilaterally and jointly, by the Comp any. 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 a n 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 stateme nt 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 . Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group s equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority s share of changes in equity since the date of the combination . Losses applicable to the minority in excess of the minority s share of changes in equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Business combinations The acquisition of subsidiaries is accounted for using the purchase 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, plus any costs directly attributable to the business combination . The acquiree s identifiable assets and liabilities are recognised at their fair values at the acquisition date. Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised . The interest of minority shareholders in the acquiree is initially measured at the minority s proportion of the net fair value of the assets, liabilities and contingent liabilities recognised . Previously held identifiable assets, liabilities and contingent liabilities of the acquired entity are revalued to their fair value at the date of acquisition, being the date at which the Group achieves control of the acquiree . The movement in fair value is taken to the asset revaluation surplus. Interests in joint ventures 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, 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 of accounting . Under the equity method, investments in associates are carried in the consolidated balance sheet 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 associated undertaking 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 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 losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each balance sheet 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 . Vodafone Group Plc Annual Report 2008 91

Vodafone Financials Notes to the Consolidated Financial Statements continued 2. Significant accounting policies continued 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 . Licence and spectrum fees Licence and spectrum fees are stated at cost less accumulated amortisation . The amortisation periods range from 3 to 25 years and are determined primarily by reference to the unexpired licence period, the conditions for licence renewal and whether licences are dependent on specific technologies . Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives from the commencement of service of the network . Computer software Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software . These costs are amortised over their estimated useful lives, being 3 to 5 years. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development employee costs and directly attributable overheads . Software integral to a related item of hardware equipment is accounted for as property, plant and equipment. Costs associated with maintaining computer software programs are recognised as an expense when they are incurred . Research and development expenditure Expenditure on research activities is recognised as an expense in the period in which it is incurred . An internally -generated intangible asset arising from the Group s development activity is recognised only if all of the following conditions are met: The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation . Depreciation is charged so as to write off the cost or valuation 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 sales 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 internally approves formal ten year management plans for its businesses . The first five years of these plans are used for the value in use calculations, except in markets which are forecast to grow ahead of the long term growth rate. In such cases, the ten year plan is used until the forecast growth rate trends towards the long term growth rate, up to a maximum of ten years. Long range growth rates are used for cash flows into perpetuity beyond the relevant five or ten year period. Property, plant and equipment and finite lived intangible assets At each balance sheet 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 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 an asset is created that can be separately identified; it is probable that the asset created will generate future economic benefits; and the development cost of the asset can be measured reliably. Internally -generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally -generated intangible asset can be recognised, development expenditure is charged to the income statement in the period in which it is incurred . Other intangible assets Other intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are as follows: Brands Customer bases Property, plant and equipment 1 10 years 2 5 years Land and buildings held for use are stated in the balance sheet at their cost, less any subsequent accumulated depreciation and subsequent accumulated impair ment losses. Equipment, fixtures and fittings are stated at cost less accumulated depreciation and any accumulated impairment 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 rea dy for their intended use. 92 Vodafone Group Plc Annual Report 2008

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 . Disposal groups held for sale Disposal groups held for sale are stated at the lower of carrying value and fair value less costs to sell. Revenue Group revenue comprises revenue of the Company and its subsidiary undertakings plus the Group s share of the revenue of its joint ventures and excludes sales taxes and discounts . Revenue from mobile telecommunications comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, the provision of other mobile telecommunications services, including data services and information provision, fees for connecting users of other fixed line and mobile networks to the Group s network, revenue from the sale of equipment, including handsets, and revenue arising from partner market agreements . Access charges and airtime used by contract customers are invoiced and recorded as part of a periodic billing cycle and recognised as revenue over the related access period, with unbilled revenue resulting from services already provided from the billing cycle date to the end of each period accrued and unearned revenue from services provided in periods after each accounting period deferred . Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires. Other revenue from mobile telecommunications primarily comprises equipment sales, which are recognised upon delivery to customers, and customer connection revenue . 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 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. Incentives are provided to customers in various forms and are usually offered on signing a new contract or as part of a promotional offering . Where such incentives are provided on connection of a new customer or the upgrade of an existing customer, revenue representing the fair value of the incentive, relative to other deliverables provided to the customer as part of the same arrangement, is deferred and recognised in line with the Group s performance of its obligations relating to the incentive . For equipment sales made to intermediaries, revenue is recognised if the significant risks associated with the equipment 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 handset to an end customer by the intermediary or the expiry of the right of return. Intermediaries are incentivised by the Group to connect new customers and upgrade existing customers . Where such incentives are separable from the initial sale of equipment to an intermediary, the incentive is accounted for as an expense upon connection, or upgrade, of th e customer . Revenue from other businesses primarily comprises amounts charged to customers of the Group s fixed line businesses, mainly in respect of access charges and line usage, invoiced and recorded as part of a periodic billing cycle. In revenue arrangements including more than one deliverable, the arrangement consideration is allocated to each deliverable based on the fair value of the individual element . 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 . 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 balance sheet 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 . Rentals 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 In preparing the financial statements of the individual entities within the Group, transactions in currencies other than the entity s functional currency are recorded at the rates of exchange prevailing on the dates of the transactions . At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined . Non-monetary items that are 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 and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as investments in equity securities classified as available for sale, 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 on the balance sheet date. Income and expense items and cash flows are tran slated at the average exchange rates for the period and exchange differences arising are recognised directly in equity. Such translation differences are recognised in the income statement in the period in which a foreign operation is disposed of. Goodwill and fair value adjustments arising on the acquisition 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 . The net foreign exchange gains recognised in the Consolidated Income Statement for continuing operations is £373 million (2007: £92 million loss, 2006: £36 million loss). A loss of £794 million was recognised in the 2007 financial year for discontinued operations . Vodafone Group Plc Annual Report 2008 93

Vodafone Financials Notes to the Consolidated Financial Statements continued 2.Significant accounting policies continued Borrowing costs All borrowing costs are recognised in the income statement in the period in which they are 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 balance sheet. Scheme liabilities are assessed using the projected unit funding method and applying the principal actuarial assumptions as at the balance sheet date. Assets are valued at market value. During the year ended 31 March 2006, the Group early adopted the amendment to IAS 19, Employee Benefits , and applied it from 1 April 2004. Accordingly, actuarial gains and losses are taken to the statement of recognised income and expense 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 as at 1 April 2004, the date of transition to IFRS, have been recognised in the balance sheet. 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 in different years or may never be 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 balance sheet date. 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 balance sheet 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 goodwill . 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. The carrying amount of deferred tax assets is reviewed at each balance sheet 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 balance sheet 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 balance sheet when the Group becomes a party to the contractual provisions of the instrument . The Group has

applied the requirements of IFRS to financial instruments for all periods presented and has not taken advantage of any exemptions available to first time adopters of IFRS in this respect. During the year ended 31 March 2006, the Group early adopted IFRS 7, Financial Instruments: Disclosures , amendments to IAS 39, Financial Instruments: Recognition and Measurement and IFRS 4, Insurance Contracts , regarding Financial Guarantee Contracts and amendments to IAS 39 regarding The Fair Value Option and Cash Flow Hedge Accounting of Forecast Intragroup Transactions and applied them from 1 April 2004. 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 inve stments classified 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 costs 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 valu e. 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 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. 94 Vodafone Group Plc Annual Report 2008

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 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 issue 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 re-measured 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 . 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 recognised income and expense . 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. During the year ended 31 March 2006, the Group adopted the Amendments to IAS 21, The Effect of Changes in Foreign Exchange Rates , with effect from 1 April 2004, being the date of transition to IFRS for the Group. Put option arrangements The potential cash payments related to put options issued by 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 minority interests, adjacent to minority interests in the net assets of consolidated subsidiaries . 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 as a result of a past event and it is probable that the Group will be required to settle that obligation . Provisions are measured at the directors best estimate of the expenditure required to settle the obligation at the

balance sheet 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 calculating 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 to the Board of directors and Executive Committee is equal to the closing price of the Vodafone s shares on the date of grant, as these awards are entitled to dividend equivalents during the vesting period. Awards of non-vested shares to other employees are not entitled to dividends during the vesting period and the fair value reflects a discount to the closing share price of Vodafone s shares on the date of grant equal to the present value of expected dividends to be received over the vesting period. Vodafone Group Plc Annual Report 2008 95

Vodafone- Financials 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 world wide 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 arms length prices. The Group uses adjusted operating profit for internal performance analysis and, therefore, the Group s measure of segment profit is adjusted operating profit, being operating profit excluding non-operating income of associates, impairment losses and other income and ex pense . During the year ended 31 March 2008, the Group early adopted IFRS 8 Operating Segments . The Group also changed its organisation structure such that the Group s associated undertaking in France, SFR, is now managed within the Europe region and reported within Other Europe. As a result, prior period disclosures have been amended to conform to the current year presentation . Adjusted Segment Common Intra-region Regional Inter-region Group operating revenue functions revenue revenue revenue revenue profit £m £m £m £m £m £m £m 31 March 2008 Germany 5,397 (128) 5,269 (10) 5,259 1,265 Italy 4,435 (33) 4,402 (6) 4,396 1,573 Spain 5,063 (96) 4,967 (4) 4,963 1,282 UK 5,424 (46) 5,378 (10) 5,368 431 Arcor 1,632 (86) 1,546 (1) 1,545 225 Other Europe[(1)] 4,583 (64) 4,519 (3) 4,516 1,430 Europe 26,534 (453) 26,081 (34) 26,047 6,206 Eastern Europe 3,154 3,154 (35) 3,119 332 Middle East, Africa & Asia[(2)] 4,547 (1) 4,546 (24) 4,522 769 Pacific 1,645 1,645 (14) 1,631 181 Associates US 2,447 EMAPA 9,346 (1) 9,345 (73) 9,272 3,729 Common functions (3) 170 170 (11) 159 140 Group 35,880 170 (454) 35,596 (118) 35,478 10,075 31 March 2007 Germany 5,443 (123) 5,320 (9) 5,311 1,354 Italy 4,245 (44) 4,201 (5) 4,196 1,575 Spain 4,500 (106) 4,394 (3) 4,391 1,100 UK 5,124 (54) 5,070 (9) 5,061 511 Arcor 1,441 (27) 1,414 1,414 171 Other Europe[(1)] 4,275 (82) 4,193 (4) 4,189 1,448 Europe 25,028 (436) 24,592 (30) 24,562 6,159 Eastern Europe 2,477 2,477 (31) 2,446 184 Middle East, Africa & Asia[(2)] 2,565 2,565 (9) 2,556 694 Pacific 1,399 1,399 (11) 1,388 159 Associates US 2,077 Associates Other 130 EMAPA 6,441 6,441 (51) 6,390 3,244 Common functions (3) 168 168 (16) 152 128 Group 31,469 168 (436) 31,201 (97) 31,104 9,531 31 March 2006 Germany 5,754 (143) 5,611 (9) 5,602 1,496 Italy 4,363 (39) 4,324 (4) 4,320 1,672 Spain 3,995 (100) 3,895 (2) 3,893 968 UK 5,048 (50) 4,998 (10) 4,988 698 Arcor 1,320 (34) 1,286 1,286 139 Other Europe[(1)] 4,697 (78) 4,619 (3) 4,616 1,452 Europe 25,177 (444) 24,733 (28) 24,705 6,425 Eastern Europe 1,435 1,435 (14) 1,421 176 Middle East, Africa & Asia[(2)] 1,784 1,784 (15) 1,769 523 Pacific 1,335 1,335 (14) 1,321 140 Associates US 1,732 Associates Other 192 EMAPA 4,554 4,554 (43) 4,511 2,763 Common functions (3) 145 145 (11) 134 211 Group 29,731 145 (444) 29,432 (82) 29,350 9,399 Notes: (1) Adjusted operating profit includes £425 million (2007: £517 million; 2006: £479 million), representing the Group s share of results in associated undertakings. (2) Adjusted operating profit includes £2 million (2007: £nil; 2006: £nil), representing the Group s share of results in associated undertakings. (3) Adjusted operating profit includes £2 million (2007: £1 million; 2006: £8 million), representing the Group s share of results in associated undertakings. 96Vodafone Group Plc Annual Report 2008

A reconciliation of adjusted operating profit to operating profit/(loss) is shown below. For a reconciliation of operating profit/(loss) to profit/(loss) before taxation, see the Consolidated Income Statement on page 88. 2008 2007 2006 £m £m £m Adjusted operating profit 10,075 9,531 9,399 Impairment losses (11,600) (23,515) Other items (28) 505 32 Operating profit/(loss) 10,047 (1,564) (14,084) Other Capitalised expenditure Depreciation Non-current fixed asset on intangible and Impairment assets[1] additions[2] assets amortisation of goodwill £m £m £m £m £m 31 March 2008 Germany 18,267 392 14 1,067 - Italy 16,215 411 1 582 - Spain 14,589 533 500 - UK 7,930 465 973 - Arcor 862 221 100 - Other Europe 8,303 469 11 616 - Europe 66,166 2,491 26 3,838 - Eastern Europe 6,879 633 665 - Middle East, Africa & Asia 11,958 1,554 7 954 - Pacific 1,346 212 245 - EMAPA 20,183 2,399 7 1,864 - Common functions 717 185 8 207 - Group 87,066 5,075 41 5,909 - 31 March 2007 Germany 16,233 425 1,063 6,700 Italy 13,722 421 26 556 4,900 Spain 12,289 547 449 - UK 8,483 661 930 - Arcor 627 189 144 - Other Europe 7,187 489 6 586 - Europe 58,541 2,732 32 3,728 11,600 Eastern Europe 6,235 435 349 - Middle East, Africa & Asia 3,079 574 276 272 - Pacific 1,249 251 194 - EMAPA 10,563 1,260 276 815 - Common functions 612 216 568 - Group 69,716 4,208 308 5,111 11,600 31 March 2006 Germany 592 1,167 19,400 Italy 541 1 588 3,600 Spain 502 395 - UK 665 11 924 - Arcor 129 140 - Other Europe 511 4 645 515 Europe 2,940 16 3,859 23,515 Eastern Europe 280 231 - Middle East, Africa & Asia 426 216 - Pacific 247 209 - EMAPA 953 656 - Common functions 112 189 - Group 4,005 16 4,704 23,515 Notes:
(1) Includes goodwill, other intangible assets and property, plant and equipment. (2) Includes additions to property, plant and equipment and computer software, reported within intangible assets. Vodafone Group Plc Annual Report 2008 97

Vodafone Financials Notes to the Consolidated Financial Statements continued 4. Operating profit/(loss) Operating profit /(loss) has been arrived at after charging/(crediting): 2008 2007 2006 £m £m £m Net foreign exchange (gains)/losses (27) 6 - Depreciation of property, plant and equipment (note 11): Owned assets 3,400 2,994 3,069 Leased assets 27 17 10 Amortisation of intangible assets (note 9) 2,482 2,100 1,625 Impairment of goodwill (note 10) 11,600 23,515 Research and development expenditure 234 222 206 Staff costs (note 35) 2,698 2,466 2,310 Operating lease rentals payable: Plant and machinery 43 35 35 Other assets including fixed line rentals 1,117 984 933 Loss on disposal of property, plant and equipment 70 43 69 Own costs capitalised attributable to the construction or acquisition of property, plant and equipment (245) (244) (256) The total remuneration of the Group s auditor, Deloitte & Touche LLP, and its affiliates for services provided to the Group is analysed below: 2008 2007 2006 £m £m £m Audit fees: Parent company 1 1 1 Subsidiary undertakings 5 4 3 6 5 4 Fees for statutory and regulatory filings(1) 1 2 - Audit and audit-related fees 7 7 4 Other fees: Taxation 1 1 1 Corporate finance transactions 1 Other(2) 1 2 2 2 3 4 Total fees 9 10 8 Notes: (1) Amounts for 2008 and 2007 include mainly audit fees in relation to Section 404 of the US Sarbanes-Oxley Act of 2002. (2) Amounts for 2007 and 2006 include fees mainly relating to the preparatory work required in advance of the implementation of Section 404 of the US Sarbanes-Oxley Act of 2002 and general accounting advice. The total remuneration includes £nil (2007: £nil, 2006: £1 million) in respect of the Group s discontinued operations in Japan. In addition to the above, the Group s joint ventures and associated un dertakings paid fees totalling £2 million (2007: £2 million, 2006: £2 million) and £3 million (2007: £4 million, 2006: £4 million), respectively, to Deloitte & Touche LLP and its affiliates during the year. Deloitte & Touche LLP and its affiliates 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 69. 98 Vodafone Group Plc Annual Report 2008

5. Investment income and financing costs 2008 2007 2006 £m £m £m Investment income: Available-for-sale investments: Dividends received 72 57 41 Other(1) 86 Loans and receivables at amortised cost(2) 451 452 153 Fair value through the income statement (held for trading): Derivatives foreign exchange contracts 125 160 159 Other(3) 66 - Equity put rights and similar arrangements(5) 34 714 789 353 Financing c osts: Items in hedge relationships: Other loans 612 548 510 Interest rate swaps 61 (9) (118) Dividends on redeemable preference shares 42 45 48 Fair value hedging instrument (635) 42 213 Fair value of hedged item 601 (47) (186) Other financial liabilities held at amortised cost: Bank loans and overdrafts 347 126 126 Other loans(4) 390 276 78 Potential interest charge on settlement of tax issues 399 406 329 Equity put rights and similar arrangements(5) 143 32 161 Finance leases 7 4 7 Fair valu e through the income statement (held for trading): Derivatives forward starting swaps and futures 47 71 (48) Other(6) 118 2,014 1,612 1,120 Net financing costs 1,300 823 767 Notes: (1) Amount for 2007 includes a gain resulting from refinancing of SoftBank related investments received as part of the consideration for the disposal of Vodafone Japan on 27 April 2006. (2) Amount for 2007 includes £77 million of foreign exchange gains arising from hedges of a ne t investment in a foreign operation. (3) Includes foreign exchange gain on certain intercompany balances and investments held following the disposal of Vodafone Japan to SoftBank. (4) Amount for 2008 includes £72 million of foreign exchange losses arising from hedges of a net investment in a foreign operation. (5) Includes amounts in relation to the Group s arrangements with its minority partners in India, its fixed line operations in Germany and, in respect of prior years, Tel ecom Egypt. Further information is provided in Option agreements and similar arrangements on page 58. (6) Amount for 2007 includes foreign exchange losses on certain intercompany balances and investments held following the disposal of Vodafone Japan to SoftBank. Vodafone Group Plc Annual Report 2008 99

Vodafone Financials Notes to the Consolidated Financial Statements continued 6. Taxation Income tax expense 2008 2007 2006 £m £m £m United Kingdom corporation tax (income)/expense at 30%: Current year - Adjustments in respect of prior years (53) (30) (15) (53) (30) 154 Overseas current tax expense/(income): Current year 2,539 2,928 2,077 Adjustments in respect of prior years (293) 215 (418) 2,246 3,143 1,659 Total cur rent tax expense 2,193 3,113 1,813 Deferred tax on origination and reversal of temporary differences: United Kingdom deferred tax (125) (49) 444 Overseas deferred tax 177 (641) 123 Total deferred tax expense/(income) 52 (690) 567 Total income tax expense from continuing operations 2,245 2,423 2,380 Tax (credited)/charged directly to equity 2008 2007 2006 £m £m £m Current tax credit (5) (2) (6) Deferred tax (credit)/charge (65) 11 (11) Total tax (credited)/charged directly to equity (70) 9 (17) 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 30% for 2008, 2007 and 2006, and the Group s total tax expense for each year. Further discussion of the current year tax expense can be found in the section titled Operating Results on page 33. Subsequently, the UK statutory tax rate reduced to 28%, effective from 1 April 2008, and the impact on year end tax balances is included within Effect of current year changes in statutory tax rates below. 2008 2007 2006 £m £m £m Profit/(loss) before tax on continuing operations as shown in the Consolidated Income Statement 9,001 (2,383) (14,853) Expected income tax expense/(income) on profit from continuing operations at UK statutory tax rate 2,700 (715) (4,456) Effect of taxation of associated undertakings, reported within operating profit 134 119 133 Impai rment losses with no tax effect 3,480 Expected income tax expense at UK statutory rate on profit from continuing operations, before impairment losses and taxation of associates 2,834 2,884 2,732 Effect of different statutory tax rates of overseas jurisdictions 320 346 411 Effect of current year changes in statutory tax rates 66 1 (15) Deferred tax on overseas earnings 255 (373) (78) Assets revalued for tax purposes (16) (197) (142) Effect of previously unrecognised temporary difference s including losses (833) (562) (95) Adjustments in respect of prior years (254) 145 (470) Expenses not deductible for tax purposes and other items 321 577 480 Exclude taxation of associated undertakings (448) (398) (443) Income tax expense from continuing operations 2,245 2,423 2,380 100 Vodafone Group Plc Annual Report 2008

Deferred tax Analysis of movements in the net deferred tax balance during the year: 2008 £m 1 April 2007 (4,216) Charged to the income statement (52) Credited directly to equity 65 Acquisitions and disposals (480) Exchange movements 10 31 March 2008 (4,673) Deferred tax assets and liabilities in respect of continuing operations, before offset of balances within countries, are as follows: Net Amount recognised credited/ Gross Gross Less deferred tax (charged) deferred deferred tax amounts asset/ in income tax asset liability unrecognised (liability) statement £m £m £m £m £m Accelerated tax depreciation 576 (1,635) (25) (1,084) 326 Tax losses 25,792 (25,433) 359 (6) Deferred tax on overseas earnings (3,535) (3,535) (255) Other short term timing differences 3,807 (2,223) (1,997) (413) (117) 31 March 2008 30,175 (7,393) (27,455) (4,673) (52) Analysed in the balan ce sheet, after offset of balances within countries, as: £m Deferred tax asset 436 Deferred tax liability (5,109) 31 March 2008 (4,673) Net Amount recognised credited/ Gross Gross Less deferred tax (charged) deferred deferred tax amounts asset/ in income tax asset liability unrecognised (liability) statement £m £m £m £m £m Accelerated tax depreciation 386 (1,720) (25) (1,359) 112 Tax losses 13,619 (13,334) 285 (264) Deferred tax on overseas earnings (3,296) (3,296) 373 Other short term timing differences 4,147 (1,615) (2,378) 154 469 31 March 2007 18,152 (6,631) (15,737) (4,216) 690 Analysed in the balance sheet, after offset of balances within countries, as: £m Deferred tax asset 410 Deferred tax liability (4,626) 31 March 2007 (4,216) Factors affecting the tax charge in future years Factors that may affect the Group s future tax charge include the impact of corporate restructuring, the resolution of open issues, futur e planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates. For example, in June 2007, the UK Government issued a discussion document about the taxation of companies foreign profits and invited comments from business in order to develop more detailed proposals for further consultation and potential legislation in the 2009 calendar year. Vodafone is routinely subject to audit by tax authorities in the territori es in which it operates and the following items 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 overall profitability and cash flows of the Group in future periods. The Group s subsidiary Vodafone 2 is responding to an enquiry by HM Revenue & Customs (HMRC) with regard to the UK tax treatment of one of its Luxembo urg holding companies under the controlled foreign companies (CFC) rules. Further details in relation to this enquiry are included in note 32 Contingent liabilities . A Spanish subsidiary, Vodafone Holdings Europe SL (VHESL), is in disagreement with the Spanish tax authorities regarding the tax treatment of interest expenses claimed by VHESL in the accounting periods ended 31 March 2003 and 31 March 2004. The matter is now being pursued through the Spanish court system. Vodafone Group Plc Annual Report 2008 101

Vodafone Financials Notes to the Consolidated Financial Statements continued 6. Taxation continued At 31 March 2008, the gross amount and expiry dates of losses available for carry forward are as follows: Expiring Expiring within within 5 years 6-10 years Unlimited Total £m £m £m £m Losses for which a deferred tax asset is recognised 275 24 901 1,200 Losses for which no deferred tax is recognised 226 332 86,780 87,338 501 356 87,681 88,538 Included above are losses amounting to £1,969 million (2007: £1,938 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 £82,204 million (2007: £41,298 million) that have arisen in overseas holding companies as a result of revaluations of those companies investments for local GAAP purposes. Since it is uncertain whether these losses will be utilised, no deferred tax asset has been recognised. In addition to the losses described above, the Group has potential tax losses of £40,181 million (2007: £34,292 million) in respect of a write down in the value of investments in Germany. These losses have to date been denied by the German tax authorities. Vodafone is in continuing discussions with them regarding the availability of the losses. Howev er, the outcome of these discussions and the timing of the resolution are not yet known. The Group has not recognised the availability of the losses, nor the income statement benefit arising from them, due to this uncertainty. If upon resolution a benefit is recognised, it may impact both the amount of current income taxes provided since the date of initial deduction and the amount of the benefit from tax losses the Group will recognise. The recognition of these benefits could affect the overall profitabili ty of the Group in future periods. The £5,889 million increase compared to the position at 31 March 2007 is due to foreign exchange, as a result of sterling weakening against the euro. 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 balance sheet date. No deferred tax liability has been recognised in respect of a further £49,000 million (2007: £34,946 million) of unremitted earnings of subsidiaries, associates 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 2008 2007 2006 £m £m £m Declared during the financ ial year: Final dividend for the year ended 31 March 2007: 4.41 pence per share (2006: 3.87 pence per share, 2005: 2.16 pence per share) 2,331 2,328 1,386 Interim dividend for the year ended 31 March 2008: 2.49 pence per share (2007: 2.35 pence per share, 2006: 2.20 pence per share) 1,322 1,238 1,367 3,653 3,566 2,753 Proposed after the balance sheet date and not recognised as a liability: Final dividend for the year ended 31 March 2008: 5.02 pence per share (2007: 4.41 pence per share, 2006: 3.87 pence per share) 2,667 2,331 2,328 8. Earnings/(loss) per share 2008 2007 2006 Millions Millions Millions Weighted average number of shares for basic earnings/(loss) per share 53,019 55,144 62,607 Effect of dilutive potential shares: restricted shares and share options(1) 268 - Weighted average number of shares for diluted earnings/(loss) per share 53,287 55,144 62,607 £m £m £m Earnings/(loss) for basic and diluted earnings per share: Continuing operations 6,660 (4,932) (17,318) Discontinued operations(2) (494) Total 6,660 (5,426) (21,916) Notes: (1) In the years ended 31 March 2007 and 2006, 215 million and 183 million shares, respectively, have been excluded from the calculation of diluted loss per share as

9. Intangible assets Licences and spectrum Computer Goodwill fees software Other Total £m £m £m £m £m Cost: 1 April 2006 76,130 16,991 3,572 755 97,448 Exchange movements (2,321) (431) (55) (99) (2,906) Arising on acquisition 1,746 707 18 257 2,728 Additions 308 799 1,107 Transfer to other investments (487) (319) (48) (854) Disposals - (29) (29) 31 March 2007 75,068 17,256 4,305 865 97,494 Exchange movements 12,406 1,707 573 59 14,745 Arising on acquisition 4,316 3,045 8 256 7,625 Additions 33 993 8 1,034 Disposals (1) (79) (80) Other(1) (28) - (28) 31 March 2008 91,762 22,040 5,800 1,188 120,790 Accumulated impairment losses and amortisation: 1 April 2006 23,524 2,359 2,339 108 28,330 Exchange movements (623) (61) (45) (14) (743) Amortisation charge for the year 1,088 719 293 2,100 Impairment losses 11,600 - 11,600 Transfer to other investments (30) (11) (41) Disposals - (24) (24) 31 March 2007 34,501 3,356 2,989 376 41,222 Exchange movements 5,925 433 436 28 6,822 Amortisation charge for the year 1,343 802 337 2,482 Disposals - (67) (67) 31 March 2008 40,426 5,132 4,160 741 50,459 Net book value: 31 March 2007 40,567 13,900 1,316 489 56,272 31 March 2008 51,336 16,908 1,640 447 70,331 Note: (1) Represents a pre-tax ch arge against goodwill offsetting the tax benefit arising on recognition of a pre-acquisition deferred tax asset. For licences and spectrum fees and other intangible assets, amortisation is included within the cost of sales line within the Consolidated Income Statement. The net book value at 31 March 2008 and expiry dates of the most significant purchased licences are as follows: 2008 2007 Expiry date £m £m Germany December 2020 5,089 4,684 UK December 2021 4,579 4,912 Vodafone Group Plc Annual Report 2008 103

Vodafone Financials Notes to the Consolidated Financial Statements continued 10. Impairment Impairment losses The impairment losses recognised in the Consolidated Income Statement, as a separate line item within operating profit, in respect of goodwill are as follows: 2008 2007 2006 Reportable segment £m £m £m Germany Germany 6,700 19,400 Italy Italy 4,900 3,600 Sweden Other Europe - 515 11,600 23,515 Germany Du ring the year ended 31 March 2007, the goodwill in relation to the Group s mobile operation in Germany was impaired by £6.7 billion following a test for impairment triggered by an increase in long term interest rates and increased price competition in the German market along with continued regulatory pressures. The impairment loss for the year ended 31 March 2006 of £19.4 billion was determined as part of the annual test for impairment and was as a result of the intensific ation in price competition, principally from new market entrants, together with high levels of penetration and continued regulated reductions in incoming call rates. The pre-tax risk adjusted discount rate used in the testing at 31 March 2007 was 10.6% (31 January 2007: 10.5%, 30 September 2006: 10.4%, 31 January 2006: 10.1%). Italy During the year ended 31 March 2007, the goodwill in relation to the Group s mobile joint venture in Italy was impaired by £4.9 billion. During the second half of the 2007 financial year, £3.5 billion of the impairment loss resulted from the estimated impact of legislation cancelling the fixed fees for the top up of prepaid cards and the related competitive response in the Italian market. At 30 September 2006, the goodwill was impaired by £1.4 billion, following a test for impairment triggered by an increase in long term interest rates. The impairment loss for the year ended 31 March 2006 of £3.6 billi on was due to competitive pressures increasing with the mobile network operators competing aggressively on subsidies and, increasingly, on price. The pre-tax risk adjusted discount rate used in the testing at 31 March 2007 was 11.5% (31 January 2007: 11.2%, 30 September 2006: 10.9%, 31 January 2006: 10.1%). Sweden The impairment of the carrying value of goodwill of the Group s mobile operation in Sweden in the year ended 31 March 2006 resulted from fierce competition in the Swe dish market combined with onerous 3G licence obligations. Prior to its disposal in the year ended 31 March 2006, the carrying value of goodwill was tested for impairment as increased competition provided an indicator that the goodwill may have been further impaired. The recoverable amount of the goodwill was determined as the fair value less costs to sell, reflecting the announcement on 31 October 2005 that the Group s 100% interest in Vodafone Goodwill The carrying value of goodwill at 31 Ma rch was as follows: 2008 2007 £m £m Germany 10,984 9,355 Italy 13,205 11,125 Spain 12,168 10,285 36,357 30,765 Other 14,979 9,802 51,336 40,567 104 Vodafone Group Plc Annual Report 2008

Key assumptions used in the value in use calculations The key assumptions used in determining the value in use are: Assumption How determined Budgeted EBITDA Budgeted EBITDA, calculated as adjusted operating profit before depreciation and amortisation, has been based on past experience adjusted for the following: 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 partially offset by increased competitor activity, which may result in price declines, and the trend of falling termination rates; non-messaging data revenue is expected to continue to grow strongly as the penetration of 3G enabled devices rises and new products and services are introduced; and margins are expected to be impacted by negative factors such as an increase in the cost of acquiring and retain ing 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. Budgeted capital expenditure The cash flow forecasts for capital expenditure are based on past experience and includes the ongoing capital expenditure required 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. Long term growth rate For mobile businesses where the first five years of the ten year management plan 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 EBITDA in year s six to ten of the management plan. For mobile businesses where the full ten 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 compound annual growth rate in EBITDA in years nine to ten of the management plan. For non-mobile businesses, no growth is expected beyond management s plans for the initial five year p eriod. Pre-tax risk adjusted discount rate The discount rate applied to the cash flows of each of the Group s operations is based on the risk free rate for ten year bonds issued by the government in the respective market, 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 a nd 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. 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. Key assumptions for the Group s operations in Germany and Italy are disclosed below under Sensitivity to changes in assumptions . During the year ended 31 March 2008, the most recent value in use calculation for Group s operations in Spain was based on a pre-tax risk adjusted discount rate of 10.6% (2007: 9.7%) and long term growth rate of 1.4% (200

Vodafone Financials Notes to the Consolidated Financial Statements continued 10. Impairment continued Sensitivity to changes in assumptions 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 2008 As of 31 January 2008, the date of the Group s annual impairment test, the estimated recoverable amount of the Group s operations in Germany and Italy exceeded their carrying value by £2,700 million and £3,400 million respectively. The table below shows the key assumptions used in the value in use calculation and 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 in both cases. Assumptions used in value in Change required for carrying value use calculation to equ al the recoverable amount Germany Italy Germany Italy % % Percentage points Percentage points Pre-tax adjusted discount rate 10.2 11.5 1.6 2.7 Long term growth rate 1.2 0.1 (1.7) (3.0) Budgeted EBITDA(1) (2.2) 1.4 (2.0) (4.2) Budgeted capital expenditure(2) 7.5 to 8.7 5.8 to 9.5 4.2 6.6 Notes: (1) Budgeted EBITDA is expressed as the compound annual growth rates in the initial five years of the Group s approved management plans. (2) Budgeted capital expenditure is expressed as the range of cap ital expenditure as a percentage of revenue in the initial five years of the Group s approved management plans. 31 March 2007 Germany The estimated recoverable amount of the Group s operations in Germany equalled its carrying value and, consequently, any adverse change in a key assumption could have caused a further impairment loss to be recognised. The last value in use calculation during the year ended 31 March 2007 was based on the following assumptions: Pre-tax risk adj usted discount rate of 10.6%; Long term growth rate of 1.2%; Budgeted EBITDA, expressed as the compound annual growth rates in the initial five years of the Group s approved management plans, of (4.2)%; and Budgeted capital expenditure, expressed as the range of capital expenditure as a percentage of revenue in the initial five years of the Group s approved management plans, of 7.5-7.0%. Italy The estimated recoverable amount of the Group s operations in Italy equalled its carrying value and, consequently, any adverse change in a key assumption could have caused a further impairment loss to be recognised. The last value in use calculation during the year ended 31 March 2007 was based on the following assumptions: Pre-tax risk adjusted discount rate of 11.5%; Long term growth rate of 1.0%; Budgeted EBITDA, expressed as the compound annual growth rates in the initial five years of the Group s approved ma nagement plans, of (3.8)%; and Budgeted capital expenditure, expressed as the range of capital expenditure as a percentage of revenue in the initial five years of the Group s approved management plans, of 11.4-8.7%. 106 Vodafone Group Plc Annual Report 2008

11. Property, plant and equipment Equipment, Land and fixtures buildings and fittings Total £m £m £m Cost: 1 April 2006 1,112 25,731 26,843 Exchange movements (22) (839) (861) Arising on acquisition 172 172 Additions 87 3,322 3,409 Transfer to other investments (1) (268) (269) Disposals (9) (692) (701) Reclassifications (4) 4 -Other 77 77 31 March 2007 1,240 27,430 28,670 Exchange movements 201 3,898 4, 099 Arising on acquisition 14 1,150 1,164 Additions 94 3,988 4,082 Disposals (10) (761) (771) Reclassifications (109) 109 31 March 2008 1,430 35,814 37,244 Accumulated depreciation and impairment: 1 April 2006 353 12,830 13,183 Exchange movements (7) (349) (356) Charge for the year 72 2,939 3,011 Transfer to other investments (31) (31) Disposals (4) (605) (609) Other 28 28 31 March 2007 442 14,784 15,226 Exchange movements 77 2,456 2,533 Charge fo r the year 79 3,348 3,427 Disposals (10) (667) (677) Reclassifications (66) 66 31 March 2008 522 19,987 20,509 Net book value: 31 March 2007 798 12,646 13,444 31 March 2008 908 15,827 16,735 The net book value of land and buildings and equipment, fixtures and fittings includes £110 million and £51 million, respectively (2007: £49 million and £116 million) in relation to assets held under finance leases (see note 24). 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 £28 million and £1,013 million, respectively (2007: £13 million and £998 million). Property, plant and equipment with a net book value of £1,503 million (2007: £73 million) has been pledged as security against borrowings. Vodafone Group Plc Annual Report 2008 107

Vodafone Financials Notes to the Consolidated Financial Statements continued 12. Principal subsidiary undertakings At 31 March 2008, the Company had the following principal subsidiary undertakings carrying on businesses which affect the profits and assets of the Group. Unless otherwise stated, the Company s principal subsidiary undertakings all have share capital consisting solely of ordinary shares and are indirectly held. The country of incor poration or registration of all subsidiary undertakings is also their principal place of operation. Country of incorporation Percentage(1) Name Principal activity or registration shareholdings Arcor AG & Co. KG(2) Fixed line operator Germany 73.7 Vodafone Albania Sh.A. Mobile network operator Albania 99.9 Vodafone Americas Inc.(3) Holding company USA 100.0 Vodafone Czech Republic a.s. Mobile network operator Czech Republic 100.0 Vodafone D2 GmbH Mobile network operator Germany 100.0 Vodafone Egypt Tele communications S.A.E. Mobile network operator Egypt 54.9 Vodafone España S.A. Mobile network operator Spain 100.0 Vodafone Essar Limited(4) Mobile network operator India 51.6 Vodafone Europe B.V. Holding company Netherlands 100.0 Vodafone Group Services Limited(5) Global products and services provider England 100.0 Vodafone Holding GmbH Holding company Germany 100.0 Vodafone Holdings Europe S.L. Holding company Spain 100.0 Vodafone Hungary Mobile Telecommunications Limited Mobile network operator Hunga ry 100.0 Vodafone International Holdings B.V. Holding company Netherlands 100.0 Vodafone Investments Luxembourg S.a.r.l. Holding company Luxembourg 100.0 Vodafone Ireland Limited Mobile network operator Ireland 100.0 Vodafone Libertel B.V. Mobile network operator Netherlands 100.0 Vodafone Limited Mobile network operator England 100.0 Vodafone Malta Limited Mobile network operator Malta 100.0 Vodafone Marketing S.a.r.l. Provider of partner network services Luxembourg 100.0 Vodafone Network Pty Limited Mobil e network operator Australia 100.0 Vodafone New Zealand Limited Mobile network operator New Zealand 100.0 Vodafone-Panafon Hellenic Telecommunications Company S.A. Mobile network operator Greece 99.9 Vodafone Portugal-Comunicações Pessoais, S.A.(6) Mobile networkoperatorPortugal100.0 VodafoneRomaniaS.A.MobilenetworkoperatorRomania100.0 VodafoneTelekomunikasyonA.S.MobilenetworkoperatorTurkey100.0 Notes: (1) Rounded to nearest tenth of one percent. (2) Arcor AG & Co. KG is a partnersh ip and, accordingly, its share capital is comprised solely of partners capital rather than share capital. (3) 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. (4) The Group owns 100% of CGP Investments (Holdings) Limited (CGP), which owns a 51.58% indirect shareholding in Vodafone Essar Limited. As part of its acquisition of CGP, Vodafone acquired a l ess than 50% equity interest in Telecom Investments India Private Limited (TII) and in Omega Telecom Holdings Private Limited (Omega), which in turn have a 19.54% and 5.11% indirect shareholding in Vodafone Essar Limited. The Group was granted call options to acquire 100% of the shares in two companies which together indirectly own the remaining share of TII and an option to acquire 100% of the shares in a third company, which owns the remaining shares in Omega. The Group also grante d a put option to each of the shareholders of these companies, which if exercised, would require Vodafone to purchase 100% of the equity in the respective company. If these options were exercised, which can only be done in accordance with Indian law prevailing at the time of exercise, the Group would own 66.98% of Vodafone Essar Limited. (5) The entire issued share capital of Vodafone Group Services Limited is held directly by Vodafone Group Plc. (6) 38.6% of the issued share capital of Vodafone P ortugal-Comunicações Pes soais, S.A. is held directly by Vodafone Group Plc. 108 Vodafone Group Plc Annual Report 2008

13. Investments in joint ventures Principal joint ventures 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. Country of incorporation Percentage(1) Name Principal activity or registration shareholdings Indus Towers Limited Tower company India 21.7(2)Polkomtel S.A. Mobile network operator Poland 19.6 Safaricom Limited(3)(4) Mobile network operator Kenya 35.0(5)Vodacom Group (Pty) Limited Holding company South Africa 50.0 Vodafone Fiji Limited Mobile network operator Fiji 49.0(5)Vodafone Omnitel N.V.(6) Mobile network operator Netherlands 76.9(7) Notes: (1) Rounded to nearest tenth of one percent. (2) Vodafone Essar, in which the Group has a 51.58% equity interest, owns 42.0% of Indus Towers Limited. (3) The Group also holds two non-voting shares. (4) An initial public offering of 25% of Safaricom shares held by the Government of Kenya closed to applicants on 23 April 2008. Share allocations are expected to be announced on, or around, 30 May 2008, following which Safaricom will be accounted for as an associate, rather than as a joint venture. The Group s effective equity interest will remain unchanged. (5) The Group holds substantive participating rights which provide it with a veto over the significant financial and operating poli cies of these entities and which ensure it is able to exercise joint control over these entities with the respective majority shareholder. (6) The principal place of operation of Vodafone Omnitel N.V. is Italy. (7) The Group considered the existence of substantive participating rights held by the minority 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 presents, on a condensed basis, the effect of including joint ventures in the Consolidated Financial Statements using proportionate consolidation: 2008 2007 2006 £m £m £m Revenue 6,448 6,232 5,756 Cost of sales (3,225) (3,077) (2,832) Gross profit 3,223 3,155 2,924 Selling, distributio n and administrative expenses (1,155) (1,121) (885) Impairment losses (4,900) (3,600) Operating profit/(loss) 2,068 (2,866) (1,561) Net financing costs (119) 46 27 Profit/(loss) before tax 1,949 (2,820) (1,534) Income tax expense (829) (614) (711) Profit/(loss) for the financial year 1,120 (3,434) (2,245) 2008 2007 £m £m Non-current assets 19,102 16,594 Current assets 235 1,062 Total assets 19,337 17,656 Total shareholders funds 16,036 17,754 Minority interests 13 8 Tot al equity 16,049 17,762 Non-current liabilities 352 333 Current liabilities 2,936 (439) Total liabilities 3,288 (106) Total equity and liabilities 19,337 17,656 Vodafone Group Plc Annual Report 2008 109

Vodafone Financials Notes to the Consolidated Financial Statements continued 14. Investments in associated undertakings The Company s principal associated undertakings 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 associated undertakings is also their principal place of operation. Country of incorporation Percentage(1) Name Princi pal activity or registration shareholdings Cellco Partnership(2) Mobile network operator USA 45.0 Société Française du Radiotéléphone S.A. Mobile network and fixed line operator France 44.0 Notes: (1) Rounded to nearest tenth of one percent. (2) Cellco Partnership trades under the name Verizon Wireless. The principal office of the partnership is One Verizon Way, Basking Ridge, New Jersey, 07920 USA while the registered office is CSC the Corporation Service Company, 2711 Centreville Road, Suite 400, Wilmington, DE 19808, USA. The Group s share of the aggregated financial information of equity accounted associated undertakings is set out below. The comparative information includes the share of results in Belgacom Mobile S.A. and Swisscom Mobile A.G. up to the date of their disposal on 3 November 2006 and 20 December 2006, respectively (see note 29). 2008 2007 2006 £m £m £m Revenue 13,630 12,919 12,480 Share of result in associated unde rtakings 2,876 2,728 2,428 2008 2007 £m £m Non-current assets 25,951 25,120 Current assets 2,546 1,998 Share of total assets 28,497 27,118 Non-current liabilities 1,830 2,067 Current liabilities 3,736 4,438 Minority interests 386 386 Share of total liabilities and minority interests 5,952 6,891 Share of equity shareholders funds in associated undertakings 22,545 20,227 15. Other investments 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: 2008 2007 £m £m Listed securities: Equity securities 4,813 3,915 Unlisted securities: Equity securities 949 634 Public debt and bonds 24 20 Other debt and bonds 1,352 1,046 Cash held in restricted deposits 229 260 7,367 5,875 The fair values of listed securities are based on quoted market prices and include the Group s 3.2% investment in China Mobile Limited, which is listed on the Hong Kong and New York stock exchanges and incorporated under the laws of Hong Kong. China Mobile Limited is a mobile network operator and its principal place of operation is China. Unlisted equity securities include a 26% interest in Bharti Infotel Private Limited, through which the Group has a 4.36% 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 ma rket upon which they are traded. For public debt and bonds and cash held in restricted deposits, the carrying amount approximates fair value. Other debt and bonds include preferred equity and a subordinated loan received as part of the disposal of Vodafone Japan to SoftBank. The fair value of these instruments cannot be reliably measured as there is no active market in which these are traded. 110 Vodafone Group Plc Annual Report 2008

16. Inventory 2008 2007 £m £m Goods held for resale 417 288 Inventory is reported net of allowances for obsolescence, an analysis of which is as follows: 2008 2007 2006 £m £m £m 1 April 100 97 121 Transfer in respect of discontinued operations - (40) Exchange movements 11 (2) 1 Amounts charged to the income statement 7 5 15 31 March 118 100 97 Cost of sales includes amounts related to inventory amounting to £4,320 million (2007: £3,797 million; 2006: £3,662 million). 17. Trade and other receivables 2008 2007 £m £m Included within non-current assets: Trade receivables 49 42 Other receivables 66 45 Prepayments and accrued income 121 183 Derivative financial instruments 831 224 1,067 494 Included within current assets: Trade receivables 3,549 2,844 Amounts owed by associated undertakings 21 14 Other receivables 494 226 Prepayments and accrued income 2,426 1,859 Derivative financial ins truments 61 80 6,551 5,023 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: 2008 2007 2006 £m £m £m 1 April 473 431 474 Transfer in respect of discontinued operations - (41) Exchange movements 73 (16) 4 Amounts charged to administrative expenses 293 201 168 Trade receivables written off (175) (143) (174) 31 March 664 473 431 The carrying amounts of trade and other receivables approximate their fair value. Trade and other receivables are predominantly non-interest bearing. 2008 2007 £m £m Included within Derivative financial instruments : Fair value through the income statement (held for trading): Interest rate swaps 70 60 Foreign exchange swaps 42 78 112 138 Fair value hedges: Interest rate swaps 780 166 892 304 The fair values of these financial instruments are calculated by discounting the future cash flows to net p resent values using appropriate market interest and foreign currency rates prevailing at 31 March. Vodafone Group Plc Annual Report 2008 111

Vodafone Financials Notes to the Consolidated Financial Statements continued 18. Cash and cash equivalents 2008 2007 £m £m Cash at bank and in hand 451 827 Money market funds 477 5,525 Repurchase agreements 478 -Commercial paper 293 1,129 Cash and cash equivalents as presented in the balance sheet 1,699 7,481 Bank overdrafts (47) (23) Cash and cash equivalents as presented in the cash flow statement 1,652 7,458 Bank balances and money mark et funds comprise cash held by the Group on a short term basis with original maturity of three months or less. The carrying amount of these assets approximates their fair value. All commercial paper investments and repurchase agreements have a maturity of less than three months and the carrying value approximates the fair value. 19. Called up share capital 2008 2007 Number £m Number £m Authorised: Ordinary shares of 11 3/7 US cents each (2007: 11 3/7 US cents) 68,250,000,000 4,875 68,250,000,000 4 ,875 B shares of 15 pence each 38,563,935,574 5,784 38,563,935,574 5,784 Deferred shares of 15 pence each 28,036,064,426 4,206 28,036,064,426 4,206 Ordinary shares allotted, issued and fully paid(1): 1 April 58,085,695,298 4,172 66,251,332,784 4,165 Allotted during the year 169,360,427 10 118,241,919 7 Consolidated during the year - (8,283,879,405) 31 March 58,255,055,725 4,182 58,085,695,298 4,172 B shares allotted, issued and fully paid(2): 1 April 132,001,365 20 -Issued dur ing the year - 66,271,035,240 9,941 Redeemed during the year (44,572,227) (7) (38,102,969,449) (5,715) Converted to deferred shares and subsequently cancelled during the year - (28,036,064,426) (4,206) 31 March 87,429,138 13 132,001,365 20 Notes: (1) At 31 March 2008, the Group held 5,132,496,335 (2007: 5,250,617,951) treasury shares with a nominal value of £368 million (2007: £377 million). The market value of shares held was £7,745 million (2007: £7,115 million). During the year, 101,466,161 treasury shares (2007: 91,595,624 treasury shares) were reissued under Group share option schemes. (2) On 31 July 2006, Vodafone Group Plc undertook a return of capital to shareholders via a B share scheme and associated share consolidation. A total of 66,271,035,240 B shares were issued on that day, and 66,271,035,240 existing ordinary shares of 10 US cents each were consolidated into 57,987,155,835 new ordinary shares of 11 3/7 cents each. B shareholders were given the alternatives of initial redemption or future redemption at 15 pence per share or the payment of an initial dividend of 15 pence per share. The initial redemption took place on 4 August 2006 with future redemption dates on 5 February and 5 August each year until 5 August 2008 when the Company expects to exercise its right to redeem all B shares still in issue at their nominal value of 15 pence. B shareholders that chose future redemption are entitled to receive a conti nuing non-cumulative dividend of 75 per cent of sterling LIBOR payable semi-annually in arrear until they are redeemed. The continuing B share dividend is shown within financing costs in the income statement. B shareholders are only entitled to receive notice of (or attend, speak or vote at) any general meeting if the business includes a resolution for the winding up of the Company. If the Company is wound up, the holders of the B shares are entitled, before any payment to the ordinary shareholders, to repa yment of the amount paid up on each B share together with any outstanding entitlement to the B share continuing dividend. By 31 March 2008, total capital of £9,011 million had been returned to shareholders, £5,720 million by way of capital redemption and £3,291 million by way of initial dividend (note 21). The outstanding B share liability at 31 March 2008 has been classified as a financial liability. During the period, a transfer of £7 million (2007: £ 9,004 million) in respect of the B shar es has been made from retained losses (note 23) to the capital redemption reserve (note 21). The redemptions and initial dividend are shown within cash flows from financing activities in the cash flow s

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 or dinary 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 Sharesave Scheme The Vodafone Group 1998 Sharesave Scheme (the Sharesave Scheme) enables 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. Vodafone Group executive schemes The Vodafone Global Incentive Plan is a discretio nary plan under which share options are granted to directors and certain employees. Some of the share options are subject to performance conditions. Options are normally exercisable between three and ten years from the date of grant. The Company has a number of discretionary share option plans, under which awards are no longer made: the Vodafone Group 1998 Company Share Option Scheme and Vodafone Group 1988 Executive Share Option Scheme (which are UK HM Revenue and Customs approved); the Vodafone Group 1998 Executive Share Option Scheme and the Vodafone 1988 Share Option Scheme (which are unapproved); and the Vodafone Group 1999 Long Term Incentive Plan. Some of the options are subject to performance conditions. Options are normally exercisable between three and ten years from the date of grant. For grants made to US employees, prior to 7 July 2003 the options have phased vesting over a four year period and are exercisable in respect of ADSs. For grants made from 7 July 2003, options are normally ex ercisable between three and ten years from the date of grant, subject to the satisfaction of predetermined performance conditions and are exercisable in respect of ADSs. Other share option schemes Share option schemes are operated by certain of the Group s subsidiary undertakings although awards are no longer made under these schemes. Share plans Vodafone Share Incentive Plan The Share Incentive Plan enables UK staff to acquire shares in the Company through monthly purchases of up to £125 per mont h or 5% of salary, whichever is lower. For each share purchased by the employee, the Company provides a free matching share. Vodafone Group AllShares All permanent employees at 1 April 2007 received a conditional award of 320 shares (2007: 340) in Vodafone Group Plc on 2 July 2007, under the Vodafone Global Incentive Plan. The awards vest after two years and are not subject to performance conditions but are subject to continued employment. Vodafone Group executive plans Under the Vodafone Global I ncentive Plan and its predecessor the Vodafone Group Plc 1999 Long Term Stock Incentive Plan, awards of performance shares are granted to directors and certain employees. The release of these shares is conditional upon achievement of performance targets measured over a three year period. Under the Vodafone Group Deferred Share Bonus Plan, directors and certain employees may defer their annual bonus into shares. Subject to continued employment and retention of the deferred shares for two years, additional sh ares are released at th e end of this two year period if a performance condition has been satisfied. Movements in ordinar

Vodafone Financials Notes to the Consolidated Financial Statements continued 20. Share-based payments continued Summary of options outstanding and exercisable at 31 March 2008 Outstanding Exercisable Weighted Weighted average average Weighted remaining Weighted remaining Outstanding average contractual Exercisable average contractual shares exercise life shares exercise life Millions price Months Millions price Months Vodafone Group Savings Related and Sharesave Scheme: £0.01 £1.00 12 £0.93 27 - -£1.01 £2.00 12 £1.21 32 - 24 £1.07 30 - Vodafone Group Executive Schemes: £1.01 £2.00 5 £1.60 6 5 £1.60 6 £2.01 £3.00 23 £2.75 25 23 £2.75 25 28 £2.53 22 28 £2.53 22 Vodafone Group 1999 Long Term Stock Incentive Plan: £0.01 £1.00 69 £0.90 51 69 £0.90 51 £1.01 £2.00 247 £1.47 70 141 £1.49 46 316 £1.34 66 210 £1.29 48 Other Share Option Plans: £1.01 £2.00 2 £1.21 43 2 £1.21 43 £2.01 £3.00 2 £2.05 47 2 £2.05 47 Greater than £3.01 1 £3.20 33 1 £3.20 33 5 £1.78 43 5 £1.78 43 Vodafone Group 1999 Long Term Stock Incentive Plan: $10.01 $30.00 1 $18.15 48 1 $17.59 46 Fair value ADS options Ordinary share options Board of directors and Other Executive Committee Other 2008 2007 2 006 2008 2007 2006 2008 2007 2006 4-5 5-6 8-9 4-5 5-6 6-7 4-5 5-7 8-9 Expected share price volatility 25.5-33.5% 27.3-28.3% 17.9-18.9% 25.7-27.7% 24.0-27.7% 17.6-18.6% 25.5-33.5% 25.5-28.3% 17.9-18.9% Dividend yield 3.8-4.2% 5.1-5.5% 2.8-3.2% 4.0-4.4% 4.8-5.5% 2.6-3.0% 3.8-4.2% 5.1-6.1% 2.8-3.2% Risk free rates 4.4-5.7% 4.8% 4.2% 5.5% 4.7-4.9% 4.2% 4.4-5.7% 4.6-4.9% 4.2% Exercise price(1) £1.67-1.76 £1.15 £1.36 £1.68 £1.15-1.36 £1.45 £1.67-1.76 £1.14-1.16 £1.36 N ote: (1) In the years ended 31 March 2008 and 31 March 2007, there was more than one option grant. The fair value of options is estimated at the date of grant using a lattice-based option valuation model, which incorporates ranges of assumptions for inputs as disclosed above. Certain options granted to the Board of directors and Executive Committee have a market based performance condition attached and hence the assumptions are disclosed separately. Share awards Movements in non-vested shares during the year ended 31 March 2008 are as follows: All Shares Other Total Weighted Weighted Weighted average fair average fair average fair value at value at value at Millions grant date Millions grant date Millions grant date 1 April 2007 33 £1.13 197 £1.04 230 £1.05 Granted 19 £1.55 89 £1.38 108 £1.41 Vested (15) £1.26 (50) £1.11 (65) £1.15 Forfeited (3) £1.26 (23) £1.09 (26) £1.11 31 March 2008 34 £1.30 213 £1.16 247 £1.18 Other information The weighted average grant date fair value of options granted during the 2008 financial year was £0.34 (2007: £0.22, 2006: £0.30). The total fair value of shares vested during the year ended 31 March 2008 was £75 million (2007: £41 million, 2006: £18 million). The compensation cost included in the Consolidated Income Statement in respect of share options and share plans for continuing operations was £107 million (2007: £93 million, 2006: £109 million), which is comprised entirely of equity-settled transactions. Including discontinued operations, the compensation cost included in the Consolidated Income Statement in respect of share options and share plans in total was £107 million (2007: £93 million, 2006: £114 million). The average share price for the year ended 31 March 2008 was 166 pence. 114 Vodafone Group Plc Annual Report 2008

21. Transactions with equity shareholders Share Additional Capital premium Own shares paid-in redemption account held capital reserve £m £m £m £m 1 April 2005 52,284 (5,121) 100,081 -Issue of new shares 152 (44) -Purchase of own shares (6,500) -Own shares released on vesting of share awards 8 370 (8) -Cancellation of own shares held 3,053 128 Share-based payment charge, inclusive of tax credit of £9 - 123million 31 March 2006 52,444 (8,198) 100,152 128 Issue of new shares 154 (44) -Own shares released on vesting of share awards 151 -Share consolidation (9,026) - -B share capital redemption - 5,713 B share preference dividend - 3,291 Share-based payment charge, inclusive of tax charge of £16 - 77 million 31 March 2007 43,572 (8,047) 100,185 9,132 Issue of new shares 263 (134) -Own shares rel eased on vesting of share awards 14 191 (14) -B share capital redemption - 7 Transfer of B share nominal value in respect of (915)own shares - deferred 915 Share-based payment charge, inclusive of tax credit of £7 - 114million 31 March 2008 42,934 (7,856) 100,151 10,054 22. Movements in accumulated other recognised income and expense Available- for-sale Asset Translation Pensions investments revaluation reserve reserve reserve surplus Other Total £m £m £m £m £m £m 1 April 2005 1,521 (79) 339 - 1,781 Gains/(losses) arising in the year 1,486 (43) 710 112 2,265 Transfer to the income statement on disposal 36 - - 36 Tax effect 13 (5) - 8 31 March 2006 3,043 (109) 1,044 112 4,090 (Losses)/gains arising in the year (3,802) 65 2,108 - (1,629) Transfer to the income statement on disposal 838 - - 838 Tax effect 22 (15) - 7 31 March 2007 101 (59) 3,152 112 3,306 Gains/(losses) arising in the year 5,827 (47) 1,949 37 7,766 Transfer to the income statement on disposal (7) (570) - (577) Tax effect 53 10 - 63 31 March 2008 5,974 (96) 4,531 112 37 10,558 23. Movements in retained losses 2008 2007 2006 £m £m £m 1 April (85,253) (67,356) (39,511) Profit/(loss) for the financial year 6,660 (5,426) (21,916) Equity dividends (note 7) (3,653) (3,566) (2,753) Gain on expiration of equity put right 142 Loss on issue of treasury shares (60) (43) (123) B share capital redemption (7) (5,713) -B share preference dividend (3,291) -Cancellation of shares - (3,053) Grant of equity put right(1) 333 - 31 March (81,980) (85,253) (67,356) Note: (1) In the year ended 31 March 2008, a charge of £333 million, representing the fair value of put options granted by the Group over the Essar group s interest in Vodafone Essa r, has been recognised as an expense. The offsetting credit was recognised in retained losses, as no equivalent liability arose in respect of the fair value of the put options granted. Vodafone Group Plc Annual Report 2008 115

Vodafone Financials Notes to the Consolidated Financial Statements continued 24. Borrowings 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 annually by the Company s Board, most recently on 25 September 2007. A Treasury Risk Committee, comprising of the Group s Chief Financial Officer, Group General Counsel and Company Secretary, Group Treasurer 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. In accordance with the Group treasury policy, a quorum for meetings is four members and either the Chief Financial Officer or Group General Counsel and Company Secr etary must be present at each meeting. The Group accounting function, which does not report to the Group Treasurer, provides regular update reports of treasury activity to the Board. The Group s internal auditors review the internal control environment regularly. The Group uses a number of derivative instruments that are transacted, for risk management purposes only, by specialist treasury personnel. There has been no significant change during the financial year, or since the end of the year, to the ty pes of financial risks faced by the Group or the Group s approach to the management of those risks. Capital management The following table summarises the capital of the Group: 2008 2007 £m £m Cash and cash equivalents (1,699) (7,481) Derivative financial instruments (348) (85) Borrowings 27,194 22,615 Net debt 25,147 15,049 Equity 76,471 67,293 Capital 101,618 82,342 The Group s policy is to borrow centrally, using a mixture of long term and short term capital market issues and borr owing facilities, to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are on-lent or contributed as equity to certain subsidiaries. The Board has approved three debt protection ratios, being: net interest to operating cash flow (plus dividends from associated undertakings); retained cash flow (operating cash flow plus dividends from associated undertakings less interest, tax, dividends to minorities and equity dividends) to net debt; and operating cash f low (plus dividends from associated undertakings) 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. Credit risk The Group considers its exposure to credit risk at 31 March to be as follows: 2008 2007 £m £m Bank deposi ts 451 827 Repurchase agreements 478 -Money market fund investments 477 5,525 Commercial paper investments 293 1,129 Derivative financial instruments 892 304 Other investments debt and bonds 1,376 1,066 Trade receivables 3,598 2,886 7,565 11,737 Investments in commercial paper and money market deposits 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. The Group has investments in repurchase agreements which are fully collateralised investments. The collateral is Sovereign and Supranational debt of major EU countries denominated in euros and US dollars and can be readily converted to cash. In the event of any default, ownership of the collateral would revert to the Group. Detailed below is the value of the collateral held by the Group at 31 March 2008: 2008 2007 £ m £m So vereign 418 -Supranational 60 478 The majority of the Group s trade receivables are due for maturity within 90 days and largely comprise a mount

would reduce or increase profit before tax by approximately £3 million (2007: increase or reduce by £24 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 s hare price represents the value of its future multi-currency cash flows, principally in euro, sterling and US dollars, 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 above certain de minimis levels. As the Group s future cash flows are increasingly likely to be derived from emerging markets, it is likely that mo re debt in emerging market currencies will be drawn. As such, at 31 March 2008, 119% of net debt was denominated in currencies other than sterling (80% euro, 27% US dollar and 12% other), while 19% of net debt had been purchased forward in sterling in anticipation of sterling denominated shareholder returns via dividends. This allows euro, US dollar and other debt to be serviced in proportion to expected future cash flows and, therefore, provides a partial hedge against income statement translation exp osure, as interest costs will be denominated in foreign currencies. Yen debt is used as a hedge against the value of yen assets as the Group has minimal yen cash flows. A relative weakening in the value of sterling against certain currencies in which the Group maintains cash and cash equivalents has resulted in an increase in cash and cash equivalents of £129 million from currency translation differences. Under the Group s foreign exchange management policy, foreign exchange transaction expos ure in Group companies is generally maintained at the lower of 5 million per currency per month period. The Group is exposed to profit and loss account volatility on the retranslation of certain investments received upon the disposal of Vodafone Japan to SoftBank which are yen denominated financial instruments but are owned by legal entities with either a sterling or euro functional currency. In addition, a US dollar denominated financial liabilit y arising from the put rights granted over the Essar Group s interests in Vodafone Essar in the 2008 financial year and discussed on page 118, were granted by a legal entity with a euro functional currency. A 10%, 2% or 1% (2007: 2%, 5% or rates would have a £47 million, £17 million or £23 million (2007: £8 million, £33 million and nil) impact on profit or loss in relation to these financial instruments. The Group recognises foreign exchange movements i n 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 adjusted operating profit to a strengthening of the Group s major currencies in which it transacts. The percentage movement applied to each currency is based on the average movements in the previous three annual reporting periods. The analysis has been performed based on the movement occurring at the start of the reporting period and is calculated by retranslating the adjusted operating profit of each entity whose functional currency is either euro or US dollar. 2008 £m Euro 6% change Adjusted operating profit 357 US dollar 7% change Adjusted operating profit 177 At 31 March 2007, sensitivity of the Group s adjusted operating p rofit was analysed for euro 3% change and US$ 8% change, representing £175 million and £176 million respectively. month or 15 million per currencyEquity risk The Group has equity investments, primarily in China Mobile Limited and Bharti Infotel Priva

Vodafone Financials Notes to the Consolidated Financial Statements continued 24. Borrowings continued The fair value and carrying value of the Group s long term borrowings is as follows: Fair value Carrying value 2008 2007 2008 2007 £m £m £m £m Financial liabilities measured at amortised cost: Bank loans 2,669 2,086 2,669 2,086 Redeemable preference shares 985 818 985 818 Finance lease obligations 60 59 60 59 Bonds: Euro FRN due July 2008 849 858 Euro FRN due February 2009 102 102 Euro FRN due February 2010 237 204 240 205 US dollar FRN due June 2011 227 224 176 178 Euro FRN due January 2012 775 683 805 685 Euro FRN due January 2012 232 205 241 197 US dollar FRN due February 2012 236 254 253 255 Euro FRN due September 2013 644 582 679 579 Euro FRN due June 2014 930 998 5.125% euro 500m bond due April 2015 397 350 427 365 5% euro 750m bond du e June 2018 578 515 620 529 Other liabilities(1) 2,984 156 2,945 156 Loans in fair value hedge relationships: 5.5% euro 400m bond due July 2008 32 34 6.25% sterling 250m bond due July 2008 251 249 6.25% sterling 150m bond due July 2008 151 149 6.65% US dollar 500m bond due May 2008 129 132 4.0% euro 300m bond due January 2009 203 204 4.25% euro 1.4bn bond due May 2009 1,112 950 1,135 965 4.25% euro 500m bond due May 2009 397 339 408 348 4.75% euro 3bn bond due May 2009 695 596 709 602 7.75% US dollar 2.75bn bond due February 2010 1,466 1,480 1,492 1,467 5.5% US dollar 750m bond due June 2011 386385410390 5.35%USdollar500mbonddueFebruary2012 255255271256 3.625%euro750mbondueNovember2012 564487584492 6.75%Australiandollar265mbondueJanuary2013121108119110 5.0%USdollar1bnbondueDecember2013 532464541502 4.625%sterling350mbondueSeptember2014 319321347334 5.375%USdollar500mbondueJanuary20 15 256250268249 5.375%USdollar400mbondueJanuary2015 205200215199 5.0%USdollar750mbondueSeptember2015 419423406375 5.75%USdollar750mbondueMarch2016375384415384 4.75%euro300mbondueJune2016227204245209 4.75%euro200mbondueJune2016151136164140 5.625%USdollar1.3bnbondueFebruary2017 640650716661 4.625%USdollar500mbondueJuly2018227231257235 5.375%euro500mbondJune2022374-420-5.625%sterling250mbondueDecember2025 220242259253 7.875%USdollar750mbondueFebruary2030 409441514481 5.9%sterling450mbondueNovember203 2 410454458451 6.25%USdollar495mbondueNovember2032 258250275252 6.15%USdollar1.2bnbondueFebruary2037 568609665603 6.15%USdollar500mbondueFebruary2037 237-271- Long term borrowings 21,777 17,712 22,662 17,798 Note: (1) Amount at 31 March 2008 includes £2,476 million (2007 : £nil) in relation to the written put options disclosed in note 12 and written put options granted to the Essar Group that, if exercised, would allow the Essar Group to sell its 33% shareholding in Vodafone Essa r to the Group for US$5 billion or to sell between US$1 billion and US$5 billion worth of Vodafone Essar shares at an independently appraised fair market value. Fair values are calculated using discounted cash flows with a discount rate based upon forward interest rates available to the Group at the balance sheet date. Banks loans include a ZAR7.2 billion loan held by Vodafone Holdings SA Pty Limited (VHSA), which directly and indirectly owns the Group s 50% interest in Vodacom Group (Pty) Limited. VHSA has pledged its 100% equity shareholding in Vodafone Investments SA (VISA) 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. and VISA have also guarant eed this loan with recourse o nly to the VHSA and Vodafone Telecommunications Investment SA (VTISA) shares they have respectively 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

Bank loans also include INR66 billion of loans held by Vodafone Essar Limited (VEL) and its subsidiaries (the VEL Group , a total of eight legal entities), which form the operating companies in India. The VEL Group has a number of security arrangements supporting its secured loan obligations comprising its physical assets and certain share pledges of the shares under VEL. The terms and conditions of the security arrangements mean tha t should members of the VEL Group not meet all of their loan payment and performance obligations, the lenders may sell the pledged shares and/or assets to recover their losses, with any remaining sales proceeds being returned to the VEL Group. Six of the eight legal entities provide cross guarantees to the lenders. 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: Redeemable Finance Loans in fair Bank preference lease Other value hedge loans shares obligations Bonds liabilities relationships Total £m £m £m £m £m £m £m Within one year 838 43 12 1,368 1,788 1,443 5,492 In one to two years 369 104 12 464 110 4,168 5,227 In two to three years 1,490 77 12 214 2,732 398 4,923 In three to four years 346 43 12 1,671 1,016 3,088 In four to five years 142 43 11 139 223 1,082 1,640 In more than five years 423 1,132 26 2,990 137 9,459 14,167 3,608 1,442 85 6,846 4,990 17,566 34,537 Effect of discount/financing rates (133) (457) (16) (1,282) (258) (5,197) (7,343) 31 March 2008 3,475 985 69 5,564 4,732 12,369 27,194 Within one year 116 43 11 1,853 2,225 1,464 5,712 In one to two years 142 43 11 1,100 21 1,346 2,663 In two to three years 153 43 10 334 3,802 4,342 In three to four years 1,265 43 10 123 51 355 1,847 In four to five years 265 43 9 1 ,430 979 2,726 In more than five years 384 1,187 32 1,707 84 9,140 12,534 2,325 1,402 83 6,547 2,381 17,086 29,824 Effect of discount/financing rates (145) (584) (17) (946) (5,517) (7,209) 31 March 2007 2,180 818 66 5,601 2,381 11,569 22,615 The maturity profile of the Group s financial derivatives (which include interest rate and foreign exchange swaps), using undiscounted cash flows, is as follows: 2008 2007 Payable Receivable Payable Receivable £m £m £m £m With in one year 14,931 14,749 15,163 15,163 In one to two years 433 644 611 626 In two to three years 378 441 503 587 In three to four years 399 430 403 398 In four to five years 380 406 400 387 In more than five years 3,662 4,637 3,577 3,596 20,183 21,307 20,657 20,757 The currency split of the Group s foreign exchange derivatives, all of which mature in less than one year, is as follows: 2008 2007 Payable Receivable Payable Receivable £m £m £m £m Sterling 2,126 8,262 1,000 5,477 Euro 10,111 7,204 -US dollar 2,076 4,992 6,178 8,166 Japanese yen 27 15 106 Other 42 797 84 747 14,382 14,066 14,466 14,496 Payables and receivables are stated separately in the table above as settlement is on a gross basis. The £316 million net payable (2007: £30 million net receivable) in relation to foreign exchange financial instruments in the table above is split £358 million (2007: £48 million) within trade and other payables and £42 million (2007: £78 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: 2008 2007 £m £m Within one year 9 7 In two to five years 37 30 In more than five years 24 29 Vodafone Group Plc Annual Report 2008 119

Vodafone Financials Notes to the Consolidated Financial Statements continued 24. Borrowings continued Interest rate and currency of borrowings Total Floating rate Fixed rate Other borrowings borrowings borrowings(1) borrowings Currency £m £m £m £m Sterling 1,563 1,563 -Euro 10,787 9,673 1,114 -US dollar 10,932 8,456 2,476 Japanese yen 1,516 1,516 -Other 2,396 2,396 - 31 March 2008 27,194 23,604 1,114 2 ,476 Sterling 1,520 1,520 -Euro 9,295 8,382 913 -US dollar 9,687 9,687 -Japanese yen 1,118 1,118 -Other 995 995 - 31 March 2007 22,615 21,702 913 (1) The weighted average interest rate for the Group s euro denominated fixed rate borrowings is 5.1% (2007: 5.1%). The weighted average time for which the rates are fixed is 8.8 years (2007: 9.8 years). Other borrowings of £2,476 million are the liabilities arising under put options granted ove r interests in Vodafone Essar. Interest on floating rate borrowings is generally based on national LIBOR equivalents or government bond rates in the relevant currencies. The figures shown in the tables above take into account interest rate swaps used to manage the interest rate profile of financial liabilities. At 31 March 2008, the Group had entered into foreign exchange contracts to decrease its sterling, US dollar and other currency borrowings above by amounts equal to £6,136 million, £2,916 million and £755 million respectively and to increase its euro and Japanese Yen borrowings above by amounts equal to £10,111 million and £12 million respectively. At 31 March 2007, the Group had entered into foreign exchange contracts to decrease its sterling, US dollar, Japanese yen and other currency borrowings above by amounts equal to £4,477 million, £1,988 million, £106 million and £663 million respectively and to i ncrease its euro borrowings above by amounts equal to £7,204 million. Further protection from euro and Japanese yen interest rate movements on debt is provided by interest rate swaps. At 31 March 2008, the Group had euro denominated interest rate swaps for amounts equal to £796 million. The average effective rate which has been fixed, is 2.62%. In addition, the Group has entered into euro denominated forward starting interest rate swaps for amounts equal to £3,183 million and £796 million, which cover the periods June 2008 to June 2009 and September 2008 to September 2009, respectively. The effective rates, which have been fixed, range from 2.87% per annum to 3.02% per annum. Borrowing facilities At 31 March 2008, the Group s most significant committed borrowing facilities comprised two bank facilities of $6,125 million (£3,083 million) and $5,200 million (£2,617 million) expiring between two and five year s and in more than five years, respectively (2007: two bank facilities of $5,925 million (£3,010 million) and $5,025 million (£2,553 million)), a ¥259 billion (£1,306 million, 2007: ¥259 billion (£1,117 million)) term credit facility, which expires between two and five years and a 400 million (£318 million, expires in more than five years. The US dollar bank facilities remained undrawn throughout the financial year, the ¥259 billion term credit facility was fully drawn down on 21 December 2005 and the down on 14 February 2007. Under the terms and conditions of the $6,125 million and $5,200 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 interes t period. The facility agreement provides 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. Substantially the same terms and conditions apply in the case of Vodafone Finance K.K. s ¥259 billion term credit facility, although the change of control provision is applicable to any guarantor of borrowings under the

25. Post employment benefits Background At 31 March 2008, 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 principal defined benefit pension scheme of the Group is in the United Kingdom. This tax approved final salary scheme was closed to new entrants from 1 January 2006. The assets of the scheme are held in an external trustee administered fund. In addition, the Group operates defined benefit schemes in Germany, Greece, India, Ireland, It aly, Turkey 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. Income statement expense 2008 2007 2006 £m £m £m Defined contribution schemes 63 32 28 Defined benefit schemes 28 62 52 Total amount charged to the income statement (note 35) 91 94 80 Defined benefit schemes The principal actuarial assumptions used f or estimating the Group s benefit obligations are set out below: 2008(1) 2007(1) 2006(1) Weighted average actuarial assumptions used at 31 March: Rate of inflation 3.1% 2.7% 2.5% Rate of increase in salaries 4.3% 4.4% 4.2% Rate of increase in pensions in payment and deferred pensions 3.1% 2.7% 2.5% Discount rate 6.1% 5.1% 4.8% Expected rates of return: Equities 8.0% 7.8% 7.3% Bonds(2) 4.4% 4.8% 4.2% Other assets 1.3% 5.3% 3.4% Notes: (1) Figures shown represent a weighted average assumption of the individual schemes. (2) For the year ended 31 March 2008 the expected rate of return for bonds consisted of a 4.7% rate of return for corporate bonds (2007: 5.1%) and a 3.5% rate of return for government bonds (2007: 4.0%). The expected 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 and property 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 and cash investments are set in line with market yields currently available at the balance sheet 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 pensioner currently aged 65 of 22.0/24.8 years (2007: 19.4/22.4 years, 2006: 17.8/20.7 years) and a further life expectancy for a male/female non-pensioner member currently aged 40 of 23.2/26.0 years (2007: 22.1/25.1 years, 2006: 20.3/23.3 years) from age 65. 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 £135 million decrease or a £145 million increase in the defined benefit obligation, respectively. Charges made to the Consolidated Income Statement and Consolidated Statement of Recognised Income and Expense (SORIE) on the basis of the assumptions stated above are: 2008 2007 2006 £m £m £m Current service cost 53 74 57 Interest cost 69 61 52 Expected return on pension assets (89) (73) (57) Curtailment (5) - Total included within staff costs 28

Vodafone Financials Notes to the Consolidated Financial Statements continued 25. Post employment benefits continued Fair value of the assets and present value of the liabilities of the schemes The amount included in the balance sheet arising from the Group s obligations in respect of its defined benefit schemes is as follows: 2008 2007 2006 £m £m £m Movement in pension assets: 1 April 1,251 1,123 874 Reclassification as held for sale - (3) Expected return on pension assets 89 73 57 Actuarial (losses)/gains (176) 26 121 Employer cash contributions 86 55 85 Member cash contributions 13 13 11 Benefits paid (42) (32) (27) Exchange rate movements 50 (7) 5 31 March 1,271 1,251 1,123 Movement in pension liabilities: 1 April 1,292 1,224 998 Reclassification as held for sale - (31) Current service cost 53 74 57 Interest cost 69 61 52 Member cash contributions 13 13 11 Actuarial (gains)/losses (129) (39) 164 Benefits paid (42) (32) (27) Other movements (6) 4 (8) Exchange rate movements 60 (13) 8 31 March 1,310 1,292 1,224 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. UK Group 2008 2007 2006 2005 2008 2007 2006 2005 £m £m £m £m £m £m £m £m Analysis of net assets/(deficits): Total fair value of scheme assets 934 954 835 628 1,271 1,251 1,123 874 Present value of funded scheme liabilities (902) (901) (847) (619) (1,217) (1,194) (1,128) (918) Net assets/(deficits) for funded schemes 32 53 (12) 9 54 57 (5) (44) Present value of unfunded scheme liabilities - - (93) (98) (96) (80) Net assets/(deficits) 32 53 (12) 9 (39) (41) (101) (124) Net assets/(deficits) are analysed as: Assets 32 53 9 65 82 19 12 Liabilities - (12) (104) (123) (120) (136) It is expected that contributions of £82 million will be paid into the Group s defined benefit retirement schemes during the year ending 31 March 2009. Actual return on pension assets 2008 2007 2006 £m £m £m Actual return on pension assets (87) 99 178 Analysis of pension assets at 31 March is as follows: % % % Equities 68.5 72.1 71.9 Bonds 17.7 27.5 26.5 Property 0.3 0.4 0.4 Other 13.5 1.2 100.0 100.0 100.0 The schemes have no direct investments in the Group s equity se curities or in property currently used by the Group. History of experience adjustments 2008 2007 2006 2005 £m £m £m £m Experience adjustments on pension liabilities: Amount (5) (2) (4) (60) Percentage of pension liabilities - 6% Experience adjustments on pension assets: Amount (176) 26 121 24 Percentage of pension assets (14%) 2% 11% 3% 122 Vodafone Group Plc Annual Report 2008

26. Provisions Asset retirement Other obligations Legal provisions Total £m £m £m £m 1 April 2006 148 99 157 404 Exchange movements (4) (2) (6) (12) Amounts capitalised in the year 17 - 17 Amounts charged to the income statement 34 186 220 Utilised in the year payments (2) (11) (45) (58) Amounts released to the income statement (4) (4) (8) 31 March 2007 159 116 288 563 Exchange movements 2 7 21 15 63 Arising on acquisition 11 2 13 Amounts capitalised in the year 27 - 27 Amounts charged to the income statement 57 167 224 Utilised in the year payments (6) (5) (72) (83) Amounts released to the income statement (11) (106) (117) Other (10) (18) (28) 31 March 2008 208 178 276 662 Provisions have been analysed between current and non-current as follows: 2008 2007 £m £m Current liabilities 356 267 Non-current liabilities 306 296 662 563 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. Legal The Group is involved in a number of legal and other disputes, including notification of possible claims. The directors of the Company, after taki ng 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 32 Contingent liabilities . Other provisions Included within other provisions are amounts provided for property and restructuring costs. 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. 27. Trade and other payables 2008 2007 £m £m Included within non-current liabilities: Derivative financial instruments 173 156 Other payables 99 67 Accruals and deferred income 373 312 645 535 Included within current liabilities: Trade payables 2,963 2,238 Amounts owed to associated undertakings 22 24 Other taxes and social security payable 666 467 Derivative financial instruments 371 63 Other payables 442 480 Accruals and deferred income 7,498 5,502 11,962 8,774 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. 2008 2007 £m £m Included within Derivative financial instruments : Fair value through the income statement (held for trading): Interest rate swaps 160 68 Foreign exchange swaps 358 48 518 116 Fair value hedges: Interest rate swaps 26 103 544 219 Vodafone Group Plc Annual Report 2008 123

Vodafone Financials Notes to the Consolidated Financial Statements continued 28. Acquisitions The aggregate cash consideration in respect of acquisitions during the year ended 31 March 2008 was £6,058 million. After deducting aggregate cash and cash equivalents acquired of £59 million, the net cash outflow related to acquisitions completed in the year ended 31 March 2008 was £5,999 million, of which £5,957 million was paid during the year. The aggregate cash consideration included £5,489 million for Vodafone Essar, £457 million for Tele2 and £112 million for other acquisitions. Total goodwill acquired was £4,316 million and included £3,950 million in relation to Vodafone Essar, £256 million in relation to Tele2 and £110 million in relation to other acquisitions. Vodafone Essar Limited (formerly Hutchison Essar Limited) On 8 May 2007, the Group completed the acquisition of 100% of CGP Investments (Holdings) Limited (CGP), a company with indirect interests in Vodafone Essar Limited (Vodafone Essar), from Hutchison Telecommunications International Limited for cash consideration of US$10.9 billion (£5.5 billion). Following this transaction, the Group has a controlling financial interest in Vodafone Essar. Fair value Book value adjustments Fair value £m £m £m Net assets acquired: Identif iable intangible assets 121 3,068 3,189(1)Property, plant and equipment 1,215 (155) 1,060 Other investments 199 199 Inventory 5 (2) 3 Taxation recoverable 5 5 Trade and other receivables 277 13 290 Cash and cash equivalents 51 51 Deferred tax asset/(liability) 36 (512) (476) Short and long term borrowings(2) (1,467) (16) (1,483) Provisions (11) (11) Trade and other payables (534) (35) (569) (103) 2,361 2,258 Minority interests (936) Written put optio ns over minority interests(2) 217 Goodwill 3,950 Total consideration (including £34 million of directly attributable costs)(3) 5,489 Notes: (1) Identifiable intangible assets of £3,189 million consist of licences and spectrum fees of £3,045 million and other intangible assets of £144 million. The weighted average lives of licences and spectrum fees, other intangible assets and total intangibles assets are 11 years, two years and 11 years, respectively. (2) Included within short term and long term borrowings are liabilities of £217 million related to written put options over minority interests. (3) After deducting cash and cash equivalents acquired of £51 million, the net cash outflow related to the acquisition was £5,438 million, of which £5,429 million was paid during the 2008 financial year. The goodwill is attributable to the expected profitability of the acquired business and the synergies expected to arise after the Group s acquisition of CGP. The results of the acquired entity have been consolidated in the income statement from the date of acquisition. From the date of acquisition, the acquired entity contributed a £219 million loss to the profit attributable to equity shareholders of the Group. As a result of the acquisition of Vodafone Essar, the Group disposed of its 5.60% direct shareholding in Bharti Airtel Limited (see note 29). Tele2 On 3 December 2007, the Group completed th e acquisition of 100%(1)of the issued share capital of Tele2 Italia SpA and Tele2 Telecommunications Services SLU (together referred to as Tele2) from Tele2 AB Group for cash (1) The initial purchase price allocation has been determined to be provisional pending the completion of the final valuation of the fair value of assets acquired. Fair value Book value adjustments Fair value £m £m £m Net assets acquired: Identifiable intangible assets 5 106 111 Property, plant and equip ment 115 (11) 104 Trade and other receivables 149 149 Cash and cash equivalents 5 5 Deferred tax asset/(liability) 36 (39) (3) Short and long term borrowings (6) (6) Provisions (1) (1) (2) Trade and other payables (159) 2 (157) 144 57 201 Goodwill 256 Total consideration (including £6 million of directly attributable costs)(1)(2) 457 Notes: (1)The Group acquired Tele2 for cash consideration of 747 million. 100% of the co

Pro forma full year information The following unaudited pro forma summary presents the Group as if CGP and Tele2 had been acquired on 1 April 2007. The impact of other acquisitions on the pro forma amounts disclosed below is not significant. The pro forma amounts include the results of CGP and Tele2, amortisation of the acquired intangible assets recognised on acquisition and the interest expenses on debt issued as a result of the acquisitions. The pro for ma amounts do not include any possible synergies from these acquisitions. The pro forma information is provided for comparative purposes only and does not necessarily reflect the actual results that would have occurred, nor is it necessarily indicative of future results of operations of the combined companies. 2008 £m Revenue 35,931 Profit for the financial year 6,665 Profit attributable to equity shareholders 6,575 Pence per share Basic earnings per share 12.40 Diluted earnings per share 12.34 Other T he Group completed a number of smaller acquisitions for aggregate cash consideration of £112 million, gross of £3 million cash and cash equivalents acquired in the 2008 financial year. £77 million of the net cash consideration was paid during the year. The aggregate fair values of goodwill, identifiable assets, and liabilities of the acquired operations were £110 million, £29 million and £27 million, respectively. 29. Disposals and discontinued ope rations India Bharti Airtel Limited On 9 May 2007 and in conjunction with the acquisition of Vodafone Essar, the Group entered into a share sale and purchase agreement in which a Bharti group company irrevocably agreed to purchase the Group s 5.60% direct shareholding in Bharti Airtel Limited. During the year ended 31 March 2008, the Group received £654 million in cash consideration for 4.99% of such shareholding and recognised a net gain on disposal of £250 million , reported in non-operating income and expense. The Group s remaining 0.61% direct shareholding was transferred in April 2008 for cash consideration of £87 million. Japan Vodafone K.K. On 17 March 2006, the Group announced an agreement to sell its 97.7% holding in Vodafone K.K. to SoftBank. The transaction completed on 27 April 2006, with the Group receiving cash of approximately ¥1.42 trillion (£6.9 billion), including the repayment of intercompany debt o f ¥0.16 trillion (£0.8 billion). In addition, the Group received non-cash consideration with a fair value of approximately ¥0.23 trillion (£1.1 billion), comprised of preferred equity and a subordinated loan. SoftBank also assumed debt of approximately ¥0.13 trillion (£0.6 billion). Vodafone K.K. represented a separate geographical area of operation and, on this basis, Vodafone K.K. was treated as a discontinued operation in Vodafone Group Plc s annual repor t for the year ended 31 March 2006. Income statement and segment analysis of discontinued operations 2007 2006 £m £m Segment revenue 520 7,268 Inter-segment revenue (2) Net revenue 520 7,266 Operating expenses (402) (5,667) Depreciation and amortisation(1) (1,144) Impairment loss (4,900) Operating profit/(loss) 118 (4,445) Net financing costs 8 (3) Profit/(loss) before taxation 126 (4,448) Taxation relating to performance of discontinued operations (15) 7 L oss on disposal(2) (747) -Taxation relating to the classification of the discontinued operations 145 (147) Loss for the financial year from discontinued operations(3) (491) (4,588) Notes: (1) Including gains and losses on disposal of fixed assets. (2) Includes £794 million of foreign exchange differences transferred to the income statement on disposal. (3) Amount attributable to equity shareholders for the year to 31 March 2008 was nil (2007: £(494) million; 2006: £(4,598) million). Loss per share from discontinued operations 2007 2006 Pence Pence per share per share Basic loss per share (0.90) (7.35) Diluted loss per share (0.90) (7.35) Vodafone Group Plc Annual Report 2008 125

Vodafone Financials Notes to the Consolidated Financial Statements continued 29. Disposals and discontinued operations continued Cash flows from discontinued operations 2007 2006 £m £m Net cash flows from operating activities 135 1,651 Net cash flows from investing activities (266) (939) Net cash flows from financing activities (29) (536) Net cash flows (160) 176 Cash and cash equivalents at the beginning of the financial year 16 1 4 Exchange loss on cash and cash equivalents (1) (19) Cash and cash equivalents at the end of the financial year 161 Assets and liabilities of discontinued operations 27 April 2006 £m Intangible assets 3,943 Property, plant and equipment 4,562 Other investments 29 Cash and cash equivalents 124 Inventory 148 Trade and other receivables 1,147 Deferred tax asset 636 Total assets 10,589 Short and long term borrowings (674) Trade and other payables(1) (2,342) Deferred tax liabilities (245) Other liabilities (40) Total liabilities (3,301) Net assets 7,288 Minority interest (87) Net assets disposed 7,201 Total consideration 7,245 Other effects: foreign exchange recycled to the income statement on disposal (794) Other 3 Net loss on disposal (747) £m Net cash inflow arising on disposal: Cash consideration 6,141 Cash to settle intercompany debt 793 Cash and cash equivalents disposed (124) 6,810 Other (12) 6,798 Note: (1) Includes £793 millio n of intercompany debt. Belgium and Switzerland Belgacom Mobile S.A. and Swisscom Mobile A.G. During the year ended 31 March 2007, the Group disposed of its 25% interest in Belgacom Mobile S.A. to Belgacom S.A. and its 25% interest in Swisscom Mobile A.G. to Swisscom A.G. These transactions completed on 3 November 2006 and 20 December 2006, respectively. The carrying value of these investments at disposal and the cash effects of the transactions are summarised in the table below: Belga com Swisscom Mobile Mobile £m £m Net assets disposed 901 1,664 Total cash consideration 1,343 1,776 Other effects(1) (1) (44) Net gain on disposal(2) 441 68 Notes: (1) Other effects include foreign exchange gains and losses transferred to the income statement and professional fees related to the disposal. (2) Reported in other income and expense in the Consolidated Income Statement. 126 Vodafone Group Plc Annual Report 2008

30. Reconciliation of net cash flows from operating activities 2008 2007 2006 £m £m £m Profit/(loss) for the financial year from continuing operations 6,756 (4,806) (17,233) Loss for the financial year from discontinued operations (491) (4,588) Adjustments for(1): Share-based payments 107 93 114 Depreciation and amortisation 5,909 5,111 5,834 Loss on disposal of property, plant and equipment 70 44 88 Share of result in associated undertaki ngs (2,876) (2.728) (2,428) Impairment losses 11,600 28,415 Other income and expense 28 (502) (15) Non-operating income and expense (254) (4) 2 Investment income (714) (789) (353) Financing costs 2,014 1,604 1,123 Income tax expense 2,245 2,293 2,520 Loss on disposal of discontinued operations 747 (Increase)/decrease in inventory (78) (23) 23 (Increase)/decrease in trade and other receivables (378) (753) 54 Increase/(decrease) in trade and other payables 460 1,1 75 (33) Cash generated by operations 13,289 12,571 13,523 Tax paid (2,815) (2,243) (1,682) Net cash flows from operating activities 10,474 10,328 11,841 Note: (1) Adjustments include amounts relating to continuing and discontinued operations. 31. 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 righ ts, none of which are individually significant to the Group. Future minimum lease payments under non-cancellable operating leases comprise: 2008 2007 £m £m Within one year 837 718 In more than one year but less than two years 606 577 In more than two years but less than three years 475 432 In more than three years but less than four years 415 367 In more than four years but less than five years 356 321 In more than five years 1,752 1,360 4,441 3,775 The total of future minimum sublease payments ex pected to be received under non-cancellable subleases is £154 million (2007: £107 million). Capital and other financial commitments Company and subsidiaries Share of joint ventures Group 2008 2007 2008 2007 2008 2007 £m £m £m £m £m £m Contracts placed for future capital expenditure not provided in the financial statements(1) 1,477 1,060 143 89 1,620 1,149 Note: (1) Commitment includes contracts placed for property, plant and equipment and intangible ass ets. In December 2007, a consortium comprising Vodafone and the Qatar Foundation for Education, Science and Community Development (the Qatar Foundation) was named as the successful applicant in the auction to become the second mobile operator in Qatar. Subject to regulatory approvals, the licence is expected to be awarded by 30 June 2008. The licence will be owned by Vodafone Qatar, of which 45% is expected to be owned by the joint venture formed between Vodafone (owning 51%) and the Q atar Foundation (owning 49%), 15% to be owned by Qatari government institutions and the remaining 40% to be made available to Qatari citizens through a public offering expected to be completed in the 2008 calendar year. Following the public offering, the Group expects its effective equity interest in Vodafone Qatar to be 22.95%. The Group also currently expects that Vodafone Qatar will be accounted for as a subsidiary, as Vodafone expects to control management decisions. By 30 June 2008, Vodafone Qatar expects to pay QAR 4,630 million (£626 million), representing 60% of the cost of the mobile licence, with the balance of the licence cost to be paid following completion of the public offering. The Group could be required to fund up to a maximum of QAR 1,551 million (£210 million) of the total licence cost, with the precise amount dependent on the success of the public offering. The remainder of the licence cost will be funded by the other shareholders in Vodafone Qatar. Servi ces are expected to be launched under the Vodafone brand by the end of the 2009 financial year. Vodafone Group Plc Annual Report 2008 127

Vodafone Financials Notes to the Consolidated Financial Statements continued 32. Contingent liabilities 2008 2007 £m £m Performance bonds 111 109 Credit guarantees third party indebtedness 29 34 Other guarantees and contingent liabilities 372 90 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 contract s. Group performance bonds include £26 million (2007: £57 million) in respect of undertakings to roll out 3G networks in Spain. Credit guarantees third party indebtedness Credit guarantees comprise guarantees and indemnities of bank or other facilities, including those in respect of the Group s associated undertakings and investments. Other guarantees and contingent liabilities Other guarantees principally comprise commitments to the Spanish tax authorities of £197 million (2007: £nil). 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 31. 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, th at are incidental to their operations. However, save as disclosed below, the Company and its subsidiaries are not involved currently 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 twelve months preceding the date 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 uncer tainties, no accurate quantification of any cost which may arise from any of the legal proceedings outlined below can be made. The Company is 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 is vigorously defending such claims. In August 2007, the Court dismissed all four actions against the Company on the basis of the federal pre-emption doctrine. The plaintiffs have appealed this dismissal. A subsidiary of the Company, Vodafone 2, is responding to an enquiry (the Vodafone 2 enquiry) by HMRC with regard to the UK tax treatment of its Luxembourg holding company, Vodafone Investments Luxembourg SARL (VIL), under the Controlled Foreign Companies section of the UK s Income and Corporation Taxes Act 1988 (the CFC Regime) relating to the tax treatment of profits earned by the holding company for the accounting period ended 31 March 2001. Vodafone 2 s position is that it is not liable for corporation tax in the UK under the CFC Regime in respect of VIL. Vodafone 2 asserts, inter alia, that the CFC Regime is contrary to EU law and has made an application to the Special Commissioners of HMRC for closure of the Vodafone 2 enquiry. In May 2005, the Special Commissioners referred certai n questions relating to the compatibility of the CFC Regime with EU law to the European Court of Justice (the ECJ) for determination (the Vodafone 2 reference). HMRC subsequently appealed against the decision of the Special Commissioners to make the Vodafone 2 reference but its appeal was rejected by both the High Court and Court of Appeal. The Vodafone 2 reference has still to be heard by the ECJ. Vodafone 2 s application for closure was stayed pending delivery of the ECJ s judgment. In September 2006, the ECJ determined in t he Cadbury Schweppes case (C-196/04) (the Cadbury Schweppes Judgment) that the CFC Regime is incompatible with EU law unless it applies only

33. Directors and key management compensation Directors Aggregate emoluments of the directors of the Company were as follows: 2008 2007 2006 £m £m £m Salaries and fees 5 5 6 Incentive schemes 4 3 5 Benefits 1 1 2 Other(1) 4 10 13 13 Note: (1) Other includes the value of the cash allowance taken by some individuals in lieu of pension contributions and payments in respect of loss of office. The aggregate gross pre-tax gain made o n the exercise of share options in the year ended 31 March 2008 by directors who served during the year was £nil (2007: £3 million, 2006: less than £1 million). Further details of directors emoluments can be found in Directors Remuneration on pages 71 to 81. Key management compensation Aggregate compensation for key management, being the directors and members of the Group Executive Committee, was as follows: 2008 2007 2006 £m £m £m Short t erm employee benefits 20 29 26 Post-employment benefits: Defined benefit schemes 1 1 2 Defined contribution schemes 1 1 2 Share-based payments 10 6 16 32 37 46 34. Related party transactions The Group s related parties are its joint ventures (see note 13), associated undertakings (see note 14), pension schemes, directors and members of the Executive Committee. Group contributions to pension schemes are disclosed in note 25. Compensation paid to the Company s Board and members of the Executive Comm ittee is disclosed in note 33. Transactions with joint ventures and associated undertakings Related party transactions can arise with the Group s joint ventures and associates and primarily comprise fees for the use of Vodafone products and services including, network airtime and access charges, and cash pooling arrangements. Except as disclosed below, 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. 2008 2007 2006 £m £m £m Transactions with associated undertakings: Sales of goods and services 165 245 288 Purchase of goods and services 212 295 268 Amounts owed by/(owed to) joint ventures(1) 127 (842) (378) Net interest payable to joint ventures(1) 27 20 15 Note: (1) Amounts arise through Vodafone Italy being part of a Group cash pooling arrangement and represent amounts not eliminated on consolidation. Interest is paid in line with market rates. Amounts ow ed by and owed to associated undertakings are disclosed within notes 17 and 27. Dividends received from associated undertakings are disclosed in the consolidated cash flow statement. Transactions with directors other than compensation During the three years ended 31 March 2008, and as of 23 May 2008, 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 2008, an d as of 23 May 2008, 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. Vodafone Group Plc Annual Report 2008 129

Vodafone Financials Notes to the Consolidated Financial Statements continued 35. Employees The average employee headcount during the year by nature of activity and by segment is shown below. 2008 2007 2006 Number Number Number By activity: Operations 12,891 12,630 12,541 Selling and distribution 22,063 18,937 17,315 Administration 37,421 34,776 31,816 72,375 66,343 61,672 By segment: Germany 9,691 10,383 10,124 Italy 6,669 7,030 7,123 Spain 4,057 4,066 4 ,052 UK 10,367 10,256 10,620 Arcor 3,940 4,038 4,086 Other Europe 8,645 8,797 9,778 Europe 43,369 44,570 45,783 Eastern Europe 10,398 9,194 5,763 Middle East, Africa & Asia 12,622 6,839 4,640 Pacific 3,030 2,791 2,858 EMAPA 26,050 18,824 13,261 Common functions 2,956 2,949 2,628 Total continuing operations 72,375 66,343 61,672 Discontinued operations: Japan 233 2,733 The cost incurred in respect of these employees (including directors) was(1): 2008 2007 2006 Continuing operations £m £m £m Wages and salaries 2,175 1,979 1,879 Social security costs 325 300 242 Share-based payments 107 93 109 Other pension costs (note 25) 91 94 80 2,698 2,466 2,310 Note: (1) The cost incurred in respect of employees (including directors) from discontinued operations was £nil (2007: £16 million, 2006: £155 million). 36. Subsequent events On 16 May 2008, Vodafone acquired 100% of ZYB, a privately-owned company based in Denmark, which operates a social networking and onl ine management tool enabling mobile phone users to back-up and share their handsets On 19 May 2008, the Group acquired 26.4% of Arcor previously held transaction, Vodafone owns 100% of Arcor. 130 Vodafone Group Plc Annual Report 2008

37. New accounting standards The Group has not adopted and does not intend to early adopt the following pronouncements, which have been issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC), but have not yet been endorsed for use in the EU. An amendment to IFRS 2 Share-based Payment: Vesting Conditions and Cancellations was issued in January 2008 and will be effective retrospectively for annua l periods beginning on or after 1 January 2009. This amendment clarifies that vesting conditions are service conditions and performance conditions only, and as such, any other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group is currently assessing the impact and expected timing of adoption of this amendment on the Group s results and financial po sition. IFRS 3 (Revised) Business Combinations was issued in January 2008 and will apply to business combinations occurring on or after 1 April 2010. The revised standard introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that a business acquisition occurs and future reported results. Assets and liabilities arising from business combinations before 1 April 2010 will not b e restated and thus there will be no effect on the Group s results or financial position on adoption. However, this standard is likely to have a significant impact on the accounting for business acquisitions post adoption. IAS 1 (Revised) Presentation of Financial Statements was issued in September 2007 and will be effective for annual periods beginning on or after 1 January 2009. The revised standard introduces the concept of a statement of comprehensive income, which enables use rs of the financial statements to analyse changes in a company s equity resulting from transactions with owners separately from non-owner changes. The revised standard provides the option of presenting items of income and expense and components of other comprehensive income either as a single statement of comprehensive income or in two separate statements. The Group does not currently believe the adoption of this revised standard will have a material impact on the consolidated results or financial posi tion of the Group. IAS 23 (Revised) Borrowing Costs was issued in March 2007 and will be effective for annual periods beginning on or after 1 January 2009. It requires the capitalisation of borrowing costs, to the extent they are directly attributable to the acquisition, production or construction of a qualifying asset. The existing option of immediate recognition of those borrowing costs as an expense has been removed. The Group is currently assessing the impact and expected timing of adoption of this standard on the Group s results and financial position. An amendment to IAS 27 Consolidated and Separate Financial Statements was issued in January 2008 and is effective for annual periods beginning on or after 1 July 2009. 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 intere st 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. Transactions occurring before 1 April 2010 will not be restated and thus there will be no effect on the Group s results or financial position on adoption. However, the Group has historically entered into transactions that are within the scope of this st andard and may do so in the future. Am endments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements Puttable Financial Instruments and Obligations A

Vodafone Financials Audit Report on the Consolidated Financial Statements Report of Independent Registered Public Accounting Firm to the Members of Vodafone Group Plc We have audited the Consolidated Financial Statements of Vodafone Group Plc which comprise the consolidated balance sheet at 31 March 2008 and 2007, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of recognised income and expense for each of the three years in the period ended 31 March 2008 and the related notes numbered 1 to 37. These Consolidated Financial Statements have been prepared under the accounting policies set out therein. We have also audited the information in the directors remuneration report that is described as having been audited. We have reported separately on the parent Company Financial Statements of Vodafone Group Plc for the year ended 31 March 2008. Respective responsibilities of directors and audi tors The directors responsibilities for preparing the annual report, the directors remuneration report and the Consolidated Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the statement of directors responsibilities. Our responsibility is to audit the Consolidated Financial Statements in accordance with relevant legal and regulatory requirements and International Standa rds on Auditing (UK and Ireland). We report to you our opinion as to whether the Consolidated Financial Statements give a true and fair view, whether the Consolidated Financial Statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation and whether the part of the directors remuneration report described as having been audited has been properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the i nformation given in the directors report is consistent with the Consolidated Financial Statements. In addition, we report to you if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors transactions with the Company and other members of the Group is not disclosed. We review whether the corporate governance statement reflects the Company s compliance with the nine provisions of the 2006 Combined Code specifi ed for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board s statement on internal control covers all risks and controls, or form an opinion on the effectiveness of the Group s corporate governance procedures or its risk and control procedures. We read the other information contained in the annual report as described in the contents section and consider whether it is consistent with the audited Consoli dated Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Consolidated Financial Statements. Our responsibilities do not extend to any further information outside the annual report. Basis of audit opinion We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and with the standards of the Public Company Accounting Oversight Board (United States). An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Consolidated Financial Statements and the part of the directors remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Consolidated Financial Statements, and of whether the accounting policies are appropriate to the Group s circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in orde

Audit Report on the Company Financial Statements Independent Auditor s Report to the Members of Vodafone Group Plc We have audited the parent Company Financial Statements of Vodafone Group Plc for the year ended 31 March 2008 which comprise the balance sheet and the related notes 1 to 10. These parent Company Financial Statements have been prepared under the accounting policies set out therein. We have reported separately on the Consolidated Financial Statements of Vodafone Group Plc for the year ended 31 March 2008 and on the information in the directors remuneration report that is described as having been audited. Respective responsibilities of directors and auditors The directors responsibilities for preparing the Annual Report and the parent Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Dir ectors Responsibilities. Our responsibility is to audit the parent Company Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the parent Company Financial Statements give a true and fair view and whether the parent Company Financial Statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Directors Report is consistent with the parent Company Financial Statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and other transactions is not disclosed. We read the information contained in the Annual Report for the above year as described in the contents section and consider whether it is consistent with the audited parent Company Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent Company Financial Statements. Our responsibility does not extend to any further information outside the annual report. Basis of audit opinion We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent Company Financial Statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent Company Financial Statements, and of whether the accounting policies are appropriate to the Company s circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we con sidered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent Company Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent Company Financial Statements. Opinion In our opinion: the parent Company Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company s affairs as at 31 March 2008; the parent Company Financial Statements have been properly prepared in accordance with the Companies Act 1985; and the information given in the Directors Report is consistent with the parent Company Financial Statements. Deloitte & Touche LLP Chartered Accountants and Registered Auditors London United Kingdom 27 May 2008 Vodafone Group Plc Annual Report 20 08 133

Vodafone Financials Company Financial Statements of Vodafone Group Plc at 31 March 2008 2007 Note £m £m Fixed assets Shares in Group undertakings 3 64,922 67,139 Current assets Debtors: amounts falling due after more than one year 4 821 227 Debtors: amounts falling due within one year 4 126,099 99,404 126,920 99,631 Creditors: amounts falling due within one year 5 (98,784) (76,415) Net current assets 28,136 23,216 Total assets less current liabilities 93,058 90,355 Creditors: amounts falling due after more than one year 5 (14,582) (14,388) 78,476 75,967 Capital and reserves Called up share capital 6 4,182 4,172 Share premium account 8 42,934 43,572 Capital redemption reserve 8 10,054 9,132 Capital reserve 8 88 88 Other reserves 8 942 1,026 Own shares held 8 (7,867) (8,044) Profit and loss account 8 28,143 26,021 Equity shareholders funds 78,476 75,967 The Company Financial Statements were approved by the Board of directors on 27 May 2008 and were signed on its behalf by: Arun Sarin Andy Halford Chief Executive Chief Financial Officer The accompanying notes are an integral part of these Financial Statements. 134 Vodafone Group Plc Annual Report 2008

Notes to the Company Financial Statements 1. Basis of preparation The separate financial statements of the Company are drawn up in accordance with the Companies Act 1985 and UK generally accepted accounting principles (UK GAAP). The preparation of Company Financial Statements in conformity with generally accepted accounting principles 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 Company Financial Statements and the reported amounts of revenue and expenses during the reporting period. 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. As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Company is not presented in this Annual Report. These separate financial statements are not intended to give a true and fair view of the profit or loss or cash flows of the Company. The Company has not published its individual cash flow statement as its liquidity, solvency and financial adaptability are dependent on the Group rather than its own cash flows. The Company has taken a dvantage of the exemption contained in FRS 8 Related party disclosures and has not reported transactions with fellow Group undertakings The Company has taken advantage of the exemption contained in FRS 29 Financial Instruments: Disclosures and has not produced any disclosures required by that standard, as disclosures that comply with FRS 29 are available in the Vodafone Group Plc Annual Report for the year ended 31 March 2008. 2. Significant accounting policies The Company s significant accounting policies are described below. Accounting convention The Company Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards of the UK Accounting Standards Board and pronouncements of the Urgent Issues Task Force. Investments Shares in Group undertakings are stated at cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the car rying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the cash-generating unit is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account. For available-for-sale investments, gains and losses arising from changes in fair value are r ecognised directly in equity, until the investment 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. Foreign currencies In preparing the Company Financial Statements, transactions in currencies other than the Company s functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of mon etary ite ms, are included in the profit and loss account for the period. Exchange differences ar

Vodafone Financials Notes to the Company Financial Statements continued 2. Significant accounting policies continued Fair value hedges The Company 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 Company designates these as fair value hedges of interest rate risk with changes in fair value of the hedging instrument recognised in the profit and loss account 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 profit and loss account. Share-based payments The Group operates a number of equity settled share based compensation plans for the employees of subsidiary undertakings using the Company s equity instruments. The fai r value of the compensation given in respect of these share based compensation plans is recognised as a capital contribution to the Company s subsidiary undertakings over the vesting period. The capital contribution is reduced by any payments received from subsidiary undertakings in respect of these share-based payments. Dividends paid and received Dividends paid and received are included in the Company Financial Statements in the period in which the related dividends are actually paid or received or, in respect of the Company s final dividend for the year, approved by shareholders. Pensions The Company is the sponsoring employer of the Vodafone Group Pension Scheme, a defined benefit pension scheme. The Company is unable to identify its share of the underlying assets and liabilities of the Vodafone Group Pension Scheme on a consistent and reasonable basis. Therefore, the Company has applied the guidance within FRS 17 to account for defined benefit schemes as if they were defined contribution scheme s and recognise only the contribution payable each year. The Company had no contributions payable for the years ended 31 March 2008 and 31 March 2007. 3. Fixed assets Shares in Group undertakings £m Cost: 1 April 2007 72,322 Additions 24 Capital contributions arising from share-based payments 107 Contributions received in relation to share-based payments (191) Disposals (2,069) 31 March 2008 70,193 Amounts provided for: 1 April 2007 5,183 Amounts provided for during the ye ar 88 31 March 2008 5,271 Net book value: 31 March 2007 67,139 31 March 2008 64,922 At 31 March 2008, the Company had the following principal subsidiary undertakings: Country of Percentage Name Principal activity incorporation shareholding Vodafone European Investments Holding company England 100.0 Vodafone Group Services Limited Global products and services provider England 100.0 4. Debtors 2008 2007 £m £m Amounts falling due within one year: Amounts owed by subsidiary underta kings 125,838 99,071 Taxation recoverable 137 137 Other debtors 124 196 126,099 99,404 Amounts falling due after more than one year: Deferred taxation 4 3 Other debtors 817 224 821 227 136 Vodafone Group Plc Annual Report 2008

5. Creditors 2008 2007 £m £m Amounts falling due within one year: Bank loans and other loans 4,442 3,656 Amounts owed to subsidiary undertakings 93,891 72,568 Group relief payable 42 101 Other creditors 393 82 Accruals and deferred income 16 8 98,784 76,415 Amounts falling due after more than one year: Other loans 14,409 14,216 Other creditors 173 172 14,582 14,388 Included in amounts falling due after more than one year are other loans of £8,279 million, which are due in more than five years from 1 April 2008 and are payable otherwise than by instalments. Interest payable on this debt ranges from 3.625% to 7.875%. 6. Share capital 2008 2007 Number £m Number £m Authorised: Ordinary shares of 11 3/7 US cents each (2007: 11 3/7 US cents) 68,250,000,000 4,875 68,250,000,000 4,875 B shares of 15 pence each 38,563,935,574 5,784 38,563,935,574 5,784 Deferred shares of 15 pence each 28,036,064,426 4,206 28,036,064,426 4,206 Ordinary sh ares allotted, issued and fully paid(1): 1 April 58,085,695,298 4,172 66,251,332,784 4,165 Allotted during the year 169,360,427 10 118,241,919 7 Consolidated during the year - (8,283,879,405) 31 March 58,255,055,725 4,182 58,085,695,298 4,172 B shares allotted, issued and fully paid(2): 1 April 132,001,365 20 -Issued during the year - 66,271,035,240 9,941 Redeemed during the year (44,572,227) (7) (38,102,969,449) (5,715) Converted to deferred shares and subsequently can celled during the year - (28,036,064,426) (4,206) 31 March 87,429,138 13 132,001,365 20 Notes: (1) At 31 March 2008, the Company held 5,127,457,690 (2007: 5,245,547,674) treasury shares with a nominal value of £368 million (2007: £377 million) and 50,000 (2007: 50,000) 7% cumulative fixed rate shares of £1 each were authorised, allotted, issued and fully paid by the Company. (2) On 31 July 2006, Vodafone Group Plc undertook a return of capital to shar eholders via a B share scheme and associated share consolidation. A total of 66,271,035,240 B shares were issued on that day, and 66,271,035,240 existing ordinary shares of 10 US cents each were consolidated into 57,987,155,835 new ordinary shares of 11 3/7 cents each. B shareholders were given the alternatives of initial redemption or future redemption at 15 pence per share or the payment of an initial dividend of 15 pence per share. The initial redemption took place on 4 August 2006 with future redem ption dates on 5 February and 5 August each year until 5 August 2008 when the Company expects to exercise its right to redeem all B shares still in issue at their nominal value of 15 pence. B shareholders that chose future redemption are entitled to receive a continuing non-cumulative dividend of 75 per cent of sterling LIBOR payable semi-annually in arrear until they are redeemed. B shareholders are only entitled to receive notice of (or attend, speak or vote at) any general meeting if the business in cludes a resolution for the winding up of the Company. If the Company is wound up, the holders of the B shares are entitled, before any payment to the ordinary shareholders, to repayment of the amount paid up on each B share together with any outstanding entitlement to the B share continuing dividend. By 31 March 2008, total capital of £9,011 million had been returned to shareholders, £5,720 million by way of capital redemption and £3,291 million by way of initial dividend (note 8). The outstanding B share liability at 31 March 2008 has been classified as a financial liability and is disclosed within other creditors falling due within one year (note 5). During the period, a transfer of £7 million (2007: £9,004 million) in respect of the B shares has been made from the profit and loss account reserve (note 8) to the capital redemption reserve (note 8). Allotted during the year Nominal Net value proceeds Number £m £m UK share awards and optio n scheme awards 152,400,497 9 249 US share awards and option scheme awards 16,959,930 1 24 Total for share awards and option scheme awards 169,360,427 10 273 Vodafone Group Plc Annual Report 2008 137

Vodafone Financials Notes to the Company Financial Statements continued 7. Share-based payments The Company currently uses a number of equity settled share plans to grant options and shares to the directors and employees of its subsidiary undertakings, as listed below. Share option schemes Vodafone Group savings related and Sharesave schemes Vodafone Group executive schemes Vodafone Group 1999 Long Term Stock Inc entive Plan and ADSs Other share option plans Share plans Share Incentive Plan Restricted share plans At 31 March 2008, the Company had 373 million ordinary share options outstanding (2007: 584 million) and 1 million ADS options outstanding (2007: 3 million). The Company has made a capital contribution to its subsidiary undertakings in relation to share-based payments. At 31 March 2008, the cumulative capital contribution net of payment s received from subsidiary undertakings was £313 million (31 March 2007: £397 million, 1 April 2006: £383 million). During the year ended 31 March 2008, the capital contribution arising from share-based payments was £107 million (2007: £93 million), with payments of £191 million (2007: £79 million) received from subsidiary undertakings. Full details of share-based payments, share option schemes and share plans are disclosed in note 20 to the Consolidated Financial Statements. 8. Reserves and reconciliation of movements in equity shareholders funds Share Capital Own Profit Total equity Share premium redemption Capital Other shares and loss shareholders capital account reserve reserve reserves held account funds £m £m £m £m £m £m £m £m 1 April 2007 4,172 43,572 9,132 88 1,026 (8,044) 26,021 75,967 Allotments of shares 10 277 - - 287 Own shares release d on vesting of share awards - - 177 177 Profit for the financial year - - - 5,782 5,782 Dividends - - - (3,653) (3,653) Capital contribution given relating to share-based payments - - 107 - 107 Contribution received relating to share-based payments - - (191) - (191) Transfer of B share nominal value issued in respect of own shares deferred and cancelled (915) 915 - - -B share capital redemption - 7 - (7) 31 March 2008 4,182 42,934 10,054 88 942 (7,867) 28,143 78,476 The profit for the financial year dealt with in the accounts of the Company is £5,782 million (2007: £11,126 million). Under English law, the amount available for distribution to shareholders is based upon the profit and loss reserve of the Company and is reduced by the amount of own shares held and is limited by statutory or other restrictions. The audi tor s remuneration for audit services and non-audit services to the Company was less than £1 million (2007: £1 million) and £0.4 million (2007: £0.5 million), respectively. The directors are remunerated by Vodafone Group Plc for their services to the Group as a whole. No remuneration was paid to them specifically in respect of their services to Vodafone Group Plc for either year. Full details of the directors remuneration are disclosed in Directors Remuneration on pages 71 to 81. There were no employees other than directors of the Company throughout the current or the preceding year. 138 Vodafone Group Plc Annual Report 2008

9. Equity dividends 2008 2007 £m £m Declared during the financial year: Final dividend for the year ended 31 March 2007: 4.41 pence per share (2006: 3.87 pence per share) 2,331 2,328 Interim dividend for the year ended 31 March 2008: 2.49 pence per share (2007: 2.35 pence per share) 1,322 1,238 3,653 3,566 Proposed after the balance sheet date and not recognised as a liability: Final dividend for the year ended 31 March 2008: 5.02 pence per share (2007: 4.41 pence per share) 2,667 2,331 10. Contingent liabilities 2008 2007 £m £m Performance bonds 30 87 Credit guarantees third party indebtedness 4,208 1,278 Other guarantees and contingent liabilities 255 10 Performance bonds Performance bonds require the Company to make payments to third parties in the event that the Company or its subsidiary undertakings do not perform what is expected of them under the terms of any related contracts. Company performance bonds include £26 million (2007: £57 million) in respect of undertakings to roll out third generation networks in Spain. Credit guarantees third party indebtedness Credit guarantees comprise guarantees and indemnities of bank or other facilities. During the year ended 31 March 2008, a subsidiary of the Company granted put options exercisable between 8 May 2010 and 8 May 2011 to members of the Essar group of companies that, if exercised, would allow the Essar group to sell its 33% sh areholding in Vodafone Essar to the Group for US$5 billion or to sell between US$1 billion and US$5 billion worth of Vodafone Essar shares to the Group at an independently appraised fair market value. The Company has guaranteed payment of up to US$5 billion related to these options. At 31 March 2008, the Company had also guaranteed debt of Vodafone Finance K.K. amounting to £1,303 million (2007: £1,117 million) and issued guarantees in respect of notes issued by Vodafone Americas, Inc. amounting to £163 million (2007: £161 million). The Japanese facility expires by March 2011 and the majority of Vodafone Americas, Inc. bond guarantees expire by July 2008. Other guarantees and contingent liabilities Other guarantees principally comprise of a guarantee relating to a bid for a second licence in Qatar of £57 million (2007: nil) and a commitment to the Spanish tax authorities of £197 million (2007: nil). Legal proceeding s Details regarding certain legal actions which involve the Company are set out in note 32 to the Consolidated Financial Statements. Vodafone Group Plc Annual Report 2008 139

Vodafone Additional Information Shareholder Information Financial calendar for the 2009 financial year Announcement for quarter ending 30 June 2008 22 July 2008 Half-yearly financial results announcement 11 November 2008 Announcement for quarter ending 31 December 2008 29 January 2009 Preliminary announcement of full year results 19 May 2009 The Company does not publish results announcements in the press; they are available online at www.vodafone.com. Dividends Full details on the dividend amount per share can be found on page 55. Set out below is information relevant to the final dividend for the year ended 31 March 2008. Ex-dividend date 4 June 2008 Record date 6 June 2008 Dividend reinvestment plan last election date 11 July 2008 Dividend payment date(1) 1 August 2008 Note: (1) Payment date for both ordinary shares and ADSs. Dividend payment methods Holders of ordinary shares can: have cash dividends paid direct to a bank or building society account; or have cash dividends paid in the form of a cheque; or elect to use the cash dividends to purchase more Vodafone shares under the Dividend Reinvestment Plan (see below). If a holder of ordinary shares does decide to receive cash dividends, it is recommended that these are paid directly to the shareholder s bank or building society account via BACS for UK account holders or EFTS for Irish account holders .. Ordinary shareholders resident outside the UK and Eurozone can also have their dividends paid into their bank account directly via the Company s Registrars Global Payments service. Details and terms and conditions may be viewed at www.computershare.com/uk/investor/GPS. This avoids the risk of cheques being lost in the post and means the dividend will be in the shareholder s account on the dividend payment date. The shareholder will be sent a tax voucher confirming the amount of dividend an d the account into which it has been paid. Please contact the Company s Registrars for further details. Holders of ADSs can: have cash dividends paid direct to a bank account; or have cash dividends paid by cheque; or elect to have the dividends reinvested to purchase additional Vodafone ADSs. Dividend reinvestment The Company offers a Dividend Reinvestment Plan which allows holders of ordinary shares who choose to participate to use their cash dividends to acq uire additional shares in the Company. These are purchased on their behalf by the Plan Administrator through a low cost dealing arrangement. For ADS holders, The Bank of New York Mellon maintains a Global BuyDIRECT Plan for the Company, which is a direct purchase and sale plan for depositary receipts, with a dividend reinvestment facility. Final B share redemption date In accordance with the terms of the 2006 return of capital and share consolidation, the Company currently intends to redeem all B shares the n in issue on 5 August 2008 at their nominal value of 15 pence per B share. Telephone share dealing A telephone share dealing service with the Company s 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. Internet share dealing An internet share dealing service is available for holders of ordinary shares who want either to buy or sell ordinary shares. Further information about this service can be obtained from the Company s Registrars on +44 (0)870 702 0198 or by logging onto www.computershare.com/dealing/uk. Online shareholder services The Company provides a number of shareholder services online at www.vodafone. com/shareholder, where shareholders may: register to receive electronic shareholder communications. Benefits to shareholders include faster re ceipt of communications, such as annual reports, with cost and time savin gs for the Company. Electronic shareholder communications are also more environmentally friendly; view a live webcast of the AGM of the Company on 29 July 2008. A recordi

Shareholders and other interested parties can also receive Company press releases, including London Stock Exchange announcements, by registering for Vodafone News via the Company s website at www.vodafone.com/start/misc/ register_for_news.html. Registering for Vodafone News will enable users to: access the latest news from their mobile; and have news automatically e-mailed to them. Annual General Meeting The twenty-fourth AGM of the Company will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1 on 29 July 2008 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 and can be viewed at the Company s website www.vodafone.com/agm. The AGM will be transmitted via a live webcast and can be viewed at the Company s website www.vodafone.com/start/investor_relation s/agm.html on the day of the meeting and a recording will be available to view after that date. ShareGift The Company supports 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 cha rity 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 the Company s shareholders are available from the Company s Registrars, Computershare Investor Services PLC, and, even if the share certificate has been lost or destroyed, the gift can be completed. The service is generally free. However, there may be an indemnity charge for a lost or dest royed 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)20 7930 3737). The Unclaimed Assets Register The Company participates in the Unclaimed Assets Register, which provides a search facility for financial assets which may have been forgotten and which donates a proportion of its public search fees to a group of three UK charities (Ag e Concern, NSPCC and Scope). For further information, contact The Unclaimed Assets Register, Cardinal Place, 6th Floor, 80 Victoria Street, London SW1E 5JL (telephone: +44 (0)870 241 1713), or visit its website at www.uar.co.uk. Share price history Upon flotation of the Company on 11 October 1988, the ordinary shares were valued at 170 pence each. On 16 September 1991, when the Company was finally demerged, for UK taxpayers the base cost of Racal Electronics Plc shares 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 re stated as 11.333 pence and 22.133 pence, respectively. The share price at 31 March 2008 was 150.9 pence (31 March 2007: 135.5 pence). The share price on 23 May 2008 was 160.4 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, (ii) the reported high and low sales prices of ordinary shares on the Frankfurt Stock Exchange, and (iii) the reported high and low sales p rices of ADSs on t he NYSE. The Company s ordinary shares were listed on the Frankfurt Stock Exchange from 3 April 2000 until 23 March 2004 and, therefore, information has not been provi

Vodafone Additional Information Shareholder Information continued Foreign currency translation The following table sets out the pounds sterling exchange rates of the other principal currencies of the of the EU Member States which have adopted the euro as their currency, and US dollars , $, cents or ¢ , the currency of the United States. At year ended Change Currency (=£1) 2008 2007 % Average: Euro 1 ..42 1.48 (4.1) US dollar 2.01 1.89 6.3 At 31 March: Euro 1.26 1.47 (14.3) US dollar 1.99 1.97 1.0 The following table sets out, for the periods and dates indicated, the period end, average, high and low exchanges rates for pounds sterling expressed in US dollars per £1.00. Year ended 31 March Period end Average High Low 2004 1.84 1.69 1.90 1.55 2005 1.89 1.85 1.96 1.75 2006 1.74 1.79 1.92 1.71 2007 1.97 1.89 1.98 1.74 2008 1.99 2.01 2.11 1.94 Month High Low November 2007 2.11 2.05 December 20 07 2.07 1.98 January 2008 1.99 1.95 February 2008 1.99 1.94 March 2008 2.03 1.98 April 2008 2.00 1.96 Markets Ordinary shares of Vodafone Group Plc are traded on the London Stock Exchange and, in the form of ADSs, on the NYSE. The Company had a total market capitalisation of approximately £86.8 billion at 23 May 2008, making it the third largest listing in The Financial Times Stock Exchange 100 index and the 24th largest company in the world based on market capitalisation at that date. ADSs, each representing ten ordinary shares, are traded on the NYSE under the symbol VOD . The ADSs are evidenced by ADRs issued by The Bank of New York Mellon, as Depositary, under a Deposit Agreement, dated as of 12 October 1988, as amended and restated as of 26 December 1989, as further amended and restated as of 16 September 1991, as further amended and restated as of 30 June 1999, and as further amended and restated as of 31 July 2006 between the Compan y, the Depositary and the holders from time to time of ADRs issued thereunder. ADS holders are not members of the Company but may instruct The Bank of New York Mellon on the exercise of voting rights relative to the number of ordinary shares represented by their ADSs. See Memorandum and Articles of Association and applicable English law Rights attaching to the Company s shares Voting rights on page 143. Shareholders at 31 March 2008 Number of % of total Number of ordinary shares held accounts issued shares 1 1,000 443,176 0.21 1,001 5,000 81,173 0.30 5,001- 50,000 25,087 0.55 50,001 100,000 1,158 0.14 100,001- 500,000 1,142 0.45 More than 500,000 1,757 98.35 553,493 100.00 Geographical analysis of shareholders At 31 March 2008, approximately 51.58% of the Company s shares were held in the UK, 33.64% in North America, 11.73% in Europe (excluding the UK) and 3.05% in the rest of the world. Major shareholders The Bank of New York Mellon, as custo dian of the Company s ADR programme, held approximately 12.6% of the Company s ordinary shares ofbeing: euros , or $0.11 3/7 each at 23 May 2008 as nominee. The total number of ADRs outstanding at 23 May 2008 was 670,777,009. At this date, 1,182 holders of record of ordinary shares had registered addresses in the United States and in total held approximately 0.006% of the ordinary shares of the Company. At 23 May 2008, 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: Shareholder Shareholding AXA S.A. 5.81% Legal & General Group Plc 4.53% The rights attaching to the ordinary shares of the Company held by this shareholder are identical in all respects to the rights attaching to all the ordinary shares of the Company. The directors are not aware, at 23 May 2008, of a ny other interest of 3% or more in the ordinary share capital of the Company. The Company is not directly or indirectly owne d 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. Memorandum and Articles of Association and applic able

any connected person) is a shareholder or an officer or is otherwise interested, provided that the director (together with any connected person) is not interested in 1% or more of any class of the company s equity share capital or the voting rights available to its shareholders, (e) relating to the arrangement of any employee benefit in which the director will share equally with other employees and (f) relating to any insurance that the Company p urchases or renews for its directors or any group of people, including directors. The directors are empowered to exercise all the powers of the Company to borrow money, subject to the limitation that the aggregate amount of all liabilities and obligations of the Group outstanding at any time shall not exceed an amount equal to 1.5 times the aggregate of the Group s share capital and reserves calculated in the manner prescribed in the Articles of Association, unless sanctioned by an ordinary resolution of the Company s shareholders. The Company can make market purchases of its own shares or agree to do so in the future, provided it is duly authorised by its members in a general meeting and subject to and in accordance with Section 166 of the Companies Act 1985. In accordance with the Company s Articles of Association, directors retiring at each AGM are those last elected or re-elected at or before the AGM held in the third calendar year before the current year. In 2005, the Company reviewed its policy regarding the retirement and re-election of directors and, although it is not intended to amend the Company s Articles in this regard, the Board has decided, in the interests of good corporate governance, that all of the directors should offer themselves for re-election annually. Accordingly, all the directors not retiring will submit themselves for re-election at the 2008 AGM. No person is disqualified from being a director or is required to vacate that office by reason of age. Directors a re not required, under the Company s Articles of Association, to hold any shares of the Company as a qualification to act as a director, although executive directors participating in long term incentive plans must comply with the Company s share ownership guidelines. In accordance with best practice in the UK for corporate governance, compensation awarded to executive directors is decided by a remuneration committee consisting exclusively of non-executive directors. In addition, as required by The Directors Remuneration Report Regulations, the Board has, since 2003, prepared a report to shareholders on the directors remuneration which complies with the Regulations (see pages 71 to 81). The report is also subject to a shareholder vote. Rights attaching to the Company s shares At 31 March 2008, the issued share capital of the Company was comprised of 50,000 7% cumulative fixed rate shares of £1.00 each, 53,127,598,035 ordinary shares (excluding treasury shares) of US$0.11 3/ 7 each and 87,429,138 B shares of 15 pence each. 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 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 the 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 will be announced in pounds sterling. Holders of ordinary shares with a registered address in a euro zone country (defined, for this purpose, as a country that has adopted the euro as its national currency) will receive their dividends in euros, exchanged from pounds sterlin

Vodafone Additional Information Shareholder Information continued entitlement to the B share continuing dividend up to the future redemption date of the Company s ADSs are entitled to receive notices under the terms of the immediately before the liquidation. The holders of B shares do not have any other Deposit Agreement relating to the ADSs. right to share in the Company s surplus assets. Under Section 336 of the Companies Act 2006, the annual general meeting Pre-emptive rights and new issues of shares of shareholders must be held each calendar year and within six months of the Under Section 80 of the Companies Act 1985, directors are, with certain Company s year end. exceptions, unable to allot relevant securities without the authority of the shareholders in a general meeting. Relevant securities as defined in the Electronic communications Companies Act include the Company s ordinary shares or securities convertible The Company may, subject to and in accordance with the Companies Act 2006, into the Company s ordinary shares. In addition, Section 89 of the Companies Act communicate all shareholder information by electronic means, including by 1985 imposes further restrictions on the issue of equity securities (as defined in making such information available on a website, with notification that such the Companies Act, which include the Company s ordinary shares and securities information shall be available on the website. 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 Variation of rights allow shareholders to authorise directors for a period up to five years to allot If, at any time, the Company s share capital is divided into different classes of shares, (a) relevant securities generally up to an amount fixed by the shareholders and the rights attached to any class may be varied, subject to the provisions of the (b) equity securities for cash other than in connection with a rights issue up to Companies Acts, either with the consent in writing of the holders of three fourths an amount specified by the shareholders and free of the restriction in Section 89. in nominal value of the shares of that class or upon the adoption of an extraordinary In accordance with institutional investor guidelines, the amount of relevant resolution passed at a separate meeting of the holders of the shares of that class. securities to be fixed by shareholders is normally restricted to one third of the existing issued ordinary share capital, and the amount of equity securities to be At every such separate meeting, all of the provisions of the Articles of Association issued for cash other than in connection with a rights issue is restricted to 5% relating to proceedings at a general meeting apply, except that (a) the quorum is of the existing issued ordinary share capital. 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 Disclosure of interests in the Company s shares or, if such quorum is not present on an adjourned meeting, one person who holds There are no provisions in the Articles of Association whereby persons acquiring, shares of the class regardless of the number of shares he holds, (b) any person holding or disposing of a certain percentage of the Company s shares are required present in person or by proxy may demand a poll, and (c) each shareholder will to make disclosure of their ownership percentage, although such requirements have one vote per share held in that particular class in the event a poll is taken. exist under rules derived by the Disclosure and Transparency Rules (DTRs). 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 The basic disclosure requirement upon a person acquiring or disposing of shares of the Company or by a redemption or repurchase of the shares by the Company. 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 Limitations on voting and shareholding of the person s voting rights which he holds as shareholder or through his direct As far as the Company is aware, there are no limitations imposed on the transfer, or indirect holding of financial instruments (falling within DTR 5.3.1R) reaches holding or voting of the Company s shares other than those limitations that would or exceeds 3% and reaches, exceeds or falls below each 1% threshold thereafter. generally apply to all of the shareholders. No shareholder has any securities carrying special rights with regard to control of the Company. Under Section 793 of the Companies Act 2006, the Company may, by notice in writing, require a person that the Company knows or has reasonable cause to Documents on display believe is, or was during the preceding three years,

interested in the Company s The Company is subject to the information requirements of the US Securities and shares to indicate whether or not that is correct and, if that person does or did Exchange Act of 1934 applicable to foreign private issuers. In accordance with hold an interest in the Company s shares, to provide certain information as set these requirements, the Company files its Annual Report on Form 20-F and other out in the Companies Act 2006. DTR 3 deals with the disclosure by persons related documents with the SEC. These documents may be inspected at the discharging managerial responsibility and their connected persons of the SEC s public reference rooms located at 100 F Street, NE Washington, DC 20549. occurrence of all transactions conducted on their account in the shares in the Information on the operation of the public reference room can be obtained in the Company. Part 28 of The Companies Act 2006 sets out the statutory functions US by calling the SEC on +1-800-SEC-0330. In addition, some of the Company s of the Panel on Takeovers & Mergers (the Panel). The Panel is responsible for SEC filings, including all those filed on or after 4 November 2002, are available on issuing and administering the Code on Takeovers & Mergers and governs disclosure the SEC s website at www.sec.gov. Shareholders can also obtain copies of the requirements on all parties to a takeover with regard to dealings in the securities Company s Memorandum and Articles of Association from the Vodafone website of an offeror or offeree company and also on their respective associates during at www.vodafone.com or from the Company s registered office. the course of an offer period. Debt securities General meetings and notices Pursuant to an Agreement of Resignation, Appointment and Acceptance, dated Annual general meetings are held at such times and place as determined by the as of 24 July 2007, by and among the Company, The Bank of New York Mellon directors of the Company. The directors may also, when they think fit, convene and Citibank N.A, The Bank of New York Mellon has become the successor trustee an extraordinary general meeting of the Company. General meetings may also to Citibank N.A. under the Company s Indenture dated as of 10 February 2000. be convened on requisition as provided by the Companies Acts. Material contracts An annual general meeting and an extraordinary general meeting called for the At the date of this Annual Report, the Group is not party to any contracts that are passing of a special resolution needs to be called by not less than twenty-one considered material to the Group s results or operations, except for its $11.3 billion days notice in writing and all other extraordinary general meetings by not less credit facilities which are discussed under Financial Position and Resources on than fourteen days notice in writing. The directors may determine that persons page 57. 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 Exchange controls twenty-one days before the date the relevant notice is sent. The notice may also There are no UK government laws, decrees or regulations that restrict or affect specify the record date, which shall not be more than forty-eight hours before the export or import of capital, including but not limited to, foreign exchange the time fixed for the meeting. controls on remittance of dividends on the ordinary shares or on the conduct of the Group s operations, except as otherwise set out under Taxation below. Shareholders must provide the Company with an address or (so far as the Companies Acts allow) an electronic address or fax number in the United Kingdom Taxation in order to be entitled to receive notices of shareholders meetings and other As this is a complex area, investors should consult their own tax adviser regarding notices and documents. In certain circumstances, the Company may give notices the US federal, state and local, the UK and other tax consequences of owning and to shareholders by advertisement in newspapers in the United Kingdom. Holders disposing of shares and ADSs in their particular circumstances. 144 Vodafone Group Plc Annual Report 2008

This section relates to shares and ADSs in the Company. Certain specific UK and A US holder is not subject to a UK withholding tax. The US holder includes in gross other tax consequences of a return of capital share consolidation are discussed income for US federal income tax purposes only the amount of the dividend on pages C-1 to C-3. This section describes, primarily for a US holder (as defined actually received from the Company, and the receipt of a dividend does not entitle below), in general terms, the principal US federal income tax and UK tax the US holder to a foreign tax credit. 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, Dividends must be included in income when the US holder, in the case of shares, cover the tax consequences for members of certain classes of holders subject or the Depositary, in the case of ADSs, actually or constructively receives the to special rules including officers of the Company, employees and holders that, dividend and will not be eligible for the dividends-received deduction generally directly or indirectly, hold 10% or more of the Company s voting stock. allowed to US corporations in respect of dividends received from other US corporations. Dividends will be income from sources outside the United States. A US holder is a beneficial owner of shares or ADSs that is for US federal income Dividends paid in taxable years beginning before 1 January 2007 generally will tax purposes: be passive or financial services income, and dividends paid in taxable years beginning after 31 December 2006 generally will be passive or general a citizen or resident of the United States; income, which in either case is treated separately from other types of income a US domestic corporation; for the purposes of computing any allowable foreign tax credit. · an estate, the income of which is subject to US federal income tax regardless of its source; or In the case of shares, the amount of the dividend distribution to be included a trust, if a US court can exercise primary supervision over the trust s in income will be the US dollar value of the pound sterling payments made, administration and one or more US persons are authorised to control all determined at the spot pound sterling/US dollar rate on the date of the dividend substantial decisions of the trust. distribution, regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations If a partnership holds the shares or ADSs, the US federal income tax treatment of during the period from the date the dividend payment is to be included in income a partner will generally depend on the status of the partner and the tax treatment to the date the payment is converted into US dollars will be treated as ordinary of the partnership. A partner in a partnership holding the shares or ADSs should income or loss. Generally, the gain or loss will be income or loss from sources consult its tax advisor with regard to the US federal income tax treatment of an within the United States for foreign tax credit limitation purposes. investment in the shares or ADSs. Taxation of capital gains This section is based on the Internal Revenue Code of 1986, as amended, its UK taxation legislative history, existing and proposed regulations thereunder, published A US holder may be liable for both UK and US tax in respect of a gain on the rulings and court decisions, and on the tax laws of the United Kingdom and the disposal of the Company s shares or ADSs if the US holder is: Double Taxation Convention between the United States and the United Kingdom (the Treaty), all as currently in effect. These laws are subject to change, a citizen of the United States resident or ordinarily resident for UK tax purposes possibly on a retroactive basis. in the United Kingdom; · a citizen of the United States who has been resident or ordinarily resident for This section is further based in part upon the representations of the Depositary UK tax purposes in the United Kingdom, ceased to be so resident or ordinarily and assumes that each obligation in the Deposit Agreement and any related resident for a period of less than five years of assessment and who disposed of agreement will be performed in accordance with its terms. 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 Based on this assumption, for purposes of the Treaty and the US-UK double that individual s return to the UK; taxation convention relating to estate and gift taxes (the Estate Tax Convention), a US domestic corporation resident in the United Kingdom by reason of being and for US federal income tax and UK tax purposes, a holder of ADRs evidencing centrally managed and controlled in the United Kingdom; or ADSs will be treated as the owner of the shares in the Company represented by a citizen of

the United States or a US domestic corporation that carries on a those ADSs. Generally, exchanges of shares for ADRs, and ADRs for shares, will not trade, profession or vocation in the United Kingdom through a branch or agency be subject to US federal income tax or to UK tax, other than stamp duty or stamp or, in the case of US domestic companies, through a permanent establishment duty reserve tax (see the section on these taxes below). 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 Taxation of dividends of such branch or agency or permanent establishment. UK Taxation Under current UK tax law, no withholding tax will be deducted from dividends paid Under the Treaty, capital gains on dispositions of the shares or ADSs are generally by the Company. A shareholder that is a company resident for UK tax purposes subject to tax only in the country of residence of the relevant holder as determined in the United Kingdom will not be taxable on a dividend it receives from the under both the laws of the United Kingdom and the United States and as required Company. A shareholder in the Company who is an individual resident for UK tax by the terms of the Treaty. However, individuals who are residents of either the purposes in the United Kingdom is entitled, in calculating their liability to UK United Kingdom or the United States and who have been residents of the other income tax, to a tax credit on cash dividends paid on shares in the Company jurisdiction (the US or the UK, as the case may be) at any time during the six years or ADSs, and the tax credit is equal to one-ninth of the cash dividend. 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 US Federal Income Taxation not only in the country of which the holder is resident at the time of the disposition, Subject to the PFIC rules described below, a US holder is subject to US federal but also in that other country (although, in respect of UK taxation, generally only income taxation on the gross amount of any dividend paid by the Company out to the extent that such an individual comprises a Temporary Non-Resident). of its 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 US federal income taxation beginning before 1 January 2011 that constitute qualified dividend income will Subject to the PFIC rules described below, a US holder that sells or otherwise disposes be taxable to the holder at a maximum tax rate of 15%, provided that the ordinary of the Company s shares or ADSs will recognise a capital gain or loss for US federal shares or ADSs are held for more than 60 days during the 121 day period income tax purposes equal to the difference between the US dollar value of the beginning 60 days before the ex-dividend date and the holder meets other amount realised and the holder s tax basis, determined in US dollars, in the shares holding period requirements. Dividends paid by the Company with respect to the or ADSs. Generally, a capital gain of a non-corporate US holder that is recognised shares or ADSs will generally be qualified dividend income. in tax years beginning before 1 January 2011 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. Vodafone Group Plc Annual Report 2008 145

Vodafone Additional Information Shareholder Information continued 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 the Company s 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 a pplicable 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 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 a nd 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. UK stamp duty and stamp duty reserve tax Stamp duty will, subject to certain exceptions, be payable on any instrument transferring shares in the Company 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 t he 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. 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 ADSs of the Company, provided that the ADSs and any separate instrument of transfer are executed and retained at all times outside the United Kingdom. A transfer of shares in the Company in registered form will attract ad 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. SDRT is generally payable on an unconditional agreement to transfer shares in the Company in registered form at 0.5% of the amount or value of the consideration for the tr ansfer, 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 the ADSs of the Company will not give rise to SDRT. PFIC Rules The Company does not believe that the shares or ADSs will be treated as stock of a passive foreign investment company, or PFIC, for US federal income tax p urposes. This conclusion is a factual determination that is made annually and thus is subject to change. If the Company is 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 th e 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 Vodafone would not be eligible for the preferential tax rate applicable to qualified dividend income for certain non-corporate holders. History and Development The Company was incorporated under English law in 1984 as Racal Strategic Radio Limited (reg istered number 1833679). After various name changes, 20% of Racal Telecom Plc capital was of

Regulation The Group s 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 (anti-trust) law applicable to all activities. Some regulation implements commitments made by governments under the Basic Telecommunications Accord of the World Trade Organisation to facilitate market entry and establish regulatory frameworks. The following section describes the regulatory framework and the key regulatory developments at the global and regional level and in selected countries in which the Group has 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, the Group is unable to attach a specific level of financial r isk to the Group s performance from such matters. World Radiocommunication Conference During October and November 2007, the World Radiocommunication Conference of the International Telecommunications Union met in Geneva to consider changes to the Radio Regulations. The next such Conference will be held in 2011. The Conference establishes, by means of international treaty, the basis upon which radio frequency bands may be used in the signatory countries (which include all markets in which Vodafone has interests). Such agreements are required to prevent interference between users in different countries and to facilitate the development of scalable technologies such as GSM or UMTS. The most important outcome of the 2007 conference for Vodafone was the identification of additional spectrum in the UHF band for mobile services and, in particular, the identification of spectrum in the 790-862 MHz range for mobile services in Europe. European Union The EU Regulatory Framework for the communications sector (the EU Framework) was adopted in 2002 and has been implemented by all EU Member States although there remain both ongoing and new infringement proceedings against a number of Member States for late or inadequate implementation. The EU Framework consists of four principal Directives outlining matters such as: the objectives to be pursued by national regulatory authorities (NRAs); the way in which telecommunications operators are to be licensed; measures to be taken to protect consumers; and ensuring universal provision of certain telecommunications services and the terms and basis upon which operators interconnect and provide access to each other. The EU Framework seeks to align the techniques for defining where sector specific regulation may be applied, and the threshold for when such regulation can be applied, with those already employed in EU competition law. It is also intended to ensure consistency of approach amongst NRAs wit hin the Member States. All NRAs are required to take utmost account of a list of markets which are specified by the European Commission (the Commission) in a Recommendation when deciding which markets to investigate. The second such Recommendation was published by the Commission in November 2007 and for the mobile industry includes only the market at a wholesale level for voice call termination on individual mobile networks . Two markets included the first Recommendation, one for the wholesale national market for international roaming and the market for access and call origination on public mobile networks, have been removed. NRAs may still review other markets subject to satisfying certain tests. Under the EU Framework, regulation can only be applied to undertakings with significant market power (SMP), either individually or collectively, in the relevant markets, subject to the Commission s consent. SMP under the EU Framework accords with t he concept of dominance under existing EU competition law. For in dividual dominance, this generally implies a market share of at least 40%, although other factors may also be taken into consid

Vodafone Additional Information Regulation continued Europe Germany Vodafone s 900 MHz licence was extended to 2016. In April 2008, the NRA published the rules for auctioning further 2.0 GHz, 2.6 GHz and 1800 MHz spectrum, with auctions expected in 2009. In April 2008, the German Supreme Administration Court rejected lawsuits filed by the four mobile network operators against the NRA s decision to regulate mobile termination rates on an ex ante basis. The German Competition Authority has commenced an investigation into the use by Vodafone Germany and T-Mobile Germany of on-net pricing. During the year, the NRA reduced Vodafone s termination rate by 9.8% to 7.92 eurocents, valid until March 2009. Italy The NRA launched a public consultation for the assignment of 900 MHz, 1800 MHz and 2.1 GHz spectrum and on the implementation of 900 MHz refarming. The Italian Ministry of Communications assigned 5 MHz of 900 MHz spectrum to Wind on a temporary basis in 16 main cities. The NRA published proposals to licence DVB-H services. The Italian National Competition Authority (NCA) closed its investigation into alleged anti-competitive practices by mobile network operators, including Vodafone Italy, in relation to network access for MVNOs and other matters. Undertakings in relation to network access were submitted by Vodafone Italy and accepted by the NCA, and the case has been closed without sanction for Vodafone. A new law was e nacted prohibiting fees or other charges in addition to airtime for prepaid services and introducing measures to enable consumers to terminate contracts without penalty. The Italian NRA published guidelines requiring operators to reimburse or transfer any remaining prepaid airtime of customers switching networks. The Italian NRA and Government commenced discussions with Telecom Italia about proposed voluntary separation of the Telecom Italia fixed network. Vodafone currently purchases certain services from Telecom Italia in order to provide fixed broadband services in the Italian market and it is possible that both existing and future arrangements between Vodafone and Telecom Italia would be affected if such proposals were to be implemented. During the year, the NRA reduced Vodafone s termination rate by 11.0% to 9.97 eurocents, with the NRA foreseeing further reductions to 8.85 eurocents in July 2008, 7.70 eurocents in July 2009, 6.60 eurocents in July 2010 and 5.90 eurocents in July 2011. Spain The NRA commenced a review of the wholesale market for SMS termination. The Spanish Competition Authority commenced an investigation against the three largest mobile operators in Spain, including Vodafone, alleging that the firms colluded when setting call set-up charges. A new law was passed requiring telecommunications operators to retain certain data for a 12 month period and requiring operators to register the identity of new prepay customers and to register the identity of existing pr epay customers within a two year period. The NRA commenced a review to determine the operators obliged to contribute to the national universal service fund and the criteria for distribution of the fund. During the year, the NRA reduced Vodafone s termination rate by 15.3% to 9.61 eurocents. In April 2008, the NRA reduced the rate to 8.74 eurocents, with reductions to 7.87 eurocents in October 2008 and 7.00 eurocents in April 2009. United Kingdom An auction of 2.6 GHz spectrum is expected to commence in September 2008 and the NRA also proposes to auction 112 MHz of digital dividend spectrum in the 550-860 MHz range during 2009. The NRA published proposals to allow refarming of 900 MHz spectrum, but proposed that Vodafone, and O2, first release 2 x 7.5 MHz each for reallocation to other parties. Following consultation, the NRA has decided to reconsider these proposals. The appeal by certain stakeholders against the NRA s decision on setting call termination rates until 2 011 is being considered by the UK Competition Commission and Competition Appeal Tribunal. Vodafone UK filed an appeal against the proposals of the NRA to reform t

EMAPA Eastern Europe Poland The NRA concluded an analysis of the market for access and call origination on mobile public networks, concluding that no operator had SMP. Romania The Government commenced a process to issue a sixth mobile licence in the 410-415 MHz band. Mobile number portability is expected to be implemented in October 2008. Turkey The Government undertook an auction of 2.1 GHz licences in August 2007. The auction was subsequently revoke d and no licences were issued. The NRA may recommence the award of 3G licences in late 2008 or 2009. The NRA has applied certain restrictions on the on-net retail pricing practices of Turkcell, which are subject to appeal by Turkcell. Mobile number portability is expected to be implemented in the autumn of 2008. Middle East, Africa and Asia Egypt The NRA extended Vodafone Egypt s 2G licence until 2013 and its 3G licence until 2022. The third entrant, ETISALAT, launched GSM services in the Egyptian mark et in May 2007. ETISALAT was awarded an International Gateway Licence in October 2007. Mobile number portability was introduced in Egypt in April 2008. India The NRA has issued recommendations to the Department of Telecommunications (DoT) on the licence terms and capping the number of licensees. The DoT has permitted CDMA operators to apply for GSM spectrum to enable them to provide GSM services alongside their CDMA operations. It has revised the customer number threshold at which licensees become eligible for incremental spectrum allocation, with the threshold being made significantly more stringent. The DoT has also issued new licences for up to seven new licences in each licence area. It has commenced the process of allocating GSM spectrum to these new licensees, with Vodafone Essar being awarded initial GSM spectrum in seven service areas in the 2008 financial year. The DoT issued guidelines to permit active infrastructure sharing between licensees. It has issued guidelines on m obile number portability, which is to be launched in four Metro cities by the fourth quarter of the 2008 calendar year, before being extended nationwide. The DoT has also issued broad guidelines on 3G mobile services and broadband wireless access. The NRA has recommended the abolition of the Access Deficit Contribution, a 0.75% charge levied on adjusted gross revenue of operators. Kenya The Kenya Communications Amendment Bill 2007 was withdrawn by the Government. The NRA has granted Telkom Kenya a licence f or the provision of Mobile Cellular Services. It is expected that Telkom Kenya will roll out GSM services during 2008 under the Orange East Africa brand. The third Kenyan mobile licence has been awarded to Econet Wireless, which plans to roll out its GSM services during 2008. South Africa The NRA is proceeding with the implementation of the Electronic Communications Act (ECA) of 2006 and the associated licence conversion process. The NRA plans to issue service licences by July 2008 and comp lete regulations before the end of 2008. Vodacom has announced its commitment to a transaction in 2008 under the South Africa Government s programme of Broad-Based Black Economic Empowerment (BBBEE). The Information Communications Technologies BBBEE Sector Code (Code) was submitted to the Minister of Trade and Industry in March 2008 for approval. To date, the Minister has not published the Code for the 60 day public comment process required before the Minister may give his approval. Vodacom remains subject to the generic Department of Trade and Industry Codes of Good Practice until the Code is approved. As part of the implementation of the ECA, the NRA is consulting on the process of determining wholesale and retail regulations (i.e. interconnection, facilities leasing and essential facilities). The NRA is expected to conclude this by the end of June 2008. Call termination remains under investigation by the NRA. In January 2007, the NRA issued proposals to decl are Vodacom, MTN an d Cell C as having SMP mobile call termination on individual networks. Qatar In December 2007, a consortium comprising Vodafone

Vodafone Additional Information Non-GAAP Information 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 changes in fair value of equity put rights and similar arrangements and certain foreign exchange differences, together with related tax effects. The Group believes that it is both useful and necessary to report these measures for the following reasons: these measures are used by the Group for internal performance analysis; these measures are used in setting director and management remuneration; it is useful in connection with discussion with the investment analyst community and debt rating agencies; and adjusted operating profit is used as the Group s measure of segment performance. Reconciliation of adjusted operatin g profit and adjusted earnings per share to the respective closest equivalent GAAP measure, operating profit/(loss) and basic earnings/(loss) per share, is provided in Operating Results beginning on page 32. Cash flow measures In presenting and discussing the Group s reported results, free cash flow and operating free cash flow are calculated and presented even though these measures are not recognised within IFRS. The Group believes that it is both useful and necessary to communicate free c ash flow to investors and other interested parties, for the following reasons: free cash flow allows the Company and external parties to evaluate the Group s liquidity and the cash generated by the Group s operations. Free cash flow does not include 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 the Group has an obligation to incur. However, it does reflect the cash available for such discretionary activities, to strengthen the Consolidated Balance Sheet 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 the Group s 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 net cash inflow from operating activities, the closest equivalent GAAP measure, to operating free cash flow and free cash flow, is provided in Financial Position and Resources on page 55. Other Certain of the statements within the section titled Chief Executive s Review on pages 4 to 7 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 Outlook on page 51 contain forward-looking non-GAAP financial information which at this time cannot be quantitatively reconciled to comparable GAAP financial information. Orga nic growth The Group believes that organic growth , which is not intended to be a substitute, 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 factors unrelated to the operating performance of the business; it is used by the Group 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 c omparable with similarly titled measures reported by other companies. Reconciliation of organic growth

Impact Impact of of foreign acquisitions Organic exchange and disposals Reported growth Percentage Percentage growth % points points % 31 March 2008 Europe Interconnect costs 4.1 3.2 1.2 8.5 Other direct costs 1.3 3.9 2.6 7.8 Acquisition costs 6.0 3.2 1.1 10.3 Retention costs 10.1 3.5 0.2 13.8 Operating expenses 0.1 3.3 1.3 4.7 Depreciation and amortisation 0.2 2.9 0.3 3.4 Italy Total costs (1.0) 4.4 5.2 8.6 Interconnect costs 6.2 4.5 4.7 15.4 Other direct costs (15.8) 4.4 9.7 (1.7) Acquisition costs 18.7 6.0 5.8 30.5 Operating expenses (7.4) 4.1 4.8 1.5 Spain Service revenue for the six months ended 31 March 2008 5.8 10.1 3.1 19.0 Interconnect costs (0.1) 4.1 2.5 6.5 Acquisition costs (9.0) 3.7 1.9 (3.4) Retention costs 28.3 6.0 0.4 34.7 Operating expenses 4.0 4.5 2.8 11.3 EMAPA Voice revenue 12.8 2.6 32.0 47.4 Messaging revenue 6.5 6.5 10.5 23.5 Data revenue 87.9 8.9 63.3 160.1 Eastern Europe interconnect costs 7.5 7.1 6.0 20.6 Eastern Europe operating expenses 5.7 7.5 12.0 25.2 Eastern Europe depreciation and amortisation 16.0 8.7 3.7 28.4 Middle East, Africa & Asia other direct costs 38.0 (9.0) 125.1 154.1 Middle East, Africa & Asia operating expenses 23.4 (8.6) 97.0 111.8 Middle East, Africa & Asia depreciation and amortisation 36.3 (5.5) 66.5 97.3 31 March 2007 Group Voice revenue(1) 2.5 (1.8) 3.8 4.5 Messaging revenue 7.0 (1.3) 3.4 9.1 Data revenue 30.7 (0.8) 0.2 30.1 Europe Voice revenu e(1) (0.6) (0.4) (1.6) (2.6) Incoming voice revenue (7.4) (0.4) (1.2) (9.0) Roaming revenue 1.2 (0.4) (2.8) (2.0) Messaging revenue 4.6 (0.5) (1.0) 3.1 Data revenue 29.5 (0.7) (1.7) 27.1 Other direct costs 16.7 (0.5) (1.3) 14.9 Acquisition and retention costs 0.1 (0.4) (2.2) (2.5) Operating expenses 7.4 (0.4) (2.8) 4.2 Adjusted operating profit(2) (3.7) (0.5) 0.1 (4.1) EMAPA Non-service revenue 28.9 (13.7) 16.3 31.5 Eastern Europe interconnect costs 23.8 (3.2) 25.7 46.3 Middle East, Africa & Asi a interconnect costs 26.8 (19.0) 37.2 45.0 Notes: (1) Revenue relating to fixed line activities provided by mobile operators, previously classified within voice revenue, is now presented as fixed line revenue, together with revenue from fixed line operators and fixed broadband. All prior periods have been adjusted accordingly.
(2) During the year ended 31 March 2008, the Group changed its organisational structure and the Group s associated undertaking in France, SFR, is now manage d within the Europe region and reported within Other Europe. The results are presented in accordance with the new organisational structure. Vodafone Group Plc Annual Report 2008 151

Vodafone Additional Information Form 20-F Cross Reference Guide Certain of the information in this document that is referenced in the following table is included in the Company s Annual Report on Form 20-F for 2008 filed with the SEC (the 2008 Form 20-F). No other information in this document is included in the 2008 Form 20-F or incorporated by reference into any filings by the Company under the US Securities Act of 1933, as amended. Ple ase see Documents on display on page 144 for information on how to access the 2008 Form 20-F as filed with the SEC. The 2008 Form 20-F has not been approved or disapproved by the SEC nor has the SEC passed judgement upon the adequacy or accuracy of the 2008 Form 20-F. Item Form 20-F caption Location in this document Page 1 Identity of Directors, Senior Management and Advisers Not applicable 2 Offer Statistics and Expected Timetable Not applicable 3 Key Information 3A Sele cted financial data Financial Highlights 156 Shareholder Information Inflation and foreign currency translation 141 3B Capitalisation and indebtedness Not applicable 3C Reasons for the offer and use of proceeds Not applicable 3D Risk factors Principal Risk Factors and Uncertainties 52 4 Information on the Company 4A History and development of the company History and Development 146 Contact Details IBC 4B Business overview Group at a Glance 12 Business Overview 14 Brand and Distribution 22 Operating Results 32 Operating Environment and Strategy 10 4C Organisational structure Shareholder Information Material contracts 144 Note 12 Principal subsidiary undertakings 108 Note 13 Investments in joint ventures 109 Note 14 Investments in associated undertakings 110 Note 15 Other investments 110 4D Property, plant and equipment Technology and Resources 16 Financial Position and Resources 54 Corporate Responsibility 59 4A Unresolved Staff Commen ts None 5 Operating and Financial Review and Prospects 5A Operating results Operating Results 32 Note 24 Borrowings 116 Shareholder Information Inflation and foreign currency translation 141 Regulation 147 5B Liquidity and capital resources Financial Position and Resources Liquidity and capital resources 55 Note 24 Borrowings 116 5C Research and development, patents and licences, etc. Technology and Resources 16 5D Trend information Operating Environment and Strategy 10 5E Off-balance sheet arrangements Financial Position and Resources Off-balance sheet arrangements 58 Note 31 Commitments 127 Note 32 Contingent liabilities 128 5F Tabular disclosure of contractual obligations Financial Position and Resources Contractual obligations 54 5G Safe harbor Cautionary Statement Regarding Forward-Looking Statements 154 6 Directors, Senior Management and Employees 6A Directors and senior management Board of Directors and Group Manage ment 62 6B Compensation Directors Remuneration 71 6C Board practices Corporate Governance 65 Directors Remuneration 71 Board of Directors and Group Management 62 6D Employees People 20 Note 35 Employees 130 6E Share ownership Directors Remuneration 71 Note 20 Share-based payments 113 7 Major Shareholders and Related Party Transactions 7A Major shareholders Shareholder Information Major shareholders 142 7B Related party transactions Directors Remuneratio n 71 Note 34 Related party transactions 129 Note 32 Contingent liabilities 128 7C Interests of experts and counsel Not applicable 152 Vodafone Group Plc Annual Report 2008

Item Form 20-F caption Location in this document Page 8 Financial Information 8A Consolidated statements and other financial Financials(1) 82 information Audit Report on the Consolidated Financial Statements 132 Note 32 Contingent liabilities 128 Financial Position and Resources 54 8B Significant changes Note 36 Subsequent events 130 Subsequent events A-1 9 The Offer and Listing 9A Offer and listing details Shareholder Informat ion Share price history 141 9B Plan of distribution Not applicable 9C Markets Shareholder Information Markets 142 9D Selling shareholders Not applicable 9E Dilution Not applicable 9F Expenses of the issue Not applicable 10 Additional Information 10A Share capital Not applicable 10B Memorandum and Articles of Association Shareholder Information Memorandum and Articles of Association and applicable English law 142 10C Material contracts Shareholder Infor mation Material contracts 144 10D Exchange controls Shareholder Information Exchange controls 144 10E Taxation Shareholder Information Taxation 144 10F Dividends and paying agents Not applicable 10G Statement by experts Not applicable 10H Documents on display Shareholder Information Documents on display 144 10I Subsidiary information Not applicable 11 Quantitative and Qualitative Disclosures About Market Risk Note 24 Borrowings 116 12 Description of Securities Other than Equity Securities Not applicable 13 Defaults, Dividend Arrearages and Delinquencies Not applicable 14 Material Modifications to the Rights of Security Holders and Use of Proceeds Shareholder Information Debt securities 144 15 Controls and Procedures Corporate Governance 65 Directors Statement of Responsibility Management s report on internal control over financial reporting 83 Audit Report on Internal Controls 84 16 16A Audit committee financia l expert Corporate Governance Board committees 67 16B Code of ethics Corporate Governance 65 16C Principal accountant fees and services Note 4 Operating profit/(loss) 98 Corporate Governance Auditors 69 16D Exemptions from the listing standards for audit committees Corporate Governance Board committees 67 16E Purchase of equity securities by the issuer Financial Position and Resources 54 and affiliated purchasers Note 21 Transactions with equity shareholders 115 17 Financial Statements Not applicable 18 Financial Statements Financials(1) 82 19 Exhibits Filed with the SEC Note: (1) The Company Financial Statements, and the Audit Report and Notes relating thereto, on pages 133 to 139 should not be considered to form part of the Company s Annual Report on Form 20-F.

Vodafone Additional Information Cautionary Statement Regarding Foward-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 Vodafone s expectations as to launch and roll out dates for products, services or technologies offered by Vodafone; expectations regarding the operating environment and market conditions; intentions regarding the development of products, services and initiatives introduced by Vodafone or by Vodafone in conjunction with third parties; revenue and growth expected from our total communications strategy; the development and impact of new m obile technology including the development of 4G technology and the launch of faster data speeds; anticipated benefits to the Group from cost efficiency programmes,including outsourcing of IT functions and network sharing agreements; growth in customers and usage; expected growth prospects in Europe and the EMAPA region; expectations regarding the performance of investments, associates, joint ventures and newly acquired businesses, including the expect ed performance of Verizon Wireless; the Group s expectations for revenue, adjusted operating profit, average foreign exchange rates, depreciation and amortisation charges, capitalised fixed asset additions, capital intensity, free cash flow, cash payments for tax and associated interest, payments of deferred capital expenditures, adjusted effective tax rates and foreign exchange rate changes contained within the Chief Executives Review on pages 4 to 7 and the Outlook statement on page 51 of this document, and expectations for the Group s future performance generally, including average revenue per user, costs, capital expenditures, operating expenditures and margins; the expected contribution to the Group s revenue of voice services, messaging services, data services, broadband services, fixed location pricing, internet services and mobile advertising; the rate of dividend growth by the Group or its existing investments; the expected contri butions to the Group s revenue from our business segment; expectations regarding the Group s access to adequate funding for its working capital requirements; 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; mobile p enetration and coverage rates and the Group s ability to acquire spectrum; the impact of regulatory and legal proceedings involving Vodafone and of scheduled or potential regulatory changes; expectations with respect to long term shareholder value growth; and overall market trends and other trend projections. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as anticipates , aims , could , may , should , expects , believes , intends , p 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 b y these forward-looking statements. These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group that would adversely affect the level of demand for mobile services; greater than anticipated competitive activity, from both existing competitors and new market entrants, including Mobile Virtual Network Operators, which could require changes

Definition of Terms 3G broadband 3G services enabled with High Speed Downlink Packet Access (HSDPA) technology which enables data transmission at speeds of up to 7.2 megabits per second. 3G device A handset or device capable of accessing 3G data services. Acquired intangibles Amortisation relating to intangible assets identified and recognised separately in respect of a business combination in excess of the amortisation intangible assets recognised by the acquiree prior to acquisition. Acquisition costs The total of connection fees, trade commissions and equipment costs relating to new customer connections. Capitalised fixed asset additions This measure includes the aggregate of capitalised property, plant and equipment additions and capitalised software costs. Change at constant exchange Growth or change calculated by restating the prior period s results as if they had been generated at the current period s exchange rates rates. Also referr ed to as constant currency . Churn Total gross customer disconnections in the period divided by the average total customers in the period. Controlled and jointly controlled Controlled and jointly controlled measures include 100% for the Group s mobile operating subsidiaries and the Group s proportionate share for joint ventures. Customer delight The Group uses a proprietary customer delight system to track customer satisfaction across its controlled markets and jointly contr olled market in Italy. Customer delight is measured by an index based on the results of surveys performed by an external research company which cover all aspects of service provided by Vodafone and incorporates the results of the relative satisfaction of the competitors customers. An overall index for the Group is calculated by weighting the results for each of the Group s operations based on service revenue. Data revenue Data revenue includes all non-voice service revenue excluding messaging rev enue and fixed line revenue. Depreciation and other This measure includes the profit or loss on disposal of property, plant and equipment and computer software. amortisation DSL A Digital Subscriber Line which is a fixed line enabling data to be transmitted at high speeds. Handheld business device A wireless connection device which allows access to business applications and push and pull email. HSDPA High Speed Downlink Packet Access is a wireless technology enabling network to mobile data transmission spee ds of up to 7.2 megabits per second. HSUPA High Speed Uplink Packet Access is a wireless technology enabling mobile to network data transmission speeds of up to 1.4 megabits per second. 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. Messaging revenue Messaging revenue includes all SMS and MMS revenue including wholesale messaging revenue, revenue from the use of messaging services by Vodafone cu stomers roaming away from their home network and customers visiting the local network. 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 ma chines 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 pc connectivity A connection device which provides access to 3G services to users with an active PC or laptop connection. This includes Vodafone device Mobile Connect Cards with 3G broadband, Vodafone Mobile Connect 3G/GPRS data cards and Vodafone Mobile Connect USB modems. Net debt Long term borrowings, short term borrowings and mark to market adjustments on financing instruments less cash and cash equivalents. Organic growth The percentage movemen

Vodafone Additional Information Financial Highlights 2008 2007 2006 2005 At/year ended 31 March £m £m £m £m Consolidated Income Statement data Revenue 35,478 31,104 29,350 26,678 Operating profit/(loss) 10,047 (1,564) (14,084) 7,878 Adjusted operating profit (non-GAAP measure)(1) 10,075 9,531 9,399 8,353 Profit/(loss) before taxation 9,001 (2,383) (14,853) 7,285 Profit/(loss) for the financial year from continuing operations 6,756 (4, 806) (17,233) 5,416 Profit/(loss) for the financial year 6,756 (5,297) (21,821) 6,518 Consolidated Balance Sheet data Total assets 127,270 109,617 126,738 147,197 Total equity 76,471 67,293 85,312 113,648 Total equity shareholders funds 78,043 67,067 85,425 113,800 Earnings Per Share (EPS)(2) Weighted average number of shares (millions) Basic 53,019 55,144 62,607 66,196 Diluted 53,287 55,144 62,607 66,427 Basic earnings/(loss) per ordinary share Profit/(loss) from cont inuing operations 12.56p (8.94)p (27.66)p 8.12p Profit/(loss) for the financial year 12.56p (9.84)p (35.01)p 9.68p Diluted earnings/(loss) per ordinary share Profit/(loss) from continuing operations 12.50p (8.94)p (27.66)p 8.09p Profit/(loss) for the financial year 12.50p (9.84)p (35.01)p 9.65p Cash dividends(2)(3)(4) Amount per ordinary share (pence)(5) 7.51p 6.76p 6.07p 4.07p Amount per ADS (pence)(5) 75.1p 67.6p 60.7p 40.7p Amount per ordinary share (US cents)(2)(5) 14.91c 13.28c 10. 56c 7.68c Amount per ADS (US cents)(2)(5) 149.1c 132.8c 105.6c 76.8c Other data Ratio of earnings to fixed charges(6) 3.9 - 7.0 Deficit (4,389) (16,520) Notes: (1) Refer to Non-GAAP Information on page 150 for a reconciliation of this non-GAAP measure to the most comparable GAAP measure and a discussion of this measure. (2) See note 8 to the Consolidated Financial Statements, Earnings/(loss) per share . Earnings and dividends per ADS is calculated by mul tiplying earnings per ordinary share by ten, the number of ordinary shares per ADS. Dividend per ADS is calculated on the same basis. (3) The final dividend for the year ended 31 March 2008 was proposed by the directors on 27 May 2008. (4) The cash dividend per ordinary share for the year ended 31 March 2004 was 2.0315p (amount per ADS: 20.315p). (5) The final dividend for the year ended 31 March 2008 was proposed on 27 May 2008 and is payable on 1 August 2008 to holders of record as of 6 June 2008. This dividend has been translated into US dollars at 31 March 2008 for ADS holders but will be payable in US dollars under the terms of the ADS depositary agreement. (6) For the purposes of calculating these ratios, earnings consist of profit before tax adjusted for fixed charges, dividend income from associated undertakings, share of profits and losses from associated undertakings and profits and losses on ordinary activities before taxation from discont inued operations. Fixed charges comprise one-third of payments under operating leases, representing the estimated interest element of these payments, interest payable and similar charges and preferred share dividends. 156 Vodafone Group Plc Annual Report 2008

Contact Details Investor Relations Telephone: +44 (0) 1635 664447 Media Relations Telephone: +44 (0) 1635 664444 Corporate Responsibility Fax: +44 (0) 1635 674478 E-mail: responsibility@vodafone.com Website: www.vodafone.com/responsibility We want to keep the environmental impact of the documents in our Annual Report package to a minimum. We have therefore given careful consideration to the production process. This document is prin ted on Revive 75 Silk, manufactured in the EU at mills with ISO 14001 accreditation and comprising 75% de-inked post consumer waste and 25% virgin fibre. The FSC logo identifies products which contain wood from well-managed forests certified in accordance with the rules of the Forest Stewardship Council. Printed by St Ives in accordance with the ISO 14001 environmental management system using vegetable-based inks. The printer holds FSC Chain of Custody (certificate number SGS-COC-1732). All the steps we hav e taken demonstrate our commitment to making sustainable choices. Printed in the United Kingdom Designed and produced by Addison Corporate Marketing

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Vodafone Group Plc Registered Office Vodafone House The Connection Newbury Berkshire RG14 2FN England Registered in England No. 1833679 Tel: +44 (0) 1635 33251 Fax: +44 (0) 1635 45713 www.vodafone.com

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Events occurring subsequent approval of the Company s Annual Report on 27 May 2008 Verizon Wireless acquisition of Alltel Corp. On 5 June 2008, Verizon Wireless (VZW), the Group s associated undertaking in the US, agreed to acquire Alltel Corp. (Alltel) for a total enterprise value US$28.1 billion in cash and assumed debt. Alltel is the fifth largest mobile operator in the US, delivering voice and advanced data services to more than 13 million customers across 34 states. The VZW Board agreed that it will review distributions from VZW on an annual basis. When considering whether distributions will be made each year, the VZW 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 VZW s free cash flow will be deployed in servicing and reducing the VZW debt, including the Alltel acquisition financing, for approximately three years after the closing of the Alltel transaction. In addition, following the closing of the Alltel transaction, the VZW Board has agreed to certain additional tax distributions. VZW has agreed to pay TPG Capital and GS Capital Partners (GSCP) a total cash consideration of US$5.9 billion for their aggregated 100% stake in Alltel, of which US$1.4 billion will come from projected cash on Alltel s balance sheet at closing. Net debt at closing is projected to be US$22.2 billion. Neither Vodafone nor Verizon is contributing any equity to fund the transaction. The transaction remains subject to customary regulatory approvals and is targeted to complete by the end of 2008. Regulatory developments The follow section updates certain information within Regulation on pages 149 to 151. EU call termination On 3 June 2008, the European Regulators Group (ERG) adopted a common view on mobile termination rates and communicated it to the European Commission. Noting that in the past four years average mobile termination rates have fallen by almost 40% and that differences in rates across Europe are also narrowing, ERG members committed to continue along this path. United Kingdom An auction of 2.6 Ghz spectrum expected in September 2008 will now be delayed following a legal challenge. A-1

Cellco Partnership (d/b/a Verizon Wireless) Report of Independent Registered Public Accounting Firm Consolidated Financial Statements For the years ended December 31, 2007, 2006 and 2005 B-1

Table of Contents Cellco Partnership (d/b/a Verizon Wireless) Consolidated Statements of Operations and Comprehensive Income For the years ended December 31, 2007, 2006 and 2005 2 Consolidated Balance Sheets December 31, 2007 and 2006 3 Consolidated Statements of Cash Flows For the years ended December 31, 2007, 2006 and 2005 4 Consolidated Statements of Changes in Partners Capital For the years ended December 31, 2007, 2006 and 2005 5 Notes to Consolidated Financial Statements 6-23
B-2

CELLCO PARTNERSHIP (d/b/a Verizon Wireless) Consolidated Statements of Operations and Comprehensive Income (in Millions) FOR THE YEARS ENDED DECEMBER 31, 2007 2006 2005 OPERATING REVENUE Service revenue $ 38,016 $ 32,796 $ 28,131 Equipment and other 5,866 5,247 4,170 Total operating revenue 43,882 38,043 32,301 OPERATING COSTS AND EXPENSES Cost of service (excluding depreciation and amortization related to network assets included below) 5,294 4,698 4,154 Cost o f equipment 8,162 6,793 5,239 Selling, general and administrative 13,477 12,039 10,768 Depreciation and amortization 5,154 4,913 4,760 Total operating costs and expenses 32,087 28,443 24,921 Operating income 11,795 9,600 7,380 OTHER INCOME (EXPENSES) Interest expense, net (249) (451) (597) Minority interests (255) (251) (226) Other, net 28 22 29 Income before provision for income taxes 11,319 8,920 6,586 Provision for income taxes (714) (599) (434) INCOME BEFORE CUMULATIVE EFFECT OF ACCO UNTING CHANGE 10,605 8,321 6,152 Cumulative effect of accounting change (124) NET INCOME 10,605 8,197 6,152 OTHER COMPREHENSIVE INCOME (LOSS) Defined benefit pension and postretirement plans, net 13 (11) (10) COMPREHENSIVE INCOME $ 10,618 $ 8,186 $ 6,142 See Notes to Consolidated Financial Statements. 2 B-3

CELLCO PARTNERSHIP (d/b/a Verizon Wireless) Consolidated Balance Sheets (in Millions) AS OF DECEMBER 31, 2007 2006 ASSETS Current assets Cash $ 408 $ 383 Receivables, net of allowances of $217 and $201 3,732 3,235 Due from affiliates, net 178 73 Unbilled revenue 252 301 Inventories, net 1,098 889 Prepaid expenses and other current assets 306 297 Total current assets 5,974 5,178 Property, plant and equipment, net 25,971 24,659 Wireless licenses, net 51,485 51,11 5 Other intangibles, net 32 44 Deferred charges and other assets, net 531 502 Total assets $ 83,993 $ 81,498 LIABILITIES AND PARTNERS CAPITAL Current liabilities Due to affiliate $ 3,391 $ Accounts payable and accrued liabilities 5,838 4,836 Advance billings 1,227 1,055 Other current liabilities 147 103 Total current liabilities 10,603 5,994 Due to affiliate 2,578 12,933 Deferred tax liabilities, net 5,833 5,739 Other non-current liabilities 944 1,559 Total liabilities 19,958 26,225 Minority in terests in consolidated entities 1,681 1,659 Partner s capital subject to redemption 10,000 Commitments and contingencies (see Notes 13 and 15) Partners capital Capital 62,404 43,677 Accumulated other comprehensive loss (50) (63) Total partners capital 62,354 43,614 Total liabilities and partners capital $ 83,993 $ 81,498 See Notes to Consolidated Financial Statements. 3 B-4

CELLCO PARTNERSHIP (d/b/a Verizon Wireless) Consolidated Statements of Cash Flows (in Millions) FOR THE YEARS ENDED DECEMBER 31, 2007 2006 2005 CASH FLOWS FROM OPERATING ACTIVITIES Net income $ 10,605 $ 8,197 $ 6,152 Add: Cumulative effect of accounting change 124 Income before cumulative effect of accounting change 10,605 8,321 6,152 Adjustments to reconcile income to net cash provided by operating activities: Depreciation and amortization 5,154 4,913 4,760 Provision for uncollectible receivables 395 273 250 Provision for deferred income taxes 98 122 74 Equity in income of unconsolidated entities, net of distributions received (14) (19) (27) Minority interests 255 251 226 Net loss (gain) on disposal of assets (1) 15 11 Changes in certain assets and liabilities (net of the effects of purchased businesses): Receivables and unbilled revenue, net (914) (726) (604) Inventories, net (209) 10 (235) Prepaid expenses and other current assets 14 9 54 Deferred charges and other assets (28) (14) 54 Accounts payable and accrued liabilities (118) 658 527 Other current liabilities 189 133 43 Other operating activities, net 732 598 212 Net cash provided by operating activities 16,158 14,544 11,497 CASH FLOWS FROM INVESTING ACTIVITIES Capital expenditures (6,503) (6,618) (6,484) Acquisitions of businesses and licenses, net of cash acquired (180) (2,866) (4,282) Wireless licenses deposit - (307) Other investing activ ities, net (340) (103) (166) Net cash used in investing activities (7,023) (9,587) (11,239) CASH FLOWS FROM FINANCING ACTIVITIES Net (payments to) proceeds from affiliates (6,964) (901) 3,537 Net change in short-term obligations (2,505) (1,533) Contribution from partner, net - 512 Distributions to partners (1,918) (1,260) (2,469) Distributions to minority investors, net (228) (236) (148) Net cash used in financing activities (9,110) (4,902) (101) Increase in cash 25 55 157 Cash, beginning of year 383 328 171 Cash, end of year $ 408 $ 383 $ 328 See Notes to Consolidated Financial Statements. 4 B-5

CELLCO PARTNERSHIP (d/b/a Verizon Wireless) Consolidated Statements of Changes in Partners Capital (in Millions) Accumulated Other Total Comprehensive Partners Capital Loss Capital Balance at January 1, 2005 $ 22,450 $ (42) $ 22,408 Net income 6,152 6,152 Contribution from partner, net 512 512 Distributions to partners (2,469) (2,469) Defined benefit pension and postretirement plans (10) (10) Balance at December 31, 2005 26,645 (52) 26,593 Net income 8,197 8,197 Distributions to partners (1,260) (1,260) Reclassification of portion of Vodafone s partners capital 10,000 10,000 Other 95 95 Defined benefit pension and postretirement plans (11) (11) Balance at December 31, 2006 43,677 (63) 43,614 Cumulative effect of adoption of FIN 48 (19) (19) Balance at January 1, 2007 43,658 (63) 43,595 Net income 10,605 10,605 Distr ibutions to partners (1,918) (1,918) Reclassification of portion of Vodafone s partners capital 10,000 10,000 Other 59 59 Defined benefit pension and postretirement plans 13 13 Balance at December 31, 2007 $ 62,404 $ (50) $ 62,354 See Notes to Consolidated Financial Statements. 5 B-6

CELLCO PARTNERSHIP (d/b/a Verizon Wireless) Notes to Consolidated Financial Statements Years Ended December 31, 2007, 2006 and 2005 1. Description of Business and Summary of Significant Accounting Policies Description of Business Cellco Partnership (the Partnership), doing business as Verizon Wireless, provides wireless voice and data services and related equipment to consumers and business customers in the markets in which it operates. The Par tnership is the largest domestic wireless carrier in terms of total revenue and the most profitable, as measured by operating income. The Partnership offers wireless voice and data services and other value added services and equipment across one of the most extensive wireless networks in the United States. The Partnership continues to expand its wireless data, messaging and multi-media offerings for both consumer and business customers. The Partnership is a general partnership formed by Bell Atlantic Corpor ation (Bell Atlantic) and NYNEX Corporation that began conducting business operations on July 1, 1995 as Bell Atlantic NYNEX Mobile. In April and June 2000, through the U.S. Wireless Alliance Agreement (the Alliance Agreement) dated September 21, 1999, Bell Atlantic, now known as Verizon Communications Inc. (Verizon), Vodafone Group Plc (Vodafone), and GTE Corporation agreed to combine their respective U.S. wireless assets into the Partnership, which then began doing business under the Verizon Wireless brand name. Verizon s and Vodafone s partnership interests are 55% and 45%, respectively. 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 8 and 14). Consolidated Financial Statements and Basis of Presentation The consolidated financial statements of the Partnership incl ude the accounts of its majority-owned subsidiaries, the partnerships in which the Partnership exercises control, and the variable interest entity in which the Partnership is deemed to be the primary beneficiary as defined by Financial Accounting Standards Board (FASB) Interpretation No. 46(R), Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51. Investments in businesses and partnerships in which the Partnership does not have control, but has the a bility to exercise significant influence over operating and financial policies, are accounted for under the equity method of accounting. All significant intercompany balances and transactions between these entities have been eliminated. Use of Estimates The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the discl osure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used for, but not limited to, the accounting for: allowances for uncollectible accounts receivable, unbilled revenue, fair values of financial instruments, depreciation and amortization, useful lives and impairment of assets, accrued expenses, inventory reserves, equity in income of un consolidated entities, employee benefits, income taxes, contingencies and allocation of purchase prices in connection with business combinations. Estimates and assumptions are periodically reviewed and the effects of any material revisions are reflected in the consolidated financial statements in the period that they are determined to be necessary. Revenue Recognition The Partnership earns revenue by providing access to the network (access revenue) and for usage of the network (usage revenue), which include s roaming revenue. In general, access revenue is billed one month in advance and is recognized when earned; the unearned portion is classified in advance billings. Ac

The Partnership s revenue recognition policies are in accordance with the Securities and Exchange Commission s (SEC) Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements, SAB No. 104, Revenue Recognition, and EITF Issue No. 00-21. Allowance for Doubtful Accounts The Partnership maintains allowances for uncollectible accounts receivable for estimated losses resul ting from the inability of customers to make required payments. Estimates are based on the aging of the accounts receivable balances and the historical write-off experience, net of recoveries. Inventory Inventory consists primarily of wireless equipment held for sale. Equipment held for sale is carried at the lower of cost (determined using a first-in, first-out method) or market. The Partnership maintains estimated inventory valuation reserves for obsolete and slow moving device inventory based on analysis of inventory agings 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 of three to five years. Costs incurred in the preliminary project stage of development and maintenance are expensed as incurred. Capitalized software of $657 million and $541 million and related accumulated amortization of $367 million and $254 million as of December 31, 2007 and 2006, respectively, have been included in deferred charges and other assets, net in the consolidated balance sheets. Property, Plant and Equipment Property, plant and equipment primarily represents costs incurred to construct and expand capacity and n etwork coverage on Mobile Telephone Switching Offices and cell sites. The cost of property, plant 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 property, plant 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 p lanned retirements. Changes in these estimates resulted in a net increase in depreciation expense of $295 million and $327 million for the years ended December 31, 2007 and 2006, respectively. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the related lease. 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 inc urred. Upon the sale or retirement of property, plant and equipment, the cost and related accumulated depreciation or amortization is eliminated from the accounts and any related gain or loss is reflected in the statement of operations and comprehensive 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 property, p lant and equipment and recorded as construction in progress until the projects are completed and placed into service. Valuation of Assets Long-lived assets, including property, plant 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 resul t from the use and eventual disposition of the asset. The impairment loss, if determined to be necessary, would be measured as the amount by which the carry

transactions. SFAS No. 123(R) also eliminated the alternative to use the intrinsic value method of accounting that was provided in SFAS No. 123, Accounting for Stock-Based Compensation . The Partnership recorded a cumulative effect of adoption of as of January 1, 2006 to recognize the effect of initially measuring the VARs granted under the 2000 Verizon Wireless Long-Term Incentive Plan at fair value utilizing a Black-Scholes model. Th e Partnership records a charge or benefit in the consolidated statements of operations and comprehensive income in selling, general and administrative expense each reporting period based on the change in the estimated fair value of the awards during the period (see Note 11). Advertising Costs The Partnership expenses advertising costs as incurred. Total advertising expense amounted to $1,507 million, $1,388 million, and $1,210 million for the years ended December 31, 2007, 2006, and 2005 , respectively. 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 recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. Concentrations To the extent the P artnership s customer receivables become delinquent, collection activities commence. No single customer is large enough to present a significant financial risk to the Partnership. The Partnership maintains an allowance for doubtful accounts based on the expected collectibility of accounts receivable. The Partnership relies on local and long-distance telephone companies, some of whom are related parties (see Note 14), and other companies to provide certain communication services. Although management bel ieves alternative telecommunications facilities could be found in a timely manner, any disruption of these services could potentially have an adverse impact on operating results. Although the Partnership attempts to maintain multiple vendors for each required product, its network assets, which are important components of its operations, are currently acquired from only a few sources. If the suppliers are unable to meet the Partnership s needs as it builds out its network infrastructure and sells servic e and equipment, delays and increased costs in the expansion of the Partnership s network infrastructure or losses of potential customers could result, which would adversely affect its operating results. Comprehensive Income Comprehensive income consists of net income and other gains and losses affecting partners capital that, under generally accepted accounting principles, are excluded from net income. Other comprehensive income is comprised of adjustments for defined benefit pension and post re tirement plans. Recently Issued Accounting Pronouncements In September 2006, the FASB issued SFAS No. 157, Fair Value Measurement . SFAS No. 157 defines fair value, expands disclosures about fair value measurements, establishes a framework for measuring fair value in generally accepted accounting principles and establishes a hierarchy that categorizes and prioritizes the sources to be used to estimate fair value. The Partnership is required to adopt SFAS No. 157 effective Jan uary 1, 2008 on a prospective basis, except for those items where the Partnership has elected a partial deferral under the provisions of FASB Staff Posi

items for which the fair value option has been elected. The Partnership is required to adopt SFAS No. 159 effective January 1, 2008. The Partnership does not expect this standard to have an impact on the financial statements. In December 2007, the FASB issued SFAS No. 141(R), Business Combinations. This standard replaces SFAS No. 141, Business Combinations. SFAS No. 141(R) requires that all business combinat ions be accounted for by applying the acquisition method. Under the acquisition method, the acquirer measures and recognizes the acquiree, as a whole, and the assets acquired and the liabilities assumed at their fair values as of the acquisition date. The Partnership is required to adopt SFAS No. 141(R) effective January 1, 2009 on a prospective basis. The Partnership is currently evaluating the impact this new standard will have on its financial statements. In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements. This statement amends Accounting Research Bulleting (ARB) No. 51, Consolidated Financial Statements, by establishing accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. The Partnership is required to adopt SFAS No. 160 effective January 1, 2009 on a prospective basis, except for the presentation and di sclosure requirements, which must be applied retrospectively. The Partnership is currently evaluating the impact this new standard will have on its financial statements. In June 2006, the EITF reached a consensus on EITF No. 06-3, How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement. EITF No. 06-3 permits that such taxes may be presented on either a gross basis or a net basis as long as that presentation is used co nsistently. The adoption of EITF No. 06-3 on January 1, 2007 did not impact our consolidated financial statements. We present the taxes within the scope of EITF No. 06-3 on a net basis. In September 2006, the EITF reached a consensus on EITF No. 06-1, Accounting for Consideration Given by a Service Provider to Manufacturers or Resellers of Equipment Necessary for an End-Customer to Receive Service from the Service Provider. EITF No. 06-1 provides guidance regarding whether the consideration given by a service provider to a manufacturer or reseller of specialized equipment should be characterized as a reduction of revenue or an expense. The Partnership is required to adopt EITF 06-1 effective January 1, 2008 as a change in accounting principle through retrospective application unless it is impracticable to do so. The Partnership does not expect the impact to the financial statements to be material. 2. Wireless Licenses and Other Intangibles, Net The Partnership s principal intangible assets are licenses, including licenses associated with equity method investments, 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 10 to 15 years, such licenses are subject to renewal by the Federal Communications Commission (FCC). Renewals of licenses have occurred routinely and at nominal cost. Moreover, the Par tnership 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 have been treated as an indefinite life intangible asset under the provisions of SFAS No. 142 and have not been amortized but rather were tested for impairment. The Partnership reevaluates the useful life determination for wireless licenses at least annually to determine wheth er events and circumstances continue to support an indefini te useful life. The Partnership evaluates its wireless licenses for potential impairment annually, and more frequently if indications of impairment exist. The Partnership tests its licenses on an aggreg

The changes in the carrying amount of wireless licenses are as follows: Wireless Licenses Wireless Licenses, Associated with Equity (Dollars in Millions) Net (a) Method Investments (b) Total Balance, net, as of January 1, 2006 $ 47,781 $ 24 $ 47,805 Wireless licenses acquired 3,203 3,203 Capitalized interest on wireless licenses 240 240 Other (109) (2) (111) Balance, net, as of December 31, 2006 51,115 22 51,137 Wireless l icenses acquired 170 170 Capitalized interest on wireless licenses 203 203 Other (3) (3) Balance, net, as of December 31, 2007 $ 51,485 $ 22 $ 51,507 ___(a) Wireless licenses of approximately $3.0 billion and $6.9 billion were not in service at December 31, 2007 and 2006, respectively. (b) Included in Deferred charges and other assets, net. Other intangibles, net consist of the following: December 31, (Dollars in Millions) 2007 2006 Cu stomer lists (4-7 yrs.) (a) $ 96 $ 108 Other (8-18 yrs.) 23 21 119 129 Less: accumulated amortization (b) 87 85 Other intangibles, net $ 32 $ 44 ___(a) The Partnership retired approximately $16 of fully amortized customer lists during the year ended December 31, 2007. (b) Based solely on amortizable intangible assets existing at December 31, 2007, the estimated amortization expense for the five succeeding fiscal years and thereafter is as follows: For the year ended 12/3 1/2008 $ 11 For the year ended 12/31/2009 $ 6 For the year ended 12/31/2010 $ 6 For the year ended 12/31/2011 $ 5 For the year ended 12/31/2012 $ 2 Thereafter $ 2 3. Business Combinations and Other Transactions Acquisitions in the year ended December 31, 2007 consisted of various individually immaterial partnership interests and wireless licenses. On November 29, 2006, the Partnership was granted 13 FCC licenses won in the FCC s Advanced Wireless Services spectrum auction (Auction 66) that concluded on September 18, 2006. The Partnership was the high bidder on these licenses with bids totaling $2.8 billion. The 13 licenses cover the eastern half of the United States and a population of approximately 200 million. The Partnership has made all required payments to the FCC for these licenses. Vista PCS LLC (Vista), a joint venture between the Partnership and Valley Communications, LLC (Valley), was high bidder on 37 of 242 Personal Communications S ervice (PCS) licenses auctioned by the FCC in February 2005. These licenses were available only to entities qualifying as an entrepreneur under FCC rules. Vista qualified as an entrepreneur under FCC rules. Vista is also a Variable Interest Entity as defined by FIN 46(R). Vista s results are consolidated by the Partnership because the Partnership deems itself to be the primary beneficiary of Vista, in accordance with FIN 46(R). Valley has voting control of Vista in that it has two of the three votes on Vista s Management Committee while the Partnership has the remaining vote. Vista s winning bids in the FCC auction totaled $332 million. The 37 licenses cover a population of approximately 34.4 million, including approximately 2.2 million in markets where the Partnership did not hold licenses. The licenses cover major markets such as Charlotte, Cincinnati, Houston, Norfolk, Pittsburgh and Seattle. The FCC granted Vista these licenses in Marc h 2006. On August 3, 2005, the Partnership completed the purchase of 23 PCS licenses and related network assets from Cricket Communications, Inc., a subsidiary of Leap Wireless International, Inc., and certain of its affiliates, for approximately $103 million in cash, which included purchase price adjustments and deferred consideration of approximately $3 million. The licenses cover the Michigan BTAs of Battle Creek, Flint, Kalamazoo and Jackson, and 16 other markets in Michigan, Wiscons in, 10
B-11

Alabama, Arkansas, Mississippi and New York. These licenses provide for additional expansion into markets in Michigan, Arkansas, Alabama, Mississippi and Wisconsin, and necessary capacity for existing markets in Michigan, Arkansas, Alabama, Mississippi and upstate New York. On May 13, 2005, the Partnership was granted 26 FCC licenses won in the FCC auction that concluded on February 15, 2005 of 242 PCS licenses (Auction 58). The Partnershi p was the high bidder on these licenses with bids totaling $365 million. The 26 licenses cover a population of approximately 20 million, including approximately 2.2 million in markets where the Partnership did not previously hold licenses. The licenses cover major markets, such as Charlotte, Cleveland, St. Louis and San Diego. The Partnership has made all required payments to the FCC for these licenses. On May 11, 2005, the Partnership acquired a PCS license in the San Francisco basic tr ading area (BTA) from Metro PCS, Inc. for $230 million. The license covers a population of approximately 7.3 million and provides spectrum capacity in the San Francisco, Oakland and San Jose markets. On April 13, 2005, the Partnership completed the purchase of all of the stock of NextWave Telecom Inc., whereby it acquired 23 PCS licenses and certain tax net operating losses for approximately $3 billion in cash. The licenses cover a population of approximately 73 million and provide spectrum capacity in key markets such as New York, Los Angeles, Boston, Washington D.C. and Detroit, and expand the Partnership s licensed footprint into Tulsa, Oklahoma. On March 4, 2005, the Partnership completed the purchase from Qwest Wireless, LLC of all of its PCS licenses and related network assets for $419 million in cash, including post-closing adjustments. The licenses cover a population of approximately 30.9 million in 62 markets, and provide needed spectrum capaci ty in certain of the Partnership s existing major markets, such as Denver, Portland, Phoenix, Salt Lake City and Seattle. Other acquisitions in the years ended December 31, 2006 and 2005 consisted of various individually immaterial partnership interests and wireless licenses. All of the acquisitions of businesses included above were accounted for under the purchase method of accounting with results of operations included in the consolidated statements of operations from the date of acquisition. Ha d the acquisitions of businesses been consummated on January 1 of the year preceding the year of acquisition, the results of these acquired operations would not have had a significant impact on the Partnership s consolidated results of operations for any of the periods presented. The following table presents information about the Partnership s acquisitions for the years ended December 31, 2007, 2006 and 2005: Other Net Assets and Purchase Wireless Tangible Liabilities, (Dollars in Millions) A cquisition Date Price (a) Licenses Assets net 2007 Various Various $ 180 $ 170 $ 2 $ 8 2006 Auction 66 November 2006 $ 2,809 $ 2,809 $ $ Vista PCS March 2006 $ 332 $ 353 $ $ (21) Various Various $ 57 $ 41 $ 7 $ 9 2005 Leap (b) August 2005 $ 103 $ 95 $ 8 $ Auction 58 May 2005 $ 365 $ 365 $ $ Metro PCS May 2005 $ 230 $ 230 $ $ NextWave Telecom Inc (c) April 2005 $ 3,003 $ 4,408 $ $ (1,405) Qwest Ma rch 2005 $ 419 $ 393 $ 39 $ (13) Various Various $ 200 $ 190 $ 2 $ 8 ___(a) Purchase price includes cash, assumption of debt, other liabilities, as well as the fair value of assets exchanged, as applicable. (b) Includes approximately $3 million of purchase price adjustments and deferred consideration. (c) Included in the transaction is the recording of a deferred tax liability, net. Adjustments of ($2) million & $148 million to deferred taxes were recorde d in 2007 and 2006, respectively. 11 B-12

4. Variable Interest Entity In November 2004, the Partnership and Valley Communications, LLC (Valley) entered into an LLC Agreement (the Agreement) to form Vista PCS, LLC (Vista) in order to bid on PCS licenses. For the year ended December 31, 2004, Vista had no business activity other than its initial capitalization upon formation. On February 15, 2005, the FCC concluded an auction of 242 PCS licenses. Vista w as the high bidder on 37 of these licenses. The Partnership has provided capital contributions and debt financing to Vista. Under the Agreement, the Partnership has an 80% non-controlling interest in Vista, while Valley has the remaining 20% interest. Also, under the Agreement, Valley has voting control of Vista in that it has two of the three votes on Vista s Management Committee. The Partnership has the remaining vote. Additionally, pursuant to a Management Agreement, the Partnership provides Vista a ssistance in building the wireless networks in the areas in which Vista owns the licenses purchased in the FCC auction. The Partnership considers Vista to be a variable interest entity (VIE) because its voting rights are not proportional to its ownership interest and the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support. The Partnership deems itself to be the primary beneficiary of Vista. 5. Verizon Wireless of the East On August 15, 2002, the Partnership acquired substantially all of the operating assets of Price Communications Wireless, Inc. (Price), a subsidiary of Price Communications Corp., pursuant to an agreement dated as of December 18, 2001, as amended. On December 17, 2001 a new limited partnership, Verizon Wireless of the East LP, was formed for the purpose of acquiring the assets to be contributed by Price and subsidiaries of the Partnership. The Partnership contr ibuted certain of its assets to the new limited partnership in exchange for a managing general partner interest and a limited partner interest. In exchange for its contributed assets, Price received a preferred limited partnership interest in Verizon Wireless of the East LP that was exchangeable under certain circumstances into equity of Verizon Wireless (if an initial public offering of such equity occurred) or mandatorily into common stock of Verizon on the fourth anniversary of the asset contribution (Au gust 15, 2006) if a qualifying initial public offering of Verizon Wireless equity had not occurred prior to such anniversary (the mandatory exchange). Pursuant to the limited partnership agreement, the profits of Verizon Wireless of the East LP were allocated on a preferred basis to Price s capital account quarterly. Price s initial capital account balance for its preferred interest was included in minority interests in consolidated entities in the consolidated balance sheets. On August 15, 2006, Price exchanged its preferred limited partnership interest in Verizon Wireless of the East LP for 29.5 million shares of Verizon s common stock. Verizon s interest in Verizon Wireless of the East LP of $1,179 million is included in minority interests in consolidated entities on the consolidated balance sheets. Verizon is not allocated any of the profits of Verizon Wireless of the East LP. Verizon Wireless of the East LP is controlled and consolidated by the Partners hip. 6. Supplementary Financial Information Supplementary Balance Sheet Information December 31, (Dollars in Millions) 2007 2006 Receivables, Net: Accounts receivable $ 3,533 $ 3,124 Other receivables 416 312 3,949 3,436 Less: allowance for doubtful accounts 217 201 Receivables, net $ 3,732 $ 3,235 12 B-13

Balance at Additions Write-offs, Balance at beginning of charged to net of end of the (in millions) the year operations recoveries year Accounts Receivable Allowances: 2007 $ 201 $ 395 $ (379) $ 217 2006 $ 193 $ 273 $ (265) $ 201 2005 $ 223 $ 250 $ (280) $ 193 Inventory Allowances: 2007 $ 55 $ 25 $ 4 $ 84 2006 $ 47 $ (1) $ 9 $ 55 2005 $ 59 $ (13) $ 1 $ 47 December 31, (Dollars in Millions) 2007 2006 Property, Plant and Equipment, Net: Land and improvements $ 146 $ 158 Buildings (8-40 yrs.) 7,064 6,229 Wireless plant equipment (3-15 yrs.) 37,706 34,738 Furniture, fixtures and equipment (5 yrs.) 3,502 3,293 Leasehold improvements (5 yrs.) 2,469 1,993 50,887 46,411 Less: accumulated depreciation 24,916 21,752 Property, plant and equipment, net (a)(b) $ 25,971 $ 24,659
___(a) Construction-in-progress included in certain of the classifications shown in property, plant and equipment, principally wireless plant equipment, amounted to $1,864 and $1, 998 at December 31, 2007 and 2006, respectively. (b) Interest costs of $93 and $78 and network engineering costs of $264 and $240 were capitalized during the years ended December 31, 2007 and 2006, respectively. December 31, (Dollars in Millions) 2007 2006 Accounts Payable and Accrued Liabilities: Accounts payable $ 2,843 $ 2,863 Accrued liabilities 2,995 1,973 Accounts payable and accrued liabilities $ 5,838 $ 4,836 Supplementary Statements of Operations Information For the Years Ended December 31, (Dollars in Millions) 2007 2006 2005 Depreciation and Amortization: Depreciation of property, plant and equipment $ 5,028 $ 4,668 $ 4,207 Amortization of other intangibles 18 137 464 Amortization of deferred charges and other assets 108 108 89 Total depreciation and amortization $ 5,154 $ 4,913 $ 4,760 Interest Expense, Net: Interest expense $ (547) $ (770) $ (849) Interest income 2 1 4 Capitalized interest 296 318 248 Interest expense, net $ (249) $ (451) $ (597) 13 B-14

Supplementary Cash Flows Information For the Years Ended December 31, (Dollars in Millions) 2007 2006 2005 Net cash paid for income taxes $ 564 $ 439 $ 250 Interest paid, net of amounts capitalized $ 264 $ 445 $ 581 Supplemental investing and financing non-cash transactions: Reclassification of deposits to wireless licenses $ 1 $ 332 $ 31 Debt and net liabilities assumed, less cash $ $ $ 7 Reclassification of portion of Vodafone s partne rs capital (see Note 15) $ 10,000 $ 10,000 $ 7. Debt Fixed and Floating Rate Notes In December 2001, the Partnership and Verizon Wireless Capital LLC, a wholly-owned subsidiary of the Partnership, co-issued a private placement of $1.5 billion floating rate notes, originally maturing in December 2003, and $2.5 billion fixed rate notes, maturing in December 2006. The net cash proceeds were used to reduce outstanding amounts under a bank credit facility. Verizon Wireless C apital LLC, a Delaware limited liability company, was formed for the sole purpose of facilitating the offering of the notes and additional debt securities of the Partnership. Other than acting as co-issuer of the Partnership indebtedness, Verizon Wireless Capital LLC had no material assets, operations or revenues. The Partnership was jointly and severally liable with Verizon Wireless Capital LLC for the notes. On July 10, 2002, the Partnership filed a registration statement on Form S-4 to exchange the privately placed notes for a new issue of notes with identical terms registered under the Securities Act of 1933. The registration statement was declared effective and the exchange offer commenced on October 11, 2002. The exchange offer expired and closed on November 12, 2002. On November 17, 2003, the Partnership and Verizon Wireless Capital LLC co-issued another private placement of $1.5 billion floating rate notes. The net proceeds from the sale of the notes were used to repay the $1. 5 billion floating rate notes that matured in December 2003 and a $24 million bank credit facility. On May 23, 2005, the Partnership repaid these floating rate notes with proceeds obtained through intercompany borrowings. The $2.5 billion, net of an original $12 million discount, fixed rate notes bore interest at a rate of 5.375% due semi-annually on each June 15 and December 15. On December 15, 2006, the Partnership repaid these fixed rate notes with proceeds ob tained through intercompany borrowings. 8. Due from/to Affiliates December 31, (Dollars in Millions) 2007 2006 Receivable from affiliates, net $ 178 $ 73 Payables to affiliates: Short term note payable to affiliate 3,391 Long term notes payable to affiliate 2,578 12,933 Total due to affiliates $ 5,791 $ 12,860 Receivable from Affiliates, Net The Partnership has agreements with certain Affiliates for the provision of services in the normal course of business, including but not limited to direct a nd office telecommunications and general and administrative services. Term Notes Payable to Affiliates In conjunction with its acquisition of the operating assets of Price in August 2002, Verizon Wireless of the East LP obtained a $350 million term note from Verizon Investments Inc., a wholly-owned subsidiary of Verizon. These funds were used to partially fund the redemption of debt assumed from Price. In September 2006, Verizon Wireless of the East LP repaid in full and cancelled this note u sing the proceeds of a $350 million floating rate note payable by Verizon Wireless of the East LP to the 14 B-15

Partnership, with a maturity date of February 18, 2011. This note bears interest at a rate per annum computed monthly based upon the weighted cost of the Partnership s outstanding borrowings during the month. The Partnership financed this new note using intercompany borrowings from an affiliate of Verizon. On February 18, 2005, the Partnership signed a floating rate promissory note with Verizon Global Funding Corp. (VGF), a wholly-own ed subsidiary of Verizon, that permits the Partnership to borrow, repay and re-borrow from time-to-time up to a maximum principal amount of $6.5 billion with a maturity date of February 22, 2008. Amounts borrowed under the note bear interest at a rate per annum equal to one-month LIBOR plus 20 basis points for each interest period, with the interest rate being adjusted on the first business day of each month. Borrowings under this note as of December 31, 2007 were approximately $891 mill ion. This borrowing is classified as due to affiliate (current liabilities) on the accompanying consolidated balance sheet as of December 31, 2007. On December 15, 2006, the Partnership signed a fixed rate promissory note in the amount of $2.5 billion payable to Verizon Financial Services LLC, due on December 15, 2008. Amounts borrowed under this note bear interest at a rate of approximately 5.3% per annum. Proceeds from the note were used to repay $2.5 billion fixed rate notes that matured in December 2006. Borrowings under this note at December 31, 2007 were $2.5 billion. This borrowing is classified as due to affiliate (current liabilities) on the accompanying consolidated balance sheet as of December 31, 2007. On September 1, 2005, the Partnership signed a floating rate promissory note in the amount of approximately $2.4 billion payable to VGF, and due on August 1, 2009. Amounts borrowed under this note bear interest at a rate per annum equal to one-month LIBOR plus 20 basis points for each interest period, with the interest rate being adjusted on the first business day of each month. This note was effective as of July 1, 2005, and replaced a prior $2.4 billion term note due in 2009 to VGF, which was cancelled as a result. Borrowings under this note at December 31, 2007 were approximately $2.4 billion. This borrowing is classified as due to affiliate (non-current liabilities) on the accompanying consolidated balance sheet as of December 31, 2007. Also on September 1, 2005, the Partnership signed a fixed rate promissory note that permits the Partnership to borrow, repay and re-borrow from time-to-time up to a maximum principal amount of $9.0 billion from VGF, with a maturity date of August 1, 2009. Amounts borrowed under this note bear interest at a rate of 5.8% per annum. This note was effective as of July 1, 2005, and replaced a prior demand note due to VGF, which was cancelled as a result. Borrowings und er this note at December 31, 2007 were approximately $147 million. This borrowing is classified as due to affiliate (non-current liabilities) on the accompanying consolidated balance sheet as of December 31, 2007. Effective February 1, 2006, VGF was merged with and into Verizon, making Verizon the lender on all of our notes previously payable to VGF. On March 1, 2006, Verizon assigned these notes to a wholly-owned subsidiary, Verizon Financial Services LLC (VFSL). 9. Fin ancial Instruments Fair Value The carrying amounts and fair values of the Partnership s financial instruments as of December 31 consist of the following: December 31, 2007 2006 Carrying Fair Carrying Fair (Dollars in Millions) Value Value Value Value Term notes due to affiliates $ 5,969 $ 5,990 $ 12,933 $ 13,116 Partner s capital subject to redemption $ $ $ 10,000 $ 10,000 The Partnership s trade receivables and payables are short term in nature. Accordingly, these in struments carrying value approximates fair value. A discounted future cash flows method is used to determine the fair value of the term notes due to affiliates. 15 B-16

10. Employee Benefit Plans Employee Savings and Profit Sharing Retirement Plans The Partnership maintains the Verizon Wireless Savings and Retirement Plan (the VZW Plan) for the benefit of its employees. Employees of the Partnership are eligible to participate as soon as practicable following their commencement of employment. Under the employee savings component of the VZW Plan, employees may contribute, subject to IRS limitations, up to a total of 25% of eligible compensation, on a before-tax or after-tax basis, or as a combination of before-tax and after-tax contributions, under Section 401(k) of the Internal Revenue Code of 1986, as amended. In 2007, employees were able to contribute up to a total of 25% of eligible compensation. Up to the first 6% of an employee s eligible compensation contributed to the VZW Plan is matched 100% by the Partnership. The Partnership recognized approximately $174 million, $146 million and $118 mil lion of expense related to matching contributions for the years ended December 31, 2007, 2006, and 2005, respectively. Under the profit sharing component of the VZW Plan the Partnership may elect, at the sole discretion of the Human Resources Committee of the Board of Representatives (the HRC), to contribute an additional amount to the accounts of employees who have completed at least 12 months of service by December 1 of the year the profit sharing is offered in the form of a profit s haring contribution. The HRC declared profit sharing contributions of 3% of employees eligible compensation for 2007, 2006 and 2005, respectively. The Partnership recognized approximately $92 million, $81 million and $70 million of expense related to profit sharing contributions for 2007, 2006, and 2005, respectively. 11. Long-Term Incentive Plan Effective January 1, 2006, the Partnership adopted SFAS No. 123(R), which eliminates the alternative to use the intrinsic value meth od of accounting that was provided in SFAS No. 123. The Partnership recorded a $124 million cumulative effect of adoption as of January 1, 2006 to recognize the effect of initially measuring the outstanding liability for Value Appreciation Rights (VARs) granted under the 2000 Verizon Wireless Long Term Incentive Plan at fair value utilizing a Black-Scholes model. Verizon Wireless Long Term Incentive Plan The 2000 Verizon Wireless Long-Term Incentive 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, VARs and Restricted Partnership Units (RPUs) are granted to eligible employees. The aggregate number of VARs and RPUs that may be issued under the Plan is approximately 343 million. VARs reflect the change in the value of the Partnership, as defined in the plan, similar to stock options. 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 are granted at a price equal to the estimated fair value of the Partnership, as defined in the plan, at the date of the grant. On July 24, 2003, the Verizon Wireless Board of Representatives approved a long-term incentive grant of RPUs to all eligible employees. RPUs were very similar to restricted stock in that at the time of vesting, each RPU was worth the entire value of the unit. The RPUs vested in full on December 31, 2005, and were paid on January 31, 2006. 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 appro ach uses future net cash flows discounted at market rates of return to arrive at an indication of fair value, as defined in the plan. For the years ended December 31, 2007 and 2006

With the adoption of SFAS No. 123(R), the Partnership began estimating the fair value of VARs granted using a Black-Scholes option valuation model. The following table summarizes the assumptions used in the model during the years ended December 31, 2007 and 2006: The risk-free rate is based on the U.S. Treasury yield curve in effect at the measurement date. The expected term of the VARs was estimated using a combination of the simplified method as pre scribed in SAB No. 107, Share-Based Payment, historical experience, and management judgment. 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, and calculated on a monthly basis. The Partnership does not pay dividends. For the years ended December 31, 2007, 2006, and 2005, the intrinsic value of VARs exercised during the period was $488 mil lion, $80 million, and $375 million, respectively. Cash paid to settle VARs for the years ended December 31, 2007, 2006, and 2005 was $452 million, $74 million, and $351 million, respectively. Awards outstanding at December 31, 2007, 2006 and 2005 under the Wireless Plan are summarized as follows: Weighted Average Exercise Price Vested RPUs (a) VARs (a) of VARs (a) VARs(a) Outstanding, January 1, 2005 15,122,393 160,661,318 $ 15.63 66,939,006 Granted (7 2) 9,845 14.85 Exercised (47,964,458) 12.27 Cancelled (669,557) (3,783,534) 15.17 Outstanding, December 31, 2005 14,452,764 (b) 108,923,171 17.12 63,596,655 Granted 173,197 - Exercised (14,607,439) (7,448,447) 13.00 Cancelled/Forfeited (18,522) (7,007,944) 23.25 Outstanding, December 31, 2006 94,466,780 16.99 52,041,606 Granted 134,375 13.89 Exercised (30,848,164) 15.07 Cancelled/Forfeited (3,341,283) 24.12 Outstanding, December 31, 2007 60,411,708 $ 17.58 60,411,708 ___(a) The weighted average exercise price is presented in actual dollars; VARs and RPUs are presented in actual units. (b) RPUs, totaling approximately $303 million vested in full on December 31, 2005 and were paid and cancelled on January 31, 2006. The following table summarizes the status of the Partnership s VARs as of December 31, 2007: ___(a) As of December 31, 2007 the aggregate intrinsic value of V ARs outstanding and VARs vested was $963 million. (b) For the years ended December 31, 2007, 2006 and 2005, the fair value of VARs vested during the period was $716 million, zero, and $588 million, respectively. 17 B-18

Verizon Communications Long Term Incentive Plan The Verizon Communications Long Term Incentive Plan (the Verizon Plan), permits the grant of nonqualified stock options, incentive stock options, restricted stock, restricted stock units, performance shares, performance share units and other awards. The maximum number of shares for awards is 207 million. Restricted Stock Units The Verizon Plan provides for grants of restricted stock units (R SUs) that vest at the end of the third year after the grant. The RSUs are classified as liability awards because the RSUs are 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 s stock. The Partnership had approximately 3.6 million RSUs outstanding under the Verizon Plan as of December 31, 2007. Performance Share Units The Verizon Plan also provides for gr ants of performance share units (PSUs) that vest at the end of the third year after the grant. 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 performance of Verizon s stock as well as a performance measure. The Partnership had approximately 5.4 million PSUs outstanding under the Verizon Plan as of Decemb er 31, 2007. Stock-Based Compensation Expense As of December 31, 2007, unrecognized compensation expense related to the unvested portion of the Partnership s RSUs and PSUs was approximately $99 million and is expected to be recognized over the next two years. For the years ended December 31, 2007, 2006 and 2005, the Partnership recognized compensation expense for stock based compensation related to RSUs and PSUs of $144 million, $72 million and $27 million, respective ly. 12. Income Taxes Provision for Income Taxes The provision for income taxes consists of the following: For the Years Ended December 31, (Dollars in Millions) 2007 2006 2005 Current tax provision: Federal $ 437 $ 355 $ 275 State and local 179 122 85 616 477 360 Deferred tax provision: Federal 93 94 82 State and local 5 28 (8) 98 122 74 Provision for income taxes $ 714 $ 599 $ 434 18 B-19

A reconciliation of the income tax provision computed at the statutory tax rate to the Partnership s effective tax rate is as follows: For the Years Ended December 31, (Dollars in Millions) 2007 2006 2005 Income tax provision at the statutory rate $ 3,962 $ 3,123 $ 2,305 State income taxes, net of U.S. federal benefit 130 107 46 Interest and penalties 4 - Partnership income not subject to federal or state income taxes (3,382) (2,631) (1,917) Pr ovision for income tax $ 714 $ 599 $ 434 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, (Dollars in Millions) 2007 2006 Deferred tax assets: Bad debt $ 10 $ 7 Accrued expenses 14 8 Net operating loss carryforward 163 272 Other state tax deduction 108 Total deferred tax assets $ 295 $ 287 Deferred tax liabilities: Pr operty, plant and equipment $ (428) $ (468) Intangible assets (5,562) (5,429) Total deferred tax liabilities $ (5,990) $ (5,897) Net deferred tax asset-current (a) $ 138 $ 129 Net deferred tax liability-non-current $ (5,833) $ (5,739) ___(a) Included in prepaid expenses and other current assets in the accompanying consolidated balance sheets. Net operating loss carryforwards of $586 million expire at various dates principally from December 31, 2017 through December 31, 2 025. Uncertainty in Income Taxes Effective January 1, 2007, the Partnership adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48), which requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and disclosures regarding uncertainties in income tax positions. As a result of the implementation of FIN 48, the Partnership recorded a $19 million reduct ion to partners capital with an offsetting increase in the liability for unrecognized tax benefits as of January 1, 2007. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows: (Dollars in Millions) Balance as of January 1, 2007 $ 70 Additions based on tax positions related to the current year 12 Additions for tax positions of prior years 1 Reductions due to lapse of applicable statute of limitations (16) Balance as of December 31, 2007 $ 67 Included in the total unrecognized tax benefits at December 31, 2007, is $30 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 recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. We had approximately $17 million for the payment of interest and penalties accrued a s of December 31, 2007, relating to the $67 million of unrecognized tax benefits reflected above. 19 B-20

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 or state income examinations by tax authorities for years before 2000. The Internal Revenue Service (IRS) is currently examining the Partnership s U.S. income tax returns for years 2000 through 2003. One local municipality is currently examining the tax r eturns for years 1998 through 2002. It is reasonably possible that the unrecognized tax benefits may be adjusted within the next twelve months as a result of the settlement of that local municipality s exam. An estimate of the amount of the change attributable to such settlement cannot be made at this time. Management believes any settlement will not have a material impact on results from operations. 13. Leases Operating Leases The Partnership has entered into operating leases for facilities and equipm ent 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. The noncancellable lease term used to calculate the amount of the straight-line rent expense is generally determined to be the initial lease term, and considers any optional renewal terms that are reasonably assured. Leasehold improvements related to these operating l eases are amortized over the shorter of their estimated useful lives or the noncancellable lease term. For the years ended December 31, 2007, 2006, and 2005, the Partnership recognized rent expense related to payments under these operating leases of $737 million, $706 million, and $603 million, respectively, in cost of service and $339 million, $313 million, and $287 million, respectively, in selling, general and administrative expense in the accompanying consolidated stat ements of operations and comprehensive income. The aggregate future minimum rental commitments under noncancellable operating leases, excluding renewal options that are not reasonably assured for the periods are as follows: Operating (Dollars in Millions) Leases Years 2008 $ 918 2009 789 2010 630 2011 458 2012 291 2013 and thereafter 931 Total minimum payments $ 4,017 14. Other Transactions with Affiliates In addition to transactions with Affiliates in Notes 5 and 8, other significant transactions with Affi liates are summarized as follows: For the Years Ended December 31, (Dollars in Millions) 2007 2006 2005 Revenue related to transactions with affiliated companies $ 105 $ 113 $ 97 Cost of service (a) $ 1,148 $ 945 $ 742 Certain general and administrative expenses (b) $ 154 $ 105 $ 73 Interest expense, net (c) $ 532 $ 629 $ 677 ___(a) Affiliate cost of service primarily represents cost of long distance, direct telecommunication and roaming charges from transactions with affiliates. (b) Affiliate general and administrative expenses includes direct billings from affiliates, as well as services billed from the Verizon Service Organization (VSO) for functions performed under service level agreements. (c) Interest costs of $296, $318 and $248 were capitalized in wireless licenses, net and property, plant and equipment, net in the years ended December 31, 2007, 2006 and 2005, respectively. Under the terms of the partnership agreement between Verizon and Vodafone, the P artnership is required to make annual distributions to its partners to pay taxes. Additionally, through April 2005, the Partnership was required, subject to compliance with specified financial tests, to pay distributions to the partners based upon a calculation specified in the partnership agreement. 20 B-21

The Partnership made distributions to its partners for the following periods: (Dollars in Millions) Period Paid Distribution Measurement Period Distribution Amount (a) November 2007 July through September 30, 2007 $ 438 (b) August 2007 April through June 30, 2007 $ 499 (b) May 2007 January through March 31, 2007 $ 511 (b) February 2007 October through December 31, 2006 $ 470 (b) November 2006 July through September 30, 2006 $ 467 (c) August 2006 April through June 30, 2006 $ 193 May 2006 January through March 31, 2006 $ 308 (c) February 2006 October through December 31, 2005 $ 292 November 2005 July through September, 30, 2005 $ 153 August 2005 April through June 30, 2005 $ 190 May 2005 January through March 31, 2005 $ 129 February 2005 July through December 31, 2004 $ 1,997 ___(a) The Partnership m ade a distribution of $571 million in February 2008 for the distribution measurement period October through December 31, 2007. This amount includes state tax payments of approximately $22 million, paid on behalf of our partners and subsequently reimbursed. (b) Includes state tax payments of approximately $17 million, $51 million, $10 million, and $6 million paid in the 1st, 2nd, 3rd, and 4th quarters of 2007, respectively. These amounts were paid on behalf of our partners and subsequently reimbursed. (c) Includes state tax payments of approximately $2 million and $4 million paid in the 2nd and 4th quarters of 2006, respectively. These amounts were paid on behalf of our partners and subsequently reimbursed. On October 14, 2003, the Partnership received, on behalf of our partners, a final purchase payment in respect of the disposition of the Chicago market that had previously been beneficially owned jointly by Verizon and Vodafone. The receipt of this payment triggered an obligation of Verizon and Vodafone pursuant to Section 7.6 of the Alliance Agreement to calculate certain payments received and expenses paid by Verizon, Vodafone and each of their respective affiliates in connection with overlap market dispositions, together with certain adjustments. Also pursuant to this provision, upon completion of this calculation, either Verizon or Vodafone was required to make a payment to the Partnership under certain circumstances. On September 1 , 2005, Verizon and Vodafone finalized this calculation. As a result, the Partnership received a capital contribution, net, from Verizon through the payment of approximately $512 million, which was used to reduce the debt owed to Verizon. This payment did not alter the percentage interests of either of the partners in the Partnership. The Partnership had agreements with an entity owned by Verizon and Vodafone that operated overlapping properties in Chicago, Houston and Richmond that the Partnership was required to dispose of pursuant to FCC regulations and which has since been sold. Pursuant to the agreements, the Partnership provided transition services and products and employee services and licensed trademarks and copyrighted materials. On September 2, 2005, the Partnership received a total payment of $172 million from Verizon and Vodafone representing payment in full of the outstanding accounts receivables relating to these transition services. 15. Commitments and Contingencies Under the ter ms of an agreement entered into among the Partnership, Verizon, and Vodafone on April 3, 2000, Vodafone obtained the right to require the Partnership to purchase up to an aggregate of $20 billion of Vodafone s interest in the Partnership, at its then fair market value. Up to $10 billion was redeemable during the 61-day periods that opened on June 10 and closed on August 9 in 2004 and 2005. Vodafone did not exercise its redemption rights during those periods. As a result, $20 billion, not to exceed $10 billion in any one year, remained redeemable during the 61-day periods opening on June 10 and closing on August 9 in 2006 and 2007. Vodafone did not exercise its redemption rights during those periods. Accordingly, $10 billion of partners capital classified as redeemable in the December 31, 2006

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, 2007 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. In late July 2007, the Partnership announced that it has entered into an agreement to acquire Rural Cellular Corporation (Rural Cellular), for $45 per share in cash ($757 million). As a result of the acquisition, the Partnership will assume Rural Cellular s outstanding debt. The total transaction value is approximately $2.67 billion. Rural Cellular has more than 700,000 customers in markets adjacent to the Partnership s existing service areas. Rural Cellular s networks are located in the states of Maine, Vermont, New Hampshire, New York, Massachusetts, Alabama, Mississippi, Minnesota, North Dakota, South Dakota, Wisconsin, Kansas, Idaho, Washington, and Oregon. Rural Cellular s shareholders approved the transaction on October 4, 2007. The acquisition, which is subject to regulatory approvals, is expected to close in the third quarter of 2008. On December 3, 2007, the Partnership signed a definitive exchange agreement with AT&T, in connection with the Partnership s purchase of Rural Cellular. Under the terms of the agreement, the Partnership will receive cellular operating markets in Madison and Mason, KY, and 10MHz PCS licenses in Las Vegas, NV; Buffalo, NY; Sunbury-Shamokin and Erie, PA; and Youngstown, OH. The Partnership will also receive minority interests held by AT&T in three entities in which the Partnership also holds an interest plus a cash payment. In exchange, the Partnership will give to AT&T six cellular operating markets in Burlington, Franklin and the northern portion of Addison, VT; Franklin, NY; and Okanogan and Ferry, WA; and a cellular license for the Kentucky 6 market. The operating markets the Partnership is exchanging are among those it is slated to acquire from Rural Cellular. The exchange with AT&T, which is subject to regulatory approvals, is expected to close in the second half of 2008. 16. Subsequent Events On January 24, 2008, the FCC began conducting an auction of spectrum in the 700 MHz band (Auction 73). This spectrum is currently used for UHF television operations but by law those operations must cease no later than February 17, 2009. The Partnership filed an application on December 3, 2007, to qualify as a bidder in this auction, and on January 14, 2008, the FCC announced that the Partnership and 213 other applicants had qualified as eligible to bid in the auction. On January 4, 2008, the Partnership paid to the FCC an $885 million deposit in order to obtain 590 million bidding eligibility units for participation in this auction. On March 20, 2008, the FCC announced the results of its Auction 73 for wireless spectrum licenses. The Partnership was the successful bidder for twenty-five 12 MHz licenses in the A-Block frequency, seventy-seven 12 MHz licenses in the B-Block frequency and seven 22 MHz licenses (nationwide with the exception of Alaska) in the C-Block frequency, with an aggregate bid price of $9.4 billion. On April 3, 2008, the Partnership paid to the FCC an additional $988 million down payment relating to the wireless spectrum licenses on which the Partnership was the high bidder. Subsequently, on April 17, 2008 the Partnership paid the balance of approximately $7.5 billion to the FCC. The Partnership expects the licenses to be granted by the FCC late in the second quarter of 2008. On February 22, 2008, the Partnership repaid the floating rate promissory note payable to VFSL on the maturity date with proceeds obtained through intercompany borrowings. On March 31, 2008, the Partnership signed a floating rate promissory note that permits the Partnership to borrow up to a maximum principal amount of approximately $9.4 billion from VFSL, with a maturity date of March 31, 2010. Amounts outstanding under this note bear interest at a rate of 3.10% until May 1, 2008, and thereafter, at a rate per annum equal

to one-month LIBOR plus 28 basis points for each interest period, with the interest rate being adjusted on the first business day of each month. Proceeds from the note can only be used to fund the acquisition of wireless spectrum licenses in the recently completed 700 MHz wireless spectrum auction conducted by the FCC. On April 1, 2008, the Partnership borrowed $885 million under this note. These proceeds were used to refinance the deposit amount previously paid to the FCC to

participate in Auction 73. On April 3, 2008, the Partnership borrowed an additional $988 million to finance the down payment due to the FCC on the same day. On April 17, 2008, the Partnership borrowed approximately $7.5 billion to finance the balance due to the FCC for the wireless spectrum licenses won in Auction 73.

On May 9, 2008, the Partnership completed the purchase of spectrum licenses and operating assets of SureWest Wireless from SureWest Communications for $69 million. The licenses cover a population of approximately 3.8 million in the greater Sacramento area, and will expand the Partnership s spectrum capacity in that area.
On June 5, 2008, the Partnership signed a definitive agreement to acquire Alltel Corporation (Alltel) in a cash merger. Under the terms of the agreement, the Partnership will acquire the equity of Alltel for approximately $5.9 billion. In connection with entering into the merger agreement, the Partnership will also acquire approximately $5.0 billion in Alltel debt from various Alltel lenders. Based on Alltel s projected net debt at closing of $22.2 billion, the aggregate value of the transaction is estimated to be $28.1 billion. Alltel has approximately 13 million customers in 34 states. The merger is targeted to close by end of 2008, subject to obtaining regulatory approvals. The Partnership expects to fund its obligations at closing through additional borrowings. On June 5, 2008, the Partnership entered into a senior unsecured 364-day credit facility of approximately $7.6 billion.

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 d/b/a Verizon Wireless (the Partnership) as of December 31, 2007 and 2006, and the related consolidated statements of operations and comprehensive income, changes in partners capital, and cash flows for each of the three years in the period ended December 31, 2007. 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, 2007 and 2006, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America. As discussed in Notes 1 and 11 to the consolidated financial statements, the Partnership adopted the provisions of Statement of Financial Accounting Standards No. 123(R), Share-Based Payment, on January 1, 2006. As discussed in Note 12 to the consolidated financial statements, the Partnership adopted the provisions of Financial Accounting Standards Board Interpretation No. 48, Accounting for Uncertainty in Income Taxes, on January 1, 2007. Deloitte & Touche LLP New York, New York February 22, 2008 (June 6, 2008 as to Note 16 and the 6th and 7th paragraphs of Note 15)

Return of Capital and Share Consolidation Background The Company implemented a transaction to return capital to shareholders (the Return of Capital) during the year ended 31 March 2007 by way of an issue (the Bonus Issue) of redeemable, non-cumulative preference shares (the B Shares) to shareholders in proportion to their holding of ordinary shares or ADRs immediately prior to the Bonus Issue (the Pre-existing Shares and the Pre-existing ADRs respectively). Under the Return of Capital, holders o f the Pre-existing Shares could elect to have one of the following alternatives apply (with certain classes of persons located in the US along with holders of Pre-existing ADRs only permitted to participate in the second alternative below): (i) the shareholder could elect to redeem the B Shares at their nominal value on 4 August 2006 (the Initial Redemption); (ii) the shareholder could elect to receive a single dividend of an amount equal to the nominal value of the B Shares on a specified date in August 2006 (the Initial B Share Dividend) following which the shares automatically converted into unlisted deferred shares (the Deferred Shares); or (iii) the shareholder could elect to redeem the B Shares at their nominal value at a later date being 5 February or 5 August in the calendar year 2007 or 2008 (the Future Redemption) with the shareholder receiving a continuing, non-cumulative preferential dividend on the B Shares in the meantime. At the same time, the Pre-existing Shares and the Pre-existing ADRs were sub-divided and consolidated (the Share Capital Consolidation). The Share Capital Consolidation and the Bonus Issue are together referred to as the Capital Reorganisation . The shares and ADRs following sub-division and consolidation are referred to below as New Shares or New ADRs in order to distinguish them from the Pre-existing Shares and Pre-existing ADRs. UK Taxation The comments below are intended only as a general guide to the current tax position under the laws of the United Kingdom and practice of Her Majesty s Revenue and Customs primarily in respect of US holders who are (except where specifically addressed) solely resident in the United Kingdom for tax purposes and who hold their shares beneficially as investments and not on trading account. This is a complex area and shareholders should consult their tax advisers in order to be certain of their individual p osition. 1. Capital Reorganisation For the purposes of United Kingdom taxation of capital gains and corporation tax on chargeable gains (CGT): 1.1 the receipt of the B Shares and the New Shares arising from the Capital Reorganisation was a reorganisation of the share capital of the Company. Accordingly, a shareholder will not be treated as having made a disposal of all or part of their holding of Pre-existing Shares by reason of the Capital Reorganisation; 1.2 the B Shares and New Shares acquired as a result of the Capital Reorganisation are to be treated as the same asset as the shareholder s holding of Pre-existing Shares, and as having bee n acquired at the same time as the shareholder s holding of Pre-existing Shares were acquired; and 1.3 any proceeds of sale of fractional entitlements returned to shareholders are not to be treated as proceeds of disposal but the amount will be deducted from the base cost on acquisition of the Pre-existing Shares. 2. Initial B Share Dividend 2.1 Income Tax The Company did not (and was not required to) withhold tax at source when paying the Initial B Share Dividend. A United Kingdom resident individual shareholder liable to income tax at the starting or basic rate pays no tax on the Initial B Share Dividend unless it has taken that shareholder s income into a higher rate tax band. A United Kingdom resident individual shareholder liable to income tax at the higher rate, is liable to pay tax equal to 25% of the cash divi dend received to the extent that the gross dividend when treated as the top slice of that shareholder s income falls above the threshold for higher rate income tax. United Kingdom resident taxpayers not liable to United Kingdom tax on dividends, are not generally liable to pay tax on the Initial B Share Dividend. United Kingdom resident corporate shareholders are generally not subject to corporation tax on the Initial B Share Dividend. 2.2 Taxation of chargeable gains For CGT purposes, the Initial B Share Dividend (and the consequent conversion of the B Shares into Deferred Shares) should not be treated as having given rise to a disposal or part disposal of the B Shares.

Shareholders who have received the Initial B Share Dividend should note that, consequent to the Capital Reorganisation, a proportion of the base cost, for CGT purposes, of their original holdings of Pre-existing Shares is to be attributed to the B Shares and this amount is to continue to be attributed to those B Shares following their conversion into Deferred Shares (notwithstanding that the Deferred Shares have limited rights or value). Correspondingly, only a proportion of the base cost of the holding of Pre-existing Shares is available on any disposal of New Shares. A transfer of the Deferred Shares is to be treated as a disposal and might result in a shareholder realising a capital loss. However, shareholders liable to corporation tax should note that it is possible that Section 30 of the Taxation of Chargeable Gains Act 1992 could apply to such a shareholder who elected for the Initial B Share Dividend. If it were so applied, the effect is broadly to deny any loss attributable to the payment of that Initial B Share Dividend from being allowed on disposal of the Deferred Shares. 3. Redemption of B Shares 3.1 On redemption (whether an Initial Redemption or a Future Redemption) of all or any of the B Shares, a shareholder might, depending on their particular circumstances, be subject to CGT on the amount of any chargeable gain realised. Any gain is measured by reference to the excess of the redemption price over the shareholder s allowable expenditure for the B Shares redeemed. The shareholder s allowable expenditure in relation to his Pre-existing Shares is to be apportioned between the New Shares and the B Shares by reference to their respective market values on the first day on which market values or prices were quoted or published for the New Shares. 3.2 No part of the proceeds received by a shareholder on redemption is an income distribution in the shareholder s hands. 3.3 On any disposal, otherwise than by way of redemption, of the whole or part of a shareholder s holding of New Shares or B Shares, a shareholder may, depending on his circumstances, be subject to CGT on the amount of any chargeable gain realised. Please refer to paragraph 3.1 above for details of the manner in which the shareholder s allowable expenditure is allocated as between the New Shares and the B Shares. 4. Dividends on New Shares and B Shares other than the Initial B Share Dividend Dividends payable on the New Shares and the B Shares are subject to United Kingdom tax under the rules applicable to dividends. Under current United Kingdom taxation legislation, no tax is withheld at source from dividends paid on the New Shares or on the B Shares. The current rules and rates of tax correspond to those outlined in paragraph 2.1 above. 5. Stamp Duty and Stamp Duty Reserve Tax 5.1 Except in relation to depositary receipt arrangements or clearance services where special rules apply: · no stamp duty or stamp duty reserve tax (SDRT) is payable on the issue of the B Shares and New Shares; and · an agreement to sell B Shares or New Shares normally gives rise to liability on the purchaser to SDRT, at the rate of 0.5% of the actual consideration paid. If an instrument of transfer of the B Shares is subsequently produced it would generally be subject to stamp duty at the rate of 50 pence for every £100 (or part thereof) of the actual consideration paid. When such stamp duty is paid, the SDRT charge is cancelled and any SDRT already paid is refunded. Stamp duty and SDRT is generally the liability of the purchaser. 5.2 Where shareholders elect to redeem B Shares, the redemption of those B Shares by the Company does not give rise to a liability to stamp duty or SDRT. 5.3 In relation to the special rules applicable to depositary receipt arrangements, no stamp duty or SDRT should be payable in respect of the issue of the B Shares or Deferred Shares to the Depositary for the Holders of Pre-existing ADRs. Nor will any such charge arise in con nection with the issue of New ADRs. 6. Section 703 Income and Corporation Taxes Act 1988 (ICTA) and Section 684 Income Tax Act 2007 (ITA) The Company has been advised that the provisions of section 703 of ICTA (and, as rewritten for income tax purposes, section 684 of ITA) (anti-avoidance provisions relating to transactions in shares) should not apply in relation to shareholders who received B Shares in the Capital Reorganisation. The Company did not apply for clearance under section 707 of ICTA (or section 701 of ITA) in this regard. US Taxation The discussion below summarises certain US federal income tax consequences for US holders subject to alternative (ii) described above, the Initial B Share Dividend, and does not describe potential consequences to investors that receive one of the other alternatives described above. This section only addresses US Holders that hold their Pre-existing Shares as capital assets and does not address tax consequences applicable to Shareholders subject to special treatment under the US federal

income tax laws (for example, dealers or traders in securities or currencies, banks, insurance companies, tax-exempt organisations, partnerships or other pass-through entities, persons who own 10% or more of the voting stock of the Compay, persons holding Pre-existing Shares as part of a straddle, hedging, integrated or similar transaction, and persons whose functional currency is not the US dollar). This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in US federal income tax consequences different from those discussed below. If a partnership holds Pre-existing Shares, the tax treatment of a partner will generally depend upon the status of the partner and the

activities of the partnership. If you are a partner of a partnership which held Pre-existing Shares, you should consult your tax advisers. This summary assumes that the Deferred Shares have no value, and therefore receipt of the Deferred Shares have no consequences for US federal income tax purposes. Each Shareholder should consult its own tax advisers concerning the US federal income tax consequences in light of its particular situation as well as any consequences arising under the laws of any other taxing jurisdiction. The Initial B Share Dividend To the extent paid out of the current or accumulated earnings and profits of the Company (as determined under US tax principles), beneficial owners of Pre-existing Shares should be treated as receiving a dividend for US federal income tax purposes upon the receipt of the Initial B Share Dividend and should not be separately taxed upon the receipt of the B Shares, the conversion of Pre-existing Shares into New Shares (except to the extent of any cash received in respect of fractional shares) or the conversion of B Shares into Deferred Shares. Such beneficial owners should generally have the same holding period and basis in the New Shares received as they had in their Pre-existing Shares (except such basis may be reduced to the extent attributable to any fractional shares for which cash is received). However, there is no direct authority addressing the treatment of securities similar to the B Shares or the associated conversion of Pre-existing Shares into New Shares and US Holders should consult their own tax advisers with respect to the appropriate US federal income tax treatment of receiving the Initial B Share Dividend. The dividend is treated as ordinary income from foreign sources. With respect to US Shareholders that do not hold Pre-existing ADRs, the amount of the dividend treated as received generally equals the US dollar value of the sterling received by you calculated by reference to the exchange rate in effect on the date of the Initial B Share Dividend regardless of whether the sterling is converted into US dollars. If the sterling received is not converted into US Dollars on the date of receipt, such US Shareholder has a tax basis in the sterling equal to such US dollar value and any gain or loss realised on a subsequent conversion or other disposal of the sterling will be treated as US source ordinary income or loss. Amounts payable to holders of Pre-existing ADRs in respect of the Initial B Share Dividend are paid in US dollars by the Depositary (less US withholding taxes, if any). For individuals, such dividends are generally taxed at a reduced maximum tax rate of 15%, subject to certain limitations, including a holding period requirement. Such reduced rate is not available to Shareholders that elect to treat dividend income as investment income pursuant to section 163(d)(4) of the Code or that are obligated to make related payments with respect to positions in substantially similar or related property. Individuals should consult their own tax advisers regarding their eligibility to claim such reduced rate based on their particular circumstances. Such dividend is not eligible for the dividends received deduction generally allowed to corporations under the Code. To the extent that the amount of the Initial B Share Dividend exceeds a US Holder s allocable share of the Company s current and accumulated earnings and profits, the distribution is first treated as a tax-free return of capital, causing a reduction in the adjusted basis of the Pre-existing Shares (thereby increasing the amount of gain, or decreasing the amount of loss, recognised on a subsequent disposition of the New Shares), and the balance in excess of adjusted basis is taxed as US source capital gain recognised on a sale or exchange. However, the Company expects that the distribution will not exceed its current and accumulated earnings and profits.

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/ Stephen Scott Stephen Scott Company Secretary Date: 9 June 2008

Index to Exhibits to Form 20-F for year ended 31 March 2008

1.1 Memorandum, as adopted on June 13, 1984 and including all amendments made on July 28, 2000, July 26, 2005 (incorporated by reference to Exhibit 1 to the Company s Annual Report of Form 20-F for the financial year ended March 31, 2006).

1.2 Articles of Association, as adopted on June 30, 1999 and including all amendments made on July 25, 2001, July 26, 2005, July 25 2006 and July 24 2007 of the Company.

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). (File No. 333-10762)).

2.2 Agreement of Resignation, Appointment and Acceptance dated as of July 24, 2007, among the Company, Citibank N.A. and the Bank of New York.

4.1 Agreement for US $5,525,000,000 5 year Revolving Credit Facility (subsequently increased by accession of further lenders to US$5,925,000,000), dated 24 June 2004, among, inter alia, the Company, ABN Amro Bank N.V.; Banco Bilbao Vizcaya Argentaria S.A.; Bank of America, N.A.; Barclays Bank PLC; Bayerische Hypo-und Vereinsbank AG; BNP Paribas ; CALYON; Citibank, N.A.; Commerzbank Aktiengesellschaft, London Branch; Deutsche Bank AG; HSBC Bank plc; ING Bank, N.V.; JPMorgan Chase Bank; Lehman Brothers Bankhaus AG; Lloyds TSB Bank plc; Morgan Stanley Dean Witter Bank Limited and Morgan Stanley Bank; Mizuho Corporate Bank, Ltd.; National Australia Bank Limited ABN 12 004 044 937; Sumitomo Mitsui Banking Corporation Europe Limited; The Bank of Tokyo-Mitsubishi, Ltd.; The Royal Bank of Scotland Plc; UBS AG; WestLB AG; Banco Santander Central Hispano, S.A.; William Street Commitment Corporation; Banca Intesa SpA; KBC Bank NV; Standard Chartered Bank; TD Bank Europe Limited; and The Bank of New York with The Royal Bank of Scotland plc as Agent and US Swingline Agent, **as amended and restated on 24 June 2005 by Supplemental Agreement** among, inter alia, the Company, ABN AMRO Bank N.V.; Banc of America Securities Limited; Banco Bilbao Vizcaya Argentaria S.A.; Banco Santander Central Hispano, S.A. London Branch; Barclays Capital; Bayerische Hypo-und Vereinsbank AG; BNP Paribas; Calyon; Citigroup Global Markets Limited; Commerzbank Aktiengesellschaft, London Branch; Deutsche Bank AG London; HSBC Bank Plc; ING Bank N.V., London Branch; JPMorgan Chase Bank, N.A.; J.P. Morgan Plc; Lehman Commercial Paper Inc.; Llloyds TSB Bank Plc; Mizuho Corporate Bank, Ltd; Morgan Stanley Bank International Limited; National Australia Bank Limited ABN 12 004 044 937; Sumitomo Mitsui Banking Corporation Europe Limited; The Bank of Tokyo-Mitsubishi, Ltd.; The Royal Bank of Scotland Plc; UBS Limited; WestLB AG, London Branch; William Street Commitment Corporation; Banca Intesa SpA; KBC Bank NV; Standard Chartered Bank; TD Bank Europe Limited; The Bank of New York; ABN AMRO Bank N.V.; Banca Intesa SpA; Banco Bilbao Vizvcaya Argentaria S.A.; Banco Bilbao Vizvcaya Argentaria S.A. (New York Branch); Banco Santander Central Hispano, S.A. London Branch; Bank of America, N.A.; Barclays Bank Plc; Bayerische Hypo-und Vereinsbank AG; BNP Paribas (London Branch); BNP Paribas (acting through its New York Branch); Calyon; Citibank, N.A.; Commerzbank Aktiengesellschaft, London Branch; Commerzbank Aktiengesellschaft, New York Branch; Deutsche Bank AG London; Deutsche Bank AG New York; HSBC Bank Plc; ING Bank N.V., London Branch; JPMorgan Chase Bank, N.A.; KBC Bank NV; Lehman Commercial Paper Inc.; Lloyds TSB Bank Plc; Mizuho Corporate Bank, Ltd.; Morgan Stanley Bank; Morgan Stanley Bank International Limited; National Australia Bank Limited ABN 12 004 044 937; Standard Chartered Bank;

Sumitomo Mitsui Banking Corporation Europe Limited; TD Bank Europe Limited; The Bank of New York; The Bank of Tokyo-Mitsubishi, Ltd.; The Royal Bank of Scotland Plc; The Royal Bank of Scotland Plc (New York Branch); UBS AG, London Branch; UBS AG, Stamford Branch; UBS Loan Finance LLC; WestLB AG, London Branch; WestLB AG, New York Branch; William Street Commitment Corporation; and The Royal Bank of Scotland Plc with The Royal Bank of Scotland Plc (New York Branch) as Agent and U.S. Swingline Agent (incorporated by reference to Exhibit 4.1 to the Company s Annual Report on Form 20-F for the financial year ended March 31, 2006)

4.2 Lender Accession Agreement with Merrill Lynch International Bank Limited, effective as of May 8, 2007 (incorporated by reference to Exhibit 4.2 of the Company s Annual Report on Form 20-F for the financial year ended March 31, 2007).

4.3 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, inter alia, the Company, Banc of America Securities Limited; Banca Intesa SpA; Banco Bilboa Vizcaya Argentaria S.A.; Banco Santander Central Hispano, S.A. London Branch; Barclays Capital; Bayerische Hypo-und Vereinsbank AG; BNP Paribas; Calyon; Citigroup Global Markets Limited; Deutsche Bank AG London; HSBC Bank Plc; ING Bank N.V., London Branch; J.P. Morgan Plc; Lehman Commercial Paper Inc., UK Branch; Lloyds TSB Bank Plc; Mizuho Corporate Bank, Ltd; Morgan Stanley Bank International Limited; National Australia Bank Limited ABN 12 004 044 937; The Bank of Tokyo-Mitsubishi, Ltd; The Royal Bank of Scotland Plc; UBS Limited; Unicredit Banca d Impresa SpA; WestLB AG, London Branch; William Street Commitment Corporation; Commerzbank Aktiengesellschaft, Filiale Düsseldorf; KBC Bank NV; Standard Chartered Bank; TD Bank Europe Limited; The Bank of New York; Banca Intesa SpA; Banco Bilbao Vizcaya Argentaria S.A.; Banco Bilbao Vizcaya Argentaria S.A. (New York Branch); Banco Santander Central Hispano, S.A. London Branch; Bank of America, N.A., Barclays Bank Plc; Bayerische Hypo-und Vereinsbank AG; BNP Paribas (London Branch); BNP Paribas, New York Branch; Calyon; Citibank, N.A.; Commerzbank Aktiengesellschaft, Filiale Düsseldorf; Deustche Bank AG London; Deutsche Bank AG New York; HSBC Bank Plc; ING Bank N.V., London Branch; JPMorgan Chase Bank, N.A.; KBC Bank NV; Lehman Commercial Paper Inc., UK Branch; Lloyds TSB Bank Plc; Mizuho Corporate Bank, Ltd.; Morgan Stanley Senior Funding, Inc.; Morgan Stanley Bank International Limited; National Australia Bank Limited ABN 12 004 044 937; Standard Chartered Bank; TD Bank Europe Limited; The Bank of New York; The Bank of Tokyo-Mitsubishi, Ltd.; The Royal Bank of Scotland Plc; The Royal Bank of Scotland Plc (New York Branch); UBS AG, London Branch; UBS Loan Finance LLC; Unicredit Banca d Impresa SpA; WestLB AG, London Branch; WestLB AG, New York Branch; William Street Commitment Corporation; and The Royal Bank of Scotland plc with The Royal Bank of Scotland Plc (New York Branch) as Agent and US Swingline Agent. (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)

4.4 Lender Accession Agreement with Merrill Lynch International Bank Limited, effective as of May 8, 2007 (incorporated by reference to Exhibit 4.4 of the Company s Annual Report on Form 20-F for the financial year ended March 31, 2007).

4.5 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).

4.6 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).

4.7 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).

4.8 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).

4.9 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).

4.10 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).

4.11 Service Contract of Arun Sarin (incorporated by reference to Exhibit 4.20 to the Company s Annual Report on Form 20-F for the financial year ended March 31, 2003).

4.12 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).

4.23 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).

4.25 Letter of appointment of Simon Murray.

7. Computation of ratio of earnings to fixed charges for the years ended March 31, 2008, 2007, 2006 and 2005.

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

15.1 Consent letter of Deloitte & Touche LLP, London.

15.2 Consent letter of Deloitte & Touche LLP, New York.