

## Notes to the consolidated financial statements continued

### 30. Related party transactions continued

#### Transactions with directors other than compensation

During the three years ended 31 March 2011, and as of 16 May 2011, neither any director nor any other executive officer, nor any associate of any director or any other executive officer, was indebted to the Company.

During the three years ended 31 March 2011, and as of 16 May 2011, the Company has not been a party to any other material transaction, or proposed transactions, in which any member of the key management personnel (including directors, any other executive officer, senior manager, any spouse or relative of any of the foregoing or any relative of such spouse) had or was to have a direct or indirect material interest.

### 31. Employees

The average employee headcount during the year by nature of activity and by segment is shown below. During the year the Group changed its organisation structure. The information on employees by segment are presented on the revised basis, with prior years amended to conform to the current year presentation.

	2011 Employees	2010 Employees	2009 Employees
<b>By activity:</b>			
Operations	14,171	14,099	13,889
Selling and distribution	28,311	27,398	25,174
Customer care and administration	41,380	43,493	40,034
	<b>83,862</b>	<b>84,990</b>	<b>79,097</b>
<b>By segment:</b>			
Germany	12,594	13,507	13,788
Italy	6,121	6,207	6,247
Spain	4,389	4,326	4,354
UK	8,174	9,766	10,350
Other Europe	18,953	18,582	19,015
<b>Europe</b>	<b>50,231</b>	<b>52,388</b>	<b>53,754</b>
India	10,743	10,132	8,674
Vodacom	7,320	6,833	3,246
Other Africa, Middle East and Asia Pacific	10,896	10,887	9,525
<b>Africa, Middle East and Asia Pacific</b>	<b>28,959</b>	<b>27,852</b>	<b>21,445</b>
Non-Controlled Interests and Common Functions	4,672	4,750	3,898
<b>Total</b>	<b>83,862</b>	<b>84,990</b>	<b>79,097</b>

The cost incurred in respect of these employees (including directors) was:

	2011 £m	2010 £m	2009 £m
Wages and salaries	2,960	3,045	2,607
Social security costs	392	415	379
Share-based payments (note 20)	156	150	128
Other pension costs (note 23)	134	160	113
	<b>3,642</b>	<b>3,770</b>	<b>3,227</b>

### 32. Subsequent events

#### SFR

On 3 April 2011 the Group announced an agreement to sell its entire 44% shareholding in SFR to Vivendi for cash consideration of €7.75 billion (£6.8 billion). The Group will also receive a final dividend from SFR of €200 million (£176 million) on completion of the transaction.

Subject to customary competition authority and regulatory approvals, the transaction is expected to complete during the second calendar quarter of 2011.

At 31 March 2011 the SFR investment had a carrying value of £4.2 billion and was reported within the Non-Controlled Investments and Common Functions segment.