

## 14. Investments in associates

At 31 March 2011 the Company had the following principal associates carrying on businesses which affect the profits and assets of the Group. The Company's principal associates all have share capital consisting solely of ordinary shares, unless otherwise stated, and are all indirectly held. The country of incorporation or registration of all associates is also their principal place of operation.

| Name  | Principal activity | Country of incorporation or registration | Percentage <sup>(1)</sup> shareholdings |
|---|--------------------|--|---|
| Cellco Partnership <sup>(2)</sup>                               | Network operator   | US                                       | 45.0                                    |
| Société Française du Radiotéléphone S.A. ('SFR') <sup>(3)</sup> | Network operator   | France                                   | 44.0                                    |
| Safaricom Limited <sup>(4)(5)</sup>                             | Network operator   | Kenya                                    | 40.0                                    |

Notes:

(1) Rounded to nearest tenth of one percent.

(2) Cellco Partnership trades under the name Verizon Wireless.

(3) On 3 April 2011 the Group announced an agreement to sell its entire 44% interest in SFR. See note 32 for further information.

(4) The Group also holds two non-voting shares.

(5) At 31 March 2011 the fair value of Safaricom Limited was KES 61 billion (£456 million) based on the closing quoted share price on the Nairobi Stock Exchange.

The Group's share of the aggregated financial information of equity accounted associates is set out below. The amounts for the year ended 31 March 2009 include the share of results in Safaricom from 28 May 2008, at which time its consolidation status changed from being a joint venture to an associate.

|  | 2011<br>£m | 2010<br>£m | 2009<br>£m |
|--|------------|------------|------------|
| Share of revenue in associates                 | 24,213     | 23,288     | 19,307     |
| Share of result in associates                  | 5,059      | 4,742      | 4,091      |
| Share of discontinued operations in associates | 18         | 93         | 57         |

|   | 2011<br>£m    | 2010<br>£m    |
|---|---------------|---------------|
| Non-current assets  | 45,446        | 47,048        |
| Current assets  | 5,588         | 4,901         |
| <b>Share of total assets</b>                                    | <b>51,034</b> | <b>51,949</b> |
| Non-current liabilities   | 5,719         | 8,295         |
| Current liabilities   | 6,656         | 6,685         |
| Non-controlling interests                                       | 554           | 592           |
| <b>Share of total liabilities and non-controlling interests</b> | <b>12,929</b> | <b>15,572</b> |
| <b>Share of equity shareholders' funds in associates</b>        | <b>38,105</b> | <b>36,377</b> |

## 15. Other investments

Non-current other investments comprise the following, all of which are classified as available-for-sale, with the exception of other debt and bonds, which are classified as loans and receivables, and cash held in restricted deposits:

|  | 2011<br>£m   | 2010<br>£m   |
|--|--------------|--------------|
| <b>Included within non-current assets:</b> |              |              |
| Listed securities:                         |              |              |
| Equity securities                          | 1            | 4,072        |
| Unlisted securities:                       |              |              |
| Equity securities                          | 967          | 879          |
| Public debt and bonds                      | 3            | 11           |
| Other debt and bonds                       | 72           | 2,355        |
| Cash held in restricted deposits           | 338          | 274          |
|  | <b>1,381</b> | <b>7,591</b> |
| <b>Included within current assets:</b>     |              |              |
| Government bonds                           | 610          | 388          |
| Other                                      | 64           | —            |
|  | <b>674</b>   | <b>388</b>   |

At 31 March 2010 listed equity securities included £4,071 million in relation to the Group's 3.2% interest in China Mobile Limited which was sold in September 2010 for £4,264 million generating a £3,019 million income statement gain, including income statement recognition of foreign exchange rate gains previously recognised in equity.

Unlisted equity securities include a 26% interest in Bharti Infotel Private Limited through which the Group has a 4.37% economic interest in Bharti Airtel Limited. Unlisted equity investments are recorded at fair value where appropriate, or at cost if their fair value cannot be reliably measured as there is no active market upon which they are traded.

For public debt and bonds and cash held in restricted deposits, the carrying amount approximates fair value.

The short-term investments primarily consist of index linked gilts with less than six years to maturity, which can be readily converted into cash via the gilt repurchase market and are held on an effective floating rate basis.