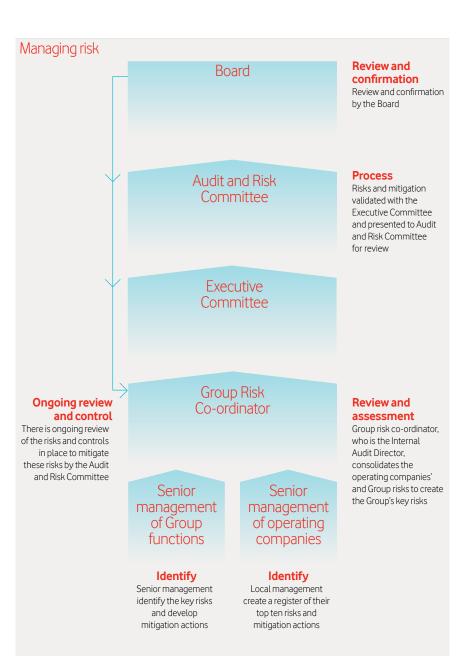
Risk overview

Identifying and managing our risks

We have a clear framework for identifying and managing risk, both at an operational and strategic level. Our risk identification and mitigation processes have been designed to be responsive to the ever changing environments in which we operate.



The Group's key risks are outlined below.

More detail on our key risks and the steps we take to mitigate their potential impact Pages 51 to 53

- 1. Regulatory decisions and changes in the regulatory environment could adversely affect our business.
- 2. We could suffer loss of consumer confidence and/or legal action due to a failure to protect our customer information.
- **3.** Our business could be adversely affected by a failure or significant interruption to telecommunications networks.
- **4.** Technological advances in handsets and use of alternative communication services may result in less demand for our traditional service offerings.
- **5.** Increased competition may reduce our market share and profitability.
- **6.** Our business may be impaired by actual or perceived health risks associated with the transmission of radio waves from mobile telephones, transmitters and associated equipment.
- **7.** One or more countries may exit the eurozone.
- **8.** We may be unable to obtain additional/renew sufficient spectrum with an adequate return.
- **9.** We may not satisfactorily resolve major tax disputes.
- **10.** A malicious attack on our network may be successful and disrupt our services or compromise our data.
- **11.** Changes in assumptions underlying the carrying value of certain Group assets could result in impairment.