Financial position and resources

Consolidated statement of financial position

	2012 £m	2011 £m
Non-current assets		
Intangible assets	59,514	68,558
Property, plant and equipment	18,655	20,181
Investments in associates	35,108	38,105
Other non-current assets	6,274	7,373
	119,551	**134,217**
Current assets	20,025	17,003
Total assets	**139,576**	**151,220**
Total equity shareholders' funds	76,935	87,555
Total non-controlling interests	1,267	6
Total equity	**78,202**	**87,561**
Liabilities		
Borrowings		
Long-term	28,362	28,375
Short-term	6,258	9,906
Taxation liabilities		
Deferred tax liabilities	6,597	6,486
Current taxation liabilities	2,148	2,262
Other non-current liabilities	2,140	1,373
Other current liabilities	15,869	15,257
Total liabilities	**61,374**	**63,659**
Total equity and liabilities	**139,576**	**151,220**

Assets

Intangible assets
At 31 March 2012 our intangible assets were £59.5 billion (2011: £68.6 billion) with goodwill comprising the largest element at £38.4 billion (2011: £45.2 billion). The decrease primarily resulted from impairment losses of £3.9 billion, amortisation of £3.5 billion and unfavourable foreign exchange rate movements of £4.2 billion partially offset by £2.9 billion of additions. Refer to note 10 to the consolidated financial statements for further information on the impairment charge.

Property, plant and equipment
Property, plant and equipment decreased to £18.7 billion at 31 March 2012 from £20.2 billion at 31 March 2011 predominantly as a result of £4.4 billion of depreciation charges and unfavourable foreign exchange rate movements of £1.3 billion partially offset by £4.7 billion of additions.

Investments in associates
Investments in associates decreased to £35.1 billion at 31 March 2012 from £38.1 billion at 31 March 2011 primarily due to a reduction of £4.0 billion in relation to the sale of our 44% interest in SFR and £4.0 billion of dividends received partially offset by our share of the results of associates, after deductions of interest, tax and non-controlling interest, which contributed £5.0 billion, mainly arising from our investment in Verizon Wireless.

Other non-current assets
Other non-current assets decreased to £6.3 billion at 31 March 2012 (2011: £7.4 billion) mainly due to other investments which totalled £0.8 billion at 31 March 2012 compared to £1.4 billion at 31 March 2011.

Current assets
Current assets increased to £20.0 billion at 31 March 2012 from £17.0 billion at 31 March 2011 due to an increase in cash and short-term investments resulting from the element of the proceeds from the disposal of our 44% interest in SFR not yet utilised for the share buyback programme, and an increase in other receivables due to the second tranche of the proceeds from the sale of our interest in SoftBank Mobile Corp. Limited which was received in April 2012.

Total equity and liabilities

Total equity
Total equity decreased to £78.2 billion at 31 March 2012 from £87.6 billion at 31 March 2011. The profit for the year of £7.0 billion was more than offset by equity dividends of £6.7 billion, other comprehensive loss of £4.7 billion, share buyback of £4.7 billion and £1.9 billion in relation to the acquisition of non-controlling interests, primarily in India. Total non-controlling interests have increased by £1.3 billion primarily as a result of the exercise of put options over non-controlling interests during the year.

Borrowings
Long-term borrowings and short-term borrowings decreased to £34.6 billion at 31 March 2012 from £38.3 billion at 31 March 2011 mainly as a result of foreign exchange rate movements, bond repayments during the year and settlement of certain put options held by the Essar Group.

Taxation liabilities
Current tax liabilities decreased to £2.1 billion at 31 March 2012 from £2.3 billion at 31 March 2011 mainly as a result of the resolution and payment of longstanding tax disputes.

Other current liabilities
Other current liabilities increased to £15.9 billion at 31 March 2012 from £15.3 billion at 31 March 2011. Trade payables at 31 March 2012 were equivalent to 43 days (2011: 37 days) outstanding, calculated by reference to the amount owed to suppliers as a proportion of the amounts invoiced by suppliers during the year. It is our policy to agree terms of transactions, including payment terms, with suppliers and it is our normal practice that payment is made accordingly.

Contractual obligations and contingencies
A summary of our principal contractual financial obligations is shown below. Further details on the items included can be found in the notes to the consolidated financial statements. Details of the Group's contingent liabilities are included in note 29 to the consolidated financial statements.

	Payments due by period £m				
Contractual obligations[1]	Total	<1 year	1-3 years	3-5 years	>5 years
Borrowings[2]	42,079	6,266	11,419	10,400	13,994
Operating lease commitments[3]	6,141	1,110	1,633	1,152	2,246
Capital commitments[3,4]	2,018	1,798	195	25	–
Purchase commitments	5,138	3,237	1,081	446	374
Total	**55,376**	**12,411**	**14,328**	**12,023**	**16,614**

Notes:
1 The above table of contractual obligations includes commitments in respect of options over interests in Group businesses held by non-controlling shareholders (see "Option agreements and similar arrangements") and obligations to pay dividends to non-controlling shareholders (see "Dividends from associates and to non-controlling shareholders"). The table excludes current and deferred tax liabilities and obligations under post employment benefit schemes, details of which are provided in notes 6 and 23 to the consolidated financial statements respectively. The table also excludes the contractual obligations of associates.
2 See note 22 to the consolidated financial statements.
3 See note 28 to the consolidated financial statements.
4 Primarily related to network infrastructure.

Equity dividends
The table below sets out the amounts of interim, final and total cash dividends paid or, in the case of the final dividend for the 2012 financial year, proposed, in respect of each financial year.

	Pence per ordinary share		
Year ended 31 March	Interim	Final	Total
2008	2.49	5.02	7.51
2009	2.57	5.20	7.77
2010	2.66	5.65	8.31
2011	2.85	6.05	8.90
2012	7.05[1]	6.47[2]	13.52

Notes:
1 Includes the 4.0 pence special dividend paid in February 2012.
2 The final dividend for the year ended 31 March 2012 was proposed on 22 May 2012 and is payable on 1 August 2012 to holders on record as of 8 June 2012. For American depositary share ('ADS') holders the dividend will be payable in US dollars under the terms of the ADS depositary agreement. Dividend payments on ordinary shares will be paid by direct credit into a nominated bank or building society account or, alternatively, into the Company's dividend reinvestment plan.

We provide returns to shareholders through dividends and have historically paid dividends semi-annually, with a regular interim dividend in respect of the first six months of the financial year payable in February and a final dividend payable in August. The directors expect that we will continue to pay dividends semi-annually.

In November 2011 the directors announced an interim dividend of 3.05 pence per share representing a 7.0% increase over last year's interim dividend. In addition a special, second interim, dividend of 4.0 pence per share was paid in February 2012 following the receipt of a US$4.5 billion (£2.9 billion) income dividend from Verizon Wireless. The directors are proposing a final dividend of 6.47 pence per share. Total dividends, excluding special dividends, for the year increased by 7.0% to 9.52 pence per share.

In May 2010 the directors issued a dividend per share growth target, excluding special dividends, of at least 7% per annum for each of the financial years in the period ending 31 March 2013, assuming no material adverse foreign exchange rate movements. We expect that total ordinary dividends per share will therefore be no less than 10.18 pence for the 2013 financial year. See page 50 for the assumptions underlying this expectation.

Liquidity and capital resources

The major sources of Group liquidity for the 2012 and 2011 financial years were cash generated from operations, dividends from associates, disposal of investments and borrowings through short-term and long-term issuances in the capital markets. We do not use non-consolidated special purpose entities as a source of liquidity or for other financing purposes.

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

Our liquidity and working capital may be affected by a material decrease in cash flow due to factors such as reduced operating cash flow resulting from further possible business disposals, increased competition, litigation, timing of tax payments and the resolution of outstanding tax issues, regulatory rulings, delays in the development of new services and networks, licence and spectrum payments, inability to receive expected revenue from the introduction of new services, reduced dividends from associates and investments or increased dividend payments to non-controlling shareholders. Please see the section titled "Principal risk factors and uncertainties" on pages 51 to 53.

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

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

Cash flows

Cash generated by operations decreased by 3.7% to £14.8 billion primarily driven by working capital movements and lower EBITDA.

Free cash flow decreased by 13.4% to £6.1 billion primarily due to increased cash capital expenditure, working capital movements and lower dividends from associates[1], offset by lower payments for taxation.

Cash capital expenditure increased by £0.8 billion, driven by a reduction in working capital creditors and increased investment, particularly in Vodacom and Germany.

Payments for taxation decreased by 24.2% to £2.0 billion primarily due to accelerated tax depreciation in the United States and the timing of tax payments in Italy.

Dividends received from associates and investments[1] decreased by £0.3 billion due to the loss of dividends resulting from the disposal of the Group's interest in SFR and China Mobile Limited. Net interest payments were stable at £1.3 billion.

	2012 £m	2011 £m	%
EBITDA	14,475	14,670	(1.3)
Working capital	206	566	
Other	143	156	
Cash generated by operations	**14,824**	**15,392**	**(3.7)**
Cash capital expenditure[2]	(6,423)	(5,658)	
Capital expenditure	(6,365)	(6,219)	
Working capital movement in respect of capital expenditure	(58)	561	
Disposal of property, plant and equipment	117	51	
Operating free cash flow	**8,518**	**9,785**	**(12.9)**
Taxation	(1,969)	(2,597)	
Dividends received from associates and investments[1]	1,171	1,509	
Dividends paid to non-controlling shareholders in subsidiaries	(304)	(320)	
Interest received and paid	(1,311)	(1,328)	
Free cash flow	**6,105**	**7,049**	**(13.4)**
Tax settlement[3]	(100)	(800)	
Licence and spectrum payments	(1,429)	(2,982)	
Acquisitions and disposals[4]	4,872	(183)	
Equity dividends paid	(6,643)	(4,468)	
Purchase of treasury shares	(3,583)	(2,087)	
Foreign exchange	1,283	709	
Income dividend from Verizon Wireless	2,855	–	
Disposal of the Group's 3.2% interest in China Mobile Limited	–	4,269	
Disposal of the Group's SoftBank Mobile Corp. Limited interests	–	1,409	
Other[5]	2,073	542	
Net debt decrease	**5,433**	**3,458**	
Opening net debt	(29,858)	(33,316)	
Closing net debt	**(24,425)**	**(29,858)**	**(18.2)**

Notes:
1 Dividends received from associates and investments for the year ended 31 March 2012 includes £965 million (2011: £1,024 million) tax distribution from our 45% interest in Verizon Wireless and a final dividend of £178 million (2011: £383 million) from SFR prior to the completion of the disposal of our 44% interest. It does not include the £2,855 million income dividend from Verizon Wireless received in January 2012.
2 Cash capital expenditure comprises the purchase of property, plant and equipment and intangible assets, other than licence and spectrum payments, during the year.
3 Related to a tax settlement in the year ended 31 March 2011.
4 Acquisitions and disposals for the year ended 31 March 2012 primarily includes £6,805 million proceeds from the sale of the Group's 44% interest in SFR, £784 million proceeds from the sale of the Group's 24.4% interest in Polkomtel and £2,592 million payment in relation to the purchase of non-controlling interests in Vodafone India Limited.
5 Other for the year ended 31 March 2012 primarily includes £2,301 million movement in the written put options in relation to India and the return of a court deposit made in respect of the India tax case (£310 million). Other for the year ended 31 March 2011 primarily includes £356 million in relation to a court deposit made in respect of the India tax case.

Financial position and resources (continued)

Dividends from associates and to non-controlling shareholders

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

During the year we received distributions totalling £3.8 billion from Verizon Wireless, which included a one-off US$4.5 billion (£2.9 billion) income dividend received in January 2012 and a tax distribution amount of £965 million (2011: £1,024 million) which is included in dividends received from associates and investments as shown on page 55. Until April 2005 Verizon Wireless' distributions were determined by the terms of the partnership agreement distribution policy and comprised income distributions and tax distributions. Since April 2005 only tax distributions have been issued, with the exception of the one-off income dividend received in January 2012. Following the announcement of Verizon Wireless' acquisition of Alltel, certain additional tax distributions were agreed in addition to the tax distributions required by the partnership agreement. Current projections forecast that tax distributions will cover the United States tax liabilities arising from our partnership interest in Verizon Wireless.

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

In June 2011 we sold our entire 44% interest in SFR and received a final dividend from SFR of €200 million (£178 million) (2011: dividend received of £373 million). Future cash flows will be reduced by the loss of dividends from SFR.

Verizon Communications Inc. has an indirect 23.1% shareholding in Vodafone Italy and under the shareholders' agreement the shareholders have agreed to take steps to cause Vodafone Italy to pay dividends at least annually, provided that such dividends will not impair the financial condition or prospects of Vodafone Italy including, without limitation, its credit standing. During the 2012 financial year Vodafone Italy paid dividends net of withholding tax totalling €289 million (2011: €325 million) to Verizon Communications Inc.

Acquisitions and disposals

We received a net £4,872 million (2011: invested £183 million), net of cash and cash equivalents disposed and acquired, from acquisition and disposal activities during the year.

On 16 June 2011 we sold our entire 44% interest in SFR to Vivendi for a cash consideration of €7.75 billion (£6.8 billion) before tax and transaction costs and received a final dividend from SFR of €200 million (£178 million). Vodafone and SFR also entered into a partner market agreement which will maintain their commercial cooperation.

On 1 July 2011 we acquired an additional 22% stake in Vodafone India Limited ('VIL') from the Essar Group for a cash consideration of US$4.2 billion (£2.6 billion) including withholding tax.

On 9 November 2011 we sold our entire 24.4% interest in Polkomtel in Poland for cash consideration of approximately €918 million (£784 million) before tax and transaction costs.

On 23 April 2012 we announced a recommended cash offer to acquire the entire issued ordinary share capital of Cable & Wireless Worldwide plc, at a value of approximately £1,045 million. For further details refer to note 33 to the consolidated financial statements.

Treasury shares

The Companies Act 2006 permits companies to purchase their own shares out of distributable reserves and to hold shares in treasury. While held in treasury, no voting rights or pre-emption rights accrue and no dividends are paid in respect of treasury shares. Treasury shares may be sold for cash, transferred (in certain circumstances) for the purposes of an employee share scheme or cancelled. If treasury shares are sold, such sales are deemed to be a new issue of shares and will accordingly count towards the 5% of share capital which the Company is permitted to issue on a non pre-emptive basis in any one year as approved by its shareholders at the AGM. The proceeds of any sale of treasury shares up to the amount of the original purchase price, calculated on a weighted average price method, is attributed to distributable profits which would not occur in the case of the sale of non-treasury shares. Any excess above the original purchase price must be transferred to the share premium account.

Following the disposal of our 3.2% interest in China Mobile Limited on 10 September 2010, we initiated a £2.8 billion share buyback programme under the authority granted by our shareholders at the 2010 AGM which was completed in June 2011. Under this programme the Group purchased a total of 1,631,662,645 shares at an average price per share, including transaction costs, of 171.60 pence.

Following the disposal of our entire 44% interest in SFR to Vivendi on 16 June 2011, we initiated a £4.0 billion share buyback programme. The Group placed irrevocable purchase instructions with a number of banks to enable the banks to buy back shares on our behalf when we may otherwise have been prohibited from buying in the market. Details of the shares purchased to date, including those purchased under irrevocable instructions, are shown below:

Date of share purchase	Number of shares purchased[1] '000	Average price paid per share inclusive of transaction costs Pence	Total number of shares purchased under share repurchase programme[2] '000	Maximum value of shares that may yet be purchased under the programme[3] £m
June 2011	95,908	164.15	95,908	3,843
July 2011	178,643	163.77	274,551	3,550
August 2011	196,798	165.14	471,349	3,225
September 2011	199,672	162.77	671,021	2,900
October 2011	173,100	172.69	844,121	2,601
November 2011	201,279	174.42	1,045,400	2,250
December 2011	125,000	175.60	1,170,400	2,030
January 2012	158,400	177.22	1,328,800	1,750
February 2012	181,200	174.42	1,510,000	1,434
March 2012	197,700	171.37	1,707,700	1,095
April 2012	149,800	172.63	1,857,500	836
May 2012	117,000	170.86	1,974,500	636
Total	**1,974,500[4]**	**170.35**	**1,974,500**	**636**

Notes:
1 The nominal value of shares purchased is 11 3⁄7 US cents each.
2 No shares were purchased outside the publicly announced share buyback programme.
3 In accordance with shareholder authority granted at the 2011 AGM.
4 The total number of shares purchased represents 4.0% of our issued share capital at 21 May 2012.

The aggregate amount of consideration paid by the Company for the shares at 21 May 2012 was £3,364 million.

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

	Number Million	£m
1 April 2011	5,234	8,171
Reissue of shares	(166)	(277)
Purchase of shares	2,101	4,671
Cancelled shares	(3,000)	(4,724)
31 March 2012	**4,169**	**7,841**

Funding

We have maintained a robust liquidity position throughout the year thereby enabling us to service shareholder returns, debt and expansion through capital investment. This position has been achieved through continued delivery of strong operating cash flows, cash receipts from investment disposals, issuances of short-term and long-term debt, and non-recourse borrowing assumed in respect of the emerging market businesses. It has not been necessary for us to draw down on our syndicated committed bank facilities during the year.

Net debt

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

	2012 £m	2011 £m
Cash and cash equivalents	**7,138**	**6,252**
Short-term borrowings:		
Bonds	(1,289)	(2,470)
Commercial paper[1]	(2,272)	(1,660)
Put options over non-controlling interests	–	(3,113)
Bank loans	(1,635)	(2,070)
Other short-term borrowings[2]	(1,062)	(593)
	(6,258)	**(9,906)**
Long-term borrowings:		
Put options over non-controlling interests	(840)	(78)
Bonds, loans and other long-term borrowings	(27,522)	(28,297)
	(28,362)	**(28,375)**
Other financial instruments[3]	3,057	2,171
Net debt	**(24,425)**	**(29,858)**

Notes:
1 At 31 March 2012 US$1,689 million was drawn under the US commercial paper programme, and €1,226 million and US$309 million were drawn under the euro commercial paper programme.
2 At 31 March 2012 the amount includes £980 million (2011: £531 million) in relation to cash received under collateral support agreements.
3 Comprises i) mark-to-market adjustments on derivative financial instruments which are included as a component of trade and other receivables (2012: £2,959 million; 2011: £2,045 million) and trade and other payables (2012: £889 million; 2011: £548 million) and ii) short-term investments primarily in index linked government bonds included as a component of other investments (2012: £987 million; 2011: £674 million).

At 31 March 2012 we had £7,138 million of cash and cash equivalents which are held in accordance with our treasury policy.

We hold cash and liquid investments in accordance with the counterparty and settlement risk limits of the Board approved treasury policy. The main forms of liquid investment at 31 March 2012 were money market funds, UK index linked government bonds and bank deposits.

Net debt decreased by £5.4 billion to £24.4 billion primarily due to cash generated by operations, the proceeds from the sale of the Group's 44% interest in SFR and 24.4% interest in Polkomtel, and the £2.9 billion income dividend from Verizon Wireless, partially offset by share buybacks and dividend payments to equity holders.

Net debt represented 28.6% of our market capitalisation at 31 March 2012 compared to 32.8% at 31 March 2011. Average net debt at month end accounting dates over the 12 month period ended 31 March 2012 was £25.6 billion and ranged between £22.3 billion and £29.6 billion during the year.

The cash received from collateral support agreements mainly reflects the value of our interest rate swap portfolio which is substantially net present value positive. See note 21 to the consolidated financial statements for further details on these agreements.

Commercial paper programmes

We currently have US and euro commercial paper programmes of US$15 billion and £5 billion respectively which are available to be used to meet short-term liquidity requirements. At 31 March 2012 amounts external to the Group of €1,226 million (£1,022 million) and US$309 million (£193 million) were drawn under the euro commercial paper programme and US$1,689 million (£1,056 million) was drawn down under the US commercial paper programme, with such funds being provided by counterparties external to the Group. At 31 March 2011 €1,490 million (£1,317 million) was drawn under the euro commercial paper programme and US$551 million (£343 million) was drawn under the US commercial paper programme. The commercial paper facilities were supported by US$4.2 billion (£2.7 billion) and €4.2 billion (£3.5 billion) of syndicated committed bank facilities (see "Committed facilities"). No amounts had been drawn under either bank facility.

Bonds

We have a €30 billion euro medium-term note programme and a US shelf programme which are used to meet medium- to long-term funding requirements. At 31 March 2012 the total amounts in issue under these programmes split by currency were US$13.3 billion, £2.5 billion, €8.9 billion and £0.2 billion sterling equivalent of other currencies.

In the year ended 31 March 2012 bonds with a nominal value equivalent of £0.7 billion at the relevant 31 March 2012 foreign exchange rates were issued under the US shelf and the euro medium-term note programme. The bonds issued during the year were:

Date of bond issue	Maturity of bond	Nominal amount Million	Sterling equivalent Million
22 August 2011	22 August 2012	US$100	65
20 March 2012	20 March 2017	US$1,000	625

On 11 July 2011 we also raised US$850 million (£543 million) through a US private placement with a maturity of 11 July 2016.

At 31 March 2012 we had bonds outstanding with a nominal value of £18,333 million (2011: £20,987 million).

Financial position and resources (continued)

Committed facilities

The following table summarises the committed bank facilities available to us at 31 March 2012.

Committed bank facilities	Amounts drawn
1 July 2010	
€4.2 billion syndicated revolving credit facility, maturing 1 July 2015	No drawings have been made against this facility. The facility supports our commercial paper programmes and may be used for general corporate purposes including acquisitions.
9 March 2011	
US$4.2 billion syndicated revolving credit facility, maturing 9 March 2016, US$4.1 billion of this facility has been extended by one year, maturing 9 March 2017	No drawings have been made against this facility. The facility supports our commercial paper programmes and may be used for general corporate purposes including acquisitions.
16 November 2006	
€0.4 billion loan facility, maturing 14 February 2014	This facility was drawn down in full on 14 February 2007.
28 July 2008	
€0.4 billion loan facility, maturing 12 August 2015	This facility was drawn down in full on 12 August 2008.
15 September 2009	
€0.4 billion loan facility, maturing 30 July 2017	This facility was drawn down in full on 30 July 2010.
29 September 2009	
US$0.7 billion export credit agency loan facility, final maturity date 19 September 2018	This facility is fully drawn down and is amortising.
8 December 2011	
€0.4 billion loan facility, maturing on the seven year anniversary of the first drawing	This facility is undrawn and has an availability period of 18 months. The facility is available for financing a project to increase the service availability of the UMTS (3G) mobile network in Italy.
20 December 2011	
€0.3 billion loan facility, maturing on the seven year anniversary of the first drawing	This facility is undrawn and has an availability period of nine months. The facility is available for financing a project to upgrade and expand the mobile telecommunications networks in Turkey and Romania.

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

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

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

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

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

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

The terms and conditions of the €0.4 billion loan facility agreed on 8 December 2011 are similar to those of the €4.2 billion and US$4.2 billion syndicated committed bank facilities with the addition that, should our Italian operating company spend less than the equivalent of €1.3 billion on capital expenditure, we will be required to repay the drawn amount of the facility that exceeds 50% of the capital expenditure.

The terms and conditions of the €0.3 billion loan facility agreed on 20 December 2011 are similar to those of the €4.2 billion and US$4.2 billion syndicated committed bank facilities with the addition that, should our Turkish and Romanian operating companies spend less than the equivalent of €1.3 billion on capital expenditure, we will be required to repay the drawn amount of the facility that exceeds 50% of the capital expenditure.

Furthermore, certain of our subsidiaries are funded by external facilities which are non-recourse to any member of the Group other than the borrower due to the level of country risk involved. These facilities may only be used to fund their operations. At 31 March 2012 Vodafone India had facilities of INR 396 billion (£4.9 billion) of which INR 340 billion (£4.2 billion) is drawn. Vodafone Egypt has partly drawn EGP 1.2 billion (£126 million) from a syndicated bank facility of EGP 4.0 billion (£414 million) that matures in March 2014. Vodacom had fully drawn facilities of ZAR 11.2 billion (£912 million), US$94 million (£59 million) and TZS 115 billion (£45 million). Vodafone Americas has a US$1.4 billion (£875 million) US private placement with a maturity of 17 August 2015 as well as a US$850 million (£532 million) US private placement with a maturity of 11 July 2016. Ghana had a facility of US$240 million (£150 million) of which US$203 million (£127 million) was drawn with a final maturity of 15 March 2018.

In aggregate we have committed facilities of approximately £17,304 million, of which £7,865 million was undrawn and £9,439 million was drawn at 31 March 2012.

We believe that we have sufficient funding for our expected working capital requirements for at least the next 12 months. Further details regarding the maturity, currency and interest rates of the Group's gross borrowings at 31 March 2012 are included in note 22 to the consolidated financial statements.

Financial assets and liabilities

Analysis of financial assets and liabilities including the maturity profile of debt, currency and interest rate structure are included in notes 18 and 22 to the consolidated financial statements. Details of our treasury management and policies are included within note 21 to the consolidated financial statements.

Option agreements and similar arrangements

Potential cash outflows

In respect of our interest in the Verizon Wireless partnership, an option granted to Price Communications, Inc. by Verizon Communications Inc. was exercised on 15 August 2006. Under the option agreement Price Communications, Inc. exchanged its preferred limited partnership interest in Verizon Wireless of the East LP for 29.5 million shares of common stock in Verizon Communications Inc. Verizon Communications Inc. has the right, but not the obligation, to contribute the preferred interest to the Verizon Wireless partnership diluting our interest. However, we also have the right to contribute further capital to the Verizon Wireless partnership in order to maintain our percentage partnership interest. Such amount, if contributed, would be US$0.8 billion.

In respect of our interest in Vodafone India Limited ('VIL'), Piramal Healthcare ('Piramal') acquired approximately 11% shareholding in VIL from Essar during the 2012 financial year. The agreements contemplate various exit mechanisms for Piramal including participating in an initial public offering by VIL or, if such initial public offering has not completed by 18 August 2013 or 8 February 2014 respectively or Piramal chooses not to participate in such initial public offering, Piramal selling its shareholding to the Vodafone Group in two tranches of 5.485% for an aggregate price of between approximately INR 70 billion (£0.8 billion) and INR 83 billion (£1.0 billion).

Off-balance sheet arrangements

We do not have any material off-balance sheet arrangements as defined in item 5.E.2. of the SEC's Form 20-F. Please refer to notes 28 and 29 to the consolidated financial statements for a discussion of our commitments and contingent liabilities.

Quantitative and qualitative disclosures about market risk

A discussion of our financial risk management objectives and policies and the exposure of the Group to liquidity, market and credit risk is included within note 21 to the consolidated financial statements.