Shareholder information

Investor calendar

Ex-dividend date for final dividend	11 June 2014
Record date for final dividend	13 June 2014
Interim management statement	25 July 2014
Annual general meeting	29 July 2014
Final dividend payment	6 August 2014
Half-year financial results	11 November 2014
Ex-dividend date for interim dividend	26 November 2014[1]
Record date for interim dividend	28 November 2014[1]
Interim dividend payment	4 February 2015[1]

Note:
1 Provisional dates.

Dividends

See pages 101 and 124 for details on dividend amount per share.

Payment of dividends by direct credit

We pay cash dividends directly to shareholders' bank or building society accounts. This ensures secure delivery and means dividend payments are credited to shareholders' bank or building society accounts on the same day as payment. A consolidated tax voucher covering both the interim and final dividends paid during the financial year is sent to shareholders at the time of the interim dividend in February.

ADS holders may alternatively have their cash dividends paid by cheque.

Overseas dividend payments

Holders of ordinary shares resident in the Eurozone (defined for this purpose as a country that has adopted the euro as its national currency) automatically receive their dividends in euros. The sterling/euro exchange rate is determined by us in accordance with our articles of association up to 13 business days before the payment date.

Holders resident outside the UK and Eurozone automatically receive dividends in pounds sterling but may elect to receive dividends in local currency directly into their bank account by registering for our Registrar's (Computershare) Global Payments Service. Visit investorcentre.co.uk for details and terms and conditions.

Cash dividends to ADS holders will be paid by the ADS depositary in US dollars. The sterling/US dollar exchange rate for this purpose is determined by us up to ten New York and London business days before the payment date.

See vodafone.com/dividends for further information about dividend payments or, alternatively, please contact our Registrar or the ADS depositary, as applicable. See page 183 for their contact information.

Dividend reinvestment plan

We offer a dividend reinvestment plan which allows holders of ordinary shares, who choose to participate, to use their cash dividends to acquire additional shares in the Company. These are purchased on their behalf by the plan administrator through a low cost dealing arrangement.

For ADS holders BNY Mellon maintains a Global BuyDIRECT Plan which is a direct purchase and sale plan for depositary receipts with a dividend reinvestment facility.

Managing your shares via Investor Centre

Computershare operates a portfolio service for investors in ordinary shares, called Investor Centre. This provides our shareholders with online access to information about their investments as well as a facility to help manage their holdings online, such as being able to:

- update dividend mandate bank instructions and review dividend payment history;
- update member details and address changes; and
- register to receive Company communications electronically.

Computershare also offers an internet and telephone share dealing service to existing shareholders.

The service can be obtained at investorcentre.co.uk. Shareholders with any queries regarding their holding should contact Computershare. See page 183 for their contact details.

Shareholders may also find the investors section of our corporate website, vodafone.com/investor, useful for general queries and information about the Company.

Shareholder communications

A growing number of our shareholders have opted to receive their communications from us electronically using email and web-based communications. The use of electronic communications, rather than printed paper documents, means information about the Company can be received as soon as it is available and has the added benefit of reducing costs and our impact on the environment. Each time we issue a shareholder communication, shareholders registered for electronic communications will be sent an email alert containing a link to the relevant documents.

We encourage all our shareholders to sign up for this service by providing us with an email address. You can register your email address via our registrar at investorcentre.co.uk or contact them via the telephone number provided on page 183. See vodafone.com/investor for further information about this service.

Annual general meeting

Our thirtieth AGM will be held at the Hilton Metropole Hotel, 225 Edgware Road, London W2 1JU on Tuesday 29 July 2014 at 11.00 a.m.

The AGM will be transmitted via a live webcast which can be viewed on our website at vodafone.com/agm on the day of the meeting. A recording will be available to view after that date.

ShareGift

We support 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.

See sharegift.org or call +44 (0)20 7930 3737 for further details.

Landmark Asset Search

We participate in an online service which provides a search facility for solicitors and probate professionals to quickly and easily trace UK shareholdings relating to deceased estates. Visit www.landmarkfas.co.uk or call +44 (0)844 844 9967 for further information.

Warning to shareholders ("boiler room" scams)

Over recent years we have become aware of investors who have received unsolicited calls or correspondence, in some cases purporting to have been issued by us, concerning investment matters. These callers typically make claims of highly profitable opportunities in UK or US investments which turn out to be worthless or simply do not exist. These approaches are usually made by unauthorised companies and individuals and are commonly known as "boiler room" scams. Investors are advised to be wary of any unsolicited advice or offers to buy shares. If it sounds too good to be true, it often is.

See the FCA website fca.org.uk/consumers/scams for more detailed information about this or similar activity.

Registrar and transfer office

The Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road, Bristol BS99 6ZZ, England
Telephone: +44 (0)870 702 0198
investorcentre.co.uk/contactus

Holders of ordinary shares resident in Ireland:
Computershare Investor Services (Ireland) Ltd
PO Box 9742
Dublin 18, Ireland
Telephone: +353 (0)818 300 999
investorcentre.co.uk/contactus

ADS depositary
BNY Mellon Shareowner Services
PO Box 30170
College Station, TX 77842-3170
Telephone: +1 800 233 5601 (toll free) or, for calls outside the United States, +1 201 680 6837 (not toll free) and enter company number 2160
Email: shrrelations@cpushareownerservices.com

Share price history

On flotation of the Company on 11 October 1988 the ordinary shares were valued at 170 pence each. When the Company was finally demerged on 16 September 1991 the base cost of Racal Electronics Plc shares for UK taxpayers 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 restated as 11.333 pence and 22.133 pence respectively.

On 31 July 2006 the Group returned approximately £9 billion to shareholders in the form of a B share arrangement. As part of this arrangement, and in order to facilitate historical share price comparisons, the Group's share capital was consolidated on the basis of seven new ordinary shares for every eight ordinary shares held at this date.

On 21 February 2014 the Group disposed of its interest in Verizon Wireless ('VZW') to Verizon Communications Inc. As part of this transaction the Group returned US$85 billion to shareholders in cash and Verizon shares. On 24 February 2014 the Group's share capital was consolidated on the basis of six new ordinary shares for every eleven existing ordinary shares.

The closing share price at 31 March 2014 was 220.25 pence (31 March 2013: 186.60 pence). The closing share price on 19 May 2014 was 217.95 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, and (ii) the reported high and low sales prices of ADSs on the New York Stock Exchange ('NYSE')/NASDAQ. The Company transferred its ADS listing from the NYSE to NASDAQ on 29 October 2009.

	London Stock Exchange Pounds per ordinary share		NYSE/NASDAQ Dollars per ADS	
Year ended 31 March	High	Low	High	Low
2010	1.54	1.11	24.04	17.68
2011	1.85	1.27	32.70	18.21
2012	1.84	1.54	29.46	24.31
2013	1.92	1.54	30.07	24.42
2014	2.52	1.80	41.57	27.74

	London Stock Exchange Pounds per ordinary share		NYSE/NASDAQ Dollars per ADS	
Quarter	High	Low	High	Low
2012/2013				
First quarter	1.82	1.64	28.39	26.00
Second quarter	1.92	1.73	30.07	27.47
Third quarter	1.82	1.54	29.46	24.95
Fourth quarter	1.90	1.56	28.73	24.42
2013/2014				
First quarter	1.99	1.80	30.80	27.81
Second quarter	2.24	1.92	35.79	29.15
Third quarter	2.44	2.20	39.99	35.03
Fourth quarter	2.52	2.18	36.01	41.57
2014/2015				
First quarter[1]	2.27	2.11	38.26	35.37

Note:
1 Covering period up to 19 May 2014.

Shareholder information (continued)

	London Stock Exchange Pounds per ordinary share		NASDAQ Dollars per ADS	
Month	High	Low	High	Low
November 2013	2.40	2.32	38.06	36.91
December 2013	2.43	2.30	39.99	37.39
January 2014	2.46	2.28	39.90	37.44
February 2014	2.52	2.21	41.57	36.01
March 2014	2.49	2.18	41.50	36.05
April 2014	2.24	2.11	37.96	35.37
May 2014[1]	2.27	2.17	38.26	36.28

Note:
1 Covering period up to 19 May 2014.

Inflation and foreign currency translation

Inflation

Inflation has not had a significant effect on the Group's results of operations and financial condition during the three years ended 31 March 2014.

Foreign currency translation

The following table sets out the pound sterling exchange rates of the other principal currencies of the Group, being: "euros", "€" or "eurocents", the currency of the European Union ('EU') member states which have adopted the euro as their currency, and "US dollars", "US$", "cents" or "¢", the currency of the US.

	31 March		%
Currency (=£1)	2014	2013	Change
Average:			
Euro	1.19	1.23	(3.3)
US dollar	1.59	1.58	0.6
At 31 March:			
Euro	1.21	1.19	1.7
US dollar	1.67	1.52	9.9

The following table sets out, for the periods and dates indicated, the period end, average, high and low exchanges rates for pound sterling expressed in US dollars per £1.00.

Year ended 31 March	31 March	Average	High	Low
2010	1.52	1.60	1.70	1.44
2011	1.61	1.56	1.64	1.43
2012	1.60	1.60	1.67	1.53
2013	1.52	1.58	1.63	1.49
2014	1.67	1.59	1.67	1.49

The following table sets out, for the periods indicated, the high and low exchange rates for pounds sterling expressed in US dollars per £1.00.

Month	High	Low
November 2013	1.64	1.59
December 2013	1.66	1.63
January 2014	1.66	1.63
February 2014	1.67	1.63
March 2014	1.67	1.65
April 2014	1.69	1.66

Markets

Ordinary shares of Vodafone Group Plc are traded on the London Stock Exchange and in the form of ADSs on NASDAQ. We had a total market capitalisation of approximately £57 billion at 19 May 2014 making us the sixth largest listing in The Financial Times Stock Exchange 100 index and the 76th largest company in the world based on market capitalisation at that date.

ADSs, each representing ten ordinary shares, are traded on NASDAQ under the symbol "VOD". The ADSs are evidenced by ADRs issued by BNY Mellon, as depositary, under a deposit agreement, dated as of 12 October 1988, as amended and restated on 26 December 1989, 16 September 1991, 30 June 1999 and 31 July 2006 between the Company, the depositary and the holders from time to time of ADRs issued thereunder.

ADS holders are not members of the Company but may instruct BNY Mellon on the exercise of voting rights relative to the number of ordinary shares represented by their ADSs. See "Articles of association and applicable English law – Rights attaching to the Company's shares – Voting rights" on page 185.

Shareholders at 31 March 2014

Number of ordinary shares held	Number of accounts	% of total issued shares
1–1,000	444,094	0.31
1,001–5,000	52,522	0.39
5,001–50,000	14,687	0.60
50,001–100,000	513	0.12
100,001–500,000	721	0.58
More than 500,000	1,135	98.00
	513,672	100.00

Major shareholders

BNY Mellon, as custodian of our ADR programme, held approximately 17.95% of our ordinary shares of 20 20/21 US cents each at 19 May 2014 as nominee. The total number of ADRs outstanding at 19 May 2014 was 517,135,941. At this date 1,473 holders of record of ordinary shares had registered addresses in the United States and in total held approximately 0.007% of the ordinary shares of the Company.

At 31 March 2014 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. No changes in the interests disclosed to the Company have been notified between 31 March 2014 and 19 May 2014.

Shareholder	Shareholding
Black Rock, Inc.	6.90%

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 19 May 2014, of any other interest of 3% or more in the ordinary share capital of the Company. The Company is not directly or indirectly owned 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.

Articles of association and applicable English law

The following description summarises certain provisions of the Company's articles of association and applicable English law. This summary is qualified in its entirety by reference to the Companies Act 2006 of England and Wales and the Company's articles of association. See "Documents on display" on page 187 for information on where copies of the articles of association can be obtained.

The Company is a public limited company under the laws of England and Wales. The Company is registered in England and Wales under the name Vodafone Group Public Limited Company with the registration number 1833679.

All of the Company's ordinary shares are fully paid. Accordingly, no further contribution of capital may be required by the Company from the holders of such shares.

English law specifies that any alteration to the articles of association must be approved by a special resolution of the shareholders.

Articles of association

By a special resolution passed at the 2010 AGM the Company removed its object clause together with all other provisions of its memorandum of association which, by virtue of the Companies Act 2006, are treated as forming part of the Company's articles of association. Accordingly, the Company's articles of association do not specifically restrict the objects of the Company.

Directors

The Company's articles of association provide for a Board of directors, consisting of not fewer than three directors, who shall manage the business and affairs of the Company.

The directors are empowered to exercise all the powers of the Company subject to any restrictions in the articles of association, the Companies Act (as defined in the articles of association) and any special resolution.

Under the Company's articles of association a director cannot vote in respect of any proposal in which the director, or any person connected with the director, has a material interest other than by virtue of the director's interest in the Company's shares or other securities. However, this restriction on voting does not apply to resolutions (i) giving the director or a third party any guarantee, security or indemnity in respect of obligations or liabilities incurred at the request of or for the benefit of the Company, (ii) giving any guarantee, security or indemnity to the director or a third party in respect of obligations of the Company for which the director has assumed responsibility under an indemnity or guarantee, (iii) relating to an offer of securities of the Company in which the director is entitled to participate as a holder of shares or other securities or in the underwriting of such shares or securities, (iv) concerning any other company in which the director (together with 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, (v) relating to the arrangement of any employee benefit in which the director will share equally with other employees and (vi) relating to any insurance that the Company purchases 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 701 of the Companies Act 2006.

At each AGM all directors who were elected or last re-elected at or before the AGM held in the third calendar year before the current year shall automatically retire. 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 of association in this regard, the Board has decided in the interests of good corporate governance that all of the directors wishing to continue in office should offer themselves for re-election annually.

Directors are 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 69 to 85). The report is also subject to a shareholder vote.

Rights attaching to the Company's shares

At 31 March 2014 the issued share capital of the Company was comprised of 50,000 7% cumulative fixed rate shares of £1.00 each, 26,439,960,221 ordinary shares (excluding treasury shares) of $20^{20}/_{21}$ US cents each and 33,737,176,433 deferred shares of US$0.00001 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 fixed cumulative 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 can be paid to shareholders in whatever currency the directors decide, using an appropriate exchange rate for any currency conversions which are required. Holders of the Company's deferred shares have no right to dividends.

If a dividend has not been claimed for one year after the date of the resolution passed at a general meeting declaring that dividend or the resolution of the directors providing for payment of that dividend, the directors may invest the dividend or use it in some other way for the benefit of the Company until the dividend is claimed. If the dividend remains unclaimed for 12 years after the relevant resolution either declaring that dividend or providing for payment of that dividend, it will be forfeited and belong to the Company.

Voting rights

The Company's articles of association provide that voting on substantive resolutions (i.e. any resolution which is not a procedural resolution) at a general meeting shall be decided on a poll. On a poll, each shareholder who is entitled to vote and is present in person or by proxy has one vote for every share held. Procedural resolutions (such as a resolution to adjourn a general meeting or a resolution on the choice of Chairman of a general meeting) shall be decided on a show of hands, where each shareholder who is present at the meeting has one vote regardless of the number of shares held, unless a poll is demanded. In addition, the articles of association allow persons appointed as proxies of shareholders entitled to vote at general meetings to vote on a show of hands, as well as to vote on a poll and attend and speak at general meetings. The articles of association also allow persons appointed as proxies by two or more shareholders entitled to vote at general meetings to vote for and against a resolution on a show of hands.

Under English law two shareholders present in person constitute a quorum for purposes of a general meeting unless a company's articles of association specify otherwise. The Company's articles of association do not specify otherwise, except that the shareholders do not need to be present in person and may instead be present by proxy to constitute a quorum.

Under English law shareholders of a public company such as the Company are not permitted to pass resolutions by written consent.

Shareholder information (continued)

Record holders of the Company's ADSs are entitled to attend, speak and vote on a poll or a show of hands at any general meeting of the Company's shareholders by the depositary's appointment of them as corporate representatives with respect to the underlying ordinary shares represented by their ADSs. Alternatively holders of ADSs are entitled to vote by supplying their voting instructions to the depositary or its nominee who will vote the ordinary shares underlying their ADSs in accordance with their instructions.

Employees are able to vote any shares held under the Vodafone Group Share Incentive Plan and "My ShareBank" (a vested nominee share account) through the respective plan's trustees.

Holders of the Company's 7% cumulative fixed rate shares are only entitled to vote on any resolution to vary or abrogate the rights attached to the fixed rate shares. Holders have one vote for every fully paid 7% cumulative fixed rate share.

Holders of the Company's deferred shares are not entitled to attend or vote at general meetings of the Company.

Liquidation rights

In the event of the liquidation of the Company, after payment of all liabilities and deductions in accordance with English law, the holders of the Company's 7% cumulative fixed rate shares would be entitled to a sum equal to the capital paid up on such shares, together with certain dividend payments, in priority to holders of the Company's ordinary shares. The holders of the fixed rate shares do not have any other right to share in the Company's surplus assets. The holders of ordinary shares have priority over holders of deferred shares.

Pre-emptive rights and new issues of shares

Under section 549 of the Companies Act 2006 directors are, with certain exceptions, unable to allot the Company's ordinary shares or securities convertible into the Company's ordinary shares without the authority of the shareholders in a general meeting. In addition, section 561 of the Companies Act 2006 imposes further restrictions on the issue of equity securities (as defined in the Companies Act 2006 which include the Company's ordinary shares and securities 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 allow shareholders to authorise directors for a period specified in the relevant resolution to allot (i) relevant securities generally up to an amount fixed by the shareholders and (ii) equity securities for cash other than in connection with a pre-emptive offer up to an amount specified by the shareholders and free of the pre-emption restriction in section 561. At the 2013 AGM the amount of relevant securities fixed by shareholders under (i) above and the amount of equity securities specified by shareholders under (ii) above were both in line with corporate governance guidelines. The directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise. In order to retain such maximum flexibility, the directors propose to renew the authorities granted by shareholders in 2013 at this year's AGM. Further details of such proposals are provided in the 2014 notice of AGM.

Disclosure of interests in the Company's shares

There are no provisions in the articles of association whereby persons acquiring, holding or disposing of a certain percentage of the Company's shares are required to make disclosure of their ownership percentage although such requirements exist under rules derived from the Disclosure and Transparency Rules ('DTRs').

The basic disclosure requirement upon a person acquiring or disposing of shares that are admitted to trading on a regulated market and 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 of the person's voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (falling within DTR 5.3.1R) reaches or exceeds 3% and reaches, exceeds or falls below each 1% threshold thereafter.

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 believe is, or was during the preceding three years, interested in the Company's shares to indicate whether or not that is correct and, if that person does or did hold an interest in the Company's shares, to provide certain information as set out in the Companies Act 2006. DTR 3 deals with the disclosure by persons "discharging managerial responsibility" and their connected persons of the occurrence of all transactions conducted on their account in the shares of the Company. Part 28 of The Companies Act 2006 sets out the statutory functions of the Panel on Takeovers & Mergers (the 'Panel'). The Panel is responsible for issuing and administering the Code on Takeovers & Mergers which includes disclosure requirements on all parties to a takeover with regard to dealings in the securities of an offeror or offeree company and also on their respective associates during the course of an offer period.

General meetings and notices

Subject to the articles of association, annual general meetings are held at such times and place as determined by the directors of the Company. The directors may also, when they think fit, convene other general meetings of the Company. General meetings may also be convened on requisition as provided by the Companies Act 2006.

An annual general meeting needs to be called by not less than 21 days' notice in writing. Subject to obtaining shareholder approval on an annual basis, the Company may call other general meetings on 14 days' notice. The directors may determine that persons 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 21 days before the date the relevant notice is sent. The notice may also specify the record date, the time of which shall be determined in accordance with the articles of association and the Companies Act 2006.

Shareholders must provide the Company with an address or (so far as the Companies Act 2006 allows) an electronic address or fax number in the UK in order to be entitled to receive notices of shareholders' meetings and other notices and documents. In certain circumstances the Company may give notices to shareholders by publication on the Company's website and advertisement in newspapers in the UK. Holders of the Company's ADSs are entitled to receive notices under the terms of the deposit agreement relating to the ADSs.

Under section 336 of the Companies Act 2006 the annual general meeting of shareholders must be held each calendar year and within six months of the Company's year end.

Electronic communications

The Company has previously passed a resolution allowing it to communicate all shareholder information by electronic means, including making such information available on the Company's website. Those shareholders who have positively elected for website communication (or are deemed to have consented to receive electronic communication in accordance with the Companies Act 2006) will receive written notification whenever shareholder documentation is made available on the website.

Variation of rights

If at any time the Company's share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the Companies Act 2006, either with the consent in writing of the holders of three quarters in nominal value of the shares of that class or at a separate meeting of the holders of the shares of that class.

At every such separate meeting all of the provisions of the articles of association relating to proceedings at a general meeting apply, except that (i) the quorum is 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 or, if such quorum is not present on an adjourned meeting, one person who holds shares of the class regardless of the number of shares he holds, (ii) any person present in person or by proxy may demand a poll and (iii) each shareholder will have one vote per share held in that particular class in the event a poll is taken. 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 of the Company or by a redemption or repurchase of the shares by the Company.

Limitations on voting and shareholding

As far as the Company is aware there are no limitations imposed on the transfer, holding or voting of the Company's ordinary shares other than those limitations that would generally apply to all of the shareholders. No shareholder has any securities carrying special rights with regard to control of the Company.

Documents on display

The Company is subject to the information requirements of the Exchange Act applicable to foreign private issuers. In accordance with these requirements the Company files its annual report on Form 20-F and other related documents with the SEC. These documents may be inspected at the SEC's public reference rooms located at 100 F Street, NE Washington, DC 20549. Information on the operation of the public reference room can be obtained in the United States by calling the SEC on +1-800-SEC-0330. In addition, some of the Company's SEC filings, including all those filed on or after 4 November 2002, are available on the SEC's website (sec.gov). Shareholders can also obtain copies of the Company's articles of association from our website at vodafone.com/governance or from the Company's registered office.

Material contracts

At the date of this annual report the Group is not party to any contracts that are considered material to the Group's results or operations except for its US$4.2 billion and €3.9 billion revolving credit facilities which are discussed in note 22 "Liquidity and capital resources" to the consolidated financial statements and the stock purchase agreement for the sale of the Group's entire 45% shareholding in VZW to Verizon Communications Inc.

Exchange controls

There are no UK government laws, decrees or regulations that restrict or affect the export or import of capital, including but not limited to, foreign exchange controls on remittance of dividends on the ordinary shares or on the conduct of the Group's operations.

Taxation

As this is a complex area investors should consult their own tax advisor regarding the US federal, state and local, the UK and other tax consequences of owning and disposing of shares and ADSs in their particular circumstances.

This section describes, primarily for a US holder (as defined below), in general terms, the principal US federal income tax and UK tax 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, cover the tax consequences for members of certain classes of holders subject to special rules including, for example, US expatriates and former long-term residents of the US and officers of the Company, employees and holders that, directly or indirectly, hold 10% or more of the Company's voting stock.

A US holder is a beneficial owner of shares or ADSs that is for US federal income tax purposes:

- a citizen or resident of the US;
- a US domestic corporation;
- an estate, the income of which is subject to US federal income tax regardless of its source; or
- a trust, if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for US federal income tax purposes.

If an entity treated as a partnership for US federal income tax purposes holds the shares or ADSs, the US federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in an entity treated as a partnership for US federal income tax purposes holding the shares or ADSs should consult its tax advisor with regard to the US federal income tax treatment of an investment in the shares or ADSs.

This section is based on the US Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, and on the tax laws of the UK and the Double Taxation Convention between the US and the UK (the 'treaty'), all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

This section is further based in part upon the representations of the depositary and assumes that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

For purposes of the treaty and the US-UK double taxation convention relating to estate and gift taxes (the 'Estate Tax Convention'), and for US federal income tax and UK tax purposes, this section is based on the assumption that a holder of ADRs evidencing ADSs will be treated as the owner of the shares in the Company represented by those ADSs. Investors should note that a ruling by the first-tier tax tribunal in the UK has cast doubt on this view, but HMRC have stated that they will continue to apply their long-standing practice of regarding the holder of such ADRs as holding the beneficial interest in the underlying shares. Investors should note, however, that this is an area of some uncertainty that may be subject to further developments in the future. Generally exchanges of shares for ADRs and ADRs for shares will not be subject to US federal income tax or to UK tax other than stamp duty or stamp duty reserve tax (see the section on these taxes on page 189).

Shareholder information (continued)

Taxation of dividends

UK taxation

Under current UK tax law no withholding tax will be deducted from the dividends we pay. Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on the dividends we pay unless the dividends fall within an exempt class and certain other conditions are met. It is expected that the dividends we pay would generally be exempt.

A shareholder in the Company who is an individual resident for UK tax purposes in the UK, is entitled in calculating their liability to UK income tax, to a tax credit on cash dividends we pay on our shares or ADSs and the tax credit is equal to one-ninth of the cash dividend.

US federal income taxation

Subject to the passive foreign investment corporation ('PFIC') rules described below, a US holder is subject to US federal income taxation on the gross amount of any dividend we pay out of our current or accumulated earnings and profits (as determined for US federal income tax purposes). Dividends paid to a non-corporate US holder that constitute qualified dividend income will be taxable to the holder at the special reduced rate normally applicable to long-term capital gains provided that the ordinary shares or ADSs are held for more than 60 days during the 121 day period beginning 60 days before the ex-dividend date and the holder meets other holding period requirements. Dividends paid by us with respect to the shares or ADSs will generally be qualified dividend income. A US holder is not subject to a UK withholding tax. The US holder includes in gross income for US federal income tax purposes only the amount of the dividend actually received from us and the receipt of a dividend does not entitle the US holder to a foreign tax credit.

Dividends must be included in income when the US holder, in the case of shares, or the depositary, in the case of ADSs, actually or constructively receives the dividend and will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. Dividends will be income from sources outside the US. For the purpose of the foreign tax credit limitation, foreign source income is classified in one of two baskets and the credit for foreign taxes on income in any basket is limited to US federal income tax allocable to that income. Generally the dividends we pay will constitute foreign source income in the passive income basket.

In the case of shares, the amount of the dividend distribution to be included in income will be the US dollar value of the pound sterling payments made determined at the spot pound sterling/US dollar rate on the date of the dividend distribution regardless of whether the payment is in fact converted into US dollars. Generally any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is to be included in income to the date the payment is converted into US dollars will be treated as ordinary income or loss. Generally the gain or loss will be income or loss from sources within the US for foreign tax credit limitation purposes.

Taxation of capital gains

UK taxation

A US holder may be liable for both UK and US tax in respect of a gain on the disposal of our shares or ADSs if the US holder is:

- a citizen of the US resident for UK tax purposes in the UK;
- a citizen of the US who has been resident for UK tax purposes in the UK, ceased to be so resident for a period of five years or less and who disposed of 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 that individual's return to the UK;
- a US domestic corporation resident in the UK by reason of being centrally managed and controlled in the UK; or
- a citizen of the US or a US domestic corporation that carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of US domestic companies, through a permanent establishment 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 of such branch or agency or permanent establishment.

Under the treaty capital gains on dispositions of the shares or ADSs are generally subject to tax only in the country of residence of the relevant holder as determined under both the laws of the UK and the US and as required by the terms of the treaty. However, the treaty provides that individuals who are residents of either the UK or the US and who have been residents of the other jurisdiction (the US or the UK, as the case may be) at any time during the six years 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 not only in the country of which the holder is resident at the time of the disposition but also in that other country (although, in respect of UK taxation, generally only to the extent that such an individual comprises a temporary non-resident).

We published tax information relating to the return of value here: vodafone.com/investor.

US federal income taxation

Subject to the passive foreign investment company rules described below, a US holder that sells or otherwise disposes of our shares or ADSs will recognise a capital gain or loss for US federal income tax purposes equal to the difference between the US dollar value of the amount realised and the holder's tax basis, determined in US dollars, in the shares or ADSs. Generally a capital gain of a non-corporate US holder is taxed at a maximum US federal income tax rate of 20% provided the holder has a holding period of more than one year and does not have taxable income in excess of certain thresholds. The gain or loss will generally be income or loss from sources within the US for foreign tax credit limitation purposes. The deductibility of losses is subject to limitations.

Additional tax considerations

UK inheritance tax

An individual who is domiciled in the US (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 our 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 applicable 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 US and was not a UK national. Where the shares or ADSs are subject to both UK inheritance tax and 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 our shares 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 the 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.

A ruling by the European Court of Justice has determined that the 1.5% SDRT charges on issue of shares to a clearance service is contrary to EU law. As a result of that ruling, HMRC indicated that where new shares are first issued to a clearance service or to a depositary within the EU, the 1.5% SDRT charge will not be levied. Subsequently, a decision by the first-tier tax tribunal in the UK extended this ruling to the issue of shares (or, where it is integral to the raising of new capital, the transfer of shares) to depositary receipts systems wherever located. HMRC have stated that they will not seek to appeal this decision and, as such, will no longer seek to impose 1.5% SDRT on the issue of shares (or, where it is integral to the raising of new capital, the transfer of shares) to a clearance service or to a depositary, wherever located. Investors should, however, be aware that this area may be subject to further developments in the future.

No stamp duty will be payable on any transfer of our ADSs provided that the ADSs and any separate instrument of transfer are executed and retained at all times outside the UK. A transfer of our shares 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 our shares in registered form at 0.5% of the amount or value of the consideration for the transfer, 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 our ADSs will not give rise to SDRT.

PFIC rules

We do not believe that our shares or ADSs will be treated as stock of a PFIC for US federal income tax purposes. This conclusion is a factual determination that is made annually and thus is subject to change. If we are 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 the 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 us would not be eligible for the preferential tax rate applicable to qualified dividend income for certain noncorporate holders.

Backup withholding and information reporting

Payments of dividends and other proceeds to a US holder with respect to shares or ADSs, by a US paying agent or other US intermediary will be reported to the Internal Revenue Service ('IRS') and to the US holder as may be required under applicable regulations. Backup withholding may apply to these payments if the US holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US holders are not subject to backup withholding. US holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Foreign financial asset reporting

US taxpayers that own certain foreign financial assets, including debt and equity of foreign entities, with an aggregate value in excess of US$50,000 at the end of the taxable year or US$75,000 at any time during the taxable year (or, for certain individuals living outside the United States and married individuals filing joint returns, certain higher thresholds) may be required to file an information report with respect to such assets with their tax returns. The shares constitute foreign financial assets subject to these requirements unless the shares are held in an account at a financial institution (in which case the account may be reportable if maintained by a foreign financial institution). US holders should consult their tax advisors regarding the application of the rules relating to foreign financial asset reporting.

History and development

The Company was incorporated under English law in 1984 as Racal Strategic Radio Limited (registered number 1833679). After various name changes, 20% of Racal Telecom Plc share capital was offered to the public in October 1988. The Company was fully demerged from Racal Electronics Plc and became an independent company in September 1991, at which time it changed its name to Vodafone Group Plc.

Since then we have entered into various transactions which enhanced our international presence. The most significant of these transactions were as follows:

- the merger with AirTouch Communications, Inc. which completed on 30 June 1999. The Company changed its name to Vodafone AirTouch Plc in June 1999 but then reverted to its former name, Vodafone Group Plc, on 28 July 2000;
- the completion on 10 July 2000 of the agreement with Bell Atlantic and GTE to combine their US cellular operations to create the largest mobile operator in the United States, Verizon Wireless, resulting in the Group having a 45% interest in the combined entity;
- the acquisition of Mannesmann AG which completed on 12 April 2000. Through this transaction we acquired businesses in Germany and Italy and increased our indirect holding in Société Française du Radiotéléphone S.A. ('SFR');
- through a series of business transactions between 1999 and 2004 we acquired a 97.7% stake in Vodafone Japan. This was then disposed of on 27 April 2006;
- on 8 May 2007 we acquired companies with controlling interests in Vodafone India Limited ('VIL'), formerly Vodafone Essar Limited, for US$10.9 billion (£5.5 billion); and
- on 20 April 2009 we acquired an additional 15.0% stake in Vodacom for cash consideration of ZAR 20.6 billion (£1.6 billion). On 18 May 2009 Vodacom became a subsidiary.

Other transactions that have occurred since 31 March 2010 are as follows:

10 September 2010 – China Mobile Limited: We sold our entire 3.2% interest in China Mobile Limited for cash consideration of £4.3 billion.

30/31 March 2011 – India: The Essar Group exercised its underwritten put option over 22.0% of VIL, following which we exercised our call option over the remaining 11.0% of VIL owned by the Essar Group. The total consideration due under these two options was US$5 billion (£3.1 billion).

16 June 2011 – SFR: We sold our entire 44% interest in SFR to Vivendi for a cash consideration of €7.75 billion (£6.8 billion) and received a final dividend from SFR of €200 million (£176 million).

1 June/1 July 2011 – India: We acquired an additional 22% stake in VIL from the Essar Group for a cash consideration of US$4.2 billion (£2.6 billion) including withholding tax.

18 August 2011/8 February 2012 – Vodafone assigned its rights to purchase 11% of VIL to Piramal Healthcare Limited ('Piramal'). On 18 August 2011 Piramal purchased 5.5% of VIL from the Essar Group for a cash consideration of INR 28.6 billion (£368 million). On 8 February 2012, they purchased a further 5.5% of VIL from the Essar Group for a cash consideration of approximately INR 30.1 billion (£399 million) taking Piramal's total shareholding in VIL to approximately 11%.

9 November 2011 – Poland: We sold our entire 24.4% interest in Polkomtel in Poland for cash consideration of approximately €920 million (£784 million) before tax and transaction costs.

27 July 2012 – UK: We acquired the entire share capital of Cable & Wireless Worldwide plc for a cash consideration of approximately £1,050 million.

31 October 2012 – New Zealand: We acquired TelstraClear Limited, for a cash consideration of NZ$840 million (£440 million).

13 September 2013 – Germany: We acquired a 76.57% interest in Kabel Deutschland Holding AG for a cash consideration of €5.8 billion (£4.9 billion).

21 February 2014 – On 2 September 2013 Vodafone announced that it had reached agreement to dispose of its US Group whose principal asset was its 45% interest in Verizon Wireless ('VZW') to Verizon Communications Inc. ('Verizon'), Vodafone's joint venture partner, for a total consideration of US$130 billion (£79 billion) including the remaining 23.1% minority interest in Vodafone Italy. Following completion on 21 February 2014, Vodafone shareholders received Verizon shares and cash totalling US$85 billion (£51 billion).

17 March 2014 – Spain: We agreed to acquire Group Corporativo Ono, S.A. ('Ono') for a total consideration equivalent to €7.2 billion (£6.0 billion) on a debt and cash free basis. The acquisition, which is subject to customary terms and conditions including anti-trust clearances by the relevant authorities, is expected to complete in calendar Q3 2014.

Regulation

Our 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 (antitrust) law applicable to all activities.

The following section describes the regulatory frameworks and the key regulatory developments at the global and supranational level and in selected countries in which we have significant interests during the year ended 31 March 2014. 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, we are unable to attach a specific level of financial risk to our performance from such matters.

European Union ('EU')

In September 2013, the European Commission (the 'Commission') delivered major regulatory proposals aimed at building a telecoms single market and delivering a "Connected Continent". These proposals have been amended by the European Parliament and will now be reviewed by the European Council. The Commission's proposals include the following:

- a simplified notification process for telecommunications operators across the EU;
- removal of all roaming surcharges after June 2016;
- increased transparency requirements for consumers;
- harmonisation of Spectrum allocation rules; and
- net neutrality requirements, which include restrictions on blocking, slowing down or discriminating against any internet content.

Roaming

The current roaming regulation came into force in July 2012 and requires mobile operators to supply voice, text and data roaming services under retail price caps. Wholesale price caps also apply to voice, text and data roaming services.

The roaming regulation also requires a number of additional measures which are intended to increase competition in the retail market for roaming and thereby facilitate the withdrawal of price caps. These include a requirement that users be able, from July 2014, to purchase roaming services from a provider other than their current domestic provider and to retain the same phone number when roaming.

Fixed network regulation

In September 2013, the Commission published its recommendation on costing methodologies and non-discrimination which aims to encourage Next Generation Access ('NGA') investment. NGA networks of operators with Significant Market Power ('SMP') may be exempt from cost-oriented wholesale prices if access is provided on the basis of equivalence of inputs (i.e. exactly the same products, prices and processes are offered to competitors) with effective margin squeeze tests to ensure technical and economic replicability. Copper wholesale network prices are expected to remain within a guide price band of €8 to €10 per month.

Europe region

Germany

The Federal Network Agency ('BNetzA') has indicated that the envisaged merger of Telefónica Deutschland and E-plus will have implications for spectrum allocation, and this is expected to impact the current proceedings on 700MHz, 900MHz, 1500MHz and 1800MHz licensing (Project 2016). BNetzA is unlikely to decide on the further procedure until the envisaged Telefónica Deutschland/E-plus merger is finally decided in mid-2014.

The national regulator is currently consulting on new mobile termination rates ('MTR's), with a decision due to be announced in December 2014.

Italy

Vodafone Italy, along with other Italian mobile operators, is the subject of an investigation by the Italian Antitrust Authority following a dawn raid in November 2012. This followed a complaint from an MVNO that it had been excluded from the market. The investigation is ongoing and Vodafone Italy is cooperating with the Antitrust Authority.

Vodafone Italy has appealed against the injunction of the national regulator ('AGCOM') ordering them to adopt all measures required under the Roaming Regulation in relation to roaming charges within a tariff.

For information on litigation in Italy, see note 30 "Contingent liabilities".

United Kingdom

In October 2013, the national regulator ('Ofcom') began a consultation on revising the annual licence fees payable on licences for the use of spectrum in the 900MHz and 1800MHz bands, to reflect market value and with regard to the sums bid in the 4G auction. The 900MHz, 1800MHz and 2.1GHz licences have been made technology-neutral, allowing them to be used for 4G.

Spain

In June 2013, the Spanish Parliament adopted Act 3/2013 creating the National Markets and Competition Commission ('CNMC') as the new national regulator, responsible for both competition and regulatory matters.

In August 2013, Vodafone Spain filed a competition complaint with the competition authority against Telefónica and Yoigo for an alleged unauthorised transfer of the use of Yoigo's spectrum to Telefónica with a parallel complaint filed to the Ministry in September 2013. The Ministry rejected that complaint in November 2013 and Vodafone Spain has submitted an administrative appeal against this decision in December 2013, stating that Yoigo and Telefónica are undertaking an unauthorised spectrum sharing arrangement. The Ministry has not yet announced its decision.

In February 2014, Vodafone Spain lodged a competition claim before the national regulator against Telefónica citing abuse of its dominant position in both its fibre roll-out and fibre retail offers as well as subscribing to anticompetitive agreements with Jazztel.

In March 2014, the national regulator concluded there were no sanctions to apply against Telefónica, Orange and Vodafone in the margin squeeze case that was originally brought to them by a MVNO in January 2012.

The fines applied to Telefónica, Orange and Vodafone Spain in December 2012 for abuse of dominant position by imposing excessive pricing of wholesale SMS/MMS services on MVNOs, remain suspended until the judicial review is concluded.

Netherlands

In November 2013, the investigation of the Dutch competition authority ('ACM') into the three mobile operators (KPN, T-Mobile and Vodafone Netherlands) concluded without any fine being imposed. ACM determined that there were no price-fixing agreements in the mobile-telecommunications market. However, ACM did establish that public statements about future market behaviour could carry antitrust risks. The three operators have therefore made a commitment to ACM that they will refrain from making certain statements about future market behaviour in public to avoid any risk of illegal collusive behaviour in the future.

Regulation (continued)

Ireland
In December 2012, Vodafone Ireland judicially challenged the decision of the Commission for Communications Regulation ('ComReg'), to impose an interim MTR based on a BEREC benchmark rather than a MTR based on a full cost model. In August 2013, the Irish High Court found the decision to be unlawful and by Court order, set a maximum MTR rate for the Irish market of 2.60 eurocents per minute, to apply from 1 July 2013. This rate will apply until a MTR based on a fully modelled price is available which is expected in September 2014. ComReg has appealed the Irish High Court's decision, to the Irish Supreme Court.

Portugal
In July 2013, following a complaint from Optimus, the Portuguese Competition Authority ('PCA') opened an administrative inquiry into TMN, Vodafone Portugal and Optimus to assess the existence of a potential abuse of individual dominant position by TMN and Vodafone Portugal or a potential abuse of collective dominant position by these companies on the mobile communications services retail markets, consisting of a rate discrimination (i.e. the application of dissimilar conditions to equivalent services) between the on-net prices of voice calls and SMS and the off-net prices of voice calls and SMS. The inquiry also covers the potential abuse of individual dominant position by TMN and Vodafone Portugal in their respective wholesale SMS termination markets. We submitted preliminary remarks in September 2013.

Romania
An investigation by the Romanian Competition Council ('RCA') commenced in April 2011 for alleged margin squeeze by all MNOs between 2006 and 2011 on wholesale termination tariffs. In May 2012, at the request of the MNOs, the RCA accepted to enter into a commitment procedure in order to close the investigation. Their concerns on MTRs have been resolved by the national regulator's decision on a new long-run incremental cost model that means from 1 April 2014, the maximum termination rates in Romania will decrease from 0.67 eurocents per minute to 0.14 eurocents per minute for fixed call termination and, respectively, from 3.07 eurocents per minute to 0.96 eurocents per minute for mobile call termination.

A cross-border spectrum coordination agreement with Ukraine was signed in June 2013, ensuring interference free use of the E-GSM 900MHz band at the border. Although the agreement entered into force on 1 January 2014, the Ukrainian operators are not currently fulfilling their obligations under the agreement, resulting in the Vodafone Romania E-GSM spectrum facing heavy interference in some areas, especially on the south-east side of the country. Vodafone Romania, with the help of the national regulator, is working to find a timely and efficient solution with the Ukrainian operators, before the entry into force of the new GSM licences.

New spectrum licenses comprising 2x10MHz in 800MHz, 2x10MHz in 900MHz, 2x30MHz in 1800MHz and 1x15MHz in 2.6GHz, came into force on 5 April 2014.

Greece
Offers for tender for the National Rural Broadband Network construction opened in February 2014. The fixed incumbent (OTE) and the consortium of Intrakat, Intracom Holdings and Hellas Online (Vodafone Greece has an 18.5% interest in Hellas Online) are the only two parties in the tender process.

In March 2014, the Hellenic Telecommunications & Post Commission ('EETT') announced that spectrum in the 800MHz and 2.6 GHz bands is expected to be auctioned after July 2014.

Czech Republic
The Czech Telecommunications Office ('CTU'), the national regulator, has not resolved the issues with their draft analysis on access and call origination published in 2012.

Vodafone Czech Republic acquired 2x10MHz of 800MHz spectrum, 2x4MHz of 1800MHz spectrum and 2x20MHz of 2.6GHz spectrum for CZK 3.1 billion in a spectrum auction in November 2013. The Czech Telecommunication Office plans to sell the remaining spectrum in the 1800MHz and 2.6GHz bands later in 2014. The 800MHz and 1800MHz frequencies reserved for a new entrant remain unsold. Using our technology neutral licence, we launched a 4G network on 2x3MHz in the 900MHz band, in November 2013.

Hungary
Further to the Commission withdrawing its initiative to prepare an infringement procedure against the Hungarian government's telecommunications tax, in August 2013 the telecommunications tax was raised from HUF 2 to HUF 3 per voice minute and SMS and the cap on business subscriptions has been doubled from HUF 2,500 to HUF 5,000 per month. In the year ended 31 March 2014, Vodafone Hungary's telecommunications tax liability is HUF 10 billion.

Vodafone Hungary's original 900MHz and 1800MHz licences which were due to expire in July 2014, have been extended to 2022 following negotiations with the National Media and Infocommunications Authority Hungary ('NMIAH') in September 2013. The NMIAH is preparing to offer the 4G bands (800MHz and 2.6GHz) together with some remaining frequencies in the 900MHz and 1800MHz bands.

Albania
In January 2014, the Albanian Competition Authority ('ACA') issued recommendations to the Electronic and Postal Communications Authority ('AKEP') for measures to reduce the differentiation between on-net and off-net calls. The AKEP has imposed new account separation rules, which apply to the mobile operators and fixed incumbent from 2014.

AKEP is also reviewing MTR rates, targeting pure long run incremental cost ('LRIC') benchmarking levels with glide-path reducing current MTRs to 1.0 eurocents per minute in 2015. Vodafone Albania is opposing the proposal to apply asymmetric rates for the two smaller players.

In February 2014, following an investigation into the potential abuse of dominance by Vodafone Albania in the telephony market, the ACA found that Vodafone was dominant in the retail market for the period from January 2011 to December 2012. No abuse of this status has been found and no charges were imposed.

Malta
In March 2014, the MCA set the MTR at 0.40 eurocents per minute to which Vodafone has submitted an appeal to the Administrative Review Tribunal on the basis that there was a lack of transparency in the consultation process.

Africa, Middle East and Asia Pacific region

India
In January 2013, Vodafone India's application for a ten year extension to their existing 900MHz licences in Delhi, Mumbai and Kolkata was unsuccessful and the Department of Telecommunications ('DoT') included that spectrum in their 2013 auction plan. Vodafone India challenged this decision in the courts and in February 2014, the Supreme Court found in favour of the DoT. The 900MHz spectrum along with the 1800MHz spectrum was auctioned in February 2014 and Vodafone India acquired an aggregate of 2x23MHz of spectrum in the 900MHz band and 2x49MHz of spectrum in the 1800MHz band at a cost of INR 19.6 billion, which will be paid as an initial up-front payment followed by 10 annual instalments (following a two year moratorium).

As a mandatory condition of acquiring the 900MHz spectrum in Delhi, Mumbai and Kolkata, Vodafone India has applied for the new Unified Licence and is negotiating the agreement of specific terms prior to the commencement of the new spectrum in November 2014. Further spectrum licences expire in December 2016 and new licences are expected to be auctioned later in the current financial year.

For information on litigation in India, see note 30 "Contingent liabilities".

Vodacom: South Africa

The Ministry of Trade and Industry ('DTI') published revised generic Codes of Good Practice on Broad-based Black Economic Empowerment ('BEE') during October 2013, following an intensive consultation process. These revised codes will come into effect in April 2015. In addition, the Broad-based Black Economic Empowerment Amendment Act No. 46 of 2013 was promulgated in January 2014. This Act will come into force on a date still to be proclaimed by the President. A provision for BEE legislation to take precedence over sectoral legislation contained in the Act will only be effective 12 months after the proclamation date.

In October 2013, Cell C lodged a complaint with the Competition Commission of South Africa ('CompCom') against Vodacom (and MTN), in relation to alleged discriminatory pricing of on-net and off-net calls. Vodacom submitted its response in January 2014 however CompCom has decided to proceed with the formal investigation of Cell C's complaint.

In December 2013, the Ministry of Communications published the final National Broadband Policy which sets out the Government's national broadband policy objective of 100% broadband penetration by 2030. Amongst the measures being considered to achieve this objective is the establishment of a single national wholesale network. The Ministry of Communications has appointed a National Broadband Council (comprising of experts in the field) to advise on the implementation of the National Broadband Policy, including the desirability and business case of a single national wholesale network.

In January 2014, the Ministry of Communications commenced the consultation process on the National Integrated ICT Policy Green Paper (the 'Green Paper') to, amongst other things, define the allocation of 4G spectrum, the rural broadband coverage plans and the future organisational structure of the national regulatory authority (the 'NRA'). After the consultation process on the Green Paper, the paper will mutate into a National Integrated Information Communications Technology Policy White Paper (the 'White Paper'). The tentative timeline for the publication of the White Paper is August 2014.

In February 2014, the NRA published Call Termination Regulations ('CTR') determining the cost of terminating a call on a Mobile Network Operator ('MNO') to be ZAR 0.10. The target rate of ZAR 0.10, so the NRA decreed, would be reached over three years after a decline to ZAR 0.20 in year one followed by another decline to ZAR 0.15 in year two. Asymmetrical rates, as an additional regulatory remedy ranging between 120% and 300%, were also imposed in the same CTRs for the benefit of Cell C and Telkom Mobile (the 'two smallest MNOs'). Vodacom and MTN (the 'two largest mobile MNOs') challenged the validity and legality of the NRA 2014 CTRs in the Johannesburg High Court, South Africa (the 'High Court') on the grounds that in setting the new MTRs, the NRA had acted arbitrarily and irrationally without any regard to the requirements of the Promotion of Administrative Justice Act ('PAJA') and the Electronic Communications Act (the 'ECA').

On 31 March 2014, the High Court upheld Vodacom and MTN's challenge and ruled that the NRA 2014 CTRs were invalid and unlawful. However, the High Court invoked its judicial discretion to suspend this order – in the public interest – for a period of six months. During this period, MTRs will decline from ZAR 0.40 to ZAR 0.20. Vodacom and MTN will pay an asymmetrical rate of ZAR 0.44 for their calls terminating on Cell C and Telkom Mobile's networks. ICASA is required during this window period of six months to develop legally tenable CTRs.

Turkey

From January 2014, the price cap for national SMS was reduced by 20% from 41.54 Kr to 33.25 Kr. In addition, the requirement for the on net price to be higher than 1.7 times MTR has been extended to tariff campaigns for operators who have significant market power.

In February 2014, the new Basket Law amending Law No. 5651 (Internet Cyber Crimes) provides that an Access Providers Union shall be established to require telecommunications operators to monitor and intercept internet services, where required by the law.

Australia

In September 2013, a range of fixed services reviews were initiated by the Australian Communications and Media Authority ('ACMA') including for unbundled local loop and regional transmission services. In addition, the change of Government has resulted in a range of reviews to reduce the cost of the roll-out of the National Broadband Network. This will reduce the amount of fibre to the premises ('FTTP') to be deployed and increase more fibre to the node ('FTTN') technology.

Egypt

In October 2013, the Administrative Court issued a ruling in the lawsuit for the case filed by Vodafone Egypt against Telecom Egypt and the national regulator ('NTRA') regarding the authority to set MTRs between mobile and fixed operators and we expect to receive the formal Court ruling later this year.

In April 2014, the Minister of Communications and Information Technology announced the proposed framework of the unified telecoms licence, with the expectation that all matters would be finalised in June 2014. The Minister's proposal, which is subject to negotiation, provides the opportunity for Telecom Egypt to purchase their own mobile licence whilst providing Vodafone Egypt with a number of options on purchasing virtual local loop unbundling ('VLLU'), part ownership of an infrastructure licence and its own international gateway licence. A requirement of the current proposal is for Telecom Egypt to sell its 45% share in Vodafone Egypt within 12 months of 30 June 2014.

New Zealand

In January 2014 , Vodafone New Zealand secured 2x15MHz of 700MHz spectrum for the reserve price of NZ$66 million. A second phase of the auction to determine the allocation of specific sub-bands to licensees is ongoing.

Safaricom: Kenya

Safaricom Limited is in the process of renewing its operating licence for ten years with effect from 1 July 2014. The renewed licence will include Safaricom Limited's spectrum resources in 900MHz and 1800MHz. Safaricom also holds spectrum resources in the 2.1GHz band, under its 3G licence.

Qatar

In December 2013, the Ministry of Information and Communications Technology ('MICT') released a national broadband plan to guide policy on the development of broadband. One objective of the plan, is for 98% of households to have access to 100 Mbps download and 50 Mbps upload speeds and a choice of at least two service providers. This includes an intention to consolidate the access network infrastructure of the incumbent Ooredoo and the Qatar National Broadband Network, both of which are deploying FTTP networks.

An Emiri Decree was issued in February 2014, establishing the MICT and the national regulator, the Communications Regulatory Authority ('CRA'), as separate bodies. Formerly, the two entities were part of the secretariat of the Supreme Council of Information and Communication Technology ('ictQATAR').

During 2014, the Communications Regulatory Authority intends to grant Vodafone Qatar additional spectrum of 2x5MHz in the 1800MHz band and 2x10MHz in the 800MHz band, to support 4G deployment subject to speed and coverage obligations.

Regulation (continued)

Overview of spectrum licences

	800MHz		900MHz		1800MHz		2.1GHz		2.6GHz	
Country by region	Quantity[1]	Expiry date	Quantity[1]	Expiry date	Quantity[1]	Expiry date	Quantity[1]	Expiry date	Quantity[1]	Expiry date
Europe region										
Germany	2x10	2025	2x12.4	2016	2x5.4	2016	2x10+5	2020[2]	2x20+25	2025
							2x5	2025		
Italy	2x10	2029	2x10	2015	2x15	2015[3]	2x15+5	2021	2x15	2029
					2x5	2029				
UK	2x10	2033	2x17.4	See note[4]	2x5.8	See note[4]	2x15	See note[4]	2x20+25	2033
Spain	2x10	2030	2x11	2028	2x20	2030	2x15+5	2030	2x20+20	2030
Netherlands	2x10	2029	2x10	2030	2x20	2030	2x20+5	2030	2x10	2030
Ireland	2x10	2030	2x10	2030	2x25	2015	2X15+5	2022		n/a
					2x15	2030[5]				
Portugal	2x10	2027	2x10	2021[6]	2x6	2021[6]	2x20	2016	2x20+25	2027
			2x3	2015	2x14	2027				
Romania	2x10	2029	2x10	2029	2x30	2029	2x15+5	2020	1x15	2029
Greece		n/a	2x15	2027	2x10	2026[7]	2x20+5	2021		n/a
					2x15	2016				
Czech Republic	2x10	2029	2x10	2021	2x18	2021	2x20	2025	2x20	2029
					2x4	2029[8]				
Hungary		n/a	2x10	2022[9]	2x15	2022[9]	2x15+5	2019		n/a
Albania		n/a	8.2	2016	2x9	2016	2x15+5	2025		n/a
Malta		n/a	2x15	2026	2x25	2026	2x20+5	2020		n/a
Africa, Middle East and Asia Pacific										
India[10]		n/a		2014–2024		2014–2027		2030		n/a
Vodacom: South Africa		n/a	2x11	See note[11]	2x24	See note[11]	2x15+5	See note[11]		n/a
Turkey		n/a	2x11	2023		n/a	2x15+5	2029		n/a
Australia[12]	2x10 (850MHz band)	2028	2x8	2028	2x30	annual	2x25+5	2016		n/a
Egypt		n/a	2x12.5	2020	2x10	2020	2x15	2020		n/a
New Zealand	2x15 (700MHz band)	TBD	2x15.2	2031	2x25	2021	2x25+10	2021	2x15+5	2028
Safaricom: Kenya		n/a	2x10	2024	2x10	2024	2x10	2022		n/a
Ghana		n/a	2x8	2019	2x10	2019	2x15	2023[13]		n/a
Qatar		n/a	2x11	2028	2x20	2028	2x15	2028		n/a

Notes:
1 Single (or unpaired) blocks of spectrum are used for asymmetric data (non-voice) use.
2 Germany – 2x5MHz (out of 2x15MHz) of 2.1GHz spectrum will expire in December 2025.
3 Italy – 2x5MHz (out of 2x20MHz) of 1800MHz spectrum will expire in 2029.
4 UK – 900MHz, 1800MHz and 2.1GHz – indefinite licence with a five year notice of revocation.
5 Ireland – The licence for 2x25MHz spectrum commences in 2015.
6 Portugal – 2x3MHz (out of 2x13MHz) of 900MHz must be released by December 2015 and 2x14MHz (out of 2x20MHz) of 1800MHz spectrum does not expire until March 2027.
7 Greece – 2x15MHz (out of 2x25MHz) of the 1800MHz spectrum will expire in August 2016.
8 Czech Republic – The licence for 2x4MHz commences in 2014.
9 Hungary – 900MHz and 1800MHz – options to extend these licences.
10 India comprises 22 separate service area licences with a variety of expiry dates.
11 Vodacom's South African spectrum licences are renewed annually. As part of the migration to a new licensing regime the national regulator has issued Vodacom a service licence and a network licence which will permit Vodacom to offer mobile and fixed services. The service and network licences have a 20 year duration and will expire in 2028. Vodacom also holds licences to provide 2G and/or 3G services in the Democratic Republic of Congo, Lesotho, Mozambique and Tanzania.
12 Australia – VHA has 2x5MHz in 850MHz rural; 2x25MHz in 1800MHz and 2x20MHz in 2.1GHz in Brisbane/Adelaide/Perth; 2x5MHz in 1800MHz and 2.1GHz in Canberra/Darwin/Hobart; 2x5MHz in 2.1GHz in rural.
13 Ghana – The national regulator has issued provisional licences with the intention of converting these to full licences once the national regulator board has been reconvened.

Mobile Termination Rates ('MTRs')

National regulators are required to take utmost account of the Commission's existing recommendation on the regulation of fixed and mobile termination rates. This recommendation requires MTRs to be set using a long run incremental cost methodology. At March 2014, the MTRs effective for our subsidiaries within the EU, were as follows:

Country by region	2012[1]	2013[1]	2014[1]	1 April 2014[2]
Europe				
Germany (€ cents)	3.33	1.84	1.79	
Italy (€ cents)	5.30	1.50	0.98	
UK (GB £ pence)	3.02	1.50	0.85	
Spain (€ cents)	3.16	2.89	1.09	
Netherlands (€ cents)	2.70	2.40	1.86	
Ireland (€ cents)	4.04	2.60	2.60	
Portugal (€ cents)	2.77	1.27	1.27	
Romania (€ cents)	4.05	3.07	0.96	
Greece (€ cents)	4.95	1.27	1.19	
Czech Republic (CZK)	1.08	0.41	0.27	
Hungary (HUF)	9.46	7.06	7.06	
Albania (ALL)	7.57	6.10	4.57	2.66
Malta (€ cents)	4.18	2.07	2.07	0.40
Africa, Middle East and Asia Pacific				
India (rupees)	0.20	0.20	0.20	
Vodacom: South Africa (ZAR)	0.64	0.49	0.40	0.20[3]
Turkey (lira)	0.032	0.0258	0.0258	
Australia (AUD cents)	6.00	4.80	3.60	
Egypt (PTS/piastres)	10.00	10.00	10.00	
New Zealand (NZD cents)	5.88	3.97	3.72	3.56
Safaricom: Kenya (shilling)	1.44	1.44	1.15	
Ghana (peswas)	5.00	4.50	4.00	
Qatar (dirhams)	16.60	16.60	16.60	

Notes:
1 All MTRs are based on end of financial year values.
2 MTRs established from 1 April 2014 are included where a glide path or a final decision has been determined by the regulatory authority.
3 Please see Vodacom on page 193.

Principal risk factors and uncertainties

Identification and assessment of the Group's key risks

The Board acknowledges it is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. A Group wide risk assessment exercise is formally conducted annually to help fulfil this responsibility.

Local market risk assessment

Risk coordinators in each local market facilitate the identification of the "top 10" risks and associated mitigating actions for their entity. With the oversight and approval of local executive teams and Audit Committees, these risks are assessed for their likelihood and impact after consideration is given to existing mitigating controls.

An overall market view of the major risks is obtained by identifying similar risks that are then aggregated and categorised into the following risk categories:

- strategy;
- reputational damage;
- legal and regulatory compliance;
- financial;
- operational; and
- malicious events.

Assess the current risk exposure for the Group

Using the market view of the major risks, an exercise is conducted with Group executives and functional leaders to determine the top Group risks and identify the current net risk exposure level for each risk.

Compare the current risk exposure to the acceptable level of risk

The exposure from each of the Group's top risks is then compared with the desired level of acceptable risk. The result of this assessment highlights the perceived "tolerance" for the exposure associated with a particular risk and indicates whether specific, additional action is required.

Three "tolerance" categories are used:

1. We don't believe that Vodafone should do more;
2. We believe that Vodafone should do more and has plans in place to reduce the net risk to an acceptable level; and
3. We are not sufficiently prepared and immediate action is necessary.

Confirmation of key risks and mitigations commensurate with Vodafone's risk tolerances

The risk exposure assessment and comparison to the acceptable level of risk identifies the key risks and associated mitigations that are reviewed and approved by the Group Executive Committee, the Audit and Risk Committee and the Board.

Changes from prior year risk assessment

One new risk for 2014 has been added:

- "The integration of newly acquired businesses does not provide the benefits anticipated at the time of acquisition". The risk is that we do not deliver the revenue benefits and/or the cost synergies expected from recently acquired businesses and that, as a consequence of this, we subsequently need to write down the carrying value of the assets.

Revised existing risks

Two existing risks from prior year have been revised into a single combined risk:

- "Our business could be adversely affected by a failure or significant interruption to our telecommunications networks or IT systems" and "Failure to deliver enterprise service offerings may adversely affect our business" have been combined into the former risk: "Our business could be adversely affected by a failure or significant interruption to our telecommunications networks or IT systems".

The description of the risk has been revised to more specifically reflect the level of dependence enterprise customers have on our telecommunications infrastructure to provide their services and the resilience needed in our infrastructure to meet our committed service level agreements.

The Group's key risks are outlined below:

1. Our business could be adversely affected by a failure or significant interruption to our telecommunications networks or IT systems.

Risk: We are dependent on the continued operation of our telecommunications networks. The importance of mobile and fixed communication in everyday life is increasing, especially during times of crisis. Individuals and organisations who rely on our networks and systems 24 hours per day, 365 days per year to provide their products and services, look to us to maintain service. Major failures in the network, our IT systems or a failure to maintain our infrastructure to the required levels of resilience (and associated service level agreement) may result in our services being interrupted, resulting in serious damage to our reputation, a consequential customer and revenue loss and the risk of financial penalties.

There is a risk that an attack by a malicious individual or group could be successful on our networks and impact the availability of critical systems. Our network is also susceptible to interruption due to a physical attack and theft of our network components as the value and market for network components increases (for example copper, batteries, generators and fuel).

Assessment: This risk is possible in all markets in which we operate and has the potential for significant impact. Given the geographically dispersed nature of our networks, both mobile and fixed, the impacts of a wide spread and long lasting outage should be primarily restricted to the market involved.

Mitigation: Specific back-up and resilience requirements are built into our networks. We monitor our ability to replace strategic equipment quickly in event of failure, and for high risk components, we maintain dedicated back-up equipment ready for use. Dedicated access network equipment is installed on trucks ready to be moved on site if required.

Our critical infrastructure has been enhanced to prevent unauthorised access and reduce the likelihood and impact of a successful attack. Network contingency plans are linked with our business continuity and disaster recovery plans which are in place to cover the residual risks that cannot be mitigated. A crisis management team and escalation processes are in place both nationally and internationally, and crisis simulations are conducted annually.

We also manage the risk of malicious attacks on our infrastructure using our global security operations centre that provides 24/7 monitoring of our network in many countries.

2. We could suffer loss of consumer confidence and/or legal action due to a failure to protect our customer information.

Risk: Our networks carry and store large volumes of confidential personal and business voice traffic and data. We host increasing quantities and types of customer data in both enterprise and consumer segments. We need to ensure our service environments are sufficiently secure to protect us from loss or corruption of customer information. Failure to adequately protect customer information could have a material adverse effect on our reputation and may lead to legal action against the Group.

Assessment: This risk is possible in all markets in which we operate. The impacts of this risk have the potential to be major in mature markets, with robust data protection regulations and a higher proportion of customers paying their bills by automated bank transfer or credit card, than in some of the emerging markets who have a more cash based pre-pay customer population.

Mitigation: Both the hardware and software applications which hold or transmit confidential personal and business voice and data traffic include security features. Security related reviews are conducted according to our policies and security standards. Security governance and compliance is managed and monitored through software tools that are deployed to all local markets and selected partner markets. Our data centres are managed to international information security standards. Third party data security reviews are conducted jointly with our technology security and corporate security functions.

3. Increased competition may reduce our market share and profitability.

Risk: We face intensifying competition; in particular competing with established competitors in mature markets and competing with new entrants in emerging markets, where all operators are looking to secure a share of the potential customer base. Competition could lead to a reduction in the rate at which we add new customers, a decrease in the size of our market share and a decline in our average revenue per customer, if customers choose to receive telecommunications services or other competing services from alternate providers. Competition can also lead to an increase in customer acquisitions and retention costs. The focus of competition in many of our markets has shifted from acquiring new customers to retaining existing customers, as the market for mobile telecommunications has become increasingly mature.

Assessment: This is a major risk that is relevant to all markets. The source of the risk varies depending upon the maturity of each market as mentioned above.

Mitigation: We will continue to promote our differentiated propositions by focusing on our points of strength such as network quality, capacity and coverage, quality of customer service and the value of our products and services. We are enhancing distribution channels to get closer to customers and using targeted promotions where appropriate to attract and retain specific customers. We closely monitor and model competitor behaviour, network builds and product offerings to understand future intentions so that we are able to react in a timely manner.

4. Regulatory decisions and changes in the regulatory environment could adversely affect our business.

Risk: We have ventures in both emerging and mature markets, spanning a broad geographical area including Europe, Africa, Middle East, and Asia Pacific. We need to comply with an extensive range of requirements that regulate and supervise the licensing, construction and operation of our telecommunications networks and services. Pressure on political and regulatory institutions both to deliver direct consumer benefit and protect consumers' interests, particularly in recessionary periods, can lead to adverse impacts on our business. Financial pressures on smaller competitors can drive them to call for regulators to protect them. Increased financial pressures on governments may lead them to target foreign investors for further taxes or licence fees.

Assessment: This risk is highly likely in emerging markets, where there is experience of regulation being used as a revenue gathering mechanism that has the potential for a significant impact in that market.

Mitigation: We monitor political developments in our existing and potential markets closely, identifying risks in our current and proposed commercial propositions. Regular reports are made to our Executive Committee on current political and regulatory risks. These risks are considered in our business planning process, including the importance of competitive commercial pricing and appropriate product strategies. Authoritative and timely intervention is made at both national and international level in respect of legislative, fiscal and regulatory proposals which we feel are not in the interests of the Group. We have regular dialogue with trade groups that represent network operators and other industry bodies to understand underlying political pressures.

5. Our existing service offerings could become disadvantaged as compared to those offered by converged competitors or other technology providers ("over the top" – OTT competitors).

Risk: In a number of markets, we face competition from providers who have the ability to sell converged services (combinations of fixed line, broadband, public Wi-Fi, TV and mobile) on their existing infrastructure which we cannot either replicate or cannot provide at a similar price point. Additionally, the combination of services may allow competitors to subsidise the mobile component of their offering. This could lead to an erosion of our customer base and reduce the demand for our core mobile services and impact our future profitability.

Advances in smartphone technology places more focus on applications, operating systems, and devices, rather than the underlying services provided by mobile operators. The development of applications which make use of the internet as a substitute for some of our more traditional services, such as messaging and voice, could erode revenue. Reduced demand for our core services of voice, messaging and data and the development of services by application developers, operating system providers, and handset suppliers (commonly referred to as "over the top" or OTT competition) could significantly impact our future profitability.

Assessment: This risk is likely in mature markets where more competitors have the assets to offer converged offers and where, in high density population areas, alternative data services are commonly available and has the potential for a major impact on service revenues.

Mitigation: In some markets we are already providing fixed line telecommunication services (voice and broadband). In other existing markets we actively look for opportunities to provide services beyond mobile through acquisition, partnerships, or joint ventures.

We have also developed strategies which strengthen our relationships with customers by accelerating the introduction of integrated voice, messaging and data price plans to avoid customers reducing their out of bundle usage through internet/Wi-Fi based substitution.

Principal risk factors and uncertainties (continued)

6. Continuing weak economic conditions could impact one or more of our markets.

Risk: Economic conditions in many of the markets we operate, especially in Europe, continue to stagnate or show nominal levels of growth. These conditions combined with the impact of continuing austerity measures results in lower levels of disposable income and may result in significantly lower revenues as customers give up their mobile phones or move to cheaper tariffs.

There is also a possibility of adverse economic conditions impacting currency exchange rates in countries where the Group has operations, leading to a reduction in our revenue and impairment of our financial and non-financial assets.

Assessment: This risk is evident across a number of our markets and in particular within our southern European markets where it may continue to have a significant impact.

Mitigation: We are closely monitoring international economic and currency situations. Executive Committee briefings have been provided with specific actions identified to reduce the impact of the risk. We have developed a detailed business continuity plan in the event of a country economic crisis leading to a banking system freeze and a need to transition to a "cash based" operating system for a number of months.

7. Our business may be impacted by actual or perceived health risks associated with the transmission of radio waves from mobile telephones, transmitters and associated equipment.

Risk: Concerns have been expressed that electromagnetic signals emitted by mobile telephone handsets and base stations may pose health risks. Authorities including the World Health Organization ('WHO') agree there is no evidence that convinces experts that exposure to radio frequency fields from mobile devices and base stations operated within guideline limits has any adverse health effects. A change to this view could result in a range of impacts from a change to national legislation, to a major reduction in mobile phone usage or to major litigation.

Assessment: This is an unlikely risk; however, it would have a major impact on services consumed by our customers in all our markets – particularly in countries that have a very low tolerance for environmental and health related risks.

Mitigation: We have a global health and safety policy that includes standards for electromagnetic fields ('EMF') that are mandated in all our operating companies. We have a Group EMF Board that manages potential risks through cross sector initiatives and which oversees a coordinated global programme to respond to public concern, and develop appropriate advocacy related to possible precautionary legislation. We monitor scientific developments and engage with relevant bodies to support the delivery and transparent communication of the scientific research agenda set by the WHO.

8. The integration of newly acquired businesses do not provide the benefits anticipated at the time of acquisition.

Risk: In line with its strategy to be a scale data player, a strong player in Enterprise, a leader in emerging markets and a selective innovator in services; we have acquired, and will continue to acquire, new businesses. The price paid for these businesses is based upon their current cash flows, as well as the expected incremental cash flows that will be generated from increased revenues and lower costs that being part of the Vodafone Group will generate. There is a risk that we fail to deliver these expected benefits and synergies which could result in an impairment of the carrying value of the acquired business.

Assessment: This risk is possible in markets where major acquisitions have occurred (e.g. Cable & Wireless Worldwide in the UK and Kabel Deutschland in Germany) and has the potential to impact forecast profitability and cash flows.

Mitigation: We have experience of acquiring and integrating businesses into the Group and for all significant transactions we develop and implement a structured integration plan, led by a senior business leader. Integration plans are systematically implemented and executed to ensure that revenue benefits and cost synergies are delivered and that the acquired businesses are successfully integrated through the alignment of policies, processes and systems. The progress against acquisition business cases and the status of integration plans is monitored and reviewed as part of the Group's governance and performance management procedures.

9. We depend on a number of key suppliers to operate our business.

Risk: We depend on a limited number of suppliers for strategically important network and IT infrastructure and associated support services to operate and upgrade our networks and provide key services to our customers. Our operations could be adversely impacted by the failure of a key supplier who could no longer support our existing infrastructure; from a key supplier commercially exploiting their monopolistic/oligopolistic position in a product area following the corporate failures of, or the withdrawal from, a specific market by competitors; or from major suppliers significantly increasing prices on long term programmes where the cost or technical feasibility of switching supplier becomes a significant barrier.

Assessment: This risk is possible in all markets in which we operate. It is a common business strategy to consolidate major purchases of equipment and services amongst a select group of international suppliers in order to negotiate better commercial terms and level of service; so this risk has the potential to significantly impact operations or profitability.

Mitigation: We regularly review the performance of key suppliers, both operationally and financially, across individual markets and from the Group perspective. Other processes are in place to regularly identify and manage "suppliers at risk". Most supplier categories have business continuity plans in place in the event of single supplier failure.

10. We may not satisfactorily resolve major tax disputes.
Risk: We operate in many jurisdictions around the world and from time to time have disputes on the amount of tax due. In particular, in spite of the positive India Supreme Court decision relating to an on-going tax case in India, the Indian Government has introduced retroactive tax legislation which would in effect overturn the Court's decision and has raised challenges around the pricing of capital transactions. Such or similar types of action in other jurisdictions, including changes in local or international tax rules or new challenges by tax authorities, may expose us to significant additional tax liabilities which would affect the results of the business.

Assessment: This is a risk that could occur in any market but is currently more relevant for emerging markets where the disputed tax payable and any related penalties could be significant.

Mitigation: We maintain constructive but robust engagement with the tax authorities and relevant government representatives, as well as active engagement with a wide range of international companies and business organisations with similar issues. Where appropriate we engage advisors and legal counsel to obtain opinions on tax legislation and principles.

11. Changes in assumptions underlying the carrying value of certain Group assets could result in impairment.
Risk: Due to the substantial carrying value of goodwill, revisions to the assumptions used in assessing its recoverability, including discount rates, estimated future cash flows or anticipated changes in operations, could lead to the impairment of certain Group assets. While impairment does not impact reported cash flows, it does result in a non-cash charge in the consolidated income statement and thus no assurance can be given that any future impairment would not affect our reported distributable reserves and therefore, our ability to make dividend distributions to our shareholders or repurchase our shares.

Assessment: This risk is relevant for the markets facing tough economic conditions and increasing competition; where an impairment may have a significant impact on reported earnings.

Mitigation: We review the carrying value of the Group's property, plant and equipment, goodwill and other intangible assets at least annually, or more frequently where the circumstances require, to assess whether carrying values can be supported by the net present value of future cash flows derived from such assets. This review considers the continued appropriateness of the assumptions used in assessing for impairment, including an assessment of discount rates and long-term growth rates, future technological developments, and the timing and amount of future capital expenditure. Other factors which may affect revenue and profitability (for example intensifying competition, pricing pressures, regulatory changes and the timing for introducing new products or services) are also considered. Discount rates are in part derived from yields on government bonds, the level of which may change substantially period to period and which may be affected by political, economic and legal developments which are beyond our control. For further details see "Critical accounting judgements and key sources of estimation uncertainty" in note 1 "Basis of preparation" to the consolidated financial statements.

Currency related risks

The Group continues to face currency, operational and financial risks resulting from the challenging economic conditions particularly in the Eurozone. We continue to keep our policies and procedures under review to endeavour to minimise the Group's economic exposure and to preserve our ability to operate in a range of potential conditions that may exist in the future.

Our ability to manage these risks needs to take appropriate account of our needs to deliver a high quality service to our customers, meet licence obligations and the significant capital investments we may have made and may need to continue to make in the markets most impacted.

While our share price is denominated in sterling, the majority of our financial results are generated in other currencies. As a result the Group's operating profit is sensitive to either a relative strengthening or weakening of the major currencies in which we transact.

The "Operating results" section of the annual report on pages 40 to 45 sets out a discussion and analysis of the relative contributions from each of our regions and the major geographical markets within each, to the Group's service revenue and EBITDA performance. On a management basis our markets in Greece, Ireland, Italy, Portugal and Spain continue to be the most directly impacted by the current market conditions and in order of contribution represent 12% (Italy), 6% (Spain), 3% (Ireland and Greece combined) and 2% (Portugal) of the Group's EBITDA for the year ended 31 March 2014. An average 3% decline in the sterling equivalent of these combined geographical markets due to currency revaluation would reduce the Group's EBITDA by approximately £0.1 billion. Our foreign currency earnings were for the year ended 31 March 2014, diversified through our 45% equity interest in Verizon Wireless ('VZW'), which operates in the United States and generates its earnings in US dollars. Our interest in VZW, which was equity accounted to 2 September 2013, contributed 40% of the Group's adjusted operating profit for the year ended 31 March 2014. Our interest in VZW was disposed of on 21 February 2014.

We employ a number of mechanisms to manage elements of exchange rate risk at a transaction, translation and economic level. At the transaction level our policies require foreign exchange risks on transactions denominated in other currencies above certain de minimis levels to be hedged. Further, since the Company's sterling share price represents the value of its future multi-currency cash flows, principally in euro and to a lesser extent sterling, the Indian rupee and South African rand following the disposal of our interest in VZW, we aim to align the currency of our debt and interest charges in proportion to our expected future principal multi-currency cash flows, thereby providing an economic hedge in terms of reduced volatility in the sterling equivalent value of the Group and a partial hedge against income statement translation exposure, as interest costs will be denominated in foreign currencies.

In the event of a country's exit from the Eurozone, this may necessitate changes in one or more of our entities' functional currency and potentially higher volatility of those entities' trading results when translated into sterling, potentially adding further currency risk.

A summary of this sensitivity of our operating results and our foreign exchange risk management policies is set out within note 23 "Capital and financial risk management" to the consolidated financial statements.

Principal risk factors and uncertainties (continued)

Risk of change in carrying amount of assets and liabilities

The main potential short-term financial statement impact of the current economic uncertainties is the potential impairment of non-financial and financial assets.

We have significant amounts of goodwill, other intangible assets and plant, property and equipment allocated to, or held by, companies operating in the Eurozone.

We have performed impairment testing for each country in Europe as at 31 March 2014 and identified aggregate impairment charges of £6.6 billion in relation to Vodafone Germany, Spain, Portugal, Czech Republic and Romania. See note 4 "Impairment losses" to the consolidated financial statements for further detail on this exercise, together with the sensitivity of the results to reasonably possible adverse assumptions.

Our operating companies in Italy, Ireland, Greece, Portugal and Spain have billed and unbilled trade receivables totalling £2.1 billion. IFRS contains specific requirements for impairment assessments of financial assets. We have a range of credit exposures and provisions for doubtful debts that are generally made by reference to consistently applied methodologies overlaid with judgements determined on a case-by-case basis reflecting the specific facts and circumstances of the receivable. See note 23 "Capital and financial risk management" to the consolidated financial statements for detailed disclosures on provisions against loans and receivables as well as disclosures about any loans and receivables that are past due at the end of the period, concentrations of risk and credit risk more generally.

Additional risk

The significant areas of additional risk for the Group are investment risk, particularly in relation to the management of the counterparties holding our cash and liquid investments; trading risks primarily in relation to procurement and related contractual matters; and business continuity risks focused on cash management in the event of disruption to banking systems.

Financial/investment risk: We remain focused on counterparty risk management and in particular the protection and availability of cash deposits and investments. We carefully manage counterparty limits with financial institutions holding the Group's liquid investments and maintain a significant proportion of liquid investments in sterling and US dollar denominated holdings. Our policies require cash sweep arrangements, to ensure no operating company has more than €5 million on deposit on any one day. Further, we have had collateral support agreements in place for a number of years, with a significant number of counterparties, to pass collateral to the Group under certain circumstances. We have a net £1,055 million of collateral assets in our statement of financial position at 31 March 2014. For further details see note 13 "Other investments" and note 23 "Capital and financial risk management" to the consolidated financial statements.

Trading risks: We continue to monitor and assess the structure of certain procurement contracts to place the Group in a better position in the event of the exit of a country from the Eurozone.

Business continuity risks: Key business continuity priorities are focused on planning to facilitate migration to a more cash-based business model in the event banking systems are frozen, developing dual currency capability in contract customer billing systems or ensuring the ability to move these contract customers to prepaid methods of billing, and the consequential impacts to tariff structures. We also have in place contingency plans with key suppliers that would assist us to continue to support our network infrastructure, retail operations and employees.

We continue to maintain appropriate levels of cash and short-term investments in many currencies, with a carefully controlled group of counterparties, to minimise the risks to the ongoing access to that liquidity and therefore our ability to settle debts as they become due. For further details see "Capital and financial risk management" in note 23 to the consolidated financial statements.

Going concern

The Group believes it adequately manages or mitigates its solvency and liquidity risks through two primary processes, described below.

Business planning process and performance management

The Group's forecasting and planning cycle consists of three in year forecasts, a budget and a long range plan. These cycles all consist of a bottom up process whereby the Group's operating companies submit income statement, cash flow and net debt projections. These are then consolidated and the results assessed by Group management and the Board.

Each forecast is compared with prior forecasts and actual results so as to identify variances and understand the drivers of the changes and their future impact so as to allow management to take action where appropriate. Additional analysis is undertaken to review and sense check the key assumptions underpinning the forecasts as well as stress-testing the results through sensitivity analysis.

Cash flow and liquidity reviews

The business planning process provides outputs for detailed cash flow and liquidity reviews, to ensure that the Group maintains adequate liquidity throughout the forecast periods. The prime output is a two year liquidity forecast which is prepared and updated on a daily basis which highlights the extent of the Group's liquidity based on controlled cash flows and the headroom under the Group's undrawn revolving credit facility ('RCF').

The key inputs into this forecast are:

- free cash flow forecasts, with the first three months inputs being sourced directly from the operating companies (analysed on a daily basis), with information beyond this taken from the latest forecast/budget cycle;
- bond and other debt maturities; and
- expectations for shareholder returns, spectrum auctions and M&A activity.

The liquidity forecast shows two scenarios assuming either maturing commercial paper is refinanced or no new commercial paper issuance. The liquidity forecast is reviewed by the Group CFO and included in each of his reports to the Board.

In addition, the Group continues to manage its foreign exchange and interest rate risks within the framework of policies and guidelines authorised and reviewed by the Board, with oversight provided by the Treasury Risk Committee.

Non-GAAP information

In the discussion of our reported financial position, operating results and cash flows, information is presented to provide readers with additional financial information that is regularly reviewed by management. However, this additional information presented is not uniformly defined by all companies including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. Such non-GAAP measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

Management basis

The discussion of our operating results and cash flows in the strategic report is shown on a management basis, consistent with how the business is managed, operated and reviewed by management, and includes the results of the Group's joint ventures, Vodafone Italy, Vodafone Hutchison Australia, Vodafone Fiji and Indus Towers, on a proportionate basis. This differs to the "Consolidated financial statements" on pages 96 to 170 which are presented on a statutory basis, and includes the results of the Group's joint ventures using the equity accounting basis.

We believe that the management basis metrics, which are not intended to be a substitute for, or superior to, our reported metrics, provide useful and necessary information to investors and other interested parties as they are used internally for performance analysis and resource allocation purposes of the operations where we have control or joint control. A reconciliation of the key operating metrics on a management basis to the statutory results are summarised below and provided in detail in note 2 "Segmental analysis" to the consolidated financial statements.

	2014				Restated 2013			
	Management basis £m	**Presentation adjustments £m**	**Discontinued operations £m**	**Statutory basis £m**	Management basis £m	Presentation adjustments £m	Discontinued operations £m	Statutory basis £m
Revenue	**43,616**	**(5,270)**	**–**	**38,346**	**44,445**	**(6,404)**	**–**	**38,041**
EBITDA	**12,831**	**(1,747)**	**–**	**11,084**	**13,566**	**(2,100)**	**–**	**11,466**
Depreciation and amortisation	(8,181)	1,083	–	(7,098)	(7,543)	1,041	–	(6,502)
Share of results in associates and joint ventures	3,224	269	(3,169)	324	6,554	572	(6,500)	626
Adjusted operating profit	**7,874**	**(395)**	**(3,169)**	**4,310**	**12,577**	**(487)**	**(6,500)**	**5,590**
Impairment loss				(6,600)				(7,700)
Restructuring costs				(355)				(311)
Amortisation of acquired customer base and brand intangible assets				(551)				(249)
Other income and expense				(717)				468
Operating loss				**(3,913)**				**(2,202)**
Non-operating income and expense				(149)				10
Investment income and financing costs				(1,208)				(1,291)
Income tax credit/(expense)				16,582				(476)
Profit for the financial year from discontinued activities				48,108				4,616
Profit for the financial year				**59,420**				**657**

EBITDA

EBITDA is operating profit excluding share in results of associates, depreciation and amortisation, gains/losses on the disposal of fixed assets, impairment losses, restructuring costs, other operating income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group. We use EBITDA, in conjunction with other GAAP and non-GAAP financial measures such as adjusted operating profit, operating profit and net profit, to assess our operating performance. We believe that EBITDA is an operating performance measure, not a liquidity measure, as it includes non-cash changes in working capital and is reviewed by the Chief Executive to assess internal performance in conjunction with EBITDA margin, which is an alternative sales margin figure. We believe it is both useful and necessary to report EBITDA as a performance measure as it enhances the comparability of profit across segments.

Because EBITDA does not take into account certain items that affect operations and performance, EBITDA has inherent limitations as a performance measure. To compensate for these limitations, we analyse EBITDA in conjunction with other GAAP and non-GAAP operating performance measures. EBITDA should not be considered in isolation or as a substitute for a GAAP measure of operating performance. A reconciliation of EBITDA to the closest equivalent GAAP measure, operating profit, is provided in above and in note 2 "Segmental analysis" to the consolidated financial statements.

Group adjusted operating profit and adjusted earnings per share

Group adjusted operating profit excludes non-operating income of associates, impairment losses, restructuring costs, amortisation of customer bases and brand intangible assets, other operating income and expense and other significant one-off items. Adjusted earnings per share also excludes certain foreign exchange rate differences, together with related tax effects. We believe that it is both useful and necessary to report these measures for the following reasons:

- these measures are used for internal performance reporting;
- these measures are used in setting director and management remuneration; and
- they are useful in connection with discussion with the investment analyst community and debt rating agencies.

A reconciliation of adjusted operating profit to the respective closest equivalent GAAP measure, operating profit, is provided above and in note 2 "Segmental analysis" to the consolidated financial statements. A reconciliation of adjusted earnings per share to basic earnings per share, is provided in the "Operating Review" on page 45.

Non-GAAP information (continued)

Cash flow measures

In presenting and discussing our reported results, free cash flow and operating free cash flow are calculated and presented even though these measures are not recognised within IFRS. We believe that it is both useful and necessary to communicate free cash flow to investors and other interested parties, for the following reasons:

- free cash flow allows us and external parties to evaluate our liquidity and the cash generated by our operations. Free cash flow does not include payments for licences and spectrum included within intangible assets, 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 we have an obligation to incur. However, it does reflect the cash available for such discretionary activities, to strengthen the consolidated statement of financial position 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 our 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 cash generated by operations, the closest equivalent GAAP measure, to operating free cash flow and free cash flow, is provided below.

	2014			Restated 2013		
	Management basis £m	**Presentation adjustments £m**	**Statutory basis £m**	Management basis £m	Presentation adjustments £m	Statutory basis £m
Cash generated by operations	13,462	(1,315)	12,147	13,727	(2,234)	11,493
Capital expenditure	(7,102)	789	(6,313)	(6,266)	974	(5,292)
Working capital movement in respect of capital expenditure	411	45	456	71	3	74
Disposal of property, plant and equipment	106	(27)	79	153	(48)	105
Operating free cash flow	**6,877**	**(508)**	**6,369**	**7,685**	**(1,305)**	**6,380**
Taxation	(3,547)	98	(3,449)	(2,933)	363	(2,570)
Dividends received from associates	2,810	32	2,842	2,420	712	3,132
Dividends paid to non-controlling shareholders in subsidiaries	(264)	–	(264)	(379)	–	(379)
Interest received and paid	(1,471)	156	(1,315)	(1,185)	127	(1,058)
Free cash flow	**4,405**	**(222)**	**4,183**	**5,608**	**(103)**	**5,505**

Other

Certain of the statements within the section titled "Chief Executive's review" on pages 12 and 13 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 "Guidance" on pages 13 and 39 contain forward-looking non-GAAP financial information which at this time cannot be quantitatively reconciled to comparable GAAP financial information.

Organic growth

All amounts in this document marked with an "*" represent organic growth which presents performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates. We believe that "organic growth", which is not intended to be a substitute for 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 certain factors unrelated to the operating performance of the business;
- it is used 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 comparable with similarly titled measures reported by other companies.

Reconciliation of organic growth to reported growth is shown where used, or in the table below:

	Management basis[1]					Statutory basis[1]
	Organic change %	Other activity[2] pps	Foreign exchange pps	Reported change %	Presentation adjustments pps	Reported change %
31 March 2014						
Group						
Revenue	(3.5)	3.7	(2.1)	(1.9)	2.7	0.8
Service revenue	(4.3)	3.8	(1.9)	(2.4)	2.9	0.5
Other revenue	4.9	2.7	(4.1)	3.5	0.2	3.7
EBITDA	(7.4)	3.8	(1.8)	(5.4)	2.1	(3.3)
Adjusted operating profit	(9.4)	(27.2)	(0.8)	(37.4)	14.5	(22.9)

	Management basis[1]					Statutory basis[1]
	Organic change %	Other activity[2] pps	Foreign exchange pps	Reported change %	Presentation adjustments pps	Reported change %
Europe						
Revenue	(9.3)	4.7	2.5	(2.1)	3.5	1.4
Service revenue	(9.1)	4.6	2.5	(2.0)	4.0	2.0
Other revenue	(10.8)	4.4	2.5	(3.9)	(1.8)	(5.7)
Europe – mobile in-bundle revenue	3.1	0.4	2.6	6.1	(0.1)	6.0
Europe – enterprise revenue	(8.5)	14.2	2.8	8.5	4.4	12.9
Germany – service revenue	(6.2)	9.0	3.6	6.4	–	6.4
Germany – mobile in-bundle revenue	2.7	–	3.5	6.2	–	6.2
Germany – mobile out-of-bundle revenue	(22.6)	0.3	2.9	(19.4)	–	(19.4)
Italy – service revenue	(17.1)	2.2	3.1	(11.8)	11.8	–
Italy – mobile in-bundle revenue	15.2	4.0	3.8	23.0	(23.0)	–
Italy – fixed line revenue	(3.2)	3.1	3.6	3.5	(3.5)	–
Italy – operating expenses	7.1	(2.7)	(3.5)	0.9	(0.9)	–
UK – service revenue	(4.4)	31.9	–	27.5	–	27.5
UK – mobile in-bundle revenue	0.6	–	–	0.6	–	0.6
UK – mobile out-of-bundle revenue	(7.2)	–	–	(7.2)	–	(7.2)
Spain – service revenue	(13.4)	(0.7)	3.1	(11.0)	–	(11.0)
Spain – mobile in-bundle revenue	(0.4)	–	3.4	3.0	–	3.0
Spain – fixed line revenue	(0.2)	–	3.4	3.2	–	3.2
Spain – operating expenses	9.4	–	(3.3)	6.1	–	6.1
Netherlands – service revenue	(5.6)	(0.6)	3.4	(2.8)	–	(2.8)
Netherlands – mobile in-bundle revenue	3.4	–	3.5	6.9	–	6.9
Portugal – service revenue	(8.4)	(0.6)	3.3	(5.7)	–	(5.7)
Greece – service revenue	(14.1)	(0.8)	3.2	(11.7)	–	(11.7)
Other Europe – service revenue growth	(7.1)	(17.5)	1.8	(22.8)	–	(22.8)
EBITDA	(18.3)	5.6	2.5	(10.2)	5.2	(5.0)
Germany – EBITDA	(18.2)	10.2	3.3	(4.7)	–	(4.7)
Germany – percentage point change in EBITDA margin	(4.3)	0.8	0.1	(3.4)	–	(3.4)
Italy – EBITDA	(24.9)	2.2	2.8	(19.9)	19.9	–
Italy – percentage point change in EBITDA margin	(4.8)	–	0.1	(4.7)	39.5	34.8
UK – EBITDA	(9.8)	26.9	0.1	17.2	–	17.2
UK – percentage point change in EBITDA margin	(1.0)	(0.4)	–	(1.4)	–	(1.4)
Spain – EBITDA	(23.9)	(1.8)	2.8	(22.9)	–	(22.9)
Spain – percentage point change in EBITDA margin	(3.4)	(0.4)	0.1	(3.7)	–	(3.7)
Other Europe – EBITDA growth	(14.0)	(6.2)	2.1	(18.1)	(0.1)	(18.2)
Other Europe – percentage point change in EBITDA margin	(2.1)	3.6	0.1	1.6	–	1.6
Adjusted operating profit	(39.2)	1.3	2.3	(35.6)	(2.1)	(37.7)
Germany – adjusted operating profit	(36.0)	(1.1)	2.6	(34.5)	–	(34.5)
Italy – adjusted operating profit	(41.6)	1.1	2.4	(38.1)	(11.7)	(49.8)
UK – adjusted operating profit	(49.3)	11.0	–	(38.3)	–	(38.3)
Spain – adjusted operating profit	(56.4)	(2.5)	1.9	(57.0)	–	(57.0)
Other Europe – adjusted operating profit growth	(30.2)	4.8	2.4	(23.0)	–	(23.0)
AMAP						
Revenue	8.4	0.7	(12.0)	(2.9)	1.1	(1.8)
Service revenue	6.1	0.7	(11.5)	(4.7)	1.2	(3.5)
Other revenue	27.4	0.6	(16.1)	11.9	4.9	16.8
India – service revenue	13.0	–	(11.7)	1.3	–	1.3
Vodacom – service revenue	4.1	(2.8)	(13.7)	(12.4)	–	(12.4)
South Africa – service revenue	0.3	–	(16.2)	(15.9)	–	(15.9)
South Africa – data revenue	23.5	–	(20.3)	3.2	–	3.2
South Africa – mobile in-bundle revenue	9.7	–	(17.9)	(8.2)	–	(8.2)
Vodacom's international operations – service revenue	18.9	–	(3.8)	15.1	–	15.1
Turkey – service revenue	7.9	(0.5)	(11.6)	(4.2)	–	(4.2)
Turkey – mobile in-bundle revenue	25.0	–	(14.1)	10.9	–	10.9
Egypt – service revenue	2.6	–	(11.2)	(8.6)	–	(8.6)
Ghana – service revenue	19.3	(0.2)	(17.3)	1.8	–	1.8
Australia – service revenue	(9.0)	–	(9.1)	(18.1)	18.1	–
Other AMAP – service revenue	2.8	4.0	(9.4)	(2.6)	4.0	1.4

Non-GAAP information (continued)

	Management basis[1]					Statutory basis[1]
	Organic change %	Other activity[2] pps	Foreign exchange pps	Reported change %	Presentation adjustments pps	Reported change %
EBITDA	16.2	1.0	(13.9)	3.3	(4.5)	(1.2)
India – EBITDA	26.4	–	(13.7)	12.7	(5.1)	7.6
India – percentage point change in EBITDA margin	3.3	(0.1)	(0.1)	3.1	(1.3)	1.8
Vodacom – EBITDA	6.6	0.2	(16.1)	(9.3)	–	(9.3)
Vodacom – percentage point change in EBITDA margin	(0.3)	0.8	(0.4)	0.1	–	0.1
Other AMAP – EBITDA	19.3	3.2	(10.7)	11.8	(8.3)	3.5
Other AMAP – percentage point change in EBITDA margin	3.1	(0.2)	–	2.9	(3.2)	(0.3)
Australia – percentage point change in EBITDA margin	14.8	–	(0.2)	14.6	(14.6)	–
Adjusted operating profit	28.6	(0.2)	(17.9)	10.5	2.4	12.9
India – adjusted operating profit	83.3	–	(23.1)	60.2	46.1	106.3
Vodacom – adjusted operating profit	8.9	0.3	(17.0)	(7.8)	–	(7.8)
Other AMAP – adjusted operating profit	66.5	(2.6)	(13.9)	50.0	17.2	67.2
31 March 2013						
Group						
Revenue	(1.4)	2.8	(5.6)	(4.2)	2.2	(2.0)
Service revenue	(1.9)	2.6	(5.6)	(4.9)	2.8	(2.1)
Other revenue	4.0	5.3	(6.3)	3.0	(4.1)	(1.1)
EBITDA	(1.9)	0.6	(5.8)	(7.1)	4.8	(2.3)
Adjusted operating profit	9.5	(1.5)	(3.5)	4.5	2.1	6.6
Europe						
Revenue	(5.5)	4.4	(4.6)	(5.7)	2.3	(3.4)
Service revenue	(5.8)	4.5	(4.6)	(5.9)	2.8	(3.1)
Other revenue	(1.3)	2.4	(4.3)	(3.2)	(3.0)	(6.2)
Germany – service revenue	0.5	(0.1)	(5.5)	(5.1)	–	(5.1)
Germany – mobile service revenue	1.3	(0.2)	(5.5)	(4.4)	–	(4.4)
Germany – data revenue	13.6	–	(6.0)	7.6	–	7.6
Germany – enterprise revenue	3.0	–	(5.6)	(2.6)	–	(2.6)
Italy – service revenue	(12.8)	(0.1)	(4.9)	(17.8)	17.8	–
Italy – data revenue	4.4	–	(5.7)	(1.3)	1.3	–
Italy – fixed line revenue	(6.8)	–	(5.1)	(11.9)	11.9	–
UK – service revenue	(4.0)	(0.3)	–	(4.3)	–	(4.3)
UK – data revenue	4.2	–	–	4.2	–	4.2
Spain – service revenue	(11.5)	(0.2)	(5.0)	(16.7)	–	(16.7)
Spain – data revenue	16.5	–	(6.1)	10.4	–	10.4
Spain – fixed line revenue	(2.9)	–	(5.0)	(7.9)	–	(7.9)
Netherlands – service revenue	(2.7)	(0.2)	(5.4)	(8.3)	–	(8.3)
Greece – service revenue	(13.4)	(0.4)	(5.0)	(18.8)	–	(18.8)
Portugal – service revenue	(8.2)	(0.2)	(5.2)	(13.6)	–	(13.6)
Other Europe – service revenue growth	(5.2)	22.4	(6.9)	10.3	–	10.3
EBITDA	(8.1)	1.8	(4.7)	(11.0)	4.3	(6.7)
Germany – EBITDA	(1.7)	0.2	(5.2)	(6.7)	–	(6.7)
Germany – percentage point change in EBITDA margin	(1.0)	0.1	–	(0.9)	–	(0.9)
Italy – EBITDA	(19.3)	–	(4.7)	(24.0)	24.0	–
Italy – percentage point change in EBITDA margin	(4.3)	–	–	(4.3)	4.2	(0.1)
UK – EBITDA	(6.8)	0.4	(0.1)	(6.5)	–	(6.5)
UK – percentage point change in EBITDA margin	(0.5)	–	–	(0.5)	–	(0.5)
Spain – EBITDA	(9.8)	(0.5)	(5.3)	(15.6)	–	(15.6)
Spain – percentage point change in EBITDA margin	0.9	(0.1)	0.0	0.8	–	0.8
Other Europe – EBITDA	(3.7)	8.1	(6.3)	(1.9)	–	(1.9)
Other Europe – percentage point change in EBITDA margin	0.1	(3.6)	(0.1)	(3.6)	–	(3.6)
Adjusted operating profit	(15.8)	(1.1)	(4.5)	(21.4)	1.6	(19.8)
Germany – adjusted operating profit	(5.5)	0.3	(5.0)	(10.2)	–	(10.2)
Italy – adjusted operating profit	(28.5)	–	(4.2)	(32.7)	(0.2)	(32.9)
UK – adjusted operating profit	(26.3)	0.9	–	(25.4)	–	(25.4)
Spain – adjusted operating profit	(21.8)	(1.0)	(5.0)	(27.8)	–	(27.8)
Other Europe – adjusted operating profit	(2.0)	(6.1)	(5.7)	(13.8)	0.1	(13.7)

	Management basis[1]					Statutory basis[1]
	Organic change %	Other activity[2] pps	Foreign exchange pps	Reported change %	Presentation adjustments pps	Reported change %
AMAP						
Revenue	6.0	0.7	(7.7)	(1.0)	0.3	(0.7)
Service revenue	5.5	(0.3)	(7.5)	(2.3)	1.1	(1.2)
Other revenue	10.3	10.3	(9.7)	10.9	(5.3)	5.6
India – service revenue	11.2	(0.1)	(12.2)	(1.1)	–	(1.1)
India – data revenue	19.8	–	(13.5)	6.3	–	6.3
Vodacom – service revenue	3.1	(3.2)	(9.8)	(9.9)	–	(9.9)
South Africa – service revenue	(0.3)	–	(11.7)	(12.0)	–	(12.0)
South Africa – data revenue	16.1	–	(13.8)	2.3	–	2.3
Vodacom's international operations – service revenue	23.4	–	(1.2)	22.2	–	22.2
Turkey – service revenue	17.3	(1.8)	(3.1)	12.4	–	12.4
Egypt – service revenue	3.7	–	(3.0)	0.7	–	0.7
Egypt – data revenue	29.6	–	(4.2)	25.4	–	25.4
Egypt – fixed line revenue	29.0	–	(2.9)	26.1	–	26.1
Ghana – service revenue	24.5	–	(19.2)	5.3	–	5.3
Qatar – service revenue	29.8	–	1.7	31.5	–	31.5
Other AMAP – service revenue	3.8	2.1	(2.0)	3.9	5.7	9.6
EBITDA	12.3	(0.1)	(9.0)	3.2	1.1	4.3
India – EBITDA	24.0	(0.1)	(13.4)	10.5	2.6	13.1
India – percentage point change in EBITDA margin	3.3	(1.0)	0.1	2.4	1.1	3.5
Vodacom – EBITDA	10.1	(0.1)	(12.2)	(2.2)	–	(2.2)
Vodacom – percentage point change in EBITDA margin	1.5	1.0	(0.5)	2.0	–	2.0
Other AMAP – EBITDA	6.2	(0.1)	(1.4)	4.7	3.2	7.9
Other AMAP – percentage point change in EBITDA margin	0.5	(0.4)	0.1	0.2	(0.5)	(0.3)
Adjusted operating profit	20.3	(2.3)	(10.3)	7.7	(0.6)	7.1
India – adjusted operating profit	291.1	(3.4)	(19.4)	268.3	1,806.7	2,075.0
Vodacom – adjusted operating profit	12.7	0.2	(13.3)	(0.4)	–	(0.4)
Other AMAP – adjusted operating profit	2.1	(9.5)	2.1	(5.3)	(11.1)	(16.4)
Verizon Wireless ('VZW')						
Revenue	7.8	–	1.0	8.8	(8.8)	–
Service revenue	8.1	–	1.1	9.2	(9.2)	–
EBITDA	13.6	0.1	1.2	14.9	(14.9)	–
Group's share of result of VZW	29.8	–	1.4	31.2	–	31.2
31 March 2012						
Group						
Revenue	2.2	(0.3)	(0.7)	1.2	0.8	2.0
Service revenue	1.4	(0.4)	(0.7)	0.3	0.8	1.1
Other revenue	12.3	0.9	(1.3)	11.9	1.2	13.1
EBITDA	–	(0.3)	(0.4)	(0.7)	1.9	1.2
Adjusted operating profit	1.1	(4.1)	(0.7)	(3.7)	0.4	(3.3)
Europe						
Revenue	(1.2)	0.1	1.3	0.2	0.3	0.5
Service revenue	(2.1)	–	1.2	(0.9)	0.2	(0.7)
Other revenue	13.6	1.8	1.0	16.4	0.5	16.9
EBITDA	(4.8)	–	1.4	(3.4)	0.4	(3.0)
Adjusted operating profit	(9.4)	(0.1)	1.5	(8.0)	(0.9)	(8.9)
AMAP						
Revenue	10.3	(0.1)	(5.5)	4.7	0.7	5.4
Service revenue	9.6	(0.2)	(5.5)	3.9	0.6	4.5
Other revenue	17.5	–	(4.8)	12.7	4.0	16.7
EBITDA	10.7	(0.3)	(5.5)	4.9	2.8	7.7
Adjusted operating profit	10.9	(0.9)	(5.2)	4.8	5.3	10.1

Notes:
1 Management basis includes the results of the Group's joint ventures, Vodafone Italy, Vodafone Hutchison Australia, Vodafone Fiji and Indus Towers, on a proportionate basis. The statutory basis includes the results of these joint ventures, using the equity accounting basis rather than on a proportionate consolidation basis.
2 "Other activity" includes the impact of M&A activity, the revision to intra-group roaming charges from 1 October 2011, and the impact of Indus Towers revising its accounting for energy cost recharges. Refer to "Organic growth" on page 202 for further detail.

Form 20-F cross reference guide

The information in this document that is referenced in the following table is included in our annual report on Form 20-F for 2014 filed with the SEC (the "2014 Form 20-F"). The information in this document may be updated or supplemented at the time of filing with the SEC or later amended if necessary. No other information in this document is included in the 2014 Form 20-F or incorporated by reference into any filings by us under the Securities Act. Please see "Documents on display" on page 187 for information on how to access the 2014 Form 20-F as filed with the SEC. The 2014 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 2014 Form 20-F.

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Note:
1 The parent company financial statements together with the associated notes and the audit report relating thereto, on pages 176 to 181 and pages 91 to 95 respectively, should not be considered to form part of the Company's annual report on Form 20-F.

Forward-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:

- the Group's expectations and guidance regarding its financial and operating performance, including statements contained within the Chief Executive's review on pages 12 to 13, statements regarding the Group's future dividends and the guidance statement for the 2015 financial year and free cash flow guidance on page 13 and 39, the performance of associates and joint ventures, other investments and newly acquired businesses including CWW, KDG, Ono and Neotel and expectations regarding the Project Spring organic investment programme;
- intentions and expectations regarding the development of products, services and initiatives introduced by, or together with, Vodafone or by third parties, including new mobile technologies, such as the Vodafone M-Pesa money transfer service, M2M connections, Vodafone Red, cloud hosting, tablets and an increase in download speeds, Vodafone One-Net, mWallet, Smartpass and 4G/3G services;
- expectations regarding the global economy and the Group's operating environment and market position, including future market conditions, growth in the number of worldwide mobile phone users and other trends, including increased mobile data usage and increased mobile penetration in emerging markets;
- revenue and growth expected from the Group's enterprise and total communications strategy, including data revenue growth, and its expectations with respect to long-term shareholder value growth;
- mobile penetration and coverage rates, mobile termination rate cuts, the Group's ability to acquire spectrum, expected growth prospects in the Europe and AMAP regions and growth in customers and usage generally, and plans for sustained investment in high speed data networks and the anticipated Group standardisation and simplification programme;
- anticipated benefits to the Group from cost efficiency programmes;
- possible future acquisitions, including increases in ownership in existing investments, the timely completion of pending acquisition transactions and pending offers for investments, including licence and spectrum acquisitions, and the expected funding required to complete such acquisitions or investments;
- expectations and assumptions regarding the Group's future revenue, operating profit, EBITDA, EBITDA margin, free cash flow, depreciation and amortisation charges, foreign exchange rates, tax rates and capital expenditure;
- expectations regarding the Group's access to adequate funding for its working capital requirements and share buyback programmes, and the Group's future dividends or its existing investments; and
- the impact of regulatory and legal proceedings involving the Group and of scheduled or potential regulatory changes.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "anticipates", "aims", "could", "may", "should", "expects", "believes", "intends", "plans" 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 by these forward-looking statements. These factors include, but are not limited to, the following:

- general economic and political conditions in the jurisdictions in which the Group operates and changes to the associated legal, regulatory and tax environments;
- increased competition, from both existing competitors and new market entrants, including mobile virtual network operators;
- levels of investment in network capacity and the Group's ability to deploy new technologies, products and services in a timely manner, particularly data content and services;
- rapid changes to existing products and services and the inability of new products and services to perform in accordance with expectations, including as a result of third-party or vendor marketing efforts;
- the ability of the Group to integrate new technologies, products and services with existing networks, technologies, products and services;
- the Group's ability to generate and grow revenue from both voice and non-voice services and achieve expected cost savings;
- a lower than expected impact of new or existing products, services or technologies on the Group's future revenue, cost structure and capital expenditure outlays;
- slower than expected customer growth, reduced customer retention, reductions or changes in customer spending and increased pricing pressure;
- the Group's ability to expand its spectrum position, win 3G and 4G allocations and realise expected synergies and benefits associated with 3G and 4G;

Forward-looking statements (continued)

- the Group's ability to secure the timely delivery of high quality, reliable handsets, network equipment and other key products from suppliers;
- loss of suppliers, disruption of supply chains and greater than anticipated prices of new mobile handsets;
- changes in the costs to the Group of, or the rates the Group may charge for, terminations and roaming minutes;
- the impact of a failure or significant interruption to the Group's telecommunications, networks, IT systems or data protection systems;
- the Group's ability to realise expected benefits from acquisitions, partnerships, joint ventures, franchises, brand licences, platform sharing or other arrangements with third parties, particularly those related to the development of data and internet services;
- acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities which may have a negative impact on the Group's financial condition and results of operations;
- the Group's ability to integrate acquired business or assets and the imposition of any unfavourable conditions, regulatory or otherwise, on any pending or future acquisitions or dispositions;
- the extent of any future write-downs or impairment charges on the Group's assets, or restructuring charges incurred as a result of an acquisition or disposition;
- developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account in determining the level of dividends;
- the Group's ability to satisfy working capital requirements through borrowing in capital markets, bank facilities and operations;
- changes in foreign exchange rates, including particularly the exchange rate of pounds sterling to the euro, Indian rupee, South African rand and the US dollar;
- changes in the regulatory framework in which the Group operates, including the commencement of legal or regulatory action seeking to regulate the Group's permitted charging rates;
- the impact of legal or other proceedings against the Group or other companies in the communications industry; and
- changes in statutory tax rates and profit mix, the Group's ability to resolve open tax issues and the timing and amount of any payments in respect of tax liabilities.

Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found under "Principal risk factors and uncertainties" on pages 196 to 200 of this document. All subsequent written or oral forward-looking statements attributable to the Company or any member of the Group or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Subject to compliance with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.

Definition of terms

2G	2G networks are operated using global system for mobile ('GSM') technology which offer services such as voice, text messaging and low speed data. In addition, all the Group's controlled networks support general packet radio services ('GPRS'), often referred to as 2.5G. GPRS allows mobile devices to access IP based data services such as the internet and email.
3G	A cellular technology based on wide band CDMA delivering voice and faster data services.
4G/LTE	4G or long-term evolution ('LTE') technology offers even faster data transfer speeds than 3G/HSPA.
Acquisition costs	The total of connection fees, trade commissions and equipment costs relating to new customer connections.
ADR	American depositary receipts is a mechanism designed to facilitate trading in shares of non-US companies in the US stock markets. The main purpose is to create an instrument which can easily be settled through US stock market clearing systems.
ADS	American depositary shares are shares evidenced by American depositary receipts. ADSs are issued by a depositary bank and represent one or more shares of a non-US issuer held by the depositary bank. The main purpose of ADSs is to facilitate trading in shares of non-US companies in the US markets and, accordingly, ADRs which evidence ADSs are in a form suitable for holding in US clearing systems.
AGM	Annual general meeting.
AMAP	The Group's region: Africa, Middle East and Asia Pacific.
Applications ('apps')	Apps are software applications usually designed to run on a smartphone or tablet device and provide a convenient means for the user to perform certain tasks. They cover a wide range of activities including banking, ticket purchasing, travel arrangements, social networking and games. For example, the My Vodafone app lets customers check their bill totals on their smartphone and see the minutes, texts and data allowance remaining.
ARPU	Average revenue per user, defined as mobile in-bundle customer revenue plus mobile out-of-bundle customer revenue and mobile incoming revenue divided by average customers.
Capital expenditure ('capex')	This measure includes the aggregate of capitalised property, plant and equipment additions and capitalised software costs.
CDMA	This is a channel access method used by various radio communication technologies.
Churn	Total gross customer disconnections in the period divided by the average total customers in the period.
Cloud services	This means the customer has little or no equipment at their premises and all the equipment and capability associated with the service is run from the Vodafone network and data centres instead. This removes the need for customers to make capital investments and instead they have an operating cost model with a recurring monthly fee.
Controlled and jointly controlled	Controlled and jointly controlled measures include 100% for the Group's mobile operating subsidiaries and the Group's share for joint ventures. and the Group's proportionate share for joint operations.
Customer costs	Customer costs include acquisition costs and retention costs.
Depreciation and other amortisation	The accounting charge that allocates the cost of a tangible or intangible asset to the income statement over its useful life. This measure includes the profit or loss on disposal of property, plant and equipment and computer software.
Direct costs	Direct costs include interconnect costs and other direct costs of providing services.
Enterprise	The Group's customer segment for businesses.
EBITDA	Operating profit excluding share of results in associates, depreciation and amortisation, gains/losses on the disposal of fixed assets, impairment losses, restructuring costs and other operating income and expense. The Group's definition of EBITDA may not be comparable with similarly titled measures and disclosures by other companies.
Fixed broadband customer	A fixed broadband customer is defined as a customer with a connection or access point to a fixed line data network.
FRC	Financial Reporting Council.
Free cash flow	Operating free cash flow after cash flows in relation to taxation, interest, dividends received from associates and investments and dividends paid to non-controlling shareholders in subsidiaries but before licence and spectrum payments. For the year ended 31 March 2014 and 31 March 2013 other items excluded the income dividends received from Verizon Wireless and payments in respect of a tax case settlement.
FCA	Financial Conduct Authority (previously Financial Services Authority).
HSPA+	An evolution of high speed packet access ('HSPA') or third generation ('3G') technology that enhances the existing 3G network with higher speeds for the end user.
Impairment	A downward revaluation of an asset.
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.
ICT	Information and communications technology.
IFRS	International Financial Reporting Standards
IP	Internet protocol ('IP') is the format in which data is sent from one computer to another on the internet.
IP-VPN	A virtual private network ('VPN') is a network that uses a shared telecommunications infrastructure, such as the internet, to provide remote offices or individual users with secure access to their organisation's network.
M2M	Machine-to-machine. M2M communications, or telemetry, enable devices to communicate with one another via built-in mobile SIM cards.
Mark-to-market	Mark-to-market or fair value accounting refers to accounting for the value of an asset or liability based on the current market price of the asset or liability.

Definition of terms (continued)

Mobile broadband	Also known as mobile internet (see below).
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.
Mobile internet	Mobile internet allows internet access anytime, anywhere through a browser or a native application using any portable or mobile device such as smartphone, tablet, laptop connected to a wireless network.
Mobile termination rate ('MTR')	A per minute charge paid by a telecommunications network operator when a customer makes a call to another mobile or fixed line network operator.
MVNO	Mobile virtual network operators, companies that provide mobile phone services under wholesale contracts with a mobile network operator, but do not have their own licence of spectrum or the infrastructure required to operate a network.
Net debt	Long-term borrowings, short-term borrowings and mark-to-market adjustments on financing instruments less cash and cash equivalents.
Net promoter score ('NPS')	Net promoter score is a customer loyalty metric used to monitor customer satisfaction.
Operating expenses	Operating expenses comprise primarily network and IT related expenditure, support costs from HR and finance and certain intercompany items.
Operating free cash flow	Cash generated from operations after cash payments for capital expenditure (excludes capital licence and spectrum payments) and cash receipts from the disposal of intangible assets and property, plant and equipment.
Organic growth	All amounts marked with an "*" represent organic growth which presents performance on a comparable basis, both in terms of merger and acquisition activity and movements in foreign exchange rates. From 1 April 2013 the Group revised its intra-group roaming charges. These changes have had an impact on reported service revenue for the Group and by country and regionally since 1 April 2013. Whilst prior period reported revenue has not been restated, to ensure comparability in organic growth rates, Group, country and regional revenue in the prior financial periods have been recalculated based on the new pricing structure to form the basis for our organic calculations.
Partner markets	Markets in which the Group has entered into a partner agreement with a local mobile operator enabling a range of Vodafone's global products and services to be marketed in that operator's territory and extending Vodafone's reach into such markets.
Penetration	Number of SIMs in a country as a percentage of the country's population. Penetration can be in excess of 100% due to customers' owning more than one SIM.
Petabyte	A petabyte is a measure of data usage. One petabyte is a million gigabytes.
Pps	Percentage points.
Reported growth	Reported growth is based on amounts reported in pound sterling as determined under IFRS.
RAN	Radio access network is the part of a mobile telecommunications system which provides cellular coverage to mobile phones via a radio interface, managed by thousands of base stations installed on towers and rooftops across the coverage area, and linked to the core nodes through a backhaul infrastructure which can be owned, leased or a mix of both.
Retention costs	The total of trade commissions, loyalty scheme and equipment costs relating to customer retention and upgrade.
Roaming	Allows customers to make calls, send and receive texts and data on other operators' mobile networks while travelling abroad.
Service revenue	Service revenue comprises all revenue related to the provision of ongoing services including, but not limited to, monthly access charges, airtime usage, roaming, incoming and outgoing network usage by non-Vodafone customers and interconnect charges for incoming calls.
Smartphone devices	A smartphone is a mobile phone offering advanced capabilities including access to email and the internet.
Smartphone penetration	The number of smartphone devices divided by the number of registered SIMs (excluding data only SIMs) and telemetric applications.
SME	Small to medium-sized enterprises.
SoHo	Small-office home-office.
Spectrum	The radio frequency bands and channels assigned for telecommunication services.
Supranational	An international organisation, or union, whereby member states go beyond national boundaries or interests to share in the decision-making and vote on issues pertaining to the wider grouping.
Tablets	A tablet is a slate shaped, mobile or portable computing device equipped with a finger operated touchscreen or stylus, for example, the Apple iPad.
Telemetrics	Telemetric applications include, but are not limited to, asset and equipment tracking, mobile payment and billing functionality, e.g. vending machines and meter readings, and include voice enabled customers whose usage is limited to a central service operation, e.g. emergency response applications in vehicles. Telemetric customers are not included in mobile customers.
VZW	Verizon Wireless, the Group's former associate in the United States.
VZW income dividends	Distributions (other than tax distributions) by Verizon Wireless as agreed from time to time by the Board of Verizon Wireless.
VZW tax distributions	Specific distributions made by the Verizon Wireless to its partners based on the taxable income.

Selected financial data

The selected financial data shown below for the years ended 31 March 2014, 2013 and 2012 is presented on a statutory basis, reflecting the Group's adoption of IFRS 11, "Joint Arrangements" and the revisions to IAS 19, "Employee benefits", and includes the Group's joint ventures using the equity accounting basis as detailed in note 1 "Basis of preparation" to the consolidated financial statements. As permitted by IFRS 11, the financial data for the years ended 31 March 2011 and 2010 have not been restated and therefore include the Group's joint ventures on a proportionate consolidation basis, rather than on an equity accounting basis. In addition, the results of the Group's investment in Verizon Wireless are disclosed in continuing operations for those years.

At/for the year ended 31 March	2014	Restated 2013	Restated 2012	2011	2010
Consolidated income statement data (£m)					
Revenue	38,346	38,041	38,821	45,884	44,472
Operating (loss)/profit	(3,913)	(2,202)	5,618	5,596	9,480
(Loss)/profit before taxation	(5,270)	(3,483)	4,144	9,498	8,674
Profit/(loss) for financial year from continuing operations	11,312	(3,959)	3,439	7,870	8,618
Profit for the financial year	59,420	657	6,994	7,870	8,618
Consolidated statement of financial position data (£m)					
Total assets	121,840	138,324	135,450	151,220	156,985
Total equity	71,781	72,488	78,202	87,561	90,810
Total equity shareholders' funds	70,802	71,477	76,935	87,555	90,381
Earnings per share[1,2]					
Weighted average number of shares (millions)					
– Basic	26,472	26,831	27,624	52,408	52,595
– Diluted	26,682	26,831	27,938	52,748	52,849
Basic earnings per ordinary share	223.84p	1.54p	25.15p	15.20p	16.44p
Diluted earnings per ordinary share	222.07p	1.54p	24.87p	15.11p	16.36p
Basic earnings per share from continuing operations	42.10p	(15.66p)	12.28p	15.20p	16.44p
Cash dividends[1,3]					
Amount per ordinary share (pence)	11.00p	10.19p	13.52p	8.90p	8.31p
Amount per ADS (pence)	110.0p	101.9p	135.2p	89.0p	83.1p
Amount per ordinary share (US cents)	18.31c	15.49c	21.63c	14.33c	12.62c
Amount per ADS (US cents)	183.1c	154.9c	216.3c	143.3c	126.2c
Other data					
Ratio of earnings to fixed charges[4]	0.7	1.7	4.3	5.7	3.6

Notes:
1 See note 8 to the consolidated financial statements, "Earnings per share". Earnings and dividends per ADS is calculated by multiplying earnings per ordinary share by ten, the number of ordinary shares per ADS. Dividend per ADS is calculated on the same basis.
2 On 19 February 2014, we announced a "6 for 11" share consolidation effective 24 February 2014. This had the effect of reducing the number of shares in issue from 52,821,751,216 ordinary shares (including 4,351,833,492 ordinary shares held in Treasury) as at the close of business on 18 February 2014 to 28,811,864,298 new ordinary shares in issue immediately after the share consolidation on 24 February 2014. Earnings per share for the years ended 31 March 2013 and 2012 have been restated accordingly.
3 The final dividend for the year ended 31 March 2014 was proposed by the directors on 20 May 2014 and is payable on 6 August 2014 to holders of record as of 13 June 2014. The total dividends have been translated into US dollars at 31 March 2014 for purposes of the above disclosure but the dividends are payable in US dollars under the terms of the ADS depositary agreement.
4 For the purposes of calculating these ratios, earnings consist of loss or profit before tax adjusted for fixed charges, dividend income from associates, share of profits and losses from associates, interest capitalised and interest amortised. Fixed charges comprise one third of payments under operating leases, representing the estimated interest element of these payments, interest payable and similar charges, interest capitalised and preferred share dividends.

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