WILLIS LEASE FINANCE CORP
Form 4
November 29, 2016

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HUNZIKER HANS JORG

(Last) (First) (Middle)

773 SAN MARIN DRIVE, SUITE 2215

(Street)

NOVATO, CA 94998

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
WILLIS LEASE FINANCE CORP [wlfc]

3. Date of Earliest Transaction (Month/Day/Year)
11/28/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/28/2016	11/28/2016	S		1,000	D	$ 26.5024	17,495	D	
Common Stock	11/29/2016	11/29/2016	S		341	D	$ 26.868	17,154	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HUNZIKER HANS JORG 773 SAN MARIN DRIVE SUITE 2215 NOVATO, CA 94998	X			

Signatures

Hans Joerg Hunziker	11/29/2016
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Actuarial (gains)/losses on assets and liabilities**72** (40)**20** 11 (6)**10** (12)**102** (47)Exchange rate movements**1** (1)**(2)**(3)**1** (5)(9)

Total (gains)/losses recognised in statement of total recognised gains and losses**72** (40)**21** 10 **(2)**(9)**11** (17)**102** (56)

Explanation of Responses:

Explanation of Responses:

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32.Pensions continued

History of amounts that would have been recognised in the statement of total recognised gains and losses under FRS 17

		2005		2004		2003	
		£m	**%**	£m	%	£m	%
UK	Difference between the expected and actual return on assets(1)	**23**	**4**	56	13	(95)	(36)
	Experience gains and (losses) arising on scheme liabilities(2)	**(56)**	**(9)**	—	—	—	—
	Actuarial gain/(loss)(2)	**(72)**	**(12)**	40	9	(132)	(34)
Germany	Difference between the expected and actual return on assets(1)	**(1)**	**(1)**	3	2	(1)	(1)
	Experience gains and (losses) arising on scheme liabilities(2)	**(3)**	**(1)**	(3)	(2)	7	4
	Actuarial gain/(loss)(2)	**(20)**	**(9)**	(11)	(6)	(5)	(3)
Japan	Difference between the expected and actual return on assets(1)	**—**	**—**	—	—	—	—
	Experience gains and (losses) arising on scheme liabilities(2)	**—**	**—**	1	3	(1)	(1)
	Actuarial gain/(loss)(2)	**—**	**—**	6	17	(17)	(13)
Other	Difference between the expected and actual return on assets(1)	**2**	**3**	7	18	(14)	(37)
	Experience gains and (losses) arising on scheme liabilities(2)	**(1)**	**(1)**	3	2	1	1
	Actuarial gain/(loss)(2)	**(10)**	**(7)**	12	10	(18)	(14)
Group	Difference between the expected and actual return on assets(1)	**24**	**3**	66	10	(110)	(27)
	Experience gains and (losses) arising on scheme liabilities(2)	**(60)**	**(6)**	1	—	7	1
	Actuarial gain/(loss)(2)	**(102)**	**(10)**	47	6	(172)	(21)

Notes:
(1) Percentage stated is expressed as a percentage of scheme assets at 31 March.
(2) Percentage stated is expressed as a percentage of scheme liabilities at 31 March.

Fair value of the assets and liabilities of the schemes

	UK	Germany	Japan	Other	Total

	2005 £m	2004 £m	2003 £m	**2005 £m**	2004 £m	2003 £m	**2005 £m**	2004 £m	2003 £m	**2005 £m**	2004 £m	2003 £m	**2005 £m**	2004 £m	2003 £m
Bonds	**105**	89	56	**115**	104	—	—	1	—	**6**	4	7	**226**	198	63
Equities	**418**	345	208	**54**	51	—	—	1	—	**52**	33	27	**524**	430	235
Other assets	**105**	—	—	**12**	10	107	**2**	—	1	**5**	3	4	**124**	13	112
Total fair value of scheme assets	**628**	434	264	**181**	165	107	**2**	2	1	**63**	40	38	**874**	641	410
Present value of scheme liabilities	**(619)**	(457)	(383)	**(213)**	(192)	(180)	**(30)**	(35)	(127)	**(148)**	(122)	(126)	**(1,010)**	(806)	(816)
FRS 17 assets/(deficits)	**9**	(23)	(119)	**(32)**	(27)	(73)	**(28)**	(33)	(126)	**(85)**	(82)	(88)	**(136)**	(165)	(406)
Related deferred tax (liabilities) /assets	**(2)**	7	36	**13**	11	30	**12**	14	53	**32**	30	30	**55**	62	149
Net FRS 17 surplus/(deficit)	**7**	(16)	(83)	**(19)**	(16)	(43)	**(16)**	(19)	(73)	**(53)**	(52)	(58)	**(81)**	(103)	(257)
Analysed as:															
Assets	**7**	—	—	**2**	—	—	—	—	—	—	—	—	**9**	—	—
Liabilities	—	(16)	(83)	**(21)**	(16)	(43)	**(16)**	(19)	(73)	**(53)**	(52)	(58)	**(90)**	(103)	(257)

The funded status of each of the above principal defined benefit schemes is reported at the beginning of this note. The deficits reported under FRS 17 reflect the different assumptions for valuing assets and liabilities compared with SSAP 24.

The funding policy for the German and UK schemes is reviewed on a systematic basis in consultation with the independent scheme actuary in order to ensure that the funding contributions from sponsoring employers are appropriate to meet the liabilities of the schemes over the long term.

The deficit in respect of other schemes at 31 March 2005 primarily relates to internally funded schemes in Italy, Sweden and the United States.

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Movement in deficit during the year

	UK		Germany		Japan		Other		Total	
	2005 £m	2004 £m	**2005 £m**	2004 £m	**2005 £m**	2004 £m	**2005 £m**	2004 £m	**2005 £m**	2004 £m
Deficit in schemes before deferred tax at 1 April	**23**	119	**27**	73	**33**	126	**82**	88	**165**	406
Current service cost	**37**	32	**6**	8	**5**	10	**30**	44	**78**	94
Cash contributions	**(136)**	(88)	**(23)**	(68)	**(9)**	(22)	**(41)**	(33)	**(209)**	(211)
Past service cost	**—**	—	**—**	—	**—**	—	**—**	1	**—**	1
Financial (income)/costs	**(5)**	—	**1**	4	**1**	1	**3**	4	**—**	9
Actuarial (gains)/losses	**72**	(40)	**20**	11	**—**	(6)	**10**	(12)	**102**	(47)
Exchange rate movements	**—**	—	**1**	(1)	**(2)**	(3)	**1**	(5)	**—**	(9)
Other movements	**—**	—	**—**	—	**—**	(73)	**—**	(5)	**—**	(78)
(Surplus)/deficit in schemes before deferred tax at 31 March	**(9)**	23	**32**	27	**28**	33	**85**	82	**136**	165

Other movements in 2004 principally relate to the disposal of the Japan Telecom fixed line business.

Group net assets and profit and loss account reserves

	Under SSAP 24 (as adopted)		Under FRS 17 (for information only)	
	2005 £m	2004 £m	**2005 £m**	2004 £m
Net assets excluding pension scheme assets/(liabilities)	**102,000**	114,836	**102,000**	114,836
Net pension scheme assets/(liabilities) (net of deferred tax)	**135**	95	**(81)**	(103)
Net assets including pension scheme liabilities	**102,135**	114,931	**101,919**	114,733
Profit and loss reserve excluding pension scheme assets/(liabilities)	**(51,823)**	(43,109)	**(51,823)**	(43,109)
Net pension scheme assets/(liabilities) (net of deferred tax)	**135**	95	**(81)**	(103)
Profit and loss reserve including pension scheme assets/(liabilities)	**(51,688)**	(43,014)	**(51,904)**	(43,212)

33.Subsequent events

On 13 April 2005, the Group’s associated undertaking, Verizon Wireless, completed its purchase of NextWave Telecom Inc. for $3 billion in cash.

On 19 April 2005, the Board of directors of Vodafone Italy approved a proposal to buy back issued and outstanding shares for approximately €7.9 billion (£5.4 billion). If the proposal is approved by the shareholders of Vodafone Italy, participation will be invited on a pro rata basis. In accordance with Dutch and Italian corporate law the buy back will take place in two tranches, the first in June 2005 and the second expected to be October 2005. After the transaction is completed the Company and Verizon Communications Inc. will continue to hold approximately 76.8% and 23.1%, respectively, of Vodafone Italy indirectly through their wholly owned subsidiaries. It is anticipated that the buy back will be funded from currently available and forecast available cash of Vodafone Italy. At 31 March 2005, Vodafone Italy had net cash on deposit with Group companies of €7.2 billion (£4.9 billion).

On 11 May 2005, it was announced that an agreement had been reached to merge Cegetel with neuf telecom.

Between 1 April 2005 and 12 May 2005, the Company repurchased 405,500,000 of its own shares, to be held in treasury, under irrevocable purchase orders placed prior to 31 March 2005 for total consideration of £565 million. Further details of these transactions are shown in note 23.

As described in note 26 “Commitments”, the Group has entered into an agreement with Telesystem International Wireless Inc. of Canada to acquire approximately 79% of the share capital of MobiFon S.A. in Romania, and 100% of the issued share capital of Oskar Mobil a.s. in the Czech Republic.

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34.Principal subsidiary undertakings, associated undertakings and investments

Principal subsidiary undertakings

At 31 March 2005, the Company had the following subsidiary undertakings carrying on businesses which principally affect the profits and assets of the Group. They have the same year end date as the Company, unless otherwise stated, and have been included in the Group consolidation.

Unless otherwise stated the Companys principal subsidiary undertakings all have share capital consisting solely of ordinary shares and are indirectly held. The country of incorporation or registration of all subsidiary undertakings is also their principal place of operation.

Name	Principal activity	Country of incorporation or registration	Percentage(1) shareholding
Arcor AG & Co.	Fixed line operator	Germany	73.7
Europolitan Vodafone AB	Mobile network operator	Sweden	100.0
Vodafone Albania Sh.A.(2)	Mobile network operator	Albania	99.9
Vodafone Americas Inc.(3)	Holding company	USA	100.0
Vodafone D2 GmbH	Mobile network operator	Germany	100.0
Vodafone Egypt Telecommunications S.A.E.	Mobile network operator	Egypt	50.1
Vodafone Espana S.A.	Mobile network operator	Spain	100.0
Vodafone Europe B.V.	Holding company	Netherlands	100.0
Vodafone Holding GmbH(2)	Holding company	Germany	100.0
Vodafone Holdings Europe S.L.	Holding company	Spain	100.0
Vodafone K.K.	Mobile network operator	Japan	97.7
Vodafone Hungary Mobile Telecommunications Limited	Mobile network operator	Hungary	100.0
Vodafone International Holdings B.V.	Holding company	Netherlands	100.0
Vodafone Investments Luxembourg S.a.r.l.	Holding company	Luxembourg	100.0
Vodafone Ireland Limited	Mobile network operator	Ireland	100.0
Vodafone Libertel N.V.	Mobile network operator	Netherlands	99.9
Vodafone Limited	Mobile network operator	England	100.0
Vodafone Malta Limited	Mobile network operator	Malta	100.0
Vodafone Marketing S.a.r.l	Provider of Partner Network services	Luxembourg	100.0
Vodafone Network Pty Limited	Mobile network operator	Australia	100.0
Vodafone New Zealand Limited	Mobile network operator	New Zealand	100.0
Vodafone Omnitel N.V.(4)	Mobile network operator	Netherlands	76.8
Vodafone-Panafon Hellenic Telecommunications Company S.A.	Mobile network operator	Greece	99.8
Vodafone Portugal-Comunicações Pessoais, S.A.	Mobile network operator	Portugal	100.0
Vodafone Group Services Limited	Global products and services provider	England	100.0

Notes:
(1) Rounded to nearest tenth of one percent.
(2)

Vodafone Albania Sh.A. and Vodafone Holding GmbH have a 31 December year end. Accounts are drawn up to 31 March 2005 for consolidation into the Group's financial statements.

(3) Share capital consists of 597,379,729 ordinary shares and 1.65 million class D and E redeemable preference shares of which 100% of the ordinary shares are held by the Group.

(4) The principal place of operation of Vodafone Omnitel N.V. is Italy.

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Principal associated undertakings

The Company□s principal associated undertakings all have share capital consisting solely of ordinary shares, unless otherwise stated, and are all indirectly held. The country of incorporation or registration of all associated undertakings is also their principal place of operation.

Name	Principal activity	Percentage(1) shareholding/ partnership interest	Par value of issued equity	Latest financial accounts	Country of incorporation or registration
Belgacom Mobile S.A.	Mobile network operator	25.0	€70.0m	31.12.04(2)	Belgium
Cellco Partnership(3)	Mobile network operator	45.0	□	31.12.04(2)	USA
Mobifon S.A.	Mobile network operator	20.1	ROL 712,923m	31.12.04(2)	Romania
Polkomtel S.A.	Mobile network operator	19.6	PLN 2,050m	31.12.04(2)	Poland
Safaricom Limited(4)	Mobile network operator	35.0	1,020 Kshs	31.03.05	Kenya
Société Française du Radiotéléphone S.A.	Mobile network operator and telecommunications company	43.9	€1,348m	31.12.04(2)	France
Swisscom Mobile A.G.	Mobile network operator	25.0	CHF100m	31.12.04(2)	Switzerland
Vodafone Fiji Limited	Mobile network operator	49.0	F$6m	31.03.05	Fiji
Vodacom Group (Pty) Limited	Holding company	35.0	ZAR 100	31.03.05	South Africa

Notes:
(1) Rounded to nearest tenth of one percent.
(2) Accounts are drawn up to 31 March 2005 for consolidation in the Group□s financial statements.
(3) Cellco Partnership trades under the name Verizon Wireless. The registered or principal office of the partnership is 180 Washington Valley Road, Bedminster, New Jersey 07921, USA.
(4) The Group also holds 2 non-voting shares.

Principal investments

The shareholding in the investment consists solely of ordinary shares and is indirectly held. The principal country of operation is the same as the country of incorporation or registration.

Name	Principal activity	Percentage(1) shareholding	Country of incorporation or registration
China Mobile (Hong Kong) Limited(2)	Mobile network operator	3.3	China

Notes:
(1) Rounded to nearest tenth of one percent.
(2) Listed on the Hong Kong and New York stock exchanges and incorporated under the laws of Hong Kong.

35.Related party transactions

Transactions with joint ventures and associated undertakings

Group turnover includes sales to joint ventures and associated undertakings of £220 million (2004: £174 million, 2003: £40 million), primarily comprising fees for the use of Vodafone products and services, network airtime and access charges. Total operating costs include charges from joint ventures and associated undertakings of £272 million (2004: £173 million, 2003: £91 million), primarily comprising roaming charges.

Dividends received from joint ventures and associated undertakings are disclosed in Consolidated Cash Flows on page 80. Loans and trade balances owed to or from joint ventures and associated undertakings are disclosed in notes 15 and 17. During the year the Group received £nil (2004: £3 million; 2003: £14 million) in respect of interest on these loans.

Transactions with directors

During the year ended 31 March 2005, and as of 23 May 2005, neither any director nor any other executive officer, nor any associate of any director or any other executive officer, was indebted to the Company.

Since 1 April 2004, the Company has not been, and is not now, a party to any other material transactions, or proposed transactions, in which any member of the key management personnel (including directors, any other executive officer, senior manager, any spouse or relative of any of the foregoing, or any relative of such spouse), had or was to have a direct or indirect material interest.

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36.US GAAP information

Reconciliations to US GAAP

The Consolidated Financial Statements are prepared in accordance with UK GAAP, which differ in certain material respects from US GAAP. The following is a summary of the effects of the differences between UK GAAP and US GAAP. The translation of pounds sterling amounts into US dollars is provided solely for convenience based on the Noon Buying Rate on 31 March 2005 of $1.8888: £1.

Net loss for the years ended 31 March

	Ref.	**2005 $m**	**2005 £m**	2004 £m	2003 £m
Revenue from continuing operations (UK GAAP)		**64,470**	**34,133**	32,741	28,547
Items (decreasing)/increasing revenue:					
Investments accounted for under the equity method	(a)	**(10,356)**	**(5,483)**	(5,276)	(4,371)
Connection revenue	(b)	**2,310**	**1,223**	188	(1,760)
Revenue from continuing operations (US GAAP)		**56,424**	**29,873**	27,653	22,416
Loss for the financial year (UK GAAP)		**(14,242)**	**(7,540)**	(9,015)	(9,819)
Items (increasing)/decreasing net loss:					
Investments accounted for under the equity method	(a)	**(34)**	**(18)**	1,306	656
Connection revenue and costs	(b)	**30**	**16**	29	16
Goodwill and other intangible assets	(c)	**(12,243)**	**(6,482)**	(6,520)	(5,487)
Capitalised interest	(d)	**(162)**	**(86)**	406	408
Licence fee amortisation	(e)	**(822)**	**(435)**	(76)	(6)
Exceptional items	(f)	**465**	**246**	(351)	270
Income taxes	(g)	**13,235**	**7,007**	6,231	4,953
Cumulative effect of change in accounting principle: EITF Topic D-108	(h)	**(11,667)**	**(6,177)**	—	—
Cumulative effect of change in accounting principle: Post employment benefits	(h)	**(368)**	**(195)**	—	—
Other	(j)	**(223)**	**(118)**	(137)	(46)
Net loss (US GAAP)		**(26,031)**	**(13,782)**	(8,127)	(9,055)
Loss from continuing operations		**(13,996)**	**(7,410)**	(7,734)	(9,135)
Loss/(income) from operations and disposal of discontinued operations	(f)	**—**	**—**	(393)	80
Cumulative effect of changes in accounting principles	(h)	**(12,035)**	**(6,372)**	—	—
Net loss (US GAAP)		**(26,031)**	**(13,782)**	(8,127)	(9,055)
Basic and diluted loss per share (US GAAP):	(k)				

— Loss from continuing operations	**(21.14)¢**	**(11.19)p**	(11.36)p	(13.40)p
— Loss/(income) from operations and disposal of discontinued operations	—	—	(0.57)p	0.11p
— Cumulative effect of changes in accounting principles	**(18.18)¢**	**(9.63)p**	—	—
— Net loss	**(39.32)¢**	**(20.82)p**	(11.93)p	(13.29)p

Pro-forma amounts as if the new accounting policy related to post employment benefits was applied retroactively

The following table presents net loss including related per share amounts on a pro forma basis as if the voluntary change in accounting principle related to the accounting for post employment benefits was applied retroactively. The change in accounting principle resulting from the adoption of EITF Topic D-108 has not been adjusted in the following table as this was not a voluntary change in accounting principle. Further details on the changes in accounting principles can be found in section (h) of this note.

	2005 $m	**2005 £m**	2004 £m	2003 £m
Pro forma net loss	**(26,400)**	**(13,977)**	(8,081)	(9,163)
Pro forma net loss basic and diluted loss per share	**(39.88)¢**	**(21.11)p**	(11.87)p	(13.44)p

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Comprehensive (loss)/income for the years ended 31 March

	Ref.	**2005 $m**	**2005 £m**	2004 £m	2003 £m
Total recognised losses relating to the year (UK GAAP)		**(11,471)**	**(6,073)**	(14,307)	(780)
Items (increasing)/decreasing total recognised losses:					
Net difference between loss for the financial year (UK GAAP) and net loss (US GAAP)		**(11,789)**	**(6,242)**	888	764
Additional minimum pension liability, net of tax	(j)	**87**	**46**	144	(191)
Available for sale securities, net of tax	(j)	**166**	**88**	378	(137)
Derivative financial instruments, net of tax	(j)	**2**	**1**	(1)	1
Currency translation, net of tax		**171**	**91**	(353)	913
Comprehensive (loss)/income (US GAAP)	(l)	**(22,834)**	**(12,089)**	(13,251)	570

Shareholders equity at 31 March

	Ref.	**2005 $m**	**2005 £m**	2004 £m
Equity shareholders funds (UK GAAP)		**187,590**	**99,317**	111,924
Items increasing/(decreasing) equity shareholders funds:				
Investments accounted for under the equity method	(a)	**9,525**	**5,043**	15,669
Connection revenue and costs	(b)	**(26)**	**(14)**	(55)
Goodwill and other intangible assets	(c)	**76,918**	**40,723**	45,320
Capitalised interest	(d)	**2,888**	**1,529**	1,615
Licence fee amortisation	(e)	**(1,043)**	**(552)**	(109)
Exceptional items	(f)	**595**	**315**	
Income taxes	(g)	**(76,563)**	**(40,535)**	(50,177)
Proposed dividends	(i)	**2,635**	**1,395**	728
Other	(j)	**45**	**24**	114
Shareholders equity (US GAAP)		**202,564**	**107,245**	125,029

Cash flows for the years ended 31 March

The consolidated statements of cash flows prepared under UK GAAP differ in certain presentational respects from the format required under US GAAP. These differences are reconciled below. Under US GAAP, cash equivalents are defined as short term, highly liquid investments which are readily convertible into known amounts of cash and were within three months of maturity when acquired. At 31 March 2005, cash and cash equivalents under US GAAP included cash equivalents of £816 million (2004: £4,381 million; 2003: £291 million), which are classified as investments under UK GAAP.

Condensed consolidated cash flow information

The movement and composition of cash and cash equivalents is presented in US GAAP format in the following table.

	2005 $m	**2005 £m**	2004 £m	2003 £m
Cash and cash equivalents were provided by/(used in):				
Operating activities	**20,221**	**10,706**	11,091	9,708
Investing activities	**(9,000)**	**(4,765)**	(3,778)	(9,497)
Financing activities	**(15,291)**	**(8,096)**	(1,915)	(1,202)
	(4,070)	**(2,155)**	5,398	(991)
Exchange movement	**59**	**31**	(374)	(112)
Cash and cash equivalents at the beginning of year	**10,936**	**5,790**	766	1,869
Cash and cash equivalents at the end of year	**6,925**	**3,666**	5,790	766

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36.US GAAP information continued

A reconciliation of the consolidated statements of cash flows presented in accordance with UK GAAP format to a US GAAP format is set out below.

	2005 $m	**2005 £m**	2004 £m	2003 £m
Operating activities:				
Net cash inflow from operating activities (UK GAAP)	**24,012**	**12,713**	12,317	11,142
Taxation	**(3,052)**	**(1,616)**	(1,182)	(883)
Net cash outflow for returns on investments and servicing of finance	**(739)**	**(391)**	(44)	(551)
Net cash provided by operating activities (US GAAP)	**20,221**	**10,706**	11,091	9,708
Investing activities:				
Net cash outflow from capital expenditure, financial investments and acquisitions and disposals (UK GAAP)	**(12,815)**	**(6,785)**	(5,579)	(10,239)
Dividends received from joint ventures and associated undertakings	**3,815**	**2,020**	1,801	742
Net cash used in investing activities (US GAAP)	**(9,000)**	**(4,765)**	(3,778)	(9,497)
Financing activities:				
Net cash outflow from financing activities (UK GAAP)	**(11,537)**	**(6,108)**	(700)	(150)
Increase in bank overdrafts	**6**	**3**	43	
Equity dividends paid	**(3,760)**	**(1,991)**	(1,258)	(1,052)
Net cash used in financing activities (US GAAP)	**(15,291)**	**(8,096)**	(1,915)	(1,202)

Summary of differences between UK GAAP and US GAAP

The Consolidated Financial Statements are prepared in accordance with UK GAAP, which differ in certain material respects from US GAAP. The differences that are material to the Group relate to the following:

Change in presentation

In previous years, the deferred tax liabilities and deferred tax income allocable to partnership entities (as determined for US income tax purposes) resulting from adjustments to US GAAP were included in the line item Investments accounted for under the equity method. The Group now shows these deferred tax liabilities and deferred tax income within the line item Income taxes. Amounts within the reconciliations of net loss for the years ended 31 March 2004 and 2003 and shareholders equity as at 31 March 2004 have been reclassified to provide comparability with the presentation as at 31 March 2005 and for the year then ended. This reclassification does not have an effect on net loss or shareholders equity under US GAAP.

(a) Investments accounted for under the equity method

This line item includes the US GAAP adjustments affecting net loss and shareholders equity discussed in (b) through (g) and (j) below related to investments accounted for under the equity method. Additional classification and presentational items not affecting net loss or shareholders equity are discussed below.

Under UK GAAP, amounts for exceptional non-operating items, interest, taxation and minority interest for joint ventures and associated undertakings are aggregated within the respective total Group amounts shown on the face of the consolidated profit and loss account. Under US GAAP, all of these items are included in the Groups share in the net income or loss of these entities and is shown as a single line in the profit and loss account.

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Condensed financial information for Vodafone Italy

The basis of consolidation under UK GAAP differs from that under US GAAP. Under UK GAAP, the results and net assets of Vodafone Italy are consolidated in the Group's financial statements. Under US GAAP, as a result of significant participating rights held by minority shareholders, the Group's interest in Vodafone Italy has been accounted for under the equity method of accounting.

The following tables present, on a condensed basis, the financial information of Vodafone Italy as it is included in the Consolidated Profit and Loss Account and Consolidated Balance Sheet prepared under UK GAAP.

	2005 £m	2004 £m	2003 £m
Turnover	**5,521**	5,276	4,371
Cost of sales	**(2,578)**	(2,132)	(2,201)
Gross margin	**2,943**	3,144	2,170
Selling and distribution costs	**(213)**	(211)	(182)
Administrative expenses	**(4,252)**	(4,276)	(3,943)
Goodwill amortisation	**(3,779)**	(3,837)	(3,543)
Other administrative expenses	**(473)**	(439)	(400)
Operating loss	**(1,522)**	(1,343)	(1,955)
Other income/ (expense)	**1**	4	(12)
Loss on ordinary activities before taxation	**(1,521)**	(1,339)	(1,967)
Tax on loss on ordinary activities	**(660)**	(583)	(478)
Equity minority interest	**(384)**	(459)	(264)
Loss for the financial year	**(2,565)**	(2,381)	(2,709)

	2005 £m	2004 £m
Goodwill	**16,162**	19,443
Other intangible assets	**1,690**	1,666
Tangible assets	**2,006**	1,934
Fixed assets	**19,858**	23,043
Debtors	**1,349**	1,220
Other current assets	**73**	82
Current assets	**1,422**	1,302

Total assets	**21,280**	24,345
Creditors: amounts falling due within one year	**(1,630)**	(1,587)
Non-current creditors and provisions	**(560)**	(518)
	19,090	22,240
Total equity shareholders funds	**17,280**	20,855
Equity minority interests	**1,810**	1,385
	19,090	22,240

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Notes to the Consolidated Financial Statements continued

36.US GAAP information continued

The following tables reconcile Vodafone Italy's turnover, loss for the financial year and equity shareholders' funds from UK GAAP to their related amounts in US GAAP as used in determining the net loss and shareholder's equity in the Consolidated Financial Statements.

	2005 £m	2004 £m	2003 £m
Turnover (UK GAAP)	**5,521**	5,276	4,371
Item increasing/(decreasing) revenue:			
Connection revenue	**109**	4	(179)
Turnover (US GAAP)	**5,630**	5,280	4,192
Loss for the financial year (UK GAAP)	**(2,565)**	(2,381)	(2,709)
Items (increasing)/decreasing net loss:			
Goodwill and other intangible assets	**(2,885)**	(2,942)	(2,702)
Income taxes	**2,440**	3,234	2,245
Other	**(2)**	(24)	(8)
Net loss (US GAAP)	**(3,012)**	(2,113)	(3,174)

	2005 £m	2004 £m
Equity shareholders' funds (UK GAAP)	**17,280**	20,855
Items increasing/(decreasing) equity shareholders' funds:		
Goodwill and other intangible assets	**14,049**	16,526
Income taxes	**(10,736)**	(12,812)
Other	**(54)**	(31)
Shareholders' equity (US GAAP)	**20,539**	24,538

Vodafone Italy had the following effects on consolidated cash flows from operating, investing and financing activities presented in a US GAAP format:

	2005 £m	2004 £m	2003 £m
Cash and cash equivalents were provided by/(used in):			
Operating activities	**2,272**	2,588	1,846
Investing activities	**(769)**	(585)	(724)

Financing activities			
	1,503	2,003	1,122

Equity in losses of investments accounted for under the equity method

	2005 £m	2004 £m	2003 £m
Share of operating profit/(loss) in associated undertakings (UK GAAP)	**1,193**	546	(156)
Reclassification of exceptional non-operating items, interest, taxation and minority interests	**(789)**	(565)	(614)
Share of Vodafone Italys loss for the financial year under UK GAAP	**(2,565)**	(2,381)	(2,709)
US GAAP differences resulting in an effect on net income/(loss)(1)	**(18)**	1,306	656
Equity in losses of investments accounted for under the equity method (US GAAP)	**(2,179)**	(1,094)	(2,823)

Note:

(1) These differences represent the differences described in (b) through (g) and (j) below as they relate to investments accounted for under the equity method.

Carrying value of investments accounted for under the equity method

	2005 £m	2004 £m
Investments in associated undertakings (UK GAAP)	**19,398**	21,226
Carrying value of Vodafone Italy under UK GAAP	**22,151**	24,028
US GAAP differences affecting the carrying value of the investments(1)	**5,043**	15,669
Investments accounted for under the equity method (US GAAP)	**46,592**	60,923

Note:

(1) These differences represent the differences described in (b) through (g) and (j) below as they relate to investments accounted for under the equity method.

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Summary aggregated financial information of 50% or less owned entities accounted for under the equity method

Summary aggregated financial information of 50% or less owned entities accounted for under the equity method, extracted on a 100% basis from accounts prepared under UK GAAP as of 31 March and for the years then ended, is set out below.

	2005 £m	2004 £m	2003 £m
Assets:			
Current assets	**6,774**	6,048	7,033
Non-current assets	**21,371**	19,619	21,004
	28,145	25,667	28,037
Liabilities and equity shareholders funds:			
Current liabilities	**12,960**	11,818	12,978
Long-term liabilities	**5,980**	5,076	5,310
Minority interests	**952**	974	963
Total equity shareholders funds	**8,253**	7,799	8,786
	28,145	25,667	28,037
Turnover	**29,243**	23,418	23,148
Operating profit	**7,965**	6,759	5,710

Summary financial information for Verizon Wireless as of 31 March and for the years then ended is set out below. The financial information is extracted on a 100% basis from accounts prepared under UK GAAP.

	Verizon Wireless		
	2005 £m	2004 £m	2003 £m
Assets:			
Current assets	**2,714**	2,142	2,257
Non-current assets	**14,500**	13,033	13,645
	17,214	15,175	15,902
Liabilities and equity shareholders funds:			
Current liabilities	**7,030**	6,610	7,809

Long-term liabilities	**4,814**	3,910	3,605
Minority interests	**854**	855	962
Total equity shareholders funds	**4,516**	3,800	3,526
	17,214	15,175	15,902
Turnover	**15,634**	13,886	12,902
Operating profit	**3,598**	3,035	2,795

(b) Connection revenue and costs

The Groups UK GAAP accounting policy on revenue recognition was amended during the year ended 31 March 2004 in relation to the deferral of certain equipment, connection, upgrade and tariff migration fees following the issuance of Application Note G to FRS 5 Reporting the Substance of Transactions. Following the prospective adoption of EITF 00-21, Accounting for Revenue Arrangements with Multiple Deliverables on 1 October 2003 under US GAAP the Groups UK and US GAAP accounting policies have been substantially aligned.

For transactions prior to 1 October 2003, connection revenue under US GAAP are recognised over the period that a customer is expected to remain connected to a network. Connection costs directly attributable to the income deferred are recognised over the same period. Where connection costs exceed connection revenue, the excess costs were charged in the profit and loss account immediately upon connection. The balances of deferred revenue and deferred charges as of 30 September 2003 will continue to be recognised over the period that a customer is expected to remain connected to a network.

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36.US GAAP information continued

(c) Goodwill and other intangible assets

Under UK GAAP, FRS 10, Goodwill and Intangible Assets, requires goodwill to be capitalised and amortised over its estimated useful economic life. Prior to the prospective adoption of FRS 10 on 1 April 1999 the Group offset acquired goodwill against shareholders equity in the year of acquisition. Under UK GAAP, licences and customer bases are not recognised separately from goodwill because they do not meet the recognition criteria.

Under US GAAP goodwill and intangible assets with indefinite lives are capitalised and not amortised, but tested for impairment, at least annually, in accordance with Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets. Intangible assets with finite lives are capitalised and amortised over their useful economic lives. The Group has assigned amounts to licences and customer bases as they meet the criteria for recognition apart from goodwill. In determining the value of licences purchased in business combinations prior to adoption of EITF Topic D-108, Use of the Residual Method to Value Acquired Assets Other Than Goodwill, on 29 September 2004, the Group allocated the surplus of the purchase price, over the fair value attributed to the share of net assets acquired, to licences. This was on the basis the nature of the licences and the related goodwill acquired in business combinations was fundamentally indistinguishable. As a result of the adoption of EITF Topic D-108 as detailed in (h) below, for business combinations subsequent to 28 September 2004, the Group assigns amounts to licences based on a direct valuation of the licence. Any residual purchase price is then assigned to goodwill. When testing the recoverability of licences with indefinite lives, the Group adopted a direct valuation methodology on 1 January 2005. Previously, the Group had used a residual method similar to that used in the initial allocation of amounts to licences in business combinations prior to 29 September 2004.

As discussed in (g) below, deferred tax liabilities are recognized on the difference between the US GAAP carrying value of the intangible assets recognised in business combinations and their respective tax basis. Although this does not affect net assets on the date of acquisition, this results in a significantly larger residual amount being allocated to intangible assets with an offsetting entry to deferred tax liabilities.

Under UK GAAP and US GAAP, the purchase price of a transaction accounted for as an acquisition is based on the fair value of the consideration. In the case of share consideration, under UK GAAP the fair value of such consideration is based on the share price at completion of the acquisition or the date when the transaction becomes unconditional. Under US GAAP, the fair value of the share consideration is based on the average share price over a reasonable period of time before and after the proposed acquisition is agreed to and announced. This has resulted in a difference in the fair value of the consideration for certain acquisitions and consequently in the amount of goodwill capitalised under UK GAAP and US GAAP.

Under UK GAAP, costs incurred in reorganising acquired businesses are charged to the profit and loss account as post-acquisition expenses. Under US GAAP, certain of such costs are considered in the allocation of purchase consideration.

Acquisitions

As described further in note 25, the Group has undertaken a number of transactions in the year ended 31 March 2005, including stake increases in Vodafone Japan and Vodafone Hungary. Under US GAAP, these transactions have resulted in the Group assigning £2,938 million to intangible assets, including £2,260 million to cellular licences, £655 million to customer bases and £23 million to goodwill. A corresponding deferred tax liability of £1,182 million was recognised. All intangible assets acquired other than goodwill are deemed to be of finite life, with a weighted average amortisation period of 17 years, comprising licences of 21 years and customer bases of 5 years.

Goodwill

	Mobile: OEMEA		Mobile: UK		Non-mobile: Germany	
	2005 £m	2004 £m	**2005 £m**	2004 £m	**2005 £m**	2004 £m
1 April	**—**	—	**467**	117	**41**	—
Additions	**23**	—	**—**	352	**—**	43
Exchange movements	**—**	—	**—**	(2)	**2**	(2)
31 March	**23**	—	**467**	467	**43**	41

Finite-lived intangible assets

	2005		2004	
	Licences £m	**Customer bases £m**	Licences £m	Customer bases £m
Gross carrying value	**170,039**	**7,449**	164,226	7,417
Accumulated amortisation	**(64,468)**	**(6,067)**	(48,026)	(4,939)
	105,571	**1,382**	116,200	2,478

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Further analysis as to how amounts presented within the US GAAP reconciliation for goodwill and other intangibles, net of amortisation, have been determined is provided below.

	2005 **£m**	2004 £m
Deferred tax	**38,108**	42,188
Use of a different measurement date for the purposes of determining purchase consideration	**2,241**	2,630
Other	**374**	502
	40,723	45,320

The total amortisation charge for the year ended 31 March 2005, under US GAAP, was £16,530 million (2004: £15,893 million; 2003: £13,873 million). The estimated future amortisation charge on finite-lived intangible assets for each of the next five years is set out in the following table. The estimate is based on finite-lived intangible assets recognised at 31 March 2005 using foreign exchange rates on that date. It is likely that future amortisation charges will vary from the figures below, as the estimate does not include the impact of any future investments, disposals, capital expenditures or fluctuations in foreign exchange rates.

Year ending 31 March	£m
2006	**15,991**
2007	**15,703**
2008	**15,543**
2009	**15,422**
2010	**12,402**

(d) Capitalised interest

Under UK GAAP, the Groups policy is not to capitalise interest costs on borrowings in respect of the acquisition of tangible and intangible fixed assets. Under US GAAP, the interest costs of financing the construction of network assets and other fixed assets is capitalised during the period of construction until the date that the asset is placed in service. Interest costs of financing the acquisition of licences are also capitalised until the date that the related network service is launched. Capitalised interest costs are amortised over the estimated useful lives of the related assets. During the year ended 31 March 2005, £31 million (2004: £429 million; 2003: £408 million) of interest has been capitalised.

(e) Licence fee amortisation

Under UK GAAP, the Group has adopted a policy of amortising licence fees in proportion to the capacity of the network during the start up period and then on a straight line basis. Under US GAAP, licence fees are amortised on a straight line basis from the date that operations commence over their estimated useful economic lives.

(f) Exceptional items

In the year ended 31 March 2005, the Group recorded an impairment charge under UK GAAP of £315 million in relation to the fixed assets of Vodafone Sweden. Under US GAAP, the Group evaluated the recoverability of these assets in accordance with the requirements of SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, and determined that the carrying amount of these assets was recoverable. As a result, the UK GAAP impairment charge of £315 million was not recognised under US GAAP. The reversal of this impairment was partially offset by the incremental loss on the disposal of 16.9% of Vodafone Egypt under US GAAP which arose primarily due to the reclassification of currency losses from other comprehensive income to net loss.

The results of operations of Japan Telecom, which was deconsolidated from 1 October 2003, are reported as discontinued operations under US GAAP and are included in the segment Other operations Asia Pacific. The pre-tax loss, including the loss on sale, was £515 million for the year ended 31 March 2004 (2003: income of £133 million). An incremental loss on disposal of £476 million (£351 million net of minority interests) was recognised under US GAAP resulting in a total loss on sale of £555 million (£399 million net of minority interests).

In the year ended 31 March 2003, the Group recorded an impairment charge under UK GAAP of £405 million in relation to the fixed assets of Japan Telecom. Under US GAAP, the Group evaluated the recoverability of these fixed assets in accordance with the requirements of SFAS No. 144 and determined that the carrying amount of these assets was recoverable. As a result, the UK GAAP impairment charge of £405 million (£270 million net of minority interests) was not recognised under US GAAP during the year ended 31 March 2003.

In addition, the exceptional non-operating items recorded under UK GAAP, disclosed in note 6, are reclassified as operating items under US GAAP.

(g) Income taxes

Under UK GAAP, deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Under US GAAP, deferred tax assets and liabilities are provided in full on all temporary differences and a valuation adjustment is established in respect of those deferred tax assets where it is more likely than not that some portion will not be realised. The most significant component of the income tax adjustment is due to the temporary difference between the assigned values and tax values of intangible assets acquired in a business combination, which results in the recognition of deferred tax liabilities under US GAAP. Under UK GAAP, no such deferred tax liabilities are recognised.

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36.US GAAP information continued

Under UK GAAP, deferred tax assets are recognised for future deductions and utilisations of tax carry-forwards to the extent that it is more likely than not that suitable taxable profit is expected to be available. While the effects on the net deferred assets are the same, under US GAAP, the deferred tax assets are recognised at their full amounts and reduced by a valuation allowance to the extent it is more likely than not that suitable taxable profits will not be available. The valuation allowance established against deferred tax assets at 31 March 2005 was £10,413 million (2004: £11,150 million), the movement in the year being £737 million (2004: £296 million). The valuation allowance is mainly in respect of tax losses amounting to £10,413 million (2004: £11,018 million) not recognised.

In respect of Verizon Wireless, the line Investments accounted for under the equity method includes the Groups share of pre-tax partnership income and the Groups share of the post-tax income attributable to corporate entities (as determined for US corporate income tax purposes) held by the partnership. The tax attributable to the Groups share of allocable partnership income is included as part of Income taxes in the reconciliations of net loss and shareholders equity. This treatment reflects the fact that tax on allocable partnership income is, for US corporate income tax purposes, a liability of the partners and not the partnership.

The Group has not provided certain deferred tax liabilities related to the outside basis differences of its foreign subsidiaries and foreign joint ventures under Accounting Principles Board Opinion (APB) No. 23, Accounting for Income Taxes Special Areas, because it is the Groups policy to permanently reinvest such earnings giving rise to such basis differences and such differences are permanent in duration. Quantifying the amount of undistributed earnings and deferred tax liabilities associated with those earnings is not practicable.

FASB Staff Position (FSP) No. 109-2, Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004, provides guidance under FASB Statement No. 109, Accounting for Income Taxes, with respect to recording the potential impact of the repatriation provisions of the American Jobs Creation Act of 2004 (the JOBS Act) on a companys income tax expense and deferred tax liability balances. The JOBS Act was enacted on 22 October 2004. FSP No. 109-2 states that an enterprise is allowed time beyond the financial reporting period of enactment to evaluate the effect of the JOBS Act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying FAS Statement No. 109. Vodafone has determined that the benefits obtained from these provisions are immaterial to the financial statements at 31 March 2005.

(h) Cumulative effect of changes in accounting principles

EITF Topic D-108

On 29 September 2004, the SEC Staff announced new guidance on the interpretation of SFAS No. 142 in relation to the valuation of intangibles assets in business combinations and impairment testing. This guidance has been codified as EITF Topic D-108. Historically, the Group assigned to mobile licences the residual purchase price in business combinations in excess of the fair values of all assets and liabilities acquired other than mobile licences and goodwill. This approach was on the basis that mobile licences were indistinguishable from goodwill. The new SEC guidance requires the Group to distinguish between mobile licences and goodwill. However, the new guidance does not permit the amount historically reported as mobile licences to be subsequently reallocated between mobile licences and goodwill.

The new guidance will affect the allocation of the purchase price in future business combinations involving entities with mobile licences. The Group has applied the guidance relating to the allocation of purchase price to all business combinations consummated subsequent to 29 September 2004. This has resulted in values being assigned to licences using direct valuation method with any remaining residual purchase price allocated to goodwill.

In impairment testing of mobile licences held by Verizon Wireless under SFAS No. 142, the Group has used a similar residual approach to determine the fair value of the licences when testing the asset for recoverability. In their announcement, the SEC Staff stated that the residual method of accounting for intangible assets should no longer be used and that companies should perform an impairment test using a direct method on all assets which were previously tested using a residual method. The Groups licences in other business are not tested for recoverability using a residual method and are, therefore, not affected by the new guidance.

The Group completed its transitional impairment test of Verizon Wireless mobile licences as of 1 January 2005. This resulted in a pre-tax charge of £11,416 million. This impairment is included, net of the related tax of £5,239 million, in the cumulative effect of change in accounting principle in the reconciliation of net loss. The tax effect comprises the release of £1,220 million representing the Groups share of Verizon Wireless deferred tax liabilities and £4,019 million deferred tax liabilities representing taxes recognised by the Group on its investment in Verizon Wireless. Fair value was determined as the present value of estimated future net cash flows allocable to the mobile licences. Verizon Wireless is in the segment Mobile telecommunications Americas.

Accounting for post employment benefits

During the second half of the year ended 31 March 2005, the Group amended its policy for accounting for actuarial gains and losses arising from its pension obligations effective 1 April 2004. Until 31 March 2004, the Group used a corridor approach under SFAS No. 87, Employers Accounting for Pensions in which actuarial gains and losses were deferred and amortised over the expected remaining service period of the employees. The Group now recognises these gains and losses through the profit and loss in the period in which they arise as the new policy more faithfully represents the Groups financial position and will more fully align the Groups US GAAP policy to its IFRS policy of immediate recognition of these items.

The pro forma amounts in the reconciliation of net loss have been adjusted for the effect of retroactive application of the immediate recognition of actuarial gains and losses less related tax effects. Other adjustments, such as to employee/director compensation or interest expense, are not included as these would not have been affected had the new policy been applied in previous years.

The cumulative effect on periods prior to adoption of £288 million has been shown, net of tax of £93 million, as a cumulative effect of a change in accounting principle in the reconciliation of net loss for the year ended 31 March 2005. The effect of the change in the year ended 31 March 2005 was to increase loss from continuing operations by £55 million (or 0.08 pence per share). The effect of the change on the six months ended 30 September 2004 was to increase loss from continuing operations by £31 million (or 0.05 pence per share).

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(i) Proposed dividends

Under UK GAAP, final dividends are included in the financial statements when recommended by the Board to the shareholders in respect of the results for a financial year. Under US GAAP, dividends are included in the financial statements when declared by the Board.

(j) Other

Marketable securities

Under US GAAP, the Group classifies its marketable equity securities with readily determinable fair values as available for sale and are stated at fair value with the unrealised loss or gain, net of deferred taxes, reported in comprehensive income. Under UK GAAP, such investments are generally carried at cost and reviewed for other than temporary impairment.

The Groups fixed asset investments, comprising mainly of equity securities, are classified as available for sale. The table below sets out the information of the cost, fair value and unrealised gains and losses.

	UK GAAP net book value(1) £m	Unrealised gains £m	Unrealised losses £m	Fair value £m
31 March 2005	**852**	**330**		**1,182**
31 March 2004	1,049	241		1,290

Note:

(1) Determined using the weighted average cost basis.

Minority interests

Where losses in a subsidiary undertaking attributable to the minority interest result in its interest being one in net liabilities, UK GAAP requires a parent company make provision only to the extent it has a commercial or legal obligation to provide funding that may not be recoverable in respect of the accumulated losses attributable to the minority interest. US GAAP requires all losses allocable to minority interests in excess of their interest in the equity of the respective subsidiary to be charged to the majority shareholder.

Derivative instruments

All the Groups transactions in derivative financial instruments are undertaken for risk management purposes only and are used to hedge its exposure to interest rate and foreign currency risk. In accordance with UK GAAP, to the extent that such instruments are matched against an underlying asset or liability, they are accounted for as hedging transactions and recorded at appropriate historical amounts, with fair value information disclosed in the notes to the Consolidated Financial Statements. Under US GAAP, in accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, the Groups derivative financial instruments, together with any separately identified embedded derivatives, are reported as assets or liabilities on the Groups balance sheet at fair value. In a hedge of fair values, changes in the fair value of the derivative are recorded in earnings with a corresponding change in the fair value of the hedged item also being recorded in earnings. For hedges of future cash flows, the changes in fair value of the derivative are recorded in other comprehensive income and reclassified to earnings when the hedged item affects earnings. Under US GAAP, all changes in fair value of derivatives not designated in hedging relationships are accounted for in the consolidated profit and loss account. The Group does not pursue hedge accounting treatment for:

- interest rate futures, which are typically used to switch floating interest rates to fixed interest rates;
- derivatives entered into for funding and liquidity purposes, including forwards; or
- individual contracts where the underlying value of the transactions amounts to less than £10 million.

The net effect recognised in earnings representing hedge ineffectiveness for fair value hedges and cash flow hedges is not material.

Post employment benefits

Under both UK GAAP and US GAAP, pension costs provide for future pension liabilities. There are differences, however, in the prescribed methods of valuation, which give rise to GAAP adjustments to the pension cost and the pension prepayment/liability. As at 31 March 2005, the Group operated a number of pension plans for the benefit of its employees throughout the world, which vary with conditions and practices in the countries concerned. A description of the Group's major pension plans is provided in note 32.

The investment policy and strategy of the UK main scheme in the UK is set by the Trustees and reflects the liabilities of the plan. The investment policy and strategy of the German plans are set by the Investment Sub-Committee of the Contractual Trust Agreement and similarly reflects the liabilities of the plans, which are more heavily weighted towards pensioners than the UK plan.

The basis used to determine the overall long term return on plan assets is to apply the expected rate of return on bonds based on market interest rates at the relevant date to that proportion of the assets invested in bonds. The bond rate of return is then increased by an allowance for the expected equity risk premium in each market, based on past experience and future expectations of return and this rate is applied to the relevant proportion invested in equities. The measurement date for the Group's pension assets and obligations is 31 March. The measurement date for the Group's net periodic pension cost is 1 April. From 1 April 2004, actuarial gains and losses are recognised in the period in which they arise.

Analyses of the net pension cost, plan assets, obligations and funded status for the major defined benefit plans in the UK, Germany and Japan, prepared under US GAAP, are provided in the following table.

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36.US GAAP information continued

	UK			Germany			Japan		
	2005 £m	2004 £m	2003 £m	**2005 £m**	2004 £m	2003 £m	**2005 £m**	2004 £m	2003 £m
Service cost	**37**	25	23	**6**	3	3	**5**	10	12
Interest costs	**26**	19	16	**9**	7	7	**1**	1	2
Expected return on assets	**(31)**	(21)	(23)	**(8)**	(4)	(1)	**–**	–	–
Actuarial gains and losses	**72**	16	9	**25**	2	3	**–**	1	1
Net periodic pension cost	**104**	39	25	**32**	8	12	**6**	12	15
Termination benefits and curtailment costs	**–**	–	–	**–**	–	–	**(1)**	(16)	24
Accumulated benefit obligation	**545**	390	279	**208**	153	141	**24**	25	106
Change in projected benefit obligation:									
Benefit obligation at 1 April	**457**	327	258	**158**	145	119	**35**	127	115
Service cost	**37**	25	23	**6**	3	3	**5**	10	12
Interest cost	**26**	19	16	**9**	7	7	**1**	1	2
Members’ contributions	**11**	10	9	**–**	–	–	**–**	–	–
Amendments	**–**	–	–	**–**	–	(3)	**–**	–	5
Actuarial loss/(gain)	**95**	82	28	**44**	19	13	**–**	(3)	4
Curtailment	**–**	–	–	**–**	(2)	–	**(1)**	–	2
Settlement	**–**	–	–	**–**	–	–	**–**	(76)	13
Special termination benefit	**–**	–	–	**–**	–	–	**–**	–	9
Benefits paid (estimated)	**(7)**	(6)	(7)	**(9)**	(9)	(9)	**(9)**	(22)	(36)
Exchange movement	**–**	–	–	**5**	(5)	15	**(1)**	(2)	1
Benefit obligation at 31 March	**619**	457	327	**213**	158	145	**30**	35	127
Change in plans’ assets:									
Fair value of assets at 1 April	**433**	264	229	**136**	86	1	**2**	1	1
Actual return/(loss) on plans’ assets	**54**	77	(73)	**27**	7	–	**–**	1	–
Employer’s contributions	**136**	88	106	**14**	57	88	**9**	22	36
Members’ contributions	**12**	10	9	**–**	–	–	**–**	–	–
Benefits paid (estimated)	**(7)**	(6)	(7)	**–**	(9)	(9)	**(9)**	(22)	(36)
Exchange movement	**–**	–	–	**4**	(5)	6	**–**	–	–

Explanation of Responses:

Fair value of assets at 31 March	**628**	433	264	**181**	136	86	**2**	2	1
Funded status	**9**	(24)	(63)	**(32)**	(22)	(59)	**(28)**	(33)	(126)
Unrecognised net loss(1)	—	203	195	—	57	46	—	3	24
Prior period service cost	—	1	1	—	—	—	—	5	5
Net amount recognised	**9**	180	133	**(32)**	35	(13)	**(28)**	(25)	(97)
Amounts recognised in the statement of financial position:									
Prepaid/(accrued) benefit cost	**9**	180	(15)	**(32)**	(11)	(55)	**(28)**	(25)	(105)
Intangible asset	—	—	1	—	—	—	—	—	5
Other comprehensive income	—	—	147	—	46	42	—	—	3
Net amount recognised	**9**	180	133	**(32)**	35	(13)	**(28)**	(25)	(97)
Expected contributions in year ended									
31 March 2006	**36**			—			—		
Expected payments in year ended									
31 March:									
2006	**7**			**11**			—		
2007	**7**			**11**			—		
2008	**7**			**12**			—		
2009	**8**			**12**			—		
2010	**8**			**13**			—		
2011-2016	**43**			**71**			**3**		
Weighted-average actuarial assumptions used to determine benefit obligations:									
Discount rate	**5.4%**	5.5%	5.9%	**4.5%**	5.3%	5.3%	**2.3%**	2.3%	1.5%
Rate of compensation increase	**4.8%**	4.5%	4.0%	**2.9%**	3.0%	2.0%	—	—	—
Weighted-average actuarial assumptions used to determine net periodic benefit cost:									
Discount rate	**5.5%**	5.9%	6.5%	**5.3%**	5.3%	6.0%	**2.3%**	1.5%	2.5%
Rate of compensation increase	**4.5%**	4.0%	4.0%	**3.0%**	2.0%	2.5%	—	—	—
Expected long-term return on plan assets	**6.9%**	7.5%	8.0%	**5.3%**	5.3%	6.0%	**2.8%**	3.0%	4.4%

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Stock based compensation

The Company currently uses a number of share plans to grant options and share awards to its directors and employees described in note 22. Under UK GAAP, options granted over the Company's ordinary shares are accounted for using the intrinsic value method, with the difference between the fair value of shares and the exercise price charged to the profit and loss over the period until the shares first vest. Grants under the Group's Sharesave Scheme are exempt from this accounting methodology.

Under US GAAP, the Group accounts for option plans in accordance with the requirements of APB No. 25, "Accounting for Stock Issued to Employees" and applies the disclosure provisions of SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure". Under APB No. 25, such plans are accounted for as variable plans and the cost is calculated by reference to the market price of the shares at the measurement date, which is usually the date the shares vest, and amortised over the period until the shares vest. Where the measurement date has not yet been reached, the cost is calculated by reference to the market price of the relevant shares at the end of each accounting period.

Movements in ordinary share options and ADS options outstanding during the years ended 31 March 2005, 2004 and 2003 are as follows:

	Number of ADS options			Number of ordinary share options		
	2005 (millions)	2004 (millions)	2003 (millions)	**2005 (millions)**	2004 (millions)	2003 (millions)
At 1 April	**17.7**	21.0	43.8	**1,184.0**	1,110.9	488.3
Granted	**0.2**	2.2	6.5	**60.1**	192.0	700.9
Exercised	**(5.3)**	(4.6)	(2.7)	**(60.0)**	(36.6)	(9.7)
Forfeited	**(1.4)**	(0.9)	(26.6)	**(61.5)**	(82.3)	(68.6)
At 31 March	**11.2**	17.7	21.0	**1,122.6**	1,184.0	1,110.9
Exercisable at 31 March	**7.6**	9.2	11.7	**353.1**	107.0	90.7
Weighted average exercise price:						
Granted during year	**$20.19**	$20.34	$13.71	**£1.17**	£1.19	£0.99
Exercised during year	**$16.75**	$15.03	$10.00	**£0.94**	£1.00	£0.82
Forfeited during year	**$38.05**	$34.17	$33.61	**£1.43**	£1.34	£1.46
Outstanding at 31 March	**$38.76**	$22.97	$22.32	**£1.22**	£1.16	£1.23
Exercisable at 31 March	**$27.74**	$28.29	$25.20	**£1.65**	£2.13	£1.45

The weighted average fair value of ADS options and ordinary share options and the weighted average assumptions used to determine fair value are set out in the following table:

	ADS options			Ordinary share options		
	2005	2004	2003	**2005**	2004	2003
Weighted average fair value	**$6.34**	$5.92	$4.49	**£0.33**	£0.37	£0.28
Weighted average assumptions:						
Volatility	**26.10%**	39.19%	34.83%	**25.25%**	37.93%	34.82%
Expected dividend yield	**1.91%**	0.82%	0.62%	**1.92%**	0.81%	0.63%
Risk-free interest rate	**5.10%**	3.82%	5.02%	**5.16%**	3.75%	4.97%
Expected option lives (years)	**6.3**	3.5	3.5	**5.47**	3.4	3.5

During the year ended 31 March 2005, the Group granted 99.1 million restricted shares with a weighted average fair value at grant of £1.11.

Had compensation cost been determined based upon the fair value of the share options and ADS options at grant date, the Group's net loss and loss per share would have been restated to the pro forma amounts indicated below (in millions, except per share amounts):

	2005 £m	2004 £m	2003 £m
Net loss as reported under US GAAP	**(13,782)**	(8,127)	(9,055)
Share-based employee compensation expense, net of related tax effects, included in the determination of net income as reported	**198**	129	48
Share-based employee compensation expense, under fair value based method for all awards, net of related tax effects	**(168)**	(107)	(65)
Pro forma net loss	**(13,752)**	(8,105)	(9,072)
Loss per share			
Basic and diluted – as reported under US GAAP	**(20.82)p**	(11.93)p	(13.29)p
Basic and diluted – pro forma	**(20.77)p**	(11.90)p	(13.31)p

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Notes to the Consolidated Financial Statements continued

36.US GAAP information continued

(k) Loss per share

The share options and share plans described in note 22 were excluded from the calculation of diluted loss per share as the effect of their inclusion in the calculation would be antidilutive due to the Group recognising a loss in all periods presented.

(l) Comprehensive (loss)/income

Total recognised losses under UK GAAP include net loss and currency translation adjustment. Under US GAAP, comprehensive (loss)/income is the change in equity during a period resulting from transactions other than with shareholders. Comprehensive (loss)/income is comprised of net loss, the minimum pension liability adjustment, changes in the fair value of available for sale securities and derivatives used in cash flow hedging relationships, and currency translation adjustment.

During the year ended 31 March 2005, £63 million of foreign currency losses were reclassified from other comprehensive income and included in the determination of net loss as a result of the partial disposal of Vodafone Egypt.

37.Changes in accounting standards

International Financial Reporting Standards

On 19 July 2002, the European Parliament adopted Regulation No. 1606/2002 requiring listed companies in the Member States of the European Union to prepare their consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) from 2005. IFRS will apply for the first time in the Groups Annual Report for the year ending 31 March 2006. Consequently, the Groups interim results for the six month period ending 30 September 2005 will be presented under IFRS together with restated information for the six months ended 30 September 2004 and the year ended 31 March 2005.

US standards

SFAS No. 123 (Revised 2004), Share-Based Payment

In December 2004, the FASB issued a revised version of SFAS No. 123 (SFAS No. 123R), which among other changes, eliminates the option to account for share-based payment to employees using the intrinsic value method and requires share-based payment to be recorded using the fair value method. Under the fair value method, compensation cost for employees and directors is determined at the date awards are granted and recognised over the service period. The Group is currently analysing the effects of the new standard including the alternative methods of adoption.

Staff Accounting Bulletin 107

The SEC issued SAB 107 in March 2005. SAB 107 summarizes the views of the SEC staff regarding the interaction between SFAS No. 123R and certain Securities and Exchange Commission rules and regulations and provides the staffs views regarding the valuation of share-based payment arrangements for public companies. The Group is currently analysing the effects of this SAB and will adopt SAB 107 concurrently with SFAS No. 123.

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Report of Independent Auditors

Independent Auditors’ Report to the Members of Vodafone Group Plc

We have audited the consolidated financial statements of Vodafone Group Plc for the year ended 31 March 2005, which comprise the consolidated and Company balance sheets at 31 March 2005 and 2004, the consolidated profit and loss accounts, the consolidated cash flow statements, the consolidated statements of total recognised gains and losses and the movement in total equity shareholders’ funds for the three years ended 31 March 2005 and the related notes 1 to 37. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the part of the Board’s Report to Shareholders on Directors’ Remuneration that is described as having been audited.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors’ Responsibilities, the Company’s directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. They are also responsible for the preparation of the other information contained in the Annual Report including the Board’s Report to Shareholders on Directors’ Remuneration. Our responsibility is to audit the financial statements and the part of the Board’s Report to Shareholders on Directors’ Remuneration described as having been audited in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Board’s Report to Shareholders on Directors’ Remuneration described as having been audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors’ Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors’ remuneration and transactions with the Company and other members of the Group is not disclosed.

We review whether the corporate governance statement reflects the Company’s compliance with the nine provisions of the July 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board’s statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group’s corporate governance procedures or its risk and control procedures.

We read the Directors’ Report and the other information contained in the Annual Report for the year ended 31 March 2005 as described in the contents section, including the unaudited part of the Board’s Report to Shareholders on Directors’ Remuneration and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board and with the standards of the Public Company Accounting Oversight Board (United States). The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Board's Report to Shareholders on Directors' Remuneration described as having been audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the

financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Board's Report to Shareholders on Directors' Remuneration described as having been audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Board's Report to Shareholders on Directors' Remuneration described as having been audited.

Opinions

UK opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 March 2005 and of the loss of the Group for the year then ended; and
- the financial statements and that part of the Board's Report to Shareholders on Directors' Remuneration described as having been audited have been properly prepared in accordance with the Companies Act 1985.

US opinion

In our opinion:

- the financial statements present fairly, in all material respects, the consolidated financial position of the Group at 31 March 2005 and 2004 and the consolidated results of its operations and cash flows for each of the three years in the period ended 31 March 2005 in conformity with accounting principles generally accepted in the United Kingdom.

Accounting principles generally accepted in the United Kingdom vary in significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in note 36 to the consolidated financial statements.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London, England

24 May 2005

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Information on International Financial Reporting Standards

Introduction

On 19 July 2002, the European Parliament adopted Regulation No. 1606/2002 requiring listed companies in the Member States of the European Union to prepare their consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) from 2005. IFRS will apply for the first time in the Group’s Annual Report for the year ending 31 March 2006. Consequently, the Group’s interim results for the six month period ending 30 September 2005 will be presented under IFRS together with restated information for the six months ended 30 September 2004 and the year ended 31 March 2005.

The Group provided an update of its adoption of IFRS on 20 January 2005 which included restated financial information for the six months ended 30 September 2004, and additional IFRS segmental information was released on 18 March 2005. The Group currently intends to publish restated IFRS financial information for the year ended 31 March 2005 in July 2005. These updates are available on the Company’s website, www.vodafone.com.

Basis of preparation of IFRS financial information

The Group’s IFRS financial information for the year ending 31 March 2006 will be prepared in accordance with the IFRS, International Accounting Standards (“IAS”) and interpretations issued by the IASB and its committees, and as interpreted by any regulatory bodies applicable to the Group, for those standards that are mandatory for EU listed companies adopting IFRS for the first time. In addition, the Group has elected to adopt early the amendment to IAS 19, “Employee Benefits”, issued on 16 December 2004 which allows actuarial gains and losses to be charged or credited to equity.

On 19 November 2004, the European Commission endorsed an amended version of IAS 39, “Financial Instruments: Recognition and Measurement” rather than the full version as previously published by the IASB. In accordance with guidance issued by the UK Accounting Standards Board, the full version of IAS 39, as issued by the IASB, will be adopted.

Following the SEC’s issuance on 12 April 2005 of its final rule, “First-Time Application of International Financial Reporting Standards”, the Group’s Annual Report for the year ending 31 March 2006 will provide one year of comparative financial information under IFRS and the opening balance sheet date for adoption of IFRS will be 1 April 2004.

IFRS 1 exemptions

IFRS 1, “First-time Adoption of International Financial Reporting Standards” sets out the procedures that the Group must follow when it adopts IFRS for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRS accounting policies as at 31 March 2006 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at its date of transition, 1 April 2004. This standard provides a number of optional exceptions to this general principle. The most significant of these are set out below, together with a description in each case of the exception to be adopted by the Group.

Business combinations that occurred before the opening IFRS balance sheet date (IFRS 3, “Business Combinations”).

The Group has elected not to apply IFRS 3 retrospectively to business combinations that took place before the date of transition. As a result, in the opening balance sheet, goodwill arising from past business combinations remains as stated under UK GAAP at 31 March 2004.

Employee Benefits – actuarial gains and losses (IAS 19, “Employee Benefits”)

The Group has elected to recognise all cumulative actuarial gains and losses in relation to employee benefit schemes at the date of transition.

Share-based Payments (IFRS 2, Share-based Payment)

The Group has elected to apply IFRS 2 to all relevant share-based payment transactions granted but not fully vested at 1 April 2004.

Financial Instruments (IAS 39, Financial Instruments: Recognition and Measurement and IAS 32, Financial Instruments: Disclosure and Presentation)

The Group has applied IAS 32 and IAS 39 for all periods presented and has therefore not taken advantage of the exemption in IFRS 1 that would enable the Group to only apply these standards from 1 April 2005.

Reconciliation of IFRS equity shareholders funds at opening balance sheet date

The following is a summary of the effects of the differences between IFRS and UK GAAP on the Groups total equity shareholders funds at the opening balance sheet date. Further significant differences may arise from accounting standards and pronouncements that the IASB could issue in the future and which the Group may elect to early adopt in its first IFRS accounts.

	At 1 April 2004 £m
Total equity shareholders funds (UK GAAP)	111,924
Proposed dividends	728
Financial instruments	385
Defined benefit pension schemes	(257)
Licence fee amortisation	(164)
Deferred and current taxes	(1,011)
Share based payments	12
Other	(66)
Total equity shareholders funds (IFRS)	111,551

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Principal differences between IFRS and UK GAAP

Measurement and Recognition

The Group has identified the principal differences between IFRS and the Groups UK GAAP accounting policies, which are summarised below.

Proposed dividends

IAS 10, Events after the Balance Sheet Date requires that dividends declared after the balance sheet date should not be recognised as a liability at that balance sheet date as the liability does not represent a present obligation as defined by IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

The final dividend declared in May 2004 in relation to the financial year ended 31 March 2004 of £728 million has been reversed in the opening balance sheet.

Financial Instruments

IAS 32, Financial Instruments: Disclosure and Presentation and IAS 39, Financial Instruments: Recognition and Measurement address the accounting for, and reporting of, financial instruments. IAS 39 sets out detailed accounting requirements in relation to financial assets and liabilities.

All derivative financial instruments are accounted for at fair market value whilst other financial instruments are accounted for either at amortised cost or at fair value depending on their classification. Subject to stringent criteria, financial assets and financial liabilities may be designated as forming hedge relationships as a result of which fair value changes are offset in the income statement or charged/credited to equity depending on the nature of the hedge relationship.

Reclassification of non-equity minority interests to liabilities

The primary impact of the implementation of IAS 32 is the reclassification of the $1.65 billion preferred shares issued by the Groups subsidiary, Vodafone Americas Inc., from non-equity minority interests to liabilities. The reclassification at 1 April 2004 was £875 million. Dividend payments by this subsidiary, which were previously reported in the Groups income statement as non-equity minority interests, have been reclassified to financing costs.

Fair value of available for sale financial assets

The Group has classified certain of its cost-based investments as available for sale financial assets as defined in IAS 39. This classification does not reflect the intentions of management in relation to these investments. These assets are measured at fair value at each reporting date with movements in fair value taken to equity. At 1 April 2004, a cumulative increase of £233 million in the fair value over the carrying value of these investments has been recognised.

Other adjustments

Hedge accounting has been adopted for the majority of the Groups interest rate swaps and underlying capital market debt, thereby reducing potential volatility in the income statement.

Certain derivative financial instruments used to manage interest rate and foreign exchange exposures are not held in hedge relationships. However, these tend to be relatively short term in nature, causing limited income statement volatility.

Defined benefit pension schemes

The Group currently applies the provisions of SSAP 24 under UK GAAP and provides detailed disclosure under FRS 17 in accounting for pensions and other post-employment benefits.

The Group has elected to adopt early the amendment to IAS 19, Employee Benefits issued by the IASB on 16 December 2004 which allows all actuarial gains and losses to be charged or credited to equity.

The Groups opening IFRS balance sheet at 1 April 2004 reflects the assets and liabilities of the Groups defined benefit schemes totalling a net liability of £154 million. This amount represents less than 0.2% of the Groups market capitalisation at 31 March 2004. The transitional adjustment of £257 million to opening reserves comprises the reversal of entries in relation to UK GAAP accounting under SSAP 24 less the recognition of the net liabilities of the Groups and associated undertakings defined benefit schemes.

Goodwill and acquired intangible asset amortisation

IAS 38, Intangible Assets requires that goodwill is not amortised. Instead it is subject to an annual impairment review. As the Group has elected not to apply IFRS 3 retrospectively to business combinations prior to the opening balance sheet date under IFRS, the UK GAAP goodwill balance at 31 March 2004 (£96,931 million) has been included in the opening IFRS consolidated balance sheet and is no longer amortised.

Licence fee amortisation

Under IAS 38, capitalised payments for mobile licences are amortised on a straight line basis over their useful economic life. Amortisation is charged from the commencement of service of the network. Under UK GAAP, the Groups policy is to amortise such costs in proportion to the capacity of the network during the start up period and then on a straight-line basis thereafter.

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Information on International Financial Reporting Standards continued

Deferred and Current Taxes

The scope of IAS 12, Income Taxes is wider than the corresponding UK GAAP standards, and requires deferred tax to be provided on all temporary differences rather than just timing differences under UK GAAP.

As a result, the Groups IFRS opening balance sheet at 1 April 2004 includes an additional deferred tax liability of £1,801 million in respect of the differences between the carrying value and tax written down value of the Groups investments in associated undertakings and joint ventures. This comprises £1.3 billion in respect of differences that arose when US investments were acquired and £0.5 billion in respect of undistributed earnings of certain associated undertakings and joint ventures, principally Vodafone Italy. UK GAAP does not permit deferred tax to be provided on the undistributed earnings of the Groups associated undertakings and joint ventures until there is a binding obligation to distribute those earnings.

IAS 12 also requires deferred tax to be provided in respect of the Groups liabilities under its post employment benefit arrangements and on other employee benefits such as share and share option schemes.

Share-based Payments

IFRS 2, Share-based Payment requires that an expense for equity instruments granted be recognised in the financial statements based on their fair value at the date of grant. This expense, which is primarily in relation to employee option and performance share schemes, is recognised over the vesting period of the scheme.

While IFRS 2 allows the measurement of this expense to be calculated only on options granted after 7 November 2002, the Group has applied IFRS 2 to all instruments granted but not fully vested as at 1 April 2004. The Group has adopted the binomial model for the purposes of computing fair value under IFRS.

Principal presentational differences

Scope of consolidation

IAS 31, Interests in Joint Ventures defines a jointly controlled entity as an entity where unanimous consent over the strategic financial and operating decisions is required between the parties sharing control. Control is defined as the power to govern the financial and operating decisions of an entity so as to obtain economic benefit from it.

The Group has reviewed the classification of its investments and concluded that the Groups 76.8% interest in Vodafone Italy, currently classified as a subsidiary undertaking under UK GAAP, should be accounted for as a joint venture under IFRS. In addition, the Groups interests in South Africa, Poland, Romania, Kenya and Fiji, which are currently classified as associated undertakings under UK GAAP, have been classified as joint ventures under IFRS as a result of the contractual rights held by the Group. The Group has adopted proportionate consolidation as the method of accounting for these six entities.

Under UK GAAP, the revenue, operating profit, net financing costs and taxation of Vodafone Italy are consolidated in full in the income statement with a corresponding allocation to minority interest. Under proportionate consolidation, the Group recognises its share of all income statement lines with no allocation to minority interest. There is no effect on the result for a financial period from this adjustment.

Under UK GAAP, the Groups interests in South Africa, Poland, Romania, Kenya and Fiji are accounted for under the equity method, with the Groups share of operating profit, interest and tax being recognised separately in the consolidated income statement. Under proportionate consolidation, the Group recognises its share of all income statement lines. There is no effect on the result for a financial period from this adjustment.

Under UK GAAP, the Group fully consolidates the cash flows of Vodafone Italy, but does not consolidate the cash flows of its associated undertakings. The IFRS consolidated cash flow statements reflect the Groups share of cash flows relating to its joint ventures on a line by line basis, with a corresponding recognition of the Groups share of net debt for each of the proportionately consolidated entities.

Associated undertakings taxation

Under IFRS, in accordance with IAS 1, Presentation of Financial Statements, Tax on (loss)/profit on ordinary activities on the face of the consolidated income statement comprises the tax charge of the Company, its subsidiaries and its share of the tax charge of joint ventures. The Groups share of its associated undertakings tax charges is shown as part of Share of result in associated undertakings rather than being disclosed as part of the tax charge under UK GAAP.

In respect of the Verizon Wireless partnership, the line Share of result in associated undertakings includes the Groups share of pre-tax partnership income and the Groups share of the post-tax income attributable to corporate entities (as determined for US corporate income tax purposes) held by the partnership. The tax attributable to the Groups share of allocable partnership income is included as part of Tax on (loss)/profit on ordinary activities on the consolidated income statement. This treatment reflects the fact that tax on allocable partnership income is, for US corporate income tax purposes, a liability of the partners and not the partnership.

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Investor Information

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Financial calendar for the 2006 financial year

Annual General Meeting (see below)	26 July 2005
Interim Results announcement	15 November 2005
Preliminary announcement of full year results	30 May 2006

Dividends

Full details on the dividend amount per share or ADS can be found on page 45. Set out below is information relevant to the final dividend for the year ended 31 March 2005.

Ex-dividend date	1 June 2005
Record date	3 June 2005
DRIP election date	15 July 2005
Dividend payment date	5 August 2005 (1)

(1) Payment date for both ordinary shares and ADSs.

Dividend Payment Methods

Holders of ordinary shares can:

- have cash dividends paid direct to a bank or building society account; or
- have cash dividends paid in the form of a cheque; or
- elect to use the cash dividends to purchase more Vodafone shares under the Dividend Reinvestment Plan (see below).

If a holder of ordinary shares does decide to receive cash dividends, it is recommended that these are paid directly to the shareholders bank or building society account via BACS or EFTS. This avoids the risk of cheques being lost in the post and means the dividend will be in the shareholders account on the dividend payment date. The shareholder will be sent a tax voucher confirming the amount of dividend and the account into which it has been paid.

Please contact the Companys Registrars for further details.

Holders of ADSs can:

- have cash dividends paid direct to a bank account; or
- have cash dividends paid by cheque; or
- elect to have the dividends reinvested to purchase additional Vodafone ADSs (see below for contact details).

Dividend reinvestment

The Company offers 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. Further details can be obtained from the Plan Administrator on +44 (0) 870 702 0198.

For ADS holders, The Bank of New York maintains a Global BuyDIRECT Plan for the Company, which is a direct purchase and sale plan for depositary receipts, with a dividend reinvestment facility. For additional information, please call toll-free from within the US on +1 800 233 5601, or write to:

The Bank of New York
Shareholder Relations Department
Global BuyDIRECT
P.O. Box 1958 Newark
New Jersey 07101-1958 USA

For calls from outside the US, call +1 610 382 7836. Please note that this number is not toll-free.

Telephone share dealing

A telephone share dealing service with the Companys Registrars is available for holders of ordinary shares. The service is available from 8.00 am to 4.30 pm, Monday to Friday, excluding bank holidays, on telephone number +44 (0) 870 703 0084.

Detailed terms and conditions are available on request by calling the above number.

Postal share dealing

A postal share dealing service is available for holders of ordinary shares with 1,000 shares or fewer who want to either increase their holding or sell their entire holding.

Further information about this service can be obtained from the Companys Registrars on +44 (0) 870 702 0198.

Registrars and transfer office

The Companys ordinary share register is maintained by:

Computershare Investor Services PLC
P.O. Box 82
The Pavilions, Bridgwater Road
Bristol BS99 7NH

England

Telephone: +44 (0) 870 702 0198 Fax: + 44 (0) 870 703 6101
Email: web.queries@computershare.co.uk

Holders of ordinary shares resident in Ireland should contact:

Computershare Investor Services (Ireland) Limited
P.O. Box 9742
Dublin 18
Ireland

Telephone: +353 (0) 818 300 999 Fax: +353 (0) 1 216 3151
Email: web.queries@computershare.ie

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Any queries about the administration of holdings of ordinary shares, such as change of address, change of ownership or dividend payments, should be directed to the Company's Registrars at the relevant address or telephone number immediately above. Holders of ordinary shares may also check details of their shareholding, subject to passing an identity check, on the Registrars' website at www.computershare.com

The Depositary Bank for the Company's ADR programme is:

The Bank of New York
Investor Relations Dept, P.O. Box 11258
Church St. Station
New York, NY 10286-1258
USA

Telephone: +1 (800) 233 5601 (Toll free)

ADS holders should address any queries or instructions regarding their holdings to The Bank of New York at the above address or telephone number. ADS holders can also, subject to passing an identity check, view their account balances and transaction history, sell shares and request certificates from their Global BuyDIRECT Plan at www.stockbny.com

Online Shareholder Services

www.vodafone.com/investor

- Register to receive electronic shareholder communications. Benefits to shareholders and the Company include faster receipt of communications such as annual reports, and cost and time savings for Vodafone. Electronic shareholder communications are also more environmentally friendly.
- View a live webcast of the AGM of the Company on 26 July 2005 and a recording will be available to review after that date.
- View and/or download the Annual Report and the Annual Review & Summary Financial Statement 2005.
- Check the current share price.
- Calculate dividend payments.
- Use interactive tools to calculate the value of shareholdings, look up the historic price on a particular date and chart Vodafone ordinary share price changes against indices.

Shareholders and other interested parties can also receive Company press releases, including London Stock Exchange announcements, by registering for Vodafone News via the Company's website at www.vodafone.com/news.

Registering for Vodafone News will enable users to:

- be alerted by free SMS as soon as news breaks;

- access the latest news from their mobile; and
- have news automatically e-mailed to them.

Annual General Meeting

The twenty first AGM of the Company will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1 on 26 July 2005 at 11.00 a.m.

The Notice of Meeting, together with details of the business to be conducted at the Meeting, is being circulated to shareholders with this Annual Report or the Annual Review & Summary Financial Statement and can be viewed at the Companys website www.vodafone.com/agm.

The AGM will be transmitted via a live webcast and can be viewed at the Companys website www.vodafone.com/agm on the day of the meeting and a recording will be available to review after that date.

To find out more about the AGM and how to view the webcast, visit www.vodafone.com/agm.

ShareGift

The Company supports ShareGift, the charity share donation scheme administered by The Orr Mackintosh Foundation (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. Donating shares to charity gives rise neither to a gain nor a loss for UK Capital Gains purposes and UK taxpayers may also be able to claim income tax relief on the value of the donation.

ShareGift transfer forms specifically for the Companys shareholders are available from the Companys Registrars, Computershare Investor Services PLC and, even if the share certificate has been lost or destroyed, the gift can be completed. The service is generally free. However, there may be an indemnity charge for a lost or destroyed share certificate where the value of the shares exceeds £100. Further details about ShareGift can be obtained from its website at www.ShareGift.org or at The Orr Mackintosh Foundation, 46 Grosvenor Street, London W1K 3HN (telephone: +44 (0) 20 7337 0501).

The Unclaimed Assets Register

The Company participates in the Unclaimed Assets Register, which provides a search facility for financial assets which may have been forgotten and which donates a proportion of its public search fees to a group of three UK charities (Age Concern, NSPCC and Scope). For further information, contact The Unclaimed Assets Register, Garden Floor, Bain House, 16 Connaught Place, London W2 2ES (telephone: +44 (0) 870 241 1713), or visit its website at www.uar.co.uk.

Share Price History

Upon flotation of the Company on 11 October 1988, the ordinary shares were valued at 170 pence each. On 16 September 1991, when the Company was finally demerged, for UK taxpayers the base cost of Racal Electronics Plc shares 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.

The share price at 31 March 2005 was 140.50 pence (31 March 2004: 128.75 pence). The share price on 23 May 2005 was 146.50 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, (ii) the reported high and low sales prices of ordinary shares on the Frankfurt Stock Exchange, and (iii) the reported high and low sales prices of ADSs on the NYSE.

The Company's ordinary shares were traded on the Frankfurt Stock Exchange from 3 April 2000 until 23 March 2004 and, therefore, information has not been provided for periods outside these dates.

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Five year data on an annual basis

	London Stock Exchange Pounds per ordinary share		Frankfurt Stock Exchange Euros per ordinary share		NYSE Dollars per ADS	
Financial Year	High	Low	High	Low	High	Low
2000/2001	3.56	1.82	5.82	2.87	56.63	26.01
2001/2002	2.29	1.24	3.70	2.00	33.26	17.88
2002/2003	1.31	0.81	2.15	1.26	20.30	12.76
2003/2004	1.50	1.12	2.22	1.59	27.88	18.10
2004/2005	1.49	1.14	—	—	28.54	20.83

Two year data on a quarterly basis

	London Stock Exchange Pounds per ordinary share		Frankfurt Stock Exchange Euros per ordinary share		NYSE Dollars per ADS	
Financial Year	High	Low	High	Low	High	Low
2003/2004						
First Quarter	1.35	1.13	1.93	1.61	22.16	18.28
Second Quarter	1.28	1.12	1.86	1.59	21.14	18.10
Third Quarter	1.40	1.20	2.03	1.70	25.15	20.26
Fourth Quarter	1.50	1.24	2.22	1.88	27.88	22.81
2004/2005						
First Quarter	1.44	1.21	—	—	25.90	21.87
Second Quarter	1.34	1.14	—	—	24.21	20.83
Third Quarter	1.49	1.32	—	—	28.54	24.06
Fourth Quarter	1.46	1.35	—	—	27.53	25.60
2005/2006						
First Quarter(1)	1.47	1.35	—	—	26.91	25.43

Note:
(1) covering period up to 23 May 2005.

Six month data on a monthly basis

	London Stock Exchange Pounds per	NYSE Dollars per ADS

Financial Year	ordinary share High	Low	High	Low
November 2004	1.49	1.37	27.55	25.45
December 2004	1.48	1.37	28.54	26.62
January 2005	1.46	1.37	27.53	25.68
February 2005	1.42	1.35	26.89	25.60
March 2005	1.44	1.36	27.50	26.23
April 2005	1.43	1.35	26.91	25.70
May 2005(1)	1.47	1.37	26.90	25.43

Notes:
(1) High and low share prices for May 2004 only reported until 23 May 2005.

The current authorised share capital comprises 78,000,000,000 ordinary shares of $0.10 each and 50,000 7% cumulative fixed rate shares of £1.00 each.

Markets

Ordinary shares of Vodafone Group Plc are traded on the London Stock Exchange and, in the form of ADSs, on the New York Stock Exchange.

ADSs, each representing ten ordinary shares, are traded on the New York Stock Exchange under the symbol VOD. The ADSs are evidenced by ADRs issued by The Bank of New York, as Depositary, under a Deposit Agreement, dated as of 12 October 1988, as amended and restated as of 26 December 1989, as further amended and restated as of 16 September 1991 and as further amended and restated as of 30 June 1999, 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 The Bank of New York on the exercise of voting rights relative to the number of ordinary shares represented by their ADSs. See Memorandum and Articles of Association and Applicable English Law Rights attaching to the Companys shares Voting rights below.

Shareholders at 31 March 2005

Number of ordinary shares held	Number of accounts	% of total issued shares
1 1,000	448,502	0.21
1,001 5,000	109,635	0.36
5,001 50,000	30,851	0.64
50,001 100,000	1,593	0.17
100,001 500,000	1,501	0.53
More than 500,000	2,168	98.09
	594,250	100.00

Geographical analysis of shareholders

At 31 March 2005, approximately 51.53% of the Companys shares were held in the UK, 32.17% in North America, 13.91% in Europe (excluding the UK) and 2.39% in the Rest of the World.

Memorandum and Articles of Association and Applicable English law

The following description summarises certain provisions of the Company□s Memorandum and Articles of Association and applicable English law. This summary is qualified in its entirety by reference to the Companies Act 1985 of Great Britain (the □Companies Act□), as amended, and the Company□s Memorandum and Articles of Association. Information on where shareholders can obtain copies of the Memorandum and Articles of Association is provided under □Documents on Display□.

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.

The Company□s Objects

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. The Company□s objects are set out in the fourth clause of its Memorandum of Association and cover a wide range of activities, including to carry on the business of a holding company, to carry on business as dealers in, operators, manufacturers, repairers, designers, developers, importers and exporters of electronic, electrical, mechanical and aeronautical equipment of all types as well as to carry on all other businesses necessary to attain the Company□s objectives. The Memorandum of Association grants the Company a broad range of powers to effect its objects.

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.

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 (a) 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, (b) giving any guarantee, security or indemnity to the director or a third party in respect

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of obligations of the Company for which the director has assumed responsibility under an indemnity or guarantee, (c) relating to an offer of securities of the Company in which the director participates as a holder of shares or other securities or in the underwriting of such shares or securities, (d) 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, (e) relating to the arrangement of any employee benefit in which the director will share equally with other employees and (f) 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.

In accordance with the Company's Articles of Association, a third of all the directors retire at each AGM. The specific retiring directors are those last elected or re-elected at or before the AGM held in the third calendar year before the current year. This year, 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 in this regard, the Board has decided, in the interests of good corporate governance, that all the directors should offer themselves for re-election annually. Accordingly, all the directors will submit themselves for re-election at the 2005 AGM, except for Ken Hydon and Sir David Scholey, who are retiring.

No person is disqualified from being a director or is required to vacate that office by reason of age. If, at a general meeting, a director who is 70 or more years of age is proposed for election or re-election, that director's age must be set out in the notice of the meeting.

Directors are not required, under the Company's Articles, 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 65 to 74). The report is also subject to a shareholder vote.

Rights attaching to the Company's shares

Dividend rights

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 will be announced in pounds sterling. Holders of ordinary shares with a registered address in a euro-zone country (defined, for this purpose, as a country that has adopted the euro as its national currency) will receive their dividends in euro, exchanged from pounds sterling at a rate fixed by the Board of directors in accordance with the Articles of Association. Dividends for ADS holders represented by ordinary shares held by the Depositary will be paid to the Depositary in US dollars, exchanged from pounds sterling at a rate fixed by the directors in accordance with the Articles of Association, and the Depositary will distribute them to the ADS holders.

If a dividend has not been claimed for one year after the later 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 Companys 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. Holders of the Companys ordinary shares do not have cumulative voting rights.

Under English law, two shareholders present in person constitute a quorum for purposes of a general meeting, unless a companys articles of association specify otherwise. The Companys 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.

Record holders of the Companys ADSs are entitled to attend, speak and vote on a poll or a show of hands at any general meeting of the Companys shareholders by the Depositarys 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, the Vodafone Group Profit Sharing Scheme and My ShareBank (a vested share account) through the respective plans trustees, Mourant ECS Trustees Limited.

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 Companys 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 Companys ordinary shares. The holders of the fixed rate shares do not have any other right to share in the Companys surplus assets.

Pre-emptive rights and new issues of shares

Under Section 80 of the Companies Act, directors are, with certain exceptions, unable to allot relevant securities without the authority of the shareholders in a general meeting. Relevant securities as defined in the Companies Act include the Companys ordinary shares or securities convertible into the Companys ordinary shares. In addition, Section 89 of the Companies Act imposes further restrictions on the issue of equity securities (as defined in the Companies Act, which include the Companys 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 Companys Articles of Association allow shareholders to authorise directors for a period up to five years to allot (a) relevant securities generally up to an amount fixed by the shareholders and (b) equity securities for cash other than in connection with a rights issue up to an

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amount specified by the shareholders and free of the restriction in Section 89. In accordance with institutional investor guidelines, the amount of relevant securities to be fixed by shareholders is normally restricted to one third of the existing issued ordinary share capital, and the amount of equity securities to be issued for cash other than in connection with a rights issue is restricted to 5% of the existing issued ordinary share capital.

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, either with the consent in writing of the holders of three fourths in nominal value of the shares of that class or upon the adoption of an extraordinary resolution passed 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 (a) 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, (b) any person present in person or by proxy may demand a poll, and (c) 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

There are no limitations imposed by English law or the Company's Articles of Association on the right of non-residents or foreign persons to hold or vote the Company's shares other than those limitations that would generally apply to all of the shareholders.

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 the Companies Act.

The basic disclosure requirement under Sections 198 to 211 of the Companies Act imposes upon a person interested in the shares of the Company a statutory obligation to provide written notification to the Company, including certain details as set out in the Companies Act, where:

(a) he acquires (or becomes aware that he has acquired) or ceases to have (or becomes aware that he has ceased to have) an interest in shares comprising any class of the Company's issued and voting share capital; and

(b) as a result, EITHER he obtains, or ceases to have:

  (i) a 'material interest' in 3%, or more; or

  (ii) an aggregate interest (whether 'material' or not) in 10%, or more of the Company's voting capital; or

(iii) the percentage of his interest in the Company□s voting capital remains above the relevant level and changes by a whole percentage point.

A □material interest□ means, broadly, any beneficial interest (including those of a spouse or a child or a step-child (under the age of 18), those of a company which is accustomed to act in accordance with the relevant person□s instructions or in which one third or more of the votes are controlled by such person and certain other interests set out in the Companies Act) other than those of an investment manager or an

operator of a unit trust/recognised scheme/collective investment scheme/open-ended investment company.

Sections 204 to 206 of the Companies Act set out particular rules of disclosure where two or more parties (each a □concert party□) have entered into an agreement to acquire interests in shares of a public company, and the agreement imposes obligations/restrictions on any concert party with respect to the use, retention or disposal of the shares in the company and an acquisition of shares by a concert party pursuant to the agreement has taken place.

Under Section 212 of the Companies Act, 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.

Sections 324 to 329 of the Companies Act further deal with the disclosure by persons (and certain members of their families) of interests in shares or debentures of the companies of which they are directors and certain associated companies.

There are additional disclosure obligations under Rule 3 of the Substantial Acquisitions Rules where a person acquires 15% or more of the voting rights of a listed company or when an acquisition increases his holding of shares or rights over shares so as to increase his voting rights beyond that level by a whole percentage point. Notification in this case should be to the Company, the Panel on Takeovers and Mergers and the UK Listing Authority through one of its approved regulatory information services no later than 12 noon on the business day following the date of the acquisition.

The City Code on Takeovers and Mergers also contains strict 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

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 an extraordinary general meeting of the Company. Extraordinary general meetings may also be convened on requisition as provided by the Companies Act.

An annual general meeting and an extraordinary general meeting called for the passing of a special resolution need to be called by not less than twenty-one days□ notice in writing and all other extraordinary general meetings by not less than fourteen days□ notice in writing. 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 twenty-one days before the date the relevant notice is sent. The notice may also specify the record date, which shall not be more than forty-eight hours before the time fixed for the meeting.

Shareholders must provide the Company with an address or (so far as the Companies Act allows) an electronic address or fax number in the United Kingdom 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 advertisement in newspapers in the United Kingdom. Holders of the Company□s ADSs are entitled to receive notices under the terms of the Deposit Agreement relating to the ADSs.

Under Section 366 of the Companies Act 1985 and the Company□s Articles of Association, the annual general meeting of shareholders must be held each calendar year with no more than fifteen months elapsing since the date of the preceding annual general meeting.

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Documents on Display

The Company is subject to the information requirements of the US Securities and Exchange Act of 1934 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 450 Fifth Street, NW Washington, DC 20549. Information on the operation of the public reference room can be obtained in the US 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 at www.sec.gov. Shareholders can also obtain copies of the Company's Memorandum and Articles of Association from the Vodafone website at www.vodafone.com 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 $10.4 billion credit facilities which are discussed under "Operating and Financial Review and Prospects – Liquidity and Cash Resources".

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, except as otherwise set out under "Taxation".

Taxation

As this is a complex area, investors should consult their own tax adviser 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, and in particular whether they are eligible for the benefits of the Old Treaty and/or the New Treaty.

This section describes for a US holder (as defined below), in general terms, the principal US federal income tax and UK tax consequences of owning shares or ADSs in the Company 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 and holders that, directly or indirectly, hold 10 per cent 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:

(i) a citizen or resident of the United States;

(ii) US domestic corporation;

(iii) an estate the income of which is subject to US federal income tax regardless of its source; or

(iv) 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.

This section is based on the 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 United

Kingdom, all as currently in effect, as well as on the Double Taxation Convention between the United States and the United Kingdom entered into force in 1980 (the "Old Treaty") and the Double Taxation Convention between the United States and the United Kingdom that entered into force on 31 March 2003 (the "New Treaty"). These laws are subject to change, possibly on a retroactive basis.

The New Treaty has been effective in respect of taxes withheld at source for amounts paid or credited on or after 1 May 2003. Other provisions of the New Treaty, however, including capital gains tax, took effect for UK purposes for individuals on 6 April 2003 (1 April 2003 for UK companies) and took effect for US purposes on 1 January 2004. The rules of the Old Treaty remained applicable until these effective dates. Moreover, a taxpayer can elect to have the Old Treaty apply in its entirety for a period of twelve months after the applicable effective dates of the New Treaty (if such a taxpayer would be entitled to greater benefits under the Old Treaty).

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.

Based on this assumption, for purposes of the Old Treaty and the New 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, a holder of ADRs evidencing ADSs will be treated as the owner of the shares in the Company represented by those ADSs. 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 below).

Taxation of dividends

UK Taxation

Under current UK tax law, no withholding tax will be deducted from dividends paid by the Company.

A shareholder that is a company resident for UK tax purposes in the United Kingdom will not be taxable on a dividend it receives from the Company. A shareholder in the Company who is an individual resident for UK tax purposes in the United Kingdom is entitled, in calculating their liability to UK income tax, to a tax credit on cash dividends paid on shares in the Company or ADSs, and the tax credit is equal to one-ninth of the cash dividend.

If applicable, under the Old Treaty, a US holder was entitled to a tax credit from the UK Inland Revenue equal to the amount of the tax credit available to a shareholder resident in the United Kingdom (i.e. one-ninth of the dividend received) but the amount of the dividend plus the amount of the tax credit were then subject to withholding in an amount equal to the amount of the tax credit. A US holder, therefore, did not, in fact, receive any repayment from the UK Inland Revenue in respect of a dividend from the Company, although assuming the US holder was not resident in the United Kingdom for UK tax purposes, there was no further UK tax to pay in respect of that dividend.

Under the New Treaty, a US holder is not entitled to a tax credit from the UK Inland Revenue in the manner described above and dividends received by the US holder from the Company are not subject to any withholding by the United Kingdom under the New Treaty or otherwise.

US Federal Income Taxation

A US holder is subject to US federal income taxation on the gross amount of any dividend paid by the Company out of its current or accumulated earnings and profits (as determined for US federal income tax purposes). Dividends paid to a non-corporate US holder in tax years beginning before 1 January 2009 that constitute qualified dividend income will be taxable to the holder at a maximum tax rate of 15%, 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 rate and the holder meets other holding period requirements. Dividends paid by the Company with respect to the shares or ADSs will generally be qualified dividend income.

A US holder that is eligible and elects the benefits of the Old Treaty, for dividends paid prior to 1 May 2004 may include in the gross amount of income the UK tax withheld from the dividend payment pursuant to the Old Treaty as described under

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“UK Taxation”. Subject to certain limitations, the UK tax withheld in accordance with the Old Treaty and effectively paid over to the UK Inland Revenue will be creditable against the US holder’s US federal income tax liability, provided the US holder is eligible for the benefits of the Old Treaty and has properly filed Internal Revenue Form 8833. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum 15% tax rate.

Under the New Treaty, a US holder is not entitled to a UK tax credit payment, but is also 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 the Company, and the receipt of a dividend does not entitle the US holder to a foreign tax credit.

In either case, 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 United States and will generally be “passive income” or “financial services income”, which is treated separately from other types of income for the purposes of computing any allowable foreign tax credit.

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 United States 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 the Company’s shares or ADSs if the US holder is:

(i) a citizen of the United States resident or ordinarily resident for UK tax purposes in the United Kingdom;

(ii) a citizen of the United States who has been resident or ordinarily resident for UK tax purposes in the United Kingdom, ceased to be so resident or ordinarily resident for a period of less than 5 years of assessment 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;

(iii) a US domestic corporation resident in the United Kingdom by reason of being centrally managed and controlled in the United Kingdom; or

(iv) a citizen of the United States or a corporation that carries on a trade, profession or vocation in the United Kingdom through a branch or agency or, in respect of 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.

However, subject to applicable limitations and eligibility to the provisions of the Old Treaty, such persons may be entitled to a tax credit against their US federal income tax liability for the amount of UK capital gains tax or UK corporation tax on chargeable gains (as the case may be) which is paid in respect of such gain.

Under the New 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 United Kingdom and the United States and as required by the terms of the New Treaty. However, individuals who are residents of either the

United Kingdom or the United States 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).

US federal income taxation

A US holder that sells or otherwise disposes of the Company's 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, capital gain of a non-corporate US holder that is recognised before 1 January 2009 is taxed at a maximum rate of 15%, provided the holder has a holding period of more than one year. The gain or loss will generally be income or loss from sources within the United States 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 United States (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 the Company's 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 United States 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 and Gift 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 shares in the Company 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. In accordance with the terms of the Deposit Agreement, any tax or duty payable on deposits of shares by the Depositary or the Custodian of the Depositary will be charged to the party to whom ADSs are delivered against such deposits.

No stamp duty will be payable on any transfer of ADSs of the Company, provided that the ADSs and any separate instrument of transfer are executed and retained at all times outside the United Kingdom.

A transfer of shares in the Company 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. On a transfer from nominee to beneficial owner (the nominee having at all times held the shares on behalf of the transferee) under which no beneficial interest passes and which is neither a sale nor in contemplation of a sale, a fixed £5.00 stamp duty will be payable.

SDRT is generally payable on an unconditional agreement to transfer shares in the Company 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 the ADSs of the Company will not give rise to SDRT.

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Investor Information continued

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Form 20-F Cross Reference Guide

This table has been provided as a cross reference from the information included in this Annual Report to the requirements of Form 20-F.

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Explanation of Responses:

Designed and produced by Barrett Howe Plc

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Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

VODAFONE GROUP PUBLIC LIMITED COMPANY
(Registrant)

/s/ S R Scott
Stephen R. Scott
Company Secretary

Date: June 8, 2005

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Index to Exhibits to Form 20-F for year ended 31 March 2005

1. Memorandum, as adopted on June 13, 1984 and including all amendments made on July 28, 2000, and Articles of Association, as adopted on June 30, 1999 and including all amendments made on July 25, 2001, of the Company (incorporated by reference to Exhibit 2.1 to the Company's Amendment No. 3 to the Registration Statement on Form 8-A/A, dated December 5, 2003). (File No. 001-10086).

2. Indenture, dated as of February 10, 2000, between the Company and Citibank, N.A. as Trustee, including forms of debt securities (incorporated by reference to Exhibit 4(a) of Amendment No. 1 to the Company's Registration Statement on Form F-3, dated November 24, 2000). (File No. 333-10762)).

4.1. Agreement for US$5,525,000,000 5 year Revolving Credit Facility, dated June 24, 2004, among, inter alia, the Company, ABN Amro Bank N.V.; Banco Bilbao Vizcaya Argentaria S.A. ; Bank of America, N.A.; Barclays Bank PLC; Bayerische Hypo-und Vereinsbank AG; BNP Paribas ; CALYON; Citibank, N.A.; Commerzbank Aktiengesellschaft, London Branch; Deutsche Bank AG; HSBC Bank plc; ING Bank, N.V.; JPMorgan Chase Bank; Lehman Brothers Bankhaus AG; Lloyds TSB Bank plc; Morgan Stanley Dean Witter Bank Limited and Morgan Stanley Bank; Mizuho Corporate Bank, Ltd.; National Australia Bank Limited ABN 12 004 044 937; Sumitomo Mitsui Banking Corporation Europe Limited; The Bank of Tokyo-Mitsubishi, Ltd.; The Royal Bank of Scotland Plc; UBS AG; WestLB AG; Banco Santander Central Hispano, S.A.; William Street Commitment Corporation; Banca Intesa SpA; KBC Bank NV; Standard Chartered Bank; TD Bank Europe Limited; and The Bank of New York with The Royal Bank of Scotland plc as Agent and US Swingline Agent.

4.2. Agreement for US$4,853,333,331 3 year Revolving Credit Facility, dated June 26, 2003 and amended on August 11, 2003 and June 24, 2004, among, inter alia, the Company, ABN Amro Bank N.V.; Banco Bilbao Vizcaya Argentaria S.A.; Bank of America, N.A.; Barclays Bank PLC; Bayerische Hypo-und Vereinsbank AG; Bayerische Landesbank; BNP Paribas; Citibank, N.A.; Commerzbank Aktiengesellschaft; Credit Agricole Indosuez; Deutsche Bank AG; HSBC Bank plc; ING Bank, N.V.; JPMorgan Chase Bank; Lehman Brothers Bankhaus AG; Lloyds TSB Bank plc; Mizuho Corporate Bank, Ltd.; National Australia Bank Limited ABN 12 004 044 937; Sumitomo Mitsui Banking Corporation Europe Limited; The Bank of Tokyo-Mitsubishi, Ltd.; The Royal Bank of Scotland Plc; UBS AG; WestLB AG; William Street Commitment Corporation; Banco Santander Central Hispano, S.A.; Banca Intesa SpA; KBC Bank NV; San Paolo IMI Bank Ireland Plc; Standard Chartered Bank; TD Bank Europe Limited; and The Bank of New York with The Royal Bank of Scotland plc as Agent and US Swingline Agent.

4.3. Vodafone Group Long Term Incentive Plan (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.4. Vodafone Group Short Term Incentive Plan (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.5. Vodafone Group 1999 Long Term Stock Incentive Plan (incorporated by reference to Exhibit 4.7 to the Company's Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.6. Vodafone Group 1998 Company Share Option Scheme (incorporated by reference to Exhibit 4.8 to the Company's Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.7. Vodafone Group 1998 Executive Share Option Scheme (incorporated by reference to Exhibit 4.9 to the Company's Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.8. Agreement for Services with Lord MacLaurin of Knebworth (included in and incorporated by reference to Exhibit 4.10 to the Company's Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.9. Letter of Appointment of Paul Hazen (incorporated by reference to Exhibit 4.15 to the Company's Annual Report on Form 20-F for the financial year ended March 31, 2003).

4.10.

Service Contract of Arun Sarin (incorporated by reference to Exhibit 4.20 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2003).

4.11. Service Contract of Sir Julian Horn-Smith (included in and incorporated by reference to Exhibit 4.10 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.12. Service Contract of Peter Bamford (included in and incorporated by reference to Exhibit 4.10 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.13. Service Contract of Thomas Geitner.

4.14. Service Contract of Kenneth Hydon (included in and incorporated by reference to Exhibit 4.10 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2001).

4.15. Letter of Appointment of Sir John Bond.

4.16. Letter of Appointment of Dr. Michael Boskin (incorporated by reference to Exhibit 4.9 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2003).

4.17. Letter of Appointment of Lord Broers (incorporated by reference to Exhibit 4.10 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2003; at a meeting of the Directors of the Company held on September 16, 2003, the term of office of Professor Sir Alec Broers was extended until December 31, 2006).

4.18. Letter of Appointment of Dr. John Buchanan (incorporated by reference to Exhibit 4.11 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2003).

4.19. Letter of Appointment of Penelope Hughes (incorporated by reference to Exhibit 4.17 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2003; at a meeting of the Directors of the Company held on September 16, 2003, the term of office of Penelope Hughes was extended until August 31, 2007).

4.20. Letter of Appointment of Sir David Scholey (incorporated by reference to Exhibit 4.21 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2003; at a meeting of the Directors of the Company held on September 16, 2003, the term of office of Sir David Scholey was extended until the Annual General Meeting of the Company in 2005).

4.21. Letter of Appointment of Jurgen Schrempp (incorporated by reference to Exhibit 4.21 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2004).

4.22. Letter of Appointment of Luc Vandevelde (incorporated by reference to Exhibit 4.22 to the Company’s Annual Report on Form 20-F for the financial year ended March 31, 2004).

7. Computation of ratio of earnings to fixed charges.

8. The list of the Company’s subsidiaries is incorporated by reference to note 34 to the Consolidated Financial Statements included in the Annual Report.

12. Rule 13a □ 14(a) Certifications.

13. Rule 13a □ 14(b) Certifications.

15. Consent of Deloitte & Touche LLP.