IFRS Update - Part 2

Vodafone Group Plc 20 January 2005 CONSOLIDATED INCOME STATEMENT For the six months ended 30 September 2004 UK GAAP IFRS IFRS format adjustments IFRS (unaudited) (unaudited) (unaudited) £m £m £m Revenue 16,796 (54) 16,742 Cost of sales (10,072) (338) (10,410) --------- --------- --------- Gross profit 6,724 (392) 6,332 Selling and distribution expenses (1,005) (8) (1,013) Administrative expenses (7,964) 6,326 (1,638) Share of result in associated undertakings 241 837 1,078 --------- --------- --------- Operating (loss)/profit (2,004) 6,763 4,759 Non-operating income and expense 16 - 16 Net financing costs (191) (44) (235) --------- --------- --------- (Loss)/profit on ordinary activities before taxation (2,179) 6,719 4,540 Tax on (loss)/profit on ordinary activities (718) (139) (857) --------- --------- --------- (Loss)/profit for the financial period (2,897) 6,580 3,683 ========= ========= ========= Attributable to: - Minority interests 298 (230) 68 - Equity shareholders (3,195) 6,810 3,615 (Loss)/earnings per share: From continuing operations(1) - Basic 5.40p - Diluted 5.39p From continuing and discontinued operations - Basic (4.77)p 5.40p - Diluted (4.77)p 5.39p (1) Not provided under UK GAAP. PRO FORMA CONSOLIDATED INCOME STATEMENT For the year ended 31 March 2004 UK GAAP IFRS Pro Forma IFRS format adjustments IFRS (unaudited) (unaudited) (unaudited) £m £m £m Revenue 32,741 (249) 32,492 Cost of sales (18,986) (259) (19,245) --------- --------- --------- Gross profit 13,755 (508) 13,247 Selling and distribution expenses (2,065) - (2,065) Administrative expenses (16,529) 13,000 (3,529) Share of result in associated undertakings (19) 1,934 1,915 Other income and expense - 35 35 --------- --------- --------- Operating (loss)/profit (4,858) 14,461 9,603 Non-operating income and expense 13 - 13 Net financing costs (498) (105) (603) --------- --------- --------- (Loss)/profit on ordinary activities before taxation (5,343) 14,356 9,013 Tax on (loss)/profit on ordinary activities (2,840) 12 (2,828) --------- --------- --------- (Loss)/profit for the period on continuing operations (8,183) 14,368 6,185 Loss on discontinued operations (81) 8 (73) --------- --------- --------- (Loss)/profit for the financial year (8,264) 14,376 6,112 ========= ========= ========= Attributable to: - Minority interests 751 (492) 259 - Equity shareholders (9,015) 14,868 5,853 (Loss)/earnings per share: From continuing operations(1) - Basic 8.70p - Diluted 8.68p From continuing and discontinued operations - Basic (13.24)p 8.60p - Diluted (13.24)p 8.58p (1) Not provided under UK GAAP. CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE For the six months ended 30 September 2004 UK GAAP IFRS IFRS format adjustments IFRS (unaudited) (unaudited) (unaudited) £m £m £m Gains on revaluation of available-for-sale investments - 28 28 Exchange differences on translation of foreign operations 1,995 72 2,067 Actuarial losses on defined benefit pension schemes - (54) (54) Tax on items taken directly to equity - 28 28 --------- --------- --------- Net income recognised directly in equity 1,995 74 2,069 (Loss)/profit for the financial period (2,897) 6,580 3,683 --------- --------- --------- Total recognised (losses)/gains relating to the period (902) 6,654 5,752 ========= ========= ========= Attributable to: - Equity shareholders (1,219) 6,935 5,716 - Minority interests 317 (281) 36 CONSOLIDATED BALANCE SHEET As at 1 April 2004 (Opening balance sheet) UK GAAP IFRS IFRS IFRS format adjustments £m £m £m Non-current assets Intangible assets 93,622 864 94,486 Property, plant and equipment 18,083 (833) 17,250 Investments in associated undertakings 21,226 (800) 20,426 Other investments 1,049 233 1,282 Deferred tax assets 965 114 1,079 Trade and other receivables 221 (9) 212 --------- --------- --------- 135,166 (431) 134,735 --------- --------- --------- Current assets Inventory 458 10 468 Taxation recoverable 372 (103) 269 Trade and other receivables 5,148 305 5,453 Cash and cash equivalents 5,790 61 5,851 --------- --------- --------- 11,768 273 12,041 --------- --------- --------- Total assets 146,934 (158) 146,776 --------- --------- --------- Equity Called up share capital 4,280 - 4,280 Share premium account 52,154 - 52,154 Own shares held (1,136) - (1,136) Other reserve 99,640 - 99,640 Retained losses (43,014) (373) (43,387) --------- --------- --------- Total equity shareholders' funds 111,924 (373) 111,551 Minority interests 3,007 (2,198) 809 --------- --------- --------- Total equity 114,931 (2,571) 112,360 --------- --------- --------- Non-current liabilities Long-term borrowings 12,224 1,859 14,083 Deferred tax liabilities 3,608 1,399 5,007 Post employment benefits (1) (73) 227 154 Provisions for other liabilities and charges 339 5 344 Other payables 751 (449) 302 --------- --------- --------- 16,849 3,041 19,890 --------- --------- --------- Current liabilities Short-term borrowings 2,054 788 2,842 Current taxation liabilities 4,275 (356) 3,919 Trade payables and other payables 8,643 (1,068) 7,575 Provisions for other liabilities and charges 182 8 190 --------- --------- --------- 15,154 (628) 14,526 --------- --------- --------- Total equity and liabilities 146,934 (158) 146,776 --------- --------- --------- (1) UK GAAP post employment benefit prepayment and provision presented net, consistent with the IFRS presentation. CONSOLIDATED BALANCE SHEET As at 30 September 2004 UK GAAP IFRS IFRS format adjustments IFRS (unaudited) (unaudited) (unaudited) £m £m £m Non-current assets Intangible assets 90,399 7,559 97,958 Property, plant and equipment 18,070 (840) 17,230 Investments in associated undertakings 20,831 90 20,921 Other investments 894 263 1,157 Deferred tax assets 983 167 1,150 Trade and other receivables 280 (13) 267 --------- --------- --------- 131,457 7,226 138,683 --------- --------- --------- Current assets Inventory 416 8 424 Trade and other receivables 5,500 180 5,680 Cash and cash equivalents 4,650 54 4,704 --------- --------- --------- 10,566 242 10,808 --------- --------- --------- Total assets 142,023 7,468 149,491 --------- --------- --------- Equity Called up share capital 4,283 - 4,283 Share premium account 52,202 - 52,202 Own shares held (2,873) - (2,873) Other reserve 99,605 35 99,640 Retained losses (45,473) 7,134 (38,339) --------- --------- --------- Total equity shareholders' funds 107,744 7,169 114,913 Minority interests 2,637 (2,452) 185 --------- --------- --------- Total equity 110,381 4,717 115,098 --------- --------- --------- Non-current liabilities Long-term borrowings 11,811 1,708 13,519 Deferred tax liabilities 3,445 1,846 5,291 Post employment benefits (1) (64) 274 210 Provisions for other liabilities and charges 351 7 358 Other payables 683 (402) 281 --------- --------- --------- 16,226 3,433 19,659 --------- --------- --------- Current liabilities Short-term borrowings 1,560 1,110 2,670 Current taxation liabilities 4,766 (244) 4,522 Trade payables and other payables 8,954 (1,567) 7,387 Provisions for other liabilities and charges 136 19 155 --------- --------- --------- 15,416 (682) 14,734 --------- --------- --------- Total equity and liabilities 142,023 7,468 149,491 --------- --------- --------- (1) UK GAAP post employment benefit prepayment and provision presented net, consistent with the IFRS presentation. CONSOLIDATED CASH FLOW STATEMENT For the six months ended 30 September 2004 UK GAAP IFRS IFRS format adjustments IFRS (unaudited) (unaudited) (unaudited) £m £m £m Net cash flows from operating activities 6,019 (192) 5,827 --------- --------- --------- Cash flows from investing activities Purchase of interests in subsidiary undertakings, net of cash acquired (2,391) - (2,391) Disposal of interests in subsidiary undertakings, net of cash disposed 226 - 226 Purchase of intangible fixed assets (15) (314) (329) Purchase of property, plant and equipment (2,509) 305 (2,204) Purchase of investments (10) - (10) Disposal of property, plant and equipment 18 - 18 Disposal of investments 4 - 4 Loans repaid to associated undertakings (2) - (2) Dividends received from associated undertakings 1,016 (69) 947 Dividends received from investments 18 - 18 Interest received 569 5 574 Interest paid (774) (36) (810) Interest element of finance leases (4) - (4) --------- --------- --------- Net cash flows from investing activities (3,854) (109) (3,963) --------- --------- --------- Cash flows from financing activities Issue of ordinary share capital 40 - 40 Decrease in debt (957) 274 (683) Purchase of treasury shares (1,757) - (1,757) Equity dividends paid (728) - (728) Dividends paid to minority shareholders in subsidiary undertakings (38) 20 (18) --------- --------- --------- Net cash flows from financing activities (3,440) 294 (3,146) --------- --------- --------- --------- --------- --------- Net decrease in cash and cash equivalents (1,275) (7) (1,282) Cash and cash equivalents at beginning of the period 5,748 61 5,809 Exchange gains on cash and cash equivalents 55 - 55 --------- --------- --------- Cash and cash equivalents at end of the period 4,528 54 4,582 --------- --------- --------- Net decrease in cash and cash equivalents (1,275) (7) (1,282) Decrease in debt 957 (274) 683 --------- --------- --------- Decrease in debt resulting from cash flows (318) (281) (599) Translation difference 83 (42) 41 Other movements 2 65 67 --------- --------- --------- Movement in net debt in the period (233) (258) (491) Opening net debt (8,488) (2,102) (10,590) --------- --------- --------- Closing net debt (1) (8,721) (2,360) (11,081) ========= ========= ========= (1) Net debt is defined as long-term borrowings, short term borrowings and mark to market adjustments on financing instruments less cash and cash equivalents CONSOLIDATED PRO FORMA CASH FLOW STATEMENT For the year ended 31 March 2004 UK GAAP IFRS Pro Forma IFRS format adjustments IFRS (unaudited) (unaudited) (unaudited) £m £m £m Net cash flows from operating activities 11,135 (296) 10,839 --------- --------- --------- Cash flows from investing activities Purchase of interests in subsidiary undertakings, net of cash acquired (2,054) - (2,054) Disposal of interests in subsidiary undertakings, net of cash disposed 737 - 737 Disposal of interests in associated undertakings 5 - 5 Purchase of intangible fixed assets (21) (658) (679) Purchase of property, plant and equipment (4,508) 655 (3,853) Purchase of investments (43) - (43) Disposal of property, plant and equipment 158 (2) 156 Disposal of investments 123 - 123 Loans repaid by associated undertakings 24 - 24 Dividends received from associated undertakings 1,801 (62) 1,739 Dividends received from investments 25 - 25 Interest received 942 - 942 Interest paid (901) (87) (988) Interest element of finance leases (10) - (10) --------- --------- --------- Net cash flows from investing activities (3,722) (154) (3,876) --------- --------- --------- Cash flows from financing activities Issue of ordinary share capital 69 - 69 Increase in debt 280 437 717 Purchase of treasury shares (1,032) - (1,032) Purchase of own shares in relation to employee share schemes (17) - (17) Equity dividends paid (1,258) - (1,258) Dividends paid to minority shareholders in subsidiary undertakings (100) 47 (53) --------- --------- --------- Net cash flows from financing activities (2,058) 484 (1,574) --------- --------- --------- --------- --------- --------- Net increase in cash and cash equivalents 5,355 34 5,389 Cash and cash equivalents at beginning of the period 766 28 794 Exchange losses on cash and cash equivalents (373) (1) (374) --------- --------- --------- Cash and cash equivalents at end of the period 5,748 61 5,809 ========= ========= ========= Net increase in cash and cash equivalents 5,355 34 5,389 Increase in debt (280) (437) (717) --------- --------- --------- Decrease in debt resulting from cash flows 5,075 (403) 4,672 Net debt acquired on acquisition of subsidiary undertakings (7) - (7) Net debt disposed on disposal of subsidiary undertakings 194 - 194 Translation difference 144 173 317 Premium on repayment of debt (56) - (56) Other movements 1 (336) (335) --------- --------- --------- Movement in net debt in the period 5,351 (566) 4,785 Opening net debt (13,839) (1,536) (15,375) --------- --------- --------- Closing net debt (1) (8,488) (2,102) (10,590) ========= ========= ========= (1) Net debt is defined as long-term borrowings, short term borrowings and mark to market adjustments on financing instruments less cash and cash equivalents NOTES TO IFRS FINANCIAL INFORMATION 1) Adjusted Group operating profit Six months ended Pro Forma 30 September Year ended 2004 31 March 2004 £m £m Operating profit 4,759 9,603 Items not related to underlying business performance: - Other income and expense - (35) - Expected recoveries and provision releases in relation to a contribution tax levy on Vodafone Italy - (269) - Reorganisation costs - 123 --------- --------- Adjusted Group operating profit 4,759 9,422 ========= ========= 2) Adjusted earnings per share Six months ended Pro Forma 30 September Year ended 2004 31 March 2004 £m £m Earnings for basic and diluted earnings per share 3,615 5,853 Less: result in respect of discontinued operations - 73 --------- --------- Earnings for basic and diluted earnings per share from continuing operations 3,615 5,926 Items not related to underlying business performance: - Other income and expense - (35) - Non-operating income and expense (16) (13) - Expected recoveries and provision releases in relation to a contribution tax levy on Vodafone Italy - (269) - Reorganisation costs - 123 - Deferred tax asset recognised on shareholder and regulatory approval of the merger of Vodafone K.K. and Vodafone Holdings K.K. (303) - - Tax on items not related to underlying business performance - 72 - Items not related to underlying business performance attributable to minority interests 13 1 --------- --------- Earnings for adjusted earnings per share 3,309 5,805 ========= ========= Weighted average number of shares for basic EPS (millions) 66,915 68,096 Weighted average number of shares for diluted EPS (millions) 67,102 68,249 Basic earnings per share 5.40p 8.60p Diluted basic earnings per share 5.39p 8.58p Basic earnings per share from continuing operations 5.40p 8.70p Diluted basic earnings per share from continuing operations 5.39p 8.68p Adjusted basic earnings per share from continuing operations 4.95p 8.52p Adjusted diluted basic earnings per share from continuing operations 4.93p 8.51p 3) Free cash flow Pro Forma Six months to Year ended 30 September 31 March 2004 2004 £m £m As previously reported 4,300 8,521 Effect of proportionate consolidation (286) (401) Other 5 (2) -------- -------- 4,019 8,118 ======== ======== UNAUDITED PROPORTIONATE FINANCIAL INFORMATION Basis of preparation The tables of financial information below are presented on a proportionate basis. Proportionate presentation is not a measure recognised under UK GAAP or

IFRS and is not intended to replace the consolidated financial statements prepared in accordance with UK GAAP or IFRS. However, since significant entities in which the Group has an interest are not consolidated, proportionate information is provided as supplemental data to facilitate a more detailed understanding and assessment of the consolidated financial statements prepared in accordance with UK GAAP and IFRS. UK GAAP requires consolidation of entities controlled by the Group and the equity method of accounting for entities in which the Group has significant influence but not a controlling interest. IFRS requires consolidation of entities in relation to which the Group has the power to control and allows either proportionate consolidation or equity accounting for joint ventures. IFRS also requires equity accounting for interests in which the Group has significant influence but not a controlling interest. Proportionate presentation is a pro rata consolidation, which reflects the Group's share of turnover and expenses in entities both consolidated and unconsolidated, in which the Group has an ownership interest. Proportionate results are calculated by multiplying the Group's ownership interest in each entity by each entity's results. Proportionate presentation of financial information differs in material respects to the proportionate consolidation adopted by the Group under IFRS for its joint ventures, as detailed on page 7. Proportionate information includes results from the Group's equity accounted investments and other investments. The Group does not have control over the turnover, expenses or cash flows of these investments and is only entitled to cash from dividends received from these entities. The Group does not own the underlying assets of these investments. Proportionate turnover is stated net of intercompany turnover. Proportionate EBITDA represents the Group's ownership interests in the respective entities' EBITDA. As such, proportionate EBITDA does not represent EBITDA available to the Group. Six months Year ended ended 30 September 31 March 2004 2004 (Pro Forma) ----------------------------- ------------------------------ IFRS IFRS Adjust- Adjust- UK GAAP ments IFRS UK GAAP ments IFRS £m £m £m £m £m £m Turnover Mobile 20,711 - 20,711 37,969 - 37,969 Other 468 - 468 1,477 - 1,477 ------- ------- ------- ------- ------- ------- Group 21,179 - 21,179 39,446 - 39,446 ------- ------- ------- ------- ------- ------- EBITDA (1) Mobile 8,218 (44) 8,174 14,826 (149) 14,677 Other 77 - 77 288 (3) 285 ------- ------- ------- ------- ------- ------- Group 8,295 (44) 8,251 15,114 (152) 14,962 ------- ------- ------- ------- ------- ------- Mobile EBITDA (1) margin 39.7% (0.2%) 39.5% 39.0% (0.3%) 38.7% (1) Proportionate EBITDA and proportionate EBITDA margin is stated before exceptional items under UK GAAP and before items not reflecting underlying business performance under IFRS. OTHER INFORMATION This document, together with a presentation in relation to the impact of IFRS on the Group will be available on the Group's website www.vodafone.com. The Group currently intends to publish further restated IFRS financial information as follows: Analyses of mobile operating profit by type of expense By 31 and segmental information for the year ended 31 March 2004 March and six months ended 30 September 2004 2005 Restated financial information for the year July ending 31 March 2005 2005 FORWARD LOOKING STATEMENTS This document contains "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward-looking statements include the statements under "Outlook" regarding Vodafone's expectations for the years ending 31 March 2005 and 2006 as to organic average proportionate mobile customer growth, number of Vodafone live! with 3G customers, full year organic proportionate mobile revenue, proportionate mobile EBITDA margins, depreciation and licence amortisation, capitalised tangible and intangible fixed asset additions, free cash flow, share purchases and statements related to the Group's expectations regarding the adoption of certain IFRS standards and the publication of future financial information under IFRS. These forward-looking statements are made on the basis of certain assumptions which Vodafone believes to be reasonable in light of Vodafone's operating experience in recent years. The principal assumptions on which these statements are based relate to exchange rates, customer numbers, usage and pricing, take-up of new services, termination and interconnect rates, customer acquisition and retention costs, network opening and operating costs and the availability of handsets. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "anticipates", "aims", "could", "may", "should", "expects", "believes", "intends", "plans" or "targets". By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements particularly the statements under "Outlook" and the statements related to the Group's adoption of IFRS and the publication of future financial information referred to above. These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group that would adversely affect the level of demand for mobile services; greater than anticipated competitive activity requiring changes in pricing models and/or new product offerings or resulting in higher costs of acquiring new customers or providing new services; the impact on capital spending from investment in network capacity and the deployment of new technologies, or the rapid obsolescence of existing technology; slower customer growth or reduced customer retention; the possibility that technologies, including mobile internet platforms, and services, including 3G services, will not perform according to expectations or that vendors' performance will not meet the Group's requirements; changes in the projected growth rates of the mobile telecommunications industry; the Group's ability to realise expected synergies and benefits associated with 3G technologies and the integration of our operations and those of acquired companies; future revenue contributions of both voice and non-voice services offered by the Group; lower than expected impact of GPRS, 3G and Vodafone live! and the Group's business offerings on the Group's future revenue, cost structure and capital expenditure outlays; the ability of the Group to harmonise mobile platforms and any delays, impediments or other problems associated with the roll-out and scope of 3G technology and services and Vodafone live! and the Group's business or service offerings in new markets; the ability of the Group to offer new services and secure the timely delivery of high-quality, reliable GPRS and 3G handsets, network equipment and other key products from suppliers; greater than anticipated prices of new mobile handsets; the ability to realise benefits from entering into partnerships for developing data and internet services and entering into service franchising and brand licensing; the possibility that the pursuit of new, unexpected strategic opportunities may have a negative impact on one or more of the measurements of our financial performance or the level of dividends; any unfavourable conditions, regulatory or otherwise, imposed in connection with pending or future acquisitions or dispositions; changes in the regulatory framework in which the Group operates, including possible action by regulators in markets in which the Group operates or by the European Commission regulating rates the Group is permitted to charge; the Group's ability to develop competitive data content and services which will attract new customers and increase average usage; the impact of legal or other proceedings against the Group or other companies in the mobile telecommunications industry; the possibility that new marketing campaigns or efforts are not an effective expenditure; the possibility that the Group's integration efforts do not increase the speed-to-market of new products or improve the Group's cost position; changes in exchange rates, including particularly the exchange rate of pound sterling to the euro, US dollar and the Japanese yen; the risk that, upon obtaining control of certain investments, the Group discovers additional information relating to the businesses of that investment leading to restructuring charges or write-offs or with other negative implications; changes in statutory tax rates and profit mix which would impact the weighted average tax rate; changes in tax legislation in the jurisdictions in which the Group operates; final resolution of open issues which might impact the effective tax rate; timing of any tax payments relating to the resolution of open issues; and loss of suppliers or disruption of supply chains. Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found under "Risk Factors" contained in our Annual Report on Form 20-F with respect to the financial year ended 31 March 2004. All subsequent written or oral forward-looking statements attributable to the Company or any member of the Group or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurance can be given that the forward-looking statements in this document will be realised. Neither Vodafone Group nor any of its affiliates intends to update these forward-looking statements. INDEPENDENT AUDITORS' REPORT OF DELOITTE & TOUCHE LLP TO VODAFONE GROUP PLC ON THE PRELIMINARY OPENING IFRS CONSOLIDATED BALANCE SHEET We have audited the accompanying preliminary opening International Financial Reporting Standards ("IFRS") consolidated balance sheet and related notes of Vodafone Group Plc ("the Company") and its subsidiaries (together, "the Group") as at 1 April 2004 (hereinafter referred to as the "Preliminary Opening Balance Sheet"). The Preliminary Opening Balance Sheet is the responsibility of the Company's directors. It has been prepared as part of the Company's conversion to IFRS in accordance with the "Basis of preparation" section, which describes how IFRSs have been applied under IFRS 1, including the assumptions management has made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when management prepares its first complete set of IFRS financial statements as at 31 March 2006. Our responsibility is to express an opinion on the Preliminary Opening Balance Sheet based on our audit. Our audit report is made solely to the Company in accordance with our engagement letter. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the opinions we have formed. Basis of audit opinion We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Preliminary Opening Balance Sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Preliminary Opening Balance Sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Preliminary Opening Balance Sheet. We believe that our audit provides a reasonable basis for our opinion. Emphasis of matter Without qualifying our opinion, we draw attention to the fact that the "Basis of preparation" section explains why there is a possibility that the Preliminary Opening Balance Sheet may require adjustment before constituting the final opening IFRS balance sheet. Moreover, we draw attention to the fact that, under IFRS, only a complete set of financial statements comprising a balance sheet, income statement, statement of recognised income and expense, cash flow statement, together with comparative financial information and explanatory notes, can provide a fair presentation of the Group's financial position, results of operations and cash flows in accordance with IFRS. Opinion In our opinion, the Preliminary Opening Balance Sheet as at 1 April 2004 has been prepared, in all material respects, in accordance with the basis set out in the "Basis of preparation" section. Deloitte & Touche LLP Chartered Accountants London 19 January 2005 INDEPENDENT REVIEW REPORT OF DELOITTE & TOUCHE LLP TO THE BOARD OF DIRECTORS OF VODAFONE GROUP PLC ON THE PRELIMINARY IFRS COMPARATIVE FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2004 We have reviewed the accompanying preliminary International Financial Reporting Standards ("IFRS") consolidated financial information of Vodafone Group Plc ("the Company") and its subsidiaries (together, "the Group") for the six months ended 30 September 2004 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of recognised income and expense and, the consolidated cash flow statement and related notes (hereinafter referred to as "Preliminary Financial Information"). This Preliminary Financial Information is the responsibility of the Company's directors. It has been prepared as part of the Company's conversion to IFRS in accordance with the basis set out in the "Basis of preparation" section which describes how IFRSs have been applied under IFRS 1, including the assumptions management has made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when management prepares its first complete set of IFRS financial statements as at 31 March 2006. Our responsibility is to express an opinion on this Preliminary Financial Information based on our review. Our review report is made solely to the

Company in accordance with Bulletin 1999 /4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed. Review work performed We conducted our review in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of Group management and applying analytical procedures to the Preliminary Financial Information and underlying financial data and, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of control and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Preliminary Financial Information. Emphasis of matter Without modifying our review conclusion, we draw attention to the fact that the "Basis of Preparation" section explains why there is a possibility that the accompanying Preliminary Financial Information may require adjustment before constituting the final IFRS comparative information for the six months ended 30 September 2004. Moreover, we draw attention to the fact that, under IFRS, only a complete set of financial statements comprising an income statement, balance sheet, statement of recognised income and expense, cash flow statement, together with comparative financial information and explanatory notes, can provide a fair presentation of the Group's financial position, results of operations and cash flows in accordance with IFRS. Review conclusion On the basis of our review we are not aware of any material modifications that should be made to the Preliminary Financial Information for the six months ended 30 September 2004 which has been prepared in accordance with the basis set out in the "Basis of Preparation" section. Deloitte & Touche LLP Chartered Accountants London 19 January 2005 This information is provided by RNS The company news service from the London Stock Exchange
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IFRS Update - Part 2
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Thu, 01/20/2005 - 07:00
Company Announcement - General
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