

VODAFONE GROUP PUBLIC LTD CO

Form 424B5

June 05, 2009

Table of Contents**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities Offered	Amount to be Registered	Amount of Registration Fee(1)(2)
4.150% Notes due June 2014	\$ 1,250,000,000	\$ 69,750
5.450% Notes due June 2019	\$ 1,250,000,000	\$ 69,750

- (1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.
- (2) Applied against the remaining \$182,855 of the unutilised registration fee paid with respect to securities that were previously registered pursuant to Registration Statement No. 333-110941, which was initially filed on December 5, 2003, and were not sold thereunder. After payment of this fee, \$43,355 remains available for future registration fees. No additional registration fee has been paid with respect to this offering.

*Filed pursuant to Rule 424(b)(5)
Registration Statement No. 333-144978*

Prospectus Supplement to Prospectus dated July 31, 2007

\$2,500,000,000

Vodafone Group Public Limited Company

\$1,250,000,000 4.150% Notes due June 2014

\$1,250,000,000 5.450% Notes due June 2019

The Notes offered by this prospectus supplement comprise the \$1,250,000,000 4.150% Notes due June 2014 (the Tranche 1 Notes) and the \$1,250,000,000 5.450% Notes due June 2019 (the Tranche 2 Notes and, together with the Tranche 1 Notes, the Notes). Interest will be payable with respect to the Tranche 1 Notes semi-annually on June 10 and December 10 of each year, commencing December 10, 2009, up to and including June 10, 2014, the maturity date for the Tranche 1 Notes, and with respect to the Tranche 2 Notes, semi-annually on June 10 and December 10 of each year, commencing December 10, 2009, up to and including June 10, 2019, the maturity date for the Tranche 2 Notes, subject, in each case, to the applicable business day convention. We will repay the Tranche 1 Notes on June 10, 2014 and the Tranche 2 Notes on June 10, 2019, in each case at 100% of their principal amount plus accrued interest. The Notes will be unsecured and will rank equally with all other unsecured, unsubordinated obligations of Vodafone Group Plc from time to time outstanding.

We may redeem any tranche of the Notes, in whole but not in part, at any time at 100% of their principal amount plus accrued interest upon the occurrence of certain tax events described in this prospectus supplement and the accompanying prospectus. In addition, we may redeem any tranche of the Notes, in whole or in part, at any time at 100% of the principal amount plus accrued interest plus a make-whole amount as described herein.

Application will be made to list the Notes on the New York Stock Exchange. We expect that the Notes will be eligible for trading on the New York Stock Exchange within 30 days after delivery.

See Risk Factors beginning on page 5 of the accompanying prospectus and Principal risk factors and uncertainties beginning on page 38 of our Annual Report on Form 20-F for the fiscal year ended March 31, 2009, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, to read about factors you should consider before investing in the Notes.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Price to Public⁽¹⁾	Underwriting Discounts and Commissions	Proceeds, Before Expenses⁽²⁾
Per Tranche 1 Note	99.933%	0.20%	99.733%
Total for Tranche 1 Notes	\$ 1,249,162,500	\$ 2,500,000	\$ 1,246,662,500
Per Tranche 2 Note	99.741%	0.30%	99.441%
Total for Tranche 2 Notes	\$ 1,246,762,500	\$ 3,750,000	\$ 1,243,012,500

(1) Plus accrued interest, if any, from and including June 10, 2009, if delivery occurs after that date.

(2) See Underwriting beginning on page S-8 of this prospectus supplement.

The underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company, referred to herein as DTC, against payment in New York, New York, on or about June 10, 2009. The clearing and settlement system will be the book-entry system operated by DTC.

Barclays Capital

Goldman, Sachs & Co.

HSBC

Morgan Stanley

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Unless otherwise stated in this prospectus supplement or the accompanying prospectus or unless the context otherwise requires, references in this prospectus supplement or the accompanying prospectus to Vodafone , we , our , ours and are to Vodafone Group Plc.

INCORPORATION OF INFORMATION FILED WITH THE SEC

The U.S. Securities and Exchange Commission, referred to herein as the SEC, allows us to incorporate by reference into this prospectus supplement and the attached prospectus the information filed with them, which means that:

incorporated documents are considered part of this prospectus supplement and the accompanying prospectus;

we can disclose important information to you by referring to those documents; and

information filed with the SEC in the future will automatically update and supersede this prospectus supplement and the accompanying prospectus.

The information that we incorporate by reference is an important part of this prospectus supplement and the accompanying prospectus.

We incorporate by reference in this prospectus supplement and the accompanying prospectus the documents described in *Where You Can Find More Information* in the accompanying prospectus which we filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, referred to herein as the Exchange Act, except to the extent amended or superseded by subsequent filings. We also incorporate by reference any future filings that we make with the SEC under Sections 13(a), 13(c) or 15(d) of the Exchange Act after the date of this prospectus supplement but before the end of the Notes offering and that, in the case of any future filings on Form 6-K, are identified in such filing as being incorporated into this prospectus supplement or the accompanying prospectus.

The documents incorporated by reference in this prospectus supplement and the attached prospectus and, in particular, those set forth below contain important information about Vodafone and its financial condition. We incorporate by reference in this prospectus supplement and the attached prospectus the following documents:

Vodafone SEC Filings (File N. 1-10086)

Period

Annual Report on Form 20-F

Year ended March 31, 2009

You should read *Where You Can Find More Information* in the accompanying prospectus for information on how to obtain the documents incorporated by reference or other information relating to Vodafone.

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GENERAL INFORMATION

No person has been authorized to provide you with information that is different from what is contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, and, if given or made, such information must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Notes to which it relates or an offer to sell or the solicitation of an offer to buy such Notes by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the accompanying prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus supplement or that the information contained in this prospectus supplement and the accompanying prospectus is correct as of any time subsequent to its date.

The distribution of this prospectus supplement and the accompanying prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come are required by us and the underwriters to inform themselves about and to observe any such restrictions.

To the extent that the offer of the Notes is made in any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the Prospectus Directive) before the date of publication of an approved prospectus in relation to such Notes which has been approved by the competent authority in that Member State in accordance with the Prospectus Directive (or, where appropriate, published in accordance with the Prospectus Directive and notified to the competent authority in that Member State in accordance with the Prospectus Directive), the offer (including any offer pursuant to this document) is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive or has been or will be made otherwise in circumstances that do not require us to publish a prospectus pursuant to the Prospectus Directive.

Vodafone's headquarters are located at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.

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DESCRIPTION OF NOTES

This section contains a brief description of the terms of the Notes. For additional information about the Notes and their terms, please see "Description of the Debt Securities We May Offer" in the accompanying prospectus.

4.150% Notes due June 2014

Maturity date	We will repay the Tranche 1 Notes on June 10, 2014 at 100% of their principal amount plus accrued interest.
Issue date	June 10, 2009.
Issue price	99.933% of the principal amount, plus accrued interest, if any, from and including June 10, 2009, if delivery occurs after that date.
Interest rate	4.150% per annum.
Interest payment dates	Semi-annually on June 10 and December 10 of each year, commencing December 10, 2009, up to and including the maturity date for the Tranche 1 Notes, subject to the applicable business day convention.
Business day convention	Following.
Day count fraction	30/360.
Optional make-whole redemption	We have the right to redeem the Tranche 1 Notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes plus accrued interest to the date of redemption and (2) as determined by the quotation agent, the sum of the present values of the remaining scheduled payments of principal and interest on such Notes (excluding any portion of such payments of interest accrued as of the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the adjusted treasury rate, plus 30 basis points, together with accrued interest to the date of redemption.

5.450% Notes due June 2019

Maturity date	We will repay the Tranche 2 Notes on June 10, 2019 at 100% of their principal amount plus accrued interest.
Issue date	June 10, 2009.
Issue price	99.741% of the principal amount, plus accrued interest, if any, from and including June 10, 2009, if delivery occurs after that date.
Interest rate	5.450% per annum.

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Interest payment dates	Semi-annually on June 10 and December 10 of each year, commencing December 10, 2009, up to and including the maturity date for the Tranche 2 Notes, subject to the applicable business day convention.
Business day convention	Following.
Day count fraction	30/360.
Optional make-whole redemption	We have the right to redeem the Tranche 2 Notes, in whole or in part, at any time and from time to time at a redemption price equal to the

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greater of (1) 100% of the principal amount of such Notes plus accrued interest to the date of redemption and (2) as determined by the quotation agent, the sum of the present values of the remaining scheduled payments of principal and interest on such Notes (excluding any portion of such payments of interest accrued as of the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the adjusted treasury rate, plus 30 basis points, together with accrued interest to the date of redemption.

The following terms apply to each of the Notes:

Business days	New York.
Ranking	The Notes will rank equally with all present and future unsecured and unsubordinated indebtedness of Vodafone. Because we are a holding company, the Notes will effectively rank junior to any indebtedness or other liabilities of our subsidiaries.
Regular record dates for interest	With respect to each interest payment date, the date that is 15 calendar days prior to such date, whether or not such date is a business day.
Payment of additional amounts	We intend to make all payments on the Notes without deducting United Kingdom (U.K.) withholding taxes. If any deduction is required on payments to non-U.K. investors, we will pay additional amounts on those payments to the extent described under Description of Debt Securities We May Offer Payment of Additional Amounts in the accompanying prospectus.
Optional tax redemption	We may redeem the Notes before they mature if we are obligated to pay additional amounts due to changes on or after the date of the final term sheet in U.K. withholding tax requirements, a merger or consolidation with another entity or a sale or lease of substantially all our assets and other limited circumstances described under Description of Debt Securities We May Offer Payment of Additional Amounts in the accompanying prospectus. In that event, we may redeem the Notes in whole but not in part on any interest payment date, at a price equal to 100% of their principal amount plus accrued interest to the date fixed for redemption.
Adjusted treasury rate	<p>Adjusted treasury rate means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the comparable treasury issue, assuming a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.</p> <p>Comparable treasury issue means the U.S. Treasury security selected by the quotation agent as having a maturity comparable to the remaining term of such notes to be redeemed that would be utilized, at the time of</p>

selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining terms of such notes.

Comparable treasury price means, with respect to any redemption date, the average of the reference treasury dealer quotations for such redemption date.

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Quotation agent means the reference treasury dealer appointed by the trustee after consultation with us. Reference treasury dealer means any primary U.S. government securities dealer in New York City selected by the trustee after consultation with us.

Reference treasury dealer quotations means with respect to each reference treasury dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the comparable treasury issue (expressed as a percentage of its principal amount) quoted in writing to the trustee by such reference treasury dealer at 5:00 p.m. Eastern Standard Time on the third business day preceding such redemption date.

Listing	We will file an application to list the Notes on the New York Stock Exchange. We expect that the Notes will be eligible for trading on the New York Stock Exchange within 30 days after delivery of the Notes.
Use of proceeds	We intend to use the net proceeds from the sale of the Notes for general corporate purposes. General corporate purposes may include working capital, the repayment of existing debt (including debt of acquired companies), financing capital investments or acquisitions and any other purposes. We may temporarily invest funds that we do not need immediately for these purposes in short-term marketable securities.
Risk factors	You should carefully consider all of the information in this prospectus supplement and the accompanying prospectus, which includes information incorporated by reference. In particular, you should evaluate the specific factors under Risk Factors beginning on page 5 of the accompanying prospectus and Principal risk factors and uncertainties beginning on page 38 of our Annual Report on Form 20-F for the fiscal year ended March 31, 2009 for risks involved with an investment in the Notes.
Recent developments	On May 29, 2009, Vodafone announced the issuance, for settlement on June 5, 2009, of £600 million of 5.375% notes with a maturity of December 5, 2017.
Trustee and principal paying agent	The Bank of New York Mellon.
Timing and delivery	We currently expect delivery of the Notes to occur on or about June 10, 2009.
Underwriters	Barclays Capital Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc. and Morgan Stanley & Co. Incorporated.

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USE OF PROCEEDS

We estimate that the net proceeds (after underwriting discounts and commissions but before expenses) from the sale of the Notes will be approximately \$2,489,675,000. We intend to use the net proceeds from the sale of the Notes for general corporate purposes. General corporate purposes may include working capital, the repayment of existing debt (including debt of acquired companies), financing capital investments or acquisitions and any other purposes. We may temporarily invest funds that we do not need immediately for these purposes in short-term marketable securities.

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We have entered into an underwriting agreement and a pricing agreement with the underwriters listed below. Subject to certain conditions, we have agreed to sell and each underwriter has severally agreed to purchase the principal amount of Notes indicated opposite such underwriter's name in the following table:

Underwriter	Principal Amount of Tranche 1 Notes	Principal Amount of Tranche 2 Notes
Barclays Capital Inc.	\$ 312,500,000	\$ 312,500,000
Goldman, Sachs & Co.	\$ 312,500,000	\$ 312,500,000
HSBC Securities (USA) Inc.	\$ 312,500,000	\$ 312,500,000
Morgan Stanley & Co. Incorporated	\$ 312,500,000	\$ 312,500,000
Total	\$ 1,250,000,000	\$ 1,250,000,000

Notes sold by the underwriters to the public will initially be offered at the respective initial public offering prices set forth on the cover of this prospectus supplement. The underwriters may sell Notes to securities dealers at a discount from the initial public offering price of up to 0.10% of the principal amount of the Tranche 1 Notes and 0.20% of the principal amount of the Tranche 2 Notes. These securities dealers may resell any Notes purchased from the underwriters to other brokers or dealers at a discount from the initial public offering price of up to 0.05% of the principal amount of the Tranche 1 Notes and 0.10% of the principal amount of the Tranche 2 Notes. If all the Notes of a tranche are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms of such tranche of Notes.

The Notes are new issues of securities with no established trading market. Application will be made to list the Notes on the New York Stock Exchange. We expect that the Notes will be eligible for trading on the New York Stock Exchange within 30 days after delivery of the Notes. We have been advised by the underwriters that the underwriters intend to make a market in the Notes but they are not obligated to do so and may discontinue market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

Delivery of the Notes will be made against payment on June 10, 2009. Trades of securities in the secondary market generally are required to settle in three business days, referred to as T+3, unless the parties to a trade agree otherwise. Accordingly, by virtue of the fact that the initial delivery of the Notes will not be made on a T+3 basis, investors who wish to trade the Notes before a final settlement will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

In connection with the offering, the underwriters may purchase and sell Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater aggregate principal amount of Notes than they are required to purchase in the offering. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market prices of Notes while the offering is in progress.

These activities by the underwriters may stabilize, maintain or otherwise affect the market prices of Notes. As a result, the prices of Notes may be higher than the prices that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the

over-the-counter market or otherwise.

In the ordinary course of their respective businesses the underwriters and their affiliates have engaged and may in the future engage in various banking and financial services for and commercial transactions with us and our affiliates for which they received or will receive customary fees and expenses.

We estimate that our total allocable expenses (which consist of, among other fees, legal fees and expenses, accounting fees and expenses and printing expenses) for this offering, excluding underwriting discounts, will be approximately \$450,000.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

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VALIDITY OF SECURITIES

The validity of the Notes will be passed upon for us by Linklaters LLP as to certain matters of English law and New York law. The validity of the Notes will be passed upon for the underwriters by Cleary Gottlieb Steen & Hamilton LLP as to certain matters of New York law.

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PROSPECTUS

Vodafone Group Public Limited Company

Debt Securities
Warrants
Preference Shares
Ordinary Shares

We may offer and sell debt securities, warrants, preference shares or ordinary shares from time to time. We may issue our preference shares and ordinary shares in the form of American Depositary Shares. Each time we sell any of the securities described in this prospectus, we will provide one or more supplements to this prospectus that will contain specific information about those securities and their offering. You should read this prospectus and any applicable prospectus supplement(s) carefully before you invest.

We may sell these securities to or through underwriters and also to other purchasers or through agents. The names of any underwriters or agents will be stated in an accompanying prospectus supplement.

*Investing in these securities involves certain risks. See **Risk Factors** on page 5.*

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated July 31, 2007

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or incorporated by reference into this prospectus as further described below under "Where You Can Find More Information". This summary does not contain all the information that you should consider before investing in the securities being offered by this prospectus. You should carefully read the entire prospectus, the documents incorporated by reference into this prospectus, and the final term sheet, if any, and prospectus supplement relating to the particular securities being offered.

Vodafone

Vodafone Group Plc is a world leader in providing voice and data communications services for both consumers and enterprise customers, with a significant presence in Europe, the Middle East, Africa, the Asia Pacific region and the United States through the Company's subsidiary undertakings, joint ventures, associated undertakings and investments (collectively referred to as the "Group"). The Group also has arrangements to market certain of its services in additional territories, through "Partner Networks", without the need for equity investment. The Group provides a wide range of mobile telecommunications services, including voice and data telecommunications. The Group also has a controlling interest in a fixed line telecommunications service provider in Germany.

The Group's principal executive office is located at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England and its telephone number is (011 44) 1635 33251. You can find a more detailed description of the Group's business and recent transactions in the Vodafone Group Plc's Annual Report on Form 20-F, which is incorporated by reference in this prospectus. The Form 20-F also presents an unaudited ratio of earnings to fixed charges for the Group's last five fiscal years.

The Securities We Are Offering

We may offer any of the following securities from time to time:

debt securities;

warrants; and

preference shares.

When we use the term "securities" in this prospectus, we mean any of the securities we may offer with this prospectus. This prospectus, including this summary, describes the general terms that may apply to the securities; the specific terms of any particular securities that we may offer will be described in the final term sheet, if any, and the prospectus supplement.

Debt Securities

We may offer fixed rate debt securities, floating rate debt securities, original issue discount debt securities and indexed debt securities. For any particular debt securities we may offer, the applicable final term sheet, if any, and the applicable prospectus supplement will describe the title of the debt securities, the aggregate principal or face amount and the purchase price; the stated maturity; the amount or manner of calculating the amount payable at maturity; the rate or manner of calculating the rate and the payment dates for interest, if any; the redemption or repurchase terms; and any other specific terms. The debt securities will be issued pursuant to an indenture entered into between us and

The Bank of New York which acts as trustee.

Warrants

We may offer warrants to purchase our debt securities, preference shares or ordinary shares. For any particular warrants we may offer, the applicable final term sheet, if any, and the applicable prospectus supplement will describe the initial offering price; the title, aggregate principal amount and terms of the debt securities or the designation and terms of the equity securities that may be purchased upon exercise of the warrants; the expiration date; the exercise price or the manner of determining the exercise price; and any other specific terms.

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Preference Shares

We may offer preference shares. For any particular preference shares we may offer, the applicable final term sheet, if any, and the applicable prospectus supplement will describe the specific designation; the aggregate number of shares offered; the rate and periods, or manner of calculating the rate and periods, for dividends, if any; whether or not dividends will be cumulative; the stated value and liquidation preference amount, if any; the voting rights, if any; the terms on which the series will be convertible into or exercisable or exchangeable for stock of any other class, if any; the redemption or repurchase terms, if any; and any other specific terms.

Form of Securities

The securities of a series may be offered in the form of one or more global certificates in bearer or registered form that will be deposited with a depository, such as The Depository Trust Company, Euroclear Bank S.A./N.V. (Euroclear) or Clearstream Banking, société anonyme (Clearstream, Luxembourg), as specified in the applicable final term sheet, if any, and the applicable prospectus supplement.

Listing

If any securities are to be listed or quoted on a securities exchange or quotation system, the applicable prospectus supplement will say so.

Use of Proceeds

Unless otherwise indicated in an accompanying prospectus supplement, we will use the net proceeds from the sale of the securities for general corporate purposes.

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RISK FACTORS

An investment in the securities involves significant risk. Accordingly, you should consider carefully all of the information set forth in, or incorporated by reference into, this prospectus before you decide to invest in the securities. We incorporate by reference the risk factors set forth under the caption Risk Factors, Seasonality and Outlook in our Annual Report on Form 20-F for the year ended March 31, 2007.

Risks Associated with the Securities

We may, under the terms of the indenture, carry out an internal reorganization of Vodafone. The indenture relating to the debt securities permits us to effect an internal reorganization without the consent of holders of our debt securities, even if this affects the credit rating of the debt securities or gives us the option to redeem the notes.

Under the indenture, if we transfer our assets to another entity, that entity would be required either to assume the obligations of Vodafone under the debt securities or to provide a full and unconditional guarantee of those obligations. If a guarantee were to be provided, the original issuer (Vodafone) would have no assets other than a receivable from the guarantor in the amount of the debt securities and thus no ability to generate revenue to make payments of interest and principal on the debt securities. Holders of the debt securities would then effectively need to look exclusively to the guarantor for any such payments. The consent of holders of our debt securities would not be required in connection with such a reorganization transaction.

The indenture contains no restrictions on the legal or financial characteristics of the transferee and no restrictions addressing the potential effects of any reorganization transaction on Vodafone or the debt securities. In particular, the indenture would not prohibit such a transaction if it resulted in the credit rating assigned to Vodafone or the debt securities being downgraded by any rating agency or caused additional amounts to become payable in respect of withholding tax on the debt securities. A downgrade of the credit rating could adversely affect the trading prices of the debt securities and, possibly, the liquidity of the market for the debt securities. If additional amounts become payable in respect of withholding tax, the debt securities will thereafter be subject to redemption at our option (or the option of the transferee entity) at any time, as described under Description of Debt Securities We May Offer Special Situations Optional Tax Redemption . We have no obligation under the indenture to seek to avoid these results, or any other legal or financial effects that are disadvantageous to you, in connection with a reorganization transaction that is permitted under the indenture, and there can be no assurance that they will not occur.

If we fail to maintain a listing on a recognized stock exchange interest on our debt securities may be subject to U.K. withholding tax and our liquidity and financial position may be adversely affected by the requirement to pay additional amounts on our debt securities.

Interest payable on our debt securities on or after the date of this prospectus will be paid free of U.K. withholding tax if we maintain a listing of the debt securities on a recognized stock exchange within the meaning of Section 1005 of the U.K. Income Tax Act 2007. We may apply for listing of the debt securities on the London Stock Exchange or the New York Stock Exchange, each of which is currently designated as a recognized stock exchange . The inability to list the debt securities or to maintain such a listing may have an adverse effect on our liquidity and financial position by reason of our obligation to pay such additional amounts as may be necessary so that the net amount received by the holders after such reduction will not be less than the amount the holder would have received in the absence of such withholding or deduction. While if we apply for such a listing we will use our best efforts to obtain and maintain such a listing, as needed, we cannot guarantee that we will be successful. See Description of the Debt Securities We May Offer Payment of Additional Amounts and Taxation United Kingdom Taxation .

The debt securities, warrants and preference shares lack a developed public market.

There can be no assurance regarding the future development of a market for the debt securities, warrants or preference shares or the ability of holders of the debt securities, warrants or preference shares to sell their debt

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securities, warrants or preference shares or the price at which such holders may be able to sell their debt securities, warrants or preference shares. If such a market were to develop, the debt securities, warrants or preference shares could trade at prices that may be higher or lower than the initial offering price depending on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Underwriters, broker-dealers and agents that participate in the distribution of the debt securities, warrants or preference shares may make a market in the debt securities, warrants or preference shares as permitted by applicable laws and regulations but will have no obligation to do so, and any such market-making activities with respect to the debt securities, warrants or preference shares may be discontinued at any time without notice. Therefore, there can be no assurance as to the liquidity of any trading market for the debt securities, warrants or preference shares or that an active public market for the debt securities, warrants or preference shares will develop. See Plan of Distribution on page 65. We may apply for listing of the debt securities, warrants or preference shares on the Official List of the U.K. Listing Authority and for trading of the debt securities, warrants or preference shares on the London Stock Exchange, and for listing of the debt securities, warrants or preference shares on the New York Stock Exchange or any other recognized stock exchange .

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed on July 31, 2007 with the U.S. Securities and Exchange Commission using the shelf registration process. We may sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide one or more prospectus supplements that will contain specific information about the terms of those securities and their offering. The prospectus supplements may also add, update or change information contained in this prospectus. You should read both this prospectus and any applicable prospectus supplement(s) together with the additional information described under the heading "Where You Can Find More Information" prior to purchasing any of the securities offered by this prospectus.

Unless otherwise stated in this prospectus or unless the context otherwise requires, references in this prospectus to "we", "our", "us", "Vodafone" or "the Company" are to Vodafone Group Plc. References to "the Group" are to Vodafone Group and its subsidiaries and, where the context requires, its interests in joint ventures and associated undertakings.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, applicable to a foreign private issuer and, in accordance with these requirements, file annual and special reports and other information with the SEC. You may read and copy any document that we file at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain documents we file with the SEC on the SEC website at www.sec.gov. Please visit this website or call the SEC at 1-800-SEC-0330 for further information about its public reference room.

Our ordinary shares are listed on the London Stock Exchange. Our American Depositary Shares, referred to as ADSs, are listed on the New York Stock Exchange. You can consult reports and other information about us that we have filed pursuant to the rules of the New York Stock Exchange at such exchange.

The SEC allows us to incorporate by reference the information we file with them, which means that:

incorporated documents are considered part of this prospectus;

we can disclose important information to you by referring to those documents; and

information that we file with the SEC in the future and incorporate by reference herein will automatically update and supersede information in this prospectus and information previously incorporated by reference herein.

The information that we incorporate by reference is an important part of this prospectus.

Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of Vodafone Group Plc since the date thereof or that the information contained therein is current as of any time subsequent to its date. Any statement contained in such incorporated documents shall be deemed to be modified or superseded for the purpose of this prospectus to the extent that a subsequent statement contained in another document we incorporate by

reference at a later date modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We incorporate by reference the documents below filed with the SEC by Vodafone Group Plc pursuant to the Securities Exchange Act of 1934. We also incorporate by reference any future filings that we make with the SEC under Sections 13(a), 13(c) or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities. Our reports on Form 6-K furnished to the SEC after the date of this prospectus (or portions thereof) are incorporated by reference in this prospectus only to the extent that the forms expressly state that we incorporate them (or such portions) by reference in this prospectus.

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The documents incorporated by reference herein in the future and set forth below contain important information about us and our financial condition.

Vodafone SEC Filings (File No. 1-10086)	Period
Annual Report on Form 20-F Report on Form 6-K	Year ended March 31, 2007. Dated July 27, 2007, containing an update to the Group's key performance indicators for the quarter ended June 30, 2007.

You can obtain copies of any of the documents incorporated by reference through Vodafone or the SEC. Documents incorporated by reference are available without charge, excluding all exhibits unless an exhibit has been specifically incorporated by reference into this prospectus. You may obtain Vodafone documents incorporated by reference into this prospectus, at no cost, by requesting them in writing or by telephone at the following address and telephone number:

Company Secretary's and Legal Department
Vodafone Group Public Limited Company
Vodafone House
The Connection
Newbury, Berkshire
RG14 2FN, England
(011 44) 1635 33251

Our Form 20-F for the year ended March 31, 2007 contains a reconciliation to accounting principles generally accepted in the United States of revenues, net earnings or net loss, as the case may be, earnings or loss per share, as the case may be, cash flows, shareholders' equity and total assets. We refer to these accounting principles as U.S. GAAP.

You should rely only on the information that we incorporate by reference or provide in this prospectus or any applicable prospectus supplement(s). We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents.

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FORWARD-LOOKING STATEMENTS

This prospectus contains or incorporates by reference forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives.

In particular, such forward-looking statements include statements with respect to Vodafone's expectations as to launch and roll out dates for products, services or technologies offered by Vodafone; intentions regarding the development of products and services introduced by Vodafone or by Vodafone in conjunction with initiatives with third parties, including Yahoo! and Microsoft; the ability to integrate all operations throughout the Group and the ability to be operationally efficient; the benefits of acquisitions, including the Hutchison Essar acquisition; the development and impact of new mobile technology; growth in customers and usage, including growth in emerging markets; the Group's expectations for revenue, adjusted operating profit, capitalised fixed asset additions and free cash flow for the 2008 financial year contained within the outlook statement in our Annual Report on Form 20-F for the year ended March 31, 2007, and expectations for the Group's future performance generally, including average revenue per user (ARPU), costs, capital expenditures, operating expenditures and margins and non-voice services and their revenue contribution; share purchases; the rate of dividend growth by the Group or its existing investments; expectations regarding the Group's access to adequate funding for its working capital requirements; expected effective tax rates and expected tax payments; the ability to realise synergies through revenue stimulation activities in Europe and cost reduction initiatives, including the IT application development and maintenance (AD&M) programme, supply chain centralisation, data centre consolidation, network sharing and enterprise resource planning initiatives; future acquisitions and future disposals; contractual obligations; mobile penetration and coverage rates; the impact of regulatory and legal proceedings involving Vodafone; expectations with respect to long-term shareholder value growth; Vodafone's ability to be a market leader in providing voice and data communications; overall market trends and other trend projections.

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, statements are inherently predictive and speculative, and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following:

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, from both existing competitors and new market entrants, including Mobile Virtual Network Operators (MVNOs), which could require changes to the Group's pricing models, lead to customer churn and make it more difficult to acquire new customers and reduce profitability;

the impact of investment in network capacity and the deployment of new technologies, or the rapid obsolescence of existing technology;

slower than expected customer growth and reduced customer retention;

changes in spending patterns of existing customers;

the possibility that new products and services will not be commercially accepted or perform according to expectations or that vendors' performance in marketing these technologies will not meet the Group's requirements;

a lower than expected impact of new or existing products, services or technologies on the Group's future revenue, cost structure and capital expenditure outlays;

the ability of the Group to harmonise mobile platforms and delays, impediments or other problems associated with the roll out and scope of new or existing products, services or technologies in new markets;

the ability of the Group to offer new services and secure the timely delivery of high quality, reliable network equipment and other key products from suppliers;

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the Group's ability to develop competitive data content and services that will attract new customers and increase average usage;

future revenue contributions of both voice and non-voice services;

greater than anticipated prices of new mobile handsets;

changes in the costs to the Group of or the rates the Group may charge for terminations and roaming minutes;

the Group's ability to achieve meaningful cost savings and revenue improvements as a result of its cost reduction initiatives;

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 the Group's financial performance;

developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account in determining the level of dividends;

any unfavourable conditions, regulatory or otherwise, imposed in connection with pending or future acquisitions or disposals and the integration of acquired companies in the Group's existing operations;

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 other negative implications;

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 EU regulating rates the Group is permitted to charge;

the impact of legal or other proceedings against the Group or other companies in the mobile telecommunications industry;

the possibility that new marketing or usage stimulation campaigns or efforts and customer retention schemes are not an effective expenditure;

the possibility that the Group's integration efforts do not reduce the time to market for new products or improve the Group's cost position;

loss of suppliers or disruption of supply chains;

the Group's ability to satisfy working capital requirements through borrowing in capital markets, bank facilities and operations;

changes in exchange rates, including particularly the exchange rate of pounds sterling to the euro and the US dollar;

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; and

timing of tax payments relating to the resolution of open issues.

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** on page 5 and **Performance Risk Factors, Seasonality and Outlook** on pages 58 to 60 of our Annual Report on Form 20-F for the fiscal year ended March 31, 2007. All subsequent written or oral forward-looking statements attributable to the Company or any member of the Group or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above.

No assurances can be given that the forward-looking statements in this document will be realized. Neither Vodafone nor any of its affiliates intends to update these forward-looking statements.

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VODAFONE

Vodafone Group Plc is a world leader in providing voice and data communications services for both consumers and enterprise customers, with a significant presence in Europe, the Middle East, Africa, the Asia Pacific region and the United States through the Company's subsidiary undertakings, joint ventures, associated undertakings and investments (collectively referred to as the Group). The Group also has arrangements to market certain of its services in additional territories, through Partner Networks, without the need for equity investment. The Group provides a wide range of mobile telecommunications services, including voice and data telecommunications. The Group also has a controlling interest in a fixed line telecommunications service provider in Germany.

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The following table sets out our audited called up share capital, and the borrowings and indebtedness of Vodafone, its consolidated subsidiaries and share of joint ventures, referred to as the Group, as at March 31, 2007.

	At March 31, 2007	
	£	\$
	(in millions)	
Share Capital		
Called up share capital (68.25 billion ordinary shares of \$0.11 3/7 each, authorized, 58,085,695,298 ordinary shares allotted, issued and fully paid)	4,172	8,213

Borrowings and Indebtedness

The borrowings and indebtedness of the Group, excluding intra-group borrowings, at March 31, 2007 were as follows:

	At March 31, 2007	
	£	\$
	(in millions)	
Short-term borrowings	4,817	9,482
Long-term borrowings	17,798	35,035
Derivative and Financial Instruments*	219	431
Total borrowings and indebtedness ⁽¹⁾⁻⁽¹⁰⁾	22,834	44,948

* Certain mark to market adjustments on financing instruments are included within derivative financial instruments, a component of trade and other payables

- (1) The total sterling amount in the table above has been expressed in U.S. dollars solely for convenience and translated at \$1.9685 to £1.00, the Noon Buying Rate on 30 March 2007. Within the footnotes the amounts have been expressed in U.S. dollars for convenience at the Noon Buying Rate on the date quoted in each respective footnote or the most recent business date if the quoted date is not a business date.
- (2) At March 31, 2007, all borrowings and indebtedness are unsecured, except for indebtedness in respect of Vodafone Egypt of £90 million (\$177 million) and Vodafone Holdings SA Pty Limited (VHSA) of ZAR8 billion (\$1.1 billion at the \$/ZAR Noon Buying Rate of 7.29).
- (3) At March 31, 2007, Vodafone had issued guarantees in respect of notes issued by its wholly-owned subsidiary Vodafone Americas Inc. (previously Airtouch Communications, Inc.) amounting to £162 million (\$319 million) and guaranteed debt of its wholly-owned subsidiary Vodafone Finance K.K. Limited (previously J-Phone Finance Co. Ltd) of £1,117 million (\$2,199 million). No other borrowings of the Group

are guaranteed as at this date.

- (4) At March 31, 2007, the Group had issued performance bonds with an aggregate value of £109 million (\$215 million) that are not included within the above table of indebtedness. These are primarily in respect of undertakings to roll out third generation networks by its subsidiaries in Spain and Ireland. Of this, £57 million (\$112 million) is in respect of performance commitments given in Spain.
- (5) As at March 31, 2007, the Group had cash, cash equivalents and trade and other receivables which comprise certain mark to market adjustments on financing instruments of £7,785 million (\$15,325 million), giving total net borrowings and indebtedness of £15,049 million (\$29,624 million).

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- (6) On 8 May 2007, the Group completed its acquisition of companies with interests in Vodafone Essar in India for a cash consideration of US\$10.9 billion and acquired debt of approximately US\$2 billion. The Group has also granted Essar options to sell all or part of its shareholding for a maximum consideration of US\$5 billion between the third and fourth anniversary of the completion of the acquisition.
- (7) On June 6, 2007, Vodafone issued 1.25 billion (\$1.69 billion at the \$/ Noon Buying Rate of 1.3492) floating rate notes with a maturity of June 6, 2014.
- (8) On June 6, 2007, Vodafone issued 500 million (\$675 million at the \$/ Noon Buying Rate of 1.3492) 5.375% bonds with a maturity of June 6, 2022.
- (9) On 18 July 2007, the Group received \$1.3 billion in respect of a 4.99% stake in Bharti Airtel following an irrevocable agreement by a Bharti group company on 9 May 2007 to purchase 5.6% of Bharti Airtel by November 2008.
- (10) Other than the changes mentioned in the above footnotes, there has been no material change in the capitalization and indebtedness of the Group since March 31, 2007.

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USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, we will use the net proceeds from the sale of the securities for general corporate purposes. General corporate purposes may include working capital, the repayment of existing debt (including debt of acquired companies), for financing capital investments or acquisitions and any other purposes that may be stated. We may temporarily invest funds that we do not need immediately for these purposes in short-term marketable securities.

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DESCRIPTION OF DEBT SECURITIES WE MAY OFFER

Indenture

As required by U.S. federal law for all bonds and notes of companies that are publicly offered, any debt securities will be governed by a document called an indenture. The indenture is a contract entered into between us and The Bank of New York, which acts as trustee. The trustee has two main roles:

First, the trustee can enforce your rights against us if we default, although there are some limitations on the extent to which the trustee acts on your behalf that are described on page 29 under **Default and Related Matters** **Events of Default** **Remedies If an Event of Default Occurs** ; and

Second, the trustee performs administrative duties for us, such as sending interest payments and notices to you and transferring your debt securities to a new buyer if you sell.

The indenture and its associated documents contain the full legal text of the matters described in this section. New York law governs the indenture and the debt securities, except for certain events of default described in the indenture, which are governed by English law. We have filed a copy of the indenture with the SEC as an exhibit to our registration statement.

Section references below refer to sections of the Indenture, between Citibank, N.A. and us, dated as of February 10, 2000. The Bank of New York has become the successor trustee to Citibank pursuant to an Agreement of Resignation, Appointment and Acceptance, dated as of July 24, 2007, by and among the Company, The Bank of New York and Citibank.

Types of Debt Securities

Overview

We may issue as many distinct series of debt securities under our indenture as we wish. This section summarizes all material terms of the debt securities that are common to all series, unless otherwise indicated in the prospectus supplement relating to a particular series.

Because this section is a summary, it does not describe every aspect of the debt securities. This summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including the definition of various terms used in the indenture. For example, we describe the meanings for only the more important terms that have been given special meanings in the indenture. We also include references in parentheses to some sections of the indenture. Whenever we refer to particular sections or defined terms of the indenture in this prospectus or in any prospectus supplement, those sections or defined terms are incorporated by reference herein or in such prospectus supplement.

We may issue the debt securities as fixed rate debt securities, which are debt securities that bear interest at a fixed rate described in the applicable prospectus supplement, or floating rate debt securities, which are debt securities that bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. The various interest rate formulas and these other features are described below under **Interest rates** . In addition, we may issue the debt securities as original issue discount securities, which are debt securities that are offered and sold at a substantial discount to their stated principal amount. (*Section 101*) We may also issue the

debt securities as indexed securities or securities denominated in foreign currencies, currency units or composite currencies, as described in more detail in the prospectus supplement relating to any such debt securities. We may, at our option, at any time and without the consent of the then existing holders of any series of notes, issue additional notes under such series in one or more transactions with terms (other than the issuance date and, possibly, issue price and the first interest payment date) identical to those with which such series was first issued. These additional notes will be deemed to be part of the same series as the notes first issued and the holders of these additional notes will have the right to vote together with holders of the notes first issued. We will describe the material U.K. and U.S. federal income tax consequences and any other special

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considerations applicable to indexed securities and further issuances of debt securities fungible with the same series in the applicable prospectus supplement(s).

Terms of a Particular Series of Debt Securities

The material financial, legal and other terms particular to a series of debt securities will be described in the prospectus supplement(s) relating to that series. Those terms may vary from the terms described here. Accordingly, this summary also is subject to and qualified by reference to the description of the terms of the series described in the applicable prospectus supplement(s).

The prospectus supplement relating to a series of debt securities will describe the following terms of the series:

the title of the debt securities of the series;

any limit on the aggregate principal amount of the debt securities of the series (including any provision for the future offering of additional debt securities of the series beyond any such limit);

whether the debt securities will be issued in registered or bearer form;

the date or dates on which the debt securities of the series will mature and any other date or dates on which we will pay the principal of the debt securities of the series;

the annual rate or rates, which may be fixed or variable, at which the debt securities will bear interest, if any, and the date or dates from which that interest will accrue;

the date or dates on which any interest on the debt securities of the series will be payable and the regular record date or dates we will use to determine who is entitled to receive interest payments;

the place or places where the principal and any premium and interest in respect of the debt securities of the series will be payable;

the payment of any additional amounts on the debt securities;

any period or periods during which, and the price or prices at which, we will have the option to redeem or repurchase the debt securities of the series and the other material terms and provisions applicable to our redemption or repurchase rights;

any obligation we will have to redeem or repurchase the debt securities of the series, the period or periods during which, and the price or prices at which, we would be required to redeem or repurchase the debt securities of the series and the other material terms and provisions applicable to our redemption or repurchase obligations;

if other than \$1,000 or an even multiple of \$1,000, the denominations in which the series of debt securities will be issuable;

if other than the currency of the United States, the currency in which the debt securities of the series will be denominated or in which the principal or any premium or interest on the debt securities of the series will be payable;

if we or you have a right to choose the currency, currency unit or composite currency in which payments on any of the debt securities of the series will be made, the currency, currency unit or composite currency that we or you may elect, the period during which we or you must make the election and the other material terms applicable to the right to make such elections;

if other than the full principal amount, the portion of the principal amount of the debt securities of the series that will be payable upon a declaration of acceleration of the maturity of the debt securities of the series;

any index or other special method we will use to determine the amount of principal or any premium or interest on the debt securities of the series;

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the applicability of the provisions described on page 27 under Defeasance and Discharge ;

if we issue the debt securities of the series in whole or part in the form of global securities as described on page 42 under Legal Ownership Global Securities , the name of the depositary with respect to the debt securities of the series, and the circumstances under which the global securities may be registered in the name of a person other than the depositary or its nominee if other than those described on page 43 under Legal Ownership Global Securities Special Situations in Which a Global Security Will Be Terminated ;

any covenants to which we will be subject with respect to the debt securities of the series; and

any other special features of the debt securities of the series that are not inconsistent with the provisions of the indenture.

In addition, the prospectus supplement will state whether we will list the debt securities of the series on any stock exchanges and, if so, which one(s).

Unless otherwise specified in the applicable prospectus supplement, the following terms will apply to a series of debt securities:

Ranking. The debt securities will rank equally with all our present and future unsecured and unsubordinated indebtedness. However, because we are a holding company, the debt securities will effectively rank junior to any indebtedness or other liabilities of our subsidiaries.

Business days. A business day will be any day that is a New York business day, a London business day and/or a euro business day, as specified in the applicable prospectus supplement. London business day means any day on which dealings in U.S. dollars are transacted in the London interbank market. New York business day means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close. euro business day means each Monday, Tuesday, Wednesday, Thursday and Friday on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business.

Business day convention. With respect to fixed rate debt securities, if any interest payment date (other than the maturity date) would otherwise be a day that is not a business day, the relevant interest payment date will be postponed to the next day that is a business day. With respect to floating rate debt securities, if any interest reset date or interest payment date (other than the maturity date) would otherwise be a day that is not a business day, the relevant date will be postponed to the next day that is a business day. However, if that date would fall in the next succeeding calendar month, such date will be the immediately preceding business day.

Calculation agent. All calculations relating to a series of floating rate debt securities will be made by the calculation agent, an institution that we appoint as our agent for this purpose. The calculation agent will determine on each interest determination date the interest rate that takes effect on the applicable interest reset date. In addition, the calculation agent will calculate the amount of interest that has accrued during each interest period. Upon request, the calculation agent will provide notice of the interest rate then in effect and, if determined, the interest rate that will become effective on the next interest reset date. The calculation agent's determination of any interest rate, and its calculation of the amount of interest for any interest period, will be final and binding in the absence of manifest error. All percentages resulting from any calculation

relating to a note will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point (e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655)). All amounts used in or resulting from any calculation will be rounded upward or downward, as appropriate, to the nearest cent.

Day count fraction. We will compute interest on fixed rate debt securities on the basis of a 360-day year of twelve 30-day months. In the case of floating rate debt securities, the calculation agent will calculate the amount of interest that has accrued during each interest period i.e., the period from and including

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the original issue date, or the last date to which interest has been paid or made available for payment, to, but excluding, the payment date. For each such interest period, the calculation agent will calculate the amount of accrued interest by multiplying the face amount of the floating rate debt security by the applicable interest rate and an accrued interest factor for the interest period. This factor will be determined in accordance with the day count convention specified in the applicable prospectus supplement. If Actual/360 (ISDA) , Act/360 (ISDA) or A/360 (ISDA) is specified, the factor will be equal to the number of days in the interest period divided by 360.

Maximum interest rate. In no event will any interest rate payable on the debt securities be higher than the maximum rate permitted by New York law, as it may be modified by U.S. law of general application. Under current New York law, the maximum rate of interest, with some exceptions, for any loan in an amount less than \$250,000 is 16% and for any loan in an amount of between \$250,000 and \$2,500,000 is 25% per year on a simple interest basis. These limits do not apply to loans of \$2,500,000 or more.

Regular record dates for interest. With respect to each interest payment date, the regular record date for interest will be the date that is 15 calendar days prior to such date, whether or not such date is a business day.

Payment of additional amounts. All payments on the debt securities will be made without deducting U.K. withholding taxes (except as required by law). If any deduction is required on payments to non-U.K. investors, we will pay additional amounts on those payments to the extent described under Payment of Additional Amounts .

Optional tax redemption. We may redeem any or all of the debt securities before they mature if we are obligated to pay additional amounts due to changes on or after the date specified in the applicable prospectus supplement in U.K. withholding tax requirements, a merger or consolidation with another entity or a sale or lease of substantially all our assets and other limited circumstances described under Payment of Additional Amounts . In that event, we may redeem any or all of the tranches of the debt securities in whole but not in part on any interest payment date, at a price equal to 100% of their principal amount plus accrued interest to the date fixed for redemption.

Optional make-whole redemption. If the debt securities are fixed rate debt securities, we may redeem the debt securities, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (1) 100% of the principal amount of such notes plus accrued interest to the date of redemption and (2) as determined by the quotation agent, the sum of the present values of the remaining scheduled payments of principal and interest on such notes (excluding any portion of such payments of interest accrued as of the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the adjusted treasury rate, plus the applicable spread, together with accrued interest to the date of redemption.

Adjusted treasury rate. Adjusted treasury rate means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the comparable treasury issue, assuming a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date. Comparable treasury issue means the U.S. Treasury security selected by the quotation agent as having a maturity comparable to the remaining term of such notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining terms of such notes. Comparable treasury price means, with respect to any redemption date, the average of the reference treasury dealer quotations for such redemption date. Quotation agent means the reference treasury dealer appointed by the trustee after consultation with us. Reference treasury dealer means any primary

U.S. government securities dealer in New York City selected by the trustee after consultation with us. Reference treasury dealer quotations means with respect to each reference treasury dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the comparable treasury issue (expressed as a percentage of its principal amount) quoted in writing to the trustee by such reference treasury dealer at 5:00 p.m. Eastern Standard time on the third business day preceding such redemption date.

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Listing. We will file an application to list the debt securities on the New York Stock Exchange.

Interest rates

We currently expect to issue floating rate debt securities that bear interest at rates based on one or more of the following base rates:

LIBOR,

EURIBOR, and

any other interest rates (which may include a combination of more than one of the interest rate bases described above) as may be described in the applicable prospectus supplement.

LIBOR. A LIBOR note is a floating rate debt security that will bear interest at a base rate equal to LIBOR, which will be the London interbank offered rate for deposits in U.S. dollars or any other index currency, as specified in the applicable prospectus supplement. In addition, the applicable LIBOR base rate will be adjusted by the spread or spread multiplier, if any, specified in the applicable prospectus supplement.

LIBOR will be determined in the following manner:

LIBOR will be the arithmetic mean of the offered rates appearing on the Reuters LIBOR page, unless that page by its terms cites only one rate, in which case that rate; in either case, as of 11:00 A.M., London time, on the relevant interest determination date, for deposits of the relevant index currency having the relevant index maturity beginning on the relevant interest reset date. The applicable prospectus supplement will indicate the index currency, the index maturity and the reference page that apply to the debt security.

If fewer than two of the rates described above appears on the Reuters LIBOR page or no rate appears on any page on which only one rate normally appears, then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the relevant interest determination date, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: deposits of the index currency having the relevant index maturity, beginning on the relevant interest reset date and in a representative amount. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the relevant interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for the relevant interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., in the principal financial center for the country of the index currency, on that interest determination date, by three major banks in that financial center selected by the calculation agent: loans of the index currency having the relevant index maturity, beginning on the relevant interest reset date and in a representative amount.

If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR for the new interest period will be LIBOR in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect.

The reference banks and dealers employed by the calculation agent in determining the base rate may include the calculation agent itself and its affiliates.

EURIBOR. A EURIBOR note is a floating rate debt security that will bear interest at a base rate equal to the interest rate for deposits in euros designated as EURIBOR and sponsored jointly by the European Banking Federation and ACI the Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing that rate. In addition, the EURIBOR base rate will be adjusted by the spread or spread multiplier, if any, specified in the applicable prospectus supplement.

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EURIBOR will be determined in the following manner:

EURIBOR will be the offered rate for deposits in euros having the relevant index maturity beginning on the relevant interest reset date, as that rate appears on Reuters EURIBOR01 as of 11:00 A.M., Brussels time, on the relevant interest determination date.

If the rate described in the preceding paragraph does not appear on Reuters EURIBOR01, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant interest determination date, at which deposits of the following kind are offered to prime banks in the euro-zone interbank market by the principal euro-zone offices of major banks in that market selected by the calculation agent: euro deposits having the relevant index maturity, beginning on the relevant interest reset date and in a representative amount calculated based on an Actual/360 (ISDA) basis. The calculation agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, EURIBOR for the relevant interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 A.M., Brussels time on that interest determination date, by major banks in the euro-zone selected by the calculation agent: loans of euros having the relevant index maturity, beginning on the relevant interest reset date and in a representative amount.

If fewer than three banks selected by the calculation agent are quoting as described above, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Additional Mechanics

Form, Exchange and Transfer

The debt securities will be issued, unless otherwise indicated in the applicable prospectus supplement, in denominations that are even multiples of \$1,000.

You may have your debt securities broken into more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed. (*Section 305*) This is called an exchange.

In the case of registered debt securities, you may exchange or transfer your registered debt securities at the office of the trustee. The trustee acts as our agent for registering debt securities in the names of holders and transferring registered debt securities. We may change this appointment to another entity or perform the service ourselves. The entity performing the role of maintaining the list of registered holders is called the security registrar. It will also register transfers of the registered debt securities. However, you may not exchange registered debt securities for bearer debt securities. (*Section 305*)

You will not be required to pay a service charge to exchange or transfer debt securities, but you may be required to pay any tax or other governmental charge associated with the exchange or transfer. The exchange or transfer of a registered debt security will only be made if the security registrar is satisfied with your proof of ownership.

If we designate additional transfer agents, they will be named in the applicable prospectus supplement. We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts. (*Section 1002*)

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the exchange or transfer of debt securities in order to freeze the list of holders to prepare the mailing during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing. We may also refuse to register exchanges or transfers of debt securities selected for redemption. However,

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we will continue to permit exchanges and transfers of the unredeemed portion of any debt security being partially redeemed. (*Section 305*)

For a discussion of transfers of book-entry securities issued in respect of global securities in bearer form, see *Description of the Securities Depository Agreement Transfers* on page 31.

Payment and Paying Agents

If your debt securities are in registered form, we will pay interest to you if you are a direct holder listed in the trustee's records at the close of business on a particular day in advance of each due date for interest, even if you no longer own the security on the interest due date. That particular day, usually about two weeks in advance of the interest due date, is called the *regular record date* and will be stated in the prospectus supplement. (*Section 307*)

We will pay interest, principal and any other money due on the registered debt securities at the corporate trust office of the trustee in New York City. That office is currently located at 101 Barclay Street, 4E, New York, NY 10286. You must make arrangements to have your payments picked up at or wired from that office. We may also choose to pay interest by mailing checks.

Interest on global securities will be paid to the holder thereof by wire transfer of same-day funds. For a discussion of payments with respect to book-entry securities issued in respect of global securities in bearer form, see *Description of the Securities Depository Agreement Payments* on page 31.

Holders buying and selling debt securities must work out between them how to compensate for the fact that we will pay all the interest for an interest period to, in the case of registered debt securities, the one who is the registered holder on the regular record date or, in the case of bearer debt securities, to the bearer. The most common manner is to adjust the sales price of the debt securities to pro rate interest fairly between buyer and seller. This pro rated interest amount is called *accrued interest* .

Street name and other indirect holders should consult their banks or brokers for information on how they will receive payments.

We may also arrange for additional payment offices, and may cancel or change these offices, including our use of the trustee's corporate trust office. These offices are called *paying agents* . We may also choose to act as our own paying agent. We must notify you of changes in the paying agents for the debt securities of any series that you hold. (*Section 1002*)

Notices

We and the trustee will send notices only to direct holders, using their addresses as listed in the trustee's records. (*Sections 101 and 106*)

Regardless of who acts as paying agent, all money that we pay to a paying agent that remains unclaimed at the end of two years after the amount is due to direct holders will be repaid to us upon our request. After that two-year period, direct holders may look only to us for payment and not to the trustee, any other paying agent or anyone else. (*Section 1003*)

Special Situations

Mergers and Similar Events

We are generally permitted to consolidate or merge with another entity. We are also permitted to sell or lease substantially all of our assets to another entity or to buy or lease substantially all of the assets of another entity. No vote by holders of debt securities approving any of these actions is required, unless as part of the transaction we make changes to the indenture requiring your approval, as described later under [Modification and Waiver](#) . We

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may take these actions as part of a transaction involving outside third parties or as part of an internal corporate reorganization. We may take these actions even if they result in:

a lower credit rating being assigned to the debt securities; or

additional amounts becoming payable in respect of withholding tax, and the debt securities thus being subject to redemption at our option, as described later under **Optional Tax Redemption** .

We have no obligation under the indenture to seek to avoid these results, or any other legal or financial effects that are disadvantageous to you, in connection with a merger, consolidation or sale or lease of assets that is permitted under the indenture. However, we may not take any of these actions unless all the following conditions are met:

If we merge out of existence or sell or lease our assets, the other entity must assume our obligations on the debt securities and under the indenture, including the obligation to pay the additional amounts described on page 25 under **Payment of Additional Amounts** . This assumption may be by way of a full and unconditional guarantee in the case of a sale or lease of substantially all of our assets.

If such other entity is organized under the laws of a country other than the United States or England and Wales, it must indemnify you against any governmental charge or other cost resulting from the transaction.

We must not be in default on the debt securities immediately prior to such action and such action must not cause a default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described later on page 28 under **Default and Related Matters** **Events of Default** **What is An Event of Default?** A default for this purpose would also include any event that would be an event of default if the requirements for notice of default or existence of defaults for a specified period of time were disregarded.

If we sell or lease substantially all of our assets and the entity to which we sell or lease such assets guarantees our obligations, that entity must execute a supplement to the indenture, known as a supplemental indenture. In the supplemental indenture, the entity must promise to be bound by every obligation in the indenture. Furthermore, in this case, the trustee must receive an opinion of counsel stating that the entity's guarantees are valid, that certain registration requirements applicable to the guarantees have been fulfilled and that the supplemental indenture complies with the Trust Indenture Act of 1939. The entity that guarantees our obligations must also deliver certain certificates and other documents to the trustee.

We must deliver certain certificates and other documents to the trustee.

We must satisfy any other requirements specified in the prospectus supplement. (*Section 801*)

It is possible that the United States Internal Revenue Service may deem a merger or other similar transaction to cause for U.S. federal income tax purposes an exchange of debt securities for new securities by the holders of the debt securities. This could result in the recognition of taxable gain or loss for U.S. federal income tax purposes and possible other adverse tax consequences.

Modification and Waiver

There are three types of changes we can make to the indenture and the debt securities.

Changes Requiring Approval of Each Holder. First, there are changes that cannot be made to the debt securities without the approval of each holder. These are the following types of changes:

change the stated maturity of the principal or interest on a debt security;

reduce any amounts due on a debt security;

change any obligation to pay the additional amounts described on page 25 under Payment of Additional Amounts ;

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reduce the amount of principal payable upon acceleration of the maturity of a debt security following a default;

change the place or currency of payment on a debt security;

impair any of the conversion rights of the debt securities;

impair your right to sue for payment or conversion;

reduce the percentage of holders of debt securities whose consent is needed to modify or amend the indenture;

reduce the percentage of holders of debt securities whose consent is needed to waive compliance with various provisions of the indenture or to waive specified defaults; and

modify any other aspect of the provisions dealing with modification and waiver of the indenture.
(Section 902)

Changes Requiring a Majority Vote. The second type of change to the indenture and the debt securities is the kind that requires a vote of approval by the holders of debt securities which together represent a majority of the outstanding principal amount of the particular series affected. Most changes fall into this category, except for clarifying changes, amendments, supplements and other changes that would not adversely affect holders of the debt securities in any material respect. For example, this vote would be required for us to obtain a waiver of all or part of any covenants described in an applicable prospectus supplement or a waiver of a past default. However, we cannot obtain a waiver of a payment default or any other aspect of the indenture or the debt securities listed in the first category described above under *Changes Requiring Approval of Each Holder* unless we obtain your individual consent to the waiver.
(Section 513)

Changes Not Requiring Approval. The third type of change does not require any vote by holders of debt securities. This type is limited to clarifications, amendments, supplements and other changes that would not adversely affect holders of the debt securities in any material respect. (Section 901)

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

For original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the maturity of the debt securities were accelerated to that date because of a default.

For debt securities whose principal amount is not known (for example, because it is based on an index), we will use a special rule for that security described in the prospectus supplement for that security.

For debt securities denominated in one or more foreign currencies, currency units or composite currencies, we will use the U.S. dollar equivalent as of the date on which such debt securities were originally issued.

Debt securities will not be considered outstanding, and therefore will not be eligible to vote, if we have deposited or set aside in trust for you money for their payment or redemption. Debt securities will also not be eligible to vote if they have been fully defeased as described on page 27 under *Defeasance and Discharge*. (Section 101)

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding debt securities that are entitled to vote or take other action under the indenture. In limited circumstances, the trustee will be entitled to set a record date for action by holders. If we or the trustee set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding debt securities of that series on the record date and must be taken within 180 days following the record date or another period that we or, if it sets the record date, the trustee may specify. We may shorten or lengthen (but not beyond 180 days) this period from time to time. (*Section 104*)

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Street name and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Redemption and Repayment

Unless otherwise indicated in your prospectus supplement, your debt security will not be entitled to the benefit of any sinking fund—that is, we will not deposit money on a regular basis into any separate custodial account to repay your debt securities. In addition, we will not be entitled to redeem your debt security before its stated maturity unless your prospectus supplement specifies a redemption commencement date. You will not be entitled to require us to buy your debt security from you, before its stated maturity, unless your prospectus supplement specifies one or more repayment dates.

If your prospectus supplement specifies a redemption commencement date or a repayment date, it will also specify one or more redemption prices or repayment prices, which may be expressed as a percentage of the principal amount of your debt security or by reference to one or more formulae used to determine the redemption price(s). It may also specify one or more redemption periods during which the redemption prices relating to a redemption of debt securities during those periods will apply.

If your prospectus supplement specifies a redemption commencement date, we may redeem your debt security at our option at any time on or after that date. If we redeem your debt security, we will do so at the specified redemption price, together with interest accrued to the redemption date. If different prices are specified for different redemption periods, the price we pay will be the price that applies to the redemption period during which your debt security is redeemed.

If your prospectus supplement specifies a repayment date, your debt security will be repayable by us at your option on the specified repayment date(s) at the specified repayment price(s), together with interest accrued to the repayment date.

In the event that we exercise an option to redeem any debt security, we will give to the holder written notice of the principal amount of the debt security to be redeemed, not less than 30 days nor more than 60 days before the applicable redemption date. We will give the notice in the manner described above under **Additional Mechanics Notices**.

If a debt security represented by a global security is subject to repayment at the holder's option, the depositary or its nominee, as the holder, will be the only person that can exercise the right to repayment. Any indirect holders who own beneficial interests in the global security and wish to exercise a repayment right must give proper and timely instructions to their banks or brokers through which they hold their interests, requesting that they notify the depositary to exercise the repayment right on their behalf. Different firms have different deadlines for accepting instructions from their customers, and you should take care to act promptly enough to ensure that your request is given effect by the depositary before the applicable deadline for exercise.

Street name and other indirect holders should contact their banks or brokers for information about how to exercise a repayment right in a timely manner.

In the event that the option of the holder to elect repayment as described above is deemed to be a tender offer within the meaning of Rule 14e-1 under the Securities Exchange Act of 1934, we will comply with Rule 14e-1 as then in effect to the extent it is applicable to us and the transaction.

We or our affiliates may purchase debt securities from investors who are willing to sell from time to time, either in the open market at prevailing prices or in private transactions at negotiated prices. Debt securities that we or they purchase may, in our discretion, be held, resold or canceled.

Optional Tax Redemption

We may have the option to redeem, in whole but not in part, the debt securities in the three situations described below. In such cases, the redemption price for debt securities (other than original issue discount debt securities) will be equal to the principal amount of the debt securities being redeemed plus accrued interest and any

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additional amounts due on the date fixed for redemption. The redemption price for original issue discount debt securities will be specified in the prospectus supplement for such securities. Furthermore, we must give you between 30 and 60 days' notice before redeeming the debt securities.

The first situation is where, as a result of a change in or amendment to any laws or regulations, or as a result of any execution of or amendment to any treaty or treaties, or any change in the official application or interpretation of such laws, regulations or treaties, we would be required to pay additional amounts as described later under **Payment of Additional Amounts**.

This applies only in the case of events described in the preceding paragraph that occur on or after the date specified in the applicable prospectus supplement and in the jurisdiction where we are incorporated. If succeeded by another entity, the applicable jurisdiction will be the jurisdiction in which such successor entity is organized, and the applicable date will be the date the entity became a successor.

We would not have the option to redeem in this case if we could have avoided the payment of additional amounts or the deduction or withholding by using reasonable measures available to us.

The second situation is where, as a result of any delivery or requirement to deliver debt securities in definitive registered form, after having used all reasonable efforts to avoid having to issue such definitive registered debt securities, we would be required to pay additional amounts as described later under **Payment of Additional Amounts**.

We would not have the option to redeem in this case if we could have avoided the payment of additional amounts or the deduction or withholding by using reasonable measures available to us.

The third situation is where, following a merger, consolidation or sale or lease of our assets to a person that assumes or, if applicable, guarantees our obligations on the debt securities, that person is required to pay additional amounts as described later under **Payment of Additional Amounts**.

We, or the other person, would have the option to redeem the debt securities in this situation even if additional amounts became payable immediately upon completion of the merger or sale transaction, including in connection with an internal corporate reorganization. Neither we nor that person have any obligation under the indenture to seek to avoid the obligation to pay additional amounts in this situation.

Conversion

Your debt securities may be convertible into or exchangeable for our ordinary shares or other securities if your prospectus supplement so provides. If your debt securities are convertible or exchangeable, your prospectus supplement will include provisions as to whether conversion or exchange is mandatory, at your option or at our option. Your prospectus supplement would also include provisions regarding the adjustment of the number of securities to be received by you upon conversion or exchange.

Payment of Additional Amounts

The government of any jurisdiction in which we are incorporated may require us to withhold amounts from payments on the principal or any premium or interest on a debt security for taxes or any other governmental charges. If the jurisdiction requires a withholding of this type, we may be required to pay you an additional amount so that the net amount you receive will be the amount specified in the debt security to which you are entitled. However, in order for you to be entitled to receive the additional amount, you must not be resident in the jurisdiction that requires the withholding.

We will *not* have to pay additional amounts under any of the following circumstances:

The U.S. government or any political subdivision of the U.S. government is the entity that is imposing the tax or governmental charge.

The withholding is imposed only because the holder was or is connected to the taxing jurisdiction or, if the holder is not an individual, the tax or governmental charge was imposed because a fiduciary, settlor,

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beneficiary, member or shareholder of the holder or a party possessing a power over a holder that is an estate or trust was or is connected to the taxing jurisdiction. These connections include those where the holder or related party:

is or has been a citizen or resident of the jurisdiction;

is or has been engaged in trade or business in the jurisdiction; or

has or had a permanent establishment in the jurisdiction.

The withholding is imposed due to the presentation of a debt security, if presentation is required, for payment on a date more than 30 days after the security became due or after the payment was provided for.

The withholding is imposed due to the presentation of a debt security for payment in the United Kingdom.

The withholding is on account of an estate, inheritance, gift, sale, transfer, personal property or similar tax or other governmental charge.

The withholding is for a tax or governmental charge that is payable in a manner that does not involve withholding.

The withholding is imposed or withheld because the holder or beneficial owner failed to comply with any of our requests for the following that the statutes, treaties, regulations or administrative practices of the taxing jurisdiction require as a precondition to exemption from all or part of such withholding:

to provide information about the nationality, residence or identity of the holder or beneficial owner; or

to make a declaration or satisfy any information requirements.

The holder is a fiduciary or partnership or other entity that is not the sole beneficial owner of the payment in respect of which the withholding is imposed, and the laws of the taxing jurisdiction require the payment to be included in the income of a beneficiary or settlor of such fiduciary or a member of such partnership or another beneficial owner who would not have been entitled to such additional amounts had it been the holder of such debt security.

With respect to debt securities originally issued in bearer form, the payment relates to a debt security that is in physical form. However, this exception only applies if:

the debt security in physical form was issued at the holder's request following an event of default; and

we have not issued physical certificates for the entire principal amount of such series of debt securities.

The withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

The withholding or deduction is imposed on a holder or beneficial owner who could have avoided such withholding or deduction by presenting its debt securities to another paying agent.

These provisions will also apply to any taxes or governmental charges imposed by any jurisdiction in which a successor to us is organized. The prospectus supplement relating to the debt securities may describe additional circumstances in which we would not be required to pay additional amounts. (*Sections 205, 802 and 1004*)

In certain circumstances, payments made to holders of debt securities may be subject to withholding or deduction for or on account of U.K. tax. These circumstances might include, for example, if payments are made on debt securities issued by us that are not listed on a recognized stock exchange for U.K. tax purposes at the time of payment. For more information see the section entitled Taxation United Kingdom Taxation Debt Securities Interest Payments on page 49.

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Restrictive Covenants

The indenture does not contain any covenants restricting our ability to make payments, incur indebtedness, dispose of assets, enter into sale and leaseback transactions, issue and sell capital stock, enter into transactions with affiliates, create or incur liens on our property or engage in business other than our present business. A particular series of debt securities, however, may contain restrictive covenants of this type, which we will describe in the applicable prospectus supplement.

Defeasance and Discharge

The following discussion of full defeasance and discharge and covenant defeasance and discharge will only be applicable to your series of debt securities if we choose to apply them to that series, in which case we will state that in the prospectus supplement. (*Sections 301 and 1401-1406*)

Full Defeasance

Except for various obligations described below, we can legally release ourselves from any payment or other obligations on the debt securities (called full defeasance) if we, in addition to other actions, put in place the following arrangements for you to be repaid:

We must deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and U.S. government or U.S. government agency notes or bonds that, in the opinion of a nationally recognized public accounting firm, will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates.

We must deliver to the trustee a legal opinion of our counsel, based upon a ruling by the United States Internal Revenue Service or upon a change in applicable U.S. federal income tax law, confirming that under then current U.S. federal income tax law we may make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves.

If the debt securities are listed on any securities exchange, we must deliver to the trustee a legal opinion of our counsel confirming that the deposit, defeasance and discharge will not cause the debt securities to be delisted. (*Sections 1402 and 1404*)

If we ever did accomplish full defeasance as described above, you would have to rely solely on the trust deposit for repayment on the debt securities. You could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent. However, even if we take these actions, a number of our obligations relating to the debt securities and under the indenture will remain. These include the following obligations:

- to register the exchange and transfer of debt securities;
- to replace mutilated, destroyed, lost or stolen debt securities;
- to maintain paying agencies; and
- to hold money for payment in trust.

Covenant Defeasance

We can make the same type of deposit described above and be released from all or some of the restrictive covenants (if any) that apply to the debt securities of any particular series. This is called covenant defeasance. In that event, you would lose the protection of those restrictive covenants but would gain the protection of having money and securities set aside in trust to repay the debt securities. In order to achieve covenant defeasance:

We must deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and U.S. government or U.S. government agency notes or bonds that, in the

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opinion of a nationally recognized public accounting firm, will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates.

We must deliver to the trustee a legal opinion of our counsel confirming that under then current U.S. federal income tax law we may make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves.

If we accomplish covenant defeasance, the following provisions of the indenture and/or the debt securities would no longer apply:

Any covenants applicable to the series of debt securities and described in the applicable prospectus supplement.

The events of default relating to breach of covenants and acceleration of the maturity of other debt, described later under **Default and Related Matters** **Events of Default** **What Is An Event of Default?** .

If we accomplish covenant defeasance, you can still look to us for repayment of the debt securities if there were a shortfall in the trust deposit. In fact, if any event of default occurred (such as our bankruptcy) and the debt securities become immediately due and payable, there may be such a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall. (*Sections 1403 and 1404*)

Default and Related Matters

Ranking

The debt securities are not secured by any of our property or assets. Accordingly, your ownership of debt securities means you are one of our unsecured creditors. The debt securities may or may not be subordinated to any of our other debt obligations as indicated in the applicable prospectus supplement. If they are not subordinated, they will rank equally with all our other unsecured and unsubordinated indebtedness.

Events of Default

You will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term event of default means any of the following:

We do not pay the principal or any premium on a debt security within 14 days of its due date.

We do not pay interest on a debt security within 21 days of its due date.

We do not deposit any sinking fund payment within 14 days of its due date, if we agreed to maintain a sinking fund for your debt securities and the other debt securities of the same series.

We remain in breach of any covenant or any other term of the indenture for 30 days after we receive a notice of default stating that we are in breach. The notice must be sent by either the trustee or holders of 25% of the principal amount of debt securities of the affected series.

We remain in default in the conversion of any convertible security of a given series for 30 days after we receive a notice of default stating that we are in default. The notice must be sent by either the trustee or the

holders of 25% of the principal amount of debt securities of the affected series.

If the total aggregate principal amount of all of our indebtedness for borrowed money which meets one of the following conditions, together with the amount of any guarantees and indemnities described in the next point, equals or exceeds £50 million or, after August 1, 2014, £150 million:

the principal amount of such indebtedness becomes due and payable prematurely as a result of an event of default (however described) under the agreement(s) governing that indebtedness;

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we fail to make any payment in respect of such indebtedness on the date when it is due (as extended by any originally applicable grace period);

any security that we have granted securing the payment of any such indebtedness becomes enforceable by reason of any default relating thereto and steps are taken to enforce the security.

We fail to make payment due under any guarantee and/or indemnity (after the expiry of any originally applicable grace period) of another person's indebtedness for borrowed money in an amount that, when added to the indebtedness for borrowed money which meets one of the conditions described in the prior point, equals or exceeds £50 million or, after August 1, 2014, £150 million.

We are ordered by a court or pass a resolution to wind up or dissolve, save for the purposes of a reorganization on terms approved in writing by the trustee.

We stop paying or are unable to pay our debts as they fall due, or we are adjudicated or found bankrupt or insolvent, or we enter into any composition or other similar arrangement with our creditors under the U.K. Insolvency Act.

If a receiver or administrator is appointed in relation to, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against, the whole or a substantial part of our undertakings or assets and (other than the appointment of an administrator) is not discharged or removed within 90 days.

Any other event of default described in the applicable prospectus supplement occurs. (*Section 501*)

An event of default for a particular series of debt securities does not necessarily constitute an event of default for any other series of debt securities issued under the indenture.

For these purposes, indebtedness for borrowed money means any present or future indebtedness (whether it is principal, premium, interest or other amounts) for or in respect of:

money borrowed (including in the form of any bonds, notes, debentures, debenture stock or loan stock); or

liabilities under or in respect of any acceptance or acceptance credit.

Remedies If an Event of Default Occurs. If an event of default has occurred and has not been cured, the trustee or the holders of 25% in principal amount of the debt securities of the affected series may declare the entire principal amount of all the debt securities of that series to be due and immediately payable. This is called a declaration of acceleration of maturity. If an event of default occurs because of certain events in bankruptcy, insolvency or reorganization, the principal amount of all the debt securities of that series will be automatically accelerated without any action by the trustee, any holder or any other person. A declaration of acceleration of maturity may be canceled by the holders of at least a majority in principal amount of the debt securities of the affected series. (*Section 502*)

The holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the securities of such series, provided that (a) such direction must not be in conflict with any rule of law or with the indenture, (b) the trustee may take any other action deemed proper by the trustee which is not inconsistent with such direction, and (c) such holders shall have offered to

the trustee security or indemnity satisfactory to the trustee against the costs, expenses, and liabilities which might be incurred by it in compliance with such request or direction. (*Sections 512 and 603*) Before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

You must give the trustee written notice that an event of default has occurred and remains uncured.

The holders of 25% in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default, and must offer satisfactory indemnity to the trustee against the cost and other liabilities of taking that action.

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The trustee must have not taken action for 60 days after receipt of the above notice and offer of indemnity.

The holders of a majority in principal amount of all outstanding debt securities of the relevant series must not have given the trustee a direction that is inconsistent with the above notice. (*Section 507*)

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt security on or after its due date. (*Section 508*)

Street name and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and to make or cancel a declaration of acceleration.

We will furnish to the trustee every year a written statement of certain of our officers that will either certify that, to their knowledge, we are in compliance with the indenture and the debt securities or specify any default. (*Section 1005*)

Regarding the Trustee

We and some of our subsidiaries maintain banking relations with the trustee in the ordinary course of our business.

If an event of default occurs, or an event occurs that would be an event of default if the requirements for giving us notice of the default or our default having to exist for a specified period of time were disregarded, the trustee may be considered to have a conflicting interest with respect to the debt securities or the indenture for purposes of the Trust Indenture Act of 1939. In that case, the trustee may be required to resign as trustee under the applicable indenture and we would be required to appoint a successor trustee.

Description of the Securities Depositary Agreement

If we issue debt securities represented by a global security in bearer form, we will deposit such security with The Bank of New York, as depositary. The provisions described below will be applicable to such debt securities.

The arrangements for depositing and holding of the global securities in bearer form by The Bank of New York are set forth in a document called the securities depositary agreement between us and The Bank of New York, and the owners of book-entry securities. This section summarizes that agreement, a copy of which is filed as an exhibit to our registration statement. Because this section is a summary, it does not describe every aspect of the agreement. The description here is subject to and qualified by the detailed terms in the definitive securities depositary agreement that we have entered into with the depositary and the owners of book-entry securities.

General

The global security in bearer form representing the debt securities will be deposited with and held by The Bank of New York, as the depositary. The Bank of New York will maintain on our behalf a book-entry register for the applicable debt securities. It will register DTC or any person DTC nominates as the owner of the certificateless depositary interests it will issue in respect of the global securities. For a detailed description of DTC, see *Clearance and Settlement* on page 45.

Ownership of beneficial interests in the certificateless depositary interest will be in the form of book-entry securities. Ownership of book-entry securities will be limited to participants or indirect participants in DTC. Procedures related to the transfer of ownership of book-entry securities are described below under *Transfers* .

The ultimate beneficial owners of the global security in bearer form can only be indirect holders. We do not recognize this type of investor as a holder of debt securities and instead only deal with the depositary that holds the global security. As an indirect holder, an investor's rights and obligations relating to a global security will be governed by applicable procedures of DTC and the account rules of The Bank of New York and the investor's financial institution. We, the trustee, any paying agent, The Bank of New York, as depositary and registrar, and any

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of our or their agents will not be responsible for the obligations under the rules and procedures of DTC, its participants or an investor's financial institution.

The Bank of New York's policies will govern payments, exchanges, transfers and other matters relating to the investor's interest in the global security. In general, we have no responsibility for the depository's actions. We also do not supervise The Bank of New York in any way.

We have no responsibility for any aspect of the actions of any participant in DTC or for payments related to, or for its records of, ownership interests in the global security. We also do not supervise the participants in DTC in any way, nor will we govern payments, exchanges, transfers and other matters relating to the investor's interest in the global security.

Payments

Payments related to the applicable debt securities will be made to The Bank of New York. The Bank of New York then must distribute all payments to DTC by wire transfer of immediately available funds. Upon receipt, DTC has informed us that it will credit its participants' accounts on that date with payments in amounts proportionate to their respective ownership interests as shown on DTC's records. Payments by participants in DTC to the owners of book-entry securities will be the participants' responsibility. We expect that payments by participants in DTC to the owners of interests in book-entry securities will be governed by standard customary practices, as is now the case with the securities held for the accounts of customers registered in street name.

All payments will be made by The Bank of New York without any deduction or withholding for any taxes, duties, assessments or other governmental charges. If the laws or regulations from the country in which we are incorporated require withholding, then we will add to the payment so it is the same as it would have been without the withholding. These added payments are subject to various exceptions and limitations that are described in the section called

Payment of Additional Amounts . They are also subject to the optional redemption rights that are described in Special Situations Optional Tax Redemption .

Redemption

If and when the global securities are redeemed, The Bank of New York will deliver all amounts it receives in respect of the redemption to DTC. The redemption price that will be paid for the book-entry securities will be equal to the amount paid to The Bank of New York for the applicable global securities.

Transfers

Transfers of all or any portion of the certificateless depository interests may be made only through the book-entry register. Until the book-entry securities are exchanged for definitive securities, the certificateless depository interests may only be transferred as a whole by:

DTC to a nominee of DTC;

by a nominee of DTC to DTC or another nominee of DTC; or

by DTC or any such nominee to a successor of DTC or a nominee of such successor.

DTC will record all transfers of the interests in book-entry securities using its book-entry system. DTC will use the customary procedures described in detail in the securities depository agreement.

Procedures for Issuing Definitive Securities

Holders of book-entry securities will receive definitive securities in the situations described earlier under *Legal Ownership Global Securities Special Situations in Which a Global Security Will Be Terminated*. No definitive securities in bearer form will be issued. Definitive securities issued in exchange for book-entry securities will be issued in registered form only, without coupons. They will be registered in the name or names that The Bank of New York instructs the registrar based on the instructions of DTC.

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Action by Holders of Book-Entry Securities

The Bank of New York must send any notices it receives concerning consents, requests for a waiver or any other action to DTC, as promptly as practicable after receipt. If DTC requests in writing that The Bank of New York take action, it is expected that The Bank of New York will take the action when it receives reasonable indemnity from DTC.

The Bank of New York will not make any independent decisions relating to the certificateless depositary interests or the global securities.

We understand that under existing industry practices, if we request any action to be taken by the holders of debt securities or if a holder of debt securities desires to give or take any action the holder is entitled to give or take under the debt securities or the indenture, DTC will authorize its participants holding book-entry securities to give or take the action and the participants will then authorize the beneficial owners to take the action or will act upon those owners' instructions.

Reports

The Bank of New York must send a copy of any communications that relate to us to DTC immediately after it receives them. This is also true for any communications that relate to the global and the book-entry securities.

Action by the Depositary

If a default occurs and DTC requests The Bank of New York to take action, it is expected that The Bank of New York will take the action when it receives reasonable indemnity from DTC. Action taken in the event of a default is subject to limitations which are described in detail in the securities depositary agreement.

Charges Incurred by the Depositary Will Be Paid by Us

We have agreed to pay all charges of The Bank of New York under the securities depositary agreement. We have also agreed to indemnify The Bank of New York against certain liabilities it incurs under the securities depositary agreement.

Amendment and Termination

We and The Bank of New York may amend the securities depositary agreement. DTC's consent will not be required in connection with the following amendments:

to cure any inconsistency, omission, defect or ambiguity in the securities depositary agreement;

to add to the covenants and agreements of The Bank of New York or us;

to assign The Bank of New York's rights and duties to a qualified successor;

to evidence the succession of another person to us and the assumption by the successor of our covenants, where the parties are amending the indenture in a similar way;

to comply with the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 or the Trust Indenture Act of 1939; or

to modify, alter, amend or supplement the securities depositary agreement in any other manner that is not adverse to DTC or the holders of book-entry securities.

No amendment to the securities depositary agreement or the book-entry securities that affects DTC or the holders of book-entry securities in an adverse way will be allowed without DTC's consent.

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When definitive securities are issued to all of the holders of book-entry securities, the book-entry provisions of the securities depositary agreement will no longer apply. Definitive securities may be issued upon the resignation of the depositary if no successor has been appointed within 120 days.

Resignation or Removal of the Depositary

The Bank of New York may resign at any time by delivering written notice to us, and the resignation will take effect when we appoint a new depositary and the new depositary accepts the appointment. If no successor has been appointed at the end of 120 days after The Bank of New York gives notice, it may petition a court of competent jurisdiction for the appointment of a successor.

Obligations of the Depositary

The Bank of New York must perform only the duties and obligations set forth in the definitive securities depositary agreement. You should not read any implied covenants or obligations into the definitive securities depositary agreement.

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DESCRIPTION OF WARRANTS WE MAY OFFER

We may issue warrants to purchase our debt securities, preference shares or ordinary shares. Warrants may be issued independently or together with any securities and may be attached to or separate from those securities. Each series of warrants will be issued under a separate warrant agreement to be entered into by us and a bank or trust company, as warrant agent, all as will be set forth in the applicable prospectus supplement.

Debt Warrants

The following briefly summarizes the material terms that will generally be included in a debt warrant agreement. However, we may include different terms in the debt warrant agreement for any particular series of debt warrants and such other terms and all pricing and related terms will be disclosed in the applicable prospectus supplement. You should read the particular terms of any debt warrants that are offered by us and the related debt warrant agreement which will be described in more detail in the applicable prospectus supplement. The prospectus supplement will also state whether any of the generalized provisions summarized below do not apply to the debt warrants being offered.

General

We may issue warrants for the purchase of our debt securities. As explained below, each debt warrant will entitle its holder to purchase debt securities at an exercise price set forth in, or to be determined as set forth in, the applicable prospectus supplement. Debt warrants may be issued separately or together with debt securities.

The debt warrants are to be issued under debt warrant agreements to be entered into by us and one or more banks or trust companies, as debt warrant agent, all as will be set forth in the applicable prospectus supplement. At or around the time of an offering of debt warrants, a form of debt warrant agreement, including a form of debt warrant certificate representing the debt warrants, reflecting the alternative provisions that may be included in the debt warrant agreements to be entered into with respect to particular offerings of debt warrants, will be filed by amendment as an exhibit to the registration statement of which this prospectus forms a part.

Terms of the Debt Warrants to Be Described in the Prospectus Supplement

The particular terms of each issue of debt warrants, the debt warrant agreement relating to such debt warrants and such debt warrant certificates representing debt warrants will be described in the applicable prospectus supplement. This description will include:

the initial offering price;

the currency, currency unit or composite currency in which the exercise price for the debt warrants is payable;

the title, aggregate principal amount and terms of the debt securities that can be purchased upon exercise of the debt warrants;

the title, aggregate principal amount and terms of any related debt securities with which the debt warrants are issued and the number of the debt warrants issued with each debt security;

if applicable, whether and when the debt warrants and the related debt securities will be separately transferable;

the principal amount of debt securities that can be purchased upon exercise of each debt warrant and the exercise price;

the date on or after which the debt warrants may be exercised and any date or dates on which this right will expire in whole or in part;

if applicable, a discussion of material U.K. and U.S. federal income tax, accounting or other considerations applicable to the debt warrants;

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whether the debt warrants will be issued in registered or bearer form, and, if registered, where they may be transferred and registered; and

any other terms of the debt warrants.

You may exchange your debt warrant certificates for new debt warrant certificates of different denominations but they must be exercisable for the same aggregate principal amount of debt securities. If your debt warrant certificates are in registered form, you may present them for registration of transfer at the corporate trust office of the debt warrant agent or any other office indicated in the applicable prospectus supplement. Before the exercise of debt warrants, holders of debt warrants will not be entitled to receive payments of principal or any premium or interest on the debt securities that can be purchased upon such exercise, or to enforce any of the covenants in the indenture relating to the debt securities that may be purchased upon such exercise.

Exercise of Debt Warrants

Unless otherwise provided in the applicable prospectus supplement, each debt warrant will entitle the holder to purchase a principal amount of debt securities for cash at an exercise price in each case that will be set forth in, or to be determined as set forth in, the applicable prospectus supplement. Debt warrants may be exercised at any time up to the close of business on the expiration date specified in the applicable prospectus supplement. After the close of business on the expiration date or any later date to which we extend the expiration date, unexercised debt warrants will become void.

Debt warrants may be exercised as set forth in the prospectus supplement applicable to the particular debt warrants. Upon delivery of payment of the exercise price and the debt warrant certificate properly completed and duly executed at the corporate trust office of the debt warrant agent or any other office indicated in the applicable prospectus supplement, we will, as soon as practicable, forward the debt securities that can be purchased upon such exercise of the debt warrants to the person entitled to them. If fewer than all of the debt warrants represented by the debt warrant certificate are exercised, a new debt warrant certificate will be issued for the remaining unexercised debt warrants. Holders of debt warrants will be required to pay any tax or governmental charge that may be imposed in connection with transferring the underlying debt securities in connection with the exercise of the debt warrants.

Street name and other indirect holders of debt warrants should consult their bank or brokers for information on how to exercise their debt warrants.

Modification and Waiver

There are three types of changes we can make to the debt warrant agreement and the debt warrants of any series.

Changes Requiring Approval of Each Holder. First, there are changes that cannot be made to the debt warrants or the debt warrant agreement under which they were issued without the approval of each holder. These are the following types of changes:

any increase in the exercise price;

any decrease in the principal amount of debt securities that can be purchased upon exercise of any debt warrant;

any reduction of the period of time during which the debt warrants may be exercised;

any other change that materially and adversely affects the exercise rights of a holder of debt warrant certificates or the debt securities that can be purchased upon such exercise; and

any reduction in the number of outstanding unexercised debt warrants whose consent is required for any modification or amendment described below under **Changes Requiring a Majority Vote** .

Changes Requiring a Majority Vote. The second type of change to the debt warrant agreement or debt warrants of any series is the kind that requires a vote of approval by the holders of not less than a majority in number of the then outstanding unexercised debt warrants of that series. This category includes all changes other than those

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listed above under **Changes Requiring Approval of Each Holder** or changes that would not adversely affect holders of debt warrants or debt securities in any material respect.

Changes Not Requiring Approval. The third type of change does not require any vote or consent by the holders of debt warrant certificates. This type is limited to clarifications and other changes that would not adversely affect such holders in any material respect.

Street name and other indirect holders of debt warrants should consult their bank or brokers for information on how approval may be granted or denied if we seek to change your debt warrants or the debt warrant agreement under which they were issued or to request a waiver.

Merger, Consolidation, Sale or Other Dispositions

Under the debt warrant agreement for each series of debt warrants, we may consolidate with, or sell, convey or lease all or substantially all of our assets to, or merge with or into, any other corporation or firm to the extent permitted by the indenture for the debt securities that can be purchased upon exercise of such debt warrants. If we consolidate with or merge into, or sell, lease or otherwise dispose of all or substantially all of our assets to, another corporation or firm, that corporation or firm must become legally responsible for our obligations under the debt warrant agreements and debt warrants. If we sell or lease substantially all of our assets, one way the other firm or company can become legally responsible for our obligations is by way of a full and unconditional guarantee of our obligations. If the other company becomes legally responsible by a means other than a guarantee, we will be relieved from all such obligations.

Enforceability of Rights; Governing Law

The debt warrant agent will act solely as our agent in connection with the issuance and exercise of debt warrants and will not assume any obligation or relationship of agency or trust for or with any holder of a debt warrant certificate or any owner of a beneficial interest in debt warrants. The holders of debt warrant certificates, without the consent of the debt warrant agent, the trustee, the holder of any debt securities issued upon exercise of debt warrants or the holder of any other debt warrant certificates, may, on their own behalf and for their own benefit, enforce, and may institute and maintain any suit, action or proceeding against us to enforce, or otherwise in respect of, their rights to exercise debt warrants evidenced by their debt warrant certificates. Except as may otherwise be provided in the applicable prospectus supplement, each issue of debt warrants and the related debt warrant agreement will be governed by the laws of the State of New York.

Equity Warrants

The following briefly summarizes the material terms that will generally be included in an equity warrant agreement. However, we may include different terms in the equity warrant agreement for any particular series of equity warrants and such other terms and all pricing and related terms will be disclosed in the applicable prospectus supplement. You should read the particular terms of any equity warrants that are offered by us and the related equity warrant agreement which will be described in more detail in the applicable prospectus supplement. The prospectus supplement will also state whether any of the general provisions summarized below do not apply to the equity warrants being offered.

General

We may issue warrants for the purchase of our equity securities (i.e., our ordinary shares and preference shares). As explained below, each equity warrant will entitle its holder to purchase equity securities at an exercise price set forth in, or to be determined as set forth in, the applicable prospectus supplement. Equity warrants may be issued separately

or together with equity securities.

The equity warrants are to be issued under equity warrant agreements to be entered into by us and one or more banks or trust companies, as equity warrant agent, all as will be set forth in the applicable prospectus supplement. At or around the time of an offering of equity warrants, a form of equity warrant agreement, including a form of equity warrant certificate representing the equity warrants, reflecting the alternative provisions that may be

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included in the equity warrant agreements to be entered into with respect to particular offerings of equity warrants, will be filed by amendment as an exhibit to the registration statement of which this prospectus forms a part.

Terms of the Equity Warrants to Be Described in the Prospectus Supplement

The particular terms of each issue of equity warrants, the equity warrant agreement relating to such equity warrants and the equity warrant certificates representing such equity warrants will be described in the applicable prospectus supplement. This description will include:

the initial offering price;

the currency, currency unit or composite currency in which the exercise price for the equity warrants is payable;

the designation and terms of the equity securities (*i.e.*, preference shares or ordinary shares) that can be purchased upon exercise of the equity warrants;

the total number of preference shares or ordinary shares that can be purchased upon exercise of each equity warrant and the exercise price;

the date or dates on or after which the equity warrants may be exercised and any date or dates on which this right will expire in whole or in part;

the designation and terms of any related preference shares or ordinary shares with which the equity warrants are issued and the number of the equity warrants issued with each preference share or ordinary share;

if applicable, whether and when the equity warrants and the related preference shares or ordinary shares will be separately transferable;

if applicable, a discussion of material U.K. and U.S. federal income tax, accounting or other considerations applicable to the equity warrants; and

any other terms of the equity warrants, including terms, procedures and limitations relating to the exchange and exercise of the equity warrants.

You may exchange your equity warrant certificates for new equity warrant certificates of different denominations but they must be exercisable for the same aggregate principal amount of equity securities. If your equity warrant certificates are in registered form, you may present them for registration of transfer and exercise them at the corporate trust office of the equity warrant agent or any other office indicated in the applicable prospectus supplement. Before the exercise of equity warrants, holders of equity warrants will not be entitled to receive dividends or exercise voting rights with respect to the equity securities that can be purchased upon such exercise, to receive notice as shareholders with respect to any meeting of shareholders for the election of our directors or any other matter, or to exercise any rights whatsoever as a shareholder.

Unless the applicable prospectus supplement states otherwise, the exercise price payable and the number of ordinary shares or preference shares that can be purchased upon the exercise of each equity warrant will be subject to adjustment in certain events, including the issuance of a stock dividend to holders of ordinary shares or preference shares or a stock split, reverse stock split, combination, subdivision or reclassification of ordinary shares or preference shares. Instead of adjusting the number of ordinary shares or preference shares that can be purchased upon exercise of

each equity warrant, we may elect to adjust the number of equity warrants. No adjustments in the number of shares that can be purchased upon exercise of the equity warrants will be required until cumulative adjustments require an adjustment of at least 1% of those shares. We may, at our option, reduce the exercise price at any time. We will not issue fractional shares upon exercise of equity warrants, but we will pay the cash value of any fractional shares otherwise issuable.

Notwithstanding the previous paragraph, if there is a consolidation, merger or sale or conveyance of substantially all of our property, the holder of each outstanding equity warrant will have the right to the kind and amount of shares and other securities and property (including cash) receivable by a holder of the number of ordinary

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shares or preference shares into which that equity warrant was exercisable immediately prior to the consolidation, merger, sale or conveyance.

Exercise of Equity Warrants

Unless otherwise provided in the applicable prospectus supplement, each equity warrant will entitle the holder to purchase a number of equity securities for cash at an exercise price in each case that will be set forth in, or to be determined as set forth in, the prospectus supplement. Equity warrants may be exercised at any time up to the close of business on the expiration date specified in the applicable prospectus supplement. After the close of business on the expiration date or any later date to which we extend the expiration date, unexercised equity warrants will become void. Equity warrants for the purchase of preference shares or ordinary shares may be issued in the form of American Depositary Receipts.

Equity warrants may be exercised as set forth in the prospectus supplement applicable to the particular equity warrants. Upon delivery of payment of the exercise price and the equity warrant certificate properly completed and duly executed at the corporate trust office of the equity warrant agent or any other office indicated in the applicable prospectus supplement, we will, as soon as practicable, forward the equity securities that can be purchased upon such exercise of the equity warrants to the person entitled to them. If fewer than all of the equity warrants represented by the equity warrant certificate are exercised, a new equity warrant certificate will be issued for the remaining equity warrants. Holders of equity warrants will be required to pay any tax or governmental charge that may be imposed in connection with transferring the underlying equity securities in connection with the exercise of the equity warrants.

Street name and other indirect holders of equity warrants should consult their bank or brokers for information on how to exercise their equity warrants.

Modification and Waiver

There are three types of changes we can make to the equity warrant agreement and the equity warrants of any series.

Changes Requiring Approval of Each Holder. First, there are changes that cannot be made to the equity warrants or the equity warrant agreement under which they were issued without the approval of each holder. These are the following types of changes:

any increase in the exercise price;

any decrease in the total number of preference shares or ordinary shares that can be purchased upon exercise of any equity warrant;

any reduction of the period of time during which the equity warrants may be exercised;

any other change that materially and adversely affects the exercise rights of a holder of equity warrant certificates or the equity securities that can be purchased upon such exercise; and

any reduction in the number of outstanding unexercised equity warrants whose consent is required for any modification or amendment described below under **Changes Requiring a Majority Vote** .

Changes Requiring a Majority Vote. The second type of change to the equity warrant agreement or equity warrants of any series is the kind that requires a vote of approval by the holders of not less than a majority in number of the then outstanding unexercised equity warrants of that series. This category includes all changes other than those listed above

under Changes Requiring Approval of Each Holder or changes that would not adversely affect holders of equity warrants in any material respect.

Changes Not Requiring Approval. The third type of change does not require any vote or consent by the holders of equity warrant certificates. This type is limited to clarifications, amendments, supplement and other changes that would not adversely affect such holders in any material respect.

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Street name and other indirect holders of equity warrants should consult their bank or brokers for information on how approval may be granted or denied if we seek to change your equity warrants or the equity warrant agreement under which they were issued or request a waiver.

Merger, Consolidation, Sale or Other Dispositions

Under the equity warrant agreement for each series of equity warrants, we may consolidate with, or sell, convey or lease all or substantially all of our assets to, or merge with or into, any other corporation or firm to the extent permitted by the terms of the equity securities that can be purchased upon exercise of such equity warrants. If we consolidate with or merge into, or sell, lease or otherwise dispose of all or substantially all of our assets to, another corporation or firm, that corporation or firm must become legally responsible for our obligations under the equity warrant agreements and equity warrants and we will be relieved from all such obligations.

Enforceability of Rights; Governing Law

The equity warrant agent will act solely as our agent in connection with the issuance and exercise of equity warrants and will not assume any obligation or relationship of agency or trust for or with any holder of an equity warrant certificate or any owner of a beneficial interest in equity warrants. The holders of equity warrant certificates, without the consent of the equity warrant agent, the holder of any equity securities issued upon exercise of equity warrants or the holder of any other equity warrant certificates, may, on their own behalf and for their own benefit, enforce, and may institute and maintain any suit, action or proceeding against us to enforce, or otherwise in respect of, their rights to exercise equity warrants evidenced by their equity warrant certificates. Except as may otherwise be provided in the applicable prospectus supplement, each issue of equity warrants and the related equity warrant agreement will be governed by the laws of England and Wales.

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DESCRIPTION OF PREFERENCE SHARES WE MAY OFFER

Provided that sufficient authorized but unissued shares exist and that the directors have the required authority to allot shares, our articles of association allow us to issue new share capital with any rights or restrictions to it, subject to any special rights given to the holders of the existing share capital. The rights and restrictions attaching to such share capital can be decided either by shareholders by ordinary resolution or by the board of directors, provided that the rights or restrictions decided by the directors do not conflict with any decision by the shareholders. Under the laws of England and Wales, the board of directors requires express authority to allot preference shares which authority must either be given by an ordinary resolution of shareholders or be set out in the articles of association. Our board of directors currently has authority to allot up to 8,950,001,093 ordinary shares prior to the earlier of October 24, 2008 and our Annual General Meeting in 2008. However, currently all of our authorized but unissued shares are designated to be ordinary shares. In order to issue preference shares, we would need to redesignate some of these ordinary shares into preference shares or increase our share capital by the creation of more preference shares. Both of these actions would require the approval of shareholders by ordinary resolution.

If the preference shares have the right to participate only up to a specified amount of a dividend or capital distribution, we may issue them without complying with the provisions of English law that otherwise require companies to offer shares first to existing shareholders on a pre-emptive basis (these rights of existing shareholders are sometimes referred to as pre-emptive rights). However, pre-emptive rights would apply to any issuance of preference shares that are convertible into, or exchangeable for, other classes of our shares unless such rights are waived by a special resolution of our shareholders. Our shareholders have currently waived pre-emptive rights with respect to up to 2,537,500,317 ordinary shares for the issue of such shares for cash prior to the earlier of October 24, 2008 and our Annual General Meeting in 2008.

Subject to the foregoing, applicable law and the rights of other holders of our share capital, we may seek to issue preference shares in one or more series with such terms, rights and restrictions the company by ordinary resolution decides, or if no resolution has been passed or the resolution does not make specific provision, with such terms, rights and restrictions as our board of directors decides, including the following:

the maximum number of shares in the series;

the designation of the series;

any dividend rate, or basis for determining such a rate, on the shares of the series;

whether or not dividends will be cumulative and, if so, from which date or dates;

whether the shares of the series will be redeemable and, if so, the dates, prices and other terms and conditions of redemption;

whether the shares of the series will be convertible into, or exchangeable for, shares of stock of any other class or classes and, if so, the rate or rates of conversion or exchange, any terms of adjustment and whether the shares of the series will be convertible or exchangeable at our option, the option of holders of preference shares or both;

whether the shares of the series will have voting rights in addition to those provided by law and, if so, the terms of those voting rights;

the rights of the shares of the series in the event of a voluntary or involuntary liquidation, dissolution or winding up of Vodafone; and

any other relative rights, powers, preferences, qualifications, limitations or restrictions relating to the shares of the series.

The specific terms of each series of preference shares will be described in a prospectus supplement. However, the description of the preference shares set forth in this prospectus and in any applicable prospectus supplement is not complete without reference to the documents that govern the preference shares. These include the memorandum and articles of association and any document filed with the Companies Registrar in England and Wales setting out the terms of such preference shares. Any preference shares will be fully paid and nonassessable.

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The terms and manner in which we may redeem shares must be set forth in our articles of association. If we want to issue redeemable shares, we would need to amend our articles of association by special resolution to include such provisions. We must be authorized by our shareholders to repurchase any of our shares. Our shareholders have currently authorized us to make market purchases (e.g., purchases on the London Stock Exchange) of up to 5,200,000,000 of our existing ordinary shares (nominal value \$0.11 ³/₇ per share) at a price not exceeding the higher of 1) 5% above the average closing price of such shares for the five business days on the London Stock Exchange prior to the date of purchase and 2) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. From December 1, 2003, any shares repurchased by us may be canceled or held in treasury. Shares held in treasury may be reissued for cash or used to settle employee share schemes. The issuance for cash may include the release of a liability of the Company for a liquidated sum as well as an undertaking to pay cash to the Company within 90 days, but does not include selling shares in exchange for other shares or for goods or services.

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LEGAL OWNERSHIP

Street Name and Other Indirect Holders

We generally will not recognize investors who hold securities in accounts at banks or brokers as legal holders of securities. When we refer to the holders of securities, we mean only the actual legal and (if applicable) record holder of those securities. Holding securities in accounts at banks or brokers is called holding in street name. If you hold securities in street name, we will recognize only the bank or broker or the financial institution the bank or broker uses to hold its securities. These intermediary banks, brokers and other financial institutions pass along principal, interest, dividends and other payments on the securities, either because they agree to do so in their customer agreements or because they are legally required. If you hold securities in street name, you should check with your own institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle voting if it were ever required;

whether and how you can instruct it to send you securities and, if the securities are in registered form, have them registered in your own name, so you can be a direct holder as described below; and

how it would pursue rights under the securities if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders

Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, under the securities run only to the person with whom the securities are deposited, in the case of debt securities in bearer form, or in the special situations described on page 21, to persons who are registered as holders of the securities, in the case of securities in registered form. As noted above, we do not have obligations to you if you hold in street name or other indirect means, either because you choose to hold securities in that manner or because the securities are issued in the form of global securities as described below. For example, once we make payment to the registered holder or person with whom the security is deposited, we have no further res