



Tax and our total economic contribution to public finances

The amount of tax paid by large companies is a matter of significant public debate and scrutiny.

Individuals and companies have legal obligations to pay tax; but those obligations do not extend to paying more than the amount legally required. Companies also have a legal obligation to act in the interests of their shareholders. Vodafone's shareholders include many of the investment funds relied upon by tens of millions of individual pensioners and savers.

At the same time, individuals and companies must meet their responsibilities to contribute to the funding of public services and infrastructure, without which societies cannot operate effectively.

Achieving a transparent and effective balance between those obligations and responsibilities is therefore integral to operating sustainably.

£13.5 billion

In 2012/13, Vodafone contributed more than £13.5 billion in cash to the public finances in our countries of operation.

Understanding tax

When considering a company's tax contributions, there are several important factors to take into account.

- In many countries and for many companies, corporation tax payments only account for a small proportion of businesses' total tax contribution to national governments. For example, corporation tax accounts for around one-tenth of total tax paid to the UK Exchequer and one-third of total taxes paid to the UK Exchequer by the UK's largest 100 companies¹. Businesses also pay a very wide variety of additional taxes: as the Appendix demonstrates, corporation tax is only one of almost 50 different types of taxation paid by Vodafone's operating businesses every year.
- Corporation tax is paid on profits, not on revenues. If a company makes little or no profit – for example, as a consequence of declining sales, competitive market conditions or a period of intense capital investment, particularly if funded through borrowing, it will generally incur lower tax charges than another similar company with higher profits. This approach is common to all countries as without it, companies enduring periods of low profitability would be faced with disproportionate tax demands and significant disincentives for investment in infrastructure. In a number of Vodafone's markets, including the UK, the cost of acquiring radio spectrum from the government, high operating costs, substantial levels of capital expenditure and sustained competitive and regulatory pressures, have a significantly negative effect on the profits of our local businesses. In addition, in some markets, other taxes that are levied on revenue (together with non-taxation-based contributions such as spectrum fees) have the effect of depressing profit and so reducing corporation tax liabilities.

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- Taxation is local. Taxes generally fall due wherever profits are generated, and the tax liabilities that arise as a result are decided under the rules of the country that is host to the business in question. So, for example, a company operating in South Africa pays taxes to the South African government under tax rules determined by that country's government and a company operating in Italy pays taxes under Italian rules to the Italian government. Vodafone pays all taxes due under the law in all our countries of operation; in 2012/13, these amounted to more than £4 billion. For further details, see 'Multinationals, governments and tax'.
- Taxation is not the only route used by governments to raise revenue from businesses. Governments also use other mechanisms to derive revenues from business activities, including a wide range of licensing regimes, revenue or production-sharing agreements and, for communications companies, radio spectrum fees and auction proceeds. These additional sources of government revenue are often substantial – sometimes exceeding the monies raised through taxation – and represent a critically important contribution to public finances. It is therefore essential to take those government revenue-raising mechanisms into account when assessing the extent to which a company is playing its part in funding wider civil society.
- Large companies are an important source of investment and employment. Governments seeking to stimulate investment often develop corporate taxation regimes which are intended to attract the capital necessary to deliver key policy objectives. Those measures also have the effect of stimulating job creation, in turn leading to higher government revenues from employment taxes and increased levels of consumer spending on the part of an expanded workforce. This is particularly relevant when considering multi-billion pound, multi-year programmes to build critical national infrastructure, such as the UK government's target for universal broadband coverage by 2015. Political leaders make an active choice to incentivise corporate investment by offering capital allowances – to be offset against future corporate tax liabilities – in order to achieve a wider national benefit that would otherwise have to be funded directly by the state, invariably through public borrowing. These allowances are not 'loopholes': they reflect the public policy choices made by governments and also – wholly intentionally – have the effect of reducing tax liabilities for companies whose investment decisions support those policy choices.

In focus: Multinationals, governments and tax

Within the European Union and in many other territories, companies have a legal right to set up businesses in different countries and to trade freely across borders. All governments therefore seek to balance the need for tax revenues with the need to encourage companies to do business in and from their jurisdictions, through the development of competitive tax regimes.

Multinational companies choose from a range of locations when setting up certain centralised global operations, such as procurement or IT support. Their decisions are influenced by a wide range of factors beyond the local tax environment, including:

- the stability and predictability of the political, regulatory and social environment, including respect for the rule of law and compliance with international human rights conventions
- the availability of relevant skills within the local labour force
- labour costs, and the cost of operations
- the effectiveness of transport links
- the quality and reliability of communication networks
- the range and value of the real estate market.

In an international context, various treaties and inter-governmental agreements ensure multinational companies are not subject to 'double taxation' by paying tax twice over in two different countries in relation to the same economic activity. Governments also maintain measures that restrict companies from entering into artificial arrangements to move profits from one country to another lower-tax destination. These include requiring multinational companies to apply 'transfer pricing' rules to inter-company activities to ensure that profits are allocated to countries where the relevant economic activity takes place. Vodafone does not enter into artificial arrangements – for example, by artificially diverting profits to minimise tax payments to the UK Exchequer – and will only adopt business structures that reflect genuine and substantive commercial and operational activities.

Why does Vodafone pay little or no UK corporation tax?

As we explained above, all over the world, governments seeking to encourage companies to create jobs and build infrastructure develop a range of tax incentives to attract new capital investment. The UK is no different.

Vodafone makes huge investments in the UK. We spent over £1 billion in 2012/13 – up from £767 million in 2011/12 – building and upgrading the networks relied upon by millions of UK consumers and businesses. We also paid the UK government more than £7 billion for our UK radio spectrum licences. We raised the money for those licences from UK banks and capital markets, further increasing our overall UK borrowings: we're now paying more than £600 million a year in interest costs to UK banks and financial institutions.

As the UK government wants more investment in UK infrastructure and jobs, it allows all businesses to claim relief for the cost of assets used in the business against their profits when determining their corporation tax bills. The government also provides relief to all businesses for the cost of interest on their debts to UK banks and financial institutions. These allowances and reliefs are intentional, long-established and carefully considered: they reflect deliberate policy decisions by successive UK governments and are a cornerstone of UK taxation policy. Vodafone is no different to any other UK business, whatever its size: if a self-employed trader buys a new computer or a large UK business borrows money to build a new warehouse, exactly the same rules apply.

Corporation tax is charged on profits, not revenues. The UK is an expensive and highly competitive country in which to do business and has one of the least-profitable mobile markets anywhere in the world. Many people confuse revenues with profits. However, our UK profit is a small fraction of our gross UK revenues; below £300 million in 2012/13, which is significantly less than the interest costs on our UK debt and just over one-quarter of the amount of our annual UK capital investment programme.

Vodafone's UK corporation tax position is therefore determined by UK capital allowances for UK investment and UK debt interest relief on borrowings from UK banks and financial institutions, set against a (relatively very low) level of UK profit. As we explained earlier, our overseas financing subsidiaries have no bearing on our UK corporation tax position and we do not artificially transfer profits to minimise tax payments to the UK Exchequer.

Finally, as explained above, UK corporation tax accounts for a small proportion of the total taxes paid by UK businesses. In 2012/13, we paid the UK government £275 million in direct taxes and, as we show in the table below, our total cash contribution to the UK government was over £1.8 billion.

Tax conduct and principles

We are committed to acting with integrity in all tax matters. We always seek to operate under a policy of full transparency with the tax authorities in all countries in which we operate, disclosing all relevant facts in full, while seeking to build open and honest relationships in our day-to-day interactions with those authorities, in line with our Tax Code of Conduct, which is contained within our Tax Risk Management Strategy.

In forming our own assessment of the taxes legally due for each of our businesses around the world, we follow the principles stated in our publicly available Tax Risk Management Strategy. We have two important objectives: to protect value for our shareholders, in line with our broader fiduciary duties; and to comply fully with all relevant legal and regulatory obligations, in line with our stakeholders' expectations.

However, tax law is often unclear and subject to a broad range of interpretations. Furthermore, the financial affairs of large multinational corporations are unavoidably complex; we typically process and submit more than 12,000 tax returns to tax authorities around the world every year. The assessment and management of tax uncertainty is therefore a significant challenge for any company of Vodafone's scale, and the key issues are subject to review by the Board and Audit and Risk Committee.

Our overarching approach is to pursue clarity and predictability on all tax matters wherever feasible. We will only enter into commercial transactions where the associated approach to taxation is justifiable under any reasonable interpretation of the underlying facts, as well as compliant in law and regulation. Our Tax teams around the world are required to operate according to a clearly defined set of behaviours, including acting with integrity and communicating openly. These are aligned with the Vodafone Group Code of Conduct and the values set out in The Vodafone Way.

Contributing to the development of tax policy

When governments seek to develop or change tax policy, they invariably seek input from a wide range of interested stakeholders, including business advocacy groups and a large number of individual companies. Vodafone regularly engages with governments – typically through public consultation processes or in our role as a member of an industry group – to provide our perspective on how best to balance the need for government revenues from taxation against the need to ensure sustainable investment.

For example, we are active participants in the tax policy committee of the European Telecommunications Network Operators' Association (ETNO) and the Groupe Speciale Mobile Association (GSMA), which represents the industry when looking at emerging issues across the EU. In this role, we have shared our insights as a multinational operator with the European Commission Taxation and Customs Union Directorate-General (TAXUD). We are also one of the few companies in Italy to enter into the new cooperation compliance mechanism with the Italian Ministry of Finance.

We contribute to the tax committees of telecommunications industry organisations in Germany, which work on legal developments with tax policy and on tax administration, including the interpretation and application of tax law. In the UK, our Group Chief Financial Officer is a leading industry representative in the Government's Business Forum on Business Tax and Competitiveness, working to build a more competitive UK tax system. Vodafone also chairs the Finance Committee of the Cellular Operators Association in India and is a member of the South African Institute of Chartered Accountants (SAICA), which engages on a wide range of tax issues.

In December 2013, Vodafone won the PwC Building Public Trust Award 2013 for best Tax Reporting in the FTSE 100. These awards are designed to recognise 'truly outstanding tax reporting' and reflect 'a clear commitment' by the winning organisations to 'explain the tax environment in which they operate, as well as offering a detailed explanation of their goals, strategies, policies and wider economic contribution'.

In focus: India and tax

In 2007, Vodafone purchased an indirect stake in a company in India from Hutchison Telecommunications International Limited. After the acquisition was completed, the Indian tax authorities sought to raise a tax demand against Vodafone, even though the transaction took place outside India between two non-Indian entities and Vodafone was the buyer, not the seller.

The Indian tax authorities' actions led to a protracted legal dispute, which culminated in a hearing before the Indian Supreme Court. The Supreme Court examined all the facts related to the transaction before concluding unambiguously and unanimously, in January 2012, that no tax was due. The Court also highlighted that it was important for the Indian government to avoid penalising international investment in the country.

Although the country's highest court had vindicated Vodafone's position, the Indian government subsequently changed the law to introduce retrospective taxation rules. Those rules, which were backdated to 1962, were designed to require taxes to be paid retrospectively which, as the Supreme Court had concluded, could not be levied against Vodafone under any reasonable interpretation of the evidence or the law.

All businesses depend on tax policy predictability and certainty in order to plan investments for the long term. The Indian government's decision to rewrite half a century of tax legislation with immediate, retrospective effect was widely condemned worldwide, greatly damaged global business confidence in the Indian government and led to a marked reduction in the flow of investment into the country.

As a result, the Indian government commissioned an independent inquiry, led by the economist Parthasarathi Shome, to recommend a way forward. The Shome Committee concluded that retrospective tax rules should be introduced only in the 'rarest of rare' cases, and that, if applied to capital gains tax cases, the authorities should pursue the seller, not the buyer (Vodafone being the latter not the former in the case at issue).

While we maintain that no tax is due on the 2007 acquisition, we have informed the Indian government that as a committed long-term investor in India, we are willing to explore the possibility of a mutually acceptable solution. We continue to have constructive discussions with the Indian government regarding options for conciliation and have made it clear that any solution would need to be comprehensive in resolving the core of the dispute.

Over the last five years, Vodafone has become one of India's largest investors: we have spent more than £12.8 billion in building our business in the country since 2007. We are also one of the country's largest taxpayers: as we set out under our country-by-country total economic contribution table, in 2012/13 our direct and indirect contributions to Indian public finances exceeded £1.7 billion.

In focus: The HMRC/Vodafone Controlled Foreign Companies settlement

In 2010, Vodafone and Her Majesty's Revenue and Customs (HMRC) concluded a long-running legal dispute, focused on a specific point of UK and European tax legislation, with a full and final settlement of £1.25 billion.

The background to this settlement is highly complex. It was focused on an area of law whose application was unclear and which successive UK governments agreed needed to be rewritten. It involved nine years of legal argument, three court cases and two independent appeals, followed by a detailed HMRC review and settlement in 2010. That settlement was then followed by a National Audit Office (NAO) inquiry in 2012, assisted by a former High Court judge, Sir Andrew Park. The NAO report concluded that the HMRC/Vodafone settlement was a good outcome for the UK taxpayer and that if Vodafone had chosen to continue litigation instead of settling with HMRC "there was a substantial risk that the Department [HMRC] would have received nothing".

The dispute focused on the UK tax authorities' interpretation of Controlled Foreign Companies (CFC) legislation and began when Vodafone bought the Mannesmann conglomerate in Germany in 2000. This was an all-share transaction involving no borrowings or loans from Vodafone's UK business. Importantly, there was no reduction in Vodafone's UK tax contributions as a consequence and the dispute was not related in any way to the tax liabilities arising from our UK operations. We therefore questioned the UK tax authorities' application of the rules on both factual and legal grounds, in common with a number of other companies who had also challenged the UK's approach to CFC legislation.

As explained below, Vodafone's subsidiary in Luxembourg is the main financing company for our many operations around the world. The UK tax authorities argued that, had those financing activities been established and undertaken in the UK, they would have attracted tax in the UK, and that therefore tax should be payable under UK CFC provisions. Vodafone argued that, as a matter of European law, we were freely entitled to establish activities wherever we chose, and that as a matter of fact, these were neither artificial arrangements nor did they have any impact on Vodafone's UK tax liabilities.

The underlying facts were scrutinised by the UK tax authorities and the points of law involved were examined in detail by the European Court of Justice, the UK High Court and the UK Court of Appeal, prior to the decision to reach a settlement. Subsequently, the UK government sought to address a number of inconsistencies and flaws in UK CFC legislation, clarifying the UK's approach to this complex area of international taxation in new rules, which took effect in January 2013.

In focus: Vodafone and Luxembourg

Vodafone has a long-established and significant presence in Luxembourg. Our subsidiaries in that country manage the financing of many of the Group's international operating activities. In addition, the Group's global supplier contractual relationships are determined and controlled by our Luxembourg-based Vodafone Procurement Company and our international roaming team is also based in the country.

These are not 'brass plate' activities. Luxembourg is an attractive EU location for substantive business operations. Vodafone employs more than 300 people there to coordinate and manage more than €7 billion of global purchasing and 650 international roaming agreements. These enable Vodafone customers to communicate when travelling across more than 190 countries. Furthermore, and in line with international best practice, our Luxembourg subsidiary oversees the provision of financing to Vodafone's international businesses on a commercial 'arm's length' basis, reflecting the costs of borrowing from an external bank.

The Luxembourg tax regime is largely in line with that of many other EU member states, including a standard corporate tax rate of 29.22%. However, there is one important difference: under Luxembourg tax rules, write-downs on the book value of a company's assets are recognised as tax losses to be offset against company profits.

Those rules mirrored similar rules in place in Germany 13 years ago. When Vodafone's acquisition of the Mannesmann conglomerate in Germany in 2000 was followed by the dotcom crash, tens of billions of euros were wiped off the value of the former Mannesmann business, resulting in significant losses for the Luxembourg subsidiary involved and ultimately for all of Vodafone's shareholders.

Those historical losses more than offset our income in Luxembourg, leading to a low cash tax rate in that country. It is those losses which give rise to the €17.7 billion additional tax asset announced in our interim results March 2014. However, it is important to note that changes to the UK Controlled Foreign Company (CFC) rules introduced in 2013 mean that a proportion of profits from our Luxembourg subsidiary's global financing activities are also taxable in the UK.

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In focus: Verizon Wireless

In September 2013, we announced our intention to sell the US group, whose principal asset is Vodafone's 45% shareholding in Verizon Wireless, to our US joint venture partners, Verizon Communications Inc., for a total consideration of \$130 billion.

Our US group structure is predominantly a legacy of prior mergers and acquisitions dating back more than 14 years. Together with our Verizon Wireless shareholding, it also owns a range of minority non-US interests acquired in the merger with AirTouch Communications Inc. in 1999, together with other non-US interests acquired over time.

We will be exiting our principal US business as a result of the transaction and it would not make sense to leave these legacy non-US interests – which are not included in the sale to Verizon Communications – stranded in US jurisdiction. We will therefore undertake a rationalisation and reorganisation prior to completion of the transaction to ensure these non-US interests will be held by Vodafone outside the US in the future. That reorganisation will give rise to an estimated \$5 billion US tax liability under standard US tax rules. The amount to be paid to the US Treasury in due course will depend on the valuation of those non-US interests when the transaction completes in the first quarter of 2014.

Our US group has always been owned by one of Vodafone's European holding companies, based in the Netherlands, which also owns many of our other international assets. Our European holding company will sell the US group to Verizon Communications in its entirety once the rationalisation and reorganisation, described above, has been completed.

The sale of our US group is not taxable under standard US tax rules: under the US tax code, US tax is not imposed on these types of sales of shares by non-US-based entities. Such treatment is also consistent with US tax treaties. The sale is also not taxable under standard Dutch rules: long-established tax law in the Netherlands provides a participation exemption on dividends received and capital gains arising from the sale of shares by any Dutch company, whatever their size or the size of the transaction involved.

Whilst the UK is not a relevant jurisdiction for tax purposes, given the locations of the buyer and the seller, under rules established in 2002, the UK has similar shareholding disposal exemptions to those of the Netherlands.

A number of other EU countries have similar provisions in place, all of which are designed to stimulate long-term corporate investment and consequential broader benefits for the wider economy.

This section was first published in December 2013 and was subject to a separate independent assurance by EY.

For more details see our December 2013 Assurance Statement.

June 2014



Notes:

1. See Analyses of Corporation Tax receipts and liabilities and Total tax contribution: results of The Hundred Group 2012 survey

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Our economic contribution, country by country

This report was first published in December 2013 and the next version will be available in December 2014 on our corporate website.

Vodafone plays an important role in helping to develop the economies of the countries in which we operate. We are a major investor, taxpayer, employer and purchaser of local goods and services. We also make a vital contribution to the delivery of governments' policy objectives through our substantial capital expenditure in building the next generation of digital infrastructure.

We contribute directly to public finances through a wide range of taxes, as well as non-taxation revenue mechanisms, such as licence and regulatory fees. We also make a significant indirect contribution through the taxes paid by our employees and the suppliers that our businesses support (many of which are effectively dependent on the fact that we do business in the country in question), as well as through taxes collected on governments' behalf, such as sales taxes and VAT.

Assessing our contribution to public finances

The following table sets out the data for five of the most relevant indicators of Vodafone's total overall contribution to the public finances and wider economies within which we operate.

Certain data is only gathered and reconciled some time after the end of the previous financial year, for example, in relation to some non-taxation-based fees paid to national governments. Therefore, to ensure the most effective comparisons between different types of contribution within the same period, all the data presented in the table below is for the 2012/13 financial year and is drawn from our audited accounts.

In the 2012/13 financial year, Vodafone's businesses around the world paid more than £4.2 billion in direct taxes to governments in our countries of operation, plus more than £3.2 billion in other non-taxation-based fees and levies. Our businesses also made a total indirect tax contribution to national governments of £6.1 billion. Our total cumulative contribution to the public finances of our countries of operation was therefore more than £13.5 billion. We also invested more than £6 billion in the networks and services now relied upon by more than 400 million customers worldwide.

In the table below, the direct tax contributions to governments are reported on an annual actual cash paid basis for each local market as, in our view, these are among the most meaningful and transparent metrics to consider when assessing a company's tangible role in helping to fund public services. International accounting rules governing the reporting of a multinational company's profit and loss tax liabilities and charges are complex, reflecting a wide range of factors such as deferred taxation, losses, group-level taxation and

various provisions related to uncertain tax positions. The cash payments or reliefs arising from those factors may be several years in the future. As a result, there can be a variance between a multinational company's statutory reported numbers over a specific time period – particularly in territories with holding companies as well as a local operating company – and the actual cash paid numbers set out below¹.

For more detailed information about our financial performance in 2012/13, see our Annual Report at www.vodafone.com/content/annualreport/annual_report13/index.html

The columns in the table are explained below.

- **Direct government revenue contribution: taxation.** This encompasses Vodafone's total direct tax contribution in each country, including corporation tax, business rates or equivalent, employers' national insurance contributions or equivalent, municipal and city taxes, sector-specific taxes (such as 'special' taxes, 'telecoms' taxes or 'crisis' taxes), stamp duty land tax, stamp duty reserve tax, irrecoverable Value Added Tax (VAT), insurance premium tax, climate change levy, environmental taxes, customs duties, fuel excise duties, vehicle excise duty and acquisition taxes. An illustrative list of the types of taxes paid is set out in the Appendix.
- **Direct government revenue contribution: non-taxation mechanisms.** This encompasses all other forms of government revenue raised in addition to a country's direct taxation regime, including telecoms licence fees, radio spectrum management fees, proceeds from revenue-sharing agreements, usage fees and proceeds from radio spectrum auctions. Examples of these payment types are listed in the Appendix.
- **Indirect government revenue contribution.** This encompasses taxes collected by companies on behalf of national governments, including Pay As You Earn (PAYE) income tax, employees' national insurance contributions, withholding taxes, sales and consumption taxes and VAT. These indirect contributions to government revenue would not be collected (or generated to the same extent) if the company did not employ people and offer services or products to the customers responsible for paying the tax in question, or procure goods and services from its suppliers on which such taxes are due.
- **Capital investment.** Our significant investments in building the networks and services relied upon by more than 400 million Vodafone customers around the world are often taken into account by local tax authorities when determining corporate tax liabilities.

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• **Direct employment.** Vodafone is an important source of employment and skills transfer worldwide. We provide incomes, benefits and the potential for a high-technology sector career path for 91,272 people in more than 30 countries as of end March 2013 (2011/12: 86,373). In addition, we have contractual relationships with many thousands of suppliers and partner companies around the world, each of which relies to a greater or lesser extent on revenues from Vodafone to pay their employees' wages.

This data is intended to provide a broader insight into Vodafone's significant economic contribution to the societies in which we operate. We have no view on the merits of direct

versus indirect taxation, nor on the distinction between the revenues that flow to governments from taxation versus those obtained through other means, such as spectrum fees. Governments – not companies – determine the rules.

The figures set out in the table below will vary widely from country to country and from year to year as a result of local differences between, and annual movements in, factors such as levels of profit and capital investment. There are also wide variations in local taxation regimes and other government revenue-raising mechanisms, many of which change from year to year.

Total Economic Contribution – country by country

	Direct revenue contribution: taxation		Direct revenue contribution: other non-tax		Indirect revenue contribution		Capital investment		Direct employment	
	FY 12/13 £m	FY 11/12 £m	FY 12/13 £m	FY 11/12 £m	FY 12/13 £m	FY 11/12 £m	FY 12/13 £m	FY 11/12 £m	FY 12/13	FY 11/12
Europe¹										
Albania	4	6	1	1	16	12	20	22	420	438
Czech Republic	25	43	9	8	66	74	69	85	2,517	2,974
Germany	106	160	0	0	1,068	892	1,246	1,044	11,088	12,115
Greece	25	25	6	6	178	217	66	78	1,756	2,122 ⁵
Hungary	43	33	61	0	70	45	52	55	1,454	1,543
Ireland	24	22	149	8	92	84	102	117	1,081	1,122
Italy	425	668	12	1,069	903	1,333	579	653	5,750	5,838
Malta	37	5	2	2	9	6	26	9	312	312
Netherlands	65	43	1,124	0	233	217	219	243	3,456	3,034
Portugal	65	71	7	91	133	149	129	151	1,484	1,505
Romania	68	64	195	13	91	92	79	80	3,308	3,515
Spain	172	225	255	71	314	334	367	429	4,223	4,379
UK	275	338	825	21	776	523	1,076	767	7,850	8,151
Total	1,334	1,703	2,646	1,290	3,949	3,978	4,030	3,733	49,469³	47,151

Notes:

1. For example, see CBI – Tax and British Business: Making the Case and CBI – UK Corporation Tax system: 12 misunderstood concepts

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	Direct revenue contribution: taxation		Direct revenue contribution: other non-tax		Indirect revenue contribution		Capital investment		Direct employment	
	FY 12/13 £m	FY 11/12 £m	FY 12/13 £m	FY 11/12 £m	FY 12/13 £m	FY 11/12 £m	FY 12/13 £m	FY 11/12 £m	FY 12/13	FY 11/12
AMAP Region²										
Australia	7	7	26	26	33	49	281	347	2,060	2,656
DR Congo	23	54	16	5	25	3	49	24	606	585
Egypt	108	100	54	57	173	170	211	209	5,091	4,425 ⁴
Fiji	2	1	1	0	2	2	7	4	120	114
Ghana	6	6	3	2	38	46	36	57	1,279	1,392
India	289	257	442	414	986	802	555	815	11,996	11,234
Kenya	80	98	8	29	18	92	12	71	2,666	2,701
Lesotho	5	6	2	2	1	2	8	7	123	131
Mozambique	1	1	0	0	4	3	47	45	284	236
New Zealand	46	57	1	1	78	57	117	106	2,531	1,922
Qatar	1	0	0	1	0	0	69	69	420	378
South Africa	375	374	20	18	318	291	506	603	5,118	5,147
Tanzania	42	16	8	1	40	31	92	43	480	477
Turkey	454	299	0	19	375	446	247	266	3,340	3,312
Total	1,439	1,276	581	575	2,091	1,994	2,237	2,666	36,114	34,710
Non-OpCo	1,466	400	2	0	38	10	11	13	600	494
Global total	4,239	3,379	3,229	1,865	6,078	5,982	6,278	6,412	86,138⁶	82,355⁶

Notes:

The table above includes all contributions from countries within the Group's Europe and AMAP regions, as set out on page 5 of the Group's 2012/13 Annual Report and Accounts. Non-controlled interests and common functions are included within the 'Non-OpCo' line, unless the contribution is from a country already listed in the regions above.

1. Europe is now a combination of N&CE Europe and SE Europe, with the exception of Turkey which has moved to AMAP region
2. AMAP now includes Turkey, which was originally in N&CE region, along with Australia and Fiji, which are new countries to be included in this edition
3. The total figure for Europe includes 4,524 Cable and Wireless employees that cannot be apportioned by country
4. Egypt – the 11/12 figure was under-reported – it is corrected here (an increase of 41 people)
5. Greece – the 11/12 figure was over-reported – it is corrected here (a decrease of 103 people)
6. The global total direct employment numbers do not include some roles in global functions and some joint venture/non-controlled assets

'Non-OpCo' includes (i) subsidiaries in countries where the Group does not have an equity interest in a company which holds a licence to provide mobile telecommunications services and (ii) the US group which owns the 45% shareholding in Verizon Wireless.

'Non-OpCo' includes a direct revenue contribution of £17 million and an indirect revenue contribution of £29 million attributable to our activities in Luxembourg in 2013.

The source data is predominantly drawn from information included within the publicly available Vodafone Group Annual Report & Accounts, the public accounts of the Group's listed operating company subsidiaries and the accounts of various non-listed Group operating company subsidiaries. The Vodafone Group public accounts are certified by the Group's external auditors Deloitte and the public accounts of the Group's listed operating company subsidiaries are certified by those companies' external auditors. Additional data is subject to assurance by EY, in line with the approach taken for other metrics disclosed in this Sustainability Report.

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Key Vodafone Group financials and statistics at global level

	2010/11	2011/12	2012/13
Revenue (£m)	45,884	46,417	44,445
Adjusted operating profit (£m)	11,818	11,532	11,960
Free cash flow (£m)	7,049	6,105	5,608
Market capitalisation (as at 31 March) (£m)	91,034	85,490	91,300
Group customers (million)	370.9	404.7	403.9

For more detailed information about our latest financial performance in 2012/13, see our Annual Report at www.vodafone.com/content/annualreport/annual_report13/index.html

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Appendix: Taxation types

The table below provides an illustrative overview of the types of taxation paid by Vodafone operating companies around the world every year.

Direct taxation

Advertisement tax
Air passenger duty
Airtime excise tax
Business rates
Capital gains tax
Climate change levy
Commission levy
Communications services tax
Construction tax
Corporation tax
Customs duty
Donations tax
Economic activity tax
Education tax
Employers' national insurance contributions
Environment tax
Excise duty
Expatriate tax
Fuel duty
Garbage tax
ICA/turnover tax
Import duty
Insurance premium tax
Interconnect tax
International inbound call termination surtax
Irrecoverable VAT
Judicial tax
Mobile telecoms services VAT
Mobile telecoms VAT (higher rate)
Municipal and city rates
Municipal tax on immovable property
Municipal waste tax
National health insurance levy
Numbering tax

PAYE settlements
Site rental tax
Social security tax
Special communications tax
Special consumption tax
Sprint payments
Stamp duty land tax
Stamp duty reserve tax
Tax on public domain/fixed lines
Technology tax
Universal service tax
Vehicle excise duty
Withholding tax
Workers' compensation insurance levy

Non-taxation-based fees

Chamber of commerce fees
IMEI number registration fees
Licence renewal fees
National Copyright Collecting (SIAE) fees
Network usage fees
Proceeds from revenue-sharing agreements
Radio link fees
Spectrum auction receipts
Spectrum management fees
Telecoms levy
Telecoms licence fees
Usage fees
Wireless connection fees
Wireless usage fees

This section was first published in December 2013 and was subject to a separate independent assurance by EY. For more details see our December 2013 Assurance Statement, June 2014

