Information in the following communication relating to the price at which relevant investments have been bought or sold in the past, or the yield on such investments, cannot be relied upon as a guide to the future performance of such investments. This communication does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within the Group.

The presentation contains forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995 which are subject to risks and uncertainties because they relate to future events. These forward-looking statements include, without limitation, statements in relation to the Group’s financial outlook and future performance. Some of the factors which may cause actual results to differ from these forward-looking statements can be found by referring to the information contained under the heading “Forward-looking statements” and “Principal risk factors and uncertainties” in our annual report for the year ended 31 March 2014, which can be found on the Group’s website (www.vodafone.com/investor).

The presentation also contains non-GAAP financial information which the Group’s management believes is valuable in understanding the performance of the Group or the Group’s businesses. However, non-GAAP information is not uniformly defined by all companies and therefore it may not be comparable with similarly titled measures disclosed by other companies, including those in the Group’s industry. Although these measures are important in the assessment and management of the business, they should not be viewed in isolation or as replacements for, but rather as complementary to, the comparable GAAP measures.

Vodafone and the Vodafone Speech Mark are trademarks of Vodafone Group Plc. Other product and company names mentioned herein may be the trademarks of their respective owners.
What is Machine to Machine?

M2M – “The Internet of things”

Capture
Transmit
Use

M2M application
M2M market: highly attractive with strong growth prospects

Mobile M2M connections (m)

- 2013: 100
- 2014: 200
- 2015: 300
- 2016: 400
- 2017: 500
- 2018: 600

CAGR 2013-18: +26%

Total M2M market value by segment (€bn)

- Application Services: 23, 26, 30, 34, 38, 44 (15% CAGR 2013-18)
- Connectivity: 23, 26, 30, 34, 38, 44 (13% CAGR 2013-18)
- Hardware: 23, 26, 30, 34, 38, 44 (10% CAGR 2013-18)

1 Source: Berg Insight, Machina Research & Analysys Mason, Beeham Research, plus analysis from the Vodafone M2M

- c.200m M2M connections globally forecast to grow to over 500m by 2018

- Application & professional services largest and fastest growing segment

- Automotive, consumer electronic and energy & utilities leading sectors with 30% adoption rates
Drivers of growth

- **Operational efficiency**
  - Process optimisation & automation
  - ✔ Save time and money

- **New business models**
  - Innovation and new product development
  - ✔ Stay ahead of the game

- **Customer satisfaction**
  - Improvements tailored to customer needs
  - ✔ Increase customer loyalty

- **Compliance**
  - Regulation and legislation support
  - ✔ Avoid penalties and improve business practices

- **Sustainability**
  - Efficient business practices
  - ✔ Reduce CO₂ and energy costs
## Characteristics of M2M contracts

<table>
<thead>
<tr>
<th>Feature</th>
<th>Machine to Machine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average lead time</td>
<td>13 months</td>
</tr>
<tr>
<td>Connections</td>
<td>Many</td>
</tr>
<tr>
<td>Devices</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Average contract length</td>
<td>48 months</td>
</tr>
<tr>
<td>Churn</td>
<td>Almost none</td>
</tr>
<tr>
<td>Financials</td>
<td>Low ARPU, high margin</td>
</tr>
<tr>
<td>Tariff</td>
<td>Bespoke</td>
</tr>
</tbody>
</table>
Our M2M business

Market ranking
Market leader, ranked number 1

Market share
26% Europe, 8% globally\(^1\)

M2M connections
17.5m globally

Financial performance
M2M revenue £243m in FY 13/14, +21% YoY

---

\(^1\) Market share by number of connections (company estimate)
Vodafone M2M brings together unrivalled capabilities

**Our network**
- One of the largest communications networks in the world

**Our offering**
- Global M2M Platform
- Global SIM
- Managed connectivity
- Connected products
- Professional services
- Partnerships

**Our experience**
- Market leader
- World-leading reference projects
- Our organisation and people

More confidently connected
Unmatched services
Proven to transform business
Our strategy

1. **Increase market share** through footprint expansion in our core managed M2M propositions.

2. **Expand propositions** to fixed line and consumer M2M services.

3. **Move up the M2M value chain** growing in M2M Application Services.
Acquisition of Cobra Automotive technologies

- €145m acquisition
- Supplies worldwide vehicle-centric products and services, including:
  - Automotive telematics
  - Stolen vehicle tracking
  - Usage based insurance
- Operations in 10 countries

Benefits:
- Significantly strengthens our telematics and application services capabilities
- Further strengthens our position in the automotive sector
- Opportunity to broaden applications portfolio to other verticals

Creating a market leading connected car services provider

European M2M Automotive Comms. & Telematics Services market (€m)¹

¹ Data Source: Analysis Mason and other leading M2M market analysts
Case study 1: supporting new business solutions

Vodafone M2M is providing the connectivity that supports in-car entertainment services, remote maintenance and diagnostics, emergency and breakdown alerts.

We’re helping BMW stay in touch with its customers by installing a robust M2M SIM in all of its cars during manufacturing.

1. BMW Connected Drive
   - Offers customers a wide range of intelligent services and apps
   - These provide information and entertainment during journeys
   - Launched in more than 30 countries

2. BMW Drive Now – car sharing
   - Cars can be located and reserved via web or mobile app
   - More than 110,000 registered customers
   - Live in Munich, Berlin, Düsseldorf, Köln and San Francisco
Case study 2: helping tackle biosecurity threats

Global remote monitoring

iDefigo Group is using Vodafone’s Global M2M platform for its innovative wireless, solar powered surveillance solutions - including a biosecurity monitoring systems that can combat the spread of invasive species, such as insects, via cruise ships.

The M2M platform underpins iDefigo’s cloud-based platform, enabling customers to obtain and manage footage from any location across the globe.

The company will use Vodafone’s global M2M SIM as part of its surveillance solutions deployed in the UK, Europe, US and Asia Pacific.
Case study 3: improving users’ experience

Amazon has revolutionised the e-Reader market, tapping into the potential for book lovers to buy, download and read digitised content from a device even when they were on the go.

**Kindle e-Reader** - Vodafone provides embedded 3G connectivity for the new generation Kindle e-readers.

**Kindle Fire** - In 2013 Amazon launched Kindle Fire HDX 4G LTE, giving customers ultrafast access to millions of books, movies, music tracks, apps and the internet via Vodafone’s 3G and 4G networks.

546,000 connections to date
Summary

1. The M2M market is rapidly evolving with strong long-term growth prospects

2. Vodafone is a market leader in M2M

3. We are well positioned to increase market share and grow in new verticals

4. We have a clear strategy and unique capabilities that are hard to replicate
Q&A
Our global customer base