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2. Vodafone Italy competitive core assets
3. Strategic positioning and objectives
4. Summary

Vodafone Italy market share

Customer market share

<table>
<thead>
<tr>
<th></th>
<th>FY04/05</th>
<th>FY05/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-05</td>
<td>35.0%</td>
<td>40.7%</td>
</tr>
<tr>
<td>Mar-06</td>
<td>18.8%</td>
<td>46.1%</td>
</tr>
</tbody>
</table>

Revenue market share

<table>
<thead>
<tr>
<th></th>
<th>FY04/05</th>
<th>FY05/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-05</td>
<td>12.9%</td>
<td>45.8%</td>
</tr>
<tr>
<td>Mar-06</td>
<td>37.5%</td>
<td>42.7%</td>
</tr>
</tbody>
</table>

Relative EBITDA profit share (vs. TIM)

<table>
<thead>
<tr>
<th></th>
<th>FY04/05</th>
<th>FY05/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-05</td>
<td>54.4%</td>
<td>53.3%</td>
</tr>
<tr>
<td>Mar-06</td>
<td>45.6%</td>
<td>46.7%</td>
</tr>
</tbody>
</table>

Focus on high value customers and profitable growth

Excluding additional brand royalties
Source: Company and external data, company estimates
Italian mobile market

Penetration (%)\(^1\)

Outgoing mobile minutes of usage (bn)\(^2\)

Mobile vs fixed pricing\(^2\)

Italian telecommunications market

Total revenues (Ebn)

Mobile market is still growing; fixed market is large but stable

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\(^1\) Source: Deutsche Bank 7th Italian Conference (Milan, May 2006); Strategy Analytics

\(^2\) Source: Deutsche Bank 7th Italian Conference (Milan, May 2006)
From mobile to Mobile Plus strategy – sizing the opportunity in the fixed market

Fixed line revenues (€bn)

<table>
<thead>
<tr>
<th></th>
<th>2001 Line rental</th>
<th>2005 Voice</th>
<th>2010 Data &amp; Broadband</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>4.1</td>
<td>11.8</td>
<td>22.5</td>
</tr>
<tr>
<td>2005</td>
<td>4.4</td>
<td>9.9</td>
<td>20.3</td>
</tr>
<tr>
<td>2010</td>
<td>3.9</td>
<td>8.6</td>
<td>20.8</td>
</tr>
</tbody>
</table>

- **CAAGR 2001-2005**: +0.5%  +13.2%
- **CAAGR 2005-2010**: -0.1%  +4.5%

- TI is still the dominant player with more than c.80% revenue market share
- Broadband and line rental markets are large untapped growth opportunities for Vodafone Italy

Source: Deutsche Bank 7th Italian Conference (Milan, May 2006); Company estimates

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Regulatory environment

- **Level playing field**
  - NRA intervention necessary to manage Telecom Italia’s dominant position
  - Need to ensure level playing field in the case of integrated fixed and mobile offers

- **MVNOs**
  - Expect to see MVNOs enter Italian market
  - Evaluating commercial opportunities taking account of European experience

- **Additional frequencies and re-farming**
  - Additional UMTS frequencies freed up by IPSE
  - Evaluating re-farming of 900MHz analogue frequencies for UMTS

- **Termination rates**
  - NRA has already indicated that from 1 July 2006 the rate will move from 12.1 €cent to 11.2 €cent
  - From 1 July 2007, the rate is expected to fall further to 10.1 €cent

6 Analyst and Investor Day – Vodafone Italy
Vodafone Italy distinctive assets provide a solid platform for growth

**Customer lifecycle management**
- Distinctive approach to customer value management
- Value driven methodology

**Distribution structure**

**Global capabilities**

**Brand**
Value driven customer lifecycle management

Customer acquisition
• Align subsidy and trade commissions to expected customer value
New acquisitions pay back period at c.2 months

Customer service
• Differentiate service levels according to value potential
Reply within 10 sec for over 85% of high value customers (HVCs)

Customer development & loyalty
• Up-sell/cross-sell
• Strengthen customer relationship
Largest loyalty program in Italy: c.13m subs (85% penetration on HVC)

Churn prevention
• Proactively manage customers propensity to churn
Proactive management of 450k calls per month

Customer retention
• Invest resources to keep high value customers
High value tiers annual churn rate at 5.8%

Source: Company data

Vodafone Italy distinctive assets provide a solid platform for growth

Customer lifecycle management
• Distinctive approach to customer value management
• Value driven methodology

Global capabilities

Distribution structure¹
• Strong fully dedicated salesforce
  - c.900 mono-brand shops
  - c.800 business agents
  - c.7,000 commercial shops
• New focus on outbound sales

Brand

¹ As of September 2006

Source: Company data
Vodafone Italy distinctive assets provide a solid platform for growth

Customer lifecycle management
- Distinctive approach to customer value management
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Global capabilities

Distribution structure¹
- Strong fully dedicated salesforce
  - c.900 mono-brand shops
  - c.800 business agents
- c.7,000 commercial shops
- New focus on outbound sales

Brand²
- Leader in consumer and business customer satisfaction
- Leader in brand preference

¹As at September 2006, ²As at July 2006

Brand - customer satisfaction leadership

Source: CFI (July 2006)

Leader in brand preference: 88 (+6 vs. TIM)
Vodafone Italy distinctive assets provide a solid platform for growth

Customer lifecycle management
- Distinctive approach to customer value management
- Value driven methodology

Global capabilities
- Product innovation
- Procurement efficiencies
- Roaming agreements

Distribution structure
- Strong fully dedicated salesforce
  - c.900 mono-brand shops
  - c.800 business agents
- c.7,000 commercial shops
- New focus on outbound sales

Brand
- Leader in consumer and business customer satisfaction
- Leader in brand preference

As at September 2006
As at July 2006

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Driving profitable growth in the Italian market

Revenue stimulation
- Demand stimulation “Growing the core”
- Mobile Plus strategy “Expand market boundaries”

Cost reduction
- Deliver in-market efficiencies
- Deliver global scale benefits

Demand stimulation – Consumer offers and results

<table>
<thead>
<tr>
<th>Activity</th>
<th>Examples</th>
<th>Outgoing minutes growth rate YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff plans</td>
<td>Vodafone Infinity</td>
<td></td>
</tr>
<tr>
<td>Promotions</td>
<td>00 Summer</td>
<td></td>
</tr>
<tr>
<td>Service features</td>
<td>Recall on Busy</td>
<td></td>
</tr>
<tr>
<td>Top up management</td>
<td>Credit balance transfer</td>
<td></td>
</tr>
</tbody>
</table>

Source: Company data

18 Analyst and Investor Day – Vodafone Italy
### Demand stimulation – Business offers and results

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Key results</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSDPA launch</td>
<td>• First to launch HSDPA and first to achieve HSDPA coverage across entire UMTS network (from July 2006)</td>
</tr>
<tr>
<td></td>
<td>• c.70% of all data cards sold since launch are HSDPA enabled</td>
</tr>
<tr>
<td></td>
<td>• Evolving performance from 1.8Mbps to 3.6Mbps (peak rates)</td>
</tr>
<tr>
<td>New data bundles</td>
<td>• New subscribers have an ARPU 25% higher than average business customer base (early results)</td>
</tr>
<tr>
<td></td>
<td>• Over 85% increase in monthly usage (early results)</td>
</tr>
<tr>
<td>Vodafone “Prodigio”</td>
<td>• First “mobile package” in the market bundling handset, tariff and innovative services (push e-mail and navigator)</td>
</tr>
<tr>
<td></td>
<td>• Over 30% share of Vodafone push e-mail customers after 6 months</td>
</tr>
<tr>
<td>Mobile VPN (Vodafone RAM)</td>
<td>• More than 930k customers on RAM plans</td>
</tr>
<tr>
<td></td>
<td>• Usage 27% higher than average business usage</td>
</tr>
</tbody>
</table>

Source: Company data

### Demand stimulation – growing ARPU from messaging and data

- Over 3.4m 3G terminals
- 140k 3G Vodafone Mobile Connect datacards of which 15% HSDPA enabled
- 3G revenues 14% of service revenues in Q1 FY06/07 and up over 200% YoY
- c.778m MMS sent by an average of c.1.9m monthly users (year to July 2006)
- Vodafone live! evolution - from walled garden to mobile internet
  - Friendly off net partners
  - Easy web access
  - Facilities for communities
  - WAP advertising
- Interactive DJ - interactive, personalised music service on your mobile and PC

**Non-voice ARPU uplift**

<table>
<thead>
<tr>
<th></th>
<th>Pre 3G</th>
<th>3G</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>10.1</td>
<td>11.5</td>
</tr>
<tr>
<td>% uplift</td>
<td>+14%</td>
<td></td>
</tr>
</tbody>
</table>

1As at August 2006; 2Uplift for 4 cohorts of 3G customers who upgraded between December 2004 and June 2005, monthly ARPU
Revenue stimulation - Mobile Plus strategy

**Already in the market**

- **Voice**
  - Consumer and business (Vodafone Casa and Vodafone Office)
    - Standard handset / SIM
    - Mobile number
    - Mobile termination

- **Data**
  - HSDPA up to 1.8 Mbps
  - Commercial agreement with Fastweb for DSL access (up to 20 Mbps)

**Planned**

- In the home with geographic number portability
  - Mobile and fixed number
  - Mobile and fixed termination

- HSDPA up to 3.6 Mbps

- Vodafone branded DSL

Source: Company and Fastweb data

Mobile Plus strategy - innovation for growth

**Stepping into fixed voice**

- Vodafone Casa

**Stepping into fixed broadband**

- Vodafone Casa

**Leveraging technology for full voice and data offer...**

... when mobile at Home and in Office
Cost reduction

In-market efficiencies

- Customer relationship management
  - Productivity improvement
  - Leverage process automation
- Network simplification
  - Supply chain management
  - New core IP architecture

Global capabilities

- Partnership for application development and maintenance
- Platform sharing (e.g. service platforms)
- Supply chain management
- Global sourcing of technology equipment

Continuous focus of realising efficiencies and reducing costs

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From mobile to total communications

Value creation leadership

Value for money perception

Customer delight leadership

Relevant innovation

Demand stimulation

Value tiering and cost management

FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives. In particular, such forward-looking statements include statements with respect to: Vodafone’s expectations as to launch and roll-out dates for products, services or technologies offered by Vodafone; Vodafone’s strategies regarding revenue growth; intentions regarding the development of products and services introduced by Vodafone or by Vodafone in conjunction with third parties; mobile penetration and coverage rates as well as fixed to mobile substitution; mobile penetration and coverage rates as well as fixed to mobile substitution; mobile penetration and coverage rates; the growth of the Italian and Spanish telecommunications markets; changes in the regulatory environment in those jurisdictions; growth in customers and usage, including improvements in customer mix; future performance — including turnover, average revenue per user ("ARPU"), cash flows, costs, capital expenditures and margins, non-voice services and their revenue contribution; the ability to realize synergies through cost savings, revenue generating services, benchmarking and operational experience; and Vodafone’s ability to be one of the market leaders and improve its market share.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “anticipates”, “aims”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans” or “targets”. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, 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, 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; slower than expected revenue and usage stimulation for consumers and enterprises (including 3G data usage relating to enterprise connectivity); the ability of the Group to make efficient use of resources based on local and regional scale; changes in the spending patterns of new and 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 Vodafone’s requirements; Vodafone’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; the possibility that the pursuit of new, unexpected strategic opportunities may have a negative impact on Vodafone’s financial performance; changes in the regulatory framework in which Vodafone operates, including possible action by regulators in those markets or by the EU regulating rates Vodafone is permitted to charge; the impact of legal or other proceedings against Vodafone 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; changes in exchange rates, including particularly the exchange rate of pounds sterling to the euro; and changes in tax legislation in the jurisdictions in which the Group operates.