Citi European and Emerging Markets Telecoms Conference

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# 2010 Strategy update: a more valuable Vodafone

## Leadership focus
Europe, Africa, India

## A growth strategy from data
- Mobile data: accelerate across footprint
- Enterprise: exploit opportunity across footprint
- Emerging markets: drive penetration and data adoption
- Total Communications: continue to develop services in Europe
- New services: deliver growth opportunities

## Value & efficiency from scale
Continue to enhance efficiency and realise scale benefits

## Asset / portfolio strategy
Generate liquidity or free cash flow from all non-controlled assets

## Capital discipline and financial objectives
- Profitable investment and shareholder returns
- Continue to apply rigorous investment criteria to deployment of surplus capital and regular assessment of all assets
Mobile data will drive global telecoms growth

2010e - 14e global telecoms revenue / change

2014 Revenue: $295bn

$626bn

$281bn

$337bn

$138bn

- Fixed voice: $(70)bn
- Mobile voice: $24bn
- Fixed data: $49bn
- Mobile data: $138bn

Existing presence
Selective expansion
Strategic focus

Source: IDC Worldwide Black Book 2010
“Supermobile”: acceleration of mobile data growth opportunity

<table>
<thead>
<tr>
<th>Technology</th>
<th>Best experience</th>
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<tbody>
<tr>
<td>Pricing</td>
<td>Ability to optimise spending and usage</td>
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<tr>
<td>Customer experience</td>
<td>Redesigned for data</td>
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<tr>
<td>Devices</td>
<td>All leading products</td>
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Delivering data growth earlier and more profitably
Enterprise: selective expansion in growth segments

**SoHo and SME**
- Exploit migration to IP based comms with 'Vodafone One Net'
- **Third party cloud solutions** (IBM Lotus, Microsoft)

**Domestic Corporate**
- **Unified communications solutions** in partnership with Cisco
- Grow domestic **IP-virtual private networks**
- Network integration skills

**Multi National Companies**
- Push 'Managed Mobility' Service
- Extend to smaller MNCs (VGE 'lite')
- Extend **unified communication solutions** in partnership over time
Emerging markets: penetration will continue to drive growth

**GDP growth (2010e - 14e CAGR)**
- South Africa: 5%
- Egypt: 10%
- India: 11%

**Market customers growth (2010e - 14e CAGR)**
- South Africa: 6%
- Egypt: 7%
- India: 18%

**Mobile SIM penetration will rise further**
- South Africa: 104% to 130%
- Egypt: 74% to 93%
- India: 60% to 109%

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2. Informa WCIS (Nov 2010)
New services: executing on growth opportunities

**Already underway**

- **Machine to machine**
  Smart metering, car telematics, tracking
  Business unit established c.100 employees

- **3rd party billing**
  Platform developed for content providers and software developers
  ‘Mondrian’ payment system rolled out in 10 European markets

- **Financial services**
  M-PESA - Kenya, Tanzania, Afghanistan, Fiji, South Africa
  19 million customers
  Further roll-out to begin

**New Areas**

- **Near field communications**
  Trials underway in Spain and Germany
  High margin revenue opportunity in established markets

- **Push mobile advertising**
  Establish end-to-end advertising platform
  Access to attractive captive audiences across all demographics

High margin revenue opportunity in established markets

Access to attractive captive audiences across all demographics
Group scale advantage and cost focus

- Delivering cost efficiency programmes: £1bn completed; second £1bn on track
- Reduction of European cost structure; good performance vs. peers
- Significant benefits generated by Vodafone Group
  - Technology standardisation & optimisation
  - Supply chain savings
  - Terminals: purchasing efficiencies and lower cost data devices
  - Tax & Treasury benefits
- 7th most valuable brand across the globe¹

¹ Source: BrandFinance global ranking
Releasing liquidity or free cash flow from minorities

<table>
<thead>
<tr>
<th>Non-controlled assets</th>
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<tr>
<td><strong>Status</strong></td>
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<tr>
<td>• #1 market position in USA</td>
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<tr>
<td>• Market growth</td>
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<tr>
<td>• Most valuable data market</td>
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<tr>
<td>• Commercial co-operation</td>
</tr>
<tr>
<td>• Strong #2 converged operator in France</td>
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<tr>
<td>• Cash generative and dividend paying</td>
</tr>
<tr>
<td>• #1 operator in Poland</td>
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Medium term goals

Group outlook to FY 13/14

Service revenue
1-4% p.a. organic growth

EBITDA margins
Stabilising

Free cash flow
£6-7 billion p.a.

Main variables

Data migration economics

European economy

Public policy decisions

Verizon Wireless dividends

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1. Medium term guidance is based on FX £1: €1.15 and £1: US$1.50 and excludes the impact of licence and spectrum purchases, material one-off tax related payments and restructuring costs, if any, and assumes no material change to the current structure of the Group
Q3 performance: delivering on our strategy

- Further revenue growth improvement across both regions
- Commercial success in smartphones and data
- Strong free cash flow generation continues
- Focus on Southern Europe, Supermobile and cost base
- £2.8bn share buy back programme now 70% complete
- FY AOP expectation towards the upper end of £11.8bn - £12.2bn guidance range

1. On the basis provided in November 2010. The impact of the launch of the iPhone by Verizon Wireless will be separately identified in the preliminary results in May 2011.
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: the financial guidance for the 2011 financial year contained in slide 12 and the statements relating to the Group’s future performance generally; statements relating to the development and launch of certain products, services and technologies; expectations regarding growth in customers and usage and mobile data growth and technological advancements; expectations regarding revenue, adjusted operating profit, EBITDA, free cash flows, adjusted effective tax rates, costs, tax settlements and capital expenditures; and expectations regarding the integration or performance of current and future investments, associates, joint ventures and newly acquired businesses.

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”, “will” 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, 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, which could require changes to the Group’s pricing models, lead to customer churn or make it more difficult to acquire new customers; the impact of investment in network capacity and the deployment of new technologies, or the rapid obsolescence of existing technology; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers and the possibility that new products and services will not be commercially accepted or perform according to expectations; the Group’s ability to renew or obtain necessary licences; the Group’s ability to achieve cost savings; the Group’s ability to execute its strategy in mobile data, enterprise and broadband and in emerging markets; changes in foreign exchange rates or interest rates; the ability to realise benefits from entering into partnerships for developing data and internet services and entering into service franchising and brand licensing; unfavourable consequences of acquisitions or disposals; changes in the regulatory framework in which the Group operates; statements relating to the Group’s continuing tax rate; statements relating to the Group’s continuing capital spending; statements relating to the feasibility of the Group’s technological advancements; expectations regarding revenue, adjusted operating profit, EBITDA, free cash flows, adjusted effective tax rates, costs, tax settlements and capital expenditures; and expectations regarding the integration or performance of current and future investments, associates, joint ventures and newly acquired businesses.

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 by referring to the information contained under the heading “Forward-looking statements” in our half-year financial report for the six months ended 30 September 2010 and “Principal risk factors and uncertainties” in our Annual Report for the year ended 31 March 2010. The half-year financial report and the annual report can be found on the Group’s website (www.vodafone.com). 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 presentation will be realised. Except as otherwise stated herein and as may be required to comply with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.