Vodafone Group Plc
Bringing ‘Supermobile’ to life

Vittorio Colao
20 September 2011
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Economic environment

Europe remains challenging, but we have significant exposure to growing economies and attractive markets.

<table>
<thead>
<tr>
<th></th>
<th>% proportionate EBITDA</th>
<th>Operating environment</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Macro</td>
</tr>
<tr>
<td>Europe</td>
<td>49%</td>
<td>red</td>
</tr>
<tr>
<td>AMAP</td>
<td>18%</td>
<td>green</td>
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<tr>
<td>US</td>
<td>33%</td>
<td>orange</td>
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1. FY11 Consolidated Group EBITDA plus 45% of Verizon Wireless EBITDA
‘Delayering’ opens opportunities... which we have to be ready for

<table>
<thead>
<tr>
<th>Service</th>
<th>Consumer</th>
<th>Enterprise</th>
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<tbody>
<tr>
<td></td>
<td>• Skype</td>
<td>Vodafone Business Services e.g.:</td>
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<tr>
<td></td>
<td>• What's App</td>
<td>• Device Management</td>
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<tr>
<td></td>
<td>• iTunes</td>
<td>• Security</td>
</tr>
<tr>
<td></td>
<td>• Amazon</td>
<td>• Office 365 etc.</td>
</tr>
<tr>
<td></td>
<td>• App store</td>
<td></td>
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<tr>
<td>Platform</td>
<td>Fixed operators</td>
<td>Vodafone One Net</td>
</tr>
<tr>
<td>Network</td>
<td>More competitors at all layers. Distinctive assets to be leveraged into new services</td>
<td>More competition. Increasing importance of corporate mobility creates opportunities</td>
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Update on ‘Supermobile’: differentiation and growth from mobile data

<table>
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<tr>
<th>Network</th>
<th>Monetising a faster and smarter infrastructure</th>
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<tbody>
<tr>
<td>Pricing</td>
<td>Defending the core and capturing data growth</td>
</tr>
<tr>
<td>Customer experience</td>
<td>Making mobile services simple and intuitive</td>
</tr>
<tr>
<td>Devices</td>
<td>Offering a wide range across all market segments</td>
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Network performance continues to improve

Europe: average user download speed (Mbps)
- Market leading data performance in 11 out of 13 European markets
- Gap increasing in 2011 – now 44% higher average download speed than closest competitors
- Vodafone average network speeds have nearly doubled in two years

Europe: average user upload speed (Mbps)
LTE in Germany: excellent speeds and experience

**Rural**: digital divide/bitstream substitution; growth plus lower cost base

- Initial LTE deployment successful:
  - 2,500 sites/12 million households covered by March 2012
  - Great customer experience: NPS +32
  - 50% of customers at >12 Mbps during busy hour

- HSPA+/UMTS 900 will be main deployment for next 3-4 years:
  - Delayed availability of 800 MHz spectrum
  - Single RAN reduces opex, makes subsequent LTE deployment rapid and low cost

**Urban**

- MBB/mobile internet, driving increased usage through higher speeds

**Suburban potential**: LLU substitution, lower cost base
## LTE Germany roadmap

| Broadband internet at home | • Highspeed tariffs up to 50 Mbps downstream  
• Single- and multiuser (WiFi) devices  
✓ Since December 2010 |
|----------------------------|-------------------------------------------------------------|
| Full fixed mobile substitution / upgrade | • Double play fixed line proposition with voice and internet access  
• Voice features include QoS and “ISDN” feature set  
• Instant access with LTE modem instead of ULL  
✓ Since March 2011 |
| Integrated mobile broadband | • Integrated 4G/3G solution  
• Mobile broadband with maximum performance everywhere  
✓ Available September 2011 |
| Smartphones & tablets | • High speed access to internet, applications, social networks  
• User generated content can be streamed instead of uploaded  
✓ Available beginning 2012 |
| + More | • Video on Demand: Download HD movies  
• IPTV Hybrid Box  
✓ In 2012 |
### Opening Vodafone to ‘delayering’ opportunities

#### Charge to bill:
- Unlock customer app spend through one-click charging to Vodafone bill/call credit
- Early deployment shows significant uplift in paid-for apps/customer
- Huge opportunity in pre-pay, emerging and credit-averse markets

#### “Best on Vodafone” programme:
- Generate value from terminal ‘home screen’
- Full network API capability
- Value proposition: key applications will have enhanced functionality and work better on Vodafone

#### Expansion of services /platforms:
- M-wallet/NFC
- M-couponing
- M-advertising
- Financial services suite/M-Pesa
Data growth through integrated, tiered pricing

• Managing transition to integrated plans
• Introducing lower data allowances to monetise data usage growth
  – e.g. NL 100 MB, UK 250 MB
• Over 25% of Europe consumer contract revenue from integrated (voice, SMS, data) plans – and growing
• Improving data experience in emerging markets
• 12.8m Opera Mini browser users, growing at ~2.5m per month

Europe mobile service revenue mix
Q1 11/12

- Consumer contract in bundle 21%
- Consumer contract out of bundle 13%
- Consumer prepaid 27%
- Consumer contract incoming
- Enterprise 30%
- Other 4%
- Consumer contract incoming

- 18% of Europe mobile revenues are out of bundle/incoming
  – Potential revenue substitution by IP based comms; managing through transition to integrated tariffs
Customer experience: differentiating through ease and simplicity

Retail
- New retail experience model in deployment
- Set-up in Store, In-Store Support are improving data usage and NPS (e.g. NL up from 4 to 28)
- Collecting and sharing best practice, especially from recent pilots (SA, UK, NL)

Online
- Integrated self care tools including device support (7 markets)
- "click and collect" – 25% of UK online orders collected in-store
- 52% online billing in EU8
- 55m annual visits to Vodafone Social Media

Contact centre
- New Retention Optimiser tool enables per customer investment decisions (UK)
- Dynamic customer facing FAQs and online troubleshooting for agents – 58% reduction in email contacts (Turkey); 11 markets by year end

M-care
- Easy and simple self-care on mobile devices live in 7 markets
- Mobile care user experience rolled out across multiple platforms (iOS, Android, Win7, Rim, Tablets and mWeb)
- Remote access for device support live in 7 markets

Aiming to create an easy and simple experience across all channels
Devices: controlling commercial costs and making data accessible to the mass market

<table>
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<tr>
<th>Strategy</th>
<th>Goals</th>
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<tr>
<td>1. Balanced supply advantage through scale purchasing</td>
<td>• 3-4 leading high-tier vendors and eco-systems</td>
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<tr>
<td></td>
<td>• Vodafone services enabled</td>
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<tr>
<td></td>
<td>• TTM scale advantages e.g. HTC Sensation 1 month exclusive in 13 markets</td>
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<tr>
<td>2. Profitable mass market smartphone penetration with differentiation</td>
<td>• All devices data enabled</td>
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<tr>
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<td>• 80% of sales smartphones</td>
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<td>• Vodafone differentiation (democratising trends on own brand / exclusives)</td>
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<td>3. Connected devices become a significant retailer in the emerging categories</td>
<td>• Multi-device marketing</td>
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<td></td>
<td>• Unmatched experience for purchasing, activating and using with Vodafone</td>
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- HTC Sensation
- Vodafone Smart
  - ~250k sales
  - ~1m orders
- Vodafone Blue (Facebook)
  - 380k orders
- Vodafone Smart Tab
- LTE Modem
### ‘Supermobile’ for Enterprise

<table>
<thead>
<tr>
<th>Segment</th>
<th>Buying behaviour</th>
<th>Vodafone action</th>
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<tr>
<td>SOHO / SME</td>
<td>• Same communication tools for personal/ business activities</td>
<td>• Vodafone One Net</td>
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<td>• Coverage and Fixed/Mobile voice connectivity are mission critical</td>
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<td></td>
<td>• Demand for hosted managed applications – email, MS Office</td>
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<tr>
<td>Domestic</td>
<td>• Mobile working drives needs for ‘information anywhere’</td>
<td>• IP  VPN capability</td>
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<tr>
<td>corporate</td>
<td>• Demand for managed mobility solutions</td>
<td>• Increased ‘lifecycle’ services; logistics, configuration, policy enforcement, security, expense management</td>
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<td></td>
<td>• Security is a top priority for 84% of firms</td>
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<td></td>
<td>• 50% of large Enterprise already implemented IP telephony. High complexity of integration of fixed and mobile voice</td>
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<tr>
<td>MNC</td>
<td>• MNCs seek operating consistency</td>
<td>• VGE expansion</td>
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<td></td>
<td>• Growing need for consistent global contracts and service levels</td>
<td>• VZW collaboration</td>
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<td></td>
<td>• 85% of MNCs said UC is important &amp; 60% will implement over 2yrs but market by market</td>
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Vodafone One Net case study: Italy

In Italy the Vodafone One Net penetration in the SME segment is approximately 40%.

- **Mobile ARPU**: Up 7%
- **Usage on mobile extensions**: Up 2%
- **Incremental fixed line rental**: €12.2 ARPU + €145 link connectivity fee per site
- **Customer churn**: 4 percentage points lower than core mobile voice (April 2011)
- **Number of mobile SIMs per customer**: 36% uplift in SIM extensions
- **Total revenue per customer**: 89% uplift in customer revenue (mobile + fixed)
Our priorities

| Supermobile                  | - Build sustained network advantage  
|                            | - Continue to evolve pricing        
|                            | - Optimise own and third party services |

| Emerging markets           | - Grow market share profitably       
|                            | - Pursue significant enterprise and data opportunities |

| Europe                      | - Maintain commercial momentum       
|                            | - Manage cost base to protect margins 
|                            | - Reinforce loyalty and service experience |

| Enterprise                  | - Extend leadership in Global Enterprise and Unified Comms 
|                            | - Broaden product suite to meet changing customer needs |

| Verizon Wireless            | - Collaborate in enterprise, procurement and LTE standards 
|                            | - Profitability and cash flow from data growth |

| Organisation                | - Deliver our internal promise of ‘Speed, Simplicity and Trust’
|                            | - Continue to align incentives with external shareholders’
|                            | - Strengthen innovation into new services/layers |
Q&A