Vodafone Group Plc
Half Year results

For the 6 months ended 30 September 2009

10 November 2009

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Agenda

- Overview
- Financial review
- Strategy and business update
- Q&A

Group summary

	H1 09/10	Growth	Organic
Revenue	£21.8bn	9.3%	(3.0)%
Group EBITDA	£7.5bn	2.9%	(7.9)%
Adjusted operating profit	£5.9bn	2.4%	
Free cash flow	£4.0bn	29.1%	
Adjusted EPS	8.72p	16.0%	
Dividend per share	2.66p	3.5%	
Proportionate customers	323m	15.7%	

Guidance confirmed

FY 09/10 Guidance[1]	H1 09/10 Actual
Adjusted operating profit £11.0-11.8bn	Adjusted operating profit £ 5.9bn[2]
Free cash flow £6.0-6.5bn	Free cash flow £4.0bn

- H1 profit performance underpins full year guidance range
- Free cash flow: expected to be around upper end of range
- FX volatility: assumptions for FY 09/10 unchanged

1. Currency assumptions: €/£ 1.12 and US$/£ 1.50 for FY 09/10
2. £6.0bn pre Alltel £0.1bn integration costs

Financial Review

Group income statement

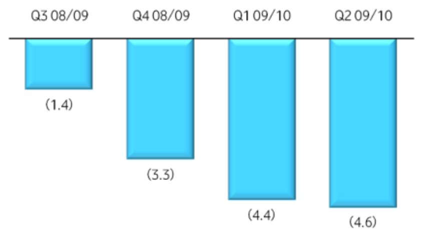
	H1 09/10 £m	Change %
Revenue	**21,761**	**9.3**
EBITDA	7,455	2.9
EBITDA margin (%)	34.3	(2.1)pp
Adjusted operating profit[1]	**5,911**	**2.4**
Net financing costs	(430)	
Tax	(924)	
Non-controlling interests	25	
Adjusted net profit[2]	4,582	15.0
Other adjustments	238	
Profit for the period[2]	4,820	
Adjusted EPS[1]	**8.72p**	**16.0**

- Significant currency benefits
- Group organic revenue -3.0%
- Europe revenue trend stabilising
- Strong data and fixed line revenue growth
- EBITDA margin down 2.1pp
  - Europe margins -1pp; cost control
  - Turkey turnaround and India competition
- Adjusted EPS +16.0%

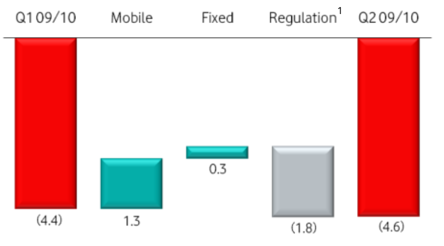
1. Adjusted operating profit and profit for adjusted EPS exclude other income and expense, non-operating income and expense, impairment losses, certain foreign exchange movements, amounts in relation to put rights and similar arrangements and tax thereon
2. Attributable to equity shareholders

Europe: service revenue

Organic service revenue growth (%)



Q2 vs. Q1 (%)

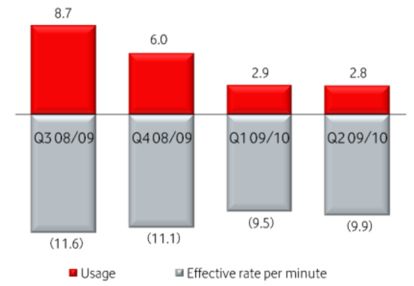


- Underlying revenue trends encouraging
  - Voice usage growth stabilising
  - Data growth still strong
  - Strong contract net adds (+687k)
  - Fixed line growth accelerating from 5.7% to 9.0%
- Regulatory impact as expected
  - UK termination rate cut
  - Roaming regulation, e.g. SMS rate cap
- Enterprise trends stabilising

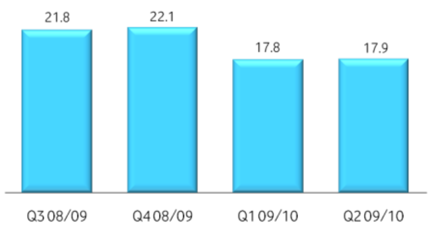
1. Includes impact of MTR and roaming regulation

Europe: voice and data

Organic outgoing voice growth (%)



Organic data revenue growth (%)

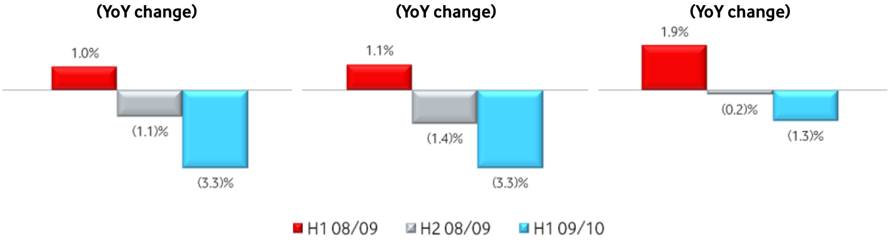


- Usage trends levelling out
- Main drivers
  - Economic stabilisation
  - Continued penetration of value tariffs

- Continued strong data revenue growth
  - PC connectivity up 21%
  - Mobile Internet up 30%

Europe: costs

Total costs plus capex (YoY change) | **Total costs (YoY change)** | **Overheads[1] (YoY change)**



- Lower direct costs: MTRs, on-net
- Lower overheads: down 1.3%
- Continued investment in fixed broadband

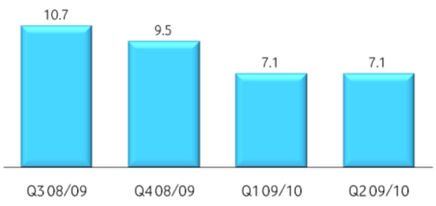
- Stable net acquisition and retention costs
- EBITDA margin down 1.0pp YoY to 37.6%

All costs and % changes are on an organic basis
1. Opex and non A&R customer costs

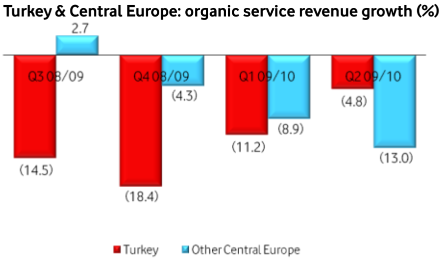
Africa and Central Europe

Organic service revenue growth (%)

South Africa: organic service revenue growth (%)



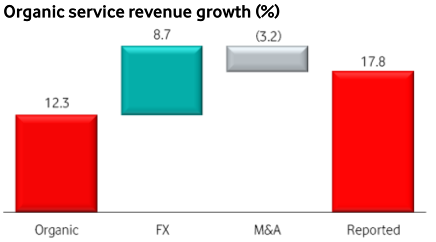
Turkey & Central Europe: organic service revenue growth (%)



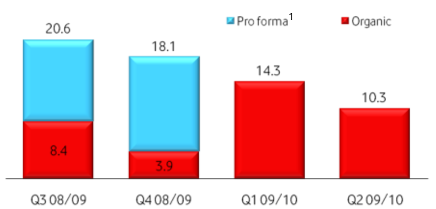
- South African revenue growth in line with Q1
- Turkey turnaround continues
- Central Europe: weak economies; MTR impact; good operational performance; stable EBITDA margin

Asia Pacific and Middle East

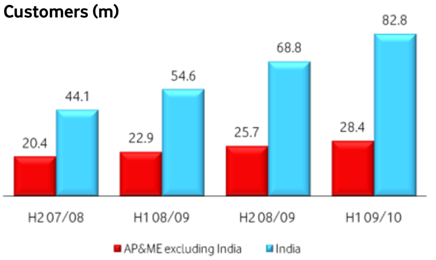
Organic service revenue growth (%)



Organic service revenue growth (%)



Customers (m)

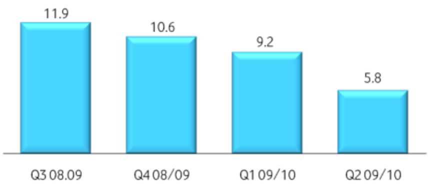


- India & Egypt impacted by market price cuts
- Customer growth remains strong
- Australia JV progressing well
- EBITDA margin 27.0%, down 3.1pp

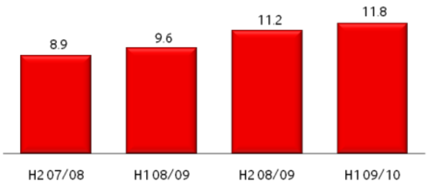
1. Pro forma includes India and excludes Australia for all periods

Verizon Wireless[1]

Organic service revenue growth (%)[2]

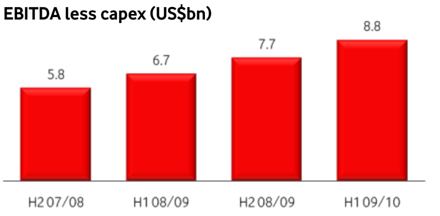


EBITDA (US$bn)



Non-voice revenue (US$bn)

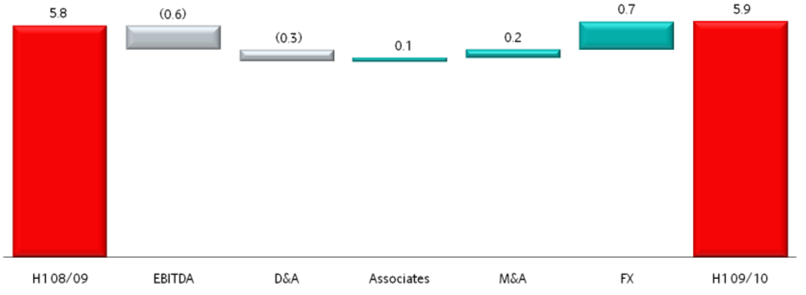
EBITDA less capex (US$bn)



1. Financial highlights reported on a 100% IFRS basis
2. Organic revenue growth excludes divested properties

Adjusted operating profit

(£bn)



- Stable overall
  - Europe EBITDA mostly offset by FX
  - Increased D&A reflects Vodacom acquisition
  - Positive contribution from VZW

Financing costs

	H1 09/10 £m	H1 08/09 £m
Net financing costs	**(559)**	**(436)**
Income from investments	237	174
Ongoing potential interest on tax	(108)	(221)
Adjusted financing costs	**(430)**	**(483)**
Average cost of debt	**4.0%**	**4.6%**

- Net financing costs +28%
  - Average net debt up 31%, driven by FX
  - Lower interest rates
- Lower potential interest on tax
- Adjusted financing costs down 11%

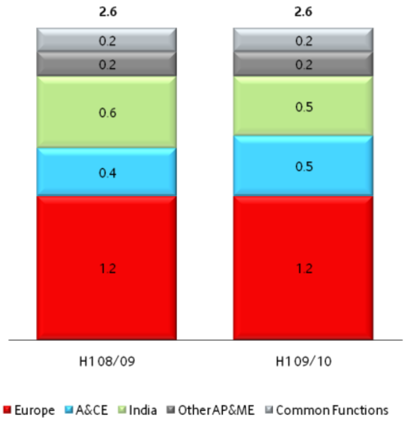
Taxation

	H1 09/10 £m	H1 08/09 £m
Tax	924	1,274
Share of associate tax	335	185
Adjusted tax	**1,259**	**1,459**
Adjusted effective tax rate		
As reported	21.5%	26.5%
1st half items	3.0%	(0.5)%
Underlying	**24.5%**	**26.0%**

- Favourable H1 09/10 tax settlements
- 24.5% underlying effective tax rate
- Underlying effective rate to remain in the mid-20s for the medium term

Capital expenditure[1]

Fixed asset additions by region (£bn)

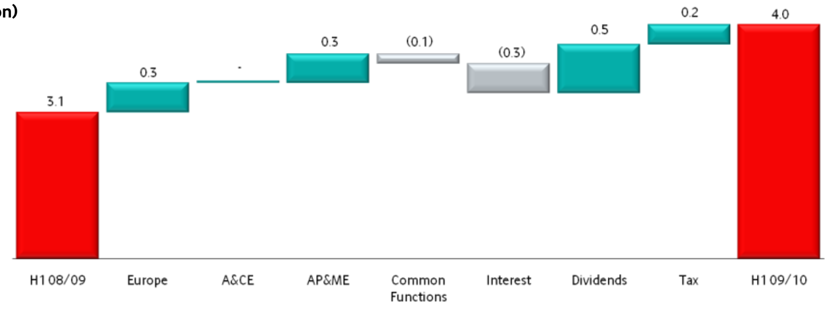


- A&CE: impact from Vodacom acquisition
- AP&ME: India lower, reflecting market conditions
- Europe plus Common Functions capital intensity broadly stable at 8.8%
- FY 09/10 capex guidance maintained
  - Broadly flat YoY excluding FX and M&A
  - Mix: India managing capacity; Europe higher
  - Impact of Vodacom acquisition

1. Fixed asset additions shown on a constant currency basis

Free cash flow

(£bn)



- Free cash flow up 29.1%
- Underlying trend supportive of full year guidance
- Europe operating cash flow enhanced by FX; AP&ME by working capital
- Free cash flow per share up 30.2% to 7.62 pence per share

Net debt

	H1 09/10 £m
Opening net debt	**(34,223)**
Free cash flow	4,003
Licences and spectrum	(426)
Acquisitions and disposals	(2,628)
Net Qatar IPO and spectrum	64
Equity dividends paid	(2,742)
Foreign exchange	1,964
Other	(13)
Closing net debt	**(34,001)**

- Acquisitions and disposals
  - £2.2bn Vodacom acquisition
  - £0.3bn Australia JV net debt impact
- £0.4bn on licences and spectrum: Turkey, Egypt and Italy
- Foreign exchange impact from US Dollar
- Net debt includes £3.3bn India options
- Low single 'A' credit rating maintained

Financial summary

- Cost control ✓
- Cash generation ✓
- Guidance ✓

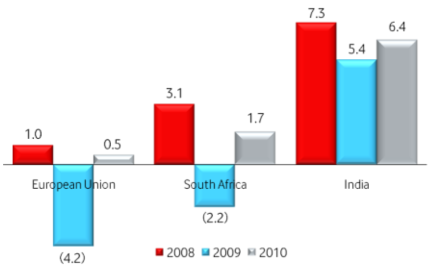
Strategy and Business Review

Agenda

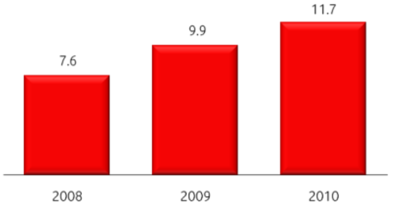
- Economic context
- Operations
- Strategic progress and priorities

Impact of the economy

GDP growth (%)[1]



Euro area unemployment (% labour force)[1]



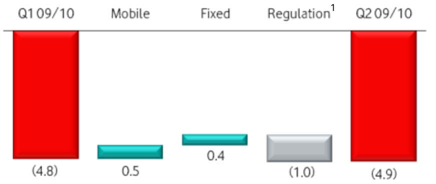
	Q4 08/09	Q1 09/10	Q2 09/10
Europe (%)[2]			
Voice usage outgoing	6.0	2.9	2.8
Voice roaming revenue	(14.1)	(17.6)	(14.0)
Enterprise revenue	(1.3)	(5.6)	(5.1)
Handset volumes	(10.8)	(7.3)	11.2

- Europe: early signs of economic recovery, but unemployment is still rising
- Central Europe: weak economic conditions
- South Africa stabilising
- India: limited macro impact

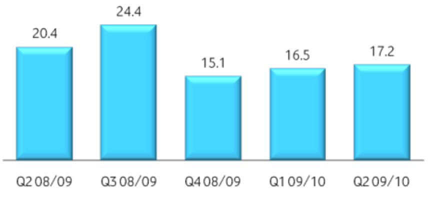
1. Source: IMF Oct 2009
2. Organic growth

Germany: revenue trends stable, fixed line returns to growth

Organic service revenue growth (%)



Organic data revenue growth (%)

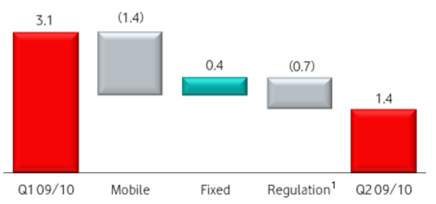


- Economy starting to recover
- Q2 organic revenue trends stable
  - Mobile consumer market share reduced
  - Q2 contract net additions 171k (Q1: 34k)
  - Data +17%
  - Fixed line +2%, strong net adds share
- EBITDA margin 2.3pp lower at 39.5%
  - Total organic costs down 1.3%
  - Net A&R broadly stable
  - Opex stable
- Key initiatives
  - Mobile Internet and Smartphones
  - Prepaid plans
  - Advantage program: DSL/PC connectivity bolt-ons

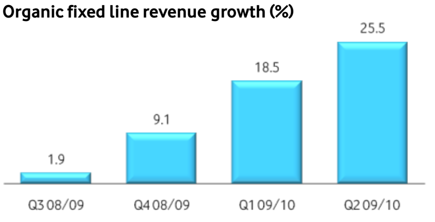
1. Includes impact of MTRs and roaming regulation

Italy: growing revenue and margins

Organic service revenue growth (%)



Organic fixed line revenue growth (%)

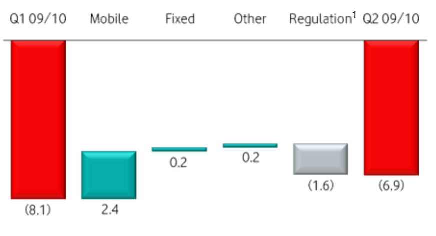


- Economic weakness impacting usage growth
- Q2 organic revenue growth engines
  - Data +24%
  - Fixed line +26%, leading DSL net adds share
  - Consumer contract +19%
- EBITDA margin +1.1pp to 48.4%
  - Total organic costs stable
  - Customer costs down 2.9%
- Key initiatives
  - SME/SoHo converged offers: Rete Unica
  - Vodafone branded DSL
  - Network sharing

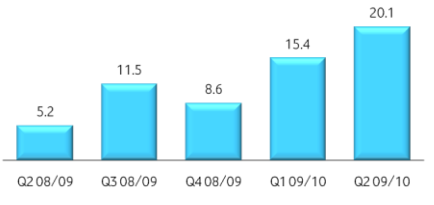
1. Includes impact of MTRs and roaming regulation

Spain: improved trends

Organic service revenue growth (%)



Organic fixed line revenue growth (%)

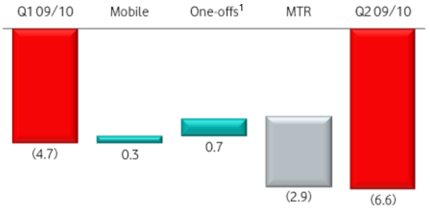


- Economic pressures continue: 18% unemployment rate
- Organic service revenue trend continues to improve
  - Q2 total minutes broadly flat (Q1 -5%)
  - Data +17%
  - Fixed accelerating +20% (Vodafone Station)
  - Enterprise weakness continues
- EBITDA margins broadly flat (-0.4pp) at 36.4%
  - Total organic cost down 6.8%
  - Net A&R intensity broadly stable
- Key initiatives
  - Value enhancement: Tarifas Planas driving usage
  - DSL nationally via bitstream
  - Retention programmes / churn management

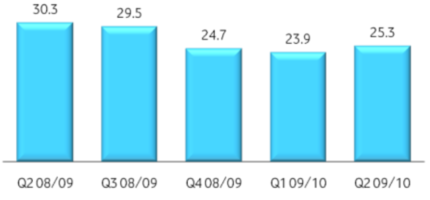
1. Includes impact of MTRs and roaming regulation

UK: underlying revenue trends stable, progress on strategy

Organic service revenue growth (%)



Organic data revenue growth (%)

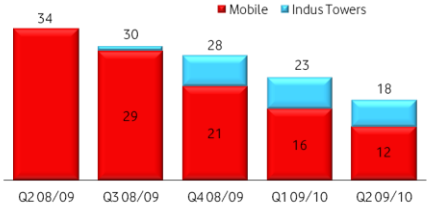


- Economy remains weak
- Underlying revenue trends stable
  - MTR impact as expected
  - Q2 contract net adds accelerating: 257k
  - Q2 data +25% with Mobile Internet +73%
  - Enterprise pricing pressure, roaming impact
- EBITDA margin 2.7pp lower at 23.2%
  - Total organic costs down 4.5%, opex down 5.0%
  - Net A&R increased
- Key initiatives
  - Brand repositioning: value plans
  - Handsets: Vodafone 360 devices, iPhone
  - Indirect distribution: CPW and P4U on track
  - Enterprise converged services: 'Vodafone One' & 'Vodafone One Net'

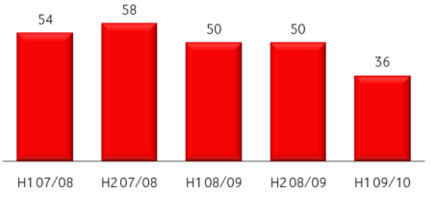
1. Includes reclassification and credit notes

India: attractive but challenging

Organic service revenue growth (%)



Capital intensity (%)

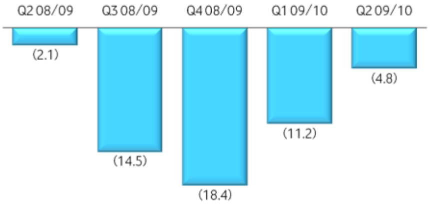


- Attractive market
  - 7.4% estimated GDP CAGR 2009-2014[1]
  - 41% current market penetration
- Recent trends
  - Q2 revenue growth: customers +54%, usage +34%, price -15%
  - ~21% revenue share; 18% customer share
  - EBITDA margin impact: network expansion and price pressures
  - Increased competition; per second billing launched
  - Adjusting capex to local market conditions
- Well positioned
  - Strong brand
  - Significant scale: 83m customers, 89k base stations
  - Distribution: 1 million points of presence

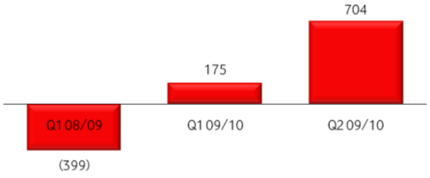
1. Source IMF

Turkey: turnaround plan gaining traction

Organic service revenue growth (%)



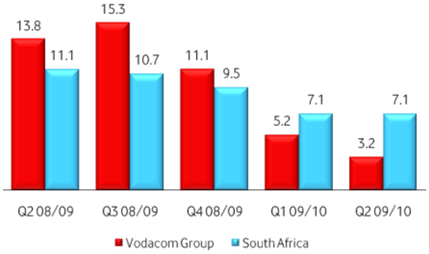
Quarterly net ports ('000s)



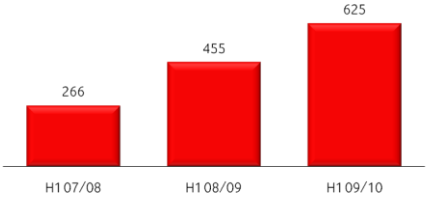
- Economy remains weak, but early signs of stabilisation
- Improving customer trends
  - Positive MNP momentum
  - Strong growth in net additions (718k)
  - Significant improvement in brand metrics
- Revenue decline slowing
  - Q2 outgoing usage +29%
  - Incoming boosted by cross-net plans
  - Q2 ARPU + 8.0% YoY
- Network investment continuing
  - 3G launched across 81 cities
  - Competitive 2G quality
- Enhanced distribution: 857 exclusive points of sale
- Competitive tariffs

Vodacom Group: clear market leadership in South Africa

Organic service revenue growth (%)



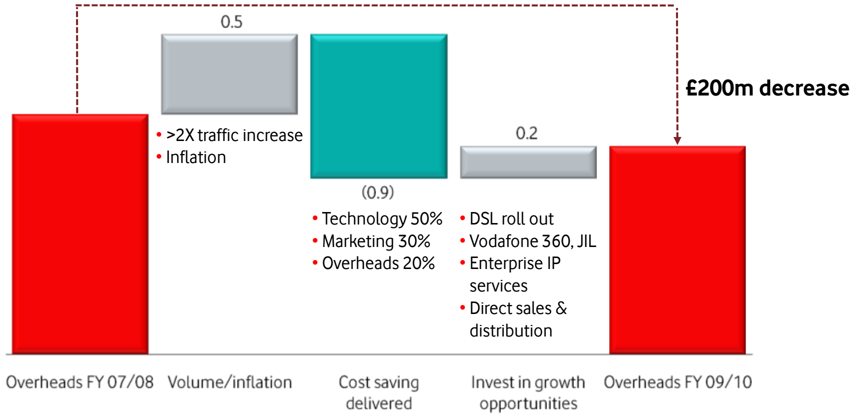
PC connectivity devices ('000s)



- South Africa economy stabilising
- South Africa growth in line with previous quarter
  - Customers +12%, maintained leadership
  - Organic data growth +35.3%, now 8.6% of service revenue
- Vodacom EBITDA margin 33.4%
- Economic slowdown and price competition in DRC, Tanzania
- Weakness in Gateway's carrier revenues
- South Africa MTR discussion ongoing

Cost efficiency: 100% of Group £1bn programme by end FY 09/10

Cost savings within Europe and Common Functions (£bn)



Cost efficiency: targeting £1bn additional overheads savings by FY 11/12

Technology → Leverage scale
- Further evolve IT outsourcing
- Extend IT simplification outside Europe
- Accelerate network sharing
- Consolidate network access and core service management

Commercial → Efficiency & effectiveness
- Improve call centre effectiveness
- Increase e-care: via handset and on-line
- Continue to consolidate logistics

General & administration → Simplify processes
- Leverage on Vodafone Procurement Company
- Rationalise property & facilities costs further
- Simplify management information systems

Total communications: increasing revenue contribution

	Data	Fixed broadband	Enterprise
	+20%	+9%[1]	-5%[2]
Results	• 11% of Europe service revenue • Penetration: ~30% of total users (~10% subscription); <5% in emerging markets	• 10% of Europe service revenue • 5.1m customers (+1.1m YoY) • Strong DSL net adds share in Italy, Spain and Germany	• 34% mobile revenue market share in Europe • VGE revenue -1%[3]
Actions	• Around 40% of Europe 3G network at 7.2Mbps • Smartphones: ~20% of handsets sales	• Vodafone Station in 6 markets • Increasing presence in Ireland and Portugal	• Expand VGE account base to 576 • Continue converged services for SoHo and SME • M2M business unit

Growth rates are on an organic YoY basis for Q2 09/10
1. Fixed line revenue
2. Europe
3. Vodafone Global Enterprise

Vodafone well-positioned for the data opportunity

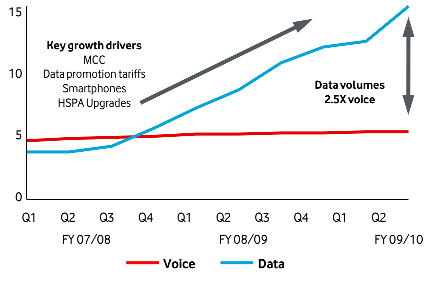
Leading capabilities	Differentiated market position
High quality networks • 21 Mbps in hotspots • Maintaining capex levels • DSL capabilities	**An "efficient network" ...** 1. Fixed + mobile 2. Mobile + reseller 3. Mobile only
Distinctive assets • CRM • Billing • Location • Distribution • Customer care	**A "smart network" ...** • Selling enablers / Vodafone distinctive assets to third parties
Products & services • Smartphones • Net books / dongles • Vodafone open platform (JIL)	**Communication services centric platform** • Vodafone 360 • Third party services

Customers

power to you

Managing data growth

Europe traffic growth (Petabytes per quarter)



- Europe utilisation still relatively low: <20% in Q1 07/08 to ~30% in Q2 09/10
- Europe share of sites at high utilisation remains ~5%[1]
- HSPA+ roadmap meets needs for next 2-3 years: 50% performance boost from 21.6Mbps vs. 7.2Mbps
- IP backhaul transmission solutions: ethernet microwave boosts capacity up to 4x
- Improved capital efficiency through cost savings: ~55% of new sites in Europe are shared

1. Share of sites 90% utilised during busy hour

Strategy confirmed

Drive operational performance
- Value enhancement products in most markets
- Cost reductions ahead of schedule: 100% of £1bn by end FY 09/10
- £1bn additional cost efficiency target
- Commercial plans strengthened in Europe

Pursue growth opportunities in total communications
- Data revenue +20%[1]
- Fixed revenue +9%[1]
- Converged plans for SoHo/SMEs accelerated in Europe
- Launched IP services for Enterprise

Execute in emerging markets
- Good progress in India
- Continuing leadership in South Africa
- Turkey turnaround on track

Strengthen capital discipline
- £4.0bn of free cash flow

Focus on free cash flow generation and commercial execution

1. Growth rates are on an organic basis

Summary of first half

Progress across all strategic priorities

Delivery on cost programmes and cash generation

£4.0bn free cash flow

Guidance confirmed

Dividend +3.5%

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 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; statements relating to movements in foreign exchange rates; expectations regarding adjusted operating profit, free cash flows, costs, tax settlements, capital expenditures; expectations regarding the £1 billion cost programme and other cost efficiency programmes; 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" 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, including possible action by regulators in markets in which the Group operates or by the EU to regulate rates the Group is permitted to charge; the impact of legal or other proceedings against the Group or other companies in the mobile telecommunications industry; loss of suppliers or disruption of supply chains; the Group's ability to satisfy working capital and other requirements through access to, bank facilities, funding in the capital markets and operations; changes in statutory tax rates or profit mix which might impact the weighted average tax rate; changes in tax legislation or final resolution of open tax issues which might impact the Group's tax payments or effective tax rate; and changes in exchange rates, including, particularly, the exchange rate of pounds sterling to the euro and the US dollar.

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 under "Principal risk factors and uncertainties" in Vodafone Group Plc's annual report for the year ended 31 March 2009. 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. Subject to compliance with applicable law and regulations neither Vodafone nor any member of its affiliates intends to update these forward-looking statements.

Definition of terms

- **Acquisition costs:** the total of connection fees, trade commissions and equipment costs relating to new customer connections.
- **Adjusted operating profit:** excludes other income and expense, non-operating income and expenses and impairment losses.
- **Adjusted earnings per share:** excludes other income and expense, non-operating income and expenses, impairment losses, certain foreign exchange movements, amounts in relation to put rights and similar arrangements and tax thereon.
- **Common functions:** comprised primarily of the results of the partner markets and the net result of unallocated central Group costs.
- **Commercial costs:** operating expenses related to marketing, customer care and sales and distribution.
- **Contribution margins:** stated after direct costs, acquisition and retention costs and ongoing commissions.
- **Change on a constant currency basis:** growth or change calculated by restating the prior period's results as if they had been generated at the current period's exchange. Also referred to as "Change on constant exchange rates".
- **Customer costs:** acquisition costs and retention costs, as well as expenses related to ongoing commissions, marketing, customer care and sales and distribution.
- **Direct costs:** interconnect costs and other direct costs.
- **Free cash flow:** Operating free cash flow after cash flows in relation to taxation, interest, dividends received from associates and investments, and dividends paid to non-controlling shareholders in subsidiaries.
- **Interconnect costs:** a charge paid by Vodafone to other fixed line or mobile operators when a Vodafone customer calls a customer connected to a different network.
- **Operating expenses:** comprised primarily of network and IT related expenditure, support costs from HR and finance and certain intercompany items.
- **Operating free cash flow:** Cash generated from operations after cash payments for capital expenditure (excludes capital licence and spectrum payments) and cash receipts from the disposal of intangible assets and property, plant and equipment.
- **Organic growth:** the percentage movements in organic growth are presented to reflect operating performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates.
- **Overheads:** operating expenses plus commercial costs, including marketing, sales & distribution and customer care costs.
- **Retention costs:** the total of trade commissions, loyalty scheme and equipment costs relating to customer retention and upgrade.

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