Vodafone Group Plc
Interim Management Statement

For the 3 months ended 30 June 2012

20 July 2012

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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. Some of the factors which may cause actual results to differ from these forward-looking statements are discussed on the final slide of the presentation.

The presentation also contains certain non-GAAP financial information. The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. Although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for but rather as complementary to, the comparable GAAP measures.

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Q1 12/13 highlights

- Group organic service revenue +0.6%; +2.3% ex MTRs
- Continued growth in data +17.1%, enterprise +0.1%, AMAP +6.1%
- Strong performance from Verizon Wireless, organic service revenue +8.2%
- £6.8bn share buyback programmes now almost complete
- Net debt reduced to £22.7bn
- Significant progress in strengthening our franchise
  - Cable and Wireless Worldwide ("CWW"), TelstraClear
  - Network sharing agreements in five markets

All growth rates shown are organic unless otherwise stated

Group: data and emerging markets continue to drive growth

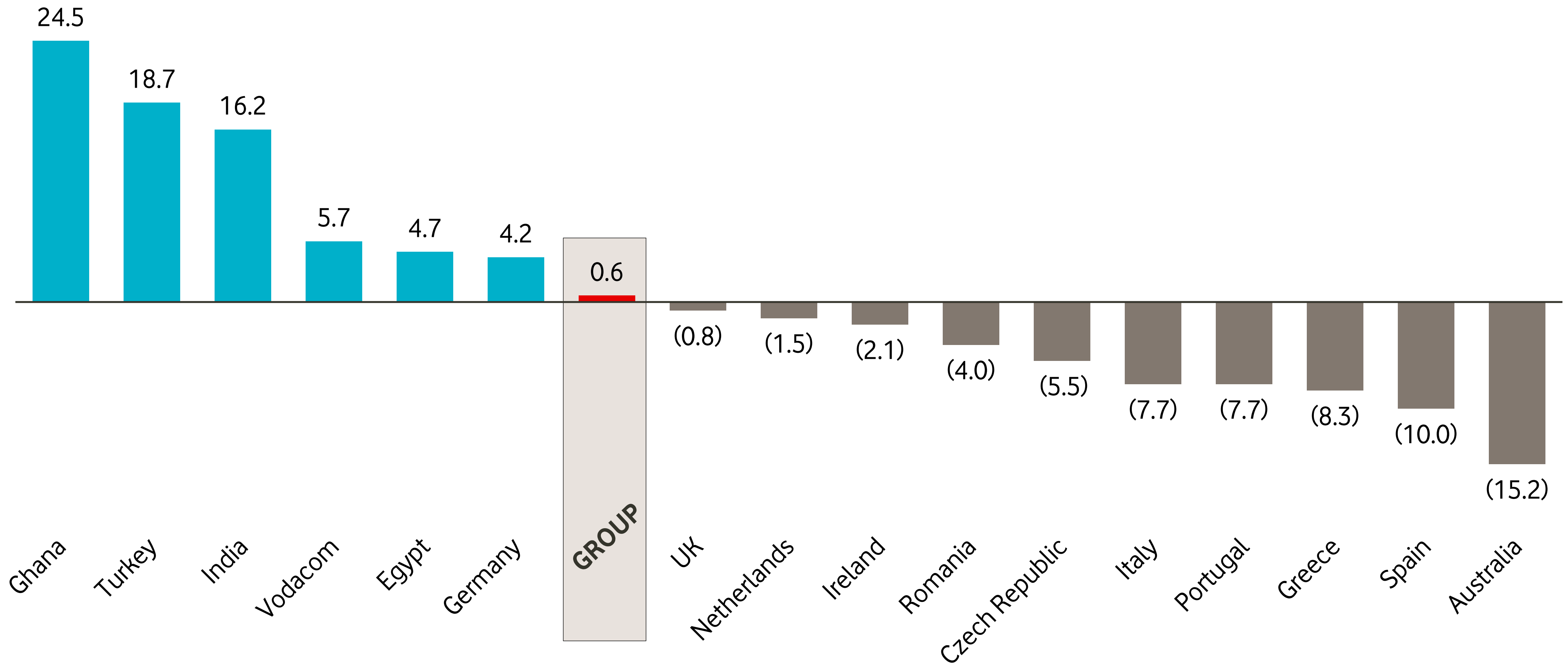
	Q1 12/13 £bn	Q4 11/12 YoY growth (%)	Q1 12/13 YoY growth (%)
Group service revenue	**10.0**	**2.3**	**0.6**
Europe	6.9	(0.2)	(1.6)
Africa, Middle East and Asia Pacific ('AMAP')	3.0	7.6	6.1
Voice revenue	**5.8**	**(2.5)**	**(4.4)**
Messaging revenue	**1.2**	**2.4**	**(1.2)**
Data revenue	**1.6**	**19.6**	**17.1**
Fixed revenue	**0.9**	**5.6**	**3.4**
Capex	**1.1**		
Free cash flow	**0.9**		
Net debt	**22.7**		

- Excluding MTRs: Group +2.3%; Europe 0.0%; AMAP +7.9%
- Growth in data, fixed and other offset declines in voice and messaging
- Net debt falls further

All growth rates shown are organic unless otherwise stated

Growing in emerging markets; southern Europe remains tough

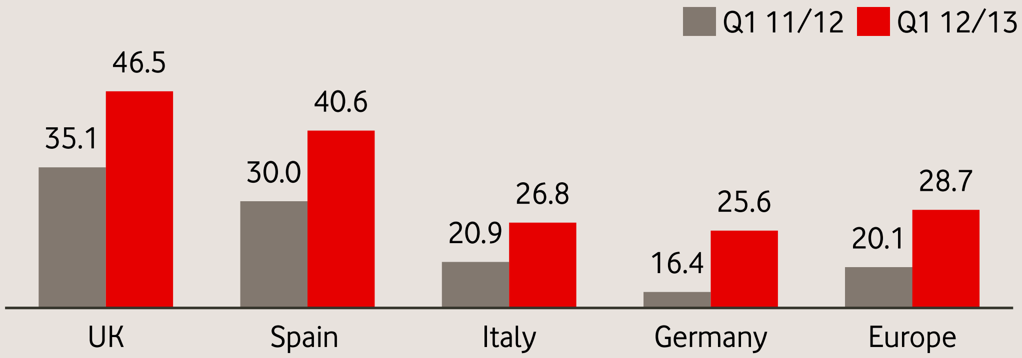
Q1 12/13 service revenue growth (%)



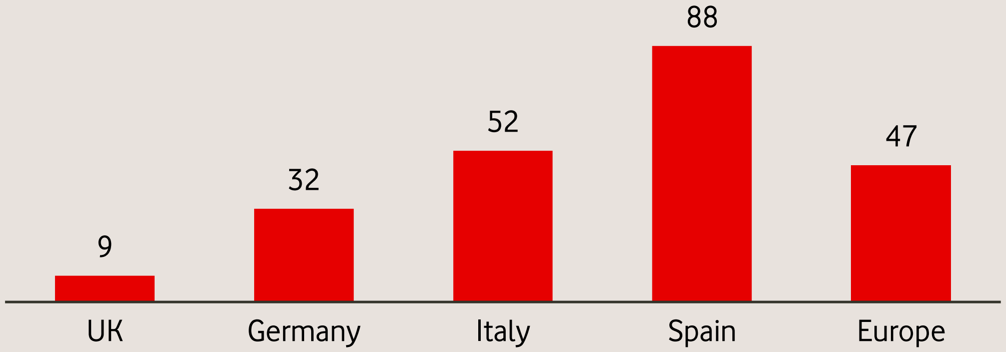
All growth rates shown are organic unless otherwise stated

Europe: macroeconomic and competitive pressures remain

Smartphone penetration (%)



Mobile internet growth Q1 12/13 (%)



Consumer

- Consumer contract stable; prepay still weak
- Changes to commercial model in Spain
- New roaming price plans launched in 11 countries
- Smart II to be launched in 25 markets this summer, £70 in UK

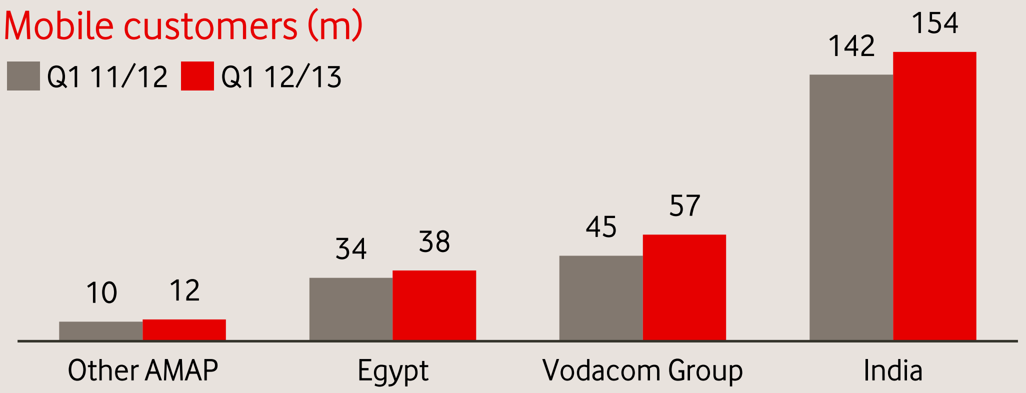
Enterprise

- Strong VGE growth +5.1% driven by higher connections
- Fixed revenue growing strongly: 2.2m One Net users, +40% YoY
- Southern Europe enterprise under pressure due to increased competition, line loss and reduced usage

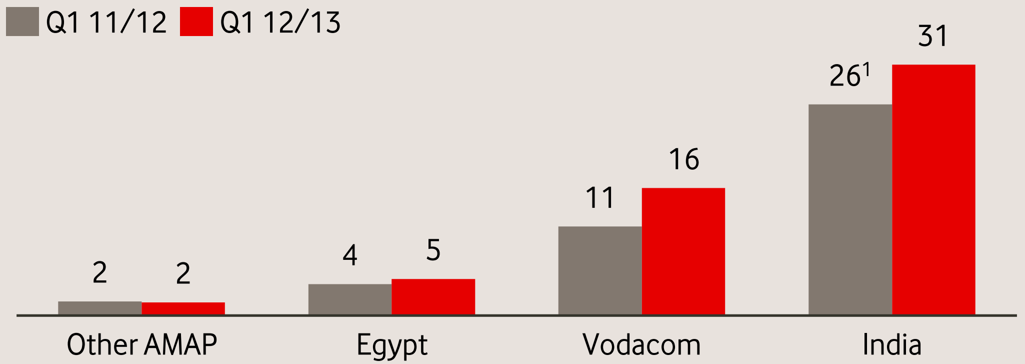
All growth rates shown are organic unless otherwise stated

AMAP: customers and data drive growth

Customer growth continues



Active data users (m)



- Increasing voice competition in South Africa, data prices remain under pressure
  - New tariffs launched for contract and prepay
- 3G data prices reduced in India
- Major challenges continue in Australia
- TelstraClear acquisition

All growth rates shown are organic unless otherwise stated

1. Data users in Q1 11/12, active data users not available

Healthy balance sheet with low net debt

	Q1 12/13 £bn
Opening net debt	**(24.4)**
SoftBank proceeds	+1.5
Free cash flow	+0.9
Share buybacks	(0.8)
Spanish spectrum	(0.2)
Foreign exchange/other	+0.3
Closing net debt	**(22.7)**

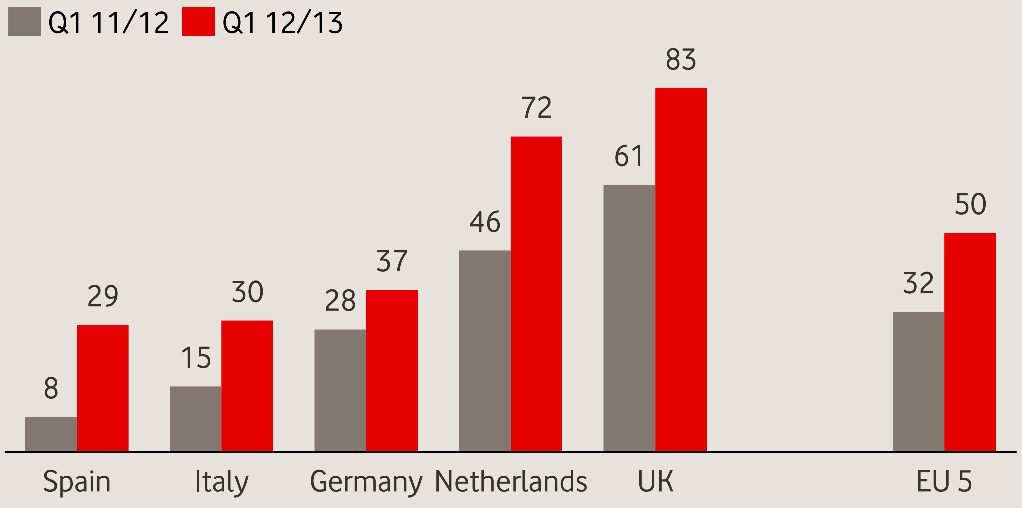
- Free cash flow £0.3bn lower YoY
  - £0.2bn SFR dividend received in prior year
  - £0.2bn Egypt and Vodacom minority dividends paid in Q1 12/13, vs. payment Q2 11/12

FY 12/13 target FCF £5.3 - £5.8bn confirmed

- Net debt reduced by £1.7bn
  - Softbank proceeds final tranche received £1.5bn
  - £6.8bn share buyback programmes almost complete
  - £0.2bn Spanish spectrum payment
  - Does not reflect CWW, TelstraClear consideration

Protecting future growth

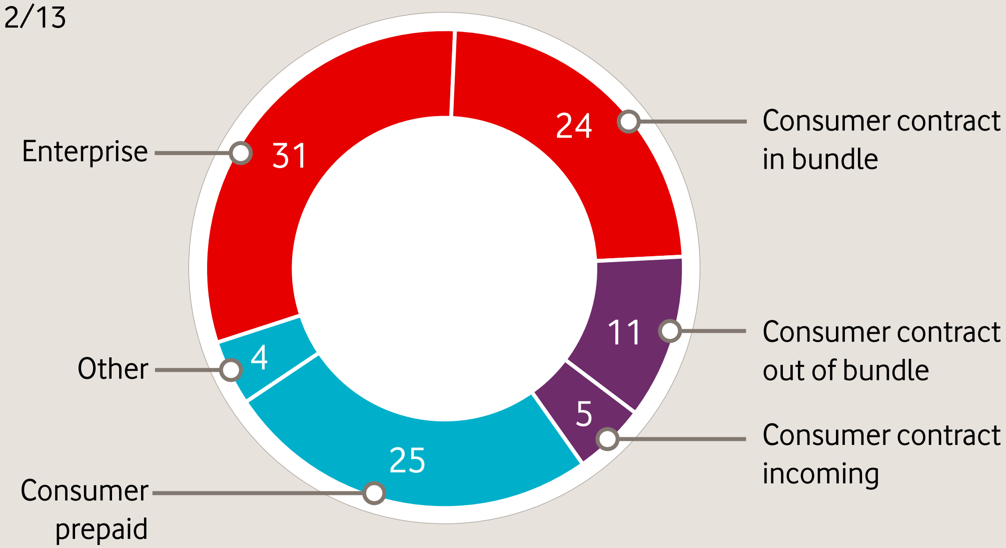
Revenue from integrated tariffs[1] (%)



- 50% of revenue from integrated plans, up from 32% in Q1 11/12

Europe mobile service revenue mix (%)

Q1 12/13

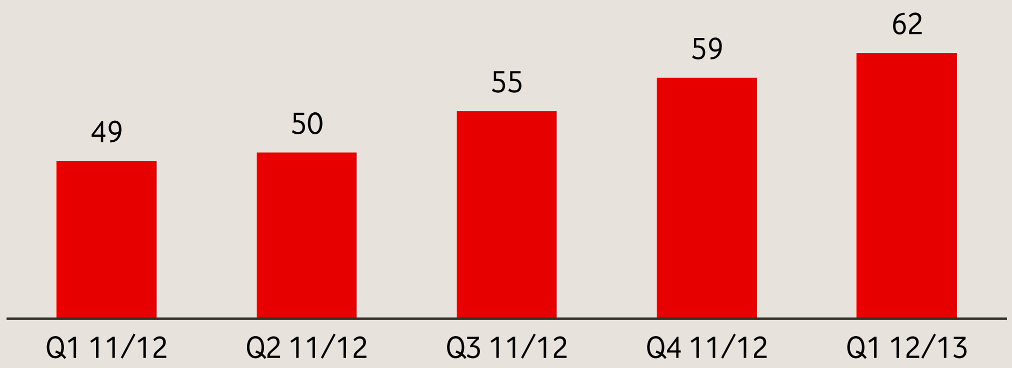


- 16% of Europe mobile service revenues are consumer contract out of bundle/incoming, down from 18% in Q1 11/12

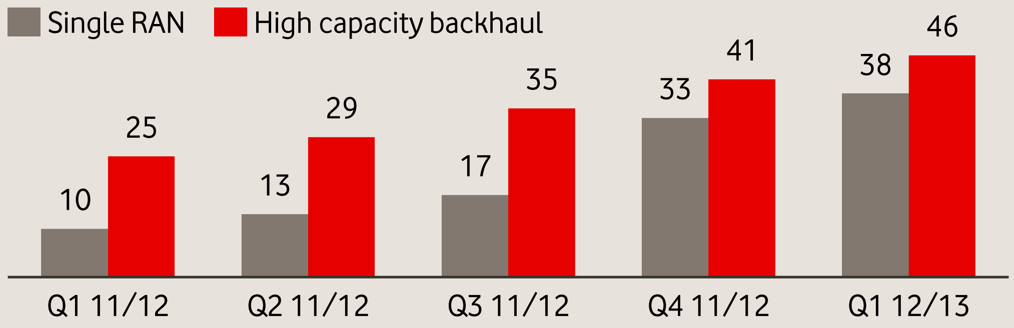
1. Europe consumer contract revenue

Investing to support data growth

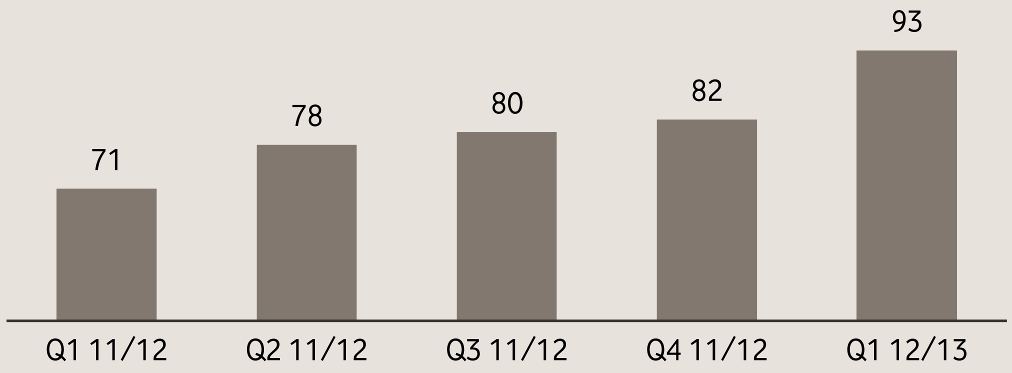
Network traffic in Europe (PB)



Single RAN and high capacity backhaul, European footprint (%)



% of network in Europe ≥ 14.4Mbps (%)



Enhancements to network strategy

- Proposed acquisitions of CWW and TelstraClear
- Network sharing
  - Active in UK and Spain
  - Passive in Ireland, Australia and The Netherlands

Outlook for FY 12/13

Economy and markets

- Germany and US strong, conditions favourable
- Headwinds in southern Europe
- UK tougher and some emerging markets slowing slightly
- Competition from smaller/no frills operators
- MTR impact

Industry and ecosystems

- New NGN regulations
- Increasing competition between iOS, Android and Windows
- New handsets and LTE devices coming, acceleration of tablets
- Continuing growth of payments, M2M and new services

Actions

- Cost reductions, cross-border rationalisation
- Power up HSPA+/LTE networks
- Push bundling and segment offers
- Pressure test equality and no squeeze conditions
- Manage OSs more profitably
- Continue focused investment in innovation

Q&A

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 free cash flow target and the general outlook of the Group for the financial year ending 31 March 2013 contained in slides 8 and 11; statements relating to the Group's future performance generally; expectations regarding growth in customers and usage especially in emerging markets, and mobile data, SMS and fixed growth and technological advancements; statements relating to the impact of MTRs and spectrum spend; statements in relation to the launch of new products and service offerings, including Smart II; statements and expectations in relation to the proposed acquisitions of CWW and TelstraClear and in relation to existing and proposed network sharing initiatives, and the anticipated benefits associated therewith; statements and assumptions relating to movements in foreign exchange rates; and expectations regarding adjusted operating profit, service revenue growth, EBITDA, EBITDA margin, free cash flow, costs, tax settlements, especially in India, and capital expenditures.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "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 may 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 macroeconomic or political conditions in markets served by operations of the Group that would adversely affect the level of demand for mobile services, and changes to the associated legal, regulatory and tax environments; 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/or make it more difficult to acquire new customers; levels of investment in network capacity and the Group's ability to deploy new technologies, products and services in a timely manner, particularly mobile data content and services, or the rapid obsolescence of existing technology; higher than expected costs or capital expenditures; rapid changes to existing products and services and the inability of new products and services to perform in accordance with expectations, including as a result of third party or vendor marketing efforts; the ability of the Group to integrate new technologies, products and services with existing networks, technologies, products and services; the Group's ability to generate and grow revenue from both voice and non-voice services and achieve expected cost savings; a lower than expected impact of new or existing products, services or technologies on the Group's future revenue, cost structure and capital expenditure outlays; slower than expected customer growth, reduced customer retention, reductions or changes in customer spending and increased pricing pressure; the Group's ability to expand its spectrum position, win 4G/3G allocations and realise expected synergies and benefits associated with 4G/3G; the Group's ability to secure the timely delivery of high quality, reliable handsets, network equipment and other key products from suppliers; loss of suppliers, disruption of supply chains and greater than anticipated prices of new mobile handsets; changes in the costs to the Group of, or the rates the Group may charge for, terminations and roaming minutes; the Group's ability to realise expected benefits from acquisitions, partnerships, joint ventures, franchises, brand licences or other arrangements with third parties, particularly those related to the development of data and internet services; acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities, which may have a negative impact on the Group's financial condition and results of operations; the Group's ability to integrate acquired business or assets and the imposition of any unfavourable conditions, regulatory or otherwise, on any pending or future acquisitions or dispositions; the extent of any future write-downs or impairment charges on the Group's assets, or restructuring charges incurred as a result of an acquisition or disposition; developments in the Group's financial condition, earnings and distributable funds and other factors that the Group's Board of Directors takes into account in determining the level of dividends; the Group's ability to satisfy working capital requirements through borrowing in the capital markets, bank facilities and operations; changes in foreign exchange rates, including, particularly, the exchange rate of pounds sterling to the euro and the US dollar; changes in the regulatory framework in which the Group operates, including the commencement of legal or regulatory action seeking to regulate the Group's permitted charging rates; the impact of legal or other proceedings against the Group or other companies in the mobile communications industry; and changes in statutory tax rates and profit mix, the Group's ability to resolve open tax issues and the timing and amount of any payments in respect of tax liabilities.

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" and "Principal risk factors and uncertainties" in Vodafone Group Plc's Annual Report for the year ended 31 March 2012. The Annual Report can be found on the Group's website (www.vodafone.com/investor). 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.

Definition of terms

Backhaul: Connections linking access networks to the core network

FCF: 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

HSPA+: High Speed Packet Access is a wireless technology enabling higher download speeds

LTE: Long-term evolution is a 4G technology

Mobile internet: Browser-based access to the internet or web applications using a mobile device, such as a smartphone connected to a wireless network

MTR: Mobile Termination Rate is the per minute charge paid by a telecommunications network operator when a customer makes a call to another mobile network operator

Net debt: Long-term borrowings, short-term borrowings and mark-to-market adjustments on financing instruments less cash and cash equivalents

NGN: Next generation network. NGNs will replace some of the legacy copper networks with fibre, providing higher speeds and better quality data services

Organic growth: presents performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates

OS: Operating systems

iOS: Apple's operating system for mobile devices

RAN: Radio Access Network is part of a mobile telecommunication system that sits between the mobile device and the core network

Single RAN: Single Radio Access Network is a common product platform to support multiple radio technologies