



Vodafone Group Plc Interim Management Statement

For the 3 months ended 31 December 2011

9 February 2012



Disclaimer

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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. However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to, the comparable GAAP measures.

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Q3 Highlights

- Group organic service revenue +0.9%, +3.1% ex MTRs
- Data +21.8%, enterprise +0.8%, AMAP +7.6%
- Strong cash generation, £1.5bn free cash flow
- 70%¹ of share buybacks completed, £0.8bn spend during quarter
- Net debt £25.5bn
- FY 11/12 guidance for adjusted operating profit and free cash flow confirmed

All growth rates shown are organic unless otherwise stated

3 1. At 31 December 2011, £2.0bn spend on £4.0bn SFR programme, plus £2.8bn China Mobile programme completed in June 2011



Group highlights: data continues to drive revenue growth

	Q3 11/ 12 (£bn)	Q3 11/12 YoY growth (%)
Group service revenue	10.6	0.9
Europe	7.4	(1.7)
Africa, Middle East and Asia Pacific (AMAP)	3.2	7.6
Voice revenue	6.3	(4.7)
Data revenue	1.6	21.8
Messaging revenue	1.3	4.3
Fixed revenue	0.9	3.9
Capex	1.5	
Free cash flow	1.5	
Net debt	(25.5)	

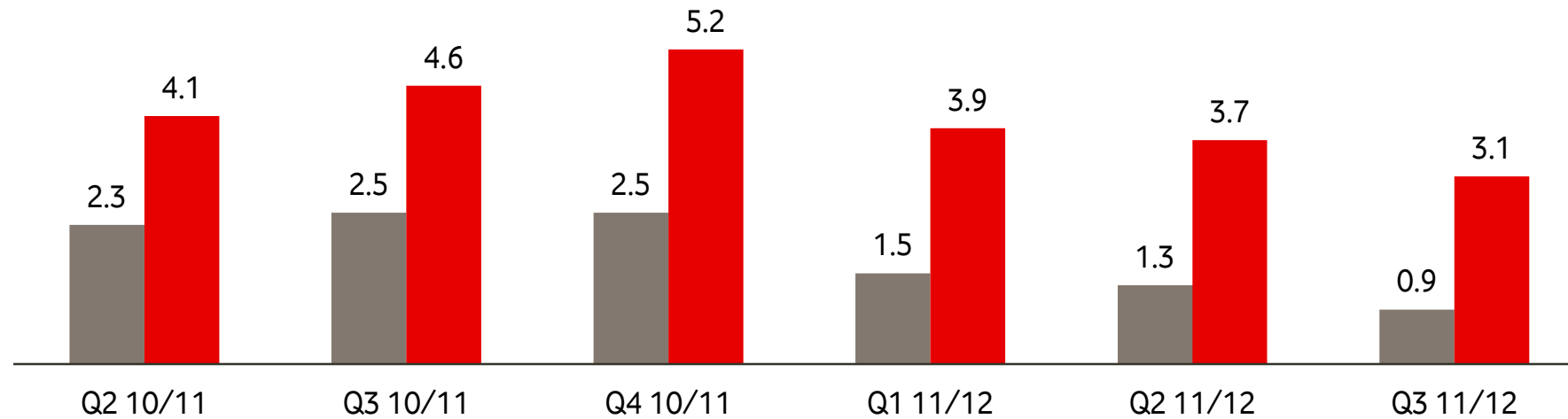
- Excluding MTRs: Group +3.1%, Europe +1.0%, AMAP +8.8%
- Southern Europe remains challenging
- Growth in data, messaging and fixed offsets MTR cuts and voice decline



Group: delivering underlying revenue growth

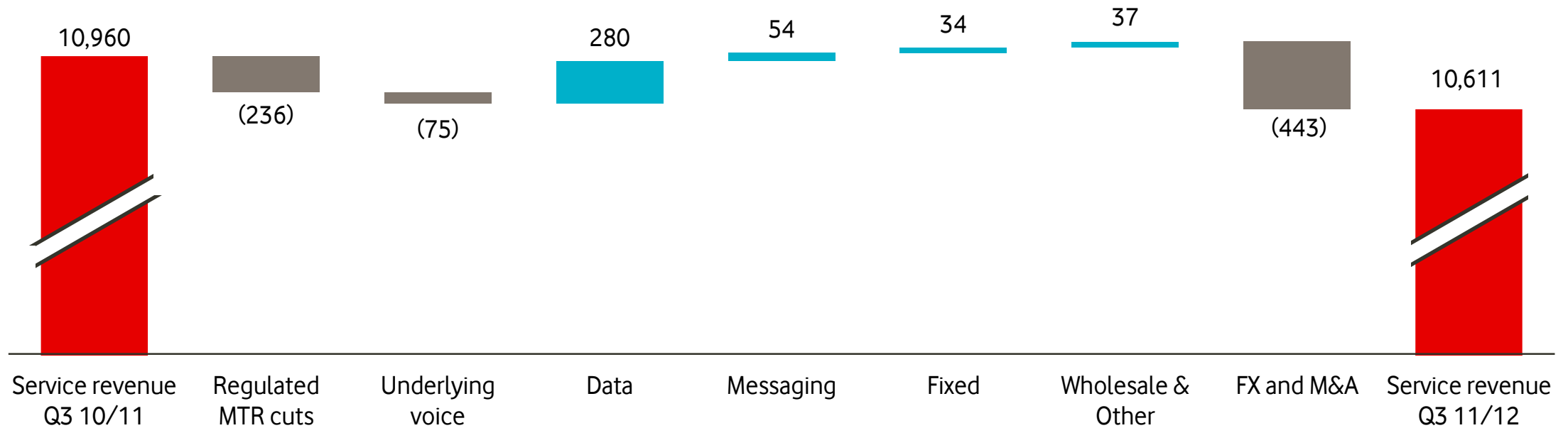
Service revenue growth (%)

- Service revenue growth
- Excluding voice MTRs



Group: data and messaging growth offsets regulatory impact

(£m)

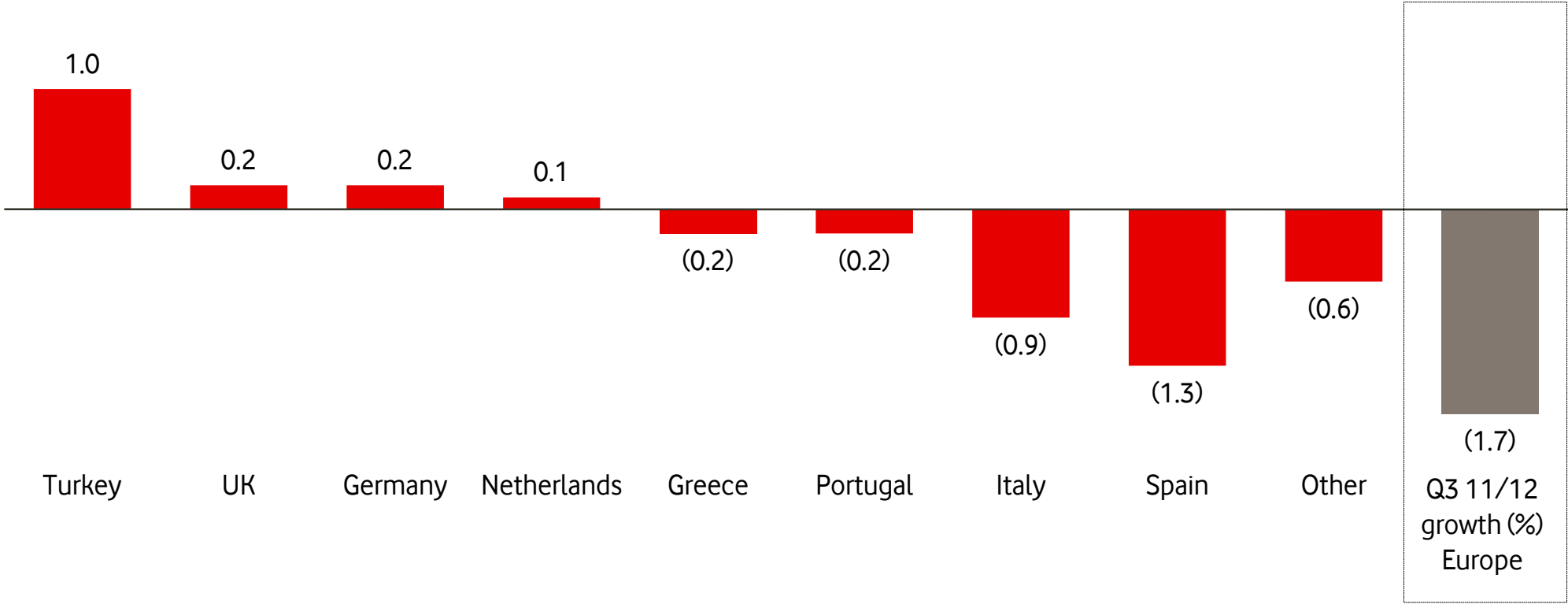


- Data revenue growth +21.8%; annual run rate £6.3bn
- Messaging revenues +4.3%
- Fixed revenues +3.9%



Europe: southern Europe remains challenging

Contribution to Q3 11/12 organic service revenue growth (ppt)

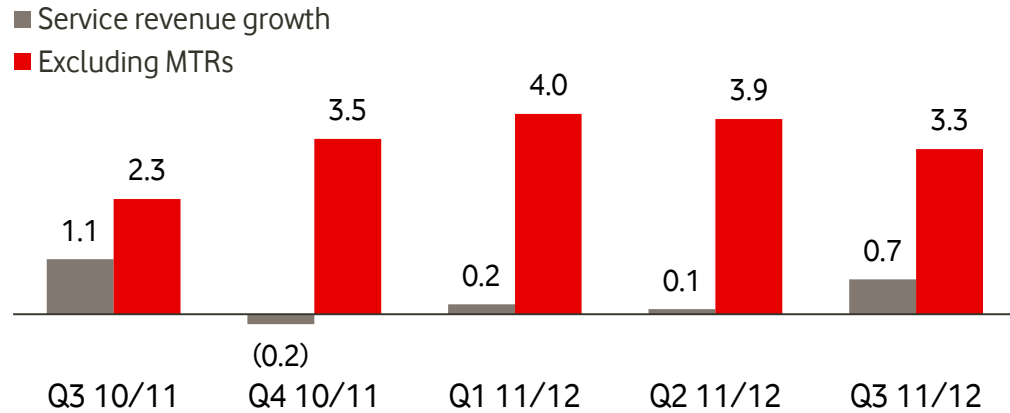


- Europe service revenue growth +1.0% excluding MTR impact

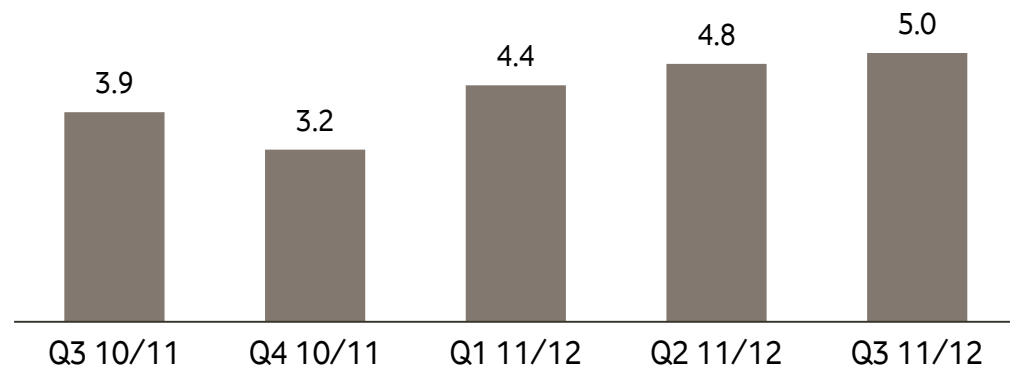


Germany: slower underlying growth

Service revenue growth (%)



Enterprise service revenue growth (%)

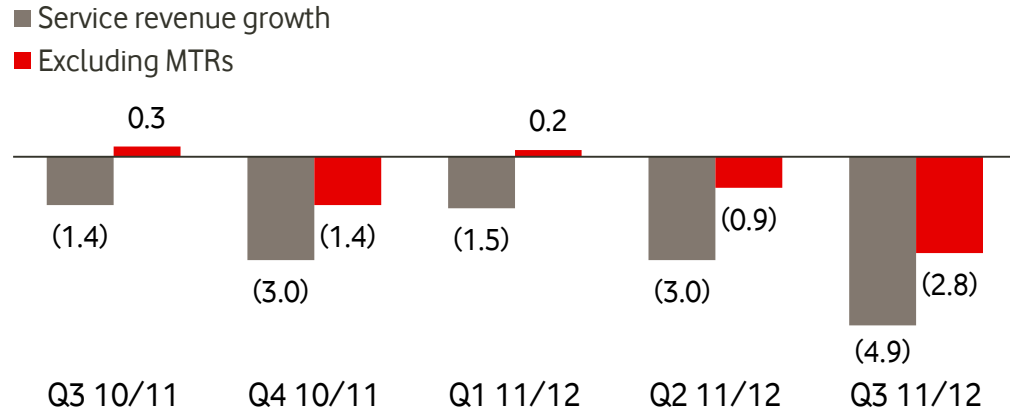


- Q3 service revenue +0.7%, +3.3% excl. MTRs
 - Mobile service revenue +1.2%
 - Competitive pressure in consumer prepaid
 - Strong growth in MVNO base, 305k net adds
- Stable and strong data revenue growth +22%
 - 20% smartphone penetration, 67% data attach
 - 85% of contract handsets sold are smartphones
- Enterprise revenue driven by strong mobile and fixed growth
- LTE: 88k customers; 1.7k sites; commenced services in Dusseldorf in Q3

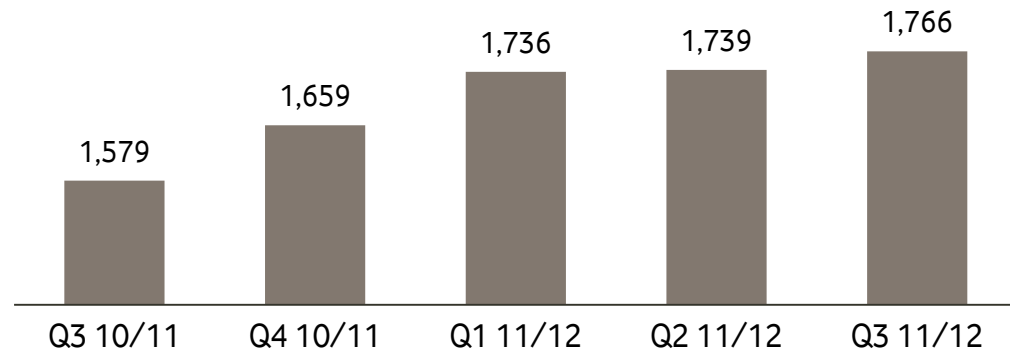


Italy: deteriorating economic environment

Service revenue growth (%)



Fixed broadband customers¹ (000's)



- Economy and consumer confidence weakening
- Service revenue -4.9%, -1.9ppt QoQ
 - Mobile service revenue -6.1%, -1.4ppt QoQ
 - Lower out of bundle usage
- Data revenue +16%, led by mobile internet +74%
 - 24% smartphone penetration, 47% data attach
- Enterprise revenue +1.9%, Vodafone One Net strength
- Fixed revenue +4.9%; broadband customers +12%, lower usage
- Significant MTR cuts ahead

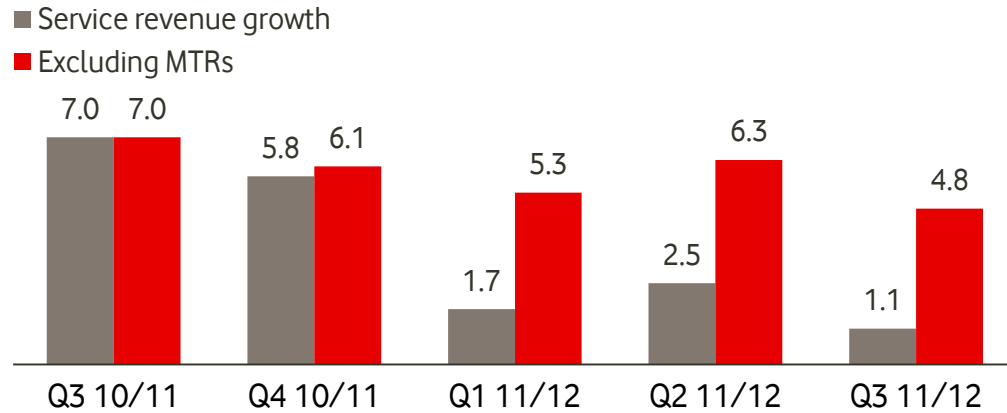


All growth rates shown are organic unless otherwise stated

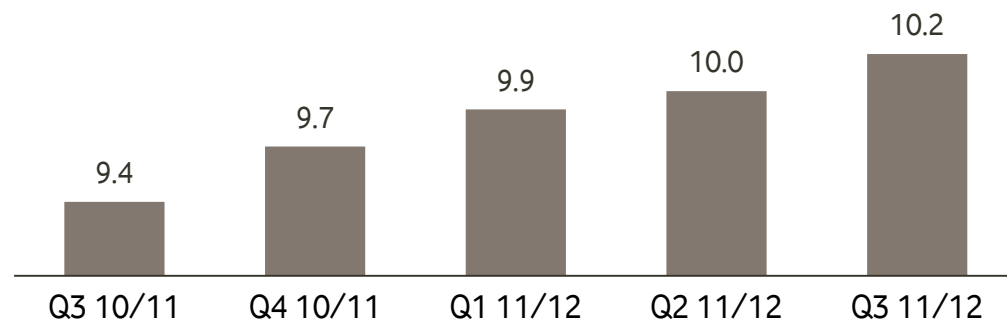


UK: solid performance against strong prior period

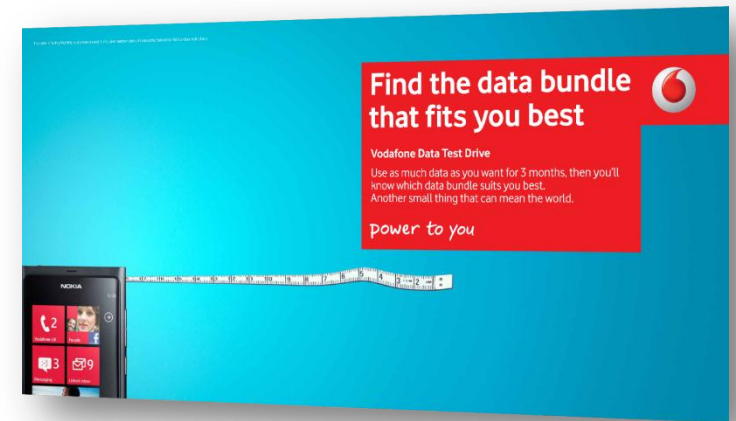
Service revenue growth (%)



Contract customer base (m)



- Q3 service revenue +1.1%, +4.8% excl. MTRs
 - Weakening consumer confidence
 - Reduction in roaming revenues
- Data revenue +13%
 - 39% smartphone penetration, 84% data attach
 - 68% of revenues¹ from integrated tariffs
 - Positive customer response to data 'test drive'
- Improving customer mix, 53% of base is contract, +4ppt YoY

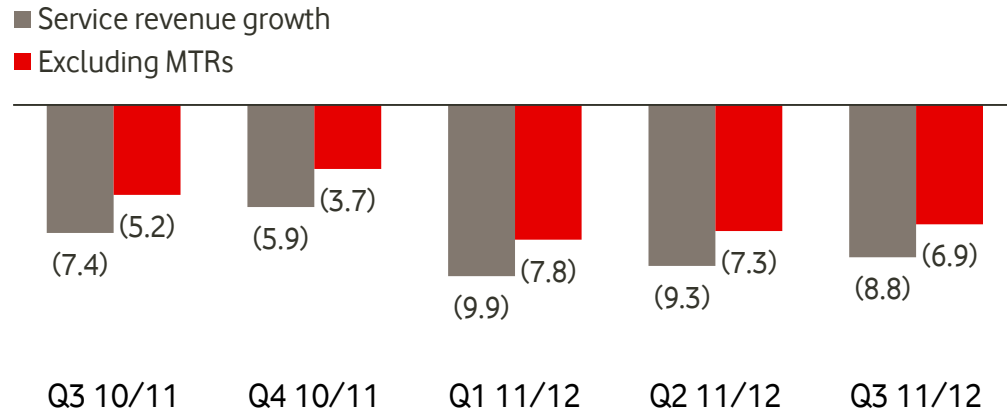


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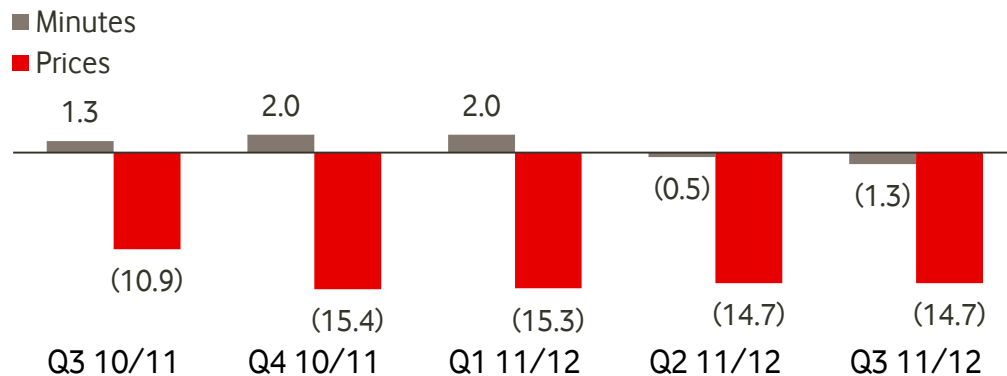


Spain: small improvements in a tough pricing environment

Service revenue growth (%)



Outgoing usage and prices (% change)



- Significant macro economic and competitive pressures impacting pricing and usage
- Second quarter of service revenue trend improvement:
 - 11% of customers¹ on integrated plans, +10ppt YoY
 - 57% contract data attach rate, +19ppt YoY
 - 49% contract smartphone penetration, +15ppt YoY
- Data revenue +27%; mobile internet revenue +93% driven by smartphone penetration
- Fixed revenue +13.0% (Q2 +4.2%); strong broadband customer growth +14%

power to you

Compromiso Vodafone Mejor Conectado

El 90% de la población tiene la mayor cobertura 3G*

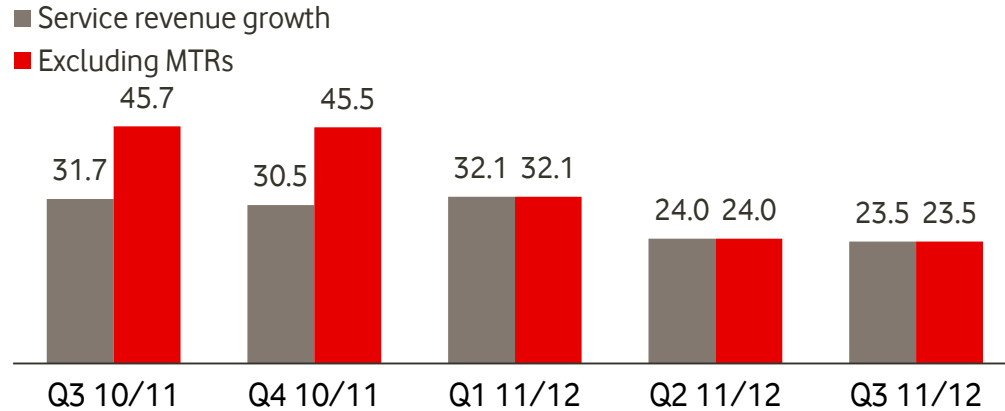
* Y no, la letra pequeña no dice todo lo contrario.

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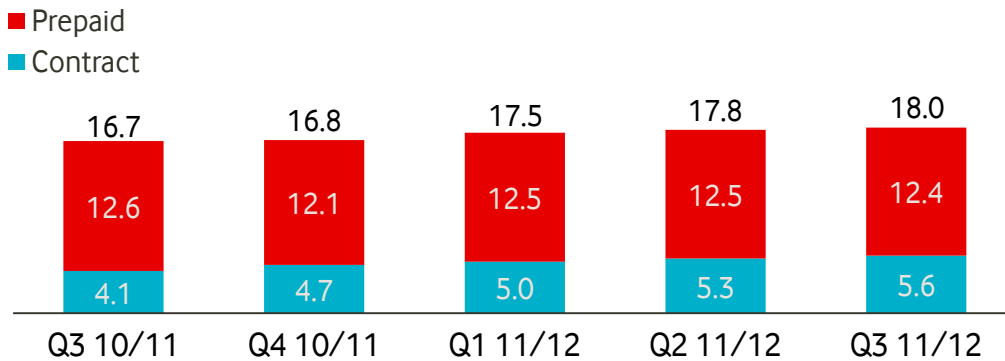


Turkey: performance remains strong

Service revenue growth (%)



Customer base (m)

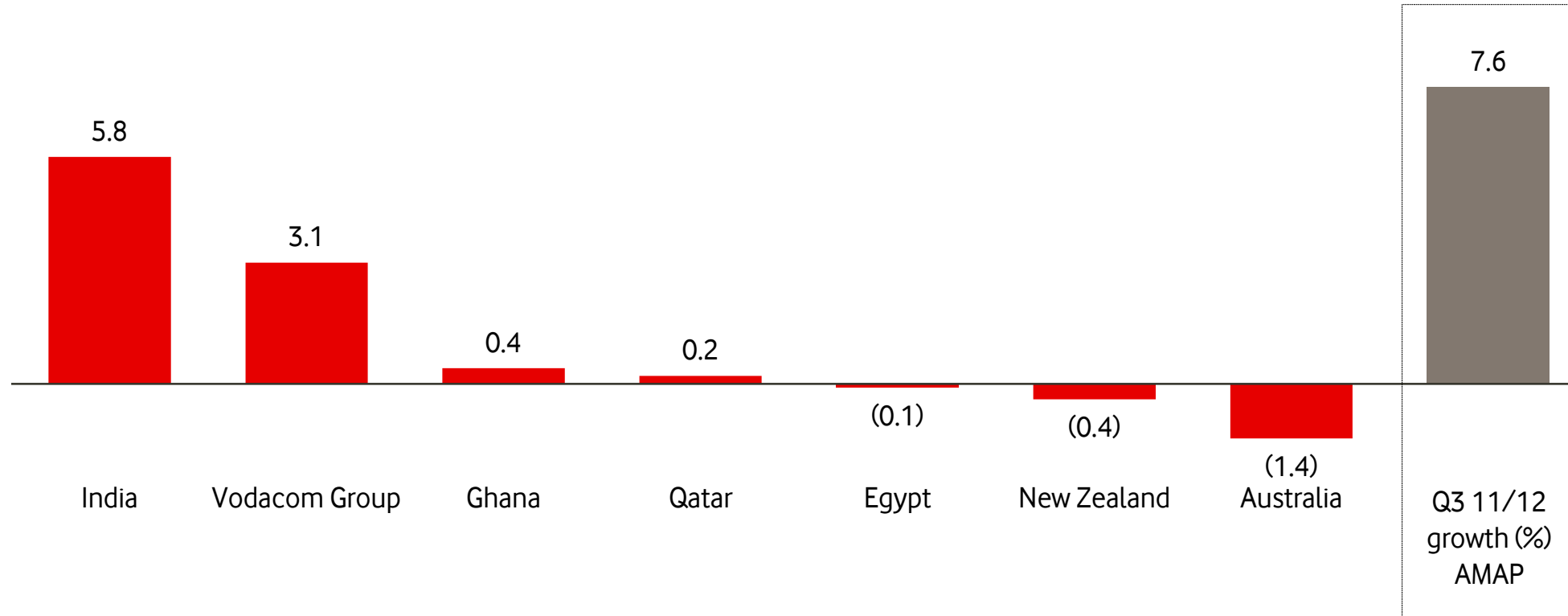


- Service revenue +23.5%
 - Improving postpaid customer mix, 31% of base
- Data revenue +77% driven by mobile internet +244%
 - Smartphone penetration 15%, +7ppt YoY
- Commercial initiatives delivered lower contract churn
- Enterprise revenue +22%; 58% of Capital 500 companies
- NPS leadership strengthened



AMAP: robust service revenue growth

Contribution to Q3 11/12 organic service revenue growth (ppt)



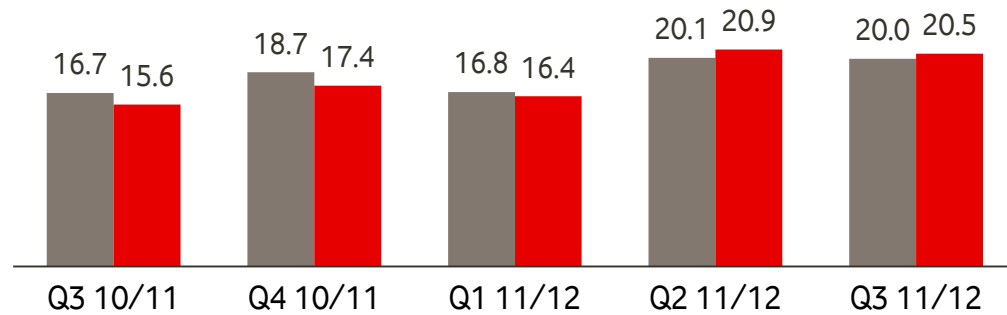
- AMAP service revenue growth +8.8% excluding MTR impact



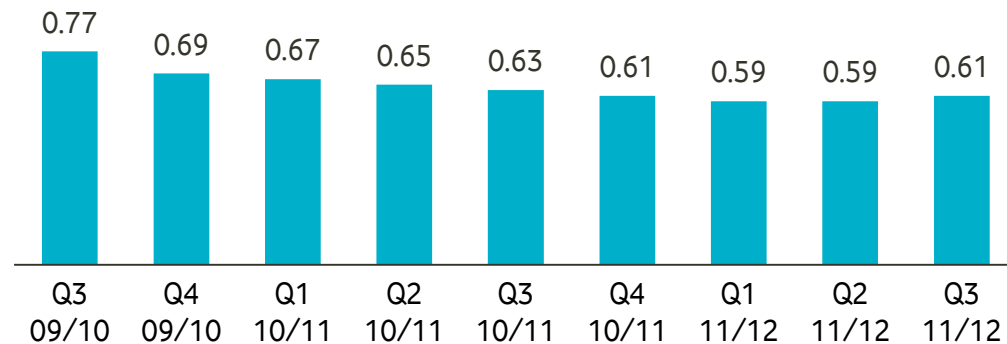
India: strong momentum

Service revenue growth (%)

■ Consolidated including Indus
■ Excluding Indus



Outgoing prices (Rs per minute)

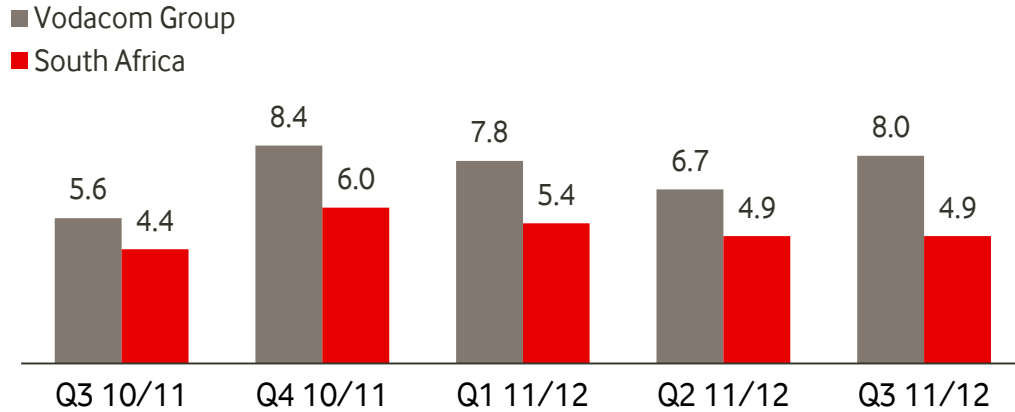


- Robust service revenue growth +20.0%
 - Customer growth +19%; focus on quality
- Stable market prices; 56% of customer base on new higher price plans
- Data revenue growth remains strong, +46%
 - Led by mobile internet
 - 31.2m data users, +2.3x YoY
- Regulatory environment remains uncertain



Vodacom Group: good customer growth in all markets

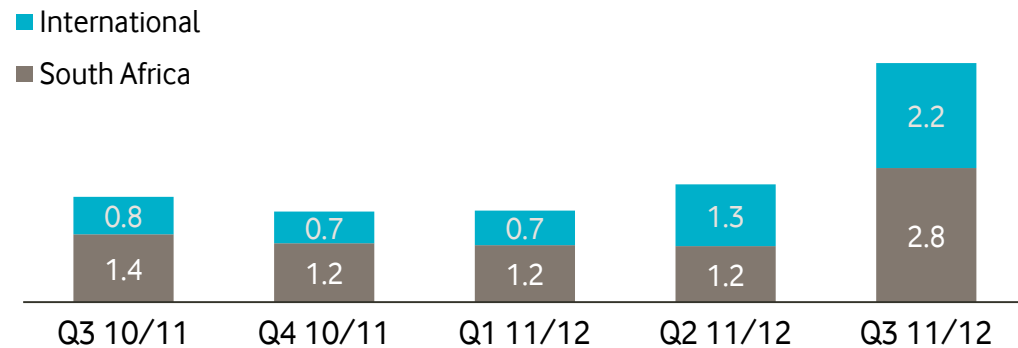
Service revenue growth (%)



South Africa service revenue +4.9%; +7.2% excl. MTRs

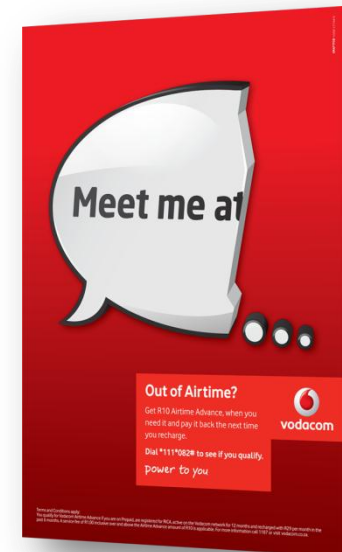
- Summer campaigns delivered record net adds of 2.8m
- Data revenue impacted by pricing pressures; data users +32% to 11.4m customers

Vodacom Group net additions (m)



International service revenue +39.2%¹ (Q2 +25.8%)

- Improved price trends and M-Pesa support strong growth in Tanzania

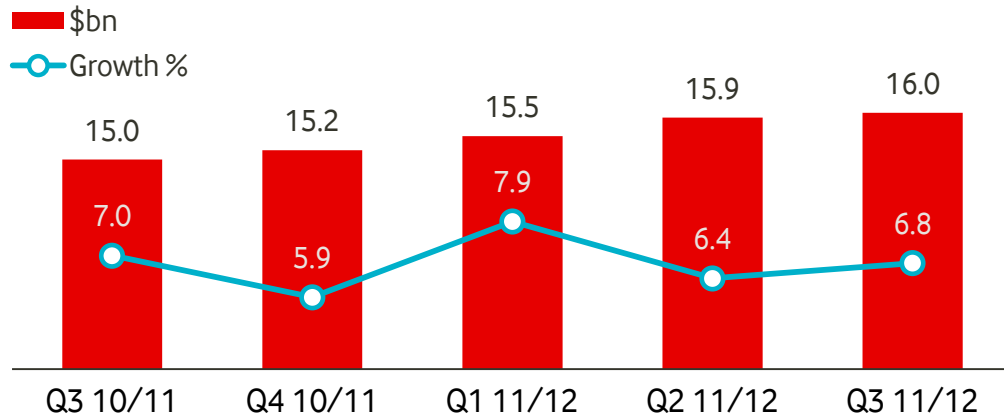


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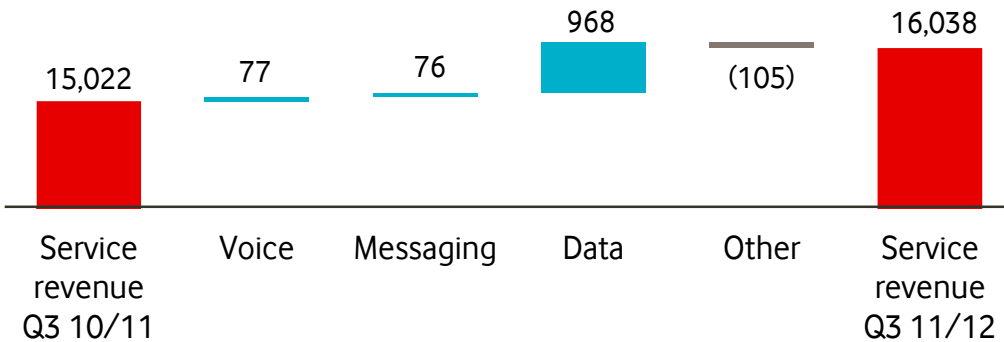


Verizon Wireless: strength in data

Service revenue



Delivering in data (\$m)



- Strong service revenue growth, driven by data
- 1.5m retail net additions, 1.2m postpaid
- \$6.3bn¹ data revenue, +19% YoY
 - Growth driven by web and email services
 - 7.7m smartphones sold
 - 44% smartphone penetration¹, +16ppt YoY
 - 2.3m LTE 4G devices sold
- Accelerating phone ARPU², +4% YoY
- Industry leading customer loyalty
- \$0.7bn net cash¹

All growth rates shown are organic unless otherwise stated

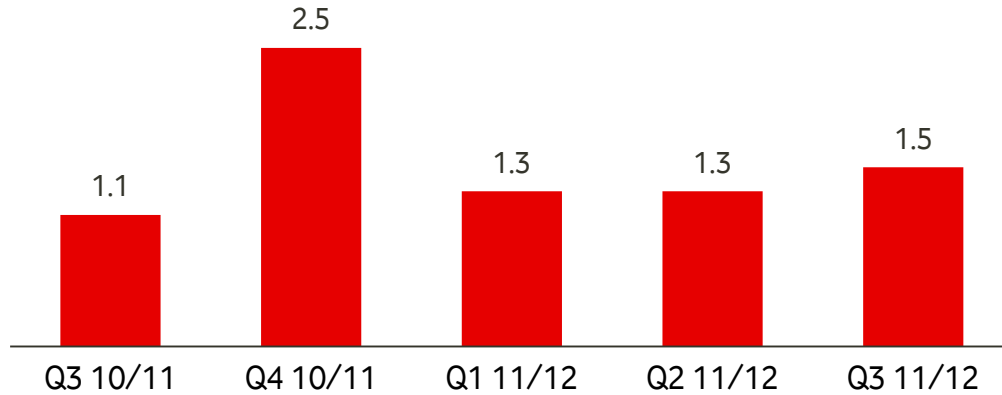
1. VZW definitions and US GAAP measures; smartphone penetration of the retail postpaid customer base; data revenue includes messaging

16 2. Retail postpaid phone ARPU



Group: strong cash generation

Free cash flow (£bn)



- Free cash flow £0.4bn higher YoY
 - Phasing of tax payments
- Net debt reduced by £0.7bn
 - Italy and Greece spectrum spend
 - £0.8bn share buyback spend
 - Polkomtel disposal complete

	Q3 11/12 £bn
Opening net debt	(26.2)
Disposal of Polkomtel	+0.8
Free cash flow	+1.5
Spectrum	(1.0)
Share buyback	(0.8)
Foreign exchange/other	+0.2
Closing net debt	(25.5)



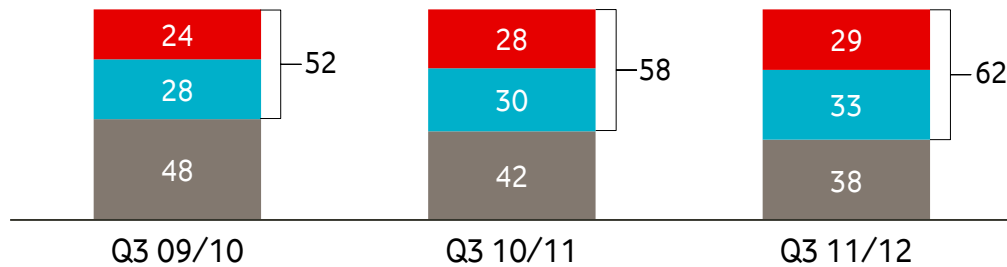
**FY FCF target confirmed:
£6.0bn - £6.5bn**



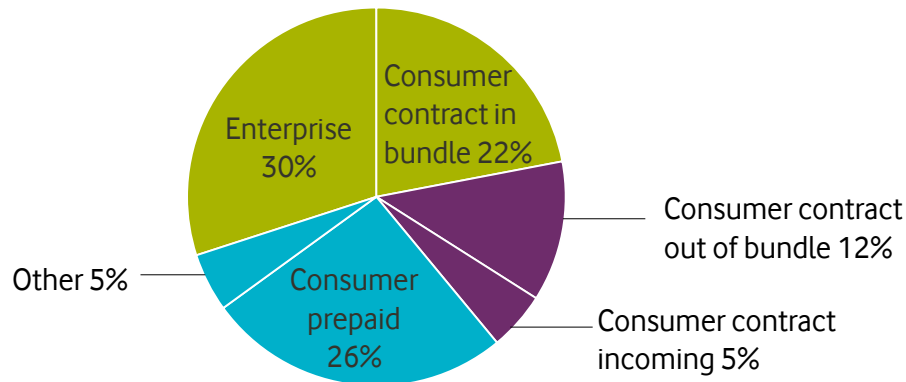
Group: mature mobile voice now only 38% of service revenue

Increasing contribution beyond mature voice
(% of service revenue)

- Emerging markets¹
- Mature data, fixed and other
- Mature mobile voice



Europe mobile service revenue mix (Q3 11/12)



- Q3 data revenue +22%, now 15% of Group service revenue
 - Mobile internet +52%, mobile broadband +1%
 - 100m+ data users, +39% YoY
- Strong revenue growth in AMAP
 - Mobile customers +20% YoY
 - Data revenue +21%
 - Over 29m registered M-Pesa customers
 - 10.8m Opera Mini browser users, +99% YoY
- Managing transition to integrated tariffs in Europe
 - 37% of revenue² from integrated tariffs (+20ppt YoY)
- Continued network investment to maintain quality
 - 37% average 3G utilisation
 - 8% of sites at 90% utilisation³

All growth rates shown are organic

1. Turkey, Vodacom, India, Egypt, Ghana, Qatar & Fiji

2. Consumer contract revenue in Europe

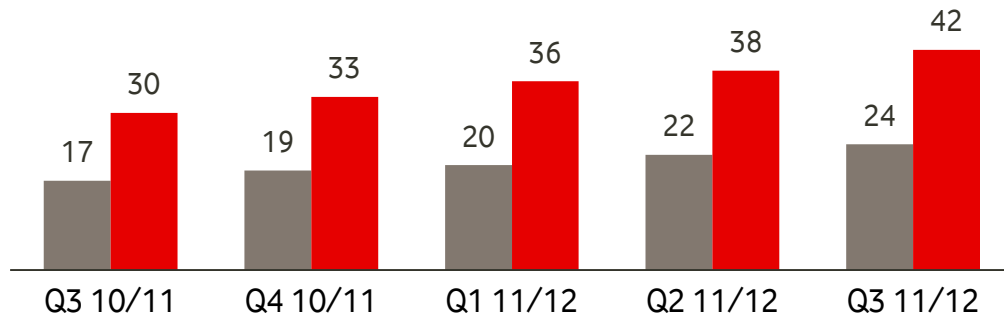
3. Average busy hour utilisation



Group: making progress in supermobile

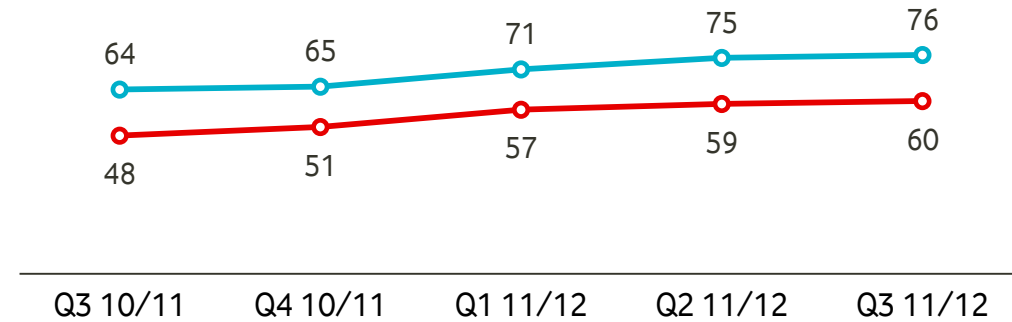
Smartphone penetration in Europe (%)

■ % of total customer base
■ % of contract customer base

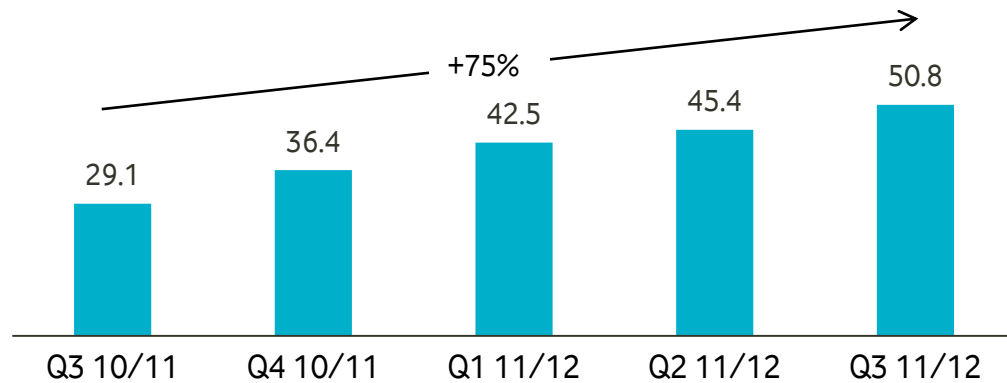


Data attach in Europe (%)

○ % of total smartphone customer base
○ % of smartphone contract customer base



AMAP data customers (m)



- 32% of handset sales¹ were smartphones
 - 59% consumer contract, 48% enterprise
- New smartphone customers continue to drive ARPU
- Group mobile internet revenue +52%, Europe +55%
- Expansion of operator billing, new consumer services



We are delivering a more valuable Vodafone

- Revenue growth; data +21.8%, AMAP +7.6%
- Pushing smartphone penetration and integrated tariffs
- Continuing to invest in network quality
- Rigorous capital discipline; £6.8bn share buy back commitment, 70%¹ complete
- Verizon Wireless dividend received; India tax case resolved
- Strong underlying free cash flow

All growth rates shown are organic unless otherwise stated

20 1. At 31 December 2011, £2.0bn spend on £4.0bn SFR programme, plus £2.8bn China Mobile programme completed in June 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 confirmation contained in slide 17 in relation to free cash flow and guidance relating to adjusted operating profit; statements relating to the Group’s future performance generally; statements relating to the development and launch of certain products, services and technologies, including the LTE network and 3G and 4G service; expectations regarding the regulatory environment in which the Group operates; expectations regarding mobile data growth; statements relating to movements in foreign exchange rates; expectations regarding adjusted operating profit, free cash flows, costs, tax rates, tax settlements, mobile termination rates, ARPU and capital expenditures; expectations regarding cost efficiency programmes; expectations regarding the Group’s share buyback programmes; and expectations regarding the integration or performance of current and future investments, associates, joint ventures and newly acquired businesses, as well as expectations concerning recent disposals.

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 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 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 (including MVNOs), which could require changes to the Group’s pricing models, lead to customer churn 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 data content and services, or the rapid obsolescence of existing technology; higher than expected costs, mobile termination rates or capital expenditures; and 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.

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 the Group’s half-year financial report for the six months ended 30 September 2011 and “Principal risk factors and uncertainties” in the Group’s annual report for the year ended 31 March 2011, both of which 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.

