



vodafone



Sir Christopher Gent
Chief Executive
Vodafone Group Plc

This presentation is being made only to, and is directed at (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and (b) persons to whom it may otherwise lawfully be communicated (together "relevant persons") Any person who is not a relevant person should not act or rely on this presentation or any of its contents. Information in this presentation about the yield on relevant investments cannot be relied upon as a guide to future performance.

Agenda

- **Summary of Results** } Sir Christopher Gent
- **Analysis of Results** }
- **Group Funding** } Ken Hydon
- **Progress on KPI's** }
- **Major Achievements** } Julian Horn-Smith
- **Outlook and Q&A** } Sir Christopher Gent
- **Vodafone & the Future** } Arun Sarin

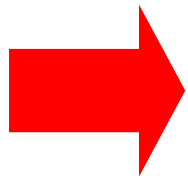
Results Overview

- **Exceeded expectations**
- **Strong growth in:**
 - **Customers**
 - **Operating Profit***
 - **Adjusted Earnings Per Share***
 - **EBITDA**
 - **Free Cash Flow**

*Before goodwill and exceptional items

Statutory Highlights

	Mar 03	Change ²
Group Turnover	£30.4bn	+33%
Group Operating Profit¹	£9.2bn	+30%
Profit Before Taxation¹	£8.4bn	+36%
Adjusted EPS¹	6.81 pence	+32%



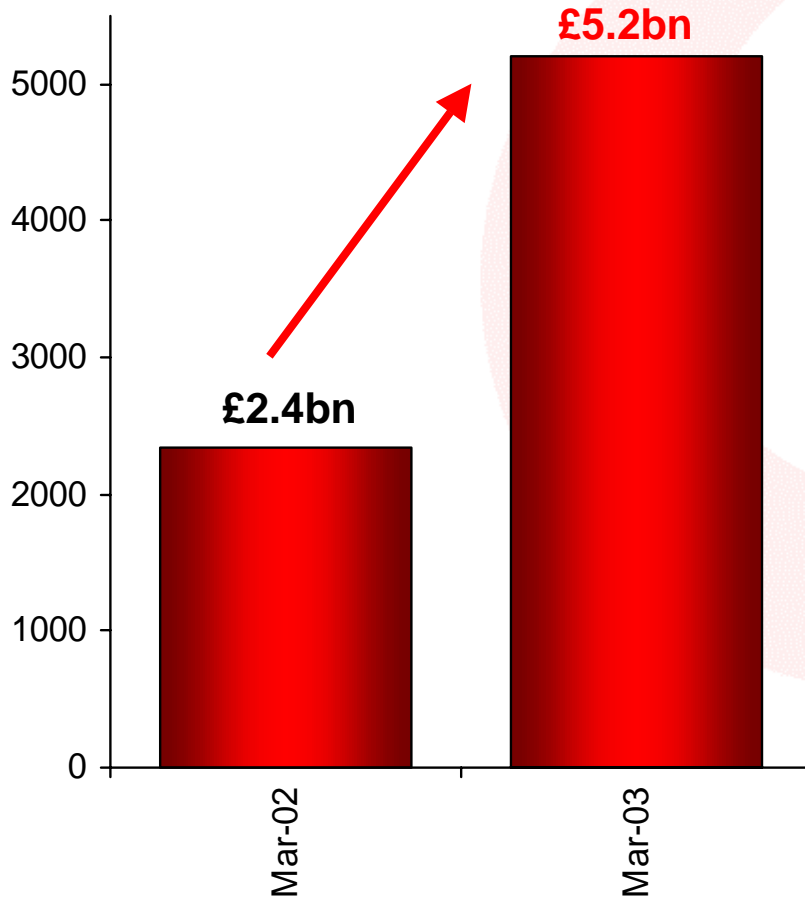
More than 30% growth

¹ Before goodwill and exceptional items

² Change on same period last year

Cash Flow Highlights

Free Cash Flow



- **More than double last year**
- **Capital additions £4.8bn**
- **Improved mobile capital efficiency - 16.3%**
- **Group net debt of £13.8bn**

Proportionate Highlights

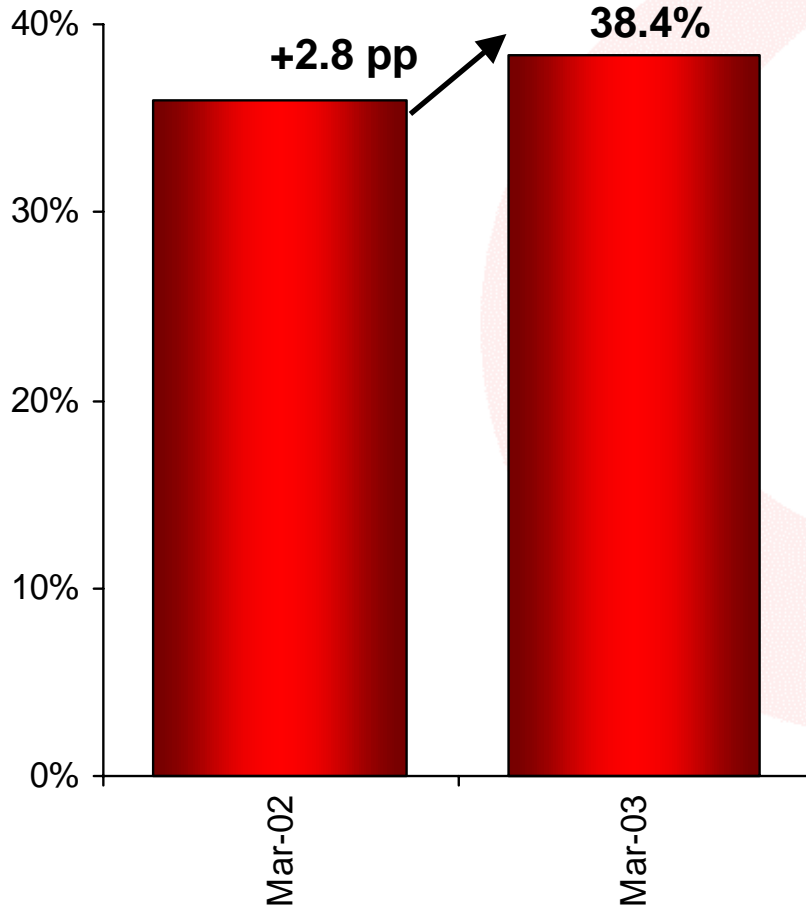
	Mar 03	Change ¹
Turnover	£33.9bn	+14%
EBITDA²	£12.7bn	+26%
Registered customers	119.7m	+18%

1 Change on same period last year

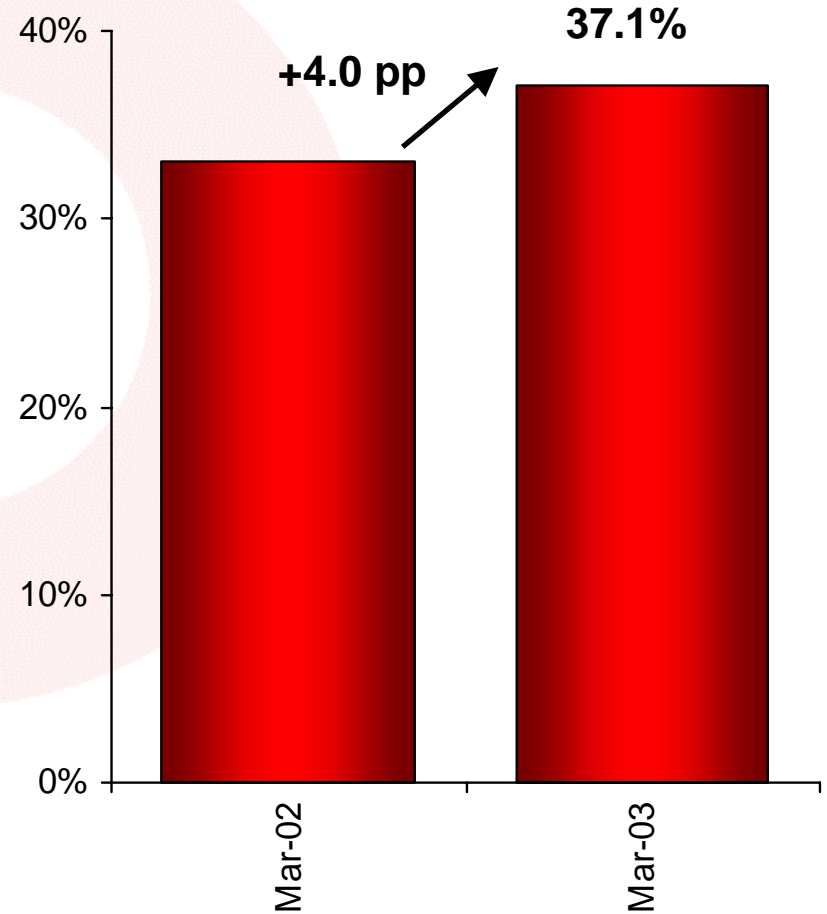
2 Before exceptional items

Margin Improvement

Proportionate Mobile EBITDA Margin ¹



Proportionate Total EBITDA Margin ²



1 Before exceptional items

2 After exceptional items

Second Half Performance

- **Better than anticipated**
 - Enhanced operating performance
 - Interconnect delays in Japan and Italy
 - Re-phased and lower cost capital additions
 - Lower than expected tax rate

Operational Highlights

Customer Growth

- Better organic customer growth
- More stake increases

Rise in Data Revenues

- Up 73% to £3.6bn
- 14.6% for year to March
- 15.6% in month of March

ARPU

- Sustained improvement in some key markets
- Better levels in Japan and US

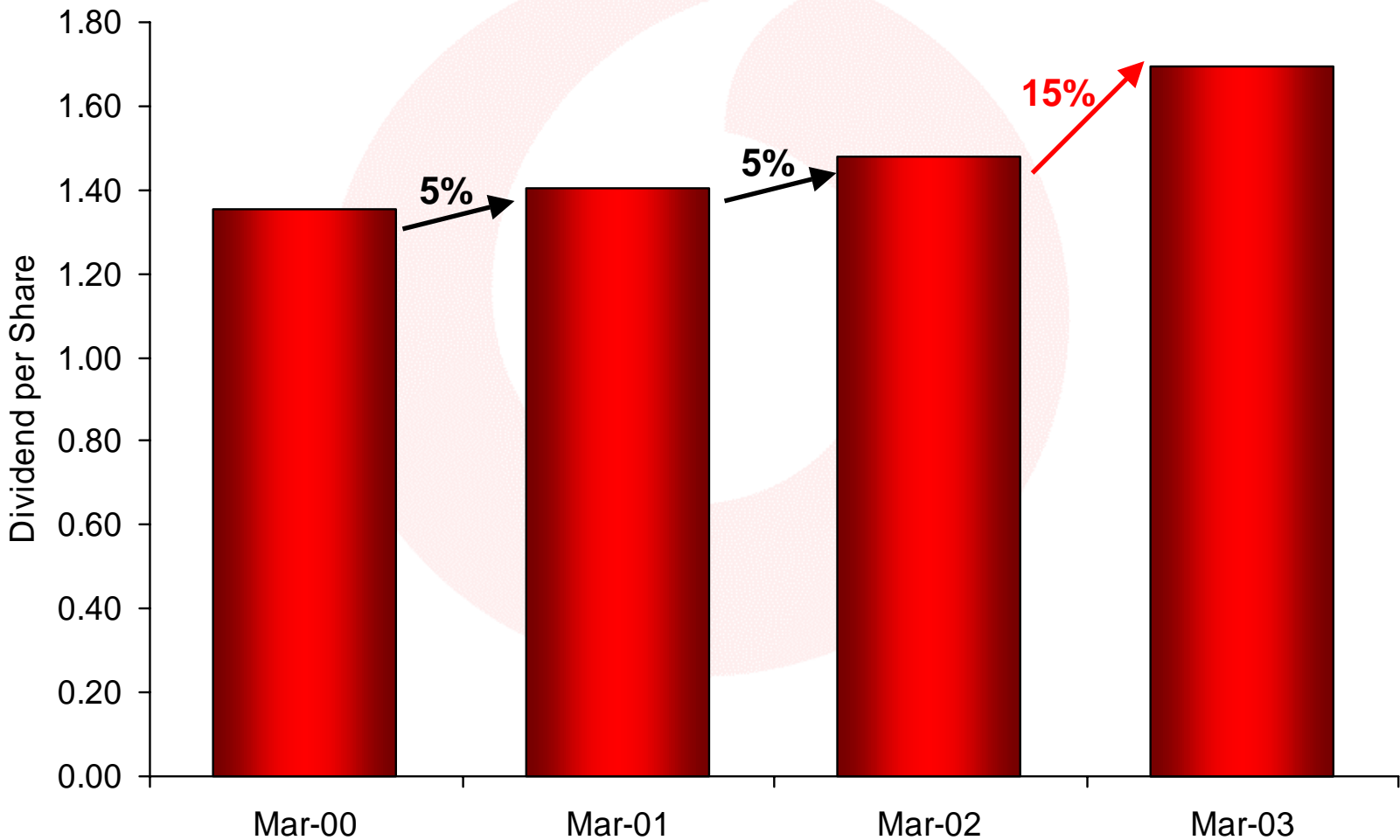
Services

- Launch of Vodafone live!
 - Over 1m customers
- Launch of Mobile Office from Vodafone

Transactions

Cegetel	15.0%	→	30.0%
SFR	32.0%	→	43.9%
CMHK	2.2%	→	3.3%
Vodacom	31.5%	→	35.0%
Germany	99.7%	→	100%
Spain	91.6%	→	100%
Sweden	71.1%	→	99.1%
Portugal	50.9%	→	94.4%
Greece	51.9%	→	64.0%
Netherlands	70.0%	→	97.2%
Hungary	59.0%	→	83.8%

Dividend Growth



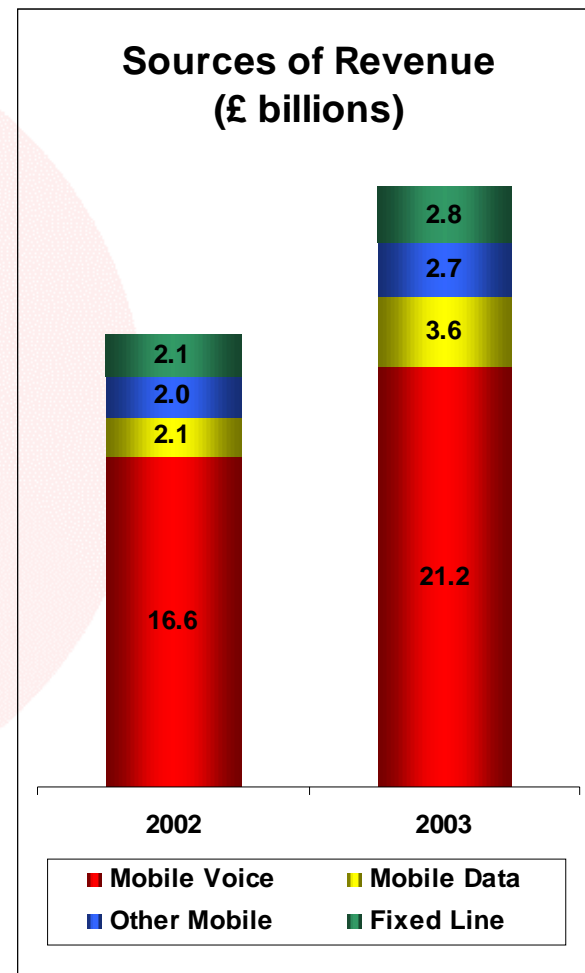


Ken Hydon
Group Financial Director
Vodafone Group Plc

Statutory Results

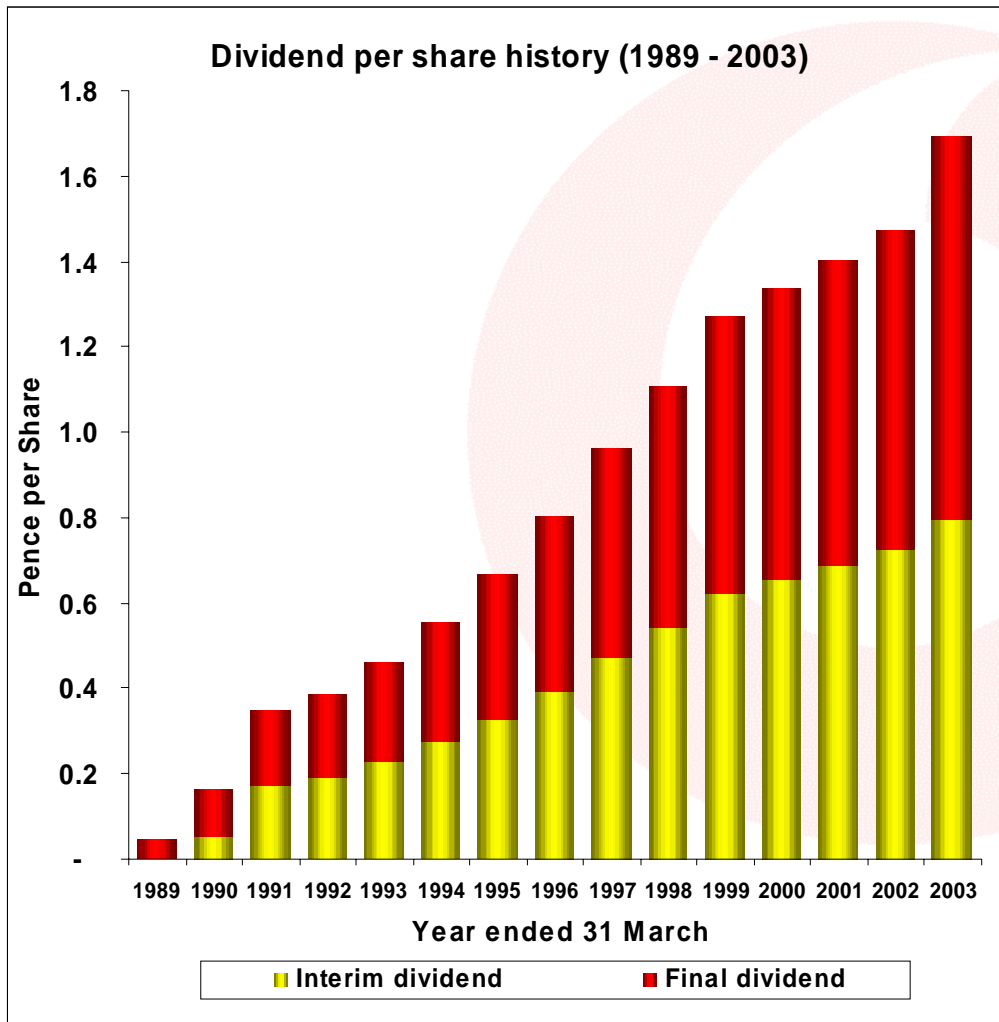
Year ended 31 March

	2003 £m	2002 £m	Increase %
Turnover	30,375	22,845	33
Group operating profit*	9,181	7,044	30
Net interest payable	(752)	(845)	(11)
Profit before tax*	8,429	6,199	36
Tax	(2,956)	(2,140)	
Goodwill amortisation	(14,056)	(13,470)	
Exceptional items	(581)	(6,268)	
Minority interests	(655)	(476)	
Loss for the year	(9,819)	(16,155)	
Basic loss per share	(14.41p)	(23.77p)	
Adjusted earnings per share*	6.81p	5.15p	



* Before amortisation of goodwill and exceptional items as detailed in notes 3 & 4 of the Preliminary Announcement dated 27 May 2003

Shareholder Returns



Final Dividend:

- 0.8983p per share

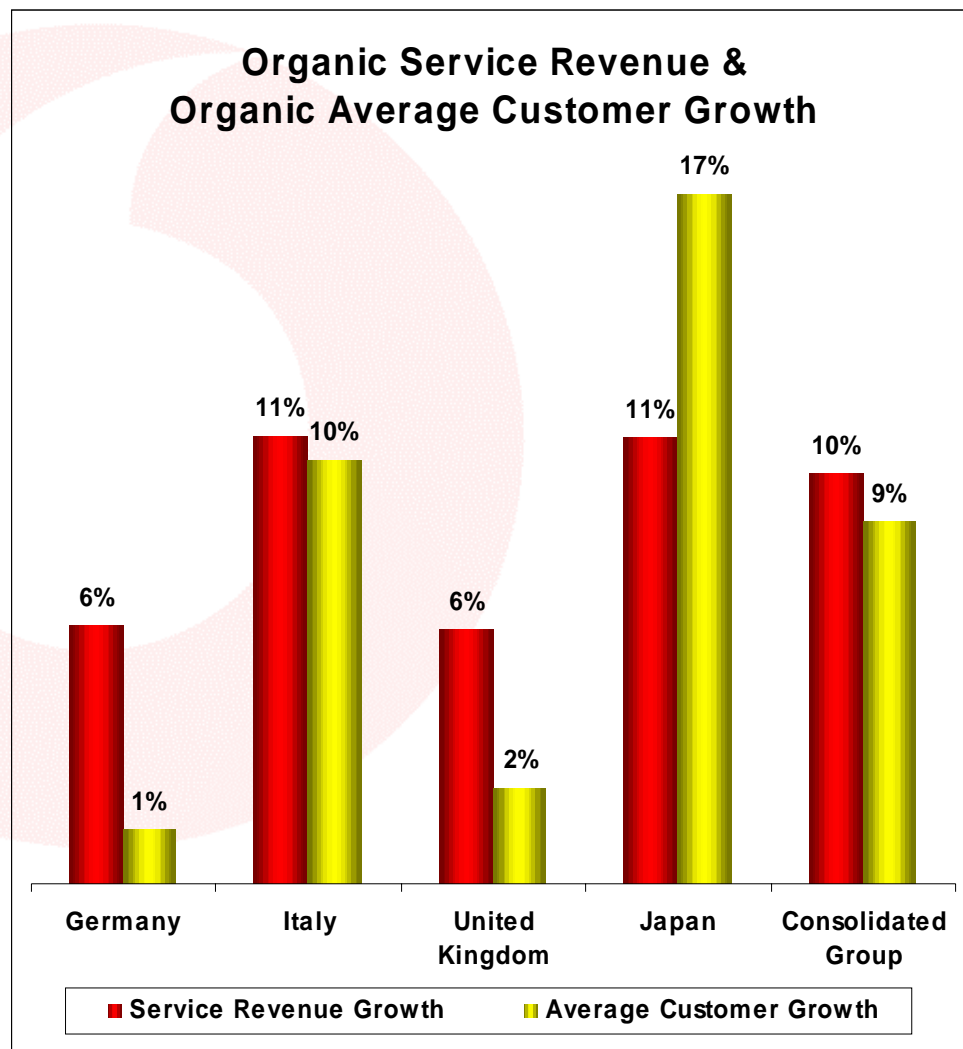
Total Dividend:

- 1.6929p per share
- Up 15% on 2001/2
- £1.15 billion

Statutory Turnover

Turnover - Year Ended 31 March

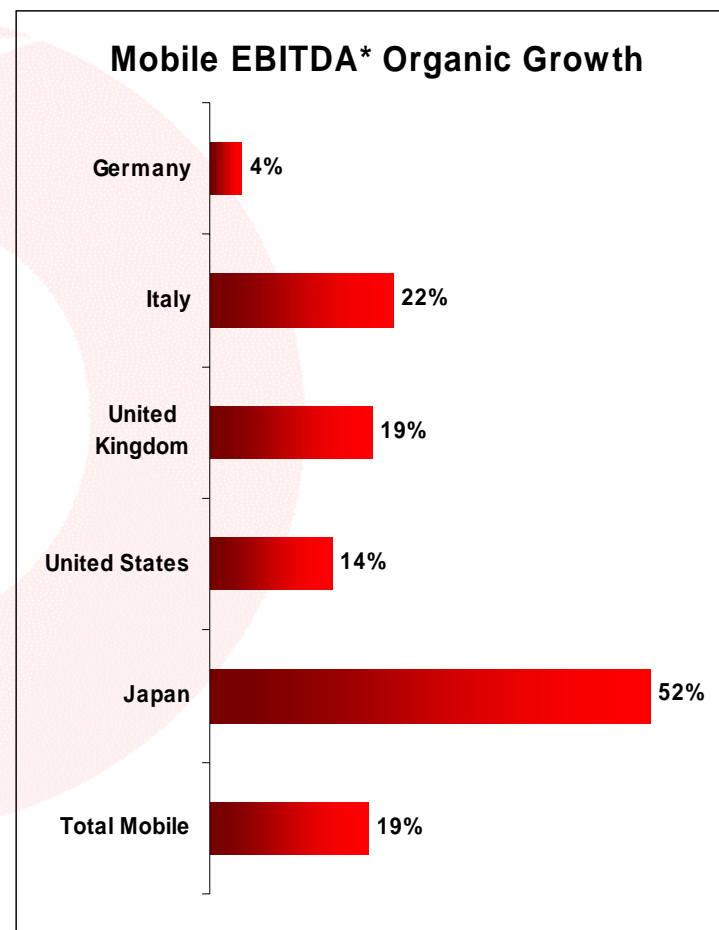
	2003	Growth
	£m	%
Germany	4,646	13
Italy	4,371	18
United Kingdom	4,026	7
Other Europe	5,840	23
Total Europe	18,883	15
Americas	5	(58)
Japan	7,539	127
Other Asia Pacific	825	10
Middle East & Africa	290	(5)
Total Mobile	27,542	33
Other Operations	2,833	35
Total Group	30,375	33



Proportionate Results

Year Ended 31 March 2003

	Turnover £m	EBITDA* £m	Margin* %
Germany	4,642	2,016	43.4
Italy	3,353	1,654	49.3
United Kingdom	4,026	1,541	38.3
Other Europe	7,068	2,685	38.0
Total Europe	19,089	7,896	41.4
Americas	5,802	1,977	34.1
Japan	5,258	1,645	31.3
Other Asia Pacific	1,178	474	40.2
Middle East & Africa	526	243	46.2
Total Mobile	31,853	12,235	38.4
Other Operations	2,073	444	21.4
Total Group	33,926	12,679	37.4



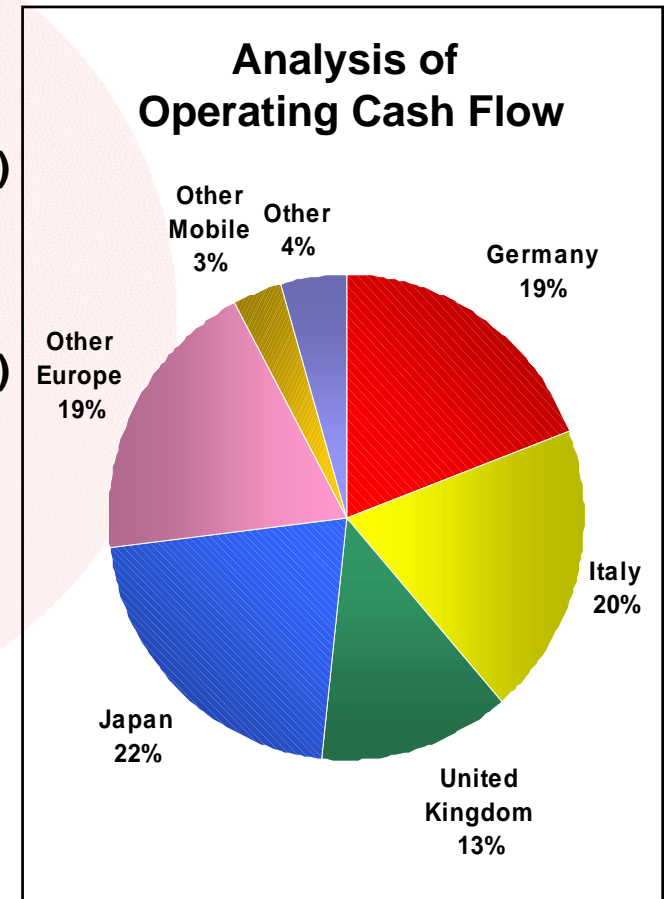
* Before exceptional items

Proportionate presentation is not a recognised measure under UK GAAP, is not intended to replace it and is only provided as supplemental data to facilitate a more detailed understanding and assessment of the consolidated financial statements prepared in accordance with UK GAAP.

Cash Flow

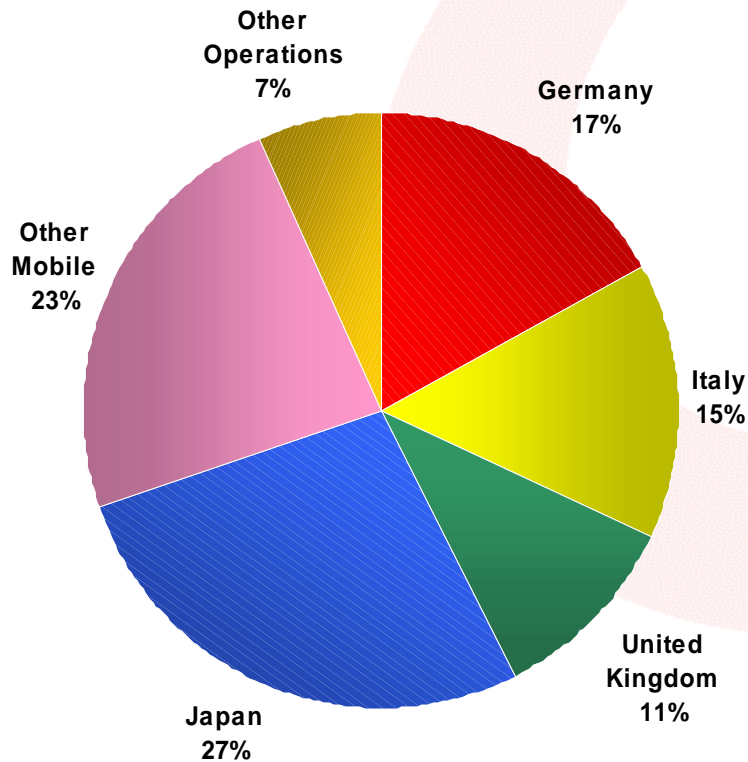
Year ended 31 March

	2003	2002	Increase
	£m	£m	%
Operating cash flow	11,142	8,102	38
Capital expenditure	(5,180)	(4,070)	27
Licences	(99)	(325)	(70)
Operating free cash flow	5,863	3,707	58
Tax paid	(883)	(545)	62
Net interest paid	(475)	(855)	(44)
Dividends received & other	666	58	1,048
Free cash flow	5,171	2,365	119
Acquisitions	(5,685)	(16,249)	
Disposals	700	5,390	
Share placement	-	3,510	
Group dividends	(1,052)	(978)	
Other	(939)	650	
Net debt increase	(1,805)	(5,312)	



Tangible Fixed Assets

Analysis of
Tangible Fixed Asset Additions



March 2003:

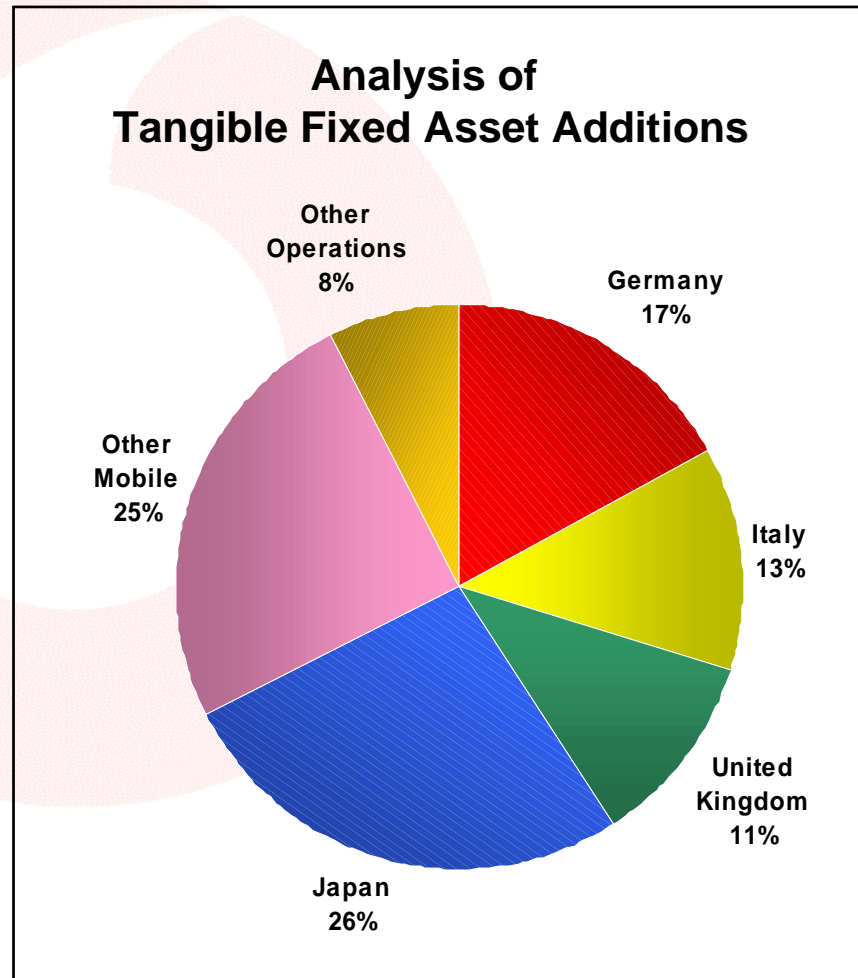
- **£4.8 billion additions**
(£5.2 billion cash spend)
- **35% on 3G**
- **Mobile capital intensity:**

	<u>2002/3</u>	<u>2001/2</u>
Including 3G	16.3%	20.4%
Excluding 3G	10.2%	18.7%

Tangible Fixed Assets

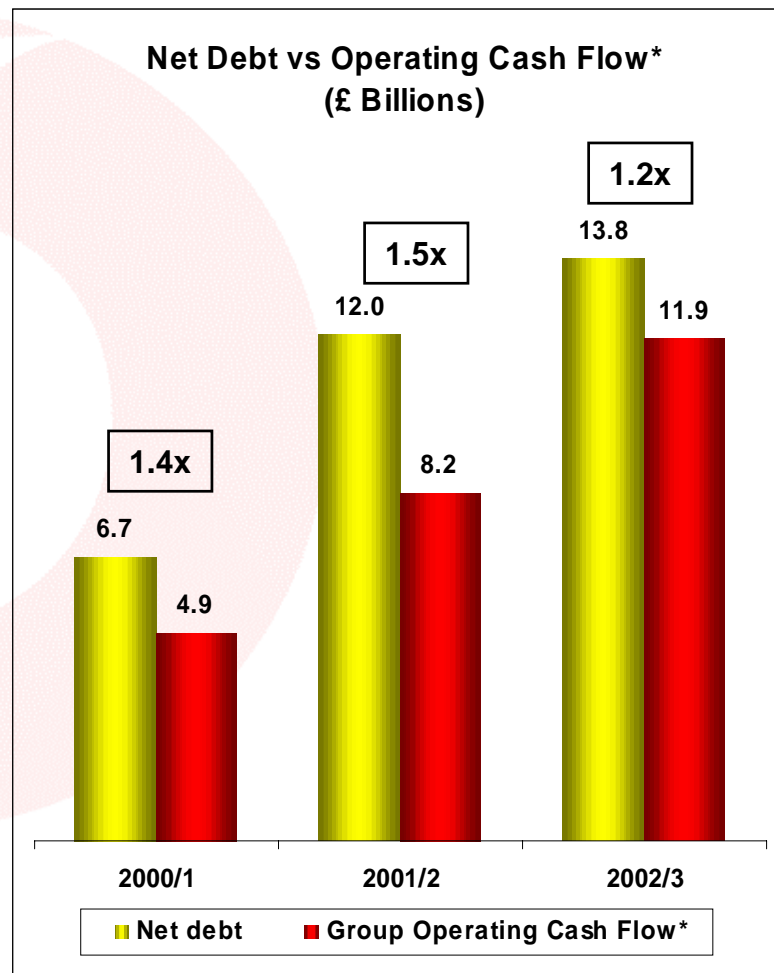
March 2004:

- **>£5.0 billion**
- **Savings:**
 - Rephasings
 - Efficiencies
- **40% on 3G**



Net Debt

- £13.8 bn at 31 March 2003
- 18% of market capitalisation
- Single 'A' credit profile



* Before exceptional items. Includes dividends received from joint ventures and associates.

Summary

- **Strong growth:**
 - **Service revenues**
 - **Adjusted earnings per share**
 - **Free cash flow**
- **Healthy financial position**
- **Increase returns to shareholders**



Julian Horn-Smith
Group Chief Operating Officer
Vodafone Group Plc

Broader Vision

- **Grow global revenues**
 - increased marketing focus
- **Extend operational leadership**
 - leverage of scale & scope
- **Extend service differentiation**
 - investing in delivering a Vodafone branded, easy to use customer proposition

Impressive Performance

- **Good customer growth**
- **Sustained ARPU levels**
- **Continued focus on cost management**

38.4 % Mobile EBITDA Margin*

Free Cash Flow Doubled

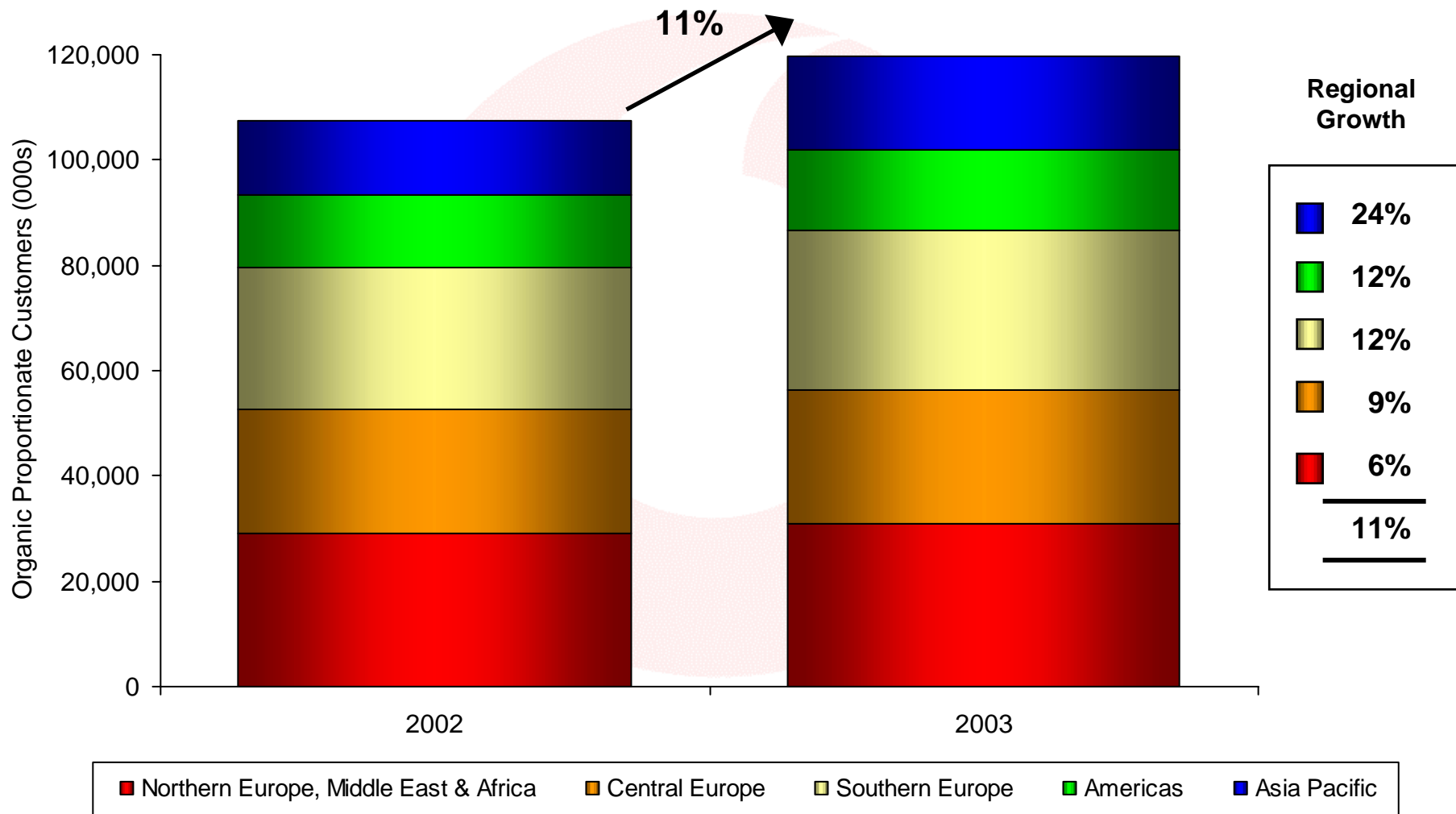
* Proportionate before exceptionals

Milestones Achieved

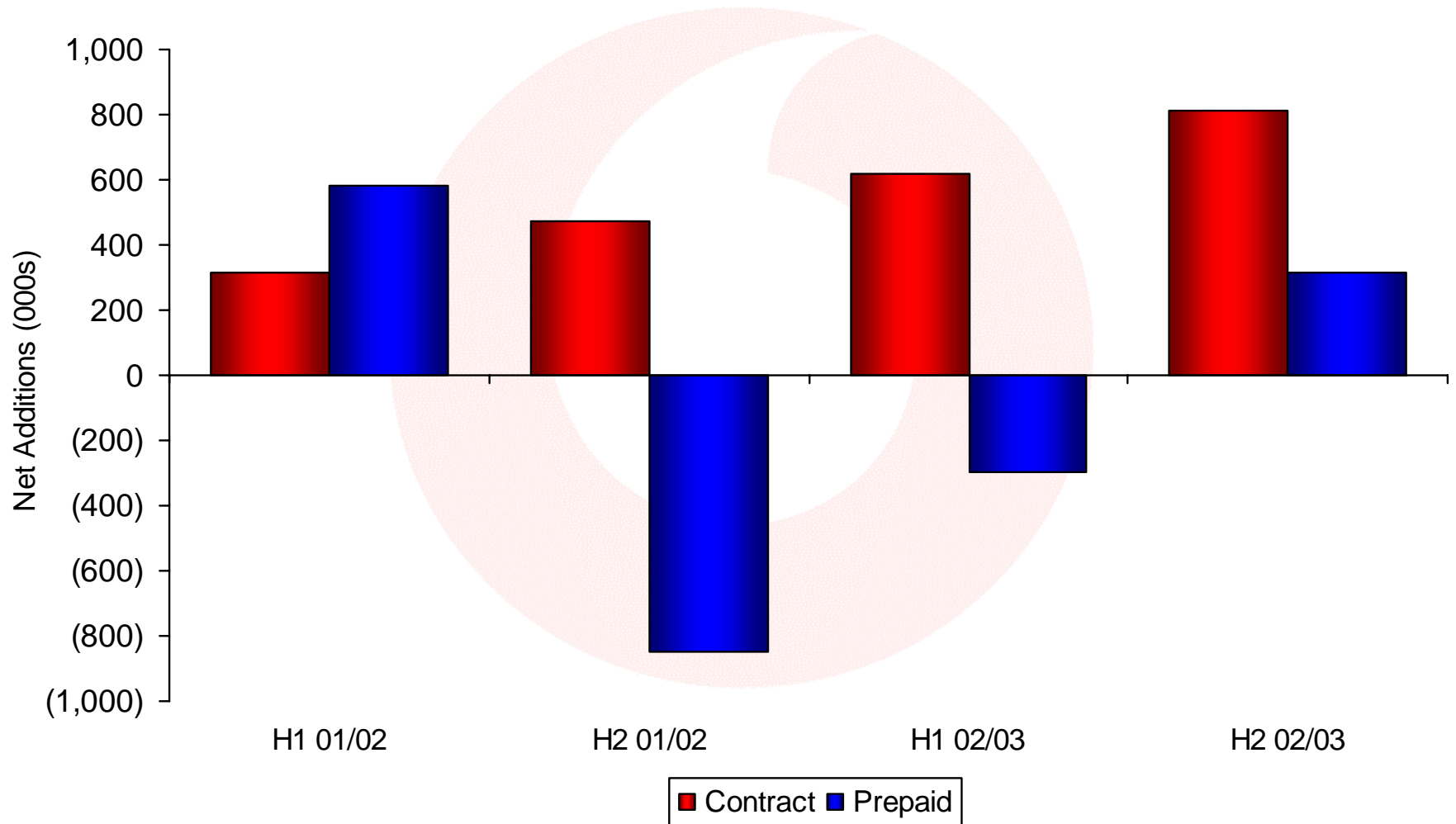
Customer orientated service proposition

- **GPRS Roaming**
- **Launch of Vodafone live! across multiple countries**
- **Rollout of Mobile Office from Vodafone**

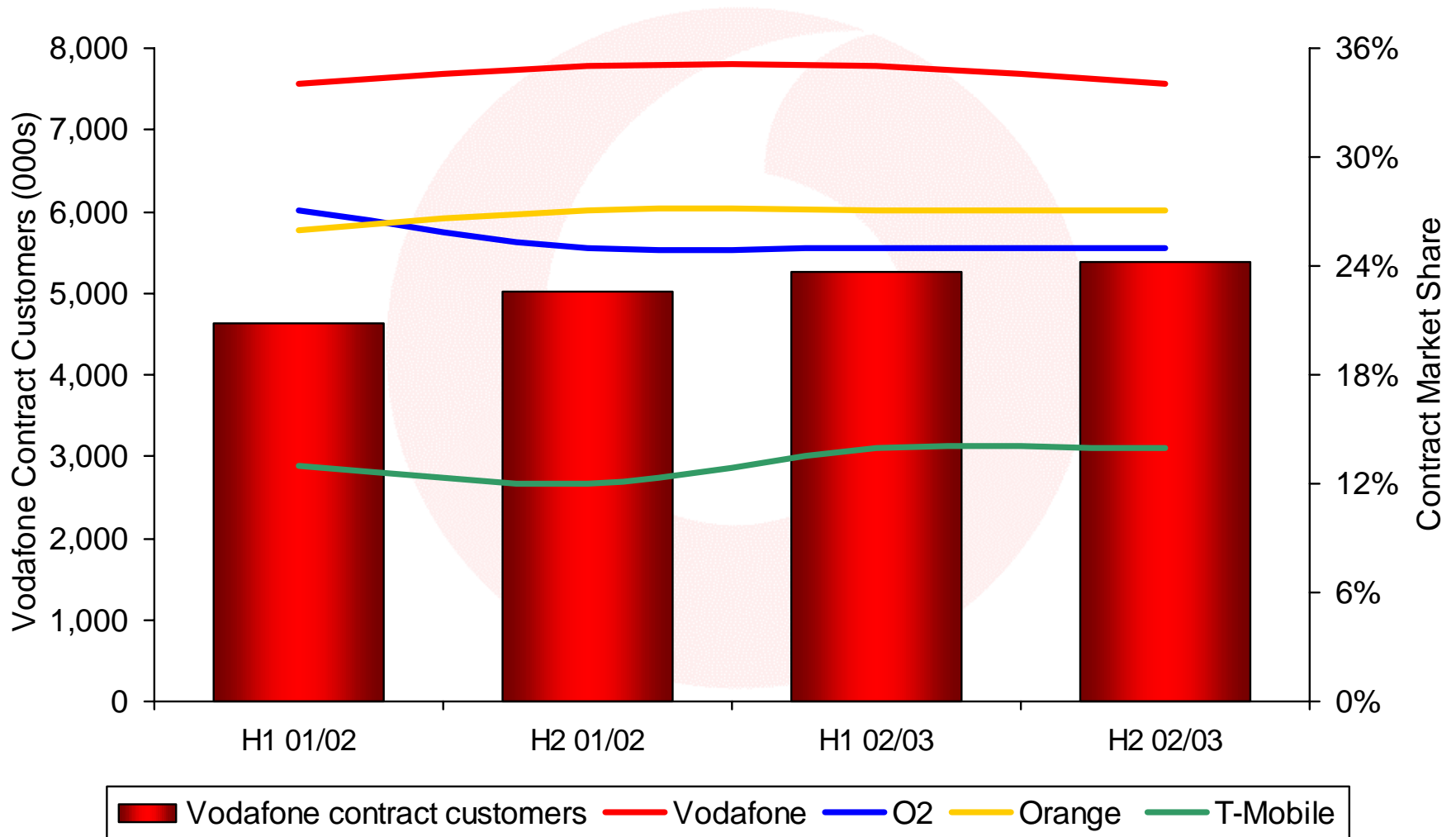
Organic Proportionate Customer Growth



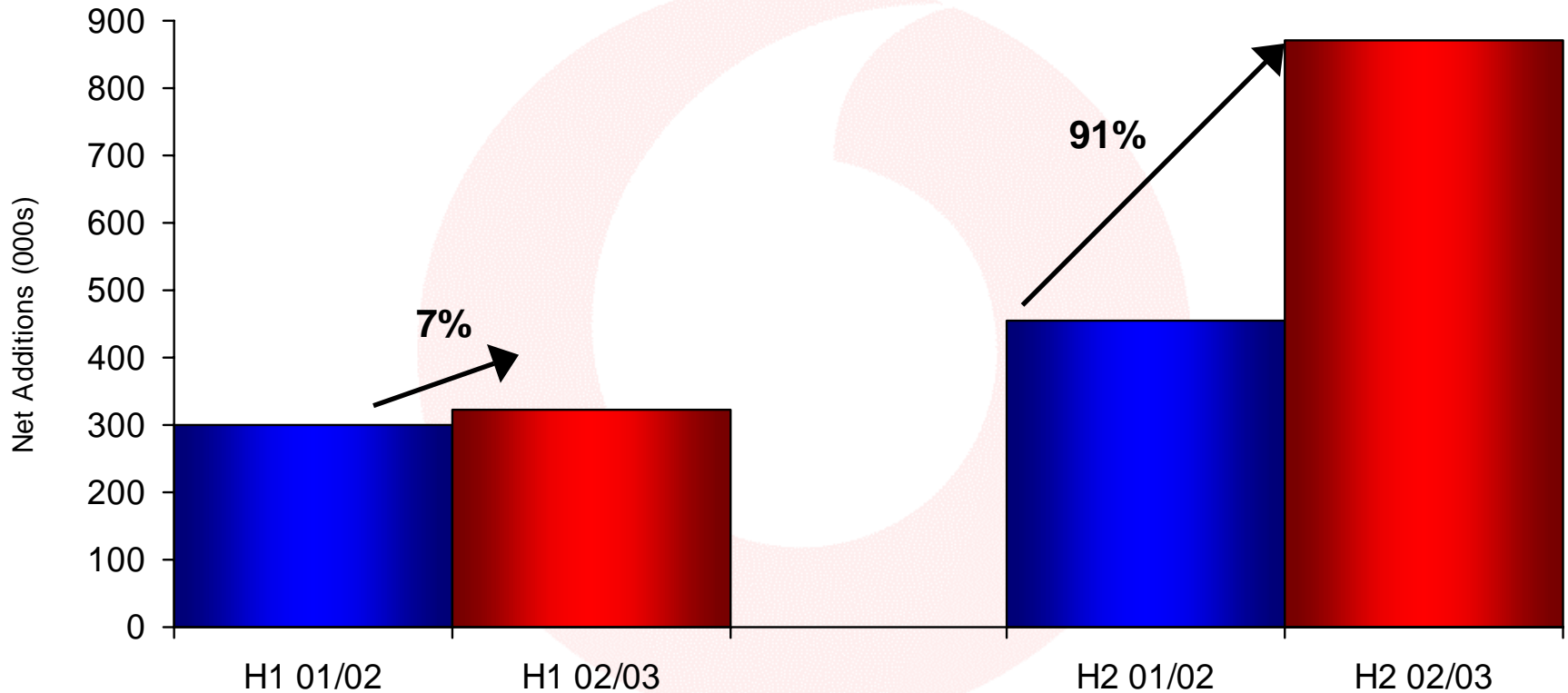
Germany Net Additions



UK Contract Market Share

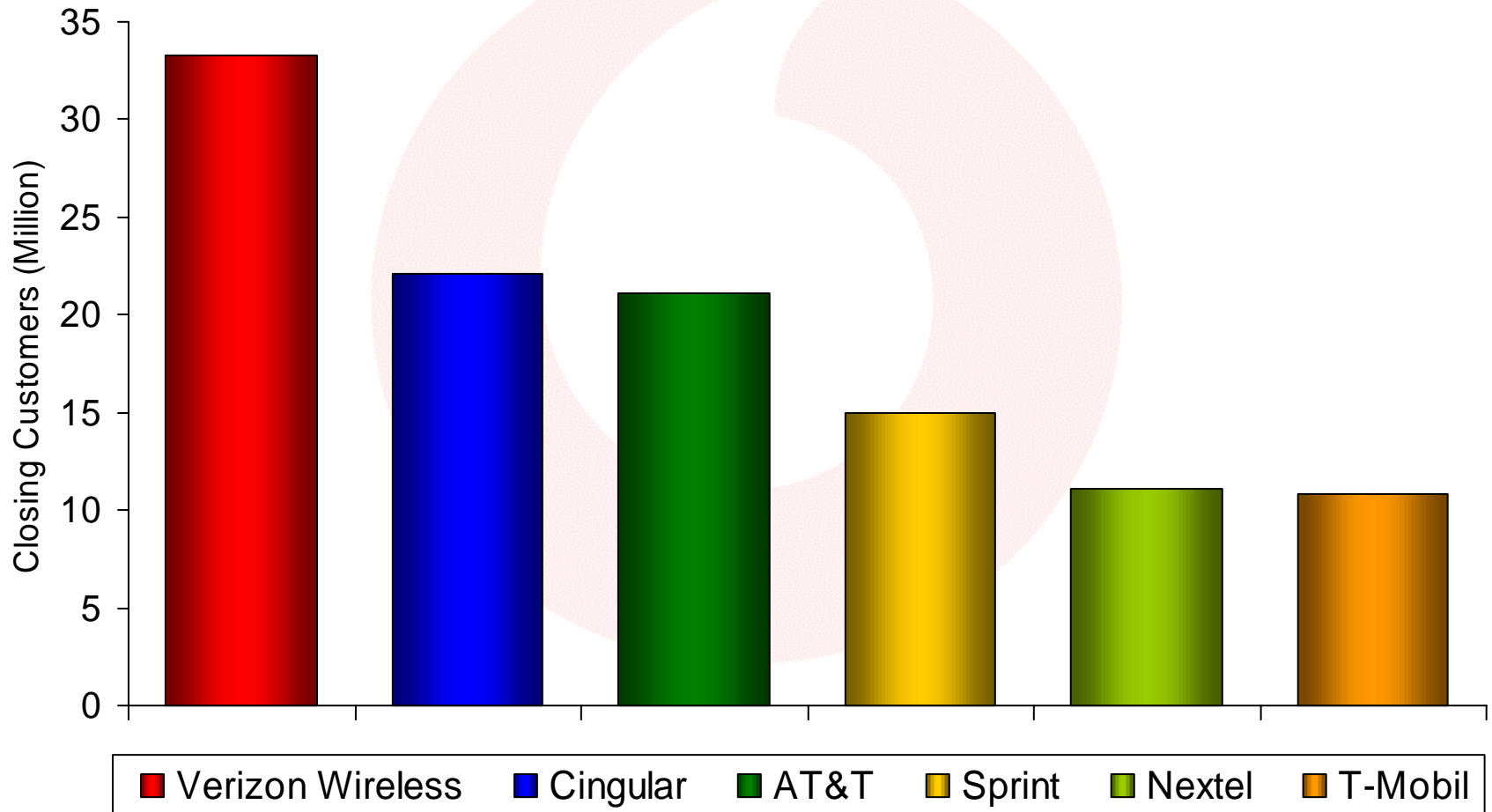


Spain Net Additions



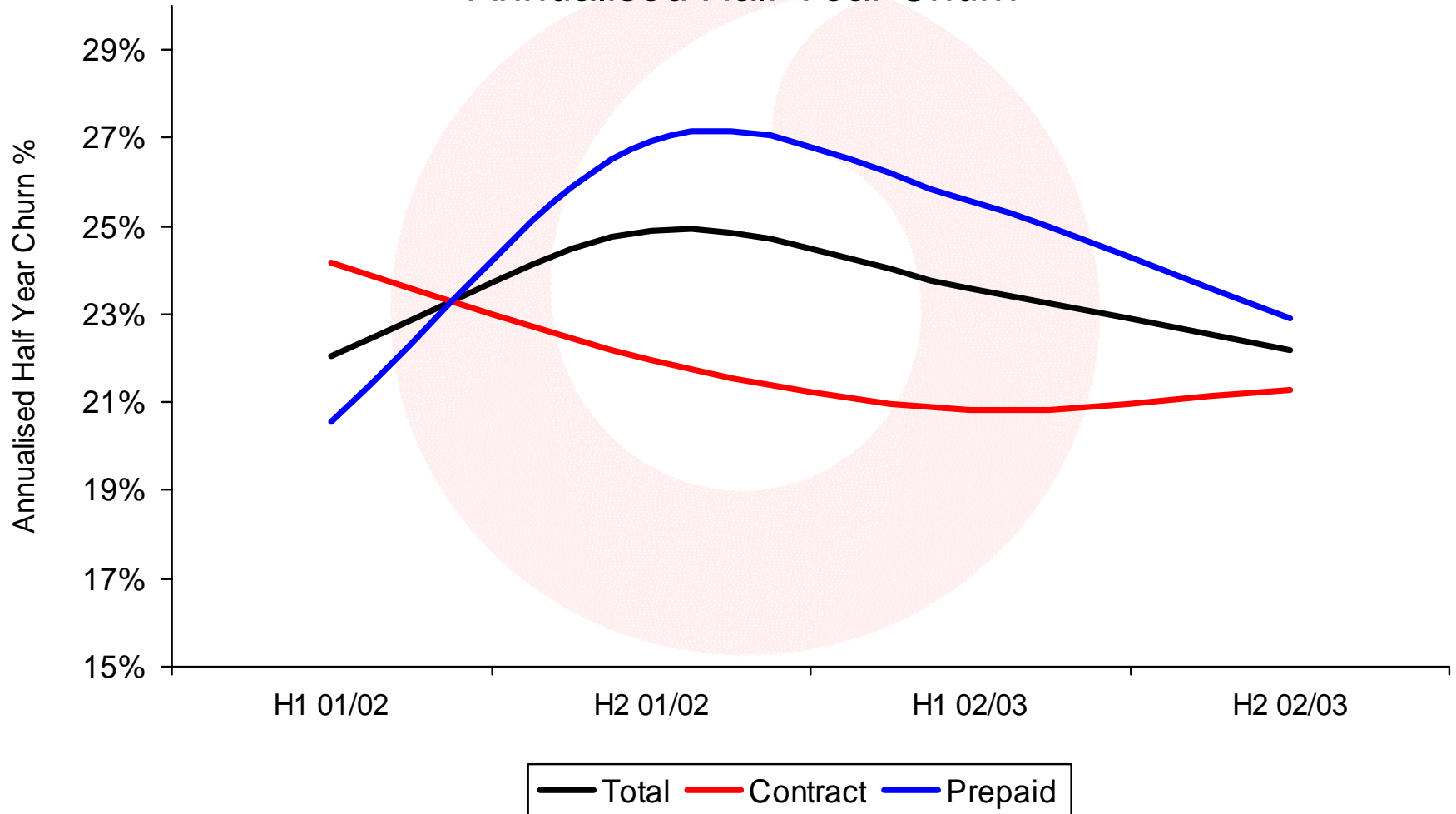
Market share leader of net additions in H2 02/03

US Year End 02/03 Closing Customer Base



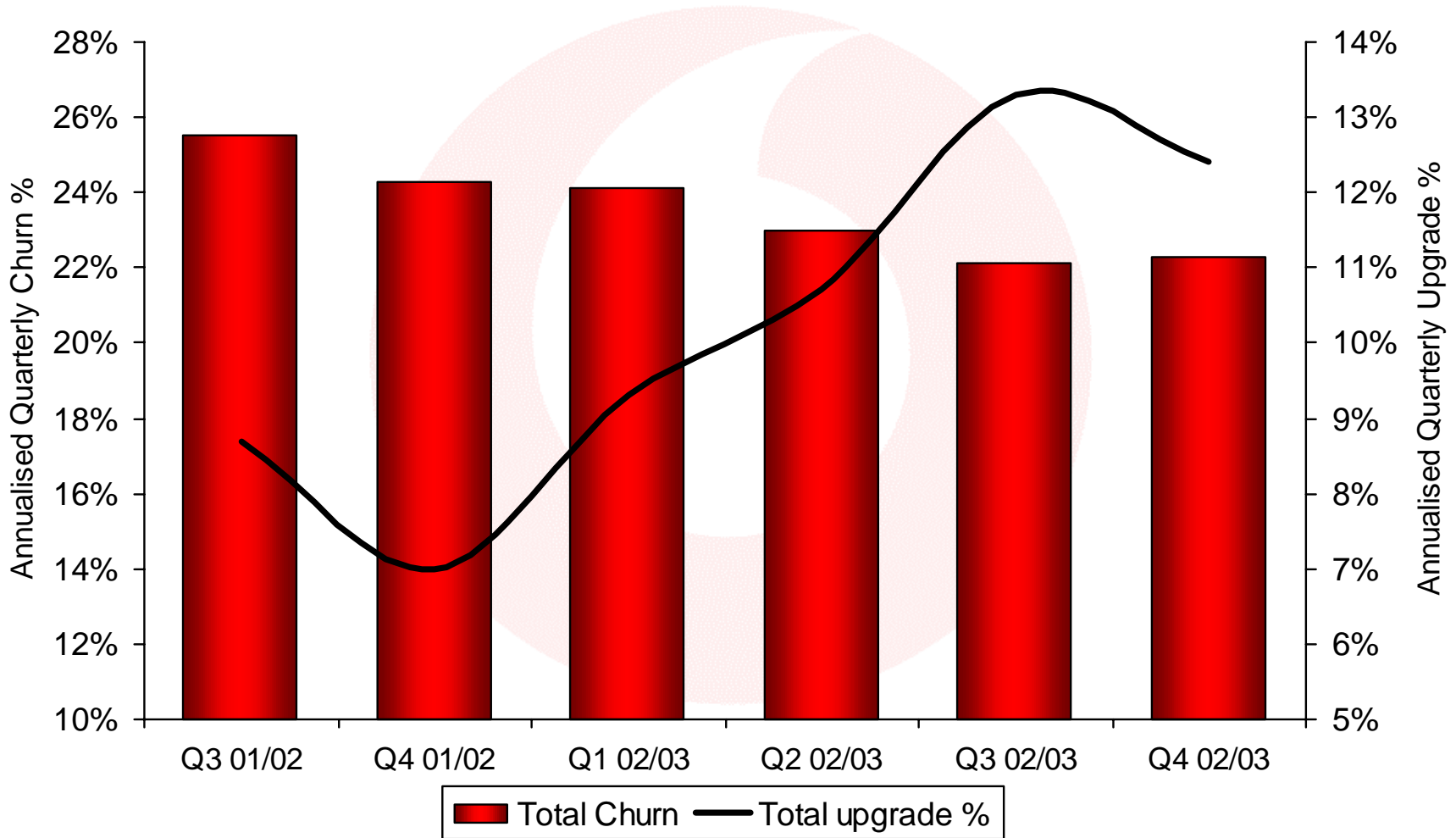
Churn

Annualised Half Year Churn*



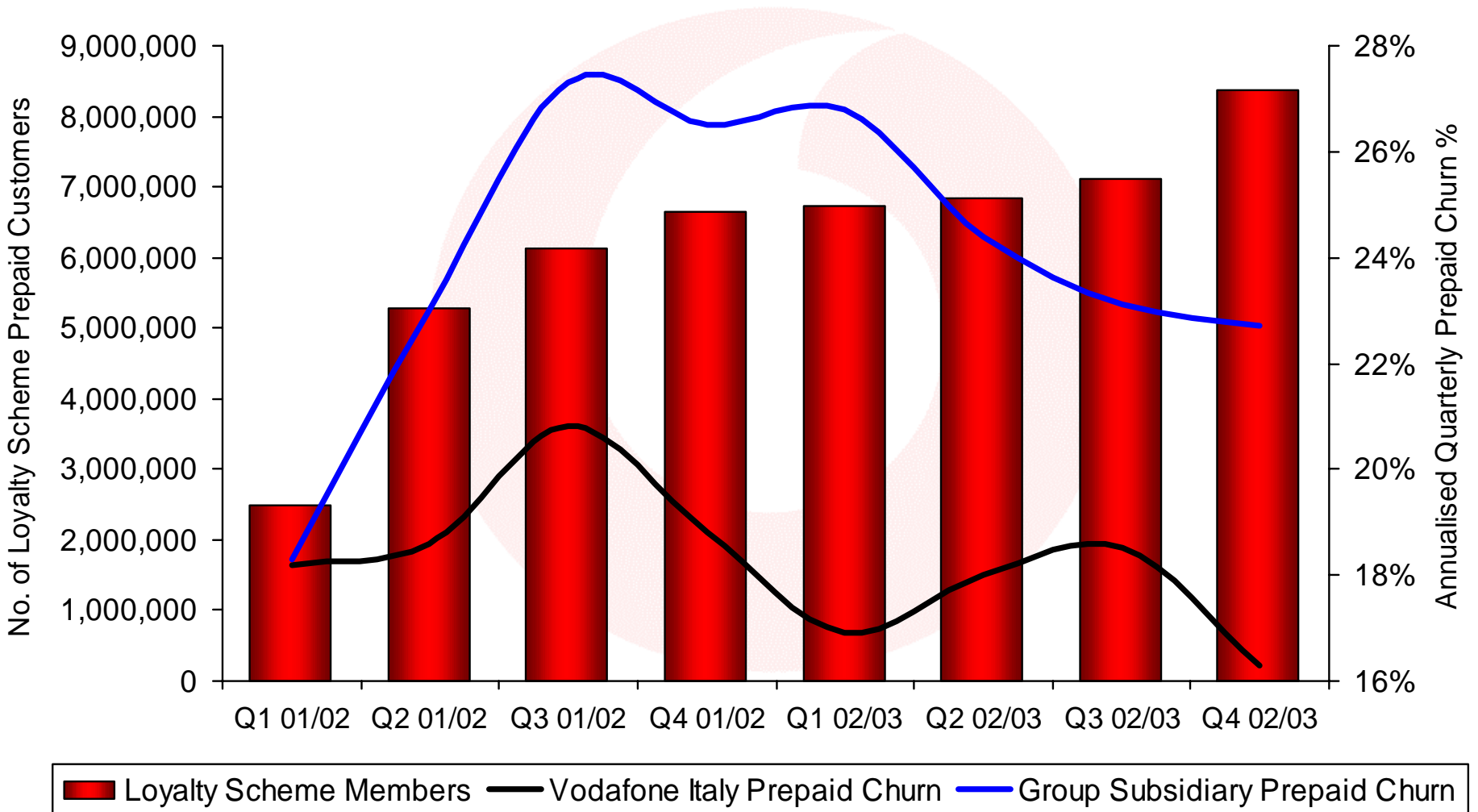
* All subsidiaries. For comparability purposes Japan is included for periods prior to its consolidation.

Annualised Quarterly Churn and Upgrade %*

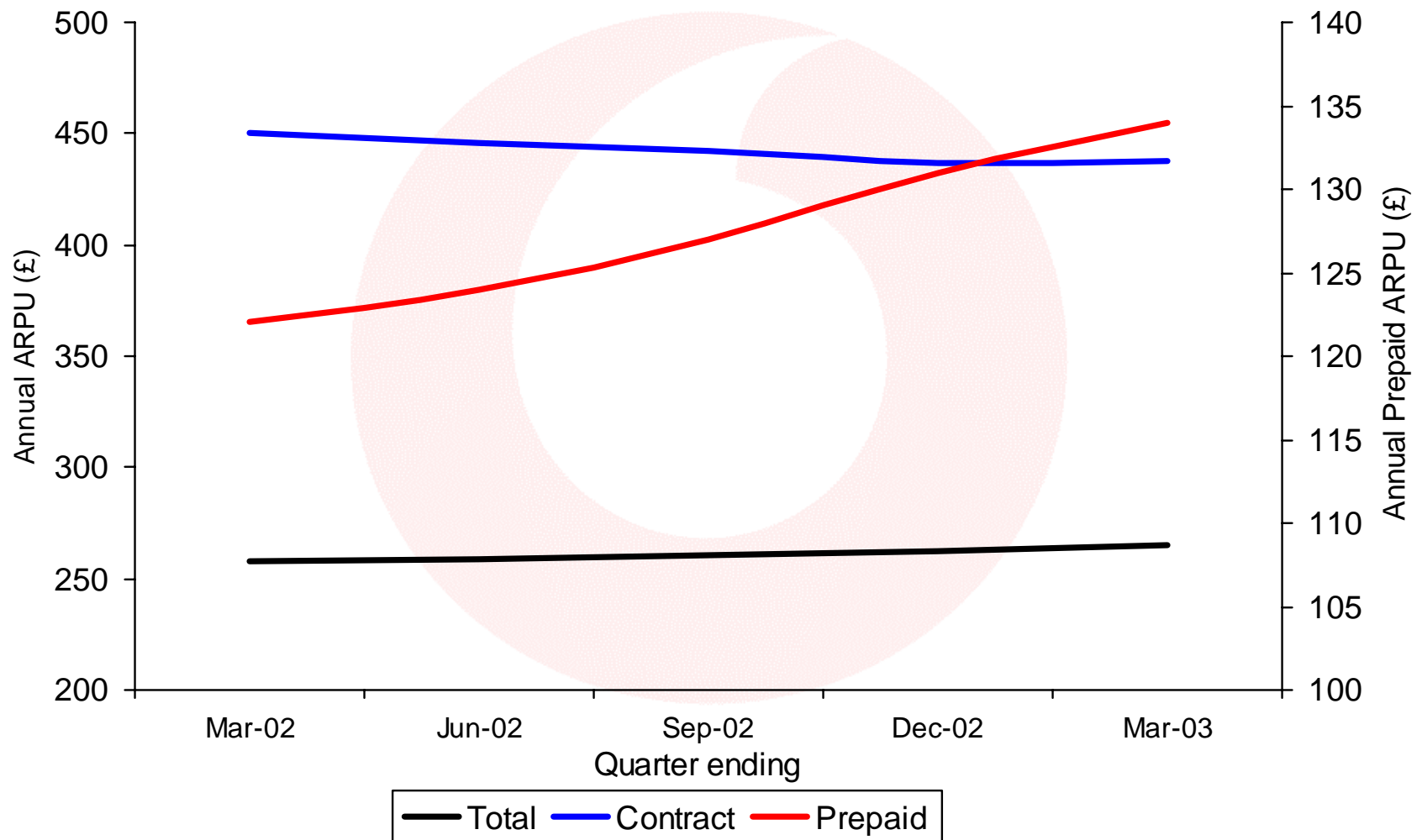


* All subsidiaries. For comparability purposes Japan is included for periods prior to its consolidation.

Vodafone Italy Loyalty Programme

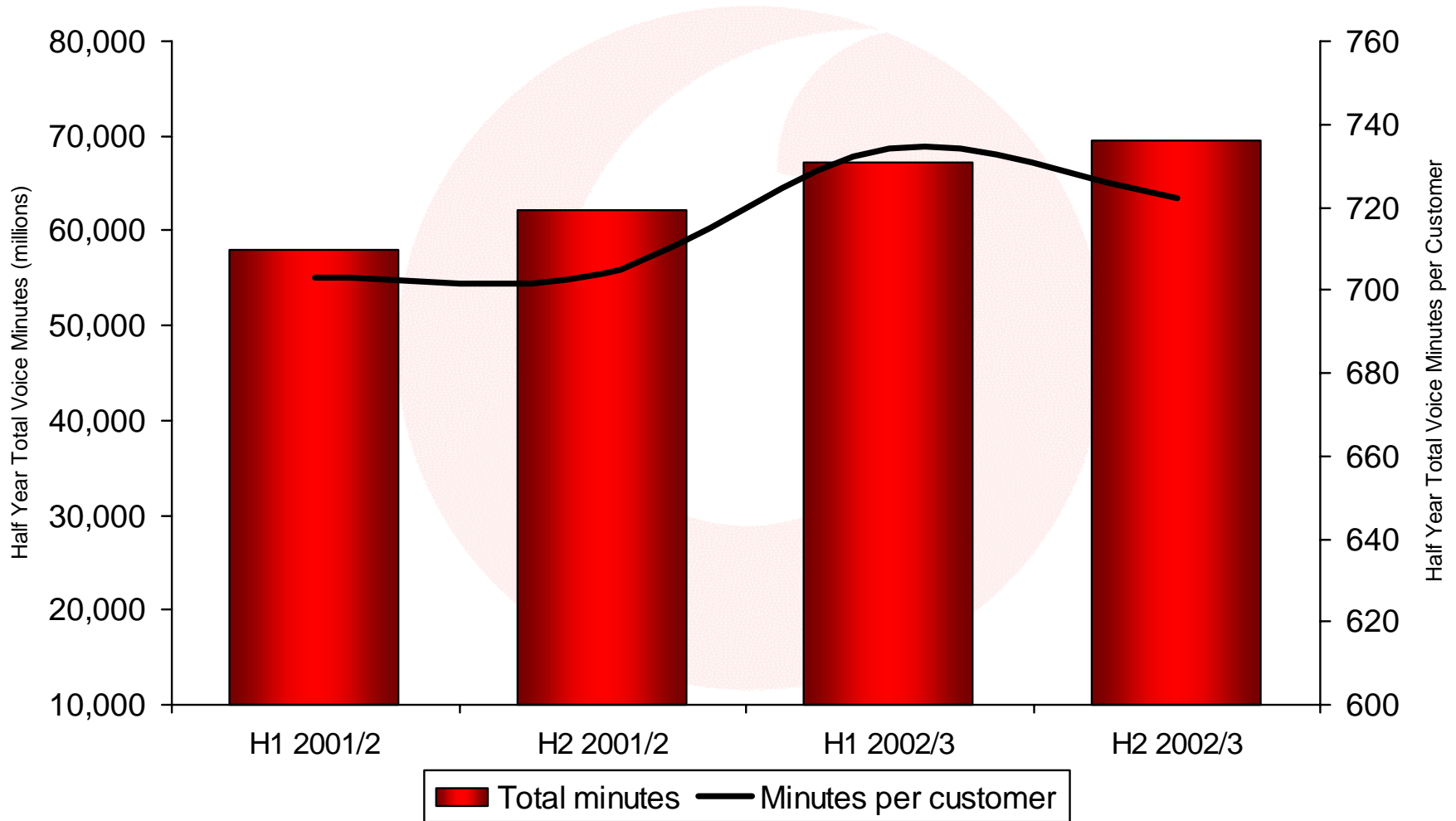


Twelve Months Rolling ARPU*



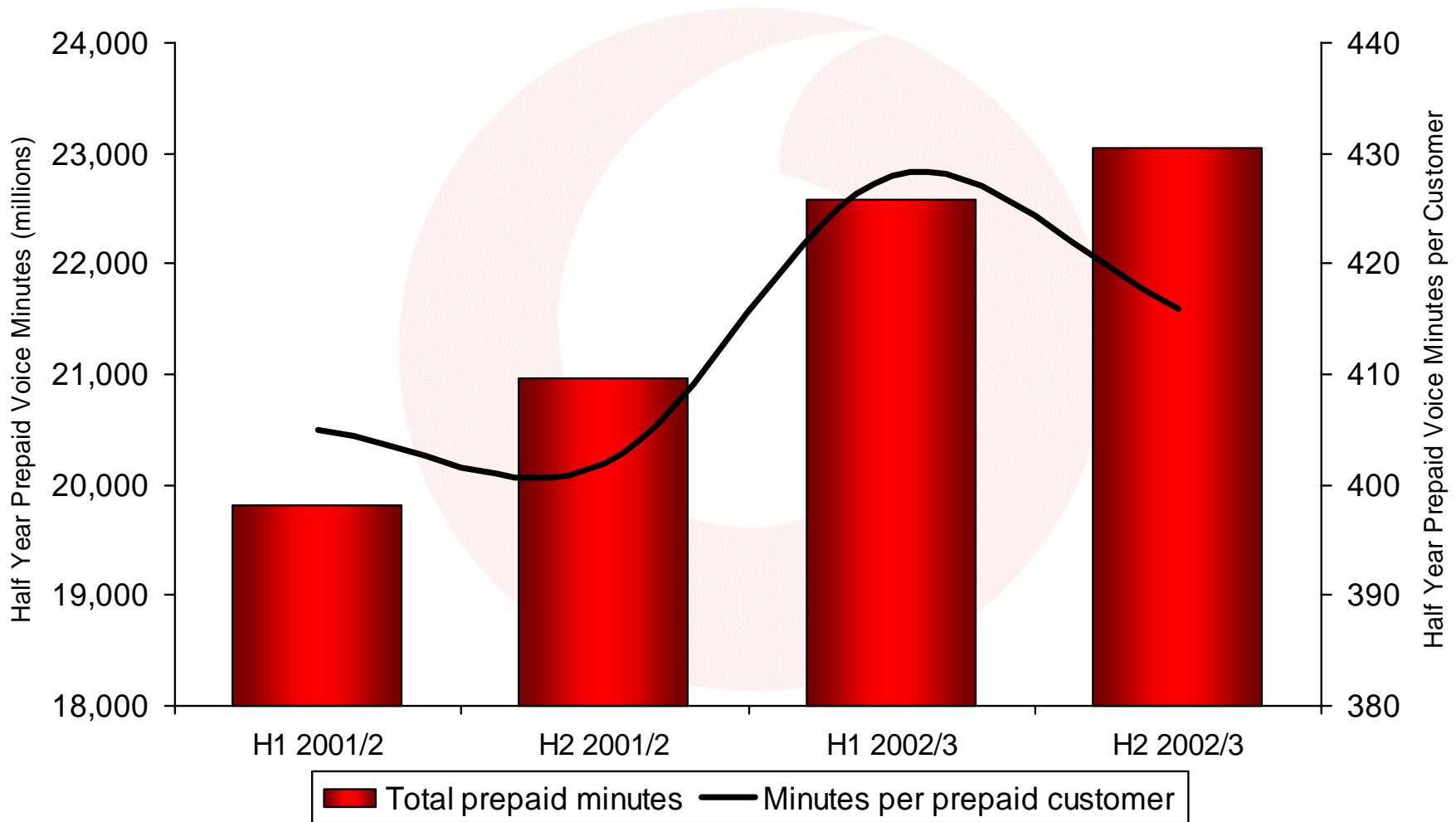
* All subsidiaries. For comparability purposes Japan is included for periods prior to its consolidation and the UK is on a consistent basis for all periods.

Total Voice Minutes & Usage*



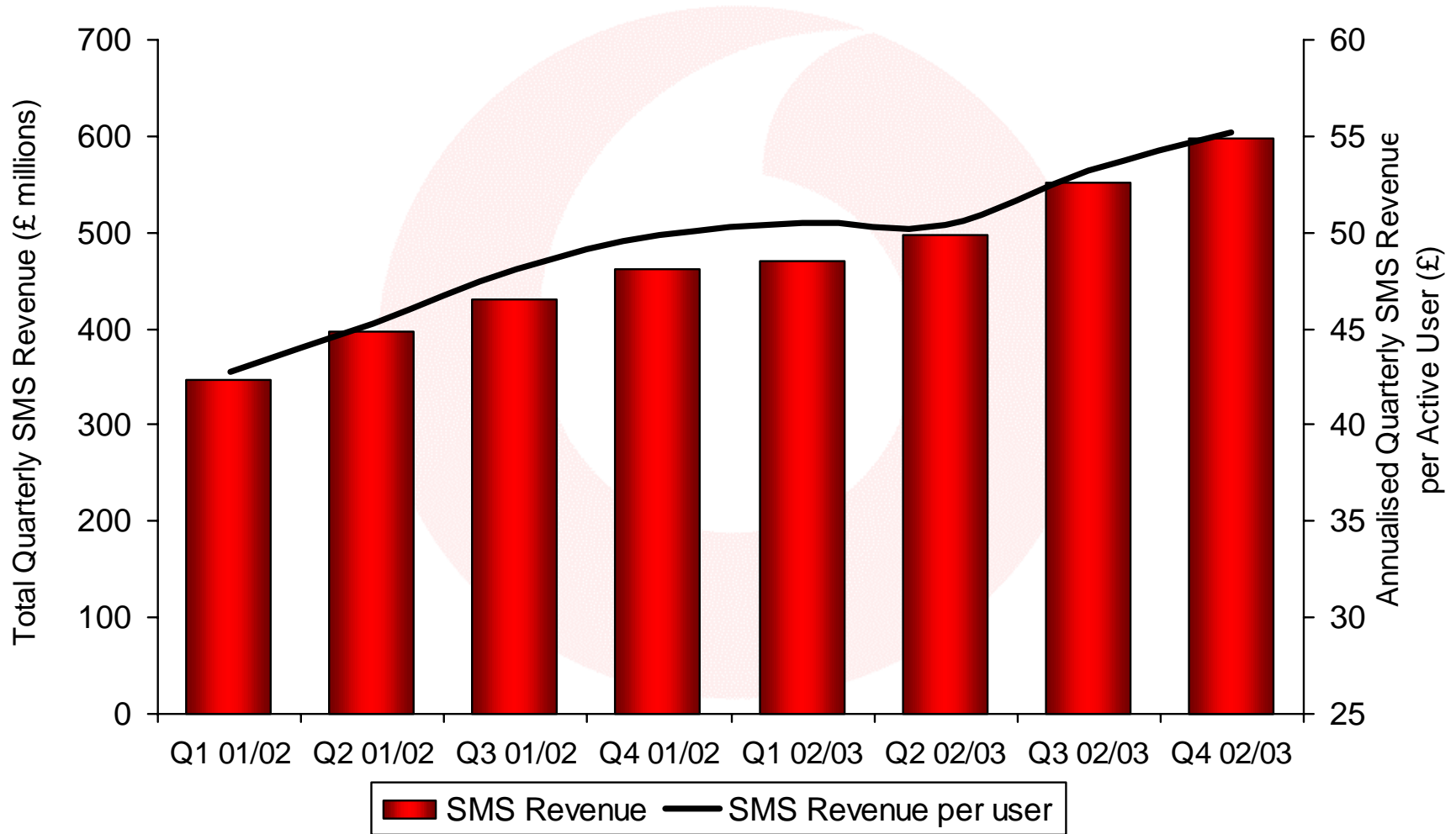
* All subsidiaries. For comparability purposes Japan is included for periods prior to its consolidation.

Prepaid Voice Minutes & Usage*



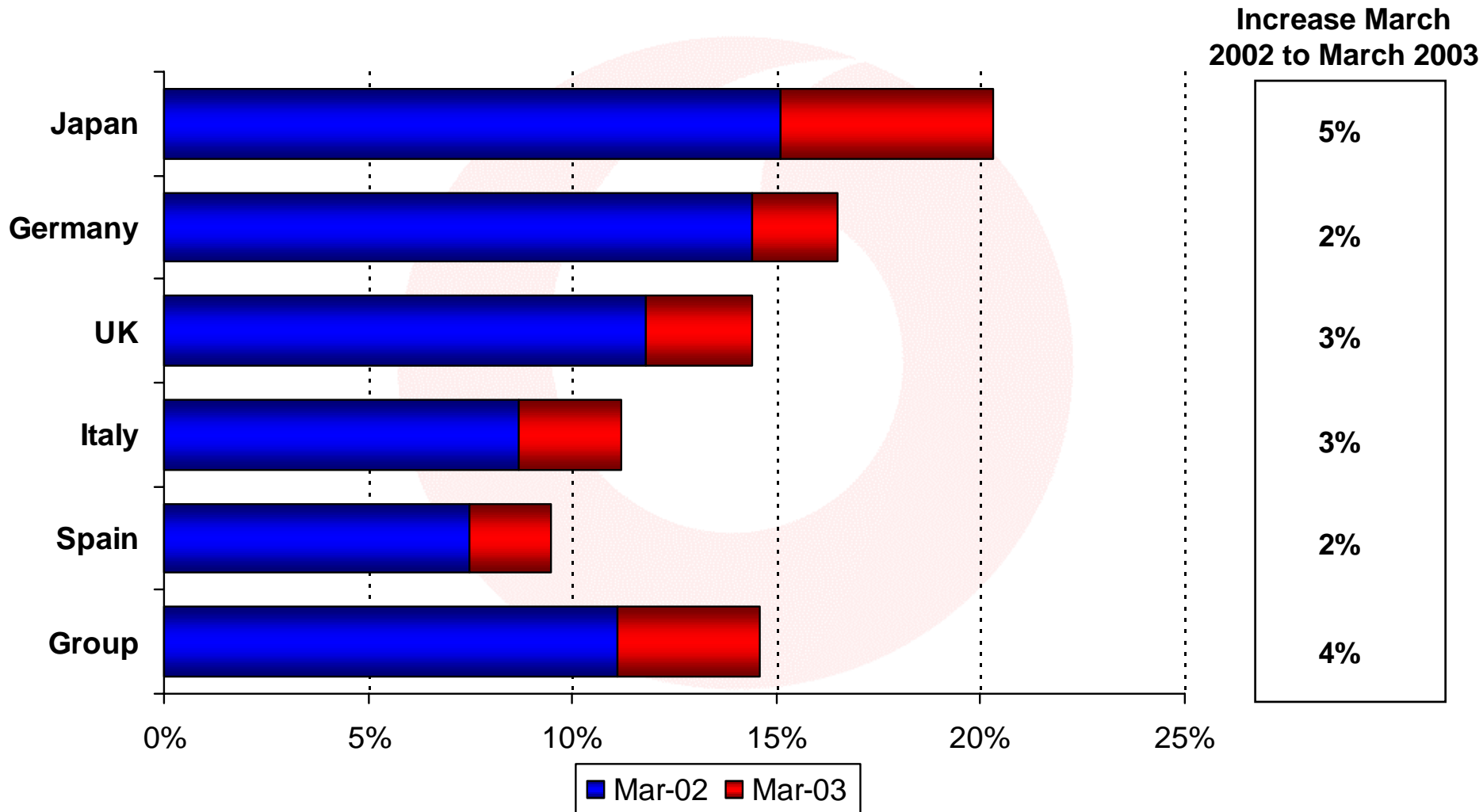
* All subsidiaries. For comparability purposes Japan is included for periods prior to its consolidation.

SMS Revenue per Active User*



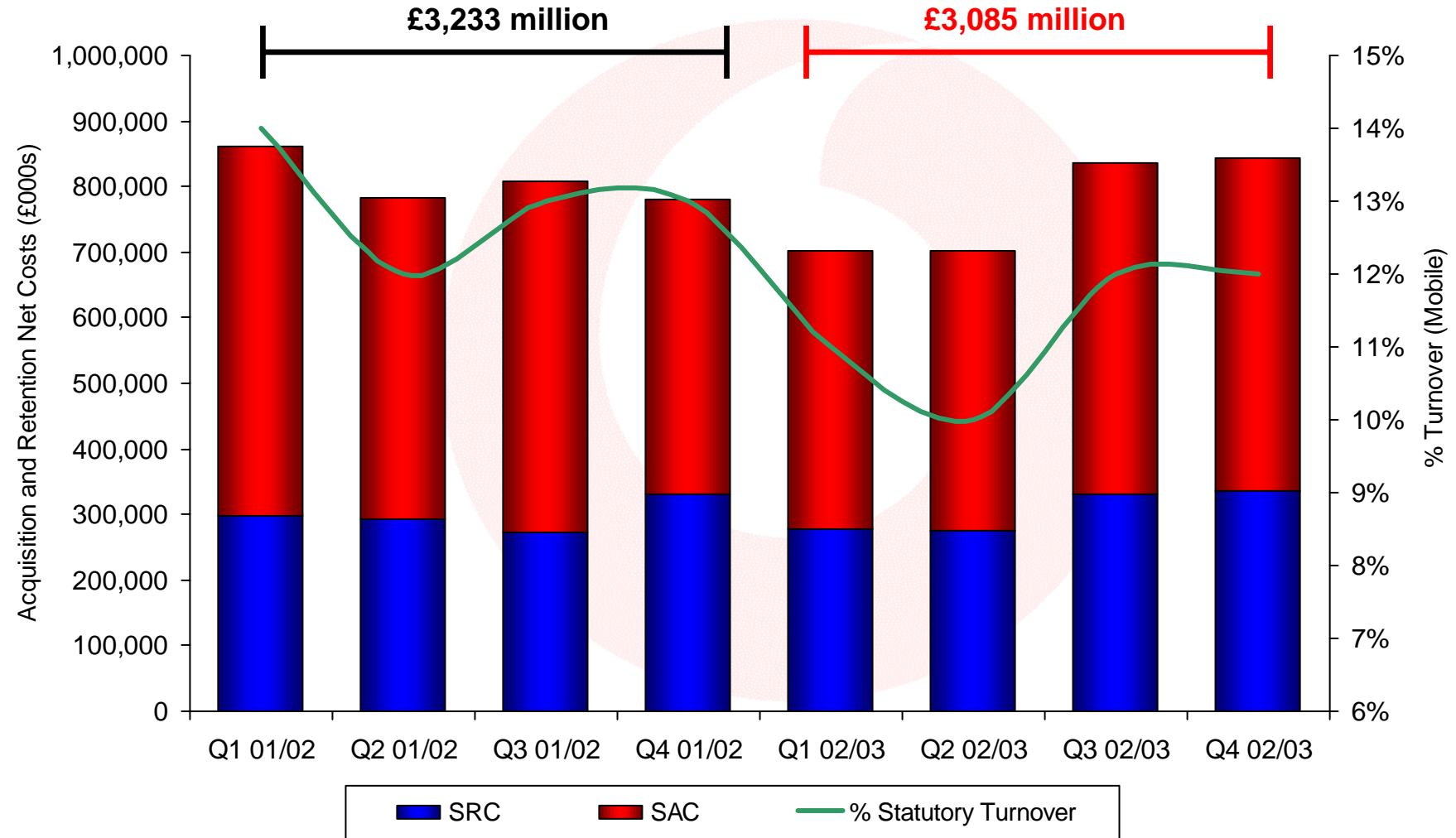
*All subsidiaries excluding Japan due to different services offerings. The UK is on a consistent basis for all periods.

Non Voice Revenue % for year to March 2003*



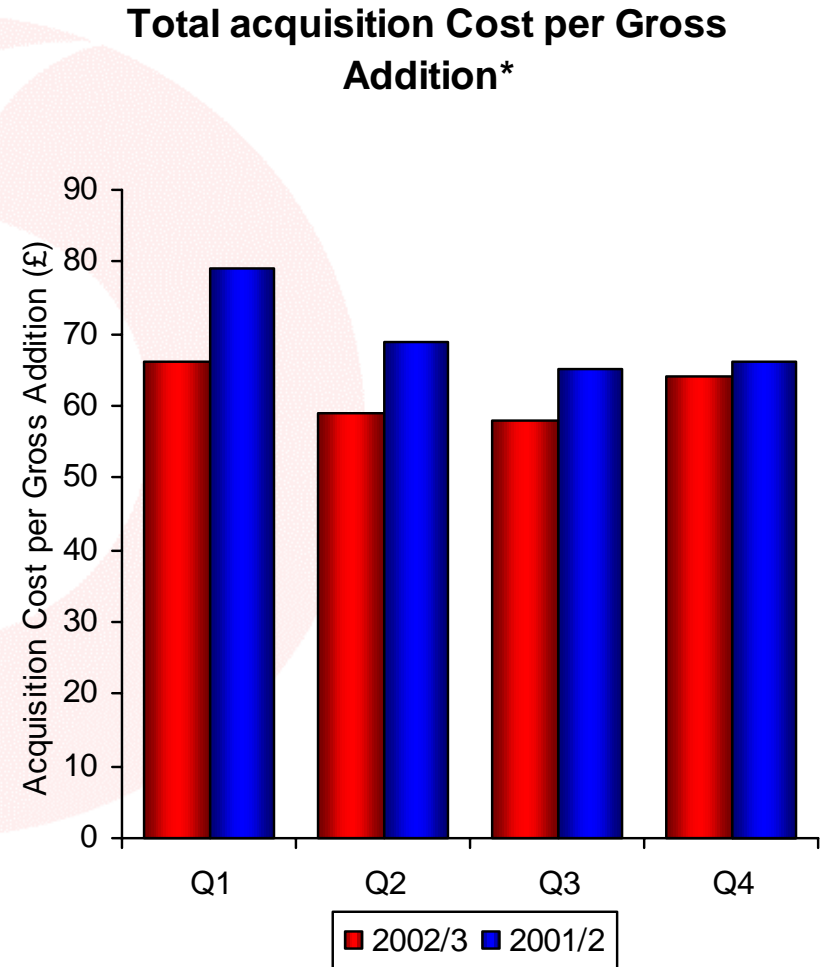
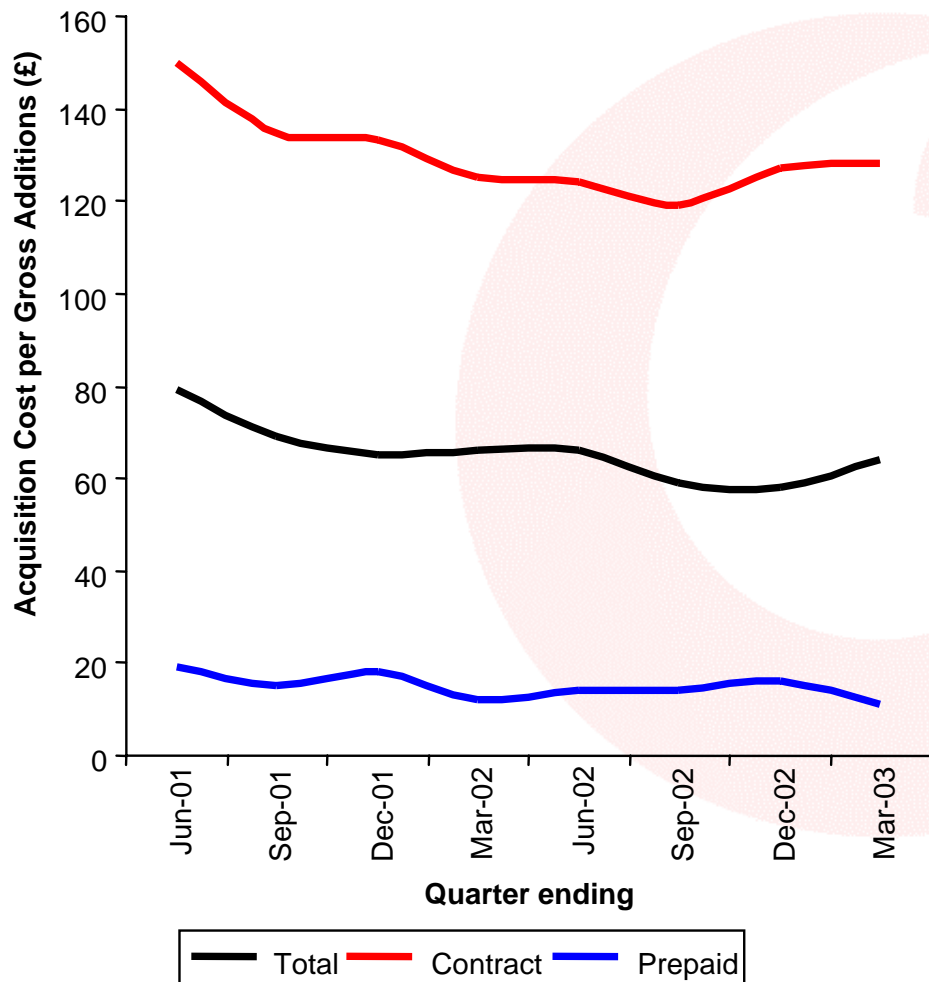
* All subsidiaries. For comparability purposes Japan is included for periods prior to its consolidation and the UK is on a consistent basis for all periods.

Customer Base Costs*



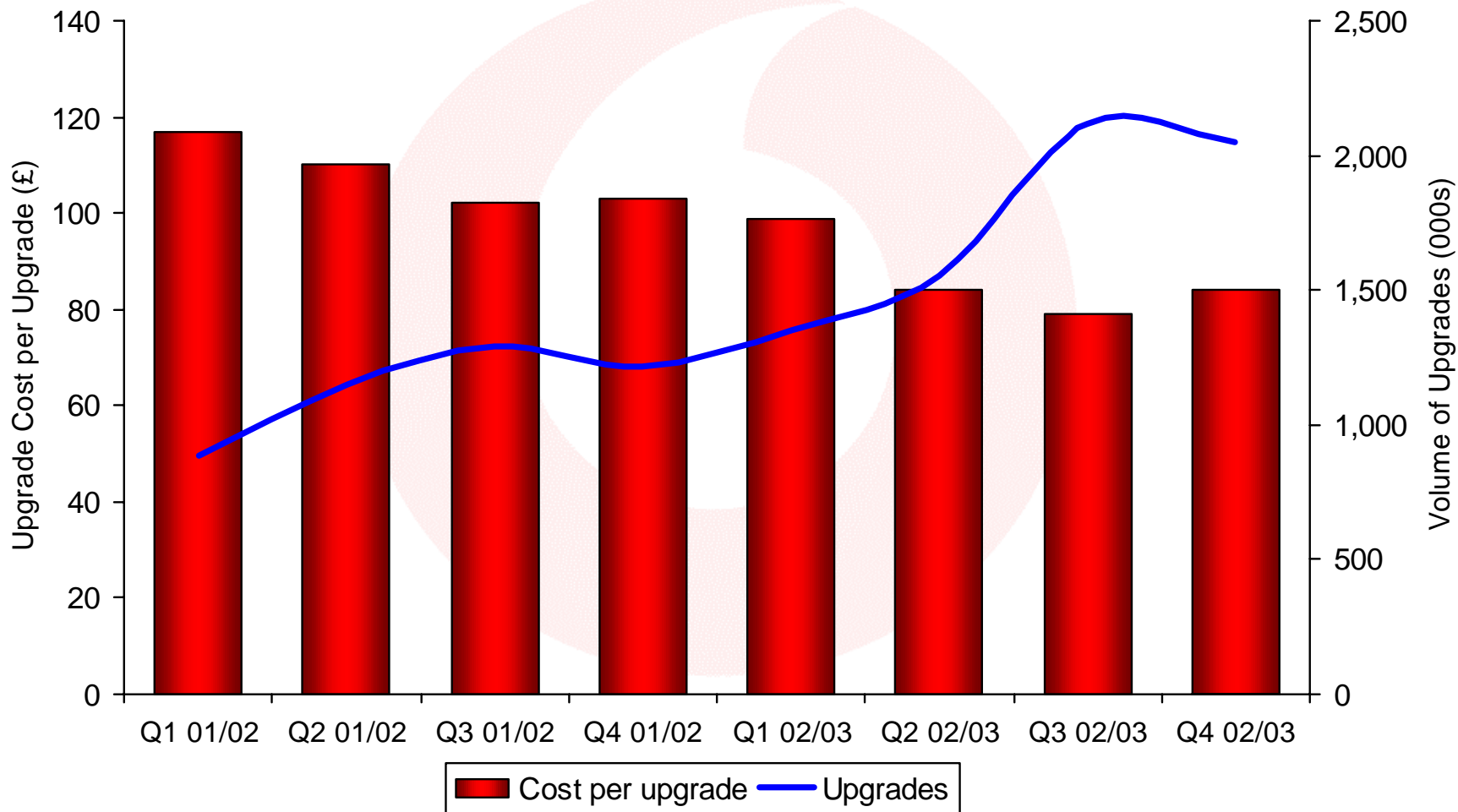
* All subsidiaries. For comparability purposes Japan is included for periods prior to its consolidation and the UK is on a consistent basis for all periods.

Acquisition Cost per Gross Additions*



* All subsidiaries. For comparability purposes Japan is included for periods prior to its consolidation and the UK is on a consistent basis for all periods.

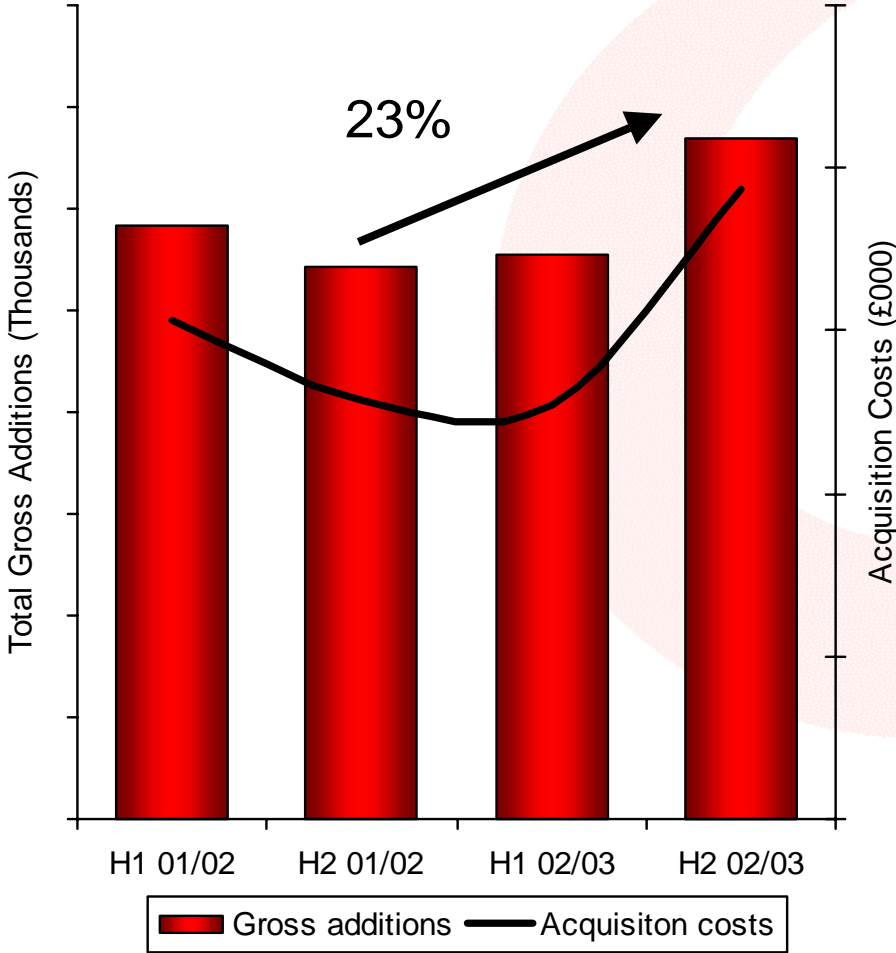
Cost per Upgrade*



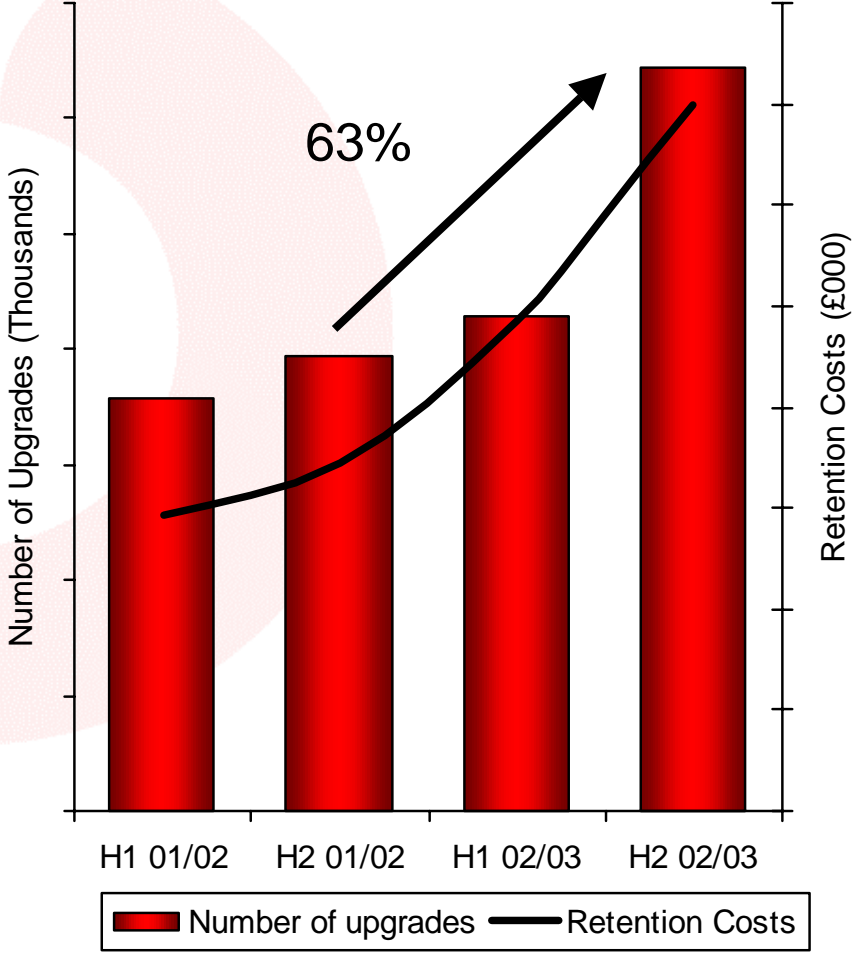
*All subsidiaries excluding Japan, where comparable data in not available.

Germany Customer Base Costs

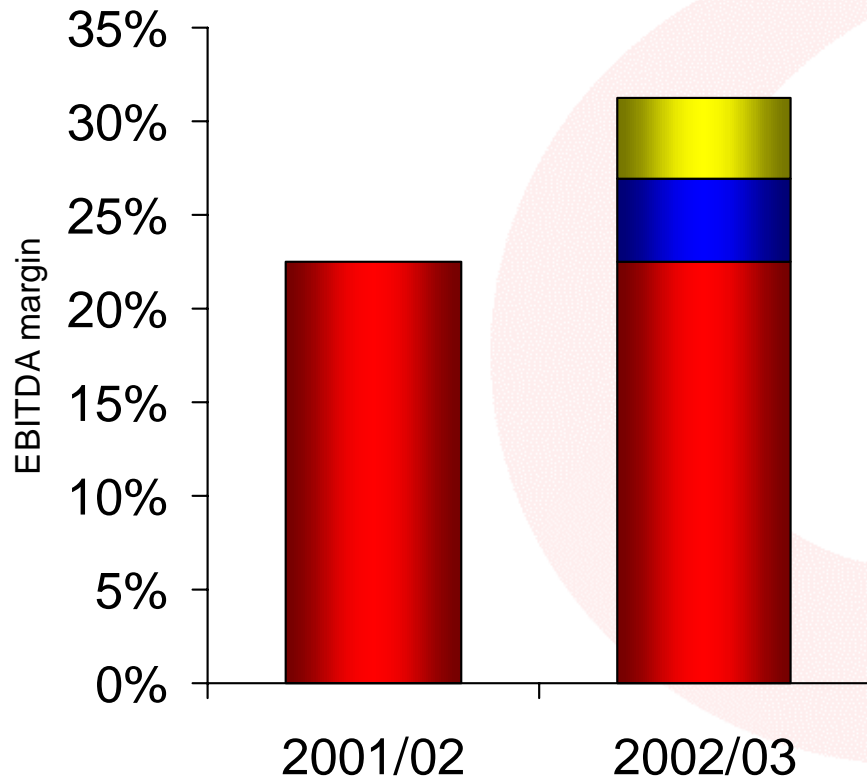
Germany Acquisition Costs and Gross Additions



Germany Retention Costs and Upgrades



Japan EBITDA Margin improvement



- **Lower handset subsidies**
- **Change in loyalty program offering**

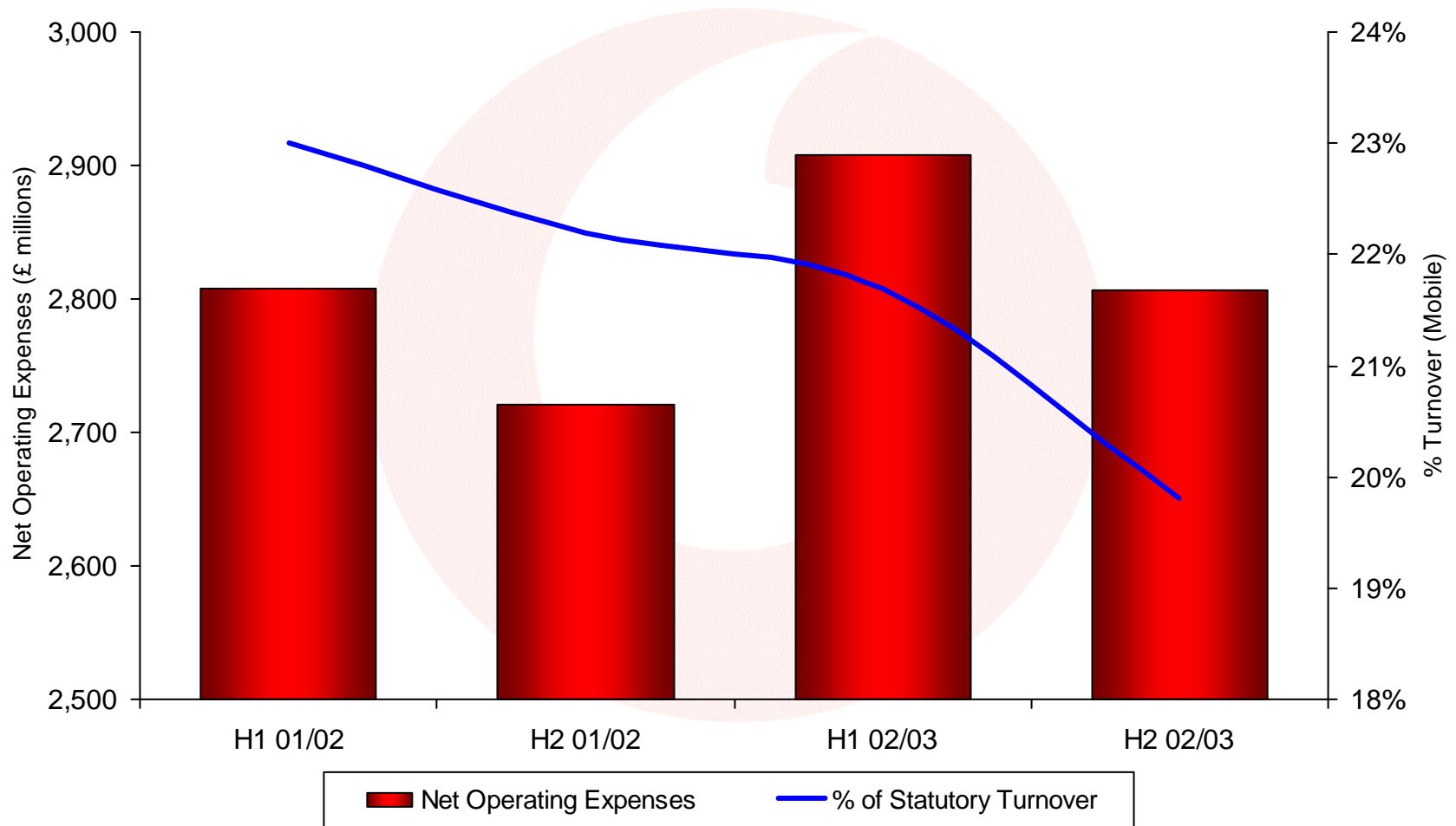
■ Other margin improvement
■ SAC/SRC margin improvement
■ 2001/2 EBITDA margin

Acquisition and Retention Costs

- **Focus on CRM**
- **Segmented customer approach**
- **Cost effective investment**

**No expected adverse impact on margin for
FY 04**




Net Operating Expenses as % Turnover*



* All mobile subsidiaries. Turnover represents statutory turnover after adjusting for Japan and the UK to be on a consistent basis for all periods. Operating expenses comprise sales and administration costs, excluding depreciation, together with network operating, leased line, customer care and bad debt costs.

Enhanced Services – Powered by 3G

Deliver enhanced customer experience

-  **Greater speeds**
-  **Better quality of service**
-  **Improved range of services**

- **Ready to offer services powered by 3G later this financial year**

Not a good idea to ask for an autograph.

How are you?

vodafone *live!*

With Vodafone Live you can download the latest games, and receive in handy, across the web or cable, and wherever you travel with prepaid, mobile and broadband. www.vodafone.com

Look what I found on the beach

How are you?

vodafone *live!*

We know you like the tune, but answer the phone

How are you?

vodafone *live!*

Postcards are so last century.

How are you?

vodafone *live!*

With Vodafone Live you can download the latest games, and receive in handy, across the web or cable, and wherever you travel with prepaid, mobile and broadband. www.vodafone.com



live!



Country **Date of launch**



Germany 24 October 2002



Netherlands 25 October 2002



UK 25 October 2002



Spain 29 October 2002



Italy 1 November 2002



Ireland 7 November 2002



Portugal 8 November 2002

Country **Date of launch**



Sweden 2 December 2002



Greece 13 January 2003



Hungary 3 February 2003



Egypt 28 March 2003



New Zealand 11 April 2003



Australia 22 April 2003



Best Wireless Handset



Best Consumer Application



Best Television

- **Over 1 million customers in 5 months**
- **The most successful launch in the history of Vodafone**
 - **Award winning**
- **Differentiation in the marketplace**



- **60% of all MMS handsets**
- **Building customer loyalty and usage**
 - Half of Vodafone live! handsets were upgrades
- **Significant impact on competitive position**
- **Fuelled strong customer growth**





- **Driving higher than average usage and ARPU**
- **Popular features:**
 - Downloading ringtones and games
- **Messaging: increasing ARPU contributor**
 - More MMS enabled handsets
 - Further interoperability agreements



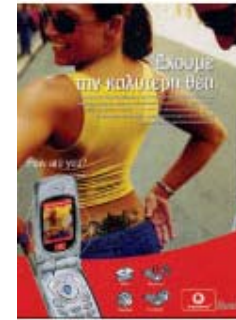
- **Improving service**
 - Video streaming, download, messaging
 - Multi-media library pictures
 - More than 11,000 ringtones
- **Continue to distinguish offering**
 - More features





live!

Handset Range



Sharp
GX10



Panasonic
GD87



Panasonic
GD87i



Sharp
GX10i



Nokia
7650



Nokia
3650



Sony
Ericsson
T610



Sagem
MY-X6



Sharp
GX20

- Stimulate further penetration and usage
 - Wider range of handset pricing
 - More handsets to be added to the range

Oct 02

April 03

May 03

June 03

July 03

Vodafone Mobile Office



- **Compelling, seamless service**
- **Initial offering: Mobile Connect Card**
 - Vodafone brand on laptop for first time
 - 12 markets today: +50,000 customers
- **New sales channels**
- **High customer satisfaction**
- **Drive market share of corporate segment**

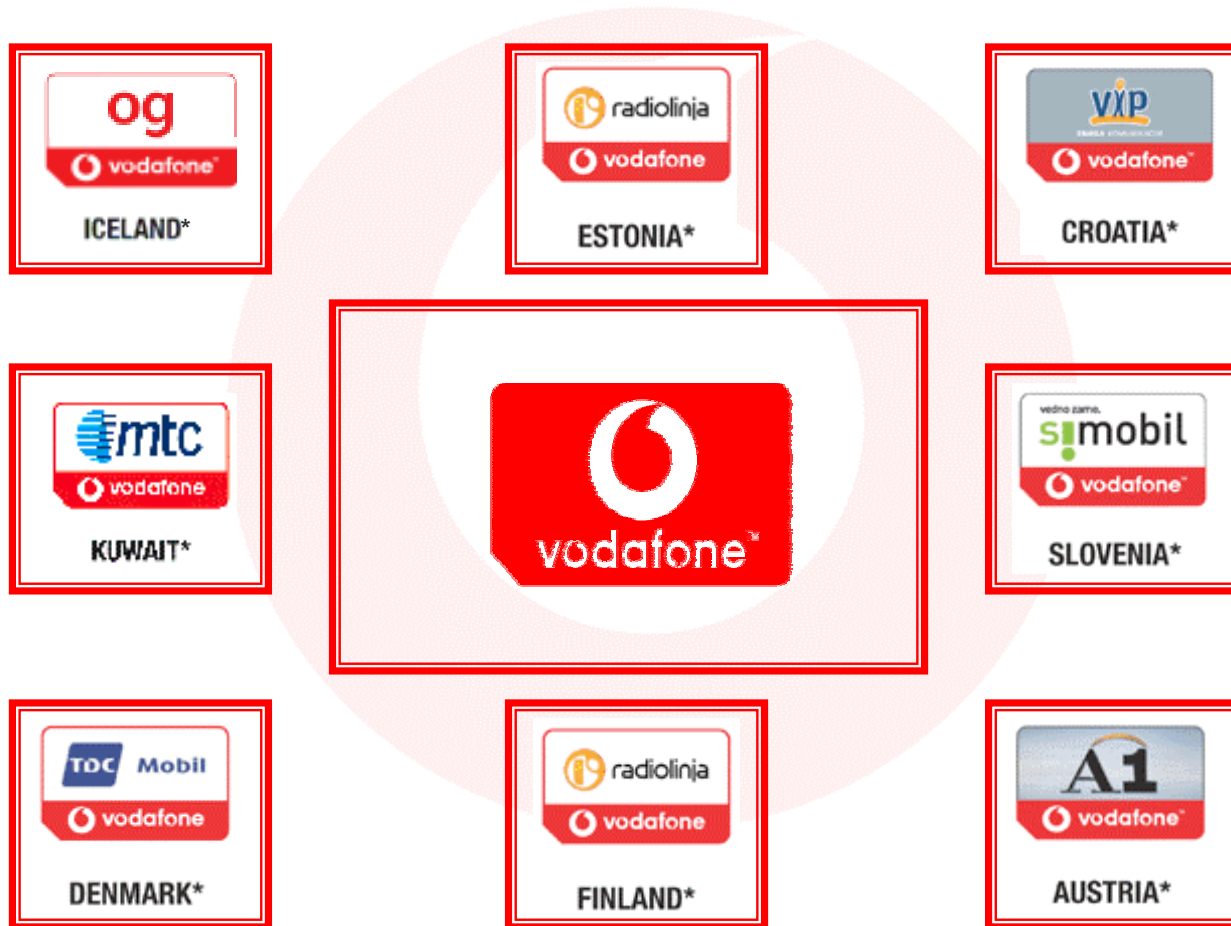


Vodafone Mobile Office



- **Combine local and global voice and data services to produce best business offering**
 - **Wireless LAN in Germany**
- **Continued development of proposition**
 - **Delivering faster data speeds**
- **Enrich customer experience**
- **Unique to Vodafone**

Vodafone Now in 8 Partner Networks



Excellent Operational Performance

- **Customer Orientated**
 - Strong customer growth
 - Reduced churn
 - Improved voice and data usage
- **Focus on cost management**

Continue to lead – Continue to succeed



Sir Christopher Gent
Chief Executive
Vodafone Group Plc

Expected Outlook FY 2004

- **Average customer* growth > 10%**
- **Similar growth in revenues***
- **Small EBITDA margin* improvement**
- **Better EBITDA* growth than revenue* growth**
- **Good adjusted EPS growth**
- **Capital additions little up on last year**
- **Improved capital efficiency**
- **Free cash flow > £5.2bn**

* Proportionate before exceptionals

Vodafone Today

- **Serve over 295m customers**
- **28 national networks**
- **16 controlled networks**
 - 15 single branded
 - Japan by October
- **8 Partner Networks**

UNMATCHED GLOBAL FOOTPRINT

Differentiated Services

VOICE

- One rate roaming plans
- International short code dialing
- Prepaid roaming
 - In country top ups

DATA

- Consumers:
 - Vodafone live!
- Business:
 - Mobile Office from Vodafone

Global Capability

- **Successful acquisitions**
- **Fully integrated operations**
- **Vodafone is more than sum of its parts**



Global service offerings

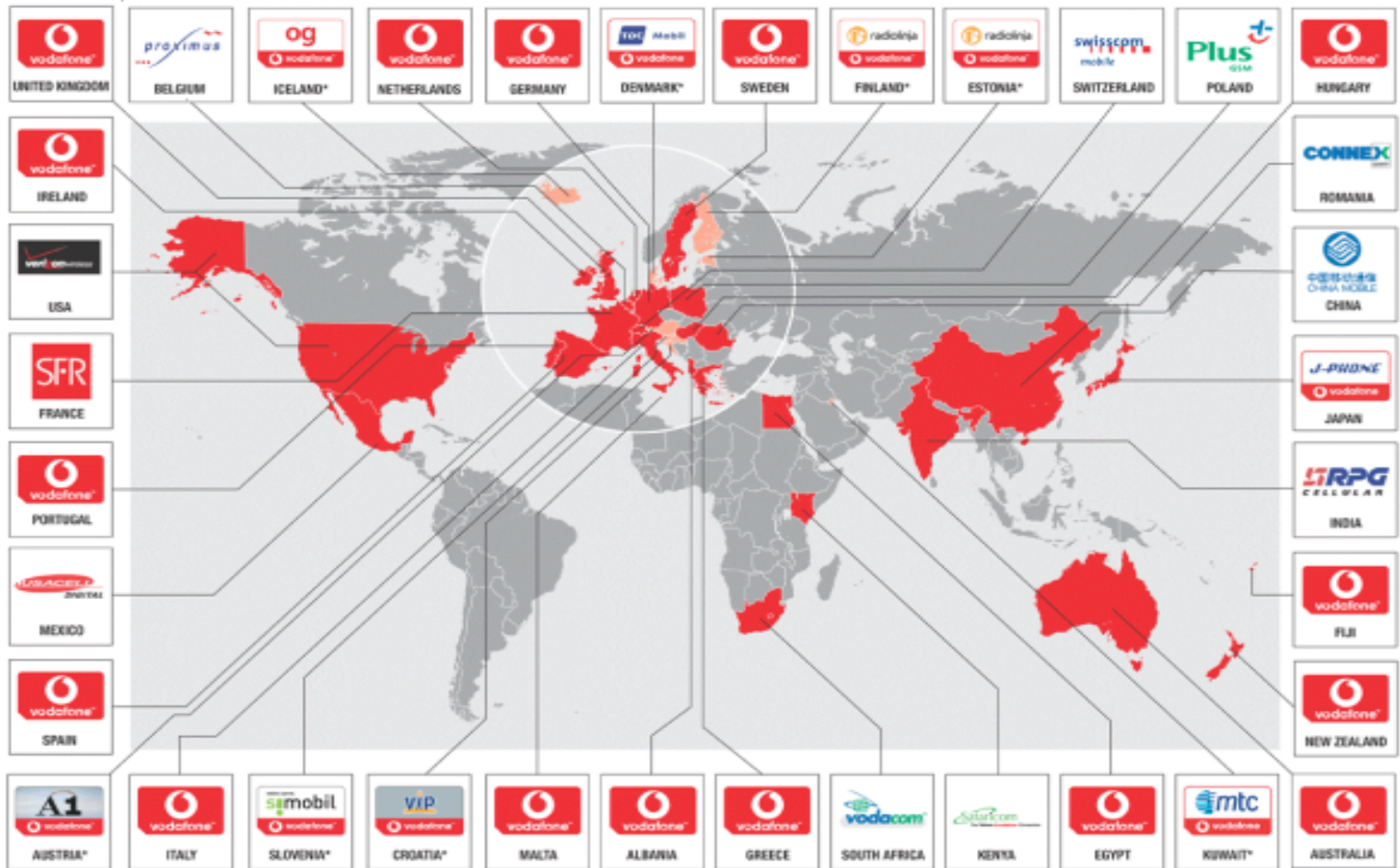


Exceeded synergy targets

Financial Performance

- **EPS performance better than anticipated**
- **Compound EBITDA growth > 30% - 3 yrs**
- **Very sound balance sheet**
- **Strong credit profile: 3 stable single A ratings**
- **Flexibility For Further Opportunities**
 - **Invest appropriately in capex**
 - **Build new services for future**
 - **Improve shareholder returns**

Executed Strategy of World Leadership



*Vodafone Partner Network

Strong Executive Management Team



Sir Christopher Gent
Chief Executive



Arun Sarin
Chief Executive Designate



Julian Horn-Smith
Group Chief Operating Officer



Ken Hydon
Financial Director



Thomas Geitner, Chief Executive
Global Products and Services



Vittorio Colao, Chief Executive
Southern Europe Region



Peter Bamford, Chief Executive
Northern Europe, Middle East and
Africa Region

Brand Ascendancy



Internal Commitments

Vision

“The world’s mobile communications leader – enriching customers’ lives, helping individuals, businesses and communities be more connected in a mobile world”

Values



Passion for customers



Passion for our people



Passion for results



Passion for the world around us

Vodafone's Potential

- **Expect the future to be more exciting**
- **Opportunity to gain market share through superior capability**
- **Range of services to expand**
 - **Bigger opportunity to increase share of wallet**
- **Potential of mobile substitution**



vodafone

**“Will forever be a believer
in Vodafone, and
what it can do to
make the world a better
place for our customers,
our shareholders and the
society we serve”**

Forward-Looking Statement

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 with respect to these items. In particular, forward looking statements include statements with respect to Vodafone’s expectations as to launch and roll-out dates for products and services, including, for example, 3G services, Vodafone live! and Vodafone Mobile Office; the ability to integrate our operations throughout the Group in the same format and on the same technical platform; the development and impact of new mobile technology, including the expected benefits of GPRS, 3G and other services and demand for such services; the completion of Vodafone’s brand migration programme; growth in customers and usage, including improvements in customer mix; future performance, including turnover, ARPU, EBITDA, cash flows, costs, capital expenditures and improvements in margin, non-voice services and their revenue contribution; the rate of dividend growth by the Group or its existing investments; expected effective tax rates and expected tax payments; the ability to realise synergies through cost savings, revenue generating services, benchmarking and operational experience; future acquisitions, including increases in ownership in existing investments and pending offers for investments; future disposals; mobile penetration and coverage rates; expectations with respect to long-term shareholder value growth; our ability to be the mobile market leader, overall market trends and other trend projections.

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 requiring changes in pricing models and/or new product offerings or resulting in higher costs of acquiring new customers or providing new services, or slower customer growth or reduced customer retention; the impact on capital spending from investment in network capacity and the deployment of new technologies, or the rapid obsolescence of existing technology; slower customer growth or reduced customer retention; the possibility that technologies, including mobile internet platforms, and services, including 3G services, will not perform according to expectations or that vendors’ performance will not meet the Group’s requirements; changes in the projected growth rates of the mobile telecommunications industry; the Group’s ability to realise expected synergies and benefits associated with 3G technologies, the integration of our operations and those of recently acquired companies, the completion of the Group’s brand migration programme and the consolidation of IT systems; future revenue contributions of both voice and non-voice services offered by the Group; lower than expected impact of GPRS, 3G and Vodafone live! and Vodafone Mobile Office on the Group’s future revenues, cost structure and capital expenditure outlays; the ability of the Group to harmonise mobile platforms and any delays, impediments or other problems associated with the roll-out and scope of 3G technology and services and Vodafone live! and Vodafone Mobile Office in new markets; the ability of the Group to offer new services and secure the timely delivery of high-quality, reliable GPRS and 3G handsets, network equipment and other key products from suppliers; greater than anticipated prices of new mobile handsets; the ability to realise benefits from entering into partnerships for developing data and internet services and entering into service franchising and brand licensing; the possibility that the pursuit of new, unexpected strategic opportunities may have a negative impact on one or more of the measurements of our financial performance; any unfavourable conditions, regulatory or otherwise, imposed in connection with pending or future acquisitions or dispositions; changes in the regulatory framework in which the Group operates, including possible action by the European Commission regulating rates the Group is permitted to charge; the Group’s ability to develop competitive data content and services which will attract new customers and increase average usage; the impact of legal or other proceedings against the Group or other companies in the mobile telecommunications Industry; changes in exchange rates, including particularly the exchange rate of the pound to the euro, US dollar and the Japanese yen; and the risk that, upon obtaining control of certain investments, the Group discovers additional information relating to the businesses of that investment leading to restructuring charges or write-offs or with other negative implications.

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 “Risk Factors” contained in our Form 20-F published with respect to the financial year ended March 31, 2002 and in our Form 20-F to be published with respect to our financial year ended March 31, 2003. 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. Neither Vodafone nor any of its affiliates intends to update these forward-looking statements.

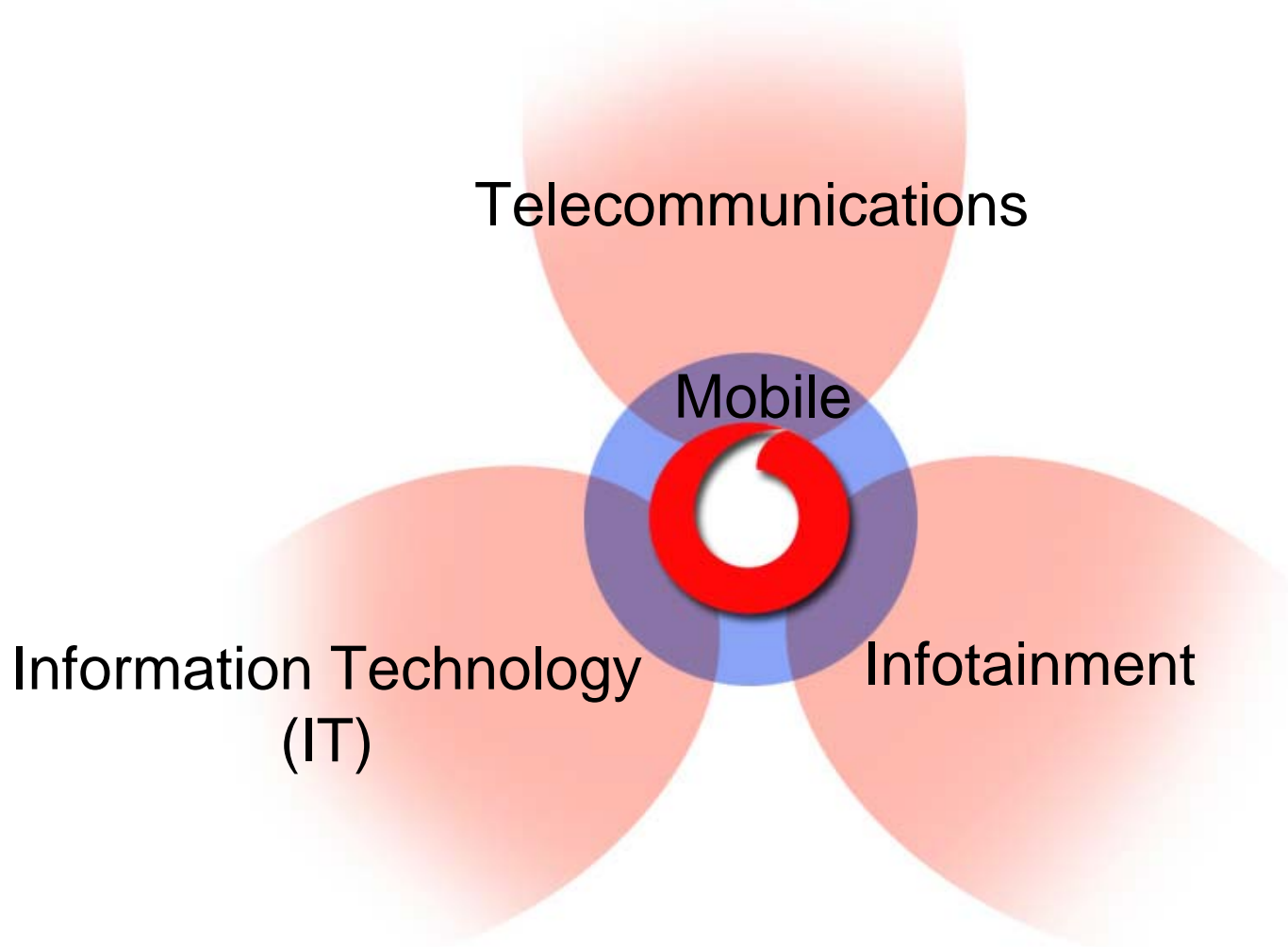


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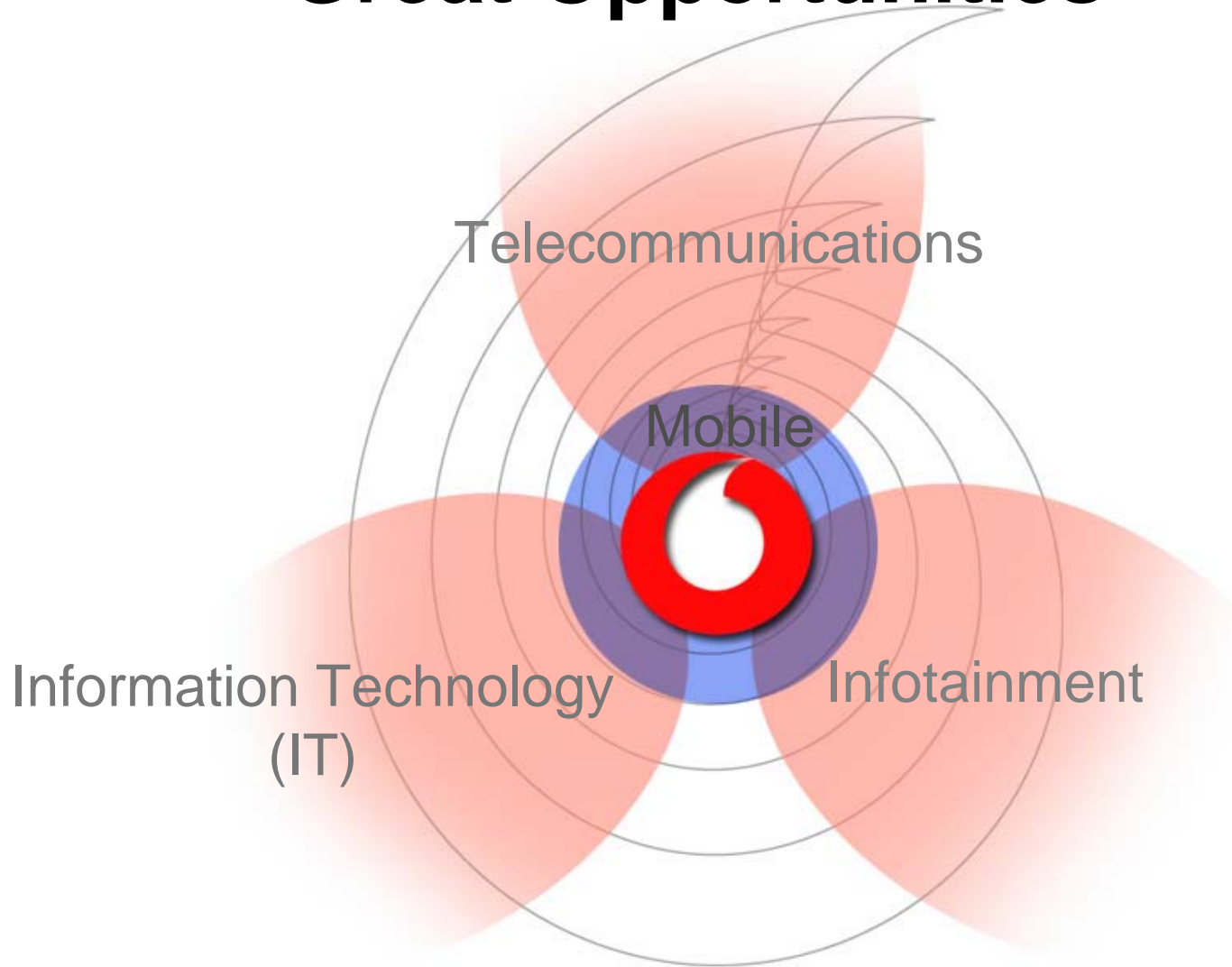


Arun Sarin
Chief Executive Designate
Vodafone Group Plc

Great Opportunities



Great Opportunities



Our Focus

- **Delight our customers**
- **Leverage global scale and scope**
- **Expand our core business**
- **Best workforce**
- **Creating shareholder value**



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