Vodafone Group Plc
Interim Results & Strategy Update

For the 6 months ended 30 September 2010

9 November 2010
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Highlights

- Q2 Group organic service revenue +2.3% - improved trends in each region
- China Mobile stake sold for £4.3bn; share buy back underway
- Accelerated realisation of SoftBank interests for £3.1billion
- FY 10/11 adjusted operating profit guidance increased to £11.8 - £12.2 billion
- Interim dividend per share +7.1% to 2.85p
- Strategy for sustainable growth and returns
Financial Performance
H1 10/11
## Financial highlights: H1 10/11

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>H1 YoY organic growth (%)</th>
<th>Q2 vs. Q1 YoY organic growth ppts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group service revenue</strong></td>
<td>21,229</td>
<td>+1.7</td>
<td>+1.2</td>
</tr>
<tr>
<td>Europe</td>
<td>13,545</td>
<td>(1.3)</td>
<td>+0.9</td>
</tr>
<tr>
<td>Africa &amp; Central Europe</td>
<td>4,165</td>
<td>+4.8</td>
<td>+2.1</td>
</tr>
<tr>
<td>Asia Pacific &amp; Middle East</td>
<td>3,572</td>
<td>+11.4</td>
<td>+1.7</td>
</tr>
<tr>
<td><strong>Group EBITDA</strong></td>
<td>7,363</td>
<td>(2.8)</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted operating profit</strong></td>
<td>6,069</td>
<td>+0.7</td>
<td></td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>2,435</td>
<td>(6.4)</td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>3,489</td>
<td>(12.8)</td>
<td></td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>14.31p</td>
<td>56.1</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>8.76p</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td><strong>Interim dividend per share</strong></td>
<td>2.85p</td>
<td>7.1</td>
<td></td>
</tr>
</tbody>
</table>

All growths shown are organic except capex, free cash flow, EPS, adjusted EPS and interim dividend per share.
Revenue trend continues to improve

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Vodafone Group service revenue growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 09/10</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Q3 09/10</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Q4 09/10</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Q1 10/11</td>
<td>1.1</td>
</tr>
<tr>
<td>Q2 10/11</td>
<td>2.3</td>
</tr>
</tbody>
</table>

All growths shown are organic

1. Adjusted for IFRIC 13 'Customer Loyalty Programmes'. Reported growth was -3.0% in Q2 09/10, -1.2% in Q3 09/10 and -0.2% in Q4 09/10
...across all regions

**Europe**¹ - Service revenue growth (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>09/10</th>
<th>10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>-(4.4)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Q3</td>
<td>(3.2)</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>(2.4)</td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>(1.7)</td>
<td></td>
</tr>
</tbody>
</table>

**Asia Pacific & Middle East - Service revenue growth (%)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>09/10</th>
<th>10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>10.3</td>
<td>10.5</td>
</tr>
<tr>
<td>Q3</td>
<td>10.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td>12.2</td>
</tr>
</tbody>
</table>

**Africa & Central Europe - Service revenue growth (%)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>09/10</th>
<th>10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>(3.9)</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td>2.4</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td>3.7</td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td>5.8</td>
</tr>
</tbody>
</table>

All growths shown are organic.

1. Adjusted for IFRIC 13 ‘Customer Loyalty Programmes’. Reported growth was -4.6% in Q2 09/10 and -1.7% in Q4 09/10.
Data & emerging economies: central to our success

- Data growth accelerated in H1 10/11
- Rebalancing the Group revenue mix
- Good progress towards FY 12/13 targets

### Group data revenue growth (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>09/10</th>
<th>09/10</th>
<th>10/11</th>
<th>10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>20.1</td>
<td>17.7</td>
<td>20.3</td>
<td>25.4</td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td>25.9</td>
</tr>
</tbody>
</table>

### Data users and smartphone penetration (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>09/10</th>
<th>10/11</th>
<th>Target FY 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>32</td>
<td>37</td>
<td>50</td>
</tr>
<tr>
<td>Q2</td>
<td>10</td>
<td>16</td>
<td>35</td>
</tr>
</tbody>
</table>

### Increasing contribution beyond mature voice

<table>
<thead>
<tr>
<th>Period</th>
<th>Mature economies(^1) voice</th>
<th>Mature economies(^1) data, fixed &amp; other</th>
<th>Emerging economies(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 09/10</td>
<td>51</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>H1 10/11</td>
<td>49</td>
<td>29</td>
<td>27</td>
</tr>
</tbody>
</table>

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1. Service revenue: Europe, Eastern Europe (excluding Turkey) Australia & New Zealand
2. Service revenue: Turkey, Vodacom, India, Egypt, Ghana & Qatar
Emerging economies increasing contribution to EBITDA

- Emerging economies EBITDA improvements mitigate margin pressure in Europe
- H1 Europe & Common Functions operating costs\(^1\) reduced by 3.4% compared to a service revenue decline of 1.3%

\(^{1}\) Operating costs = operating expenses + commercial costs excluding acquisition & retention costs
Strengthening trends in Germany

- Commercial investment driving service revenue:
  - Increased penetration of high value customers
  - Mobile ARPU +1.3%

- Strong data growth: 13% smartphone penetration, 62% data attach rate

- Enterprise +4.6% with higher smartphone penetration and increased usage

- 570 FTE reduction and 650 FTE to be outsourced

- LTE rollout: 1,500 base stations by March 2011

**Germany - Service revenue growth (%)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q2 09/10</th>
<th>Q3 09/10</th>
<th>Q4 09/10</th>
<th>Q1 10/11</th>
<th>Q2 10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>(4.9)</td>
<td>(2.8)</td>
<td>0.2</td>
<td>1.6</td>
<td>2.1</td>
</tr>
</tbody>
</table>

**Data**

- +27%

**Fixed broadband**

- +2%

**EBITDA margin**

- 38.1%

All growths shown are organic

1. EBITDA margin is H1 EBITDA margin, all other financials presented are Q2 10/11
Strong recovery in the UK

- Service revenue growth from customer adds and ARPU improvement
- Data growth driven by mobile internet: 19% smartphone penetration, 59% data attach rate
- 1 million contract net adds in 12 months
- New prepaid pricing plan launched “Top up and get…”
- Stable margin: higher revenue and operating cost efficiencies funded commercial investment

UK - Service revenue growth (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 09/10</td>
<td>(6.6)</td>
</tr>
<tr>
<td>Q3 09/10</td>
<td>(4.9)</td>
</tr>
<tr>
<td>Q4 09/10</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Q1 10/11</td>
<td>0.7</td>
</tr>
<tr>
<td>Q2 10/11</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Data: +27%
Contract net adds: +281k
EBITDA margin\(^1\): 23.1%

All growths shown are organic

1. EBITDA margin is H1 EBITDA margin, all other financials presented are Q2 10/11
Improvement in revenue trend in Italy

- Service revenue improvement due to messaging, mobile internet and Enterprise
- Successful summer campaigns: >9 million customers
- Data growth driven by mobile internet: 17% smartphone penetration, 23% data attach rate
- Fixed broadband growth driven by strong acquisitions: Q2 76k net adds, Q1 leading net adds market share
- Cost efficiencies protecting EBITDA margin despite competitive pressure
- New 1 euro cent pricing plan (Sept)

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### Italy - Service revenue growth (%)

<table>
<thead>
<tr>
<th></th>
<th>Q2 09/10</th>
<th>Q3 09/10</th>
<th>Q4 09/10</th>
<th>Q1 10/11</th>
<th>Q2 10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>1.4</td>
<td>0.7</td>
<td>0.1</td>
<td></td>
<td>(1.3)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>47.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. EBITDA margin is H1 EBITDA margin, all other financials presented are Q2 10/11

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All growths shown are organic
Challenging market conditions in Spain

- Significant voice and roaming revenue pressure
- Prepaid net adds +279k
- New prepaid price plans (June); iPhone (July); new contract price plans (Oct)
- Fixed broadband: strong customer growth (+34%), competitive pricing pressure
- EBITDA margin impacted by reduced revenue

Spain - Service revenue growth (%)

<table>
<thead>
<tr>
<th></th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/10</td>
<td>(6.9)</td>
<td>(6.8)</td>
<td>(6.2)</td>
<td>(5.4)^2</td>
<td>(7.9)</td>
</tr>
<tr>
<td>10/11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Data**

+17%

**Fixed broadband**

+3%

**EBITDA margin**

33.2%

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All growths shown are organic

1. EBITDA margin is H1 EBITDA margin, all other financials presented are Q2 10/11
2. Reported service revenue decline of 6.2% adjusted for contract settlement in Q1 09/10
Building a solid foundation for the future in Turkey

- Continued service revenue momentum: +43% excluding MTRs
- Improving customer mix: contract base 3.6m
- Improved ARPU: +21%
- Enterprise revenue +47%; new enterprise portfolio and Borusan synergies
- EBITDA positive from revenue growth and cost control
- Network enhancement with money back guarantee campaign and “mobile internet for everyone” strategy
- 5,100 3G sites now operational

**Turkey - Service revenue growth (%)**

<table>
<thead>
<tr>
<th></th>
<th>Q2 09/10</th>
<th>Q3 09/10</th>
<th>Q4 09/10</th>
<th>Q1 10/11</th>
<th>Q2 10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>12.9</td>
<td>31.3</td>
<td>23.7</td>
<td>29.5</td>
<td></td>
</tr>
<tr>
<td>Revenue market share</td>
<td>25.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>(4.8)</td>
<td>14</td>
<td></td>
<td></td>
<td>12.2%</td>
</tr>
</tbody>
</table>

All growths shown are organic
1. EBITDA margin is H1 EBITDA margin, all other financials presented are Q2 10/11
Vodacom makes excellent progress in data

South Africa:
- Service revenue growth +4.4%
- Outgoing revenues +5% supported by commercial investment and new value offerings
- 712k net adds; contract customers now 20% of base
- High demand for broadband: 38% market share

International:
- Customer growth sustained and revenue recovering

**Vodacom Group - Service revenue growth**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Service revenue growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 09/10</td>
<td>3.2</td>
</tr>
<tr>
<td>Q3 09/10</td>
<td>5.5</td>
</tr>
<tr>
<td>Q4 09/10</td>
<td>4.6</td>
</tr>
<tr>
<td>Q1 10/11</td>
<td>4.0</td>
</tr>
<tr>
<td>Q2 10/11</td>
<td>5.0</td>
</tr>
</tbody>
</table>

**Data**

- Mobile connect cards: 916k (+46%)

**EBITDA margin**

- 33.2%

---

1. Represents Vodacom Group. EBITDA margin is H1 EBITDA margin, all other financials presented are Q2 10/11
2. Organic data revenue growth of 39% adjusted to exclude the impact of changes in the data carry-over rule
3. Broadband device market share, source: Screen Digest 2010 and Vodacom
India shows strong performance

- 19% revenue market share up 1.6pps year on year
- Market prices stabilising
- Data revenue +26%
- EBITDA margin\(^1\) 26.0% due to cost efficiencies
- Operating free cash flow positive
- Indus Towers: strong operational and financial results
- 3G service commencing Q4 10/11, currently exploring 3G roaming agreements

\(^1\) EBITDA margin is H1 EBITDA margin

All growths shown are organic
Verizon Wireless continues to deliver strong results

- Data +26%\(^1\): smartphone penetration 23%
- EBITDA margin 40.0%\(^3\): strong execution, growing data revenues, Alltel synergies
- LTE rollout: 110m pops covered by end 2010
- Net debt US$14.3bn at 30 September

**VZW - Service revenue growth\(^2\) (%)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>09/10</th>
<th>09/10</th>
<th>09/10</th>
<th>10/11</th>
<th>10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>5.8</td>
<td>4.7</td>
<td>5.6</td>
<td>5.7</td>
<td>6.6</td>
</tr>
</tbody>
</table>

**VZW - Revenue market share (%) (4 largest operators)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>09/10</th>
<th>09/10</th>
<th>09/10</th>
<th>10/11</th>
<th>10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>36.5</td>
<td>36.5</td>
<td>36.6</td>
<td>36.6</td>
<td>36.3</td>
</tr>
</tbody>
</table>

**VZW - Free cash flow\(^4\) (US$bn)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>09/10</th>
<th>09/10</th>
<th>09/10</th>
<th>10/11</th>
<th>10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>3.6</td>
<td>2.4</td>
<td>3.9</td>
<td>3.2</td>
<td>3.0</td>
</tr>
</tbody>
</table>

All growths shown are organic unless otherwise stated.
1. Financial highlights reported on a 100% IFRS basis, except data growth.
2. Organic revenue growth excludes divested properties.
3. EBITDA margin is H1 EDITDA margin.
4. Reported in the Celico Partnership, being the net cash provided by operating activities, less capital expenditures and distributions to partners.
## Low finance costs

<table>
<thead>
<tr>
<th></th>
<th>H1 10/11 £m</th>
<th>H1 09/10 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Underlying net financing costs</strong></td>
<td>(582)</td>
<td>(512)</td>
</tr>
<tr>
<td>Mark to market losses</td>
<td>(5)</td>
<td>(47)</td>
</tr>
<tr>
<td>Dividends from investments</td>
<td>201</td>
<td>237</td>
</tr>
<tr>
<td>Potential interest on tax</td>
<td>(54)</td>
<td>(108)</td>
</tr>
<tr>
<td><strong>Adjusted net financing costs</strong></td>
<td>(440)</td>
<td>(430)</td>
</tr>
<tr>
<td><strong>Average cost of debt (%)</strong></td>
<td>4.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

- Lowest financing rate amongst European peers\(^1\)
- Reported net financing costs include CFC settlement provision releases of £0.9bn


Adjusted effective tax rate

<table>
<thead>
<tr>
<th></th>
<th>H1 10/11</th>
<th>H1 09/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying adjusted effective tax rate</td>
<td>22.9</td>
<td>24.5</td>
</tr>
<tr>
<td>Reversal of potential interest on tax and tax provisions</td>
<td>-</td>
<td>(3.0)</td>
</tr>
<tr>
<td><strong>Adjusted effective tax rate</strong></td>
<td><strong>22.9</strong></td>
<td><strong>21.5</strong></td>
</tr>
</tbody>
</table>

- Adjusted effective tax rate expected to remain in the mid 20s for the medium term
- Reported income tax expense includes CFC settlement provision release of £0.6bn
Strong free cash flow supports dividend and low single A credit rating

(£bn)

- H1 capex lower due to Indian import controls
- H1 free cash flow per share: 6.62p
- FY 10/11 guidance reiterated: free cash flow >£6.5bn
Licences and spectrum reflect German and Indian auctions
£2.8bn China Mobile proceeds committed to share buy back, £0.1bn bought back at 30 Sept
Closing net debt of £30.5bn includes £3.2bn Essar put options
Accelerated realisation of SoftBank interests for £3.1bn announced today
## Results lead to profit guidance upgrade

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>EBITDA margin</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 10/11 May Guidance</strong></td>
<td>Return to low-level revenue growth</td>
<td>Decline significantly lower rate than prior year</td>
<td>Similar to prior year</td>
</tr>
<tr>
<td><strong>H1 10/11 Performance</strong></td>
<td>+1.7% service revenue growth</td>
<td>Decline reduced by 0.5pps vs. FY 09/10</td>
<td>£2.4bn capex</td>
</tr>
</tbody>
</table>

**Adjusted operating profit**

- £11.2bn - £12.0bn
- £11.8bn - £12.2bn
Creating value: driving performance and returns

- Q2 service revenue: +2.3%, data revenue +26%
- Controlling costs: 3.4% reduction in Europe and Common Functions
- Strong free cash flow: £3.5bn
- Disposal of China Mobile, SoftBank
- Increased profit guidance: £11.8bn - £12.2bn
- £2.8bn share buy back and 7.1% growth in interim dividend per share
Strategy Update
Execution of 2008 strategy has made Vodafone stronger

Drive operational performance

- **Revenue market share gains**: in a majority of our markets; trends improving
- **Cost reduction programme**: on track

Pursue growth in total communications

- **Mobile data**: £5.0bn revenue +23% CAGR; 60m customers
- **Enterprise**: Return to revenue growth; VGE performing well
- **Fixed broadband**: £3.3bn revenue +7% CAGR; 5.8m broadband customers

Execute in emerging markets

- **India**: gained #2 revenue market share
- **South Africa**: maintained #1 revenue market share
- **Turkey**: turnaround executed, now building profitability

Strengthen capital discipline

- **Dividend per share**: +12% since Nov 2008
- **China Mobile**: disposal raised £4.3bn
- **Buy backs**: £2.8bn buy back programme
- **Australia JV**: on track and creating value

Focus on FCF generation

- **Original £5 - 6bn free cash flow target**: exceeded and upgraded

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1. Revenue market share gain since Nov 2008
2. Annualised Q2 10/11 revenue. CAGR from Q2 08/09 to Q2 10/11
3. Fixed line revenue
We returned to growth while delivering robust FCF and higher shareholder returns.

Organic service revenue\(^1\) growth (%)

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY 08/09</th>
<th>Q2 FY 08/09</th>
<th>Q3 FY 08/09</th>
<th>Q4 FY 08/09</th>
<th>Q1 FY 09/10</th>
<th>Q2 FY 09/10</th>
<th>Q3 FY 09/10</th>
<th>Q4 FY 09/10</th>
<th>Q1 FY 10/11</th>
<th>Q2 FY 10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>1.6</td>
<td>0.2</td>
<td>(0.3)</td>
<td>(2.7)</td>
<td>2.1</td>
<td>1.3</td>
<td>0.6</td>
<td>(2.9)</td>
<td>(2.7)</td>
<td>(0.3)</td>
</tr>
</tbody>
</table>

Free cash flow and shareholder returns (£bn)

- **FCF**
- **Dividends**
- **Buy back**

<table>
<thead>
<tr>
<th></th>
<th>FY 08/09</th>
<th>FY 09/10</th>
<th>FY 10/11(e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCF</td>
<td>5.7</td>
<td>7.2</td>
<td>&gt;6.5</td>
</tr>
<tr>
<td>Dividends</td>
<td>1.0</td>
<td>4.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Buy back</td>
<td>4.0</td>
<td>4.1</td>
<td>4.5</td>
</tr>
</tbody>
</table>

1. Adjusted for IFRIC 13 ‘Customer Loyalty Programmes’. Reported growth was -3.0% in Q2 09/10, -1.2% in Q3 09/10 and -0.2% in Q4 09/10.
2. Based on financial guidance, assumes 7% growth in dividends per share and completion of £2.8bn buy back programme.
What is Vodafone today?

Controlled

- 27 controlled operations
  - c.70% consumer / 30% enterprise
  - c.70% mature / 30% emerging
  - #1 or #2 positions in 22 markets
- Emerging markets’ OpFCF turning positive
- Achieved turnarounds: Turkey, UK, Aus, Ghana

Non-Controlled

- Strong proportionate cash generation from SFR and VZW
- But current low cash returns to Vodafone c. £1.0bn

---

1. Based on Median of Analysts’ Sum of the Parts analysis as at Sep-2010
2. Free cash flow figures for FY 09/10
3. Includes fully and joint controlled operations and excludes Vodafone Investments (Verizon Wireless, SFR, Poland)
4. Europe service revenue
5. Group service revenue
## 2010 Strategy update: a more valuable Vodafone

### Leadership focus
- Europe, Africa, India

### A growth strategy from data
- Mobile data: accelerate across footprint
- Enterprise: exploit opportunity across footprint
- Emerging markets: drive penetration and data adoption
- Total Communications: continue to develop services in Europe
- New services: deliver growth opportunities

### Value & efficiency from scale
- Continue to enhance efficiency and realise scale benefits

### Asset / portfolio strategy
- Generate liquidity or free cash flow from all non-controlled assets

### Capital discipline and financial objectives
- Profitable investment and shareholder returns
- Continue to apply rigorous investment criteria to deployment of surplus capital and regular assessment of all assets
New organisation aligned to strategy...

- **CEO**
  - Vittorio Colao

- **CFO**
  - Andy Halford

- **Europe**
  - Michel Combes
  - Nick Read

- **AMAP¹**
  - Steve Pusey

- **Technology**
  - Morten Lundal

- **Commercial**
  - Investments

- Achieve regional leadership & growth
- Enable growth and maximise scale benefits / innovation
- Maximise value / liquidity or cash flow

**Flatter organisation structure, simpler Group architecture, increased ownership, aligned incentives**

Note: Vodafone will report on the basis of the new organisation structure for the second half of FY 10/11

1. Africa, Middle East and Asia Pacific
<table>
<thead>
<tr>
<th>Mobile data</th>
<th>Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging markets</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>communications</td>
<td></td>
</tr>
<tr>
<td>New services</td>
<td></td>
</tr>
</tbody>
</table>
Mobile data will drive global telecoms growth

### 2010e - 14e Global Telecoms Revenue / Change

<table>
<thead>
<tr>
<th></th>
<th>2014 Revenue</th>
<th>$295bn</th>
<th>$626bn</th>
<th>$281bn</th>
<th>$337bn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed voice</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mobile voice</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed data</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mobile data</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fixed voice**
- $(70)bn

**Mobile voice**
- $24bn

**Fixed data**
- $49bn

**Mobile data**
- $138bn

**Existing presence**
**Selective expansion**
**Strategic focus**

Source: IDC Worldwide Black Book 2010
Mobile data demand is being accelerated by devices, network and service improvements

<table>
<thead>
<tr>
<th>2006</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>20%</td>
</tr>
<tr>
<td>1.8 Mbps(^1)</td>
<td>43.2 Mbps(^1)</td>
</tr>
</tbody>
</table>

- Increased smartphone share of industry handset shipments
- Wider range of smart devices
- Greater peak speeds
- Increased app range and functionality

1. Peak downlink speeds
Mobile data is a global opportunity

United States
- $59bn mobile data market
- Verizon Wireless: 25m data users
  - 30% data penetration

Europe¹
- $57bn mobile data market
- Vodafone: 35m data users
  - 37% data penetration

Africa
- $8bn mobile data market
- Vodafone: 12m data users
  - 26% data penetration

India
- $3bn mobile data market
- Vodafone: 5m data users
  - 6% data penetration

Source: IDC (Sep 2010)
1. Europe data market includes Turkey
2. Verizon Wireless data penetration refers to data users / retail postpaid customers
3. Vodafone data refers to Egypt and South Africa
Vodafone data penetration refers to active data users / active customers
"Supermobile": acceleration of mobile data growth opportunity

<table>
<thead>
<tr>
<th>Technology</th>
<th>Best experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pricing</td>
<td>Ability to optimise spending and usage</td>
</tr>
<tr>
<td>Customer experience</td>
<td>Redesigned for data</td>
</tr>
<tr>
<td>Devices</td>
<td>All leading products</td>
</tr>
</tbody>
</table>

Delivering data growth earlier and more profitably
“Supermobile”: strong network position in Europe thanks to significant 3G investment

Customer expectations

- Broad data coverage
- High speed capability
- Reliability & quality

Vodafone network

- 50,000 3G sites
- 80-90% 3G coverage
- 65% at ≥ 14.4 Mbps\(^1\)
- >80% at ≥ 7.2 Mbps\(^1\)
- Average utilisation 34\(^2\)
- Peak usage locations 7\(^3\)

Excellent network quality with good capacity management

---

Note: All figures relate to Europe, unless otherwise stated.
1. Share of 3G footprint at stated peak downlink speeds
2. Average peak hour utilisation
3. Base station sites with over 90% peak hour utilisation
“Supermobile”: our European data network leads in performance

Average user speeds in Vodafone European network

- Vodafone's major European markets average
- Best competitor European market average

<table>
<thead>
<tr>
<th></th>
<th>Downlink</th>
<th>Uplink</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodafone</td>
<td>3.2 Mbps</td>
<td>1.2 Mbps</td>
</tr>
<tr>
<td>Best</td>
<td>2.8 Mbps</td>
<td>1.3 Mbps</td>
</tr>
</tbody>
</table>

Leading European data performance

- Germany
- Italy
- UK
- Spain
- Portugal
- Greece
- Netherlands (on par)

Source: Vodafone commissioned independent drive-by tests on data user speeds (June/July 2010) in Europe; excludes, Ireland, Malta and Albania

Note: All figures relate to Europe, unless otherwise stated.
“Supermobile”: we will invest in quality and speed to maintain our advantage

- **Increase coverage**
  - Continued site deployment
  - Femto/WiFi offload
  - Secure preferred spectrum

- **Improve customer experience**
  - HSPA upgrades
  - LTE rollout started in Germany
  - High capacity backhaul upgrades

- **Improve cost efficiency**
  - Yield management capability
  - Network sharing
  - Energy efficiency, e.g. single RAN
  - Regional consolidation

<table>
<thead>
<tr>
<th></th>
<th>H1 10/11</th>
<th>Targets FY 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td># 3G base station sites</td>
<td>50,000</td>
<td>&gt;70,000</td>
</tr>
<tr>
<td>% of 3G network at ≥ 14.4 Mbps</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td>Unit cost to carry data</td>
<td>-</td>
<td>30% reduction</td>
</tr>
</tbody>
</table>

Note: All figures relate to Europe, unless otherwise stated.
“Supermobile”: tiered data pricing in Europe

**Fixed price plans: limitations**

- ‘Fair’ usage limits create uncertainty
- Benefits the few high users that account for the majority of traffic

**Tiered data plans: benefits**

- Encourages data adoption by low / occasional users
- Optimises the use of data capacity and favours upgrades
- Launched in Germany, UK, Netherlands, Portugal and Ireland
- Remaining European markets by end FY 10/11

**Handset data usage: example**

<table>
<thead>
<tr>
<th></th>
<th>&lt;200 MB</th>
<th>200 MB - 1 GB</th>
<th>&gt;1 GB</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of traffic</td>
<td>17%</td>
<td>29%</td>
<td>19%</td>
</tr>
<tr>
<td>% of customers</td>
<td>75%</td>
<td>54%</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Tiered data plans: examples**

**Smartphones (UK)**

<table>
<thead>
<tr>
<th>Data (in MB)</th>
<th>Price (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>250 MB</td>
<td>£15</td>
</tr>
<tr>
<td>500 MB</td>
<td>£25</td>
</tr>
<tr>
<td>750 MB</td>
<td>£40</td>
</tr>
<tr>
<td>1 GB</td>
<td>£60</td>
</tr>
</tbody>
</table>

**Mobile Broadband (NL)**

<table>
<thead>
<tr>
<th>Speed (Mbps)</th>
<th>Data (in GB)</th>
<th>Price (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 mbps</td>
<td>500 MB</td>
<td>€20</td>
</tr>
<tr>
<td>7.2 mbps</td>
<td>3 GB</td>
<td>€30</td>
</tr>
<tr>
<td>28.8 mbps</td>
<td>5 GB</td>
<td>€50</td>
</tr>
</tbody>
</table>

1. Average monthly data usage in a selected European operating country
“Supermobile”: a better mobile data experience with Vodafone

<table>
<thead>
<tr>
<th>Customer experience and support systems re-designed for data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail locations</strong></td>
</tr>
<tr>
<td>• 5,000 stores in Europe</td>
</tr>
<tr>
<td>• Service and assistance centre</td>
</tr>
<tr>
<td>• New store formats</td>
</tr>
<tr>
<td><strong>Specialised support</strong></td>
</tr>
<tr>
<td>• 25,000 support staff</td>
</tr>
<tr>
<td>• 5,000 data-only customer care representatives</td>
</tr>
<tr>
<td>• Specialised 2nd level support</td>
</tr>
<tr>
<td>• Enhanced online experience</td>
</tr>
<tr>
<td><strong>Billing</strong></td>
</tr>
<tr>
<td>• Flexible multi-SIM billing</td>
</tr>
<tr>
<td>• CRM infrastructure enhanced to handle multi-SIMs and multiple account members</td>
</tr>
<tr>
<td><strong>Value-added</strong></td>
</tr>
<tr>
<td>• 3rd party billing rolled out in 10 European markets</td>
</tr>
<tr>
<td>• Vodafone-specific apps</td>
</tr>
<tr>
<td>• Vodafone VIP, reward programmes</td>
</tr>
</tbody>
</table>

#1 or #2 consumer net promoter score in 19 of 20 markets
“Supermobile”: multiplicity of connected devices

<table>
<thead>
<tr>
<th>Europe:</th>
<th>Q2 09/10</th>
<th>Q2 10/11</th>
<th>FY 12/13 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone penetration</td>
<td>10%</td>
<td>16%</td>
<td>≥35%</td>
</tr>
<tr>
<td>Smartphone sales mix</td>
<td>20%</td>
<td>32%</td>
<td>≥70%</td>
</tr>
</tbody>
</table>

Prices shown are example retail selling prices.

Entry price handsets
Lower cost smartphones
Accelerates data penetration

- ~€40 Vodafone 543 (fashion led)
- ~€70 Vodafone 553 (social messaging)
- ~€120 Vodafone 845 (smartphone)
- ~€45 Vodafone 546 (low cost smartphone)

Mobile connectivity
Device innovation

- 43.2Mbps dongles
- Mobile Broadband Sharing dock
- Vodafone Mobile WiFi
- Vodafone 3G Station
“Supermobile”: managing yields to deliver profitable growth

Non-smartphone to smartphone profit analysis

<table>
<thead>
<tr>
<th></th>
<th>Incremental ARPU</th>
<th>Incremental A&amp;R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min</td>
<td>€48</td>
<td>€30</td>
</tr>
<tr>
<td>Max</td>
<td>€240</td>
<td>€200</td>
</tr>
</tbody>
</table>

User average monthly data usage (Europe)

- Europe data traffic +88% YoY (Q1 +115%)
- c.85% of Europe data traffic from mobile broadband
- Small adjustments of mobile broadband traffic can release significant network capacity

Smartphone yield management

- Smartphones deliver a similar/ higher level of profit to non-smartphones
- Alignment of subsidy with customer spend
- Support profitability with higher data attach rates (Europe Q2 +12pp YoY) and tiered price plans

Network yield management

1. Major European markets pre-post cohort analysis (January to July 2010); Based on a 24 month contract
Enterprise: building on our success

- **Vodafone Global Enterprise**
  - 562 multi national company accounts
  - Growing revenue >£1.3bn; +7% since Q2 08/09
  - Managed Mobility services
  - Machine to machine: >3.5m SIMs; M2M platform established
  - Adding specialist services:
    - M2M Health solutions
    - Telecom Expense Management

- **Vodafone Business Services**
  - Mobile, fixed and ICT solutions
  - Vodafone One Net in 6 European markets
    - Over 1m seats
  - Microsoft Online services in 2 markets

- **c.£8 billion Europe Enterprise revenue**
- **c.37% European mobile market share\(^1\)**
- **c.23 million connections across the Group**

---

1. In top 8 Vodafone markets
Enterprise: selective expansion in growth segments

SoHo and SME
- Exploit migration to IP based comms with ‘Vodafone One Net’
- Third party cloud solutions (IBM Lotus, Microsoft)

Domestic Corporate
- Unified communications solutions in partnership with Cisco
- Grow domestic IP-virtual private networks
- Network integration skills

Multi National Companies
- Push ‘Managed Mobility’ Service
- Extend to smaller MNCs (VGE ‘light’)
- Extend unified communication solutions in partnership over time
Emerging markets: penetration will continue to drive growth

GDP growth (2010e -14e CAGR)$^1$ (%) | Market customers growth (2010e -14e CAGR)$^2$ (%)
--- | ---
South Africa | 5% | 6% |
Egypt | 10% | 7% |
India | 11% | 18% |

Mobile SIM penetration will rise further$^2$

| South Africa | Egypt | India |
--- | --- | --- |
Dec 2010e | 104% | 74% | 60% |
Dec 2014e | 130% | 93% | 109% |

2. Informa WCIS (Nov 2010)
India: applying our growing scale advantage to data

Driving data from a strong market position

- #2 revenue market share\(^1\)
- 82% nationwide coverage
- 1.3m retail points of presence
- Indus Towers world’s largest towerco
- 3G services in Q4 10/11; US$500m capex in next 2 yrs
- Enhance mobile internet experience
  - Opera Mini browser, low cost micro unit pricing
  - Low end data handsets from €25; mid/high end €80-120 and falling
- Cost efficient in-country data roaming agreements & network site sharing
- Expand enterprise services and shape mobile banking

All data / comments refers to Q2 10/11 unless stated
1. Q1 10/11
Vodacom: set to deliver strong data growth

Driving growth from data in South Africa

- #1 operator
- 53% revenue market share
- Data leadership: 38% broadband device share\(^1\)
- Leading data network: 3,700 3G base station sites
- Wide reach: 28,000 distribution points
- Extend leadership in broadband with value offerings
- Develop converged ICT solutions for Enterprise
- Leverage Group services: M-PESA launched

Still very low broadband penetration

Fixed and mobile broadband penetration (%)\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010e</th>
<th>2011e</th>
<th>2012e</th>
<th>2013e</th>
<th>2014e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1.5</td>
<td>4.3</td>
<td>6.4</td>
<td>8.1</td>
<td>9.5</td>
<td>10.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Q2</td>
<td>0.9</td>
<td>1.1</td>
<td>1.2</td>
<td>1.2</td>
<td>1.3</td>
<td>1.4</td>
<td></td>
</tr>
</tbody>
</table>

All data / comments refers to South Africa unless otherwise stated
1. Source: Screen digest 2010 and Vodacom at March 2010
2. Source: BMI technology 2010
Europe: Vodafone’s Total Communications presence

Spain
- €3.0bn Fixed broadband market
- 52% Household penetration
- 0.7m Vodafone customers

Italy
- €5.2bn Fixed broadband market
- 49% Household penetration
- 1.5m Vodafone customers

Smaller Markets
- Ireland
- Portugal
- Greece

Germany
- €6.1bn Fixed broadband market
- 57% Household penetration
- 3.5m Vodafone customers

Source: IDC (Sep-2010), ScreenDigest (2010)
Note: FX rate $/€ 1.38
1. Broadband subscribers at end Q2 10/11
2. Italy presented on a 100% basis
Europe: we will address convergence on a market by market basis

- Convergence is happening, but slowly in consumer segments
- Increasing demand in business market
- European strategy remains to obtain long-term access to fast broadband to service high value customers.....
- .....in a capital efficient manner

**Wholesale**
- Needs multiple providers/strong regulation to drive acceptable long-term pricing

**Partnership**
- Multiple operators share investment
- Competition at service level
- Highly efficient if no alternative providers

**Acquire**
- No "region-wide" solutions
- Cost synergies support in-market deals
- Business and financial case must be compelling

Capital efficient in-market approach maximises value
New services: executing on growth opportunities

Already underway

- **Machine to machine**
  - Smart metering, car telematics, tracking
  - Business unit established c.100 employees

- **3rd party billing**
  - Platform developed for content providers and software developers
  - ‘Mondrian’ payment system rolled out in 10 European markets

- **Financial services**
  - M-PESA - Kenya, Tanzania, Afghanistan, Fiji, South Africa
  - 19 million customers
  - Further roll-out to begin

New Areas

- **Near field communications**
  - Trials underway in Spain and Germany
  - High margin revenue opportunity in established markets

- **Push mobile advertising**
  - Establish end-to-end advertising platform
  - Access to attractive captive audiences across all demographics
A winning growth strategy

- Mainly #1/#2 market positions, early-mover in data, positioned to exploit low data penetration level
- Excellent network and technology platforms
- Data focused pricing strategies, IT and customer care
- Leading position in mobile Enterprise: MNC, SoHo-SME
- Attractive emerging markets assets now performing
- Market specific approach to Total Communications in Europe
- Early investor in M2M and Payments, with an active presence in several markets
Group Scale Advantage and Cost Focus

<table>
<thead>
<tr>
<th>Direct Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
</tr>
<tr>
<td>Marketing</td>
</tr>
<tr>
<td>Procurement</td>
</tr>
<tr>
<td>Tax &amp; Treasury</td>
</tr>
</tbody>
</table>

51
Cost efficiency is enabling us to protect margins and invest in growth

**Second £1bn programme**

- Savings delivered by FY 10/11: £0.5bn
- Volume/Inflation: £(0.2)bn
- Available for investment/margin protection: £0.3bn

**Key actions for FY 10/11**

- Europe operating costs reduced 3.4% YoY in H1 10/11
- Continued network sharing initiatives
- Renegotiation of site rental and maintenance contracts
- Customer management process / volume efficiencies
- India shared service centre

**Efficiency improvements relative to benchmark**

- Network: 4.6%
- Sales: 3.3%
- Marketing: 4.7%
- IT: 5.6%
- Customer Care: 3.3%
- Total Europe: 3.3%

**Selective investment**

1. Europe plus Common Functions
Scale: Vodafone continues to generate significant benefits

<table>
<thead>
<tr>
<th>Position vs. Competitors</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Network</strong></td>
<td>• Passive and active sharing</td>
</tr>
<tr>
<td>• Top quartile cost to carry</td>
<td></td>
</tr>
<tr>
<td>– Germany, Italy, Spain, UK</td>
<td>• Technology standardisation</td>
</tr>
<tr>
<td>• Top quartile purchaser</td>
<td>• Data management techniques / video optimisation</td>
</tr>
<tr>
<td><strong>Terminals</strong></td>
<td>• Central handset purchasing</td>
</tr>
<tr>
<td>• Consistently better prices</td>
<td></td>
</tr>
<tr>
<td>– 4% lower than peer group</td>
<td>• Logistics regionally managed across Europe</td>
</tr>
<tr>
<td>• World class data centre cost efficiency</td>
<td>• Lower cost data devices</td>
</tr>
<tr>
<td><strong>Supply Chain</strong></td>
<td>• Vodafone Procurement Company</td>
</tr>
<tr>
<td>• Consistently better prices</td>
<td></td>
</tr>
<tr>
<td>– 4% lower than peer group</td>
<td>• LTE equipment and server auctions with VZW</td>
</tr>
<tr>
<td><strong>Offshore &amp; Outsource</strong></td>
<td>• Application development and maintenance outsourced on multi-year competitive tenders</td>
</tr>
<tr>
<td>• World class data centre cost efficiency</td>
<td>• Offshore service centres (Budapest, Cairo, Pune, Ahmedabad)</td>
</tr>
<tr>
<td><strong>Tax &amp; Treasury</strong></td>
<td>• Sustain low cost of finance and liquidity</td>
</tr>
<tr>
<td>• Group effective tax rate of c. 25%</td>
<td></td>
</tr>
<tr>
<td>• Average cost of debt 4.0%</td>
<td></td>
</tr>
</tbody>
</table>
Group scale advantage and cost focus

- Delivering cost efficiency programmes: £1bn completed; second £1bn on track
- Reduction of European cost structure; good performance vs. peers
- Significant benefits generated by Vodafone Group
  - Technology standardisation & optimisation
  - Supply chain savings
  - Terminals: purchasing efficiencies and lower cost data devices
  - Tax & Treasury benefits
- 7th most valuable brand across the globe

1. Source: BrandFinance global ranking
Asset / Portfolio Strategy
## Releasing liquidity or free cash flow from minorities

### Non-controlled assets

<table>
<thead>
<tr>
<th>Status</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>• #1 market position in USA</td>
<td>• Dividends from future cash generation</td>
</tr>
<tr>
<td>• Market growth</td>
<td>• Assessment of options on a post-tax basis</td>
</tr>
<tr>
<td>• Most valuable data market</td>
<td>• A valuable asset</td>
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<td>• Commercial co-operation</td>
<td>• Open to all value maximisation plans</td>
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<td>• Strong #2 converged operator in France</td>
<td>• Commercial agreement for France</td>
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<td>• Cash generative and dividend paying</td>
<td>• All shareholders have recently agreed to explore options for a sale</td>
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<td>• #1 operator in Poland</td>
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<td>• Cash generative and dividend paying</td>
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Releasing liquidity or free cash flow from investments

### Investments

**Status**
- Orderly and successful process
- Market placing of 3.2% stake for £4.3bn

**Outlook**
- Related £2.8bn share buy back programme underway
- Maintaining commercial co-operation

**SoftBank**
- Accelerated realisation
- £3.1bn proceeds; premium to book value

**Airtel**
- 26% illiquid minority stake in Bharti Infotel Private Limited
- Represents 4.4% effective interest in Bharti Airtel

**Bharti Airtel**
- Proceeds to be received in two broadly equal tranches in Dec 2010 and in April 2012
- Monetise when value objectives can be achieved
- No near term solution

*Related £2.8bn share buy back programme underway*

*Maintaining commercial co-operation*

*Proceeds to be received in two broadly equal tranches in Dec 2010 and in April 2012*

*Monetise when value objectives can be achieved*

*No near term solution*
Capital Discipline and Financial Objectives
Capital discipline

Capital allocation to maximise shareholder value

**Organic investment**
- Drive growth
- Meet spectrum needs

**Return to shareholders**
- Dividend per share growth of at least 7% p.a.
- £2.8bn buy back programme

**Selective consolidation**
- Build scale
- Cost synergies
- Free cash flow accretion

Investment / corporate activity decisions: rigorous commercial analysis and tough hurdle rates, including M&A criteria, to ensure we enhance shareholder returns

Regular portfolio review: consider all options to optimise value for shareholders
Medium term scenario

Group outlook to FY 13/14\(^1\)

- Service revenue
  - 1-4% p.a. organic growth

- EBITDA margins
  - Stabilising

- Free cash flow
  - £6-7 billion p.a.

Main variables

- Data migration economics
- European economy
- Public policy decisions
- Verizon Wireless dividends

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1. Medium term guidance is based on FX £1: €1.15 and £1: US$1.50 and excludes the impact of licence and spectrum purchases, material one-off tax related payments and restructuring costs, if any, and assumes no material change to the current structure of the Group.
We are creating a more valuable Vodafone

- Leadership focused on Europe, Africa and India
- A growing company
- A superior data experience for our customers
- Realising liquidity or free cash flow from non-controlled assets
- Enhanced capital discipline

Sustainable revenue growth, stabilising margins, strong free cash flow

Increasing shareholder returns
Thank you – Q&A
Definition of terms

ARPU: Service revenue excluding fixed line revenue, fixed advertising revenue, revenue related to business managed services and revenue from certain tower sharing arrangements divided by average customers.

Churn: Total gross customer disconnections in the period divided by the average total customers in the period.

Data attach rate: The number of complimentary data plans sold as a percentage of data capable handsets.

Emerging economies: Africa and Central Europe, and Asia Pacific and Middle East.

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 data transmission between mobile devices and the network.

M2M: Machine to machine.

Mark to market: Mark to market on fair value accounting refers to accounting for the value of an asset or liability based on the current market price of the asset or liability.

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. A per minute charge paid by a telecommunications network operator when a customer makes a call to another network operator.

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

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 operating performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates.

Smartphone: A smartphone is a phone offering advanced capabilities including access to email and the internet.

Smartphone penetration: The number of smartphone devices divided by the number of registered sims, excluding data only sims.

Total communications: Comprises all fixed location services, data services, fixed line services, visitor revenue and other services.
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 for the 2011 financial year contained in slide 22, the medium-term guidance for the three financial years ending 31 March 2014 contained in slide 60 and the statements relating to the Group’s future performance generally, including the Group’s 7% per annum dividend per share growth rate policy; statements relating to the development and launch of certain products, services and technologies, including the increased penetration of smartphones; expectations regarding growth in customers and usage and mobile data growth and technological advancements, including the expected number of LTE base stations anticipated to be operational in Germany in 2011; statements relating to movements in foreign exchange rates; expectations regarding revenue, adjusted operating profit, EBITDA, free cash flows, adjusted effective tax rates, costs, tax settlements and capital expenditures; expectations regarding the Group’s second £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”, “will” 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 by referring to the information contained under the heading “Other Information – Forward-Looking Statements” in “Forward-looking statements” and “Principal risk factors and uncertainties” in Vodafone Group Plc’s Annual Report for the year ended 31 March 2010. 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.