Vodafone Group Plc
Interim Results

For the 6 months ended 30 September 2012

13 November 2012

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Agenda

• H1 12/13 highlights
• H1 12/13 financial review
• Vodafone 2015: strategy update
• Q&A

H1 12/13 highlights

• Group organic service revenue H1 -0.4%; Q1 +0.6%, Q2 -1.4%
• Adjusted operating profit H1 +8.5%
• Strong growth in data Q2 +13.7% and emerging markets; challenging markets in Southern Europe
• £2.2bn free cash flow after ongoing investment in high speed data networks
• Interim dividend per share +7.2% to 3.27p
• £2.4bn dividend from VZW, £1.5bn share buyback announced
• FY 12/13 guidance confirmed
H1 12/13
Financial review

Andy Halford

Flat underlying revenue, growth in adjusted operating profit

<table>
<thead>
<tr>
<th></th>
<th>H1 12/13 £m</th>
<th>Reported growth %</th>
<th>Organic growth %</th>
<th>Q2 12/13 growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group revenue</td>
<td>21,780</td>
<td>(7.4)</td>
<td>0.2</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Group service revenue</td>
<td>20,157</td>
<td>(7.9)</td>
<td>(0.4)</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Group EBITDA</td>
<td>6,647</td>
<td>(11.7)</td>
<td>(2.9)</td>
<td></td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>30.5</td>
<td>(1.5)ppt</td>
<td>(1.0)ppt</td>
<td></td>
</tr>
<tr>
<td>Associate income</td>
<td>3,221</td>
<td>27.8</td>
<td>24.9</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>6,170</td>
<td>2.2</td>
<td>8.5</td>
<td></td>
</tr>
</tbody>
</table>

Underlying service revenue:
- Q2 +0.6% excluding MTR impact
- H1 +1.4% excluding MTR impact

EBITDA:
- £0.6bn reduction due to foreign exchange
- -0.3ppt restructuring impact

Adjusted operating profit
- Continued strength from VZW

All growths shown are organic unless otherwise stated.
Financial performance: growth in adjusted earnings per share

<table>
<thead>
<tr>
<th></th>
<th>H1 12/13</th>
<th>H1 11/12</th>
<th>Reported growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit</td>
<td>6,170</td>
<td>6,035</td>
<td>2.2</td>
</tr>
<tr>
<td>Net financing costs</td>
<td>(829)</td>
<td>(893)</td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>(1,380)</td>
<td>(1,197)</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(84)</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Adjusted net profit¹</td>
<td>3,877</td>
<td>3,962</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Other net gains²</td>
<td>46</td>
<td>3,167</td>
<td></td>
</tr>
<tr>
<td>Impairments</td>
<td>(5,900)</td>
<td>(450)</td>
<td></td>
</tr>
<tr>
<td>(Loss)/profit for the period¹</td>
<td>(1,977)</td>
<td>6,679</td>
<td></td>
</tr>
<tr>
<td>Adjusted earnings per share</td>
<td>7.86</td>
<td>7.75</td>
<td>1.4</td>
</tr>
<tr>
<td>Ordinary dividend per share</td>
<td>3.27</td>
<td>3.05</td>
<td>7.2</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>2,178</td>
<td>2,616</td>
<td>(16.7)</td>
</tr>
</tbody>
</table>

1. Attributable to equity shareholders
2. H1 11/12 includes sale of Group’s interest in SFR £3.4bn

Finance costs and tax
- Lower mark-to-market losses
- H1 ETR 26.6%; larger US tax impact
- No provision for Indian tax litigation

Impairments
- Spain and Italy

Free cash flow
- £0.2bn SFR dividend received in prior year
- Capex maintained at prior year level

Group: stable underlying performance

<table>
<thead>
<tr>
<th>(£m)</th>
<th>Service revenue H1 11/12</th>
<th>FX and M&amp;A</th>
<th>Organic base H1 11/12</th>
<th>MTR rate impact</th>
<th>Underlying voice</th>
<th>Data</th>
<th>Messaging</th>
<th>Fixed</th>
<th>Wholesale &amp; Other</th>
<th>Service revenue H1 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21,894</td>
<td>20,227</td>
<td>(1,667)</td>
<td>(365)</td>
<td>(253)</td>
<td>430</td>
<td>44</td>
<td>153</td>
<td>20,157</td>
<td></td>
</tr>
</tbody>
</table>

- Significant adverse FX movements £1.6bn
- H1 data revenue growth +15.3%; annual run rate £6.5bn
- H1 messaging revenues -3.3%; volumes +1.7%

1. M&A net impact -£102m; includes OW acquisition, the sales of Gateway and Polkomtel
Growing in emerging markets and Northern & Central Europe

Q2 12/13 service revenue growth (%)

18.0 17.4 11.0 4.6 3.4 2.4 1.8

Turkey Ghana India Vodacom Egypt Hungary Germany Netherlands Ireland UK Czech Republic Portugal Romania Greece Spain Italy Australia

Group (1.4) (2.3) (2.5) (3.2) (5.0) (6.8) (7.5) (10.7) (12.8) (12.8) (14.4)

All growth rates shown are organic unless otherwise stated

1.00% IFRS basis
2. Vodafone Group plus proportionate organic service revenue for Verizon Wireless reported under IFRS

1.5% service revenue growth including our share of VZW

Q2 12/13 service revenue growth (%)

18.0 17.4 11.0 7.81 4.6 3.4 2.4 1.8

Turkey Ghana India VZW Vodacom Egypt Hungary Germany Netherlands Ireland UK Czech Republic Portugal Romania Greece Spain Italy Australia

Group + USA² (1.4) (2.3) (2.5) (3.2) (5.0) (6.8) (7.5) (10.7) (12.0) (12.8) (14.4)

Group + USA 1.5

Northern & Central Europe 0.7
Southern Europe (11.3)
AMAP 4.1
USA 7.8

All growth rates shown are organic unless otherwise stated
Germany: robust service revenue and data growth

Service revenue growth (%)

- Q2 service revenue growth +1.8%
  - Increased smartphone penetration, Q2 28%, +10ppt
  - Strong growth in data +14.3% and enterprise +3.6%
  - Impact of EU roaming regulation

- H1 EBITDA margin down 2.6ppt at 35.2%
  - Increased investment in A&R
  - £53m restructuring costs

- Focus on base quality, 70% revenue in-bundle\(^2\)
- Increased competition on A&R at the high end
- LTE: 260k customers, 47% outdoor coverage\(^1\), Mobile at €10 premium per month
- NPS: consumer improvement, enterprise leadership

Enterprise service revenue growth (%)

1. Outdoor population coverage (see appendix for definition)
2. Mobile service revenue, enterprise and consumer

UK: market becoming more competitive

Service revenue growth (%)

- Q2 service revenue growth -3.2%
  - Robust performance in consumer contract +3.3%
  - Data +6.0%, smartphone penetration 50%, +12ppt
  - Enterprise deteriorating -2.7%, mix shift to larger customers
  - Prepaid market continues to decline sharply

- H1 EBITDA margin down 1.1ppt at 22.7%
  - Higher A&R costs driven by greater smartphone mix
- Consumer contract price increase of 2.4% in September 2012
- 84% of revenues from integrated tariffs\(^1\)
- Market moving to unlimited voice and SMS
- LTE auctions due in Q4, launch in Spring 2013
- UK best network award 2012\(^2\)

Contract customer base (m)

1. Consumer contract mobile revenues
2. Mobile Choice
Italy: revenue slowdown due to MTRs and worse market conditions

Service revenue growth (%)
- Q2 service revenue growth -12.8%
  - Incremental MTR cut effective from 1 July
  - Weakening economy leading to spending optimisation
  - Mobile internet +35.8%
- H1 EBITDA margin down 4.3ppt YoY at 42.5%
  - Negative impact of revenue decline
  - Higher mobile A&R
- Market remains highly competitive, particularly in MNP
- Focus on bundled offers
- Avoiding incremental MNP promotions
- LTE launched in Milan and Rome in October, €10 premium per month

Financials are based on the Group’s equity interest
All growth rates shown are organic unless otherwise stated

Spain: strong data growth in a difficult market

Service revenue growth (%)
- Q2 service revenue growth -12.0%
  - Continued contraction in usage
  - Data growth of 16.7%, mobile internet +60.9%
  - Smartphone penetration 44%, +11ppt
- H1 EBITDA margin stable at 27.2%
  - A&R efficiencies from lower handset subsidies
  - Interconnect costs falling with reduced usage
- Removal of handset subsidies in Q1 not adopted by all
  - Gross add rose in Q2 with promotional subsidies
- 34% of revenues from integrated tariffs
- No frills operators and MVNOs continue to gain traction
- Aggressive converged tariffs now in the market

All growth rates shown are organic unless otherwise stated
1. Consumer contract mobile revenues
Vodacom Group: strong international growth, margin improvement

Service revenue growth (%)

- Q2 service revenue growth +4.6%
  - Customer growth continues
  - Pricing pressures led slowdown in South Africa
  - South Africa data growth strong +16.8%
  - International +29.7% with customer growth and stable prices

- H1 EBITDA margin up 2.1ppt\(^1\) to 35.3%
  - Revenue growth, scale benefits, opex savings
  - Stable A&R as % of revenue

- Aggressive data & flat rate voice promotions from competitors in South Africa
- First to launch 4G services in South Africa
- First to launch 3G services in DRC
- Success with M-Pesa, 4.2m active users in Tanzania

<table>
<thead>
<tr>
<th>Quarter</th>
<th>South Africa</th>
<th>Vodacom Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 11/12</td>
<td>6.7%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Q3 11/12</td>
<td>8.0%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Q4 11/12</td>
<td>6.0%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Q1 12/13</td>
<td>5.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Q2 12/13</td>
<td>4.6%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

EBITDA margin (%)

- H1 10/11: 33.2%
- H1 11/12: 33.2%
- H1 12/13: 35.3%

India: continuing to build scale and improving profitability

Service revenue growth (%)

- Q2 service revenue +11.0%
  - Continued growth in minutes and ARPU
  - Lower net adds in the market
  - Various regulatory changes impacted revenue by c. -2ppt
  - Recognition of SMS termination in Q2 11/12
- H1 EBITDA margin up 3.0ppt to 28.3%
  - Revenue growth, scale benefits, opex savings
  - Lower net adds, lower A&R as % of service revenue
- Focus on promotional minutes; slow down in gross adds
- Some marginal players exiting the market
- 32m active data users of which 2.1m using 3G services
- Data price cuts in June; strong elasticity
- 1800MHz spectrum auction

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Service revenue growth (%)</th>
<th>EBITDA margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 11/12</td>
<td>20.1%</td>
<td>26.1%</td>
</tr>
<tr>
<td>Q3 11/12</td>
<td>20.0%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Q4 11/12</td>
<td>21.1%</td>
<td>28.3%</td>
</tr>
<tr>
<td>Q1 12/13</td>
<td>16.2%</td>
<td></td>
</tr>
<tr>
<td>Q2 12/13</td>
<td>11.0%</td>
<td></td>
</tr>
</tbody>
</table>

All growth rates shown are organic unless otherwise stated.

1. Excluding Gateway and Vodacom Business Africa, the EBITDA margin increased by 2.3ppt 10/11

16. All growth rates shown are organic unless otherwise stated.
EBITDA margin: revenue decline and higher A&R offset AMAP growth

Group EBITDA margin movement (%)

- Margin -0.5ppt due to M&A, -0.3ppt restructuring impact
- Organic decline -1.0ppt, or -0.7ppt excluding restructuring
- Europe: weaker revenue, margin erosion through customer investment and restructuring
- AMAP: customer investment driving strong revenue growth, opex efficiencies

Accelerating cost savings programmes

Europe customer care efficiencies
- Online (%) 15 30 0 15
- Self care (%) FY 10/11 FY 12/13e FY 10/11 FY 12/13e

Europe: significant data growth, managed with flat opex
- Data traffic volume (Petabytes) 147 176 268
- Technology opex (£bn) FY 10/11 FY 11/12 FY 12/13e

Spend managed through Vodafone Procurement Company (£bn)
- FY 09/10 FY 10/11 FY 11/12 FY 12/13e

Europe opex¹ (£bn)
- FY 11/12 FY 12/13e FY 13/14e

¹ Includes Northern & Central Europe, Southern Europe, Common Functions and excludes restructuring costs. Organic opex
Verizon Wireless: delivering record growth

- Q2 service revenue +7.8%:\n  - Retail net adds +82%, 1.5m retail postpaid net adds
- Industry leading and record EBITDA margin:\n  - Q2 margin +2.2ppt
- Disciplined capital expenditure

Service revenue ($bn)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Q2 11/12</th>
<th>Q3 11/12</th>
<th>Q4 11/12</th>
<th>Q1 12/13</th>
<th>Q2 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.9</td>
<td>16.0</td>
<td>16.4</td>
<td>16.8</td>
<td>17.2</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA margin\(^2\) (%)

<table>
<thead>
<tr>
<th></th>
<th>Q2 11/12</th>
<th>Q3 11/12</th>
<th>Q4 11/12</th>
<th>Q1 12/13</th>
<th>Q2 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>47.8</td>
<td>42.2</td>
<td>46.3</td>
<td>49.0</td>
<td>50.0</td>
<td></td>
</tr>
</tbody>
</table>

Free Cash Flow\(^3\) ($bn)

<table>
<thead>
<tr>
<th></th>
<th>H1 11/12</th>
<th>H2 11/12</th>
<th>H1 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.9</td>
<td>7.3</td>
<td>8.5</td>
<td></td>
</tr>
</tbody>
</table>

Verizon Wireless: growth driven by smartphones and LTE

- Strong smartphone sales continue:
  - 6.8m smartphones sold in Q2
  - 79% of Q2 postpaid sales were smartphones
  - 53% smartphone penetration\(^1\); up 14ppt
- 4G LTE network advantage
  - LTE available to >250 million people
  - 4.5m 4G LTE device sales in Q2

Smartphone demand

- Smartphones as proportion of phone sales (%)
  - Q2 11/12: 60, Q3 11/12: 39, Q4 11/12: 44, Q1 12/13: 72, Q2 12/13: 79

Retail postpaid ARPA ($)

<table>
<thead>
<tr>
<th></th>
<th>Q2 11/12</th>
<th>Q3 11/12</th>
<th>Q4 11/12</th>
<th>Q1 12/13</th>
<th>Q2 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>137</td>
<td>138</td>
<td>141</td>
<td>143</td>
<td>145</td>
<td></td>
</tr>
</tbody>
</table>

LTE services

- % of retail postpaid connections
  - Q2 11/12: 3.6, Q3 11/12: 6.1, Q4 11/12: 9.1, Q1 12/13: 12.2, Q2 12/13: 16.5

1. All growths shown are organic unless otherwise stated and financial highlights reported on a 100% IFRS basis unless stated otherwise
2. EBITDA margin = EBITDA / service revenue on US GAAP basis
3. Free cash flow pre income distributions and spectrum
4. Penetration of postpaid phone base
### Vodafone’s performance, including Verizon Wireless

<table>
<thead>
<tr>
<th>Service revenue growth (%)&lt;sup&gt;1&lt;/sup&gt;</th>
<th>EBITDA margin (%)&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodafone</td>
<td>Vodafone + VZW</td>
</tr>
<tr>
<td>(0.4)</td>
<td>+2.6ppt</td>
</tr>
<tr>
<td>Vodafone + VZW</td>
<td>Vodafone</td>
</tr>
<tr>
<td>2.2</td>
<td>30.5</td>
</tr>
<tr>
<td></td>
<td>+3.8ppt</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA (£bn)</th>
<th>Free cash flow (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodafone</td>
<td>Vodafone + VZW</td>
</tr>
<tr>
<td>6.6</td>
<td>11.1</td>
</tr>
<tr>
<td></td>
<td>+68%</td>
</tr>
<tr>
<td>Vodafone + VZW</td>
<td>Vodafone</td>
</tr>
<tr>
<td>1.1</td>
<td>4.6</td>
</tr>
<tr>
<td></td>
<td>+111%</td>
</tr>
</tbody>
</table>

All numbers relate to H1 12/13 performance and represent Vodafone plus 45% of Verizon Wireless

1. Service revenue growth shown on an organic basis
2. EBITDA margin measured over total revenue

### Free cash flow

<table>
<thead>
<tr>
<th></th>
<th>H1 12/13 £m</th>
<th>H1 11/12 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>6.6</td>
<td>7.5</td>
</tr>
<tr>
<td>Capital additions</td>
<td>(2.5)</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Working capital</td>
<td>(1.0)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Net interest</td>
<td>(0.6)</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(1.3)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Dividends received</td>
<td>1.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Other</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>2.2</td>
<td>2.6</td>
</tr>
</tbody>
</table>

- Impact of EBITDA decline partially mitigated
- Capital investment maintained:
  - Vodacom single RAN upgrade in preparation for LTE roll out
  - Continued LTE roll out in Germany
  - Australia single RAN upgrade for c.7,000 sites
- Higher US tax covered by dividends received
- £0.2bn SFR dividend received in H1 11/12
- Full year guidance confirmed
Net debt supports low single A credit rating

<table>
<thead>
<tr>
<th></th>
<th>£bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening net debt 31 Mar 12</td>
<td>(24.4)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>2.2</td>
</tr>
<tr>
<td>SoftBank proceeds</td>
<td>1.5</td>
</tr>
<tr>
<td>Share buyback</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Equity dividends paid</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Spectrum</td>
<td>(0.3)</td>
</tr>
<tr>
<td>CWW acquisition</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>0.9</td>
</tr>
<tr>
<td>Other</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Closing net debt 30 Sept 12</td>
<td>(26.0)</td>
</tr>
</tbody>
</table>

- £6.8bn share buyback programmes complete
- Completion of CWW acquisition
- H2 12/13 cash flows:
  - Spectrum auctions in the UK, Netherlands, Czech, Romania, Ireland and India
  - TelstraClear acquisition, £0.4bn² consideration
  - VZW £2.4bn dividend
  - £1.5bn share buyback programme to start

FY 12/13 guidance and cash outlook

<table>
<thead>
<tr>
<th></th>
<th>Adjusted operating profit (£bn)</th>
<th>Free cash flow¹ (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12/13 guidance¹ given May 2012</td>
<td>11.1 – 11.9</td>
<td>5.3 – 5.8</td>
</tr>
<tr>
<td>FY 12/13 guidance¹ November 2012</td>
<td>11.1 – 11.9 upper half</td>
<td>5.3 – 5.8 lower half</td>
</tr>
</tbody>
</table>

Excludes Verizon Wireless dividend £2.4bn

- Capital expenditure expected to remain broadly stable YoY on a constant currency basis
- Full year EBITDA margin (excluding M&A and restructuring) continuing improving trend
Accounting changes ahead

Consolidation of joint ventures

- New IFRS 11: *Joint Arrangements*, effective FY 13/14
- Proportionate accounting of Italy etc¹ will end
- Report share of net profit only, as for VZW
- No impact on net income or EPS
- Free cash flow impacted, timing of dividends paid versus cash generated
- Proforma visibility on Italy will be provided
- Prior year restatement to be issued Q4 12/13

<table>
<thead>
<tr>
<th>Group</th>
<th>FY 12 Actual (£bn)</th>
<th>FY 12 restated for primary impacts (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>46.4</td>
<td>38.8</td>
</tr>
<tr>
<td>EBITDA</td>
<td>14.5</td>
<td>11.6</td>
</tr>
<tr>
<td>Associates²</td>
<td>5.0</td>
<td>6.0</td>
</tr>
<tr>
<td>AOP</td>
<td>11.3</td>
<td>10.8</td>
</tr>
<tr>
<td>Interest³</td>
<td>(1.6)</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Taxation³</td>
<td>(2.3)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Earnings³</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>14.91p</td>
<td>14.91p</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>6.1</td>
<td>5.8</td>
</tr>
</tbody>
</table>

¹. Italy, Australia, Indus and Fiji
². Will include joint ventures when restated
³. Adjusted amounts used in calculation of adjusted EPS

Solid performance in tough markets; continued investment, strong shareholder returns

- Emerging markets, Northern & Central Europe and VZW growing
- Southern Europe challenging
- Continuing focus to drive costs out of the business
- Lower rate of margin reduction expected FY 12/13
- Over £7.5bn of cash generation FY 12/13 including VZW dividend
- Debt at 1.8x EBITDA
- Full year guidance confirmed
Regional overview

Northerm & Central Europe
- Stronger economies, more stable markets
- Still growing, just
  - Margins under pressure from higher A&R
  - Prepaid market in decline

Southern Europe
- Data growth
  - Rise of no frills operators and MVNOs
  - Economic environment driving spending optimisation

AMAP
- Margins and cash flow improving with scale
- Brand perception very strong
- Good growth but slowing

Growth impacted by MTR cuts and roaming regulation in Europe
Data and emerging markets now 65% of Group service revenue

Increasing contribution beyond mature voice¹ (%)

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

<table>
<thead>
<tr>
<th></th>
<th>H1 10/11</th>
<th>H1 11/12</th>
<th>H1 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature mobile</td>
<td>29</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>Voice</td>
<td>56</td>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td>Mature data,</td>
<td>27</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Fixed &amp; other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Markets</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

European smartphone penetration (%)

<table>
<thead>
<tr>
<th></th>
<th>Q2 11/12</th>
<th>Q3 11/12</th>
<th>Q4 11/12</th>
<th>Q1 12/13</th>
<th>Q2 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>22.0</td>
<td>24.6</td>
<td>26.9</td>
<td>28.7</td>
<td>30.7</td>
</tr>
<tr>
<td>Contract</td>
<td>38.7</td>
<td>42.3</td>
<td>44.9</td>
<td>47.0</td>
<td>49.5</td>
</tr>
</tbody>
</table>

Future-proofing our revenue base

Revenue from integrated tariffs¹ (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Q2 11/12</th>
<th>Q2 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>13</td>
<td>34</td>
</tr>
<tr>
<td>Italy</td>
<td>17</td>
<td>41</td>
</tr>
<tr>
<td>Germany</td>
<td>32</td>
<td>39</td>
</tr>
<tr>
<td>NL</td>
<td>50</td>
<td>75</td>
</tr>
<tr>
<td>UK</td>
<td>66</td>
<td>84</td>
</tr>
<tr>
<td>EU 5</td>
<td>36</td>
<td>54</td>
</tr>
</tbody>
</table>

European mobile service revenue mix Q2 12/13² (%)

- 54% of European consumer contract revenue from integrated plans, up from 36% in Q2 11/12
- 46% of European mobile revenues in-bundle, an increase from 38% in Q2 11/12

¹ Service revenue, emerging markets comprise: Vodacom, India, Egypt, Turkey, Ghana, Qatar & Fiji
² Consumer contract revenue. Integrated tariffs are those that include voice, SMS and data
² In-bundle revenue includes revenue from customers’ monthly access fee

10

46

Out-of-bundle

Incoming

44

In-bundle
Market dynamics are challenging in the short-term...

- Macro environment in Europe
- Regulation tail impact
- 'No frills' players / MVNOs
- IP-based comms' impact on metered SMS
- A&R / handset costs?

...but demand offers attractive growth opportunity longer-term

- Smartphone adoption and data usage
- Emerging market penetration
- Adoption of multiple devices
- Enterprise unified comms services demand
- New services (money transfer, M2M... etc.)
Vodafone 2015 is our strategy to seize the opportunity and mitigate adverse factors

**Our strategy**

A scale Data company
A strong player in enterprise
A leader in emerging markets
A selective innovator in services
A cost efficient organisation

---

**Consumer 2015**

Launch integrated pricing bundles
Leverage data in emerging markets

- Differentiate through customer experience
- Improve profitability
  - ARPU vs. A&R
  - A&R efficiency measure
  - Increase handset cost visibility

Focus only on differentiated services
- Stop
  - Innovate selectively e.g. money transfer
  - Prune undifferentiated services e.g. Vodafone Music, App Select

Leverage network investment to support strategy
- HSPA+ 43.2Mbps
- LTE
- IP microwave/fibre backhaul
Unlimited voice & SMS
- Unlimited use, simple offers
- Reducing OTT threat
- Separating service plan from handset plan

Larger data allowances
- Worry-free usage
- Differentiate on network quality

Additional features
- Roaming offers
- Shared plans
- Early upgrades
- Cloud storage
- Security features

Vodafone Red launched in key markets

UK
September 2012

Germany
October 2012

Italy
October 2012

Vodafone Red in Spain (launched November 2012)

<table>
<thead>
<tr>
<th></th>
<th>Unlimited</th>
<th>Unlimited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMS</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Data</td>
<td>1.5GB</td>
<td>3GB</td>
</tr>
<tr>
<td>Speed</td>
<td>21.6Mbps</td>
<td>43.2Mbps</td>
</tr>
<tr>
<td>Roaming</td>
<td>€3/day</td>
<td>€3/day</td>
</tr>
<tr>
<td>Cloud</td>
<td>10GB</td>
<td>20GB</td>
</tr>
<tr>
<td>SIM only</td>
<td>€35</td>
<td>€50</td>
</tr>
<tr>
<td>With basic smartphone</td>
<td>€40</td>
<td>€55</td>
</tr>
<tr>
<td>With iPhone 5</td>
<td>€55</td>
<td>€70</td>
</tr>
<tr>
<td>iPhone 5 upfront cost</td>
<td>€149</td>
<td>€0</td>
</tr>
</tbody>
</table>
Emerging markets\textsuperscript{1}: opportunity from demographics, data and other services

Increasing data use in a growing customer base

<table>
<thead>
<tr>
<th></th>
<th>Customer numbers (m)</th>
<th>Active data users (%) customer base</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 10/11</td>
<td>203</td>
<td>14%</td>
</tr>
<tr>
<td>H1 11/12</td>
<td>251</td>
<td>16%</td>
</tr>
<tr>
<td>H1 12/13</td>
<td>274</td>
<td>22%</td>
</tr>
</tbody>
</table>

M-Pesa active users (m)

<table>
<thead>
<tr>
<th></th>
<th>M-Pesa active users (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 11/12</td>
<td>12.7</td>
</tr>
<tr>
<td>H2 11/12</td>
<td>14.4</td>
</tr>
<tr>
<td>H1 12/13</td>
<td>16.1</td>
</tr>
</tbody>
</table>

\textsuperscript{1} Vodacom, India, Egypt, Turkey, Ghana, Qatar and Fiji

\textsuperscript{2} Data users in India redefined in H1 12/13 to reflect ‘active’ rather than ‘enabled’ data users

- **Penetration opportunity**
  - Strong distribution platform and continued investment

- **Making data available to everyone**
  - Scope for widespread mobile data adoption
  - 4/5 of our Indian customers yet to experience data
  - Low cost smartphones to drive data adoption

- **Extending Vodafone footprint via partner markets**
  - Benefits to enterprise and procurement

- **Financial services**
  - 16.1m active users so far
  - M-Pesa now offers international transfer, India launch

---

**Enterprise 2015**

- **Consolidate our lead in M2M**
  - 8.8m connections, strong contract pipeline
  - Expansion out of "traditional" M2M sectors
  - Leverage global service delivery platform

- **Grow Vodafone Global Enterprise**
  - 1,423 accounts representing 20% of global GDP
  - Meeting customers’ strategic mobility needs
  - 5.2% growth in H1

- **Leverage CWW’s hosting capability**
  - Invest in CWW’s product catalogue
  - Deploy across footprint

- **Push cloud-based software for SMEs**
  - Storage, security applications, software as a service
Creation of Group-wide Enterprise unit

- Customers requiring cross country services
- Product catalogues converging
- New business
  - M2M
  - Cloud and hosting
- CWW
- Cooperation with Verizon Business

Vodafone Enterprise Services

Presence in 50 countries worldwide

Networks 2015: radio ready for data growth

Data traffic (Group, Petabytes)

- Traffic mix moving to smartphones
- MBB decline offset by tablet growth
- LTE driving growth

<table>
<thead>
<tr>
<th></th>
<th>FY 08/09</th>
<th>FY 09/10</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>H1 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe network utilisation (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average 3G utilisation</td>
<td>35</td>
<td>38</td>
<td>36</td>
<td>36</td>
<td>35</td>
</tr>
<tr>
<td>3G sites &gt;90% peak utilisation</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>6</td>
</tr>
</tbody>
</table>

European outdoor data coverage (%)

<table>
<thead>
<tr>
<th></th>
<th>FY 08/09</th>
<th>FY 09/10</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>H1 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single RAN European footprint (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>33</td>
<td>44</td>
<td>H1 11/12</td>
<td>H2 11/12</td>
<td>H1 12/13</td>
</tr>
</tbody>
</table>
Networks 2015: backhaul resilient to data growth

- Theoretical maximum throughput 930Mbps
- Realistic load significantly smaller
- Already at 1Gbps capability at 47% of European sites

<table>
<thead>
<tr>
<th>Band (MHz)</th>
<th>Block (MHz)</th>
<th>Per sector</th>
<th>Per site (3 sectors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2600 LTE</td>
<td>2 x 20</td>
<td>150Mbps</td>
<td>450Mbps</td>
</tr>
<tr>
<td>800 LTE</td>
<td>2 x 10</td>
<td>75Mbps</td>
<td>225Mbps</td>
</tr>
<tr>
<td>2100 3G</td>
<td>2 x 15</td>
<td>65Mbps</td>
<td>195Mbps</td>
</tr>
<tr>
<td>900 3G</td>
<td>2 x 5</td>
<td>20Mbps</td>
<td>60Mbps</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>310Mbps</strong></td>
<td><strong>930Mbps</strong></td>
<td></td>
</tr>
</tbody>
</table>

High capacity backhaul provides ≥1Gbps

Operations 2015: standardisation and simplification

- Elimination of legacy IT and optimisation of investments
- Single IT stacks, progressively
- Common operations processes
- Unclogging the organisation
- Cost efficiency

Maximise benefits of scale and expertise, improve customer experience, speed up and coordinate time to market
Vodafone UK ‘newco’: simplified organisation, enhanced customer experience

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;5,000 price plans</td>
<td>c.500 price plans</td>
</tr>
<tr>
<td>Customer known to us by device</td>
<td>Customer treated as an account with multiple products and services</td>
</tr>
<tr>
<td>Separate channels not integrated; multiple policies and business rules in each channel</td>
<td>Seamless cross-channel experience</td>
</tr>
<tr>
<td>Customer treated as an account with multiple products and services</td>
<td>• Single customer view</td>
</tr>
<tr>
<td></td>
<td>• Consistent pricing and offers</td>
</tr>
<tr>
<td></td>
<td>• Order online, pick up in store</td>
</tr>
<tr>
<td></td>
<td>• One set of policies across all channels; consistent customer experience</td>
</tr>
<tr>
<td>30 pathways for device returns</td>
<td>6 standard routes to return a device</td>
</tr>
<tr>
<td>No ability to support prepaid MNP process in store</td>
<td>Prepaid MNP now fully available in all stores</td>
</tr>
</tbody>
</table>

Ongoing efficiency programmes to deliver £300 million absolute opex reduction in Europe1 in FY 13/14

- Networks
  - Increased network and site sharing
  - Multi-country engineering teams
  - Two consolidated network operations centres in Europe
  - One global IP network
  - Reduction in legacy capex
- IT
  - Data centre consolidation
  - Standardisation across markets (concluded ERP, business IT next opportunity)
- Shared services
  - Today: 7,000 employees across customer operations, technology, finance and supply chain in 4 low cost, high skill locations
  - Targeting 11,000 by 2015
- Support costs / organisational efficiency target of 10% in FY 13/14

---
1. Includes Northern & Central Europe, Southern Europe, Common Functions and excludes restructuring costs. Organic opex
Convergence strategy in Europe

**Today**
- EU approach to NGN: no cost orientation but...
  - Price squeeze test
  - Equality of input test
- Incumbent approach to NGN mixed: from "open access" to de facto "refusing" access to fibre
- In **enterprise**, easier to acquire capabilities and assets
- In **residential**, combination of technologies possible:
  - LTE
  - DSL / VDSL
  - Fibre / cable

**Vodafone strategy**
1. Require rigorous application of two competitive tests to NGN and access infrastructure on fair commercial terms
2. If needed, co-invest with other Telcos to deploy NGN for access to bandwidth
3. Continue to strengthen UC offering in enterprise by combining owned, third-party and acquired assets
4. If value creating, acquire assets to enable access to bandwidth

Country by country implementation

Shareholder returns continue to be a priority

**Returns to shareholders (£bn)**

- **VZW special dividend / share buyback**
- **Share buyback**
- **Ordinary dividends (FY 12/13 assumes 7% growth)**

<table>
<thead>
<tr>
<th>Year</th>
<th>VZW special dividend / share buyback</th>
<th>Share buyback</th>
<th>Ordinary dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 10/11</td>
<td>6.7</td>
<td>2.1</td>
<td>4.6</td>
</tr>
<tr>
<td>FY 11/12</td>
<td>10.3</td>
<td>2.0</td>
<td>4.7</td>
</tr>
<tr>
<td>FY 12/13</td>
<td>7.5</td>
<td>1.5</td>
<td>4.9</td>
</tr>
</tbody>
</table>

- 7% growth in ordinary dividend per share confirmed
- Strong balance sheet facilitates continued investment and spectrum acquisition
- VZW dividends allow for incremental shareholder returns and investment
Conclusions

- Continued growth in data and emerging markets, mature voice trending below one third of service revenue
- New strategic approach to consumer pricing and bundling in Europe
- Strengthened commitment in enterprise through an expanded product catalogue and a dedicated division
- Continuing consistent investment in high speed data networks, technology independent
- Drive towards standardisation, simplification and efficiency for both better service and lower cost position
- Maintaining strong returns to shareholders as a priority

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, but are not limited to the targets for free cash flow and adjusted operating profit for the financial year ending 31 March 2013 contained in slide 25, statements relating to the Group’s future performance generally; statements relating to shareholder returns; statements relating to Vodafone’s on-going efficiency programmes to deliver £300 million in net savings; expectations regarding growth in customers and usage, especially in emerging markets; statements relating to future accounting changes, statements in relation to smartphone adoption, adoption of multiple devices, UC Enterprise services demand, mobile data SMS and fixed growth, and technological advancements; statements in relation to the launch of new products and service offerings, including those contemplated by Vodafone’s 2015 expectations regarding the impact of movements in mobile termination rates on the Group’s results; assumptions relating to foreign exchange rates and expectations regarding adjusted operating profit, service revenue growth, EBITDA, EBITDA margin and margin generally, cash generation and free cash flow, costs (including spend managed through Vodafone Procurement Company), data growth, and capital and operating expenditures.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “anticipates”, “aims”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans” or “targets”. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: changes in macroeconomic or political conditions in markets served by operations of the Group that would adversely affect the level of demand for mobile services, and changes to the associated legal, regulatory and tax environments; greater than anticipated competitive activity, from both existing competitors and new market entrants, which could require changes to the Group’s pricing models, lead to customer churn and/or make it more difficult to acquire new customers; levels of investment in network capacity and the Group’s ability to deploy new technologies, products and services in a timely manner, particularly mobile data content and services; changes in the costs to the Group of, or the rates the Group may charge for, termination, roaming and margin minutes, the Group’s ability to realise expected benefits from acquisitions, partnerships, joint ventures, franchising, brand licences or other arrangements with third parties, particularly those related to the development of data and internet services; acquisitions and divestments of Group businesses and assets and the inability of new products and services to perform in accordance with expectations, including as a result of third party or vendor marketing efforts; the ability of the Group to integrate new technologies, products and services with existing networks, technologies, products and services; the Group’s ability to generate and grow revenue from both voice and non-voice services and achieve expected cost savings; a lower than expected level of spending and increased pricing pressure; unanticipated competitive activity, from both existing competitors and new market entrants, which could require changes to the Group’s pricing models, lead to customer churn and/or make it more difficult to acquire new customers; levels of investment in network capacity and the Group’s ability to deploy new technologies, products and services in a timely manner, particularly mobile data content and services; the rapid obsolescence of existing technology; higher than expected costs or capital expenditures; rapid changes to existing products and services and changes in the level of competition for these services; the Group’s ability to realise expected benefits from acquisitions, partnerships, joint ventures, franchising, brand licences or other arrangements with third parties, particularly those related to the development of data and internet services; acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities, which may have a negative impact on the Group’s financial condition and results of operations; the Group’s ability to integrate acquired business or assets and the imposition of any unfavourable conditions, regulatory or otherwise, on any pending or future acquisitions or disposals; the extent of any unfavourable conditions, regulatory or otherwise, on any pending or future acquisitions or disposals; the extent of any future write-downs or impairment charges on the Group’s assets, or restructuring charges incurred as a result of an acquisition or disposition; developments in the Group’s financial condition, earnings and distributable funds and other factors that the Group’s Board of Directors takes into account in determining the level of dividends; the Group’s ability to satisfy working capital requirements through borrowing in the capital markets, bank facilities and operating changes in foreign exchange rates, including, particularly, the exchange rate of pounds sterling to the euro and the US dollar, changes in the regulatory framework in which the Group operates, including the commencement of legal or regulatory action seeking to regulate the Group’s permitted charging rates and the impact of legal or other proceedings against the Group or other companies in the mobile communications industry; changes in statutory tax rates and profit margins; the Group’s ability to resolve open tax issues and the timing and amount of any payments in respect of tax liabilities. Furthermore, a review of the reasons why actual results and developments may differ materially from those expressed or implied by these forward-looking statements can be found by referring to the information contained under the headings: “Forward-looking statements” and “Principal risk factors and uncertainties” in Vodafone Group Plc’s Annual Report for the year ended 31 March 2012 and under the headings: “Forward-looking statements” and “Risk Factors” in Vodafone Group Plc’s Half-yearly results announcement for the six months ended 30 September 2012. The Annual Report and the half-yearly results announcement can both 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.
Appendix

Turkey: continued growth, increased profitability

Service revenue growth (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Service Revenue Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 11/12</td>
<td>24.0</td>
</tr>
<tr>
<td>Q3 11/12</td>
<td>23.5</td>
</tr>
<tr>
<td>Q4 11/12</td>
<td>21.0</td>
</tr>
<tr>
<td>Q1 12/13</td>
<td>18.7</td>
</tr>
<tr>
<td>Q2 12/13</td>
<td>18.0</td>
</tr>
</tbody>
</table>

EBITDA margin (%)

<table>
<thead>
<tr>
<th>Half Year</th>
<th>EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 10/11</td>
<td>12.3</td>
</tr>
<tr>
<td>H2 10/11</td>
<td>11.9</td>
</tr>
<tr>
<td>H1 11/12</td>
<td>15.2</td>
</tr>
<tr>
<td>H2 11/12</td>
<td>16.0</td>
</tr>
<tr>
<td>H1 12/13</td>
<td>16.9</td>
</tr>
</tbody>
</table>

Q2 service revenue growth +18.0%
- Strong base growth, +361k net adds (+230k contract)
- Data revenue +42%, mobile internet revenue +73%
- Smartphone penetration +8ppt, data attach +11ppt
- Enterprise growth +39%

Strong commercial performance
- Success with hybrid tariffs, seasonal campaigns
- New roaming proposition
- Successful targeting of youth segment
- Improved churn, +6.4ppt
- Maintained NPS leadership

EBITDA margin up 1.7ppt at 16.9%
- Increased economies of scale from strong top line growth
- Cost control on A&R and opex
- Positive adjusted operating profit

All growth rates shown are organic unless otherwise stated
### Other key markets

#### 2% organic service revenue growth

**Netherlands**
- Decline in roaming and messaging
- Slowdown in enterprise
- Data revenue +26% with 15ppt increase in smartphone penetration
- 75% of consumer contract revenue from integrated tariffs

**Egypt**
- Stabilisation of political environment
- Continued market share leadership supported by strong net adds +773k
- Strong data revenue growth +25%
- EBITDA margin +1ppt to 44.5%
- Cash flows back to pre-crisis levels

**Australia**
- Brand perception remains weak
- Turnaround strategy ongoing
- Customer service metrics stabilising
- **Network investment on-track** with 850MHz roll-out & equipment replacement

#### 6.8% decline in Portugal

- Macro conditions remain tough
- Increased price competition
- Strong net adds, +128k

#### 10.7% decline in Greece

- Weak economy driving decline
- Maintained market share, leading in Enterprise
- Data revenue +14% with smartphone penetration increasing to 19%

#### 2.5% decline in Ireland

- Extended market leading position despite intense competition
- Successful acquisition of Complete Telecom for €9m
- Continued migration from prepaid to contract

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### MTR impact

<table>
<thead>
<tr>
<th></th>
<th>FY 11/12</th>
<th>H1 12/13</th>
<th>FY 12/13e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£bn</td>
<td>%</td>
<td>£bn</td>
</tr>
<tr>
<td><strong>Northern &amp; Central Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(0.51)</td>
<td>(2.9)</td>
<td>(0.12)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(0.14)</td>
<td></td>
<td>(0.04)</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(0.26)</td>
<td>(2.1)</td>
<td>(0.14)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(0.10)</td>
<td></td>
<td>(0.05)</td>
</tr>
<tr>
<td><strong>AMAP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(0.16)</td>
<td>(1.3)</td>
<td>(0.10)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(0.06)</td>
<td></td>
<td>(0.04)</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(0.93)</td>
<td>(2.2)</td>
<td>(0.36)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(0.30)</td>
<td></td>
<td>(0.13)</td>
</tr>
</tbody>
</table>

*All growth rates shown are organic unless otherwise stated*
Costs of financing remain stable

<table>
<thead>
<tr>
<th></th>
<th>H1 12/13</th>
<th>H1 11/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying net financing costs</td>
<td>(691)</td>
<td>(670)</td>
</tr>
<tr>
<td>Piramal put option</td>
<td>(63)</td>
<td>(8)</td>
</tr>
<tr>
<td>Mark-to-market losses</td>
<td>(109)</td>
<td>(189)</td>
</tr>
<tr>
<td>Potential interest on tax</td>
<td>32</td>
<td>(36)</td>
</tr>
<tr>
<td><strong>Recurring net financing costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SoftBank asset accretion</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Other dividends received</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Adjusted net financing costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(829)</td>
<td>(893)</td>
</tr>
<tr>
<td>Average cost of debt¹</td>
<td>5.5%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

- Average 76% of debt fixed over next 3 years
- Lower mark-to-market losses

¹ Excludes Piramal put option

Definition of terms

- **AR&**: Acquisition and retention costs, the total costs incurred by operators to acquire and retain customers
- **ARPA**: Average revenue per account
- **ARPU**: Average revenue per user is calculated as service revenue excluding fixed line and fixed advertising revenue, revenue related to business managed services and revenue from certain tower sharing arrangements divided by average customers
- **Backhaul**: Connections linking access networks to the core network
- **Churn**: Total gross customer disconnections in the period divided by the average total customers in the period
- **Data attach rates**: The number of complementary data plans sold as a percentage of data capable handsets
- **EBITDA**: Operating profit excluding share in results of associates, depreciation and amortisation, gains/losses on the disposal of fixed assets, impairment losses and other operating income and expense
- **Emerging Markets**: India, Vodacom, Egypt, Turkey, Ghana, Qatar and Fiji
- **Free cash flow (FCF)**: Operating free cash flow after cash flows in relation to taxation, interest, dividends received from associates and investments, and dividends paid to non-controlling shareholders in subsidiaries
- **HSPA**: High Speed Packet Access is a wireless technology enabling higher download speeds
- **IT stack**: Comprises all the IT software and applications that are required to support a business process or processes
- **M2M**: Machine-to-machine communications, or telemetry, enable devices to communicate with each other via built-in mobile SIM cards
- **Mark-to-market**: Mark-to-market or 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
- **Emerging Markets**: India, Vodacom, Egypt, Turkey, Ghana, Qatar and Fiji
- **Free cash flow (FCF)**: Operating free cash flow after cash flows in relation to taxation, interest, dividends received from associates and investments, and dividends paid to non-controlling shareholders in subsidiaries
- **HSPA**: High Speed Packet Access is a wireless technology enabling higher download speeds

- **MNP**: Mobile number portability
- **Mobile data**: Mobile broadband connectivity and mobile internet access
- **Mobile broadband (MBB)**: Wireless high-speed internet access through a portable modem, telephone or other device
- **Mobile Internet**: Browser-based access to the Internet or web applications using a mobile device, such as a smartphone connected to a wireless network
- **MTR**: Mobile Termination Rate is the per minute charge paid by a telecommunication network operator when a customer makes a call to another mobile network operator
- **Net adds**: The number of new customers acquired less the number of customer leaving during the period
- **Net debt**: Long-term borrowings, short-term borrowings and mark-to-market adjustments on financing instruments less cash and cash equivalents
- **NPS**: Net promoter score is a customer loyalty metric used to monitor customer satisfaction
- **Organic growth**: Presents performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates
- **RAN**: Radio Access Network is part of a mobile telecommunication system that sits between the mobile device and the core network
- **UC**: Unified communications is a set of products and services that provide a consistent unified user interface and user experience across multiple devices and media types
- **VGE**: Vodafone Global Enterprise is the service offered to multinational companies, giving global support through one relationship

For further definition of terms please see [www.vodafone.com/content/index/investors/glossary](http://www.vodafone.com/content/index/investors/glossary)