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Q1 20 Highlights

- **Deepening customer engagement**
- **Record low mobile contract churn**
- **5G launches in all major EU markets**
- **Accelerating digital & radical simplification**
- **Speed-tiered unlimited plans in 5 markets**
- **On track to deliver €400m FY20 opex target**
- **Improving asset utilisation**
- **Network sharing deals signed in Spain/UK, Italy imminent, Germany underway**
- **Monetising towers in Europe over the next 18 months**
- **Portfolio management**
- **Liberty Global acquisitions approved, expected to close 31 July**
- **New Zealand disposal approved, closing 31 July**

**Q1 service revenue: -0.2%, +0.5pp QoQ**

All growth rates in this document are on an IAS 15 basis, organic and year-on-year, unless otherwise stated.
Deepening customer engagement: reducing churn, driving convergence

Improvement in mobile contract churn, Q1 YoY (pp)

- Italy (prepaid): 7.8
- Spain: 1.5
- Turkey: 1.2
- UK: 0.9
- Germany: 0.6
- Europe¹: 0.5
- South Africa (2.0)

EU fixed net adds (m)

- Broadband
- NGN
- Converged²

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Italy</th>
<th>Spain</th>
<th>Turkey</th>
<th>UK</th>
<th>Germany</th>
<th>Europe¹</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 19</td>
<td>128</td>
<td>352</td>
<td>119</td>
<td>226</td>
<td>243</td>
<td>237</td>
<td>115</td>
</tr>
<tr>
<td>Q2 19</td>
<td>122</td>
<td>317</td>
<td>119</td>
<td>188</td>
<td>257</td>
<td>54</td>
<td>115</td>
</tr>
<tr>
<td>Q3 19</td>
<td>119</td>
<td>226</td>
<td>119</td>
<td>188</td>
<td>257</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 19</td>
<td>226</td>
<td>414</td>
<td>226</td>
<td>188</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 20</td>
<td>243</td>
<td>428</td>
<td>226</td>
<td>188</td>
<td>257</td>
<td>54</td>
<td>115</td>
</tr>
</tbody>
</table>

1. Excludes Italy which is predominantly a prepaid market
2. Excludes the first time recognition in Germany of 205,000 prepaid mobile customers with fixed products in Q1 19. Reported basis 492k
Radical simplification: speed-tiered unlimited launches

Spain: targeting ARPU accretion on the base

- Competitor promotional reaction subsided at the end of June
- 500k SIMs migrated to new unlimited offer
- c.€3 ARPU accretion on the base

UK: consumer challenger

<table>
<thead>
<tr>
<th>Plan</th>
<th>Included (except 1GB plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“RED”</td>
<td></td>
</tr>
<tr>
<td>1GB</td>
<td>£11.00</td>
</tr>
<tr>
<td>5GB</td>
<td>£15.00</td>
</tr>
<tr>
<td>20GB</td>
<td>£20.00</td>
</tr>
<tr>
<td>“Unlimited”</td>
<td></td>
</tr>
<tr>
<td>Unlimited Lite 2Mbps</td>
<td>£23.00</td>
</tr>
<tr>
<td>Unlimited 10Mbps</td>
<td>£26.00</td>
</tr>
<tr>
<td>Unlimited Max Full speed</td>
<td>£30.00</td>
</tr>
</tbody>
</table>

New unlimited data plans from £23 a month
Europe’s leading converged operator post Liberty acquisitions

<table>
<thead>
<tr>
<th>Infrastructure owner</th>
<th>More fixed/converged</th>
<th>Synergy opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe NGN homes coverage mix&lt;sup&gt;1&lt;/sup&gt;</td>
<td>EU consumer service revenue</td>
<td>Net present value</td>
</tr>
<tr>
<td>On-net</td>
<td>Strategic partnership</td>
<td>NGN Wholesale</td>
</tr>
<tr>
<td>FY 19</td>
<td>FY 19 Proforma&lt;sup&gt;²&lt;/sup&gt;</td>
<td>FY 19</td>
</tr>
<tr>
<td>32%</td>
<td>44%</td>
<td>60%</td>
</tr>
<tr>
<td>8%</td>
<td>8%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Targeting double digit FCF/share accretion from the third year post completion<sup>³</sup>

1. Includes VodafoneZiggo
2. Proforma for the acquisition of Liberty Global’s assets in Germany and Central & Eastern Europe
3. After cost and capex synergies and before integration costs

>€6.0bn cost and capex
>€1.5bn revenue
Vodafone/Unitymedia: Gigabit advantage to drive on-net broadband growth

Marketable homes in Germany (m)

<table>
<thead>
<tr>
<th>FY 22E Other FTTH</th>
<th>FY 22 Vodafone Gigabit homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>c.8</td>
<td>25</td>
</tr>
</tbody>
</table>

3x

Significant opportunity to drive broadband penetration¹

<table>
<thead>
<tr>
<th>Operator</th>
<th>FY22E Gigabit homes penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telenet</td>
<td>49%</td>
</tr>
<tr>
<td>Unitymedia (DE)</td>
<td>46%</td>
</tr>
<tr>
<td>Virgin</td>
<td>36%</td>
</tr>
<tr>
<td>Liberty</td>
<td>32%</td>
</tr>
</tbody>
</table>

Germany proforma contribution to the Group²

- c.30% Revenue
- c.35% EBITDA
- c.40% Operating Cash Flow

¹ Calculated as cable broadband RGUs / homes passed; Vodafone and Unitymedia based on marketable homes passed
² FY20, assumes Liberty Global acquisition from 1 April 2019
Integration to start immediately
• Strong fixed capabilities post KDG

Integration milestones
• Detailed plan developed:
  – Top management reorganisation day 1
  – Back office and supply chain integration
• Commercial activities to start within 30 days:
  – Cross selling
  – ULL avoidance / migration
• External rebranding, stores and portfolio harmonisation in early 2020

Cumulative cost and capex synergies

<table>
<thead>
<tr>
<th></th>
<th>Yr 1</th>
<th>Yr 2</th>
<th>Yr 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>KDG Initial</td>
<td>c.€300m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unitymedia Initial</td>
<td></td>
<td>c.€300m</td>
<td></td>
</tr>
<tr>
<td>Annual Initial</td>
<td></td>
<td></td>
<td>c.€425m</td>
</tr>
<tr>
<td>Yr 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yr 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yr 5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Creating Europe’s largest tower company

**European TowerCo**

- Industrial savings through active and passive network sharing largely secured ahead of monetisation
  - Spain/UK signed
  - Italy imminent
  - Germany discussions underway
- Superior tower assets reflecting Vodafone’s strong market positions and investment grade credit rating
- Europe’s largest tower portfolio: 61,700 towers across 10 countries
- Illustrative proportionate financials\(^2\) for FY 19
  - Revenues: c.€1,700m
  - EBITDA: c.€900m
  - Capex: <€200m\(^3\)

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1. Total towers excludes Netherlands and only includes 50% of UK towers reflecting Vodafone’s 50% ownership of Cornerstone
2. Based on market benchmarks for anchor tenant lease rates, existing 3rd party revenues and estimated attributable costs; the ultimate financial profile of TowerCo may vary from these figures depending on the assets that are included, whether the assets are fully controlled and the anchor tenant lease rates that we decide to set
3. Includes maintenance and expansion capex
4. Controlled sites, excluding third party sites. Figures are indicative only and subject to further due diligence. CEE includes Romania, Hungry and the Czech Republic
Tower monetisation to unlock significant embedded value

Monetisation principles
- Capture active and passive network sharing benefits first
- Maintain network differentiation and strategic flexibility
- Capitalise on attractive infrastructure valuations
- Proceeds used to reduce Group debt

Execution options
- Stake disposals by country
- IPO of all or parts of European TowerCo
- Partial disposal of European TowerCo

Targeting tower monetisations over the next 18 months, depending on market conditions
Financial review

Margherita Della Valle
Group Chief Financial Officer
Organic service revenue growth improving

Key movements in Q1:
- Italy: 28 day billing impact in the prior year
- Spain: tougher comparison given Q1 19 price increase
- SA: full impact of new out-of-bundle regulation

Regional dynamics:
- Sequential improvement in Europe led by Italy
- RoW: slowdown in SA, growth in Egypt and Turkey

1. Excluding the impact of a German legal settlement in Q4 18
Germany: robust retail revenue growth

Q1 service revenue $^{+0.4\%}$ (Q4 +0.3%$^1$)

Service revenue growth (%)

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>Retail (service revenue ex. wholesale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 19</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Q2 19</td>
<td>0.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Q3 19</td>
<td>0.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Q4 19$^1$</td>
<td>0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Q1 20</td>
<td>0.4</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Simplifying mobile pricing
- Removing discounts, €5 premium for 5G

Slower broadband market growth
- DSL impacted by promotions, similar cable adds YoY

TV revenues growing
- Pay TV subscriber growth offsetting basic TV losses

5G spectrum acquired
- Reinforcing our leading Gigabit network position

1. Excludes the impact of a legal settlement in Q4 18
Italy: competition moderating

Q1 service revenue **-3.8%** (Q4 -7.0%)

Market net ports (m)

- Mobile SR -7.4% (Q4: -11.1%), supported by lapping of 28 day billing
- Further main brand price increases, Iliad unchanged
- Fixed growth +9.2%, €2.99 Consumer price increase on base

### Italy Market Net Ports

<table>
<thead>
<tr>
<th></th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile SR YoY</td>
<td>-34%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 19</td>
<td>3.9</td>
<td>5.6</td>
<td>3.8</td>
<td>2.9</td>
<td>2.6</td>
</tr>
</tbody>
</table>

UK: commercial momentum

Q1 service revenue **+0.1%** (Q4 -0.2%)

Net adds (000s)

- Robust Consumer revenue growth +1.9%, led by fixed share gains
- Fully digital sub-brand VOXI, +60k net adds
- Business revenue stable, wholesale declining

### UK Net Adds

<table>
<thead>
<tr>
<th></th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile contract</td>
<td>77</td>
<td>53</td>
<td>44</td>
<td>46</td>
<td>50</td>
</tr>
<tr>
<td>Fixed broadband</td>
<td>104</td>
<td>44</td>
<td>46</td>
<td>40</td>
<td>66</td>
</tr>
</tbody>
</table>

1. Adjusted for the phasing out of Talkmobile customers and base cleanse in Q2 19
Spain: promotional quarter

Q1 service revenue \(-9.3\%\) (Q4 -7.9\%)

Vodafone Consumer mobile contract net ports

- Competitor promotions in May following launch of Unlimited
- Lapping commercial re-positioning from Q2 19
- Majority of football base re-committed, OTT options

Other Europe: good growth

Q1 service revenue \(+2.1\%\) (Q4 +2.5\%)

Service revenue growth (%)

- Good momentum in PT, CZ, and HU; Ireland fixed line pressure
- Single digit contract churn in 5 markets
- Planning fast start on CEE integration, adding 6.4m HH passed
Vodacom: regulatory headwinds in SA, strong International growth

Q1 service revenue [**+1.1%**] (Q4 +3.5%)

Full quarter impact from out-of-bundle regulation in SA
- 2.5pp drag QoQ

Data demand accelerating, Telkom roaming from Q2
Supporting return to growth in SA

Spectrum policy directive imminent
Auction to unlock additional capacity, lower data prices

Strong growth in Internationals
Driven by M-Pesa (+28%) and data growth (+24%)

Service revenue growth (%)

<table>
<thead>
<tr>
<th></th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>5.0</td>
<td>3.3</td>
<td>1.0</td>
<td>1.4</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Internationals</td>
<td>9.4</td>
<td>10.6</td>
<td>11.1</td>
<td>9.4</td>
<td>8.6</td>
</tr>
</tbody>
</table>

1. Underlying growth in Q2 19 excluding the impact of a one-off benefit relating to a change in revenue deferral policy for new ‘plus’ plans. Reported growth was 3.3% in South Africa
2. Underlying growth in Internationals of 10.6% in Q2 19 excluding the impact of lapping the devaluation of the Congolese Franc in the prior year. Reported growth was 14.9%
Summary

• Revenue trend improving, gradual recovery to continue

• **Deepening customer engagement**: H1 significant commercial launches, continued record low mobile churn

• **Radical simplification**: good progress towards €400m FY 20 EU opex target

• **Improving asset utilisation**: network sharing deals agreed in the UK and Spain, Italy imminent and discussions underway in Germany

• **Liberty Global**: execution of detailed integration plans to capture significant synergies

• Creating Europe’s largest Tower Company; substantial opportunity to unlock value for shareholders through monetisation over the next 18 months¹

• **On track to deliver full year guidance**

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¹ Depending on market conditions
Appendix
Pro-forma European NGN footprint

Household coverage (m)

- **Owned**
- **Strategic partnership**
- **Acquired assets**
- **Wholesale**
- **Household coverage**

<table>
<thead>
<tr>
<th>Country</th>
<th>Owned</th>
<th>Strategic partnership</th>
<th>Acquired assets</th>
<th>Wholesale</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>12.8</td>
<td>3.8</td>
<td>2.9</td>
<td>7.3</td>
<td>76%</td>
</tr>
<tr>
<td>Italy</td>
<td>13.7</td>
<td>2.9</td>
<td>3.8</td>
<td>11.0</td>
<td>72%</td>
</tr>
<tr>
<td>Spain</td>
<td>10.4</td>
<td></td>
<td>12.7</td>
<td>28.2</td>
<td>80%</td>
</tr>
<tr>
<td>UK</td>
<td>2.9</td>
<td>0.3</td>
<td>2.9</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>7.2</td>
<td></td>
<td>6.4</td>
<td>94%</td>
<td></td>
</tr>
<tr>
<td>CEE</td>
<td>6.4</td>
<td></td>
<td>6.4</td>
<td>37%</td>
<td></td>
</tr>
</tbody>
</table>

**124m** Households passed with NGN (incl. wholesale)  
74% Coverage

**54m** Households passed with own NGN  
32% Coverage

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1. Pro-forma adjustments for the announced acquisition of Liberty Global’s Unitymedia asset in Germany and UPC assets in Central and Eastern Europe (CEE)
2. As at the end of June 2019. Excludes 4.4m wholesale & self built NGN homes passed in Greece and Ireland
3. Of the 4.1m homes passed by Open Fiber, 3.8m were marketable by Vodafone at the end of June 2019
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Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found under the headings “Forward-looking statements” and “Risk management” in the Vodafone Group Plc Annual Report for the year ended 31 March 2019. The Annual Report and Half-Year Financial Report can be found on Vodafone’s website (vodafone.com/investor). All subsequent written or oral forward-looking statements attributable to Vodafone, to any member of the Vodafone Group or to 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 or made in connection with this presentation will be realised. Any forward-looking statements are made as of the date of this presentation. Subject to compliance with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.

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H1
12 Nov

Q3
6 Feb

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