Sir Christopher Gent
Chief Executive
Vodafone Group Plc
This presentation is being made only to, and is directed at (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and (b) persons to whom it may otherwise lawfully be communicated (together "relevant persons") Any person who is not a relevant person should not act or rely on this presentation or any of its contents.
Agenda

- Overview of Results
- Analysis of Results
- Impairment
- Group Funding
- KPIs and Business Drivers
- Products and Services
- Brand Development
- Future Prospects and Q&A

Sir Christopher Gent

Ken Hydon

Julian Horn-Smith

Sir Christopher Gent
Statutory Highlights

<table>
<thead>
<tr>
<th></th>
<th>March 2002</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Turnover</td>
<td>£22.8bn</td>
<td>+52%</td>
</tr>
<tr>
<td>Group Operating Profit(^1)</td>
<td>£7.0bn</td>
<td>+35%</td>
</tr>
<tr>
<td>Profit Before Taxation(^1)</td>
<td>£6.2bn</td>
<td>+54%</td>
</tr>
<tr>
<td>Adjusted EPS (^1)</td>
<td>5.15 pence</td>
<td>+45%</td>
</tr>
</tbody>
</table>

1 Before goodwill and exceptional items

- EPS at higher level than before Mannesmann transaction
- Ahead of expectations
Cash Flow Highlights

- Free cash flow £2.4bn, after licences
- Group net debt of £12.0bn

Better than our expectations
Good control on capex
Excellent working capital performance
### Proportionate Highlights

<table>
<thead>
<tr>
<th></th>
<th>March 2002</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£29.8bn</td>
<td>+34%</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>£10.1bn</td>
<td>+44%</td>
</tr>
<tr>
<td>Registered customers</td>
<td>101.1m</td>
<td>+22%</td>
</tr>
</tbody>
</table>

\(^1\) Before exceptional items
Margin Performance Highlights

• Mobile EBITDA margin of 36%; +3pp
• Group EBITDA margin* of 33%; +3pp

- Successful new commercial policies
- Better overhead management
- Lower exceptional costs

* Includes fixed wire and exceptional costs
Operational Highlights

Customer Growth
- Satisfactory growth level
- Improved customer mix

Rise in Data Revenues
- Data revenues increased 87% to >£2bn
- 11% at Y/E in controlled subsidiaries
- 13% in Mar 02 vs 9% in Mar 01

ARPU
- Stability in most markets
- Despite reductions in incoming termination rates

EBITDA
- Improved margin performance
- From 30% to 33%

Cash Flow
Strong operating and free cash flow generation
Acquisition Highlights
Japan

• Gained control in October 2001
• Achieved highest ever market share
• 2nd position in Japan
• EBITDA margin +3.6pp above level prior to gain of control
• EBITDA margin +5.9pp on 2001
J-Phone Vodafone Data Success

Sha-mail

• 4 million camera phone customers
  – One third of customer base
• Fastest growing cellular application
• Movie Sha-mail achieved 115,000 users in first month
  – Better than DoCoMo’s Foma service in 6 months

Revenue growth not dependent on 3G
Ken Hydon
Group Financial Director
Vodafone Group Plc
## Statutory Results

### Year to 31 March

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001†</th>
<th>Increase</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£m</td>
<td>£m</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>22,845</td>
<td>15,004</td>
<td></td>
<td>52</td>
</tr>
<tr>
<td>Group operating profit*</td>
<td>7,044</td>
<td>5,204</td>
<td></td>
<td>35</td>
</tr>
<tr>
<td>Net interest payable</td>
<td>(845)</td>
<td>(1,177)</td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>Profit before tax*</td>
<td>6,199</td>
<td>4,027</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Tax</td>
<td>(2,140)</td>
<td>(1,426)</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(6,268)</td>
<td>(240)</td>
<td></td>
<td>2,512</td>
</tr>
<tr>
<td>Goodwill amortisation</td>
<td>(13,470)</td>
<td>(11,873)</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Adjusted earnings per share*</td>
<td>5.15p</td>
<td>3.54p</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>1.4721p</td>
<td>1.4020p</td>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

† Restated following the adoption of FRS 19, “Deferred Tax”

* Before amortisation of goodwill and exceptional items
Earnings Per Share

Adjusted EPS (Pence)*


2.57 3.49 4.90 3.54 5.15

Adjusted EPS*:

- 5.15 pence per share
- 45% increase on 2000/1
- 5% higher than 1999/0

* Before amortisation of goodwill and exceptional items and restated following the adoption of FRS 19, “Deferred Tax”
Impairment Review

• Methodology:
  – In accordance with UK & US accounting standards
  – Discounted cash flow model
  – Forecasts to March 2011
  – 2011 terminal growth at or below forecast nominal GDP
  – Long-term capital intensity below 10%
  – Pre-tax WACC in major mobile markets ranging from 8.8% in J-Phone to 11.5% in Western Europe

• Conclusion:
  – No impairment on controlled mobile businesses
  – In H2, £1.25 billion further impairment for China Mobile, Japan Telecom & Cegetel
Proportionate Results*  
Mobile Turnover

<table>
<thead>
<tr>
<th>Region</th>
<th>Year to 31 March</th>
<th>2002 £m</th>
<th>2001* £m</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>4,101</td>
<td>4,102</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>2,838</td>
<td>2,323</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3,763</td>
<td>3,458</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Other Europe</td>
<td>5,617</td>
<td>3,318</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Total Europe</td>
<td>16,319</td>
<td>13,201</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>5,638</td>
<td>5,008</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>4,397</td>
<td>1,897</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>Other Asia Pacific</td>
<td>976</td>
<td>874</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>488</td>
<td>448</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Total Mobile</td>
<td>27,818</td>
<td>21,428</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

* March 2001 stated on a pro forma basis for Mannesmann
### Proportionate Results

#### Mobile EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>Year to 31 March</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002 £m</td>
<td>Growth*</td>
<td>Organic Growth</td>
<td>Margin</td>
</tr>
<tr>
<td>Germany</td>
<td>1,837</td>
<td>29</td>
<td>29</td>
<td>44.8</td>
</tr>
<tr>
<td>Italy</td>
<td>1,295</td>
<td>24</td>
<td>23</td>
<td>45.6</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,294</td>
<td>21</td>
<td>21</td>
<td>34.4</td>
</tr>
<tr>
<td>Other Europe</td>
<td>2,037</td>
<td>91</td>
<td>31</td>
<td>36.3</td>
</tr>
<tr>
<td>Total Europe</td>
<td>6,463</td>
<td>40</td>
<td>27</td>
<td>39.6</td>
</tr>
<tr>
<td>Americas</td>
<td>1,907</td>
<td>17</td>
<td>13</td>
<td>33.8</td>
</tr>
<tr>
<td>Japan</td>
<td>991</td>
<td>175</td>
<td>27</td>
<td>22.5</td>
</tr>
<tr>
<td>Other Asia Pacific</td>
<td>330</td>
<td>45</td>
<td>35</td>
<td>33.8</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>211</td>
<td>(7)</td>
<td>10</td>
<td>43.2</td>
</tr>
<tr>
<td>Total Mobile</td>
<td>9,902</td>
<td>41</td>
<td>24</td>
<td>35.6</td>
</tr>
</tbody>
</table>

* Calculated on a pro forma basis for Mannesmann
** Before exceptional items
## Proportionate Results* Other Operations

<table>
<thead>
<tr>
<th></th>
<th>Year to 31 March</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002 (£m)</td>
<td>2001* (£m)</td>
<td>Growth</td>
<td>%</td>
</tr>
<tr>
<td>Turnover</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Europe</td>
<td>821</td>
<td>767</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>- Japan</td>
<td>1,160</td>
<td>35</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Total Turnover</td>
<td>1,981</td>
<td>802</td>
<td>147</td>
<td></td>
</tr>
<tr>
<td>EBITDA**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Europe</td>
<td>(8)</td>
<td>(32)</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>- Japan</td>
<td>199</td>
<td>5</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Total EBITDA**</td>
<td>191</td>
<td>(27)</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

* March 2001 stated on a pro forma basis for Mannesmann

** Before exceptional items

### Other Operations:
- Arcor
- Japan Telecom
- Vizzavi
- Cegetel
# Cash Flow

## Year to 31 March

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating cash flow £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>8,102</td>
<td>3,515</td>
<td>77</td>
</tr>
<tr>
<td>2001</td>
<td>4,587</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Capital expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital expenditure £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>(4,070)</td>
<td>(3,223)</td>
<td>9</td>
</tr>
<tr>
<td>2001</td>
<td>(3,740)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Tax paid

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax paid £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>(545)</td>
<td>(252)</td>
<td>(65)</td>
</tr>
<tr>
<td>2001</td>
<td>(1,574)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Net interest paid

<table>
<thead>
<tr>
<th>Year</th>
<th>Net interest paid £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>(855)</td>
<td>(306)</td>
<td>(65)</td>
</tr>
<tr>
<td>2001</td>
<td>(969)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Dividends received & other

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends received &amp; other £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>58</td>
<td>(471)</td>
<td>(96)</td>
</tr>
<tr>
<td>2001</td>
<td>1,579</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Free cash flow before licences

<table>
<thead>
<tr>
<th>Year</th>
<th>Free cash flow before licences £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2,690</td>
<td>(2,850)</td>
<td>N/A</td>
</tr>
<tr>
<td>2001</td>
<td>(117)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Licences

<table>
<thead>
<tr>
<th>Year</th>
<th>Licences £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>(325)</td>
<td>(1,487)</td>
<td>(98)</td>
</tr>
<tr>
<td>2001</td>
<td>(13,162)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Free cash flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Free cash flow £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2,365</td>
<td>(13,279)</td>
<td>N/A</td>
</tr>
<tr>
<td>2001</td>
<td>(117)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Acquisitions

<table>
<thead>
<tr>
<th>Year</th>
<th>Acquisitions £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>(16,249)</td>
<td>(12,977)</td>
<td>(8)</td>
</tr>
<tr>
<td>2001</td>
<td>(17,652)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Disposals

<table>
<thead>
<tr>
<th>Year</th>
<th>Disposals £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>5,390</td>
<td>(1,255)</td>
<td>(83)</td>
</tr>
<tr>
<td>2001</td>
<td>32,156</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Share placement

<table>
<thead>
<tr>
<th>Year</th>
<th>Share placement £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3,510</td>
<td>(2,065)</td>
<td>N/A</td>
</tr>
<tr>
<td>2001</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Group dividends

<table>
<thead>
<tr>
<th>Year</th>
<th>Group dividends £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>(978)</td>
<td>(1,209)</td>
<td>26</td>
</tr>
<tr>
<td>2001</td>
<td>(775)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Other

<table>
<thead>
<tr>
<th>Year</th>
<th>Other £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>650</td>
<td>(1,179)</td>
<td>N/A</td>
</tr>
<tr>
<td>2001</td>
<td>(529)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Net debt movement

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt movement £m</th>
<th>Increase £m</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>(5,312)</td>
<td>(3,515)</td>
<td>6,624</td>
</tr>
<tr>
<td>2001</td>
<td>(79)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Operating Cash Flow Per Share (Pence)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>5.61</td>
</tr>
<tr>
<td>1999</td>
<td>6.74</td>
</tr>
<tr>
<td>2000</td>
<td>9.26</td>
</tr>
<tr>
<td>2001</td>
<td>7.47</td>
</tr>
<tr>
<td>2002</td>
<td>11.92</td>
</tr>
</tbody>
</table>
Tangible Capital Expenditure

March 2002:

- £4.1 billion
- Includes:
  - £0.6 billion in J-Phone
  - £0.1 billion in JT
- Under 10% on 3G
Tangible Capital Expenditure

March 2003:
- £6.0 billion
- Includes:
  - £1.6 billion in J-Phone
  - £0.4 billion in JT
- 30% on 3G
Net Debt

- £12.0 bn at 31 March 2002
- 14% of market capitalisation
- Single ‘A’ credit rating
- 2002/3 transactions:
  - Spain (2.2%) - £0.4 bn
  - Spain (6.2%) - £1.3 bn
  - China (1.1%) - £0.5 bn
- Shareholder value

![Net Debt vs Controlled EBITDA*](chart)

* Before exceptional items
Summary

• Strong growth:
  – EBITDA
  – Operating cash flow per share
  – Free cash flow
  – Earnings per share

• No impairment in controlled mobile businesses

• Financial strength

• Shareholder value
Julian Horn-Smith
Group Chief Operating Officer
Vodafone Group Plc
Introduction

• Review of operating performance
• Value drivers
• Progress on products and services
• Implementation of single brand
Progress to Date

- Excellent operational execution
  - Refocus on customer value
  - Focus on revenue growth
  - Drive cost reductions
  - Focus on capital efficiency

Strong cash flow result
The Transition

High Customer Growth
- Voice centric

Customer Focus
- Portfolio of voice and data services
Global Organisation

- Unified Culture
- Vodafone Values

Passion for

- Our customers
- Our people
- Our results
- World around us
Operational Priority

• Launch new products and services
  – Extend benefits to customers
  – Leverage global brand
  – Leverage new technology

Developing a Vodafone brand experience
Proportionate Customer Growth

Northern Europe, Middle East & Africa
Central Europe
Southern Europe
Americas
Asia
Pacific

22%
Picture Messaging
Verizon Wireless
Customers and Churn

Year ending
Mar-00  Mar-01  Mar-02
Closing Customers (000's)
20,000  22,000  24,000  26,000  28,000  30,000
Annualised Churn %
26%  28%  30%  32%
Improved Customer Base

Comparison of contract base
2002 vs 2001

Contract gross additions as a %
of total gross additions - year to 31 March

Contract Customers (000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>UK</th>
<th>Spain</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>4,000</td>
<td>3,000</td>
<td>6,000</td>
</tr>
<tr>
<td>2002</td>
<td>5,000</td>
<td>4,000</td>
<td>7,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>UK</th>
<th>Spain</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>31%</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>2002</td>
<td>45%</td>
<td>17%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Comparison of contract base - 2002 vs 2001
- UK: 17%
- Spain: 15%
- Germany: 9%

Contract gross additions as a % of total gross additions:
- UK: 31% in 2001, 45% in 2002
- Spain: 51% in 2001, 57% in 2002
- Germany: 21% in 2001, 44% in 2002
Churn

Annualised Quarterly Churn *

*Controlled subsidiaries (excl. Japan)
Customer Satisfaction Measures

- Sales and service activation
- Account management
- Tariffs & pricing
- Network quality & coverage
- Billing (contract)
- Top up (prepaid)
- Customer service & support
- Image
- Information & communication
- Additional services (i.e. data services, mobile internet)
Usage and ARPU

Monthly Contract Voice Usage*

Annualised Quarterly ARPU*

* Controlled subsidiaries (excl. Japan)
J-Phone Vodafone

12 month ARPU trend

Monthly ARPU (Yen)

Apr-01 May-01 Jun-01 Jul-01 Aug-01 Sep-01 Oct-01 Nov-01 Dec-01 Jan-02 Feb-02 Mar-02
Relative ARPU of voice and data users

Note: Information supplied is for the Tokyo region only. Analysis based on customer revenue (i.e. excludes incoming revenue) for April 2002 month only.
Non-Voice Revenue
As a percentage of service revenues*
* Controlled Group Total
SMS Usage*  

<table>
<thead>
<tr>
<th>Quarter ending</th>
<th>Total SMS messages per quarter (millions)</th>
<th>SMS messages per active user per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-01</td>
<td>5,500</td>
<td>55</td>
</tr>
<tr>
<td>Sep-01</td>
<td>6,000</td>
<td>60</td>
</tr>
<tr>
<td>Dec-01</td>
<td>6,500</td>
<td>65</td>
</tr>
<tr>
<td>Mar-02</td>
<td>7,000</td>
<td>70</td>
</tr>
</tbody>
</table>

* Controlled Subsidiaries (excl. Japan)
ARPU

- Reduction in non-calling SIMs
- Stable voice usage
- Increasing data usage
- Healthy outlook for ARPU
Cost Management

- Underestimated driver of competitive advantage
- Evident in 3pp increase in EBITDA margin
- Success due to:
  - Overhead reductions
  - Productivity improvements
  - Cost efficiencies
Vodafone UK

Overheads as a percentage of turnover*

*Overheads exclude depreciation, amortisation and exceptional costs.
Acquisition and Retention Costs

Acquisition Cost per Gross Addition*

Annualised Retention Cost per Customer*

*Quarterly average for controlled subsidiaries (excl. Japan)
Product and Services

- Transition from standardised GSM world to non-standardised IP world
- Creation and development of new services by Vodafone and 3rd parties
- Eliminate confusion of technology
- Give customers easy, seamless way of using services, with a single brand
Customer Experience

- Colour
- Intuitive service icons
- Differentiation through brand experience
- Ease of use
- Compelling services
Customer Experience
Components - Technology

- Powered by GPRS and 3G networks but seamless to our customers
- Japan first 3G network with others to follow
- Initial marketing focus on customer experience through GPRS
- 3G services - mass market in 2004
Customer Experience

- Services
  - Business services
  - Picture messaging (MMS)
  - Unified messaging
  - Mobile Instant Messaging
  - Location based services

- Content
  - Vizzavi
Why Vodafone’s Customer Experience?

- Brand experience
- Seamlessness
- Interoperability
- Ease of use
Seamless Voice Services

- Prepaid roaming
- Virtual Home Environment
- Eurocall
- Global Account Management
Partner Networks

- Teledanmark, Denmark
- Radiolinja, Finland
- No equity investment
- Strength of brand and roaming products into new territories
Building a Global Brand

UK  Australia  New Zealand  Malta  Hungary  Albania

Portugal  Spain  Netherlands  Ireland  Greece  Sweden  Germany  Egypt

Italy

Japan

Denmark  Finland
Sponsorship - F1 and Manchester United
Conclusion

- Achieved operational objectives
- Good progress on
  - Products & Services
  - Branding

Key components of customer experience
Sir Christopher Gent
Chief Executive
Vodafone Group Plc
The Past Year

• Achieved all objectives
  – Outperformed on financial indicators given last year and at half year

• Key transition year

Continued revenue growth - customer additions

Enhanced revenue growth - additional customer usage
Customer Growth in FY03

- Net growth of just <10%
  - Disconnection of non-revenue SIMs
    - Evident in prepaid in H1
    - Return to net growth by half year
- Continued contract customer growth
- Improved customer mix
  - Competitive gain through superior offerings
ARPU in FY03

- Modest but real ARPU improvement*
- Improvements arise primarily from:
  - Increase in data revenues
    - Sustained growth in SMS
    - New applications e.g. picture messaging
  - Competitive gain of high spending customers
  - Further increase in active customers
  - Greater usage of new voice services

* Most major European markets
Operational Measures in FY03

- Double digit revenue growth
- Further improvements in EBITDA margin
- Better operating cash flow
- Continued control of capex; efficiency ratio slightly higher
  - But greater level of spend on 3G
- Similar free cash flow levels
Data Outlook in FY03

- Open 3G this year
- Applications that matter, not technology
- Data applications will work successfully in 2.5G environment
- 20% of service revenues in 2004
  - Voice revenue better than expectations
  - Delays in applications and terminals for 2.5G
Benefits of 3G

- Additional capacity
- More efficient spectrum management techniques
- Faster data rates
- Enhances 2.5G applications
- Facilitates new applications
- Continued substitution from fixed to mobile
- Ensures optimum capital efficiency
Transactions in FY03

- Prepared to increase existing shareholding
- Likely to be financed in cash
  - Strong balance sheet
  - Strong debt position
- Position in CMHK increased
  - Cash return through dividend stream
Conclusion

- Strong track record as growth market
- Vodafone has executed better than others
- Growth potential for business continues
  - No impairment for controlled mobile
  - Applications and terminals arriving in Europe this year
- New developments will sustain long-term growth for years to come
Forward Looking Statement

This document contains certain “forward-looking statements” with respect to Vodafone’s financial condition, results of operations and business and certain of Vodafone’s plans and objectives with respect to these items. In particular, forward-looking statements include statements with respect to Vodafone’s expectations as to launch and roll-out dates for products and services, including 3G services, the expected benefits of 3G and other services and demand for such services, growth in customers and usage, future performance, including revenues, average revenue per customer, EBITDA, cash flows, costs, capital expenditures and improvements in margin, non-voice services and their revenue contribution, the effect of synergies and cost saving measures, the likelihood of impairment charges, mobile penetration rates, churn, overall market trends and other trend projections. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “anticipates”, “aims”, “due”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans”, “targets”, “goal” or “estimates”. 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, changes in economic conditions that would adversely affect demand for mobile telephone services; greater than anticipated competitive activity; slower customer growth or reduced customer retention; the impact on capital spending from investment in network capacity and the deployment of new technologies; the possibility that technologies, including mobile internet platforms and services, including 3G services, will not perform according to expectations or that vendors’ performance will not meet Vodafone’s requirements; changes in projected growth rates in the mobile telecommunications industry; the accuracy of and any changes in Vodafone’s projected revenue model; future revenue contributions of data services offered by Vodafone; lower than expected impact of GPRS and 3G on future revenues; Vodafone’s ability to harmonize mobile problems and any delays or other problems anticipated with the rollout and scope of 3G technology and services; Vodafone’s ability to offer new services and the delivery and performance of GPRS and 3G handsets and other key products; greater than anticipated prices of new mobile phones; Vodafone’s ability to realize benefits from entering into partnerships for developing data and internet services; Vodafone’s ability to develop competitive data content and services; changes in the regulatory framework in which Vodafone operates; the impact of legal or other proceedings against Vodafone or other companies in the mobile telecommunications industry; and changes in exchange rates, including particularly the exchange rate of the pound to the euro. All subsequent written or verbal forward-looking statements attributable to Vodafone or any member of the Vodafone Group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above.