Arun Sarin
Chief Executive
Vodafone Group Plc
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This presentation contains forward-looking statements which are subject to risks and uncertainties because they relate to future events. Some of the facts which may cause actual results to differ from these forward looking statements are discussed in the penultimate slide to this presentation and others can be found by referring to our Preliminary Announcement of Results for the year ended 31 March 2004 and the “Risk Factors” in our Annual Report & Accounts and Form 20-F for the year ended 31 March 2003.

Information in this presentation about the yield on relevant investments cannot be relied upon as a guide to future performance.
Six Strategic Goals

- Provide superior shareholder returns
- Delight our customers
- Leverage scale and scope
- Expand market boundaries
- Build the best team
- Be a responsible business
Agenda

• Performance and Group Strategy  Arun Sarin
   Chief Executive

• Results and Financial Position  Ken Hydon
   Group Financial Director

• Operational Performance  Julian Horn-Smith
   Chief Operating Officer

• Delight our Customers  Peter Bamford
   Chief Marketing Officer

• Leverage Scale and Scope  Thomas Geitner
   Chief Technology Officer
   Group Technology and Business Integration

• Outlook and Q&A  Arun Sarin
   Chief Executive
Six Strategic Goals

- Provide superior shareholder returns
- Delight our customers
- Leverage scale and scope
- Expand market boundaries
- Build the best team
- Be a responsible business
Provide superior shareholder returns

Statutory Results

**Turnover**
- March '03: £30.4bn
- March '04: £33.6bn
- Increase: 10%

**Operating profit***
- March '03: £9.2bn
- March '04: £10.7bn
- Increase: 17%

**Adjusted earnings per share***
- March '03: 6.81p
- March '04: 9.10p
- Increase: 34%

* Before goodwill, amortisation and exceptional items
Provide superior shareholder returns

Strong Free Cash Flow

- Capital expenditure of £4.3bn
- Reduction in net debt to £8.5bn
Better Than Expected Customer Growth

Provide superior shareholder returns

13.7m new customers*

Mar-03: 119.7m
Mar-04: 133.4m

* Proportionate
Provide superior shareholder returns

ARPU Trends

**Italy**

- March '03: €347
- March '04: €361
- Increase: 4%

**Germany**

- March '03: €313
- March '04: €310
- Decrease: -1%

**UK**

- March '03: £292
- March '04: £309
- Increase: 6%

**Japan**

- March '03: ¥87,159
- March '04: ¥80,695
- Decrease: -7%

*Organic UK ARPU growth (excl. Singlepoint acquisition) was 1%*
Provide superior shareholder returns

Strong Voice and Data Growth

Group minutes of use*

- Up 11% yoy to 154.8bn mins

12 month rolling data % of service revenue*

- Mar-03: 14.6%
- Sep-03: 15.5%
- Mar-04: 16.1%

* All subsidiaries
Increasing EBITDA and Margin*

- Efficient running of the business offset additional investment in our customers

* proportionate
Operating Environment

• Harsher regulatory environment - over £300m of termination cuts

• Difficult global economy

• Increasing competitive environment
Japan

Up to now:

• Increased competitive activity in marketplace
• Currently limited ability to compete in 3G
• Investing in retention and attractive tariff plans

Looking forward:

• Wider range of 3G converged terminals in Christmas quarter
• Plan in place to transform competitive position in market
Uses of Cash

- Increase returns to shareholders
- Invest in the business and future growth
- Improve competitive position and customer franchise
Provide superior shareholder returns

Continued Dividend Growth

Dividend growth rate

March '03: 1.6929p
March '04: 2.0315p (20% increase)

Dividend growth (2000-4)

2000: 5%
2001: 5%
2002: 5%
2003: 15%
2004: 20%
Increased Buyback Programme

- £3bn supercedes £2.5bn programme
- £3bn on top of £1.1bn already purchased

Provide superior shareholder returns
Six Strategic Goals

- Provide superior shareholder returns
- Delight our customers
- Leverage scale and scope
- Expand market boundaries
- Build the best team
- Be a responsible business
Delight our customers

**Vodafone live!™**

- **Vodafone live!™ with 3G**
  - Germany, Portugal, Italy and Spain in Europe
  - Several countries to follow

- Over 6.8m controlled customers
Delight our customers

Vodafone Mobile Connect 3G Datacard

- Launched in February in 7 markets
- Over 50% of datacard sales - 3G
Six Strategic Goals

- Provide superior shareholder returns
- Delight our customers
- Leverage scale and scope
- Expand market boundaries
- Build the best team
- Be a responsible business
Leverage scale and scope

Global Benefits

one vodafone

1. Speed to Market
2. Customer Experience
3. Strategic Cost Position
4. Growth for People

- Develop, implement and commercialise superior 3G based services
Six Strategic Goals

- Provide superior shareholder returns
- Delight our customers
- Leverage scale and scope
- Expand market boundaries
- Build the best team
- Be a responsible business
Strategic Relationships in Mobile Ecosystem

Expand market boundaries

Telecommunications

IT / Wireless Productivity

Infotainment

Microsoft
Oracle
Sony Music Entertainment
Walt Disney
Eidos
Sony Pictures
The Simpsons

Vodafone
Expand market boundaries

Strong Equity Footprint Enhanced by Partner Networks
Equity Footprint Investments

Criteria for Future Opportunities

- Commitment to solid credit profile
- Maintain strict financial discipline
- Exceed appropriate cost of capital

US

- AT&T Wireless and Verizon deals in line with this approach
- Committed to the US through Verizon Wireless
Creating Value for Vodafone Shareholders

- Investments of up to c.£2.6 billion in Japan
- Consistent with Vodafone’s overall strategy
- Simplifies corporate structure, improves efficiency and increases management focus
- Long–term commitment to Japan
- EPSA accretive from first year
Equity Footprint Investments

Criteria for Future Opportunities

- Commitment to solid credit profile
- Maintain strict financial discipline
- Exceed appropriate cost of capital

US

- AT&T Wireless consistent with investment approach
- Committed to the US through Verizon Wireless

Italy & France

- Like to gain full control
- At right price

Minority Assets

- Opportunities in Eastern Europe

Low Penetrated Markets

- Selective opportunities for future growth

MAJORITY OF FUTURE INVESTMENT
Six Strategic Goals

- Provide superior shareholder returns
- Delight our customers
- Leverage scale and scope
- Expand market boundaries
- Build the best team
- Be a responsible business
Build the best global team

Build the Best Team

- Continue to develop and recruit people
- Motivated employees with strong Vodafone culture
Six Strategic Goals

- Provide superior shareholder returns
- Delight our customers
- Leverage scale and scope
- Expand market boundaries
- Build the best team
- Be a responsible business
Be a Responsible Business

- Committed to high standards of business integrity & professionalism
- Striving to earn trust and confidence of all our stakeholders
Ken Hydon

Group Financial Director
Vodafone Group Plc

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Statutory Results

Turnover

- £33.6 bn
- Up 10% (£3.2 bn)
- Mobile organic growth:
  - Total: +10%
  - Data: +20%
  - Voice: +8%
Statutory Results
Group Operating Profit*

• £10.7 bn
• Up 17% (£1.6 bn)
• 13% mobile organic growth
• £4.5 bn depreciation**

* Before amortisation of goodwill and exceptional items as detailed in notes 3 & 4 of the Preliminary Announcement dated 25 May 2004
** Includes amortisation of intangible fixed assets and loss on disposal of tangible fixed assets
## Statutory Results

The table below presents the financial results for the years ended 31 March 2003 and 2004, with the percentage increase and adjusted earnings per share (pence) for the financial years 2001/2, 2002/3, and 2003/4.

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004 £m</td>
</tr>
<tr>
<td>Turnover</td>
<td>33,559</td>
</tr>
<tr>
<td>Group operating profit*</td>
<td>10,749</td>
</tr>
<tr>
<td>Net interest payable</td>
<td>(714)</td>
</tr>
<tr>
<td>Profit before tax*</td>
<td>10,035</td>
</tr>
<tr>
<td>Tax</td>
<td>(3,154)</td>
</tr>
<tr>
<td>Goodwill amortisation</td>
<td>(15,207)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>125</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(814)</td>
</tr>
<tr>
<td>Loss for the financial year</td>
<td>(9,015)</td>
</tr>
<tr>
<td>Basic loss per share</td>
<td>(13.24p)</td>
</tr>
<tr>
<td>Adjusted earnings per share*</td>
<td>9.10p</td>
</tr>
</tbody>
</table>

* Before amortisation of goodwill and exceptional items as detailed in notes 3 & 4 of the Preliminary Announcement dated 25 May 2004.
Shareholder Returns

• Dividends 2003/4:
  - Interim paid: £1.1 bn
  - Proposed final: £3.0 bn planned

  Total: £4.1 bn

• Share purchases:
  - Interim paid: 0.9535 Pence per share
  - Proposed final: 1.0780 Pence per share

  Total: 2.0315 Pence per share

Dividend Growth and Yield (2000-4)

Dividend Yield (Based on 31/3/04 closing share price of £1.2875)

- 2000: 5%
- 2001: 5%
- 2002: 5%
- 2003: 15%
- 2004: 20%
## Cash Flow

### Year ended 31 March

<table>
<thead>
<tr>
<th></th>
<th>2004 £m</th>
<th>2003 £m</th>
<th>Increase £m</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong>*</td>
<td>12,640</td>
<td>11,217</td>
<td>1,423</td>
<td>13</td>
</tr>
<tr>
<td>Working capital &amp; exceptionals</td>
<td>(323)</td>
<td>(75)</td>
<td>248</td>
<td>331</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>12,317</td>
<td>11,142</td>
<td>1,175</td>
<td>11</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(4,350)</td>
<td>(5,180)</td>
<td>830</td>
<td>(16)</td>
</tr>
<tr>
<td>Licences</td>
<td>(21)</td>
<td>(99)</td>
<td>78</td>
<td>(79)</td>
</tr>
<tr>
<td><strong>Operating free cash flow</strong></td>
<td>7,946</td>
<td>5,863</td>
<td>2,083</td>
<td>36</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(1,182)</td>
<td>(883)</td>
<td>300</td>
<td>34</td>
</tr>
<tr>
<td>Net interest received/(paid)</td>
<td>31</td>
<td>(475)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Dividends received &amp; other</td>
<td>1,726</td>
<td>666</td>
<td>1,060</td>
<td>159</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>8,521</td>
<td>5,171</td>
<td>3,350</td>
<td>65</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(2,083)</td>
<td>(5,685)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>1,123</td>
<td>700</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Group dividends</td>
<td>(1,258)</td>
<td>(1,052)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Share purchases</td>
<td>(1,032)</td>
<td>-</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>80</td>
<td>(939)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Net debt decrease</strong></td>
<td>5,351</td>
<td>(1,805)</td>
<td>7,156</td>
<td></td>
</tr>
<tr>
<td><strong>Opening net debt</strong></td>
<td>(13,839)</td>
<td>(12,034)</td>
<td>805</td>
<td></td>
</tr>
<tr>
<td><strong>Closing net debt</strong></td>
<td>(8,488)</td>
<td>(13,839)</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

* EBITDA is not a performance measure recognised under UK GAAP but is presented in order to highlight operational performance of the Group.
Tangible Fixed Assets

March 2004

- £4.8 bn additions

Geographic Analysis
- Japan 26%
- United Kingdom 11%
- Italy 15%
- Germany 18%
- Other Mobile 27%
- Other Operations 3%

March 2005

- Around £5 bn additions

Category Analysis
- 3G Network 35%
- Transmission Network & VAS 16%
- Non-Network IT (Billing Systems, CRM, ERP...) 22%
- Other Mobile 7%
- Fixed line 4%
- 2G Network 16%

Tangible Fixed Assets

March 2004

- £4.8 bn additions

Geographic Analysis
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March 2005

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- Non-Network IT (Billing Systems, CRM, ERP...) 22%
- Other Mobile 7%
- Fixed line 4%
- 2G Network 16%
Net Debt

- March 2004:
  - Gross debt: £14.3 billion
  - Cash & investments: £5.8 billion
  - Net debt: £8.5 billion

- Maintain solid credit profile

- Funds used for:
  - Operations, incl. Tax
  - Up to c.£2.6 bn in Japan
  - £3.0 bn share buybacks

Debt Maturity by Calendar Year
At 31 March 2004 (£ Billions)

Total = £14.3 billion
Summary

• Growth:
  – Turnover
  – EBITDA*
  – Operating profit**
  – Adjusted earnings per share**
  – Free cash flow *

• Healthy financial position

• Increasing returns to shareholders

* EBITDA and free cash flow are not performance measures recognised under UK GAAP but are presented in order to highlight operational performance of the Group
** Before amortisation of goodwill and exceptional items as detailed in notes 3 & 4 of the Preliminary Announcement dated 25 May 2004
## Vodafone Germany

<table>
<thead>
<tr>
<th></th>
<th>2004 £m</th>
<th>2003 £m</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>5,404</td>
<td>4,646</td>
<td>16%</td>
</tr>
<tr>
<td>Operating profit(^{(1)})</td>
<td>1,741</td>
<td>1,435</td>
<td>21%</td>
</tr>
<tr>
<td>EBITDA margin(^{(2)})</td>
<td>46.1%</td>
<td>43.4%</td>
<td>2.7pp</td>
</tr>
</tbody>
</table>

- **Solid performance**
- **Strong customer and revenue growth**
- **Improved profitability**

\(^{(1)}\) Before goodwill amortisation and exceptional items
\(^{(2)}\) Proportionate EBITDA before exceptional items
Vodafone Germany

Customers

H1 02/03: 21,810
H2 02/03: 22,940
H1 03/04: 23,780
H2 03/04: 25,012

Net additions

H1 02/03:
- Contract Net Additions: 600 (45.3%)
- Prepaid Net Additions: 400

H1 03/04:
- Contract Net Additions: 700 (46.6%)
- Prepaid Net Additions: 300

H2 03/04:
- Contract Net Additions: 800 (47.6%)
- Prepaid Net Additions: 200

H1 03/04:
- Contract % of Total base: 47.6%
Vodafone Germany

Churn & upgrade %

- H1 02/03: 8%
- H2 02/03: 11%
- H1 03/04: 11%
- H2 03/04: 13%

Churn % - Upgrade %
Vodafone Germany

ARPU & data

Year on year growth

(1) 12 month rolling data % of service revenue
Vodafone Germany

Customer base costs

Proportionate EBITDA\(^{(1)}\)

(1) Before exceptional items
## Vodafone Italy

- **Good customer growth**
- **Higher ARPU**
- **Improved profitability**

<table>
<thead>
<tr>
<th></th>
<th>2004 £m</th>
<th>2003 £m</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>5,276</td>
<td>4,371</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Operating profit</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>2,143</td>
<td>1,588</td>
<td>35%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>53.0%</td>
<td>49.3%</td>
<td>3.7pp</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Before goodwill amortisation and exceptional items

<sup>(2)</sup> Proportionate EBITDA before exceptional items
Vodafone Italy

Customers and churn

<table>
<thead>
<tr>
<th></th>
<th>H1 02/03</th>
<th>H2 02/03</th>
<th>H1 03/04</th>
<th>H2 03/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total closing customers</td>
<td>18,316</td>
<td>19,412</td>
<td>19,982</td>
<td>21,137</td>
</tr>
<tr>
<td>Annualised churn</td>
<td>17.2%</td>
<td>17.5%</td>
<td>16.9%</td>
<td>16.6%</td>
</tr>
</tbody>
</table>
Vodafone Italy

ARPU & data

12 month rolling ARPU (€)

- Sep 02: 340
- Mar 03: 350
- Sep 03: 360
- Mar 04: 370

Year on year growth

- H1 02/03: 11%
- H2 02/03: 11%
- H1 03/04: 14%
- H2 03/04: 13%

(1) 12 month rolling data % of service revenue
Vodafone Italy

**Customer base costs**

<table>
<thead>
<tr>
<th>Period</th>
<th>SRC</th>
<th>SAC</th>
<th>% Service revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 02/03</td>
<td>50</td>
<td>50</td>
<td>3.5%</td>
</tr>
<tr>
<td>H2 02/03</td>
<td>40</td>
<td>80</td>
<td>3.3%</td>
</tr>
<tr>
<td>H1 03/04</td>
<td>30</td>
<td>70</td>
<td>2.6%</td>
</tr>
<tr>
<td>H2 03/04</td>
<td>20</td>
<td>80</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

**Proportionate EBITDA**

<table>
<thead>
<tr>
<th>Period</th>
<th>Proportionate EBITDA (€ millions)</th>
<th>Proportionate EBITDA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 02/03</td>
<td>494</td>
<td>49.4%</td>
</tr>
<tr>
<td>H2 02/03</td>
<td>493</td>
<td>49.3%</td>
</tr>
<tr>
<td>H1 03/04</td>
<td>548</td>
<td>54.8%</td>
</tr>
<tr>
<td>H2 03/04</td>
<td>512</td>
<td>51.2%</td>
</tr>
</tbody>
</table>

(1) Before exceptional items
## Vodafone UK

<table>
<thead>
<tr>
<th></th>
<th>2004 £m</th>
<th>2003 £m</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>4,744</td>
<td>4,026</td>
<td>18%</td>
</tr>
<tr>
<td>Operating profit(^1)</td>
<td>1,098</td>
<td>1,120</td>
<td>(2%)</td>
</tr>
<tr>
<td>EBITDA margin(^2)</td>
<td>33.9%</td>
<td>38.3%</td>
<td>(4.4pp)</td>
</tr>
</tbody>
</table>

- Intensified competition
- Investment in customers
- Continued customer growth

---

\(^1\) Before goodwill amortisation and exceptional items
\(^2\) Proportionate EBITDA before exceptional items
Vodafone UK – Market leader

Total revenue share (Mar 04)

- Vodafone 31.0%
- O2 22.5%
- Orange 26.6%
- T-Mobile 19.9%

1 Company published results (excluding 3 UK)
Vodafone UK

ARPU & data

Year on year growth

(1) 12 month rolling data % of service revenue
Vodafone UK

Customer base costs

EBITDA\(^{(1)}\)

\(<1.8\>
\(12.0\%\)
\(13.1\%\)
\(17.9\%\)

Customer base costs (£ millions)

\(|\begin{array}{c}
H1 02/03 \\
H2 02/03 \\
H1 03/04 \\
H2 03/04 \\
\end{array}|
\)

SRC

SAC

% Service revenue

(1) Before exceptional items
## Verizon Wireless

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportionate turnover</td>
<td>6,111</td>
<td>5,686</td>
<td>7%</td>
</tr>
<tr>
<td>Proportionate EBITDA margin</td>
<td>35.9%</td>
<td>35.2%</td>
<td>0.7pp</td>
</tr>
<tr>
<td>Share of operating profit(^{(1)})</td>
<td>1,406</td>
<td>1,270</td>
<td>11%</td>
</tr>
</tbody>
</table>

- **Strong momentum**
- **Market share gain**
- **Profitable growth**

\(^{(1)}\) Before goodwill amortisation and exceptional items
Verizon Wireless

Net additions and penetration

Churn

- Price Communications Wireless acquisition
- Net additions
- Penetration

Annualised half year churn %
Verizon Wireless

ARPU & data

Proportionate EBITDA(2)

(1) 12 month rolling data % of service revenue
(2) Before exceptional items
Vodafone/Verizon Joint Initiatives

- Continued strong working relationship

- Dual mode global phone

- Vodafone dashboard to be used for data card offering

- SMS interoperability
### Vodafone Japan

#### Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (£m)</td>
<td>7,745</td>
<td>7,539</td>
<td>3%</td>
</tr>
<tr>
<td>Operating profit (1)</td>
<td>1,045</td>
<td>1,310</td>
<td>(20%)</td>
</tr>
<tr>
<td>EBITDA margin (2)</td>
<td>28.9%</td>
<td>31.3%</td>
<td>(2.4pp)</td>
</tr>
</tbody>
</table>

(1) Before goodwill amortisation and exceptional items  
(2) Proportionate EBITDA before exceptional items

- Challenging market conditions
- Increasing focus on 3G
Vodafone Japan

Net additions

<table>
<thead>
<tr>
<th>Period</th>
<th>Customers</th>
<th>Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 02/03</td>
<td>14,951</td>
<td>18.0%</td>
</tr>
<tr>
<td>H2 02/03</td>
<td>14,540</td>
<td>18.5%</td>
</tr>
<tr>
<td>H1 03/04</td>
<td>13,912</td>
<td>18.6%</td>
</tr>
<tr>
<td>H2 03/04</td>
<td>12,949</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

Customers and market share

- H1 02/03: 14,951, 18.0%
- H2 02/03: 14,540, 18.5%
- H1 03/04: 13,912, 18.6%
- H2 03/04: 12,949, 18.4%

(contract net additions vs prepaid net additions)
Vodafone Japan

Customer base costs

Proportionate EBITDA\(^{(1)}\)

\[(1)\] Before exceptional items
Vodafone Japan

ARPU & data

Year on year growth

12 month rolling ARPU (¥)

Sep 02 21.9% Mar 03 20.3% Sep 03 21.3% Mar 04 21.9%

Year on year growth

H1 02/03 13% H2 02/03 13% H1 03/04 14% H2 03/04 11%

ARPU & data % of service revenue (1)

Service revenue Average customers Total minutes

(1) 12 month rolling data % of service revenue
Vodafone Japan

Increasing 3G Focus
- Fundamental market shift from 2G to 3G
- Wider 3G handset availability in Christmas quarter
- High quality 3G network

Competitive Position
- Fundamental change required
- Extensive transformation plan

Outlook
- No significant benefits from transformation plan until FY06
- FY05 margin slightly lower than 2H FY04
Business Transformation Plan

Commercial and Marketing Initiatives
- Improve integrated 3G offering
- Focus on corporate segment
- Targeted marketing initiatives

Distribution
- Increase support to existing channels
- Develop new outlets, some controlled
- Efficient segment-driven system

Cost Efficiency
- 9 into 1 integration
- Benefits from Group scale

Financial Tools and Processes
- Enhance business decision making

Organisational Structure
- Develop skills and capabilities
- Strengthen management team
Vodafone Japan

Summary

- Far reaching change programme
- Good business with huge potential
- Building one integrated, national business
- Long term commitment to Japanese market
Vodafone Group

Conclusion

- Delighting our customers
- Continued investment in 3G services
- Drive scale and scope benefits
- Build on success as worldwide leader
Marketing Objectives

• Build Vodafone brand and delight our customers

• Drive revenue growth
  – Co-ordinated marketing initiatives
  – Focused end-to-end customer propositions
Group Marketing Organisation

- Aligned with customer segments
- High calibre
- Multi-national
Brand Awareness has grown strongly.....
...focus on brand preference

Prompted awareness* over 98%

Spontaneous Awareness%*

* Vodafone subsidiary countries
Driving Brand Preference…

…through every element of the customer experience

Channel  Set up  Handset/UI  Network  Services  Tariffs  Customer Care  Billing  Information

Actual Experience  Perception
Driving Revenue through Segmentation

- Teens
- Young, Active, Fun
- Adult Personal User
- Mature Basic User
- Self Chooser for Work
- Company Paid
- Int. Bus. Traveller

Vodafone
Core Voice and Text Usage

7 Initiatives based on:
- Product
- Tariff
- Promotion

Driving
- Usage
- Penetration
- Value

ARPU
Vodafone live!™ Enhancements

New Products Launched
- Video messaging
- Ringback tones
- Games with 3D graphics and online high-scores

Global Content Deals
- Sony Pictures and Sony Music Entertainment
- Walt Disney
- Warner Bros.
- THQ Wireless

Terminal Portfolio
- Extended range from 3-15
- Includes lower-priced terminals

Terminal Innovation
- Sharp GX30 – first mega pixel camera phone in Europe
- Launching new Vodafone live!™ terminal on average every 11 days
Vodafone live!™ Growth and Performance

**Growth**
- Available in 19 countries
- Mobilkom Austria first partner network to launch Vodafone live!™ today in Austria, Croatia & Slovenia
- 6.8 million customers in controlled subsidiaries
- 8.5% penetration of customer base
- 0.7 million customers in associates

**Performance**
- ARPU 65% higher than non live! customers
- Over 7% ARPU uplift when customers migrate
- 13.0 million customers in Japan
Vodafone live!™ with 3G
Vodafone Wireless Office

• Now launched in 8 countries
Vodafone Mobile Connect™
Vodafone Mobile Connect 3G Datacard

“Vodafone Mobile Connect saves our sales reps up to 5 hours a week unnecessary travel. This increased productivity is equivalent to an additional full-time employee.”

“The savings on my hotel phone charges alone have more than paid back the investment in the card. I am recommending the solution to my clients.”

“Where we had coverage the performance has been absolutely terrific, it’s lived up to its expectations; well over 300kbps, so it works really well.”

“Just recently I spent 2.5 half hours in a taxi on the way to Heathrow. I was able to use that time effectively, sending and receiving emails as easily as if I was at my desk.”
Push E-mail
Summary

• Our brand is now well established

• Customer segmentation model provides clear focus and targeting capability

• Proven approach to developing, testing, rolling out and enhancing customer propositions

• Vodafone live!™ and Vodafone Mobile Connect™ provide platforms for 3G
Delivering the Benefits of Scale and Scope

Momentum
- Branding
- Product & Services
- Supply Chain Management

One Vodafone
Benefits of One Vodafone...
...achieve sustainable competitive advantage

1. Speed to Market
2. Customer Experience
3. Strategic Cost Position
4. Growth for People
Total Cash Cost 03/04

16 majority-owned OpCos
Focus on Six Areas

Network: Standardisation and supply chain management
Service Platforms: Shared Service Centre
Terminals: Standard process and supply chain management
Customer Management: Common practice and IT consolidation
IT: Common practice and IT consolidation
Roaming: Leverage footprint
Outlook for FY 04/05

Average Organic Customer Growth*  High single digit

Organic Mobile Revenue Growth*  High single digit

Mobile EBITDA Margin*  Broadly stable

Fixed Asset Additions  Around £5bn

* Proportionate Basis
Free Cash Flow

£8.5bn for FY 03/04
Included:
• + £600m one off hedging gain
• + £200m free cash flow from JT fixed
• - £1,200m cash tax payment
• - £4,300m cash capex payments

~£7bn for FY 04/05
Assumes:
• No hedging gain
• No free cash flow from JT - sold
• - ~£2,000m cash tax payments
• - ~£5,300m cash capex payments
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