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### Financial performance

- Q4 Group service revenue -3.8% or -4.0% including Italy at 100%\(^1\)
- Q4 Europe service revenue -8.5%, underlying trends improving in UK and Spain
- Q4 AMAP grew +6.0%; India +11.9% and Vodacom +5.1%, supported by strong data growth
- Improving fixed broadband trends, customer base +2.2% to 9.3m
- Met full year guidance: pro forma AOP £4.9bn and FCF £4.8bn

### Strategic progress

- Vodafone Red: 12m customers in 20 markets, improvements in churn and NPS
- 4G available in 14 countries with 4.7m customers, improvements in usage and ARPU
- Enterprise acceleration in key growth areas: M2M +20.9%, VGE +2.1%\(^2\)
- Project Spring underway: accelerated network build-out in India and Germany
- Unified communications: Spain fibre commercial launch, Portugal fibre build ahead of plan
- Planned acquisition of Ono for £6.0bn; expected completion Q2 14/15
- US transaction completed, $85 billion returned to shareholders

---

**Notes:**

1. 100% ownership from 21 February 2014
2. Like-for-like growth rate

---

**Full year 13/14 Financial review**

Nick Read
Group Chief Financial Officer
## Results affected by pricing pressure and increased customer investment

<table>
<thead>
<tr>
<th>FY 13/14 (£m)</th>
<th>Reported growth (%)</th>
<th>Organic growth (%)</th>
<th>Q4 13/14 growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group revenue</td>
<td>43,616</td>
<td>(1.9)</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Group service revenue</td>
<td>39,529</td>
<td>(2.4)</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Group EBITDA²</td>
<td>12,831</td>
<td>(5.4)</td>
<td>(7.4)</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>29.4</td>
<td>(1.1)ppt</td>
<td>(1.3)ppt</td>
</tr>
<tr>
<td>Adjusted operating profit²³</td>
<td>7,874</td>
<td>(37.4)</td>
<td>(9.4)</td>
</tr>
</tbody>
</table>

- Q4 -2.6%¹ excluding MTR impact
- FY -2.0% excluding MTR impact
- Increased customer investment in H2
- VZW 5 months contribution only
- AOP includes £3.2bn from VZW

### Notes:
1. Organic growth on a comparable basis, with Italy weighted at 77% for the whole year
2. Now reported excluding the impact of restructuring costs and significant one-off items. Restructuring costs were £374m in FY 13/14 and £311m in FY 12/13
3. Excludes amortisation of acquired intangible customer bases and brand intangible assets

## Significant profit on US disposal

<table>
<thead>
<tr>
<th>FY 13/14 (£m)</th>
<th>FY 12/13 (£m)</th>
<th>Reported growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit (management)¹</td>
<td>7,874</td>
<td>12,577</td>
</tr>
<tr>
<td>Presentation adjustments²</td>
<td>(3,564)</td>
<td>(6,987)</td>
</tr>
<tr>
<td>Adjusted operating profit (statutory)¹</td>
<td>4,310</td>
<td>5,590</td>
</tr>
<tr>
<td>Net financing costs</td>
<td>(1,208)</td>
<td>(1,291)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(4,445)</td>
<td>(2,226)</td>
</tr>
<tr>
<td>Impairments</td>
<td>(6,600)</td>
<td>(7,700)</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>19,318</td>
<td>-</td>
</tr>
<tr>
<td>Discontinued and other items²</td>
<td>46,520</td>
<td>-</td>
</tr>
<tr>
<td>Customer &amp; brand amortisation</td>
<td>(551)</td>
<td>(249)</td>
</tr>
<tr>
<td>Other²</td>
<td>1,910</td>
<td>6,289</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>59,254</td>
<td>413</td>
</tr>
<tr>
<td>Adjusted earnings per share¹</td>
<td>17.54</td>
<td>20.12</td>
</tr>
<tr>
<td>Ordinary dividend per share</td>
<td>11.0</td>
<td>10.2</td>
</tr>
</tbody>
</table>

- Average cost of debt 4.9%
- Germany, Spain, Portugal, Czech, Romania
- £45.0bn gain on disposal

### Notes:
1. Now reported excluding the impact of restructuring costs, significant one-off items and amortisation of acquired intangible customer bases and brand intangible assets
2. Comprises discontinued operations in respect of the US group: FY 13/14 £3,169m, FY 12/13 £6,500m, plus adjustments to restate joint ventures from a proportionate to an equity basis FY 13/14 £359m, FY 12/13 £487m
3. Includes £44.9bn pre-tax gain on disposal, VZW tax distributions post 2 September 2013 £1.7bn, and other costs £179m
4. Includes the Group’s share of results in Verizon Wireless FY 13/14 £3,218m, FY 12/13 £6,366m, and restructuring costs FY 13/14 £355m, FY 12/13 £311m
Strong and increasing contribution from AMAP

Customer numbers (m)1, 2
AMAP +9%, Group +7%

Service revenue (£bn)2
AMAP +6.1%, Group –4.3%

EBITDA (£bn)2
AMAP +16%, Group -7%

OFCF1, 2
+4ppt in AMAP

<table>
<thead>
<tr>
<th></th>
<th>Europe1</th>
<th>AMAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenue (£bn)</td>
<td>£6.9bn</td>
<td>62%</td>
</tr>
<tr>
<td>EBITDA (£bn)</td>
<td>£1.2bn</td>
<td>38%</td>
</tr>
<tr>
<td>OFCF1, 2</td>
<td>£3.8bn</td>
<td>62%</td>
</tr>
</tbody>
</table>

Full year 13/14 service revenue growth (excl. MTRs) (%)

<table>
<thead>
<tr>
<th></th>
<th>Europe1</th>
<th>AMAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMAP: +9%, Group -7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMAP: +16%, Group -7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+4ppt in AMAP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All growth rates shown are organic unless otherwise stated
1. Reported growth
2. Full year 13/14
3. Europe and Common Functions

Service revenue: £0.9bn MTR hit

<table>
<thead>
<tr>
<th>(£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13/14 reported service revenue</td>
</tr>
<tr>
<td>FX</td>
</tr>
<tr>
<td>M&amp;A1</td>
</tr>
<tr>
<td>In-bundle</td>
</tr>
<tr>
<td>Out-of-bundle</td>
</tr>
<tr>
<td>Incoming</td>
</tr>
<tr>
<td>MTR</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>FY 13/14 reported service revenue</td>
</tr>
</tbody>
</table>

- Full year reported service revenue decline -2.4%, organic decline -4.3%
- Mobile in-bundle revenue grew +7.8% in FY 13/14 and Q4
- Q4 in-bundle revenues 61% of mobile service revenue in Europe
- 5 MVNO contracts ended, 3 renegotiated in the year

All growth rates shown are organic unless otherwise stated
1. Primarily represents adjustments for CWW, KDG and Italy
EBITDA margin: growth in AMAP partially offsetting decline in Europe

- Reported margin decline of 1.1ppt; organic decline 1.3ppt
- Europe: competitive pricing and increased customer investment driving margin decline
- AMAP: strong revenue growth and cost control

Stable underlying financing costs

<table>
<thead>
<tr>
<th></th>
<th>FY 13/14 (£m)</th>
<th>FY 12/13 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying net financing costs</td>
<td>(1,242)</td>
<td>(1,270)</td>
</tr>
<tr>
<td>Mark to market gains/(losses)</td>
<td>118</td>
<td>(112)</td>
</tr>
<tr>
<td>Potential interest on tax</td>
<td>15</td>
<td>91</td>
</tr>
<tr>
<td>US bond redemption</td>
<td>(99)</td>
<td>-</td>
</tr>
<tr>
<td>Net financing costs</td>
<td>(1,208)</td>
<td>(1,291)</td>
</tr>
<tr>
<td>Average cost of debt(^1)</td>
<td>4.9%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

FY 14/15
- Average cost of debt expected to increase due to higher proportion of emerging market debt

\(^1\) Excludes Pramè
Higher effective tax rate

<table>
<thead>
<tr>
<th></th>
<th>FY 13/14 (£bn)</th>
<th>FY 12/13 (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation¹</td>
<td>4,445</td>
<td>2,226</td>
</tr>
<tr>
<td>Tax on re-organisation</td>
<td>(2,210)</td>
<td>-</td>
</tr>
<tr>
<td>VZW tax post 2 September</td>
<td>(1,019)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>403</td>
<td>150</td>
</tr>
<tr>
<td>Adjusted tax expense</td>
<td>1,619</td>
<td>2,376</td>
</tr>
</tbody>
</table>

Effective tax rate

27.3% 24.5%

FY 14/15

• High 20’s % ETR forecast FY 14/15

1. Includes income tax expense from discontinued operations of £1,709m in FY 13/14 and £1,750m in FY 12/13

Continued investment, strong cash flow

<table>
<thead>
<tr>
<th></th>
<th>FY 13/14 (£m)</th>
<th>FY 12/13 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>12,831</td>
<td>13,566</td>
</tr>
<tr>
<td>Capital additions</td>
<td>(7,102)</td>
<td>(6,266)</td>
</tr>
<tr>
<td>Working capital</td>
<td>1,414</td>
<td>410</td>
</tr>
<tr>
<td>Net interest</td>
<td>(1,471)</td>
<td>(1,185)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(3,547)</td>
<td>(2,933)</td>
</tr>
<tr>
<td>VZW tax distribution</td>
<td>2,763</td>
<td>2,389</td>
</tr>
<tr>
<td>Other net dividends</td>
<td>(217)</td>
<td>(348)</td>
</tr>
<tr>
<td>Other</td>
<td>(266)</td>
<td>(25)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>4,405</td>
<td>5,608</td>
</tr>
<tr>
<td>Free cash flow per share (p)</td>
<td>16.6</td>
<td>20.9</td>
</tr>
</tbody>
</table>

• Lower EBITDA driven by revenue decline
• Increased in UK, India, Spain, Germany
• Includes £0.5bn from Project Spring
• Final VZW tax distribution May 2014
Healthy balance sheet position

- Key items within FY 13/14 closing net debt:
  - KDG (100%)
  - VZW proceeds
  - Tax on re-organisation paid
  - Spectrum acquisitions/renewals including deferred Indian spectrum payments
  - Includes Australia and Indus debt of £1.8bn

- Comfortable at around 2x net debt/EBITDA
  - Flexibility if other opportunities arise

- Excludes VZ loan notes (US $5bn)

- Further spectrum auctions in FY 14/15

---

My priorities for FY 14/15

1. Delivering integration synergies from acquisitions
2. Deliver Project Spring returns
3. Continued cost improvement
Priority 1: Acquisition integration

<table>
<thead>
<tr>
<th>Successful integration of business activities</th>
<th>Cable &amp; Wireless Worldwide</th>
<th>TelstraClear</th>
<th>Kabel Deutschland</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Fully integrated sales channels</td>
<td>• Maintained customer base value</td>
<td>• Integration commenced 1 April</td>
<td></td>
</tr>
<tr>
<td>• New converged product launched</td>
<td>• Products &amp; services complement standalone business beyond expectation (security, TV)</td>
<td>• Joint commercial activities - cable offered in 614 stores</td>
<td></td>
</tr>
<tr>
<td>• Product rationalisation under way</td>
<td>• New converged product launched</td>
<td>• Joint fixed branding</td>
<td></td>
</tr>
<tr>
<td>• UK sales of fixed services +48%</td>
<td>• Annual cash flow synergies of £150-200m by FY 15/16</td>
<td>• Annual cost and capex synergies of NZ$170m by 5th full year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Annual cost and capex synergies of NZ$170m by 5th full year</td>
<td>• Annual cost and capex synergies of €300m by 4th full year</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Identified synergies</th>
<th>• 75% of new UK network built</th>
<th>• 87% of cost and capex synergies already secured</th>
<th>• Detailed project plan in place &amp; implementation commenced</th>
</tr>
</thead>
<tbody>
<tr>
<td>progressed with cost and capex synergies</td>
<td>• On-track to deliver international traffic off-net</td>
<td>• Operational &amp; commercial integrations complete</td>
<td>• Integrated Executive team</td>
</tr>
<tr>
<td></td>
<td>• Ahead of business acquisition case</td>
<td>• Network integration ongoing</td>
<td></td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td>• Ahead of business acquisition case</td>
<td>• Network integration ongoing</td>
<td></td>
</tr>
</tbody>
</table>

Priority 2: Project Spring
Investing a total of £19bn in capex over the next 2 years

Phase 1: Deployment and experience
- 4G & 3G pop coverage
- Data sessions >3Mbps
- % of dropped calls
- Homes passed by NGN
- % stores refitted

Phase 2: Customer perception
- Network net promoter score

Phase 3: Commercial impact
- 4G / 3G customers
- Contract churn
- Contract customer ARPU
- Average data usage

Phase 4: Financial results
- Service revenue growth
- EBITDA
**Priority 3: cost savings**

European opex\(^1\) savings delivered – further opportunities targeted

**European opex\(^1\) (£bn)**

<table>
<thead>
<tr>
<th>FY 12/13</th>
<th>FY 13/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.7</td>
<td>6.4</td>
</tr>
</tbody>
</table>

Now in phase 3 of cost delivery programme:

1. **Phase 1 – Procurement & roaming**
   - Central procurement now at €10.2bn

2. **Phase 2 – Backend services**
   - Common ERP
   - Network Operating Centres: 13 to 2
   - Around 13,500 shared service centre employees

3. **Phase 3 – Standardisation of frontend services**
   - Drive online mCare penetration
   - Tariff and product rationalisation
   - Common IT architecture

**FY 13/14 European opex target delivered**

---

**Guidance**

- **FY 13/14 pro forma guidance\(^1\)** met: AOP £4.9bn, FCF £4.8bn
- **Guidance\(^2\)** for FY 14/15:
  - EBITDA £11.4-11.9bn
  - Positive free cash flow after all capex

**EBITDA movements (£bn)**

<table>
<thead>
<tr>
<th>FY 13/14 reported EBITDA</th>
<th>FX</th>
<th>KDG</th>
<th>JV accounting</th>
<th>FY 13/14 restated</th>
<th>Project Spring</th>
<th>Underlying</th>
<th>Guidance(^2) 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.8</td>
<td>(0.6)</td>
<td>0.4</td>
<td>(0.1)</td>
<td>12.5</td>
<td>(0.5)</td>
<td>11.4-11.9</td>
<td></td>
</tr>
</tbody>
</table>

- **Post Project Spring capital intensity reverting to 13-14% of annual revenue**
- **Intention to grow the dividend per share from 11.0p**

---

1. Organic opex includes Europe and Common Functions, excludes restructuring costs and Project Spring.
2. Guidance for FY 14/15 assumes foreign exchange rates of £1:€1.21, £1:¥115.8 and £1:ZAR 18.4. It excludes the impact of licences and spectrum purchases, material one-off tax-related payments, restructuring costs and any fundamental structural change to the Eurozone. It also assumes no material change to the current structure of the Group.

All growth rates shown are organic unless otherwise stated.
Summary

• Some challenges in Europe remain; AMAP increasing contribution to the Group

• Deliver key priorities
  – M&A integration
  – Project Spring
  – Cost savings

• Healthy balance sheet position
  – Project Spring – unique opportunity to differentiate
  – Significant progress on inorganic investments

• Continued focus on shareholder returns
  – Record returns to shareholders following VZW transaction
  – Intention to grow the dividend per share from 11.0p

Operating & commercial review

Vittorio Colao
Group Chief Executive
Germany: continuing revenue pressure; recovering operationally

**Performance**
- Competition pressures on ARPU; rate of decline stabilising
- 0.9m 4G consumer contract customers; 11% of base
- Improving branded contract net adds and churn
- Network performance recovery in H2
- Q4 fixed broadband gross additions +113% at 65k
- KDG +4.0%¹ revenue growth; strong broadband momentum
- FY EBITDA margin 32.6%, -3.4ppt due to higher commercial spend in H2

**Priorities**
- Continue improved commercial performance
- Drive convergence by leveraging KDG integration; cross selling begun
- Strong focus on cost saving initiatives
- Consolidate network improvement and differentiate our services
  - ‘Perfect voice’
  - New store design to c.1,300 stores
  - VDSL sales and rollout to 60% coverage by 2016

---

Italy: contracting market; challenging competitive environment

**Performance**
- Revenue impacted by aggressive prepaid bundle pricing
- Market prices increased in Q4; below the line promotions aggressive
- 240k 4G customers; 35% outdoor coverage in 202 cities
- Continued enterprise customer growth, slower ARPU dilution and churn
- Broadband customers +4.5% at 1.8m; well placed for convergence trend
- FY EBITDA margin 35.6%, -4.7ppt
  - lower revenue
  - partially offset by reduced commercial and operating costs

**Priorities**
- Drive prepaid revenue through ARPU recovery; cross sell Red family plans and broadband services
- Continue enterprise and fixed momentum
- Deliver cost efficiency programmes
- Differentiate our services
  - 4G rollout to >90% outdoor coverage by March 2016
  - Self-build FTTC-VDSL to 130 cities, 6.4m households

---

All growth rates shown are organic.

¹ KDG reported Q4 revenue excluding public broadcasters’ carriage fees.

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All growth rates shown are organic. Italy numbers are presented at 100%.
India: double digit growth, supported by strong data demand

Performance
- 6.2m customer net additions, effective price per minute up YoY
- Data: 10% of service revenues; 7m 3G customers, accelerated 3G roll-out
- 3G roaming permitted; consistent service for customers
- Key spectrum acquired to support our data strategy
- FY EBITDA margin 31.8%, +3.1ppt

Priorities
- Accelerate 3G roll-out and extend 2G coverage
- Roll out small cells and high capacity fibre backhaul to base stations
- Competitive enterprise reach and fibre to enterprise
- Optimise effective rate per minute
- Differentiate our services with M-Pesa

Vodacom: successful pricing strategy in South Africa

Performance
South Africa
- Customer base +4.6% to 39.4m; Q4 net additions +1.3m
- Prepaid ARPU maintained despite falling price per minute
- Data revenue +21.5% with 22% smartphone penetration
- In-bundle service revenue 38% of service revenue
- c.1,000 4G sites, covering 20% of the population\(^1\)
- Vodacom FY EBITDA margin flat at 38.3%

International
- Service revenue +15.2% driven by +22% customer growth
- M-Pesa: launched in all markets with 4.4m active customers; 19% of Tanzania FY service revenue +5ppt

Priorities
South Africa
- Maintain leadership in data; extend 3G & 4G coverage
- High speed backhaul; fibre to the base station
- Enterprise fibre; integrate Neotel

International
- Continue to grow M-Pesa customer base
- Accelerate 2G & 3G site roll out

---

*All growth rates shown are organic, includes Indus Towers*

*1. 128kbps outdoor coverage*
UK: steady recovery; consumer contract service revenue growth

Performance
- 637k 4G customers\(^1\), 48% activation of sport and music offer
- Growing contract base; +5% to 11.7m customers
- Contract churn improved 0.4ppt
- CWW cash flow on track; growing fixed pipeline in Enterprise
- Network KPIs improved significantly; 4G coverage accelerated
- FY EBITDA margin 22.1%, -1.4ppt due to increased commercial investment and CWW dilution

Priorities
- Ramp-up of integrated enterprise sales team; grow fixed revenue
- Differentiate our services
  - Best network, complete London investment
  - 99% 4G outdoor pop coverage by March 2016
  - Strengthen branded distribution; 150 new stores
  - Best customer experience with investment in CRM systems and online sales support
- Further cost savings through continued CWW integration and network JV

Spain: trending positively; growing in broadband

Performance
- Improvement in underlying revenue trend
- 4G outdoor coverage 48% nationwide; 797k customers
- Fixed service revenue +6.0%; reached 1m customers
- Red driving contract churn improvement of 5.1ppt
- Positive enterprise net additions in Q4
- Fibre product launched April; c.400k homes passed
- FY EBITDA margin 22.4%, -3.7ppt

Priorities
- Continue to market converged offers including fibre
- Differentiate our services
  - Accelerate 4G coverage to leadership position
  - Redesign 1,000 retail stores
- Continued co-build fibre deployment
- Integration of Ono
Where we aim to be five years from now

Europe consumer
- Converged in all our key markets
- Leader in mobile

Emerging markets consumer
- Strong leader
- First choice for data

Enterprise
- Major international player with full service offering

Project Spring: turbo-charging differentiation

Always best connected
- Best mobile voice and data (coverage and quality) – 4G/HSPA+
- Competitive in fixed and best converged experience

Unmatched customer experience
- Number one in customer experience – in store, online, on the phone
- Consistent execution across markets

Integrated worry-free solutions
- Simplest connectivity and price plans
- Converged Enterprise product suite
- Innovator in M2M, IP Comms, mCommerce

Cost efficient organisation
- Operating with efficient and effective processes and systems

Strong demand for 4G

4G base doubled QoQ\(^1\) (m)

<table>
<thead>
<tr>
<th></th>
<th>Q3 13/14</th>
<th>Q4 13/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G customers</td>
<td>2.0</td>
<td>5.4</td>
</tr>
<tr>
<td>4G devices</td>
<td>4.7</td>
<td>10.5</td>
</tr>
</tbody>
</table>

Significant uplift in data usage\(^2\) (MB)

<table>
<thead>
<tr>
<th></th>
<th>3G</th>
<th>4G</th>
<th>3G</th>
<th>4G</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G customers</td>
<td>801</td>
<td>1,812</td>
<td>512</td>
<td>917</td>
</tr>
<tr>
<td>4G devices</td>
<td>2.3x</td>
<td>1.8x</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increased app usage (ppt uplift from 3G to 4G)

<table>
<thead>
<tr>
<th>App Type</th>
<th>Travel apps</th>
<th>Cloud storage</th>
<th>Mobile payments</th>
<th>Weather apps</th>
<th>Calls over internet</th>
<th>Streaming audio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uplift</td>
<td>+11</td>
<td>+10</td>
<td>+10</td>
<td>+9</td>
<td>+8</td>
<td>+6</td>
</tr>
</tbody>
</table>

Top 5 apps on 4G
- Internet
- Email
- Download apps
- Social media
- Online shopping

1. Q4 on a like for like basis was 50% up QoQ and includes South Africa and Australia in Q3 13/14
4G and content drive uplift in usage and ARPU

UK bundling strategy increases data usage (Data usage)

Healthy 4G ARPUs¹

UK customers trade up to higher data plans (Customer migration from 3G to 4G in Jan 14)

Customers increasingly exceeding data bundles (% customers)²

12 million Vodafone Red customers

Improving customer loyalty

Net promoter score

Unlocking worry-free usage

Driving more connections per account (%)
Vodafone roaming: market-leading worry-free offer

Daily offer in 15 Vodafone markets
- Vodafone daily offer markets
- Partner Markets

4G roaming available in 9 markets

14m customers on daily tariff
Percentage of EU roaming customers to opt into the daily roaming tariff (%)

<table>
<thead>
<tr>
<th></th>
<th>Consumer</th>
<th>Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE</td>
<td>6 5</td>
<td>28 14</td>
</tr>
<tr>
<td>UK</td>
<td>14 28</td>
<td>32 58</td>
</tr>
<tr>
<td>IT</td>
<td>32 58</td>
<td>37 16</td>
</tr>
<tr>
<td>NL</td>
<td>37 16</td>
<td>14 28</td>
</tr>
</tbody>
</table>

Daily tariff drives usage (MB)

Non-daily 2012: 1.2x
Non-daily 2013: 9.4x
Daily 2013: 1.2x

Unified communications footprint, broadband in 17 markets

<table>
<thead>
<tr>
<th></th>
<th>Enterprise</th>
<th>Consumer</th>
<th>TV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>●●●●</td>
<td>●●●●</td>
<td>●●●●</td>
</tr>
<tr>
<td>Spain</td>
<td>●●●●</td>
<td>●●●●</td>
<td>●●●●</td>
</tr>
<tr>
<td>Italy</td>
<td>●●●●</td>
<td>●●●●</td>
<td>●●●●</td>
</tr>
<tr>
<td>Netherlands</td>
<td>●●●●</td>
<td>●●●●</td>
<td>●●●●</td>
</tr>
<tr>
<td>Portugal</td>
<td>●●●●</td>
<td>●●●●</td>
<td>●●●●</td>
</tr>
<tr>
<td>UK</td>
<td>●●●●</td>
<td>●●●●</td>
<td>●●●●</td>
</tr>
</tbody>
</table>

Fixed broadband net additions improving ('000s)

1. Cohort analysis, UK consumer data
2. Italy at 100%
Emerging markets: data and M-Pesa supporting growth

Emerging market data traffic evolution (Petabytes)

M-Pesa growth and opportunities
- FY 13/14 launched in India, Egypt, Mozambique, Lesotho and Romania
- 16.8m active customers; +18%
- 200k active agents; processed 2.8bn transactions, +27%

India roll-out gaining traction
- Nationwide coverage
- 56,000 agents; 65% in rural areas
- 1.1m registered customers
- Most popular services: money transfer, utility and TV payments

Emerging markets: data and M-Pesa supporting growth

Enterprise: improving momentum in key strategic services

Vodafone Global Enterprise
- Service revenue +2.1%, +5.0% in H2
- AMAP service revenue +15.6%
- Pipeline £6.5bn, +15%; 60% in total communications

M2M
- Revenue +21%
- Connections +35% to 16.2m

Fixed line and convergence
- 23% of Enterprise service revenue, service revenue +2.1%
- One Net in 10 markets: 3.5m customers, +19.7%
- IP-VPN up 4%, taking market share, entering new markets

New units established
- Cloud & Hosting returning to growth: sales orders +161%
- Carrier Services leveraging global footprint and infrastructure

Customer wins

All growth rates relate to FY 13/14
1. Like-for-like growth rate
Project Spring to improve network capability and experience

Improving customer experience
(Data sessions >3Mbps downlink %)

<table>
<thead>
<tr>
<th>Country</th>
<th>March 2014</th>
<th>March 2016 &gt;90%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>ES</td>
<td>85</td>
<td></td>
</tr>
</tbody>
</table>

Build achievements since Sep 2013

- **New 2G sites**
  - For 'perfect voice'
  - To March 2014: 7,000
  - By March 2016: 47,000

- **New 3G sites**
  - Competitive 3G
  - To March 2014: 13,000
  - By March 2016: 73,000

- **New 4G sites**
  - Grow outdoor coverage
  - To March 2014: 7,000
  - By March 2016: 77,000

- **New single RAN installations**
  - Radio modernisation
  - To March 2014: 20,000
  - By March 2016: 106,000

- **New high capacity backhaul sites**
  - For improved data experience
  - To March 2014: 17,000
  - By March 2016: 87,000

Shareholder returns remain a priority

Returns to shareholders (£bn)

- **Return of value**
- **Special dividend**
- **Share buybacks**
- **Ordinary dividends**

- Over £80bn returned to shareholders over last 4 years
- Dividend per share +8% in FY 13/14 to 11p total dividend; +33% since 2010
- Intention to grow dividends per share annually, improved cover post Spring

1. Return of value calculated at £1 = $1.6714
Summary: Vodafone transformation in progress

**FY 13/14**
- Macroeconomic, regulatory and competitive headwinds in Europe
- Some underperformance, already being addressed
- Strong growth in emerging markets
- Significant unified communications progress
- Met pro forma full year guidance

**Priorities FY 14/15**
- Better network and customer experience
- Integration of KDG and completion of Ono
- Progress in unified communications and enterprise
- Sustained data leadership in emerging markets
- Support more favourable regulatory environment
- Significant focus on Project Spring returns

**Q&A**
Appendices

Reconciliation: management to statutory results

<table>
<thead>
<tr>
<th></th>
<th>FY 13/14 management</th>
<th>VZW</th>
<th>Italy</th>
<th>Indus</th>
<th>Australia</th>
<th>Other</th>
<th>FY 13/14 statutory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group revenue</td>
<td>43,616</td>
<td>-</td>
<td>(3,790)</td>
<td>(450)</td>
<td>(1,016)</td>
<td>(14)</td>
<td>38,346</td>
</tr>
<tr>
<td>EBITDA</td>
<td>12,831</td>
<td>-</td>
<td>(1,354)</td>
<td>(262)</td>
<td>(261)</td>
<td>130</td>
<td>11,084</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>(8,181)</td>
<td>-</td>
<td>699</td>
<td>213</td>
<td>207</td>
<td>(36)</td>
<td>(7,098)</td>
</tr>
<tr>
<td>Associates</td>
<td>3,224</td>
<td>(3,169)</td>
<td>402</td>
<td>21</td>
<td>(62)</td>
<td>(92)</td>
<td>324</td>
</tr>
<tr>
<td>AOP</td>
<td>7,874</td>
<td>(3,169)</td>
<td>(253)</td>
<td>(28)</td>
<td>(116)</td>
<td>2</td>
<td>4,310</td>
</tr>
<tr>
<td>Capex</td>
<td>7,102</td>
<td>-</td>
<td>(427)</td>
<td>(81)</td>
<td>(256)</td>
<td>(25)</td>
<td>6,313</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>4,405</td>
<td>-</td>
<td>(641)</td>
<td>(13)</td>
<td>166</td>
<td>266</td>
<td>4,183</td>
</tr>
</tbody>
</table>
## Adjusted earnings per share

<table>
<thead>
<tr>
<th>FY 13/14 (£m)</th>
<th>FY 12/13 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit attributable to equity shareholders</td>
<td>59,254</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(19,318)</td>
</tr>
<tr>
<td>Other tax adjustments(^1)</td>
<td>1,807</td>
</tr>
<tr>
<td>Removal of VZW results and tax after 2 Sept</td>
<td>1,019</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>6,600</td>
</tr>
<tr>
<td>Other income and expense(^2)</td>
<td>1,249</td>
</tr>
<tr>
<td>Customer &amp; brand amortisation</td>
<td>551</td>
</tr>
<tr>
<td>Discontinued and other items</td>
<td>(46,520)</td>
</tr>
<tr>
<td><strong>Net profit for underlying EPS</strong></td>
<td>4,642</td>
</tr>
<tr>
<td>Average share count</td>
<td>26,472</td>
</tr>
<tr>
<td><strong>Underlying adjusted earnings per share (p)</strong></td>
<td>17.54</td>
</tr>
</tbody>
</table>

1. Other tax adjustments includes £2,210m of tax liability relating to rationalisation and reorganisation of non US assets prior to VZW disposal.
2. Other income and expenses primarily relates to restructuring costs of £355 million (£311 million in FY12/13); £712 million loss on deemed disposal of Italy in FY 13/14; and £473 million gain on CWW acquisition in FY 12/13.

## Project Spring KPIs

### Europe

#### Deployment and experience

<table>
<thead>
<tr>
<th>Q1 14/15</th>
<th>Q2 14/15</th>
<th>Q3 14/15</th>
<th>Q4 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G % outdoor population coverage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of data sessions (&gt; 3 Mbps)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of dropped calls</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of homes reached by NGN</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of stores refitted</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Customer perception

- Network NPS

#### Commercial impact

- 4G customers
- Contract churn
- Contract customer ARPU
- Average data usage

#### Financials

- Service revenue growth

### AMAP

#### Deployment and experience

<table>
<thead>
<tr>
<th>Q1 14/15</th>
<th>Q2 14/15</th>
<th>Q3 14/15</th>
<th>Q4 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>3G % outdoor population coverage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of data sessions (&gt; 1 Mbps)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of dropped calls</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of stores refitted</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Customer perception

- Network NPS

#### Commercial impact

- 3G/4G customers
- Blended customer ARPU
- Average data usage

#### Financials

- Service revenue growth
### MTR impact

<table>
<thead>
<tr>
<th></th>
<th>FY 12/13</th>
<th></th>
<th>FY 13/14</th>
<th></th>
<th>FY 14/15e</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£bn</td>
<td>%</td>
<td>£bn</td>
<td>%</td>
<td>£bn</td>
<td>%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(0.66)</td>
<td>(2.5)</td>
<td>(0.67)</td>
<td>(2.6)</td>
<td>(0.8)</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>(0.15)</td>
<td></td>
<td>(0.10)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(0.19)</td>
<td>(1.5)</td>
<td>(0.21)</td>
<td>(1.7)</td>
<td>(1.2)</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>(0.07)</td>
<td></td>
<td>(0.06)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(0.85)</td>
<td>(2.1)</td>
<td>(0.88)</td>
<td>(2.3)</td>
<td>(1.3)</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>(0.22)</td>
<td></td>
<td>(0.16)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### More information

Visit our website for more information: [www.vodafone.com/investor](http://www.vodafone.com/investor)

Upcoming dates:
- Q1 IMS: 25 July
- AGM: 29 July
- Interim results: 11 November

Contact us:
- ir@vodafone.co.uk
- +44 (0) 7919 990 230

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Forward-looking statements are sometimes, but not always, identified by the 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, or the rapid obsolescence of existing technology; higher than expected costs or capital expenditures; rapid changes to existing products and services 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 impact of new or existing products, services or technologies on the Group's future revenue, cost structure and capital expenditure outlays; slower than expected customer growth, reduced customer retention, reductions or changes in customer spending and increased pricing pressure; the Group's ability to expand its spectrum position; 4G/3G allocations and realise expected synergies and benefits associated with 4G/3G; the Group's ability to secure the timely delivery of high quality, reliable handsets, network equipment and other key products from suppliers; loss of suppliers, disruption of supply chains and greater than anticipated prices of new mobile handsets; changes in the costs to the Group of, or the rates the Group may charge for, terminations and roaming; the Group's ability to realise expected benefits from acquisitions, partnerships, joint ventures, franchises, brand licences or other arrangements with third parties, particularly those related to the development of data and internet services; acquisitions and dispositions 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 impact of any unfavourable conditions, regulatory or otherwise; on any pending or future acquisitions or dispositions; 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 capital requirements through borrowing in the capital markets; bank facilities and operations; 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 values; the impact of legal or other proceedings against the Group or other companies in the mobile communications industry; and changes in statutory tax rates and profit tax, 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 the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the heading "Forward-looking statements" in the Group's Half-year financial report for the six months ended 30 September 2015 and 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 2015. The Half-year financial report and the annual report can be found on the Group's website (www.vodafone.com/investor). All subsequent written or oral forward-looking statements attributable to the Company or any member of the Group or any persons acting on 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.