Vodafone Group Plc
Results
For the year ended 31 March 2016

17 May 2016
Disclaimer

Information in this presentation relating to the price at which relevant investments have been bought or sold in the past or the yield on such investments cannot be relied upon as a guide to the future performance of such investments.

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within the Group.

This presentation contains forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995 which are subject to risks and uncertainties because they relate to future events. Some of the factors which may cause actual results to differ from these forward-looking statements are discussed on the final slide of this presentation.

This presentation also contains non-GAAP financial information which the Group’s management believes is valuable in understanding the performance of the Group. However, non-GAAP information is not uniformly defined by all companies and therefore it may not be comparable with similarly titled measures disclosed by other companies, including those in the Group’s industry. Although these measures are important in the assessment and management of the Group’s business, they should not be viewed in isolation or as replacements for, but rather as complementary to, the comparable GAAP measures.

Vodafone, the Vodafone Portrait the Vodafone Speechmark, Vodacom, M-Pesa, Vodafone One and One Net are trade marks of the Vodafone Group. The Vodafone Rhombus is a registered design of the Vodafone Group. Other product and company names mentioned herein may be the trade marks of their respective owners.
Financial performance

- Return to full year service revenue +1.5% and EBITDA +2.7% growth
- Q4 Group service revenue +2.5%; underlying +1.8%
- Stabilisation in Europe, Q4 service revenue +0.5%
- Strong execution continues in AMAP, Q4 service revenue accelerated to +8.1%
- Good cost control, raising synergy targets for KDG and Ono
- Full year guidance met: EBITDA £11.9 billion and free cash flow £1.0 billion on guidance basis

Strategic progress and commercial momentum

- Successful completion of Project Spring build
- Significant improvement in net promoter score: leader in 13/21 markets, improving in 15 markets
- Driving data: 47m 4G customers +126%, 73m 3G data users in emerging markets, data volumes +71%
- Enterprise continues to outperform peers, FY 15/16 +2.1%
- Unified communications: record fixed broadband growth, 30m EU households on-net NGN, strategic agreements in Netherlands and Italy; 21% of Group revenues from fixed
Vodafone’s strategy

A converged communications leader

1 Core footprint

Europe, Africa and India

2 Number 1 or 2 in mobile

Path to Unified communications

3 Four growth engines

1. Data
2. Fixed
3. Emerging markets
4. Enterprise

Deeper and stronger in existing markets
- Organic investment
- Spectrum
- Acquisitions

Leading data network quality in 15/20 markets

UC assets in all key markets

Service revenue

Q4 13/14: (4.0)%
Q4 15/16: 2.5%
Vodafone’s strategy: **substantial investments**

**Capex**
- **203,000** new and upgraded base stations to improve coverage and quality
- **102,000** new high capacity backhaul links for improved data experience

**Spectrum and licences**
- **17** markets have 800/700 spectrum for 4G (vs. 4 in 2013)
- **16** circles in India with 3G/4G to increase data quality

**Acquisitions**
- KDG, Ono, Hellas Online, Cobra
  - acquired leading fixed and IoT companies to become a fully converged operator

**Total**
- **£47bn**
  - **£24.1bn**
  - **£7.7bn**
  - **£14.7bn**

Last 3 years

---

1. Accrued capital expenditure
2. Renewals and acquisitions
3. Internet of Things (‘IoT’) previously called Machine-to-Machine
Vodafone strategy: key programmes

1. PROJECT SPRING
2. CUSTOMER EXPERIENCE: CARE
3. FIT FOR GROWTH / ZBB

FY 13/14
Verizon Wireless disposal
Enhancing the customer experience: **Project Spring**

### Mobile

**Fully modernised network**
- Single RAN sites
- Sept 2013: 97k
- Mar 2016: 212k

**Broad reach**
- EU 4G coverage: 32% → 87%
- India 3G coverage: 83% → 95%

**Enhanced customer experience**
- 3G/4G data sessions >3Mbps:
  - Europe: 76% → 91%
  - AMAP: 1.3% → <0.9%

### Fixed

**Converged service in all key markets**
- Homes reached with own NGN: 14m → 30m
- Fixed broadband customers: 6.9m → 13.4m

### Enterprise

**Enhanced capability**
- Countries IoT platform available: 22 → 30
- IP-VPN PoPs: 171 → 268

1. Targeted urban areas
2. IoT Global SIM available in over 200 countries
3. Points of Presence
Enhancing the customer experience: CARE

C Connectivity that is reliable and secure
- Network satisfaction guaranteed
  - 30 day satisfaction guarantee

A Always in control
- Cost control with no surprises
  - EU & US roaming included in new Red tariffs

R Reward loyalty
- Extra rewards and service
  - 50% discount on prepaid value bundles

E Easy access
- Always available, ask only once
  - In-store experts providing technical expertise
Enhancing the customer experience: NPS leadership

**Consumer NPS (Group average)**

<table>
<thead>
<tr>
<th></th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>(points)</td>
<td>4.7</td>
<td>3.1</td>
<td>2.3</td>
<td>2.0</td>
</tr>
</tbody>
</table>

**Difference to best competitor**

- Leading in 13/21 markets representing ~60% of revenue

**Europe churn reducing**

<table>
<thead>
<tr>
<th></th>
<th>Q2 13/14</th>
<th>Q4 13/14</th>
<th>Q2 14/15</th>
<th>Q4 14/15</th>
<th>Q2 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer contract</td>
<td>18.6</td>
<td>17.9</td>
<td>17.6</td>
<td>17.0</td>
<td>17.0</td>
<td>16.7</td>
</tr>
<tr>
<td>Enterprise</td>
<td>16.2</td>
<td>16.4</td>
<td>14.6</td>
<td>16.4</td>
<td>13.9</td>
<td>15.4</td>
</tr>
</tbody>
</table>
Driving growth: data

Increasing penetration of 4G customers (m)

<table>
<thead>
<tr>
<th></th>
<th>Q4 14/15</th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>20.7</td>
<td>15.9</td>
<td>24.2</td>
<td>30.1</td>
<td>34.8</td>
</tr>
<tr>
<td>Europe</td>
<td>15.9</td>
<td>18.9</td>
<td>24.3</td>
<td>28.1</td>
<td>33.4</td>
</tr>
</tbody>
</table>

- 50% of Europe data is 4G
- EU average smartphone usage 1.1GB
- 5.1m new users in Turkey, India and Albania in Q4

Higher ARPU at lower unit prices

'More for more' in Germany (April 2016)

- Unlimited EU roaming
- Extra 1GB
- LTE max

Other moves:
- Italy (Sept 2015)
- Spain (April 2016)
- UK (May 2016)

Strong data adoption in emerging markets

3G and 4G data users (m) as a % of total data users

- Data volumes +82%\(^1\)
- Average smartphone usage 745MB\(^1,2\) (+41%)

Monetising data growth

South Africa ARPU uplift from device migration (%)

- Average data usage 590MB (+43%); web applications and streaming

1. iOS and Android
2. AMAP
Driving growth: enterprise

Project Spring achievements

- 268 PoPs (+57%) in 70 countries
- Cloud & Hosting in 12 countries
- IoT platform in 30 countries¹
- One Net² in 30 countries

Financial performance

Organic service revenue growth (%)

<table>
<thead>
<tr>
<th></th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Enterprise</td>
<td>0.0</td>
<td>4.4</td>
</tr>
<tr>
<td>Fixed</td>
<td>0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Mobile</td>
<td>2.1</td>
<td></td>
</tr>
</tbody>
</table>

FY 15/16
- Fixed: IP-VPN +8.0%
- Mobile: customers +7.4%, ARPU -7.7%
- VGE service revenue +5.9%
- IoT service revenue +29%; 38m connections +37%

¹ IoT Global SIM available in over 200 countries
² One Net for SMEs, Corporates and multinationals
Driving growth: **fixed and convergence**

### Expanding reach

**Homes reached with NGN broadband**¹

<table>
<thead>
<tr>
<th></th>
<th>Q4 14/15</th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>41</td>
<td>26</td>
<td>26</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>On-net</td>
<td>62</td>
<td>66</td>
<td>66</td>
<td>69</td>
<td>72</td>
</tr>
</tbody>
</table>

¹ Including CWW and international links

- **48%** household coverage in Europe
  - o/w **41%** on-net
  - +246,000km¹² of fibre since Sept 13,
  - Group total now **1 million km³**

### Building scale

**Fixed broadband net adds** (000s)

<table>
<thead>
<tr>
<th></th>
<th>Q4 14/15</th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadband</td>
<td>289</td>
<td>264</td>
<td>228</td>
<td>230</td>
<td>322</td>
</tr>
<tr>
<td>o/w NGN</td>
<td>393</td>
<td>332</td>
<td>382</td>
<td>382</td>
<td>416</td>
</tr>
</tbody>
</table>

### Lowering churn via convergence

**Spain churn**⁴

<table>
<thead>
<tr>
<th></th>
<th>Mobile only</th>
<th>Convergent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churn</td>
<td>26%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Italy churn**⁴

<table>
<thead>
<tr>
<th></th>
<th>Mobile only</th>
<th>Convergent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churn</td>
<td>21%</td>
<td>10%</td>
</tr>
</tbody>
</table>

² Cohort analysis at March 2016. Differs from reported churn which includes converged customers

3. Mobile only

4. Convergent

---

1. Europe
2. Fixed access to premises and mobile backhaul
3. Including CWW and international links

- **Record fixed net adds**;
  - 13.4m broadband users, 6.4m NGN
- **9.5m** TV customers
  - UK and Italy launch in 2016
- **21%** of revenue from fixed

- **2.9m** converged service customers
Convergence: strengthening strategic positions

Netherlands: JV with Ziggo
- Market leading 4G
- 99% coverage
- A stronger converged operator
- Market leading TV platform
- 90% cable coverage

- Merger expected around end 2016
- NPV of synergies €3.5bn
- Integration planning underway

Italy: NGN agreement with Enel

Italian homes reached with NGN

- Enel: cost effective roll-out of FTTH to 224 cities (7.5m households) by 2020
- FTTC roll-out (2.7m to date)
- Metroweb access continues (0.9m to date)
Germany: improved network and commercial execution

Network and NPS
- **Dropped call rate (%):**
  - Q4 13/14: 0.72
  - Q4 15/16: 0.45

- **Data sessions >3Mbps (%):**
  - Q4 13/14: 76
  - Q4 15/16: 85

- **Record low** dropped call rate; leading voice quality
- **4G coverage 87%;** +10ppts YoY
- **Network rating:** P3 #2, NPS #2

Commercial performance
- **Customer net adds (000s):**
  - Q4 14/15: 137
  - Q4 15/16: 245
  - Q1 15/16: 93
  - Q2 15/16: 104
  - Q3 15/16: 66
  - Q4 15/16: 196

- **Mobile contract**
- **Fixed**

- **Fixed remains strong:** DSL net adds +39k (Q3 +9k); KDG stable at +96k
- **Higher mobile churn in indirect channels**
- **Consumer contract ARPU stabilising**
  - -2.3% (Q3 -3.9%)

Financial results
- **Service revenue growth (%):**
  - Q4 14/15: (3.5)
  - Q1 15/16: (1.2)
  - Q2 15/16: (1.8)
  - Q3 15/16: (0.4)
  - Q4 15/16: 1.6

- **Mobile revenue +0.3% (Q3 -1.7%)**
  - Consumer contract +1.2% (Q3 +0.2%)
  - Enterprise -3.3%; ARPU pressure
- **Fixed revenue +3.8% (Q3 +1.7%)**
  - KDG +9.3%¹ (Q3 +7.0%), DSL declining
- **FY '16 EBITDA +2.1%;** margin **32.6%**
  - M&A synergies, A&R efficiency

¹. 8.0% after one-off from reclassification of CPE revenue from non-service revenue to service revenue
Italy: network leadership supporting return to growth

Network and NPS

Customer network perception  (points)
Relative score (gap to best competitor)

- **3.6m** NGN homes passed
  - Enel: fibre access on competitive terms
- Leading mobile network;
  4G coverage **95%**
- Network rating: P3 #1, NPS #1

Commercial performance

Customer net adds  (000s)

- Consumer mobile continues to improve
  - MNP¹ -67k vs. -351k in FY ‘15
- Fixed momentum remains strong
  - 50% of gross adds taking fibre
    (total base: 297k)
  - prices remain under pressure

Financial results

Service revenue growth  (%)

- Mobile revenue **+1.6%** (Q3 +0.1%)
  - Consumer prepaid ARPU **+12.6%**
- Fixed revenue **-0.2%** (Q3 -2.5%)
  - increased store sales and brand association
- FY ’16 EBITDA **+3.1%**; margin **33.5%**
  - revenue decline offset by cost saving

1. Mobile Number Portability
UK: leading network in London, enterprise improved

Network and NPS

Dropped call rate (%)

- Dropped call rate improving, further progress expected
- 4G coverage 91%, 99.5% in London
- Network rating: Overall NPS #3, o/w Enterprise #1

Commercial performance

Customer net adds (000s)

- Contract net adds impacted by billing system migration issues
- Q4 churn:
  - consumer contract 18.9% (+1.1ppt)
  - enterprise: 16.5% (-1.2ppt)
- 7.0m 4G customers, +0.7m QoQ
- Consumer broadband: 38k customers

Financial results

Service revenue growth (%)

- Mobile revenue -1.9% (Q3 -1.0%)
  - OOB spend, 08XX regulation, higher churn
- Fixed revenue +5.5% (Q3 +0.2%)
  - strong carrier and improved execution
- FY '16 EBITDA +1.2%; margin 20.9%
  - lower A&R on improved channel mix, opex savings

1. Ofcom basis, Vodafone basis 84%
Spain: market leading NPS and brand consideration

Network and NPS
Customer network perception (points)
Relative score (gap to best competitor)

- Dropped call rate -24% to 0.44%, 91% 4G coverage
- Network rating: P3 #1, NPS #1
- Fibre: 8.5m homes passed
  - Supportive of new regulated fibre access terms

Commercial performance
Customer net adds (000s)

- Mobile contract
- Fixed

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Mobile contract</th>
<th>Fixed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 14/15</td>
<td>14</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>Q1 15/16</td>
<td>34</td>
<td>34</td>
<td>68</td>
</tr>
<tr>
<td>Q2 15/16</td>
<td>54</td>
<td>54</td>
<td>108</td>
</tr>
<tr>
<td>Q3 15/16</td>
<td>41</td>
<td>41</td>
<td>82</td>
</tr>
<tr>
<td>Q4 15/16</td>
<td>92</td>
<td>92</td>
<td>184</td>
</tr>
<tr>
<td></td>
<td>83</td>
<td>83</td>
<td>166</td>
</tr>
<tr>
<td></td>
<td>79</td>
<td>79</td>
<td>158</td>
</tr>
<tr>
<td></td>
<td>105</td>
<td>105</td>
<td>210</td>
</tr>
</tbody>
</table>

Financial results
Service revenue growth (%)

- ARPU trends stabilising
- Strong customer growth
  - Contract mobile +3%, fixed +8%
- FY '16 EBITDA +4.2%; margin 25.2%
  - Cost control, handset financing benefit and Ono synergies offset higher content costs

Spain: market leading NPS and brand consideration

- ARPU trends stabilising
- Strong customer growth
  - Contract mobile +3%, fixed +8%
- FY '16 EBITDA +4.2%; margin 25.2%
  - Cost control, handset financing benefit and Ono synergies offset higher content costs
Vodacom: leveraging leading network, growing data demand

Network and NPS

SA customer network perception (points)
Relative score (gap to best competitor)

- Data leadership: 19m customers, +13%
- Coverage: 3G **99%**, 4G **58%**
- Network rating: P3 #1, NPS #1

Commercial performance

South Africa 4G customers (m)

- Customer growth **+11.0%** to 43m
  - record low contract churn **6.9%**
- Data bundles +70%, data revenue 36% of service revenue
- Contract ARPU **+7.9%**, voice ARPU trends improving

Financial results

Vodacom service revenue growth (%)

- SA: Consumer and Enterprise growth
- Int’ls: data and M-Pesa driving growth
- Group FY ’16 EBITDA **+12.7%**: margin **38.2%**, +3.6ppt
  - tight cost control / accounting change

All figures relate to South Africa unless otherwise stated
India: re-accelerating; voice stabilisation, data growth

**Network and NPS**

- **Customer network perception (points)**
  - Q4 14/15: 2
  - Q1 15/16: 1
  - Q2 15/16: 0
  - Q3 15/16: 1
  - Q4 15/16: 0

- **3G coverage 95%**, Spring target met
- **+40k** 3G sites since Sep 2013 to 55k
- **Network rating**: NPS #1, #2 in sites

**Commercial performance**

- **3G customers (m) 3G% of data users**
  - Q4 14/15: 19.4
  - Q1 15/16: 22.1
  - Q2 15/16: 23.8
  - Q3 15/16: 25.9
  - Q4 15/16: 27.4

- **Total net adds +4.3m, quality improving**:
  - 54% smartphone penetration (PY 44%) 2
  - avg. 3G usage ~800MB (4x 2G)

- **Focusing 4G on high value circles**
  - 4G circles account for **45%** of data revenues, >60% by year end

**Financial results**

- **Reported**
  - Q4 14/15: 13.1
  - Q1 15/16: 11.5
  - Q2 15/16: 10.9
  - Q3 15/16: 7.6
  - Q4 15/16: 10.2

- **Regulatory impact**
  - Q4 14/15: 5.1
  - Q1 15/16: 4.6
  - Q2 15/16: 5.3
  - Q3 15/16: 5.3
  - Q4 15/16: 4.9

- **Underlying growth**
  - Q4 14/15: 10.2
  - Q1 15/16: 4.9
  - Q2 15/16: 5.3
  - Q3 15/16: 5.3
  - Q4 15/16: 4.9

- **Moderation in price competition**
  - voice prices -7% (Q3 -10%) +1% QoQ
  - data prices -9% (Q3 -16%)

- **FY '16 EBITDA +4.1%; growth and opex savings, mitigated by regulatory impacts**

---

1. In targeted urban areas
2. In the four metro circles
3. Regulatory factors include MTRs, service tax, roaming price caps and other items
## Other key markets

<table>
<thead>
<tr>
<th>Network NPS rank&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Commercial performance (in Q4)</th>
<th>Financial results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turkey</strong></td>
<td>• Contract net adds +325k,</td>
<td>Q4 service revenue</td>
</tr>
<tr>
<td></td>
<td>• Data: revenue +89%, volumes +129%</td>
<td>+22.3%</td>
</tr>
<tr>
<td></td>
<td>• Fixed broadband +83k</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4G launched; 4.6m users</td>
<td></td>
</tr>
<tr>
<td><strong>#1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>• 4G users +0.5m to 2.0m</td>
<td>Q4 service revenue</td>
</tr>
<tr>
<td></td>
<td>• Increased convergence price pressure</td>
<td>-1.3%</td>
</tr>
<tr>
<td></td>
<td>• JV agreement with Ziggo</td>
<td></td>
</tr>
<tr>
<td><strong>#2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Egypt</strong></td>
<td>• Market share leader 40%</td>
<td>Q4 service revenue</td>
</tr>
<tr>
<td></td>
<td>• Data: revenue +37%, volumes +73%</td>
<td>+11.2%</td>
</tr>
<tr>
<td><strong>#1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Portugal</strong></td>
<td>• Strong broadband +26k and mobile contract growth</td>
<td>Q4 service revenue</td>
</tr>
<tr>
<td></td>
<td>• 2.4m HH fibre reach</td>
<td>+3.5%</td>
</tr>
</tbody>
</table>

1. Turkey; consumer NPS
What’s next: Vodafone strategy 2020

1. PROJECT SPRING

FY 13/14
Verizon Wireless disposal

2. CUSTOMER EXPERIENCE: CARE

3. FIT FOR GROWTH / ZBB

- Mobile 4G+/5G
- Converged
- Virtualised / Cloud based

- Best in class service
- Digital marketing and care
- Leader/co-leader in each market

- Efficient & agile organisation
Our vision for 2020

4G+/5G

Fiberisation

Gigabit Vodafone

Cloud

Internet of Things
Our strategy to maintain leadership

**Mobile**
- Video everywhere
- High speed
- Low latency
- Internet of Things

**Fixed**
- Gigabit speed
- Rapid deployment for Enterprise

**IT**
- Flexible and agile
- Low cost systems
- Digital company

**Services**

**Cloud**

Converged services

Leverage scale advantage through Cloud technologies
## 2020 Technology Goals

### Mobile
- 5G launched and 3G shutdown in Europe
- >95% of sites with fibre in European cities¹
- All 4G sites with NB-IoT²

### Fixed
- DOCSIS 3.1
- FTTH enabled with Next Generation PON
- Virtual CPE

### IT
- Transform to converged modern billing & CRM
- 50% Time-to-market improvement
- Vendors reduced by two thirds

### Services
- Cloud-based TV available for all markets
- Customer journeys across all digital channels

### Cloud
- 50% network functions virtualised, supported by Software Defined Networks
- End-to-end service provisioning time reduced <1 week
- 65% IT applications in the Cloud through Vodafone Cloudstore

---

¹ European cities >100k population
² Narrow Band Internet of Things
Financial review

Nick Read
Group Chief Financial Officer
Organic EBITDA growing faster than revenue, acceleration in H2

Organic service revenue (£bn)$^1$

<table>
<thead>
<tr>
<th></th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.3</td>
<td>36.8</td>
<td></td>
</tr>
</tbody>
</table>

YoY growth: -1.6% → +1.5%

Organic EBITDA (£bn)$^1$

<table>
<thead>
<tr>
<th></th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.2</td>
<td>11.5</td>
<td></td>
</tr>
</tbody>
</table>

H2: +2.0% → +3.6%

Organic EBIT (£bn)$^1$

<table>
<thead>
<tr>
<th></th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

H2: -6.1%

---

1. Excluding acquisitions; FY 14/15 restated for FY 15/16 foreign exchange rates
Broad based underlying service revenue improvement

Q4 15/16 organic service revenue (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Q4 15/16 %</th>
<th>FY 15/16 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>22.3</td>
<td>+19.7</td>
</tr>
<tr>
<td>Ghana</td>
<td>21.3</td>
<td>+18.1</td>
</tr>
<tr>
<td>Egypt</td>
<td>11.2</td>
<td>+8.9</td>
</tr>
<tr>
<td>Romania</td>
<td>7.7</td>
<td>+5.6</td>
</tr>
<tr>
<td>Vodacom</td>
<td>6.3</td>
<td>+5.4</td>
</tr>
<tr>
<td>India</td>
<td>5.3</td>
<td>+5.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>3.5</td>
<td>+0.3</td>
</tr>
<tr>
<td>Ireland</td>
<td>2.4</td>
<td>+1.9</td>
</tr>
<tr>
<td>Germany</td>
<td>1.6</td>
<td>-0.4</td>
</tr>
<tr>
<td>Italy</td>
<td>1.3</td>
<td>-0.8</td>
</tr>
<tr>
<td>Spain²</td>
<td>0.6</td>
<td>-0.3</td>
</tr>
<tr>
<td>Greece</td>
<td>0.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>UK</td>
<td>0.1</td>
<td>-0.3</td>
</tr>
<tr>
<td>NL</td>
<td>-1.3</td>
<td>+0.3</td>
</tr>
</tbody>
</table>

Group +2.5% (underlying +1.8%) ¹

¹ Underlying growth excludes leap year benefit and accounting reclassifications

² Excluding impact of handset financing
Quality of revenues improving

Absolute organic service revenue growth YoY (£bn)

- Retail
- Wholesale

Drivers of improvement
- Greater emphasis on branded channels
- Strong fixed line performance
- Disciplined approach to MVNOs

1. Wholesale includes MVNO, Carrier Services and visitor revenue, excludes incoming revenues
Resilience of our European service revenue

1. Includes wholesale, visitor and other revenue
2. Includes Carrier Services

- Consumer fixed
  - Strong commercial momentum, growing market share

- Consumer prepaid
  - Stabilising through successful commercial execution and 2nd brands

- Consumer mobile contract out-of-bundle
  - -7.6%

- Consumer mobile contract in-bundle
  - Monetising data and upselling customers via 'more for more'

- Enterprise²
  - Unique global scale and multiple pillars of growth

FY 15/16

1. Other includes wholesale, visitor and other revenue
2. Enterprise includes Carrier Services
Delivering operational leverage – Fit for Growth

Scope: Total Fit for Growth costs £23.1bn + capex

Centralised procurement and Shared Services
ZBB / productivity targeting
M&A synergy capture

Technology costs £5.0bn
Network & IT transformation

4
5
6

Support costs £1.3bn
Other £0.3bn
Direct costs £5.5bn
Customer costs £11.0bn

Commercial efficiency
Direct cost optimisation

FY 15/16 cost base (excl. interconnect)
Subsidy and commission £6.4bn
Sales, marketing, distn and care £4.6bn
Direct cost optimisation

Total Fit for Growth FY15/16
Sales, marketing, distn and care £4.6bn
Direct costs £5.5bn
Customer costs £11.0bn
Support costs £1.3bn
Other £0.3bn
Technology costs £5.0bn
Network & IT transformation £3.2bn
Other £0.3bn
Centralised procurement and Shared Services £1.3bn
ZBB / productivity targeting £3.2bn
M&A synergy capture £3.2bn

Scope: Total Fit for Growth costs £23.1bn + capex

Delivering operational leverage – Fit for Growth

Centralised procurement and Shared Services
ZBB / productivity targeting
M&A synergy capture

Technology costs £5.0bn
Network & IT transformation

4
5
6

Support costs £1.3bn
Other £0.3bn
Direct costs £5.5bn
Customer costs £11.0bn

Commercial efficiency
Direct cost optimisation

FY 15/16 cost base (excl. interconnect)
Subsidy and commission £6.4bn
Sales, marketing, distn and care £4.6bn
Direct cost optimisation

Total Fit for Growth FY15/16
Sales, marketing, distn and care £4.6bn
Direct costs £5.5bn
Customer costs £11.0bn
Support costs £1.3bn
Other £0.3bn
Technology costs £5.0bn
Network & IT transformation £3.2bn
Other £0.3bn
Centralised procurement and Shared Services £1.3bn
ZBB / productivity targeting £3.2bn
M&A synergy capture £3.2bn

Scope: Total Fit for Growth costs £23.1bn + capex
Delivering operational leverage – Fit for Growth

Commercial efficiency

European A&R intensity falling

Efficiency improvements

FY 15/16

<table>
<thead>
<tr>
<th>Channel productivity and quality</th>
<th>Mobile gross adds(^1) (branded channels)</th>
<th>36%</th>
<th>+5ppt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group broadband net adds</td>
<td></td>
<td>60%</td>
<td>+3ppt</td>
</tr>
<tr>
<td>Lower subsidies(^2)</td>
<td></td>
<td>1.3m</td>
<td>+11%</td>
</tr>
<tr>
<td>Increasing online penetration</td>
<td>My Vodafone app</td>
<td>36%</td>
<td>+11ppt</td>
</tr>
</tbody>
</table>

1. Direct channel share of consumer contract gross adds
2. Average mobile subsidy per gross add

15%
17%
19%
21%
23%

Q1 14/15 14/15 14/15 15/16 15/16 15/16 15/16
Delivering operational leverage – Fit for Growth

Network and IT transformation

Technology opex (£bn)

- FY 15/16: 5.0
- Incremental Project Spring costs (FY 14-16): +£0.3bn
- Project Spring annualised: +£0.2bn

Project Spring build complete

IT (cost & capex) as a % of revenue

- FY 15/16: 5.5%
- FY 20/21: 3.5 - 4.0%

To become ‘as modern in IT as we are in networks’
Delivering operational leverage – Fit for Growth

Centralised procurement and Shared Services

Increasing centralised spend
% of total spend through VPC

<table>
<thead>
<tr>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>53</td>
<td>60</td>
<td>74</td>
</tr>
</tbody>
</table>

- FY 18/19 target 80%
- Exceeding world class benchmarks
- Moving from price discount to cost component build up

Consolidating our supplier base (000s)

<table>
<thead>
<tr>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>15</td>
<td>11¹</td>
</tr>
</tbody>
</table>

Shared Services

<table>
<thead>
<tr>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>£300m</td>
<td>£400m</td>
</tr>
</tbody>
</table>

- Ambition £600m+
- Excluding M&A activity

Savings
- Focus and scale
- Efficiency drivers and benefits

Labour arbitrage
Process reengineering
AI/automation
Delivering operational leverage – Fit for Growth

5 Zero-based budgeting

Group support functions

£100m

Absolute net cost savings achieved in year 1

Group Operations

Multi-year margin targets

Countries growing EBITDA > service revenue

10 FY 12-15

15 FY 15/16

24 Current 3 year target

Out of 26 countries
Delivering operational leverage – Fit for Growth

Cost & capex synergies raised to €6.3bn (+€1.3bn over acquisition business case)

<table>
<thead>
<tr>
<th>Cost &amp; capex synergies Yr4</th>
<th>Original target</th>
<th>New target</th>
<th>Original target</th>
<th>New target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€240m</td>
<td>€300m</td>
<td>€300m</td>
<td>€300m</td>
</tr>
<tr>
<td>NPV</td>
<td>€2.0bn</td>
<td>€2.8bn</td>
<td>€3.0bn</td>
<td>€3.5bn(^1)</td>
</tr>
<tr>
<td>Network</td>
<td>Ahead</td>
<td></td>
<td></td>
<td>Slightly behind</td>
</tr>
<tr>
<td>Cost &amp; capex one-offs</td>
<td>FTTH capex avoidance and MVNO migration complete</td>
<td>ULL avoidance on-track migrations slightly behind</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement and central functions</td>
<td>Ahead</td>
<td>Ahead</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue synergies</td>
<td>Cross sell performance on-track Early launch of Vodafone One</td>
<td>Strong momentum maintained +7.5% FY 15/16 growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. NPV increases given higher savings run-rate in year 5 and beyond driven by higher procurement savings
Composition of organic FY EBITDA growth

<table>
<thead>
<tr>
<th>Component</th>
<th>FY 15/16</th>
<th>FY 14/15</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU mobile contract net adds (000s)</td>
<td>1,826</td>
<td>1,209</td>
<td>+617</td>
</tr>
<tr>
<td>Fixed broadband net adds (000s)</td>
<td>1,324</td>
<td>928</td>
<td>+396</td>
</tr>
<tr>
<td>Consumer contract churn</td>
<td>18.1%</td>
<td>18.7%</td>
<td>0.6ppt</td>
</tr>
<tr>
<td>Enterprise churn</td>
<td>16.1%</td>
<td>16.9%</td>
<td>0.8ppt</td>
</tr>
</tbody>
</table>

Organic FY 14/15 EBITDA: 11.2
Gross margin: 0.5
Customer costs: 0.1
Technology costs: (0.2)
Support costs: (0.1)
Organic FY 15/16 EBITDA: 11.5
Broad based EBITDA improvements across our top markets

Absolute organic EBITDA growth YoY (£m)

FY 14/15
-7% YoY
c.-£800m

FY 15/16
+2.7% YoY
c.+£300m
Investing to sustain leading network quality & growth

Capital intensity (% of revenue)

Spring base case 13 - 14%

New Post-Spring target 'Mid-teens'

Drivers:

Mobile
- EU: further 4G densification / preparing to lead in 5G
  - >95% sites with fibre in European cities
- AMAP: accelerate 4G expansion

Fixed
- Gigabit technology leader
  - New fibre footprint expansion (Southern Europe)
  - Rapid DOCSIS 3.1 deployment
  - Customer success led CPE
### Free cash flow reflecting Project Spring investment

<table>
<thead>
<tr>
<th></th>
<th>FY 15/16 (£m)</th>
<th>FY 14/15 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>11,612</td>
<td>11,915</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(8,599)</td>
<td>(9,197)</td>
</tr>
<tr>
<td>Working capital</td>
<td>(386)</td>
<td>(121)</td>
</tr>
<tr>
<td>Net interest</td>
<td>(1,026)</td>
<td>(994)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(689)</td>
<td>(758)</td>
</tr>
<tr>
<td>Dividends received¹</td>
<td>67</td>
<td>224</td>
</tr>
<tr>
<td>Dividends to non-controlling interests</td>
<td>(223)</td>
<td>(247)</td>
</tr>
<tr>
<td>Other²</td>
<td>257</td>
<td>266</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>1,013</strong></td>
<td><strong>1,088</strong></td>
</tr>
</tbody>
</table>

- Project Spring investment complete
- Underlying effective tax rate 28.8%, medium-term rate now expected to be mid-20s

---

1. Principally relating to Safaricom (Safaricom and Indus in FY 14/15)
2. Relates to cash movements on share based payments and disposal of capital assets
Our Balance sheet is robust

Balance sheet movement (£bn)

- Mar 2015: 22.3
- Spectrum: 5.0
- Dividends paid: 3.0
- Convertible issue: (2.8)
- Other/FX: 1.7
- Mar 2016: 29.2

Net debt / EBITDA: 2.5x

Headroom created and life of facilities extended

- BBB+ credit rating

Actions:
- Mandatory convertible bonds (£2.9bn) - aligning with VZW loan notes
- €6bn of EMTN bonds raised - avg. life 6.6yrs, weighted avg. interest cost of 1.55%
- Continued focus on portfolio management

1. Includes the cost of future coupon payments

- Average cost of net debt: 4.7%
- Average life of debt: 6.3yrs

FY 15/16
Guidance for FY 16/17

Guidance for FY 16/17 is based on our current assessment of the global macroeconomic outlook and assume foreign exchange rates of €1: £0.79, €1:INR 76.4, €1:ZAR 16.5, €1:TRY 3.2 and €1:EGP 9.8. It excludes the impact of licences and spectrum payments, material one-off tax-related payments, restructuring costs and any fundamental structural change to the Eurozone, including a potential decision by the United Kingdom to leave the European Union. It also assumes no material change to the current structure of the Group.

Organic EBITDA growth of **3% - 6%**
Free cash flow of at least **€4bn**

1. Guidance for FY 16/17 is based on our current assessment of the global macroeconomic outlook and assume foreign exchange rates of €1: £0.79, €1:INR 76.4, €1:ZAR 16.5, €1:TRY 3.2 and €1:EGP 9.8. It excludes the impact of licences and spectrum payments, material one-off tax-related payments, restructuring costs and any fundamental structural change to the Eurozone, including a potential decision by the United Kingdom to leave the European Union. It also assumes no material change to the current structure of the Group.
We intend to grow the dividend

Dividend cover (€bn)

- **FY 16/17**
  - Current dividend: 'At least €4bn'
  - Project Spring working capital
  - Underlying FY 16/17 FCF guidance

Management long term incentives aligned to FCF\(^1\) growth (€bn)

- **3 year cumulative**
  - Minimum: 13.8
  - Average: 16.3
  - Maximum: 18.8

---

1. FCF: Operating free cash flow after cash flows in relation to taxation, interest, dividends received from associates and investments and dividends paid to non-controlling shareholders in subsidiaries, but before restructuring costs and licence and spectrum payments.
2. FY 15/16 dividend per share of €14.48c/share (based off year end FX rate of 1.2647 €/£)
## Summary

### FY 15/16 achievements

- Project Spring build completed
- NPS leadership improved
- Record fixed broadband growth
- Strategic position enhanced in Italy / Netherlands
- Group service revenue +1.5%, Europe stabilised
- Organic EBITDA growth faster than revenues (+2.7%)
- Dividend per share +2.0% to 11.45p

### Priorities FY 16/17 and beyond

- Customer ‘CARE’
- Monetise data growth, ‘More4More’
- Technology roadmap
- Engage regulators, Incumbent re-monopolisation risk
- Efficiency and margin expansion
- Portfolio optimisation; India IPO
- Shareholder returns
Q&A
Appendix
Project Spring | Mobile build programme 108% delivered

Build progress from Sept 2013 to March 2016

Europe
- 4G outdoor coverage +55ppt to 87% (target 91%)
- Single RAN +40ppt to 93% (target 97%)
- High capacity backhaul +25ppt to 90% (target 98%)

AMAP
- 3G/4G outdoor coverage (excl. India) +10ppt to 85% (target 84%)
- 4G coverage +36ppt to 37% (excl. India)
- India 3G coverage in targeted urban areas now 95% (target 95%) + additional circles
- Single RAN +29ppt to 58% (target 51%)
- High capacity backhaul +28ppt to 63% (target 52%)

March 2016 delivery against Sept 2013 targets

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>Delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G sites</td>
<td>77,000</td>
<td>76,000</td>
</tr>
<tr>
<td>3G sites</td>
<td>73,000</td>
<td>77,000</td>
</tr>
<tr>
<td>2G sites</td>
<td>47,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Single RAN</td>
<td>106,000</td>
<td>115,000</td>
</tr>
<tr>
<td>High capacity backhaul</td>
<td>87,000</td>
<td>102,000</td>
</tr>
</tbody>
</table>
Project Spring | Mobile customer experience targets achieved

Customer experience progress since Sept 13

**Europe**
- 4G live in all 13 markets; 4G+ live in 12 markets
- Data sessions >3Mbps +15ppt to 91% (target 90%)

**AMAP**
- 4G live in 8 markets; 4G+ live in 5 markets
- HD Voice live in 8 markets

---

**Voice quality improvements since Sept 13**

<table>
<thead>
<tr>
<th>Dropped Call Rate (%)</th>
<th>Call Setup Success (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 13/14</td>
<td>Q4 14/15</td>
</tr>
<tr>
<td>0.90</td>
<td>99.8</td>
</tr>
<tr>
<td>0.59</td>
<td>99.8</td>
</tr>
<tr>
<td>0.60</td>
<td>99.9</td>
</tr>
<tr>
<td>0.46</td>
<td></td>
</tr>
</tbody>
</table>

Target: <0.50 (Q2 13/14), Target: >99.2

<table>
<thead>
<tr>
<th>Dropped Call Rate (%)</th>
<th>Call Setup Success (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 13/14</td>
<td>Q4 14/15</td>
</tr>
<tr>
<td>1.30</td>
<td>99.2</td>
</tr>
<tr>
<td>1.02</td>
<td>99.4</td>
</tr>
<tr>
<td>0.99</td>
<td>99.3</td>
</tr>
<tr>
<td>0.86</td>
<td></td>
</tr>
</tbody>
</table>

Target: <1.00 (Q4 13/14), Target: >99.0

---
### Project Spring KPIs

#### Germany

<table>
<thead>
<tr>
<th></th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deployment and experience</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4G % outdoor population coverage</td>
<td>78%</td>
<td>81%</td>
<td>84%</td>
<td>87%</td>
</tr>
<tr>
<td>% of data sessions &gt;3Mbps</td>
<td>82%</td>
<td>82%</td>
<td>84%</td>
<td>85%</td>
</tr>
<tr>
<td>% of dropped calls</td>
<td>0.54%</td>
<td>0.58%</td>
<td>0.48%</td>
<td>0.45%</td>
</tr>
<tr>
<td>% homes reached by owned NGN</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>% of targeted stores refitted</td>
<td>28%</td>
<td>39%</td>
<td>49%</td>
<td>50%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial impact</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4G customers (m)</td>
<td>5.5</td>
<td>6.5</td>
<td>6.9</td>
<td>7.9</td>
</tr>
<tr>
<td>Contract churn (%)</td>
<td>13.8%</td>
<td>15.5%</td>
<td>16.2%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Contract mobile ARPU (EUR)</td>
<td>25.9</td>
<td>25.7</td>
<td>25.4</td>
<td>24.9</td>
</tr>
<tr>
<td>Average smartphone data usage (MB)</td>
<td>593</td>
<td>632</td>
<td>685</td>
<td>764</td>
</tr>
</tbody>
</table>

#### UK

<table>
<thead>
<tr>
<th></th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deployment and experience</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4G % outdoor population coverage</td>
<td>68%</td>
<td>75%</td>
<td>79%</td>
<td>84%</td>
</tr>
<tr>
<td>% of data sessions &gt;3Mbps</td>
<td>86%</td>
<td>87%</td>
<td>89%</td>
<td>89%</td>
</tr>
<tr>
<td>% of dropped calls</td>
<td>0.75%</td>
<td>0.77%</td>
<td>0.70%</td>
<td>0.65%</td>
</tr>
<tr>
<td>% homes reached by owned NGN</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>% of targeted stores refitted</td>
<td>55%</td>
<td>70%</td>
<td>81%</td>
<td>88%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial impact</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4G customers (m)</td>
<td>4.0</td>
<td>5.3</td>
<td>6.3</td>
<td>7.0</td>
</tr>
<tr>
<td>Contract churn (%)</td>
<td>15.8%</td>
<td>15.6%</td>
<td>16.9%</td>
<td>17.9%</td>
</tr>
<tr>
<td>Contract mobile ARPU (GBP)</td>
<td>26.6</td>
<td>26.4</td>
<td>26.1</td>
<td>25.9</td>
</tr>
<tr>
<td>Average smartphone data usage (MB)</td>
<td>1,014</td>
<td>1,183</td>
<td>1,363</td>
<td>1,389</td>
</tr>
</tbody>
</table>
## Project Spring KPIs

### Italy

<table>
<thead>
<tr>
<th>Deployment and experience</th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G % outdoor population coverage</td>
<td>88%</td>
<td>91%</td>
<td>94%</td>
<td>95%</td>
</tr>
<tr>
<td>% of data sessions &gt;3Mbps</td>
<td>94%</td>
<td>92%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>% of dropped calls</td>
<td>0.60%</td>
<td>0.62%</td>
<td>0.53%</td>
<td>0.46%</td>
</tr>
<tr>
<td>% homes reached by owned NGN</td>
<td>5%</td>
<td>7%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>% of targeted stores refitted</td>
<td>94%</td>
<td>96%</td>
<td>97%</td>
<td>97%</td>
</tr>
</tbody>
</table>

### Commercial impact

<table>
<thead>
<tr>
<th></th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G customers (m)</td>
<td>2.7</td>
<td>4.0</td>
<td>5.0</td>
<td>6.5</td>
</tr>
<tr>
<td>Prepaid churn (%)</td>
<td>32.4%</td>
<td>32.1%</td>
<td>32.2%</td>
<td>30.3%</td>
</tr>
<tr>
<td>Prepaid mobile ARPU (EUR)</td>
<td>11.4</td>
<td>12.2</td>
<td>12.7</td>
<td>12.4</td>
</tr>
<tr>
<td>Average smartphone data usage (MB)</td>
<td>981</td>
<td>1,254</td>
<td>1,313</td>
<td>1,461</td>
</tr>
</tbody>
</table>

### Spain

<table>
<thead>
<tr>
<th>Deployment and experience</th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G % outdoor population coverage</td>
<td>78%</td>
<td>80%</td>
<td>86%</td>
<td>91%</td>
</tr>
<tr>
<td>% of data sessions &gt;3Mbps</td>
<td>83%</td>
<td>81%</td>
<td>86%</td>
<td>87%</td>
</tr>
<tr>
<td>% of dropped calls</td>
<td>0.58%</td>
<td>0.60%</td>
<td>0.50%</td>
<td>0.44%</td>
</tr>
<tr>
<td>% homes reached by owned NGN</td>
<td>46%</td>
<td>46%</td>
<td>47%</td>
<td>49%</td>
</tr>
<tr>
<td>% of targeted stores refitted</td>
<td>30%</td>
<td>34%</td>
<td>40%</td>
<td>41%</td>
</tr>
</tbody>
</table>

### Commercial impact

<table>
<thead>
<tr>
<th></th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G customers (m)</td>
<td>3.3</td>
<td>4.3</td>
<td>4.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Contract churn (%)</td>
<td>18.1%</td>
<td>20.1%</td>
<td>19.6%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Contract mobile ARPU (EUR)</td>
<td>20.1</td>
<td>20.5</td>
<td>19.6</td>
<td>18.8</td>
</tr>
<tr>
<td>Average smartphone data usage (MB)</td>
<td>1,097</td>
<td>1,063</td>
<td>1,254</td>
<td>1,537</td>
</tr>
</tbody>
</table>
## Project Spring KPIs

### India

<table>
<thead>
<tr>
<th>Deployment and experience</th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>3G % outdoor population coverage (targeted urban areas)</td>
<td>91%</td>
<td>94%</td>
<td>94%</td>
<td>95%</td>
</tr>
<tr>
<td>% of data sessions (&gt;400kbps)</td>
<td>74%</td>
<td>75%</td>
<td>79%</td>
<td>83%</td>
</tr>
<tr>
<td>% of dropped calls</td>
<td>1.02%</td>
<td>1.08%</td>
<td>1.03%</td>
<td>0.93%</td>
</tr>
<tr>
<td>% of targeted stores refitted</td>
<td>45%</td>
<td>55%</td>
<td>64%</td>
<td>67%</td>
</tr>
</tbody>
</table>

### Vodacom (South Africa)

<table>
<thead>
<tr>
<th>Deployment and experience</th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G % outdoor population coverage</td>
<td>41%</td>
<td>47%</td>
<td>54%</td>
<td>58%</td>
</tr>
<tr>
<td>% of data sessions &gt;3Mbps</td>
<td>85%</td>
<td>86%</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>% of dropped calls</td>
<td>0.67%</td>
<td>0.49%</td>
<td>0.40%</td>
<td>0.40%</td>
</tr>
<tr>
<td>% of targeted stores refitted</td>
<td>76%</td>
<td>80%</td>
<td>83%</td>
<td>87%</td>
</tr>
</tbody>
</table>

### Commercial impact

#### India

<table>
<thead>
<tr>
<th></th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>3G customers (m)</td>
<td>22.1</td>
<td>23.8</td>
<td>25.9</td>
<td>27.4</td>
</tr>
<tr>
<td>Prepaid mobile ARPU (INR)</td>
<td>149</td>
<td>144</td>
<td>141</td>
<td>144</td>
</tr>
<tr>
<td>Average data usage (MB)</td>
<td>357</td>
<td>393</td>
<td>438</td>
<td>454</td>
</tr>
</tbody>
</table>

#### Vodacom (South Africa)

<table>
<thead>
<tr>
<th></th>
<th>Q1 15/16</th>
<th>Q2 15/16</th>
<th>Q3 15/16</th>
<th>Q4 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G customers (m)</td>
<td>1.9</td>
<td>2.0</td>
<td>2.5</td>
<td>3.1</td>
</tr>
<tr>
<td>Contract mobile ARPU (ZAR)</td>
<td>381</td>
<td>393</td>
<td>409</td>
<td>404</td>
</tr>
<tr>
<td>Average smartphone data usage (MB)</td>
<td>501</td>
<td>541</td>
<td>569</td>
<td>588</td>
</tr>
</tbody>
</table>
Significant high speed NGN broadband reach in key markets

Homes reached with NGN (m)

- Wholesale NGN
- Own NGN

Population coverage

- DE: 10 homes, 59%
- IT: 5 homes, 29%
- ES: 4 homes, 49%
- UK: 24 homes, 83%
- PT: 2 homes, 47%
- NL: 1 home, 26%
Service revenue bridge

- M&A and one-off items relates primarily to £0.4bn of service revenue from Ono, HOL and Vodafone Automotive offset by the UK ladder settlement / other (£0.1bn)
## Voice MTR impact

<table>
<thead>
<tr>
<th></th>
<th>FY 15/16 (£m)</th>
<th>FY 15/16 (%)</th>
<th>FY 14/15 (£m)</th>
<th>FY 14/15 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(56)</td>
<td>(0.2)</td>
<td>(154)</td>
<td>(0.6)</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
<td>(36)</td>
<td></td>
</tr>
<tr>
<td><strong>AMAP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(152)</td>
<td>(1.4)</td>
<td>(146)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(40)</td>
<td></td>
<td>(67)</td>
<td></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>(208)</td>
<td>(0.6)</td>
<td>(300)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(40)</td>
<td></td>
<td>(103)</td>
<td></td>
</tr>
</tbody>
</table>
## Profit

<table>
<thead>
<tr>
<th></th>
<th>FY 15/16 (£m)</th>
<th>FY 14/15 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted operating profit</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>3,117</td>
<td>3,507</td>
</tr>
<tr>
<td>Net financing costs</td>
<td>(1,824)</td>
<td>(853)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(162)</td>
<td>(703)</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>(3,207)</td>
<td>5,468</td>
</tr>
<tr>
<td>Customer &amp; brand amortisation&lt;sup&gt;2&lt;/sup&gt;</td>
<td>(979)</td>
<td>(1,269)</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(236)</td>
<td>(157)</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>(450)</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year from discontinued operations</td>
<td>-</td>
<td>57</td>
</tr>
<tr>
<td>Other</td>
<td>(77)</td>
<td>(133)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>(3,818)</td>
<td>5,917</td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>(206)</td>
<td>(156)</td>
</tr>
<tr>
<td><strong>(Loss)/Profit attributable to owners of parent</strong></td>
<td>(4,024)</td>
<td>5,761</td>
</tr>
</tbody>
</table>

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. Customer amortisation relate primarily to Italy (FY 15/16 £319m, FY 14/15 £443m), KDG (FY 15/16 £325m, FY 14/15 £465m) and Ono (FY 15/16 £207m, FY 14/15 £183m)
## Adjusted EPS reconciliation

<table>
<thead>
<tr>
<th></th>
<th>FY 15/16 (£m)</th>
<th>FY 14/15 (£m)</th>
<th>Reported growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss)/Profit attributable to owners of parent</td>
<td>(4,024)</td>
<td>5,761</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>3,194</td>
<td>(5,334)</td>
<td></td>
</tr>
<tr>
<td>Net financing costs</td>
<td>449</td>
<td>(437)</td>
<td></td>
</tr>
<tr>
<td>Customer &amp; brand amortisation</td>
<td>979</td>
<td>1,269</td>
<td></td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>(17)</td>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>236</td>
<td>157</td>
<td></td>
</tr>
<tr>
<td>Impairment loss</td>
<td>450</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Profit for the year from discontinued operations</td>
<td>-</td>
<td>(57)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>77</td>
<td>133</td>
<td></td>
</tr>
<tr>
<td>Adjusted profit for the year</td>
<td>1,344</td>
<td>1,471</td>
<td></td>
</tr>
<tr>
<td>Weighted average shares (m)¹</td>
<td>26,692</td>
<td>26,489</td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS (p)</td>
<td>5.04</td>
<td>5.55</td>
<td>(9.2)</td>
</tr>
</tbody>
</table>

¹. Note: Excluding the issuance of £2.9 billion of mandatory convertible bonds in February, the weighted average basic and fully diluted share count for the year was 26.542 billion; £2.754 billion of these bonds were classified as equity after taking into account the cost of future coupon payments
Adjusted earnings impacted by Project Spring

<table>
<thead>
<tr>
<th></th>
<th>FY 15/16 (£m)</th>
<th>FY 14/15 (£m)</th>
<th>Reported growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT</strong>¹</td>
<td>3,073</td>
<td>3,570</td>
<td>(13.9)</td>
</tr>
<tr>
<td>Share of results from associates</td>
<td>44</td>
<td>(63)</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted operating profit</strong>¹</td>
<td>3,117</td>
<td>3,507</td>
<td>(11.1)</td>
</tr>
<tr>
<td>Net financing costs</td>
<td>(1,375)</td>
<td>(1,290)</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>(175)</td>
<td>(569)</td>
<td></td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>(223)</td>
<td>(177)</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted earnings</strong>¹</td>
<td>1,344</td>
<td>1,471</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted earnings per share</strong>¹</td>
<td>5.04p</td>
<td>5.55p</td>
<td>(9.2)</td>
</tr>
<tr>
<td><strong>Full year dividend per share</strong></td>
<td>11.45p</td>
<td>11.22p</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

1. Reported excluding the impact of restructuring costs, significant one-off items and amortisation of acquired intangible customer bases and brand intangible assets

Note: Excluding the issuance of £2.9 billion of mandatory convertible bonds in February, the weighted average basic and fully diluted share count for the year was 26.542 billion; £2.754 billion of these bonds were classified as equity after taking into account the cost of future coupon payments
## Taxation

<table>
<thead>
<tr>
<th></th>
<th>FY 15/16 (£m)</th>
<th>FY 14/15 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation</td>
<td>3,369</td>
<td>(4,765)</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>(3,207)</td>
<td>2,127</td>
</tr>
<tr>
<td>Recognition of deferred tax assets</td>
<td>-</td>
<td>3,341</td>
</tr>
<tr>
<td>Amortisation of deferred tax assets</td>
<td>(423)</td>
<td>(439)</td>
</tr>
<tr>
<td>Other</td>
<td>436</td>
<td>305</td>
</tr>
<tr>
<td>Adjusted tax expense</td>
<td>175</td>
<td>569</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>15.1%</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

Deferred tax following revaluation of investments in Luxembourg
Recognition of deferred tax asset for losses in Luxembourg
## Financing costs

<table>
<thead>
<tr>
<th></th>
<th>FY 15/16 (£m)</th>
<th>FY 14/15 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net financing costs</td>
<td>(1,824)</td>
<td>(853)</td>
</tr>
<tr>
<td>Mark to market (gains)/losses</td>
<td>247</td>
<td>134</td>
</tr>
<tr>
<td>Potential interest on tax</td>
<td>15</td>
<td>(4)</td>
</tr>
<tr>
<td>Non-EPS FX revaluation</td>
<td>455</td>
<td>(437)</td>
</tr>
<tr>
<td><strong>Underlying net financing costs</strong></td>
<td><strong>(1,107)</strong></td>
<td><strong>(1,160)</strong></td>
</tr>
<tr>
<td>FX</td>
<td>86</td>
<td>160</td>
</tr>
<tr>
<td>Capitalised interest</td>
<td>(179)</td>
<td>(142)</td>
</tr>
<tr>
<td>Other</td>
<td>(20)</td>
<td>221</td>
</tr>
<tr>
<td><strong>Adjusted underlying net financing costs</strong></td>
<td><strong>(1,220)</strong></td>
<td><strong>(921)</strong></td>
</tr>
<tr>
<td>Average net debt</td>
<td>(25,864)</td>
<td>(19,814)</td>
</tr>
<tr>
<td><strong>Adjusted underlying net financing costs as a percentage of net debt</strong></td>
<td><strong>4.7%</strong></td>
<td><strong>4.7%</strong></td>
</tr>
</tbody>
</table>

Primarily favourable FX movements YoY
### Cost of debt

<table>
<thead>
<tr>
<th>Currency</th>
<th>Closing <strong>Gross</strong> Debt (£bn)</th>
<th>Closing <strong>Net</strong> Debt (£bn)</th>
<th>FY '16 £bn</th>
<th>FY '15 £bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>26.0</td>
<td>18.1</td>
<td>39.4</td>
<td>32.4</td>
</tr>
<tr>
<td>USD</td>
<td>11.4</td>
<td>2.9</td>
<td>(13.5)</td>
<td>(12.6)</td>
</tr>
<tr>
<td>GBP</td>
<td>2.4</td>
<td>(3.5)</td>
<td>25.9</td>
<td>19.8</td>
</tr>
<tr>
<td>INR</td>
<td>6.6</td>
<td>6.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>0.5</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46.9</strong></td>
<td><strong>29.2</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Average gross debt**: 39.4 £bn (FY '16) vs. 32.4 £bn (FY '15)
- **Average cash and short term investments**: (13.5) £bn (FY '16) vs. (12.6) £bn (FY '15)
- **Average net debt**: 25.9 £bn (FY '16) vs. 19.8 £bn (FY '15)
- **Adjusted underlying net financing costs as a percentage of gross debt**: 3.1% (FY '16) vs. 2.8% (FY '15)
- **Adjusted underlying net financing costs as a percentage of net debt**: 4.7% (FY '16) vs. 4.7% (FY '15)
For definitions of terms please see www.vodafone.com/content/index/investors/glossary
Forward-looking statements

This presentation, along with any oral statements made in connection therewith, contains “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives.

In particular, such forward-looking statements include, but are not limited to: statements with respect to: expectations regarding the Group’s financial condition or results of operations; expectations for the Group’s future performance generally; expectations regarding the Group’s operating environment and market conditions and trends; intentions and expectations regarding the development, launch and expansion of products, services and technologies; growth in customers and usage; expectations regarding spectrum licence acquisitions; and expectations regarding, EBITDA, free cash flow, capital expenditure, and foreign exchange movements.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “anticipates”, “aims”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans” or “targets” (including in their negative form). 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 or may not 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 economic or political conditions in markets served by operations of the Group; greater than anticipated competitive activity; the impact of investment in network capacity and the deployment of new technologies, or the rapid obsolescence of existing technology; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers; the Group's ability to expand its spectrum position or renew or obtain necessary licences; the Group’s ability to execute its strategy; changes in foreign exchange rates and interest rates; the Group’s ability to realise benefits from entering into partnerships or joint ventures and entering into service franchising and brand licensing; unfavourable consequences to the Group of making and integrating acquisitions or disposals; changes to the regulatory framework in which the Group operates; the impact of legal or other proceedings against the Group or other companies in the mobile telecommunications industry; loss of suppliers or disruption of supply chains or unfavourable developments in the availability or prices of commodities and raw materials; developments in the Group’s financial condition and other factors that the Board takes into account when determining levels of dividends; the Group’s ability to satisfy working capital and other requirements; changes in statutory tax rates or profit mix; and/or changes in tax legislation or final resolution of open tax issues.

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 Group’s Annual Report for the year ended 31 March 2015. The Annual Report can be found on the Group’s website (vodafone.com/investor). All subsequent written or oral forward-looking statements attributable to the Company, to any member of the 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. 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.