Vodafone Group Plc
Interim Management Statement

For the 3 months ended 31 December 2012

7 February 2013

Disclaimer

Information in the following 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.

The 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 the presentation.

The presentation also contains certain non-GAAP financial information. The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. Although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for, but rather as complementary to, the comparable GAAP measures.

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Q3 12/13 highlights

- Group organic service revenue -2.6%; -0.4% ex MTRs
- Continued good growth in data +12.8% and emerging markets: India +9.0%, Vodacom +1.9%, Turkey +18.4%
- Launched Vodafone Red in five markets; 2.2 million customers as of January 2013
- Strong performance from Verizon Wireless, organic service revenue +8.7%
- £2.4bn VZW dividend received; £1.5bn share buyback programme commenced
- Net debt reduced to £23.3bn
- Adjusted operating profit and free cash flow guidance confirmed

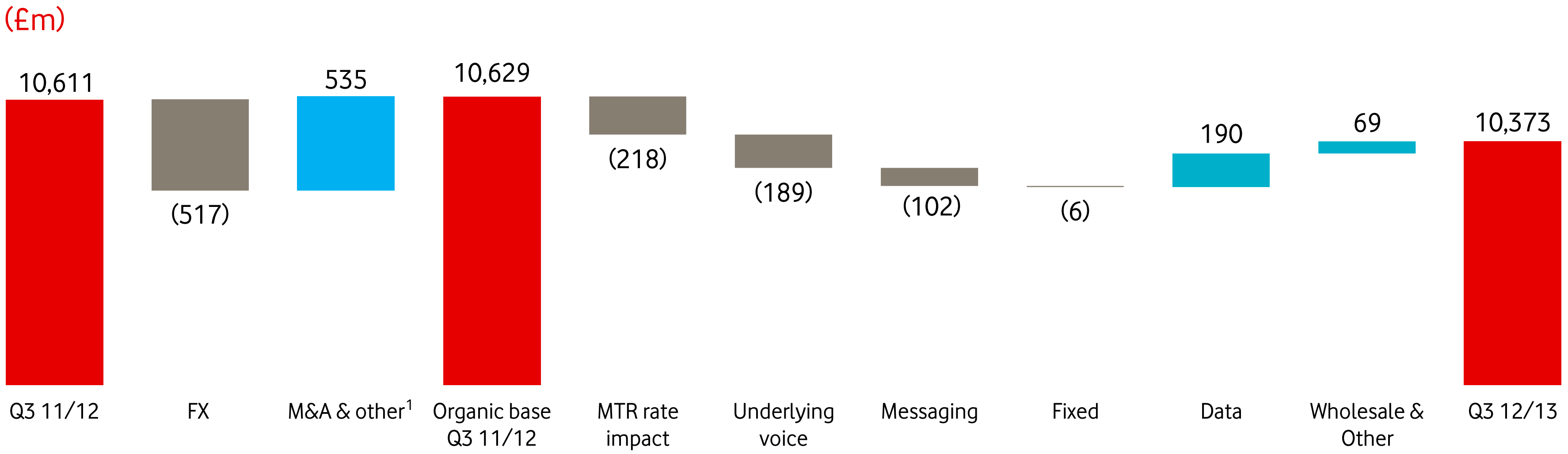
Group: data and emerging markets continue to grow

	Q3 12/13 £bn	Q2 12/13 YoY growth (%)	Q3 12/13 YoY growth (%)
Group service revenue	**10.4**	**(1.4)**	**(2.6)**
Northern & Central Europe	4.8	0.7	(0.9)
Southern Europe	2.3	(11.3)	(11.9)
Africa, Middle East and Asia Pacific ('AMAP')	3.1	4.1	2.7
Voice revenue	**5.5**	**(5.8)**	**(6.8)**
Messaging revenue	**1.2**	**(5.3)**	**(7.9)**
Data revenue	**1.7**	**13.7**	**12.8**
Fixed revenue	**1.3**	**1.7**	**(0.8)**
Capex	**1.5**		
Free cash flow	**1.2**		
Net debt	**23.3**		

- Excluding MTRs:
  Group -0.4%
  Northern & Central Europe +0.9%
  Southern Europe -8.6%
  AMAP +4.5%
- Growth in data, wholesale and other partly offsets declines in voice and messaging
- Net debt includes dividends received from VZW

All growth rates shown are organic unless otherwise stated

Group: revenue impacted by currency, M&A and regulation



- Q3 data revenue growth +12.8%; annual run rate at £6.7bn
- Q3 messaging revenues -7.9%; volumes growing
- M&A includes £478m from Cable & Wireless Worldwide (“CWW”) and £54m from TelstraClear

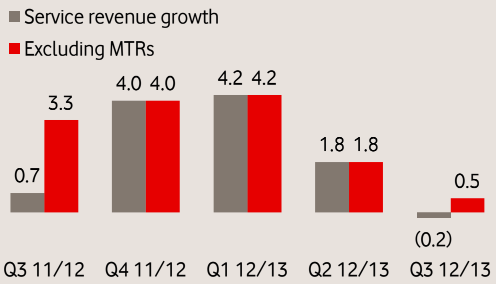
All growth rates shown are organic unless otherwise stated

1. M&A and other also includes: disposal of Vodacom Gateway and Polkomtel Poland and £100m of a non-recurring revenue adjustment relating to Indus Towers

N & C Europe: increased competition and regulation

Germany

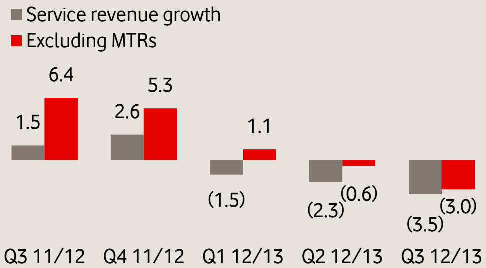
Service revenue growth (%)



- Increased competition
- Smartphone penetration 31.5%, +11.1ppt
- Enterprise growth +2.4%
- Strong growth in LTE; population coverage at 53%

Netherlands

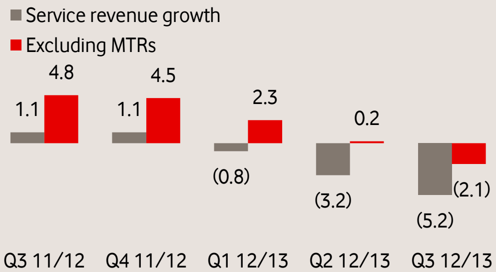
Service revenue growth (%)



- Consumer contract service revenue +1.4%
- Strong data growth +23.4%
- Successful spectrum auction; LTE ready

UK

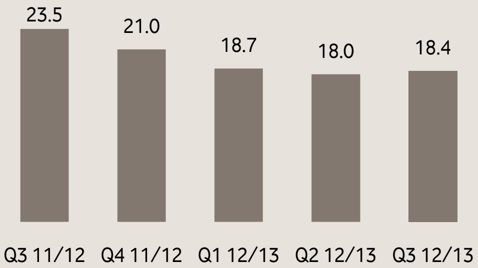
Service revenue growth (%)



- Tougher economic conditions
- Smartphone penetration +11.8ppt at 53.3%
- Price rise +2.4% on consumer contract monthly fee
- Consumer Prepay customer base -6.5%

Turkey

Service revenue growth (%)



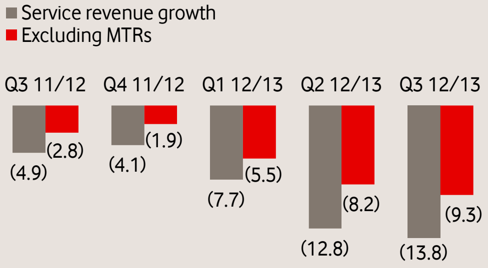
- Customer base +5.2%; ARPU growth +10.2%
- Strong data growth +44.2%; 18.9% smartphone penetration
- Continued growth in Enterprise revenue +41%

All growth rates shown are organic unless otherwise stated

Southern Europe: continues to be challenging

Italy

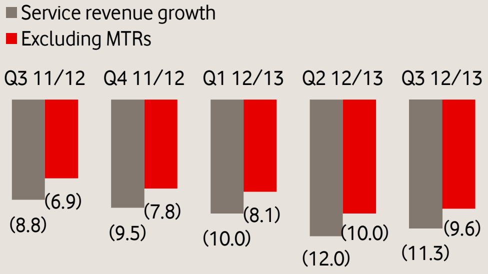
Service revenue growth (%)



- Strong price competition
- Enterprise -10.5%; spend optimisation
- Mobile internet +24.4%
- Data attach rate 56.7%
- LTE launched

Spain

Service revenue growth (%)



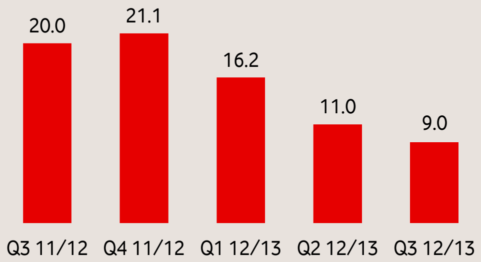
- Converged tariffs and cable MVNOs start to gain traction
- Data revenue +17.5%
- ARPU: contract -3.4%, prepaid -14.1%
- Restructuring announced

All growth rates shown are organic unless otherwise stated

AMAP: continued growth

India

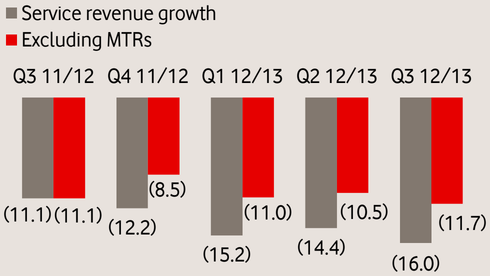
Service revenue growth (%)



- New subscriber verification rules, slow down in customer acquisition
- ARPU growth +5.6%
- 2.5m 3G customers, +0.4m QoQ
- Continued NPS leadership

Australia

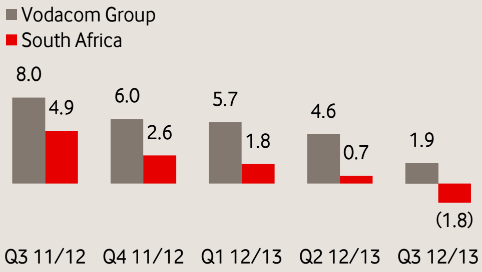
Service revenue growth (%)



- Network remains the priority
- RAN swap programme complete
- Focus on customer value management
- Cost saving initiatives: restructuring, store reductions and network sharing

Vodacom

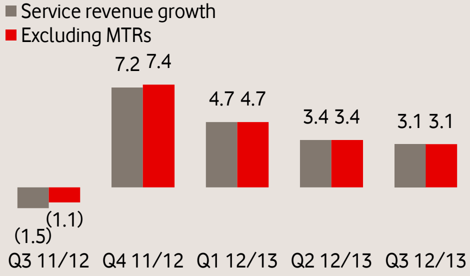
Service revenue growth (%)



- Strong data growth +22.3%
- SA customer base +21.4%
- LTE launched
- International SR +23.0%
- M-Pesa in Tanzania at 50% penetration

Egypt

Service revenue growth (%)

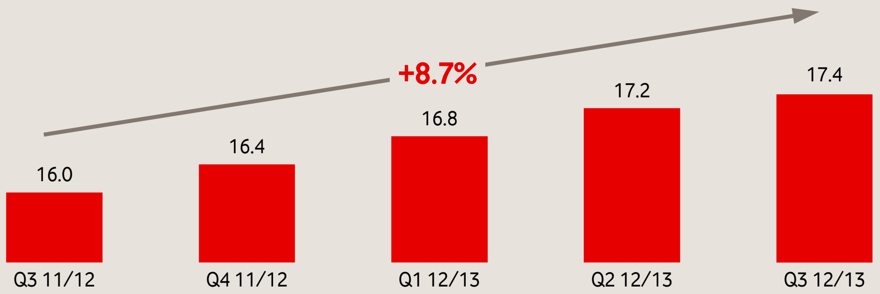


- Political unrest, impact on consumer spend and visitors/tourism
- Data growth +24.6%; data penetration 16.3%
- Strong customer net adds

All growth rates shown are organic unless otherwise stated

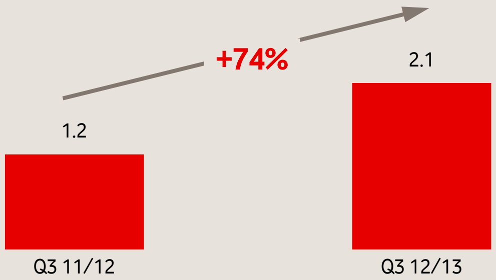
Verizon Wireless: customers and data drive growth

Service revenue ($bn)[1]

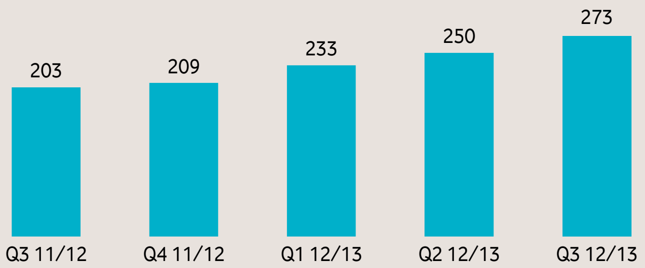


- "Share Everything" already at 23% of base
- Leading network position
  - >273m POPs, covering c.89% of the US population
  - almost 50% total data traffic on 4G LTE
- Spectrum disposals of $2.1bn

Retail postpaid net adds (m)



4G LTE population coverage (m)



1. All growths shown are organic unless otherwise stated and financial highlights reported on a 100% IFRS basis unless stated otherwise

Strong balance sheet, guidance confirmed

	Q3 12/13 £bn
Opening net debt	**(26.0)**
Free cash flow	1.2
VZW dividend	2.4
Share buyback	(0.1)
Acquisitions/disposals	(0.4)
Spectrum	(0.2)
Foreign exchange/other	(0.2)
Closing net debt	**(23.3)**

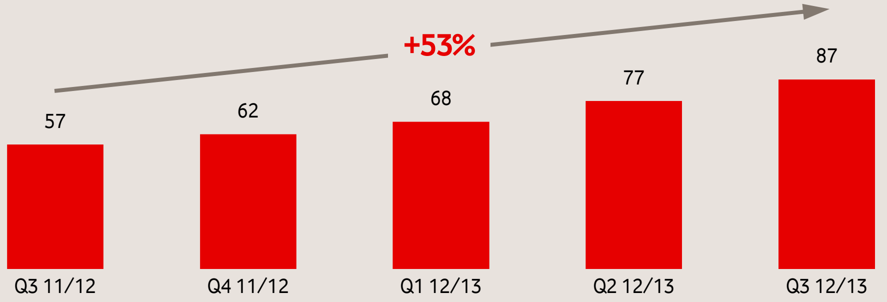
FY 12/13 targets guidance confirmed

- AOP: £11.1 - £11.9bn upper half
- FCF: £5.3 - £5.8bn lower half

- Free cash flow +2.7% excluding M&A and FX
- Net debt reduced by £2.7bn
  - £2.4bn VZW dividend received
  - £1.5bn share buyback programme commenced
  - TelstraClear acquisition
  - £0.2bn spectrum payment: Ireland, Romania and India

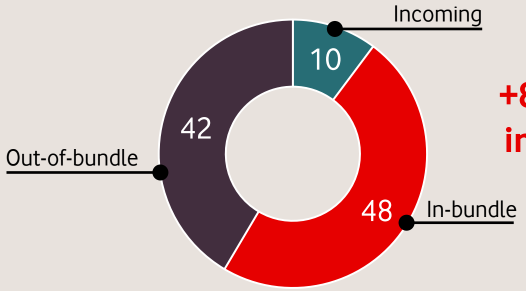
Data growth and continued focus on future proofing ARPUs

Data traffic (Group, Petabytes)



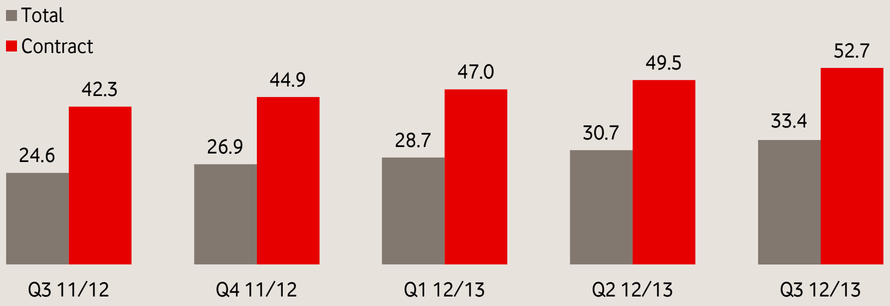
Europe mobile service revenue mix[1] (%)

Q3 12/13



+8ppt increase in-bundle YoY

European smartphone penetration accelerating (%)



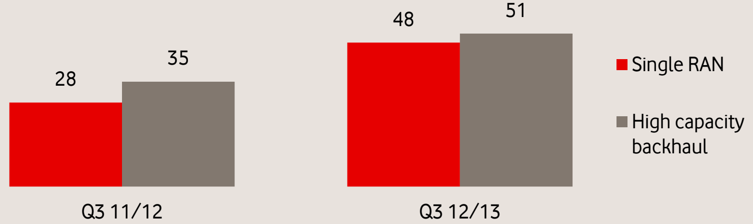
Vodafone Red

- Now launched in 5 markets; 2.2m customers
- Strong appeal in medium/high consumer segments
- Revenue trends – ARPU stable to mildly dilutive
- Positive impact on Net Promoter Scores

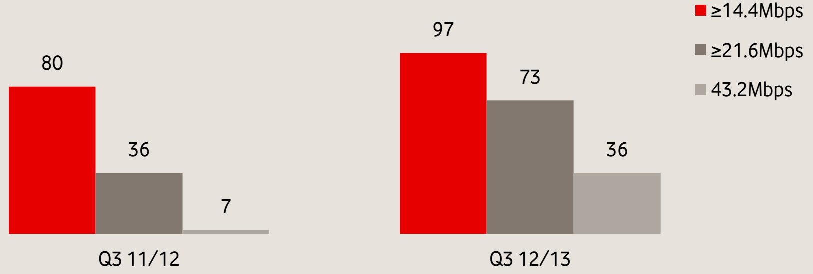
1. In-bundle revenue includes revenue from customers' monthly access fee

Investing to deliver an excellent data experience

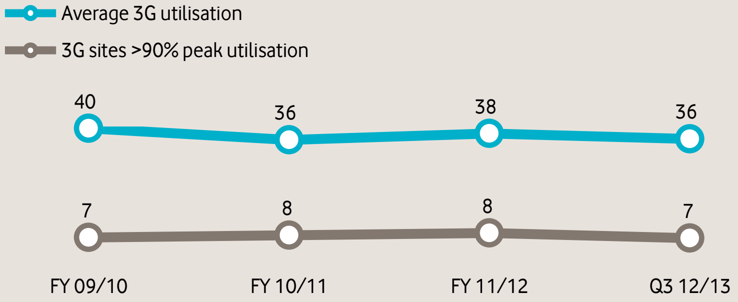
Future-proofing our network (% European sites)



HSPA European 3G footprint (% base stations)



Europe network utilisation (%)



LTE progress

- Launched in Germany, Portugal, Italy, SA, Romania, and Greece
- Preparing for LTE in UK, Netherlands, Australia, New Zealand and Ireland
- Spectrum secured to meet coverage and capacity needs
- Network ready for rapid deployment at low incremental cost

Good progress in Enterprise

- New Vodafone Enterprise Services organisation
  - 4 vertical BUs established
  - Integration of CWW accelerated
- Strong demand:
  - VGE: +12% YoY increase in connections
  - M2M: Total SIM connections 9.7m (+42% YoY)
  - One Net: 2.4m users, +33.4% YoY
- Value and duration of contracts improving

Vodafone Enterprise Services

Group Enterprise

- Vodafone Global Enterprise
- Carrier Services
- Machine-to-Machine
- Hosting and Cloud Services
- Product Management and Marketing
- Sales Support
- Local Market Enterprise Business Units

Presence in 50 countries worldwide

Convergence

Today

- Convergence strategies accelerating:
  - Incumbent moves in Spain, Portugal
  - Cable MVNOs/WiFi
- Customer appetite emerging:
  - Already well established in Enterprise
  - Growing in Consumer: macro pressures
- Draft EU fibre regulation / local enforcement / anti-trust protection

Vodafone strategy

Provide unified comms services

Accelerate successful Enterprise unified comms strategy	Negotiate wholesale access to NGN and access infrastructure with regulatory protection	Fibre deployment and co-investment	M&A where value creating

Country-by-country implementation

e.g. One Net deployment across all European markets	e.g. UK	e.g. Portugal, Italy	e.g. CWW, TelstraClear

Focused on efficiency and standardisation

- Network & IT
  - UK active sharing agreement commenced
    - 18.5k sites targeted by 2015
  - Ireland passive sharing agreement announced
  - Centralised procurement of software and licences
    - £100m benefit over 3 years
  - Applications: decommissioning >100 legacy apps
- Acceleration of Shared Services programme
  - c.7,400 employees migrated (+1,400 since May'12)
- 10% support costs reduction on track

European opex[1] target (£bn)

1. Includes Northern & Central Europe, Southern Europe, Common Functions and excludes restructuring costs. Organic opex

Actions for 2013

- Launch and expand Vodafone Red everywhere
- Continue rapid deployment of HSPA+/LTE
- Strengthen unified services offer, including to consumer segment
- Manage commercial costs more profitably across OSs
- Significant focus on cost reduction: £300m absolute target for FY13/14

Q&A

Forward-looking statements

This presentation 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: the adjusted operating profit and free cash flow guidance and the general outlook of the Group for the financial year ending 31 March 2013; statements relating to the Group's future performance generally; expectations regarding growth in customers and usage especially in emerging markets, and mobile data, SMS and fixed growth and technological advancements; statements relating to the impact of MTRs and spectrum spend; statements in relation to the launch of new products and service offerings, including Vodafone Red, LTE and the Group's Enterprise Business Unit; statements and expectations in relation to the integration of CWW and in relation to existing and proposed network sharing initiatives and convergence plans, and the anticipated benefits associated therewith; statements and assumptions relating to movements in foreign exchange rates; and expectations regarding service revenue growth, EBITDA, EBITDA margin, costs (including cost reduction programmes and other efficiency initiatives), tax settlements, especially in India, and capital expenditures.

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". 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, win 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 minutes; 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 divestments 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 imposition 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 working 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 rates; 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 mix, 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 results announcement for the six months ended 30 September 2012 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 2012. 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 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 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.

Definition of terms

Backhaul: Connections linking access networks to the core network

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

HSPA+: High Speed Packet Access is a wireless technology enabling higher download speeds

LTE: Long-term evolution is a 4G technology

Mobile internet: Browser-based access to the internet or web applications using a mobile device, such as a smartphone connected to a wireless network

MTR: Mobile Termination Rate is the per minute charge paid by a telecommunications network operator when a customer makes a call to another mobile network operator

Net debt: Long-term borrowings, short-term borrowings and mark-to-market adjustments on financing instruments less cash and cash equivalents

NGN: Next generation network. NGNs will replace some of the legacy copper networks with fibre, providing higher speeds and better quality data services

Organic growth: presents performance on a comparable basis, both in terms of merger and acquisition activity and foreign exchange rates

OS: Operating systems

RAN: Radio Access Network is part of a mobile telecommunication system that sits between the mobile device and the core network

Single RAN: Single Radio Access Network is a common product platform to support multiple radio technologies