VODAFONE GROUP PLC

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INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2003

- Turnover increased by 13% to £16.9 billion.
- Profit before tax, goodwill amortisation and exceptional items, increased by 26% to £5.4 billion.
- Earnings per share, before goodwill amortisation and exceptional items, increased by 46% to 4.78 pence.
- Loss for the financial period of £4.3 billion, after goodwill amortisation of £7.7 billion.
- Free cash flow increased by 61% to £4.6 billion, after £2.2 billion of tangible capital expenditure.
- Dividend per share increased by 20% to 0.9535p.
- £2.5 billion allocated to share repurchase programme.

Arun Sarin, Chief Executive, commented:

Vodafone has delivered outstanding results for the first six months, in a challenging, competitive marketplace. We have passed the milestone of 125 million proportionate customers and produced strong, double-digit growth in turnover and EBITDA and significant growth in free cash flow. We are substantially increasing cash returns to shareholders, increasing the interim dividend by 20% and allocating £2.5 billion to a share buy back programme.

The Group is in an industry leading position to benefit from further growth in telecommunications as well as the adjacent industries of information technology, content and entertainment. We are leveraging our scale, scope and brand in these areas. I am confident that Vodafone is strategically, operationally and financially well positioned to deliver continued success in the future.

Julian Horn-Smith, Group Chief Operating Officer, commented:

These results show an excellent performance by the Group on the key operating variables of proportionate customer growth, EBITDA margin before exceptional items and free cash flow. We are confident that we have the best products and services and the right structure, platforms and focus as we enter the exciting period of transition to our 3G networks in a number of markets over the next twelve months. We look forward to rolling out this technological transformation and to delighting our customers with the benefits it will bring.

GROUP FINANCIAL HIGHLIGHTS

Statutory	**Six months to 30 September**		
	2003	2002	**% change**
	£m	£m	
Turnover	**16,899**	14,898	**13**
Group EBITDA, before exceptional items	**6,618**	5,566	**19**
Total Group operating profit before goodwill amortisation and exceptional items	**5,722**	4,640	**23**
Profit on ordinary activities before taxation, goodwill amortisation and exceptional items	**5,366**	4,250	**26**
Goodwill amortisation	**(7,651)**	(6,837)	**12**
Exceptional operating items	**351**	-	**-**
Exceptional non-operating items	**(58)**	267	**-**
Loss on ordinary activities before taxation	**(1,992)**	(2,320)	**(14)**
Loss for the financial period	**(4,254)**	(4,336)	**(2)**

Proportionate	**Six months to 30 September**		
	2003	2002	**% change**
	£m	£m	
Turnover			
- mobile telecommunications	**18,675**	15,459	**21**
- other operations	**1,017**	1,058	**(4)**
	19,692	16,517	**19**
Organic growth at constant exchange rates			**10**
EBITDA before exceptional items			
- mobile telecommunications	**7,570**	6,027	**26**
- other operations	**222**	176	**26**
	7,792	6,203	**26**
Organic growth at constant exchange rates			**15**

Proportionate information is calculated on the basis described on page 31.

Cash flow information	**Six months to 30 September**		
	2003	2002	**% change**
	£m	£m	
Net cash inflow from operating activities	**6,081**	5,676	**7**
Free cash flow	**4,641**	2,878	**61**
Net debt at 30 September	**(10,906)**	(10,697)	**2**

Per share information	**Six months to 30 September**		
	2003	2002	**% change**
Earnings/(loss) per share			
- before goodwill amortisation and exceptional items	**4.78p**	3.28p	**46**
- after goodwill amortisation and exceptional items	**(6.24)p**	(6.36)p	**(2)**
Dividend per share	**0.9535p**	0.7946p	**20**

This results announcement contains certain information on the Group's results and cash flows that have been derived from amounts calculated in accordance with UK Generally Accepted Accounting Principles, ("UK GAAP"), but are not themselves UK GAAP measures. They should not be viewed in isolation as alternatives to the equivalent UK GAAP measure and should be read in conjunction with the equivalent UK GAAP measure. Further disclosures are also provided under "Use of Non-GAAP Financial Information" on page 35.

GROUP OPERATING HIGHLIGHTS

- Organic growth of 5.7 million proportionate customers since 31 March 2003. Worldwide proportionate customer base increased to 125.3 million at 30 September 2003. Venture customer base increased to 314.0 million.
- Controlled ARPU stable on a constant currency basis. ARPU was up 2.3% and 1.7% in Italy and the UK respectively, stable in Germany and down 2.7% in Japan compared to the year ended 31 March 2003.
- Voice usage increased by 12% in the Group's controlled businesses, from 68.5 billion minutes for the six months ended 30 September 2002 to 76.7 billion minutes for the six months ended 30 September 2003.
- Usage of data services has continued to increase, with revenues from data services increasing by 29% over the comparable period to £2,186 million.
- Data revenues represented 15.5% of service revenues for the twelve months to 30 September 2003 compared to 14.6% for the year ended 31 March 2003.
- Mobile business proportionate EBITDA margin, before exceptional items, up by 1.5 percentage points to 40.5%, compared to the six months ended 30 September 2002. Group proportionate EBITDA margin, before exceptional items, of 39.6%, improved by 2.0 percentage points over the same period.
- Tangible fixed asset additions of £2.1 billion in the period, compared to £2.0 billion for the six months ended 30 September 2002. Tangible fixed asset additions in the mobile businesses represented 12.7% of turnover for the period, compared to 13.4% for the six months to 30 September 2002.

VODAFONE LIVE!

- Over 3 million Vodafone live! customers in 15 countries as at 13 November 2003.
- Increased quality of Vodafone live! content services, including agreements for distribution rights for UEFA Champions League Football, Tomb Raider and The Simpsons.
- Launch of Vodafone live! by two of the Group's associated undertakings, SFR on 29 October 2003 and Swisscom Mobile on 13 November 2003.

OTHER COMMERCIAL INITIATIVES

- Creation of two new central functions, Group Marketing, to drive revenue growth, and Group Technology and Business Integration, to drive cost and scale benefits.
- Joint announcement with Microsoft on 13 October 2003, of an intention to use mobile SIM based authentication and billing to help create open web services standards for application developers and mobile operators.
- Joint initiative with Oracle announced on 22 October 2003, to offer enterprise customers integrated mobility solutions enabling mobile access to business systems.
- Collaboration with Verizon Wireless including the intention of developing a jointly branded international data card service. Other examples of collaboration include international account management, inter-standard GSM/CDMA text messaging between the networks of Vodafone and Verizon Wireless, joint global content contracts and ongoing best practice sharing.
- Partner Networks extended by 3 countries since 31 March 2003 to cover 10 countries as at 3 November 2003.
- J-Phone Vodafone rebranded to Vodafone on 1 October 2003. All controlled networks now operate under the Vodafone brand.
- 127,000 Vodafone Mobile Connect Card customers at 30 September 2003.

SIGNIFICANT TRANSACTIONS

- Disposal, after 30 September 2003, of the Group's interest in Japan Telecom. Receipts from this transaction are ¥261.3 billion (£1.4 billion), comprising ¥228.8 billion (£1.2 billion) of cash and ¥32.5 billion (£0.2 billion) of transferable redeemable preferred equity.
- Acquisition of UK service providers Project Telecom plc and the Singlepoint Group for cash consideration of £155 million and £417 million, respectively.
- Agreements reached with Vivendi Universal on 14 October 2003, increasing co-operation in France, including agreement in principle on simplification of the Cegetel Group structure and the receipt of quarterly dividends.

OUTLOOK

Please see "Forward-Looking Statements" on page 34.

For the year ending 31 March 2004

The Group expects full year organic growth in average proportionate mobile customers to exceed 10%, leading to similar organic growth in proportionate mobile revenues.

Assuming no significant change to foreign exchange rates, the Group continues to expect the full year proportionate mobile EBITDA margin to be higher than last year. However, the second half margin is not expected to be as high as the 40.5% margin achieved in the first half due to the usual seasonal increase in competitive activity in many of the Group's markets, the effect of changes in termination rates and the Group's intention to invest in growth in some of its markets.

Total capitalised fixed asset additions are expected to be around £5 billion this year, resulting in a continued improvement in mobile capital efficiency.

Full year free cash flow is expected to be over £7 billion, up from the Group's previous expectation of more than the £5.2 billion achieved last year. However, free cash flow is expected to be lower in the second half of the year, due to the first half inclusion of one-off receipts from hedging instruments, the operating outlook mentioned above and higher second half tax payments, which are expected to approach £1.3 billion for the full year.

For the year ending 31 March 2005

Next year, on an organic basis, the Group anticipates high single-digit average proportionate mobile customer growth, leading to broadly similar growth in proportionate mobile revenues.

Taking into account the necessary investment and costs associated with opening 3G networks as well as the effects of declines in termination rates, the Group expects the proportionate mobile EBITDA margin to be stable or modestly ahead for the full year, which would lead to organic growth in proportionate mobile EBITDA approaching 10%, assuming no significant change in foreign exchange rates.

Capitalised fixed asset additions are expected to remain at around £5 billion, similar to the 2004 financial year.

BUSINESS REVIEW

	Six months to 30 September		
	2003	2002	**% change**
	£m	£m	
Turnover			
Mobile telecommunications:			
- Voice services	**11,882**	10,429	**14**
- Data services	**2,186**	1,701	**29**
- Total service revenue	**14,068**	12,130	**16**
- Equipment and other	**1,485**	1,310	**13**
	15,553	13,440	**16**
Other operations	**1,346**	1,458	**(8)**
	16,899	14,898	**13**
Direct costs*	**(6,453)**	(5,594)	**15**
Operating expenses	**(3,828)**	(3,738)	**2**
Depreciation and amortisation*	**(2,263)**	(1,962)	**15**
Share of operating profit in joint ventures and associated undertakings*	**1,367**	1,036	**32**
Total Group operating profit*	**5,722**	4,640	**23**
Goodwill amortisation	**(7,651)**	(6,837)	**12**
Exceptional operating items	**351**	-	**-**
Total Group operating loss	**(1,578)**	(2,197)	**(28)**

* Before goodwill amortisation and exceptional items

Turnover

Turnover increased by 13% for the six months to 30 September 2003, resulting principally from organic growth of 9%. Changes in exchange rates accounted for 5% of the reported growth due to a stronger Euro, partially offset by a weaker Yen. Disposals in the prior year reduced growth by 1%.

The increase in turnover from mobile telecommunications was driven by growth in service revenues as a result of greater usage of voice services, principally due to organic growth in the customer base, and increased penetration of data products and services. This was partially offset by the effect of increased competitive activity and regulatory intervention.

The Group achieved an improvement in ARPU in a number of key markets in Europe, compared with the twelve month period ended 31 March 2003, as benefits from the Group's continued focus on high value customers and initiatives to stimulate usage were realised. Total voice usage in controlled subsidiaries increased by 12% over the comparable period to 76.7 billion minutes for the six months ended 30 September 2003. Vodafone Japan's ARPU fell 2.7%, as penetration levels in Japan increased towards European levels.

A key driver of the growth in service revenue was the continued success of the Group's data product and service offerings. Revenues from data services increased 29% to £2,186 million for the six months ended 30 September 2003 from £1,701 million for the six months ended 30 September 2002. These revenues represented 15.5% of service revenues in the Group's controlled mobile subsidiaries for the twelve months ended 30 September 2003, compared with 14.6% for the 2003 financial year. Whilst SMS revenues continue to represent the largest component of data revenues, an increased focus on providing value-added services, particularly through Vodafone live! and the Group's business offerings, contributed to the increase in data revenues and the increased penetration of data services into the Group's customer base. Vodafone live! and the Group's business offerings are expected to generate further growth in non-voice service revenues through ringtone and game downloads, picture messaging and other content and information services. Both Vodafone Ireland's and Vodafone Japan's data revenues represented over 20% of their service revenues for the twelve months ended 30 September 2003.

Mobile equipment and other turnover increased 13% to £1,485 million for the six months ended 30 September 2003, compared with £1,310 million for the six months ended 30 September 2002, largely as a result of the volume of upgrades in the year, which was partially offset by a decline in revenue per upgrade.

Turnover from other operations decreased by £112 million in the year to £1,346 million. This change was a result of a reduction in the turnover of Japan Telecom, which was disposed of after the period end, and a turnover reduction in Arcor, where improved revenues from the fixed line business were more than offset by the disposal of the Telematiks business in the prior financial year.

Expenses

Direct costs, before exceptional items, represented 38.2% of turnover in the six months ended 30 September 2003, compared to 37.5% for the six months ended 30 September 2002. Group acquisition and retention costs net of equipment revenues, as a percentage of service revenues, declined to 11.3%, compared with 11.6% for the comparable period, demonstrating the continued focus on gaining and retaining high-value customers in the most cost-efficient manner. Direct costs increased partly as a result of higher costs in Vodafone Japan, primarily associated with provisions for slow moving handset stocks, partially offset by the current period benefit from a contribution tax levy in Italy which is now not expected to be payable.

Operating expenses represented 22.7% of turnover in respect of the six months ended 30 September 2003, compared with 25.1% for the comparable period. The Group's mobile businesses' network costs as a percentage of turnover reduced, reflecting the realisation of benefits from the Group's continued focus on cost control. The Group also benefited from reduced operating expenses in Japan Telecom, which has been disposed of since 30 September 2003.

Depreciation and amortisation charges, excluding goodwill amortisation, increased by 15% to £2,263 million from £1,962 million in the comparable period. The increase was attributable to network infrastructure improvements and additions made in the previous and current financial year. In Japan, depreciation increased by £58 million as a result of the increased charge in respect of its 3G network, which was opened for commercial service in December 2002. In Germany, depreciation increased by £85 million as a result of the prior year expenditure on network infrastructure improvements and foreign exchange movements.

The anticipated launch of 3G services in various European countries is expected to result in approximately £0.6 billion of additional depreciation and amortisation in the next financial year as 3G infrastructure and licences are brought into use. Please see "Forward-Looking Statements" on page 34.

Total Group operating profit before goodwill amortisation and exceptional items

Total Group operating profit, before goodwill amortisation and exceptional items, increased by 23%, with underlying organic growth of 16%. Changes in exchange rates, particularly the impact of a stronger Euro offset by a weaker Yen and US dollar, were beneficial. Translating the results of overseas companies at exchange rates prevailing in the prior year would reduce reported growth by 6 percentage points to 17% over the comparable period. Acquisitions and disposals benefited reported growth by 1%, resulting principally from the impact of the stake increase in Société Française du Radiotéléphone ("SFR") in the second half of the last financial year.

Proportionate results

Proportionate turnover increased 19% to £19,692 million as a result of both strong organic growth and the effect of increased stakes in a number of the Group's existing businesses. In the mobile businesses, proportionate turnover grew by 21% to £18,675 million, including 11% organic growth in service revenues.

The Group's proportionate EBITDA margin, before exceptional items, in the mobile businesses increased from 39.0% in the comparable period to 40.5% in the six months ended 30 September 2003, with most of the Group's operations reporting increased EBITDA margins before exceptional items. The main driver behind this growth has been savings in ongoing network costs as a percentage of turnover. Acquisition and retention costs as a percentage of turnover were maintained at a similar level to those incurred in the comparable period.

Mobile Telecommunications

In June 2003, the Group announced changes in the regional structure of its operations. The former Northern Europe and Central Europe regions were combined into a new Northern Europe region, with the exception of the United Kingdom and Ireland that now form their own region. The following results are presented in accordance with the new regional structure.

UNITED KINGDOM AND IRELAND

Financial highlights		Six months to 30 September		
		2003	2002	**% change**
		£m	£m	
Turnover	United Kingdom:			
	- Voice services	**1,701**	1,617	**5**
	- Data services	**301**	258	**17**
	- Total service revenue	**2,002**	1,875	**7**
	- Equipment and other	**148**	125	**18**
		2,150	2,000	**8**
	Ireland	**378**	300	**26**
		2,528	2,300	**10**
Total Group operating profit(1)	United Kingdom	**549**	541	**1**
	Ireland	**136**	96	**42**
		685	637	**8**
Proportionate EBITDA margin(2)	United Kingdom	**36.7%**	37.0%	
Key performance indicators (United Kingdom only)				
ARPU(3)		**£297**	£292	
Churn(3)		**29.3%**	30.0%	
Acquisition and retention costs net of equipment revenues, as a percentage of service revenues		**13.1%**	11.8%	

(1) before goodwill amortisation
(2) see pages 31 and 32 for details of proportionate turnover and EBITDA
(3) ARPU and churn information represents the twelve month periods ended 30 September 2003 and 31 March 2003, respectively

United Kingdom

Vodafone UK performed well in the period, increasing service revenues and operating profit before goodwill amortisation in a market characterised by both intense competition and regulatory intervention.

Total UK turnover increased by 8% year-on-year to £2,150 million, driven by a 5% increase in voice service revenues. This was primarily due to strong outbound revenue growth as Vodafone UK continued to realise benefits from increased investments in acquisition and retention of high value customers. Blended ARPU continued to grow in the period, mainly as a result of increased revenue per minute in the prepaid customer base due to the introduction of new tariffs during the period. Prepaid ARPU improved from £125 for the year ended 31 March 2003 to £128 for the year ended 30 September 2003 whilst contract ARPU decreased marginally from £532 to £531.

Vodafone UK's share of mobile service revenue in the latest quarterly review by Oftel, the UK regulator, for the quarter ended 30 June 2003, was 32.5%, representing a lead of 6.8 percentage points over the second placed competitor.

Data revenue as a percentage of service revenue, for the year ended 30 September 2003, increased to 15.0% compared with 14.4% for the year ended March 2003, due to ongoing take-up by customers of the full range of available data products and services and continued growth in SMS messaging. This has partly been driven by Vodafone live! which now has over 710,000 UK customers.

At 30 September 2003, Vodafone UK had 13,483,000 registered customers, with contract customers representing 41% of the total base. Acquisition and retention costs have increased as a result of additional incentives to grow market share. Vodafone UK has consolidated its market position through the acquisition of the service providers Singlepoint and Project Telecom, who had a combined total of approximately 1.6 million customers on the Vodafone network at the period end.

The UK business continues to invest in high value customers and increased customer retention, supported by the recent launch of Vodafone's membership of the Nectar loyalty programme. In a recent market survey, Vodafone UK continued to rank first in terms of customer satisfaction in the prepaid market and increased customer satisfaction in the contract segment. Blended churn for the twelve months to 30 September 2003 decreased when compared to the twelve months to 31 March 2003, with prepaid churn falling from 34.5% to 33.2% partially offset by a rise in contract churn from 23.1% to 23.7%. The proportion of active customers was maintained at 91%.

On 24 July 2003, Vodafone UK reduced its termination charges by RPI minus 15% (on the weighted average charge for the previous year) to comply with its licence requirements. This reduction implemented the decision of the Competition Commission in January 2003. Oftel is required to conduct a market review of call termination under the new EC regulatory framework brought into force on 25 July 2003. Oftel has proposed a further cut in termination charges in this financial year and in each of the following two financial years. This review is currently in progress and is expected to take until early 2004 to complete.

The EBITDA margin fell as operating efficiencies were more than offset by increased acquisition and retention costs, the reduction in termination rates and costs associated with Cellular Operations which was acquired at the end of the previous financial year. Vodafone UK is also experiencing the effect of increasingly competitive offnet prices in the UK market.

Ireland

Vodafone Ireland's turnover increased by 13% when measured in local currency and operating profit before goodwill amortisation increased by 25% when measured in local currency. Turnover benefited from blended ARPU growth of 4%, in part as a result of strong growth in data revenues, which improved to represent 20.1% of service revenues for the year ended 30 September 2003.

Vodafone Ireland successfully met Phase 1 of its 3G licence obligation on 1 May 2003 and maintained its leadership with an approximate market share of 55% and a closing customer base of 1,803,000.

NORTHERN EUROPE

Financial highlights		Six months to 30 September 2003 £m	2002 £m	% change £	€ [4]
Turnover	Germany:				
	- Voice services	**2,099**	1,784	**18**	6
	- Data services	**438**	345	**27**	15
	- Total service revenue	**2,537**	2,129	**19**	8
	- Equipment and other	**171**	122	**40**	26
		2,708	2,251	**20**	9
	Other Northern Europe	**968**	738	**31**	
		3,676	2,989	**23**	
Total Group operating profit[1]	Germany	**911**	775	**18**	3
	Other Northern Europe	**778**	536	**45**	
		1,689	1,311	**29**	
Proportionate EBITDA margin[2]	Germany	**46.7%**	46.2%		
	Other Northern Europe	**41.1%**	40.4%		
Key performance indicators (Germany only)					
ARPU[3]		**€312**	€313		
Churn[3]		**19.1%**	21.2%		
Acquisition and retention costs net of equipment revenues, as a percentage of service revenues		**12.4%**	10.3%		

(1) before goodwill amortisation
(2) see pages 31 and 32 for details of proportionate turnover and EBITDA
(3) ARPU and churn information represents the twelve month periods ended 30 September 2003 and 31 March 2003, respectively
(4) local currency percentage change excluding any Group allocations

Germany

Vodafone Germany performed well in the period, increasing turnover and operating profit before goodwill amortisation in a highly competitive market where penetration levels climbed to 74% by the end of June. Vodafone Germany continues to be the second largest operator by customers with an estimated 38% share of the market at 30 June 2003.

Statutory turnover increased principally as a result of service revenue growth, driven by a larger customer base, which has increased by 840,000 customers to 23,780,000 at 30 September 2003.

Blended ARPU, for the year ended 30 September 2003, was stable when compared to the year ended 31 March 2003. Contract ARPU decreased from €519 to €502 due to the level of new, lower spending, contract customers, while prepaid ARPU remained stable at €130.

Revenue growth benefited from focus on the acquisition and retention of contract customers, which accounted for 76% of the net additions in the period. This increased the proportion of contract customers within the total customer base to 48% from 47% over the six months ended 30 September 2003

Data revenues represented 17.0% of service revenues for the twelve months ended 30 September 2003, compared to 16.4% for the twelve months ended 31 March 2003, as a result of improved service offerings including Vodafone live!, which now has over 1 million customers in Germany.

Activity levels remained unchanged at 92% and blended churn decreased following a decrease in prepaid churn from 24.8% for the twelve month period ended 31 March 2003 to 20.6%, partially offset by an increase in contract churn from 16.8% to 17.4%.

The growth in operating profit before goodwill amortisation was affected by a higher depreciation charge in the six months to 30 September 2003 than in the comparable period, arising from increased investment in the network. In addition, acquisition and retention costs net of equipment revenues increased to 12.4% of service revenues as a result of the high volume of upgrades and gross contract connections.

In May 2003, Vodafone Germany became the first operator in Germany to enable customers to download video clips. In addition, MMS services and content on Vodafone live! have continued to be extended.

Vodafone Germany's 3G network infrastructure rollout is proceeding according to plan and in accordance with the licence obligation to provide at least 25% population coverage by the end of the calendar year 2003. Vodafone Germany successfully performed call handover between its pilot 3G and 2G networks during the period.

Other Northern Europe

The Group's other operations in the Northern Europe region experienced good growth, with proportionate customers increasing by 6% to 14,844,000 in the period, including the effect of stake increases in the Netherlands, from 97.2% to 99.8%, and Hungary, from 83.8% to 87.9%.

The increase in statutory turnover for these operations was primarily as a result of a combination of customer growth and enhanced usage. In the Netherlands, an 11% increase in revenues when measured in local currency was driven by both increases in data service usage and revenue, which increased by 37%, and a 3% increase in the customer base. Customer numbers in Sweden and Hungary also grew, by 4% and 27% respectively, increasing revenues in these countries.

Turnover growth translated into improved operating profit before goodwill amortisation in the Netherlands, although EBITDA margins decreased slightly due to higher net acquisition and retention costs. In Sweden, operating expenses increased significantly as a result of the cost of fulfilling 3G licence obligations in relation to population coverage, which led to a decrease in operating profit before goodwill amortisation.

The Group's associated companies in the Northern Europe region also performed well in the period. SFR, in which the Group increased its effective stake from 31.9% to 43.9% in the second half of the previous financial year, reported a strong financial performance, with revenue increasing strongly as a result of a 3% increase in the customer base to 13,770,000 and broadly stable ARPU. The Group's share of operating profit before goodwill amortisation of SFR grew strongly as a result of the increased revenues, focus on cost effectiveness measures and the stake increase.

Proximus, Polkomtel and Swisscom Mobile, which operate in Belgium, Poland and Switzerland, respectively, also generated growth in both turnover and operating profit before goodwill amortisation in the period.

Since 31 March 2003, Partner Network Agreements have been signed with Og-Vodafone (formerly Islandssimi hf) in Iceland and Bitė GSM in Lithuania.

SOUTHERN EUROPE

Financial highlights		Six months to 30 September		% change	
		2003	2002		
		£m	£m	**£**	€[(4)]
Turnover	Italy:				
	- Voice services	**2,191**	1,774	**24**	11
	- Data services	**312**	208	**50**	35
	- Total service revenue	**2,503**	1,982	**26**	14
	- Equipment and other	**109**	104	**5**	(6)
		2,612	2,086	**25**	13
	Other Southern Europe	**2,223**	1,791	**24**	
		4,835	3,877	**25**	
Total Group operating profit[(1)]	Italy	**1,113**	777	**43**	27
	Other Southern Europe	**616**	484	**27**	
		1,729	1,261	**37**	
Proportionate EBITDA margin[(2)]	Italy	**54.8%**	49.4%		
	Other Southern Europe	**38.6%**	37.1%		
Key performance indicators (Italy only)					
ARPU[(3)]		**€355**	€347		
Churn[(3)]		**17.2%**	17.3%		
Acquisition and retention costs net of equipment revenues, as a percentage of service revenues		**2.6%**	3.5%		

(1) before goodwill amortisation and exceptional items
(2) see pages 31 and 32 for details of proportionate turnover and EBITDA
(3) ARPU and churn information represents the twelve month periods ended 30 September 2003 and 31 March 2003, respectively
(4) local currency percentage change excluding any Group allocations

Italy

Notwithstanding high penetration levels in the Italian market and strong competition, including that arising as a result of the introduction of a new competitor at the end of the previous financial year, Vodafone Italy continues to capture market share and produce excellent results.

In local currency, statutory turnover increased by 13%, driven by a 14% increase in service revenues, arising from growth in the customer base and ARPU, partially offset by a 6% decrease in equipment revenues as a result of reduced handset sales. Data service revenues increased by 35% driven by a 32% increase in SMS messaging revenues and a 126% increase in other data revenues. Data revenues represented 12.2% of service revenues during the year ended 30 September 2003, compared to 11.3% in the year ended 31 March 2003.

At 30 September 2003, Vodafone Italy's customer base stood at 19,982,000, representing an increase of 3% since 31 March 2003, primarily as a result of successful promotional campaigns. Vodafone Italy has maintained its leadership in overall customer satisfaction and has notably come first in terms of tariff satisfaction in recent surveys. Blended churn reduced slightly despite the entry of a new competitor into the market, mainly as a result of the success of the Vodafone One loyalty programme and other focused customer base management activities. Prepaid customers continue to represent 92% of the customer base.

The rise in blended ARPU is mainly attributable to an increase in prepaid ARPU from €298 for the year ended 31 March 2003 to €304 for the year ended 30 September 2003. Contract ARPU grew from €818 in the year ended 31 March 2003 to €853 for the year ended 30 September 2003, as a result of a selective customer acquisition and retention policy targeting high value customers.

In local currency, operating profit before goodwill amortisation and exceptional items grew by 27%, reflecting both the growth in service revenues and an excellent EBITDA margin. The EBITDA margin for the six months to 30 September 2003 benefited by 1.4 percentage points as a result of no accrual being made for a contribution tax levied by the local regulatory authority following a favourable European Court of Justice ruling on its legality.

Brand awareness has improved since the introduction of the single Vodafone brand in May 2003 and the launch of Vodafone live! in October 2002, which has attracted over 430,000 customers since launch.

Other Southern Europe

Proportionate customers for the Group's other operations in the Southern Europe region increased by 7% during the period, including an increase of 1.7 percentage points arising from stake changes in the Group's operations in Portugal, Greece, Albania and Malta.

Vodafone Spain's turnover for the six months ended 30 September 2003 increased by 23% to £1,286 million (12% when measured in local currency) as a result of an increase in the customer base and strong voice and data usage which more than offset a negative impact of a reduction in the intercarrier rate in November 2002. The EBITDA margin improved, benefiting from reduced acquisition and retention costs.

Turnover increased in all of the region's other markets. In Portugal, turnover increased by 5% in local currency, including a 41% increase in data revenues as a result of Vodafone live! and an MMS bulk offering. Vodafone Portugal was among the first companies in Europe to offer video MMS services.

AMERICAS

Financial highlights		**Six months to 30 September**		**% change**	
		2003	2002		
		£m	£m	**£**	$[4]
Total Group operating profit/(loss)[1]	Verizon Wireless	**712**	653	**9**	16
	Other Americas	**(7)**	(9)	**(22)**	
		705	644	**9**	
Proportionate turnover[2]	Verizon Wireless	**3,102**	2,841	**9**	17
	Other Americas	**31**	66	**(53)**	
		3,133	2,907	**8**	
Proportionate EBITDA margin[2]	Verizon Wireless	**35.7%**	35.3%		
	Other Americas	**6.5%**	12.1%		
Key performance indicators (Verizon Wireless only)					
ARPU[3]		**$593**	$584		
Churn[3]		**23.2%**	26.5%		
Acquisition and retention costs net of equipment revenues, as a percentage of service revenues		**13.7%**	13.1%		

(1) before goodwill amortisation
(2) see pages 31 and 32 for details of proportionate EBITDA
(3) ARPU and churn information represents the twelve month periods ended 30 September 2003 and 31 March 2003, respectively
(4) local currency percentage change excluding any Group allocations

Verizon Wireless

Within the highly competitive US market, Verizon Wireless continues to outperform its competitors and ranked first in customer net additions for the six months ended 30 September 2003, further increasing its lead over the number two provider. At 30 September 2003, Verizon Wireless' total customer base stood at 36,026,000, an 8% increase on 31 March 2003. At 30 June 2003, US market penetration had reached approximately 51%, with Verizon Wireless' market share at approximately 24%.

The increase in proportionate turnover was primarily due to increased service revenue from the larger customer base and higher ARPU. Data revenues for the six months to 30 September 2003 increased by 152% over the comparable period and have been positively affected by the growth of data products, including "Get It Now", and picture messaging. Approximately 28% of the customer base is actively using a data or SMS product compared to 19% at 31 March 2003. Blended ARPU increased slightly due to a focus on selling plans with higher access price points, for which Verizon Wireless incurred a slightly higher average cost to connect.

Churn decreased due to a reduction in contract churn, attributable to a combination of the quality of Verizon Wireless' network and customer satisfaction, which have ranked highest in a number of external surveys, the success of retention programmes and the adverse effect of MCI's withdrawal from the wholesale market during the year ended 31 March 2003.

The proportionate EBITDA margin increased from 35.3% to 35.7% principally as a result of increased cost efficiencies. This was partially offset by increased acquisition and retention costs, net of equipment revenues, as a percentage of service revenues resulting from increased gross additions and upgrade activities.

The Group's share of Verizon Wireless' operating profit before goodwill amortisation increased by 16%, in local currency, for the six months to 30 September 2003 as a result of the turnover and EBITDA margin performance, partially offset by a 21% increase in the charge for depreciation. The higher depreciation charge arose from the level of capital expenditure incurred to increase network capacity to the levels necessary to satisfy the demands placed on it through increased usage, a larger customer base and the upgrade to 1xRTT, which now covers virtually all of Verizon Wireless' coast-to-coast network.

On 23 May 2003, Verizon Wireless completed a transaction with Northcoast Communications L.L.C., to purchase 50 Personal Communications ("PCS") licences and related network assets for approximately $762 million in cash. The PCS licences cover large portions of the East Coast and Midwest, serving approximately 47 million people.

As part of a broader collaboration, on 1 August 2003, the Group and Verizon Wireless announced their intention to develop a dual branded "Verizon Vodafone" laptop data card service for business customers working and travelling between the US and Europe. The data card will be based on Vodafone's data card service, Vodafone Mobile Connect Card, which Verizon Wireless will develop and market under licence from Vodafone. In addition, Vodafone and Verizon Wireless are working together on joint global contracts for content, international account management, SMS messaging between the CDMA and GSM networks of Verizon Wireless and Vodafone, as well as ongoing best practice sharing.

Verizon Wireless continues to expand its product base, with the launch during the period of a new walkie-talkie product called “Push to Talk”, a picture messaging service to complement its “Get It Now” data product and a selected Wireless LAN service that enables high speed wireless data service coverage in a number of travel-related venues such as hotels and airports.

The Federal Communications Commission has set 24 November 2003 as the start date for wireless local number portability compliance.

Other Americas

On 29 July 2003, the Group completed the disposal of its stake in the Mexican mobile operator Grupo Iusacell.

ASIA PACIFIC

Financial highlights		Six months to 30 September		% change	
		2003	2002		
		£m	£m	**£**	¥[4]
Turnover	Japan:				
	- Voice services	**2,462**	2,415	**2**	5
	- Data services	**680**	585	**16**	19
	- Total service revenue	**3,142**	3,000	**5**	8
	- Equipment and other	**727**	731	**(1)**	1
		3,869	3,731	**4**	6
	Other Asia Pacific	**488**	395	**24**	
		4,357	4,126	**6**	
Total Group operating profit[1]	Japan	**672**	696	**(3)**	(1)
	Other Asia Pacific	**64**	38	**68**	
		736	734	**-**	
Proportionate EBITDA margin[2]	Japan	**32.4%**	32.0%		
	Other Asia Pacific	**38.5%**	37.8%		
Key performance indicators (Japan only)					
ARPU[3]		**¥84,818**	¥87,159		
Churn[3]		**23.4%**	23.3%		
Acquisition and retention costs net of equipment revenues, as a percentage of service revenues		**18.1%**	20.0%		

(1) before goodwill amortisation
(2) see pages 31 and 32 for details of proportionate turnover and EBITDA
(3) ARPU and churn information represents the twelve month periods ended 30 September 2003 and 31 March 2003, respectively
(4) local currency percentage change excluding any Group allocations

Japan

Japan’s mobile telecommunications market remained robust as mobile services continued to expand, driven by the roll out of high speed 3G and other data services. Market penetration increased by three percentage points to 62% at 30 September 2003, compared to 59% at 31 March 2003.

Vodafone Japan’s market share improved marginally from 18.5% to 18.6% in the period, with net additions of 628,000 resulting in period end customers of 14,540,000. The key drivers of this growth have been the continued success of J-Sky services, which have now been rebranded as Vodafone live! services, and the new prepaid offering, launched in February 2003. In addition, in May 2003 Vodafone Japan launched the popular J-SH53 handset, which was the world’s first megapixel camera phone. However, customer growth has slowed in the last quarter and Vodafone Japan has captured a significantly reduced level of the total market net additions as a result of its competitors offering a wider and more attractive range of handsets and price plans. In line with the adoption of the single Vodafone brand on 1 October 2003, Vodafone Japan prepared a range of measures, including new price plans, handsets and services, to ensure a successful brand launch associated with value to the customer and targeted at stimulating growth in net connections.

Turnover for Vodafone Japan increased by 6% in local currency over the comparable period, primarily driven by service revenue growth. Vodafone Japan continues to have the highest ARPU in the Group and, although ARPU declined as expected, data and content revenues continued to increase.

Net acquisition costs decreased due to more cost efficient purchasing and increased prepaid connections. In addition, Vodafone Japan has continued to streamline operations in areas such as customer care, logistics and billing system management. In April 2003, Vodafone Japan opened a new customer service centre, consolidating the service centres in eastern Japan so as to reduce overall operating costs and improve service levels. These benefits were partially offset by an increase in provisions for slow moving handset stocks and incremental overheads in operating the 3G network. The EBITDA margin increased slightly to 32.4% for the six month period ended 30 September 2003. Operating profit before goodwill amortisation decreased, principally due to a £58 million increase in the depreciation charge as a result of the commencement of 3G commercial services.

Vodafone Japan launched 3G services in December 2002 and has expanded its 3G network to 11,300 operational 3G base stations covering 95.9% of the population at 30 September 2003. 3G growth is expected to continue with the launch of Vodafone branded products and services. International roaming services, enabled by the launch of the W-CDMA 3G network, also increased significantly, with voice roaming services available in 81 countries and regions using 116 operators at 30 September 2003.

Other Asia Pacific

In an intensely competitive environment, Vodafone Australia increased its customer base by 2% in the six months ended 30 September 2003, notwithstanding heavy subsidisation of handsets by competitors. The contract base declined by 5% but the prepaid base increased by 9%, helped by new service offerings. Early September 2003 saw the launch of “red SIM”, a new mass market proposition supported by an integrated brand campaign designed to raise the profile of the business in the Australian market place.

Compared to the same period last year, turnover and EBITDA increased as a result of the growth in the customer base. Blended ARPU declined from AUD633 to AUD587 compared to the year ended 31 March 2003 as a result of the continued change in base from access-based plans with subsidies, to non-subsidised plans with no access fees. Data revenues increased by 39% compared to the same period last year, from increased SMS volumes, use of WAP browsing services and Vodafone live! customers.

Vodafone New Zealand continued to grow both turnover and EBITDA margins compared to the same period last year. Blended ARPU increased to NZD665 from NZD663 compared to the year ended 31 March 2003. The business has continued to focus on controlling operating expenditure while maintaining revenue growth. Customers increased by 11% since 31 March 2003 to 1,429,000 customers.

China Mobile (Hong Kong) Limited, in which the Group has a 3.27% stake, increased its customer base by 9% to 135,001,000 in the six months to 30 September 2003. This growth in the period was despite a slowdown in April and May due to the outbreak of Severe Acute Respiratory Syndrome. ARPU fell as competition increased, particularly at the low end of the market, driven by the limited mobility PHS service rolled out nationwide by China’s fixed-line operators. SMS volumes increased by 57% to 48.4 billion messages sent in the six months ended 30 September 2003 compared to 30.8 billion in the six months ended 31 March 2003.

The Group disposed of its interest in its Indian associate, RPG Cellular Services Ltd, during the period.

A new Partner Network Agreement was announced with M1 in Singapore on 3 November 2003, being the first Vodafone partner in this region.

MIDDLE EAST AND AFRICA

Financial highlights	Six months to 30 September		
	2003	2002	**% change**
	£m	£m	
Turnover	**157**	143	**10**
Total Group operating profit(1)	**140**	88	**59**
Proportionate EBITDA margin(2)	**48.3%**	45.8%	

(1) before goodwill amortisation
(2) see pages 31 and 32 for details of proportionate turnover and EBITDA

The Group’s operations in the Middle East and Africa region comprise Vodafone Egypt and the Group’s associated companies in South Africa (Vodacom) and Kenya (Safaricom). In addition, the Group has a Partner Network Agreement with MTC-Vodafone, which is the one of the leading mobile operators in Kuwait.

In Egypt, turnover increased by 52% when measured in local currency driven mainly by strong customer and ARPU growth. Data revenue grew by 66% when measured in local currency as a result of the increase in popularity of SMS messaging and the take up of Vodafone live! since its launch in March 2003. The customer base improved by 14% over the six months ended 30 September 2003 to 2,581,000. Sterling results were, however, affected by the weakness of the Egyptian Pound against sterling.

The Group has reached a preliminary understanding with Telecom Egypt for the proposed disposal of a 16.9% stake in Vodafone Egypt, reducing its stake to 50.1%. The remaining 33.0% stake is currently owned by minority interests. It is planned that Vodafone Egypt will list on the Cairo and Alexandria Stock Exchange before the year end.

The Group's associated undertakings in the region reported greatly improved operating performance for the period. This was a result of strong customer growth of 8.2% in Vodacom, in which the Group increased its stake from 31.5% to 35% in December 2002, and 37.1% growth in Safaricom, in which the Group increased its stake to an effective 35% in January 2003.

Other Operations

Financial highlights		Six months to 30 September 2003 £m	2002 £m	% change
Turnover	Europe	**449**	441	**2**
	Asia Pacific	**897**	1,017	**(12)**
		1,346	1,458	**(8)**
Total Group operating profit/(loss)(1)	Europe	**(41)**	(94)	**(56)**
	Asia Pacific	**79**	59	**34**
		38	(35)	**-**
Proportionate EBITDA margin(2)	Europe	**11.0%**	(0.5%)	
	Asia Pacific	**29.4%**	26.3%	

(1) before goodwill amortisation
(2) see pages 31 and 32 for details of proportionate turnover and EBITDA

The Group's other operations during the period mainly comprised interests in fixed line telecommunications businesses, including Arcor in Germany, Cegetel in France and Japan Telecom, which has subsequently been disposed of, and Vodafone Information Systems, an IT and data services business based in Germany.

In Europe, the German fixed line market continues to be dominated by intensive competition, principally driven by the market leader. Notwithstanding this, Arcor furthered its position as the main competitor to the dominant fixed line operator, increasing its contract voice customers by 268,000 to 2.9 million, including a rise in its ISDN customers by 44% to 284,000 since 31 March 2003. Activity levels improved and consequently traffic volume increased by 31% to 14.8 billion minutes.

Excluding the results of the Telematik business, which was disposed of in June 2002, turnover increased by 12%, measured in local currency, due to customer growth partially offset by tariff decreases caused by the competitive market. This revenue growth, combined with the disposal of the lower margin Telematik business, resulted in a significantly improved EBITDA margin.

Cegetel has the second largest residential customer base in France and made a positive contribution to operating profit before goodwill amortisation compared to a loss in the six months ended 30 September 2002. The Group increased its stake in Cegetel from 15% to 30% in the second half of the previous financial year.

Since 30 September 2003, the Group's 66.7% controlled entity Japan Telecom Holdings Co., Ltd. has completed the disposal of its 100% interest in Japan Telecom. Receipts resulting from this transaction are ¥261.3 billion (£1.4 billion), comprising ¥228.8 billion (£1.2 billion) of cash and ¥32.5 billion (£0.2 billion) of transferable redeemable preferred equity. The Group ceased consolidating the results of Japan Telecom from 1 October 2003.

Global Services

The Group's vision is to be the world's mobile communications leader. A major focus of the Group's strategy is to offer innovative services within Vodafone-branded, end-to-end customer propositions which utilise the Group's global footprint and global brand to offer customers a unique mobile experience with seamless international services.

To achieve this objective requires a highly focused, increasingly integrated and operationally efficient business providing the best products and services across the greatest number of markets. As a result, the Group established two new central functions in July 2003, Group Marketing and Group Technology and Business Integration.

Group Marketing

Group Marketing provides leadership and co-ordination across the full range of marketing and commercial activities including product, content, brand management and development, Partner Networks and global accounts. These activities include the design and rollout of segmented service propositions to consumer and business customers such as Vodafone live! and the Group's business offerings.

Vodafone live!

Vodafone live!, which was launched across Europe in October 2002, is the Group's first global offering aimed at specific market segments. Vodafone live! customers can take and send picture messages, download and play the latest mobile games and polyphonic ringtones, send and receive voice, text and emails, instant message with friends and gain access to certain information services. Since launch, the Group has connected more than 3 million active Vodafone live! customers across the 15 countries in which the service is now available.

The range of services available on Vodafone live! continues to be improved, integrating the most up to date services and technologies as well as broadening the range of handsets available. During the period, video and audio streaming services, on existing 2.5G technology, were launched in Italy, Germany, Portugal and the Netherlands.

The Group has recently acquired the mobile rights in 12 countries for the UEFA Champions League for the three successive seasons ending in 2005/6 and announced exclusive agreements with Eidos, for content based on the highly successful Tomb Raider series, and THQ, for 'The Simpsons' branded content. Games downloads, picture messaging and other content services are proving particularly popular and generating extra revenue.

On 29 October 2003, SFR, the Group's French associated undertaking, launched Vodafone live!, and on 13 November 2003, Swisscom Mobile launched this service in Switzerland.

With the rebranding of J-Phone Vodafone to the single Vodafone brand on 1 October 2003, Vodafone Japan's J-Sky service, which had 12.6 million customers at 30 September 2003, has been rebranded as Vodafone live!.

Business services

Vodafone Mobile Connect Card, a high speed data card enabling customers to access their normal business applications when out of the office, is aimed at all business users, from large corporate customers to those in the small and medium sized enterprise sector, and is marketed and sold by the Group as well as partner channels for leading personal computer brands. By 30 September 2003, the Group had 127,000 active Vodafone Mobile Connect Card customers. An upgraded card, incorporating Wireless LAN technology, is expected to be launched by the beginning of 2004 and a 3G capable card in due course.

On 1 August 2003, the Group and Verizon Wireless announced their intention to develop a dual branded "Verizon Vodafone" laptop data card service. The data card will be based on the Vodafone Mobile Connect Card, which Verizon Wireless will develop and market under licence from Vodafone. The service will enable Verizon Wireless and Vodafone business customers to seamlessly access their e-mail, the Internet and corporate applications on their laptops within Vodafone's territories and Verizon Wireless' network in the US, with customers experiencing the same service environment when travelling abroad.

During the period, the Group commenced rollout of Vodafone Wireless Office across its controlled networks. Vodafone Wireless Office is a single handset solution delivering all telephony needs, removing the need for fixed line phones. The service enables corporate customers to work away from the office, manage priority calls and utilise services such as SMS and Voicemail, creating opportunities to work more flexibly and improve productivity.

On 3 November 2003, the Group announced the launch of its global Blackberry from Vodafone offering, which delivers phone, email, SMS, browser and organiser functions in a single mobile device.

Brand

The strength of the Vodafone brand continues to improve, with brand awareness and preference continuing to grow in countries where it has been launched. The Group's continued sponsorship of Manchester United Football Club and the Ferrari Formula 1 team, supported by individual sponsorship contracts and combined with the continued brand rollout and other marketing communications programmes, have significantly improved awareness and perception of the brand.

Migration to the single Vodafone brand in the Group's subsidiary companies has been completed, with Vodafone Omnitel in Italy and J-Phone Vodafone in Japan migrating to the single brand in May 2003 and October 2003 respectively. A consistently implemented brand across the Group's markets greatly assisted the execution of the Vodafone live! campaign, with Vodafone live! itself contributing significantly to the brand in terms of brand equity and positioning.

Partner Network Strategy

The Group's Partner Network strategy is becoming increasingly successful in enabling the Group to implement its global services in new territories, extend its brand reach into new markets and create additional revenue without the need for equity investment.

The Group now has Partner Network Agreements covering 10 countries, an increase of three countries from 31 March 2003. In the period, agreements have been signed with Og-Vodafone (formerly Islandssimi hf), in Iceland and Bitė GSM in Lithuania. In addition, since 30 September 2003, an agreement has been signed with M1 in Singapore.

Other business initiatives

On 13 October 2003, the Group announced with Microsoft an intention to use mobile SIM based authentication and billing to help create open Web services standards that will enable new business opportunities for application developers and mobile network operators and deliver new integrated services for customers across fixed and mobile networks.

On 22 October 2003, the Group announced a joint initiative with Oracle to offer enterprise customers integrated mobility solutions enabling mobile access to business systems.

Group Technology and Business Integration

Group Technology and Business Integration underpins the Group strategy by providing underlying terminal and platform technologies on a global basis.

Technology

A key focus of Group Technology activities in the current period has been the management and control of Group wide projects in relation to the continued rollout and enhancement of Vodafone live! and the Group's business offerings. This work spans the continued development of technical specifications, creation and management of global contracts with suppliers as well as testing of terminals.

Together Vodafone live! and the Group's business offerings lay the foundations for the Group's next stage of growth, through creating demand for new data services. Both currently use 2.5G technology and will be upgraded in due course to 3G technology to enable faster download speeds and improved quality, which in turn will enhance customer experience and productivity.

The Group expects to commence friendly user trials shortly and then to start offering some 3G-powered services around the beginning of the next financial year when the first commercially viable handsets are expected to become available. The Group currently anticipates significant volumes of commercially viable handsets to become available from the middle of the next financial year.

Business Integration

Following the successful Vodafone brand migration and the creation of Group wide product platforms such as Vodafone live! and Vodafone Mobile Connect Card, the Group is now entering the phase of creating Group wide business processes.

The Group's business integration programme is named "One Vodafone" and its focus is to further leverage the scale and scope of the Vodafone footprint.

A first set of initiatives covering key areas of the business such as network development and operations, information technology and supply chain management is underway to identify business integration opportunities. In parallel, the development of future operating models for these areas should create the necessary structures for realising opportunities to build operational excellence across the Group. This programme should enable the Group to improve its time-to-market for new products and its strategic cost position.

Corporate Social Responsibility

The Group reports in detail on its approach to Corporate Social Responsibility ("CSR") through annual CSR reports. Reports for the years ending 31 March 2001, 2002 and 2003 are available through the Group's web-site www.vodafone.com. Since 1 April 2003, the Group's focus has been on strengthening its internal performance reporting on CSR as well as continuing to rollout a series of practical initiatives relating to environmental and social issues. The Group is moving forward as planned against the commitments set out in its 2003 CSR Report.

Real progress is being made in a number of areas. This includes the launch of further handset recycling programmes and further development on working with key suppliers on environmental and social matters. The Group has launched new Foundations this financial year in Ireland and Hungary. Vodafone Greece has become the latest operating company to prepare a CSR report for its national market.

The Group has retained its position in both the FTSE4Good and Dow Jones Sustainability indices.

FINANCIAL UPDATE

PROFIT AND LOSS ACCOUNT

Total Group operating profit/loss

Before goodwill amortisation and exceptional items, total Group operating profit increased 23% to £5,722 million in the six months ended 30 September 2003 from £4,640 million in the six months ended 30 September 2002.

After goodwill amortisation and exceptional items, the Group reported a total operating loss of £1,578 million, compared with a loss of £2,197 million for the comparable period. The £619 million reduction in the total operating loss arose as a result of a £351 million credit in respect of exceptional items in the six months to September 2003 and a £1,082 million increase in operating profit before goodwill amortisation and exceptional items, partly offset by a £814 million increase in the goodwill amortisation charge. The charges for goodwill amortisation, which do not affect the cash flows of the Group or the ability of the Company to pay dividends, increased by 12% to £7,651 million, principally as a result of the impact of foreign exchange movements. Translating at prior year rates would have reduced reported growth in the goodwill amortisation charge to 3% which arose due to a full year's charge for prior year acquisitions and charges in respect of current year acquisitions.

Exceptional items

Exceptional operating income for the six months ended 30 September 2003 comprises £351 million of expected recoveries and provision releases in relation to a contribution tax levy on Vodafone Italy that is not now expected to be payable. There were no exceptional operating items for the six months ended 30 September 2002.

Exceptional non-operating charges for the period of £58 million principally relate to a loss on disposal of the Japan Telecom fixed line operations, which has been partially offset by a profit on disposal of Grupo Iusacell. In the comparable period exceptional non-operating income of £267 million mainly represents a profit on disposal of fixed asset investments, principally relating to the disposal of the Group's interest in Bergemann GmbH.

Interest

Total Group net interest payable, including the Group's share of the net interest expense of joint ventures and associated undertakings, decreased from £390 million for the six months ended 30 September 2002 to £356 million for the six months ended 30 September 2003. The Group interest cost increased to £251 million from £239 million for the comparable period and was covered 27.4 times by operating cash flow plus dividends received from joint ventures and associated undertakings. The Group's share of the net interest expense of joint ventures and associated undertakings decreased from £151 million to £105 million, principally as a result of the sale of the Group's stake in Grupo Iusacell.

Taxation

The effective tax rate before goodwill amortisation and exceptional items for the period to 30 September 2003, which is based on the expected effective tax rate for the year ending 31 March 2004, was 30.9% compared to 35.5% for the year ended 31 March 2003. The rate has fallen due to further benefits arising out of the restructuring of the Group's Italian operations, a fall in the Group's weighted average tax rate, calculated by reference to local statutory taxation rates and accounting profits, the resolution of certain outstanding prior year issues and benefits from other tax incentives. These benefits outweighed the absence of the one-off benefit arising from the restructuring of the German group last year. Next year's effective tax rate is expected to be higher than this year's subject to the resolution of open issues and changes in tax legislation. Please see "Forward-Looking Statements" on page 34.

Earnings per share

Earnings per share, before goodwill amortisation and exceptional items, increased 46% from 3.28p to 4.78p for the period to 30 September 2003.

Basic loss per share, after goodwill amortisation and exceptional items, improved from a loss per share of 6.36p to a loss per share of 6.24p for the period to 30 September 2003. The loss per share of 6.24p includes a charge of 11.22p per share (30 September 2002: 10.03p per share) in relation to the amortisation of goodwill and a credit of 0.20p per share (30 September 2002: 0.39p per share) in relation to exceptional items.

Dividends

Vodafone Group Plc has historically paid dividends semi-annually, with the regular interim dividend in respect of the first six months of the financial year payable in February. The directors expect that the Company will continue to pay dividends semi-annually.

In considering the level of dividends, the Board takes account of the outlook for earnings growth, operating cash flow generation, capital expenditure requirements, acquisitions and divestments, together with the possibilities for debt reductions and share repurchases. Accordingly, the directors have announced an interim dividend of 0.9535 pence per share, representing a 20% increase over last year's interim dividend. The Board expects progressively to increase the payout ratio in the future.

The ex-dividend date is 26 November 2003 (25 November 2003 for ADR holders), the record date for the interim dividend is 28 November 2003 and the dividend is payable on 6 February 2004.

Share repurchase

The Board has reviewed the anticipated cash requirements and gearing of the Group. In order to provide increased cash returns to shareholders the directors have decided to introduce a share repurchase programme. £2.5 billion has been allocated to this programme. Shares will be purchased on market on the London Stock Exchange in accordance with shareholder approval obtained at this year's Annual General Meeting ("AGM") in July and which expires at the earlier of the conclusion of the Group's AGM in 2004 or 30 October 2004. The maximum share price payable for any shares will be no greater than 105% of the average of the middle market closing price of the Company's share price on the London Stock Exchange for the five business days immediately preceding the trade date on which any shares are purchased. Purchases will only be made if accretive to adjusted basic earnings per share. In line with the expected introduction of the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 on 1 December 2003, it is anticipated that any shares repurchased after this date will be held in treasury.

CASH FLOWS AND FUNDING

The growth in operating profit before goodwill amortisation and exceptional items in the six month period ended 30 September 2003 increased operating cash flows by 7% over the comparable period to £6,081 million.

During the six months ended 30 September 2003, the Group increased its operating free cash flow by 32% to £3,877 million and generated £4,641 million of free cash flow, as analysed below:

	Six months to 30 September		
	2003	2002	
	£m	£m	**% change**
Net cash inflow from operating activities (Note 7)	**6,081**	5,676	**7**
Purchase of intangible fixed assets	**(2)**	(59)	
Purchase of tangible fixed assets	**(2,255)**	(2,705)	
Disposal of tangible fixed assets	**53**	35	
Net capital expenditure on intangible and tangible fixed assets	**(2,204)**	(2,729)	**(19)**
Operating free cash flow	**3,877**	2,947	**32**
Dividends received from joint ventures and associated undertakings(1)	**805**	314	**156**
Taxation	**(283)**	(154)	**84**
Interest on group debt(2)	**257**	(211)	
Dividends from investments	**25**	19	
Dividends paid to minority interests	**(40)**	(37)	
Net cash inflow/(outflow) for returns on investments and servicing of finance	**242**	(229)	**-**
Free cash flow	**4,641**	2,878	**61**

(1) Six months ended 30 September 2003 includes £324 million (2002: £250 million) from Verizon Wireless and £370 million (2002: £nil) from the Group's direct and indirect interests in Cegetel and SFR.

(2) Six months ended 30 September 2003 includes £572 million (2002: £60 million) of cash receipts from the closure of financial instruments related to interest rate management activities, including those in connection with bond repurchases in subsidiaries.

The Group also invested a net £997 million in merger and acquisition activities in the period and an analysis of the significant transactions is shown below:

	Impact on net debt £ million
Significant stake increases in subsidiary companies:	
Vodafone Portugal from 94.4% to 100% including £0.3 billion to settle consideration payable in relation to the public offer in the previous financial year	410
Vodafone Netherlands from 97.2% to 99.8%	142
Other:	
The Singlepoint Group	417
Other acquisitions	133
Disposal of subsidiary and associated undertakings and trade investments	(105)
	997

Group consolidated net debt at 30 September 2003 decreased to £10,906 million, from £13,839 million at 31 March 2003, as a result of the significant level of free cash flow generated and after merger and acquisition activity, Group dividend payments of £612 million and £95 million of foreign exchange movements. This represented approximately 13% of the Group's market capitalisation at 30 September 2003 compared with 18% at 31 March 2003. A further analysis of net debt can be found in Note 8 of the interim results.

The Group remains committed to maintaining a solid credit profile, as demonstrated by its stable single A credit ratings. On 21 August 2003, Standard & Poor's re-affirmed the Group's stable outlook and long term credit ratings at A and short term credit ratings at A1. On 7 March 2003, Moody's affirmed the Group's stable outlook and long term credit ratings at A2 and short term credit ratings at P1. Fitch affirmed Vodafone's stable outlook and long term credit ratings at A and short term credit ratings at F1 on 16 October 2002.

The Group's credit ratings enable it to have access to a wide range of debt finance, including commercial paper, bonds and committed bank facilities. The Group currently has US and euro commercial paper programmes of US$15 billion and £5 billion, respectively, which are used to meet short-term liquidity requirements. The commercial paper facilities are supported by US$10.4 billion of committed bank facilities, which replace the Group's previous US$11.025 billion committed bank facility. The facilities are comprised of a US$5.5 billion Revolving Credit Facility, which matures in June 2004 but can be extended for one year, and a US$4.9 billion Revolving Credit Facility which matures in June 2006. As at 30 September 2003 no amounts had been drawn under either facility. The Group also has a JPY225 billion committed bank facility which was fully drawn on 30 September 2003 and matures in January 2007. At 30 September 2003, the Group had approximately £13.4 billion (pounds sterling equivalent) of capital market debt in issue, with maturity dates from October 2003 to January 2032 and £2.1 billion (pounds sterling equivalent) of term funding, including the JPY225 billion bank facility.

SIGNIFICANT TRANSACTIONS

The Group undertook the following significant transactions in the six months to 30 September 2003:

Acquisitions

The Group increased its interests in a number of subsidiary companies in the period. These were:

	% interest at 31 March 2003	% interest at 30 September 2003
Vodafone Portugal	94.4	100.0
Vodafone Netherlands	97.2	99.8
Vodafone Greece	64.0	65.4
Vodafone Malta	80.0	100.0
Vodafone Albania	82.4	83.0
Vodafone Hungary	83.8	87.9
Vodafone Egypt	60.0	67.0

On 19 September 2003, the Company's £155 million cash offer for the UK service provider Project Telecom plc was declared unconditional.

On 22 September 2003, the Group's wholly owned subsidiary, Vodafone UK, completed the acquisition of the Singlepoint Group for a cash consideration of £417 million.

Disposals

The Group completed the disposals of its interests in its Indian and Mexican associates, RPG Cellular and Grupo Iusacell, during the period.

SUBSEQUENT EVENTS

On 14 October 2003, the Group and Vivendi Universal ("Vivendi") announced a number of agreements in principle designed to further improve the performance of Cegetel Groupe ("Cegetel") and optimise the cash flows between Cegetel and its shareholders. These agreements cover:

- increased co-operation in relation to the development and roll out of new products and services, including Vodafone live!, and operational synergies, including procurement;
- the simplification of the legal structure of Cegetel;
- the payment of quarterly dividends and the ability for Vivendi to access up to €250m through a cash pooling agreement as advances on quarterly dividends payable; and,
- the merger of Cegetel's fixed line business with Télécom Développement.

On 14 November 2003 Japan Telecom Holdings Co., Ltd. completed the disposal of its fixed line business.

FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS TO 30 SEPTEMBER 2003

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Turnover: Group and share of joint ventures and associated undertakings			
- Continuing operations	**21,198**	18,220	37,324
- Discontinued operations	**818**	969	1,828
	22,016	19,189	39,152
Less: Share of joint ventures and associated undertakings	**(5,117)**	(4,291)	(8,777)
	16,899	14,898	30,375
Turnover (Note 2)			
- Continuing operations	**16,081**	13,929	28,547
- Discontinued operations	**818**	969	1,828
	16,899	14,898	30,375
Operating (loss)/profit			
- Continuing operations	**(1,907)**	(2,237)	(5,052)
- Discontinued operations	**66**	74	(243)
	(1,841)	(2,163)	(5,295)
Share of operating profit/(loss) in joint ventures and associated undertakings			
- Continuing operations	**263**	(34)	(156)
Total Group operating loss (Note 2)	**(1,578)**	(2,197)	(5,451)
Exceptional non-operating items (Note 4)	**(58)**	267	(5)
Loss on ordinary activities before interest	**(1,636)**	(1,930)	(5,456)
Net interest payable and similar items	**(356)**	(390)	(752)
- Group	**(251)**	(239)	(457)
- Share of joint ventures and associated undertakings	**(105)**	(151)	(295)
Loss on ordinary activities before taxation	**(1,992)**	(2,320)	(6,208)
Tax on loss on ordinary activities (Note 5)	**(1,792)**	(1,602)	(2,956)
Loss on ordinary activities after taxation	**(3,784)**	(3,922)	(9,164)
Minority interests (including non-equity minority interests)	**(470)**	(414)	(655)
Loss for the financial period	**(4,254)**	(4,336)	(9,819)
Equity dividends	**(650)**	(542)	(1,154)
Retained loss for the Group and its share of joint ventures and associated undertakings	**(4,904)**	(4,878)	(10,973)
Basic and diluted loss per share (Note 6)	**(6.24)p**	(6.36)p	(14.41)p
Adjusted basic earnings per share (Note 6)	**4.78p**	3.28p	6.81p
Dividend per share	**0.9535p**	0.7946p	1.6929p

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2003

	30 September 2003 £m	30 September 2002 £m	31 March 2003 £m
Fixed assets			
Intangible assets	**103,815**	103,190	108,085
Tangible assets	**19,622**	18,573	19,574
Investments	**25,289**	26,303	27,030
- Investments in associated undertakings	**24,204**	24,757	25,825
- Other investments	**1,085**	1,546	1,205
	148,726	148,066	154,689
Current assets			
Stocks	**437**	318	365
Debtors	**7,186**	6,450	7,460
Investments	**1,417**	2,698	291
Cash at bank and in hand	**3,228**	117	475
	12,268	9,583	8,591
Creditors: amounts falling due within one year	**(14,776)**	(13,434)	(14,293)
Net current liabilities	**(2,508)**	(3,851)	(5,702)
Total assets less current liabilities	**146,218**	144,215	148,987
Creditors: amounts falling due after more than one year	**(14,653)**	(12,179)	(13,757)
Provisions for liabilities and charges	**(3,763)**	(3,050)	(3,696)
	127,802	128,986	131,534
Capital and reserves			
Called up share capital	**4,277**	4,275	4,275
Share premium account	**52,094**	52,060	52,073
Merger reserve	**98,927**	98,927	98,927
Other reserve	**793**	877	843
Profit and loss account	**(31,450)**	(30,227)	(27,447)
Total equity shareholders' funds	**124,641**	125,912	128,671
Equity minority interests	**2,194**	2,054	1,848
Non-equity minority interests	**967**	1,020	1,015
	127,802	128,986	131,534

CONSOLIDATED CASH FLOW

FOR THE SIX MONTHS TO 30 SEPTEMBER 2003

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Net cash inflow from operating activities (Note 7)	**6,081**	5,676	11,142
Dividends received from joint ventures and associated undertakings	**805**	314	742
Net cash inflow/(outflow) for returns on investments and servicing of finance	**242**	(229)	(551)
Taxation	**(283)**	(154)	(883)
Net cash outflow for capital expenditure and financial investment	**(2,116)**	(2,768)	(5,373)
- Purchase of intangible fixed assets	**(2)**	(59)	(99)
- Purchase of tangible fixed assets	**(2,255)**	(2,705)	(5,289)
- Disposal of tangible fixed assets	**53**	35	109
- Purchase of investments	**(26)**	(521)	(560)
- Disposal of investments	**87**	559	575
- Other	**27**	(77)	(109)
Net cash outflow for acquisitions and disposals	**(1,059)**	(859)	(4,880)
- Purchase of interests in subsidiary undertakings	**(1,074)**	(990)	(3,519)
- Net (overdrafts)/cash acquired with subsidiary undertakings	**(1)**	16	11
- Purchase of interests in joint ventures and associated undertakings	**(2)**	(12)	(1,491)
- Disposal of interests in subsidiary undertakings	**9**	127	125
- Other	**9**	-	(6)
Equity dividends paid	**(612)**	(511)	(1,052)
Cash inflow/(outflow) before management of liquid resources and financing	**3,058**	1,469	(855)
Management of liquid resources	**(1,126)**	(1,108)	1,384
Net cash inflow/(outflow) from financing	**969**	(326)	(136)
- Issue of ordinary share capital	**22**	18	28
- Net issue/(repayment) of debt	**947**	(344)	(165)
- Issue of shares to minorities	**-**	-	1
Increase in cash in the period	**2,901**	35	393

Reconciliation of net cash flow to movement in net debt

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Increase in cash in the period	**2,901**	35	393
Cash (inflow)/outflow from (increase)/decrease in debt	**(947)**	344	165
Cash outflow/(inflow) from management of liquid resources	**1,126**	1,108	(1,384)
Decrease/(increase) in net debt resulting from cash flows	**3,080**	1,487	(826)
Premium on repayment of debt	**(56)**	-	(157)
Translation difference	**(95)**	(155)	(826)
Other movements	**4**	5	4
Decrease/(increase) in net debt in the period	**2,933**	1,337	(1,805)
Opening net debt	**(13,839)**	(12,034)	(12,034)
Closing net debt (Note 8)	**(10,906)**	(10,697)	(13,839)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE SIX MONTHS TO 30 SEPTEMBER 2003

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Loss for the financial period			
- Group	**(4,143)**	(3,958)	(9,049)
- Share of joint ventures and associated undertakings	**(111)**	(378)	(770)
	(4,254)	(4,336)	(9,819)
Currency translation			
- Group	**1,697**	2,148	10,484
- Share of joint ventures and associated undertakings	**(845)**	(1,949)	(1,445)
	852	199	9,039
Total recognised gains and losses for the period	**(3,402)**	(4,137)	(780)

MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS
FOR THE SIX MONTHS TO 30 SEPTEMBER 2003

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Loss for the financial period	**(4,254)**	(4,336)	(9,819)
Equity dividends	**(650)**	(542)	(1,154)
	(4,904)	(4,878)	(10,973)
Currency translation	**852**	199	9,039
New share capital subscribed	**18**	18	31
Other	**4**	-	1
Net movement in equity shareholders' funds	**(4,030)**	(4,661)	(1,902)
Opening equity shareholders' funds	**128,671**	130,573	130,573
Closing equity shareholders' funds	**124,641**	125,912	128,671

1 Basis of preparation

Statutory financial information

The unaudited interim results have been prepared on a basis consistent with the accounting policies set out on pages 76 to 78 of Vodafone Group Plc's Annual Report & Accounts and Form 20-F for the year ended 31 March 2003. The interim results should therefore be read in conjunction with the 2003 Annual Report & Accounts and Form 20-F.

The interim results for the six months to 30 September 2003, which were approved by the Board of Directors on 17 November 2003, do not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. Full accounts for the year ended 31 March 2003, incorporating an unqualified auditors' report, have been filed with the Registrar of Companies.

Restatement

In June 2003, the Group announced changes in the regional structure of its operations. The former Northern Europe and Central Europe regions were combined into a new Northern Europe region, with the exception of the United Kingdom and Ireland that now form their own region. The results below are presented in accordance with the new regional structure.

The results of the Japan Telecom fixed line business, which has been disposed of, are analysed as discontinued operations and prior periods' analyses are restated to reflect this business as discontinued.

2 Segmental and other analyses

The Group's principal business is the supply of mobile telecommunications services and products. Other operations primarily comprise fixed line telecommunications businesses and, until 29 August 2002, the Vizzavi joint venture. Analyses of turnover and total Group operating profit/(loss) by geographical region and class of business are as follows:

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Turnover(1)			
Mobile telecommunications:			
United Kingdom and Ireland	**2,528**	2,300	4,655
Northern Europe	**3,676**	2,989	6,177
Southern Europe	**4,835**	3,877	8,051
Americas	**-**	5	5
Asia Pacific	**4,357**	4,126	8,364
Middle East and Africa	**157**	143	290
	15,553	13,440	27,542
Other operations			
Europe	**449**	441	854
Asia Pacific(2)	**897**	1,017	1,979
	16,899	14,898	30,375

(1) The analysis of Group turnover represents turnover of the Company and its subsidiary undertakings and is stated net of inter-company turnover.
(2) Includes the following amounts in relation to discontinued operations: six months to 30 September 2003: £818 million; six months to 30 September 2002: £969 million; year ended 31 March 2003: £1,828 million.

Segmental and other analyses (continued)

Total Group operating profit / (loss) (before goodwill amortisation)	**Six months to 30 September 2003 £m**	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Mobile telecommunications:			
United Kingdom and Ireland	**685**	637	1,326
Northern Europe	**1,689**	1,311	2,512
Southern Europe	**1,729**	1,261	2,495
Americas	**705**	644	1,219
Asia Pacific	**736**	734	1,421
Middle East and Africa	**140**	88	197
	5,684	4,675	9,170
Other operations			
Europe	**(41)**	(94)	(138)
Asia Pacific(1)	**79**	59	149
	5,722	4,640	9,181
- Subsidiary undertakings	**4,355**	3,604	7,076
- Share of joint ventures and associated undertakings	**1,367**	1,036	2,105
Goodwill amortisation	**(7,651)**	(6,837)	(14,056)
Exceptional operating items (Note 3)(2)	**351**	-	(576)
Total Group operating loss	**(1,578)**	(2,197)	(5,451)

(1) Includes the following amounts in relation to discontinued operations: six months to 30 September 2003: £66 million; six months to 30 September 2002: £74 million; year ended 31 March 2003: £162 million.
(2) Includes the following amounts in relation to discontinued operations: six months to 30 September 2003: £nil; six months to 30 September 2002: £nil; year ended 31 March 2003: £(405) million.

3 Exceptional operating items

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Contribution tax	**351**	-	-
Impairment of intangible and tangible fixed assets	**-**	-	(485)
Reorganisation costs	**-**	-	(91)
	351	-	(576)

The exceptional operating income of £351 million comprises expected recoveries and provision releases in relation to a contribution tax levy on Vodafone Italy that is no longer expected to be payable.

4 Exceptional non-operating items

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
(Loss)/profit on disposal of businesses	**(69)**	3	22
Amounts written off fixed asset investments	**(4)**	(4)	(340)
Profit on disposal of fixed asset investments	**-**	268	255
Profit on disposal of fixed assets	**16**	-	3
Share of associate (loss)/profit on disposal of investment	**(1)**	-	55
	(58)	267	(5)

5 Tax on loss on ordinary activities

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
United Kingdom corporation tax charge at 30%	**152**	120	195
Overseas corporation tax			
Current tax:			
Current year	**1,265**	996	1,971
Prior year	**(144)**	-	9
	1,121	996	1,980
Total current tax	**1,273**	1,116	2,175
Deferred tax – origination of and reversal of timing differences	**385**	486	818
Tax on loss on ordinary activities	**1,658**	1,602	2,993
Tax on exceptional items	**134**	-	(37)
Total tax charge	**1,792**	1,602	2,956

Parent and subsidiary undertakings	**1,559**	1,428	2,624
Share of associated undertakings and joint ventures	**233**	174	332
	1,792	1,602	2,956

6 Earnings per share

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Loss for basic loss per share	**(4,254)**	(4,336)	(9,819)
Goodwill amortisation	**7,651**	6,837	14,056
Exceptional operating items	**(351)**	-	576
Exceptional non-operating items	**58**	(267)	5
Tax on exceptional items	**134**	-	(37)
Share of exceptional items attributable to minority interests	**23**	-	(139)
Earnings for adjusted earnings per share	**3,261**	2,234	4,642
Weighted average number of shares (millions)	**68,191**	68,152	68,155
Basic and diluted loss per share	**(6.24)p**	(6.36)p	(14.41)p
Adjusted basic earnings per share	**4.78p**	3.28p	6.81p

Diluted loss per share is the same as basic loss per share as it is considered that there are no dilutive potential ordinary shares.

7 Reconciliation of operating loss to net cash inflow from operating activities

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Operating loss	**(1,841)**	(2,163)	(5,295)
Exceptional items	**(351)**	-	496
Depreciation	**2,206**	1,892	3,979
Goodwill amortisation	**6,547**	5,767	11,875
Amortisation of other intangible fixed assets	**22**	23	53
Loss on disposal of tangible fixed assets	**35**	47	109
Group EBITDA[1]	**6,618**	5,566	11,217
Working capital movements	**(522)**	116	(52)
Payments in respect of exceptional items	**(15)**	(6)	(23)
Net cash inflow from operating activities	**6,081**	5,676	11,142

(1) Group EBITDA is not a measure recognised under UK GAAP but is presented in order to highlight operational performance of the Group.

8 Analysis of net debt

	At 1 April 2003 £m	**Cash flow £m**	**Other non-cash changes and exchange movements £m**	**At 30 September 2003 £m**
Liquid resources	291	1,126	-	**1,417**
Cash at bank and in hand	475	2,901	(148)	**3,228**
Debt due within one year (other than bank overdrafts)	(1,323)	917	(1,157)	**(1,563)**
Debt due after one year	(12,994)	(1,940)	1,161	**(13,773)**
Finance leases	(288)	76	(3)	**(215)**
	(14,605)	(947)	1	**(15,551)**
Net debt	(13,839)	3,080	(147)	**(10,906)**

Included within net debt are bond issues maturing as follows:

	£m
One year or less	1,274
More than one year but not more than two years	1,411
More than two years but not more than five years	3,270
More than five years but not more than ten years	3,947
More than ten years but not more than twenty years	2,316
More than twenty years	1,181
	13,399

9 Summary of differences between UK and US GAAP

The interim results have been prepared in accordance with UK Generally Accepted Accounting Principles ("UK GAAP"), which differ in certain significant respects from US Generally Accepted Accounting Principles ("US GAAP"). A description of the relevant accounting principles which differ materially is provided within Vodafone Group Plc's Annual Report & Accounts and Form 20-F for the year ended 31 March 2003. The effects of these differing accounting principles are as follows:

	Six months to 30 September 2003 £m	Six months to 30 September 2002 as restated[1] £m	Year ended 31 March 2003 as restated[1] £m
Revenues from continuing operations in accordance with UK GAAP	**16,081**	13,929	28,547
Items decreasing revenues:			
Non-consolidated subsidiaries	**(2,612)**	(2,101)	(4,371)
Deferral of connection revenues	**(536)**	(831)	(1,760)
Revenues from continuing operations in accordance with US GAAP	**12,933**	10,997	22,416
Net loss in accordance with UK GAAP	**(4,254)**	(4,336)	(9,819)
Items (increasing)/decreasing net loss:			
Goodwill and other intangibles amortisation	**(3,116)**	(2,868)	(5,487)
Investments accounted for under the equity method	**789**	213	289
Exceptional items	**(253)**	-	270
Connection income	**12**	9	16
Capitalised interest	**223**	237	408
Income taxes	**3,426**	2,608	5,320
Other	**12**	(37)	(52)
Net loss in accordance with US GAAP	**(3,161)**	(4,174)	(9,055)
US GAAP basic and diluted loss per ordinary share	**(4.64)p**	(6.12)p	(13.29)p
Shareholders' equity in accordance with UK GAAP	**124,641**	125,912	128,671
Items increasing/(decreasing) shareholders' equity:			
Goodwill and other intangibles – net of amortisation	**49,156**	50,123	51,144
Investments accounted for under the equity method	**5,581**	4,551	4,630
Exceptional items	**-**	-	270
Deferral of connection income	**(72)**	(91)	(84)
Capitalised interest	**1,296**	989	1,073
Cumulative deferred income taxes	**(42,988)**	(45,345)	(45,446)
Proposed dividends	**650**	542	612
Other	**19**	(532)	(434)
Shareholders' equity in accordance with US GAAP	**138,283**	136,149	140,436

(1) The reconciliations of net loss and shareholders' equity for the six months ended 30 September 2002 and year ended 31 March 2003 have been restated to reclassify certain items within the reconciliations presented. This restatement had no impact on the Group's previously reported net income or shareholders' equity under US GAAP.

INDEPENDENT REVIEW REPORT BY DELOITTE & TOUCHE LLP TO VODAFONE GROUP PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 September 2003 which comprises the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Consolidated Cash Flow, Consolidated Statement of Total Recognised Gains and Losses, Movement in Equity Shareholders' Funds and related notes 1 to 9. We have read the other information contained in the interim results report and considered whether it contains any apparent mis-statements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim results report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting polices and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2003.

Deloitte & Touche LLP
Chartered Accountants
London
17 November 2003

Notes: A review does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

UNAUDITED PROPORTIONATE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

Basis of preparation

The tables of financial information below are presented on a proportionate basis. Proportionate presentation is not a measure recognised under UK GAAP and is not intended to replace the consolidated financial statements prepared in accordance with UK GAAP. However, since significant entities in which the Group has an interest are not consolidated, proportionate information is provided as supplemental data to facilitate a more detailed understanding and assessment of the consolidated financial statements prepared in accordance with UK GAAP. Proportionate financial information is not presented in the Group's Annual Report & Accounts and Form 20-F for the year ended 31 March 2003.

UK GAAP requires consolidation of entities controlled by the Group and the equity method of accounting for entities in which the Group has significant influence but not a controlling interest. Proportionate presentation is a pro rata consolidation, which reflects the Group's share of turnover and expenses in both its consolidated and unconsolidated entities. Proportionate results are calculated by multiplying the Group's ownership interest in each entity by each entity's results.

Proportionate information includes results from the Group's equity accounted investments and investments held at cost. The Group does not have control over the turnover, expenses or cash flows of these investments and is only entitled to cash from dividends received from these entities. The Group does not own the underlying assets of these investments.

Proportionate turnover is stated net of intercompany turnover. Proportionate EBITDA is defined as operating profit before exceptional items plus depreciation and amortisation of subsidiary undertakings, joint ventures, associated undertakings and investments, proportionate to equity stakes. Proportionate EBITDA represents the Group's ownership interests in the respective entities' EBITDA. As such, proportionate EBITDA does not represent EBITDA available to the Group.

Analysis of proportionate turnover

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Mobile telecommunications:			
United Kingdom	**2,150**	2,000	4,026
Ireland	**378**	300	629
Germany	**2,708**	2,246	4,642
Other Northern Europe	**2,477**	1,604	3,458
Italy	**2,006**	1,598	3,353
Other Southern Europe	**2,069**	1,411	2,981
Verizon Wireless	**3,102**	2,841	5,686
Other Americas	**31**	66	116
Japan	**2,698**	2,602	5,258
Other Asia Pacific	**698**	553	1,178
Middle East and Africa	**358**	238	526
	18,675	15,459	31,853
Other operations:			
Europe	**419**	380	752
Asia Pacific	**598**	678	1,321
	19,692	16,517	33,926

Reconciliation of proportionate turnover to statutory turnover

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Proportionate turnover	**19,692**	16,517	33,926
Minority share of turnover in subsidiary undertakings	**2,452**	2,758	5,437
Group share of turnover in joint ventures, associated undertakings and trade investments	**(5,245)**	(4,377)	(8,988)
	16,899	14,898	30,375

UNAUDITED PROPORTIONATE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

Analysis of proportionate EBITDA, before exceptional items

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Mobile telecommunications:			
United Kingdom	**788**	739	1,541
Ireland	**176**	128	274
Germany	**1,264**	1,038	2,016
Other Northern Europe	**1,019**	648	1,349
Italy	**1,100**	789	1,654
Other Southern Europe	**799**	524	1,062
Verizon Wireless	**1,107**	1,002	2,001
Other Americas	**2**	8	(24)
Japan	**873**	833	1,645
Other Asia Pacific	**269**	209	474
Middle East and Africa	**173**	109	243
	7,570	6,027	12,235
Other operations:			
Europe	**46**	(2)	48
Asia Pacific	**176**	178	396
Proportionate EBITDA, before exceptional items	**7,792**	6,203	12,679

Reconciliation of proportionate EBITDA, before exceptional items to loss for period

	Six months to 30 September 2003 £m	Six months to 30 September 2002 £m	Year ended 31 March 2003 £m
Proportionate EBITDA, before exceptional items	**7,792**	6,203	12,679
Minority share of EBITDA in subsidiary undertakings	**899**	1,028	1,889
Group's share of EBITDA in joint ventures, associated undertakings and trade investments	**(2,073)**	(1,665)	(3,351)
Group EBITDA	**6,618**	5,566	11,217
Charges for depreciation	**(2,206)**	(1,892)	(3,979)
Exceptional operating items	**351**	-	(496)
Goodwill amortisation	**(6,547)**	(5,767)	(11,875)
Amortisation of other intangibles	**(22)**	(23)	(53)
Loss on disposal of tangible fixed assets	**(35)**	(47)	(109)
Operating loss	**(1,841)**	(2,163)	(5,295)
Share of profit/(losses) in joint ventures and associated undertakings	**263**	(34)	(156)
Exceptional non-operating items	**(58)**	267	(5)
Net interest payable and similar items	**(356)**	(390)	(752)
Tax on loss on ordinary activities	**(1,792)**	(1,602)	(2,956)
Minority interests (including non-equity minority interests)	**(470)**	(414)	(655)
Loss for period	**(4,254)**	(4,336)	(9,819)

OTHER INFORMATION

These interim results will be available on the Vodafone Group Plc website, www.vodafone.com, from 18 November 2003.

Copies of this document are also available from the Company's registered office:

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High resolution photographs are available to the media free of charge at www.newscast.co.uk.

Forward-Looking Statements

This document 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 statements under “Outlook” with respect to Vodafone’s expectations for the year ending 31 March 2004 as to average proportionate mobile customer growth, full year proportionate mobile revenue organic growth, proportionate mobile EBITDA margins, capitalised fixed asset additions, mobile capital efficiency, free cash flow and tax payments; statements with respect to Vodafone’s expectations for the year ending 31 March 2005 as to organic growth in average proportionate mobile customers and proportionate mobile revenues, proportionate mobile EBITDA margins and organic growth in proportionate mobile EBITDA and capitalised fixed asset additions; the statements under “Expenses” with respect to the expected amount for additional depreciation and amortisation; and the statements under “Taxation” with respect to the expected effective tax rates. These forward-looking statements are made on the basis of certain assumptions which Vodafone believes to be reasonable in light of Vodafone’s operating experience in recent years. The principal assumptions on which these statements are based relate to exchange rates, customer numbers, usage and pricing, take-up of new services, termination rates, customer acquisition and retention costs and the availability of handsets.

The document also contains other forward-looking statements including statements with respect to Vodafone’s expectations as to launch and roll-out dates for products and services, including, for example, 3G services, Vodafone live! and Vodafone’s business offerings; intentions regarding the development of products and services; the ability to integrate our operations throughout the Group in the same format and on the same technical platform and the ability to be operationally efficient; the anticipated share repurchase programme; the rate of dividend growth by the Group or its existing investments; expected effective tax rates and expected tax payments; mobile penetration and coverage rates; expectations with respect to long-term shareholder value growth; our ability to be the mobile market leader, overall market trends and other trend projections. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “anticipates”, “aims”, “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 will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements particularly the statements under “Outlook”, “Expenses” and “Taxation” referred to above. These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group that would adversely affect the level of demand for mobile services; greater than anticipated competitive activity requiring changes in pricing models and/or new product offerings or resulting in higher costs of acquiring new customers or providing new services; the impact on capital spending from investment in network capacity and the deployment of new technologies, or the rapid obsolescence of existing technology; slower customer growth or reduced customer retention; the possibility that technologies, including mobile internet platforms, and services, including 3G services, will not perform according to expectations or that vendors’ performance will not meet the Group’s requirements; changes in the projected growth rates of the mobile telecommunications industry; the Group’s ability to realise expected synergies and benefits associated with 3G technologies, the integration of our operations and those of recently acquired companies; future revenue contributions of both voice and non-voice services offered by the Group; lower than expected impact of GPRS, 3G and Vodafone live! and the Group’s business offerings on the Group’s future revenues, cost structure and capital expenditure outlays; the ability of the Group to harmonise mobile platforms and any delays, impediments or other problems associated with the roll-out and scope of 3G technology and services and Vodafone live! and the Group’s business offerings in new markets; the ability of the Group to offer new services and secure the timely delivery of high-quality, reliable GPRS and 3G handsets, network equipment and other key products from suppliers; greater than anticipated prices of new mobile handsets; the ability to realise benefits from entering into partnerships for developing data and internet services and entering into service franchising and brand licensing; the possibility that the pursuit of new, unexpected strategic opportunities may have a negative impact on one or more of the measurements of our financial performance; any unfavourable conditions, regulatory or otherwise, imposed in connection with pending or future acquisitions or dispositions; changes in the regulatory framework in which the Group operates, including possible action by the European Commission regulating rates the Group is permitted to charge; the Group’s ability to develop competitive data content and services which will attract new customers and increase average usage; the impact of legal or other proceedings against the Group or other companies in the mobile telecommunications industry; changes in exchange rates, including particularly the exchange rate of the pound to the euro, US dollar and the Japanese yen; the risk that, upon obtaining control of certain investments, the Group discovers additional information relating to the businesses of that investment leading to restructuring charges or write-offs or with other negative implications; changes in statutory tax rates and profit mix which would impact the weighted average tax rate; changes in tax legislation in the jurisdictions in which the Group operates; final resolution of open issues which might impact the effective tax rate; timing of tax payments relating to the resolution of open issues and loss of suppliers or disruption of supply chains.

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 “Risk Factors” contained in our Annual Report & Accounts and Form 20-F with respect to the financial year ended 31 March 2003. 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 assurance can be given that the forward-looking statements in this document will be realised. Neither Vodafone nor any of its affiliates intends to update these forward-looking statements.

Use of Non-GAAP Financial Information

In presenting and discussing the Group's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with UK GAAP, but this information is not itself an expressly permitted GAAP measure. Such non-GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measure.

A summary of certain of the non-GAAP measures included in this results announcement, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Non-GAAP measure	Equivalent GAAP measure	Location in this results announcement of reconciliation and further information
EBITDA, before exceptional items	Operating loss	Note 7 on page 28
Total Group operating profit (before goodwill amortisation and exceptional items)	Total Group operating loss	Note 2 on page 26
Profit on ordinary activities before taxation (before goodwill amortisation and exceptional items)	Loss on ordinary activities before taxation	Group Financial Highlights on page 2
Free cash flow	Net cash inflow from operating activities	Cash flows and funding on page 18
Adjusted earnings per share	Earnings per share	Note 6 on page 27
Proportionate turnover	Statutory turnover	Proportionate financial information on page 31
Proportionate EBITDA, before exceptional items	Operating loss	Proportionate financial information on page 32

VODAFONE GROUP PLC – MOBILE TELECOMMUNICATIONS BUSINESSES

PROPORTIONATE NET CUSTOMERS – 1 APRIL 2003 TO 30 SEPTEMBER 2003

		QUARTER TO 30 JUNE 2003				QUARTER TO 30 SEPTEMBER 2003			
COUNTRY[1]	PERCENTAGE OWNERSHIP[2] (%)	AT 1 APRIL 2003 (000s)	NET ADDITIONS (000s)	STAKE CHANGES (000s)	AT 30 JUNE 2003 (000s)	NET ADDITIONS (000s)	STAKE CHANGES[3] (000s)	AT 30 SEPT 2003 (000s)	PREPAID[4] (%)
UK & IRELAND									
UK	100.0%	13,300	13	-	13,313	170	-	13,483	59%
Ireland	100.0%	1,740	25	-	1,765	38	-	1,803	71%
TOTAL		**15,040**	**38**	**-**	**15,078**	**208**	**-**	**15,286**	**60%**
NORTHERN EUROPE									
Germany	100.0%	22,940	321	-	23,261	519	-	23,780	52%
Hungary	87.9%	799	109	44	952	109	-	1,061	86%
Netherlands	99.8%	3,183	45	84	3,312	37	2	3,351	58%
Sweden	99.1%	1,313	18	-	1,331	37	-	1,368	32%
Others		8,767	99	-	8,866	198	-	9,064	49%
TOTAL		**37,002**	**592**	**128**	**37,722**	**900**	**2**	**38,624**	**51%**
SOUTHERN EUROPE									
Italy	76.8%	14,908	136	-	15,044	301	-	15,345	92%
Albania	83.0%	322	39	3	364	29	-	393	97%
Greece	65.4%	2,166	159	48	2,373	*	-	*	*
Malta	100.0%	130	(4)	-	126	-	32	158	91%
Portugal	100.0%	2,912	42	175	3,129	114	-	3,243	73%
Spain	100.0%	9,096	88	-	9,184	215	-	9,399	57%
Others		537	15	-	552	*	-	*	*
TOTAL		**30,071**	**475**	**226**	**30,772**	**801**	**32**	**31,605**	**78%**
AMERICAS									
United States[5]	44.3%	14,792	540	-	15,332	628	-	15,960	6%
Others		703	(28)	-	675	(9)	(666)	-	-
TOTAL		**15,495**	**512**	**-**	**16,007**	**619**	**(666)**	**15,960**	**6%**
ASIA PACIFIC									
Japan	69.7%	9,702	333	-	10,035	105	-	10,140	8%
Australia	100.0%	2,564	29	-	2,593	34	-	2,627	53%
New Zealand	100.0%	1,289	60	-	1,349	80	-	1,429	78%
Others		4,129	179	-	4,308	194	(37)	4,465	63%
TOTAL		**17,684**	**601**	**-**	**18,285**	**413**	**(37)**	**18,661**	**57%**
MIDDLE EAST AND AFRICA									
Egypt	67.0%	1,358	86	165	1,609	120	-	1,729	82%
Others		3,059	154	-	3,213	183	-	3,396	87%
TOTAL		**4,417**	**240**	**165**	**4,822**	**303**	**-**	**5,125**	**86%**
GROUP TOTAL		**119,709**	**2,458**	**519**	**122,686**	**3,244**	**(669)**	**125,261**	**54%**

(1) At 30 September 2003, all subsidiaries operated under the Vodafone brand with the exception of Japan (J-Phone Vodafone) which migrated to the single brand on 1 October 2003. In the United States the Group's associated business operates as Verizon Wireless.

(2) All ownership percentages are stated as at 30 September 2003 and exclude options, warrants or other rights or obligations of the Company to increase or decrease ownership in any venture. Ownership interests have been rounded to the nearest tenth of one percent.

(3) Represents a stake increase of 0.05% in Vodafone Netherlands to 99.8%, a stake increase in Vodafone Malta from 80.0% to 100.0%, the disposal of a 34.5% interest in Group Iusacell, S.A. de C.V. (Mexico) and the disposal of a 20.8% interest in RPG Cellular Services (India).

(4) Prepaid customer percentages are calculated on a venture basis. At 30 September 2003, there were 314.0 million total venture customers.

(5) The Group's proportionate customer base has been adjusted for Verizon Wireless's proportionate ownership of its customer base across all its network interests of approximately 98.5% at 30 September 2003. In the absence of acquired interests, this proportionate ownership will vary slightly from quarter to quarter depending on the underlying mix of net additions across each of these networks.

* Listed subsidiary still to report

VODAFONE GROUP PLC – MOBILE TELECOMMUNICATIONS BUSINESSES

CONTROLLED ACTIVE CUSTOMER INFORMATION AS AT 30 SEPTEMBER 2003

	CONTROLLED ACTIVE[1]		
COUNTRY	**PREPAID (%)**	**CONTRACT (%)**	**TOTAL (%)**
UK & IRELAND			
UK	88%	95%	91%
Ireland	100%	99%	100%
TOTAL	**90%**	**95%**	**92%**
NORTHERN EUROPE			
Germany	90%	95%	92%
Hungary	92%	97%	93%
Netherlands	92%	99%	95%
Sweden	94%	95%	94%
TOTAL	**91%**	**95%**	**93%**
SOUTHERN EUROPE			
Italy	94%	93%	94%
Albania	92%	98%	92%
Greece	*	*	*
Malta	100%	99%	100%
Portugal	84%	99%	88%
Spain	94%	94%	94%
TOTAL	**91%**	**94%**	**92%**
ASIA PACIFIC			
Japan	81%	99%	98%
Australia	93%	91%	92%
New Zealand	97%	99%	98%
TOTAL	**90%**	**99%**	**97%**
MIDDLE EAST AND AFRICA			
Egypt †	96%	100%	97%
TOTAL	**96%**	**100%**	**97%**
CONTROLLED GROUP TOTAL	**91%**	**96%**	**93%**

CONTROLLED ACTIVE CUSTOMER INFORMATION – HISTORY

	CONTROLLED ACTIVE CUSTOMERS AS AT				
COUNTRY	**SEPTEMBER 2002 (%)**	**DECEMBER 2002 (%)**	**MARCH 2003 (%)**	**JUNE 2003 (%)**	**SEPTEMBER 2003 (%)**
Germany	92	92	92	93	92
Italy	94	95	95	93	94
Japan	99	99	98	98	98
UK	93	92	91	91	91
Controlled Total	**94**	**94**	**93**	**93**	**93**

(1) Active customers are defined as customers who have made or received a chargeable event in the last three months or, where information is not available, defined as customers who have made a chargeable event in the last three months (indicated by †)

* Listed subsidiary still to report

VODAFONE GROUP PLC – MOBILE TELECOMMUNICATIONS BUSINESSES

MONTHLY REGISTERED BLENDED ARPU FOR THE 15 MONTHS TO 30 SEPTEMBER 2003

Country		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Germany	EUR	27.9	27.7	26.8	27.4	25.4	25.4	25.6	23.2	25.8	25.4	26.2	26.1	27.9	26.7	27.0
Italy	EUR	31.9	28.6	29.0	29.3	28.0	29.5	29.3	26.5	29.1	29.4	30.1	30.7	32.2	29.7	31.1
Japan	JPY	7,670	7,410	7,180	7,350	7,120	7,360	7,120	6,840	7,270	7,050	7,040	6,850	7,130	7,030	6,710
UK(2)	GBP	24.9	24.7	24.9	25.5	24.3	23.5	24.7	23.4	25.6	24.4	25.2	25.5	25.7	24.2	25.6

ARPU INFORMATION FOR THE 12 MONTH PERIOD TO 30 SEPTEMBER 2003

COUNTRY	CURRENCY	ARPU(1) REGISTERED PREPAID	REGISTERED CONTRACT	REGISTERED TOTAL
UK & IRELAND				
UK(2)	GBP	128	531	297
Ireland	EUR	354	1,109	576
NORTHERN EUROPE				
Germany	EUR	130	502	312
Hungary	HUF	43,032	177,913	59,522
Netherlands	EUR	177	878	461
Sweden	SEK	930	6,097	4,568
SOUTHERN EUROPE				
Italy	EUR	304	853	355
Greece	EUR	*	*	*
Malta	MTL	93	892	158
Portugal	EUR	180	674	323
Spain	EUR	161	633	368
ASIA PACIFIC				
Japan	JPY	N/A	N/A	84,818
Australia	AUD	286	879	587
New Zealand	NZD	324	1,855	665
MIDDLE EAST AND AFRICA				
Egypt	EGP	712	2,993	1,083

ARPU – HISTORY

COUNTRY	CURRENCY	REGISTERED TOTAL ARPU FOR THE 12 MONTH PERIOD TO SEPTEMBER 2002	DECEMBER 2002	MARCH 2003	JUNE 2003	SEPTEMBER 2003
Germany	EUR	308	312	313	313	312
Italy	EUR	345	347	347	351	355
Japan	JPY	89,193	88,238	87,159	86,183	84,818
UK(2)	GBP	282	287	292	297	297

(1) ARPU is calculated as total revenues excluding handset revenues and connection fees divided by the weighted average number of customers during the period.

(2) During the period from 1 October 2002 to 31 March 2003, Vodafone UK operated under interim commercial terms with one of its service providers. Final terms were agreed in April 2003. Recognising revenues on a consistent basis during the interim period to the bases before and after this period would result in additional service revenues of £74 million. For consistency and comparability purposes, these revenues have been included in the calculation of UK ARPU but have been excluded from Group turnover in accordance with UK GAAP.

The impact of the inclusion of these amounts has been to increase ARPU for the 12 months to 31 December 2002, 31 March 2003, 30 June 2003 and 30 September 2003 from £284, £286, £291 and £292 to £287, £292, £297 and £297 respectively.

* Listed subsidiary still to report

VODAFONE GROUP PLC – MOBILE TELECOMMUNICATIONS BUSINESSES

NON-VOICE SERVICES AS A PERCENTAGE OF SERVICE REVENUES

PROPORTIONATE BASIS

	12 MONTHS TO 30 SEPTEMBER 2003			SEPTEMBER 2003 (MONTH ONLY)		
COUNTRY	**MESSAGING**	**DATA**	**TOTAL**	**MESSAGING**	**DATA**	**TOTAL**
UK & IRELAND						
UK(1)	13.8%	1.2%	15.0%	13.1%	1.6%	14.7%
Ireland	19.2%	0.9%	20.1%	19.1%	1.2%	20.3%
TOTAL	**14.6%**	**1.2%**	**15.8%**	**14.0%**	**1.5%**	**15.5%**
NORTHERN EUROPE						
Germany	15.8%	1.2%	17.0%	14.6%	1.7%	16.3%
Others	8.4%	0.9%	9.3%	8.2%	1.4%	9.6%
TOTAL	**12.4%**	**1.1%**	**13.5%**	**11.6%**	**1.6%**	**13.2%**
SOUTHERN EUROPE						
Italy	11.5%	0.7%	12.2%	11.6%	0.8%	12.4%
Others	9.7%	0.6%	10.3%	9.5%	0.7%	10.2%
TOTAL	**10.6%**	**0.6%**	**11.2%**	**10.5%**	**0.7%**	**11.2%**
AMERICAS						
United States	0.8%	0.9%	1.7%	1.2%	1.3%	2.5%
Others	0.1%	-	0.1%	-	-	-
TOTAL	**0.8%**	**0.9%**	**1.7%**	**1.2%**	**1.3%**	**2.5%**
ASIA PACIFIC						
Japan	7.5%	13.8%	21.3%	7.3%	13.9%	21.2%
Others	10.0%	1.0%	11.0%	9.7%	1.7%	11.4%
TOTAL	**8.1%**	**10.9%**	**19.0%**	**7.9%**	**11.1%**	**19.0%**
MIDDLE EAST AND AFRICA	**4.3%**	**-**	**4.3%**	**4.3%**	**0.1%**	**4.4%**
PROPORTIONATE GROUP TOTAL	**9.5%**	**2.7%**	**12.2%**	**9.3%**	**2.9%**	**12.2%**

STATUTORY BASIS

CONTROLLED GROUP TOTAL	**11.6%**	**3.9%**	**15.5%**	**11.2%**	**4.0%**	**15.2%**

NON-VOICE SERVICES AS A PERCENTAGE OF SERVICE REVENUES - HISTORY

	12 MONTHS TO					MONTH ONLY				
COUNTRY	**SEP 2002**	**DEC 2002**	**MAR 2003**	**JUN 2003**	**SEP 2003**	**SEP 2002**	**DEC 2002**	**MAR 2003**	**JUN 2003**	**SEP 2003**
Germany	15.4%	16.1%	16.4%	16.7%	17.0%	16.2%	19.2%	16.6%	16.9%	16.3%
Italy	10.1%	10.7%	11.3%	11.8%	12.2%	10.4%	12.9%	11.8%	12.5%	12.4%
Japan	18.1%	19.3%	20.3%	20.9%	21.3%	20.2%	20.6%	21.7%	21.8%	21.2%
UK(1)	13.2%	13.9%	14.4%	14.7%	15.0%	13.8%	16.0%	15.2%	14.6%	14.7%
Proportionate Total	**10.1%**	**10.7%**	**11.3%**	**11.7%**	**12.2%**	**10.9%**	**12.5%**	**12.3%**	**12.1%**	**12.2%**
Statutory Total	**13.2%**	**13.9%**	**14.6%**	**15.0%**	**15.5%**	**14.3%**	**16.0%**	**15.6%**	**15.3%**	**15.2%**

(1) During the period from 1 October 2002 to 31 March 2003, Vodafone UK operated under interim commercial terms with one of its service providers. Final terms were agreed in April 2003. Recognising revenues on a consistent basis during the interim period to the bases before and after this period would result in additional service revenues of £74 million. For consistency and comparability purposes, these revenues have been included in the calculation of non-voice services as a percentage of service revenues.

The impact of the inclusion of these amounts was to decrease UK non-voice services as a percentage of service revenues for the months of December 2002 and March 2003 from 16.1% and 15.3% to 16.0% and 15.2% respectively.

VODAFONE GROUP PLC – MOBILE TELECOMMUNICATIONS BUSINESSES

TOTAL COST TO CONNECT (1)

		6 MONTHS TO		12 MONTHS TO	
COUNTRY	CURRENCY	SEPTEMBER 2002	SEPTEMBER 2003	MARCH 2002	MARCH 2003
Germany	EUR	73	79	81	81
Italy	EUR	26	21	35	25
Japan	JPY	31,540	28,508	34,145	32,519
UK	GBP	63	53	67	56

(1) Total cost to connect is the total of connection fees, trade commissions and equipment margins divided by gross customer additions in the period.