

Vodafone Group Plc Interim Management Statement

For the 3 months ended 31 December 2010

3 February 2011



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This presentation contains forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995 which are subject to risks and uncertainties because they relate to future events. These forward-looking statements include, without limitation, statements in relation to the Group's projected financial results for the 2011 financial year. Some of the factors which may cause actual results to differ from these forward-looking statements are discussed in the last slide of this presentation.

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Highlights

- Fifth sequential improvement in quarterly service revenue growth
- Very strong performance in UK, Turkey & India
- Data +27%: increased smartphone sales and data attach rates
- Free cash flow generation remains strong
- FY AOP expectation towards the upper end of £11.8bn - £12.2bn guidance range¹



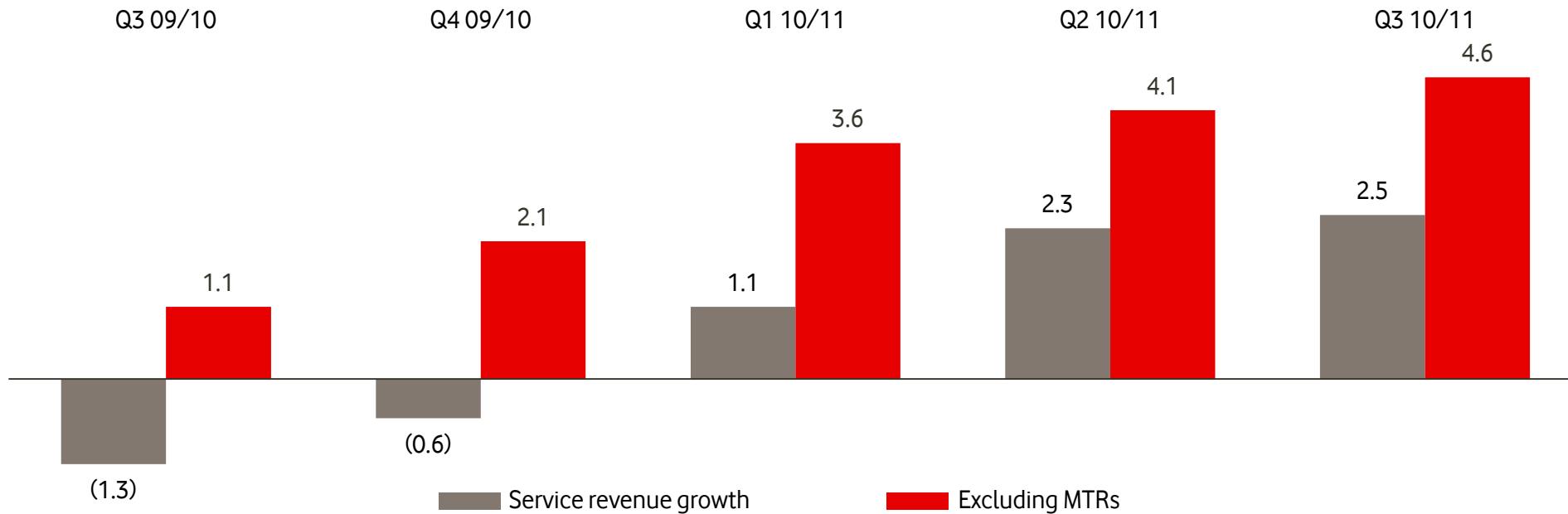
Group: further revenue growth improvement

	£m	Q3 YoY organic growth (%)
Group service revenue	10,960	2.5
Europe	7,657	0.2
Africa, Middle East and Asia Pacific (AMAP)	3,210	9.3
Voice & messaging revenue	8,262	(1.4)
Data revenue	1,327	27.2
Fixed revenue	879	4.7
Capex	1,545	14.5
Free cash flow	1,086	(39.9)
Net debt	30,282	



Group: continuing focus on growth

Service revenue growth ¹(%)



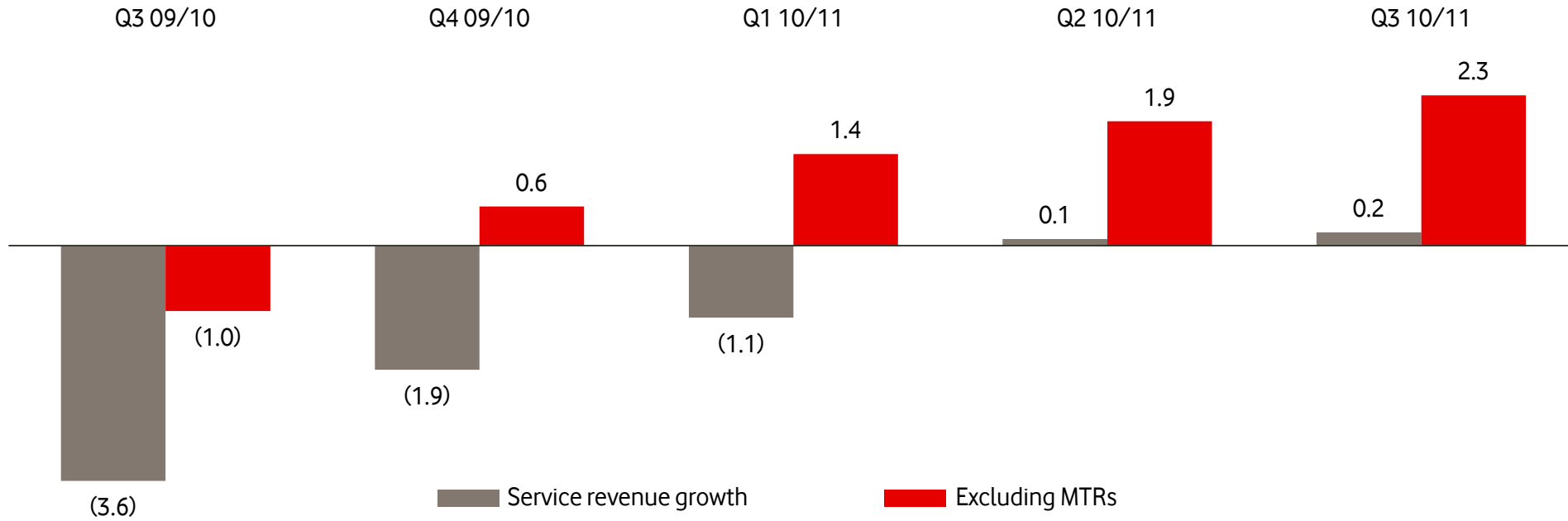
All growths shown are organic

5 1. Adjusted for IFRIC 13 "Customer Loyalty Programmes". Reported service revenue growth was -1.2% in Q3 09/10 and -0.2% in Q4 09/10



Europe: good underlying performance in mixed macro-environment

Service revenue growth¹ (%)



- On previous “Europe Region” basis, service revenue growth was -0.9%

All growths shown are organic

6 1. Adjusted for IFRIC 13 “Customer Loyalty Programmes”. Reported service revenue growth was -3.5% in Q3 09/10 and -1.4% in Q4 09/10



European trends unchanged

- Northern Europe recovery, economic weakness in southern Europe
- Strong data revenue growth continues +23%; Europe annualised data revenue now £4.0bn
- Contract customers +8%
- Fixed line revenues +3%
- Enterprise service revenue +1.3% driven by customer connections +5.7%
- VGE international customer wins:



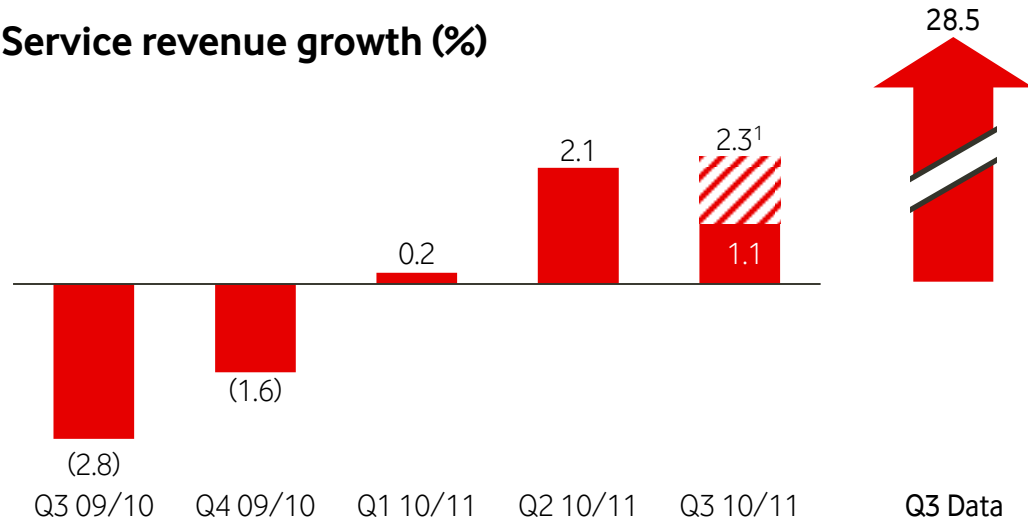
Europe: Supermobile is central to our growth strategy

- Europe data revenue +23%:
 - Europe¹ smartphone penetration now 17% of base with data attach rate of 46%
 - Tiered data plans now launched in 8 markets; remaining markets launch in Q4
 - Strong take-up of higher commitment smartphone plans
 - “Smart notification” providing up-sell opportunity
 - Data network: Leading in 12 out of 13 markets tested
 - Network utilisation and performance stable on continued high traffic growth



Germany: data and enterprise driving growth

Service revenue growth (%)



- Mobile service revenue +2%:
 - Growth excluding MTRs +4%
 - Contract ARPU +5%

- Fixed revenue growth -2%

- Continued strong data revenue growth +29%:

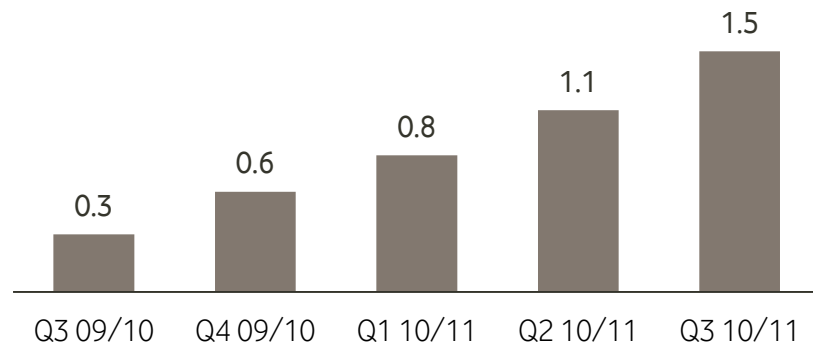
- PC connectivity +32%
- Mobile internet +33% from superflat internet customers

- Enterprise revenue +4%:

- >5m mobile customer base and significant wins

- LTE launched 1 December

Superflat internet customers (m)



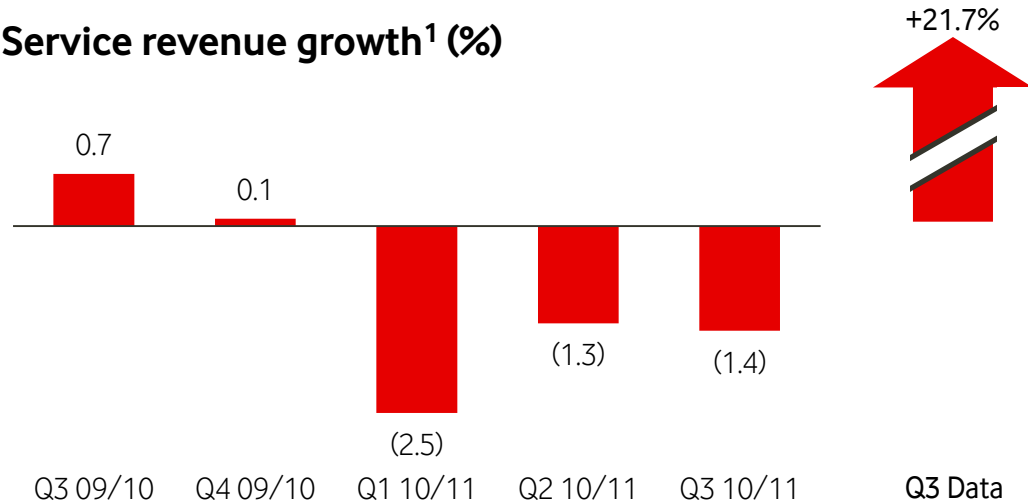
All growths shown are organic

1. Excludes MTR impact. Including MTR impact, organic service revenue growth is 1.1%



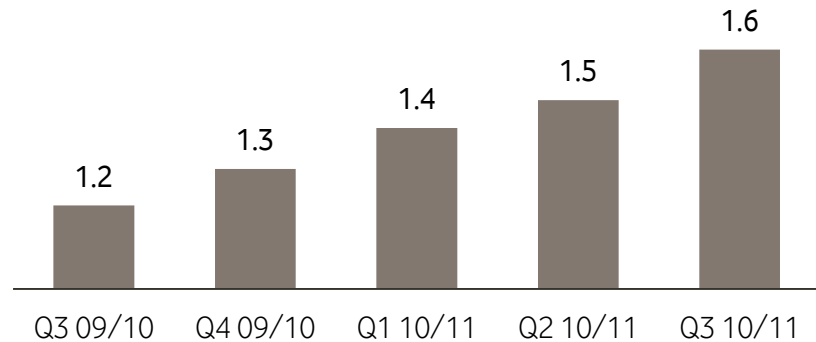
Italy: solid performance in data and fixed

Service revenue growth¹ (%)



- Service revenue trend in-line with Q2:
 - Investing to protect position in highly competitive market
- Data revenue growth +22%:
 - Record smartphone sales (550k), now c.50% handset sales
- Strong commercial performance in Enterprise:
 - Driving increase in customer base

Fixed broadband customers² (m)



- Launch of new tiered mobile broadband offers
- Supermobile initiatives, including :
 - ‘1,000 municipalities’: rollout underway, good customer reaction
- Strong growth in fixed broadband customers +122k²

All growths shown are organic

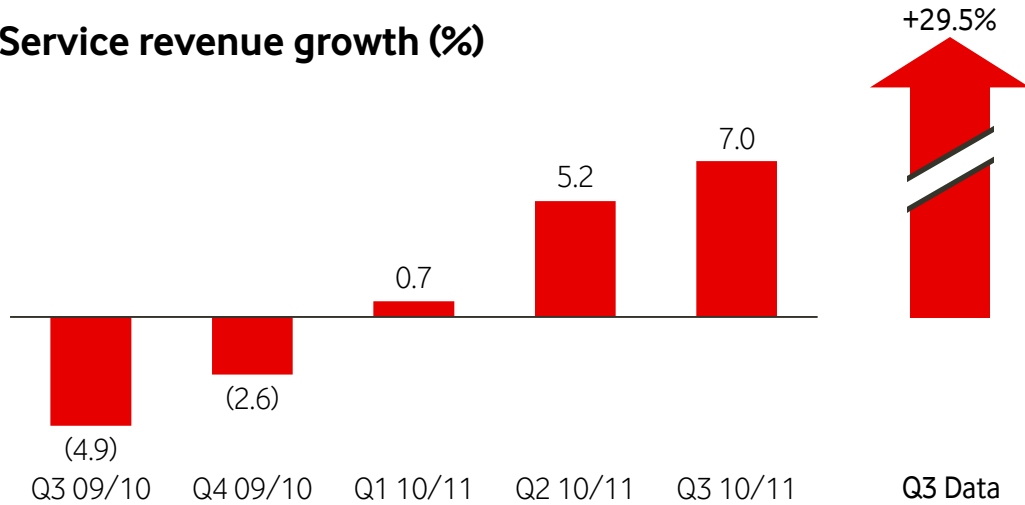
1. Service revenue growth for Q4 09/10 stated after IFRIC adjustment, reported growth +2.3%

2. Fixed broadband customer numbers represent 100% share



UK: continuing momentum

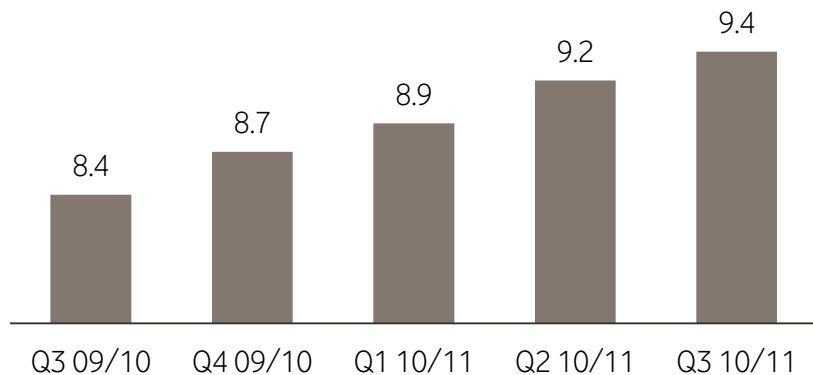
Service revenue growth (%)



- Mobile service revenue +7%:
 - Smartphone contribution
 - Positive reaction to new data roaming and prepay offers

- Data revenue growth +30%:
 - Driven by smartphone success
 - Data attach rate 58%

Contract customer base (m)

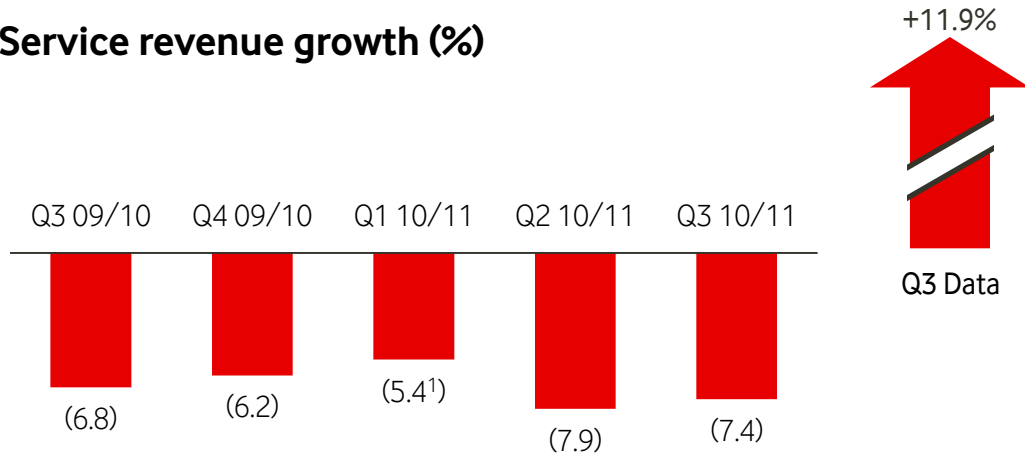


- Contract customers now c. 50% of base:
 - Continued strong net adds +233k
 - Blended ARPU +6.3%



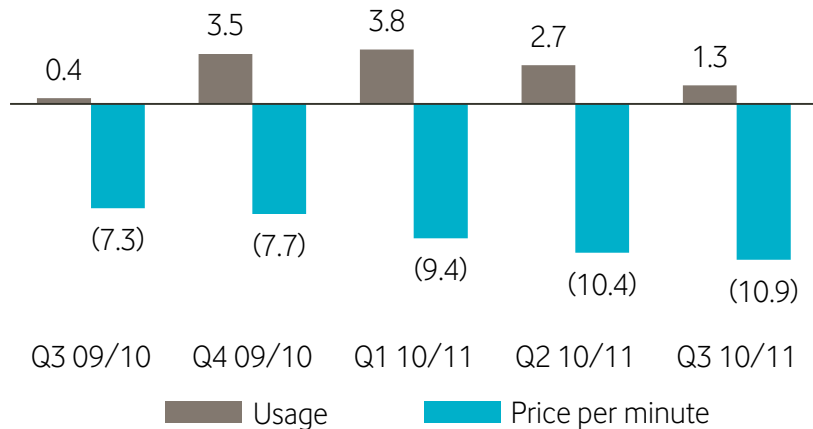
Spain: market remains challenging

Service revenue growth (%)



- Market conditions continue to impact:
 - Low usage growth and price pressure
- Data revenue growth +12%:
 - Mobile internet +45%
 - Rising smartphone penetration and data attach rates

Outgoing voice price and usage (YoY %)



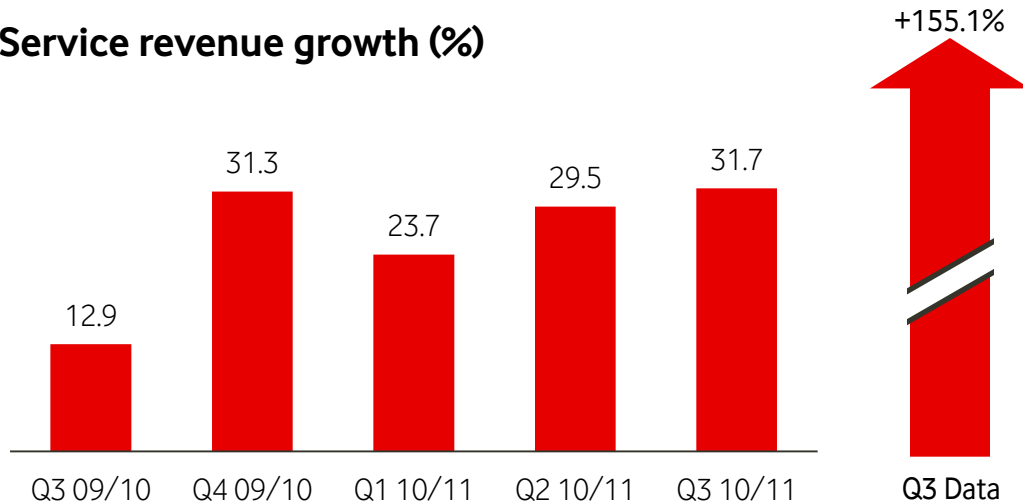
- Customers +3% assisted by iPhone
- Integrated tariffs supporting churn -4ppts YoY

All growths shown are organic



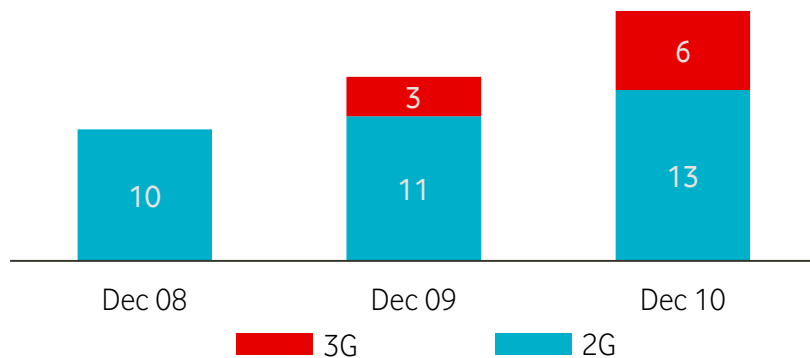
Turkey: continuing strong performance

Service revenue growth (%)



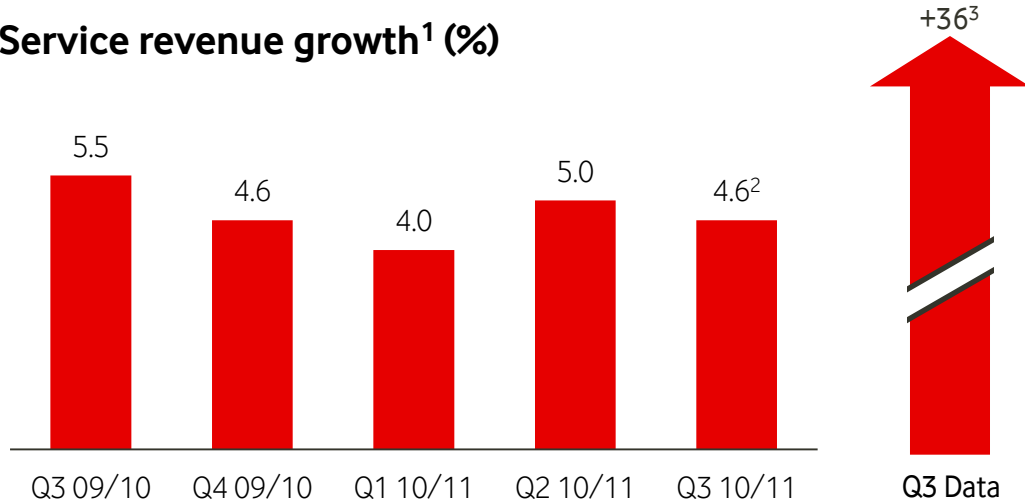
- Mobile service revenue +32%
 - 16.7m customers: 0.5m contract net adds up to 4.1m base
 - Improved ARPU +24%
 - Maintained MNP leadership with 1.8m net ports since launch
- Accelerated growth in key segments:
 - Data revenue +155%
 - Enterprise revenue +49%
- Continued investment in network enhancement:
 - Added 700 3G sites and 750 2G sites in Q3
 - Successful network campaign with “money-back guarantee”
 - NPS leadership: 18ppts ahead of next best competitor
- Building profitability alongside market share

Network: base stations ('000s)



Vodacom Group: data continues to drive growth

Service revenue growth¹ (%)



South Africa:

- Data revenue growth +34%³: driven by success in dongles
- New offers driving strong customer growth +1,426k

International

- Revenue continues to recover:
 - Strong performance in Tanzania and Mozambique



All growths shown are organic

1. Vodacom Group

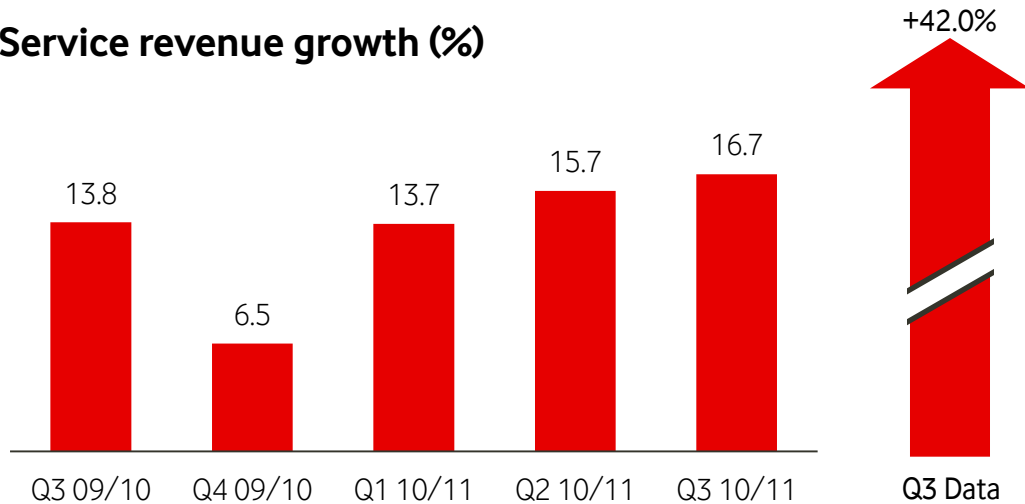
14 2. Including reclassification of Tower revenue, organic service revenue growth is +5.6%

3. Including reclassifications of data revenue to align to Vodafone definitions data service revenue growth is 53% and 51% for Vodacom Group and Vodacom South Africa respectively

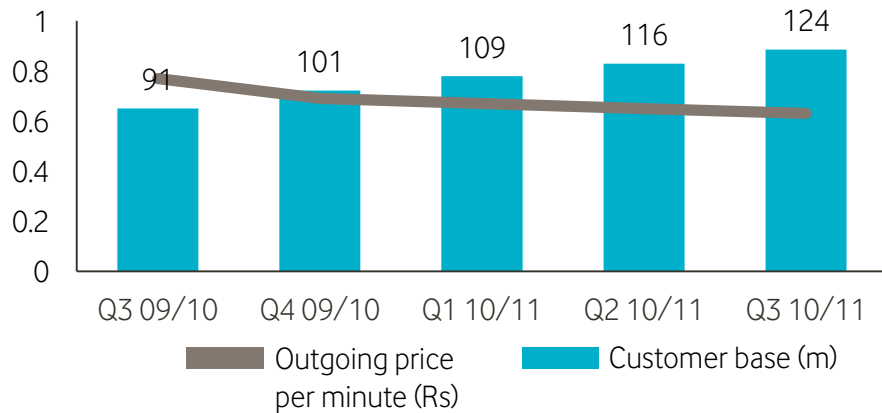


India: strong performance continues

Service revenue growth (%)



Customer base (m) and price trend (Rs)

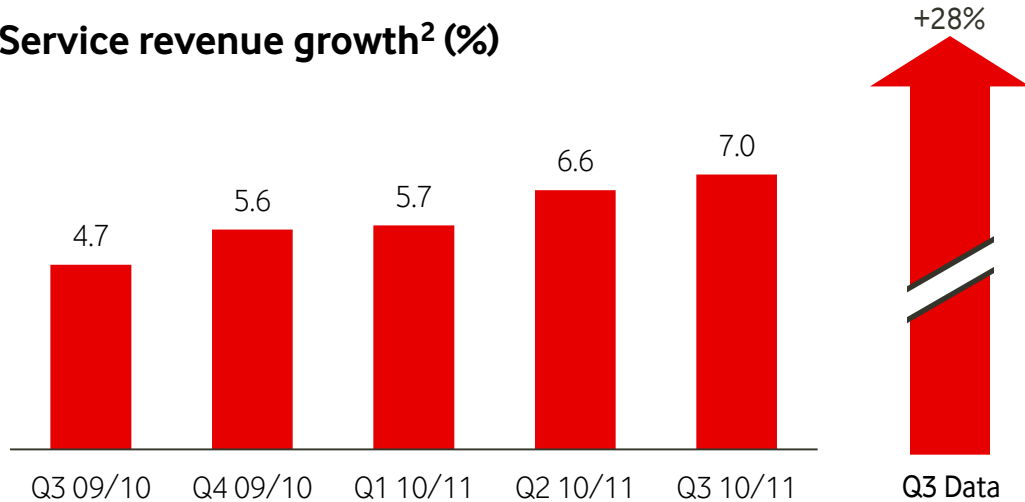


- Maintaining strong market position:
 - MNP leadership since launch
- Transfer of customers to new price plans substantially complete
- 3G: commercial launch, >5,000 base stations by end Q4
- Essar put valuation process commenced
- Expect positive FY operating free cash flow



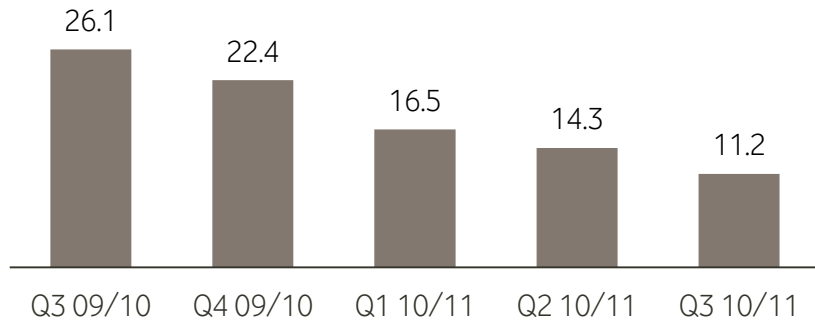
VZW: smartphones drive high value customer growth

Service revenue growth² (%)



- Data revenue +28%¹: smartphone penetration 26%
- Contract: net adds +888k, ARPU +2%
- LTE rollout underway:
 - 110m pops covered at end Dec 10
- CDMA iPhone currently being launched
- Extended joint operational initiatives
- Net debt US\$11.2bn

Net debt (\$bn)



All growths shown are organic unless otherwise stated

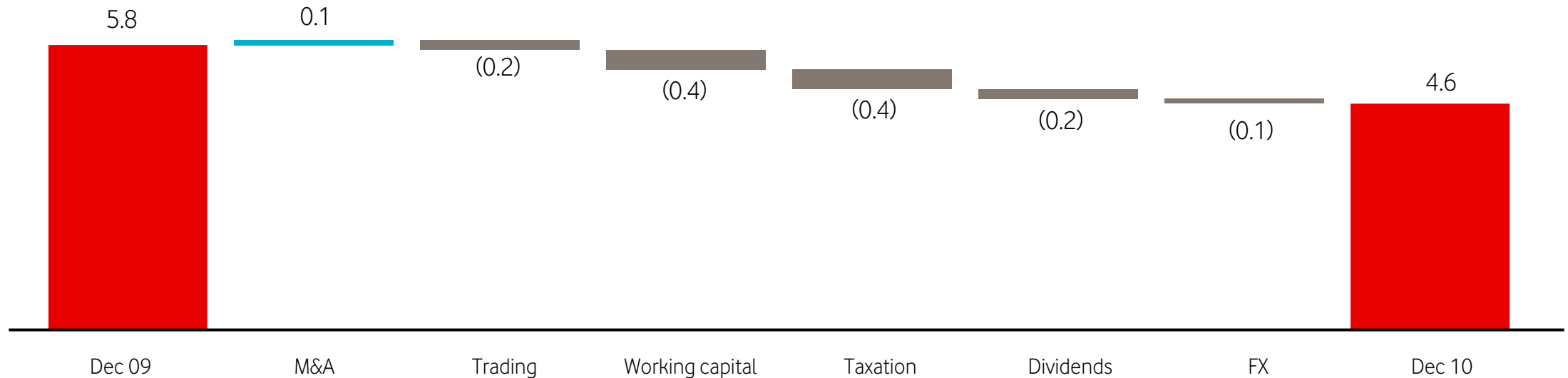
1. Financial highlights reported on a 100% IFRS basis, except data growth

2. Organic revenue growth excludes divested properties



Underlying free cash flow generation remains strong

Free cash flow YTD (£bn)

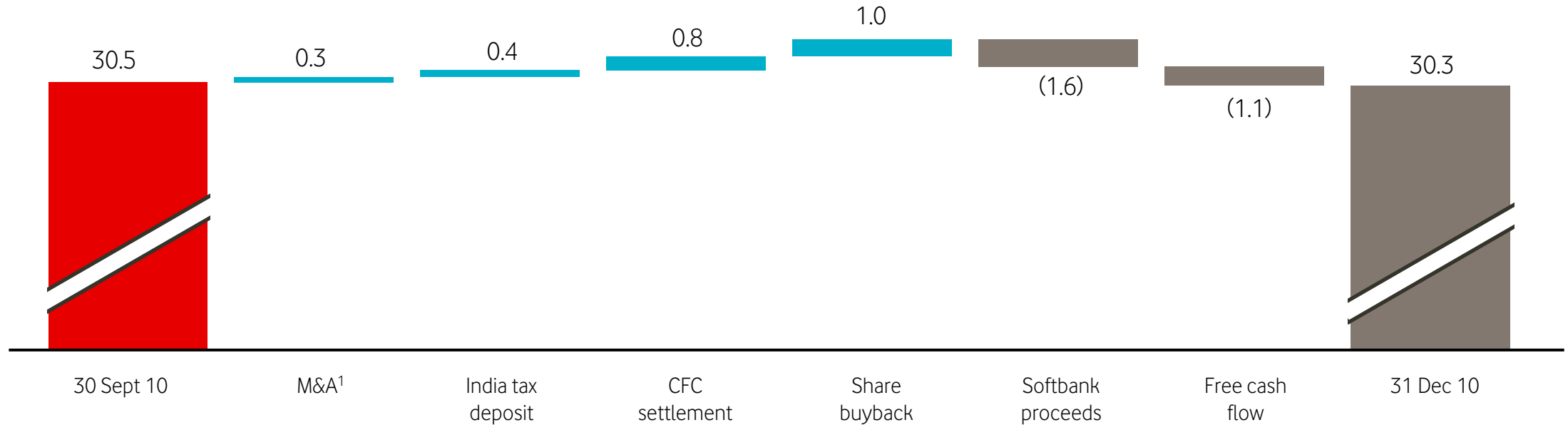


- YTD capex £4.0bn (YTD Q3 09/10 £4.0bn):
 - Europe: Network enhancement in Turkey, Germany and UK
 - AMAP: 3G deployment in India and data network investment in South Africa
- YTD free cash flow lower due to timing differences in working capital and tax payments
- Full year free cash flow guidance confirmed: >£6.5bn



Net debt remains stable

Net debt (£bn)



- £1.5bn collateral/bank guarantees provided to the Indian Supreme Court to support the on-going tax case
- £1.1bn of the £2.8bn committed to the share buy back completed at 31 December 2010
- Closing net debt of £30.3bn includes the £3.2bn Essar put options



FY 10/11 guidance confirmed

	Updated guidance Nov 10	YTD performance
Adjusted operating profit	£11.8bn - £12.2bn	✓ Full year expectation towards the upper end of range ¹
Free cash flow	> £6.5bn	✓ On track



Creating value: driving performance and returns

- Further revenue growth improvement across both regions
- Commercial success in smartphones and data
- Strong free cash flow generation continues
- Focus on Southern Europe, Supermobile and cost base
- £2.8bn share buy back programme now 50% complete
- FY AOP expectation towards the upper end of £11.8bn - £12.2bn guidance range¹



Forward-looking statements

This presentation contains forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward-looking statements include: the financial guidance for the 2011 financial year contained in slide 19 and the statements relating to the Group's future performance generally; statements relating to the development and launch of certain products, services and technologies, including tiered data plans; expectations regarding growth in customers and usage and mobile data growth and technological advancements, including the expected number of 3G base stations in India; expectations regarding revenue, adjusted operating profit, EBITDA, free cash flows, adjusted effective tax rates, costs, tax settlements and capital expenditures; and expectations regarding the integration or performance of current and future investments, associates, joint ventures and newly acquired businesses.

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", "will" 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. 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, from both existing competitors and new market entrants, which could require changes to the Group's pricing models, lead to customer churn or make it more difficult to acquire new customers; the impact of investment in network capacity and the deployment of new technologies, or the rapid obsolescence of existing technology; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers and the possibility that new products and services will not be commercially accepted or perform according to expectations; the Group's ability to renew or obtain necessary licences; the Group's ability to achieve cost savings; the Group's ability to execute its strategy in mobile data, enterprise and broadband and in emerging markets; changes in foreign exchange rates or interest rates; the ability to realise benefits from entering into partnerships for developing data and internet services and entering into service franchising and brand licensing; unfavourable consequences of acquisitions or disposals; changes in the regulatory framework in which the Group operates, including possible action by regulators in markets in which the Group operates or by the EU to regulate rates the Group is permitted to charge; the impact of legal or other proceedings against the Group or other companies in the mobile telecommunications industry; loss of suppliers or disruption of supply chains; the Group's ability to satisfy working capital and other requirements through access to bank facilities, funding in the capital markets and operations; changes in statutory tax rates or profit mix which might impact the weighted average tax rate; changes in tax legislation or final resolution of open tax issues which might impact the Group's tax payments or effective tax rate; and changes in exchange rates, including, particularly, the exchange rate of pounds sterling to the euro and the US dollar.

Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the heading "Forward-looking statements" in our half-year financial report for the six months ended 30 September 2010 and "Principal risk factors and uncertainties" in our Annual Report for the year ended 31 March 2010. The half-year financial report and the annual report can be found on the Group's website (www.vodafone.com). All subsequent written or oral forward-looking statements attributable to the Company or any member of the Group or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this presentation will be realised. Except as otherwise stated herein and as may be required to comply with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.

