

Vodafone Group Plc Interim Management Statement

For the 3 months ended 30 June 2011

22 July 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. 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

- Group organic service revenue +1.5%; +3.9% ex MTRs
- Good performance in data +24.5%, fixed +6.4%, messaging +5.3%, AMAP +8.7%
- Portfolio: Poland and SFR disposals; terms of purchase of Essar stake in Vodafone India agreed
- Original £2.8bn share buyback completed. New £4.0bn programme underway
- Significant reduction in net debt to £23.1bn



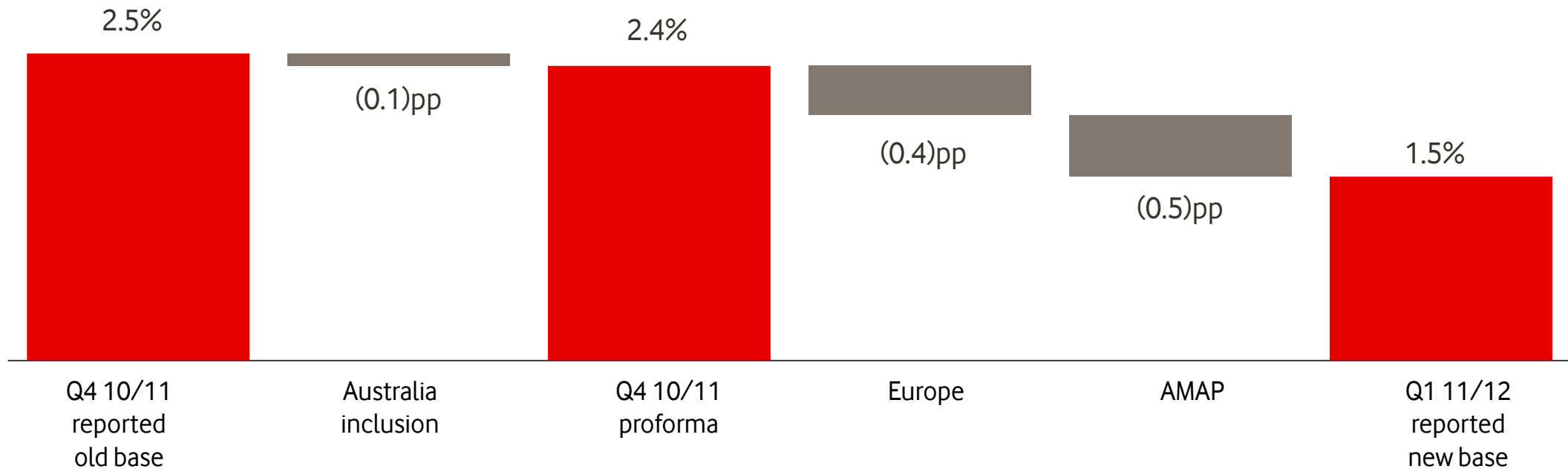
Group: data continues to drive revenue growth

	Q1 11/ 12 £bn	Q4 10/11 YoY growth (%)	Q1 11/12 YoY growth (%)
Group service revenue	10.9	2.5	1.5
Europe	7.6	(0.8)	(1.3)
Africa, Middle East and Asia Pacific (AMAP)	3.2	11.8	8.7
Voice & messaging revenue	8.0	(2.3)	(2.8)
Data revenue	1.5	26.9	24.5
Fixed revenue	0.9	6.5	6.4
Capex	1.2		
Free cash flow	1.3		
Net debt	23.1		

- Excluding MTRs: Group +3.9%; Europe +1.6%
- Emerging markets: Turkey +32.1%, India +16.8%, Vodacom +7.8%
- Growth in data, enterprise and fixed compensates for voice



Group service revenue growth

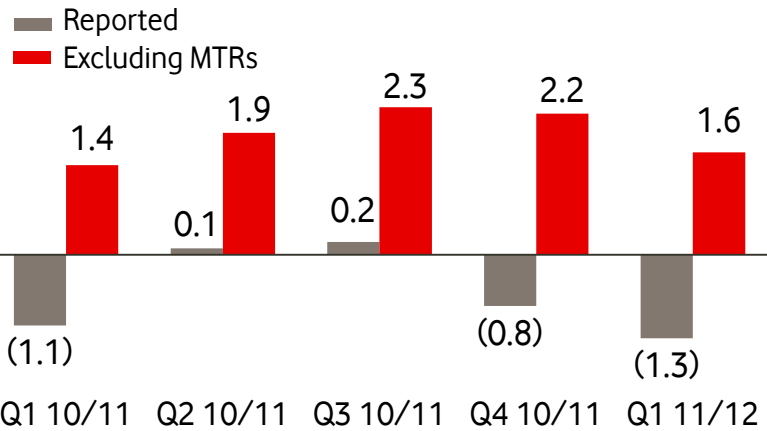


- Australia: initial inclusion in organic growth calculation
- Europe: weaker performance in Spain (price pressure) and UK (MTRs)
- AMAP: continued momentum in India and Vodacom, Australia network outage, MTR impact in New Zealand

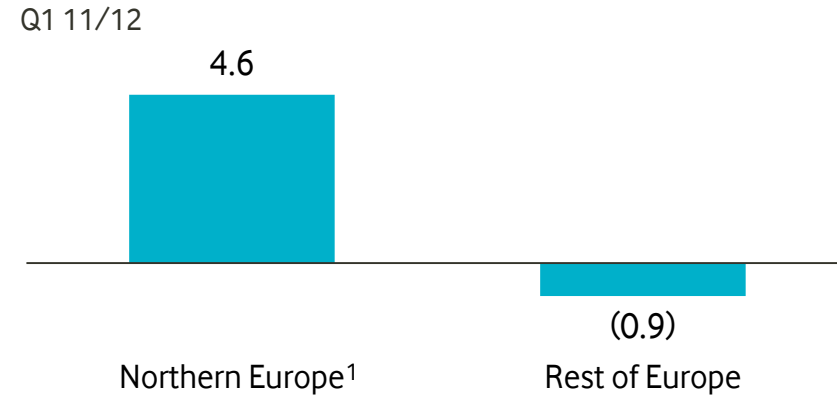


Europe: growth from data and enterprise

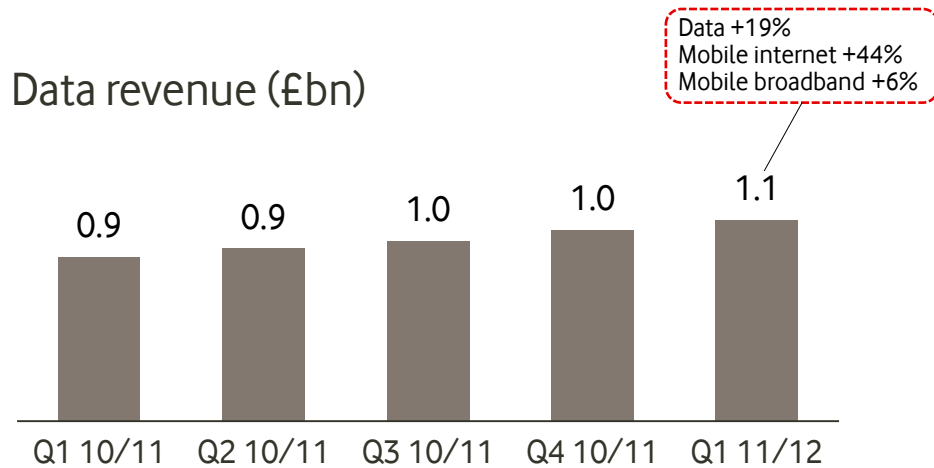
Service revenue growth (%)



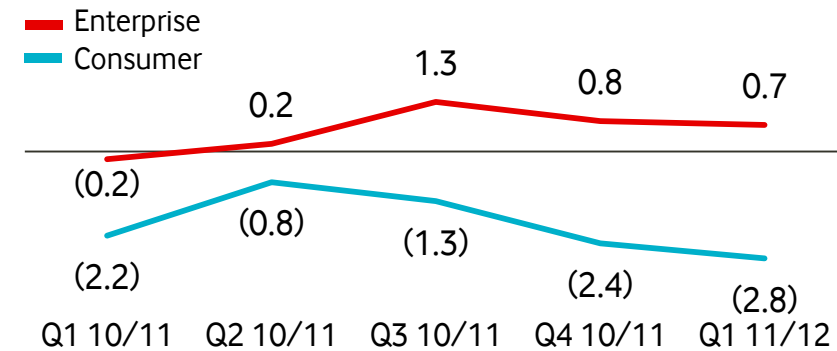
Service revenue growth, ex MTRs (%)



Data revenue (£bn)



Segment service revenue growth (%)



All growth rates shown are organic

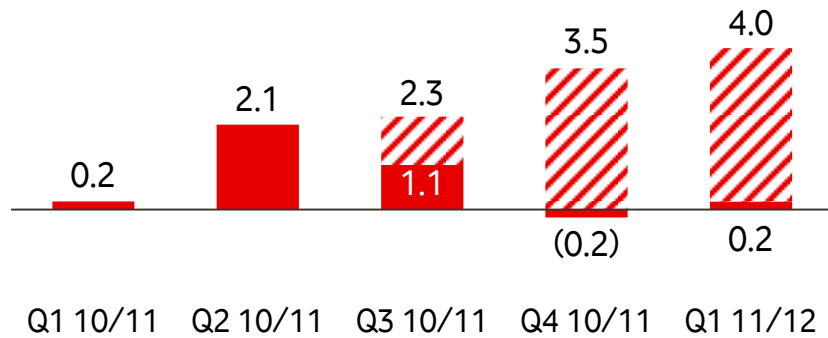
1. Germany, UK and The Netherlands



Germany: underlying growth continues to improve

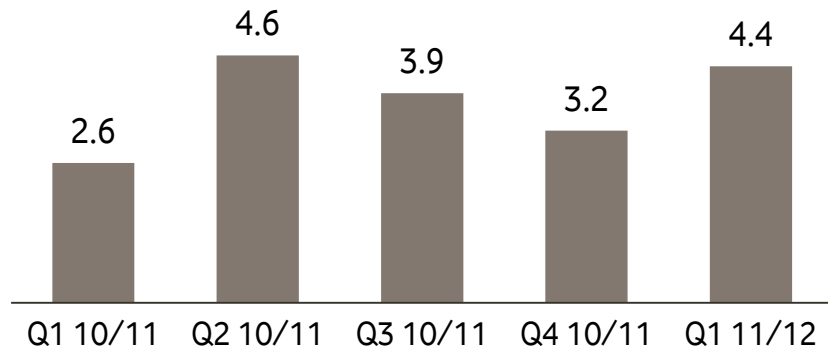
Service revenue growth (%)

▨ MTR impact



- Mobile service revenue +4.6% ex MTRs
- Mobile internet customer growth and smartphone sales driving data +21.4%
- Enterprise revenue +4.4% due to customer wins and enterprise fixed growth
- Flat overall fixed growth due to competitive consumer segment

Enterprise service revenue growth (%)



Delivering LTE services

- 27k customers
- First to launch an LTE dongle
- Global Telecoms Business Innovation Awards 2011

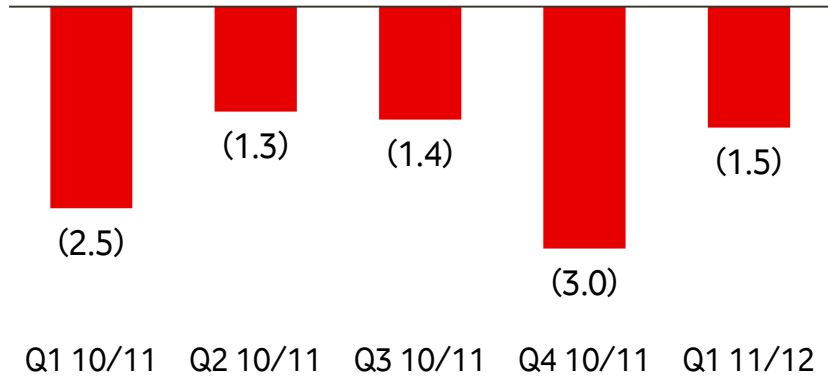


Vodafone K5005
USB modem

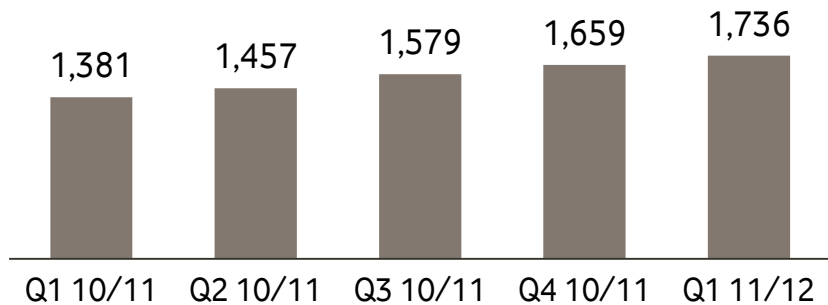


Italy: strength in data, fixed and enterprise in a challenging environment

Service revenue growth (%)



Fixed broadband customers¹ (000's)



- Mobile service revenue -3.0%, +1.9pp QoQ
- Strong performance in Enterprise, +7.0%; good traction with Vodafone One Net
- Data revenue +18.9%; led by mobile internet +66%
- Fixed broadband revenue +24.1%; customers +26%

First to launch integrated consumer prepaid tariffs

- €19/month fee: 100 SMS, 100 minutes and 250 MB

Vodafone 858 SMART
€99 Android smartphone



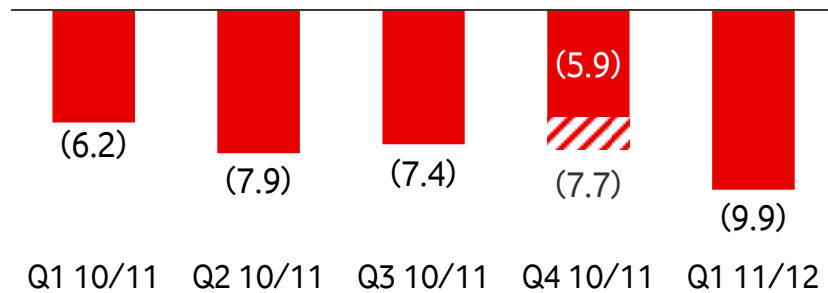
All growth rates shown are organic
1. 100% share



Spain: strategic repositioning underway

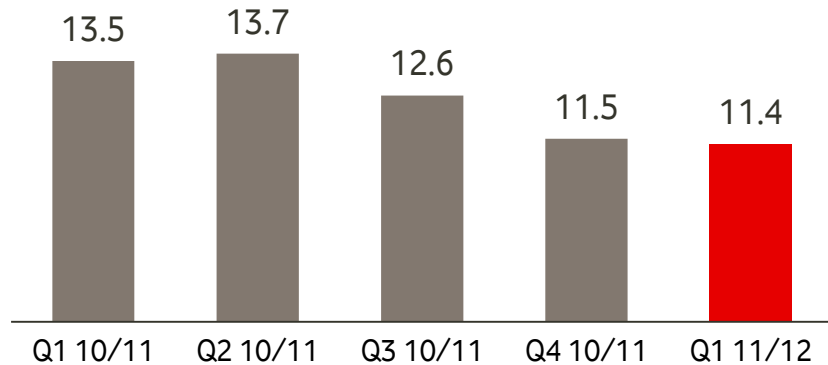
Service revenue growth (%)

▨ Loyalty scheme impact



- Significant price changes to increase value perception
- Data revenue growth slowed to +8.9%; mobile broadband price cuts offset strong smartphone sales
- Positive mobile number portability (June) and lower churn due to commercial actions
- Fixed broadband +3.3%; strong customer growth

Outgoing prices (€ cents)



New contract pricing

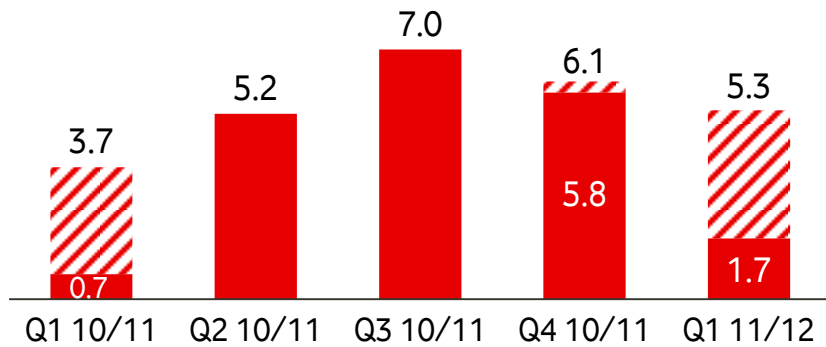
- XS8: €8c/m or SMS: minimum spend €8
- XS6: €6c/min or SMS: Minimum spend €9



UK: leading data attach rates

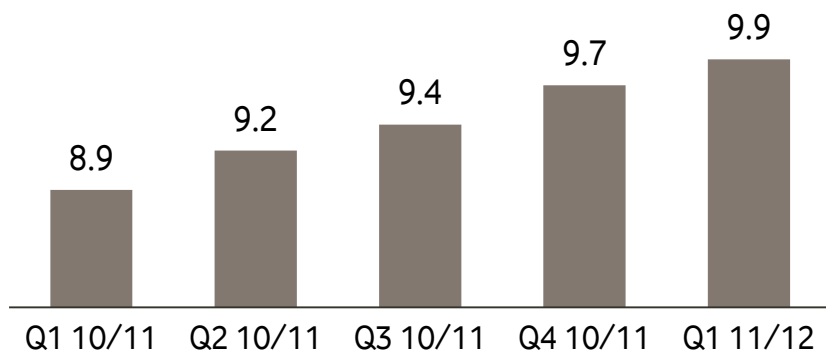
Service revenue growth (%)

 MTR impact



- Mobile service revenue +1.5%; 5.1% ex MTRs
 - 47% of consumer contract base on integrated offers
- Data revenue growth +21.9% led by smartphone sales and data attach 82%
- Strong customer net additions
- Prepaid prices increased in June

Contract customer base (m)



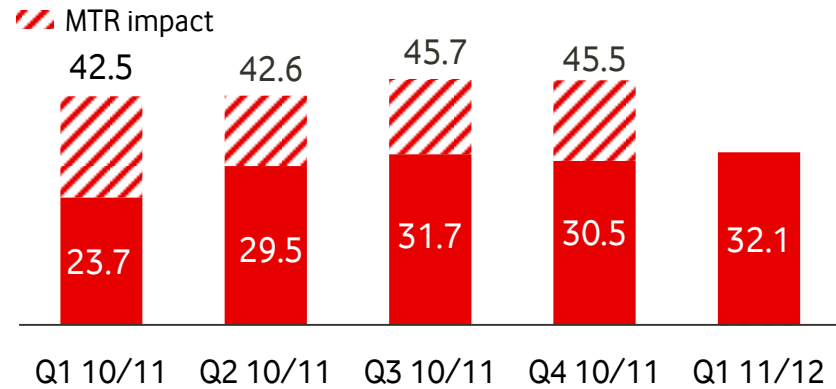
2011 Best network award

- 2 years running



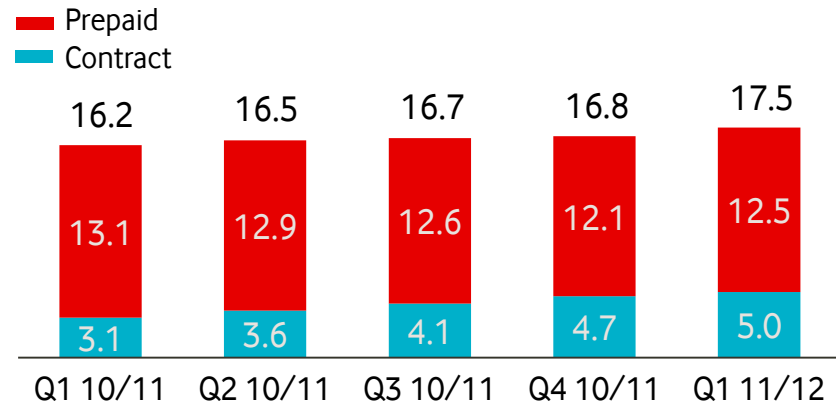
Turkey: continuing strong performance

Service revenue growth (%)



- Mobile service revenue +32.9%
 - Improving customer mix; 0.3m contract net adds
- Accelerated revenue growth in key segments
 - Data +80%, Enterprise +36%
- NPS leadership increased
- Focus on building profitability alongside scale

Customer base (m)¹



Active data users +36%

- Smartphone penetration 9.1%
- Continued network enhancement

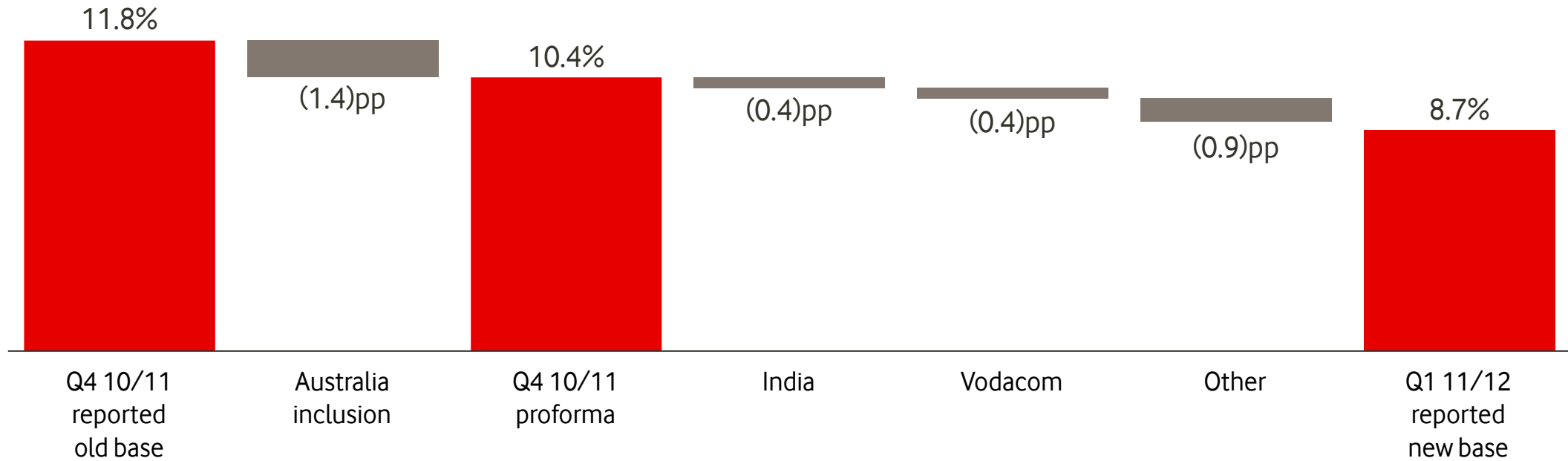


All growth rates shown are organic

11 1. Customer movement during the quarter comprised 133k net losses and a gain of 815k due to a change in the disconnection policy



AMAP service revenue growth

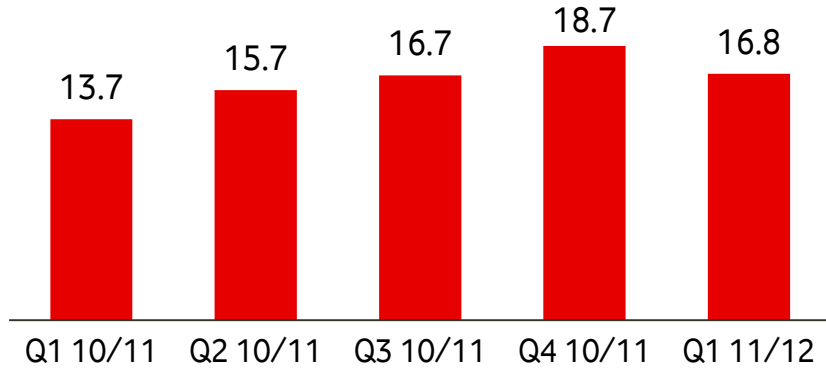


- India and Vodacom: continued momentum
- Australia: initial inclusion in organic growth calculation; organic growth impacted by network outages
- Revenue growth in New Zealand impacted by MTR cut

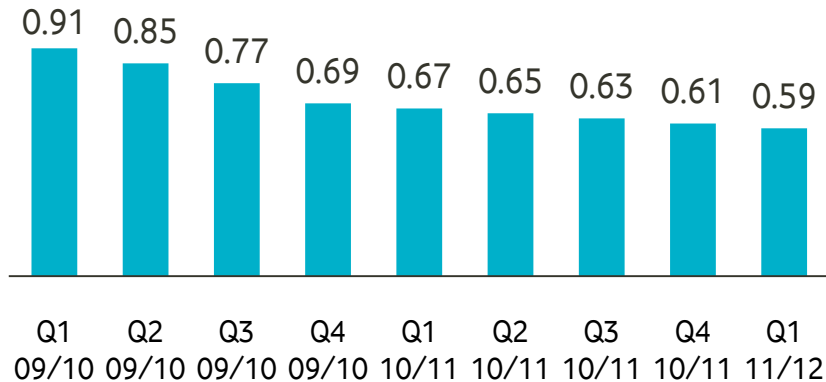


India: good momentum continues

Service revenue growth (%)



Outgoing prices (Rs per minute)



- Market prices stabilising
- Maintaining strong market position
 - Net Promoter Score leadership maintained
- Data growth remains strong, +70% led by mobile internet
 - 26m data users, +190%
- Operating free cash flow positive
- Bilateral 3G roaming agreements in place

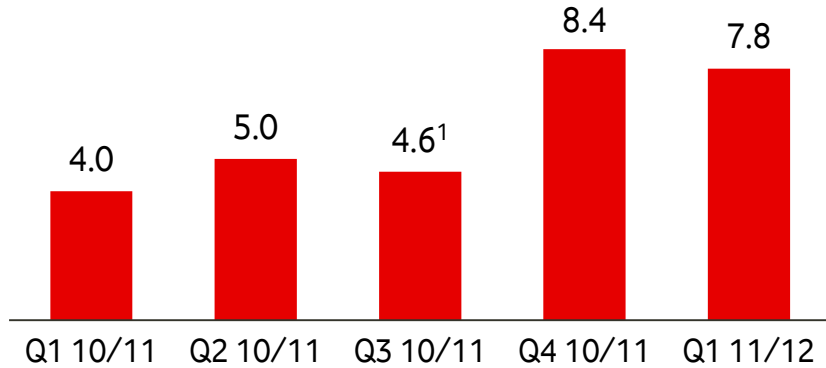
Vodafone Opera Mini browser

- Enhances the mobile internet experience for 2.5G devices
- 3.7m users, +375%



Vodacom Group: data continues to drive growth

Vodacom service revenue growth (%)



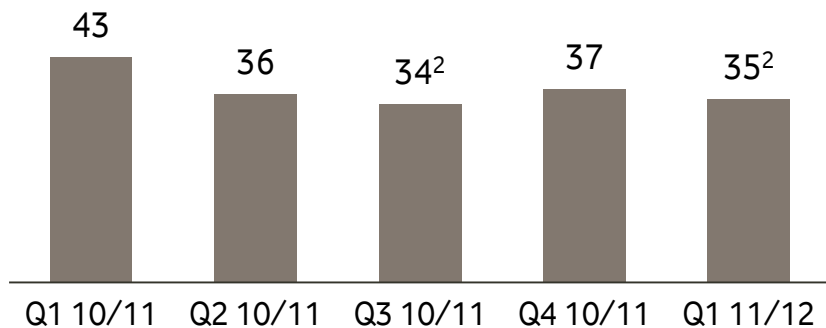
South Africa service revenue +5.4%; +7.7% ex MTRs

- Data revenue growth +35%²; data users +37% to 9.6m
- New offers driving strong net adds 1.2m

International service revenue +24.8%

- 22% customer growth; 0.7m net adds

South Africa data revenue growth (%)



Successful rebrand

- Well executed and received
- Leverages Vodafone's global presence



All growth rates shown are organic

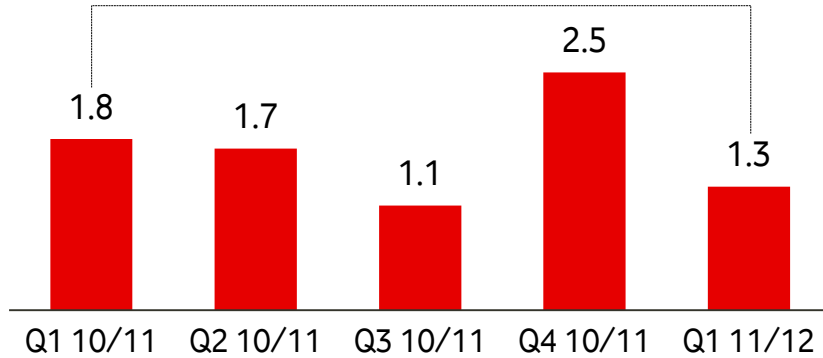
1. Including reclassification of Tower revenue, organic service revenue growth

2. Including reclassifications of data revenue to align to Vodafone definitions data service revenue growth was 42% in Q1 11/12 and 51% in Q3 10/11



Robust cash generation continues

Free cash flow (£bn)



	Q1 11/12 £bn
Opening net debt	(29.9)
Disposals	+6.8
Free cash flow	+1.3
Share buybacks	(0.8)
Foreign exchange/other	(0.5)
Closing net debt	(23.1)

- Free cash flow £0.5bn lower YoY
 - Lower working capital £0.3bn; timing of capex payments
 - Higher capex £0.2bn; Vodacom and Germany to enhance network quality

FY 11/12 target FCF £6.0-6.5bn confirmed

- Net debt reduced by £6.8bn
 - SFR disposal proceeds received
 - £2.8bn share buyback completed and £0.1bn of new £4.0bn programme executed
- £1.2bn for first tranche of Essar stake¹
 - No net debt impact

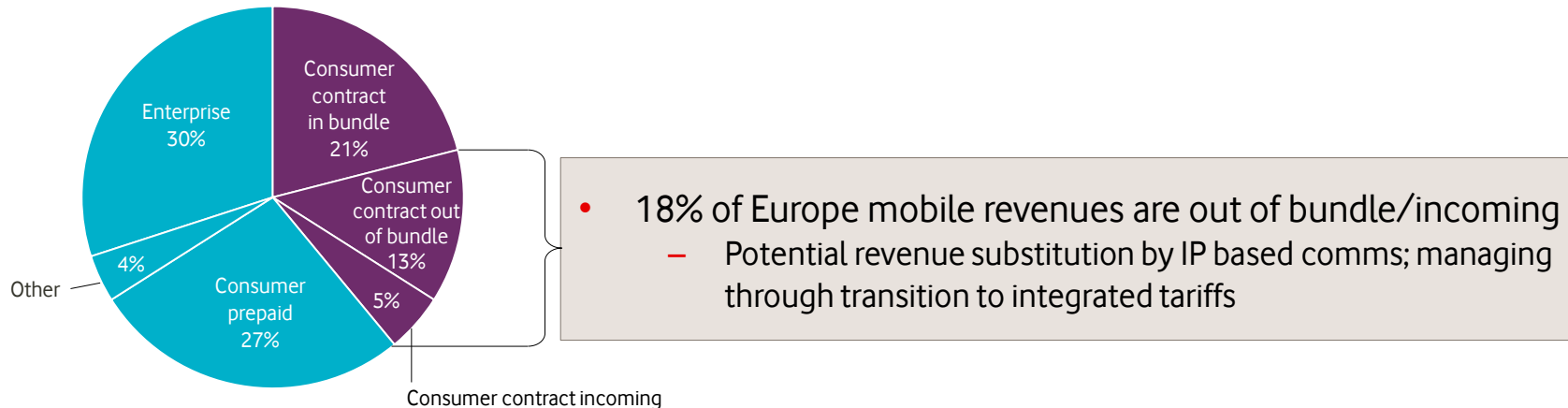


Group: delivering strong data and SMS growth

(%)	Q3 10/11	Q4 10/11	Q1 11/12
Group			
Data revenue growth	27.2	26.9	24.5
Messaging revenue growth	5.9	6.8	5.3
Europe			
Smartphone penetration	16.7	18.7	19.5
Smartphone data attach	46.3	48.0	54.7

- Managing transition to integrated plans
 - Over 25% of Europe consumer contract revenue from integrated (voice, SMS, data) plans
- Maintaining network quality
 - Traffic management limiting data volume growth to +31%
- Pushing smartphone in prepaid
 - Consumer prepaid penetration +11%, +5pp YoY
- Driving data in emerging markets
 - 8.6m Opera Mini browser users +144%

Europe mobile service revenue mix
Q1 11/12



Summary: we are delivering a more valuable Vodafone

Delivering growth opportunities

Revenue growth: data +25%, AMAP +9%

Rigorous capital discipline

Disposal proceeds: £15.0bn agreed deals
Share buybacks: £6.8bn committed; £3.2bn complete¹

Focus on FCF generation

Free cash flow: delivered £1.3bn



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 free cash flow guidance for the 2012 financial year contained in slide 15 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 expectations regarding growth in customers and usage and mobile data growth and technological advancements, including the deployment of 4G services; expectations regarding revenue, adjusted operating profit, EBITDA, free cash flows, adjusted effective tax rates, costs, tax settlements and capital expenditures; and expectations regarding the Group's disposals and 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 foreign 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 "Principal risk factors and uncertainties" in our Annual Report for the year ended 31 March 2011. 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.

