Vodafone Group Plc
Interim Management Statement

For the 3 months ended 30 June 2013

19 July 2013

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- The presentation contains forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995 which are subject to risks and uncertainties because they relate to future events. Some of the factors which may cause actual results to differ from these forward-looking statements are discussed on the final slide of the presentation.
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Q1 13/14 highlights

- Group organic service revenue[1] -3.5% or -1.3% excluding joint ventures
- Continued strong growth in emerging markets; conditions in Europe remain challenging
- Strong performance from Verizon Wireless: service revenue +7.2%
- Vodafone Red in 16 markets; 5.2m customers; mobile in-bundle customer revenue +9.5%[1]
- Progress in unified communications: offer for Kabel Deutschland; vertical fibre access agreement in Spain, wholesale fibre access agreement in Italy
- Net debt[1] now £24.9bn; £2.1bn VZW dividend received, £1.5bn share buyback completed

All growth rates shown are organic unless otherwise stated

1. Includes the Group's joint ventures: Vodafone Italy, Vodafone Hutchison Australia, Vodafone Fiji and Indus Towers on a proportionate basis

Group: growth in AMAP offset by pressures in Europe

	Q1 13/14 £bn	Q1 13/14 YoY growth (%)
Group service revenue including joint ventures[1]	**10.2**	**(3.5)**
Northern & Central Europe	4.8	(3.0)
AMAP	3.0	5.9
Southern Europe	2.3	(14.4)
Capex[1]	**1.2**	
Free cash flow[1]	**1.0**	
Net debt[1]	**24.9**	

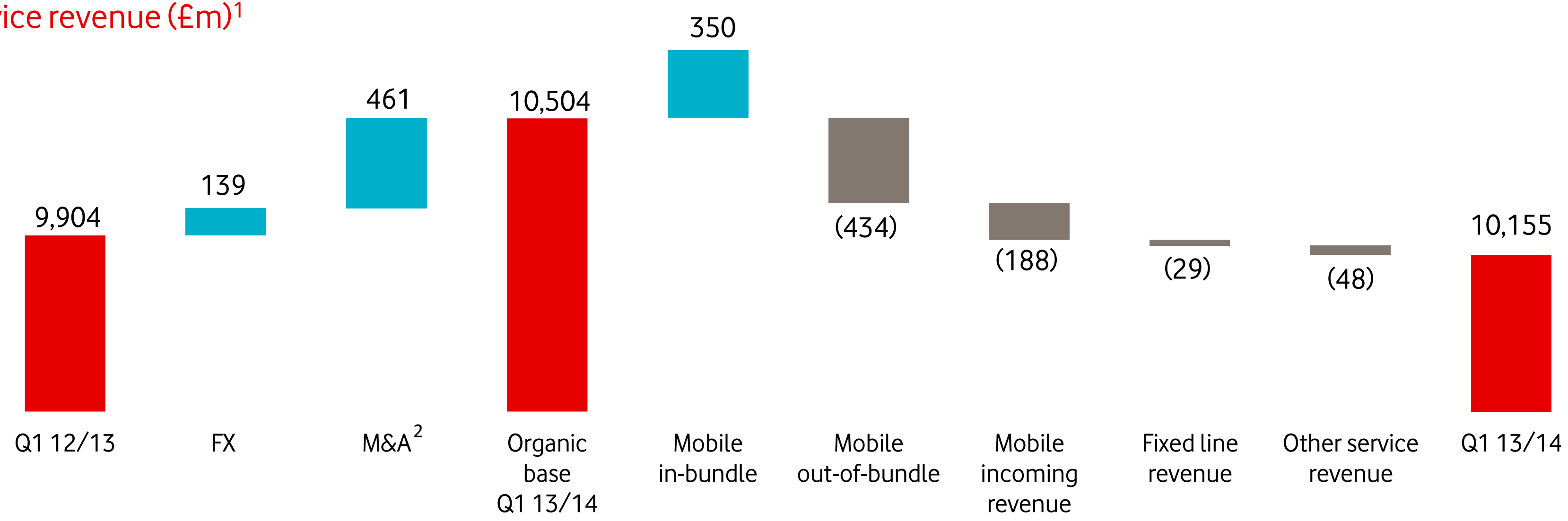
- MTR headwind of -2.8ppt
- Free cash flow £3.1bn including VZW dividend
- Excluding joint ventures, Group service revenue -1.3%

All growth rates shown are organic unless otherwise stated

1. Includes joint ventures on a proportionate basis

Group: strong growth in mobile in-bundle revenue

Service revenue (£m)[1]



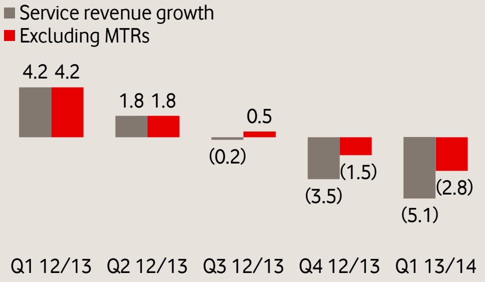
- M&A includes £430m from Cable & Wireless Worldwide and £90m from TelstraClear
- Mobile in-bundle and out-of-bundle trends driven by integrated plans

All growth rates shown are organic unless otherwise stated
1. Including joint ventures on a proportionate basis
2. Includes Gateway

Northern & Central Europe: increased competitive pressures

Germany

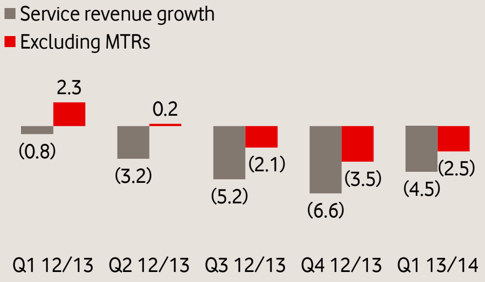
Service revenue growth (%)



- Increased competition; consumer contract -6.4%; enterprise -3.9%
- 56% contract smartphone penetration, +11ppt YoY
- Stabilised contract base
- Smart portfolio launched for entry level users, SIM-only focus
- 4G leadership; 64% coverage

UK

Service revenue growth (%)



- Fragile economy, competition pressures, market decline
- 76% contract smartphone penetration, +9ppt
- 1.5m Vodafone Red customers (16% of contract base)
- Accelerated integration of CWW
- 4G service launch end of summer

47% of Group service revenue

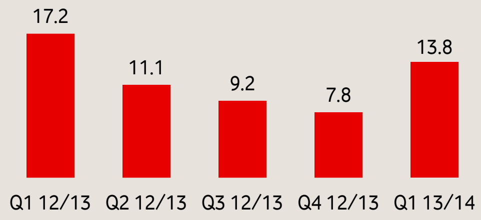
Service revenue growth ex MTRs -0.8%

All growth rates shown are organic unless otherwise stated.

AMAP: strong growth in customers and data usage

India

Service revenue growth (%)



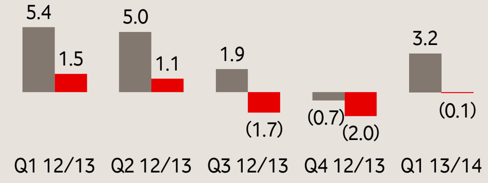
- 2.7m net adds; improved customer verification process
- ARPU +13%; outgoing rate per minute +5%
- Activity ratio maintained at 95.4% (Q4: 95.6%)
- Data users +33% to 41m, incl 4m 3G. 9% smartphone penetration

30% of Group service revenue[1]

Service revenue growth ex MTRs +7.8%

Vodacom

Service revenue growth (%)



South Africa

- Improving revenue trends; new product launches
- Data users up +16.5% to 14.4m; active smartphones +27%

International

- Service revenue +14.3%; prepaid net adds +0.9m
- M-Pesa now in all markets; 19% of Tanzania service revenue

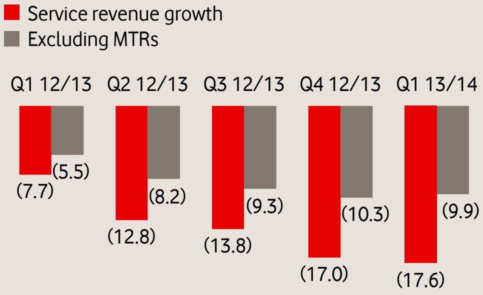
All growth rates shown are organic unless otherwise stated

1. Includes joint ventures on a proportionate basis

Southern Europe: macro pressures and increased competition

Italy

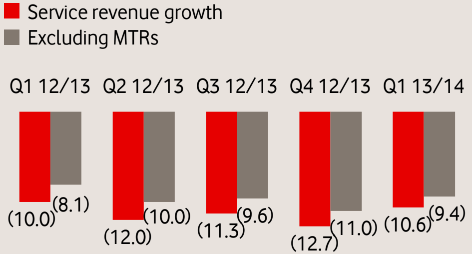
Service revenue growth (%)



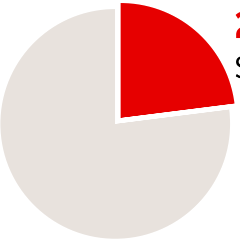
- Step-up in price competition; mainly prepaid and enterprise
- Consumer contract mobile service revenue +8%
- Vodafone Red:1.2m users; 92% of gross adds consumer contract
- Restructuring on track
- Wholesale fibre offer launched

Spain

Service revenue growth (%)



- Continued macro and competitive pressure from convergence
- Customer base decline slowing
- Vodafone Red: 0.6m users; 25% include fixed
- +43k net broadband adds
- FTTH: co-build on-track; vertical access agreement
- First to launch 4G



23% of Group service revenue[1]

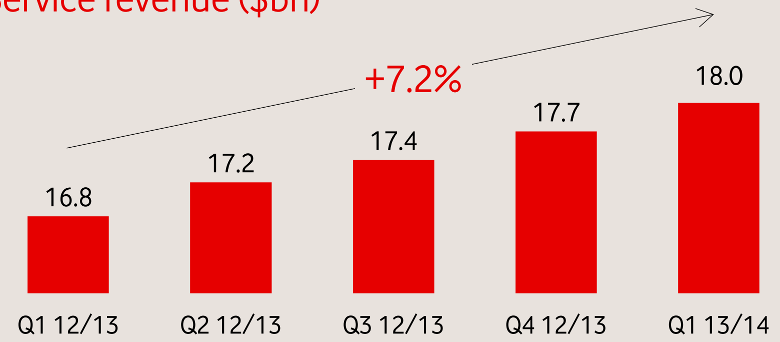
Service revenue growth ex MTRs -9.5%

All growth rates shown are organic unless otherwise stated

1. Includes joint ventures on a proportionate basis

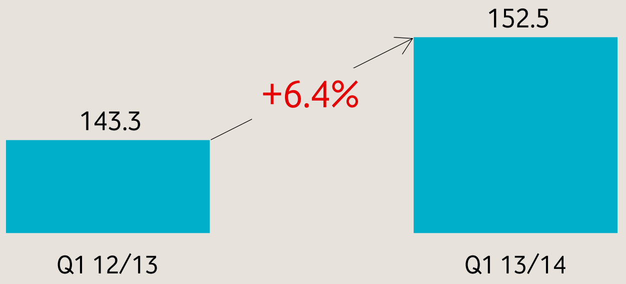
Verizon Wireless: continued strong momentum

Service revenue ($bn)[1]

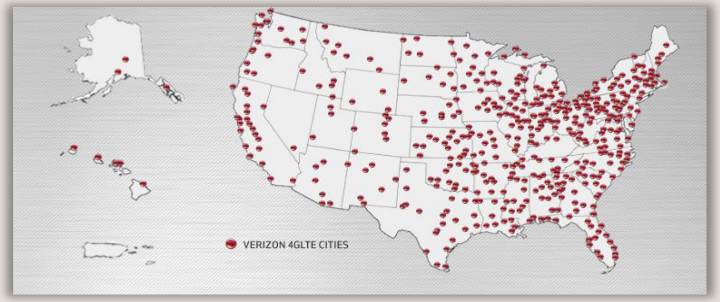


- 941k retail postpaid net connections, +6% YoY
- 100.1m total mobile retail connections
- Share Everything plans at 36% of retail postpaid accounts
- Smartphone penetration 64%, +15ppt YoY

Retail postpaid ARPA[2] (US$)



Substantially completed 4G coverage build



1. All growth rates shown are organic unless otherwise stated and financial highlights reported on a 100% IFRS basis unless stated otherwise
2. Average revenue per account

Strong financial position

	Q1 13/14 £bn
Opening net debt	**(27.0)**
Free cash flow	1.0
VZW dividend	2.1
Share buyback	(1.0)
Spectrum	(0.3)
Foreign exchange/other	0.3
Closing net debt	**(24.9)**

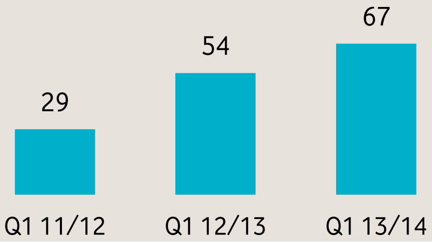
- Net debt reduced by £2.1bn
  - £2.1bn VZW dividend received
  - £1.5bn share buyback completed
- Balance sheet headroom remains comfortable
  - Pro forma net debt/EBITDA of 2.4x post KDG acquisition
- Excluding joint ventures, net debt £23.0bn

Includes joint ventures on a proportionate basis

Continued progress in future-proofing our revenue

Increasing penetration of integrated plans

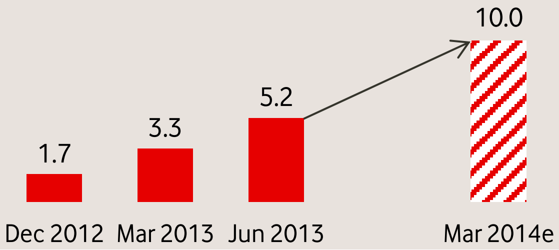
% of European revenue from integrated plans[1]



- Integrated plans: **67%** of consumer contract revenues in Europe; and **52%** of customers

Vodafone Red – over 5 million customers

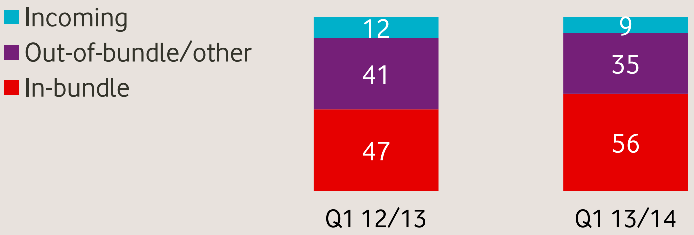
Vodafone Red customers (m)



- **16** markets
- Main four European markets: **14%** of customers[2] and **22%** of revenue[2]

More in-bundle revenue

European mobile service revenue mix (%)



Vodafone Red – encouraging signs

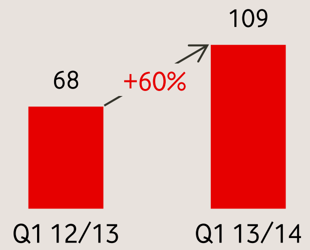
- Increasing share of gross adds
- Mild ARPU dilution continues but trends improving
- Average smartphone data usage on Red around **2x** non-Red
- > 15% of Red customers have roaming add-ons[3]

Includes joint ventures on a proportionate basis

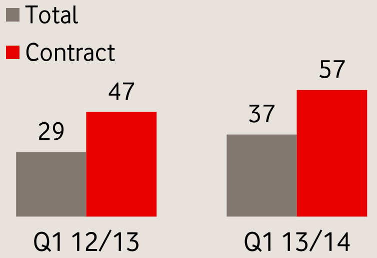
1. Consumer contract revenue from integrated voice, SMS and data plans
2. Consumer contract mobile base excluding data only SIMs, June 2013
3. Based on four main European markets (Germany, UK, Italy & Spain)

Investing for a scale Data company

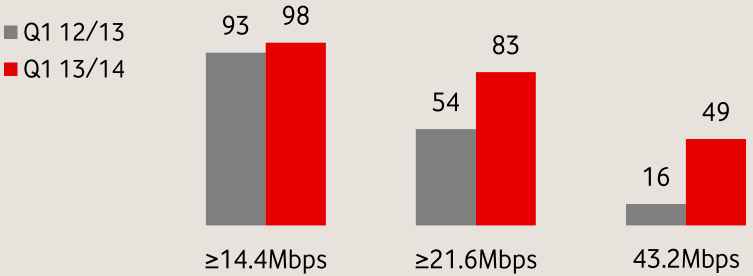
Group data traffic (Petabytes)



European smartphone penetration (%)



HSPA European 3G footprint (% base stations)



Increased demand for data

- Average data usage per smartphone **+26%** YoY at **c.350MB**[1]
- Average usage per smartphone around **2x** on 4G vs. 3G
- **15%** of total European data traffic now on 4G
- Recently launched 4G in Spain, Australia and Czech Republic

Progress in unified communications

- Germany: offer for Kabel Deutschland, FTTC-VDSL agreement
- Spain: vertical fibre access agreement
- Italy: FTTC-VDSL agreement
- Portugal: extending FTTH from c.500k homes passed today to c.1m
- Ireland: FTTC-VDSL agreement

Includes joint ventures on a proportionate basis

1. Europe, Android and iOS

Increasing contribution from growth areas

% contribution to Group service revenue[1]

	Q1 10/11		Q1 13/14
Data	11	→	18
Enterprise	23	→	27
Emerging markets[2]	26	→	30
In-bundle[3]	29	→	56

- Continued development of Vodafone Red
- Strong growth in emerging markets and VZW, increasing contribution from enterprise
- Increased in-bundle revenue
- Progress in unified communications
  - KDG offer
  - Vertical fibre access agreement in Spain
  - Wholesale fibre agreement in Italy

1. Includes joint ventures on a proportionate basis
2. Emerging markets comprise: Vodacom, India, Egypt, Turkey, Ghana, Qatar & Fiji
3. European mobile service revenue

Q&A

Other markets

% Q1 organic service revenue growth

15.5% Turkey

- Continued growth in data and enterprise
- Large voice and SMS cuts from 1 July, c.8ppts impact from Q2 onwards

(3.7%) Netherlands

- c.2.5ppt boost from prior year impact from April 2012 fire
- Continued market shift to no-frills segment
- Launching 4G in late summer

8.2% Egypt

- Political and social unrest
- Growth driven by mobile data, incoming revenue and customer growth
- Launched M-Pesa ("Vodafone Cash")

(8.8%) Australia

- Challenges continue but improved trends in ARPU
- Launched 4G in six metro areas
- Continued improvement of 3G network

(10.8%) Portugal

- Economic pressure remains
- Increased competition from converged offers
- Acceleration of FTTH from c.500k homes passed today to c.1m

(2.5%) Ireland

- Growth in consumer contract and enterprise segments
- Vodafone Red: 70% of consumer contract gross adds
- FTTC-VDSL agreement

Strong financial position – excluding joint ventures

	Q1 13/14 £bn
Reported March 2013	**(27.0)**
IFRS 11 adjustment	(1.6)
Opening net debt	**(25.4)**
Free cash flow	0.9
VZW dividend	2.1
Share buyback	(1.0)
Spectrum	(0.1)
Foreign exchange/other	0.5
Closing net debt	**(23.0)**

- Australian net debt no longer proportionally consolidated
- Net debt reduced by £2.4bn
  - £2.1bn VZW dividend received
  - £1.5bn share buyback completed
- Balance sheet headroom remains comfortable
  - Pro forma net debt/EBITDA of 2.4x post KDG acquisition

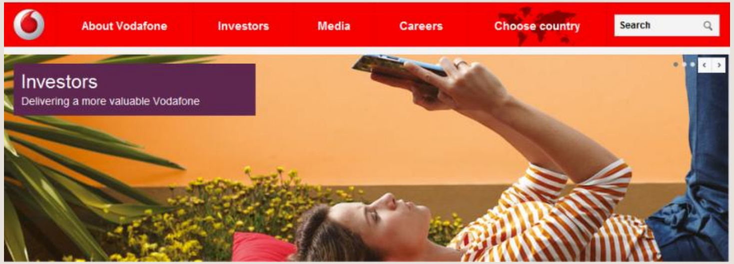
Accounting and disclosure from Q1 13/14

- Accounting for joint ventures (IFRS 11)
  - No longer proportionately accounting for joint ventures[1]
  - Report share of net profit only, as for VZW
  - Continue to disclose results including joint ventures
- Disclosure of mobile service revenue
  - Split by in-bundle, out-of-bundle, incoming
  - Replaces previous voice, SMS, data split
  - Continue to report data revenue
- Tower revenue
  - Reclassified from ‘other service revenue’ to ‘other revenue’ and thus no longer included in total service revenue, prior periods restated
- ARPU
  - Wholesale and visitor revenue now excluded from ARPU, prior periods restated[2]

1. Italy, Australia, Indus Towers and Fiji
2. M2M, messaging wholesale and other miscellaneous items previously included in other service revenue are now also excluded

More information

Visit our website for more information



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Upcoming dates

AGM	Final dividend payment date	Half year results
23 July	**7 August**	**12 November**

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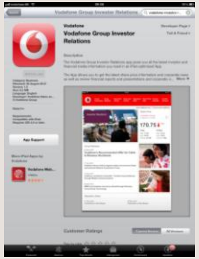

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This presentation contains "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward-looking statements include: statements relating to the Group's future performance generally; expectations regarding growth in customers and usage, especially in emerging markets, and mobile data, SMS and fixed growth and technological advancements; statements relating to the impact of MTRs and spectrum spend; statements in relation to the launch of new products and service offerings; statements and expectations in relation to the acquisition of CWW and the intended acquisition of Kabel Deutschland and in relation to existing and proposed network sharing initiatives, and the anticipated benefits associated therewith; statements and assumptions relating to movements in foreign exchange rates; and expectations regarding adjusted operating profit, service revenue growth, EBITDA, EBITDA margin, free cash flow, costs, tax settlements, especially in India, and capital expenditures.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "anticipates", "aims", "could", "may", "should", "expects", "believes", "intends", "plans" or "targets". By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: changes in macroeconomic or political conditions in markets served by operations of the Group that would adversely affect the level of demand for mobile services, and changes to the associated legal, regulatory and tax environments; greater than anticipated competitive activity, from both existing competitors and new market entrants, which could require changes to the Group's pricing models, lead to customer churn and/or make it more difficult to acquire new customers; levels of investment in network capacity and the Group's ability to deploy new technologies, products and services in a timely manner, particularly mobile data content and services, or the rapid obsolescence of existing technology; higher than expected costs or capital expenditures; rapid changes to existing products and services and the inability of new products and services to perform in accordance with expectations, including as a result of third party or vendor marketing efforts; the ability of the Group to integrate new technologies, products and services with existing networks, technologies, products and services; the Group's ability to generate and grow revenue from both voice and non-voice services and achieve expected cost savings; a lower than expected impact of new or existing products, services or technologies on the Group's future revenue, cost structure and capital expenditure outlays; slower than expected customer growth, reduced customer retention, reductions or changes in customer spending and increased pricing pressure; the Group's ability to expand its spectrum position, win 4G/3G allocations and realise expected synergies and benefits associated with 4G/3G; the Group's ability to secure the timely delivery of high quality, reliable handsets, network equipment and other key products from suppliers; loss of suppliers, disruption of supply chains and greater than anticipated prices of new mobile handsets; changes in the costs to the Group of, or the rates the Group may charge for, terminations and roaming minutes; the Group's ability to realise expected benefits from acquisitions, partnerships, joint ventures, franchises, brand licences or other arrangements with third parties, particularly those related to the development of data and internet services; acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities, which may have a negative impact on the Group's financial condition and results of operations; the Group's ability to integrate acquired business or assets and the imposition of any unfavourable conditions, regulatory or otherwise, on any pending or future acquisitions or dispositions; the extent of any future write-downs or impairment charges on the Group's assets, or restructuring charges incurred as a result of an acquisition or disposition; developments in the Group's financial condition, earnings and distributable funds and other factors that the Group's Board of Directors takes into account in determining the level of dividends; the Group's ability to satisfy working capital requirements through borrowing in the capital markets, bank facilities and operations; changes in foreign exchange rates, including, particularly, the exchange rate of pounds sterling to the euro and the US dollar; changes in the regulatory framework in which the Group operates, including the commencement of legal or regulatory action seeking to regulate the Group's permitted charging rates; the impact of legal or other proceedings against the Group or other companies in the mobile communications industry; and changes in statutory tax rates and profit mix, the Group's ability to resolve open tax issues and the timing and amount of any payments in respect of tax liabilities.

Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the heading "Forward-looking statements" and "Principal risk factors and uncertainties" in Vodafone Group Plc's Annual Report for the year ended 31 March 2013. The Annual Report can be found on the Group's website (www.vodafone.com/investor). All subsequent written or oral forward-looking statements attributable to the Company or any member of the Group or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this presentation will be realised. Except as otherwise stated herein and as may be required to comply with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.