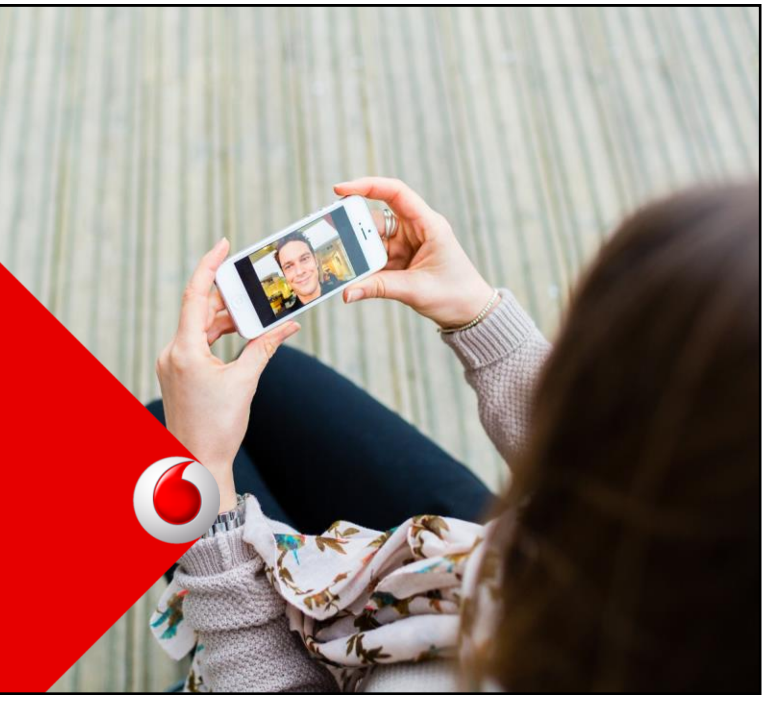
Vodafone Group Plc
Preliminary results

For the year ended 31 March 2015



19 May 2015

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Full year highlights

Financial performance

- Year of continued **growth** in emerging markets and signs of **stabilisation** in Europe
- Returned to **Group organic service revenue growth** in Q4, +0.1%
- Q4 Europe organic service revenue -2.4% (Q3: -2.7%), driven by improved **commercial execution**, some **price stability** and **data growth**
- Q4 AMAP organic service revenue +6.0% (Q3: +5.9%), led by strong **customer growth** and **rising data** penetration
- **Full year guidance met:** reported EBITDA £11.9 billion, free cash flow £1.1 billion

Strategic progress

- **Project Spring on track**: 63% through mobile build, European 4G coverage 72%, leading 4G operator
- **20.2 million 4G customers** in 18 markets; **data volumes up 80%** year-on-year
- AMAP: **116 million data customers**, Indian 3G coverage at 90% of target urban areas
- Strong momentum in unified communications: **11.3 million broadband customers** in Europe
- Integration of **KDG and Ono on track**, synergies in line with expectations
- **Enterprise strengthening**: Cobra Automotive (M2M), expansion of IP-VPN to 62 countries; **return to organic growth** in Q4

All growth rates shown are organic unless otherwise stated

Full year 14/15 Financial review

Nick Read

Group Chief Financial Officer

Service revenue returns to growth

	FY 14/15 (£m)	Reported growth (%)	Organic growth (%)	Q4 14/15 organic growth (%)
Group revenue	42,227	10.1	(0.8)	2.6
Group service revenue	**38,497**	**9.4**	**(1.6)**	**0.1**
Group EBITDA[1]	**11,915**	**7.5**	**(6.9)**	
EBITDA margin (%)	*28.2*	*(0.7)ppt*	*(1.8)ppt*	
D&A[2]	**(8,345)**	**18.0**	**3.4**	
Adjusted operating profit[1, 2]	**3,507**	**(18.6)**	**(24.1)**	

All growth rates shown are organic unless otherwise stated
1. Reported excluding the impact of restructuring costs and significant one-off items. Restructuring costs were £157m in FY 14/15 and £355m in FY 13/14
2. Excludes amortisation of acquired intangible customer bases and brand intangible assets

Adjusted earnings per share impacted by EBITDA and Spring

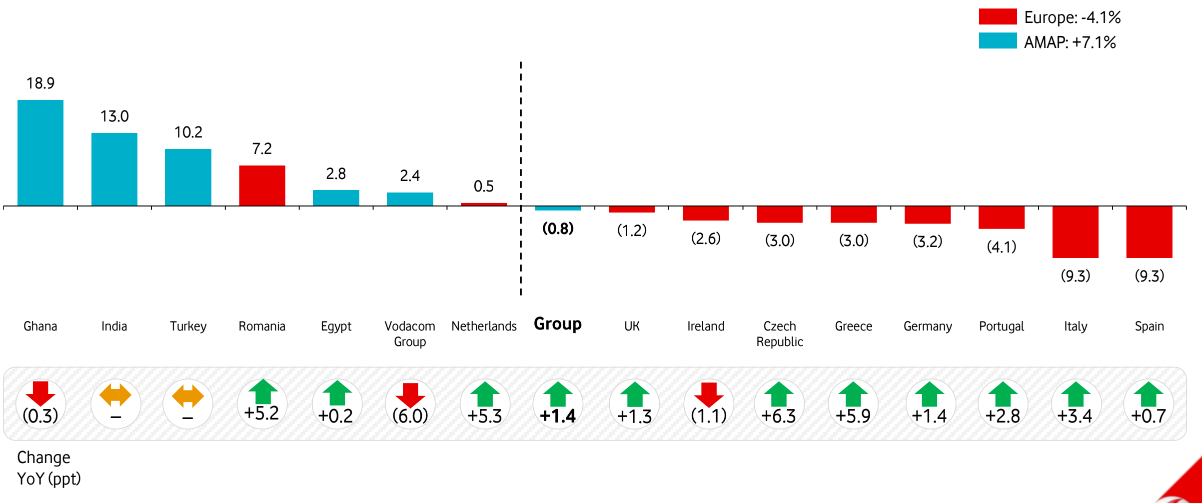
	FY 14/15 (£m)	FY 13/14 (£m)	Reported growth (%)
Adjusted operating profit[1]	**3,507**	**4,310**	
Net financing costs	(1,290)	(1,130)	
Taxation	(569)	(929)	
Non controlling interests	(177)	(216)	
Adjusted earnings[1]	**1,471**	**2,035**	
Adjusted earnings per share[1]	**5.55p**	**7.69p**	**(27.8)**
Ordinary dividend per share	**11.22p**	**11.00p**	**2.0**

- Adjusted effective tax rate 29.4%; remain high 20's in the medium term

All growth rates shown are organic unless otherwise stated
1. Reported excluding the impact of restructuring costs, significant one-off items and amortisation of acquired intangible customer bases and brand intangible assets

Full year service revenue improvement

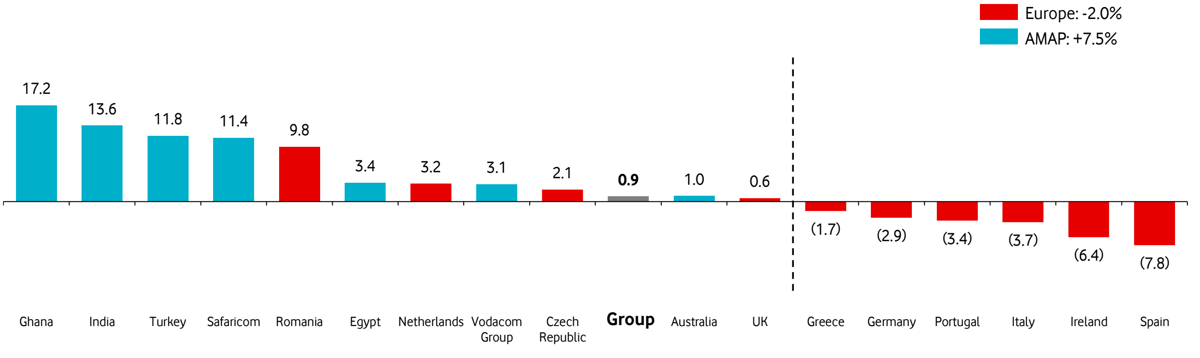
FY 14/15 service revenue growth % (ex. voice MTRs)



All growth rates shown are organic unless otherwise stated

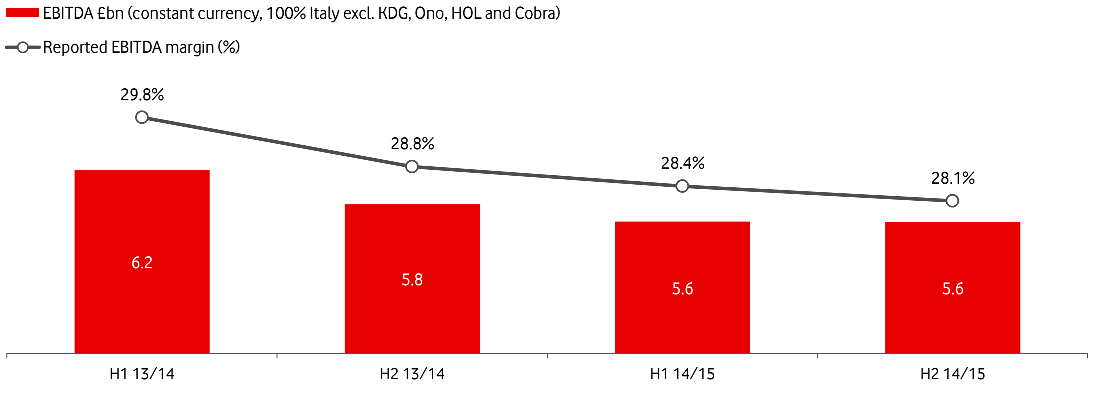
More markets are moving into growth

Q4 14/15 service revenue growth % (ex. voice MTRs)



All growth rates shown are organic unless otherwise stated, Safaricom and Australia are not included in our Group service revenue growth and include MTRs

Absolute organic EBITDA and margin stabilising



- FY 14/15 reported margin decline 0.7ppt; organic decline 1.8ppt (including Spring impact)

Cash flow robust factoring in Spring investment

	FY 14/15 (£m)	FY 13/14 (£m)
EBITDA	11,915	11,084
Capital expenditure	(9,197)	(6,313)
Capital creditors	762	456
Working capital	(883)	1,181
Net interest	(994)	(1,315)
Taxation[1]	(842)	(1,220)
Dividends received	224	79
Dividends to non-controlling interests	(247)	(264)
Other[2]	350	705
Free cash flow	**1,088**	**4,393**

- Working capital movement: business as usual, one-off effects, terminals included in VPC with extended payment terms and central payment phasing

1. Excludes any tax cash flows relating to the Group's interest in Verizon Wireless
2. Other includes FY14/15 £84m and FY13/14 £534m relating to the tax cash flows from the Group's interest in Verizon Wireless

Update on my priorities for FY 14/15 & FY 15/16

1 Delivery of integration synergies from acquisitions

2 Ensure Project Spring returns

3 Cost optimisation

KDG: strong performance accelerated

KDG Q4 performance	• Revenue accelerated +7.1% (Q3: 6.5%)[1] • +123k net additions incl. migrations (FY 13/14 Q4 +90k)	

Cost and capex synergies on track

		Run rate in year 4 €m	NPV €bn
ULL	• 77k net migrations to date; now at planned run rate • 70% KDG's IP transit migrated, leveraging CWW's peering status	>120	>1.2
Network & IT	• One common national backbone; regional backbone integration begun • Now migrating mobile backhaul to KDG fibre	>120	>1.1
Central functions	• Integrated management in April '14; integrated organisation approved • Combined sales channels	>60	>0.7
	Total cost and capex synergies	>300	>3.0

1. Based on KDG accounting policies

Ono: ahead of synergy plans; c.50% of synergies secured

Ono Q4 performance	• Service revenue -1.9% (Q3 -1.3%) ex. wholesale; flat ex. FTR • Pricing pressure on ARPU from high end convergence pricing in year		

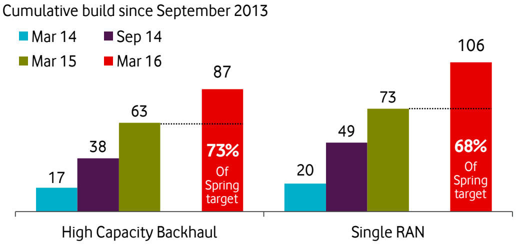
Key cost & capex synergies: acceleration of acquisition plan

		Run rate in year 4 €m	NPV €bn
Network & IT	• Ono fibre connecting 503 mobile radio sites; avoid backhaul costs • Savings on self-build DSL expansion using Ono's infrastructure	>65	~0.8
Migration of mobile traffic	• MVNO contract agreed; all mobile customers migrated by June 15 (7 months ahead of plan)	~75	~0.5
Central functions	• One organisation already in place; offices and premises consolidated • Procurement: 65% of total spend with common suppliers (from 45%)	>100	~0.7
	Total cost and capex synergies	>240	~2.0

Project Spring: strong progress made in network build

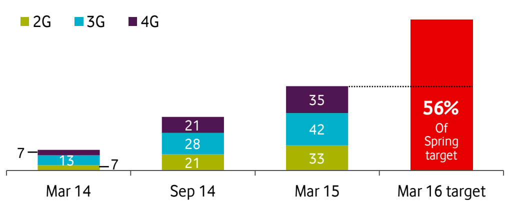
Group high capacity backhaul & single RAN sites (000s)

Cumulative build since September 2013

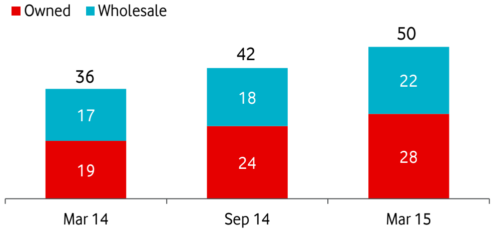


Group radio sites (000s)

Cumulative build since September 2013



50m European homes passed with NGN technology[1] (m)



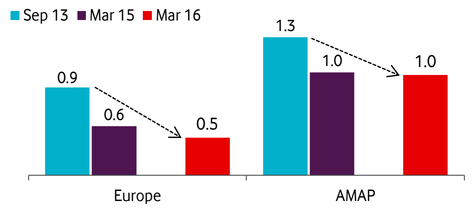
Progress

- 63% through mobile network deployment, AMAP ahead of plan
- Spring capex £3.7bn to date: 80% mobile, 20% fixed
- Europe high capacity backhaul 83% of sites, 27% fibre
- NGN: 3.2m more self-built households passed over last year
- Enterprise: IP-VPN in 62 countries; 256 PoPs

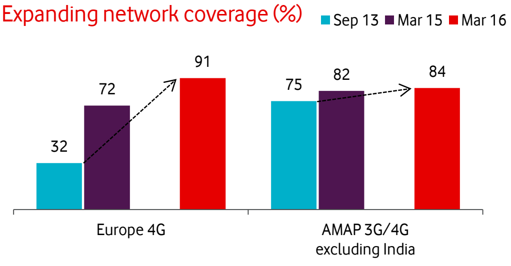
1. Next Generation Network technology: includes fibre-to-the-home, cable and fibre/VDSL to the cabinet or central office

Project Spring: closing in on our key March 16 targets

Perfect voice: dropped call rate (%)

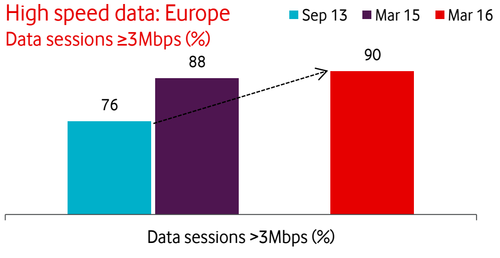


Expanding network coverage (%)



High speed data: Europe

Data sessions ≥3Mbps (%)



4G	Customers	Coverage	Average usage	Data sessions[1]
	2.8m	84%	1.4GB	74% to **92%**
	1.3m	100%	1.0GB	88% to **93%**
	2.5m	63%[2]	3.7GB	74% to **84%**
	5.0m	77%	1.5GB	75% to **82%**

1. Ookla top tier sessions >3Mbps from Sept 13 to Mar 15
2. Group measurement, Ofcom methodology is 71% 4G coverage

Fit for growth: total cost focus

	FY 14/15	3 Yr CAGR	2014/15 YoY
Service revenue	38.5	-2.7%	-1.6%
Total cost	30.3	↓ 0.9%[1]	↓ 0.8%[1]
Interconnect	3.8	↓ 11.2%	↓ 5.7%
Direct	6.6	↑ 3.6%	↑ 4.2%
Customer	8.8	↑ 1.8%	↑ 0.3%
Opex	11.1	↓ 1.1%[1]	↓ 2.6%[1]

1. Channel & commission optimisation
2. Tight contract management of incumbents
3. Supply chain excellence
4. World class shared services
5. Smart design for networks and IT
6. Digital customer experience

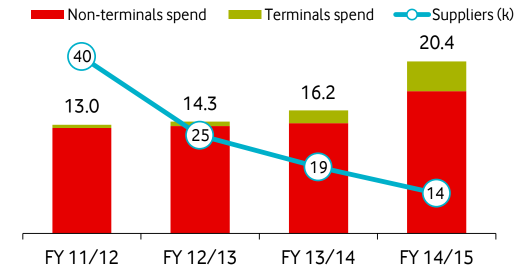
CAGRs on an organic basis

1. Excluding impact of Project Spring investment

Fit for growth: greater efficiency, effectiveness and agility

3 Supply chain excellence

Centrally managed procurement (€bn)

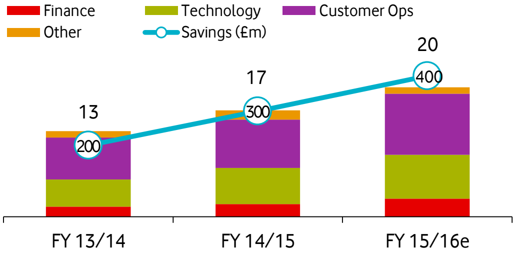


Goals

- Device supply chain best practice; reduce inventory by 20%
- Consistently delivering c.10% savings per annum
- Targeting 80% of global spend

4 World class shared services

Savings (£m) achieved by increasing shared service headcount (FTEs 000)



Goals

- Facilities in Hungary, Romania, Egypt and India
- 25% of Vodafone employees in shared services by 2018

Fit for growth: greater efficiency, effectiveness and agility

5 Smart design for networks and IT

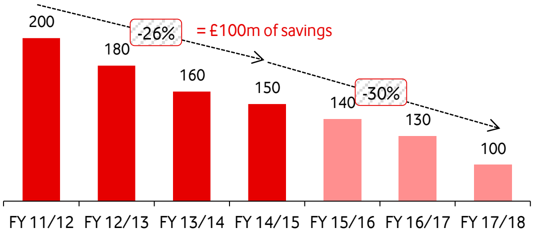
- 70% of RAN sites shared across the Group
- Project Spring modernisation: single RAN and high capacity backhaul with lower unit costs
- 60% in-house capability to manage IT developments
- Replicate IT development across geographies

Goals

- Transform legacy IT CRM and billing infrastructure
- Mix / scope of outsource IT partners

6 Digital customer experience

European call centre contact volumes (m)



Goals

- 75% of customer interactions are already digital
- Drive My Vodafone App penetration: 70% by FY 17/18 from 25% today
- Extend web simplification programme to 11 markets

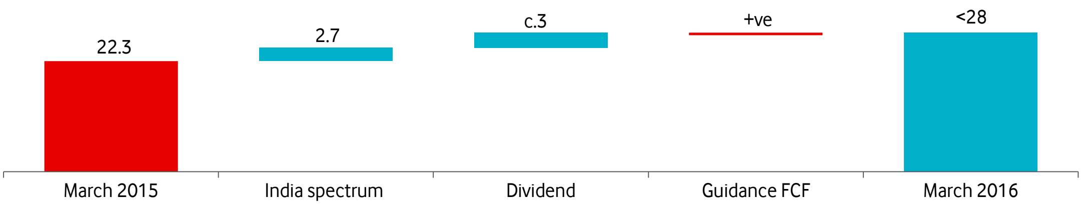
Spectrum costs return to lower levels after FY 15/16

MHz						
700	2015					
800/2.6	✓	✓	✓	✓		2015
900/1800	✓ +2015	✓	✓	✓	✓	✓
2100	✓	✓	✓	✓	✓ +2016	✓

- Secured 4G spectrum across Europe for next 10-15 years; renewed most original spectrum for another 10+ years
- Renewed and expanded India spectrum for next 20 years
- 700MHz spectrum available in Germany this year, several years for other EU countries

Balance sheet strong and in line with Spring plan

Pro forma net debt FY 15/16 (£bn)



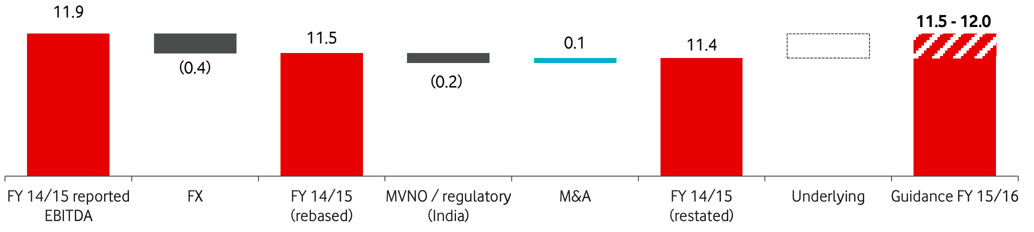
- FY 14/15 average cost of debt 4.7%
- FY 15/16 net debt expectation < £28bn
  - Excluding VZ loan notes (USD$5.2bn) and further spectrum auctions (Germany, Turkey and SA)
- Net debt/EBITDA, in line with Spring plan
- Post Project Spring capital intensity reverting to 13-14% of annual revenue

Guidance for FY 15/16; EBITDA growth

Guidance[1] for FY 15/16:

- EBITDA range, **£11.5bn – £12.0bn**
- **Positive** free cash flow after all capex
- Capex **£8.5bn - £9.0bn** (incl. Ono)
- Dividend; **intention to grow**

EBITDA guidance FY 15/16 (£bn)



1. Guidance for FY 15/16 assumes foreign exchange rates of £1:€1.37, £1:INR 95.2 and £1:ZAR 18.1 . It excludes the impact of licences and spectrum purchases, material one-off tax-related payments, restructuring costs and any fundamental structural change to the Eurozone. It also assumes no material change to the current structure of the Group

FY 14/15 summary

- Returned to service revenue growth and EBITDA stabilisation
- EBITDA and FCF guidance achieved
- Strong progress on strategic priorities
  - Integration plans on track
  - Project Spring closing in on our key March 16 targets
  - Continued cost efficiency and effectiveness
- Balance sheet strong and in line with Spring plans
- Final dividend per share of 7.62 pence, up 2.0%

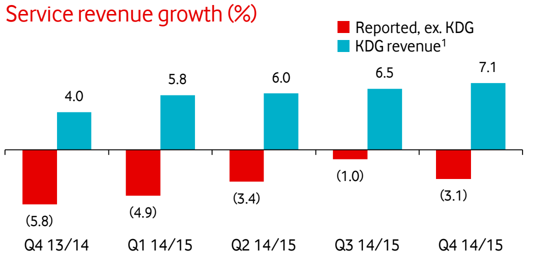
Operating & Commercial Review

Vittorio Colao

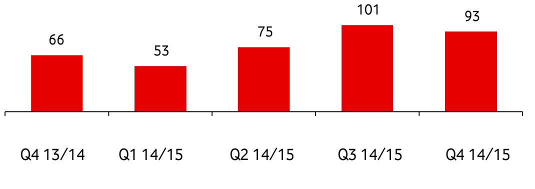
Group Chief Executive

Germany: network recovery, KDG strong, focus on consumer ARPU

Service revenue growth (%)



Fixed broadband net adds ('000)



Performance

- Mobile ARPU impacted by ongoing base repricing
- Contract net adds +137k; branded contract focus; churn improved 1.7ppt YoY
- KDG: +7.1% Q4 revenue growth; +123k net adds incl. migrations[2]
- Vodafone fixed revenue -3.0% (Q3: +0.5%, boosted by carrier services); gross add trend improved throughout the year
- Spring: 77% 4G coverage, dropped call rate at all-time low
- FY EBITDA margin 31.5%: -1.1ppt mainly due to higher commercial spend, H2 EBITDA YoY organic decline -4.0% vs. -16.4% in H1

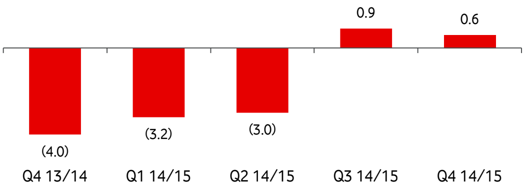
Priorities for 2015/16

- Improve branded mobile mix and ARPU
- Accelerate cable and VDSL take up
- Deliver KDG integration synergies
- Complete Spring roll-out

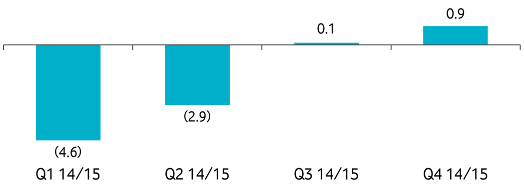
1. Based on KDG accounting policies
2. 29k migrations

UK: continued growth supported by strong 4G momentum

Service revenue growth (%)



Contract ARPU growth (%)



Performance

- Continued revenue growth; mobile +1.1% (Q3 +2.0%); contract ARPU +0.9%
- Consumer contract revenue +4.5%; 3.0m 4G customers, higher data usage, ARPU and NPS vs. 3G
- Enterprise revenue: -2.0%; growth in mobile, fixed trend stable
- Fixed revenue -0.7% (Q3: -2.0%); small improvement
- Spring: 4G coverage 63%[1]; dropped call rate 0.78% (last year 0.97%)
- FY EBITDA margin 21.2% (adj. for network settlements 19.6%, -2.5ppt); reallocation of recharges and weaker fixed margin

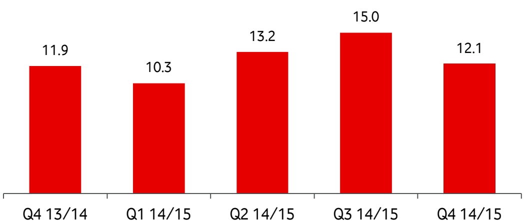
Priorities for 2015/16

- Maintain growth momentum in 4G – driving data monetisation
- Roll out consumer broadband proposition and TV
- Continue to strengthen service and network performance
- Build momentum in fixed Enterprise

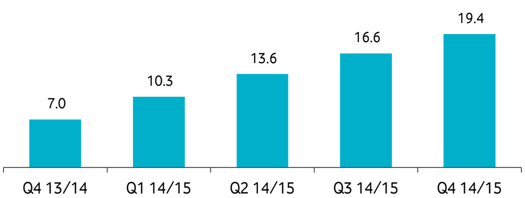
1. 4G coverage 71% on Ofcom measures

India: customer growth and data usage drive revenue

Service revenue growth (%)



3G data users (m)



Performance

- Continued double digit revenue growth; Q4 impacted by MTRs
- 5.1m net adds, outgoing voice yields flat, MOU -6.5% due to regional competition
- Data: 62% revenue growth[1], users +23% to 64m, 19m 3G users
- Spring: 3G sites +12.6k to 35k, distribution expansion on track c.1,000 stores added
- FY EBITDA margin 29.6%; improvement despite Spring opex and higher A&R
- Indus JV: 44% margin in H2,116k towers, 2.2x tenancy ratio

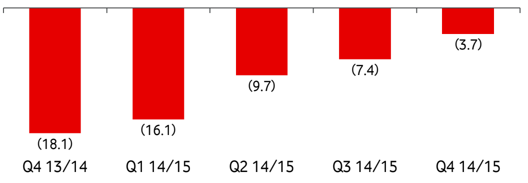
Priorities for 2015/16

- Drive data; expand 3G footprint post recent auction
- Maintain network differentiation
- Support voice revenue through customer segmentation and distribution growth
- Build scale in M-Pesa from current 378k users and 89k agents

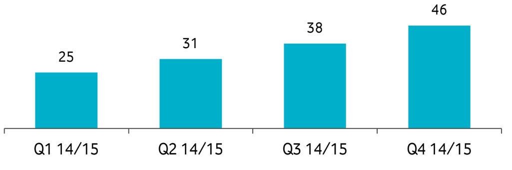
1. Browsing revenue

Italy: improving trends

Service revenue growth (%)



Broadband net additions ('000s)



Performance

- Continued service revenue recovery QoQ led by improvement in prepaid, and growth in fixed & enterprise
- Mobile:
  - -6.3% (Q3 -9.6%) stable prepaid ARPU QoQ, customer base decline improving (MNP positive in Q4)
  - Rapid growth in 4G: 2.8m customers (Q3: 1.2m)
- Fixed: +6.8%[1] (Q3 +5.0%); broadband customers +46k
- Spring: 4G coverage 84%, 5k cabinets installed with FTTC:
- FY EBITDA margin 33.1% (-2.5ppt) improving trend in H2 (-1.3ppt); top line pressure partially offset by strong cost control

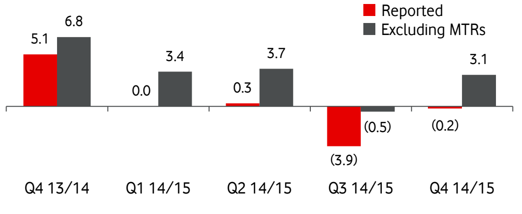
Priorities for 2015/16

- Increase commercial momentum in prepaid
- Increase 4G penetration
- Ramp up NGN adds, 3 million marketable homes passed by FY 15/16
- Further grow enterprise and fixed line, through 4G and fibre

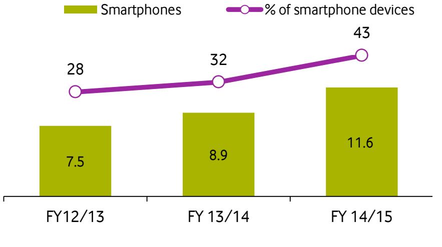
1. Excluding one-offs

Vodacom: SA stabilising, strong data growth

Vodacom service revenue growth (%)



South Africa: access to better devices (m)



South Africa performance

- SA service revenue -2.0% (excl. MTRs +2.1%); stabilising trends in prepaid ARPU and net adds
- Contract net additions +13k; contract customer base +3%
- Data revenue +25.4%; strong sales of affordable devices and data bundles
- Project Spring: 4G coverage 35%, 100% single RAN deployed
- Neotel: ICASA and CC approval delayed
- Group FY EBITDA margin -1.2ppt driven by MTR cut (-0.5ppt ex MTR)

Priorities for 2015/16

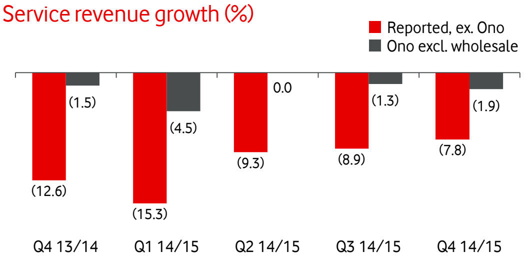
- Maintain data leadership; focus on Project Spring execution
- Continue pricing transformation in prepaid
- Develop enterprise capabilities and launch SME products
- FTTH commercial launch in targeted areas

International

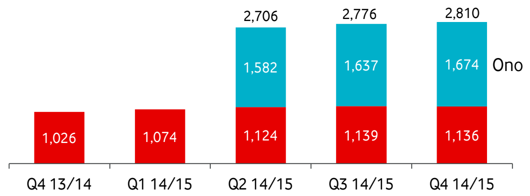
- Service revenue +5.3%, +3.4ppt QoQ; lap of price cuts in TZ
- Strong customer growth +13.7% to 29.5m
- Continued M-Pesa success; 5.6m active users

Spain: improving market conditions; convergence offer launched

Service revenue growth (%)



Fixed broadband customers ('000s)



1. Excludes Ono
2. Excludes wholesale revenue; ex. FTRs 0.1%

Performance

- Mobile and fixed ARPU still under pressure; handset financing impact
- Contract net adds -41k[1] due to reduced subsidy, regained traction in March
- Fixed revenue up 4.5%[1]; +26k broadband net adds (pre migrations), 8.5m homes reached including Ono and co-build fibre deployment
- Ono: service revenue -1.9%[2]; integration on track:
  - 30k DSL customers migrated
  - Early migration of MVNO customers onto Vodafone network
- Vodafone ONE convergence offer launched in April
- Project Spring: 75% 4G coverage, 2.9m 4G customers

Priorities for 2015/16

- Enrich bundles to drive ARPU growth
- Grow unified communications market share
- Continue integration of Ono and reach 2m homes through joint fibre build
- Complete Project Spring to support differentiation

Priorities for next year

Market trends:

Consumer demand for **data is accelerating** rapidly

Strong growth prospects in **emerging markets**

Increasing shift towards **unified communications**

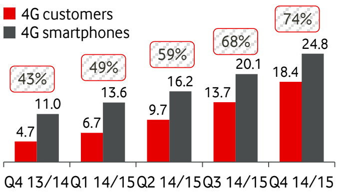
Accelerating demand for service and footprint in **enterprise**

Vodafone plans:

1. Complete Project Spring network build
2. Integrate assets & expand UC capabilities
3. Drive growth through unified services and geographic presence
4. Provide a 'best-in-class' customer experience

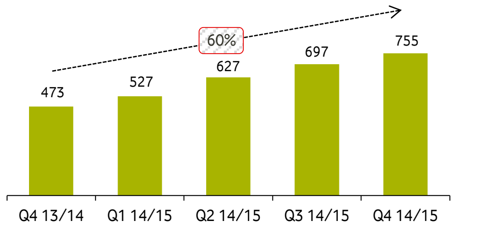
The largest 4G operator in Europe

Increasing 4G penetration (m)[1]

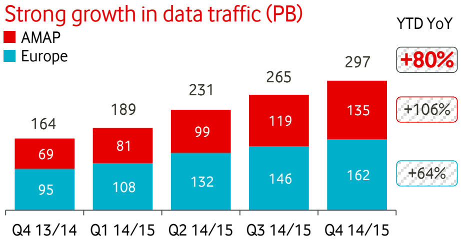


- Quadrupled our 4G customer base
- 30% European data volumes 4G
- Represents 13% of our European customer base

European monthly average smartphone usage (MB)[2]

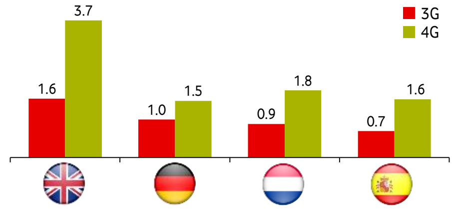


Strong growth in data traffic (PB)



4G stimulating data demand

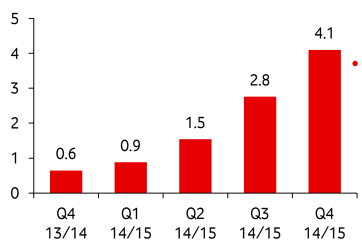
Cohort analysis - average monthly usage (GB)[3]



1. Group figures: 4G plans including MBB and FMS 20.2 million
2. iOS and Android
3. 3G to 4G cohort analysis (Q4 14/15)

Content and video accelerating usage growth

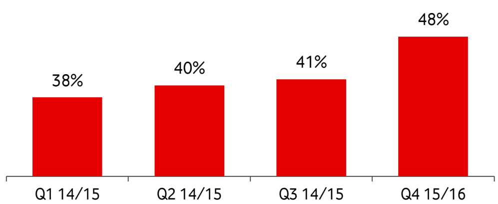
Growing number of customers with content bundles sold (m)



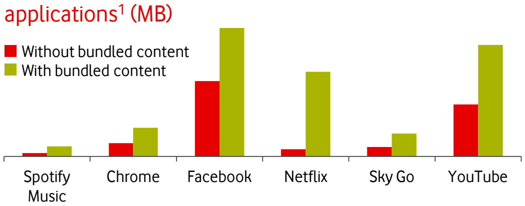
- Content bundles now available in 12 markets

Video usage continuing to grow

(% of total European data)



Bundled content users using more data across all applications[1] (MB)



New applications driving further data consumption

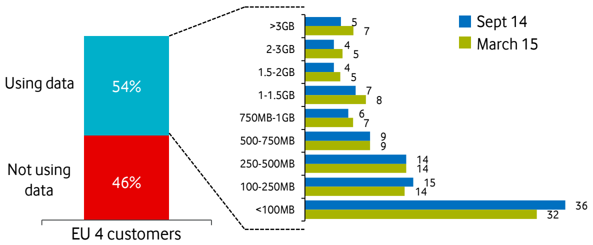
- Social media apps embedding video
- Data uploading becoming an increasing feature

	Instagram	Snapchat
Growth over 6 months:	+120%	+260%

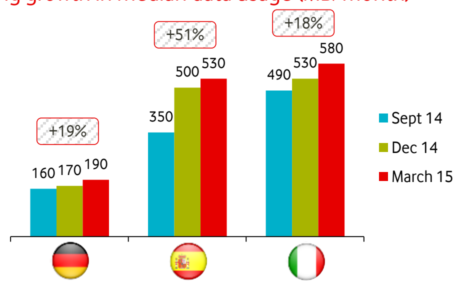
1. Based on Netflix bundled customers in the UK (March 2015)

Customers moving to bigger data bundles

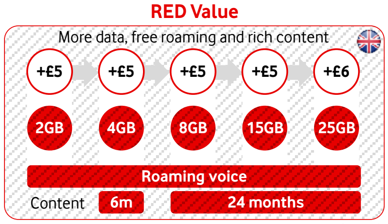
25% of data customers now using > 1GB



Strong growth in median data usage (MB/month)

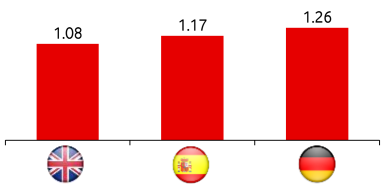


'More for more' commercial strategy



Net 4G ARPU uplift (£)

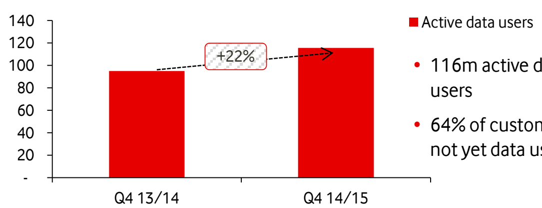
Cohort analysis[1]



1. Uplift from 3G to 4G vs. 3G to 3G – blended handset and SIM only (Q414/15)

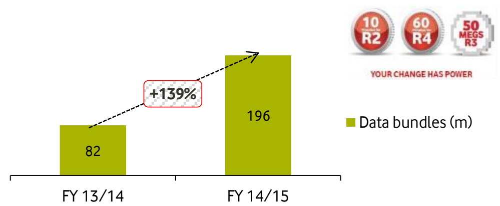
Emerging markets: data and M-Pesa driving growth

AMAP: active data users (m)

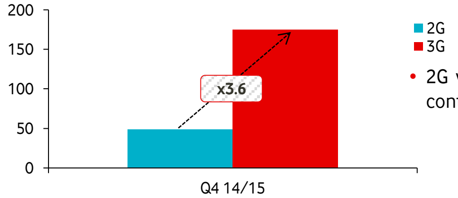


- 116m active data users
- 64% of customers not yet data users

South Africa: success with data bundles



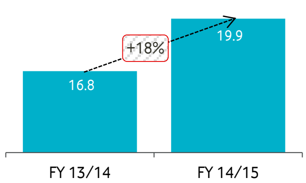
Indian 3G vs. 2G data ARPU per browsing subscriber (INR)



- 2G vs. 3G data price continue to narrow

Continued good growth in M-Pesa

Active customers (m)



- 273k sales agents across 9 markets
- Over 20% of revenue in Kenya & Tanzania
- Launched international money transfer

Strong momentum in unified communications

28m households covered with our Vodafone NGN

22m additional households covered via wholesale

25% of European revenues fixed

11.3m broadband customers (+853k)

9.1m TV customers

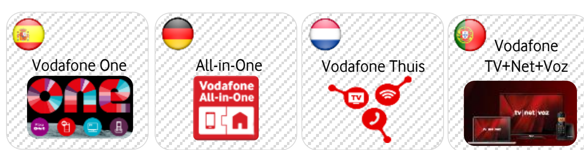
5.0m broadband NGN customers (+1.1m)

Becoming a European unified communications provider

NGN marketable homes

		Marketable households (m)	Target (m)
Germany	Owned[1]	14.2	14.2
	Wholesale[2]	*8.6*	*Growing with incumbent footprint*
Spain	Owned[1]	8.5	9.5
	Wholesale[2]	-	-
Italy	Owned[1]	1.0	7.2
	Wholesale[2]	*4.0*	*Growing with incumbent footprint*
Portugal	Owned[1]	1.6	2.1
	Wholesale[2]	-	-
Ireland	Owned[1]	-	0.5
	Wholesale[2]	*1.1*	*Growing with incumbent footprint*
UK	Owned[1]	-	-
	Wholesale[2]	*16.0*	*Growing with incumbent footprint*
Netherlands	Owned[1]	1.1	1.1
	Wholesale[2]	*5.9*	*Growing with incumbent footprint*
Greece	Owned[1]	1.8	1.8
	Wholesale[2]	*1.7*	*Growing with incumbent footprint*

Converged propositions:



Targeted unified communication launches in 2015/16

1. 'Owned' = FTTH/cable/VDSL from the cabinet or central office
2. 'Wholesale' = VDSL

Enterprise: increasing geographic coverage and significant scale

Today

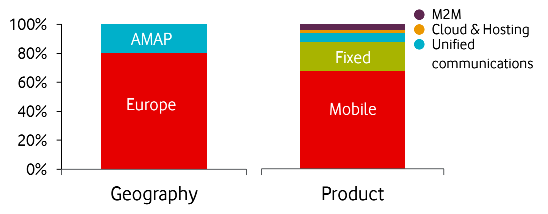
£10.5bn[1] business

27% of Group service revenue

Investing in our strategic growth areas

- International IP-VPN network available in **62 countries (+28 added in the year)**
- **256 points of presence** (PoPs) globally **(+76)**
- M2M and One Net platforms extended to **27 (+4)** and **11 (+1)** countries
- Cloud & Hosting: available across **18** data centres **(+4)**

Revenue mix (%)

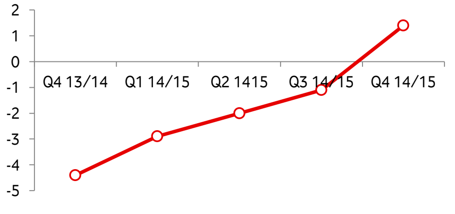


IP-VPN network

1. Excludes carrier services

Enterprise: leveraging on our growth engines

Return to organic service revenue growth in Q4 (%)



Vodafone Global Enterprise **+1.8%**[1]

- Total contract value growth +14%
- Average contract length 27 months (+2)
- 51% of new proposals for converged solutions

Key wins: RWE NautaDutilh EVONIK

Machine-to-Machine **+25%**[1]

- Connections +33% to 21.5m
- Acquired Cobra Automotive
  - Successfully integrated
  - Rebranded 'Vodafone Automotive'

Key wins: RYANAIR CGI

Cloud & Hosting **+11%**[1]

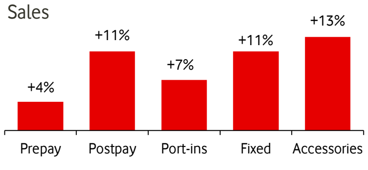
- Launch of services in Germany
- Additional data centres in Germany and South Africa

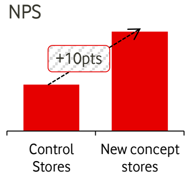
Key wins: HUAWEI Data Security Partnership

1. Organic revenue growth year on year

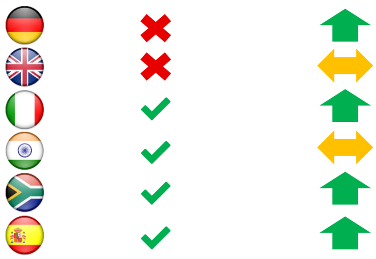
Project Spring improving customer experience: increased focus for FY 15/16

Impact of our retail store transformation[1]





Consumer NPS | #1 | Relative performance (LTM)



My Vodafone app

- 12.5m My Vodafone app users, average usage 5.5x times per month
- Increasing functionality: real-time usage and billing, contextual offers, webchat

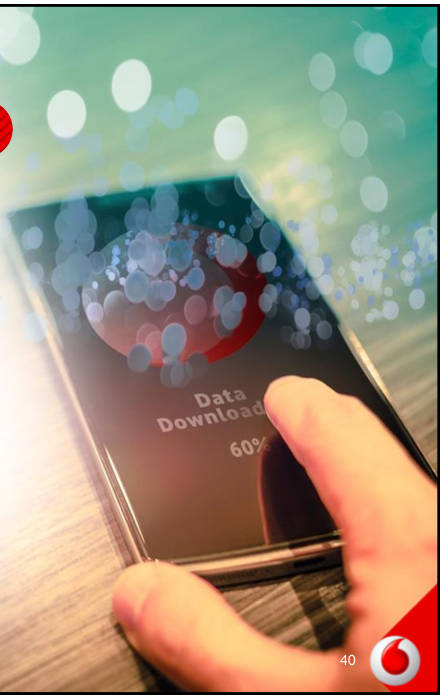
Management incentives aligned to customer experience

40% of overall bonus measures now based on customer appreciation vs. competitors

1. Based on 600 stores across 8 markets

Summary

2014/15 progress	2015/16 priorities
Data growth accelerated	Increase commercial momentum in 4G and NGN
Good Project Spring execution on mobile, fixed and enterprise	Complete Spring investment and significantly improve customer service
Key drivers: unified communications, enterprise, emerging markets – all performing well	Launch unified communications products in remaining markets & continue with Enterprise expansion
Returned to revenue growth in Q4	Return to EBITDA growth and achieve cost synergies of acquisitions
Good competitive performance in many markets	Extend to all markets
Dividend +2.0%, guidance delivered	Continue to grow dividend per share



Q&A

Appendix

Project Spring KPIs

Germany

Deployment and experience	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15
4G % outdoor population coverage	70%	71%	73%	77%
% of data sessions >3Mbps	76%	78%	82%	82%
% of dropped calls	0.77%	0.81%	0.66%	0.57%
% homes reached by owned NGN	34%	35%	35%	35%
% of targeted stores refitted	6%	12%	16%	18%

Commercial impact				
4G customers (m)	1.5	2.3[1]	3.4[1]	5.0[1]
Contract churn (%)	16.5%	16.2%	15.0%	14.2%
Contract mobile ARPU (EUR)	27.7	27.7	27.1	26.0
Average smartphone data usage (MB)	444	511	550	620

UK

Deployment and experience	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15
4G % outdoor population coverage	41%	48%	57%	63%
% of data sessions >3Mbps	78%	80%	84%	84%
% of dropped calls	0.95%	0.94%	0.86%	0.78%
% homes reached by owned NGN	-	-	-	-
% of targeted stores refitted	6%	19%	29%	40%

Commercial impact				
4G customers (m)	0.9	1.4	2.2	2.5
Contract churn (%)	16.3%	17.4%	19.0%	17.7%
Contract mobile ARPU (GBP)	26.7	27.3	27.4	26.7
Average smartphone data usage (MB)	501	628	704	790

1. Includes 4G mobile broadband plans, tablets and other data devices

Project Spring KPIs

Italy

Deployment and experience	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15
4G % outdoor population coverage	48%	64%	76%	84%
% of data sessions >3Mbps	81%	83%	90%	92%
% of dropped calls	0.63%	0.67%	0.63%	0.59%
% homes reached by owned NGN	0%	1%	2%	4%
% of targeted stores refitted	81%	85%	85%	90%

Commercial impact				
4G customers (m)	0.4	0.9	1.2[1]	2.8[1]
Prepaid churn (%)	38.2%	41.8%	38.4%	37.5%
Prepaid mobile ARPU (EUR)	9.8	10.9	10.9	10.8
Average smartphone data usage (MB)	764	899	922	1,000

Spain

Deployment and experience	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15
4G % outdoor population coverage	58%	64%	69%	75%
% of data sessions >3Mbps	82%	80%	81%	83%
% of dropped calls	0.65%	0.66%	0.66%	0.60%
% homes reached by owned NGN	25%	48%	48%	49%
% of targeted stores refitted	13%	15%	20%	26%

Commercial impact				
4G customers (m)	1.1	1.6	2.2[1]	2.9[1]
Contract churn (%)	19.6%	17.4%	20.2%	21.6%
Contract mobile ARPU (EUR)	23.4	23.1	22.0[2]	20.9[2]
Average smartphone data usage (MB)	577	738	966	977

1. Includes tablets and other data devices
2. Spain ARPU includes Ono from Q3 14/15

Project Spring KPIs

India

Deployment and experience	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15
3G % outdoor population coverage (targeted urban areas)	89%	89%	90%	90%
% of data sessions (>400kbps)	63%	67%	70%	73%
% of dropped calls	1.04%	1.17%	1.14%	1.06%
% of targeted stores refitted	1%	12%	23%	38%

Commercial impact				
3G customers (m)	10.3	13.6	16.6	19.4
Blended mobile ARPU (INR)	193	187	189	184
Average data usage (MB)	238	275	310	331

Vodacom (South Africa)

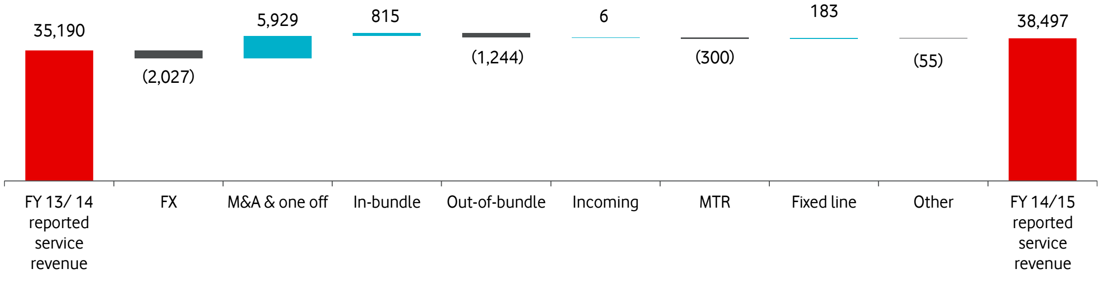
Deployment and experience	Q1 14/15	Q2 14/15	Q3 14/15	Q3 14/15
4G % outdoor population coverage	22%	32%	34%	35%
% of data sessions >3Mbps	84%	84%	84%	85%
% of dropped calls	0.83%	0.77%	0.80%	0.78%
% of targeted stores refitted	39%	56%	64%	70%

Commercial impact				
4G customers (m)	0.4	0.8	1.2[1]	1.3[1]
Contract mobile ARPU (ZAR)	372	388	383	374
Contract smartphone data usage (MB)	447	449	445	410

1. Includes tablets and other data devices

Service revenue bridge

(£m)



- M&A includes £4.1bn for Italy 23% stake, £0.8bn KDG and £0.7bn Ono

All growth rates shown are organic unless otherwise stated

Voice MTR impact

	FY 14/15		FY 13/14	
	£m	%	£m	%
Europe				
Service revenue	(154)	(0.6)	(727)	(2.7)
EBITDA	(36)		(99)	
AMAP				
Service revenue	(146)	(1.3)	(195)	(1.7)
EBITDA	(67)		(53)	
Group				
Service revenue	(300)	(0.8)	(922)	(2.4)
EBITDA	(103)		(152)	

Joint ventures & Associates

Australia

- Returned to service revenue growth in Q4, +1.0% (Q3: -1.7%)
- Contract: 7k net adds, ARPU +0.9% driven by Red penetration
- FY EBITDA margin 18.5%; lower revenue and higher A&R

Priorities

- Drive data usage with content
- Continue distribution expansion; a further 30 new stores in H1

Indus

- Market leader; 49.3% market share
- Strong operational performance: 116k sites +2.6%, 254k tenants +8.6%.
- Improved asset leverage: Tenancy ratio: 2.19x (last year 2.07x)
- FY EBITDA 42.9% +2.2ppt

Priorities

- Continue focus on operating cost efficiency
- Foray into new product offerings – Smart cities & data tenancies,
- Advance partnership with customers to reduce energy costs & carbon footprint

Safaricom

- Service revenue +11.4% (Q3: +12.4%) driven by data and M-Pesa
- M-Pesa users +14% to 13.9m, now 21% of service revenue
- Launched international money transfer to Tanzania
- FY EBITDA margin 43.4%.+1.3ppt

Priorities

- Further roll out of 4G in main urban areas

Profit for the year

	FY 14/15 (£m)	FY 13/14 (£m)
Adjusted operating profit[1]	**3,507**	**4,310**
Net financing costs	(853)	(1,208)
Taxation	(703)	(2,736)
Deferred taxation	5,468	19,318
Discontinued operations[2]	57	48,108
Customer & brand amortisation[3]	(1,269)	(551)
Impairment loss	-	(6,600)
Other[4]	(290)	(1,221)
Profit for the year	**5,917**	**59,420**
Non controlling interests	(156)	(166)
Profit attributable to owners of parent	**5,761**	**59,254**

All growth rates shown are organic unless otherwise stated

1. Now reported excluding the impact of restructuring costs, significant one-off items and amortisation of acquired intangible customer bases and brand intangible assets
2. FY14/15 relates to VZW related tax (£57m) and FY 13/14 relates primarily to VZW profits (£49,817m) less related tax (£1,709m)
3. Customer amortisation of Italy 100% (FY 14/15 £443m, FY 13/14 £55m), KDG (FY 14/15 £465m, FY 13/14 £267) Ono (FY 14/15 £183)
4. FY 14/15 includes restructuring costs of £157m (FY 13/14: £355m).

Adjusted EPS reconciliation

	FY 14/15 (£m)	FY 13/14 (£m)	Reported growth (%)
Profit attributable to owners of parent	**5,761**	**59,254**	
Taxation	(5,334)	(17,511)	
Discontinued operations	(57)	(48,108)	
Net financing costs	(437)	78	
Customer & brand amortisation	1,269	551	
Non controlling interests	(21)	(50)	
Restructuring costs	157	355	
Impairment	-	6,600	
Other	133	866	
Adjusted profit for the year	**1,471**	**2,035**	
Weighted average shares (m)	**26,489**	**26,472**	
Adjusted EPS (p)	**5.55**	**7.69**	**(27.8%)**

Taxation

	FY 14/15 (£m)	FY 13/14 (£m)	
Taxation[1]	(4,765)	(16,582)	
Deferred tax assets	5,468	19,318	• Additional recognition in Luxembourg
Tax on re-organisation	-	(2,210)	
Amortisation of deferred tax assets	(439)	113	
Other	305	290	
Adjusted tax expense	569	929	
Effective tax rate	29.4%	32.9%	

FY 15/16

- Medium term ETR expected to be in the high 20's, in line with our expectations

1. 2013/14 restated to exclude the results and related tax expenses of the Groups investment in Verizon Wireless

Financing costs

	FY 14/15 (£m)	FY 13/14 (£m)	
Underlying net financing costs	(1,160)	(1,263)	• Capitalised interest in India in relation to spectrum purchases & lower average year-on-year net debt
Mark to market gains/(losses)	(134)	118	• Loss on interest rate fixing due to falling EUR interest rates
Potential interest on tax	4	15	
Loss on US bonds redemption	-	(99)	• One off bond redemption in prior year as VZW proceeds used to pay down USD debt
Non-EPS FX revaluation	437	21	• FX on non-permanent intercompany balances
Net financing costs	**(853)**	**(1,208)**	
Average cost of net debt	**4.7%**	**4.9%**	

FY 15/16

- Average cost of debt to increase slightly

Cost of debt

Currency	Percentage of net debt	Forecast interest rate for FY 15/16
EUR	86	2.6%
USD	10	1.0%
GBP	(30)	0.5%
INR	25	10%
ZAR	5	7.0%
Other	4	4.0%

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2015 upcoming dates

Annual report **5 June**

Q1 results **24 July**

AGM **28 July**

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This presentation, along with any oral statements made in connection therewith, contains or may contain "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, but are not limited to: statements with respect to: expectations regarding the Group's financial condition or results of operations including the Group Chief Executive's guidance for the 2015/2016 financial year; expectations for the Group's future performance generally, including EBITDA growth, free cash flow, including customer usage and capital expenditure; statements relating to the Group's Project Spring investment programme and expected progress on the Group's strategy; expectations regarding the operating environment and market conditions and trends, including customer usage, competitive and macroeconomic pressures, price trends and opportunities in specific geographic markets; intentions and expectations regarding the development, launch and expansion of products, services and technologies, either introduced by Vodafone or by Vodafone in conjunction with third parties or by third parties independently, including Vodafone Red, Smartpass, M-Pesa, and the launch of a number of additional features; growth in customers and usage; expectations regarding spectrum licence acquisitions, including anticipated new 3G and 4G availability and the customer uptake associated therewith; expectations regarding adjusted operating profit, EBITDA margins, capital expenditure, free cash flow, net debt, tax and foreign exchange rate movements; expectations regarding the integration or performance of current and future investments, associates, joint ventures, non-controlled interests and newly acquired businesses, including KDG, CWW, TelstraClear and Ono; and the outcome and impact of regulatory and legal proceedings involving Vodafone and of scheduled or potential regulatory changes.

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" (including in their negative form). 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 or may not 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 its 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, affect the relative appeal of the Group's products and services as compared to those of its competitors or make it more difficult for the Group 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 offered by the Group will not be commercially accepted or do not perform according to expectations; the Group's ability to expand its spectrum position or renew or obtain necessary licences, including for spectrum; the Group's ability to achieve cost savings; the Group's ability to execute its strategy in fibre deployment, network expansion, new product and service roll-outs, mobile data, enterprise and broadband and in emerging markets; changes in foreign exchange rates, including, in particular, changes in the exchange rate of pounds sterling, the currency in which the Group prepares its financial statements, to the euro, the US dollar and other currencies in which the Group generates its revenue, as well as changes in interest rates; the Group's ability to realise benefits from entering into partnerships or joint ventures and entering into service franchising and brand licensing; unfavourable consequences to the Group of making and integrating acquisitions or disposals; changes to 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; developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account when determining levels of dividends; the Group's ability to satisfy working capital and other requirements through access to bank facilities, funding in the capital markets and its operations; changes in statutory tax rates or profit mix which might impact the Group's weighted average tax rate; and/or changes in tax legislation or final resolution of open tax issues which might impact the Group's tax payments or effective tax rate.

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 the headings "Forward-looking statements" and "Principal risk factors and uncertainties" in the Group's annual report for the year ended 31 March 2014. The annual report can be found on the Group's website (vodafone.com/investor). All subsequent written or oral forward-looking statements attributable to the Company or to 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 or made in connection with this presentation will be realised. Subject to compliance with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.