



Building a converged communications leader

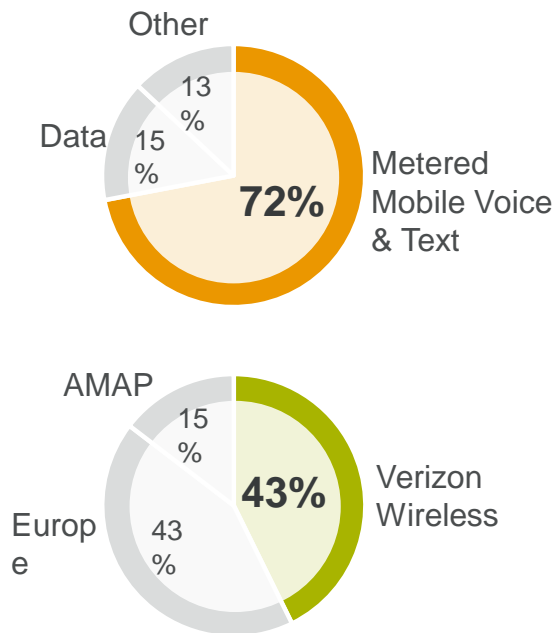
Matthew Kirk, Group External Affairs Director
Media and Telecoms: 2017 & Beyond

2 March 2017



Vodafone in 2012

Revenue & Value exposure, FY2011/12

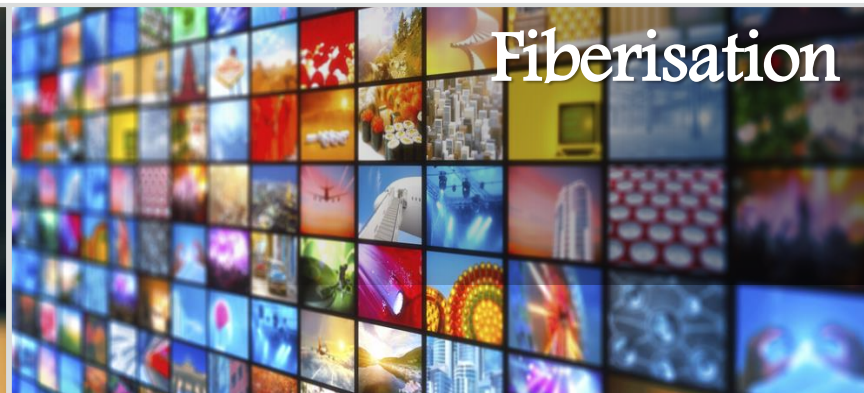


Enders Analysis 2012 Conference: Vittorio Colao

- 'Disintermediation risk'
- 'Supermobile' strategy...democratising data'
- 'Unified communications'
- 'The sector needs consolidation'
- 'We are happy to be a pipe if we are a great pipe'



Key industry drivers



Vodafone's strategy

A converged communications leader

1 Core footprint

Europe,
Africa and India



Deeper and stronger in existing markets

- Organic investment
- Spectrum
- Acquisitions

2 Number 1 or 2



Co-leadership mobile network,
with a clear path to
Convergence



Co-leading data network
quality in **15/21** markets

NGN assets in all key **markets**

3 Growth engines

1. Data
2. Convergence
3. Enterprise



H1 Results

- SR growth **+2.3%**
- EBITDA growth **+4.3%**



Substantial investments over last 3 years



Capex¹
(o/w £19bn
Project Spring)

253,000

new and upgraded
base stations to improve
coverage and quality

132,000

new high capacity
backhaul links for
improved data experience



**Spectrum
and licences²**

17

markets have 800/700
spectrum for 4G
(vs. 4 in 2013)

17

circles in India with
3G/4G
to increase data quality



Acquisitions

**KDG, Ono, Ziggo
JV, Hellas
Online, Cobra**

acquired leading fixed and IoT³
companies to become a fully
converged operator



Total

€63bn

1. Accrued capital expenditure
2. Renewals and acquisitions
3. Internet of Things ('IoT') previously called Machine-to-Machine

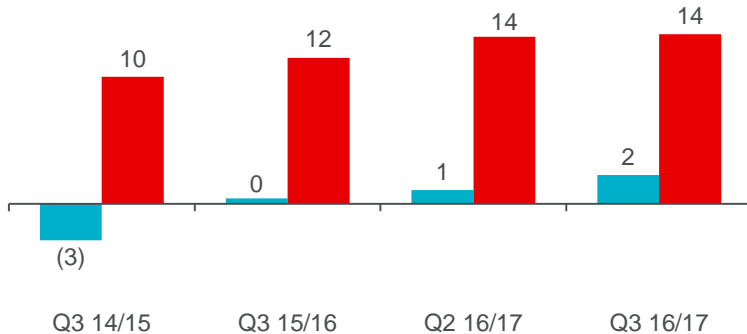


Vodafone today: improved NPS and commercial momentum

Customer experience

Consumer NPS¹ (points)

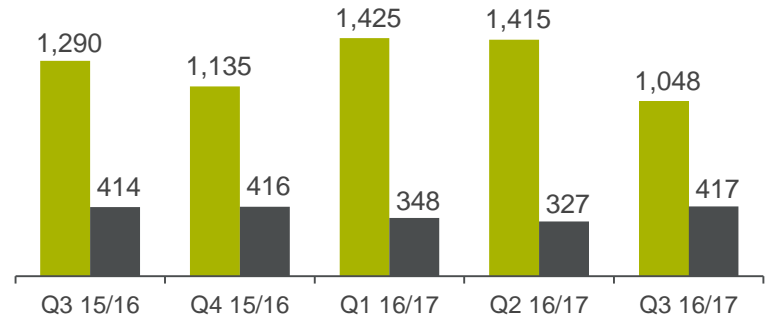
- Gap to next best competitor
- Gap to third



Growing customer base

Customer net adds (000s)²

- Mobile contract
- Fixed broadband



1. Gap to next best based on 21 markets, gap to 3rd based on 20 markets and represents the simple average of the difference in Consumer NPS between Vodafone and the 3rd ranking competitor. In markets where Vodafone is the 3rd ranking competitor the negative difference between Vodafone and the 2nd ranking competitor is used.

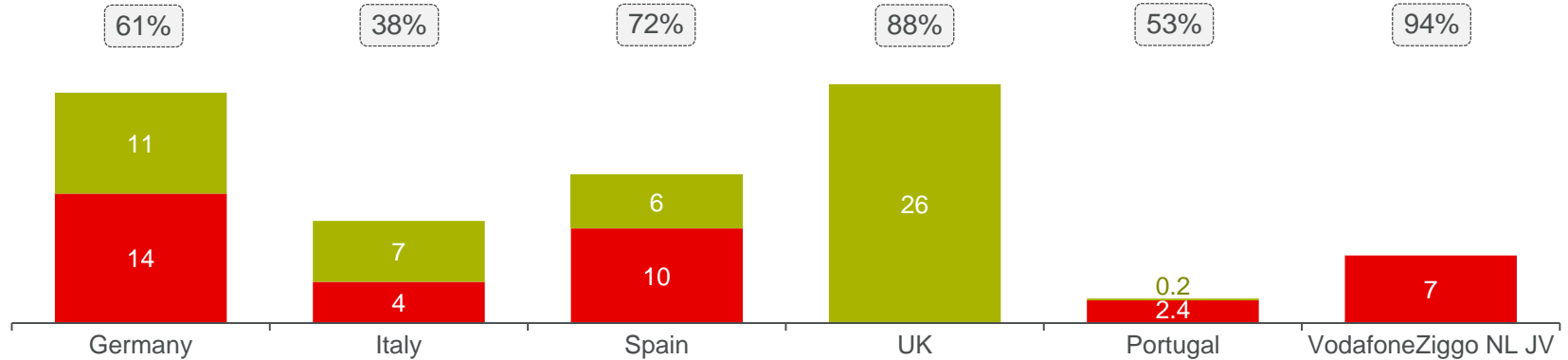
2. Mobile contract additions in Q3 16/17 excludes a 125,000 impact in the UK following a one-off customer base adjustment, reported +923,000. All net adds excludes Vodafone Netherlands in Q3 16/17



Vodafone today: Europe's broadest NGN footprint¹

■ Wholesale NGN (millions)
■ Own NGN (millions)

Population coverage



90m households passed with NGN (incl. wholesale)

12% penetration



38m households passed with own NGN

24% penetration



1. Excludes three million wholesale NGN homes passed in Greece and Ireland






Vodafone's contribution to the gigabit society

Social purpose

“Catalyse economic growth, equality and empowerment through digital networks and services”


Impact

Tax & Total Economic Contribution¹: 
€15.6bn


Digital Inclusion 
30m M-Pesa customers
6bn transactions p.a.

Vodafone Foundation: 
> €700m to

2025 Transformation Focus Areas

Women's Empowerment 
Connect **50m** women living in EMs by 2025

Energy Innovation 
1.74 tonnes of GHG saved per tonne emitted²

Youth Skills and Jobs 
100k e-school users at Vodacom

1. See Vodafone's 'Taxation and our total economic contribution to public finances 2015-16' report
2. Greenhouse gas emissions saved in FY2015/16



Regulation should support investment *and* competition

European Framework review: key proposals

EC has committed to the idea that **investment and competition** are key...



... supporting Gigabit investments... **+**

... ensuring competitive access conditions to very high capacity networks



**Minimum
25 year
spectrum
licences**



**Future remedy
of choice is
passive duct
and pole
access**



**No material
regulatory
impact on
cable
networks**



**Further
harmonisation
of EU
regulation**



Sustainable investment requires adequate returns

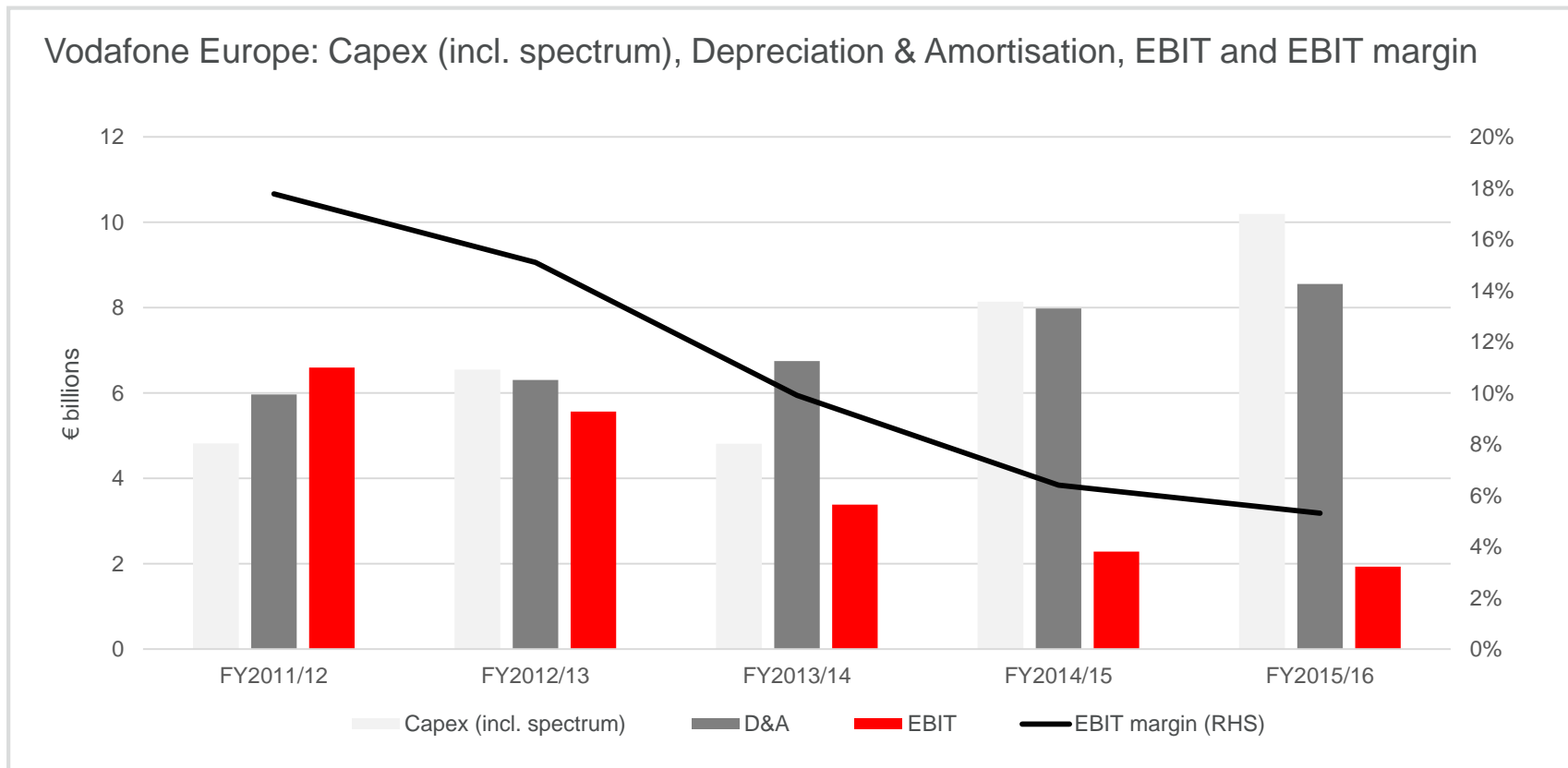


Chart source: Vodafone results restated in euros and adjusted to reflect full ownership of Italy in all periods and pro-forma Ono results in FY2014/15



