Vodafone Group Plc Trading Update

for the quarter ended 31 December 2019

5 February 2020

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Q3 20 highlights

Deepening customer engagement	Improving asset utilisation	Monetising European Towers	Portfolio management
Churn down 0.8pp YoY[1] in Europe mobile contract	**Network sharing** In talks with DT on 'grey spots', and with NOS in Portugal	**European TowerCo** HQ in Germany, on track to operationalise by May 2020	**Announced sale of Egypt & Malta** €2.4bn of disposal proceeds
+417k Europe NGN broadband net additions	**AWS agreement** First mover for mobile edge computing in Europe	**INWIT merger** Current EC phase 1 deadline end February	**Focused on 2 scaled regional platforms** Europe & Sub-Saharan Africa

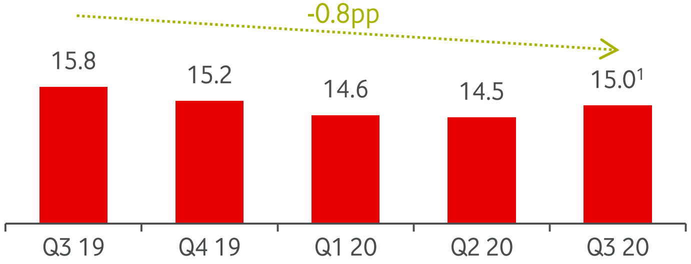
Service revenue growth: Q3 +0.8% (+0.1pp QoQ)

All growth rates in this document are on an IFRS 15/16 basis, organic and year-on-year, unless otherwise stated. Organic growth rates exclude the impact of the acquisition of certain Liberty Global assets and the disposal of New Zealand, all other numbers include the contribution from Liberty Global's assets since 31 July unless stated

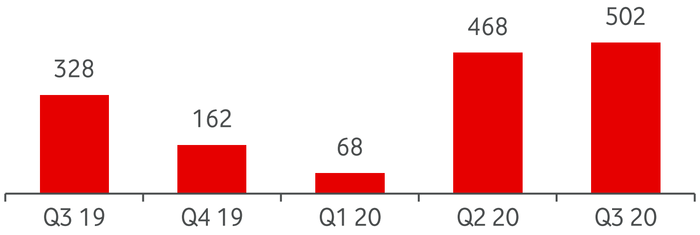
1. Excluding the impact of inactive data only SIM losses in Italy during Q3

Deepening customer engagement: reducing churn, growing in fixed

Europe mobile contract churn (%)

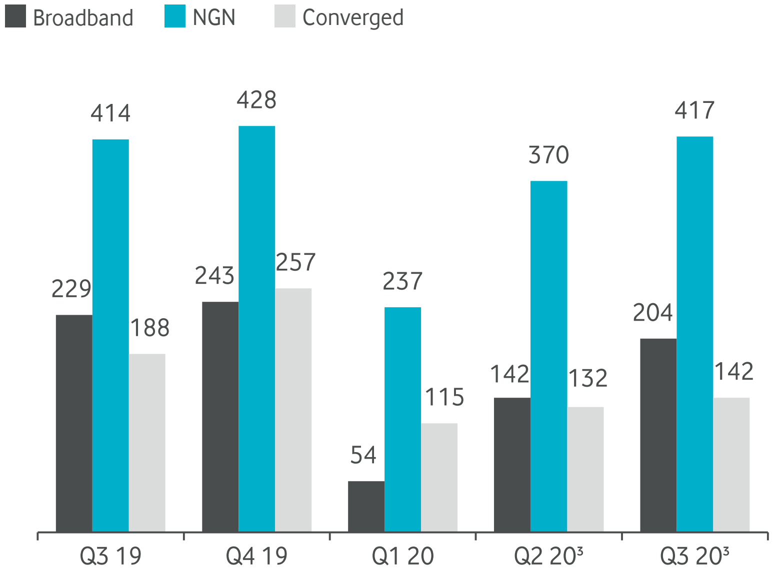


Europe mobile contract net additions (000s)[2]



- 3m Consumer customers on Unlimited tariffs
- 5G now live in 7 markets

Europe fixed net adds (000s)

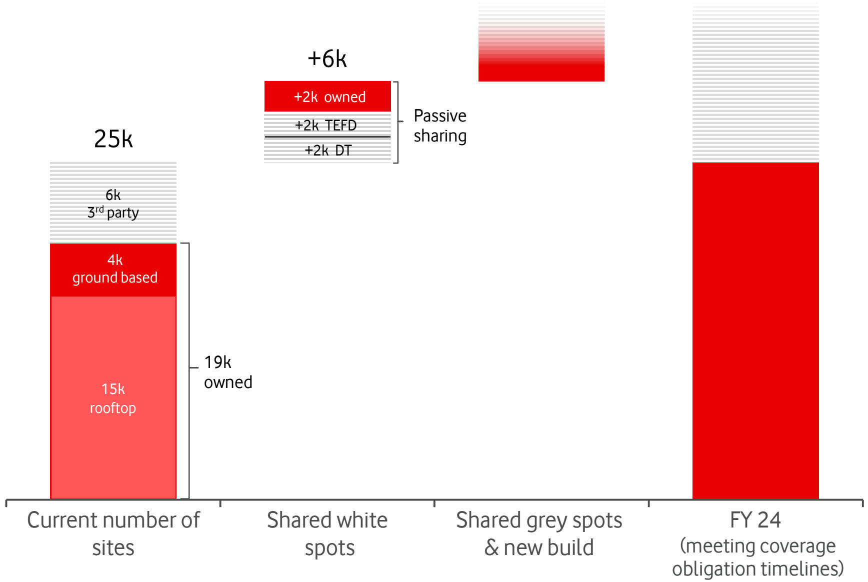


- 82% of broadband base is now NGN
- European NGN household coverage 133m (54m owned)

1. Excluding the impact of inactive data only SIM losses in Italy during Q3
2. Excludes Italy which is impacted by significant contract to prepaid migrations
3. Includes acquired Liberty Global assets for 2 months in Q2 20 and 3 months in Q3 20

Improving asset utilisation: supporting network co-leadership in Germany

Number of sites – network view (000s)



- We engaged actively with all operators to explore sharing opportunities post 5G auction
- Significant 5G coverage obligations
  - 98% household coverage with 100mbps by Dec '22
  - 100% highway coverage by Dec '22, remaining road/rail by Dec '24
- Limited synergies from sharing rooftops due to EMF constraints and a per operator leasing model[1]
  - Also a challenge for potential new entrants
- 'White spots' – agreed
  - Each operator to build c.2k sites
- 'Grey spots' – in talks with DT
  - Active sharing on a reciprocal basis
- In total >10k new sites planned over the next 4 years, leveraging European TowerCo/partners

1. Operators in Germany are typically not allowed to sub-lease rooftop sites to additional tenants; in order to gain access an additional operator will typically need to negotiate another ground lease with the landlord

Improving asset utilisation: European TowerCo update

Number of sites[1]

Progress update

- Senior management team in place
  - CEO, CFO, CCO, CHRO, and General Counsel announced
- On track to operationalise by May 2020
  - Pro forma financials by H1 21
- Expected perimeter:
  - Germany
  - Spain
  - Majority of other controlled European towers
  - JVs in Italy/UK to be confirmed
- Plan to incorporate in Germany, HQ in Düsseldorf
- Preparing for a potential IPO in early 2021, exploring monetisation of several individual markets in parallel

1. Controlled sites, excluding third party sites. Figures are indicative only. CEE includes Romania, Hungary and the Czech Republic
2. Pro forma for the INWIT merger

5G network security and supply chain resilience

UK decision

- A fact and evidence based process, advised by the NCSC, in a unique context
- 'High risk vendors':
  - Excluded from core networks & sensitive Government sites
  - <35% of national 5G radio sites and 5G data traffic volume, within three years
- Limited impact on Vodafone UK:
  - No exposure to 'high risk vendors' in the core or in London
  - <35% in RAN for the Vodafone/O2 network

EU 'toolbox' framework

- Member States to:
  - Restrict 'high risk' suppliers from core network functions
  - Ensure operators avoid dependency on 'high risk' suppliers
- Implementation timeline:
  - Key measures by 30 April
  - Report back by 30 June

Our position

1. Remove 'high risk'[1] suppliers from EU core (limited exposure) over the next 5 years for a total cost of c.€200 mn
2. Engage with governments on 'non-sensitive' RAN. Quotas would:
   - Disrupt 4G customer experience
   - Drive higher prices
   - Delay 5G rollouts by 2-5 years, impacting Member State and EU digital competitiveness
3. Lead industry efforts to improve supply chain diversity:
   - OpenRAN vendors invited to tender for existing radio sites in Europe

1. As defined by Governments

Portfolio management: now focused on two scaled regional platforms

Vodafone Group

Europe

A converged leader

- Germany
- Italy
- UK
- Spain
- Europe Cluster[1]

Sub-Saharan Africa

Data & payments

- Vodacom
- Safaricom
- Ghana

European TowerCo

Vodafone Business

_VOIS

Last 24 months execution

- Acquisitions:
  - Unitymedia & CEE cable assets
  - Albania cable (Abcom)[2]
- Disposals:
  - Qatar
  - New Zealand
  - Malta[2]
  - Egypt[2]
- Safaricom stake transferred into Vodacom
- Australia merger with TPG (ongoing)
- Vodafone Italy towers to be merged with INWIT
- Intention to monetise European TowerCo
- Shared Services centres legally separated and rebranded to _VOIS

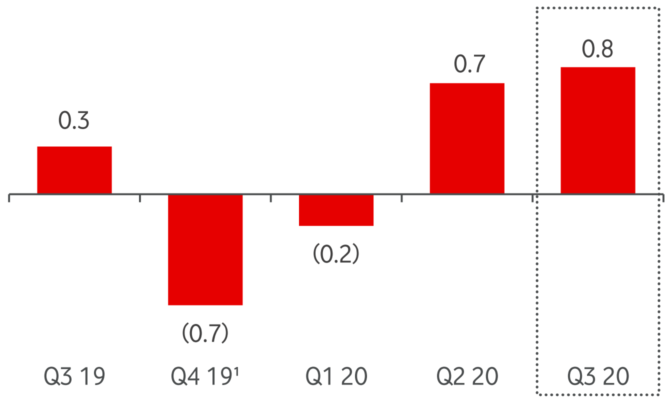
1. Europe Cluster markets include 'Other Europe' (Portugal, Greece, Ireland, Romania, Czech Republic, Hungary and Albania) and Turkey
2. Announced but not yet completed

Financial review

Margherita Della Valle
Group Chief Financial Officer

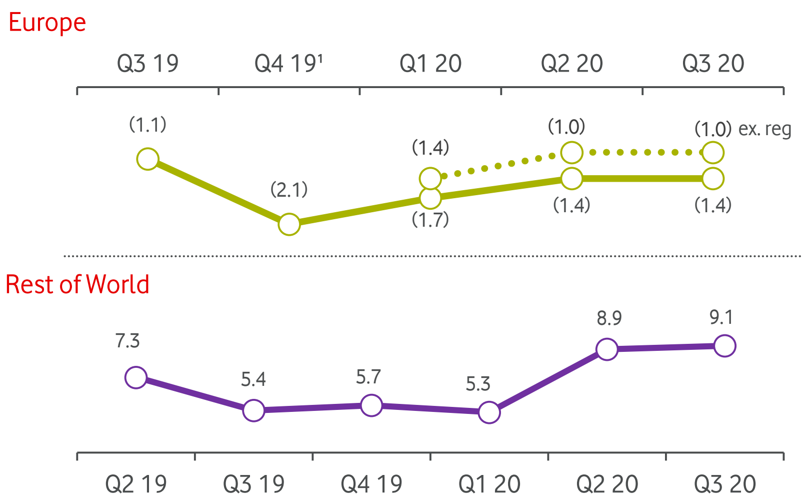
Service revenue growth

Group



- Similar performance to Q2
- Q4 to improve led by Europe

Regions



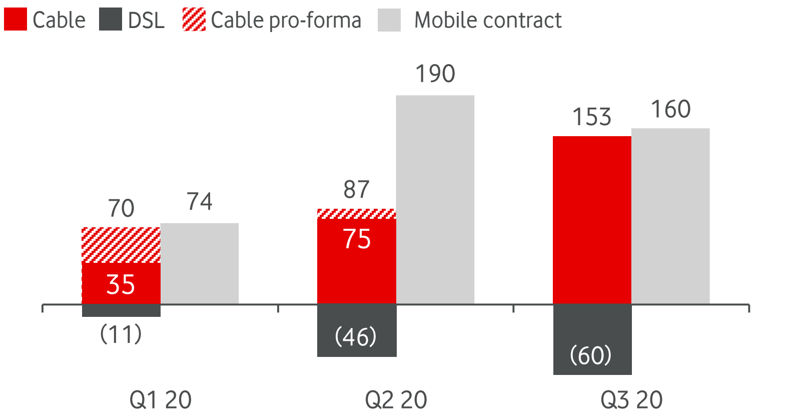
- Europe: Spanish recovery & UK growth offset by the lapping of a prior year price increase in Italy
- RoW: continued improvement in SA offset by lower growth in Turkey

1. Excluding the impact of a German legal settlement in Q4 18

Germany: solid retail growth offset by wholesale & regulation

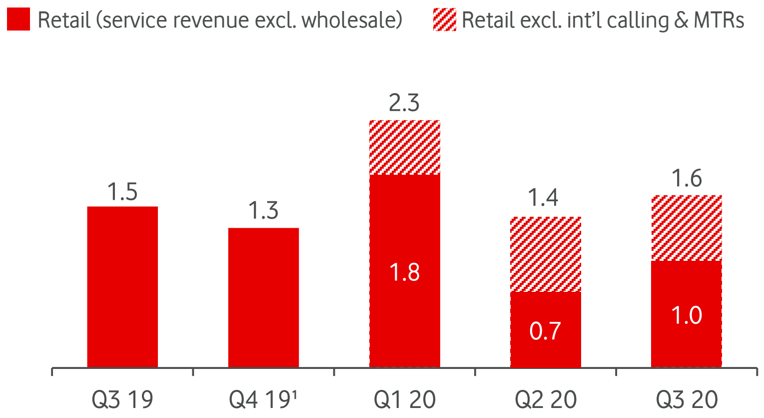
30% of service revenue

Net additions (000s)



- Strong acceleration in cable net adds in Q3, supported by DSL migrations (52k). TV losses similar (-73k)
- Unitymedia integration on track: agreement reached with Works Council, rebranding from February

Q3 service revenue **flat** (Q2 -0.2%)



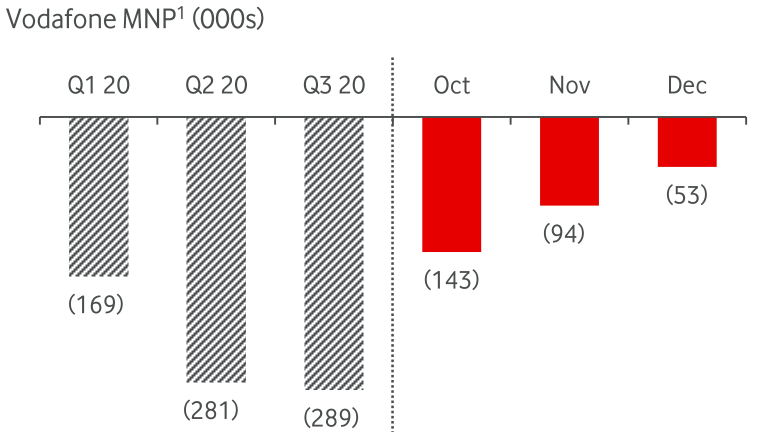
- Retail fixed SR +3.1% (Q2 +3.4%), driven by broadband growth
- Retail mobile SR (ex. reg) +0.4% (Q2 -0.1%), branded growth partially offset by lower reseller activity
- Wholesale drag of 100bps from 1&1 migration

1. Excludes the impact of a legal settlement in Q4 18

Italy: similar dynamics

13% of service revenue

Q3 service revenue -5.0% (Q2 -3.2%)

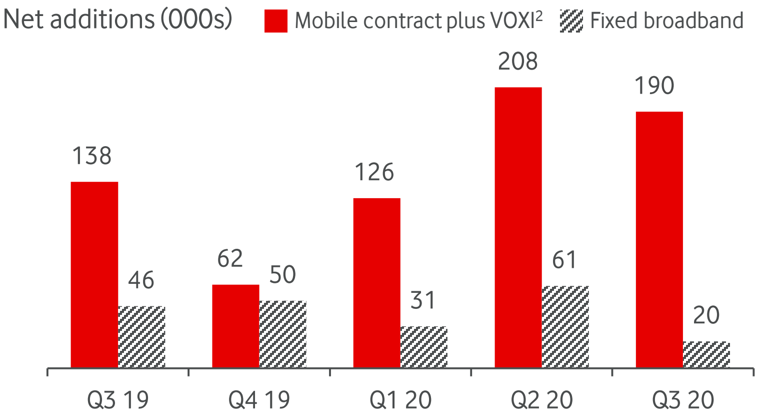


- Growth slowed due to the lapping of a prior year price increase in both mobile & fixed
- Low-value segment of the prepaid market remains competitive
- Mobile customer ports out reducing post Q2 price increase

UK: return to growth

13% of service revenue

Q3 service revenue +0.6% (Q2 flat)



- Q3 SR +1.1% excl. regulation (Q2 +0.5%)
- Growing in both Consumer and Business
- Increased competition in fixed broadband

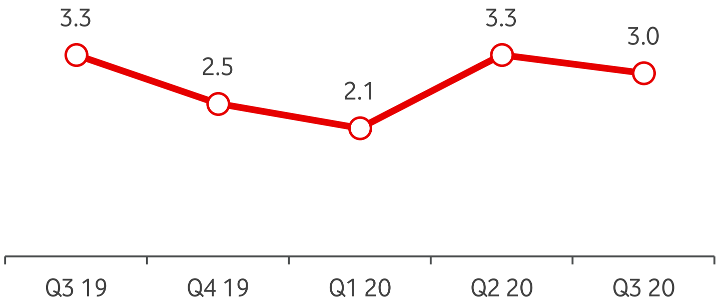
1. Mobile Number Portability ('MNP')
2. Adjusted for the phasing out of Talkmobile customers up to Q2 20, and customer base cleanse in Q2 19 and Q2 20

Other Europe: strong growth

13% of service revenue

Q3 service revenue **+3.0%** (Q2 +3.3%)

Service revenue growth (%)



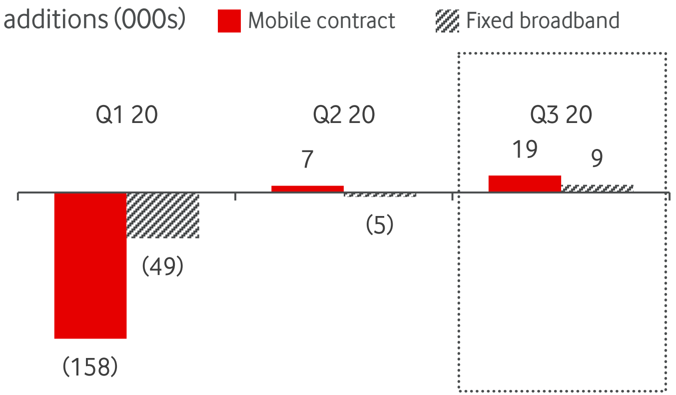
- Growing in all 8 markets
- Fully converged: Albania cable acquisition[1], Malta disposal[1]
- UPC integration on track

Spain: gradually improving

11% of service revenue

Q3 service revenue **-6.5%** (Q2 -8.0%)

Net additions (000s)



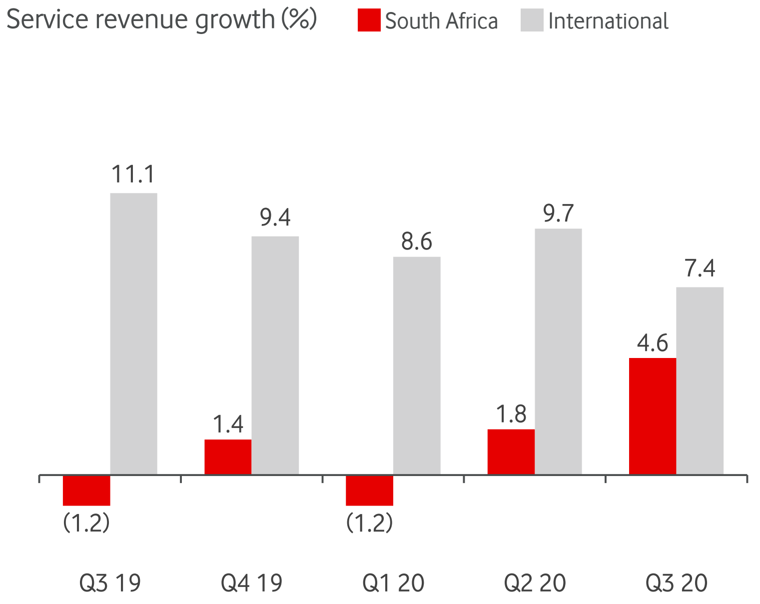
- Value segment highly competitive, winning fair share with Lowi
- Stabilised mobile contract, fixed BB, and TV customer base
- 1.8m Unlimited customers, ARPU accretive

1. Announced but not yet completed

Vodacom: SA elasticity

12%
of service revenue

Q3 service revenue **+5.2%** (Q2 +3.6%)



- SA growth supported by increasing data elasticity, traffic +65% YoY
- Engaging with CompCom on data price transformation
  - ICASA Spectrum Information Memorandum published
  - Invitation to apply expected in H1 calendar 2020
- Good growth in Internationals +7.4%
- From Jan '20 1.7 million customer disconnections in Tanzania following new biometric registration requirements
  - Additional 5.0 million customers remain unregistered
  - We expect to recover the majority of these customers

Summary

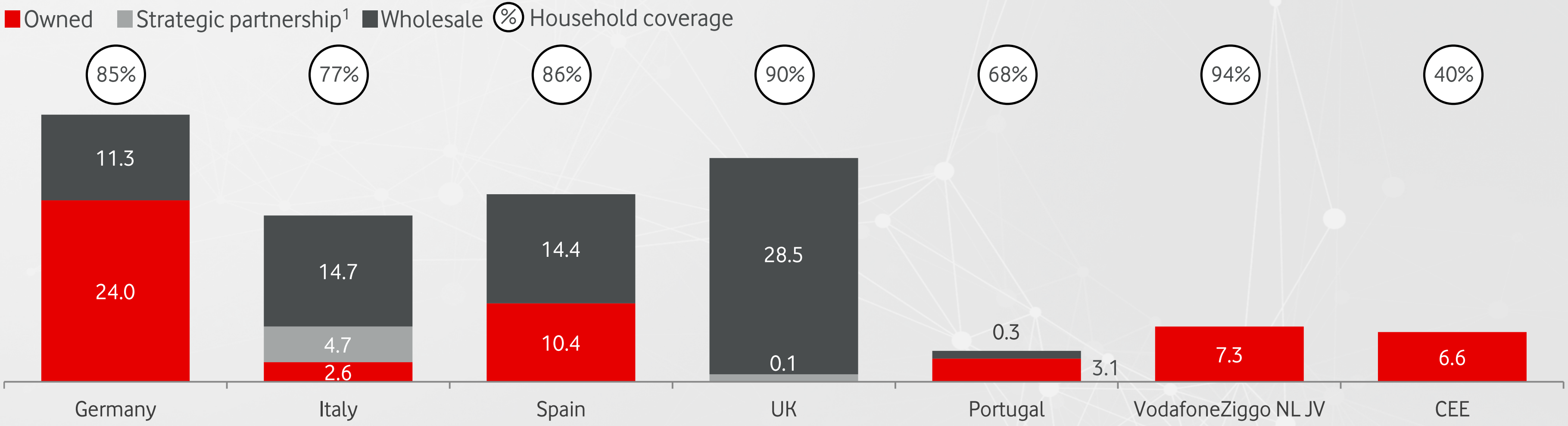
- Good commercial momentum in most markets, despite a challenging European competitive environment
  - Fifth consecutive quarter of improved churn
- Executing at pace on our strategic priorities:
  - Further progress on mobile network sharing in Germany and Portugal
  - On track to operationalise and monetise our European TowerCo
  - Leading the industry effort to improve supply chain diversity
  - Group now focused on two scaled regional platforms post the sale of Egypt
- Systematically strengthening the quality of our assets to support growth

Reiterating full year guidance

Appendix

European NGN footprint

Household coverage (m)



133m Households passed with NGN (incl. wholesale)

79% Coverage

54m Households passed with own NGN

32% Coverage

1. Of the 5.1m homes passed by Open Fiber, 4.7m were marketable by Vodafone at the end of December 2019

Forward-looking statement

This presentation, along with any oral statements made in connection therewith, contains "forward-looking statements" including within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Vodafone Group's financial condition, results of operations and businesses and certain of the Vodafone Group's plans and objectives.

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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 "Forward-looking statements" and "Risk management" in the Vodafone Group Plc Annual Report for the year ended 31 March 2019 and under "Risk factors" and "Other information (including forward-looking statements)" in the Vodafone Group Plc Half-Year Financial Report for the six months ended 30 September 2019. The Annual Report and Half-Year Financial Report can be found at investors.vodafone.com. All subsequent written or oral forward-looking statements attributable to Vodafone, to any member of the Vodafone Group or to 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. Any forward-looking statements are made as of the date of this presentation. 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.

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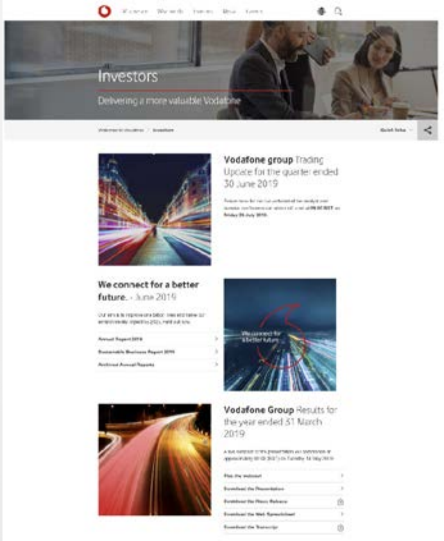

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Upcoming dates

Interim dividend payment	FY 20	Q1
7 Feb	**12 May**	**24 July**

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