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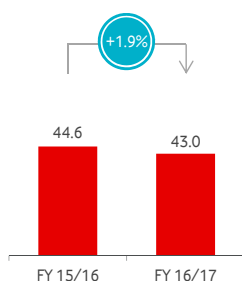
Overview of the year

Vittorio Colao
Group Chief Executive

Full year highlights¹

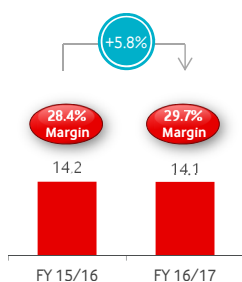


Service revenue (€bn)



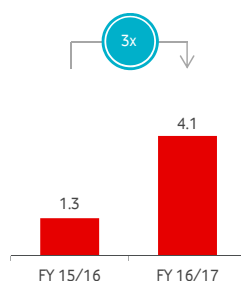
Gaining revenue market share

Adjusted EBITDA (€bn)



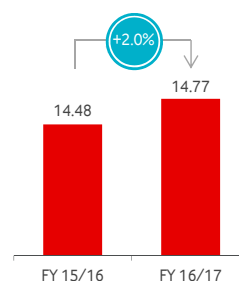
Guidance basis³ (including India)
€15.8bn, +3.4%

Free Cash Flow (€bn)



Guidance basis³ (including India)
€4.3bn

Dividend² (€c per share)



Growing dividends

Met guidance including India

1. All growth rates in this document are organic unless otherwise stated, with Vodafone Netherlands excluded from organic growth, and Vodafone India excluded from AMAP and Group
2. €c14.48 dividend in FY 15/16 is the equivalent to the total dividend payout of 11.45 pence at 31 March 2016 exchange rate (€:£ 1.2647)
3. Based on guidance foreign exchange rates

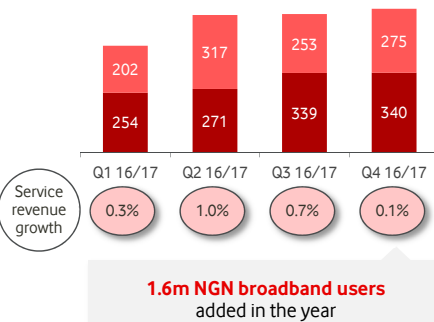


Continuing commercial momentum

Europe¹

Customer net adds (000s)

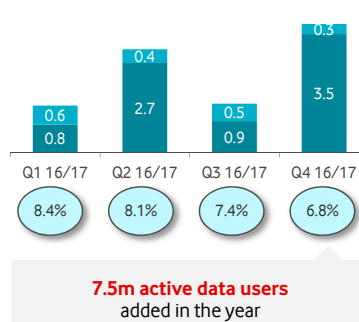
Mobile contract
Fixed broadband



AMAP ex. India

Customer net adds (m)

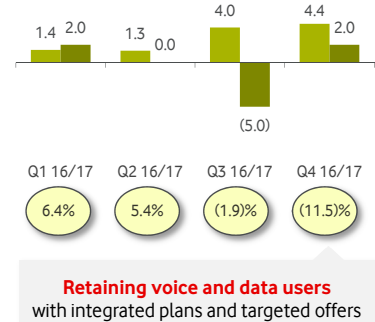
Mobile contract
Mobile prepaid



India

Customer net adds (m)

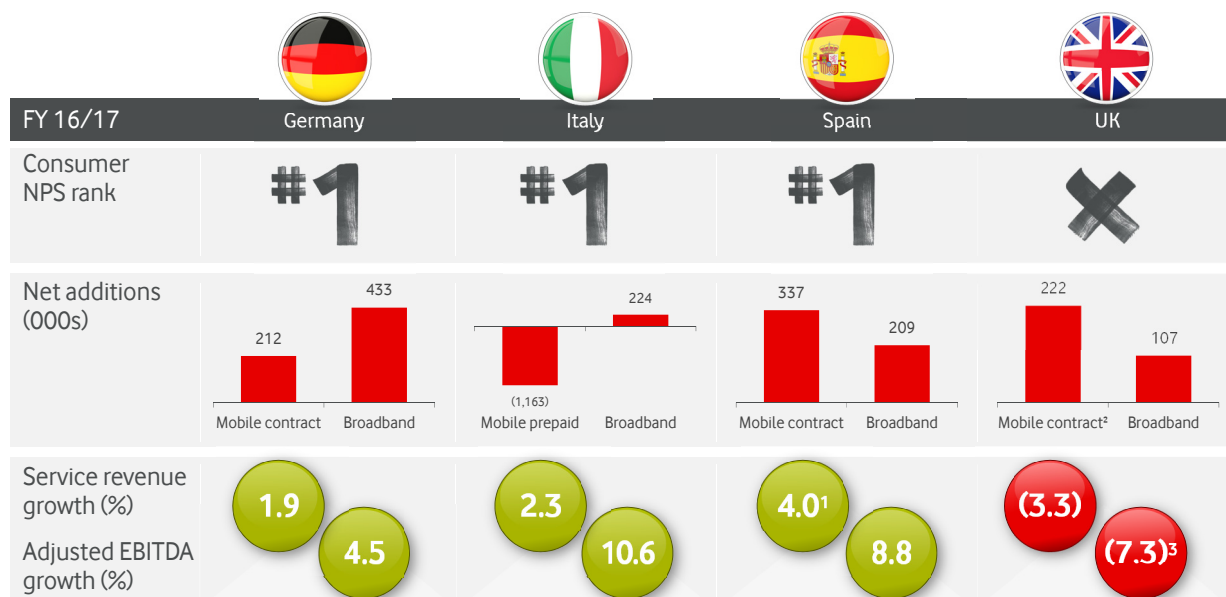
Total
of which data



1. Europe includes Vodafone Netherlands in the periods prior to the completion of the joint venture

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Key markets: Europe



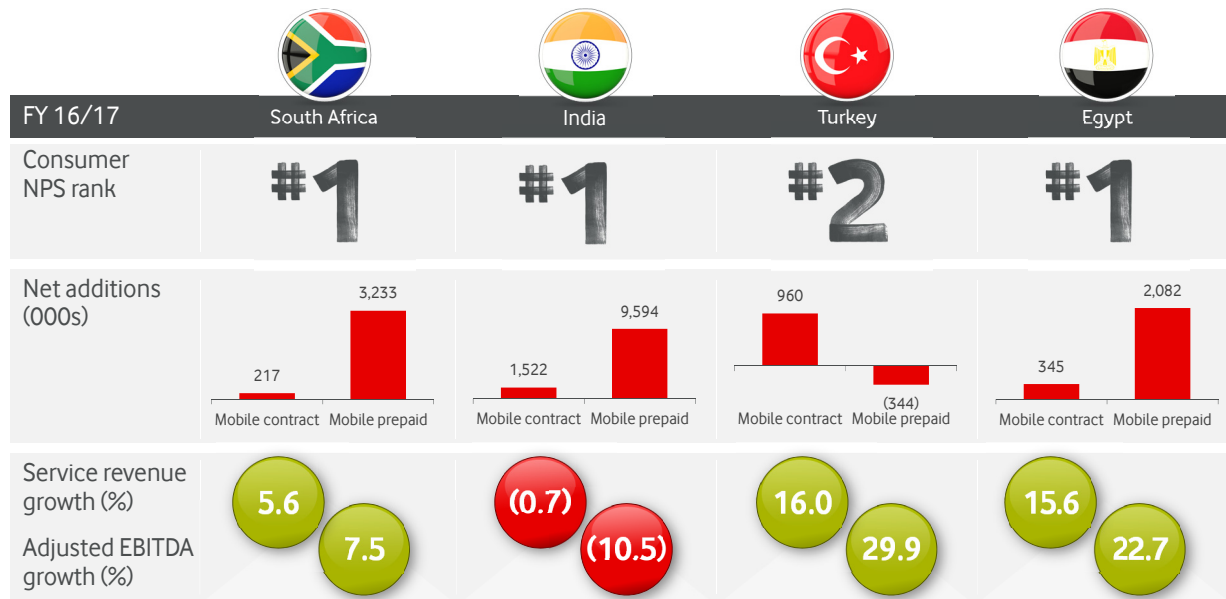
1. 4.0% excluding handset financing, 0.9% on an organic reported basis

2. Mobile contract net additions excludes the impact of a one-off customer base adjustment in Q3 16/17, which reduced the base by 125,000. FY 16/17 reported +97,000

3. Underlying adjusted EBITDA growth; this excludes higher import costs following sterling weakness, central cost reallocations and one-off settlements, -15.8% on an organic reported basis

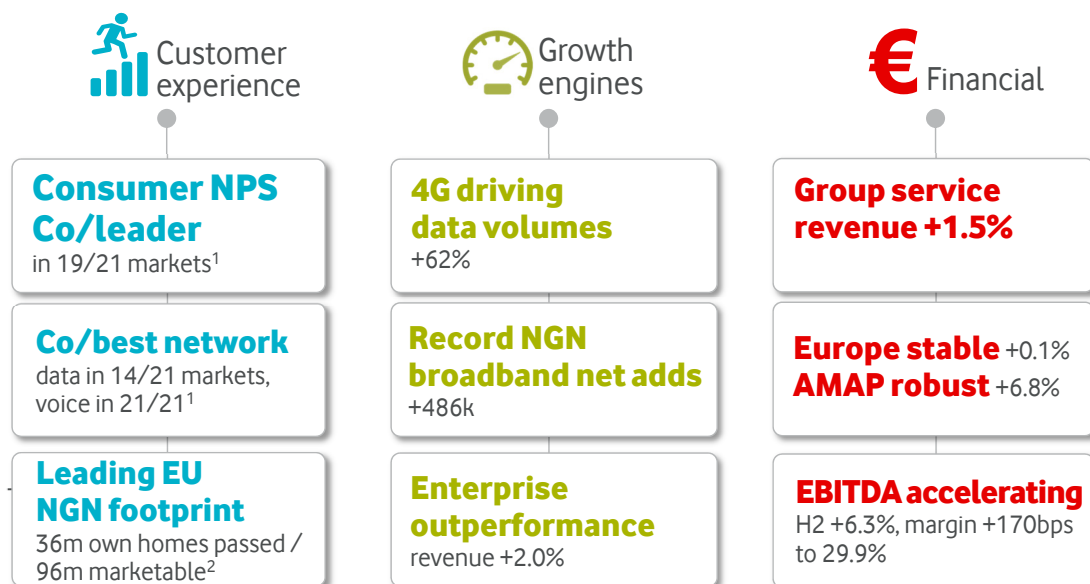
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Key markets: Emerging markets



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Q4 16/17 snapshot



1. Includes India
2. Including VodafoneZiggo

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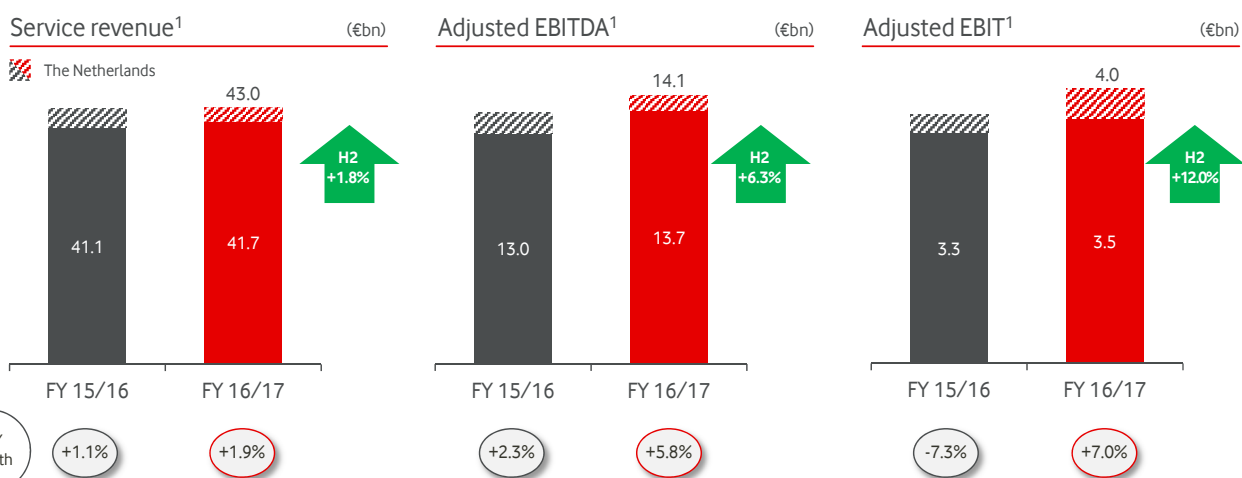


Financial review

Nick Read
Group Chief Financial Officer

Operational leverage improving returns

Vodafone Group, excluding India



All growth rates are organic and exclude India, Netherlands, UK ladder settlement and shareholder recharges
1. Stated on a constant currency basis



Reported earnings impacted by exceptional items

	FY 16/17 (€m)	FY 15/16 (€m)	Reported growth (%)
Adjusted EBIT	3,970	3,769	5.3
Associates	164	60	
Adjusted net financing costs	(862)	(933)	
Adjusted tax expense	(789)	(754)	
Non-controlling interests	(234)	(308)	
Adjusted earnings¹	2,249	1,834	22.6
<i>India (excl. Indus)</i>	<i>(4,107)</i>	<i>5</i>	
(Loss)/profit for the period	(6,079)	(5,122)	n/a
Weighted average number of shares ² (m)	27,971	26,692	
Adjusted earnings per share¹	8.04c	6.87c	17.0

Excluded from adjusted earnings:

- €1.3bn gain from the Netherlands JV
- Decrease of Luxembourg deferred tax assets of €3.9bn
- India impairment net €3.7bn (H1 €5.0bn, H2 €1.3bn reversal)

- **Share count:** 26,602m excl. dilution from mandatory convertible bonds
- Underlying **effective tax rate** 25.4%, medium-term rate is mid-20s

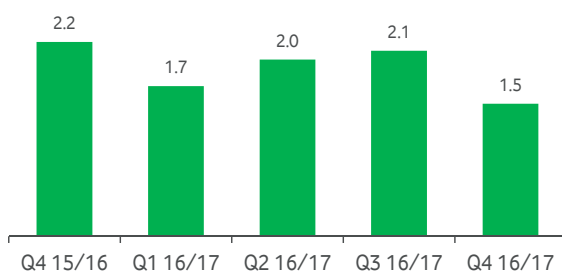
1. Reported excluding the impact of restructuring costs, impairments, significant one-off items and amortisation of acquired intangible customer bases and brand intangible assets
 2. Weighted average number of shares includes a dilution of 1,369 million shares following the issue of €2.9 billion of mandatory convertible bonds in February 2016

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Sustained service revenue growth, regulatory impact ahead

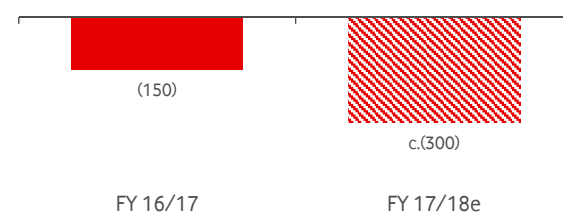
Group organic service revenue growth (%)



Q4 16/17 improved sequentially excluding:

- Leap year
- Accounting reclassifications
- UK carrier service boost in prior year
- MTR / FTR headwind in Germany and Ireland

European roaming impact (€m)



Elasticity with integrated plans:

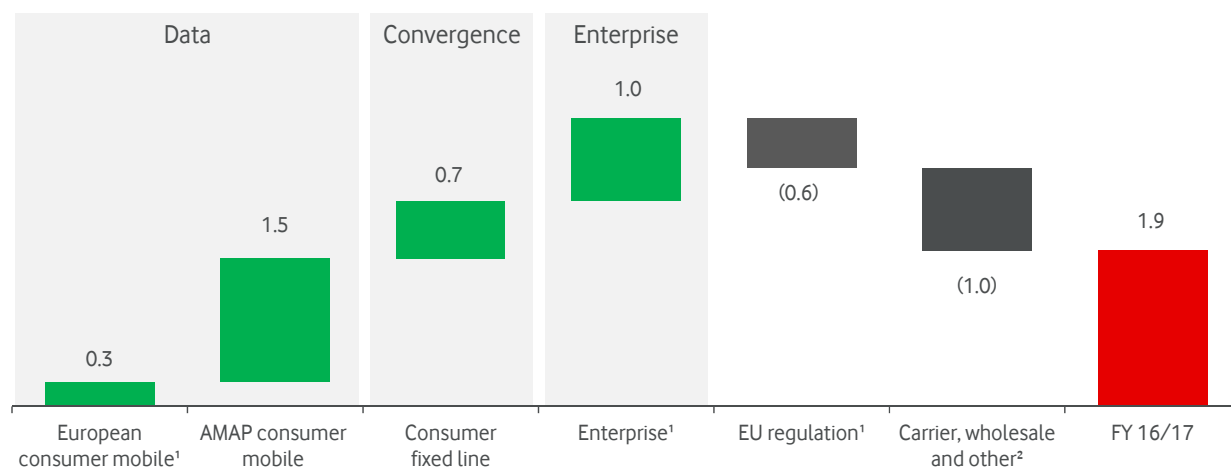
Voice 4x	Data 7x
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All three growth drivers contributing

FY 16/17 organic service revenue growth contribution (pp)



1. Excludes the impact of EU regulation. This is defined as out-of-bundle roaming declines and mobile termination rate changes
 2. Other includes mobile and fixed wholesale, common functions and eliminations

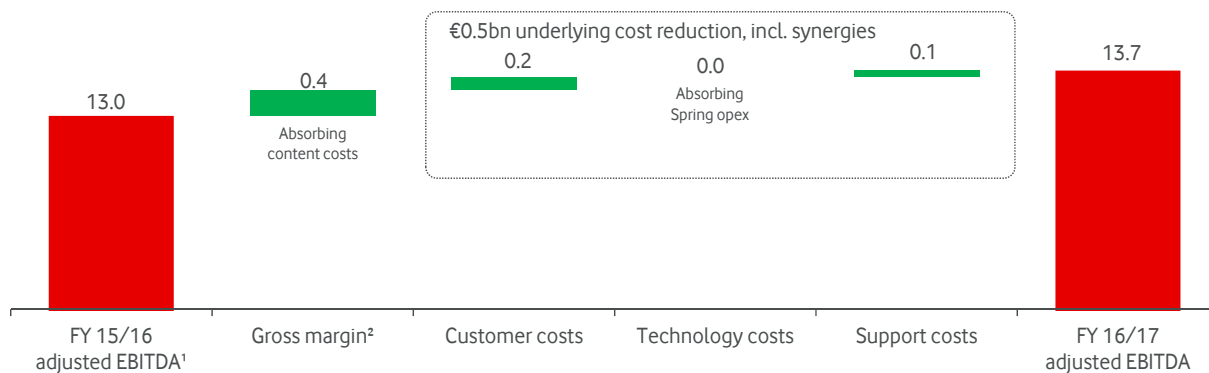
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Cost base reducing despite strong commercial momentum

(€bn)

Net adds	FY 16/17 (000s)	FY churn improvement (pp)
EU contract mobile	+1,101	↓ 0.3
AMAP mobile	+9,724	↓ 3.9
Group fixed broadband	+1,470	↓ 1.2



1. Excludes India and Netherlands and stated on a constant currency basis
 2. Gross margin includes a year-on-year increase of €200m in content costs

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Drivers of Fit for Growth

Fit for Growth phase II: areas of focus

Procurement

- Targeting 80% of global spend
- Tear down model

Shared services

- Digital solutions: robotics and analytics
- Expanding portfolio of capabilities

Sales and distribution

- Customer care through digital support
- Optimisation of indirect channels

Network and IT

- Transfer 65% of IT applications to the Cloud
- 40% reduction in data centre costs

Local initiatives

- Targeted through benchmarking

Customer profitability analytics (CPA) platform

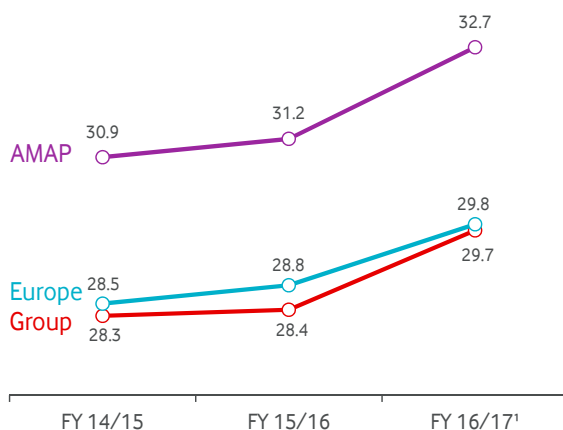


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EBITDA margin expansion

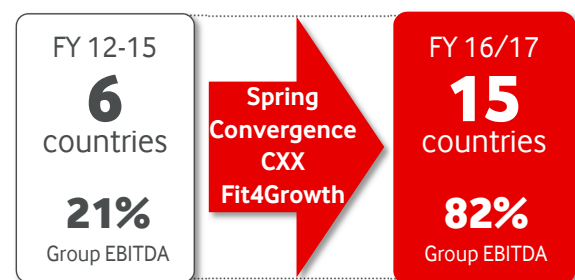
Adjusted EBITDA margin

(%)¹



Multi-year margin targets

Countries growing adjusted EBITDA > service revenue



Out of 22 countries (excl. India, Netherlands and joint ventures)

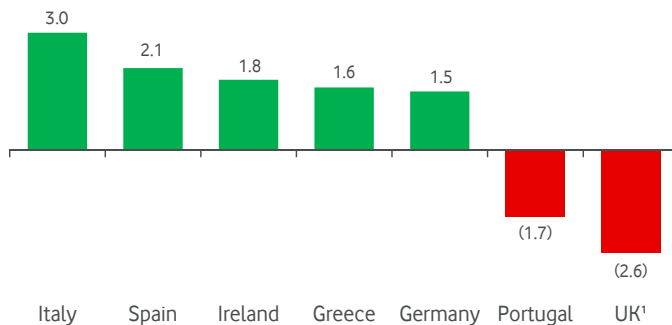
1. FY16/17 includes nine months of Vodafone Netherlands' results

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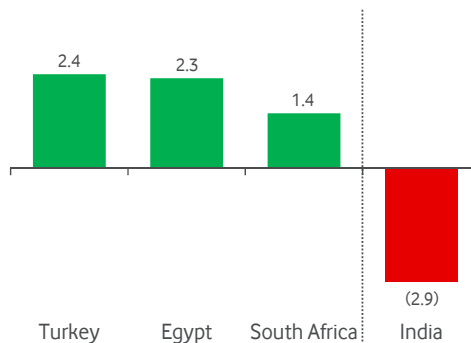
EBITDA broad based improvement

Organic YoY adjusted EBITDA margin movement (pp)

Europe



AMAP



FY 16/17 organic EBITDA growth (%)



1. Underlying adjusted EBITDA growth; excludes higher import costs following sterling weakness, central cost reallocations and one-off settlements

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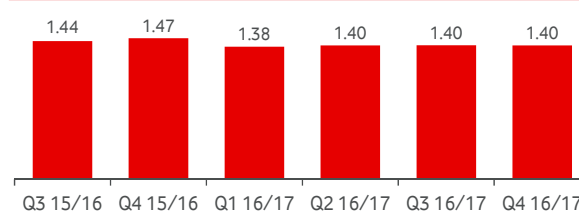
UK: financial results to follow operational improvements

Commercial and operational actions taken

- Network improvement:
 - Co-best nationwide, #1 voice nationwide & London
 - Beacon II: deploy spectrum faster in London
- Customer service issues resolved (since Nov '15):
 - Calls per month down 1.1m (-40%)
 - Postpay customer resolution at 79% (+33pp)
 - Postpay customer Touchpoint NPS 25% (+58pp)
- Refreshed commercial offers: 'more-for-more' and flexible upgrades launched in April '17
- Restructuring: new management team, greater focus on enterprise profitability

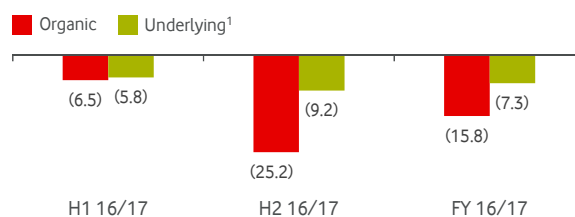
Service revenue

(£bn)



Adjusted EBITDA movement

(%)



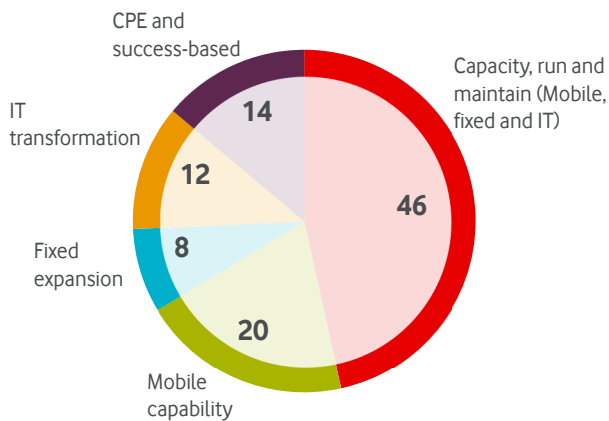
1. Underlying excludes higher import costs following sterling weakness, central cost reallocations and one-off settlements

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Capex mix

FY 16/17 capital allocation¹

(%)



Capital intensity outlook (% of revenue): 'mid-teens'

1. Based on top five major markets (excluding India)

Key investment areas

Capacity, run and maintain:

- Stable, high quality experience
- Targeted capacity expansion in densely populated areas

Mobile capability:

- Selective mobile coverage expansion and technological enhancements (4G+)

Fixed:

- Disciplined expansion, focusing on return on investment

IT:

- Transformation to improve customer experience
- Lower operating costs

CPE/ Success-based:

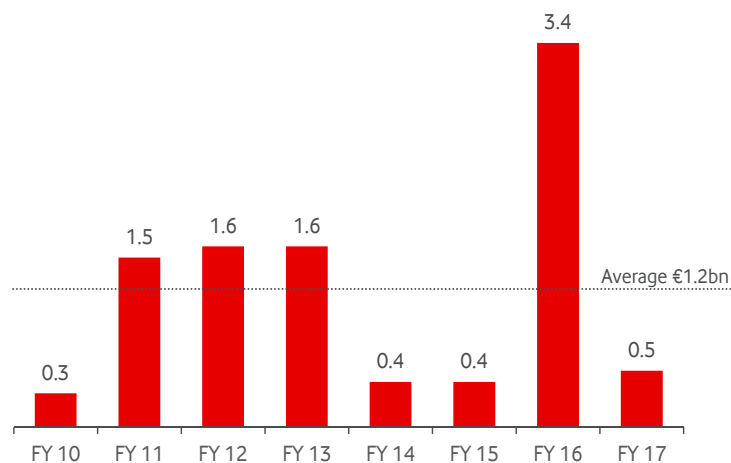
- Selective high return projects for fixed and enterprise customers

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Spectrum costs

Historical cash spectrum spend ex. India and NL

(€bn)



- Average cash spectrum spend €1.2bn
- FY'16: Germany and Turkey 4G spectrum
- FY'17 licence amortisation charge €1.8bn
 - Falling to below €1bn assuming 3G licences granted in 2000 (DE, UK & IT) were rebased to more recent price levels¹

EBIT inflection in FY16/17 as EBITDA growth outpaces D&A increase

1. Assumption: 2100MHz holdings acquired in 2000 in Germany, UK and Italy had been purchased at the average price per MHz pop since 2008 for European 2100MHz spectrum auctions

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Free cash flow growth, despite final Project Spring payments

	FY 16/17 (€m)	FY 15/16 (€m)
Adjusted EBITDA	14,149	14,155
Capital additions	(7,675)	(10,561)
Capital creditors	(822)	(140)
Working capital	(162)	(564)
Net interest	(830)	(982)
Taxation	(761)	(738)
Dividends received	433	92
Dividends to non-controlling interests	(413)	(309)
Other ¹	137	318
Free cash flow	4,056	1,271

- Capital creditor unwind, reflecting timing of Project Spring payments
- FY 16/17 dividends received from strongly positioned JV and associates
 - Indus €126m
 - Safaricom €214m
 - VodafoneZiggo €76m
- Average cash interest rate 2.5%

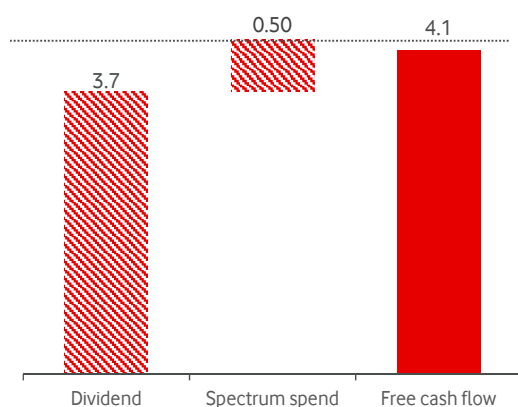
1. Relates to non-cash movements on share based payments and disposal of capital assets

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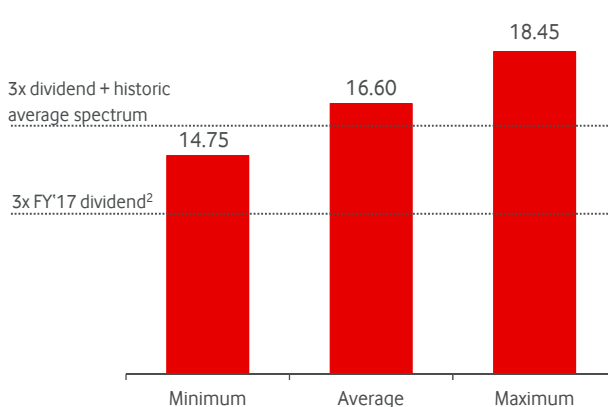


Reaching dividend cover post spectrum

Dividend cover FY 16/17 (€bn)



Management long-term incentives aligned to FCF¹ growth (€bn)



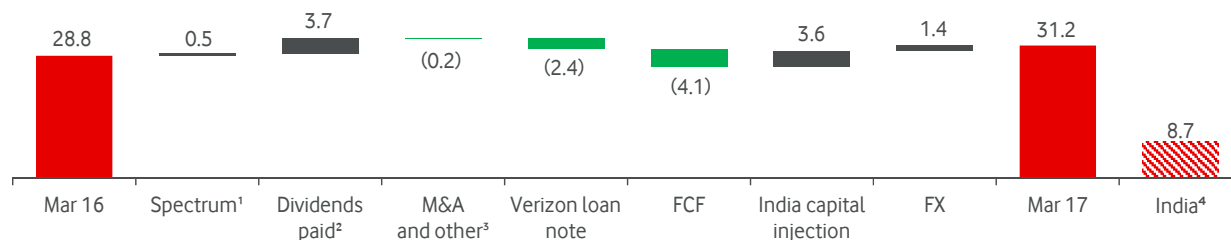
1. FCF excluding India: Operating free cash flow after cash flows in relation to taxation, interest, dividends received from associates and investments and dividends paid to non-controlling shareholders in subsidiaries, but before restructuring costs and licence and spectrum payments. Assumes foreign exchange rates of €1: £0.87, €1: ZAR 16.62, €1: TRY 3.84 and €1: EGP 18.76
2. Based on the FY 16/17 announced dividend per share of 14.77 eurocents, and excludes the impact on dividend payments from an increased share count as a result of the mandatory convertible bonds

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Leverage

Net debt (€bn)



- M&A: €0.6bn net cash inflow from Netherlands JV closing
- Net debt including India €39.8bn
- Net debt excludes €2.8bn mandatory convertible bonds, US\$2.5bn Verizon loan notes and €1.0bn VodZiggo loan

	FY 16/17	FY 15/16
Gross cost of debt (%)	2.6	2.3
Average life of bond debt	9.6yrs	7.5yrs
Net debt/EBITDA excl. India	2.2x	2.0x

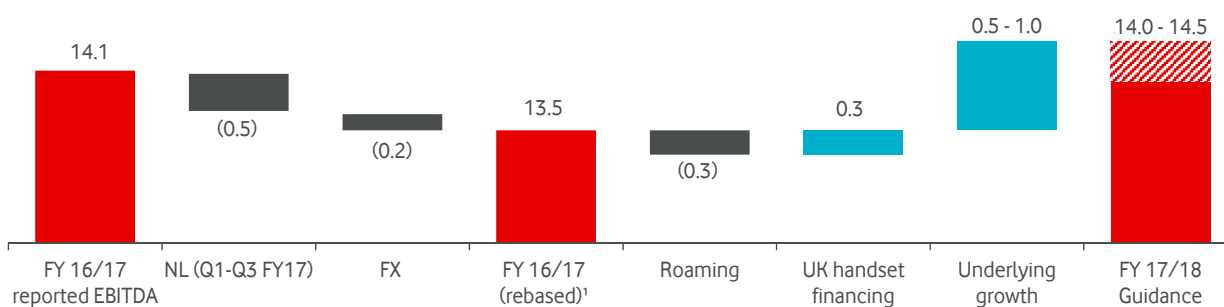
1. Spectrum includes Germany and Egypt and excludes €2.8bn of Indian spectrum
2. Dividend paid includes FY 15/16 final dividend and FY 16/17 interim dividend
3. Other includes restructuring of €266m
4. Net debt in India includes €7.1bn spectrum debt

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Guidance for FY 17/18

FY 17/18 EBITDA drivers (€bn)



Guidance² for FY 17/18

Organic EBITDA growth of **4% - 8%**
Free cash flow around **€5bn**

1. Includes shareholder recharges which are expected to be stable year-on-year and are excluded from organic growth.
2. Guidance for FY 17/18 is based on our current assessment of the global macroeconomic outlook and assume foreign exchange rates of €1: £0.85, €1: ZAR 14.6, €1: TRY 4.0 and €1: EGP 19.1. It excludes the impact of licences and spectrum payments, 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.

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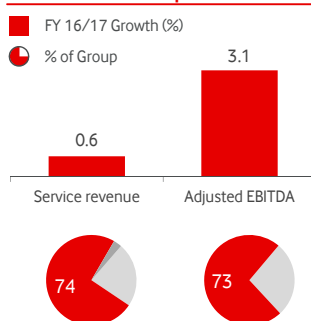




Strategy & Progress

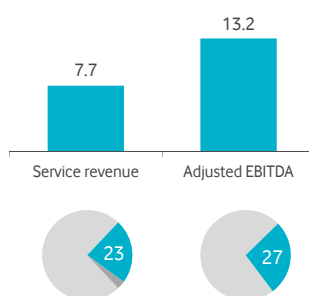
Vodafone today

Europe



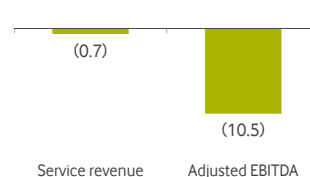
Delivering EBITDA growth
Driving convergence and cost discipline

AMAP ex. India



Sustained momentum
Strong customer and data usage growth

India



Competitive pressure
leading to lower unit prices

Strategic actions >

VodafoneZiggo JV
strengthens footprint

Vodacom and Safaricom
simplification

Merger with Idea Cellular
creating a new digital leader



Vodafone 2020: ambition, strategy & plans

Leader in data communications

1

Core communications

- Converged in Europe
- Mobile data leader in Emerging Markets
- Enterprise leader internationally

2

New digital businesses

- Enterprise IoT
- Data analytics
- Consumer IoT

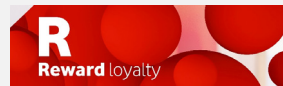
From 2017/18

3

Technology & cost excellence

- Fibre/NGN, 4G+, 5G
- Cloud, Virtualisation
- Fit for Growth
- Digital first

From 2017/18



The **Vodafone** Way: One company, local roots

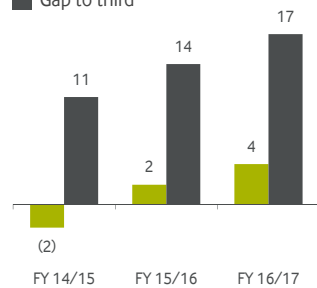
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Net promoter score: leading and improving

Market leading NPS

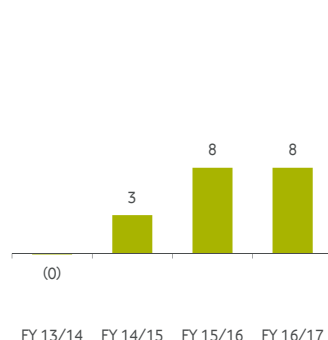
Consumer (points)¹

- Gap to next best
- Gap to third



Consumer NPS lead or co-lead in 19/21 markets

Enterprise (points)



15/20 markets lead or co-lead in Enterprise

1. Gap to third based on 20 markets

Market segmentation

Consumer NPS (March 2017)

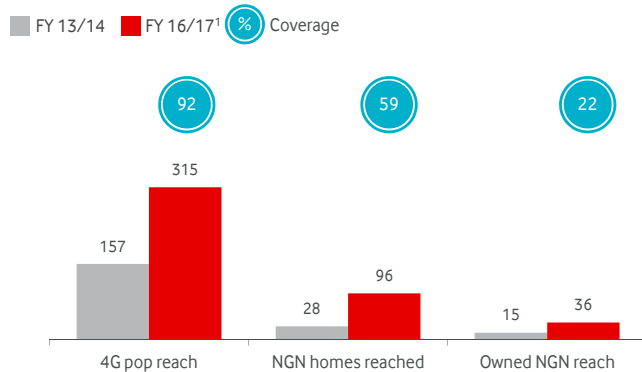


Improved score in 16 markets; more work to do in 2

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Network: Europe's largest broadband company

Leading population and household coverage (m)



Best mobile data network in **8/13** markets

Leading NGN marketable footprint in EU, #2 on-net

1. Includes VodafoneZiggo
2. Fibre to 4G sites in EU4 cities with over 100,000 population

Best experience

92%
data sessions
>3Mbps



0.37%
dropped
call rate



~70%
of urban sites
with fibre²



~6m
homes passed
>400Mbps NGN in Germany



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Mobile Data: monetisation

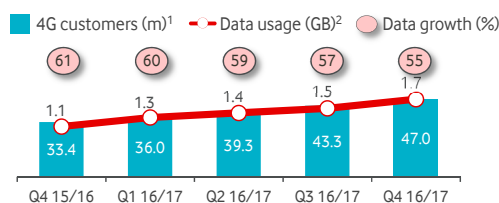
'More-for-more' actions April 2017

'Examples

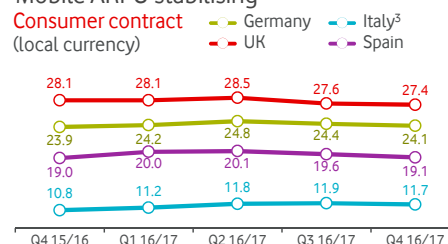
	<ul style="list-style-type: none"> • +€2 • Extra 1 - 5GB • Data rollover • Security
	<ul style="list-style-type: none"> • +£1 - 5 • Extra 1 - 20GB • Flexible upgrades
	<ul style="list-style-type: none"> • Mobile +€2 • Convergent +€3 - 5 • Extra 4 - 14GB
	<ul style="list-style-type: none"> • Personalised M4M offers

1. Includes VodafoneZiggo
2. Average monthly smartphone data usage
3. Consumer prepaid
4. Includes India and JVs

Data usage growth and ARPU in Europe

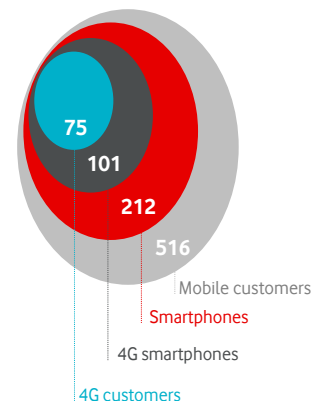


Mobile ARPU stabilising



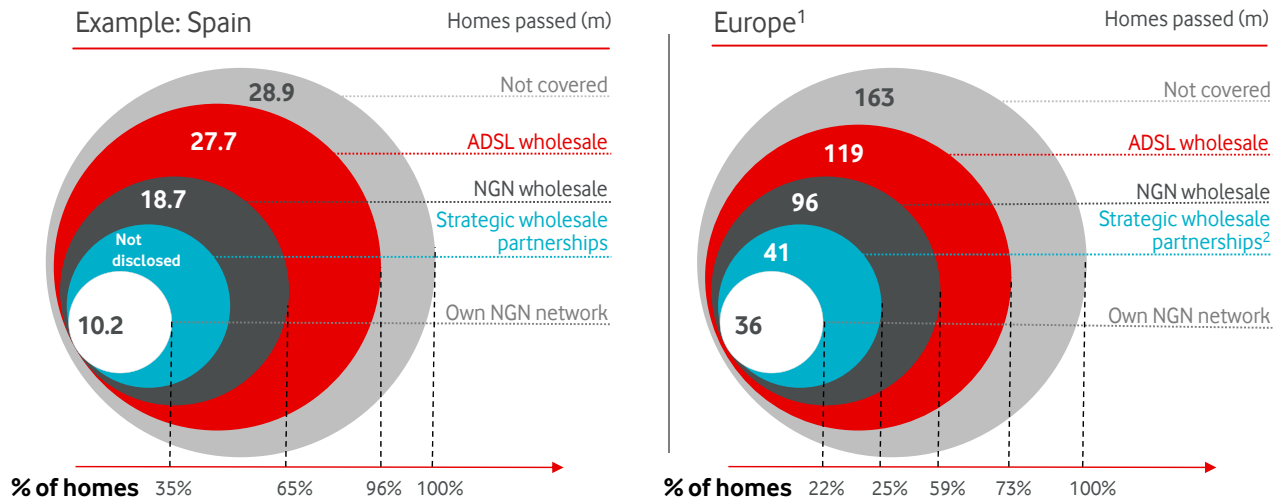
4G growth opportunity⁴

Group customers (m)



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Convergence: smart strategy for fixed infrastructure

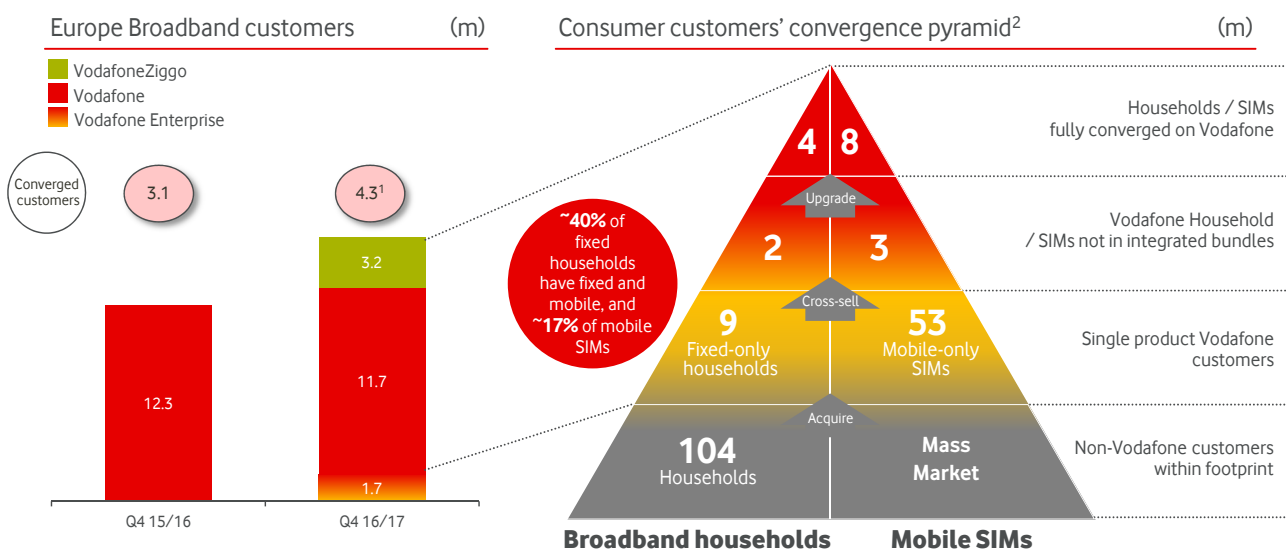


Smart and flexible strategy to optimise capital returns and economic potential

1. Includes VodafoneZiggo
2. Includes Telefonica (selected areas in Spain), Enel (Italy) and Siro (Ireland)

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Convergence: momentum & growth opportunity in fixed broadband






1. Includes VodafoneZiggo as of 3 April 2017, which had 600,000 converged / integrated customers
2. Mobile active consumer SIMs; excludes Eastern Europe; SIMs per household calculation based on regional averages

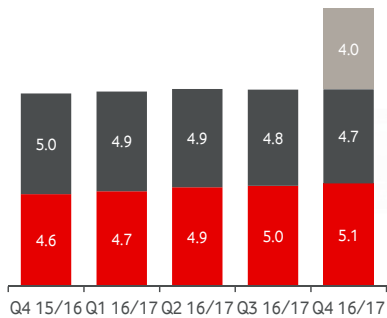
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Convergence: Vodafone TV

Continuing growth

TV customers (m)

 VodafoneZiggo
 Analogue
 Digital



Strong platforms

TV markets



- >>> Live TV
- >>> Connected screens
- >>> Content in the Cloud
- >>> On Demand

Premium content distributor

- Competitive premium content portfolio
- Distributor / partnership model preferred to exclusive ownership








Giga TV



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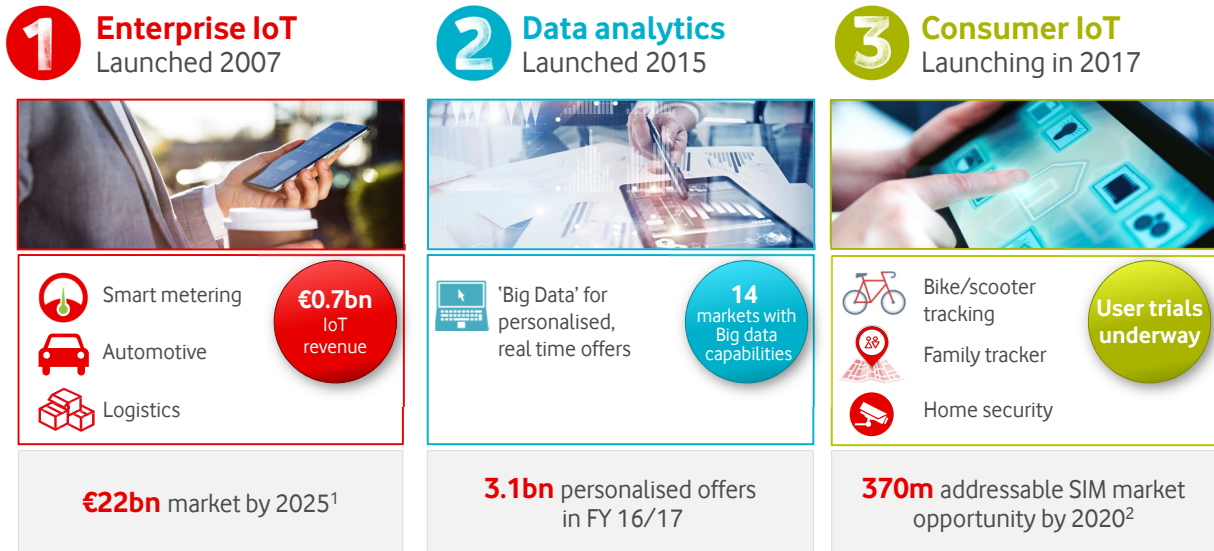
Enterprise: progress

FY 16/17 Enterprise service revenue growth (%)

 Mobile customers +4% to 30m	Total Mobile	1.5
 30% of Group service revenue	Total Enterprise	2.3
 1,900 Multinational accounts	VGE	3.0
 29% of revenue is fixed: gaining market share	Total Fixed	4.4
 IP-VPN global network in 73 countries	IP-VPN	11.2
 Cloud & Hosting in 28 markets	Cloud & Hosting	14.8
 54m IoT sims, +42%	IoT	16.2

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New digital businesses



1. Analysys Mason
2. Analysys Mason, Berg Insight, Ericsson, Strategy Analytics, Vodafone

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The Vodafone Way

23 → 22

Controlled local markets

3 → 4

Joint ventures & Assocs

One company...

- Technology architecture
- Scale sourcing / suppliers
- Enterprise reach / roaming
- Shared service centres
- Brand
- Best practise sharing
- Financing and financial management
- HR values and management
- Code of conduct and business principles
- 48 Partner markets

...with local roots

- Commercial execution, local partners, content
- Community and political engagement
- Stakeholder communication
- Vodafone Foundations

Leveraging global scale with local flexibility and talent

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Summary 16/17

- **Strong strategic progress**
 - Improved customer experience
 - Transformational merger in India with Idea
 - Completion of VodafoneZiggo JV
- **Sustained revenue growth** driven by more-for-more actions and customer base expansion
- **Margin expansion and cost reduction** supporting strong cash flow generation
- **Growing dividends** +2% to 14.77 eurocents per share

Outlook 17/18

- **NPS** leadership
- **Gain profitable revenue market** share in total communications
- **Guidance:** EBITDA +4-8%; Free cash flow **around €5bn**
- **Intention to grow the dividend**

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Q&A

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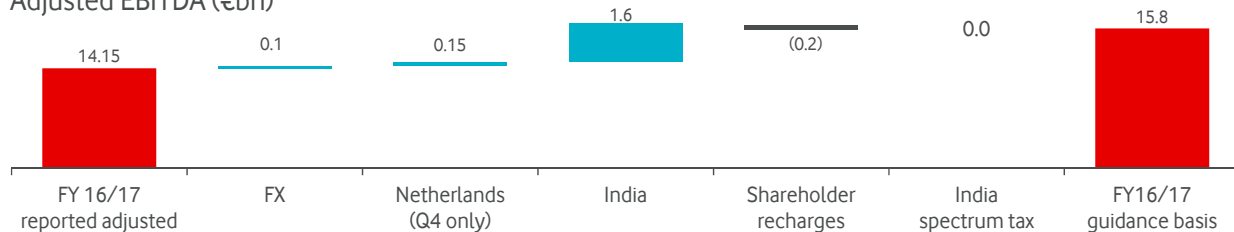


Appendix

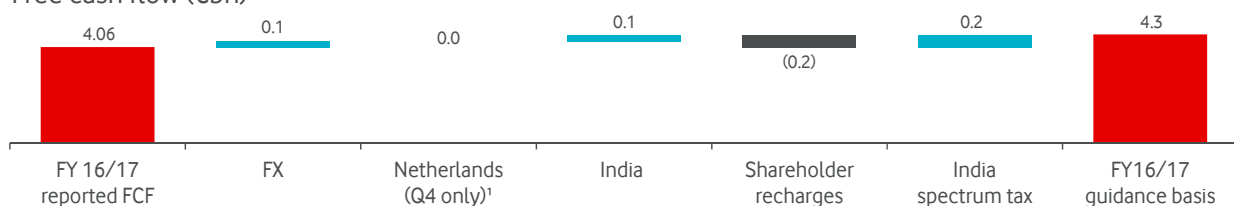


FY16/17 EBITDA and free cash flow guidance basis

Adjusted EBITDA (€bn)



Free cash flow (€bn)



1. Netherlands free cash flow includes €0.1bn of free cash flow and (€0.1bn) of VodafoneZiggo interest and dividends received

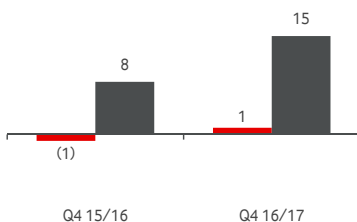
41

Germany: continued growth

Customer experience

Consumer NPS (points)

■ Gap to next best
■ Gap to third

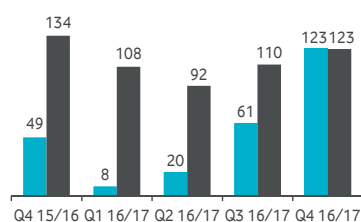


- **#1 NPS**; reflecting network quality and Giga Moves campaign
- 400Mbps NGN marketed to nearly **6m homes**

KPIs

Customer net adds (000s)

■ Mobile contract
■ Fixed

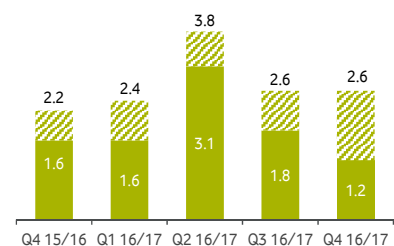


- **Higher activity in direct channels** (>40% of gross adds)
- Strong fixed net adds: cable +79k, DSL +44k

Financial results

Service revenue growth (%)

■ Reported
■ Growth ex. regulation impact¹



- Mobile **+1.2%** ex MTRs; M4M actions and customer base growth
- Fixed **+3.7%**²; customer base growth
- FY'17 EBITDA +4.5% (+6.0% in H2), margin +1.5pp to 34.1%; operational efficiencies, 100% of KDG synergies exceeded

1. Excludes the impact of EU regulation. This is defined as out-of-bundle roaming declines and mobile termination rate changes

2. Fixed service revenue growth was +3.2% (Q3 +3.1%) excluding one-off impact from reclassification of CPE revenue from non-service revenue to service revenue

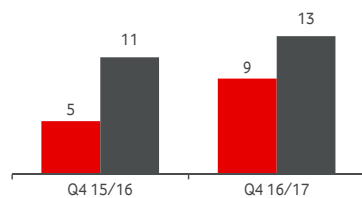
42

Italy: growing in a promotional market

Customer experience

Consumer NPS (points)

- Gap to next best
- Gap to third

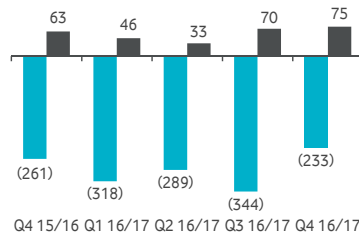


- **#1 NPS**: 4G coverage **>97%**, 9m 4G customers
- **4.8m** NGN homes passed (owned/Open Fiber, which now offers 1Gbps in 8 cities)

KPIs

Customer net adds (000s)

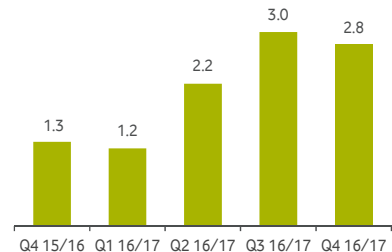
- Mobile
- Fixed



- Mobile **prepaid active base decline moderated** despite intense promotional activity
- Fixed: **record net adds** driven by fibre (0.7m fibre customers)

Financials

Service revenue growth (%)



- Mobile: **+1.4%**; consumer prepaid ARPU **+7.8%**; targeted M4M offers
- Fixed: **+10.2%**; customer growth and higher ARPU
- FY'17 EBITDA **+10.6%** YoY, margin at 36.5%, +3.0pp YoY; tight cost control

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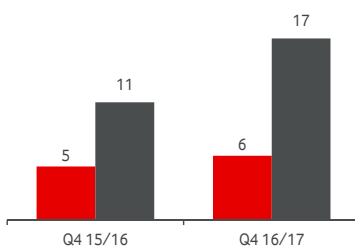


Spain: robust momentum

Customer experience

Consumer NPS (points)

- Gap to next best
- Gap to third

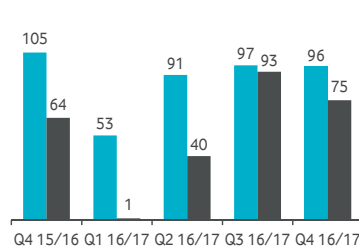


- **93%** 4G coverage, **7.6m** 4G customers
- 18.7m NGN homes passed (incl. wholesale), **10.2m** on-net

KPIs

Customer net adds (000s)

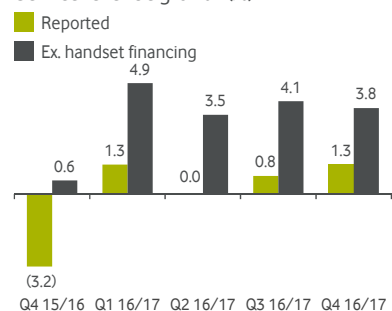
- Mobile contract
- Fixed



- **Continued strong net adds**
- +109k fibre net adds to **2.3m**
- Vodafone One **2.4m** users, +1m customers in the year

Financials

Service revenue growth (%)



- Handset financing drag starting to reduce
- **Sustained growth**: M4M offers and mobile and fixed customer growth
- FY'17 EBITDA **+8.8%**; margin **+2.1pp** to 27.3% despite higher content costs

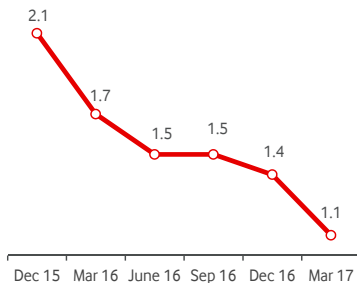
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UK: operational improvement, increased enterprise competition

Customer experience

Average monthly service centre calls (m)



- Significant improvement in customer service
- 96%** 4G coverage¹
- Leading network: lowest dropped call rate **0.48%**

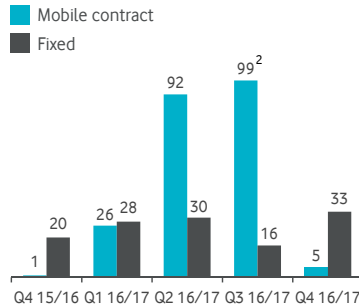
1. 98% based on Ofcom definition

2. Mobile contract additions in Q3 16/17 excludes the impact of a one-off customer base adjustment which reduced the base by 125,000, reported -26,000

3. Underlying adjusted EBITDA growth; excludes higher import costs following sterling weakness, central cost reallocations and one-off settlements

KPIs

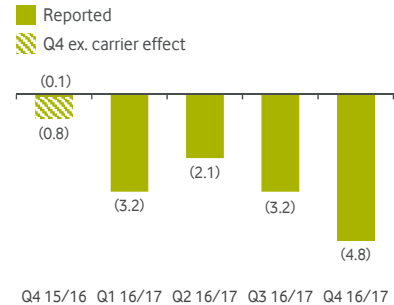
Customer net adds (000s)



- Consumer contract branded growth, Talkmobile decline
- Consumer broadband base **+34k** to 163k

Financials

Service revenue growth (%)



- Mobile -3.9%; SIM-only mix, price competition in enterprise, MVNO losses and roaming
- Fixed -7.5% (ex. carrier -2.5%); strong prior year comparator in Enterprise
- FY'17 EBITDA -15.8%, margin 17.5% (underlying EDITDA -7.3%)³

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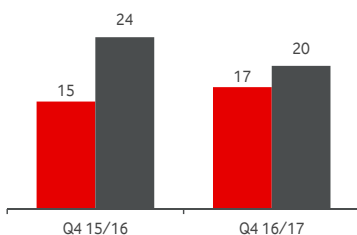


Vodacom: sustained performance in South Africa, Int'l bottoming

Customer experience

South Africa consumer NPS (points)

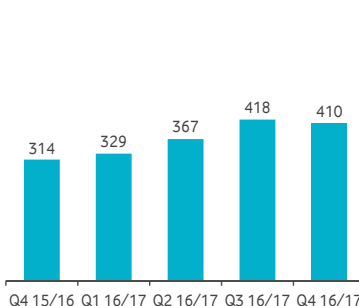
■ Gap to next best
■ Gap to third



- Network leader**; #1 on 4G download speeds and least dropped calls
- 4G coverage **76%** (PY: 58%); 6m 4G customers

KPIs

South Africa total bundles sold (000s)

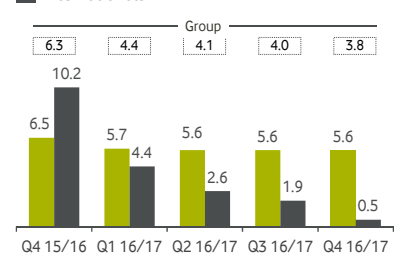


- Data: users +8%, effective price per MB -21%, traffic +50%
- Strong summer campaign, total net adds **+1.1m**; record low contract churn

Financials

Vodacom service revenue growth (%)

■ South Africa
■ Internationals



- SA: data revenue **+18%**, Enterprise **+15%**, voice declines moderating
- Internationals: customer registration pressures bottoming
- Group FY '17 EBITDA +4.9%; margin 39.0%, +0.7pp

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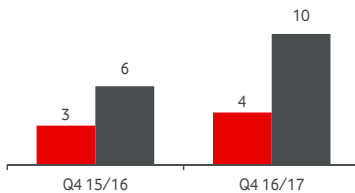


India: continued competitive pressure

Customer experience

Consumer NPS (points)

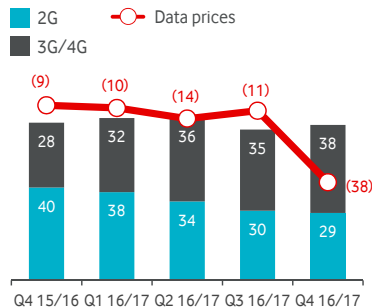
- Gap to next best
- Gap to third



- **#1 NPS**; leading quality
- Investment focus on leadership circles
- 4G now in 18 circles, 96% of data revenue

KPIs

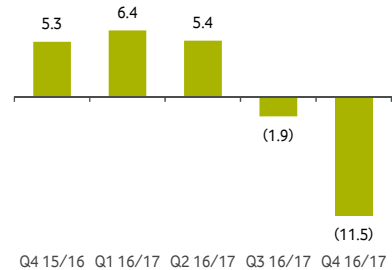
Data users (m) and unit price growth (%)



- Free services from new entrant impacting voice and data pricing
- Retaining high end users, gaining lower end customer share
- **Early signs of stabilisation** in data and voice usage and recharge values

Financial results

Service revenue growth (%)



- Data revenue -16%; voice revenue -13%; due to price pressure
- FY' 17 EBITDA -10.5%; margin -2.2pp to 27.3%; revenue decline, 4G network build costs

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India: circle-by-circle position

Leadership

12 Circles

Market position

#1 or #2

- Q3 RMS: **27.6%**, +0.2pp QoQ
- 3G/4G data carriers: 57
- 2G sites: 91k, 3G/4G Sites: 91k

Mhz	900	1800	2100	2500	Total
Del	5	10	5	20	40
Guj	6	11	5	20	42
Har	6	5	10	10	31
KL	6	10	5	10	31
Kol	7	10	5	20	42
MH	5	1	10	20	36
Mum	11	8	5	20	44
Raj	6	5	10	10	31
TN	6	1	15	-	22
UPE	6	9	10	10	34
UPW	6	5	5	10	26
WB	7	12	5	10	34
Total	78	87	90	160	415

Challenger

5 Circles

Market position

#2 or #3

- Q3 RMS: **16.4%**, +0.3pp QoQ
- 3G/4G data carriers: 16
- 2G sites: 24k, 3G/4G Sites: 16k

Mhz	900	1800	2100	2500	Total
Asm	-	15	5	10	30
Kar	-	13	5	-	18
NE	-	15	5	10	30
Ori	5	7	5	10	27
Pun	-	11	5	10	26
Total	5	61	25	40	131

Other

5 Circles

Market position

#3 - #5

- Q3 RMS: **11%**, -0.1pp QoQ
- ICR agreements
- 2G sites: 26k, 3G/4G Sites: None

Mhz	1800	Total
AP	7	7
Bhr	7	7
HP	6	6
Jk	7	7
MP	7	7
Total	34	34

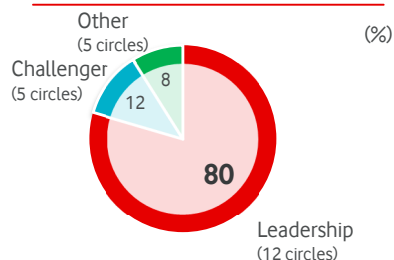
Note: Not all columns sum exactly to Totals due to rounding

48

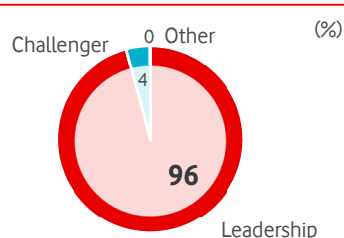


India: FY 16/17 circle-by-circle investment strategy

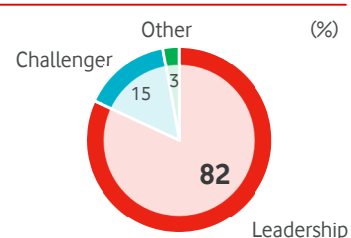
Service revenue €5.8bn



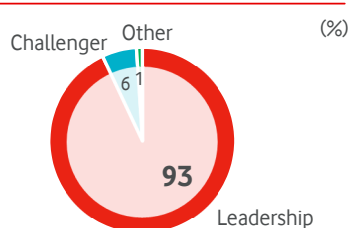
Adjusted EBITDA €1.6bn



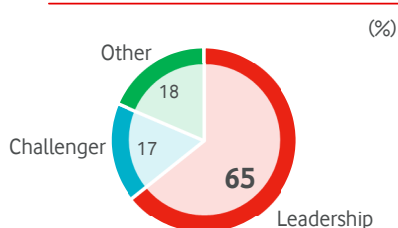
Capital additions €1.1bn



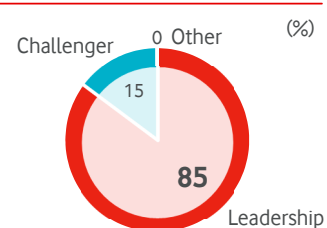
Spectrum acquired¹



2G sites 141k



3G/4G sites 107k



1. Spectrum acquired since 2010

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FY 16/17 dividend under new reporting policy

	Dividend base ¹			FY 16/17			Payment date
	€	Dividend growth		€ per ordinary share	£ per ordinary share	\$ per ADS ³	
Interim	4.65c	× +1.9% =		4.74c	4.05p ²	\$c49.3 ²	3 Feb 17
Final	9.83c	× +2.0% =		10.03c	Will be calculated based on the average exchange rate of the five business days in the week prior to payment		4 Aug 17
Total	14.48c	× +2.0% =		14.77c			

- Interim/Final £-€ dividend base is calculated on the following basis: FY 15/16 Interim/Final year dividend (3.68 pence/ 7.77 pence) multiplied by 31 March 2016 exchange rate (£:€ 1.2647)
- Calculated based on the average exchange rate for the five business days in the week prior to payment (23-27 Jan 2017: £/€: 1.17049, €/£: 1.07235)
- Net rate payable per American Depositary Share after deducting USc 15 dividend charge

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Customer experience and commercial KPIs

Europe

	Q4 15/16	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17
4G customers (m) ¹	33.4	36.0	39.3	43.2	47.3
Contract churn (%) ¹	16.1%	15.3%	15.5%	16.7%	14.7%
4G % outdoor population coverage ¹	87%	89%	90%	91%	92%
% of data sessions >3Mbps	91%	91%	90%	91%	92%
% of dropped calls	0.46%	0.47%	0.47%	0.40%	0.37%
Call setup success	99.9%	99.9%	99.9%	99.9%	99.9%

AMAP

	Q4 15/16	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17
4G customers (m) ²	13.4	16.5	19.6	23.2	27.7
Contract churn (%)	20.5%	18.2%	18.0%	20.1%	18.7%
3G/4G outdoor coverage	85%	85%	85%	86%	86%
% of dropped calls	0.52%	0.51%	0.49%	0.51%	0.48%
Call setup success	99.6%	99.7%	99.7%	99.7%	99.5%

All figures exclude India unless otherwise stated

1. Q3 and Q4 includes VodafoneZiggo

2. Includes JVs and associates (India, Kenya, Australia)

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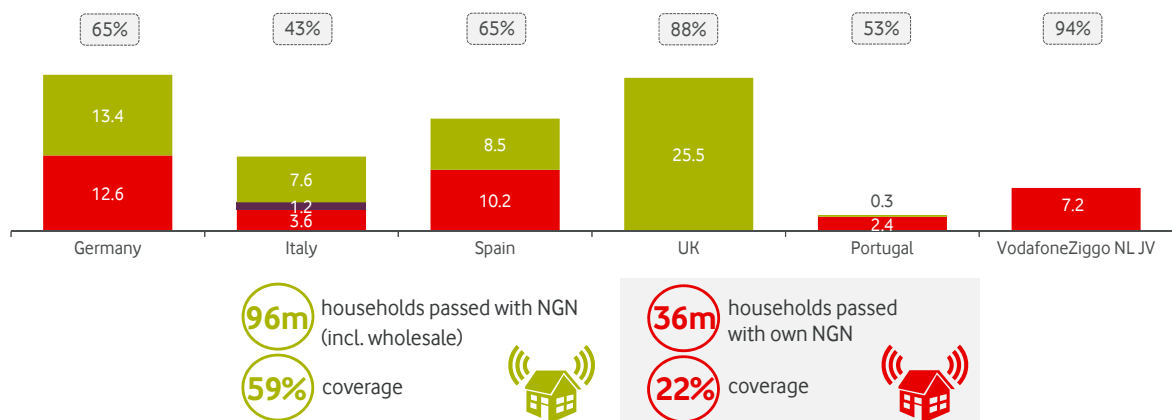


European homes reached with NGN¹

- Wholesale
- Open Fiber
- Owned

(millions)

Household coverage









1. Excludes 3.6 m wholesale NGN homes passed in Greece and Ireland

52



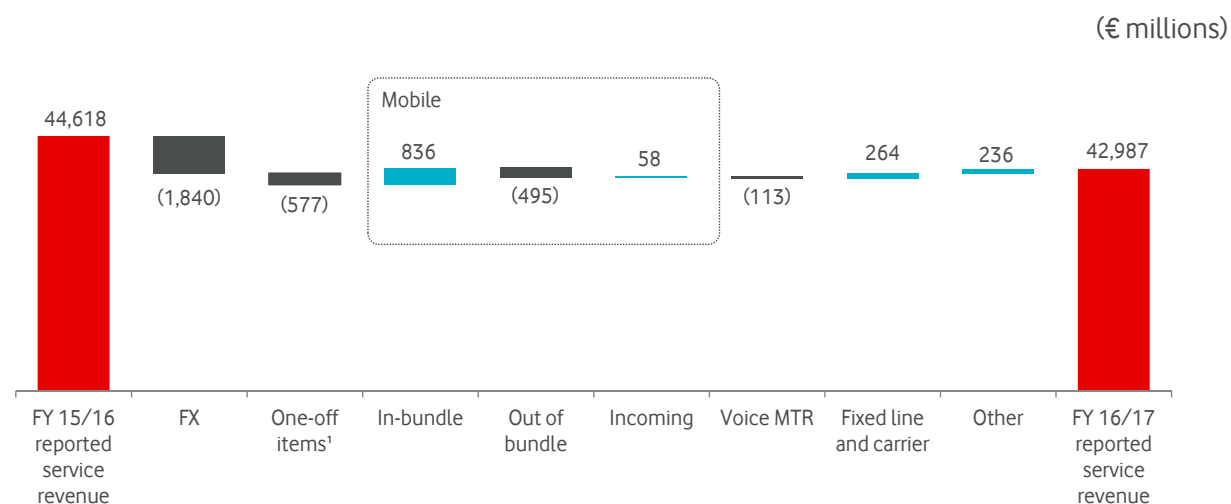
Other markets – Q4 16/17

Market	Organic service revenue growth (%)	Mobile customers (000s)		Fixed broadband customers (000s)	
		Net adds	Closing customers	Net adds	Closing customers
 Portugal	2.2%	(62)	4,716	20	538
 Greece	0.2%	31	5,427	11	619
 Ireland	(1.2%) 2.3% ex. MTR	(24)	1,950	2	260
 Romania	0.4%	(19)	8,744	1	63
 Turkey	13.9%	137	22,777	38	562
 Egypt	22.8%	1,310	40,932	34	301

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Service revenue bridge



1. Excludes NL results

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Voice MTR impact

	FY 16/17		FY 15/16	
	€m	pp	€m	pp
Europe				
Service revenue	(92)	(0.3)	(76)	(0.2)
Adjusted EBITDA	(22)		-	
AMAP				
Service revenue	(21)	(0.2)	(19)	(0.2)
Adjusted EBITDA	(11)		(5)	
Group				
Service revenue	(113)	(0.3)	(95)	(0.2)
Adjusted EBITDA	(33)		(5)	

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Profit

	FY 16/17 (€m)	FY 15/16 (€m)
Adjusted EBIT	3,970	3,769
Share of result in associates and joint ventures	164	60
Adjusted operating profit	4,134	3,829
Net financing costs	(932)	(1,507)
Taxation	(4,764)	(4,937)
Customer & brand amortisation	(1,046)	(1,338)
Restructuring costs	(415)	(316)
Impairment loss	-	(569)
Other	1,051	(289)
(Loss)/Profit from continuing operations	(1,972)	(5,127)
(Loss)/Profit from discontinued operations	(4,107)	5
(Loss)/Profit for the financial year	(6,079)	(5,122)
Non controlling interests	(218)	(283)
(Loss)/Profit attributable to owners of parent	(6,297)	(5,405)

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Adjusted EPS reconciliation

	FY 16/17 (€m)	FY 15/16 (€m)	Reported growth (%)
(Loss)/Profit attributable to owners of parent	(6,297)	(5,405)	
Impairment	-	569	
Taxation	3,975	4,183	
India ¹	4,107	(5)	
Net financing costs	70	574	
Customer & brand amortisation	1,046	1,338	
Non controlling interests	(16)	(25)	
Restructuring costs	415	316	
Other ²	(1,051)	289	
Adjusted profit for the year	2,249	1,834	
Weighted average shares (m)³	27,971	26,692	
Adjusted EPS (€ cents)	8.04	6.87	17.0

1. India is classified as discontinued operations and includes the results and tax charge of Vodafone India, as well as impairment charges of € 3.7 billion, net of tax, recognised during the year
2. Other includes the gain from the completion of the VodafoneZiggo JV.
3. Weighted average number of shares includes a dilution of 1,369 million shares following the issue of €2.9 billion of mandatory convertible bonds in February 2016



Taxation

	FY 16/17 (€m)	FY 15/16 (€m)	
Taxation	(4,764)	(4,937)	
Change in Luxembourg tax rate	2,651	-	Impact of the reduction in the corporate Luxembourg tax rate to 26.0%
Deferred tax assets - Luxembourg	1,275	4,228	Deferred tax following revaluation of investments in Luxembourg and impact of lower interest rates
Amortisation of deferred tax assets	369	541	Use of tax asset in Luxembourg
Other	(320)	(586)	
Adjusted tax expense	(789)	(754)	
Adjusted effective tax rate	25.4%	26.6%	



Financing costs

	FY17 (€m)	FY16 (€m)
Net financing costs	(932)	(1,507)
Mark to market - Mandatory convertible bond & bond delta	98	1
FX ¹	(28)	573
Adjusted net financing costs	(862)	(933)
Other mark to market of derivative positions	(164)	284
Interest expense arising on settlement of outstanding tax issues	47	19
Net financing costs before settlement of outstanding tax issues	(979)	(630)
FX impact on intragroup lending	167	143
Other	(7)	(41)
Underlying net financing costs	(819)	(528)
Interest received	(474)	(539)
Underlying gross financing costs (a)	(1,293)	(1,067)
Average gross debt (b)	(50,693)	(46,102)
Cost of debt²	2.6%	2.3%

1. Comprises foreign exchange rate differences reflected in the income statement in relation to certain intercompany balances
2. Cost of debt: (a/b) x 100

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Currency sensitivity

Currency	FY 16/17 closing net debt (€bn)	Currency	FY 16/17 closing adjusted EBITDA (€bn)
EUR	25.1	EUR	8.7
ZAR	1.7	ZAR	1.8
GBP	(1.1)	GBP	1.2
Other	5.5	Other	2.4
Net debt excl. India	31.2	Total	14.1
Net debt incl. India	39.8		

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Forward-looking statements

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 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; expectations for the Group's future performance generally; expectations regarding the Group's operating environment and market conditions and trends; intentions and expectations regarding the development, launch and expansion of products, services and technologies; growth in customers and usage; expectations regarding spectrum licence acquisitions; and expectations regarding, service revenue, adjusted EBITDA, free cash flow, capital expenditure, and foreign exchange movements.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "plans", "targets", "gain", "grow", "continue", "retain" or "accelerate" (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 general economic or political conditions in markets served by the Group and changes to the associated legal, regulatory and tax environments; increased competition; the impact of investment in network capacity and the deployment of new technologies, products and services; rapid changes to existing products and services and the inability of new products and services to perform in accordance with expectation; the ability of the Group to integrate new technologies, products and services with existing networks, technologies, products and services; the Group's ability to grow and generate revenue; 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 and reduced customer retention; changes in the spending patterns of new and existing customers and increased pricing pressure; the Group's ability to expand its spectrum position or renew or obtain necessary licences and realise expected synergies and associated benefits; the Group's ability to secure the timely delivery of high-quality 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 impact of a failure or significant interruption to the Group's telecommunications, networks, IT systems or data protection systems; changes in foreign exchange rates, as well as changes in interest rates; the Group's ability to realise benefits from entering into acquisitions, partnerships or joint ventures and entering into service franchising, brand licensing and platform sharing or other arrangements with third parties; acquisitions and divestments of Group businesses and asset and the pursuit of new, unexpected strategic opportunities; the Group's ability to integrate acquired business or assets; 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; 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; and/or changes in statutory tax rates and profit mix.

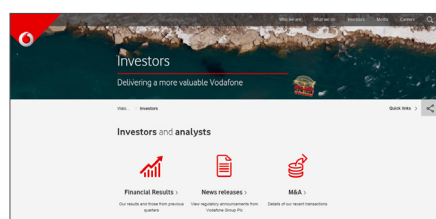
Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found under the headings "Forward-looking statements" and "Risk management" in the Group's Annual Report for the year ended 31 March 2016. 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, to any member of the 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. 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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2017 upcoming dates

Annual report
2 June

AGM
28 July

Half-year results
14 Nov

For definitions of terms please see www.vodafone.com/content/index/investors/glossary

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