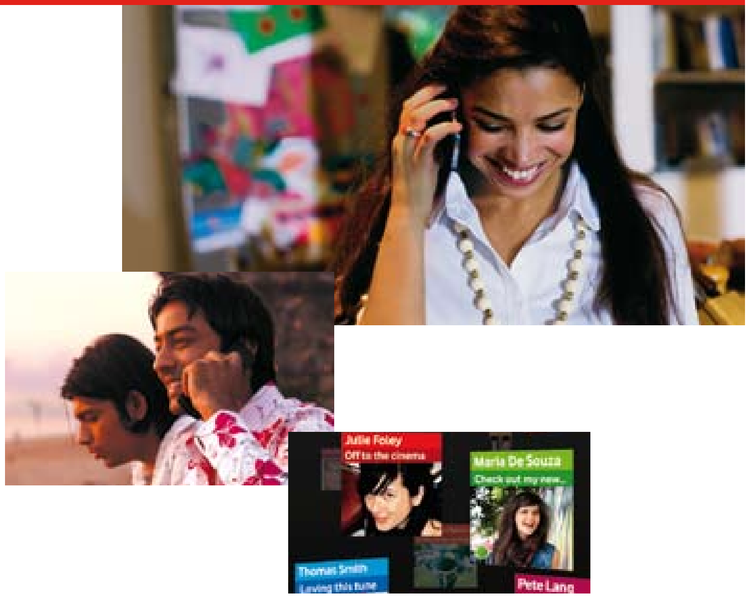


For more information, visit:
www.vodafone.com/investor

Highlights

Group highlights for the 2010 financial year

Revenue

£44.5bn
8.4% growth

Adjusted operating profit

£11.5bn
2.5% decrease

Free cash flow

£7.2bn
26.5% growth

Proportionate mobile customers

341.1m
12.7% growth

Financial highlights

- Total revenue of £44.5 billion, up 8.4%, with improving trends in most markets through the year.
- Adjusted operating profit of £11.5 billion, a 2.5% decrease in a recessionary environment.
- Data revenue exceeded £4 billion for the first time and is now 10% of service revenue.
- £1 billion cost reduction programme delivered a year ahead of schedule; further £1 billion programme now underway.
- Final dividend per share of 5.65 pence, resulting in a total for the year of 8.31 pence, up 7%.
- Higher dividends supported by £7.2 billion of free cash flow, an increase of 26.5%.

Operational highlights

- We are one of the world's largest mobile communications companies by revenue with 341.1 million proportionate mobile customers, up 12.7% during the year.
- Improved performance in emerging markets with increasing revenue market share in India, Turkey and South Africa during the year.
- Expanded fixed broadband customer base to 5.6 million, up 1 million during the year.
- Comprehensive smartphone range, including the iPhone, BlackBerry® Bold and Samsung H1.
- Launch of Vodafone 360, a new internet service for the mobile and internet.
- High speed mobile broadband network with peak speeds of up to 28.8 Mbps.

Sir John Bond Chairman

Chairman's statement

Your Company continues to deliver strong cash generation, is well positioned to benefit from economic recovery and looks to the future with confidence.

Environment and performance

- **Against a difficult background, we generated £7.2 billion of free cash flow, up 26.5%.**
- **Total dividends per share of 8.31 pence, up 7%; three year dividend per share growth target of at least 7% per annum.**
- **Original £1 billion cost programme completed a year ahead of schedule with a further £1 billion initiative underway.**
- **Continued strong investment in network capability to maintain and enhance the quality of service.**

2009 saw the sharpest contraction in the world's economy for more than a generation. Unquestionably, this has been the most difficult economic environment in which your Company has ever operated. Against this background, I am very pleased to report that the Group delivered an adjusted operating profit of £11.5 billion (down 2.5%), and generated £7.2 billion of free cash flow (up 26.5%). The Board is recommending a final dividend of 5.65 pence, making a total for the year of 8.31 pence per share (up 7%). The Board is also targeting to maintain growth in dividends per share at no less than 7% per annum for the next three years. This year's results have been achieved while maintaining the capital expenditure (up slightly at £6.2 billion) needed to serve our customers' growing demand for voice minutes and data services. The share price has increased by 6% since 1 April 2009, broadly in line with other major European telecommunications companies, but behind the increase in the FTSE 100.

While the Group is not immune from the economic environment in which we operate, with our retail customers seeking to control their expenditure as much as possible and our business customers seeking to control cost, we have responded swiftly with cost reduction and efficiency programmes. On top of our original £1 billion cost programme, delivered a year ahead of plan, we have now committed to a further £1 billion cost programme by the 2013 financial year. With mobile voice prices continuing to decline in Europe by over 10% a year, tight cost control will remain a high priority in the future.

The telecommunications sector as a whole has seen declining revenue through this period but we have not seen the extremely steep declines in revenue experienced by some other sectors of the economy – mobile communications remain an essential element in most people's lives. We see how our services are allowing people to lead their lives more efficiently and pleasurably, making better use of their time and opportunities. This has resulted in ever increasing demand, with voice minutes up by 22.3%(*) and data revenue up by 19.3%(*) across the Group. This additional demand on our networks means that we need to manage traffic to ensure both good service for our customers and appropriate returns for our shareholders from continued investment in those networks.

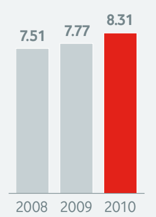
Innovation

- **Continued innovation in our products and services broadens and enhances our business portfolio.**
- **The new Vodafone 360 service combines the benefits of mobile communications and the internet to bring your phone, email chat and social network contacts together in one place.**

Innovation in the services we offer, and the expansion of those services into other sectors such as health care or communication between different types of machine – smart metering on energy grids or smart communications for delivery truck fleets – can make important contributions to our societies, lowering carbon emissions and enhancing lifestyles. This kind of innovation is important both for the wider benefits it brings but also because it broadens and enhances the base on which our business is built. We have now set-up separate health and machine-to-machine teams to ensure that we maximise these opportunities.

Your Company has also continued to innovate in the services we provide. This year has seen the launch of Vodafone 360, a service designed to help bridge the intersection between mobile communications and the internet making it easier to communicate with friends, colleagues and family from your mobile using social media or more traditional forms of electronic communication. The Vodafone Money Transfer system (branded M-PESA in Kenya and Tanzania) is available in three countries with 13 million customers transferring US$3.6 billion during the 2010 financial year. We expect to roll-out the service to further markets later this year. We recently launched two of the world's most inexpensive handsets – for example the Vodafone 150 retails in most markets at unsubsidised prices below US $15 – and we are working on low cost handsets which will give access to the internet.

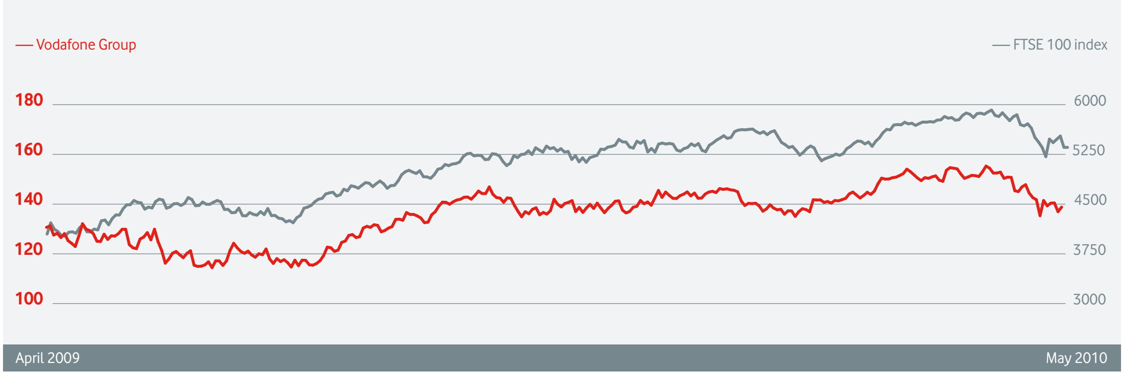
Dividends per share
(Pence)



Total shareholder return April 2009 to May 2010

Vodafone +13% FTSE 100 +39%

Vodafone share price vs FTSE 100



Proportionate mobile customers

341.1m

up 12.7%

Geographic diversity

- **Wide portfolio of operations including developed and emerging markets.**
- **In emerging markets growth prospects remain positive. We now have over 100 million customers in our key Indian market.**

One of the benefits of our broad spread of operations in both developed and emerging markets is the diversification of risk that this allows. The Board keeps a close watch on this portfolio of investments, particularly those where we do not exercise management control. In Verizon Wireless we have an outstanding asset whose value has increased substantially over recent years, and SFR has secured a strong market position and provided good dividends. The Board reviews these investments regularly and will remain focused upon the best way of realising maximum shareholder value.

The impairment of our investment in Vodafone Essar in India was a major disappointment to the Board. It results from an intense price war, triggered by the unprecedented and unforeseeable entry of six new competitors into the Indian market. Our operational performance in India however remains strong and we remain confident in the long-term prospects for the Indian market. We recently passed a very important milestone, with Vodafone Essar now having more than 100 million customers – one of only five national mobile operators in the world to have reached this scale, reflecting strong growth from 28 million customers when we acquired control of Vodafone Essar in May 2007. Elsewhere in the emerging markets, the operational turnaround of our company in Turkey has yielded very positive results and we have seen good progress in Ghana.

Your Board

This year we conducted an evaluation on the effectiveness of the Board and its Committees aided by the external advisors MWM Consulting. They concluded that the Board was effective, had the right composition and skills and was generally performing well. More detail is contained at page 48 of this report.

Simon Murray, who has been a non-executive Director since July 2007, has decided to step down from the Board after this year's AGM. His knowledge of telecommunications, entrepreneurial spirit, and experience of the Asia Pacific region have been great assets to the Board, and I am grateful for the contribution he has made.

The Vodafone Foundation

- **The Vodafone Foundation supports communities and societies in the countries in which we operate.**
- **Vodafone invested a total of £42 million in foundation programmes and social causes.**

We have continued to fund the work of the Vodafone Foundation. Through the Vodafone Foundation and our network of national affiliate foundations we support communities and societies in the countries in which we operate. In this financial year we invested a total of £42 million in foundation programmes and social causes, and our World of Difference programme enabled 604 people to take paid time to work for a charitable purpose of their choice in their own community or in a developing country. Across the Group we have also put in place mechanisms to make it easy for our customers to give money to support charitable appeals following disasters. After the Haiti earthquake, Vodafone foundations donated £0.3 million to the emergency relief and reconstruction effort, and we helped our customers in 14 countries to give a total of £4.7 million by text message.

Summary

On behalf of the Board, I would like to thank all Vodafone staff around the world for the great efforts they have made in the past year in such challenging economic conditions. Vodafone would not have been able to deliver these results without the tremendous effort of the team.

The Board is heartened by your Company's strong results especially in the face of such a sharp economic downturn. It believes that the Group is well positioned to benefit from economic recovery and looks to the future with confidence.

Sir John Bond
Chairman

Industry global mobile customers

4.7bn

Telecommunications industry

At a glance

The telecommunications industry has grown rapidly in size to provide essential services that facilitate a fundamental human need to communicate.

> Customers

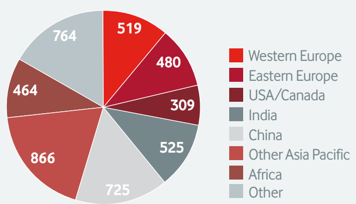
- **There are 4.7 billion mobile customers across the globe with growth of around 20% per annum over the last three years. The majority of customers are in emerging markets such as India and China. Vodafone is a leading company with a 7% share of the global market.**

The industry has 4.7 billion mobile customers across the globe, up from 2.7 billion in 2006.

Consumers are increasingly choosing to make voice calls over mobile rather than fixed phones and mobile calls accounted for 70% of all phone calls made in 2009 compared to 50% in 2006. As a result the number of mobile users now far exceeds the number of fixed telephones (1.3 billion).

Over the last three years mobile customer growth has been strongest in emerging markets such as India and China. In contrast growth has been more muted in developed regions such as Europe which are relatively mature.

Mobile customers (m)



> Mobile penetration

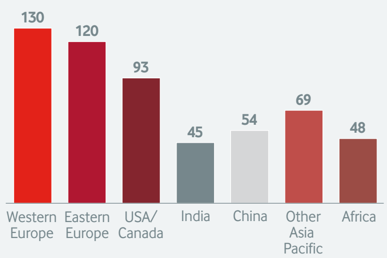
- **Global mobile penetration is around 70% and is generally higher in more mature markets such as Europe and the United States but is growing most quickly in emerging markets such as India, China and Africa.**

Mobile penetration (the proportion of the population that have a mobile) has grown to around 70% from 40% in December 2006.

Looking forward the number of worldwide mobile phone users is expected to continue to grow strongly. Most of this growth is expected in emerging markets such as India, China and Africa where mobile penetration is around 50% compared to about 130% in mature markets such as Europe.

Developing countries are generally expected to deliver faster GDP growth which combined with relatively little alternative fixed line infrastructure is positive for mobile penetration growth prospects.

Mobile penetration at December 2009 (%)



> Competition and regulation

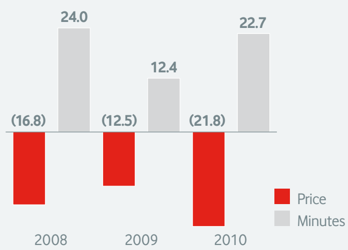
- **Ongoing competitive and regulatory pressures have contributed to significant reductions in mobile prices which are being partly offset by higher mobile usage.**

Competition in the telecommunications industry is intense. Consumers have a large choice of communication offers from established mobile and fixed line operators. Newer competitors, including handset manufacturers, internet based companies and software providers, are also entering the market offering converged communication services.

Industry regulators continue to impose lower mobile termination rates (the fees mobile companies charge for calls received from other companies' networks) and lower roaming prices. Termination fees and roaming charges accounted for 17% of Group revenue in 2010.

The combination of competition and regulatory pressures have contributed to a 17% per annum decline in the average price per minute across our global network over the last three years. However price pressures are being partly offset by increased usage. During the year our customers spoke for an average of 191 minutes per month compared to 137 in 2007.

Vodafone outgoing voice prices and minutes (%)



Industry annual handset shipments

1.1bn

Product focus: Vodafone 360 Samsung H1
Customers are increasingly using high-end smartphones to download applications and browse the internet.

Major trends

The mobile industry continues to evolve rapidly, driven by new sources of revenue, rising smartphone proliferation and new technologies.

Services

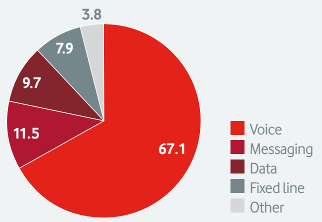
- **Around 80% of our service revenue comes from traditional voice and messaging services. The remaining 20% stems from the faster growing areas of mobile data and fixed broadband.**

Our revenue from traditional voice and messaging services in mature markets is declining due to ongoing competitive and regulatory pressures, partly offset by faster growth in newer areas of data and fixed services.

We have seen demand for data services such as laptop access to the internet and mobile internet browsing lead to a four fold increase in our data traffic over the last two years. Data revenue has expanded from £1.1 billion in the 2006 financial year to £4.1 billion in the 2010 financial year. Data growth has been driven by faster network speeds and increased penetration of mobile broadband services and smartphones.

Our fixed services mainly comprise fixed broadband rather than fixed voice calls. The number of fixed broadband customers has grown to 5.6 million at 31 March 2010 from 2.1 million in March 2007.

Service revenue (%)



Mobile handsets

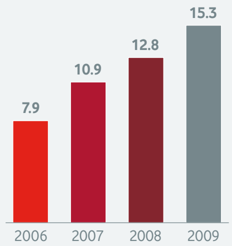
- **Global handset volumes increased 5% per annum over the last three years. In this time the mix has changed, with more demand for both smartphones and low cost devices at the expense of mid range feature phones.**

The mobile industry shipped around 1.1 billion handsets worldwide in 2009. These include ultra low cost devices for more value conscious consumers, standard feature 2G and 3G devices, and high-end smartphones which can access the internet and download increasingly popular user applications. We have seen a change in mix, with increased demand for both smartphones and low cost devices.

Smartphones accounted for 15% of the industry handset shipments in 2009 compared to 8% in 2006. 24% of our new handset sales in Europe during the year were smartphones and this is expected to grow further over the next few years.

Our low cost devices are targeted at developing markets and certain prepaid segments in Europe. Demand has been driven by lower prices and an expanding portfolio with attractive features, including touchscreen and data capabilities.

Smartphone share of global handset shipments (%)



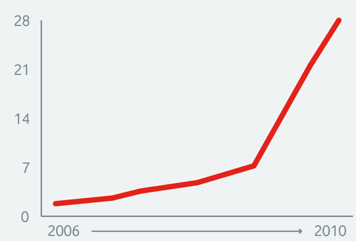
Network and product evolution

- **Our industry is undergoing significant technological change, with faster download speeds and product innovation improving the customer experience.**

Our technological capabilities are rapidly changing. Our networks have evolved from 2G or second generation systems for voice, text and basic data services to 3G or third generation networks which also provide high speed internet and email access. Vodafone's peak mobile data download speeds have increased to up to 28.8 Mbps. Looking forward we, along with other operators, have been testing 4G, or fourth generation, technologies which offer even faster network speeds to enhance the customer experience.

We have been a pioneer in a range of new products. These include high speed mobile broadband for internet and email access and femtocells to enhance customers' indoor 3G signals via their household broadband connection. We have also developed quality of service techniques which enable careful management of the assignment of capacity in our networks during the busiest times to enhance our customers' experience.

Vodafone mobile peak downlink speeds (Mbps)



Note:
(1) Market data sourced from Wireless intelligence and Strategy Analytics.

Vittorio Colao Chief Executive

Chief Executive's review

In a challenging economic environment our financial results exceeded our guidance on all measures, we increased our commercial focus, delivered our cost reduction targets ahead of schedule and maintained strong capital investment levels.

Financial review of the year

- **2010 financial results were ahead of guidance on all measures.**
- **Increased revenue contribution from our targeted growth areas in data, fixed line and emerging markets.**
- **Free cash flow generation of £7.2 billion, up 26.5%.**

We have made significant progress in implementing our strategy. We now generate 33% of service revenue from products other than mobile voice reflecting the shift of Vodafone to a total communications provider. In particular, mobile data and fixed broadband services continue to grow while we increased the contribution being made by our operations in emerging economies, primarily by gaining market share. We have reduced costs and working capital to manage better in the recessionary environment while maintaining investment in our networks.

As a result, Vodafone's financial results are ahead of the guidance range we issued in May 2009 and the upgraded guidance we issued in February 2010. The Group generated free cash flow of approximately £1 billion ahead of our medium-term target established in November 2008 even after adjusting for beneficial foreign exchange.

The economic situation has remained challenging throughout the year affecting our business in several ways. In our more mature European and Central European operations, voice and messaging revenue declined and roaming revenue fell due to lower business and leisure travel. In addition, enterprise revenue declined in Europe as our business customers reduced activity and headcount. However, results in Africa and India remained robust driven by continued, albeit lower, GDP growth and increasing market penetration. During the course of the financial year the impact of the global slowdown on the Group's financial performance has diminished somewhat with Group service revenue declining in the fourth quarter by only 0.2%[*], better than the preceding three quarters and the second successive quarterly improvement.

In the full year **Group** revenue increased by 8.4% to £44.5 billion, declining 2.3%[*] after excluding benefits from foreign exchange and acquisitions. The Group's EBITDA margin declined by 2.2 percentage points to 33.1%, in line with our expectations, primarily as a result of lower revenue in Europe and the greater weight of lower margin operations in emerging economies. Group adjusted operating profit was £11.5 billion, with a growing contribution from Verizon Wireless and foreign exchange benefits offsetting weaker performance in Europe.

Group free cash flow was £7.2 billion, up 26.5%, benefiting from significant improvements in working capital management and a deferred dividend from Verizon Wireless. This exceptional level of cash flow was generated whilst maintaining capital investment, developing fixed broadband services in Europe, funding the turnaround in Turkey and Ghana, and expanding in India.

At the year end we had 341 million proportionate mobile customers worldwide.

Europe service revenue declined by 3.5%[*]. Data and fixed line revenue growth was strong but this was more than offset by ongoing voice price reduction and lower volume growth in our core voice products. Europe's EBITDA margin declined by 1.0 percentage point, at about the same rate as the previous year, reflecting lower revenue, increased commercial activity, reduced cost and the increased contribution from lower margin fixed broadband. Operating free cash flow was strong at £8.2 billion.

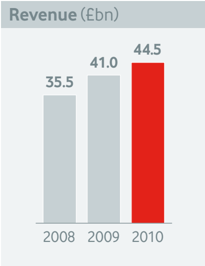
Africa and Central Europe service revenue declined by 1.2%[*], with good revenue growth at Vodacom and a much stronger result in Turkey being offset by the impact of weaker economies in Central Europe. The EBITDA margin declined by around 2 percentage points, due to lower profitability in Turkey where we have focused on investment in the network, distribution, driving market share and brand visibility.

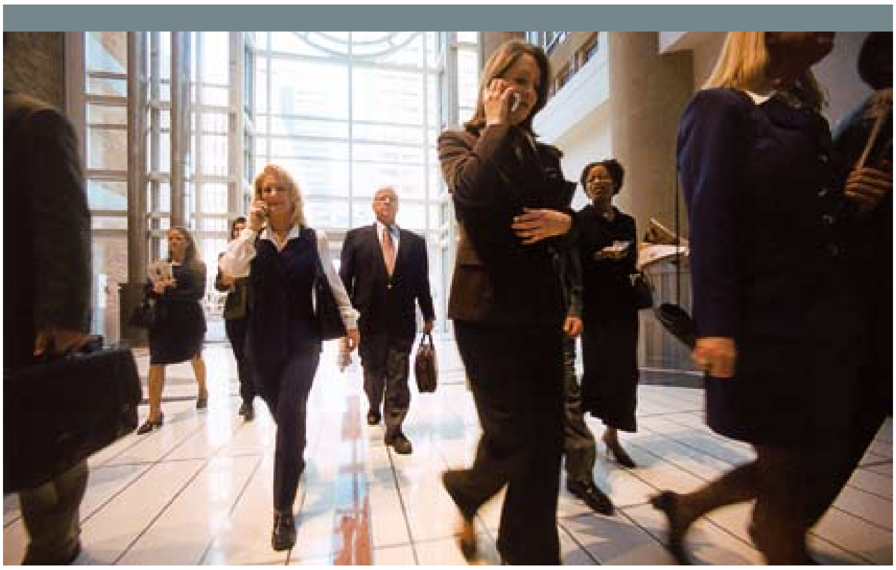
Asia Pacific and Middle East service revenue increased by 9.8%[*], reflecting another strong contribution from India where service revenue grew by 14.7%[*]. During the 2010 financial year we attracted 32 million customers in India and in March we exceeded the 100 million customer mark. In a very competitive pricing environment we were pleased to have confirmed our number two position in the market. Since Vodafone's entry into India in 2007, our performance has been strong. We have gained about 1 percentage point per annum in revenue market share, added 72 million customers, moved the business into operating free cash flow generation and launched Indus

Free cash flow

£7.2bn

up 26.5%





"We have improved our commercial focus and cost efficiency, with visible results."

Towers, the world's largest tower company with more than 100,000 towers under management. However the introduction of six additional national mobile licences one year after our entry and the resulting intense price competition have led to a £2.3 billion impairment charge. In Australia our joint venture company with Hutchison continues to perform in line with the merger plan with pro-forma revenue growth of 8%. The EBITDA margin for the region declined by 2.2 percentage points, primarily reflecting lower margins in India caused by the competitive pricing environment and operating investment in new circles.

Verizon Wireless posted another set of strong results for the financial year. Service revenue growth was 6.3%[(*)] driven by increased customer penetration and data, although price competition has increased and growth rates have slowed in the second half of the year. We have established joint initiatives with Verizon Wireless around LTE technology and enterprise customers during the year.

We maintained capital investment at a similar level to the previous financial year and invested £6.2 billion, consistent with our guidance in May 2009. Capital expenditure in Europe was slightly higher than in the 2009 financial year as we took advantage of our strong cash generation to accelerate investment in fixed and mobile broadband networks, and in services to enterprise customers.

Adjusted earnings per share was 16.11 pence, lower than last year primarily as the result of a one-off tax and associated interest benefit in the prior year. Excluding this, adjusted earnings per share increased by 6.6%.

Total dividends per share have increased by 7% to 8.31 pence with a final dividend of 5.65 pence per share, up 9% reflecting the strong cash performance of the Group.

Strategy

- **Cost reduction targets delivered a year ahead of plan.**
- **Strong revenue growth from data and fixed line services.**
- **Continued strong growth in emerging markets.**
- **Enhanced shareholder returns – new three year dividend target.**

Vodafone continues to evolve towards being a total communications provider, rebalancing mobile voice in mature economies with increasing revenue from broadband data services. We have also increased the proportion of revenue we generate from emerging economies. In parallel we continued to reduce our cost base to finance growth and commercial competitiveness primarily by leveraging our Group scale.

1. Drive operational performance

We have reinforced the commercial focus of our operating companies by emphasising relative market share of quality customers, exploitation of the data opportunity and expansion into converged services. Progress in all areas has become more evident in the second half of the year.

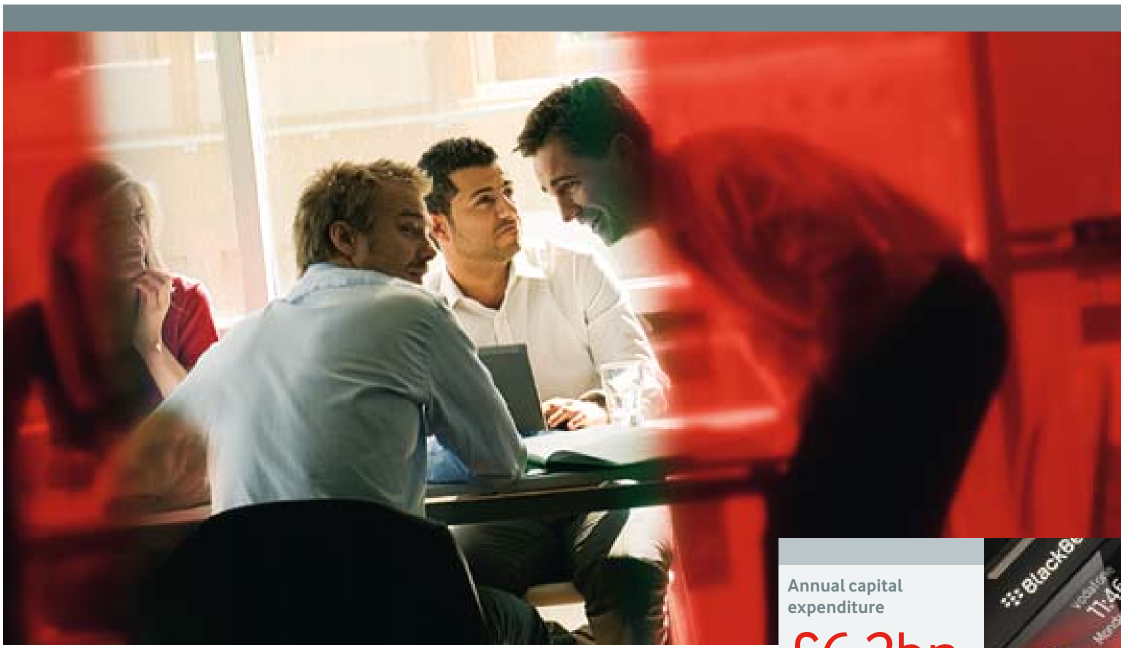
At the same time we accelerated our £1 billion cost reduction programme, announced in 2008, and delivered its full benefits one year ahead of plan. The majority of these savings were generated by our European operations and from cost reductions in our central functions. Despite growth in mobile voice minutes and a significant increase in data usage, Europe's overheads declined enabling commercial investment to be increased.

In November we announced a further £1 billion cost saving programme to be delivered by the 2013 financial year. This will help us to offset inflationary pressures and the competitive environment and enable us to invest in our revenue growth opportunities. Around half of these savings will be available for commercial reinvestment or margin enhancement.

We will continually update our programme to identify further ways in which the Group can benefit from its regional scale and further reduce costs in order to offset external pressures and competitor action and to invest in growth.

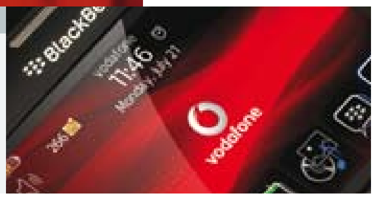
2. Pursue growth opportunities in total communications

Data revenue grew by 19.3%[(*)] and is now over £4 billion. In addition to driving continued growth in PC connectivity services, we have been particularly successful in increasing smartphone penetration across our customer base and in ensuring that smartphone customers subscribed for additional data services.



Annual capital expenditure

£6.2bn



During the financial year our active data users across the Group increased to around 50 million and within this the number of mobile internet users to around 31 million. These achievements, while significant, highlight the huge potential of data as we increase penetration of the remaining part of our 341 million proportionate customer base.

Fixed line revenue increased by 7.9%[*] during the year. We now have 5.6 million fixed broadband customers, an increase of around 1 million during the year. In Europe EBITDA margins of the fixed activities remained stable at around 14% and the business was broadly free cash flow neutral after capital expenditure of approximately £450 million.

Europe's enterprise revenue declined by 4.1%[*] during the year as a consequence of the significant impact of the economic downturn on our enterprise customers. In contrast Vodafone Global Enterprise, which serves our larger enterprise customers on a Group-wide basis, had a good year and delivered revenue growth of around 2%[*] demonstrating the strength of Vodafone services to multinational corporations. During the year we launched fixed mobile convergent products such as Vodafone One Net specifically for smaller and medium enterprise customers which will position us well for recovery in due course.

3. Execute in emerging markets

In India we have secured the number two position in the market by revenue despite fierce price competition stimulated by new entrants. Indus Towers is now the world's largest tower company with over 100,000 towers under management.

Vodacom increased service revenue by 4.6%[*] and maintained its leadership in South Africa. In Turkey service revenue increased by 31.3%[*] in the last quarter and 5.3%[*] in the full year. The turnaround plan has brought the company back to growth and we now have to focus on continuing this momentum in the forthcoming financial year.

While we look at opportunities to expand as they are presented, we remain cautious with respect to future footprint expansion. Our primary focus remains on driving results from our existing emerging markets.

4. Strengthen capital discipline to drive shareholder returns

Cash generation by the Group has been strong throughout the recession, reflecting significant cost reductions and the success of the Group wide working capital improvement plan in its first of two years.

During the year we returned approximately £4.1 billion of free cash flow to shareholders in the form of dividends. The remaining free cash flow was used to fund the Vodacom stake purchase completed in May 2009 and spectrum purchases in Turkey, Egypt and Italy. Net debt declined to £33.3 billion primarily as a result of foreign exchange movements. The Group has retained a low single A credit rating.

We now expect that annual free cash flow for the Group will be between £6.0 billion and £7.0 billion (using guidance foreign exchange rates) for the next three financial years ending 31 March 2013 reflecting the successful execution of the Group's strategy and our expectations for improving operating free cash flow from our emerging markets and fixed line investments.

The Board is therefore targeting dividend per share growth of at least 7% per annum for the next three financial years ending on 31 March 2013[1]. We expect that total dividends per share will therefore be no less than 10.18 pence for the 2013 financial year.

Performance-driven organisation

Significant changes have been made to the Group's internal structure, organisation and incentive systems in the last 12 months. Head office functions and management layers have been reduced significantly, simplifying our business processes and increasing the speed with which we can respond to the changing environment.

The specific responsibilities of Group Technology, Group Marketing and our local operating companies have been simplified, eliminating overlapping areas and coordination activities. We are also shifting progressively into incentive schemes which emphasise reward for competitive performance and cash generation.

Prospects for the year ahead[1]

- **Adjusted operating profit of £11.2 to £12.0 billion.**
- **Free cash flow in excess of £6.5 billion.**

We expect the Group to return to organic revenue growth during the 2011 financial year although this will be dependent upon the strength of the economic environment and the level of unemployment within Europe. In contrast, revenue growth in other emerging economies, in particular India and Africa, is expected to continue as the Group drives penetration and data in these markets.

Our strategy

The key focus of our strategy is to drive free cash flow generation. This is supported by four main objectives: drive operational performance, pursue growth opportunities in total communications, execute in emerging markets and strengthen capital discipline.

EBITDA margins are expected to decline at a significantly lower rate than in the 2010 financial year. This reflects the continuing benefit of the Group's cost saving programme which is enabling us to increase commercial activity and drive increased revenue in data and fixed line.

Adjusted operating profit is expected to be in the range of £11.2 billion to £12.0 billion. Performance will be determined by actual economic trends and the extent to which we decide to reinvest cost savings into total communications growth opportunities.

Free cash flow is expected to be in excess of £6.5 billion, consistent with our new three year target.

We intend to maintain capital expenditure at a similar level to last year, adjusted for foreign exchange, ensuring that we continue to invest in high speed data networks, enhancing our customers' experience and increasing the attractiveness of the Group's data products.

Summary

In an extremely challenging economic environment, we have improved Vodafone's commercial focus and cost efficiency with visible results.

We have made good progress in our growth areas – mobile data, broadband and enterprise – and exceeded our improved guidance, generating strong free cash flow of £7.2 billion. As a result of greater confidence in Vodafone's prospects and cash generation ability, the Board has adopted a revised dividend policy, delivering attractive growth for shareholders over the next three years[(1)].

Economic growth remains fragile in many of our largest markets but we remain confident that our strategy is creating a stronger Vodafone.

Vittorio Colao
Chief Executive

Notes:
(1) For guidance and dividend assumptions see page 37.
(2) Africa and Central Europe and Asia Pacific and Middle East.

> Drive operational performance

We aim to improve our performance through targeted commercial investment in high value customers, improved device portfolio and cost reduction.

Progress

- Increased smartphone penetration across our customer base.
- Capital investment of £6.2bn to enhance our product portfolio and network quality.
- £1bn cost reduction programme delivered a year early; a further £1bn programme now underway.
- Cost initiatives include: greater network sharing, efficiencies in customer self-service and streamlining of support functions.

Cost savings over last two years

£1bn

> Pursue growth opportunities in total communications

We have identified three revenue growth opportunities, mobile data, fixed broadband and enterprise services, which represent our total communications services.

Progress

- 19%[(*)] data revenue growth; driven by PC connectivity services and mobile internet usage.
- Fixed broadband customer base of 5.6m, up 1m.
- 2%[(*)] revenue growth in Vodafone Global Enterprise.

Mobile data users

50m

up 135% over the year

> Execute in emerging markets

In emerging markets we are focused on operational performance and driving the mobile data opportunity.

Progress

- Increasing revenue market share in India, Turkey and South Africa during the year.
- India now has 100m customers, up a record 32m during the year.
- Returned to revenue growth in Turkey driven by investment in the network, IT and distribution.
- 33%[(*)] data revenue growth in Vodacom.

Service revenue

32%

from emerging markets[(2)]

> Strengthen capital discipline

We are focused on enhancing returns to shareholders and have clear priorities for surplus capital.

Progress

- £4.1bn of free cash flow used to pay dividends.
- Total dividends per share of 8.31 pence, up 7%.
- Remaining free cash flow used to purchase spectrum and an additional 15% of Vodacom.
- New dividend target – dividends per share growth of at least 7% over the next three years.

Total dividends

8.31p

up 7%

Global presence

We have a significant global presence, with equity interests in over 30 countries and over 40 partner markets worldwide. The Group operates in three geographic regions – Europe, Africa and Central Europe, Asia Pacific and Middle East – and has an investment in Verizon Wireless in the United States.

> Europe

Our mobile subsidiaries and joint venture operate under the brand name 'Vodafone'. Our associate in France operates as 'SFR' and 'Neuf Cegetel', and our fixed line communication businesses operate as 'Vodafone', 'Arcor', 'Tele2' and 'TeleTu'.

Europe

Revenue(1)

£29.9bn

0.8% growth

Adjusted operating profit(1)

£6.9bn

2.9% decrease

Operating free cash flow(1)

£8.2bn

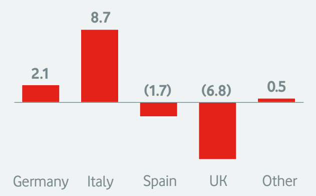
2.7% decrease

Capital expenditure(1)

£3.0bn

6.0% growth

Revenue growth (%)



(1) The sum of these amounts does not equal Group totals due to Common Functions and intercompany eliminations.

> Africa and Central Europe

Our subsidiaries in this region operate under the 'Vodafone' brand or, in the case of Vodacom and its mobile subsidiaries, the 'Vodacom' and 'Gateway' brands. Our joint venture in Poland operates as 'Plus' and our associate in Kenya operates as 'Safaricom'.

Africa and Central Europe

Revenue(1)

£8.0bn

45.9% growth

Adjusted operating profit(1)

£0.5bn

21.9% decrease

Operating free cash flow(1)

£1.1bn

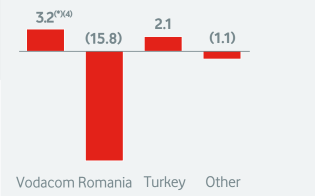
70.5% growth

Capital expenditure(1)

£1.4bn

61.1% growth

Revenue growth (%)



(2) Vodacom refers to the Group's interest in Vodacom Group Limited ('Vodacom') in South Africa and its subsidiaries, including its operations in the Democratic Republic of Congo, Lesotho, Mozambique and Tanzania. It also includes its Gateway services and business network solutions subsidiaries which have customers in more than 40 countries in Africa.
(3) The Group's customers for Vodacom include 17.1 million customers in South Africa.
(4) Vodacom became a subsidiary on 18 May 2009. The reported revenue growth was 150.3%.

Partner markets

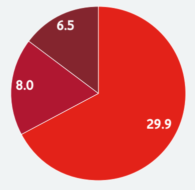
Partner markets extend our brand exposure outside the controlled operating companies through entering into a partnership agreement with a local mobile operator, enabling a range of our global products and services to be marketed in that operator's territory. Under the terms of these partner market agreements we cooperate with our partners in the development and marketing of certain services. These partnerships create additional revenue through royalty and franchising fees without the need for equity investment. Similar arrangements also exist with a number of our joint ventures, associates and investments.

The results of partner markets are included within Common Functions, together with the net result of unallocated central costs and recharges to the Group's operations, including royalty fees for the use of the Vodafone brand.

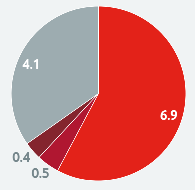
Partnership agreements in place at 31 March 2010, excluding those with our joint ventures, associates and investments, are shown in the table to the right.

Regions

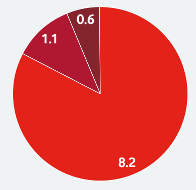
Revenue[1] (£bn)



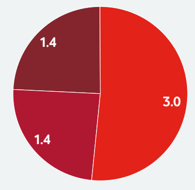
Adjusted operating profit[1] (£bn)



Operating free cash flow[1] (£bn)



Capital expenditure[1] (£bn)



- Europe
- Africa and Central Europe
- Asia Pacific and Middle East
- Verizon Wireless (US)

> Asia Pacific and Middle East

Our subsidiaries and joint venture in Fiji operate under the 'Vodafone' brand and our joint venture in Australia operates under the brands 'Vodafone' and '3'.

Asia Pacific and Middle East

Revenue[1]

£6.5bn

11.4% growth

Adjusted operating profit[1]

£0.4bn

35.6% decrease

Operating free cash flow[1]

£0.6bn

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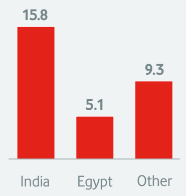
Capital expenditure[1]

£1.4bn

25.1% decrease

Revenue growth (%)



> Verizon Wireless (United States)

Our associate in the US operates under the brand 'Verizon Wireless'.

Verizon Wireless (US)

Revenue[5]

£17.2bn

22.3% growth

Adjusted operating profit[1]

£4.1bn

16.1% growth

Revenue growth (%)

(5) This amount represents the Group's share of Verizon Wireless' revenue and is not included in Group revenue as Verizon Wireless is an associate.

- Subsidiary
- Joint venture
- Associate
- Investment

Amounts on map represent proportionate mobile customers at 31 March 2010.

Country	Operator	Country	Operator	Country	Operator
Afghanistan	Roshan	Faroe Islands	Vodafone Faroe Islands	Russia	MTS
Armenia	MTS	Finland	Elisa	Serbia	VIP mobile
Austria	A1	Honduras	Digicel	Singapore	M1
Azerbaijan	Azerfon-Vodafone	Hong Kong	SmarTone-Vodafone	Slovenia	Si.mobile
Bahrain	Zain	Iceland	Vodafone Iceland	Sri Lanka	Dialog
Belgium	Proximus	Japan	SoftBank	Sweden	TDC
Bulgaria	Mobiltel	Latvia	Bité	Switzerland	Swisscom
Caribbean[1]	Digicel	Libya	Al Madar	Taiwan	Chunghwa
Channel Islands	Airtel-Vodafone	Lithuania	Bité	Thailand	DTAC
Chile	Entel	Luxembourg	Tango	Turkmenistan	MTS
Croatia	VIPnet	Macedonia/FYROM	VIP operator	Ukraine	MTS
Cyprus	Cytamobile-Vodafone	Malaysia	Celcom	United Arab Emirates	Du
Denmark	TDC	Norway	TDC	Uzbekistan	MTS
Estonia	Elisa	Panama	Digicel		

Note:
(1) Partnership includes Bermuda and the following countries within the Caribbean: Anguilla, Antigua and Barbuda, Aruba, Barbados, Bonaire, Curaçao, the Cayman Islands, Dominica, French West Indies, Grenada, Haiti, Jamaica, Samoa, St Lucia, St Kitts and Nevis, St Vincent, Trinidad and Tobago, Turks and Caicos Islands and British Guyana.