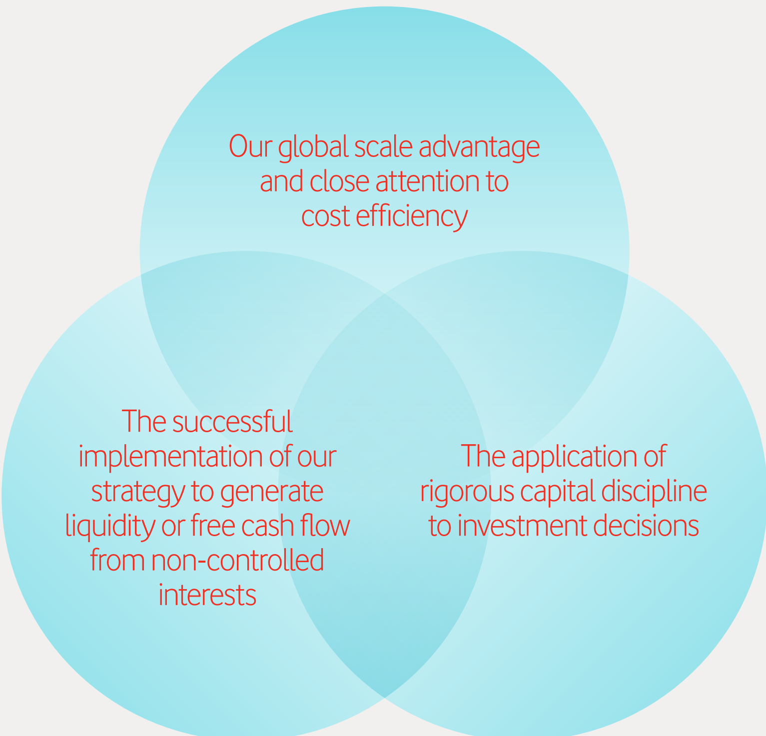
Maintaining our leading market position

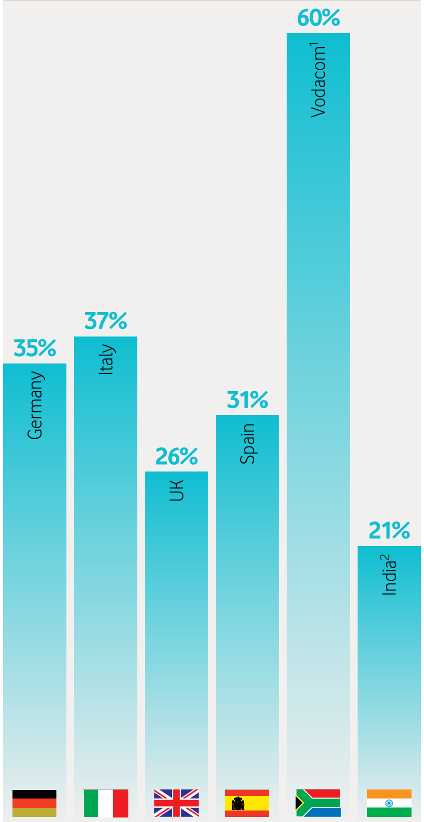
Vodafone is a high performing company with a leading market position. We are either the number one or number two mobile operator, when measured by revenue market share, in 14 out of 18 countries we operate in. We have outperformed our competitors by increasing market share in most of our key markets over the last year.

Our business is highly cash generative and in the last four years we have returned over 30% of our market capitalisation to shareholders in the form of dividends and share buybacks, while still investing around £6 billion a year in our networks and infrastructure.

Our leading performance is based on three core strengths:



Mobile service revenue market share in key markets March 2012



Notes:
1 Market share information relates to total revenue for South Africa which is Vodacom's largest business.
2 India: December 2011.

Deliver value and efficiency from scale

Vodafone is one of the world's largest mobile companies. Our networks support 404 million customers and carry nearly one trillion minutes of calls and 324 billion texts each year. Our scale enables us to secure considerable unit cost savings in various ways including purchasing, standardisation of processes, off-shoring activities to lower cost locations, outsourcing non-core activities to third parties and sharing common resources with other operators.

Purchasing

We use the Vodafone Procurement Company, the central Group procurement function based in Luxembourg to leverage our scale and to achieve better prices and more value.

Standardisation

We have developed one integrated data centre cloud across Europe and Africa and are well underway to extending it to Asia this year which enables us to operate highly resilient services and to be faster to market with our new services.

Off-shoring

We use shared service centres in Hungary, India and Egypt to provide financial, administrative, IT, customer operations and human resource services for our operations in over 30 countries which helps us to standardise and optimise the way we run our businesses.

Outsourcing

We have outsourced day-to-day network maintenance in ten countries enabling significant scale economies for the chosen supplier which are passed on to us in the form of lower costs.

Sharing

Over 70% of the new radio base station sites deployed this year were built as shared sites with other operators to reduce costs.

£0.9bn

In the last two years we have taken out some £0.9 billion from the cost base which has been used in part to offset inflationary pressures or cope with the volume of extra traffic on our networks. The net saving has been around £0.3 billion, which has been partly used to invest in commercial activities.

Generate liquidity or free cash flow from non-controlled interests

In 2010 we identified six non-controlled assets in which Vodafone was the minority partner, that would either be sold or from which we extract additional cash flow in order to fund profitable investment or enhance shareholder returns. Since 2010 we have made considerable progress in this strategy by raising a total of £17.7 billion from the sale of assets and additional dividends.

Businesses we have recently sold

In September 2010 we sold our 3.2% stake in China Mobile Limited for £4.3 billion.

In November 2010 we agreed to sell our remaining interest in SoftBank of Japan for £2.9 billion and the transaction was completed in April 2012.

In June 2011 we sold our 44% holding in SFR of France for £6.8 billion.

In November 2011 we sold our 24.4% share of Polkomtel in Poland for £0.8 billion.

Dividends received from our non-controlled assets

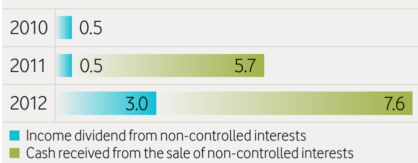
In January 2012 we received a £2.9 billion income dividend from our 45% interest in Verizon Wireless in the US. £2.0 billion of this was paid to Vodafone shareholders in the form of a special dividend. This was the first income dividend received since 2005.

Remaining non-controlled interests

We retain an indirect 4.4% interest in Bharti in India.

The proceeds raised from non-controlled interests are being used to fund the current £6.8 billion share buyback programme, of which £5.7 billion was completed at 31 March 2012.

Dividends and sale proceeds from non-controlled interests £bn



Apply rigorous capital discipline to investment decisions

We are focused on enhancing returns to our shareholders and are therefore careful how we invest shareholders' money. We apply rigorous commercial analysis and set demanding investment criteria to ensure that any investment, whether in existing businesses or acquisitions, will enhance value for shareholders. We remain committed to our target credit rating of low single A for long-term debt as this provides us with a low cost of debt and good access to liquidity.

Discipline of regular business reviews

We regularly review the cash needs of each of our existing businesses across the globe, taking into account their performance and competitive position. We make capital investments, such as for new equipment or spectrum, in our businesses to improve their performance and drive organic growth.

Returns to shareholders

We thoroughly review the best ways to provide returns to our shareholders. We have a target of increasing dividends per share by at least 7% a year until the financial year ending 31 March 2013. When we have surplus funds we consider additional returns to shareholders through special dividends or share buyback programmes.

Selective acquisitions

When managing capital we also consider whether to strengthen the Group by acquiring other companies to increase our operations in a particular market. All potential acquisitions are judged on strict financial and commercial criteria, especially whether they would provide meaningful scale in a particular segment, the cost of the acquisition and the ability to enhance the Group's free cash flow.

Returns to shareholders 2012 £bn