

Our strategy (continued)

Enterprise

We want to build on our core strength in mobile to become the leading communications provider for businesses across the world, whether large or small. We are focused on providing a range of mobile, fixed, hosting, cloud and other business services that are simple to use, worry-free and cost-effective.

Context

- Mobility increasingly sits at the heart of how organisations function, how they maximise their employee productivity and how they interact with their customers, suppliers and partners.
- Customers increasingly want more than just mobile solutions. Demand for unified communications and full service offerings, machine-to-machine and cloud and hosting is increasing, providing exciting new growth opportunities.

Where we are going

- We are building on our core strength in mobile and increasing capability in fixed to develop a portfolio of products and services, based on converged fixed and mobile solutions, to sell to businesses across the globe.
- Our strategy and investment is focused on: three high-growth product areas – unified communications, cloud and hosting and machine-to-machine; and three market segments – small- and medium-sized enterprises ('SMEs'), large and multinational corporates and carriers.

Mobile and unified communications

While the majority of our revenue still comes from mobile, we are increasingly providing unified communications services. The recent acquisitions of Cable & Wireless Worldwide ('CWW') and TelstraClear, combined with our existing fixed assets, enabled us to accelerate growth of our fixed and converged services, with 23% of our Enterprise revenue coming from fixed services, an increase of 12 percentage points over the year.

Vodafone One Net, our flagship converged offer which combines fixed and mobile services, is available to businesses of all sizes, from both small and medium up to global multinational companies and is live in ten markets.

Vodafone Global Enterprise ('VGE')

VGE delivers total communications services to some of the world's largest multinational companies. We currently serve around 1,700 companies and provide services in over 100 countries.

VGE simplifies operations for our customers by providing them with a single account and service team, a single multi-country contract, single pricing structures and a single portfolio of products and services. These are underpinned by our fully integrated fixed and mobile network, cloud-based hosting platforms, machine-to-machine capability and other business services.

Carrier Services

Our Carrier Services division manages the commercial relationships with other operators to support, in particular, international voice and data services. We are the second largest international voice carrier in the world, carrying 50 billion international voice minutes annually. We are one of the world's largest investors in submarine cables that reach more than 100 countries. We offer a broad portfolio of carrier voice and data products and work with over 1,000 communication service providers globally.

Machine-to-Machine ('M2M')

M2M technology connects "things" to the internet, transforming them into intelligent devices that exchange real time information – in effect enabling machines to talk.

Our M2M business serves customers across all market sectors, with specific focus on the key growth sectors of automotive, smart metering and consumer electronic products. M2M is growing rapidly and we have increased M2M connections from 12.0 million to 16.2 million in the year.

Connections in the global M2M market are expected to grow at an average of 24% per year between 2013 and 2018¹. We continue to be ranked as the market leader by a number of market analysts, including Analysys Mason and Machina Research.

Cloud and Hosting

Bringing together mobile, fixed, cloud and hosting services, we help organisations move their data and applications to the cloud, transforming the way they do business. Our capabilities mean we are well placed to capitalise on the global growth of cloud computing and the increasing technology and procurement link between hosting, cloud and connectivity.

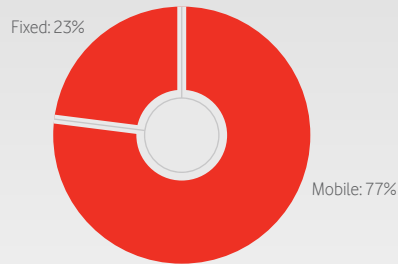
With the successful integration of our CWW operations, our Cloud and Hosting Services business now serves more than 1,200 public sector and enterprise customers in multiple regions. Our 14 data centres in the UK, Ireland and South Africa are complemented by a partner network of data centre facilities that allow us to serve multinational customers globally. Our services include co-location, managed hosting, private and public cloud services, messaging and software-as-a-service applications.

Note:

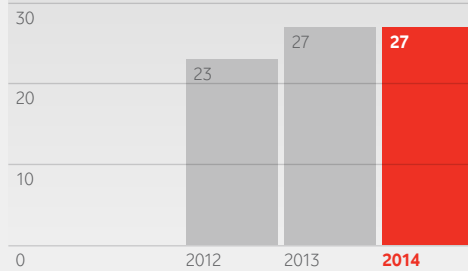
¹ Source: Berg Insight, The Global Wireless M2M Market, October 2013.

Vodafone enterprise service revenue 2014

%

**Share of Group service revenue**

%

**>40%**

Over 40% of service revenue in the UK and New Zealand now from enterprise customers

**M2M services for automotive customers**

We will provide automotive connectivity in new Volkswagen and Audi vehicles in Europe from next year, using an embedded SIM to provide customers with high-speed internet access on the road. We worked closely with Volkswagen to design the activation and service processes to their specific requirements.

Vodafone One Net Business

Vodafone One Net Business has helped ICT Networks in the UK reduce costs and free up its technicians' time by providing a simple and reliable virtual desk phone via their mobile – allowing technicians who are travelling and working remotely to be more accessible and responsive to customers and colleagues.

**Cloud and hosting**

We will provide cloud and hosting services to global software provider Synchronoss across Europe, with the ability to expand into the Middle East and the Asia Pacific region. Our solution leverages assets and knowledge acquired from CWW to help them deploy secure applications on a global scale.

