



INTERIM RESULTS VODAFONE ITALIA

Milan, November 15, 2005 – The Vodafone Group's interim results for the six months from April 1, 2005 to September 30, 2005 were announced today. The Vodafone Italia data in this release have been calculated by converting the Parent Company's proportionate figures (calculated in accordance with IAS/IFRS) into euros and adjusting them to bring them up to 100%.

Vodafone Italia's results for the six months to September 30, 2004 are proof of the Company's excellent performance, with improvements across all key economic and financial indicators.

"Vodafone Italia is leading the drive for growth in a market that is becoming more competitive every day," **declared Pietro Guindani, CEO of Vodafone Italia**. "Our revenue growth is built on the loyalty shown day-in, day-out by our customers, who now exceed 23 million. The performance of 3G telephony is highly significant. In six months the number of UMTS handsets and connect cards has doubled. Vodafone Italia's growth strategy," added Pietro Guindani, "is based on three cornerstones: innovations that are of use to customers and constant attention to service."

Vodafone Italia reports **total revenues** of €4,281m for the first half (up 5.3% on the same period of 2004), thanks to a 6% increase in **service revenues** to €4,126m. This reflects growth in the customer base and was achieved despite average cuts in interconnection charges of 20.5% from September 1, 2005.

Vodafone Italia now has **23,268,000 customers** (up 7% on September 30, 2004). The number of corporate customers continues to grow thanks to the positive impact of mobile number portability (MNP) and commercial offerings that include products such as the Vodafone Mobile Connect Card and Vodafone Passport. Customer retention initiatives and our focus on high value customers have limited growth in the total churn rate, which stood at 18% in September 2005 (up 1.6 percentage points).

At September 30, 2005 **UMTS handsets and connect cards** in use on the Vodafone network numbered **1,358,000** compared with 665,000 at March 31, 2005.

Summer promotions, which attracted over 4 million subscribers, stimulated both voice and message traffic. Total voice traffic rose by 5.5% on the first half of 2004, with a greater proportion of calls being between Vodafone customers.

Voice revenues rose 3.8% to €3,471m, whilst **data and multimedia revenues** were up by 18.9% to €655m. Message revenues rose 15.4% to €568m, whilst data revenues excluding messages increased 48.7% thanks to the success of UMTS services and growth in the number of **Vodafone live! customers**, to **3,681,000**.

Confirmation of the positive operating performance is provided by **EBITDA**, which is up 6% to **€2,307m**.



EBIT is up 7.5% to €1,765m.

ARPU (average revenues per user) is €30.1 for the six months ended September 30, 2005 (€30.3 in the same period of 2004).

The Vodafone One loyalty programme confirmed its success: subscribers have increased from 10.9 to 12 million between March and September of this year.