



VODAFONE ITALIA: THREE MONTHS ENDED DECEMBER 31, 2005

Milan, January 24, 2006 - The Vodafone Group today announced its quarterly results for the three months from October 1 to December 31, 2005. The figures for Vodafone Italia in this release have been calculated by bringing the proportionate data reported by the Parent Company up to 100%.

Vodafone Italia reports **23,688,000 customers** at the end of December 2005 (up 421,000 on September 30, 2005), recording further growth in new activations during the quarter compared with the same period of the previous year.

Organic **service revenue** growth (after stripping out the reduction in termination charges imposed by the Communications Authority) was approximately **4%** in the three months to December 31, 2005, compared with the same period of 2004. Taking account of the above cut in termination charges introduced from September 1, 2005, service revenues report a nominal decline of 1.7% .

Data and multimedia revenues rose **16.1%**, representing **17.4%** of service revenues over the three months to December 2005. This was up on the 14.7% recorded at the end of December 2004. **SMS revenues** were 12.8% ahead, whilst **non-SMS data revenues** increased by over **40%** compared with the same period of 2004.

The positive performance was achieved thanks to the increased number of **UMTS handsets and connect cards**, which numbered **2,234,000** at the end of December 2005 (up **64%** on September 30, 2005).

Vodafone Italia's **ARPU** for the quarter stands at €27.7, down 3% circa after excluding the cut in termination charges. If the measure introduced by the Communications Authority is taken into account, ARPU is down 8.3% on the same period of 2004.

At the end of December 2005 **Vodafone live!** customers numbered **4,524,000**.