

VODAFONE ITALIA: RESULTS FOR Q3 2006

Customers exceed 26 million
Organic growth in service revenue 4.9%
UMTS handsets double in one year

Milan, 31 January 2007 – (¹) Vodafone Italia has closed the three months ended 31 December 2006 with **26,188,000 customers** (up **10.6%** on December 2005), having achieved record net additions for the second quarter running (up 1,031,000 on 30 September 2006). The number of **UMTS handsets and Connect Cards has doubled** compared with the same period of the previous year, reaching **4,458,000 (up 99.6%)**.

Organic growth (²) in **service revenue** was **4.9%**, compared with the same period of the previous year, having accelerated further compared with the first and second quarters of the financial year. Nominal service revenue growth was also a satisfactory 1.7%.

Data and multimedia revenue was up **9.6%** on the same period of the previous year and accounted for 18.7% of service revenue. **Messaging revenue** was up **7.3%**, thanks to commercial initiatives designed to boost volumes, whilst **non-messaging data revenue** increased by over **16.9%** on the same period of 2005, reflecting strong growth in the numbers of UMTS handsets and Connect Cards in circulation. Voice traffic was again up over the quarter, rising **9.8%** compared with the same period of the previous year.

By the end of December, the **Vodafone Casa** offering had attracted **596,000 active customers**, representing an increase of 65% with respect to the end of September.

NOTE

¹ The Vodafone Italia figures in this release regard the three months from 1 October to 31 December 2006. They have been calculated by converting the figures announced by the Group, and prepared under IFRS, into euros on a non-proportionate basis.

² Organic growth excludes the impact of termination rate cuts introduced by the Communications Authority and the effects of changes to the accounting treatment of certain types of revenue, which are now reported less the related external costs.