



news release

VODAFONE ITALIA: RESULTS FOR Q1 2007

CUSTOMERS UP 17.3% TO OVER 28.3 MILLION

STRONG GROWTH IN DATA REVENUE (UP 19.4%) AND VOICE TRAFFIC (UP 16.2%)

SERVICE REVENUE DOWN 3.1%

Milan, 19 July 2007 – ⁽¹⁾ Vodafone Italia has closed the first quarter of 2007 (1 April to 30 June) with **28,315,000 customers**, registering **growth of 17.3%** on 30 June 2006. Net activations by new customers over the last three months amount to 949,000. The number of **UMTS handsets and Connect Cards** has reached **5,323,000**, marking an **increase of 66.5%** on the same period of the previous year.

Service revenue is 3.1% down due to a number of exceptional events relating to the elimination of top-up charges, the reduction in termination rates and changes to the accounting treatment of certain types of revenue ⁽²⁾. Together, the impact of these events has more than offset **underlying service revenue growth of 0.4%**.

Underlying service revenue growth was driven by significantly faster growth in **data and multimedia revenue, which is up 19.4%** on the same quarter of the previous year and accounts for **21.2%** of service revenue for the quarter. **Messaging revenue** is up **20.1%** compared with the previous year's first quarter, thanks to the success of the Infinity offering, which encourages customers to send more messages. **Non-messaging data revenue** also rose significantly, growing **17.5%** on the same quarter of 2006, helped by increased use of the Vodafone Mobile Connect Card and the Vodafone Internet Box.

Growth in total **voice traffic** was also significant, **rising 16.2%** in terms of minutes thanks to new prices, offerings targeted at specific customer segments and our focus on high value customers. This was achieved despite an overall reduction in the value of voice revenue, reflecting the above elimination of top-up charges and falling retail prices as a result of continued intense competition.

¹ The Vodafone Italia figures in this release regard the three months from 1 April to 30 June 2006. They have been calculated by converting the figures communicated by the Group prepared under IFRS into euros on a non-proportionate basis.

² As of the financial year ended 31 March 2007 there has been a change in the accounting treatment of certain types of revenue, which are now reported less the related external costs.