

VODAFONE ITALIA: INTERIM RESULTS FOR H1 2008

SERVICE REVENUE RISES 0.9%

MOBILE BROADBAND AND MULTIMEDIA REVENUE UP 36.8%

656,000 FIXED BROADBAND CUSTOMERS

Milan, 11 November 2008 (^[1]) - Vodafone Italia has closed the six months ended 30 September 2008 with 30,182,000 customers (up 3.5% on 30 September 2007), after the number of contract customers rose 34.0%. The first half has seen the launch of Vodafone's new fixed broadband services, offered alongside those of Tele2: customers for these services now total 656,000, marking an increase of 45.7% on last September.

Service revenue of €4,196 million is up 8.2% on the same period of 2007, partly thanks to the contribution from the recently acquired Tele2. On an organic basis** service revenue is up 0.9% on the six months ended 30 September 2007.

In terms of voice services, total voice minutes is up 11.8% on the same period of 2007, following the introduction of new prices, new offerings and the focus on high value customers. Despite this traffic growth, which has in part offset the impact of price cuts and reductions in termination rates, voice revenue of €2,821 million is down 3.1% on the first half of 2007.

The fall in voice revenue was offset by the healthy performance of data and messaging revenue, which is up 14.1% and accounts for 22.4% of service revenue. Messaging revenue is up 5.9% on the same period of 2007 thanks to commercial offerings designed to encourage customers to send more messages at increasingly lower prices. Multimedia and mobile broadband revenue rose significantly, with growth of 36.8%. This performance was partially driven by growing use of UMTS/HSDPA handsets, Vodafone Internet Key and connect cards, with a total of 8,736,000 devices registered on Vodafone's network at 30 September 2008. This is 42.9% up on the same period of the previous year.

EBITDA of €1,950 million is down 1.7%, or 2.6% on an organic basis**. This essentially reflects the cost of launching new fixed-line services and higher acquisition costs for high value contract customers, including both businesses and consumers. The EBITDA margin is 44.9%