



## RECORD INTERIM RESULTS AGAIN FOR VODAFONE ITALIA

**Customers (19,982,000) and ARPU (€355) both up**  
**Strong growth in total revenues (up 13%) and EBITDA (up 25%)**  
**Data and Multimedia revenues up 35%**  
**Revenues from services up 14%**  
**Number of staff exceeds 10,000**

*London, November 18, 2003* – The Vodafone Group's interim results **for the six months to September 30, 2003** were announced today. The Vodafone Italia data in this release, and in particular the figures for revenues and EBITDA (calculated in accordance with UK GAAP), have been calculated by converting the Parent Company's proportionate figures into euros and adjusting them to bring them up to 100%.

Vodafone Italia's results for the six months to September 30, 2003 are proof of the Company's excellent performance, with improvements across all key economic and financial indicators despite the high degree of penetration of the Italian mobile market and increased competition following the entry of a new operator.

Vodafone Italia reports **total revenues** of **€3,729m (up 13%** on September 2002) thanks to a **14% increase in revenues from services** to €3,574m. This was due to growth in the customer base and in ARPU. Revenues from the sale of mobile phones amounted to €155m.

**Data and multimedia** (SMS and MMS) **revenues rose 35% to €445m**, representing **12.2% of revenues from services** (compared with 11.3% as of March 31, 2003). This was down to the success of SMS and MMS, which chalked up growth of 32%, and data services (WAP, GPRS and WEB), which were up 126%.

Brand awareness of the single Vodafone brand, which was introduced in May 2003, is also excellent thanks partly to Vodafone Live!, which has attracted over 430,000 subscribers.

Further evidence of the Company's positive performance is provided by **EBITDA, which was up 25% to €2,041m**, thanks to both the increase in revenues from services and containment of operating and customer acquisition costs.

**The overall EBITDA margin** is therefore up from **49.5% to 54.7%** (1.4 percentage points of the rise are due to the judgment issued by the European Court of Justice regarding the illegality of the regulations introducing the contribution to be paid from telecommunications revenues pursuant to art. 20 of Law 448/98). Customer acquisition and retention costs fell over the period from 3.5% of revenues to 2.6%.

Vodafone Italia now has **19,982,000 customers** (up 3% on March 31) and has re-affirmed its leadership in terms of overall customer satisfaction, moving to first place in relation to price plan satisfaction. 92% of the customer base is represented by prepaid customers.

The total churn rate (the rate at which subscribers abandon an operator) is slightly down at 17%, despite the entry of a new operator into the market, and thanks to the success of the Company's Vodafone One loyalty programme, which has more than 9 million subscribers.

**ARPU** (average revenues per user) **is up from €347 to €355** per year for the twelve months to September 30. This is due to growth in both subscriber ARPU, which increased from €818 to €853, and prepaid ARPU, which rose from €298 to €304, resulting from the acquisition of high-value customers and targeted retention initiatives.

Vodafone Italia **employs** 10,017 people throughout the Company.