



VODAFONE REPORTS CONTINUING GROWTH

Total revenues up 7% to €8,159m
Data revenues up 19% to €1,143m
Customers up 6% to 22,502,000
ARPU at €29.9

London, May 24, 2005 – The Vodafone Group's annual results for the **period April 1, 2004 to March 31, 2005** were announced today. The Vodafone Italia data in this release have been calculated by converting the figures communicated by the Group (prepared in accordance with UK GAAP) into euros.

Vodafone Italia's results for the year ended March 31, 2005 are proof of the Company's excellent performance, despite the high degree of penetration of the Italian mobile market and growing competition.

Vodafone Italia reports **total revenues of €8,159m (up 7% on March 2004)** thanks to a **7% increase in service revenues** to €7,812m. This was achieved thanks to growth in the customer base and new offerings. Revenues from the sale of mobile phones and other income amount to €320m.

Vodafone Italia now has **22,502,000** customers (up 6% on March 31, 2004), with gross acquisitions exceeding the figure for last year and the churn rate only slightly up to 17.2%.

Vodafone live! customers now total **2,751,000 (up 169%)**.

ARPU (average revenues per user) is more or less **stable at €29.9** per month over the twelve months to March 31.

Voice revenues are up **6%** to €6,669m, thanks to significant growth in total voice minutes (up 12%) and benefiting from the launch of promotions such as Vodafone Infinity, which also drove the increase in SMS traffic (up 11%).

Data and multimedia revenues rose 19% overall to **€1,143m**, representing **14.6% of service revenues** (compared with 13.3% as of March 31, 2004). Data revenues, excluding messages, rose 85% to €129m, thanks to the positive contribution from the Vodafone Live! and Mobile Connect Card services.

Following the successful launch of consumer 3G services in November 2004, customers had registered 665,000 3G devices on Vodafone's network by the end of the financial year.

Vodafone Italia has continued to increase its share of the business market, with the number of customers rising 10%, partly due to the positive impact of mobile number portability. Data services recorded strong growth in this market, backed up by sales of the Vodafone Mobile Connect Card.

EBITDA is up 8% to €4,340m.

The **EBITDA margin** is therefore up to 53.2% (compared with the 52,6% of the previous year), despite increased competition.

Close attention to reducing the impact of direct and operating costs has more than offset increased investment in customer retention initiatives, focusing above all on the **Vodafone One loyalty** programme, which confirmed its success with **10.9 million** subscribers.

EBIT amounts to €3,310m(up 7%).