



OMNITEL VODAFONE: ANOTHER RECORD SIX MONTHS

Revenues of 2,837 euro for the six months to September 30 (up 17%), EBITDA rises 27% to 1,399 euro, with EBITDA margin up to 49%. Customers total 16.6 million.

For the sake of convenience, we hereby provide a summary of the press release issued on the occasion of the press conference called to present the Vodafone Group's results for the period April 1 to September 30, 2001 to the press and institutional investors.

The figures for total revenues and EBITDA have been calculated by converting Vodafone's proportionate figures into euro and adjusting them to bring them up to 100%.

Omnitel Vodafone's results for the six months to September 30, 2001 provide proof of the Company's excellent performance, reporting improvements across all key economic and financial indicators.

Total revenues for the period amounted to 2,837 million euro, posting an increase of 17% with respect to the same period of 2000.

EBITDA rose to 1,399 million euro (up 27%) thanks to increased revenues and a significant rise in the EBITDA margin, which rose from 45% to 49%. As a result, the margin calculated on revenues from services rose to 52%.

The improvement in the margin is due to the Company's ongoing attention to cost control.

During the period Omnitel Vodafone has strengthened its market position, increasing its customer base to over 16.6 million, representing growth of 22%.

Omnitel Vodafone has maintained its commitment to improving the quality of the services provided to its customers, focusing above all on the biggest users of its value added and data transmission services. In response to the high degree of competition in the market and the significant level of penetration of the mobile sector, Omnitel Vodafone has launched initiatives aimed at reinforcing customer loyalty via the OmniOne programme, which benefits both subscribers and prepay customers.

The overall churn rate rose from 14% during the 12 months to March 31, 2001 to 17% for the 12 months to September 30, registering a decline in the churn rate for subscribers (16% as opposed to 18%), whilst the rate for prepay customers rose from 13% to 17%.

Total ARPU amounted to 332 euro, with the figure for subscribers alone rising from 735 to 757.

The decrease in ARPU over the preceding months began to slow thanks to the stabilisation of voice traffic via SIM, and the revenue growth deriving from the launch of new and innovative products and services over the period.

The average acquisition cost per customer stood at around 38 euro, again one of the lowest levels among the Group's principal companies and down further from the 40 euro reported as of September 30, 2000.

Omnitel Vodafone remains among the Group's leaders in terms of revenues from SMS and data services. A total of 49% of customers now make use of the Company's SMS-based services (traditional and innovative). Over the 12 months to September 30, 2001, turnover from data services and SMS reached 7.3% of revenues from services (6.2% as of March 31, 2001). In September 2001 alone revenues from data and SMS traffic represented 8.8% of revenues from services.

Thanks to the gradual availability of handsets, Omnitel Vodafone launched its GPRS services for the consumer market during the period, following on from the earlier launch of corporate services.

The commercial launch of UMTS continues to be scheduled for the second half of 2002.