



## VODAFONE POSTS STRONG GROWTH IN H1

**TOTAL REVENUES UP 8% AT €4,066M,**

**DATA REVENUES UP 24% AT €551M,**

**EBITDA UP 6% AT €2,171M,**

**CUSTOMERS RISE 9% TO 21,686,000**

**VODAFONE LIVE! CUSTOMERS REACH 1,643,000**

*Milan, November 16, 2004* – The Vodafone Group’s interim results for the six months from April 1, 2004 to September 30, 2004 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 six months to September 30, 2004 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 growing competition.

“The six months to September 30, 2004,” *stated Pietro Guineani, CEO of Vodafone Italia*, “again saw high customer and revenue growth rates, above all in the data and multimedia segments. Despite increasingly intense competition,” *added Guindani*, “Vodafone Italia’s record for excellent customer satisfaction has enabled us to achieve two of our strategic goals for this phase of the market: to reduce the churn rate and boost both subscriber and prepaid ARPU.”

Vodafone Italia now has **21,686,000 customers** (up 9% on September 30, 2003). The total churn rate (the rate at which subscribers abandon an operator) for the 12 months to September 2004 is down to 16.5% compared with the 17.2% of the 12 months to September 2003.

Vodafone Italia reports **total revenues** of €4,066m (up 8% on September 2003) thanks to an 8% increase in **service revenues** to €3,894m, which benefited from growth in the customer base. **Revenues from the sale of mobile phones** and other income amounted to €173m.

**Voice revenues** are up 6% to €3,343m. **Data and multimedia revenues** (from SMS and MMS) rose 24% overall to €551m, representing 14.1% of service revenues for the 12 months to September 2004 (compared with 13.3% for the 12 months to March 2004 and 12.2% for the 12 months to September 2003). This was due to the success of text messages and a positive contribution from other data services, which saw 114% growth thanks to Vodafone Live! and the Mobile Connect GPRS and UMTS Data Card.

Further evidence of the Company’s positive performance is provided by **EBITDA**, which is up 6% to €2,171m.

The **EBITDA margin** is therefore down from 54.3% to 53.4%. This is due to increased interconnection charges, resulting from the growth in international roaming traffic, and greater retention costs. These cost increases were partially offset by ongoing improvements in operating efficiency.

**EBIT** is 6% ahead at €1,681m.

**ARPU** (average revenues per user) is €30.3 for the 6 months to September 2004 (€30.5 for the 6 months to September 2003). Annualised subscriber ARPU for the 12 months to September 2004 is up to €924 (€853 for the 12 months to September 2003), whilst prepaid ARPU is €306 (€304 for the 12 months to September 2003).

**Vodafone Live! customers now total 1,643,000.**

The Vodafone One loyalty programme confirmed its success with 9,940,000 subscribers.