

Voice revenue

£28.0bn

(2009: £26.9bn; 2008: £24.2bn)



## > Handsets

# Products and services

We offer a wide range of products and services including voice, messaging, data and fixed line solutions and devices to assist customers in meeting their total communications needs.

## Handsets

The core functionality and use of handsets continues to be voice and text messaging services. Many different tariffs and propositions are available, targeted at different customer segments, and include a range of unlimited usage offers which have been particularly appealing to customers.

With sophisticated handsets becoming readily available, customers are increasingly using their mobile phones to complement their lives in new and innovative ways. Data usage continues to grow rapidly fuelled by large numbers of intuitive internet enabled devices ('smartphones'), many with touch screens such as the iPhone and BlackBerry® Storm™, and transparent pricing available through our "internet on your mobile" unlimited browsing tariff. Instant messaging is available with Yahoo! and MSN and we offer integrated services from leading internet brand partners including YouTube, eBay, Google™ and Google Maps™.

Our partnership agreements with leading companies, such as RIM, Samsung and Google, have enabled us to be first to market with cutting-edge devices such as the BlackBerry Storm, Samsung H1 and Samsung M1 (our two tailor-made handsets that support our Vodafone 360 proposition) and Google Nexus One.

Available in 31 markets including partner markets, Vodafone branded devices are designed to meet a range of customer needs and preferences – from low cost phones offering simple voice and text, through fashion and design influenced, to competitively priced mobile internet devices with cutting-edge smartphone functionality including touch screen and mobile internet capability. During the 2010 financial year Vodafone launched its most affordable handset to date, the Vodafone 150, which retails for less than US\$15 unsubsidised, giving millions of people in emerging markets the opportunity to share in the benefits of mobile technology for the first time.

Our wide range of handsets covers all our customer segments and price points and is available in a variety of designs.

- 66 new models released in the 2010 financial year.
- 23 exclusive handsets launched.

## Smartphones

- A handset offering advanced capabilities including access to email and the internet.
- 24% of handset sales in Europe.
- All leading brands represented including iPhone in 14 countries.
- Launched two tailor-made Vodafone 360 handsets: Samsung H1 and Samsung M1.

## Vodafone branded handsets

- Enabling millions of people in emerging markets to share the benefits of mobile technology.
- Prices start from less than US\$15.
- 16 new models released under our own brand.
- Low cost combined with high-end features, such as touch screen and mobile internet capability.

## Vodafone branded handsets shipped

5.4m

(2009: 10.7m; 2008: 10.0m)



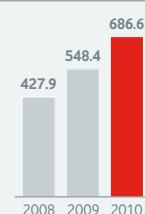
Product focus: Vodafone branded handsets  
Vodafone 845 (left) Android smartphone  
Vodafone 150 (right) ultra low-cost handset.

## > Voice & messaging services

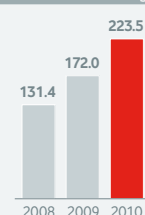
We provide value focused pricing through unlimited bundles of voice and text services.

- Voice services incorporate revenue for national, international and roaming calls.
- SMS services include text messages as well as multiple media, such as pictures, music, sound, video and text.

## Voice usage (billions of minutes)



## SMS usage (billions of messages)



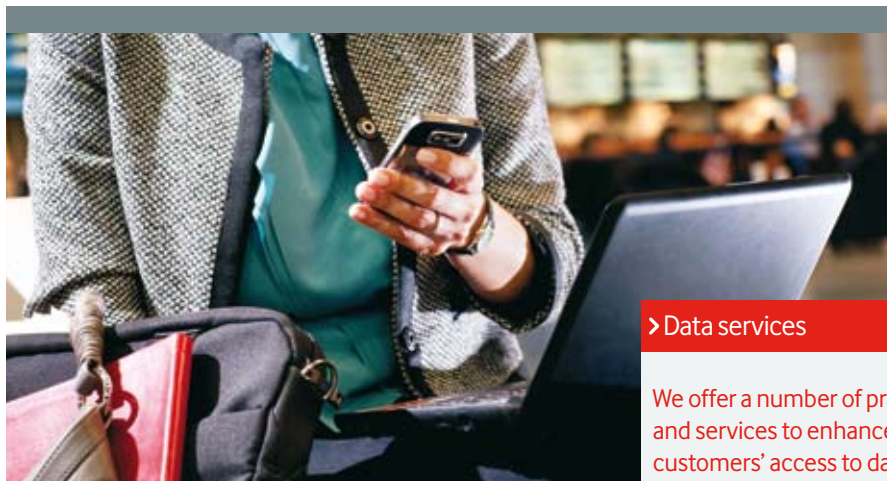
## Messaging revenue

£4.8bn

(2009: £4.5bn; 2008: £4.0bn)



Apple iPhone 3GS



## Total communications services

We have continued to diversify and expand the services we provide to assist customers in meeting their total communications needs. These include data services, such as mobile internet and mobile broadband and fixed services incorporating fixed line voice and fixed broadband.

### Data

We provide a range of data products including PC connectivity, internet services, applications and roaming.

PC connectivity services, available through Vodafone Mobile Broadband devices and certain handsets, provide mobile internet access for laptop, netbook and PC users. Vodafone Mobile Broadband provides simple and secure access to the internet and to business customers' systems. We have been at the forefront of deployment of HSPA+ networks and development of devices (such as USB modems) to support these speeds. We were the first to deploy high speed HSPA services (peak rate of 14.4 Mbps) in selected markets, such as the UK, and HSPA+ (peak rate of 21.6 Mbps and 28.8 Mbps) in selected markets such as Ireland, Portugal and Greece. USB sticks with exclusive designs and simple "plug and play" software continue to be very popular. A wide variety of laptop models are available with built in 3G broadband and Vodafone SIM cards.

Internet services enable users to access the internet on their mobile handset. Applications include email services with real time handheld access to email, calendar, address book and other applications. Data roaming allows customers to use our services on a mobile network when travelling abroad.

### Fixed

Our fixed service incorporates fixed broadband, offered mainly through DSL technology, and fixed line voice, which allows consumer and enterprise customers to make fixed line voice calls using Vodafone as their total communications provider.

The Vodafone DSL Router combines mobile and fixed broadband services. This means customers can connect immediately after purchase via the USB broadband modem and then later with fixed broadband when this has been provisioned. At this stage the USB modem can continue to be used with a laptop for usage outside of the home. During the year we have also launched Vodafone Sure Signal in the UK which, used in conjunction with home fixed broadband, provides customers with excellent indoor 3G coverage.



**Product focus: Vodafone Mobile Broadband USB modem**

Latest high-speed Vodafone USB modem, capable of supporting peak download speeds up to 28.8 Mbps.

## > Data services

We offer a number of products and services to enhance our customers' access to data services including access to the internet, email, music, games and television.

Organic data revenue growth

**19.3%**  
(2009: 25.9%; 2008: 39.0%)

### Data revenue

- Data, a fast growing revenue stream, now accounts for 10% of service revenue.
- 50m total data users, up over 100%, including 31m mobile internet users.
- Integrated services from leading internet partners including YouTube, Google and Google Maps.

### Data devices

- Four netbook models with built-in 3G broadband launched.
- Peak download speeds of up to 28.8 Mbps.
- 13m smartphone users in Europe, representing 11% of customers.
- First to launch a 21 Mbps USB stick in several markets in Europe.

PC connectivity users

**8.7m**  
(2009: 5.7m; 2008: 2.7m)

### Data revenue (€bn)



### Data traffic in Europe (petabytes)



## > Fixed services

We offer fixed voice and fixed broadband solutions to our customers' total communications needs.

- Fixed line services available in 13 countries in addition to Gateway.
- 5.6m fixed broadband customers, up 1m.
- Vodafone DSL Router launched in six countries.

### Fixed line revenue (€bn)



### Fixed broadband customers

**5.6m**  
(2009: 4.6m; 2008: 3.6m)



### Product focus: Vodafone DSL Router

The Vodafone DSL Router features instant activation and a back-up connection via the separate USB dongle.



Vodafone 360 is a new internet service for mobile, PC and Mac. It brings phone, email, chat and social network contacts together in one place. Vodafone 360 provides customers with access to games, music and thousands of applications as well as browsing the internet.

## Value added services

We have continued to diversify and expand the services we provide to our customers to meet their total communications needs.

### Consumer

During the 2010 financial year we launched an exciting new suite of services called Vodafone 360 particularly catering to the needs of customers wanting to be always connected both on the move and at home. This allows customers to keep all their contacts and content in one place and access the latest information available on the internet. Vodafone 360 integrates the latest updates from popular social networking sites, such as Facebook, so customers can stay instantly up to date with their friends' latest news.

The Vodafone 360 store gives customers the choice to download from over 8,000 applications ranging from checking the weather and news to the latest music and games. All the information, social contacts and content can also be seamlessly accessed online from PCs and Macs, in addition to handsets, allowing customers the freedom to connect via whichever channel is most convenient to them. Vodafone was the first operator to offer DRM-free bundles and now has the largest number of paid digital music subscriptions in Europe, with over 500,000 customers.

### Applications

Our range of total communications solutions provides customers with integrated office and mobile voice and data services, such as Vodafone Always Best Connected, an internet connection management software tool which manages connections across all network connection types including Mobile Broadband, Wi-Fi and LAN. This service allows customers to stay connected to the internet on the best available connection, simply and securely. The software provides a simple user experience for managing different connections in the office, at home, in a hotspot or on the move by automatically managing the switching between available connection types.



#### Service focus: DRM-free deals with all four major record labels in 2009

More than 500,000 customers signed up for music subscription services provided in partnership with all four major labels (EMI, Sony, Universal and Warner), making us the largest provider of paid digital music subscription services in Europe.

### > Applications

**We provide a wide range of additional services to customers.**

- **Vodafone Email Plus, Windows Mobile® Email from Vodafone and BlackBerry from Vodafone provide enterprise customers with real time handheld access to email, calendar, address book and other applications.**
- **Vodafone PC Backup and Restore enables users to remotely store data securely and automatically via their internet connection.**
- **Full track music down loads with more than 2m songs available.**

**4.5m**

Mobile email users, up 29%

#### PC Backup and Restore



Enables PC users to store data securely and automatically, allowing access to files and documents at any time from any computer with an internet connection, whether fixed or mobile.

#### Vodafone Money Transfer



The Vodafone Money Transfer system is available in three countries with 13 million customers moving US\$3.6 billion during the year. We expect to roll-out the service to further markets later this year.

#### Vodafone Money Transfer customers (millions)

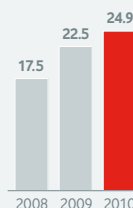


### > Roaming services

**Our roaming services allow Vodafone customers to make calls and use data services on other operators' mobile networks whilst travelling abroad.**

- **Over the last three years we have reduced the cost of voice roaming by 38% in Europe.**
- **Vodafone Passport enables customers to "take their home tariff abroad" offering greater price transparency and certainty.**

#### Vodafone Passport customers (millions)







#### Mobile broadband solutions

7 Causes is a marketing consultancy with a difference. Based in the Netherlands, they've changed the way they work with clients. Out went expensive office space and long commutes. Instead they bought a bus and turned it into a mobile office complete with Vodafone mobile broadband. So now instead of wasting time travelling, they can work on the move and see more of their clients and their own families.

## Enterprise

We continue to add value to our enterprise customers, building on our core mobile business and leading the way with a range of services where applications and data are secured and hosted in the Vodafone network or "cloud". In addition, we are providing mobile internet bundles for smartphones, mobile email (BlackBerry, Microsoft ActiveSync and Vodafone Email Plus) and mobile broadband via a range of innovative devices, such as the Vodafone Mobile Wi-Fi, a portable mobile broadband powered Wi-Fi hub, and class leading USB dongles, embedded laptops and netbooks.

As we embrace the convergence of mobile and fixed networks our customers are seeing the value it brings to their business through a range of convergent services. Building on our success in Italy and Spain with our cloud-based office phone solution, Vodafone One Net, the service is expected to be launched in Germany and the UK during the 2011 financial year. The service provides enterprise customers of all sizes with advanced office desk phone functionality integrated with their mobile services.

Our partnership with Microsoft has enabled us to combine these converged services with the Microsoft online suite, providing our customers with hosted email and productivity tools as well as conferencing and collaboration services in a single package. The services have launched successfully in Germany and Spain.

Vodafone Global Enterprise ('VGE') manages the relationships with over 550 of our largest multinational corporate customers. VGE simplifies the provision of fixed, mobile and data services for MNCs who need a single operational and commercial relationship with Vodafone worldwide. It provides a range of managed services, such as central ordering, customer self-serve web portals, telecommunications expense management tools and device management coupled with a single contract and guaranteed service level agreements.

Within VGE, our machine-to-machine ('M2M') business unit provides MNC customers with global capabilities for M2M services through a single platform and a global numbering range. The business has achieved major customer wins in both the automotive and smart metering sectors. VGE has continued to expand both its footprint and the services it provides to our customers and now has dedicated resources in India and Africa, both growing areas for VGE's services. For the fourth year running VGE has extended its position in the Gartner Magic quadrant report to become the clear industry leader.

Share of Europe  
service revenue from  
enterprise services

30%



#### Product focus: Vodafone One Net

Provides small and medium-sized business with just one number for their fixed and mobile calls.

## > Enterprise services

**Vodafone offers total communications solutions for a wide range of enterprise customers from small businesses to large multinational companies.**

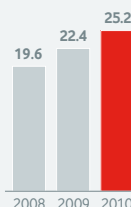
#### Vodafone One Net

- **Vodafone One Net brings together fixed and mobile communications in one system. It means that every user can have just one number for their desk phone and mobile, and one voicemail box for their messages.**
- **For a fixed cost per employee, customers can get business quality internet and email, a mobile and/or desk phone for every user, with advanced call management features and unlimited calls between all their company phones whether fixed or mobile.**

#### Vodafone Unified Communications

- **An integrated communications solution in partnership with Microsoft which provides a customer with just one interface for all of their communications, enabling employees to access emails, share documents and files, access calendars, hold web and video conferences and exchange instant messages from any location and using almost any device.**

#### Enterprise mobile voice connections (millions)



#### Business managed services

- **As customers look to improve their efficiency they are increasingly looking to Vodafone to take control of their technology for them.**
- **Business managed services provide fully managed solutions which bring together every aspect of a customers' telecommunications infrastructure, both fixed and mobile, into a single management view.**
- **Services include logistics, cost control, and security and online management portals offering single-sign-on.**

#### Machine-to-machine

- **Machine-to-machine ('M2M') communication allows businesses to automate the capture of data, perform real-time diagnostics and repair and to control assets remotely.**
- **We support M2M solutions ranging from location monitoring of vehicles and remote patient monitoring through to supporting real-time secure payments and providing real-time inventory reports for retailers, corporate and MNC segments.**



#### Product focus: Vodafone Mobile Wi-Fi

Provides a personal Wi-Fi network for up to five users.