News Release
Mumbai, November 10, 2015

VODAFONE INDIA HALF YEAR FY16 RESULTS

- Robust service revenue growth, healthy EBITDA margin% and strong cash flows
- Data continues to drive growth, contributing to 18.9% of service revenues (Q2FY16)
- 3G powers Data growth contributing to over 62% of data revenues and data volumes
- Enterprise business contributes around 15% of VIL service revenues
- Geared up to launch 4G services on superior 1800Mhz in 5 circles beginning Dec 2015
- Sustained capital investment focusing towards network expansion and future growth areas
  - Amongst the largest global networks with 132,000+ sites
- India significant contributor to Vodafone Group
  - Largest data traffic market by volume
  - 3rd largest contributor to Group Service Revenues

<table>
<thead>
<tr>
<th>Key H1FY16 KPI’s</th>
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<tr>
<td>SERVICE REVENUE (EXCL. REGULATORY IMPACT) AT INR 22,902 crores UP BY 11.2%</td>
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<tr>
<td>DATA (BROWSING) REVENUE AT INR 3,979 crores, UP BY 55.9%</td>
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<td>IMPROVING EBITDA MARGIN AT 29.7%</td>
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Vodafone India, one of the leading total telecommunication service providers in the country announced its Half Year results (IFRS) for the six month period ended September 30, 2015

Key Financial Highlights: Vodafone India Standalone figures

**Strong Financial Performance**
- Consistent and robust revenue growth; service revenue (excluding regulatory impact) of INR 22,902 crores in H1FY16 vs. INR 20,601 crores in H1FY15, a growth of 11.2%
- Revenue performance driven by customer additions, stable ARPU and robust growth in data revenues
- EBITDA at INR 6,534 crores in H1FY16 vs. INR 6,121 crores in H1FY15; a healthy EBITDA margin at 29.7%, led by higher data revenue and scale benefits
- Strong Operating Free Cash Flow (OFCF) at INR 2,922 crores in H1FY16 vs. INR 830 crores in H1FY15
- Sustained capital investments of INR 3,627 crores in H1FY16; (16.5% of revenues) driven by significant investments in new site roll-out to deliver superior customer experience and growth in key focus areas

**Good Momentum in Operations**
- A base of 188.2 million customers (growth of 8.2% YoY) serviced through a network of 132,446 total sites, of which 39,774 are 3G sites
- Substantial rural presence with a customer base of over 99 million in H1FY16 (53% of total customer base)
- Consistently growing Revenue Market Share (RMS) at 22.4% (Q1FY16); gain of 0.4% YoY
- Service Revenue ARPM at 49.4 paisa and Voice ARPM at 33.4 paisa (both Q2FY16)
- Stable Service Revenue ARPU at INR 204 (excl. regulatory impact) in Q2 FY16; supported by good quality of subscribers with active subscriber base (VLR) at 94.6% (Aug ’15 exit)
- Robust performance by strategic business areas with Data (Browsing) revenues contributing to 18.9% and Vodafone Business Services now contributing to around 15% of Service revenues (both Q2FY16)

**Vodafone Business Services (VBS) – a Robust, fully structured, Total Telecommunications Service Provider**
- Expanding customer base to ~7 million mobility customers (Sept ’15 exit)
- VBS growing at double the industry growth YoY, led by strong growth in fixed line and in SME business
- Making strong foray into Machine-to-Machine solutions and investing in Cloud Infrastructure
- Actively engaged with Public Sector Enterprises and State Governments contributing to the vision of Digital India and setting up of smart cities
Robust Performance in Data Driving Growth

- Data (Browsing) revenue at INR 3,979 crores in H1FY16, 55.9% growth YoY
- Strong uptake of Data continues with 42.6 million Data users with greater than 1MB usage (Sept ‘15 exit)
- 75% growth in 3G users to 23.8 million (Sept 15 exit) from 13.6 million (Sept 14 exit), reflecting the focus on 3G
- 3G revenues grew by 102% YoY, contributing to over 62% to data (browsing) revenue and volume
- Data usage/sub (for users >1MB) at 618 MB/month and 3G usage/sub at 754 MB/month (both Q2 FY16)
- Data usage and revenue growth led by higher smartphone penetration at 57% YoY (Sept ‘15 exit)
- Continued to drive data usage through strategic partnerships with handset manufacturers and application providers to provide innovative value propositions and better customer experience

M-Pesa, a new currency for India - Driving Financial Inclusion

- Pan-India footprint, largest business correspondent in the country with around 97,000 authorized agents (greater than 80% of all bank branches in India), of which 58% are in rural areas (Sept ‘15 exit)
- A base of over 3.9 million registered accounts/customers, doing over 160K transactions/day.
- Money Transfer transactions contribute over 65% of overall transactions
- M-Pesa App with over 300,000 downloads acting as a key business differentiator, to enable convenient payment of bills & recharging on the move
- Engaged with Government bodies and enterprises enabling financial inclusion and e-commerce
  - M-Pesa pension disbursements in Haryana to retired Government employees
  - Tie-up with Rajasthan Grameen Aajeevika Vikas Parishad (RGAVP) to empower women in Village Orgn/Self Help Groups
- RBI’s in-principle Payment Bank license will enable Vodafone M-Pesa to offer a more comprehensive portfolio of banking and financial products and services, accelerating India’s journey into a cashless economy

Other Highlights

- Geared up to launch new 4G services on the superior 1800 MHz band in 5 Circles (Mumbai, Delhi, Kolkata, Kerala and Karnataka) beginning Dec 2015
- Offering customers the best offer on iPhone 6s and iPhone 6s Plus with fully built Vodafone RED 1299 plan free for six months from time of purchase, voice and data benefit of INR 8885
- Launched Vodafone Doubles – Double Data and Double Validity offering great value to customers
- Vodafone India is now amongst the largest retailers in the country with 9,880 branded retail stores, covering over 1.56 million sq. and attracting more than 115 million footfalls annually
- Launched ‘Connected Farming in India’ Report and Farmers’ Club initiative ‘KisaanMitr’ to enhance productivity of small landholders.

Awards and Recognitions

- Ranked No 1 in Telecom and in Top 25 ‘India’s Best Companies to work for’ - Great Places to Work
- VBS recognized as ‘Best Enterprise Service Provider’ for the 5th year in a row – Frost & Sullivan Telecom Awards 2015
- Awarded ‘Client of the Year’ across different brand and marketing categories - Big Bang Awards 2015
- Recognition for ‘Driving customer empowerment through gamification’ – Voice & Data Telecom Awards 2015

Sunil Sood, Managing Director and CEO, Vodafone India commented:

“We continue to deliver healthy double digit underlying revenue growth of 11.2% and further enhanced EBITDA margin to 29.7%. Driven by the strong uptake in data, our 3G revenues grew 102% YoY. We will launch our 4G services beginning December 2015 in 5 circles that are key to our data revenues and will continue to expand our own 3G coverage to 16 circles across the country. A robust and resilient network architecture with strong backhaul is being built to support the increasing volumes and need for speed from both retail and enterprise customers. We remain committed to fulfill the evolving needs of our customers and leverage our global experience plus rich understanding of India to play a meaningful role in enabling Digital India.”
Key Financial Summary

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<th>VIL standalone</th>
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<tr>
<td></td>
<td>H1FY16</td>
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<tr>
<td>Service revenue (excluding regulatory impact)</td>
<td>22,902</td>
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<tr>
<td>Service revenue (including regulatory impact)</td>
<td>21,883</td>
</tr>
<tr>
<td>o/w Data browsing revenue</td>
<td>398</td>
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<tr>
<td>Total revenue</td>
<td>21,965</td>
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<tr>
<td>EBITDA</td>
<td>6,534</td>
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<td>EBITDA margin (%)</td>
<td>29.7%</td>
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<tr>
<td>Capital expenditure</td>
<td>3,627</td>
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<tr>
<td>Capital Intensity</td>
<td>16.5%</td>
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<tr>
<td>OFCF</td>
<td>2,922</td>
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* Net Debt for Vodafone India standalone for H1FY16 is around INR 768 billion

### Customers

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<th>H1FY16</th>
<th>H1FY15</th>
<th>YoY%</th>
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<tr>
<td>Mobile customers (million)</td>
<td>188.2</td>
<td>173.8</td>
<td>8.2</td>
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<tr>
<td>Data users (million) (&gt;1MB usage)</td>
<td>42.6</td>
<td>33.2</td>
<td>28.4</td>
</tr>
<tr>
<td>Data users (million) (&gt;0Kb usage)</td>
<td>66.5</td>
<td>57.2</td>
<td>16.4</td>
</tr>
<tr>
<td>3G users (million)</td>
<td>23.8</td>
<td>13.6</td>
<td>75.4</td>
</tr>
<tr>
<td>Churn% (annualized)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Contract</td>
<td>21.1</td>
<td>21.0</td>
<td>0.1</td>
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<tr>
<td>Prepaid</td>
<td>55.7</td>
<td>53.9</td>
<td>1.8</td>
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<tr>
<td>Total</td>
<td>53.3</td>
<td>51.7</td>
<td>1.6</td>
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Notes to Editors:
- Vodafone India financials represent Vodafone India standalone only
- Service Revenue growth % adjusted for regulatory impact (MTR, Roaming & ST) in H2FY15 and H1FY16
- Data KPIs’ are restated for >1MB data users i.e. with > 1MB data usage on GPRS or 3G network in the last month
- Data revenue refers to pure browsing revenue now includes international outgoing data revenue Total Data Users (> 0Kb usage) is at 66.5mn
- Disclosure of Voice ARPM from H1FY15 (Mobile Voice revenue/Total Mobile Minutes)
- Net Debt is inclusive of intercompany loans from shareholder
- M-Pesa’, Vodafone RED are the trademarks of Vodafone Group
About Vodafone India

Vodafone India is a fully owned subsidiary of Vodafone Group Plc., which is one of the world's largest telecommunications companies. Making its entry into India in 2007, Vodafone today has built an ever growing, robust business in highly price sensitive and competitive market. Serving around 188 million customers, Vodafone provides innovative, customer friendly and differentiated products and services through a wide scale distribution and exclusive retail footprint - backed up with a modern, technologically advanced network for both voice and data. With 9,880 branded retail stores, covering over 1.56 million sq.ft. and attracting more than 115million footfalls annually, Vodafone India is now amongst the largest retailers in the country actively engaged in the holistic development of India's rapidly growing retail sector.

Vodafone Business Services, the enterprise arm of Vodafone, provides total telecommunications solutions across both mobility and wireline platforms and enables Global Enterprises, National Corporates, SME's and Government segments to communicate, collaborate and connect. With the advantage of its global expertise and knowledge of local markets, Vodafone India is well poised to significantly expand the Government's capacity to deliver benefits and outcomes for citizens, governments and businesses. Vodafone endeavours to be a steadfast partner in the Government’s efforts towards Digital India.

Vodafone India provides customers with a new currency in the form of M-Pesa - the world renowned mobile wallet and money transfer service, which was ranked Number one in Fortune’s ‘Change The World’ list of technology initiatives influencing lives. Vodafone M-Pesa is an innovative, safe and secure mobile wallet that enables complete suite of services like money transfer, bill payments, and recharge on the move from the mobile. It caters to all segments of the society, from the unbanked to the under banked and to the net-savvy and evolved customers. Today, with a pan-India distribution of over 97,000 agents and more than 3.9 million customers, Vodafone M-Pesa is the largest business correspondent in the country and is playing a vital role in enabling financial inclusion and m-commerce. The in-principle payment bank licence by RBI acts as an impetus and will enable Vodafone M-Pesa to build on this further and offer a more comprehensive portfolio of banking and financial products and services, accelerating India’s journey into a cashless economy.

A value based organization; Vodafone is committed to achieving the highest standards of Health, Safety and Well-being for its employees and business partners. As a responsible corporate, Vodafone India has been working with several partners from the social sector to address some of India’s most pressing challenges over the years. Sustainability for us is an ongoing journey as we firmly believe that what is good for the society is good for business. The Vodafone Foundation too is actively engaged in CSR by harnessing the potential of mobile services and technology to maximize impact within communities, especially in the domains of m-Women, m-Agriculture, m-Education and Disaster Relief.

Vodafone is one of the world’s largest telecommunications companies and provides a range of services including voice, messaging, data and fixed communications. Vodafone has mobile operations in 26 countries, partners with mobile networks in 57 more, and fixed broadband operations in 17 markets. As of 30 September 2015, Vodafone had 454 million mobile customers and 12.5 million fixed broadband customers. For more information, please visit: www.vodafone.com.

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