

News Release

Delhi, November 14, 2012

Vodafone India H1 FY 13 Results

Double digit revenue growth, backed by robust margin improvement

Revenues at INR 174 billion up by 13.5%

EBITDA up by 26% at INR 50 billion

Vodafone India, one of India's leading telecommunication service providers announces its half year (H1) IFRS results for the **six month period ended September 30, 2012**

Key Financial Highlights: Vodafone India (includes 42% of Indus)

STRONG FINANCIAL PERFORMANCE

- Steady growth continues; Service revenue of **INR 174,189 million** in H1 FY13 vs. **INR 153,538 million** in H1 FY12, a growth of **13.5%**
- Robust performance backed by wide distribution and prudent pricing
- EBITDA at **INR 49,930 million** in H1 FY 13 vs. **INR 39,638 million** in H1 FY12, a margin improvement of **2.8 ppt** from **25.6%** to **28.4%**
- Margin improvement delivered by leveraging scale benefits and driving operating efficiencies

ROBUST OPERATIONAL PERFORMANCE DESPITE CHALLENGING INDUSTRY CONDITIONS

- Servicing a base of **153 million** customers through a network of over **112,900** sites
- Increased rural penetration; **73** million rural subscribers
- Highest incremental revenue market share of **30.3%** in Q1 FY13 (YoY)
- Focus on quality of subscribers, active subscriber base at **90%** (H1 FY 13 exit)
- Data continues to show traction; Data users at **32 million**¹
- Browsing revenue at **INR 8,751 million** in H1 FY13, **50%** growth YoY
- Continued focus on data supported by innovative and strategic partnerships with terminal and application providers
- Strong cash flow conversion with Operating Free Cash Flow (OFCF) at **INR 33,773 million** in H1 FY13 vs. **INR 24,298 million** in H1 FY12
- Capex spend of **INR 17,047 million** in H1 FY13 vs. **INR 24,261 million** in H1 FY12 due to cautious site rollout in view of regulatory uncertainty and challenging economic conditions

¹ *The definition of data customers was further refined in H1 FY13*

OTHER HIGHLIGHTS

- Crossed **10% RMS** in **5 of 7** new circles (Q1 FY13)
- Most Advocated Telecom Brand – Highest Net Promoter Score (NPS) over **9** quarters
- Announced strategic alliance with ICICI Bank to launch '**m-pesa™**' – a **unique mobile money transfer and payment service**.
- Vodafone Plc.'s acquisition of Cable & Wireless to enhance enterprise portfolio

Marten Pieters, Managing Director & CEO, Vodafone India commented:

"We continue to show a healthy growth with a strong financial performance resulting in remarkable margin improvement of 2.8ppt YoY (H1). The industry continues to be under pressure owing to a challenging economic environment and regulation. Despite these challenges, we remain focused on enhancing our profitability and our long-term commitment to differentiate ourselves with a strong brand, the best quality network, unique distribution and great customer service."

Notes to Editors:

1. **Vodafone India represents Vodafone India standalone, its subsidiaries and proportionate consolidation of Indus (@42%)**
2. **New circles include Orissa, Bihar, MP, Assam, North East, J&K and HP**

About Vodafone India

Vodafone India is a member of the Vodafone Group and commenced operations in 1994 when its predecessor Hutchison Telecom acquired the cellular license for Mumbai. The company has operations across the country serving 153 million customers. Vodafone India has firmly established a strong position within the Vodafone Group too, making it the largest subscriber base globally. This journey is a strong testimony of Vodafone's success in a highly competitive and price sensitive market.

Vodafone India in its long-term commitment to India has been providing innovative, customer friendly and reliable products and services by continuously differentiating itself with a strong brand, best quality network, unique distribution and great customer service. The company was awarded for its Rural innovation for Value Services by a leading business daily. At the India Retail Forum 2012, the company received the 'Best Modern Retailer award' in the mobile and telecom category. The company has been recognized as one of the 'Best Employer of Choice' in telecom sector by 'Great Places to Work' and in another survey conducted by Nielsen; Vodafone India was the only telecom player in the Top 10 'Most Exciting Youth Brands' in India. The company has also received the award for the Value services -Rural Innovation category for its Low Balance Services at the Telecom Awards by a leading business daily. Vodafone Business Services received the "Best Enterprise Service Provider" at the Frost & Sullivan Awards 2012. On the technology front, the company has also won the iCMG Enterprise & IT Infrastructure Global Excellence Award for its Business Intelligence (BI) transformation project.

At Vodafone, sustainability is an integral part of the company's mission and strategy, shaping the conduct of business every day. In 2011, in line with its Group philosophy, Vodafone India became the first telecom operator in India to release a Corporate Sustainability Report for India – Footprints. Vodafone India has also been awarded the prestigious "Golden Peacock Award" for corporate social responsibility for 2012.

Vodafone Group is one of the world's largest mobile communications companies with over 407 million customers as on September 30, 2012. Vodafone currently has equity interests in over 30 countries across five continents and more than 40 partner networks worldwide. **For more information, please visit www.vodafone.com.**

For Further Information, please Contact:

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Annexure 1
Key Financial Summary

All India (VIL + 42% Indus)			
INR million	H1FY12	H1FY13	YoY%
Service revenue	153,538	174,189	13.5%
Total revenue	155,116	175,813	13.3%
EBITDA	39,638	49,930	26.0%
EBITDA margin%	25.6%	28.4%	2.8ppt
Capital expenditure	24,261	17,047	-29.7%
OFCF	24,298	33,773	39.0%

* Net Debt for Vodafone (excluding Indus) for H1 FY13 is around INR 300 billion

All India (VIL + 42% Indus)			
Service revenue breakup (INR million)	H1FY12	H1FY13	YoY%
Voice	118,778	136,462	14.9%
Messaging	7,871	6,393	-18.8%
Data	12,908	14,511	12.4%
<i>Data- Browsing</i>	<i>5,842</i>	<i>8,751</i>	<i>49.8%</i>
<i>Data- Others</i>	<i>7,066</i>	<i>5,760</i>	<i>-18.5%</i>
Fixed line	428	767	79.4%
Other service revenue (includes Indus @42%)	13,554	16,055	18.5%
Service revenue	153,538	174,189	13.5%

Customers	H1FY12	H1FY13	YoY%
Mobile customers in '000s (exit Sept '12)	144,992	152,665	5.3%
Churn% (annualized)			
Contract	22.1%	21.0%	1.1ppt
Prepaid	62.1%	77.6%	-15.5ppt
Total	60.2%	74.8%	-14.5ppt