



THE MARKET

The use of mobile phones has grown dramatically in recent years, with mobile communications growing faster than the Internet in many countries. In Australia, there are now over 11 million mobile phone customers.

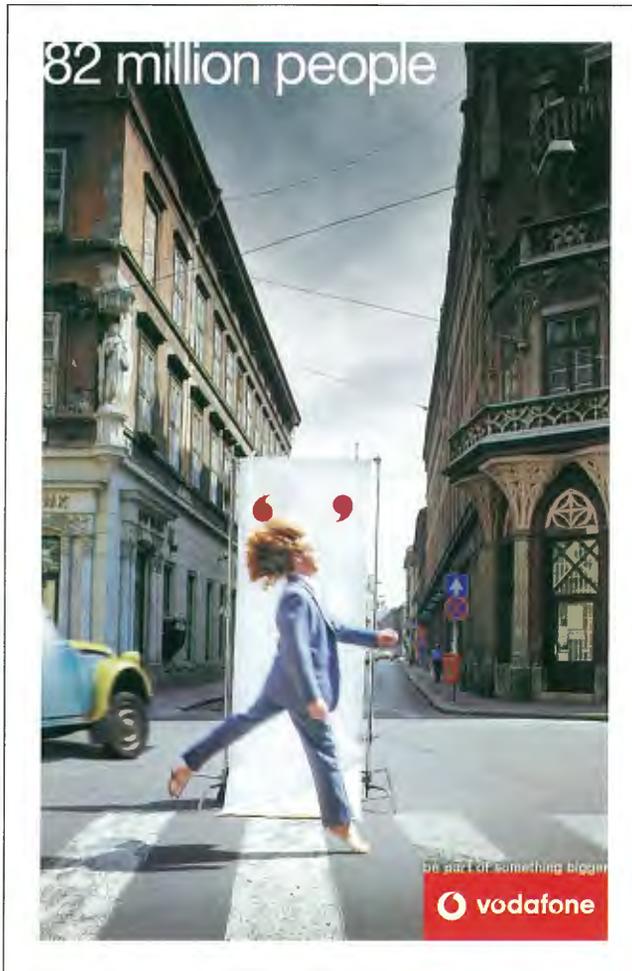
Prepaid products have driven the recent growth in the mobile market, and the developments in wireless technology that allow internet access have driven the market further. The mobile phone is no longer just a means of talking; it is a way of accessing a whole raft of information. As such it has become a valuable addition to today's lifestyle.

ACHIEVEMENTS

Vodafone won Australia's third mobile licence in 1992 and began actively marketing its digital mobile service in 1993. Since then, the company has grown to represent a 19 per cent share of the country's mobile market, with more than two million customers.

Vodafone has been the first carrier to market with a number of innovative products and services, including:

- first with prepaid
- first with WAP services for prepaid customers
- first integrated GSM/satellite service using Globalstar
- first fully integrated wireless Internet portal (My Vodafone)
- first to offer its prepaid customers 'send and receive' access to SMS



- first with one second billing.
- first with unique 1-2-3 mobile information service

In July 2001, Vodafone Australia received an award for its 'Where's My Nearest' service in the

MIS Innovation Awards 2001. The awards are run by MIS (Managing Information Strategies) Magazine and aim to showcase inspired use of technology in Australia. One of Vodafone's most popular WAP services, 'Where's My Nearest', uses location-based technology which can pinpoint the customer and their mobile, enabling the service to provide a list of facilities within their immediate area direct to the screen of the customer's handset.

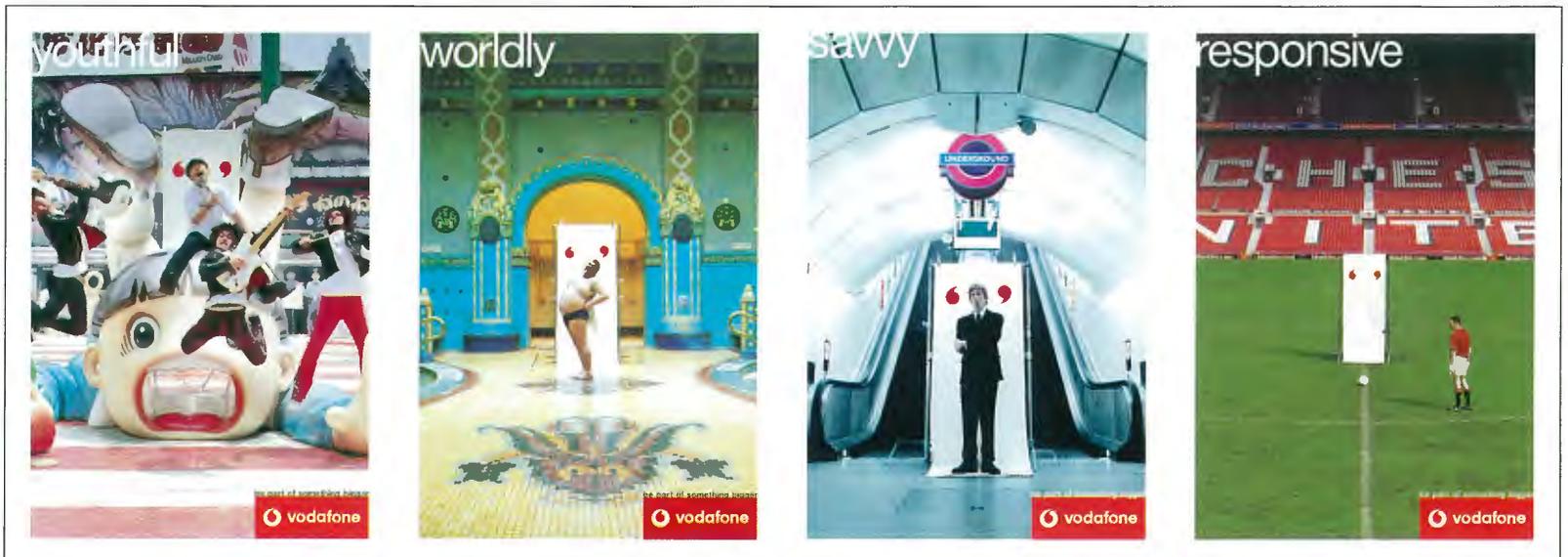
HISTORY

Vodafone Group plc, a UK company, was originally formed as Racal Telecom to bid for a UK cellular licence and the right to offer mobile services. The licence was granted in April 1983 and the service opened on 1st January 1985 with a call made from London's Trafalgar Square to Vodafone's head office in Berkshire. In 1991 Vodafone demerged from Racal Electronics, and on 30th June 1999 merged with AirTouch Communications, a leading US-based international mobile business. In March 2000 Vodafone AirTouch acquired German company Mannesmann and it was agreed that the company's name would return to Vodafone Group plc to help create one of the top ten companies in the world.

Today, Vodafone Group plc is the world's largest mobile telecommunications company with more than 95 million proportionate customers and with interests in mobile telephone networks in 28 countries over five continents.

THE PRODUCT

Vodafone Australia operates the Group's Australian



network and makes cellular airtime available to service providers. The company owns and manages more mobile communications stores than any other carrier in Australia, with more than 130 wholly-owned stores (under the brand names Vodafone, Planet Vodafone and Digicall) selling Vodafone products and services exclusively. The company has more than 14,000 retail points of presence in Australia, consisting of authorised service dealers, retail outlets and company owned stores.

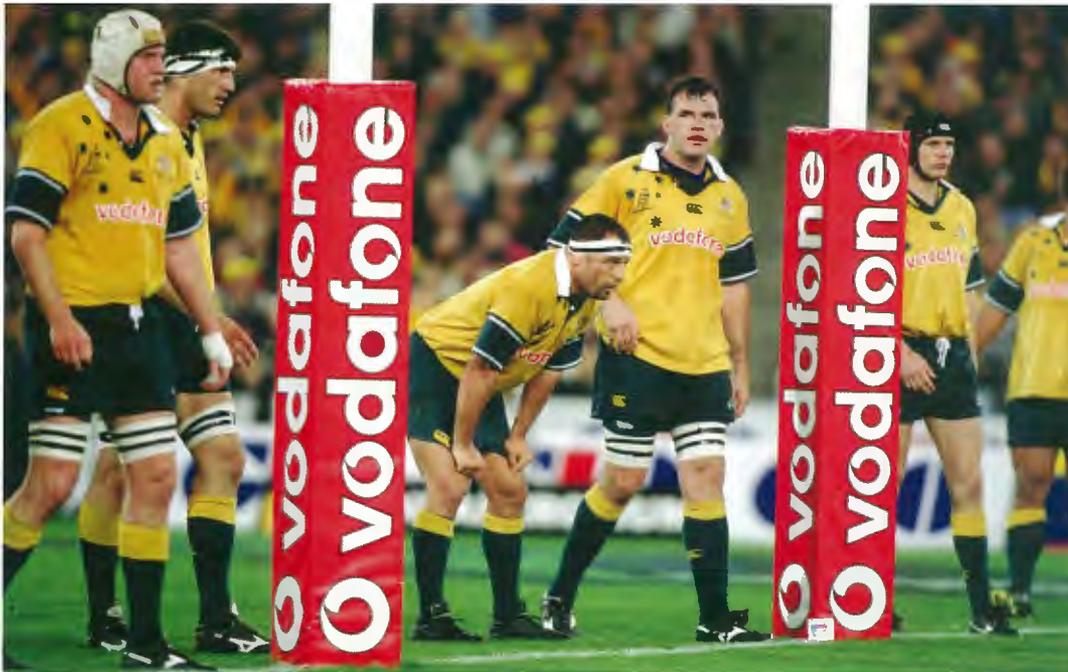
Vodafone is Australia's only telecommunications carrier dedicated to mobile. By leveraging the company's global scale, scope and expertise, it benefits from working with the world's 'best of breed' networks to develop a wide range of mobile products, services and applications.

My Vodafone (www.vodafone.com.au/myvodafone) is Vodafone's powerful mobile data and Internet service that gives customers access to personalised information, news and entertainment and caters for all their messaging needs. My Vodafone works on most existing handsets and services can be accessed using SMS, fixed line PC Internet connection or a WAP enabled handset.

RECENT DEVELOPMENTS

In October 2001, Vodafone took a radical step to change the face of the mobile industry in Australia. With the introduction of No Plans, Vodafone offers its customers an alternative way of choosing a mobile phone with no lock-in contracts, no minimum monthly spend, no confusing call plans and simple flat rates. No Plans offers simplicity and freedom to Vodafone customers, and is the first stage in an ongoing move to remove the barriers of price plans, payment methods and long-term contracts previously associated with the mobile phone industry.

Vodafone Australia was recently awarded a Federal Government tender to bring mobile phone coverage to 9,500 kilometres of rural and regional highways across eastern Australia, from Townsville down to Sydney, through Melbourne, Hobart and across to Adelaide. The coverage will not only benefit the millions of people that use the highways each day, but also the communities and businesses in the surrounding areas, many of which have previously had little or no mobile phone coverage. When completed in 2002, the project will also enable inter-carrier roaming, allowing all mobile phone



users in Australia to benefit from the extended coverage.

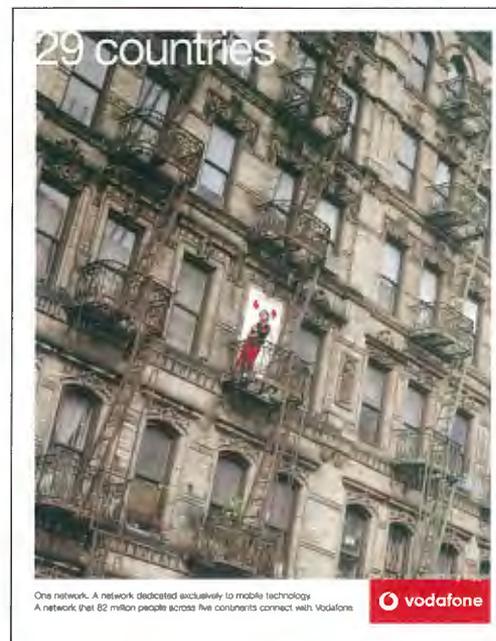
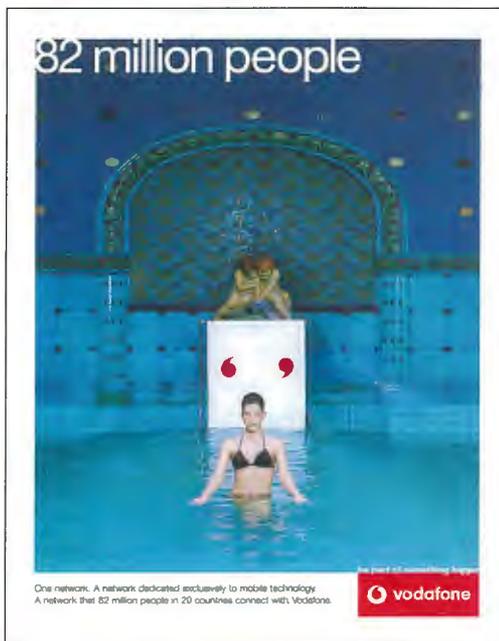
The My Vodafone wireless Internet portal has expanded to offer customers a wide range of services, designed to inform, entertain and

promotions such as No Plans and My Vodafone.

Vodafone also helps build awareness of its brand through sponsorship of Australia's national rugby union team, the Vodafone Wallabies, and through naming rights of the Vodafone Arena in Melbourne.

In 2001 the Wallabies scooped every major trophy in the sport and, through developing a comprehensive program of leveraging opportunities, Vodafone now has the highest brand awareness through sponsorship in the mobile industry.

Vodafone's sports sponsorship around the world also extends to the Manchester United football team, the England Cricket team and, starting in January 2002, the Ferrari Formula One team – Vodafone's first global sponsorship.



organise. My Vodafone enables customers to receive information anytime, anywhere and to tailor that information to suit their individual lifestyle requirements. From news, share updates and weather reports to sports results and games, the service offers something for everyone.

PROMOTION

Vodafone Australia burst onto the advertising scene in the mid-'90s with its memorable 'Kramer' campaign. The popular character from the Seinfeld show brought major brand recognition to Vodafone as the 'new kid on the block' in Australia, and defined the company's status as a major player in the competitive Australian mobile communications industry.

By 2001, the market had changed significantly, with a number of smaller mobile players opening for business in Australia and contributing to an even greater and potentially more confusing array of plans and payment methods for consumers.

In mid-2001, Vodafone adopted a major brand relaunch with the introduction of its new 'be part

BRAND VALUES

Vodafone recently adopted a new set of brand values, designed to reflect its position as a global player whilst also focusing on its local knowledge and understanding of the Australian market. There are five brand values, namely Worldly, Youthful, Savvy, Responsive and Visionary.

THINGS YOU DIDN'T KNOW ABOUT VODAFONE

- The name Vodafone was devised from the first two letters of the words 'voice' and 'data'. This is as relevant now as it was in 1985.
- A quarter of all the world's mobile users are connected to a Vodafone network.
- If all Vodafone Group customers linked hands the line would stretch from London to Sydney and back again.