



THE MARKET

The use of mobile phones in Australia has grown dramatically in recent years with about 14.3 million people using a mobile phone. Mobile phone penetration is around 72 per cent and mobile phones now far outnumber fixed lines.

The Australian market is extremely competitive, with strong growth in pre-paid services - around three out of four new mobile phone services connected in 2002-03 were pre-paid rather than post-paid contracts.

Customers are increasingly seeking multimedia services such as picture and video messaging, 3D games and polyphonic ringtones, with a corresponding increase in demand for compatible handsets. In addition, the new wave of data services is blurring the lines between telecom and IT. In short, mobile is changing the way people communicate every day and Vodafone is at the front of this revolution.

ACHIEVEMENTS

Since Vodafone launched its service in 1993, it has captured an 18 per cent share of Australia's mobile market, with 2.67 million customers.

Vodafone has continually led the Australian mobile market with innovations such as:

- Vodafone live! - a unique series of next-generation colour and picture-based services such as real-time access to news, entertainment, sports, games and more, all in full colour.
- Simple competitive offerings – such as

Vodafone red SIM, which gives customers the flexibility to tailor their mobile phone to suit their needs by choosing either great value call rates, free TXT or 365 day call credit expiry. Customers also get capped Vodafone to Vodafone calls.

- PXT and Video PXT – picture and video messaging to all networks.
- Per second billing.
- 123 Vodafone's exclusive 24/7 information service.
- IMEI blocking to protect customers from mobile theft.
- Removing handset subsidies and challenging the industry to cease locking pre-paid handsets.
- Mobile Connect Card – a wireless solution for businesses of every size allowing customers to access their company's LAN, the Internet, collect and send emails and send TXT messages from their laptop computers.

In 2003, Vodafone received Australian Telecom Magazine's Mobile Operator of the Year award. Vodafone is focused on simplifying offerings, providing customers with the flexibility to choose the services and prices that suit them.

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 1 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 30 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 ten largest companies in the world.

Today, Vodafone Group Plc is the world's largest mobile communications company with equity interests in 26 countries, and partner networks in a further 13 countries – leaving an unmatched global network footprint. Vodafone Group Plc has more than 130.4 million proportionate customers worldwide.

Vodafone Australia acquired its mobile carrier's licence in December 1992. In September 1993, it began operations as Australia's third mobile licence holder, being at the time the only network committed to digital technology with a GSM service.

Vodafone Australia has a customer base of more than 2.67 million customers and is 100 per cent owned by UK based Vodafone Group Plc.

THE PRODUCT

Vodafone Australia's network covers 92 per cent of the population, delivering state-of-the-art mobile services to customers around the country. Vodafone's network uses GSM technology, which is the global standard for mobile telecommunications. In Australia, over 95 per cent of mobile customers use GSM technology.

Vodafone Australia is breaking new ground to deliver freedom to customers. The company is doing this through innovative new products and services such as Vodafone live!, red SIM and wireless business solutions.

Vodafone live! was launched in April 2003, bringing the world of pictures, games, ringtones and mobile Internet to Australia for the first time. With over 4.5 million Vodafone live! customers worldwide, it is leading the world in multi-media mobile services. The global Vodafone live! interface provides customer access to real-time sports, entertainment, horoscopes, news and weather – all in full colour, whenever and wherever they want. Customers can also send and receive picture and video messages and download the latest games and ringtones.

Vodafone red SIM offers customers the choice of great-value call rates or lots of free TXT to everyone, anytime on any network. With red SIM, customers now have the choice of customising their mobile phone plan to their individual needs.

123 is Vodafone's exclusive 24/7 personal concierge information service, which provides customers with access to up-to-the-minute news, weather, movie guides and reviews, directions, sports scores, trivia and more.

Vodafone Australia has increased its retail presence to more than 10,000 points including Vodafone branded stores, specialist dealers and major retailers such as Tandy, Harvey Norman, Kmart, and Priceline.

Vodafone's Mobile Connect Card is a wireless solution for businesses of every size. Business

customers can now wirelessly access their company's LAN (Local Area Network), collect and send emails, access the Internet and send TXT messages from their laptop computers while on the move.

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

RECENT DEVELOPMENTS

In February 2004, Vodafone live! reached a significant milestone with more than 100,000 Australian customers connected to the leading multi-media service since its April 2003 launch. There are currently more than 4.5 million live! customers worldwide.

Vodafone red SIM has experienced success in the Australian market with its simple and competitive offering allowing customers to personalise their mobile phone to their individual needs.

Vodafone intends to be a leader in 3G technology globally. Within Australia, Vodafone recently announced a significant multimillion-dollar investment in the deployment of 3G services by mid-2005, following trials in Europe.

PROMOTION

Vodafone has built a strong brand presence in Australia with its successful advertising, marketing, PR and sponsorship campaigns.

Vodafone shook up the Australian mobile market with the launch of the bold red SIM marketing campaign and also Vodafone live!. The integrated campaigns were executed through national TV, radio, cinema, press and outdoor advertising, as well as below-the-line and media relations support.

Through its global sponsorship of the Ferrari Formula One team, Vodafone has a strong association with the Australian Grand Prix, which is held in Melbourne each year.

Vodafone live! was the official partner of Robbie Williams' December tour of Australia. Vodafone live!

customers were able to access a Robbie Williams mini-site with exclusive Robbie Williams polyphonic ringtones, backgrounds, and PXT greeting cards to personalise their mobile phones.

The company also sponsors the AFL team Port Adelaide Power, the soccer team Perth Glory and the Vodafone Arena in Melbourne.

Vodafone's sports sponsorship around the world extends to some of the leading names in global sport including Manchester United football team, David Beckham, the England Cricket team and the Ferrari Formula One team.

BRAND VALUES

What makes Vodafone Australia really special is that it is a values-based organisation. This means the core values of the company are the focal point for all operations and decision-making, with staff invited to regular workshops to track progress and revisit how their behaviour aligns with bringing the values to life in the customer experience.

The values are separated into two categories. Foundation values (how you and I interact) – excellence, supportive, fair dinkum and fun, and inspirational values (how we differentiate ourselves from other businesses) – hungry, gutsy and different. These values are all linked together by the Vodafone Global drives of passion for people, customers, results and the world around us.

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.
- A Vodafone Australia employee, James Trusler, holds the Guinness World record for TXT messaging. James set a new record of 2 minutes 6 seconds for a 160 character TXT message.
- The Vodafone Australia Foundation is a charitable trust, which contributes approximately \$1 million each year to help Vodafone and its people contribute to the Australian community and make a difference to the world around them.