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## **Vodafone ends relationship with Australian Rugby Union**

### **Lack of international exposure fails to deliver value**

Vodafone Australia announced today that after a long, loyal and successful association with Australian rugby, it will be ending its six year sponsorship of the Vodafone Wallabies and seven year involvement with the broader rugby community.

Grahame Maher, Chief Executive Officer of Vodafone Australia commented, "The ARU's expectation of Vodafone to continue to invest similar amounts over the coming years to sponsor the Wallabies was hard to justify given the lack of international exposure over the next two years, as compared to the previous four.

"Furthermore, we have some serious concerns over the continuing conflicts that exist between team sponsors and international events. Like many other global rugby sponsors, this became evident to us during the 2003 Rugby World Cup, where despite our long-term support, we had limited opportunities to maximise our direct association with the team or the players.

"We understand from the ARU that if we were to remain the naming rights sponsor of the Wallabies, they would not be in a position to resolve these issues as they do not have control over the rights of international events," he said.

As well as sponsoring the Wallabies, Vodafone also put an offer forward to be involved in the deeper rugby community, supporting the state unions and developing grass roots programmes, however this was not a critical element in the overall negotiations.

Grahame continued, "There are many factors that make up a sponsorship's value, however we don't believe the proposed deal would have delivered value to our business locally, internationally, or more importantly, to our customers.

"It's been a great seven years with the ARU, and clearly we're disappointed but when we reach a point that doesn't make commercial sense, we have to be prepared to move on and look for alternatives that will deliver a better return on investment."

“Sponsorship is a key element of our global marketing strategy and as a sponsor of iconic global properties such as Ferrari, Manchester United, David Beckham and the English Cricket Team, we have a good understanding of global sponsorship value and what is commercially viable.

“We understand that the ARU will continue to seek expressions of interest from other potential sponsors, who will be prepared to pay significantly more than we believe the sponsorship is worth.”

Grahame added that Vodafone Australia is currently exploring a number of innovative sponsorship opportunities that involve forward thinking partners who will work with Vodafone to deliver real value to its customers.

“At Vodafone what’s really important to us is that we form alliances that create unique opportunities for our internal and external customers and allow them to connect with our brand in a truly different way,” Grahame said.

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**For further information: Juliet Simpson at Vodafone Australia on 0414 202 223**

**Vodafone Australia’s Current Sponsorship Portfolio includes:**

Port Adelaide AFL team, Vodafone Arena – Melbourne, Australian Open Tennis, Perth Glory, Western Australian Cricket Association, Northern Territory Stingers – Hockey, Volleyball South Australia, Fringe Festival – Adelaide, Moonlight Cinema – Sydney, Melbourne, Adelaide, Robbie Williams, Rock it! – Perth, Wayne Cooper, Summerdayze, Fielddayze and Summerfielddayze music festivals.

**Vodafone International Sponsorship Portfolio includes:**

Ferrari Formula One Team, Michael Schumacher, Manchester United Soccer Club, David Beckham, Megan Gale, English Cricket Team, Epsom Derby – UK, New Zealand Warriors – Rugby League, Silver Ferns – New Zealand Netball team, Various NPC rugby teams, Olympiakos and Paok – Greek Soccer Teams.

**About Vodafone**

Vodafone Group Plc is a leading mobile communications company - 25 per cent of the world’s mobile phone users are connected to Vodafone. Vodafone has equity interests in 26 countries, and partner networks in a further 13 countries - leaving an unmatched network footprint. The company provides quality services to 2.67 million Australian customers and has more than 130.4 million proportionate customers worldwide.

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