

# news release

27 May, 2008



## **Vodafone Australia exceeds 4 million customers and counting**

*~ Q4 Preliminary Results prove Vodafone Australia is bucking tightening telco trend with good growth in customer base, increasing service revenues and new momentum in mobile broadband and business market ~*

### **Key Highlights:**

- Vodafone Australia added more than 117,000 net customers for Q4 ending March 31, 2008 (excluding MVNO customers), culminating in a total increase of 323,000 direct customers during FY07/08 and representing 9.6 percent growth in total direct customers since March 31, 2007.
- Vodafone Australia closed FY07/08 with 3,690,000 direct customers and 341,000 Mobile Virtual Network Operator (MVNO) customers, bringing the total number of customers connected to Vodafone Australia to 4,031,000.
- Service revenue growth of 7.4 percent year-on-year, which was achieved despite the sharp regulatory declines in termination rates from 15c to 12c during 06/07, and from 12c to 9c during 07/08. Excluding the reduction in incoming voice revenues, Vodafone Australia's underlying service revenue growth was 14.9 percent year-on-year.
- Despite the reduction in incoming voice revenues, Vodafone Australia's Total Average Revenue Per User (ARPU) remains broadly in line with FY06/07 at \$51.50, representing an adverse movement of less than one percent.
- Voice usage remains strong with 2,402 million minutes recorded in Q4 07/08, with total minutes for FY07/08 representing an increase of 7.5 percent compared to FY06/07.
- Vodafone Australia closed FY07/08 with more than 849,000 3G devices connected to its network.

**Russell Hewitt, Chief Executive Officer at Vodafone Australia, comments:**

“Serving the daily mobile communications needs of four million Australians is a big responsibility and a source of enormous pride for Vodafone Australia. In a tightening telco market at so-called saturation point, we’ve added more than half-a-million customers in the last two years, maintained momentum on ARPU by providing customers with more of what they actually want and sustained solid growth in service revenues.

“Whilst Optus and Telstra have endured significant margin erosion over the past 18 months, Vodafone Australia continues to build a strong and profitable investment in Australia. We are extremely pleased by the fundamental strengths of the business and the enduring popularity of our products and services.

“Australians have an almost insatiable appetite for mobile services and, complementing the healthy revenue streams of voice and SMS, we’re seeing mobile broadband and mobile internet services achieving real relevance for customers. We know that our \$39 for 5GB mobile broadband plan is causing significant fixed-to-mobile substitution, which provides us with further impetus to upgrade our network to the latest mobile broadband standard. Our latest HSPA upgrade is on track and on time for practical completion in December, and it will mark the latest step in our long-term plans to improve the capacity, coverage and capabilities of our network.

“Vodafone has achieved customer connection and service revenue increases of more than 20 percent year-on-year in the Australian business market and we’ll continue to fuel this important growth engine with a series of important proposition launches in the months ahead. Vodafone Australia has the full endorsement of our Group shareholder and we’re well placed and well prepared for the year ahead.”

**ends**

**Notes to editors**

**About Vodafone**

Vodafone is the world's leading international mobile communications group with over 260 million proportionate customers as of 31 March 2008. Vodafone currently has equity interests in 25 countries across five continents and a further 42 partner networks worldwide.

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