

press release

17 May 2011

Growth in emerging markets and demand for smartphones sees positive results for Vodafone

- Vodafone announces 3.2% rise in annual revenues
- Investors see a 7.1% increase in final dividend
- The Share Centre currently lists Vodafone as a 'buy' for income seekers

As Vodafone announce full year results that exceed expectations Graham Spooner, investment adviser at The Share Centre, explains what this means for investors.

"Mobile giant Vodafone announced a 3.2% rise in annual revenues and increased pre-tax profit from £8.67bn last year to £9.5bn - beating market expectations.

"The company's 26.4% increase in data sales shows the rise in demand for smartphones. Vodafone continues to maintain its leadership in this area through investment in the quality of its network.

"Continued plans for growth were seen in emerging markets with service revenue in India increasing by 16.3% and by 28.9% in Turkey. This will continue to attract investors seeking international exposure.

"Ongoing economic difficulties affecting consumer spending has seen the company face challenging times in Southern Europe and it has booked a £6.15bn impairment charge on its operations in the region. However, investors shouldn't be too alarmed as Vodafone has a strong global presence and has performed well in other regions. This means it has not significantly damaged overall figures.

"The 7.1% rise in the final dividend and its efforts to strengthen its position in a challenging UK market means we continue to recommend Vodafone as a 'buy' for medium risk investors geared

towards income. Investors will be keen to hear more about Vodafone's future sale of its 24.39% stake in Polkomtel and will be interested in the Verizon Wireless potential dividend that is expected in 2012.

"The world's largest mobile telecommunications company remains our preferred play in the sector that has continuing upward momentum."

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The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

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