



#34149

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DATE: FEBRUARY 19, 2014

SUBJECT: VODAFONE GROUP PLC - ANTICIPATED ADJUSTMENT
OPTION SYMBOL: VOD/2VOD
NEW SYMBOL: VOD1/2VOD1
FUTURES SYMBOLS: VOD1C/VOD1D
NEW SYMBOLS: VOD2C/VOD2D
DATE: 2/24/14???
* * * UPDATE * * *

The information contained in this Information Memo is based on the Circular published by Vodafone Group PLC on December 10, 2013. The Circular is available on the Vodafone Group PLC website.

Verizon Communications Inc. (VZ) and Vodafone Group PLC (VOD) have announced an agreement whereby VZ will purchase from VOD its 45% interest in Verizon Wireless for approximately US\$ 130 billion in cash, VZ shares, and other considerations (collectively, the “Transactions”), subject to shareholder approval. In turn, approximately US\$ 84.0 billion in value from the Transactions will be returned to VOD shareholders and VOD ADS holders, partly in cash and partly in VZ Shares (the “Return of Value”). The Return of Value per VOD ADS is equivalent, in aggregate, to approximately US\$ 17 (based on prices and exchange rates from December 6, 2013). In connection with the Transactions and Return of Value, VOD also intends to execute a Share and ADS Consolidation (reduction in the number of shares and ADS’s) to equalize the price of VOD shares and ADS’s before and after the Return of Value is executed.

Approximately US\$ 60.15 billion of the Return of Value will be paid in VZ shares and approximately US\$ 23.886 billion will be paid in cash. The exact number of VZ shares to be distributed in the Return of Value will be determined based on an average of VZ trading prices as described in the Circular. The number of VZ shares to be distributed will also be subject to a “Collar” based on the average VZ share price. The permissible range of average prices pursuant to the Collar is \$47 to \$51 per VZ share, such that the number of VZ shares issued – based on the average share price - is equal to US\$ 60.15 billion. The market value of the shares issued, however, will depend on the VZ share price on the day they are issued.

The Transactions are expected to be effective afternoon, London time, on February 21, 2014. **The VZ distribution ratio is 0.263001 VZ shares per VOD ADS held.** It is expected that the shares will be allocated by DTC on or about February 27, 2014 and distributed VZ shares will begin trading on the NYSE on February 24, 2014. Additionally, it is anticipated that the exact amount of US Dollars per ADS will be determined on February 21, 2014.

The distribution of the Return of Value (VZ shares and cash) to VOD ADS holders is termed a “Special Dividend” representing income for tax purposes. Vodafone expects the entire aggregate amount of the Special Dividend will be treated as a dividend for US tax purposes.

The VOD ADS Consolidation is anticipated to be effective February 24, 2014. **The VOD ADS consolidation ratio will be 6 for 11 for each share held.**

New VOD ADS's issued in respect of the ADS Consolidation are expected to trade on NASDAQ on February 24, 2014. New VOD ADS's will carry no entitlement to the Return of Value.

It is expected that cash will be paid in lieu of fractional VZ shares in the Return of Value and in lieu of fractional VOD ADS's issued in the Consolidation.

CONTRACT ADJUSTMENT

DATE: Effective the opening of the business day after the Transactions are effective.
Contract adjustment is expected to occur on or about February 24, 2014.

OPTION SYMBOLS: VOD changes to VOD1
2VOD changes to 2VOD1

STRIKE DIVISOR: 1

CONTRACTS
MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 40.00 yields \$4,000.00)

NEW DELIVERABLE
PER CONTRACT: VOD1/2VOD1
1) **54 (New) Vodafone Group plc (VOD) American Depositary Shares**
2) **26 Verizon Communications Inc. (VZ) Common Shares**
3) **Cash in lieu of 0.54 fractional (New) Vodafone Group plc (VOD) American Depositary Shares, if any**
4) **Cash in lieu of 0.3001 fractional VZ shares, if any**
5) Cash amount per the Return of Value to ADS's

SETTLEMENT
ALLOCATION: VOD: TBD
VZ: TBD

CUSIP: VOD (New): TBD
VZ: 92343V104

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

FUTURES CONTRACT ADJUSTMENT

DATE: Effective the opening of the business day after the merger is consummated.
Contract adjustment is expected to occur on or about February 24, 2014.

FUTURES SYMBOLS: VOD1C changes to VOD2C
VOD1D changes to VOD2D

NUMBER OF CONTRACTS: No Change

MULTIPLIER 100 (e.g., a premium of 1.50 yields \$150)

NEW DELIVERABLE PER CONTRACT:

- 1) **54 (New) Vodafone Group plc (VOD) American Depositary Shares**
- 2) **26 Verizon Communications Inc. (VZ) Common Shares**
- 3) **Cash in lieu of 0.54 fractional (New) Vodafone Group plc (VOD) American Depositary Shares, if any**
- 4) **Cash in lieu of 0.3001 fractional VZ shares, if any**
- 5) Cash amount per the Return of Value to ADS's

SETTLEMENT ALLOCATION: VOD: TBD
VZ: TBD

CUSIP: VOD (New): TBD
VZ: 92343V104

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