

**NON-BINDING ENGLISH TRANSLATION**

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Mandatory publication pursuant to sections 34, 14 paras. 2 and 3 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG)

**Shareholders of Kabel Deutschland Holding AG, in particular those who have their place of residence, seat (*Sitz*) or place of habitual abode outside the Federal Republic of Germany should pay particular attention to the information contained in Section 1 “General information and notes for shareholders”, Section 6.8 “Possible parallel acquisitions” and Section 11.9 “Note to holders of American Depositary Receipts” of this Offer Document.**

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**OFFER DOCUMENT**

**VOLUNTARY PUBLIC TAKEOVER OFFER**

(Cash Offer)

by

**Vodafone Vierte Verwaltungsgesellschaft mbH**

(whose change of legal form into a German stock corporation under the company name Vodafone Vierte Verwaltungs AG has been resolved upon)  
Ferdinand-Braun-Platz 1, 40549 Düsseldorf, Germany

to the shareholders of

**Kabel Deutschland Holding AG**

Betastraße 6 – 8, 85774 Unterföhring, Germany

to acquire all no-par value bearer shares of

Kabel Deutschland Holding AG

**for a cash consideration of**

**EUR 84.50 per Kabel Deutschland Holding AG share**

In addition, the shareholders of Kabel Deutschland Holding AG shall benefit from the dividend for the financial year ending on 31 March 2013 in the amount of EUR 2.50 per Kabel Deutschland Holding AG share as proposed by Kabel Deutschland Holding AG. If the settlement of the Takeover Offer occurs prior to the day on which Kabel Deutschland Holding AG's general meeting resolving on the distribution of profits for the financial year ending on 31 March 2013 is held, the cash consideration will be increased by EUR 2.50 per Kabel Deutschland Holding AG share to

**EUR 87.00 per Kabel Deutschland Holding AG share.**

**Acceptance Period: 30 July to 11 September 2013,  
24:00 hrs (Frankfurt am Main local time)**

KDH Shares: ISIN DE000KD88880

Tendered KDH Shares: ISIN DE000KD88872

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## 1 General information and notes for shareholders

### 1.1 Implementation of the Takeover Offer pursuant to the German Securities Acquisition and Takeover Act

This offer document (the “**Offer Document**”) contains the voluntary public takeover offer (the “**Takeover Offer**”) by Vodafone Vierte Verwaltungsgesellschaft mbH (whose change of legal form into a German stock corporation under the company name Vodafone Vierte Verwaltungs AG has been resolved upon), Ferdinand-Braun-Platz 1, 40549 Düsseldorf, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 47879 (the “**Bidder**”) to the shareholders of Kabel Deutschland Holding AG, Betastraße 6 – 8, 85774 Unterföhring, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under HRB 184452 (“**KDH AG**” and, together with its subsidiaries, the “**KDH Group**”). The shareholders of KDH AG are being referred to as the “**KDH Shareholders**”.

The Takeover Offer is a voluntary public offer to acquire securities pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, the “**Takeover Act**”) in conjunction with the Regulation on the Content of the Offer Document, the Consideration for Takeover Offers and Mandatory Offers and the Release from the Obligation to publish and to make a Tender Offer (*Verordnung über den Inhalt der Angebotsunterlage, die Gegenleistung bei Übernahmeangeboten und Pflichtangeboten und die Befreiung von der Verpflichtung zur Veröffentlichung und zur Abgabe eines Angebots – WpÜG-Angebotsverordnung*, the “**Takeover Offer Regulation**”). The Takeover Offer is exclusively carried out in accordance with German law and certain applicable provisions of the securities law of the United States of America (the “**United States**”).

The publication of this Takeover Offer has been exclusively approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, “**BaFin**”). No other registrations, approvals or authorisations have been applied for or granted in respect of this Offer Document and/or the Takeover Offer outside the Federal Republic of Germany. As a result, KDH Shareholders should not rely upon the application of foreign laws for investor protection.

In this Offer Document, the no-par value ordinary bearer shares of KDH AG (ISIN DE000KD88880) are referred to as “**KDH Shares**”.

### 1.2 Special information for KDH Shareholders whose place of residence, seat or habitual abode is in the United States

The Takeover Offer is being made in the United States in reliance on, and in compliance with, Section 14(e) of the US Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and Regulation 14E thereunder. The Takeover Offer is being made in the United States by the Bidder and no one else, including its financial advisors.

The Takeover Offer refers to shares of a German company and is subject to the legal provisions of the Federal Republic of Germany regarding the implementation and disclosure requirements for such an offer, which differ from those that may normally be applied in the United States. In addition, KDH Shareholders whose place of residence, seat or place of habitual abode is in the United States (“**US Shareholders**”) should be aware that this Offer Document has been prepared in accordance with German format and style, which differs from the United States’ format and style. For example, certain financial information in this

Offer Document has been determined in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union and German Generally Accepted Accounting Principles under the German Commercial Code (“**German GAAP**”) and may therefore not be comparable to financial information on companies in the United States and other companies whose financial information is determined in accordance with the Generally Accepted Accounting Principles of the United States. Furthermore, the payment and settlement procedure with respect to the Takeover Offer will comply with the relevant German rules, which differ from payment and settlement procedures customary in the United States, particularly with regard to the payment date of the consideration.

Neither the U.S. Securities and Exchange Commission nor any state securities commission in the United States have approved or disapproved this Takeover Offer or passed upon the adequacy or completeness of this Offer Document or any other documentation relating to the Takeover Offer. Any representation to the contrary is a criminal offense in the United States. It may be difficult for US Shareholders to enforce their rights and claims under federal securities laws of the United States because both the Bidder and KDH AG have their seat outside the United States and all their senior officers and directors are resident outside the United States. US Shareholders may not be able to sue a company seated outside the United States nor its officers or directors before a court outside or in the United States for violations of securities laws of the United States. Furthermore, it may be difficult to enforce the decisions of a United States’ court against a company seated outside the United States.

### **1.3 Publication of the decision to make the Takeover Offer**

On 24 June 2013, the Bidder published its decision to make the Takeover Offer in accordance with section 10 para. 1 sentence 1 of the Takeover Act. The publication is available on the internet at <http://www.vodafone.com/investor>.

### **1.4 Publication and dissemination of the Offer Document**

BaFin reviewed the Takeover Offer and the German language Offer Document under German Law and permitted the publication of this Offer Document on 29 July 2013. On 30 July 2013, the Bidder will publish this Offer Document on the internet at <http://www.vodafone.com/investor> and will hold it for distribution free of charge in the Federal Republic of Germany. The announcement regarding (i) the availability of copies of this Offer Document for distribution free of charge in the Federal Republic of Germany at Commerzbank Aktiengesellschaft, CM-CF ECM Technical Execution, Mainzer Landstraße 153, 60327 Frankfurt am Main, Germany (request per fax: +49 (69) 136-44598 upon specification of a complete postal address) and (ii) the publication of the Offer Document on the internet at <http://www.vodafone.com/investor> will be published in the Federal Gazette (*Bundesanzeiger*) on 30 July 2013.

In addition, a non-binding English translation of the Offer Document, which has not been reviewed by BaFin, will be published at the aforementioned internet address on 30 July 2013. In Canada, a notice specifying where and how shareholders may obtain access to the Offer Document will be published in English language in *The Globe and Mail* and in French language in *Le Journal de Montréal*. Beyond the aforementioned publications, no further publication of the Offer Document is planned.

The publication, dispatch, distribution or dissemination of the Offer Document or any other documents related to the Takeover Offer outside the Federal Republic of Germany, the

United States and Canada may result in the applicability of the laws of jurisdictions other than those of the Federal Republic of Germany, the United States and Canada and may be subject to legal restrictions in such other jurisdictions.

The Offer Document as well as any other documents related to the Takeover Offer, notwithstanding their publication on the internet as required under German law, are not designated for publication, dispatch, distribution or dissemination in jurisdictions other than the Federal Republic of Germany, the United States and Canada. Neither the Bidder nor the persons acting jointly with the Bidder within the meaning of section 2 para. 5 of the Takeover Act (see Section 6.5 of this Offer Document) have authorised any third person to publish, dispatch, distribute or disseminate this Offer Document as well as any other documents relating to the Takeover Offer outside the Federal Republic of Germany, the United States and Canada. Neither the Bidder nor the persons acting jointly with the Bidder are obliged to procure, or bear any liability for, the publication, dispatch, distribution or dissemination of this Offer Document as well as any other documents relating to the Takeover Offer outside the Federal Republic of Germany, the United States and Canada being in conformity with the applicable laws of the relevant jurisdictions.

The Bidder will make the Offer Document available upon request to the appropriate Custodian Banks (see Section 11.2 of this Offer Document) for distribution to KDH Shareholders residing in the Federal Republic of Germany, the United States or Canada only. Beyond this, the Custodian Banks may not dispatch, distribute or disseminate the Offer Document to KDH Shareholders not residing in the Federal Republic of Germany, the United States or Canada unless this is in compliance with all applicable legal provisions.

## **1.5 Acceptance of the Takeover Offer outside the Federal Republic of Germany**

The Takeover Offer can be accepted by all domestic and foreign KDH Shareholders in accordance with the terms and provisions set out in this Offer Document and the respective applicable legal provisions. However, the Bidder points out that the acceptance of the Takeover Offer outside the Federal Republic of Germany, the United States and Canada may be subject to legal restrictions. KDH Shareholders who come into possession of this Offer Document outside the Federal Republic of Germany, the United States and Canada, who wish to accept the Takeover Offer outside the Federal Republic of Germany, the United States and Canada and/or who are subject to legal provisions other than the legal provisions of the Federal Republic of Germany, the United States or Canada are advised to inform themselves of the relevant applicable legal provisions and to comply with them. The Bidder assumes no responsibility for the acceptance of the Takeover Offer outside the Federal Republic of Germany, the United States and Canada being permissible under the relevant applicable legal provisions.

## **2 Information regarding statements contained in the Offer Document**

### **2.1 General**

Except as otherwise stated, references to time in this Offer Document are references to local time in Frankfurt am Main, Germany. To the extent that expressions such as “currently”, “at the present time”, “at the moment”, “now”, “at present” or “today” are used in this Offer Document, they refer to the date of publication of this Offer Document, i.e. 30 July 2013, except as otherwise expressly stated.



References in this Offer Document to a “banking day” relate to a day on which the banks in Frankfurt am Main, Germany, are open for general business with retail customers. References to “EUR” relate to Euro. References to “GBP” relate to British Pound. References to “U.S.\$” relate to US Dollar. References to “subsidiaries” relate to subsidiaries within the meaning of section 2 para. 6 of the Takeover Act.

The Bidder has not authorised third parties to make statements about the Takeover Offer or this Offer Document. If third parties nevertheless make such statements, these shall neither be attributable to the Bidder, nor to persons acting jointly with the Bidder.

## **2.2 Status and source of information on KDH Group**

Subject to the following paragraph, the information on KDH Group contained in this Offer Document is based on publicly available information, in particular on information published on the internet at <http://www.kabeldeutschland.com>, financial reports, the articles of association, commercial register information as well as press releases issued by KDH AG, and the Bidder did not have the opportunity to verify this information.

In addition, the Bidder undertook a limited due diligence on technical, financial, accounting, legal and tax aspects of KDH Group on 17 and 18 June 2013 by reviewing a number of documents and conducting management discussions with representatives of KDH AG. The information provided in this due diligence was not verified by the Bidder.

The Bidder cannot rule out that the information regarding KDH Group described in this Offer Document has changed since its disclosure to the Bidder or its publication, respectively.

## **2.3 Forward-looking statements, intentions of the Bidder and Vodafone**

This Offer Document and the documents referred to in it contain certain forward-looking statements. Such statements are, in particular, indicated by terms such as “expects”, “believes”, “is of the opinion”, “attempts”, “estimates”, “intends”, “plans”, “assumes” and “endeavours”. Such statements express intentions, views or current expectations of the Bidder or Vodafone with regard to possible future events. Particulars, views, intentions and other forward-looking statements are, except as otherwise expressly stated, based on certain information available to the Bidder and Vodafone on the date of the publication of this Offer Document and on certain assumptions, intentions and assessments made by the Bidder and Vodafone at that time. They are subject to risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Bidder cautions you that forward-looking statements are not guarantees of the occurrence of such future events or of future performance and that in particular the actual results of operations, financial condition and liquidity, and the development of the industries in which Vodafone Group Plc, a company organised and incorporated under the laws of England and Wales with registered number 1833679 whose registered address is at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England (“**Vodafone**”) and its subsidiaries (together with Vodafone the “**Vodafone Group**”) and KDH Group operate may differ materially from those made in or suggested by the forward-looking statements contained in this Offer Document.

The Bidder or Vodafone may change their intentions and assessments expressed in this Offer Document, especially with regard to KDH Group, after publication of this Offer Document.

## 2.4 No updates

The Bidder will update this Offer Document (also with regard to any changed intentions) only to the extent permitted and required under the Takeover Act.

## 3 Summary of the Takeover Offer

The following summary contains an overview of selected particulars set out in this Offer Document. It is supplemented by, and should be read in conjunction with, the information and particulars set out elsewhere in the Offer Document. Therefore, this summary does not contain all information that may be relevant for KDH Shareholders. For this reason, KDH Shareholders should carefully read the entire Offer Document.

<b>Bidder:</b>	Vodafone Vierte Verwaltungsgesellschaft mbH (whose change of legal form into a German stock corporation under the company name Vodafone Vierte Verwaltungs AG has been resolved) Ferdinand-Braun-Platz 1, 40549 Düsseldorf, Germany
<b>Target Company:</b>	Kabel Deutschland Holding AG Betastraße 6 – 8, 85774 Unterföhring, Germany
<b>Subject matter of the Takeover Offer:</b>	Acquisition of all no-par value bearer shares of KDH AG (ISIN DE000KD88880), each representing a pro rata amount of the share capital ( <i>Grundkapital</i> ) of EUR 1.00 per share and in each case with all ancillary rights associated with these shares at the time of the Takeover Offer's settlement (in particular the dividend entitlement).
<b>Offer Consideration:</b>	EUR 84.50 per KDH Share.  In addition, the KDH Shareholders shall benefit from the dividend for the financial year ending on 31 March 2013 in the amount of EUR 2.50 per KDH Share as proposed by KDH AG. If the settlement of the Takeover Offer occurs prior to the day on which KDH AG's general meeting resolves on the distribution of profits for the financial year ending on 31 March 2013, the offer consideration will be increased by EUR 2.50 per KDH Share to EUR 87.00 per KDH Share.
<b>Completion Conditions:</b>	<p>The Takeover Offer and the agreements which come into existence as a result of accepting the Takeover Offer are subject to the fulfilment of the Completion Conditions set out in Section 13.1 of this Offer Document. These include the following conditions:</p> <ul style="list-style-type: none"><li>• The Completion Condition as set out in Section 13.1.1 of this Offer Document relating to merger control proceedings;</li><li>• The Completion Condition as set out in Section 13.1.2 of this Offer Document relating to a minimum acceptance threshold of at least 75% of the KDH Shares;</li><li>• The Completion Condition as set out in Section 13.1.3 of this Offer Document relating to a material decline of the MDAX.</li></ul> <p>If and to the extent that the Completion Conditions (as defined in Section 13.1 of this Offer Document) have neither been fulfilled nor validly waived by the Bidder in due time, the Takeover Offer will lapse and the agreements which come into existence as a result of accepting the Takeover Offer will not be completed and will cease to exist (condition subsequent).</p>
<b>Acceptance Period:</b>	30 July to 11 September 2013, 24:00 hrs (Frankfurt am Main local time)

<b>Additional Acceptance Period:</b>	<p>Provided that the Acceptance Period (as defined in Section 5.2 of this Offer Document) is not extended, the Additional Acceptance Period (as defined in Section 5.3 of this Offer Document) is expected to begin on 17 September 2013 and to expire on 30 September 2013, 24:00 hrs (Frankfurt am Main local time).</p>
<b>Acceptance:</b>	<p>Acceptance of the Takeover Offer must be declared in written form (<i>Text-form</i>) by the relevant KDH Shareholder to the Custodian Bank (as defined in Section 11.2 of this Offer Document) during the Acceptance Period or the Additional Acceptance Period, respectively. Until settlement of the Takeover Offer pursuant to the terms and conditions of this Offer Document, the KDH Shares for which the Declaration of Acceptance (as defined in Section 11.2 of this Offer Document) has become effective, remain in the accepting shareholder's securities account; they are, however, each re-booked under a different International Securities Identification Number ("<b>ISIN</b>") (see below) and are therefore identified as 'Tendered KDH Shares'.</p> <p>The Declaration of Acceptance by the relevant KDH Shareholder will only become effective, as described in more detail in Section 11.2 of this Offer Document, upon the KDH Shares for which the Takeover Offer has been accepted being re-booked, in due time, at Clearstream Banking AG, Frankfurt am Main ("<b>Clearstream</b>") into ISIN DE000KD88872 (Tendered KDH Shares).</p>
<b>Settlement of the Takeover Offer and payment of the Offer Consideration</b>	<p>The settlement of the Takeover Offer and the payment of the Offer Consideration for the Tendered KDH Shares will be made to the account of the relevant Custodian Bank with Clearstream simultaneously with (<i>Zug um Zug gegen</i>) the transfer of ownership of the Tendered KDH Shares to the Bidder.</p> <p>The payment of the Offer Consideration will be made without undue delay following the expiry of the Additional Acceptance Period, however, no later than seven banking days following publication of the results of the Takeover Offer following the expiry of the Additional Acceptance Period, if all Completion Conditions have been fulfilled on or before the end of the Additional Acceptance Period or have been previously validly waived by the Bidder.</p> <p>If the Completion Condition set out in Section 13.1.1 of this Offer Document has neither been fulfilled on the date the Additional Acceptance Period expires nor been previously validly waived by the Bidder, the settlement of the Takeover Offer and the payment of the Offer Consideration will be made without undue delay but in no event later than seven banking days after the publication of the fulfilment of the Completion Condition set out in Section 13.1.1 of this Offer Document.</p> <p>In the event of the latest possible fulfilment of the Completion Conditions, i.e. on 31 May 2014, the settlement of the Takeover Offer and the crediting of the Offer Consideration for the Tendered KDH Shares would be delayed until early June 2014.</p>

<b>Costs of Acceptance:</b>	<p>The acceptance of the Takeover Offer of this Offer Document is, in accordance with Section 11.7 of this Offer Document, intended to be free of costs and expenses for the accepting KDH Shareholders holding their KDH Shares in collective safe custody with a Custodian Bank which, in turn, holds these shares in custody in its securities account at Clearstream.</p> <p>Any foreign stock exchange trading taxes or stamp duties or other foreign taxes or expenses which may be incurred, as well as any costs imposed by other Custodian Banks or foreign intermediate custodians, shall be borne by each accepting KDH Shareholder.</p>	
<b>ISIN:</b>	KDH Shares:	ISIN DE000KD88880
	Tendered KDH Shares:	ISIN DE000KD88872
<b>Stock Exchange Trading:</b>	<p>The Bidder intends to apply for the Tendered KDH Shares' admission to stock market trading on the regulated market of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) under ISIN DE000KD88872. Trading in the Tendered KDH Shares on the regulated market of the Frankfurt Stock Exchange is expected to begin on the third trading day after commencement of the Acceptance Period and expected to end no later than (i) after regular trading hours on the second trading day of the Frankfurt Stock Exchange preceding the day of the expiry of the Additional Acceptance Period or (ii) after regular trading hours on the day the fulfilment of all Completion Conditions, as far as they have not been waived, is published (see Section 13.4 of this Offer Document), whichever is the later date.</p>	
<b>Publications:</b>	<p>This Offer Document, the publication of which has been approved by BaFin on 29 July 2013, will be published on 30 July 2013 by way of announcement on the internet (together with a non-binding English translation) at <a href="http://www.vodafone.com/investor">http://www.vodafone.com/investor</a> and by holding copies of the Offer Document for distribution free of charge in the Federal Republic of Germany at Commerzbank Aktiengesellschaft, CM-CF ECM Technical Execution, Mainzer Landstraße 153, 60327 Frankfurt am Main, Germany (request per fax: +49 (69) 136-44598 under specification of a complete postal address). The announcement regarding the availability of copies of this Offer Document for distribution free of charge in the Federal Republic of Germany and the internet address at which this Offer Document has been published will be published in the Federal Gazette (<i>Bundesanzeiger</i>) on 30 July 2013. In Canada, a notice specifying where and how shareholders may obtain access to this Offer Document will be published in English language in <i>The Globe and Mail</i> and in French language in <i>Le Journal de Montréal</i>.</p> <p>All notifications and announcements required pursuant to the Takeover Act will also be published on the internet at <a href="http://www.vodafone.com/investor">http://www.vodafone.com/investor</a> and in the Federal Gazette (<i>Bundesanzeiger</i>).</p>	

#### 4 Takeover Offer

On 24 June 2013, KDH AG announced that its Management Board (*Vorstand*) and its Supervisory Board (*Aufsichtsrat*) will propose a dividend payment of EUR 2.50 per KDH Share for the financial year ending on 31 March 2013 to the general meeting of KDH AG which is expected to be held on 10 October 2013. The Bidder and Vodafone wish the KDH

Shareholders to benefit from the proposed dividend, irrespective of whether the settlement of the Takeover Offer occurs prior to or after the date on which KDH AG's general meeting resolving on the distribution of profits for the financial year ending on 31 March 2013 is held ("**KDH AG's General Meeting**").

Therefore, subject to the terms and conditions set forth in this Offer Document, the Bidder hereby offers all KDH Shareholders to acquire all of their no-par value bearer shares (*auf den Inhaber lautende Stückaktien*) of KDH AG (ISIN DE000KD88880), each representing a pro rata amount of KDH AG's share capital (*Grundkapital*) of EUR 1.00 per share, and in each case together with all ancillary rights associated with these shares at the time of the settlement of the Takeover Offer (in particular the dividend entitlement), at a purchase price of

**EUR 84.50 per KDH Share.**

If the settlement of the Takeover Offer occurs after the day of KDH AG's General Meeting, KDH Shareholders will receive the dividend resolved by KDH AG's General Meeting, which was announced to amount to EUR 2.50 per KDH Share, from KDH AG first and KDH Shareholders who have tendered their KDH Shares will receive EUR 84.50 per KDH Share from the Bidder later upon settlement of the Takeover Offer. If the settlement of the Takeover Offer occurs prior to the day of KDH AG's General Meeting the offer consideration will be increased by EUR 2.50 per KDH Share to

**EUR 87.00 per KDH Share**

(the offer consideration including a possible increase of EUR 2.50 per KDH Share the "**Offer Consideration**"). This Takeover Offer will not be settled on the day of KDH AG's General Meeting.

The Bidder and Vodafone recommend KDH Shareholders to register for KDH AG's General Meeting and to participate in KDH AG's General Meeting in order to vote on the decision on the payment of the dividend.

American Depositary Receipts ("**ADRs**") may not be tendered for sale into the Takeover Offer. Holders of ADRs may participate in the Takeover Offer only after exchange of their ADRs into KDH Shares (please see Section 11.9 of this Offer Document for further details).

## **5 Acceptance Period**

### **5.1 Duration of the Acceptance Period**

The period for acceptance of the Takeover Offer begins upon publication of this Offer Document on 30 July 2013. It expires on

**11 September 2013, 24:00 hrs (Frankfurt am Main local time).**

### **5.2 Extension of the Acceptance Period**

In the circumstances set out below, the Acceptance Period will in each case be extended automatically as follows:

- In the event of an amendment of the Takeover Offer pursuant to section 21 of the Takeover Act within the last two weeks before expiry of the Acceptance Period, the Acceptance Period will be extended by two weeks (section 21 para. 5 of the Takeover Act), i.e. it is then expected to end on 25 September 2013, 24:00 hrs (Frank-

furt am Main local time). This shall apply even if the amended Takeover Offer violates legal provisions.

- If during the Acceptance Period of the Takeover Offer made under this Offer Document a competing offer is made by a third party ("**Competing Offer**") and if the Acceptance Period for the Takeover Offer made under this Offer Document expires prior to expiry of the acceptance period for the Competing Offer, the Acceptance Period for the Takeover Offer made under this Offer Document shall be extended until the expiry of the acceptance period for the Competing Offer (section 22 para. 2 of the Takeover Act). This shall apply even if the Competing Offer is amended or prohibited or violates legal provisions.
- In the event that KDH AG convenes an extraordinary general meeting (*außerordentliche Hauptversammlung*) in connection with the Takeover Offer after the Offer Document has been published, the Acceptance Period shall be ten weeks from the date of publication of the Offer Document without prejudice to any extension of the acceptance period mentioned above (section 16 para. 3 of the Takeover Act).

The period for acceptance of the Takeover Offer, including any extension of such period resulting from provisions of the Takeover Act (but excluding the Additional Acceptance Period described in Section 5.3 of this Offer Document), is referred to in this Offer Document as the "**Acceptance Period**".

With regard to the right of withdrawal (*Rücktrittsrecht*) in the event of an amendment of the Takeover Offer or the launch of a Competing Offer, reference is made to the description contained in Section 16 of this Offer Document.

### 5.3 Additional Acceptance Period

In accordance with section 16 para. 2 of the Takeover Act, KDH Shareholders who have not accepted the Takeover Offer within the Acceptance Period may still accept the Takeover Offer within two weeks after publication of the results of the Takeover Offer by the Bidder pursuant to section 23 para. 1 sentence 1 no. 2 of the Takeover Act (the "**Additional Acceptance Period**"), provided that this Takeover Offer has not lapsed due to the non-fulfilment of any of the Completion Conditions set out in Section 13.1 of this Offer Document by the time the results of this Takeover Offer pursuant to section 23 para. 1 sentence 1 no. 2 of the Takeover Act are published.

The results of this Takeover Offer are expected to be published pursuant to Section 23 para. 1 sentence 1 no. 2 of the Takeover Act within three banking days after expiry of the Acceptance Period, i. e. the expected date of publication is 16 September 2013 (subject to an extension of the Acceptance Period as set out in Section 5.2 of this Offer Document). On this basis, the Additional Acceptance Period is expected to commence on 17 September 2013 and to end on 30 September 2013, 24:00 hrs (Frankfurt am Main local time). The Takeover Offer can no longer be accepted upon expiry of the Additional Acceptance Period (please see, however, Section 17(vii) of this Offer Document in respect of a sell-out right for KDH Shareholders under certain circumstances).

## **6 Description of the Bidder and Vodafone Group**

### **6.1 Legal basis of the Bidder**

#### **6.1.1 Legal basis of the Bidder at present**

The Bidder, Vodafone Vierte Verwaltungsgesellschaft mbH, is a limited liability company (*Gesellschaft mit beschränkter Haftung*) having its registered seat in Düsseldorf, Germany, registered in the commercial register of the local court (*Amtsgericht*) of Düsseldorf under HRB 47879. The business objective of the Bidder is the holding of participations and the administration of the company's own assets. The company is authorised to enter into any transactions and to take any measures which are suitable to support the business objective. The Bidder's financial year starts on 1 April each year and runs until 31 March of the following year.

The Bidder's registered share capital amounts to EUR 25,000.00 and is divided into two shares (*Geschäftsanteile*), one share in the nominal amount of EUR 21,250.00 (consecutive no. 2) and one share in the amount of EUR 3,750.00 (consecutive no. 3). The share in the nominal amount of EUR 21,250.00 (consecutive no. 2) is held by Vodafone. The share in the nominal amount of EUR 3,750.00 (consecutive no. 3) is held by Vodafone Holding GmbH, an indirect subsidiary of Vodafone, having its registered seat in Düsseldorf, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Düsseldorf under HRB 38062.

#### **6.1.2 Legal basis of the Bidder in the future**

The sole shareholders of the Bidder, Vodafone and Vodafone Holding GmbH, resolved upon the change of legal form of the Bidder into a stock corporation under German law (*Aktiengesellschaft*) under the company name Vodafone Vierte Verwaltungs AG on 2 July 2013. In connection therewith, an increase of the Bidder's share capital from EUR 25,000.00 by EUR 25,000.00 to EUR 50,000.00 was resolved. The change of legal form and capital increase have already been filed for registration with the commercial register of the local court (*Amtsgericht*) of Düsseldorf and will become effective upon registration in the commercial register.

In connection with the change of legal form the business objective of the Bidder will be changed. The future business objective comprises the provision of television, telecommunication, multimedia and other related services. The Bidder will be entitled to perform all acts and take all steps and conduct all kind of transactions which are appropriate to directly or indirectly facilitate the attainment of its business objective. For this purpose, the Bidder will be authorised to establish, acquire or hold participations in companies of similar or related type, as well as to manage such companies or to administrate the participations in such companies and may transfer its business, in parts or as a whole, by way of a hive-down (*ausgliedern*) to affiliated companies. The Bidder will also be authorised to establish branches or permanent establishments. The Bidder's financial year will continue to start on 1 April each year and runs until 31 March of the following year.

Upon registration of the change of legal form in the commercial register, the Bidder's registered share capital will amount to EUR 50,000.00 and will be divided into 50,000 registered shares with no-par value (*auf den Namen lautende Stückaktien*), of which Vodafone will hold 42,500 shares and Vodafone Holding GmbH will hold 7,500 shares. Following the registration of the change of legal form, Vodafone will transfer all of its shares in the Bidder to Vodafone Holding GmbH, so that in the future all 50,000 shares in Bidder will be held by

Vodafone Holding GmbH. Upon completion of the transfer Vodafone will hold its indirect participation in the Bidder through the participation chain as shown in Annex 1 to this Offer Document.

## **6.2 Legal basis of Vodafone Group**

Vodafone is the ultimate holding company of a group of companies active in the telecommunications business. On 30 June 2013 Vodafone's registered share capital amounted to GBP 3,980,163,007 and was divided into 52,820,927,349 shares ("**Vodafone Shares**"). The Vodafone Shares are listed on the London Stock Exchange under ISIN GB00B16GWD56. On 30 June 2013 Vodafone held 4,446,896,598 treasury shares, the rest of the Vodafone Shares were held in free float.

## **6.3 Overview of the business activities of Vodafone Group**

Vodafone Group is one of the world's largest mobile communications companies by revenue with over 407 million customers in its controlled and jointly controlled markets as at 31 March 2013. It generates revenues from mobile voice, messaging and data communications services, fixed line services, business managed services and the wholesale of access to mobile virtual network operators.

Vodafone Group currently has equity interests in over 30 countries across five continents and around 50 partner networks worldwide, with operations split into three geographic regions: Northern and Central Europe, Southern Europe and Africa, Middle East and Asia Pacific (AMAP). It also has a 45% interest in Verizon Wireless in the United States.

Vodafone Group's revenue for the year ended 31 March 2013 was approximately GBP 44.4 billion and it had an operating profit of approximately GBP 4.7 billion, with profit before tax of approximately GBP 3.3 billion.

## **6.4 Board and Executive Committee of Vodafone**

### **6.4.1 The Board of Vodafone consists of the following members:**

- Gerard Kleisterlee, Chairman
- Vittorio Colao, Chief Executive – Executive Director
- Andy Halford, Chief Financial Officer – Executive Director
- Stephen Pusey, Chief Technology Officer – Executive Director
- Renee James, Non-executive Director
- Alan Jebson, Non-executive Director
- Samuel Jonah, Non-executive Director
- Omid Kordestani, Non-executive Director
- Nick Land, Non-executive Director
- Anne Lauvergeon, Non-executive Director
- Luc Vandeveld, Senior Independent Director
- Anthony Watson, Non-executive Director
- Philip Yea, Non-executive Director



**6.4.2** The Executive Committee of Vodafone consists of the following members:

- Vittorio Colao, Chief Executive
- Andy Halford, Chief Financial Officer
- Stephen Pusey, Chief Technology Officer
- Paolo Bertoluzzo, Chief Executive Officer, Southern Europe
- Warren Finegold, Group Strategy and Business Development Director
- Philipp Humm, Chief Executive Officer, Northern and Central Europe
- Nick Jeffery, Group Enterprise Director
- Matthew Kirk, Group External Affairs Director
- Morten Lundal, Group Chief Commercial Officer
- Rosemary Martin, Group General Counsel and Company Secretary
- Nick Read, Chief Executive Officer, Africa, Middle East and Asia Pacific region
- Ronald Schellekens, Group Human Resources Director

**6.5 Persons acting jointly with the Bidder**

At the time of publication of this Offer Document, Vodafone controls the Bidder and is therefore regarded as person acting jointly with the Bidder pursuant to section 2 para. 5 of the Takeover Act.

Following the change of legal form of the Bidder into a stock corporation and transfer of all shares in this stock corporation to Vodafone Holding GmbH, the following further subsidiaries of Vodafone, Vodafone European Investments, Newbury, Berkshire, United Kingdom, Vodafone International Operations Limited, Newbury, Berkshire, United Kingdom, Vodafone International Holdings Limited, Newbury, Berkshire, United Kingdom, Vodafone Intermediate Enterprises Limited, Newbury, Berkshire, United Kingdom, Vodafone Limited, Newbury, Berkshire, United Kingdom, Vodafone 2., Newbury, Berkshire, United Kingdom, Vodafone Holdings Luxembourg Limited, Newbury, Berkshire, United Kingdom, Vodafone Benelux Limited, Newbury, Berkshire, United Kingdom, Vodafone Consolidated Holdings Limited, Newbury, Berkshire, United Kingdom, Vodafone Investments Luxembourg Sarl, Luxembourg, Luxembourg, and Vodafone Holding GmbH, Düsseldorf, Germany, will also control the Bidder. They are regarded as persons acting jointly with the Bidder and each other pursuant to section 2 para. 5 sentence 3 of the Takeover Act in connection with section 2 para. 5 sentence 1 of the Takeover Act.

In addition, the subsidiaries of Vodafone set out in Annex 2 to this Offer Document are, at the time of publication of this Offer Document, regarded as persons acting jointly with the Bidder and each other pursuant to section 2 para. 5 sentence 3 of the Takeover Act in connection with section 2 para. 5 sentence 1 of the Takeover Act.

Apart from this, there are no further persons acting jointly with the Bidder pursuant to section 2 para. 5 of the Takeover Act.

## **6.6 KDH Shares currently held by the Bidder or persons acting jointly with the Bidder and their subsidiaries, attribution of voting rights**

On the date of the publication of this Offer Document, Vodafone, Bidder's ultimate holding company and a person acting jointly with the Bidder within the meaning of section 2 para. 5 of the Takeover Act, holds 3,738,421 KDH Shares, corresponding to 4.22% of the KDH Shares and voting rights in KDH AG. Other than Vodafone, neither the Bidder nor persons acting jointly with the Bidder nor their subsidiaries hold any shares or voting rights in KDH AG.

Neither the Bidder nor any person acting jointly with it, nor their subsidiaries hold financial instruments or other instruments pursuant to sections 25, 25a of the German Securities Trading Act (*Wertpapierhandelsgesetz*).

No voting rights attached to KDH Shares are attributed to the Bidder and to persons acting jointly with it or their subsidiaries pursuant to section 30 para. 1 or para. 2 of the Takeover Act.

## **6.7 Particulars of securities transactions**

In the period commencing six-months prior to the publication of the decision to make the Takeover Offer on 24 June 2013 and ending with the publication of the Offer Document on 30 July 2013, Vodafone, a person acting jointly with the Bidder within the meaning of section 2 para. 5 of the Takeover Act, has acquired KDH Shares via stock markets as follows:

<b>Form of acquisition</b>	<b>Purchase date</b>	<b>Number of KDH Shares purchased</b>	<b>Highest price paid in EUR</b>
Purchases	9 July 2013	283,512	84.31
Purchases	10 July 2013	938,771	84.25
Purchases	11 July 2013	388,841	84.25
Purchases	12 July 2013	225,130	84.33
Purchases	15 July 2013	315,754	84.30
Purchases	16 July 2013	443,260	84.50
Purchases	17 July 2013	438,593	84.50
Purchases	18 July 2013	325,555	84.50
Purchases	19 July 2013	1,458	84.45
Purchases	22 July 2013	58,695	84.50
Purchases	23 July 2013	76,516	84.46
Purchases	24 July 2013	213,254	84.49
Purchases	25 July 2013	29,082	84.50
Purchases	26 July 2013	12,041	84.50

Each purchase date refers to the day on which the relevant purchase contracts were entered into. The KDH Shares were delivered to Vodafone in the ordinary course of business, in each case on the second trading day after the purchase contracts had been entered into, e.g. on 11 July 2013 for purchases listed under the purchase date 9 July 2013.

Beyond that, neither the Bidder nor persons acting jointly with the Bidder within the meaning of section 2 para. 5 of the Takeover Act nor their subsidiaries acquired securities of KDH AG or concluded agreements as a result of which the transfer of ownership in securities of KDH AG may be demanded.

## **6.8 Possible parallel acquisitions**

To the extent permissible under applicable law, the Bidder reserves the right to directly or indirectly acquire additional KDH Shares outside of the Takeover Offer on or off the stock exchange. Therefore, in accordance with German market practice, the Bidder or any person acting on its behalf may, from time to time, make certain on or off market purchases of, or arrangements to purchase, directly or indirectly, KDH Shares other than pursuant to the Takeover Offer before or during the period that the Takeover Offer remains open for acceptance. Any such purchases, or arrangements to purchase, will be made outside the United States and in compliance with applicable law. To the extent necessary under the laws of the Federal Republic of Germany, the United States (including the Exchange Act) or other relevant jurisdictions, information about these acquisitions or respective agreements will be published in accordance with applicable legal provisions, in particular section 23 para. 2 of the Takeover Act in conjunction with section 14 para. 3 sentence 1 of the Takeover Act, on the internet at <http://www.vodafone.com/investor> and in the Federal Gazette (*Bundesanzeiger*). The relevant information will also be published in a non-binding English translation on the internet at <http://www.vodafone.com/investor>.

## **7 Description of KDH AG and KDH Group**

### **7.1 Legal basis of KDH AG**

KDH AG is a German stock corporation (*Aktiengesellschaft*) having its registered seat in Unterföhring and being registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under number HRB 184452. The business objective of KDH AG comprises the provision of television, telecommunication, multimedia and other related services. KDH AG is entitled to perform all acts and take all steps and conduct all kind of transactions which are appropriate to directly or indirectly facilitate the attainment of its business objective, including the acquisition of enterprises and the establishment of branches. The financial year of KDH AG starts on 1 April of each calendar year and ends on 31 March of the following calendar year.

As of today, the share capital of KDH AG amounts to EUR 88,522,939.00 and is divided into 88,522,939 no-par value ordinary bearer shares, each representing a pro rata amount of the share capital of EUR 1.00 per share. According to publicly available information, as of today KDH AG does not hold any treasury shares.

The KDH Shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and are traded on the regulated unofficial market (*Freiverkehr*) of the stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart. The KDH Shares have, *inter alia*, been included in the MDAX share index, and as per 24 June 2013 they were weighted at 7.1829%.

Article 4 para. 5 of the articles of association of KDH AG (the “**KDH Articles of Association**”) contains a provision on authorised capital which reads as follows: Subject to the approval by the supervisory board, the management board shall be authorised to increase the registered share capital of KDH AG on one or more occasions until 18 February 2015

by a total amount of up to EUR 45,000,000 (in words Euro forty-five million) by issuing up to 45,000,000 (in words forty-five million) new no-par value bearer shares against contribution in cash and/or in kind ("**Authorised Capital 2010/I**"). As a general rule, the shareholders shall be granted subscription rights to the new shares. The new shares may also be subscribed by banks or institutions within the meaning of section 186 para. 5 sentence 1 German Stock Corporation Act (*Aktiengesetz*, "**Stock Corporation Act**") under the obligation to offer such shares for subscription to the shareholders. The subscription right of the shareholders, however, may be excluded in total or in part in the following situations:

- (i) The management board is authorised, subject to the approval of the supervisory board, to exclude fractional amounts from the shareholders' subscription right.
- (ii) In addition, the management board is authorised, subject to the approval of the supervisory board, to exclude the subscription right of shareholders if the capital is increased against a contribution in kind for the purpose of (even indirectly) acquiring companies, parts of companies, participations in companies, or other assets.
- (iii) Furthermore, the management board is authorised, subject to the approval of the supervisory board, to exclude the subscription rights of the shareholders if the new shares are issued against contributions in cash and if the issue price of the new shares is not significantly lower than the stock exchange price of the shares of KDH AG already listed at the time when the issue price is finally determined, which time should be as close in time as possible to the placement of the new shares, and the pro rata amount of the registered share capital attributable to the new shares does not exceed 10% at the time this authorization becomes effective or at the time it is exercised. Any shares shall count towards this limit (a) that have been issued or sold subject to the exclusion of the shareholders' subscription right in direct or analogous application of section 186 para. 3 sentence 4 of the Stock Corporation Act during the term of this authorization, and (b) that are issued to satisfy subscription rights or conversion obligations arising from convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or any combination of these instruments) (together the "**Bonds**"), provided that such Bonds are issued subject to the exclusion of the shareholders' subscription right in application of section 186 para. 3 sentence 4 of the Stock Corporation Act following the date on which this authorization becomes effective.
- (iv) Finally, the management board, subject to the approval of the supervisory board, is authorised to exclude the shareholders' subscription right, (a) to the extent necessary in order to be able to grant new no-par value bearer shares to holders or creditors of convertible and/or warrant bonds, profit participation rights and/or income bonds (or any combination of these instruments) that have been issued by KDH AG or any company in which KDH AG directly or indirectly holds an equity interest ("**Affiliated Companies**") upon their exercise of conversion or option rights or fulfilment of conversion obligations, and (b) to the extent necessary in order to grant holders of option or convertible rights or creditors of convertible bonds with conversion obligations that have been or will be issued by KDH AG or Affiliated Companies a subscription right to new shares in the amount to which they would be entitled to as shareholders upon exercise of the option or conversion rights or fulfilment the conversion obligations.

The management board is authorised, subject to the approval of the supervisory board, to determine the further details of capital increases from Authorised Capital 2010/I and their implementation. The supervisory board is entitled to amend the wording of the KDH Articles of Association following a capital increase based on total amount or part of the Author-

ised Capital 2010/I and following the expiry of the term of the authorisation in accordance with the scope of the capital increase(s) based on the Authorised Capital 2010/I.

Article 4 para. 6 of the KDH Articles of Association contains a provision on contingent capital which reads as follows: The registered share capital of KDH AG shall be increased conditionally by up to EUR 45,000,000 (in words: Euro forty-five million) by issuing up to 45,000,000 (in words: forty-five million) new no-par value bearer shares ("**Contingent Capital 2010/I**"). The Contingent Capital 2010/I serves the purpose of granting no-par value bearer shares to the holders or creditors of Bonds that are issued by KDH AG or an Affiliated Company until 14 March 2015 against contribution in cash based on the Authorisation 2010/I resolved by the general meeting on 15 March 2010 under agenda item I and that provide for a subscription right to no-par value bearer shares of KDH AG upon the exercise of a conversion or option right or fulfilment of a conversion obligation. The new no-par value bearer shares from Contingent Capital 2010/I may be issued only at a conversion or option price which meets the requirements stipulated in the Authorisation 2010/I resolved by the general meeting on 15 March 2010 under agenda item I. The conditional capital increase shall be carried out only to the extent that option or conversion rights are exercised or the holders or creditors required to convert their Bonds fulfil their conversion obligation and to the extent that no compensation in cash is granted and no treasury shares of KDH AG or new shares from an utilisation of authorised capital are used to satisfy the conversion or option rights or conversion obligations. The new no-par value bearer shares shall participate in the profit from the beginning of the fiscal year in which they are issued due to the exercise of option or conversion rights or the fulfilment of conversion obligations. The management board shall be authorised to determine the further details of the conditional capital increase and its implementation. The supervisory board is entitled to amend the wording of KDH's Articles of Association following a capital increase based on total amount or part of the Contingent Capital 2010/I accordingly.

As of the date of publication of this Offer Document, KDH AG has not issued any Bonds providing for conversion and/or option rights or for conversion and/or option obligations.

## **7.2 Overview of the business activities of KDH Group**

The KDH Group offers a variety of television and telecommunications services, including digital, high definition and analog TV, pay TV, video on demand, broadband Internet (up to 100 Mbit/s) and fixed-line Phone services via cable as well as mobile services in cooperation with an industry partner. According to its own estimate, KDH Group is the largest cable network provider in the Federal Republic of Germany in terms of residential units that can be connected to a cable network and customers (Source: Annual report of KDH AG for the financial year ending on 31 March 2013 (the "**KDH Annual Report 2013**"), p. 14).

As of 31 March 2013, KDH Group had a total of 3,567 employees (Source: KDH Annual Report 2013, p. 20). In the financial year ending on 31 March 2013, KDH Group generated revenues of approximately EUR 1.83 billion and a net profit of approximately EUR 246.84 million. KDH AG announced that its Management Board (*Vorstand*) and its Supervisory Board (*Aufsichtsrat*) will propose a dividend payment of EUR 2.50 per KDH Share for the financial year ending on 31 March 2013 to the annual general meeting of KDH AG which is expected to be held on 10 October 2013.

KDH AG is the management and holding company of the KDH Group and is, in particular, responsible for the strategic development of the KDH Group and the provision of financing and other services to the members of the KDH Group. The business activities of KDH

Group are primarily conducted by KDH AG's operating subsidiaries, in particular by Kabel Deutschland Vertrieb und Service GmbH and Kabel Deutschland Kundenbetreuung GmbH.

The business activities of KDH Group are divided into two business reporting segments, TV Business and Internet and Phone Business.

#### **7.2.1 TV Business segment**

KDH Group's TV Business segment provides to its customers basic cable and premium TV products and services. The basic cable products consist of analog and digital TV and radio services, which are provided primarily via individual customer contracts or collective contracts with landlords or housing associations as well as contracts with level 4 network operators. Revenues for basic cable products are primarily generated from subscription fees. The premium TV products and services generate revenues primarily from monthly subscription fees for pay TV, digital video recorders as well as from access fees for encrypted high definition channels. In addition, the KDH Group's TV Business segment generates revenue from carriage fees from free TV and pay TV providers.

In the financial year ending on 31 March 2013, KDH Group's TV Business segment generated revenues of approximately EUR 1.19 billion representing approximately 65.1% of KDH Group's total revenues (Source: KDH Annual Report 2013, p. 15).

#### **7.2.2 Internet and Phone Business segment**

KDH Group's Internet and Phone Business segment comprises broadband internet access, fixed-line and mobile voice and data services. Broadband internet access and fixed-line phone services are offered to customers which can be connected to KDH Group's network upgraded for bidirectional services. The mobile voice and data services are offered by KDH Group on the basis of a contractual relationship with a mobile network operator in the Federal Republic of Germany.

In the financial year ending 31 March 2013, KDH Group's Internet and Phone Business segment generated revenues of approximately EUR 638.28 million representing approximately 34.9% of KDH Group's total revenues (Source: KDH Annual Report 2013, p. 16).

### **7.3 Boards of KDH AG**

#### **7.3.1 The Management Board (*Vorstand*) of KDH AG is currently composed of the following individuals:**

- Dr. Adrian v. Hammerstein  
Chief Executive Officer
- Dr. Manuel Cubero del Castillo-Olivares  
Chief Operating Officer
- Erik Adams  
Chief Marketing Officer
- Dr. Andreas Siemen  
Chief Financial Officer

#### **7.3.2 The Supervisory Board (*Aufsichtsrat*) of KDH AG consists of 12 members. Half of the members are elected by the KDH Shareholders and the other half of the members are elected by the employees (employees' representatives) of KDH Group pursuant to the**

German Employee Co-Determination Act (*Mitbestimmungsgesetz*). The Supervisory Board of KDH AG is currently composed of the following individuals:

- Tony Ball  
Chairman
- Joachim Pütz, employees' representative  
Deputy Chairman
- Susanne Aichinger, employees' representative
- Annet Aris
- Petra Ganser, employees' representative
- Irena Gruhne, employees' representative
- Ronald Hofschläger, employees' representative
- Florian Landgraf, employees' representative
- Catherine Mühlemann
- Martin David Stewart
- Paul Stodden
- Torsten Winkler

#### **7.4 Persons acting jointly with KDH AG**

According to the information available to the Bidder at the time of publication of this Offer Document, the companies listed in Annex 3 of this Offer Document are subsidiaries of KDH AG and are therefore regarded as persons acting jointly with each other and with KDH AG pursuant to section 2 para. 5 sentence 2 of the Takeover Act in conjunction with section 2 para. 5 sentence 3 of the Takeover Act.

Other than the companies listed in Annex 3, the Bidder is not aware of any further persons acting jointly with KDH AG pursuant to section 2 para. 5 of the Takeover Act.

### **8 Background to the Takeover Offer**

#### **8.1 Economic and strategic background of the Takeover Offer**

KDH Group has a highly attractive business that operates a high speed broadband enabled cable network with 15.3 million homes passed in 13 of Germany's 16 federal states. As at 31 March 2013, KDH Group had 7.6 million total direct subscribers, of which around 60% are on long term contracts with housing associations. KDH Group has delivered significant revenue and EBITDA growth of approximately 8% over the last twelve months through continued cross-selling and up-selling. KDH Group's customer base is still under-penetrated in broadband and pay TV with penetration levels of only 16% and 12% respectively, which represents a significant opportunity to deliver strong future growth.

The combination of Vodafone and KDH AG will create a leading integrated communications operator in Vodafone's largest European market. KDH Group provides Vodafone with an attractive platform for TV and fixed broadband in Germany and creates a leading integrated operator with pro forma revenues of approximately EUR 11.5 billion. Leveraging

KDH Group's high speed broadband and TV capabilities will provide Vodafone with the ability to offer premium unified communications services to consumers and businesses in Germany.

Vodafone's and KDH AG's network infrastructures are highly complementary. Vodafone intends to migrate its fixed line DSL customer base to KDH Group's cable network where possible, generating savings from closing down DSL central offices, reducing maintenance and removing the need to pay unbundled local loop ("**ULL**") and bitstream fees. Outside KDH Group's footprint, Vodafone will continue to offer fixed broadband access to consumers and businesses via DSL or via its recently announced VDSL bitstream agreement with Deutsche Telekom. Vodafone's mobile business will benefit from KDH Group's network, which will provide transmission capacity for Vodafone's base stations at considerably lower cost than prevailing market rates for leased capacity. There is also scope for savings from combining Vodafone's and KDH Group's national and regional backbones as well as from combining the respective product offerings and future development efforts.

The in-market nature of the combination of Vodafone and KDH AG and the size of Vodafone's business in Germany are expected to reduce execution risk on the delivery of synergies. The cost and capex savings will be predominantly derived from network integration, the reduction in ULL and bitstream fees, procurement efficiencies and IT/billing simplification. There will also be scope to reduce duplication in customer care and administrative functions. When combined, these savings are expected to equate to an annual run-rate by the fourth full year post completion exceeding EUR 300 million before integration costs, equivalent to a net present value exceeding EUR 3.0 billion after integration costs.

There is also significant potential to accelerate the growth of the combined businesses. Vodafone has a significant opportunity to use its leading brand, extensive distribution network and scale to accelerate the growth in KDH Group's business and cross-sell KDH Group's high quality fixed broadband, fixed telephony and TV offerings to Vodafone's existing customers. Vodafone also expects to be able to cross-sell its mobile services to KDH Group's customers and offer new services using both companies' product sets and networks. Therefore Vodafone believes there is an upside potential from revenue synergies, including a net present value exceeding EUR 1.5 billion from cross-selling and improved customer loyalty.

To facilitate the future co-operation between and combination of KDH Group's business with Vodafone Group's mobile and fixed line business in Germany, the Bidder and Vodafone intend, subject to the relevant legal prerequisites being met, to conclude a domination and profit and loss transfer agreement with KDH AG (see Section 9.7.1 of this Offer Document).

## **8.2 Business Combination Agreement**

Following an analysis of the benefits and potentials resulting from a co-operation between and combination of KDH AG's and Vodafone's German operations, Bidder, Vodafone and KDH AG determined, after due consideration of all circumstances available to them and taking into account the strategic value and growth prospects of KDH AG as well as the Offer Consideration, that such a transaction is likely to benefit their shareholders, employees and customers and also themselves. As a consequence the Bidder, Vodafone and KDH AG entered into a business combination agreement on 24 June 2013 ("**BCA**"), which outlines certain parameters and the mutual understanding of Bidder, Vodafone and KDH AG as re-



gards this Takeover Offer and its implementation as well as of the future organisation of the combined operations. The most material terms can be summarised as follows.

#### **8.2.1 Material terms of the Takeover Offer**

In the BCA, the Bidder agreed to make the Takeover Offer at the Offer Consideration and with no more completion conditions than the Completion Conditions.

#### **8.2.2 Support of the Takeover Offer**

KDH AG agreed to use its best efforts to ensure that its Management Board (*Vorstand*) and Supervisory Board (*Aufsichtsrat*), subject to applicable law and their fiduciary duties, support the Takeover Offer and recommend to accept it in their reasoned statement pursuant to section 27 para. 1 of the Takeover Act (see Section 18.2 of this Offer Document for further details). Such support and recommendation is subject to certain prerequisites agreed in the BCA, including that there is no more favourable competing transaction by a third party, in which case the Bidder, *inter alia*, has a right to amend the Takeover Offer to match the competing offer.

The parties to the BCA have also agreed to co-operate with each other in all respects relating to the Takeover Offer, in particular with regard to obtaining the necessary merger control clearance.

#### **8.2.3 Conduct of business and future co-operation**

Subject to, in particular, applicable law and the fiduciary duties of its board members, KDH AG further agreed to, and agreed to procure that each member of KDH Group will, continue to operate their respective businesses as a going concern in the ordinary course as carried out prior to the execution of the BCA and use their best efforts to maintain and preserve their respective businesses (including material business organisation) and their existing business relationships with third parties and to refrain from actions which may in the reasonable opinion of the Bidder adversely affect the success or the timing of the Takeover Offer or the intentions of the Bidder or Vodafone stipulated therein.

The parties to the BCA also agreed on certain guiding principles in relation to the proposed combination of KDH Group's and Vodafone Group's German operations.

Please see Section 9.5 of this Offer Document for further details on the Bidder's and Vodafone's intentions in relation to employees, employment conditions and employee representation of KDH Group as stipulated in the BCA.

#### **8.2.4 Term of the BCA**

The BCA automatically terminates on 31 December 2014. In addition, the BCA provides each party with extraordinary termination rights in certain defined circumstances.

### **9 Intentions of the Bidder and Vodafone**

#### **9.1 Future business activities of KDH AG**

As described in more detail in Section 8.1 of this Offer Document, the ultimate objective of this Takeover Offer is to combine KDH Group and Vodafone Group in Germany to create a leading integrated communications operator.

As long as no domination and profit and loss transfer agreement has been executed between the Bidder and KDH AG, which the Bidder and Vodafone intend to conclude (see

Section 9.7.1 of this Offer Document) to facilitate the future co-operation between and combination of KDH Group's business with Vodafone Group's German operations, the business activities of KDH AG will be conducted by its Management Board (*Vorstand*) according to applicable law and based upon the business strategy currently implemented or further developed by the Management Board.

The Bidder, Vodafone and KDH AG agreed in the BCA that following the successful completion of this Takeover Offer and subject to applicable law, a joint integration committee shall be set up, which shall be the appropriate forum to discuss the future integration, organisation and operation of the combined business. The joint integration committee shall consist of six members, three of which shall be appointed by Vodafone and three of which shall be appointed by KDH AG. The chairman of the joint integration committee, who in case of a tie of votes in the joint integration committee shall have the casting vote, shall be appointed by Vodafone. The Bidder and Vodafone are of the view that the contemplated business combination presents a number of attractive business opportunities to maximise the success of the combined business as outlined in further details in Section 8.1 of this Offer Document.

At the time of publication of this Offer Document no decisions on the future integration, organisation and operation of the combined business have been taken.

## **9.2 Future use of assets of KDH AG**

Neither the Bidder nor Vodafone have the intention to, or intend to cause KDH AG to, divest parts of its current business operations or assets.

## **9.3 Future obligations of KDH AG**

The Bidder and Vodafone have no intentions or plans which would result in an increase of KDH Group's current indebtedness outside the ordinary course of business. They do however intend, as described in more detail in Section 9.7.1 of this Offer Document, that the Bidder as dominating company and KDH AG as dominated company conclude a domination and profit and loss transfer agreement.

KDH AG and certain of its subsidiaries have entered into financing agreements or issued bonds (*Anleihen*) which contain change of control provisions, which may be triggered as a result of a successful Takeover Offer. In the BCA, Vodafone has agreed that following completion of the Takeover Offer it will, or will procure that a Vodafone subsidiary will, agree with KDH AG a revolving credit facility, which shall provide KDH AG with the necessary financial means to replace any third party financing that terminates as a result of the completion of the Takeover Offer on arms' length terms.

## **9.4 Management Board and Supervisory Board of KDH AG**

The Bidder and Vodafone intend to support the current business strategy of the Management Board (*Vorstand*) and view KDH AG's Management Board as a strong and experienced management team which will be a key factor for the combined operations. The composition of the Management Board falls in the responsibility of KDH AG's Supervisory Board (*Aufsichtsrat*).

In the BCA, the Bidder and Vodafone have expressed their intention that the management of KDH AG shall be responsible for the management of, *inter alia*, the combined consumer fixed line business throughout Germany and for creating uniform product platforms for TV, broadband and fixed telephony as well as forming the basis for increased operational ex-

cellence for consumer high speed broadband and TV across the broader Vodafone Group. This includes operational control over certain essential business areas, such as marketing, product development and sales channels as currently carried out by KDH AG's management as well as cable technology research and development and the planning and operation of the cable network and related systems. In addition, it was agreed in the BCA that the present Chief Executive Officer of KDH AG and his successors will be invited to join the management board of Vodafone Group's major business decision entity in Germany, which is as of the date of publication of this Offer Document Vodafone GmbH.

The Supervisory Board (*Aufsichtsrat*) of KDH AG consists of 12 members, of which six are elected by the employees (see Section 7.3.2 of this Offer Document). The Bidder and Vodafone have agreed in the BCA and do not intend to initiate or otherwise support any modification regarding the size of the Supervisory Board. Following completion of the Takeover Offer, the Bidder intends to have a representation on the Supervisory Board which adequately reflects its shareholding in KDH AG.

#### **9.5 Employees, terms and conditions of employment and employee representation**

The Bidder and Vodafone have acknowledged in the BCA that the dedicated workforce of KDH Group is the foundation of the current and future success of KDH AG and that the success of the transaction, and in particular the continued business success of KDH AG, depends on the creativity of KDH Group's workforce and their potential for innovation, both of which heavily rely on the competence and commitment of the employees of KDH AG. The Bidder and Vodafone intend to continue and further strengthen a constructive dialogue with all of KDH AG's workforce constituencies and to support the Management Board of KDH AG in maintaining and developing an attractive and competitive framework to retain an excellent employee base. Against this background, the Bidder and Vodafone intend to respect the rights of the employees, works councils (*Betriebsräte*) and unions (*Gewerkschaften*) of KDH Group and intend not to take any action aiming at the amendment of the existing collective terms within KDH Group or that could lead to a change of the existing level of co-determination.

Further, the Bidder and Vodafone have no intention to take any action that could lead to a significant reduction of the current workforce of KDH Group, a material change in the employment terms (including incentive and bonus systems) and the conditions in organisations of the employee representatives and representation bodies. The Bidder and Vodafone have no intention to initiate dismissals due to operational reasons (*betriebsbedingt*) within KDH Group. The Bidder and Vodafone have no intention to take any action that will result in the closure of any significant site (i.e. sites at which at least 100 employees were employed as at the date of the BCA), it being understood that the merger or the combination of adjacent sites may be discussed. As regards the appointment to vacant positions in the combined business following completion of the Takeover Offer, the Bidder and Vodafone intend that appointees are chosen among the employees of Vodafone and KDH AG in accordance with the principle of "best person for the job".

#### **9.6 Registered office of KDH AG, location of material parts of the business**

The Bidder and Vodafone have undertaken for the term of the BCA not to relocate KDH AG's headquarter functions in Unterföhring, Germany. The Bidder and Vodafone have no intention to initiate any action that would result in the closure of any of the main activities or significant sites of KDH Group, but may discuss with KDH AG the merger of adjacent sites.

## **9.7 Possible structural measures**

As of the date of this Offer Document and provided that following the completion of the Takeover Offer the Bidder directly or indirectly holds the number of KDH Shares that a shareholder of a stock corporation must hold, or requires to approve resolutions, according to the following provisions and further provided that the relevant legal prerequisites are met, the Bidder and Vodafone intend, insofar as it is still economically reasonable at the relevant time, to conclude a domination and profit and loss transfer agreement between the Bidder as dominating company and KDH AG as dominated company and further intend, insofar as it is still economically reasonable at the relevant time, to demand a transfer of the KDH Shares held by the outside KDH Shareholders in exchange for an appropriate cash compensation (squeeze-out). As a result of a squeeze-out, a delisting of the KDH Shares would occur.

### **9.7.1 Domination and profit and loss transfer agreement**

If, after completion of the Takeover Offer or at any given time in the future, the Bidder holds at least a majority of 75% of the voting share capital of KDH AG represented in the general meeting, the Bidder intends to initiate and pass a resolution with regard to the execution of a domination and profit and loss transfer agreement between the Bidder as dominating company and KDH AG as dominated company pursuant to sections 291 et seq. of the Stock Corporation Act.

Once a domination and profit and loss transfer agreement becomes legally effective, the Bidder could issue binding instructions to the management board of KDH AG with respect to the management of KDH AG and could, therefore, exercise control over the management of KDH AG. In addition, KDH AG would be obligated to transfer to the Bidder all of its annual net profits that would arise without the profit transfer, minus losses carried forward and allocations to the legal reserves. Conversely, the Bidder would be obligated to compensate any annual net loss of KDH AG that would occur without such a domination and profit and loss transfer agreement and that were not offset by withdrawals from other retained earnings formed during the term of the domination and profit and loss transfer agreement. Such a domination and profit and loss transfer agreement would provide for, *inter alia*, an obligation on the part of the Bidder (i) to offer the outside KDH Shareholders to acquire their KDH Shares for an appropriate cash consideration, and (ii) to pay the remaining outside KDH Shareholders a compensation by way of recurring payments (guaranteed dividend). The amount of the recurring payments and the cash consideration would be determined by reference to the circumstances existing at the time of adoption of the relevant resolution in the general meeting of KDH AG. The appropriateness of the amount of the cash consideration and the recurring payments can be reviewed in a judicial appraisal procedure (*Spruchverfahren*). The amount of the appropriate recurring payments could be equal to the dividends distributed by KDH AG to its shareholders in the past, but also higher or lower. The amount of the appropriate cash consideration could be equal to the Offer Consideration but also higher or lower.

### **9.7.2 Squeeze-out**

If, following the completion of the Takeover Offer, the Bidder directly or indirectly holds the number of KDH Shares that a shareholder of a stock corporation must hold in order to demand a transfer of the KDH Shares from the outside shareholders to the principal shareholder in exchange for a fair cash compensation (squeeze-out), the Bidder intends, insofar as it is economically reasonable at the relevant time, to take the measures necessary for such a squeeze-out of the outside KDH Shareholders; specifically:

- (i) If the Bidder's shareholding of KDH Shares, upon completion of the Takeover Offer, reaches or exceeds the threshold of 95% of KDH AG's share capital and the Takeover Offer was accepted for 90% of KDH AG's share capital at which the Takeover Offer was directed, the Bidder intends to submit an application pursuant to section 39a para. 1 sentence 1 of the Takeover Act demanding the transfer of the remaining KDH Shares in exchange for an appropriate compensation by court order (squeeze-out under takeover law). The consideration offered and paid under this Takeover Offer will be considered to constitute an appropriate compensation if, as a result of this Takeover Offer, the Bidder has acquired KDH Shares corresponding to at least 90% of KDH AG's share capital at which the Takeover Offer was directed. If the Bidder is entitled to file a request under section 39a of the Takeover Act, KDH Shareholders who did not accept the Takeover Offer would still be entitled to accept the Takeover Offer within such period of three months from the expiry of the Acceptance Period, section 39c of the Takeover Act in connection with section 39a of the Takeover Act (see also Section of this 17(vii) Offer Document). The Bidder would timely publish the modalities of the technical settlement of the tender.
- (ii) If the Bidder's shareholding of KDH Shares, upon completion of the Takeover Offer or at any given time in the future, reaches or exceeds the threshold of 90% of KDH AG's share capital, the Bidder intends, in connection with a merger of KDH AG into the Bidder, to demand the exclusion of the outside KDH Shareholders in exchange for an appropriate cash compensation in accordance with section 62 para. 5 of the German Transformation Act (*Umwandlungsgesetz*, "**Transformation Act**") in connection with sections 327a et. seq. of the Stock Corporation Act (squeeze-out under transformation law). The amount of the cash compensation would be determined by reference to the circumstances existing at the time the general meeting of KDH AG adopted the relevant resolution. The appropriateness of the amount of the cash compensation can be reviewed in a judicial appraisal procedure (*Spruchverfahren*). The amount of the appropriate cash compensation could be equal to the Offer Consideration but also higher or lower.
- (iii) If the Bidder's shareholding of KDH Shares, upon completion of the Takeover Offer or at any given time in the future, reaches or exceeds the threshold of 95% of KDH AG's share capital, the Bidder intends to demand transfer of the KDH Shares from the outside KDH Shareholders in exchange for an appropriate cash compensation in accordance with sections 327a et. seq. of the Stock Corporation Act (squeeze-out under stock corporation law). The amount of the cash compensation would be determined by reference to the circumstances existing at the time the general meeting of KDH AG adopted the relevant resolution. The appropriateness of the amount of the cash compensation can be reviewed in a judicial appraisal procedure (*Spruchverfahren*). The amount of the appropriate cash compensation could be equal to the Offer Consideration but also higher or lower.
- (iv) The implementation of a squeeze-out of the minority shareholders would result in a termination of the stock exchange listing of KDH AG.
- (v) If the requirements for all of the above described squeeze-outs are satisfied, the Bidder and Vodafone consider most likely that they will initiate the squeeze-out under takeover law, provided that the consideration under the Takeover Offer is deemed an appropriate compensation. If the latter is not the case, they consider

most likely that they will initiate the squeeze-out under stock corporation law. Finally, if the Bidder's shareholding in KDH AG is above 90% but below 95%, the Bidder and Vodafone intend to initiate the squeeze-out under transformation law.

## **9.8 Future business activities of the Bidder and Vodafone Group, seat of the Bidder**

The Bidder has no business activities of its own and, following completion of the Takeover Offer, will at first administer its participation in KDH AG.

In the BCA, it was agreed that the present Chief Executive Officer of KDH AG and his successors will be invited to join the management board of Vodafone Group's major business decision entity in Germany, which is as of the date of publication of this Offer Document Vodafone GmbH.

Following completion of the transfer of all shares held by Vodafone in the Bidder to Vodafone Holding GmbH (see Section 6.1.2 of this Offer Document), the Bidder and Vodafone intend that Vodafone Holding GmbH as dominating company and the Bidder as dominated company conclude a domination and profit and loss transfer agreement and take all measures in connection therewith, including, if beneficial, a change of the Bidder's fiscal year.

Beyond the consequences described in in Sections 8.1, 8.2, and 9.1 of this Offer Document, neither the Bidder nor Vodafone plans to change its German business activities, which comprise mobile and fixed telephony as well as broadband internet access services offered to both consumer and enterprise customers, as a consequence of the Takeover Offer, in particular with regard to the location of material parts of the German business or the registered office of the Bidder, the use of its assets, its future obligations, its employees and employee representatives, members of its management bodies, or terms and conditions of employment.

## **10 Explanation of the determination of the Offer Consideration**

### **10.1 Minimum consideration**

In accordance with section 31 para. 1 of the Takeover Act and section 31 para. 7 of the Takeover Act in conjunction with sections 3 to 5 of the Takeover Offer Regulation, the minimum consideration for the KDH Shares is the higher of the following prices:

- (i) Pursuant to section 4 of the Takeover Offer Regulation (in conjunction with section 31 para. 6 of the Takeover Act), the consideration must be at least equal to the highest consideration paid or agreed to be paid by the Bidder, persons acting jointly with the Bidder or their subsidiaries for the acquisition of KDH Shares (or the entering into corresponding agreements which entitle to acquire KDH Shares) within the last six months prior to the publication of the Offer Document on 30 July 2013.

In the relevant time period pursuant to section 4 of the Takeover Offer Regulation (in conjunction with section 31 para. 6 of the Takeover Act), Vodafone, a person acting jointly with the Bidder within the meaning of section 2 para. 5 of the Takeover Act, acquired KDH Shares as described in Section 6.7 of this Offer Document. The highest price paid for such an acquisition of a KDH Share by Vodafone amounted to EUR 84.50. Otherwise, neither the Bidder, nor persons acting jointly with the Bidder, nor their subsidiaries acquired KDH Shares or entered into agreements which entitled them to acquire KDH Shares (see Section 6.7 of this

Offer Document). Therefore the minimum consideration pursuant to section 4 of the Takeover Offer Regulation amounts to EUR 84.50 per KDH Share.

- (ii) Pursuant to section 5 of the Takeover Offer Regulation, the consideration must be at least equal to the weighted average domestic stock exchange price of KDH Shares during the last three months prior to the publication of the decision to make the Takeover Offer in accordance with section 10 para. 1 sentence 1 of the Takeover Act by the Bidder on 24 June 2013. The relevant average price pursuant to section 5 of the Takeover Offer Regulation as at (and including) 23 June 2013 was notified by BaFin to the Bidder to be EUR 76.83 per KDH Share.

Therefore, in accordance with section 31 para. 1 of the Takeover Act and section 31 para. 7 of the Takeover Act in conjunction with sections 3 to 5 of the Takeover Offer Regulation the minimum consideration for the KDH Shares amounts to EUR 84.50.

## **10.2 Offer Consideration**

The Bidder and Vodafone intend KDH Shareholders to receive a total value of EUR 87.00 in cash for each KDH Share, comprising an Offer Consideration of EUR 84.50 per tendered KDH Share in cash pursuant to the Takeover Offer and the benefit from the payment of the EUR 2.50 dividend per KDH Share as announced by KDH AG on 24 June 2013.

The Offer Consideration of EUR 84.50 will be increased by EUR 2.50 to EUR 87.00 per KDH Share if settlement of the Takeover Offer occurs prior to the day of KDH AG's General Meeting. If the settlement of the Takeover Offer occurs after the day of this general meeting, KDH Shareholders will receive the dividend resolved by KDH AG's General Meeting which was announced to amount to EUR 2.50 per KDH Share from KDH AG first and KDH Shareholders who have tendered their KDH Shares will receive EUR 84.50 per KDH Share from the Bidder later upon settlement of the Takeover Offer.

In the scenario where the settlement of the Takeover Offer occurs after KDH AG's General Meeting, the Offer Consideration amounts to EUR 84.50 per KDH Share. Following market purchases by Vodafone after the publication of the decision to make the Takeover Offer in accordance with section 10 para. 1 sentence 1 of the Takeover Act by the Bidder, the Offer Consideration in the amount of EUR 84.50 per KDH Share now corresponds to the minimum consideration for KDH Shares determined in accordance with section 31 para. 1 of the Takeover Act and section 31 para. 7 of the Takeover Act in conjunction with sections 3 to 5 of the Takeover Offer Regulation (see Section 10.1 of this Offer Document).

In determining the Offer Consideration, the Bidder has considered in particular the historical performance of the stock exchange prices of the KDH Share. The stock exchange price is a well acknowledged basis for determining an appropriate consideration for shares listed on a stock exchange. The KDH Shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and are traded on the regulated unofficial market (*Freiverkehr*) of the stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart. The KDH Shares are included in the MDAX and demonstrate functioning stock exchange trading with a high degree of free float and meaningful trading activity and volume.

The Offer Consideration of EUR 84.50 per KDH Share results in the following premiums as compared to the historical stock exchange prices for the KDH Share prior to 24 June 2013:

- (i) 9.98% premium compared to the weighted average domestic stock exchange price of the KDH Share during the last three months prior to the publication of the

decision to make the Takeover Offer in accordance with section 10 para. 1 sentence 1 of the Takeover Act by the Bidder on 24 June 2013 (such price amounting to EUR 76.83);

- (ii) 0.5% premium compared to the closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange on the last day prior to the publication of the decision to make the Takeover Offer by the Bidder, i.e. on 21 June 2013 (such price amounting to EUR 84.10);
- (iii) 1.2% discount compared to highest closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the last 52 weeks prior to the publication of the decision to make the Takeover Offer by the Bidder, i.e. in the period between 22 June 2012 and 21 June 2013 (such price amounting to EUR 85.51);
- (iv) 80.9% premium compared to lowest closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the last 52 weeks prior to the publication of the decision to make the Takeover Offer by the Bidder (such price amounting to EUR 46.70).

The increased Offer Consideration of EUR 87.00 per KDH Share results in the following premiums as compared to the historical stock exchange prices for the KDH Share prior to 24 June 2013:

- (i) 13.24% premium compared to the weighted average domestic stock exchange price of the KDH Share during the last three months prior to the publication of the decision to make the Takeover Offer in accordance with section 10 para. 1 sentence 1 of the Takeover Act by the Bidder on 24 June 2013 (such price amounting to EUR 76.83);
- (ii) 3.45% premium compared to the closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange on the last day prior to the publication of the decision to make the Takeover Offer by the Bidder, i.e. on 21 June 2013 (such price amounting to EUR 84.10);
- (iii) 1.74% premium compared to highest closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the last 52 weeks prior to the publication of the decision to make the Takeover Offer by the Bidder, i.e. in the period between 22 June 2012 and 21 June 2013 (such price amounting to EUR 85.51);
- (iv) 86.3% premium compared to lowest closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the last 52 weeks prior to the publication of the decision to make the Takeover Offer by the Bidder (such price amounting to EUR 46.70).

Furthermore, on 13 February 2013 articles asserting that Vodafone was in preparations for a takeover offer for KDH AG were published in the press. Following publication of these articles, the share price of the KDH Shares increased and closed 8.8% over the previous trading day's closing price (based on the closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange on 12 February 2013). The Bidder is of the view that from that point in time the share price of the KDH Share was influenced by these articles and therefore considers 12 February 2013 to be the last trading day of the KDH Shares undisturbed by press coverage on an interest of Voda-



fone on a takeover of KDH AG. The closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange on 12 February 2013 amounted to EUR 63.60.

The Offer Consideration of EUR 84.50 per KDH Share results in the following premiums as compared to the historical stock exchange prices for the KDH Share prior to 13 February 2013:

- (i) 47.0% premium compared to the weighted average domestic stock exchange price of the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the three months period ending on 12 February 2013 (such price amounting to EUR 57.47);
- (ii) 32.9% premium compared to the closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange on 12 February 2013 (such price amounting to EUR 63.60);
- (iii) 32.2% premium compared to highest closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the 52 weeks period ending on 12 February 2013 (such price amounting to EUR 63.90);
- (iv) 115.34% premium compared to lowest closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the 52 weeks period ending on ending on 12 February 2013 (such price amounting to EUR 39.24);
- (v) 25.11% premium compared to the closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange on 12 February 2013 plus 6.2%, representing the performance by the MDAX in the period from the day after 12 February 2013 until the last day prior to the publication of the decision to make the Takeover Offer by the Bidder, i.e. 21 June 2013.

The increased Offer Consideration of EUR 87.00 per KDH Share results in the following premiums as compared to the historical stock exchange prices for the KDH Share prior to 13 February 2013:

- (i) 51.38% premium compared to the weighted average domestic stock exchange price of the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the three months period ending on 12 February 2013 (such price amounting to EUR 57.47);
- (ii) 36.79% premium compared to the closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange on 12 February 2013 (such price amounting to EUR 63.60);
- (iii) 36.15% premium compared to highest closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the 52 weeks period ending on 12 February 2013 (such price amounting to EUR 63.90);
- (iv) 121.71% premium compared to lowest closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange during the 52 weeks period ending on 12 February 2013 (such price amounting to EUR 39.24);

- (v) 28.81% premium compared to the closing stock exchange price for the KDH Share in the electronic trading system (XETRA) of the Frankfurt Stock Exchange on 12 February 2013 plus 6.2%, representing the performance by the MDAX in the period from the day after 12 February 2013 until the last day prior to the publication of the decision to make the Takeover Offer by the Bidder, i.e. 21 June 2013.

The historical stock exchange prices for the KDH Share referred to above (with the exception of the weighted three months average price prior to 24 June 2013 which was notified by BaFin to Bidder) were taken from the S&P Capital IQ database.

### **10.3 Adequacy of the Offer Consideration**

The Bidder has determined the adequacy of the Offer Consideration on the basis of the negotiations with KDH AG in connection with the conclusion of the BCA. In these negotiations, the Offer Consideration was set at an amount of EUR 84.50 and is designed to also have the tendering shareholders receive the dividend for the fiscal year ending on 31 March 2013, which shall amount to EUR 2.50, in order to offer KDH Shareholders an attractive premium over the market prices of the KDH Shares prior to the publication of press articles reporting an interest of Vodafone in a takeover of KDH AG. Furthermore, the Bidder has considered the historical stock exchange prices for the KDH Shares. The comparisons of the Offer Consideration in the amount of EUR 84.50 per KDH Share with historical stock exchange prices presented in Section 10.2 of this Offer Document demonstrate that the Offer Consideration exceeds the valuation of the KDH Share by the capital market prior to the publication of the Bidder's decision to make the Takeover Offer. The Offer Consideration in the amount of EUR 84.50 per KDH Share exceeds the weighted average domestic stock exchange price of the KDH Share during the last three months prior to the publication of the decision to make the Takeover Offer in accordance with section 10 para. 1 sentence 1 of the Takeover Act by the Bidder on 24 June 2013 by an amount of EUR 7.67 per KDH Share and thus constitutes a premium offered by the Bidder to the KDH Shareholders of approximately 9.98% per KDH Share.

The Bidder considers the Offer Consideration in the amount of EUR 84.50 per KDH Share to be an adequate consideration within the meaning of section 31 para. 1 of the Takeover Act. The Bidder is convinced that the results of the negotiations with KDH AG as well as the three-month average price are an appropriate basis to determine the Offer Consideration, in particular as the latter falls entirely in the period after Vodafone's interest in a takeover of KDH AG had become subject to press coverage on and after 13 February 2013. It follows from section 31 para. 1 of the Takeover Act in conjunction with section 5 paras. 1 and 3 of the Takeover Offer Regulation that the German legislator approves the weighted average domestic stock exchange price during the last three months prior to the publication of the decision to make the Takeover Offer in accordance with section 10 para. 1 sentence 1 of the Takeover Act as appropriate method to determine the adequacy of the Offer Consideration. Therefore, the Bidder regards this method of valuation as appropriate for this Takeover Offer and the Offer Consideration.

Beyond that, the Bidder has not applied any other valuation method to determine the Offer Consideration.

#### **10.4 No compensation for loss of certain rights**

The KDH Articles of Association do not provide for the application of section 33b para. 2 of the Takeover Act. Therefore, the Bidder is not obliged to pay any compensation pursuant to section 33b para. 5 of the Takeover Act.

### **11 Acceptance and settlement of the Takeover Offer**

#### **11.1 Central Settlement Agent**

The Bidder has appointed Commerzbank Aktiengesellschaft, Frankfurt am Main, Germany (the “**Central Settlement Agent**”), to act as central settlement agent in connection with the Takeover Offer.

#### **11.2 Acceptance of the Takeover Offer**

*KDH Shareholders who wish to accept the Takeover Offer should contact their Custodian Bank (as defined below) with any questions about the technical aspects of the acceptance of the Takeover Offer and its settlement. The Custodian Banks have been informed separately about the procedures for the acceptance and settlement of the Takeover Offer.*

KDH Shareholders may only accept the Takeover Offer by declaring acceptance of the Takeover Offer in written form (*Textform*) (the “**Declaration of Acceptance**”) vis-à-vis the investment services enterprise maintaining the relevant shareholder’s securities account (the “**Custodian Bank**”).

Until transfer of the KDH Shares in relation to which the Takeover Offer has been accepted within the Acceptance Period (together with the KDH Shares tendered in the Additional Acceptance Period the “**Tendered KDH Shares**”) to the securities account of the Central Settlement Agent with Clearstream, the KDH Shares specified in the Declaration of Acceptance remain credited to the respective securities account of the accepting KDH Shareholder, but are re-booked to a different ISIN at Clearstream and in the securities account of the accepting KDH Shareholder and thus identified as Tendered KDH Shares (ISIN DE000KD88872).

The Declaration of Acceptance will only become effective upon the Tendered KDH Shares having been re-booked to the relevant ISIN in time. As a prerequisite, the Declaration of Acceptance must be delivered to the relevant Custodian Bank within the Acceptance Period. If a Declaration of Acceptance has been delivered to the relevant Custodian Bank within the Acceptance Period, the re-booking of the KDH Shares will be considered to have been performed in time if the re-booking at Clearstream has occurred no later than 18:00 hrs (Frankfurt am Main local time) on the second banking day following expiry of the Acceptance Period. Such re-bookings are to be arranged for by the Custodian Bank without undue delay after receipt of the Declaration of Acceptance.

#### **11.3 Further declarations by KDH Shareholders accepting the Takeover Offer**

*The following declarations are partly explained in more detail in Sections 11.4 and 11.6 of this Offer Document.*

By accepting the Takeover Offer pursuant to Section 11.2 of this Offer Document:

- (i) the accepting KDH Shareholders instruct and authorise their respective Custodian Bank and any intermediate custodian of the relevant Tendered KDH Shares:

- to leave the Tendered KDH Shares in the securities account of the accepting KDH Shareholder for the time being, but to cause them to be re-booked under ISIN DE000KD88872 (Tendered KDH Shares) at Clearstream;
  - to instruct and authorise Clearstream to make the Tendered KDH Shares available to the Central Settlement Agent on its securities account held with Clearstream for transfer of ownership to the Bidder following expiry of the Additional Acceptance Period (but not before fulfilment of the Completion Conditions set out in Section 13.1 of this Offer Document, unless these have been waived by the Bidder pursuant to section 21 para. 1 sentence 1 no. 4 of the Takeover Act);
  - to instruct and authorise Clearstream to transfer ownership of the Tendered KDH Shares (ISIN DE000KD88872) in each case including all rights attaching thereto, in particular the dividend entitlement at the time this Takeover Offer is settled, to the Bidder simultaneously with (*Zug um Zug gegen*) payment of the Offer Consideration for the relevant Tendered KDH Shares to the account of the relevant Custodian Bank with Clearstream in accordance with the provisions of the Takeover Offer;
  - to instruct and authorise any intermediate custodians of the relevant Tendered KDH Shares and Clearstream to make available to the Bidder or to the Central Settlement Agent all information necessary for declarations and publications of the Bidder pursuant to the Takeover Act, in particular to inform the Bidder, on each stock exchange trading day during the Acceptance Period, of the number of KDH Shares re-booked under ISIN DE000KD88872 (Tendered KDH Shares); and
  - to forward the Declaration of Acceptance and, if applicable, a declaration of withdrawal with regard to the Takeover Offer to the Central Settlement Agent, upon request;
- (ii) the accepting KDH Shareholders instruct and authorise their respective Custodian Bank and the Central Settlement Agent, in each case with an exemption from the prohibition of contracting with oneself pursuant to section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*), to take all steps and to make and receive all declarations necessary or expedient for the settlement of this Takeover Offer in accordance with this Offer Document, and in particular to procure the transfer of ownership of the Tendered KDH Shares to the Bidder;
- (iii) the accepting KDH Shareholders declare that:
- unless expressly stated otherwise in writing in the Declaration of Acceptance, they accept the Takeover Offer for all KDH Shares held in their securities deposit account with the Custodian Bank at the time at which they declare their acceptance of the Takeover Offer;
  - at the time of transfer of ownership to the Bidder, the KDH Shares in respect of which they are accepting the Takeover Offer are in their sole ownership and free from rights and claims of third parties;
  - they are transferring their Tendered KDH Shares to the Bidder simultaneously with payment of the Offer Consideration into the account of the rele-

vant Custodian Bank with Clearstream subject to the following conditions precedent:

- (a) fulfilment of the Completion Conditions set out in Section 13.1 of this Offer Document, unless these have been waived by the Bidder pursuant to section 21 para. 1 sentence 1 no. 4 of the Takeover Act; and
- (b) expiry of the Additional Acceptance Period.

In the interest of a smooth and prompt settlement of the Takeover Offer, the instructions, declarations, mandates, powers and authorisations listed in Sections 11.3 (i) to 11.3 (iii) of this Offer Document are granted irrevocably by the accepting KDH Shareholders. They shall lapse only in the event of a valid withdrawal, in accordance with Section 16 of this Offer Document, from the agreement entered into as a result of the acceptance of the Takeover Offer, or if the non-fulfilment of the Completion Conditions described in Section 13.1 of this Offer Document becomes final. The claim for delivery of the declaration of withdrawal shall remain valid even following a valid withdrawal.

#### **11.4 Legal consequences of acceptance**

Upon acceptance of the Takeover Offer, an agreement on the sale of the Tendered KDH Shares to the Bidder against payment of the Offer Consideration for the relevant number of Tendered KDH Shares comes into existence between the Bidder and each accepting KDH Shareholder on the terms and conditions set forth in this Offer Document.

By accepting the Takeover Offer, the accepting KDH Shareholder and the Bidder at the same time agree on the transfer of title to the Tendered KDH Shares to the Bidder in accordance with the terms and conditions set forth in this Offer Document. The ownership of the Tendered KDH Shares is transferred simultaneously with the payment of the Offer Consideration for the relevant number of Tendered KDH Shares into the account of the relevant Custodian Bank with Clearstream.

Upon transfer of title to the Tendered KDH Shares to the Bidder, all rights associated with these shares at the time of the settlement of the Takeover Offer (in particular the dividend entitlement) shall transfer to the Bidder.

Completion (*Vollzug*) of the sale and purchase agreement, which is concluded upon acceptance of the Takeover Offer, will only take place after the Completion Conditions pursuant to Section 13.1 of this Offer Document have been fulfilled or previously waived by the Bidder pursuant to Section 21 para. 1 sentence 1 no. 4 of the Takeover Act. If one or more of the Completion Conditions set out in Section 13.1 of this Offer Document have not been fulfilled by the final date specified for the relevant Completion Condition and if the Bidder has not previously waived the relevant Completion Condition pursuant to Section 21 para. 1 sentence 1 no. 4 of the Takeover Act, the Takeover Offer will lapse (see Section 11.10 of this Offer Document). In this case, the agreements which came into existence as a result of accepting the Takeover Offer will not be completed and will cease to exist (see Section 13.3 of this Offer Document).

Furthermore, by accepting the Takeover Offer, the accepting KDH Shareholder irrevocably makes the declarations, instructions, orders and authorisations set out in Section 11.3 of this Offer Document.

### **11.5 Acceptance of the Takeover Offer during the Additional Acceptance Period**

Sections 11.1 through 11.4 of this Offer Document shall apply *mutatis mutandis* to the acceptance of the Takeover Offer during the Additional Acceptance Period. KDH Shareholders intending to accept the Takeover Offer during the Additional Acceptance Period should contact their Custodian Bank with any queries they may have about the technical aspects of the Takeover Offer and its settlement. The re-booking of the KDH Shares in relation to which the Takeover Offer has been accepted within the Additional Acceptance Period to ISIN DE000KD88872 will be considered to have been performed in time if effected no later than 18:00 hrs (Frankfurt am Main local time) on the second banking day following expiry of the Additional Acceptance Period.

### **11.6 Settlement of the Takeover Offer and receipt of the Offer Consideration**

Settlement of the Takeover Offer shall be effected by way of payment of the Offer Consideration as consideration for the Tendered KDH Shares.

If the Completion Conditions set out in Sections 13.1.2 and 13.1.3 have been fulfilled on or before the end of the Acceptance Period and the Completion Condition set out in Section 13.1.1 of this Offer Document has been fulfilled on or before the date the Additional Acceptance Period expires or the relevant Completion Conditions have been previously validly waived by the Bidder pursuant to section 21 para. 1 sentence 1 no. 4 of the Takeover Act, the Central Settlement Agent shall, as consideration for the Tendered KDH Shares, transfer the Offer Consideration to the relevant Custodian Bank without undue delay following the expiry of the Additional Acceptance Period, however, no later than seven banking days following publication of the results of the Takeover Offer pursuant to section 23 para. 1 sentence 1 no. 3 of the Takeover Act.

If the Completion Conditions set out in Sections 13.1.2 and 13.1.3 have been fulfilled on or before the end of the Acceptance Period or have been previously validly waived by the Bidder pursuant to section 21 para. 1 sentence 1 no. 4 of the Takeover Act but the Completion Condition set out in Section 13.1.1 of this Offer Document has neither been fulfilled on the date the Additional Acceptance Period expires nor been previously validly waived by the Bidder, the settlement of the Takeover Offer and the crediting of the Offer Consideration with regard to the Tendered KDH Shares may be delayed. In this case, the settlement of the Takeover Offer and the crediting of the Offer Consideration with regard to the Tendered KDH Shares will occur without undue delay but in no event later than seven banking days after the publication of the fulfilment of the Completion Condition set out in Section 13.1.1 of this Offer Document.

In no event will this Takeover Offer be settled on the day of KDH AG's General Meeting.

Upon crediting of the Offer Consideration to the respective Custodian Banks' securities account with Clearstream, the Bidder will have fulfilled its obligation to pay the Offer Consideration for the Tendered KDH Shares. It is the respective Custodian Banks' responsibility to transfer the Offer Consideration to the KDH Shareholders.

In the event of the latest possible fulfilment of the Completion Conditions, i.e. on 31 May 2014, the settlement of the Takeover Offer and the crediting of the Offer Consideration for the Tendered KDH Shares would be delayed until early June 2014.

### 11.7 Costs

The acceptance of the Takeover Offer shall be free of costs and expenses (except for the costs incurred for submitting the Declaration of Acceptance to the respective Custodian Bank) for those KDH Shareholders who hold their KDH Shares in collective safe custody with a Custodian Bank, provided that the Custodian Bank in turn holds these KDH Shares in custody on a securities account at Clearstream. For this purpose, the Bidder shall grant to the Custodian Banks a compensation payment of which they shall be separately notified and which includes a custodian bank commission customary in the market. Costs imposed by other Custodian Banks or foreign intermediate custodians shall be borne by each accepting KDH Shareholder itself.

Any taxes related to the conclusion of the sale and purchase agreement and the transfer of the Tendered KDH Shares against payment of the Offer Consideration must be borne by the relevant accepting KDH Shareholder itself.

### 11.8 Stock exchange trading in Tendered KDH Shares

It is intended to apply for the Tendered KDH Shares' admission to stock market trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) under ISIN DE000KD88872 (Tendered KDH Shares) as of the third day following the commencement of the Acceptance Period.

Trading in the Tendered KDH Shares on the regulated market of the Frankfurt Stock Exchange is expected to end (i) after regular stock exchange trading hours on the second trading day of the Frankfurt Stock Exchange preceding the day of expiry of the Additional Acceptance Period or (ii) after regular stock exchange trading hours on the day the fulfilment of all Completion Conditions, as far as they have not been waived, is published (see Section 13.4 of this Offer Document), whichever is the later date. The date as of which trading ends shall be published by the Bidder without undue delay via an electronically operated information dissemination system within the meaning of section 10 para. 3 sentence 1 no. 2 of the Takeover Act or in the Federal Gazette (*Bundesanzeiger*).

Any person acquiring Tendered KDH Shares will assume all rights and obligations arising as a result of the acceptance of the Takeover Offer, including the irrevocable declarations, instructions, orders and authorisations set out in Section 11.3 of this Offer Document.

KDH Shares not tendered for sale will continue to be traded under ISIN DE000KD88880.

### 11.9 Note to holders of American Depositary Receipts

The Takeover Offer is not addressed to, and not capable of acceptance by, holders of KDH Shares held in the form of ADRs ("KDH ADRs"). Each KDH ADR evidences one KDH American Depositary Share, which represents one-half of one KDH Share deposited with the relevant US depositaries (the "US Depositaries"). The rights of holders of KDH ADRs are governed by the respective deposit agreement between the relevant US Depositary and the respective holders of KDH ADRs.

In order to accept the Takeover Offer, holders of KDH ADRs must arrange for cancellation of the KDH ADRs and withdrawal of the KDH Shares underlying the KDH ADRs from the deposit facility in accordance with the terms and conditions of such facility (including the payment of any applicable fees, expenses or taxes). Once the former holder of KDH ADRs has obtained KDH Shares, the KDH Shares may then be tendered into the Takeover Offer, subject to the terms and conditions of this Offer Document. The process may take several

days, and, typically, some cost is imposed on the KDH ADR holder. Holders of KDH ADRs should take these additional time and cost considerations into account when making their decision whether to participate in the Takeover Offer. Holders of KDH ADRs should contact their respective US Depositary in case they have questions regarding the timing, costs or process relating to the withdrawal of KDH Shares underlying their KDH ADRs.

Costs and fees incurred in the course of the cancellation of KDH ADRs will not be reimbursed. The same applies to fees and costs incurred for a re-deposit of KDH Shares in the ADR facility in the event the Takeover Offer should fail.

#### **11.10 Lapse in case of non-fulfilment of Completion Conditions**

The Takeover Offer will lapse and the agreements which have come into existence as a result of acceptance of the Takeover Offer will not be completed and will cease to exist (condition subsequent) if one or more of the Completion Conditions set forth in this Offer Document have not been fulfilled and their fulfilment has not been validly waived.

In this case, the Tendered KDH Shares will be re-booked to the original ISIN DE000KD88880 without undue delay.

Precautions will be taken to arrange for re-booking at the latest within five banking days after the publication pursuant to Section 13.4 of this Offer Document that not all Completion Conditions have been fulfilled or waived. After completion of such re-booking, the relevant KDH Shares will be tradable again under the original ISIN DE000KD88880.

The re-booking and re-transfer shall be free of costs and expenses for those KDH Shareholders who hold KDH Shares in collective safe custody with a Custodian Bank provided that the Custodian Bank itself holds these shares in custody in a securities account at Clearstream. For this purpose, the Bidder shall pay to the Custodian Banks a custodian bank commission customary in the market. Costs imposed by other Custodian Banks or foreign intermediate custodians shall be borne by each accepting KDH Shareholder itself.

#### **11.11 Exercise of sell-out right by KDH Shareholders**

Please note Section 17 (vii) of this Offer Document.

### **12 Official approvals and proceedings**

The official approvals and proceedings required for the proposed acquisition of control by the Bidder over KDH AG ("**Transaction**") as well as the status of the proceedings are described below. The Bidder has already initiated and seeks to promptly execute the merger control proceeding described in the following as well as to file the application, disclosures and documents and handle any information requests or other enquiries of the authorities involved in a timely manner.

#### **12.1 Merger control clearance proceedings**

The Transaction is subject to merger control review by the Commission of the European Union ("**EU Commission**"), provided that the case is not referred to the German Federal Cartel Office (*Bundeskartellamt*, "**FCO**").



### 12.1.1 European Union

The Transaction is subject to merger control review by the EU Commission pursuant to Council Regulation (EC) No. 139/2004 as of 20 January 2004 on the control of concentrations between undertakings ("**EU Merger Regulation**").

Within 25 working days after receipt of the formal notification of the Transaction (phase 1), the EU Commission must decide whether to approve the Transaction or to initiate an in-depth investigation (phase 2). If no decision is taken within this period, the proposed Transaction is deemed to be cleared. This period is extended to 35 working days if (i) the EU Commission receives a request from Germany to refer the review of the Transaction or a part thereof to the FCO or (ii) one of the parties to the Transaction submits commitments to remove any concerns about the compatibility of the Transaction with the internal market.

The EU Commission will open an in-depth investigation (phase 2) only if it has serious concerns that the Transaction would significantly impede competition in the internal market or substantial parts thereof and if the parties have not offered sufficient remedies to remove these concerns. If an in-depth investigation (phase 2) is opened, the EU Commission's investigations can take up to a further 90 working days, which can be extended in certain circumstances, including if the parties offer commitments to ensure the compatibility of the Transaction with the internal market.

The Bidder is currently in the usual consultation process with the EU Commission in relation to the formal merger control notification for the Transaction. Such prior consultation commonly takes some time and no fixed time limits apply, so that the point in time when the filing will be formally made cannot exactly be predicted and may be delayed. The Bidder, however, hopes that it can file the formal notification before the end of August 2013, in which case the proceedings would last – if phases 1 and 2, including any extensions of periods within phases 1 and 2, were implemented and if the EU Commission did not refer the case to the FCO – until March or April 2014, without taking into consideration suspensions of time limits due to information requests. If the EU Commission should clear the case within phase 1 proceedings, without referring the case and without entering into an in-depth investigation, the proceedings would – assuming filing of the formal notification before the end of August 2013 – last until September or October 2013. If the formal notification of the Transaction can only be filed after end of August 2013, the periods mentioned above will end at respective later points in time.

Given that the EU Commission has jurisdiction, no prohibition of completion applies to the completion of this Takeover Offer, provided that the Bidder does not exercise the voting rights attached to the acquired KDH Shares until the date of clearance of the Transaction, or does so only to maintain the full value of its investment based on a derogation granted by the EU Commission. In the event that the EU Commission refers the transaction to the FCO under Articles 4(4) or 9(3) of the EU Merger Regulation, German merger control law applies in this respect.

### 12.1.2 Referral to the German Federal Cartel Office

Within 15 working days after receiving a copy of the notification from the EU Commission, Germany can request referral of the merger control proceedings to the FCO. The EU Commission has then to decide on the referral within 35 working days after the formal notification if it does not enter into its phase 2 proceedings, and within 65 working days after the formal notification if it enters into its phase 2 proceedings.

If the EU Commission refers the case to the FCO, the German merger control rules will apply from referral.

In that event, within one month after receipt of a referral decision and availability in German of all information required for a notification to the FCO (phase 1), the FCO must decide whether to initiate an in-depth examination of the concentration (phase 2). Phase 2 proceedings will be initiated by the FCO if a further examination of the Transaction is necessary. Assuming formal notification before end of August 2013 and a referral in October 2013, phase 1 proceedings of the FCO would terminate in November 2013.

In the phase 2 proceedings, the FCO shall decide whether to clear or prohibit the Transaction. If the decision of the FCO is not served upon the notifying undertakings within four months from receipt of a referral decision and availability in German of all information required for a notification to the FCO, the Transaction is deemed to be cleared. The investigation period in phase 2 proceedings is extended to five months if a party offers commitments to ensure clearance by the FCO. Further suspensions of the time limit can apply in the event of information requests. Should the FCO open phase 2 proceedings and assuming a referral from the EU Commission in October 2013 and availability in German of all information required for a notification to the FCO when the referral is made, the investigation would last until February or March 2014, without taking into consideration any extended consultations or suspensions of time limits due to information requests. If the formal notification of the Transaction can only be filed after end of August 2013, the periods mentioned above will end at respective later points in time.

In the event of a referral to the FCO, no prohibition of completion applies to the completion of this Takeover Offer, provided that the Bidder does not exercise the voting rights attached to the acquired KDH Shares until the date of clearance, or does so only to maintain the full value of its investment based on a derogation granted by the FCO.

## **12.2 Other regulatory proceedings**

As of the date of publication of this Offer Document, the Bidder is not aware of any additional filing or notification requirements. To the extent the Transaction should nonetheless be subject to such additional filing or notification requirements of merger control law, foreign investment law or other regulatory provisions pursuant to applicable provisions, the Bidder will effect the corresponding filings or notifications.

## **12.3 Permission to publish this Offer Document**

On 29 July 2013, BaFin permitted the Bidder to publish this Offer Document.

## **13 Prerequisites for Completion of the Takeover Offer**

### **13.1 Completion Conditions**

This Takeover Offer and the agreements which come into existence as a result of accepting the Takeover Offer will only be completed if the following requirements (the “**Completion Conditions**”) are fulfilled:

#### **13.1.1 Merger control clearance**

No later than by the end of 31 May 2014 the EU Commission

- (i) (a) has declared the Transaction to be compatible with the internal market in accordance with the EU Merger Regulation, or (b) has issued no decision within the

required periods under the EU Merger Regulation with the consequence that, pursuant to article 10 para. 6 of the EU Merger Regulation, the Transaction is deemed to be compatible with the internal market; or

- (ii) has referred the whole or part of the Transaction to the FCO under Articles 4(4) or 9(3) of the EU Merger Regulation; and (a) the FCO has taken a decision with equivalent effect to Section 13.1.1 (i)(a) above or has, corresponding to Section 13.1.1 (i)(b), failed to take a decision within the applicable deadlines with respect to those parts of the Transaction referred to it; and (b) the EU Commission has taken a decision under Section 13.1.1 (i)(a) above or has issued no decision within the required periods under the EU Merger Regulation in the meaning of Section 13.1.1 (i)(b) with respect to any part of the Transaction retained by it, if any.

### **13.1.2 Minimum Acceptance Threshold**

At the time of the expiry of the Acceptance Period the aggregate number of all

- (i) Tendered KDH Shares (including for the avoidance of doubt KDH Shares for which the acceptance of this Takeover Offer has been declared in the Acceptance Period but only becomes effective after the end of the Acceptance Period by re-booking the KDH Shares to ISIN DE000KD88872 as set out in this Offer Document) for which the right of withdrawal, if any, has not been validly exercised in accordance with this Offer Document,
- (ii) KDH Shares held by the Bidder or any member of Vodafone Group,
- (iii) KDH Shares that are attributable to the Bidder or any member of Vodafone Group in accordance with section 30 of the Takeover Act, and
- (iv) KDH Shares for which the Bidder or any member of Vodafone Group has entered into an agreement outside of this Takeover Offer giving them the right to require the transfer of title to such KDH Shares,

corresponds to at least 75% of all KDH Shares issued at the time of the expiry of the Acceptance Period, provided that KDH Shares which would qualify under more than one of the above criteria shall only be counted once. As of the date of publication of this Offer Document, this minimum acceptance threshold would correspond to at least 66,392,205 KDH Shares.

### **13.1.3 No material decline of the MDAX index**

On at least one of the last two trading days of the Frankfurt Stock Exchange of the Acceptance Period, the daily closing value of the MDAX (ISIN DE0008467416), as determined by Deutsche Börse AG, Frankfurt am Main, Germany, or a successor thereof, and published on its internet website, currently at <http://deutsche-börse.com>, is above 11,366.00 points.

## **13.2 Waiver of Completion Conditions**

The Bidder reserves the right to waive – in whole or in part – one, several or all of the Completion Conditions up to one working day prior to the expiry of the Acceptance Period. Completion Conditions which the Bidder has validly waived shall be deemed to have been fulfilled for the purpose of this Takeover Offer. For the purposes of section 21 para. 1 of the Takeover Act, publication of the amendment of the Takeover Offer pursuant to section 21 para. 2 of the Takeover Act in conjunction with section 14 para. 3 of the Takeover Act shall

be decisive. In the event of a waiver of one, several or all Completion Conditions within the last two weeks prior to the expiry of the Acceptance Period specified in Section 5.1 of this Offer Document, the Acceptance Period will be extended by two weeks pursuant to section 21 para. 5 of the Takeover Act (currently expected to be until 25 September 2013, 24:00 hrs (Frankfurt am Main local time)).

### **13.3 Non-fulfilment of Completion Conditions**

If the Completion Condition set out in Section 13.1.1 of this Offer Document has not been fulfilled by the end of 31 May 2014 or any of the Completion Conditions set out in Sections 13.1.2 and 13.1.3 has not been fulfilled by the end of the Acceptance Period and if, prior to this date, the Bidder has not validly waived the relevant Completion Condition pursuant to section 21 para. 1 sentence 1 no. 4 of the Takeover Act, this Takeover Offer will lapse. In this case, the agreements which came into existence as a result of accepting the Takeover Offer will not be completed and will cease to exist (condition subsequent). KDH Shares already tendered shall be re-transferred. Accordingly, the Custodian Banks will have to arrange for the Tendered KDH Shares to be re-booked into ISIN DE000KD88880 without undue delay, but at the latest within five banking days after announcement of the expiry of the Takeover Offer. The unwinding (*Rückabwicklung*) shall be free of costs and expenses of Custodian Banks in accordance with Section 11.10 of this Offer Document.

### **13.4 Publications**

If (i) a Completion Condition has been fulfilled, (ii) a Completion Condition has been waived by the Bidder, or (iii) all Completion Conditions have been fulfilled, as far as they have not been waived, or (iv) the Takeover Offer will not be completed, the Bidder will publish this fact without undue delay on the internet at <http://www.vodafone.com/investor> and in the Federal Gazette (*Bundesanzeiger*).

## **14 Financing of the Takeover Offer; cash confirmations**

### **14.1 Financing requirements**

At the time of publication of this Offer Document, 88,522,939 KDH Shares have been issued. If the Takeover Offer was accepted by all shareholders and based on the Offer Consideration in the amount of EUR 84.50 per KDH Share, the Bidder would have to pay a total of EUR 7,480,188,345.50 as Offer Consideration for the acquisition of 88,522,939 KDH Shares to be acquired. If the Takeover Offer was accepted by all shareholders and provided that the Offer Consideration is increased by EUR 2.50 per KDH Share to a total amount of EUR 87.00 per KDH Share in accordance with Section 4 of this Offer Document, the Bidder would have to pay a total of EUR 7,701,495,693 as Offer Consideration (the “**Maximum Consideration Amount**”) for the acquisition of 88,522,939 KDH Shares to be acquired.

In addition, the Bidder will incur transaction costs for the preparation and implementation of this Takeover Offer of approximately EUR 20,000,000 (the “**Transaction Costs**”). In connection with the Maximum Consideration Amount, the resulting maximum total transaction amount is EUR 7,721,495,693 (the “**Maximum Total Transaction Amount**”).

### **14.2 Financing measures**

The Bidder has taken the necessary measures in order to ensure that the financial means required for the complete fulfilment of the Takeover Offer will be available to it in due time.

The Bidder has secured the necessary financial means to meet its payment obligations at settlement under the Takeover Offer by having arranged for cash funds which will be made available to it (directly or indirectly) for this purpose by Vodafone. By a commitment letter dated 22 July 2013, Vodafone has undertaken, vis-à-vis the Bidder, to provide the Bidder (directly or indirectly), in due time, with the necessary financial means to settle the Takeover Offer (including payment of Transaction Costs) in an amount of up to EUR 7,800,000,000.

As of 30 June 2013, Vodafone had cash and liquid resources in an amount of approximately GBP 12.2 billion, which, on the basis of an exchange rate of GBP 1 : EUR 1.16682 (the exchange rate as of 28 June 2013 taken from WM Reuters) is equivalent to approximately EUR 14.2 billion. In addition, Vodafone has access to certain existing credit facilities (as detailed below) entered into between it and certain of its affiliates and a number of banks (the “**Credit Facilities**”). At the time of the publication of this Offer Document, the currently undrawn Credit Facilities included:

- U.S.\$ 4,245,000,000 five year Revolving Credit Facility dated 9 March 2011, among Vodafone and the Royal Bank of Scotland plc as agent (subsequently amended and extended by one year);
- EUR 4,230,000,000 five year Revolving Credit Facility dated 1 July 2010, among Vodafone and the Royal Bank of Scotland plc as agent;
- U.S.\$ 1,000,000,000 two year Bilateral Facility Agreement dated 24 April 2013, among Vodafone and HSBC Bank plc;
- U.S.\$ 1,000,000,000 two year Bilateral Facility Agreement dated 24 April 2013, among Vodafone and The Bank of Tokyo-Mitsubishi UFJ, Ltd.; and
- GBP 750,000,000 committed Bilateral Facility Agreement dated 28 June 2013, among Vodafone and Lloyds TSB Bank plc.

In the aggregate, the Credit Facilities total approximately EUR 9.9 billion (based on exchange rates of GBP 1 : EUR 1.16682 taken from WM Reuters on 28 June 2013 and of U.S.\$ 1 : EUR 0.76932 taken from WM Reuters on 28 June 2013).

The funds available to Vodafone from its cash and liquid resources and under the Credit Facilities in the aggregate exceed the Maximum Total Transaction Amount. Vodafone may use these monies to fund the Bidder (directly or indirectly) in order to meet the financial obligations of the Bidder at the settlement of the Takeover Offer (including payment of Transaction Costs). The funds under the Credit Facilities can be made available to Vodafone pursuant to the terms of the Credit Facilities as soon as certain conditions precedent and documentation requirements are met (or waived by the relevant lenders), and if certain other conditions are fulfilled and certain representations and warranties are true at the time a draw-down is requested. The Bidder has no reason to believe that the conditions for any such draw-down will not be fulfilled. In addition, the Credit Facilities have not been terminated, and, to the knowledge of the Bidder, there is no reason to expect that the Credit Facilities will be terminated. Vodafone has the right under the terms of the Credit Facilities (and otherwise) to use its cash and liquid resources or the funds drawn-down under the Credit Facilities, in whole or in part, to fund the Bidder for the purpose of enabling the Bidder to meet its obligations under the Takeover Offer (including payment of Transaction Costs).

The Bidder has accordingly taken the necessary measures in order to ensure that funds at least equal to the Maximum Total Transaction Amount will be available to it on the due date of the claim for payment of the Offer Consideration.

#### **14.3 Cash Confirmations**

Goldman Sachs AG, with its seat in Frankfurt am Main, Germany, and UBS Deutschland AG, with its seat in Frankfurt am Main, Germany, each an investment services enterprise independent of the Bidder, have each confirmed in accordance with section 13 para. 1 sentence 2 of the Takeover Act that the Bidder has taken the required measures in order to ensure that funds required for complete fulfilment of the Takeover Offer will be available to it on the due date of the claim for payment of the Offer Consideration. These cash confirmations, each dated 29 July 2013, are attached to this Offer Document as Annex 4.

### **15 Expected Effects of the Completion of the Takeover Offer on the assets, financial and earnings position of the Bidder and of Vodafone as the ultimate holding company of the Vodafone Group**

#### **15.1 Basis and assumptions**

The Bidder and Vodafone intend KDH Shareholders to receive a total value of EUR 87.00 in cash for each KDH Share, comprising an Offer Consideration of EUR 84.50 per tendered KDH Share in cash pursuant to the Takeover Offer and the benefit from the payment of the EUR 2.50 dividend per KDH Share as announced by KDH AG on 24 June 2013.

The Offer Consideration of EUR 84.50 will be increased by EUR 2.50 to EUR 87.00 per KDH Share if the settlement of the Takeover Offer occurs prior to the day of KDH AG's General Meeting. If the settlement of the Takeover Offer occurs after the day of KDH AG's General Meeting, KDH Shareholders will receive the dividend resolved by KDH AG's General Meeting which is proposed to amount to EUR 2.50 per KDH Share from KDH AG first and KDH Shareholders who have tendered their KDH Shares will receive EUR 84.50 per KDH Share from the Bidder later upon settlement of the Takeover Offer.

The financial information in this Section 15 of this Offer Document has been prepared based on the assumption that the Bidder will pay the increased Offer Consideration of EUR 87.00 upon settlement of this Takeover Offer and likewise that no dividend payment has been made by KDH AG by then.

Moreover, disclosure in this Section 15 of this Offer Document contains financial information about the Bidder and Vodafone as well as opinions and forward-looking statements. It is pointed out that the consequences of acquiring the KDH Shares on the future assets, finances and revenues of the Bidder and Vodafone cannot yet be precisely forecasted. The following statements are based on unexamined estimates of the Bidder, which may deviate from the actual financial results of the Bidder, Vodafone and KDH AG. Based on the financial information in this Section 15 of this Offer Document, no conclusions can be made as to the future financial risks or the future results after completion of the transaction. The following disclosure and the underlying assumptions were neither reviewed by auditors nor submitted to an auditing inspection.

In addition, the statements contained in this Section 15 of this Offer Document have been prepared in accordance to the following starting point and assumptions:

### **Starting point**

Since its formation in 2003, the Bidder has not carried out any business activity except for the (i) activities in connection with its formation, (ii) any activities related to the administration of the company, mainly, but not limited to its annual reporting obligations (preparation of annual reports) and (iii) the transactions described in this Offer Document. The Bidder has, therefore, not generated any meaningful sales or results. The disclosure on the consequences of the Takeover Offer on the individual financial statements of the Bidder is based on the latest unaudited financial information as of 31 March 2013.

### **Assumptions**

- (i) The Bidder will acquire all currently issued 88,522,939 KDH Shares for a total Offer Consideration of EUR 87.00 per KDH Share, i.e. in exchange for payment of the Maximum Consideration Amount. This includes 3,738,421 KDH Shares already held by Vodafone, in respect of which no decision has yet been taken whether these KDH Shares shall be transferred to the Bidder through acceptance of this Takeover Offer or otherwise.
- (ii) The expected costs for executing the Takeover Offer will be EUR 20 million (the **"Incidental Transaction Costs"**). The precise amount of the Incidental Transaction Costs, however, will not be known until after the Takeover Offer has been completed. The Bidder will assume all Incidental Transaction Costs.
- (iii) Vodafone will assume all costs associated with its financing of the Takeover Offer that it expects to amount to approximately EUR 235 million p.a.
- (iv) The means needed by the Bidder to pay the Offer Consideration and the Incidental Transaction Cost will be provided to the Bidder by Vodafone. Vodafone has not yet decided on the funding structure in particular whether the funds are provided in the form of equity, a shareholder loan or a mix thereof. For the presentations made in this Section 15 of this Offer Document it has been assumed that the consideration for the takeover offer will be provided by Vodafone to the Bidder by means of a shareholder loan while the Incidental Transaction Cost will be provided by means of equity capital injection.
- (v) The Bidder will pay arm's length interest on any shareholder loan from Vodafone.

For all financial information in this Section 15 of this Offer Document it has been assumed that Vodafone will fund the Offer Consideration out of existing cash and liquid resources and committed debt facilities.

For purposes of presenting the financial information in this Section 15 of this Offer Document, calculations have been made using the exact figures, but the figures have then been rounded for presentation purposes, as a result of which there may be rounding differences.

## **15.2 Methodical approach and reservations**

To estimate the expected consequences of acquiring all currently issued 88,522,939 KDH Shares on the assets, finances and revenues of the Bidder and Vodafone Group, the Bidder has undertaken an unaudited assessment of the financial situation as would have resulted in the event of the assumed complete takeover of KDH AG on 1 April 2012, using the figures published by KDH AG and Vodafone for fiscal year 2012/2013. In the following, these consequences (on the basis of the assumptions set forth in Section 15.1 of this Offer Document) are shown on the balance sheet of the Bidder and on the consolidated balance

sheet of Vodafone as of 31 March 2013 and on the consolidated profit and loss statement of Vodafone for the fiscal year 2012/2013. With the exception of the intended acquisition of all KDH Shares as part of the Takeover Offer and the increase of the share capital of the Bidder by EUR 25,000 in connection with the change of its corporate form into a stock corporation ("**Capital Increase**"), no other consequences on the assets, finances and revenues of the Bidder and Vodafone Group that have resulted since 31 March 2013 have been considered in the following financial information. Furthermore, reference is made to the fact that the consequences of the takeover of KDH AG on the future assets, finances and revenues of the Bidder and of Vodafone Group cannot be precisely forecasted. The reasons for this are in particular as follows:

- (i) The synergy effects and business opportunities arising from the integration of Vodafone and KDH AG as well as the necessary one-time expenditures to achieve such synergies cannot yet be definitively quantified. They were, therefore, not included in the financial information in this Section 15 of this Offer Document.

In this context in particular any consequences of the measures described in Sections 9.3 and 9.7 of this Offer Document that may be implemented after settlement of this Takeover Offer were not considered.

- (ii) Vodafone and KDH AG each prepare their consolidated financial reporting in conformity with IFRS. However, within this framework both Vodafone and KDH AG may use different detailed financial reporting methods, policies and procedures. The Bidder and Vodafone are currently unable to quantify the consequences of these differences. As such, potential consequences have not been reflected in the financial information in this Section 15 of this Offer Document. Earnings before interest and tax, depreciation and amortisation (EBITDA) is a non-statutory measure, there may therefore be a difference in definition between Vodafone and KDH AG. For the purposes of presenting the financial information in this Section 15 of this Offer Document reported figures have been used.
- (iii) An adjustment exercise in which the assets and liabilities (including intangible assets) acquired from KDH AG are recorded at their fair market values on acquisition is to be performed as part of the initial consolidation. This includes changes due to tax rules such as a possible forfeiture of unutilised tax losses and interest deductions. As the fair value allocation cannot take place until after completion of the takeover of KDH AG, the excess of the purchase price over the reported value of KDH AG's net assets and liabilities is classified as an intangible asset in the form of goodwill in the indicative financials herein. The financials, therefore, do not consider any fair value adjustment of the value of the acquired assets and consequently the amount of goodwill recorded on consolidation after completion of the Takeover Offer will be subject to adjustment.
- (iv) The precise amount of the Incidental Transaction Costs and any costs incurred by Bidder or Vodafone cannot be finally assessed until after the completion of the Takeover Offer.

The Bidder's business activities after completion of the Takeover Offer will consist of holding and managing the investment in KDH AG.



### 15.3 Expected effects on the individual financial statements of the Bidder

#### 15.3.1 Expected effects on the Bidder's balance sheet as of 31 March 2013

Subject to the reservations and assumptions described in Section 15.1 and Section 15.2 of this Offer Document and based on its current assessment, the Bidder proceeds under the assumption that an acquisition of all of the KDH Shares on the basis of this Takeover Offer and the Capital Increase will essentially have the following consequences on the balance sheet of the Bidder.

The following information is prepared solely to fulfil the legal obligations in connection with this Takeover Offer. They do not reflect the actual assets, liabilities and profits of Bidder.

#### Consequences on the unaudited balance sheet of the Bidder as of 31 March 2013 according to German GAAP (simplified and unaudited)

In thousand EUR (TEUR)	Bidder after capital in- crease and before Offer	Change through shareholder loan and equi- ty capital injec- tion	Bidder after shareholder loan and eq- uity capital injection	Expected change by completion of the Offer	After com- pletion of the Offer
<b>Assets</b>					
Financial Assets	0	0	0	7,701,496	7,701,496
Other assets	30	0	30	0	30
Cash	25	7,721,496	7,721,521	(7,721,496)	25
<b>Balance sheet total</b>	<b>55</b>	<b>7,721,496</b>	<b>7,721,550</b>	<b>(20,000)</b>	<b>7,701,550</b>
<b>Liabilities</b>					
Equity	55	20,000	20,055	(20,000)	55
Borrowings	0	7,701,496	7,701,496	0	7,701,496
Other liabilities	0	0	0	0	0
<b>Balance sheet total</b>	<b>55</b>	<b>7,721,496</b>	<b>7,721,550</b>	<b>(20,000)</b>	<b>7,701,550</b>

According to the Bidder's assessment, the acquisition of all of the KDH Shares according to this Takeover Offer would affect the assets and liabilities of the Bidder as follows:

- (i) The financial assets will increase from TEUR 0 by TEUR 7,701,496 to TEUR 7,701,496.
- (ii) Cash will remain at TEUR 25. All further cash injections, namely the shareholder loan of TEUR 7,701,496 and the additional equity capital injection of TEUR 20,000 that comprise the total injection of cash of TEUR 7,721,496 prior to the settlement of the Takeover Offer, are used to cover the payment for the KDH Shares and the Incidental Transaction Cost, respectively.
- (iii) The borrowings of the Bidder will increase as a result of the shareholder loan of Vodafone from TEUR 0 by TEUR 7,701,496 to TEUR 7,701,496.
- (iv) Equity will remain at TEUR 55. In this presentation it has been assumed that the Bidder will expense the full Incidental Transaction Cost of TEUR 20,000 which, in absence of any meaningful profits of the Bidder, will lead to a recognisable loss of

TEUR 20,000 covered by the equity capital injected by Vodafone as mentioned above.

The balance sheet total of the Bidder will therefore increase from TEUR 55 by TEUR 7,701,496 to TEUR 7,701,550.

### **15.3.2 Expected effects on the revenues of the Bidder**

Since its formation and prior to the date of publication of this Offer Document, the Bidder has not generated any revenues. The future revenues of the Bidder will be influenced by the following factors:

- (i) After settlement of this Takeover Offer, the future income of the Bidder will essentially consist of the dividends from its investment in KDH AG. If this Takeover Offer is settled prior to KDH AG's General Meeting the Bidder would receive the dividend for the fiscal year 2012/2013 which is proposed to amount to EUR 2.50 per KDH Share. Based on all 88,522,939 KDH Shares being tendered this would be a dividend entitlement of approximately EUR 221 million. For the fiscal year 2013/2014, the Bidder expects to also receive a dividend which the Bidder estimates to be in the range between the dividend for the fiscal year 2012/2013 and the dividend of EUR 1.50 for the fiscal year 2011/2012. This would generate income in an amount of approximately EUR 133 million to approximately EUR 221 million. In the following fiscal years, the Bidder would expect that dividend payments are replaced by profit transfers under a domination and profit and loss pooling agreement the amount of which currently cannot be predicted.
- (ii) The expenses of the Bidder in the future will essentially consist of interest payments on the intra-group shareholder loan from Vodafone. The terms of the financing of the Bidder have not yet been agreed. However, if Vodafone were to charge an arm's length cost to the Bidder, this would amount to approximately EUR 333 million.

### **15.4 Expected effects on the consolidated financial statements of Vodafone**

Subject to the reservations and assumptions described in Section 15.1 and Section 15.2 of this Offer Document and based on its current assessment, the Bidder proceeds under the assumption that an acquisition of all of the KDH Shares on the basis of this Takeover Offer and the Capital Increase will essentially have the following consequences on the consolidated balance sheet and the consolidated profit and loss statement of Vodafone.

The following information is prepared solely to fulfil the legal obligations in connection with this Takeover Offer. They do not reflect the actual assets, liabilities and profits of Vodafone. These statements should, therefore, be read only in conjunction with published consolidated financial statements of Vodafone.

The following statements are based upon the audited 2013 consolidated financial statements of Vodafone and KDH AG. For the purposes of this presentation, it has been assumed that the acquisition of 100% of the KDH Shares had already taken place as of 1 April 2012. The consequences of the acquisition on the future financial statements of Vodafone cannot be precisely forecasted as detailed in particular in Section 15.2 of this Offer Document.

All of KDH AG's financials and the purchase price have been converted from EUR to GBP at GBP 1 = EUR 1.1856 as of 31 March 2013 (Source: Bloomberg). Likewise, all of Vodafone's financials have been converted from GBP to EUR using the same exchange rate.

#### 15.4.1 Expected effects on Vodafone's consolidated balance sheet as of 31 March 2013

##### Consequences on the consolidated balance sheet of Vodafone as of 31 March 2013 according to IFRS (simplified and unaudited)

In million	Audited				Unaudited			
	Consolidated balance sheet of Vodafone		Consolidated balance sheet of KDH AG		Expected changes after completion of the offer		Consolidated balance sheet after completion of the offer	
	GBP	EUR	GBP	EUR	GBP	EUR	GBP	EUR
<b>Assets</b>								
Goodwill	30,372	36,009	242	287	7,736	9,172	38,351	45,469
Other long-term assets	89,039	105,565	1,475	1,748	0	0	90,514	107,313
Cash	7,623	9,038	514	610	0	0	8,137	9,647
Other short-term assets	15,664	18,571	180	213	0	0	15,844	18,785
<b>Total assets</b>	<b>142,698</b>	<b>169,183</b>	<b>2,411</b>	<b>2,859</b>	<b>7,736</b>	<b>9,172</b>	<b>152,846</b>	<b>181,214</b>
<b>Liabilities</b>								
Equity	72,488	85,942	(1,241)	(1,471)	1,224	1,451	72,471	85,922
Borrowings	41,397	49,080	2,887	3,423	6,513	7,721	50,797	60,225
Other liabilities	28,813	34,161	764	906	0	0	29,577	35,067
<b>Total liabilities</b>	<b>142,698</b>	<b>169,183</b>	<b>2,411</b>	<b>2,859</b>	<b>7,736</b>	<b>9,172</b>	<b>152,846</b>	<b>181,214</b>

According to the Bidder's assessment, the acquisition of all of the KDH Shares according to this Takeover Offer would affect the assets and liabilities of Vodafone as follows:

- (i) The item "Goodwill" is increased from GBP 30,372 million (EUR 36,009 million) by GBP 242 million (EUR 287 million) and GBP 7,736 million (EUR 9,172 million) to GBP 38,351 million (EUR 45,469 million). The increase corresponds to the excess of the purchase price over the consolidated net assets of KDH AG. Given KDH AG's reported consolidated negative Equity position of GBP (1,241) million (EUR (1,471) million) the Goodwill position exceeds the Offer Consideration by GBP 1,241 million (EUR 1,471 million) which corresponds to the presented positive adjustment to equity of GBP 1,224 million (EUR 1,451 million), which also reflects the reduction of the Bidder's equity by GBP 17 million (EUR 20 million) as a result of the expensed Incidental Transaction Cost.
- (ii) Borrowings increases by the corresponding value from the balance sheet of KDH AG and the Offer Consideration including Incidental Transaction Cost.
- (iii) All other balance sheet items are increased based on the addition of the values from the consolidated balance sheets of Vodafone and KDH AG.

#### 15.4.2 Expected effects on Vodafone's consolidated profit and loss statement as of 31 March 2013

Based on the consolidated profit and loss statement of Vodafone, Bidder would expect the Takeover Offer to affect the income as follows:

#### Consequences on the consolidated profit and loss statement of Vodafone's 2013 fiscal year according to IFRS (simplified and unaudited)

In million	Vodafone		KDH AG		Adjustment		Vodafone incl. KDH AG	
	GBP	EUR	GBP	EUR	GBP	EUR	GBP	EUR
Turnover	44,445	52,694	1,543	1,830	0	0	45,988	54,524
EBITDA	13,275	15,739	727	862	(17)	(20)	13,985	16,581
Profit after taxes	673	798	208	247	(209)	(248)	672	797

- (i) The revenues will increase from GBP 44,445 million (EUR 52,694 million) by GBP 1,543 million (EUR 1,830 million) to GBP 45,988 million (EUR 54,524 million).
- (ii) The earnings before interest and tax, depreciation and amortisation (EBITDA) will increase from GBP 13,275 million (EUR 15,739 million) by GBP 710 million (EUR 842 million) to GBP 13,985 million (EUR 16,581 million). Synergies, one-time expenditures for integration and changes to amortization as a result of the purchase price allocation have not been considered. The adjustment of GBP 17 million (EUR 20 million) reflects the expensed Incidental Transaction Cost.
- (iii) The profit after tax will decrease from GBP 673 million (EUR 798 million) by GBP 1 million (EUR 1 million) to GBP 672 million (EUR 797 million). The adjustment of GBP 209 million (EUR 248 million) comprises (i) the post-tax effect of the Incidental Transaction Cost and (ii) an increase in interest expense of GBP 197 million (EUR 234 million) resulting from the increase in Vodafone's financial liabilities as a result of this Takeover Offer less respective tax effects.

## 16 Right of withdrawal

### 16.1 Prerequisites

KDH Shareholders who have accepted the Takeover Offer have the following statutory rights of withdrawal (*Rücktrittsrechte*):

- (i) In the event of an amendment of the Takeover Offer pursuant to section 21 para. 1 of the Takeover Act, KDH Shareholders may, at any time until the expiry of the Acceptance Period, withdraw from the agreements concluded as a result of acceptance of the Takeover Offer if and to the extent that they have accepted the Takeover Offer prior to the publication of the amendment of the Takeover Offer (section 21 para. 4 of the Takeover Act).
- (ii) In the event of a Competing Offer pursuant to section 22 para. 1 of the Takeover Act, KDH Shareholders may, at any time until the expiry of the Acceptance Period, withdraw from the agreements concluded as a result of acceptance of the Takeover Offer if and to the extent that they have accepted the Takeover Offer prior to

the publication of the offer document for the Competing Offer (section 22 para. 3 of the Takeover Act).

## **16.2 Exercise of the right of withdrawal**

KDH Shareholders may exercise their right of withdrawal pursuant to Section 16.1 of this Offer Document only by taking the following steps prior to the expiry of the Acceptance Period:

- (i) declaring their withdrawal vis-à-vis their Custodian Bank in writing for a specified number of Tendered KDH Shares and
- (ii) instructing their Custodian Bank to arrange for a respective number of Tendered KDH Shares held in their securities deposit account as is equivalent to the number of Tendered KDH Shares in respect of which they have declared their withdrawal to be re-booked under the ISIN DE000KD88880 at Clearstream.

The declaration of withdrawal will only become effective if the Tendered KDH Shares in respect of which the withdrawal has been declared have been re-booked under ISIN DE000KD88880 at Clearstream by no later than 18:00 hrs (Frankfurt am Main local time) on the second banking day after expiry of the Acceptance Period. The Custodian Bank shall ensure that immediately after receipt of the declaration of withdrawal the Tendered KDH Shares in respect of which the withdrawal was declared are re-booked under the ISIN DE000KD88880 at Clearstream.

## **17 Information for KDH Shareholders not accepting the Takeover Offer**

KDH Shareholders who do not intend to accept the Takeover Offer should consider the following:

- (i) KDH Shares in respect of which the Takeover Offer is not accepted can continue to be traded. However, the present stock exchange price of KDH Shares is likely influenced by the fact that on 13 February 2013 articles asserting that Vodafone was in preparations for a takeover offer for KDH AG were published in the press and on 24 June 2013 the Bidder announced its intention to make this Takeover Offer and its intention to acquire control over KDH AG in accordance with section 29 para. 1 of the Takeover Act. It is uncertain whether, following implementation of the Takeover Offer, the stock exchange price of KDH Shares will remain at its present level or rise above it or fall below it.
- (ii) The implementation of the Takeover Offer will presumably result in a substantial reduction of the free float of KDH Shares. It is therefore expected that supply and demand in KDH Shares following implementation of the Takeover Offer will be lower than today and thus that the liquidity of the KDH Shares will be reduced. A lower liquidity of the market in KDH Shares could result in greater price fluctuations of KDH Shares than in the past and it is possible that purchase and sell orders relating to KDH Shares may not be executed in a timely manner or may not be executed at all.
- (iii) The KDH Shares are currently included in certain stock exchange indices – in particular in the MDAX, an index calculated by Deutsche Börse AG consisting of 50 companies traded on the Frankfurt Stock Exchange. The implementation of the Takeover Offer, in particular the presumed substantial reduction of the free float of KDH Shares, may have the consequence that KDH AG does no longer fulfil the cri-

teria specified by Deutsche Börse AG for the KDH Shares to remain included in the MDAX. It is possible that this will result in the exclusion of the KDH Shares from the MDAX, in which case in particular institutional investors that mirror the MDAX index in their portfolio are expected to refrain from further acquisitions of KDH Shares and may sell their KDH Shares. An accordingly increased supply of KDH Shares paired with a lower demand for KDH Shares may have a negative impact on the stock exchange price of the KDH Shares.

- (iv) Following the implementation of the Takeover Offer the Bidder may hold the necessary voting majority to pass important structural measures at the general meeting of KDH AG. This includes, for example, election and dismissal of supervisory board members elected by the shareholders, amendments to the articles of association, increases of the share capital and, if the applicable legal majority requirements are met, the creation of conditional and authorised capital, the exclusion of subscription rights of shareholders in relation to capital measures, reorganisations, mergers and other measures under transformation law as well as dissolution and liquidation. According to German law, only some of the aforementioned measures would require an offer by the Bidder to the outside shareholders to acquire their shares in exchange for an appropriate compensation or to grant a guaranteed dividend, in each case on the basis of a valuation of KDH AG. As such enterprise valuation would have to be based on the circumstances existing at the time of adoption of the relevant resolution in the general meeting of KDH AG for the relevant measure, the consideration to be offered may be equal to the Offer Consideration but may also be higher or lower. The implementation of certain of these measures could also result in the delisting of the KDH Shares.
- (v) If the Bidder's shareholding of KDH Shares, upon completion of the Takeover Offer or at any given time in the future, reaches a level which is in its view sufficiently likely to reach or exceed 75% of KDH AG's share capital represented in the general meeting, the Bidder intends, if this is economically reasonable, to enter into a domination and profit and loss transfer agreement with KDH AG as the dominated company pursuant to sections 291 et. seq. of the Stock Corporation Act. Once a domination agreement becomes legally effective, the Bidder would be entitled to issue binding instructions to the management board of KDH AG with respect to the management of KDH AG and, therefore, to exercise control over the management of KDH AG. Upon conclusion of a profit and loss transfer agreement, the Bidder would be required to compensate any annual net loss incurred by KDH AG that would occur without such a domination and profit and loss transfer agreement and that is not offset by withdrawals from other retained earnings formed during the term of the domination and profit and loss transfer agreement. Conversely, KDH AG would be required to transfer all of its annual net profits to the Bidder as dominating company that would arise without the profit transfer minus losses carried forward and allocations to legal reserves. Further, a domination and profit and loss transfer agreement would, *inter alia*, have to provide for an obligation of the Bidder (i) to offer the outside KDH Shareholders to acquire their KDH Shares for an appropriate cash consideration, and (ii) to pay the remaining outside KDH Shareholders a compensation by way of recurring payments (guaranteed dividend). The amount of the recurring payments and the cash consideration would be determined by reference to the circumstances existing at the time of adoption of the relevant resolution in the general meeting of KDH AG. The appropriateness of the

cash consideration and the recurring payments can be reviewed in a judicial appraisal procedure (*Spruchverfahren*). The appropriate recurring payments could be equal to the dividends distributed by KDH AG to its shareholders in the past, but also higher or lower. The amount of the appropriate cash consideration could be equal to the Offer Consideration but also higher or lower.

- (vi) If, following the completion of the Takeover Offer, the Bidder directly or indirectly holds the number of KDH Shares that a shareholder of a stock corporation must hold in order to demand a transfer of the shares of the outside shareholders to the principal shareholder in exchange for a fair cash compensation (squeeze-out), and insofar as it is economically reasonable, the Bidder intends to take the measures necessary for such a squeeze-out of the outside KDH Shareholders; for details please refer to Section 9.7.2 of this Offer Document. The implementation of a squeeze-out of the minority shareholders would result in a termination of the stock exchange listing of KDH AG.
- (vii) If the Bidder's shareholding of KDH Shares, upon completion of the Takeover Offer, reaches or exceeds the threshold of 95% of KDH AG's share capital, KDH Shareholders who did not accept the Takeover Offer would still be entitled to tender their KDH Shares within a period of three months from the expiry of the Acceptance Period (section 39c of the Takeover Act in connection with section 39a of the Takeover Act).

If the Bidder reaches or exceeds a shareholding of 95% in KDH Shares, the Bidder would be required to publish this fact on the internet at <http://www.vodafone.com/investor> and in the Federal Gazette (*Bundesanzeiger*) pursuant to section 23 para. 1 sentence 1 no. 4 of the Takeover Act. If the Bidder did not comply with this obligation, the three-month period for the acceptance of the Takeover Offer pursuant to section 39c sentence 2 of the Takeover Act would only commence upon fulfilment of the publication requirement.

- (viii) Following the implementation of the Takeover Offer, or at any given time in the future, the Bidder could, to the extent legally permissible and provided that the relevant preconditions are fulfilled, cause KDH AG to request the delisting of the KDH Shares from trading on the Regulated Market of the Frankfurt Stock Exchange and/or in the sub-sector of the Regulated Market of the Frankfurt Stock Exchange with additional obligations arising from admission (Prime Standard). In case of a full delisting, provided that all preconditions set forth by German law and applicable case-law are fulfilled, an offer would have to be made to all outside KDH Shareholders to acquire their KDH Shares for an appropriate cash compensation within a certain period of time. The appropriate cash compensation could be equal to the Offer Consideration but could also be higher or lower. In case of a revocation of the admission to sub-sector of the Regulated Market of the Frankfurt Stock Exchange with additional obligations arising from admission (Prime Standard), the KDH Shareholders could no longer benefit from the more stringent reporting obligations of the Prime Standard segment.

## **18 Management Board and Supervisory Board of KDH AG**

### **18.1 Cash payments and valuable benefits for members of the Management Board or the Supervisory Board of KDH AG**

Neither members of the Management Board nor members of the Supervisory Board of KDH AG were granted, or given the prospect of, cash payments or other valuable benefits in connection with this Takeover Offer by the Bidder or persons acting jointly with the Bidder.

### **18.2 Reasoned Statement**

Pursuant to section 27 para. 1 of the Takeover Act, the Management Board and the Supervisory Board of KDH AG are obliged to issue a reasoned statement with regard to the Takeover Offer as well as with regard to any amendments of the Takeover Offer. In accordance with section 27 para. 3 of the Takeover Act, the Management Board and the Supervisory Board of KDH AG are required to publish the reasoned statement in accordance with section 14 para. 3 sentence 1 of the Takeover Act without undue delay after receipt of the Offer Documents and any amendments thereto from the Bidder.

Under the BCA, KDH AG agreed to use its best efforts that its Management Board (*Vorstand*) and Supervisory Board (*Aufsichtsrat*), subject to applicable law and their fiduciary duties, confirm in their reasoned statement that the Takeover Offer is in the best interest of KDH AG and that the Offer Consideration is fair and adequate and that therefore, they support the Takeover Offer and recommend to accept it in their reasoned statement pursuant to section 27 para. 1 of the Takeover Act. Such support and recommendation is subject to certain prerequisites agreed in the BCA, including that there is no more favourable competing transaction by a third party, in which case the Bidder, *inter alia*, has a right to amend the Takeover Offer to match the competing offer.

## **19 Advising banks and Central Settlement Agent**

Goldman Sachs International, with its seat in London, United Kingdom, Goldman Sachs AG, with its seat in Frankfurt am Main, Germany, UBS Limited, with its seat in London, United Kingdom and UBS Deutschland AG, with its seat in Frankfurt am Main, Germany advised the Bidder with regard to the preparation of this Takeover Offer. Commerzbank Aktiengesellschaft, with its seat in Frankfurt am Main, Germany, coordinates the technical implementation and settlement of the Takeover Offer.

## **20 Taxes**

The Bidder recommends KDH Shareholders to seek tax advice with regard to the tax consequences of an acceptance of this Takeover Offer, in particular taking into account their personal financial circumstances, before accepting the Takeover Offer.

## **21 Results of the Takeover Offer and other announcements**

The respective level of Declarations of Acceptance received will be published weekly during the Acceptance Period pursuant to section 23 para. 1 sentence 1 no. 1 of the Takeover Act (i) on the internet at <http://www.vodafone.com/investor> (in German language and with a non-binding English translation) and (ii) in German language also in the Federal Gazette (*Bundesanzeiger*). During the last week of the Acceptance Period those publications will



take place daily. The results of this Takeover Offer are expected to be published pursuant to section 23 para. 1 sentence 1 nos. 2 and 3 of the Takeover Act, respectively, on the third banking day following the expiry of the Acceptance Period and the Additional Acceptance Period, respectively.

Other declarations and announcements by the Bidder in connection with this Takeover Offer, in particular the publications described in Sections 6.8 and 13.4 of this Offer Document, will be published on the internet at <http://www.vodafone.com/investor> (in German language and with a non-binding English translation) and, to the extent required by the Takeover Act, in German language in the Federal Gazette (*Bundesanzeiger*).

## **22 Governing law and place of jurisdiction**

This Takeover Offer and the agreements coming into existence with the Bidder as a result of the acceptance of this Takeover Offer shall be governed by German law. The exclusive place of jurisdiction for all legal disputes arising out of, or in connection with, this Takeover Offer (and any agreements which come into existence as a result of the acceptance of this Takeover Offer) shall, to the extent legally permissible, be Frankfurt am Main, Germany.

## **23 Declaration of assumption of responsibility**

Vodafone Vierte Verwaltungsgesellschaft mbH (whose change of legal form into a German stock corporation has been resolved upon by its shareholders) with its seat in Düsseldorf, Germany, assumes responsibility for the contents of this Offer Document in accordance with section 11 para. 3 of the Takeover Act and declares that, to the best of its knowledge, the information contained in this Offer Document is correct and no material facts have been omitted.

Düsseldorf, 29 July 2013

Vodafone Vierte Verwaltungsgesellschaft mbH

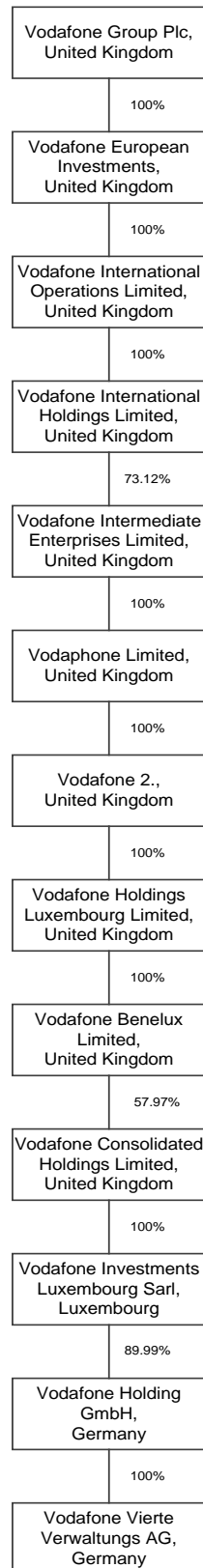
(signed)

Dr Joachim Peters  
Managing Director

(signed)

Dr Thomas Wandres  
Managing Director

## Annex 1: Vodafone's shareholding in the Bidder in the future<sup>1</sup>



<sup>1</sup> There are no third party minority shareholders; to the extent less than 100% are shown as held by the relevant shareholder, the remaining participation is directly or indirectly held by Vodafone

## Annex 2: Persons acting jointly with the Bidder (subsidiaries of Vodafone)

Company or Partnership	Seat, Country
VODAFONE QATAR Q.S.C.	Doha, Qatar
VODACOM CONGO (RDC) SPRL	Kinshasa, Congo
VODACOM TANZANIA LIMITED	Dar es Salaam, Tanzania
CRAZY JOHN (AUSTRALIA) PTY LTD	Melbourne, Australia
H3GA PROPERTIES (NO.3) PTY LIMITED	Sydney, Australia
MOBILEWORLD COMMUNICATIONS PTY LIMITED	Melbourne, Australia
MOBILEWORLD LEASING PTY LIMITED	Melbourne, Australia
MOBILEWORLD NETWORKS PTY LTD	Melbourne, Australia
MOBILEWORLD OPERATING PTY LTD	Melbourne, Australia
TESCO MBL Telecommunications Company Limited by Shares	Budaörs, Hungary
Cable & Wireless Trade Mark Management Limited	London, United Kingdom
CORNERSTONE TELECOMMUNICATIONS INFRASTRUCTURE LIMITED	Newbury, United Kingdom
VODAFONE ALBANIA SHA	Tirana, Albania
VODACOM BUSINESS LDA	Luanda, Angola
BLUEFISH AUSTRALIA PTY LTD	Sydney, Australia
Cable & Wireless Global Business Services Pty Limited	Sydney, Australia
PPL PTY LIMITED	Sydney, Australia
QUICKCOMM PTY LIMITED	Sydney, Australia
TALKLAND AUSTRALIA PTY LIMITED	Sydney, Australia
VAPL NO. 2 PTY LIMITED	Sydney, Australia
VODAC FRANCHISING PTY LIMITED	Sydney, Australia
VODAC PTY LIMITED	Sydney, Australia
VODAFONE AUSTRALIA PTY LIMITED	Sydney, Australia
VODAFONE AUSTRALIA SUPERANNUATION PTY. LIMITED	Sydney, Australia
VODAFONE BILLING SERVICES PTY LIMITED	Sydney, Australia
VODAFONE FOUNDATION AUSTRALIA PTY LIMITED	Sydney, Australia
VODAFONE HUTCHISON AUSTRALIA PTY LIMITED	Sydney, Australia
VODAFONE HUTCHISON FINANCE PTY LIMITED	Sydney, Australia
VODAFONE NETWORK PTY LIMITED	Sydney, Australia
VODAFONE PTY LIMITED	Sydney, Australia
Cable & Wireless Austria GmbH	Vienna, Austria
Cable & Wireless Worldwide Bahrain W.L.L	Manama, Bahrain
Cable & Wireless (Belgium) N.V.	Diegem, Belgium
Ipergy Communications NV	Diegem, Belgium
VODAFONE BELGIUM S.A./ N.V.	Brussels, Belgium
VODACOM BUSINESS CAMEROON SA	Douala, Cameroon
Cable & Wireless Canada Inc	Etobicoke, Canada

<b>Company or Partnership</b>	<b>Seat, Country</b>
CGP INVESTMENTS (HOLDINGS) LIMITED	George Town, Grand Cayman, Cayman Islands
Cable & Wireless Communications Technical Service (Shanghai) Co. Ltd	Shanghai, China
VODAFONE CHINA LIMITED (CHINA)	Beijing, China
Vodacash s.p.r.l.	Kinshasa, Congo
GATEWAY COMMUNICATIONS (CI) SARL	Abidjan, Cote d'Ivoire
VODAFONE MOBILE OPERATIONS LIMITED	Nicosia, Cyprus
OSKAR MOBIL S.R.O.	Prague, Czech Republic
VODAFONE CZECH REPUBLIC a.s.	Prague, Czech Republic
Cable & Wireless Global A/S (Denmark)	Hellerup, Denmark
MISRPHONE TRADING COMPANY LLC	Cairo, Egypt
SARMADY COMMUNICATIONS	Giza, Egypt
STARNET	Cairo, Egypt
VODAFONE DATA	Giza, Egypt
VODAFONE EGYPT TELECOMMUNICATIONS S.A.E.	Cairo, Egypt
VODAFONE INTERNATIONAL SERVICES LLC	Cairo, Egypt
VODAFONE ATH FIJI FOUNDATION LIMITED	Suva, Fiji
Cable & Wireless S.A.S. (France)	Paris, France
QUICKCOMM SAS	Paris, France
ARCOR-BETEILIGUNGS-GmbH	Cologne, Germany
Bluefish Communications GmbH	Duesseldorf, Germany
Cable & Wireless Telecommunication Services GmbH	Munich, Germany
GESELLSCHAFT FUR STROMWIRTSCHAFT mbH	Muehlheim, Germany
QUICKCOMM GmbH	Hamburg, Germany
VODAFONE FUENFTE VERWALTUNGSGESELLSCHAFT MBH	Duesseldorf, Germany
Vodafone GmbH	Duesseldorf, Germany
VODAFONE GROUP SERVICES GmbH	Duesseldorf, Germany
VODAFONE HOLDING GmbH	Duesseldorf, Germany
Vodafone Institut für Gesellschaft und Kommunikation GmbH	Duesseldorf, Germany
VODAFONE STIFTUNG DEUTSCHLAND GEMEINNUTZIGE GmbH	Duesseldorf, Germany
Vouchercloud GmbH	Duesseldorf, Germany
GHANA TELECOMMUNICATIONS COMPANY LIMITED	Accra, Ghana
GS TELECOM (GHANA) LIMITED	Accra, Ghana
A.C. & E. HELLAS A.E.	Athens, Greece
VODAFONE GLOBAL ENTERPRISE TELECOMMUNICATIONS (HELLAS) A.E.	Athens, Greece
VODAFONE-PANAFON HELLENIC TELECOMMUNICATIONS COMPANY S.A.	Athens, Greece
ZELITRON S.A.	Athens, Greece
FB HOLDINGS LIMITED	St Peter Port, Guernsey
FB Holdings Limited	St Peter Port, Guernsey

<b>Company or Partnership</b>	<b>Seat, Country</b>
LE BUNT HOLDINGS LTD	St Peter Port, Guernsey
SILVER STREAM INVESTMENTS LIMITED	St Peter Port, Guernsey
VBA HOLDINGS LIMITED	St Peter Port, Guernsey
VBA International Limited	St Peter Port, Guernsey
Cable & Wireless Global (Hong Kong) Limited	Hong Kong, Hong Kong
Cable & Wireless Global Network (Hong Kong) Limited	Hong Kong, Hong Kong
VODAFONE CHINA LIMITED (Hong Kong)	Hong Kong, Hong Kong
VODAFONE GLOBAL ENTERPRISE (HONG KONG) LIMITED	Hong Kong, Hong Kong
VODAFONE GLOBAL ENTERPRISE LIMITED (Hong Kong Branch)	Hong Kong, Hong Kong
VOCH VODAFONE OPERATIONS CENTRE HUNGARY PRIVATE COMPANY LIMITED	Budapest, Hungary
VODAFONE MAGYARORSZAG MOBILE Tavkozlesi Zartkoruen Mukodo Reszvenytarsasag	Budapest, Hungary
AG MERCANTILE COMPANY PRIVATE LIMITED	Mumbai, India
Cable & Wireless Global (India) Private Limited	Bangalore, India
Cable & Wireless Networks India Private Limited	Bangalore, India
JAYKAY FINHOLDING (INDIA) PRIVATE LIMITED	Mumbai, India
MOBILE COMMERCE SOLUTIONS LIMITED	Mumbai, India
NADAL TRADING COMPANY PRIVATE LIMITED	Mumbai, India
PLUSTECH MERCANTILE COMPANY PRIVATE LIMITED	Mumbai, India
SMMS INVESTMENTS PVT LIMITED	Mumbai, India
TELECOM INVESTMENTS INDIA PRIVATE LIMITED	Mumbai, India
UMT INVESTMENTS LIMITED	Kolkata, India
UNIQUE INTERMEDIARY FACILITATORS	Mumbai, India
USHA MARTIN TELEMATICS LIMITED	Kolkata, India
VODAFONE CELLULAR LIMITED	Mumbai, India
VODAFONE DIGILINK LIMITED	New Delhi, India
VODAFONE EAST LIMITED	Kolkata, India
VODAFONE INDIA LIMITED	Mumbai, India
VODAFONE INDIA SERVICES PRIVATE LIMITED	Ahmedabad, India
VODAFONE INFRASTRUCTURE LIMITED	New Delhi, India
VODAFONE MOBILE SERVICES LIMITED	New Delhi, India
VODAFONE SHARED SERVICES LIMITED	Ahmedabad, India
VODAFONE SOUTH LIMITED	New Delhi, India
VODAFONE SPACETEL LIMITED	New Delhi, India
VODAFONE TOWERS LIMITED	New Delhi, India
VODAFONE WEST LIMITED	Ahmedabad, India
Cable & Wireless (Ireland) Limited	Dublin, Ireland
Cable & Wireless Global Limited	Dublin, Ireland
Cable & Wireless Global Network Limited	Dublin, Ireland

<b>Company or Partnership</b>	<b>Seat, Country</b>
Cable & Wireless GN Limited	Dublin, Ireland
Cable & Wireless Ireland Holdings Limited	Dublin, Ireland
Cable & Wireless Services (Ireland) Limited	Dublin, Ireland
COMPLETE TELECOMS LIMITED	Dublin, Ireland
Energis Communications (Ireland) Limited	Dublin, Ireland
FONUA LIMITED	Dublin, Ireland
INTERFUSION NETWORKS LIMITED	Dublin, Ireland
PERLICO COMMUNICATIONS LIMITED	Dublin, Ireland
PERSON TO PERSON LIMITED	Dublin, Ireland
Stentor Limited	Dublin, Ireland
TALK TO ME LIMITED	Dublin, Ireland
VODAFONE GROUP SERVICES IRELAND LIMITED	Dublin, Ireland
VODAFONE IRELAND DISTRIBUTION LIMITED	Dublin, Ireland
VODAFONE IRELAND FOUNDATION	Dublin, Ireland
VODAFONE IRELAND LIMITED	Dublin, Ireland
VODAFONE IRELAND MARKETING LIMITED	Dublin, Ireland
VODAFONE IRELAND RETAIL LIMITED	Dublin, Ireland
VODAFONE IRELAND SALES LIMITED	Dublin, Ireland
WESTERN CELLULAR LIMITED	Dublin, Ireland
Cable & Wireless S.p.A.	Milan, Italy
FONDAZIONE VODAFONE ITALIA	Milan, Italy
VODAFONE GESTIONI S.p.A.	Milan, Italy
VODAFONE GLOBAL ENTERPRISE (ITALY) S.R.L.	Milan, Italy
VODAFONE SERVIZI E TECNOLOGIE S.R.L.	Milan, Italy
VODAFONE GLOBAL ENTERPRISE (JAPAN) K.K.	Tokyo, Japan
AZTEC LIMITED	St. Helier, Jersey
GLOBE LIMITED	St. Helier, Jersey
PLEX LIMITED	St. Helier, Jersey
VIZZAVI FINANCE LIMITED	St. Helier, Jersey
VODAFONE 4 LIMITED	St. Helier, Jersey
VODAFONE HOLDINGS (JERSEY) LIMITED	St. Helier, Jersey
VODAFONE INTERNATIONAL 2 LIMITED	St. Helier, Jersey
VODAFONE JERSEY DOLLAR HOLDINGS LIMITED	St. Helier, Jersey
VODAFONE JERSEY FINANCE	St. Helier, Jersey
VODAFONE JERSEY YEN HOLDINGS UNLIMITED	St. Helier, Jersey
GATEWAY TELECOMMUNICATIONS (KENYA) LIMITED	Nairobi, Kenya
M-PESA FOUNDATION	Nairobi, Kenya
M-PESA HOLDING CO. LIMITED	Nairobi, Kenya
VODAFONE KENYA LIMITED	Nairobi, Kenya

<b>Company or Partnership</b>	<b>Seat, Country</b>
VODACOM LESOTHO (PTY) LIMITED	Maseru, Lesotho
Cable & Wireless Global Businesses International S.a.r.l.	Luxembourg, Luxembourg
Cable & Wireless Luxembourg S.A.	Luxembourg, Luxembourg
VODAFONE INTERNATIONAL 1 SARL	Luxembourg, Luxembourg
VODAFONE INTERNATIONAL M SARL	Luxembourg, Luxembourg
VODAFONE LUXEMBOURG 5 SARL	Luxembourg, Luxembourg
VODAFONE LUXEMBOURG SARL	Luxembourg, Luxembourg
VODAFONE MARKETING SARL	Luxembourg, Luxembourg
VODAFONE OPERATIONS SERVICES 1 S.a.r.l.	Luxembourg, Luxembourg
VODAFONE OPERATIONS SERVICES 2 S.à r.l.	Luxembourg, Luxembourg
VODAFONE PROCUREMENT COMPANY SARL	Luxembourg, Luxembourg
VODAFONE ROAMING SERVICES S.à r.l.	Luxembourg, Luxembourg
VODAFONE GLOBAL ENTERPRISE (MALAYSIA) Sdn Bhd	Kuala Lumpur, Malaysia
MULTI RISK BENEFITS LIMITED	Luqa, Malta
MULTI RISK INDEMNITY COMPANY LIMITED	Luqa, Malta
MULTI RISK LIMITED	Luqa, Malta
VODAFONE MALTA LIMITED	Luqa, Malta
AL-AMIN INVESTMENTS LIMITED	Ebene, Mauritius
ARRAY HOLDINGS LIMITED	Ebene, Mauritius
ASIAN TELECOMMUNICATION INVESTMENTS (MAURITIUS) LIMITED	Ebene, Mauritius
CCII (MAURITIUS), INC.	Ebene, Mauritius
CGP INDIA INVESTMENTS LTD.	Ebene, Mauritius
EURO PACIFIC SECURITIES LTD.	Ebene, Mauritius
MOBILE WALLET VM1	Ebene, Mauritius
MOBILE WALLET VM2	Ebene, Mauritius
MOBILVEST	Ebene, Mauritius
PRIME METALS LTD.	Ebene, Mauritius
TRANS CRYSTAL LTD.	Ebene, Mauritius
VBA (MAURITIUS) LIMITED	Ebene, Mauritius
VODACOM EQUATOR LIMITED	Ebene, Mauritius
VODACOM INTERNATIONAL LIMITED	Ebene, Mauritius
VODACOM KASAI LIMITED	Ebene, Mauritius
VODACOM KATANGA LIMITED	Ebene, Mauritius
VODACOM KIVU LIMITED	Ebene, Mauritius
VODACOM MANIEMA LIMITED	Ebene, Mauritius
VODAFONE MAURITIUS LTD.	Ebene, Mauritius
VODAFONE TELECOMMUNICATIONS (INDIA) LIMITED	Ebene, Mauritius
VODAFONE TELE-SERVICES (INDIA) HOLDINGS LIMITED	Ebene, Mauritius
VODAFONE GLOBAL ENTERPRISE MEXICO S.de R.L. de C.V.	Mexico City, Mexico



<b>Company or Partnership</b>	<b>Seat, Country</b>
VM, S.A.	Maputo, Mozambique
VODAFONE M-PESA, SA	Maputo, Mozambique
GSM RENTA FONE NAMIBIA (PTY) LIMITED - In Liquidation	Windhoek, Namibia
Cable & Wireless Aspac BV	Amsterdam, Netherlands
Cable & Wireless Internet Service Provider B.V.	Amsterdam, Netherlands
Cable & Wireless Netherlands B.V.	Amsterdam, Netherlands
European Networks B.V.	Amsterdam, Netherlands
VODAFONE 4 B.V.	Capelle aan den IJssel, Netherlands
VODAFONE EUROPE B.V.	Capelle aan den IJssel, Netherlands
VODAFONE HOLDINGS EUROPE B.V.	Capelle aan den IJssel, Netherlands
VODAFONE INTERNATIONAL B.V.	Capelle aan den IJssel, Netherlands
VODAFONE INTERNATIONAL HOLDINGS B.V.	Capelle aan den IJssel, Netherlands
VODAFONE LIBERTEL B.V.	Maastricht, Netherlands
VODAFONE OMNITEL N.V.	Amsterdam, Netherlands
VODAFONE PANAFON INTERNATIONAL HOLDINGS B.V.	Capelle aan den IJssel, Netherlands
VODAFONE RETAIL B.V.	Veenendaal, Netherlands
XM Mobile B.V.	Doorn, Netherlands
VODAFONE MOBILE NZ LIMITED	Auckland, New Zealand
VODAFONE NEW ZEALAND FOUNDATION LIMITED	Auckland, New Zealand
VODAFONE NEW ZEALAND LIMITED	Auckland, New Zealand
C&W Worldwide Nigeria Limited	Abuja, Nigeria
SPAR AEROSPACE (NIGERIA) LIMITED	Lagos, Nigeria
VODACOM BUSINESS AFRICA (NIGERIA) LIMITED	Lagos, Nigeria
ONI WAY - INFOCOMUNICACOES, SA	Lisbon, Portugal
VODAFONE PORTUGAL - COMUNICACOES PESSOAIS, S.A.	Lisbon, Portugal
VODAFONE AND QATAR FOUNDATION L.L.C	Doha, Qatar
PROTON TECHNOLOGIES SRL	Bucharest, Romania
VODAFONE ROMÂNIA M - PAYMENTS SRL	Tunari, Romania
VODAFONE ROMANIA SA	Bucharest, Romania
VODAFONE ROMÂNIA TECHNOLOGIES SRL	Tunari, Romania
Cable & Wireless CIS Svyaz LLC	Moscow, Russian Federation
VODAFONE GLOBAL ENTERPRISE RUSSIA LLC	Moscow, Russian Federation
GS TELECOM AFRICA LIMITED	Freetown, Sierra Leone
BLUEFISH APAC COMMUNICATIONS PTE. LTD.	Singapore, Singapore
Cable & Wireless Global Pte Limited	Singapore, Singapore
Cable & Wireless Regional Businesses (Singapore) Pte Ltd	Singapore, Singapore
Cable & Wireless Worldwide (Singapore) PTE Limited	Singapore, Singapore
QUICKCOMM PTE LIMITED	Singapore, Singapore
VODAFONE GLOBAL ENTERPRISE (SINGAPORE) PTE LTD	Singapore, Singapore

<b>Company or Partnership</b>	<b>Seat, Country</b>
Cable and Wireless Worldwide South Africa (Pty) Ltd	Durban, South Africa
GS TELECOM (PTY) LIMITED	Midrand, South Africa
GSM CELLULAR (PTY) LIMITED - In Liquidation	Midrand, South Africa
JOINT DISTRIBUTION INVESTMENTS	Midrand, South Africa
MOTIFPROS 1 (PROPRIETARY) LIMITED	Midrand, South Africa
RUFFLE INVESTMENTS (PROPRIETARY) LIMITED	Midrand, South Africa
SCARLET IBIS INVESTMENTS 23 (PTY) LIMITED	Midrand, South Africa
SHEERPROPS 71 (PROPRIETARY) LIMITED	Midrand, South Africa
SKYPROPS 134 (PTY) LTD	Midrand, South Africa
VODACOM (PTY) LIMITED	Midrand, South Africa
VODACOM BUSINESS AFRICA GROUP (PTY) LIMITED	Midrand, South Africa
VODACOM FINANCIAL SERVICES (PROPRIETARY) LIMITED	Midrand, South Africa
VODACOM GROUP LIMITED	Midrand, South Africa
VODACOM HEALTH (PROPRIETARY) LIMITED	Midrand, South Africa
VODACOM INSURANCE COMPANY(RF) LIMITED	Midrand, South Africa
VODACOM INTERNATIONAL HOLDINGS (PTY) LIMITED	Midrand, South Africa
VODACOM LIFE ASSURANCE COMPANY (RF) LIMITED	Midrand, South Africa
VODACOM PAYMENT SERVICES (PROPRIETARY) LIMITED	Midrand, South Africa
VODACOM PROPERTIES NO 1 (PROPRIETARY) LIMITED	Midrand, South Africa
VODACOM PROPERTIES NO.2 (PTY) LIMITED	Midrand, South Africa
VODACOM SERVICE PROVIDER COMPANY (PTY) LIMITED	Midrand, South Africa
VODACOM VENTURES (PTY) LIMITED	Midrand, South Africa
VODAFONE HOLDINGS (SA) (PTY) LIMITED	Germiston South, South Africa
VODAFONE INVESTMENTS (SA) (PROPRIETARY) LIMITED	Germiston South, South Africa
WHEATFIELDS INVESTMENTS 276 (PROPRIETARY) LIMITED	Midrand, South Africa
WHEATFIELDS INVESTMENTS NO 261 (PROPRIETARY) LIMITED	Midrand, South Africa
ZOOPY (PROPRIETARY) LIMITED	Midrand, South Africa
Cable and Wireless SLU	Madrid, Spain
VODAFONE ENABLER ESPAÑA, S.L.	Alcobendas, Spain
VODAFONE ESPANA S.A.U.	Alcobendas, Spain
VODAFONE HOLDINGS EUROPE S.L.U.	Alcobendas, Spain
Cable & Wireless Sweden AB	Stockholm, Sweden
VODAFONE GLOBAL ENTERPRISE (SWEDEN) AB	Malmö, Sweden
WAYFINDER SYSTEMS AB in liquidation	Lund, Sweden
Cable & Wireless Switzerland AG	Zurich, Switzerland
VODAFONE GLOBAL ENTERPRISE (SWITZERLAND) GMBH	Basel, Switzerland
VODAFONE INTERNATIONAL 1 S.a.r.l. LUXEMBOURG, ZWEIGNIEDERLASSUNG BERN	Bern, Switzerland
VODAFONE INVESTMENTS LUXEMBOURG Zweigniederlassung Bern	Bern, Switzerland

<b>Company or Partnership</b>	<b>Seat, Country</b>
VODAFONE LUXEMBOURG 5 S.à r.l. ZWEIGNIEDERLASSUNG BERN	Bern, Switzerland
GATEWAY COMMUNICATIONS TANZANIA LIMITED	Dar es Salaam, Tanzania
M-PESA LIMITED	Dar es Salaam, Tanzania
VODACOM FOUNDATION LIMITED	Dar es Salaam, Tanzania
VODAFONE BILGI VE İLETİŞİM HİZMETLERİ AS	Istanbul, Turkey
VODAFONE DAGITIM HİZMETLERİ A.S.	Istanbul, Turkey
VODAFONE HOLDING A.S.	Istanbul, Turkey
VODAFONE NET İLETİŞİM HİZMETLERİ A.Ş.	Istanbul, Turkey
VODAFONE SERVİS HİZMETLERİ AS	Istanbul, Turkey
VODAFONE TEKNOLOJİ HİZMETLERİ A.S.	Istanbul, Turkey
VODAFONE TELEKOMÜNİKASYON A.S.	Istanbul, Turkey
Cable & Wireless Worldwide Ukraine Limited	Kiev, Ukraine
AAA (EURO) LIMITED	Newbury, United Kingdom
AAA (MCR) LTD	Newbury, United Kingdom
AAA (UK) LTD	Newbury, United Kingdom
ACORN COMMUNICATIONS LIMITED	Newbury, United Kingdom
Apollo Submarine Cable System Limited	London, United Kingdom
ASPECTIVE LIMITED	Newbury, United Kingdom
ASTEC COMMUNICATIONS LIMITED	Newbury, United Kingdom
Baynton Thompson Networks Limited	Newbury, United Kingdom
BLUEFISH COMMUNICATIONS LIMITED	Newbury, United Kingdom
Business Serve Limited	Newbury, United Kingdom
C.S.P. SOLUTIONS LIMITED	Newbury, United Kingdom
Cable & Wireless Access Limited	Newbury, United Kingdom
Cable & Wireless a-Services Limited	Newbury, United Kingdom
Cable & Wireless Aspac Holdings Limited	Newbury, United Kingdom
Cable & Wireless Capital Limited	Newbury, United Kingdom
Cable & Wireless CIS Services Limited	Newbury, United Kingdom
Cable & Wireless Communications Data Network Services Limited	Newbury, United Kingdom
Cable & Wireless Communications Starclass Limited	Newbury, United Kingdom
Cable & Wireless Europe Holdings Limited	Newbury, United Kingdom
Cable & Wireless Global Business Services Limited	Newbury, United Kingdom
Cable & Wireless Global Holding Limited	Newbury, United Kingdom
Cable & Wireless Global Markets Equipment Limited	Newbury, United Kingdom
Cable & Wireless Global Telecommunication Services Limited	Newbury, United Kingdom
Cable & Wireless Holdco Limited	Newbury, United Kingdom
Cable & Wireless U.K.	Bracknell, United Kingdom
Cable & Wireless UK Holdings Limited	Newbury, United Kingdom
Cable & Wireless UK Services Limited	Newbury, United Kingdom

<b>Company or Partnership</b>	<b>Seat, Country</b>
Cable & Wireless Waterside Holdings Limited	Newbury, United Kingdom
Cable & Wireless Worldwide Foundation	Bracknell, United Kingdom
Cable & Wireless Worldwide Pension Trustee Limited	Bletchley, United Kingdom
Cable & Wireless Worldwide plc	Newbury, United Kingdom
Cable & Wireless Worldwide Services Limited	Newbury, United Kingdom
Cable & Wireless Worldwide Voice Messaging Limited	Newbury, United Kingdom
Cable and Wireless (India) Limited	Newbury, United Kingdom
Cable and Wireless Europe (UK) Limited	Newbury, United Kingdom
Cable and Wireless Nominee Limited	Newbury, United Kingdom
CELLOPS LIMITED	Newbury, United Kingdom
CELLULAR OPERATIONS LIMITED	Newbury, United Kingdom
CENTRAL COMMUNICATIONS GROUP LIMITED	Newbury, United Kingdom
CENTRAL TELECOM (NORTHERN) LIMITED	Newbury, United Kingdom
Chelys Limited	Newbury, United Kingdom
City Cable (Holdings) Limited	Newbury, United Kingdom
CT NETWORKS LIMITED	Newbury, United Kingdom
CWW Operations Limited	Newbury, United Kingdom
DATAROAM LIMITED	Newbury, United Kingdom
Designer Servers Limited	Newbury, United Kingdom
Digital Island (UK) Ltd	Newbury, United Kingdom
DIGITAL MOBILE SPECTRUM LIMITED	London, United Kingdom
Eclipse Mobile Limited - IN LIQUIDATION	Newbury, United Kingdom
EMTEL EUROPE LIMITED	Newbury, United Kingdom
Energis (Ireland) Limited	Belfast, United Kingdom
Energis Communications Limited	Newbury, United Kingdom
Energis Holdings Limited	Newbury, United Kingdom
Energis Local Access Limited	Newbury, United Kingdom
Energis Management Limited	Newbury, United Kingdom
Energis Squared Limited	Newbury, United Kingdom
ERUDITE SYSTEMS LIMITED	Newbury, United Kingdom
Eurocall Holdings Limited	Newbury, United Kingdom
Eurocall Limited - IN LIQUIDATION	Newbury, United Kingdom
Eurocall Mobile Limited - IN LIQUIDATION	Newbury, United Kingdom
Eurocall Trustee Limited - IN LIQUIDATION	Newbury, United Kingdom
FLEXPHONE LIMITED	Newbury, United Kingdom
FM ASSOCIATES (UK) LIMITED	Newbury, United Kingdom
GATEWAY COMMUNICATIONS AFRICA (UK) LIMITED	London, United Kingdom
GATEWAY TELECOMMUNICATIONS PLC	London, United Kingdom
GENERAL MOBILE CORPORATION LIMITED	Newbury, United Kingdom

<b>Company or Partnership</b>	<b>Seat, Country</b>
GENERATION TELECOM LIMITED	Newbury, United Kingdom
GLOBAL CELLULAR RENTAL LIMITED	Newbury, United Kingdom
HOW2 TELECOM LIMITED	Newbury, United Kingdom
Hyperlink Hosted Services Limited	Newbury, United Kingdom
Hyperlink Interactive Limited	Newbury, United Kingdom
IDL TRUSTEE COMPANY LIMITED	Bristol, United Kingdom
Intercell Communications Limited	Newbury, United Kingdom
Intercell Limited	Newbury, United Kingdom
Internet Network Services Limited	Newbury, United Kingdom
INVITATION DIGITAL LIMITED	Newbury, United Kingdom
ISIS TELECOMMUNICATIONS MANAGEMENT LIMITED	Newbury, United Kingdom
Jaguar Communications Limited	Newbury, United Kingdom
KB Media Limited	Newbury, United Kingdom
KB Net Limited	Newbury, United Kingdom
Legend Communications Plc	Newbury, United Kingdom
Legend Internet Limited	Newbury, United Kingdom
London Hydraulic Power Company	Newbury, United Kingdom
MetroHoldings Limited	Newbury, United Kingdom
ML Integration Group Limited	Newbury, United Kingdom
ML Integration Limited	Newbury, United Kingdom
ML Integration Services Limited	Newbury, United Kingdom
MOBILE PHONE CENTRE LIMITED	Newbury, United Kingdom
MOBILE TELECOM LIMITED - PROPOSAL TO STRIKE OFF	Newbury, United Kingdom
MOBILES 4 BUSINESS.COM LIMITED	Newbury, United Kingdom
NAT COMM AIR LIMITED	Newbury, United Kingdom
Netforce Group Public Limited Company	Newbury, United Kingdom
OBS MEDICAL LIMITED	Abingdon, United Kingdom
OXYGEN SOLUTIONS LIMITED	Newbury, United Kingdom
P.C.P. (NORTH WEST) LIMITED	Newbury, United Kingdom
PEOPLES PHONE LIMITED	Newbury, United Kingdom
PINNACLE CELLULAR GROUP LIMITED	Edinburgh, United Kingdom
PINNACLE CELLULAR LIMITED	Edinburgh, United Kingdom
Pipecall Limited	Newbury, United Kingdom
Pipemedia Communications Limited	Newbury, United Kingdom
Pipemedia Limited	Newbury, United Kingdom
PROJECT TELECOM HOLDINGS LIMITED	Newbury, United Kingdom
PT NETWORK SERVICES LIMITED	Newbury, United Kingdom
PTI TELECOM LIMITED	Newbury, United Kingdom
QUICKCOMM UK LIMITED	Newbury, United Kingdom

<b>Company or Partnership</b>	<b>Seat, Country</b>
RAPIDWAVE	Newbury, United Kingdom
RIAN MOBILE LIMITED	Newbury, United Kingdom
Rustle Limited - IN LIQUIDATION	Newbury, United Kingdom
SINGLEPOINT (4U) LIMITED	Newbury, United Kingdom
SINGLEPOINT PAYMENT SERVICES LIMITED	Newbury, United Kingdom
Spectrum Media Limited - IN LIQUIDATION	Newbury, United Kingdom
Stentor Communications Limited	Newbury, United Kingdom
T.W. TELECOM LIMITED	Newbury, United Kingdom
T3 Telecommunications Limited	Newbury, United Kingdom
TALK MOBILE LIMITED	Newbury, United Kingdom
TALKLAND AIRTIME SERVICES LIMITED	Newbury, United Kingdom
TALKLAND COMMUNICATIONS LIMITED	Newbury, United Kingdom
TALKLAND INTERNATIONAL LIMITED	Newbury, United Kingdom
TALKLAND MIDLANDS LIMITED	Newbury, United Kingdom
TELECOMMUNICATIONS EUROPE LIMITED	Newbury, United Kingdom
TERNHILL COMMUNICATIONS LIMITED	Newbury, United Kingdom
The Eastern Leasing Company Limited	Newbury, United Kingdom
THE KEY REVOLUTION LIMITED - IN LIQUIDATION	Chippenham, United Kingdom
THE OLD TELECOM SALES CO. LIMITED	Newbury, United Kingdom
The Search Engineers Limited	Newbury, United Kingdom
Thus Group Holdings Limited	Glasgow, United Kingdom
THUS Group plc	Glasgow, United Kingdom
Thus Limited	Newbury, United Kingdom
Thus Profit Sharing Trustees Limited	Glasgow, United Kingdom
TOWNLEY COMMUNICATIONS LIMITED	Newbury, United Kingdom
UNIQUEAIR LIMITED	Newbury, United Kingdom
Ventelo Limited - IN LIQUIDATION	Newbury, United Kingdom
Ventelo Services Limited - IN LIQUIDATION	Newbury, United Kingdom
VIZZAVI LIMITED	Newbury, United Kingdom
VODA LIMITED	Newbury, United Kingdom
VODACALL LIMITED	Newbury, United Kingdom
VODACOM UK LIMITED	London, United Kingdom
VODAFONE (NEW ZEALAND) HEDGING LIMITED	Newbury, United Kingdom
VODAFONE (NI) LIMITED	Belfast, United Kingdom
VODAFONE (SCOTLAND) LIMITED	Edinburgh, United Kingdom
VODAFONE 2.	Newbury, United Kingdom
VODAFONE 4 UK	Newbury, United Kingdom
VODAFONE 5 LIMITED	Newbury, United Kingdom
VODAFONE 5 UK	Newbury, United Kingdom

<b>Company or Partnership</b>	<b>Seat, Country</b>
VODAFONE AMERICAS 4	Newbury, United Kingdom
VODAFONE BUSINESS SERVICES LIMITED	Newbury, United Kingdom
VODAFONE BUSINESS SOLUTIONS LIMITED	Newbury, United Kingdom
VODAFONE CELLULAR LIMITED	Newbury, United Kingdom
VODAFONE CENTRAL SERVICES LIMITED	Newbury, United Kingdom
VODAFONE CONNECT 2 LIMITED	Newbury, United Kingdom
VODAFONE CONNECT LIMITED	Newbury, United Kingdom
VODAFONE CORPORATE LIMITED	Newbury, United Kingdom
VODAFONE CORPORATE SECRETARIES LIMITED	Newbury, United Kingdom
VODAFONE DC PENSION TRUSTEE COMPANY LIMITED	Newbury, United Kingdom
VODAFONE DISTRIBUTION HOLDINGS LIMITED	Newbury, United Kingdom
VODAFONE EURO HEDGING LIMITED	Newbury, United Kingdom
VODAFONE EURO HEDGING TWO	Newbury, United Kingdom
VODAFONE EUROPE UK	Newbury, United Kingdom
VODAFONE EUROPEAN PORTAL LIMITED	Newbury, United Kingdom
VODAFONE FINANCE LIMITED	Newbury, United Kingdom
VODAFONE FINANCE LUXEMBOURG LIMITED	Newbury, United Kingdom
VODAFONE FINANCE SWEDEN	Newbury, United Kingdom
VODAFONE FINANCE UK LIMITED	Newbury, United Kingdom
VODAFONE FINANCIAL OPERATIONS	Newbury, United Kingdom
VODAFONE GLOBAL CONTENT SERVICES LIMITED	Newbury, United Kingdom
VODAFONE GLOBAL ENTERPRISE LIMITED	Newbury, United Kingdom
VODAFONE GROUP (DIRECTORS) TRUSTEE LIMITED	Newbury, United Kingdom
VODAFONE GROUP PENSION TRUSTEE LIMITED	Newbury, United Kingdom
VODAFONE GROUP PLC	Newbury, United Kingdom
VODAFONE GROUP SERVICES LIMITED	Newbury, United Kingdom
VODAFONE GROUP SERVICES NO.2 LIMITED	Newbury, United Kingdom
VODAFONE GROUP SHARE TRUSTEE LIMITED	Newbury, United Kingdom
VODAFONE HIRE LIMITED	Newbury, United Kingdom
VODAFONE INVESTMENT UK	Newbury, United Kingdom
VODAFONE INVESTMENTS AUSTRALIA LIMITED	Newbury, United Kingdom
VODAFONE INVESTMENTS LIMITED	Newbury, United Kingdom
VODAFONE IP LICENSING LIMITED	Newbury, United Kingdom
VODAFONE LEASING LIMITED	Newbury, United Kingdom
VODAFONE LIMITED	Newbury, United Kingdom
VODAFONE M.C. MOBILE SERVICES LIMITED	Newbury, United Kingdom
VODAFONE MARKETING UK	Newbury, United Kingdom
VODAFONE MOBILE COMMERCE LIMITED	Newbury, United Kingdom
VODAFONE MOBILE COMMUNICATIONS LIMITED	Newbury, United Kingdom

<b>Company or Partnership</b>	<b>Seat, Country</b>
VODAFONE MOBILE ENTERPRISES LIMITED	Newbury, United Kingdom
VODAFONE MOBILE NETWORK LIMITED	Newbury, United Kingdom
VODAFONE MULTIMEDIA LIMITED	Newbury, United Kingdom
VODAFONE NOMINEES LIMITED	Newbury, United Kingdom
VODAFONE OCEANIA LIMITED	Newbury, United Kingdom
VODAFONE OLD SHOW GROUND SITE MANAGEMENT LIMITED	Newbury, United Kingdom
VODAFONE OVERSEAS FINANCE LIMITED	Newbury, United Kingdom
VODAFONE OVERSEAS HOLDINGS LIMITED	Newbury, United Kingdom
VODAFONE PAGING (HOLDINGS) LIMITED - PROPOSAL TO STRIKE OFF	Newbury, United Kingdom
VODAFONE PANAFON UK	Newbury, United Kingdom
VODAFONE PARTNER SERVICES LIMITED	Newbury, United Kingdom
VODAFONE PROPERTY INVESTMENTS LIMITED	Newbury, United Kingdom
VODAFONE RETAIL (HOLDINGS) LIMITED	Newbury, United Kingdom
VODAFONE RETAIL LIMITED	Newbury, United Kingdom
VODAFONE SALES & SERVICES LIMITED	Newbury, United Kingdom
VODAFONE SATELLITE SERVICES LIMITED	Newbury, United Kingdom
VODAFONE SPECIALIST COMMUNICATIONS LIMITED	Newbury, United Kingdom
VODAFONE UK CONTENT SERVICES LIMITED	Newbury, United Kingdom
VODAFONE UK INVESTMENTS LIMITED	Newbury, United Kingdom
VODAFONE UK LIMITED	Newbury, United Kingdom
VODAFONE VENTURES LIMITED	Newbury, United Kingdom
VODAFONE WORLDWIDE HOLDINGS LIMITED	Newbury, United Kingdom
VODAFONE YEN FINANCE LIMITED	Newbury, United Kingdom
VODAFONE-CENTRAL LIMITED	Newbury, United Kingdom
VODAPAGE LIMITED - PROPOSAL TO STRIKE OFF	Newbury, United Kingdom
VODATA LIMITED	Newbury, United Kingdom
WOODEND CELLULAR LIMITED	Edinburgh, United Kingdom
WOODEND COMMUNICATIONS LIMITED	Edinburgh, United Kingdom
WOODEND GROUP LIMITED	Edinburgh, United Kingdom
WOODEND HOLDINGS LIMITED	Edinburgh, United Kingdom
Your Communications Group Limited	Newbury, United Kingdom
Bluefish Communications Inc.	Redwood City, United States
Cable & Wireless Americas Operations, Inc.	Wilmington, United States
Cable & Wireless Americas Systems, Inc.	Wilmington, United States
Cable & Wireless a-Services, Inc	Dover, United States
JV PARTNERCO, LLC	Denver, United States
PCS NUCLEUS, L.P.	Denver, United States
QUICKCOMM, INC.	Sandy Hook, United States



<b>Company or Partnership</b>	<b>Seat, Country</b>
TNT GLOBAL LLC	Sandy Hook, United States
VODAFONE AMERICAS FINANCE 1 INC	Denver, United States
VODAFONE AMERICAS FINANCE 2 INC.	Denver, United States
VODAFONE AMERICAS FOUNDATION	Denver, United States
VODAFONE AMERICAS HOLDINGS INC.	Denver, United States
VODAFONE AMERICAS INC.	Denver, United States
VODAFONE GLOBAL ENTERPRISE INC.	Redwood City, United States
VODAFONE HOLDINGS LLC	Denver, United States
VODAFONE INTERNATIONAL INC	Denver, United States
AFRICONNECT (ZAMBIA) LIMITED	Lusaka, Zambia

### Annex 3: Persons acting jointly with KDH (subsidiaries)

Company or Partnership	Seat, Country
Kabel Deutschland Vertrieb und Service GmbH	Unterföhring, Germany
TKS Telepost Kabel-Service Kaiserslautern GmbH & Co. KG	Kaiserslautern, Germany
TKS Telepost Kabel-Service Kaiserslautern Beteiligungs-GmbH	Kaiserslautern, Germany
KABELCOM Braunschweig Gesellschaft für Breitbandkabel-Kommunikation mit beschränkter Haftung	Braunschweig, Germany
KABELCOM Wolfsburg Gesellschaft für Breitbandkabel-Kommunikation mit beschränkter Haftung	Wolfsburg, Germany
“Urbana Teleunion” Rostock GmbH & Co. KG	Rostock, Germany
Verwaltung “Urbana Teleunion” Rostock GmbH	Rostock, Germany
Kabel Deutschland Field Services GmbH	Nuremberg, Germany
Kabel Deutschland Kundenbetreuung GmbH	Unterföhring, Germany
Kabel Deutschland Dritte Beteiligungsgesellschaft mbH	Unterföhring, Germany
Kabel Deutschland Fünfte Beteiligungsgesellschaft mbH	Unterföhring, Germany
Kabel Deutschland Sechste Beteiligungs GmbH	Unterföhring, Germany
Kabel Deutschland Siebte Beteiligungs GmbH	Unterföhring, Germany
Kabel Deutschland Achte Beteiligungs GmbH	Unterföhring, Germany
Kabel Deutschland Neunte Beteiligungs GmbH	Unterföhring, Germany

#### **Annex 4: Cash confirmations of Goldman Sachs AG and UBS Deutschland AG**

[Letterhead of Goldman Sachs AG]

Vodafone Vierte Verwaltungsgesellschaft mbH  
Ferdinand-Braun-Platz 1  
40549 Düsseldorf  
Germany

29 July 2013

**Confirmation pursuant to section 13 para. 1 sentence 2 of the German Securities Acquisition and Takeover Act (WpÜG) dated 20 December 2001 (BGBl. I page 3822), last amended by article 2c of the statute dated 28 November 2012 (BGBl. I page 2369), regarding the takeover offer of Vodafone Vierte Verwaltungsgesellschaft mbH to the shareholders of Kabel Deutschland Holding AG for the acquisition of all shares in Kabel Deutschland Holding AG against payment of a cash consideration in the amount of EUR 84.50 per share**

Dear Madam or Sir,

Goldman Sachs AG, with seat in Frankfurt am Main, Germany, is an investment services enterprise independent of Vodafone Vierte Verwaltungsgesellschaft mbH and Vodafone Group Plc in the meaning of section 13 para. 1 sentence 2 WpÜG.

We hereby confirm that, by the financing measures described in section 14.2 of the offer document of 17 July 2013, Vodafone Vierte Verwaltungsgesellschaft mbH has taken the necessary measures to ensure that it has at its disposal the necessary means to fully perform the above-mentioned takeover offer at the time the cash consideration will be due. This confirmation also includes a possible increase of the offer consideration by EUR 2.50 in accordance with section 4 of the offer document.

We agree to the publication of this letter in the offer document relating to the above-mentioned takeover offer pursuant to section 11 para. 2 sentence 3 no. 4 WpÜG.

Kind regards

Goldman Sachs AG

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[Letterhead of UBS Deutschland AG]

Vodafone Vierte Verwaltungsgesellschaft mbH  
Ferdinand-Braun-Platz 1  
40549 Düsseldorf  
Germany

29 July 2013

**Confirmation pursuant to section 13 para. 1 sentence 2 of the German Securities Acquisition and Takeover Act (WpÜG) dated 20 December 2001 (BGBl. I page 3822), last amended by article 2c of the statute dated 28 November 2012 (BGBl. I page 2369), regarding the takeover offer of Vodafone Vierte Verwaltungsgesellschaft mbH to the shareholders of Kabel Deutschland Holding AG for the acquisition of all shares in Kabel Deutschland Holding AG against payment of a cash consideration in the amount of EUR 84.50 per share**

Dear Madam or Sir,

UBS Deutschland AG, with its seat in Frankfurt am Main, Germany, is an investment services enterprise independent of Vodafone Vierte Verwaltungsgesellschaft mbH and Vodafone Group Plc in the meaning of section 13 para. 1 sentence 2 WpÜG.

We hereby confirm that, by the financing measures described in section 14.2 of the offer document, Vodafone Vierte Verwaltungsgesellschaft mbH has taken the necessary measures to ensure that it has at its disposal the necessary means to fully perform the above-mentioned takeover offer at the time the cash consideration will be due. This confirmation also includes a possible increase of the offer consideration by EUR 2.50 in accordance with section 4 of the offer document.

We agree to the publication of this letter in the offer document relating to the above-mentioned takeover offer pursuant to section 11 para. 2 sentence 3 no. 4 WpÜG.

Kind regards

UBS Deutschland AG

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Dr. Alexander Gehrt  
Managing Director

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Holger Hirschberg  
Director