

Vodafone Group plc
**Court Meeting and Extraordinary General
Meeting**
28 January 2014

INFORMATION

The consideration for the Verizon Wireless transaction of approximately \$130 billion and the Return of Value of approximately \$84 billion referred to in this communication are as announced on 2 September 2013 and are subject to the further assumptions, adjustments and provisions described in the shareholder Circular.

The Return of Value assumes that Court approval is obtained for the scheme of arrangement and the capital reductions in full. If those approvals are not obtained but all other conditions are met, the transactions will complete but the Return of Value will be made on a different basis.

Shareholders should refer to the shareholder Circular for a full description of the transactions referred to in this communication and should only base their voting decisions on that information.

This communication contains “forward-looking statements”, which express the intentions, opinions, or current expectations of Vodafone about possible future events and are based on current plans, estimates and forecasts. Actual events or results or actual performance of Vodafone may differ materially from those reflected or contemplated in those forward-looking statements.

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Opening Remarks

Gerard Kleisterlee

Chairman

Ladies and gentlemen, good morning. I am Gerard Kleisterlee, the Chairman of your company and, on behalf of the Board, would like to welcome you all here today. Our purpose today is to consider the proposed transactions, relating to Verizon Wireless and Vodafone Italy. By law, we are required to obtain two sets of shareholder approvals for the proposals we are discussing today. We will ask you for these approvals at two consecutive meetings; which will both take place in this room and, therefore, there's no need to leave your seat.

Our first meeting, the Court Meeting, is, essentially, to ask you to approve a legal arrangement that enables your company to return value to you through cash and Verizon shares. This is called 'Scheme of Arrangement'. Our second meeting, the General Meeting, will take place immediately after the Court Meeting, and this meeting is to ask you to approve the various parts of the actual transactions. We'll therefore structure things such that we firstly provide an overview of the transactions, then ask you to vote on the Court Meeting resolution and, subsequently, finally ask you to vote on the General Meeting resolutions.

Before we begin, some introductions: to my right, our Chief Executive Officer, Vittorio Colao; our Chief Financial Officer, Andy Halford. To Andy's right: Nick Land; Anne Lauvergeon; Tony Watson; Sam Jonah. To my left: our General Counsel and Corporate Secretary, Rosemary Martin; Luc Vandeveld; Steve Pusey; Phil Yea; Omid Kordestani and Alan Jebson. I have to pass on apologies on behalf of Renee James, who is otherwise committed today and therefore cannot join us.

On housekeeping matters, please can you ensure that your mobile phones are set to silent or switched off. I also would like to draw your attention to the electronic handset that you received at the registration desk, and which will capture your votes at both meetings. Instructions, how to use the handset, are included in the letter in your welcome pack. As we have two meetings to get through this morning, we'll try to move on things as efficiently as possible. We will have time to answer your questions about the matters under consideration. Following the completion of the meetings, I then invite you to join us for coffee, which will be served in the registration area.

Court Meeting

Gerard Kleisterlee

I. Introduction

Time has passed 11 a.m. I note that the necessary quorum is present and I declare the Court Meeting open. This meeting was convened with the permission of the Court and will consider one resolution; that is, to approve the Scheme of Arrangement. The circular, which was published on 10 December 2013, contains details of the proposed Scheme of Arrangement and notice of this Court Meeting. I propose that we take the notice convening this Court Meeting as read. Thank you.

Before we consider the Court Meeting resolution, I'll talk to you briefly about the background of the transactions. Andy Halford, your company's Chief Financial Officer, will then set out the details of the transaction and the choices shareholders need to make in receiving the proposed Return of Value. We'll then take your questions related to the Scheme of Arrangement and the other matters before us today, before voting on the Scheme. The General Meeting will then commence, at which we will consider the resolutions related to the transactions.

II. Background

In 2000, Vodafone Airtouch and Bell Atlantic formed a new US wireless business called Verizon Wireless. Since this initial investment, Verizon Wireless service revenue has quadrupled to \$69 billion. EBITDA has grown from \$6 billion in 2001 to \$34 billion in 2013 and Vodafone has received nearly \$16 billion of income dividend. This has clearly been a highly successful investment, in a business with excellent momentum and has created a great deal of value for Vodafone shareholders.

Verizon's \$130 billion offer now crystallises the value of this significant asset. It also provides us with an opportunity to realise that value at a very attractive price representing around nine times EBITDA and 13 times operational cash flow. On 2 September 2013, we therefore announced our agreement to sell our US group, whose principal asset is its 45% interest in Verizon Wireless, for approximately \$130 billion, mainly in cash and Verizon shares. Vodafone also agreed to acquire Verizon's 23% stake in Vodafone Italy, thereby securing full ownership. Together, these are known as 'the transactions'. We also announced in September our intention to return around 71% of the net proceeds to shareholders. The Return of Value will be partly in cash and partly in Verizon shares, totalling around \$84 billion. This is the largest ever single Return of Value to shareholders and, in our view, rewards our shareholders for their long-term support of our Vodafone US strategy.

I'll now hand over to Andy Halford, who'll give you a brief overview of the details of the transactions and the choices shareholders need to make in receiving the proposed Return of Value. Andy, please.

Overview of Transactions and Return of Value

Andy Halford

Chief Financial Officer

Thank you, Chairman, and good morning, everybody. This is my second and last time addressing an Extraordinary General Meeting. The first one in 2006, I was pleased to announce that we'd returned £9 billion, which was a record by any British company. This has been somewhat eclipsed today by the \$84 billion which, as the Chairman has mentioned, is the largest Return of Value ever in history, anywhere.

Let me now explain the transaction and the Scheme of Arrangement in a little bit more detail. The \$130 billion of consideration is made up of approximately: \$59 billion in cash; \$60 billion in Verizon shares; \$5 billion in the form of Verizon loan notes, which Vodafone can convert into cash in stages, after 2017; \$3.5 billion in the form of shares, representing Verizon's current 23% interest in Vodafone Italy and \$2.5 billion through the assumption, by Verizon, of certain of Vodafone's liabilities. Your Board has carefully evaluated the potential uses of these proceeds, to try to get the right balance between investing more in the business and returning value to shareholders. We have decided to retain \$35 billion, to allow us to invest in the business and to optimise the balance sheet, and to pay the estimated \$5 billion tax bill associated with the transactions.

As previously announced, we will invest £7 billion in our new investment programme, called Project Spring, which will significantly improve the quality of our network products and services in our major markets, relative to our competitors. I would highlight that Project Spring is additional to our existing capital expenditure programme and will bring total investment in our network and services, over the next two years, to more than £19 billion. This will amount to the largest and fastest period of investment in Vodafone's history. We will also use the retained proceeds to reduce our net debt, significantly, to around one times our EBITDA. This results in a much more robust balance sheet than most of our European competitors, making your company much more resilient going forwards.

Consistent with our track record of making significant returns to shareholders, we have returned £27 billion in the last three and a half years alone, we also intend to return a large proportion of the proceeds of these transactions. As the Chairman mentioned, we intend to return \$84 billion, or 71% of the net proceeds. This means that all of the Verizon shares and \$24 billion of cash will be returned to shareholders if the transactions and related proposals are approved today and certain other conditions are satisfied, including a Court approval, which we expect to occur on 21 February. Based on the Verizon share price and the dollar-to-sterling exchange rate at the end of last week, this would equate to a Return of Value of approximately £1.04 per share. We will not know the exact amount until the time of completion, but we expect to announce the number of Verizon shares to which you will be entitled on 19 February and the cash amount on 21 February. Overall, we believe we have struck the right balance between investing in the future of the Company and rewarding our shareholders for their long-term support of our US strategy.

I'll now explain what the transactions and the Scheme of Arrangement mean to all of you, as individual shareholders. The diagram on the slide behind me helps to illustrate this. I would stress this is an example only and the final amounts will differ. Let's assume today, stage one, that you hold 10 existing Vodafone ordinary shares that are worth, say, for the basis of this example, £2 each. So that means you have a total £20 invested. Moving to stage two, which represents the impact of the Return of Value, let's assume, to keep things simple, the Return of Value is £1, rather than the £1.04 I just referred to. So, for your holding of 10 shares, you would receive £10 of value in total, being approximately £7 worth of Verizon shares and £3, in cash, for every 10 Vodafone shares you hold. I'd like to make it clear that whenever a company returns cash to the shareholders, there is normally a corresponding reduction in the market value and, hence, the

share price of the company. This occurs every time we pay our ordinary dividends and will also happen here. Therefore, as illustrated in the example on the right-side of the diagram, in stage two, your 10 shares, currently worth £2 each, would broadly reduce in value by £1, leaving you with 10 Vodafone shares worth £1 each, or £10 in total. Including the Verizon shares and the cash and the Vodafone shares, you will still have £20 of value.

Moving on to the third and final stage, to avoid this reduction in the share price, from £2 to £1, we are proposing to consolidate our ordinary share capital, to end up with a relatively consistent share price both before and after the return. This is common practice for transformational transactions of this nature. The effect is shown in stage three, on the right. Assuming a consolidation ratio of one new share for every two old shares, then, rather than holding 10 shares worth £1 each, you will end up holding five shares, worth £2 each, close to the current share price. In total, you will still have £10 of Vodafone shares, still have £7 of Verizon shares and still have £3 of cash, giving a total of £20. It's not currently possible to state the exact ratio at which the ordinary shares will be consolidated, due to factors such as fluctuations in the Vodafone share price, but the ratio is expected to be announced on 19 February.

Let's now change track and look at the implications for the ordinary dividend. When we announced the transactions in September, we confirmed the Board's intention to increase the interim dividend per share by 8%, to 3.53 pence. This is due for payment on 5 February and will be paid on the basis of shareholder's holdings on 22 November last year, the interim dividend record date. As illustrated in green on the slide behind me: assuming you held 10 shares on 22 November, you will therefore receive a payment of 10 times 3.53 pence, or 35.3 pence, in total, on 5 February.

Let's now look at the final dividend payment, which is the blue example on the slide. The Board confirmed in September its intention to also increase the final dividend per share by 8%, resulting in a final dividend of 7.47 pence per share, assuming the completion of the transactions. The final dividend will be paid in August this year, and the record date for this will be sometime in June. It's important to note that as the share consolidation is due to take place in February, the final dividend, unlike the interim dividend, will be paid on the reduced shareholding following the consolidation. Assuming a consolidation of one new share for every two old shares, this means that if you held 10 shares before, you would hold five shares after. You would therefore receive a payment of five times 7.47 pence, or 37.35 pence in August, assuming completion of the transactions. Taking the interim and the final dividend together, this represents a proposed total dividend per share of 11 pence for the 2014 financial year. This is additional to the approximately £1.04 that shareholders will receive, with respect to the Return of Value that I referred to earlier.

I'd now like to turn to the choices – four choices – that are available to shareholders, regarding the Return of Value. Where eligible, shareholders will make these choices on two forms, known respectively as the Form of Election and a Dealing Form. The first choice we have offered shareholders concerns the manner in which they receive the Return of Value and, therefore, what tax treatment may apply. The Return of Value is intended to be carried out through a B and a C share scheme, which gives certain shareholders, including those in the UK and Ireland, the flexibility to choose whether to receive their Return of Value in the form of a capital or an income payment and, therefore, whether their return is subject to tax as a capital gain or as an income tax item. This is a common method for significant returns of value to shareholders.

By law, we are not allowed to advise you on the best alternative to choose in your particular circumstances. If you are unsure which alternative is best for you, I would encourage you to speak to a broker, a tax advisor or another independent financial advisor. I would highlight that those shareholders who do not return the Form of Election will automatically receive the income option. It is also the case that shareholders resident in the US and certain other jurisdictions are not eligible to make a choice and will automatically receive the income option.

The second choice we have given eligible shareholders is the flexibility to decide whether to receive their cash payments in sterling, euros or dollars. If you are happy to receive your cash payments in the same currency in which you already receive your ordinary dividends, you do not need to make a choice on the form as this is the default option. The third choice we have given eligible shareholders is whether or not they wish to receive share certificates for their new Vodafone shares, following the share consolidation. The default option is for Computershare to hold the new shares in what is known as a Vodafone Share Account, and to send shareholders a statement of ownership rather than the share certificate. This can be helpful, as shareholders will not be in danger of losing their share certificates and they also result in lower dealing fees on the sale of the shares. However, if you prefer to receive a share certificate, you can elect to do so.

All three of the choices that I've just described are made through the Form of Election and details about eligibility for each choice is contained in the circular, as well as in the Shareholder Guide that every certificated shareholder will have received. There is a fourth choice available to eligible shareholders and involves the Dealing Form. Shareholders with fewer than 50,000 Vodafone shares in certificated form, as at 6 p.m. on 20 February and resident in the UK, Ireland or certain other countries, can use a free dealing facility to sell all the Verizon shares they receive as part of the Return of Value. There'll be no charges or commission for this facility for six weeks from the completion of the transactions. After 4 April, shareholders can still sell their Verizon shares via the dealing facility, but standard fees and commissions will apply.

Let's now turn to the deadlines for, and the timeline for, returning the Form of Election and the Dealing Form and other important dates for the timetable for shareholders. If you have not already done so, please make sure you return the form of election to Computershare by the deadline set out in the timetable, 1 p.m. on Thursday, 20 February; or hand it to Computershare at the meeting or after the meeting today. Most importantly, in order to be entitled to receive the Return of Value, shareholders must be on the register at 6 p.m. on 20 February, which is the distribution record time.

The transactions are expected to legally complete the next day, Friday, 21 February. Please note that you must not sell your shares on 21 February if you wish to be entitled to receive the Return of Value. You must hold your shares until 8 a.m. on Monday, 24 February, which is the ex-dividend date or the date on which Vodafone shares will begin to trade without the right for shareholders to receive the return of value. This will also be the first day of trading after the share consolidation.

One other point to note regarding 24 February is that this is when Verizon shares will be distributed to shareholders. Cash payments will be issued electronically or by cheque on 4 March, and any payments made for fractional entitlements of new ordinary shares and Verizon shares will be made by 10 March.

The final time and date I'll remind you of is 5 p.m. on 4 April, which is the last day on which shareholders who are eligible to use the free dealing facility to sell their Verizon shares can submit their dealing form to computer share. You will find all of these dates in the circular as well as in the Shareholder Guide. I will now hand back to the Chairman.

[Applause]

Gerard Kleisterlee

Thank you, Andy. And before returning to the proceedings of this meeting, please allow me to say a few personal words to Andy, who, as you know, at this occasion is the last time in front of you as the Chief Financial Officer of Vodafone, as Andy will be handing over to his successor, Nick Read, on 1 April, and step down from Vodafone and from the Vodafone Board.

Andy does that after a long and distinguished career at Vodafone, and in particular, and relating to the purpose of today's meetings, in particular he has overseen Verizon Wireless almost from its start, being its first Chief Financial Officer in the early days of Verizon Wireless before returning to

Group to become the Chief Financial Officer, during which period he was present at nine AGMs, and now two EGMs.

Andy has had a very steady hand in managing the financial affairs of Vodafone in that period, and has been a major contributor to the fact that Vodafone enjoys a solid financial situation throughout that period; always focused on value, totally transparent, abreast of every detail. So in that period a very successful career to look back at, Andy, and I think most of all, not only an outstanding CFO, but also a great colleague and a great person. And in particular, that quality is something we will miss, Andy, when you have left the Board.

We thank you for everything you have contributed to Vodafone during your career, and in particular also in the last years, not the least in the way this transaction has finalised almost. We thank you for that, and we wish you all the best for your future life. Thank you very much.

Now, back to the proceedings. In summary, the proposals before you today are significant and represent the opening of an important new chapter in the history of your company. This is the largest single return of value to shareholders in history, and the transaction will leave Vodafone in a strong, financial position, well-positioned to execute its strategy. Following the transactions, Vodafone will have reduced gearing and good dividend cover.

The Board intends to continue to grow the dividend per share annually, subject to completion of these transactions. The Board considers that the proposals are in the best interest of shareholders as a whole, and unanimously recommends that all shareholders vote in favour of the Scheme of Arrangement at this Court Meeting, and in favour of all the resolutions at the General Meeting.

We will now turn to the Q&A. I would make a few brief points before I take your questions and we vote on the resolutions before us to approve the Scheme of Arrangement. If you, as a shareholder, or a shareholder's validly appointed proxy, you are eligible to vote on the resolution and to ask questions at this meeting. If you are not a shareholder or a validly appointed proxy we are delighted to welcome you to the meeting, but you cannot ask questions, nor are you eligible to vote.

Given that the matters under consideration at the Court Meeting and the General Meeting are related, we will take all questions regarding these matters at this time. As these meetings have been convened specifically to address matters related to the transactions, I would ask you please to focus your questions on the topics that I have just put in my remarks. We will not be taking questions unrelated to the transactions today. If you have any queries regarding your individual shareholding, or require assistance in filling in the forms, such as the Form of Election or Dealing Form, the Computershare team will be happy to assist you after the meeting, and it's located in the registration area outside this room.

Finally, if you have any queries regarding your individual account with Vodafone UK, there are customer care representatives who are also located in the registration area and will be happy to help you after the meeting. If you have a question, please raise your hand in the air, wait for a microphone to reach you. Please state your name, and state either that you are a private shareholder, or if acting as a proxy or corporate representative, the name of the shareholder you are representing. Please go ahead.

Questions and Answers

Shareholder 1

Good morning, Mr Chairman. Can you please clarify as with regards to the B Share and the C Share? Please correct me if I'm wrong. The little I understand is that the B Share equates roughly to 1.82 sterling pounds or thereabouts, and the C Share in totality, right, equates roughly to that, but the difference is that the C Share has got a special dividend, right, which is for the income purposes. And therefore if you elect for the C Shares, right, what you will get in effect, right, is the cash which is undecided at this moment in time until 20 February or thereabouts, plus the dividend, right, the special dividend, right, which will come to you in hand minus the British tax of 25% or whatever it is, meaning that you'll get only the net dividend.

In short, am I right to say that the C Shares, right, when you get in hand, right, will be less than the B Share in effect?

Gerard Kleisterlee

No, the difference between the B and the C Share is the tax treatment. In terms of value they represent exactly the same to the shareholder; it is dependent on your individual situation, which tax treatment/route you prefer. Andy, is there anything specific to add to that?

Andy Halford

Well, let me just try to clarify. The B Share and the C Share will both have an amount of Verizon shares and an amount of cash in them, which in my example was the £10 earlier. That is the same for both of them, about £1.04, based upon latest exchange rates, etc. The difference, as the Chairman says, is how you then go about disposing of those shares, and the consequent tax treatment that arises. Put simply, under the B Share you essentially sell the share; it is essentially then a capital transaction, whereas the C Share essentially pays a distribution out, which is an income distribution, at which point it is income taxable, but the value of the share having paid all of its value out basically disappears to near zero. So both have the same value; it is just the tax treatment for some shareholders that will be different.

Shareholder 1

What about the special dividend?

Andy Halford

The dividends that we pay will be paid on the remaining Vodafone share, so the 11p is what will be paid on your remaining Vodafone shares, and that continues irrespective of whether you have gone the B or the C Share route; you will have the same number of continuing Vodafone shares whether you go the B or the C Share route for the return of value.

Shareholder 1

And the ex-date for the 7.47p share is which date, sir?

Andy Halford

The register – you will need to be on the register on a date in June yet to be announced for payment to be made in August.

Gerard Kleisterlee

Back of the room.

Shareholder 2

Morning, Chairman. My name is Dale Chauki, I'm a shareholder. The first comment I want to make is that in the documents you gave a phone number to phone for help if a shareholder needs any help. It turns out to be a very expensive phone call. Now, what I would like to know, why we should pay the registrar to call the registrar when he's already paid by the company to perform a service?

My next point is that in distributing this, you call it a Return of Value. But what you're basically doing, you're buying the shares from the shareholders, and you employ an army of lawyers and bankers and accountants to come down to just buy the shares. And the point made by the shareholder there; you divide a thing into two, capital and income. Now, you know very well that if a smaller shareholder has shares and he sells it, that share is considered capital; it's taxed differently. They are allowed a certain amount of allowance for the year. If you take income, tax is deducted at source; the shareholder doesn't get that, so that whoever takes income, they are at disadvantage.

The third point I want to make is that the reason given for the consolidation is that the share value will fall. Now, if we're going to get about £1 for a share from this sale, and our shareholding is reduced accordingly, the implication is that the value of those shares will fall by 50% because it's just over £2 at the moment. Now, there is no evidence to support that. Mr Halford hasn't produced any evidence to support that. And the thing is that in such circumstances the distribution of this income really boils down to you're buying our shares.

Gerard Kleisterlee

I hear your comments. Is there a question? I think this is – what we're doing with the Scheme of Arrangement is a fairly commonly used way of distributing to shareholders an amount of money that we have currently under consideration. Unfortunately, it turns out to be somewhat complex. We have tried to make it as simple as possible given the circumstances, but you're talking about an enormous amount of money that only could come in the combination of shares and cash, and it has to be returned in part, 71% in this case, to shareholders through a mechanism that allows us to do that both to UK and Irish shareholders, and international shareholders. That's why this form has been chosen.

And as Andy said in his introduction, of course, if you return money to shareholders like you do with ordinary dividends, you reduce the value of the company; if we return about half of the value then the share price about halves. And in order to maintain a sort of comparability, we have proposed the consolidation of shares so that we reduce the share count about by half, so that the share price goes back to where it was before the distribution of value to shareholders. That's in short, from my perspective, the simplest way to say what we are trying to do here.

Shareholder 3

Good morning Mr Chairman and everybody. Stanley Gould, small shareholder. What comes to mind with your initial statement, Verizon's quadrupled its profits, then why aren't we getting rid of them?

Gerard Kleisterlee

For the fairly simple reason that we had only a revenue stream from the Verizon participation if and when dividends would come from Verizon Wireless to Verizon Communication and to Vodafone. Now there was an opportunity to realise the full value of the asset at an attractive price, and that's why after intense deliberation and careful consideration, your Board has concluded that it would be in the best interests of Vodafone and the shareholders to accept that offer that ultimately has been negotiated at the price of US\$130 billion.

Shareholder 3

Just a second quick question: when Andy says he's returning cash to shareholders, can I assume that I will be getting cash as a cheque?

Andy Halford

You have got the option to receive it either the way you normally receive your dividends or by way of cheque.

Shareholder 3

Okay, thank you.

Andy Halford

Thank you.

Shareholder 4

Chairman, I'm Dr Vassu. I'm a proxy voter for my wife, who is a shareholder. Chairman, after the realisations of the Verizon shares, Verizon will be listed both in LSE and in New York. I suppose Vodafone in future will not have anything to do with the Verizon Company once it is reversed.

My second question is AT&T has sold an interest in Vodafone. Could you kindly tell us what is the current position? Have they backed up?

Gerard Kleisterlee

I will start with your second question. I read the newspapers, as you do, and I cannot comment on the speculations that are being done around Vodafone and AT&T at this point in time.

With respect to Verizon, Verizon is listed, continues to be listed in New York, so that's a situation that doesn't change, only Verizon now, instead of being the 55% owner of Verizon Wireless, they'll be the 100% owner of Verizon Wireless. And Vodafone has a relation with Verizon Wireless on a number of aspects that to some extent may continue on. We have and we had co-operation on the enterprise front. Nothing says that we shouldn't continue to do that, so there where it makes sense, we would collaborate with Verizon operations, as we do with many operations around the world. We have many partner operations in the world because, certainly for our global customers, we need to cover the world in terms of providing them with communications, we need roaming agreements. So as such, Verizon is just another Tel Co with whom we will have certain dealings.

Shareholder 4

Hello. My name's Mr Aljitsen, I'm a shareholder. First of all, I'd like to say to Andy, you did a very good explanation of the company, but I'd like to know what's going to happen to the yield when the share price is reduced.

Andy Halford

Until we see what actually the share price does settle at, it's obviously very difficult to forecast. Typically our yield has been about 5% recently. We don't see any reason why it should vary significantly from that after the event.

Shareholder 4

It used to be 4%.

Andy Halford

Yes, it's been of that order, but we'll have to see on 24 February just where it is.

Shareholder 4

It should stay the same because it's the same money; they're just transferring it.

Andy Halford

Correct, that's right. That's right.

Shareholder 4

Okay, thanks.

Gerard Kleisterlee

There was a question over there.

Shareholder 5

Good morning, Mr Chairman.

Gerard Kleisterlee

Good morning.

Shareholder 5

I just want to know what extra benefit am I getting if I sell the shares now or I wait for the consideration? I mean what extra benefit? I mean what is the difference? Am I getting extra money or what? If I sell now or wait for the...

Andy Halford

Okay, so if you sell now then you will get whatever share price there is in the market today. If you wait, then you will receive some Verizon shares, some cash, and you will have the remaining Vodafone shares. So it's really your decision as to what exactly it is that you want to hold over a period of time, and whether therefore if you don't want anything to change, you stay as you are, you'll get the return value. You can when you receive the Verizon shares, of course you can always sell the Verizon shares and reinvest the money back into Vodafone. If you want to do that, that is another option that would be open to you later on.

Shareholder 5

My question is – I mean as for money-wise, I mean, supposing you're getting – if I sell something now I get £100,000, yes? And after I've rolled with the process, I still get £100,000, so what – I mean, what am I...

Andy Halford

Well, okay, so let me – sorry, let me have another go at answering the question. The difference between your value today and maybe your value late in February may not be that significant, but do just remember that since we announced the intention to do this deal, our share price has been £2.20/£2.30. In the six or 12 months prior to announcing the deal our share price had been more £1.50 to £1.70, so you have got a significant uplift in your values today compared with where we were six to nine months ago.

Shareholder 5

And my last question is, because AT&T, the shares have gone down about 18p suddenly yesterday. Why is that?

Andy Halford

Whenever there is speculation about bids it tends to pump up share prices. When companies put out announcements saying that they're not intending to do anything, it does tend to deflate them for a period.

Gerard Kleisterlee

One question there on the right.

Shareholder 6

Hello, my name is Judy Davidson, I'm a small shareholder. I'd like to ask a question about how, as a small shareholder, I will be able to hold my Verizon shares? I understand from the document that this will only be in the form of CDIs. I would ask that you give some consideration to allowing UK registered shareholders to hold them through direct registration. This has happened to me before, when there was the Cadbury/Kraft deal, and it was very time-consuming and nearly extremely expensive to convert the CDIs to direct registration. Will you please consider that? Thank you.

Gerard Kleisterlee

Thank you. And then left side of the room.

Shareholder 7

Good afternoon, Mr Chairman. Robin Thomsett, private shareholder. I refer to recent events prior to this meeting. You recently sold off a large empire of the Vodafone in America and reduced indebtedness by great sums, which I felt was very, very good indeed. You also – sorry, I pause for a moment there – I was looking slightly to the future here because there was some talk, as you know in these newspapers that go around, you had one about AT&T that was suggested that they were going to buy you out, but AT&T apparently have said no, no such deal.

But there was also some talk of TalkTalk being taken over by Vodafone, or merged with Vodafone, I'm not quite sure what the intention of it was. So I'm wondering if this Italian network is anything to do with perhaps future prospects with TalkTalk, because TalkTalk is a subsidiary of Tiscali, which is the Italian network. Is there perhaps a future link here between the present Italian network, Verizon, and also the TalkTalk possible merger of the future, or are there not really any other plans than just Vodafone for the future?

Gerard Kleisterlee

Well first of all, you still have to approve the transactions, and only then will we sell the assets and there'll be reduced debt. And that's what we're here for today. What you refer to, I have to unfortunately put under the category 'newspaper speculation', that we are not in a position to comment on.

Shareholder 7

Thank you very much, Mr Chairman.

Shareholder 8

Thank you, Mr Chairman. If I understand it correctly, you now have, after the deal on 20 February, you will have 100% control of Vodafone Italy. Am I right in saying that?

Gerard Kleisterlee

That's correct.

Shareholder 8

Sir, can you please help me out in this way? We have seen one of your biggest competitors, which is Liberty Media, which has bought up Ziggo, and they have consolidated it with another Dutch Company called UPC. And therefore it would seem to me, right, there is an urgency here, right, for Vodafone Italy to strike the iron when it's hot. And therefore, the most likely candidate would be Swisscom. It's an excellent company. The problem is that it has got political problems in that they are slow to pay up from the local government and from the federal government. We still have our CEO here, who is Italian by origin, and therefore I would ask how important, how urgent is this thing to zip up the Swisscom, or if not, ONO of Spain, which is your first priority rather than TalkTalk or even roll out the infrastructure in the 4G. It's an important question; I hope that I've framed it eloquently enough to ask you to please candidly answer this.

Gerard Kleisterlee

Well again, I guess you're getting the same answer. I listened with interest to your recommendation, and we will of course take that into our consideration, but there's nothing for me, in that respect, to comment on.

So if there are no further questions related to that matter today – we have one more in the back of the room. Yes, please.

Shareholder 9

Morning, Chairman. My name's Robert Silverman; I'm a private shareholder. I hold my shares in an ISA, and I'm not quite sure that I understand what the options are in respect of the B and the C options from a tax point of view. If someone could just explain that. Thank you.

Gerard Kleisterlee

I would recommend that you visit the Computershare desk in the reception area. There are specialists there that can help you with your personal situation.

Shareholder 10

One question. You've got 600 million customers in 60 countries. Have you increased the population?

Gerard Kleisterlee

We are not in the business of increasing population.

Shareholder 10

Yes, that's what I'm asking. That's what I'm asking. That's what I'm asking. Have you?

Gerard Kleisterlee

Sorry, what's the question?

Shareholder 10

The question is you've got 600 million customers in 60 countries. Have you increased the population – of customers, obviously?

Andy Halford

We have about 450 million customers including our share of Verizon Wireless; 450 million. I don't know where the 600 number is from.

Shareholder 10

Yes, I know this for ages, 600 million in 60 countries.

Gerard Kleisterlee

It's an interesting question, but can we please stick to the relevant matters that we have in front of us, which is the resolution on the transactions. Thank you.

Shareholder 11

Duw Basch, private shareholder. You mentioned that we can get £7, in your example, worth of Verizon shares, which can be sold without any dealing charges. Andy also mentioned that we could with that money buy Vodafone shares if we wanted to. Are there also without any dealing charges?

Andy Halford

No, the free dealing charge applies to the sale of the Verizon shares only.

Shareholder 11

Well why not also for the purchase of Vodafone shares?

Andy Halford

Individual shareholders will decide what exactly they want to do. It's getting very complex to put every option on the table.

Gerard Kleisterlee

One last question on that side.

Shareholder 12

I also own shares in an ISA, and I was sent a form, I can't remember the number of it, to fill in so I could deal in American shares. What is the situation – otherwise you have to pay 30% holding tax on Verizon shares.

Gerard Kleisterlee

I cannot comment on that.

Andy Halford

Yes, I mean if you hold shares in an ISA then you need to talk to whoever runs your ISA, and they will give you specific advice. On your second point about holding the Verizon shares, which obviously are listed in the US, then there are some taxes that are withheld by Verizon when they pay dividends. There is a form that can be filled in, details of which will be made available at the end of February, that can be filled in to reduce the amount of tax that is withheld by Verizon.

Resolutions

Gerard Kleisterlee

I. Preamble

Thank you, Andy. Then, if there are no further questions, let's proceed with the business of the meeting. I remind you that following the vote on the resolution of the Scheme of Arrangement, I will close the Court Meeting and open the General Meeting.

Voting will be conducted on a poll. To be passed, the resolution requires a majority of the holders of the Scheme shares voting in person or by proxy to vote in favour of the Scheme, and the majority must represent at least 75% by value of the votes cast. If you have already submitted a proxy whether by post, online or at today's meeting, your vote has already been counted and will be included in the figures when the results of the poll is announced. If you have already submitted a proxy but now wish to change your mind, your vote in this meeting will supersede your previous vote.

For those of you who have not yet voted and wish to do so in the meeting now, you have been issued with an electronic handset at the registration desk. When the Smartcard is inserted correctly in the handsets your name will be displayed at the top of the handset screen. When voting on the resolution has closed, the provisional result will be displayed on the screens behind me. This result will include the votes lodged by the shareholders voting by proxy in advance of this meeting. Final poll results will be notified to the London Stock Exchange, and posted to the website later today.

Computershare has been appointed to act as scrutineer for the poll. If any proxies or corporate representatives voting on behalf of more than one individual or corporate body have any questions, Computershare will be pleased to help. If you have any problems, please raise your hand, and a member of the team will assist you.

II. Court Meeting Resolution

I now propose the following resolution; that the Scheme of Arrangement, pursuant to Part 26 of the Companies Act 2006, dated 10 December 2013, proposed to be made between Vodafone Group Plc and the holders of Scheme shares, as defined in the Scheme of Arrangement, a copy of which has been signed by the Chairman for identification, is approved. Please note that the signed copy of the Scheme is available for inspection at the registration desk.

Ladies and gentlemen, I direct that the poll be conducted, and would ask you now to vote on this resolution. To vote for the resolution, press button 1. To vote against the resolution, press button 2. Please note that the option to withhold your vote is not available at this Court Meeting. You only have the option to vote for or against the resolution. Please vote.

Voting is now over, and I declare the poll closed. Thank you.

This concludes the business of the Court Meeting.

Extraordinary General Meeting

Gerard Kleisterlee

We will now proceed to the General Meeting. Time has passed 11.15 a.m. The necessary quorum is present, and I declare the General Meeting open. The full text of the ordinary resolution

and the special resolutions to be proposed at this meeting can be found in the notice of this General Meeting which is contained in the circular.

The first resolution is an ordinary resolution to approve the Verizon Wireless transaction and the Vodafone Italy transaction for the purpose of the listing rules. To be passed, this resolution requires more than 50% of the votes cast to be in favour of it.

The second, third and fourth resolutions are special resolutions, to approve certain matters which are necessary to affect the Scheme of Arrangement, the proposed Return of Value and the related share consolidation. To be passed, these resolutions require at least 75% of the votes cast to be in favour of them. I propose we take the notice convening this General Meeting as read. The full text of the resolution is set out in the notice of the General Meeting, and I do not propose to read the resolutions out in full today. Thank you.

Before we proceed to the resolutions, if there are any further questions which are directly related to the transactions, we'd be pleased to answer them now. Again, I would ask everyone to focus specifically on the matters before us at the meeting today. If you have any other points to raise, please speak to a member of the Board or Management Team after the meetings have concluded.

Thank you.

May I remind you that if you have already submitted a proxy either by post or online, your vote has already been counted and will be included in the figures when the result of the poll is announced. If you have already voted by proxy but now wish to change your mind, your vote in this meeting will supersede your previous vote.

Voting on these resolutions will be conducted on a poll using the electronic handsets used for the Court Meeting. As with the Court Meeting, the Company's registrars, Computershare, have been appointed to act as scrutineers for the poll. As before, if you have any problem or question regarding voting using the electronic handset, please raise your hand, and a member of the team will assist you. Once I have proposed a resolution, the electronic handset will say, 'Please vote now'. To vote for the resolution, press button 1. To vote against the resolution, press button 2. In this meeting you can choose to abstain or withhold your vote by pressing button 3. However, I must point out to you that your vote withheld has no legal effect on the vote results.

Now I will propose each of the resolutions, and in doing so, direct that the poll be conducted on that resolution. I will cast those proxies giving me discretion in favour of the resolutions.

Resolutions

Gerard Kleisterlee

I. Resolution 1

To approve the Verizon Wireless transaction and the Vodafone Italy transaction, please vote now.

Poll now closed. The resolution is approved.

II. Resolution 2

To approve the new Articles of Association, the Capital Reductions, the Return of Value and the Share Consolidation and certain related matters pursuant to the Scheme, please vote now.

Thank you, poll now closed. The resolution is approved, thank you.

III. Resolution 3

To authorise the Company to purchase its own shares, please vote now.

Poll now closed. Thank you, resolution approved.

IV. Resolution 4

To authorise the Directors to take all necessary and appropriate actions in relation to Resolutions 1 to 3, please vote.

Poll closed. Resolution approved.

Thank you very much for joining us today. The final results of today's meeting will shortly be announced and published on the Company's website. I now declare this General Meeting closed, which concludes today's proceedings. We would be pleased if you would join us for coffee, which is now being served in the registration area outside this room. Thank you very much.