



Tax information in relation to the Return of Value

The information provided below is for guidance purposes only and should not be taken as a substitute for actual tax advice. Shareholders are encouraged to consult with their own tax or financial advisor.

Background

- Vodafone disposed of its US group, whose principal asset is its 45% interest in Verizon Wireless, on 21 February 2014 for consideration of US\$130 billion and returned a majority of the proceeds to shareholders, around US\$84 billion, partly in cash (\$23.886bn) and partly in Verizon shares (\$60.264bn) which together comprise the "Return of Value".
- Following the Return of Value, Vodafone consolidated its ordinary shares on 24 February 2014 on the basis of six new ordinary shares for every 11 existing Vodafone shares.
- The Return of Value was carried out through a B Share and C Share Scheme. This was intended to give shareholders in the UK, Ireland and certain other jurisdictions a choice as to the tax treatment they receive. Shareholders were able to elect between receiving B Shares (the Capital Option), which will provide individual shareholders with capital gains tax treatment or C Shares (the Income Option), which will provide individual shareholders with income tax treatment. The Scheme became effective on 21 February 2014 and this will be the effective date for UK tax purposes.
- **Shareholders resident in Hong Kong, Malaysia, New Zealand, Saudi Arabia, Switzerland, the United Arab Emirates and the United States, and ADR holders** were not eligible to make a choice and **automatically received the Income Option**.
- The information below may be useful for shareholders resident in the United Kingdom, Ireland or the United States to complete their tax returns.
- **Please note we are unable to give shareholders specific information about their own tax base cost in existing Vodafone shares.**

Key data*	Amount	Notes
Cash entitlement per Vodafone ordinary share	US\$0.4928005	
The market value of Verizon shares when the Scheme became effective	US\$48.115	The mid closing Verizon share price on 20 February 2014, being the relevant value at the point when the Scheme became effective.
The fraction of Verizon shares received per Vodafone ordinary share	0.0263001	
Vodafone share conversion ratio	6 for 11	Relevant for base cost calculation purposes.
The market value of new Vodafone ordinary shares on 24 February	242.40 pence	At London Market open at 8am on 24 February 2014.
The market value of Verizon shares on 24 February	US\$47.02	At NYSE open on 24 February 2014.
US\$/£ exchange rate at 21 Feb 2014	1.6686	Exchange rate on the Scheme Effective Date per the Bank of England ¹
US\$/£ exchange rate at 24 Feb 2014	1.6631	Exchange rate on the first day of trading following the Scheme Effective Date per the Bank of England ²
US\$/€ exchange rate at 21 Feb 2014	1.3707	Exchange rate on the Scheme Effective Date per the European Central Bank ³
US\$/€ exchange rate at 24 Feb 2014	1.3735	Exchange rate on the first day of trading following the Scheme Effective Date per the European Central Bank ⁴
* Note this data is relevant for UK or Irish tax purposes. It may also be relevant for tax purposes in other jurisdictions. However, all shareholders should seek their own tax advice before using this data.		

¹ <http://www.bankofengland.co.uk/boeapps/iadb/Rates.asp?Travel=NlxRSx&into=GBP>

² <http://www.bankofengland.co.uk/boeapps/iadb/Rates.asp?Travel=NlxRSx&into=GBP>

³ <http://www.ecb.europa.eu/stats/eurofxref/eurofxref-hist-90d.xml>

⁴ <http://www.ecb.europa.eu/stats/eurofxref/eurofxref-hist-90d.xml>

