

VODAFONE GROUP PUBLIC LTD CO

Form 425

September 03, 2013

ACQUISITION OF VODAFONE S 45%

INTEREST IN VERIZON WIRELESS

September 3, 2013

Filed by Verizon Communications Inc.

pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

under the Securities Exchange Act of 1934

Subject Company: Vodafone Group Plc

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Date: September 3, 2013

SAFE HARBOR
STATEMENT AND LEGENDS

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This communication contains statements about expected future events that are forward-looking and subject to risks and uncertainties. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or "expects." In making those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The following important factors could affect future results and could cause those results to differ materially from those stated in the forward-looking statements: failure to obtain applicable regulatory or shareholder approvals in a timely manner or otherwise; failure to meet other closing conditions to the proposed transaction or events giving rise to termination of the transaction agreement; adverse conditions in the U.S. and international economies; competition in our markets; material changes in available technology or technology substitution; changes in our suppliers; provisioning of products or services; changes in the regulatory environments in which we operate, including any impact on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks, litigation and any resulting financial impact not covered by insurance; significantly increased levels of indebtedness as a result of the transaction; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse changes in the credit markets affecting the cost, including interest rates, and/or availability of financing; changes in our accounting assumptions; regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could affect our earnings; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; increases in benefit plan costs or lower investment returns on plan assets; and the inability to implement our business strategies. This list of factors is not exhaustive and there can be no assurance that the proposed transaction will in fact be consummated. You should carefully consider the foregoing factors and the other risks and uncertainties that affect the parties' businesses, including those described in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed from time to time with the Securities and Exchange Commission (the "SEC") and those described in Vodafone Group Plc's Annual Reports, Reports of Management and Issuer and other documents filed from time to time with the SEC. Except as required under applicable law, the parties do not have an obligation to update these forward-looking statements.

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STATEMENT AND LEGENDS
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This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any offer to buy any securities. There shall not be any offer or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus that complies with the requirements of Section 10 of the Securities Act of 1933, as amended, or pursuant to an exemption from the registration requirements of Section 10 of the Securities Act of 1933, as amended. IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

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These
materials
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also
available
on
Verizon's
website,
at
www.verizon.com/investor.

PARTICIPANTS IN THE SOLICITATION

Verizon, Vodafone and their respective directors and executive officers may be deemed to be participants in the solicitation of shareholders of Verizon in respect of the proposed transactions contemplated by proxy statement. Information regarding the process under the rules of the SEC, participants in the solicitation of the shareholders of Verizon in connection with the proposed transactions

description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement when it is filed. Information regarding Verizon's directors and executive officers is contained in Verizon's Annual Report on Form 10-K for the year ended December 31, 2012 and its Proxy Statement on Schedule 14A, dated March 18, 2013, which are filed with the SEC. Information regarding Verizon's directors and executive officers is contained in Vodafone's Annual Report on Form 20-F for the year ended December 31, 2012, which is filed with the SEC.

As required by SEC rules, Verizon has provided a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP financial measures. The reconciliation is included in the materials on our website at www.verizon.com/investor.

STRATEGIC BENEFITS

Sole ownership drives strategic and financial benefits across entire business

Accretive to earnings per share at close of transaction

Access to all of wireless cash flows

Favorable capital markets environment

U.S. wireless marketplace in growth phase

No integration risk

Transaction is a natural

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KEY TRANSACTION TERMS

Aggregate value of \$130 billion, primarily in cash and stock

Consideration structure

\$58.9 billion of cash

\$60.2 billion of common stock issued directly to Vodafone
shareholders

\$5.0 billion of notes with Vodafone

Sale of minority stake in Omnitel to Vodafone for \$3.5 billion

Other net consideration of \$2.5 billion

Balanced mix of cash and stock

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FINANCING STRATEGY

Strong balance sheet and financial flexibility today

Capacity to execute necessary debt financing

Incremental free cash flow more than covers funding costs

Maintaining solid investment grade credit ratings

Continue to invest in our networks and spectrum

Dividend policy extremely important to delivering returns

Self-funding transaction

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FINANCING STRATEGY

Fully executed bridge facility in place

Intend to reduce majority of bridge facility with permanent financing prior to closing

Anticipate steadily de-levering and returning to pre-transaction ratings

Track record of delivering on financial commitments after significant transactions

Capacity to support debt financing needs

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ROADMAP TO COMPLETION

Access global capital markets

Reduce bridge financing as quickly as possible

Receive regulatory approvals

Receive shareholder approvals

Issue new shares and close transaction
Expect transaction to close in 1Q 2014

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ONE VERIZON AND FUTURE GROWTH

Full ownership of wireless enables advancement of One Verizon

Unique asset portfolio drives continued growth and value

Powerful growth opportunities with mobile

Ability to develop more integrated and valuable services for customers
Value-creating transaction
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