

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT. This document contains an offer which, if implemented, will result in the cancellation of the listing of CWW Shares on the London Stock Exchange's main market for listed securities. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if you are outside the United Kingdom, from an appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your CWW Shares, please send this document, but not the personalised Forms of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your CWW Shares, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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## **Recommended Cash Offer**

**for**

**Cable & Wireless Worldwide plc**

**by**

**Vodafone Europe B.V.**

**(an indirect wholly-owned subsidiary of Vodafone Group Plc)**

**to be effected by means of a scheme of arrangement under Part 26 of the Companies Act**

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CWW Shareholders should carefully read the whole of this document and the accompanying Forms of Proxy. In particular, your attention is drawn to the letter from the Chairman of CWW set out in Part I of this document which contains the unanimous recommendation of the CWW Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting. A statement explaining the Scheme in greater detail and the action to be taken by you appears in Part II of this document.

Notices of the Court Meeting and the General Meeting, both of which will be held at Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS on 18 June 2012, are set out in Parts X and XI of this document. The Court Meeting will start at 11.00 a.m. and the General Meeting at 11.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned).

### **Action to be taken**

The action to be taken in respect of the Meetings is set out on pages 7 to 9 and in paragraph 22 of Part II of this document.

CWW Shareholders will find enclosed with this document a blue Form of Proxy for use at the Court Meeting and a white Form of Proxy for use at the General Meeting. **Whether or not you intend to attend the Meetings in person please complete and sign both Forms of Proxy accompanying this document in accordance with the instructions printed on them and return them to CWW's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and, in any event, so as to be received at least 48 hours before the time appointed for the relevant Meeting. A pre-paid envelope is provided for this purpose for use in the United Kingdom only.**

**The completion and return of a Form of Proxy will not prevent you from attending either the Court Meeting or the General Meeting (or any adjournment thereof) and voting in person should you so wish and are so entitled.**

**If the blue Form of Proxy for use at the Court Meeting is not lodged with CWW's Registrar, Equiniti, by the relevant time, it may be handed to CWW's Registrar, Equiniti, or the Chairman of the Court Meeting at the start of the Court Meeting. However, in the case of the General Meeting, unless the white Form of Proxy is lodged with CWW's Registrar, Equiniti, by 11.15 a.m. on 16 June 2012, it will be invalid.**

### **Important Notices**

UBS, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Vodafone and Vodafone Group and no one else in connection with the Offer and other matters referred to in this document and will not be responsible to anyone other than Vodafone and Vodafone Group for providing the protections afforded to clients of UBS or for providing advice in connection with the Offer, this document or any matter or arrangement referred to herein.

Citi, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as corporate broker to Vodafone Group and no one else in connection with the Offer and other matters referred to in this document and accordingly, Citi will not be responsible to anyone other than Vodafone Group for providing advice in connection with the Offer, this document or any matter referred to herein and no-one other than Vodafone Group will benefit from the protections afforded to clients of Citi.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as corporate broker to Vodafone Group and no one else in connection with the Offer and other matters referred to in this document and will not be responsible to anyone other than Vodafone Group for providing the protections afforded to its clients or for providing advice in connection with the Offer, this document or any matter or arrangement referred to herein.

Barclays, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for CWW and no one else in connection with the Offer and other matters referred to in this document and will not be responsible to anyone other than CWW for providing the protections afforded to clients of Barclays or for providing advice in connection with the Offer, this document or any matter or arrangement referred to herein.

Rothschild, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for CWW and no one else in connection with the Offer and other matters referred to in this document and will not be responsible to anyone other than CWW for providing the protections afforded to clients of Rothschild or for providing advice in connection with the Offer, this document or any matter or arrangement referred to herein.

Deutsche Bank is authorised under German Banking Law (competent authority: BaFin – Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Services Authority. Details about the extent of Deutsche Bank's authorisation and regulation by the Financial Services Authority are available on request. Deutsche Bank is acting exclusively as corporate broker to CWW and no one else in connection with the contents of these materials and will not be responsible to anyone other than CWW for providing the protections afforded to clients of Deutsche Bank nor for providing advice in connection with the Offer, this document or any matter or arrangement referred to herein.

Jefferies Hoare Govett, a division of Jefferies International Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as corporate broker to CWW and no one else in connection with the Offer and this document and will not be responsible to anyone other than CWW for providing the protections afforded to clients of Jefferies Hoare Govett nor for providing advice in connection with the Offer, this document or any matter or arrangement referred to herein.

You should read the rest of this document and, if you are in any doubt as to the action you should take or about the contents of this document, you should consult an independent financial adviser or your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice. In making any investment decision, CWW Shareholders must rely on their own examination of CWW, CWW Group, Vodafone, Vodafone Group and the terms of the Scheme and the Offer, including the merits and risks involved. The contents of this document are not to be construed as legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of CWW, Vodafone or Vodafone Group.

No person has been authorised to make any representations on behalf of CWW, CWW Group, Vodafone or Vodafone Group concerning the Offer or the Scheme which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

### **Overseas Shareholders**

The release, publication or distribution of this document in certain jurisdictions may be restricted by law and the availability of the Offer to CWW Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. This document does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to the document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

Unless otherwise determined by Vodafone or required by the City Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Offer by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

### **US investors**

The Offer relates to shares of an English company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. The scheme of arrangement will relate to the shares of an English company i.e. a “foreign private issuer” as defined under rule 3b-4 under the US Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the Exchange Act. Accordingly, the Offer is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable to the UK that may not be comparable to the financial statements of US companies.

CWW and Vodafone Group are each organised under the laws of England, and Vodafone is organised under the laws of the Netherlands. The officers and directors of CWW, Vodafone and Vodafone Group are residents of countries other than the United States. It may not be possible to sue CWW, Vodafone or Vodafone Group in a non-US court for violations of US securities laws. It may be difficult to compel CWW, Vodafone and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

In accordance with normal UK practice, Vodafone or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase CWW Shares outside of the United States, other than pursuant to the Offer, until the date on which the Offer and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory Information Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

### **Disclosure requirements**

Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of

which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of the offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by CWW and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Forward-looking statements**

This document contains statements about Vodafone, Vodafone Group, CWW and CWW Group that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects", "should" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenue, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Vodafone Group's or CWW Group's operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on Vodafone Group's or CWW Group's business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, and readers are therefore cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. These factors include, but are not limited to, regulatory approvals that may require acceptance of conditions with potential adverse impacts; risks involving Vodafone's ability to realise expected benefits associated with the Offer; the impact of legal or other proceedings; continued growth in the market for mobile services and general economic conditions. Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information

contained under the heading “Forward-looking statements” and “Principal risk factors and uncertainties” in Vodafone Group’s Annual Report for the year ended 31 March 2011 which can be found on Vodafone Group’s website ([www.vodafone.com/investor](http://www.vodafone.com/investor)); by referring to the information contained under the heading “Cautionary statement regarding forward-looking statements” in CWW’s Annual Report for the year ended 31 March 2011 which can be found on CWW’s website ([www.cw.com/investors/](http://www.cw.com/investors/)); and by referring to the information contained under the heading “Forward Looking Statements” in CWW’s Preliminary Results.

Vodafone, Vodafone Group, CWW and CWW Group expressly disclaim any obligation to update any forward-looking or other statements contained herein, except as required by applicable law.

#### **Publication and availability of this document**

A copy of this document will be made available free of charge (subject to any applicable restrictions with respect to persons resident in Restricted Jurisdictions) on [www.cw.com/investors/](http://www.cw.com/investors/) and [www.vodafone.com/investor](http://www.vodafone.com/investor) by no later than noon (London time) on the day following the publication of this document.

#### **Electronic communications**

You may request a hard copy of this document and of any information expressly incorporated by reference in this document by contacting CWW’s Registrar, Equiniti, during business hours on 0871 384 2885 (from within the UK) or +44 121 415 0297 (from outside the UK) or by submitting a request in writing to CWW’s Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. It is important that you note that unless you make such a request, a hard copy of this document and information incorporated by reference in this document will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer are in hard copy form.

#### **SHAREHOLDER HELPLINE**

**0871 384 2885**

(+44 121 415 0297 if calling from outside the UK)

If you have not received all of the relevant documents or have any questions relating to this document, either of the Meetings, the completion and return of the Forms of Proxy or submitting your vote or proxies electronically, please call CWW’s Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. on any Business Day.

Calls to the 0871 384 2885 number are charged at 8 pence per minute from a BT landline, excluding VAT. Other network providers’ costs may vary. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that helpline operators cannot provide advice on the merits of the Scheme or the Offer nor give any tax, financial, investment or legal advice.

Dated 21 May 2012

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## Action to be taken

### QUESTION & ANSWERS

#### **1. What is a scheme of arrangement?**

A scheme of arrangement is a legal procedure which is commonly used to implement a takeover. The Scheme requires approval of Scheme Shareholders at a meeting convened by order of the Court and, in addition, implementation of the Scheme requires the approval of CWW Shareholders at a General Meeting. The Scheme also needs to be sanctioned by the Court.

In summary, under the terms of the Scheme, Scheme Shares will be cancelled and New CWW Shares will be issued to Vodafone. In consideration for receipt of the New CWW Shares, Vodafone will pay the Offer price of 38 pence per CWW Share to Scheme Shareholders.

#### **2. When and where will the Meetings take place?**

##### **Court Meeting**

Location Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS

Date/Time **18 June 2012 at 11.00 a.m.**

##### **General Meeting**

Location Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS (the same place as the Court Meeting)

Date/Time **18 June 2012 at 11.15 a.m.** (or as soon thereafter as the Court Meeting is concluded or adjourned)

Notices of the Meetings are set out in Parts X and XI of this document.

#### **3. Why are there two meetings?**

The Court Meeting is convened by the Court to enable Scheme Shareholders to consider and if thought fit approve the Scheme. It is a legal requirement under section 896 of the Companies Act.

It is then necessary to hold a General Meeting to enable CWW Shareholders to approve the Special Resolution required to implement the Scheme.

Further detail in relation to the Meetings is set out in paragraph 9 of Part II of this document.

#### **4. What is the difference between CWW Shareholders and Scheme Shareholders?**

The definition of Scheme Shares excludes any shares in CWW held by Vodafone or Vodafone Group. Only Scheme Shareholders can vote at the Court Meeting.

#### **5. What documents do I need?**

Please check you have received with this document the following:

- a blue Form of Proxy for use at the Court Meeting on 18 June 2012;
- a white Form of Proxy for use at the General Meeting on 18 June 2012; and
- a pre-paid envelope for use in the United Kingdom.

If you have not received all of these documents, please contact CWW's Registrar, Equiniti, on the helpline referred to below.

#### **6. What should I do with the Forms of Proxy?**

Whether or not you plan to attend the Meetings, PLEASE COMPLETE AND SIGN BOTH THE BLUE AND WHITE FORMS OF PROXY and return them in accordance with the instructions printed on them.

Completed Forms of Proxy should be returned, in the pre-paid envelope provided (for use in the UK only), to CWW's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as

possible and, in any event, so as to be received by **11.00 a.m. on 16 June 2012** in the case of the Court Meeting (blue Form of Proxy) and by **11.15 a.m. on 16 June 2012** in the case of the General Meeting (white Form of Proxy) (or in the case of any adjournment, no later than 48 hours before the time fixed for the adjourned Meeting). This will enable your votes to be counted at the Meetings in the event of your absence.

If the BLUE Form of Proxy for use at the Court Meeting is not lodged with CWW's Registrar, Equiniti, by 11.00 a.m. on 16 June 2012, it may be handed to Equiniti or the Chairman of the Court Meeting at the start of the Court Meeting. However, if the WHITE Form of Proxy for the General Meeting is not lodged with CWW's Registrar so as to be received no later than 11.15 a.m. on 16 June 2012, it will be invalid.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or transmit a CREST proxy instruction as soon as possible.**

#### **7. Why are there two Forms of Proxy?**

It is a requirement that two separate forms are completed, a blue Form of Proxy, and a white Form of Proxy.

- The BLUE Form of Proxy is for the Court Meeting only and enables Scheme Shareholders to approve the Scheme.
- The WHITE Form of Proxy is for the General Meeting only and enables CWW Shareholders to vote on the Special Resolution.

#### **8. Can I appoint a proxy through CREST?**

If you hold your shares in uncertificated form (i.e. in CREST) you may appoint a proxy or proxies through the CREST electronic proxy voting service in accordance with the procedures set out in the CREST Manual. Please refer to paragraph 22 of Part II of this document for further information on CREST procedures. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting services provider, should refer to their CREST sponsor or voting services provider(s), who will be able to take appropriate action on their behalf.

Proxies submitted via CREST for the Court Meeting must be transmitted so as to be received by Equiniti (under CREST participant ID RA19) not later than **11.00 a.m. on 16 June 2012** and proxies submitted via CREST for the General Meeting must be transmitted so as to be received by Equiniti (under CREST participant ID RA19) not later than **11.15 a.m. on 16 June 2012** (or in the case of any adjournment, no later than 48 hours before the time fixed for the adjourned Meeting).

#### **9. Can I vote electronically through Equiniti's website?**

Scheme Shareholders and CWW Shareholders may also vote electronically through the website of CWW's Registrar, Equiniti, at [www.shareview.co.uk](http://www.shareview.co.uk). Alternatively, if you are not registered to vote on [www.shareview.co.uk](http://www.shareview.co.uk), you may vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk). CWW Shareholders will be asked to enter the Voting ID, Task ID and the Shareholder Reference Number as provided on their Forms of Proxy and agree to certain terms and conditions.

#### **10. Can I appoint more than one proxy?**

Scheme Shareholders and CWW Shareholders are entitled to appoint more than one proxy. They are also entitled to appoint a proxy in respect of some or all of their CWW Shares.

If you wish to appoint multiple proxies in connection with the Court Meeting and/or the General Meeting you should:

- (a) photocopy the relevant Form(s) of Proxy, fill in each copy in respect of different shares and send the multiple forms together to CWW's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
- (b) call CWW's Registrar, Equiniti, on the shareholder helpline on page 9, who will then issue you with multiple Forms of Proxy.



In each case, please ensure that all of the multiple Forms of Proxy in respect of one registered holding are sent in the same envelope if possible.

The completion and return of the relevant Form of Proxy or completing and transmitting a CREST proxy instruction will not prevent you from attending and voting at the Court Meeting and/or the General Meeting or at any adjournment thereof, if you so wish and are entitled to do so.

#### **SHAREHOLDER HELPLINE**

**0871 384 2885**

(+44 121 415 0297 if calling from outside the UK)

If you have not received all of the relevant documents or have any questions relating to this document, either of the Meetings, the completion and return of the Forms of Proxy or submitting your votes or proxies electronically, please call CWW's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. on any Business Day.

Calls to the 0871 384 2885 number are charged at 8 pence per minute from a BT landline, excluding VAT. Other network providers' costs may vary. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that helpline operators cannot provide advice on the merits of the Scheme or the Offer nor give any tax, financial, investment or legal advice.

## Expected timetable of principal events

The following indicative timetable sets out expected dates for the implementation of the Scheme. All references in this document to times are to London time unless otherwise stated.

| <i>Event</i>  | <i>Time and/or date (2012)</i>                     |
|---|--|
| <b>Latest time for lodging blue Forms of Proxy for the Court Meeting</b>                | <b>11.00 a.m. on 16 June<sup>1</sup></b>           |
| <b>Latest time for lodging white Forms of Proxy for the General Meeting</b>             | <b>11.15 a.m. on 16 June<sup>2</sup></b>           |
| Voting Record Time for Court Meeting and General Meeting                                | 6.00 p.m. on 16 June <sup>3</sup>                  |
| <b>Court Meeting</b>  | <b>11.00 a.m. on 18 June</b>                       |
| <b>General Meeting</b>  | <b>11.15 a.m. on 18 June<sup>4</sup></b>           |
| Scheme Record Time  | 6 p.m. on 25 July <sup>5</sup>                     |
| Suspension of listing and dealings in CWW Shares and disablement of CWW Shares in CREST | 7.30 a.m. on 26 July <sup>5</sup>                  |
| Scheme Court Hearing  | 26 July <sup>5</sup>                               |
| Effective Date  | 27 July <sup>5</sup>                               |
| Cancellation of listings and dealings in CWW Shares                                     | by no later than 8.00 a.m. on 30 July <sup>5</sup> |
| Latest date of despatch of cheques and settlement through CREST                         | by 10 August <sup>5</sup>                          |
| Latest date for Scheme to become effective  | 30 November <sup>6</sup>                           |

- <sup>1</sup> The blue Form of Proxy for the Court Meeting may, alternatively, be handed to CWW's Registrar or the Chairman of the Court Meeting at the start of the Court Meeting. However, it is requested that, if possible, blue Forms of Proxy be lodged at least 48 hours before the time appointed for the Court Meeting.
- <sup>2</sup> The white Form of Proxy for the General Meeting must be lodged with CWW's Registrar by no later than 11.15 a.m. on 16 June 2012 in order for it to be valid, or if the General Meeting is adjourned, no later than 48 hours before the time fixed for the holding of the adjourned meeting. The white Form of Proxy cannot be handed to CWW's Registrar or the Chairman of the General Meeting at that Meeting.
- <sup>3</sup> If either of the Meetings is adjourned, then the Voting Record Time for the relevant reconvened Meeting will be 6.00 p.m. on the date two days before the date set for the relevant reconvened meeting.
- <sup>4</sup> If the Court Meeting has not been concluded or adjourned prior to the scheduled commencement of the General Meeting, the commencement of the General Meeting will be delayed until the Court Meeting has been concluded or adjourned.
- <sup>5</sup> These times and dates are indicative only and will depend, amongst other things, on the date on which the conditions of the Scheme are satisfied or (if capable of waiver) waived, the date on which the Court issues the Court Order sanctioning the Scheme and confirming the associated Reduction of Capital and the date on which the Court Order is delivered to the Registrar of Companies. If there are any revisions to the timetable, the CWW Board will make an appropriate announcement as soon as practicable.
- <sup>6</sup> This is the latest date by which the Scheme may become effective unless Vodafone and CWW agree, and the Court permits, a later date.

## PART I

### Letter from the Chairman of CWW

*(Registered in England and Wales with Registered Number 07029206)*

#### **Directors**

John Barton (Chairman)  
Gavin Darby  
Ian Gibson  
Penny Hughes  
Clive Butler  
David Lowden

#### **Registered office**

Cable & Wireless Worldwide plc  
Waterside House  
Longshot Lane  
Bracknell  
Berkshire  
RG12 1XL

21 May 2012

*To CWW Shareholders and persons with information rights in CWW.*

Dear CWW Shareholder,

### **RECOMMENDED CASH OFFER FOR CABLE & WIRELESS WORLDWIDE PLC BY VODAFONE EUROPE B.V.**

#### **1. Introduction**

On 23 April 2012, CWW and Vodafone announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Vodafone will acquire the entire issued and to be issued ordinary share capital of CWW to be effected by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

I am writing to you to set out a summary of terms of the Scheme and to explain why your Board considers the terms of the Scheme to be fair and reasonable and why it unanimously recommends that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the General Meeting, both of which will be held on 18 June 2012 at Herbert Smith LLP, Exchange House, Primrose Street, London EC2A 2HS. The Court Meeting will start at 11.00 a.m. and the General Meeting will start at 11.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned). This letter also explains the action which you are now asked to take. Further details of the Scheme are set out in the Explanatory Statement in Part II of this document.

#### **2. Summary of the terms of the Scheme**

Under the terms of the Scheme, which is set out in Part IV of this document and which is subject to the Conditions and the terms set out in Part III, if the Scheme becomes effective, Scheme Shareholders will be entitled to receive:

##### **38 pence in cash in respect of each Scheme Share held**

This price represents a premium of approximately:

- 92 per cent. to the Closing Price of 19.8 pence per CWW Share on 10 February 2012 (being the last Business Day prior to the commencement of the Offer Period); and
- 107 per cent. to the average Closing Price of 18.4 pence per CWW Share for the three months ended 10 February 2012.

The Offer values the entire existing issued share capital of CWW at approximately £1,045 million.

The Offer price of 38 pence per Scheme Share is final and will not be increased. Vodafone reserves its right to increase the Offer if a third party announces a possible offer or offer for CWW.

The Offer price is offered on the basis that Scheme Shareholders will not receive any further dividends.

Subject to satisfaction or waiver of the Conditions, it is expected that the Scheme will become effective on or around 27 July 2012. If the Scheme becomes effective, it will be binding on all CWW Shareholders, irrespective of whether or not they attended or voted at the Meetings.

### **3. Background to and reasons for the CWW Board's recommendation**

#### *Background*

CWW was placed into an offer period on 13 February 2012 following an announcement made by Vodafone Group that it was considering an offer for CWW. Subsequent to Vodafone Group's announcement, Tata announced on 1 March 2012 that it was also considering an offer for CWW.

Prior to the approaches from Vodafone and Tata, the CWW Board had appointed Gavin Darby as CEO in November 2011 to develop a performance improvement plan to deliver value to shareholders, focusing in particular on increasing the cash generation and returns delivered by the business over the medium and long term.

Whilst the CWW Board did not solicit any approaches, it considered and rejected a number of indicative proposals from Vodafone and Tata which it did not consider reflected the value of CWW. However, following the provision of certain information to Vodafone and Tata, Vodafone subsequently approached the CWW Board with an indicative proposal of 38 pence per CWW Share in cash. Based on this proposal, the CWW Board considered that it was in the interests of CWW Shareholders to progress discussions with Vodafone. The CWW Board also progressed discussions and shared equivalent information with Tata (who ultimately withdrew from the process) to provide both parties with an equal footing on which to consider whether to make an offer for CWW which the CWW Board would be willing to recommend. Vodafone subsequently confirmed to the CWW Board that it was willing to make an offer at 38 pence per CWW Share in cash.

In arriving at its unanimous decision to recommend the Offer, the CWW Board took into account the recent financial performance of CWW, including that in the last financial year, details of which are set out in CWW's Preliminary Results which are incorporated by reference into Part VI of this document, the outlook for the current financial year and the strategic ambitions and estimated present value of the long-term plan developed by the management team under the leadership of Gavin Darby. The CWW Board has considered whether the certainty of a cash offer at or above that price outweighed the potential benefits that could be delivered through the management's long-term plan and has taken into account the fact that the Offer provides CWW Shareholders with an opportunity to realise cash from their investment at an attractive price and that CWW has suspended payment of cash dividends and does not expect to pay any cash dividends in the short term.

Before coming to its decision, the CWW Board also considered alternative strategic options as part of its continuous review of the business to deliver shareholder value.

#### *The new long-term plan*

The aim of the business plan developed by Gavin Darby and the management team, who are strongly supported by the CWW Board, is to re-position the business for long-term profitable growth and increased cash generation. Key elements of the long-term plan include:

- (i) Cash. The business has been refocused on cash generation as a key performance metric. Consistent with this, the business is being restructured around customer business units whose performance is to be measured on cash flow. Senior management, sales teams and all employee incentive plans will be measured on cash generation, not just gross margin or EBITDA. Capital expenditure programmes have been reprioritised to focus on delivering improved returns and create the headroom for new investment. The long-term plan includes a number of initiatives to reduce operating costs, including reducing business complexity, reducing headcount costs, outsourcing and offshoring and reducing central overheads.
- (ii) Execution. Price erosion and a lack of hosting capacity have restricted revenue growth. A new approach to contract management is being implemented with the aim of maximising performance of both existing and new customer contracts and improving revenue retention at contract renewal. A new hosting delivery unit has been established with further investments in both capability and capacity. Plans to increase data centre capacity by an extra 35 per cent. have now been commissioned. A central change team has also been established to deliver the transformation of the business.
- (iii) Simplification. In the past, strategic investment in system rationalisation and process efficiency has been deferred. Consequently, operational expenditure is high and systems and processes are

inefficient. A key component of the long-term plan is to reallocate capital expenditure and other forms of investment to simplify infrastructure, systems and processes and this includes migrating existing networks to a single platform. Furthermore a lack of standardised products has increased complexity and driven inefficiency in the cost base. Progress has been made in moving towards a standardised service catalogue which is planned to deliver lower costs for new client wins and free up the business to write more volume.

The CWW Board believes that the plan represents the right strategy to optimise CWW's long-term financial performance if it were to continue as an independent company. However, the achievement of growth under the plan would require further reallocation of capital investment, and the successful re-positioning of the business before improved returns could begin to be made in the medium and long term. In addition, external factors, which are not under the control of management, including a challenging macroeconomic environment and intensified competition from incumbent operators and new market entrants, may affect the delivery of the plan.

The plan is based on a number of market growth assumptions, including market growth over the medium term of between 1 per cent. and 3 per cent. per annum for IP and data, 12 per cent. per annum for hosting and applications, and a reduction of 12 per cent. per annum in voice and legacy. In addition, the generation of significant value growth under the plan is dependent on CWW outperforming these market growth assumptions over the medium and long-term. The CWW Board does not expect to outperform market growth assumptions in the current financial year.

Failure to achieve any part of the plan will impact the value of the business and, as such, places risk on any effort to optimise value for shareholders on a standalone basis. The CWW Board has identified a number of areas of opportunity to further reduce the costs of the business which could partially offset the impact of these risks. However, the initiatives contained in the plan are inter-related and so failing to meet specified targets within one initiative may have a negative impact on other components of the plan over the period of investment and rationalisation.

The CWW Board believes that the development of a credible stand-alone plan has enhanced CWW's position in the context of its discussions during the Offer Period. The CWW Board has had to weigh the transformative nature of the long-term plan and potential upside it could deliver against the risks associated with the plan and the timescale required.

### *The Offer*

Your Board has weighed all of the above considerations against the certainty of a cash offer of 38 pence today.

In arriving at their unanimous decision to recommend the Offer, the CWW Directors have also taken into account that the terms of the Offer represent a significant premium, in cash, equivalent to:

- 92 per cent. to the Closing Price of 19.8 pence per CWW Share on 10 February 2012 (being the last Business Day prior to the commencement of the Offer Period); and
- 107 per cent. to the average Closing Price of 18.4 pence per CWW Share for the three months ended 10 February 2012.

The CWW Board is satisfied that this is the highest price it could have obtained in a competitive process which lasted more than two months and involved more than one potential bidder conducting due diligence on CWW. Furthermore, the CWW Board thinks that it is unlikely that the CWW Shares will trade above the Offer price in the foreseeable future.

### *Conclusion*

In view of all of the above factors, the CWW Directors believe that the price of 38 pence per CWW Share represents an excellent opportunity for CWW Shareholders to realise an attractive valuation in cash today.

Furthermore, the combining of two great British companies represents an exciting opportunity for our staff, our customers and our partners to reap the rewards of working within one of the world's largest and most successful communications groups and to build a stronger platform for the future growth of the business.

Taking these considerations into account, the CWW Directors give their unanimous recommendation as set out below in paragraph 12.

#### **4. Management and employees of CWW Group**

The CWW Board has welcomed Vodafone's statements that it attaches great importance to the skills, experience and industry knowledge of the existing management and employees of CWW, whom Vodafone would anticipate playing an important role in the on-going development of the business. Vodafone has given assurances to CWW that the existing statutory employment rights of management and employees of CWW will be fully safeguarded. In addition, subject to appropriate consultation, Vodafone proposes to align the terms, conditions and policies of employment of CWW management and employees with those used by Vodafone Group.

Following completion of the Offer, Vodafone intends to review potential areas for business integration in the Enlarged Group. The CWW Board recognises the need for such a review. Until such review is undertaken, Vodafone cannot be certain what repercussions there will be on the employees of CWW, the locations of CWW's places of business, any redeployment of CWW's fixed assets or if it would seek to make any possible disposals of any part of CWW's business. However, subject to any necessary consultation, there is likely to be a reduction of headcount and places of business during, and following completion of, the review where there is administrative or operational overlap, although specific individuals and locations have not yet been identified by Vodafone.

The CWW Board is reassured by the fact that Vodafone and Vodafone Group have entered into arrangements with the trustee of the CWW Plan and with the trustees of the THUS Scheme in relation to the Offer. The arrangements address various matters, including the provision of guarantees to be granted by Vodafone Group, taking effect upon completion of the Scheme, and the funding and security of pension benefits and the manner of operation of certain provisions of the CWW Plan and the THUS Scheme. Vodafone has agreed to make two contributions of £25 million each to the CWW Plan, in addition to those payable under that plan's schedule of contributions, to reduce the deficit in the CWW Plan. The Offer will have no effect on the benefits due to employees and former employees under the CWW Plan or the THUS Scheme that have accrued prior to the date of completion of the Offer. However, as part of aligning the terms, conditions and policies of employment of CWW management and employees with those used by Vodafone Group, Vodafone Group proposes to engage with the trustees of the CWW Plan and the THUS Scheme on the pension benefits to be provided in respect of future service. Vodafone Group will consult with relevant employees accordingly if any changes are subsequently proposed.

The CWW Employee Consultation Forum has prepared an opinion in relation to the Offer, a copy of which is enclosed. Vodafone welcomes the conclusion of the employee representatives that overall the Offer has been positively received by the Employee Consultation Forum and their constituents. Vodafone looks forward to discussing the issues raised by the employee representatives during the course of its review of potential areas for business integration.

#### **5. CWW Share Plans**

Information on how the Scheme will affect participants in the CWW Share Plans is summarised in paragraph 16 of Part II of this document. Appropriate proposals will be made to participants in the CWW Share Plans in due course.

#### **6. CWW Convertible Bonds**

Proposals are being made to the CWW Convertible Bondholders by way of a separate offer memorandum. The offer memorandum will be available, and the terms of the Bond Offer will be communicated to the CWW Convertible Bondholders, on the date of this document. Further information is set out in paragraph 17 of Part II of this document.

#### **7. Overseas Shareholders**

The implications of the Scheme for persons resident in, or citizens or nationals of, jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Overseas Shareholders should inform themselves about and observe all applicable legal requirements. Please refer to paragraph 20 of Part II of this document for further details.

#### **8. Taxation**

Your attention is drawn to Part VII of this document. If you are in any doubt about your tax position, or are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an appropriate professional independent tax adviser.



## **9. Action to be taken**

CWW Shareholders will find, at the end of this document, notices of the Meetings which have been convened to enable CWW Shareholders to consider and, if thought fit, approve the Scheme and, in the case of the General Meeting, to approve the Special Resolution necessary to enable CWW to effect the Scheme and the Offer. You will find enclosed with this document Forms of Proxy for use in connection with the Meetings.

**It is particularly important that as many votes as possible are cast (whether in person or by proxy) at the Court Meeting so that the Court may be satisfied that the result is a fair representation of Scheme Shareholders' opinions. You are therefore strongly urged to complete and return your Forms of Proxy as soon as possible. Please make every effort to vote at the Meetings either in person or by completing the Forms of Proxy. Completion and return of any Form of Proxy will not prevent CWW Shareholders from attending the Meetings and voting in person if they so wish and are so entitled.**

Completed Forms of Proxy should be returned to CWW's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, not later than 48 hours before the time for which the relevant Meeting has been convened. If the blue Form of Proxy for use at the Court Meeting is not lodged with CWW's Registrar by that time, it may be handed to CWW's Registrar or the Chairman at the start of the Court Meeting. However, if the white Form of Proxy for use at the General Meeting is not lodged with CWW's Registrar by that time, it will be invalid.

Completing and returning the enclosed blue and white Forms of Proxy will ensure that your votes can be counted at the Meetings.

Further details of how to participate in and vote at the Meetings are set out on pages 20 to 21 and paragraph 22 of Part II of this document.

Please note that only those CWW Shareholders registered in the register of members of CWW as at 6.00 p.m. on 16 June 2012 or, if the Meetings are adjourned, in the register of members at 6.00 p.m. on the date two days before the date for any adjourned Meeting will be entitled to attend or vote in respect of the number of CWW Shares registered in their name at such time.

## **10. Further information**

The terms of the Scheme are set out in full in Part IV of this document. In addition, Part II of this document contains an Explanatory Statement (required by section 897 of the Companies Act) which gives further details of the Offer and the Scheme.

## **11. Irrevocable undertakings and letters of intent**

The CWW Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting, in respect of their beneficial holdings of 2,584,201 CWW Shares representing, in aggregate, approximately 0.09 per cent. of the ordinary share capital of CWW in issue on 16 May 2012 (being the latest practicable date prior to the publication of this document).

Vodafone has received irrevocable undertakings from RBC Global Asset Management Inc., Sky Investment Counsel Inc. and Cyrt Investments GP I B.V. to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting, in respect of a total of 284,532,092 CWW Shares, representing approximately 10.35 per cent. of the ordinary share capital of CWW in issue on 16 May 2012 (being the latest practicable date prior to the publication of this document).

In addition, Vodafone has obtained letters of intent from J.P. Morgan Asset Management Limited and Investec Asset Management Limited to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting, in respect of an aggregate total of 223,446,160 CWW Shares representing, in aggregate, approximately 8.12 per cent. of the ordinary share capital of CWW in issue on 16 May 2012 (being the latest practicable date prior to the publication of this document).

In aggregate, therefore, irrevocable undertakings and letters of intent to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting have been received in respect of a total of 510,562,453 CWW Shares, representing approximately 18.56 per cent. of the ordinary share capital of CWW in issue on 16 May 2012 (being the latest practicable date prior to the publication on this document).

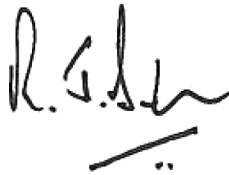
Further details of these irrevocable undertakings and letters of intent (including the circumstances in which they will fall away) are set out in paragraph 4(d) of Part VIII of this document.

## 12. Recommendation

The CWW Directors, who have been so advised by Barclays and Rothschild (as joint financial advisers to CWW), consider the terms of the Offer to be fair and reasonable. In providing advice to the CWW Directors, Barclays and Rothschild have taken into account the commercial assessments of the CWW Directors. In addition, the CWW Directors consider that the terms of the Scheme are in the best interests of the CWW Shareholders as a whole.

Accordingly, the CWW Directors unanimously recommend that CWW Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the General Meeting, as the CWW Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 2,584,201 CWW Shares representing, in aggregate, approximately 0.09 per cent. of the ordinary share capital of CWW in issue on 16 May 2012 (being the latest practicable date prior to the publication of this document).

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. G. Barton', with a horizontal line drawn underneath it.

John Barton  
Chairman

## PART II

### Explanatory Statement

(in compliance with Section 897 of the Companies Act 2006)

21 May 2012

*To CWW Shareholders and persons with information rights in CWW.*

#### **RECOMMENDED CASH OFFER FOR CABLE & WIRELESS WORLDWIDE PLC BY VODAFONE EUROPE B.V.**

##### **1. Introduction**

On 23 April 2012, CWW and Vodafone announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Vodafone will acquire the entire issued and to be issued ordinary share capital of CWW to be effected by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

**Your attention is drawn to the letter from the Chairman of CWW set out in Part I of this document which contains, among other things, the unanimous recommendation by the CWW Directors to CWW Shareholders to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting to be held on 18 June 2012.**

**The CWW Directors, who have been so advised by Barclays and Rothschild (as joint financial advisers to CWW), consider the terms of the Offer to be fair and reasonable. In providing advice to the CWW Directors, Barclays and Rothschild have taken into account the commercial assessment of the CWW Directors. In addition, the CWW Directors consider that the terms of the Scheme are in the best interests of the CWW Shareholders as a whole.**

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part IV of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including the letter from the Chairman of CWW in Part I, the conditions and certain further terms set out in Part III and the additional information set out in Part VIII of this document.

##### **2. Summary of the Scheme**

Under the terms of the Scheme, which is subject to the Conditions and to the terms set out in Parts III and IV of this document, if the Scheme becomes effective, Scheme Shareholders will be entitled to receive:

#### **38 pence in cash for each Scheme Share held**

This price represents a premium of approximately:

- 92 per cent. to the Closing Price of 19.8 pence per CWW Share on 10 February 2012 (being the last Business Day prior to the commencement of the Offer Period); and
- 107 per cent. to the average Closing Price of 18.4 pence per CWW Share for the three months ended 10 February 2012.

The Offer values the entire existing issued share capital of CWW at approximately £1,045 million. The Offer will be implemented, subject to the satisfaction or waiver of the Conditions, by way of a court-sanctioned scheme of arrangement between CWW and Scheme Shareholders under Part 26 of the Companies Act.

The Offer price of 38 pence per Scheme Share is final and will not be increased. Vodafone reserves its right to increase the Offer if a third party announces a possible offer or offer for CWW.

The Offer price is offered on the basis that Scheme Shareholders will not receive any further dividends.

The implementation of the Offer is subject to the Conditions, which are summarised in paragraph 10 of this Part II and set out in full in Part III of this document.

The Scheme can only become effective in accordance with its terms if all the Conditions to the Offer have been satisfied or, where relevant, waived.

Implementation of the Scheme will require the approval of Scheme Shareholders at the Court Meeting and the approval of the Special Resolution by the CWW Shareholders at the General Meeting. The Scheme also requires the sanction of the Court.

The Scheme will become effective upon the delivery of copies of the Court Order and of the Statement of Capital to the Registrar of Companies (or, if the Court so orders, upon registration by the Registrar of Companies of the Court Order and the Statement of Capital).

Once the Scheme becomes effective, it will be binding on all CWW Shareholders, whether or not they attended or voted in favour of the Scheme and the Special Resolution at the Meetings. Cheques in respect of cash consideration for those Scheme Shares held in certificated form will be sent by post, and the cash consideration for those Scheme Shares held in uncertificated form will be settled through CREST, in each case within 14 days after the Effective Date.

The Scheme is described in further detail at paragraph 8 of this Part II below.

### **3. Background to and reasons for the Offer**

The acquisition of CWW will strengthen the enterprise business of Vodafone Group in the UK and internationally and presents attractive network and other cost saving opportunities for Vodafone Group.

#### **UK benefits**

The combination of Vodafone Group and CWW will create a leading enterprise-focused operator in the UK that will be well positioned to capitalise on the growing market for unified communications and offer UK enterprise customers the opportunity to purchase advanced total communications services from a single service provider.

CWW has an extensive UK fibre network that fits well with the location of Vodafone Group's UK base stations. As the demand for mobile data continues to grow strongly, the CWW fibre network can provide fast backhaul of data traffic at considerably lower cost compared to prevailing market rates for leased capacity.

Cost savings can also be achieved from combining UK procurement and rationalising network, IT and administrative functions.

#### **International benefits**

Vodafone Global Enterprise is a leading provider of managed communications services to many of the world's leading companies. The combination of Vodafone Global Enterprise and CWW will increase the scope of services Vodafone Group can offer enterprise customers.

CWW's extensive international network and high traffic volumes give it a favourable peering status for IP transit with other operators. Exploiting CWW's international network capacity in servicing Vodafone Group's international IP traffic requirements will generate significant cost efficiencies. CWW will also be able to handle part of Vodafone Group's international traffic that is currently carried by other operators.

#### **Value creation**

The Offer meets Vodafone Group's strict M&A criteria and is expected to be value creative for Vodafone Group's shareholders. The Offer is expected to be accretive to Vodafone Group's earnings per share and free cash flow per share in the first 12 months of ownership after synergies and before integration costs.

CWW's tax losses and capital allowances are not key to the rationale underpinning the Offer. Vodafone does not believe it can utilise CWW's tax losses and it has not ascribed any value to the possibility of using CWW's capital allowances against Vodafone Group's existing UK operations.

### **4. Information on Vodafone Group**

Vodafone is an indirect wholly-owned subsidiary of Vodafone Group. Since its incorporation in 1995, Vodafone has been one of the main intermediate holding companies of Vodafone Group. Its business is the holding of shares, directly or indirectly, in operating and other companies belonging to Vodafone Group. As of 31 March 2011, Vodafone had total assets of €51 billion and total equity of €51 billion.

Vodafone Group is one of the world's largest mobile communications companies by revenue with over 398 million customers in its controlled and jointly controlled markets as at 31 December 2011. 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 more than 40 partner networks worldwide, with operations split into two geographic regions: Europe, and Africa, Middle East and Asia Pacific (AMAP). It also has a 45 per cent. interest in Verizon Wireless in the United States.

Vodafone Group's revenue for the year ended 31 March 2011 was £45.9 billion and it had an operating profit of £5.6 billion, with profit before tax of £9.5 billion and diluted earnings per share of 15.11 pence. Vodafone Group employed an average of around 83,900 people during the year ended 31 March 2011.

## **5. Information on CWW Group**

CWW provides integrated communications and data hosting services to large enterprises and mid-market customers in both the public and private sectors.

Reaching approximately 20,500 km in length, CWW owns one of the UK's largest fibre networks dedicated to business users of telecoms and provides access through a combination of fibre, digital microwave radio and leased circuits. The network has a presence in over 400 towns and cities in the UK, and in more than 860 unbundled exchanges covering more than 55 per cent. of the population.

Internationally, CWW's global network stretches to more than 425,000 km. CWW has 127 global points of presence in 35 countries.

CWW's revenue for the year ended 31 March 2011 was £2.26 billion and it had an operating profit of £153.0 million, with profit before tax of £140.0 million and diluted earnings per share of 7.7 pence.

## **6. CWW Group current trading and prospects**

In the final quarter of 2011/12, CWW Group made progress in the execution of the performance improvement plan announced in February. A strong focus on cash led to improved utilisation of capital expenditure and positive working capital in the second half of the year. The capital expenditure programme was reprioritised to create headroom for the investments in improved execution, simplification and cash generation. Several cost reduction programmes were commenced delivering benefits in the monthly cost run rate going into 2012/13. The refocusing of the business towards a new target operating model was commenced. The refinancing of CWW Group's revolving credit facility was completed in February with a final maturity date of 30 June 2015.

While CWW Group continued to win new client mandates and made progress as planned in building hosting capacity to enable a further increase in the growth of the hosting business in the future, trading conditions in 2011/12 continued to be very difficult with enterprise customers continuing to seek keen prices in traditional voice and data services.

The CWW Group expects trading conditions in 2012/13 to remain challenging. Whilst the medium term plan assumes market outperformance, the CWW Group does not expect to outperform market growth assumptions in 2012/13. Initiatives have been identified to mitigate the majority of the increased inflationary cost pressures on the CWW Group's operating costs base. As part of the CWW Group's strategic plan, further capital investment will be required over the next few years to reduce complexity and cost and enable growth in the medium-term. The timing of this investment will be managed to keep total capital expenditure in line with recent trends.

## **7. Financial Effects of the Offer**

As a result of and following completion of the Offer, Vodafone Group expects to consolidate CWW's assets and liabilities. As at 31 March 2012, CWW had total net assets of £775 million. A fair value assessment of CWW's assets and liabilities will be required to be carried out under Vodafone Group's accounting policies following completion of the Offer to determine the initial carrying values at which CWW's assets and liabilities will be recognised on Vodafone Group's balance sheet. Vodafone expects that its net debt/EBITDA ratio will be maintained at current levels following completion of the Offer.

The acquisition is expected to be accretive to Vodafone Group's earnings per share and free cash flow per share in the first 12 months of ownership after synergies and before integration costs. This statement should

not be construed as a profit forecast or be interpreted to mean that the future earnings per share, profits, margins or cash flows of Vodafone Group will necessarily be greater or less than the historic published earnings per share, profits, margins or cash flows of Vodafone Group.

## 8. The Scheme

The Offer is to be effected by means of the Scheme.

The Scheme is a legal process under the Companies Act, the purpose of which is to enable Vodafone to become the owner of the entire issued and to be issued share capital of CWW. In order to achieve this, the Scheme Shares will be cancelled and the reserve arising from such cancellation will be used to pay up in full such number of New CWW Shares as is equal to the number of Scheme Shares cancelled and to issue those New CWW Shares to Vodafone. In consideration for this, Vodafone will pay 38 pence in cash for each Scheme Share to the Scheme Shareholders. The cancellation of the Scheme Shares and the subsequent issue of the New CWW Shares to Vodafone will result in CWW becoming a wholly-owned subsidiary of Vodafone.

The Scheme is set out in full in Part IV of this document.

In order for the Scheme to become effective:

- (a) the Scheme must be approved at the Court Meeting by a simple majority in number of those Scheme Shareholders who are present and vote, either in person or by proxy, and who represent not less than three-quarters in nominal value of the Scheme Shares held and voted by such Scheme Shareholders;
- (b) the Special Resolution must be approved at the General Meeting by a majority of at least three-quarters of the votes cast either in person or by proxy. This General Meeting will be held on the same day as the Court Meeting;
- (c) the Court must sanction the Scheme and confirm the Reduction of Capital at the Scheme Court Hearing and issue the Court Order; and
- (d) copies of the Court Order (and the Statement of Capital) must be delivered to the Registrar of Companies.

The Scheme can only become effective in accordance with its terms if all the Conditions to the Offer have been satisfied or, where relevant, waived. The Scheme will become effective on delivery of a copy of the Court Order and Statement of Capital to the Registrar of Companies and, if the Court so orders, upon registration by the Registrar of Companies of the Court Order and Statement of Capital.

All Scheme Shareholders are entitled to attend the Scheme Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme.

**Once the Scheme becomes effective, it will be binding on CWW and all CWW Shareholders, including those who did not attend the Meetings or vote to approve the Scheme or who voted against the Scheme at the Meetings.**

On the Effective Date, share certificates in respect of Scheme Shares will cease to be valid and each holder of Scheme Shares shall be bound to destroy such share certificates. In addition, entitlements to CWW Shares held within the CREST system will be cancelled.

The New CWW Shares that will be issued pursuant to the Offer will be fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions.

## 9. Shareholder meetings

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and CWW Shareholders at the General Meeting, both of which will be held at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS on 18 June 2012. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting at 11.15 a.m., or as soon thereafter as the Court Meeting is concluded or adjourned.

Notices of the Court Meeting and the General Meeting are set out in Parts X and XI of this document.

Entitlement to attend and vote at the Meetings and the number of votes which may be cast will be determined by reference to the register of members of CWW at the Voting Record Time. All CWW



Shareholders whose names appear on the register of members of CWW at 6.00 p.m. on 16 June 2012 or, if the Meetings are adjourned, on the register of members of CWW at 6.00 p.m. on the date two days before the date fixed for such adjourned Meeting, shall be entitled to attend and speak and vote at the relevant Meeting in respect of the number of CWW Shares registered in their name at the relevant time.

### ***Court Meeting***

The Court Meeting, which has been convened for 11.00 a.m. on 18 June 2012 at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS, is being held at the direction of the Court for the purpose of enabling Scheme Shareholders to consider and, if thought fit, approve the Scheme. The Court will not grant the Court Order unless the Scheme is approved by Scheme Shareholders at the Court Meeting by the requisite statutory majority.

At the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. In order for the Scheme to be approved at the Court Meeting, those Scheme Shareholders voting to approve the Scheme must:

- (a) represent a simple majority in number of the Scheme Shareholders present and voting in person or by proxy; and
- (b) represent not less than three-quarters in nominal value of the Scheme Shares held and voted by the Scheme Shareholders present and voting in person or by proxy.

**At the Court Meeting, it is particularly important that as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.**

You will find the Notice of the Court Meeting in Part X of this document.

### ***General Meeting***

The General Meeting has been convened for the same date as the Court Meeting at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS and will be held immediately after the Court Meeting has concluded or been adjourned to consider and, if thought fit, pass the Special Resolution:

- (A) (i) to authorise the CWW Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
  - (ii) to approve the reduction of CWW's share capital by the cancellation of the Scheme Shares under the Scheme;
  - (iii) to approve the creation of the New CWW Shares for issue to Vodafone (and/or its nominee(s)) by capitalisation of the reserve arising from the cancellation of the Scheme Shares under the Scheme and to give the CWW Directors authority to allot the New CWW Shares; and
- (B) to approve amendments to CWW's articles of association (as described below).

Resolution (A)(i) is being proposed so that the CWW Directors are authorised to take all actions that they consider necessary or appropriate for carrying the Scheme into effect.

In addition Resolution (A) will also authorise the cancellation of the Scheme Shares and enable the CWW Directors to allot the New CWW Shares to Vodafone (and/or its nominees) by way of a capitalisation issue. Immediately following the Reduction of Capital envisaged in Resolution (A)(ii), the share capital of CWW will be increased by the issue of such number of New CWW Shares as is equal to the number of Scheme Shares so cancelled so as to return CWW's issued share capital to its former level. The CWW Directors will capitalise the reserve arising from the cancellation of the Scheme Shares in paying up in full New CWW Shares to be issued to Vodafone (and/or its nominees). The number of New CWW Shares to be allotted will be equal to the number of Scheme Shares cancelled. The authority of the CWW Directors to allot such shares will expire on the fifth anniversary of the date on which the resolution authorising allotment is passed, but such New CWW Shares will be issued to Vodafone (and/or its nominees) immediately after the cancellation of the Scheme Shares under the Scheme.

Resolution (B) is being proposed to amend CWW's articles of association to ensure that any CWW Shares issued between the Voting Record Time and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the articles of association of CWW so that any CWW Shares issued to persons other than Vodafone and/or its nominee(s) ("**New Members**") on or after the Scheme Record Time will be automatically transferred (immediately after the Effective Date or, if later, upon the issue of such CWW

Shares) to Vodafone and/or its nominee(s) and, in consideration for such transfer, the New Members will receive the same cash consideration per CWW Share as the New Member would have been entitled to receive if such CWW Shares had been Scheme Shares, following the Effective Date (or, if later, immediately following such transfer). This is important as such CWW Shares will not be subject to the Scheme itself. This will avoid any person (other than Vodafone and/or its nominees) being left with CWW Shares after dealings in such shares have been suspended or their listing has been cancelled.

The Special Resolution will require votes in favour representing at least three-quarters of the votes cast at the General Meeting. The vote of the CWW Shareholders at the General Meeting will be held by way of a poll. Each holder of CWW Shares who was entered on the register of members of CWW at the Voting Record Time and is present in person or by proxy will be entitled to one vote for each CWW Share so held.

You will find the Notice of General Meeting in Part XI of this document.

## **10. Conditions to the Offer**

The Conditions which must be satisfied (or, where applicable, waived by Vodafone) in order for the Scheme and the Offer to become effective are set out in full in Part III of this document and summarised below.

The Offer is conditional upon, among other things:

- (a) the approval of the Scheme at the Court Meeting (or at any adjournment thereof) by a simple majority in number of those Scheme Shareholders present and voting, either in person or by proxy, and who represent not less than three-quarters in nominal value of the Scheme Shares held and voted by such Scheme Shareholders;
- (b) the Special Resolution being duly passed by a majority of at least three-quarters of the votes cast either in person or by proxy at the General Meeting, or at any adjournment thereof;
- (c) the sanction of the Scheme and confirmation of the Reduction of Capital by the Court;
- (d) the delivery of copies of the Court Order and of the Statement of Capital to the Registrar of Companies (or, if the Court so orders, registration by the Registrar of Companies of the Court Order and the Statement of Capital);
- (e) the Court Meeting and General Meeting being held on or before 10 July 2012 (or such later date as may be agreed by Vodafone and CWW);
- (f) the Scheme becoming effective by 30 November 2012 (or such later date as may be agreed by Vodafone and CWW);
- (g) receipt from the relevant competition authorities of clearances for the Offer on terms reasonably satisfactory to Vodafone; and
- (h) the other Conditions set out in Part III of this document which are not otherwise summarised in this paragraph 10 being satisfied or, if capable of waiver, waived.

## **11. Listings, dealings and settlement**

### ***Listings and dealings in CWW Shares***

CWW Shares may only be traded on the London Stock Exchange's main market for listed securities until immediately prior to the Scheme Record Time which is expected to be at 6 p.m. on 25 July 2012. At 7.30 a.m. on the Business Day following the Scheme Record Time, the admission to trading of the CWW Shares on the London Stock Exchange's main market for listed securities will be suspended and no transfers of CWW Shares will be registered thereafter.

Prior to the Scheme becoming effective, applications will be made to the UK Listing Authority and the London Stock Exchange for the listing of the CWW Shares on the Official List to be cancelled and for CWW Shares to cease to be admitted to trading on the London Stock Exchange's main market for listed securities respectively. It is expected that cancellation and cessation will take effect from the Effective Date.

With effect from the Effective Date, each existing certificate representing a holding of Scheme Shares shall cease to be valid in respect of such holding and each holder of Scheme Shares shall be bound to destroy such share certificate. With effect from the Effective Date, Euroclear will be instructed to cancel entitlements to Scheme Shares held in uncertificated form.

### ***Settlement***

Subject to the Scheme becoming effective, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner:

#### ***(a) Scheme Shares in uncertificated form (i.e. in CREST)***

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled will be credited through the creation of an assured payment obligation in favour of such person's CREST account no later than 14 days after the Effective Date.

Vodafone reserves the right to pay all or any part of the cash consideration to all or any Scheme Shareholders who hold Scheme Shares in uncertificated form, at the Scheme Record Time in the manner referred to in paragraph (b) below.

As from the Effective Date, each holding of CWW Shares credited to any stock account in CREST will be disabled and all CWW Shares will be removed from CREST in due course thereafter.

#### ***(b) Scheme Shares in certificated form (i.e. not in CREST)***

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, a cheque in respect of the cash consideration to which such Scheme Shareholder is entitled will be despatched by first class post (or such other method(s) as may be approved by the Panel) to the address appearing in the register of members of CWW at the Scheme Record Time. All cheques shall be in sterling and drawn on a branch of a UK clearing bank.

Cheques will be despatched to Scheme Shareholders holding Scheme Shares in certificated form no later than 14 days after the Effective Date.

As from the Effective Date, Scheme Shares held in certificated form will be cancelled and share certificates for such cancellation shares will cease to be valid and each holder of Scheme Shares shall be bound to destroy such share certificate.

#### ***(c) General***

All documents and cheques sent to CWW Shareholders will be sent at the recipient's own risk. Except with the consent of the Panel, settlement of cash consideration to which any CWW Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free from any liens, right of set-off, counterclaim or other analogous right to which Vodafone may otherwise be, or claim to be, entitled against such CWW Shareholder.

## **12. The CWW Directors and the effect of the Scheme on their interests**

The interests of the CWW Directors in the share capital of CWW are set out in paragraph 4 of Part VIII of this document. CWW Shares held by CWW Directors will be subject to the Scheme.

In common with the other participants in the CWW Share Plans, any awards held by CWW Directors under those plans will vest, lapse or be exchanged for replacement awards as set out in paragraph 16 of this Part II. Further information on awards held by CWW Directors is set out in Part VIII of this document.

Details of the service contracts (including termination provisions) of the executive directors of CWW, the letters of appointment of the non-executive directors of CWW and the effect of the Scheme thereon are set out in paragraph 7 of Part VIII of this document.

Save as disclosed in this document, the total emoluments received by the CWW Directors will not be varied automatically as a consequence of the Scheme.

The CWW Directors have given irrevocable undertakings to Vodafone to vote in favour of the Scheme (see paragraph 4(d) of Part VIII of this document).

Save as set out in this document, the effect of the Scheme on the interests of the CWW Directors does not differ from its effect on the similar interests of any other CWW Shareholder.

## **13. Dividends**

The Offer price is offered on the basis that CWW Shareholders will not receive any further dividends. If a dividend were to be declared, the Offer price would be adjusted downwards on an equivalent basis.

## **14. Offer-related arrangements**

### **Confidentiality agreement**

Vodafone and CWW entered into a confidentiality agreement dated 12 March 2012 pursuant to which each of Vodafone and CWW have agreed to keep confidential information about the other party and not to disclose it to third parties (other than permitted recipients) unless required by law or regulation. These confidentiality obligations will remain in force until completion of the Offer, or for a period of two years from the date of the confidentiality agreement.

Vodafone and CWW subsequently amended the confidentiality agreement by way of deed of amendment dated 1 May 2012 pursuant to which Vodafone is able to use certain confidential information for the purpose of implementing the Offer and planning or preparing for the integration of CWW's business and operations into Vodafone Group and/or its affiliates (as defined in the agreement).

### **Bid Conduct Agreement**

Under the Bid Conduct Agreement between Vodafone and CWW dated 23 April 2012, CWW has agreed to provide to Vodafone such information and assistance as it may reasonably require for the purposes of obtaining regulatory clearances. Vodafone has agreed to take all steps reasonably necessary to implement the Offer. The Bid Conduct Agreement also sets out certain agreements reached between Vodafone and CWW in relation to the treatment of the CWW Share Plans. The Bid Conduct Agreement will terminate if the CWW Board withdraws its recommendation of the Offer, the Offer is withdrawn or lapses or does not complete before 30 November 2012 or otherwise as agreed between Vodafone and CWW. Further information in relation to the Bid Conduct Agreement is set out in paragraph 6(b) of Part VIII of this document.

### **Proxy Solicitation Agreement**

On 21 May 2012, CWW and Vodafone entered into an agreement with DF King (Europe) for the provision by DF King (Europe) to CWW and Vodafone of certain proxy solicitation services and related services in connection with the Offer. Pursuant to the terms of the agreement CWW and Vodafone will each pay 50 per cent. of DF King (Europe)'s fees, part of which are dependent on the achievement of certain targets in relation to shareholder voting at the Court Meeting and the General Meeting. Vodafone and CWW have each severally indemnified DF King (Europe) and its affiliates and connected persons for any losses arising from the engagement save to the extent such losses arise from their breach of contract, negligence, fraud or fraudulent misrepresentation. CWW's indemnity does not apply in relation to losses arising from or attributable to any act or omission of Vodafone and Vodafone's indemnity does not apply in relation to losses arising from or attributable to any act or omission of CWW. CWW may terminate the agreement unilaterally at any time, in which case any outstanding fees will be pro-rated by reference to the term of DF King (Europe)'s engagement.

## **15. Financing**

The cash consideration payable under the Offer will be funded entirely by Vodafone Group from its own resources. UBS, financial adviser to Vodafone, is satisfied that sufficient resources are available to satisfy in full the cash consideration payable to CWW Shareholders under the terms of the Offer.

## **16. CWW Share Plans**

In accordance with the arrangements agreed with Vodafone as set out in the Bid Conduct Agreement, the Scheme will affect participants holding awards under the CWW Share Plans.

Participants in the CWW Share Plans will be sent letters explaining the effect of the Scheme on their rights under each plan and appropriate proposals will be made to participants in due course.

### **CWW Restricted Share Plan 2010 and CWW Incentive Plan 2010**

Subsisting restricted share awards and phantom restricted share awards granted under the CWW Restricted Share Plan 2010 will vest in full on the Effective Date in line with the relevant rules.

Subsisting restricted share awards under the CWW Incentive Plan 2010 will vest in full on the Effective Date in line with the relevant rules.

The Remuneration Committee of CWW proposes to amend the terms of the CWW Restricted Share Plan 2010 and the CWW Incentive Plan 2010 so that restricted share awards will vest after the Scheme has been sanctioned at the Scheme Court Hearing to enable the beneficial title to the CWW Shares subject to such awards to be transferred to participants prior to the Effective Date when the CWW Shares will be cancelled. These amendments have been agreed with Vodafone.

All performance share awards outstanding under the CWW Incentive Plan 2010 will lapse in full for nil consideration on the Effective Date.

### **CWW Incentive Plan 2011**

Two-thirds of the outstanding performance share awards and all of the outstanding restricted share awards held by each individual participating in the CWW Incentive Plan 2011 will be compulsorily exchanged for replacement share awards over Vodafone Group's share capital which, except as set out below, will be subject to the same terms and conditions as the existing performance share awards and restricted share awards under the CWW Incentive Plan 2011 as constituted immediately prior to the Scheme (the "**Replacement Awards**"). The Replacement Awards will:

- (a) be of equivalent value (i.e. the number of Vodafone Group Shares that will be subject to a participant's Replacement Award will be calculated by multiplying 38 pence by (i) two thirds of a participant's outstanding performance share awards and (ii) all of a participant's restricted share awards held under the CWW Incentive Plan 2011, and then dividing the total by the value of a Vodafone Group Share on the Effective Date);
- (b) be treated as having been granted, for vesting purposes, on the date the performance share awards and restricted share awards were originally awarded;
- (c) not be subject to any performance conditions or any additional vesting conditions; and
- (d) vest in full on the normal vesting dates of the original performance share awards and restricted share awards or, if earlier, the date a participant ceases to be employed by the Enlarged Group following the Offer except where a participant ceases employment with the Enlarged Group following the Offer by reason of:
  - (i) resignation (other than in circumstances constituting constructive dismissal); or
  - (ii) dismissal by reason of the participant's wilful misconduct, gross negligence or a material breach of fiduciary duty in the performance of his duties as an employee or director, as determined by Vodafone Group's remuneration committee,

in which case their Replacement Award will lapse for nil consideration. For the avoidance of doubt, one-third of the performance share awards that are not subject to exchange for Replacement Awards will immediately lapse on the Effective Date.

### **CWW Share Purchase Plan 2010 and THUS Share Purchase Plan 2010**

Participants in the CWW Share Purchase Plan 2010 and the THUS Share Purchase Plan 2010 will be entitled to direct the SPP trustee and the THUS SPP trustee in relation to voting their CWW Shares at the Court Meeting and General Meeting. Matching shares awarded under the SPP will not be forfeited pursuant to the Scheme. This course of action has been agreed with Vodafone. Consequently all of the CWW Shares held in the SPP trust and the THUS SPP trust will be subject to the Scheme. The SPP also provides for the grant of "phantom" cash awards to overseas employees who are entitled to receive cash payments equal to the value of the underlying CWW Shares subject to their phantom awards.

### **CEO Recruitment Award**

On 21 December 2011, CWW granted to Gavin Darby a CEO recruitment award (the "CEO Award") over 4 million CWW Shares under the terms of a Deed of Grant. The CEO Award comprised two elements:

- (i) the "Incentive Award" over 2 million CWW Shares. The Incentive Award was subject to corporate and personal performance conditions which were required to be met before 31 March 2012 and which the Remuneration Committee has determined have been met in full; and
- (ii) the "Matching Award" over a further 2 million CWW Shares. The Matching Award was subject to the condition that Gavin Darby acquired a matching number of CWW Shares before 31 March 2012. Gavin Darby acquired, and now holds, 2 million CWW Shares, therefore this condition has also been satisfied in full.



Under the terms of the Deed of Grant, the CEO Award will vest after the Scheme has been sanctioned at the Scheme Court Hearing. The number of CWW Shares subject to the CEO Award that will be transferred to Gavin Darby on that date will be calculated by reference to the amount of time that has elapsed from 28 November 2011 to the date of the Scheme Court Hearing, as compared to the original three year vesting period, unless the Remuneration Committee in its discretion decides to vary or waive this requirement.

### **Future Incentives**

Vodafone has agreed that employees of the CWW Group will be eligible to participate in the employee incentive plans operated by Vodafone Group on the same basis as comparable employees of Vodafone Group. The terms of such participation will be consistent with the terms on which comparable employees of Vodafone Group participate, subject always to relevant plan rules.

## **17. CWW Convertible Bonds**

Proposals are being made to CWW Convertible Bondholders by way of a separate offer memorandum, which will be available and the terms of the Bond Offer will be communicated to such CWW Convertible Bondholders on the date of this document. Pursuant to the Bond Offer, Vodafone will make the offer to CWW Convertible Bondholders to purchase CWW Convertible Bonds at a purchase price to be determined in accordance with the offer memorandum on a date falling shortly before the settlement date for the Bond Offer, together with an amount equal to accrued interest from and including 30 June 2012 to but excluding such settlement date. It is expected that the Bond Offer will remain open until 5.00 p.m. on 15 June 2012. The Bond Offer will be conditional on the Scheme becoming effective in all respects. Settlement of the Bond Offer will take place on the date on which payments are made to Scheme Shareholders in respect of the Scheme.

The CWW Convertible Bonds remain convertible into CWW Shares in accordance with the terms and conditions of the CWW Convertible Bonds. The conversion price in respect of the CWW Convertible Bonds in effect prior to the Scheme becoming effective in all respects is £1.02 per CWW Share, and, with effect for a limited period commencing on the Effective Date, is expected to be £0.88 per CWW Share.

The Bond Offer will not be made in or into or to any person located or resident in the United States.

## **18. CWW American Depositary Receipts**

As the Offer is not being specifically extended to CWW ADRs representing CWW Shares, CWW ADR holders who wish to participate in the Offer should take steps to present their CWW ADRs to the US Depositary for cancellation in accordance with the terms of the deposit agreement between CWW and the US Depositary, dated 11 February 2011 (the “**Deposit Agreement**”), including as to the payment of the US Depositary’s fees, taxes, government charges and any applicable transfer fees pursuant to the Deposit Agreement. Any underlying CWW Shares received by CWW ADR holders upon such cancellation may then be included in the Scheme following the procedures set out in Part IV of this document. CWW ADR holders who wish to participate in the Offer will need to verify with the US Depositary the time by which any CWW ADR holder should present their CWW ADRs to the US Depositary for cancellation in accordance with the terms of the Deposit Agreement.

If CWW ADR holders do not present their CWW ADRs to the US Depositary in cancellation and the Scheme becomes effective, Vodafone will acquire all remaining CWW Shares underlying the outstanding CWW ADRs through the squeeze-out procedure described below (the “**ADR Squeeze-Out**”).

Pursuant to the ADR Squeeze-Out, as of the Effective Date, the US Depositary will be entitled to receive 38 pence per CWW Share underlying the CWW ADRs. Vodafone will make payment in respect of any CWW Shares underlying any outstanding CWW ADRs to the US Depositary within 14 Business Days after the Effective Date.

After Vodafone makes payment to the US Depositary for the CWW Shares underlying the CWW ADRs, the CWW ADRs will no longer represent the CWW Shares, but rather a right to receive 38 pence per CWW Share previously underlying each CWW ADR in cash payable in US dollars, less the fees, expenses and applicable taxes and other charges provided for under the Deposit Agreement (the “**Net US Dollar Squeeze-Out Proceeds**”). The pounds received by the US Depositary for the CWW Shares underlying the CWW ADRs will be converted to US dollars in accordance with the terms of the Deposit Agreement.



It is anticipated that as soon as practicable after the date that the Net US Dollar Squeeze-Out Proceeds are available to the US Depositary, CWW will provide notice to the US Depositary of the termination of the Deposit Agreement and that the US Depositary will notify holders of CWW ADRs of such termination and the procedures required to be followed in order for such holders to cancel their CWW ADRs and receive the Net US Dollar Squeeze-Out Proceeds to which they may be entitled.

## **19. CWW Group Pension Schemes**

Vodafone and Vodafone Group have entered into arrangements with the trustee of the CWW Plan and with the trustees of the THUS Scheme in relation to the Offer. The arrangements address various matters, including the provision of guarantees to be granted by Vodafone Group, taking effect upon completion of the Scheme, and the funding and security of pension benefits and the manner of operation of certain provisions of the CWW Plan and the THUS Scheme. Vodafone has agreed to make two contributions of £25 million each to the CWW Plan, in addition to those payable under that plan's schedule of contributions to reduce the deficit in the CWW Plan. The Offer will have no effect on the benefits due to employees and former employees under the CWW Plan or the THUS Scheme that have accrued prior to the date of completion of the Offer. However, as part of aligning the terms, conditions and policies of employment of CWW management and employees with those used by Vodafone Group, Vodafone proposes to engage with the trustees of the CWW Plan and the THUS Scheme on the pension benefits to be provided in respect of future service. Vodafone will consult with relevant employees accordingly, if any changes are subsequently proposed.

## **20. Overseas shareholders**

The document has been prepared for the purposes of complying with English law, the Code, the Listing Rules, the Disclosure and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if the document had been prepared in accordance with the laws of jurisdictions outside England.

**Overseas shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.**

## **21. United Kingdom taxation**

Your attention is drawn to Part VII of this document which contains a summary of certain United Kingdom tax consequences of the implementation of the Scheme for CWW Shareholders. The summary set out in Part VII is intended as a guide only and CWW Shareholders who are in any doubt about their taxation position, or who are subject to taxation in any jurisdiction other than the UK, are strongly advised to consult an appropriate professional independent tax adviser.

## **22. Action to be taken**

CWW Shareholders will find enclosed with this document a blue Form of Proxy and a white Form of Proxy. The blue Form of Proxy is to be used in connection with the Court Meeting and the white Form of Proxy is to be used in connection with the General Meeting. Whether or not you plan to attend these Meetings, PLEASE COMPLETE AND SIGN BOTH Forms of Proxy and return them in accordance with the instructions printed thereon to CWW's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible but in any event at least 48 hours prior to the relevant Meeting.

If the blue Form of Proxy is not lodged with CWW's Registrar, Equiniti, in time, it may be handed to CWW's Registrar, Equiniti, or the Chairman of the Court Meeting at the start of the Court Meeting.

However, in the case of the General Meeting, if the white Form of Proxy is not lodged with CWW's Registrar, Equiniti, in time and in accordance with the instructions on that Form of Proxy, it will be invalid.

Alternatively, if you hold your shares in uncertificated form (i.e. in CREST) you may appoint a proxy or proxies using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting services provider, should refer to their CREST sponsor or voting services provider(s), who will be able to take appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**")

must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (under CREST ID number RA19) by no later than 48 hours before the time appointed for holding the relevant Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CWW may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Regulations.

Proxies submitted via CREST for the Court Meeting must be transmitted so as to be received by CWW's Registrar, Equiniti, (under CREST participant ID RA19) not later than 11.00 a.m. on 16 June 2012. Proxies submitted via CREST for the General Meeting must be transmitted so as to be received by CWW's Registrar, Equiniti, (under CREST participant ID RA19) by no later than 11.15 a.m. on 16 June 2012.

Scheme Shareholders and CWW Shareholders may also vote electronically through the website of CWW's Registrar, Equiniti, at [www.shareview.co.uk](http://www.shareview.co.uk). Alternatively, if you are not registered to vote on [www.shareview.co.uk](http://www.shareview.co.uk), you may vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk). CWW Shareholders will be asked to enter the Voting ID, Task ID and the Shareholder Reference Number as provided on their Forms of Proxy and agree to certain terms and conditions.

CWW Shareholders are entitled to appoint a proxy in respect of some or all of their CWW Shares and are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow shareholders to specify the number of CWW Shares in respect of which that proxy is appointed. Shareholders who return a Form of Proxy duly executed but leave this space blank will be taken to have appointed the proxy in respect of all of their CWW Shares.

If you wish to appoint multiple proxies in connection with the Court Meeting and/or the General Meeting you may:

- (a) photocopy the relevant Form(s) of Proxy, fill in each copy in respect of different shares and send the multiple forms together to CWW's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or
- (b) call CWW's Registrar, Equiniti, on the telephone number provided on this page below, who will then issue you with multiple Forms of Proxy.

In each case, please ensure that all of the multiple Forms of Proxy in respect of one registered holding are sent in the same envelope if possible.

**It is particularly important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete and return your Forms of Proxy as soon as possible. The completion and return of a Form of Proxy will not preclude you from attending either the Court Meeting or the General Meeting and voting in person, if you so wish.**

If you have not received all of the relevant documents or have any questions relating to this document, either of the Meetings, the completion and return of the Forms of Proxy or submitting your votes or proxies electronically, please call the CWW's Registrar, Equiniti's helpline on 0871 384 2885 or, if calling from outside the UK, on +44 121 415 0297 between 8.30 a.m. and 5.30 p.m. on any Business Day. Calls to the 0871 384 2885 number are charged at 8 pence per minute from a BT landline, excluding VAT. Other network providers' costs may vary. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that helpline operators cannot provide advice on the merits of the Scheme or the Offer nor give any financial, legal, investment or tax advice.

## **23. Further information**

The terms of the Scheme are set out in full in Part IV of this document. Your attention is also drawn to the further information contained in this document which forms part of this Explanatory Statement.

## **PART III**

### **CONDITIONS OF THE SCHEME**

#### **Part A: Conditions of the Scheme**

The Offer is conditional upon the Scheme becoming unconditional and effective by not later than 30 November 2012 or such later date (if any) as Vodafone and CWW may agree and the Panel and the Court may allow.

- 1 The Scheme will be subject to the following conditions:
  - (a) its approval by a majority in number representing 75 per cent. or more in value of the Scheme Shareholders who are on the register of members of CWW at the Voting Record Time, and who are present and vote, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof), and such Court Meeting (and any adjournment thereof) being held on or before 10 July 2012 (or such later date as may be agreed by Vodafone and CWW);
  - (b) the Special Resolution required to approve and implement the Scheme and approve the related Reduction of Capital being duly passed by CWW Shareholders representing 75 per cent. or more of votes cast at the General Meeting (or any adjournment thereof), and such General Meeting (and any adjournment thereof) being held on or before 10 July 2012 (or such later date as may be agreed by Vodafone and CWW);
  - (c) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to CWW and Vodafone) and confirmation of the Reduction of Capital by the Court and (a) the delivery of copies of the Court Order and the requisite Statement of Capital attached thereto to the Registrar of Companies and (b) if so ordered in order to take effect, the registration of the Court Order effecting the Reduction of Capital and such Statement of Capital by the Registrar of Companies;
- 2 In addition, subject as stated in Part B below and to the requirements of the Panel, the Offer will be conditional upon the following Conditions and, accordingly, the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived prior to the Scheme being sanctioned by the Court in accordance with Condition 1(c) above:

#### **European Commission clearance**

- (a) insofar as the Offer falls within the scope of Council Regulation (EC) 139/2004:
  - (i) the European Commission taking a decision, on terms reasonably satisfactory to Vodafone, that it will not initiate proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004 in relation to the Offer or any matter arising from or relating to the Offer; and
  - (ii) if the European Commission makes a referral under Article 9(1) of Council Regulation (EC) 139/2004 to the competent authorities of the UK; it being established on terms reasonably satisfactory to Vodafone that neither the Offer nor any matter arising from or relating to the Offer will be referred to the Competition Commission;

#### **Notifications, waiting periods and authorisations**

- (b) all material notifications, filings or applications which are necessary or considered appropriate or desirable by Vodafone in respect of the Offer having been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case necessary or considered appropriate or desirable by Vodafone in respect of the Offer and all Authorisations deemed reasonably necessary or appropriate by Vodafone in any jurisdiction for or in respect of the Offer or control or management of, CWW having been obtained in terms and in a form reasonably satisfactory to Vodafone from all appropriate Third Parties and all such Authorisations as are necessary, appropriate or desirable to carry on the business of any member of the Wider CWW Group in any jurisdiction having been obtained from all appropriate Third Parties or (without prejudice to the generality of the foregoing) any person

or bodies with whom any member of the Wider CWW Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

### **General antitrust and regulatory**

- (c) no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would be likely to:
- (i) require, prevent or materially delay the divestiture or materially prejudice the terms envisaged for such divestiture by any member of the Wider Vodafone Group or by any member of the Wider CWW Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent in any such case which is material in the context of the Wider CWW Group taken as a whole, or, as the case may be, the Wider Vodafone Group taken as a whole;
  - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Vodafone Group or the Wider CWW Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider CWW Group or any asset owned by any Third Party (other than in the implementation of the Offer);
  - (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Vodafone Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other equity securities in CWW or on the ability of any member of the Wider CWW Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other equity securities in, or to exercise voting or management control over, any member of the Wider CWW Group to an extent which is material in the context of the Wider CWW Group taken as a whole;
  - (iv) otherwise adversely affect any or all of the business, assets, profits or prospects of any member of the Wider CWW Group or any member of the Wider Vodafone Group to an extent which is material in the context of the Wider CWW Group taken as a whole, or, as the case may be, the Wider Vodafone Group taken as a whole;
  - (v) result in any member of the Wider CWW Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vi) make the Offer void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain, or delay or otherwise interfere with the implementation of the Offer to an extent which is material in the context of the Wider CWW Group taken as a whole;
  - (vii) require, prevent or materially delay a divestiture by any member of the Wider Vodafone Group of any shares or other equity securities in any member of the Wider CWW Group or any member of the Wider Vodafone Group to an extent which is material in the context of the Wider CWW Group taken as a whole, or, as the case may be, the Wider Vodafone Group taken as a whole; or
  - (viii) impose any material limitation on the ability of any member of the Wider Vodafone Group or any member of the Wider CWW Group to conduct or integrate all or any part of its business with all or any part of the business of any other member of the Wider Vodafone Group and/or the Wider CWW Group to an extent which is material in the context of the Wider CWW Group taken as a whole, or, as the case may be, the Wider Vodafone Group taken as a whole,
- and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

- (d) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider CWW Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Offer or because of a change in the control of any member of the Wider CWW Group to an extent which is material in the context of the Wider CWW Group taken as a whole, would result in:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider CWW Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider CWW Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider CWW Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iv) any liability of any member of the Wider CWW Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
  - (v) the rights, liabilities, obligations, interests or business of any member of the Wider CWW Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider CWW Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
  - (vi) any member of the Wider CWW Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vii) the value of, or the financial or trading position or prospects of, any member of the Wider CWW Group being prejudiced or adversely affected; or
  - (viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider CWW Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider CWW Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or would be likely to result in any of the events or circumstances as are referred to in Conditions (d)(i) to (viii) in each case to an extent which is material in the context of the Wider CWW Group taken as a whole;

**CWW Shareholder resolution**

- (e) except as Disclosed, no resolution of CWW Shareholders in relation to any acquisition or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings (or in relation to any merger, demerger, reconstruction, amalgamation or scheme) being passed at a meeting of CWW Shareholders;

**Certain events occurring since 31 March 2011**

- (f) except as Disclosed, no member of the Wider CWW Group having since 31 March 2011 in each case to an extent which is material in the context of the Wider CWW Group taken as a whole:
- (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares,



securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of CWW Shares out of treasury (except, where relevant, as between CWW and wholly owned subsidiaries of CWW or between the wholly owned subsidiaries of CWW and except for the issue or transfer out of treasury of CWW Shares on the exercise of options or vesting of awards in the ordinary course under the CWW Share Plans);

- (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of CWW to CWW or any of its wholly-owned subsidiaries;
- (iii) other than pursuant to the Offer (and except for transactions between CWW and its wholly owned subsidiaries or between the wholly owned subsidiaries of CWW and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings;
- (iv) except for transactions between CWW and its wholly owned subsidiaries or between the wholly owned subsidiaries of CWW or in the ordinary course of business disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;
- (v) except for transactions between CWW and its wholly owned subsidiaries or between the wholly owned subsidiaries of CWW issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business which is of a long term, unusual or onerous nature or magnitude or which involves an obligation which is of a long term, unusual or onerous nature or magnitude;
- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service contract, commitment or arrangement with any director or, senior executive of any member of the Wider CWW Group;
- (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider CWW Group;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) except in the ordinary course of business, waived, compromised or settled any claim;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider CWW Group and any other person in a manner which would have an adverse effect on the financial position of the Wider CWW Group taken as a whole;
- (xii) except as disclosed on publicly available registers made any material alteration to its memorandum or articles of association or other incorporation documents;
- (xiii) except as in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors, employees or their dependants or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;



- (xv) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvi) except for transactions between CWW and its wholly owned subsidiaries or between the wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities; or
- (xviii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (f);

**No adverse change, litigation, regulatory enquiry or similar**

- (g) except as Disclosed, since 31 March 2011 there having been, in each case to an extent which is material in the context of the Wider CWW Group taken as a whole:
  - (i) no adverse change and no circumstance having arisen which would or might be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider CWW Group;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider CWW Group or to which any member of the Wider CWW Group is or may become a party (whether as claimant, defendant or otherwise);
  - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider CWW Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider CWW Group;
  - (iv) no contingent or other liability having arisen or become apparent to Vodafone or increased other than in the ordinary course of business which would be likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider CWW Group; and
  - (v) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider CWW Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would be likely to have an adverse effect;

**No discovery of certain matters regarding information, liabilities and environmental issues**

- (h) except as Disclosed, Vodafone not having discovered, in each case to an extent which is material in the context of the Wider CWW Group taken as a whole:
  - (i) that any financial, business or other information concerning the Wider CWW Group publicly announced prior to the date of the 2.7 Announcement or disclosed at any time to any member of Vodafone Group by or on behalf of any member of the Wider CWW Group prior to the date of the 2.7 Announcement either contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not materially misleading;
  - (ii) that any member of the Wider CWW Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise;
  - (iii) that any past or present member of the Wider CWW Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the

environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider CWW Group;

- (iv) that there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider CWW Group;
- (v) that there is or is likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider CWW Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or
- (vi) that circumstances exist (whether as a result of the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider CWW Group would be likely to be required to institute), an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider CWW Group (or on its behalf) or by any person for which a member of the Wider CWW Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest.

#### **Part B: Certain further terms of the Offer**

Subject to the requirements of the Panel, Vodafone reserves the right to waive:

- (i) any of the Conditions set out in the above Condition 1 for the timing of the Court Meeting and the General Meeting. If any such deadline is not met, Vodafone will make an announcement as soon as practicable and in any event by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with CWW to extend the deadline in relation to the relevant Condition;
- (ii) in whole or in part, all or any of the above Conditions 2(a) to (h) (inclusive).

If Vodafone is required by the Panel to make an offer for CWW Shares under the provisions of Rule 9 of the Code, Vodafone may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.

Save with the consent of the Panel, the Scheme will not proceed if the European Commission either initiates proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004 or makes a referral to a competent authority of the United Kingdom under Article 9(1) of Council Regulation (EC) 139/2004 and there is then a reference to the UK Competition Commission or there is a reference to the UK Competition Commission before the date of the Court Meeting. In such event neither Vodafone, CWW nor any CWW Shareholder will be bound by any term of the Scheme.

Vodafone shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 2(a) to (h) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

The Offer price is offered on the basis that CWW Shareholders will not receive any further dividends. If a dividend were to be declared, the Offer price would be adjusted downwards on an equivalent basis.

Vodafone reserves the right to elect, with the consent of the Panel, to implement the Offer by way of a contractual takeover offer as it may determine in its absolute discretion. In such event, the acquisition will be implemented on substantially the same terms subject to appropriate amendments, including (without

limitation) an acceptance condition set at 90 per cent. (or such less percentage, being more than 50 per cent., as Vodafone may decide) of the shares to which such offer relates, so far as applicable, as those which would apply to the Scheme (the “**General Offer Acceptance Condition**”).

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

Under Rule 13.5(a) of the City Code, Vodafone may not invoke a condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Vodafone in the context of the Offer. The conditions contained in paragraphs 1 and 2(a) of Part A and, if applicable, the General Offer Acceptance Condition set out in Part B, are not subject to this provision of the City Code.

The Offer is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this document. The Offer will be subject to applicable requirements of the City Code, the Panel, the London Stock Exchange and the UKLA.

**PART IV**

**Scheme of Arrangement**

**IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT**

**No: 3945 of 2012**

**IN THE MATTER OF CABLE & WIRELESS WORLDWIDE PLC**

**and**

**IN THE MATTER OF THE COMPANIES ACT 2006**

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**SCHEME OF ARRANGEMENT**

(under Part 26 of the Companies Act 2006)

**between**

**CABLE & WIRELESS WORLDWIDE PLC**

**and**

**THE HOLDERS OF SCHEME SHARES**

(as hereinafter defined)

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(A) In the Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

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|---|---|
| <b>“Business Day”</b>                           | any day (not being a Saturday, Sunday or public holiday in England or Wales) on which banks are open for general banking business in the City of London   |
| <b>“certificated” or “in certificated form”</b> | in relation to a share or other security, a share or other security which is not in uncertificated form (i.e. not in CREST)   |
| <b>“Companies Act”</b>                          | the UK Companies Act 2006 as amended from time to time  |
| <b>“Court”</b>                                  | Her Majesty’s High Court of Justice of England and Wales  |
| <b>“Court Meeting”</b>                          | the meeting of the holders of Scheme Shares convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, approve this Scheme (including any adjournment thereof)                  |
| <b>“Court Order”</b>                            | the order of the Court sanctioning the Scheme under Part 26 of the Companies Act and confirming the Reduction of Capital under section 648 of the Companies Act   |
| <b>“CREST”</b>                                  | a relevant system (as defined in the Regulations) for the paperless settlement of trades in securities and the holding of uncertificated securities in respect of which Euroclear is the Operator (as defined in the Regulations) |

|  |   |
|--|---|
| <b>“CWW”</b>                               | Cable & Wireless Worldwide plc, a company incorporated in England and Wales (with registered number 07029206) with its registered office at Waterside House, Longshot Lane, Bracknell, Berkshire, RG12 1XL  |
| <b>“CWW Shares”</b>                        | ordinary shares of 5 pence each in the capital of CWW   |
| <b>“Effective Date”</b>                    | date on which the Scheme becomes effective, in accordance with Clause 5   |
| <b>“Encumbrances”</b>                      | all mortgages, pledges, liens, charges, options, encumbrances, equitable rights, rights of pre-emption, assignments, hypothecations or any other third party rights of any nature whatsoever  |
| <b>“Euroclear”</b>                         | Euroclear UK & Ireland Limited  |
| <b>“holder”</b>                            | a registered holder of shares and includes any person(s) entitled by transmission   |
| <b>“New CWW Shares”</b>                    | the new ordinary shares of 5 pence each in the capital of CWW to be issued and credited as fully paid pursuant to the Scheme  |
| <b>“Panel”</b>                             | the Panel on Takeovers and Mergers  |
| <b>“Reduction of Capital”</b>              | the reduction of CWW’s share capital by the cancellation of the Scheme Shares under section 641 of the Companies Act  |
| <b>“Registrar of Companies”</b>            | the Registrar of Companies in England and Wales   |
| <b>“Regulations”</b>                       | the Uncertificated Securities Regulations 2001 (S.I. No. 2001/3755)   |
| <b>“Scheme” or “Scheme of Arrangement”</b> | this scheme of arrangement proposed in its present form or with or subject to any modification, addition or condition agreed by CWW and Vodafone and, if required, approved or imposed by the Court   |
| <b>“Scheme Hearing Date”</b>               | the date of the hearing by the Court to sanction the Scheme and confirm the Reduction of Capital  |
| <b>“Scheme Record Time”</b>                | 6 p.m. on the Business Day immediately preceding the Scheme Hearing Date  |
| <b>“Scheme Shares”</b>                     | <p>the CWW Shares:</p> <p>(a) in issue at the date of the Scheme and which remain in issue until the Scheme Record Time;</p> <p>(b) (if any) issued after the date of the Scheme and prior to the Voting Record Time and which remain in issue until the Scheme Record Time; and</p> <p>(c) (if any) issued on or after the Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holder thereof is or shall have agreed in writing to be bound by the Scheme and, in each case, which remain in issue until the Scheme Record Time</p> <p>excluding, in any case, any CWW Shares held by or on behalf of Vodafone or Vodafone Group</p> |

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|---|--|
| <b>“Statement of Capital”</b>                       | the statement of capital approved by the Court showing the information required by section 649 of the Companies Act with respect of CWW’s share capital as altered by the Reduction of Capital   |
| <b>“UK” or “United Kingdom”</b>                     | the United Kingdom of Great Britain and Northern Ireland   |
| <b>“uncertificated” or “in uncertificated form”</b> | in relation to a share or other security, a share or other security which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST |
| <b>“Vodafone”</b>                                   | Vodafone Europe B.V., a company incorporated in the Netherlands with registered address at Rivium Quadrant 173, 2909 LC Capelle aan den IJssel   |
| <b>“Vodafone Group”</b>                             | Vodafone Group Plc, a company incorporated in England with registered address at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN and, where relevant, its subsidiary undertakings   |
| <b>“Voting Record Time”</b>                         | 6.00 p.m. on 16 June 2012 or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before such adjourned meeting  |

and references to clauses are to clauses of this Scheme and references to time are to London time.

- (B) As at the close of business on 16 May 2012 (the latest practicable date prior to the date of this Scheme), 2,750,357,624 CWW Shares have been issued and are credited as fully paid. CWW has in issue £230,000,000 5.75 per cent convertible bonds due in 2014. The CWW convertible bonds are convertible into CWW Shares.
- (C) As at the date of the Scheme, Vodafone does not own any CWW Shares. It is proposed that Vodafone will acquire one CWW Share prior to the Scheme Hearing Date.
- (D) The purpose of the Scheme is to provide for the cancellation of the Scheme Shares in consideration for the payment of 38 pence in cash for each Scheme Share to the holders of the Scheme Shares.
- (E) Vodafone has agreed to appear by counsel at the hearing to sanction the Scheme and to confirm the Reduction of Capital, to consent to the Scheme and has agreed to be bound by, and to undertake to the Court to be bound by the terms of the Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to the Scheme.

## **The Scheme**

### **1. Cancellation of Scheme Shares**

- 1.1** The share capital of CWW shall be reduced by cancelling and extinguishing the Scheme Shares.
- 1.2** Forthwith and contingently upon the Reduction of Capital taking effect and notwithstanding anything to the contrary in CWW’s articles of association:
  - (a) the issued share capital of CWW shall be increased to its former amount by the issue of such number of New CWW Shares as shall be equal to the number of Scheme Shares cancelled pursuant to clause 1.1 of the Scheme; and
  - (b) CWW shall apply and capitalise the reserve arising in its books of account as a result of the cancellation of the Scheme Shares in paying up, in full at par, the New CWW Shares issued pursuant to clause 1.2(a) of the Scheme which shall be allotted and issued credited free from Encumbrances as fully paid to Vodafone and/or its nominee.



## **2. Consideration for the cancellation of the Scheme Shares**

- 2.1** In consideration for the cancellation of the Scheme Shares and the allotment and issue of the New CWW Shares as provided in clause 1 of the Scheme, Vodafone shall pay to, or for the account of, each holder of Scheme Shares (as appearing in the register of members of CWW at the Scheme Record Time) cash consideration on the following basis:

**38 pence in cash for each Scheme Share held**

## **3. Share certificates and cancellations in CREST**

- 3.1** With effect from the Effective Date, each existing certificate representing a holding of Scheme Shares shall cease to have effect as a document of title in respect of such holding and each holder of Scheme Shares shall be bound to destroy such share certificate.
- 3.2** With effect from the Effective Date, in respect of those holders of Scheme Shares held in uncertificated form, Euroclear shall be instructed to cancel such holders' entitlement to such Scheme Shares.
- 3.3** With effect from the Effective Date, as regards all Scheme Shares, appropriate entries will be made in CWW's register of members to reflect their cancellation with effect from the Effective Date.

## **4. Settlement**

- 4.1** No later than 14 days after the Effective Date (unless the Panel agrees otherwise), settlement of the consideration shall be effected as follows:
- (a) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form in CREST, Vodafone shall procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements (as set out in the CREST Manual) for the sums payable to them respectively in accordance with clause 2, provided that Vodafone reserves the right to make payment of the said sums to all or any Scheme Shareholder by cheque as set out in clause 4.1(b) if, for any reason, it wishes to do so; and
  - (b) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, Vodafone shall procure the despatch of cheques for the cash consideration to which such persons are entitled.
- 4.2** As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course thereafter.
- 4.3** All deliveries of documents and cheques required to be made pursuant to the Scheme shall be effected by posting the same by first class post (or such other method as may be approved by the Panel) to the address appearing in the register of members of CWW at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name appears first in the register of members of CWW in respect of such joint holding). All cheques shall be in sterling and drawn on a branch of a UK clearing bank.
- 4.4** Neither Vodafone nor CWW shall be responsible for any loss or delay in the transmission or delivery of any cheques posted in accordance with clause 4.1, which shall be posted at the risk of the persons entitled thereto.
- 4.5** All cheques shall be made payable to the holder or, in the case of joint holders at Vodafone's option, to the first named of such holders of the Scheme Shares concerned and the encashment of any such cheque or the creation of any assured payment obligation in accordance with clause 4.1(a) shall be a complete discharge of the obligations of Vodafone, to pay the moneys represented thereby.
- 4.6** The provision of this clause 4 shall be subject to any condition or prohibition imposed by law.

## **5. The Effective Date**

- 5.1** The Scheme shall become effective in accordance with its terms as soon as a copy of the Court Order and a Statement of Capital, approved by the Court, showing the information required by section 649 of the Companies Act with respect to CWW's share capital as altered by the Reduction of Capital shall have been delivered to the Registrar of Companies or, if so ordered by the Court, the Court Order shall have been registered by the Registrar of Companies.

**5.2** Unless this Scheme shall have become effective on or before the close of business on 30 November 2012, or such later date (if any) as CWW and Vodafone may agree and the Court may approve, this Scheme shall never become effective.

**6. Modification**

CWW and Vodafone may jointly consent on behalf of all persons concerned to any modification of or addition to the Scheme or to any condition which the Court may think fit to approve or impose.

**7. Governing Law**

**7.1** This Scheme and any dispute or claim arising out of or in connection with it shall be governed by and construed in accordance with English law. The rules of the City Code on Takeovers and Mergers will, so far as they are appropriate, apply to this Scheme.

**7.2** The courts of England shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Scheme.

Dated 21 May 2012

## PART V

### Financial Information on Vodafone Group

#### Financial information incorporated by reference

The following table sets out financial information in respect of Vodafone Group as required by Rule 24.3 of the Code (and, in particular, Note 1 to this Rule). References in the first column are to Rules 24.3(a)(iii) and (iv). The following information also comprises the interim, half-yearly and yearly preliminary results of Vodafone Group for the periods ended 30 June 2011, 30 September 2011, 31 December 2011 and 31 March 2012. The preliminary results for year ended 31 March 2012 will be published in accordance with LR9.7A on 22 May 2012.

The documents referred to in the table, the contents of which have previously been or will be announced through a Regulatory Information Service, are incorporated into the document by reference pursuant to Rule 24.15 of the Code.

| <b>Code Reference</b> | <b>Financial information</b>  | <b>Reference</b>   |
|-----------------------|---|--|
| 24.3(a)(iii)          | Audited consolidated accounts for the last two financial years        | <p><a href="http://www.vodafone.com/content/index/investors/reports/annual_report">http://www.vodafone.com/content/index/investors/reports/annual_report</a></p> <p>Click “Download the report” under the heading Annual Report – 31 March 2010</p> <p>The audited consolidated accounts of Vodafone Group for the year ended 31 March 2010 are set out in pages 74 to 117 (inclusive) in Vodafone Group’s annual report for the year ended 31 March 2010.</p> <p>Click “Download the report” under the heading Annual Report 31 March 2011</p> <p>The audited consolidated accounts of Vodafone Group for the year ended 31 March 2011 are set out in pages 80 to 124 (inclusive) in Vodafone Group’s annual report for the year ended 31 March 2011.</p> |
| 24.3(a)(iv)           | Interim management statement for the quarter ended 30 June 2011       | <p><a href="http://www.vodafone.com/content/index/investors/reports/financial_results">http://www.vodafone.com/content/index/investors/reports/financial_results</a></p> <p>The interim management statement for the quarter ended 30 June 2011 is available from Vodafone Group’s website (at the website referred to above) by clicking on the ‘pdf’ link entitled “IMS – Quarter to 30 June 2011”.</p>  |
| 24.3(a)(iv)           | Half-year financial report for the six months ended 30 September 2011 | <p><a href="http://www.vodafone.com/content/index/investors/reports/financial_results">http://www.vodafone.com/content/index/investors/reports/financial_results</a></p> <p>The half-year financial report for the six months ended 30 September 2011 is available from Vodafone Group’s website (at the website referred to above) by clicking on the ‘pdf’ link entitled “Half-year Financial Report – six months to 30 September 2011”.</p>   |
| 24.3(a)(iv)           | Interim management statement for the quarter ended 31 December 2011   | <p><a href="http://www.vodafone.com/content/index/investors/reports/financial_results">http://www.vodafone.com/content/index/investors/reports/financial_results</a></p> <p>The interim management statement for the quarter ended 31 December 2011 is available from Vodafone Group’s website (at the website referred to above) by clicking on the ‘pdf’ link entitled “IMS – Quarter to 31 December 2011”.</p>  |
| 24.3(a)(iv)           | Preliminary results for the year ended 31 March 2012                  | <p><a href="http://www.vodafone.com/content/index/investors/reports/financial_results">http://www.vodafone.com/content/index/investors/reports/financial_results</a></p> <p>The preliminary results for the year ended 31 March 2012 will be available from 22 May 2012 from Vodafone Group’s website (at the website referred to above) by clicking on the ‘pdf’ link entitled “Preliminary Results – Year ended 31 March 2012”.</p>  |

To obtain a hard copy of any of the information listed above as having been incorporated by reference into this document, contact CWW's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or by telephoning 0871 384 2885 (for UK callers) and +44 121 415 0297 (for overseas callers). You will not receive a hard copy of this information unless you so request.

Calls to the 0871 384 2885 number are charged at 8 pence per minute from a BT landline, excluding VAT. Other network providers' costs may vary. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Opening hours are between 8.30 a.m. and 5.30 p.m. on any Business Day. Please note that helpline operators cannot provide advice on the merits of the Scheme or the Offer nor give any tax, financial, investment or legal advice.

## PART VI

### Financial Information on the CWW Group

The following table sets out financial information in respect of CWW as required by Rule 24.3 of the Code. References in the first column are to Rules 24.3(a)(iii) and (iv), as required to be set out in accordance with Rule 24.3(e). The following information also comprises the interim and yearly preliminary results of CWW for the periods ended 30 September 2011 and 31 March 2012. The preliminary results for year ended 31 March 2012 were published in accordance with LR 9.7A on 21 May 2012.

The documents referred to in the table, the contents of which have been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Code.

#### Financial information incorporated by reference

| <b>Code Reference</b> | <b>Financial information</b>                                   | <b>Reference</b>   |
|-----------------------|--|--|
| 24.3(a)(iii)          | Audited consolidated accounts for the last two financial years | <p><a href="http://www.cw.com/investors/investor-information/annual-reports/">http://www.cw.com/investors/investor-information/annual-reports/</a></p> <p>Click on the link “Annual Report” under the heading “Previous Reports 2010”.</p> <p>The audited consolidated accounts of CWW for the year ended 31 March 2010 are set out on pages 58 to 113 (both inclusive) in CWW’s annual report for the year ended 31 March 2010.</p> <p>Click on the link “Full Annual Report” under the heading “2011 Report”.</p> <p>The audited consolidated accounts of CWW for the year ended 31 March 2011 are set out on pages 60 to 102 (inclusive) in CWW’s annual report for the year ended 31 March 2011.</p> |
| 24.3(a)(iv)           | Interim management statement dated 28 June 2011                | <p><a href="http://www.cw.com/news-and-views/press-releases/2011/interim-management-statement-june-2011/">http://www.cw.com/news-and-views/press-releases/2011/interim-management-statement-june-2011/</a></p> <p>Click “View Document” at the end of the above website page to view the interim management statement dated 28 June 2011.</p>  |
| 24.3(a)(iv)           | Interim results dated 15 November 2011                         | <p><a href="http://www.cw.com/investors/investor-information/results-2/">http://www.cw.com/investors/investor-information/results-2/</a></p> <p>Under the heading “Previous Results”, click “View” next to the headings “2011/2012” and “Interim”.</p> <p>The half-year financial report for the six months ended 30 September 2011 is set out on pages 15 to 23 (inclusive).</p>  |
| 24.3(a)(iv)           | Interim management statement dated 16 February 2012            | <p><a href="http://www.cw.com/investors/investor-information/results-2/">http://www.cw.com/investors/investor-information/results-2/</a></p> <p>Under the heading “Results” and the sub-heading “Interim Management Statement”, click the pdf link entitled “Interim Management Statement Press Release” to view the interim management statement for the quarter ended 31 December 2011.</p>  |
| 24.3(a)(iv)           | Preliminary results for the year ended 31 March 2012           | <p><a href="http://www.cw.com/investors/investor-information/results-2/">http://www.cw.com/investors/investor-information/results-2/</a></p> <p>Click the link under the heading “Preliminary Results 2011/2012”.</p>  |

To obtain a hard copy of any of the information listed above as having been incorporated by reference into this document, contact CWW’s Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or by telephoning 0871 384 2885 (for UK callers) and +44 121 415 0297 (for overseas callers). You will not receive a hard copy of this information unless you so request.

Calls to the 0871 384 2885 number are charged at 8 pence per minute from a BT landline, excluding VAT. Other network providers’ costs may vary. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Opening hours are between 8.30 a.m. and 5.30 p.m. on any Business Day. Please note that helpline operators cannot provide advice on the merits of the Scheme or the Offer nor give any tax, financial, investment or legal advice.

## PART VII

### United Kingdom Taxation

The statements set out below summarise the United Kingdom tax treatment of the Scheme. They are based on current law and our understanding of current HM Revenue and Customs practice as at the date of this document.

The statements are intended as a general guide and apply only to Scheme Shareholders who are resident or (for individuals) ordinarily resident for tax purposes in the United Kingdom, who hold those shares as an investment (and not as securities to be realised in the course of a trade) and who are the absolute beneficial owners of those shares. The position may be different for holders who have acquired or acquire their Scheme Shares under the CWW Share Plans. Scheme Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisors immediately.

#### *UK taxation of chargeable gains*

The receipt by Scheme Shareholders of cash under the Scheme should, generally, be treated as the proceeds of a disposal of their Scheme Shares which may, depending on a Scheme Shareholder's particular circumstances (including the availability to them of exemptions, reliefs or allowable losses), give rise to a liability to UK tax on chargeable gains.

##### *(a) Non-Corporate Scheme Shareholders*

The receipt of cash under the Scheme by a non-corporate Scheme Shareholder may, depending on the circumstances, and subject to any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax. Capital gains tax is currently charged at the rate of 18 per cent. (for basic rate individual taxpayers) and 28 per cent. (for higher and additional rate individual taxpayers, trustees and personal representatives) on the disposal of Scheme Shares. The capital gains tax annual exemption (which is £10,600 for individuals for the tax year 2012 to 2013) will be available to offset any chargeable gain (to the extent that it has not already been utilised). No indexation allowance or taper relief will be available to non-corporate Scheme Shareholders.

##### *(b) Corporate Scheme Shareholders*

Where a Scheme Shareholder is within the charge to UK corporation tax, a disposal of Scheme Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the Scheme Shareholder's circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to the corporate Scheme Shareholder in question. Indexation allowance should be available up to the date of disposal to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the disposal of Scheme Shares by such Scheme Shareholder.

##### *(c) Territorial Scope*

The tax treatment of non-UK resident Scheme Shareholders may differ from that described in the preceding paragraphs. In particular:

Scheme Shareholders who are not resident or, in the case of individuals, ordinarily resident in the UK for tax purposes will not generally be subject to UK tax on any gain accruing to them as a consequence of the disposal of their Scheme Shares, unless in the case of:

(i) a non-UK resident individual (or other non-corporate), (a) at the time of a disposal of those Scheme Shares, that Scheme Shareholder carries on a trade in the UK through a branch or agency and, at or before the time when any capital gain accrues, the Scheme Shares have been used in, or for the purposes of that trade or have been used, held or acquired for the purposes of that branch or agency or (b) the individual falls within the anti-avoidance rules applying to temporary non-residents; or

(ii) a non-UK resident corporate, at the time of a disposal of those Scheme Shares, that corporate Scheme Shareholder carries on a trade in the UK through a permanent establishment and, at or before the time when any chargeable gain accrues, the Scheme Shares have been used in or for the purposes of that trade or have been used, held or acquired for the purposes of that permanent establishment.



Such Scheme Shares may be subject to foreign taxation on any gain arising on disposal, subject to the terms of any applicable double taxation treaty.

Persons who are not resident (or ordinarily resident, in the case of individuals) in the UK should consult their own tax advisers concerning their tax liabilities (in the UK and any other country).

**Stamp duty and stamp duty reserve tax**

No stamp duty or stamp duty reserve tax should be payable by Scheme Shareholders on the cancellation of those shares.

## PART VIII

### Additional Information

#### 1. Responsibility

- (a) The CWW Directors, whose names are set out in paragraph 2(a) below, accept responsibility for the information contained in this document, other than information relating to Vodafone Group, the Vodafone Directors, the Vodafone Group Directors, members of their immediate families and related trusts. To the best of the knowledge and belief of the CWW Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Vodafone Directors, whose names are set out in paragraph 2(c) below, accept responsibility for the information contained in this document relating to Vodafone Group, the Vodafone Directors, members of their immediate families and related trusts. To the best of the knowledge and belief of the Vodafone Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (c) The Vodafone Group Directors, whose names are set out in paragraph 2(e) below, accept responsibility for the information contained in this document relating to Vodafone Group, the Vodafone Directors, the Vodafone Group Directors, members of their immediate families and related trusts. To the best of the knowledge and belief of the Vodafone Group Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors and registered offices

- (a) The CWW Directors and their respective positions are:

| <i>Name</i>         | <i>Position</i>                    |
|---------------------|------------------------------------|
| <i>John Barton</i>  | <i>Chairman</i>                    |
| <i>Gavin Darby</i>  | <i>Chief Executive Officer</i>     |
| <i>Ian Gibson</i>   | <i>Chief Financial Officer</i>     |
| <i>Penny Hughes</i> | <i>Senior Independent Director</i> |
| <i>Clive Butler</i> | <i>Non-executive Director</i>      |
| <i>David Lowden</i> | <i>Non-executive Director</i>      |

- (b) The business address of each of the CWW Directors is that of CWW's registered address.

The registered office of CWW is Waterside House, Longshot Lane, Bracknell, Berkshire, RG12 1XL.

- (c) The Vodafone Directors and their respective positions are:

| <i>Name</i>                          | <i>Position</i> |
|--------------------------------------|-----------------|
| <i>Marinus Minderhoud</i>            | <i>Director</i> |
| <i>Erik Antonius Jacobus de Rijk</i> | <i>Director</i> |
| <i>Paul George Stephenson</i>        | <i>Director</i> |
| <i>Henri Frederik Lantsheer</i>      | <i>Director</i> |
| <i>Taco Thijs van der Mast</i>       | <i>Director</i> |
| <i>John Connors</i>                  | <i>Director</i> |

- (d) Vodafone is a private limited company incorporated under the laws of the Netherlands.

The registered office of Vodafone is at Rivium Quadrant 173, 2909 LC Capelle aan den IJssel.

(e) The Vodafone Group Directors and their respective positions are:

| <i>Name</i>               | <i>Position</i>                       |
|---------------------------|---------------------------------------|
| <i>Gerard Kleisterlee</i> | <i>Chairman</i>                       |
| <i>John Buchanan</i>      | <i>Deputy Chairman</i>                |
| <i>Vittorio Colao</i>     | <i>Chief Executive</i>                |
| <i>Andy Halford</i>       | <i>Chief Financial Officer</i>        |
| <i>Michel Combes</i>      | <i>CEO Europe Region</i>              |
| <i>Stephen Pusey</i>      | <i>Group Chief Technology Officer</i> |
| <i>Alan Jebson</i>        | <i>Non-executive Director</i>         |
| <i>Samuel Jonah</i>       | <i>Non-executive Director</i>         |
| <i>Nick Land</i>          | <i>Non-executive Director</i>         |
| <i>Anne Lauvergeon</i>    | <i>Non-executive Director</i>         |
| <i>Luc Vandeveld</i>      | <i>Non-executive Director</i>         |
| <i>Anthony Watson</i>     | <i>Non-executive Director</i>         |
| <i>Philip Yea</i>         | <i>Non-executive Director</i>         |
| <i>Renee James</i>        | <i>Non-executive Director</i>         |

(f) Vodafone Group is a public limited company incorporated under the laws of England and Wales.

The registered office of Vodafone Group is at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN.

### **3. Market quotations**

The following table sets out the closing middle market quotations for CWW Shares as derived from the Daily Official List for the first Business Day in each of the six months immediately prior to the date of this document, for 10 February 2012 (being the last Business Day prior to the commencement of the Offer Period) and for 16 May 2012 (being the latest practicable date prior to the publication of this document):

| <i>Date</i>      | <i>CWW Share price (pence)</i> |
|------------------|--------------------------------|
| 1 November 2011  | 26.25                          |
| 1 December 2011  | 16.40                          |
| 3 January 2012   | 18.45                          |
| 1 February 2012  | 20.83                          |
| 10 February 2012 | 19.75                          |
| 1 March 2012     | 31.98                          |
| 2 April 2012     | 33.79                          |
| 1 May 2012       | 35.00                          |
| 16 May 2012      | 33.90                          |

### **4. Interests and dealings in shares and persons acting in concert**

#### *(a) Definitions and references*

For the purposes of this Part VIII:

- (i) “acting in concert” with Vodafone (or CWW) means any such person acting or deemed to be acting in concert with Vodafone (or CWW as the case may be) for the purposes of the Code;
- (ii) “arrangement” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing, details of which are set out in paragraph 4(e) below;
- (iii) “dealing” or “dealt” includes the following:
  - (aa) the acquisition or disposal of securities;
  - (bb) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option, (including a traded option contract) in respect of any securities;

- (cc) subscribing or agreeing to subscribe for securities;
- (dd) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
- (ee) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
- (ff) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
- (gg) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (iv) “derivative” includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (v) “disclosure period” means the period commencing on 13 February 2011 (being the date twelve months prior to the commencement of the Offer Period) and ending on 16 May 2012 (being the latest practicable date prior to the publication of this document);
- (vi) “interested” in securities includes if a person:
  - (aa) owns them;
  - (bb) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - (cc) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery; or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
  - (dd) is party to any derivative whose value is determined by reference to their price; and which results, or may result, in his having a long position in them; or
  - (ee) has long economic exposure, whether absolute or conditional to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities);
- (vii) “relevant securities” includes:
  - (aa) CWW Shares and any other securities of CWW conferring voting rights;
  - (bb) equity share capital of CWW or, as the case may be, Vodafone or Vodafone Group; and
  - (cc) any securities convertible into, or rights to subscribe for the securities of CWW or, as the case may be, Vodafone or Vodafone Group, described in paragraphs (aa) and (bb) above;
- (viii) ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and “control” means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give *de facto* control.

(b) *Interests and Dealings in CWW Shares*

- (i) As at the close of business on 16 May 2012 (being the latest practicable date prior to the publication of this document), the CWW Directors, their close relatives and related trusts in relevant securities of CWW were interested in or had a right to subscribe for the following securities of CWW:

| <i>Name</i>         | <i>Number of CWW Shares</i> |
|---------------------|-----------------------------|
| <i>John Barton</i>  | <i>400,000<sup>1</sup></i>  |
| <i>Gavin Darby</i>  | <i>2,000,000</i>            |
| <i>Clive Butler</i> | <i>57,000<sup>2</sup></i>   |
| <i>Penny Hughes</i> | <i>30,000</i>               |
| <i>Ian Gibson</i>   | <i>90,701<sup>3</sup></i>   |
| <i>David Lowden</i> | <i>6,500<sup>4</sup></i>    |
| <i>TOTAL</i>        | <i>2,584,201</i>            |

Notes:

1. The beneficial owner of 200,000 of these CWW Shares is Mrs Anne Marie Barton.
2. The joint beneficial owner of these CWW Shares is Mrs Helena Butler.
3. The beneficial owner of 75,415 of these CWW Shares is Mrs Belinda Gibson.
4. The beneficial owner of these CWW Shares is Mrs Michele Lowden.

- (ii) As at the close of business on 16 May 2012 (being the latest practicable date prior to the publication of this document), the following awards over relevant securities of CWW had been granted to the CWW Directors under the CWW Share Plans:

| <i>Name</i>        | <i>Type of award</i>                  | <i>Applicable Plan Rules</i> | <i>Grant Date</i>       | <i>Vest Date</i>        | <i>Performance Conditions Apply?</i> | <i>Performance Conditions</i> | <i>Number of shares Outstanding</i> | <i>Dividend Supplement Shares</i> |
|--------------------|---------------------------------------|------------------------------|-------------------------|-------------------------|--------------------------------------|-------------------------------|-------------------------------------|-----------------------------------|
| <i>Gavin Darby</i> | <i>One-off incentive<sup>1</sup></i>  | <i>One-off</i>               | <i>21 December 2011</i> | <i>28 November 2014</i> | <i>Yes</i>                           | <i>Earnings and cash</i>      | <i>1,000,000</i>                    | <i>0</i>                          |
| <i>Gavin Darby</i> | <i>One-off incentive<sup>1</sup></i>  | <i>One-off</i>               | <i>21 December 2011</i> | <i>28 November 2014</i> | <i>Yes</i>                           | <i>Personal</i>               | <i>1,000,000</i>                    | <i>0</i>                          |
| <i>Gavin Darby</i> | <i>One-off matching<sup>1</sup></i>   | <i>One-off</i>               | <i>21 December 2011</i> | <i>28 November 2014</i> | <i>No</i>                            | <i>na</i>                     | <i>2,000,000</i>                    | <i>0</i>                          |
| <i>Ian Gibson</i>  | <i>Restricted Shares<sup>2</sup></i>  | <i>IP2010</i>                | <i>16 March 2011</i>    | <i>23 November 2012</i> | <i>No</i>                            | <i>na</i>                     | <i>157,115</i>                      | <i>0</i>                          |
| <i>Ian Gibson</i>  | <i>Performance Shares<sup>3</sup></i> | <i>IP2010</i>                | <i>06 August 2010</i>   | <i>05 August 2013</i>   | <i>Yes</i>                           | <i>EPS and TSR</i>            | <i>311,434</i>                      | <i>41270</i>                      |
| <i>Ian Gibson</i>  | <i>Performance Shares<sup>4</sup></i> | <i>IP2011</i>                | <i>12 August 2011</i>   | <i>12 August 2014</i>   | <i>Yes</i>                           | <i>TSR &amp; EPS</i>          | <i>2,655,454</i>                    | <i>130853</i>                     |

Notes:

1. The number of CWW Shares subject to such awards that will be transferred to Mr Darby will be determined on the basis set out in Section 16 of Part II of this document.
2. The Restricted Shares will vest in full after the Scheme has been sanctioned at the Scheme Court Hearing
3. The Performance Shares will lapse in full for nil consideration on the Effective Date.
4. Two-thirds of the Performance Shares will be compulsorily exchanged for replacement share awards over Vodafone Group's share capital.

- (iii) As at the close of business on 16 May 2012 (being the latest practicable date prior to the publication of this document), the following persons acting in concert with CWW were interested in or had rights to subscribe for the following relevant securities of CWW:

| <i>Party</i>                     | <i>Nature of interest</i> | <i>Number of CWW Shares</i> |
|----------------------------------|---------------------------|-----------------------------|
| <i>Deutsche Bank<sup>1</sup></i> | <i>CWW Shares</i>         | <i>5,660,000</i>            |
| <i>Barclays<sup>2</sup></i>      | <i>CWW Shares</i>         | <i>287</i>                  |
| <i>Barclays<sup>3</sup></i>      | <i>CWW Shares</i>         | <i>1,174</i>                |

Notes:

1. The beneficial owner of these shares is Frankfurt Trust Investment Gesellschaft mbH.
2. The beneficial owner of these shares is Barclays Stockbrokers Limited.
3. The beneficial owner of these shares is Barclays Bank plc.

- (iv) As at the close of business on 16 May 2012 (being the latest practicable date prior to the publication of this document), Vodafone, the Vodafone Directors and their close relatives and related trusts were not interested in and did not have a right to subscribe for any relevant securities of CWW.

- (v) As at the close of business on 16 May 2012 (being the latest practicable date prior to the publication of this document), no persons acting in concert with Vodafone were interested in or had a right to subscribe for any relevant securities of CWW.
- (vi) As at the close of business on 16 May 2012 (being the latest practicable date prior to the publication of this document), no persons with arrangements with Vodafone or those acting in concert with Vodafone were interested in or had a right to subscribe for any relevant securities of CWW.
- (vii) The dealings in relevant securities of CWW by Vodafone, Vodafone Directors, their close relatives and related trusts, persons acting in concert with Vodafone and persons with whom Vodafone or persons acting in concert with Vodafone have an arrangement, which have taken place during the disclosure period are as set out in 4(b)(x).

| <i>Date</i>              | <i>Party</i>               | <i>Transaction</i> | <i>Number of<br/>CWW Shares</i> | <i>Price per CWW<br/>Share (p)</i> |
|--------------------------|----------------------------|--------------------|---------------------------------|------------------------------------|
| 13/01/2012 to 12/02/2012 | J.P. Morgan Securities Ltd | Purchase           | 208,800                         | Highest: 20.87<br>Lowest: 16.91    |
| 13/01/2012 to 12/02/2012 | J.P. Morgan Securities Ltd | Sale               | 200,643                         | Highest: 21.74<br>Lowest: 20.58    |
| 13/08/2011 to 12/11/2011 | J.P. Morgan Securities Ltd | Purchase           | 24,118                          | Highest: 34.25<br>Lowest: 34.25    |
| 13/08/2011 to 12/11/2011 | J.P. Morgan Securities Ltd | Sale               | 591,785                         | Highest: 38.0<br>Lowest: 31.94     |
| 13/05/2011 to 12/08/2011 | J.P. Morgan Securities Ltd | Purchase           | 1,391,969                       | Highest: 51.13<br>Lowest: 36.39    |
| 13/05/2011 to 12/08/2011 | J.P. Morgan Securities Ltd | Sale               | 1,112,634                       | Highest: 53.85<br>Lowest: 44.89    |
| 13/02/2011 to 12/05/2011 | J.P. Morgan Securities Ltd | Purchase           | 733,371                         | Highest: 70.41<br>Lowest: 46.88    |
| 13/02/2011 to 12/05/2011 | J.P. Morgan Securities Ltd | Sale               | 394,460                         | Highest: 75.72<br>Lowest: 49.66    |
| 13/01/2012 to 12/02/2012 | UBS Securities LLC         | Purchase           | 1,677,807                       | Highest: 23.90<br>Lowest: 16.86    |
| 13/01/2012 to 12/02/2012 | UBS Securities LLC         | Sale               | 1,201,607                       | Highest: 23.12<br>Lowest: 16.85    |
| 13/12/2011 to 12/01/2012 | UBS Securities LLC         | Purchase           | 1,434,380                       | Highest: 18.55<br>Lowest: 15.25    |
| 13/12/2011 to 12/01/2012 | UBS Securities LLC         | Sale               | 468,080                         | Highest: 18.68<br>Lowest: 15.22    |
| 13/11/2011 to 12/12/2011 | UBS Securities LLC         | Purchase           | 2,109,535                       | Highest: 30.57<br>Lowest: 13.06    |
| 13/11/2011 to 12/12/2011 | UBS Securities LLC         | Sale               | 2,084,635                       | Highest: 29.77<br>Lowest: 13.50    |
| 13/08/2011 to 12/11/2011 | UBS Securities LLC         | Purchase           | 1,354,980                       | Highest: 38.73<br>Lowest: 26.31    |
| 13/08/2011 to 12/11/2011 | UBS Securities LLC         | Sale               | 1,840,780                       | Highest: 37.20<br>Lowest: 26.04    |
| 13/05/2011 to 12/08/2011 | UBS Securities LLC         | Purchase           | 1,793,500                       | Highest: 53.90<br>Lowest: 32.03    |
| 13/05/2011 to 12/08/2011 | UBS Securities LLC         | Sale               | 2,631,500                       | Highest: 55.45<br>Lowest: 31.66    |
| 13/02/2011 to 12/05/2011 | UBS Securities LLC         | Purchase           | 1,353,900                       | Highest: 76.40<br>Lowest: 46.60    |
| 13/02/2011 to 12/05/2011 | UBS Securities LLC         | Sale               | 1,279,000                       | Highest: 78.00<br>Lowest: 46.53    |



- (viii) Save as disclosed in this paragraph 4(b), no CWW Director, nor their close relatives or related trusts is interested in or has a right to subscribe for any relevant securities of CWW nor has any such person dealt therein in the period commencing on 13 February 2012 (being the date of commencement of the Offer Period) and 16 May 2012 (being the latest practicable date prior to the publication of this document).
- (ix) Save as disclosed in this paragraph 4(b), no persons acting in concert with CWW and no person with whom CWW or a person acting in concert with CWW has an arrangement, is interested in or has a right to subscribe for any relevant securities of CWW nor has any such person dealt therein in the period commencing on 13 February 2012 (being the date of commencement of the Offer Period) and 16 May 2012 (being the latest practicable date prior to the publication of this document).
- (x) Save as disclosed in this paragraph 4(b), neither Vodafone, nor any Vodafone Director, nor their close relatives or related trusts, nor any person acting in concert with Vodafone, nor any person with whom Vodafone or any person acting in concert with Vodafone had an agreement, was interested in or had a right to subscribe for any relevant securities of CWW on 16 May 2012 (being the latest practicable date prior to the publication of this document) nor has any such person dealt for value in relevant securities of CWW during the disclosure period.
- (xi) Neither Vodafone nor any person acting in concert with Vodafone, nor CWW, nor any person acting in concert with CWW has borrowed or lent any relevant securities of CWW (save for any borrowed CWW Shares which have been either on-lent or sold).

*(c) Interests and dealings in Vodafone Group Shares*

- (i) At the close of business on 16 May 2012 (being the last practicable date prior to the publication of this document), CWW, the CWW Directors, their close relatives and related trusts were interested in or had rights to subscribe for the following relevant securities of Vodafone Group:

| <i>Party</i>        | <i>Number of Vodafone Group Shares</i> |
|---------------------|--|
| <i>Gavin Darby</i>  | <i>1,602,102<sup>1</sup></i>           |
| <i>David Lowden</i> | <i>5,000<sup>2</sup></i>               |

Notes:

- The beneficial owner of these shares is Mrs Philippa Darby. Gavin Darby formally declared his interest in these Vodafone Group Shares to the CWW Board shortly after joining CWW.
- The beneficial owner is Mrs Michele Lowden.

- (ii) The following dealings in relevant securities of Vodafone Group by CWW, the CWW Directors and their close relatives and related trusts were effected between 13 February 2012 and 16 May 2012 (being the latest practicable date prior to the publication of this document):

| <i>Party</i>       | <i>Date</i>         | <i>Transaction</i> | <i>Number of Vodafone Group Shares</i> | <i>Price per Vodafone Group Share (£)</i> |
|--------------------|---------------------|--------------------|--|---|
| <i>Gavin Darby</i> | <i>5 April 2012</i> | <i>Sale</i>        | <i>27,500<sup>1</sup></i>              | <i>1.717575</i>                           |

Notes:

- The beneficial owner of these shares was Mrs Philippa Darby.

- (iii) Save as disclosed in this paragraph 4(c), neither CWW, nor any CWW Director, nor their close relatives and related trusts is interested in or has any rights to subscribe for any relevant securities of Vodafone Group nor has any such person dealt therein in the period commencing on 13 February 2012 (being the date of commencement of the Offer Period) and 16 May 2012 (being the latest practicable date prior to the publication of this document).

(d) *Irrevocable undertakings and letters of intent*

- (i) Irrevocable undertakings in favour of Vodafone to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting have been received by Vodafone from the CWW Directors in respect of the following holdings of CWW Shares:

| <i>Name</i>         | <i>Number of CWW Shares</i> | <i>% of CWW Shares in Issue</i> |
|---------------------|-----------------------------|---------------------------------|
| <i>John Barton</i>  | <i>400,000<sup>1</sup></i>  | <i>0.0145%</i>                  |
| <i>Gavin Darby</i>  | <i>2,000,000</i>            | <i>0.0727%</i>                  |
| <i>Clive Butler</i> | <i>57,000<sup>2</sup></i>   | <i>0.0021%</i>                  |
| <i>Penny Hughes</i> | <i>30,000</i>               | <i>0.0011%</i>                  |
| <i>Ian Gibson</i>   | <i>90,701<sup>3</sup></i>   | <i>0.0033%</i>                  |
| <i>David Lowden</i> | <i>6,500<sup>4</sup></i>    | <i>0.0002%</i>                  |
| <i>TOTAL</i>        | <i>2,584,201</i>            | <i>0.0940%</i>                  |

Notes:

1. The beneficial owner of 200,000 of these CWW Shares is Mrs Anne Marie Barton.
2. The joint beneficial owner of these CWW Shares is Mrs Helena Butler.
3. The beneficial owner of 75,415 of these CWW Shares is Mrs Belinda Gibson.
4. The beneficial owner of these CWW Shares is Mrs Michele Lowden.

The undertakings listed above will remain binding if a higher competing offer for CWW is made. The undertakings will cease to be binding if (i) the Scheme does not become effective or lapses in accordance with its terms, or (ii) the Scheme is withdrawn or any competing offer is made which is declared wholly unconditional or otherwise becomes effective.

- (ii) Irrevocable undertakings in favour of Vodafone to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting have been received by Vodafone from the following persons (other than CWW Directors) in respect of the following holdings of CWW Shares:

| <i>Name</i>                             | <i>Number of CWW Shares</i> | <i>% of CWW Shares in issue</i> |
|---|-----------------------------|---------------------------------|
| <i>RBC Global Asset Management Inc.</i> | <i>165,167,171</i>          | <i>6.0053%</i>                  |
| <i>Sky Investment Counsel Inc.</i>      | <i>12,281,461</i>           | <i>0.4465%</i>                  |
| <i>Cyrte Investments GP I B.V.</i>      | <i>107,083,460</i>          | <i>3.8934%</i>                  |
| <i>TOTAL</i>                            | <i>284,532,092</i>          | <i>10.3453%</i>                 |

The undertakings provided by RBC Global Asset Management Inc. and Sky Investment Counsel Inc. listed above will cease to be binding if (i) the Offer does not become effective, lapses or is withdrawn without having become wholly unconditional or the Scheme becoming effective (as the case may be), (ii) the Scheme (or contractual offer) is withdrawn or any competing offer is made which, in the opinion of RBC Global Asset Management Inc. or Sky Investment Counsel Inc., is more favourable than the Offer, or (iii) if a competing offer at a price per share exceeding at least 5 per cent. over the price per share available under the Offer is made or announced in accordance with Rule 2.7 of the Code.

The undertaking provided by Cyrte Investments GP I B.V. and listed above will cease to be binding if (i) the Offer does not become effective, lapses or is withdrawn without having become wholly unconditional or the Scheme becoming effective (as the case may be), (ii) the Scheme (or contractual offer) is withdrawn or any competing offer is made which is declared wholly unconditional or otherwise becomes effective, or (iii) if a competing offer at a price per share exceeding at least 5 per cent. over the price per share available under the Offer is made or announced in accordance with Rule 2.7 of the Code and a revised offer is not announced by Vodafone.

- (iii) Letters of intent in favour of Vodafone to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting have been received by Vodafone from the following persons in respect of the following holdings of CWW Shares:

| <i>Name</i>                                 | <i>Number of CWW Shares</i> | <i>% of CWW Shares in issue</i> |
|---|-----------------------------|---------------------------------|
| <i>J.P. Morgan Asset Management Limited</i> | <i>122,348,010</i>          | <i>4.4484%</i>                  |
| <i>Investec Asset Management Limited</i>    | <i>101,098,150</i>          | <i>3.6758%</i>                  |
| <i>TOTAL</i>                                | <i>223,446,160</i>          | <i>8.1243%</i>                  |

- (iv) Save as disclosed in this paragraph 4(d), no persons have given any irrevocable or other commitment to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting.

(e) *General*

- (i) Neither CWW nor any person acting in concert with CWW has any arrangement with any person relating to relevant securities of CWW.
- (ii) Neither Vodafone nor any person acting in concert with Vodafone has any arrangement with any person relating to relevant securities of CWW.

(f) *Persons acting in concert*

- (i) The following persons are acting in concert (as defined in paragraph 4(a)(i) above) with Vodafone or Vodafone Group:

| <i>Name</i>                 | <i>Entity Type</i>                      | <i>Registered Office</i>   | <i>Relationship with Vodafone or Vodafone Group</i> |
|-----------------------------|---|--|---|
| <i>Citi</i>                 | <i>Citigroup Global Markets Limited</i> | <i>Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB</i> | <i>Corporate broker</i>                             |
| <i>J.P. Morgan Cazenove</i> | <i>J.P. Morgan Limited</i>              | <i>125 London Wall, London, EC2Y 5AJ</i>                             | <i>Corporate broker</i>                             |
| <i>UBS</i>                  | <i>UBS Limited</i>                      | <i>1 Finsbury Avenue, London EC2M 2PP</i>                            | <i>Financial adviser</i>                            |

- (ii) The following persons are acting in concert (as defined in paragraph 4(a)(i) above) with CWW:

| <i>Name</i>                   | <i>Entity Type</i>   | <i>Registered Office</i>  | <i>Relationship with CWW</i> |
|-------------------------------|--|---|------------------------------|
| <i>Deutsche Bank</i>          | <i>Deutsche Bank AG London Branch</i>  | <i>Deutsche Bank Winchester House, 1 Great Winchester Street, London, EN2N 2DB</i>                        | <i>Corporate broker</i>      |
| <i>Jefferies Hoare Govett</i> | <i>Jefferies Hoare Govett, a division of Jefferies International Limited</i> | <i>Jefferies International Limited, Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ</i>          | <i>Corporate broker</i>      |
| <i>Barclays</i>               | <i>Barclays Bank plc, acting through its investment bank</i>                 | <i>Barclays Bank PLC, 1 Churchill Place, London, E14 5HP</i>  | <i>Financial adviser</i>     |
| <i>Rothschild</i>             | <i>N M Rothschild &amp; Sons Limited</i>                                     | <i>N.M. Rothschild &amp; Sons Limited, New Court, St Swithin's Lane, London, United Kingdom, EC4N 8AL</i> | <i>Financial adviser</i>     |

**5. Material contracts**

- (a) The following contracts have been entered into by Vodafone or Vodafone Group otherwise than in the ordinary course of business since 13 February 2010 (the date two years prior to the commencement of the Offer Period) which are or may be material:

- (i) **2010 Facility Agreement**

Vodafone Group entered into a €4,000,000,000 revolving credit facility dated 1 July 2010 with various lenders (the “**2010 Facility Agreement**”, and the facility granted thereunder, the “**2010 Facility**”).

The 2010 Facility is a revolving loan facility, under which the lenders will make cash advances to Vodafone Group in euro, sterling or U.S. dollars in an aggregate amount at any time of up to €4,000,000,000 (or its equivalent), and is available for five years from the date of the 2010 Facility Agreement.

Advances under the 2010 Facility may be used to support Vodafone Group's continuing commercial paper programmes and for the general corporate purposes of Vodafone Group, including acquisitions.

Advances under the 2010 Facility will bear interest at a rate per annum equal to the aggregate of (i) the applicable margin, (ii) the London inter-bank offered rate (or in the case of euro advances, the European inter-bank offered rate) and (iii) the cost to the lenders of complying with certain regulatory costs which are passed on to borrowers. The applicable margin varies according to the long term credit rating assigned to Vodafone Group, in a range from 0.40 per cent. per annum to 0.70 per cent. per annum. A utilisation fee may also be payable on amounts drawn under the 2010 Facility, at a rate between 0 per cent. per annum and 0.55 per cent. per annum depending on the total amount drawn. Commitment fees are payable on undrawn amounts of the 2010 Facility, at a rate per annum equal to 35 per cent. of the applicable margin.

If there is a change of control in Vodafone Group (other than certain permitted structural changes), individual lenders may require that their participation in the 2010 Facility be cancelled and prepaid if they are not able to agree terms on which they are willing to continue to participate in the 2010 Facility.

Certain other terms and conditions usual for facilities of this type apply to the 2010 Facility, including conditions precedent, prepayment provisions, representations and warranties, covenants (including a financial covenant to maintain as of certain test times a ratio of net debt to two times adjusted group operating cash flow for the six months ending on the test date of not more than 3.75:1), indemnities and provisions to protect the margin of lenders. The 2010 Facility Agreement also includes customary events of default upon the occurrence of which the lenders may cancel their lending commitments and demand repayment of advances.

#### (ii) 2011 Facility Agreement

Vodafone Group entered into a U.S. dollar 4,015,000,000 revolving credit facility dated 9 March 2011 with various lenders (the "**2011 Facility Agreement**", and the facility granted thereunder, the "**2011 Facility**").

The 2011 Facility is a revolving loan facility, under which the lenders will make cash advances to Vodafone Group in euro, sterling or U.S. dollars in an aggregate amount at any time of up to U.S. dollar 4,015,000,000 (or its equivalent), and is available for six years from the date of the 2011 Facility Agreement (Vodafone Group having exercised an option to extend the facility by one year).

Advances under the 2011 Facility may be used to support Vodafone Group's continuing commercial paper programmes and for the general corporate purposes of Vodafone Group, including acquisitions.

Advances under the 2011 Facility will bear interest at a rate per annum equal to the aggregate of (i) the applicable margin, (ii) the London inter-bank offered rate (or in the case of euro advances, the European inter-bank offered rate) and (iii) the cost to the lenders of complying with certain regulatory costs which are passed on to borrowers. The applicable margin varies according to the long term credit rating assigned to Vodafone Group, in a range from 0.25 per cent. per annum to 0.50 per cent. per annum. A utilisation fee may also be payable on amounts drawn under the 2011 Facility, at a rate between 0.00 per cent. per annum and 0.40 per cent. per annum depending on the total amount drawn. Commitment fees are payable on undrawn amounts of the 2011 Facility, at a rate per annum equal to 35 per cent. of the applicable margin.

If there is a change of control in Vodafone Group (other than certain permitted structural changes), individual lenders may require that their participation in the 2011 Facility be cancelled and prepaid if they are not able to agree terms on which they are willing to continue to participate in the 2011 Facility.

Certain other terms and conditions usual for facilities of this type apply to the 2011 Facility, including conditions precedent, prepayment provisions, representations and warranties, covenants (including a financial covenant to maintain as of certain test times a ratio of net debt to two times adjusted group operating cash flow for the six months ending on the test date of not more than 3.75:1), indemnities and provisions to protect the margin of lenders. The 2011 Facility Agreement also includes customary events of default upon the occurrence of which the lenders may cancel their lending commitments and demand repayment of advances.

#### (iii) Pension Agreements

Vodafone and Vodafone Group have entered into agreements, dated 19 April 2012, with the trustee of the CWW Plan and with the trustees of the THUS Scheme in relation to the Offer. The arrangements address various matters, including the provision of guarantees to be granted by Vodafone Group, taking effect upon completion of the Scheme, the funding and security of pension benefits and the manner of operation of

certain provisions of the CWW Plan and the THUS Scheme. Vodafone has agreed to make two contributions of £25 million each to the CWW Plan, in addition to those payable under that plan's Schedule of contributions, to reduce the deficit in the CWW Plan. The Offer will have no effect on the benefits due to employees and former employees under the CWW Plan or the THUS Scheme that have accrued prior to the date of completion of the Scheme. However, as part of aligning the terms, conditions and policies of employment of CWW management and employees with those used by Vodafone Group, Vodafone Group proposes to engage with the trustees of the CWW Plan and the THUS Scheme on the pension benefits to be provided in respect of future service. Vodafone Group will consult with relevant employees accordingly if any changes are subsequently proposed.

- (b) Save as disclosed above no contracts have been entered into by Vodafone Group or its subsidiaries otherwise than in the ordinary course of business since 13 February 2010 (the date two years prior to the commencement of the Offer Period) which are or may be material.
- (c) The following contracts have been entered into by the CWW Group otherwise than in the ordinary course of business since 13 February 2010 (the date two years prior to the commencement of the Offer Period) and are or may be material:

(i) Credit Facility Agreement

The CWW Group has obtained financing pursuant to the terms of a revolving credit facility agreement dated 24 February 2012 (the "**Credit Facility Agreement**"). The Credit Facility Agreement is entered into between Cable & Wireless UK Holdings Limited as borrower and certain CWW group companies as borrowers or guarantors (together the "**Obligors**"), and various financial institutions listed therein as lenders (the "**Lenders**"), an agent and security agent.

The purpose of the Credit Facility Agreement is stated to be to refinance the prepayment or repayment of the existing credit facility and thereafter for the general corporate purposes of the CWW Group, including financing permitted acquisitions and permitted joint ventures, but excluding the funding or any refinancing of the bond repayment or the purchase of any of the CWW Convertible Bonds.

Pursuant to the Credit Facility Agreement the Lenders agreed to make available to the borrowers £260 million by way of a multicurrency revolving credit facility with an option of an increase of £90 million subject to certain conditions by way of an accordion feature (together the "**Facility**"). The Facility also contemplates that the borrowers may enter into permitted bilateral facilities with the Lenders or other lenders of up to £150 million, subject to certain conditions (the "**Permitted Bilateral Facilities**").

The Facility is guaranteed by certain CWW group companies, including, amongst others, CWW, Cable & Wireless UK Holdings Limited, Cable & Wireless UK, and Cable & Wireless Europe Holdings Limited. The Lenders and the lenders under the Permitted Bilateral Facilities also share pari passu in the security package, which comprises of charges over the shares in each Obligor (other than CWW) and floating charges over the assets of each Obligor, including Scots law floating charges in the case of Cable & Wireless UK and Thus Limited.

The interest payable on borrowings under the Credit Facility Agreement is the aggregate amount of LIBOR plus a specified margin. A commitment fee is payable at 45% of the margin on the Lenders available commitment. A utilisation fee is also payable at a rate depending on the loans outstanding and the amount of the Facility drawn.

The Credit Facility Agreement terminates on 30 June 2015. The Lenders have the right to be prepaid and the facilities cancelled if by 30 June 2014: (i) the CWW Convertible Bonds are not repaid and cancelled in full; (ii) the CWW Group has not certified that it has either generated or raised the cash required to redeem the CWW Convertible Bonds at maturity or entered into a committed financing arrangement (which is subordinated or pari passu to the Facility and with a maturity falling after the termination of the Facility) to do the same; or (iii) the CWW Group has not certified that the maturity of the CWW Convertible Bonds has been extended to a date falling after the final maturity date of the Facility.

In the event of a change of control or a sale of all or the substantial assets of the CWW Group, the Facility is cancelled in full and all outstanding loans shall immediately become due and payable together with any accrued interests. A change of control occurs, where Cable & Wireless UK Holdings Limited ceases to be a wholly owned subsidiary of CWW or any person or persons acting in concert gain direct or indirect control of CWW or Cable & Wireless UK Holdings Limited.

Loans under the Facility are prepayable at par at any time at the Borrower's option plus break costs and accrued interest. The Facility is also mandatorily prepayable on the occurrence of a change of control, illegality of a Lender and using the proceeds of disposals and insurance claims, subject to exceptions.



The Credit Facility Agreement contains a number of representations given by the Obligor in respect of themselves and their subsidiaries, which must be true at the signing date. The Credit Facility Agreement also contains a number of financial covenants that are tested on a semi-annual basis.

The Credit Facility Agreement includes covenants where CWW shall supply to the agent its consolidated audited annual financial statements and the audited annual financial statements of the other Obligor, and half-yearly reports showing the financial performance of the CWW Group companies. Those financial statements need to be accompanied by a compliance certificate, which includes a list of the material subsidiaries of the CWW Group and which, on an annual basis, is separately confirmed by the CWW Group's auditors.

Cable & Wireless UK Holdings Limited and the other Obligor are required to give the agent written notice of a number of other events including material litigation and any default under the Credit Facility Agreement.

The Credit Facility Agreement includes other customary covenants, such as compliance with laws, authorisations, maintenance of existence, payment of taxes, pension compliance and maintenance of insurance. There are also restrictions on the ability of the CWW Group to incur debt, create security, make disposals and make acquisitions, enter into joint ventures, give guarantees, make loans, enter into derivative contracts, make distributions, and change its business.

Acquisitions, joint ventures, disposals and securities may be made or entered into if they are deemed permitted in accordance with the terms of the Credit Facility Agreement, each subject to further conditions.

A breach of any of the terms of the Credit Facility Agreement and the connected documents, failure by the borrowers to make any payment due under the Credit Facility Agreement and the connected documents, insolvency events in respect of the CWW Group, cross-default to other debt and various other customary events constitute events of default under the Facility. The result of such an event of default is that the agent may terminate the commitments under the Facility, and declare the loans then outstanding due and payable.

#### (ii) Convertible Bonds Substitution Deed

CWW, Cable & Wireless Communications plc, BNP Paribas Trust Corporation UK Limited and BNP Paribas Securities Services, Luxembourg Branch, entered into a substitution deed on 26 March 2010 in respect of the CWW Convertible Bonds (the “**Worldwide Substitution Deed**”).

The Worldwide Substitution Deed is supplemental to the trust deed dated 24 November 2009, entered into by Cable and Wireless plc and BNP Paribas Trust Corporation UK Limited, which constituted the obligations of Cable and Wireless plc as the initial issuer and principal debtor of the CWW Convertible Bonds.

On 19 March 2010, Cable and Wireless plc, Cable & Wireless Communications plc and BNP Paribas Trust Corporation UK Limited, entered into a substitution deed, by which Cable and Wireless plc was substituted by Cable & Wireless Communications plc as the principal debtor of the CWW Convertible Bonds.

Under the terms of the Worldwide Substitution Deed, Cable & Wireless Communications plc is substituted by CWW as principal debtor of the CWW Convertible Bonds. CWW agreed to take over and assume all the rights, obligations and liabilities of Cable & Wireless Communications plc in relation to the CWW Convertible Bonds with effect from 26 March 2010.

Under the terms of the Worldwide Substitution Deed, CWW agreed to pay all unpaid interest accrued up to and including to 26 March 2010 and all other moneys payable under or pursuant to the CWW Convertible Bonds. From 26 March 2010, all the terms, provisions and conditions of the CWW Convertible Bonds applied to CWW; and CWW agreed with BNP Paribas Trust Corporation UK Limited that it would duly observe, perform and be bound by all of the covenants, conditions and provisions previously applying to Cable & Wireless Communications plc with respect to the CWW Convertible Bonds.

A summary of the terms and provision of the Worldwide Substitution Deed and the other deeds referred to in this paragraph is set out in the Demerger Circular.

#### (iii) Trade Mark Joint Venture

On 9 February 2010, Cable & Wireless Trade Mark Management Limited (“**Trademark JVCo**”) was incorporated with its shares held 50% by Cable & Wireless Limited (at that time Cable and Wireless plc) and 50% by Cable & Wireless UK Holdings Limited. The sole purpose of Trademark JVCo is to own and licence the use of the trademarks owned by the former Cable & Wireless Group prior to its demerger in February / March 2010.



On 1 March 2010, Cable & Wireless Limited (at that time Cable and Wireless plc), Cable & Wireless UK Holdings Limited and Trademark JVCo entered into a shareholders' agreement to regulate certain aspects of the affairs of Trademark JVCo.

(iv) Trade Mark Licence Agreement

On 1 March 2010 Cable & Wireless Limited (at that time Cable and Wireless plc) and Trademark JVCo entered into a trade mark licence agreement (the "**Licence Agreement**"). The Licence Agreement was subsequently assigned by Cable & Wireless Limited (at that time Cable and Wireless plc) to Cable & Wireless Communications plc by a deed of assignment on 19 March 2010.

The Licence Agreement was amended by an amendment agreement dated 25 March 2010.

On 26 March 2010, Cable & Wireless Communications plc and CWW entered into a deed of assignment under which Cable & Wireless Communications plc assigned to CWW all of its rights in the Cable & Wireless Worldwide Brand, including, amongst others, all the rights in and to the acronym "CWW" and the Cable & Wireless Worldwide trademarks (the "**Trademarks**") under the trade mark licence agreement (the "**Licence Agreement**").

By way of the Licence Agreement, and the subsequent assignment of the rights under the Licence Agreement, Trademark JVCo grants a licence to CWW to use and exploit (including by way of sublicensing) the Trademarks in the Cable & Wireless Worldwide Territory and the acronym "CWW" globally, and also authorised CWW to use and exploit the Trademarks outside the Cable & Wireless Worldwide Territory in relation to its carrier business and for certain incidental uses (e.g. use on the Internet which is targeted to customers in the Cable & Wireless Worldwide Territory or in order to identify Cable & Wireless Worldwide companies incorporated outside the Cable & Wireless Worldwide Territory), and certain grandfathered use on existing materials.

Further, CWW is entitled to use the acronym "CW" on its own as part of domain names held by CWW and as CWW's stock exchange ticker reference.

The licence under the Licence Agreement is (save for certain rights, globally in relation to its carrier business and the acronym "CWC" and certain similar incidental and grandfathered rights, granted to Cable & Wireless Communications and its subsidiaries) exclusive in the Cable & Wireless Worldwide Territory.

CWW is largely unrestricted in its use of the Trademarks within the Cable & Wireless Worldwide Territory and in relation to its carrier business and the "CWW" acronym globally. CWW's use of the Trademarks outside the Cable & Wireless Worldwide Territory in areas other than its carrier business and the acronym "CWW" is severely restricted to subsidiary use in conjunction with another trademark or incidental or certain grandfathered use, and for use in its carrier business.

CWW is responsible, within the Cable & Wireless Worldwide Territory, for prosecuting applications for registration and maintaining existing trademark registrations of the Trademarks and the acronym "CWW" at its own cost. CWW can also call upon Trademark JVCo to file (at CWW's cost) new applications for registration of the Trademarks in jurisdictions within the Cable & Wireless Worldwide Territory, whereupon CWW also assumes responsibility for prosecuting such applications and (once registered) maintaining such registrations at its own cost.

CWW has the first right (at its own cost) to take action against third-party infringers of the Trademarks within the Cable & Wireless Worldwide Territory and in relation to the acronym "CWW" globally, and Trademark JVCo is obliged to provide, at CWW's cost, reasonable assistance to CWW in this regard.

Under the terms of the Licence Agreement, Trademark JVCo may terminate the licence or any sub-licence where CWW or one of its sub-licensees directly or indirectly challenges the validity of any of the Trademarks.

Either party may terminate the Licence Agreement in relation to a country within the Cable & Wireless Worldwide Territory or the Licence Agreement as a whole, if the other party is in material breach of the Licence Agreement and either that breach is incapable of remedy or it has failed to remedy that breach within 90 days of receiving notice and following the prior implementation of an escalation procedure under the Licence Agreement.

CWW may also terminate the agreement in its entirety (but not in part) at any time by giving 120 days written notice.

Acts or omissions of (and therefore breaches by) sub-licensees are deemed to be acts or omissions of CWW. Aside from the specific termination provisions, the Licence Agreement is perpetual and irrevocable.

(v) Pension Agreements

*Pensions Demerger Agreement*

On 19 March 2010, Cable and Wireless plc, Cable & Wireless Worldwide Services Limited, Cable and Wireless Pension Trustee Limited, and Cable & Wireless Worldwide Pension Trustee Limited entered into a pensions demerger agreement (the “**Pensions Agreement**”), on the terms described in the Demerger Circular.

Cable and Wireless Pension Trustee Limited was the sole trustee of the Cable & Wireless Superannuation Fund and Cable & Wireless Worldwide Pension Trustee Limited is the first trustee of the Cable & Wireless Worldwide Retirement Plan (the “**CWW Plan**”).

The purpose of the Pensions Agreement is to set out the full commercial terms and legal principles of the bulk transfer of assets and liabilities to the CWW Plan in respect of current and former employees of the CWW Group and other agreed details regarding the future funding and investment strategy of the Cable & Wireless Superannuation Fund and the CWW Plan.

Pursuant to the terms of the Pensions Agreement, with effect from 26 March 2010, beneficiaries of the CWW Group ceased to accrue further benefits under the Cable & Wireless Superannuation Fund and accrued benefits under the CWW Plan on and from that date.

*Pension Guarantees*

Guarantees have been given in respect of three pension schemes, namely the CWW Plan, the THUS Scheme and the Cable & Wireless Unregistered Pension Plan (the “**CWW Unregistered Pension Plan**”) as follows:

*CWW Plan*

On 19 March 2010, CWW and Cable & Wireless UK entered into a guarantee in favour of Cable & Wireless Worldwide Pension Trustee Limited, under which they have guaranteed the obligations of Cable & Wireless Worldwide Services Limited in respect of the CWW Plan up to the level required to fund the liabilities of the Plan on an insurance buy-out basis.

Also on 19 March 2010, Cable & Wireless UK Holdings Limited and various other CWW Group companies entered into a guarantee in favour of Cable & Wireless Worldwide Pension Trustee Limited on substantially the same terms as those noted above save that the term of the guarantee is contingent on repayment of the facility provided under the Facility Agreement dated 5 December 2008; the obligations of the guarantors under this guarantee are released on and from the date on which that facility is repaid in full.

On 15 March 2011, Cable & Wireless UK entered into a second guarantee in favour of Cable & Wireless Worldwide Pension Trustee Limited. This guarantee is in the Pension Protection Fund’s standard form and guarantees the obligations of Cable & Wireless Worldwide Services Limited in respect of the CWW Plan up to the level of the Plan’s deficit as determined on the PPF’s own calculation basis.

*THUS Scheme*

CWW and Cable & Wireless UK entered into a guarantee on 12 August 2010 in favour of the trustees of the THUS Scheme under which they have guaranteed the obligations of Cable & Wireless UK and Thus Limited in respect of the THUS Scheme up to the level required to fund the liabilities of the Scheme on an insurance buy-out basis.

Also on 12 August 2010, Cable & Wireless UK Holdings Limited and various other CWW Group companies including Thus Limited entered into a guarantee as guarantors in favour of the trustees of the THUS Scheme in respect of the obligations of Cable & Wireless UK and Thus Limited on substantially the same terms as those noted above save that the term of the guarantee is contingent on repayment of the facility provided under the Facility Agreement dated 5 December 2008; the obligations of the guarantors under this guarantee are released on and from the date on which that facility is repaid in full.

On 18 March 2011, Cable & Wireless UK entered into a second guarantee in favour of the trustees of the THUS Scheme. This guarantee is in the Pension Protection Fund’s standard form and guarantees the obligations of Cable & Wireless Worldwide Services Limited in respect of the CWW Plan up to the level of the Plan’s deficit as determined on the PPF’s own calculation basis.

## The CWW Unregistered Pension Plan

On 8 October 2010, CWW and Cable & Wireless UK entered into a guarantee in favour of Cable & Wireless Worldwide Pension Trustee Limited, under which they have guaranteed the obligations of Cable & Wireless Worldwide Services Limited in respect of the CWW Unregistered Pension Plan up to the level required to fund the liabilities of the Plan on an insurance buy-out basis.

### *Contingent Funding Agreement*

Cable & Wireless UK Holdings Limited and Cable & Wireless Worldwide Pension Trustee Limited entered into a contingent funding agreement on 19 March 2010 (the “CFA”) in relation to the CWW Plan.

On 14 November 2011, Cable & Wireless UK Holdings Limited and Cable & Wireless Worldwide Pension Trustee Limited entered into a deed of termination for the CFA (the “**Deed of Termination**”).

Under the terms of the Deed of Termination, the parties agreed that Cable & Wireless UK Holdings Limited would make a contribution of £100,000,000 to the CWW Plan on or before 6 December 2011 (pursuant to a revised Schedule of Contributions), following which the CFA would terminate.

- (d) Save as disclosed above no contracts have been entered into by the CWW Group otherwise than in the ordinary course of business since 13 February 2010 (the date two years prior to the commencement of the Offer Period) which are or may be material.

## **6. Offer related arrangements**

### (a) Confidentiality agreement

Vodafone and CWW entered into a confidentiality agreement dated 12 March 2012 pursuant to which each of Vodafone and CWW have agreed to keep confidential information about the other party and not to disclose it to third parties (other than permitted recipients) unless required by law or regulation. These confidentiality obligations will remain in force until completion of the Offer, or for a period of two years from the date of the confidentiality agreement.

Vodafone and CWW subsequently amended the confidentiality agreement by way of deed of amendment dated 1 May 2012 pursuant to which Vodafone is able to use certain confidential information for the purpose of implementing the Offer and planning, or preparing for the integration of CWW’s business and operations into Vodafone Group and/or its affiliates (as defined in the agreement).

### (b) Bid Conduct Agreement

Under a Bid Conduct Agreement between Vodafone and CWW dated 23 April 2012, CWW has agreed to provide to Vodafone such information and assistance as Vodafone may reasonably require for the purposes of obtaining regulatory clearances (provided that such assistance will not require CWW to maintain its recommendation of the transaction or to adjourn shareholder meetings or court hearings in connection with the Scheme) and CWW and Vodafone have entered into mutual undertakings relating to the conduct of regulatory approvals processes. Vodafone has agreed to take all reasonably necessary steps to implement the Offer and to use all reasonable efforts to satisfy certain regulatory conditions as promptly as reasonably practicable.

If the Offer proceeds by way of a Scheme, Vodafone has undertaken that, immediately before the Scheme Court Hearing it will serve notice on CWW either confirming the satisfaction or waiver of all conditions to the Offer (other than court approval) or confirming its intention to invoke a condition and providing reasonable details of the event which has occurred or the circumstance which has arisen which Vodafone reasonably considers is sufficiently material for the Panel to permit Vodafone to withdraw from the Offer. Vodafone has also reserved the right to switch to an offer, with the consent of the Panel (if required). If Vodafone validly exercises its right to implement the Offer by means of a takeover offer, its ability to invoke the acceptance condition or lapse its takeover offer at any closing date prior to the latest date permitted for its satisfaction (determined in accordance with the Code) will be subject to certain restrictions. Vodafone has agreed to serve a notice on the day the offer becomes or is declared unconditional as to acceptances either confirming the satisfaction or waiver of all conditions to the Offer or confirming its intention to invoke a condition and providing reasonable details of the event which has occurred or the circumstance which has arisen which Vodafone reasonably considers is sufficiently material for the Panel to permit Vodafone to withdraw from the Offer. Vodafone may delay the service of this notice in certain circumstances to allow time for the completion of material regulatory processes.

The Bid Conduct Agreement also sets out certain agreements reached between Vodafone and CWW in relation to the treatment of the CWW Share Plans, as more particularly described in paragraph 16 of Part II of this document.

The Bid Conduct Agreement will terminate if: the CWW Board withdraws its recommendation of the Offer; the Offer is withdrawn or lapses or does not complete before 30 November 2012; or, otherwise, as agreed between CWW and Vodafone.

(c) Proxy Solicitation Agreement

On 21 May 2012, CWW and Vodafone entered into an agreement with DF King (Europe) for the provision by DF King (Europe) to CWW and Vodafone of certain proxy solicitation services and related services in connection with the Offer. Pursuant to the terms of the agreement CWW and Vodafone will each pay 50 per cent. of DF King (Europe)'s fees, part of which are dependent on the achievement of certain targets in relation to shareholder voting at the Court Meeting and the General Meeting. Vodafone and CWW have each severally indemnified DF King (Europe) and its affiliates and connected persons for any losses arising from the engagement save to the extent such losses arise from their breach of contract, negligence, fraud or fraudulent misrepresentation. CWW's indemnity does not apply in relation to losses arising from or attributable to any act or omission of Vodafone and Vodafone's indemnity does not apply in relation to losses arising from or attributable to any act or omission of CWW. CWW may terminate the agreement unilaterally at any time, in which case any outstanding fees will be pro-rated by reference to the term of DF King (Europe)'s engagement.

## 7. Service Contracts and Compensation of the CWW Directors

(a) CWW executive directors' service contracts

The following executive directors of CWW have entered into service contracts with CWW and, save as set out below, no such agreement has been entered into or amended during the six months preceding the date of this document. The following are the details of the service contracts of the CWW executive directors:

| <b>Name</b> | <b>Commencement date<br/>(Date of service contract)</b> | <b>Salary per annum<br/>(£)</b> | <b>Term</b> | <b>Notice period<br/>(company and executive)</b> |
|-------------|---|---------------------------------|-------------|--|
| Gavin Darby | 28 November 2011 (21 December 2011)                     | 600,000                         | Indefinite  | 1 year   |
| Ian Gibson  | 18 September 1995 (26 April 2011)                       | 400,000                         | Indefinite  | 1 year   |

The executive directors' service contracts also contain confidentiality obligations which apply during and after employment.

(b) CWW non-executive directors' letters of appointment

The Chairman of CWW and the non-executive directors of CWW do not have service contracts but are appointed by letters of appointment. Details of the relevant terms of their letters of appointment are set out below.

| <b>Name</b>  | <b>Commencement date<br/>(Date of letter of appointment)</b> | <b>Date of expiry of<br/>current 3 year term</b> | <b>Current fee per<br/>annum (£)</b> | <b>Notice period<br/>(company and non-executive)</b> |
|--------------|--|--|--------------------------------------|--|
| John Barton  | 26 March 2010 (27 June 2011)                                 | 25 March 2013                                    | 200,000 <sup>1</sup>                 | 1 month  |
| Clive Butler | 26 March 2010 (22 January 2010)                              | 25 March 2013                                    | 85,000 <sup>2</sup>                  | 1 month  |
| David Lowden | 21 July 2011 (30 June 2011)                                  | 20 July 2014                                     | 85,000 <sup>3</sup>                  | 1 month  |
| Penny Hughes | 26 March 2010 (22 January 2010)                              | 25 March 2013                                    | 85,000 <sup>4</sup>                  | 1 month  |

Note:

- 1 John Barton's annual fee includes his fee for Chairmanship. He also chairs the Nomination Committee for which he receives no separate fee.
- 2 Clive Butler's annual fee includes a fee of £20,000 for chairing the Remuneration Committee
- 3 David Lowden's annual fee includes a fee of £20,000 for chairing the Audit Committee
- 4 Penny Hughes' annual fee includes a fee of £20,000 for serving as the Senior Independent Director

The non-executive directors' letters of appointment also contain confidentiality obligations during and after employment.

(c) Benefits – CWW executive directors

The executive directors of CWW are entitled to receive the following benefits:

- (i) Gavin Darby's and Ian Gibson's base salaries will be reviewed annually by the Remuneration Committee of CWW with the discretion to increase but not decrease salaries.
- (ii) Gavin Darby and Ian Gibson are both entitled to 25 days' holiday in each calendar year in addition to bank and public holidays.
- (iii) Gavin Darby and Ian Gibson are entitled to the following benefits: a discretionary bonus of up to 100% of their respective base salaries; car benefits/allowance of £10,800 per annum; private medical insurance; personal accident insurance; long-term invalidity insurance; employer pension contributions and death in service benefit at a rate of four times their respective annual base salaries.
- (iv) Gavin Darby and Ian Gibson receive reimbursement for all reasonable business expenses properly incurred and defrayed in the course of their employment. They are also reimbursed the cost of annual subscriptions to two professional institutions.
- (v) Gavin Darby and Ian Gibson benefit from employer pension contributions at the rate of 25% of their annual base salaries respectively but are not required to make any employee pension contributions. At the executive director's request, Cable & Wireless Worldwide Services Limited shall pay a proportion, or all, of these employer contributions into the Life Time Benefits Plan section of the CWW Plan, and the remainder (if any) shall be paid to him monthly as a cash allowance. In addition, Ian Gibson's spouse and dependent children shall remain eligible for benefits under the CWW Plan and the Cable & Wireless Worldwide Unregistered Pension Plan (of which he was a member prior to his appointment to the CWW Board).
- (vi) On termination of Gavin Darby's employment he may be made a payment of 125% of his basic annual salary only (i.e. no other benefits) in lieu of the unexpired part of the notice period less any appropriate tax and other statutory deductions. The payment in lieu of notice may be made as one lump sum or in instalments over what would have been the notice period. If the payment in lieu of notice is made in instalments, Gavin Darby must disclose on request the details of any income he has received or is due to receive in relation to any new employment or engagement during the relevant notice period. His employer reserves the right to reduce the amount of the instalments by the amount equivalent to salary and pension benefits (provided that the salary and pension benefits are in the normal range (as compared to overall remuneration) for the relevant new employment/engagement). If Gavin Darby is dismissed without notice or a payment in lieu of notice he will nonetheless receive an equivalent payment to the payment in lieu of notice on the same terms as above.
- (vii) On termination of Ian Gibson's employment he may be made a payment equivalent to his basic annual salary only (i.e. no other benefits) in lieu of the unexpired part of the notice period less any appropriate tax and other statutory deductions. The payment in lieu of notice may be made as one lump sum or in instalments over what would have been the notice period. If the payment is made in instalments, Ian Gibson will be under a duty to mitigate his losses and a duty to disclose details of his efforts to mitigate his losses and the amount of any income he has received or is due to receive. The instalments may be reduced by the amount of such income.
- (viii) If Gavin Darby's employment is terminated (otherwise than summary dismissal) the CWW Board will consider (acting in good faith) whether or not to make a recommendation to the Remuneration Committee in relation to the making of a payment of any unpaid bonus for the prior completed year and a pro rata bonus for the then current bonus year (from its commencement until the date Gavin Darby's employment terminates) and the exercise of available discretions in Gavin Darby's favour under any incentive payment schemes.
- (ix) Gavin Darby is subject to post-termination obligations from the date of termination of employment. The obligations relating to non-solicitation of customers, non-dealing with customers, non-solicitation of employees, non-employment of employees and non-interference with suppliers last for a period of 12 months from the date of termination of employment. The obligation relating to non-competition lasts for a period of nine months from the date of termination of employment (in each case less any period on garden leave). Ian Gibson is subject to the same post-termination obligations but for a period of 12 months from the date of termination of employment less any period on garden leave.
- (x) Gavin Darby's and Ian Gibson's service contracts do not provide for any commission or profit-sharing arrangements other than the incentives schemes referred to in this document.



- (xi) Both Gavin Darby's and Ian Gibson's service contracts provide that if, within six months following a corporate change Cable & Wireless Worldwide Services Limited repudiates their employment, they may terminate their employment upon giving one month's notice. A corporate change includes a change of control of CWW (including board and/or voting control) as anticipated by this Offer. In that situation, the director shall receive 12 months' salary and a pro-rated bonus (assuming that on a fair exercise of discretion under the rules of the bonus plan he would have been awarded a bonus) up to the date of his removal as a director, paid within 28 days of the expiry of his notice, less legally required deductions. If the director exercises this right at any time after either Cable & Wireless Worldwide Services Limited or the director has given notice in the normal way, only a fraction of the above payment will be payable. The fraction will be calculated by dividing by 12 the period between the end of the one month notice period and the end of the 12 month notice period.

Save as disclosed above, there are no existing or proposed service contracts between any CWW Director and any member of the CWW Group and no such contract has been entered into or amended within the six months preceding the date of this document.

(d) Benefits – CWW non-executive directors

- (i) The non-executive directors of CWW are not entitled to participate in any of CWW's bonus, commission or pension schemes or profit sharing arrangements.
- (ii) Each of the non-executive directors is entitled to reimbursement for all expenses reasonably incurred in the proper performance of their duties. John Barton is also entitled to receive independent professional advice if necessary in the furtherance of his duties.
- (iii) Save as indicated in paragraph 7(b) above and the footnotes thereto, none of the non-executive directors of CWW occupy other positions in CWW for which they receive a proportion of the fees detailed in that paragraph.
- (iv) Each of the non-executive directors of CWW's term of office runs for three years subject to re-election at the forthcoming annual general meetings. They are typically expected to serve two three-year terms, but the CWW Board at their discretion may invite them to serve an additional term.
- (v) In respect of all non-executive directors of CWW, their appointments will also terminate on the non-executive director: (A) vacating office under the articles of association; (B) being removed as a director under any applicable law or (C) not being re-elected at an annual general meeting at which he/she retires and offers himself/herself for re-election.
- (vi) Other than the changes described in paragraphs 7(b) and 7(d) of this Part VIII, there have been no changes to the letters of appointment of any non-executive directors of CWW in the six months before the date of this document.

(e) Directors' and Officers' insurance and indemnities

CWW maintains appropriate directors' and officers' liability insurance for the benefit of each executive and non-executive director of CWW and maintains such cover for any claims that might be lawfully brought against CWW Directors during the policy period (including after they have ceased to be an executive or a non-executive director of CWW, as the case may be).

CWW has entered into an indemnity by way of deed poll in respect of each CWW Director against certain liabilities incurred in certain circumstances in connection with the execution of their duties and to provide funds to them to meet certain expenditure in connection with litigation.

## **8. Financing**

As required by the Code, UBS, financial adviser to Vodafone, has confirmed it is satisfied that Vodafone has the necessary financial resources available to satisfy in full the cash consideration payable under the Scheme. The cash consideration will be funded entirely by Vodafone Group from its own cash resources.

## **9. Ratings and outlooks – Vodafone Group**

The current ratings and outlooks publicly accorded to Vodafone Group are as follows.



Vodafone Group is assigned a long-term rating of A-/A-/A3 with a “Stable Outlook” and a short-term rating of A2/F2/P2 by S&P, Fitch and Moody’s respectively.

There has been no change to any of Vodafone Group’s ratings or outlooks during the Offer Period.

## **10. Ratings and outlooks – CWW Group**

There are no current ratings and outlooks publicly accorded to CWW Group.

## **11. Fees and expenses**

The aggregate fees and expenses which are expected to be incurred by CWW in connection with the Offer are estimated to amount to between £15.63 million and £18.63 million (excluding applicable VAT).

This aggregate number consists of the following categories (all excluding applicable VAT):

- (i) financial advice<sup>1</sup> and corporate broking advice: £12.5 million to £15.5 million;
- (ii) legal advice: £1.83 million;
- (iii) accounting advice £0.25 million;
- (iv) public relations advice: £0.16 million;
- (v) other professional services including receiving agent, registrar, share register analysis and proxy solicitation: £0.68 million<sup>2</sup>; and
- (vi) other costs/expenses including shareholder mailings, virtual dataroom and venue hire/sundry expenses: £0.21 million<sup>2</sup>.

Notes:

- 1. For financial advice: If the Scheme does not become effective and CWW ceases to be in an offer period, fees of £3 million are payable. If the Scheme becomes effective, fees of £10 million to £13 million are expected to become payable, of which £3 million is at the discretion of the CWW Board.
- 2. Amounts included here reflect the amounts incurred up to the latest practicable date prior to the publication of this document and an estimate of expected further costs.

The aggregate fees and expenses which are expected to be incurred by Vodafone in connection with the Offer are estimated to amount to between £11 million and £13.5 million (excluding applicable VAT).

This aggregate number consists of the following categories (all excluding applicable VAT):

- (i) financial and corporate broking advice: between £5 million and £7.5 million<sup>1</sup>;
- (ii) legal advice: approximately £2.2 million<sup>2</sup>;
- (iii) accounting advice: approximately £0.7 million<sup>2</sup>;
- (iv) public relations advice: approximately £0.1 million<sup>2</sup>;
- (v) other professional services including management consulting services: approximately £2.5 million<sup>2</sup>; and
- (vi) other costs/expenses: approximately £0.5 million.

Notes:

- 1. A range is included for these fees as the final amount has not yet been agreed and will be dependent upon the successful completion of the Offer.
- 2. These services are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the latest practicable date prior to the publication of this document and an estimate of the further time required.

## **12. Other information**

- (a) Except as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Vodafone or any party acting in concert with Vodafone and any of the directors, recent directors, shareholders or recent shareholders of CWW which has any connection with, or dependence on, or which is conditional upon the outcome of the Offer.
- (b) There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the CWW Shares to be acquired pursuant to the Offer will be transferred to any person, but Vodafone reserves the right to transfer any such shares to any member of Vodafone Group.

- (c) Save to the extent disclosed in CWW's Preliminary Results, there have been no significant changes in the financial or trading position of CWW Group since the interim results dated 15 November 2011 for the six months ended 30 September 2011.
- (d) Barclays has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- (e) Rothschild has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- (f) UBS has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- (g) Save with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Vodafone may otherwise be, or claim to be, entitled as against such Scheme Shareholder.
- (h) As at 16 May 2012, (being the latest practicable date prior to the publication of this document), CWW held no CWW Shares as Treasury Shares.
- (i) CWW established a sponsored Level I American Depository Receipt programme (the "ADR Programme") in 2011 for investors wishing to hold and trade CWW Shares in the form of ADRs on the "over-the-counter" market in the US. Effective from 15 May 2012, CWW instructed the ADR depository, Deutsche Bank Trust Company Americas, to close the ADR Programme to any deposits of CWW Shares until further notice.
- (j) There has been no material change in the information contained in the 2.7 Announcement.

### **13. Calculations and sources of information**

- (a) The value placed by the Offer on the existing issued share capital of CWW is based on 2,750,357,624 CWW Shares in issue on 16 May 2012, (being the latest practicable date prior to the publication of this document).
- (b) The Closing Prices are taken from the Daily Official List.
- (c) For the purposes of comparison to the Offer price, the average Closing Price of 18.4 pence per CWW Share for the three months ended 10 February 2012 is rounded to one decimal place.
- (d) The financial information relating to Vodafone Group is extracted from the audited consolidated financial statements of Vodafone Group for the year ended 31 March 2011, prepared in accordance with IFRS.
- (e) Unless otherwise stated, the financial information relating to the CWW Group is extracted from the audited consolidated financial statements of the CWW Group for the financial year to 31 March 2011, prepared in accordance with IFRS.
- (f) For the purpose of determining whether the Offer is expected to be accretive to Vodafone Group's earnings per share and free cash flow per share, earnings and free cash flow are calculated before any purchase accounting adjustments that would be required by IFRS 3 as a result of the acquisition.

### **14. Documents available on websites**

Copies of the following documents are available on [www.vodafone.com/investor](http://www.vodafone.com/investor) and/or [www.cw.com/investors/](http://www.cw.com/investors/), subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, until the end of the Offer:

- (i) the memorandum and articles of association of Vodafone;
- (ii) the articles of association of CWW;
- (iii) the audited consolidated accounts of Vodafone Group for the two financial years ended 31 March 2010 and 31 March 2011, the interim management statement dated 30 June 2011, the half year financial report for the period ended 30 September 2011, the interim management statement dated 31 December 2011 and the preliminary results for Vodafone Group for the year ended 31 March 2012;
- (iv) the audited consolidated accounts of CWW for the two financial years ended 31 March 2010 and 31 March 2011, the interim management statement dated 28 June 2011, the interim results dated 15 November 2011, the interim management statement dated 16 February 2012 and CWW's Preliminary Results;

- (v) the material contracts referred to in paragraph 5 above which have been entered into in connection with the Offer;
- (vi) the written consents referred to in paragraph 12 above;
- (vii) copies of irrevocable undertakings and letters of intent referred to in paragraph 4(d) above;
- (viii) the offer-related arrangements, permitted under, or excluded, from Rule 21.2 of the Code, and referred to in paragraph 6 above; and
- (ix) this document and the accompanying Forms of Proxy.

21 May 2012

## PART IX

### Definitions

|   |   |
|---|---|
| <b>“2.7 Announcement”</b>                         | the Announcement released under Rule 2.7 of the Code by Vodafone and CWW on 23 April 2012   |
| <b>“2010 Facility”</b>                            | the facility granted under the 2010 Facility Agreement  |
| <b>“2010 Facility Agreement”</b>                  | a €4,000,000,000 revolving credit facility dated 1 July 2010 entered into by Vodafone Group with various lenders as set out therein   |
| <b>“2011 Facility”</b>                            | the facility granted under the 2011 Facility Agreement  |
| <b>“2011 Facility Agreement”</b>                  | a U.S. dollar 4,015,000,000 revolving credit facility dated 9 March 2011 entered into by Vodafone Group with various lenders as set out therein   |
| <b>“ADR”</b>                                      | American depositary receipts  |
| <b>“ADR Programme”</b>                            | the American depositary receipt programme established by CWW in 2011 and described in paragraph 12(i) of Part VIII of this document   |
| <b>“ADR Squeeze-Out”</b>                          | the squeeze-out procedure by which Vodafone will acquire all remaining CWW Shares underlying the CWW ADRs   |
| <b>“Authorisations”</b>                           | regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals  |
| <b>“BaFin”</b>                                    | means Bundesanstalt für Finanzdienstleistungsaufsicht, the financial regulatory authority for the Federal Republic of Germany   |
| <b>“Barclays”</b>                                 | Barclays Bank plc, acting through its investment bank   |
| <b>“Bid Conduct Agreement”</b>                    | the bid conduct agreement dated 23 April 2012 between Vodafone and CWW  |
| <b>“Bond Offer”</b>                               | the proposals being made to CWW Convertible Bondholders in relation to the CWW Convertible Bonds on the terms set out in the offer memorandum   |
| <b>“Business Day”</b>                             | any day (not being a Saturday, Sunday or public holiday in England or Wales) on which banks are open for general banking business in the City of London   |
| <b>“Cable &amp; Wireless Worldwide Brand”</b>     | the rights of Cable & Wireless Communications plc in goodwill, knowhow, the domain names, other intangibles and any other intellectual property rights owned by or licensed to Cable & Wireless Communications plc as at 26 March 2010 in relation to the business of CWW including without limitation the benefit of the Licence Agreement and the GTS Licence   |
| <b>“Cable &amp; Wireless Worldwide Territory”</b> | <p>the world excluding the following:</p> <p>(i) Panama and all countries within Central and South America, including: Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Venezuela, Colombia, Ecuador, Guyana, Suriname, French Guiana, Brazil, Peru, Bolivia, Paraguay, Argentina, Chile, Uruguay but excluding Mexico; (ii) all countries within the Caribbean including: the Bahamas, Cuba, Dominican Republic, Haiti, US Virgin Islands (St Thomas, St John, St Croix, Water Island), Puerto Rico, Saint Martin, Saba, Saint Eustatius, Redonda, Guadeloupe,</p> |

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|---|---|
|   | <p>Martinique, Isla Aves, Saint-Barthelemy, Aruba, Bonaire, Curacao, Jamaica, Barbados, Cayman Islands, Turks &amp; Caicos Islands, British Virgin Islands (Tortola, Virgin Gorda, Anegada, Jost Van Dyke), Anguilla, Montserrat, St Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Antigua and Barbuda, Dominica, Grenada, Trinidad and Tobago, Bermuda; and (iii) Monaco, the Maldives, Guernsey, Jersey, Isle of Man, Seychelles, Falkland Islands, St Helena, Ascension, Diego Garcia, Afghanistan, Solomon Islands, Fiji, and Vanuatu</p> |
| <b>“certificated” or “in certificated form”</b> | in relation to a share or other security, a share or other security which is not in uncertificated form (i.e. not in CREST)   |
| <b>“CEO Award”</b>                              | the CEO recruitment award granted by CWW to Gavin Darby on 21 December 2011 and described in paragraph 16 of Part II of this document   |
| <b>“Citi”</b>                                   | Citigroup Global Markets Limited  |
| <b>“City Code” or “Code”</b>                    | the City Code on Takeovers and Mergers  |
| <b>“Closing Price”</b>                          | the closing middle market price of a CWW Share on a particular trading day as derived from the Daily Official List  |
| <b>“Companies Act”</b>                          | the UK Companies Act 2006 as amended from time to time  |
| <b>“Competition Commission”</b>                 | the UK statutory body established under the UK Competition Act 1998   |
| <b>“Condition(s)”</b>                           | the condition(s) to the Offer which are set out in Part III of this document  |
| <b>“CFA” or “Contingent Funding Agreement”</b>  | the contingent funding agreement entered into between Cable & Wireless UK Holdings Limited and Cable & Wireless Worldwide Pension Trustee Limited in relation to the CWW Plan   |
| <b>“Court”</b>                                  | Her Majesty’s High Court of Justice of England and Wales  |
| <b>“Court Meeting”</b>                          | the meeting of Scheme Shareholders convened by an order of the Court under Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without amendment), including any adjournment thereof, notice of which is attached at the end of this document   |
| <b>“Court Order”</b>                            | the order of the Court sanctioning the Scheme under Part 26 of the Companies Act and confirming the Reduction of Capital under section 648 of the Companies Act   |
| <b>“Credit Facility Agreement”</b>              | the revolving credit facility agreement entered into between Cable & Wireless UK Holdings Limited as borrower and certain CWW group companies as borrowers or guarantors, and various financial institutions listed therein as lenders, as agent and security agent on 24 February 2012   |
| <b>“CREST”</b>                                  | the relevant system (as defined in the Regulations) for paperless settlement of trades in securities and holding of uncertificated securities in respect of which Euroclear is the Operator (as defined in the Regulations)   |
| <b>“CREST Proxy Instruction”</b>                | a CREST Proxy Instruction as defined in paragraph 22 of Part II of this document  |
| <b>“CREST sponsor”</b>                          | a CREST participant admitted to CREST as a CREST sponsor  |

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| <b>“CREST sponsored member”</b>             | a CREST member admitted to CREST as a sponsored member (which includes all CREST personal members)  |
| <b>“CWW”</b>                                | Cable & Wireless Worldwide plc, a company incorporated in England and Wales (with registered number 07029206) with its registered office at Waterside House, Longshot Lane, Bracknell, Berkshire, RG12 1XL  |
| <b>“CWW Board” or “CWW Directors”</b>       | the directors of CWW  |
| <b>“CWW Employee Consultation Forum”</b>    | a CWW employee consultation forum   |
| <b>“CWW Convertible Bondholders”</b>        | holders of the CWW Convertible Bonds  |
| <b>“CWW Convertible Bonds”</b>              | the £230,000,000 5.75 per cent. convertible bonds due 2014 (ISIN: XS0468712863) issued by CWW   |
| <b>“CWW Group”</b>                          | CWW and its subsidiary undertakings   |
| <b>“CWW Plan”</b>                           | the Cable & Wireless Worldwide Retirement Plan  |
| <b>“CWW’s Preliminary Results”</b>          | the preliminary results of CWW for the year ended 31 March 2012 published on 21 May 2012  |
| <b>“CWW’s Registrar”</b>                    | Equiniti, Aspect House, Spencer Road Lancing, West Sussex BN99 6DA, United Kingdom  |
| <b>“CWW Shareholders” or “Shareholders”</b> | holders of CWW Shares   |
| <b>“CWW Share Plans”</b>                    | the CWW Share Purchase Plan 2010; the THUS Share Purchase Plan 2010; the CWW Incentive Plan 2010; the CWW Incentive Plan 2011; the CWW Restricted Share Plan 2010; and the CEO recruitment award made under a Deed of Grant dated 21 December 2011  |
| <b>“CWW Shares”</b>                         | ordinary shares of nominal value 5 pence each in the capital of CWW   |
| <b>“CWW Unregistered Pension Plan”</b>      | the Cable & Wireless Worldwide Unregistered Pension Plan  |
| <b>“Daily Official List”</b>                | the daily official list of the London Stock Exchange  |
| <b>“Dealing Disclosure”</b>                 | has the same meaning as in Rule 8 of the City Code  |
| <b>“Deed of Termination”</b>                | the deed of termination entered into between Cable & Wireless UK Holdings Limited and Cable & Wireless Worldwide Pension Trustee Limited on 14 November 2011 in relation to the Contingent Funding Agreement  |
| <b>“Demerger Circular”</b>                  | the Cable and Wireless plc circular and explanatory statement relating to recommended proposals for (i) the introduction of a new parent company by means of a scheme of arrangement under Part 26 of the Companies Act 2006; (ii) the separation of the Cable & Wireless Worldwide Group by a Demerger to Cable & Wireless Worldwide; and (iii) amendments to the Continuing Incentive Plans, adoption of the New Incentive Plans and establishment of the Cable & Wireless Worldwide ESOT and Notices of Court Meeting and General Meeting; dated 2 February 2010 |
| <b>“Deposit Agreement”</b>                  | the agreement with the US Depositary in relation to the CWW ADRs  |
| <b>“Deutsche Bank”</b>                      | Deutsche Bank AG London Branch  |



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| <b>“Disclosed”</b>                             | the information disclosed by, or on behalf of CWW, (i) in the annual report and accounts of the CWW Group for the financial year ended 31 March 2011; (ii) in the interim results of the CWW Group for the six month period ended 30 September 2011; (iii) in the interim management statement and interim business review dated 16 February 2012; (iv) in the 2.7 Announcement; (v) in any other announcement to a Regulatory Information Service by, or on behalf of CWW prior to the date of the 2.7 Announcement; or (vi) as otherwise fairly disclosed to Vodafone (or its respective officers, employees, agents or advisers) on or before 5.00 p.m. (London time) on the Business Day prior to the date of the 2.7 Announcement |
| <b>“Disclosure and Transparency Rules”</b>     | the disclosure rules and transparency rules issued by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000  |
| <b>“EBITDA”</b>                                | earnings before interest, taxation, depreciation and amortisation, long term incentive plan credit/charge, net other operating income/expenses, exceptional items and gains/losses on disposal of non-current assets   |
| <b>“Effective Date”</b>                        | the date on which the Scheme becomes effective, which is expected to be on 27 July 2012  |
| <b>“Encumbrances”</b>                          | all mortgages, pledges, liens, charges, options, encumbrances, equitable rights, rights of pre-emption, assignments, hypothecations or any other third party rights of any nature whatsoever   |
| <b>“Enlarged Group”</b>                        | Vodafone and its subsidiary undertakings following the Scheme becoming effective   |
| <b>“Equiniti”</b>                              | Equiniti Limited, being CWW’s registrars, a company incorporated in England and Wales (with registered number 6208699) with its registered office at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA  |
| <b>“Explanatory Statement”</b>                 | the explanatory statement relating to the Scheme, as set out in Part II of this document, which together with the documents incorporated therein constitute the explanatory statement relating to the Scheme as required by Section 897 of the Companies Act   |
| <b>“Exchange Act”</b>                          | the US Securities Exchange Act of 1934, as amended   |
| <b>“Euroclear”</b>                             | Euroclear UK & Ireland Limited   |
| <b>“Facility”</b>                              | the £260 million multicurrency revolving credit facility under the Credit Facility Agreement, subject to an option to increase by way of an accordion feature of up to £90 million   |
| <b>“Forms of Proxy”</b>                        | either or both, as the context requires, of the blue form of proxy for use at the Court Meeting and the white form of proxy for use at the General Meeting which accompany this document   |
| <b>“FSA” or “Financial Services Authority”</b> | the UK Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000  |
| <b>“General Meeting”</b>                       | the general meeting of CWW Shareholders convened to consider and if thought fit approve various matters in connection with the Scheme, including any adjournment thereof, notice of which is set out in Part XI of this document   |

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| <b>“General Offer Acceptance Condition”</b> | the acceptance condition set at 90 per cent. of the shares to which such offer relates in the event that Vodafone elects an implementation of the Offer by way of a takeover offer  |
| <b>“GTS Licence”</b>                        | the royalty bearing trademark licence between Cable and Wireless plc and Cable & Wireless Global Telecommunications Services Limited dated 30 March 2001  |
| <b>“holder”</b>                             | a registered holder of shares and includes any person(s) entitled by transmission   |
| <b>“IFRS”</b>                               | International Financial Reporting Standards as (i) issued by the International Accounting Standards and/or (ii) adopted by the European Union   |
| <b>“Incentive Award”</b>                    | an element of the CEO Award which is subject to corporate and personal performance conditions and is described in paragraph 16 of Part II of this document  |
| <b>“Jefferies Hoare Govett”</b>             | Jefferies Hoare Govett, a division of Jefferies International Limited   |
| <b>“J.P. Morgan Cazenove”</b>               | J.P. Morgan Limited, which conducts its UK investment banking activities as J.P. Morgan Cazenove  |
| <b>“Lenders”</b>                            | the financial institutions that are party to the Credit Facility Agreement  |
| <b>“Licence Agreement”</b>                  | the trade mark licence agreement assigned to CWW on 26 March 2010 and summarised in paragraph 5 of Part VIII of this document   |
| <b>“Listing Rules”</b>                      | the listing rules issued by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000   |
| <b>“London Stock Exchange”</b>              | London Stock Exchange plc   |
| <b>“Matching Award”</b>                     | an element of the CEO Award which is subject to the condition that Gavin Darby acquires a matching number of CWW Shares and is described in paragraph 16 of Part II of this document  |
| <b>“Meetings”</b>                           | the Court Meeting and the General Meeting, or either of them as the context may require   |
| <b>“Net US Dollar Squeeze-out Proceeds”</b> | 38 pence per CWW Share previously underlying each CWW ADR in cash payable in US dollars, less fees and applicable taxes pursuant to the Deposit Agreement   |
| <b>“New CWW Shares”</b>                     | the new ordinary shares of 5 pence each in the capital of CWW to be issued and credited as fully paid pursuant to the Scheme  |
| <b>“New Members”</b>                        | persons other than Vodafone and/or its nominee(s) to whom ordinary shares are issued on or after the Scheme Record Time   |
| <b>“Nominated Person”</b>                   | person nominated by a member under section 146 of the Companies Act to enjoy information rights   |
| <b>“Obligors”</b>                           | CWW Group companies that entered into the Credit Facility Agreement being either borrowers or guarantors  |
| <b>“Offer”</b>                              | the recommended cash offer made by Vodafone to acquire the entire issued and to be issued ordinary share capital of CWW to be effected by means of the Scheme (and, where the context admits, any subsequent revision, variation, extension or renewal thereof) |
| <b>“Offer Period”</b>                       | the offer period (as defined by the Code) relating to CWW, which commenced on 13 February 2012  |

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| <b>“Official List”</b>                     | the official list maintained by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000   |
| <b>“Opening Position Disclosure”</b>       | has the same meaning as in Rule 8 of the City Code  |
| <b>“Overseas Shareholders”</b>             | CWW Shareholders (or nominees of, or custodians or trustees for CWW Shareholders) not resident in, or nationals or citizens of the United Kingdom   |
| <b>“Panel”</b>                             | the Panel on Takeovers and Mergers  |
| <b>“Pensions Agreement”</b>                | the pensions demerger agreement entered into between Cable and Wireless plc, Cable & Wireless Worldwide Services Limited, Cable and Wireless Pension Trustee Limited, and Cable & Wireless Worldwide Pension Trustee Limited on 19 March 2010   |
| <b>“Permitted Bilateral Facilities”</b>    | under the Credit Facility Agreement, permitted bilateral facilities that the Obligor may enter into with the Lenders or other lenders   |
| <b>“Reduction of Capital”</b>              | the reduction of CWW’s share capital by the cancellation of the Scheme Shares under section 641 of the Companies Act  |
| <b>“Registrar of Companies”</b>            | the Registrar of Companies in England and Wales   |
| <b>“Regulations”</b>                       | the Uncertificated Securities Regulations 2001 (S.I. No. 2001/3755)   |
| <b>“Regulatory Information Service”</b>    | any of the services set out in Appendix III to the Listing Rules  |
| <b>“Replacement Awards”</b>                | awards over Vodafone Group’s share capital replacing performance share awards and outstanding restricted share awards held by each individual participating in the CWW Incentive Plan 2011  |
| <b>“Restricted Jurisdiction”</b>           | any jurisdiction where extensions or acceptance of the Offer would violate the law of the jurisdiction  |
| <b>“Rothschild”</b>                        | N M Rothschild & Sons Limited   |
| <b>“Scheme” or “Scheme of Arrangement”</b> | the scheme of arrangement proposed to be made under Part 26 of the Companies Act to effect the Offer between CWW and the Scheme Shareholders as set out in Part IV of this document, with or subject to any modification, addition or condition agreed by CWW and Vodafone and, if required, approved or imposed by the Court           |
| <b>“Scheme Court Hearing”</b>              | the hearing of the Court to sanction the Scheme and confirm the Reduction of Capital  |
| <b>“Scheme Effective Time”</b>             | the time on the Effective Date when the Scheme becomes effective, which is expected to be at 7.30 a.m.  |
| <b>“Scheme Record Time”</b>                | 6.00 p.m. on the Business Day immediately preceding the Scheme Court Hearing  |
| <b>“Scheme Shareholders”</b>               | holders of the Scheme Shares  |
| <b>“Scheme Shares”</b>                     | means the CWW Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this document and which remain in issue until the Scheme Record Time;</li> <li>(ii) (if any) issued after the date of this document and prior to the Voting Record Time and which remain in issue until the Scheme Record Time; and</li> </ul> |

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|   | (iii) (if any) issued on or after the Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holder thereof is or shall have agreed in writing to be bound by the Scheme and, in each case, which remain in issue until the Scheme Record Time |
|   | excluding, in any case, any CWW Shares held by or on behalf of Vodafone and Vodafone Group   |
| <b>“Significant Interest”</b>           | in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking   |
| <b>“Special Resolution”</b>             | the special resolution to be proposed at the General Meeting to effect the Scheme, the Reduction of Capital and the amendments to CWW’s articles of association and set out in the notice of General Meeting set out in Part XI of this document   |
| <b>“SPP”</b>                            | CWW Share Purchase Plan 2010   |
| <b>“Statement of Capital”</b>           | the statement of capital approved by the Court showing the information required by section 649 of the Companies Act with respect of CWW’s share capital as altered by the Reduction of Capital   |
| <b>“Tata”</b>                           | Tata Communications Ltd  |
| <b>“Third Party”</b>                    | each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction                            |
| <b>“THUS Scheme”</b>                    | the THUS Group Plc pension scheme  |
| <b>“THUS SPP”</b>                       | THUS Share Purchase Plan 2010  |
| <b>“Total Commitments”</b>              | the aggregate amount of the commitments of the Lenders under the Credit Facility Agreement, subject to an increase of the Facility in accordance with the terms of the Credit Facility Agreement, being £260 million at the date of the signing of the Credit Facility Agreement   |
| <b>“Trademark JVCo”</b>                 | Cable & Wireless Trade Mark Management Limited   |
| <b>“Trademarks”</b>                     | Cable & Wireless trademarks licensed to CWW as defined in the Licence Agreement, comprising of (i) the words “Cable and Wireless” in any form; (ii) the initials “C&W” and “CandW” in each case; and (iii) the trademarks and applications set out in Schedule 1 Part I of the Licence Agreement; but excluding the acronym CWW                                  |
| <b>“Treasury Shares”</b>                | shares held as treasury shares as defined in Section 724(5) of the Companies Act   |
| <b>“UBS”</b>                            | UBS Limited  |
| <b>“UK Listing Authority” or “UKLA”</b> | the Financial Services Authority as the competent authority under Part VI of the Financial Services and Markets Act 2000   |

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| <b>“uncertificated” or “in uncertificated form”</b> | in relation to a share or other security, a share or other security which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST |
| <b>“United Kingdom” or “UK”</b>                     | the United Kingdom of Great Britain and Northern Ireland   |
| <b>“United States” or “US”</b>                      | the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction  |
| <b>“VAT”</b>  | within the European Union such taxation duty or levy as may be levied in accordance with (but subject to derogation from) the Directive 2006/112/EC and outside the European Union any similar taxation, duty or levy levied by reference to added value or sales                      |
| <b>“Vodafone”</b>                                   | Vodafone Europe B.V., a company incorporated in the Netherlands with registered address at Rivium Quadrant 173, 2909 LC Capelle aan den IJssel   |
| <b>“Vodafone Directors”</b>                         | the directors of Vodafone  |
| <b>“Vodafone Group”</b>                             | Vodafone Group Plc, a company incorporated in England with registered address at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN and, where relevant, its subsidiary undertakings   |
| <b>“Vodafone Group Directors”</b>                   | the directors of Vodafone Group  |
| <b>“Vodafone Group Shares”</b>                      | the ordinary shares of US \$0.11 <sup>3</sup> / <sub>7</sub> each in the share capital of Vodafone Group Plc   |
| <b>“Voting Record Time”</b>                         | 6.00 p.m. on 16 June 2012 or, if the Meeting is adjourned, 6.00 p.m. on the day which is two days before such adjourned Meeting  |
| <b>“Wider CWW Group”</b>                            | CWW and associated undertakings and any other body corporate, partnership, joint venture or person in which CWW and such undertakings (aggregating their interests) have a Significant Interest  |
| <b>“Wider Vodafone Group”</b>                       | Vodafone Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Vodafone Group and all such undertakings (aggregating their interests) have a Significant Interest  |
| <b>“Worldwide Substitution Deed”</b>                | the substitution deed in relation to the CWW Convertible Bonds, entered into between CWW, Cable & Wireless Communications plc, BNP Paribas Trust Corporation UK Limited and BNP Paribas Securities Services, Luxembourg Branch, on 26 March 2010                                       |
| <b>“£” or “sterling” or “pounds”</b>                | pounds sterling, the lawful currency for the time being of the UK and references to “pence” and “p” shall be construed accordingly   |
| <b>“€” or “euros”</b>                               | the lawful currency of the European Monetary Union   |

References to the singular include the plural and vice versa.

## PART X

### Notice of Court Meeting

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT  
REGISTRAR DERRETT

No. 3945 of 2012

### IN THE MATTER OF

CABLE & WIRELESS WORLDWIDE PLC

and

### IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 18 May 2012 made in the above matters, the Court has directed a meeting of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below) (the “Court Meeting”) to be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 dated 21 May 2012 (the “Scheme of Arrangement”) proposed to be made between Cable & Wireless Worldwide plc (the “Company”) and the holders of Scheme Shares (as so defined) and that such meeting will be held at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS on 18 June at 11.00 a.m., at which place and time all holders of Scheme Shares are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to Section 897 of the Companies Act 2006 in relation to the Scheme of Arrangement are incorporated in the document of which this notice forms part.

**Holders of Scheme Shares entitled to attend and vote at the Court Meeting may vote in person at the said Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend, speak and vote in their stead. A blue form of proxy (“Blue Form of Proxy”) for voting at the said Court Meeting is enclosed with this notice.**

Holders of Scheme Shares are entitled to appoint a proxy in respect of some or all of their shares. A holder of Scheme Shares is also entitled to appoint more than one proxy in relation to the Court Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the Blue Form of Proxy to allow holders of Scheme Shares to specify the number of shares in respect of which that proxy is appointed. Holders of the Scheme Shares who return the Blue Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all of their shares.

Holders of Scheme Shares who wish to appoint more than one proxy in respect of their shareholding should contact the Company’s registrars, Equiniti, on the number shown below for further Blue Forms of Proxy or photocopy the Blue Forms of Proxy as required. Such holders should also read the section entitled “Can I appoint more than one proxy?” set out on pages 8 and 9 of the document of which this notice forms part.

Holders of Scheme Shares who hold their shares through CREST may also appoint a proxy or proxies through the CREST electronic proxy appointment service. For further guidance, please refer to the instructions set out in the notes to the Notice of General Meeting contained in this document of which this notice forms part.

As an alternative to completing and returning the printed Blue Form of Proxy, holders of Scheme Shares may appoint a proxy and vote electronically by visiting the Company’s registrar, Equiniti’s website at [www.shareview.co.uk](http://www.shareview.co.uk). If you are not registered to vote on [www.shareview.co.uk](http://www.shareview.co.uk), you may vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk). Holders of Scheme Shares will be asked to enter the Voting ID, Task ID and the Shareholder Reference Number as provided on their proxy card and agree to certain terms and conditions.

If you have not received all of the relevant documents or have any questions relating to this document, the Court Meeting, the completion and return of the Blue Forms of Proxy or appointing a proxy or voting electronically, please call Equiniti on 0871 384 2885 if calling from within the UK or +44 121 415 0297 if calling from outside



the UK. Calls to the 0871 384 2885 number cost 8 pence per minute from a BT landline, excluding VAT. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (except UK public holidays). Other network providers' costs may vary. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or the Offer nor give any financial, legal, investment or tax advice.

**Completion and return of the Blue Form of Proxy, or the appointment of proxies through CREST, will not preclude a holder of Scheme Shares from attending and voting in person at the Court Meeting, or any adjournment thereof.**

**To be valid the Blue Form of Proxy should be completed in accordance with the instructions printed on it and be (i) signed (together with any power of attorney or other authority under which it is signed, or a duly certified copy of such power of attorney or other authority) and lodged with the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or (ii) lodged using the CREST voting service, in any case by no later than 11.00 a.m. on 16 June 2012, or in the case of an adjourned meeting, not less than 48 hours before the time appointed for the said meeting, but if Blue Forms of Proxy are not so lodged or submitted, they may be handed to Equiniti or the Chairman of the Company at the start of the Court Meeting.**

In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

The Court has specified that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 16 June 2012 or, in the event that the Court Meeting is adjourned, at 6.00 p.m. on the date two days before such adjourned meeting, shall be entitled to attend or vote in respect of the number of shares registered in their name at that specified time. Changes to the entries on the register of members after that specified time will be disregarded in determining the right of any person to attend and vote at the Court Meeting, including the number of votes which may be cast thereat.

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may vote by a corporate representative appointed in accordance with the Companies Act 2006.

Voting at the Court Meeting will be conducted on a poll rather than a show of hands.

By the said order, the Court has appointed John Barton and in his absence Penny Hughes or failing her any director to act as chairman of the Court Meeting and has directed the chairman to report the result of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 21 May 2012

Herbert Smith LLP  
Exchange House  
Primrose Street  
London, EC2A 2HS  
*Solicitors for the Company*

The statements of the rights of the holders of Scheme Shares in relation to the appointment of proxies above do not apply to a person nominated by a member under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**"). Such rights can only be exercised by members of the Company. A Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated Persons are reminded that they should contact the registered holder(s) of the shares in respect of which they were nominated (and not the Company) on matters relating to their investment in the Company.

## PART XI

### Notice of General Meeting

#### Cable & Wireless Worldwide plc

*(Registered in England and Wales No.07029206)*

**(the “Company”)**

**NOTICE IS HEREBY GIVEN** that a General Meeting of the Company will be held on 18 June 2012 at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS at 11.15 a.m. (or, if later, as soon thereafter as the meeting of the holders of ordinary shares in the Company convened by the direction of the High Court of Justice in England and Wales (the “Court”) for 11.00 a.m. on the same day and at the same place shall have concluded or been adjourned) to consider and, if thought fit, pass the following as a special resolution:

#### Special Resolution

THAT:

- (A) for the purpose of giving effect to the Scheme of Arrangement dated 21 May 2012 (the “**Scheme**”) proposed to be made between the Company and holders of Scheme Shares (as defined in the Scheme) in its original form in the circular sent to shareholders of the Company dated 21 May 2012 or with or subject to any modification, addition or condition agreed by the Company and Vodafone Europe B.V. (“**Vodafone**”) and approved or imposed by the Court:
- (i) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
  - (ii) the share capital of the Company be reduced by cancelling and extinguishing all the Scheme Shares (as defined in the Scheme);
  - (iii) forthwith and contingent upon such reduction of capital taking effect:
    - (a) the share capital of the Company be increased to its former amount by the issue of such number of new ordinary shares of 5 pence each (“**New CWW Shares**”) as shall be equal to the aggregate number of Scheme Shares so cancelled pursuant to paragraph (ii) above; and
    - (b) the reserve arising in the books of account of the Company as a result of the cancellation of the Scheme Shares be applied in paying up in full at par the New CWW Shares issued pursuant to paragraph (iii)(a) above, which shall be allotted and issued, credited as fully paid, to Vodafone and/or any nominee(s) of it; and
  - (iv) conditionally upon and simultaneously with the Scheme becoming effective, the directors of the Company be and are hereby authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to give effect to this special resolution and accordingly to effect the allotment of the New CWW Shares, provided that (i) this authority shall expire on the fifth anniversary of the date on which it is passed (unless previously revoked, varied or renewed); (ii) the maximum aggregate nominal amount of relevant securities which may be allotted hereunder shall be the aggregate nominal amount of the New CWW Shares issued pursuant to paragraph (iii)(a); and (iii) this authority shall be without prejudice to any other authority under (or deemed to be given under) the said Section 551 previously granted and in force on the date on which this special resolution is passed;

THAT:

- (B) forthwith upon the passing of this special resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 151:

#### “151 Scheme of Arrangement

- (151) (1) In this article 151, references to the “Scheme” are to the scheme of arrangement dated 21 May 2012 under Part 26 of the Companies Act 2006 between the Company and the holders of the Scheme Shares (as defined in the Scheme), as it may be modified or amended in accordance with its terms, and expressions defined in the Scheme or (if not so defined in the Scheme) defined in the circular dated 21 May 2012 circulated with the Scheme containing the explanatory statement required pursuant to Section 897 of the Companies Act, shall have the same meanings where used in this article.

- (2) Notwithstanding any other provision of these articles, if the Company issues any ordinary shares (other than to Vodafone or any person identified by Vodafone as its nominee(s) and/or designated subsidiary) at any time on or after the adoption of this article and prior to the Scheme Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holder or holders of such shares shall be bound by the Scheme accordingly.
- (3) Notwithstanding any other provision of these articles, if, at any time on or after the Scheme Record Time (as defined in the Scheme), any ordinary shares (for the purposes of article 151, “New CWW Shares”) are issued or are to be issued to any person (a “New Member”) other than Vodafone or any person identified by written notice to the Company by Vodafone as its nominee(s), provided that the Scheme has become effective, such New CWW Shares shall be transferred immediately after the time at which the Scheme becomes effective or, if later, upon the issue of the New CWW Shares, free of all encumbrances, to Vodafone (or as Vodafone may direct by notice in writing to the Company) in consideration for, and conditionally upon, the payment to the New Member of the same cash consideration per ordinary share in the capital of the Company as the New Member would have been entitled to receive if the New CWW Shares transferred hereunder had been Scheme Shares and the New Member had been the holder thereof at the Scheme Record Time.
- (4) On any reorganisation of, or material alteration to, the share capital of the Company (including without limitation, any subdivision and/or consolidation), the value of the consideration per ordinary share to be paid under article 151(3) shall be adjusted by the directors of the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration.
- (5) To give effect to any such transfer required by article 151(3), the Company may appoint any person as attorney to execute and deliver a form of transfer on behalf of the New Member in favour of Vodafone (or as directed by Vodafone) and to agree for and on behalf of the New Member to become a member of Vodafone. Pending the registration of Vodafone (or its designated subsidiary and/or nominee(s)) as the holder of any share to be transferred pursuant to this article 151, such attorney shall act in accordance with such directions as Vodafone may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such share shall exercise all rights attaching thereto in accordance with the directions of Vodafone but not otherwise. The attorney shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (or any subsequent holder) in favour of Vodafone (or as directed by Vodafone) and the Company may give a good receipt for the consideration for the New CWW Shares and may register Vodafone (or its designated subsidiary and/or nominees) as holder thereof and issue to it certificates for the same. Vodafone shall send a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price or such New CWW Shares within 14 days of the issue of the New CWW Shares to the New Member. The Company shall not be obliged to issue a certificate to the New Member for the New CWW Shares.
- (6) If the Scheme shall not have become effective by 30 November 2012 (or such later date (if any) as the Company and Vodafone may agree and the Court may approve), this article 151 shall be of no effect.

BY ORDER OF THE BOARD  
Philip Davis  
Company Secretary

Registered office Waterside House, Longshot Lane,  
Bracknell, Berkshire, RG12 1XL Registered in  
England and Wales No. 07029206

21 May 2012

## NOTES TO THE NOTICE OF GENERAL MEETING

1. Voting at the General Meeting will be by poll. Voting by way of poll means that shareholder votes are counted according to the number of shares held. The Chairman will decide how the poll will be taken. In addition, the Chairman of the General Meeting will cast the votes for which he has been appointed as proxy.

In order to satisfy the voting requirements of the Companies Act 2006 at the meeting of the shareholders of the Company convened by the Court (the “**Court Meeting**”), it is necessary for voting at the Court Meeting to be conducted by way of poll. Given the significance of the matters being considered at the General Meeting and in order to best represent the interests of shareholders when voting on the special resolution to be considered at the General Meeting, the usual method of voting by poll as specified in article 66A of the Articles of Association will be adopted.

2. Only those shareholders registered in the register of members of the Company at 6.00 p.m. on 16 June 2012 shall be entitled to attend and vote at this General Meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting. If the General Meeting is adjourned, only shareholders entered on the Company’s register of members at 6.00 p.m. on the date two days before the date fixed for the adjourned General Meeting shall be entitled to attend and vote at the adjourned General Meeting.
3. A member entitled to attend and vote at this General Meeting may appoint one or more person(s) (who need not be members of the Company) to exercise all or any of his rights to attend and vote at the General Meeting. A member can appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. Completion and submission of the white Form of Proxy (as defined in the Scheme) will not preclude the member from attending and voting at the General Meeting or any adjournment thereof. If a member attends the General Meeting in person, the authority of the proxy or proxies will automatically be terminated.
4. A white Form of Proxy is enclosed for use in respect of the special resolution. White Forms of Proxy must be received at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA at least 48 hours before the General Meeting whether in manual format or electronic format.
5. Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company’s registrars, Equiniti, on the number below for further white Forms of Proxy or photocopy the white Form of Proxy as required. Such holders should also read the section entitled “Can I appoint more than one proxy?” set out on pages 8 and 9 of the document of which this notice forms part.
6. If you have not received all of the relevant documents or have any questions relating to this document, the General Meeting or the completion and return of the Forms of Proxy or voting or submitting your proxies electronically, please call Equiniti on 0871 384 2885 if calling from within the UK or +44 121 415 0297 if calling from outside the UK. Calls to the 0871 384 2885 number cost 8 pence per minute from a BT landline, excluding VAT. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (except UK public holidays). Other network providers’ costs may vary. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or the Offer nor give any financial, legal, investment or tax advice.
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (CREST participant ID RA19) by no later than 48 hours before the time appointed for holding the General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

8. For appointing a proxy online or voting online, members may go to Equiniti's website at [www.shareview.co.uk](http://www.shareview.co.uk). Alternatively, if you are not registered to vote on [www.shareview.co.uk](http://www.shareview.co.uk), you may vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk). Holders of Scheme Shares will be asked to enter the Voting ID, Task ID and the Shareholder Reference Number as provided on their proxy card and agree to certain terms and conditions.
9. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "**Nominated Person**"). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the General Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
10. Any or all joint holders of shares may attend the General Meeting, although only one holder may vote in person or by proxy. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members of the Company in respect of the joint holding (the first named being the most senior).
11. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
12. The Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except (i) if to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) if the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
13. The contents of this notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting, details of the totals of the voting rights that members are entitled to exercise at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: [www.cw.com/investors](http://www.cw.com/investors).
14. A member may not use any electronic address provided in this notice of General Meeting or the white Form of Proxy to communicate with the Company for any purposes other than those expressly stated.

