EXECUTE SUCCESS℠

CBOE Research Circular #RS14-103

Date: February 21, 2014

To: Permit Holders
From: Scott Speer
RE: *****UPDATE*****UPDATE*****UPDATE*****
Vodafone Group PLC ("VOD")
Distribution of Shares of
Verizon Communications Inc. ("VZ") and
VOD ADS Consolidation
Ex-Distribution Date: February 24, 2014

An agreement among Verizon Communications Inc. ("VZ") and Vodafone Group plc ("VOD") whereby VZ will purchase from VOD its 45% interest in Verizon Wireless for approximately US$ 130 billion in cash, VZ shares, and other considerations (collectively, the "Transactions") is effective.

Vodafone Group plc (VOD) will distribute VZ shares and cash to VOD shareholders (Return of Value). The VZ distribution ratio is 0.263001 VZ shares per VOD ADS held. The cash distribution rate is USD $4.928005 per VOD ADS. Vodafone has also announced a 6 for 11 ADS consolidation effective after the cash and share distributions on February 24, 2014. As a result of the share consolidation each VOD ADS will be converted into the right to receive 0.545455 (New) Vodafone Group plc (VOD) ADS per existing VOD ADS. It is expected that cash will be paid in lieu of fractional VZ shares in the Return of Value and in lieu of fractional VOD ADS's issued in the Consolidation.

New VOD ADS's issued in respect of the ADS Consolidation are expected to trade on NASDAQ on February 24, 2014. New VOD ADS's will carry no entitlement to the Return of Value.

Contract Adjustment

Pursuant to Article VI, Section 11 and 11A of OCC's By-Laws, on Monday, February 24, 2014 all VOD options outstanding as of Monday, February 24, 2014, shall be adjusted to require the per-contract delivery or receipt of the following: **(A) 54 ADS's of (New) Vodafone Group PLC ("VOD"); plus (B) 26 shares of Verizon Communications Inc. ("VZ") Common Stock; plus (C) cash in lieu of 0.55 fractional ADS of (New) VOD, if any; plus (D) cash in lieu of 0.3001 fractional share of VZ Common Stock, if any; plus (E) $492.80 cash.** The VOD option symbol will change to **VOD1**. Premiums and strike-price amounts for the adjusted VOD1 options will continue to be calculated on the basis of a multiplier of 100, *i.e.,* for premium and strike-price extensions, 1.00 will equal $100. Strike prices will remain the same. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On Monday, February 24, 2014, trading in VOD series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES					ADJUSTED SERIES*			
VOD	32.00	2014-02-28	C/P	=>	VOD1	32.00	2014-02-28	C/P
VOD	32.50	2014-02-28	C/P	=>	VOD1	32.50	2014-02-28	C/P
VOD	33.00	2014-02-28	C/P	=>	VOD1	33.00	2014-02-28	C/P
VOD	33.50	2014-02-28	C/P	=>	VOD1	33.50	2014-02-28	C/P

EXISTING SERIES					ADJUSTED SERIES*			
VOD	34.00	2014-02-28	C/P	=>	VOD1	34.00	2014-02-28	C/P
VOD	34.50	2014-02-28	C/P	=>	VOD1	34.50	2014-02-28	C/P
VOD	35.00	2014-02-28	C/P	=>	VOD1	35.00	2014-02-28	C/P
VOD	35.50	2014-02-28	C/P	=>	VOD1	35.50	2014-02-28	C/P
VOD	36.00	2014-02-28	C/P	=>	VOD1	36.00	2014-02-28	C/P
VOD	36.50	2014-02-28	C/P	=>	VOD1	36.50	2014-02-28	C/P
VOD	37.00	2014-02-28	C/P	=>	VOD1	37.00	2014-02-28	C/P
VOD	37.50	2014-02-28	C/P	=>	VOD1	37.50	2014-02-28	C/P
VOD	38.00	2014-02-28	C/P	=>	VOD1	38.00	2014-02-28	C/P
VOD	38.50	2014-02-28	C/P	=>	VOD1	38.50	2014-02-28	C/P
VOD	39.00	2014-02-28	C/P	=>	VOD1	39.00	2014-02-28	C/P
VOD	39.50	2014-02-28	C/P	=>	VOD1	39.50	2014-02-28	C/P
VOD	40.00	2014-02-28	C/P	=>	VOD1	40.00	2014-02-28	C/P
VOD	40.50	2014-02-28	C/P	=>	VOD1	40.50	2014-02-28	C/P
VOD	41.00	2014-02-28	C/P	=>	VOD1	41.00	2014-02-28	C/P
VOD	41.50	2014-02-28	C/P	=>	VOD1	41.50	2014-02-28	C/P
VOD	42.00	2014-02-28	C/P	=>	VOD1	42.00	2014-02-28	C/P
VOD	42.50	2014-02-28	C/P	=>	VOD1	42.50	2014-02-28	C/P
VOD	43.00	2014-02-28	C/P	=>	VOD1	43.00	2014-02-28	C/P
VOD	43.50	2014-02-28	C/P	=>	VOD1	43.50	2014-02-28	C/P
VOD	44.00	2014-02-28	C/P	=>	VOD1	44.00	2014-02-28	C/P
VOD	28.00	2014-03-22	C/P	=>	VOD1	28.00	2014-03-22	C/P
VOD	29.00	2014-03-22	C/P	=>	VOD1	29.00	2014-03-22	C/P
VOD	30.00	2014-03-22	C/P	=>	VOD1	30.00	2014-03-22	C/P
VOD	31.00	2014-03-22	C/P	=>	VOD1	31.00	2014-03-22	C/P
VOD	32.00	2014-03-22	C/P	=>	VOD1	32.00	2014-03-22	C/P
VOD	33.00	2014-03-22	C/P	=>	VOD1	33.00	2014-03-22	C/P
VOD	34.00	2014-03-22	C/P	=>	VOD1	34.00	2014-03-22	C/P
VOD	35.00	2014-03-22	C/P	=>	VOD1	35.00	2014-03-22	C/P
VOD	36.00	2014-03-22	C/P	=>	VOD1	36.00	2014-03-22	C/P
VOD	37.00	2014-03-22	C/P	=>	VOD1	37.00	2014-03-22	C/P
VOD	38.00	2014-03-22	C/P	=>	VOD1	38.00	2014-03-22	C/P
VOD	39.00	2014-03-22	C/P	=>	VOD1	39.00	2014-03-22	C/P
VOD	40.00	2014-03-22	C/P	=>	VOD1	40.00	2014-03-22	C/P
VOD	41.00	2014-03-22	C/P	=>	VOD1	41.00	2014-03-22	C/P
VOD	42.00	2014-03-22	C/P	=>	VOD1	42.00	2014-03-22	C/P
VOD	43.00	2014-03-22	C/P	=>	VOD1	43.00	2014-03-22	C/P
VOD	44.00	2014-03-22	C/P	=>	VOD1	44.00	2014-03-22	C/P
VOD	45.00	2014-03-22	C/P	=>	VOD1	45.00	2014-03-22	C/P
VOD	46.00	2014-03-22	C/P	=>	VOD1	46.00	2014-03-22	C/P
VOD	47.00	2014-03-22	C/P	=>	VOD1	47.00	2014-03-22	C/P
VOD	48.00	2014-03-22	C/P	=>	VOD1	48.00	2014-03-22	C/P
VOD	19.00	2014-04-19	C/P	=>	VOD1	19.00	2014-04-19	C/P
VOD	20.00	2014-04-19	C/P	=>	VOD1	20.00	2014-04-19	C/P
VOD	21.00	2014-04-19	C/P	=>	VOD1	21.00	2014-04-19	C/P

EXISTING SERIES					ADJUSTED SERIES*			
VOD	22.00	2014-04-19	C/P	=>	VOD1	22.00	2014-04-19	C/P
VOD	23.00	2014-04-19	C/P	=>	VOD1	23.00	2014-04-19	C/P
VOD	24.00	2014-04-19	C/P	=>	VOD1	24.00	2014-04-19	C/P
VOD	25.00	2014-04-19	C/P	=>	VOD1	25.00	2014-04-19	C/P
VOD	26.00	2014-04-19	C/P	=>	VOD1	26.00	2014-04-19	C/P
VOD	27.00	2014-04-19	C/P	=>	VOD1	27.00	2014-04-19	C/P
VOD	28.00	2014-04-19	C/P	=>	VOD1	28.00	2014-04-19	C/P
VOD	29.00	2014-04-19	C/P	=>	VOD1	29.00	2014-04-19	C/P
VOD	30.00	2014-04-19	C/P	=>	VOD1	30.00	2014-04-19	C/P
VOD	31.00	2014-04-19	C/P	=>	VOD1	31.00	2014-04-19	C/P
VOD	32.00	2014-04-19	C/P	=>	VOD1	32.00	2014-04-19	C/P
VOD	33.00	2014-04-19	C/P	=>	VOD1	33.00	2014-04-19	C/P
VOD	34.00	2014-04-19	C/P	=>	VOD1	34.00	2014-04-19	C/P
VOD	35.00	2014-04-19	C/P	=>	VOD1	35.00	2014-04-19	C/P
VOD	36.00	2014-04-19	C/P	=>	VOD1	36.00	2014-04-19	C/P
VOD	37.00	2014-04-19	C/P	=>	VOD1	37.00	2014-04-19	C/P
VOD	38.00	2014-04-19	C/P	=>	VOD1	38.00	2014-04-19	C/P
VOD	39.00	2014-04-19	C/P	=>	VOD1	39.00	2014-04-19	C/P
VOD	40.00	2014-04-19	C/P	=>	VOD1	40.00	2014-04-19	C/P
VOD	41.00	2014-04-19	C/P	=>	VOD1	41.00	2014-04-19	C/P
VOD	42.00	2014-04-19	C/P	=>	VOD1	42.00	2014-04-19	C/P
VOD	43.00	2014-04-19	C/P	=>	VOD1	43.00	2014-04-19	C/P
VOD	44.00	2014-04-19	C/P	=>	VOD1	44.00	2014-04-19	C/P
VOD	45.00	2014-04-19	C/P	=>	VOD1	45.00	2014-04-19	C/P
VOD	46.00	2014-04-19	C/P	=>	VOD1	46.00	2014-04-19	C/P
VOD	47.00	2014-04-19	C/P	=>	VOD1	47.00	2014-04-19	C/P
VOD	48.00	2014-04-19	C/P	=>	VOD1	48.00	2014-04-19	C/P
VOD	49.00	2014-04-19	C/P	=>	VOD1	49.00	2014-04-19	C/P
VOD	19.00	2014-07-19	C/P	=>	VOD1	19.00	2014-07-19	C/P
VOD	20.00	2014-07-19	C/P	=>	VOD1	20.00	2014-07-19	C/P
VOD	21.00	2014-07-19	C/P	=>	VOD1	21.00	2014-07-19	C/P
VOD	23.00	2014-07-19	C/P	=>	VOD1	23.00	2014-07-19	C/P
VOD	24.00	2014-07-19	C/P	=>	VOD1	24.00	2014-07-19	C/P
VOD	25.00	2014-07-19	C/P	=>	VOD1	25.00	2014-07-19	C/P
VOD	26.00	2014-07-19	C/P	=>	VOD1	26.00	2014-07-19	C/P
VOD	27.00	2014-07-19	C/P	=>	VOD1	27.00	2014-07-19	C/P
VOD	28.00	2014-07-19	C/P	=>	VOD1	28.00	2014-07-19	C/P
VOD	29.00	2014-07-19	C/P	=>	VOD1	29.00	2014-07-19	C/P
VOD	30.00	2014-07-19	C/P	=>	VOD1	30.00	2014-07-19	C/P
VOD	31.00	2014-07-19	C/P	=>	VOD1	31.00	2014-07-19	C/P
VOD	32.00	2014-07-19	C/P	=>	VOD1	32.00	2014-07-19	C/P
VOD	33.00	2014-07-19	C/P	=>	VOD1	33.00	2014-07-19	C/P
VOD	34.00	2014-07-19	C/P	=>	VOD1	34.00	2014-07-19	C/P
VOD	35.00	2014-07-19	C/P	=>	VOD1	35.00	2014-07-19	C/P
VOD	36.00	2014-07-19	C/P	=>	VOD1	36.00	2014-07-19	C/P
VOD	37.00	2014-07-19	C/P	=>	VOD1	37.00	2014-07-19	C/P

EXISTING SERIES					ADJUSTED SERIES*			
VOD	38.00	2014-07-19	C/P	=>	VOD1	38.00	2014-07-19	C/P
VOD	39.00	2014-07-19	C/P	=>	VOD1	39.00	2014-07-19	C/P
VOD	40.00	2014-07-19	C/P	=>	VOD1	40.00	2014-07-19	C/P
VOD	41.00	2014-07-19	C/P	=>	VOD1	41.00	2014-07-19	C/P
VOD	42.00	2014-07-19	C/P	=>	VOD1	42.00	2014-07-19	C/P
VOD	43.00	2014-07-19	C/P	=>	VOD1	43.00	2014-07-19	C/P
VOD	44.00	2014-07-19	C/P	=>	VOD1	44.00	2014-07-19	C/P
VOD	45.00	2014-07-19	C/P	=>	VOD1	45.00	2014-07-19	C/P
VOD	46.00	2014-07-19	C/P	=>	VOD1	46.00	2014-07-19	C/P
VOD	47.00	2014-07-19	C/P	=>	VOD1	47.00	2014-07-19	C/P
VOD	48.00	2014-07-19	C/P	=>	VOD1	48.00	2014-07-19	C/P
VOD	49.00	2014-07-19	C/P	=>	VOD1	49.00	2014-07-19	C/P
VOD	50.00	2014-07-19	C/P	=>	VOD1	50.00	2014-07-19	C/P
2015 LEAPS								
VOD	15.00	2015-01-17	C/P	=>	VOD1	15.00	2015-01-17	C/P
VOD	18.00	2015-01-17	C/P	=>	VOD1	18.00	2015-01-17	C/P
VOD	20.00	2015-01-17	C/P	=>	VOD1	20.00	2015-01-17	C/P
VOD	23.00	2015-01-17	C/P	=>	VOD1	23.00	2015-01-17	C/P
VOD	25.00	2015-01-17	C/P	=>	VOD1	25.00	2015-01-17	C/P
VOD	27.00	2015-01-17	C/P	=>	VOD1	27.00	2015-01-17	C/P
VOD	30.00	2015-01-17	C/P	=>	VOD1	30.00	2015-01-17	C/P
VOD	32.00	2015-01-17	C/P	=>	VOD1	32.00	2015-01-17	C/P
VOD	35.00	2015-01-17	C/P	=>	VOD1	35.00	2015-01-17	C/P
VOD	37.00	2015-01-17	C/P	=>	VOD1	37.00	2015-01-17	C/P
VOD	40.00	2015-01-17	C/P	=>	VOD1	40.00	2015-01-17	C/P
VOD	45.00	2015-01-17	C/P	=>	VOD1	45.00	2015-01-17	C/P
VOD	50.00	2015-01-17	C/P	=>	VOD1	50.00	2015-01-17	C/P
2016 LEAPS								
VOD	18.00	2016-01-15	C/P	=>	VOD1	18.00	2016-01-15	C/P
VOD	20.00	2016-01-15	C/P	=>	VOD1	20.00	2016-01-15	C/P
VOD	23.00	2016-01-15	C/P	=>	VOD1	23.00	2016-01-15	C/P
VOD	25.00	2016-01-15	C/P	=>	VOD1	25.00	2016-01-15	C/P
VOD	28.00	2016-01-15	C/P	=>	VOD1	28.00	2016-01-15	C/P
VOD	30.00	2016-01-15	C/P	=>	VOD1	30.00	2016-01-15	C/P
VOD	32.00	2016-01-15	C/P	=>	VOD1	32.00	2016-01-15	C/P
VOD	35.00	2016-01-15	C/P	=>	VOD1	35.00	2016-01-15	C/P
VOD	37.00	2016-01-15	C/P	=>	VOD1	37.00	2016-01-15	C/P
VOD	40.00	2016-01-15	C/P	=>	VOD1	40.00	2016-01-15	C/P
VOD	42.00	2016-01-15	C/P	=>	VOD1	42.00	2016-01-15	C/P
VOD	45.00	2016-01-15	C/P	=>	VOD1	45.00	2016-01-15	C/P
VOD	47.00	2016-01-15	C/P	=>	VOD1	47.00	2016-01-15	C/P
VOD	50.00	2016-01-15	C/P	=>	VOD1	50.00	2016-01-15	C/P

***Any additional VOD series that are added prior to the ex-distribution date will also be adjusted in the manner described above.**

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market in Vodafone Group PLC options, new VOD series with a contract unit of 100 shares will be introduced on Tuesday, February 25. 2014. The VOD series will be added for expiration months corresponding to the January expiration cycle at exercise prices nearest the money. Also, new VOD LEAP series with a contract unit of 100 shares will be introduced on Tuesday, February 25, 2014 for the January 2015 and January 2016 expirations at exercise prices nearest the money.

GTC Order Conversion

On Friday, February 21, 2014, immediately after the CBOE close, the system will convert or cancel all resting orders in the VOD order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Order Entry After Adjustment

In entering orders, it is essential for member firms to identify trades in old (adjusted) series with the option symbol VOD1; trades in the new (unadjusted) Vodafone Group PLC series must have the standard option symbol VOD. Brokers should make certain that customers entering closing transactions describe the option series with the correct symbol. Negligence in this matter could lead customers to establish new positions in unadjusted series rather than closing out existing positions in adjusted series.

Position and Exercise Limits

The CBOE Department of Market Regulation has determined that: "The position and exercise limits will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments