

Stuart McIntosh
25 Cabot Square
London E14 4QZ

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Dear Stuart,

CMA Vodafone / Hutchinson merger inquiry

Microsoft welcomes the opportunity to comment on the CMA's inquiry into the transaction between Vodafone Group Plc and Three UK.

The UK, as a leading digital economy, requires world-class communications infrastructure to accelerate its digital transition. This is especially critical over the next five years to help ensure the right conditions are in place for the UK to take full advantage of AI. Investment in all network layers including 5G, ultrafast broadband, and datacentres is therefore critical to unlocking growth and boosting productivity across the public and private sectors. Based on recent [research](#) by Public First, this could potentially add up to £550 billion to the UK's GDP by 2035.

In the context of this transaction, Microsoft welcomes the Investment Commitments of the merging parties that we expect will deliver accelerated deployment of next-generation 5G networks. We will also be excited to see how their combined infrastructure significantly improves the quality, reliability, speed and geographic coverage across the UK. Such enhanced connectivity is, indeed, essential for our own customers' ability to use high-quality, content-rich digital services, such as Teams and Copilot, and more generally in supporting AI-heavy workloads in other sectors.

Microsoft itself continues to be committed to the UK through significant AI infrastructure investments, including £2.5 billion to expand next-generation AI datacentres in England and Wales. These are designed to meet the UK's rising demand for efficient, scalable and sustainable AI compute power and are entirely reliant on enhanced and stable connectivity provided by all communication providers, including Vodafone and Three. Given these networks have required significant investments over the years, showing only signs of exponential increase, the Investment Commitments will be absolutely key in continuing to deliver on such connectivity.

Finally, Microsoft welcomes the merging parties' pragmatic remedy proposals. While some of the commitments are behavioural in nature, Ofcom's significant previous expertise in monitoring and enforcing a wide range of regulatory requirements across a number of sectors should provide the necessary assurance regarding their full implementation.

As always, we are open to further dialogue ahead of the Final Decision, if the points in this letter are of interest to the CMA team.

Sincerely,

Clare Barclay
Chief Executive Officer
Microsoft UK