Interim results

for the six months ended 30 September 2011

Pieter Uys,
Vodacom Group CEO
commented:

"I'm really pleased with what we've achieved in the first six months of trading as the new red Vodacom.

Starting with the simple premise that to succeed over the long-term we need to make every customer smile, we've focused on the customer experience by improving our value proposition, network and customer service.

In South Africa, increased promotional activity and reduced data prices were well received, driving significant gains in both usage and customer numbers. Our average effective price per minute fell 24% and we also implemented a 22% reduction in average data prices. We've invested just under R3.5 billion on our networks, making tangible improvements to both coverage and stability. We've also laid the groundwork for a focused programme to ramp up our customer service.

The impact of these changes is visible in our results. Group customers increased 22% to 48 million, with active data customers growing 38%. This more than offset continued price reductions, and overall service revenue increased 6%. The positive momentum in the International mobile network operations continued, with service revenue in local currency increasing 20%. The turnaround in the International mobile operators helped contribute to the 6% increase in Group operating free cash flow to R6.9 billion.

In the second half of the year we aim to capitalise on all the steps taken to improve the customer experience, and prove to our customers that the change in colour really is just the beginning."

Salient features

Strong financial performance

- Group service revenue up 6.0% (6.9%*)
- Group EBITDA up 7.6% (9.8%*)
- Group operating free cash flow up 5.6% to R6 930 million
- Headline earnings per share up 6.9% to 324 cents
- 44.4% increase in interim dividend per share to 260 cents

Mobile data is the key growth driver

- Group data revenue growth of 31.1%
- Group data revenue represents 14.1% of service revenue
- 38.1% increase in Group active data customers to 12.4 million

Investing for data growth

- Group capital expenditure of R3 462 million
- Expansion of 3G and fibre networks
- Focus on network stability and improved customer experience

Value focus boosts South African performance

- Effective price per minute reduced by 23.9%
- Customers up 21.1% to 28.9 million
- Outgoing voice traffic up 34.1%

Building momentum in International operations

- Customers up 22.5% to 19.0 million
- Service revenue up 13.3% (20.0%*)
- M-Pesa gains traction; 2.2 million active customers in Tanzania

* Represents normalised growth excluding foreign exchange gains/losses and at a constant currency.

Operating review

South Africa

South Africa delivered a strong performance with service revenue growing 4.7% to R23 505 million (7.0% excluding the impact of cuts in mobile termination rates). Equipment sales were particularly strong, growing 20.3%, contributing to overall revenue growth of 6.7%.

Gross connections increased sharply to approximately 8.0 million, with the brand refresh and numerous promotions and handset deals the primary drivers of the 56.5% change. Customers increased 21.1% year on year to 28.9 million, a net increase of 2.4 million in the six month period. This was achieved despite the accelerated disconnection of approximately 537 000 SIMs that were locked at the RICA deadline. Churn also increased in the second quarter as a result of these RICA disconnections. Total ARPU was down 9.0% to R141, largely due to lower interconnect rates and the higher prevalence of lower usage customers in the mix.

Data revenue growth was again an important feature of the results, increasing 29.4% to R3 720 million. Data revenue now represents 15.8% of service revenue. Active data customers grew 32.3% to 10.5 million, representing 36.2% of customers. Customers regularly purchasing data bundles grew by 89.7% to 3.5 million. While mobile broadband devices still accounts for the majority of data traffic on our network, the growth rate of smartphone data traffic is ten times higher than that of dongles and other modems. The appetite for smartphones amongst our customer base is very strong, with active smartphones on the network increasing by approximately 870 000 in the six months to 4.1 million. We reduced our data prices in order to maintain our competitive position and drive greater adoption and usage.

EBITDA for South Africa increased 6.6%, with the EBITDA margin maintained at 35.9%. Excluding the impact of foreign exchange, EBITDA increased 8.7% and the EBITDA margin expanded to 36.5%, reflecting an improved contribution margin from lower average customer acquisition and retention costs. While we realised savings from our various cost efficiency initiatives, these were partially offset by increased investment in network performance, call centres and our new on-line store.

Capital expenditure increased 83.4% to R3 015 million (11.0% of revenue) as we made substantial investments to increase capacity and enhance quality. A large portion of capital spend was for transmission, where we made steady progress against our plan of self-providing transmission to our high data traffic sites. We expanded our 3G network with 352 new sites bringing the total to 4 642 sites. 68.4% of 3G sites have been activated with HSPA+ (21.6 mbps) software and of these around 30% have been migrated to high capacity IP transmission backhaul. Dual-carrier HSPA+ (43.2 mbps) is now active on 52.1% of our 3G sites.

International

The positive momentum in International continued, with service revenue increasing by 13.3% (20.0%*) to R4 390 million due to strong growth in customers and relatively stable macro environments. Our brand presence and approach to smarter price offerings underpinned strong relative market performance. Customers increased 22.5% year on year to 19.0 million, adding 2.0 million in the six months.

While still a relatively small portion of overall revenue, data revenue growth was very strong at 71.4% as we saw more customers using data and mobile financial services. Active data customers increased 82.4% to 1.9 million as we expanded network coverage and introduced more affordable data offerings. Take up of our M-Pesa service in Tanzania accelerated with active customers reaching 2.2 million, penetrating 21.0% of the customer base.

Despite the cost pressures from fuel and foreign-denominated operational costs, International EBITDA increased by 12.4% (14.8%*) to R660 million and the EBITDA margin remained stable at 14.6%. The International operating profit was negatively impacted by impairment losses of R318 million, mainly for Gateway given their weak performance.

We invested R444 million in the period (2010: R421 million) and expect to spend substantially more in the remainder of the year as we continue to expand our voice and data network coverage and capacity.

Strategy update

Grow passionate promoters by dramatically improving the customer experience

One of the keys to improving the customer experience is to ensure that we're getting things right at all touchpoints, including the crucial interactions in-store and via our call centres. With this in mind, we have piloted a programme of closed loop feedback at several call centres and stores. This process entails asking customers for feedback immediately post their interaction with Vodacom. This information is then fed back to the employee who dealt with the customer, giving an unfiltered picture of how their service was received and useful insights into where we need to make improvements. We have also rolled out technical experts in many of our shops to help our customers leave fully connected to the internet and email. We have invested in a fully fledged social media customer support team and with the launch of our new on-line shop in South Africa (www.vodacom.co.za/shop) it is now easy to transact with Vodacom on-line.

Actively create an environment for our people to excel and grow

Our brand refresh was not just a change in colour but also a renewed focus on how we run our business. We are empowering our employees to be customer and service obsessed. We have launched an employee hotline to enable staff to resolve customer problems as and when they become aware of it. Employees now have the opportunity to experience all of our services first hand; in return we request feedback to better the services to our customers. We believe we are making good progress, having been ranked as the best telecommunications company to work for in South Africa by the Corporate Research Foundation Institute.

Put the power of the internet in people's hands

The key elements to increasing mobile and internet access are affordable devices and usage charges and relevant content. On the devices front, we introduced a smartphone for less than R1 000 (the full touch screen Vodafone 858 Smart running Android), the Vodafone WebBox which converts any TV into an internet terminal, and more recently launched the Vodafone WebBook which is a netbook running Ubuntu Linux. On the pricing front, we recently reduced data pricing in South Africa by on average 22.0%. We also launched the Vodacom App Store, complemented by our own app developers' programme, to give talented people the chance to develop locally relevant apps and in so doing provide both training and a source of income.

Together drive operational excellence

One of the key focus areas with respect to operational excellence in the last six months has been our networks. The 67.7% increase in capital expenditure has supported the installation of hundreds of new base stations and hundreds of kilometres of self-provided fibre transmission. On top of this, the new equipment we are installing in all our operations is considerably more efficient and allowed us to reduce our carbon footprint by 12% per base station site across the Group[1]. During this period we started constructing the Site Solutions Innovation Centre ('SSIC'), which is a 100% carbon neutral building located at our headquarters in Midrand. The aim of the SSIC is to investigate ways for the Group to reduce both operating and capital costs by developing, testing and applying innovative technical solutions.

Proactively partner with our stakeholders

At all of our operating companies we have stepped up our engagement on key industry matters, particularly relating to rural coverage and broadband inclusion for all. In South Africa we signed the ICT industry competitiveness and job creation compact which sets out 2020 goals to have 100% broadband population coverage and create one million new jobs. We also recently launched the Vodacom Mobile Education programme in South Africa. This programme comprises three elements: nine countrywide resource centres, 1 800 connected schools and an education content portal with high quality teaching resources to support the curriculum.

1. Compound annual reduction in Group's carbon footprint (March 2009 vs. March 2011).

Financial review

Summary financial information

Rm	Six months ended 30 September 2011	2010	2009	% change 10/11	09/10
Service revenue	**27 752**	26 184	25 603	**6.0**	2.3
Revenue	**31 747**	29 516	28 675	**7.6**	2.9
EBITDA	**10 535**	9 788	9 519	**7.6**	2.8
Operating profit	**7 302**	7 061	3 707	**3.4**	90.5
Net profit	**4 387**	4 269	59	**2.8**	> 200.0
Free cash flow	**3 921**	3 807	2 296	**3.0**	65.8
Capital expenditure	**3 462**	2 065	2 934	**67.7**	(29.6)
Net debt	**10 654**	11 785	14 840	**(9.6)**	(20.6)
Basic earnings per share (cents)	**301**	300	4	**0.3**	> 200.0
Headline earnings per share (cents)	**324**	303	219	**6.9**	38.4
Contribution margin (%)	**55.0**	54.8	53.9		
EBITDA margin (%)	**33.2**	33.2	33.2		
Operating profit margin (%)	**23.0**	23.9	12.9		
Effective tax rate (%)	**37.8**	34.4	97.6		
Net profit margin (%)	**13.8**	14.5	0.2		
Net debt/EBITDA (times)	**0.5**	0.6	0.8		
Capex intensity (%)	**10.9**	7.0	10.2		

The Group has reclassified certain numbers previously reported to align with reporting practices of its ultimate parent. Full details are available on pages 17, 22 and 23.

Service revenue

Rm	Six months ended 30 September 2011	2010	2009	% change 10/11	09/10
South Africa	**23 505**	22 454	21 443	**4.7**	4.7
International	**4 390**	3 876	4 252	**13.3**	(8.8)
Corporate and eliminations	**(143)**	(146)	(92)	**2.1**	(58.7)
Service revenue	**27 752**	26 184	25 603	**6.0**	2.3

Group revenue and service revenue for the six months ended 30 September 2011 increased by 7.6% and 6.0% respectively (8.4%* and 6.9%*), underpinned by continued growth in Group data and voice revenue offset by a decline in interconnect revenue from South Africa. Strong growth in customers in the International operations supported revenue growth of 12.8% (19.7%*) and service revenue growth of 13.3% (20.0%*).

Operating expenses[1]

Rm	Six months ended 30 September 2011	2010	2009	% change 10/11	09/10
South Africa	**17 660**	16 492	15 648	**7.1**	5.4
International	**3 859**	3 414	3 720	**13.0**	(8.2)
Corporate and eliminations	**(228)**	(157)	(153)	**(45.2)**	(2.6)
Operating expenses[1]	**21 291**	19 749	19 215	**7.8**	2.8

Group operating expenses increased 7.8% to R21 291 million. These expenses include a net foreign exchange loss on the revaluation of foreign-denominated trading items of R156 million (2010: R1 million loss). Group operating expenses increased 8.0%* below revenue growth of 8.4%*.

EBITDA

Rm	Six months ended 30 September 2011	2010	2009	% change 10/11	09/10
South Africa	**9 832**	9 225	8 781	**6.6**	5.1
International	**660**	587	742	**12.4**	(20.9)
Corporate and eliminations	**43**	(24)	(4)	**> 200.0**	< (200.0)
EBITDA	**10 535**	9 788	9 519	**7.6**	2.8

Group EBITDA increased 7.6% (9.8%*) to R10 535 million, and the EBITDA margin remained stable at 33.2%. South Africa contributed 93.3% (2010: 94.2%) to Group EBITDA, increasing 6.6% with a stable margin at 35.9%. Excluding the trading foreign exchange loss of R181 million, South Africa's EBITDA increased 8.7%. International EBITDA increased 12.4% (14.8%*) with margins relatively stable at 14.6%. The improved profitability of the International mobile network operators was offset by reduced profitability in Gateway.

Operating profit

Rm	Six months ended 30 September 2011	2010	2009	% change 10/11	09/10
South Africa	**7 539**	7 170	6 841	**5.1**	4.8
International	**(267)**	(67)	(2 965)	**< (200.0)**	97.7
Corporate and eliminations	**30**	(42)	(169)	**171.4**	75.1
Operating profit	**7 302**	7 061	3 707	**3.4**	90.5

Group operating profit increased 3.4% to R7 302 million. The operating profit in South Africa increased 5.1% due to the growth in EBITDA, partially offset by the 9.0% increase in depreciation and amortisation arising from higher capital expenditure. International operating profit was negatively impacted by impairment losses of R318 million mainly relating to Gateway.

1. Excluding depreciation, amortisation and impairment losses.

Net finance charges

Rm	Six months ended 30 September 2011	2010	2009	% change 10/11	09/10
Finance income	**90**	83	48	**8.4**	72.9
Finance costs	**(340)**	(447)	(810)	**(23.9)**	(44.8)
(Loss)/Gain on remeasurement of loans	**(18)**	32	(232)	**156.3**	(113.8)
(Loss)/Gain on translation of foreign assets and liabilities	**(61)**	(121)	(30)	**(49.6)**	> 200.0
Gain/(Loss) on derivatives	**82**	(105)	(259)	**178.1**	(59.5)
Net finance charges	**(247)**	(558)	(1 283)	**(55.7)**	(56.5)

Net finance charges reduced from R558 million in the prior period to R247 million for the six months ended 30 September 2011, mainly due to the gain on derivatives relating to our forward exchange contracts.

Finance costs for the period reduced by R107 million compared to the prior period as a result of a R1 487 million reduction in average debt coupled with the benefit of lower interest rates. The average cost of debt reduced from 7.9% to 7.3%.

Taxation

The tax expense of R2 668 million for the period increased by 19.4% compared to September 2010 due to higher profits and the secondary tax on companies ('STC') paid on higher dividends paid.

The effective tax rate increased from 34.4% to 37.8% mainly due to an increase in non-deductible interest of R78 million and an increase in STC of R159 million.

Earnings

Headline earnings per share increased 6.9% to 324 cents mainly due to growth in operating profit before impairments and reduction in finance charges offset by increased taxation. Basic earnings per share of 301 cents (2010: 300 cents) was impacted by impairment losses of R318 million.

Cash flow

Free cash flow

Rm	Six months ended 30 September 2011	2010	2009	% change 10/11	09/10
Cash generated from operations	**10 109**	9 339	8 770	**8.2**	6.5
Net additions to property, plant and equipment and intangible assets	**(3 179)**	(2 779)	(3 382)	**14.4**	(17.8)
Operating free cash flow	**6 930**	6 560	5 388	**5.6**	21.8
Tax paid	**(2 713)**	(2 154)	(2 057)	**26.0**	4.7
Net finance costs paid	**(296)**	(599)	(1 035)	**(50.6)**	(42.1)
Free cash flow	**3 921**	3 807	2 296	**3.0**	65.8

Operating free cash flow increased by 5.6% to R6 930 million for the period. The cash generated from operations grew by R770 million and was mainly due to positive trading performance. Net cash additions to property, plant and equipment and intangible assets increased from R2 779 million to R3 179 million. The lower growth of 3.0% in Group free cash flow to R3 921 million was due to higher tax paid partially offset by lower net finance charges.

Capital expenditure

Rm	Six months ended 30 September 2011	2010	2009	% change 10/11	09/10
South Africa	**3 015**	1 644	1 839	**83.4**	(10.6)
International	**444**	421	1 093	**5.5**	(61.5)
Corporate and eliminations	**3**	–	2	**n/a**	(100.0)
Capital expenditure	**3 462**	2 065	2 934	**67.7**	(29.6)
Capex intensity (%)	**10.9**	7.0	10.2		

The Group's capital expenditure for the period was R3 462 million, 67.7% higher than a year ago. The 83.4% growth in the South African capital expenditure is largely due to the limited infrastructure deployment during the 2010 FIFA World Cup South Africa™.

Statement of financial position

Property, plant and equipment and intangible assets were positively impacted by foreign currency translation adjustments of R814 million and R97 million, respectively.

Net debt decreased to R10 654 million, compared to R11 785 million a year ago. The Group's financial gearing reduced slightly, with the net debt to EBITDA ratio at 0.5 times at 30 September 2011 (2010: 0.6 times). 87.0% (2010: 89.0%) of the debt[1] is denominated in rand. R5 378 million (2010: R4 115 million) of the debt[1] matures in the next 12 months and 59.1% (2010: 98.0%) of interest bearing debt (including bank overdrafts) is at floating rates.

Net debt

Rm	As at 30 September 2011	As at 31 March 2011	Movement 10/11	As at 30 September 2010
Bank and cash balances	**1 072**	870	**202**	938
Bank overdrafts	**(73)**	(331)	**(258)**	(2)
Borrowings and derivative financial instruments	**(11 653)**	(9 997)	**1 656**	(12 721)
Total net debt	**(10 654)**	(9 458)	**1 196**	(11 785)
Net debt/EBITDA (times)	**0.5**	0.5		0.6

During the period the Group diversified its sources of funding by establishing a R10 billion domestic medium-term note programme ('DMTN'). As part of this programme, we issued our inaugural R750 million three month commercial paper in August 2011.

1. Debt includes interest bearing debt, non-interest bearing debt and bank overdrafts.

Declaration of interim dividend No. 5

Notice is hereby given that interim dividend number 5 of 260 cents per ordinary share in respect of the financial year ending 31 March 2012 has been declared payable on Monday 5 December 2011 to shareholders recorded in the register at the close of business on Friday 2 December 2011:

Last day to trade shares *cum* dividend	Friday 25 November 2011
Shares commence trading *ex* dividend	Monday 28 November 2011
Record date	Friday 2 December 2011
Payment date	Monday 5 December 2011

Share certificates may not be dematerialised or rematerialised between Monday 28 November 2011 and Friday 2 December 2011, both days inclusive.

On Monday 5 December 2011, the interim dividend will be electronically transferred into the bank accounts of all certificated shareholders where this facility is available. Where electronic funds transfer is not available, cheques will be dated and posted on or about Monday 5 December 2011.

Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday 5 December 2011.

Outlook

Our medium-term guidance remains unchanged. Although our service revenue growth for the first half was ahead of our "low single digit" guidance we expect growth to slow in the second half as a result of further pressure in both voice and data prices. Our continued focus on cost efficiency is delivering results, with notable successes in managing acquisition and retention costs in the first six months. The EBITDA margin, excluding foreign exchange movements, for the year ending March 2012 is expected to improve from 2011[1]. While capital expenditure is expected to accelerate in the second half and our full year forecast of R7.7 billion[2] remains unchanged.

For and on behalf of the Board

Peter Moyo
Non-Executive Chairman

Pieter Uys
Chief Executive Officer

Rob Shuter
Chief Financial Officer

4 November 2011

Midrand

1. This general profit forecast has not been reviewed or reported on by the Group's auditors.
2. Excluding the accounting for RAN swaps.

Condensed consolidated income statement

for the six months ended 30 September 2011

Rm	Notes	Six months ended 30 September 2011 Reviewed	Six months ended 30 September 2010 Reviewed	Year ended 31 March 2011 Audited
Revenue	3	**31 747**	29 516	61 197
Direct expenses	7	**(14 275)**	(13 344)	(27 600)
Staff expenses	7	**(2 060)**	(2 047)	(4 024)
Publicity expenses	7	**(1 056)**	(982)	(2 086)
Other operating expenses	7	**(3 900)**	(3 376)	(6 928)
Depreciation and amortisation		**(2 836)**	(2 673)	(5 355)
Impairment losses	4	**(318)**	(33)	(1 508)
Operating profit		**7 302**	7 061	13 696
Finance income		**90**	83	109
Finance costs		**(340)**	(447)	(864)
Net gain/(loss) on remeasurement and disposal of financial instruments		**3**	(194)	(303)
Profit before tax		**7 055**	6 503	12 638
Taxation		**(2 668)**	(2 234)	(4 659)
Net profit		**4 387**	4 269	7 979
Attributable to:				
Equity shareholders		**4 403**	4 416	8 245
Non-controlling interests		**(16)**	(147)	(266)
		4 387	4 269	7 979

Cents	Notes	Six months ended 30 September 2011 Reviewed	Six months ended 30 September 2010 Reviewed	Year ended 31 March 2011 Audited
Basic earnings per share	5	**301.0**	300.0	561.5
Diluted earnings per share	5	**299.9**	299.7	560.4

Condensed consolidated statement of comprehensive income

for the six months ended 30 September 2011

Rm	Six months ended 30 September 2011 Reviewed	Six months ended 30 September 2010 Reviewed	Year ended 31 March 2011 Audited
Net profit	**4 387**	4 269	7 979
Other comprehensive income	**598**	(497)	(449)
Foreign currency translation differences, net of tax	**679**	(497)	(502)
(Loss)/Gain on hedging instruments in cash flow hedges, net of tax	**(81)**	–	53
Total comprehensive income	**4 985**	3 772	7 530
Attributable to:			
Equity shareholders	**5 155**	3 891	7 739
Non-controlling interests	**(170)**	(119)	(209)
	4 985	3 772	7 530

Condensed consolidated statement of financial position

as at 30 September 2011

Rm	Notes	As at 30 September 2011 Reviewed	As at 30 September 2010 Reviewed	As at 31 March 2011 Audited
Assets				
Non-current assets		**28 820**	27 769	27 982
Property, plant and equipment	9	**22 885**	20 233	21 577
Intangible assets	9	**4 942**	6 376	5 215
Financial assets		**213**	184	189
Trade and other receivables		**212**	205	264
Finance lease receivables		**333**	450	307
Deferred tax		**235**	321	430
Current assets		**15 389**	13 330	13 453
Financial assets		**458**	196	273
Inventory		**994**	890	799
Trade and other receivables		**11 978**	10 681	10 773
Finance lease receivables		**499**	294	462
Tax receivable		**388**	318	276
Non-current assets held for sale		**–**	13	–
Cash and cash equivalents		**1 072**	938	870
Total assets		**44 209**	41 099	41 435
Equity and liabilities				
Fully paid share capital		*****	*	*
Treasury shares		**(1 533)**	(1 384)	(1 384)
Retained earnings		**18 170**	16 672	17 864
Other reserves		**168**	(1 056)	(858)
Equity attributable to owners of the parent		**16 805**	14 232	15 622
Non-controlling interests		**191**	763	558
Total equity		**16 996**	14 995	16 180
Non-current liabilities		**7 807**	10 262	8 743
Borrowings	11	**6 290**	8 604	7 280
Trade and other payables		**333**	282	258
Provisions		**526**	433	510
Deferred tax		**658**	943	695
Current liabilities		**19 406**	15 842	16 512
Borrowings	11	**5 378**	4 115	2 783
Trade and other payables		**13 524**	11 260	13 005
Provisions		**309**	242	298
Tax payable		**116**	220	87
Dividends payable		**6**	3	8
Bank overdrafts		**73**	2	331
Total equity and liabilities		**44 209**	41 099	41 435

* Fully paid share capital of R100.

Condensed consolidated statement of changes in equity

for the six months ended 30 September 2011

Rm	Equity attributable to owners of the parent	Non-controlling interests	Total equity
1 April 2011	**15 622**	**558**	**16 180**
Total comprehensive income	**5 155**	**(170)**	**4 985**
Dividends	**(4 096)**	**(25)**	**(4 121)**
Partial disposal of interests in subsidiaries	**191**	**(172)**	**19**
Repurchase and sale of shares	**(145)**	**–**	**(145)**
Share-based payment expense	**78**	**–**	**78**
30 September 2011 – Reviewed	**16 805**	**191**	**16 996**
1 April 2010	13 738	898	14 636
Total comprehensive income	3 891	(119)	3 772
Dividends	(2 576)	(38)	(2 614)
Partial disposal of interests in subsidiaries	68	22	90
Repurchase of shares	(962)	–	(962)
Share-based payment expense	73	–	73
30 September 2010 – Reviewed	14 232	763	14 995
1 April 2010	13 738	898	14 636
Total comprehensive income	7 739	(209)	7 530
Dividends	(5 212)	(71)	(5 283)
Partial disposal of interests in subsidiaries	156	(60)	96
Repurchase of shares	(962)	–	(962)
Share-based payment expense	163	–	163
31 March 2011 – Audited	15 622	558	16 180

Condensed consolidated statement of cash flows

for the six months ended 30 September 2011

		Six months ended 30 September		Year ended 31 March
		2011	2010	2011
Rm	**Notes**	**Reviewed**	**Reviewed**	**Audited**
Cash flows from operating activities				
Cash generated from operations		**10 109**	9 339	21 385
Tax paid		**(2 713)**	(2 154)	(4 982)
Net cash flows from operating activities		**7 396**	7 185	16 403
Cash flows from investing activities				
Net additions to property, plant and equipment and intangible assets		**(3 179)**	(2 779)	(6 548)
Business combinations, net of cash acquired	7	**–**	(24)	(24)
Other investing activities	7	**(105)**	35	(9)
Net cash flows utilised in investing activities	7	**(3 284)**	(2 768)	(6 581)
Cash flows from financing activities				
Movement in borrowings, including finance costs paid		**485**	(843)	(3 949)
Dividends paid		**(4 123)**	(2 617)	(5 283)
Repurchase of shares		**(145)**	(984)	(984)
Partial disposal of interests in subsidiaries, net of cash disposed	7	**19**	90	98
Non-controlling interests		**–**	–	(1)
Net cash flows utilised in financing activities	7	**(3 764)**	(4 354)	(10 119)
Net increase/(decrease) in cash and cash equivalents		**348**	63	(297)
Cash and cash equivalents at the beginning of the period/year		**539**	951	951
Effect of changes in foreign exchange rates		**112**	(78)	(115)
Cash and cash equivalents at the end of the period/year		**999**	936	539

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards ('IFRS') and the International Accounting Standard 34: Interim Financial Reporting as issued by the International Accounting Standards Board ('IASB'), the AC 500 standards as issued by the Accounting Practices Board, the JSE Listings Requirements and the requirements of the Companies Act No 71 of 2008, as amended. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and are presented in South African rand, which is the parent Company's functional and presentation currency.

The significant accounting policies and methods of computation are consistent in all material respects with those applied in the previous financial year, except as disclosed in Note 2. The significant accounting policies are available for inspection at the Group's registered office.

There have been no material changes in judgements or estimates of amounts reported in prior reporting periods.

Certain items, pertaining to the six months ended 30 September 2010, have been reclassified as disclosed in Note 7.

The preparation of these condensed consolidated interim financial statements was supervised by the Chief Financial Officer RA Shuter CA(SA).

The financial information has been reviewed by the independent auditors, Deloitte & Touche, whose unmodified review report is available for inspection at the Group's registered office.

2. Changes in accounting policies

The Group adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the Group from 1 April 2011. The adoption of IFRS 3: Business Combinations (Amended), impacted the Group's accounting policies by introducing changes to the measurement bases for different components of non-controlling interests at the acquisition date in a business combination. The change in accounting policy, however, had no impact on the Group's financial results for the period.

Full details on changes in accounting policies will be disclosed in the Group's integrated report for the year ending 31 March 2012.

Rm	Six months ended 30 September 2011 Reviewed	Six months ended 30 September 2010 Reviewed	Year ended 31 March 2011 Audited
3. Segment analysis			
External customers segment revenue	**31 747**	29 516	61 197
South Africa	**27 305**	25 612	53 193
International	**4 421**	3 895	7 984
Corporate	**21**	9	20
EBITDA	**10 535**	9 788	20 594
South Africa	**9 832**	9 225	19 653
International	**660**	587	840
Corporate and eliminations	**43**	(24)	101
Reconciliation of segment results			
EBITDA	**10 535**	9 788	20 594
Depreciation, amortisation and impairment losses	**(3 154)**	(2 706)	(6 863)
Other	**(79)**	(21)	(35)
Operating profit	**7 302**	7 061	13 696
Net finance charges	**(247)**	(558)	(1 058)
Finance income	**90**	83	109
Finance costs	**(340)**	(447)	(864)
Net gain/(loss) on remeasurement and disposal of financial instruments	**3**	(194)	(303)
Profit before tax	**7 055**	6 503	12 638
Taxation	**(2 668)**	(2 234)	(4 659)
Net profit	**4 387**	4 269	7 979
Total assets	**44 209**	41 099	41 435
South Africa	**32 673**	28 873	31 076
International	**11 246**	10 847	9 743
Corporate and eliminations	**290**	1 379	616
4. Impairment losses			
Impairment losses recognised are as follows:			
Intangible assets	**(298)**	(1)	(1 500)
Property, plant and equipment	**(20)**	(32)	(8)
	(318)	(33)	(1 508)

Included in the impairment losses for the current period is a goodwill impairment of R131 million and customer base impairments of R166 million, relating to the Group's International reportable segment, which is as a result of increased price competition in increasingly competitive markets and poorer trading conditions.

Cents	Six months ended 30 September 2011 Reviewed	Six months ended 30 September 2010 Reviewed	Year ended 31 March 2011 Audited
5. Per share information			
5.1 Earnings and dividends per share			
Basic earnings per share	**301.0**	300.0	561.5
Diluted earnings per share	**299.9**	299.7	560.4
Headline earnings per share	**323.5**	303.2	655.5
Diluted headline earnings per share	**322.3**	303.0	654.3
Dividends per share	**280.0**	175.0	355.0

Million	2011 Reviewed	2010 Reviewed	2011 Audited
5.2 Weighted average number of ordinary shares outstanding for the purpose of calculating:			
Basic and headline earnings per share	**1 463**	1 472	1 468
Diluted earnings and diluted headline earnings per share	**1 469**	1 473	1 471
5.3 Ordinary shares for the purpose of calculating:			
Dividends per share	**1 488**	1 488	1 488

Vodacom Group Limited acquired 1 898 271 shares in the market during the period at an average price of R85.07 per share. Share repurchases did not exceed 1% of Vodacom Group Limited's issued share capital. The current period dividend per share calculation is based on a final dividend declared during May 2011 for the year ended 31 March 2011 of R4 166 million of which R25 million was offset against the forfeitable share plan reserve, R2 million expensed as staff expenses and R43 million paid to Wheatfields Investments 276 (Pty) Limited, a wholly-owned subsidiary holding treasury shares on behalf of the Group.

Rm	Six months ended 30 September 2011 Reviewed	Six months ended 30 September 2010 Reviewed	Year ended 31 March 2011 Audited
5.4 Headline earnings reconciliation			
Earnings, attributable to equity shareholders, for basic and diluted earnings per share	**4 403**	4 416	8 245
Adjusted for:			
Net loss on disposal of property, plant and equipment and intangible assets	**79**	20	35
Impairment losses (Note 4)	**318**	33	1 508
	4 800	4 469	9 788
Tax impact of adjustments	**(65)**	(6)	(165)
Non-controlling interests in adjustments	**(2)**	–	3
Headline earnings for headline and diluted headline earnings per share	**4 733**	4 463	9 626

6. Forfeitable share plan ('FSP')

During the current period the Group allocated 1 896 351 shares to eligible employees under its FSP, an equity-settled share-based payment scheme in terms of IFRS 2: Share-based Payment. During the current period, the Group amended the rules of the FSP, whereby Vodacom Group Limited is now responsible to procure the settlement of the benefits in terms of the FSP to the participants employed by the employer companies on award date. Previously each employer company was responsible to procure the settlement of the benefits of its participating employees. The amendment resulted in future awards no longer being fair valued in the individual employee companies. The amendment did not have an impact on the consolidated financial results of the Group.

7. Reclassifications

Certain items for the six months ended 30 September 2010 were retrospectively reclassified. In the income statement the Vodafone global alliance fee has been reclassified from direct expenses to other operating expenses, franchise fees have been reclassified from other operating expenses to publicity expenses, expenses not relating to payroll have been reclassified from staff expenses to other operating expenses and certain operating lease expenses have been reclassified from other operating expenses to direct expenses, so as to align with practices of the Group's ultimate parent Vodafone Group Plc and to be consistent with the consolidated income statement for the year ended 31 March 2011. In the cash flow statement the cash flow resulting from the partial disposal of interests in subsidiaries has been reclassified from investing to financing activities, so as to be consistent with the consolidated statement of cash flows for the year ended 31 March 2011.

Rm	Balance as previously reported	Reclassification	Balance as reclassified
Reconciliation 30 September 2010 – Reviewed			
Income statement			
Direct expenses	(13 495)	151	(13 344)
Staff expenses	(2 242)	195	(2 047)
Publicity expenses	(929)	(53)	(982)
Other operating expenses	(3 083)	(293)	(3 376)
Statement of cash flows			
Cash flows from investing activities			
Business combinations, net of cash acquired	64	(88)	(24)
Other investing activities	37	(2)	35
Net cash flows utilised in investing activities	(2 678)	(90)	(2 768)
Cash flows from financing activities			
Partial disposal of interests in subsidiaries, net of cash disposed	–	90	90
Net cash flows utilised in financing activities	(4 444)	90	(4 354)

8. Related parties

The amounts disclosed in Notes 8.1 and 8.2 include balances and transactions with the Group's parent and entities in its group, joint venture and associate.

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
Rm	Reviewed	Reviewed	Audited
8.1 Balances with related parties			
Accounts receivable	**219**	228	278
Accounts payable	**(337)**	(313)	(265)
8.2 Transactions with related parties			
Revenue	**114**	112	167
Expenses	**(457)**	(291)	(478)
Dividends declared	**(2 708)**	(1 693)	(3 433)
8.3 Post-employment benefits			
Current contributions to defined contribution plans	**(89)**	(89)	(179)

8.4 Directors and key management personnel

Compensation paid to the Group's Board and other key management personnel will be disclosed in the Group's integrated report for the year ending 31 March 2012. SN Maseko was appointed as managing director of Vodacom (Pty) Limited and as an executive director of the Group's Board on 1 September 2011.

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
Rm	Reviewed	Reviewed	Audited
9. Capital expenditure incurred			
Capital expenditure additions, including software	**3 462**	2 065	6 311

Effective 1 April 2011 the Group commenced with the capitalisation of staff expenses relating to capital expenditure, so as to align with practices of the Group's ultimate parent Vodafone Group Plc. Staff expenses were not retrospectively capitalised as data was not collected in prior periods in a way that allows retrospective application. During the period staff expenses of R96 million were capitalised.

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
Rm	Reviewed	Reviewed	Audited
10. Capital commitments			
Commitments for the purchase of property, plant and equipment, including software	**7 315**	6 613	11 018

11. Borrowings

11.1 Domestic medium-term note programme

During the period the Group established and registered a domestic medium-term note programme on the interest rate market of the JSE Limited, under which notes including commercial paper, may be issued by the Group from time to time. The maximum aggregate nominal amount of all notes outstanding may not exceed R10 billion. During the period unsecured three month commercial paper with a nominal value of R750 million, bearing interest at three month JIBAR plus 10 basis points, with a final redemption date of 28 November 2011 was issued at full value, and the funds were used to repay short-term bank borrowings classified as financing activities.

11.2 Dark Fibre Africa (Pty) Limited

The Group increased its finance lease liability relating to access transmission links by R395 million.

11.3 ABSA Bank Limited

The loan with a nominal value of R1 250 million was repaid on 30 September 2011 using short-term bank borrowings classified as financing activities.

11.4 Short-term bank borrowings classified as financing activities

In addition to the movements disclosed in Notes 11.1 and 11.3, the Group further increased its short-term bank borrowings classified as financing activities with R1 021 million mainly to fund capital expenditure.

12. Contingent liabilities

12.1 Guarantees

The Group issued various guarantees relating to the financial obligations of its subsidiaries, which amounted to R59 million (30 September 2010: R10 million; 31 March 2011: R53 million).

Vodacom (Pty) Limited provides an unlimited guarantee for borrowings entered into by Vodacom Group Limited. The related outstanding borrowings on the statement of financial position are R3 283 million (30 September 2010: R3 212 million; 31 March 2011: R1 655 million).

12.2 Tax matters

The Group is regularly subject to an evaluation, by tax authorities, of its direct and indirect tax filings. The consequence of such reviews is that disputes can arise with tax authorities over the interpretation or application of certain tax rules applicable to the Group's business. These disputes may not necessarily be resolved in a manner that is favourable to the Group. Additionally, the resolution of the disputes could result in an obligation to the Group.

13. Regulatory matters

13.1 Consumer Protection Act ('CP Act')

During the period, the National Consumer Commission ('NCC') undertook an investigation into the terms and conditions of the Group's customer airtime agreements in South Africa. The NCC subsequently requested the Group to accept a consent order prior to the date that the Group had given as the date on which it would align its customer airtime agreements to the CP Act. The Group did not accept the consent order as it did not agree with its terms and conditions. Subsequent thereto, the NCC served the Group with a compliance notice requesting the amendment of certain clauses in the customer airtime agreements and the distribution of amended agreements to customers. The Group has applied to the National Consumer Tribunal to vary the notice or to set it aside.

14. Other significant matters

14.1 Vodacom Congo (RDC) s.p.r.l. ('Vodacom Congo')

The Group continues to participate in the International Chamber of Commerce arbitration with Congolese Wireless Network s.p.r.l. ('CWN'), relating to various funding and operational agreements and co-operation in the manner in which the Vodacom Congo business is run. Notwithstanding the arbitration, the Group continues to pursue an amicable and constructive resolution with CWN. A possible resolution may include an exit from this investment. During the period CWN applied for a court order against a possible sale of this investment by the Group to third parties.

14.2 Vodacom International Limited ('VIL')

The claim brought by Namemco against VIL for approximately US$41 million, relating to alleged consulting fees due and the ancillary action for the annulment of the *ex parte* order relating to the attachment of VIL's shares in Vodacom Congo to satisfy the claim, was heard before the Congolese commercial court and judgement is still pending. Namemco's claim was initially brought in South African courts, where it is also being challenged.

15. Partial disposal of interest in subsidiary

During the period the Group recognised the effect of the sale, originally entered into during March 2007 and May 2008, of 9% of its stake in VM, SA to the non-controlling parties for a consideration of US$2.7 million. As at the reporting date the Group owned 85% of the issued share capital in VM, SA.

16. Events after the reporting period

The Board is not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which significantly affects the financial position of the Group or the results of its operations or cash flows for the period, other than the following:

16.1 Dividend declared after the reporting date and not recognised as a liability

An interim dividend of R3 869 million (260 cents per ordinary share) for the year ending 31 March 2012, was declared on 3 November 2011, payable on Monday 5 December 2011 to shareholders recorded in the register at the close of business on Friday 2 December 2011. The secondary tax on companies payable on this dividend amounts to R387 million.

16.2 Acquisitions of businesses

Details on acquisitions of businesses, none of which were material, will be disclosed in the Group's integrated report for the year ending 31 March 2012.

16.3 Changes to the Group's Board

TA Boardman and M Lundal resigned from the Group's Board on 30 October 2011 and 3 November 2011 respectively. K Witts was appointed as a non-executive director on 4 November 2011 replacing M Lundal.

In March 2012 RA Shuter will be seconded to Vodafone Netherlands as Chief Executive Officer and will then step down from the Group's Board.

Supplementary information

Operating results for the six months ended 30 September 2011

Rm	South Africa	% 10/11	International	% 10/11	Corporate/ Eliminations	Group	% 10/11
Mobile voice	14 286	2.7	2 068	15.3	–	16 354	4.2
Mobile interconnect	2 999	(10.2)	347	28.5	(68)	3 278	(8.1)
Mobile messaging	1 533	5.3	121	7.1	–	1 654	5.4
Mobile data	3 720	29.4	204	71.4	–	3 924	31.1
Other service revenue	967	10.0	1 650	4.4	(75)	2 542	7.8
Service revenue	23 505	4.7	4 390	13.3	(143)	27 752	6.0
Equipment revenue	3 596	20.3	65	(7.1)	(24)	3 637	19.4
Non-service revenue	317	25.3	58	3.6	(17)	358	25.2
Revenue	27 418	6.7	4 513	12.8	(184)	31 747	7.6
Direct expenses	(11 988)	5.8	(2 446)	17.3	159	(14 275)	7.0
Staff expenses[1]	(1 529)	1.7	(414)	2.0	(117)	(2 060)	0.6
Publicity expenses	(842)	3.6	(209)	27.4	(5)	(1 056)	7.5
Other operating expenses	(3 301)	15.9	(790)	4.2	191	(3 900)	15.5
Depreciation and amortisation	(2 219)	9.0	(603)	(3.4)	(14)	(2 836)	6.1
Impairment losses	–	–	(318)	> 200.0	–	(318)	> 200.0
Operating profit/(loss)	7 539	5.1	(267)	< (200.0)	30	7 302	3.4
EBITDA	9 832	6.6	660	12.4	43	10 535	7.6
EBITDA margin (%)	35.9		14.6			33.2	
Operating profit/(loss) margin (%)	27.5		(5.9)			23.0	

Notes:
1. The Group commenced capitalisation of staff expenses, effective 1 April 2011 to align to Vodafone accounting treatment. The capitalisation process is based on predefined processes and principles. The Group has capitalised an amount of R96 million for the six months ended 30 September 2011.

Supplementary information continued

Operating results for the six months ended 30 September 2010

Rm	South Africa	% 09/10	International	% 09/10	Corporate/ Eliminations	Group	% 09/10
Mobile voice	13 905	3.7	1 793	(13.3)	–	15 698	1.4
Mobile interconnect	3 340	(18.0)	270	(32.7)	(43)	3 567	(20.0)
Mobile messaging[1]	1 456	13.0	113	(16.9)	–	1 569	10.1
Mobile data[1]	2 874	37.2	119	101.7	–	2 993	39.0
Other service revenue[2]	879	52.9	1 581	(0.5)	(103)	2 357	12.7
Service revenue	22 454	4.7	3 876	(8.8)	(146)	26 184	2.3
Equipment revenue	2 990	20.0	70	(37.5)	(14)	3 046	17.7
Non-service revenue[2]	253	(42.0)	56	(42.3)	(23)	286	(40.8)
Revenue	25 697	5.4	4 002	(10.3)	(183)	29 516	2.9
Direct expenses[3]	(11 326)	1.9	(2 086)	(5.2)	68	(13 344)	1.0
Staff expenses[3]	(1 504)	14.6	(406)	(7.3)	(137)	(2 047)	5.8
Publicity expenses[4]	(813)	18.9	(164)	(18.4)	(5)	(982)	10.6
Other operating expenses[3,4]	(2 849)	12.5	(758)	(13.9)	231	(3 376)	6.3
Depreciation and amortisation	(2 035)	8.1	(624)	(5.3)	(14)	(2 673)	4.3
Impairment losses	–	–	(31)	(99.0)	(2)	(33)	(99.0)
Operating profit/(loss)	7 170	4.8	(67)	97.7	(42)	7 061	90.5
EBITDA	9 225	5.1	587	(20.9)	(24)	9 788	2.8
EBITDA margin (%)	35.9		14.7			33.2	
Operating profit/(loss) margin (%)	27.9		(1.7)			23.9	

Notes:
1. Revenue of R128 million mainly relating to telemetry, has been reclassified from mobile messaging to mobile data revenue.
2. Tower sharing and returned debit order handling fees amounting to R90 million has been reclassified from non-service revenue to other service revenue.
3. Vodafone Global alliance fee of R151 million and non-payroll related expenditure of R193 million has been reclassified from direct expenses and staff expenses respectively to other operating expenses.
4. Franchise fees amounting to R53 million has been reclassified from other operating expenses to publicity expenses.

Supplementary information continued

Operating results for the six months ended 30 September 2009

Rm	South Africa	International	Corporate/ Eliminations	Group
Mobile voice	13 410	2 067	–	15 477
Mobile interconnect	4 075	401	(19)	4 457
Mobile messaging[1]	1 289	136	–	1 425
Mobile data[1]	2 094	59	–	2 153
Other service revenue[2]	575	1 589	(73)	2 091
Service revenue	21 443	4 252	(92)	25 603
Equipment revenue	2 492	112	(15)	2 589
Non-service revenue[2]	436	97	(50)	483
Revenue	24 371	4 461	(157)	28 675
Direct expenses[3]	(11 120)	(2 201)	104	(13 217)
Staff expenses[3]	(1 312)	(438)	(184)	(1 934)
Publicity expenses[4]	(684)	(201)	(3)	(888)
Other operating expenses[3,4]	(2 532)	(880)	236	(3 176)
Depreciation and amortisation	(1 882)	(659)	(23)	(2 564)
Impairment losses	–	(3 047)	(142)	(3 189)
Operating profit/(loss)	6 841	(2 965)	(169)	3 707
EBITDA	8 781	742	(4)	9 519
EBITDA margin (%)	36.0	16.6		33.2
Operating profit margin (%)	28.1	(66.5)		12.9

Notes:
1. Revenue of R122 million mainly relating to telemetry, has been reclassified from mobile messaging to mobile data revenue.
2. Tower sharing and returned debit order fees amounting to R72 million has been reclassified from non-service revenue to other service revenue.
3. Vodafone Global alliance fee of R167 million and non-payroll related expenditure of R208 million has been reclassified from direct expenses and staff expenses respectively to other operating expenses.
4. Franchise fee recoveries amounting to R5 million has been reclassified from other operating expenses to publicity expenses.

Supplementary information continued

South Africa key indicators

	Six months ended 30 September			% change	
	2011	2010	2009	10/11	09/10
Customers (thousand)[1]	**28 907**	23 873	28 204	**21.1**	(15.4)
Prepaid[2]	**23 468**	19 074	24 045	**23.0**	(20.7)
Contract	**5 439**	4 799	4 159	**13.3**	15.4
Gross connections (thousand)	**7 955**	5 082	5 553	**56.5**	(8.5)
Prepaid[2]	**7 448**	4 680	5 199	**59.1**	(10.0)
Contract	**507**	402	354	**26.1**	13.6
Churn (%)[3]	**40.2**	62.2	34.9		
Prepaid[2]	**47.6**	74.9	39.2		
Contract	**8.7**	9.6	8.7		
Traffic (millions of minutes)[4]	**17 327**	13 723	13 641	**26.3**	0.6
Outgoing	**13 129**	9 793	9 726	**34.1**	0.7
Incoming	**4 198**	3 930	3 915	**6.8**	0.4
MOU per month[5]	**104**	95	80	**9.5**	18.8
Prepaid[2]	**86**	68	56	**26.5**	21.4
Contract	**181**	206	224	**(12.1)**	(8.0)
Total ARPU (rand per month)[6]	**141**	155	125	**(9.0)**	24.0
Prepaid[2]	**78**	85	66	**(8.2)**	28.8
Contract	**370**	411	452	**(10.0)**	(9.1)
Messaging (million)[7]	**3 268**	3 170	2 824	**3.1**	12.3
Estimated mobile penetration (%)	**117**	97	104		
Estimated mobile customer market share (%)	**50**	49	55		

Notes:
1. Customers are based on the total number of mobile customers registered on Vodacom's network, which have not been disconnected, including inactive customers, at the end of the period indicated. Prepaid customers inactive for three months were 12.2% at 30 September 2011 (2010: 6.5%).
2. South Africa changed its disconnection policy for call-forward SIMs from 13 months inactivity to seven months during the quarter ended 30 June 2010. Prior year numbers have not been restated.
3. Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly reported mobile customers during the period.
4. Traffic comprises of total traffic registered on Vodacom's mobile network, including bundled minutes, promotional minutes and outgoing international roaming calls, but excluding national roaming calls, incoming international roaming calls and calls to free services.
5. Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly reported mobile customers during the period.
6. Total ARPU is calculated by dividing average monthly service revenue by the average monthly reported mobile customers during the period. Prepaid and contract ARPU only includes service revenue generated from Vodacom customers.
7. Messaging includes SMS, MMS and premium rate SMS/MMS.

Supplementary information continued

International key indicators

	Six months ended 30 September			% change	
	2011	2010	2009	**10/11**	09/10
Customers (thousand)[1]	**18 990**	15 504	13 384	**22.5**	15.8
Tanzania	**10 273**	8 421	6 260	**22.0**	34.5
DRC	**4 783**	3 638	4 404	**31.5**	(17.4)
Mozambique	**2 990**	2 676	2 134	**11.7**	25.4
Lesotho	**944**	769	586	**22.8**	31.2
Gross connections (thousand)	**6 729**	5 952	4 668	**13.1**	27.5
Tanzania	**3 250**	2 831	2 024	**14.8**	39.9
DRC	**2 133**	1 743	1 470	**22.4**	18.6
Mozambique	**1 159**	1 220	1 050	**(5.0)**	16.2
Lesotho	**187**	158	124	**18.4**	27.4
Churn (%)[2]					
Tanzania	**39.2**	42.4	48.2		
DRC	**69.6**	84.4	58.4		
Mozambique	**77.6**	70.9	57.8		
Lesotho	**22.5**	18.8	20.4		
MOU per month[3]					
Tanzania	**55**	56	34	**(1.8)**	64.7
DRC	**45**	66	30	**(31.8)**	120.0
Mozambique	**33**	39	38	**(15.4)**	2.6
Lesotho	**29**	32	34	**(9.4)**	(5.9)
Total ARPU (rand per month)[4]					
Tanzania	**20**	22	33	**(9.1)**	(33.3)
DRC	**35**	39	39	**(10.3)**	–
Mozambique	**28**	22	35	**27.3**	(37.1)
Lesotho	**54**	61	66	**(11.5)**	(7.6)
Total ARPU (local currency)[4]					
Tanzania (TZS)	**4 418**	4 266	5 375	**3.6**	(20.6)
DRC (USD)	**5.0**	5.2	4.8	**(3.8)**	8.3
Mozambique (MZN)	**114**	104	117	**9.6**	(11.1)
Estimated mobile penetration (%)					
Tanzania	**44**	37	33		
DRC	**19**	14	18		
Mozambique	**28**	25	22		
Lesotho	**52**	46	34		
Estimated mobile customer market share (%)					
Tanzania	**51**	51	47		
DRC	**37**	40	36		
Mozambique	**45**	45	45		
Lesotho	**83**	80	80		

Notes:
1. Customers are based on the total number of mobile customers registered on Vodacom's network, which have not been disconnected, including inactive customers, as at the end of the period indicated. Prepaid customers inactive for three months were 18.0% (2010: 17.9%) for Tanzania, 0.0% (2010: 0.4%) for DRC, 24.3% (2010: 31.3%) for Mozambique and 22.2% (2010: 17.5%) for Lesotho at 30 September 2011.
2. Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly reported mobile customers during the period.
3. Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly reported mobile customers during the period.
4. Total ARPU is calculated by dividing average monthly service revenue by the average monthly reported mobile customer base during the period.

Supplementary information continued

Exchange rates

	Average				Closing			
	30 September			31 March	30 September			31 March
	2011	2010	% change	2011	**2011**	2010	% change	2011
USD/ZAR	**6.97**	7.43	**(6.2)**	7.19	**8.04**	6.98	**15.2**	6.77
ZAR/MZN	**4.14**	4.74	**(12.7)**	4.78	**3.31**	5.19	**(36.2)**	4.57
ZAR/TZS	**226.44**	197.48	**14.7**	206.17	**206.72**	215.53	**(4.1)**	221.65
EUR/ZAR	**9.93**	9.53	**4.2**	9.50	**10.81**	9.51	**13.7**	9.61

Historical key indicators for the quarters ended

Revenue

Rm	September **2011**	June 2011	March 2011	December 2010	September 2010	June 2010	March 2010
South Africa	**13 881**	13 537	13 602	14 072	**13 130**	12 567	12 621
International	**2 394**	2 119	2 138	2 056	**2 080**	1 922	1 893
Corporate and eliminations	**(97)**	(87)	(92)	(95)	**(100)**	(83)	(79)
Revenue	**16 178**	15 569	15 648	16 033	**15 110**	14 406	14 435

Service revenue

Rm	September **2011**	June 2011	March 2011	December 2010	September 2010	June 2010	March 2010
South Africa	**11 947**	11 558	11 863	12 075	**11 442**	11 012	11 236
International	**2 326**	2 064	2 081	2 001	**2 016**	1 859	1 822
Corporate and eliminations	**(73)**	(70)	(74)	(78)	**(76)**	(69)	(67)
Service revenue	**14 200**	13 552	13 870	13 998	**13 382**	12 802	12 991

Historical key indicators for the quarters ended continued

South Africa

	September 2011	June 2011	March 2011	December 2010	September 2010	June 2010	March 2010
Customers (thousand)[1]	**28 907**	27 731	26 535	25 302	**23 873**	23 161	26 262
Prepaid[2]	**23 468**	22 411	21 409	20 310	**19 074**	18 489	21 765
Contract	**5 439**	5 320	5 126	4 992	**4 799**	4 672	4 497
Churn (%)[3]	**44.6**	35.5	28.5	32.7	**35.9**	87.2	42.9
Prepaid[2]	**53.0**	41.9	33.0	38.3	**42.5**	105.0	49.6
Contract	**8.9**	8.5	9.7	10.3	**9.6**	9.5	9.1
Traffic (millions of minutes)[4]	**9 186**	8 141	8 108	8 402	**7 352**	6 371	6 379
Outgoing	**7 050**	6 079	6 060	6 307	**5 351**	4 442	4 434
Incoming	**2 136**	2 062	2 048	2 095	**2 001**	1 929	1 945
MOU per month[5]	**108**	100	104	114	**105**	86	80
Prepaid[2]	**91**	81	82	92	**79**	59	53
Contract	**181**	181	195	202	**207**	205	214
Total ARPU (rand per month)[6]	**140**	142	153	164	**163**	149	140
Prepaid[2]	**77**	79	85	93	**90**	79	74
Contract	**370**	369	387	408	**411**	411	436

Historical key indicators for the quarters ended continued

International

	September 2011	June 2011	March 2011	December 2010	September 2010	June 2010	March 2010
Customers (thousand)[1]	**18 990**	17 686	16 957	16 288	**15 504**	14 561	13 630
Tanzania	**10 273**	9 260	8 861	8 665	**8 421**	8 009	7 270
DRC	**4 783**	4 245	4 155	3 847	**3 638**	3 419	3 353
Mozambique	**2 990**	3 277	3 082	2 953	**2 676**	2 411	2 329
Lesotho	**944**	904	859	823	**769**	722	678
Churn (%)[3]							
Tanzania	**35.2**	43.5	51.1	41.5	**41.9**	42.9	42.3
DRC	**64.3**	75.3	45.3	80.8	**91.1**	77.5	50.9
Mozambique	**111.7**	42.5	43.0	45.3	**65.3**	76.9	68.9
Lesotho	**24.5**	20.3	21.5	24.6	**20.2**	17.2	17.4
MOU per month[5]							
Tanzania	**56**	54	53	58	**55**	58	69
DRC	**47**	43	38	74	**77**	56	44
Mozambique	**33**	34	36	43	**49**	29	28
Lesotho	**30**	28	32	32	**33**	31	33
Total ARPU (rand per month)[6]							
Tanzania	**20**	19	19	20	**21**	22	25
DRC	**37**	33	34	32	**39**	39	31
Mozambique	**32**	24	22	23	**22**	22	23
Lesotho	**55**	54	55	62	**60**	62	63
Total ARPU (local currency)[6]							
Tanzania (TZS)	**4 550**	4 276	4 098	4 330	**4 393**	4 127	4 472
DRC (USD)	**5.1**	4.8	4.9	4.7	**5.3**	5.2	4.3
Mozambique (MZN)	**122**	106	102	115	**109**	98	96

Notes:

1. Customers are based on the total number of mobile customers registered on Vodacom's network, which have not been disconnected, including inactive customers, at the end of the period indicated.
2. South Africa changed its disconnection policy for call-forward SIMs from 13 months to seven months during the quarter ended 30 June 2010. Prior year numbers have not been restated.
3. Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total reported mobile customers during the period.
4. Traffic comprises total traffic registered on Vodacom's mobile network, including bundled minutes, promotional minutes and outgoing international roaming calls, but excluding national roaming calls, incoming international roaming calls and calls to free services.
5. Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly total reported mobile customers during the period.
6. Total ARPU is calculated by dividing average monthly service revenue by the average monthly total reported mobile customers during the period. Prepaid and contract ARPU only include service revenue generated from Vodacom customers.

Corporate information

Vodacom Group Limited

(Incorporated in the Republic of South Africa)
Registration number: 1993/005461/06
(ISIN: ZAE000132577 Share Code: VOD)
(ISIN: ZAG000088659 JSE Code: VOD001)
('Vodacom')

Directors

MP Moyo *(Chairman)*, PJ Uys *(CEO)*, P Bertoluzzo[1], M Joseph[2], A Kekana, SN Maseko, T Mokgosi-Mwantembe, PJ Moleketi, NJ Read[3], RAW Schellekens[4], RA Shuter, K Witts[3]

Alternate director

TJ Harrabin[3]

Company secretary

SF Linford

1. Italian 2. American 3. British 4. Dutch

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Transfer secretary

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Investor relations

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Non-GAAP information

This announcement contains certain non-GAAP financial information which has not been reviewed or reported on by the Group's auditors. The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to the comparable GAAP measures. Refer to page 15 and page 16 for detail relating to EBITDA and headline earnings per share.

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Forward-looking statements

This announcement which sets out the interim results for Vodacom Group Limited for the six months ended 30 September 2011 contains 'forward-looking statements', which have not been reviewed or reported on by the Group's auditors, with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward-looking statements include statements relating to: the Group's future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group's businesses by governments in the countries in which it operates; the Group's expectations as to the launch and roll out dates for products, services or technologies; expectations regarding the operating environment and market conditions; growth in customers and usage; and the rate of dividend growth by the Group.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'will', 'anticipates', 'aims', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans' or 'targets'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or its industry to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future.

STUDIO 5