



## Disclaimer

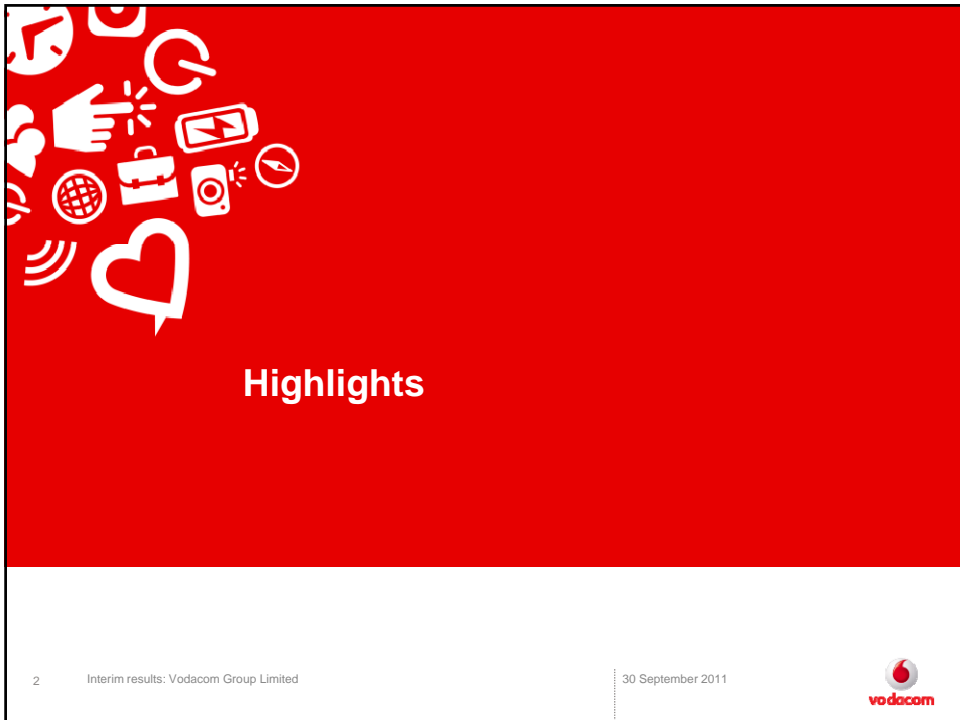
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**Highlights**

2 Interim results: Vodacom Group Limited 30 September 2011 

**Really pleasing numbers**

<p><b>Group service revenue<sup>1</sup></b></p>  <p><b>6.9%</b> R27 752 million</p>	<p><b>Group data revenue<sup>1</sup></b></p>  <p><b>31.5%</b> R3 924 million</p>	<p><b>Group EBITDA<sup>1</sup></b></p>  <p><b>9.8%</b> R10 535 million</p>
<p><b>Group operating FCF</b></p>  <p><b>5.6%</b> R6 930 million</p>	<p><b>HEPS</b></p>  <p><b>6.9%</b> 324 cents per share</p>	<p><b>Interim dividend</b></p>  <p><b>44.4%</b> 260 cents per share</p>

1. Growth in constant currency

3 Interim results: Vodacom Group Limited 30 September 2011 

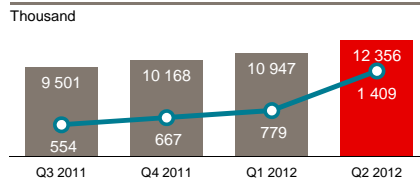
## Mobile data is the key growth driver



**38.1%** yoy increase in Group active data customers

Group data revenue as a % of service revenue **14.1%**

Group active<sup>1</sup> data customers



■ Active data customers    ● Net additions

1. One month active

4 Interim results: Vodacom Group Limited

30 September 2011



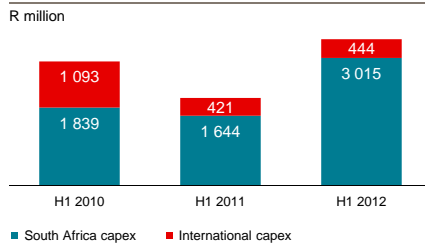
## Investing for data growth

Full capacity 3G sites reduced from 10% at March 2011 to **5%**

352 new 3G sites in SA to a total of **4 642**

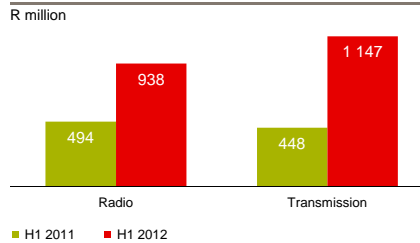
**>3 700** self-provided sites in SA

SA and International capital expenditure



5 Interim results: Vodacom Group Limited

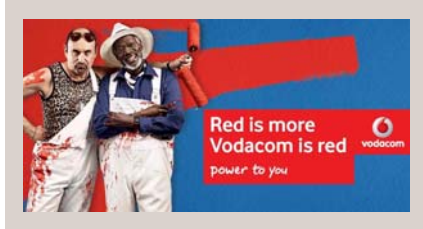
SA main capital expenditure categories



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## Growth in customers underpinned by brand refresh

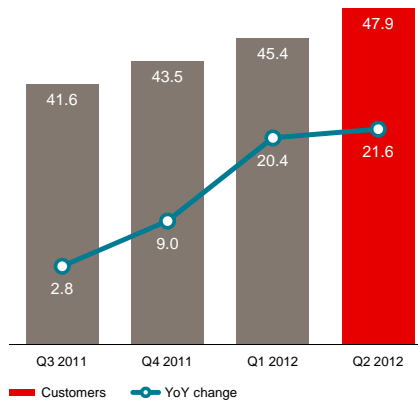


**21.6%** yoy growth in Group customers

H1 net customer additions of **4.4m**

Group customers

Million/%



6

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## Value focus boosts SA performance



**23.9%** yoy decline in effective price per minute 😊

**21.1%** yoy growth in customers

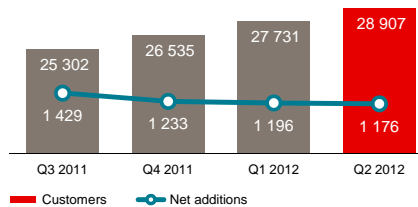
H1 customer net additions of **2.4m**

**34.1%** yoy increase in outgoing traffic



Customers

Thousand



7

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## Building momentum in International operations

# Smarter

price offerings



**20.0%** yoy growth in constant currency service revenue

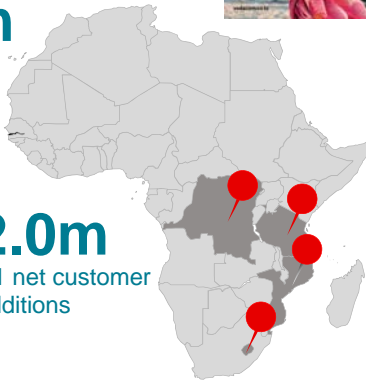
M-Pesa gains traction, Tanzania active customers at **2.2m**

**Customers**

Thousand

Quarter	Customers (Thousand)	Net additions
Q3 2011	16 288	784
Q4 2011	16 957	669
Q1 2012	17 686	729
Q2 2012	18 990	1 304

■ Customers    —●— Net additions




**2.0m**

H1 net customer additions

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## Strategy update

9    Interim results: Vodacom Group Limited

30 September 2011



## Our strategy

**OUR VISION**  
WHERE we are going  
To make every customer smile

**OUR PURPOSE**  
WHY we exist  
Connecting YOU  
Creating possibilities  
Changing lives

**OUR CULTURE**  
the Vodacom Way  
Speed, Simplicity & Trust  
HOW we need to do it

**OUR STRATEGY**  
WHAT we need to do  

- Grow passionate promoters by dramatically improving the customer experience
- Actively create an environment for our people to excel and grow
- Put the power of the internet in people's hands
- Together drive operational excellence
- Proactively partner with our stakeholders

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## #1: Dramatically improve the customer experience

<p><b>Value</b></p>	<p><b>R29</b> voucher with 60 free minutes  <b>Nightshift</b> free late night minutes  <b>More</b> contract free minutes</p>
<p><b>Network</b></p>	<p><b>RAN</b> swaps  <b>Expand</b> 3G coverage  <b>Increase</b> capacity</p>
<p><b>Service</b></p>	<p><b>Online</b> shop launched  <b>Social media</b> customer care  <b>Tech zones</b> in store</p>

GOAL **#1** in all net promoter SCORE touchpoints

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## #2: High level of employee engagement



**Best**   
telco to work for in SA<sup>1</sup>

**Culture**   
change programme implemented

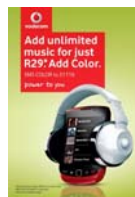
**Helpline**  
launched for employees to help customers



1. Corporate Research Foundation Institute



## #3: Power of the internet into people's hands



**4.1m** smartphone customers in SA



**870k** H1 smartphone net additions in SA

**App** store launched

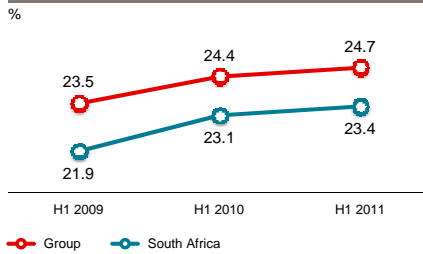


 **2.2m** active customers in Tanzania



## #4: Operational excellence

Group opex<sup>1</sup> to service revenue broadly stable



**12%** annual reduction in CO<sub>2</sub> emissions<sup>2</sup>

**“Green”** Site solutions innovation centre

Fatalities **0**  
minimal lost time injuries

**3<sup>rd</sup>** year of improved contribution margin

- GOAL** People Survey: speed and simplicity scores to improve by five points per year
- GOAL** CARBON footprint: **5% reduction** per annum
- GOAL** Optimise opex to service revenue

- Operating expenses excluding direct expenses, trading foreign exchange and at constant currency
- Compound annual reduction in Group's carbon footprint (2009 vs. 2011)



## #5: Proactive partnerships

Launched Vodacom mobile education



**GOAL** achieve **REPUTATIONAL best-in-class**

**9** resource centres

**1 800** connected schools

Education content **portal**







## Financial review

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30 September 2011




### Group income statement

R million	H1 2012	H1 2011	% change
<b>Service revenue</b>	27 752	26 184	6.0
<b>Revenue</b>	31 747	29 516	7.6
<b>EBITDA</b>	10 535	9 788	7.6
<b>Operating profit before impairment losses</b>	7 620	7 094	7.4
Impairment losses	(318)	(33)	> 200.0
<b>Operating profit after impairment losses</b>	7 302	7 061	3.4
Net finance charges	(247)	(558)	(55.7)
<b>Profit before tax</b>	7 055	6 503	8.5
Taxation	(2 668)	(2 234)	19.4
<b>Net profit</b>	4 387	4 269	2.8
<b>Attributable to:</b>			
Equity shareholders	4 403	4 416	(0.3)
Non-controlling interests	(16)	(147)	(89.1)
<b>HEPS (cents)</b>	324	303	6.9
<b>Weighted average shares in issue (million)</b>	1 463	1 472	(0.6)

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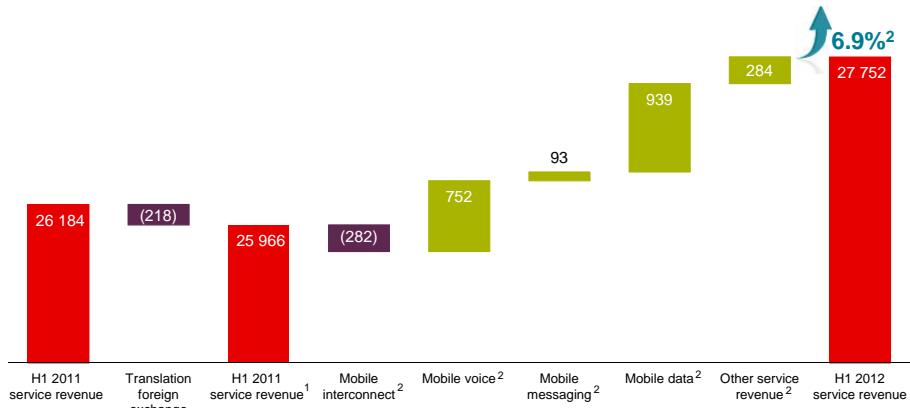
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## Strong growth in mobile data and voice usage

### Group service revenue growth by category

R million



1. Restated to H1 2012 foreign exchange rates
2. At a constant currency

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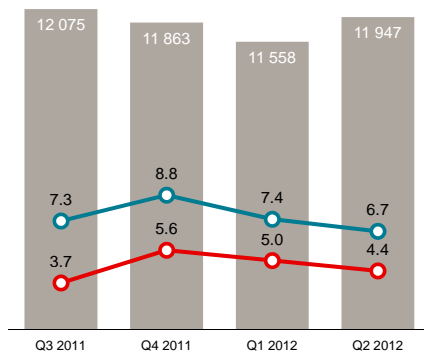
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## Strong service revenue growth trends

### SA service revenue

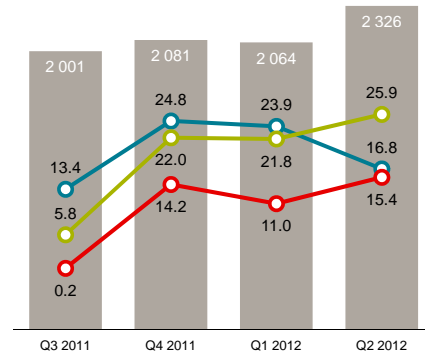
R million/%



- Service revenue
- YoY growth
- YoY growth excl. MTR impact

### International service revenue

R million/%



- Service revenue
- YoY growth
- YoY constant currency growth
- MNO yoy constant currency growth

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## Group operating expenses well contained

### Group operating expenses<sup>1</sup> by category

R million	H1 2012	%	% <sup>2</sup>
Direct expenses	14 275	7.0	7.8
Staff expenses	2 060	0.6	1.7
Publicity expenses	1 056	7.5	8.1
Other operating expenses	3 900	15.5	12.5
<b>Operating expenses<sup>1</sup></b>	<b>21 291</b>	<b>7.8</b>	<b>8.0</b>

### Group operating expenses<sup>1</sup> by segment

R million	H1 2012	%	% <sup>2</sup>
South Africa	17 660	7.1	5.9
International	3 859	13.0	21.0
Corporate/eliminations	(228)	(45.2)	(45.5)
<b>Operating expenses<sup>1</sup></b>	<b>21 291</b>	<b>7.8</b>	<b>8.0</b>

- Excluding MTR impact in South Africa, Group direct expenses increased 9.6%
- Group staff expenses positively impacted by R96 million of costs capitalised

- Group operating expenses up 8.0%<sup>2</sup> below constant currency revenue growth of 8.4%
- Operating expenses growth of International MNO's was contained to 20.5%<sup>2</sup> below revenue growth of 23.4%<sup>2</sup>

1. Excluding depreciation, amortisation and impairment losses  
2. Excluding trading foreign exchange and at a constant currency

20 Interim results: Vodacom Group Limited

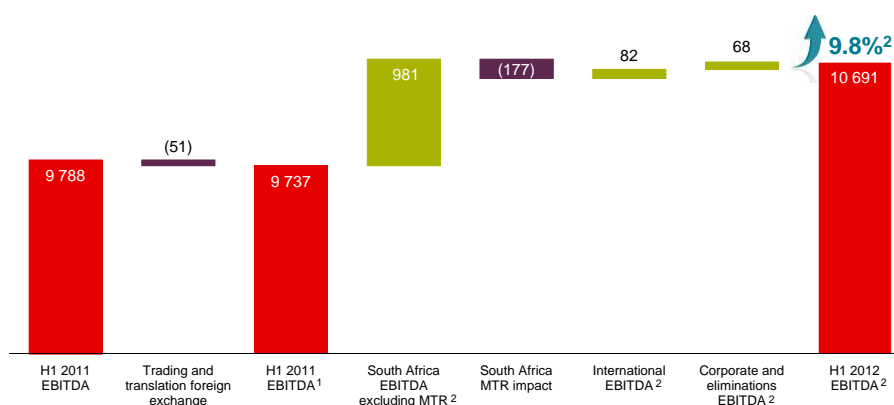
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## Group EBITDA increased 9.8% in constant currency

### Group EBITDA

R million



1. Restated to H1 2012 foreign exchange rates and excluding trading foreign exchange  
2. Excluding trading foreign exchange and at a constant currency

21 Interim results: Vodacom Group Limited

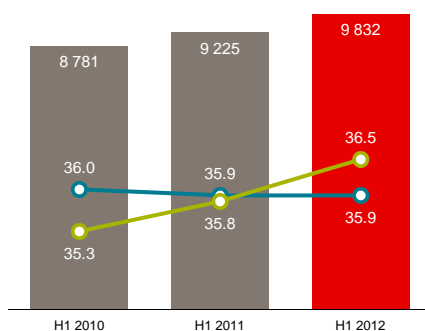
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## Positive EBITDA margin trends

### SA EBITDA

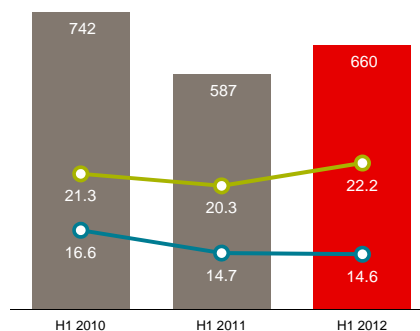
R million/%



■ EBITDA  
 ● EBITDA margin  
 ● EBITDA margin excluding trading foreign exchange

### International EBITDA

R million/%



■ EBITDA  
 ● Total EBITDA margin  
 ● International MNO EBITDA margin at constant currency

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## Group finance charges reduced due to lower average debt

### Group net finance charges

R million	H1 2012	% change
Net finance costs	(250)	(31.3)
Loss on remeasurement of loans	(18)	156.3
Loss on translation of foreign assets and liabilities	(61)	(49.6)
Gain on derivatives <sup>1</sup>	82	178.1
<b>Net finance charges</b>	<b>(247)</b>	<b>(55.7)</b>
<b>Average cost of debt (%)</b>	<b>7.3</b>	<b>(0.6ppt)</b>

### Group net debt

R million	H1 2012	FY 2011
Bank and cash balances	1 072	870
Bank overdrafts	(73)	(331)
Debt	(11 653)	(9 997)
<b>Net debt</b>	<b>(10 654)</b>	<b>(9 458)</b>
<b>Net debt/EBITDA (times)</b>	<b>0.5</b>	<b>0.5</b>
<b>Average debt</b>	<b>(10 117)</b>	<b>(11 033)</b>

- Issued R750 million three month commercial paper under our recently established R10 billion DMTN programme

1. Mainly revaluation of foreign currency exchange contracts

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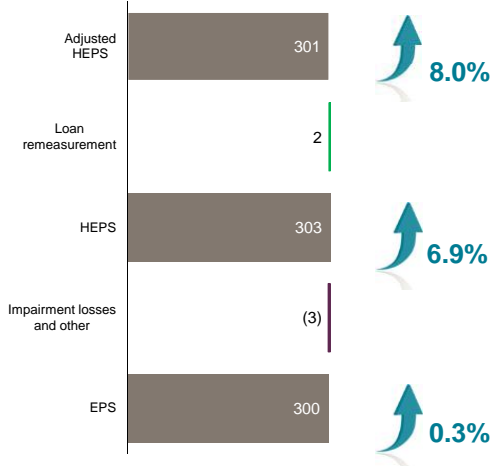
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## Adjusted headline earnings per share increased 8.0%

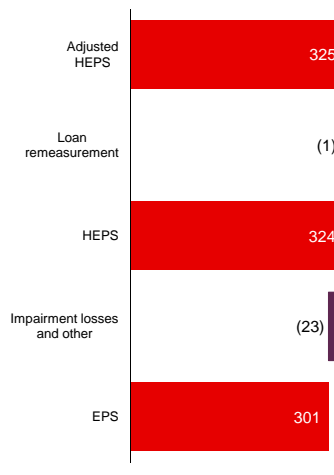
### H1 2011 headline earnings per share

Cents per share



### H1 2012 headline earnings per share

Cents per share



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## Group statement of financial position

R million	H1 2012	FY 2011	Movement
<b>Assets</b>			
Property, plant and equipment	22 885	21 577	1 308
Intangible assets	4 942	5 215	(273)
Other non-current assets	993	1 190	(197)
Current assets	15 389	13 453	1 936
<b>Total assets</b>	<b>44 209</b>	<b>41 435</b>	<b>2 774</b>
<b>Equity and liabilities</b>			
Total equity	16 996	16 180	816
Borrowings	11 668	10 063	1 605
Other liabilities	15 545	15 192	353
<b>Total equity and liabilities</b>	<b>44 209</b>	<b>41 435</b>	<b>2 774</b>
<b>Net asset value per share (cents)</b>	<b>1 154</b>	<b>1 099</b>	<b>55</b>

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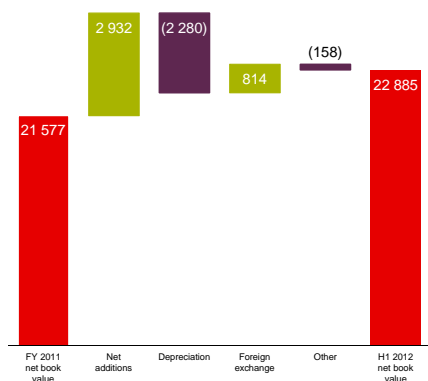
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## Movement in Group PPE and intangible assets

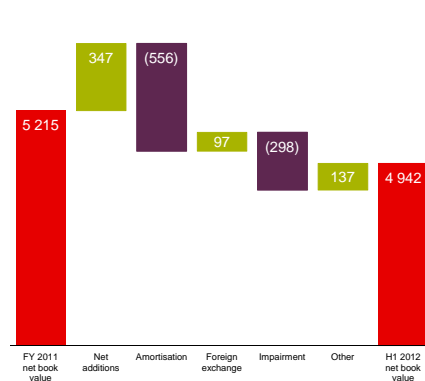
### Property, plant and equipment

R million



### Intangible assets

R million



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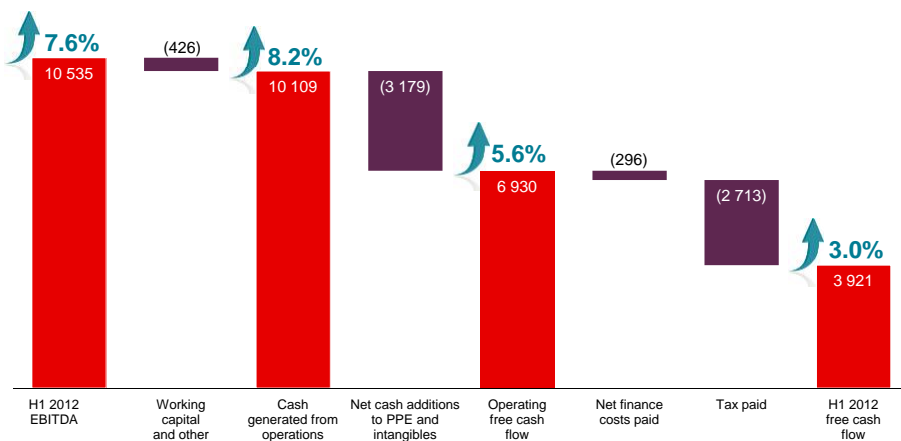
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## Growth in free cash flow despite sizeable increase in capex

### Group cash flow generation

R million



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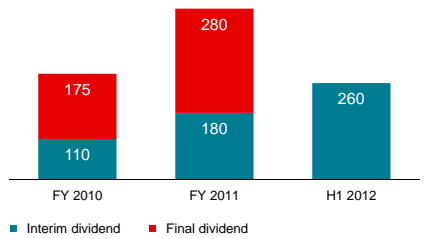
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## Improving shareholder returns

### Dividend per share

Cents

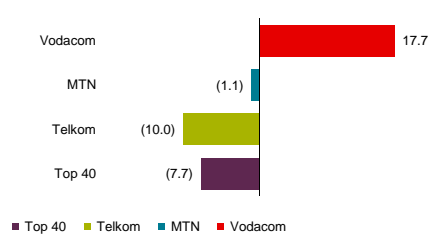


■ Interim dividend ■ Final dividend

- 44.4% increase in interim dividend to 260 cents
- Interim payout ratio 80.2%
- Dividend policy maintained "at least 70% of headline earnings"

### Total shareholder returns

% return for the six months ended 30 September 2011

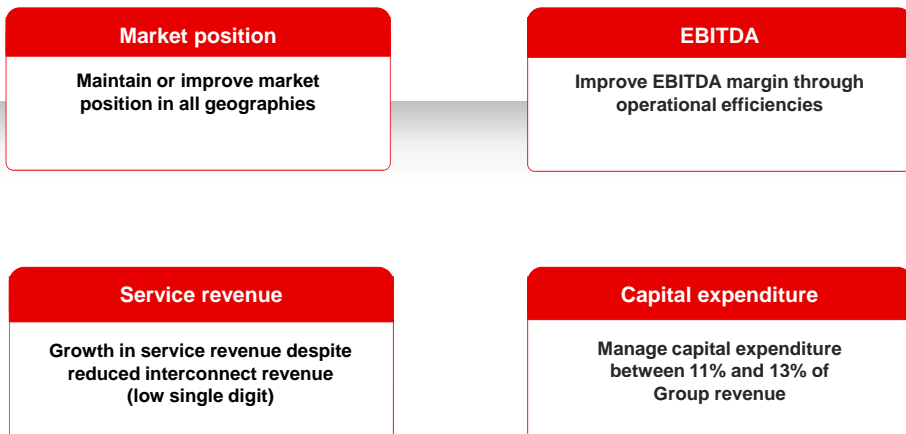


■ Top 40 ■ Telkom ■ MTN ■ Vodacom

Source: Bloomberg



## Group medium-term targets remain unchanged



Medium-term financial targets are indicated over a three year period ending March 2013 assuming constant currencies and excluding the non-cash accounting for RAN swaps



## In summary



# Thank you





## Country data

	South Africa	Tanzania	DRC	Mozambique	Lesotho
Population (million)	50	46	70	24	2
GDP per capita (USD)	5 700	608	256	462	1 010
GDP growth estimate 2011 (%)	3.1	6.3	6.5	7.3	3.5
Estimated mobile penetration (%)	117	44	19	28	52
Estimated customer market share (%)	50	51	37	45	83
Ownership (%)	93.75	65	51	85	80
License expiry period	2024	2031	2018	2019	2016
Customers (thousand)	28 907	10 273	4 783	2 990	944
ARPU (R)	141	20	35	28	54
ARPU (local currency)	141	4 418	5.0	114	54
Minutes of use per user per month	104	55	45	33	29

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## Definitions

<b>ARPU</b>	Total ARPU is calculated by dividing the average monthly service revenue by the average monthly reported mobile customers during the period.
<b>Churn</b>	Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly reported mobile customers during the period.
<b>Contribution margin</b>	Revenue less direct expenses as a percentage of revenue.
<b>Customers</b>	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.
<b>Data customers</b>	Number of unique customers who have generated revenue related to any data activities in relation to mobile data revenue (this excludes SMS and MMS messaging users) in the reported month. A user is defined as being active if they are paying for a contractual monthly fee for this service or have used the service during the reported period.
<b>EBITDA</b>	Earnings before interest, taxation, depreciation, amortisation, impairment losses, profit/loss on disposal of investments and on disposal of property, plant and equipment, investment properties and intangible assets.
<b>Free cash flow</b>	Cash generated from operations less additions to property, plant and equipment and intangible assets, proceeds on disposal of property, plant and equipment and intangible assets, tax paid and net finance charges paid.
<b>HEPS</b>	Headline earnings per share.
<b>International</b>	International comprises the segment information relating to the non-South African-based cellular networks in Tanzania, the Democratic Republic of Congo, Mozambique and Lesotho as well as the operations of Vodacom International Limited, Vodacom Business Africa and Gateway Carrier Services.
<b>MNO</b>	Mobile network operator.
<b>MOU</b>	Minutes of use per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly total of reported mobile customers during the period.
<b>Operating free cash flow</b>	Cash generated from operations less additions to property, plant and equipment and intangible assets and proceeds on disposal of property, plant and equipment and intangible assets.
<b>RAN</b>	Radio access network.
<b>South Africa</b>	Vodacom (Pty) Limited, a private limited liability company duly incorporated in accordance with the laws of South Africa and its subsidiaries, joint ventures and SPV's.
<b>Total shareholder returns</b>	Shareholder returns consist of the aggregate share price appreciation and dividend yield.
<b>Traffic</b>	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.

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## Forward-looking statements

This presentation 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.



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Interim results for the six months ended 30 September 2011

