

Vodacom Group Limited

Quarterly update for the period ended 30 June 2014

Vodacom Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1993/005461/06)

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News release

Vodacom Group Limited quarterly update for the period ended 30 June 2014

24 July 2014

Salient features

- Group revenue increased 4.3% (2.7%*) to R18 287 million
- Group service revenue increased 1.8% to R14 897 million, up 5.0% excluding cuts in mobile termination rates (MTRs)
- Group data revenue increased 23.2% to R3 584 million, now 24.1% of service revenue
- Group active customers grew 15.6% to 59.6 million and active data customers¹ grew 36.7% to 25.3 million
- South Africa service revenue declined 2.0% due to MTR cuts, 2.0% increase excluding impact of MTRs
- International service revenue up 17.3% (7.8 %*) supported by strong customer growth and M-Pesa

Rm	Quarter ended June 2014	Year on year % change	
		Reported	Normalised*
Revenue	18 287	4.3	2.7
South Africa	14 791	1.7	1.7
International	3 591	17.2	7.4
Service revenue	14 897	1.8	-
South Africa	11 442	(2.0)	(2.0)
International	3 493	17.3	7.8

Shameel Joosub, Vodacom Group CEO commented:

In the past year we've added more than eight million new customers, taking our active customer base to just shy of 60 million. Group revenue for the quarter was R18.3 billion, an increase of 4.3% over last year. Data and the International businesses have once again been the largest contributors to growth, and the entire business is seeing the benefit of our sustained investment programme.

In South Africa we executed well operationally and grew our customer base by 11.0%, but revenue was impacted by the dramatic decrease in MTRs. We continued with our price transformation strategy, bringing down the overall effective price per minute by 25.3% to 68 cents and driving an increase in outgoing voice traffic of 26.1%. The elasticity effect was even more notable on data, with a 30.3% reduction in the average effective price per megabyte more than offset by a 70.1% increase in data traffic.

Supporting this increase in traffic in South Africa, we added another 473 LTE sites in the quarter, an increase of more than 50%. On top of this we added another 293 3G sites, and 74.5% of our sites are now connected using our own self-provided high capacity transmission. This increase in capacity has the dual benefit of giving us the best possible platform from which to grow the South African business as well as the ability to reduce prices on a sustainable basis. The additional capacity means that we are able to maintain superior network performance even as traffic increases in response to lower prices.

The International businesses performed well with service revenue increasing 17.3% and the customer base increasing 21.7%. The contribution of the International businesses to Group service revenue increased to 23.4%. Data continues to be a key growth driver with the number of active data customers increasing 69.5%. Mobile data revenue including M-Pesa grew 51.1%. We now have more than 6.6 million M-Pesa customers. We increased the number of 3G sites in our International operations by more than 50%.

* Represents normalised growth at a constant currency (using current period as base). Refer to page 9 for a reconciliation of normalised growth.

1. Excluding M2M customers

All growth rates refer to the quarter compared to prior year same quarter unless stated otherwise.

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Operating review

South Africa

Revenue increased 1.7% to R14 791 million driven by a 16.9% growth in equipment revenue (device and accessories revenue). Equipment revenue now represents 21.4% (2013: 18.6%) of total revenue.

Service revenue fell 2.0% to R11 442 million mainly due to a 50% cut in MTRs in April 2014 which led to a 44.0% reduction in incoming voice revenue. Excluding the impact of MTRs service revenue grew 2.0%. Mobile customer revenue increased 0.4% to R10 057 million driven by a 3.0% increase in prepaid customer revenue. The rise in prepaid revenue offset a 2.0% decline in contract customer revenue resulting from our pricing transformation strategy and increased price competition.

Our drive to transform pricing through integrated contract price plans and prepaid bundles resulted in 25.3% reduction in our blended price per minute (PPM) to 68 cents (2013: 91 cents). Total outgoing traffic grew 26.1%. Our pricing transformation strategy is designed to reduce our effective PPM and therefore the cost to communicate.

Active prepaid customers grew 13.2% adding 997k customers to 27.7 million. We achieved 14.3% growth in minutes of use by introducing time based bundles at lower price points to cater for consumers who remain under pressure as a result of a weak macroeconomic environment.

Active contract customers were flat at 4.8 million (excluding machine to machine (M2M)) mainly due to our continued efforts to reduce the prevalence of non-revenue generating customers in our contract base. Contract ARPU declined 3.9% in the quarter to R372 impacted by lower MTRs and migration of our customers from voice centric plans to integrated price plans. 63.2% (2013: 35.1%) of our contract customers (excluding Top Up) are now on the integrated plans and in-bundle spend increased to 68.2% (2013: 63.1%) giving our customers a worry-free experience. There has been great take up of our uChoose packages which give customers access to integrated plans and an option to have access to prepaid promotions on an ad hoc basis; 82.7% of new Top Up connections are now on these packages.

The Vodafone global M2M platform combined with our network investment and dedicated sales channels is delivering large scale M2M contracts. Active M2M customers increased 22.0% to 1.5 million.

Strong growth in data revenue and 41.7% growth in business managed services revenue offset a 5.3% decline in voice revenue reflecting the success of our strategy to diversify revenue.

Data revenue grew 18.4% to R2 948 million to represent 25.8% (2013: 21.3%) of service revenue. We increased the data allocated in our integrated plans and launched time based micro bundles to reduce our effective price of data by 30.3% year on year. On a quarterly basis, effective price per megabyte declined 4.2% quarter on quarter. We attracted 1.8¹ million new data users to grow our data customers to 17.0¹ million and increased total data usage by 70%. We continue to make progress with our handset financing programme to put data capable devices into people's hands. The number of active smartphones and tablets on our network increased 19.3% to 8.0 million devices. The average monthly data usage on smartphones increased 44.5% to 312 MB per device and usage on tablets increased 43.0% to 848 MB per device.

Our accelerated capex investment programme to further enhance our network and service differentiation is on track. This being the first year of acceleration of our investment, we increased our LTE sites by 473 to 1 389 sites and our 3G sites by 293 to 7 541 sites in the quarter. 74.5% of our sites are now connected to our self-provided high capacity transmission network and we expect to complete our Radio Access Network renewal (RAN) program in the next quarter.

On 19 May 2014, we announced our intention to acquire 100% of Neotel for a cash consideration equivalent to an enterprise value of R7.0 billion. During the quarter, we made formal submissions for approval of the proposed transaction to the regulator ICASA and the Competition Commission. The combination of Neotel and our existing fibre network and enterprise business will accelerate our unified communications strategy in addition to yielding substantial cost and capex synergies.

1. Excluding M2M customers

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International

International operation's service revenue grew 17.3% (7.8%*) to R3 493 million driven by continued customer growth, higher voice usage, increased data usage and M-Pesa. Although overall growth was impacted by intense price competition, the International segment's contribution increased strongly to 23.4% (2013: 20.3%) of Group service revenue.

Our bundle strategy has increased our resilience against price competition in all our markets. We continued to refine the composition and size of our bundles to improve value to our customers, resulting in 21.7% growth in customers and 26.3% increase in minutes of use.

Mobile data revenue grew 51.1% to contribute 18.2% (2013: 14.1%) of service revenue. Mobile data revenue (excluding M-Pesa) grew 69.5% supported by an increase of 69.5% in active data customers to 8.3 million, reflecting strong demand for mobile data services in all our markets.

M-Pesa revenue growth remained strong, up 33.9%. In Tanzania it now represents 21.3% of service revenue. Our total active M-Pesa base across all our markets grew 27.0% to 6.6 million. Nearly 50% of new M-Pesa users are from DRC, Lesotho and Mozambique, where we launched during the previous year.

Enhancements to our networks through our capex investment programme are on-going. We increased 3G sites by 52.6% to further drive growth of mobile data and we increased both capacity and coverage by increasing the number of 2G sites by 26.4%.

The quarterly information has not been audited or reviewed by Vodacom's external auditors.

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Financial review

Revenue

Rm	June	March	June	Year on year % change		Quarterly % change	
	2014	2014	2013	Reported	Normalised*	Reported	Normalised*
South Africa	14 791	15 170	14 549	1.7	1.7	(2.5)	(2.5)
International	3 591	3 798	3 065	17.2	7.4	(5.5)	(2.0)
Corporate and eliminations	(95)	(164)	(78)	21.8	21.8	(42.1)	(42.1)
Revenue	18 287	18 804	17 536	4.3	2.7	(2.7)	(2.0)

Service revenue

Rm	June	March	June	Year on year % change		Quarterly % change	
	2014	2014	2013	Reported	Normalised*	Reported	Normalised*
South Africa	11 442	11 982	11 678	(2.0)	(2.0)	(4.5)	(4.5)
International	3 493	3 684	2 978	17.3	7.8	(5.2)	(1.7)
Corporate and eliminations	(38)	(80)	(20)	90.0	90.0	(52.5)	(52.5)
Service revenue	14 897	15 586	14 636	1.8	-	(4.4)	(3.6)

Revenue for the quarter ended 30 June 2014

Rm	South Africa	Yoy % Change	International	Yoy % change	Corporate/ Eliminations	Group	Yoy % change
Mobile contract revenue	5 133	(2.0)	230	22.3	(1)	5 362	(1.1)
In bundle	3 502	5.9	63	12.5	1	3 566	6.1
Out of bundle	1 631	(15.5)	167	26.5	(2)	1 796	(12.8)
Mobile prepaid revenue	4 924	3.0	2 501	15.9	-	7 425	7.0
In bundle	626	80.9	399	>200	-	1 025	154.3
Out of bundle	4 298	(3.1)	2 102	0.1	-	6 400	(2.1)
Mobile customer revenue	10 057	0.4	2 731	16.5	(1)	12 787	3.5
Mobile interconnect	521	(44.0)	381	26.6	(21)	881	(27.9)
Other service revenue	864	18.2	381	14.4	(16)	1 229	16.5
Service revenue	11 442	(2.0)	3 493	17.3	(38)	14 897	1.8
Equipment revenue	3 160	16.9	54	25.6	(6)	3 208	17.0
Non-service revenue	189	12.5	44	-	(51)	182	15.9
Revenue	14 791	1.7	3 591	17.2	(95)	18 287	4.3
Of which mobile voice	6 589	(5.3)	1 949	8.0		8 536	(2.6)
Of which mobile messaging	608	(9.9)	148	21.3		756	(5.0)
Of which mobile data	2 948	18.4	636	51.1		3 584	23.2

Notes:

- Mobile in-bundle revenue: Represents revenue from bundles that include a specified number of minutes, messages or megabytes of data that can be used for no additional charge, with some expectation of recurrence.
- Mobile in-bundle revenue – Contract: Revenue from all bundles and add-ons lasting 30 days or more.
- Mobile in-bundle revenue – Prepay: Revenue from bundles lasting seven days or more.
- Out-of-bundle: Revenue from minutes, messages or megabytes of data which are in excess of the amount included in customer bundles.

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Revenue for the quarter ended 30 June 2013

Rm	South Africa	Yoy% Change	International	Yoy% change	Corporate/ Eliminations	Group	Yoy% change
Mobile contract revenue	5 236	0.1	188	19.0	(2)	5 422	0.6
In bundle	3 306	1.5	56	24.4	-	3 362	1.8
Out of bundle	1 930	(2.2)	132	16.8	(2)	2 060	(1.2)
Mobile prepaid revenue	4 781	5.4	2 157	31.9	(1)	6 937	12.4
In bundle	346	34.6	57	103.6	-	403	41.4
Out of bundle	4 435	3.6	2 100	30.7	(1)	6 534	11.0
Mobile customer revenue	10 017	2.5	2 345	30.8	(3)	12 359	6.9
Mobile interconnect	930	(23.5)	300	29.9	(8)	1 222	(14.2)
Other service revenue	731	1.7	333	(66.8)	(9)	1 055	(37.4)
Service revenue	11 678	(0.2)	2 978	(1.7)	(20)	14 636	(0.2)
Equipment revenue	2 703	33.7	43	59.3	(3)	2 743	34.3
Non-service revenue	168	(40.8)	44	4.8	(55)	157	(49.8)
Revenue	14 549	3.9	3 065	(1.0)	(78)	17 536	3.0
Of which mobile voice	6 956	(2.5)	1 805	21.8		8 760	1.6
Of which mobile messaging	675	(11.5)	122	37.1		796	(6.6)
Of which mobile data	2 489	21.8	421	87.1		2 909	28.2

Notes:

- Mobile in-bundle revenue: Represents revenue from bundles that include a specified number of minutes, messages or megabytes of data that can be used for no additional charge, with some expectation of recurrence.
- Mobile in-bundle revenue – Contract: Revenue from all bundles and add-ons lasting 30 days or more.
- Mobile in-bundle revenue – Prepay: Revenue from bundles lasting seven days or more.
- Out-of-bundle: Revenue from minutes, messages or megabytes of data which are in excess of the amount included in customer bundles.

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Key indicators

South Africa

	June 2014	March 2014	June 2013	Year on year % change	Quarterly % change
Active customers (thousand)¹	32 516	31 520	29 282	11.0	3.2
Prepaid	27 723	26 726	24 488	13.2	3.7
Contract	4 793	4 794	4 794	-	-
Machine to machine customers (thousand)	1 512	1 443	1 239	22.0	4.8
Churn (%)²	51.9	49.0	55.5	(6.5)	5.9
Prepaid	57.5	54.4	62.1	(7.4)	5.7
Contract	10.4	11.8	11.6	(10.3)	(11.9)
Traffic (millions of minutes)³	11 776	11 453	9 752	20.8	2.8
Outgoing	9 392	9 193	7 448	26.1	2.2
Incoming	2 384	2 260	2 304	3.5	5.5
MOU per month⁴	122	122	112	8.9	-
Prepaid	112	112	98	14.3	-
Contract	181	179	183	(1.1)	1.1
Total ARPU (rand per month)⁵	110	119	125	(12.0)	(7.6)
Prepaid	64	71	74	(13.5)	(9.9)
Contract	372	379	387	(3.9)	(1.8)

Notes:

- Active customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming. As of 30 June 2013, this excludes M2M connections, prior periods have been restated.
- Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly customers during the period. Churn has been restated as a result of M2M connections excluded from active customers.
- 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.
- Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly active customers during the period. MOU has been restated as a result of M2M connections excluded from active customers.
- Total ARPU is calculated by dividing the average monthly service revenue by the average monthly active customers during the period. Prepaid and contract ARPU only include service revenue generated from Vodacom mobile customers. ARPU has been restated as a result of M2M connections excluded from active customers.

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Key indicators (continued)

International

	June 2014	March 2014	June 2013	Year on year % change	Quarterly % change
Active customers (thousand)¹	27 086	25 969	22 259	21.7	4.3
Tanzania	10 638	10 284	9 666	10.0	3.4
DRC	10 502	10 008	8 129	29.2	4.9
Mozambique	4 604	4 333	3 310	39.1	6.3
Lesotho	1 342	1 344	1 154	16.3	(0.1)
Churn (%)²					
Tanzania	47.3	49.9	56.8	(16.7)	(5.2)
DRC	74.8	76.6	87.7	(14.7)	(2.3)
Mozambique	91.2	87.2	69.8	30.7	4.6
Lesotho	41.9	50.9	43.7	(4.1)	(17.7)
MOU per month³					
Tanzania	158	131	116	36.2	20.6
DRC	37	31	39	(5.1)	19.4
Mozambique	131	118	92	42.4	11.0
Lesotho	48	49	26	84.6	(2.0)
Total ARPU (rand per month)⁴					
Tanzania	42	43	41	2.4	(2.3)
DRC	31	35	33	(6.1)	(11.4)
Mozambique	49	52	57	(14.0)	(5.8)
Lesotho	43	41	44	(2.3)	4.9
Total ARPU (local currency per month)⁴					
Tanzania (TZS)	6 655	6 377	6 992	(4.8)	4.4
DRC (USD)	3.0	3.2	3.5	(14.3)	(6.3)
Mozambique (MZN)	146	150	182	(19.8)	(2.7)

Notes:

- Active customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming.
- Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly customers during the period.
- Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly active customers during the period.
- Total ARPU is calculated by dividing the average monthly service revenue by the average monthly active customers during the period. ARPU has been restated to only include service revenue generated from Vodacom mobile customers.

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Historical financial review

Revenue

Rm	June 2014	March 2014	December 2013	September 2013	June 2013	March 2013	December 2012
South Africa	14 791	15 170	16 502	15 585	14 549	14 699	15 475
International	3 591	3 798	3 838	3 655	3 065	2 553	2 875
Corporate and eliminations	(95)	(164)	(121)	(88)	(78)	(55)	(56)
Revenue	18 287	18 804	20 219	19 152	17 536	17 197	18 294

Service revenue

Rm	June 2014	March 2014	December 2013	September 2013	June 2013	March 2013	December 2012
South Africa	11 442	11 982	12 587	12 069	11 678	11 894	12 507
International	3 493	3 684	3 695	3 538	2 978	2 480	2 786
Corporate and eliminations	(38)	(80)	(34)	(30)	(20)	(19)	(20)
Service revenue	14 897	15 586	16 248	15 577	14 636	14 355	15 273

Historical key indicators

South Africa

	June 2014	March 2014	December 2013	September 2013	June 2013	March 2013	December 2012
Active customers (thousand)¹	32 516	31 520	30 964	30 139	29 282	29 190	29 474
Prepaid	27 723	26 726	26 123	25 331	24 488	24 404	24 712
Contract	4 793	4 794	4 841	4 808	4 794	4 786	4 762
Machine to machine customers (thousand)	1 512	1 443	1 378	1 302	1 239	1 159	1 107
Churn (%)²	51.9	49.0	52.3	58.4	55.5	60.8	56.4
Prepaid	57.5	54.4	58.4	65.3	62.1	68.2	62.9
Contract	10.4	11.8	11.4	12.6	11.6	11.0	11.3
Traffic (millions of minutes)³	11 776	11 453	11 298	11 034	9 752	9 252	9 631
Outgoing	9 392	9 193	8 928	8 681	7 448	7 018	7 238
Incoming	2 384	2 260	2 370	2 353	2 304	2 234	2 393
MOU per month⁴	122	122	124	124	112	105	109
Prepaid	112	112	113	112	98	91	93
Contract	181	179	183	183	183	180	191
Total ARPU (rand per month)⁵	110	119	129	127	125	127	133
Prepaid	64	71	80	75	74	76	80
Contract	372	379	393	398	387	391	409

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Historical key indicators (continued)

International

	June 2014	March 2014	December 2013	September 2013	June 2013	March 2013	December 2012
Active customers (thousand)¹	27 086	25 969	25 019	23 672	22 259	21 327	20 375
Tanzania	10 638	10 284	10 289	10 023	9 666	9 468	9 357
DRC	10 502	10 008	9 334	8 790	8 129	7 706	7 086
Mozambique	4 604	4 333	4 120	3 688	3 310	3 045	2 861
Lesotho	1 342	1 344	1 276	1 171	1 154	1 108	1 071
Churn (%)²							
Tanzania	47.3	49.9	46.6	51.5	56.8	64.7	60.1
DRC	74.8	76.6	88.6	88.8	87.7	90.0	69.2
Mozambique	91.2	87.2	74.3	71.4	69.8	69.0	73.2
Lesotho	41.9	50.9	34.1	39.5	43.7	31.9	38.9
MOU per month⁴							
Tanzania	158	131	131	122	116	83	102
DRC	34	31	33	36	39	44	48
Mozambique	131	118	104	95	92	84	86
Lesotho	48	49	51	35	26	26	34
Total ARPU (rand per month)⁵							
Tanzania	42	43	49	48	41	34	39
DRC	31	35	34	37	33	28	35
Mozambique	49	52	61	61	57	54	62
Lesotho	43	41	51	47	44	41	57
Total ARPU (local currency per month)⁵							
Tanzania (TZS)	6 655	6 377	7 700	7 801	6 992	6 092	7 066
DRC (USD)	3.0	3.2	3.4	3.7	3.5	3.1	4.0
Mozambique (MZN)	146	150	178	184	182	185	213

Notes:

- Active customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming. As of 30 June 2013, this excludes M2M connections, prior periods have been restated.
- Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly customers during the period.
- 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.
- Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly active customers during the period. MOU has been restated as a result of M2M connections excluded from active customers.
- Total ARPU is calculated by dividing the average monthly service revenue by the average monthly active customers during the period. Prepaid and contract ARPU only include service revenue generated from Vodacom mobile customers. ARPU has been restated as a result of M2M connections excluded from active customers.

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Reconciliation of normalised growth

The reconciliation represents normalised growth at a constant currency (using current period as base) from on-going operations. The presentation of the pro-forma constant currency information from on-going operations is the responsibility of the directors of Vodacom Group Limited. The purpose to presenting this information is to assist the user in understanding the underlying growth trends in these segments. It has been prepared for illustrative purposes only and may not fairly present the financial position, changes in equity, and results of operations or cash flows of Vodacom Group Limited. This information has not been reviewed and reported on by the Group's auditors.

Year on year reconciliation

	Reported ¹	Translation foreign exchange ²	Normalised
	% change	ppt	% change
	14/15		14/15
Revenue			
Group	4.3	(1.6)	2.7
International	17.2	(9.8)	7.4
Service revenue			
Group	1.8	(1.8)	-
International	17.3	(9.5)	7.8

Notes:

1. The reported percentage change relates to the quarter to date year on year percentage growth between 30 June 2013 and 30 June 2014. The Group's presentation currency is the South African rand. Our International operations include functional currencies in United States dollar, Tanzanian shilling and Mozambican metical. The prevailing exchange rates for the current and comparative periods are disclosed on page 11.
2. Translation foreign exchange arises from the translation of the results, at average rates, of subsidiaries' functional currencies to Vodacom's presentation currency, being rand. The exchange variances are eliminated by applying the quarter 30 June 2014 average rate (which is derived by dividing the individual subsidiary's translated rand value with the functional currency for the quarter) to 31 March 2014 quarter numbers, thereby giving a user a view of the performance which excludes exchange rate variances. The prevailing exchange rates for the current and comparative quarters are disclosed on page 11.

Quarter on quarter reconciliation

	Reported ¹	Translation foreign exchange ²	Normalised
	% change	ppt	% change
	14/15		14/15
Revenue			
Group	(2.7)	0.7	(2.0)
International	(5.5)	3.5	(2.0)
Service revenue			
Group	(4.4)	0.8	(3.6)
International	(5.2)	3.5	(1.7)

Notes:

1. The reported percentage change relates to the quarter to date quarter on quarter percentage growth between 31 March 2014 and 30 June 2014. The Group's presentation currency is the South African rand. Our International operations include functional currencies in United States dollar, Tanzanian shilling and Mozambican metical. The prevailing exchange rates for the current and comparative periods are disclosed on page 11.
2. Translation foreign exchange arises from the translation of the results, at average rates, of subsidiaries' functional currencies to Vodacom's presentation currency, being rand. The exchange variances are eliminated by applying the quarter 30 June 2014 average rate (which is derived by dividing the individual subsidiary's translated rand value with the functional currency for the quarter) to 31 March 2014 numbers, thereby giving a user a view of the performance which excludes exchange variances. The prevailing exchange rates for the current and comparative quarters are disclosed on page 11.

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Average quarterly exchange rates

	June 2014	March 2014	June 2013	Year on year % change	Quarterly % change
USD/ZAR	10.54	10.13	9.49	11.1	4.0
ZAR/MZN	2.99	3.01	3.19	(6.3)	(0.7)
ZAR/TZS	157.09	160.44	171.93	(8.6)	(2.1)
EUR/ZAR	14.46	13.59	12.40	16.6	6.4

The quarterly information has not been audited or reviewed by Vodacom's external auditors.

Trademarks

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Forward-looking statements

This quarterly update which sets out the quarterly results for Vodacom Group Limited for the period ended 30 June 2014 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.

Sponsor: UBS South Africa (Pty) Limited

Debt sponsor: Absa Bank Limited (acting through its Corporate and Investment Banking division)

ADR depository bank: Deutsche Bank Trust Company Americas