

Vodacom - Odd-Lot Offer And Specific Share Repurchase

Wednesday, 10th February 2010

VOD

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Vodacom Group Limited

(Registration number 1993/005461/06)

(Incorporated in the Republic of South Africa)

JSE share code: VOD & ISIN: ZAE000132577

("Vodacom" or "the company")

ODD-LOT OFFER AND SPECIFIC SHARE REPURCHASE

1. Introduction

Following the unbundling by Telkom SA Limited of its remaining 35% shareholding in Vodacom in May 2009, Vodacom acquired a significant shareholder base, which includes a number of small minority shareholders holding less than 500 Vodacom shares.

In order to facilitate an inexpensive method for minority shareholders in Vodacom to realise their investment in Vodacom where they receive an offer price at a premium per Vodacom share and do not have to incur transaction costs, the directors are proposing the implementation of an odd-lot offer, as well as a specific offer to repurchase the shares of Vodacom shareholders holding from 100 to 500 shares ("specific offer"). In doing so the company will also be able to reduce the substantial and ongoing costs of administration connected with a large number of odd-lot and specific holders.

As at 31 January 2010, 59 091 shareholders, being 61.5% of the total number of Vodacom shareholders, held less than 100 shares each ("odd-lot holders").

An additional 27 181 shareholders, being 28.3% of the total number of Vodacom shareholders, held from 100 to 500 shares each ("specific holders"). This means that on 31 January 2010, 89.8% of the total number of Vodacom shareholders held 500 shares or less each. In aggregate these shareholders hold approximately 8 572 500 shares, which constitutes approximately 0.58% of the total number of Vodacom shares in issue.

In terms of the odd-lot offer, odd-lot holders are offered the opportunity to:

- sell their odd-lot holdings for the cash consideration; or
- retain their odd-lot holdings. Those odd-lot holders who do not make an election will automatically be regarded as having chosen to sell their odd-lot holdings for the cash consideration.

In the case of specific holders, Vodacom is extending a specific offer to acquire their entire shareholding for the cash consideration. Those specific holders who do not make an election will retain their shareholding in Vodacom.

A circular containing the full details of the odd-lot offer and specific offer (collectively, the "offers") will be posted to all Vodacom shareholders today, Wednesday 10 February 2010.

2. Shareholders' information line

Minority shareholders are encouraged to carefully read the circular and complete the relevant election form. Any odd-lot holder or specific holder who is uncertain as to what course of action to take, must either consult with their adviser, banker, broker, Central Securities Depository Participant ("CSDP") or contact Computershare Investor Services (Proprietary) Limited ("Computershare") on telephone +27 0861 100 918 from Wednesday 10 February 2010 to Friday 26 March 2010 between 08:00 and 17:00, excluding weekends and public holidays.

3. Mechanism of the offers

The offers shall be open for acceptance from 09:00 on Wednesday 10 February 2010 and will close at 12:00 on Friday 26 March 2010. All odd-lot holders and specific holders recorded as such on the register at the close of business on Friday 19 March 2010 will be invited to participate in the odd-lot offer and specific offer, respectively.

3.1 Odd-lot offer

The shares of those odd-lot holders who do not make an election to retain their shares and the shares of those odd-lot holders who elect to sell their shares, will be repurchased by Vodacom or its wholly-owned subsidiary Wheatfields Investments 276 (Proprietary) Limited ("Wheatfields") at the offer price (see paragraph 4 below). Any such repurchase will be regarded as an acquisition of shares in terms of section 89 of the Companies Act, 1973 (Act 61 of 1973), as amended ("the Companies Act"), and as an odd-lot offer in terms of the JSE Limited ("JSE") Listings Requirements. Shareholders will be required to vote on the odd-lot offer at the general meeting referred to in paragraph 9 below.

Odd-lot holders who do not make an election to retain their shares should note that, subject to the applicable resolutions being passed at the aforesaid general meeting, their shares will automatically be repurchased by Vodacom, without any further action on their part and without any further notice to them.

3.2 Specific offer

The entire shareholding of those specific holders who elect to sell their shares will be repurchased by Vodacom or its wholly-owned subsidiary Wheatfields at the offer price (see paragraph 4 below). Any such repurchase will be regarded as an acquisition of shares in terms of section 89 of the Companies Act and as a specific repurchase of shares in terms of the JSE Listings Requirements.

Shareholders will be required to vote on the specific repurchase at the general meeting referred to in paragraph 9 below. Specific holders who do not elect to sell their shares will retain their shareholding in Vodacom.

4. Offer price

The offer price of R56.61, is the volume weighted average traded price of a Vodacom share on the JSE over the 10 trading days commencing Monday 25 January 2010 and ending Friday 5 February 2010, plus a 5% (five percent) premium.

5. Effect on Vodacom's share capital

The repurchase of shares by Vodacom pursuant to the offers will have no material effect on Vodacom's ordinary share capital.

6. Financial effects

The repurchase of shares pursuant to the offers will have no significant effect on Vodacom's earnings per share, net asset value per share or tangible net asset value per share.

Assuming the maximum number of 8 572 500 shares are repurchased in terms of the offers the financial cost is expected to be R500 million with an additional R2.9 million for the expenses of the transaction. Vodacom will incur an estimated R40 million funding cost over the next 12 (twelve) months as a result of implementing the offers.

7. Conditions precedent

The implementation of the offers is subject to the passing and registration by the Registrar of Companies, where necessary, of the special and ordinary resolutions to be proposed at the general meeting of shareholders of Vodacom to be held in Talk100, Vodaworld, 082 Vodacom Boulevard, Vodavalley, Midrand at 15:00 on Thursday 4 March 2010.

8. Salient dates and times

The salient dates and times in respect of the offers are as follows:

2010

Circular posted to all shareholders on Wednesday 10 February The offers open at 09:00 on Wednesday 10 February

Forms of proxy for the general meeting of shareholders to be received by 15:00 on Wednesday 3 March

General meeting of shareholders to be held at 15:00 on Thursday 4 March

Results of the general meeting released on SENS on Thursday 4 March

Results of the general meeting published in the press on Friday 5 March

Special resolutions required to implement the offers to be registered with the Registrar of Companies on Wednesday 10 March

Finalisation announcement released on SENS on Wednesday 10 March

Finalisation announcement published in the press on Thursday 11 March

Last day to trade in order to participate in the offers on Thursday 18 March

Shares trade "ex" the offers on Friday 19 March

Shareholders who purchase shares on or after this date will not be eligible to participate in the offers in respect of the shares so purchased Friday 19 March

Forms of election and surrender for the offers to be received by Computershare by 12:00 on (see note 3) Friday 26 March

The offers close at 12:00 on Friday 26 March

Record date to determine those shareholders entitled to participate in the offers at the close of business on Friday 26 March

Implementation of the offers takes effect after close of business on Friday 26 March

Odd-lot holders and specific holders with dematerialised shares will have their accounts held at their CSDP or broker updated with their new holding and credited with the offer price on Monday 29 March

Payments of the offer price in terms of the offers on (see note 4) Monday 29 March

Results of the offers released on SENS on Monday 29 March

Results of the offers published in the press on Tuesday 30 March

Notes:

1. These dates and times are subject to change. Any material changes will be published on SENS and in the press.
2. Share certificates may not be dematerialised or rematerialised between Friday 19 March 2010 and Friday 26 March 2010, both days inclusive.
3. Dematerialised odd-lot holders and specific holders are required to notify their duly appointed CSDP or broker of their choice in the manner and time stipulated in the agreement governing the relationship between them and their CSDP or broker.
4. In the case of holders of certificated shares who complete the form of election and surrender and elect to sell their shares, payment will be made either by:

- electronic funds transfer into the bank accounts of odd-lot holders and specific holders on or about Monday 29 March 2010 if such holders' banking details have been provided in the form of election and surrender; or

- cheque which will be posted at the risk of odd-lot holders and specific holders on or about Monday 29 March 2010 if such holders' banking details have not been provided in the form of election and surrender.

5. Those odd-lot holders who do not elect to retain their shares will be deemed to have elected to sell their odd-lot holdings. Specific holders who do not make an election will retain their existing shareholdings.

6. General meeting

The general meeting of shareholders of Vodacom will be held in Talk100, Vodaworld, 082 Vodacom Boulevard, Vodavalley, Midrand, at 15:00 on Thursday 4 March 2010. At the general meeting shareholders will be asked to consider and

approve the special resolutions authorising the specific repurchase of shares for purposes of the offers as well as an ordinary resolution to implement the odd-lot offer.

Midrand
10 February 2010
Merchant bank and transaction sponsor
RAND MERCHANT BANK
A division of FirstRand Bank Limited
Attorneys
CLIFFE DEKKER HOFMEYR
Transfer secretaries
COMPUTERSHARE

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