

VODACOM GROUP (PTY) LTD

**INTERIM RESULTS
FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2008**



A CONNECTED UNIVERSE

Operational highlights

Pieter Uys

Chief Executive Officer



Group highlights

For the six months ended September 30, 2008 vs. prior year

Total customers

35.7 million

13.1%



Revenue

R26.0 billion

14.0%



Profit from operations (Statutory operating profit)

R6.4 billion

12.5%



EBITDA

R8.7 billion

13.9%



Cash generated from operations

R8.0 billion

15.6%



Interim dividend (declared September 2008)

R3.0 billion

9.1%



Gross connections increased by 7.7% year on year to 9.4 million

EBITDA margin: 33.3% (H1 2008: 33.3%)

South Africa

For the six months ended September 30, 2008 vs. prior year

		H1 2009
• Total customers	8.4%	25.2 million
• Gross connections	2.6%	5.7 million
• Churn %	3.6 pts	42.3%
• Estimated SIM card penetration %	13 pts	100%
• Revenue	11.9%	R22.7 billion
• Profit from operations	12.2%	R6.0 billion



Improved BEE status

- BBEE transaction to the value of R7.5 billion, equating to 6.25% of Vodacom South Africa's equity
 - **Strategic partners**, Royal Bafokeng Holdings ("RBH") and Thebe Investment Corporation ("Thebe") own 1.97% and 0.84% of Vodacom South Africa respectively
 - **Vodacom employees** own 1.55% of Vodacom South Africa through the YeboYethu Employee Participation Trust
 - **Black public and business partners** own 1.89% of Vodacom South Africa via YeboYethu (public offer)
 - o Nearly 103 thousand shareholders in Vodacom South Africa
 - o Nearly 3 times oversubscribed
- 3 New directors on Vodacom South Africa's board: RBH, Thebe, YeboYethu



Tanzania

For the six months ended September 30, 2008 vs. prior year

		H1 2009
• Total customers	34.1%	4.9 million
• Gross connections	38.7%	1.7 million
• Churn %	2.6 pts	44.2%
• Estimated SIM card penetration %	10 pts	27%
• Revenue	34.8%	R1.5 billion
• Profit from operations	63.3%	R294 million



Democratic Republic of Congo (DRC)

For the six months ended September 30, 2008 vs. prior year

		H1 2009
• Total customers	↑ 18.8%	3.8 million
• Gross connections	↑ 20.6%	1.4 million
• Churn %	↑ 10.6 pts	53.9%
• Estimated SIM card penetration %	↑ 4 pts	15%
• Revenue	↑ 22.7%	R1.4 billion
• Profit from operations	↓ 41.3%	R101 million



Lesotho

For the six months ended September 30, 2008 vs. prior year

		H1 2009
• Total customers	↑ 35.5%	450 thousand
• Gross connections	↑ 21.3%	97 thousand
• Churn %	↑ 2.1 pts	20.0%
• Estimated SIM card penetration %	↑ 8 pts	30%
• Revenue	↑ 29.5%	R180 million
• Profit from operations	↑ 41.1%	R79 million



Mozambique

For the six months ended September 30, 2008 vs. prior year

		H1 2009
• Total customers	↑ 19.3%	1.3 million
• Gross connections	↑ 21.7%	476 thousand
• Churn %	↑ 15.4 pts	72.7%
• Estimated SIM card penetration %	↑ 1 pts	15%
• Revenue	↑ 61.7%	R296 million
• Loss from operations	↑ 76.8%	R99 million
• Loss from operations excluding impairment	↑ 4.0%	R78 million



Delivery as a total communications provider

1. Mobile business

- Continued market leadership through innovation
- Leverage synergies across the Group
- Economies of scale and cost containment strategies

2. Broadband data and connectivity services

- Continue to drive broadband technology leadership
- Fixed mobile convergence (FMC)
- International and wholesale connectivity

3. Horizontal expansion

- Converged ICT services
- Carrier services
- IT services (hosting, storage, security and hosted application services)
- Other services: media and entertainment, online services, telemetry services, financial and location-based services

4. Africa expansion

- New mobile businesses on the continent
- Seek alternative entry options
- Vodacom Business expansion outside of South Africa

1. Maintaining market leadership in mobile

- Maintain leading market share in all countries, except Mozambique
- Uplifting ARPU through new innovative products and services launched
 - Yebo4Less
 - R5 voucher
 - SVS (short voice service)
 - Callback service
 - Mobile advertising (H1 revenue ±R40 million)
- Retention of customers
- New distribution channels



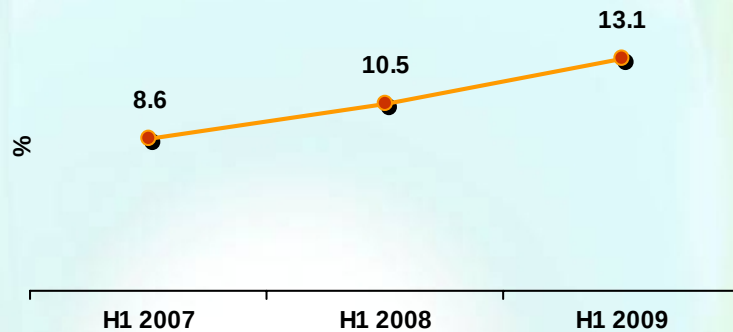
2. Broadband data and connectivity services

- Range of consumer broadband services offered: 3G/HSDPA, iBurst, WiFi
 - Half a million wireless broadband customers
 - Substantial lead in geographical coverage
 - HSDPA launched
- Business-orientated connectivity solutions launched
 - WiMax launched in August 2008
 - Microwave, satellite and fibre services launched to corporate customers
 - 11 Metropolitan fibre rings in the 6 major regions being built, 4 rings completed
 - Expand fibre nationally
- Tier 1 ISP supports further growth in both consumer and business access services
 - International POPs in New York and London
- Acquired an additional 14.9% of WBS on October 1, 2008; total 24.9% interest

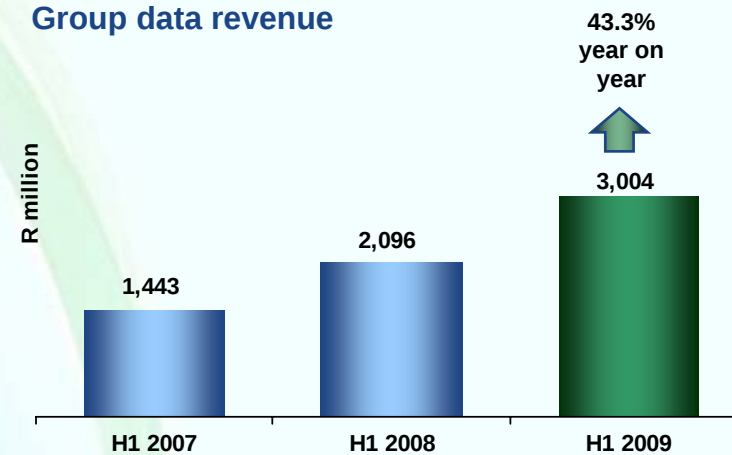


Data revenue

Group data revenue as a % of service revenue



Group data revenue



South Africa:

- Nearly 1 million email accounts
- 4.3 Million unique GPRS/data users (H1 2008: 3.5 million)
- 1.5 Million MMS users (H1 2008: 1.3 million)
- 1.9 Million Vodafone Live! Users (H1 2008: 1.2 million)

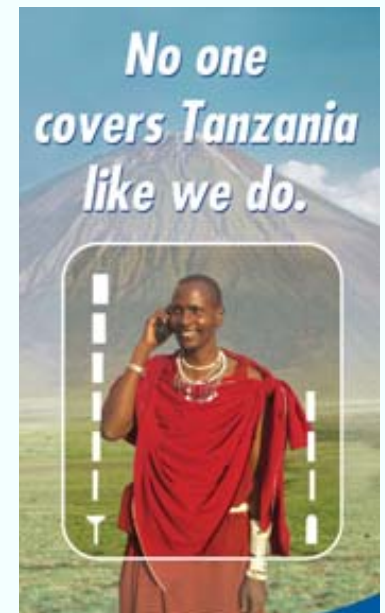
3. Offering a full set of converged services

- Vodacom Business offering: managed network services, IT services (hosting, security, storage and applications) and voice services
- Infrastructure development
 - New 1,000m² Tier 4 data centre launched in Johannesburg
 - Cape Town data centre to be launched during 2009
 - Client services operations centre (CSOC)
- Acquisition of 51% of StorTech, a managed data services company (subject to required approvals)
- Acquisition of 75% in ISGS – now Vodacom Gated Services



4. Africa expansion

- Vodafone's vehicle for expansion in sub-Saharan Africa
- Vodacom Business Africa to lead IP services in Africa
- Acquisition of 100% of Gateway
 - Carrier service, access and business network solutions business
 - Approximately US\$675 million
 - Subject to Competition Commission and SARB approval
 - Exposure to total communications growth in Africa
 - Physical presence in 13 countries, providing services across 40 African countries
 - Pan-African data network
 - Blue chip and multi-national customer base
 - Platform for future expansion
 - Earnings accretive from year one
 - Strong double-digit revenue growth expected



Way forward

1. Mobile business

- Revenue uplift through new products and targeted campaigns
- Improve operational performance
- Improve synergies across Vodacom operating companies (and Vodafone)

2. Broadband data and fixed

- Increase broadband data and access offer
- Improve mobile broadband products
- Continue with fibre network build

3. Horizontal expansion

- Continued investment in key infrastructure assets
- Consider value-adding acquisitions in converged services
- Launch of mobile commerce products

4. Africa expansion

- Cautiously seek out value-adding opportunities on the continent
- Leverage the Gateway platform across Africa

Vodacom Group listing scheduled mid 2009

Financial review

Johan van der Watt

Acting Chief Financial Officer



Group income statement

For the six months ended September 30,

R million	H1 2007	H1 2008	H1 2009	% change
Revenue	19,466	22,815	26,016	14.0%
Operating expenses excluding depreciation, amortisation, impairment and other	(12,888)	(15,215)	(17,362)	(14.1%)
EBITDA	6,578	7,600	8,654	13.9%
Depreciation, amortisation, impairment and other	(1,613)	(1,886)	(2,224)	(17.9%)
Profit from operations	4,965	5,714	6,430	12.5%
Financial income, costs and related gains and losses	4	(445)	(659)	(48.1%)
Profit before taxation	4,969	5,269	5,771	9.5%
Taxation	(1,855)	(1,611)	(1,995)	(23.8%)
Net profit	3,114	3,658	3,776	3.2%

Effective tax rate 34.6% (H1 2008: 30.6%)

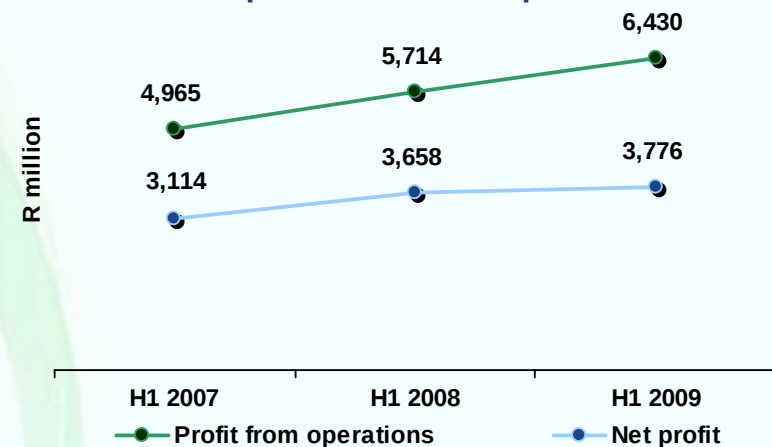
DRC option liability R328 million (H1 2008: R337 million)

Profit from operations and net profit after tax

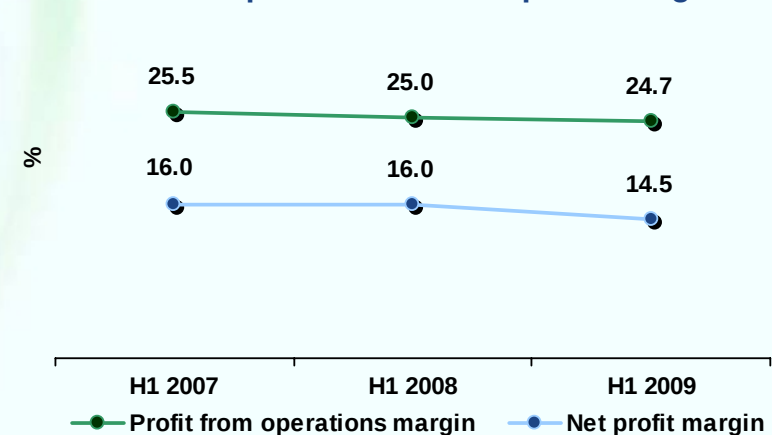
For the six months ended September 30, 2008 vs. prior year

- Profit from operations increased by 12.5%
- Profit from operations margin decreased by 0.3% points
- Net profit increased by 3.2%
 - Financial income, costs and related gains and losses increased by 48.1%
 - Taxation expense increased by 23.8%

Profit from operations and net profit



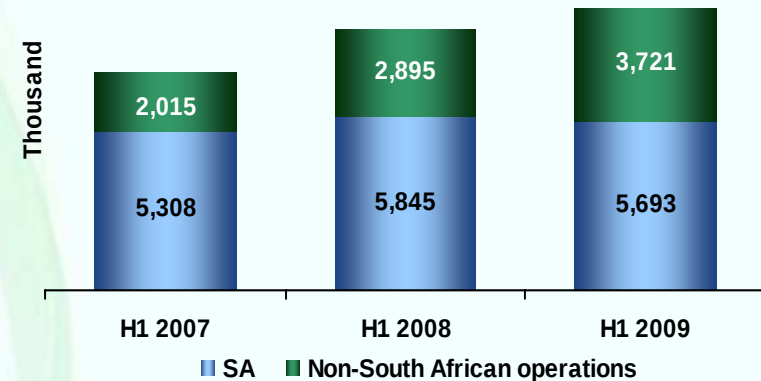
Profit from operations and net profit margin



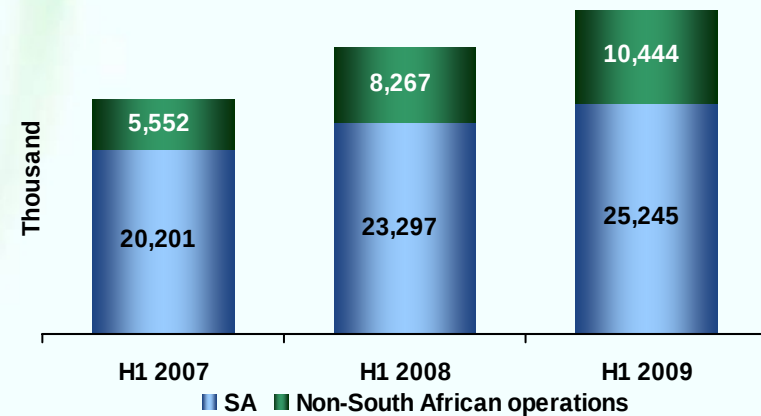
Group operational indicators

- Gross connections up 7.7% year on year to 9.4 million
- Customers up 13.1% year on year to 35.7 million
- Total traffic in South Africa increased by 7.0% year on year to 11.8 billion minutes

Gross connections



Closing customers



Group revenue

By country

R million	H1 2007	H1 2008	H1 2009	% change
South Africa, including holding companies	17,580	20,299	22,716	11.9%
Tanzania	775	1,086	1,464	34.8%
DRC	898	1,108	1,360	22.7%
Lesotho	105	139	180	29.5%
Mozambique	108	183	296	61.7%
	19,466	22,815	26,016	14.0%

Non-South African operations contributing 12.7% (H1 2008: 11.0%)

Data revenue increased by 43.3% or R908 million (H1 2008: R653 million)

Group revenue

Revenue composition

R million	H1 2007	H1 2008	H1 2009	% change
Airtime, connection and access	11,313	12,947	14,608	12.8%
Data	1,443	2,096	3,004	43.3%
Interconnection	3,723	4,304	4,744	10.2%
Equipment sales	2,312	2,393	2,490	4.1%
International airtime	555	952	974	2.3%
Other sales and services	120	123	196	59.3%
	19,466	22,815	26,016	14.0%

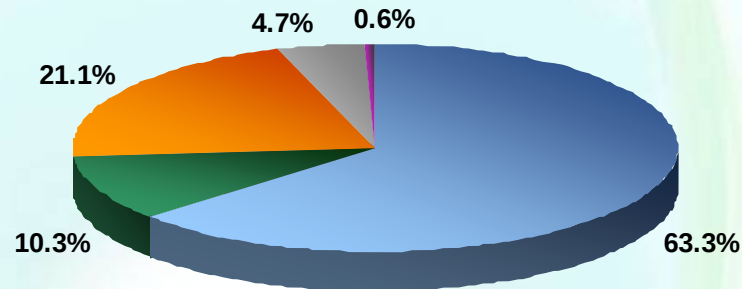
Revenue growth, excluding equipment sales at 15.2% (H1 2008: 19.1%)

Data revenue as a % of service revenue at 13.1% (H1 2008: 10.5%)

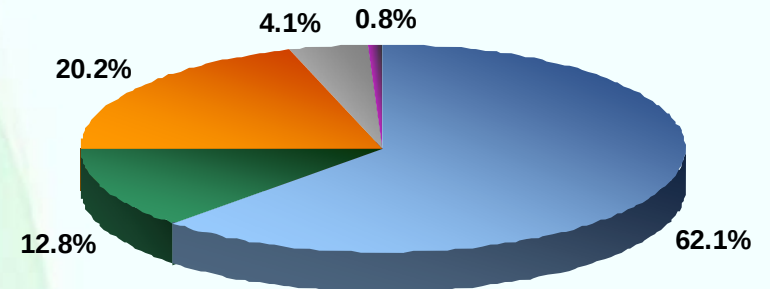
Group revenue (excluding equipment sales)

By revenue type

Revenue analysis – H1 2008
R20,422 million (excluding equipment sales)



Revenue analysis – H1 2009
R23,526 million (excluding equipment sales)



■ Airtime, connection and access ■ Data ■ Interconnection ■ International airtime ■ Other sales and services

Interconnection contribution down 0.9% points to 20.2%

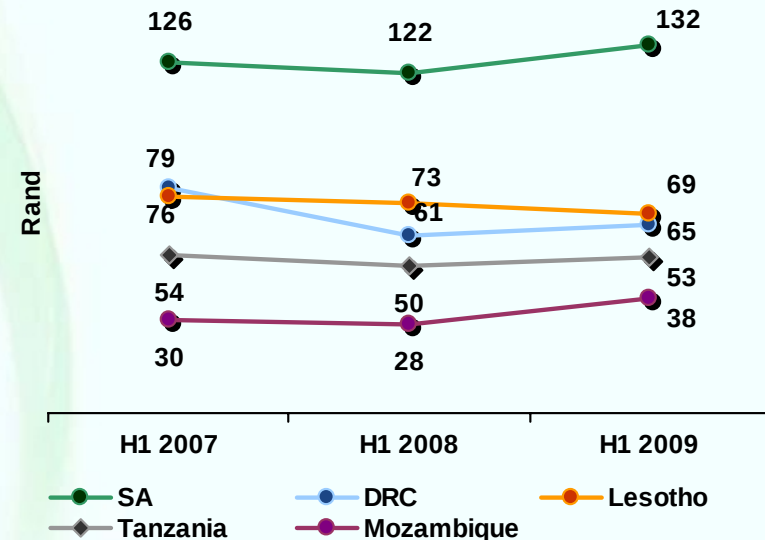
Data revenue contribution up 2.5% points to 12.8%

ARPU by country

- SA increased 8.2% to R132
- DRC increased 6.6% to R65
- Lesotho decreased 5.5% to R69
- Tanzania increased 6.0% to R53
- Mozambique increased 35.7% to R38
- Vodacom Group consolidated ARPU increased 5.7% year on year from R105 to R111

- With effect from April 1, 2008, ARPU calculations include revenues from national roamers and international visitors roaming on Vodacom's network. Historical ARPU numbers have been restated inline with this new methodology.

ARPU per month

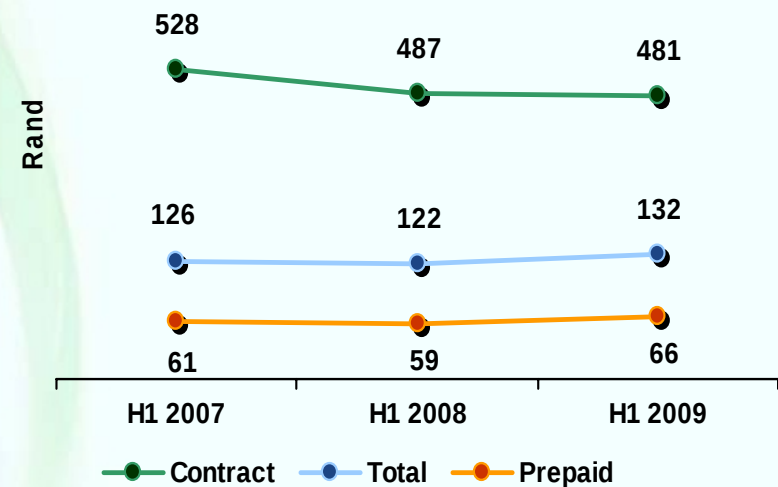


Average rates	H1 2007	H1 2008	H1 2009
US Dollar	6.82	7.10	7.78
Tanzanian Shilling	186.99	179.02	152.79
Mozambican Metical	3.87	3.66	3.09

South Africa ARPU

- Contract ARPU decreased 1.2% year on year to R481
- Prepaid ARPU increased 11.9% year on year to R66
- Total ARPU increased 8.2% year on year to R132

South Africa ARPU per month

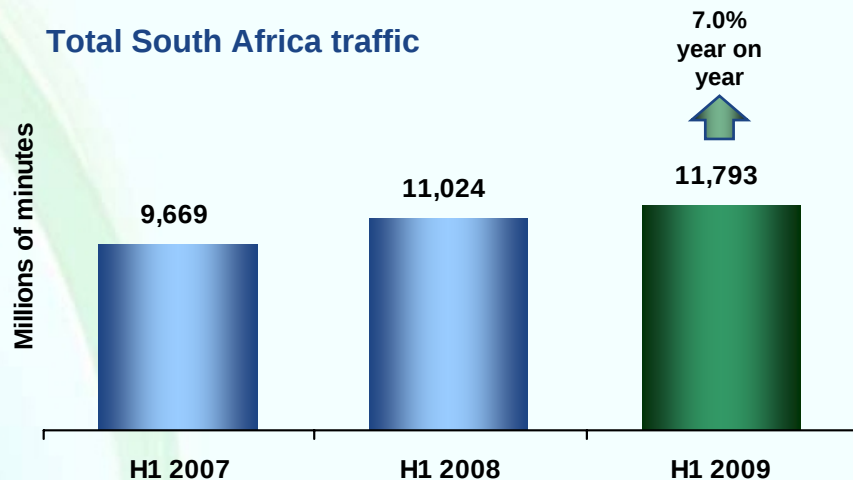


Factors affecting trends and margins

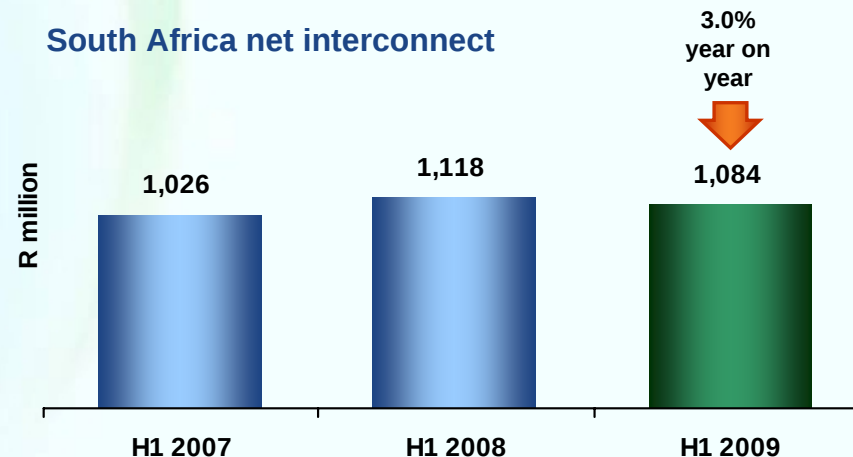
- **South Africa traffic mix**

- Outgoing traffic increased by 7.7% year on year to 8.0 billion minutes
- Incoming traffic increased by 5.5% year on year to 3.8 billion minutes
- Total traffic increased by 7.0% year on year to 11.8 billion minutes
- Substitution trend continued:
 - Mobile-to-mobile increased by 7.9% to 9.9 billion minutes
 - Mobile-to-fixed and fixed-to-mobile increased by 3.4% and 1.7% respectively

Total South Africa traffic

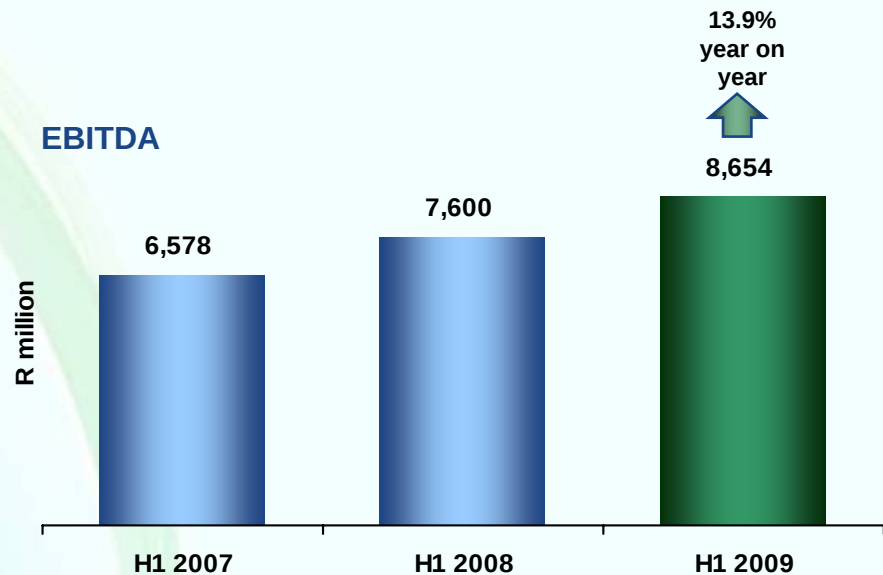


South Africa net interconnect



EBITDA and margin analysis

- Group EBITDA Increased 13.9% year on year to R8.7 billion
 - EBITDA margin stable at 33.3%
 - EBITDA margin 38.1%, when excluding cellular phone and equipment sales (H1 2008: 38.3%)
- South Africa EBITDA
 - Increased 12.2% year on year to R7.7 billion
- EBITDA for non-South African operations
 - Increased 23.8% year on year to R890 million
 - Non-South African operations contributed 10.3% of total (H1 2008: 9.5%)
 - Mozambique's negative EBITDA decreased from R32 million to R22 million



Group profit from operations

By country

R million	H1 2007	H1 2008	H1 2009	% change
South Africa	4,745	5,389	6,048	12.2%
Tanzania	134	180	294	63.6%
DRC	133	172	101	(41.3%)
Lesotho	34	56	79	41.1%
Mozambique	(138)	(56)	(99)	(76.8%)
Holding companies	57	(27)	7	125.9%
	4,965	5,714	6,430	12.5%
Profit from operations margin (%)	25.5%	25.0%	24.7%	(0.3% pts)

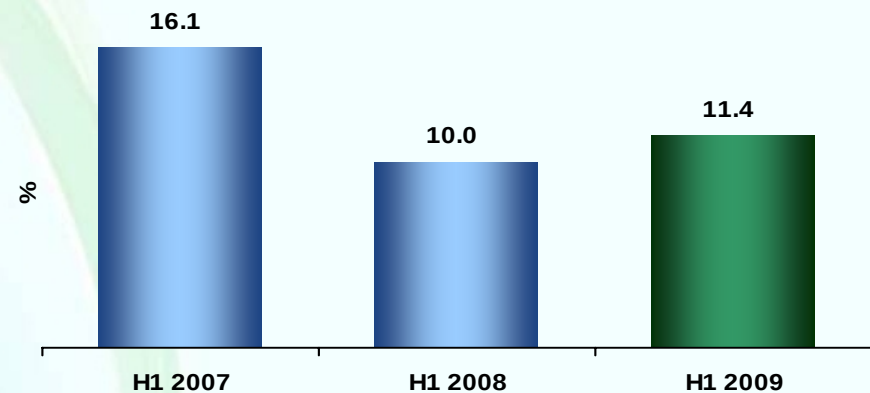
Customer growth of 13.1% to 35.7 million

Revenue growth of 14.0% to R26.0 billion

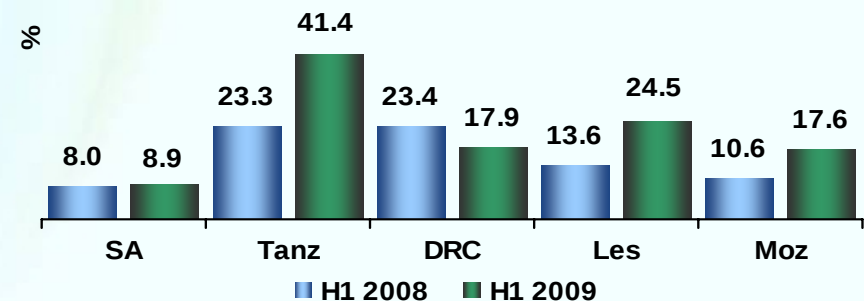
Productivity measures

- Consolidated customers per employee increased 7.1% year on year to 5,417 based on 6,588 employees
- Consolidated gross capex additions as a % of revenue increased to 11.4% from 10.0%
- Gross capex additions amounted to R3.0 billion vs. R2.3 billion for the previous six months

Gross capex additions as a % of revenue



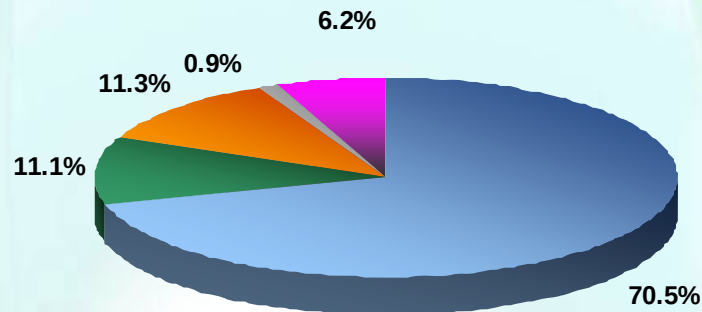
Gross capex additions as a % of revenue



Capex additions and composition

Including software

Capex gross additions – H1 2008
R2,289 million



■ South Africa

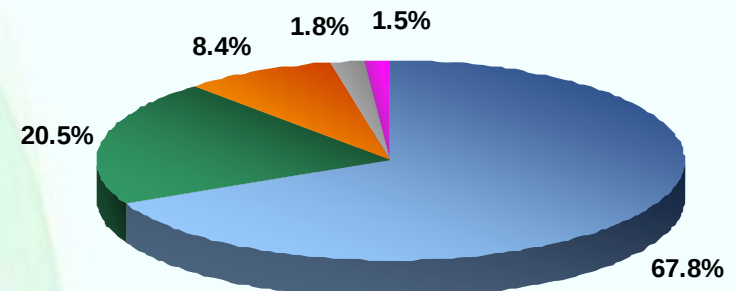
■ Tanzania

■ DRC

■ Mozambique

■ Lesotho and holding companies

Capex gross additions – H1 2009
R2,976 million



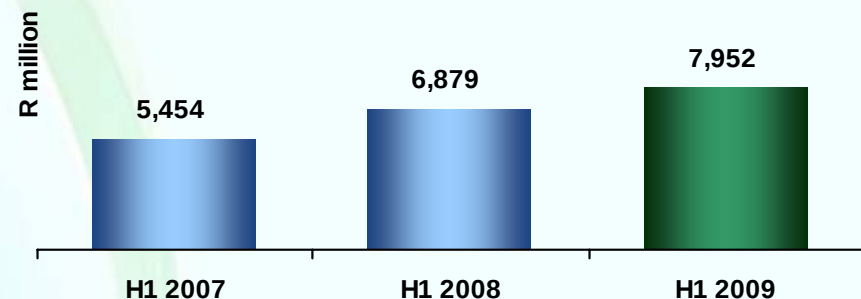
South Africa capex gross additions increased by 24.9% to R2.0 billion

Non-South African capex gross additions increased by 74.2% to R960 million

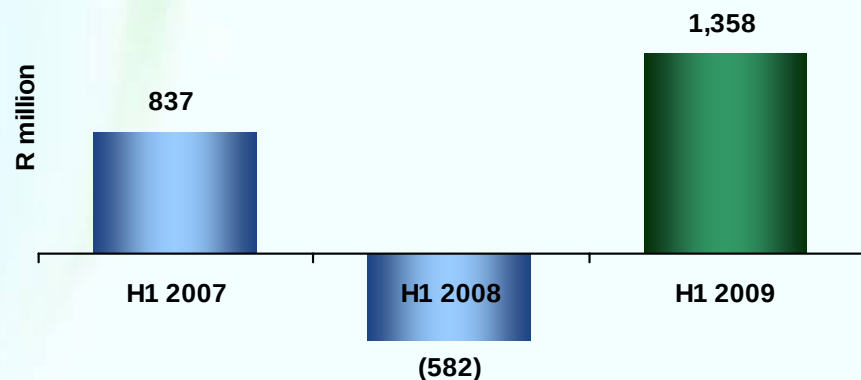
Cash generation

- EBITDA increased by R1.1 billion
- Cash generated from operations increased by 15.6% to R8.0 billion
- Free cash flow increased by R1.9 billion to R1.4 billion
- Taxation paid decreased by 10.2% to R2.2 billion
- Net capex additions increased by 4.7% to R3.8 billion
- Net finance costs increased by 45.4% to R456.8 million
- Buy-out of all minority shareholders in the Smartphone group in the previous financial period of R937.3 million

Cash generated from operations

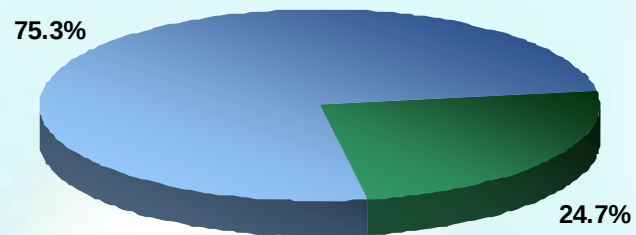


Free cash flow



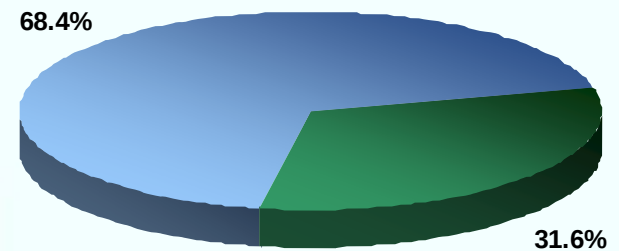
Debt composition

**Gross debt composition
including bank overdrafts – H1 2008
R6,949 million**



■ ZAR denominated

**Gross debt composition
including bank overdrafts – H1 2009
R6,884 million**



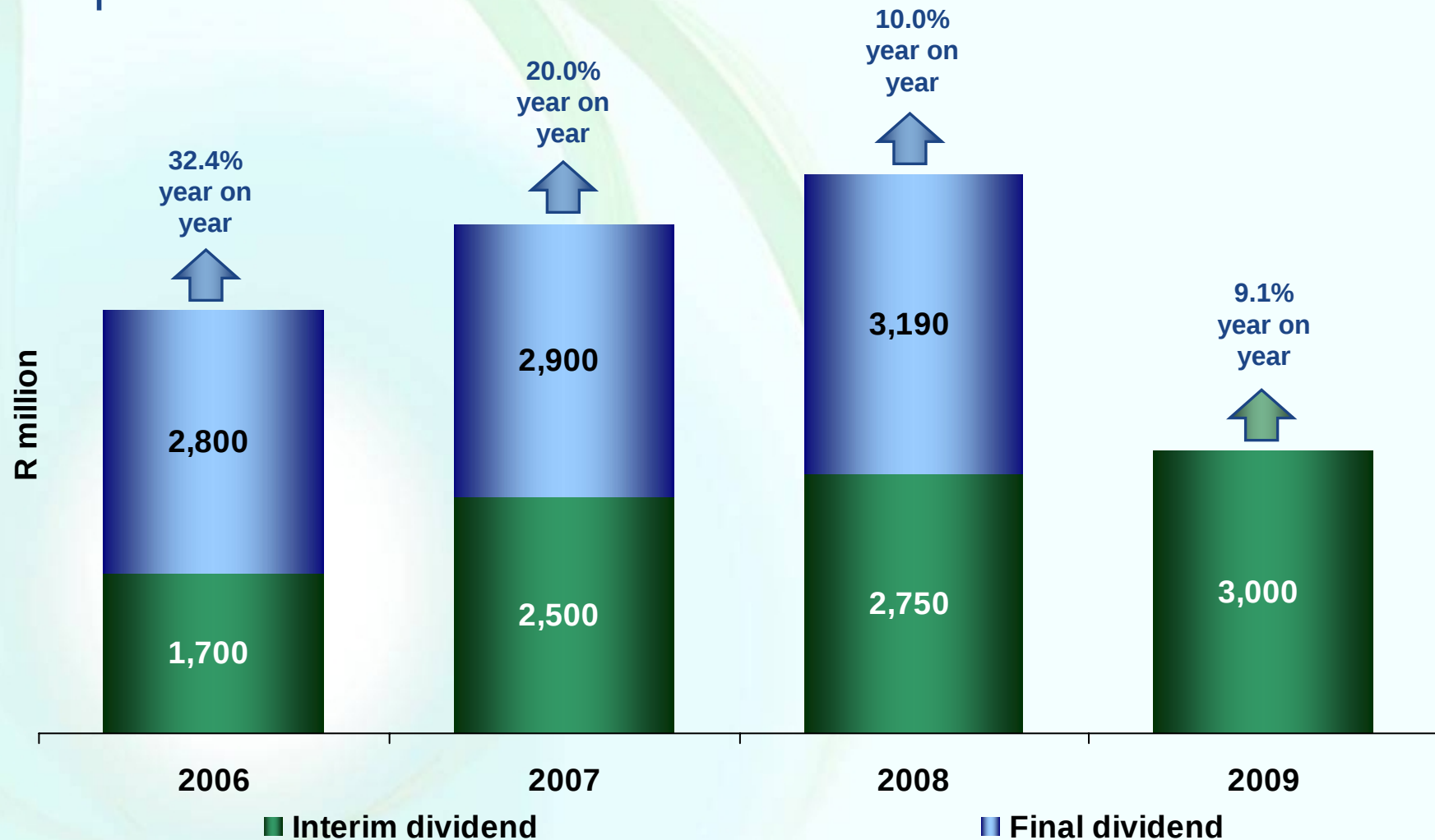
■ Foreign denominated

Net debt: R6,061 million (H1 2008: R6,150 million)

Net debt to equity ratio 93.2% (H1 2008: 56.6%)

Net debt to EBITDA ratio 54.1% (H1 2008: 40.5%)

Group shareholder distributions



To date R26.0 billion in dividends have been distributed to shareholders

Questions?



Group balance sheet

Extract as at

R million	H1 2008	March 2008	H1 2009	% change
ASSETS				
Non-current assets	21,859	24,468	25,859	5.7%
Current assets	9,125	9,707	10,360	6.7%
Total assets	30,984	34,175	36,219	6.0%
EQUITY AND LIABILITIES				
Capital and reserves	13,222	11,805	12,700	7.6%
Non-current liabilities	3,607	4,788	3,266	(31.8%)
Current liabilities	14,155	17,582	20,253	15.2%
Total equity and liabilities	30,984	34,175	36,219	6.0%

Group cash flow statement

Extract for the six months ended September 30,

R million	H1 2007	H1 2008	H1 2009	% change
Cash generated from operations	5,454	6,879	7,952	15.6%
Net cash flows from operating activities	647	1,069	2,055	92.2%
Net cash flows utilised in investing activities	(2,646)	(4,641)	(3,887)	16.2%
Net cash flows generated/(utilised) in financing activities	(112)	4,458	1,597	(64.2%)
Net (decrease)/increase in cash and cash equivalents	(2,111)	886	(235)	(126.5%)
Cash and cash equivalents at the beginning of the year	1,760	(108)	837	>200.0%
Effect of foreign exchange rate changes	90	(15)	11	173.3%
Cash and cash equivalents at the end of the year	(261)	763	613	(19.7%)

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