



Interim results presentation
For the six months ended 30 September 2012

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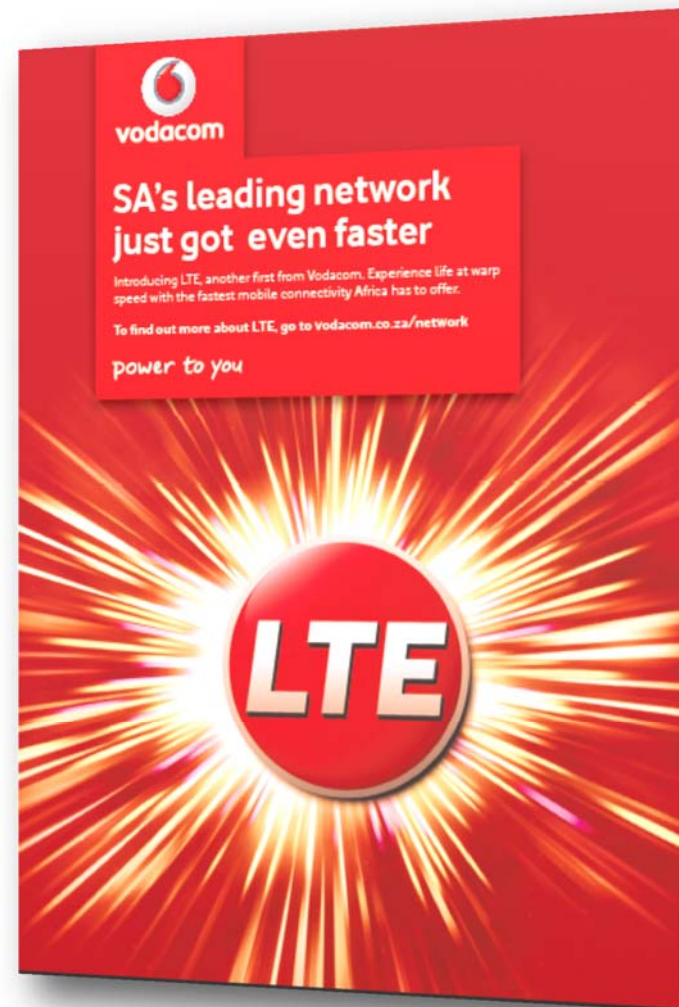
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Highlights



Salient features

Group service revenue



Group data revenue



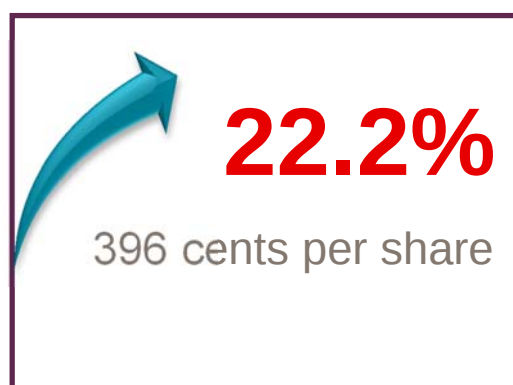
Group EBITDA



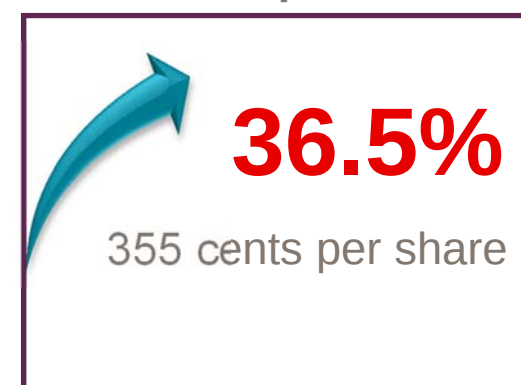
Group operating FCF



HEPS



Dividend per share



South Africa: Solid performance in competitive market

- Pricing pressure led slowdown in SA
 - Effective price per minute down to R1.00
 - Effective price per MB down 24.2%
- Demand for data remains strong
 - Data revenue growth 13.5% (Q2: 17.0%)
 - 42.5% growth in data traffic
- EBITDA margin expanded 2ppts
 - Cost savings in network and logistics
 - Reduced call centre volumes
 - Reduced voucher commission
- Launched LTE



Key financial indicators

	HY 2013	% change
Service revenue (Rm)	23 800	↑ 1.3
EBITDA (Rm)	10 789	↑ 9.7
EBITDA margin (%)	37.9	↑ 2.0ppts
Capex (Rm)	3 214	↑ 6.6
Capex intensity (%)	11.3	↑ 0.3ppts

Key performance indicators

	HY 2013	% change
Active customers (m)	30.8	↑ 21.9
Outgoing voice traffic (bn)	14.1	↑ 7.3
Active data customers (m)	13.3	↑ 26.8
Smartphones (m)	5.3	↑ 35.5

International: Continues to drive growth

- Strong customer and traffic growth
 - Stable pricing environment
- Data adoption increasing
 - Data revenue up 140.7%
 - Active M-Pesa customers almost doubled in Tanzania
- Scale benefits boosted margin
- Increased contribution to Group
 - Service revenue 16.9%¹
 - EBITDA 10.5%¹
- Accelerated investment



Key financial indicators

	HY 2013	% change
Service revenue (Rm)	5 992	↑ 32.4 ¹
EBITDA (Rm)	1 269	↑ 76.7 ¹
EBITDA margin (%)	25.6 ¹	↑ 6.6ppts ¹
Capex (Rm)	1 023	↑ 130.4
Capex intensity (%)	16.6	↑ 6.8ppts

Key performance indicators

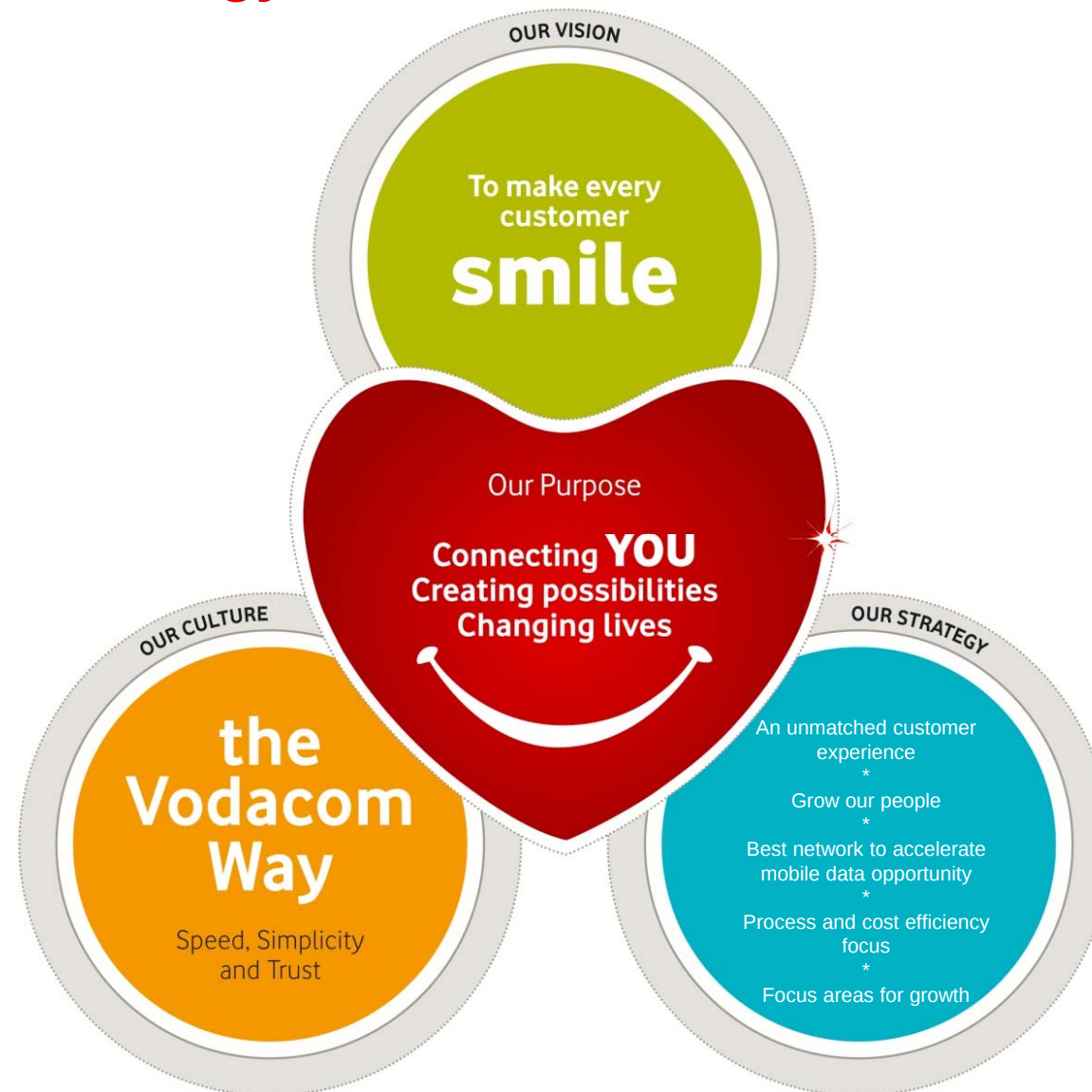
	HY 2013	% change
Active customers (m)	19.3	↑ 19.2
Outgoing voice traffic (bn)	6.4	↑ 41.6
Active data customers (m)	4.3	↑ 128.0
Active M-Pesa customers (m)	4.2	↑ 95.6

1. Represents normalised growth excluding foreign exchange gains/losses and at a constant currency from on-going operations

Strategic review



Our integrated strategy



Strategic priorities

1

Competitive value to our customers

2

Network excellence as a key differentiator

3

Unmatched customer experience

4

Accelerate mobile data opportunity

5

Focus areas for growth

6

Process and cost efficiency focus

Competitive value to our customers

Price plans

- Bundle offers – talk more for fixed price
- Re-launched dynamic pricing platform in SA
- Voucher bonuses
- Airtime bonus when recharging with M-Pesa



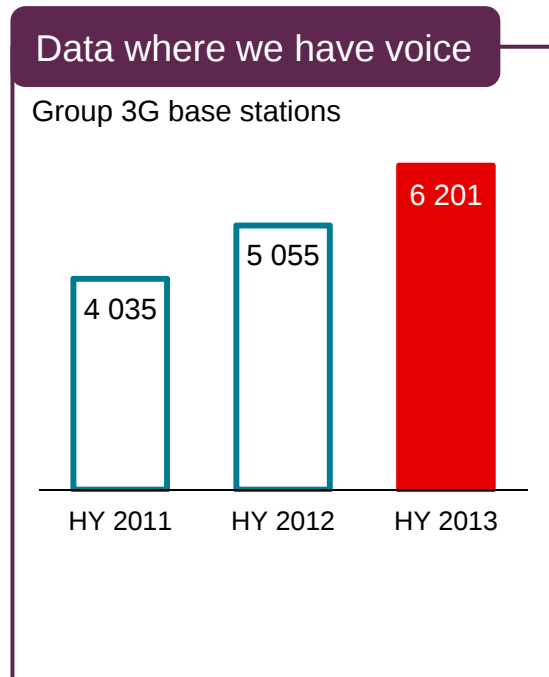
Devices

- Leading choice in all price points
- Device exclusivity and Vodafone scale benefits
- 258k active tablets on SA network
- 19.0% growth in Group equipment revenue
- Effective A&R management

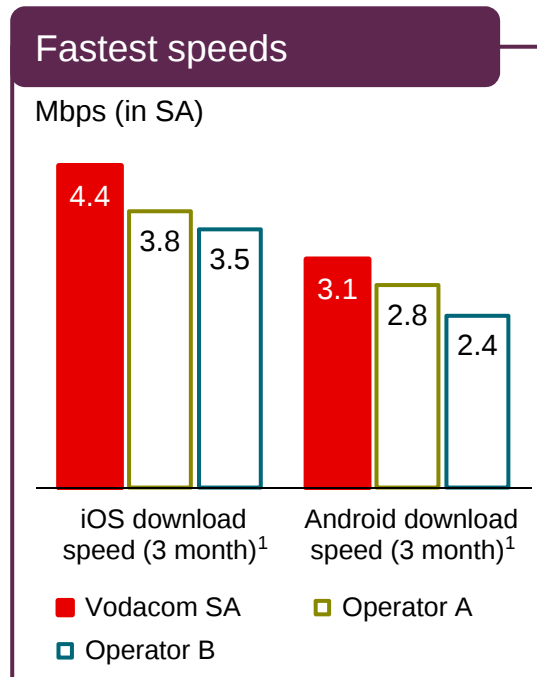


Increasing bundle offers, segmented price plans and customer value management

Network excellence as a key differentiator



- First to launch 3G in DRC
- 83% 3G population coverage in SA



- First to launch LTE in SA, 200 sites live
- 78% of 3G network 43.2Mbps enabled



- RAN renewal in all operations
- 55% of sites in SA have high speed transmission/fibre
- WACS cable live

Consistent investment to ensure network leadership in all our geographies

1. Source: Ookla Netspeed (three months average ending 27 October 2012)

Unmatched customer experience

Self-care/M-care



- USSD increased from 12 million to 14 million in last three months in SA
- Over-the-air settings reducing call volumes and improving customer experience
- Self-care improving call deflection

Retail



- New concept store trial
- Tech zones in 67 shops
- Internet-training cafés rolled out
- New shops in Mozambique and Tanzania

Online



- E-shop users doubled in SA
- Mobi users to overtake web users in SA
- Leading social media engagement

Call centre



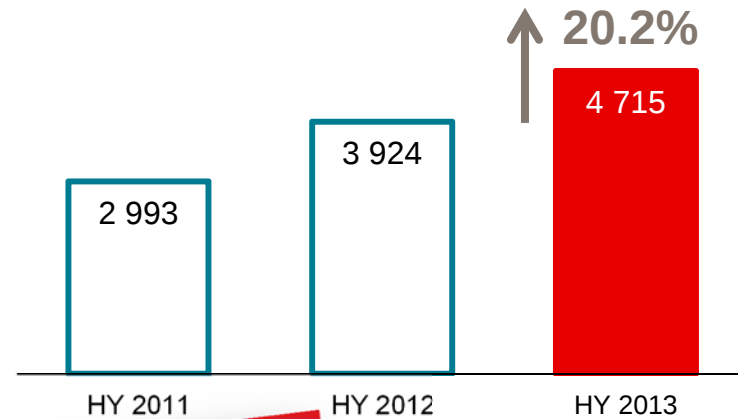
- Improved IVRs, FCR, service levels
- Call volumes down 22.6% yoy in SA
- Customer journeys being implemented

Consistent customer experience at all touchpoints to ensure NPS leadership

Accelerate mobile data opportunity

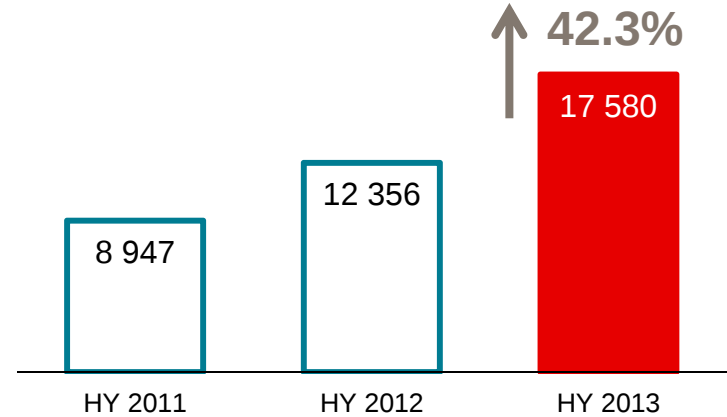
Group data revenue

R million



Group active data customers

Thousand



- Expansion of data coverage
- Driving smartphone and tablet penetration
- Ensuring data attachment

Smart network; Smart devices; Smart services; Smart price plans

Focus areas for growth

International

- Service revenue growth of 36.5% (32.4%¹)
- EBITDA growth of 92.3% (76.7%¹)
- Increased investment to support growth



Enterprise

- Building 5th data centre
- Converged services revenue up 55.3%
- New pan-African deals



New services

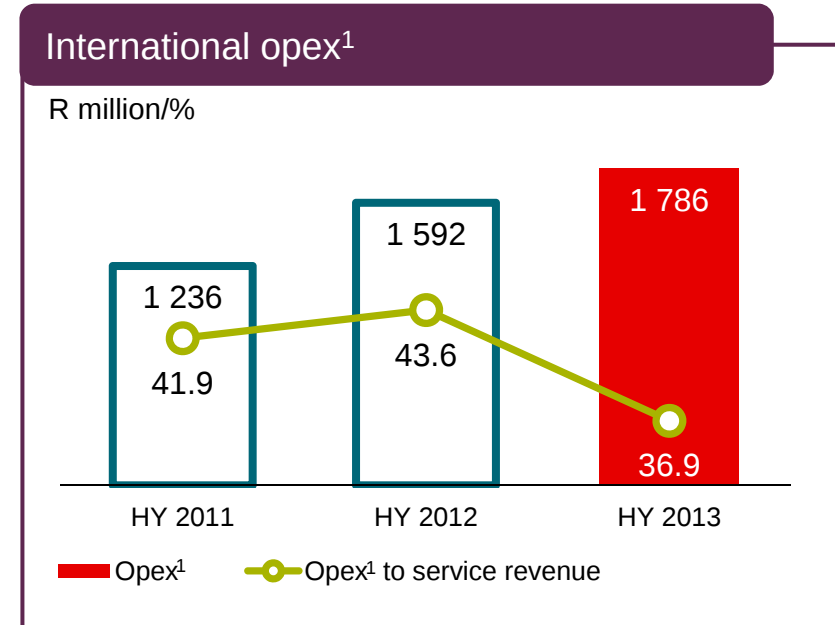
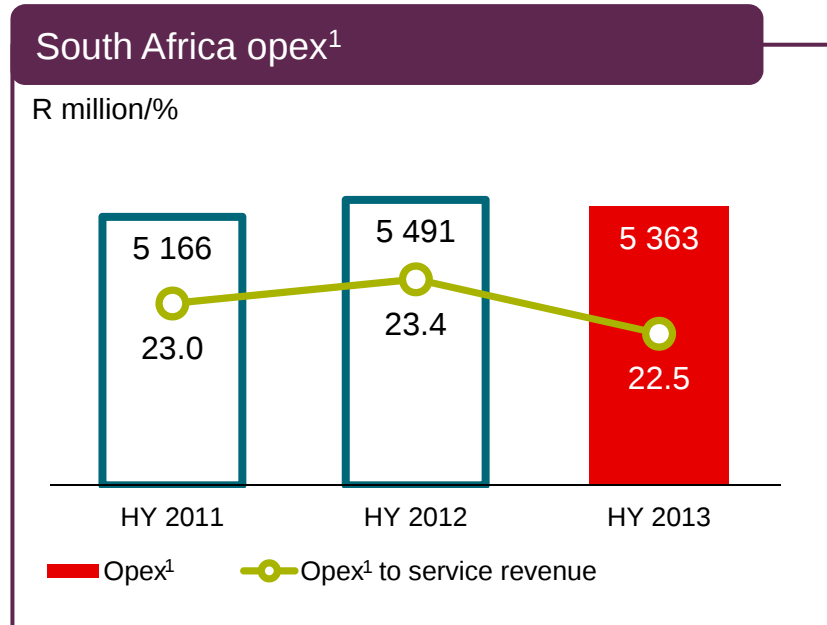
- Welcome Tone users doubled to 1m in a year
- 21 000 funeral policies in three months
- 19% of recharges through M-Pesa in Tanzania
- 4.2 million active M-Pesa customers in Tanzania



Continued investment in high growth areas

1. Represents normalised growth excluding foreign exchange gains/losses and at a constant currency from on-going operations

Process and cost efficiency focus



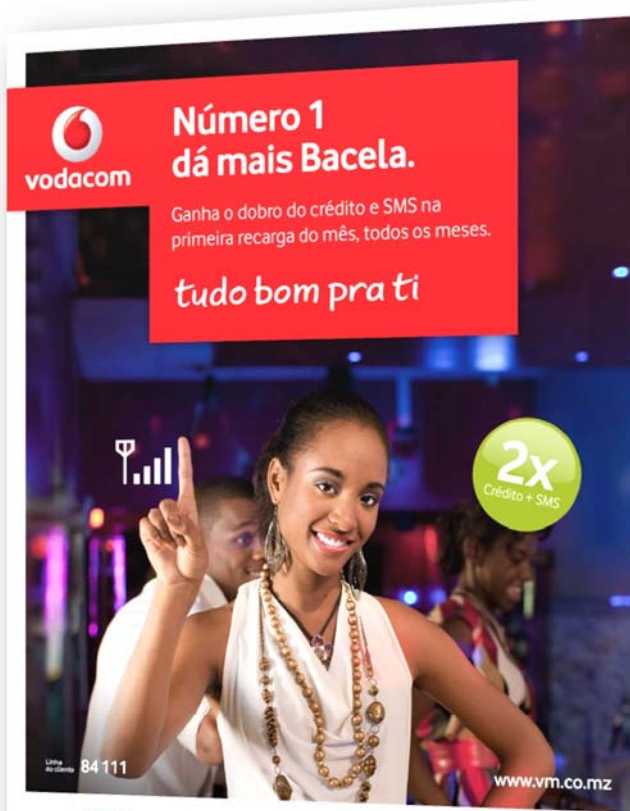
- Network opex stable, despite inflationary pressure
- Publicity savings from reduced sponsorships
- Savings in terminal logistics unit costs
- Savings from procuring through Vodafone

- Cost control enhancing scale benefits
- Re-organised business to focus on revenue opportunities

Focus on cost efficiencies in all operations

1. Operating expenses excluding direct expenses, depreciation, amortisation, trading foreign exchange in constant currency and from on-going operations

Financial review



vodacom

Número 1 dá mais Bacela.

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O bónus é válido para chamadas dentro da rede 84 e até ao final de cada mês.

Regista o teu 84.

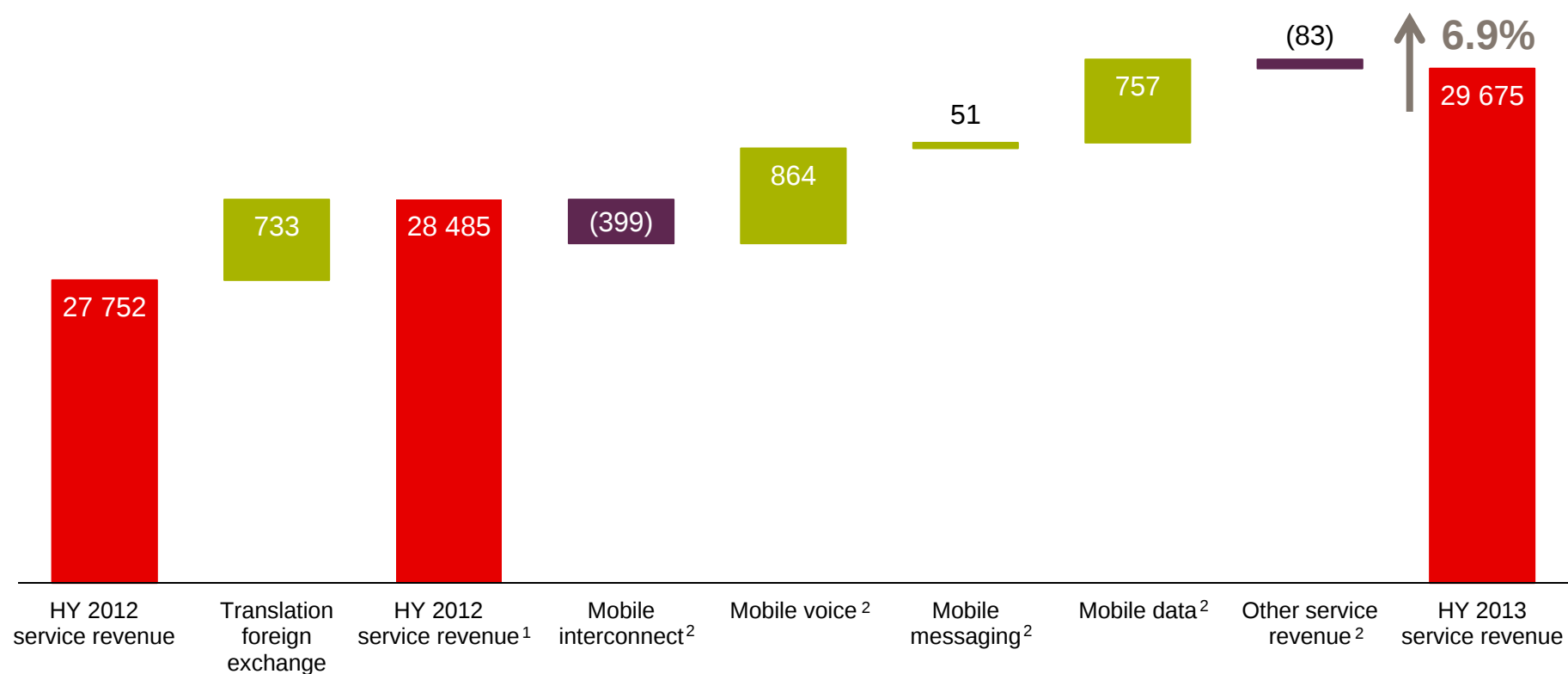
Group income statement

R million	HY 2013	HY 2012	% change
Service revenue	29 675	27 752	6.9
Revenue	34 426	31 747	8.4
EBITDA	12 060	10 535	14.5
Operating profit before impairment losses	8 970	7 620	17.7
Impairment losses	-	(318)	n/a
Operating profit after impairment losses	8 970	7 302	22.8
Profit on sale of subsidiary	224	-	n/a
Net finance charges	(355)	(247)	43.7
Profit before tax	8 839	7 055	25.3
Taxation	(2 722)	(2 668)	2.0
Net profit	6 117	4 387	39.4
Attributable to:			
Equity shareholders	5 996	4 403	36.2
Non-controlling interests	121	(16)	n/a
HEPS (cents)	396	324	22.2
Weighted average shares in issue (million)	1 462	1 463	(0.1)

Strong growth in mobile voice and data usage

Group service revenue growth by category

R million

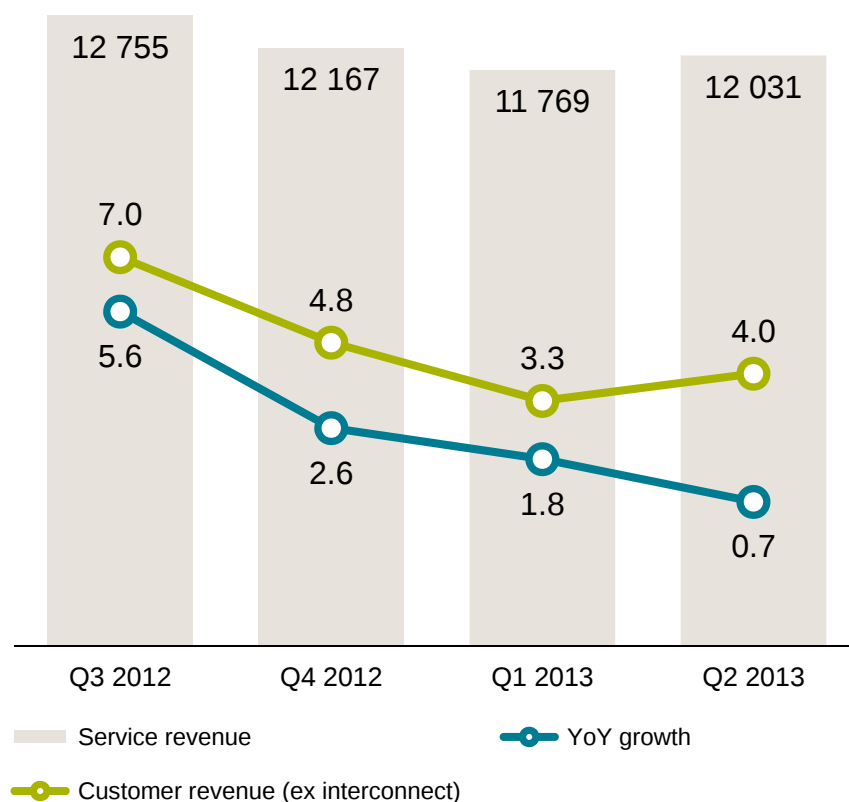


1. Restated to HY 2013 foreign exchange rates
2. At a constant currency

Service revenue growth trends

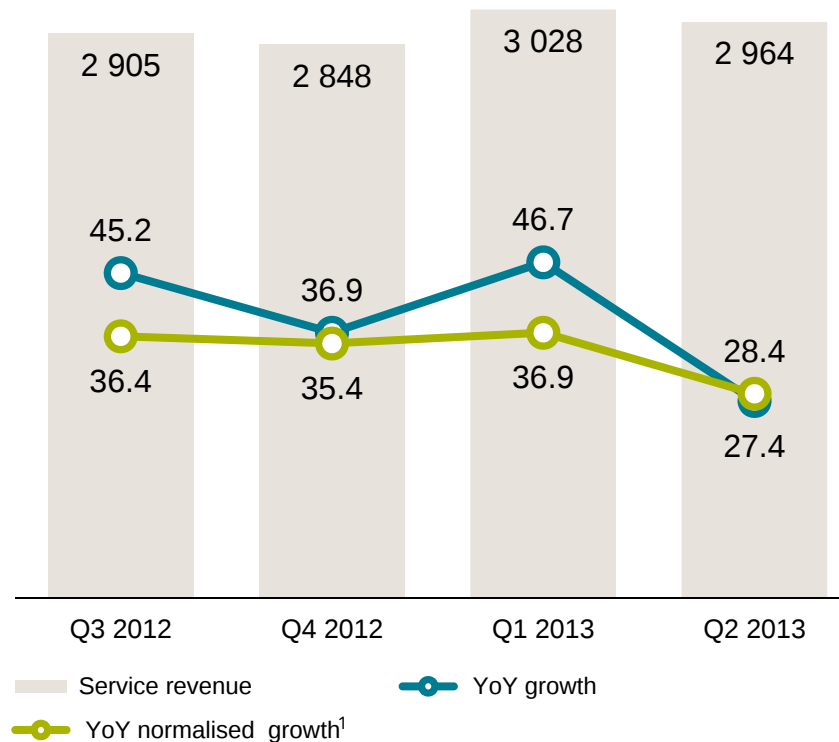
SA service revenue

R million/% yoy growth



International service revenue

R million/% yoy growth



1. Represents normalised growth excluding foreign exchange gains/losses and at a constant currency from on-going operations

Group operating expenses well contained

Group operating expenses¹ by category

R million	HY 2013	% change
Direct expenses	15 102	5.8
Staff expenses	2 260	9.7
Publicity expenses	923	(12.6)
Other operating expenses	4 117	5.6
Operating expenses¹	22 402	5.2

- Excluding MTR impact in South Africa, Group direct expenses increased 6.7%

Group operating expenses¹ by segment

R million	HY 2013	% change
South Africa	17 677	0.1
International	4 889	26.7
Corporate/eliminations	(164)	28.1
Operating expenses¹	22 402	5.2

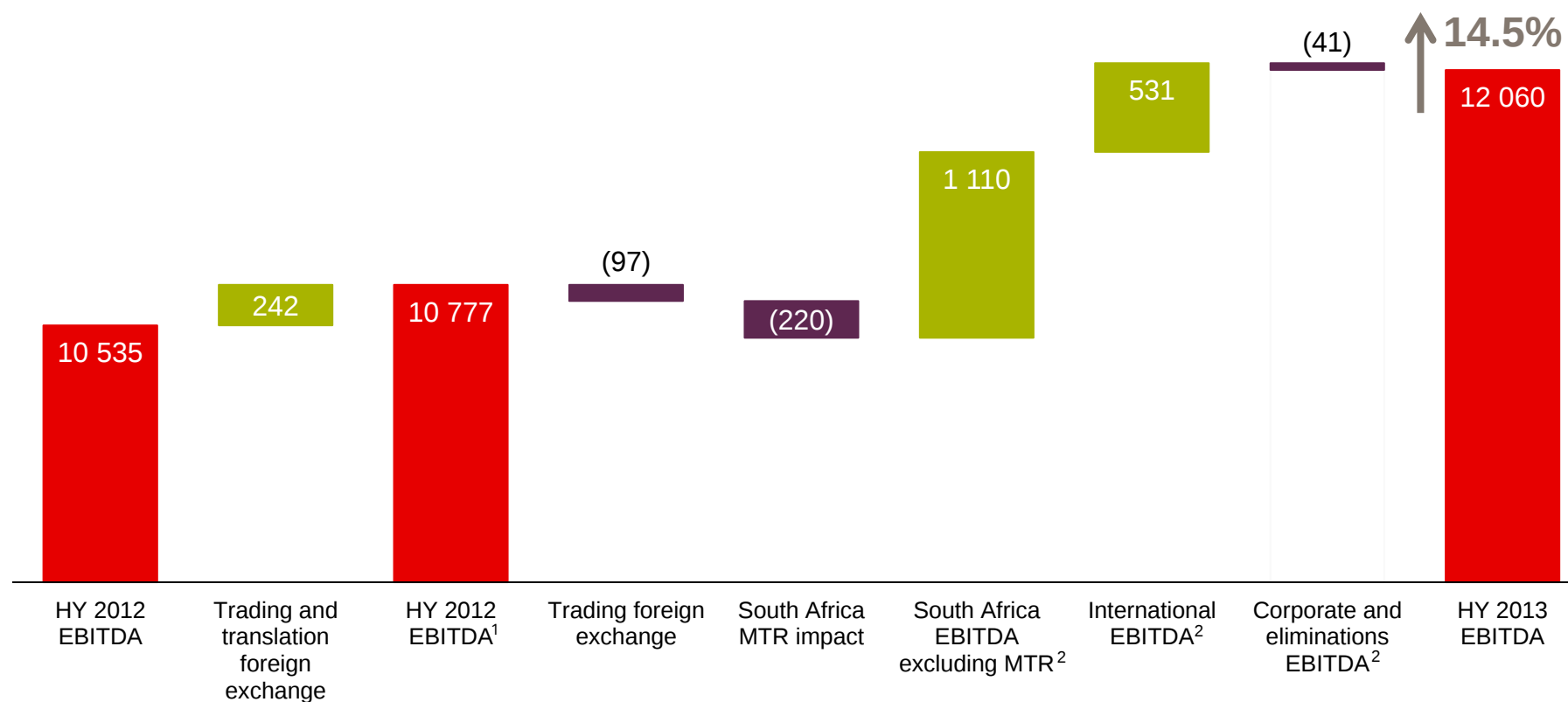
- Group operating expenses up 5.2% below revenue growth of 8.4%
- Operating expenses growth of International segment was contained to 26.7% below revenue growth of 36.4%

1. Excluding depreciation, amortisation and impairment losses

Group EBITDA increased 14.5%

Group EBITDA

R million

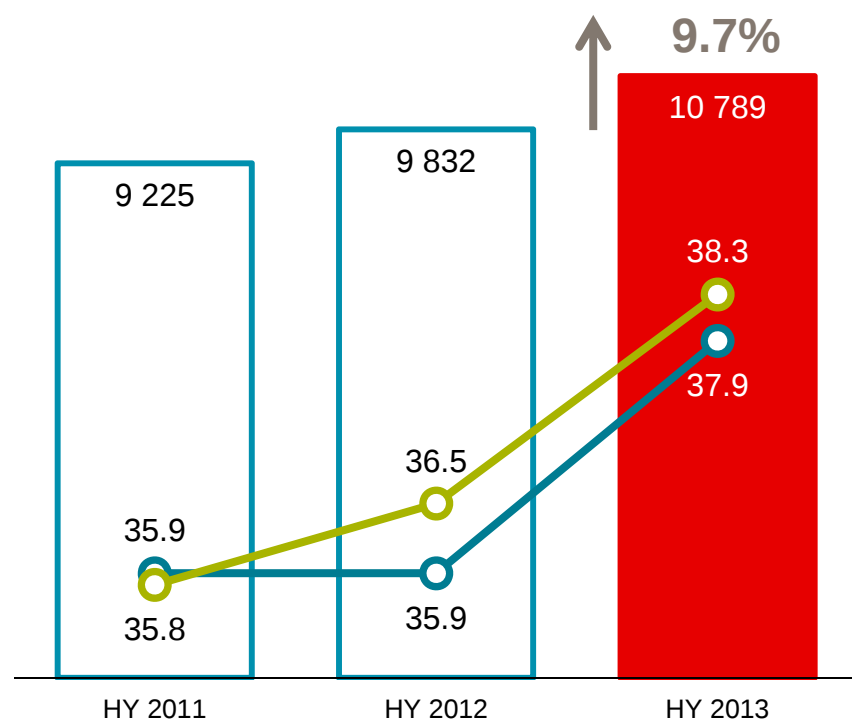


1. Restated to HY 2013 foreign exchange rates and excluding trading foreign exchange
2. Excluding trading foreign exchange and at a constant currency

Positive EBITDA margin trends

SA EBITDA

R million/%

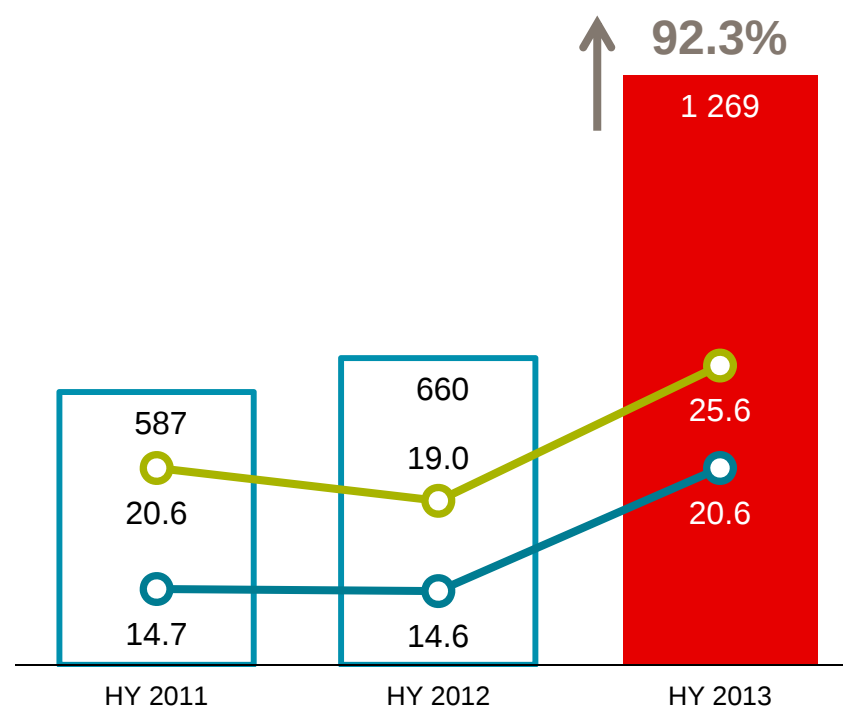


- EBITDA
- EBITDA margin
- EBITDA margin excluding trading foreign exchange

1. Represents normalised growth excluding foreign exchange gains/losses and at a constant currency from on-going operations

International EBITDA

R million/%



- EBITDA
- EBITDA margin
- International normalised¹ EBITDA from continued operations

Group finance charges

Group net finance charges

R million	HY 2013	HY 2012
Net finance costs	(409)	(250)
Remeasurement of loans	(10)	(18)
Gain/(loss) on remeasurement	21	(61)
Gain on derivatives ¹	43	82
Net finance charges	(355)	(247)
Average cost of debt (%)	7.2	7.3

Group net debt

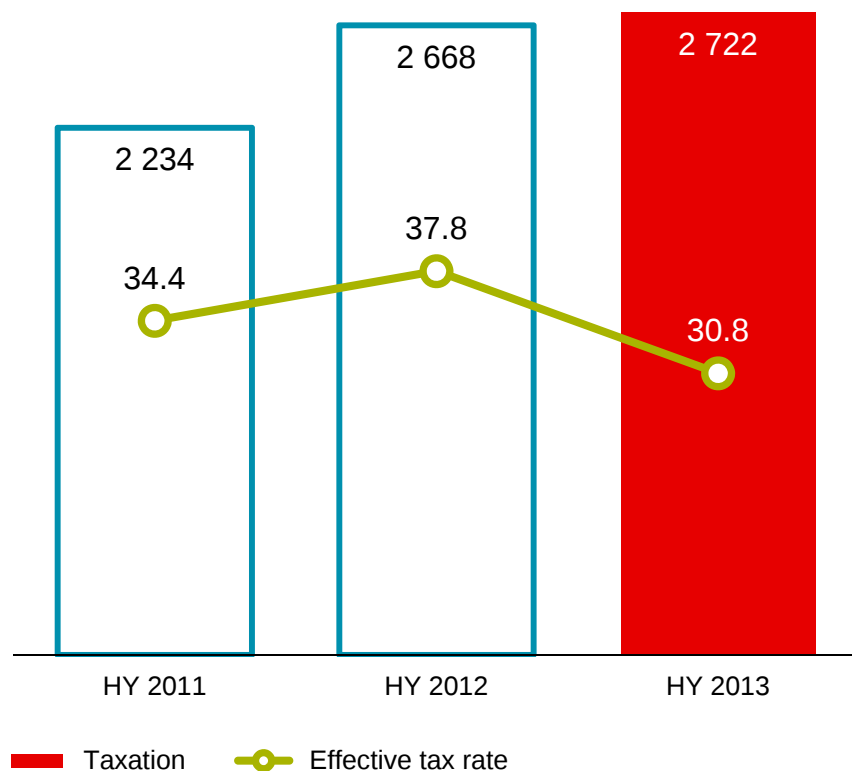
R million	HY 2013	FY 2012
Bank and cash balances	1 533	3 781
Bank overdrafts	(1 788)	(409)
Borrowings and derivative financial instruments	(11 317)	(11 039)
Net debt	(11 572)	(7 667)
Net debt/EBITDA (times)	0.5	0.3
Average debt	(12 006)	(10 780)

1. Mainly revaluation of foreign currency exchange contracts

Taxation expense impacted by change in STC

Group tax

R million/%



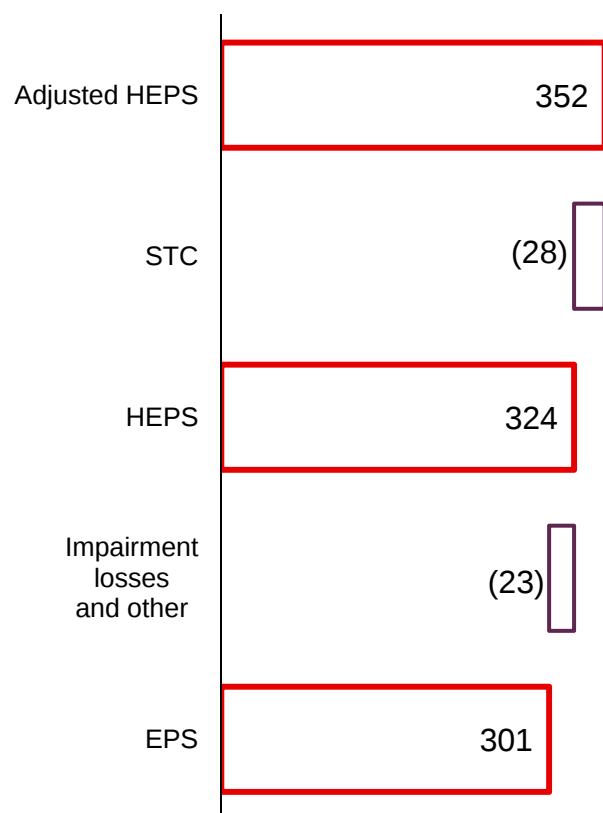
Group tax reconciliation

R million	HY 2013	Rate (%)
Normal tax	2 475	28.0
Non-deductible interest	26	0.3
Withholding tax	55	0.6
Other disallowed expenditure	89	1.0
Other	77	0.9
Total tax expense/effective tax rate	2 722	30.8

Headline earnings per share increased 22.2%

HY 2012 headline earnings per share

Cents per share



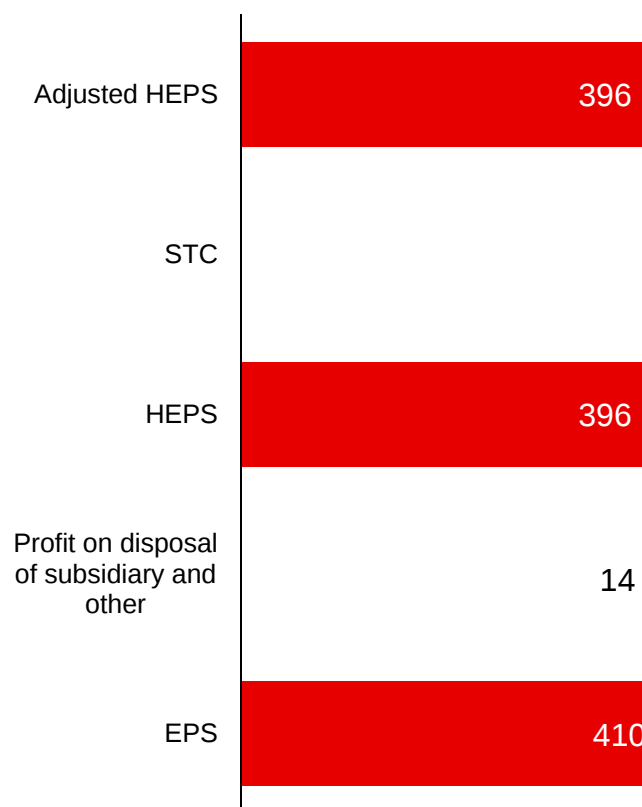
↑ 12.5%

↑ 22.2%

↑ 36.2%

HY 2013 headline earnings per share

Cents per share



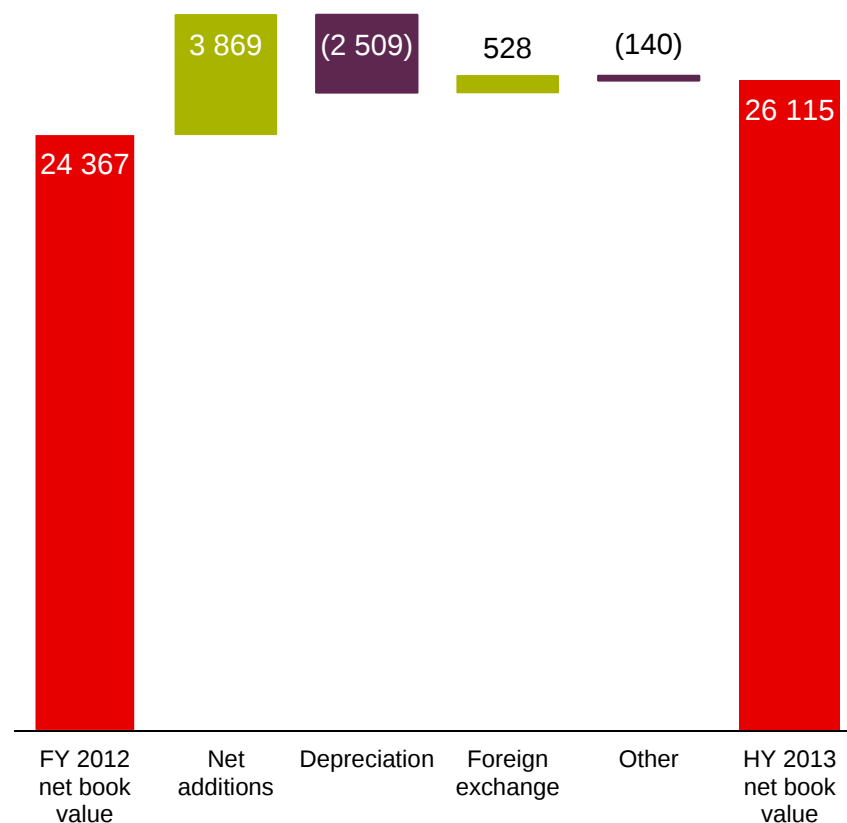
Group statement of financial position

R million	HY 2013	FY 2012	Movement
Assets			
Property, plant and equipment	26 115	24 367	1 748
Intangible assets	5 245	5 123	122
Other non-current assets	1 096	1 188	(92)
Current assets	16 874	17 552	(678)
Total assets	49 330	48 230	1 100
Equity and liabilities			
Total equity	18 819	18 930	(111)
Borrowings	11 206	11 016	190
Other liabilities	19 305	18 284	1 021
Total equity and liabilities	49 330	48 230	1 100

Movement in Group PPE and intangible assets

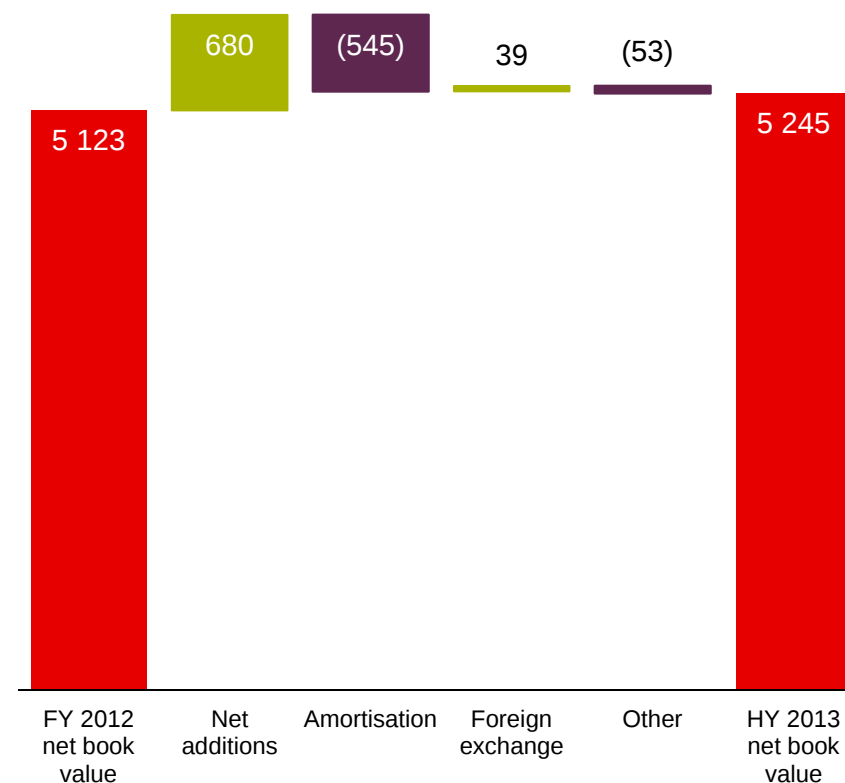
Property, plant and equipment

R million



Intangible assets

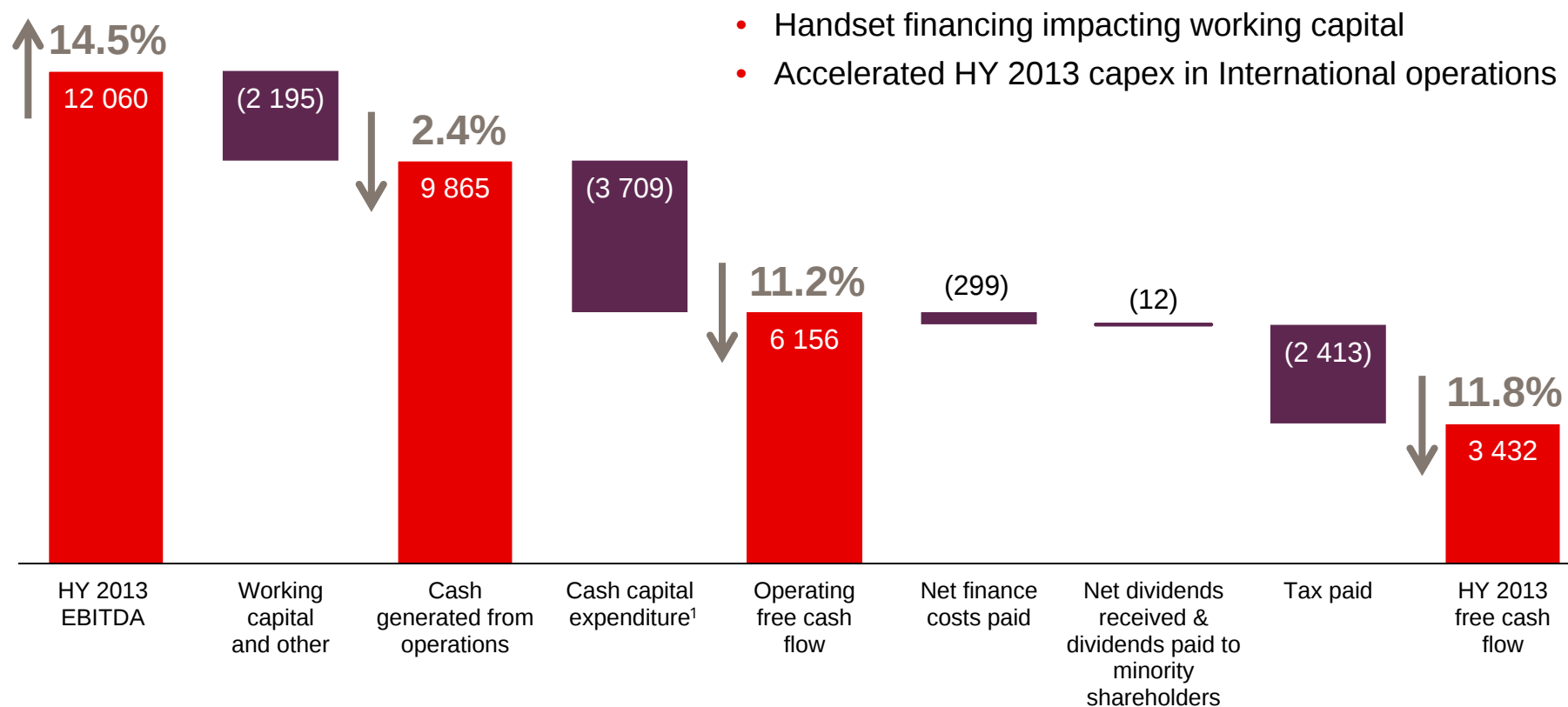
R million



Investment in working capital and network expansion

Group free cash flow

R million

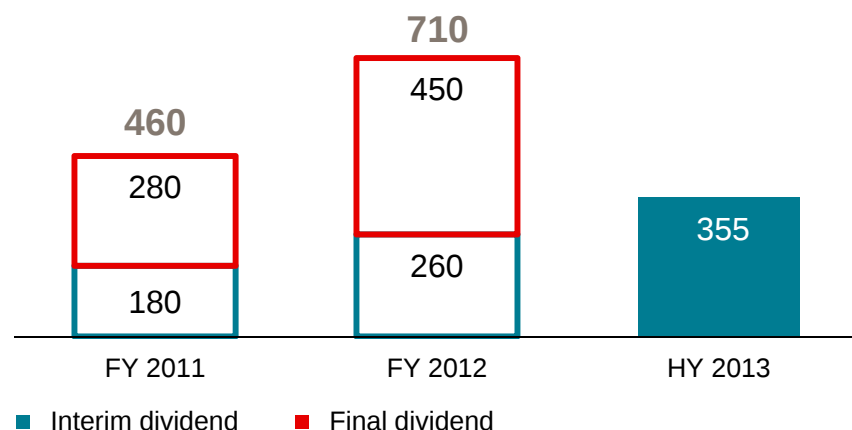


1. Cash capital expenditure comprises the purchase of property, plant and equipment and intangible assets, other than license and spectrum payments, during the year

Interim dividend declared of 355 cents

Dividend per share

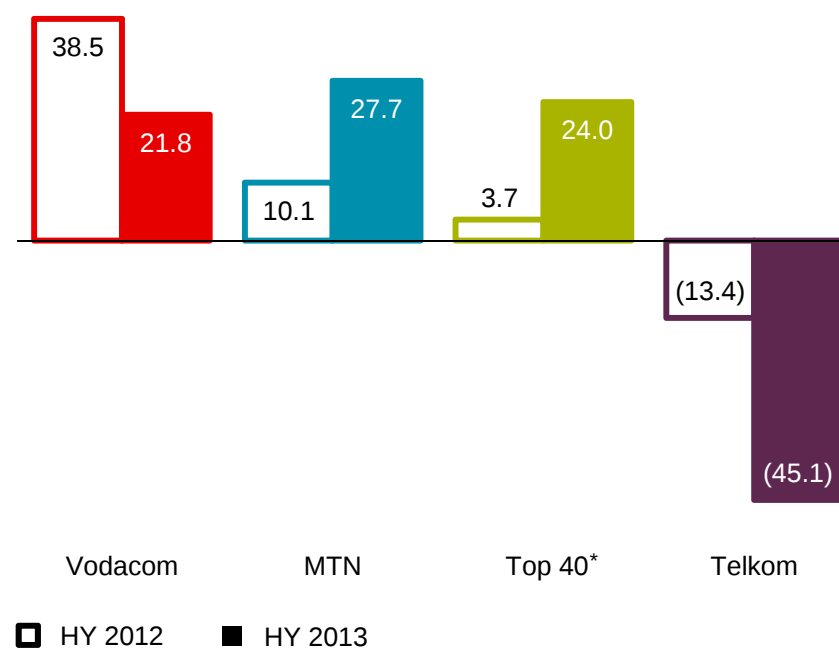
Cents per share



- 36.5% increase in final dividend to 355 cents
- Payout ratio of 90% for full year
- Dividend policy unchanged “at least 90% of headline earnings per share”

Total shareholder returns

% return for the twelve months ended 30 September 2012



Source: Bloomberg

* FTSE/JSE Africa Top 40 index (Top 40 South African shares)

Wrap-up



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Call Vodacom to Vodacom for a QUARTER shilling per second from 10pm - 7am everyday. Surf Facebook and Twitter for FREE all day, every day. This offer is applicable to all Vodacom prepaid customers.

power to you

Group medium-term targets maintained

Market position

Improve our NPS position in all measured markets

Service revenue

Low single digit growth in service revenue

EBITDA

Improve EBITDA margin through operational efficiencies

Capital expenditure

Capital expenditure between 11% and 13% of Group revenue

Medium-term financial targets are indicated over a three year period ending March 2015 assuming constant currencies and in respect of on-going operations.

In summary

1

Push bundle and segmented offers

2

Accelerate data network rollout

3

Invest in new retail and online experience

4

Increase smartphone and data adoption

5

Continued focused investment in growth areas

6

Realise further cost efficiencies

Thank you



Senior leadership team



Shameel Joosub
Chief Executive Officer
Joined Vodacom in March 1994



Ivan Dittrich
Chief Financial Officer
Joined Vodacom in June 2012



Johan Dannelind
Chief Executive Officer: International
Joined Vodacom in December 2010



Andries Delport
Chief Technology Officer
Joined Vodacom in June 1996



Vuyani Jarana
Enterprise Business Unit
Joined Vodacom in December 1995



Phil Patel
Consumer Business Unit
Joined Vodacom in July 2012/
Vodafone March 2004



Chris Ross
Chief Officer: Commercial Operations
Joined Vodacom in July 1994



Romeo Kumalo
Chief Operating Officer: International
Joined Vodacom in August 2004



Maya Makanjee
Chief Officer: Corporate Affairs
Joined Vodacom in June 2012



Nkateko Nyoka
Chief Officer: Legal and Regulatory
Joined Vodacom in October 2007



Mpho Nkeli
Chief Human Resources Officer
Joined Vodacom in February 2011



Neil Gough
Chief Officer: Strategy and New business
Joined Vodacom in August 2011/
Vodafone in March 2003

Country data

	South Africa	Tanzania	DRC	Mozambique	Lesotho
Population (million)	51	48	70	25	2
GDP per capita* (USD)	8 200	655	255	563	1 050
GDP growth estimate* 2012 (%)	2.3	6.9	6.5	7.4	4.7
Estimated mobile penetration (%)	147	42	25	30	51
Ownership (%)	93.75	65	51	85	80
License expiry period	2029	2031	2018	2018/2026 [#]	2016
Active customers (thousand)	30 783	8 968	6 696	2 734	943
ARPU (rand per month)	127	35	35	52	59
ARPU (local currency per month)	R127	TZS6 669	USD4.2	MZN177	LSL59
Minutes of use per month	101	76	45	69	33

* The Economist Intelligence Unit

[#] 2018 relates to the 2G license and 2026 relates to the 3G license

Impact of foreign exchange

Revenue

Yoy % growth

HY 2013	Reported	Normalised ¹
South Africa	3.7	3.7
International	36.4	31.0
Group	8.4	7.0

EBITDA

Yoy % growth

HY 2013	Reported	Normalised ¹
South Africa	9.7	8.9
International	92.3	76.7
Group	14.5	13.0

Operating expenses

Yoy % growth

HY 2013	Reported	Normalised ¹
South Africa	0.1	0.5
International	26.7	16.4
Group	5.2	3.3

Average exchange rates

	HY 2013	HY 2012	% change
USD/ZAR	8.20	6.97	17.6
ZAR/MZN	3.43	4.14	(17.1)
ZAR/TZS	192.90	226.44	(14.8)
EUR/ZAR	10.39	9.93	4.6

1. Represents normalised growth excluding foreign exchange gains/losses and at a constant currency from on-going operations

Definitions

Active customers	Active customers are based on the total number of mobile customers using any service during the 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.
Active data customers	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.
ARPU	Total ARPU is calculated by dividing the average monthly service revenue by the average monthly active customers during the period.
Contribution margin	Revenue less direct expenses as a percentage of revenue.
EBITDA	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.
Free cash flow	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, net finance charges paid and net dividends received/paid to minority shareholders.
HEPS	Headline earnings per share.
International	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.
MOU	Minutes of use per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly active customers during the period.
Normalised	Represents normalised growth excluding foreign exchange gains/losses and at a constant currency from on-going operations.
Operating free cash flow	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.
RAN	Radio access network.
South Africa	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.
Total shareholder returns	Shareholder returns consist of the aggregate share price appreciation and dividend yield.
Traffic	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.

Forward-looking statements

This presentation which sets out the interim results for Vodacom Group Limited for the six months ended 30 September 2012 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.

power to you



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Interim results for the six months ended 30 September 2012