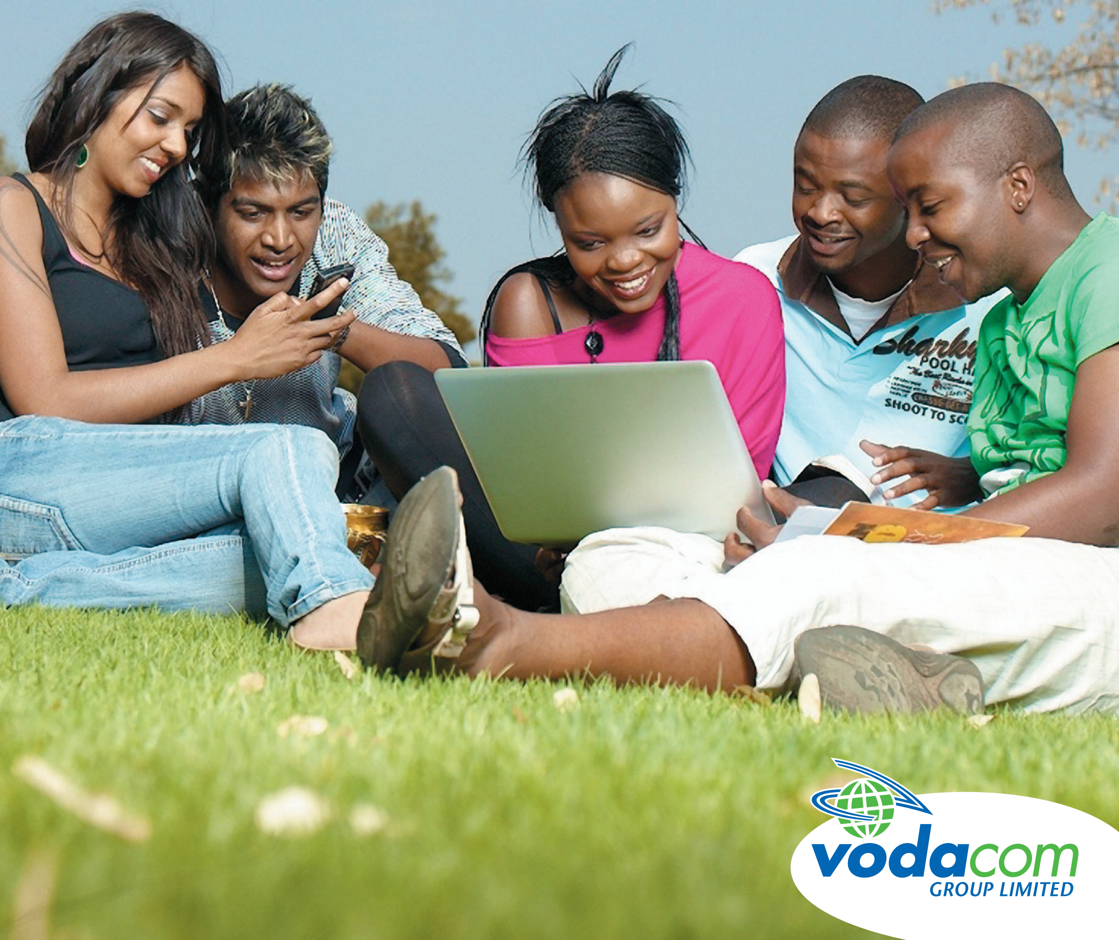
INTERIM RESULTS

for the six months ended 30 September 2010



vodacom GROUP LIMITED

PIETER UYS, VODACOM GROUP CEO COMMENTED:

"I am encouraged by our performance in the first six months. We had solid revenue growth despite the negative impact from lower mobile termination rates ('MTRs') in South Africa. We also delivered a major improvement in operating free cash flow and headline earnings per share.

Our strategy of delivering greater value to customers is paying off with voice traffic across the Group up 14.3%. Data continues to perform exceptionally well with Group data revenue up 41.1% now contributing 11.0% of Group service revenue.

I am particularly pleased that we have improved the performance of the International operations, adding almost two million customers in these businesses during the period and revenue growth in constant currency was positive.

We've continued to focus on shareholder returns, completing a R1.0 billion share repurchase programme and increasing the interim dividend by 63.6% to 180 cents per share."

Highlights

Solid Group performance

- Group revenue up 5.1% in constant currency (2.9% reported growth)
- South Africa service revenue up 8.4% excluding the impact of reduced MTRs (4.6% reported growth)
- Group capital expenditure of R2 065 million
- Group operating free cash flow up 21.8% to R6 560 million
- Headline earnings per share up 38.4% to 303 cents

Delivery on mobile broadband strategy

- 41.1%[1] growth in Group data revenue to R2 865 million
- 60.3% increase in South Africa data traffic
- Accelerated investment in mobile broadband and fibre networks

Stronger customer and usage growth

- Group voice traffic up 14.3%
- 712 000 customer additions in Q2 in South Africa
- Group customers at 39.4 million

International operations returned to growth

- Positive constant currency revenue growth
- 1.9 million customer additions in first six months

Cost programme on track

- Group contribution margin expands 1.0ppt
- Group EBITDA increased 5.4% in constant currency

Improving shareholder returns

- R959 million share repurchase completed
- 63.6% increase in interim dividend per share to 180 cents

1. 37.4% excluding the impact of introducing a 60-day carry over rule in May 2009 for data packages.

Operating review

South Africa

The South African operations posted solid revenue growth of 5.4% to R25 697 million, despite an 18.0% decline in interconnect revenue. Service revenue growth of 8.4% (excluding the impact of MTRs) was supported by the positive response to increased value offerings and the higher contribution from data revenue. Data revenue increased 39.2%[1] to R2 746 million as demand for data services remained high. Data users increased by 1.2 million in the six month period to reach 7.9 million at 30 September 2010, of which 1.9 million were active data bundle users. Active smartphones on the network were up 65.0% to 2.5 million and mobile connect cards were up 46.1% to 916 000. During the period greater value was added to the data bundles reducing the effective price per megabyte by 16.1%.

The South Africa customer base has finally recovered from the effects of implementing the Regulation of Interception of Communications and Provision of Communication-Relation Information Act ('RICA') with gross connections reaching 1.0 million in the month of September 2010. As at 30 September 2010, Vodacom had registered 73.6% of the active customer base for RICA. Although prepaid customer growth was impacted by the almost 3.3 million call-forward disconnections in the first quarter, 585 000 customers were added in the second quarter. Prepaid ARPU in the first half increased 28.8% to R85 largely as a result of the lower customer base, partially offset by a reduction in interconnect rates.

Contract customer growth remained strong, up 15.4% to 4.8 million customers, representing 20.1% of the South Africa customer base. Contract ARPU declined 9.1% to R411 due to reduced interconnect rates and strong growth in lower-end contract packages.

During the period, various new value offerings were introduced such as free contract bundle minutes and lower prepaid tariff plans. Following the success of the Night Shift promotion in 2009, it was reintroduced during the period, contributing to the 18.8% increase in monthly usage to 95 minutes per customer and the reduction in the effective rate per minute of 16.9%.

Excluding the impact of trading foreign exchange movements, the South Africa EBITDA increased 7.0% to R9 209 million (5.1% reported growth) and the EBITDA margin expanded 0.5% from the prior period due to the improved contribution margin as initiatives to reduce customer and distribution costs gained traction.

International[2]

International service revenue of R3 876 million includes R1 508 million (2009: R1 501 million) for Gateway. International service revenue, excluding Gateway, returned to positive growth after five quarters, increasing 4.5% in the second quarter in constant currency due to strong customer growth and an 88.5% increase in traffic. This was partially offset by substantially lower voice tariffs. Data revenue increased 101.7% to R119 million and contributed 3.1% to service revenue. Tanzania had over 799 000 data users and 772 000 active M-PESA users at 30 September 2010. Gateway service revenue increased year-on-year by 10.3% in US dollars.

International continued to record strong mobile customer growth of 15.8% year-on-year to 15.5 million, adding almost two million customers in the six month period. Tanzania reported customer growth of 34.5% year-on-year, adding 1.2 million customers, Mozambique and Lesotho posted year-on-year growth of 25.4% and 31.2%, respectively. The decline of 17.4% year-on-year in the DRC customer base was due to the change in the DRC disconnection policy from 215 to 90 inactive days in December 2009; since 31 March 2010 the DRC business has added over 285 000 customers.

1. Data revenue growth was impacted by the change in the data carry over rule in the prior year; excluding this impact data revenue growth was 35.6%.
2. The International segment has been restated to include Gateway.

The EBITDA margin in the International operations recovered from 8.8% in the second half of the prior year to 14.7% in the six months to September 2010. Normalised[1] EBITDA from the International operations declined 9.2% (reported decline 20.9%) to R605 million, contributing 6.2% (2009: 7.2%) to normalised[1] Group EBITDA for the period. Various cost efficiency programmes, such as efforts to reduce site operating and maintenance costs, have been put in place to adjust business structures in these operations in order to support lower tariffs.

Financial review

Summary financial information

Rm	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
Revenue	**29 516**	28 675	26 090	**2.9**	9.9
Service revenue	**26 094**	25 531	23 028	**2.2**	10.9
EBITDA	**9 788**	9 519	8 654	**2.8**	10.0
Operating profit	**7 061**	3 707	6 430	**90.5**	(42.3)
Net profit	**4 269**	59	3 776	**> 200.0**	(98.4)
Operating free cash flow	**6 560**	5 388	3 901	**21.8**	38.1
Capital expenditure	**2 065**	2 934	2 976	**(29.6)**	(1.4)
Net debt	**11 785**	14 840	6 062	**(20.6)**	144.8
Earnings per share (cents)	**300**	4	248	**> 200.0**	(98.4)
Headline earnings per share (cents)	**303**	219	250	**38.4**	(12.4)
Contribution margin (%)	**54.3**	53.3	53.2		
EBITDA margin (%)	**33.2**	33.2	33.2		
Operating profit margin (%)	**23.9**	12.9	24.6		
Effective tax rate (%)	**34.4**	97.6	34.6		
Net profit margin (%)	**14.5**	0.2	14.5		
Net debt/EBITDA (times)	**0.6**	0.8	0.5		
Capex intensity (%)	**7.0**	10.2	11.4		

Revenue

Rm	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
South Africa	**25 697**	24 371	22 810	**5.4**	6.8
International[2]	**4 002**	4 461	3 333	**(10.3)**	33.8
Corporate and eliminations	**(183)**	(157)	(53)	**(16.6)**	(196.2)
Revenue	**29 516**	28 675	26 090	**2.9**	9.9

Group revenue and service revenue for the six months ended 30 September 2010 increased in constant currency by 5.1% and 4.4% respectively, with continued robust performance in South Africa and a 41.1% growth in Group data revenue. The South African rand strengthened against all the other functional currencies in the International operations, resulting in lower reported revenue growth of 2.9% and service revenue growth of 2.2%. Revenue from the International operations increased 3.1% in constant currency.

1. Normalised to exclude trading foreign exchange and at a constant currency.
2. The International segment has been restated to include Gateway.

Operating costs[1]

Rm	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
South Africa	**16 492**	15 648	15 067	**5.4**	3.9
International[2]	**3 414**	3 720	2 491	**(8.2)**	49.3
Corporate and eliminations	**(157)**	(153)	(115)	**(2.6)**	(33.0)
Operating costs[1]	**19 749**	19 215	17 443	**2.8**	10.2

From the 2010 financial year the Group aligned its presentation of foreign exchange gains and losses on the revaluation of foreign denominated trading items with that of its parent by including them in operating costs. Operating costs for the period ended 30 September 2009 have been restated to include foreign exchange gains and losses on economically hedged foreign denominated trading items for South Africa. A net foreign exchange loss of R1 million (2009: net gain of R135 million) has been included in operating costs. Excluding the impact of the above, Group operating costs increased by 2.1% to R19 748, below Group revenue growth of 2.9%.

EBITDA

Rm	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
South Africa	**9 225**	8 781	7 749	**5.1**	13.3
International[2]	**587**	742	842	**(20.9)**	(11.9)
Corporate and eliminations	**(24)**	(4)	63	< **(200.0)**	(106.3)
EBITDA	**9 788**	9 519	8 654	**2.8**	10.0

Group EBITDA increased 2.8% to R9 788 million, negatively impacted in the current period by the inclusion of a net foreign exchange gain of R135 million in the prior period coupled with unfavourable foreign exchange movements on translation. Excluding this impact, Group EBITDA grew by 5.4% and the Group margin expanded from 33.0% to 33.2%.

Operating profit

Rm	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
South Africa	**7 170**	6 841	6 052	**4.8**	13.0
International[2]	**(67)**	(2 965)	327	**97.7**	< (200.0)
Corporate and eliminations	**(42)**	(169)	51	**75.1**	< (200.0)
Operating profit	**7 061**	3 707	6 430	**90.5**	(42.3)

Operating profit increased 90.5% to R7 061 million mainly due to impairment losses of R3 189 million in the prior period offset by a 4.3% increase in depreciation and amortisation. Normalised[3] operating profit increased by 5.0%.

1. Excluding depreciation, amortisation and impairment losses.
2. The International segment has been restated to include Gateway.
3. Normalised to exclude trading foreign exchange, impairment losses and at a constant currency.

Net finance charges

Rm	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
Finance income	**83**	48	34	**72.9**	41.2
Finance costs	**(447)**	(810)	(734)	**(44.8)**	10.4
Gain/(Loss) on remeasurement of loans	**32**	(232)	–	**113.8**	n/a
(Loss)/Gain on translation of foreign assets and liabilities	**(121)**	(30)	226	**> 200.0**	113.3
Loss on derivatives	**(105)**	(259)	(185)	**(59.5)**	40.0
Net finance charges	**(558)**	(1 283)	(659)	**(56.5)**	94.7

Net finance charges declined from R1 283 million in the prior period to R558 million in the six months ended 30 September 2010, mainly due to lower net finance costs in the current period and the negative impact the remeasurement of loans granted of R232 million had in the prior period.

Finance costs for the period were R447 million compared to R810 million a year ago, mainly due to approximately R3.0 billion debt repayments since September 2009 coupled with lower interest rates. The average cost of debt reduced from 9.3% to 7.9% as a result of lower interest rates and the benefit of floating rate debt.

Taxation

The tax expense of R2 234 million for the period declined by 5.0% compared to September 2009. The decline is largely due to the reversal of the DRC deferred tax asset in the prior period offsetting increased taxation in South Africa of R168 million and a secondary tax on companies ('STC') charge of R258 million in the current period, stemming from the change in the timing of the Group dividend declaration compared to the prior period.

The effective tax rate declined from 97.6% to 34.4%, mainly due to non-deductible impairment losses of R3 189 million and the unrecognised deferred tax asset in the prior period. Excluding the impairment losses and the derecognition of the deferred tax asset, the prior period effective tax rate was 32.0%.

Earnings

Earnings per share for the period increased from 4 cents per share to 300 cents per share, impacted by the impairment losses and the reversal of the DRC deferred tax asset in the prior period. Headline earnings per share, which excludes impairment losses, increased 38.4% to 303 cents per share.

Excluding the impact of several non-recurring charges, adjusted headline earnings per share increased 11.1% from 271 cents to 301 cents per share.

Cash flow

Operating free cash flow increased by 21.8% to R6 560 million for the period. The cash generated from operations grew by R569 million and was mainly due to increased EBITDA, coupled with an improvement in working capital. Net cash additions to property, plant and equipment and intangible assets decreased from R3 382 million to R2 779 million.

Net cash flows utilised in financing activities increased from R3 339 million to R4 444 million. The increase over the period includes the partial repayment of a facility utilised to fund the DRC, R959 million spent on the share repurchase programme in the current period, an increase in bank borrowings utilised for financing activities and reduced interest payments due to lower interest rates and average debt.

Operating free cash flow

Rm	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
Cash generated from operations	**9 339**	8 770	7 749	**6.5**	13.2
Net additions to property, plant and equipment and intangible assets	**(2 779)**	(3 382)	(3 848)	**(17.8)**	(12.1)
Operating free cash flow	**6 560**	5 388	3 901	**21.8**	38.1

The gain/loss arising from foreign exchange forward contracts entered into specifically for capital expenditure and inventory has been reclassified from cash flows from investing activities and cash generated from operations to cash flows from financing activities in the prior period to align with accounting practices of the Group's parent.

Capital expenditure

Rm	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
South Africa	**1 644**	1 839	2 014	**(10.6)**	(8.7)
International[1]	**421**	1 093	960	**(61.5)**	13.9
Corporate and eliminations	**–**	2	2	**(100.0)**	–
Capital expenditure	**2 065**	2 934	2 976	**(29.6)**	(1.4)
Capex intensity (%)	**7.0**	10.2	11.4		

The Group's capital expenditure for the period was R2 065 million, 29.6% less than a year ago. South Africa capital expenditure was low at R1 644 million (6.4% of revenue) in line with our commitment to limit infrastructure deployment during the 2010 FIFA World Cup South Africa™. Capital expenditure of R421 million (10.5% of revenue) in the International operations was 61.5% lower (53.1% lower excluding the impact of foreign exchange translation) mainly due to a significant reduction in capital expenditure in Tanzania and the DRC compared to the prior year.

Statement of financial position

Property, plant and equipment and intangible assets were negatively impacted by foreign currency translation adjustments of R685 million and R136 million, respectively due to the rand strengthening against functional reporting currencies of the International markets since 31 March 2010.

Net debt decreased to R11 785 million, compared to R14 840 million a year ago. The Group's financial gearing reduced, with the net debt to EBITDA ratio at 0.6 times at 30 September 2010. 89.0% (2009: 93.4%) of the debt is denominated in rand. R4 115 million (2009: R4 217 million) of the debt matures in the next 12 months and 98.0% (2009: 95.1%) of total debt is at floating rates.

1. The International segment has been restated to include Gateway.

Net debt

Rm	As at 30 September 2010	As at 31 March 2010	Movement	As at 30 September 2009
Cash and cash equivalents	**938**	1 061	**(123)**	729
Bank overdrafts	**(2)**	(110)	**(108)**	(9)
Borrowings and derivative financial instruments	**(12 721)**	(13 112)	**(391)**	(15 560)
Net debt	**(11 785)**	(12 161)	**(376)**	(14 840)
Net debt/EBITDA (times)	**0.6**	0.6		0.8

Declaration of interim dividend No. 3

Notice is hereby given that interim dividend No. 3 of 180 cents per ordinary share in respect of the financial year ending 31 March 2011 has been declared payable on Monday 6 December 2010 to shareholders recorded in the register at the close of business on Friday 3 December 2010:

Last day to trade shares *cum* dividend	Friday 26 November 2010
Shares commence trading *ex* dividend	Monday 29 November 2010
Record date	Friday 3 December 2010
Payment date	Monday 6 December 2010

Share certificates may not be dematerialised or rematerialised between Monday 29 November 2010 and Friday 3 December 2010, both days inclusive.

On Monday 6 December 2010, the interim dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic funds transfer is not required, cheques will be dated and posted on Monday 6 December 2010.

Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday 6 December 2010.

Outlook

While the macro economic climate is stable and there are positive signs in most of the countries in which Vodacom operates, markets are expected to remain challenging primarily due to ongoing competitive and regulatory pressures. In October 2010, the fourth mobile operator launched service in South Africa and the regulator announced further cuts in MTRs effective from 1 March 2011.

Increased voice usage and continued growth in data demand are expected to largely offset these pressures. The cost reduction programme is progressing well, with notable successes in managing customer acquisition and distribution costs in the past six months.

While capital expenditure is expected to accelerate in the second half, full year forecast capital expenditure is expected to be lower at R6.8 billion due to efficiencies on budgeted spend and the favourable foreign exchange rates compared to budget.

For and on behalf of the Board

Peter Moyo
Non-executive Chairman

Pieter Uys
Chief Executive Officer

Rob Shuter
Chief Financial Officer

5 November 2010

Midrand

Condensed consolidated income statement

for the six months ended 30 September 2010

	Notes	Six months ended 30 September 2010 Rm Reviewed	Six months ended 30 September 2009 Rm Reviewed	Year ended 31 March 2010 Rm Audited
Revenue	3	**29 516**	28 675	58 535
Direct costs	7	**(13 495)**	(13 384)	(26 774)
Staff expenses	7	**(2 242)**	(2 143)	(4 291)
Marketing and advertising expenses	7	**(929)**	(893)	(1 728)
Other operating expenses	7	**(3 083)**	(2 795)	(5 977)
Depreciation and amortisation		**(2 673)**	(2 564)	(5 157)
Impairment losses	4	**(33)**	(3 189)	(3 370)
Operating profit		**7 061**	3 707	11 238
Finance income		**83**	48	124
Finance costs		**(447)**	(810)	(1 602)
Loss on remeasurement and disposal of financial instruments	7	**(194)**	(521)	(794)
Loss from associate		**–**	(14)	(21)
Profit before tax		**6 503**	2 410	8 945
Taxation		**(2 234)**	(2 351)	(4 745)
Net profit		**4 269**	59	4 200
Attributable to:				
Equity shareholders		**4 416**	61	4 196
Non-controlling interests		**(147)**	(2)	4
		4 269	59	4 200

	Notes	Six months ended 30 September 2010 Cents Reviewed	Six months ended 30 September 2009 Cents Reviewed	Year ended 31 March 2010 Cents Audited
Basic earnings per share	5	**300.0**	4.1	282.3
Diluted earnings per share	5	**299.7**	4.1	282.0

Condensed consolidated statement of comprehensive income

for the six months ended 30 September 2010

	Six months ended 30 September 2010 Rm Reviewed	Six months ended 30 September 2009 Rm Reviewed	Year ended 31 March 2010 Rm Audited
Net profit	**4 269**	59	4 200
Other comprehensive income:			
Foreign currency translation differences, net of tax	**(497)**	(2 530)	(2 665)
Total comprehensive income	**3 772**	(2 471)	1 535
Attributable to:			
Equity shareholders	**3 891**	(2 367)	1 645
Non-controlling interests	**(119)**	(104)	(110)
	3 772	(2 471)	1 535

Condensed consolidated statement of financial position

as at 30 September 2010

	Notes	As at 30 September 2010 Rm Reviewed	As at 30 September 2009 Rm Reviewed	As at 31 March 2010 Rm Audited
ASSETS				
Non-current assets		**27 769**	28 547	29 131
Property, plant and equipment		**20 233**	20 686	21 383
Intangible assets		**6 376**	6 749	6 673
Financial assets		**184**	330	181
Trade and other receivables	7	**205**	259	231
Finance lease receivables	7	**450**	279	408
Deferred tax		**321**	244	255
Current assets		**13 330**	12 146	12 560
Financial assets	7	**196**	128	153
Inventory		**890**	804	707
Trade and other receivables	7	**10 681**	9 978	10 024
Finance lease receivables	7	**294**	331	262
Tax receivable		**318**	176	353
Non-current assets held for sale		**13**	–	–
Cash and cash equivalents		**938**	729	1 061
Total assets		**41 099**	40 693	41 691
EQUITY AND LIABILITIES				
Fully paid share capital		*	*	*
Treasury shares		**(1 384)**	–	(422)
Retained earnings		**16 672**	12 328	14 832
Other reserves		**(1 056)**	(627)	(672)
Equity attributable to owners of the parent		**14 232**	11 701	13 738
Non-controlling interests		**763**	928	898
Total equity		**14 995**	12 629	14 636
Non-current liabilities		**10 262**	13 146	11 590
Borrowings	11	**8 604**	11 343	9 786
Trade and other payables		**282**	385	317
Provisions		**433**	365	436
Deferred tax		**943**	1 053	1 051
Current liabilities		**15 842**	14 918	15 465
Borrowings	7, 11	**4 115**	4 217	3 239
Trade and other payables	7	**11 260**	10 097	11 714
Provisions		**242**	223	193
Tax payable		**220**	372	203
Dividends payable		**3**	–	6
Bank overdrafts	7	**2**	9	110
Total equity and liabilities		**41 099**	40 693	41 691

** Fully paid share capital of R100.*

Condensed consolidated statement of changes in equity

for the six months ended 30 September 2010

	Equity attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
1 April 2010	**13 738**	**898**	**14 636**
Total comprehensive income	**3 891**	**(119)**	**3 772**
Dividends declared	**(2 576)**	**(38)**	**(2 614)**
Repurchase of shares	**(962)**	**–**	**(962)**
Share-based payment expense	**73**	**–**	**73**
Sale of shares in subsidiary	**68**	**22**	**90**
30 September 2010 – Reviewed	**14 232**	**763**	**14 995**
1 April 2009	14 017	1 081	15 098
Total comprehensive income	(2 367)	(104)	(2 471)
Dividends declared	–	(49)	(49)
Share-based payment expense	51	–	51
30 September 2009 – Reviewed	11 701	928	12 629
1 April 2009	14 017	1 081	15 098
Total comprehensive income	1 645	(110)	1 535
Dividends declared	(1 631)	(73)	(1 704)
Repurchase of shares	(422)	–	(422)
Share-based payment expense	129	–	129
31 March 2010 – Audited	13 738	898	14 636

Condensed consolidated statement of cash flows

for the six months ended 30 September 2010

	Notes	Six months ended 30 September 2010 Rm Reviewed	2009 Rm Reviewed	Year ended 31 March 2010 Rm Audited
Cash flows from operating activities				
Cash generated from operations		**9 339**	8 770	19 711
Tax paid		**(2 154)**	(2 058)	(4 764)
Net cash flows from operating activities		**7 185**	6 712	14 947
Cash flows from investing activities				
Net additions to property, plant and equipment and intangible assets	7	**(2 779)**	(3 382)	(6 222)
Business combinations net of cash acquired and sale of shares in subsidiary		**64**	–	–
Other investing activities		**37**	(177)	(107)
Net cash flows utilised in investing activities		**(2 678)**	(3 559)	(6 329)
Cash flows from financing activities				
Movement in borrowings, including finance costs paid	7	**(843)**	(1 079)	(4 255)
Dividends paid		**(2 617)**	(2 260)	(3 908)
Repurchase of shares		**(984)**	–	(385)
Net cash flows utilised in financing activities		**(4 444)**	(3 339)	(8 548)
Net increase/(decrease) in cash and cash equivalents		**63**	(186)	70
Cash and cash equivalents at the beginning of the period/year		**951**	1 084	1 084
Effect of foreign exchange rate changes		**(78)**	(178)	(203)
Cash and cash equivalents at the end of the period/year		**936**	720	951

Notes to the condensed consolidated financial statements

1. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and comply with the disclosure requirements of International Accounting Standard 34: Interim Financial Reporting ('IAS 34'), the AC 500 standards as issued by the Accounting Practices Board, the JSE Listings Requirements and the Companies Act of 1973, as amended. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and are presented in South African rand, the currency in which the majority of the Group's transactions are denominated.

The significant accounting policies and methods of computation are consistent in all material respects with those applied in the previous period, except as disclosed in Note 2. The accounting policies are available for inspection at the Group's registered office.

There have been no material changes in judgements or estimates of amounts reported in prior reporting periods.

Certain items pertaining to the six months ended 30 September 2009 have been reclassified as disclosed in Note 7.

The financial information has been reviewed by Deloitte & Touche whose unmodified review report is available for inspection at the Group's registered office.

2. Change in accounting policies

The Group adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the Group from 1 April 2010. The adopted accounting pronouncements, which had an impact on the Group, are discussed below.

IFRS 3: Business Combinations (Revised) ('IFRS 3')

The Group now accounts for business combinations in terms of the revised IFRS 3, which introduced the following changes:

- Acquisition-related costs are now expensed as incurred; and
- Entities now have two measurement bases to choose from when measuring the non-controlling interest on acquisition date.

The above changes will impact the amount of goodwill recognised, the reported results in the period that a business combination occurs and future reported results.

The change in accounting policy did not have a significant impact on the Group's financial report for the period.

IAS 27: Consolidated and Separate Financial Statements (Amended) ('IAS 27')

The Group has adopted the amendment to IAS 27 which requires that when accounting for transactions with non-controlling parties in Group entities that do not result in a change in control, the difference between the consideration paid or received and the recorded non-controlling interest should be recognised in equity. In cases where control is lost, any interest retained by the Group is remeasured to fair value, with the difference between fair value and the previous carrying amount being recognised immediately in profit or loss.

The change in accounting policy did not have a significant impact on the Group's financial results for the period.

	Six months ended 30 September 2010 Rm Reviewed	2009 Rm Reviewed	Year ended 31 March 2010 Rm Audited
3. Segment analysis			
External customers segment revenue	**29 516**	28 675	58 535
South Africa	**25 612**	24 314	50 290
International[1]	**3 895**	4 351	8 226
Corporate	**9**	10	19
EBITDA	**9 788**	9 519	19 782
South Africa	**9 225**	8 781	18 578
International[1]	**587**	742	1 090
Corporate and eliminations	**(24)**	(4)	114
Reconciliation of segment results			
EBITDA	**9 788**	9 519	19 782
Depreciation, amortisation and impairment losses	**(2 706)**	(5 753)	(8 527)
Other	**(21)**	(59)	(17)
Operating profit	**7 061**	3 707	11 238
Net finance charges	**(558)**	(1 283)	(2 272)
Finance income	**83**	48	124
Finance costs	**(447)**	(810)	(1 602)
Loss on remeasurement and disposal of financial instruments	**(194)**	(521)	(794)
Loss from associate	**–**	(14)	(21)
Profit before tax	**6 503**	2 410	8 945
Taxation	**(2 234)**	(2 351)	(4 745)
Net profit	**4 269**	59	4 200
Total assets	**41 099**	40 693	41 691
South Africa	**28 873**	27 765	28 464
International[1]	**10 847**	12 181	11 958
Corporate and eliminations	**1 379**	747	1 269

1. In the current period, the Gateway reportable segment has been incorporated into the International reportable segment in order to align with the change in operational structure within the Group. Comparative amounts have been restated.

	Six months ended 30 September 2010 Rm Reviewed	2009 Rm Reviewed	Year ended 31 March 2010 Rm Audited
4. Impairment losses			
Impairment losses recognised are as follows:			
Intangible assets	**(1)**	(3 134)	(3 285)
Property, plant and equipment	**(32)**	(5)	(34)
Available-for-sale financial assets carried at cost	**–**	–	(8)
Investment in associate	**–**	(50)	(43)
	(33)	(3 189)	(3 370)

	Six months ended 30 September 2010 Cents Reviewed	2009 Cents Reviewed	Year ended 31 March 2010 Cents Audited
5. Per share calculations			
5.1 Earnings, dividends and net asset value per share			
Basic earnings per share	**300.0**	4.1	282.3
Diluted earnings per share	**299.7**	4.1	282.0
Headline earnings per share	**303.2**	218.7	509.9
Diluted headline earnings per share	**303.0**	218.7	509.4
Dividends per share	**175.0**	–	110.0
Net asset value per share	**1 018.4**	848.8	985.3

	Million Reviewed	Million Reviewed	Million Audited
5.2 Weighted average number of ordinary shares outstanding			
Basic and headline earnings per share	**1 472**	1 488	1 486
Diluted earnings and diluted headline earnings per share	**1 473**	1 488	1 488
Dividends per share	**1 480**	–	1 488
Net asset value per share	**1 472**	1 488	1 485

Wheatfields Investments 276 (Pty) Limited, the Group's wholly owned subsidiary, acquired 15 880 043 shares in the market during the period at an average price of R60.14 per share, representing approximately 1% of Vodacom Group Limited's issued share capital.

	Six months ended 30 September 2010 Rm Reviewed	2009 Rm Reviewed	Year ended 31 March 2010 Rm Audited
5.3 Headline earnings[1] reconciliation			
Earnings attributable to equity shareholders for basic and diluted earnings per share	**4 416**	61	4 196
Adjusted for:			
Net loss on disposal of property, plant and equipment and intangible assets	**20**	8	17
Impairment losses (Note 4)	**33**	3 189	3 370
Other	**–**	–	1
	4 469	3 258	7 584
Tax impact of adjustments	**(6)**	(2)	(5)
Headline earnings for headline and diluted headline earnings per share	**4 463**	3 256	7 579

1. This disclosure is a requirement of the JSE Limited and is not a recognised measure under IFRS. It has been calculated in accordance with Circular 3/2009: Headline Earnings as issued by the South African Institute of Chartered Accountants.

6. Forfeitable share plan ('FSP')

During the period the Group allocated 3 135 332 shares out of treasury shares to eligible employees under its FSP, an equity-settled share-based payment transaction in terms of IFRS 2: Share-based Payment.

7. Reclassifications

Certain items in the condensed consolidated financial statements for the six months ended 30 September 2009 were reclassified so as to align with practices of the Group's parent, Vodafone Group Plc, and to be consistent with the consolidated annual financial statements for the year ended 31 March 2010. A reconciliation of these reclassifications is presented below.

	Balance as previously reported Rm	Reclassification (Notes 7.1 – 7.3) Rm	Balance as reclassified Rm
Reconciliation 30 September 2009			
Income statement			
Direct costs	(15 588)	2 204	(13 384)
Staff expenses	(2 092)	(51)	(2 143)
Marketing and advertising expenses	(757)	(136)	(893)
Broad-based black economic empowerment charge	(51)	51	–
Other operating expenses	(899)	(1 896)	(2 795)
Loss on remeasurement and disposal of financial instruments	(349)	(172)	(521)
Statement of financial position			
Non-current assets			
Trade and other receivables	169	90	259
Finance lease receivables	–	279	279
Lease assets	369	(369)	–
Current assets			
Financial assets	140	(12)	128
Trade and other receivables	9 951	27	9 978
Finance lease receivables	–	331	331
Lease assets	346	(346)	–
Current liabilities			
Borrowings	3 542	675	4 217
Trade and other payables	10 034	63	10 097
Bank overdrafts	747	(738)	9
Statement of cash flows			
Cash flows from investing activities			
Net additions to property, plant and equipment and intangible assets	(3 618)	236	(3 382)
Cash flows from financing activities			
Movement in borrowings, including finance costs paid	(843)	(236)	(1 079)

7.1 Income statement

Network operational overhead expenses has been reclassified from direct costs to other operating expenses. Fixed advertising support costs has been reclassified from direct costs to marketing and advertising expenses. The share-based payment expense relating to the employee share ownership plan has been reclassified from broad-based black economic empowerment charge to staff expenses. Foreign exchange gains and losses on the revaluation of foreign denominated trading items has been reclassified by including it in operating expenses.

7.2 Statement of financial position

Operating lease receivables has been reclassified from lease assets to trade and other receivables. Bank overdrafts classified as financing activities in the statement of cash flows has been reclassified from bank overdrafts to borrowings. Derivative financial assets and liabilities have been reclassified from financial assets and derivative financial liabilities to trade and other receivables and trade and other payables respectively.

7.3 Statement of cash flows

The gain/loss arising from foreign exchange forward contracts entered into specifically for capital expenditure and inventory has been reclassified from cash flows from investing activities and cash generated from operations to cash flows from financing activities.

7.4 Combination of line items

After a review of its consolidated financial statements the Group combined certain line items on the face of the income statement and statement of financial position.

8. Related parties

The Group's related parties are its parent, joint venture, associate and key management including directors. In prior years Telkom SA Limited and its subsidiaries were included in related parties since Telkom SA Limited had joint control over the Group.

	Six months ended 30 September		Year ended 31 March
	2010 Rm Reviewed	2009 Rm Reviewed	2010 Rm Audited
8.1 Balances with related parties			
Accounts receivable	**228**	168	197
Accounts payable	**(313)**	(216)	(154)
8.2 Transactions with related parties			
Revenue	**112**	395	994
Expenses	**(348)**	(462)	(573)
Dividends declared	**(1 693)**	–	(1 064)
8.3 Directors' and key management personnel remuneration			
Compensation paid to the Group's Board and key management personnel will be disclosed in the Group's annual report for the year ending 31 March 2011.			
9. Capital expenditure incurred			
Capital expenditure additions including software	**2 065**	2 934	6 636
10. Capital commitments			
Capital expenditure contracted for but not yet incurred	**3 223**	2 981	2 213
Capital expenditure approved but not yet contracted for	**3 390**	5 673	6 364

11. Borrowings

11.1 Citibank syndicated loans

The Group increased its Citibank syndicated loans by an amount of TZS22 000 million on 24 June 2010 and US$20 million on 2 July 2010. The loans will be utilised for capital expenditure and general corporate requirements in Tanzania, and are repayable in six bi-annual instalments commencing on 16 June 2011.

11.2 The Standard Bank of South Africa Limited/Rand Merchant Bank

The loan with a nominal value of R2 500 million was partially repaid on 26 April 2010 using short-term borrowings amounting to R1 159 million.

12. Contingencies

There have been no material changes to the Group's contingencies during the period.

13. Customer registration

The Group's operations in South Africa, Lesotho, Mozambique, Tanzania and the Democratic Republic of Congo are subject to mobile customer registration legislation in their respective countries of operation. Significant progress has been made to register customers and to minimise disruptions to customer acquisitions as a result of registration.

14. Acquisitions and disposals of businesses

14.1 Acquisition of AfriConnect Zambia Limited ('AfriConnect')

Effective 30 June 2010, the Group acquired 100% of the issued share capital in AfriConnect, an internet service provider, for a consideration of US$7 million. The acquired entity forms part of the Group's International reportable segment.

14.2 Disposals

Effective 28 June 2010, the Group sold 8.28% of its stake in Vodacom Lesotho (Pty) Limited ('Vodacom Lesotho') to the non-controlling party for a consideration of R90 million. The Group now owns 80% of the issued share capital in Vodacom Lesotho.

Effective 6 August 2010, the Group sold its 24.9% equity interest in its associate WBS Holdings (Pty) Limited for a consideration of R30 million.

15. Events after the reporting period

The Board is not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which significantly affects the financial position of the Group or the results of its operations or cash flows for the period, other than the following:

15.1 Dividend declared after the reporting date and not recognised as a liability

An interim dividend of R2 650 million (180.0 cents per ordinary share) for the year ending 31 March 2011, was declared on 5 November 2010, payable on 6 December 2010 to shareholders recorded in the register at the close of business on 3 December 2010. The secondary tax on companies payable on this dividend amounts to R265 million.

Supplementary information

Operating results for the six months ended 30 September 2010

Rm	South Africa	% 09/10	International[1]	% 09/10	Corporate/ Eliminations	Group	% 09/10
Mobile voice	13 905	3.7	1 793	(13.3)	–	15 698	1.4
Mobile interconnect	3 340	(18.0)	270	(32.7)	(43)	3 567	(20.0)
Mobile messaging	1 584	12.3	113	(16.9)	–	1 697	9.6
Mobile data	2 746	39.2	119	101.7	–	2 865	41.1
Other service revenue	789	56.9	1 581	(0.5)	(103)	2 267	12.3
Service revenue	22 364	4.6	3 876	(8.8)	(146)	26 094	2.2
Equipment revenue	2 990	20.0	70	(37.5)	(14)	3 046	17.7
Non-service revenue	343	(32.5)	56	(42.3)	(23)	376	(32.3)
Revenue	25 697	5.4	4 002	(10.3)	(183)	29 516	2.9
Direct costs	(11 477)	1.7	(2 086)	(5.2)	68	(13 495)	0.8
Staff expenses	(1 656)	12.7	(443)	(8.3)	(143)	(2 242)	4.6
Marketing and advertising expenses	(770)	10.3	(154)	(19.8)	(5)	(929)	4.0
Other operating expenses	(2 589)	18.1	(731)	(13.4)	237	(3 083)	10.3
Depreciation and amortisation	(2 035)	8.1	(624)	(5.3)	(14)	(2 673)	4.3
Impairment losses	–	–	(31)	(99.0)	(2)	(33)	(99.0)
Operating profit/(loss)	7 170	4.8	(67)	97.7	(42)	7 061	90.5
EBITDA	9 225	5.1	587	(20.9)	(24)	9 788	2.8
EBITDA margin (%)	35.9		14.7			33.2	
Operating profit/(loss) margin (%)	27.9		(1.7)			23.9	

1. *The International segment has been restated to include Gateway.*

Supplementary information *(continued)*

Operating results for the six months ended 30 September 2009

Rm	South Africa	% 08/09	International[1]	% 08/09	Corporate/ Eliminations	Group	% 08/09
Mobile voice	13 410	5.5	2 067	(13.1)	–	15 477	2.6
Mobile interconnect	4 075	4.1	401	(24.9)	(19)	4 457	0.4
Mobile messaging	1 411	10.1	136	(15.5)	1	1 548	7.3
Mobile data	1 972	30.8	59	11.3	–	2 031	30.1
Other service revenue	503	16.4	1 589	> 200.0	(74)	2 018	> 200.0
Service revenue	21 371	7.7	4 252	32.0	(92)	25 531	10.9
Equipment revenue	2 492	2.3	112	83.6	(15)	2 589	3.9
Non-service revenue	508	(4.3)	97	86.5	(50)	555	(2.8)
Revenue	24 371	6.8	4 461	33.8	(157)	28 675	9.9
Direct costs	(11 287)	2.3	(2 201)	82.7	104	(13 384)	9.7
Staff expenses	(1 470)	21.7	(483)	33.8	(190)	(2 143)	25.5
Marketing and advertising expenses	(698)	1.6	(192)	1.1	(3)	(893)	–
Other operating expenses	(2 193)	2.6	(844)	14.8	242	(2 795)	5.8
Depreciation and amortisation	(1 882)	11.3	(659)	33.4	(23)	(2 564)	16.8
Impairment losses	–	–	(3 047)	> 200.0	(142)	(3 189)	> 200.0
Operating profit/(loss)	6 841	13.0	(2 965)	< (200.0)	(169)	3 707	(42.3)
EBITDA	8 781	13.3	742	(11.9)	(4)	9 519	10.0
EBITDA margin (%)	36.0		16.6			33.2	
Operating profit/(loss) margin (%)	28.1		(66.5)			12.9	

1. The International segment has been restated to include Gateway.

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Supplementary information (continued)

Operating results for the six months ended 30 September 2008

Rm	South Africa	International	Corporate/ Eliminations	Group
Mobile voice	12 708	2 378	–	15 086
Mobile interconnect	3 914	534	(9)	4 439
Mobile messaging	1 282	161	–	1 443
Mobile data	1 508	53	–	1 561
Other service revenue	432	94	(27)	499
Service revenue	19 844	3 220	(36)	23 028
Equipment revenue	2 435	61	(5)	2 491
Non-service revenue	531	52	(12)	571
Revenue	22 810	3 333	(53)	26 090
Direct costs	(11 034)	(1 205)	37	(12 202)
Staff expenses	(1 208)	(361)	(138)	(1 707)
Marketing and advertising expenses	(687)	(190)	(16)	(893)
Other operating expenses	(2 138)	(735)	232	(2 641)
Depreciation and amortisation	(1 691)	(494)	(11)	(2 196)
Impairment losses	–	(21)	–	(21)
Operating profit	6 052	327	51	6 430
EBITDA	7 749	842	63	8 654
EBITDA margin (%)	34.0	25.3		33.2
Operating profit margin (%)	26.5	9.8		24.6

Supplementary information *(continued)*

South Africa key indicators

	Six months ended 30 September			% change	
	2010	2009	2008	09/10	08/09
Customers (thousand)[1]	**23 873**	28 204	25 245	**(15.4)**	11.7
Prepaid[2]	**19 074**	24 045	21 510	**(20.7)**	11.8
Contract	**4 799**	4 159	3 735	**15.4**	11.4
Gross connections (thousand)	**5 082**	5 553	5 693	**(8.5)**	(2.5)
Prepaid[2]	**4 680**	5 199	5 344	**(10.0)**	(2.7)
Contract	**402**	354	349	**13.6**	1.4
Churn (%)[3]	**62.2**	34.9	42.3		
Prepaid[2]	**74.9**	39.2	47.8		
Contract	**9.6**	8.7	9.7		
Traffic (millions of minutes)[4]	**13 723**	13 641	11 793	**0.6**	15.7
Outgoing	**9 793**	9 726	7 976	**0.7**	21.9
Incoming	**3 930**	3 915	3 817	**0.4**	2.6
MOU per month[5]	**95**	80	79	**18.8**	1.3
Prepaid[2]	**68**	56	50	**21.4**	12.0
Contract	**206**	224	246	**(8.0)**	(8.9)
Total ARPU (Rand per month)[6]	**155**	125	132	**24.0**	(5.3)
Prepaid[2]	**85**	66	68	**28.8**	(2.9)
Contract	**411**	452	481	**(9.1)**	(6.0)
Messaging (million)[7]	**3 170**	2 824	2 605	**12.3**	8.4
Estimated mobile penetration (%)	**97**	104	100		
Estimated mobile market share (%)	**49**	55	53		

Notes:

1. *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. Prepaid customers inactive for three months were 6.5% at 30 September 2010 (2009: 10.7%).*
2. *South Africa changed its disconnection policy for call-forward SIMs from 13 months inactivity to seven months during the quarter ended 30 June 2010. Prior period numbers have not been restated.*
3. *Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total reported mobile customers during the period.*
4. *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.*
5. *Minutes of use per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly total reported mobile customers during the period.*
6. *Total ARPU is calculated by dividing average monthly service revenue by the average monthly total reported mobile customers during the period. Total ARPU excludes revenue from equipment sales and other non-service revenue. Prepaid and contract ARPU only includes service revenue generated from Vodacom customers.*
7. *Messaging includes SMS, MMS and premium rate SMS/MMS.*

Supplementary information *(continued)*

International key indicators

	Six months ended 30 September 2010	2009	2008	% change 09/10	08/09
Customers (thousand)[1]	**15 504**	13 384	10 444	**15.8**	28.2
Tanzania	**8 421**	6 260	4 931	**34.5**	27.0
DRC	**3 638**	4 404	3 776	**(17.4)**	16.6
Mozambique	**2 676**	2 134	1 287	**25.4**	65.8
Lesotho	**769**	586	450	**31.2**	30.2
Gross connections (thousand)	**5 952**	4 668	3 721	**27.5**	25.5
Tanzania	**2 831**	2 024	1 723	**39.9**	17.5
DRC	**1 743**	1 470	1 425	**18.6**	3.2
Mozambique	**1 220**	1 050	476	**16.2**	120.6
Lesotho	**158**	124	97	**27.4**	27.8
Churn (%)[2]					
Tanzania	**42.4**	48.2	44.2		
DRC	**84.4**	58.4	53.9		
Mozambique	**70.9**	57.8	72.7		
Lesotho	**18.8**	20.4	20.0		
Total ARPU (Rand per month)[3]					
Tanzania	**22**	33	49	**(33.3)**	(32.7)
DRC	**39**	39	65	**–**	(40.0)
Mozambique	**22**	35	38	**(37.1)**	(7.9)
Lesotho	**61**	66	69	**(7.6)**	(4.3)
Total ARPU (local currency)[3]					
Tanzania (TZS)	**4 266**	5 375	7 541	**(20.6)**	(28.7)
DRC (USD)	**5.2**	4.8	8.4	**8.3**	(42.9)
Mozambique (MZN)	**104**	117	117	**(11.1)**	–
Estimated mobile penetration (%)					
Tanzania	**37**	33	27		
DRC	**14**	18	15		
Mozambique	**25**	22	15		
Lesotho	**46**	34	30		
Estimated mobile market share (%)					
Tanzania	**51**	47	46		
DRC	**40**	36	39		
Mozambique	**45**	45	42		
Lesotho	**80**	80	80		

Notes:

1. *Customers are based on the total number of mobile customers registered on Vodacom's network, which have not been disconnected, including inactive customers, as at the end of the period indicated. Prepaid customers inactive for three months were 17.9% (2009: 17.4%) for Tanzania, 0.4% (2009: 30.6%) for the DRC, 33.8% (2009: 29.6%) for Mozambique and 17.5% (2009: 15.4%) for Lesotho at 30 September 2010.*
2. *Churn is calculated by dividing the average monthly number of disconnections during the period by the average monthly total reported mobile customers during the period.*
3. *Total ARPU is calculated by dividing average monthly service revenue by the average monthly total reported mobile customers during the period. Total ARPU excludes revenue from equipment sales and other non-service revenue.*

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Supplementary information (continued)

Exchange rates

	Average year to date				Closing			
	30 September 2010	30 September 2009	% change	31 March 2010	30 September 2010	30 September 2009	% change	31 March 2010
USD/ZAR	**7.43**	8.15	**(8.8)**	7.83	**6.98**	7.39	**(5.5)**	7.38
ZAR/MZN	**4.74**	3.35	**41.5**	3.68	**5.19**	3.83	**35.5**	4.35
ZAR/TZS	**197.48**	163.29	**20.9**	171.29	**215.53**	178.59	**20.7**	184.29
EUR/ZAR	**9.53**	11.36	**(16.1)**	11.05	**9.51**	10.81	**(12.0)**	9.89

Historical key performance indicators for the quarters ended

Revenue

Rm	September 2010	June 2010	March 2010	December 2009	September 2009	June 2009	March 2009
South Africa	**13 130**	12 567	12 621	13 439	**12 264**	12 107	12 420
International[1]	**2 080**	1 922	1 893	2 066	**2 211**	2 250	2 476
Corporate and eliminations	**(100)**	(83)	(79)	(80)	**(104)**	(53)	(100)
Revenue	**15 110**	14 406	14 435	15 425	**14 371**	14 304	14 796

South Africa

	September 2010	June 2010	March 2010	December 2009	September 2009	June 2009	March 2009
Customers (thousand)[2]	**23 873**	23 161	26 262	27 102	**28 204**	28 735	27 625
Prepaid[3]	**19 074**	18 489	21 765	22 753	**24 045**	24 696	23 679
Contract	**4 799**	4 672	4 497	4 349	**4 159**	4 039	3 946
Churn (%)[4]	**35.9**	87.2	42.9	41.5	**35.6**	34.1	36.5
Prepaid[3]	**42.5**	105.0	49.6	47.5	**40.1**	38.3	40.9
Contract	**9.6**	9.5	9.1	8.8	**8.2**	9.2	10.5
Traffic (millions of minutes)[5]	**7 352**	6 371	6 379	6 655	**6 745**	6 896	6 189
Outgoing	**5 351**	4 442	4 434	4 632	**4 760**	4 966	4 225
Incoming	**2 001**	1 929	1 945	2 023	**1 985**	1 930	1 964
Total ARPU (Rand per month)[6]	**162**	148	140	140	**125**	123	129
Prepaid[3]	**90**	79	74	76	**66**	66	67
Contract	**411**	411	436	455	**461**	444	460
MOU per month	**105**	86	80	80	**78**	81	77
Prepaid[3]	**79**	59	53	55	**53**	58	50
Contract	**207**	205	214	220	**226**	222	231

Historical key performance indicators for the quarters ended *(continued)*

International[1]

Rm	September 2010	June 2010	March 2010	December 2009	September 2009	June 2009	March 2009
Customers (thousand)[2]	**15 504**	14 561	13 630	13 352	**13 384**	12 571	11 989
Tanzania	**8 421**	8 009	7 270	6 878	**6 260**	5 917	5 667
DRC	**3 638**	3 419	3 353	3 522	**4 404**	4 182	4 170
Mozambique	**2 676**	2 411	2 329	2 312	**2 134**	1 925	1 634
Lesotho	**769**	722	678	640	**586**	547	518
Churn (%)[4]							
Tanzania	**41.9**	42.9	42.3	43.3	**48.6**	47.9	43.3
DRC	**91.1**	77.5	50.9	157.5	**57.1**	59.8	48.8
Mozambique	**65.3**	76.9	68.9	61.1	**66.1**	48.3	59.1
Lesotho	**20.2**	17.2	17.4	19.5	**20.8**	20.0	18.2
MOU per month[6]							
Tanzania	**55**	58	69	74	**34**	34	36
DRC	**77**	56	44	37	**32**	28	33
Mozambique	**49**	29	28	33	**35**	42	33
Lesotho	**33**	31	33	49	**34**	34	35
Total ARPU (Rand per month)[7]							
Tanzania	**21**	22	25	28	**31**	35	43
DRC	**39**	39	31	35	**39**	39	53
Mozambique	**22**	22	23	27	**34**	36	44
Lesotho	**60**	62	63	73	**68**	65	67
Total ARPU (local currency)[7]							
Tanzania (TZS)	**4 393**	4 127	4 472	5 060	**5 246**	5 511	5 729
DRC (USD)	**5.3**	5.2	4.3	4.7	**4.9**	4.7	5.2
Mozambique (MZN)	**109**	98	96	109	**119**	114	117

Notes:

1. *The International segment has been restated to include Gateway.*
2. *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.*
3. *South Africa changed its disconnection policy for call-forward SIMs from 13 months to seven months during the quarter ended 30 June 2010. Prior period numbers have not been restated.*
4. *Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total reported mobile customer base during the period.*
5. *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.*
6. *Minutes of use per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly total reported mobile customers during the period.*
7. *Total ARPU is calculated by dividing average monthly service revenue by the average monthly total reported mobile customers during the period. Total ARPU excludes revenue from equipment sales and other non-service revenue. Prepaid and contract ARPU only include service revenue generated from Vodacom customers.*

Corporate Information

Vodacom Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1993/005461/06
(ISIN: ZAE000132577 Share Code: VOD)
('Vodacom')

Directors
MP Moyo *(Chairman)*, PJ Uys *(CEO)*,
MS Aziz Joosub, P Bertoluzzo[1], TA Boardman,
M Joseph[2], M Lundal[3],T Mokgosi-Mwantembe,
PJ Moleketi, NJ Read[4], RAW Schellekens[5],
RA Shuter

Alternate directors
TJ Harrabin[4], HM Mahmoud[6]

Company secretary
SF Linford

1. Italian 2. American 3. Norwegian 4. British
5. Dutch 6. Egyptian

Registered office
Vodacom Corporate Park,
082 Vodacom Boulevard, Vodavalley,
Midrand 1685
(Private Bag X9904, Sandton 2146)

Transfer secretary
Computershare Investor Services (Pty) Limited
(Registration number: 2004/003647/07)
70 Marshall Street, Johannesburg 2001
(PO Box 61051, Marshalltown 2107)

Media relations
Richard Boorman

Investor relations
Belinda Williams

Non-GAAP information
The announcement contains certain non-GAAP financial information. The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to, the comparable GAAP measures. Refer to page 16 and page 18 for detail relating to EBITDA and headline earnings per share.

Trademarks

Forward-looking statements
This announcement which sets out the interim results for Vodacom Group Limited for the six months ended 30 September 2010 contains 'forward-looking statements' 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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