



Vodacom Group Proprietary Limited

For the year ended
March 31, 2004

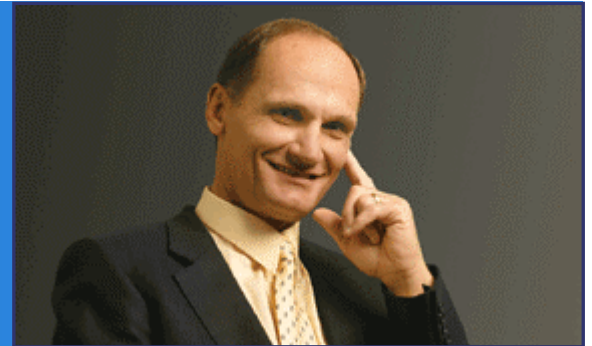
June 7, 2004



Alan Knott-Craig

Group Chief Executive Officer

Operational highlights



Leon Crouse

Group Finance Director

Financial review





Operational highlights

Alan Knott-Craig

Group Chief Executive Officer



Group highlights



Total customers

11.2 million

29.7%



Revenue

R23.5 billion

18.7%



EBITDA

R7.8 billion

15.9%



Net profit

R3.0 billion

36.9%



Customers per employee

2,433

23.9%



Capex as a % of revenue

12.3%

4.9%pts



 Launch of Vodacom Mozambique

 Operational structure streamlined

Revenue growth

- Market penetration
- Vodafone alliance
- The continuous introduction of new high-utility services
 - Look4me, Call Sponsor
- High speed mobile data
- New markets

Margin management

- Leveraging our economies of scale
- Control of customers
- Optimising efficiencies
- Synergy between operations

Strategy underpinned by:



Market leadership



Strong management

New products and services

- Top Up contract/prepaid hybrid
- Office Anywhere
- Look4me
- Look4it
- Yebo5 prepaid voucher
- Call Sponsor
- Corporate GPRS APN access

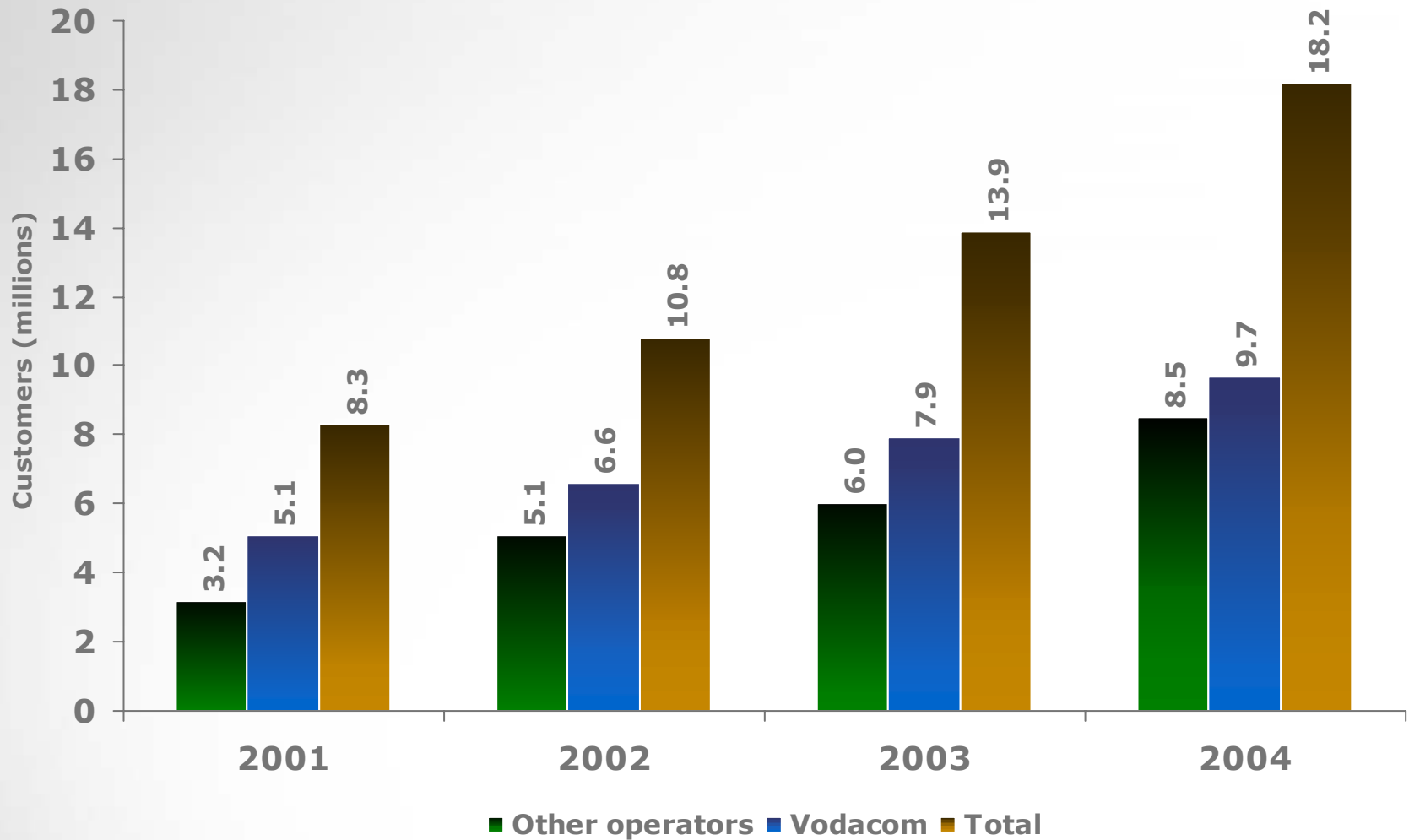


BEE – an economic imperative in South Africa



- Equity - HCI transaction
 - Purchased for R91 million, sold for R1.5 billion
- Employment equity
 - 79% of workforce in SA from designated groups
- Procurement
 - 60% of total commercial spend with BEE companies
- Enterprise development
 - Community services phones
- Skills development
 - SETA involvement
 - Yebo bursary scheme
 - Advanced Executive development program
- Vodacom Foundation
- ICT Charter engagement

South Africa – impressive market growth



South Africa – market share 54%

Population 42.7 million, penetration 41.2%



	2003	2004	% change	
• Total customers	7.9 million	9.7 million	23.5%	↑
• Revenue	R18,544 million	R21,981 million	18.5%	↑
• EBITDA	R6,423 million	R7,536 million	17.3%	↑
• ARPU	R183	R177	3.3%	↓
• Customers per employee	2,017	2,527	25.3%	↑
• Capex	R2,482 million	R1,654 million	33.3%	↓
• Capex as a % of revenue	13.4%	7.5%	5.9%pts	↓

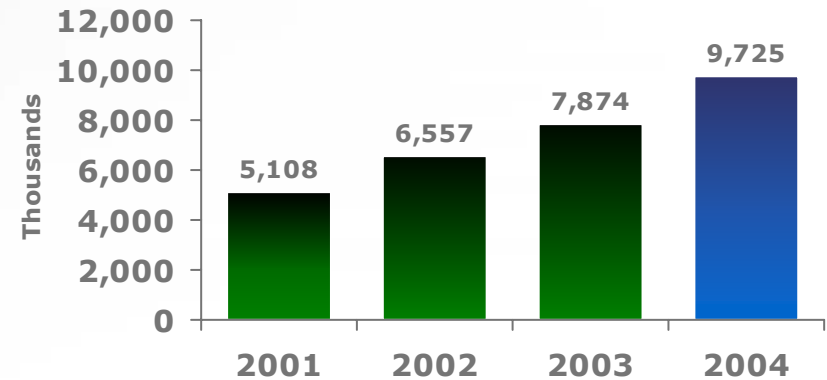
 Pressures unchanged

Strong SA operational indicators

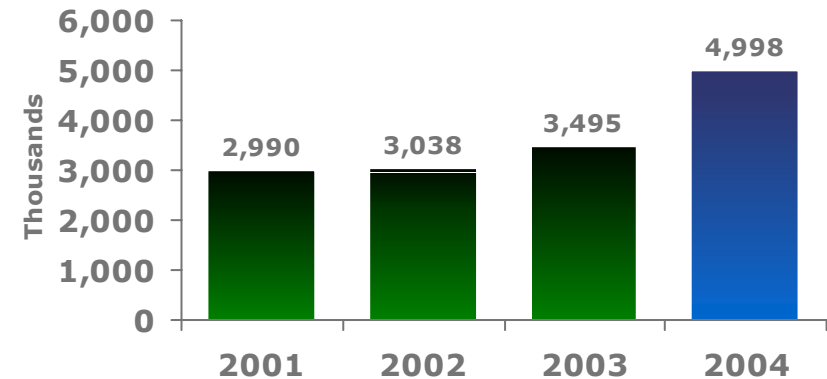


- Gross connections up 43.0% to a new high of 5.0 million
- Customers up 23.5% to 9.7 million
- Total traffic increased by 17.3% to 12.3 billion minutes
- Number of SMSs up 33.3% to 2.0 billion

Vodacom SA customers



Vodacom SA gross connections

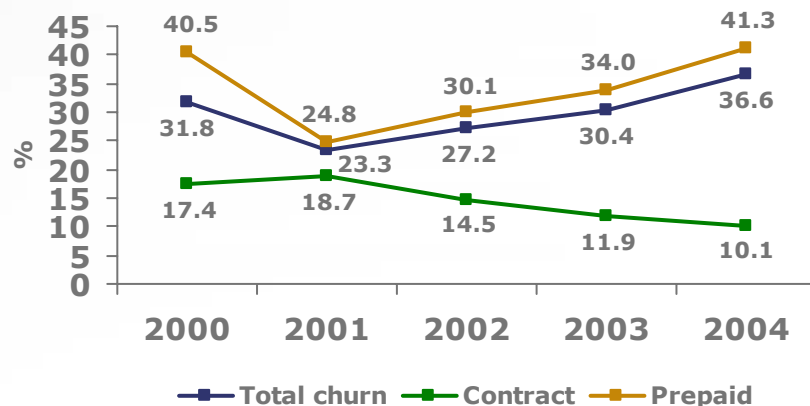


Higher SA ARPUs, stable contract churn

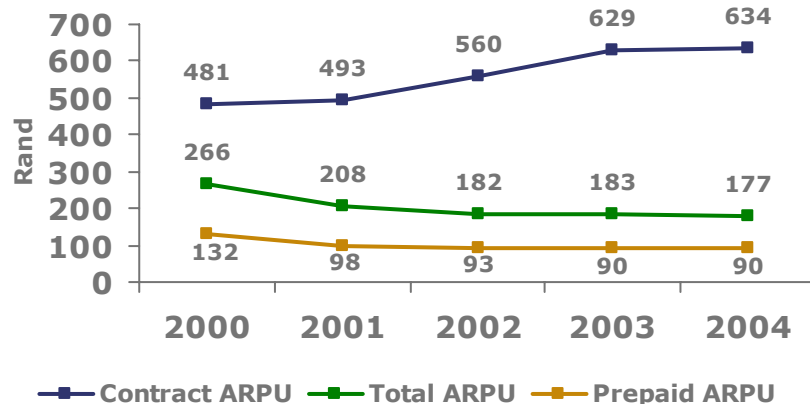


- Contract churn at all-time low of 10.1%
- Prepaid churn increased to 41.3%
- Prepaid ARPU stable
- Increased contract ARPU
- Overall ARPU declined because of higher prepaid mix

SA churn history



Vodacom SA ARPU

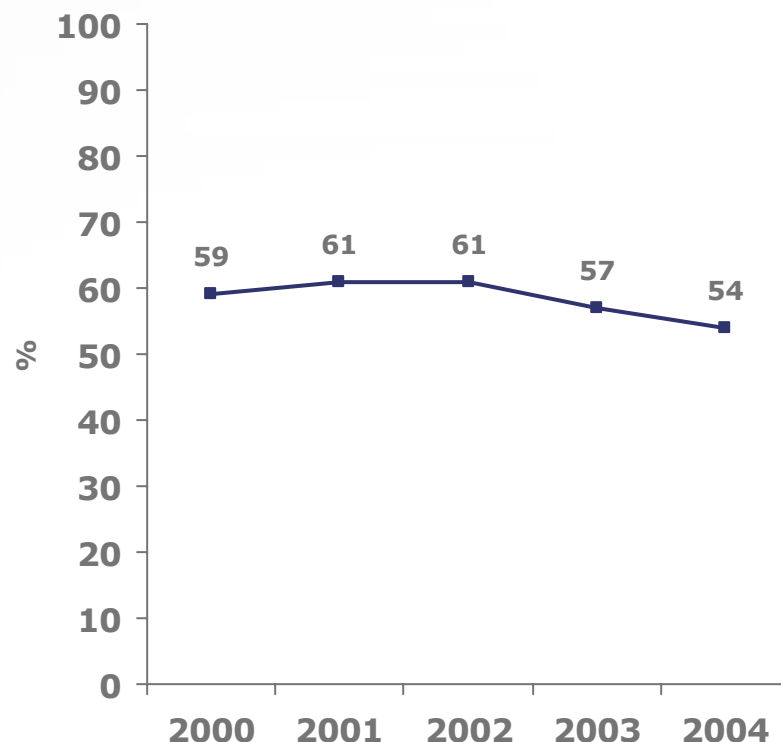


Potential for further growth in South Africa



- Potential for further growth
 - Data focus
 - SA market estimated at 25 to 30 million
- Vodacom is strategically placed for continued dominance
 - Lowest-cost operator
 - Extensive distribution
 - Market share defense
 - Key market and focus
- Other indicators supporting our market share
 - Revenue share
 - Traffic share

South African market share



Tanzania – market share 57%

Population 35.9 million, penetration 3.3%



	2003	2004	% change	
• Total customers	447,000	684,000	53.0%	↑
• Revenue	R880 million	R867 million	1.5%	↓
• EBITDA	R334 million	R278 million	16.8%	↓
• ARPU	R216	R128	40.7%	↓
• Customers per employee	1,997	2,165	8.4%	↑
• Capital expenditure	R323 million	R351 million	8.7%	↑
• Capex as a % of revenue	36.7%	40.5%	3.8%pts	↑

 Competitive market

DRC – market share 47%

Population 56.6 million, penetration 2.3%



(100% of Vodacom Congo)	2003	2004	% change	
• Total customers	248,000	670,000	170.2%	↑
• Revenue	R508 million	R933 million	83.7%	↑
• EBITDA	(R96 million)	R190 million		
• ARPU	R200	R150	25.0%	↓
• Customers per employee	1,215	2,006	65.1%	↑
• Capital expenditure	R1,011 million	R775 million	23.3%	↓
• Capex as a % of revenue	199.2%	83.0%	116.2%pts	↓

Note: Vodacom Group proportionally consolidates only 51% of Vodacom Congo

 Market position entrenched

Lesotho – market share 80%

Population 1.8 million, penetration 5.1%



	2003	2004	% change	
• Total customers	78,000	80,000	2.6%	↑
• Revenue	R96 million	R119 million	24.0%	↑
• EBITDA	R26 million	R27 million	3.8%	↑
• ARPU	R104	R125	20.2%	↑
• Customers per employee	1,047	1,176	12.3%	↑
• Capital expenditure	R72 million	R7 million	90.3%	↓
• Capex as a % of revenue	75.0%	5.9%	69.1%pts	↓

 Operation has stabilised

Mozambique – market share 11%

Population 17.5 million, penetration 2.6%



	2004
• Total customers	58,000
• Revenue	R13 million
• EBITDA	(R71 million)
• ARPU	R110
• Customers per employee	1,349
• Capital expenditure	R478 million

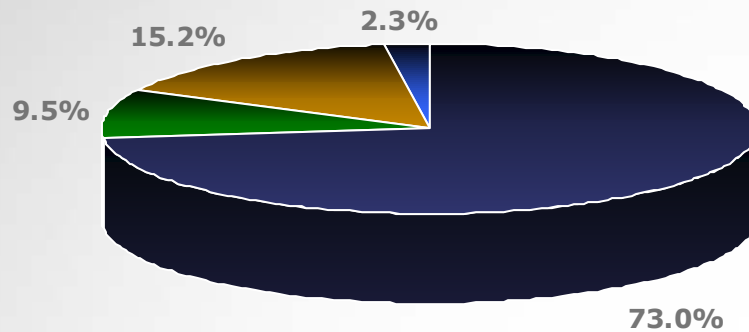
 Faster roll-out

Slowing SA capex, increasing other African operations capex



Capex composition – 2003

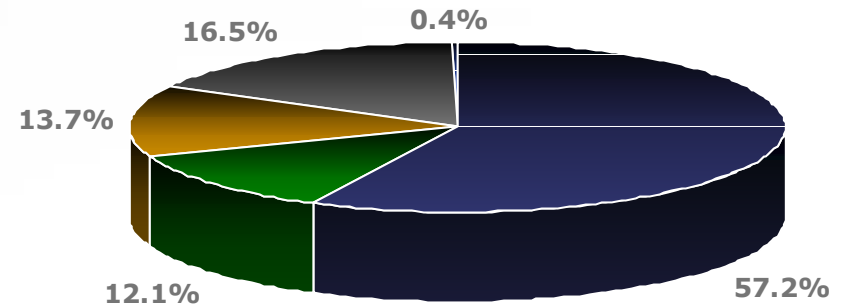
Capex R3,399 million



- South Africa
- Tanzania
- Congo (51%)
- Lesotho and holding companies

Capex composition – 2004

Capex R2,891 million



- South Africa
- Tanzania
- Congo (51%)
- Mozambique
- Lesotho and holding companies



Financial review

Leon Crouse

Group Finance Director



Group results



R million	2002	2003	2004	% change 04/03
Revenue	16,151	19,779	23,478	18.7
Operating expenses excluding depreciation and amortization	(10,460)	(13,075)	(15,711)	20.2
EBITDA	5,691	6,704	7,767	15.9
Depreciation and amortization	(2,070)	(2,374)	(2,533)	6.7
Profit from operations	3,621	4,330	5,234	20.9
Net finance costs	(28)	(804)	(451)	(43.9)
Profit before tax	3,593	3,526	4,783	35.6
Taxation and minorities	(1,220)	(1,311)	(1,751)	33.6
Net profit	2,373	2,215	3,032	36.9
<i>IAS 39 adjustment</i>	352	(486)	(277)	(43.0)

Group revenue analysis

By country



R million	2002	2003	2004	% change 04/03
South Africa	15,410	18,544	21,981	18.5
Tanzania	657	880	867	(1.5)
DRC (51%)	14	259	476	83.8
Mozambique	-	-	13	-
Lesotho	70	96	119	24.0
Holding companies	-	-	22	-
Vodacom Group	16,151	19,779	23,478	18.7

Other African operation's contribution: 6.4% (2003: 6.2%)

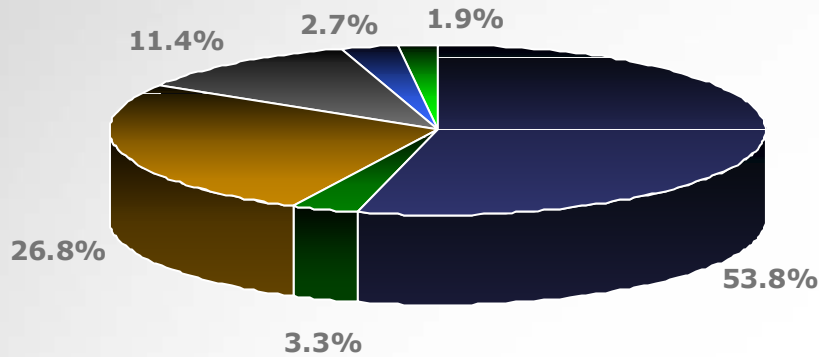
Group revenue analysis

By revenue type



Revenue analysis – 2003

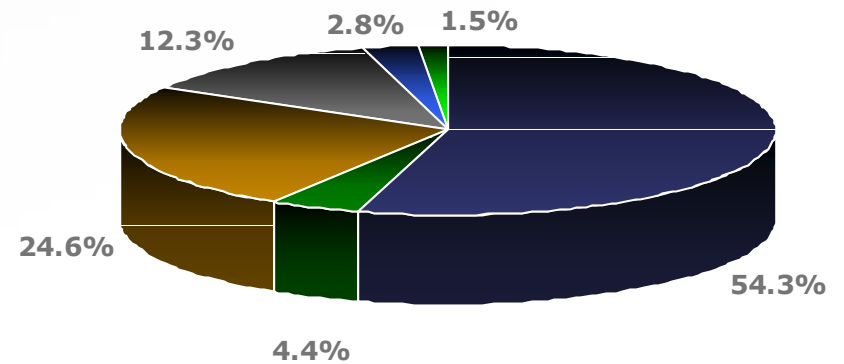
R19,779 million



- Airtime
- Data revenue
- Interconnection
- Equipment sales
- International airtime
- Other sales and services

Revenue analysis – 2004

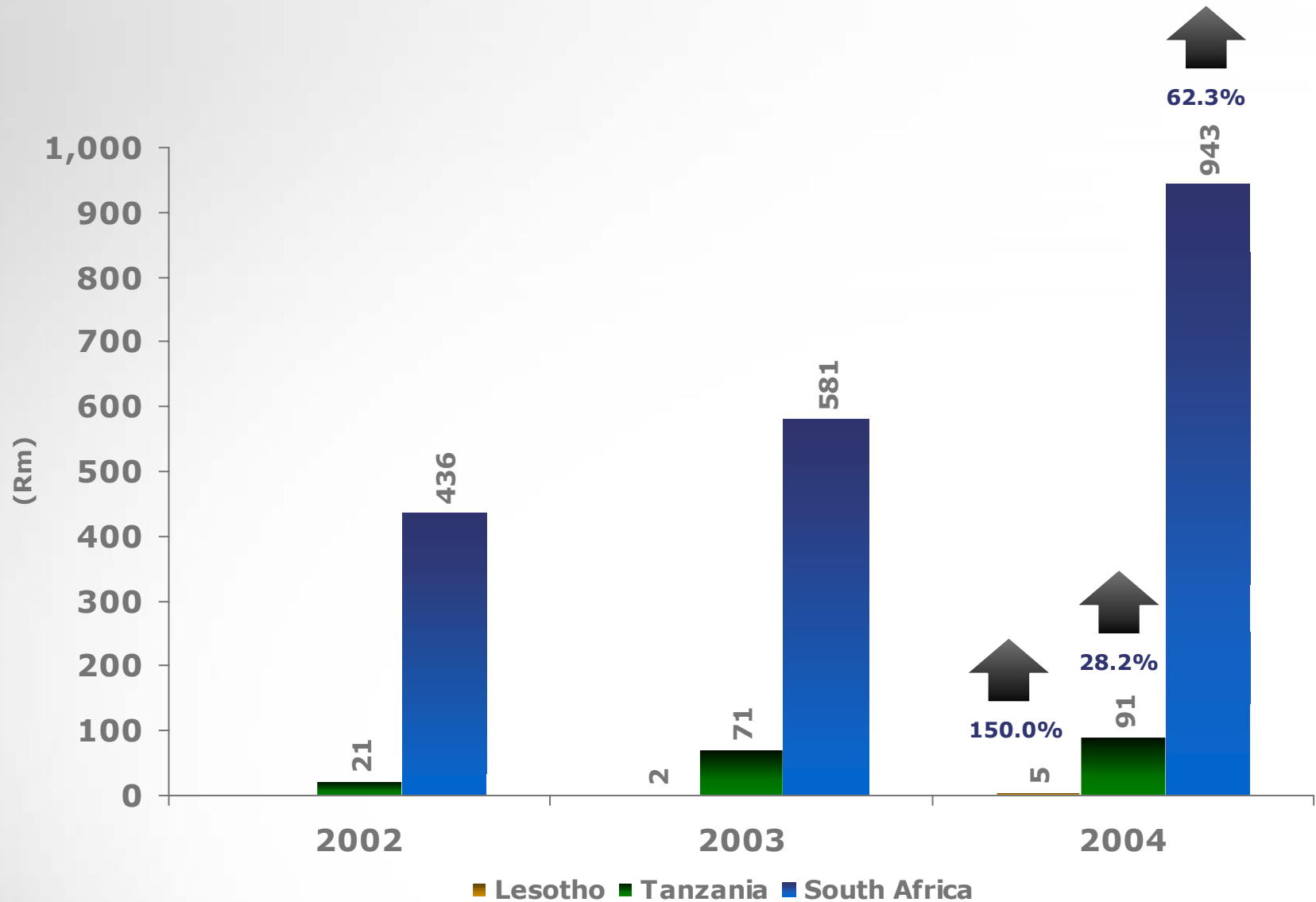
R23,478 million



- Airtime
- Data revenue
- Interconnection
- Equipment sales
- International airtime
- Other sales and services

Data revenue growth

By country



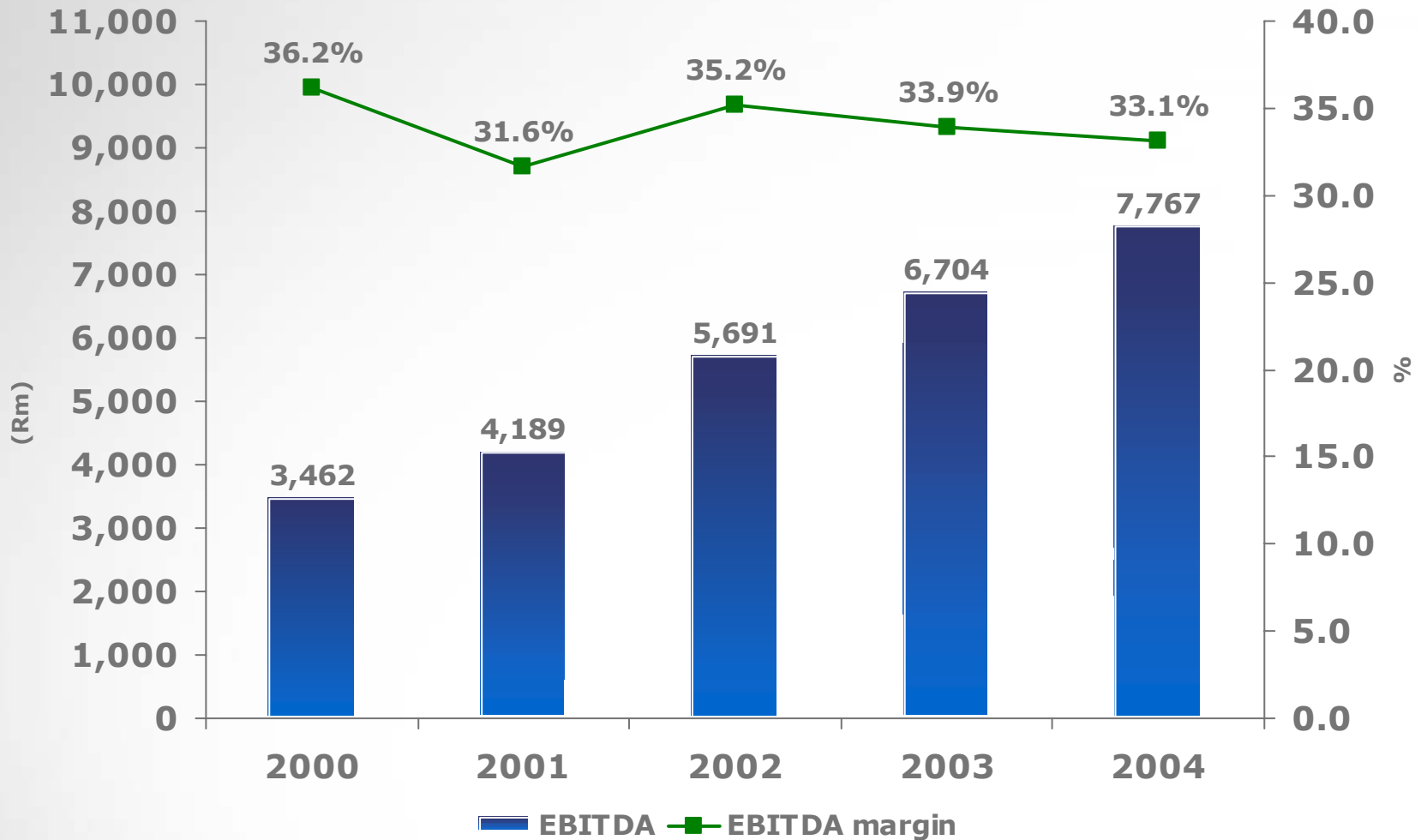
Group EBITDA analysis

By country



R million	2002	2003	2004	% change 04/03
South Africa	5,567	6,423	7,536	17.3
Tanzania	231	334	278	(16.8)
DRC (51%)	(12)	(49)	97	-
Mozambique	-	-	(71)	-
Lesotho	31	26	27	3.8
Holding companies	(126)	(30)	(100)	(233.3)
Vodacom Group	5,691	6,704	7,767	15.9
EBITDA margin (%)	35.2	33.9	33.1	(0.8) pts

EBITDA growth and margin pressure



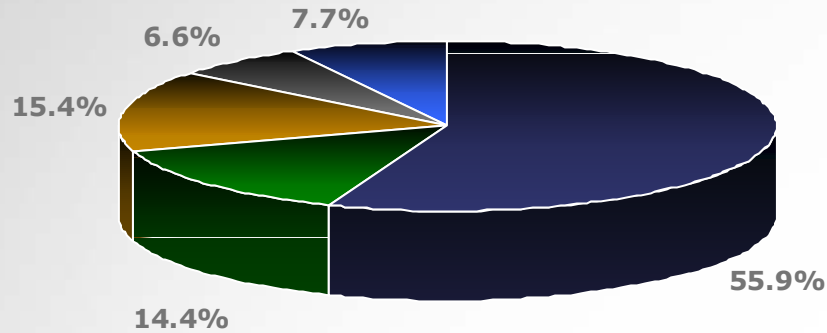
Group operating expenses

By expense type



Operating expense analysis 2003

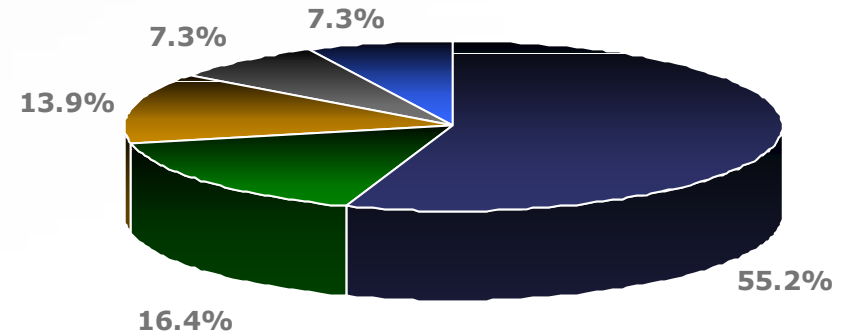
R15,449 million



- Other direct network operating costs
- Payments to other operators
- Depreciation and amortization
- Staff expenses
- Other

Operating expense analysis 2004

R18,244 million



- Other direct network operating costs
- Payments to other operators
- Depreciation and amortization
- Staff expenses
- Other

Group profit from operations analysis



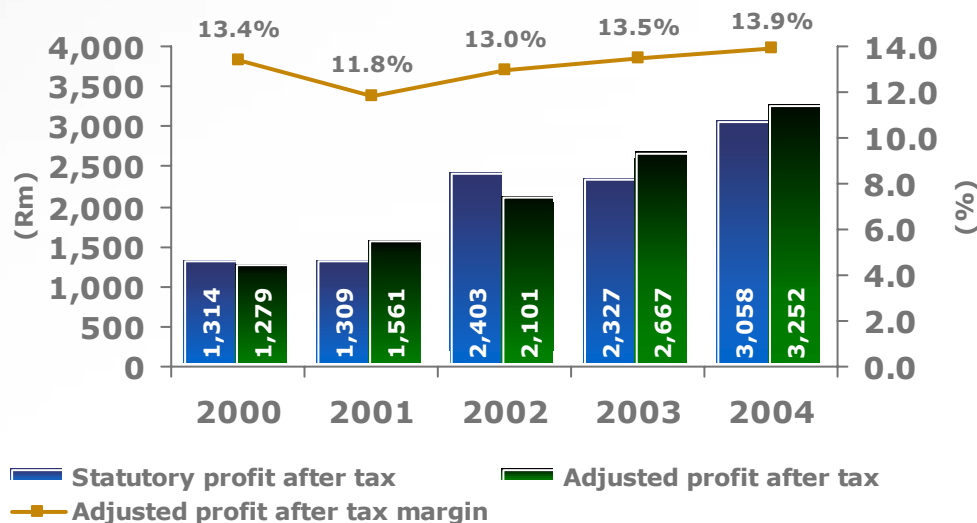
R million	2002	2003	2004	% change 04/03
South Africa	3,627	4,476	5,466	22.1
Tanzania	134	187	141	(24.6)
DRC (51%)	(20)	(117)	9	-
Mozambique	-	-	(88)	-
Lesotho	12	4	1	(75.0)
Holding companies	(132)	(220)	(295)	(34.1)
Vodacom Group	3,621	4,330	5,234	20.9
Profit from operations margin (%)	22.4	21.9	22.3	0.4pts

Factors affecting the trends



- Currency influence
 - Current capex cheaper in Rand
 - Depreciation of US\$ historical capex lower
 - Translated US\$ revenue lower
 - Rand-based and local currency expenses higher
- Adjusted profit after tax shows the real trend and excludes IAS 39 adjustments
 - Effect of currency revaluation
 - Effect of FEC book revaluation

Adjusted and statutory profit after tax

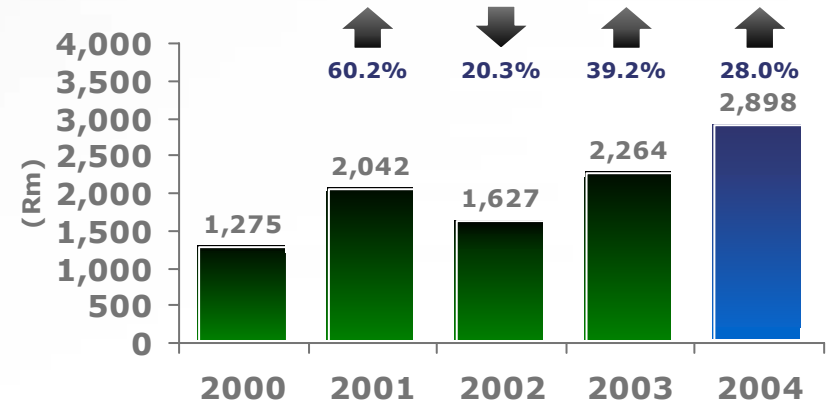


Rand/US Dollar	2002	2003	2004
Closing rate	11.44	7.97	6.31
Average rate	11.42	9.81	7.17

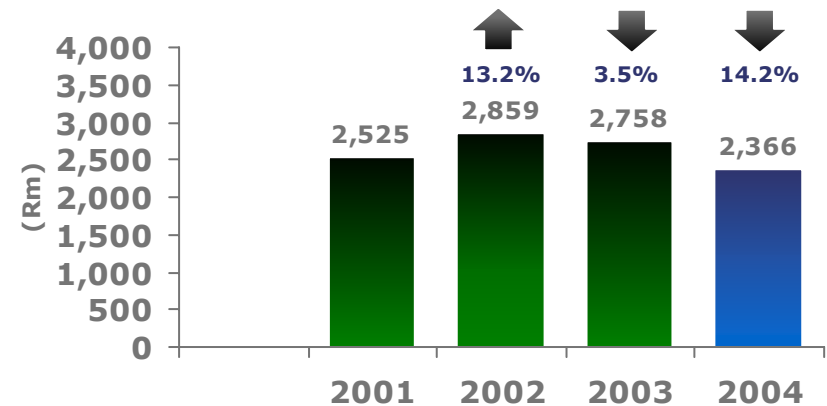
Factors affecting the trends

- Change in traffic mix in SA negatively affected operating profit
- Fluctuating, low margin equipment sales affect revenue and margins
- More competition demanded higher direct costs and incentives

Equipment sales

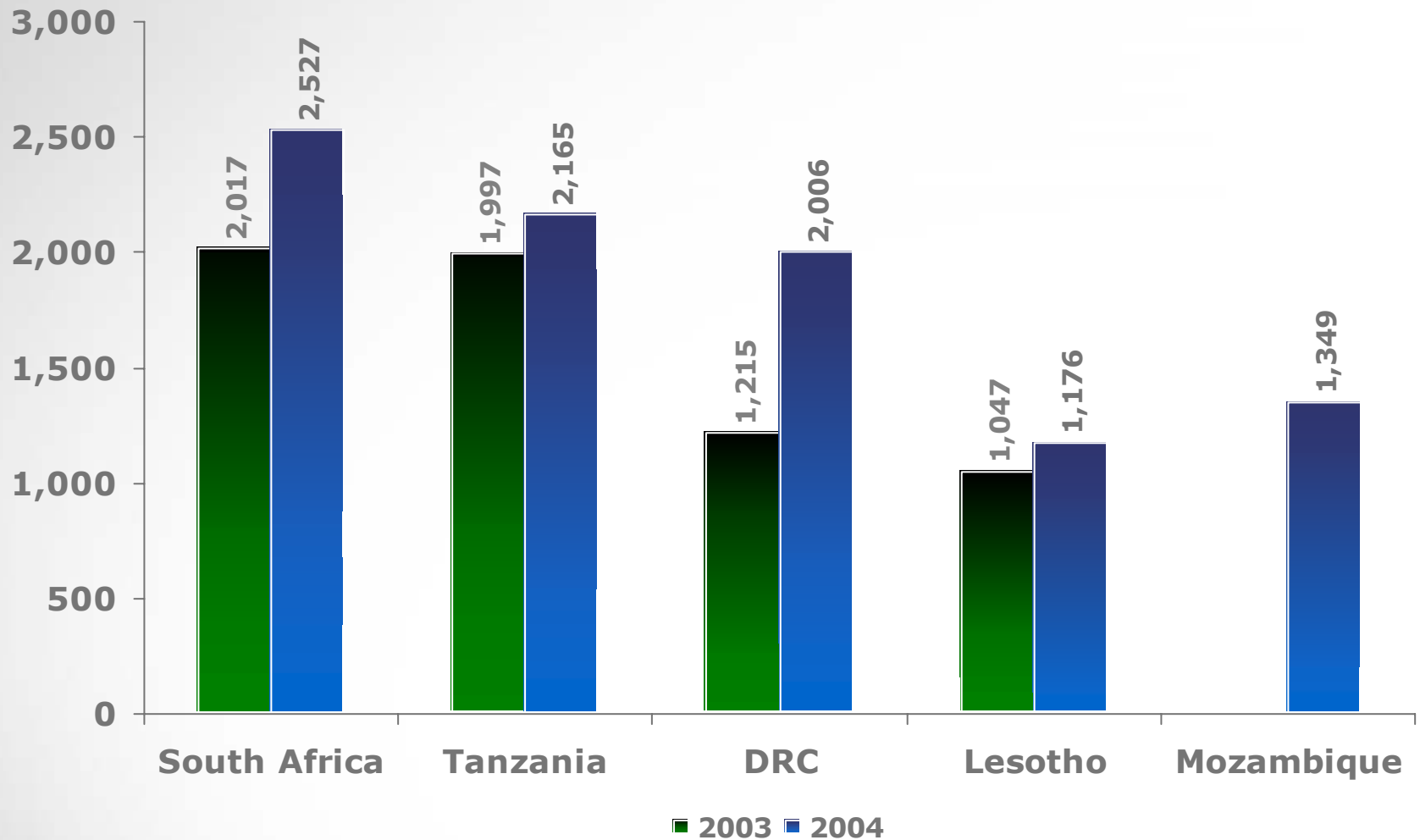


SA net interconnect revenue



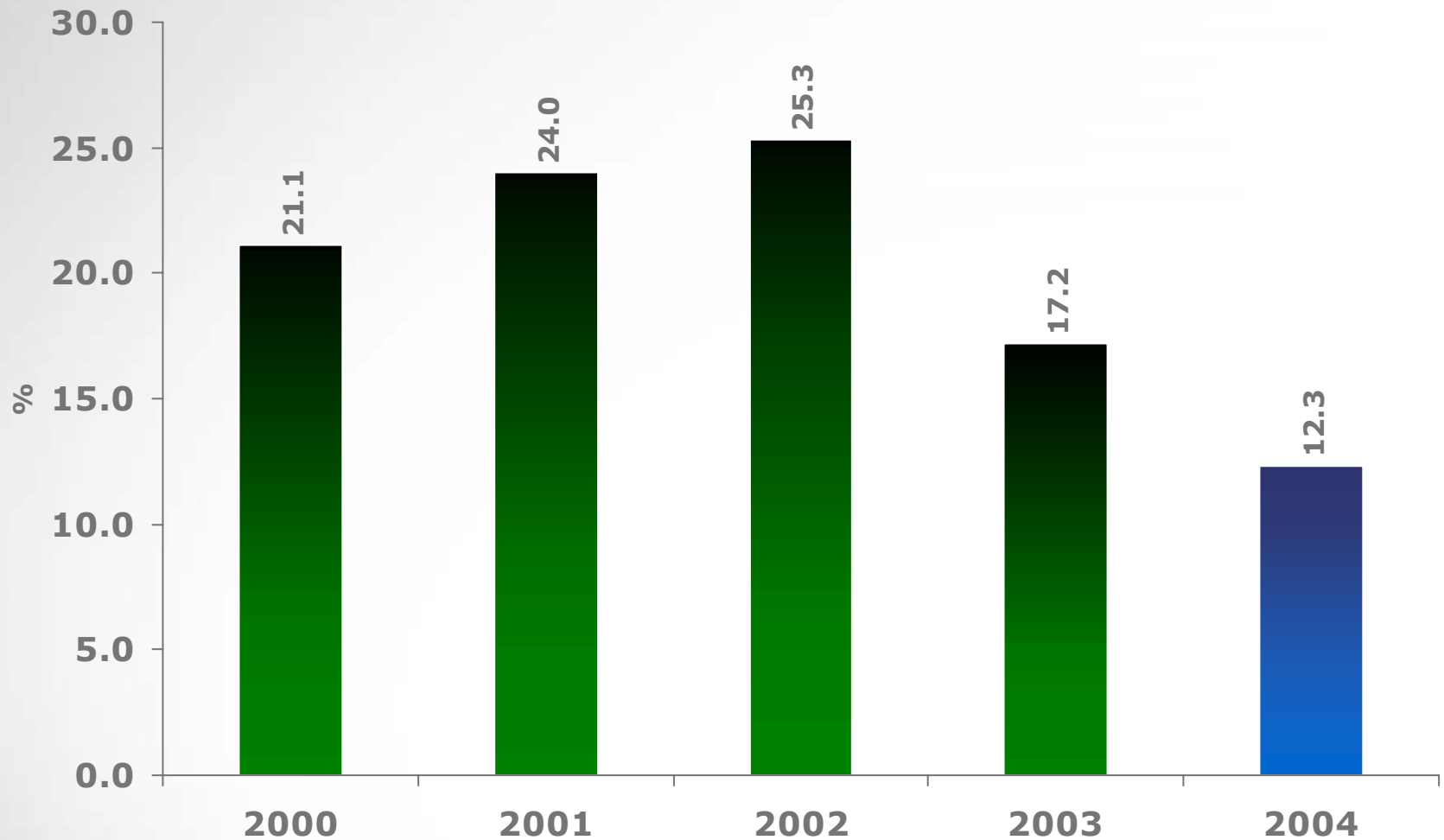
Improved efficiencies

Customers per employee per country

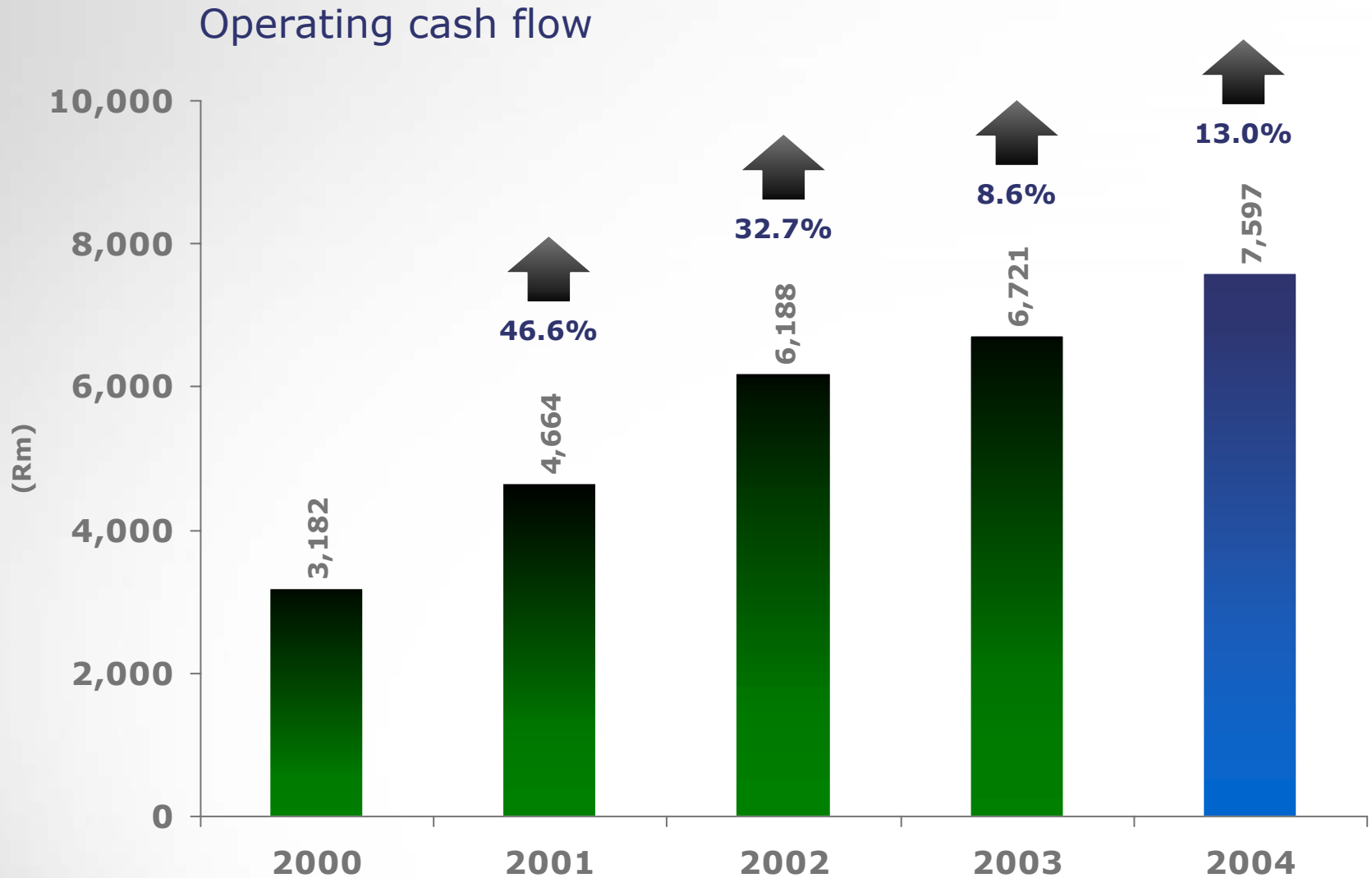


Improved efficiencies

Capex as % of revenue

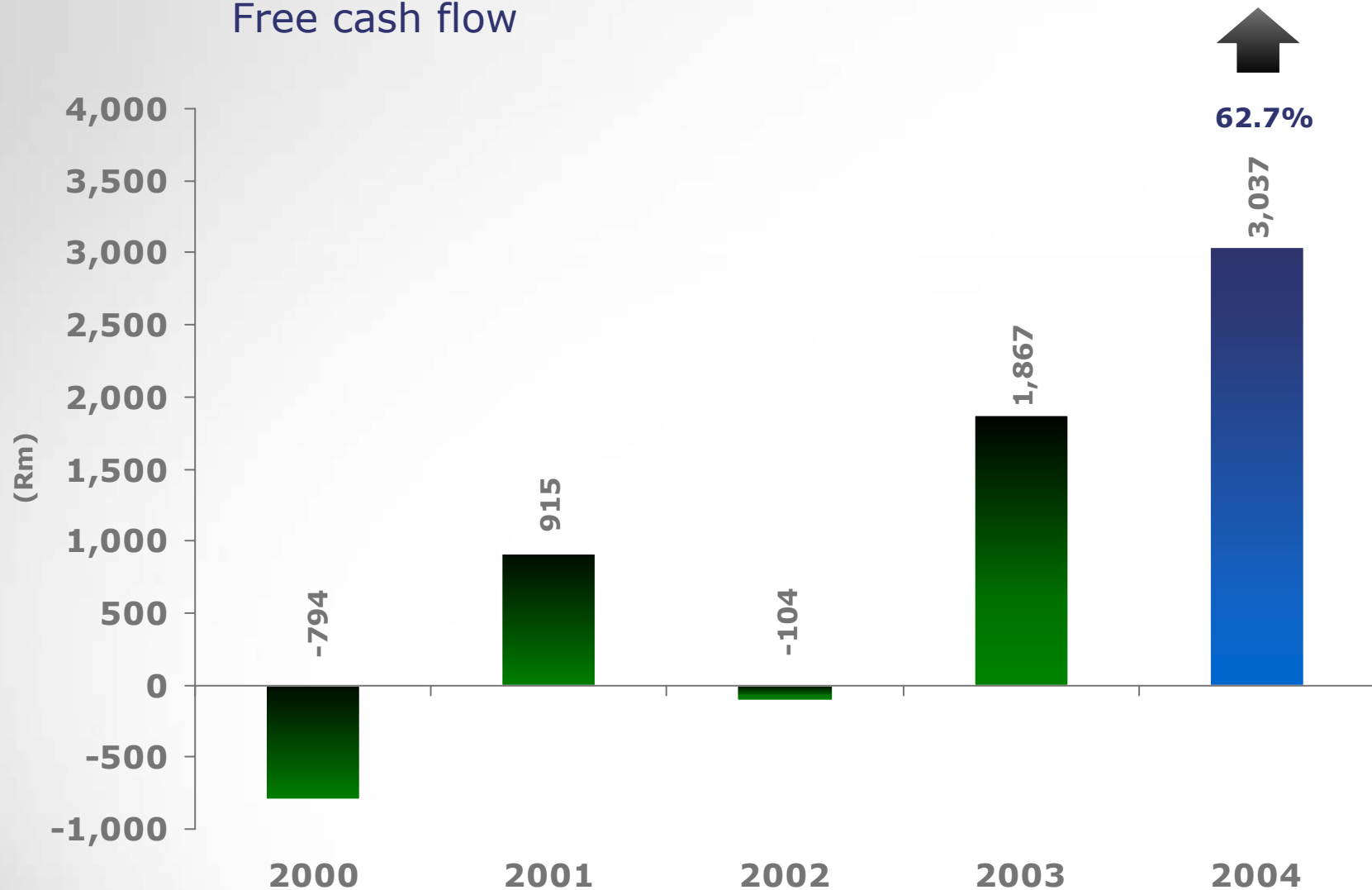


Strong cash generation



Strong cash generation

Free cash flow



Net debt maturity profile

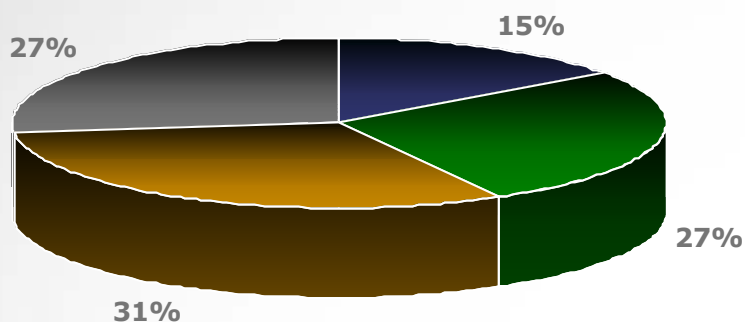


Rand million	2005	2006	2007	2008	2009	>2010	Total 2004	2003
SA finance leases	29	51	79	114	192	421	886	885
Vodacom Tanzania	66	85	110	87	78	-	426	592
Vodacom Congo (51%)	745	-	-	-	-	-	745	692
Vodacom Lesotho	4	-	-	-	-	-	4	4
SA shareholder loans	-	-	-	-	-	-	-	920
Debt excluding bank overdrafts	844	136	189	201	270	421	2,061	3,093
Less: net bank and cash balances							(1,598)	(648)
Net debt							463	2,445
Net debt including all off-balance sheet debt							1,383	2,764

Debt composition

Gross debt composition including bank overdrafts

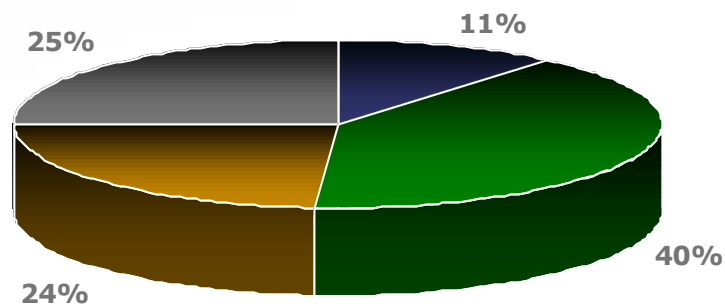
R2,833 million



- Foreign denominated, ring-fenced
- Foreign denominated, not ring-fenced
- ZAR denominated, finance leases
- ZAR denominated, other

Gross debt composition including bank overdrafts and off-balance sheet commitments

R3,752 million



- Foreign denominated, ring-fenced
- Foreign denominated, not ring-fenced
- ZAR denominated, finance leases
- ZAR denominated, other



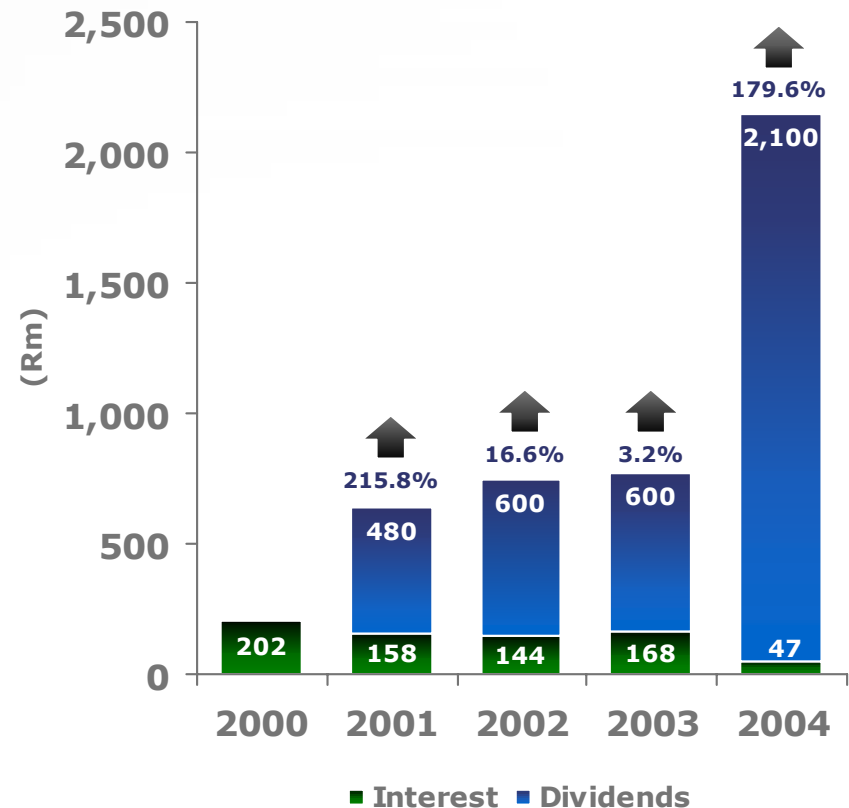
Positive cash balances R2,370 million

Shareholder distributions



- Repaid R920 million in shareholder loans
- Paid interim dividend of R600 million
- Declared final dividend of R1.5 billion
- Dividend expected to be increased because of not entering Nigeria

Dividends and interest on shareholder loans





Questions?



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Group income statements

extracts for the years ended March 31



R million	2002	2003	2004	% change 04/03
Revenue	16,151	19,779	23,478	18.7
Operating expenses excluding depreciation and amortization	(10,460)	(13,075)	(15,711)	20.2
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Profit before tax	3,593	3,526	4,783	35.6
Taxation and minorities	(1,220)	(1,311)	(1,751)	33.6
Net profit	2,373	2,215	3,032	36.9

Group balance sheets

extracts as at March 31



R million	2002	2003	2004	% change 04/03
ASSETS				
Non-current assets	11,429	12,276	13,194	7.5
Current assets	4,145	4,690	6,904	47.2
Total assets	15,574	16,966	20,098	18.5
EQUITY AND LIABILITIES				
Capital and reserves	5,464	6,837	7,603	11.2
Minority interest	11	88	93	5.7
Non-current liabilities	1,894	2,882	2,569	(10.9)
Current liabilities	8,205	7,159	9,833	37.4
Total equity and liabilities	15,574	16,966	20,098	18.5

Group cash flow statements

extracts for the years ended March 31



R million	2002	2003	2004	% change 04/03
Cash receipts from customers	15,583	19,349	22,798	17.8
Cash generated from operations	6,188	6,721	7,597	13.0
Net cash flows from operating activities	3,815	4,342	4,790	10.3
Net cash flows utilized in investing activities	(4,543)	(3,243)	(3,000)	(7.5)
Net cash flows (utilized in)/from financing activities	570	517	(798)	-
Net increase/(decrease) in cash and cash equivalents	(158)	1,616	992	(38.6)
Cash and cash equivalents at the beginning of the year	(796)	(858)	647	-
Effect of foreign exchange rate changes	96	(111)	(41)	(63.1)
Cash and cash equivalents at the end of the year	(858)	647	1,598	147.0