

Vodacom annual results

For the year ended 31 March 2019



The future is exciting
Ready?



Disclaimer

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Following the cumulative retrospective adoption of IFRS 15: Revenue from Contracts with Customers on 1 April 2018, the Group's results for the year ended 31 March 2019 are on an IFRS 15 basis, whereas the results for the year ended 31 March 2018 are (as previously reported) on an IAS 18 basis. Comparisons between the two bases of reporting are not meaningful and to ensure appropriate disclosure during the period of transition to IFRS 15, results for the year ended 31 March 2019 has been disclosed on both an IFRS 15 and IAS 18 basis. This presentation explaining our operating performance has been provided solely on an IAS 18 basis, unless otherwise stated. Further disclosure is also included in Note 2: Changes in accounting policies and in Note 3: Segment analysis of the condensed consolidated financial statements for the year ended 31 March 2019.

This presentation also contains forward-looking statements which are subject to risks and uncertainties because they relate to future events. These forward-looking statements include, without limitation, statements in relation to the Group's projected financial results. Some of the factors which may cause actual results to differ from these forward-looking statements are discussed on slide 45 of this presentation.

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Purpose-led Vodacom | Connecting for a better future



>R350m invested to enhance and improve education in SA

\$1m donated to Mozambique cyclone aid efforts

R3m donated to KZN and Eastern Cape disaster relief

R7.5 billion value unlocked from BEE ownership deal – **R16.4 billion** new ownership deal

3 100 schools equipped with computer labs

92 ICT teacher training centres established

10 youth academies
1 333 Cisco and Microsoft graduates

670 000 students connected to online learning

Giving **R2 billion** back to customers from implementation of new data regulations



Highlights



+4.3%
Revenue
R90.1 billion

+6.0%
Data revenue
R27.3 billion

+2.4%
EBITDA
R33.7 billion

+1.1%
+7.4% excl BEE costs¹
Operating profit
R24.5 billion

110m
Customers²
+5.8%

R13.0bn
Capex
+11.8%

862cps
HEPS
+2.6% (excl BEE and Safaricom transactions)

795cps
Total DPS
-2.5%

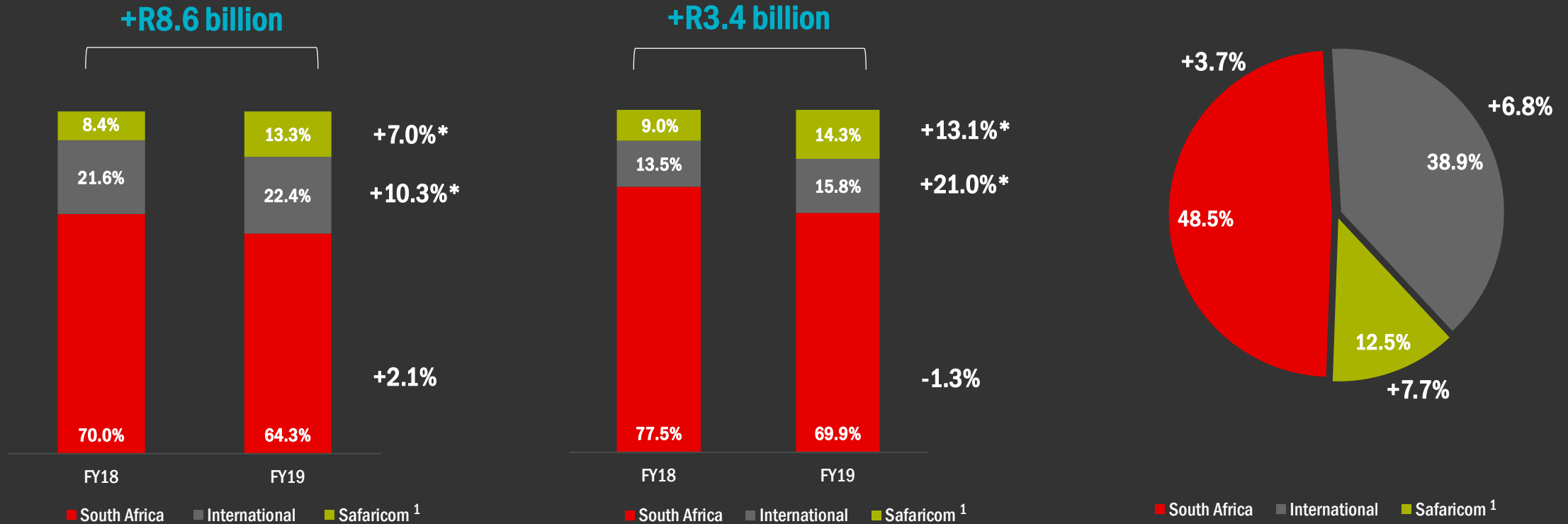
1. Relates to one off IFRS 2 charge of R1.4 billion and transactions costs of R124 million.
2. Including Safaricom @ 100%

Diversified Group | Increasing contribution from International and Safaricom

// Group service revenue

// Group EBITDA

// Group customers



* Normalised growth represents performance on a comparable basis. This excludes merger and acquisition activity and adjusting for foreign currency fluctuation on a constant currency basis (using the current period as base).

1. Represents Safaricom's values in proportion to our stake of 34.94%, prior year results reflect eight months of results from Safaricom.

Operation review



South Africa | Strong customer net adds, proactive pricing transformation

Key indicators	FY19	% change
Service revenue (Rm)	55 749	2.1
Data revenue (Rm)	24 276	3.9
EBITDA (Rm)	27 717	(1.3)
EBIT (Rm)	20 244	(4.2)
Customers ('000)	43 166	3.7
Active smart devices ('000)	19 850	7.6

- Growth ahead of GDP growth
- Proactive price transformation
- New data usage regulations
- Financial services doubling
- Creating new partnerships

International | Double digit growth

Key indicators	FY19	% change	Normalised*
Service revenue (Rm)	19 452	15.6	10.3
Data revenue (Rm)	3 056	25.8	19.6
M-Pesa revenue (Rm)	3 077	32.2	26.5
EBITDA (Rm)	6 251	26.8	21.0
EBIT (Rm)	3 430	63.6	56.1
Customers ('000)	34 620	6.8	6.8

- Economies stabilising
- Some challenges remain
- Good progress on data growth
- M-Pesa ecosystem expanding

* Normalised growth represents performance on a comparable basis. This excludes merger and acquisition activity and adjusting for foreign currency fluctuation on a constant currency basis (using the current period as base).

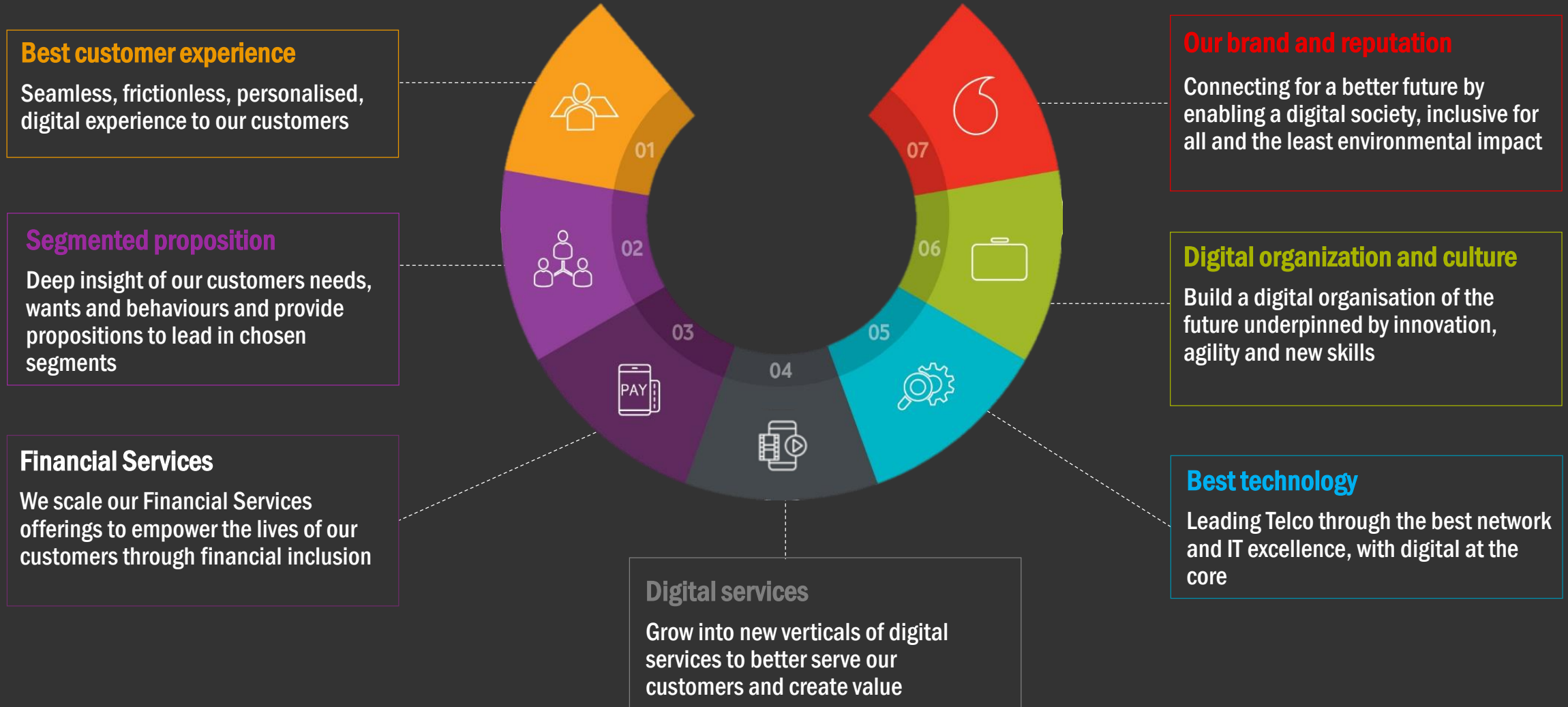
Safaricom | Continued strong performance

Key indicators	FY19 KES'bn	FY19 Rm	% change*
Service revenue	240	32 768	7.0
Data revenue	39	5 255	6.4
M-Pesa revenue	75	10 225	19.2
EBITDA	125	16 996	10.7
EBIT	90	12 200	13.1
Customers ('000)	31 845	31 845	7.7

- Price transformation
- Customer growth recovery
- Continued M-Pesa growth
- Boost from proposed special dividend

* Normalised growth represents performance on a comparable basis. This excludes merger and acquisition activity and adjusting for foreign currency fluctuation on a constant currency basis (using the current period as base).

Strategy | Towards Vision 2020 – Digital first



Beyond a Telco | Accelerating growth through partnerships, acquisitions and build

IoT



Accelerate through acquisition of system integrator “IoT.nxt”

Platforms to scale

Video Play, My Muze and PlayInc

Partnerships

Strategic partnership with AWS to drive solutions based architecture

Financial Services

Acquiring M-Pesa brand and platform
Payment gateway
Loan aggregation platform

Innovate

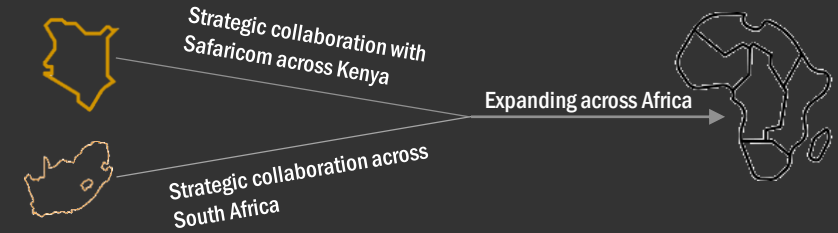
Partnering to reduce cost of base stations and drive rural connectivity



Strategic collaboration between.....



and



- At launch customer of AWS Cape Town Region
- Establishing an AWS Cloud Centre of Excellence
- Offering of over 165 AWS Services to Vodacom customers
- AWS Training Partner
- Vodacom certified as AWS Premier Consulting Partner in 2020 (cal.)
- Vodacom certified AWS Direct Connect Partner
- Training over 100 AWS certified professionals for experienced solution advice

**Innovating 5G, Cloud & Edge computing applications to support disruptive business models.
Product-led transition to full Cloud solution offering, leveraging AWS' highly scalable and available cloud platform.**

- AI & Big Data
- Workload Migrations
- Mobile Edge
- IoT
- Cloud Consulting
- AWS Security
- SAP
- Database Migrations

Small-medium business

Enterprise

Public sector

Value chain | IoT

Accelerating IoT opportunity

- Expected R46bn market by 2026
- 10 year CAGR of 13%

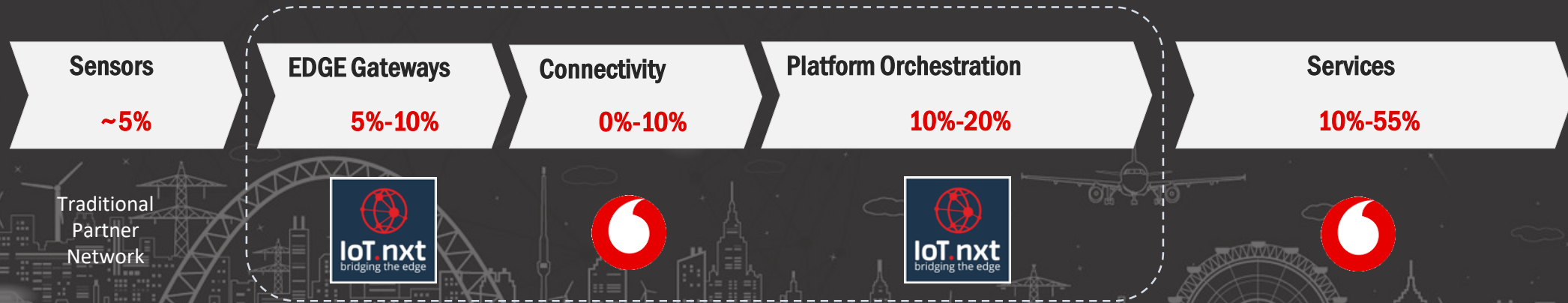
The IoT.nxt technology-agnostic edge capability (Raptor), with class-leading platform orchestration capability (Commander), coupled with Vodacom's NB-IoT network allows for Vodacom to participate meaningfully across all the elements of the value-chain



4.5m
IoT connections **+24.4%**

- Rapid time-to-value
- Bridging legacy technology
- Unifying disparate systems
- No rip and replace
- Instant interoperability

**Globally Differentiated - Award Winning Platform - Leading Innovation
Proven Track Record**

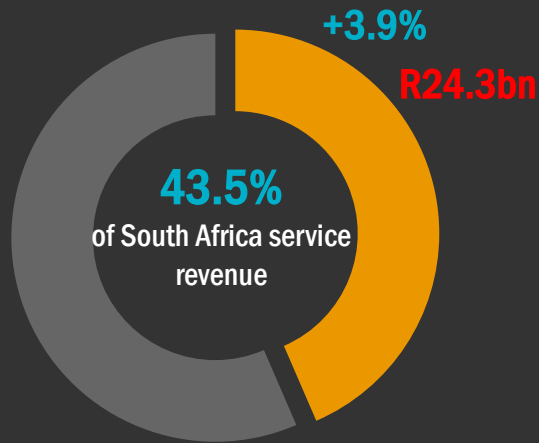


Growth drivers



South Africa data | Pricing transformation key to future growth

// Data contribution



- **19.9m** active smart devices **+7.6%**
- **10m** 4G customers **+35.7%**

// Pricing transformation

Postpaid

More for More

>100% value

More inclusive data

3/4 of consumers migrated

Mobile broadband

Rate cuts

40% rate cut

Reduced tariffs on big data bundles

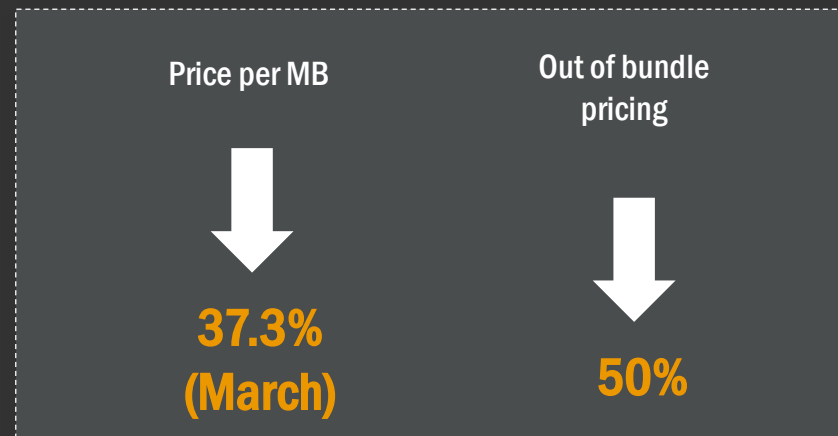
Elasticity of 40%

Prepaid and ad hoc bundles

Highly discounted offers

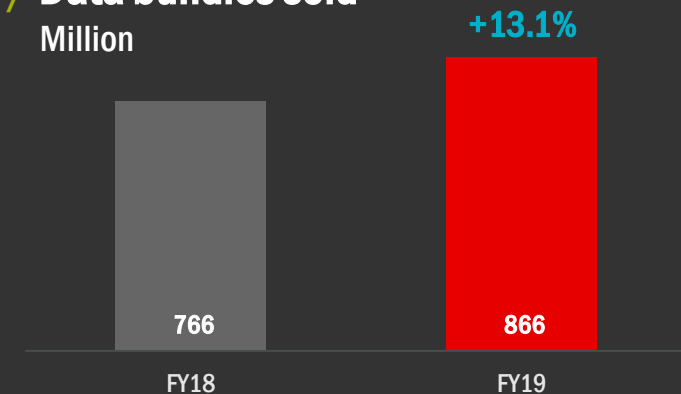
80%

of bundle sales on discounted daily and weekly rates



// Data bundles sold

Million



Content | Reasons to consume

Video



- 869k video play users
- Branded partners - VIU, Showmax and Netflix
- Streaming
- Purchase daily, weekly or monthly packs
- 6 800 video titles

Music



- Launched My Muze in Q4
- Video, music and radio on web and mobile
- Shaping the way music is consumed
- Industry partnerships

Advertising

- 2 billion impressions per month
- Consolidated multi-media advertising platform to advertise directly across web and mobile
- Contextual advertising

vLive



- 6.1 million users
- Ringtones
- Welcome tones
- Music
- News

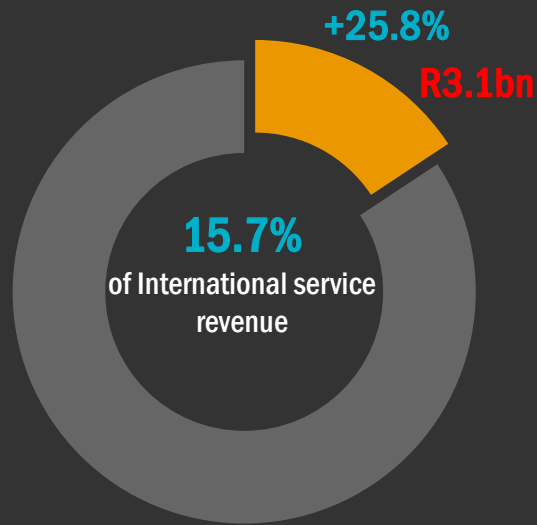
playinc.com

Gaming
Launching soon



International | Data gaining momentum

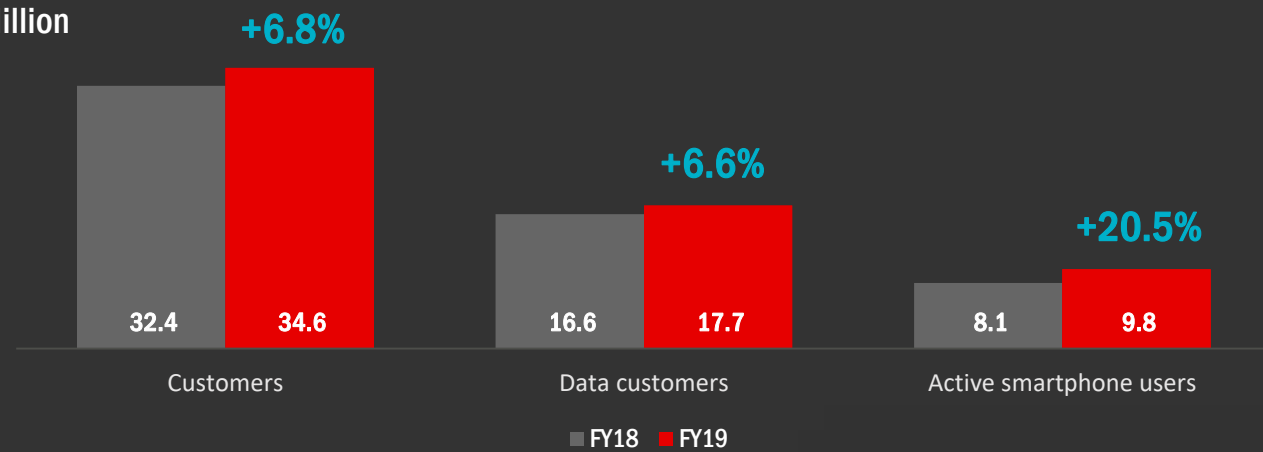
// Data contribution



- **R3.4bn** capital investment
- Data traffic up **+39.0%**

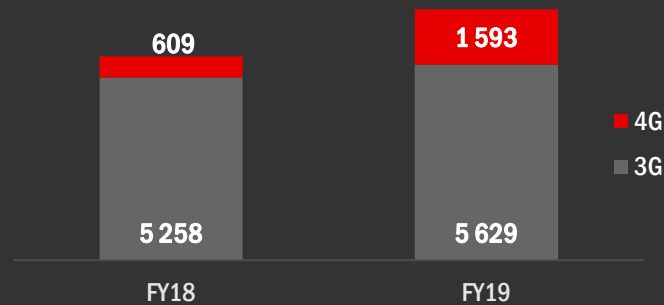
// Data users

Million



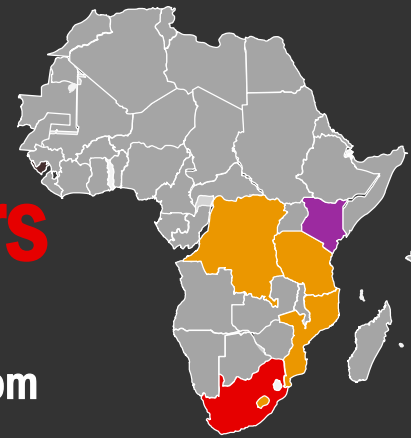
// Expanding data coverage

Number of sites

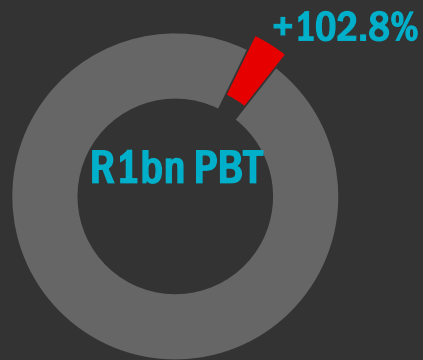


Financial services | Expanding into new business, increased sophistication

45.8 million Financial Services customers

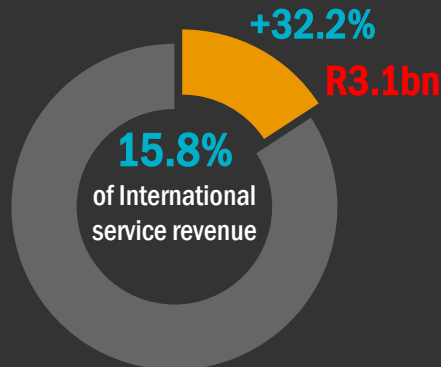


// Financial services in South Africa



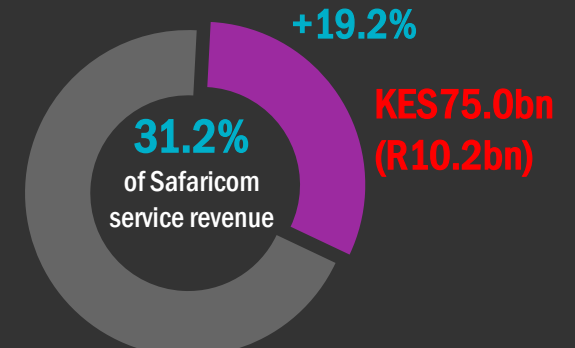
- Commercialising payment gateway
- Airtime Advance more than doubled
- Insurance margin expanded +2.3ppts

// M-Pesa in International

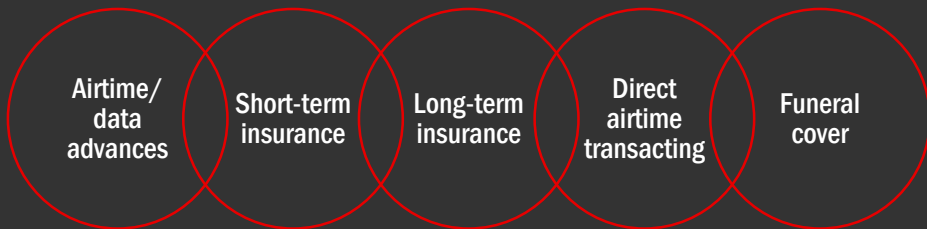


- Merchant payments expanding
- Interoperability with major banks in Mozambique
- Ecosystem expanding by country

// M-Pesa in Safaricom



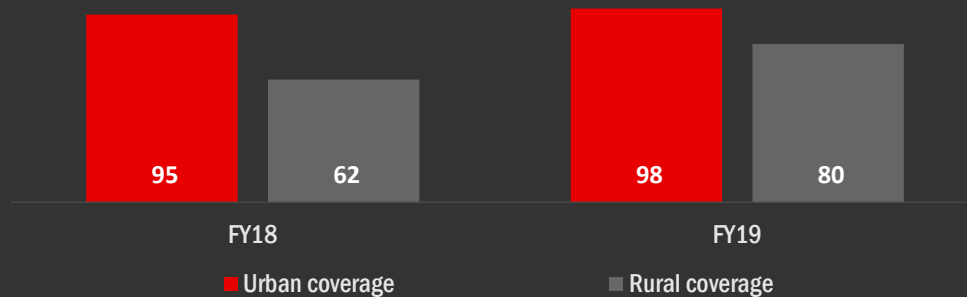
- New loans option
- Alipay payment option integration



Best Technology | Network leadership

// SA network performance

4G population coverage (%)



// International

5G

first in Lesotho and Africa

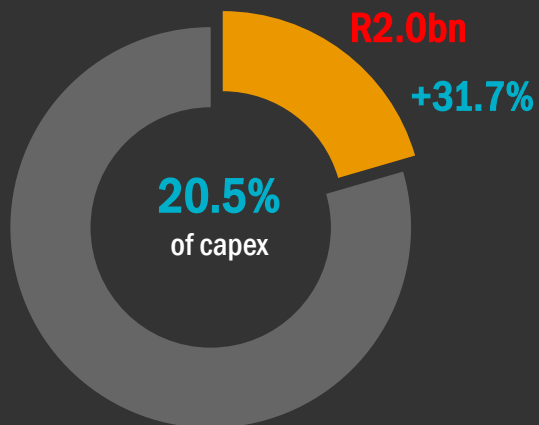
4G

launched in the DRC

4G

launched in Mozambique

IT contribution to capex



- 86 processes automated via RPA
- 60 API's operational
- 59 software engineers insourced

FTTx



SA Business and Households passed >
81 200

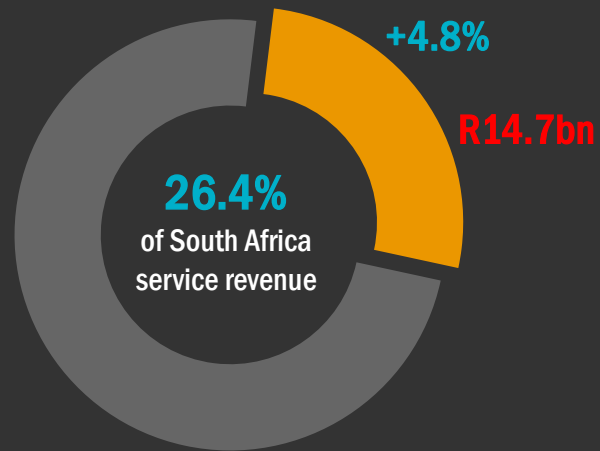
IT Performance



#1 in SA - Gartner IT4C benchmark

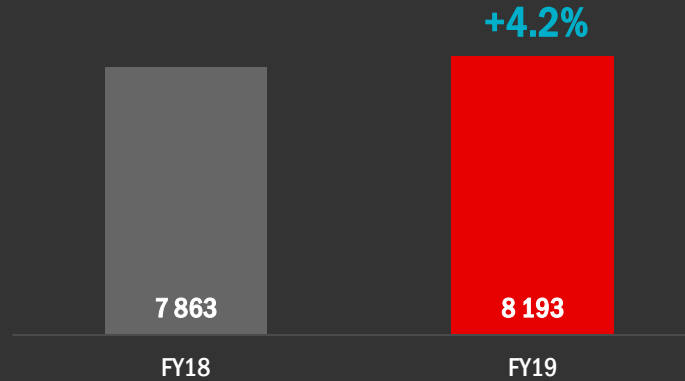
Enterprise | Good progress on all segments

// SA Enterprise service revenue contribution

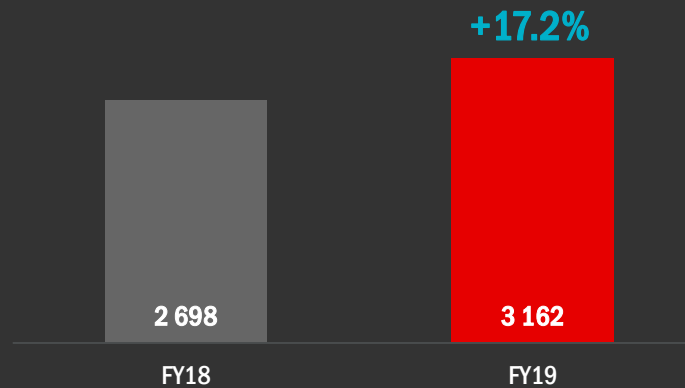


- Enterprise customers **+14.2%**
- Enterprise churn **4.6%**

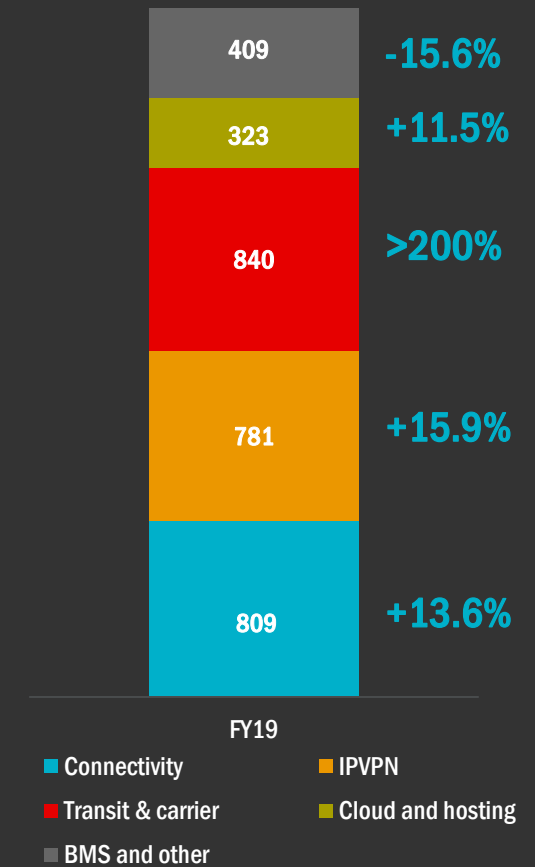
// SA Enterprise mobile revenue R million



// of which SA fixed-line and BMS revenue R million



// SA fixed-line revenue per category R million



- Connectivity
- IPVPN
- Transit & carrier
- Cloud and hosting
- BMS and other



South Africa

ECA bill withdrawn in February

Spectrum

Competition Commission

ICASA priority market review

Secured spectrum in all countries

Working with Regulators to implement regulatory changes

International

Financial review



Group income statement

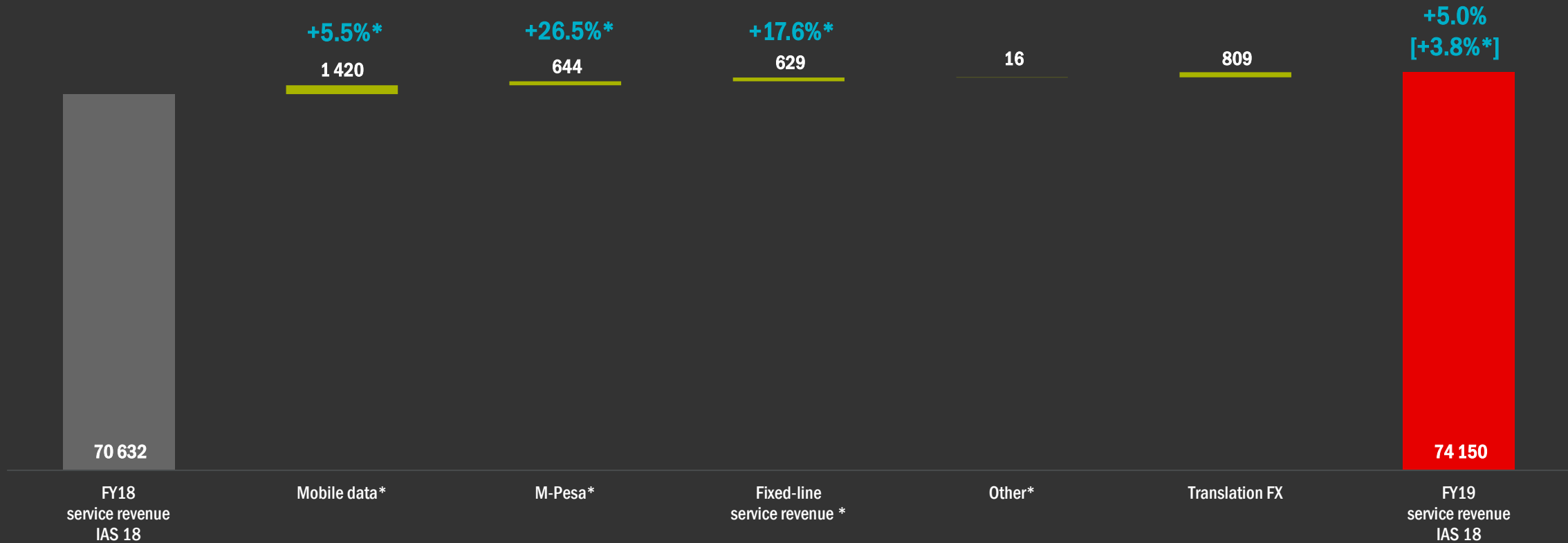
R million	FY19 (IFRS 15)	FY19 (IAS 18)	FY18 (IAS 18)	% change (IAS 18)	% Normalised*
Revenue	86 627	90 066	86 370	4.3	3.2
Service revenue	69 867	74 150	70 632	5.0	3.8
EBITDA	33 714	33 689	32 898	2.4	2.3
Depreciation and amortisation	(10 642)	(10 642)	(9 959)	6.9	
EBIT	23 413	23 388	23 109	1.2	1.8
Net profit from associate and joint venture	2 774	2 824	1 507	n/a	
Operating profit	24 490	24 515	24 252	1.1	2.1
Profit on sale of associate	-	-	734	(100.0)	
Net finance charges	(2 401)	(2 401)	(2 893)	(17.0)	
Profit before tax	22 089	22 114	22 093	0.1	
Taxation	(6 557)	(6 672)	(6 531)	2.2	
Net profit	15 532	15 442	15 562	(0.8)	
Attributable to:					
Equity shareholders	14 822	14 727	15 344	(4.0)	
Non-controlling interests	710	715	218	>200.0	
EPS (cents)	872	867	947	(8.4)	
HEPS (cents)	868	862	923	(6.6)	
Weighted average shares in issue (million)	1 699	1 699	1 620	4.9	

* Normalised growth represents performance on a comparable basis. This excludes merger and acquisition activity and adjusting for foreign currency fluctuation on a constant currency basis (using the current period as base).

Group service revenue | Driven by data, fixed-line and M-Pesa

// Group service revenue by category

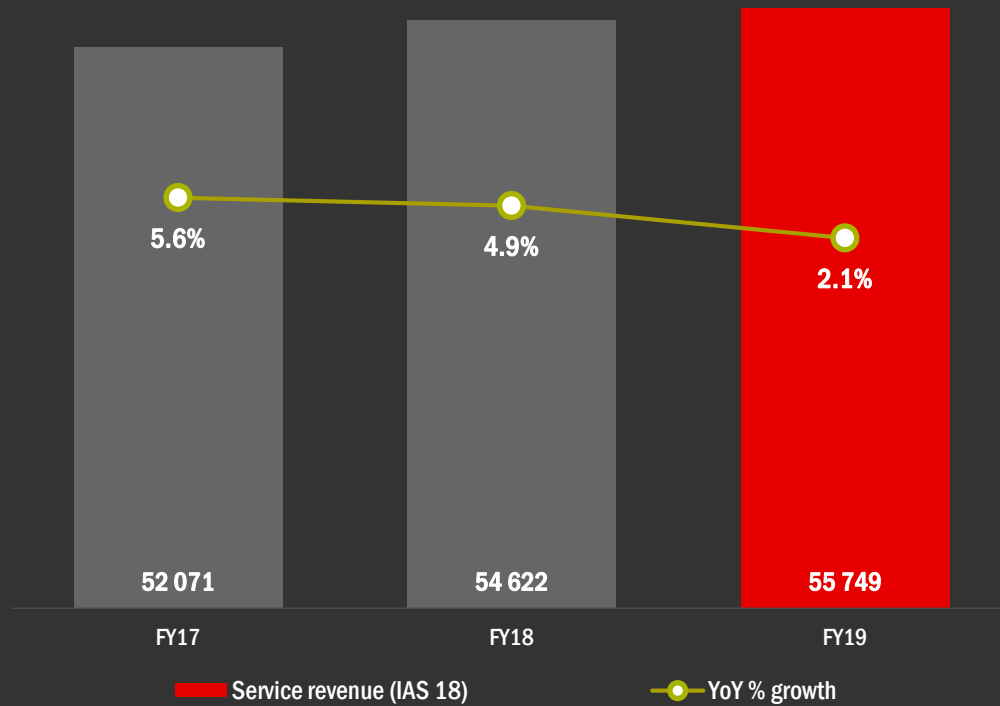
R million



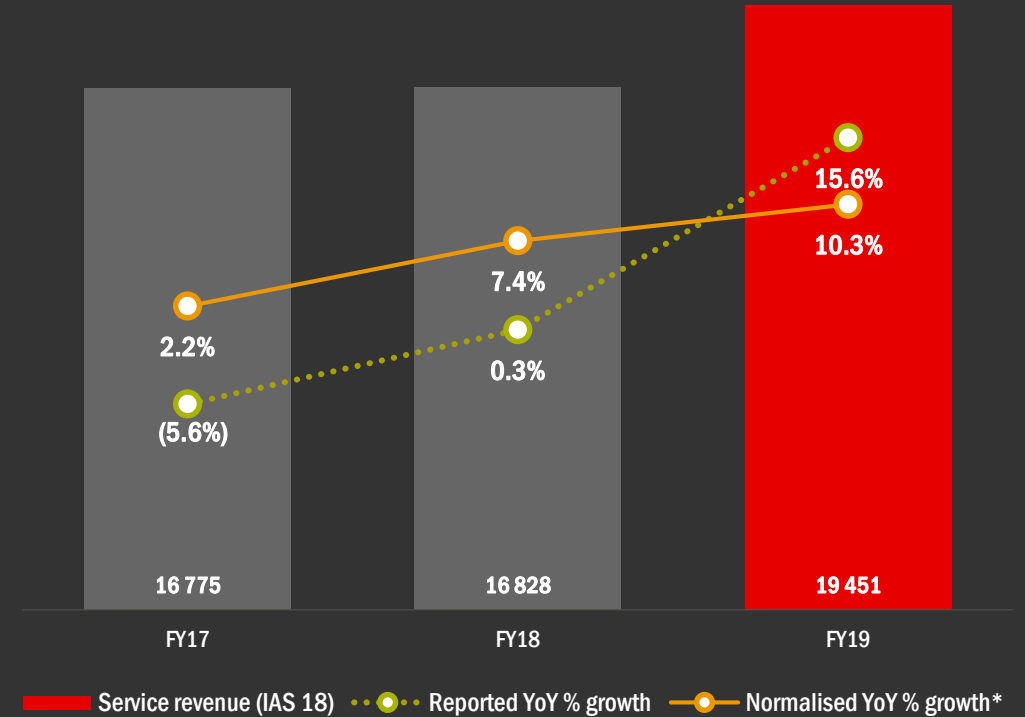
* Normalised growth represents performance on a comparable basis. This excludes merger and acquisition activity and adjusting for foreign currency fluctuation on a constant currency basis (using the current period as base).

Service revenue | SA impacted by regulation and macro; International achieves mid-teen growth

// South Africa R million / %



// International R million / %



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Group expenses | Impacted by roaming charges

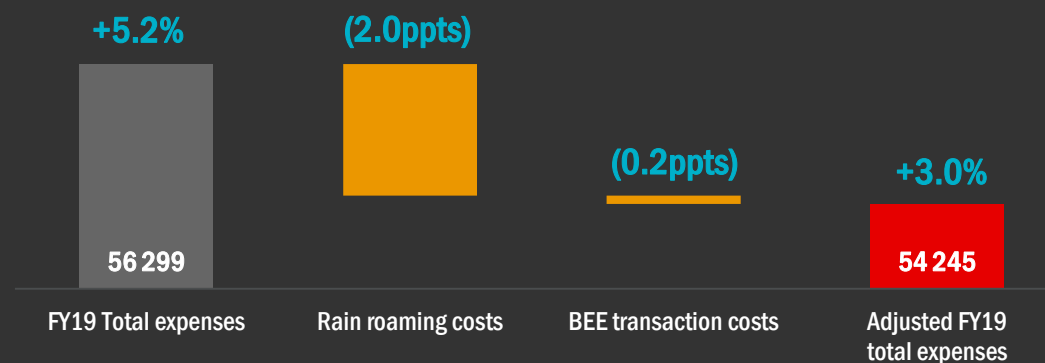
// Group expenses

R million	FY19 IAS 18	FY18 IAS 18	% change
Direct expenses	34 931	33 669	3.7
Operating expenses	21 368	19 863	7.6
Staff expenses	5 986	5 509	8.7
Publicity expenses	1 920	1 913	0.4
Other operating expenses [#]	13 396	12 497	7.2
Forex (gain)/loss	66	(56)	>200.0
Total expenses	56 299	53 532	5.2
Of which:			
South Africa	43 785	41 912	4.5
International	13 475	12 557	7.3

[#] Excluding net trading foreign exchange loss.

// Group total expenses reconciliation

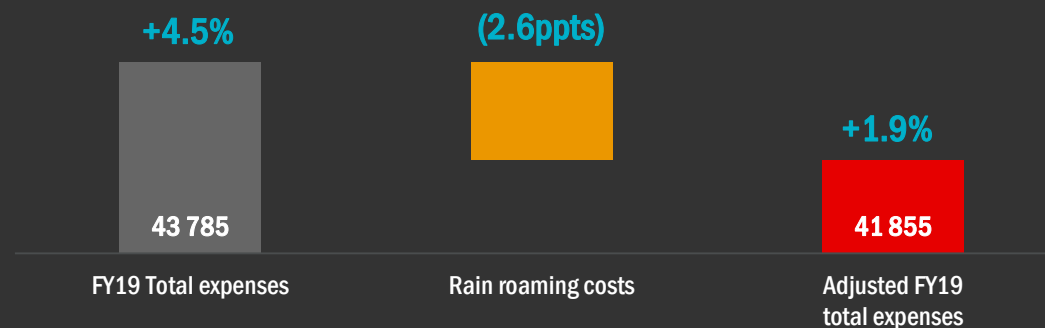
R million



- Fit for growth delivery of R2 billion savings offsetting 6% growth in sites, higher energy costs and site rental increases

// South Africa total expenses reconciliation

R million

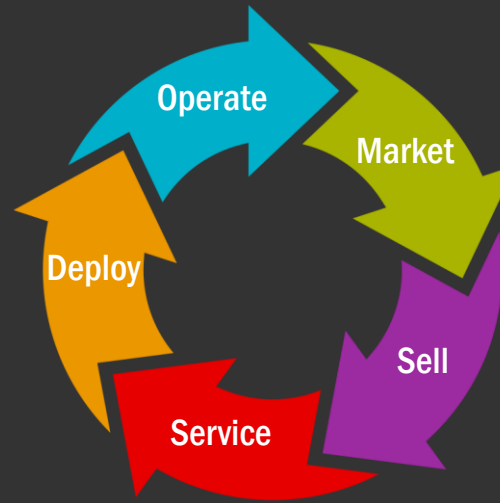


Digital | Future savings opportunities

// Track record of delivery Fit for growth

- > R2 billion in savings FY19
- Over the past 4 years technology over R3 billion in savings
 - Leased lines reduction
 - Maintenance contracts renegotiated
 - Leased property optimisation
 - Outsourcing certain operations

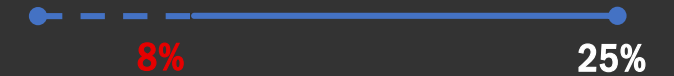
// Optimising the value chain



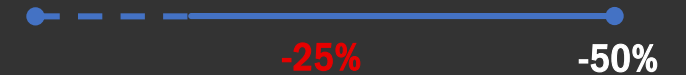
- Machine learning
- Artificial intelligence
- Process automation
- Big data

// Digital ambitions

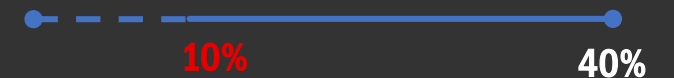
Digital sales (% online sales)



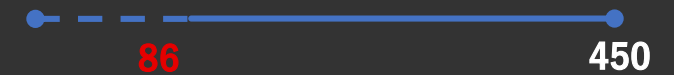
Digital service (% call reductions)



Smart deployment (Capex)



Smart operations (# RPA)



RPA | Efficiencies created

Increased revenue

- Churn reduction
- Deal recommendation (price plan and device)
- Add-on lines
- Fibre propensity
- Prepaid inactivity

Reduce cost

- Customer contract fraud
- Abnormal usage fraud
- Call deflection
- Smart routing

Capital efficiency

- Best place to build fibre
- Traffic prediction for new sites
- Revenue prediction for new sites
- Optimisation of sites

Customer satisfaction

- Network NPS prediction

// Achievements

42 unattended bots in Bot farm

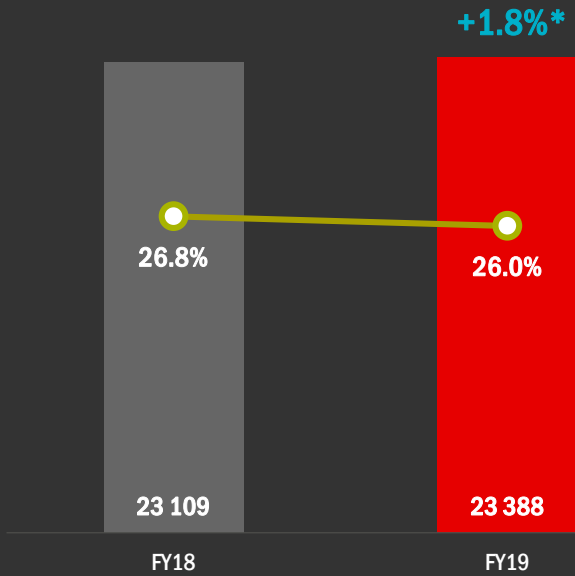
86 processes live

// Key implementations

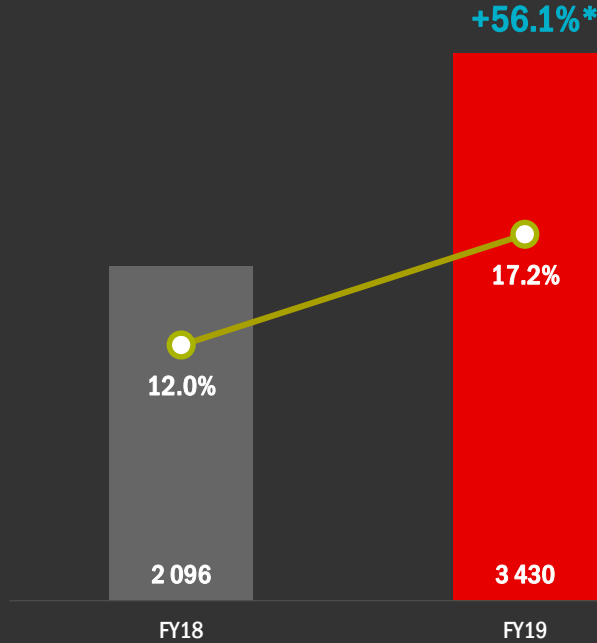
- FTtx: Placing of customer orders and updating customers on status of orders
- 24/7 Network Monitoring bot in Network Monitoring Group and Customer Service Operating Centre

Group EBIT | Improved International performance

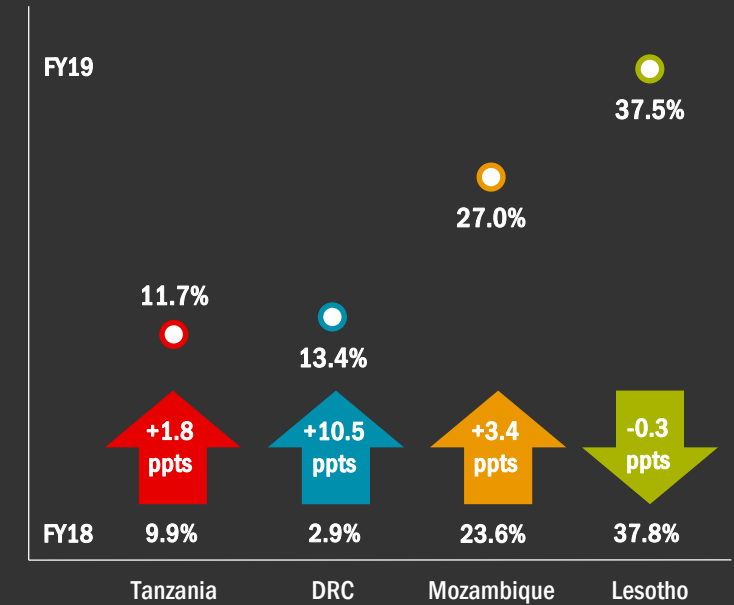
Group
R million / %



International
R million / %



International margin
%



■ EBIT (IAS 18) ● EBIT margin (%)

■ EBIT (IAS 18) ● EBIT margin (%)

* Normalised growth represents performance on a comparable basis. This excludes merger and acquisition activity and adjusting for foreign currency fluctuation on a constant currency basis (using the current period as base).

Net finance charges | Steps taken to reduce volatility

// Group net finance charges

R million	FY19	FY18	% change
Finance income	630	703	(10.4)
Finance cost	(3 008)	(2 811)	7.0
Net finance costs	(2 378)	(2 108)	12.8
Net gain/(loss) on remeasurement and disposal of financial instruments	(23)	(785)	(97.1)
Net finance charges	(2 401)	(2 893)	(17.0)
Average cost of debt (%)	8.2	8.3	

- Finance cost includes R171 million in relation to BEE preference shares

1. Includes capitalised interest of R171 million.

// Group net debt

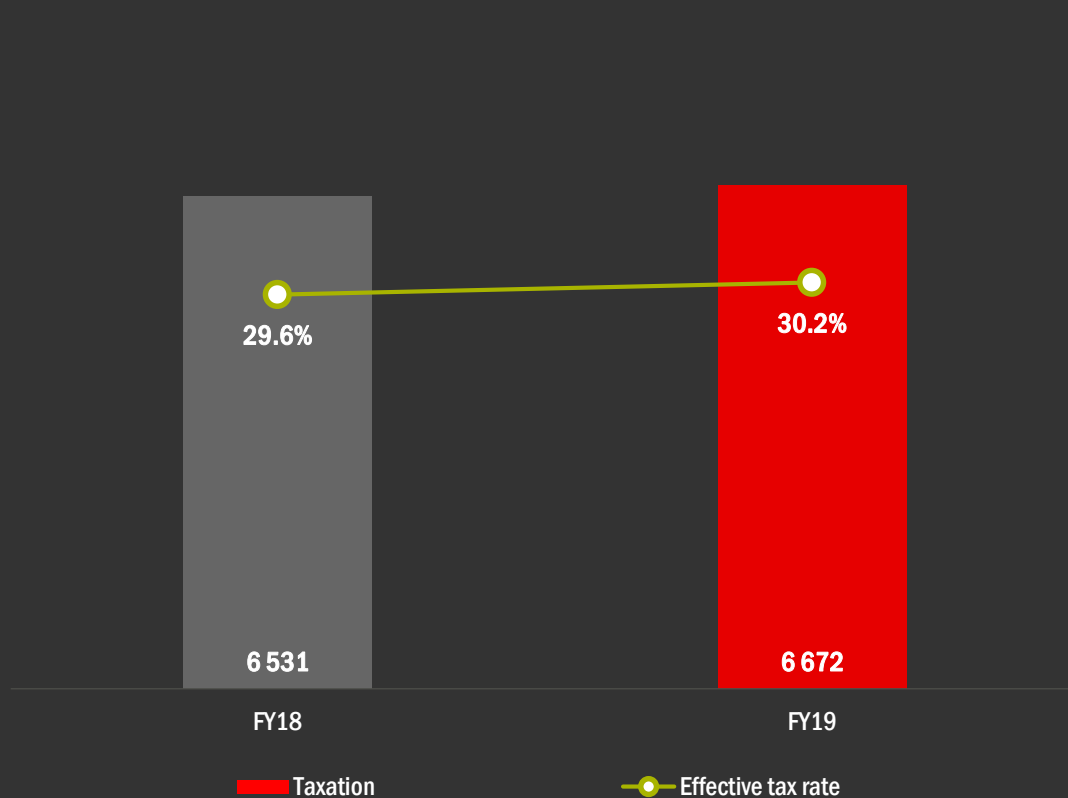
R million	FY19	FY18
Bank and cash balances	11 066	12 538
Current borrowings	(10 603)	(8 220)
Non-current borrowings	(18 987)	(24 071)
Preference shares (BEE) ¹	(4 654)	-
Other financial instruments	(176)	(139)
Net debt	(23 354)	(19 892)
Net debt/EBITDA (times)	0.7	0.6
Net debt/EBITDA (times) excl BEE	0.6	0.6

- Repaid R2.6 billion in debt

Group tax | ETR impacted by non-deductible BEE expenses

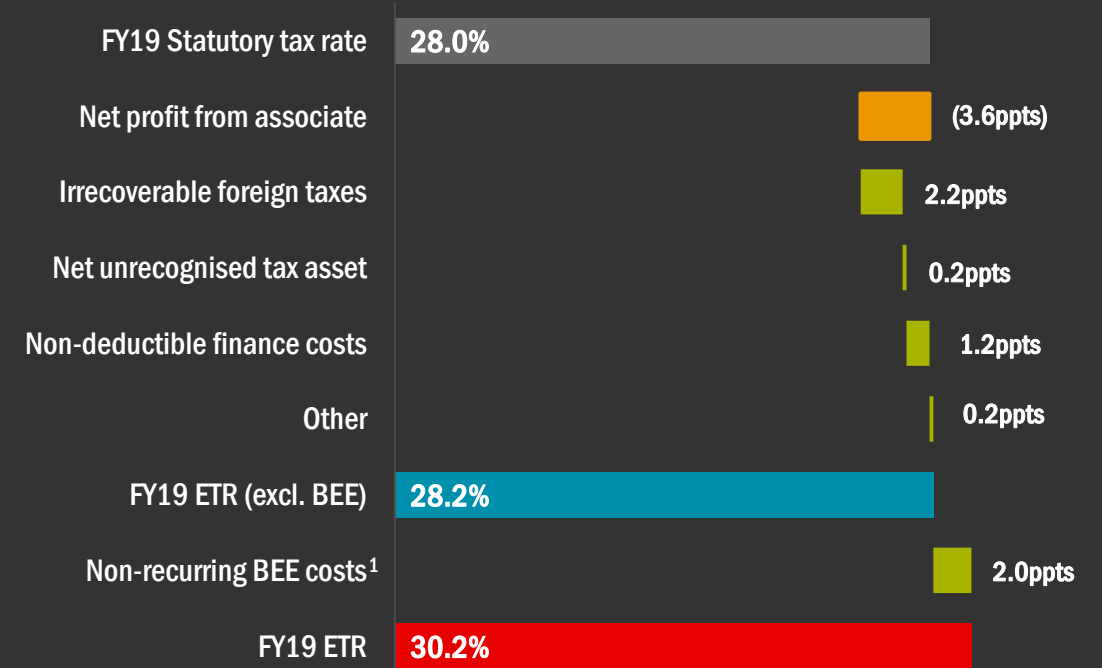
// Group effective tax

R million %



// Reconciliation to effective rate

%

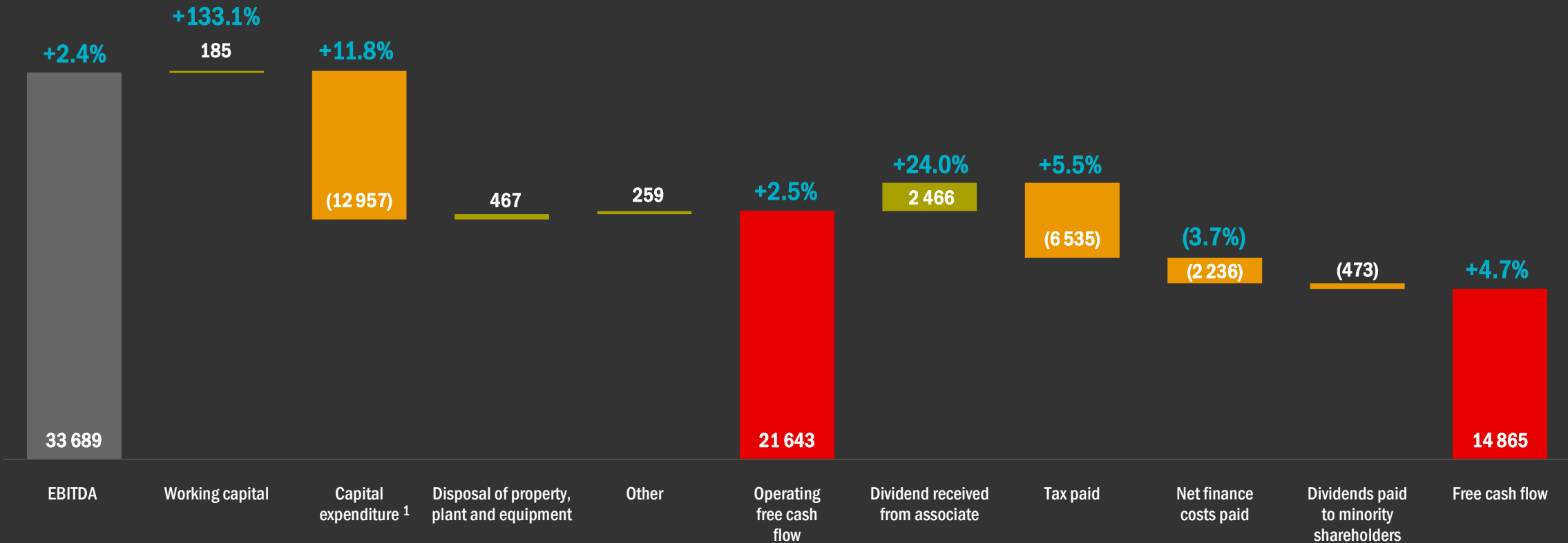


- ETR excluding BEE 28.2%, benefitting from Safaricom inclusion

1. Non-recurring IFRS 2 charge of R1.4bn and transaction costs of R124m relating to the BEE deal.

Cash flow | Strong OFCF generation

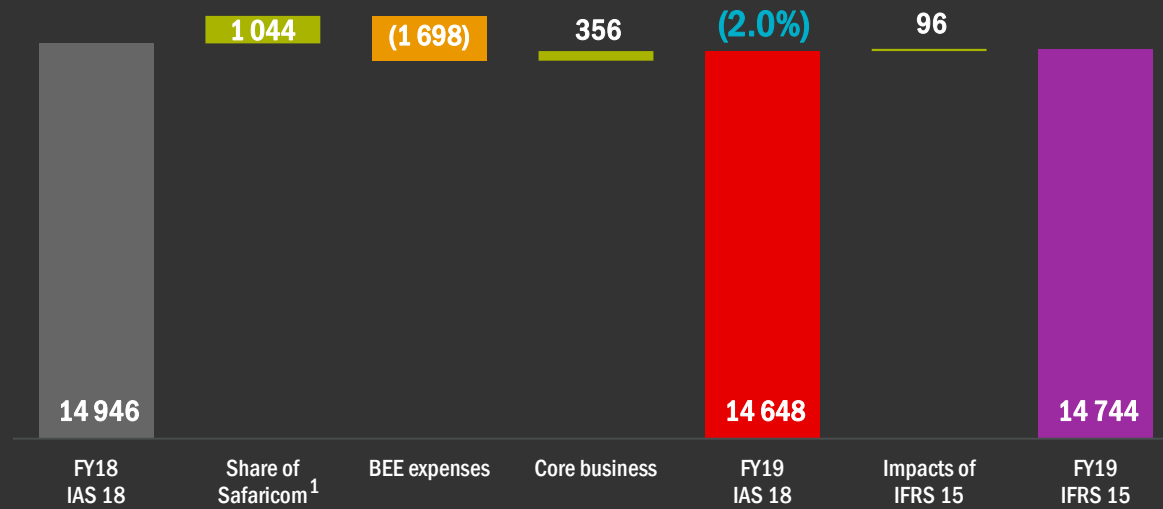
// Group free cash flow
R million



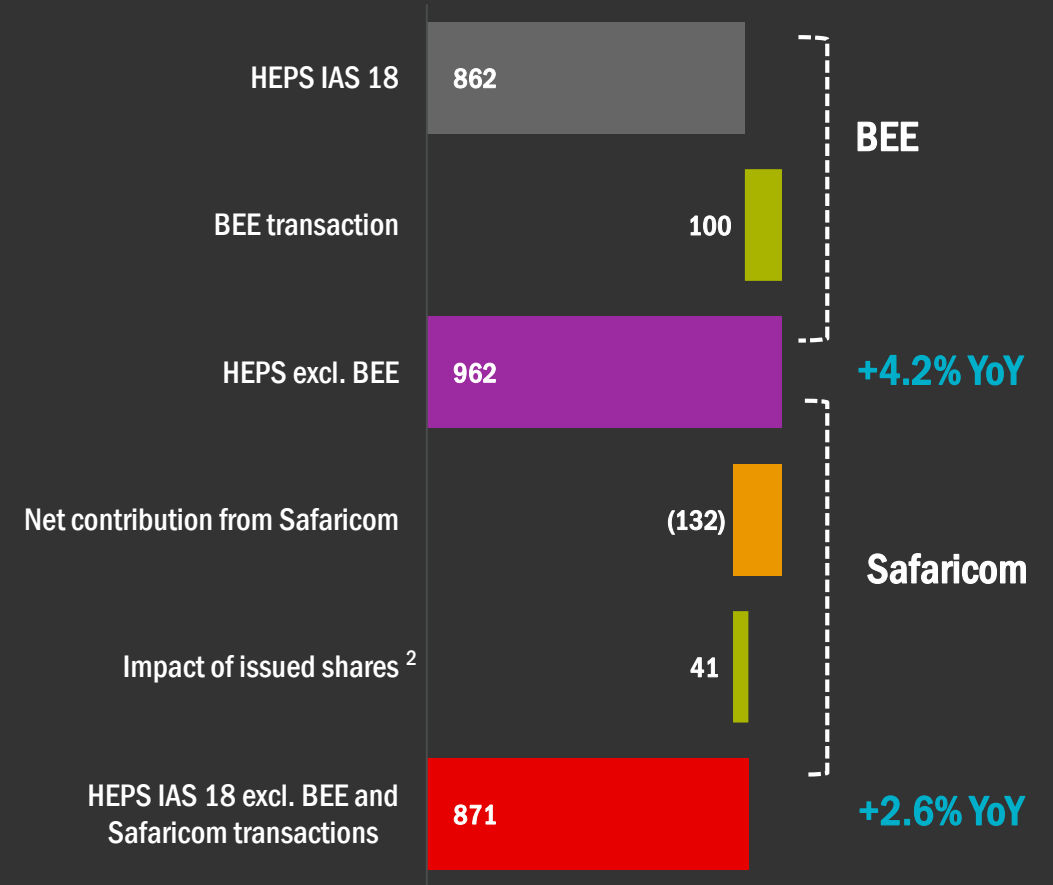
1. Capital expenditure comprises the purchase of property, plant and equipment and intangible assets, other than license and spectrum payments. Purchases of customer bases are excluded from capital expenditure.

Headline earnings and HEPS | Affected by BEE; boosted by Safaricom

// Headline earnings R million



// Headline earnings per share cents

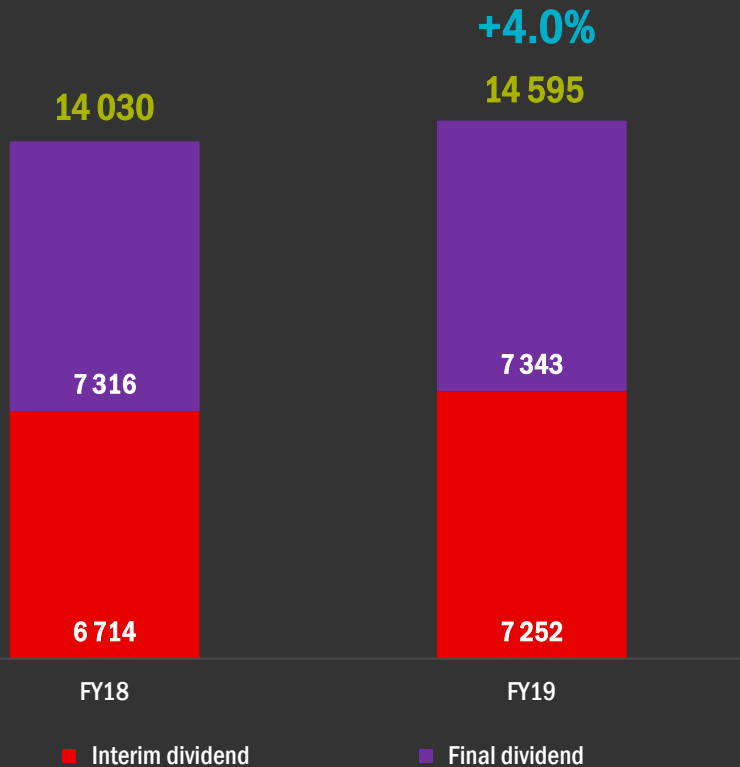


1. Contribution from Safaricom and amortisation of intangible assets, net of withholding tax and minority interest

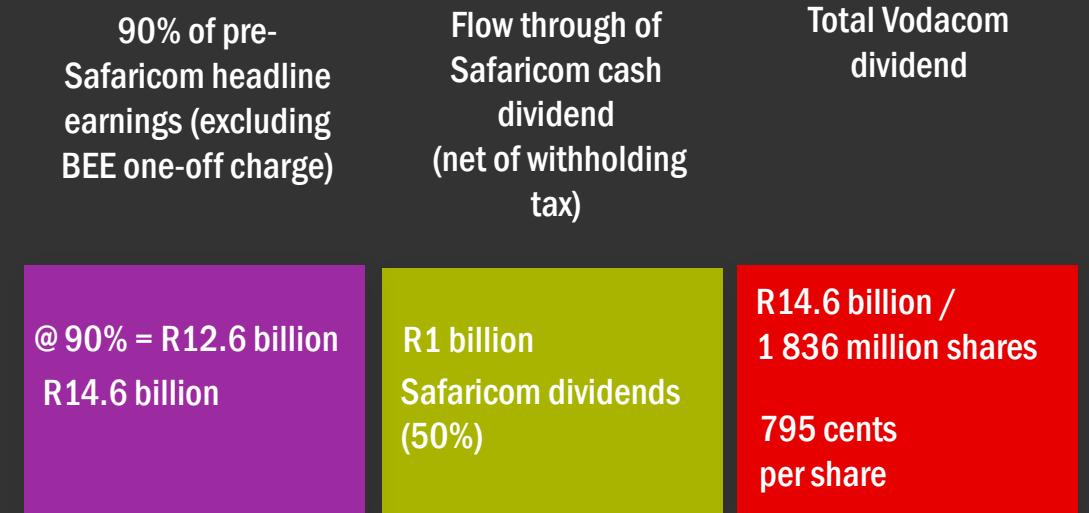
2. Issued 233 million shares in consideration for the acquisition of Safaricom

Shareholder returns | Dividend growth despite share dilution

// Total dividend declared R million



// Dividend policy and final dividend calculation



Safaricom proposed an ordinary dividend of KES50.08 billion and special dividend of KES24.84 billion. Vodacom's share = R2.3 billion¹ and R1.1 billion¹

1. @ 6.99 KES/ZAR, net of withholding tax

IFRS 16 : Leases adoption

	IAS 17	IFRS 16	Effect
Balance sheet	<ul style="list-style-type: none"> Lease smoothing receivable/payable 	<ul style="list-style-type: none"> Recognise right of use asset Recognise lease liability 	<ul style="list-style-type: none"> R8.8bn – R9.3bn R9.0bn – R9.6bn 1 April 2019
Income statement	<ul style="list-style-type: none"> Operating lease on straight line basis in EBITDA 	<ul style="list-style-type: none"> Depreciation on right of use asset Interest expense on lease liability (Below EBITDA/EBIT) 	EBITDA and EBIT up
Cash flow	<ul style="list-style-type: none"> Lease payment in operating activities 	<ul style="list-style-type: none"> Lease payment in financing activities 	Geography change
Net debt/EBITDA	<ul style="list-style-type: none"> Operating lease payment in EBITDA 	<ul style="list-style-type: none"> Depreciation finance cost excluded from EBITDA Higher net debt 	0.2x – 0.3x higher

Targets | Updated to include Safaricom interest and new accounting standards

Group service revenue

Mid-single digit

Group operating profit*

(Previously EBIT)

Mid-to-high single digit

Group capital intensity

13.0% to 14.5% of Group revenue



These targets are on average, over the next three years and are on a reported basis in constant currency, excluding spectrum purchases, exceptional items and any merger and acquisition activity. Targets are based on IFRS 15 disclosure, as well as the prospective adoption of IFRS16 : Leases.

* In the first year, if normalising for the prior year one off BEE charge of R1.4 billion which is now in the base, we expect to remain in the target range.

Key priorities

Spectrum

Digital Vodacom

Data growth

**Financial Services
growth**

New platforms

Partnerships



Q&A

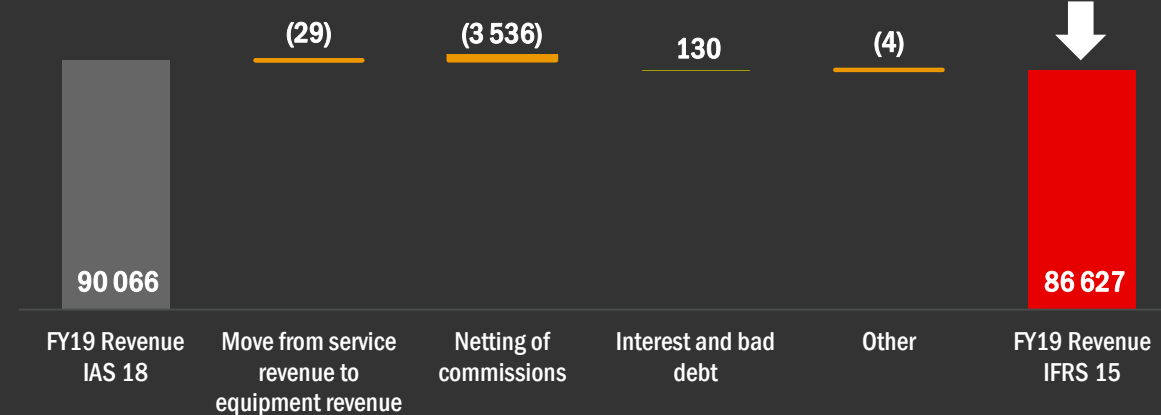


Appendix

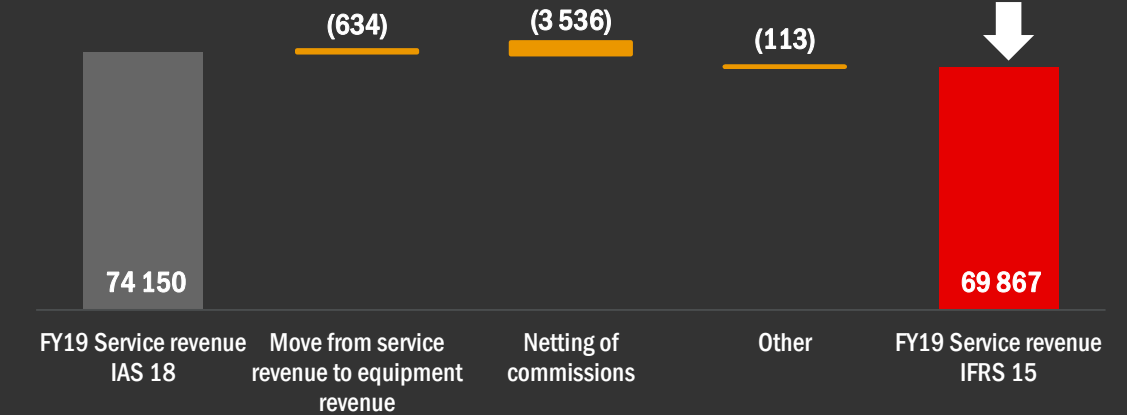


Bridge | IAS 18 – IFRS 15 Revenue of contracts with customers

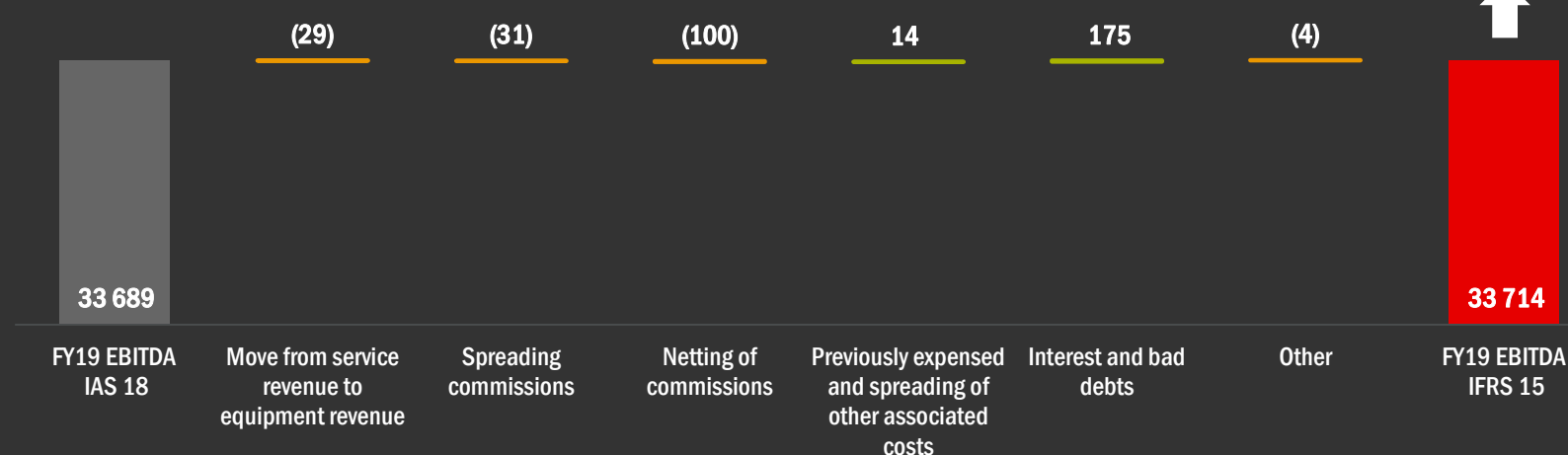
// Revenue R million



// Service revenue R million



// EBITDA R million



- R3.5 billion amortisation charges netted against service revenue
- R3.4 billion cost was recognised as contract asset

Key transformational milestone | BEE

// Why YeboYethu is consolidated

- YeboYethu separate legal entity
- No direct ownership by Vodacom Group
- New deal created to manage Vodacom Group's BEE ownership credentials
- Unsecured funding from Vodacom Group
- External funding secured by Vodacom Group shares
- IFRS 10 – Consolidation required

Vodacom SA

- Unwind of previous deal results in Vodacom South Africa 100% owned by Vodacom Group

// Additional costs

Non-recurring costs

Non-deductible, non-recurring IFRS 2 charge

R1 404 million

Transaction costs

R124 million

Recurring costs

External preference shares
R4 654 million at 6.97% p.a

- Finance costs

c.R324 million (p.a.)

Employee share scheme
R921 million over 5 years

c.R241 million (y1 -3)

c.R138 million (y4)

c.R61 million (y5)

Country data

	South Africa	Tanzania	DRC	Mozambique	Lesotho	Safaricom
Population [‡] (million)	58	61	87	31	2	52
GDP per capita [‡] (USD)	91 471	1 028	586	464	1 133	1 836
GDP growth estimate [‡] 2019 (%)	1.3	6.5	4.5	3.7	1.0	5.2
Ownership (%)	100	61.61 [§]	51	85	80	34.94 [‡]
Licence expiry period	2029	2031	2028/2032/2026/ 2021/2038 [‡]	2038	2036	2022/2024/2026 [∞]
Customers (thousand)	43 166	14 133	12 180	6 843	1 464	31 845
ARPU (rand/month)	95 ^Δ	36 ^Δ	41 ^Δ	55 ^Δ	66 ^Δ	88 ^β
ARPU (local currency/month)	95 ^Δ	6 027 ^Δ	3.0 ^Δ	246 ^Δ	66 ^Δ	658 ^β
Minutes of use per month	121	172	36	136	74	n/a

[‡] The Bureau of Economic Research for SA and Business Monitor International for all other countries (Extraction date: 18 April 2019).

[‡] GDP per capita in ZAR for SA.

[§] In August 2017 Vodacom Tanzania Plc was successfully listed on the Dar Es Salaam Stock exchange and 25% of the company was put on IPO, thereby diluting the Vodacom Group shareholding in the company.

[‡] Vodacom Group Limited owns 87.5% of Vodafone Kenya Ltd, which in turn holds 39.93% of Safaricom Plc, giving Vodacom an effective holding in Safaricom of 34.94%.

[‡] 2028 (2G licence), 2032 (3G licence), 2026 (wimax licence) and 2021 (VSAT licence), 2038 (4G licence).

[∞] 2022 (3G licence), 2024 (2G licence), 2026 (4G licence)

^Δ Total ARPU is calculated by dividing the average monthly service revenue (including fixed line and other service revenue) by the average monthly customers during the period.

^β Total ARPU is calculated by dividing the average monthly service revenue (excluding fixed line and other service revenue) by the average active monthly customers during the period.

Impact of foreign exchange

// Revenue

YoY % growth

FY19	Reported	Normalised*
South Africa	1.9	1.9
International	14.4	9.1
Group	4.3	3.2

// Service revenue

YoY % growth

FY19	Reported	Normalised*
South Africa	2.1	2.1
International	15.6	10.3
Group	5.0	3.8

// Average YTD exchange rates

	FY19	FY18	% change
USD/ZAR	13.76	12.99	5.9
ZAR/MZN	4.42	4.73	(6.6)
ZAR/TZS	166.81	172.92	(3.5)
EUR/ZAR	15.92	15.19	4.8
ZAR/KES	7.36	7.95	(7.4)

// EBITDA

YoY % growth

FY19	Reported	Normalised*
South Africa	(1.3)	(1.1)
International	26.8	21.0
Group	2.4	2.3

* Normalised growth which presents performance on a comparable basis. This excludes merger and acquisition activity, trading forex and adjusting for foreign currency fluctuation on a constant currency basis (using the current period as base).

Definitions

Customers	Customers are based on the total number of mobile customers using any service during the last 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.
Data customers	Data customers are based on the number of unique users generating billable data traffic during the month. Also included are users on integrated tariff plans, or who have access to corporate APNs, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month.
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 and amortisation, impairment losses, profit/loss on disposal of investments, property, plant and equipment, and intangible assets, profit/loss from associate and joint venture, restructuring cost and BEE income/charge.
EBIT	Earnings before interest and taxation, impairment losses, profit/loss on disposal of investments, property, plant and equipment, and intangible assets, profit/loss from associate and joint venture, restructuring cost and BEE income/charge.
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 and movements in amounts due to M-Pesa account holders.
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 (Mauritius) and Vodacom Business Africa Group (Pty) Limited and its subsidiaries.
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 growth (*)	Normalised growth which presents performance on a comparable basis. This excludes merger and acquisition activity, trading forex and adjusting for foreign currency fluctuation on a constant currency basis (using the current period as base).
Operating free cash flow	Cash generated from operations less additions to property, plant and equipment and intangible assets other than licence and spectrum payments and purchases of customer bases, net of proceeds on disposal of property, plant and equipment and intangible assets, other than license and spectrum payments and disposals of customer bases.
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.

Forward-looking statements

This presentation which sets out the annual results for Vodacom Group Limited for the year ended 31 March 2019 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.

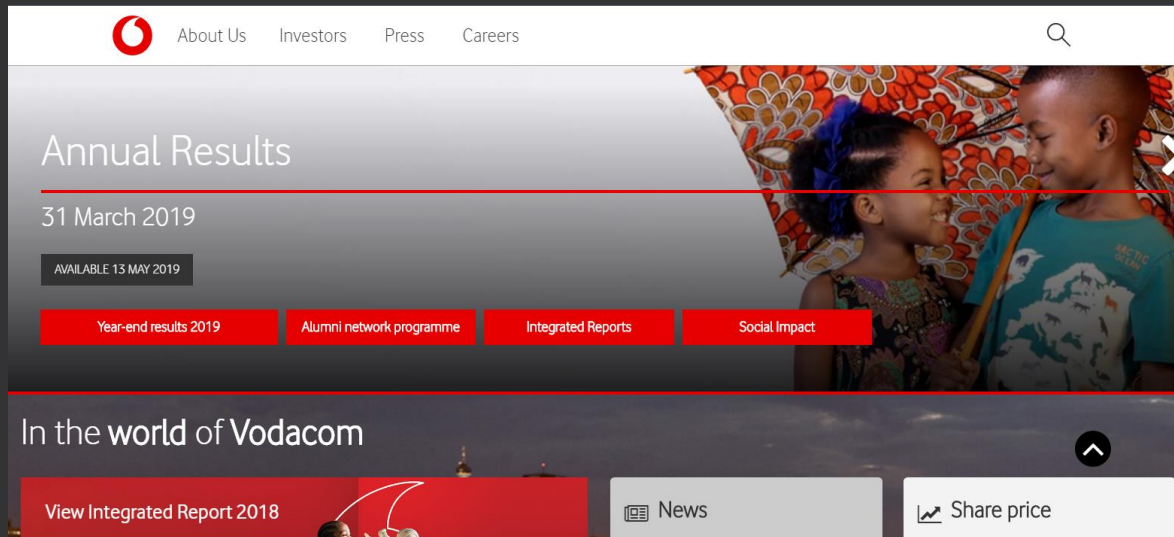
Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "anticipates", "aims", "could", "may", "should", "expects", "believes", "intends", "plans" or "targets" (including in their negative form). By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group; greater than anticipated competitive activity; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers; the Group's ability to expand its spectrum position or renew or obtain necessary licences; the Group's ability to achieve cost savings; the Group's ability to execute its strategy in fibre deployment, network expansion, new product and service roll-outs, mobile data, Enterprise and broadband; changes in foreign exchange rates, as well as changes in interest rates; the Group's ability to realise benefits from entering into partnerships or joint ventures and entering into service franchising and brand licensing; unfavourable consequences to the Group of making and integrating acquisitions or disposals; changes to the regulatory framework in which the Group operates; the impact of legal or other proceedings; loss of suppliers or disruption of supply chains; developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account when determining levels of dividends; the Group's ability to satisfy working capital and other requirements; changes in statutory tax rates or profit mix; and/or changes in tax legislation or final resolution of open tax issues.

All subsequent oral or written forward-looking statements attributable to the Group or any member thereof or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statements above and below. Vodacom expressly disclaims any liability in respect of the content of any forward looking statement and also expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein or to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based.

More information

Visit our website for more information

<http://www.vodacom.com>



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FY20 upcoming dates



Integrated report live
14 June 2019

AGM
23 July 2019

Q1 results
25 July 2019

Interim results
11 November 2019