VODACOM GROUP (PROPRIETARY) LIMITED

ANNUAL FINANCIAL RESULTS

for the year ended March 31

2007

The World... Connected

vodacom

Operational highlights

Alan Knott-Craig

Chief Executive Officer

Group highlights

For the year ended March 31, 2007 vs. prior year

Total customers (SIM cards) 30.2 million 28.2% ↑	**Revenue** R41.1 billion 20.9% ↑	**Profit from operations** R10.9 billion 22.5% ↑
EBITDA R14.2 billion 20.5% ↑	**Net profit after tax** R6.6 billion 27.6% ↑	**Dividends** R5.4 billion 20.0% ↑

High gross connections: increase of 31.5% year on year to 15.6 million

South Africa

		2007
Total customers	20.1%	23.0 million
Gross connections	18.8%	10.9 million
Churn %	16.1 pts	33.8%
Estimated mobile penetration %	13 pts	84%
Profit from operations	19.7%	R10.3 billion

Tanzania

	Change	2007
Total customers	↑ 55.3%	3.2 million
Gross connections	↑ 54.6%	2.1 million
Churn %	↑ 7.1 pts	35.6%
Estimated mobile penetration %	↑ 7 pts	16%
Profit from operations	↑ 31.6%	R346 million

Democratic Republic of Congo (DRC)

		2007
• Total customers	↑ 67.5%	2.6 million
• Gross connections	↑ 89.2%	1.7 million
• Churn %	↑ 2.3 pts	30.4%
• Estimated mobile penetration %	↑ 3 pts	9%
• Profit from operations	↑ 136.8%	R277 million

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Lesotho

		2007
Total customers	▲ 35.4%	279 thousand
Gross connections	▲ 21.4%	119 thousand
Churn %	▼ 3.3 pts	19.0%
Estimated mobile penetration %	▲ 4 pts	17%
Profit from operations	▲ 47.1%	R75 million

Mozambique

		2007
• Total customers	101.6%	988 thousand
• Gross connections	133.0%	797 thousand
• Churn %	9.5 pts	41.7%
• Estimated mobile penetration %	6 pts	14%
• Loss from operations	22.9%	R177 million
• Loss from operations (excluding impairment)	21.8%	R154 million

Pillars for continued growth

Loyalty programmes

South Africa

- Contract:
  - Onyx/Platinum
  - Credit card
- Prepaid:
  - Yebo Millionaires
  - Vodacom Talking Points

Mozambique

- VodaMail: Free e-mail service to contract customers
- Bazza uau!: prepaid tariff rewarding customers for receiving calls
- Bazza bonus: rewarding previous day's spend with free airtime
- 60+: free SMSs for long duration calls

Innovative non-voice products and tariffs

Vodafone live!, 3G/HSDPA

- Offer fast reliable and low priced wireless data product
- Over 899 thousand Vodafone live! users
- Over 139 thousand 3G/HSDPA users

Data revenue

Mobile TV/DVB-H

- Over 33 thousand Mobile TV users
- Enter broadcasting / multimedia market
- Access content through commercial arrangement
- 22 TV channels

Tanzania launched 3G/HSDPA during the year

Future offerings

- Business customer needs:
  - offering full service to corporate customers
  - ISP services
  - WiMax
  - VPNs
- Digital Satellite Pay TV
- Personal services and telemetry

Data revenue as a % of service revenue

Expansion of distribution and support channels

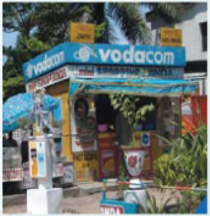
Further improve level of customer care and quality of service

Distribution channels

- Vodaworld cellular mall – biggest contract connection centre
- Branded franchised store points
- Dual service providers
- Informal channels
- Community service containers
- Strong relationships with the distribution channels

Support channels

- Dedicated data stores
  IT support
- Vodacare stores
- Walk-in customer care centres



Brand leadership

Voted most popular telecommunications brand and second most recognised brand after Coca-Cola (Markinor/Sunday Times Top Brands)

Black Economic Empowerment (BEE)

BEE

- Being aligned with the DTI Codes of Good Practice
- Implementation of the ICT Sector Code projected for end of 2007
- Vodacom is developing a BEE transaction which will be completed towards the end of the year, enabling employees and BEE partners to share in the success of the business
- May well be one of the largest BEE equity transactions in South Africa (capped at R7.5 billion)

Regulation

Regulation

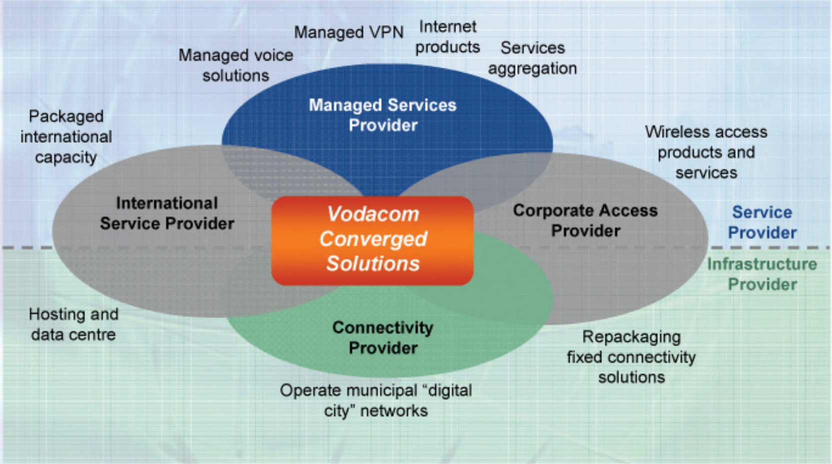
- New licence regime/ECA
  - Will bring new players into the market
  - Facilitates MVNO access to market
  - Vodacom will be converting its licences into an electronic communications network and an electronic communications service licence
  - Converting licences to new framework may be lengthy and complex
- Customer registration legislation and MNP
  - Affects informal distribution channel
  - Remains threat to industry
  - Government re-evaluating introduction
  - Vodacom pro-active in commencing registration process
  - MNP had no major impact as less than 1% of Vodacom customers utilised it
    - Contract: 4,283 (net porting in)
    - Prepaid: (10,301) (net porting out)
- Reduction in mobile termination rates
  - Pro-actively engaged with regulator

Acquisitions

Acquisitions

- Increased equity of Smartphone SP (Pty) Ltd from 51% to 70% on August 30, 2006
- Effective September 13, 2006, Vodacom Service Provider Company (Pty) Ltd acquired the contract customer base of approximately 160 thousand from Smartcom (Pty) Ltd
- Acquired a 10% stake in iBurst through the WBS acquisition, with a further option to acquire 15.5%
- In order to ensure growth within our area of focus, Vodacom made investments in companies such as:
  - G-Mobile Holdings Ltd (Wi-Fi business)
  - Gogga Tracking Solutions (Pty) Ltd (Wi-Fi business)

Way forward


Managed VPN
Internet products
Services aggregation
Managed voice solutions
Managed Services Provider
Packaged international capacity
Wireless access products and services
International Service Provider
Vodacom Converged Solutions
Corporate Access Provider
Service Provider
Infrastructure Provider
Hosting and data centre
Connectivity Provider
Repackaging fixed connectivity solutions
Operate municipal "digital city" networks

Way forward (continued)

- Grow and consolidate current business
- Focus on improving customer service and loyalty
- Focus on data growth
- Continue to seek financially viable opportunities in Africa
- Seek out new associated business opportunities in South Africa
- Gear up to provide total converged solutions to Corporates

Financial review

Leon Crouse

Chief Financial Officer

Group income statement

Extracts for the year ended March 31,

R million	2005	2006	2007	% change
Revenue	**27,315**	**34,043**	**41,146**	**20.9%**
Operating expenses excluding depreciation, amortisation and impairment	(17,725)	(22,234)	**(26,919)**	(21.1%)
EBITDA	9,590	11,809	**14,227**	20.5%
Depreciation and amortisation	(2,844)	(2,996)	**(3,361)**	(12.2%)
Impairment	(268)	53	**(23)**	(143.4%)
Profit on sale of investments	-	-	**17**	>200%
Profit from operations	6,478	8,866	**10,860**	22.5%
Net finance (costs) / income	(106)	(119)	**(295)**	(147.9%)
IAS revaluations	130	(520)	**(169)**	67.5%
Profit before tax	6,502	8,227	**10,396**	26.4%
Taxation	(2,614)	(3,084)	**(3,836)**	(24.4%)
Net profit	**3,888**	**5,143**	**6,560**	**27.6%**

Effective tax rate 36.9% vs. 37.5% prior year

Group operational indicators

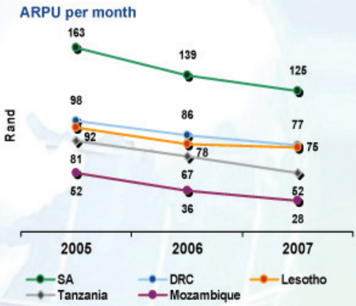
- Gross connections up 31.5% year on year to a record high of 15.6 million
- Customers up 28.2% year on year to 30.2 million
- Total traffic in South Africa increased by 19.4% year on year to 20.4 billion minutes

Gross connections

Closing customers

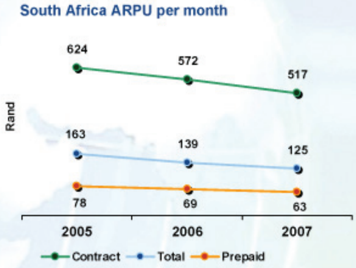
ARPU by country

- Declining ARPUs
- SA decreased 10.1% to R125
- DRC decreased 10.5% to R77
- Lesotho decreased 3.8% to R75
- Tanzania decreased 22.4% to R52
- Mozambique decreased 22.2% to R28
- Vodacom Group consolidated ARPU decreased 12.6% year on year from R127 to R111



South Africa ARPU

- Contract ARPU decreased 9.6% year on year to R517
- Prepaid ARPU decreased 8.7% year on year to R63
- Total ARPU decreased 10.1% year on year to R125
- Lower incoming revenue per customer
- Lower average usage
- Customer mix



Group revenue
By country

R million	2005	2006	2007	% change
South Africa, including holding companies	25,041	31,069	**37,007**	19.1%
Tanzania	959	1,312	**1,729**	31.8%
DRC	1,075	1,334	**1,914**	43.5%
Lesotho	137	170	**227**	33.5%
Mozambique	103	158	**269**	70.3%
	27,315	**34,043**	**41,146**	**20.9%**

- **Revenue driven by strong customer growth**
- **Non-South African operations contributing 10.1% (2006: 8.7%)**

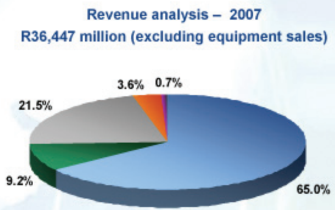
Group revenue
Revenue composition

R million	2005	2006	2007	% change
Airtime, connection & access	16,191	20,085	**23,708**	18.0%
Data	1,340	2,038	**3,342**	64.0%
Interconnection	5,924	6,697	**7,835**	17.0%
Equipment sales	2,687	3,986	**4,699**	17.9%
International airtime	887	971	**1,306**	34.5%
Other sales and services	286	266	**256**	(3.8%)
	27,315	**34,043**	**41,146**	**20.9%**

Revenue growth, excluding equipment sales was 21.3%

Group revenue (excluding equipment sales)

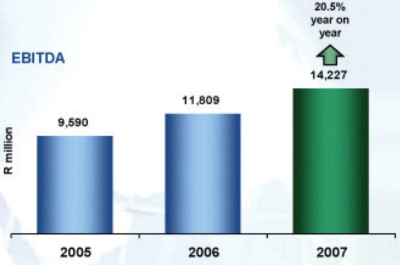
By revenue type

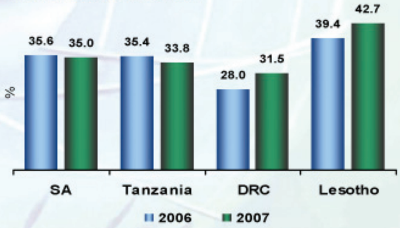


- Airtime contribution down 1.8% points to 65.0%
- Interconnect contribution down 0.8% points to 21.5%
- Data contribution up 2.4% points to 9.2% (data revenue 9.4% of service revenue)

EBITDA and margin analysis

- EBITDA performance
  - Increased 20.5% year on year to R14.2 billion
  - EBITDA margin decreased 0.1% points year on year to 34.6%
  - EBITDA margin 39.9%, when excluding cellular phone and equipment sales
- South Africa EBITDA
  - Increased 17.3% year on year to R13.0 billion
  - EBITDA margin decreased 0.6% points year on year to 35.0%
- EBITDA for non-South African operations
  - Increased 56.6% year on year to R1.2 billion
  - Non-South African operations contributed 8.5% of total vs. 6.6% for the same period in the previous financial year
  - Mozambique EBITDA is negative R69 million
  - Tanzania EBITDA margin decreased: increase in excise duty on airtime of 40%; drought; power





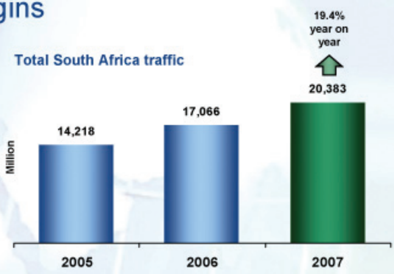
Group profit from operations
By country

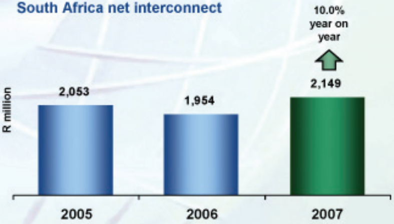
R million	2005	2006	2007	% change
South Africa	6,618	8,602	**10,293**	19.7%
Tanzania	183	263	**346**	31.6%
DRC	50	117	**277**	136.8%
Lesotho	25	51	**75**	47.1%
Mozambique	(454)	(144)	**(177)**	(22.9%)
Holding companies	56	(23)	**46**	>200%
	6,478	**8,866**	**10,860**	**22.5%**
Profit from operations margin (%)	23.7%	26.0%	**26.4%**	**0.4% pts**

- **Customer growth of 28.2% to 30.2 million**
- **Revenue growth of 20.9% vs. operating expenses growth of 20.3%**

Factors affecting trends and margins

- South Africa traffic mix
  - Outgoing traffic increased 20.1% year on year to 13.6 billion minutes:
    - Outgoing fixed increased by 2.6% to 1.2 billion
    - Outgoing mobile increased by 22.2% 12.4 billion
  - Incoming traffic increased 18.1% year on year to 6.7 billion minutes:
    - Incoming fixed increased by 3.0% to 2.4 billion
    - Incoming mobile increased by 29.1% to 4.3 billion
  - Mobile to mobile traffic increased by 23.9% to 16.7 billion minutes
  - Mobile/fixed traffic increased by 2.9% to 3.7 billion minutes
- A 20% reduction in average mobile termination rates will reduce profit from operations by approximately R430 million

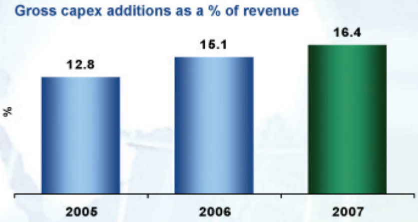


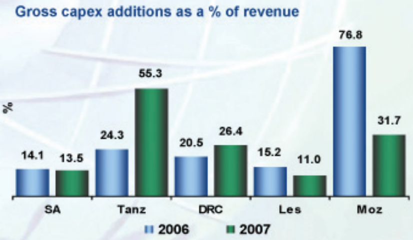


Productivity measures

- Consolidated customers per employee

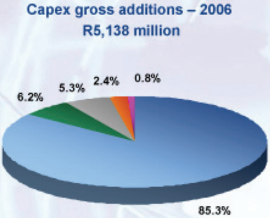
  Increased 18.2% year on year to 5,093 based on 5,920 employees
- Consolidated gross capex additions as a % of revenue increased to 16.4% from 15.1% for the same period in the previous financial year
  - Investment in new technologies
  - Increased capacity for data and voice
- Gross capex additions was R6.7 billion vs. R5.1 billion in the previous financial year

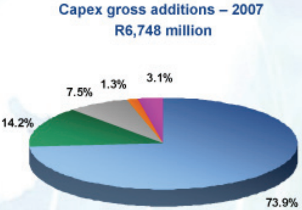




Capex additions and composition

Including software



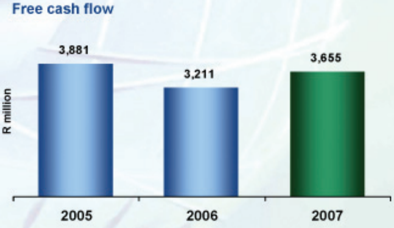


- South Africa
- Tanzania
- DRC
- Mozambique
- Lesotho and holding companies

- **South Africa capex gross additions increased by 13.9% to R5.0 billion**
- **Non-South African capex additions increased by 113.1% to R1.6 billion**

Cash generation

- EBITDA increased by R2.4 billion
- Cash generated from operations increased by 25.0% to R13.9 billion
- Free cash flow increased 13.8% to R3.7 billion



Debt composition

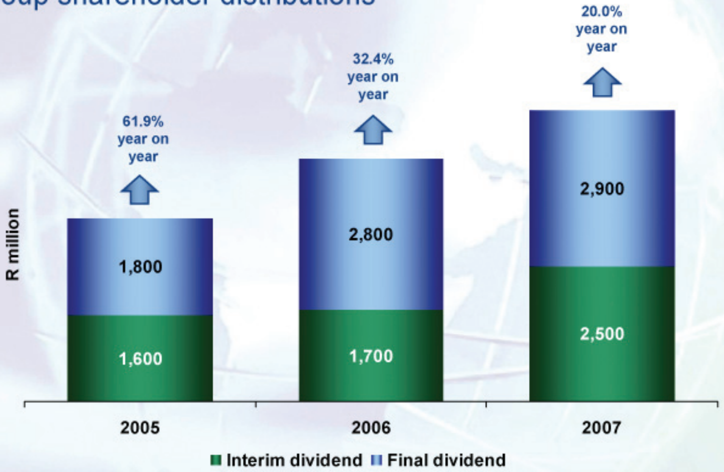
Gross debt composition including bank overdrafts – 2006 R3,855 million

Gross debt composition including bank overdrafts– 2007 R3,435 million

■ ZAR denominated ■ Foreign denominated

- Net debt: R2,664 million (2006: R709 million)
- Net debt to equity ratio 27.6% (2006: 8.2%)
- Adjusting for dividends and STC on dividends payable: net debt to equity ratio of 72.8% (2006: 50.5%)
- Net debt to EBITDA ratio 18.7% (2006: 6.0%)

Group shareholder distributions



The level of future dividend payments is dependent on the extent of investment activities

Questions?

Group balance sheet

Extracts at March 31,

R million	2005	2006	2007	% change
ASSETS				
Non-current assets	13,889	16,079	**20,844**	29.6%
Current assets	8,706	8,689	**7,626**	(12.2%)
Total assets	**22,595**	**24,768**	**28,470**	**14.9%**
EQUITY AND LIABILITIES				
Capital and reserves	7,888	8,672	**9,647**	11.2%
Non-current liabilities	3,233	2,236	**3,812**	70.5%
Current liabilities	11,474	13,860	**15,011**	8.3%
Total equity and liabilities	**22,595**	**24,768**	**28,470**	**14.9%**

Group cash flow statement

Extracts for the year ended March 31,

R million	2005	2006	2007	% change
Cash generated from operations	10,012	11,090	**13,866**	25.0%
Net cash flows from operating activities	**4,150**	**4,501**	**4,858**	**7.9%**
Net cash flows utilised in investing activities	**(3,374)**	**(4,791)**	**(6,584)**	**(37.4%)**
Net cash flows utilised in financing activities	**(195)**	**(107)**	**(200)**	**(86.9%)**
Net increase in cash and cash equivalents	**581**	**(397)**	**(1,926)**	**(>200%)**
Cash and cash equivalents at the beginning of the year	1,598	2,173	**1,760**	(19.0%)
Effect of foreign exchange rate changes	(6)	(16)	**58**	>200%
Cash and cash equivalents at the end of the year	**2,173**	**1,760**	**(108)**	**(106.1%)**

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