



Annual results presentation

31 March 2011



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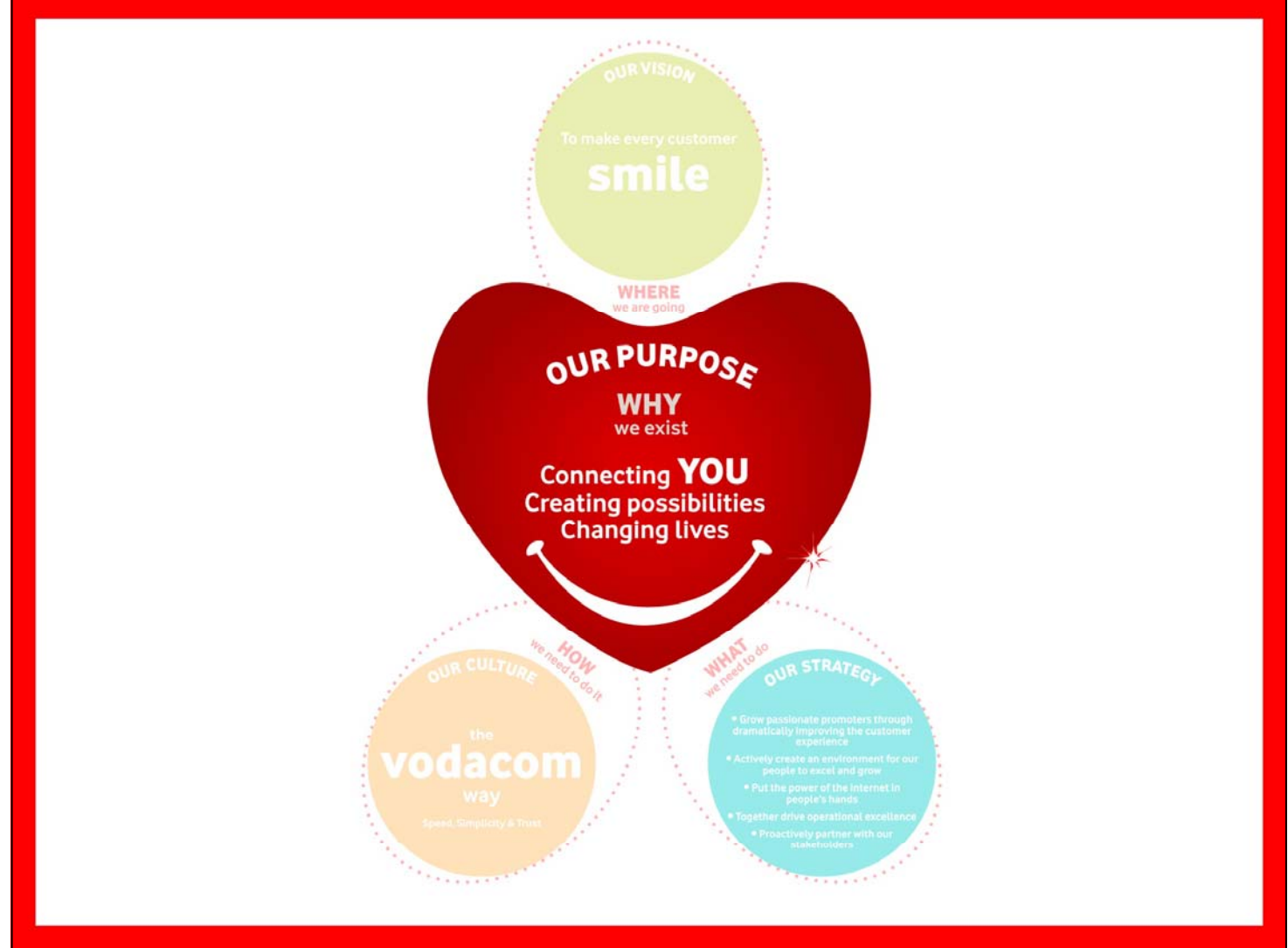
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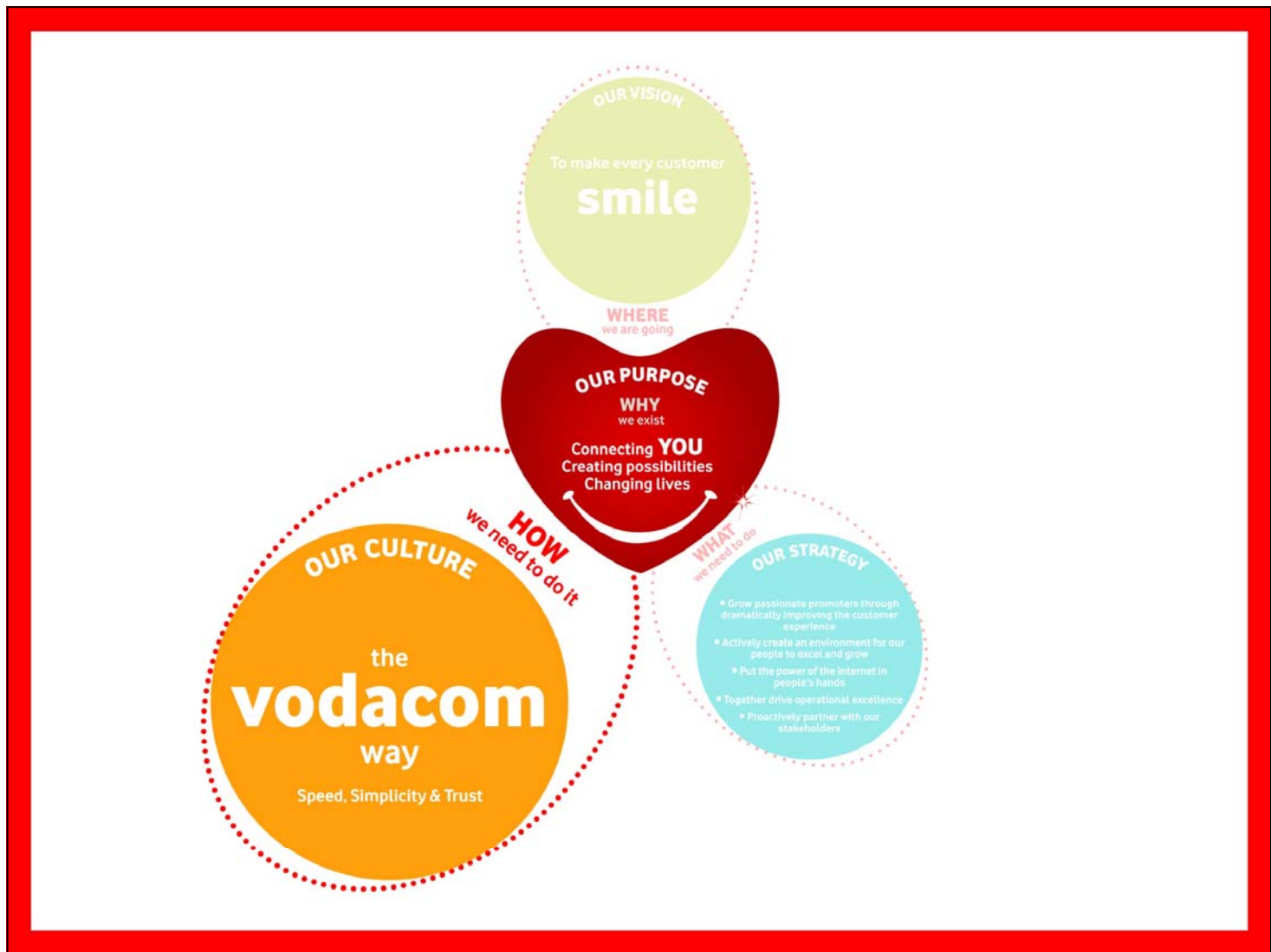
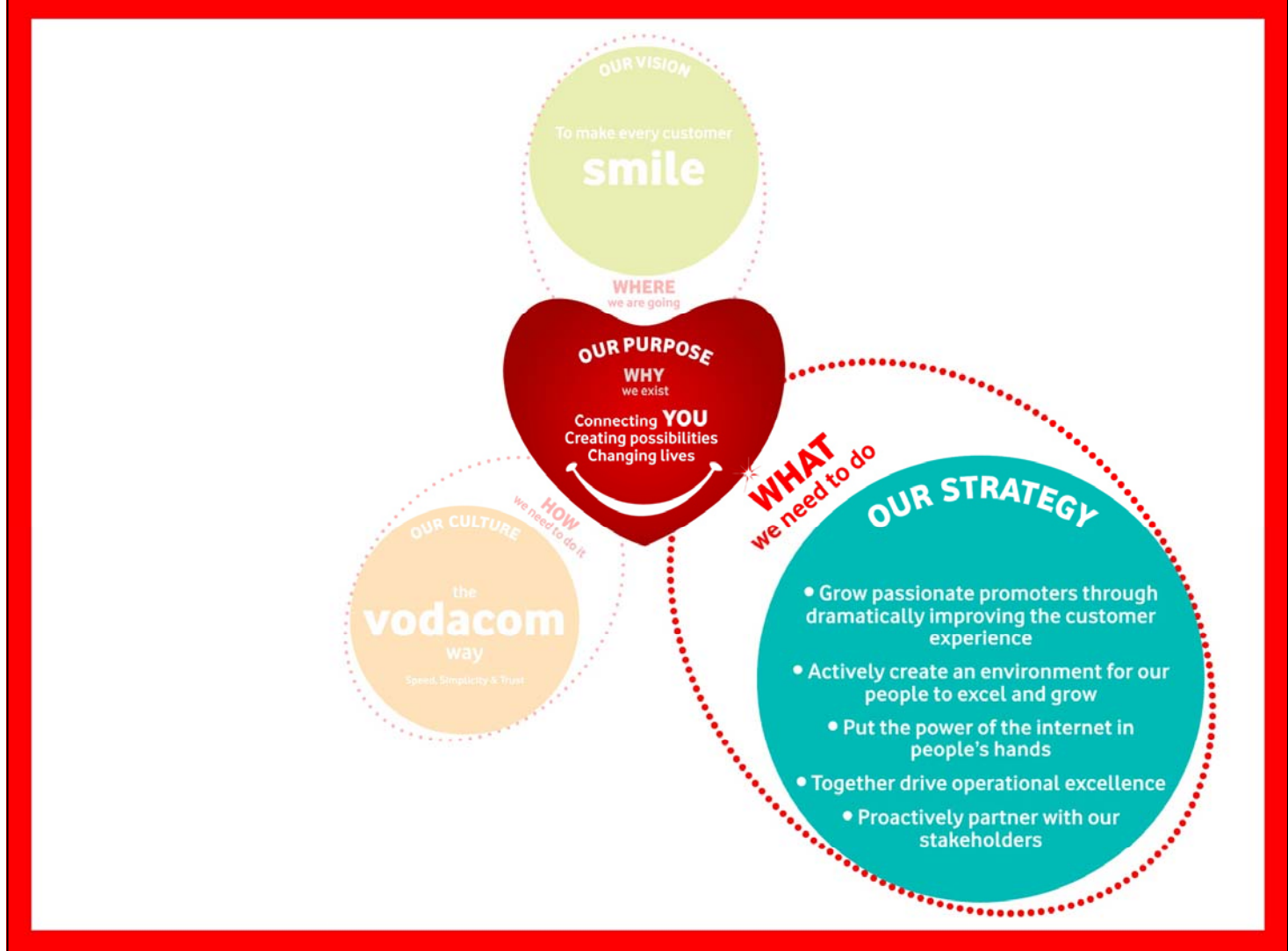
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WHERE
we are going



Delivery on strategy

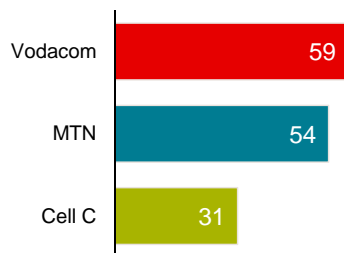
#1: Dramatically improve the customer experience

- Adopted NPS as our number one measure across the Group
- Executive involvement in customer focus groups and customer days
- Steps taken to improve customer touch points
- High level of promotional activities and more value added for customers
- 'Change the World' and 'Red Alert' initiatives launched with customers



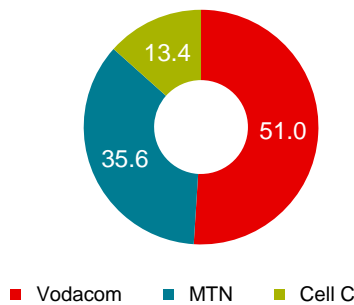
SA Net Promoter Score

Rolling 3 month average at 31 March 2011



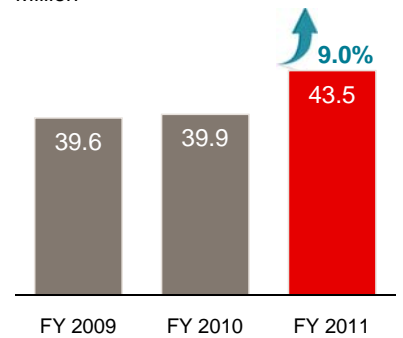
SA net active customer additions

% 6 months to 31 December 2010



Group mobile customers

Million



Source : Synovate



#2: High level of employee engagement

- People Survey framework and measures rolled out in performance targets
- CEO engaged all employees on new strategy
- Tools to enable all employees to be better customer agents
- Investment in talent management and training
- Focused attention on health and safety



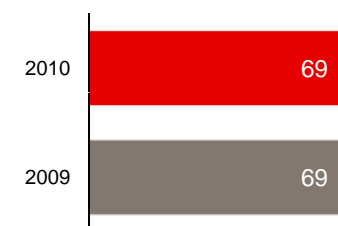
Engagement index



Manager index



Diversity and Inclusion index



Source : Key measures from the Vodacom People Survey



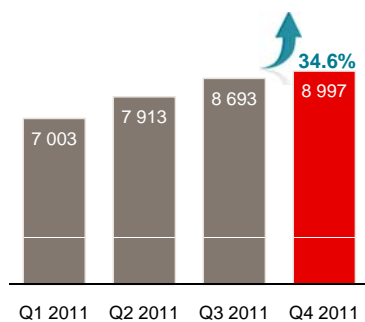
#3: Substantial investment in mobile data business

- Substantial 3G and fibre network investments
- Several new value offerings launched such as Night Owl
- Low cost smartphone retailing at just over \$100
- Internet Starter Pack and WebBox launched
- 2010 Broadband provider of the year (MyBroadband survey)

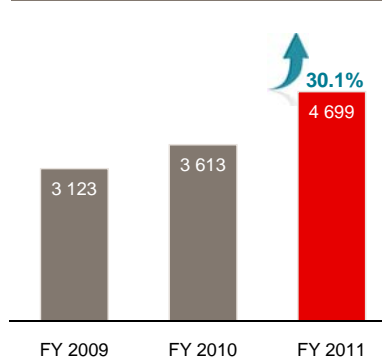


SA data customers

Thousands

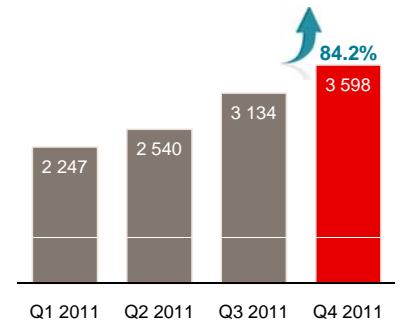


Group 3G base stations



SA active smartphones

Thousands



#4: Driving operational excellence across the Group

- Delivered on the R500 million cost efficiency programme
- Completed 3 217 base stations under RAN swap in South Africa
- Focused initiatives to simplify business processes
- Medium-term targets set for reduction in carbon footprint
- Group opex to service revenue¹ stable at 24.1%



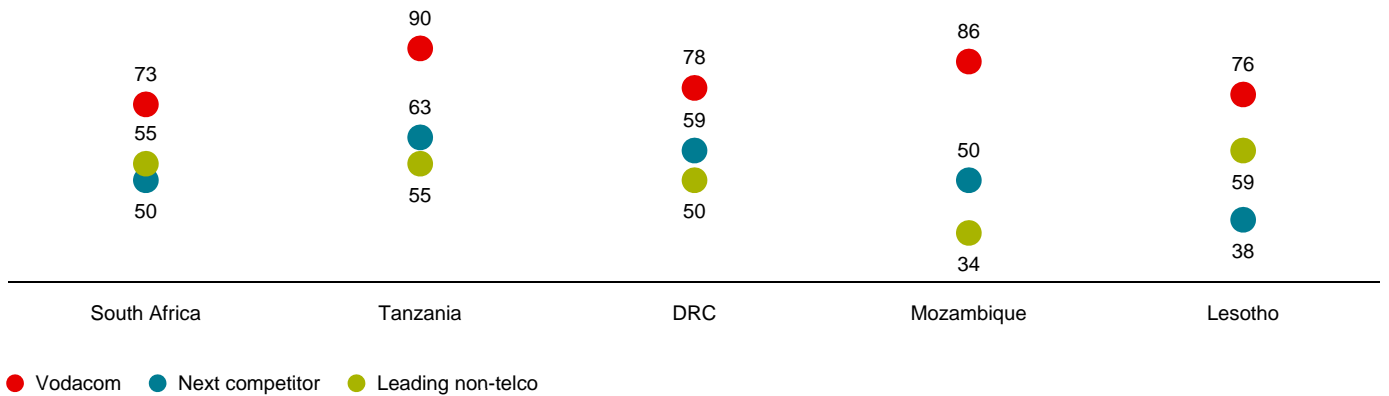
1. Operating expenses excluding direct expenses and trading foreign exchange

#5: Cementing partnerships for long-term value creation

- Completed first comprehensive Reputation Survey across the Group
- Rolled out measures to monitor stakeholder relations and reputation
- Three of the nine planned 21st Century Educator centres operational
- 1st overall Telco brand and 2nd best brand for Community Upliftment in South Africa (Markinor Sunday Times survey)



“Likelihood to recommend” score from Reputation Survey



Highlights



Highlights for the 2011 year

5.5%¹

Group service revenue

R54 052 million

35.5%

Group data revenue

R6 433 million

22.4%

Group free cash flow

R8 829 million

28.6%

Headline earnings per share

656 cents per share

61.4%

Total dividend for year

460 cents per share



1. Growth in constant currency



Financial review

Group income statement

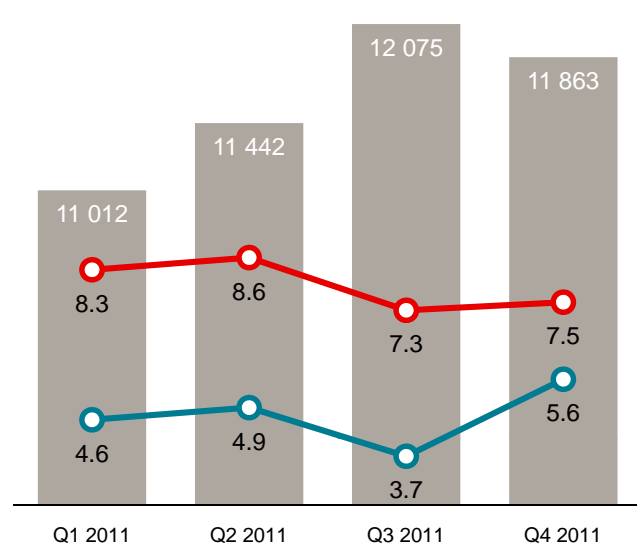
R million	FY 2011	FY 2010	% change
Service revenue	54 052	52 184	3.6
Revenue	61 197	58 535	4.5
EBITDA	20 594	19 782	4.1
Operating profit before impairment losses	15 204	14 608	4.1
Impairment losses	(1 508)	(3 370)	(55.3)
Operating profit after impairment losses	13 696	11 238	21.9
Net finance charges	(1 058)	(2 272)	(53.4)
Loss from associate	-	(21)	-
Profit before tax	12 638	8 945	41.3
Taxation	(4 659)	(4 745)	(1.8)
Net profit	7 979	4 200	90.0
Attributable to:			
Equity shareholders	8 245	4 196	96.5
Non-controlling interests	(266)	4	< (200.0)
HEPS (cents)	656	510	28.6
Weighted average shares in issue (million)	1 468	1 486	(1.2)



Solid service revenue growth

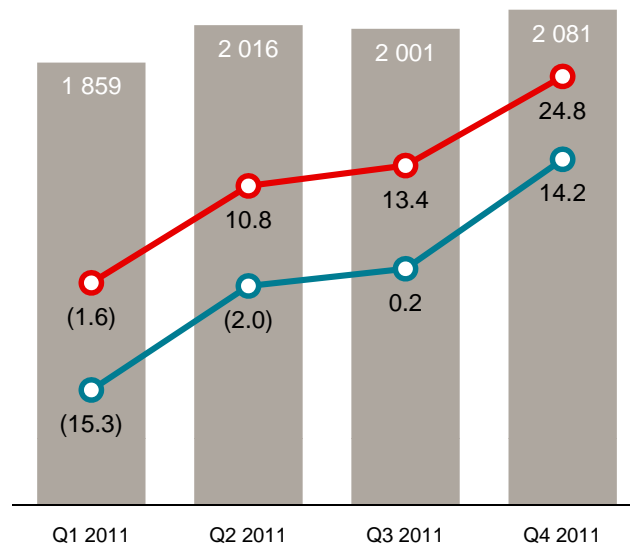
SA service revenue

R million/%



International service revenue

R million/%



Service revenue YoY growth YoY growth excl. MTR impact

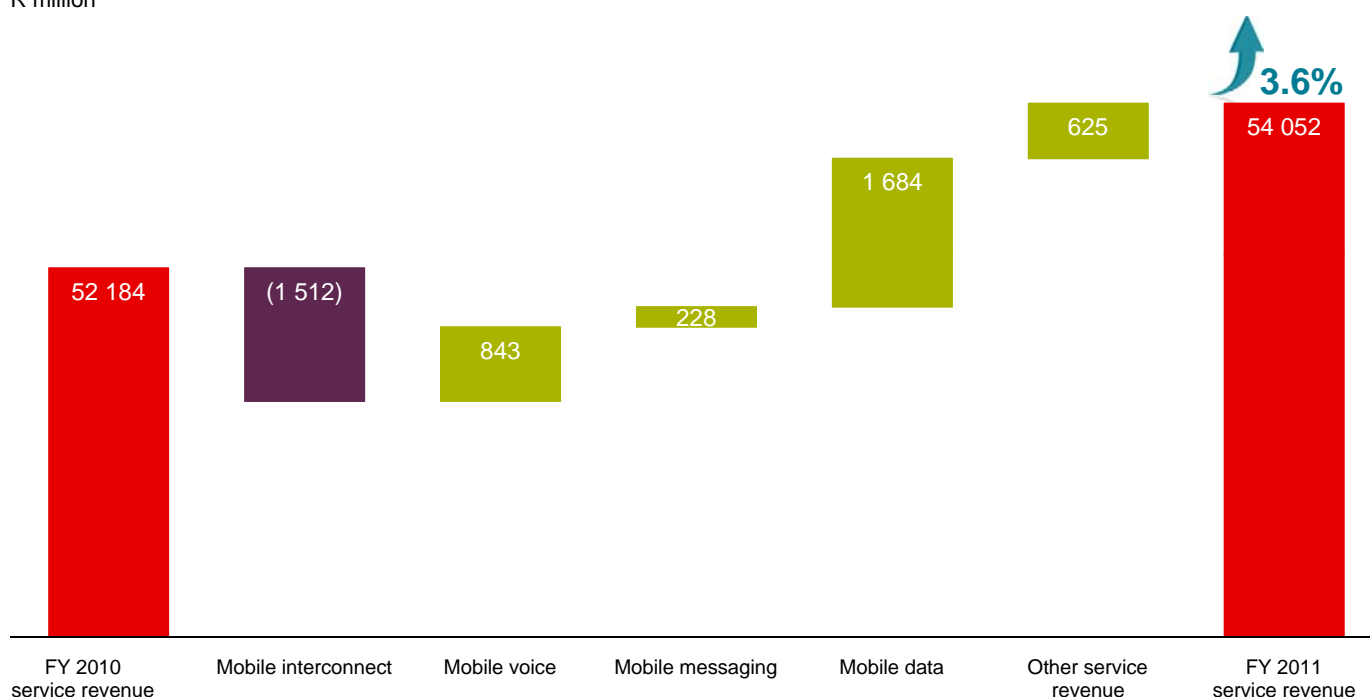
Service revenue YoY growth YoY constant currency growth



Strong growth in mobile data and voice usage

Group service revenue growth by category

R million



Group operating expenses well contained

Group operating expenses¹ by category

R million	FY 2011	%	% ²
Direct expenses	27 600	3.1	5.2
Staff expenses	4 024	3.8	6.9
Publicity expenses	2 086	12.9	16.6
Other operating expenses	6 928	10.3	11.0
Operating expenses¹	40 638	4.8	6.8

Group operating expenses¹ by segment

R million	FY 2011	%	% ²
South Africa	33 758	6.0	5.3
International	7 348	1.4	16.2
Corporate/eliminations	(468)	(44.9)	(43.1)
Operating expenses¹	40 638	4.8	6.8

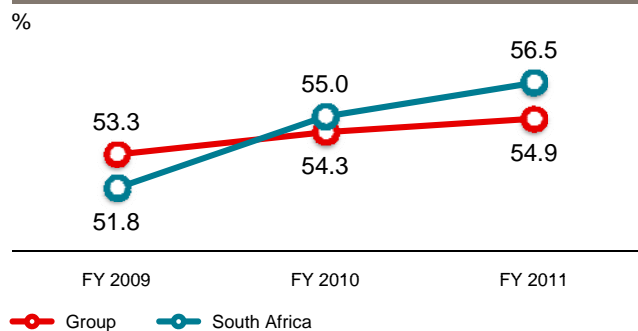
- Excluding MTR impact in South Africa, Group direct expenses increased 6.7%
- Excluding brand refresh expenses, Group publicity expenses increased 0.4%

- Cost growth of International MNO's was contained to 6.2%²

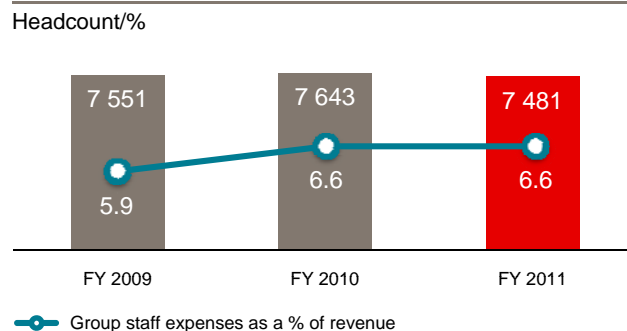
1. Excluding depreciation, amortisation and impairment losses
2. Excluding trading foreign exchange and at a constant currency

Delivered cost efficiency programme

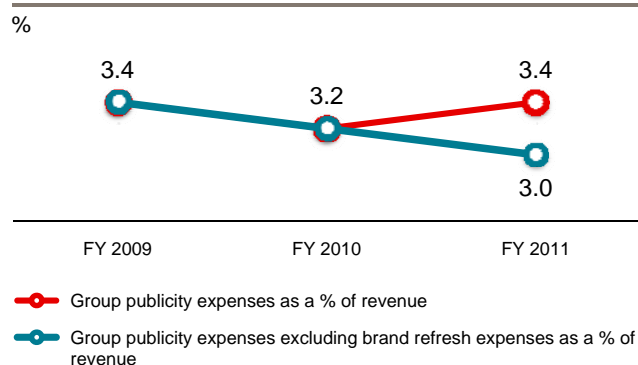
Improved contribution margin



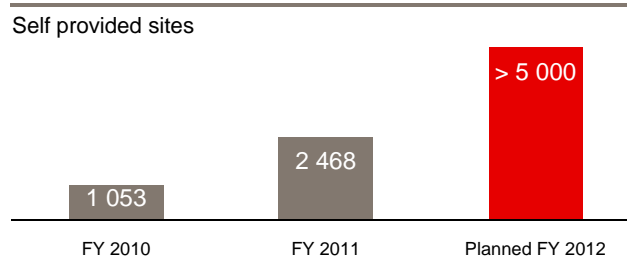
Group headcount reduced



Reduced sponsorship exposure



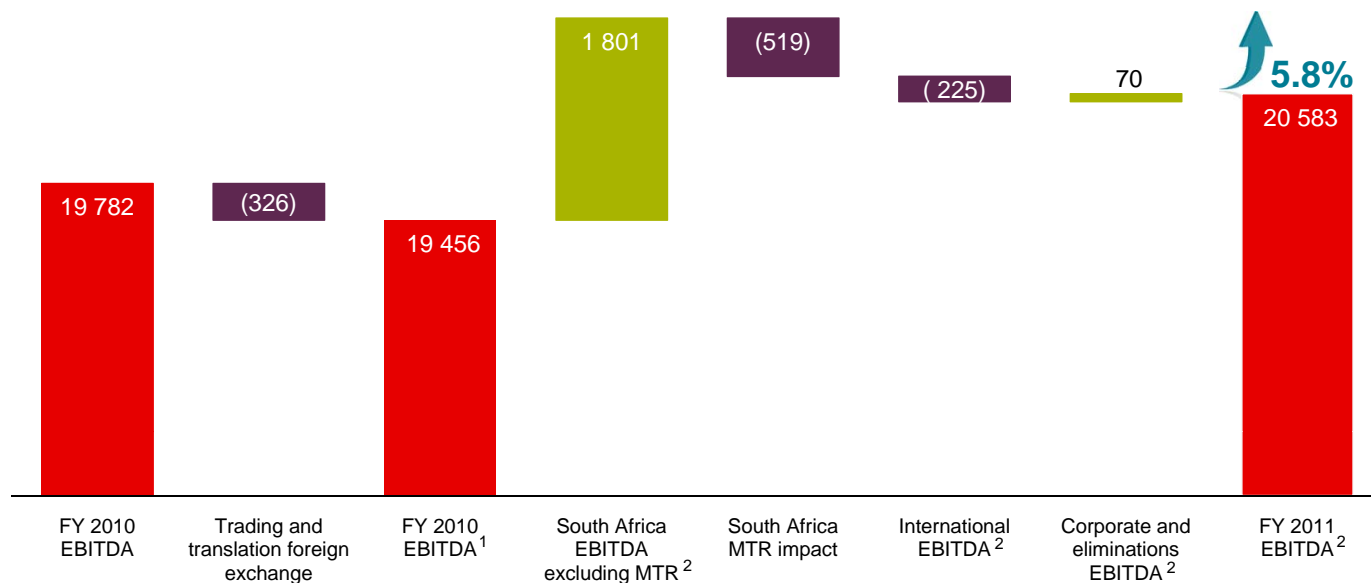
Network savings delayed



Group EBITDA increased 5.8% in constant currency

Group EBITDA

R million



1. Restated to 2011 foreign exchange rates and excluding trading foreign exchange
 2. Excluding trading foreign exchange and at a constant currency



Group finance charges reduced due to lower average debt

Group net finance charges

R million	FY 2011	% change
Net finance costs	(755)	(48.9)
Gain on remeasurement of loans	28	107.5
Loss on translation of foreign assets and liabilities	(131)	> 200.0
Loss on derivatives ¹	(164)	(58.6)
Other	(36)	n/a
Net finance charges	(1 058)	(53.4)
Average cost of debt (%)	7.7	(1.3ppt)

Group net debt

R million	FY 2011	FY 2010
Bank and cash balances	870	1 061
Bank overdrafts	(331)	(110)
Debt	(9 997)	(13 112)
Net debt	(9 458)	(12 161)
Net debt/EBITDA (times)	0.5	0.6
Average debt	(11 033)	(15 200)

- Fixed R3 billion of long-term debt at weighted average rate of 6.7% in December 2010

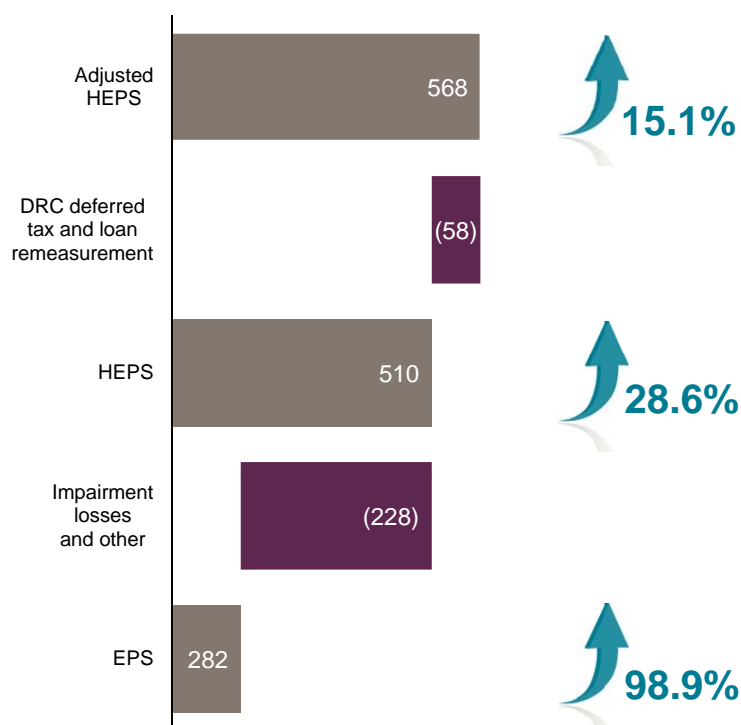
1. Mainly revaluation of foreign currency exchange contracts



Adjusted headline earnings per share increased 15.1%

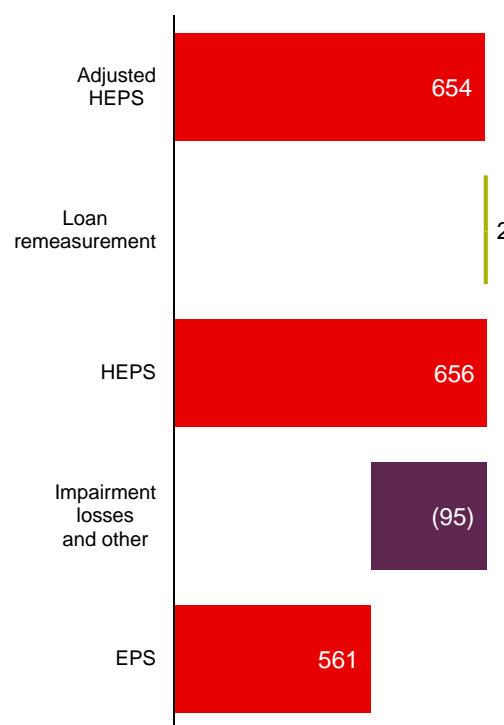
FY 2010 headline earnings per share

Cents per share



FY 2011 headline earnings per share

Cents per share



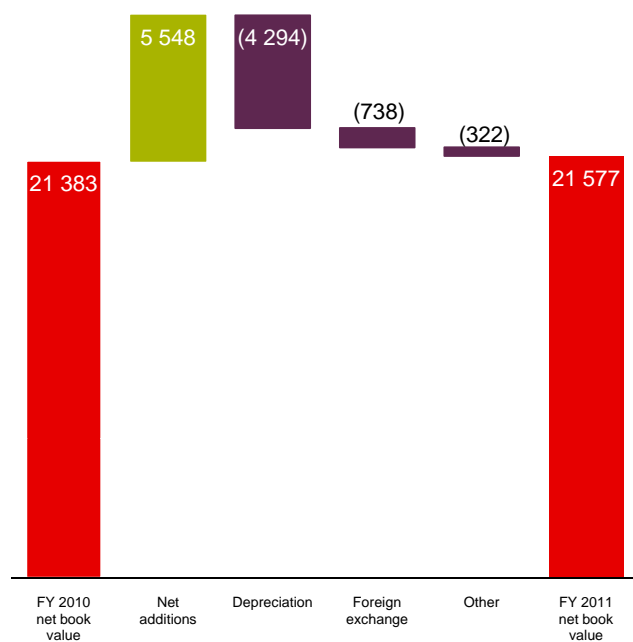
Group statement of financial position

R million	FY 2011	FY 2010	Movement
Assets			
Property, plant and equipment	21 577	21 383	194
Intangible assets	5 215	6 673	(1 458)
Other non-current assets	1 190	1 075	115
Current assets	13 453	12 560	893
Total assets	41 435	41 691	(256)
Equity and liabilities			
Total equity	16 180	14 636	1 544
Borrowings	10 063	13 025	(2 962)
Other liabilities	15 192	14 030	1 162
Total equity and liabilities	41 435	41 691	(256)
Net asset value per share (cents)	1 099	985	

Movement in PPE and intangible assets

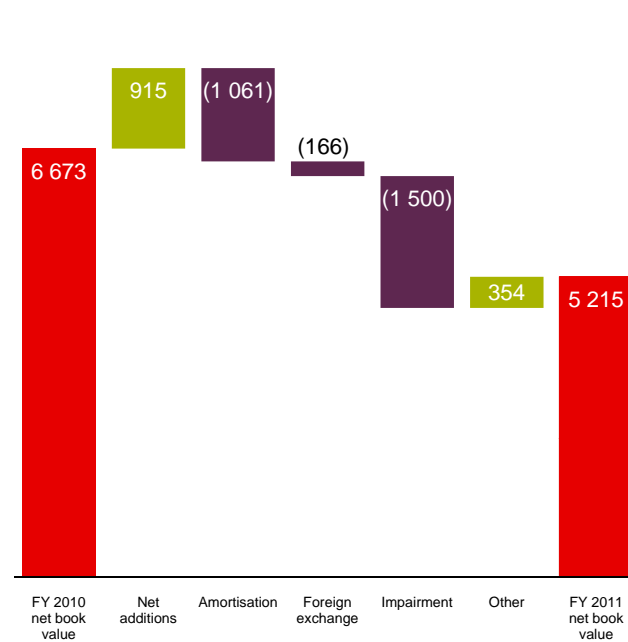
Property, plant and equipment

R million



Intangible assets

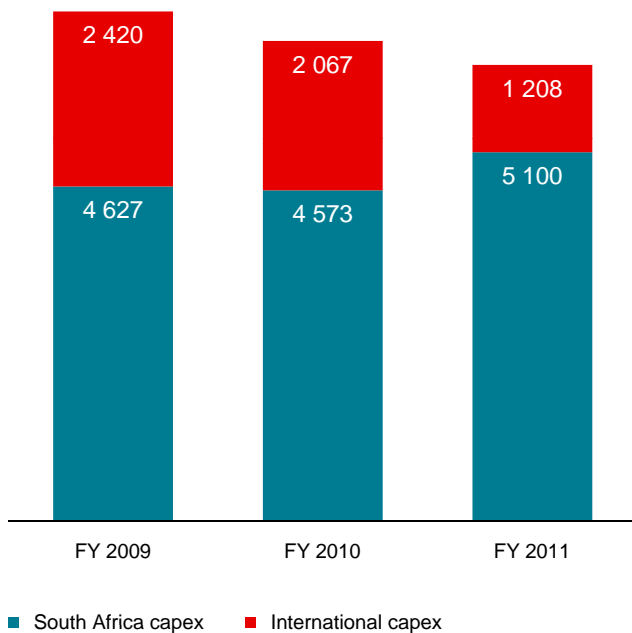
R million



Capex investment focused on data networks

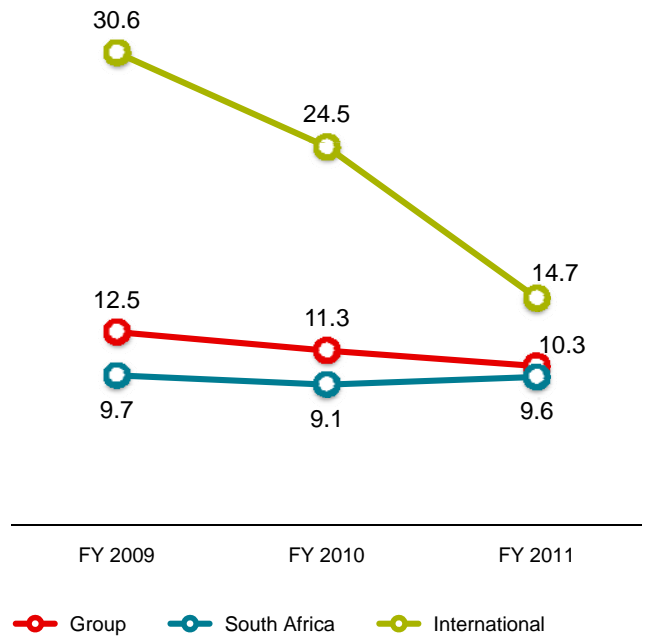
SA and International capex

R million



Capex intensity

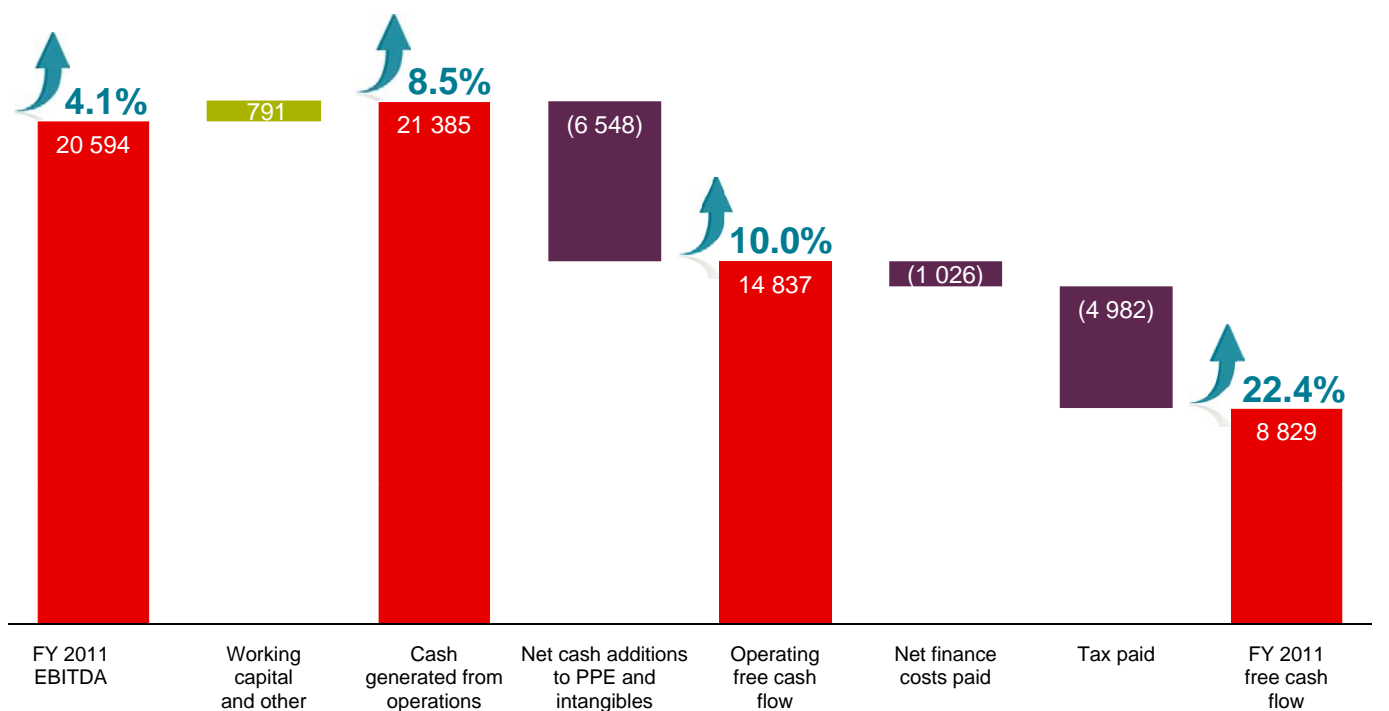
%



Group free cash flow increased 22.4%

Cash flow generation

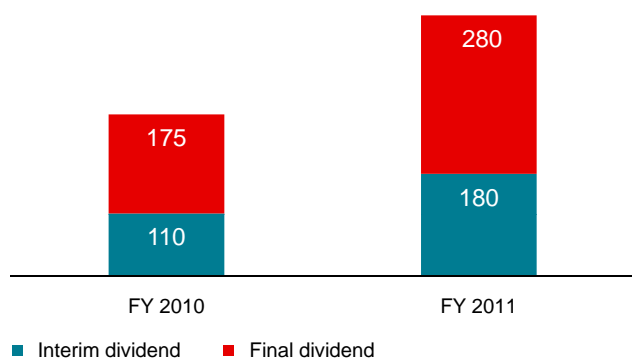
R million



Improving shareholder returns

Dividend per share

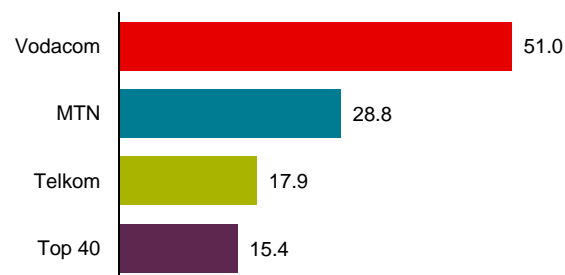
Cents



- R984 million cash spent on share repurchase plan
- 60% increase in final dividend to 280 cents
- Full year payout ratio 70.1%
- Dividend policy revised to “at least 70% of headline earnings”

Total shareholder returns

% return for the year ended 31 March 2011



Source : Bloomberg

Group medium-term targets remain unchanged

Market position	Maintain or improve market position in all geographies
Service revenue	Growth in service revenue despite reduced interconnect revenue (low single digit)
EBITDA	Improve EBITDA margin through operational efficiencies
Capital expenditure	Manage capital expenditure between 11% and 13% of Group revenue

Medium-term financial targets are indicated over a three year period ending March 2013 assuming constant currencies and excluding the non-cash accounting for RAN swaps

In summary

Strategy refocused to include sustainability

Strong focus on customer experience

Cost efficiency programme delivered

Demand for data services remains strong

High total shareholder returns



Thank you

Country data

	South Africa	Tanzania	DRC	Mozambique	Lesotho	Gateway
Population (million)	50	46	70	24	2	n/a
GDP per capita (USD)	7 570	549	256	489	1 150	n/a
GDP growth estimate 2011 (%)	3.7	7.1	4.0	7.3	3.0	n/a
Estimated mobile penetration (%)	107	37	16	29	49	n/a
Number of operators	4	7	4	2	2	n/a
Market position	1	1	2	2	1	n/a
Estimated customer market share (%)	50	51	37	45	83	n/a
Ownership (%)	93.75	65	51	85	80	n/a
License expiry period	2024	2031	2018	2019	2016	n/a
Customers (thousand)	26 535	8 861	4 155	3 082	859	n/a
ARPU (R)	157	21	36	22	60	n/a
ARPU (local currency)	157	4 238	5	106	60	n/a
Minutes of use per user per month	102	56	61	39	32	n/a
Revenue (R million)	53 371	2 122	1 641	738	579	3 190
Operating profit/(loss) (R million)	15 522	164	(282)	(78)	245	(1 762)
EBITDA (R million)	19 653	578	160	50	285	(43)
EBITDA margin (%)	36.8	27.2	9.8	6.8	49.2	(1.3)
Capital expenditure (R million)	5 100	405	173	367	90	173

Definitions

ARPU	Total ARPU is calculated by dividing the average monthly service revenue by the average monthly total reported mobile customers during the period. Prepaid and contract ARPU only include service revenue generated from Vodacom customers.
Churn	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.
Contribution margin	Revenue less direct expenses as a percentage of revenue.
Customers	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.
EBITDA	Earnings before interest, taxation, depreciation, amortisation, impairment losses, BBBEE charges, profit/loss on disposal of investments and on disposal of property, plant and equipment, investment properties and intangible assets.
Free cash flow	Cash generated from operations less additions to property, plant and equipment and intangible assets, proceeds on disposal of property, plant and equipment and intangible assets, tax paid and net finance charges paid.
HEPS	Headline earnings per share.
International	The International segment includes Vodacom Tanzania Limited, Vodacom Congo (RDC) s.p.r.l., Vodacom Mozambique, Vodacom Lesotho (Pty) Limited, Vodacom International Limited and Gateway Business Africa and Gateway Carrier Services.
MNO	Mobile network operator.
MOU	Minutes of use per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly total of reported mobile customers during the period.
Operating free cash flow	Cash generated from operations less additions to property, plant and equipment and intangible assets and proceeds on disposal of property, plant and equipment and intangible assets.
RAN	Radio access network.
South Africa	Vodacom (Pty) Limited, a private limited liability company duly incorporated in accordance with the laws of South Africa and its subsidiaries, joint ventures and SPV's.
Total shareholder returns	Shareholder returns consist of the aggregate share price appreciation and dividend yield.
Traffic	Traffic comprises of total traffic registered on Vodacom's mobile network, including bundled minutes, promotional minutes and outgoing international roaming calls, but excluding national roaming calls, incoming international roaming calls and calls to free services.

Forward-looking statements

This presentation which sets out the annual results for Vodacom Group Limited for the year ended 31 March 2011 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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Annual results for the year ended 31 March 2011

