PRELIMINARY RESULTS

FOR THE YEAR ENDED 31 MARCH 2010

vodafone

vodacom GROUP LIMITED

PIETER UYS, VODACOM GROUP CEO commented:

"The environment in which Vodacom operates is very different to that seen a few years ago, and I'm pleased that the steps we have taken to reshape and reposition the Group are evident in these results.

Customers in all of our markets have felt the effects of still fragile economic conditions and we have responded by increasing the value delivered to customers, made possible through cost containment measures taken across the Group. We reduced prices in all markets, expanded our data business and delivered strong growth in free cash flow. Our strengthened financial position supports an increase in our dividend payout to shareholders."

Salient features

- **Continued revenue growth despite challenging environment**
  - 7.1% growth in Group service revenue to R52.0 billion
  - Group traffic growth of 11.3% supported by tariff reductions
  - RICA impacted negatively on South African customer numbers
  - Strong international customer growth
  - Pressure from economic climate and currency movements

- **Excellent progress in mobile broadband**
  - 31.9% growth in Group data revenue to R4.5 billion
  - 42.3% growth in data customers in South Africa to 1.1 million
  - 7.6 million active data users across the Group

- **Margins expanded through cost containment steps**
  - Group EBITDA margin expanded from 32.8% to 33.8%
  - 14.5% increase in EBITDA from South African business
  - R0.5 billion annual cost efficiency programme launched
  - Procurement collaboration with Vodafone yields savings

- **Strong growth in HEPS**
  - HEPS increased 22.3% to 510 cents per share

- **Increased shareholder returns driven by robust free cash flow**
  - 55.2% growth in operating free cash flow to R13.5 billion
  - Group capex of R6.6 billion, 11.3% of revenue
  - Strong financial position – net debt to EBITDA of 0.6 times
  - Final dividend of 175 cents per share

Operating review

The Group's strong results were underpinned by growth in its core mobile and broadband businesses coupled with tight management of costs and capital expenditure. Although competitive, economic and regulatory challenges persisted, Group revenue rose 5.6% to R58 535 million, supported by a 31.9% increase in Group mobile data revenue.

The Group EBITDA margin rose from 32.8% to 33.8% and EBITDA increased by 8.7% to R19 782 million as benefits were realised from the implementation of various cost efficiency projects coupled with procurement synergies through the Vodafone Group ('Vodafone').

Headline earnings per share ('HEPS') increased 22.3% to 510 cents per share. Headline earnings growth was flattered by the inclusion of a broad-based black economic empowerment ('BBBEE') charge of R1 315 million in the prior year. This was partially offset by R375 million in losses on the remeasurement of financial instruments and the R489 million reversal of a deferred tax asset largely recognised and reported on in the six months results to 30 September 2009. Excluding the impact of these items, adjusted headline earnings per share increased 12.3% to 568 cents per share.

Cash generation remained strong, with operating free cash flow up 55.2% to R13 489 million. The Group invested R6 636 million in capital expenditure across its geographies. Vodacom declared a final dividend of 175 cents per share, supported by the strong cash performance and financial position of the Group.

South Africa

South Africa delivered a robust performance with service revenue up 7.5% to R44 166 million and EBITDA up 14.5% to R18 578 million, reflecting the increasing contribution of data revenue and success in containing operating costs. Data revenue increased 32.8% to R4 363 million due to increased penetration of mobile PC connectivity and mobile internet usage, with data connectivity customers increasing 42.3% to 1.1 million and overall active data users increasing 29.1% to 6.2 million.

Customers declined 4.9% to 26.3 million as a result of a 1.9 million reduction in prepaid customers following the implementation of RICA. Contract customer growth remained strong, up 14.0% to 4.5 million. Gross connections have improved steadily from approximately 260 000 in August 2009 to approximately 724 000 in March 2010 and more than 11 million customers have been registered by year end. Customer registration together with focused loyalty programmes has resulted in a further reduction in churn from 40.1% to 38.4%.

Prepaid ARPU remained flat at R70 largely as a result of improved customer mix offset by lower tariffs. Contract ARPU declined 5.7% due to the successful conversion of prepaid customers to lower end contract packages, and also reduced out of bundle spend. Focused price promotions reduced the average effective price per minute of mobile calls by 7.7% which in turn supported traffic growth of 9.4%.

During the year under review Vodacom Business continued to build its presence in the enterprise market, signing contracts totalling more than R800 million with some of South Africa's largest companies. In conjunction with Vodafone Global Enterprise, Vodacom Business also secured Deutsche Post DHL as a customer. Vodacom Business, which now has more than 200 enterprise customers, launched 15 new products during the year and offers a complete portfolio including outsourced network and ISP services, as well as managed hosting services.

Vodacom continued to make substantial investments in the network, particularly to enhance quality and support the 58.4% growth in data traffic. Capital expenditure of R4 573 million was largely allocated to adding a further 462 3G base stations, increasing base station capability to 14.4 Mbps across the network, completing the metro fibre rings and upgrading the radio network.

Peak mobile termination rates ('MTRs') were reduced by an initial 28.8% from 1 March 2010 and the regulator is currently in the process of consultation on further rate cuts. Despite the negative net impact on Vodacom's revenue from lower MTRs, the Group has responded to affordability concerns by reducing tariffs. To mitigate the impact of lower MTRs, Vodacom has implemented various cost efficiency programmes which have contributed partly to the expansion of EBITDA margin from 34.0% to 36.8% in this year.

International

The international operations continued to record strong customer growth of 13.7% to 13.6 million. After adjusting for the change in the DRC disconnection policy from 215 to 90 inactive days, international customer growth was 23.8%. This policy change resulted in approximately one million disconnections in the DRC. Tanzania customer growth of 28.3% was fuelled by new pricing plans and Mozambique and Lesotho posted strong customer growth of 42.5% and 30.9% respectively.

Despite the increase in customers, revenue growth in the international mobile operations declined 21.6% to R5 569 million. Excluding the impact of foreign currency, normalised[1] international revenue declined 8.1%. The decline was largely due to promotions aimed at improving competitiveness in the key markets, coupled with continued economic pressures. Usage has recently picked up in both Tanzania and DRC in response to lower prices.

The EBITDA margin in the international operations declined from 25.8% to 15.9% due to reduced operating profits in Tanzania and the DRC. DRC profitability was negatively impacted by new and increased taxes and regulatory fees and the imposition of tax penalties. Various cost efficiency programmes have been put in place to adjust business structures in these operations to support lower tariffs.

Vodacom continued to invest in the international operations, supporting the medium-to-long term growth potential of these businesses with capital expenditure at R1 945 million (34.9% of revenue). The investment was mainly focused in Tanzania and Mozambique, where further 3G sites were added to support the growth in converged services. Tanzania has 428 000 active data customers and over 371 000 active customers using Vodafone's M-PESA solutions, the money transfer service. Vodacom Business was launched in Tanzania in September 2009.

[1] Normalised at a constant currency.

Gateway

Gateway contributed R2 934 million (5.0% of Group revenue) for the year ended 31 March 2010, compared to R808 million from the three months that were consolidated in the prior year. Overall EBITDA margin declined from 12.4% to 6.9% reflecting reduced mobile traffic and pricing pressure in the Carrier Services business.

Given the poor trading performance in Carrier Services, the adverse changes in macroeconomic environment and business plan assumptions, an impairment charge of R3 039 million was raised in the first half of the year. In the last quarter Carrier Services revenue remained stable.

The Business Services division continued to post good growth particularly in the Nigerian market, although some corporate spending was delayed due to the economic slowdown. In order to consolidate Vodacom's enterprise offerings across Africa, the Business Services division has now been integrated into Vodacom Business.

Financial review

Summary financial information

	Year ended 31 March			% change	
Rm	**2010**	**2009**	**2008**	**09/10**	**08/09**
Revenue	**58 535**	55 442	48 334	**5.6**	14.7
Service revenue	**52 026**	48 571	42 264	**7.1**	14.9
EBITDA	**19 782**	18 196	16 463	**8.7**	10.5
Operating profit	**11 238**	12 005	12 491	**(6.4)**	(3.9)
Net profit	**4 200**	6 192	7 958	**(32.2)**	(22.2)
Operating free cash flow	**13 489**	8 694	9 491	**55.2**	(8.4)
Capital expenditure	**6 636**	6 906	5 916	**(3.9)**	16.7
Net debt before STC and dividends	**12 161**	15 107	5 154	**(19.5)**	193.1
Earnings per share (cents)	**282**	409	525	**(31.1)**	(22.1)
Headline earnings per share (cents)	**510**	417	528	**22.3**	(21.0)
EBITDA margin (%)	**33.8**	32.8	34.1		
Operating profit margin (%)	**19.2**	21.7	25.8		
Effective tax rate (%)	**53.0**	39.5	34.1		
Net profit margin (%)	**7.2**	11.2	16.5		
Net debt/EBITDA (times)	**0.6**	1.0	0.5		
Capex intensity (%)	**11.3**	12.5	12.2		

Revenue

Rm	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
South Africa	**50 431**	47 733	43 004	**5.7**	11.0
International	**5 569**	7 099	5 403	**(21.6)**	31.4
Gateway	**2 934**	808	–	**n/a**	n/a
Corporate and eliminations	**(399)**	(198)	(73)	**(101.5)**	(171.2)
Total revenue	**58 535**	55 442	48 334	**5.6**	14.7

Revenue rose 5.6% to R58 535 million with continued robust performance in South Africa offsetting revenue declines in Tanzania and DRC. Revenue growth was positively affected by the Gateway acquisition (3.6 percentage points), offset mainly by a negative impact from foreign exchange rate translation (2.0 percentage points). On a normalised[1] basis, Group revenue and service revenue increased by 4.0% and 5.3%, respectively.

Other operating income has been incorporated into revenue to align accounting practices with the Group's parent, Vodafone. This resulted in a reclassification of R255 million for the prior year. Vodacom adopted IFRIC 13: Customer Loyalty programmes ('IFRIC 13') from 1 April 2009, and now accounts for customer loyalty credits as a separate component of the sales transaction in which they are granted. Included in service revenue is an expense of R119 million which relates to prior years in terms of the IFRIC 13 adoption.

Operating costs[2]

Rm	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
South Africa	**31 850**	31 590	28 243	**0.8**	11.9
International	**4 680**	5 263	3 857	**(11.1)**	36.5
Gateway	**2 732**	708	–	**n/a**	n/a
Corporate and eliminations	**(492)**	(234)	(198)	**(110.3)**	(18.2)
Total operating costs[2]	**38 770**	37 327	31 902	**3.9**	17.0

Group operating costs increased by 3.9% to R38 770 million largely due to the Gateway acquisition. Excluding Gateway, operating costs decreased by 1.4% as a result of reduced direct costs and marketing and advertising spend.

[1] Normalised to exclude Gateway and at a constant currency.

[2] Excluding depreciation, amortisation, impairment losses and the BBBEE charge.

EBITDA

Rm	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
South Africa	**18 578**	16 222	14 790	**14.5**	9.7
International	**888**	1 835	1 546	**(51.6)**	18.7
Gateway	**202**	100	–	**n/a**	n/a
Corporate and eliminations	**114**	39	127	**192.3**	(69.3)
Total EBITDA	**19 782**	18 196	16 463	**8.7**	10.5

Group EBITDA increased 8.7% to R19 782 million and the margin expanded from 32.8% in the prior year to 33.8% in March 2010. South African EBITDA was 14.5% higher at R18 578 million, contributing 93.9% (2009: 89.2%) to Group EBITDA for the year. EBITDA from the international operations declined 51.6% to R888 million, contributing 4.5% (2009: 10.1%) to Group EBITDA for the year. Group EBITDA was negatively impacted by increased excise duties and higher indirect taxes in the international operations coupled with difficult trading conditions and unfavourable foreign exchange movements. The Group prospectively aligned its presentation of foreign exchange gains and losses on the revaluation of foreign denominated trading items with that of its parent by including a gain of R192 million in operating expenses. For prior years, the equivalent exchange loss of R252 million (2008: R356 million loss) are presented in net finance charges. Normalised[1] EBITDA grew by 9.0%.

Operating profit

Rm	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
South Africa	**14 763**	11 372	11 704	**29.8**	(2.8)
International	**(391)**	606	718	**(164.5)**	(15.6)
Gateway	**(3 053)**	33	–	**n/a**	n/a
Corporate and eliminations	**(81)**	(6)	69	**< (200.0)**	(108.7)
Total operating profit	**11 238**	12 005	12 491	**(6.4)**	(3.9)

Operating profit decreased 6.4% to R11 238 million mainly due to impairment losses of R3 370 million and a 10.1% increase in depreciation and amortisation. The prior year operating profit includes the BBBEE charge of R1 315 million. Normalised[2] operating profit increased by 6.8%.

[1] Normalised to exclude Gateway, trading foreign exchange and at a constant currency.
[2] Normalised to exclude Gateway, trading foreign exchange, the BBBEE charge and at a constant currency.

Net finance charges

Rm	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
Finance income	**124**	108	72	**14.8**	50.0
Finance costs	**(1 602)**	(1 459)	(681)	**9.8**	114.2
Remeasurement of loans	**(375)**	–	–	**n/a**	–
(Loss)/Gain on translation of foreign assets and liabilities	**(23)**	39	(151)	**159.0**	125.8
(Loss)/Gain on derivatives	**(396)**	(437)	336	**(9.4)**	> 200.0
Total net finance charges	**(2 272)**	(1 749)	(424)	**29.9**	> 200.0

Net finance charges rose from R1 749 million to R2 272 million for the year ended 31 March 2010. Finance costs for the year were R1 602 million compared to R1 459 million a year ago, mainly due to higher average debt as a result of funding raised for the acquisition of Gateway towards the end of the prior year. The average cost of debt reduced from 12.7% to 9.0% as a result of lower interest rates and the benefit of floating rate debt. Net finance charges were negatively affected by the remeasurement of loans granted of R375 million and a loss of R396 million mainly relating to forward exchange contracts.

Taxation

The tax expense of R4 745 million for the period was 17.3% higher than in March 2009 due to the increase in profit before tax in South Africa, the derecognition of the DRC deferred tax asset as well as an increase in withholding taxes, offset by a decrease in the secondary tax on companies ('STC') charge for the year. The effective tax rate rose from 39.5% at 31 March 2009 to 53.0% at 31 March 2010, mainly as a result of non-deductible impairment losses of R3 370 million, and unrecognised deferred tax assets.

Earnings

Earnings per share for the period declined 31.1% from 409 cents per share to 282 cents per share, impacted by the impairment losses and the reversal of the DRC's deferred tax asset of R489 million. Headline earnings per share, which excludes impairment losses, increased 22.3% to 510 cents per share.

Cash flow

Cash generated from operations grew 23.9% to R19 711 million. Net cash flows utilised in investing activities decreased from R12 646 million to R6 329 million due to the Gateway acquisition in the prior year. Financing activities included the repayment of the R3.0 billion short term facility raised for the Gateway acquisition and new local debt raised to refinance the US$180 million loan in the DRC. Operating free cash flow was up 55.2% at R13 489 million resulting in free cash flow of R7 212 million after tax and net finance charges. Tax paid increased by 15.5% to R4 764 million. Dividends were previously classified in cash flows from operating activities and are now included in cash flows utilised in financing activities. Finance income was reclassified to investing activities and finance costs were reclassified to financing activities in line with the Group's parent's reporting policies.

Operating free cash flow

Rm	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
Cash generated from operations	**19 711**	15 905	16 022	**23.9**	(0.7)
Additions to property, plant and equipment and intangible assets	**(6 306)**	(7 254)	(6 541)	**(13.1)**	10.9
Proceeds on disposal of property, plant and equipment and intangible assets	**84**	43	10	**95.3**	> 200.0
Total operating free cash flow	**13 489**	8 694	9 491	**55.2**	(8.4)

Capital expenditure

Rm	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
South Africa	**4 573**	4 627	4 252	**(1.2)**	8.8
International	**1 945**	2 406	1 519	**(19.2)**	58.4
Gateway	**122**	14	–	**n/a**	n/a
Corporate and eliminations	**(4)**	(141)	145	**97.2**	(197.2)
Total capital expenditure	**6 636**	6 906	5 916	**(3.9)**	16.7
Capex intensity (%)	**11.3**	12.5	12.2		

The Group's capital expenditure for the period was R6 636 million, 3.9% less than a year ago. Capital expenditure of R4 573 million (9.1% of revenue) in South Africa largely related to transmission spend and the radio access network ('RAN') renewal project, where recovered equipment was redeployed, resulting in lower purchases of equipment. Capital expenditure of R1 945 million (34.9% of revenue) in the international operations was 19.2% lower (4.6% lower excluding the impact of foreign exchange translation) mainly due to a significant reduction in capital expenditure in the DRC offset by increased investment in Tanzania and Mozambique.

Statement of financial position

Property, plant and equipment and intangible assets were negatively impacted by foreign currency adjustments of R1.9 billion and R1.7 billion, respectively due to the rand strengthening against functional reporting currencies of the international markets since 31 March 2009.

Net debt before dividends and STC decreased to R12 161 million, compared to R15 107 million a year ago. The Group's financial position has improved, with the net debt to EBITDA ratio at 0.6 times at 31 March 2010. 89.6% (2009: 81.5%) of the debt is denominated in rand. R3 349 million (2009: R7 895 million) of the debt matures in the next 12 months and 96.3% (2009: 93.0%) of total debt is at floating rates.

Net debt

	Year ended 31 March			Movement	
Rm	**2010**	**2009**	**2008**	**09/10**	**08/09**
Cash and cash equivalents	**(1 061)**	(1 104)	(978)	**(43)**	126
Bank borrowings	**1 376**	2 203	2 597	**(827)**	(394)
Debt	**11 846**	14 008	3 535	**(2 162)**	10 473
Total net debt before dividends and STC	**12 161**	15 107	5 154	**(2 946)**	9 953
Dividends and STC payable	**–**	2 430	3 509	**(2 430)**	(1 079)
Total net debt (including dividend and STC payable)	**12 161**	17 537	8 663	**(5 376)**	8 874
Net debt/EBITDA (times)	**0.6**	1.0	0.5		

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Declaration of final dividend No. 2

Notice is hereby given that final dividend number 2 of 175 cents per ordinary share in respect of financial year end 31 March 2010 has been declared, payable on Monday 5 July 2010 to shareholders recorded in the register at the close of business on Friday 2 July 2010:

Last day to trade shares cum dividend	Friday 25 June 2010
Shares commence trading ex dividend	Monday 28 June 2010
Record date	Friday 2 July 2010
Payment date	Monday 5 July 2010

Share certificates may not be dematerialised nor rematerialised between Monday 28 June 2010 and Friday 2 July 2010.

On Monday 5 July 2010, the final dividend will be electronically transferred into the bank accounts of all certificated shareholders where this facility is available. Where electronic funds transfer is not available, cheques will be dated and posted on Monday 5 July 2010.

Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday 5 July 2010.

Annual general meeting

The annual general meeting of Vodacom Group Limited will be held at Bytes Conference Centre, Midrand on Friday 30 July 2010 at 11:00.

Outlook

A year ago, Vodacom confirmed a four pillar strategy with a strong focus on operational delivery. During this financial year, the Group executed in accordance with this strategy and finished the year in a stronger position in terms of customer value management, broadband leadership and cost management.

Building on the successes of this year, we aim to increase usage through the roll-out of new offerings that deliver better value to customers. Similarly we expect continued strong uptake in mobile data and broadband services, with data usage penetration amongst active customers currently only at 26%. In the converged data arena, the completion of fibre rings in all major South African cities, the launch of Metro Ethernet in key urban areas and the enhanced product offerings all provide a good basis from which to increase our share of the enterprise ICT market.

Cost management will be a focus area as we aim to preserve our economics in the face of increasing MTR and tariff pressures. We are targeting R0.5 billion in cost savings in the 2011 financial year from areas including distribution, sponsorships and network optimisation.

The approved capital expenditure budget for fiscal 2011 is R7.4 billion, of which R5.1 billion is allocated to South Africa. Capital expenditure will focus on accelerating mobile broadband coverage and self-provisioning of transmission to improve the quality of our service and support continued growth in the data and enterprise businesses.

Given the strong financial position and cash flow generation of the Group, the Board has decided to increase the dividend payout ratio from 40% to approximately 60% of headline earnings for the year ended March 2011.

Offsetting the growth opportunities we have created, continued competitive and regulatory pressures are likely to limit revenue growth in the medium term to below current levels. However, through our ongoing focus on operational delivery, we expect continued margin improvement.

The steps taken during the year to refocus the business, place Vodacom in a good position to benefit from a likely improvement in economic conditions in the year ahead.

The information in this outlook statement has not been audited or reviewed by Vodacom's external auditors.

For and on behalf of the Board

Peter Moyo
Non-executive Chairman

Pieter Uys
Chief Executive Officer

Rob Shuter
Chief Financial Officer

13 May 2010
Midrand

Condensed consolidated income statement

for the year ended 31 March

	Notes	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited
Revenue	3	**58 535**	55 442	48 334
Direct costs		**(26 774)**	(26 224)	(22 902)
Staff expenses		**(4 291)**	(3 686)	(2 975)
Marketing and advertising expenses		**(1 728)**	(1 793)	(1 452)
Broad-based black economic empowerment charge		**–**	(1 315)	–
Other operating expenses		**(5 977)**	(5 624)	(4 573)
Depreciation and amortisation		**(5 157)**	(4 683)	(3 911)
Impairment losses	4	**(3 370)**	(112)	(30)
Operating profit		**11 238**	12 005	12 491
Finance income		**124**	108	72
Finance costs		**(1 602)**	(1 459)	(681)
(Loss)/Gain on remeasurement and disposal of financial instruments		**(794)**	(398)	185
Loss from associate		**(21)**	(19)	–
Profit before tax		**8 945**	10 237	12 067
Taxation		**(4 745)**	(4 045)	(4 109)
Net profit		**4 200**	6 192	7 958
Attributable to:				
Equity shareholders		**4 196**	6 089	7 811
Non-controlling interests		**4**	103	147
		4 200	6 192	7 958

	Notes	2010 Cents Reviewed	2009 Cents Audited	2008 Cents Audited
Basic earnings per share	5	**282.3**	409.2	525.0
Diluted earnings per share	5	**282.0**	409.2	525.0

Condensed consolidated statement of comprehensive income

for the year ended 31 March

	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited
Net profit	**4 200**	6 192	7 958
Other comprehensive income:			
Foreign currency translation differences, net of tax	**(2 665)**	405	130
Fair value adjustments on available-for-sale financial assets, net of tax	–	(17)	17
Other, net of tax	–	(9)	–
Total comprehensive income	**1 535**	6 571	8 105
Attributable to:			
Equity shareholders	**1 645**	6 437	7 916
Non-controlling interests	**(110)**	134	189
	1 535	6 571	8 105

Condensed consolidated statement of financial position

as at 31 March

	Notes	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited
ASSETS				
Non-current assets		**29 131**	35 224	24 468
Property, plant and equipment		**21 383**	21 844	19 120
Intangible assets		**6 673**	11 794	4 224
Financial assets		**181**	303	244
Trade and other receivables		**231**	241	336
Finance lease receivables		**408**	259	89
Deferred tax		**255**	783	455
Current assets		**12 560**	12 135	9 707
Financial assets		**153**	203	138
Inventory		**707**	653	637
Trade and other receivables		**10 024**	9 843	7 831
Finance lease receivables		**262**	268	123
Tax receivable		**353**	64	–
Cash and cash equivalents		**1 061**	1 104	978
Total assets		**41 691**	47 359	34 175
EQUITY AND LIABILITIES				
Fully paid share capital		*	*	*
Treasury shares		**(422)**	–	–
Retained earnings		**14 832**	12 265	11 393
Other reserves		**(672)**	1 752	9
Equity attributable to owners of the parent		**13 738**	14 017	11 402
Non-controlling interests		**898**	1 081	404
Total equity		**14 636**	15 098	11 806
Non-current liabilities		**11 590**	10 430	4 787
Borrowings	11	**9 786**	8 316	3 032
Trade and other payables		**317**	388	632
Provisions		**436**	365	347
Deferred tax		**1 051**	1 361	776
Current liabilities		**15 465**	21 831	17 582
Borrowings	11	**3 239**	7 875	2 959
Trade and other payables		**11 714**	10 938	10 321
Provisions		**193**	238	391
Tax payable		**203**	549	580
Dividends payable		**6**	2 211	3 190
Bank overdrafts		**110**	20	141
Total equity and liabilities		**41 691**	47 359	34 175

* *Fully paid share capital of R100.*

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Condensed consolidated statement of changes in equity

for the year ended 31 March

	Equity attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
1 April 2007	9 426	221	9 647
Total comprehensive income	7 916	189	8 105
Dividends declared	(5 940)	(1)	(5 941)
Business combinations and other non-controlling interests acquisitions	–	(6)	(6)
Non-controlling shares of VM, SA	–	1	1
31 March 2008 – Audited	11 402	404	11 806
Total comprehensive income	6 437	134	6 571
Dividends declared	(5 200)	(13)	(5 213)
Business combinations and other non-controlling interests acquisitions	(4)	34	30
Share-based payment expense	1 382	522	1 904
31 March 2009 – Audited	**14 017**	**1 081**	**15 098**
Total comprehensive income	**1 645**	**(110)**	**1 535**
Dividends declared[1]	**(1 631)**	**(73)**	**(1 704)**
Repurchase of shares	**(422)**	**–**	**(422)**
Share-based payment expense	**129**	**–**	**129**
31 March 2010 – Reviewed	**13 738**	**898**	**14 636**

1 *R6 million of the R1 637 million dividend declared was offset against the forfeitable share plan reserve.*

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Condensed consolidated statement of cash flows

for the year ended 31 March

	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited
Cash generated from operations	**19 711**	15 905	16 022
Tax paid	**(4 764)**	(4 123)	(4 721)
Net cash flows from operating activities	**14 947**	11 782	11 301
Net additions to property, plant and equipment and intangible assets	**(6 222)**	(7 211)	(6 531)
Business combinations and other non-controlling interests acquisitions, net of cash acquired	**–**	(5 348)	(956)
Other investing activities	**(107)**	(87)	56
Net cash flows utilised in investing activities	**(6 329)**	(12 646)	(7 431)
Movement in borrowings including finance costs paid	**(4 255)**	6 853	2 721
Dividends paid	**(3 908)**	(6 204)	(5 741)
Repurchase of shares	**(385)**	–	–
Non-controlling interests	**–**	522	7
Net cash flows (utilised in)/from financing activities	**(8 548)**	1 171	(3 013)
Net increase in cash and cash equivalents	**70**	307	857
Cash and cash equivalents at the beginning of the year	**1 084**	837	(108)
Effect of foreign exchange rate changes	**(203)**	(60)	88
Cash and cash equivalents at the end of the year	**951**	1 084	837

vodacom GROUP LIMITED

Notes

1. Basis of preparation

These preliminary condensed consolidated annual 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 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 have been 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. During the current financial year the Group classified certain foreign denominated loans to subsidiaries as part of the net investments in these foreign operations. Exchange losses of R848 million, net of tax, relating to net investments in foreign operations, are recognised in other comprehensive income for the current year.

The annual report containing a detailed review of the operations of the Group together with the audited consolidated annual financial statements will be posted to shareholders on or about Wednesday 30 June 2010.

Certain items have been reclassified as disclosed in Note 7.

The financial information has been reviewed by Deloitte & Touche whose unmodified review opinion 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 2009. The adopted accounting pronouncements, which had an impact on the Group or were reviewed for possible impact, are as follows:

- IFRS 7: Financial Instruments: Disclosures (Amended) ('IFRS 7');
- IAS 1: Presentation of Financial Statements (Amended) ('IAS 1');
- IAS 23: Borrowing costs (Revised) ('IAS 23');
- IFRIC 13: Customer Loyalty Programmes ('IFRIC 13'); and
- Circular 3/2009: Headline Earnings ('Circular 3/2009').

The Group adopted the amendments to IFRS 7 retrospectively, this did not have an impact on the Group's results. IFRIC 13 was not applied retrospectively as the prior period financial impact was immaterial. The revised IAS 23 was adopted prospectively; the change in accounting policy had no impact on the Group's results. The adoption of Circular 3/2009 had no impact on the Group's headline earnings.

	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited
3. Segment analysis			
External customers segment revenue[1]	**58 535**	55 442	48 334
South Africa	**50 290**	47 592	42 964
International	**5 425**	7 030	5 358
Gateway	**2 801**	805	–
Corporate	**19**	15	12
EBITDA[2]	**19 782**	18 196	16 463
South Africa	**18 578**	16 222	14 790
International	**888**	1 835	1 546
Gateway	**202**	100	–
Corporate and eliminations	**114**	39	127
Reconciliation of segment results			
EBITDA[3]	**19 782**	18 196	16 463
Depreciation, amortisation and impairment losses	**(8 527)**	(4 795)	(3 941)
Broad-based black economic empowerment charge	–	(1 315)	–
Net loss on disposal of property, plant and equipment and intangible assets	**(17)**	(13)	(39)
Other	–	(68)	8
Operating profit[3]	**11 238**	12 005	12 491
Net finance charges	**(2 272)**	(1 749)	(424)
Finance income	**124**	108	72
Finance costs	**(1 602)**	(1 459)	(681)
(Loss)/Gain on remeasurement and disposal of financial instruments[3]	**(794)**	(398)	185
Loss from associate	**(21)**	(19)	–
Profit before tax	**8 945**	10 237	12 067
Taxation	**(4 745)**	(4 045)	(4 109)
Net profit	**4 200**	6 192	7 958
Total assets	**41 691**	47 359	34 175
South Africa	**28 464**	26 692	24 597
International	**8 612**	11 182	8 547
Gateway	**3 346**	8 014	–
Corporate and eliminations	**1 269**	1 471	1 031

1 *Other operating income has retrospectively been incorporated into revenue on the face of the condensed consolidated income statement.*

2 *The measure of segment profit changed retrospectively from management operating profit to EBITDA so as to align with practices of the Group's parent, Vodafone.*

3 *The Group prospectively aligned its presentation of foreign exchange gains and losses on the revaluation of foreign denominated trading items with that of its parent by including a net gain of R192 million in operating expenses. For the prior year, the equivalent exchange net loss of R252 million (2008: R356 million net loss) is presented in '(Loss)/Gain on remeasurement and disposal of financial instruments'.*

	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited

4. Impairment losses

Impairment losses recognised are as follows:			
Intangible assets	**(3 285)**	(1)	–
Property, plant and equipment	**(34)**	(105)	(30)
Available-for-sale financial assets carried at cost	**(8)**	(6)	–
Investment in associate	**(43)**	–	–
	(3 370)	(112)	(30)

Included in the impairment losses is a goodwill impairment of R3 039 million, relating to the Group's Gateway cash-generating unit, a business operation which constitutes the Group's Gateway reportable segment, following a decrease in long term cash flow forecasts resulting from the economic downturn and an increasingly competitive environment. The remaining impairment losses are all largely due to the economic downturn and an increasingly competitive environment.

	2010 Cents Reviewed	2009 Cents Audited	2008 Cents Audited

5. Per share calculations

5.1 Earnings and dividends per share

Basic earnings per share	**282.3**	409.2	525.0
Diluted earnings per share	**282.0**	409.2	525.0
Headline earnings per share	**509.9**	417.4	528.4
Diluted headline earnings per share	**509.4**	417.4	528.4
Dividends per share (Note 17)	**110.0**	349.5	399.2
Net asset value per share	**985.3**	1 014.7	793.5

Earnings per share calculations are based on a weighted average number of ordinary shares outstanding of 1 486 283 980 (2009 and 2008: 1 487 954 000). Diluted per share calculations are based on a weighted average number of ordinary shares outstanding of 1 487 882 875. No dilutive factors were present in 2009 and 2008.

Dividends per share calculations are based on 1 487 954 000 shares for all periods presented. The net asset value per share calculation is based on 1 485 407 073 shares (2009 and 2008: 1 487 954 000).

	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited

5. Per share calculations (continued)

5.2 Headline earnings[1] reconciliation

	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited
Earnings attributable to equity shareholders for basic and diluted earnings per share	**4 196**	6 089	7 811
Adjusted for:			
Net loss on disposal of property, plant and equipment and intangible assets	**17**	13	39
Impairment losses (Note 4)	**3 370**	112	30
Other	**1**	–	(8)
	7 584	6 214	7 872
Tax impact of adjustments	**(5)**	(4)	(12)
Headline earnings for headline and diluted headline earnings per share	**7 579**	6 210	7 860

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 as issued by the South African Institute of Chartered Accountants.*

6. Forfeitable share plan ('FSP')

The FSP which was approved by shareholders by ordinary resolution at the annual general meeting held on 31 July 2009 was implemented on 26 November 2009, with 4 722 504 shares being granted to participants.

The FSP is accounted for as an equity-settled share-based payment transaction in terms of IFRS 2: Share-based Payment.

7. Reclassifications

Certain items in the preliminary condensed consolidated annual financial statements were retrospectively reclassified so as to align with practices of the Group's parent, Vodafone. The reclassifications are summarised below.

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.

7.2 Statement of financial position

Bonus and leave pay liabilities have been reclassified from provisions to accruals within trade and other payables. 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. Reclassifications (continued)

7.3 Statement of cash flows

Dividends paid, realised net losses on remeasurement and disposal of financial instruments, finance costs paid and finance income received have been reclassified from operating activities to the activities from which they originate.

7.4 Combination of line items

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

Full details on reclassifications will be disclosed in the Group's annual report for the year ended 31 March 2010.

8. Related parties

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

	2010 Rm Reviewed	**2009 Rm Audited**	**2008 Rm Audited**
8.1 Balances with related parties			
Accounts receivable	**197**	949	828
Accounts payable	**(154)**	(325)	(438)
Dividends payable	**–**	(2 200)	(3 190)
8.2 Transactions with related parties			
Revenue[1]	**994**	3 248	3 359
Direct costs[1]	**(554)**	(1 111)	(1 045)
Other operating expenses	**(19)**	(1 354)	(1 209)
Dividends declared	**(1 064)**	(5 200)	(5 940)
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 ended 31 March 2010.			
9. Capital expenditure incurred			
Capital expenditure additions including software	**6 636**	6 906	5 916

1 *Includes transactions with Telkom from 1 April 2009 to 18 May 2009.*

	2010 Rm Reviewed	2009 Rm Audited	2008 Rm Audited
10. Commitments			
Capital expenditure contracted for but not yet incurred	**2 213**[1]	2 214	1 600
Capital expenditure approved but not yet contracted for	**6 364**[1]	9 712	8 822
Operating leases	**4 070**	3 534	4 571
Transmission and data lines	**6 270**	6 643	–
Other[2]	**1 760**	2 038	2 904

1 *Capital expenditure approved at forecasted exchange rates, limited to R7 375 million, was translated at the closing rates as at the reporting date.*

2 *Other includes sport, marketing, retention incentives, activation bonuses, activation commissions, other accommodation, handset purchase and other purchase commitments.*

11. Borrowings

The Absa Bank Limited loan with a nominal value of R3 000 million was repaid on 10 December 2009 using cash and short term borrowings. The loan was for a term of one year and was utilised as bridge funding for the Gateway acquisition.

The Group reduced its bank borrowings classified as financing activities through strong cash flow management and cost containment.

12. Contingencies

12.1 Guarantees

The Group provides credit guarantees amounting to R48 million (2009: R1 810 million; 2008: R1 517 million) relating to the operations of its subsidiaries, of which none (2009: R1 735 million; 2008: R1 463 million) are included in borrowings.

Vodacom (Pty) Limited provides an unlimited guarantee for bank borrowings entered into by Vodacom Group Limited. The total amount of guarantees, including bank borrowings, amounted to R3 593 million as at 31 March 2010 (2009: R4 878 million; 2008: R2 456 million), all of which are included in borrowings.

13. Customer registration

13.1 Democratic Republic of Congo ('DRC')

In terms of a ministerial decree promulgated in 2008, network operators in the DRC had to register their customers by 31 December 2009. In December 2009 a new customer registration decree was issued, which requires due process to be followed on individual customer information requests prior to penalties being imposed. Significant progress has been made to register customers and to minimise disruptions to customer acquisitions as a result of registration.

13. Customer registration (continued)

13.2 Other

Vodacom Tanzania Limited and Vodacom (Pty) Limited, a South African based company, are also subject to customer registration by 30 June 2010 and 31 December 2010 respectively. The Group is making every effort to be fully compliant by the set deadlines.

14. Interconnect rates

The Group's South African operation has as a result of bilateral negotiations with the other mobile operators agreed to reduce the peak interconnect rates from R1.25 to R0.89 with effect from 1 March 2010. The R0.77 off-peak rate remained unchanged. On 16 April 2010, the Independent Communications Authority of South Africa ('ICASA') published draft regulations in which it proposes to reduce the rates to R0.65 in July 2010, R0.55 in July 2011 and R0.40 in July 2012. The Group will actively participate in the ICASA public consultation process on the draft regulations.

15. Code of conduct on the sale, lease, rental or subsidisation of subscriber equipment ('draft Code')

In December 2009, ICASA published a draft Code, the purpose of which is to foster transparency, promote consumer rights and sets out minimum standards to be adhered to by licensees. The draft Code is also applicable to licensees' agents and resellers. It is anticipated that the draft Code will be finalised within the next financial year.

16. Arbitration

Vodacom International Limited ('VIL') filed a request for arbitration against Congolese Wireless Network s.p.r.l. ('CWN') on 7 April 2010. VIL is seeking, *inter alia,* as a provisional measure the appointment of an ad hoc trustee with the mandate to represent CWN at an extraordinary shareholders' meeting in order to vote, in accordance with the corporate interest of Vodacom Congo (RDC) s.p.r.l. on certain resolutions. In addition, VIL has reserved its right to claim damages.

17. 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:

17.1 Final dividend declared

A final dividend of R2 599 million (175 cents per ordinary share) for the year ended 31 March 2010, was declared on 13 May 2010, payable on 5 July 2010 to shareholders recorded in the register at the close of business on 2 July 2010. The secondary tax on companies payable on this dividend amounts to R260 million.

Supplementary information

Operating results for the year ended 31 March 2010

Rm	South Africa	% 09/10	International	% 09/10	Gateway	Corporate/ Eliminations	Group	% 09/10
Mobile voice	27 422	5.1	3 916	(20.8)	–	–	31 338	1.0
Mobile interconnect	8 075	1.1	757	(33.2)	–	(90)	8 742	(3.9)
Mobile messaging	2 967	10.6	248	(27.3)	–	–	3 215	6.3
Mobile data	4 363	32.8	134	6.3	–	1	4 498	31.9
Other service revenue	1 339	28.1	200	(10.3)	2 888	(194)	4 233	110.5
Service revenue	44 166	7.5	5 255	(22.3)	2 888	(283)	52 026	7.1
Equipment revenue	5 432	4.7	151	18.0	46	(38)	5 591	5.5
Non-service revenue	833	(43.0)	163	(20.5)	–	(78)	918	(41.6)
Revenue	50 431	5.7	5 569	(21.6)	2 934	(399)	58 535	5.6
Direct costs	(23 053)	(1.5)	(2 098)	(12.9)	(2 020)	397	(26 774)	2.1
Staff expenses	(2 932)	16.6	(747)	(7.4)	(228)	(384)	(4 291)	16.4
Marketing and advertising expenses	(1 352)	(0.7)	(356)	(14.2)	(10)	(10)	(1 728)	(3.6)
BBBEE charge	–	–	–	–	–	–	–	–
Other operating expenses	(4 513)	4.6	(1 479)	(9.4)	(474)	489	(5 977)	6.3
Depreciation and amortisation	(3 810)	10.4	(1 092)	(2.8)	(216)	(39)	(5 157)	10.1
Impairment losses	(8)	33.3	(188)	77.4	(3 039)	(135)	(3 370)	> 200.0
Operating profit/(loss)	14 763	29.8	(391)	(164.5)	(3 053)	(81)	11 238	(6.4)
EBITDA	18 578	14.5	888	(51.6)	202	114	19 782	8.7
EBITDA margin (%)	36.8		15.9		6.9	(28.6)	33.8	
Operating profit margin (%)	29.3		(7.0)		(104.1)	20.3	19.2	

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Supplementary information (continued)

Operating results for the year ended 31 March 2009

Rm	South Africa	% 08/09	International	% 08/09	Gateway	Corporate/ Eliminations	Group	% 08/09
Mobile voice	26 083	7.6	4 942	29.8	–	–	31 025	10.6
Mobile interconnect	7 985	6.9	1 134	23.0	–	(20)	9 099	8.7
Mobile messaging	2 683	4.8	341	22.2	–	1	3 025	6.5
Mobile data	3 285	55.8	126	137.7	–	–	3 411	57.8
Other service revenue	1 045	41.8	223	62.8	808	(65)	2 011	140.8
Service revenue	41 081	10.7	6 766	30.2	808	(84)	48 571	14.9
Equipment revenue	5 190	5.0	128	6.7	–	(18)	5 300	4.9
Non-service revenue	1 462	55.5	205	141.2	–	(96)	1 571	54.2
Revenue	47 733	11.0	7 099	31.4	808	(198)	55 442	14.7
Direct costs	(23 402)	11.2	(2 408)	25.7	(514)	100	(26 224)	14.5
Staff expenses	(2 514)	16.4	(807)	53.1	(57)	(308)	(3 686)	23.9
Marketing and advertising expenses	(1 361)	15.6	(415)	45.6	(3)	(14)	(1 793)	23.5
BBBEE charge	(1 315)	n/a	–	–	–	–	(1 315)	–
Other operating expenses	(4 313)	11.8	(1 633)	44.6	(134)	456	(5 624)	23.0
Depreciation and amortisation	(3 450)	12.9	(1 124)	40.9	(67)	(42)	(4 683)	19.7
Impairment losses	(6)	–	(106)	> 200.0	–	–	(112)	> 200.0
Operating profit	11 372	(2.8)	606	(15.6)	33	(6)	12 005	(3.9)
EBITDA	16 222	9.7	1 835	18.7	100	39	18 196	10.5
EBITDA margin (%)	34.0		25.8		12.4	(19.7)	32.8	
Operating profit margin (%)	23.8		8.5		4.1	3.0	21.7	

Supplementary information (continued)

Operating results for the year ended 31 March 2008

Rm	South Africa	International	Gateway	Corporate/ Eliminations	Group
Mobile voice	24 247	3 807	–	–	28 054
Mobile interconnect	7 468	922	–	(17)	8 373
Mobile messaging	2 561	279	–	–	2 840
Mobile data	2 109	53	–	–	2 162
Other service revenue	737	137	–	(39)	835
Service revenue	37 122	5 198	–	(56)	42 264
Equipment revenue	4 942	120	–	(11)	5 051
Non-service revenue	940	85	–	(6)	1 019
Revenue	43 004	5 403	–	(73)	48 334
Direct costs	(21 048)	(1 916)	–	62	(22 902)
Staff expenses	(2 159)	(527)	–	(289)	(2 975)
Marketing and advertising expenses	(1 177)	(285)	–	10	(1 452)
BBBEE charge	–	–	–	–	–
Other operating expenses	(3 859)	(1 129)	–	415	(4 573)
Depreciation and amortisation	(3 057)	(798)	–	(56)	(3 911)
Impairment losses	–	(30)	–	–	(30)
Operating profit	11 704	718	–	69	12 491
EBITDA	14 790	1 546	–	127	16 463
EBITDA margin (%)	34.4	28.6	–	(174.0)	34.1
Operating profit margin (%)	27.2	13.3	–	(94.5)	25.8

Supplementary information (continued)

South African key indicators

	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
Customers (thousands)[1]	**26 262**	27 625	24 821	**(4.9)**	11.3
Prepaid[2]	**21 765**	23 679	21 280	**(8.1)**	11.3
Contract	**4 497**	3 946	3 541	**14.0**	11.4
Gross connections (thousands)	**9 328**	13 064	12 040	**(28.6)**	8.5
Prepaid[2]	**8 523**	12 359	11 258	**(31.0)**	9.8
Contract	**805**	705	782	**14.2**	(9.8)
Churn (%)[3]	**38.4**	40.1	42.3		
Prepaid[2]	**43.7**	45.2	47.7		
Contract	**8.8**	9.9	8.3		
Traffic (millions of minutes)[4]	**26 675**	24 383	22 769	**9.4**	7.1
Outgoing	**18 792**	16 582	15 323	**13.3**	8.2
Incoming	**7 883**	7 801	7 446	**1.1**	4.8
MOU per month[5]	**80**	79	78	**1.3**	1.3
Prepaid[2]	**55**	52	50	**5.8**	4.0
Contract	**220**	240	258	**(8.3)**	(7.0)
Total ARPU (Rand per month)[6]	**132**	133	128	**(0.8)**	3.9
Prepaid[2]	**70**	70	65	**–**	7.7
Contract	**447**	474	486	**(5.7)**	(2.5)
Messaging (millions)[7]	**5 949**	5 410	5 002	**10.0**	8.2
Data connectivity customers (thousands)[8]	**1 138**	800	495	**42.3**	61.6
Number of employees	**5 059**	4 930	4 504	**2.6**	9.5
Estimated mobile penetration (%)	**100**	108	94		
Estimated mobile market share (%)	**53**	53	55		

South African key indicators (continued)

Notes:

1. *Customer totals are based on the total number of 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 10.8% (2009: 9.8%) at 31 March 2010.*
2. *Prepaid figures have been restated to include community services in line with the Group's parent's policies.*
3. *Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total reported customer base during the period.*
4. *Traffic comprises total traffic registered on Vodacom's 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 of reported customers during the period. Previously, minutes of use were based on billable minutes.*
6. *Total ARPU is calculated by dividing average monthly recurring revenue by the average monthly total reported customers during the period. Total ARPU excludes revenue from equipment sales and non-service revenue. Prepaid and contract ARPU only includes recurring revenue generated from Vodacom customers.*
7. *Messaging includes SMS, MMS and premium rate SMS/MMS.*
8. *A unique customer who has either taken a data contract or has a data bundle as part of the contract, hybrid contract, data messenger contract or prepaid package. The numbers for the comparative years have been restated to include data messenger.*

Supplementary information (continued)

International key indicators

	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
Customers (thousands)[1]	**13 630**	11 989	9 173	**13.7**	30.7
Tanzania	**7 270**	5 667	4 207	**28.3**	34.7
DRC	**3 353**	4 170	3 289	**(19.6)**	26.8
Mozambique	**2 329**	1 634	1 282	**42.5**	27.5
Lesotho	**678**	518	395	**30.9**	31.1
Gross connections (thousands)	**9 315**	7 860	5 913	**18.5**	32.9
Tanzania	**4 488**	3 584	2 645	**25.2**	35.5
DRC	**2 567**	2 773	2 141	**(7.4)**	29.5
Mozambique	**1 986**	1 290	951	**54.0**	35.6
Lesotho	**274**	213	176	**28.6**	21.0
Churn (%)[3]					
Tanzania	**45.3**	43.1	45.5		
DRC[2]	**83.0**	50.5	48.0		
Mozambique	**61.8**	69.0	58.7		
Lesotho	**19.3**	19.8	17.8		
Total ARPU (Rand per month)[4]					
Tanzania[5]	**29**	49	48	**(40.8)**	(2.1)
DRC	**37**	63	60	**(41.3)**	5.0
Mozambique	**30**	43	31	**(30.2)**	38.7
Lesotho	**67**	70	74	**(4.3)**	(5.4)
Total ARPU (local currency)[4]					
Tanzania (TZS)[5]	**5 044**	6 943	8 289	**(27.4)**	(16.2)
DRC (USD)	**4.7**	7.2	8.4	**(34.7)**	(14.3)
Mozambique (MZN)	**109**	121	111	**(9.9)**	9.0
Estimated mobile penetration (%)					
Tanzania	**34**	30	20		
DRC	**13**	16	12		
Mozambique	**23**	17	16		
Lesotho	**41**	30	26		

vodacom GROUP LIMITED

Supplementary information (continued)

International key indicators (continued)

	Year ended 31 March 2010	2009	2008	% change 09/10	08/09
Estimated mobile market share (%)					
Tanzania	**50**	46	52		
DRC	**38**	37	41		
Mozambique	**45**	44	40		
Lesotho	**81**	80	80		
Number of employees	**1 634**	1 636	1 540	**(0.1)**	6.2
Tanzania	**678**	689	618	**(1.6)**	11.5
DRC	**651**	672	691	**(3.1)**	(2.7)
Mozambique	**205**	188	157	**9.0**	19.7
Lesotho	**96**	83	70	**15.7**	18.6
Mauritius	**4**	4	4	**–**	–

Notes:

1. *Customer totals are based on the total number of 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 19.4% (2009: 22.5%) for Tanzania, 0.0% (2009: 23.7%) for the DRC, 35.9% (2009: 27.2%) for Mozambique and 13.3% (2009: 15.5%) for Lesotho at 31 March 2010.*
2. *DRC changed its disconnection policy from 215 to 90 inactive days. Prior period numbers have not been restated. Normalised DRC customer growth is 5.1% and churn is 71.9% at 31 March 2010.*
3. *Churn is calculated by dividing the average monthly number of disconnections during the period by the average monthly total reported customers during the period.*
4. *Total ARPU is calculated by dividing the average monthly recurring revenue by the average monthly total of reported customers during the period. Total ARPU excludes revenue from equipment sales and non-service revenue.*
5. *ARPU numbers have been restated for March 2008. Excise duty is now netted off against revenue in line with Group accounting policies.*

Exchange rates

	Average year to date 31 March 2010	2009	2008	% change 09/10	08/09	Closing 31 March 2010	2009	2008	% change 09/10	08/09
USD/ZAR	**7.83**	8.84	7.11	**(11.4)**	24.3	**7.38**	9.64	8.13	**(23.4)**	18.6
ZAR/MZN	**3.68**	2.83	3.57	**30.0**	(20.7)	**4.35**	2.84	2.99	**53.2**	(5.0)
ZAR/TZS	**171.29**	142.67	171.95	**20.1**	(17.0)	**184.29**	139.52	151.99	**32.1**	(8.2)
EUR/ZAR	**11.05**	12.46	10.08	**(11.3)**	23.6	**9.89**	12.75	12.83	**(22.4)**	(0.6)

Supplementary information (continued)

Historical key performance indicators for the quarters ended

Revenue

Rm	March 2010	December 2009	September 2009	June 2009	March 2009	December 2008	September 2008
South Africa	**12 621**	13 439	12 264	12 107	**12 420**	12 503	11 637
International	**1 210**	1 394	1 507	1 458	**1 673**	2 093	1 751
Gateway	**709**	693	729	803	**808**	–	–
Corporate and eliminations	**(105)**	(101)	(129)	(64)	**(105)**	(40)	(31)
Total revenue	**14 435**	15 425	14 371	14 304	**14 796**	14 556	13 357

South Africa

Rm	March 2010	December 2009	September 2009	June 2009	March 2009	December 2008	September 2008
Customers (thousands)[1]	**26 262**	27 102	28 204	28 735	**27 625**	26 450	25 245
Prepaid[2]	**21 765**	22 753	24 045	24 696	**23 679**	22 583	21 510
Contract	**4 497**	4 349	4 159	4 039	**3 946**	3 867	3 735
Churn (%)[3]	**42.9**	41.5	35.6	34.1	**36.5**	39.4	43.9
Prepaid[2]	**49.6**	47.5	40.1	38.3	**40.9**	44.6	49.8
Contract	**9.1**	8.8	8.2	9.2	**10.5**	9.9	9.8
Traffic (millions of minutes)[4]	**6 379**	6 655	6 745	6 896	**6 189**	6 402	5 997
Outgoing	**4 434**	4 632	4 760	4 966	**4 225**	4 382	4 068
Incoming	**1 945**	2 023	1 985	1 930	**1 964**	2 020	1 929
Total ARPU (Rand per month)[5]	**140**	140	125	123	**129**	140	135
Prepaid[2]	**74**	76	66	66	**67**	77	70
Contract	**436**	455	461	444	**460**	473	482

Supplementary information (continued)

Historical key performance indicators for the quarters ended (continued)

International

Rm	March 2010	December 2009	September 2009	June 2009	March 2009	December 2008	September 2008
Customers (thousands)[1]	**13 630**	13 352	13 384	12 571	**11 989**	11 321	10 444
Tanzania	**7 270**	6 878	6 260	5 917	**5 667**	5 355	4 931
DRC	**3 353**	3 522	4 404	4 182	**4 170**	4 042	3 776
Mozambique	**2 329**	2 312	2 134	1 925	**1 634**	1 435	1 287
Lesotho	**678**	640	586	547	**518**	489	450
Churn (%)[3]							
Tanzania	**42.3**	43.3	48.6	47.9	**43.3**	41.0	43.4
DRC[6]	**50.9**	157.5	57.1	59.8	**48.8**	46.2	52.2
Mozambique	**68.9**	61.1	66.1	48.3	**59.1**	73.1	81.4
Lesotho	**17.4**	19.5	20.8	20.0	**18.2**	21.1	21.4
Total ARPU (Rand per month) [5]							
Tanzania	**25**	28	31	35	**43**	54	51
DRC	**31**	35	39	39	**53**	70	67
Mozambique	**23**	27	34	36	**44**	51	40
Lesotho	**63**	73	68	65	**67**	75	69
Total ARPU (local currency) [5]							
Tanzania (TZS)	**4 472**	5 060	5 246	5 511	**5 729**	7 191	7 641
DRC (USD)	**4.3**	4.7	4.9	4.7	**5.2**	7.1	8.6
Mozambique (MZN)	**96**	109	119	114	**117**	133	122

Notes:

1. *Customer totals are based on the total number of customers registered on Vodacom's network, which have not been disconnected, including inactive customers, at the end of the period indicated.*
2. *Prepaid figures have been restated to include community services in line with the Group's parent's policies.*
3. *Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total reported customer base during the period.*
4. *Traffic comprises total traffic registered on Vodacom's 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. *Total ARPU is calculated by dividing average monthly recurring revenue by the average monthly total reported customers during the period. Total ARPU excludes revenue from equipment sales and non-service revenue. Prepaid and contract ARPU only includes recurring revenue generated from Vodacom customers.*
6. *DRC changed its disconnection policy from 215 to 90 inactive days. Prior period numbers have not been restated. Normalised DRC customer growth was 9.6% and churn was 78.1% for the quarter ending 31 December 2009.*

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 18 and page 20 for detail relating to EBITDA and headline earnings per share.

Trademarks

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Forward-looking statements

This announcement which sets out the year end results for Vodacom Group Limited for the year ended 31 March 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.

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],
P Malabie, PJ Moleketi, T Mokgosi-Mwantembe,
RAW Schellekens[4], RA Shuter, RC Snow[5]

Alternate directors

TJ Harrabin[5], HM Mahmoud[6]

Company secretary: SF Linford

Registered office

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

Transfer secretary

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(Registration number: 2004/003647/07)
70 Marshall Street, Johannesburg 2001
(PO Box 61051, Marshalltown 2107)

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