vodacom

Preliminary **results**

for the year ended 31 March 2012

Pieter Uys, Vodacom Group CEO commented:

"Our first year of trading as the new red Vodacom has been a big success. Our customer base has expanded 30% to 48 million, we've invested R8.7 billion in our networks and we've achieved the number one net promoter score in South Africa and in two out of our three measured International markets. From a financial perspective, thanks to building the top line and also managing costs, EBITDA is up 11% and HEPS is up 8%.

Perhaps more importantly, we've seen strong delivery in the areas driving growth into the future – data and the International businesses. Combined, these accounted for 87% of the growth in Group service revenue. We added 5 million active data customers, taking the total to 15 million and supporting data revenue growth of 27%. The International customer base has now reached 19 million, an increase of 36%, and this segment has passed the important milestone of generating positive free cash flow.

Overall, the team delivered a very solid performance and the platforms for growth are well established. The 24% growth in Group free cash flow supported a higher dividend of 710 cents and helped us deliver a 45% total shareholder return."

Highlights

Strong financial performance

- Group service revenue up 7.8% (7.1%*)
- Group EBITDA up 10.5% (11.4%*)
- Group operating free cash flow up 14.1% to R16 934 million
- Headline earnings per share ('HEPS') up 8.1% to 709 cents
- 54.3% increase in total dividend per share to 710 cents

Targeted activity underpins commercial success

- Customers[1] increased 29.9% to 47.8 million adding 11.0 million
- 48.6% increase in Group active data customers to 15.1 million
- Number one in net promoter score ('NPS') in South Africa

Investment sustains network leadership advantage

- Group capex increased 37.3% to R8 662 million
- 22.0% increase in number of 3G base stations
- Radio equipment renewals underway in all operations

Demand for data services remains high in South Africa

- Active data customers increased 35.4% to 12.2 million
- 55.4% increase in active smartphones on the network to 5.1 million
- Data revenue growth of 23.6% to R7 639 million

International growth momentum continues

- Service revenue up 27.5% (22.4%*)
- EBITDA up 73.9% (71.7%*)
- Active M-Pesa customers up 1.8 million to 3.1 million in Tanzania
- Positive contribution to free cash flow

* Represents normalised growth excluding foreign exchange gains/losses and at a constant currency.
1. Refer to page 24 note 3 for the change in the basis of reporting customers.

Operating review

South Africa

South Africa delivered a strong performance with service revenue growing 4.4% to R48 427 million (6.8% excluding the impact of cuts in mobile termination rates ('MTRs')). Equipment sales were particularly strong, growing 23.2%, contributing to overall revenue growth of 6.7%.

Customers increased 26.5% year on year to 28.9 million, a net increase of 6.1 million, mainly due to a 31.3% increase in prepaid customers driven by low cost handset deals in the retail channels and refocusing of our distribution channel to better reach under serviced areas. We also saw encouraging growth of 9.8% in our contract customer base. By offering Vodacom4Less, Night Shift products and more value promotions, we have reduced our effective price per minute by 13.6% compared to the prior year. The higher prevalence of low end usage customers, coupled with a reduction in MTRs, saw blended ARPU decrease 14.2% to R157.

Data revenue increased 23.6% to R7 639 million supported by 35.4% increase in active data customers to 12.2 million. Active data customers purchasing data bundles increased 60.4% to 4.2 million. Smartphones remain the key driver of data revenue growth, with active smartphones on the network increasing by 55.4% adding over 1.8 million smartphones in the year to 5.1 million. Smartphone average monthly usage more than doubled to 92MB as we increased the number of smartphones with attached data bundles to 40.8% from 25.9% a year ago. Competitive pressures in the data market resulted in an 18.2% reduction in the effective price per megabyte.

We continue to focus on cost saving initiatives as we operate in an environment of rising energy prices, expanding site numbers and foreign exchange volatility. In addition we benefitted from the capitalisation of employee costs for those involved in capital projects and lower publicity spend this year as the brand refresh is now complete. EBITDA for South Africa increased 8.1% to R21 254 million, with the EBITDA margin expanding from 36.8% to 37.3%.

Capital expenditure increased 36.8% to R6 976 million (12.3% of revenue). A large portion of capital spend was for the radio access network ('RAN') renewal project, transmission and new base station sites. Our RAN renewal project in South Africa achieved 60% completion in the year. The rest of our sites should be completed over the next 24 months. More than 1 700 base stations were self-provided with fibre and microwave during the year, bringing the total self-provisioned sites to just over 4 300. We expanded our network adding 973 3G base stations bringing the total 3G base stations to 5 263. We continued to invest in building 2G coverage and capacity, particularly in under serviced areas and added 519 new sites during the year.

International

International operations delivered a strong operational performance with service revenue increasing 27.5% (22.4%*) to R10 143 million due to customer growth, increased take up of data services and improved pricing environments.

Customers increased 35.5% year on year to 18.9 million, adding 4.9 million in the year driven by competitive pricing, improved distribution and extra site coverage. The demand for mobile financial services remains strong with active M-Pesa customer additions in Tanzania accelerating by 1.8 million to 3.1 million, representing 32.2% of its customer base. Tanzania M-Pesa now contributes 8.5% to their service revenue compared to 2.8% a year ago.

International EBITDA increased by 73.9% (71.7%*) to R1 461 million and the EBITDA margin improved 3.8ppts to 14.0%. The strong growth in EBITDA was due to increased revenue growth in our mobile network operations ('MNOs') of 36.2% and realising better group scale benefits particularly in procurement, offset by losses in the Gateway businesses. Vodacom is in an advanced stage of disposing of its Gateway carrier business.

Capital expenditure increased 39.0% to R1 679 million as we continued to expand our voice and data network coverage and capacity.

Strategic review

Doing more to improve the customer experience

Possibly the most important factor in improving the customer experience is to be obsessive about network quality. We started the year with a major network outage in South Africa and have done a lot of work since then to limit the risk of this happening again. In the past year we increased Group capital expenditure by 37%, giving greater capacity, updated technology and an expanded footprint. The results are clear – a recent independent test in South Africa gave Vodacom the highest marks in both voice quality and data speed, backing up the 'best network' claim. Customer service has also been enhanced through a variety of initiatives, including new in-store tech help centres that set up customers' smartphones straight away. Our measure for customer satisfaction is our NPS. It boils down to one question: "Will you recommend Vodacom?" We are rated number one in South Africa and in two of our other markets, so we're doing well – but there is room for improvement.

More for our people

Employee engagement is an attempt to measure how motivated employees are to make the extra effort. Some of the keys to engagement are ensuring that the purpose and goals of the company are well-understood, that structural impediments to getting jobs done are minimised, and that bureaucracy is minimised and transparency is maximised. This year the company incentive scheme was linked directly to the five strategies discussed here, as well as to the Vodacom Way and key principles of speed, simplicity and trust. We've employed tools like Yammer, an internal social network, to provide a platform for direct interaction and we've put in place an employee customer service helpline so that employees have a dedicated hotline to provide support for themselves and for their friends and family. While we worked really hard, we still have a way to go to achieve our goal of an 80% Engagement Index score. The actual score of 73% this year is still good, but we are disappointed that it was unchanged from prior year.

The power of the internet in more people's hands

There is a proven link between internet penetration and economic growth, which means that one of the biggest differences Vodacom can make as a corporate citizen is to get the internet into the hands of more people. This is a function of both the reach of the network and the cost to connect. We invested significantly in our networks and increased the number of 3G sites by 22% this year, which is an addition of more than 1 000 new sites. We also introduced a number of low cost internet devices such as the Vodafone 858 Smartphone, which was South Africa's first sub-R1 000 full Android touchscreen smartphone. We have also made data more affordable through various promotional offers in all our markets and by extending Night Owl in South Africa to our contract customers. The end result has been a major increase in active data customers, which have grown by 48.6% to 15.1 million. This takes us 5 million closer to our goal of 25 million by March 2014.

Operating more efficiently

Done correctly, operational excellence produces a win-win situation in terms of both our cost base and the environment. With this in mind, we launched the Site Solution Innovation centre this year in collaboration with Vodafone. This is Africa's first six star energy efficient building and it houses a team of experts who look at ways to reduce our carbon footprint across our operations as well as to minimise the cost of rolling out and maintaining our mobile networks. Our efforts to reduce our energy inputs have culminated in a 12%[1] reduction per base station site across the Vodacom Group. Overall, through cost efficiency programmes, we have been able to lower our operating expenses to service revenue to 23.7% from 24.1% last year.

Doing more with our stakeholders

Our contribution to society and to the economies in which we operate extends beyond efficiently providing a service. By proactively engaging with organisations on key industry matters, particularly relating to rural coverage and broadband inclusion for all, we have a better chance of ensuring that we are able to use our technology to make a real difference. In South Africa we signed the ICT industry competitiveness and job creation compact, which sets out 2020 goals to have 100% broadband population coverage and create one million new jobs. We have also been an active partner in setting up a new industry body to deal with all ICT related matters. We are working with industry, business partners and governments on a number of projects to enable platforms for the effective delivery of health, financial services and education programmes.

1. Compound annual reduction in Group's carbon footprint (March 2009 vs March 2011).

Financial review

Summary financial information

Rm	Year ended 31 March 2012	2011	2010	% change 11/12	10/11
Service revenue	**58 245**	54 052	52 184	**7.8**	3.6
Revenue	**66 929**	61 197	58 535	**9.4**	4.5
EBITDA	**22 763**	20 594	19 782	**10.5**	4.1
Operating profit	**16 617**	13 696	11 238	**21.3**	21.9
Net profit	**10 203**	7 979	4 200	**27.9**	90.0
Operating free cash flow	**16 934**	14 837	13 489	**14.1**	10.0
Free cash flow	**10 971**	8 829	7 212	**24.3**	22.4
Capital expenditure	**8 662**	6 311	6 636	**37.3**	(4.9)
Net debt	**7 667**	9 458	12 161	**(18.9)**	(22.2)
Basic earnings per share (cents)	**694**	561	282	**23.7**	98.9
Headline earnings per share (cents)	**709**	656	510	**8.1**	28.6
Contribution margin (%)	**54.8**	54.9	54.3		
EBITDA margin (%)	**34.0**	33.7	33.8		
Operating profit margin (%)	**24.8**	22.4	19.2		
Effective tax rate (%)	**36.0**	36.9	53.0		
Net profit margin (%)	**15.2**	13.0	7.2		
Net debt/EBITDA (times)	**0.3**	0.5	0.6		
Capex intensity (%)	**12.9**	10.3	11.3		

Service revenue

Rm	Year ended 31 March 2012	2011	2010	% change 11/12	10/11
South Africa	**48 427**	46 392	44 324	**4.4**	4.7
International	**10 143**	7 957	8 071	**27.5**	(1.4)
Corporate and eliminations	**(325)**	(297)	(211)	**(9.4)**	(40.8)
Service revenue	**58 245**	54 052	52 184	**7.8**	3.6

Group revenue and service revenue for the year ended 31 March 2012 increased by 9.4% and 7.8% respectively (8.8%* and 7.1%*), underpinned by continued growth in voice and data revenue. Service revenue growth in South Africa remained relatively stable due to growth in data revenue and customers offset by a decline in interconnect revenue resulting from further cuts in MTRs. Customer growth and stable pricing in the International operations supported revenue growth of 27.2% (22.1%*) and service revenue growth of 27.5% (22.4%*).

Operating expenses[1]

	Year ended 31 March			% change	
Rm	**2012**	**2011**	**2010**	**11/12**	**10/11**
South Africa	**35 737**	33 758	31 850	**5.9**	6.0
International	**8 970**	7 348	7 243	**22.1**	1.4
Corporate and eliminations	**(476)**	(468)	(323)	**(1.7)**	(44.9)
Operating expenses[1]	**44 231**	40 638	38 770	**8.8**	4.8

Group operating expenses[1] increased 8.8% (7.5%*) to R44 231 million, below revenue growth of 9.4% (8.8%*). These expenses include a net foreign exchange loss on the revaluation of foreign-denominated trading items of R146 million (2011: R11 million gain). The increase in Group expenses resulted mainly from an increase in device sales volume, carrier expenditure from increased volumes of minutes carried in International and interconnect expenditure in both segments, offset by publicity savings due to the brand refresh related costs in the prior year. Staff expenses increased by 7.3% during the year. Excluding the impact of capitalisation of staff costs, staff expenses increased 13.3% due to salary increases and a higher long-term incentives provision linked to the share price appreciation.

EBITDA

	Year ended 31 March			% change	
Rm	**2012**	**2011**	**2010**	**11/12**	**10/11**
South Africa	**21 254**	19 653	18 578	**8.1**	5.8
International	**1 461**	840	1 176	**73.9**	(28.6)
Corporate and eliminations	**48**	101	28	**(52.5)**	> 200.0
EBITDA	**22 763**	20 594	19 782	**10.5**	4.1

Group EBITDA increased 10.5% (11.4%*) to R22 763 million, and the EBITDA margin improved to 34.0% (2011: 33.7%). In constant currency the Group EBITDA margin improved 0.8ppts from the prior year to 34.2%. South Africa contributed 93.4% (2011: 95.4%) to Group EBITDA, increasing 8.1% (9.1%*) with an improved margin of 37.3% (37.6%*). International EBITDA increased 73.9% (71.7%*) with margins improving to 14.0% (2011: 10.2%). The substantial improvement in the profitability of the International MNOs was partially offset by EBITDA losses in Gateway.

1. Excluding depreciation, amortisation and impairment losses.

Operating profit

	Year ended 31 March			% change	
Rm	**2012**	**2011**	**2010**	**11/12**	**10/11**
South Africa	**16 671**	15 522	14 763	**7.4**	5.1
International	**(75)**	(1 902)	(3 358)	**96.1**	43.4
Corporate and eliminations	**21**	76	(167)	**(72.4)**	145.5
Operating profit	**16 617**	13 696	11 238	**21.3**	21.9

Group operating profit increased 21.3% to R16 617 million. The operating profit in South Africa increased 7.4% due to the growth in EBITDA, partially offset by the 10.6% increase in depreciation and amortisation arising from higher capital expenditure. International operating loss decreased 96.1% mainly as a result of a reduction in net impairment losses from R1 506 million in the prior period to R199 million this year coupled with improved profitability of the MNOs.

Net finance charges

	Year ended 31 March			% change	
Rm	**2012**	**2011**	**2010**	**11/12**	**10/11**
Finance income	**109**	109	124	**–**	(12.1)
Finance costs	**(748)**	(864)	(1 602)	**(13.4)**	(46.1)
Remeasurement of loans	**(51)**	28	(375)	**< (200.0)**	107.5
Net loss on translation of foreign					
– denominated assets and liabilities	**(16)**	(131)	(23)	**(87.8)**	> 200.0
Net gain/(loss) on derivatives	**20**	(164)	(396)	**112.2**	(58.6)
Other	**2**	(36)	–	**105.6**	n/a
Net finance charges	**(684)**	(1 058)	(2 272)	**(35.3)**	(53.4)

Net finance charges reduced from R1 058 million in the prior period to R684 million for the year ended 31 March 2012, mainly due to the gain on derivatives relating to our forward exchange contracts and reduced finance costs.

Finance costs for the period reduced by R116 million compared to the prior period as a result of a lower average debt coupled with the benefit of lower interest rates. The average cost of debt reduced from 7.7% to 7.3%.

Taxation

The tax expense of R5 730 million for the period increased by 23.0% compared to the prior year. The increase is mainly due to increased profitability, higher secondary tax on companies ('STC') and the net derecognition of certain deferred tax assets. The Group's effective tax rate decreased from 36.9% to 36.0% mainly due to a decrease in net impairment losses partially offset by an increase in STC.

Earnings

HEPS increased 8.1% to 709 cents mainly due to growth in operating profit before impairments and a reduction in finance charges offset by increased taxation. Basic earnings per share of 694 cents (2011: 561 cents) was impacted by net impairment losses of R199 million (2011: R1 508 million).

Capital expenditure

	Year ended 31 March			% change	
Rm	**2012**	**2011**	**2010**	**11/12**	**10/11**
South Africa	**6 976**	5 100	4 573	**36.8**	11.5
International	**1 679**	1 208	2 067	**39.0**	(41.6)
Corporate and eliminations	**7**	3	(4)	**133.3**	175.0
Capital expenditure	**8 662**	6 311	6 636	**37.3**	(4.9)
Capex intensity (%)	**12.9**	10.3	11.3		

The Group's capital expenditure for the period was R8 662 million, 37.3% higher than a year ago. The 36.8% growth in the South African capital expenditure is largely due to an increase in the RAN renewal project, self-provisioning of our transmission network, and investment in our information technology and billing systems. New coverage and capacity sites as well as RAN renewals contributed to the 39.0% (24.3%*) increase in the International business capital expenditure.

Statement of financial position

Property, plant and equipment increased by 12.9% to R24 367 million due to net additions of R7 230 million and was positively impacted by foreign currency translation adjustments of R562 million.

Net debt decreased to R7 667 million, compared to R9 458 million a year ago. The Group's financial gearing reduced, with the net debt to EBITDA ratio at 0.3 times at 31 March 2012 (2011: 0.5 times). 87.8% (2011: 86.7%) of the debt[1] is denominated in rand. R2 413 million (2011: R3 114 million) of the debt[1] matures in the next 12 months and 55.9% (2011: 66.2%) of interest bearing debt (including bank overdrafts) is at floating rates.

Net debt

	As at 31 March			Movement	
Rm	**2012**	**2011**	**2010**	**11/12**	**10/11**
Bank and cash balances	**3 781**	870	1 061	**2 911**	(191)
Bank overdrafts	**(409)**	(331)	(110)	**78**	221
Borrowings and derivative financial instruments	**(11 039)**	(9 997)	(13 112)	**1 042**	(3 115)
Net debt	**(7 667)**	(9 458)	(12 161)	**(1 791)**	(2 703)
Net debt/EBITDA (times)	**0.3**	0.5	0.6		

During the year the Group diversified its sources of funding by establishing a R10 billion domestic medium-term note programme ('DMTN'). As part of this programme, we issued our inaugural R750 million three month commercial paper in August 2011 and rolled the commercial paper in November 2011 and February 2012.

A three-year loan with a nominal value of R3 billion was raised from Vodafone to refinance existing short-term borrowings as well as finance capital expenditure and working capital requirements.

1. Debt includes interest bearing debt, non-interest bearing debt, bank overdrafts and commercial paper.

Cash flow

Free cash flow

	Year ended 31 March			% change	
Rm	2012	2011	2010	11/12	10/11
Cash generated from operations	**24 502**	21 385	19 711	**14.6**	8.5
Net additions to property, plant and equipment and intangible assets	**(7 568)**	(6 548)	(6 222)	**15.6**	5.2
Operating free cash flow	**16 934**	14 837	13 489	**14.1**	10.0
Tax paid	**(5 192)**	(4 982)	(4 764)	**4.2**	4.6
Finance income received	**29**	85	108	**(65.9)**	(21.3)
Finance costs paid	**(800)**	(1 111)	(1 621)	**(28.0)**	(31.5)
Free cash flow	**10 971**	8 829	7 212	**24.3**	22.4

Operating free cash flow increased by 14.1% to R16 934 million for the period. The cash generated from operations grew by R3 117 million and was mainly due to positive trading performance. Net cash additions to property, plant and equipment and intangible assets increased from R6 548 million to R7 568 million. The growth of 24.3% in Group free cash flow to R10 971 million was due to positive free cash flow from the International MNOs resulting from lower funding requirements from the Group.

Declaration of final dividend No. 6 – payable from income reserves

Notice is hereby given that a gross final dividend number 6 of 450 cents per ordinary share in respect of the financial year ended 31 March 2012 has been declared payable on Monday 25 June 2012 to shareholders recorded in the register at the close of business on Friday 22 June 2012. There are no STC credits available for utilisation. The number of ordinary shares in issue at date of this declaration is 1 487 954 000. The dividend will be subject to a local dividend withholding tax rate of 15%, which will result in a net final dividend to those shareholders not exempt from paying dividend withholding tax of 382.5 cents per ordinary share.

Last day to trade shares *cum* dividend	Friday 15 June 2012
Shares commence trading *ex* dividend	Monday 18 June 2012
Record date	Friday 22 June 2012
Payment date	Monday 25 June 2012

Share certificates may not be dematerialised or rematerialised between Monday 18 June 2012 and Friday 22 June 2012, both days inclusive.

On Monday 25 June 2012, the final dividend will be electronically transferred into the bank accounts of all certificated shareholders where this facility is available. Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday 25 June 2012.

Vodacom Group Limited tax reference number is 9316/041/71/5.

Outlook

Our first year of trading as the new red Vodacom has been a big success. We made good progress on the Group's five strategic focus areas and thanks to strong customer additions and significantly higher data usage, we delivered service revenue growth ahead of our "low single digit" guidance.

Looking to the year ahead we expect competition to intensify, particularly in the data business, and consumers to remain under pressure from rising food and fuel prices. Despite these pressures, we believe that continued improvements in our customer proposition, data demand, and continued momentum in our International operations will support growth. We also expect to deliver further operational efficiencies.

Over the medium-term, we are targeting low single digit service revenue growth and steady incremental EBITDA margin improvement (excluding foreign exchange movements).

We expect to maintain our Group capital expenditure between 11% and 13% of revenue for the year ending 31 March 2013. Our capital expenditure programme will support our continued customer demand for data services. We will focus on transmission, radio access renewal and accelerating the rollout of mobile broadband coverage.

For and on behalf of the Board

Peter Moyo
Non-executive Chairman

Pieter Uys
Chief Executive Officer

18 May 2012

Midrand

Condensed consolidated income statement

for the year ended 31 March

Rm	Notes	2012 Reviewed	2011 Audited	2010 Audited
Revenue	3	**66 929**	61 197	58 535
Direct expenses		**(30 265)**	(27 600)	(26 764)
Staff expenses		**(4 318)**	(4 024)	(3 878)
Publicity expenses		**(1 804)**	(2 086)	(1 848)
Other operating expenses		**(7 844)**	(6 928)	(6 280)
Depreciation and amortisation		**(5 882)**	(5 355)	(5 157)
Impairment losses	4	**(199)**	(1 508)	(3 370)
Operating profit		**16 617**	13 696	11 238
Finance income		**109**	109	124
Finance costs		**(748)**	(864)	(1 602)
Net loss on remeasurement and disposal of financial instruments		**(45)**	(303)	(794)
Loss from associate		**–**	–	(21)
Profit before tax		**15 933**	12 638	8 945
Taxation		**(5 730)**	(4 659)	(4 745)
Net profit		**10 203**	7 979	4 200
Attributable to:				
Equity shareholders		**10 156**	8 245	4 196
Non-controlling interests		**47**	(266)	4
		10 203	7 979	4 200

Cents	Notes	2012 Reviewed	2011 Audited	2010 Audited
Basic earnings per share	5	**694.0**	561.5	282.3
Diluted earnings per share	5	**691.2**	560.4	282.0

Condensed consolidated statement of comprehensive income

for the year ended 31 March

Rm	2012 Reviewed	2011 Audited	2010 Audited
Net profit	**10 203**	7 979	4 200
Other comprehensive income	**315**	(449)	(2 665)
Foreign currency translation differences, net of tax	**389**	(502)	(2 665)
(Loss)/Gain on hedging instruments in cash flow hedges, net of tax	**(74)**	53	–
Total comprehensive income	**10 518**	7 530	1 535
Attributable to:			
Equity shareholders	**10 583**	7 739	1 645
Non-controlling interests	**(65)**	(209)	(110)
	10 518	7 530	1 535

Condensed consolidated statement of financial position

as at 31 March

Rm	Notes	2012 Reviewed	2011 Audited	2010 Audited
Assets				
Non-current assets		**30 678**	27 982	29 131
Property, plant and equipment		**24 367**	21 577	21 383
Intangible assets		**5 123**	5 215	6 673
Financial assets		**201**	189	181
Trade and other receivables		**227**	264	231
Finance lease receivables		**447**	307	408
Deferred tax		**313**	430	255
Current assets		**17 552**	13 453	12 560
Financial assets		**695**	273	153
Inventory		**832**	799	707
Trade and other receivables		**11 379**	10 773	10 024
Finance lease receivables		**691**	462	262
Tax receivable		**174**	276	353
Cash and cash equivalents		**3 781**	870	1 061
Total assets		**48 230**	41 435	41 691
Equity and liabilities				
Fully paid share capital		*****	*	*
Treasury shares		**(1 530)**	(1 384)	(422)
Retained earnings		**20 121**	17 864	14 832
Other reserves		**(61)**	(858)	(672)
Equity attributable to owners of the parent		**18 530**	15 622	13 738
Non-controlling interests		**400**	558	898
Total equity		**18 930**	16 180	14 636
Non-current liabilities		**10 932**	8 743	11 590
Borrowings	10	**9 012**	7 280	9 786
Trade and other payables		**352**	258	317
Provisions		**551**	510	436
Deferred tax		**1 017**	695	1 051
Current liabilities		**18 368**	16 512	15 465
Borrowings	10	**2 004**	2 783	3 239
Trade and other payables		**15 406**	13 005	11 714
Provisions		**355**	298	193
Tax payable		**172**	87	203
Dividends payable		**22**	8	6
Bank overdrafts		**409**	331	110
Total equity and liabilities		**48 230**	41 435	41 691

* Fully paid share capital of R100.

Condensed consolidated statement of changes in equity

for the year ended 31 March

Rm	Equity attributable to owners of the parent	Non-controlling interests	Total equity
1 April 2009	14 017	1 081	15 098
Total comprehensive income	1 645	(110)	1 535
Dividends	(1 631)	(73)	(1 704)
Repurchase of shares	(422)	–	(422)
Share-based payment expense	129	–	129
31 March 2010	13 738	898	14 636
Total comprehensive income	7 739	(209)	7 530
Dividends	(5 212)	(71)	(5 283)
Partial disposal of interests in subsidiaries	156	(60)	96
Repurchase of shares	(962)	–	(962)
Share-based payment expense	163	–	163
31 March 2011	**15 622**	**558**	**16 180**
Total comprehensive income	**10 583**	**(65)**	**10 518**
Dividends	**(7 900)**	**(61)**	**(7 961)**
Partial disposal of interests in subsidiaries	**191**	**(172)**	**19**
Shareholder loan conversion to equity	**–**	**140**	**140**
Repurchase and sale of shares	**(139)**	**–**	**(139)**
Share-based payment expense	**173**	**–**	**173**
31 March 2012	**18 530**	**400**	**18 930**

Condensed consolidated statement of cash flows

for the year ended 31 March

Rm	2012 Reviewed	2011 Audited	2010 Audited
Cash flows from operating activities			
Cash generated from operations	**24 502**	21 385	19 711
Tax paid	**(5 192)**	(4 982)	(4 764)
Net cash flows from operating activities	**19 310**	16 403	14 947
Cash flows from investing activities			
Net additions to property, plant and equipment and intangible assets	**(7 568)**	(6 548)	(6 222)
Business combinations, net of cash acquired	**(23)**	(24)	–
Other investing activities	**(411)**	(9)	(107)
Net cash flows utilised in investing activities	**(8 002)**	(6 581)	(6 329)
Cash flows from financing activities			
Movement in borrowings, including finance costs paid	**(480)**	(3 949)	(4 255)
Dividends paid	**(7 947)**	(5 283)	(3 908)
Repurchase and sale of shares	**(148)**	(984)	(385)
Partial disposal of interests in subsidiaries, net of cash disposed	**19**	98	–
Non-controlling interests	**–**	(1)	–
Net cash flows utilised in financing activities	**(8 556)**	(10 119)	(8 548)
Net increase/(decrease) in cash and cash equivalents	**2 752**	(297)	70
Cash and cash equivalents at the beginning of the year	**539**	951	1 084
Effect of foreign exchange rate changes	**81**	(115)	(203)
Cash and cash equivalents at the end of the year	**3 372**	539	951

Notes to the preliminary condensed consolidated annual financial statements

1. Basis of preparation

These preliminary condensed consolidated annual financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards ('IFRS') and the information required by International Accounting Standard 34: Interim Financial Reporting as issued by the International Accounting Standards Board ('IASB'), the AC 500 standards as issued by the Accounting Practices Board, the JSE Listings Requirements and the requirements of the Companies Act No 71 of 2008, 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 are presented in South African rand, which is the parent Company's functional and presentation currency.

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 significant 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.

The financial information has been reviewed by Deloitte & Touche whose unmodified review report is available for inspection at the Group's registered office.

2. Changes in accounting policies

The Group adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the Group from 1 April 2011. The adoption of IFRS 3: Business Combinations (Amended), impacted the Group's accounting policies by introducing changes to the measurement bases for different components of non-controlling interests at the acquisition date in a business combination. The change in accounting policy, however, had no impact on the Group's financial results for the year.

Full details on changes in accounting policies will be disclosed in the Group's annual financial statements for the year ended 31 March 2012, which will be available on-line.

Rm	2012 Reviewed	2011 Audited	2010 Audited
3. Segment analysis			
External customers segment revenue	**66 929**	61 197	58 535
South Africa	**56 716**	53 193	50 290
International	**10 187**	7 984	8 226
Corporate	**26**	20	19
EBITDA	**22 763**	20 594	19 782
South Africa	**21 254**	19 653	18 578
International	**1 461**	840	1 176
Corporate and eliminations	**48**	101	28

Rm	2012 Reviewed	2011 Audited	2010 Audited

3. Segment analysis (continued)

Reconciliation of segment results

Rm	2012 Reviewed	2011 Audited	2010 Audited
EBITDA	**22 763**	20 594	19 782
Depreciation, amortisation and impairment losses	**(6 081)**	(6 863)	(8 527)
Other	**(65)**	(35)	(17)
Operating profit	**16 617**	13 696	11 238
Net finance charges	**(684)**	(1 058)	(2 272)
Finance income	**109**	109	124
Finance costs	**(748)**	(864)	(1 602)
Net loss on remeasurement and disposal of financial instruments	**(45)**	(303)	(794)
Loss from associate	**–**	–	(21)
Profit before tax	**15 933**	12 638	8 945
Taxation	**(5 730)**	(4 659)	(4 745)
Net profit	**10 203**	7 979	4 200
Total assets	**48 230**	41 435	41 691
South Africa	**33 960**	31 076	28 464
International	**11 818**	9 743	11 958
Corporate and eliminations	**2 452**	616	1 269

4. Impairment losses

Net impairment recognised is as follows:

Rm	2012 Reviewed	2011 Audited	2010 Audited
Intangible assets	**(250)**	(1 500)	(3 285)
Property, plant and equipment	**51**	(8)	(34)
Available-for-sale financial assets carried at cost	**–**	–	(8)
Investment in associate	**–**	–	(43)
	(199)	(1 508)	(3 370)

Included in intangible assets' net impairment in the current year is an amount of R297 million (2011: R1 500 million) relating to impairment of goodwill and customer bases of the International reportable segment. In the 2010 year a goodwill impairment loss of R3 039 million was recognised in respect of the combined Gateway cash-generating unit. The impairment losses are the result of increased price competition and poorer trading conditions. Due to improved operating performance and economic growth in Mozambique, the value in use of the Group's cash-generating unit there increased significantly in the current year, resulting in the reversal of prior year impairment losses of R70 million for property, plant and equipment and R47 million for intangible assets.

Cents	2012 Reviewed	2011 Audited	2010 Audited

5. Per share calculations

5.1 Earnings, dividends and net asset value per share

Cents	2012 Reviewed	2011 Audited	2010 Audited
Basic earnings per share	**694.0**	561.5	282.3
Diluted earnings per share	**691.2**	560.4	282.0
Headline earnings per share	**708.9**	655.5	509.9
Diluted headline earnings per share	**706.0**	654.3	509.4
Dividends per share	**540.0**	355.0	110.0
Net asset value per share	**1 285.5**	1 098.8	985.3

Million	Reviewed	Audited	Audited
5.2 Weighted average number of ordinary shares outstanding for the purpose of calculating:			
Basic and headline earnings per share	**1 463**	1 468	1 486
Diluted earnings and diluted headline earnings per share	**1 469**	1 471	1 488
5.3 Ordinary shares for the purpose of calculating:			
Dividends per share	**1 488**	1 488	1 488
Net asset value per share	**1 473**	1 473	1 485

Vodacom Group Limited acquired 2 033 655 shares in the market during the period at an average price of R85.55 per share. Share repurchases did not exceed 1% of Vodacom Group Limited's issued share capital. The current period dividend per share calculation is based on a declared dividend of R8 035 million (2011: R5 282 million; 2010: R1 637 million) of which R50 million (2011: R25 million; 2010: R6 million) was offset against the forfeitable share plan reserve, R2 million (2011: R2 million) expensed as staff expenses and R83 million (2011: R43 million) paid to Wheatfields Investments 276 (Pty) Limited, a wholly-owned subsidiary holding treasury shares on behalf of the Group.

5.4 Headline earnings reconciliation

Rm	2012 Reviewed	2011 Audited	2010 Audited
Earnings attributable to equity shareholders for basic and diluted earnings per share	**10 156**	8 245	4 196
Adjusted for:			
Net loss on disposal of property, plant and equipment and intangible assets	**65**	35	17
Impairment losses (Note 4)	**199**	1 508	3 370
Other	**–**	–	1
	10 420	9 788	7 584
Tax impact of adjustments	**(62)**	(165)	(5)
Non-controlling interests in adjustments	**16**	3	–
Headline earnings for headline and diluted headline earnings per share	**10 374**	9 626	7 579

6. Forfeitable share plan ('FSP')

During the current year the Group allocated 2 033 655 (2011: 3 242 476; 2010: 4 722 504) shares to eligible employees under its FSP, an equity-settled share-based payment scheme in terms of IFRS 2: Share-based Payment.

7. Related parties

The amounts disclosed in Notes 7.1 and 7.2 include balances and transactions with the Group's joint venture, associate and parent, including entities in its group.

	Rm	2012 Reviewed	2011 Audited	2010 Audited
7.1	**Balances with related parties**			
	Accounts receivable	**257**	278	197
	Accounts payable	**(285)**	(264)	(154)
	Borrowings	**(3 022)**	–	–
7.2	**Transactions with related parties**			
	Revenue	**190**	167	994
	Expenses	**(569)**	(472)	(587)
	Dividends declared	**(5 223)**	(3 433)	(1 064)
7.3	**Directors' and key management personnel remuneration**			
	Compensation paid to the Group's Board, prescribed officers and key management personnel will be disclosed in the Group's annual financial statements for the year ended 31 March 2012, which will be available on-line.			
8.	**Capital commitments**			
	Capital expenditure contracted for but not yet incurred	**2 043**	2 547	2 213
	Capital expenditure approved but not yet contracted for	**9 184**	8 471	6 364
9.	**Capital expenditure incurred**			
	Capital expenditure additions including software	**8 662**	6 311	6 636

Effective 1 April 2011 the Group commenced with the capitalisation of staff expenses relating to capital expenditure, so as to align with practices of the Group's ultimate parent Vodafone Group Plc. Staff expenses were not retrospectively capitalised as data was not collected in prior periods in a way that allows retrospective application. For the year ended 31 March 2012 staff expenses of R240 million were capitalised.

10. Borrowings

10.1 Domestic medium-term note programme

During the year the Group established and registered a domestic medium-term note programme on the interest rate market of the JSE Limited under which notes, including commercial paper, may be issued by the Group from time to time. The maximum aggregate nominal amount of all notes outstanding may not exceed R10 000 million. As at 31 March 2012, unsecured three month commercial paper with a nominal value of R750 million, bearing interest at three-month JIBAR plus 0.1% was in issue. The commercial paper was issued at full value and has a final redemption date of 28 May 2012. The funds were used to repay short-term bank borrowings classified as financing activities.

10.2 ABSA Bank Limited

The loan with a nominal value of R1 250 million was repaid on 30 September 2011 using short-term bank borrowings classified as financing activities.

10.3 Vodafone Investments Luxembourg s.a.r.l.

A loan with a nominal value of R3 000 million was raised to refinance existing short-term borrowings, and finance capital expenditure and working capital requirements. It has a three-year term, bears interest payable quarterly at three-month JIBAR plus 1.45%, is unsecured and repayable on 24 November 2014.

10.4 The Standard Bank of South Africa Limited/Rand Merchant Bank

The loan with a nominal value of R1 341 million was repaid on 21 February 2012 using short-term bank borrowings classified as financing activities.

10.5 Dark Fibre Africa (Pty) Limited

The Group increased its finance lease liability relating to access transmission links by R503 million, to R529 million.

11. Contingent liabilities

11.1 Guarantees

The Group issued various guarantees relating to the financial obligations of its subsidiaries, which amounted to R57 million (2011: R53 million; 2010: R48 million).

Vodacom (Pty) Limited provides an unlimited guarantee for borrowings entered into by Vodacom Group Limited. There were no related outstanding borrowings on the statement of financial position at the end of the year (2011: R1 655 million; 2010: R3 593 million).

11.2 Tax matters

The Group is regularly subject to an evaluation by tax authorities of its direct and indirect tax filings. The consequence of such reviews is that disputes can arise with tax authorities over the interpretation or application of certain tax rules applicable to the Group's business. These disputes may not necessarily be resolved in a manner that is favourable to the Group. Additionally, the resolution of the disputes could result in an obligation to the Group.

12. Regulatory matters

12.1 Consumer Protection Act ('CP Act')

During the year, the National Consumer Commission ('NCC') undertook an investigation into the terms and conditions of the Group's customer airtime agreements in South Africa. In order to comply with the CP Act, Vodacom has amended its customer airtime agreements and has distributed the amended agreements to customers. The NCC nevertheless issued a compliance notice against the Group. The National Consumer Tribunal is considering the validity of the NCC's compliance notice and will make a ruling on the matter in due course.

13. Other significant matters

13.1 Vodacom Congo (RDC) s.p.r.l. ('Vodacom Congo')

The Group continues to participate in the International Chamber of Commerce arbitration with Congolese Wireless Network s.p.r.l. ('CWN'), relating to various funding and operational agreements and co-operation in the manner in which the Vodacom Congo business is run. Notwithstanding the arbitration, the Group continues to pursue a constructive resolution with CWN.

13.2 Vodacom International Limited ('VIL')

The claim brought by Namemco Energy (Pty) Limited ('Namemco') against VIL for approximately US$41 million, relating to alleged consulting fees due and the ancillary action for the annulment of the ex parte order relating to the attachment of VIL's shares in Vodacom Congo to satisfy the claim, was heard before the Congolese Commercial Tribunal, who found in favour of Namemco on the fees and in favour of VIL on the release of the provisional attachment. It reduced Namemco's claim to US$21 million, plus interest thereon. VIL's petition to the Congolese Court of Appeal to stay execution pending appeal was dismissed. Whilst the judgement debt is enforceable, legal challenges to the enforcement process are being pursued, and VIL has lodged an appeal on the merits. The Congolese Commercial Tribunal has served notice on VIL that, in the event of non-payment, the public sale and auction of VIL's shares in Vodacom Congo will take place on 3 June 2012. Namemco's claim was initially brought in South African courts, where it is also being challenged.

14. Acquisitions and disposals of businesses

Details on acquisitions and disposals of businesses, none of which were material, will be disclosed in the Group's annual financial statements for the year ended 31 March 2012, which will be available on-line.

15. 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:

15.1 Dividend declared after the reporting date and not recognised as a liability

A final dividend of R6 696 million (450 cents per ordinary share) for the year ended 31 March 2012, was declared on Wednesday 16 May 2012, payable on Monday 25 June 2012 to shareholders recorded in the register at the close of business on Friday 22 June 2012.

Supplementary information

Operating results for the year ended 31 March 2012

Rm	South Africa	% 11/12	International	% 11/12	Corporate/ Eliminations	Group	% 11/12
Mobile voice	29 395	2.8	4 870	35.4	–	34 265	6.5
Mobile interconnect	6 062	(10.3)	776	33.3	(128)	6 710	(7.2)
Mobile messaging	3 143	6.1	279	21.3	–	3 422	7.2
Mobile data	7 639	23.6	540	113.4	–	8 179	27.1
Other service revenue	2 188	14.5	3 678	11.6	(197)	5 669	13.0
Service revenue	48 427	4.4	10 143	27.5	(325)	58 245	7.8
Equipment revenue	7 817	23.2	138	11.3	(40)	7 915	22.9
Non-service revenue	688	8.2	145	26.1	(64)	769	9.1
Revenue	56 932	6.7	10 426	27.2	(429)	66 929	9.4
Direct expenses	(24 917)	7.2	(5 693)	22.1	345	(30 265)	9.7
Staff expenses[1]	(3 088)	5.8	(969)	13.9	(261)	(4 318)	7.3
Publicity expenses	(1 349)	(22.7)	(446)	33.9	(9)	(1 804)	(13.5)
Other operating expenses	(6 383)	8.9	(1 862)	24.1	401	(7 844)	13.2
Depreciation and amortisation	(4 524)	10.6	(1 332)	7.1	(26)	(5 882)	9.8
Impairment losses	–	–	(199)	(86.8)	–	(199)	(86.8)
Operating profit/(loss)	16 671	7.4	(75)	96.1	21	16 617	21.3
EBITDA	21 254	8.1	1 461	73.9	48	22 763	10.5
EBITDA margin (%)	37.3		14.0			34.0	
Operating profit/(loss) margin (%)	29.3		(0.7)			24.8	

Note:

1. The Group commenced capitalisation of staff expenses effective 1 April 2011. The capitalisation process is based on predefined processes and principles. The Group has capitalised an amount of R240 million for the year ended 31 March 2012.

Supplementary information (continued)

Operating results for the year ended 31 March 2011

Rm	South Africa	% 10/11	International	% 10/11	Corporate/ Eliminations	Group	% 10/11
Mobile voice	28 584	4.2	3 597	(8.1)	–	32 181	2.7
Mobile interconnect	6 755	(16.3)	582	(18.9)	(107)	7 230	(17.3)
Mobile messaging	2 962	9.1	230	(7.3)	–	3 192	7.7
Mobile data	6 180	33.9	253	88.8	–	6 433	35.5
Other service revenue	1 911	27.7	3 295	7.9	(190)	5 016	14.2
Service revenue	46 392	4.7	7 957	(1.4)	(297)	54 052	3.6
Equipment revenue	6 343	16.8	124	(37.1)	(27)	6 440	15.2
Non-service revenue	636	(5.8)	115	(24.3)	(46)	705	(7.2)
Revenue	53 371	5.8	8 196	(2.7)	(370)	61 197	4.5
Direct expenses	(23 234)	2.3	(4 664)	8.5	298	(27 600)	3.1
Staff expenses	(2 918)	11.4	(851)	(4.2)	(255)	(4 024)	3.8
Publicity expenses	(1 746)	20.3	(333)	(14.0)	(7)	(2 086)	12.9
Other operating expenses	(5 860)	15.4	(1 500)	(10.2)	432	(6 928)	10.3
Depreciation and amortisation	(4 091)	7.4	(1 244)	(4.9)	(20)	(5 355)	3.8
Impairment losses	–	(100.0)	(1 506)	(53.3)	(2)	(1 508)	(55.3)
Operating profit/(loss)	15 522	5.1	(1 902)	43.4	76	13 696	21.9
EBITDA	19 653	5.8	840	(28.6)	101	20 594	4.1
EBITDA margin (%)	36.8		10.2			33.7	
Operating profit/(loss) margin (%)	29.1		(23.2)			22.4	

Supplementary information (continued)

Operating results for the year ended 31 March 2010

Rm	South Africa	International	Corporate/ Eliminations	Group
Mobile voice	27 422	3 916	–	31 338
Mobile interconnect	8 075	718	(51)	8 742
Mobile messaging	2 716	248	–	2 964
Mobile data	4 614	134	1	4 749
Other service revenue	1 497	3 055	(161)	4 391
Service revenue	44 324	8 071	(211)	52 184
Equipment revenue	5 432	197	(38)	5 591
Non-service revenue	675	152	(67)	760
Revenue	50 431	8 420	(316)	58 535
Direct expenses	(22 704)	(4 297)	237	(26 764)
Staff expenses	(2 619)	(888)	(371)	(3 878)
Publicity expenses	(1 451)	(387)	(10)	(1 848)
Other operating expenses	(5 076)	(1 671)	467	(6 280)
Depreciation and amortisation	(3 810)	(1 308)	(39)	(5 157)
Impairment losses	(8)	(3 227)	(135)	(3 370)
Operating profit/(loss)	14 763	(3 358)	(167)	11 238
EBITDA	18 578	1 176	28	19 782
EBITDA margin (%)	36.8	14.0		33.8
Operating profit/(loss) margin (%)	29.3	(39.9)		19.2

Supplementary information (continued)

South Africa key indicators

	Year ended 31 March			% change	
	2012	2011	2010	11/12	10/11
Total customers (thousand)[1]	**34 306**	26 535	26 262	**29.3**	1.0
Prepaid[2]	**28 677**	21 409	21 765	**33.9**	(1.6)
Contract	**5 629**	5 126	4 497	**9.8**	14.0
Customers (thousand)[3]	**28 941**	22 880	19 652	**26.5**	16.4
Prepaid	**23 312**	17 754	15 155	**31.3**	17.1
Contract	**5 629**	5 126	4 497	**9.8**	14.0
Churn (%)[4]	**36.8**	46.0	38.4		
Prepaid	**43.0**	54.8	43.7		
Contract	**9.0**	9.8	8.8		
Traffic (millions of minutes)[5]	**35 029**	30 233	26 675	**15.9**	13.3
Outgoing	**26 341**	22 160	18 792	**18.9**	17.9
Incoming	**8 688**	8 073	7 883	**7.6**	2.4
MOU per month[6]	**114**	119	111	**(4.2)**	7.2
Prepaid	**97**	95	82	**2.1**	15.9
Contract	**177**	202	220	**(12.4)**	(8.2)
Total ARPU (rand per month)[7]	**157**	183	184	**(14.2)**	(0.5)
Prepaid	**91**	106	105	**(14.2)**	1.0
Contract	**362**	404	447	**(10.4)**	(9.6)
Messaging (million)[8]	**6 650**	6 509	5 949	**2.2**	9.4
Estimated mobile penetration (%)	**132**	107	100		
Number of employees	**5 238**	5 302	5 327	**(1.2)**	(0.5)

Notes:
1. Total customers are based on the total number of mobile customers on Vodacom's network, who have not been disconnected, including inactive customers, as at the end of the period indicated.
2. South Africa changed its disconnection policy for call-forward SIMs from 13 months inactivity to seven months during the quarter ended 30 June 2010. Prior year numbers have not been restated.
3. Customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming.
4. Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total customers during the period.
5. Traffic comprises 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.
6. Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly customers during the period. MOU in prior years has been restated in line with the change in the basis of reporting customers.
7. Total ARPU is calculated by dividing the average monthly service revenue by the average monthly customers during the period. Prepaid and contract ARPU only include service revenue generated from Vodacom customers. Total ARPU in prior years has been restated in line with the change in the basis of reporting customers.
8. Messaging includes SMS, MMS, premium rated SMS/MMS and excludes bulk messages.

Supplementary information (continued)

International key indicators

	Year ended 31 March			% change	
	2012	2011	2010	11/12	10/11
Total customers (thousand)[1]	**22 997**	16 957	13 630	**35.6**	24.4
Tanzania	**12 612**	8 861	7 270	**42.3**	21.9
DRC	**5 643**	4 155	3 353	**35.8**	23.9
Mozambique	**3 701**	3 082	2 329	**20.1**	32.3
Lesotho	**1 041**	859	678	**21.2**	26.7
Customers (thousand)[2]	**18 894**	13 939	11 316	**35.5**	23.2
Tanzania	**9 665**	7 184	5 868	**34.5**	22.4
DRC	**5 643**	4 156	3 353	**35.8**	23.9
Mozambique	**2 784**	1 910	1 506	**45.8**	26.8
Lesotho	**802**	689	589	**16.4**	17.0
Churn (%)[3]					
Tanzania	**39.6**	44.4	45.3		
DRC	**69.5**	72.8	83.0		
Mozambique	**60.5**	56.4	61.8		
Lesotho	**22.7**	21.0	19.3		
MOU per month[4]					
Tanzania	**63**	68	66	**(7.4)**	3.0
DRC	**43**	61	43	**(29.5)**	41.9
Mozambique	**55**	59	49	**(6.8)**	20.4
Lesotho	**38**	39	45	**(2.6)**	(13.3)
Total ARPU (rand per month)[5]					
Tanzania	**26**	25	36	**4.0**	(30.6)
DRC	**36**	36	45	**–**	(20.0)
Mozambique	**51**	34	42	**50.0**	(19.0)
Lesotho	**70**	72	80	**(2.8)**	(10.0)
Total ARPU (local currency per month)[5]					
Tanzania (TZS)	**5 506**	5 186	6 202	**6.2**	(16.4)
DRC (USD)	**4.8**	5.0	5.7	**(4.0)**	(12.3)
Mozambique (MZN)	**187**	160	155	**16.9**	3.2
Estimated mobile penetration (%)					
Tanzania	**49**	37	34		
DRC	**21**	16	13		
Mozambique	**32**	29	23		
Lesotho	**57**	49	41		
Number of employees[6]	**2 076**	1 997	2 083	**4.0**	(4.1)

Notes:

1. Total customers are based on the total number of mobile customers registered on Vodacom's network, who have not been disconnected, including inactive customers, as at the end of the period indicated.
2. Customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming.
3. Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total customers during the period.
4. Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly customers during the period. MOU in prior years has been restated in line with the change in the basis of reporting customers.
5. Total ARPU is calculated by dividing the average monthly service revenue by the average monthly customers during the period. Total ARPU in prior years has been restated in line with the change in the basis of reporting customers.
6. Number of employees in March 2011 has been restated.

Supplementary information (continued)

Exchange rates

	Average					Closing				
	31 March			% change		31 March			% change	
	2012	2011	2010	11/12	10/11	2012	2011	2010	11/12	10/11
USD/ZAR	**7.45**	7.19	7.83	**3.6**	(8.2)	**7.65**	6.77	7.38	**13.0**	(8.3)
ZAR/MZN	**3.78**	4.78	3.68	**(20.9)**	29.9	**3.68**	4.57	4.35	**(19.5)**	5.1
ZAR/TZS	**216.73**	206.17	171.29	**5.1**	20.4	**208.34**	221.65	184.29	**(6.0)**	20.3
EUR/ZAR	**10.24**	9.50	11.05	**7.8**	(14.0)	**10.19**	9.61	9.89	**6.0**	(2.8)

Historical key indicators for the quarters ended

Revenue

Rm	March 2012	December 2011	September 2011	June 2011	March 2011	December 2010	September 2010
South Africa	**14 379**	15 135	13 881	13 537	**13 602**	14 072	13 130
International	**2 930**	2 983	2 394	2 119	**2 138**	2 056	2 080
Corporate and eliminations	**(124)**	(121)	(97)	(87)	**(92)**	(95)	(100)
Revenue	**17 185**	17 997	16 178	15 569	**15 648**	16 033	15 110

Service revenue

Rm	March 2012	December 2011	September 2011	June 2011	March 2011	December 2010	September 2010
South Africa	**12 167**	12 755	11 947	11 558	**11 863**	12 075	11 442
International	**2 848**	2 905	2 326	2 064	**2 081**	2 001	2 016
Corporate and eliminations	**(89)**	(93)	(73)	(70)	**(74)**	(78)	(76)
Service revenue	**14 926**	15 567	14 200	13 552	**13 870**	13 998	13 382

Supplementary information (continued)

Historical key indicators for the quarters ended (continued)

South Africa

Rm	March 2012	December 2011	September 2011	June 2011	March 2011	December 2010	September 2010
Total customers (thousand)[1]	**34 306**	31 727	28 907	27 731	**26 535**	25 302	23 873
Prepaid[2]	**28 677**	26 189	23 468	22 411	**21 409**	20 310	19 074
Contract	**5 629**	5 538	5 439	5 320	**5 126**	4 992	4 799
Customers (thousand)[3]	**28 941**	27 373	25 261	23 991	**22 880**	22 356	20 972
Prepaid	**23 312**	21 835	19 822	18 671	**17 754**	17 364	16 173
Contract	**5 629**	5 538	5 439	5 320	**5 126**	4 992	4 799
Churn (%)[4]	**36.7**	30.7	44.6	35.5	**28.5**	32.7	35.9
Prepaid	**42.4**	35.3	53.0	41.9	**33.0**	38.3	42.5
Contract	**8.3**	10.1	8.9	8.5	**9.7**	10.3	9.6
Traffic (millions of minutes)[5]	**8 690**	9 012	9 186	8 141	**8 108**	8 402	7 352
Outgoing	**6 471**	6 741	7 050	6 079	**6 060**	6 307	5 351
Incoming	**2 219**	2 271	2 136	2 062	**2 048**	2 095	2 001
MOU per month[6]	**103**	114	125	116	**119**	130	120
Prepaid	**85**	99	109	97	**98**	109	94
Contract	**174**	171	181	181	**195**	202	207
Total ARPU (rand per month)[7]	**144**	161	162	164	**174**	186	186
Prepaid	**83**	96	92	95	**101**	109	107
Contract	**348**	362	370	369	**387**	408	411

Supplementary information (continued)

Historical key indicators for the quarters ended (continued)

International

Rm	March 2012	December 2011	September 2011	June 2011	March 2011	December 2010	September 2010
Total customers (thousand)[1]	**22 997**	21 200	18 990	17 686	**16 957**	16 288	15 504
Tanzania	**12 612**	11 621	10 273	9 260	**8 861**	8 665	8 421
DRC	**5 643**	5 119	4 783	4 245	**4 155**	3 847	3 638
Mozambique	**3 701**	3 451	2 990	3 277	**3 082**	2 953	2 676
Lesotho	**1 041**	1 009	944	904	**859**	823	769
Customers (thousand)[3]	**18 894**	18 047	16 225	14 657	**13 939**	13 458	13 043
Tanzania	**9 665**	9 417	8 432	7 656	**7 184**	6 969	6 920
DRC	**5 643**	5 118	4 782	4 245	**4 156**	3 846	3 638
Mozambique	**2 784**	2 717	2 275	2 054	**1 910**	1 963	1 850
Lesotho	**802**	795	736	702	**689**	680	635
Churn (%)[4]							
Tanzania	**41.8**	37.7	35.2	43.5	**51.1**	41.5	41.9
DRC	**72.2**	66.5	64.3	75.3	**45.3**	80.8	91.1
Mozambique	**40.8**	48.2	111.7	42.5	**43.0**	45.3	65.3
Lesotho	**21.6**	24.3	24.5	20.3	**21.5**	24.6	20.2
MOU per month[6]							
Tanzania	**57**	62	69	65	**66**	71	66
DRC	**40**	42	47	43	**38**	74	77
Mozambique	**56**	57	50	55	**56**	64	71
Lesotho	**40**	37	39	36	**40**	39	40
Total ARPU (rand per month)[7]							
Tanzania	**26**	28	24	23	**24**	25	26
DRC	**35**	38	37	33	**34**	32	39
Mozambique	**52**	62	49	39	**35**	34	32
Lesotho	**66**	74	71	68	**67**	76	73
Total ARPU (local currency per month)[7]							
Tanzania (TZS)	**5 417**	5 816	5 522	5 227	**5 048**	5 332	5 285
DRC (USD)	**4.6**	4.7	5.1	4.8	**4.9**	4.7	5.3
Mozambique (MZN)	**181**	204	187	172	**158**	172	158

Notes:
1. Total customers are based on the total number of mobile customers on Vodacom's network, who have not been disconnected, including inactive customers, as at the end of the period indicated.
2. South Africa changed its disconnection policy for call-forward SIMs from 13 months inactivity to seven months during the quarter ended 30 June 2010. Prior year numbers have not been restated.
3. Customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming.
4. Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total customers during the period.
5. Traffic comprises 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.
6. Minutes of use ('MOU') per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly customers during the period. MOU in prior years has been restated in line with the change in the basis of reporting customers.
7. Total ARPU is calculated by dividing the average monthly service revenue by the average monthly customers during the period. Prepaid and contract ARPU only include service revenue generated from Vodacom customers. Total ARPU in prior years has been restated in line with the change in the basis of reporting customers.

Corporate information

Vodacom Group Limited

(Incorporated in the Republic of South Africa)
Registration number: 1993/005461/06
(ISIN: ZAE000132577 Share Code: VOD)
(ISIN: ZAG000093097 JSE Code: VOD003)
('Vodacom')

Directors

MP Moyo (*Chairman*), PJ Uys (*CEO*), P Bertoluzzo[1], DH Brown, M Joseph[2], A Kekana, SN Maseko, TM Mokgosi-Mwantembe, PJ Moleketi, NJ Read[3], RAW Schellekens[4], K Witts[3]

Alternate director

TJ Harrabin[3]

Company secretary

SF Linford

1. Italian 2. American 3. British 4. Dutch

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Non-GAAP information

This announcement contains certain non-GAAP financial information which has not been reviewed or reported on by the Group's auditors. 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 15 and page 17 for detail relating to EBITDA and headline earnings per share.

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This announcement, which sets out the annual results for Vodacom Group Limited for the year ended 31 March 2012, contains 'forward-looking statements', which have not been reviewed or reported on by the Group's auditors, with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward-looking statements include statements relating to: the Group's future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group's businesses by governments in the countries in which it operates; the Group's expectations as to the launch and roll out dates for products, services or technologies; expectations regarding the operating environment and market conditions; growth in customers and usage; and the rate of dividend growth by the Group.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'will', 'anticipates', 'aims', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans' or 'targets'. 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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