

VOD - Vodacom Group Limited - Trading statement

Vodacom Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1993/005461/06)

Share code VOD

ISIN ZAE000132577

("Vodacom Group")

Trading statement

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the next period to be reported upon differ by at least 20% from those of the previous corresponding period. Vodacom Group is in the process of finalising its interim results for the six months ended 30 September 2009, which are expected to be released on or about Monday 9 November 2009.

Notwithstanding the more difficult trading conditions, particularly in the international operations, Vodacom Group is encouraged by its core operating performance and expects group revenue growth of approximately 10% and earnings before interest, taxation, depreciation and amortisation (EBITDA) growth of approximately 8% for the six months ended 30 September 2009, compared to the six months ended 30 September 2008.

Despite this satisfactory operating performance, headline earnings have been affected by higher finance charges and losses on the remeasurement of financial instruments. Furthermore, headline earnings were also impacted by the reversal of a deferred taxation asset of approximately R500 million due to the reduced profitability of Vodacom DRC arising from weak macroeconomic trading conditions in that country.

Taking these factors into account, headline earnings per share (HEPS) for the six months ended 30 September 2009 are expected to be between 10% and 20% lower for the six months ended 30 September 2009, compared to the HEPS for the six months ended 30 September 2008.

Vodacom Group also expects to recognise impairment losses of approximately R3.2 billion, mainly in relation to the Gateway acquisition as a result of recent adverse changes in the economic environment, increased price competition and the resulting poorer trading trends.

The main difference between basic earnings and headline earnings will be the impairment of goodwill in relation to Gateway. Basic earnings per share (EPS) for the six months ended 30 September 2009 are expected to be between 95% and 105% lower compared to the EPS for the six months ended 30 September 2008. The financial information on which this trading statement is based has neither been reviewed nor reported on by Vodacom Group's auditors.

Midrand

20 October 2009

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