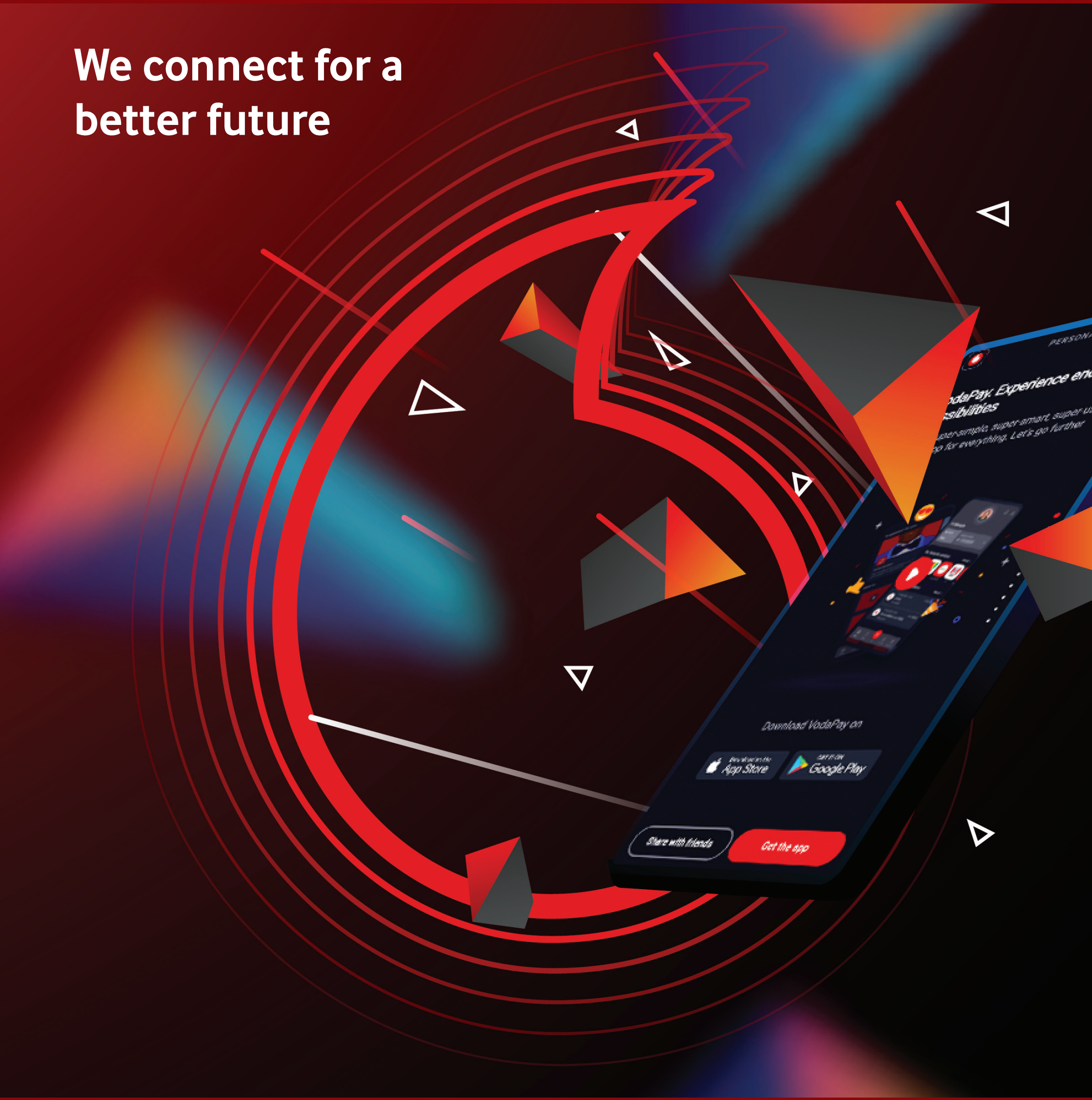
Vodacom Group Limited

Interim results
for the six months ended 30 September 2021

We connect for a better future



Further together

Group revenue
R49.9 billion
up **7.9%***

Financial services revenue up
22.7%*

Group customers
129.9 million
up **5.0%**
(including Safaricom on 100% basis)

Shameel Joosub

Vodacom Group CEO commented:

I am extremely proud of the way Vodacom has held steadfast to its purpose of connecting people for a better future throughout the global health crisis. Cognisant of our ongoing duty to step up and make a societal difference, we assisted governments and communities in Africa through the deployment of a wide range of 'tech for good' solutions that help mitigate the effects of the pandemic and bridge the digital divide.

One of the most impactful of these initiatives is our partnership with the African Union Development Agency to accelerate the COVID-19 vaccine roll-out across the continent through our mVacciNation technology platform. Additionally, we are providing cold chain technology and logistical support to our markets to ensure the safe delivery of COVID-19 vaccines. Outside of the pandemic, Vodacom and the Vodafone Foundation launched a fund to support communities in the DRC devastated by the volcanic eruption of Mount Nyiragongo. In South Africa, we assisted communities that were affected by the social unrest in July 2021 and have accelerated efforts to assist impacted SMEs.

Vodacom Group's decision to diversify our geographic exposure continues to pay dividends. Our strategic investment in Kenya's Safaricom in 2017 has proven to be value accretive, generating an annual total shareholder return of 26%. Significantly, we recently announced two transformative acquisitions to further enhance the Group's growth and return profile. In Egypt, we intend to acquire a controlling share in Vodafone Egypt, a clear market leader with a track record of strong growth and attractive returns. Vodafone Egypt's growth outlook is supported by a network and spectrum advantage versus peers, market leadership in both the consumer and enterprise segments and a brand synonymous with technology leadership. In addition, Vodacom sees scope to create significant value by scaling the Group's multi-product strategy called the System of Advantage into Egypt. A key element of our System of Advantage is financial services, and with more than 80% of Egypt's 100 million population unbanked, Vodacom sees a compelling opportunity to leverage our financial services platforms into Egypt. Separately, in South Africa, Vodacom announced the acquisition of 30% of Community Investment Ventures Holdings (Pty) Limited's (CIVH) market leading fibre subsidiaries, with an option to increase the stake to 40%. This transaction marks a major step forward in diversifying our connectivity offering, optimising our assets through sharing costs and accelerating fibre reach in South Africa to help bridge the digital divide.

Delivering on our strategy and medium-term targets while continuing to deal with the widespread effects of the COVID-19 pandemic, bears testament to the depth and strength of talent in our business that is able to execute on our strategy with precision. Last month we commercially launched our highly anticipated VodaPay super-app in support of greater digital and financial inclusion, and together with our M-Pesa app roll-out, we have cemented our position as Africa's largest fintech platform by subscribers. From a financial perspective, the Group's service revenue increased 5.4%* while operating profit increased 5.7%*, both on a normalised basis. Our dividend per share was 420 cents, up 1.2%. We now service 129.9 million customers across the Group, including Safaricom on 100% basis, a gain of 6.2 million customers in the period.

Our new service offerings continue to grow, contributing to increasingly diverse revenue streams, while at the same time delivering innovative new products to our customer base. Collectively, new services, which encompass financial and digital services, the Internet of Things (IoT) and fixed, accounted for 17.6% of Group service revenue having generated R6.9 billion in the six-month period. Financial services revenue, the largest component of new services, was up 10.9% to R3.7 billion. Growth was impacted by the strong rand and on a normalised basis growth was up 22.7%*. Financial services is a clear strategic differentiator for the Group and is integral to our purpose-led business model. Our M-Pesa platform, including Safaricom on a 100% basis, processed US$26.8 billion of transaction value per month in the second quarter, up 31.2%. And, over the last twelve months we have processed an impressive $301.9 billion of transaction valuation through our M-Pesa platform.

In South Africa, we delivered service revenue growth of 3.6% driven by connectivity demand, an additional 1.1 million data customers, incremental wholesale revenue and growth in our new services. This was an impressive result given the demanding comparative associated with lockdowns in the prior period. Vodacom Business delivered another strong performance in the period under review, with service revenue increasing by 11.5% to R8.5 billion while revenue generated from financial services in South Africa increased by 15.0% to R1.3 billion. In the current financial year, we will invest more than R10.5 billion into our world-class network, in addition to the R47 billion we spent over the past five years alone. This is particularly relevant at a time when many of our customers continued to work, entertain, and educate from home.

Our International operations delivered a strong recovery, with normalised service revenue growth up 9.0%*, underpinned by a return to charging for M-Pesa transactions and strong data demand. Reported service revenue of R10.7 billion was down 6.1%, negatively impacted by the rand's recovery. From a purpose perspective, we are making good progress on the roll-out of our ConnectU platform across our International markets. ConnectU provides zero-rated access to a wide range of websites, including job portals, online learning platforms and discounted offers for poor communities, to support digital inclusion.

Safaricom delivered service revenue growth of 16.9%* in the period, with M-Pesa's contribution reaching 37.8% of service revenue. M-Pesa revenue was up 45.8% driven by strong platform growth, product adoption and greater value through updated peer-to-peer pricing from 1 January 2021. Safaricom's new M-Pesa app has already attracted over 2 million monthly active users since its launch in June 2021. We remain committed to expanding the M-Pesa ecosystem so that we continue to democratise financial services.

Looking ahead, we are focused on the development of our diverse service offerings and M&A deal completion as we continue our exciting evolution from a telco to a techco. In the face of continued data demand and the uncertainty of the ongoing pandemic, we are encouraged by ICASA's proposed licencing of provisional spectrum in South Africa. It is estimated that circa 10 million South Africans have benefitted from the service that operators have been able to provide as a result of the temporary spectrum allocation. We will also continue to engage with Tanzanian authorities regarding the introduction of mobile money transaction levies in the country so as not to interrupt the significant strides made in the last decade in reducing barriers to financial inclusion.

Highlights

Group revenue

up 4.2%

R49.9 billion, as strong normalised growth of 7.9%* was partially offset by rand appreciation.

Normalised Group service revenue and Group operating profit growth

of 5.4%*

and 5.7%* respectively, is in line with our medium-term targets.

Net profit from associate and joint ventures declined

36.1%,

(+11.9%*) to R1.6 billion, negatively impacted by an R805 million one-off deferred tax rate adjustment in the prior period and foreign exchange translation headwinds.

Interim dividend of 420cps

up 1.2%.

Added 6.2 million **customers,** to serve a combined 129.9 million customers across the Group, including Safaricom on a 100% basis.

Our M-Pesa platform, including Safaricom, processed

US$301.9 billion

in transaction value over the last twelve months, with transaction value up 31.2% in the second quarter.

Headline earnings per share declined

5.1%

but when adjusted for the one-off deferred tax rate adjustment in the prior period,

grew 3.0%.

Announced two material M&A transactions to accelerate our growth and returns profile.

Certain financial information presented in this results announcement constitutes *pro-forma* financial information in terms of the JSE Listings Requirements. The applicable criteria on the basis of which this *pro-forma* financial information has been prepared is set out in the supplementary information on pages 48 to 54. The *pro-forma* financial information includes:

* Normalised growth, which presents performance on a comparable basis. This excludes tax related adjustment where applicable and adjusting for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current year as base) to show a like-for-like comparison of results.

Amounts marked with an * in this document represent normalised growth as defined above.

All growth rates quoted are year-on-year and refer to the six months ended 30 September 2021 compared to the six months ended 30 September 2020, unless stated otherwise.

Group statutory performance measures

Rm	Six months ended 30 September 2021	2020	% change Reported	Normalised*
Revenue	**49 856**	47 844	**4.2**	**7.9**
Service revenue	**38 915**	38 515	**1.0**	**5.4**
Net profit from associate and joint ventures[1]	**1 644**	2 571	**(36.1)**	**11.9**
Operating profit[1]	**14 058**	14 465	**(2.8)**	**5.7**
Net profit	**8 873**	9 271	**(4.3)**	
Earnings per share (cents)	**504**	533	**(5.4)**	
Headline earnings per share (cents)	**505**	532	**(5.1)**	
Interim dividend per share (cents)	**420**	415	**1.2**	

Group alternative performance measures

Rm	Six months ended 30 September 2021	2020	% change Reported	Normalised*
EBITDA	**20 076**	19 433	**3.3**	**5.7**
EBITDA margin (%)[2]	**40.3**	40.6	**(0.3ppt)**	
Capital expenditure[3]	**6 920**	6 551	**5.6**	
Capital intensity (%)	**13.9**	13.7	**0.2ppt**	
Operating free cash flow[4]	**6 458**	6 848	**(5.7)**	
Free cash flow[4]	**4 456**	5 280	**(15.6)**	
Financial services revenue[5]	**3 704**	3 341	**10.9**	**22.7**

Notes:
1. In the prior year, net profit from associate and joint ventures and operating profit was impacted by a positive one-off deferred tax rate adjustment of R805 million. The adjustment related to the decrease of the corporate tax rate in Kenya, which fell from 30% to 25%. At a net income level, and after the impact of non-controlling interests, the adjustment was R705 million.
2. EBITDA margin is EBITDA as a percentage of revenue.
3. Detail relating to capital expenditure is on page 15. Capital intensity is capital expenditure as a percentage of revenue.
4. A reconciliation of operating free cash flow and free cash flow is set out on page 54.
5. The combination of South Africa financial services revenue and International M-Pesa revenue.

Strategic overview

Purpose-led business model

Our purpose-led model is premised on the three pillars: digital society; inclusion for all; and planet. Further, we remain focused on the delivery of our Social Contract with stakeholders to ensure that we make meaningful contributions to inclusion and the recovery in markets where we operate. Supporting the roll-out of vaccines across our markets, through our mVacciNation technology platform, financial contributions and cold chain and logistics support was a meaningful contribution during the period. We believe that vaccine support is key to accelerating a return to normality, restarting economies, and stimulating employment across our markets.

The outcomes of our purpose-led model and strong governance were recognised by leading environmental, social and governance (ESG) rating agencies, including Morgan Stanley Capital International (MSCI) and Sustainalytics. In November 2021, MSCI rated Vodacom as AAA – its highest ESG rating. MSCI highlighted Vodacom's scores in governance, labour management and cybersecurity policies as key drivers of the ESG rating. Separately, in October 2021, Sustainalytics ranked Vodacom 1st out of more than 200 companies in its Telecommunications Service industry grouping.

Implementing our strategy through our System of Advantage

Our evolution from a telecommunication to a technology company is well on track as we expand our ecosystem of products. Our multi-product strategy, called the System of Advantage, aims to deliver diversified, differentiated offerings to our customers, further strengthening and growing our relationships with them. In May 2021, recognising the growth potential of our System of Advantage strategy, we set out the following medium-term targets[1]:

1. Mid-single digit Group service revenue growth;
2. Mid-to-high-single digit Group operating profit growth (including profit from associate – Safaricom); and
3. 13.0% – 14.5% of Group capital expenditure as a % of Group revenue.

These targets are, on average, over the next three years, and are on a normalised basis in constant currency, excluding spectrum purchases, exceptional items and any merger and acquisition activity such as Vodafone Egypt and CIVH. We expect the Vodafone Egypt and CIVH fibre asset acquisitions will enhance our System of Advantage and provide scope to accelerate our Group growth profile. We intend to provide an update on our medium-term targets at our full year results ended 31 March 2022, which will be reported in May 2022.

New services support strong results

Group service revenue grew 5.4%* on a normalised basis, supported by a resilient performance in South Africa and a clear improvement in normalised service revenue growth for International. Group service revenue growth was underpinned by new services which include digital and financial, fixed and IoT. Financial services delivered 22.7%* growth on a normalised basis, as we continue to scale user adoption, new products and services. IoT was up 39.3%[2] on an adjusted basis, supported by our class-leading products in agriculture and smart infrastructure. In aggregate, these new services amounted to R6.9 billion and contributed 17.6% of Group service revenue in the period. We target a new service contribution to Group service revenue of 25 – 30% by FY24.

Group operating profit grew 5.7%* on a normalised basis. The Group performance was driven by a recovery in International and Safaricom growth. HEPS of 505 cents per share declined 5.1%, negatively impacted by foreign exchange headwinds and a prior period one-off related to a tax-rate change in Kenya[3]. Adjusting for the prior period one-off, HEPS was up 3.0%.

We generated operating free cash flow of R6.5 billion in the period, having invested R6.9 billion into capital expenditure and a further R2.1 billion applied to lease payments. Operating free cash flow declined 5.7% as a result

Notes:
1. These targets are, on average, over the next three years, and are on a normalised basis in constant currency, excluding spectrum purchases, exceptional items and any merger and acquisition activity.
2. Adjusted for a reclassification of IoT revenue from other service revenue to customer revenue. There was no impact on overall service revenue as a result of this reclassification.
3. In the prior year, net profit from associate and joint ventures and operating profit was impacted by a positive one-off deferred tax rate adjustment of R805 million. The adjustment related to the decrease of the corporate tax rate in Kenya, which fell from 30% to 25%. At a net income level, and after the impact of non-controlling interests, the adjustment was R705 million.

of higher capital expenditure in South Africa as we accelerated investment in the period to capture the purchasing power of a stronger rand. Capital expenditure represented 13.9% of Group revenue. From operating free cash flow, we paid cash taxes and finance costs but were a net receiver of dividends. On this basis, we generated free cash flow of R4.5 billion, down 15.6%. Free cash flow was lower due to operating free cash flow and a lower dividend received from Safaricom. We expect lower South Africa capital expenditure in the second half period compared with the first half period, which should support a clear improvement in the second half operating free cash flow and free cash flow.

Leading African fintech operator

	Six months ended 30 September		% change	
Rm	2021	2020	Reported	Normalised*
South Africa	1 301	1 131	15.0	15.0
International	2 403	2 210	8.7	27.4
Consolidated Group	**3 704**	**3 341**	**10.9**	**22.7**
Safaricom (100% basis)[1]	6 937	5 809	19.4	45.8

Our financial services business is integral to our purpose-led business model, the largest component of our new services revenue and a clear strategic differentiator. Financial services customers, including Safaricom on a 100% basis, reached 57.3 million in the period. Looking ahead, we see strong growth potential for customer adoption and target 73 million financial services customers by FY24. This target, which supports financial inclusion, forms part of management's long-term incentives. Over and above this, Egypt and Ethiopia each with populations of over 100 million people, provides transformational opportunities for M-Pesa.

Financial services revenue reached R3.7 billion in the period, up 22.7%* on normalised basis. Safaricom, a Group associate, generated 100% basis, financial services revenue of R6.9 billion, up 45.8% on a normalised basis1. Our M-Pesa platform, including Safaricom, processed US$26.8 billion of transaction value per month in the second quarter, up 31.2%. In South Africa, our recently launched super-app, VodaPay, brings together world-class consumer and merchant capabilities and is supported by Alipay technology. The app will offer services ranging from loans and savings, international money transfer, seamless QR and person-to-person payments, to entertainment and personalised shopping experiences. Across our M-Pesa footprint, our super-app roll-out, global partner co-ordination, and best practise sharing will be implemented by M-Pesa Africa.

Acquisitions to enhance our growth and returns prospects

Subsequent to period end, the Group announced two material transactions that complement our strategy and supports our System of Advantage. The transactions are expected to enhance the Group's growth and returns outlook.

On 10 November 2021, the Group announced that it had entered into a binding agreement to acquire a 55% shareholding in Vodafone Egypt Telecommunications SAE (Vodafone Egypt) from Vodafone Group Plc (Vodafone), for an equity consideration of US$2.738 billion (R41.1 billion). The proposed acquisition presents a unique opportunity to advance Vodacom Group's strategic connectivity and financial services ambitions in one of Africa's premier telecom operators. Vodafone Egypt is a clear market leader, strategically positioned to capture growth in a fast-growing Information and Communications Technology (ICT) market that will diversify and accelerate Vodacom Group's growth profile.

Separately on 10 November 2021, the Group announced a major step forward in scaling our fibre offering in South Africa. Through the acquisition of a 30% stake in Community Investment Ventures Holdings (Pty) Limited's (CIVH) fibre assets, Vodacom will gain exposure to highly attractive and fast-growing businesses and South Africa's largest open access fibre players including Vumatel and Dark Fibre Africa. Vodacom's capital injection and strategic support will further accelerate the growth trajectory of these fibre assets. Also, the contribution of Vodacom SA's wholesale

Note:
1. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

FTTH assets will add further scale and enhance CIVH's fibre footprint. The deal is closely aligned with the build-out of our System of Advantage, which is aimed at delivering diversified, differentiated connectivity offerings to our customers. Further, we expect that this investment will accelerate fibre reach in South Africa, fostering economic development and helping bridge South Africa's digital divide.

For more details about these transactions, please visit our website at vodacom.com/investor-relations.

Our capital structure

We ended the period with net debt to EBITDA ratio of 0.9 times. Looking forward, our strategic deals in Egypt and South Africa fibre provide us with an opportunity to utilise debt capacity and accelerate the growth profile of the Group while adhering to our internal threshold of 1.5 times net debt to EBITDA ratio. We intend to take advantage of debt gearing levels that support ongoing investment in our System of Advantage, while also positioning us favourably with our telecommunication peers.

South Africa

Summary financial information

	Six months ended 30 September		% change
Rm	**2021**	2020	**Reported**
Service revenue	**28 615**	27 618	**3.6**
EBITDA	**15 860**	15 294	**3.7**
Operating profit	**10 464**	10 296	**1.6**
Capital expenditure	**5 588**	5 028	**11.1**

South Africa service revenue grew 3.6% to R28.6 billion, supported by continued demand for connectivity, incremental wholesale revenue and growth in our new services. The reported growth rate was negatively impacted by a R142 million non-cash contribution to service revenue in the prior period related to a loyalty programme provision. Adjusting for this one-off, underlying service revenue growth was 4.1% (2Q: +3.2%), an impressive result given the demanding comparative associated with lockdowns in the prior period. New services such as financial and digital services, fixed and IoT delivered strong growth in the period, contributing R4.0 billion of South Africa's service revenue.

Mobile contract customer revenue increased by 4.0% to R10.6 billion. Vodacom Business continued to deliver strong growth while consumer contract revenue was stable year-on-year. Customers are benefitting from our new Red contract tariffs that provide larger data allocations as reasons to consume increase. We added 140 502 contract customers in the half, mainly in Vodacom Business, and increased ARPU by 1.4%.

In the prior period, prepaid ARPU reached R64 as customers increased usage during the more stringent lockdown restrictions. As these restrictions eased, prepaid ARPU normalised and in the current period was R56. Encouragingly, prepaid ARPU of R56 in the second quarter is higher than pre-COVID levels and up 1.8% quarter-on-quarter, as price transformation initiatives supported incremental usage. From a customer base perspective, strong commercial initiatives supported second quarter net additions of 1.2 million, with prepaid customers up 6.4% year-on-year. The combination of ARPU normalisation and subscriber growth resulted in a broadly flat mobile customer prepaid performance in the period. Adjusting for the R142 million loyalty programme provision release in the prior period, prepaid mobile customer revenue increased 0.8% (2Q: -0.1%) in the year.

Notwithstanding the impact of lockdown restrictions in the prior period, which magnified data demand, data traffic increased 13.1% in the period and accelerated to 17.9% in the second quarter. Quarter-on-quarter, data traffic was up 12.6%. We added 1.1 million data customers in the period, reaching 22.8 million customers, up 2.4%. Smart devices were up by 11.1% to 24.5 million while 4G devices increased by 21.5% to 17.2 million. The average usage per smart device increased by 7.3% to 2.2GB per month.

Notes:
1. Including Bitstream, which refers to where we act as an internet service provider (ISP) to fibre wholesalers.
2. Adjusted for a reclassification of IoT revenue from other service revenue to customer revenue. There was no impact on overall service revenue as a result of this reclassification.

Fixed service revenue was up 14.2%, excluding wholesale transit. We accelerated our fibre roll-out and increased the total number of homes and businesses connected[1] by 61.4% to 153 746. Our own fibre passed 151 695 homes and businesses at period end.

Revenue generated from financial services was up 15.0% to R1.3 billion. Revenue growth was underpinned by our Airtime Advance product, where we advanced R6.5 billion in airtime during the period, an increase of 14.3%. Airtime Advanced represented 45.5% of total prepaid recharges in the period. Insurance revenue increased 11.8%, supported by growth in policies which were up 6.8% to 2.1 million. In October 2021, we launched our much anticipated VodaPay super-app as part of our summer campaign. We are honoured by the number of businesses that have come on board and look forward to providing users with even more products and services as we continuously increase the products and services offerings on the app.

Vodacom Business service revenue increased by 11.5% to R8.5 billion, supported by our innovative work-from-home solutions and sustained growth in fixed-line services and accelerated growth in wholesale revenues. IoT remains an important new service growth driver with connections up 5.3% to 5.8 million, and revenue growth at 36.6% to R0.6 billion[2].

EBITDA grew 3.7% while margins contracted 1.3ppts to 40.4% in the period. The year-on-year EBITDA comparison was negatively impacted by the loyalty programme provision release and constraints on certain operating expenditure such as publicity during the prior period. Adjusting for the one-off provision release, EBITDA growth was 4.7%. Operating profit growth of 1.6% was supported by EBITDA growth, although offset by higher depreciation. Depreciation and amortisation increased 8.2% as a result of capital expenditure phasing shorter asset lives on certain investments, such as batteries.

Our capital investment of R5.6 billion was up 11.1% year-on-year as we accelerated investment to take advantage of the strong rand's purchasing power. Our investment focussed on network capacity and modernisation and enhancing our IT platforms. We expect capital expenditure of around R10.5 billion for the financial year, implying lower capital expenditure in the second half compared with the first half period.

For the remainder of the financial year, we are particularly excited about scaling our lifestyle companion super-app, VodaPay. This incredible platform brings us one step closer to achieving our long-term vision of driving financial and digital inclusion as well as economic growth in South Africa, by transforming the payments, e-commerce and m-commerce landscapes.

International

Summary financial information

	Six months ended 30 September		% change	
Rm	**2021**	2020	**Reported**	**Normalised***
Service revenue	**10 713**	11 409	**(6.1)**	**9.0**
EBITDA	**4 350**	4 218	**3.1**	**15.8**
Operating profit	**2 073**	1 706	**21.5**	**27.2**
Capital expenditure	**1 325**	1 522	**(12.9)**	

Our International operations reported a service revenue decline of 6.1% to R10.7 billion, as the rand's recovery and resultant translation impact eroded 15ppts of growth. Significantly, normalised service growth was 9.0%* in the period, having declined 5.2% in the prior period. The improvement was underpinned by strong M-Pesa and data revenue growth. Normalised M-Pesa growth was 27.4%* as we lapped the impact of COVID-19 related restrictions on commercial and economic activity, captured subsequent platform economics and re-implemented peer-to-peer fees.

Our customer base increased 10.1% to 42.5 million, with net additions of 2.2 million in the second quarter, reflecting strong commercial traction across the portfolio. Customer growth for our International operations is critical for us to achieve our 2025 ambition of improving the lives of the next 100 million customers.

Data services remain a key driver of growth and is fundamental to our commitment to connecting for a better future. We added 724 000 new customers to end the period at 21.4 million data customers, supporting normalised data revenue growth of 16.6%*. Of our 21.4 million customers, just 32.4% of our one-month active voice base or 11.6 million customers had a smartphone in the period. This highlights the scope for further smartphone penetration and data adoption. We continue to drive the adoption of affordable smartphone devices by leveraging partnerships with global tech firms and innovative financing options. Overall data traffic increased 32.2% in the period, due to network investments, affordable commercial propositions and a continued trend to work from home.

M-Pesa revenue was up 8.7% to R2.4 billion, contributing 22.4% of International service revenues. Normalised growth of 27.3%* was supported by strong performances in the DRC and Mozambique. Growth in the DRC and Mozambique was supported by customer growth, product adoption and the re-introduction of peer-to-peer fees. In contrast, Tanzania posted normalised M-Pesa revenue growth of just 1.1%, negatively impacted by new mobile money levies introduced during July 2021. The levies adversely impacted revenue by R220 million and presents a material barrier to financial inclusion with 1.3 million 30-day active M-Pesa customers relinquishing the service in the second quarter. We are engaging with the Tanzanian authorities to assess the impact of the levies on the industry, financial inclusion and the wider economy.

International EBITDA margins expanded by 3.4ppt to 39.3%, reflecting accelerated cost containment initiatives, particularly in Tanzania, and a recovery in normalised service revenue growth. Margin expansion supported EBITDA growth of 3.1% (15.8%*) to R4.4 billion.

Our capital investment of R1.3 billion was focused mainly on expanding the 4G network. Our network reach improved further in the period and we added 342 4G base stations. We also continued to invest in our transmission networks to enhance our network lead in all our markets.

In the second half of the financial year, we see scope for consumer spend to continue recovering as trading and economies re-open from lockdowns. Balancing this progress, we expect the new mobile money levies to disrupt progress on financial inclusion and M-Pesa growth in Tanzania.

Safaricom

Summary financial information

	Six months ended 30 September		% change
KShs m (100% basis)[1]	**2021**	2020	**Reported**
Service revenue	**138 434**	118 407	**16.9**
EBITDA	**77 405**	63 381	**22.1**
Capital expenditure	**22 818**	22 752	**0.3**

Safaricom delivered a strong set of results supported by strategic execution, excellent growth in the fixed business and a recovery in M-Pesa revenue due to platform growth and improved consumer confidence and business activity.

M-Pesa revenue grew 45.8% supported by strong platform growth, product adoption and greater value through updated peer-to-peer pricing from 1 January 2021. Total M-Pesa transaction values grew 51.5% to KShs 13.7 trillion while the volume of transactions grew 42.0% to 7.3 billion in the period. This equated to transaction values per month of US$21.0 billion. Safaricom, together with M-Pesa Africa, continues to leverage on technological innovation to enhance access to financial services for consumers and enterprise customers.

Fixed service and wholesale transit revenue grew 21.1% to KShs 5.5 billion supported by 20.1% growth in enterprise revenue to KShs 3.5 billion and 22.9% growth in consumer revenue, to KShs 2.0 billion. FTTH customers grew 17.2% to 153.4 thousand while enterprise fixed customers grew 38.3% to 44.9 thousand.

Voice revenue increased 3.2% as a result of increased customer value management initiatives and propositions. Mobile data revenue grew 6.3% and was impacted by Safaricom's ongoing efforts to support inclusion through price rationalisation and the absorption of excise duty adjustment on mobile data from August 2021. Safaricom's usage growth across voice mobile data and fibre was supported by capital expenditure of KShs 22.8 billion, equating to a 15.6% capital intensity ratio.

Note:
1. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

The strong revenue recovery supported 22.1% EBITDA growth, with margins expanding 1.8ppt to 52.9%. Net income growth of 12.1% was below EBITDA growth as a result of financing costs for Ethiopia and the normalisation of the Kenyan corporate tax rate to 30% from 25% in the prior period.

In addition to its financial results, Safaricom provided an update on our Ethiopian consortium. Safaricom has fulfilled all the post winner announcement requirements in the tender documents, which included signing the provisional and final telecoms licences, making payments for the licence to the Government of Ethiopia and incorporating the operating company in Ethiopia. The licence unlocks a unique opportunity for our consortium to build out world-class services in Africa's second largest country by population, providing a long-term growth vector for Safaricom. Mindful of the recent developments in Ethiopia, including the declaration of a state of emergency, Safaricom is proceeding with and adapting its plans for operational readiness as the situation evolves.

On a rand reported basis, Safaricom contributed R1.6 billion to the Group's operating profit, declining 34.9% year-on-year. The decline was attributable to a R805 million one-off tax rate adjustment in the prior year related to a change in the Kenyan corporate tax rate and foreign exchange rate movements. On a normalised basis, Safaricom's contribution to our operating profit increased 14.3%*. Safaricom accounted for 11.6% of the Group's operating profit in the year.

Growth rates are in local currency and year-on-year, unless otherwise stated. Safaricom results announcements are available here: www.safaricom.co.ke/investor-relation/financials/reports/financial-results

Regulatory matters

ICASA – Assignment of High Demand Spectrum

On 1 October 2021, ICASA published updated timetables for the assignment and licencing of exclusive use high demand spectrum (HDS) and a Wireless Open Access Network (WOAN), respectively. The updated timetable follows various court and procedural challenges relating to ICASA's previous attempt to assign HDS spectrum. Notably, e.tv (Pty) Limited (e.tv) remains a dissenting party to the allocation of HDS, and on 8 September 2021 filed a supplementary affidavit, requiring ICASA and the Minister of Communications and Digital Technologies, among others, to undertake a process of public consultation with the affected parties (including e.tv) regarding the date of the digital migration and appropriate measures required to ensure that their customers have continued access to free-to-air-broadcasts.

According to ICASA's updated timetable, it expects the exclusive use HDS auction to commerce on 1 March 2022. Vodacom remains ready and willing to work with both ICASA and the Minister of Communications and Digital Technologies to expedite the assignment of high demand spectrum as soon as possible. The award of new spectrum remains a critical part of reducing input costs and by extension, the cost of data. This has the potential to have an unprecedented positive impact on our economy.

ICASA – Inquiry into mobile broadband services

On 16 November 2018, ICASA gave notice of its intention to conduct an inquiry into mobile broadband services. The purpose of the inquiry was to assess the state of competition, and to determine whether there were markets or market segments within the mobile broadband services value chain that may require regulatory intervention in terms of Chapter 10 of the Electronic Communications Act, 2005.

Following a November 2019 discussion document and public hearings in October 2020, ICASA issued a findings document and Draft Mobile Broadband Services Regulations on 26 March 2021. ICASA proposed several pro-competitive terms and intends to monitor retail prices and wholesale prices, particularly in relation to margin squeeze. In accordance with the inquiry process, ICASA conducted further public hearings on 12 – 13 August 2021, and will issue the Final Regulations and Reasons document in due course.

Lesotho licence update

With reference to the legal matter regarding the Lesotho Communications Authority and the revocation of Vodacom Lesotho's operating licence, judgement from the Lesotho High Court is still pending. The case was heard in December 2020. Details of this matter are available in our annual results for the year ended 31 March 2021.

Ethiopian telecommunications licence
On 26 April 2021, the Group participated as a minority investor in a consortium, controlled by Safaricom PLC, bidding for a mobile telecommunication licence in the Federal Democratic Republic of Ethiopia. In May 2021, the Ethiopian Communications Authority (the ECA) confirmed that our consortium's proposal was successful with an effective licence date of 9 July 2021. As noted in the Safaricom overview (page 8), the consortium is proceeding with and adapting its plans for operational readiness mindful of the recent developments in Ethiopia, including the declaration of a state of emergency. The Group, excluding its indirect interest via its shareholding in Safaricom PLC, has an effective interest of 6.2% in the consortium. In addition, the Group has indirect exposure through Safaricom PLC's 55.7% effective interest in the consortium.

Outlook and medium-term targets

Vodacom is a purpose-led company and we connect for a better future. We remain focused on strong governance and our three purpose pillars of digital society; inclusion for all; and planet, as we deliver on our business strategy, Vision 2025. We believe that this integrated approach, and our Social Contract with stakeholders, will support balanced economic progress across the countries in which we operate and provide us with compelling growth opportunities.

Our strategy, which comprises eight connected pillars, sets out to deliver exceptional value to our customers. We implement our strategy through our System of Advantage, which is designed to grow with our customers as we strive to be a strategic partner of choice and an integral part of their lives, homes and offices.

Complementing our organic strategy, we announced two material M&A transactions after period end. We believe that the purchase of a controlling shareholding in Egypt's telecom market leader, Vodafone Egypt, and a significant stake in leading fibre assets in South Africa, including Vumatel and Dark Fibre Africa, will further enhance Vodacom's growth and return profile.

While we await the closing of the Vodafone Egypt and CIVH transactions respectively, our management team remains focussed on delivering on the growth targets set out in May 2021. These are as follows:

1. Mid-single digit Group service revenue growth;
2. Mid-to-high-single digit Group operating profit growth (including profit from associate – Safaricom); and
3. 13.0% – 14.5% of Group capital expenditure as a % of Group revenue.

These targets are, on average, over the next three years, and are on a normalised basis in constant currency, excluding spectrum purchases, exceptional items and any merger and acquisition activity such as Vodafone Egypt and CIVH fibre asset. We expect the Vodafone Egypt and CIVH fibre asset acquisitions will enhance our System of Advantage and provide scope to accelerate our Group growth profile. We intend to provide an update on our medium-term targets at our full year results ended 31 March 2022, which will be reported in May 2022.

Financial review

Summary financial information

Rm	Six months ended 30 September 2021	2020	% change Reported	Normalised*
Revenue	**49 856**	47 844	**4.2**	**7.9**
Service revenue	**38 915**	38 515	**1.0**	**5.4**
EBITDA	**20 076**	19 433	**3.3**	**5.7**
Net profit from associate and joint ventures[1]	**1 644**	2 571	**(36.1)**	**11.9**
Operating profit[1]	**14 058**	14 465	**(2.8)**	**5.7**
Net profit	**8 873**	9 271	**(4.3)**	
Capital expenditure	**6 920**	6 551	**5.6**	
Operating free cash flow[2]	**6 458**	6 848	**(5.7)**	
Free cash flow[2]	**4 456**	5 280	**(15.6)**	
Net debt	**37 964**	36 644	**3.6**	
Earnings per share (cents)	**504**	533	**(5.4)**	
Headline earnings per share (cents)	**505**	532	**(5.1)**	
Contribution margin[3] (%)	**62.4**	63.2	**(0.8ppt)**	
EBITDA margin (%)	**40.3**	40.6	**(0.3ppt)**	
Operating profit margin (%)	**28.2**	30.2	**(2.0ppt)**	
Effective tax rate (%)	**28.5**	26.0	**2.5ppt**	
Net profit margin (%)	**17.8**	19.4	**(1.6ppt)**	
Capital intensity (%)	**13.9**	13.7	**0.2ppt**	
Net debt/EBITDA (times)	**0.9**	0.9	**–**	

Service revenue

Rm	Six months ended 30 September 2021	2020	% change Reported	Normalised*
South Africa	28 615	27 618	3.6	3.6
International	10 713	11 409	(6.1)	9.0
Corporate and eliminations	(413)	(512)	(19.3)	(19.3)
Group service revenue	**38 915**	**38 515**	**1.0**	**5.4**
Safaricom[4]	18 351	19 211	(4.5)	16.9

Group service revenue increased 1.0% (5.4%*) to R38.9 billion, supported by a strong performance in South Africa and an improvement in normalised service revenue growth for International. Growth was underpinned by new services such as financial, fixed and IoT. Financial services delivered service revenue of R3.7 billion, up 22.9%* on a normalised basis, and contributed 9.5% of consolidated service revenue. Our digital, fixed (ex transit[5]) and IoT businesses delivered service revenue of R653 million, R1.8 billion and R659 million respectively. In aggregate, these new services amounted to R6.9 billion and contributed 17.7% of Group service revenue.

Notes:

1. In the prior period, net profit from associate and joint ventures and operating profit was impacted by a positive one-off deferred tax rate adjustment of R805 million. The adjustment related to the decrease of the corporate tax rate in Kenya, which fell from 30% to 25%. At a net income level, and after the impact of non-controlling interests, the adjustment was R705 million.
2. A reconciliation of operating free cash flow and free cash flow is on page 54.
3. Contribution margin is contribution profit as a percentage of revenue. Contribution profit is revenue less direct expenses.
4. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.
5. Wholesale transit revenue of R389 million (1H21: R374 million).

In South Africa, service revenue increased 3.6% to R28.6 billion, supported by incremental wholesale revenue and growth in new services. Financial services revenue amounted to R1.3 billion, or 4.5% of South Africa's service revenue.

Our International business reported a service revenue decline of 6.1% to R10.7 billion, negatively impacted by currency translation. On a normalised basis, service revenue increased 9.0%* and was supported by strong M-Pesa and data revenue growth and a recovery in voice revenue. M-Pesa and data revenue comprised 22.4% and 20.1% of International service revenue for the period. Safaricom service revenue, which we do not consolidate, declined 4.5% in rands but increased 16.9%* on a normalised basis.

Total expenses[1]

	Six months ended 30 September		% change	
Rm	**2021**	2020	**Reported**	**Normalised***
South Africa	23 413	21 427	9.3	9.4
International	6 712	7 495	(10.5)	6.2
Corporate and eliminations	(340)	(537)	(36.7)	(36.7)
Group total expenses	**29 785**	**28 385**	**4.9**	**9.6**

Group total expenses increased 4.9% (9.6%*) to R29.8 billion. In South Africa, expenses increased 9.3% to R23.4 billion. The rate of growth in South Africa reflects the impact of constraints on certain operating expenditure in the prior period due to lockdown restrictions. International expenses decreased 10.5% (+6.2%*) to R6.7 billion, below service revenue growth reflecting disciplined cost containment, despite inflationary cost pressures.

EBITDA

	Six months ended 30 September		% change	
Rm	**2021**	2020	**Reported**	**Normalised***
South Africa	15 860	15 294	3.7	3.5
International	4 350	4 218	3.1	15.8
Corporate and eliminations	(134)	(79)	69.6	69.6
Group EBITDA	**20 076**	**19 433**	**3.3**	**5.7**
Safaricom[2]	10 260	10 267	(0.1)	**22.1**

Group EBITDA increased 3.3% (5.7%*) to R20.1 billion at a margin of 40.3%. South Africa EBITDA grew 3.7% to R15.9 billion. Adjusted for the R142 million one-off loyalty provision release in the prior period, South Africa EBITDA grew 4.7%. EBITDA in our International operations increased 3.1% (15.8%*) to R4.3 billion, supported by strong delivery on cost containment.

Notes:
1. Excluding depreciation, amortisation and impairments.
2. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

Operating profit

Rm	Six months ended 30 September 2021	2020	% change Reported	Normalised*
South Africa	10 464	10 296	1.6	1.4
International	2 073	1 706	21.5	27.2
Safaricom	1 659	2 546	(34.8)	14.3
Corporate and eliminations	(138)	(83)	66.3	66.3
Group operating profit	**14 058**	**14 465**	**(2.8)**	**5.7**

Group operating profit decreased 2.8% to R14.1 billion, depressed by the impact of foreign currency translation and a R805 million one-off deferred tax adjustment relating to the decrease of the corporate tax rate in Kenya in the prior period. On a normalised basis, operating profit increased in line with our medium-term target at 5.7%*. In South Africa, operating profit was up 1.4%* to R10.5 billion. Excluding the R142 million loyalty programme provision release, operating profit increased 2.8%. International operating profit increased 21.5% (27.2%*) to R2.1 billion.

Net finance charges

Rm	Six months ended 30 September 2021	2020	% change 20/21
Finance income	314	443	(29.1)
Finance costs	(2 006)	(2 161)	(7.2)
Net finance costs	**(1 692)**	**(1 718)**	**(1.5)**
Net gain/(loss) on remeasurement and disposal of financial instruments	44	(223)	119.7
Net finance charges	**(1 648)**	**(1 941)**	**(15.1)**

Net finance charges decreased 15.1% to R1.6 billion, as we recorded a net gain on remeasurement and disposal of financial instruments, compared with a net loss in the prior period. The average cost of debt (including leases) decreased from 7.9% in the prior period to 7.7% in the current period. Excluding leases, the average cost of debt decreased from 6.5% to 6.1%.

Taxation

On a reported basis, profit before tax was lower year-on-year due to a deferred tax adjustment of R705 million (R805 million before non-controlling interests) in the prior period. The non-cash adjustment related to a change in Kenyan corporate tax rate and boosted the prior year net profit from associate and joint ventures (see operatng profit commentary above). Excluding this adjustment, profit before tax was higher year-on-year and contributed to an 8.7% increase in the tax charge to R3.5 billion. The deferred tax adjustment also impacted the effective tax rate, which increased to 28.5% from 26.0% in the prior period.

Earnings

	Six months ended 30 September		% change
	2021	2020	**20/21**
Earnings per share (EPS) (cents)	**504**	533	**(5.4)**
Headline earnings per share (HEPS) (cents)	**505**	532	**(5.1)**
Weighted average number of ordinary shares outstanding for the purpose of calculating EPS and HEPS (million)	**1 694**	1 695	**(0.1)**

EPS and HEPS declined at 5.4% and 5.1% respectively. EPS and HEPS in the prior year benefitted from the tax rate change in Kenya in the prior year which positively impacted net income by R705 million. Excluding the one-off adjustment in South Africa of R142 million[1], remeasurement gains/losses and the impact of the Kenyan tax rate change of R705 million, HEPS increased 3.0%.

Dividend

	Six months ended 30 September		% change
Rm	**2021**	2020	**20/21**
Headline earnings	8 547	9 013	(5.2)
Adjusted for:			
Net profit from Safaricom	(1 659)	(2 546)	(34.8)
Withholding tax	137	151	(9.3)
Non-controlling interest and other	207	318	(34.9)
Headline earnings, excl. Safaricom, available for dividend distribution	**7 232**	**6 936**	**4.3**
Interim dividend declared per share (cents)	**420**	**415**	**1.2**

Note:
1. In the prior period, a R142 million non-cash adjustment relating to our loyalty programme provision was released.

Owned capital expenditure[1]

Rm	Six months ended 30 September 2021	2020	% change 20/21
Group capital expenditure	**6 920**	**6 551**	**5.6**
South Africa	5 588	5 028	11.1
International	1 325	1 522	(12.9)
Corporate and eliminations	7	1	>200.0
Group capital intensity[2] (%)	**13.9**	**13.7**	**0.2ppt**
Safaricom	3 027	3 674	(17.6)
Safaricom capital intensity[2] (%)	15.6	18.2	(2.6ppt)

The Group's capital expenditure was R6.9 billion, representing 13.9% of revenue. In South Africa, capital expenditure was directed at improving capacity and resilience of the network and increasing 5G roll-out. We now have 97.7% (1H21: 96.4%) 4G population coverage and have extended our 5G sites to 521. In our International operations, the focus remained on increasing both coverage and capacity as well as continuing the 4G roll-out.

Statement of financial position

Property, plant and equipment increased 1.9% to R57.6 billion and intangible assets increased 4.5% to R13.8 billion when compared to 31 March 2021. The combined increase is as a result of net additions of R8.7 billion, net foreign currency translation gains of R0.7 billion, and depreciation and amortisation of R7.7 billion.

Rm	30 September 2021	31 March 2021	Movement Mar/Sep	30 September 2020
Bank and cash balances	10 701	15 751	(5 050)	14 147
Bank overdrafts	(1 080)	(542)	(538)	(164)
Current borrowings	(10 166)	(9 634)	(532)	(9 783)
Non-current borrowings	(37 408)	(39 741)	2 333	(40 810)
Other financial instruments	(11)	(83)	72	(34)
Net debt[3]	**(37 964)**	**(34 249)**	**(3 715)**	**(36 644)**
Net debt/EBITDA (times)	**0.9**	**0.9**	**–**	**0.9**

Our net debt to EBITDA ratio remained stable year-on-year and when compared to the year ended 31 March 2021. Net debt increased by R3.7 billion to R38.0 billion from 31 March 2021. The net debt movement is largely explained by the payment of our proportionate share of the mobile licence in Ethiopia. This amounted to US$52.7 million (R779 million). Total borrowings decreased by R1.8 billion to R47.6 billion from March 2021.

Notes:
1. Owned capital expenditure, excluding spectrum, licences and capitalised right-of-use assets. Right-of-use asset additions include R1 845 million (1H21: R1 345 million) for the Group, of which R1 3772 million (1H21: R1 161 million) for South Africa and R468 million (R153 million) in International.
2. Capital expenditure as a percentage of revenue.
3. Debt includes interest bearing debt, non-interest-bearing debt and bank overdrafts.

Cash flows[1]

Free cash flow

Rm	Six months ended 30 September 2021	2020	% change 20/21
EBITDA	20 076	19 433	3.3
Working capital	(4 697)	(4 336)	8.3
Capital expenditure[2]	(6 920)	(6 551)	5.6
Disposal of property, plant and equipment	9	49	(81.6)
Lease liability payments	(2 328)	(2 069)	12.5
Other	318	322	(1.2)
Operating free cash flow	**6 458**	**6 848**	**(5.7)**
Tax paid	(3 389)	(3 764)	(10.0)
Finance income received	343	453	(24.3)
Finance costs paid	(1 378)	(1 210)	13.9
Net dividends received from associate and paid to non-controlling shareholders	2 422	2 953	(18.0)
Free cash flow	**4 456**	**5 280**	**(15.6)**

Operating free cash flow declined 5.7%, with EBITDA growth of 3.3% offset by higher capital expenditure and lease payments, and an increase in working capital. Free cash flow declined 15.6%, impacted by a lower dividend received from Safaricom.

Notes:
1. For the reconciliation of cash generated from operations to free cash flow, refer to page 54.
2. Capital expenditure comprises the purchase of property, plant and equipment and intangible assets, other than licence and spectrum payments. Purchases of customer bases are excluded from capital expenditure.

Dividends

Declaration of final dividend number 25 – payable from income reserves

Notice is hereby given that a gross interim dividend number 25 of 420 cents per ordinary share in respect of the six months ended 30 September 2021 has been declared payable on Monday 6 December 2021 to shareholders recorded in the register at the close of business on Friday 3 December 2021. The number of ordinary shares in issue at the date of this declaration is 1 835 864 961. The dividend will be subject to a local dividend withholding tax rate of 20% which will result in a net final dividend to those shareholders not exempt from paying dividend withholding tax of 336.00000 cents per ordinary share.

Last day to trade shares *cum* dividend	Tuesday 30 November 2021
Shares commence trading *ex*-dividend	Wednesday 1 December 2021
Record date	Friday 3 December 2021
Payment date	Monday 6 December 2021

Share certificates may not be dematerialised or rematerialised between Wednesday 1 December 2021 and Friday 3 December 2021, both days inclusive.

On Monday 6 December 2021, 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 6 December 2021.

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

Dividend policy

Since the financial year ended 31 March 2021, the Board has maintained its dividend policy of paying at least 90% of adjusted headline earnings, excluding the contribution of the attributable net profit from Safaricom. In addition, the Group distributed any dividend it received from Safaricom, up to a maximum amount of the dividend received, net of withholding tax. It is expected that this dividend policy will be maintained for the remainder of the current financial year.

Looking ahead, the acquisition of Vodafone Egypt and an up to 40% stake in Community Investment Ventures Holdings (Pty) Limited's (CIVH) fibre assets, provides a compelling opportunity to accelerate our System of Advantage and the Group's growth profile. Mindful that these deals will utilise debt capacity and while also wanting to retain headroom to invest into growth areas, the Board considered it appropriate to review the current dividend policy.

Accordingly, on completion of the Vodafone Egypt acquisition, the Group intends to amend and simplify its dividend policy and institute a policy of paying dividends of at least 75% of Vodacom Group headline earnings. The simplified policy and proposed acquisitions combine to provide a high pay-out on enhanced growth prospects. Notwithstanding the change in dividend policy, Vodacom Group will still have one of the highest dividend pay-out policies on the JSE. Additionally, the policy provides scope for the Group to invest within its 13-14.5% capital intensity target, de-lever the balance sheet and accommodate the upstreaming and dividend pay-out profiles of Safaricom and Vodafone Egypt.

For and on behalf of the Board

Sakumzi Justice Macozoma
Chairman

Shameel Aziz Joosub
Chief Executive Officer

Raisibe Morathi
Chief Financial Officer

Midrand
12 November 2021

Independent auditor's review report

To the shareholders of Vodacom Group Limited

We have reviewed the condensed consolidated interim financial statements of Vodacom Group Limited set out on pages 19 to 39, contained in the accompanying interim report, which comprises the condensed consolidated statement of financial position as at 30 September 2021, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated interim financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Vodacom Group Limited for the six month period ended 30 September 2021 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Vinodhan Pillay
Registered Auditor
Chartered Accountant (SA)
12 November 2021

Condensed consolidated income statement

for the period ended 30 September

Rm	Notes	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited
Revenue	3	**49 856**	47 844	98 302
Direct expenses		**(18 404)**	(17 015)	(36 269)
Staff expenses		**(3 649)**	(3 493)	(6 990)
Publicity expenses		**(759)**	(733)	(1 718)
Net credit losses on financial assets		**(345)**	(613)	(1 078)
Other operating expenses		**(6 628)**	(6 531)	(12 973)
Depreciation and amortisation		**(7 657)**	(7 565)	(15 117)
Impairment losses		**–**	–	(6)
Net profit from associate and joint ventures		**1 644**	2 571	3 501
Operating profit		**14 058**	14 465	27 652
Net profit/(loss) on disposal of subsidiaries	4.4	**–**	1	(70)
Finance income		**314**	443	767
Finance costs		**(2 006)**	(2 161)	(4 190)
Net profit/(loss) on remeasurement and disposal of financial instruments		**44**	(223)	(378)
Profit before tax		**12 410**	12 525	23 781
Taxation		**(3 537)**	(3 254)	(6 710)
Net profit		**8 873**	9 271	17 071
Attributable to:				
Equity shareholders		**8 545**	9 030	16 581
Non-controlling interests		**328**	241	490
		8 873	9 271	17 071

Cents	Note	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited
Basic earnings per share	4	**504**	533	978
Diluted earnings per share	4	**491**	521	956

Condensed consolidated statement of comprehensive income

for the period ended 30 September

Rm	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited
Net profit	**8 873**	9 271	17 071
Other comprehensive income			
Foreign currency translation differences, net of tax[1]	**909**	(7 870)	(16 361)
Foreign currency translation differences recognised through profit or loss on disposal of foreign operations[1]	**–**	15	15
Mark-to-market of financial assets held at fair value through other comprehensive income, net of tax[1,2]	**149**	134	286
Mark-to-market gains recognised through profit or loss on disposal of financial assets held at fair value through other comprehensive income, net of tax[1,2]	**(123)**	(96)	(234)
Total comprehensive income	**9 808**	1 454	777
Attributable to:			
Equity shareholders	**9 427**	1 957	1 642
Non-controlling interests	**381**	(503)	(865)
	9 808	1 454	777

1. Other comprehensive income can subsequently be recognised in profit or loss on the disposal of foreign operations or financial assets held at fair value through other comprehensive income.
2. Mark-to-market gains on financial assets held at fair value through other comprehensive income that have previously been reported net of amounts recognised through profit or loss on disposal, have now been disaggregated and disclosed on a gross basis. The reclassification had no impact on any reported totals, headline earnings per share or on any amounts presented in the statement of financial position.

Condensed consolidated statement of financial position

as at 30 September

Rm	Note	Six months ended 30 September **2021 Reviewed**	 2020 Reviewed Restated[1]	Year ended 31 March 2021 Audited Restated[1]
Assets				
Non-current assets		**128 122**	133 445	125 670
Property, plant and equipment		**57 563**	57 500	56 480
Intangible assets		**13 773**	13 272	13 186
Financial assets		**636**	652	605
Investment in associate and joint ventures		**50 973**	57 214	50 173
Trade and other receivables		**2 260**	2 238	2 536
Finance receivables		**2 410**	2 024	2 275
Tax receivable		**471**	434	356
Deferred tax		**36**	111	59
Current assets		**43 945**	46 062	46 309
Financial assets[2]		**7 021**	7 671	6 449
Inventory		**1 369**	1 458	1 198
Trade and other receivables		**21 941**	19 988	20 129
Finance receivables		**2 758**	2 419	2 431
Tax receivable		**155**	379	351
Bank and cash balances		**10 701**	14 147	15 751
Total assets		**172 067**	179 507	171 979
Equity and liabilities				
Fully paid share capital		**57 073**	57 073	57 073
Treasury shares		**(16 943)**	(16 786)	(16 861)
Retained earnings		**38 435**	36 416	36 884
Other reserves		**3 154**	9 930	2 274
Equity attributable to owners of the parent		**81 719**	86 633	79 370
Non-controlling interests		**6 226**	7 369	6 320
Total equity		**87 945**	94 002	85 690
Non-current liabilities		**42 176**	45 705	44 219
Borrowings	8	**37 408**	40 810	39 741
Trade and other payables		**279**	289	210
Provisions		**906**	913	833
Deferred tax		**3 583**	3 693	3 435
Current liabilities		**41 946**	39 800	42 070
Borrowings	8	**10 166**	9 783	9 634
Trade and other payables[1]		**29 105**	28 896	30 206
Provisions		**355**	332	390
Tax payable[1]		**1 223**	611	1 281
Dividends payable		**17**	14	17
Bank overdraft		**1 080**	164	542
Total equity and liabilities		**172 067**	179 507	171 979

1. The trade and other payables and tax payable line items have been restated to correctly reflect withholding tax on intercompany loan interest under tax payable and no longer under trade and other payables. Refer to Note 11.
2. Included in financial assets are restricted cash balances related to deposits received from M-Pesa customers amounting to R6 649 million (30 September 2020 R 7 209 million; 31 March 2021: R6 203 million).

Condensed consolidated statement of changes in equity

for the period ended 30 September

Rm	Equity attributable to owners of the parent	Non-controlling interests	Total equity
31 March 2021 – Audited	**79 370**	**6 320**	**85 690**
Total comprehensive income	**9 427**	**381**	**9 808**
Dividends	**(6 995)**	**(487)**	**(7 482)**
Repurchase and sale of shares	**(327)**	**–**	**(327)**
Share-based payments	**244**	**–**	**244**
Changes in subsidiary holdings	**–**	**12**	**12**
30 September 2021 – Reviewed	**81 719**	**6 226**	**87 945**
31 March 2020 – Audited	91 656	8 414	100 070
Total comprehensive income	1 957	(503)	1 454
Dividends	(6 908)	(542)	(7 450)
Repurchase and sale of shares	(379)	–	(379)
Share-based payments	307	–	307
30 September 2020 – Reviewed	86 633	7 369	94 002
31 March 2020 – Audited	91 656	8 414	100 070
Total comprehensive income	1 642	(865)	777
Dividends	(13 991)	(1 318)	(15 309)
Repurchase and sale of shares	(485)	–	(485)
Share-based payments	557	–	557
Changes in subsidiary holdings	(9)	89	80
31 March 2021 – Audited	79 370	6 320	85 690

Condensed consolidated statement of cash flows

for the period ended 30 September

Rm	Notes	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited Restated[1]
Cash flows from operating activities				
Cash generated from operations[1]	9	**15 633**	17 758	41 097
Tax paid[1]		**(3 389)**	(3 764)	(7 736)
Net cash flows from operating activities		**12 244**	13 994	33 361
Cash flows from investing activities				
Additions to property, plant and equipment and intangible assets		**(6 433)**	(7 782)	(13 443)
Proceeds from disposal of property, plant and equipment and intangible assets		**9**	49	69
Acquisition of associate	13.7	**(779)**	–	–
Disposal of subsidiaries (net of cash and cash equivalents disposed)		**–**	11	15
Dividends received from associate		**2 908**	3 495	3 576
Finance income received		**343**	453	723
Other investing activities[2]		**(418)**	(415)	63
Net cash flows utilised in investing activities		**(4 370)**	(4 189)	(8 997)
Cash flows from financing activities				
Borrowings incurred		**4 363**	163	180
Borrowings repaid		**(8 197)**	(1 612)	(4 052)
Finance costs paid		**(1 990)**	(1 923)	(3 945)
Dividends paid – equity shareholders		**(6 996)**	(6 905)	(13 944)
Dividends paid – non-controlling interests		**(487)**	(542)	(1 318)
Repurchase of shares[3]		**(367)**	(443)	(563)
Proceeds on sale of shares[3]		**40**	64	78
Changes in subsidiary holdings		**–**	–	(24)
Net cash flows utilised in financing activities		**(13 634)**	(11 198)	(23 588)
Net (decrease)/increase in cash and cash equivalents		**(5 760)**	(1 393)	776
Cash and cash equivalents at the beginning of the period/year		**15 209**	16 191	16 191
Effect of foreign exchange rate changes		**172**	(815)	(1 758)
Cash and cash equivalents at the end of the period/year		**9 621**	13 983	15 209

1. The cash generated from operations and tax paid line items have been restated to correctly reflect withholding tax on intercompany loan interest under tax paid and no longer under cash generated from operations. Refer to Note 11.
2. Consists mainly of a net increase in restricted cash deposits of R329 million (30 September 2020: R1 560 million ; 31 March 2021: R1 201 million) from M-Pesa customers, and in prior periods also decreases in investment in treasury bills in Tanzania (30 September 2020: R1 143 million; 31 March 2021: R1 262 million).
3. Cash flows relating to the repurchase and sale of shares that have previously been reported on a net basis, have been disclosed on a gross basis. The reclassification had no impact on any reported totals, headline earnings per share or on any amounts presented in the statement of financial position.

Notes to the condensed consolidated interim financial statements

for the period ended 30 September

1 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and in accordance with and containing the information required by International Accounting Standard (IAS) 34: Interim Financial Reporting as issued by the International Accounting Standards Board (IASB), the Financial Reporting Guides as issued by the South African Institute of Chartered Accountants (SAICA) Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings (JSE) Requirements and the requirements of the Companies Act of South Africa, 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 year, except as disclosed in Note 2. The significant accounting policies are available for inspection at the Group's registered office.

The preparation of these condensed consolidated interim financial statements was supervised by the Chief Financial Officer, RK Morathi (CA) SA, M.Phil., H.Dip Tax.

The financial information has been reviewed by Ernst & Young Inc., whose unmodified review report is presented on page 18.

2 Change 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 2021, none of which had any material impact on the Group's financial results for the period. The Group has not early adopted any new, revised or amended accounting pronouncements, that are not yet effective and the Group is not expecting these pronouncements to have a material impact on the financial results of the Group.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2, issued by the IASB, became effective during the current reporting period (effective for periods commencing on or after 1 January 2021). Regulators globally have signalled that institutions should transition away from the Interbank Offered Rate (IBOR) to alternative risk-free rates (RFRs). In response to the above the IASB has been engaged in a two-phase project of amending its guidance to enable a smoother transition to the adoption of RFRs.The Group is exposed to the US$ London Interbank Offered Rate (LIBOR) as well as the Johannesburg Interbank Average Rate (JIBAR), consequently the Group continues to follow developments relating to the benchmark reform as and when communicated by financial and regulatory authorities.

In March 2021, the Intercontinental Exchange Benchmark Administration announced that it will cease the publication of certain US$ LIBOR settings immediately following the LIBOR publication on 30 June 2023.

Considering the US$ LIBOR cessation occurring only in June 2023 and the South African Reserve Bank reform projects being in an initial stage, as at 30 September 2021 none of the Groups LIBOR or JIBAR linked instruments have transitioned to an alternative rate.

The Group continues to assess the impact of interest rate benchmark reform but does not expect that it will have a material impact on the financial results.

Full details on changes in accounting policies will be disclosed in the Group's consolidated annual financial statements for the year ended 31 March 2022, which will be available online.

Rm	Six months ended 30 September 2021 Reviewed	2020 Reviewed	Year ended 31 March 2021 Audited
3 Segment analysis			
External customer segment revenue	**49 856**	47 844	98 302
South Africa	**39 068**	36 497	76 303
International	**10 756**	11 347	21 999
Corporate and eliminations	**32**	–	–
Safaricom[1]	**19 403**	20 192	39 627
Inter-segment revenue	**–**	–	–
South Africa	**204**	217	434
International	**302**	399	747
Corporate and eliminations	**(506)**	(616)	(1 181)

1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.

3 Segment analysis continued

Revenue is further disaggregated into product type below.

Rm	South Africa	International	Corporate and elimination	Total	Safaricom[1]
30 September 2021 – reviewed					
Mobile contract revenue	**10 608**	**764**	**(3)**	**11 369**	**685**
Mobile prepaid revenue	**12 463**	**8 839**	**–**	**21 302**	**15 658**
Customer service revenue	**23 071**	**9 603**	**(3)**	**32 671**	**16 343**
Mobile interconnect	**861**	**564**	**(227)**	**1 198**	**658**
Fixed service revenue	**1 844**	**492**	**(169)**	**2 167**	**730**
Other service revenue	**2 839**	**54**	**(14)**	**2 879**	**620**
Service revenue	**28 615**	**10 713**	**(413)**	**38 915**	**18 351**
Equipment revenue	**7 553**	**168**	**(3)**	**7 718**	**898**
Non-service revenue	**2 877**	**171**	**(58)**	**2 990**	**154**
Revenue from contracts with customers	**39 045**	**11 052**	**(474)**	**49 623**	*
Interest income recognised as revenue	**196**	**6**	**–**	**202**	*
Other[2]	**31**	**–**	**–**	**31**	*
Revenue	**39 272**	**11 058**	**(474)**	**49 856**	**19 403**

Rm	South Africa	International	Corporate and elimination	Total	Safaricom[1]
30 September 2020 – reviewed					
Mobile contract revenue	10 203	741	(2)	10 942	1 565
Mobile prepaid revenue	12 506	9 240	–	21 746	15 550
Customer service revenue	22 709	9 981	(2)	32 688	17 115
Mobile interconnect	896	712	(296)	1 312	745
Fixed service revenue	1 648	665	(193)	2 120	737
Other service revenue	2 365	51	(21)	2 395	614
Service revenue	27 618	11 409	(512)	38 515	19 211
Equipment revenue	6 312	142	(7)	6 447	717
Non-service revenue	2 623	188	(97)	2 714	264
Revenue from contracts with customers	36 553	11 739	(616)	47 676	*
Interest income recognised as revenue	127	7	–	134	*
Other[2]	34	–	–	34	*
Revenue	36 714	11 746	(616)	47 844	20 192

1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
2. Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".

* Not reviewed by the chief operating decision maker.

3 Segment analysis continued

Rm	South Africa	International	Corporate and elimination	Total	Safaricom[1]
31 March 2021 – audited					
Mobile contract revenue	20 829	1 469	(6)	22 292	3 420
Mobile prepaid revenue	25 359	18 009	(2)	43 366	30 153
Customer service revenue	46 188	19 478	(8)	65 658	33 573
Mobile interconnect	1 742	1 330	(544)	2 528	1 426
Fixed service revenue	3 556	1 233	(390)	4 399	1 429
Other service revenue	4 919	105	(35)	4 989	1 172
Service revenue	56 405	22 146	(977)	77 574	37 600
Equipment revenue	14 672	285	(21)	14 936	1 527
Non-service revenue	5 299	303	(183)	5 419	500
Revenue from contracts with customers	76 376	22 734	(1 181)	97 929	*
Interest income recognised as revenue	296	12	–	308	*
Other[2]	65	–	–	65	*
Revenue	76 737	22 746	(1 181)	98 302	39 627

1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
2. Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".

* Not reviewed by the chief operating decision maker.

Rm	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited
EBITDA	**20 076**	19 433	39 299
South Africa	**15 860**	15 294	30 745
International	**4 350**	4 218	8 784
Corporate and eliminations	**(134)**	(79)	(230)
Safaricom[1]	**10 260**	10 267	20 125
Operating profit	**14 058**	14 465	27 652
South Africa	**10 464**	10 296	20 515
International	**2 073**	1 706	3 833
Corporate and eliminations	**1 521**	2 463	3 304
Safaricom[1]	**6 565**	5 959	11 886

1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom, including the depreciation and amortisation impact of net fair value adjustments on tangible and intangible assets.

3 Segment analysis continued

Rm	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited
Reconciliation of segment results			
EBITDA	**20 076**	19 433	39 299
Depreciation and amortisation	**(7 657)**	(7 565)	(15 117)
Net (loss)/profit on disposal of property, plant and equipment and intangible assets	**(3)**	26	68
Impairment losses	**–**	–	(6)
Net profit from associate and joint ventures	**1 644**	2 571	3 501
Other	**(2)**	–	(93)
Operating profit[1]	**14 058**	14 465	27 652
Total assets	**172 067**	179 507	171 979
South Africa	**86 401**	80 743	83 212
International	**39 892**	44 024	38 415
Corporate and eliminations	**45 774**	54 740	50 352
Safaricom[2]	**73 989**	69 086	60 587
Total liabilities	**(84 122)**	(85 505)	(86 289)
South Africa	**(65 272)**	(60 670)	(62 644)
International	**(25 758)**	(27 860)	(24 612)
Corporate and eliminations	**6 908**	3 025	967
Safaricom[2]	**(30 043)**	(24 832)	(21 790)

1. For a reconciliation of operating profit to net profit for the year, refer to the condensed consolidated income statement on page 19.
2. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom, including the net fair value adjustments on tangible and intangible assets, excluding goodwill, that arose on acquisition.

Cents	Six months ended 30 September 2021 Reviewed	2020 Reviewed	Year ended 31 March 2021 Audited
4 Per share calculations			
4.1 Earnings and dividends per share			
Basic earnings per share	**504**	533	978
Diluted earnings per share	**491**	521	956
Headline earnings per share	**505**	532	980
Diluted headline earnings per share	**492**	520	957
Dividends per share	**410**	405	820

Million	Six months ended 30 September 2021 Reviewed	2020 Reviewed	Year ended 31 March 2021 Audited
4.2 Weighted average number of ordinary shares outstanding for the purpose of calculating			
Basic and headline earnings per share	**1 694**	1 695	1 695
Diluted earnings and diluted headline earnings per share	**1 739**	1 732	1 735
4.3 Ordinary shares for the purpose of calculating dividends per share:			
405 cents per share declared on 7 May 2020		1 836	1 836
415 cents per share declared on 13 November 2020			1 836
410 cents per share declared on 17 May 2021	**1 836**		

Vodacom Group Limited acquired 2 915 788 shares in the market during the period at an average price of R131.44 per share for the Group's forfeitable share plan. Share repurchases did not exceed 1% of Vodacom Group Limited's issued share capital.

Dividend per share calculations are based on a dividend paid of R7 527 million (30 September 2020: R7 435 million; 31 March 2021: R 15 054 million) of which R36 million (30 September 2020: R36 million; 31 March 2021: R74 million) was offset against the forfeitable share plan reserve, R5 million (30 September 2020: R5 million; 31 March 2021: R11 million) expensed as staff expenses and R63 million (30 September 2020: R62 million; 31 March 2021: R126 million) paid to Wheatfields Investments 276 (Pty) Limited, a wholly-owned subsidiary holding treasury shares on behalf of the Group. An amount of R469 million (30 September 2020: R463 million; 31 March 2021: R939 million) was paid to YeboYethu Investment Company (RF) (Pty) Limited, a special purpose vehicle holding shares in Vodacom Group Limited on behalf of broad-based black economic empowerment participants, of which R50 million (30 September 2020: R46 million; 31 March 2021: R79 million) was paid out as a trickle dividend to participants. R9 million (30 September 2020: R5 million; 31 March 2021: R11 million) was paid to The Innovator Trust. The Group declared a final dividend in respect of the period ended 30 September 2021 after the reporting period (Note 13).

Rm	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited
4 Per share calculations continued			
4.4 Headline earnings reconciliation			
Earnings attributable to equity shareholders for basic and diluted earnings per share	**8 545**	9 030	16 581
Adjusted for:			
Net loss/(profit) on disposal of property, plant and equipment and intangible assets[1]	**3**	(29)	(73)
Impairment losses	**–**	–	6
(Profit)/loss on disposal of subsidiaries	**–**	(1)	70
Net (profit)/loss on disposal, before foreign currency translation of the operations	**–**	(16)	55
Foreign currency translation differences recognised through profit or loss on disposal of foreign operations	**–**	15	15
	8 548	9 000	16 584
Tax impact of adjustments	**(1)**	10	22
Non-controlling interests' share in adjustments	**–**	3	3
Headline earnings for headline- and diluted headline earnings per share[2]	**8 547**	9 013	16 609

1. Includes attributable share of net profit on disposal of property, plant and equipment and intangible assets of associate and joint ventures of R1 million (30 September 2020: R3 million; 31 March 2021: R 5 million).
2. This disclosure is a requirement of the JSE Limited. It has been calculated in accordance with Circular 1/2021 as issued by SAICA.

5 Related parties

The amounts disclosed in Notes 5.1 and 5.2 include significant balances and transactions with the Group's parent, entities in its group as well as an associate and joint ventures.

Rm	2021 Reviewed	2020 Reviewed	2021 Audited
5.1 Balances with related parties			
Borrowings (including accrued finance cost)	**22 729**	28 810	28 804
5.2 Transactions with related parties			
Dividends declared	**(4 554)**	(4 498)	(9 107)
Finance costs	**(845)**	(1 020)	(1 953)

5.3 Directors and key management personnel

Compensation paid to the Group's Board and key management personnel will be disclosed in the Group's consolidated annual financial statements for the year ended 31 March 2022, which will be available online.

There have been no new appointments or resignations of directors during the six months ended 30 September 2021.

Rm	Six months ended 30 September 2021 Reviewed	2020 Reviewed	Year ended 31 March 2021 Audited
6 Capital commitments			
Capital expenditure contracted for but not yet incurred	**4 423**	4 906	4 045

Rm	Six months ended 30 September 2021 Reviewed	2020 Reviewed	Year ended 31 March 2021 Audited
7 Capital expenditure incurred			
Capital expenditure additions including software	**6 920**	6 551	13 307

8 Borrowings

On 26 April 2021 the Group repaid a R2 000 million loan bearing interest at 3 months Jibar +1.35% to Vodafone Investments Luxembourg s.a.r.l.. On 29 July 2021, a further R4 000 million loan bearing interest at a fixed rate of 8.991% was repaid to Vodafone Investments Luxembourg s.a.r.l.

During the period, the Group obtained a R2 000 million loan from Nedbank Limited bearing interest at 3 months Jibar +1.4%, and a R1 500 million loan from Investec Bank Limited bearing interest at 3 months Jibar +1.25%. Both loans are repayable on 29 July 2024. A further loan of R723 million was obtained from Standard Bank of South Africa Ltd at a rate of 1 month Jibar +0.9%. This loan facility was subsequently increased to R1 233 million bearing interest at 3 months Jibar +1%, however no additional amounts were drawn down as at 30 September 2021. This loan was for payment of the Group's proportionate share of the licence fee for a mobile telecommunications licence in the Federal Democratic Republic of Ethiopia (refer to note 13.7) and is repayable on 31 May 2022.

The balance of borrowings repaid consists of repayments on lease liabilities which are classified as borrowings under IFRS 16.

Rm	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited Restated[1]
9 Cash flows from operating activities			
Profit before tax	**12 410**	12 525	23 781
Adjusted for:			
Net (profit)/loss on disposal of subsidiaries	**–**	(1)	70
Finance income	**(314)**	(443)	(767)
Finance costs	**2 006**	2 161	4 190
Net (profit)/loss on remeasurement and disposal of financial instruments	**(44)**	223	378
Operating profit	**14 058**	14 465	27 652
Adjusted for:			
Depreciation and amortisation	**7 657**	7 565	15 117
Net (profit)/loss on disposal of property, plant and equipment and intangible assets	**3**	(26)	(68)
Impairment losses	**–**	–	6
Net credit losses on financial assets	**345**	613	1 078
Share-based payment	**292**	270	554
Net profit from associate and joint venture	**(1 644)**	(2 571)	(3 501)
Cash flows from operations before working capital changes	**20 711**	20 316	40 838
(Increase)/decrease in inventory	**(167)**	(85)	167
Increase in trade and other receivables	**(3 018)**	(2 029)	(2 569)
(Decrease)/increase in trade and other payables and provisions[1]	**(1 893)**	(444)	2 661
Cash generated from operations[1]	**15 633**	17 758	41 097

1. The movement in trade and other payables and provisions and cash generated from operations line items have been restated to correctly reflect withholding tax on intercompany loan interest under tax paid and no longer under cash generated from operations. Refer to Note 11.

10 Impact of COVID-19

In our assessment of the impact of the Covid-19 pandemic on our operations and the countries we operate in we have considered the following aspects:

10.1 Going concern considerations

The going concern basis has been adopted in preparing the condensed consolidated interim financial statements for the Group. Telecommunication services are recognised as an essential service during the crisis, which allowed our businesses to continue to operate. Various forms of restrictions on movement have resulted in an increase in demand for the services we render.

The strength of our financial position continued to allow us to lead our business through this volatile period. We continually evaluate the impact of the pandemic on our business over the short to medium term. The assessments include macro-economic factors in each of the countries we operate in, the impact on customer spend, liquidity of our customers, our own cash requirements as well as initiatives to contain cost.

10.2 Liquidity-, credit- and interest rate risk

The Group has sufficient funds and committed facilities available to address liquidity risk that may arise from customers continuing to experience cash flow constraints. We continually monitor the impact on the recoverability of our debtors under IFRS 9, the impact of which is not significant to our financial results.

The majority of short-term debt is with Vodafone Luxembourg, while the remainder relates to short-term items on leases. These are not expected to pose any liquidity risk. In order to ensure that short-term liquidity can be met and volatility absorbed, the Group has access to rand denominated facilities of R7 840 million and foreign denominated facilities of R1 566 million.

11 Prior periods restatement

Subsequent to the release of the 2021 annual results, the Group became aware of an incorrect classification relating to withholding taxes on intercompany loan interest. Tax on interest earned by a foreign lender relating to an intercompany loan to a foreign borrower was recognised as accounts payable instead of as tax payable, as this tax was withheld and paid over, from October 2020, by the borrower to the required tax authority.

The consolidated statement of financial position as at 30 September 2020 and 31 March 2021 has been restated to reflect the income tax under tax payable and no longer under trade and other payables. The Group also restated the statement of cash flows for the year ended 31 March 2021 to reflect amounts paid to revenue authorities as tax paid. No tax was paid during the period ended 30 September 2020. The restatement has no impact on earnings or earnings per share, nor on any subtotals or totals in the statement of financial position and statement of cash flows. The amount of the correction was as follows:

Rm	As previously reported	Restatement	Restated
Year ended 31 March 2021 – Audited			
Consolidated statement of financial position			
Current liabilities			
Trade and other payables	31 132	(926)	30 206
Tax payable	355	926	1 281
Consolidated statement of cash flows			
Cash generated from operations	40 789	308	41 097
Tax paid	(7 428)	(308)	(7 736)
Notes to the consolidated financial statements			
Cash flows from operating activities			
Increase in trade and other payables and provisions	2 353	308	2 661
Cash generated from operations	40 789	308	41 097
Period ended 30 September 2020 – Reviewed			
Consolidated statement of financial position			
Current liabilities			
Trade and other payables	28 896	(1 305)	27 591
Tax payable	611	1 305	1 916

12 Contingent liabilities

12.1 Guarantees

The Group has various guarantees in issue, relating to external financial obligations of its subsidiaries, which amounted to R97 million (30 September 2020: R64 million; 31 March 2021: R97 million).

Foreign denominated guarantees amounting to R1 128 million (30 September 2020: R1 251 million; 31 March 2021: R1 107 million) are in issue in support of the Group's subsidiary, Vodacom Congo, relating to liabilities included in the consolidated statement of financial position.

12.2 Tax matters

The Group is regularly subject to an evaluation by tax authorities of its direct and indirect tax filings, the most significant of which are capital allowances, withholding taxes, customs duty and transfer pricing in certain jurisdictions. The consequence of such reviews is that disputes may arise with tax authorities over the interpretation or application of certain tax rules to the Group's business. The tax laws are in some instances ambiguous and subject to a broad range of interpretations. To address and manage this tax uncertainty, good governance is fundamental to the Group's business sustainability. All major tax positions taken are subject to review by executive management and are reported to the Board. The Group has support from external advisors with regards to the positions taken in respect of the significant tax matters which confirms the application and interpretation of the tax legislation. The Group has considered all matters in dispute with the relevant tax authorities and has accounted for any exposure identified, if required. The Group has not disclosed all the details in respect of the open tax disputes as these matters are still under the dispute resolution process. These disputes may not necessarily be resolved in a manner that is favourable to the Group.

12.3 Legal contingencies

The Group is currently involved in various legal disputes across its different jurisdictions and has, in consultation with its legal advisors, assessed the possible outcomes in these cases and has determined that adequate provision has been made in respect of all these cases as at 30 September 2021.

13 Other matters

13.1 Kenneth Makate (Mr Makate) vs Vodacom (Pty) Limited

Mr Makate has rejected the determination made by the deadlock breaker. Mr Makate has since launched an application in the Gauteng Division of the High Court of South Africa to have the decision of the deadlock breaker reviewed and set aside. The hearing took place from 4 to 7 May 2021, and judgement has been reserved.

13.2 Independent Communications Authority of South Africa (ICASA) assignment of high demand spectrum (HDS)

On 1 October 2021, ICASA published updated timetables for the assignment and licencing for the exclusive use of HDS by mobile operators and a wireless open access network (WOAN), respectively. The updated timetable follows various court challenges relating to ICASA's previous attempt to assign HDS spectrum. e.tv (Pty) Limited (e.tv) continues to raise objections to the process of licencing and assigning of HDS. On 8 September 2021 e.tv filed a supplementary affidavit, requiring ICASA and the Minister of Communications and Digital Technologies, among others, to undertake a process of public consultation with the affected parties (including e.tv) regarding the date of the digital migration and appropriate measures required to ensure that their customers have continued access to free-to-air-broadcasts.

According ICASA's updated timetable, it expects the exclusive use HDS auction to commerce on 1 March 2022.

13.3 ICASA inquiry into mobile broadband services

On 16 November 2018, ICASA gave notice of its intention to conduct an inquiry into mobile broadband services. The purpose of the inquiry was to assess the state of competition, and to determine whether there were markets or market segments within the mobile broadband services value chain that may require regulatory intervention in terms of Chapter 10 of the Electronic Communications Act, 2005.

Following a November 2019 discussion document and public hearings in October 2020, ICASA issued a findings document and Draft Mobile Broadband Services Regulations on 26 March 2021. ICASA proposed several pro-competitive terms and intends to monitor retail prices and wholesale prices, particularly in relation to margin squeeze. In accordance with the inquiry process, ICASA conducted further public hearings on 12-13 August 2021, and will issue the Final Regulations and Reasons document in due course.

13.4 Application to the Competition Tribunal regarding agreements between Vodacom (Pty) Limited (the Company) and Rain Networks (Pty) Limited (Rain)

Telkom South Africa SOC Limited (Telkom) launched an application to the Competition Tribunal in October 2020 in respect of a transaction concluded by the Company and Rain. Telkom is applying to the Competition Tribunal for an order that, amongst others, the arrangements and transaction concluded by the Company and Rain constitutes a notifiable merger in terms of the Competition Act, which must be notified to the Competition Commission and that the Company and Rain are prohibited from taking any steps to further implement the transaction until such time as the merger has been approved. The Company is opposing Telkom's application. The proceedings are ongoing.

13.5 Vodacom Congo (RDC) SA (Vodacom Congo) Organisation for the Harmonisation of Business Law in Africa (OHADA)

Vodacom Congo is not in compliance with the minimum capital requirements as set out under the OHADA. Vodacom Congo has to increase its share capital to meet the minimum OHADA requirements. A non-compliance gap remains, and the matter is continuously being discussed by the Board and shareholders of Vodacom Congo.

13 Other matters continued

13.6 Vodacom Lesotho (Pty) Limited (Vodacom Lesotho) and the Lesotho Communications Authority (the LCA)

In December 2019, the LCA issued a notice of enforcement against Vodacom Lesotho premised on its view that the company's statutory external auditors were not independent, as required by the Companies Act. The statutory external auditors of Vodacom Lesotho are not affiliated to the Group auditors, Ernst & Young Inc. The LCA subsequently issued a penalty of R134 million followed by a notice of revocation of the operating licence of Vodacom Lesotho for its refusal to pay the aforesaid penalty.

Vodacom Lesotho launched an application in the Lesotho High Court to have both determinations of the LCA reviewed and set aside. The Lesotho High Court issued an order interdicting the LCA from, inter alia, enforcing the payment of the said fine and revoking Vodacom Lesotho's operating licence. The Lesotho High Court heard the matter in December 2020. Vodacom Lesotho is awaiting judgement.

13.7 Ethiopian telecommunications licence

On 26 April 2021, the Group participated as a minority investor in a consortium, controlled by Safaricom PLC, bidding for a mobile telecommunication licence in the Federal Democratic Republic of Ethiopia. In May 2021, the Ethiopian Communications Authority (the ECA) confirmed that the consortium's proposal was successful. The term of the mobile licence will be for an initial term of 15 years and renewable for an additional period of 15 years. Subsequent to the award, the Group has paid its proportionate share of the licence fee (refer to note 8). The Group, excluding its indirect interest via its shareholding in Safaricom PLC, has an effective interest of 6.2% in the consortium. In addition, the Group has indirect exposure through Safaricom PLC's 55.7% effective interest in the consortium. The consortium is proceeding with and adapting its plans for operational readiness mindful of the recent developments in Ethiopia, including the declaration of a state of emergency.

As part of the collective acquisition, the Group has entered into an agreement with CDC Group PLC, a party to the consortium, granting it the right to require the Group to purchase all of its equity holdings in the consortium at fair value. The option is a derivative that does not have value as it is exercised at fair value.

14 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:

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

An interim dividend of R7 711 million (420 cents per ordinary share) for the period ended 30 September 2021, was declared on 12 November 2021, payable on 6 December 2021 to shareholders recorded in the register at the close of business on 3 December 2021. The net dividend after taking into account dividend withholding tax for those shareholders not exempt from dividend withholding tax is 336.00000 cents per share.

14.2 Acquisitions announced after the reporting date

Subsequent to 30 September 2021, the Group announced two material acquisitions, neither of which were effective prior to approval of these condensed consolidated interim financial statements, as follows:

14.2.1 Vodafone Egypt Telecommunications SAE (Vodafone Egypt)

On 10 November 2021, the Group announced that it had entered into a binding agreement to acquire a 55% shareholding in Vodafone Egypt from Vodafone Group Plc (Vodafone), for an equity purchase consideration of US$2 738 million (circa R41 billion) (subject to adjustments at closing of the deal, in accordance with the agreement). Eighty percent of this purchase consideration will be settled by the issue of 242.0 million new Vodacom Group Limited shares at an issue price of R135.75 per share, with the remainder to be settled in cash. This cash consideration is subject to change on closing per the principles set out in the agreements. The investment in Vodafone Egypt will be accounted for as a subsidiary of the Group.

14.2.2 Community Investment Ventures Holdings (Pty) Limited (CIVH)

On 10 November 2021, the Group announced an investment into a joint venture that will house the material fibre network assets of both the Group and CIVH. The material operating companies of CIVH are Dark Fibre Africa (Pty) Limited and Vumatel (Pty) Limited. The transaction is subject to the fulfilment of certain conditions precedent, including obtaining the necessary regulatory approvals from the South African competition authorities and ICASA. The investment will be equity accounted as a joint venture. The purchase consideration will be made up of an initial cash consideration of R6 billion, as well as an asset for share swap where the Group will contribute its fibre-to-the-home, fibre-to-the-business and Business-to-Business transmission access fibre network infrastructure to the joint venture, at a valuation of R4.2 billion. The Group will acquire further (secondary) shares for cash from CIVH sufficient to increase its shareholding to at least 30% shareholding in the joint venture. The value of this cash consideration is a function of the valuation of the joint venture and cannot be precalculated with certainty. Based on the Group's current expectations, including the time of closing and the joint venture valuation, the secondary purchase consideration is estimated to be approximately R3 billion.

15 Fair value

The carrying amounts of financial assets at amortised cost, trade receivables, bank and cash balances, bank overdraft and trade and other payables approximate their fair value due to short-term maturity.

The aggregate fair value, if determinable, of interest bearing borrowings, excluding leases, with a carrying amount of R35 108 million amounts to R35 429 million. Fair value is based on level two of the fair value hierarchy[2]. Estimated interest rates for fixed interest rate financial liabilities is calculated with reference to the applicable zero coupon yield curves at the reporting date, as published by Bloomberg. Where the fair value could be determined by using the discounted cash flow method, with a discount rate based on market-related interest rates, the discount rate varied between 5.44% and 6.45% for rand-denominated borrowings.

15.1 Fair value hierarchy

The table below sets out the valuation basis of financial instruments measured at fair value:

Rm	Six months ended 30 September 2021 2021 Reviewed	2020 Reviewed	Year ended 31 March 2021 Audited
Level one[1]			
Financial assets at fair value through profit or loss			
Unit trust investments	**369**	334	341
Level two[2]			
Financial assets at fair value through other comprehensive income			
Finance receivables[3]	**5 168**	4 443	4 706
Financial assets and liabilities at fair value through profit or loss			
Derivative financial assets[4]	**116**	171	122
Derivative financial liabilities[4]	**(127)**	(206)	(205)
	5 526	4 742	4 964

1. Level one classification is used when the valuation is determined using quoted prices in an active market.
2. Level two classification is used when valuation inputs used to determine fair value are observable for the asset/(liability), either directly as prices or indirectly when derived from prices.
3. The Group provides financing to customers to acquire devices at an additional contractual charge which is included in finance receivables. The business model under IFRS 9 for finance receivables has been determined to be "hold to collect and sell". Finance receivables are valued using a market approach, with cash flows discounted at the 24 month weighted average credit risk adjusted risk free rate at which finance receivables are sold across multiple financial institutions.
4. The fair value of foreign exchange forward contracts and firm commitment assets and liabilities are determined with reference to quoted market prices for similar instruments, being the mid forward rates and spot rates, respectively, as at the reporting date.

Operating results for the six months ended 30 September 2021

Rm	South Africa	% 20/21	International	% 20/21	Corporate/ Eliminations	Group	% 20/21	Safaricom[1]	% 20/21
Mobile contract revenue	10 608	4.0	764	3.1	(3)	11 369	3.9	685	(56.2)
Mobile prepaid revenue	12 463	(0.3)	8 839	(4.3)	–	21 302	(2.0)	15 658	0.7
Customer service revenue	**23 071**	**1.6**	**9 603**	**(3.8)**	**(3)**	**32 671**	**(0.1)**	**16 343**	**(4.5)**
Mobile interconnect	861	(3.9)	564	(20.8)	(227)	1 198	(8.7)	658	(11.7)
Fixed service revenue	1 844	11.9	492	(26.0)	(169)	2 167	2.2	730	(0.9)
Other service revenue	2 839	20.0	54	5.9	(14)	2 879	20.2	620	1.0
Service revenue	**28 615**	**3.6**	**10 713**	**(6.1)**	**(413)**	**38 915**	**1.0**	**18 351**	**(4.5)**
Equipment revenue	7 596	18.0	174	16.8	(5)	7 765	18.0	898	25.2
Non-service revenue	3 061	15.2	171	(9.0)	(56)	3 176	15.6	154	(41.7)
Revenue	**39 272**	**7.0**	**11 058**	**(5.9)**	**(474)**	**49 856**	**4.2**	**19 403**	**(3.9)**
Direct expenses	(15 857)	10.0	(2 968)	(4.9)	421	(18 404)	8.2	(5 906)	(2.9)
Staff expenses	(2 381)	5.7	(921)	(7.6)	(347)	(3 649)	4.5	(1 227)	(1.8)
Publicity expenses	(492)	15.8	(268)	(13.8)	1	(759)	3.5	(234)	(17.0)
Net credit losses on financial instruments	(335)	(39.3)	(10)	(83.6)	–	(345)	(43.7)	(134)	(65.9)
Other operating expenses	(4 348)	15.1	(2 545)	(15.3)	265	(6 628)	1.5	(1 642)	(14.2)
Depreciation and amortisation	(5 395)	8.1	(2 258)	(12.1)	(4)	(7 657)	1.2	(3 663)	(15.2)
Net profit/(loss) from associate and joint ventures	–	–	(15)	160.0	1 659	1 644	(36.1)	(32)	(<200.0)
Operating profit	**10 464**	**1.6**	**2 073**	**21.5**	**1 521**	**14 058**	**(2.8)**	**6 565**	**10.2**
EBITDA	15 860	3.7	4 350	3.1	(134)	20 076	3.3	10 260	(0.1)
EBITDA margin (%)	40.4	(1.3ppt)	39.3	3.4ppt		40.3	(0.3ppt)	52.9	2.1ppt
Included in service revenue:									
Financial services revenue	1 301	15.0	2 403	8.7	–	3 704	10.9	6 937	19.4

Note:
1. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

Operating results for the six months ended 30 September 2020

Rm	South Africa	International	Corporate/ Eliminations	Group	Safaricom[1]
Mobile contract revenue	10 203	741	(2)	10 942	1 565
Mobile prepaid revenue	12 506	9 240	–	21 746	15 550
Customer service revenue	**22 709**	**9 981**	**(2)**	**32 688**	**17 115**
Mobile interconnect	896	712	(296)	1 312	745
Fixed service revenue	1 648	665	(193)	2 120	737
Other service revenue	2 365	51	(21)	2 395	614
Service revenue	**27 618**	**11 409**	**(512)**	**38 515**	**19 211**
Equipment revenue	6 439	149	(7)	6 581	717
Non-service revenue	2 657	188	(97)	2 748	264
Revenue	**36 714**	**11 746**	**(616)**	**47 844**	**20 192**
Direct expenses	(14 419)	(3 120)	524	(17 015)	(6 080)
Staff expenses	(2 252)	(997)	(244)	(3 493)	(1 249)
Publicity expenses	(425)	(311)	3	(733)	(282)
Net credit losses on financial instruments	(552)	(61)	–	(613)	(393)
Other operating expenses	(3 779)	(3 006)	254	(6 531)	(1 913)
Depreciation and amortisation	(4 991)	(2 570)	(4)	(7 565)	(4 319)
Net profit from associate and joint ventures	–	25	2 546	2 571	3
Operating profit	**10 296**	**1 706**	**2 463**	**14 465**	**5 959**
EBITDA	15 294	4 218	(79)	19 433	10 267
EBITDA margin (%)	41.7	35.9		40.6	50.8
Included in service revenue:					
Financial services revenue	1 131	2 210	–	3 341	5 809

Note:
1. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

South Africa key telecom indicators for the quarter ended

	30 September 2021	30 June 2021	31 March 2021	31 December 2020	30 September 2020	% change 20/21
Customers[1] (thousand)	**45 428**	**44 601**	**44 061**	**44 312**	**42 862**	**6.0**
Prepaid	39 074	38 379	37 847	38 136	36 715	6.4
Contract	6 354	6 222	6 214	6 176	6 147	3.4
Data customers[2] (thousand)	**22 840**	21 145	**21 703**	**22 483**	**22 300**	**2.4**
Internet of Things connections[3] (thousand)	**5 751**	5 658	**5 625**	**5 559**	**5 459**	**5.3**
Traffic[4] (millions of minutes)	**17 675**	**16 885**	**16 868**	**17 448**	**17 709**	**(0.2)**
Outgoing	14 849	14 160	14 159	14 640	14 835	0.1
Incoming	2 826	2 725	2 709	2 808	2 874	(1.7)
MOU per month[5]	**131**	**127**	**128**	**133**	**143**	**(8.4)**
Prepaid	119	115	116	122	133	(10.5)
Contract	207	201	197	195	199	4.0
Total ARPU[6] (rand per month)	**90**	88	**92**	**92**	**98**	**(8.2)**
Prepaid	56	55	57	59	64	(12.5)
Contract	299	292	306	293	296	1.0

Notes:

1. 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.
2. Data customers are based on the number of unique users generating billable data traffic during the month. Also included are users on integrated tariff plans, or who have access to corporate APNs, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month.
3. IoT connections is the remote wireless interchange between two or more predefined devices or a central station without direct relationship with an end customer, in order to support a specific business process or product.
4. 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.
5. 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.
6. Total ARPU is calculated by dividing the sum of the customer and incoming revenue for the period by the average monthly active customers during the period. Prepaid and contract ARPU only include the revenue generated from Vodacom mobile customers.

International key telecom indicators for the quarter ended

	30 September 2021	30 June 2021	31 March 2021	31 December 2020	30 September 2020	% change 20/21
Customers[1] (thousand)	**42 493**	**40 324**	**39 751**	**39 415**	**38 600**	**10.1**
Tanzania	15 237	14 771	14 861	15 171	14 958	1.9
DRC	16 780	15 536	15 180	14 818	14 470	16.0
Mozambique	8 675	8 260	7 979	7 744	7 677	13.0
Lesotho	1 801	1 757	1 731	1 682	1 495	20.5
Data customers[2] (thousand)	**21 367**	**20 851**	**20 644**	**20 744**	**20 442**	**4.5**
Tanzania	7 875	7 710	7 695	7 881	7 742	1.7
DRC	7 350	7 208	7 056	6 850	6 912	6.3
Mozambique	5 279	5 079	5 045	5 068	4 948	6.7
Lesotho	863	854	848	945	840	2.7
MOU per month[3]						
Tanzania	**236**	207	201	198	198	19.2
DRC	**32**	32	32	33	34	(5.9)
Mozambique	**124**	129	135	143	135	(8.1)
Lesotho	**60**	65	64	79	72	(16.7)
Total ARPU[4] (rand per month)						
Tanzania	**32**	34	33	37	40	(20.0)
DRC	**40**	39	42	44	48	(16.7)
Mozambique	**59**	60	52	57	58	1.7
Lesotho	**46**	51	53	63	63	(27.0)
Total ARPU[4] (local currency per month)						
Tanzania (TZS)	**5 037**	5 555	5 152	5 467	5 437	(7.4)
DRC (US$)	**2.7**	2.8	2.8	2.8	2.8	(3.6)
Mozambique (MZN)	**259**	254	257	271	245	5.7

Notes:
1. 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.
2. Data customers are based on the number of unique users generating billable data traffic during the month. Also included are users on integrated tariff plans, or who have access to corporate APNs, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month.
3. 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.
4. Total ARPU is calculated by dividing the sum of the customer and incoming revenue for the period by the average monthly active customers during the period.

Safaricom key telecom indicators

	Six months ended 30 September		% change
	2021	2020	**20/21**
Customers[1] (thousand)	**41 946**	38 144	**10.0**
Data customers[2] (thousand)	**24 048**	22 907	**5.0**
ARPU[3] (local currency per month)	**557.4**	536.9	**3.8**

Notes:
1 A customer is defined as a Subscriber Identity Module (SIM), or in territories where SIMs do not exist, a unique mobile telephone number which has access to the network for any purpose (including data only usage) except telemetric applications.
2 Data customers are based on the number of unique active users who have generated revenue related to any data activities in relation to mobile data revenue (this excludes SMS & MMS messaging users) in the reported month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month.
3 ARPU is calculated by dividing the average total service revenue by the average monthly customers during the period.

Financial services key indicators

Active customers[1] for the quarter ended

	30 September	31 March	30 September	% change
Thousand	**2021**	2021	**2020**	**20/21**
South Africa	**12 841**	**13 276**	**12 477**	**2.9**
International M-Pesa	**15 731**	**16 149**	**15 561**	**1.1**
Tanzania	6 463	7 395	7 449	(13.2)
DRC	3 220	3 029	2 781	15.8
Mozambique	5 112	4 874	4 669	9.5
Lesotho	936	851	662	41.4
Consolidated Group	**28 572**	**29 425**	**28 038**	**1.9**
Safaricom M-Pesa	28 689	28 307	26 793	7.1
Total (100% basis)	**57 261**	**57 732**	**54 831**	**4.4**

Monthly average M-Pesa value of transactions for the quarter ended

	30 September	30 June	31 March	31 December	30 September	% change
US$m	**2021**	2021	2021	2020	**2020**	**20/21**
International	4 639	5 153	4 515	4 735	4 318	7.4
Safaricom	22 206	19 874	19 992	19 525	16 146	37.5
Total (100% basis)	**26 845**	**25 027**	**24 507**	**24 260**	**20 464**	**31.2**

Merchants & agents for the six months ended

	Six months ended 30 September		% change
Thousand	**2021**	2020	**20/21**
Merchants			
International	**27**	21	**28.6**
Safaricom	**387**	224	**72.8**
Agents			
International	**250**	220	**13.6**
Safaricom	**258**	215	**20.0**

Note:
1 Financial services customers are based on the number of unique customers who have generated revenue to Financial Services during the last month.

International financial review per country

	Six months ended 30 September		% change
	2021	2020	**20/21**
Revenue (local currency)			
Tanzania (TZSm)	**492 854**	478 315	**3.0**
DRC (US$000)	**277 015**	243 394	**13.8**
Mozambique (MZNm)	**13 784**	12 007	**14.8**
Lesotho (LSLm)	**595**	591	**0.7**
EBITDA (local currency)			
Tanzania (TZSm)	**159 346**	154 094	**3.4**
DRC (US$000)	**108 665**	82 058	**32.4**
Mozambique (MZNm)	**6 685**	5 549	**20.5**
Lesotho (LSLm)	**224**	256	**(12.5)**

Historical financial review

Revenue for the quarter ended

Rm	**30 September 2021**	30 June 2021	31 March 2021	31 December 2020	**30 September 2020**	30 June 2020	31 March 2020
South Africa	19 737	19 535	20 294	19 729	19 459	17 255	17 493
International	5 563	5 495	5 315	5 685	5 952	5 794	5 558
Corporate and eliminations	(223)	(251)	(285)	(280)	(297)	(319)	(320)
Group revenue	**25 077**	**24 779**	**25 324**	**25 134**	**25 114**	**22 730**	**22 731**

Revenue YoY % change for the quarter ended

	Reported				Normalised*
%	**30 September 2021**	30 June 2021	31 March 2021	31 December 2020	**30 September 2021**
South Africa	1.4	13.2	16.0	8.5	1.4
International	(6.5)	(5.2)	(4.4)	(1.8)	4.2
Corporate and eliminations	(24.9)	(21.3)	(10.9)	(19.1)	(24.9)
Group revenue	**(0.1)**	**9.0**	**11.4**	**6.4**	**2.4**

Service revenue for the quarter ended

Rm	30 September 2021	30 June 2021	31 March 2021	31 December 2020	30 September 2020	30 June 2020	31 March 2020
South Africa	14 545	14 070	14 481	14 306	14 240	13 378	13 348
International	5 412	5 301	5 194	5 543	5 751	5 658	5 397
Corporate and eliminations	(207)	(206)	(243)	(222)	(237)	(275)	(293)
Group service revenue	**19 750**	**19 165**	**19 432**	**19 627**	**19 754**	**18 761**	**18 452**

Service revenue YoY % change for the quarter ended

	Reported				Normalised*
%	30 September 2021	30 June 2021	31 March 2021	31 December 2020	30 September 2021
South Africa	2.1	5.2	8.5	5.4	2.1
International	(5.9)	(6.3)	(3.8)	(1.4)	4.9
Corporate and eliminations	(12.7)	(25.1)	(17.1)	(23.4)	(12.7)
Group service revenue	**0.0**	**2.2**	**5.3**	**3.9**	**3.1**

Financial services revenue

	Six months ended 30 September		% change	
Rm	2021	2020	Reported	Normalised*
South Africa	**1 301**	**1 131**	**15.0**	**15.0**
International	**2 403**	**2 210**	**8.7**	**27.3**
Tanzania	1 080	1 296	(16.7)	1.1
DRC	537	393	36.6	65.3
Mozambique	718	466	54.1	65.0
Lesotho	68	55	23.6	23.6
Consolidated Group	**3 704**	**3 341**	**10.9**	**22.7**
Safaricom[1]	6 937	5 809	19.4	48.5

Note:
1. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

Exchange rates

	Average YTD			Closing YTD		
	30 September		% change	30 September		% change
	2021	2020	**20/21**	**2021**	2020	**20/21**
US$/ZAR	**14.38**	17.43	**(17.5)**	**15.04**	16.68	**(9.8)**
ZAR/MZN	**4.31**	4.01	**7.5**	**4.24**	4.34	**(2.3)**
ZAR/TZS	**161.35**	133.19	**21.1**	**153.27**	139.09	**10.2**
EUR/ZAR	**17.13**	19.77	**(13.4)**	**17.44**	19.56	**(10.8)**
ZAR/KES	**7.55**	6.16	**22.6**	**7.34**	6.50	**12.9**

	Average QTD				Closing QTD			
	30 September 2021	30 June 2021	31 March 2021	31 December 2020	**30 September 2021**	30 June 2021	31 March 2021	31 December 2020
US$/ZAR	**14.63**	14.12	14.95	15.61	**15.04**	14.28	14.77	14.69
ZAR/MZN	**4.35**	4.26	4.96	4.72	**4.24**	4.45	4.58	5.08
ZAR/TZS	**158.50**	164.20	155.10	148.80	**153.27**	162.41	157.05	157.88
EUR/ZAR	**17.24**	17.02	18.03	18.60	**17.44**	16.93	17.35	17.97
ZAR/KES	**7.47**	7.63	7.34	7.02	**7.34**	7.56	7.41	7.43

Pro-forma financial information

The presentation of the *pro-forma* financial information and related reconciliations as detailed below on pages 49 – 54, is the responsibility of the directors of Vodacom Group Limited.

- 'Normalised' results have been presented to assist the user in understanding the underlying growth trends and adjusts for:
  - the impact of trading foreign exchanges;
  - the impact of foreign currency translation on a constant currency basis; and
  - tax related adjustments where applicable.
- 'Operating free cash flow' and 'free cash flow' has been presented to provide users with relevant information and measures used by the Group to assess performance.

Collectively, the '*pro-forma* financial information'.

The *pro-forma* financial information has been prepared for illustrative purposes only and may not fairly present the financial position, changes in equity, and results of operations or cash flows of Vodacom Group Limited. The *pro-forma* financial information is presented in accordance with the JSE Listings Requirements and the SAICA Guide on *Pro-Forma* Financial. This *pro-forma* financial information for the six months ended 30 September 2021, has not been reviewed or reported on by the Group's auditors, being Ernst & Young Inc.

Table A: Reconciliation of normalised values for the six months ended 30 September 2021

Rm	Reported results[1]	Foreign exchange Trading FX[2]	Foreign exchange Translation FX[3]	Normalised*
Revenue				
Group	**49 856**	–	–	**49 856**
International	**11 058**	–	–	**11 058**
South Africa	**39 272**	–	–	**39 272**
Service revenue				
Group	**38 915**	–	–	**38 915**
International	**10 713**	–	–	**10 713**
South Africa	**28 615**	–	–	**28 615**
Financial services revenue				
Group	**3 704**	–	–	**3 704**
International (M-Pesa)	**2 403**	–	–	**2 403**
Data revenue				
International	**2 158**	–	–	**2 158**
Total expenses				
Group	**29 785**	25	–	**29 810**
International	**6 712**	–	–	**6 712**
South Africa	**23 413**	27	–	**23 440**
EBITDA				
Group	**20 076**	(25)	–	**20 051**
International	**4 350**	–	–	**4 350**
South Africa	**15 860**	(27)	–	**15 833**
Net profit from associate and joint ventures				
Group	**1 644**	–	–	**1 644**
Safaricom	**1 659**	(5)	–	**1 654**
Operating profit				
Group	**14 058**	(25)	–	**14 033**
International	**2 073**	–	–	**2 073**
South Africa	**10 464**	(27)	–	**10 437**

Table B: Reconciliation of normalised values for the six months ended 30 September 2020

Rm	Reported results[1]	Foreign exchange Trading FX[2]	Foreign exchange Translation FX[3]	Tax related adjustment[4]	Normalised*
Revenue					
Group	**47 844**	–	(1 645)	–	**46 199**
International	**11 746**	–	(1 637)	–	**10 109**
South Africa	**36 714**	–	(9)	–	**36 705**
Service revenue					
Group	**38 515**	–	(1 587)	–	**36 928**
International	**11 409**	–	(1 581)	–	**9 828**
South Africa	**27 618**	–	(6)	–	**27 612**
Financial services revenue					
Group	**3 341**	–	(323)	–	**3 018**
International (M-Pesa)	**2 210**	–	(323)	–	**1 887**
Data revenue					
International	**2 131**	–	(281)	–	**1 850**
Total expenses					
Group	**28 385**	(67)	(1 113)	–	**27 205**
International	**7 495**	(68)	(1 107)	–	**6 320**
South Africa	**21 427**	(5)	(6)	–	**21 416**
EBITDA					
Group	**19 433**	67	(533)	–	**18 967**
International	**4 218**	68	(528)	–	**3 758**
South Africa	**15 294**	5	(5)	–	**15 294**
Net profit from associate and joint ventures					
Group	**2 571**	18	(315)	(805)	**1 469**
Safaricom	**2 546**	21	(315)	(805)	**1 447**
Operating profit					
Group	**14 465**	85	(463)	(805)	**13 282**
International	**1 706**	68	(144)	–	**1 630**
South Africa	**10 296**	5	(4)	–	**10 297**

Table C: Reconciliation of normalised growth for the six months ended 30 September 2021

The reconciliation below presents the normalised growth which has been adjusted for trading foreign exchange gains/losses as well as foreign exchange translations, mergers, acquisitions and disposals where applicable, tax related adjustments where applicable, all at a constant currency rate to show a like-for-like comparison of results.

%	% change[5]	Foreign exchange: Trading FX[2] ppts	Foreign exchange: Translation FX[3] ppts	Tax related adjustment[4] ppts	Normalised* % change
Revenue					
Group	**4.2**	–	3.7	–	**7.9**
International	**(5.9)**	–	15.3	–	**9.4**
South Africa	**7.0**	–	–	–	**7.0**
Service revenue					
Group	**1.0**	–	4.4	–	**5.4**
International	**(6.1)**	–	15.1	–	**9.0**
South Africa	**3.6**	–	–	–	**3.6**
Financial services revenue					
Group	**10.9**	–	11.8	–	**22.7**
International (M-Pesa)	**8.7**	–	18.6	–	**27.3**
Data revenue					
International	**1.3**	–	15.3	–	**16.6**
Total expenses					
Group	**4.9**	0.4	4.3	–	**9.6**
International	**(10.4)**	1.0	15.6	–	**6.2**
South Africa	**9.3**	0.1	0.1	–	**9.5**
EBITDA					
Group	**3.3**	(0.5)	2.9	–	**5.7**
International	**3.1**	(1.9)	14.6	–	**15.8**
South Africa	**3.7**	(0.2)	–	–	**3.5**
Net profit from associate and joint ventures					
Group	**(36.1)**	(0.8)	13.7	35.1	**11.9**
Safaricom	**(34.8)**	(1.1)	14.1	36.1	**14.3**
Operating profit					
Group	**(2.8)**	(0.8)	3.4	5.9	**5.7**
International	**21.5**	(5.1)	10.8	–	**27.2**
South Africa	**1.6**	(0.2)	–	–	**1.4**

Table D: Reconciliation of normalised growth for the quarter ended

30 September 2021 Rm	Reported[1]	Translation FX[3]	Normalised*
Revenue			
Group	**25 077**	–	**25 077**
International	**5 563**	–	**5 563**
Service revenue		–	
Group	**19 750**	–	**19 750**
International	**5 412**	–	**5 412**

30 September 2020 Rm	Reported[1]	Translation FX[3]	Normalised*
Revenue			
Group	**25 114**	(620)	**24 494**
International	**5 952**	(611)	**5 341**
Service revenue			
Group	**19 754**	(601)	**19 153**
International	**5 751**	(594)	**5 157**

30 September 2021 %	% change[6]	Translation FX[3] ppts	Normalised* % change
Revenue			
Group	**(0.1)**	2.5	**2.4**
International	**(6.5)**	10.7	**4.2**
Service revenue			
Group	**0.0**	3.1	**3.1**
International	**(5.9)**	10.8	**4.9**

Notes:

1. The financial information relating to revenue, service revenue, financial services revenue, total expenses, EBITDA, operating profit and net profit from associate and joint ventures are extracted without adjustment from the condensed consolidated interim financial statements for the six months ended 30 September 2021.
2. Trading foreign exchange adjustments (FX) are foreign exchange gains/losses on foreign denominated monetary assets and liabilities resulting from trading activities of entities within the Group, which is included with other operating expenses as per the condensed consolidated interim income statement.
3. The Group's presentation currency is the South African rand. Our International operations utilise a number of functional currencies, for example the United States dollar, Tanzanian shilling, and Mozambican metical. Translation foreign exchange (FX) arises from the translation of the results, at average rates, of subsidiaries' functional currencies to Vodacom's presentation currency, being rand. For year-end purposes, IFRS monthly results are translated at the prevailing average monthly exchange rate and the translated value is accumulated for the twelve-month period. For the pro-forma financial information for the six months ended 30 September 2020, these exchange variances are eliminated by applying the average rate for the six months ended 30 September 2021 (which is derived by dividing the individual subsidiary's translated rand value with the functional currency for the period as applicable to each specified line item) to the 30 September 2020 numbers, thereby giving a user a view of the performance which excludes exchange variances. The effective translation rates for pro-forma financial information is similar to those used for IFRS purposes. The prevailing exchange rates for the current and comparative periods are disclosed on page 47.
4. In the prior year, net profit from associate and joint ventures and operating profit was impacted by a positive one-off deferred tax rate adjustment of R805 million. The adjustment related to the decrease of the corporate tax rate in Kenya, which fell from 30% to 25%. At a net income level, and after the impact of non-controlling interests, the adjustment was R705 million.
5. The percentage change relates to the year-on-year percentage growth calculated as the percentage change between the year-to-date ended 30 September 2021 and year-to-date 30 September 2020 value.
6. The percentage change relates to the quarter to date year-on-year percentage growth calculated as the percentage change between the three months ended to 30 September 2021 and the three months ended to 30 September 2020 values.

Table E: Reconciliation of operating free cash flow and free cash flow

	Six months ended 30 September	
Rm	2021	2020
Cash generated from operations[1]	15 633	17 758
Cash capital expenditure[2]	(6 424)	(7 353)
Lease liability payments[3]	(2 328)	(2 069)
Movement in amounts due to M-Pesa account holders[4]	(423)	(1 488)
Operating free cash flow	**6 458**	**6 848**
Tax paid[1]	(3 389)	(3 764)
Finance income received[1]	343	453
Finance costs paid[5]	(1 378)	(1 210)
Net dividends received from associate and paid non-controlling shareholders[1]	2 422	2 953
Free cash flow	**4 456**	**5 280**

The reconciliation presents the reconciliation of cash generated from operators to free cash flow. Free cash flow excludes the movement in amounts due to M-Pesa account holders and held on their behalf. Management excludes these balances to present a view of the true commercial cash conversion in the operation.

Notes:
1. Extracted without adjustment from the condensed consolidated interim statement of cash flows the six months ended 30 September 2021.
2. Cash capital expenditure as per the condensed consolidated interim statement of cash flows, excluding net capital expenditure of licence and spectrum fee of R0 million (1H21: R375 million) and acquisition of customer base of R0 million (1H21: R5 million).
3. Lease liability payments includes interest on lease liabilities of R612 million (1H21: R713 million).
4. Movements included in cash generated from operations relate to money held on behalf of M-Pesa customers, which is not available for use by the Group.
5. This represents the finance costs paid of R1 990 million (1H21: R1 923 million), as extracted from the condensed consolidated interim statement of cash flows for the six months ended 30 September 2021, net of Interest on lease liabilities of R612 million (1H21: R713 million).

Additional financial and operational measures

This announcement contains certain financial (i.e. Vodacom Business service revenue and EBITDA) and operational (i.e. customers, ARPUs and number of employees) measures which are presented in addition to the financial information disclosed in the condensed consolidated interim financial statements for the six months ended 30 September 2021 which have been prepared in terms of IFRS. 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 condensed consolidated interim financial statements for the six months ended 30 September 2021. The financial measures have been extracted from the management accounts upon which the condensed consolidated interim financial statements for the six months ended 30 September 2021 are based. Refer to page 15 for details relating to capital expenditure and the supplementary information on pages 49 to 54 for a reconciliation thereof to the reported results included in this announcement.

Trademarks

Vodafone, the Vodafone logo, M-Pesa, Connected Farmer, Vodafone Supernet, Vodafone Mobile Broadband, Vodafone WebBox, Vodafone Passport, Vodafone live!, Power to You, Vodacom, Vodacom 4 Less and Vodacom Change the World are trademarks of Vodafone Group Plc (or have applications pending). Other product and company names mentioned herein may be the trademarks of their respective owners.

Forward-looking statements

This announcement which sets out the interim results for Vodacom Group Limited for the six months ended 30 September 2021 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, but are not limited to, statements with respect to: expectations regarding the Group's financial condition or results of operations including the confirmation of the Group's targets; expectations for the Group's future performance generally; expectations regarding the operating environment and market conditions and trends; intentions and expectations regarding the development, launch and expansion of products, services and technologies; growth in customers and usage; expectations regarding spectrum licence acquisitions; expectations regarding adjusted EBITDA, capital additions, free cash flow, and foreign exchange rate movements; and expectations regarding the integration or performance of current and future investments, associates, joint ventures, non-controlled interests and newly acquired businesses.

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' (including in their negative form). 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 may or may not occur in the future. There are several factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group; greater than anticipated competitive activity; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers; the Group's ability to expand its spectrum position or renew or obtain necessary licences; the Group's ability to achieve cost savings; the Group's ability to execute its strategy in fibre deployment, network expansion, new product and service roll-outs, mobile data, Vodacom Business and broadband; changes in foreign exchange rates, as well as changes in interest rates; the Group's ability to realise benefits from entering into partnerships or joint ventures and entering into service franchising and brand licensing; unfavourable consequences to the Group of making and integrating acquisitions or disposals; changes to the regulatory framework in which the Group operates; the impact of legal or other proceedings; loss of suppliers or disruption of supply chains; developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account when determining levels of dividends; the Group's ability to satisfy working capital and other requirements; changes in statutory tax rates or profit mix; and/or changes in tax legislation or final resolution of open tax or non-tax legal issues.

All subsequent written or oral forward-looking statements attributable to the Company, to any member of the Group or to any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Subject to compliance with applicable law and regulations, Vodacom does not intend to update these forward-looking statements and does not undertake any obligation to do so.

Corporate information

Vodacom Group Limited

(Incorporated in the Republic of South Africa)
Registration number: 1993/005461/06
(ISIN: ZAE000132577 Share Code: VOD)
(ISIN: US92858D2009 ADR code: VDMCY)
(Vodacom)

Directors

SJ Macozoma (Chairman), MS Aziz Joosub (CEO), RK Morathi (CFO), DH Brown, P Klotz[1], P Mahanyele-Dabengwa (Alternate NC Nqweni), AM O'Leary[2], JWL Otty[3], KL Shuenyane, S Sood[4], CB Thomson, LS Wood[3] (Alternate F Bianco[5])

1. Swedish 2. Irish 3. British 4. Indian 5. Italian

Registered Office

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

Transfer Secretary

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
South Africa
(Private Bag X9000, Saxonwold, 2107)

Sponsor

UBS South Africa (Pty) Limited

ADR Depository Bank

Deutsche Bank Trust Company Americas

Company Secretary

SF Linford

Investor Relations

JP Davids

Media Relations

B Kennedy