



"PROSPECTUS"

Your first step to becoming a YeboYethu shareholder

A copy of this Prospectus has been registered by the Registrar of Companies on 11 July 2008 as required by the Companies Act (Act 61 of 1973), as amended.

The written consents of the advisors referred to in the consents paragraph on page 37 and the material contracts referred to in paragraph 9 on page 37 were attached to the copy of the prospectus, which was lodged for registration in the Companies Registration Office.

The Registrar of Companies has scrutinised the information disclosed in this Prospectus. The information disclosed complies with statutory requirements. The Registrar of Companies does not express a view on the risk for investors or the price of the Shares on offer. However, the attention of the public is drawn to the fact that the Shares on offer are unlisted and should be considered as a risk capital investment. Investors themselves are therefore on risk as unlisted shares are not readily marketable and should YeboYethu fail this may result in the loss of the investment to the investor.



YEBOYETHU
Now more than ever, it's your Vodacom



vodacom
South Africa's Leading Cellular Network

Merchant bank to
YeboYethu and Vodacom SA



Corporate law advisor to
YeboYethu and Vodacom SA



Reporting accountant
and auditor



Share application
and distribution agent

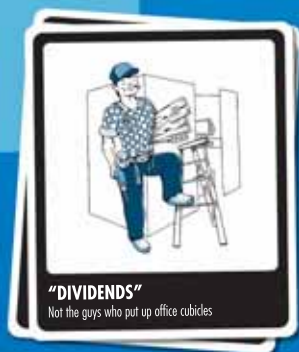


Transfer secretaries
and share administrator



YEBOYETHU!

YOUR GUIDE TO BECOMING A SHAREHOLDER.



YEBOYETHU
Now more than ever, it's your Vodacom



vodacom
South Africa's Leading Cellular Network

LEARN TO SPEAK LIKE A SHAREHOLDER BECAUSE NOW VODACOM IS GIVING EVERY BLACK SOUTH AFRICAN THE CHANCE TO BECOME ONE.



FIRSTLY, HOW DO I APPLY FOR THESE SHARES?



- Collect a prospectus from the Post Office.
- Complete and sign the original application form.
- Collect the supporting documents referred to in the prospectus.
- Return the completed and signed application form together with your supporting documents to the Post Office by 15:00, 11 September 2008.
- The Post Office will check your application. If your application form is not completed properly or is incomplete, your information cannot be verified or all the required supporting documents are not submitted, it will be rejected.
- A YeboYethu account will be opened where you can pay for the YeboYethu shares either when you submit your application or any time before the offer closes.
- You can only apply for shares in multiples of 100.
- If you need help completing your application form, you can call our call centre on 082 1 YEBO (9326) or 0800 22 YEBO (0800 22 9326).

HOW MANY YEBOYETHU SHARES CAN I BUY?



You may buy anywhere from a minimum of 100 YeboYethu shares which will cost R2 500 to a maximum of 1.44 million YeboYethu shares.

HOW MANY YEBOYETHU SHARES ARE BEING OFFERED?



14.4 million shares with a total subscription of R360 million.

YEBOYETHU IS VODACOM'S WAY OF GIVING BLACK SOUTH AFRICANS THE OPPORTUNITY TO SHARE IN THE SUCCESS OF SOUTH AFRICA'S LEADING CELLULAR NETWORK.



SO WHO EXACTLY CAN TAKE PART IN YEBOYETHU?



- Black people (African, Coloured, Indian and Chinese) who are natural persons and citizens of South Africa through birth, descent or naturalisation occurring before 27 April 1994. If you are a minor, you must be assisted by your parent or legal guardian.
- Black groups (black companies and black entities, including stokvels) incorporated or formed in South Africa.
- Black business partners who have been invited to participate.

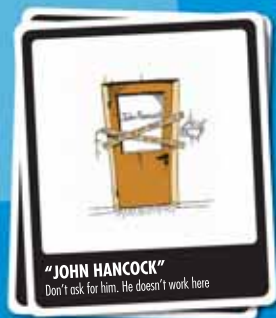
WHAT MAY DISQUALIFY ME FROM BECOMING A SHAREHOLDER IN YEBOYETHU?



- If you don't make payment in time and in accordance with the prospectus.
- If your application form is not completed properly or is incomplete.
- If all the required supporting documents are not submitted.
- If your information cannot be verified.
- If you are not a black person or a black group as defined in the prospectus.
- If you make any fraudulent or untrue statements in your application form.

Your application will be rejected and any funds will be refunded without interest. If you misrepresent your BEE status/rating or commit any action which amounts to fronting, you run the risk of either being disqualified from participating in YeboYethu or being forced to sell your shares at a discount to their interim fair market value.

THE OFFER OPENS ON 30 JULY 2008 AT 09:00 AND CLOSSES ON 11 SEPTEMBER 2008 AT 15:00. APPLICATIONS MAY ONLY BE SUBMITTED DURING THIS PERIOD.



WHAT IS THE YEBOYETHU OFFER PERIOD?

The offer opens on 30 July 2008 at 09:00 and closes on 11 September 2008 at 15:00. Applications may only be submitted during this period.



TALK TO ME ABOUT THE BENEFITS!

- You will indirectly own a stake in Vodacom SA.
- You will indirectly buy shares in Vodacom SA at a 10% discount to the R120 billion value of Vodacom SA.
- For every R2 500 you invest, Vodacom SA will provide facilitation through a 10% upfront discount of R1 563 and notional vendor financing of R11 562. This will provide you with a total exposure to Vodacom SA of R15 625.



WILL I RECEIVE A DIVIDEND ON MY SHARES?

Until the end of the notional vendor facilitation period, you will receive dividends on 50% of your investment, after paying YeboYethu's running costs and taxes. After the notional vendor facilitation period, you will receive dividends on 100% of your investment after paying YeboYethu's running costs and taxes.

THE TRANSACTION HAS BEEN STRUCTURED IN SUCH A WAY THAT EVERY R2 500 INVESTED WILL GIVE YOU EXPOSURE OF R15 625 TO VODACOM SA.



WHAT FACILITATION DOES VODACOM PROVIDE?



- The BEE transaction is at a 10% discount to the R120 billion value of Vodacom SA.
- The notional vendor finance rate is a fixed rate of 10% per year.

WHAT ARE THE RESTRICTIONS TO YEBOYETHU?



- You cannot trade in your shares during the first 5 years.
- Restricted trading during the second 5 years, as you can only sell your shares to other black people or black groups with the same or higher BEE status/rating than yourself. All sales are subject to approval and verification by Vodacom SA.
- No restrictions after 10 years.
- The transfer secretary will hold your share certificate on your behalf.
- You cannot encumber your shares during the first 10 years.

HOW WILL MY SHARES BE DELIVERED TO ME?



The transfer secretary will send you a statement to provide a written record of your shareholding. They will keep all the share certificates on shareholders' behalf.

IF MORE THAN 14.4 MILLION SHARES ARE APPLIED FOR, VODACOM SA WILL DECIDE ON HOW TO ALLOCATE THE SHARES.



WHAT HAPPENS IF THERE IS AN OVERSUBSCRIPTION?



If more than 14.4 million shares are applied for, Vodacom SA will decide on how to allocate the shares. Preference will be given to Vodacom SA black business partners, black women and black groups with the highest percentage black ownership.

If you are allocated fewer shares than you applied for, the excess amount will be refunded with interest.

WHAT HAPPENS IF I DIE OR BECOME INSOLVENT IN THE FIRST 5 YEARS?



Your estate will be permitted to sell your shares to an eligible black person or black group having the same or higher BEE status/rating than yourself.

ONCE I HAVE SHARES, WHAT ARE MY VOTING RIGHTS?



You can vote at the general meetings of YeboYethu. If your YeboYethu share rights are affected you will be able to instruct the YeboYethu directors on how to vote at the Vodacom SA general meetings.

TAKING PART IN YEBOYETHU MEANS THAT YOU WILL INDIRECTLY OWN A STAKE IN VODACOM SA.



HOW WILL I BE ABLE TO TRACK THE SHARE PRICE?

During the first 5 years YeboYethu shares will not be traded. During the second 5 year period, YeboYethu will publish the latest traded price on its website www.yeboyethu.co.za.



HOW WILL I EVENTUALLY TRADE MY SHARES?

An "over-the-counter" trading mechanism will be created to allow trading between qualifying black people and black groups during the second 5 years. Shares are fully tradable after the first 10 years.



IS THERE CAPITAL PROTECTION?

There is no capital protection and you need to realise that YeboYethu will be subject to all the investment risks faced by the shareholders of a company.



TERMS AND CONDITIONS APPLY. FOR MORE INFORMATION CALL THE YEBOYETHU CALL CENTRE ON 082 1 YEBO (9326)
OR 0800 22 YEBO (0800 22 9326) OR VISIT WWW.YEBOYETHU.CO.ZA.

Prospectus for the Offer of YeboYethu ordinary shares 30 July 2008

Definitions

Certain capitalised terms used in this Prospectus have been defined in Annexure 9 on pages 66 to 72.

Forward-looking statements

Some statements in this Prospectus are forward-looking and involve risks and uncertainties. These generally include, but are not limited to, terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate" and "believe". Statements regarding amongst others the future financial position, prospects, growth in markets, projected costs, estimates of capital expenditures and plans and objectives of management for future operation of YeboYethu, Vodacom SA and/or Vodacom Group. The actual performance could differ materially from these forward-looking statements.

Do not place undue reliance on these forward-looking statements. Unless the Board is required by law to update these forward-looking statements, they will not necessarily update any of these after the date of this Prospectus with actual results or with regard to changes in their expectations or projections, or otherwise.

IMPORTANT INFORMATION

This Prospectus is addressed only to persons in South Africa, and does not constitute an Offer in any jurisdiction other than in South Africa.

Copies of this Prospectus may be obtained during normal business hours from **09:00** on **30 July 2008** until **15:00** on **11 September 2008** from:

- any participating Post Office branch; or
- the registered offices of YeboYethu and the Transfer Secretary (see Annexure 7 on page 64).

You can download copies of this Prospectus on the internet at **www.YeboYethu.co.za**.

Should you require more information on the Offer or assistance in completing your Application Form, contact our call centre on 082 1 YEBO (082 1 9326) or 0800 22 YEBO (0800 22 9326).

Only original Application Forms will be accepted. You cannot use Application Forms printed from YeboYethu's website or photocopies thereof.

Should you make a mistake on the original Application Form, you can:

- correct it and sign in full next to the correction; or
- complete another original Application Form which can be obtained from a participating Post Office.

If you make a mistake to your banking details on the original Application Form, you will need to complete another original Application Form.

Your Application Form can **only** be handed in at a participating Post Office branch. **To avoid the queues, hand in your Application Form as soon as possible. You only need to pay before the Closing Date.**

An educational booklet relating to the Offer has been included in this Prospectus. You should read this Prospectus carefully and not rely on the educational booklet or any marketing material in deciding whether or not to take part.

You should seek professional advice prior to subscribing for Shares to fully understand the taxation obligations and consequences arising from your subscription and future Sale of Shares.

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Application Forms

Application Form for Black People (Green)	Attached
Application Form for Black Groups (Blue)	Attached

SUMMARY

**This section gives a summary of the Offer and how to apply for Shares.
For a full understanding of the Offer, YeboYethu and Vodacom SA
you should read the entire Prospectus.**

TIMETABLE FOR THE OFFER

Offer Opening Date	09:00	Wednesday	30 July 2008
Offer Closing Date	15:00	Thursday	11 September 2008
Shares allocated	Before	Friday	10 October 2008
Posting of Share confirmations and processing of refunds	Before	Wednesday	15 October 2008

These dates and times are subject to change. Any material changes will be published in the press.

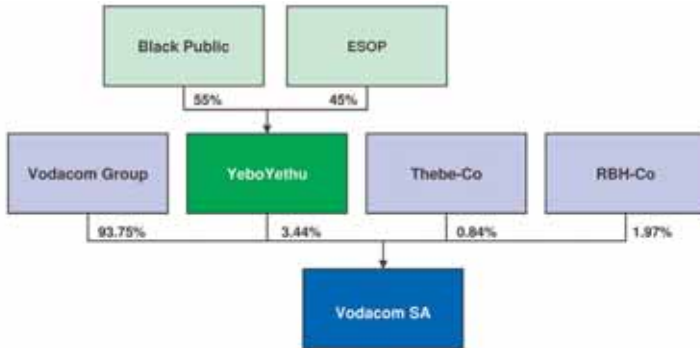
AN OVERVIEW OF THE OFFER

1. What is the purpose of the Offer?

To provide the Black Public (including Black Business Partners), with an opportunity to participate in the ownership of Vodacom SA.

2. Where does YeboYethu fit into the BEE Transaction?

YeboYethu is a public company through which the Black Public (including Black Business Partners) and the ESOP will participate in the BEE Transaction. YeboYethu will own 3.44% of Vodacom SA as illustrated below:



3. How many Shares are being offered and at what price?

14.4 million Shares at R25 each. The total Offer size is R360 million.

4. When is the Offer period?

The Offer opens on 30 July 2008 at 09:00 and will close on 11 September 2008 at 15:00.

5. What are the minimum and maximum subscriptions?

- *Minimum:* 100 Shares, which will cost R2 500.
- *Maximum:* 1 440 000 Shares, which will cost R36 million.
- Shares can only be purchased in multiples of 100.

6. What are the restrictions on the Shares?

- You **cannot trade** your Shares during the **First Five Years**.
- **Restricted trading** will be allowed during the **Second Five Years**, where you can only Sell your Shares to other Black People or Black Groups with at least the Same or Higher BEE Status than yourself. All Sales during the **Second Five Years** are subject to approval and verification by the Share Transfer Committee.
- You cannot Encumber your Shares for the **First Ten Years**.
- There are no restrictions on the trading or Encumbrance of Shares after the **First Ten Years**, other than the Maximum Shareholding Limit.
- The Transfer Secretary will hold your share certificate on your behalf.

7. What happens if I die or become insolvent during the First Five Years?

Your estate will be permitted to Sell your Shares to a Black Person or Black Group with at least the Same or Higher BEE Status than yourself.

8. How will I eventually trade my Shares?

An “over-the-counter” trading mechanism will be created to allow trading between Black People and Black Groups during the Second Five Years.

After the First Ten Years you will be able to Sell your Shares without restriction, subject to the Maximum Shareholding Limit.

9. How can I track the Share price?

During the First Five Years Shares will not be traded. Thereafter YeboYethu will publish the latest traded price on its website.

10. Is there any capital protection?

There is no capital protection. YeboYethu will be subject to all the investment risks faced by shareholders of a company.

WHO CAN APPLY FOR SHARES?

1. Black People

Black People (African, Coloured, Indian and Chinese people) who are natural persons and citizens of South Africa through birth, descent, or naturalisation occurring before 27 April 1994 or after that date but who would have qualified for naturalisation before that date if it were not for the apartheid policies in place in South Africa.

Minors need to be assisted by their parents or legal guardians.

2. Black Groups

Black Companies and Black Entities incorporated or formed in South Africa and in which Black People own more than 50% of the equity and participate in more than 50% of the economic interest and more than 50% of the voting rights.

See page 67 for a detailed definition of Black Groups.

3. Black Business Partners

Black Business Partners who have been invited to participate in the Preferential Allocation as detailed in paragraph 8.1 on page 32.

See page 67 for a detailed definition of Black Business Partners.

Black Business Partners need to comply with all the requirements relating to Black Groups for the purpose of the Offer.

HOW DO I APPLY FOR SHARES?

1. Note the conditions of the Offer

You must abide by the conditions of the Offer as set out on pages 27 to 34. If you fail to do so, your application will be rejected.

2. Applying for Shares

To apply for Shares:

- Visit your nearest participating Post Office.
- Complete and sign an **original** Application Form:
 - A Black Person must complete the **green** Application Form.
 - A Black Group must complete the **blue** Application Form.
 - A Black Business Partner must complete the **blue** Application Form **and** fill in their allocated Reference Number on the Application Form.
- Sign the declaration on the Application Form.
- Return the completed and signed Application Form together with the supporting documents listed on pages 28 to 31, to a participating Post Office by **15:00 on 11 September 2008**.
- The Post Office will check your application. If your Application Form is not completed properly or is incomplete, your information cannot be verified or all the required supporting documentation is not submitted, it will be rejected.
- Once your Application Form is processed, a YeboYethu Account will be opened.
- You can pay for your Shares either when you submit your Application Form or any time before the Offer closes as indicated on page 10.
- You can only apply for Shares in multiples of 100.
- You can only submit one Application Form.
- The Post Office will issue you with a receipt for the Application Form and the supporting documents received.

If you are a Black Group applying for 10 000 Shares or more, you will need to submit a Valid BEE Ownership Certificate obtained from a Valid BEE Verification Agency as set out in paragraph 6.5 on pages 30 and 31.

3. Who can help me complete the Application Forms?

You can receive assistance by contacting our call centre on 082 1 YEBO (082 1 9326) or 0800 22 YEBO (0800 22 9326).

HOW DO I PAY FOR MY SHARES?

1. How much will it cost me?

R2 500 for every 100 Shares.

2. How do I pay?

You can pay for your Shares at a participating Post Office by:

- **Cash.**
- **Debit card.**
- **Bank issued cheque.** The cheque must be crossed "not transferable" with the words "or bearer" deleted and drawn in favour of the Applicant with the words "YeboYethu" written on the back.
- **EFT.** All EFT payments must be made into your YeboYethu Account. The EFT banking details are:
 - Account name: Full name for Black People or Black Group name for Black Groups.
 - Account number: Your YeboYethu Account number printed on the receipt issued by the Post Office when you submit your application.
 - Bank name: Postbank.
 - Account type: Savings.
 - Branch code: 460005.
 - Reference: South African ID number for Black People or the ID number of one of the authorised signatories as stated on the Application Form for Black Groups.

Please note: Credit cards will not be accepted.

3. When do I have to pay?

You can pay the full amount when you submit your Application Form, or make payments at a later date, but before **15:00 on 11 September 2008**.

If you are paying by **EFT or bank issued cheque**, payment must be made after submitting your Application Form but before **24:00 on 8 September 2008**.

HOW ARE SHARE APPLICATIONS PROCESSED?

1. Application Form is processed

Once you have submitted your completed Application Form, the Post Office will check it and load it onto their system.

2. Payment is deposited

The Post Office will open a temporary YeboYethu Account where you can pay for your Shares either when you submit your Application Form or at any time before **15:00 on 11 September 2008**.

If you are paying by **EFT or bank issued cheque**, payment must be made before **24:00 on 8 September 2008**.

To apply for Shares you must deposit the amount you owe into your YeboYethu Account in time.

3. Shares are allocated

Working out the allocation of Shares

After the Offer closes on 11 September 2008, YeboYethu will determine:

- Whether your application was accepted or rejected.
- How many Shares you will receive.

You may not get all the Shares you applied for

If applications are received for more than 14 400 000 Shares, you may not get all the Shares you applied for, even if your application has been properly completed.

Refund payments

If, due to an oversubscription, you do not receive all the Shares you applied for, YeboYethu will return your money to you with Interest calculated from the Closing Date until the date of the refund. If your application is rejected or you were disqualified, YeboYethu will return your money to you without Interest.

Refunds will be paid either by EFT, into your Transactional Bank Account and not into your YeboYethu Account, or a refund cheque will be posted to you.

4. Confirmation letters are issued and posted

- Within 30 days after 11 September 2008, you will receive a confirmation letter indicating the number of Shares allocated to you, if any.
- **You will not receive a share certificate for Shares allocated to you**, as the Transfer Secretary will keep your share certificate on your behalf until you Sell your Shares.

WHAT ARE THE BENEFITS OF PARTICIPATING IN THE OFFER?

1. What are the benefits of taking part in YeboYethu?

- You will indirectly buy shares in Vodacom SA at a **10% discount** to the R120 billion value of Vodacom SA.
- For every R2 500 you invest, Vodacom SA will provide facilitation through a 10% upfront discount of R1 563 and notional vendor financing of R11 562. This will provide you with a total exposure to Vodacom SA of R15 625.

2. Will I have any voting rights?

- You can vote at the general meetings of YeboYethu.
- You are entitled to one vote for every Share held.
- Directors will vote at Vodacom SA general meetings on behalf of YeboYethu.
- If your Share rights are affected, the Shareholders will be able to instruct the Directors on how to vote at Vodacom SA general meetings.

3. What is the minimum dividend YeboYethu will receive?

- Subject to the applicable laws and normal business requirements, Vodacom SA will declare a minimum of 50% of its annual profits, after paying taxes, as a dividend to its shareholders.
- YeboYethu will declare the maximum amount of the dividend it receives from Vodacom SA, after paying YeboYethu's operating costs and taxes, as a dividend to Shareholders.

4. Will I receive a dividend?

- During the Facilitation Period, you will receive dividends on 50% of your initial Investment, after paying YeboYethu's running costs and taxes.
- After the Facilitation Period, you will receive dividends on 100% of your initial Investment, after paying YeboYethu's running costs and taxes.

CAN I BE DISQUALIFIED FROM PARTICIPATING IN YEBOYETHU?

1. What may disqualify me from becoming a Shareholder?

- If you do not make payment in time and in accordance with this Prospectus.
- If your Application Form is not completed properly or is incomplete.
- If all the required supporting documents are not submitted.
- If your information cannot be verified.
- If you are not a Black Person or a Black Group as defined on page 67.
- If you make any fraudulent or untrue statements in your Application Form.

2. What are the consequences of being disqualified?

- Your application will be rejected and any funds you have paid will be refunded, without Interest.
- **If you misrepresent your BEE Status/rating or commit any action which amounts to fronting, you run the risk of either being disqualified from participating in YeboYethu or you may be forced to Sell your Shares at 60% of the Interim Market Value of the Shares.**

ABOUT YEBOYETHU AND VODACOM SA

This section provides an overview of the main business of YeboYethu and Vodacom SA, its services and products, future prospects and its performance.

This section uses industry terms that are explained in Annexure 8. All figures are quoted at 31 March 2008 and percentages have been rounded to the nearest whole number.

UNDERSTANDING YEBOYETHU AND ITS ENVIRONMENT

[6(a)(i) and 6(b)]

1. Profile and nature of the business

YeboYethu, your piece of Vodacom SA

YeboYethu was incorporated on 19 June 2008 to hold a direct investment in Vodacom SA. As YeboYethu's only significant asset will be its shareholding in Vodacom SA, the nature of Vodacom SA's business is discussed below.

Vodacom SA started operating in 1994 and is currently 100% owned by Vodacom Group. Vodacom SA has almost 25 million customers and employs about 4 500 people. Last financial year it generated R42.8 billion in revenue and operating profit of R11.7 billion.

The leading mobile communications network operator

Vodacom SA is the largest mobile communications network operator in South Africa by number of customers and revenue. It offers a wide range of mobile voice and data communication products, value-added services as well as the sale of handsets. Its state-of-the-art technology, world-class products and services, quality of service requirements and exceptional service levels have resulted in Vodacom SA being the market leader in South Africa with a market share of approximately 55%.

Vodacom SA is aggressively expanding its Vodacom Business division with a focus on becoming the selected ICT provider in South Africa.

Extensive network coverage and distribution channels

Vodacom SA's network covers 98% of the South African population. Vodacom SA is part of millions of people's everyday lives, with customers sending approximately 390 million SMSs and making over a billion minutes of calls every month.

Vodacom SA's marketing of airtime as a fast-moving consumer good means that anyone, anywhere can buy affordable airtime along with other consumables such as bread and milk at thousands of formal and informal retail outlets across the country. This has been adopted as a model by operators worldwide.

Vodacom SA has a broad distribution network consisting of wholesale channels, direct sales forces, independent dealers, franchises, national chains, the Vodaworld shopping mall, Vodacom Direct (its on-line channel) and an extensive informal distribution channel servicing primarily the emerging market.

Vodaworld is the only cellular shopping mall in the world where you can walk in any day of the week and buy or repair a cellular related product or service in one place. Due to its success, similar Vodacom SA walk-in customer centres were rolled-out across the country.

Leading through innovation

Vodacom SA is a company with a history of innovation as illustrated by its record of firsts. From being the first mobile operator in the world to offer prepaid services on an intelligent network platform and subsequently winning the GSM Association award in 1998 for innovation in this area, to being the first company to introduce BlackBerry devices into South Africa.

In 1998 Vodacom SA decided to give customers a free voice mailbox and free calls to voicemail. Many GSM operators followed when they realised free voicemail generated customer loyalty and often generated a call. Other world firsts include the ability to receive a fax in your cellphone's mailbox, disguising cellular masts as palm trees, followed by a power-generating windmill, a tree stump and a light house, and launching a "call me" service where a message is sent from one customer to another requesting that the person calls them back – now 18 million "call me" messages are sent every day.

Vodacom SA's accomplishments regarding product offering bear testimony to its record of innovation. Recent products launched include prepaid data bundles, instant messaging, social networking platforms, remote video surveillance, mobile advertising services and a music application which converts a mobile phone into a portal for downloading worldwide music content.

Top brand in the industry

Vodacom SA remains the number one telecommunications brand in South Africa. This position was again confirmed in the annual Markinor Sunday Times Top Brands survey where in addition to being rated top brand in telecommunications, Vodacom SA was also voted third overall favourite brand and came fifth in the "Coolest Brand" category.

Vodacom SA is recognised as a major sponsor of sport in South Africa. These sponsorships include sporting teams on a national and provincial level such as the Springboks, Bafana Bafana, Vodacom Blue Bulls, Vodacom Cheetahs, Vodacom Stormers, Kaizer Chiefs, Orlando Pirates and Bloemfontein Celtics. Vodacom SA also sponsors tournaments and events such as the Vodacom Super 14, Vodacom Cup, Vodacom Tri Nations, Vodacom Challenge and the Vodacom Durban July.

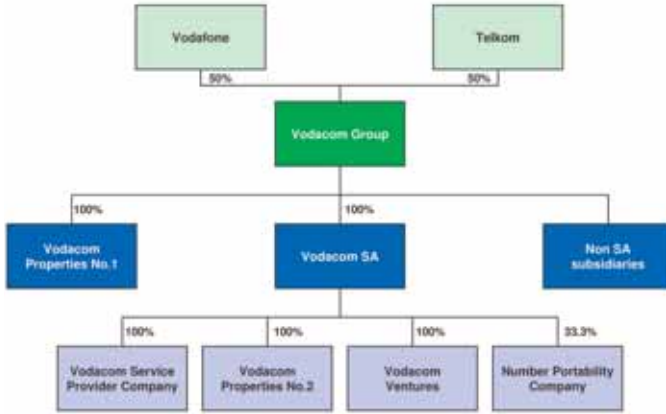
Part of the Vodafone global network

Vodacom SA is part of the Vodafone network, the world's leading mobile telecommunications company. Vodacom Group has an agreement with Vodafone allowing Vodacom SA to market Vodafone branded products and services, such as Vodafone Mobile Connect Cards, Vodafone live!, live TV channels and BlackBerry. Vodafone, Vodafone Mobile Connect, Vodafone live! and Vodafone Passport are trademarks of Vodafone.

The alliance with Vodafone also provides Vodacom SA with access to Vodafone's marketing and buying powers with respect to its GSM and 3G technologies. It has allowed Vodacom SA to benchmark itself against the Vodafone group of companies and share best practices.

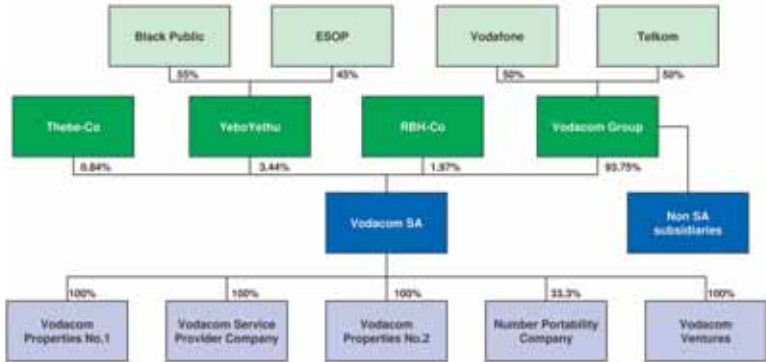
2. Group structure

2.1 Vodacom Group (pre the BEE Transaction)



NOTE: This structure only includes major operating entities and holding companies.

2.2 Vodacom Group (post the BEE Transaction)



NOTE: This structure only includes major operating entities and holding companies.

3. Information and communications industry developments

GSM mobile services were launched in South Africa in 1994. The rapid increase in mobile customers was primarily due to the popularity of prepaid services, increased affordability of handsets and a decline in overall tariffs for mobile services over the years. The allocation of further 1800 MHz and 3G spectrum has improved coverage, increased network capacity and facilitated the introduction of high-end data services and mobile internet in South Africa.

There are currently three mobile communication network operators in South Africa, Vodacom SA, MTN and Cell C. Vodacom SA has approximately 55% market share, while MTN has approximately 34% and Cell C has approximately 11%.

Industry growth

The South African mobile market has shown exceptional growth since inception and is the fourth fastest growing GSM market in the world. Growth was boosted with the introduction of prepaid customer packages in 1996. The mobile market grew 13% over the past year to 45 million, increasing mobile penetration to 94%.

Mobile data

Mobile data usage is expected to show strong growth over the next few years as customers embrace the use of GPRS, EDGE, 3G, HSDPA and all new data technologies as coverage and throughput speeds improve. SMS, WAP-enabled services, Instant Messaging, Mobile Media, e-mail and the uptake of content are also playing a major role in increasing the use of data.

Electronic Communications Act, 2005

The Electronic Communications Act, 2005, has opened up the telecommunications market in South Africa. This will bring new players into telecommunications, resulting in a more competitive marketplace that will ultimately benefit customers. Vodacom SA is in the process of converting its licence to an electronic communications network licence and an electronic communications service licence.

This will give Vodacom SA more opportunities as the licences are technology neutral and will allow Vodacom SA to provide more services into the fixed telecoms and broader ICT space.

4. Vodacom SA's product range and services

Vodacom SA's service offerings include contract subscription, prepaid, value added voice and data services. It recently expanded its service offerings with the launch of Vodacom Business.

Contract services

Vodacom SA offers contract customers a range of customised mobile service packages. These range from hybrid packages (month to month contracts) and Weekend Everyday for consumer customers to business packages, such as Business Call, for business customers. Packages like Shared Talk 1500 were launched to target the small and medium enterprise market. Also on offer to the corporate market are direct connect services where a Corporate PBX can be connected directly to the Vodacom SA network. International roaming is available on request on contract packages. Vodacom SA has over 3.5 million contract customers, comprising 14% of its customer base.

Prepaid services

A highlight in Vodacom SA's history was the launch of the prepaid service. Vodacom SA was the first network in the world to introduce prepaid airtime on an intelligent network (now used by 2 billion people worldwide), which made it possible to debit customers' accounts while they were speaking. Prepaid airtime is generally regarded as the most significant innovation in the history of GSM. In 1998 Vodacom SA received the international GSM community's recognition for the outstanding success of prepaid, by awarding Vodacom SA "Best Service for Customers".

Vodacom SA has over 21 million prepaid customers, comprising 85% of its customer base. Vodacom SA now has four prepaid products: Vodago, SmartStep, 4U and Yebo4less. Yebo4less, the latest prepaid product launched, is a package which provides customers with discounts on all calls depending on the utilisation of the particular network base station cell. Prepaid international roaming is available on request on all prepaid packages.

Community services

In 1996 Vodacom SA developed community telephone units to install in communities with limited access to telephone services, which has now developed into a sustainable business model creating entrepreneurs.

Close on 103 000 subsidised Vodacom SA community telephones have been installed in areas of South Africa that did not have a universal service. Over 87 million minutes of calls are generated monthly at these community phone shops and all phone shops are run by entrepreneurs, many of whom have expanded their businesses to offer complementary services.

Former president Nelson Mandela has congratulated Vodacom SA on the impact of this service on previously disadvantaged communities. A number of community phone shops have been upgraded to offer Internet and e-mail access.

Data services

The Vodacom SA network is amongst the most technologically advanced in the international GSM community as well as being the biggest provider of cellular data services in South Africa. Such technologies include 3G, HSPDA and HSUPA, WiMAX and WIFI services. Its data revenue increased 50% to R4.7 billion in the last financial year, for the first time representing more than 10% of Vodacom SA's revenue.

Vodacom SA has recently reduced the cost of data services in South Africa by up to 61%. South African mobile data tariffs now rank amongst the lowest in the world and are competitive with fixed line data tariffs.

Being the first South African operator to introduce a commercial GPRS offering in 2001 and a 3G offering in December 2004, Vodacom SA has created a new niche market in data-related products and services. This 3G service has since been upgraded to HSDPA 3.6 and HSUPA.

BlackBerry devices were launched into South Africa by Vodacom SA, shifting the focus to data and e-mail on demand. Vodacom SA has already connected more than 32 000 BlackBerry users.

Vodacom SA's content strategy is largely driven by a WASP model for ease of connectivity and standardised interfaces. A large number of content services together with consumer applications, mainly in premium-rated outgoing SMS and bulk incoming SMS services, drive the model.

Mobile TV Playa was launched to allow users with GPRS phones access to television content. Focus in the mobile entertainment industry is shifting towards mobile television. Vodacom SA was first to market, launching InLive in August 2007, an interactivity service that enables mobile users/television viewers to be directly involved through SMS, MMS, games and chat rooms to shape content on screen.

Vodacom SA launched a system to manage adult content on mobile phones, enabling parents to "opt out" their children on request from receiving adult content. Vodacom SA has adopted a very conservative approach that prohibits the delivery of undesirable content and limits all users to a level of content similar to that which is freely available at newsagents. Children are further protected from not only visually unsuitable material but also chat rooms and unsuitable web sites relating to gambling and drugs.

Vodacom Business

Vodacom SA continues to take advantage of the convergence of voice and data services. It recently announced that it will invest approximately R2.5 billion, over a period of five years, in repositioning from being a mobile centric network operator to a leading provider of information communication infrastructure and related services. Vodacom SA's activities will be spearheaded by Vodacom Business, a new division launched in February 2008, to provide converged solutions and services to corporate customers.

Vodacom Business' service portfolio will include next-generation Internet Protocol voice services, managed network and infrastructure services, access, application and hosting services.

In April 2008, Vodacom Business launched a dedicated internet access service and intends launching a broadband internet access service later this year. It has also launched its managed MPLS VPN service together with a managed enterprise voice and VOIP gateway in April and May 2008, respectively.

Handsets

Vodacom SA has a state of the art warehouse in Midrand that handles on average more than 80 000 handset units per day. 98% of these are delivered within 48 hours to major centres. This gives Vodacom SA a strategic advantage over its competitors, because it can provide stock to its extensive distribution network on a just in time basis.

Vodacom SA's big investments in IT infrastructure mean that customers can get their phone upgrades, repairs or any other assistance at hundreds of Vodashop, Vodacare or Vodacom 4U stores.

International and national roaming services

Vodacom SA has international roaming agreements with 402 mobile communications network operators in 184 countries for contract services, 187 GPRS roaming contracts, 58 3G/HSDPA roaming contracts and 33 prepaid roaming contracts.

Focus will be placed on increasing the footprint for Vodafone Passport (a roaming agreement package with Vodafone where customers can roam on Vodafone networks using local tariffs), prepaid and GPRS roaming, as well as on reducing the inter-operator tariffs charged to Vodacom SA by other networks.

Vodacom SA has a national roaming agreement with Cell C that offers Cell C the ability to provide services to its customers using Vodacom SA's network on a national basis.

5. Performance

YeboYethu is a new company with no historical performance. Its performance will be largely dependent on the performance of Vodacom SA.

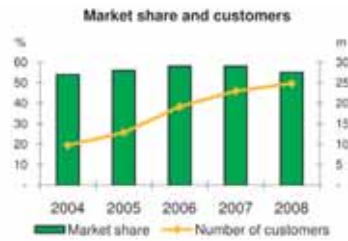
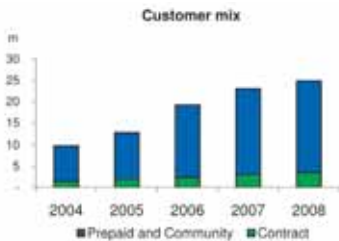
Revenue and operating profit

South Africa has experienced significant growth in the number of mobile users since GSM mobile services were launched in the country in 1994. The penetration rate of mobile SIM cards increased from an estimated 84% in 2007 to an estimated 94% in 2008. As a result, Vodacom SA's revenue increased 16% to R42.8 billion and operating profit increased 14% to R11.7 billion in 2008 with customer growth of 8%.

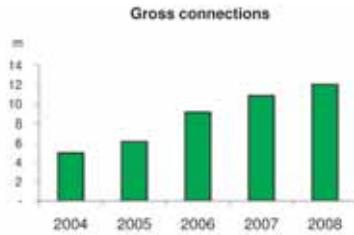
Market share and customer mix

Vodacom SA expects that the mobile penetration rate will continue to increase; however, the rate of increase is expected to slow. Consequently, Vodacom SA is diversifying its business, while placing increased focus on customer retention, maintaining its market leadership and new corporate data services.

A large part of the growth in mobile services was due to the success of prepaid services. 85% of Vodacom SA's customers are prepaid customers and 93% of all gross connections were prepaid customers in the last financial year. A concerted effort is being made each year to convert high spending prepaid customers to contract customers where they are tied into a 24 month contract.



The 8% growth in customers in the last financial year was a direct result of the increase in total number of gross connections of 12.0 million compared to 10.9 million in the prior year. Contract gross connections increased 17% to 0.8 million and prepaid gross connections increased 11% to 11.2 million. During December 2007 alone Vodacom SA connected 1.3 million prepaid gross connections, the highest ever in a single month.



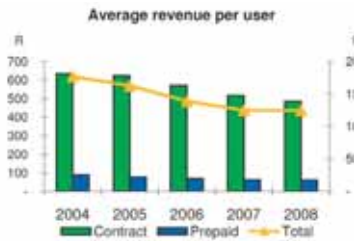
Average revenue per user

ARPU remained stable at R125 per month in the 2008 financial year compared to 2007.

Contract customer ARPU decreased by 6% to R486 per month. The main contributing factor to this decrease was the rapid growth in data customers as well as in the low end hybrid packages.

The developing market, through the prepaid service, continued to drive market penetration in 2008 and made up 93% of all gross connections. The prepaid customer ARPU remained stable at R62 per month.

Community services ARPU decreased by 24% to R689 per month due to increased competition.

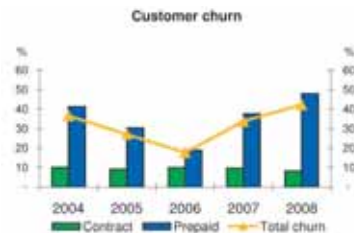


Customer churn

The cost to acquire contract customers in a highly developed market is high. Vodacom SA has therefore implemented loyalty programs, upgrade and retention policies over the last few years to reduce churn.

Vodacom SA's churn rate for contract customers in South Africa decreased to 8% in the 2008 financial year from 10% in the 2007 financial year mainly due to an improvement in service, loyalty programs and products to customers and the continued high level of handset support.

Vodacom SA's churn rate for prepaid customers in South Africa increased to 48% in the 2008 financial year from 38% in the 2007 financial year, due to the supplementary disconnection rule implemented on prepaid customers. This rule disconnects inactive prepaid SIM cards after 13 months of being kept in an active state, by call forwarding to voicemail only, and not having had any other revenue generating activity on Vodacom SA's network. This change increased prepaid churn, but provides a better reflection of active prepaid SIM cards on the network.



KEY CHALLENGES

Key challenges facing YeboYethu will be largely dependent upon the challenges facing Vodacom SA, which are set out below.

Maturing market

Mobile penetration of SIM cards in South Africa is estimated at 94% and Vodacom SA's current growth rates may not be sustainable in the future.

Increased competition

Increased competition may result in a reduction in Vodacom SA's average tariffs, market share and increased customer acquisition and retention costs. This could cause Vodacom SA's growth rates, revenue and net profit to decline and churn rates to increase.

Technological changes

Vodacom SA's business environment is subject to rapid technological changes which could render some of Vodacom SA's products and services obsolete or less competitive.

Skills shortages

The increase in skills shortages may lead to an increase in employee costs and may make it difficult to retain key personnel and hire highly qualified employees.

Cost increases

Cost increases in the supply of communications equipment may cause expenses to rise and profits to decline. This can be attributed to exchange rate movements as well as increases in supplier costs, staff costs and maintenance contracts as a result of higher inflation and interest rate increases.

Health risks

Perceived health risks relating to mobile handsets, base stations and associated equipment and any related publicity or litigation could make it difficult to find attractive sites for base stations. This may lead to a reduction in growth rates, customer base, average usage per customer and net profit.

Regulatory

Potential regulatory intervention into mobile termination rates could reduce revenue and net profit.

Economy

Inflation, interest rates, exchange rate movements and rising food prices could slow economic growth. This may lead to a decrease in ARPU and profitability.

PROSPECTS

[6(i)]

YeboYethu's prospects will be largely dependent upon the prospects of Vodacom SA. The Board is of the opinion that YeboYethu's prospects are satisfactory.

Vodacom SA operates in a maturing market with a high cellphone penetration and therefore needs to be active in every area of communications. The growth in demand for data related services will further expand the mobile communications market and Vodacom SA's share of it.

Growing mobile customer base

Vodacom SA intends to maintain its leadership position in the South African market through the introduction of innovative products to ensure it gains new customers, retains existing customers and differentiates itself from its competitors. Vodacom SA will continue to invest in its business intelligence to enhance customer segmentation to better target products and communications. Vodacom SA intends to invest further in expanding its network and improving network quality and customer service levels to ensure it maintains its leadership position.

Expanding data and content service offerings

Vodacom SA intends expanding its data offering through services such as multimedia messaging services, information and banking services and location based services. Data will continue to grow as Vodacom SA intends making internet accessible to the masses via the mobile phone. Cheaper internet phones designed specially for emerging markets for Vodafone will be used to fulfil this goal.

New business opportunity in converged services

To achieve further company growth and revenue targets, Vodacom SA's strategy is to become a leading provider of converged communications and related services, initially focusing on the corporate and SMME markets. This initiative is driven by Vodacom Business, which was launched in February 2008.

Vodacom Business offers the market converged technology and communications services. Vodacom SA will offer centralised network architecture in a hosted environment providing a range of converged communications solutions. It is intended to result in economies of scale that can generate significant cost savings for customers as well as improvements in security, back-up and power resources.

Vodacom Business is developing a service portfolio that is expected to include next-generation IP voice services, managed networks and infrastructure services, access services, hosting and applications.

Mobile advertising

Vodacom SA is well positioned to take advantage of innovative media opportunities, like advertising on cellphones. This is one of the most promising, lucrative ways to advertise and has become a viable and growing business in its own right within a small space of time, already contributing positive cash flow during the past financial year.

International data transmission

Underpinning Vodacom SA's growth in data and converged solutions, is a serious involvement in international data transmission. It is important for Vodacom SA to play a significant role and the company is active in a number of international transmission incentives, such as the Seacom, Eassy Cable and Infracore developments. It seems likely that a high-speed undersea cable between South Africa and Europe will be ready by 2009. Having this infrastructure in place is likely to see a meaningful reduction in international bandwidth costs which will enhance many of Vodacom SA's data offerings.

FINANCIAL INFORMATION
[25 and 6(f)(i)]

As YeboYethu was only incorporated on 19 June 2008, it has not completed its first financial year since incorporation and has not yet produced annual financial statements.

To assist in understanding the only asset of YeboYethu, abridged *pro forma* consolidated financial information of Vodacom SA for the two financial years ended 31 March 2007 and 2008 are set out below. Refer to Annexures 3 to 5 for *pro forma* consolidated financial information of Vodacom SA.

VODACOM SA
ABRIDGED PRO FORMA CONSOLIDATED BALANCE SHEETS
AT 31 MARCH 2007 AND 2008

	2008 Rm	2007 Rm
ASSETS		
Non-current assets	16 702.6	15 197.3
Current assets	8 403.7	7 658.2
Total assets	25 106.3	22 855.5
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	6 669.8	6 354.8
Minority interests	-	(47.5)
Total equity	6 669.8	6 307.3
Non-current liabilities	2 656.4	1 990.6
Current liabilities	15 780.1	14 557.6
Total equity and liabilities	25 106.3	22 855.5

**ABRIDGED PRO FORMA CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2007 AND 2008**

	2008 Rm	2007 Rm
Revenue and other income	42 922.7	37 033.9
Expenses	(31 268.5)	(26 816.5)
Profit from operations	11 654.2	10 217.4
Net finance cost	(531.2)	(390.1)
Losses on remeasurement and disposal of financial instruments	(19.0)	(95.5)
Profit before taxation	11 104.0	9 731.8
Taxation	(3 239.7)	(2 908.5)
Net profit	7 864.3	6 823.3
Attributable to:		
Equity shareholders	7 816.8	6 833.4
Minority interests	47.5	(10.1)

**ABRIDGED PRO FORMA CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2007 AND 2008**

	2008 Rm	2007 Rm
Net cash flows from operating activities	2 916.6	7 364.4
Net cash flows utilised in investing activities	(5 356.1)	(5 173.3)
Net cash flows from/(utilised in) financing activities	2 235.5	(2 607.5)
Net decrease in cash and cash equivalents	(204.0)	(416.4)
Cash and cash equivalents at the beginning of the year	212.1	628.5
Cash and cash equivalents at the end of the year	8.1	212.1

GENERAL INFORMATION

This section provides additional general information on YeboYethu and the Offer.

DETAILS OF THE OFFER

1. Introduction and purpose of the Offer [7 and 36]

Vodacom SA welcomes the role that it can play in helping to meet the country's socio-economic objectives in ways that are sustainable, credible and of benefit to all its stakeholders and to the country as a whole.

The Offer is part of Vodacom SA's efforts to achieve the objectives set out in the Codes and the ICT Charter.

The Offer is designed to provide Black People and Black Groups with an opportunity to participate in the ownership of Vodacom SA.

YeboYethu will use the proceeds of the Offer to subscribe for Vodacom SA shares.

2. Timing of the Offer [19 and 44]

The Offer will open on 30 July 2008 at 09:00 and close on 11 September 2008 at 15:00.

3. Qualifying members of the Black Public [18(a)(v)]

Black People and Black Groups qualify to participate in the Offer.

4. Overview of the Offer mechanics [18]

Assuming full subscription, the Offer will be implemented as follows:

- The Black Public will subscribe for 14 400 000 Shares at R25 per Share.
- YeboYethu will use the R360 million subscription received from the Black Public to subscribe for 7 200 000 Vodacom SA ordinary shares and 82 800 000 Vodacom SA A shares.
- The Vodacom SA A shares will be entitled to dividends on an equal basis with Vodacom SA ordinary shares when the Notional Outstandings of the Vodacom SA A shares are zero, or when Vodacom SA exercises the YeboYethu Call Option.
- The Notional Outstandings of each Vodacom SA A share at the Implementation Date is R20.10,87. This will increase at the Notional Rate of 10%, compounded semi-annually in arrears.
- The Notional Outstandings will be reduced by the dividends that each Vodacom SA A share would have received if it were a Vodacom SA ordinary share, until the Notional Outstandings are zero.
- The YeboYethu Call Option allows Vodacom SA to purchase a formula-determined number of Vodacom SA A shares (and Vodacom SA ordinary shares, if required) from YeboYethu at par value if, by the end of the Facilitation Period, the Notional Outstandings are not equal to zero.
- Before the YeboYethu Call Option is exercised, an independent valuation of Vodacom SA will be performed at the end of the Facilitation Period.
- The number of Vodacom SA shares held by YeboYethu after the YeboYethu Call Option is exercised is calculated to leave YeboYethu with such number of Vodacom SA shares having a market value, based on the growth plus dividends in excess of the Notional Rate.
- The detailed terms of the YeboYethu Call Option are set out in Annexure 6, and the rights attaching to the Vodacom SA A shares, are set out in the Articles of Association of Vodacom SA which are available for inspection.

5. Particulars of the Offer [18, 21, 23, 43 and 45]

5.1 Details of the Shares offered [18(a)(i)–(v), 23, 43 and 45]

Class of shares on offer:	Ordinary
Par value per Share:	R0.00,001
Price per Share:	R25.00
Number of Shares offered:	14 400 000

The Shares will rank equal to each other in all respects. The Shares will not be listed on any stock exchange. Trading restrictions on the Shares are detailed in paragraph 12 on pages 33 and 34.

The Offer will not be underwritten. If the Shares are not fully subscribed, a proportional fewer number of Vodacom SA ordinary shares and Vodacom SA A shares will be subscribed for by YeboYethu.

5.2 Minimum subscription [21]

The Offer is not dependent on YeboYethu receiving a minimum number of applications for all the Shares. You can subscribe for a minimum of 100 Shares.

5.3 Maximum subscription

You, together with your Associates, may not subscribe for more than 1 440 000 Shares.

It is your sole responsibility to ensure that you, together with your Associates, do not exceed the limit.

6. Applying for Shares

6.1 Application procedure

- Visit your nearest participating Post Office branch.
- Complete and sign an **original** Application Form:
 - A Black Person must complete the **green** Application Form.
 - A Black Group must complete the **blue** Application Form.
 - A Black Business Partner must complete the **blue** Application Form **and** fill in their allocated Reference Number on the Application Form.
- Sign the declaration on the Application Form.
- Return the completed and signed Application Form together with the supporting documents listed in paragraphs 6.2 to 6.5 below, to a participating Post Office by **15:00 on 11 September 2008**.
- The Post Office will check your application. If your Application Form is not completed properly or is incomplete, your information cannot be verified or all the required supporting documentation is not submitted, it will be rejected.
- Once your Application Form is processed, a YeboYethu Account will be opened.
- You can pay for your Shares either when you submit your Application Form or at any time before the Offer closes, as set out in paragraph 7 below.
- You can only apply for Shares in multiples of 100.
- You can only submit one Application Form.
- The Post Office will issue you with a receipt for the Application Form and the supporting documents received.

6.2 Supporting documents required for Black People

You will be required to submit:

- A certified copy of your South African Identity Document.
- Proof of your physical address as indicated in paragraph 6.4 below.

- Minors must be assisted by their parents or guardians. They must submit a certified copy of the Minor's South African Identity Document or a certified copy of the Minor's birth certificate, provided that the Minor's identity number is printed on the birth certificate, **as well as** a certified copy of the South African Identity Document or passport of the parent or guardian.
- If you have an existing Transactional Bank Account:
 - Provide details of your Transactional Bank Account into which YeboYethu must pay refunds, dividends and any other payments.
 - Obtain a stamp on the Application Form from your bank verifying your Transactional Bank Account details.
- If you do not have an existing Transactional Bank Account:
 - Open a new bank account at any bank.
 - Obtain a stamp on the Application Form from your bank verifying your Transactional Bank Account details.

6.3 Supporting documents required for Black Groups

All Black Groups will be required to submit the following documents:

- A list of all of the Black People who, both directly or indirectly, hold a beneficial interest. This must set out their names, identity numbers, nationality, gender and effective percentage economic (and, if different, voting) interest held. Indirect interests held by Black People require a detailed organogram.
- A certified copy of each South African Identity Document of all of the Black People who, both directly or indirectly, hold a beneficial interest.
- Proof of your physical address as indicated in paragraph 6.4 below.
- A certified copy of the South African Identity Document or passport if a foreigner, of both authorised signatories as stated under Part 1 of your Application Form.
- Proof of the physical address, as indicated in paragraph 6.4 below, of both authorised signatories as stated under Part 1 of your Application Form.
- If you have an existing Transactional Bank Account:
 - Provide details of your Transactional Bank Account into which YeboYethu must pay refunds, dividends and any other payments.
 - Obtain a stamp on the Application Form from your bank verifying your Transactional Bank Account details.
- If you do not have an existing Transactional Bank Account:
 - Open a new bank account at any bank.
 - Obtain a stamp on the Application Form from your bank verifying your Transactional Bank Account details.

In addition to the above, different types of entities will need to submit **certified copies** of the supporting documents listed below:

- **Companies:**
 - Certificate of incorporation (CM1).
 - Certificate of change of name (CM9) (if applicable).
 - Notice of Registered Office and Postal Address (CM22).
 - Return of directors and officers (CM29).
 - Directors' resolution authorising both signatories as stated under Part 1 of your Application Form to act on behalf of the company.
- **Vesting trusts:**
 - Trust deed.
 - Current letters of authority issued by the Master of the South African High Court.
 - Trustees' resolution authorising both signatories as stated under Part 1 of your Application Form to act on behalf of the vesting trust.

- **Partnerships:**
 - Partnership agreement.
 - Partners' resolution authorising both signatories as stated under Part 1 of your Application Form to act on behalf of the partnership.
- **Close corporations:**
 - Founding statement and certificate of incorporation (CK1).
 - Amended founding statement (CK2), if applicable.
 - Members' resolution authorising both signatories as stated under Part 1 of your Application Form to act on behalf of the close corporation.
- **Unincorporated associations such as Stokvels:**
 - Constitution or founding document.
 - A document authorising both signatories as stated under Part 1 of your Application Form to act on behalf of the unincorporated association.

6.4 Proof of physical address

An **original or certified copy** of any one of the following documents reflecting your **name and physical address** must be submitted by Black People or Black Groups as proof of physical address. Unless otherwise stated, these documents must be less than three months old:

- Utility bill.
- Current lease or rental agreement reflecting that you are the tenant.
- Bank statement.
- Municipal rates and taxes invoice.
- Current copy of valid television licence.
- Mortgage bond statement.
- Land-line or cellular telephone account.
- Current household (short term) insurance policy.
- Tax return (less than 1 year old).
- Correspondence from a body corporate or share-block association reflecting you as owner/tenant/occupant.
- Payslip or salary advice.
- A letter from a tribal chief where you live.

If the Applicant is a Minor and the proof of residential address is in the name of the parent or guardian, the parent or guardian must provide a declaration stating that the Minor is residing at the relevant address.

6.5 Obtaining a Valid BEE Ownership Certificate

If you are a Black Group applying for 10 000 Shares or more, you will need to submit a **certified copy** of your Valid BEE Ownership Certificate.

You may submit an existing Valid BEE Ownership Certificate, provided:

- It was obtained from a Valid BEE Verification Agency.
- It contains the following information as defined in the Codes:
 - % voting rights of Black People.
 - % voting rights of Black women.
 - % economic interest of Black People.
 - % economic interest of Black women.
 - % economic interest of black designated groups.
 - % economic interest of employee ownership schemes, broad-based ownership schemes and co-operatives.
 - % economic interest of Black New Entrants.
 - net value % of Black People.

- It has an expiry date on or after 31 October 2008.
- Your ownership structure has not changed after obtaining your Valid BEE Ownership Certificate.

If you do not have a Valid BEE Ownership Certificate, you can apply for one from a Valid BEE Verification Agency. Alternatively you can obtain information by sending an e-mail to **verification@yeboyethu.co.za**.

The e-mail must contain:

- Your entity name.
- Address.
- Contact person.
- Contact number.
- Return e-mail address.

On receipt of your request, an information pack containing the verification process, required documentation and costs will be e-mailed to you. You will need to submit all the required documentation as set out in the information pack before **18 August 2008**. You can also call 082 1 YEBO (082 1 9326) or 0800 22 YEBO (0800 22 9326) for information on how to obtain a Valid BEE Ownership Certificate.

It takes at least 15 days to issue a Valid BEE Ownership Certificate. You need to apply as soon as possible.

6.6 Applications irrevocable

Applications will be irrevocable and may not be withdrawn once received at a participating Post Office branch.

7. Payment of Shares

7.1 Methods of paying for Shares

You can pay for your Shares at a participating Post Office by:

- **Cash.**
- **Debit card.**
- **Bank issued cheque.** The cheque must be crossed "not transferable" with the words "or bearer" deleted and drawn in favour of the Applicant with the words "YeboYethu" written on the back.
- **EFT.** All EFT payments must be made into your YeboYethu Account. The EFT banking details are:
 - Account name: Full name for Black People or Black Group name for Black Groups.
 - Account number: Your YeboYethu Account number printed on the receipt issued by the Post Office when you submit your application.
 - Bank name: Postbank.
 - Account type: Savings.
 - Branch code: 460005.
 - Reference: South African ID number for Black People or the ID number of one of the authorised signatories as stated on the Application Form for Black Groups.

Please note: Credit cards will not be accepted.

7.2 When to pay for Shares

- When you submit your Application Form and supporting documents, the Post Office will open a YeboYethu Account for you, free of charge. The teller will give you a receipt on which your YeboYethu Account number will be printed.
- Keep the receipt issued by the teller as proof of your application.
- All payments for Shares must be made into your YeboYethu Account. You must pay for your Shares by making one or multiple payments into your YeboYethu Account:

- Cash and debit card payments by no later than 15:00 on 11 September 2008.
- EFTs and bank issued cheques by no later than 24:00 on 8 September 2008.
- Your YeboYethu Account is a temporary account which cannot be used for any other purpose.
- You will not receive Interest on money paid into your YeboYethu Account, however you will receive Interest on any money refunded to you due to an oversubscription, calculated from the Closing Date until the date of refund.

8. Allocation of Shares

Vodacom SA has discretion over how the Shares are ultimately allocated.

8.1 Preferential Allocation

- 3 600 000 Shares will be reserved for allocation to Black Business Partners in terms of the Preferential Allocation.
- If Black Business Partners subscribe for fewer than 3 600 000 Shares, the Black Public can subscribe for the shortfall.

8.2 Oversubscription

If there are applications for more than 14 400 000 Shares, the Offer will have been oversubscribed. If this occurs, it is possible that you may not get all or any of the Shares you applied for.

Vodacom SA will allocate Shares in its sole discretion giving preference to:

- Black Business Partners.
- Black women.
- Black Groups with a higher percentage of Black women and Black ownership and control.

8.3 Undersubscription

If fewer than 14 400 000 Shares are subscribed for, the Strategic Partners will have the option to subscribe for the shortfall.

The allocation and issuing of Shares will be completed within 30 days from 11 September 2008. You will receive a letter indicating the number of Shares allocated to you, if any. A share certificate will not be delivered to you, as the Transfer Secretary will hold your share certificate until you Sell your Shares.

If there was an oversubscription, your application was unsuccessful or if you were disqualified, you will be refunded the relevant amount either by EFT into your Transactional Bank Account and not into your YeboYethu Account, or a refund cheque will be posted to you.

Please note: You will receive Interest on any money refunded to you due to an oversubscription, calculated from the Closing Date until the date of refund.

9. Reservation of rights

The Directors reserve the right to accept or refuse any Application Form as they determine in their sole and absolute discretion.

The Directors reserve the right to appoint a Valid BEE Verification Agency, or use other methods acceptable to them, to verify that you are a Black Person or Black Group.

10. Representation

Once you submit an Application Form, you shall be deemed to have represented that you were in possession of a copy of this Prospectus.

11. Dividends paid to YeboYethu and the use thereof

YeboYethu expects to receive dividends from its investment in Vodacom SA. Dividends received will be applied in the following manner, in order of priority:

- To pay taxes, if any.
- To pay administration costs.
- To pay dividends to Shareholders.

During the Facilitation Period you will receive dividends on 50% of your initial Investment.

After the Facilitation Period, you will receive dividends on 100% of your initial Investment.

12. Restrictions on the Shares [18(a)(v)]

The Articles impose restrictions on the Sale of Shares and contain various other rights in favour of and/or obligations imposed on Shareholders. In terms of the Offer, Shareholders are deemed to have knowledge of these restrictions, rights and obligations, and agree to be bound by them.

The restrictions outlined below are a summary of those included in the Articles.

12.1 Key terms and conditions

- Shareholders can only be the Black Public, ESOP, ESOP Participants and the Strategic Partners for the First Ten Years.
- During the First Five Years, Black Groups must maintain the same BEE Status that they had at the time of their application or a higher BEE Status.
- Shares may not be Sold during the First Five Years, except under the circumstances referred to in paragraph 12.3 below.
- During the Second Five Years, Shareholders may Sell Shares to Black People and Black Groups only, with the Same or Higher BEE Status and must thoroughly check the BEE credentials of the buyers of their Shares.
- Shareholders will not be entitled to Encumber their Shares during the First Ten Years.

12.2 Deposit of share certificates with the Transfer Secretary

All Share certificates will be deposited with the Transfer Secretary.

12.3 During the First Five Years

You are not allowed to Sell your Shares during the First Five Years, except in the case of:

- Death and involuntary sequestration of a natural person.
- Death of a shareholder, member, participant or beneficiary of a Black Group.
- Involuntary winding up of a Black Group.

12.4 During the Second Five Years

- You may only Sell your Shares to Black People or to Black Groups having at least the Same or Higher BEE Status than yourself.
- Vodacom SA will establish the Share Transfer Committee to consider any proposed Sale and to verify the BEE Status of any buyer.
- Vodacom SA will endeavour to facilitate the creation of the Trading Market to facilitate permitted trading in Shares.

12.5 Shares may not be Encumbered

You will not be entitled to enter into any agreement in terms of which your Shares are Encumbered during the First Ten Years.

12.6 Membership of YeboYethu

Only the Black Public, ESOP, ESOP Participants and the Strategic Partners may be Shareholders for the First Ten Years.

12.7 Death of a natural person

Should you die at any time during the First Ten Years, the executor of your estate may:

- Transfer your Shares to your heir or legatee, provided that your heir or legatee has the Same or Higher BEE Status or rating; or
- Sell your Shares to a Black Person or to a Black Group with the Same or Higher BEE Status or rating within six months after your death.

If your executor has not transferred or Sold your Shares within six months, YeboYethu may buy the Shares at a 10% discount to the Interim Market Value.

12.8 Involuntary sequestration of a natural person

Should you be involuntarily sequestered at any time during the First Ten Years, the trustee of your estate may Sell your Shares to a Black Person or to a Black Group with the Same or Higher BEE Status or rating within six months after your involuntary sequestration.

If the trustee of your estate has not Sold your Shares within six months, YeboYethu may buy the Shares at the Interim Market Value.

12.9 Death of a shareholder, member or beneficiary of a Black Group

Should any shareholder, member, participant or beneficiary of a Black Group die during the First Ten Years and as a result the Black Group has a lower BEE Status, YeboYethu will allow the Black Group to rectify the breach.

If the breach has not been rectified within six months, YeboYethu may buy the Shares at a 10% discount to the Interim Market Value.

12.10 Liquidation of a Black Group

Should any Black Group be placed under liquidation, other than a voluntary liquidation, in terms of section 344 of the Companies Act during the First Ten Years, YeboYethu will allow the Sale of such Shares to a Black Person or to a Black Group with the Same or Higher BEE Status.

If the Shares have not been Sold within six months, YeboYethu may buy the Shares at the Interim Market Value.

12.11 Other restrictions

- You may not own fewer than 100 Shares.
- You may not individually or together with your Associates hold more than 1 440 000 Shares, at any time.
- If you are a Black Group, you must continue to qualify as a Black Group for the First Ten Years.

13. Deemed offer

The following events will give rise to a deemed offer:

- If you fail to comply with the provisions of paragraphs 12.1 to 12.6 and 12.11 above.
- If you fail to comply with the Articles.
- If you make a false declaration in respect of your BEE Status in the Application Form.
- If you are a Black Group and subsequently change your shareholding or membership, resulting in you no longer qualifying as a Black Group.

In the event of a deemed offer, YeboYethu shall be entitled, by giving written notice to you, to require you to Sell the applicable number of Shares, at 60% of the Interim Market Value.

ESOP PARTICIPATION

1. ESOP participation in YeboYethu [8(c)]

- All Eligible Employees will be participants in the BEE Transaction through ESOP.
- ESOP will participate in 25% of the BEE Transaction.
- ESOP will be a shareholder in YeboYethu until the ESOP Conversion Date, together with the Black Public.
- YeboYethu will subscribe for and hold the ESOP A shares for the benefit of ESOP and ESOP Participants.
- ESOP will own 12 000 000 compulsorily convertible class N shares in YeboYethu.
- The compulsorily convertible class N shares in YeboYethu will:
 - Not entitle ESOP to any dividends declared by YeboYethu before the ESOP Conversion Date.
 - Entitle ESOP to cast 12 000 000 votes at any general meeting of YeboYethu until the ESOP Conversion Date.
 - At the ESOP Conversion Date each class N share shall automatically convert into a Share.
 - Simultaneously with the conversion YeboYethu shall repurchase at the par value of R0.00,001 such number of Shares as will result in ESOP holding the same percentage of YeboYethu as the percentage that the ESOP A shares retained by YeboYethu after the ESOP Conversion Date bears to the total number of Vodacom SA shares retained by YeboYethu after the ESOP Conversion Date [8(c)].
- After the ESOP Conversion Date, ESOP shall distribute its Shares to the ESOP Participants. ESOP Participants will then be direct ordinary shareholders in YeboYethu and will be entitled to Sell Shares to the Black Public.

OTHER INFORMATION

1. Name, address, incorporation and history [1(a), 23, 32 and 33]

YeboYethu Limited is a public company incorporated in South Africa on 19 June 2008. Its registered and business address is at Vodacom Corporate Park, 082 Vodacom Boulevard, Vodavalley, Midrand, 1685. The company was incorporated for the specific purpose of acquiring an interest in Vodacom SA.

The Shares will not be listed on any stock exchange and no application has been made under section 169 of the Companies Act.

2. Nature of the business [6(b), 6(e) and 33]

YeboYethu is a ring-fenced limited purpose vehicle whose sole objective is to buy and hold Vodacom SA ordinary shares and Vodacom SA A shares for the benefit of Shareholders.

3. No litigation pending

YeboYethu is not engaged in any litigation. The Directors are not aware of any legal or arbitration proceedings which are pending.

4. Details of material loans [9(a), 9(b) and 16(a)]

At the Last Practicable Date, YeboYethu had no material loans outstanding.

5. Dividends and dividend policy [8(c)]

YeboYethu intends to distribute all its profits, after payment of taxes and costs.

6. Share capital and share premium [6(a)(ii), 6(a)(iii), 8(a), 10, 11, 20(a), 37 and 39]

The table below shows the authorised and issued share capital of YeboYethu at the Last Practicable Date:

	R
Authorised share capital	
40 000 000 ordinary shares with a par value of R0.00,001 each	400
12 000 000 compulsorily convertible class N shares with a par value of R0.00,001 each	120
Total authorised share capital	520
Issued share capital	
7 ordinary shares with a par value of R0.00,001 each	0.00007
Nil compulsorily convertible class N shares with a par value R0.00,001 each	Nil
Total issued share capital	0.00007
Total share premium	Nil

The only alterations to the share capital prior to the date of issue of this Prospectus have been [6(a)(iii)]:

- On incorporation, YeboYethu allotted and issued one Share to each of the initial signatories to the Memorandum and Articles. These Shares will be repurchased by YeboYethu at their par value on the Implementation Date.
- 14 400 000 ordinary shares with a par value of R0.00,001 at a price of R25 per share in YeboYethu will be available for allotment and issue pursuant to the Offer [20(a)], and 12 000 000 N shares will be available for allotment and issue to ESOP, at the par value thereof on the Implementation Date.

No Shares have been issued by YeboYethu other than for cash prior to the date of issue of this Prospectus [11].

No options or preferential rights to subscribe for any share in YeboYethu have been granted prior to the date of issue of this Prospectus [10 and 39].

There have been no offers for subscription or Sale of any Shares to the public prior to the date of issue of this Prospectus [6(a)(iii)].

7. Material changes [31 and 46]

Since the incorporation of YeboYethu it has:

- Concluded the Transaction Agreements to which it is a party and adopted the Memorandum and Articles.
- Made the Offer.
- Undertaken the corporate actions referred to in paragraph 6 above.

No other material changes in the assets or liabilities of YeboYethu or the state of affairs of YeboYethu have taken place between the date of incorporation and the date of this Prospectus.

8. Adequacy of capital [22]

The Directors are of the opinion that, in the ordinary course of business:

- The working capital resources of YeboYethu will be adequate for its current and foreseeable future requirements, that is, for at least 12 months following the date of this Prospectus.
- The issued share capital of YeboYethu will be adequate for the purpose of its business for the foreseeable future.

9. Material contracts [16(a) and 40]

The only material contracts that have been entered into by YeboYethu are the Transaction Agreements. These agreements are available for inspection at YeboYethu's registered offices as described on page 44 of this Prospectus.

10. Preliminary expenses and issue expenses [15]

The expenses of the Offer, including costs of professional advisors, printing and publishing costs will be borne by Vodacom SA and is estimated to be R40.9 million, comprised as follows:

Description	Estimated fees (R million)
Advisory services	5.0
Legal services	1.3
Marketing of Offer	20.0
Reporting accountant and auditors	2.8
Share application and distribution	5.3
Transfer secretary administration	0.1
Administration of call centre	1.7
Rating agency	0.1
Project management	0.6
Printing	4.0
Total	40.9

11. Advisors' consents

Each of the advisors, whose names appear in Annexure 7 of this Prospectus, have given and have not, prior to registration of this Prospectus, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports being included in this Prospectus.

12. Other [6(c), 6(e)(i) and 6(e)(ii)]

At the Last Practicable Date, other than as stated in this Prospectus, YeboYethu had no:

- Subsidiary companies.
- Immovable property (owned or leased).
- Material capital commitments, lease payments or contingent liabilities.

DIRECTORS AND MANAGEMENT

1. Directors of YeboYethu [2(a), 2(b) and 34]

The number of Directors shall not be less than three and not more than 15. No Director is on a fixed-term contract. The terms of office of the Directors are provided for in the Articles, extracts of which are set out in Annexure 6.

YeboYethu has appointed the following Directors:

Independent Directors

Name:	Zarina Bassa
Date appointed:	19 June 2008
Business address:	Absa Towers East, 2nd Floor, 170 Main Street, Johannesburg, 2001.
Qualifications:	BCom, CA(SA), US SA Leadership programme (Wharton School of Business) and International Strategic Management in Banking programme (Insead Graduate Business School).
Current position:	Vice Chairperson of Absa Retail Bank.
Directorships:	Absa Fund Managers Limited; Absa Portfolio Managers (Proprietary) Limited; Absa Investment Services (Proprietary) Limited; Absa Asset Management (Proprietary) Limited; Absa Brokers (Proprietary) Limited; Absa Trust Limited; National Business Initiative; and University of Stellenbosch Business School Advisory board.
Previous work experience:	Zarina joined Absa Bank Limited in 2002 as managing executive of Absa Retail Banking Services and progressed to Managing Executive of Absa Private Bank and Executive Director for private banking at Absa Bank Limited. As a Chartered Accountant (SA) and former chair of the Auditing Standards Board, Zarina established herself at accounting and auditing firm Ernst & Young (1986 – 2002), where she was the first black female partner. Zarina also served on the board of the SA Institute of Chartered Accountants and was vice-president and chair of the Association for the Advancement of Black Accountants. Zarina is a former member of the JSE GAAP monitoring panel, the Accounting Standards Board and the Chartered Accountants' Eden Trust. Zarina was previously the Finance Minister's representative on the Public Accountants' & Auditors' Board, chairman of the Public Accountants' & Auditors' Board and a director at the Women's Development Bank Investment Holdings. In addition, Zarina was named top woman in business at the Top Women in Business & Government awards in 2007.

Name: Deenadayalen Konar (Len)
Date appointed: 19 June 2008
Business address: 42 Wierda Road West, Wierda Valley, Sandton, 2196.
Qualifications: BCom, PG Dip in Acc, MAS (USA), Cert Tax Law, DCom and CA(SA).
Current position: Director of a number of companies.
Directorships: Exxaro Resources Limited; Illovo Sugar Limited; JD Group Limited; Makalani Holdings Limited; Mustek Limited; Old Mutual Life Assurance Company (South Africa) Limited; Sappi Limited; South African Reserve Bank; and Steinhoff International Holdings Limited.

Previous work experience: Len was previously executive director of the Independent Development Trust where he was, among other activities, responsible for the internal audit and investment portfolios. Prior to that, he was a Professor and Head of the Department of Accountancy at the University of Durban Westville. He is a member of the King Committee on Corporate Governance, the Securities Regulation Panel and the Institute of Directors. He was the chairperson of the Ministerial Panel for the Review of the Regulation of Accountants and Auditors. He is an External Audit Committee member and Chairman of the International Monetary Fund in Washington. Len also chairs or serves on the audit committees of a number of listed companies and public sector corporations.

Name: Thoko Mokgosi-Mwantembe
Date appointed: 27 June 2008
Business address: Hewlett-Packard, 12 Autumn Street, Rivonia, 2196.
Qualifications: Diploma in Education, BSc in Chemistry, MSc in Medicinal Chemistry, Senior Executive programme (Harvard) and Managing Corporate Resources (IMD, Switzerland).
Current position: CEO of Hewlett-Packard South Africa (Proprietary) Limited.
Directorships: Hewlett-Packard South Africa (Proprietary) Limited; Knorr-Bremse SA (Proprietary) Limited; and South African Post Office.

Previous work experience: Thoko is an experienced South African business leader, having worked in senior positions for a number of multinational companies, including pharmaceutical groups Glaxo and Merck. She previously served as Managing Executive for consumer markets at Telkom, Sales and Marketing Director at Lucent Technologies SA, Divisional MD of Siemens Telecommunications (Proprietary) Limited and CEO of Alcatel SA before being appointed as CEO of Hewlett-Packard South Africa (Proprietary) Limited in 2004. Thoko's list of accolades include winning the BWA Businesswoman of the Year Award – Corporate category in 2007 and finalist in the CEO magazine's Most Influential women in Business and Government award. In 2005 she won the ICT Achiever of the Year Award, Top ICT Business Woman in Africa Award and ICT Personality of the Year.

Non-independent Directors

Name:	Peter Matlare
Date appointed:	19 June 2008
Business address:	Tiger Brands Limited, 3010 William Nicol Drive, Bryanston, 2021.
Qualifications:	BSc Hons and Master's degree (University of York).
Current position:	Chief Executive Officer for Tiger Brands Limited.
Directorships:	Empresas Carozzi S.A. (Chile); Kumba Iron Ore Limited; Oceana Group Limited; Sea Harvest Corporation Limited; Tiger Brands Limited; and Tiger Consumer Brands Limited.
Previous work experience:	Peter was previously the Chief Strategy & Business Development Officer at Vodacom Group, a position he assumed in 2007. Peter joined the group as Vodacom SA commercial director in 2005 after spending more than four years as Chief Executive at the SABC. Prior to that, Peter was Chief Operating Officer at Primedia Limited and Chief Executive of Primedia Broadcasting. He previously served on the Presidential National Commission on Information Society & Development and was appointed to the International Marketing Council of South Africa. Peter is also past chairman of the National Association of Broadcasters.

Name:	Shameel Joosub
Date appointed:	19 June 2008
Business address:	Vodacom Corporate Park, 082 Vodacom Boulevard, Vodavally, Midrand, 1685.
Qualifications:	BCom (Hons) Acc (UNISA), Master of Business Administration (University of Southern Queensland), Associated General Accountant and Commercial and Financial Accountant (SA).
Current position:	Managing Director of Vodacom SA.
Directorships:	Cointel V.A.S. (Proprietary) Limited; Vodacom Group; Vodacom Holdings SA (Proprietary) Limited; Vodacom SA; Vodacom Service Provider Company; Vodacom Ventures; VM S.A.R.L.; and VSP Holdings (Proprietary) Limited.
Previous work experience:	Shameel joined Vodacom Group in March 1994 and has held various positions within the Vodacom Group. He was appointed as Managing Director of Vodacom SA in April 2005. He has served as the Managing Director of Vodacom Service Provider Company and as a director of Vodacom Group since September 2000. Shameel was also Managing Director and founder of Vodacom Equipment Company (Proprietary) Limited, the former handset distribution company in the Vodacom Group.

Name:	Tlhabeli Christopher Ralebiso
Date appointed:	19 June 2008
Business address:	082 Vodacom Boulevard, Vodavalley, Midrand, 1685.
Qualifications:	BSc Engineering (Mechanical).
Current position:	Managing Director of Vodacom Ventures (Proprietary) Limited.
Directorships:	Vodacom Ventures (Proprietary) Limited; Vodacom SA; Vodacom Service Provider Company (Proprietary) Limited; G Mobile Holdings Limited; and XLink Communications (Proprietary) Limited.
Previous work experience:	Tlhabeli joined Vodacom Group in January 2006 as Managing Director of Vodacom Ventures. He serves as a non-executive director representing Vodacom in companies in which Vodacom has invested. Prior to joining Vodacom, Tlhabeli was director of DSI Capital (Proprietary) Limited, an investment holding company he cofounded in 2001. He also spent several years in strategy consulting where he provided advisory services to clients including early stage and industry leading companies in South Africa and the USA. Tlhabeli started his career as an engineer in 1993 in research and development of energy related industrial applications at AT&T Bell Laboratories and subsequently at Eskom Holdings Limited. He progressed to positions in engineering design and construction, and manufacturing at South African Breweries Limited.

All the Directors listed above are non-executive Directors.

2. Interest of Directors [16(b), 17(a), 17(b), 17(c) and 41]

At the Last Practicable Date, none of the Directors held any Shares in YeboYethu.

The Directors have no material beneficial interests, directly or indirectly, in any transactions effected by YeboYethu since incorporation.

No sums have been paid or agreed to be paid to any of the Directors or to any Associate of any of the Directors to induce him or her to be a director of YeboYethu or otherwise for services rendered by him or her to YeboYethu.

3. Directors' remuneration [2(c), 16(b) and 41(c)]

Directors' remuneration will be determined by the Shareholders in general meetings. Prior to the holding of any general meeting to consider the remuneration, YeboYethu will request an accounting firm or merchant bank to make a recommendation in this regard and present this to the Shareholders at the general meeting.

The Directors will be paid all their travelling and other expenses necessarily incurred by them in conducting YeboYethu's business and attending meetings of the Directors.

4. Borrowing powers of Directors [2(e)]

YeboYethu may not incur actual or contingent liabilities or indebtedness save for any liability or indebtedness permitted in terms of the Memorandum and Articles of YeboYethu.

The borrowing powers of the Directors in terms of the Memorandum and Articles may only be amended by way of an amendment to the applicable provisions of the Memorandum and Articles.

5. Administration services [2(d)]

Certain day to day administration services will be performed by Vodacom SA or a third party that is procured to perform these services for YeboYethu.

6. Directors' responsibility statement

The Directors, whose names are given on pages 38 to 41, collectively and individually, accept full responsibility for the accuracy of the information given in this Prospectus in all material respects.

They certify that, to the best of their knowledge and belief:

- there are no other facts, the omission of which would make any statement false or misleading in any material respect;
- they have made all reasonable enquiries to ascertain such facts; and
- the Prospectus contains all information required by law.

CORPORATE GOVERNANCE

1. Corporate practices and conduct

The Board recognises that, as the core of YeboYethu's corporate governance system, it is ultimately accountable and responsible for the performance and affairs of the company.

The Board embraces the principles of good corporate governance as espoused in the guidelines of the King Report on Corporate Governance for South Africa 2002 and the Companies Act.

It is committed to business integrity, transparency and professionalism in all its activities to ensure that it acts ethically and responsibly to enhance the value of its business for the benefit of all stakeholders.

2. The Board

YeboYethu has a unitary board structure as at the Last Practicable Date comprising only of six non-executive Directors.

3. Appointment of Directors

The Directors shall have the power at any time and from time to time to appoint any person as a Director, either to fill a vacancy or as an additional Director. Any person appointed to fill a casual vacancy or as an additional Director shall retain office only until the following annual general meeting of YeboYethu and his/her appointment shall be subject to confirmation at such annual general meeting.

Vodacom Group shall be entitled to from time to time nominate and appoint one director to the Board by giving written notice to that effect to YeboYethu, and to remove any Director nominated and appointed by it and to replace any such Director who ceases for any reason to be a Director.

Shareholders may by ordinary resolution remove any Director before the expiration of his/her period of office and may by ordinary resolution elect another person in his/her stead. The person so elected shall hold office during such time only as the Director in whose place he/she is elected would have held office.

4. Board Meetings

Board meetings will be held as often as the Directors deem fit.

5. Company Secretary and professional advice

All Directors have unlimited access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed.

All Directors are entitled to seek independent professional advice at YeboYethu's expense, concerning the affairs of YeboYethu, after obtaining the approval of the chairman.

DOCUMENTS AVAILABLE FOR INSPECTION

Documents available for inspection [16(a) and 16(b)]

Copies of the following documents are available for inspection at YeboYethu's registered office at any time during office hours from 30 July 2008 to 11 September 2008:

- Memorandum and Articles.
- Memorandum of Incorporation of Vodacom SA and the Articles of Association of Vodacom SA.
- Consent letters from the advisors.
- Signed reports by the reporting accountants and auditors of YeboYethu dated 11 July 2008, the text of which are included as Annexure 1 to this Prospectus.
- Signed reports by the reporting accountants and auditors of Vodacom SA dated 11 July 2008, the text of which are included as Annexure 2 to this Prospectus.
- Transaction Agreements.
- Signed copy of this Prospectus.
- ESOP Trust Deed.

NON-APPLICABLE PARAGRAPHS OF SCHEDULE 3 TO THE COMPANIES ACT

This Prospectus complies with the Companies Act and has been registered on 11 July 2008

This Prospectus is issued in compliance with sections 145(1) and 148(1)(a) of the Companies Act and complies with Schedule 3 of the Companies Act. The number of each applicable paragraph in Schedule 3 to the Companies Act is given in square brackets after the appropriate headings or sub-headings.

An English copy of this Prospectus, accompanied by the documents referred to on page 44, have been registered in the Companies and Intellectual Property Registration Office on 11 July 2008 as required by the Companies Act.

Paragraphs of Schedule 3 to the Companies Act which are not applicable [50]

The following paragraphs of Schedule 3 of the Companies Act are not applicable and therefore have not been included in this Prospectus:

1(b), 2(c), 6(a)(ii), 6(a)(iv), 6(c), 6(d), 6(e)(i), 6(e)(iii), 6(f)(iii), 6(f)(iii), 6(f)(iv), 6(g), 6(h), 8(b), 8(d), 9, 10, 11, 12, 13, 14, 17(a), 17(b), 17(c), 18(b), 20(b), 21, 24, 26 to 31, 39, 41, 42, 43(b), 47 and 48.

SIGNED AT JOHANNESBURG ON 11 JULY 2008 BY LUANDRI PARTINGTON OF HOFMEYR HERBSTEIN & GIHWALA INC ON BEHALF OF ALL THE DIRECTORS OF YEBOYETHU, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS:

Zarina Bassa

Deenadayalen Konar

Thoko Mokgosi-Mwantembe

Shameel Joosub

Peter Matlare

Tlhabeli C Ralebitso

YEBOYETHU
INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON YEBOYETHU
[25 and 30]

The Board of Directors
YeboYethu Limited
Vodacom Corporate Park
082 Vodacom Boulevard
Vodavalley
Midrand
1685

11 July 2008

Dear Sirs

REPORT CONCERNING THE ANNUAL FINANCIAL STATEMENTS OF YEBOYETHU LIMITED ("YEBOYETHU")

Deloitte & Touche is the appointed registered auditor of YeboYethu.

We have been advised that YeboYethu intends to issue a prospectus in respect of an invitation to members of the black public to apply for YeboYethu ordinary shares. Accordingly, you require a report in accordance with paragraph 25 of the 3rd Schedule of the Companies Act, 1973 (Act 61 of 1973), as amended.

YeboYethu has not completed its first financial year since incorporation nor has it conducted any business. Accordingly, YeboYethu has not yet produced annual financial statements and there is no historical financial information for YeboYethu.

Yours faithfully

Deloitte & Touche
Registered Auditors
Per PJ Smit
Partner
Johannesburg, South Africa

National Executive: GG Gelink (Chief Executive), AE Swiegers (Chief Operating Officer), GM Pinnock (Audit), DL Kennedy (Tax & Legal and Financial Advisory), L Geeringh (Consulting), L Bam (Corporate Finance and Strategy), CR Beukman (Finance), TJ Brown (Clients & Markets), CR Qually (Deputy Chairman of the Board), NT Mtoba (Chairman of the Board).

A full list of partners and directors is available on request."

VODACOM SA
INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE ABRIDGED
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

[25 and 30]

"The Board of Directors
Vodacom (Proprietary) Limited
082 Vodacom Boulevard
Vodavally
Midrand

11 July 2008

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE ABRIDGED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF VODACOM (PROPRIETARY) LIMITED ("VODACOM SA") FOR THE YEARS ENDED 31 MARCH 2007 AND 2008, REPORTED IN ACCORDANCE WITH THE ACCOUNTING POLICIES AS STATED IN ANNEXURE 5 OF THE PROSPECTUS

At your request and for the purposes of the prospectus to YeboYethu Limited's ("YeboYethu") shareholders, to be dated on or about 30 July 2008, we present our report on the abridged *pro forma* consolidated financial information for the years ended 31 March 2007 and 2008, as set out in Annexures 3, 4 and 5 of the prospectus.

Directors' responsibility

Vodacom SA prepared the abridged *pro forma* consolidated financial information on the basis disclosed in the accounting policies. The compilation, contents and presentation of the abridged *pro forma* consolidated financial information and the prospectus are the responsibility of Vodacom SA's directors.

Auditor's responsibility

Our responsibility is to express an opinion on the abridged *pro forma* consolidated financial information included as Annexures 3, 4 and 5 of the prospectus. We conducted our audit in accordance with statements of International Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the abridged *pro forma* consolidated financial information relating to the years ended 31 March 2007 and 2008 is free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the abridged *pro forma* consolidated financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the abridged *pro forma* consolidated financial information whether due to fraud or error. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall abridged *pro forma* consolidated financial information presentation. We believe that our audit provides a reasonable basis for our audit opinion.

Opinion

In our opinion, the abridged *pro forma* consolidated financial information of Vodacom SA for the years ended 31 March 2007 and 2008 presents, in all material respects, the financial position at those dates, and the results of the operations and cash flows for the years then ended in accordance with the accounting policies as stated in Annexure 5 of the prospectus.

Consent

We consent to the inclusion of this report, which will form part of the prospectus for the offer of YeboYethu ordinary shares, to be issued on or about 30 July 2008, in the form and context in which it appears.

Yours faithfully

Deloitte & Touche

Registered Auditors

Per PJ Smit

Partner

Johannesburg, South Africa

National Executive: GG Gelink (Chief Executive), AE Swiegers (Chief Operating Officer), GM Pinnock (Audit), DL Kennedy (Tax & Legal and Financial Advisory), L Geeringh (Consulting), L Bam (Corporate Finance and Strategy), CR Beukman (Finance), TJ Brown (Clients & Markets), CR Qually (Deputy Chairman of the Board), NT Mtoba (Chairman of the Board).

A full list of partners and directors is available on request."

**ABRIDGED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF
VODACOM SA**

VODACOM SA
ABRIDGED PRO FORMA CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2007 AND 2008

	Notes	2008 Rm	2007 Rm
Revenue	1	42 761.1	36 929.1
Other operating income		161.6	104.8
Direct network operating cost	2	(23 585.3)	(20 345.9)
Depreciation, amortisation and impairment		(3 087.6)	(2 683.2)
Staff expenses		(2 159.4)	(1 757.8)
Marketing and advertising expenses		(993.0)	(944.1)
Other operating expenses		(1 443.2)	(1 085.5)
Profit from operations		11 654.2	10 217.4
Finance income		403.2	318.8
Finance costs		(934.4)	(708.9)
Losses on remeasurement and disposal of financial instruments		(19.0)	(95.5)
Profit before taxation		11 104.0	9 731.8
Taxation		(3 239.7)	(2 908.5)
Net profit		7 864.3	6 823.3
Attributable to:			
Equity shareholders		7 816.8	6 833.4
Minority interests		47.5	(10.1)

VODACOM SA
ABRIDGED PRO FORMA CONSOLIDATED BALANCE SHEETS
AT 31 MARCH 2007 AND 2008

	Notes	2008 Rm	2007 Rm
ASSETS			
Non-current assets			
		16 702.6	15 197.3
Property, plant and equipment	3	13 746.1	12 955.7
Intangible assets	4	2 508.5	1 771.4
Financial assets		70.6	20.3
Deferred taxation		-	15.6
Deferred cost		286.8	355.5
Lease assets		90.6	78.8
		8 403.7	7 658.2
Current assets			
Amounts due from shareholders		898.5	1 644.4
Deferred cost		640.9	529.9
Financial assets		306.4	52.2
Inventory		517.7	309.6
Trade and other receivables		5 851.5	4 879.7
Lease assets		140.5	30.3
Cash and cash equivalents		48.2	212.1
		25 106.3	22 855.5
Total assets			
EQUITY AND LIABILITIES			
Ordinary share capital		*	*
Retained earnings		6 669.8	6 354.8
Equity attributable to equity holders of the parent		6 669.8	6 354.8
Minority interests		-	(47.5)
		6 669.8	6 307.3
Total equity			
Non-current liabilities			
		2 656.4	1 990.6
Interest bearing debt	5	1 420.4	621.1
Non-interest bearing debt		6.0	3.0
Amounts due to shareholders		106.9	117.3
Deferred taxation		336.5	425.4
Deferred revenue		291.5	356.3
Provisions	6	247.8	257.0
Other non-current liabilities		247.3	210.5
		15 780.1	14 557.6
Current liabilities			
Amounts due to shareholders		6 836.4	5 726.6
Trade and other payables		5 926.8	5 425.1
Deferred revenue		1 977.0	1 736.4
Taxation payable		171.1	740.7
Interest bearing debt		194.2	113.5
Provisions	6	601.7	511.4
Dividends payable		-	300.0
Financial liabilities		32.8	3.9
Bank borrowings		40.1	-
		25 106.3	22 855.5
Total equity and liabilities			

* Share capital R100.

VODACOM SA

ABRIDGED PRO FORMA CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 MARCH 2007 AND 2008

	Attributable to equity shareholders			Minority interests Rm	Total equity Rm
	Share capital Rm	Retained earnings Rm	Total Rm		
Balance at 31 March 2006	*	2 066.2	2 066.2	10.3	2 076.5
Net profit for the period	-	6 833.4	6 833.4	(10.1)	6 823.3
Dividends declared	-	(2 840.0)	(2 840.0)	(46.8)	(2 886.8)
Business combinations and other acquisitions	-	-	-	(0.9)	(0.9)
Reserves attributable to Vodacom Group	-	295.2	295.2	-	295.2
Balance at 31 March 2007	*	6 354.8	6 354.8	(47.5)	6 307.3
Net profit for the period	-	7 816.8	7 816.8	47.5	7 864.3
Dividends declared	-	(7 376.3)	(7 376.3)	-	(7 376.3)
Disposal of subsidiaries	-	-	-	(0.3)	(0.3)
Reserves attributable to Vodacom Group	-	(125.5)	(125.5)	0.3	(125.2)
Balance at 31 March 2008	*	6 669.8	6 669.8	-	6 669.8

* Share capital R100.

VODACOM SA

ABRIDGED PRO FORMA CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2007 AND 2008

	2008 Rm	2007 Rm
Net cash flows from operating activities*	2 916.6	7 364.4
Net cash flows utilised in investing activities	(5 356.1)	(5 173.3)
Net cash flows from/(utilised in) financing activities	2 235.5	(2 607.5)
Net decrease in cash and cash equivalents	(204.0)	(416.4)
Cash and cash equivalents at the beginning of the year	212.1	628.5
Cash and cash equivalents at the end of the year	8.1	212.1

* The decrease in the net cash flows from operating activities relates mainly to an increase in the dividends paid.

**NOTES TO THE ABRIDGED PRO FORMA CONSOLIDATED FINANCIAL
INFORMATION OF VODACOM SA
31 MARCH 2007 AND 2008**

	2008 Rm	2007 Rm
1. REVENUE		
Airtime and access	23 625.0	21 072.4
Data revenue	4 669.7	3 112.9
Interconnect revenue	7 944.7	7 058.0
Equipment sales	4 948.8	4 617.6
International airtime	1 395.9	966.5
Other	177.0	101.7
	42 761.1	36 929.1
2. DIRECT NETWORK OPERATING COST		
Airtime and access	(7 094.5)	(6 102.5)
Data expenditure	(752.9)	(530.4)
Interconnect cost	(5 295.3)	(4 569.8)
Equipment cost	(5 407.8)	(4 926.2)
International airtime cost	(507.6)	(462.4)
Regulatory fees	(989.3)	(845.4)
Network operational expenses*	(2 072.3)	(1 741.9)
Other	(1 465.6)	(1 167.3)
	(23 585.3)	(20 345.9)

* Network operational expenses include transmission rental, site costs and site maintenance.

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated depreciation and impairment	Net book value
	Rm	Rm	Rm
2008			
Land and buildings	1 357.3	(143.5)	1 213.8
Infrastructure	23 314.4	(12 023.2)	11 291.2
Information services	1 823.6	(1 212.6)	611.0
Other assets*	1 231.9	(601.8)	630.1
	27 727.2	(13 981.1)	13 746.1
Additions for the year amounted to:			3 369.5
2007			
Land and buildings	1 181.5	(122.0)	1 059.5
Infrastructure	20 908.8	(10 036.3)	10 872.5
Information services	1 683.9	(1 106.3)	577.6
Other assets*	1 062.7	(616.6)	446.1
	24 836.9	(11 881.2)	12 955.7
Additions for the year amounted to:			4 615.5

* Other assets include community services, motor vehicles, furniture and office equipment, leasehold improvements and other assets.

4. INTANGIBLE ASSETS

	Cost	Accumulated depreciation and impairment	Net book value
	Rm	Rm	Rm
2008			
Goodwill	340.7	–	340.7
Licences	190.7	(93.1)	97.6
Trademark and patents	219.6	(72.1)	147.5
Customer bases	509.0	(148.3)	360.7
Computer software	3 412.4	(1 850.4)	1 562.0
	4 672.4	(2 163.9)	2 508.5
Additions for the year amounted to:			1 198.5
2007			
Goodwill	53.3	–	53.3
Licences	190.7	(87.1)	103.6
Trademark and patents	219.6	(54.7)	164.9
Customer bases	509.0	(96.3)	412.7
Computer software	2 614.3	(1 577.4)	1 036.9
	3 586.9	(1 815.5)	1 771.4
Additions for the year amounted to:			1 035.7

5. INTEREST BEARING DEBT

Interest bearing debt includes debt to the amount of R1 000.0 million which consists of two promissory notes with a nominal value of R500.0 million each to which Asset Backed Arbitrated Securities (Proprietary) Limited subscribed during the current financial year.

6. PROVISIONS

Provisions include short-term and long-term incentives, leave pay and other provisions.

7. CONTINGENCIES

7.1 Negative working capital ratio

For the financial years ended 31 March 2008 and 2007 Vodacom SA had a negative working capital ratio. A negative working capital ratio arises when current liabilities are greater than current assets. Management believes that based on operating cash flow, it will be able to meet liabilities as they arise and that it is in compliance with all covenants contained in the borrowing agreements.

7.2 Universal Service Obligation

Vodacom SA has a potential liability in respect of the 1800 MHz Universal Service Obligation in terms of the distribution costs relating to 2.5 million SIM cards.

7.3 Contingent asset

Litigation is being instituted for the recovery of certain fees paid by Vodacom SA. The information usually required by IAS 37: Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation. The directors of Vodacom SA are of the opinion that a claim may be successful and that the amount recovered could be significant.

8. GUARANTEES

Vodacom SA provides an unlimited guarantee for borrowings entered into by Vodacom Group.

9. EVENTS SUBSEQUENT TO YEAR END

Management expects the sale of the 6.25% interest to the BEE participants to be classified as an equity-settled share-based payment transaction that will be accounted for in terms of the International Financial Reporting Standard 2, Share-based Payment. In terms of this Standard the difference between the fair value of the instruments granted, determined using an option pricing model, and the equity contributions by BEE participants, will be recognised as an expense over the vesting period of those options. The vesting period for individual employees is expected to be a five-year period with a maximum period of seven years. There are no vesting conditions associated with the other BEE participants and the expense relating to their allocation will therefore be recognised on the individual grant dates, all of which is expected to fall within the 2009 financial year.

Management has estimated the total share-based payment expense to be approximately R2.1 billion, R1.6 billion of which is expected to be recognised in the consolidated financial statements of Vodacom SA for the year ending 31 March 2009. The balance will be recognised over the following six years based on the number of options issued to and forfeited by Eligible Employees. These estimates are dependent on significant valuation assumptions, and will differ when re-performed on actual grant dates and with actual allocations to and forfeitures by employees. The actual share-based payment expense may therefore differ materially from these estimates.

Other than detailed above, the directors of Vodacom SA are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the abridged *pro forma* consolidated financial information, which significantly affects the financial position of Vodacom SA as at 31 March 2008 or the results of its operations or cash flows for the year ended.

	2008 Rm	2007 Rm
10. CAPITAL COMMITMENTS		
Capital expenditure contracted for at the balance sheet date but not yet incurred.	1 045.8	762.3
Capital expenditure commitments approved by the Board of Directors but not yet contracted for at the balance sheet date.	5 763.7	5 227.3
The capital expenditure will be financed through internal cash generation, extended supplier credit and bank credit.		
11. OTHER COMMITMENTS		
Operating leases	2 964.5	1 890.1
Sport and marketing contracts	1 157.7	765.3
	4 122.2	2 655.4

11.1 Cellular licence fees

Vodacom SA pays monthly licence fees based on its net operational income as defined in the licence agreement. Net operational income is defined as the total invoiced revenue of the licensee excluding discounts, Value Added Taxation and other direct taxes derived from customers of the licensee for the provision to them of the service, less net interconnect fees and bad debts actually incurred.

11.2 Global Alliance fees

Vodacom SA pays annual fees from 18 February 2005 for services provided to Vodacom SA by Vodafone. The fee is calculated as a percentage of revenue and amounted to R303.9 million (2007: R249.8 million).

11.3 Retention incentives

Vodacom SA has committed a maximum of R1 316.6 million (2007: R651.9 million) in respect of customers already beyond their normal 24 month contract period, but who have not yet upgraded into new contracts, and therefore have not utilised the incentives available for such upgrades. Vodacom SA has not recognised the liability, as no legal obligation exists, since the customers have not yet entered into new contracts.

11.4 Activation commissions

Vodacom SA has a commitment to a maximum of R119.3 million (2007: R115.6 million) in terms of activation commissions on gross prepaid connections in excess of the legal liability recorded in the financial statements.

11.5 Transmission and data lines

Effective 1 April 2006 most transmission and data line links were migrated to new Base Transceiver Station and Broadband agreements. Vodacom SA's commitment to Telkom SA Limited in respect of transmission line rentals of R914.9 million per annum may be adjusted downwards in the future depending on Vodacom SA's self-provisioning capabilities and the availability of alternative transmission players from whom Vodacom SA may source transmission on a competitive basis and as a result no future commitments are disclosed.

11.6 Management fees

Vodacom SA pays management fees to Vodacom Group.

Management fees paid by Vodacom SA to Vodacom Group amounted to R479.0 million (2007: R332.0 million) and are expected to amount to R512.0 million for the financial year ending 31 March 2009.

12. RELATED PARTY TRANSACTIONS

12.1 Related parties

The related parties of Vodacom SA are Vodacom Group and its subsidiaries, Telkom and Vodafone.

12.2 Nature of transactions and balances with related parties

Related party transactions include audit fees recovered, cellular usage, installation of transmission lines, interconnect expense, interconnect income, commercial interest paid, insurance premiums, lease of transmission lines, management fees paid, money market interest paid, money market interest received, rental paid, roaming expense, roaming income, site costs, telephone landline usage, site rental income, Telkom prepaid vouchers and dividends paid. Accounts receivable, accounts payable and dividends payable relate to the transactions listed above.

12.3 Directors' emoluments and key management personnel compensation

	2008 Rm	2007 Rm
Directors' emoluments and key management personnel compensation	(350.9)	(352.4)

**EXTRACTS FROM THE ACCOUNTING POLICY NOTES TO THE ABRIDGED
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
31 MARCH 2007 AND 2008**

BASIS OF PREPARATION

The abridged *pro forma* consolidated financial information of Vodacom SA have been prepared in accordance with Vodacom Group's consolidated accounting policies on the historical cost basis, except for financial assets and financial liabilities (including derivative instruments) recorded at fair value or at amortised cost.

For the convenience of the reader, extracts of certain accounting policies are listed below. A full set of policies as disclosed by Vodacom Group is available on www.vodacom.com.

ACCOUNTING POLICIES

(A) CONSOLIDATION

(a) Basis of consolidation

The abridged *pro forma* consolidated financial information includes the consolidated financial position, results of operations and cash flows of Vodacom SA and entities controlled and jointly controlled by Vodacom SA, up to 31 March 2008.

The entities controlled and jointly controlled by Vodacom SA include the current legal group of Vodacom (Proprietary) Limited and its subsidiaries and joint venture. In addition, the financial position, results of operations and cash flows of Vodacom Properties No. 1, Smartphone SP (Proprietary) Limited, Cointel V.A.S. (Proprietary) Limited and Smartcom (Proprietary) Limited were included in the consolidated results as of the beginning of the first period presented in order to provide meaningful and comparable abridged *pro forma* consolidated financial information. Vodacom SA will also acquire certain land and buildings and bare dominiums. Retrospective accounting for these acquisitions resulted in the *pro forma* recognition of "Reserves attributable to Vodacom Group" which are separately reflected in the abridged *pro forma* consolidated statement of changes in equity.

Minority interests are separately presented in the abridged *pro forma* consolidated balance sheets and abridged *pro forma* consolidated income statements.

(b) Business combinations

Acquisition of a business

Business combination acquisitions are accounted for using the purchase method of accounting. Business combinations include the acquisition of subsidiaries and joint ventures.

On acquisition, the identifiable assets, liabilities and contingent liabilities of the relevant subsidiaries or joint ventures that meet the recognition criteria, are measured based upon Vodacom SA's interest in their fair value at the date of acquisition. The interest of minority shareholders is recorded at the minority's share of the net fair value of the identifiable assets, liabilities and contingent liabilities that meet the recognition criteria.

(c) Subsidiaries

Subsidiaries are those entities controlled or deemed to be controlled by Vodacom SA.

Inter-company balances and transactions, and resulting unrealised profits within Vodacom SA, are eliminated in full on consolidation.

Minority shareholders are treated as equity participants and, therefore, all subsequent acquisitions of minority interest by Vodacom SA in subsidiary companies are accounted for using the parent entity extension method. Under this method, the assets and liabilities of the subsidiary are not restated to reflect their fair values at the date of the acquisition.

(B) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is not depreciated and is recorded at cost less accumulated impairment losses, if any.

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight-line basis, over the estimated useful lives to the estimated residual value.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Depreciation commences when the assets are ready for their intended use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease if there is no reasonable certainty that Vodacom SA will obtain ownership by the end of the lease term.

(C) INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets with indefinite useful lives include goodwill and are tested for impairment on an annual basis or more frequently when there is an indication that goodwill may be impaired. Intangible assets with finite useful lives include licences, customer bases, computer software, trademarks and patents which are amortised to profit or loss on a straight line basis and tested for impairment on an annual basis or more frequently when there is an indication that the intangible asset may be impaired.

(D) FOREIGN CURRENCIES

Transactions and balances

Foreign currency transactions are translated, on initial recognition, at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate ruling at settlement date or balance sheet date, whichever occurs first. Exchange differences on the settlement or translation of monetary assets or liabilities are included in gains or losses on remeasurement and disposal of financial instruments in profit or loss in the period in which they arise.

(E) TAXATION

The charge for current taxation is based on the results for the period and is adjusted for items that are non-assessable or disallowed.

Deferred taxation is provided using the balance sheet liability method for all temporary differences arising between the carrying amounts of assets and liabilities, on the consolidated balance sheet, and their respective taxation bases.

(F) REVENUE RECOGNITION

Revenue net of discounts, which excludes Value Added Taxation and sales within Vodacom SA, represents the invoiced value of goods and services supplied by Vodacom SA. Vodacom SA measures revenue at the fair value of the consideration received or receivable. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to Vodacom SA and the amount of revenue, and associated costs incurred or to be incurred, can be measured reliably. If applicable, revenue is split into separately identifiable components.

Vodacom SA invoices its independent service providers for the revenue billed by them on behalf of Vodacom SA. Vodacom SA, within its contractual arrangements with its agents, pays them administrative fees. Vodacom SA receives in cash, the net amount equal to the gross revenue earned less the administrative fees payable to the agents.

Recognition of revenue involves estimates and assumptions with regards to the useful life of the customer base. The estimates and assumptions are based on past experience.

The main categories of revenue and bases of recognition for Vodacom SA are:

(a) Contract products

Contract products that may include deliverables such as a handset and 24-month service are defined as arrangements with multiple deliverables:

- Revenue from the handset is recognised when the product is delivered, limited to the amount of cash received.
- Monthly service revenue received from the customer is recognised in the period in which the service is delivered.
- Airtime revenue is recognised on the usage basis. The terms and conditions of the bundled airtime products, where applicable, allow the carry over of unused airtime. The unused airtime is deferred in full.
- Deferred revenue related to unused airtime is recognised when utilised by the customer. Upon termination of the customer contract, all deferred revenue for unused airtime is recognised in revenue.

(b) Prepaid products

Prepaid products that may include deliverables such as a SIM-card and airtime are defined as arrangements with multiple deliverables:

- Revenue from the activated SIM-card, representing activation fees, is recognised over the average useful life of a prepaid customer.
- Airtime revenue is recognised on the usage basis. Unused airtime is deferred in full.
- Deferred revenue related to unused airtime is recognised when utilised by the customer. Upon termination of the customer relationship, all deferred revenue for unused airtime is recognised in revenue.

Upon purchase of an airtime voucher the customer receives the right to make outgoing voice and data calls to the value of the airtime voucher. Revenue is recognised as the customer utilises the voucher.

Deferred revenue and costs related to unactivated starter packs which do not contain any expiry date, is recognised in the period when the probability of these starter packs being activated by a customer becomes remote. In this regard Vodacom SA applies a period of 36 months before these revenue and costs are released to profit or loss.

(c) Data revenue

Revenue, net of discounts, from data services is recognised when Vodacom SA has performed the related service.

(d) Equipment sales

Revenue from equipment sales are recognised only when Vodacom SA has transferred to the buyer the significant risks and rewards of ownership of the goods and Vodacom SA retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(G) FINANCIAL INSTRUMENTS

Financial instruments include all financial assets, financial liabilities and equity instruments including derivative instruments.

Financial assets and financial liabilities, in respect of financial instruments, are recognised on Vodacom SA's balance sheet when Vodacom SA becomes party to the contractual provisions of the instrument.

(a) Financial assets

All financial assets are initially measured at fair value, including transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs.

The fair value of a financial instrument on initial recognition is normally the transaction price unless the fair value is evident from observable market data.

Subsequent to initial measurement, these instruments are measured as set out below.

Loans and receivables

Trade and other receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans, finance lease assets and cash and cash equivalents that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are subsequently measured at amortised cost using the effective interest rate method less any impairment loss. Interest income is recognised in profit or loss by applying the effective interest rate, except for short-term trade receivables where the recognition of interest would be immaterial. Trade receivables are carried at original invoice amount less any impairment loss.

(b) Financial liabilities and equity instruments

Financial liabilities

All financial liabilities are initially measured at fair value, including transaction costs except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs.

The fair value of a financial instrument on initial recognition is normally the transaction price unless the fair value is evident from observable market data.

Subsequent to initial measurement, these instruments are measured as set out below.

Financial liabilities held at amortised cost

Interest bearing debt, including finance lease obligations, non-interest bearing debt, bank borrowings and other short-term debt are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in profit or loss by applying the effective interest rate.

Trade and other payables are carried at the original invoice amount.

Dividends payable are stated at amounts declared.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at fair value and subsequently at the higher of the amount determined in accordance with Vodacom SA's policy on provisions or the amount initially recognised less, when appropriate, cumulative amortisation.

(c) Derivative financial instruments

Vodacom SA's principal derivative financial instruments are option contracts, interest rate swaps and foreign exchange forward contracts.

Vodacom SA recognises all derivative instruments on the consolidated balance sheet at fair value. Changes in the fair value of derivative instruments are recorded in profit or loss as they arise.

Vodacom SA does not use derivatives for trading or speculative purposes. Derivatives are not designated into an effective hedge relationship and are classified as current assets or current liabilities.

(H) INCENTIVES

Incentives paid to service providers and dealers for products delivered to the customer are expensed as incurred. Incentives paid to service providers and dealers for services delivered are expensed over the period that the related revenue is recognised.

EXTRACTS FROM THE ARTICLES OF VODACOM SA AND YEBOYETHU

Extracts from the Articles of Association of Vodacom SA

The following sections use the definitions as set out in the Articles of Association of Vodacom SA which are available for inspection as provided for on page 44.

(A) YeboYethu call option: extracts from Article 5C

"5.2 If the Notional Outstandings (as defined in Article (5A) 5.1.4) in respect of the ESOP A Shares are not equal to zero on the 7th (seventh) anniversary of the date of issue of the ESOP A Shares ("the Option Trigger Date"), the company shall have the right and option ("the ESOP Call Option") for a period of 90 (ninety) days following the Option Trigger Date ("the Option Period"), to repurchase from YeboYethu at par value such number of ESOP A Shares as is calculated in terms of the formula in Article (5C) 5.4 below."

"5.3 If the Notional Outstandings (as defined in Article (5A) 5.1.4) in respect of the Public A Shares are not equal to zero on the 7th (seventh) anniversary of the date of issue of the Public A Shares ("the Option Trigger Date"), the company shall have the right and option ("the Public Call Option") for a period of 90 (ninety) days following the Option Trigger Date ("the Option Period"), to repurchase from YeboYethu at par value such number of Public A Shares (and Public Ordinary Shares, if required) as is calculated in terms of the formula in Article (5C) 5.4 below."

"5.4 The number of shares in respect of which the company shall be entitled to exercise the ESOP Call Option and/or the Public Call Option (as the case may be) shall be calculated, separately in respect of each of the ESOP Call Option and the Public Call Option, in terms of the formula –

$$N = \frac{NO}{FM} \times A$$

where:

N = the number of ESOP A Shares, or Public A Shares and/or Public Ordinary Shares (if required), as the case may be, held by YeboYethu in respect of which the ESOP Call Option or the Public Call Option (as the case may be) may be exercised by the company during the Option Period;

NO = the Notional Outstandings (as defined in Article (5A) 5.1.4) per ESOP A Share or Public A Share, as the case may be, held by YeboYethu as at the date upon which the ESOP Call Option or the Public Call Option (whichever is applicable) is exercised;

FM = the fair market value of the company on the Option Trigger Date (as determined in accordance with Article (5C) 5.1.1 below), divided by: the total number of ordinary shares and A Shares in issue (but specifically excluding (a) any other class of shares issued in the course of any further black empowerment transaction/s ("**Further BEE Transaction**"), even if that other class of shares becomes *pari passu* with the ordinary shares, and (b) any ordinary share, or share of any class, that has been issued at an issue price below 90% (ninety percent) of fair market value at the time of issue (based on the Further Company Value as defined in 5.5 below); plus if applicable (2) the result of z as calculated in terms of Article 5.5 below; and

A = the number of ESOP A Shares or Public A Shares, as the case may be, held and beneficially owned by YeboYethu on the date of exercise of the ESOP Call Option or the Public Call Option, as the case may be,

provided that (a) the Public Call Option shall first be exercised in respect of the Public A Shares and shall only be exercised in respect of Public Ordinary Shares if the Public A Shares held by YeboYethu are less than **N** calculated for the Public Call Option; and (b) **N** shall be limited to the actual number of ESOP A Shares or Public A Shares, and Public Ordinary Shares (if required), as the case may be, held by YeboYethu."

- "5.11 The fair market value of the company for the purposes of **FM** in the formula in Article (5C) 5.4 above shall be finally determined by the independent merchant bank appointed as contemplated in Article (5B) 5.9 and such valuation shall be:
- 5.11.1 final and binding on the company, YeboYethu and any shareholders of YeboYethu in the absence of manifest error; and
 - 5.11.2 communicated to the company and YeboYethu in writing."
- "5.13 A repurchase effected in terms of the ESOP Call Option or the Public Call Option shall only be effective upon payment by the company to YeboYethu of the par value of the shares repurchased."

Extracts from the Articles of YeboYethu

The following sections use the definitions as set out in the Articles which are available for inspection as provided for on page 44.

(B) Dividends: extracts from Article 34

- "34.1 Subject to the provisions of the Act, the company in general meeting or the directors may from time to time declare a dividend."
- "34.6 Unless otherwise determined by the directors, dividends shall be declared payable to members registered as such on a date at least 14 (fourteen) days after the date of the declaration of the dividend."
- "34.8 All unclaimed dividends may be invested or otherwise made use of by the directors for the benefit of the company until claimed, provided that dividends unclaimed for a period of 3 (three) years from the date on which they were declared may be declared forfeited by the directors for the benefit of the company."

(C) Directors: extracts from Articles 24 and 26

- "24.2 Notwithstanding any contrary provisions contained in these Articles, Vodacom Group, shall from time to time be entitled to nominate and appoint 1 (one) director to the board of directors by written notice to that effect to the company, and to remove any director nominated and appointed by it and to nominate and appoint a director to replace any such director who ceases for any reason to be a director, and such director shall not be taken into account in determining the directors to retire by rotation."
- "26.1 Subject to Article 24.2 and 30 hereof, at every annual general meeting, $\frac{1}{3}$ (one-third) of the directors for the time being or if their number is not a multiple of 3 (three), then the number nearest to but not less than $\frac{1}{3}$ (one-third) shall retire from office."
- "26.3 Notwithstanding anything herein contained, if at the date of any annual general meeting any director shall have held office for a period of 3 (three) years since his last election or appointment, he shall retire at such meeting either as one of the directors to retire by rotation or additionally thereto."

CORPORATE INFORMATION

Registered office [1(a) and 32]

YeboYethu Limited
(Registration number 2008/014734/06)
Vodacom Corporate Park
082 Vodacom Boulevard
Vodavalley
Midrand, 1685
(Private Bag X9904, Sandton, 2146)

Company Secretary [5 and 35]

Hedley Lamarque
(B Com (Hons), CA(SA))
Vodacom Corporate Park
082 Vodacom Boulevard
Vodavalley
Midrand, 1685
(Private Bag X9904, Sandton, 2146)

**Transfer secretaries
and share administrator [1(a)]**

Link Market Services South Africa
(Proprietary) Limited
(Registration number 2000/007239/07)
11 Diagonal Street
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Share application and distribution agent

South African Post Office Limited
(Registration number 1991/005477/06)
497 Schubart Street
Pretoria Central, 0002
(PO Box 10000, Pretoria, 0001)

Corporate law advisor [4]

Hofmeyr Herbstein & Gihwala Inc
(Registration number 1997/001523/21)
6 Sandown Valley Crescent
Sandown
Sandton, 2196
(Private Bag X40, Benmore, 2010)

Merchant bank [4]

Rand Merchant Bank
A division of FirstRand Bank Limited
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Reporting accountants and auditors [3]

Deloitte & Touche
Deloitte & Touche Waterkloof House
221 Waterkloof Road
Waterkloof, 0181
(PO Box 11007, Hatfield, 0028)

INDUSTRY TERMINOLOGY

"3G"	third generation;
"ARPU"	average revenue per user per month;
"Churn"	a measure of the number of customers who discontinue a service during a specified time period. Churn is calculated by dividing the annualised number of disconnections during the period by the weighted average total reported customer base during the period;
"DoC"	Department of Communications;
"EDGE"	enhanced data for GSM evolution;
"GPRS"	general packet radio service;
"GSM"	global system for mobile communications;
"HSDPA"	high speed downlink packet access;
"HSUPA"	high speed uplink packet access;
"ICT"	information and communications technology;
"IT"	information technology;
"MMS"	multimedia messaging service;
"MPLS VPN"	multiprotocol label switching virtual private networks;
"SIM"	subscriber identity module;
"SMS"	short message service;
"VOIP"	voice over internet protocol;
"WAP"	wireless application protocol;
"WASP"	wireless application service provider;
"Wi-Fi"	wireless fidelity; and
"Wi-MAX"	worldwide interoperability for microwave access.

DEFINITIONS

"Applicant"	a Black Group or Black Person who signs and submits a completed Application Form and supporting documents;
"Application Form"	the application form for Shares included in this Prospectus;
"Associate"	<p>in relation to:</p> <ul style="list-style-type: none"> • any individual: <ul style="list-style-type: none"> • that individual's Immediate Family; and/or • the trustees, acting as such, of any trust of which the individual or any of the individual's Immediate Family is a beneficiary (whether vested or discretionary); and/or • any company in whose equity securities the individual or any person or trust as contemplated above, taken together, are directly or indirectly beneficially interested, or have a conditional, contingent or future entitlement to become beneficially interested, and that the individual or person or trust as contemplated above are, or would on the fulfilment of the condition or the occurrence of the contingency be able to: <ul style="list-style-type: none"> – exercise or control the exercise of 20% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or – appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters; and/or – any close corporation in which the individual and/or any member/s of the individual's Immediate Family, taken together, are beneficially interested in 20% or more of the members' interest and/or are able to exercise or control the exercise of 20% or more of the votes able to be cast at members' meetings on all, or substantially all, matters; • any company: <ul style="list-style-type: none"> • any other company that is its subsidiary, holding company or subsidiary of its holding company; and/or • any company whose directors are accustomed to act in accordance with the company's directions or instructions; and/or • any company in the capital of which such company, and any other company as contemplated above under this component in relation to companies, taken together, is or would on the fulfilment of a condition or the occurrence of a contingency be, interested in the manner described above;
"Articles"	the articles of association of YeboYethu;
"BEE"	black economic empowerment as contemplated in the BBBEE Act, the Codes and the ICT Charter;
"BBBEE Act"	the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended, or substituted from time to time and any regulations promulgated thereunder;
"BEE Controlled Company"	is as defined in the Codes from time to time, which current definition is summarised as follows for convenience, and should not be construed as an interpretation of the Codes: a company incorporated

	in accordance with the laws of South Africa and having a shareholding in which one or more Black People controls or control, on a Flow-through Principle, in excess of 50% of all exercisable voting rights in relation to the ordinary shares or other equity interest of such company, exercisable by members in general meeting or otherwise;
"BEE Owned Company"	is as defined in the Codes from time to time, which current definition is summarised as follows for convenience, and should not be construed as an interpretation of the Codes: in relation to any company, means a company incorporated in accordance with the laws of South Africa and having a shareholding in which one or more Black People: <ul style="list-style-type: none"> • beneficially owns or own, on a Flow-through Principle, in excess of 50% of the ordinary shares or other equity interest of such company; and • is or are entitled to in excess of 50% on a Flow-through Principle of all economic interest in relation to such ordinary shares or other equity interest of such company;
"BEE Status"	in relation to a Black Group, an Applicant's percentage of Black ownership/membership/beneficiaries/participants, as the case may be, and an Applicant's percentage of Black representation at board/trustee level or similar governing organ level on the date that the Applicant signs the Application Form;
"BEE Transaction"	the broad-based BEE ownership transaction, in terms of which RBH-Co, Thebe-Co and YeboYethu will acquire up to a maximum of 6.25% of Vodacom SA;
"Black Business Partners"	creditworthy Black Companies and Black Entities that form part of Vodacom SA's distribution network and who have been invited by Vodacom SA to participate in the Offer;
"Black Company"	a BEE Owned Company and a BEE Controlled Company;
"Black Entities"	a vesting trust which qualifies for recognition under the Codes, broad-based ownership scheme, a close corporation, or an unincorporated entity or association, including a partnership, joint venture, syndicate or Stokvel, as may be determined by Vodacom SA in its sole discretion as an entity or association which may enable Vodacom SA to claim BEE scorecard points pursuant to the Codes;
"Black Groups"	Black Companies, Black Entities and Black Business Partners;
"Black New Entrants"	a Black Person who, prior to applying for an equity interest in YeboYethu, has not participated in similar BEE transactions, with an aggregate cumulative value of R20 000 000 or more, measured in accordance with an acceptable valuation standard (being a valuation of an asset, an economic interest or any other instrument or right, undertaken in accordance with normal valuation methods that represent standard market practice);
"Black People/Persons"	has the meaning ascribed to it under Code 000 of the Codes, for present purposes being Africans, Coloureds, Indians and Chinese who are natural persons and who are South African citizens by (i) birth or descent, or (ii) naturalisation occurring (a) prior to 27 April 1994, being the commencement date of the Constitution of the Republic of South Africa of 1993, or (b) after that date but who would have qualified for naturalisation prior to that date if it were not for the apartheid policies in place in South Africa, and "Black" shall be construed accordingly;
"Black Public"	individually and collectively, Black People and Black Groups;

"Board"	the board of Directors, from time to time. The names of the current Directors are set out in paragraph 1 on pages 38 to 41;
"Closing Date"	the closing date of the Offer, being 15:00 on 11 September 2008, or such later date as announced by Vodacom SA, provided that this later date shall not be later than four months after the date of this Prospectus;
"Codes"	Broad-Based Black Economic Empowerment Codes of Good Practice gazetted under the BBBEE Act from time to time;
"Companies Act"	the Companies Act, 61 of 1973, as amended;
"Directors"	the directors of YeboYethu, from time to time. The names of the current directors are set out in paragraph 1 on pages 38 to 41;
"EFT"	Electronic Funds Transfer;
"Eligible Employees"	such persons or categories of persons who are permanent employees of Vodacom Group and/or any of its wholly-owned South African subsidiaries from time to time as well as Vodacom SA and its wholly-owned South African subsidiaries and shall include employees who are on secondment outside of South Africa;
"Encumbrance"	any mortgage, charge, pledge, hypothecation, lien, cession or assignment by way of security, option, right to acquire, right of pre-emption, preferential right or arrangement, right of retention or agreement to confer security or any restriction or other arrangement whatsoever which has the same or a similar effect to the granting of security and "Encumber" shall be construed accordingly;
"ESOP"	the trustees for the time being of the YeboYethu Employee Participation Trust, a trust created by Vodacom SA for the benefit of Eligible Employees;
"ESOP A shares"	75 000 000 Vodacom SA A shares to be subscribed for by YeboYethu at par value for the benefit of ESOP Participants;
"ESOP Call Option"	the call option available to Vodacom SA to repurchase from YeboYethu a formula-determined number of ESOP A shares at par value at the end of the Facilitation Period, if the Notional Outstandings in respect of ESOP A shares are not zero;
"ESOP Conversion Date"	the earlier of the date upon which the Notional Outstandings in respect of ESOP A shares equal zero and the date upon which Vodacom SA has exercised and implemented the ESOP Call Option or the date upon which YeboYethu exercises the ESOP Subscription Option in respect of the Vodacom SA A shares, as the case may be;
"ESOP Participant"	a person who was or is an Eligible Employee to whom units (being a notional participatory interest in the ESOP income and assets) have been allocated in accordance with the provisions of the ESOP Trust Deed;
"ESOP Subscription Option"	the subscription option granted by Vodacom SA to YeboYethu to subscribe for Vodacom SA ordinary shares after receipt of a notice by Vodacom SA to the effect that it wishes to exercise the ESOP Call Option, which subscription option is subject to the terms and conditions set out in the Shareholders Agreement and the Articles;
"ESOP Trust Deed"	the deed of trust for ESOP lodged with the Master of the High Court in terms of the laws of South Africa;
"Facilitation Period"	a period of seven years after the Implementation Date;
"FICA"	the Financial Intelligence Centre Act, No. 38 of 2001, as amended;

"First Five Years"	a period commencing on the Implementation Date and expiring at the earlier of the fifth anniversary of the Implementation Date and the expiry of the Lock-in Period;
"First Ten Years"	a period commencing on the Implementation Date and expiring at the earlier of the 10th anniversary of the Implementation Date and the expiry of the Lock-in Period;
"Flow-through Principle"	has the meaning as set out under Code 100 of the Codes;
"ICAS"	Independent Counselling and Advisory Services;
"ICASA"	Independent Communications Authority of South Africa;
"ICT Charter"	the draft Information and Communication Technology Charter entitled "FINAL VERSION MAY 2005" which has not, at the Last Practicable Date, been published as a transformational charter in terms of section 12 of the BBBEE Act or as a sectoral code in terms of section 9 of the BBBEE Act;
"Immediate Family"	in relation to an Applicant, such Applicant's spouse and children;
"Implementation Date"	the date upon which Shares are issued pursuant to this Prospectus;
"Interest"	interest payable on amounts refunded to Applicants due to an oversubscription, being 5% per annum for the first R1 million and 7% per annum for amounts in excess of R1 million;
"Interim Market Value"	the valuation per Share as determined annually by an accounting firm or merchant bank;
"Investment"	the value of Shares allocated to an Applicant in terms of the Offer;
"Last Practicable Date"	11 July 2008, being the last practicable date prior to the finalisation of the Prospectus;
"Lock-in Period"	<p>the period commencing on the Implementation Date and terminating on the earlier of:</p> <ul style="list-style-type: none"> • the tenth anniversary of the Implementation Date (both dates included); or • the date (if ever) upon which the BEE requirements applicable to Vodacom SA and its subsidiaries have been amended by legislation (or other applicable law or regulation or practice having the effect of law, including without limitation the ICT Charter or similar code or charter once it is promulgated as a sectoral code in terms of section 9 of the BBBEE Act) having the effect (in the sole and absolute discretion of the board of directors of Vodacom Group, after having considered representations which YeboYethu and the Strategic Partners may have made in this regard, but without being bound thereby) that the continued ownership of Vodacom SA shares by YeboYethu, the Strategic Partners or a person or entity to whom any of the aforementioned shareholders wish to transfer their shareholdings, is no longer required for BEE purposes, and no longer results in a BEE benefit for Vodacom SA and its subsidiaries (whether as a result of a once-empowered-always-empowered rule or otherwise); <p>it being recorded for the avoidance of doubt that this may have the effect that the Lock-in Period expires in respect of certain (but not necessarily all) of the Vodacom SA shares;</p>
"Maximum Shareholding Limit"	1 440 000, being the maximum number of Shares which may be owned by a Shareholder (excluding ESOP, ESOP Participants and Strategic Partners);

"Memorandum"	the memorandum of incorporation of YeboYethu;
"Minor"	a Black Person who is below the age of 18 years at the Implementation Date;
"Notional Amount"	notional amount per Vodacom SA A share as determined by the directors of Vodacom SA in respect of each allotment and issue of Vodacom SA A shares;
"Notional Dividend Sacrifice"	the allocated amount per Vodacom SA A share, being the aggregate amount of all the dividends that would have been declared and paid in respect of a Vodacom SA A share since its date of issue if such Vodacom SA A share was entitled to participate equally with the Vodacom SA ordinary shares insofar as declaration of dividends are concerned;
"Notional Outstandings"	the notional outstandings per Vodacom SA A share from time to time, calculated by Vodacom SA in accordance with the following formula: $NO = NA - ND$ where: NO = the Notional Outstandings as at the date of calculation; NA = the Notional Amount as increased and accumulated with compounded interest (from the date of issue) at the Notional Rate; and ND = the cumulative Notional Dividend Sacrifice, as increased and compounded (from the date of payment of each dividend giving rise to a Notional Dividend Sacrifice) at the Notional Rate;
"Notional Rate"	a rate of 10%, nominal annual compounded semi-annually in arrears based on a 365 day year;
"N shares"	compulsory convertible shares with a par value of R0.00,001 each in the share capital of YeboYethu;
"Number Portability Company"	Number Portability Company (Proprietary) Limited (registration number 2005/040348/07);
"Offer"	the public offer pursuant to this Prospectus;
"Opening Date"	the opening date of the Offer, being 09:00 on 30 July 2008;
"Post Office"	South African Post Office Limited (registration number 1991/005477/06);
"Postbank"	a division of the Post Office;
"Preferential Allocation"	reserved allocation to Black Business Partners of 3 600 000 Shares at a price of R25.00 per Share;
"Prospectus"	this entire document, all annexures to it and the educational booklet;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"RBH"	Royal Bafokeng Holdings (Proprietary) Limited (registration number 2006/006906/07);
"RBH-Co"	Lisinfo 209 Investments (Proprietary) Limited (registration number 2008/007293/07), a wholly-owned subsidiary of RBH-TELCO as at the Implementation Date;
"RBH-TELCO"	RBH Telecom Holdings (Proprietary) Limited (registration number 2006/006958/07), a wholly-owned subsidiary of RBH;

"Reference Number"	the reference number allocated by Vodacom SA to Black Business Partners in terms of the Offer;
"Registrar"	the South African Registrar of Companies;
"Relationship Agreement"	the agreement entitled "Relationship Agreement" executed between Vodacom Group, Vodacom SA, RBH, RBH-Co, RBH-TELCO, Thebe, Thebe-Co, ESOP and YeboYethu dated 20 June 2008, which sets out the BEE principles applicable to each of the BEE parties, the right of RBH-Co and Thebe-Co to subscribe for any shares in YeboYethu that are not taken up in terms of the Offer and certain other general provisions;
"Same or Higher BEE Status"	a BEE Status, determined in accordance with the Codes, which is at least the same or higher than the BEE Status of the Seller of a Share, so that it does not decrease the BEE Status of Vodacom SA on Sale;
"Sell"	sell, dispose of, alienate, cede, transfer, part with, deal with, lend, or grant any option or present or future right to acquire or otherwise alienate or dispose of or enter into any agreement, arrangement or commitment to achieve any of the aforesaid and "Sale" shall have the corresponding meaning;
"Shareholders Agreement"	the agreement entitled "Shareholders Agreement" executed between Vodacom Group, Vodacom SA, RBH-Co, Thebe-Co and YeboYethu dated 20 June 2008, in terms of which Vodacom SA, RBH-Co, Thebe-Co and YeboYethu regulate their relationship as shareholders of Vodacom SA;
"Second Five Years"	if the Lock-in Period has not yet expired, a period commencing on expiry of the First Five Years and expiring at the end of the Lock-in Period;
"Shares"	ordinary shares with a par value of R0.00,001 each in the share capital of YeboYethu;
"Share Transfer Committee"	the committee to be established by Vodacom SA to consider and approve or reject any proposed Sale of Shares and verify the BEE Status of any proposed buyer during the Second Five Years;
"South Africa"	the Republic of South Africa;
"Stokvel"	associations of two or more members, who contribute funds to the association on a regular basis, the funds of which are paid, in whole or in part, to its members in accordance with its rules, whether on a rotational basis or upon the occurrence of an event or otherwise;
"Strategic Partners"	RBH-Co and Thebe-Co who are Black Companies who were selected to participate in the BEE Transaction;
"Subscription Agreement"	the agreement entitled "Subscription Agreement" executed between Vodacom SA, Vodacom Group and YeboYethu dated 20 June 2008, in terms of which the subscription for, and allotment and issue of, the ESOP A shares and Vodacom SA shares to YeboYethu are regulated;
"Telkom"	Telkom SA Limited (registration number 1991/005476/06) and/or, where the context requires, its subsidiaries;
"Thebe"	Thebe Investment Corporation (Proprietary) Limited (registration number 1992/001846/07);
"Thebe-Co"	Main Street 661 (Proprietary) Limited (registration number 2008/003181/07);
"Trading Market"	the over-the-counter mechanism which YeboYethu and Vodacom SA will endeavour to establish for trading Shares during the Second Five Years;

"Transaction Agreements"	the Shareholders Agreement, Relationship Agreement, and Subscription Agreement;
"Transactional Bank Account"	the bank account provided by an Applicant in an Application Form, which will be used by YeboYethu for making payments;
"Transfer Secretary"	Link Market Services South Africa (Proprietary) Limited (registration number 2000/007239/07);
"Valid BEE Ownership Certificate"	a BEE ownership certificate based on a Black Group's current shareholding, with an expiry date on or after 31 October 2008 and is issued by a Valid BEE Verification Agency;
"Valid BEE Verification Agency"	a BEE verification agency that has applied for accreditation from the South African National Accreditation System;
"Vodacom Business"	a division of Vodacom SA, with the primary objective to deliver end-to-end converged solutions, extending from mobile to fixed line voice and data, managed data networks, VoIP solutions, hosted facilities and applications, security and managed hosting solutions;
"Vodacom SA"	Vodacom (Proprietary) Limited (registration number 1993/003367/07) and where the context requires, its subsidiaries and joint venture;
"Vodacom SA shares"	Vodacom SA ordinary shares and Vodacom SA A shares;
"Vodacom SA A shares"	ordinary class A shares with a par value of R0.00,001 each, in the share capital of Vodacom SA;
"Vodacom SA ordinary shares"	ordinary shares with a par value of R0.00,001 each in the share capital of Vodacom SA;
"Vodacom Group"	Vodacom Group (Proprietary) Limited (registration number 1993/005461/07);
"Vodacom Properties No.1"	Vodacom Properties No.1 (Proprietary) Limited (registration number 1998/012005/07);
"Vodacom Properties No.2"	Vodacom Properties No.2 (Proprietary) Limited (registration number 2004/011135/07);
"Vodacom Service Provider Company"	Vodacom Service Provider Company (Proprietary) Limited (registration number 1991/001471/07);
"Vodacom Ventures"	Vodacom Ventures (Proprietary) Limited (registration number 2005/029857/07);
"Vodafone"	Vodafone Group Plc, a public company incorporated in England and Wales (registration number 1833679) and/or, where the context requires, its direct and indirect subsidiaries;
"YeboYethu"	YeboYethu Limited (registration number 2008/014734/06);
"YeboYethu Account"	a temporary Postbank account that will be opened by a participating Post Office on behalf of YeboYethu in respect of each application submitted to the Post Office. This account must be used by Applicants to pay for Shares applied for under the Offer; and
"YeboYethu Call Option"	the call option available to Vodacom SA to repurchase a formula-determined number of Vodacom SA shares at par value from YeboYethu, at the end of the Facilitation Period.



TERMS AND CONDITIONS APPLY. FOR MORE INFORMATION CALL THE YEBOYETHU CALL CENTRE
ON 082 1 YEBO (9326) OR 0800 22 YEBO (9326) OR VISIT WWW.YEBOYETHU.CO.ZA.