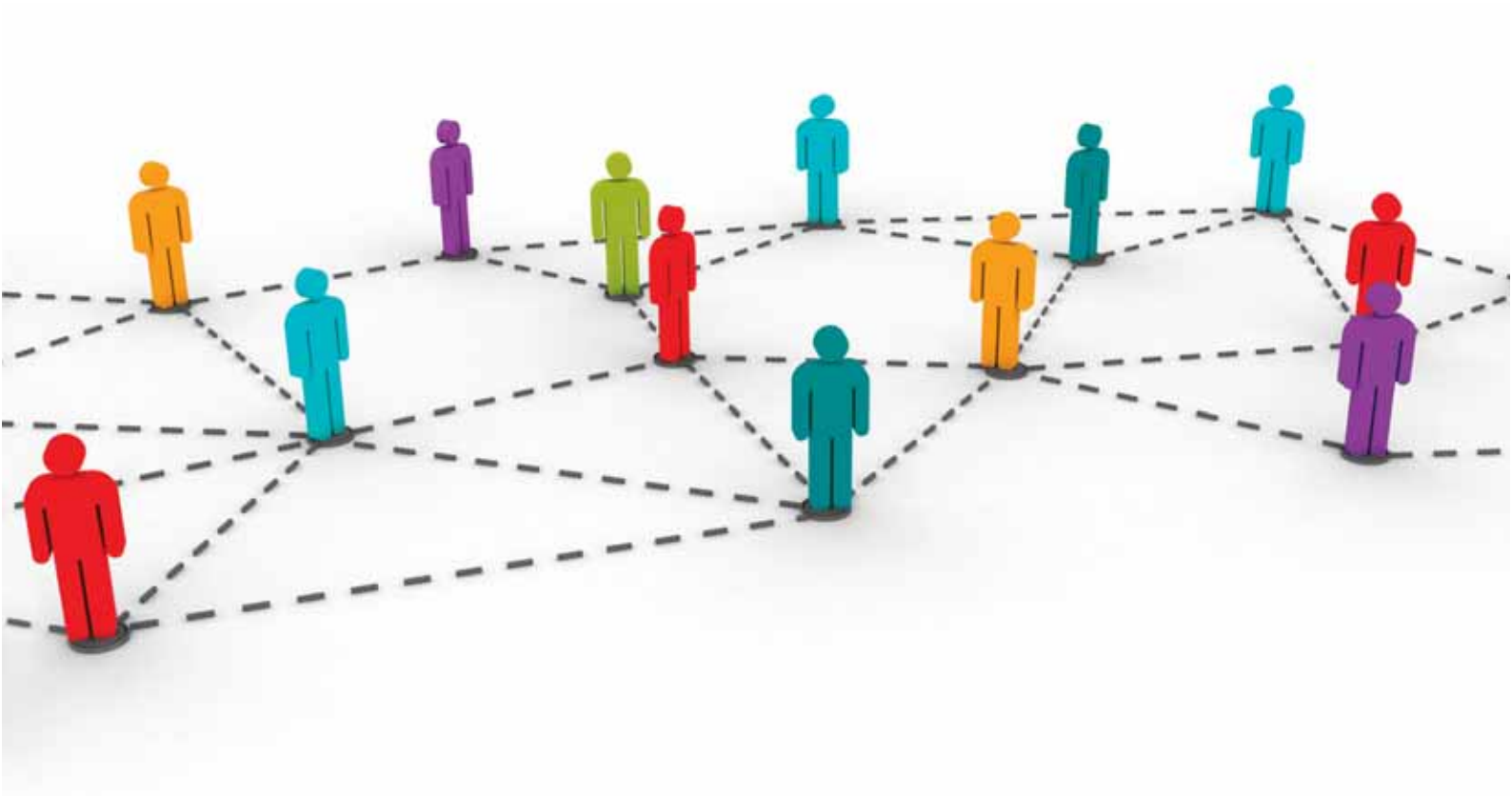




Annual report 2011



YeboYethu Limited

Registration number 2008/014734/06

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Chairman's report

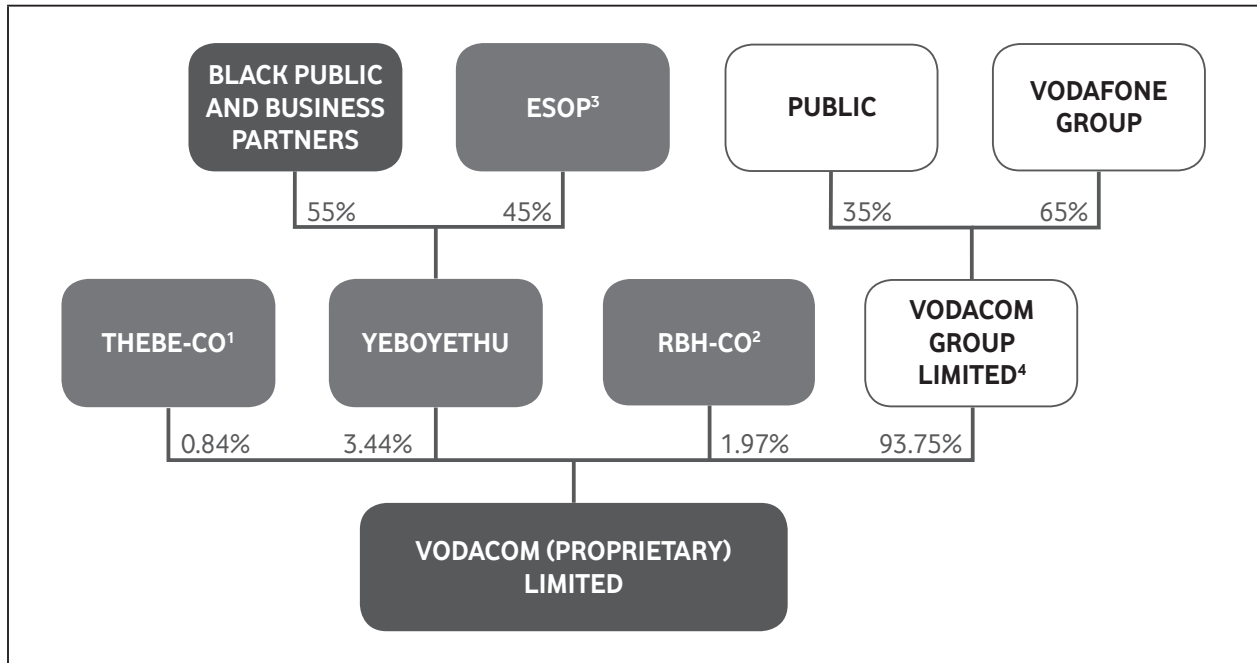
for the year ended 31 March 2011

Introduction

This is the third annual report to the shareholders of YeboYethu Limited ('the company'), covering the 12 months to 31 March 2011. The company's only material asset is its 3.44% stake in Vodacom (Proprietary) Limited ('Vodacom SA'). This Chairman's statement therefore reviews the performance for Vodacom SA.

The company overview

The structure of the company is as follows:



1. Thebe-Co – Thebe Investment Corporation (Proprietary) Limited
2. RBH-Co – Royal Bafokeng Holdings (Proprietary) Limited
3. YeboYethu Employee Participation Trust ('ESOP')
4. Listed on the JSE Limited

Vodacom SA relates solely to Vodacom's South African operations. In addition to these South African operations, Vodacom Group Limited ('Vodacom Group') has operations in Tanzania, Mozambique, Lesotho and the Democratic Republic of Congo, and the Gateway business that operates in 14 countries. The company shares in Vodacom SA are therefore not interchangeable with Vodacom Group shares and there is no direct correlation between the value of the shares of these two companies.

Unlike the Vodacom Group shares listed on the JSE, the company shares held by Black Public shareholders carry certain restrictions and may not be traded for the first five-year period and can only be sold to other broad-based black economic empowerment ('BBBEE') investors (with credentials that are the same or better) in the second five years. Unrestricted trading in the shares will only become possible after this ten-year period, at which time a market price for the shares will be established through an 'over the counter' mechanism.

It is important to understand the different terms that apply to the company's shareholders depending on whether you are a Vodacom business partner or a member of the public investing in your personal capacity (public shareholder), or alternatively a Vodacom employee represented by the ESOP (employee shareholder). The website provides relevant and detailed information to shareholders in this regard. If you are unable to access the website, you may contact the call centre for assistance.

Internet address: www.yeboyethu.co.za

Email us at: yeboyethu@computershare.co.za

Call Centre: 086 1100 918

Chairman's report

for the year ended 31 March 2011

Vodacom SA performance

Vodacom SA delivered a robust performance with service revenue growth of 4.8% to R46 337.0 million; despite a 16.4% decline in interconnect revenue following the cuts in mobile termination rates ('MTR's'), being the wholesale interconnection rates payable between operators for the termination of mobile calls on their respective networks as regulated by the Independent Communications Authority of South Africa ('ICASA'). Service revenue growth of 8.9% (excluding the impact of MTRs) was supported by the higher contribution from data revenue and increased voice usage from value offerings.

Data revenue increased 33.9% to R6 178.0 million due to increased penetration of mobile PC connectivity and mobile internet usage, with active data bundle users increasing 76.3% to 2.6 million and overall active data users increasing 34.6% to 9.0 million. Active smartphones on the network increased 81.0% to 3.6 million and mobile cards increased 47.9% to 1.1 million. During the current financial year greater value was added to the data bundles reducing the effective price per megabyte by 13.5%.

Customers increased 1.0% to 26.5 million. Excluding the impact of a change in disconnection rule (call forward rule was changed from 13 months to 7 months) in April 2010, 3.6 million customers were added, of which 3.0 million were prepaid customers, bringing total prepaid customers to 21.4 million for the year. Contract customer growth remained strong, up 14.0% to 5.1 million, adding 629 000 customers.

Total average revenue per user ('ARPU') (ARPU is calculated by dividing average monthly recurring revenue by the average monthly total reported customers during the period) increased 18.5% year on year to R156 largely due to minutes of use increasing 28.0% to 102 minutes, offset by a reduction in the average effective price per minute of 11.5% and lower interconnect revenue.

Valuation of the company option asset

The Vodacom SA option asset is the only material asset, and the valuation adjustment the only material income statement item recorded and disclosed in the annual financial statements. A net loss of R72.2 million was recorded in the current financial year (2010: R62.6 million, 2009: net profit R529.1 million). This translates to a value per share of R29.36 (2010: R33.03, 2009: R36.45)*. The reasons for the decrease in value largely relate to a lower amount of profits forecasted compared to the prior year valuation as a result of reduced interconnection rates, anticipated lower tariffs, increased competition and lower income in the forecast being offset by lower costs due to tighter cost management and containment.

It is, however, important to consider that Vodacom's BBBEE transaction is a long-term investment, which, through substantial financing provided by Vodacom SA has lowered the exposure for individual investors. Shareholders will appreciate that certainty cannot be claimed in a volatile environment. However, the overall value of the option asset or value per share remains higher than the price subscribed. The option asset increased by R602.3 million in 2009 and reduced by R90.2 million and R96.9 million in 2010 and 2011, respectively, resulting in net increase of R415.2 million.

(*) The value per share was calculated using the following formula: Vodacom SA option asset value/Shares in issue (ordinary shares and 'N' ordinary shares).

Dividend

The company recorded a net loss of R72.2 million (2010: R62.6 million, 2009: net profit R529.1 million) for the year ended 31 March 2011. The company received a dividend of R14.7 million (2010: R18.3 million, 2009: R6.4 million) from Vodacom SA. After the deduction of administrative costs, I am pleased to advise shareholders that the Board declared and approved an annual ordinary dividend of 74.0 cents per share (2010: ordinary dividend of 77.0 cents per share and a special dividend of 33.0 cents per share, 2009: ordinary dividend of 45.0 cents per share).

The ordinary dividend represents a dividend received from Vodacom SA on normal earnings. The special dividend in 2010 represents an additional dividend, which is not expected to recur.

Appreciation

In closing, I extend the Board's appreciation to the team at Vodacom SA for delivering a solid performance for the financial year ended 31 March 2011 amidst industry and economic challenges. To my fellow Board members, I express a special word of thanks for their dedication and counsel during the year. To each of our shareholders, thank you for your support.

Zarina Bassa

Audit Committee's report

for the year ended 31 March 2011

1. Mandate and terms of reference

The the company's Audit Committee has adopted a mandate and terms of reference that has been approved by the Board.

2. Statutory duties

The company, in line with section 270A(f) of the Companies Act of 1973, as amended ('the Act'), is required to have an Audit Committee.

In terms of the Act, the Audit Committee discharged all of those functions delegated to it in terms of the Audit Committee mandate and the Act.

The Audit Committee meets in terms of formal mandates and deals with all issues as prescribed by the Act.

The Audit Committee is satisfied that:

- All functions were performed as per the charter of the Audit Committee;
- The external auditor of the company is independent as defined by the Act;
- In consultation with Vodacom SA, the audit fee for the 2011 financial year was agreed;
- Approval of the internal audit plan for the year;
- Separate meetings with Vodacom SA and the external auditors were held to discuss any reserved matters;
- Ensured that the Audit Committee complied with the membership criteria as set out in the Act;
- Considered and approved all non-audit services performed by the external auditor; and
- Reviewed the performance of the external auditor and nominated, for approval at the Annual General Meeting, Deloitte & Touche as the external auditor for the 2012 financial year.

3. Membership

The members of the Audit Committee during the current financial year included the following independent non-executive directors:

D Konar (Chairman)
ZBM Bassa
SM Radebe

The Managing Director, Executive Director: Finance, Managing Executive: Financial Planning, the Head of Internal Audit of Vodacom Group as well as the external auditors attend the Audit Committee meetings by invitation. The primary role of the Audit Committee is to ensure the integrity of the financial reporting, the audit process and that a sound risk management and internal control system is maintained. In pursuing these objectives the Audit Committee oversee relations with the external auditors and reviews the effectiveness of the internal audit function.

The internal and external auditors have unlimited access to the Chairman of the Audit Committee.

Two Audit Committee meetings are scheduled per financial year. Additional Audit Committee meetings may be convened when necessary. During the previous financial year, two committee meetings were convened; the attendance was as follows.

Member	10/05/2010	01/11/2010
D Konar	✓	✓
ZBM Bassa	✓	✓
SM Radebe ¹	–	✓

1 SM Radebe was appointed on 10 May 2010.

D Konar
Chairman
Audit Committee

Directors' report

for the year ended 31 March 2011

The directors have the pleasure of presenting their report, which forms part of the condensed annual financial statements, for the year ended 31 March 2011.

1. Nature of business

The company was incorporated on 19 June 2008 under the laws of the Republic of South Africa. The principal activities of the company are to:

- (a) carry on business of holding Vodacom SA ordinary shares and 'A' ordinary shares, cash and such assets as are received and acquired solely by virtue of or in relation to the holding of Vodacom SA ordinary shares and 'A' ordinary shares;
- (b) receive and distribute dividends and other distributions in terms of its holding in Vodacom SA; and
- (c) to acquire and hold interests in Vodacom Group and its subsidiaries and associated companies, for the benefit of shareholders.

2. Financial results

Net loss for the year was R72.2 million (net loss for the year ended 31 March 2010: R62.6 million, net profit for the ten month period ended 31 March 2009: R529.1 million).

This was mainly attributable to the decrease in the Vodacom SA option asset. The reasons for the decrease in value relate to a lower amount of profits forecasted compared to the prior year valuation as a result of reduced interconnection rates, anticipated lower tariffs and increased competition.

Further information on the performance and financial position of the company is presented in the condensed annual financial statements and notes thereto.

3. Dividend

3.1 Dividend distribution

An ordinary dividend of 74 (seventy-four) cents (2010: 77 (seventy-seven) cents, 2009: 45 (forty-five) cents) and a special dividend of Nil cents (2010: 33 (thirty-three) cents, 2009: Nil cents) per ordinary share was proposed and approved by the board of directors.

	2011	2010	2009
	R000	R000	R000
Final dividend declared 3 May 2011 and paid on 31 May 2011	10 656	–	–
Final and special dividend declared 10 May 2010 and paid on 21 May 2010	–	15 840	–
Final dividend declared 11 May 2009 and paid on 15 June 2009	–	–	6 480

3.2 Dividend policy

The company has a policy to pay so much of its after taxation profits as will be available after retaining such sums and repaying such debts owing to third parties as shall be necessary to meet the required costs reflected in the budget, as a final dividend each year.

Directors' report

for the year ended 31 March 2011

4. Share capital and ordinary share premium

The share capital and ordinary share premium were amended due to the repurchase of the company's ordinary shares as described below.

Special resolution number 1 (one), passed at the second annual general meeting held on 29 July 2010, granted the directors the authority to repurchase the company's ordinary shares from the estates of deceased shareholders. The repurchase of shares in aggregate may not exceed 20 000 (twenty thousand) ordinary shares. The authority granted is valid until the next annual general meeting being, 29 July 2011.

The company repurchased 500 ordinary shares during the 2011 financial year for an amount of R34.73 per ordinary share, totalling R17 365.

5. Other matters

The directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the condensed annual financial statements, which significantly affected the financial position of the company at 31 March 2011 and the results of its operations and cash flows for the year ended.

6. Directors and secretary

The following movements in the directorate and company secretary took place during the year under review:

	In office 31/03/2010	Resignations	Appointments	In office 31/03/2011
Directors	ZBM Bassa (Chairman)			ZBM Bassa (Chairman)
	D Konar			D Konar
	PB Matlare			PB Matlare
	TC Ralebitso			TC Ralebitso
	MS Aziz Joosub	31/03/2011		MS Aziz Joosub
Secretary	SF Linford		10/05/2010	SM Radebe SF Linford

In terms of the articles of association Ms ZBM Bassa and Mr D Konar retire by rotation and being eligible, all directors are available for re-election at the annual general meeting held on 29 July 2011.

7. Address

Registered office:

Vodacom Corporate Park
082 Vodacom Boulevard
Midrand
1685

Postal address:

Private Bag X9904
Sandton
2146

8. Auditors

Deloitte & Touche has been appointed as the auditors and will continue in office in accordance with Section 270(2) of the Companies Act of 1973, as amended.

9. Annual financial statements as at 31 March 2011

For the purpose of the YeboYethu Limited annual report, a condensed set of annual financial statements are included. The detailed annual financial statements are available for inspection at the company's registered office. The detailed annual financial statements have been audited by the independent auditing firm Deloitte & Touche and were approved by the Board of directors on 3 May 2011.

Statement of comprehensive income

for the year ended 31 March

	Note	Period since incorporation to 31 March		
		2011 R000	2010 R000	2009 R000
Income		14 720	18 382	6 401
Expenses		(3 686)	(5 340)	(1 177)
Operating profit		11 034	13 042	5 224
Finance income	2	347	457	7 982
Finance cost		(*)	(*)	(*)
(Losses)/gain on remeasurement of financial instrument		(96 889)	(90 227)	602 287
(Loss)/profit before taxation		(85 508)	(76 728)	615 493
Taxation		13 355	14 155	(86 376)
Net (loss)/profit		(72 153)	(62 573)	529 117
Comprehensive (loss)/income		(72 153)	(62 573)	529 117

(*) Less than R500.

Statement of financial position

as at 31 March

		2011	2010	2009
	Notes	R000	R000	R000
Assets				
Non-current assets				
Financial assets	3	775 172	872 061	962 288
Deferred taxation		1 726	1 838	179
Current assets				
Accounts receivable	4	6 154	6 247	7 266
Taxation receivable		185	185	–
Cash and cash equivalents		7 275	11 788	6 156
Total assets				
		790 512	892 119	975 889
Equity and liabilities				
Share capital	5	*	*	*
Ordinary share premium	6	359 983	360 000	360 000
Retained earnings		372 071	460 064	529 117
Total equity				
		732 054	820 064	889 117
Non-current liability				
Deferred taxation		58 125	71 689	84 320
Current liabilities				
Accounts payable	7	333	366	2 451
Taxation payable		–	–	1
Total equity and liabilities				
		790 512	892 119	975 889

(*) Less than R500.

Statement of changes in equity

for the year ended 31 March

	Share capital R000	Ordinary share premium R000	Retained earnings R000	Total equity R000
Balance at incorporation	–	–	–	–
Shares issued during the period	*	360 000	–	360 000
Comprehensive income	–	–	529 117	529 117
Balance at 31 March 2009	*	360 000	529 117	889 117
Comprehensive loss	–	–	(62 573)	(62 573)
Dividends	–	–	(6 480)	(6 480)
Balance at 31 March 2010	*	360 000	460 064	820 064
Comprehensive loss	–	–	(72 153)	(72 153)
Repurchase of shares	(*)	(17)	–	(17)
Dividends	–	–	(15 840)	(15 840)
Balance at 31 March 2011	*	359 983	372 071	732 054

(*) Less than R500.

Statement of cash flows

for the year ended 31 March

	2011	2010	Period since incorporation to 31 March 2009
	R000	R000	R000
Cash generated from operations	10 984	10 949	7 675
Taxation paid	(97)	(322)	(2 234)
Dividends paid	(15 840)	(6 480)	–
Net cash (utilised in)/generated from operating activities	(4 953)	4 147	5 441
Cash flow from investing activities			
Initial investing activity	–	–	(360 000)
Finance income received	357	485	7 915
Net cash generated from/(utilised in) investing activities	357	485	(352 085)
Cash flow from financing activities			
Finance costs paid	(*)	(*)	(*)
Share capital and share premium movement	(17)	–	360 000
Money market deposit movement	100	1 000	(7 200)
Net cash generated from financing activities	83	1 000	352 800
Net (decrease)/increase in cash and cash equivalents	(4 513)	5 632	6 156
Cash and cash equivalents at the beginning of the year	11 788	6 156	–
Cash and cash equivalents at the end of the year	7 275	11 788	6 156

(*) Less than R500.

Notes to the condensed annual financial statements

for the year ended 31 March 2011

1. Basis of preparation

These condensed annual financial statements of the company have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and comply with the AC 500 standards as issued by the Accounting Practices Board and the Companies Act of 1973, as amended. These condensed annual financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and have been presented in South African rand, as this is the currency in which the majority of the company's transactions are denominated.

The significant accounting policies and methods of computation are consistent in all material respects with those applied in the previous financial year ended 31 March 2010. The significant accounting policies, critical accounting judgements and new accounting pronouncements are contained in the detail annual financial statements. There have been no material changes in judgements or estimates of amounts reported in the prior financial years.

	2011	2010	Period since incorporation to 31 March 2009
	R000	R000	R000
2. Finance income			
Interest income			
Deposits – Vodacom Group Limited	347	457	7 982
3. Financial assets			
3.1 Financial asset at fair value through profit or loss			
Vodacom South Africa option asset			
On 8 October 2008 the company acquired a 3.44% investment in Vodacom SA by obtaining ordinary shares and 'A' ordinary shares for the benefit of its shareholders as part of a Vodacom SA Broad-based Black Economic Empowerment Transaction ('BBBEE') as follows:			
7 200 000 ordinary shares at R25.00 each	180 000	180 000	180 000
82 800 000 'A' ordinary shares at R2.1739 each	180 000	180 000	180 000
75 000 000 'A' ordinary shares at R0.00001 each	1	1	1
	360 001	360 001	360 001
Accumulated fair value adjustment	415 171	512 060	602 287
	775 172	872 061	962 288
Reconciliation			
Opening balance	872 061	962 288	360 001
Fair value adjustment	(96 889)	(90 227)	602 287
Closing balance	775 172	872 061	962 288

A Monte Carlo methodology was adopted to value the option asset. The Monte Carlo simulation allows for the option model to consider the dependencies which exist between the company value, the dividends paid, the notional funding value and the remitted value. The details of the valuation is contained in the detail annual financial statements.

Notes to the condensed annual financial statements

for the year ended 31 March 2011

3. Financial assets (continued)

3.1 Financial asset at fair value through profit or loss (continued)

Vodacom South Africa option asset (continued)

Notional funding

The notional funding does not give rise to a legal obligation but only facilitates the share repurchase mechanism. The notional funding carries a 9.8% notional interest compounded daily. The company received a notional dividend on these shares calculated on the basis of the actual dividend paid to ordinary shareholders, divided by ordinary shares and 'A' ordinary shares which was used as a notional payment. The holders of ordinary shares are entitled to dividends but the holders of 'A' ordinary shares will only be entitled to dividends once the notional funding has been settled.

The closing balance as at 31 March 2011 of the notional funding loan after the notional interest and notional dividends is as follows:

	2011	2010	2009
	R000	R000	R000
Opening balance	3 341 436	3 381 048	–
Notional loan on shares contributed	–	–	3 352 500
Notional interest accrued	334 047	339 582	160 574
	3 675 483	3 720 630	3 513 074
Less: notional dividend received	(303 660)	(379 194)	(132 026)
	3 371 823	3 341 436	3 381 048

4. Accounts receivable

Vodacom Group	6 128	6 238	7 266
Prepayments	9	9	–
Other	17	–	–
	6 154	6 247	7 266

All accounts receivables are rand denominated, short-term and interest is earned at money market rates on the amount receivable from Vodacom Group.

5. Share capital

5.1 Ordinary share capital

Authorised

40.0 million (2010: 40.0 million, 2009: 40.0 million) ordinary shares at R0.00001 (2010: R0.00001, 2009: R0.00001) each.

Issued

14.4 million (2010: 14.4 million, 2009: 14.4 million) ordinary shares at R0.00001 (2010: R0.00001, 2009: R0.00001) each.

Less: 500 ordinary shares at R0.00001 each.

	*	*	*
	*	*	*
	(*)	–	–
	*	*	*

The company repurchased 500 of its ordinary shares during the 2011 financial year at par value.

The repurchased ordinary shares were cancelled as issued ordinary shares and returned to unissued authorised ordinary shares.

(*) Less than R500.

Notes to the condensed annual financial statements

for the year ended 31 March 2011

	2011	2010	2009
	R000	R000	R000
5. Share capital (continued)			
5.2 'N' ordinary shares			
Authorised			
12.0 million authorised 'N' ordinary shares at R0.00001 each.	*	*	*
Issued			
12.0 million issued 'N' ordinary shares at R0.00001 each.	*	*	*
'N' ordinary shares rank pari passu to ordinary shares other than the fact that they will not earn any dividends until the notional funding by Vodacom SA to purchase the 'A' ordinary shares in Vodacom SA is settled.			
There were no changes to the 'N' ordinary shares for the financial year ended 31 March 2011, 31 March 2010 and 31 March 2009, respectively.			
6. Ordinary share premium			
Share premium on 14.4 million (2010: 14.4 million, 2009: 14.4 million) ordinary shares issued at R24.99 (2010: R24.99, 2009: R24.99) each.	360 000	360 000	360 000
Less: 500 ordinary shares at R34.72 each.	(17)	–	–
	359 983	360 000	360 000
The amount paid for repurchased and cancelled ordinary shares were accounted for as 500 ordinary shares of R0.00001 and at a premium of R34.72.			
7. Accounts payable			
Trade accounts payable	333	366	2 451
The average credit period is 30 days (2010: 30 days, 2009: 30 days). No interest is charged on trade payables. The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.			
8. Related parties transactions			
8.1 Balances with related parties			
Accounts receivable			
Vodacom Group Limited	6 128	6 238	7 266
8.2 Transactions with related parties			
Vodacom Group Limited			
Finance income received	347	457	7 982
Vodacom (Proprietary) Limited			
Dividends received	14 720	18 382	6 400
9. Services in-kind			
The board cannot reliably determine a fair value for services received in-kind that consist primarily of participation by board members in the business of the company, and as a result does not recognise the value of these services received in income.			

(*) Less than R500.

Abridged CVs for YeboYethu directors

Current directors

Zarina Bibi Mahomed Bassa

After 23 years as a corporate executive, Zarina has chosen to set up her own business. She is currently CEO of Zarina Bassa Investments (Proprietary) Limited and executive chairman of Songhai Capital (Proprietary) Limited. Prior to this Zarina was an executive director of Absa Bank Limited, as well as an Absa Group executive committee member with full accountability for Absa Private Bank. She joined Absa Bank Limited in 2002 as Managing Executive of Absa Retail Banking and progressed to Managing Executive of Absa Private Bank and executive director for private banking of Absa Bank Limited. As a Chartered Accountant (SA) and former chair of the Auditing Standards Board, Zarina also served on the Board of the SA Institute of Chartered Accountants and was the vice president and chairman of the Association for the Advancement of Black Accountants in Southern Africa. Zarina is a former member of the JSE GAAP monitoring panel, the Accounting Standards Board and the Chartered Accountants' Eden Trust. She was previously the Finance Minister's representative on the Public Accountants' & Auditors' Board and the chairman of the Public Accountants' & Auditors' Board. She also serves on the Boards of Kumba Iron Ore Limited, Vodacom South Africa, Sun International Limited, Lewis Group Limited, the Financial Services Board, the FAIS Ombudsman, the National Business Initiative and Woolworths Financial Services of which she is deputy chairman and immediate past chairman. She is chairman of the Kumba Iron Ore Audit Committee and Risk Committee and a member of the audit committees of Sun International Limited, Lewis Group Limited, Woolworths Financial Services and the National Business Initiative. Zarina was named top woman in business at the Top Women in Business & Government Awards in 2007, as well as 2008 Top Business Personality in Financial Services: Banking in the CEO Awards.

Deenadayalen Konar (Len)

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 Development 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 chairman of the Ministered Panel for the Review of the Regulation of Accountants and Auditors. He has been an external audit committee member and chairman of the International Monetary Fund in Washington. Len also chairs and serves on the audit committees of a number of listed companies and public sector companies.

Christopher Tlhabeli Ralebitso (TC)

TC joined the 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, TC was a director of DSI Capital (Proprietary) Limited, an investment holding company he co-founded 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. TC started his career as an engineer in 1993 in research and development of energy related industrial applications of 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.

Peter Bambatha Matlare

Peter is the Chief Executive Officer for Tiger Brands Limited. He 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 Officer at the SABC. Prior to that, he was Chief Operating Officer at Primedia Limited and Chief Executive Officer 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.

Seth Radebe

Seth is the founder and Managing Director of Rebahale. He is also a non-executive director of Arthur Els Consulting Actuaries and African Cellular Towers Limited. He is the chairman of the Mogale City Municipality audit and performance committees, a board member and chairman of the audit committee of the Municipal Demarcation Board, a member of the audit and performance committees of the City of Johannesburg Metropolitan and an audit committee member of the Mangaung Local Municipality. Seth completed his articles at Deloitte & Touché and held various auditing positions with the South African Revenue Services (SARS) and Office of the Auditor General (AG). He is a member of SAICA (the South African Institute of Chartered Accountants), IIA (the Institute of Internal Auditors), IRBA (the Independent Regularity Body of Auditors) and IOD (the Institute of Directors).

Notice of annual general meeting

YEBOYETHU LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2008/014734/06)
("YeboYethu" or "the Company")

Notice is hereby given that the third annual general meeting of the Company will be held on Friday 29 July 2011, in Talk 200, Vodacom World, 082 Vodacom Boulevard, Midrand Johannesburg, South Africa at 11:00 to conduct the following business:

1. Adoption of audited annual financial statements

To receive and consider the annual financial statements for the year ended 31 March 2011.

Ordinary Resolution number 1

"RESOLVED THAT the audited annual financial statements of the Company, together with the reports of the auditors, audit committee and directors for the year ended 31 March 2011, be and are hereby received and adopted."

2. Election of directors

To elect the following by way of separate resolutions:

2.1 Ms ZBM Bassa, who is obliged to retire by rotation at this annual general meeting in accordance with the articles of association. Having so retired, Ms ZBM Bassa is eligible for re-election.

Ordinary Resolution number 2

"RESOLVED THAT Ms ZBM Bassa, be and is hereby re-elected as a director of the Company."

2.2 Dr D Konar, who is obliged to retire by rotation at this annual general meeting in accordance with the articles of association. Having so retired, Dr D Konar Bassa is eligible for re-election.

Ordinary Resolution number 3

"RESOLVED THAT Dr D Konar, be and is hereby re-elected as a director of the Company."

The profiles of the directors up for re-election may be found on page 13 of the annual report.

3. Re-appointment of Deloitte & Touche as auditors of the Company

To re-appoint Deloitte & Touche, as nominated by the Company's audit committee, as independent auditors of the Company, to hold office until the conclusion of the next annual general meeting of the Company. It is noted that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2012 is Mr B Greyling.

Ordinary Resolution number 4

"RESOLVED THAT Deloitte & Touche, be and are hereby re-appointed as the auditors of the Company to hold office until the conclusion of the next annual general meeting."

4. Appointment of members of the Audit Committee

To elect, by way of separate resolutions, the following independent non-executive directors, as members of the Company's audit committee:

Ordinary Resolution number 5

"RESOLVED THAT Ms ZBM Bassa be and is hereby re-elected as a member of the Company's Audit Committee."

Ordinary Resolution number 6

"RESOLVED THAT Dr D Konar be and is hereby re-elected as a member of the Company's Audit Committee."

Ordinary Resolution number 7

"RESOLVED THAT Mr S Radebe be and is hereby re-elected as a member of the Company's Audit Committee."

Notice of annual general meeting

5. Special business

To consider and if deemed fit, pass with or without modification the following special resolution:

Special Resolution number 1

"RESOLVED THAT the Company be and is hereby authorised to acquire ordinary shares in the Company, subject to the provisions of the Companies Act, No 71 of 2008, as amended ("the Act"), provided that:

1. The authority granted shall be valid only until the Company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this resolution;
2. Any repurchase by the Company of its ordinary shares in issue shall not in aggregate in one financial year exceed 20 000 (twenty thousand) of the Company's issued ordinary shares at the time that the authority is granted;
3. The authority may be varied or revoked by special resolution of the members prior to the next annual general meeting of the Company;

Having considered the effect of the Company of the maximum repurchase under this authority, the directors are of the opinion that:

- the Company shall meet a solvency and liquidity test as contemplated by Section 46 (g) of the Act;
- the Company will be able to pay its debts for a period of 12 (twelve) months after the date of this notice of annual general meeting;
- the assets of the Company will be in excess of the liabilities of the Company for a period of 12 (twelve) months after the date of this notice of annual general meeting which assets and liabilities have been valued in accordance with the accounting policies used in the audited annual financial statements of the Company for the year ended 31 March 2011;
- the share capital and reserves of the Company will be adequate for the ordinary course of business purposes for a period of 12 (twelve) months after the date of this notice of annual general meeting; and
- the working capital of the Company is considered adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of annual general meeting.

Reason for and effect of special resolution 1

The reason for special resolution number 1 is to comply with paragraph 12.7 of the Company's prospectus dated 30 July 2008 where the Company may repurchase the shares of deceased shareholders from their estates until the expiry of the lock-in period on September 2015. In order for the Company to do this it needs the authority to acquire its own shares. The effect of special resolution 1 is to confer authority on the Company to repurchase its own shares to a maximum of 20 000 (twenty thousand) ordinary shares per annum.

Voting and proxies

Ordinary and "N" ordinary shareholders are entitled to attend, speak and vote at the annual general meeting.

Ordinary and "N" ordinary shareholders may appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company.

In accordance with best practice, voting shall be by ballot only.

Shareholders who are unable to attend the annual general meeting and wish to be represented thereat must complete the form of proxy enclosed in accordance with the instructions therein and lodge it with or mail it to the transfer secretaries.

Forms of proxy (which form may be found enclosed) should be forwarded to reach the transfer secretaries, Computershare Investor Services (Proprietary) Limited by no later than 11:00 Thursday 28 July 2011.

The completion of the form of proxy does not preclude any shareholders attending the annual general meeting.

By order of the Board

Sandi Linfoord
Company Secretary

30 June 2011

Invitation

Shareholders who attended the annual general meeting last year may recall that a number of shareholders requested an understanding of the valuation and share trading. The directors have taken note of this and shareholders are invited to attend a presentation on the valuation, share trading and other items relating to the annual general meeting which will be held just prior to the third annual general meeting at 09:00 until 10:30 in Talk 200, Vodacom World, 082 Vodacom Boulevard, Midrand Johannesburg, South Africa.

This presentation will be provided by Vodacom SA and be facilitated by a senior manager who is fluent in both Zulu and Sotho.

Programme for Friday 29 July 2011:

08:30	Arrival and registration with the transfer secretary
09:00 – 09:45	Presentation on valuation
09:45 – 10:30	Presentation on share trading
11:00	Annual general meeting

At the conclusion of annual general meeting, a light lunch will be served. Shareholders may also use this time to update their records with the transfer secretary.

Form of proxy

YEBOYETHU LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 2008/014734/06)
 ("YeboYethu" or "the Company")

I/We _____ (name in BLOCK LETTERS)

of _____ (address in BLOCK LETTERS)

Being a member/members of the Company holding _____ (ordinary shares)

do hereby appoint:

of _____

or failing him/her _____

of _____

or _____

or failing him/her, the Chairman of the annual general meeting as my/our proxy to represent me/us at the annual general meeting to be held on Friday 29 July 2011 at 11:00 or at any adjournment thereof as follows:

	Number of ordinary shares		
	For	Against	Abstain
1. Ordinary resolution number 1 Adoption of annual financial statements			
2. Ordinary resolution number 2 Re-election of Ms ZBM Bassa as a director			
3. Ordinary resolution number 3 Re-election of Dr D Konar as a director			
4. Ordinary resolution number 4 Re-appointment of Deloitte & Touche as auditors of the Company			
5. Ordinary resolution number 5 Appointment of Ms ZBM Bassa as a member of the audit committee of the Company			
6. Ordinary resolution number 6 Appointment of Dr D Konar as a member of the audit committee of the Company			
7. Ordinary resolution number 7 Appointment of Mr S Radebe as a member of the audit committee of the Company			
8. Special resolution number 1 General authority to repurchase shares in the Company			

(Indicate with an "x" or the relevant number of shares, in the applicable space, how you wish your votes to cast).

Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed at _____ this _____ day of _____ 2011

Signature of member _____ assisted by (where applicable)

Please read the notes on the reverse side hereof.

Notes to the form of proxy

1. A member entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, vote and speak in his/her stead at the annual general meeting. A proxy need not be a member of the Company.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space(s) provided, with or without deleting "the Chairman of the annual general meeting", but any such deletion or insertion must be initialed by the shareholder. Any insertion or deletion not complying with the foregoing will be declared not to have been validly effected. The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairman of the annual general meeting.
3. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's vote exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the shareholder or by his/her proxy.
4. To be effective, completed forms of proxy must be lodged with the Company's transfer secretaries, Computershare Investor Services (Proprietary) Limited, no less than 48 hours before the time appointed for the holding of the annual general meeting, excluding Saturdays, Sundays and public holidays. As the annual general meeting is to be held at 11:00 on Friday 29 July 2011 forms of proxy must be lodged no later than 11:00 on Thursday 28 July 2011. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat instead of any proxy appointed in terms hereof.
5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat instead of any proxy appointed in terms hereof.
6. The Chairman of the annual general meeting may reject or accept any form of proxy which is not completed and/or received other than in compliance with these notes.
7. Any alterations to this form of proxy, other than a deletion of alternatives, must be initialed by the signatory.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be enclosed to this form of proxy unless previously recorded by the Company or the transfer secretaries or waived by the Chairman of the annual general meeting.
9. Where there are joint holders of shares:
 - Any one holder may sign this form of proxy; and
 - The vote of the senior shareholder (for that purpose, seniority will be determined by the order in which the names of the shareholders appear in the Company's register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholders.

Transfer secretaries:

Computershare Investor Services (Proprietary) Limited
70 Marshall Street
Johannesburg 2011
PO Box 61051, Marshalltown 2107
Telephone: 011 370 5000
Call Centre: 086 110 09818

