

GLOSSARY

* All amounts in this integrated report marked with an "*" represent normalised growth adjusted for foreign exchange and at a constant currency (using current year as base) (collectively 'foreign exchange'). Also refer to the normalised growth reconciliation on page 74.

Information pertaining to South Africa only.

‡ These items were included as part of our assurance process for the current year.

2G 2G networks are operated using global system for mobile ('GSM') technology which offer services such as voice, text messaging and basic data. In addition, the entire Group's controlled networks support general packet radio services ('GPRS'), often referred to as 2.5G. GPRS allows mobile devices to access internet protocol ('IP') based data services such as the internet and email.

3G A cellular technology based on wideband code division multiple access ('CDMA') delivering voice and data services.

LTE/4G 4G or long-term evolution ('LTE') technology offers even faster data transfer speeds than 3G/HSPA.



Active customers[‡]

Active customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active while roaming.

Active data customers[‡]

Number of unique customers who have generated revenue related to any data activities in relation to mobile data revenue (this excludes SMS and MMS messaging users) in the reported month. A user is defined as being active if they are paying for a contractual monthly fee for this service or have used the service during the reported period.

ARPU

Total ARPU is calculated by dividing the average monthly service revenue by the average monthly active customers during the period.



BBBEE

Broad-based Black Economic Empowerment is a programme launched by the South African Government to redress the inequalities by giving previously disadvantaged groups opportunities previously not available to them. It includes measures such as employment equity, skills development, ownership, management, socioeconomic development and preferential procurement.

Black

Black has the meaning 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.

Brand leadership

The Brand and Campaign tracking study provides an understanding into category behaviours and attitudes towards telecom brands. One of the key objectives is to ascertain where our brand is positioned against our personality and differentiation pillars as per the brand framework. Brand consideration is the key indicator which drives brand adoption and usage. While brand preference is a key indicator of brand loyalty.

Broadband

Broadband is a method of measuring the capacity of different types of transmission. Digital bandwidth is measured in the rate of bits transmitted per second ('bps'). For example, an individual ISDN channel has a bandwidth of 64 kilobits per second ('kbps'), meaning that it transmits 64 000 bits (digital signals) every second.

Business travel emissions (Scope 3)[‡]

Tonnes of CO₂ arising from business travel which includes air travel, hotel accommodation and car rental (Scope 3 business travel emissions) for the 12 months ended 31 March 2015. Scope 3 emissions are indirect emissions, other than purchased electricity, which can be described as relevant to the activities of the reporting Company such as air travel, hotel accommodation and car rental. The measurement basis is based on the actual number of:

1. Kilometres travelled for car hire;
2. Air miles travelled (air travel); and
3. Hotel nights.

**Churn**

Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly customers during the period.

**EBITDA**

Earnings before interest, taxation, depreciation, amortisation, impairment losses, profit/loss on disposal of investments, property, plant and equipment and intangible assets and investment properties.

EDGE

In most of our networks we also provide an advanced version of GPRS called enhanced data rates for GSM evolution ('EDGE'). This provides download speeds of over 200 kilobits per second ('kbps') to customers.

Electricity emissions (Scope 2)*

Tonnes of CO₂ arising from electricity consumption of access and core network, data centres and buildings nationwide (Scope 2 electricity emissions) for the 12 months ended 31 March 2015. Scope 2 emissions are associated with the consumption of purchased electricity from a source that is not owned or controlled by the reporting Company. Under the GHG Protocol, "Indirect" sources are those emissions related to the Company's activities that are emitted from sources owned or controlled by another Company.

Engagement Index‡

The Engagement Index is based on the percentage of people who responded to seven questions included in the People Survey:

1. Overall, how do you rate Vodacom as a place to work compared to other organisations you know about?
2. I'm proud to work for Vodacom.
3. I'm proud to work for my local market/Group function.
4. Considering everything, how satisfied are you at Vodacom at the present time?
5. I feel motivated to do more than is expected of me to get the job done.
6. Would you recommend Vodacom to family or friends as a place to work?
7. Given my choice, I plan to continue working for Vodacom for ... years.

The measurement basis for calculating the Engagement Index is based on a geometric mean of the seven questions. On a scale from 1 to 5, a rating is attached by translating each score to a specific weighting, which is then divided by the total number of respondents.

**Fibre rings**

The fibre rings have come to be used in many fibre networks as they provide more network resiliency; if there is a failure along a route and a ring is broken, the direction of the traffic can be reversed and the traffic will still reach its final destination.

Fibre to the X (FTTx)

The number of fixed line connections in South Africa which includes Fibre to the Home ('FTTH') and Fibre to the Business ('FTTB').

FICA

Financial Intelligence Centre Act, 38 of 2001.

Free cash flow

Cash generated from operations less additions to property, plant and equipment and intangible assets, proceeds on disposal of property, plant and equipment and intangible assets, tax paid, net finance charges paid and net dividends received/paid to minority shareholders.

Fuel emissions (Scope 1)*

Tonnes of CO₂ arising from diesel usage at the office buildings, generators and Company-owned vehicles (including petrol usage for Company-owned vehicles) (Scope 1 fuel emissions), for the 12 months ended 31 March 2015. Scope 1 emissions are from sources owned or controlled by the reporting Company in relation to diesel consumption relating to generators used and Company owned vehicles (including petrol usage).

**GSMA**

Group Special Mobile Association.

**HEPS**

Headline earnings per share. Refer to page 67 for HEPS reconciliation.

HSPA

High-speed packet access or third generation ('3G') is a wireless technology operating wideband code division multiple access ('W-CDMA') technology, providing customers with voice, video telephony, multimedia messaging and high-speed data services.

GLOSSARY continued

**ICT**

Information and communications technology includes any communication device or application, encompassing: radio, television, mobile phones, computer and network hardware and software, satellite systems and so on, as well as the various services and applications associated with them, such as video conferencing and distance learning.

IFRS

International Financial Reporting Standards.

Interconnect

Refers to the joining of two or more telecommunications networks. Networks need to interconnect to enable traffic to be transmitted to and from destinations. The amounts paid and received by the operators vary according to distance, time, the direction of traffic, and the type of networks involved.

International

International comprises the segment information relating to the non-South African-based cellular networks in Tanzania, the Democratic Republic of Congo, Mozambique and Lesotho, as well as the operations of Vodacom International Limited, Vodacom Business Africa and Gateway Carrier Services.

**JIBAR**

Johannesburg Interbank Agreed Rate.

JSE

JSE Limited.

**King III**

King Report on Governance in South Africa 2009.

**LTE**

Long-term evolution technology is an LTE/4G technology which offers even faster data transfer speeds than 3G/HSPA, increases network capacity and is able to deliver sustained customer throughputs of between 6 – 12 mbps in real network conditions.

**Microwave**

Radio transmission using very short wavelengths.

Minutes of use ('MOU')

MOU per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly active customers during the period.

Mobile broadband devices

All broadband connection devices, including data cards, dongles and embedded modems.

Mobile internet

Browser based access to the internet or web applications using a mobile device, such as a smartphone, connected to a wireless network.

Mobile termination rate ('MTR')

A per minute charge paid by a telecommunications network operator when a customer makes a call to another mobile or fixed-line network operator.

m-pawa

A savings and loans product based on a mobile platform.

m-pesa

A mobile payment solution that enables customers to complete simple financial transactions by mobile phone.

MPLS

Multiprotocol label switching ('MPLS') is a standards-approved technology for speeding up network traffic flow and making it easier to manage.

M2M

Machine-to-machine. M2M communications, or telemetry, enable devices to communicate with one another via built-in mobile SIM cards.

**n/a**

Not applicable.

n/m

Not measured.

Net Promoter Score[‡]

Net Promoter Score is a measure of the relationship between customers and brand that is predictive of growth. The Net Promoter Score is based on customer recommendation in the form of the question: "Would you recommend your operator to family/friends/colleague?" The likelihood to recommend is measured on a 1 to 10 scale for which a median score is calculated and expressed as a percentage of customers who participated with "5" being introduced as a neutral point.

**Operating expenses to service revenue[‡]**

Operating expenses to service revenue is calculated using the total operating expenses for the year, excluding direct expenses, depreciation, amortisation and trading foreign exchange as a percentage of service revenue as disclosed in the financial results for the year ended 31 March 2015.

Operating free cash flow

Cash generated from operations less additions to property, plant and equipment and intangible assets other than licence and spectrum payments and purchases of customer bases, net of proceeds on disposal of property, plant and equipment and intangible assets, other than licence and spectrum payments and disposals of customer bases.

[‡] Measurement criteria for assured KPIs.

**Penetration**

Number of SIMs in a country as a percentage of the country's population. Penetration can be in excess of 100% due to customers owning more than one SIM.

**RAN**

Radio access network is part of a mobile telecommunications system which conceptually sits between the mobile phone and the base station.

Reputation Index

The index reflects the definition of reputation which is a measure of the overall levels of reputation and trust. Stakeholders are asked to provide a score (i.e. feedback) on both overall reputation and trust. The measurement basis for calculating the Reputation Index is based on the average mean calculated per country based on a rating scale of 1 to 10 for which a median score is calculated and expressed as a percentage of stakeholders who participated in the survey. A total average is then calculated by totalling each country's individual average and dividing it by the total number of countries. The questions used in the survey relate to the overall impression and trust that stakeholders have for Vodacom.

Roaming

Allows our customers to make calls on other operators' mobile networks while travelling abroad.

**Simplicity Score[‡]**

Simplicity Score % is based on the percentage of people who have responded favourably to the People Survey question of: "My local market/group function operates with simplicity." The measurement basis for calculating the Simplicity Score is based on an average mean calculated using the total favourable responses divided by the total number of respondents. Only scores that have been rated "strongly agree" and "agree" are used in this calculation.

SIM penetration

Number of SIMs in a country as a percentage of the country's population. Penetration can be in excess of 100% due to customers owning more than one SIM.

Smartphone

A smartphone is a mobile phone offering advanced capabilities, including access to email and the internet.

Smart devices

Smart devices include smartphones, tablets and modems.

South Africa

Vodacom South Africa is commonly referred to as South Africa in the integrated report. It relates to Vodacom (Pty) Limited, a private limited liability company duly incorporated in accordance with the laws of South Africa and its subsidiaries, joint ventures and SPVs.

Spectrum

The radio frequency bands and channels assigned for telecommunication services.

Speed Score[‡]

Speed Score % is based on the percentage of people who have responded favourably to the People Survey question: "My local market/group function operates with speed." The measurement basis for calculating the Speed Score is based on an average mean calculated using the total favourable responses divided by the total number of respondents. Only scores that have been rated "strongly agree" and "agree" are used in this calculation.

Switch

A computer that acts as a conduit and director of traffic. It is a means of sharing resources on a network.

**Tablet**

A tablet is a slate-shaped, mobile or portable, casual computing device equipped with a finger-operated touchscreen or stylus, for example, the Apple iPad.

TSR

Total shareholder returns consist of the aggregate share price appreciation and dividend yield.

Traffic

Traffic comprises total traffic registered on Vodacom's mobile network, including bundled minutes, promotional minutes and outgoing international roaming calls, but excluding national roaming calls, incoming international roaming calls and calls to free services.

**Vodafone**

Vodafone Group Plc ultimately controls the Vodacom Group and owns 65.0% of the issued shares through Vodafone Holdings SA (Pty) Limited and Vodafone Investments SA (Pty) Limited. Vodafone Group Plc is incorporated and domiciled in the United Kingdom.