

YeboYethu (RF) Limited
(Incorporated in the Republic of South Africa)
Registration number: 2008/014734/06
Share code: YYLBEE
ISIN: ZAE000218483

Condensed interim financial statements for the six months ended 30 September 2016

21 November 2016

Overview - understanding the performance of your investment

YeboYethu (RF) Limited ('YeboYethu') was established as part of Vodacom (Pty) Limited's (Vodacom SA) Broad-based Black Economic Empowerment ('BBBEE') transaction in October 2008 for the sole purpose of acquiring a 3.44% interest in Vodacom SA. Since inception more than 100 000 Black investors have held a stake in Vodacom SA through YeboYethu. The financial success of YeboYethu is therefore fundamentally linked to the performance of Vodacom SA.

Vodacom SA is a leading mobile communications company providing a wide range of communication services, including voice, messaging, data and converged services to over 35 million customers in South Africa.

This announcement reviews the material issues facing Vodacom SA and its performance for the six months ended 30 September 2016. It also explains the performance of YeboYethu and provides important information relating to the affairs of YeboYethu. Shareholders are advised to visit the YeboYethu website for important additional information.

Internet address: www.yeboyethu.co.za
Email us at: support@yeboyethushares.co.za

Call centre: 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone)

Vodacom SA

Service revenue grew 5.6% to R25 463 million aided by strong customer net additions and increased data demand. Revenue grew 3.8% to R31 446 million, impacted by a 5.2% decrease in equipment revenue as a result of lower sales volumes as consumer spending remained under pressure and the pricing of devices was impacted by the weaker performance of the rand against foreign currency.

Active customers grew strongly, reaching 35.7 million, with 1.5 million net customer additions in the first half of the year. Vodacom SA's strategy of delivering the best network and offering value for money continues to both attract and retain customers. Active prepaid customers increased 1.4 million to 30.6 million, as Vodacom SA attracted value-seeking customers looking to optimise spend. The take up of personalised 'Just 4 You' offers has led to an improvement in Vodacom SA's value perception with customers. Prepaid voice bundle purchases increased 26.8% to 447 million bundles reducing the pace of voice revenue declines for the past four quarters. These personalised offers provide affordability for customers and resulted in a 15.4% reduction in the prepaid effective price per minute, as Vodacom SA continues to make the cost of communication more affordable.

Customers continue to choose Vodacom SA for its superior network and the differentiated customer experience that it delivers through its customer CARE programme. Vodacom SA added 131 000 contract customers, reduced contract customer churn to 5.1% and increased contract average revenue per user ('ARPU') by 5.4% to R408.

Data revenue grew 19.5% to R9 876 million and comprises 38.8% of service revenue up from 34.3% a year ago. This has been supported by active data customers increasing 4.1% to 18.2 million and increased data traffic which grew 38.4%. This growth was a result of increased bundles sold, greater data coverage and customers migrating to 3G and 4G devices. Vodacom SA's 'Just 4 You' offers on data propelled growth in data bundle sales by 47.1% to over 223 million bundles in the period. Vodacom SA's focus on improving the value offered to customers resulted in a 13.0% reduction in the price per megabyte, and a 61% decline over the last four years. 9.3 million of its data customers are now purchasing data bundles. Active 4G customers on the network increased 88.9% to 3.6 million with the average monthly data usage on smart devices increasing 14.4% to 629MB. This has resulted in an overall ARPU uplift of 23.7% as customers migrate from 3G to 4G and 17.9% as customers migrate from 2G to 3G.

Enterprise continues to deliver strong revenue growth, up 8.9% and now contributes 24.1% (2016: 22.7%) of service revenue. Growth was supported by new customer wins in mobile, with mobile customer revenue growing 9.2% to R3 846 million. Vodacom SA has secured South Africa's national and provincial government department's mobile voice and data communications contract for a period of four years. This award will enable Vodacom SA to partner with government to support greater innovation. Internet of things (IoT), connections increased 27.7% to 2.6 million. Vodacom SA continues with its strategic partnerships with IBM, SAP HANA and Microsoft 365 to build on fixed-line, cloud and managed services businesses.

EBITDA growth was strong at 6.1% to R13 013 million supported by good revenue growth and a continued focus on cost efficiencies. The changes Vodacom SA made through its 'fit for growth' cost savings programme over the past two years has enabled it to achieve 0.9ppts EBITDA margin expansion to 41.4%. Vodacom SA benefitted from channel efficiencies, commission savings, improved stock management and received a one-off boost from bad debt recoveries. Other cost initiatives included self-providing more of its mobile backhaul transmission and renegotiation of key contracts with suppliers. These cost saving initiatives have assisted in offsetting higher network operating costs due to its accelerated capex programme and a trading forex loss of R77 million (2016: R71 million gain).

Capital expenditure of R4 056 million allowed Vodacom SA to substantially widen 3G and 4G data coverage, improve voice quality and increase data speeds. 3G coverage increased to 99.2% of the population and 4G coverage to 68.7%, up from 46.8% a year ago. Vodacom SA extended high-speed transmission to 89.8% of its sites. Good progress on fibre deployment by entering into strategic wholesale agreements to sell services through other network providers was made and development of Vodacom SA's new customer management and billing systems to future proof its operations was completed with 70% of its contract customers migrated to this new platform.

Vodacom SA's customer CARE programme has enabled it to increase its lead to 16 points over the nearest competitor as measured through the Net Promoter Score. Vodacom SA has substantiated its best network promise with its dropped call compensation guarantee, giving customers free minutes for calls dropped on its network. Vodacom SA has further enhanced its MyVodacom App, enabling customers to purchase personalised 'Just 4 You' bundles in the app and have made its 24/7 call centre support available free of charge while roaming.

YeboYethu - numbers explained

The condensed interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of IFRS and in accordance with and containing the information required by IAS 34 as issued by the IASB, the Financial Reporting Guides as issued by the SAICA Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of 2008, as amended. The results have been presented together with the results for the six months ended 30 September 2015 and year ended 31 March 2016.

1. Growth excluding the impact from the acquisition of Autopage in the prior year and X-Link.

An explanation of the significant items contained in the YeboYethu condensed statement of comprehensive income for the period is provided below:

- YeboYethu recorded dividends received of R11.9 million in the current period, R10.9 million in the prior period and R18.7 million for the financial year ended 31 March 2016.
- During the six months ended 30 September 2016, YeboYethu incurred expenses of R2.5 million, an increase of 103.4% from R1.3 million in the prior period. The expenses incurred are mainly attributable to the printing and postage of the annual report the cost of hosting the special general meeting and transfer secretary costs. The costs of the JSE listing were borne by Vodacom SA.
- YeboYethu recorded a gain of R10.6 million in the current period on the valuation of the financial asset compared to the gain of R57.7 million in the prior period ended 30 September 2015. The financial asset is the YeboYethu call option that allows Vodacom SA to purchase a number of Vodacom SA 'A' ordinary shares from YeboYethu at the end of the facilitation period (October 2018). This is required so that YeboYethu can settle any outstanding balance on the "notional loan" provided to YeboYethu at this time. It is important to consider that Vodacom SA's BBBEE transaction is a long-term investment, which, through the 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.

YeboYethu hosted its eight annual general meeting ('AGM') on 14 October 2016, where shareholders approved the annual financial statements for the year ended 31 March 2016, voted on the election of directors, appointed PricewaterhouseCoopers Inc. as auditors and appointed the members of the audit committee. Prior to the AGM, shareholders were provided with a presentation on how to register and trade their shares on the Johannesburg Stock Exchange. The results of the AGM are available on www.yeboyethu.co.za

Dividends

Dividends are declared and paid annually as per the dividend policy. The final dividend of R16.0 million for the 2016 financial year was declared on 5 May 2016 and paid on 31 May 2016.

YeboYethu Share trading

Shareholders are advised that no registration or verification will take place via Vodacom or the Post Office. Our dedicated call centre, Velocity and Link walk-in centre and YeboYethu website are the only channels through which shareholders and potential investors can register, verify and access detailed information.

Shareholders may contact Velocity through its call centre: 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone), by email: support@yeboyethushares.co.za or at the walk-in centre. Velocity Trade Financial Services (Proprietary) Limited, 200 on Main, 1st floor, Main Road, Claremont, Cape Town 7708. Link Market Services South Africa (Proprietary) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001.

Condensed statement of comprehensive income

	Notes	Six months ended		Year ended
		2016	2015	2016
R000		Reviewed	Reviewed	Audited
Income		11 932	10 950	18 700
Expenditure		(2 548)	(1 253)	(3 463)
Operating profit		9 384	9 697	15 237
Finance income		437	463	981
Finance cost		(*)	(*)	(*)
Gains on remeasurement of financial instrument	3	10 596	57 710	194 495
Profit before tax		20 417	67 870	210 713
Taxation		(4 747)	(10 891)	(71 141)
Net profit		15 670	56 979	139 572
Total comprehensive income		15 670	56 979	139 572
(*) Less than R500.				
		Cents	Cents	Cents
Basic earnings per share	2	108,9	395,8	969,6
Diluted earnings per share	2	79,7	297,1	713,3

Condensed statement of financial position

	Notes	As at 30 September		As at 31 March
		2016 Reviewed	2015 Reviewed	2016 Audited
R000				
Non-current assets		1 292 616	1 145 235	1 282 020
Financial assets	3	1 292 616	1 145 235	1 282 020
Current assets		18 632	19 638	22 717
Accounts receivable		14 296	3 839	17 714
Tax receivable		-	3	-
Restricted cash	9	276	2 711	1 227
Cash and cash equivalents	9	4 060	13 085	3 776
Total assets		1 311 248	1 164 873	1 304 737
Equity and liabilities				
Share capital		*	*	*
Ordinary share premium		359 883	359 883	359 883
Retained earnings		734 155	650 905	733 498
Total equity		1 094 038	1 010 788	1 093 381
Non-current liability		208 927	146 448	206 553
Deferred tax		208 927	146 448	206 553
Current liabilities		8 283	7 637	4 803
Accounts payable	4	2 572	2 957	1 690
Tax payable		2 233	-	3
Bank overdraft		19	-	-
Dividends payable	9	3 459	4 680	3 110
Total equity and liabilities		1 311 248	1 164 873	1 304 737

(*) Less than R500.

Condensed statement of changes in equity

	Share capital and ordinary share premium	Retained earnings	Total equity
R000			
Balance at 1 April 2016	359 883	733 498	1 093 381
Net profit	-	15 670	15 670
Net dividends	-	(15 013)	(15 013)
Balance at 30 September 2016-Reviewed	359 883	734 155	1 094 038
Balance at 1 April 2015	359 883	607 746	967 629
Net profit	-	56 979	56 979
Net dividends	-	(13 820)	(13 820)
Balance at 30 September 2015-Reviewed	359 883	650 905	1 010 788
Balance at 1 April 2015	359 883	607 746	967 629
Net profit	-	139 572	139 572
Net dividends	-	(13 820)	(13 820)
Balance at 31 March 2016-Audited	359 883	733 498	1 093 381

Condensed statement of cash flows

	Six months ended 30 September		Year ended 31 March
	2016 Reviewed	2015 Reviewed	2016 Audited
R000			
Cash flow from operating activities			
Cash generated from operations	9 313	9 785	15 513
Tax paid	(143)	(133)	(271)
Dividends paid	(14 664)	(11 664)	(13 235)
Net cash flows (utilised in)/generated from operating activities	(5 494)	(2 012)	2 007
Cash flows from investing activities			
Finance income received	437	463	981
Net cash flows generated from investing activities	437	463	981
Cash flows from financing activities			
Finance cost paid	(*)	(*)	(*)
Intergroup overnight deposit movement	5 322	11 487	(2 359)
Net cash flows generated from/(utilised in) financing activities	5 322	11 487	(2 359)
Net movement in cash and cash equivalents	265	9 938	629
Cash and cash equivalents at the beginning of the period/year	3 776	3 147	3 147
Cash and cash equivalents at the end of the period/year	4 041	13 085	3 776

(*) Less than R500.

Notes to the condensed interim financial statements

1. Basis of preparation

The condensed interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of IFRS and in accordance with and containing the information required by IAS 34 as issued by the IASB, the Financial Reporting Guides as issued by the SAICA Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of 2008, as amended. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and are presented in South African rand, which is the company's functional and presentation currency.

The significant accounting policies, judgements, estimates of amounts and methods of computation are consistent in all material respects with those applied in the annual financial statements for the year ended 31 March 2016. The significant accounting policies are available for inspection at the company's registered office.

The company adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the company from 1 April 2016, none of which had any material impact on the company's financial results for the year.

Full details on changes in accounting policies will be disclosed in the company's annual financial statements for the year ending 31 March 2017.

	Six months ended 30 September		Year ended 31 March
	2016 Reviewed	2015 Reviewed	2016 Audited
Cents			
2. Earnings and dividends per share			
Basic earnings per share	108,9	395,8	969,6
Diluted earnings per share	79,7	297,1	713,3
Headline earnings per share	108,9	395,8	969,6
Diluted headline earnings per share	79,7	297,1	713,3
Dividends per share	-	-	111,0

Earnings per share calculations are based on earnings and the weighted average number of ordinary shares outstanding as set out below:

	Six months ended 30 September		Year ended 31 March
	2016 Reviewed	2015 Reviewed	2016 Audited
R000			
2.1 Earnings reconciliation			
Earnings, attributable to equity shareholders, for basic and diluted earnings per share	15 670	56 979	139 572
Headline earnings for headline and diluted headline earnings per share	15 670	56 979	139 572

This disclosure is a requirement of the JSE Limited and is not a recognised measure under IFRS. It has been calculated in accordance with Circular 2/2015 as issued by SAICA.

	Six months ended 30 September		Year ended 31 March
	2016	2015	2016
2.2 Reconciliation of weighted average number of ordinary shares outstanding			
For basic and headline earnings per share	14 395 300	14 395 300	14 395 300
'N' ordinary shares convertible into ordinary shares	5 260 403	4 782 399	5 172 801
For diluted earnings and diluted headline earnings per share	19 655 703	19 177 699	19 568 101

On the YeboYethu Employee Participation Trust's conversion date, 30 September 2018, each 'N' share shall automatically convert into one ordinary share with a simultaneous repurchase of a variable number of shares at par value. The variable number of shares will be calculated based on a specified formula which takes into account the outstanding balance of the notional loan and the underlying value of the shares held in Vodacom SA. The formula ensures that the YeboYethu Employee Participation Trust will, after Vodacom SA's repurchase of a portion of the Vodacom SA shares held by the company and the consequent repurchase by the company of a portion of the company's shares held by the YeboYethu Employee Participation Trust, hold that percentage shareholding in the company as is equal to the YeboYethu Employee Participation Trust 'A' shares held by the company, as a percentage of all Vodacom SA shares held by it.

3. Financial assets

The company acquired a 3.44% investment in Vodacom SA during the 2009 financial year by obtaining ordinary shares and 'A' ordinary shares for the benefit of its shareholders as part of the BBBEE transaction as follows:

	As at 30 September		As at 31 March
R000	2016 Reviewed	2015 Reviewed	2016 Audited
Financial asset at fair value through profit or loss			
Vodacom South Africa option asset			
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	932 615	785 234	922 019
	1 292 616	1 145 235	1 282 020
Reconciliation			
Opening balance	1 282 020	1 087 525	1 087 525
Fair value adjustment	10 596	57 710	194 495
Closing balance	1 292 616	1 145 235	1 282 020

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 among the company value, the dividends paid, the notional funding value and the remitted value. The information on the valuation is available for inspection at the company's registered office.

Within the Monte Carlo method, the following input parameters were used to simulate the Vodacom SA option asset value: the equity value of the underlying share at the valuation date, the expected dividend yield of the underlying share over the life of the option, the expected volatility of the underlying share over the life of the option, and the risk-free interest rate over the life of the model. In addition to these, the strike price is based on the simulated closing balance of the notional funding at maturity date.

The fair value of R1 292 million (30 September 2015: R1 148 million, 31 March 2016: R1 282 million) was calculated using the following assumptions as at 30 September 2016:

- The risk-free interest rates were determined from the South African interest rate swap zero curve, which is based on inputs from money-market and interest rate swap rates on the valuation date;
- The dividend yield was based on Vodacom SA's forecasted earnings and dividend policy based on a range from 31 March 2017 of 3.22% to 30 September 2018 of 5.64% (30 September 2015: 31 March 2016 of 3.12% to 30 September 2018 of 5.45%, 31 March 2016: 30 May 2016 of 1.29% to 30 September 2018 of 5.71%);
- Maturity date - 30 September 2018;
- Volatility was calculated by applying the equally weighted methodology to the historical share price data of Vodacom Group Limited. The Vodacom Group Limited volatility was applied as a proxy for Vodacom SA, calculated at a two years equally weighted volatility of 20.65% as at 30 September 2016, three years equally weighted volatility of 23.63% as at 30 September 2015 and two and a half years equally weighted volatility of 22.69% as at 31 March 2016, respectively.

- Strike price - the notional funding as at valuation date provided by Vodacom SA amounted to R4 848 million (30 September 2015: R5 157 million, 31 March 2016: R5 082 million). Interest accrues at a notional rate of 8.0% NACD (30 September 2015: 8% NACD, 31 March 2016: 8.0% NACD). The simulated notional funding balances at maturity represents the strike price; and
- The equity value of Vodacom SA was estimated at R120 013 million by applying the results of the five year Long Range Plan (LRP) forecast as the inputs into the Adjusted Present Value methodology. The terminal year free cash flow value is based on the final year of the LRP, capitalised into perpetuity. The cash flow projections are based on the five year LRP approved by the board.
- Key cash flow assumptions included market share, revenue per user, EBITDA margin and revenue growth.
- Key equity value assumptions include the perpetual growth rate of 2.68% (30 September 2015: 3.59%, 31 March 2016: 2.93%), the pre-tax cost of debt of 9.39% (30 September 2015: 7.66%, 31 March 2016: 8.73%) and cost of equity of 13.25% (30 September 2015: 12.37%, 31 March 2016: 13.59%). The discount rate used in the valuation model includes a risk free rate of 8.85% (30 September 2015: 7.97%, 31 March 2016: 9.19%), market risk premium of 5.50% (30 September 2015: 5.50%, 31 March 2016: 5.50%), lack of control discount of 10.00% (30 September 2015: 10.00%, 31 March 2016: 10.00%) and marketability discount of 5.00% (30 September 2015: 5.00%, 31 March 2016: 5.00%), respectively.

Our calculations indicate that the acceptable range of equity values for Vodacom SA, would be a range of up to 10.0% higher or lower than the equity value used in the determination of the option value. The following table shows the sensitivity of the fair value of the option asset to this reasonable alternative range of assumptions as at 30 September 2016, 30 September 2015 and 31 March 2016, respectively:

	Favourable change	Unfavourable change
30 September 2016		
Total change from base (Rm)	376	(350.5)
Total change from base (%)	29,1%	(27.1%)
30 September 2015		
Total change from base (Rm)	307,2	(322.5)
Total change from base (%)	26,8%	(28.2%)
31 March 2016		
Total change from base (Rm)	363,2	(337.9)
Total change from base (%)	28,3%	(26.4%)

It is therefore important that shareholders and other users of these financial statements understand the sensitivity of the option value actually recorded to changes in any or all of the assumptions used in determining the option value.

Notional funding

The notional funding does not give rise to a legal obligation but only facilitates the share repurchase mechanism. Initially, the notional funding carried an interest rate of 9.8% compounded daily. The interest rate was however reduced to 8.0% compounded daily from 1 April 2015 onwards. The company received a notional dividend on these shares calculated on the basis of the actual dividend paid to ordinary shareholders. 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 30 September 2016 of the notional funding after the interest and dividends for the employee scheme and black public and business partners is as follows:

	As at 30 September		As at 31 March
	2016 Reviewed	2015 Reviewed	2016 Audited
R000			
Reconciliation of notional funding			
Opening balance	3 005 118	3 139 587	3 139 587
Notional interest accrued	121 472	126 892	251 313
	3 126 590	3 266 479	3 390 900
Less: notional dividend received	(246 142)	(225 908)	(385 782)
Closing balance	2 880 448	3 040 571	3 005 118
4. Accounts payable			
Supplier accounts payable	2 296	246	463
Exchange/over-the-counter trading account	276	2 711	1 227
	2 572	2 957	1 690

The average credit period is 30 days (six months period ended 30 September 2015: 30 days, year ended 31 March 2016: 30 days). No interest is charged on trade payables.

5. Related parties

All transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions. The company does not pay remuneration to directors (Refer Note 8).

	As at 30 September		As at 31 March
R000	2016 Reviewed	2015 Reviewed	2016 Audited
5.1 Balances with related parties			
Accounts receivable			
Vodacom Group Limited	12 343	3 819	17 665
5.2 Transactions with related parties			
Vodacom Group Limited			
Finance income received	289	310	981
Vodacom Proprietary Limited			
Dividends received	11 932	10 950	18 700
The Innovator Trust (entity within the Vodacom Group structure)			
Dividends paid	(1 183)	(606)	(606)

6. Carrying amounts of financial instruments

Carrying amounts of financial instruments analysed by category are as follows:

	As at 30 September		As at 31 March
R000	2016 Reviewed	2015 Reviewed	2016 Audited
Assets			
Financial assets at fair value through profit or loss	1 292 616	1 145 235	1 282 020
Available-for-sale financial asset	*	*	*
Loans and receivables	18 337	16 905	21 441
	1 310 953	1 162 140	1 303 461
Liabilities			
Financial liabilities measured at amortised cost	5 774	4 926	3 573
(*) Less than R500.			

7. Fair value hierarchy

An analysis of the financial instrument, Vodacom SA option asset, measured at fair value and disclosed as level three based on the degree to which the fair value is observable, is as follows:

	As at 30 September		As at 31 March
R000	2016 Reviewed	2015 Reviewed	2016 Audited
Level three			
Financial assets at fair value through profit or loss, classified as held for trading			
Vodacom SA option asset (Refer Note 3)	1 292 616	1 145 235	1 282 020
Level three uses data inputs for the valuation of the asset that are not based on observable market data.			
Reconciliation of fair value			
Measurement in level three			
Opening balance	1 282 020	1 087 525	1 087 525
Recognised in net gains on remeasurement and disposal of financial instruments	10 596	57 710	194 495
Closing balance	1 292 616	1 145 235	1 282 020

8. 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.

9. Prior period reclassification

In March 2016, the following reclassifications were made pertaining to the prior period:

- The unclaimed dividends payable to shareholders previously disclosed on a net basis in cash and cash equivalents were reclassified to disclose the gross cash and related dividends payable on the statement of financial position;
- The restricted cash which belongs to shareholders or potential shareholders trading on the over-the-counter trading facility was removed from the cash and cash equivalents balance and presented separately on the statement of financial position with a resultant impact on the statement of cash flows.

	Before reclassification	After reclassification	Reclassification
As at 30 September 2015			
Statement of financial position			
Cash and cash equivalents	11 116	13 085	(1 969)
Restricted cash	-	2 711	(2 711)
Dividends payable	-	4 680	(4 680)
Statement of cash flows			
Cash generated from operations	9 974	9 785	189
Dividends paid	(13 820)	(11 664)	(2 156)
Cash and cash equivalents at the beginning of the period	3 145	3 147	(2)
Cash and cash equivalents at the end of the period	11 116	13 085	(1 969)

10. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with in the condensed interim financial statements, which significantly affected the financial position of the company as at 30 September 2016 and the results of its operations and cash flows for the six months ended 30 September 2016.

Midrand

18 November 2016

Non-IFRS information

These condensed consolidated interim financial statements have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the Company's registered office, together with the financial statements identified in the auditor's report. The auditor's report does not necessarily cover all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company.

Forward-looking statements

This announcement which sets out the interim results for YeboYethu (RF) Limited for the six months ended 30 September 2016 may contain 'forward-looking statements', with respect to the Vodacom SA results referenced in the announcement which have not been reviewed or reported on by the company's auditors. Forward looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'will', 'anticipates', 'aims', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans' or 'targets'. By their nature, forward looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the company, or its industry to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the company's and Vodacom SA's present and future business strategies and the environments in which they operate now and in the future.

REGISTERED OFFICE:

Vodacom Corporate Park
082 Vodacom Boulevard, Midrand 1685

TRANSFER SECRETARIES:

Note: Link Market Services was appointed as transfer secretaries of YeboYethu with effect from 18 July 2016.

Physical Address:

Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001

Postal Address:

PO Box 4844, Johannesburg, 2000

DIRECTORS:

Zarina Bassa (Chairman)
Adele Hall
Vuyani Jarana
Seth Radebe
Christopher Tlhabeli (TC) Ralebitso

SECRETARY:

Avinash Dhanasir

JSE SPONSOR:

UBS

www.yeboyethu.co.za