

Getting
smarter
all the time!



Annual report
31 March 2013

YeboYethu Limited

Registration no. 2008/014734/06

Contents

	Page
Chairman's report	2
Condensed annual financial statements	6
Audit Committee's report	6
Directors' report	7
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the condensed annual financial statements	14
Notice of annual general meeting	18
Form of proxy	Attached

Chairman's report

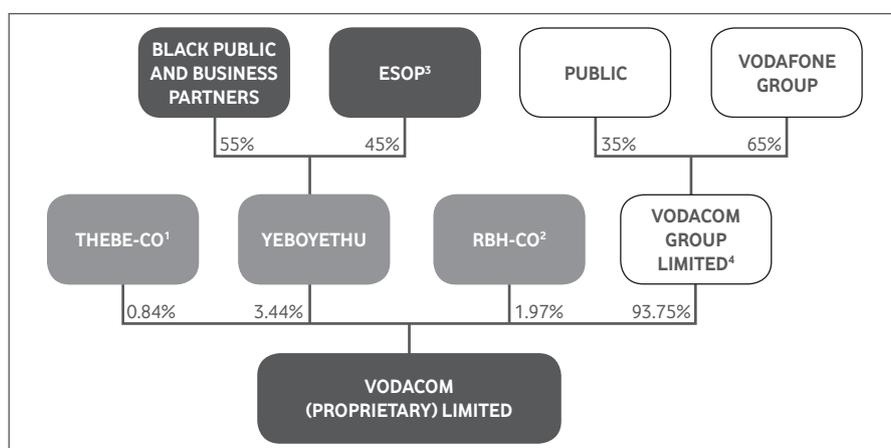
for the year ended 31 March 2013

Introduction

This is the fifth annual report to the shareholders of YeboYethu Limited ('YeboYethu'), covering the 12 months to 31 March 2013. YeboYethu's significant asset is its 3.44% stake in Vodacom (Proprietary) Limited ('Vodacom SA'), and YeboYethu does not conduct any business outside of holding this stake. This Chairman's report therefore reviews the performance, strategy and outlook for Vodacom SA.

YeboYethu overview

The structure of YeboYethu 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. YeboYethu 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, YeboYethu 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 YeboYethu 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 YeboYethu website provides relevant and detailed information to shareholders in this regard. If you are unable to access the website, you may contact the YeboYethu call centre for assistance.

Internet address: www.yeboyethu.co.za

Email us at: yeboyethu@equityexpress.co.za

Call Centre: 011 321 5563

Chairman's report

for the year ended 31 March 2013

Vodacom SA performance

Revenue increased 2.9% to R58 607 million driven primarily by the 24.6% growth in equipment revenue from smartphone and tablet sales. Service revenue declined by 0.4% to R48 234 million, with the growth in data services and the success of new prepaid offers offset by lower out-of-bundle usage, and continued cuts in mobile termination rates ("MTRs"). Excluding the impact of MTRs, service revenue increased 2.4%.

Active customers were up 4.9% to 30.3 million, increasing by 1.4 million customers in the year. The contract customer base expanded by 5.6% to 5.9 million mainly from mobile broadband and telemetry customer additions. The higher prevalence of lower usage SIMs, the reduction in MTRs and lower out-of-bundle spend from contract customers led to a 9.4% reduction in average revenue per user ("ARPU") to R328. Vodacom Smart and Red, the new range of integrated contract price plans, was launched in early March and is expected to stabilise contract ARPU. The active prepaid customer base increased 4.7% to 24.4 million and ARPU declined 16.5% to R76.

Data revenue increased 16.3% to R8 882 million, contributing 18.4% to service revenue compared to 15.8% a year ago. Data traffic grew 39.5%, which more than offset a 17.9% reduction in the average effective price per megabyte ("MB"). Growth was driven by higher penetration of smartphones and increased mobile internet usage. Considerable investment in working capital to drive affordability of smartphones and tablets through handset financing was made, with an additional 1.2 million smartphones now active on the network. This brought the total number of smartphones to 6.0 million and average monthly usage increased 43.4% to 139MB. There are now 14.4 million active data customers, up 18.1%.

As a result of continued focus on cost efficiencies across the business, earnings before interest, taxation, depreciation and amortisation ("EBITDA") growth of 5.4% outpaced revenue growth and the EBITDA margin expanded almost one percentage point to 38.2%. Despite significant inflationary pressures and higher publicity expenditure, operating expenses were able to be reduced through increased efficiencies in network, call centre and terminal logistics areas and further benefits achieved from purchasing through the Vodafone Procurement Company.

Strategy

In the 12 months to March 2013, Vodacom SA executed in accordance with the overall Vodacom Group strategy. The five key strategic priorities are to deliver an unmatched customer experience, drive data, new services and new opportunities, make processes and businesses more efficient, build a diverse and talented team, transform society and build stakeholder trust.

The focus of the strategy is on clear differentiation through best network experience, best service and best value. Vodacom introduced new Vodacom Smart and Red contract integrated plans in South Africa, with larger bundles of minutes, messaging and data. In the prepaid market Vodacom launched Free4Sho, a new platform with three price plans giving more choice to customers.

Vodacom will focus on delivering an improved experience and better value to its customers according to the strategy. Vodacom expects economic growth to be slow, and will need to work hard to keep costs flat in an environment of rising inflation.

Valuation of YeboYethu 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 of YeboYethu. A net profit of R72.3 million was recorded in the current financial year (2012: net profit R122.0 million, 2011: net loss R72.2 million). This translates to a value per share of R37.83 (2012: R35.49, 2011: R29.36)*. The reason for the increase was mainly attributable to the increase in the Vodacom SA option asset. The reasons for the increase in value relate to data acceleration, strength in enterprise business, differentiation based on network and customer experience as well as multi-year cost efficiency programmes in Vodacom SA.

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

Chairman's report

for the year ended 31 March 2013

It is, however, important to consider that Vodacom's BBEE transaction is a long-term investment, which will be subject to regular fluctuations based on industry and economic factors, but it is one where 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.

Dividend

YeboYethu received a dividend of R25.1 million (2012: R15.2 million, 2011: R14.7 million) from Vodacom SA. YeboYethu recorded a net profit of R72.3 million for the year ended 31 March 2013 (2012: net profit of R122.0 million, 2011: net loss of R72.2 million). After the deduction of administrative costs, I am pleased to advise shareholders that the YeboYethu Board declared and approved an annual ordinary dividend of 74.0 cents per share as well as a special dividend of 66.0 cents per share, to be paid on 14 June 2013 (2012: ordinary dividend of 74.0 cents per share paid 30 April 2012; 2011: ordinary dividend of 74.0 cents per share paid 31 May 2011).

Human capital

Having the right people with the right skills is essential for the delivery of Vodacom's strategy. Vodacom SA is investing in the skills needed to resource its new market opportunities and diversify its service offering. Vodacom SA employed 5 153 employees as at 31 March 2013 (2012: 5 238).

Vodacom SA is making good progress in achieving its employment equity targets at management levels. During the year, black people accounted for 82% of new hires and 69% of promotions in South Africa.

Vodacom SA is in the initial stages of setting up a women's network in South Africa, which will help address gender-based issues raised by employees and form a platform for investigating the issues that impact career progress for women at Vodacom. Vodacom SA understands that disability is still stigmatised in some workplaces. At Vodacom, management has created a trusting environment in which employees are comfortable disclosing their disability status, and a number of our initiatives focus on disability as part of our diversity and inclusion agenda. Management has also made various modifications to its head office buildings to ensure they are accessible to disabled people. Vodacom SA currently has 65 employees with disabilities, down 12 from the prior year's 77.

Vodacom SA has implemented Vodafone's global business transformation programme, Project EVO, which went live in South Africa on 2 April 2013. Project EVO aims to standardise and simplify internal processes for finance, procurement and human resources under the principles of speed, simplicity and trust. Through Project EVO Vodacom is realising more direct accountability of its people by taking out unnecessary layers of authority. Vodacom SA has also introduced new self-service options for employees and more streamlined approval processes.

Technology

Vodacom SA has added 904 new 3G sites to its network during the year and has maintained its industry lead in the number of active 3G sites, now standing at 6 100. More than 99.7% and 84.9% of the South African population are covered by Vodacom's 2G and 3G networks, respectively.

A key accomplishment during the year was the launch of the first long-term evolution ('LTE') network in South Africa in October 2012, reinforcing Vodacom's position as the leading mobile operator in the country. Vodacom SA was able to achieve this largely due to its network having been modernised with single radio access network ('RAN') technology over the past couple of years.

Share Trading

This year represents an important milestone for YeboYethu shareholders who hold shares issued to the Black Public. The intention is to allow YeboYethu shareholders to trade YeboYethu Ordinary shares with qualifying BEE participants after expiry of the first five years since the original issue of the shares, being 8 October 2013. In anticipation of the implementation of the YeboYethu over-the-counter ("OTC") share trading platform, it is proposed to shareholders that certain amendments be made to the YeboYethu memorandum of incorporation (MOI) that will facilitate and enhance the ease of trading in YeboYethu Ordinary shares.

It is also proposed to shareholders that related changes be made to the Vodacom SA MOI and the ESOP (together with certain further changes to the YeboYethu MOI) to create an opportunity to reduce the notional outstanding debt in respect of the VSA "A" shares (held by YeboYethu and the strategic partners) by extending the notional funding period and reducing the notional interest rate.

Shareholders are hereby advised that the launch of the OTC has been delayed due to the applicability of the Financial Markets Act since June 2013. In terms of which formal approvals and confirmation are required from the relevant government regulator, being the Financial Services Board. An update on trading in YeboYethu shares will be communicated to shareholders in due course, this date remains subject to confirmation by the regulator.

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 2013 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. I am pleased to welcome Adele Hall and Vuyani Jarana to the board of directors. To each of our shareholders, thank you for your support.

Zarina Bassa
Chairman

Audit Committee's report

for the year ended 31 March 2013

1. Mandate and terms of reference

The YeboYethu Limited (the Company) Audit Committee has adopted a mandate and terms of reference that has been approved by the Board.

2. Statutory duties

In terms of section 94(7)(f) of the Companies Act No. 71 of 2008, as amended ("the Act"), the Audit Committee discharged all of those functions delegated to it in terms of the Audit Committee mandate and the Act:

- Considered and satisfied itself that the external auditors are independent;
- Nominated the external auditors for appointment for the 2014 financial year;
- In consultation with Vodacom SA, the audit fee for the 2013 financial year was agreed;
- Considered and approved all non-audit services performed by the external auditor;
- Approved the internal audit plan for the year;
- Held separate meetings with Vodacom SA and the external auditors to discuss any reserved matters;
- Ensured that the Audit Committee complied with the membership criteria as set out in the Act;
- Reviewed the annual financial statements of the Company; and
- Reviewed the appropriateness of any amendments to accounting policies and internal financial controls.

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 and the Head of Internal Audit of Vodacom Group Limited 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 oversees 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.

Director	03/05/2012	01/11/2012
D Konar	✓	✓
ZBM Bassa	✓	✓
SM Radebe	✓	X

D Konar
Chairman
Audit Committee

Directors' report

for the year ended 31 March 2013

The directors have the pleasure of presenting their report, which forms part of the audited annual financial statements, for the year ended 31 March 2013.

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 (Proprietary) Limited ('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 Limited ('Vodacom Group') and its subsidiaries and associated companies, for the benefit of shareholders.

2. Financial results

Net profit for the year was R72.3 million (net profit for the year 2012: R122.0 million, net loss for the year 2011: R72.2 million).

This was mainly attributable to the increase in the Vodacom SA option asset. The reasons for the increase in value relate to data acceleration, strength in enterprise business, differentiation based on network and customer experience as well as multi-year cost efficiency programmes in Vodacom SA.

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 (2012: 74 (seventy-four) cents, 2011: 74 (seventy-four) cents) per ordinary share and a special dividend of 66 (sixty-six) cents (2012: nil cents, 2011: nil cents) per ordinary share was proposed and approved by the Board of directors.

	2013	2012	2011
	R'000	R'000	R'000
Final dividend declared 3 May 2013 and payable on 14 June 2013	20 154	–	–
Final dividend declared 31 March 2012 and paid on 30 April 2012	–	10 655	–
Final dividend declared 3 May 2011 and paid on 31 May 2011	–	–	10 656

The Company had a secondary taxation credit ('STC') available. In terms of section 64J(1) of the Income Tax Act, dividends taxation is payable on the excess of the dividends paid after the utilisation of the STC credit available in the Company.

Section 64J(3) of the Income Tax Act specifies that the STC credit is utilised in the same ratio that bears to the dividends paid to each shareholder.

Directors' report

for the year ended 31 March 2013

3. Dividend (continued)

3.1 Dividend distribution (continued)

The STC credit per share available to date has been calculated at 77.13 cents (i.e. STC credit amounting to R11 104 316 divided by total number of shares of 14 395 700). Therefore, only 62.87 cents (R1.40 total dividend per share less 77.13 cents per share STC credit) dividend per share of the R1.40 dividend per share (74 cents ordinary dividend per share plus 66 cents special dividend per share) will be subject to 15.0% dividend taxation by the shareholder.

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.

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 2 passed at the fourth Annual General Meeting ('AGM') held on 30 July 2012 and Special resolution number 1, passed at the third and second AGM held on 29 July 2011 and 29 July 2010, respectively, granted the directors the authority to repurchase the Company's ordinary shares from the estates of deceased shareholders should the estate of the deceased shareholders request the Company to do so. The repurchase of shares in aggregate may not exceed 20 000 (twenty thousand) ordinary shares in a financial year.

The authority granted is valid until the next annual general meeting, being Thursday, 17 October 2013.

During the 2013 financial year the Company repurchased 2 300 (2012: 1 500, 2011: 500) ordinary shares for an amount of R39.34 (2012: R31.69, 2011: R34.73) per ordinary share, totalling R90,482.00 (2012: R47 535.00, 2011: R17 365.00).

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 annual financial statements, which significantly affected the financial position of the Company at 31 March 2013 and the results of its operations and cash flows for the year ended.

6. Directors and secretary

Movements in the directorate during the year under review:

	In office 31/03/2012	Resignations	Appointments	In office 31/03/2013
Directors	ZBM Bassa (Chairman) D Konar TC Ralebitso SM Radebe SN Maseko	14/06/2012	01/11/2012 03/05/2013	ZBM Bassa (Chairman) D Konar TC Ralebitso SM Radebe V Jarana AM Hall
Secretary	SF Linford	03/05/2012	03/05/2012	LC Mogoane

Directors' report

for the year ended 31 March 2013

6. Directors and secretary (continued)

In terms of the Company's memorandum of incorporation, Mr V Jarana and Ms AM Hall, having been appointed since the last annual general meeting of the Company, retire at the forthcoming annual general meeting. In terms of the memorandum of incorporation Ms ZBM Bassa and Dr D Konar retire by rotation. All retiring directors are eligible and available for re-election at the annual general meeting to be held on Thursday, 17 October 2013.

The profiles appear in the "Notice of annual general meeting" included in the annual report. The profiles of the nominees for directors up for election received before the finalisation of the financial statements appear on page 19.

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 90(1) of the Companies Act No. 71 of 2008, as amended.

9. Social and Ethics Committee

The Company was incorporated as a special purpose vehicle as part of a broad-based black economic empowerment initiative and has no executive directors, employees, management members or customers. On this basis, the board has resolved that, given the special nature and extent of the Company, it is not reasonably necessary in the public interest to require the Company to have a social and ethics committee. Shareholders of the Company are hereby advised that the Company has submitted an application to the Companies Tribunal for an exemption from the requirement to appoint a social and ethics committee.

10. Annual financial statements as at 31 March 2013

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 was approved by the Board of directors on 3 May 2013.

Statement of comprehensive income

for the year ended 31 March 2013

		2013	2012	2011
	Note	R000	R000	R000
Income		25 102	15 200	14 720
Expenditure		(3 339)	(3 894)	(3 686)
Operating profit		21 763	11 306	11 034
Finance income	2	526	283	347
Finance cost		–	(1)	(*)
Gains/(loss) on remeasurement of financial instrument		61 652	161 690	(96 889)
Profit/(loss) before taxation		83 941	173 278	(85 508)
Taxation		(11 661)	(51 254)	13 355
Net profit/(loss)		72 280	122 024	(72 153)
Comprehensive income/(loss)		72 280	122 024	(72 153)

*Less than R500.

Statement of financial position

as at 31 March 2013

		2013	2012	2011
	Note	R000	R000	R000
Assets				
Non-current assets				
Financial assets	3	998 514	936 862	775 172
Deferred taxation		–	–	1 726
Current assets				
Accounts receivable	4	25 875	6 841	6 154
Taxation receivable		179	186	185
Cash and cash equivalents		108	7 739	7 275
Total assets				
		1 024 676	951 628	790 512
Equity and liabilities				
Share capital	5	*	*	*
Ordinary share premium	6	359 893	359 950	359 987
Retained earnings		545 133	472 771	372 067
Total equity				
		905 026	832 721	732 054
Non-current liability				
Deferred taxation		119 087	107 573	58 125
Current liabilities				
Accounts payable	7	563	679	333
Dividends payable		–	10 655	–
Total equity and liabilities				
		1 024 676	951 628	790 512

*Less than R500.

Statement of changes in equity

for the year ended 31 March 2013

	Note	Share capital R000	Ordinary share premium R000	Retained earnings R000	Total equity R000
Balance at 31 March 2010		*	360 000	460 064	820 064
Net loss		–	–	(72 153)	(72 153)
Repurchase of shares	6	(*)	(13)	(4)	(17)
Dividends		–	–	(15 840)	(15 840)
Balance at 31 March 2011		*	359 987	372 067	732 054
Net profit		–	–	122 024	122 024
Repurchase of shares	6	(*)	(37)	(10)	(47)
Dividends		–	–	(21 310)	(21 310)
Balance at 31 March 2012		*	359 950	472 771	832 721
Net profit		–	–	72 280	72 280
Repurchase of shares	6	(*)	(57)	(33)	(90)
Net dividends		–	–	115	115
Balance at 31 March 2013		*	359 893	545 133	905 026

*Less than R500.

Statement of cash flows

for the year ended 31 March 2013

	2013	2012	2011
	R000	R000	R000
Cash generated from operations	21 647	11 668	10 984
Taxation paid	(140)	(80)	(97)
Dividends paid	(10 540)	(10 655)	(15 840)
Net cash flows generated from/(utilised in) operating activities	10 967	933	(4 953)
Cash flow from investing activities			
Finance income received	492	279	357
Net cash flows generated from investing activities	492	279	357
Cash flow from financing activities			
Finance cost paid	–	(1)	(*)
Share capital and share premium movement	(90)	(47)	(17)
Overnight deposit movement	(19 000)	(700)	100
Net cash flows (utilised in)/generated from financing activities	(19 090)	(748)	83
Net cash flows in cash and cash equivalents	(7 631)	464	(4 513)
Cash and cash equivalents at the beginning of the year	7 739	7 275	11 788
Cash and cash equivalents at the end of the year	108	7 739	7 275

*Less than R500.

Notes to the condensed annual financial statements

for the year ended 31 March 2013

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"), complies with the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by SAICA Accounting Practices Committee, Financial Reporting Pronouncements as issued by the SAICA Financial Reporting Standards Council and in the manner required by the Companies Act No. 71 of 2008, 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 years. The significant accounting policies and new accounting pronouncements are contained in the full annual financial statements. There have been no material changes in judgements or estimates of amounts reported in the prior financial years.

	2013	2012	2011
	R000	R000	R000
2. Finance income			
Interest income			
Deposits – Vodacom Group Limited	526	283	347
3. Financial assets			
Non-current			
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	638 513	576 861	415 171
	998 514	936 862	775 172
Reconciliation			
Opening balance	936 862	775 172	872 061
Fair value adjustment	61 652	161 690	(96 889)
Closing balance	998 514	936 862	775 172

Notes to the condensed annual financial statements

for the year ended 31 March 2013

3. Financial assets (continued)

Non-current (continued)

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

Vodacom South Africa option asset (continued)

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 are contained in the full annual financial statements.

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 rate 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 2013 of the notional funding loan after the notional interest and notional dividends is as follows:

	2013	2012	2011
	R000	R000	R000
Reconciliation of notional funding			
Opening balance	3 396 964	3 371 823	3 341 436
Notional interest accrued	333 062	338 703	334 047
	3 730 026	3 710 526	3 675 483
Less: notional dividend received	(517 834)	(313 562)	(303 660)
	3 212 192	3 396 964	3 371 823
4. Accounts receivable			
Vodacom Group Limited	25 866	6 832	6 128
Prepayments	9	9	9
Other	–	–	17
	25 875	6 841	6 154

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

Notes to the condensed annual financial statements

for the year ended 31 March 2013

	2013	2012	2011
	R000	R000	R000
5. Share capital			
5.1 Ordinary share capital			
Authorised			
40.0 million (2012: 40.0 million, 2011: 40.0 million) ordinary shares at R0.00001 (2012: R0.00001, 2011: R0.00001) each	*	*	*
	*	*	*
Issued			
Opening balance at the beginning of the year 14.4 million (2012: 14.4 million, 2011: 14.4 million) ordinary shares at R0.00001 (2012: R0.00001, 2011: R0.00001) each	*	*	*
Less repurchase: 2 300 (2012: 1 500, 2011: 500) ordinary shares at R0.00001 each	(*)	(*)	(*)
Closing balance at the end of the year	*	*	*
The Company repurchased 2 300 (2012: 1 500, 2011: 500) of its ordinary shares during the 2013 financial year at par value.			
The repurchased ordinary shares were cancelled as issued ordinary shares and returned to unissued authorised ordinary shares.			
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 <i>pari passu</i> 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 2013, 31 March 2012 and 31 March 2011, respectively.			
*Less than R500.			

Notes to the condensed annual financial statements

for the year ended 31 March 2013

	2013	2012	2011
	R000	R000	R000
6. Ordinary share premium			
Opening balance at the beginning of the year	359 950	359 987	360 000
Less repurchase: 2 300 (2012: 1 500, 2011: 500) ordinary shares at R24.99 (2012: R24.99, 2011: R24.99) each	(57)	(37)	(13)
Closing balance at the end of the year	359 893	359 950	359 987
The amount paid for repurchased and cancelled ordinary shares were accounted for as 2 300 (2012: 1 500, 2011: 500) ordinary shares at R39.34 (2012: R31.69, 2011: R34.72) per share. The total amount of R39.34 (2012: R31.69, 2011: R34.72) comprises the par value per share of R0.00001 (2012: R0.00001, 2011: R0.00001), the share premium paid of R24.99 (2012: R24.99, 2011: R24.99) and an excess portion of R14.35 (2012: R6.69, 2011: R9.72) which is accounted for in retained earnings.			
7. Accounts payable			
Trade payables	563	679	333
The average credit period is 30 days (2012: 30 days, 2011: 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.			
Trade payables are short term and carried at cost which normally approximates the fair value due to short-term maturity thereof.			
8. Related parties			
8.1 Balances with related parties			
Accounts receivable			
Vodacom Group Limited	25 866	6 832	6 128
8.2 Transactions with related parties			
Vodacom Group Limited			
Finance income received	526	283	347
Vodacom (Proprietary) Limited			
Dividends received	25 102	15 200	14 720
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.			

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 fifth annual general meeting of the Company will be held on Thursday 17 October 2013, in Talk 500, 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 2013.

Ordinary Resolution number 1

"RESOLVED THAT the audited annual financial statements of the Company together with the reports of auditors, audit committee and directors' reports for the year ended 31 March 2013, be and are hereby received and adopted."

2. Election of Directors

To elect by way of separate resolutions:

- 2.1** Mr V Jarana, having been appointed since the last annual general meeting of the Company, is in accordance with the provisions of the Company's memorandum of incorporation, obliged to retire at this annual general meeting.

Ordinary Resolution number 2

"RESOLVED THAT Mr V Jarana, be and is hereby elected as a director of the Company."

- 2.2** Ms AM Hall having been appointed since the last annual general meeting of the Company, is in accordance with the provisions of the Company's memorandum of incorporation, obliged to retire at this annual general meeting.

Ordinary Resolution number 3

"RESOLVED THAT Ms AM Hall, be and is hereby elected as a director of the Company."

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

Ordinary Resolution number 4

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

- 2.4** Dr Konar, who is also obliged to retire by rotation at this annual general meeting in accordance with the memorandum of incorporation. Having so retired, Dr Konar is eligible for re-election.

Ordinary Resolution number 5

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

Notice of annual general meeting

SHORT BIOGRAPHIES OF YEBOYETHU DIRECTORS SEEKING RE-ELECTION

Vuyani Jarana

Non-executive Director

National Diploma in Telecommunications (Olifantsfontein), BCom (Unitra), MBA (Stellenbosch)

Vuyani is Chief Officer: Enterprise Business Unit with responsibility to drive business growth through the enterprise business segment. He is responsible for coordination and execution of the enterprise business in markets where Vodacom has presence. He is the chairman of Stortech, a subsidiary of Vodacom focusing on Storage and cloud-based ICT services for the Enterprise Business Segment. He is a member of the board of Vodacom South Africa and a member of Vodacom Capital Investment Review Board. He was previously the Chief Operating Officer of Vodacom South Africa, a position he held until March 2012.

Adele Hall

Independent non-executive director

BCompt (Unisa)

Adele Hall is the director of BBBEE Transformation & Diversity at UTI Africa. She is also the chairman of Alcon Marepha and a member of the boards of Cape Gate Marepha and The Thandi Foundation. Adele previously held the position as sales and marketing director at The Pacific Institute of South Africa. Prior to this, she was an executive director and an owner of FranklinCovey and has held a number of senior commercial and marketing positions at FranklinCovey since 2001 when she first joined. Prior to this she held financial positions in a re-insurance company.

Zarina Bassa

Independent non-executive director

BAcc, Dip Acc, CA(SA)

Zarina is the Executive Chairman of Songhai Capital. She also serves as a non-executive director of Kumba Iron Ore Limited, Vodacom South Africa, Sun International, Woolworths, the Lewis Group, Oceana, Senwes and the Financial Services Board. Zarina was previously an executive director at Absa Bank and a member of the Absa Group Executive Committee, with accountability for Private Banking. Zarina joined Absa in 2002 as Managing Executive of Retail Banking, prior to which she was a partner at Ernst & Young where she spent 17 years across the Durban, United Kingdom and Johannesburg offices. She has also previously chaired the Public Accountants' and Auditors' Board and the Auditing Standards Board and has been a member of the Accounting Standards Board, the JSE's GAAP Monitoring Panel, the board of the SA Institute of Chartered Accountants and Vice President of ABASA. Zarina was named Top Women in Business and Government in 2007 and Top Business Personality in Financial Services: Banking in 2008.

Deenadayalen Konar (Len)

Independent non-executive director

CRMA, BCom, PG Dip in Acc, MAS (USA), Cert Tax Law, DCom and CA (SA).

Len Konar is the chairman of Exxaro Resources Limited. After completing his articles of clerkship at Ernst & Young in Durban, Len began his career as an academic at the University of Durban-Westville. He then spent six years with the Independent Development Trust as head of investments and internal audit, prior to becoming a professional director of companies and consultant. Len is chairman of Steinhoff International and Mustek Limited and a member of the boards of Illovo Sugar, Sappi and JD Group and a past member of the ad hoc ethics panel of the United Nations, safeguards panel of the International Monetary Fund in Washington, co-chairman of the implementation oversight panel of the World Bank, and past chairman and member of the external audit committee of the International Monetary Fund.

Notice of annual general meeting

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 2014 is Mr BE Greyling.

Ordinary Resolution number 6

"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 the 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 7

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

Ordinary Resolution number 8

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

Ordinary Resolution number 9

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

SHORT BIOGRAPHY OF YEBOYETHU DIRECTOR SEEKING RE-ELECTION

Seth Radebe

Independent, non-executive director
Member of the Audit Committee
BCom, BCom (Hons), CA (SA)

Seth is the founder and Managing Director of Rehabale Audit Tax & Advisory firm. He completed his articles with Deloitte & Touche and held various auditing positions with Deloitte, South African Revenue Services (SARS) and Office of the Auditor General (AG). Seth was also a director at PKF Accountants and Business Advisors for four years, before he founded Rehabale. He is a non-executive chairman of Arthur Els Consulting Actuaries and Merchant West Holdings. Seth is also a non-executive director of African Cellular Towers Limited and Platfields Limited. He is the Chairperson of the Audit Committee of the Municipal Demarcation Board, a member of the Audit and Performance committees of the City of Johannesburg Metropolitan Municipality and an Audit committee member of Mangaung Metropolitan Municipality. Seth is a member of SAICA (South African Institute of Chartered Accountants), IIA (Institute of Internal Auditors), IRBA (Independent Regulatory Board of Auditors) and IOD (Institute of Directors).

5. Approval of amendments to VSA A share rights

5.1 Ordinary Resolution Number 10

"RESOLVED THAT, in accordance with clause 33.1 of the Memorandum of Incorporation, subject to the adoption of special resolutions 1 and 2, the Company be and is hereby authorised to approve any amendments to the rights attaching to the "A" Shares issued by Vodacom (Proprietary) Limited, in order to decrease the notional funding rate applicable to the VSA A Shares from 9.7593% nacd to 8% nacd with effect from April 2015 and to extend the notional funding period applicable to such "A" Shares from 8 October 2015 to 8 October 2018."

The reason for Ordinary Resolution Number 10 is that the company is a shareholder of Vodacom (Proprietary) Limited ("VSA"). In addition to the amendments to the Company's Memorandum of Incorporation, set out in Special Resolutions numbers 1 and 2 below, and on the assumption that they are approved, the company will be called upon to exercise its votes as a shareholder

Notice of annual general meeting

in VSA in respect of certain amendments to the rights attaching to "A" Shares in the capital of VSA ("VSA A Shares"), relating to the extension of the notional funding period ("NFP") applicable to the VSA A shares from 8 October 2015 to 8 October 2018 ("Extension of the NFP") and the reduction of the notional funding rate applicable to the VSA A Shares. The Extension of the NFP will allow a longer period of time during which the notional outstandings in terms of the notional funding applicable to the VSA A Shares might be reduced, in the expectation that YeboYethu ordinary shares may represent a larger number of VSA A Shares at the end of the NFP, than would be the case if the NFP were not extended. This is however not guaranteed.

Clause 33.1 of the Memorandum of Incorporation of the Company requires that if the Company is called upon to approve resolutions of VSA that adversely affect the rights attaching to the VSA A Shares, the Company may only act as directed by the shareholders in general meeting. In case clause 33.1 of the Memorandum of Incorporation is applicable, the effect of ordinary resolution number 10 is that the shareholders authorise the Company to approve these amendments.

**The percentage of voting rights that will be required for these ordinary resolutions to be adopted is more than 50% of the votes exercised on the resolution.*

6. Special business

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

6.1 Special Resolution Number 1

To make various strategic amendments to the Company's Memorandum of Incorporation ("MOI") as a result of, inter alia, the proposed implementation of an over-the-counter trading platform ("OTC") in respect of the trading of ordinary shares by members of the Black Public in the share capital of the Company ("Public Shareholders") and/or the extension of the notional funding period applicable to the "A" shares in the share capital of Vodacom (Proprietary) Limited held by the company ("VSA A Shares") from 8 October 2015 to 8 October 2018 ("Extension of the NFP") in terms of amendments to the MOI of VSA to be proposed by VSA.

"RESOLVED THAT, the Company's Memorandum of Incorporation be and is hereby amended by:

1. the deletion of the words "by instrument in writing" in clause 7.3 and the replacement thereof with the words "by way of an instrument of transfer";
2. the deletion of the existing clause 7.4 and the insertion of a new clause 7.4 which shall read as follows:

"Every instrument of transfer shall be delivered to the company in a manner permitted by the Act, as determined by the company from time to time, and accompanied by such evidence as the company may require to prove the title of the transferor, or his right to transfer the securities.;"
3. the deletion of the existing clause 7.5 and the replacement thereof with a new clause 7.5 which shall read as follows:

"All authorities to sign instruments of transfer granted by holders of securities for the purpose of transferring securities which may be delivered to the company in such manner as the company may prescribe from time to time shall, as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of same shall have been duly delivered to the company. Even after the delivery of such notice of revocation, the company shall be entitled to give effect to any instruments of transfer signed under the authority to sign and certified by any officer if the company as being in order before the delivery of such notice.;"
4. the replacement of the word "lodged" in clause 7.6 with the word "delivered";

Notice of annual general meeting

5. the insertion of a new clause 7.7 immediately after the existing clause 7.6, which shall read as follows:

"Notwithstanding anything to the contrary contained in this clause 7, the directors may from time to time approve any other procedure or process for the transfer of shares or other securities as they may in their sole and absolute discretion deem fit, including as may be provided for in terms of the general rules and procedures of any over-the-counter trading platform which has been approved by the board. In approving such an over-the-counter trading platform, the board may designate that over-the-counter trading platform as the only procedure or process by which shares or other securities in the company may be transferred.";
6. the deletion of the existing clause 8.2.6 and the insertion of a new clause 8.2.6 which shall read as follows:

"during the second five years, YeboYethu ordinary shares may only be disposed of to Black People or Black Groups. Any disposal by a shareholder of his/her/its/their YeboYethu ordinary shares shall, save where such disposal takes place in terms of the general rules and procedures of any over-the-counter trading platform which has been approved by the board, be subject to the prior written approval of VSA. The board may approve such an over-the-counter trading platform at any time after the expiry of the first five years.";
7. the deletion of clause 8.2.7 in its entirety;
8. the deletion of clause 8.2.8 in its entirety;
9. the deletion of the words "has the same or higher BEE Status, or to a Black Person or Black Group with the same or a higher BEE Status, than the deceased shareholder" in clause 8.3.1 and the replacement thereof with the words "is a Black Person or Black Group";
10. the deletion of the words "with the same or a higher BEE Status than the sequestered shareholder" in clause 8.3.2;
11. the deletion of the words "having the same or a higher BEE Status than the sequestered shareholder" in clause 8.3.4;
12. the deletion of the words "and clause 9.2.6, all the YeboYethu ordinary shares held by the Offer or and his associates which are in excess of 1,440,000 (one million four hundred and forty thousand) YeboYethu ordinary shares" in clause 9.1.7;
13. the deletion of "9.2.6" in clause 9.1.8 and the replacement thereof with "9.2.5";
14. the insertion of word "or" at the end of clause 9.2.4;
15. the deletion of the word "or" at the end of clause 9.2.5;
16. the deletion of clause 9.2.6 in its entirety; and
17. the deletion of "9.2.6" in clause 9.5.2.3 and the replacement thereof with "9.2.5".

**The percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the votes exercised on the resolution.*

The reasons for special resolution number 1 include to facilitate and enhance the ease of trading in YeboYethu ordinary shares by Public Shareholders by removing certain restrictive conditions in the YeboYethu MOI which:

- limit the ability of Black Groups and Black Persons to dispose of their shares unless it is to a person who has the same or higher BEE status (Among other things, this prejudices black women because they would otherwise only be able to sell to other black women);
- limit the number of YeboYethu Ordinary Shares which may be held by a single entity;
- require that no shareholder may hold less than 100 YeboYethu ordinary shares; and
- impose requirements in addition to those in the Companies Act, No. 71 of 2008 in respect of instruments of transfer which will frustrate trading in YeboYethu ordinary shares on the YeboYethu OTC.

Notice of annual general meeting

The effect of special resolution number 1 is to make amendments to the Company's MOI that remove the abovementioned limitations, to authorise the board to approve the trading rules and details of an OTC, and to make consequential amendments.

6.2 Special Resolution Number 2

The Employee Share Option Programme ("ESOP") of VSA and Vodacom Group Limited, is based upon a Trust holding "N" Shares of the company, subject to the provisions of the Trust Deed for the ESOP and Rules governing the ESOP. Subject to the approval of Special Resolution 1 and the approval of consequential amendments to the Trust Deed and the Rules, it will also be necessary to amend the company's MOI in order to make related amendments to the rights and privileges attaching to the "N" Shares.

"RESOLVED THAT, subject to the Trust Deed of the ESOP and/or the Rules of the ESOP being amended to give effect to the Extension of the Conversion Date, the Company's Memorandum of Incorporation be and is hereby amended by:

1. the deletion of the phrase "7 (seven)" in clause 1.4 of Schedule "1" (N Share Terms) and replacement thereof with "10 (ten)";
2. the insertion of the words "or, if required in terms of the Act" after the words "(for any reason whatsoever)" in clause 2.3.2 of Schedule "1" (N Share Terms); and
3. the deletion of the words "after the ESOP Conversion Date" in clause 2.3.2 of Schedule "1" (N Share Terms) and the replacement thereof with "in anticipation of the ESOP Conversion Date".

**The percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the votes exercised on the resolution.*

The reason for special resolution number 2 is that the "N" Shares are required in terms of the Company's MOI to convert into ordinary shares of YeboYethu at the end of the NFP. As explained above, the Extension of the NFP will allow a longer period of time during which the notional outstandings in terms of the notional funding applicable to the VSA "A" Shares might be reduced, in the expectation that YeboYethu ordinary shares may represent a larger number of VSA "A" Shares at the end of the NFP, than would be the case if the NFP were not extended. This is however not guaranteed.

The MOI therefore needs to be amended to respond to two sets of anticipated amendments that will affect the ESOP (i) amendments to the MOI of VSA that will extend the notional funding period in respect of the VSA "A" Shares from 8 October 2015 to 8 October 2018, as envisaged in ordinary resolution 10 above and (ii) amendments anticipated to be made to the provisions of the Rules and/or the Trust Deed for the ESOP in order to mirror the amendments to the Company's MOI of VSA relating to the extension of the notional funding period. This makes it necessary for the MOI of YeboYethu to be amended in order to amend the rights and privileges attaching to the "N" Shares accordingly.

The effect of special resolution number 2 is to provide for the Extension of the Conversion Date until 8 October 2018.

A copy of the Company's entire Memorandum of Incorporation is available on request from Lebo Mogoane (Lebogang.Mogoane@vodacom.co.za or +27 11 653 5922) or is available for inspection at the Company's registered office (Vodacom Corporate Park, 082 Vodacom Boulevard, Midrand, South Africa) and on the Company's website (http://www.yeboyethu.co.za/pdf/memo_declaration.pdf) from the date of this notice until Thursday 17 October 2013, being the date of the Company's upcoming annual general meeting.

Notice of annual general meeting

Salient features of proposed changes

The key changes to the YeboYethu MOI will:

- Allow for YeboYethu shares to be bought and sold electronically by Shareholders on the over-the-counter share trading platform ("OTC") which will be established;
- Make the buying and selling of YeboYethu shares easier by removing certain restrictions on who may buy and sell YeboYethu shares (including restrictions requiring purchasers to have the same or higher BEE status as the sellers, as among other things, this prejudices black women because they would otherwise only be able to sell to other black women);
- Allow for YeboYethu shareholders to sell their shares to any black person/entity/group during the second five years as defined in the YeboYethu prospectus dated 11 July 2008;
- Remove the maximum cap of 1 440 000 (10%) issued shares that may be held by any one shareholder in YeboYethu; and
- Remove reference to a share transfer committee due to the electronic nature of the over-the-counter trading platform where the terms and conditions of such a trading platform will deal with the BEE status of any buyer.

The proposed related changes to the VSA MOI and the ESOP (together with certain further changes to the YeboYethu MOI) will:

- create an opportunity to reduce the notional outstanding debt in respect of the VSA A shares (held by YeboYethu and the strategic partners) by extending the notional funding period and reducing the notional interest rate as described below;
- decrease the notional funding/interest rate applicable to the VSA "A" shares from 9.7593% to 8% (annual rate calculated daily);
- extend the period of time (from 8 October 2015 until 8 October 2018) for the notional outstanding debt applicable to the VSA "A" shares to be reduced; and
- extend the date for the conversion of YeboYethu "N" shares held by the ESOP into YeboYethu ordinary shares, until 8 October 2018, which is the last day of the extended notional funding period of the VSA "A" shares held by YeboYethu.

Notice of annual general meeting

Participation by way of electronic means

Shareholders or their proxies may participate in the annual general meeting by way of electronic means. Such shareholder (or proxy) will need to contact Mr Lebogang Mogoane at Vodacom on +27 11 653 5922 by no later than 09:00 Monday 14 October 2013 so that the Company can provide for a teleconference dial-in-facility. Shareholders must ensure that, when such shareholder intends to participate via teleconference, that the voting proxies are sent through to the transfer secretaries, Singular Systems (Proprietary) Limited by no later than 11:00 on Wednesday, 16 October 2013.

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.

Special resolutions to be adopted at this annual general meeting require approval from 75% of the shares represented in person or by proxy at this meeting. Ordinary resolutions to be adopted only require approval of a simple majority.

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, Singular Systems (Proprietary) Limited by no later than 11:00 on Wednesday, 16 October 2013.

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

In accordance with the Act, shareholders attending the annual general meeting will need to present reasonable satisfactory identification such as an identity book, passport or drivers' licence.

By order of the Board

Lebo Mogoane
Company Secretary

19 September 2013

Invitation

The shareholders of YeboYethu are hereby invited to attend presentations on the forthcoming over-the-counter share trading platform, proposed changes to the memorandum of incorporation ("MOI") and other items relating to the annual general meeting which will be held just prior to the fifth annual general meeting at 09:00 until 10:30 in Talk 500, Vodacom World, 082 Vodacom Boulevard, Midrand, Johannesburg, South Africa. These presentations will be provided by Vodacom SA and be facilitated by a senior manager who is fluent in both Zulu and Sotho.

Programme for Thursday 17 October 2013

08:30	Arrival and registration with the transfer secretaries
09:00 – 10:00	Presentation on the over-the-counter share trading platform
10:00 – 10:30	Presentation on the proposed changes to the MOI
11:00	Annual General Meeting

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 Thursday 17 October 2013 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 Election of Mr V Jarana as a director			
3.	Ordinary resolution number 3 Election of Ms AM Hall other as a director			
4.	Ordinary resolution number 4 Re-election of Ms ZBM Bassa as a director			
5.	Ordinary resolution number 5 Re-election of Dr D Konar as a director			
6.	Ordinary resolution number 6 Re-appointment of Deloitte & Touche as auditors of the Company			
7.	Ordinary resolution number 7 Appointment of Ms ZBM Bassa as a member of the audit committee of the Company			
8.	Ordinary resolution number 8 Appointment of Dr D Konar as a member of the audit committee of the Company			
9.	Ordinary resolution number 9 Appointment of Mr SM Radebe as a member of the audit committee of the Company			
10.	Ordinary resolution number 10 Shareholder authority for the Company to vote in favour of amendments to the VSA MOI to extend notional funding period until 8 October 2018			
11.	Special resolution number 1 Amendment of memorandum of incorporation to facilitate the over-the-counter share trading platform			
12.	Special resolution number 2 Amendment of memorandum of incorporation to change conversion date for N Shares held by ESOP, into ordinary shares of the Company, until 8 October 2018			

(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 _____ 2013

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 initiated 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, Singular Systems (Proprietary) Limited, 71 Corlett Drive, Birnam 2196 (PO Box 1266, Bramley 2018), no less than 24 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 Thursday, 17 October 2013 forms of proxy must be lodged no later than 11:00am on Wednesday, 16 October 2013. You may also forward the form of proxy to: proxy@equityexpress.co.za.
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:

Singular Systems (Proprietary) Limited
71 Corlett Drive Birnam 2196
PO Box 1266, Bramley 2018
Telephone: 011 321 5400
Call Centre: 011 321 5563



