

Vodacom Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1993/005461/06
(ISIN: ZAE000132577 Share Code: VOD)
(ISIN: ZAG000106063 JSE Code: VOD008)
(ISIN US92858D2009 ADR Code VDMCY)
("Vodacom")

NEOTEL VOLUNTARY ANNOUNCEMENT

On 19 May 2014, Vodacom announced that Vodacom (Pty) Limited ("VSA") entered into an agreement to acquire 100% of the issued share capital of and shareholder loan claims against Neotel Proprietary Limited ("Neotel") for a cash consideration equivalent to an enterprise value of R7 billion (the "Transaction"), subject to various conditions precedent including the obtaining of the requisite regulatory approvals.

On 15 June 2015, approval for the Transaction was obtained from the Independent Communications Authority of South Africa ("ICASA"), subject to conditions relating to Black Economic Empowerment ("BEE") and the rollout of broadband infrastructure services, the details of which will be determined through consultation.

On 30 June 2015, the Competition Commission of South Africa ("Commission") recommended to the Competition Tribunal ("Tribunal") that the Transaction be approved subject to the following conditions:

1. until the earlier of 2 (two) years from the date the Transaction is approved by the Tribunal ("Approval Date") or 31 December 2017, VSA shall not directly or indirectly use Neotel's spectrum for mobile wholesale and retail services;
2. an increase in the value of shares held in VSA by BEE shareholders by an amount of R1.4 billion;
3. an undertaking by VSA not to retrench employees of VSA and Neotel as a result of the Transaction; and
4. within 5 (five) financial years following the Approval Date, VSA shall commit to a capital investment of R10 billion in fixed network, data and connectivity infrastructure.

The Tribunal will now set the matter down for hearing.

The Transaction will result in increased investment in communications infrastructure and the accelerated rollout of broadband connectivity in South Africa.

Midrand

2 July 2015

Sponsor: UBS South Africa (Pty) Limited

Debt Sponsor: Absa Bank Limited (acting through its Corporate and Investment Banking Division)

ADR depository bank : Deutsche Bank Trust Company Americas