

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)
(ADR code VDMCY) (ISIN US9258D2009)
("Vodacom" or "the Company")

ACQUISITION OF NEOTEL

Further to the announcement on 30 September 2013, shareholders of the Company ("Shareholders") are advised that Vodacom has entered into an agreement with the shareholders of Neotel Proprietary Limited ("Neotel") under the terms of which Vodacom will acquire 100% of the issued share capital in and shareholder loan claims against Neotel for a cash consideration equivalent to an enterprise value of ZAR 7.0bn (the "Transaction"). Vodacom will fund the acquisition through available cash resources and existing credit facilities. The Transaction remains subject to the fulfilment of a number of conditions precedent. In particular, the transaction remains subject to applicable regulatory approvals.

Neotel is South Africa's second largest fixed telecommunications operator. It provides a range of value-added voice, internet and data services for businesses and retail customers using its Next Generation IP Network.

Vodacom's customer base will benefit from Neotel's extensive fibre assets and enterprise capabilities which will allow Vodacom to accelerate its fixed enterprise strategy and stimulate greater competition in the South African fixed telecommunications sector. The combined entity will be able to offer an expanded product range and, as a consequence, enhanced customer choice. Neotel also has access to 2 x 12 MHz of 1800 MHz spectrum, 2 x 5 MHz of 800 MHz spectrum and 2 x 28 MHz of 3.5 GHz spectrum.

The transaction is expected to close before the end of the current financial year, although will be dependent of the timing of the requisite regulatory approvals.

The Transaction is not a categorised transaction in terms of the JSE Listings Requirements.

Midrand
19 May 2014