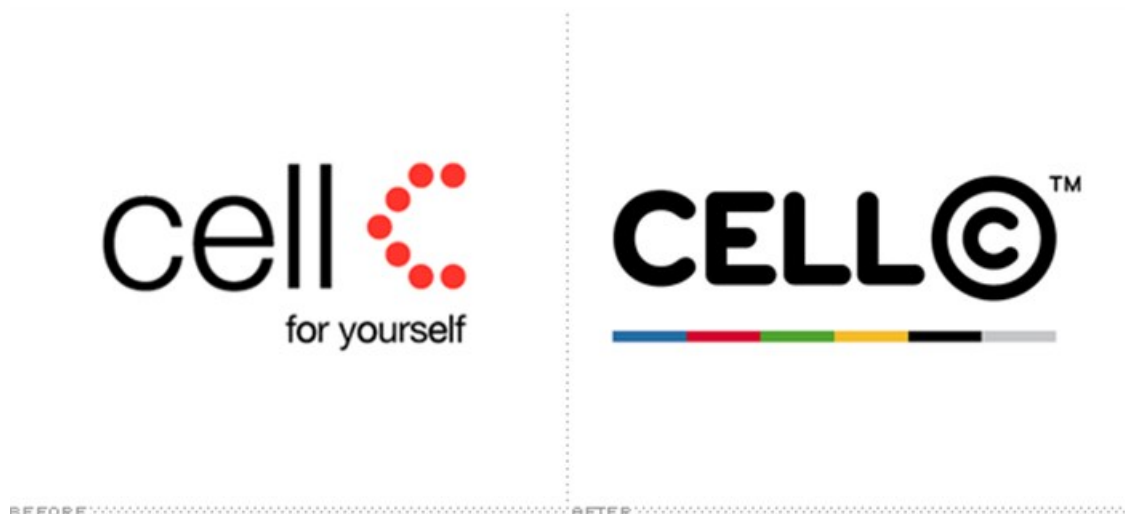


Cell C recapitalisation approved

On 10 December 2015, Cell C announced that it received offers to recapitalise the company which will reduce its net debt to R8 billion or less when implemented. Confirmed by Cell C, the Boards of Cell C and 3C Telecommunications have accepted offers received from Blue Label Telecoms. Cell C management and staff will proceed with the next steps of the transactions as proposed.



Blue Label Telecoms submitted a conditional binding offer of R4 billion to subscribe for a number of shares to hold around 35% of the total issued shares in Cell C at the close of the recapitalisation, and Cell C management and staff submitted a conditional binding offer of R2.5 billion to subscribe for a number of shares to hold about 30% of the total issued shares in Cell C at the close of the recapitalisation.

Current Cell C shareholder 3C Telecommunications will also subscribe for a number of shares to hold about 35% of the total issued shares at the close of the recapitalisation.

Empowering employees, building a stronger platform

"This transaction will not only benefit Cell C and empower its staff but more importantly, it will solidify Cell C's assurance to its customers to provide the most innovative products and services, backed by continued growth and investment in its network. We welcome Blue Label Telecoms as a strategic partner and know that it will add value to Cell C going forward," said Chairman of Cell C, Mohammed Hariri.

"Cell C has really hit a winning formula with this deal. The company is creating a formidable force in ownership with employees now on track to own around 30% of equity in Cell C. Coupled with the fact that the remaining debt (post-recapitalisation) will be refinanced in South African Rand, the business is building a stronger platform from which to grow, creating true empowerment for all its employees. It also has a strong management team in place to drive the vision forward," said Hariri

The recapitalisation is subject to conditions precedent, including the execution of definitive transaction agreements typical for a transaction of this nature, the securing of funding by all parties and the obtaining of all requisite regulatory approvals.

The expected effective date of the recapitalisation is 1 June 2016.

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