

Vodacom Group Limited

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("Vodacom Group" or "the company")

Voluntary announcement – Competition Commission data pricing enquiry

Shareholders are advised that Vodacom Group has reached an agreement with the Competition Commission and has issued the following media statement outlining details of the agreement reached:

R2.7 billion boost for customers as Vodacom cuts data prices, launches free data service

On 1 April 2020, Vodacom South Africa will introduce a range of initiatives that will result in R2.7 billion in additional savings for customers. This forms part of a broader Vodacom Group programme to create a Social Contract with its stakeholders that will address pressing societal challenges in each of the markets in which it operates.

Commenting on the latest Competition Commission announcement, Vodacom Group CEO Shameel Joosub, said: "Following the release of the Competition Commission's Final Data Market Inquiry Report in December last year, Vodacom decided to engage constructively with the Commission on the issues arising from the report. The agreement struck with the Commission provides us with an opportunity to enter into a Social Contract with the regulators, our customers and the people of South Africa to bring down the cost to communicate and promote digital inclusion. In terms of the agreement, and following confirmation by the Tribunal, Vodacom will introduce price reductions across all its monthly bundles and provide free access to basic internet, essential services and cheaper pricing to the poorest communities. This will promote greater digital inclusion and assist with societal problems in education and unemployment."

Over the past three years, Vodacom has made significant progress in reducing the cost to communicate and making data more accessible, particularly for poorer consumers and communities. For example, in 2019, we announced substantial cuts in out-of-bundle tariffs and introduced hourly, daily and weekly bundles with much lower effective prices to drive affordability in addition to overall reductions in bundle prices. These measures contributed to R2 billion in savings for customers and the circa 50% reduction in effective data prices in the past two years.

In line with our purpose of connecting people to a better future, education has been and remains integral to Vodacom in driving digital inclusion. To this end, Vodacom has already connected over 3000 schools and, in partnership with the Department of Basic education, runs 92 teacher training centres and 10 youth centres. Vodacom also provides free access to the portals of most of the country's public universities.

"Having heard the concerns raised by the Competition Commission, we proactively entered into a Social Contract with government and the public. We did this at a time when South African consumers are under increasing financial pressure and on the understanding that action will be taken by ICASA and Government to auction high demand spectrum. Delays in assigning spectrum and completing the digital migration has curbed the pace at which data prices could have fallen," adds Shameel.

The data price cuts and free data services that Vodacom will introduce on 1 April 2020 includes:

- Accelerating our data pricing transformation on our 30-day bundles by reducing prices by up to 40%. Notably, 1GB of data valid for 30 days – often referred to as the “headline price” - will reduce by 34% from R149 to R99 on all channels. Discounts will be provided on all 30-day bundles while further decreases will be effected on 1 April 2021.
- With regard to access to free data services, we will be consolidating all existing zero-rated data services with new essential services aimed at social upliftment into a single platform called “Connect U”. This social platform will provide Vodacom customers with:
 - Free access to job portals, where youth can search for employment and upload their CVs.
 - Free educational content like our e-School platform which provides CAPS curriculum aligned content from Grades R – 12.
 - Free Health and wellness information through our Mum & Baby platform focused on equipping mothers and caregivers with advice on pregnancy, neonatal and childcare through SMS, educational articles, tutorials, videos and other tools.
 - Free access to Facebook Flex, the low data alternative to Facebook that enables customers to stay socially connected.
 - Access to two free SMS's per day to customers, provided they have made a purchase in the past month and they can access these on the new portal.
 - Extending further discounted bundle offers to pre-paid customers in areas where the majority of people living beneath the food poverty line. This will benefit more than 2000 suburbs and villages, ensuring that this benefits people that really need it most.
 - Zero-rated access to select government sites to assist members of the public in accessing government services such as Home Affairs, Ambulance Services, Education sites and Government Communication Services. This will assist everyone in gaining access to much needed government services as these are now moving into the digital space as well.
 - Expanding our zero-rated offering to all schools, universities and T-Vet colleges across the country. This will ensure that learners and students enrolled into these institutions will be able to access relevant information for free via their portals.
 - A full zero-rated internet search function powered by Wikipedia. This will allow customers access to the entire Wikipedia database of knowledge free of charge.
 - Free access to other essential information such as local and international headlines, trends and the weather.

“We believe these commitments, as part of our social contract, will go a long way in assisting customers in these tough economic times and driving digital inclusion for all,” concludes Shameel.

Vodacom Group CEO, Shameel Joosub, will host a conference call at 16:00 (SA time), 14:00 (London time) and 9:00 (New York time) on Tuesday 10 March 2020 to discuss the agreement reached between the Competition Commission and Vodacom. For conference call details please email vodacomir@vodacom.co.za.

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10 March 2020

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