

03 February 2015

## Telkom and BCX deal on track – license transfer application no longer required.

Both Telkom and BCG (Business Connexion Group Limited) remain entirely committed to the transaction with BCG and the transaction will proceed, pending final approval by The South African Competition Tribunal. Telkom and BCG remain in ongoing discussions with the Independent Communications Authority of South Africa, as the regulator of this industry.

Telkom and BCG (Business Connexion Group Limited) applied to ICASA in August 2014, for written approval for a change in control of the shareholding of BCG from current shareholders of BCG, to Telkom.

The proposed transaction between BCG's current shareholders and Telkom will result in Telkom acquiring the entire issued share capital of BCG in terms of an Implementation Agreement entered into between the parties on the 21<sup>st</sup> of May 2014.

Subsequent to this application, both BCG and Telkom have further reviewed the Electronic Communication Act, with particular focus on sections 13(1) and 31(2A). On reviewing these elements, the view has been taken that the application for the transfers of licenses from BCX to Telkom will not be required. The application for the license transfer was therefore withdrawn from ICASA. However, the transaction between Telkom and BCG remains on course for completion, pending final approval from the competition authorities.

For further enquiries, please contact:

---

**Pynee Chetty**

OR **Leigh-Ann Francis**

Senior Specialist: Media Relations

Specialist: Media Relations

Group Communication

Group Communication

Tel:+27 12 642 1716

Tel: +27 12 642 1728

Mobile: +27 81 389 7874

Mobile: +27 81 391 4780

Email: [chettpr2@telkom.co.za](mailto:chettpr2@telkom.co.za)

Email: [francilm@telkom.co.za](mailto:francilm@telkom.co.za)

**Telkom Park, The Apex**

92 Oak Avenue

Technopark

Highveld

Centurion

### **ABOUT TELKOM:**

Telkom is a leading communications services provider in South Africa. We had consolidated operating revenue of R16.8 billion and normalised profit after tax of R1, 683 million for the period ended 30

September 2015. Total assets amounted to R41.9 billion and equity attributable to the owners of Telkom to R23.5 billion as of 30 September 2015. The group generated normalised free cash flow of R1.4 billion for the period ended 30 September 2015.

As of 30 September 2015, we had approximately 3.3 million telephone access lines in service and 1,030,441 ports connected via MSAN access. We offer business, residential and payphone customers a wide range of services and products, including:

- fixed-line retail voice services using PSTN (Public Switched Telephone Network) lines, including ISDN (Integrated Services Digital Network) lines, and the sale of subscription based value-added voice services and calling plans;
- fixed-line customer premises equipment rental and sales services both voice and data needs and these include PABX, Computers, Routers, Modems, Telephone handsets and other ancillary equipment;
- interconnection services, including terminating and transiting traffic from South African mobile operators, as well as from international operators and transiting traffic from mobile to international destinations;
- fixed-line data services, including domestic and international data transmission services, such as point-to-point leased lines, ADSL (Asymmetrical Digital Subscriber Line) services, packet-based services, managed data networking services and internet access and related information technology services;
- Data Centre Operations includes e-commerce, application service provider, hosting, data storage, e-mail and security services;
- W-CDMA (Wideband Code Division Multiple Access), a 3G next generation network, including fixed voice services, data services and nomadic voice services;
- mobile communication services, including voice services, data services and handset sales through our mobile navbar-brand called Telkom Mobile;
- information and communication services including cloud services, infrastructure services, workspace services, global service integration management and hardware and network equipment sales locally, in seven African countries, the UK and Dubai through Business Connexion Group; and
- other services including directory services, through Trudon (Pty) Ltd, wireless data services, through Swiftnet (Pty) Ltd.

Convergence is one of our key strategic initiatives in building a sustainable future for Telkom. We will lead the provision of converged services in South Africa in support of our mission statement: Seamlessly connecting people to a better life.