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**CELL C LIMITED**

*(incorporated in the Republic of South Africa with limited liability with registered number 1999/007722/06)*

**NOTICE**

to the holders of

**\$184,002,000**

**8.625% First Priority Senior Secured Notes due 2020**

**ISIN: XS1634003831 / Common Code: 163400383**

**(the "Notes")**

**28th January 2020**

**Update**

Cell C Limited ("**Cell C**") wishes to make Noteholders aware of the following:

A payment event of default under Condition 12(a)(ii) (*Events of Default – Non-Payment*) of the Notes has occurred due to the non-payment of interest due on the Notes in December 2019.

Furthermore, with regard to the respective bilateral loan facilities between Cell C and Nedbank Limited, China Development Bank Corporation, Development Bank of Southern Africa Limited and Industrial and Commercial Bank of China Limited, an event of default continues under Condition 12(b) (*Events of Default – Cross-Default*) of the Notes due to the non-payment of capital and interest due in January 2020 under such bilateral loan facilities.

Currently, none of the bilateral loan facilities have been accelerated. Cell C is committed to resolving the situation by agreeing to restructuring terms with its creditors (noting that a creditors' committee has been formed on which persons representing 55% of Noteholders sit) while it also continues to work proactively with all stakeholders to improve its liquidity, debt profile and long-term competitiveness. Cell C directs Noteholders to its corporate updates in September and November 2019 which detail the turnaround strategy and the conclusion of an expanded roaming agreement with MTN, Africa's largest mobile network operator, to better control its capital expenditure and operating costs. The agreement lays the ground for a broader national roaming agreement, supporting the country's policy goals of avoiding network duplication. This will further drive efficiencies in the delivery of services to consumers by Cell C.

This announcement is in line with Cell C's turnaround strategy to ensure operational efficiencies, restructure the balance sheet, implement a revised network strategy and improve our overall liquidity.

Cell C will provide further information (including a timeframe for publication of its year-end 2018 audited financial statements) to Noteholders in due course.

The Trustee is not responsible for the accuracy, completeness, validity, relevance, sufficiency or correctness of the statements made in this notice (including for the avoidance of doubt any information stated to be provided by Cell C) or omissions herein and makes no representation that all relevant information has been disclosed to the Noteholders' in or pursuant to this Notice.

**This Notice is given by**

**CORNER MAXWELL DRIVE AND PRETORIA MAIN ROAD, BUCCLEUCH, 2090 REPUBLIC OF  
SOUTH AFRICA**

**Email: Mr. Adrian Lotz (alotz@cellc.co.za)**