



Telkom

BUSINESS CONNEXION GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1988/005282/06)
JSE code: BCX
ISIN: ZAE0000154631
("BCX" or the "Company")

TELKOM SA SOC LIMITED
(Incorporated in the Republic South Africa)
(Registration number 1991/005476/30)
JSE code: TKG
ISIN: ZAE000044897
("Telkom")

RESULTS OF GENERAL MEETING AND SCHEME MEETINGS

1. INTRODUCTION

BCX shareholders ("**BCX Shareholders**") are referred to the firm intention announcement released on the Stock Exchange News Service ("**SENS**") of the JSE Limited ("**JSE**") on 22 May 2014 ("**Firm Intention Announcement**") regarding, *inter alia*, the terms on which Telkom offered to acquire (i) the entire issued ordinary share capital of BCX, ("**Ordinary Scheme Shares**"), and (ii) the entire issued "A" ordinary share capital of BCX ("**A Scheme Shares**"), excluding all BCX shares held by Business Connexion Proprietary Limited as treasury shares ("**Proposed Transaction**").

BCX Shareholders are further referred to:

- the announcements released on SENS on 12 June 2014 regarding, *inter alia*, the extension granted by the Takeover Regulation Panel ("**TRP**") for the posting of the circular in relation to the Proposed Transaction to 11 July 2014;
- the combined circular to BCX Shareholders dated 11 July 2014 containing, *inter alia*, details of the Proposed Transaction; notice of general meeting ("**General Meeting**") to, *inter-alia*, consider approving amendments to the terms of BCX's current share incentive schemes, approving the establishment of a new retention and incentivisation plan and approving the repurchase of the A Shares pursuant to the exercise of an Affected Transaction Call Option as set out in the memorandum of incorporation of BCX ("**Repurchase**"); a notice convening a meeting of Shareholders holding Ordinary Scheme Shares ("**Ordinary Scheme Meeting**") to, *inter alia*, consider and, if deemed fit, approve the acquisition by Telkom of the Ordinary Scheme Shares by way of a scheme of arrangement in terms of 114 (1)(c), read with section 115, of the Companies Act No 71 of 2008 ("**Ordinary Scheme Resolution**") and a notice convening a meeting of Shareholders holding A Scheme Shares ("**A Scheme Meeting**") to, *inter alia*, consider and, if deemed fit, approve the acquisition by Telkom of the A Scheme Shares by way of a scheme of

arrangement in terms of 114 (1)(c), read with section 115, of the Companies Act No 71 of 2008 ("**A Scheme Resolution**") and the Repurchase; forms of proxy and forms of surrender and transfer ("**Circular**");

- the SENS announcement released on 5 August 2014 regarding, *inter alia*, amendments to the implementation agreement entered into between BCX and Telkom on 21 May 2014 (as previously amended by addenda entered into on 20 June 2014, 7 July 2014, 24 July 2014 and 1 August 2014), which relate to an amendment that allows BCX to make a distribution of up to 20c per ordinary share to the BCX Shareholders prior to the implementation of the Proposed Transaction in terms of a further addendum entered into on 4 August 2014; and
- the SENS announcement released on 8 August 2014 regarding, *inter alia*, the declaration of a special dividend of 20 cents per ordinary share payable to BCX Shareholders prior to the implementation of the Proposed Transaction.

2. RESULTS OF THE GENERAL MEETING

BCX Shareholders are advised that at the General Meeting held on Monday, 11 August 2014 at 10:00, all of the resolutions as set out in the notice convening the General Meeting incorporated in the Circular were passed, without modification, by the requisite majority of votes.

3. RESULTS OF THE ORDINARY SCHEME MEETING

BCX Shareholders are advised that at the Ordinary Scheme Meeting held on Monday, 11 August 2014 after the conclusion of the General Meeting, all of the resolutions as set out in the notice convening the Ordinary Scheme Meeting incorporated in the Circular were passed, without modification, by the requisite majority of votes.

4. RESULTS OF THE A SCHEME MEETING

BCX Shareholders are advised that at the A Scheme Meeting held on Monday, 11 August 2014 after the conclusion of the Ordinary Scheme Meeting, all of the resolutions as set out in the notice convening the A Scheme Meeting incorporated in the Circular were passed, without modification, by the requisite majority of votes.

5. OUTSTANDING CONDITIONS PRECEDENT

5.1. BCX Shareholders are advised that the following conditions precedent to the Ordinary Scheme, as detailed in the Circular, remain outstanding ("**Ordinary Scheme Conditions**"):

5.1.1. by not later than 23h59 on 30 January 2015, the Proposed Transaction has been approved by the requisite competition authorities, or conditionally approved on terms and conditions which the party which is or parties which are affected by such conditions or terms confirms in writing (within 5 business days of receipt of such conditional approval but in any event by not later than 23h59 on 30 January 2015 to be acceptable to it/them, acting reasonably);

5.1.2. by not later than 23h59 on 30 January 2015, to the extent necessary, any confirmation or approval in writing as required in terms of the Electronic Communications Act from the Independent Communications Authority of South Africa has been obtained in accordance with the requirements of such statute, or conditionally confirmed or approved on terms and conditions which the party which is or parties which are affected by such conditions or terms confirm/s in writing

(within 5 business days of receipt of such conditional approval but in any event by not later than 23h59 on 30 January 2015) to be acceptable to it/them, acting reasonably; and

5.1.3. by not later than 23h59 on the 3rd business day following the day on which the last of the conditions in this paragraph 5 (excluding this paragraph 5.1.3) is fulfilled or waived, as the case may be, the Takeover Regulation Panel has issued a compliance certificate in respect of the Proposed Transaction in terms of section 119(4)(b) of the Companies Act.

5.2. BCX Shareholders are advised that the following conditions precedent to the A Scheme, as detailed in the Circular, remain outstanding:

5.2.1. by not later than 23:59 on the 30 January 2015, the Ordinary Scheme Conditions have been fulfilled, save insofar as such Ordinary Scheme Conditions are conditional on the adoption of the A Scheme Special Resolution; and

5.2.2. by not later than the 10th business day after the fulfilment or waiver, as the case may be, of the last of the Ordinary Scheme Conditions, the Affected Transaction Call Option has not been exercised or, if it has been exercised, the Affected Transaction Call Option has not been implemented.

5.3. BCX Shareholders are advised that the following conditions precedent to the Affected Transaction Call Option, as detailed in the Circular, remain outstanding –

5.3.1. by not later than 30 January 2015, the Ordinary Scheme Conditions have been fulfilled, save insofar as such Ordinary Scheme Conditions relate to the implementation of the Affected Transaction Call Option in terms of the Repurchase.

5.4. Upon fulfilment of all remaining conditions precedent, a finalisation announcement will be made by BCX and Telkom as soon as reasonably practicable.

6. SALIENT DATES AND TIMES

The remaining salient dates and times relating to the finalisation and implementation of the Scheme ("**Timetable**") are set out hereunder for shareholders' information and where appropriate, action. Note that these have not changed from those dates set out in the Circular. Words and expressions in the Timetable and notes thereto shall have the same meaning as assigned to them in the Circular.

| Action | 2014 |
|---|---------------------------|
| Results of the Meetings published on SENS on | Monday, 11 August |
| Results of Meetings published in the South African press on | Tuesday, 12 August |

Last day for BCX Shareholders who voted against the Schemes to require BCX to seek court approval for the Schemes in terms of section 115(3)(a) of the Companies Act **Monday, 18 August**

Last day for BCX to send notice of adoption of any/all of the Ordinary Scheme Special Resolution and/or the Repurchase Resolutions to Dissenting Shareholders, in accordance with section 164 of the Companies Act **Monday, 25 August**

Last day for a BCX Shareholder who voted against the Scheme(s) to apply to court for leave to apply for a review of the Scheme(s) in terms of section 115(3)(b) of the Companies Act **Monday, 25 August**

Last day for a BCX Shareholder who gave notice to BCX objecting to the Ordinary Scheme Special Resolution and/or the Repurchase Resolutions in terms of section 164 of the Companies Act to make a demand against BCX as contemplated in section 164(7) **Monday, 8 September**

Action **2014**

The following dates assume that no court approval or review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional

Expected Fulfilment Date for fulfilment or waiver, as the case may be, of the last of the conditions to the Implementation Agreement **Friday, 17 October**

Finalisation announcement expected to be released on SENS **Monday, 20 October**

Finalisation announcement expected to be published in the South African press **Tuesday, 21 October**

Expected last day to trade in Shares in order to be recorded in the Register on the Scheme Record Date (Scheme Last Day to Trade) **Friday, 31 October**

Expected date of suspension of listing of Shares on the JSE **Monday, 3 November**

Expected Scheme Record Date on which BCX Shareholders must be recorded in the Register to receive the Scheme Consideration **Friday, 7 November**

Expected Operative Date of the Schemes **Monday, 10 November**

Scheme Consideration expected to be posted/paid to Certificated Scheme Participants (provided their Form of Surrender and Transfer are received on or prior to 12:00 on the Scheme Record Date) on or about **Monday, 10 November**

Dematerialised Scheme Participants expected to have their accounts with their CSDP or broker credited with the Scheme Consideration on or about

Monday, 10 November

Expected termination of listing of Shares at commencement of trade on the JSE

Tuesday, 11 November

Notes:

1. All dates and times in respect of the Scheme are subject to change by mutual agreement between BCX and Telkom and the approval of the JSE and the TRP. The dates have been determined based on assumptions regarding the dates by which certain regulatory approvals including, but not limited to, that of the competition authorities, will be obtained and that no court approval or review of the Scheme will be required. Any change in the dates and times will be released on SENS and published in the South African press. All times given in this announcement are local times in South Africa.
2. BCX Shareholders who hold Ordinary Scheme Shares on the Scheme Last Day to Trade (expected to be Friday, 31 October 2014) will participate in the Proposed Transaction, i.e. sell their Ordinary Scheme Shares to Telkom in accordance with the terms of the Circular.
3. All times given in this announcement are local times in the Republic of South Africa.
4. If the Ordinary Scheme becomes operative, Ordinary Scheme Shares may not be dematerialised or rematerialised after the Scheme Last Day to Trade.

Midrand

11 August 2014

Investment bank and corporate advisor to BCX: Investec Bank Limited

Transaction sponsor to BCX: Investec Bank Limited

Sponsor to BCX: One Capital Sponsor Services (Proprietary) Limited

Communication advisor to BCX: Instinctif Partners (SA) (Proprietary) Limited

Investment bank and corporate advisor to Telkom: Absa Bank Limited

Transaction sponsor to Telkom: Absa Bank Limited

Communication advisor to Telkom: Edelman SA (Proprietary) Limited

Legal advisor to BCX and Telkom: Edward Nathan Sonnenbergs Incorporated

Independent Expert to BCX: BDO Corporate Finance (Proprietary) Limited