



HQ/CS/CL.24B/15960
28 June 2016

Sir,

Sub: Neotel and Liquid Telecom

This is to inform you that Liquid Telecom, a pan-African telecoms group, majority owned by Econet Wireless Global, has entered into an agreement to acquire South African communications network operator Neotel. Neotel is a subsidiary of the Company. The shareholders of Neotel have agreed for Liquid Telecom to acquire Neotel for R6.55 billion. Liquid Telecom is partnering with Royal Bafokeng Holdings (RBH), a South African empowerment investment group, which has committed to take a 30% equity stake in Neotel.

The transaction, is subject to obtaining all affirmative approvals and other corporate approvals that may be required by the shareholders of Neotel and the regulatory approvals in South Africa.

A Press Release in this regard being issued today is attached.

Thanking you,

Yours Faithfully,
For Tata Communications Limited

Manish Sansi
Company Secretary &
General Counsel (India)

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For immediate release**PRESS RELEASE**

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Liquid Telecom and RBH announce agreement to acquire Neotel***Transaction will create the first pan-African fibre player***

Mumbai, India - June 28th, 2016 - Today, Liquid Telecom, a privately owned, pan-African telecoms group, majority owned by Econet Wireless Global, announces that it has entered into an agreement to acquire South African communications network operator Neotel. The shareholders of Neotel - Tata Communications of India and minority shareholders led by Nexus Connexion - have agreed for Liquid Telecom to acquire Neotel for ZAR6.55 billion. Liquid Telecom is partnering with Royal Bafokeng Holdings (RBH), a South African empowerment investment group, which has committed to take a 30% equity stake in Neotel.

The transaction, which is subject to obtaining all affirmative approvals and other corporate approvals that may be required by the shareholders of Neotel and other regulatory approvals, is transformative and will create the largest pan-African broadband network and B2B telecoms provider. Through a single access point, businesses across Africa will be able to access Liquid Africa's 24,000km of cross-border, metro and access fibre networks. These currently span 12 countries from South Africa to Kenya, with further expansion planned.

Commenting on the transaction, **Nic Rudnick, Liquid Telecom CEO**, said, *"We are excited about this transaction. Leveraging the strengths of RBH, Neotel and Liquid Telecom will offer an unprecedented fibre network with a unique set of services and international connectivity for telecom operators and enterprises across sub-Saharan Africa. For the first time, African companies will be able to connect with each other in a cost effective and reliable way, all on a single fibre network. We will also be increasing investments into Neotel to cater for rapidly accelerating mobile and enterprise traffic, enabling us to launch exciting new products and services."*

Albertinah Kekana, Royal Bafokeng Holdings CEO, said, *"This transaction is part of our divestment strategy and in line with objectives to invest in high growth infrastructure sectors. As a long term investor, we are pleased to be partnering with Liquid Telecom who has a very credible track record in rolling out fibre in challenging and diverse markets. This deal represents our long-term investment approach and our commitment to the African growth story."*

Speaking on behalf of **Tata Communications**, Neotel's majority shareholder, **Vinod Kumar, Managing Director and CEO**, said, *"Liquid Telecom is the right partner for the next phase of Neotel's evolution. Convergence of technologies and services will be the key driver of growth across the globe and this transaction will encourage inclusion and support the growth aspirations of the African continent. We believe that Liquid Telecom will deliver on the vision of a well-connected Africa, which will augur well for the South African telecom industry and Neotel's customers."*

Nexus Connection, Neotel's minority shareholder, also welcomed the transaction. Speaking on behalf of Nexus, **Kennedy Memani**, said, *"We welcome this transaction with Liquid Telecom. It will see the sale of Neotel to new*

For immediate release**PRESS RELEASE**

shareholders who have the vision, expertise and funding to continue to grow the company and to allow it to reach its full potential in South Africa and across the African Continent. We are confident that customers and employees will benefit from the transaction and from the resulting stability and business expansion.”

The transaction is subject to approval by South African regulatory authorities and is expected to be completed later this financial year.

Ends...

Notes to editors:**About Tata Communications**

Tata Communications Limited (CIN no: L64200MH1986PLC039266) along with its subsidiaries (Tata Communications) is a leading global provider of A New World of Communications™. With a leadership position in emerging markets, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global and pan-India network to deliver managed solutions to multi-national enterprises, service providers and Indian consumers.

The Tata Communications global network includes one of the most advanced and largest submarine cable networks and a Tier-1 IP network with connectivity to more than 240 countries and territories across 400 PoPs, as well as nearly 1 million square feet of data centre and collocation space worldwide.

Tata Communications' depth and breadth of reach in emerging markets includes leadership in Indian enterprise data services and leadership in global international voice. Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

<http://www.tatacommunications.com>

About Liquid Telecom

Liquid Telecom is a subsidiary of the privately held and diversified telecommunications group Econet Wireless Global. With over 1000 employees, Liquid Telecom is the leading independent data, voice and Internet provider operating across Eastern, Central and Southern Africa. It supplies fibre optic, satellite and international carrier services to Africa's largest mobile network operators, Internet service providers and businesses of all sizes. It also provides payment solutions to financial institutions and retailers, as well as data storage and communication solutions to businesses worldwide.

Liquid Telecom's cross-border fibre backbone network currently stretches 24,000km across Botswana, the DRC, Kenya, Rwanda, South Africa, Tanzania, Uganda, Zambia and Zimbabwe, with further expansion planned into new markets. It also owns an independent data centre in East Africa and a high technology support centre based in London.

Liquid Telecom provides international connectivity and Internet Protocol (IP) transit, wholesale metro network connectivity, as well as fibre-to-the-home and fibre-to-the-business (FTTH and FTTB) connectivity. Liquid Telecom's Chairman is Strive Masiyiwa and Nic Rudnick is the CEO.

<https://www.liquidtelecom.com/>

About Neotel

Neotel is South Africa's first converged communications network operator. The company offers tailored, innovative solutions based on voice, internet and data services to help large and small businesses and ECS/ECNS licensees to drive down communication costs, increase productivity and gain competitive advantage. Neotel has rolled out an extensive metro and national long-distance next generation network, powered by a high-performance fibre optic core with availability exceeding 99.999%. Neotel operates Tier 3 Data Centres in Johannesburg and Cape Town and directly connects the major centres in South Africa to the world via all 5 undersea cables. Neotel offers fresh thinking, a collaborative approach and a willingness to help its customers challenge the status quo. Leveraging its global reach, people and partners, Neotel delivers superior Network and Managed Services through continuous innovation, world-class technology and exceptional customer service. Neotel - because better communication inspires possibilities.

www.neotel.co.za

For immediate release**PRESS RELEASE****About Econet**

Econet is a diversified telecommunications group with operations and investments in Africa, Europe, South America, and the East Asian Pacific Rim. It offers products and services in the core areas of mobile and fixed telephony services, broadband, satellite, optical fibre, and mobile payments.

Strive Masiyiwa is the founder and Chairman of Econet Wireless, as well as of Liquid Telecom. He was recognised by Fortune Magazine's annual "World's 50 Greatest Leaders" in 2013 at 35 on the list.

<http://www.econetwireless.com/>

About Royal Bafokeng Holdings (RBH)

RBH is a community based investment company and is the primary investment vehicle of the Royal Bafokeng Nation (RBN), a community of approximately 150 000 Setswana-speaking people with substantial minerals-rich land holdings in South Africa's North West Province. The Royal Bafokeng Development Trust is the sole shareholder of RBH, whose investment activities are aimed at generating the income required for the funding of sustainable projects that will benefit the Bafokeng community.

RBH has assets spread across the mining, financial services, infrastructure, oil and gas services, and industrial sectors. As at 31 December 2015, RBH net asset value was R32bn.

www.royalbafokengholdings.com

About Nexus

Nexus is the broad-based BEE structure, comprising of the following shareholders amongst others, SADTU and NEHAWU, Nozala, Youth Groups and various other provincial shareholders. It was funded by IDC and DBSA and have been involved with Neotel since inception. The founder of Nexus Connexion, Kennedy Memani has also served as a Director of Neotel over the duration of investment working side by side with Tata Communications Limited (TCL).

Forward-looking and cautionary statements

Certain words and statements in this release concerning Tata Communications and its prospects, and other statements, including those relating to Tata Communications' expected financial position, business strategy, the future development of Tata Communications' operations, and the general economy in India, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors, including financial, regulatory and environmental, as well as those relating to industry growth and trend projections, which may cause actual results, performance or achievements of Tata Communications, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, failure to increase the volume of traffic on Tata Communications' network; failure to develop new products and services that meet customer demands and generate acceptable margins; failure to successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services; failure to stabilize or reduce the rate of price compression on certain of the company's communications services; failure to integrate strategic acquisitions and changes in government policies or regulations of India and, in particular, changes relating to the administration of Tata Communications' industry; and, in general, the economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in Tata Communications' control, include, but are not limited to, those risk factors discussed in Tata Communications Limited's Annual Reports. The Annual Reports of Tata Communications Limited are available at www.tatacommunications.com. Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.
