



**ANNUAL RESULTS
PRESENTATION
FOR YEAR ENDED
31 DECEMBER 2017**

GOVERNANCE – POST THE RE-CAPITALISATION

Executive Directors



Jose Dos Santos
Chief Executive Officer



Tyrone Soondarjee
Chief Financial Officer

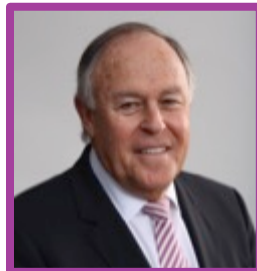


Robert Pasley
Chief Strategy Officer

Non-Executive Directors



Kuben Pillay
Independent Chairman



Laurence Nestadt
Deputy Chairman



Joe Mthimunya
Independent Director



Chris Seabrooke

Non-Executive Directors - Shareholder Nominees



Brett Levy
Nominated by:
Blue Label
Telecoms



Mark Levy
Nominated by: Blue Label
Telecoms



Herman Kotzé
Nominated by: Net1

TOP MANAGEMENT STRUCTURE STRENGTHENED



Jose Dos Santos
Chief Executive Officer



Tyrone Soondarjee
Chief Financial Officer



Michelle Beetar
Chief Customer Experience Officer



Surie Ramasary
Chief Executive: Content



Graham Mackinnon
Chief Legal Officer



Björn Flormann
Chief Executive: Wholesale
Business



Nihmal Marrie
Chief Digital Officer



Juliet Mhango
Chief HR Officer



Joshua Moela
Managing Executive for
Government Relations



Douglas Craigie Stevenson
Chief Operations Officer



Robert Pasley
Chief Strategy Officer



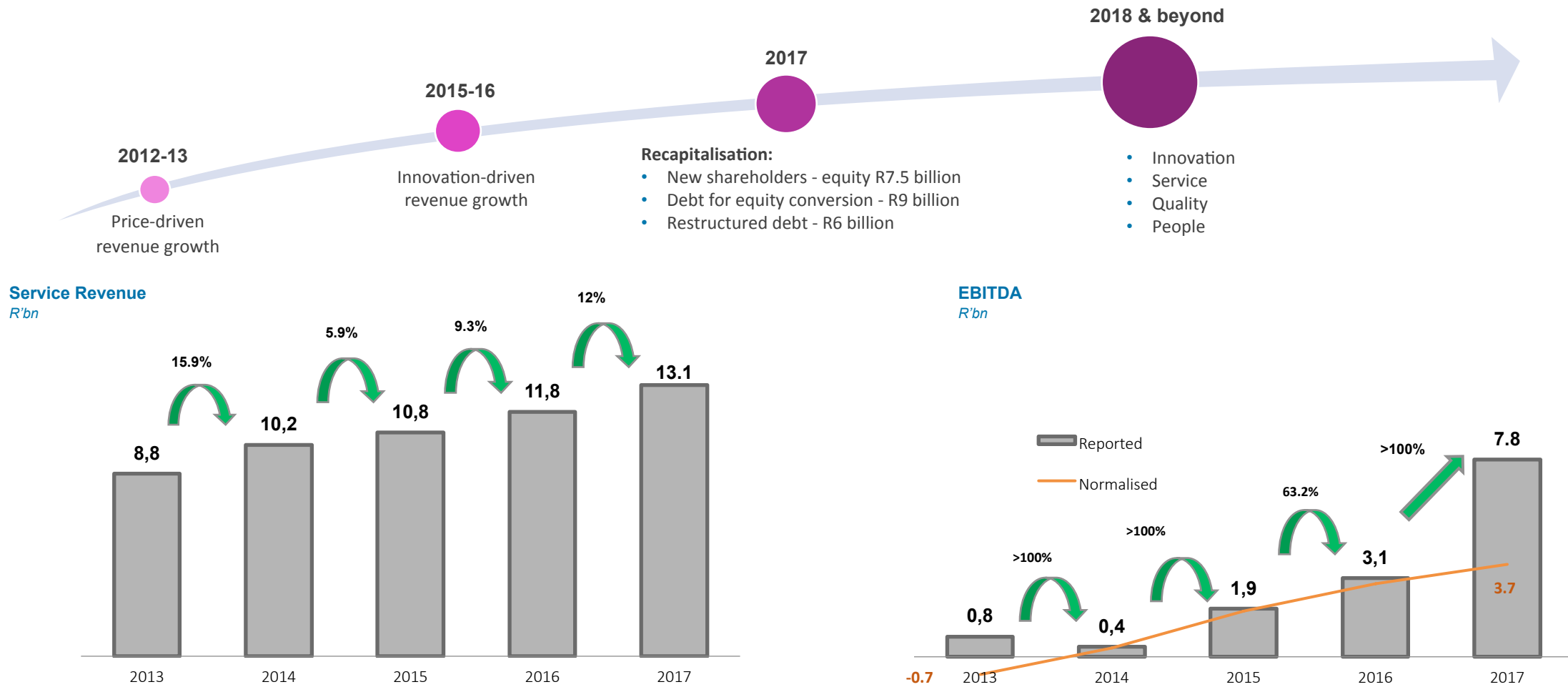
Sherhaad Kajee
Chief Property & Procurement
Officer



Dana Bakker
Chief Technical Officer

Key new appointments were made to strengthen top management team (CFO, CDO, COO, CHRO)

CELL C – A TURNAROUND STORY UNDERPINNED BY SUSTAINABLE GROWTH



HIGHLIGHTS – 2017 KEY PERFORMANCE INDICATORS



+12% YOY

Service Revenue
R13.2 billion



+7% YOY

Revenue
R15.7 billion



+151% YOY

EBITDA
R7.8 billion



+29% YOY

EBITDA Margin
50%



+660%

Net profit after tax
R4.1 billion











8% of revenue

Capital Expenditure
R1.2 billion










POSITIVE RESULTS

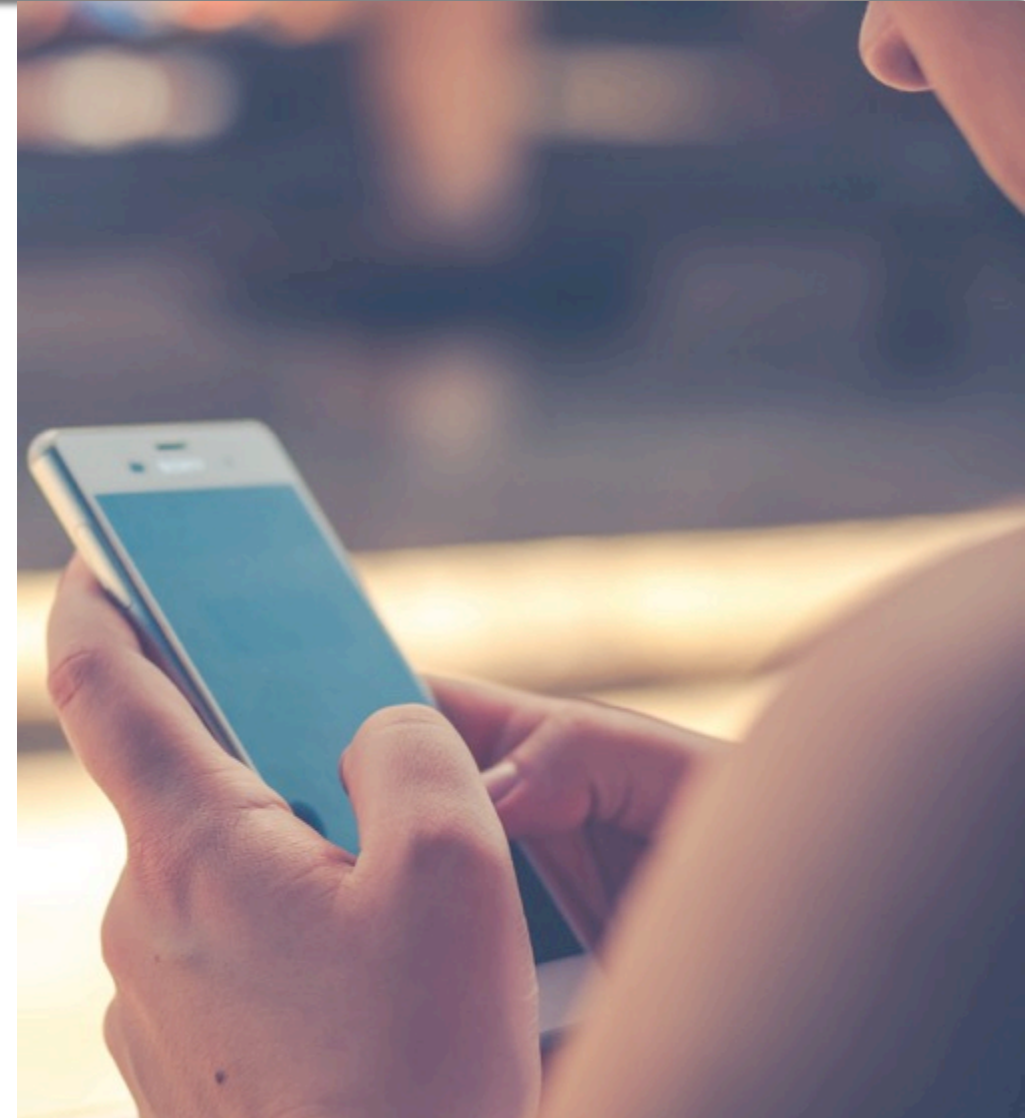
Summary of reported financial information

R'm	2017	2016	% Change
Service revenue	13 147	11 752	 12
Non-service revenue	2 568	2 894	 11
Total revenue	15 715	14 646	 7
Gross margin	8 170	7 454	 10
Gross margin %	52%	51%	 1
EBITDA	7 793	3 106	 >100
EBITDA margin %	50%	21%	 29
Net profit after tax	4 114	541	 >100

UNPACKING OUR SUBSCRIBERS

OTHER KEY PERFORMANCE INDICATORS

Million	2017	2016	% Change
Total active subscribers	16.3	15.3	 6
MVNO subscriber base	1.5	1.4	 8
Total active data subscribers	12.6	12.5	 1
Data revenue (R'm)	5 230	4 057	 29
Capital expenditure (R'm) Network Investment	1 198	2 271	 47
Rand	2017	2016	% Change
Total ARPU	73	76	 4
Prepaid	56	58	 3
Contract	209	196	 7
Increase in smartphone users YOY	 21		
Smartphones on our network (million)	9.2	7.6	



PRODUCTS & SERVICES AT A GLANCE

DATA

- **Data revenue** increased by **29%** whilst **data usage** has increased by **90%** YOY;
- Data revenue now makes up **40% of service revenue** compared to **34%** a year ago; and
- The **effective price of data per MB** has decreased by more than **36%** YOY.

VOICE

- **Voice revenue** decreased by **4%** YOY in line with the **effective price of voice per minute** decreasing by 4% YOY; and
- Voice traffic carried by other means such as WhatsApp Calling and other VoIP services.

WHOLESALE

- **Wholesale revenue** increased by R315 million (or 79%) to **R717 million** YOY driven by the growth in the customer base; and
- Customer data usage in this area generated the bulk of the revenue growth.



FTTH

- Competitive products and pricing; and
- Exceptional organic growth aided by acquisitions going forward.



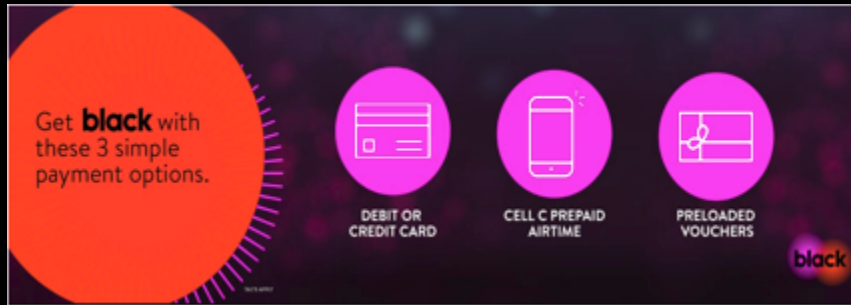
FIBRE TO THE HOME

- Launched C-Fibre in 2016 with open access FNOs – Vumatel, FrogFoot and Mitsol
- In 2017 we launched C-Fibre on Openserve, Metrofibre and Octotel on open access Fibre Networks
- Cell C offers unlimited, unrestricted, unshaped symmetrical and asymmetrical fibre packages
- C-Fibre subscribers benefit from value added services that include a FREE Wi-Fi Router, FREE installation, FREE connection, personalised device set-up and 1GB LTE mobile data p/m for 12 months.
- In Q2 2018, Cell C will launch a triple play offer that will include mobile, fibre and entertainment through the black platform

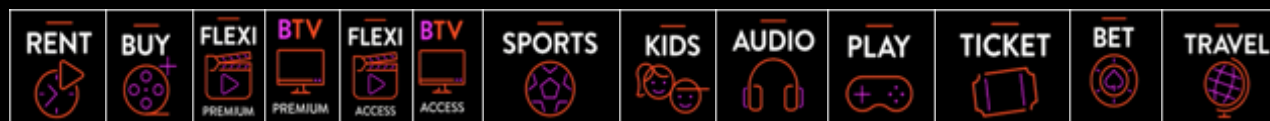
C-Fibre	2017	2016	Base growth %	Revenue growth %
New connections	13 958	1 795	 >100	 >100



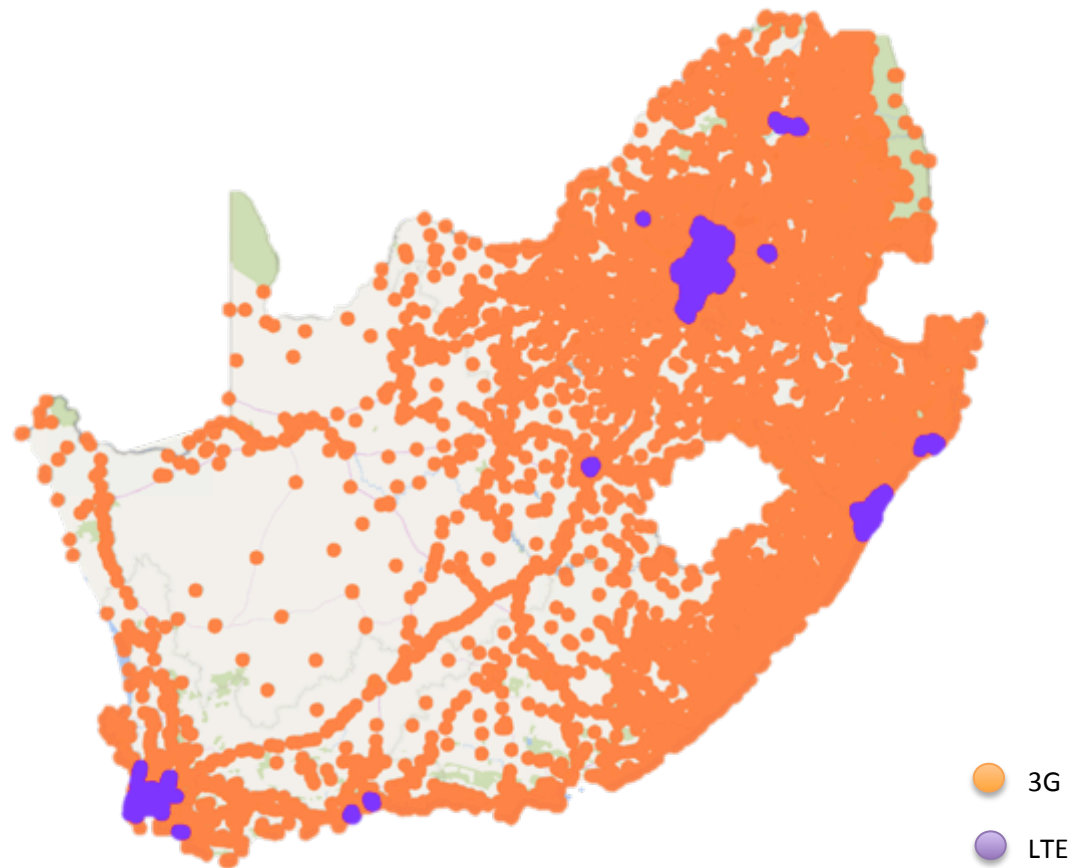
black THE FUTURE OF ENTERTAINMENT NOW.



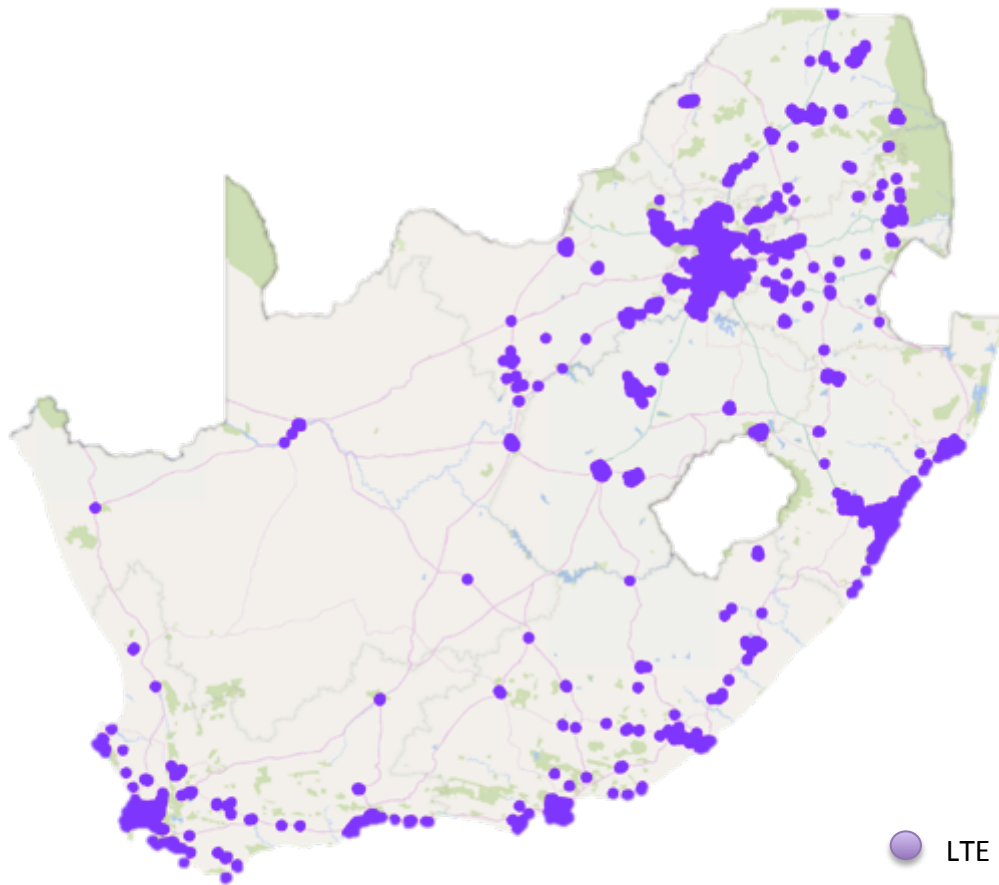
- **Market Disruptor** - First to market, on demand, multi media interactive entertainment platform
- Accessible **on any network across multiple devices**
- Offering Movies, Series, Music, Sport, Games, Live TV and so much more (Local & International)
- **Flexible pricing** from as little as R5 a day – Subscribe for a week, weekend or month
- Simple payment options – first to introduce payment via Prepaid Airtime, in addition to cards and vouchers



NETWORK POPULATION COVERAGE



PLANNED LTE POPULATION COVERAGE



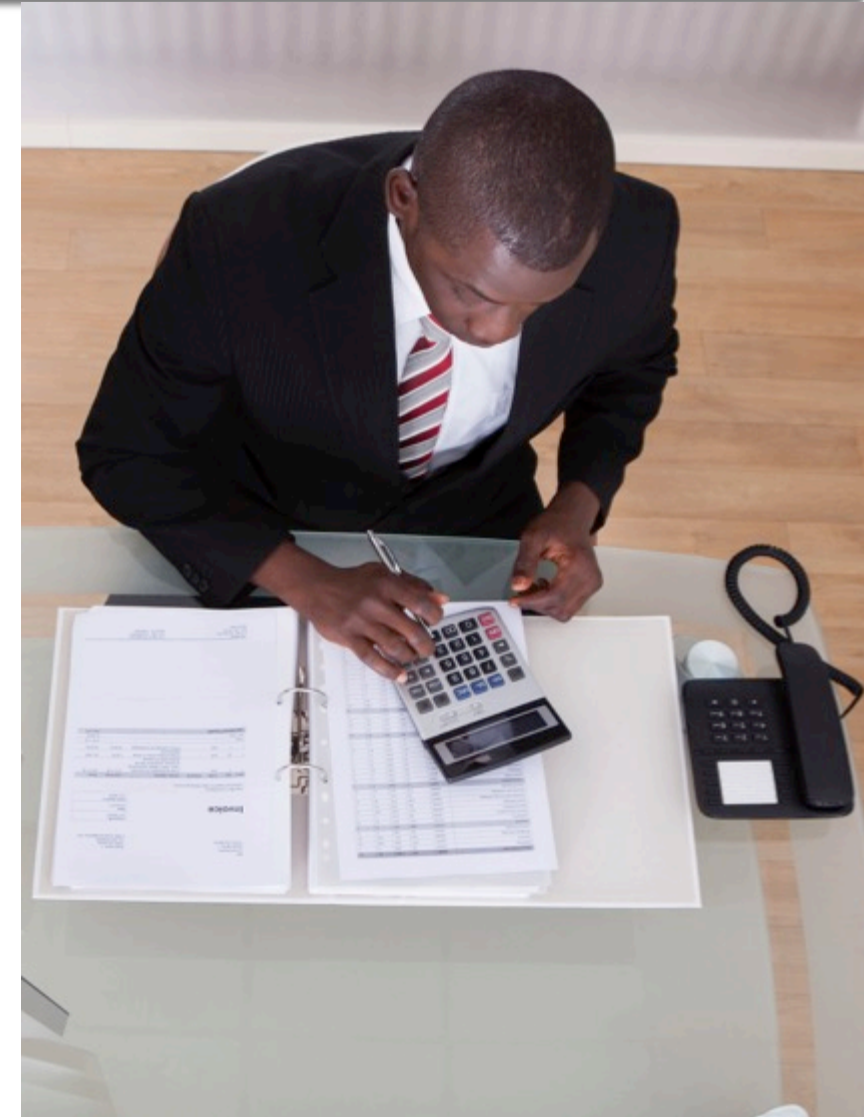
A man in a pinstripe suit is looking at a smartphone in a modern office setting. He is standing at a round table with a laptop. In the background, other people are blurred. The image has orange and purple geometric overlays.

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FINANCIAL RESULTS

STRENGTHENED BALANCE SHEET

R'm	Dec 2017	Dec 2016	% Change	
Network assets	8 617	8 751	▼	1.5
Intangible assets	1 341	796	▲	69
Trade receivables and other assets	4 896	4 232	▲	16
Deferred tax	4 094	1 983	▲	>100
Total assets	18 948	15 762	▲	20
Loans and borrowings	(6 824)	(17 731)	▲	62
Other liabilities provisions	(6 875)	(8 074)	▲	15
Finance leases	(1 488)	(1 645)	▲	10
Total liabilities	(15 187)	(27 450)	▲	45
Net equity	3 760	(11 687)	▲	>100



2017 RESULTS PRESENTATION

REPORTED FINANCIAL KEY PERFORMANCE INDICATORS

R'm	7 months 2017 Pre-recap	5 months 2017 Post-recap	Total 2017 Dec	2016 Dec	% Change
Total revenue	9 013	6 702	15 715	14 646	▲ 7
Once off items	-	4 139	4 139	214	▲ >100
EBITDA	1 960	5 833	7 793	3 106	▲ >100
EBIT	792	4 935	5 727	1 335	▲ >100
Net Finance Costs	-2 661	-1 064	-3 725	-801	▼ >100
Net (loss)/profit before tax	-1 869	3 872	2 003	541	▲ >100
Tax	-	2 111	2 111	-	-
Net (loss)/profit	-1 869	5 983	4 114	541	▲ >100



2017 RESULTS PRESENTATION

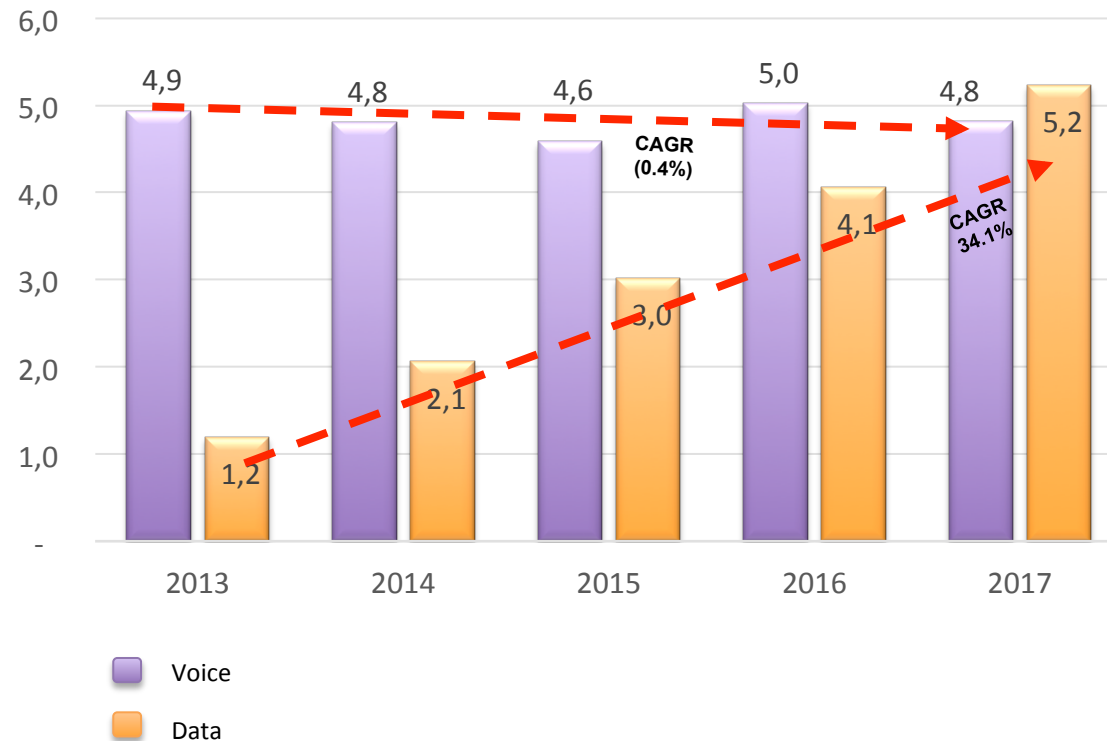
NORMALISED FINANCIAL KEY PERFORMANCE INDICATORS

R'm	7 months 2017 Pre-recap	5 months 2017 Post-recap	Total 2017 Dec	2016 Dec	% Change
Total revenue	9 013	6 702	15 715	14 646	▲ 7
Normalised EBITDA	1 960	1 694	3 654	2 892	▲ 26
Normalised EBIT	792	796	1 588	1 121	▲ 42
Net finance costs	-2 661	-1 064	-3 725	-801	▲ >100
Normalised net (loss)/profit before tax	-1 869	-267	-2 137	320	▼ >100
Tax	-	2 111	2 111	-	-
Normalised net (loss)/profit	-1 869	1 844	-26	320	▼ >100



REVENUE ANALYSIS

Voice vs data revenue



- Growth in customer base
- Increased customer spend
- Data centric product offerings
- Increased smartphone users
- Improved network quality

IMPROVING COST BASE

Operational Expenditure

R'm	7 months 2017 Pre-recap	5 months 2017 Post-recap	2017	2016	% Change
Direct expenditure	4 350	3 195	7 545	7 193	▲ 5
Operating expenditure	2 872	2 005	4 877	4 594	▲ 6
Depreciation and amortisation	1 168	898	2 066	1 771	▲ 17
Total expenditure	8 390	6 098	14 488	13 558	▲ 7

Capital Expenditure

- **Capital expenditure** has been strategically focused to enable us to provide mobile voice, data services and content through a combination of our own LTE-Advanced network that overlays our LTE, 3G and 2G networks.
- Cell C capital expenditure has slowed in H1 2017 due to the delayed recapitalization but picked up again post recapitalization. Our total capital expenditure was:

R'm	2014	2015	2016	2017
Network investments	2 044	2 095	2 271	1 198





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THANK YOU