

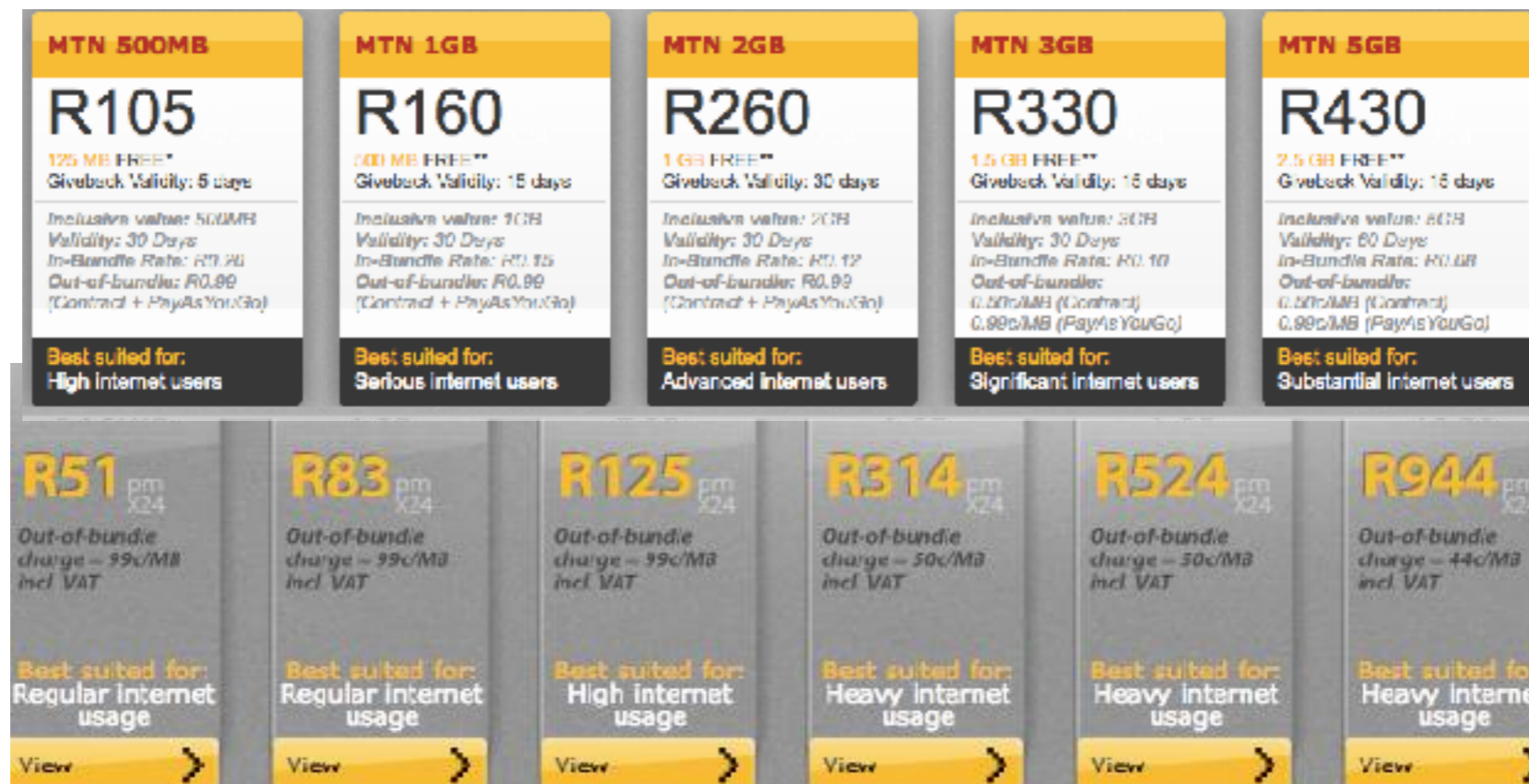
Data pricing trends in South Africa

Presentation by Research ICT Africa, 2017

Prepaid prices Vs Postpaid

- Mobile broadband services remain very expensive for low-income users in South Africa (55% of South African population not using the Internet)
- About 15% non-Internet users stated that the Internet is too expensive, while 36% have no access to smartphones or computers

- Prepaid services are far more expensive than contract or postpaid, despite prepaid customers being less costly and risky

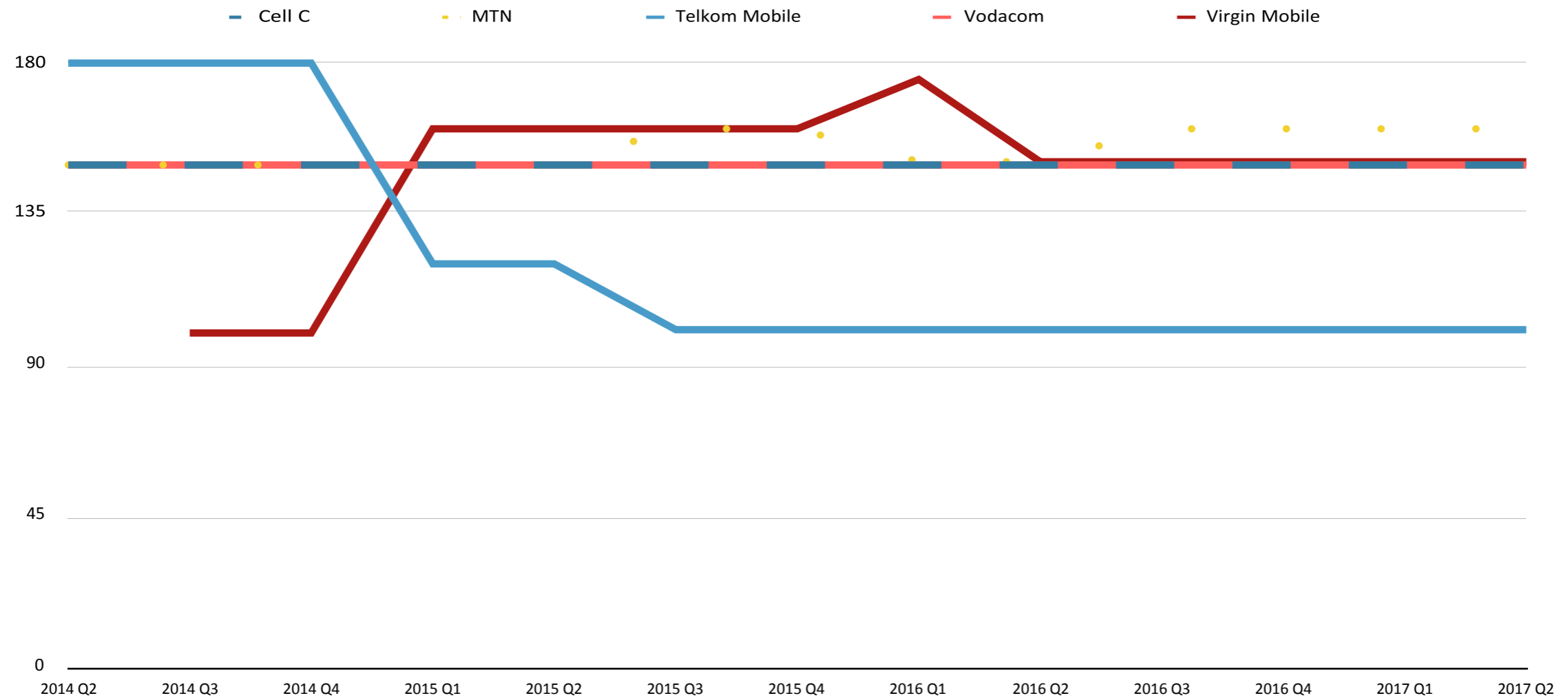


Pricing competition in the data market

- Prices of 1GB monthly prepaid data bundle have remained fairly constant between R149 and R160 over the last nine quarters, except for Telkom (R99)

- According to Research ICT Africa (RIA)'s 1GB data pricing information, there has been minimal price competition in the prepaid mobile broadband market in the last two years.
- The Telkom strategy to undercut other operators did not initiate any response from other three operators.

South Africa operators' 1GB price using RAMP



A comparison of Africa's cheapest prepaid mobile data prices

- RIA's Africa Mobile Price (RAMP) Index shows that the lowest price for 1GB of mobile data puts South Africa 27th out of 49 African countries for Q2 2017.
- In Egypt, the cheapest 1GB of prepaid data is sold at **USD1.41** while in South Africa is offered by Telkom Mobile at **USD7.50**

	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Egypt	2,8	1,7	1,4	1,2
Tanzania	2,4	3,0	2,3	2,3
Ghana	2,5	2,5	2,3	2,3
Nigeria	3,2	3,2	3,2	3,1
Kenya	5,0	5,0	4,9	4,7
South Africa	7,0	7,1	7,5	7,6

A comparison of Africa's cheapest prepaid mobile data prices

- South Africa came last out of six of some of the most dynamic telecommunication markets in Africa in the Q2 2017
- The cost of 1GB in SA is three times the cost of the same data amount in Ghana and Tanzania, and more than twice the cost of 1GB in Nigeria

Comparison of the cost of 1GB across SADC countries using RIA 1GB price basket

- Among SADC countries, SA is ranked sixth behind Mozambique, Madagascar, Mauritius, Malawi and Namibia •
- The cheapest 1GB data in South Africa is three times the cost of the cheapest 1GB available in Mozambique.

Mozambique

Madagascar

Mauritius

Malawi

South Africa

Lesotho

Namibia

Zambia

DRC

Angola

Zimbabwe

