

20 October 2015

Telkom and Old Mutual partner to offer added value to customers.

Telkom and Old Mutual today announced a co-operation agreement to offer innovative new solutions to their customers. The first of these will see Telkom's prepaid customers receive loyalty funeral cover - underwritten by Old Mutual - valued at R10 000 at no additional cost.

Telkom customers on the Sim-Sonke and Telkom More prepaid plans will qualify for the R10 000 funeral cover by simply recharging with R100 or more airtime, through single or multiple recharges amounting to R100 in one calendar month, opting in and nominating a beneficiary. The loyalty funeral cover will start at the beginning of the following month and will be valid until the end of that particular month.

Old Mutual has developed an innovative micro-insurance voucher system that will underpin this solution, enabling customers to opt-in, nominate and manage a beneficiary, track their loyalty funeral cover and even submit a death claim using the Old Mutual App or USSD.

"This innovative offer is a South African first. While competitors may offer paid premium insurance to their customers, Telkom will be rewarding customers for their airtime spend with funeral cover at no additional cost from one of the leading insurers in the country, Old Mutual," explains Telkom CEO, Mr Siphso Maseko.

The CEO of Old Mutual South Africa, Dave Macready, says, "I am excited about this partnership which is a great example of the effective digitalisation of financial services. Giving South Africans easy access to insurance products through their mobile devices not only reduces cost, it accelerates financial inclusion, which is critical to reducing poverty and inequality which contributes to boosting our nation's development and future financial wellbeing," says Macready.

Qualifying customers will be required to opt-in for the funeral cover. Their personal details, as well as a nominated beneficiary will be captured, and the customer will then be eligible for the cover for as long as they maintain a monthly airtime spend of R100. In the event that customers fall short of the R100 airtime spend for a particular calendar month, they will not be eligible for the funeral cover during the following month. Once the required spend is met again, cover will be reinstated for the subsequent calendar month.

Maseko and Macready added that while this partnership is currently focused on funeral cover, the two companies will continue to explore additional innovative options to diversify and deliver new value added services to the market.

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Highveld

Centurion

ABOUT TELKOM:

Telkom is a leading communications services provider in South Africa. We had consolidated operating revenue from continuing operations of R31.7 billion and profit after tax from continuing operations of R2,889 million for the year ended 31 March 2015. Total assets amounted to R42.0 billion and equity attributable to the owners of Telkom to R25.7 billion as of 31 March 2015. The group generated free cash flow of R3.9 billion for the year ended 31 March 2015.

As of 31 March 2015, we had approximately 3.4 million telephone access lines in service and 964,196 ports connected via MSAN access. We offer business, residential and payphone customers a wide range of services and products, including:

- fixed-line retail voice services using PSTN (Public Switched Telephone Network) lines, including ISDN (Integrated Services Digital Network) lines, and the sale of subscription based value-added voice services and calling plans;
- fixed-line customer premises equipment rental and sales services both voice and data needs and these include PABX, Computers, Routers, Modems, Telephone handsets and other ancillary equipment;
- interconnection services, including terminating and transiting traffic from South African mobile operators, as well as from international operators and transiting traffic from mobile to international destinations;
- fixed-line data services, including domestic and international data transmission services, such as point-to-point leased lines, ADSL (Asymmetrical Digital Subscriber Line) services, packet-based services, managed data networking services and internet access and related information technology services;
- Data Centre Operations includes e-commerce, application service provider, hosting, data storage, e-mail and security services;
- W-CDMA (Wideband Code Division Multiple Access), a 3G next generation network, including fixed voice services, data services and nomadic voice services;
- mobile communication services, including voice services, data services and handset sales through our mobile navbar-brand called Telkom Mobile;
- information and communication services including cloud services, infrastructure services, workspace services, global service integration management and hardware and network equipment sales locally, in seven African countries, the UK and Dubai through Business Connexion Group; and

- other services including directory services, through Trudon (Pty) Ltd, wireless data services, through Swiftnet (Pty) Ltd.

Convergence is one of our key strategic initiatives in building a sustainable future for Telkom. We will lead the provision of converged services in South Africa in support of our mission statement: Seamlessly connecting people to a better life.