

23 June 2015

Telkom responds to Solidarity's misleading and inflammatory racial statements.

In its notice issued to the unions in terms of section 189 of the LRA, Telkom proposed that "LIFO (Last in First Out) subject to the retention of scarce and critical skills and where applicable, employment equity considerations" be used as the selection criteria. The inflammatory and misleading inference by Solidarity that race is the key selection criterion and that white employees will be targeted, is unequivocally rejected. It's regrettable that Solidarity has chosen to play the race card again, in the context of a process that needs to address critical challenges that the company is facing. Telkom would prefer to focus on the consultation that it has been initiated and will take place within the structured LRA process, rather than pursuing media headlines with misleading hyperbole.

As with any company, Telkom looks at a number of employment criteria in deciding to bring people into the company or to retain them during times of change. Most importantly, we are a technology company so our people must be equipped with the necessary skills to perform the required body-of-work. They would also be required to have the correct qualifications and training and importantly, the necessary aptitude and attitude to be a part of the Telkom of the future.

For further enquiries, please contact:

Pynee Chetty

OR **Leigh-Ann Francis**

Senior Specialist: Media Relations

Specialist: Media Relations

Group Communication

Group Communication

Tel:+27 12 642 1716

Tel: +27 12 642 1728

Mobile: +27 81 389 7874

Mobile: +27 81 391 4780

Email: chettpr2@telkom.co.za

Email: francilm@telkom.co.za

Telkom Park, The Apex

92 Oak Avenue

Technopark

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.