

23 March 2015

Telkom to proceed with Section 197 process.

Telkom will proceed with the automatic transfer of staff from its call centre, supply chain and IT environments to new employers on 31 March after unions failed to secure a majority consensus on an additional offer from the company.

Persistent illegal industrial action in the form of “go-slows” at Telkom’s call centres also escalated this weekend, with incidents of staff intimidation and walk-outs reported.

“Our service levels have been under severe pressure for a number of weeks. We would like to apologise to all our customers for the poor service levels. We have brought additional staff into our already outsourced call centres and have increased our resourcing of the non-call centre customer options”, said Telkom spokesman, Jacqui O’Sullivan.

Customers with internet access can log a fault or use the chat service at www.telkom.co.za. Alternately, please SMS “service” to 30591 or email 10210@telkom.co.za. Customers can also tweet us using the Twitter handle @TelkomZA.

Telkom’s discussions with organised labour, regarding the Section 197 process, has been underway for five weeks. SACU and Solidarity recently asked that Telkom make Voluntary Severance Packages (VSPs) and Voluntary Early Retirement Packages (VERPs) available to employees affected by Telkom’s current outsourcing initiative. Unions also requested that Telkom move the transfer date out from 31 March to 30 April.

Telkom agreed to both requests. Written acceptance of the offer was required from the unions by Friday afternoon.

While Solidarity and the South African Communication Union (SACU) accepted Telkom’s offer ahead of the deadline, the Communication Workers Union (CWU) withheld the majority consent, which meant no agreement could be reached.

“Solidarity and SACU engaged very aggressively for their members and we believe the variation agreement was a reasonable middle ground for all parties. However, a majority consent is required and without such an agreement in place, we will have to proceed with the automatic transfers as planned at the end of this month”, O’Sullivan said.

Telkom’s Section 189 consultations, related to the closure of 20 nonviable Telkom Direct stores, continue today facilitated by the Commission for Conciliation, Mediation and Arbitration.

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ABOUT TELKOM:

Telkom is a leading communications services provider in South Africa. We had consolidated operating revenue of R16.8 billion and normalised profit after tax of R1, 683 million for the period ended 30 September 2015. Total assets amounted to R41.9 billion and equity attributable to the owners of Telkom to R23.5 billion as of 30 September 2015. The group generated normalised free cash flow of R1.4 billion for the period ended 30 September 2015.

As of 30 September 2015, we had approximately 3.3 million telephone access lines in service and 1,030,441 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.