

23 April 2015

Telkom Wholesale: reducing costs to increase broadband access.

Telkom Wholesale Services today announced wholesale unit price reductions of up to 63% across its product range including Wholesale Fibre Broadband Access, IP Connect, Resell DSL, Metro Ethernet and SAIX dedicated access offerings.

“A connected South Africa is where positive change starts to happen“, said Alphonzo Samuels, Telkom’s Chief Technology Officer. “Telkom’s R12 billion investment in our Next Generation High Speed Broadband Network is ultimately to support South Africa’s entire broadband ecosystem. This is about much more than just investing in technology. It is about investing in connectivity that will drive meaningful change in our country”, Samuels said.

Today’s pricing announcement is the latest in a series of price reductions of Telkom’s IP Connect product which has now effectively been halved over the past eighteen months.

Effective 1 May 2015 Telkom’s Wholesale customers can expect the following price adjustments:

- Rate reductions of up to 10% on the Wholesale Fibre Broadband Access product range
- Price adjustments of between 6% and 25% across the SAIX product range
- Tariff reductions of between 1.4% and 63% across the IP Connect product range
- Tariff reductions of between 35% and 40% across the Metro Ethernet product range

“Telkom has chosen a clear path to democratise data access to all South Africans. We believe that these major price adjustments and our renewed focus on value will go far in serving our customers, the industry and ultimately, the socio-economic development of South Africa,” said Telkom’s Managing Director of Wholesale Services Mr Prenesh Padayachee.

“As part of our turnaround strategy we recognise that we have an important role to play in enabling our customers to deliver on the connectivity demands that South African’s have come to expect. Our investment in next generation networks and applications is aimed at driving the penetration of broadband and thereby enabling our customers to grow the market,” he said.

Telkom services its wholesale customer base with the largest and most ubiquitous IP network in Africa and the Company’s Wholesale services is positioning itself in order to service an exponentially increasing demand for copper and fibre-based broadband services.

To this end Telkom Wholesale services continues to invest in new generation broadband access technologies including Fibre to the Home and Business which is offered on an open-access basis to other ISPs and Multi Service Access Nodes initiatives aimed at delivering even higher speeds to the industry and driving demand among end consumers for rich media content.

“Ultimately Telkom’s Wholesale division is enabling our resellers through its network and resell products, to operate and compete successfully in their customer markets,” Padayachee said.

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 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.