

7 September 2015

TELKOM ANNOUNCES 1 MILLION FIBRE CONNECTIONS BY 2018

Hermanus, 7 September 2015 – Telkom today announced a significant milestone in its broadband rollout with 38 000 homes having been given access to fibre by the end of August 2015 and 1 317 LTE sites added to the network. The company will double the fibre rollout to 70 000 homes by December 2015 and will have capacity to connect 150 000 homes by March 2016 and 500 000 by December 2016. By 2018, Telkom will have provided access for one million homes to connect to fibre.

In his address to delegates attending the Southern African Telecommunications Networks and Applications Conference (SATNAC) in Hermanus, Telkom CEO Siphosiso Maseko said Telkom is committed to democratising broadband access. “We have set ourselves the objective of contributing to transforming the South African economy. South Africa is a developing democracy. We want to accelerate this development,” said Maseko.

While Telkom’s fibre rollout for large metropolitan areas will continue, the company is working with government to provide broadband to under-served areas.

At the same time, there must be a recognition that the digital divide is alive and well in South Africa. “We must recognise that the issue of access lies at the heart of the divide. You either have access or you don’t. It’s as simple as that. To cross the digital divide, you must provide universal access,” said Maseko.

Telkom has already begun reducing wholesale prices in order to bring down the cost to communicate and has launched a 1Mbit DSL service to reduce the barriers to broadband access.

Earlier this year, Telkom alluded to the potential for it to become an open-access operator. The company today confirmed that it will open copper access at 200 exchanges on a trial basis, thus effectively paving the way for a more open access approach, depending on the outcome of the trial. Telkom is committed to the establishment of an open-access regime for the entire industry to realise South Africa’s objectives.

Maseko called on mobile operators to join Telkom to bridge the digital divide. “If we are to overcome the access deficit, and in light of the mobile revolution and the benefits this has engendered, South Africa needs to see wholesale access to the mobile local loop and active sharing of the radio access network. This is an imperative and an important precursor for democratising broadband,” said Maseko.

South Africa requires decisive, unambiguous action to ensure its competitiveness, he said. It also needs fair access to spectrum, in particular Sub-1 Ghz, for rural coverage and good indoor coverage in urban areas. Maseko noted that this is particularly true for Telkom, the only mobile operator without Sub-1 Ghz spectrum. Maseko called on South Africa’s telecoms regulator to consider its spectrum strategy to allow for fairer distribution of spectrum.

In order to make broadband access meaningful, South Africa should also reconsider import duties which limit broader access to affordable smart devices costing less than R1 000.

“As a nation we’ve done some pretty remarkable things. We can do so again. I believe we are at an inflection point. History will judge us one day on how we – government, operators, academia, the regulators and original equipment manufacturers – have used our collective resources to bring about sustainable change and economic development by bringing broadband to our people,” concluded Maseko.

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.