

27 July 2016

Telkom drives LTE network improvements

Due to the popularity of our award winning mobile broadband network, we have seen a dramatic increase in the number of customers making use of our mobile data services and specifically the data services on LTE. This is in line with global experience, where LTE is forecast to play bigger role in the coming year, with a 47% percent global growth year-on-year predicted, mainly being driven by growth in China.

At Telkom, we have seen an 18.4 percent increase in mobile voice and subscriptions and over 70percent increase in mobile data traffic.

As a result of this exceptional demand increase seen in recent months, we are currently experiencing congestion on some sections of our 2300Mhz LTE network, in some of the busier metro areas. However, this is the exception as currently over 80% of our base stations are delivering LTE speeds of 10 Mbps and higher.

While our networks are upgraded and maintained on an ongoing basis, additional infrastructure investment have been made in recent months and are currently underway, to further accommodate this unprecedented increase in demand.

The congested areas have all been identified and we are working with our provider, Huawei, to speed up the implementation of additional core capacity, site backhaul and radio capacity. Improvements in the most congested areas will be felt in the next week and will steadily improve across all congested sites within the next three weeks.

We are delighted with the response to our LTE solutions. It is an absolute priority to ensure we can continue to deliver the quality performance our customers deserve and we apologise for any speed reductions, during peak times, as a result of the huge growth in demand.

We will update customers in the coming weeks, as the additional infrastructure comes on line.

Should customers wish to raise any concerns related to their LTE speeds, they are welcome to contact LTEissues@telkom.co.za for direct assistance.

For further enquiries, please contact:

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ABOUT TELKOM:

Telkom is a leading communications services provider in South Africa. We had consolidated operating revenue of R37.3 billion and normalised profit after tax of R4,052 million for the year ended 31 March 2016. Total assets amounted to R46.8 billion and equity attributable to the owners of Telkom to R26.1

billion as of 31 March 2016. The group generated normalised free cash flow of R3.9 billion for the year ended 31 March 2016.

As of 31 March 2016, we had approximately 3.2 million telephone access lines in service and 1,077,939 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 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.