

# 20 June 2016

## Telkom ramps up fibre footprint to reach more customers.

Today, Telkom's Retail and Consumer division announced that it will be leveraging open access fibre from network provider Vumatel to complement its extensive fibre network footprint to reach even more consumers in more areas across South Africa.

Telkom has made significant progress in separating its various business units to best serve its various customers. Through Telkom's wholesale network provider, Openserve, Telkom already has the most extensive fibre network footprint in the country with access to over 81 000 homes passed. Openserve remains committed to its 2018 goal of reaching one million South African homes.

"The fibre industry is highly competitive and we have seen an accelerated rollout of fibre networks across the country. While Openserve holds the lion share of the national fibre footprint – there are currently areas not covered by their fibre network. To this end, it makes commercial sense to leverage the networks of other open access fibre network providers to ensure that our customers in these areas can be served immediately," explains Telkom Retail CEO Attila Vitai.

"Through Vumatel's fibre network we will offer our products and services to our customers in over 21 new suburbs across Gauteng. This is a clear demonstration of Telkom's commitment to meeting the demands of our customers in new and innovative ways," he adds.

Vumatel CEO Niel Schoeman says, "We welcome Telkom Retail as a new service provider on the Vumatel network and believe their depth of experience in this industry will certainly benefit the consumer. Vumatel's robust fibre network will add desirability to Telkom's new fibre product and service range and we look forward to providing even more choice to South Africans for high speed fibre connectivity."

"In future, Telkom will consider the commercial viability of dealing with other network infrastructure providers to reach even more areas across South Africa with our high speed fibre offerings," says Vitai.

"Leveraging infrastructure from various open access network providers is a step change in how we previously procured our network requirements and is consistent with the ideals of functional separation between Telkom's wholesale and retail business units. Telkom is moving into an era of growth and we believe this partnership is a nature next step on that journey," he concludes.

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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.