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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of: July 2006

001-31609
(Commission File Number)

Telkom SA Limited
(Translation of registrant's name into English)

Telkom Towers North
152 Proes Street
Pretoria 0002
The Republic of South Africa
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F |X| Form 40-F |_|

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): |_|

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): |_|

Indicate by check mark whether by furnishing the information contained on this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes |_| No |X|

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.

On May 30, 2006, Vodacom Group (Proprietary) Limited ("Vodacom") (unlisted), in which Telkom SA Limited ("Telkom") has a 50% holding, issued a press statement announcing certain key financial highlights for the year ended March 31, 2006. A copy of the press statement is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The press statement contains forward-looking statements and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 5, 2006, Telkom filed for an overall average price decrease of 2.1% on its basket of regulated services with the Independent Communications Authority of South Africa. If accepted, the proposed price changes will become effective from August 1, 2006. A copy of the announcement is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The announcement contains forward-looking statements and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 5, 2006, Telkom announced its group annual results for the year ended March 31, 2006 to the JSE Limited. A copy of the announcement is attached hereto as Exhibit 99.3 and is incorporated herein by reference. The group annual results contain forward-looking statements and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 5, 2006, Telkom presented its group annual results for the year ended March 31, 2006. A copy of the presentation is attached hereto as Exhibit 99.4 and is incorporated herein by reference. The presentation of the group annual results contains forward-looking statements and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 5, 2006, Telkom issued an announcement to the JSE Limited, notifying that it had declared Dividend No. 11 of 500 cents per share and a special dividend of 400 cents per share for the year ended March 31, 2006. A copy of the announcement is attached hereto as Exhibit 99.5 and is incorporated herein by reference.

On June 5, 2006, Vodacom announced its annual results for the year ended March 31, 2006. A copy of the announcement is attached hereto as Exhibit 99.6 and is incorporated herein by reference. The announcement contains forward-looking statements and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 5, 2006, Vodacom presented its annual results for the year ended March 31, 2006. A copy of the presentation is attached hereto as Exhibit 99.7 and is incorporated herein by reference. The presentation of the annual results contains forward-looking statements and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 19, 2006, Telkom announced the resignation of Ms Thenjiwe Chikane as non-executive director to the Telkom board, with effect from June 19, 2006. Telkom further announced the appointment, with effect from June 19, 2006, of Ms Keitumetse Matthews as non-executive director of the Telkom board. A copy of the announcement is attached hereto as Exhibit 99.8 and is incorporated herein by reference.

On July 3, 2006, Telkom issued a statement to the media in response to reports in the press about Vodafone expressing interest in taking over Telkom. A copy of the statement is attached hereto as Exhibit 99.9 and is incorporated herein by reference.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

All statements contained herein and in the exhibits incorporated by reference herein, as well as oral statements that may be made by Telkom or Vodacom Group (Proprietary) Limited ("Vodacom"), in which Telkom has a 50% holding, or by officers, directors or employees acting on their behalf, that are not statements of historical facts, particularly Telkom's expectations with respect to basic and headline earnings per share, constitute or are based on forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, specifically Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause Telkom's or Vodacom's actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause Telkom's or Vodacom's actual results or outcomes to differ materially from their expectations are those risks identified in Item 3. "Key Information-Risk Factors" contained in Telkom's most recent annual report on Form 20-F filed with the U.S. Securities Exchange Commission ("SEC") and Telkom's other filings and submissions with the SEC, which are available on Telkom's website at www.Telkom.co.za/ir, including, but not limited to, the completion of Telkom's results for the year ended March 31, 2006 and the audit thereon, increased competition in the South African telecommunications market; developments in the regulatory environment; continued mobile growth and reductions in Vodacom's and Telkom's net interconnect margins; Vodacom's and Telkom's ability to expand their operations and make investments and acquisitions in other African countries and the general economic, political, social and legal conditions in South Africa and in other countries where Vodacom and Telkom invest; Telkom's and Vodacom's ability to attract and retain key personnel; Telkom's inability to appoint a majority of Vodacom's directors and the consensus approval rights at Vodacom may limit Telkom's flexibility and ability to implement its preferred strategies; Vodacom's continued payment of dividends or distributions to Telkom; Telkom's ability to improve and maintain its management information and other systems; Telkom's negative working capital; changes in technology and delays in the implementation of new technologies; Telkom's ability to reduce theft, vandalism, network and payphone fraud and lost revenue to non-licensed operators; Telkom's ability to improve its internal control over financial reporting; health risks related to mobile handsets, base stations and associated equipment; risks related to Telkom's control by the Government of the Republic of South Africa and major shareholders and the South African government’s other positions in the telecommunications industry; the outcome of regulatory, legal and arbitration proceedings, including tariff approvals, and the outcome of Telkom's hearings before the Competition Commission, its proceedings with Telcordia Technologies Incorporated and others; Telkom's ability to negotiate favorable terms, rates and conditions for the provision of interconnection services and facilities leasing services; Telkom's ability to implement and recover the substantial capital and operational costs associated with carrier pre-selection, number portability and monitoring interception, and customer registration requirements contained in the South African Regulation of Interception of Communications and Provisions of Communication-Related Information Act; Telkom's ability to comply with the South African Public Finance Management Act and South African Public Audit Act and the impact of the South African Municipal Property Rates Act; fluctuations in the value of the Rand; the impact of unemployment, poverty, crime and HIV infection, labor laws and exchange control restrictions in South Africa; and other matters not yet known to Telkom or Vodacom or not currently considered material by them.

You should not place undue reliance on these forward-looking statements. All written and oral forward-looking statements attributable to Telkom or Vodacom, or persons acting on their behalf, are qualified in their entirety by these cautionary statements. Moreover, unless Telkom or Vodacom is required by law to update these statements, they will not necessarily update any of these statements after the date of this trading statement, either to conform them to actual results or to changes in its expectations.

Exhibit	Description
99.1	Press statement, dated May 30, 2006, issued by Vodacom Group (Proprietary) Limited ("Vodacom"), announcing certain key financial highlights for the year ended March 31, 2006.
99.2	Announcement, dated June 5, 2006, issued by Telkom SA Limited ("Telkom"), announcing that it has filed an overall average price decrease of 2.1% on its basket of regulated services, with ICASA.
99.3	Announcement, issued by Telkom on June 5, 2006, of its group annual results for the year ended March 31, 2006.
99.4	Telkom's presentation of its group annual results for the year ended March 31, 2006 presented on June 5, 2006.
99.5	Announcement, dated June 5, 2006, issued by Telkom to the JSE Limited, providing notification of dividends declared for the year ended March 31, 2006.
99.6	Announcement, issued by Vodacom on June 5, 2006, of its annual results for the year ended March 31, 2006.
99.7	Vodacom's presentation of its annual results for the year ended March 31, 2006 presented on June 5, 2006.
99.8	Announcement, dated June 19, 2006, issued by Telkom, announcing the resignation and appointment of directors.
99.9	Press statement, dated July 3, 2006, issued by Telkom, responding to reports about Vodafone expressing interest in taking over Telkom.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TELKOM SA LIMITED

By: /s/ Kaushik Patel
Name: Kaushik Patel
Title: Chief Financial Officer

Date: July 14, 2006

EXHIBIT 99.1

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

PRESS STATEMENT

VODACOM GROUP REVIEWED PROFIT FROM OPERATIONS UP 36.9% TO R8.9 BILLION

"Since our 50% shareholder Vodafone will be releasing some of the key financial highlights of the Vodacom Group today, I have deemed it prudent to repeat these in our own press release on the same day to ensure clarity.", said Alan Knott-Craig Chief Executive Officer for the Vodacom Group.

"Reviewed financial highlights for the period 1 April 2005 - 31 March 2006 include a:

- Group-wide customer increase of 51.9% to 23.5 million;
- Revenue up 24.6% to R34.0 billion;
- Profit from operations up 36.9% to R8.9 billion;
- Net profit after taxation up 32.0% to R5.1 billion;
- EBITDA for the Group up 23.1% to R11.8 billion;
- Cash generated from operations up 10.8% to R11.1 billion;
- Dividends have also increased by 32.4% to R4.5 billion."

"Detailed indicators per country and for the Group will be issued at the Vodacom Group annual results presentation scheduled to take place at Vodaworld, Midrand Johannesburg at 09:00 on Monday 5 June 2006.", concludes Knott-Craig.

Total customers as at the end March (millions)
-2002:6.9; 2003:8.6; 2004:11.2; 2005:15.5; 2006: 23.5

Profit from operations for the year ending March (Rand billions)
-2002:3.6; 2003:4.3; 2004:5.2; 2005:6.5; 2006:8.9

Net profit after taxation for the year ending March (Rand billions)
-2002:2.4; 2003:2.3; 2004:3.1; 2005:3.9; 2006:5.1

Ends
Issued by:

Dot Field
Chief Communications Officer
Vodacom Group (Pty) Ltd
Tel: 011 - 653 5440

Fax: 011 - 653 5405
Cell: 0829900174

On behalf of:

Alan Knott-Craig

Chief Executive Officer
Vodacom Group (Pty) Ltd

Johannesburg
May 30, 2006
Sponsor: UBS

Special note regarding forward-looking statements
All statements contained herein, as well as oral statements that may be made by Telkom or Vodacom Group (Proprietary) Limited ("Vodacom"), in which Telkom has a 50% holding, or by officers, directors or employees acting on their behalf, that are not statements of historical facts, particularly Telkom's expectations with respect to basic and headline earnings per share, constitute or are based on forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, specifically Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause Telkom's or Vodacom's actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause Telkom's or Vodacom's actual results or outcomes to differ materially from their expectations are those risks identified in Item 3. "Key Information-Risk Factors" contained in Telkom's most recent annual report on Form 20-F filed with the U.S. Securities Exchange Commission ("SEC") and Telkom's other filings and submissions with the SEC, which are available on Telkom's website at www.Telkom.co.za/ir, including, but not limited to, the completion of Telkom's results for the year ended March 31, 2006 and the audit thereon, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment; continued mobile growth and reductions in Vodacom's and Telkom's net interconnect margins; Vodacom's and Telkom's ability to expand their operations and make investments in other African countries and the general economic, political, social and legal conditions in South Africa and in other countries where Vodacom and Telkom invest; Telkom's and Vodacom's ability to attract and retain key personnel; Telkom's inability to appoint a majority of Vodacom's directors and the consensus approval rights at Vodacom may limit Telkom's flexibility and ability to implement its preferred strategies; Vodacom's continued payment of dividends or distributions to Telkom; Telkom's ability to improve and maintain its management information and other systems; Telkom's negative working capital; changes and delays in the implementation of new technologies; Telkom's ability to reduce theft, vandalism, network and payphone fraud and lost revenue to non-licensed operators; Telkom's ability to improve its internal control over financial reporting; health risks related to mobile handsets, base stations and associated equipment; Telkom's control by the Government of the Republic of South Africa; the outcome of regulatory, legal and arbitration proceedings, including tariff approvals, and the outcome of Telkom's hearing before the Competition Commission related to the VANs litigation, its proceedings with Telcordia Technologies Incorporated and others; Telkom's ability to negotiate favorable terms, rates and conditions for the provision of interconnection services; Telkom's ability to implement and recover the substantial capital and operational costs associated with carrier pre-selection, number portability and monitoring and interception; Telkom's ability to comply with the South African Public Finance Management Act and South African Public Audit Act and the impact of the South African Municipal Property Rates Act; fluctuations in the value of the Rand; the impact of unemployment, poverty, crime and HIV infection, labor laws and exchange control restrictions in South Africa; and other matters not yet known to Telkom or Vodacom or not currently considered material by them.

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EXHIBIT 99.2

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

Telkom SA Limited (TKG) files for overall price reduction to ICASA

Telkom customers are set to benefit from overall price reductions from August this year if price changes filed by the telecommunications giant are approved by the Independent Communication Authority of South Africa (ICASA).

Telkom filed an overall price decrease of 2.1% with ICASA this morning. If accepted, the proposed price changes will become effective from 1st August 2006.

"Telkom is committed to its customer centricity drive and we are certain that the proposed price changes made to ICASA will result in significant savings for all our customers," said Steven Hayward, Telkom's Managing Executive for Retail Marketing. He added: "Although the net impact of the proposed prices will vary among customers, mainly due to the types of services they utilize, the overall effect will be a reduction in the cost of telecommunications in South Africa."

Hayward stated that Telkom recently launched a range of calling plans for the consumer and business markets respectively under the Telkom Closer brand and Telkom SupremeCall brands. "These packages substantially increase the value that customers derive and make considerable savings possible over and above our proposed price reductions," explained Hayward.

Main beneficiaries of Telkom's proposed price changes will be ADSL users who will enjoy a reduction in rentals of up to 32%. There are also reductions of up to 20% in the monthly rental for residential ISDN services, a decrease of up to 39% in the rates for IPLC's (International Private Leased Circuits) as well as significant cuts in long distance and international call charges.

Despite inflationary pressures, local call charges remain unchanged. The minimum charge for local calls is 59.4 cents, with the per minute rates being 38 cents and 16 cents for Standard and Callmore Time respectively.

Callmore Time for national calls are from 19h00 to 07h00 (Monday to Friday) and from 19h00 on a Friday to 7h00 on Monday morning.

The price of long distance calls have been reduced by 10%. Long distance calls will now cost 72c per minute during Standard Time and 36c per minute during Callmore Time. The minimum charge for long distance calls have also dropped by 10% (8 cents) to 72c.

"Following two price reductions in long distance calls last year, our long distance call rates will now be even more competitive for both residential and business customers," stated Hayward.

Telkom customers with family or business ties to international destinations will benefit from a 9.9% reduction in the average price per minute of international calls.

Calls to the USA will now cost at little as 99c per minute during Global Off-peak Time and R1.20 during Global Peak Time, while calls to UK will cost R1.30 and R1.40 during Global

Off-Peak and Global Peak Times respectively.

International Global Off-peak Time is from 20h00 to 08h00 (Monday to Friday) and from 20h00 on a Friday to 08h00 on Monday morning.

In addition to these proposed price reductions, Hayward said that Telkom's price filing would also make DSL rentals "much more affordable".

The proposed DSL 192 and 384 monthly rental is R245 from 1st August 2006 - a price decrease of R25 (9.3%) on the former and R114 (31.8%) on the latter.

"We are combining our DSL 192 and DSL 384 services, and DSL 192 customers will automatically be upgraded in due course to an up-to 384kbit/s service, depending on network infrastructure. In future, business customers will also be able to subscribe to the DSL 384 service," explained Hayward.

There are also reductions of 24.1% on the monthly rentals for DSL 512 and DSL 1024. The proposed new monthly rental for DSL 512 is R362 (down from the current R477 monthly rental) while DSL 1024 monthly rentals are set to drop by R164 to R516.

The indicated DSL prices exclude ISP costs, line rental and call charges

To further benefit its customers, Telkom has also proposed an average decrease of 9% for its basket of data products.

"However, in certain instances business considerations have dictated marginal price hikes, but in the interest of our customers, we have contained these to minimal levels," said Hayward.

He explained that minimum charges for local PrepaidFone calls are proposed to go up by 3 cents, while per minute rates are scheduled to increase by 2 cents (Standard Time) and 1 cents (Callmore Time). PrepaidFone monthly line rental will remain unchanged.

While residential rentals for ISDN 2 and ISDN 2a lines will drop by R29.38 and R44.10 respectively, the monthly rental on post paid analogue lines will increase by R7.64 (residential) and R10.15 (business).

This year, the mandatory regulatory formula would have allowed Telkom to file a change in the price of its basket of products of -0,2 %.

"That we have kept our increases well within these limits and have filed for an overall price decrease of 2.1% on our basket services, clearly demonstrates our on-going commitment to our customers as well as our determination to make telecommunications even more affordable and accessible," remarked Hayward.

"Having complied with regulatory prescriptions, Telkom is confident that our proposed price changes will be approved by ICASA," Hayward concluded.

5 June 2006

Issued by:
Lulu Letlape
Group Executive: Corporate Communication
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Sponsor: UBS

Special note regarding forward-looking statements
All statements contained herein, as well as oral statements that may be made by Telkom or Vodacom Group (Proprietary) Limited ("Vodacom"), in which Telkom has a 50% holding, or by officers, directors or employees acting on their behalf, that are not statements of historical facts, particularly Telkom's expectations with respect to basic and headline earnings per share, constitute or are based on forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, specifically Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause Telkom's or Vodacom's actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause Telkom's or Vodacom's actual results or outcomes to differ materially from their expectations are those risks identified in Item 3. "Key Information-Risk Factors" contained in Telkom's most recent annual report on Form 20-F filed with the U.S. Securities Exchange Commission ("SEC") and Telkom's other filings and submissions with the SEC, which are available on Telkom's website at www.Telkom.co.za/ir, including, but not limited to, the completion of Telkom's results for the year ended March 31, 2006 and the audit thereon, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment; continued mobile growth and reductions in Vodacom's and Telkom's net interconnect margins; Vodacom's and Telkom's ability to expand their operations and make investments in other African countries and the general economic, political, social and legal conditions in South Africa and in other countries where Vodacom and Telkom invest; Telkom's and Vodacom's ability to attract and retain key personnel; Telkom's inability to appoint a majority of Vodacom's directors and the consensus approval rights at Vodacom may limit Telkom's flexibility and ability to implement its preferred strategies; Vodacom's continued payment of dividends or distributions to Telkom; Telkom's ability to improve and maintain its management information and other systems; Telkom's negative working capital; changes and delays in the implementation of new technologies; Telkom's ability to reduce theft, vandalism, network and payphone fraud and lost revenue to non-licensed operators; Telkom's ability to improve its internal control over financial reporting; health risks related to mobile handsets, base stations and associated equipment; Telkom's control by the Government of the Republic of South Africa; the outcome of regulatory, legal and arbitration proceedings, including tariff approvals, and the outcome of Telkom's hearing before the Competition Commission related to the VANs litigation, its proceedings with Telcordia Technologies Incorporated and others; Telkom's ability to negotiate favorable terms, rates and conditions for the provision of interconnection services; Telkom's ability to implement and recover the substantial capital and operational costs associated with carrier pre-selection, number portability and monitoring and interception; Telkom's ability to comply with the South African Public Finance Management Act and South African Public Audit Act and the impact of the South African Municipal Property Rates Act; fluctuations in the value of the Rand; the impact of unemployment, poverty, crime and HIV infection, labor laws and exchange control restrictions in South Africa; and other matters not yet known to Telkom or Vodacom or not currently considered material by them.

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EXHIBIT 99.3

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code: TKG
("Telkom")

Telkom SA Limited (TKG) Group Annual Results for the year ended March 31, 2006

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11. Special Note Regarding Forward-looking Statements

1 Highlights

Johannesburg, South Africa – June 5, 2006, Telkom SA Limited (JSE and NYSE: TKG), South Africa's largest communications Group today announced group results for the year ended March 31, 2006. The Group delivered a strong performance across both business segments primarily as a result of continued growth in the fixed-line and mobile business and cost reductions in the fixed-line business.

The Group declared an ordinary annual dividend of 500 cents per share on June 2, 2006, and a special dividend of 400 cents per share, payable on July 14, 2006, for shareholders registered on July 7, 2006.

Group financial highlights for the year ended March 31, 2006

Operating revenue up 10.3% to R47,625 million

30.3% growth in operating profit to R14,677 million

43.2% group EBITDA margin

1.6% net debt decrease to R6,828 million, and debt to equity of 23.2%

Headline earnings increased by 36.1% to 1,740.5 cents per share

Basic earnings per share increased by 39.9% to 1,744.7 cents

Statement by Papi Molotsane, Chief Executive Officer:

"The Telkom Group has delivered another strong set of results with headline earnings per share growth of 36.1% to 1,740.5 cents per share. The fixed-line business performance was driven mainly from revenue growth of 4.1% and a decrease in operating expenses of 3.2% and the mobile business by customer growth achieving gross connections for the year of 11.8 million.

Telkom stands at an important point in its development in an industry undergoing fundamental changes.

Our customers require increasingly sophisticated products and services as technologies converge and the industry worldwide moves to an IP-based operating standard. In view of this, and with greater certainty in the local regulatory dispensation following accelerated liberalisation of the market, management has redefined its strategy to compete across the ICT value chain.

In view of the opportunities in our dynamic environment, and fully appraised of where we need to improve to compete effectively, Telkom has set its sights on being a leading ICT solutions provider. Our strategy aims to create long-term value for all stakeholders through customer centricity, investing in our employees and our network, defending and growing revenues, playing a central role in South Africa's competitiveness and growth, and thereby, making healthy financial returns for our shareholders sustainable."

Strong Financial Performance

The Group has delivered a strong performance for the financial year ended March 31, 2006. Group operating revenue increased 10.3% to R47,625 million and operating profit increased 30.3% to R14,677 million. The Group earnings before interest, tax, depreciation and amortisation (“EBITDA”) margin increased to 43.2% compared to 40.7%, at March 31, 2005, mainly due to fixed-line data revenue growth, lower fixed-line employee costs as a result of a workforce reduction and a consistent mobile business EBITDA margin of 34.7% from strong customer growth.

Headline earnings per share grew by 36.1% to 1,740.5 cents per share and basic earnings per share grew 39.9% to 1,744.7 cents per share. The strong growth in earnings was attributed to the increase in operating profit and a 27.3% reduction in finance charges.

Cash generated from operations increased 5.9% to R19,724 million and facilitated capital expenditure of R7,396 million and the repurchase of 12,086,920 Telkom shares to the value of R1,502 million. Our net debt to equity ratio of 23.2% at March 31, 2006, is below the announced targeted range of between 50% and 70%.

Summary group financial results

	March 31,		
	Restated		
In ZAR millions	2005	2006	%
Operating revenue	43,160	47,625	10.3
Operating profit	11,261	14,677	30.3
EBITDA	17,549	20,553	17.1
Capital expenditure	5,850	7,508	28.3
Operating free cash flow	10,034	7,104	(29.2)
Net debt	6,941	6,828	(1.6)
Basic EPS (ZAR cents)	1,246.7	1,744.7	39.9
Headline EPS (ZAR cents)	1,279.0	1,740.5	36.1
Operating profit margin (%)	26.1	30.8	
EBITDA margin (%)	40.7	43.2	
Net debt to equity (%)	26.3	23.2	
After tax operating return on assets (%)	19.8	25.6	
Capex to revenue (%)	13.6	15.8	

Operational data

	March 31,		
	2005	2006	%
Fixed-line data			
Fixed access lines ('000)1	4,725	4,708	(0.4)
Postpaid – PSTN	3,006	2,996	(0.3)
Postpaid – ISDN channels	663	693	4.5
Prepaid	887	854	(3.7)
Payphones	169	165	(2.4)
Fixed-line penetration rate (%)	10.1	10.0	(1.0)
Revenue per fixed access line (ZAR)	5,245	5,304	1.1
Total fixed-line traffic (millions of minutes)	31,706	31,015	(2.2)
Local	19,314	18,253	(5.5)
Long distance	4,453	4,446	(0.2)
Fixed-to-mobile	3,911	4,064	3.9
International outgoing	415	515	24.1
International VoIP	89	83	(6.7)
Interconnection	3,524	3,654	3.7
Mobile interconnection	2,206	2,299	4.2
International interconnection	1,318	1,355	2.8
Managed data networks	11,961	16,887	41.2
Internet customers3	226,707	284,908	25.7
ADSL2	58,278	143,509	146.2
Fixed-line employees (excluding subsidiaries)	28,972	25,575	(11.7)
Fixed-line employees (including subsidiaries)	29,544	26,156	(11.5)
Fixed-lines per fixed-line employee	163	184	12.9
Mobile data4			
Total customers ('000)	15,483	23,520	51.9
South Africa			
Mobile customers ('000)	12,838	19,162	49.3
Contract	1,872	2,362	26.2
Prepaid	10,941	16,770	53.3
Community services telephones	25	30	20.0

Mobile churn (%)	27.1	17.7	(34.7)
Contract	9.1	10.0	9.9
Prepaid	30.3	18.8	(38.0)
Mobile market share (%)	55.7	57.9	3.9
Mobile penetration (%)	49.5	70.6	26.8
Total mobile traffic (millions of minutes)	14,218	17,066	20.0

Mobile ARPU (ZAR)	163	139	(14.7)
Contract	624	572	(8.3)
Prepaid	78	69	(11.5)
Community services	2,321	1,796	(22.6)
Mobile employees	3,954	4,148	4.9
Mobile customers per mobile employee	3,247	4,620	42.3
Other African countries			
Mobile customers (thousands)	2,645	4,358	64.8
Mobile employees	1,039	1,154	11.1
Mobile customers per mobile employee	2,546	3,776	48.3

1. Excludes Telkom internal lines of 103,740 (2005: 108,521)
2. Excludes Telkom internal lines of 249 (2005: 254)
3. Includes Telkom Internet ADSL, satellite and dial-up subscribers
4. 100% of Vodacom data

2 Operational Overview

Delivered to all stakeholders

The Group delivered on its strategic intent during the financial year to March 31, 2006, by striving to fulfil customer needs, introducing innovative products and delivering impressive financial returns to shareholders. The fixed-line revenue continues to exceed expectations, improving 4.1% despite tariff reductions across our product range and the loss of dial-up minutes due to our ADSL rollout. The tariff reductions were offset by strong volume growth in data services, increased revenue from mobile outgoing calls and rental and service fees. Operating margins improved mainly due to a reduction in employee expenses and lower depreciation due to the extension of useful lives of certain assets.

Mobile South African customers increased 49.3% during the year, reinforcing Vodacom’s market leadership position in South Africa. Exceptional customer growth and improved efficiencies in the mobile business resulted in a stable EBITDA margin at 34.7% against a declining ARPU due to lower income segment customer connections.

Increasing importance of fixed-line data revenue

The fixed-line business achieved a 14.4% increase in data revenue for the year ended March 31, 2006, with good growth in all data revenue categories.

ADSL adoption in the consumer and small and medium size business segment increased in the year ended March 31, 2006, 146% from

58,278 to 143,509 services as at March 31, 2006, due to our focused roll-out strategy to achieve ADSL penetration of 15% – 20% of fixed access lines by 2010 and the introduction of new service offerings and price reductions.

The explosion of broadband demand during the year has resulted in strong growth in leased line and other data service revenue of 11.1%. Revenue from cellular operator fixed links have increased from R1,056 million to R1,367 million for the year ended March 31, 2006, as a result of the roll out of cellular operators' 3G networks.

Telkom has successfully trialled WIMAX (IEEE 802 16e) and has been allocated frequency Spectrum by ICASA. Telkom will now begin deploying a wireless broadband network to complement the ADSL rollout.

Telkom's vision is to become an ICT solutions partner for corporate and business customers, moving up the value chain, providing higher level products and services to our traditional voice and data products. This strategy has been validated by our success in winning large corporate customer accounts and delivering to their ICT requirements from voice products and services to network management. Our VPN Supreme and Customer Network Care products aimed mainly at the medium to large sized business have enjoyed success through alignment with customers' requirements.

Vodacom's data revenue increased by 52.1% to R1,019 million (50% share) for the year ended March 31, 2006 from R670 million (50% share) for the year ended March 31, 2005, contributing 6.0% (2005: 4.9%) to mobile operating revenue.

Growth in mobile data revenue is mainly due to the launch of new data initiatives such as 3G, HSDPA, Vodafone Live!, Blackberry® and the continued popularity of SMS.

Within this context Telkom has made an offer to Business Connexion's ("BCX") shareholders to acquire 100% of BCX for R2,5 billion. The offer price constitutes R9 per share, plus allowing BCX to pay a special dividend of 25 cents per share. The BCX acquisition provides a good opportunity to create shareholder value as it enables Telkom to enter the data hosting and desktop management market. These services are complementary to the value adding products and services being developed within Telkom.

Positive customer response to new innovative products and services

Telkom's aims to enhance the customer experience by introducing innovative value enhancing bundled products and services. In line with this strategy, Telkom successfully launched Telkom Closer in January 2006.

Telkom Closer bundles rental, call answer, peak minutes and off-peak minutes into a package which allows the customer to pay a flat monthly charge. Demand for the product has been strong, resulting in the sign up of 71,317 customers in the three months to March 31, 2006.
Other value added products that have received a positive response include:
The provision of free medical emergency response for fixed-line customers by Netcare 911;
SpaceStream providing satellite access; and
Office Suite providing office functionality to the small and medium enterprise market.
Through bundled products Telkom intends to increase its annuity income, create a value comparison for the customer and improve our competitive position.
Total mobile customers up by 51.9% to 23.5 million
Vodacom performed exceptionally well in the year ended March 31, 2006, improving market share to 58%, and increasing net profit by 32.0%. Operating effectiveness was maintained with EBITDA margins decreasing marginally to 34.7% from 35.1% in the previous financial year.
Vodacom’s South Africa customer base increased a net of 6.3 million customers to 19.2 million customers.
Vodacom’s focus on customer care and retention saw South African contract churn at 10.0% (2005: 9.1%) and prepaid churn at 18.8% (2005: 30.3%) for the year ended March 31, 2006. The blended South African ARPU over the year was R139 (2005: R163).
Outside South Africa, Vodacom grew its customer base by 64.8% to 4.4 million customers (2005: 2.6 million).
Vodacom Tanzania achieved a substantial 74.1% increase in customers to 2.1 million (2005: 1.2 million).
Vodacom Congo saw a 52.2% increase in customers to 1.6 million customers (2005: 1.0 million). Vodacom Lesotho increased its customer base by 40.1% to 206,000 customers (2005: 147,000) as at March 31, 2006.
Vodacom Mozambique increased its customer base substantially by 84.9% to 490,000 customers (2005: 265,000) for the year ended March 31, 2006.
Focused on achieving improved service levels
The increased demand for our products and services coupled with a reduced workforce, has seen our services levels come under pressure.
Telkom’s key strategic focus is improving customer centricity. This includes network reliability, market focused products and services and improved customer communications.
Telkom has launched new bundled packages, repositioned customer facing outlets and launched projects to improve customer

communication and improve the internal processes for the installation of new services.

Competitive pricing and volume growth

Telkom today announced price reductions on our regulated basket of products and services of 2.1%.

From August 1, 2006, the following price changes will be effective:

ADSL rental	24%	average decrease
Long distance	10%	decrease
International	10%	average decrease
Data	9%	average decrease
Rental (analogue lines)	8%	increase

Rebalancing of tariffs will allow effective competition in all areas going forward. Revenue is unlikely to be affected to the same degree the price reductions are expected to result in increased volume which is expected to have an offsetting effect. The reduction of telecommunication costs should benefit all South Africans contributing positively to the economy. In addition Telkom is combining the DSL192 and DSL384 products, and the DSL192 users will be upgraded to up to 384 kbit/s in due course, depending on network infrastructure.

Continuous advancement of our network

Increased investment in the network has been directed at:

Improving network service levels and customer service levels – R1,488 million

Maintaining the customer base of R1,424 million; and

Initial investments on the conversion to a Next Generation Network – R1,956 million.

In line with customer demand and sound financial criteria, we will continue to invest in improving our network and the orderly migration to an IP base network to supply next generation products and services.

Recognition of the value of our employees

Telkom’s skilled and experienced workforce is our competitive advantage. Rapidly changing technology, increasing specialisation requirements and capacity gaps necessitate an ongoing development and training requirements. Telkom continues to invest significantly in our employees to ensure that the appropriate business skills are available to meet customer requirements.

For the year ended March 31, 2006, Telkom spent R400.1 million (2005: R401.5) on training and development and employees participated in 160,274 (2005: 192,799) facilitator led training days.

Telkom has detailed plans to identify and ascertain high potential individuals within the Company that can be developed for future senior management positions to ensure all future employee requirements are met.

The Company has demonstrated the strength of its succession and relation plans by appointing 80% of senior management vacancies from within the Company, utilising the existing skills and potential of the current employees.

Significant Returns to Shareholders and employee share ownership

In the year ended March 31, 2006, the Company repurchased 12.1 million shares to the value of R1.5 billion (including costs) which have been cancelled as issued share capital and restored as authorised but unissued capital.

The Telkom Board of Directors declared an annual dividend of 500 cents per share and a special dividend of 400 cents per share on June 2, 2006, to be paid on July 14, 2006, for shareholders registered on July 7, 2006.

As part of the Company's commitment to the optimal use of capital the Telkom Board approved a R2 billion share buyback programme on June 2, 2006.

The Telkom Board granted 2,024,555 shares on June 23, 2005, to employees in terms of the Telkom Conditional Share Plan.

As previously communicated, Telkom aims to pay a steadily growing annual ordinary dividend. The level of dividend will be based upon a number of factors, including the assessment of financial results, available growth opportunities, the Group's net debt level, interest coverage and future expectations, including internal cash flows and share buybacks.

The Regulatory environment

Telkom faces regulatory challenges and through constructive dialogue endeavours to achieve a regulatory framework that is realistic, equitable and beneficial to the industry. The following details the main regulatory issues affecting the industry and Telkom.

Electronic Communications (EC) Act

The EC Act, No 36 of 2005, has been assented to by the President but not yet promulgated. The primary aim of the Act is to promote convergence in the broadcasting, broadcasting signal distribution and telecoms sectors and to provide the legal framework for convergence of these sectors.

The Act, once promulgated, will liberalise the market further and will result in a change in the licensing structure. Essentially, separate licences will be granted for the provision of infrastructure, communication services and broadcasting services. All existing licensees will need to be issued with new licences.

The EC Act creates challenges as well as opportunities that Telkom will certainly explore.

ICASA Amendment Bill

A bill amending the ICASA Act was passed by Parliament but was referred back to Parliament by the President on concerns of possible constitutional challenges to some provisions. The amended Bill was discussed by the Parliament Portfolio Committee on telecommunications on May 12, 2005, the concerns have been addressed and the amended Bill has again been submitted to the Assembly for debate.

The delay in enacting the bill is the reason for holding back promulgation of the EC Act, because of the linkages between the two.

The Bill was passed by Parliament on May 30, 2006.

Interconnection and Facility Leasing

Current regulations make provision for cost based interconnection and facility leasing. Telkom submitted its regulatory accounts on a fully allocated costs basis to ICASA in September 2005, and is expected to submit long run incremental costs (CLRIC) statements in September 2006.

Operators classified as “major” operators have to supply interconnection and facility leasing services to “public” operators at cost based tariffs as entitled to by the provisions of their licences. Telkom has been declared a “major” operator by ICASA.

Public hearings were held by ICASA on new interconnection and facility leasing regulations in late March 2006. It is expected that the final regulations will be published shortly. The draft regulations propose that LRIC based interconnection be extended to all licensees.

Telkom and the SNO are in talks on interconnection and facility leasing agreements.

Number Portability (NP)

In terms of regulations published in September 2005, Telkom is expected to provide blocks of 10,000 numbers two months after the SNO’s launch of services, blocks of 1,000 numbers four months after the SNO’s launch of services and individual number portability 12 months after the request. Functional specifications for the implementation of NP between fixed-line operators have not yet been finalised.

The SNO has requested NP in February 2006 and discussions on the implementation of the required inter-operator systems are under way.

Local loop unbundling

Telkom is required, in terms of existing legislation, to provide the SNO with shared access to its local loop. Although the Telecommunications Act, 103 of 1996, provides that no general local loop unbundling will be required for the first two years of operation of the SNO, the EC Act, which repeals the Telecommunications Act, makes provision for unbundling of the local loop, subject to ICASA making the necessary regulations.

Draft ADSL regulations

ICASA issued draft ADSL regulations in 2005. Although there is uncertainty on some of their provisions, they appear to propose that Telkom is not allowed to charge a rental for ADSL services, but only recover a small portion of once-off costs. ICASA conducted public hearings on the draft regulations at the end of May 2006.

Interception of Communication and Communication-related Information Act

The effective date of the Act is September 30, 2005 with the exception of the provisions dealing with customer registration which is effective June 30, 2006.

Subscriber registration

The Act requires customers to produce an identification document and a physical address which the operator must verify.

The mobile operators have succeeded in obtaining, in principle, support for an electronic registration process. The legislative amendments to effect the changes have not yet been effected.

Telkom and Vodacom are in a position to intercept communications and register subscribers. However, the Act does place onerous conditions on operators who therefore, continue to engage the authorities on the practical implications of the Act.

We are confident that we are well placed to deal with all regulatory issues confronting us. We actively plan and analyse multiple regulatory scenarios to ensure we are prepared for changes in regulation.

Budget speech by the Minister of Communications

In her budget speech delivered to Parliament at the end of May 2006, the Minister announced her intention to shortly issue policy directions to ICASA setting out the priorities for implementing the provisions of the EC Act. Among these will be the regulation of access to submarine cables and the unbundling of the local loop. The Minister also announced the establishment of a Broadband Advisory Council to advise her on the development of a broadband policy for South Africa and that Sentech will form the core of the country’s wireless broadband infrastructure network.

Conclusion

Telkom is confident that it is well placed to deal with all regulatory issues confronting Telkom. Telkom actively plans and analyses multiple regulatory scenarios to ensure that it is prepared for changes in regulation.

Telkom is a leader in transformation

Telkom has always viewed South Africa's effective transformation as imperative for its own sustainable long-term growth. Telkom concurs with the view that BEE should seek to deliver meaningful and truly broad-based empowerment to the majority of South Africa's people. The draft Information and Communication Technology ICT BEE Charter is expected to be aligned with the Department of Trade and Industry (DTI) Codes of Good Practice during July 2006.

Telkom spent R6.4 billion on empowered or significantly empowered suppliers for the year ended March 31, 2006.

Telkom's transformation progress has been consistently recognised. Telkom was placed fifth out of 200 companies in the annual 2006 FM/Empowerdex Most Empowered Company in SA Survey.

Telkom's social investment programme through the Telkom Foundation has continued to contribute to the positive transformation of disadvantaged communities through social investments aimed at achieving sustainable development. The social investment programmes have continued to focus on the following four main focus areas:

Education and Training;

Empowerment of Women, Children and People with Disabilities; and

ICT Planning and Infrastructure rollout.

The Telkom Foundation was recognised for its commitment, receiving numerous awards and recognition. The most notable being the PMR Awards for first Overall winner on Corporate Care within the Telecommunications Sector, Gold Status on Social Upliftment, BEE, Job Creation and Training.

Strategy

Telkom's vision is to be a leading customer and employee centred Information and Communications Technologies (ICT) solutions service provider. Telkom is focused on balancing the needs of all stakeholders to ensure long term sustainable and profitable growth of the business for shareholders.

The accelerated liberalisation of the market, in particular the implications of the Electronic Communications Act, the emergence of new technologies and customer demand is clearly material to Telkom's strategic intentions. Telkom believes that it is strongly positioned to compete effectively in a liberalised market.

Customer service excellence through a skilled and dedicated workforce with greater product and service choice and value for customers will ensure long term value creation. Telkom will pursue opportunities to provide the full spectrum of ICT solutions including voice, data, video and internet services increasingly through broadband penetration. To ensure that Telkom can sustain the creation of value relative to developments in its dynamic and changing market environment, management have determined certain shifts in strategic emphasis.

Telkom will focus on the following imperatives to sustain long term value creation for all its stakeholders:

Investing in the development of employees to maintain competitive advantage;

Enhancing customer satisfaction through customer centricity;

Retaining revenue and generating growth;

Evolving to a Next Generation Network in order to support profitable growth through prudent cost management;

Repositioning Telkom stakeholder management to create healthy external relationships.

The realisation of Telkom’s strategic intentions ultimately lies in the hands of Telkom’s people.

The evolution to an IP centric network is a business imperative. Telkom cannot delay the investment to a fully enabled IP network. It is vital that we increase our investment in our network to enable the cost of operating the network to reduce and to enable the delivery of fully converged products and services to meet our customers’ needs in the rapidly changing technological environment. Acceleration of Telkom’s broadband penetration is a critical element of this strategy. The technology has reached critical mass and is set to become the technology of choice, as demonstrated globally.

The evolution to a Next Generation Network in a phased approach which is based on sound commercial criteria and will enable Telkom to exploit new opportunities in the ICT solutions market. The first phase is expected to last three years and concentrates on enabling the network for broadband services.

The second phase is the conversion of existing products and services to NGN. Depending on the customer demand and profitability, this process is expected to be completed by 2015. Telkom should have a predominant IP-based network with most products and services on the new platform.

Delaying the investment will result in lost opportunities and erode our ability to retain existing customers through new services, features and functionality. Cost management is central to all our decisions with processes and procedures in place to ensure costs are managed to minimise expenditure. A particular area of focus is on our procurement spend, where we are investigating options to realise savings through the consolidation of suppliers, extract efficiencies and obtain price reductions. In the short-term, we expect to incur a marginal increase in costs due to the maintenance required to improve the viability to our network and the impact of the annual wage increase.

Given the centrality of ICT to economic growth and social development, Telkom remains strategically important to the achievement of national objectives and will continue to invest significantly in the development of a viable and vibrant marketplace.

Telkom is exploring opportunities outside its borders where there is potential for growth, healthy returns and long-term value creation for its stakeholders. The focus is on data acquisitions and fixed/mobile opportunities. A detailed evaluation process is followed on each opportunity to ensure it is a strategic fit, all risks and resource requirements are understood and the potential returns exceed our minimum requirements.

Prospects for the year ahead

Fixed-line revenues in the financial year ending March 31, 2007 are expected to be impacted by tariffs, increased competition and the migration from dial-up to ADSL and the introduction of cost-based interconnection. Our strategic initiatives to improve service levels are expected to result in above inflationary increases in operating expenses, the result being an expected fixed-line EBITDA margin between 37% and 40%.

Fixed-line CAPEX is expected to be between 18% and 22% of revenue. The increase from the financial year ended March 31,2006 is due to capacity increases and the accelerated evolution to an IP centric network for the introduction of a Next Generation Network.

The mobile business is focused at maintaining its market share. Through improved efficiencies, the EBITDA margin is expected to remain constant.

The Group net debt to equity target remains the same at 50% to 70%.

3 Group Performance

Group operating revenue

Group operating revenue increased 10.3% to R47,625 million (2005: R43,160 million) in the year ended March 31, 2006. Fixed-line operating revenue, after inter-segmental eliminations, increased 3.7% to R32,039 million primarily due to solid growth in data services and increased subscription revenue. Mobile operating revenue, after inter-segmental eliminations, increased 27.0% to R15,586 million primarily due to customer growth.

Group operating expenses

Group operating expenses increased 3.9% to R33,428 million (2005: R32,179 million) in the year ended March 31, 2006, due to a 20.8% increase in operating expenses in the mobile segment to R11,926 million (after inter-segmental eliminations). This was partially offset by a 3.6% decrease in the fixed-line operating expenses to R21,502 (after inter-segmental eliminations) primarily due to reduced employee expenses and depreciation, amortisation, impairment and write-offs, partially offset by an increase in payments to other operators, services rendered, operating leases and selling, general and administrative expenses. The increase in mobile operating expenses of 20.8%, after inter segmental eliminations, was primarily due to increased gross connections resulting in increased incentive costs and expenses to support customer satisfaction and growth. Mobile payments to other operators also increased as a result of the increased outgoing traffic and the higher volume growth of more expensive outgoing traffic terminating on other mobile networks relative to traffic terminating on the lower cost fixed-line network.

Investment income

Investment income consists of interest received on short-term investments and bank accounts. Investment income increased 13.4% to R397 million (2005: R350 million), largely as a result of higher interest received due to higher cash flow generated from operations.

Finance charges

Finance charges include interest paid on local and foreign borrowings, amortised discounts on bonds and commercial paper bills, fair value gains and losses on financial instruments and foreign exchange gains and losses. Finance charges decreased 27.3% to R1,233 million (2005: R1,695 million) in the year ended March 31, 2006, due to a 20.2% decrease in interest expense to R1,346 million (2005: R1,686 million) as a result of the redemption of local and foreign loans. In addition to the decrease in the interest expense, net fair value and exchange gains on financial instruments of R113 million (2005: Loss of R9 million) arose primarily as a result of currency movements and unrealised gains relating to the Cell Captive investment.

Taxation

Consolidated tax expense increased 46.7% to R4,520 million (2005: R3,082 million) in the year ended March 31, 2006. The consolidated effective tax rate for the year ended March 31, 2006, was 32.7% (2005: 31.1%). Telkom Company’s effective tax rate was 25.0% (2005: 20.6%). The higher effective tax rate for Telkom Company in the year ended March 31, 2006, was primarily due to the secondary tax on companies payable in respect of dividends paid. Vodacom’s effective tax rate decreased to 37.5% (2005: 40.2%). The lower effective tax rate for Vodacom was largely as a result of the non-deductible expenses of the previous year not recurring.

Profit for the year and earnings per share

Profit for the year attributable to the equity holders of Telkom increased 36.0% to R9,182 million (2005: R6,751 million) in the year ended March 31, 2006.

Group basic earnings per share increased 39.9% to 1,744.7 cents (2005: 1,246.7 cents) and Group headline earnings per share increased 36.1% to 1,740.5 cents (2005: 1,279.0 cents).

4 Group Balance Sheet

Solid operating performance across the Group combined with strict cost discipline and debt payment has resulted in a strengthened balance sheet. Net debt, after financial assets and liabilities, decreased 1.6% to R6,828 million (2005: R6,941 million). The balance sheet at March 31, 2006, strengthened, resulting in a net debt to equity ratio of 23.2% from 26.3% at March 31,2005. On March 31, 2006, the Group had cash balances of R4,948 million.

The Group intends to maintain a net debt to equity targeted range of between 50% and 70% by increasing distributions to shareholders in the form of dividends and share buybacks while maintaining financial flexibility for potential growth opportunities. During the year ended March 31, 2006, 12.1 million shares were repurchased for R1,502 million. These shares have been cancelled from the issued share capital by the Registrar of Companies. Interest-bearing debt, including credit facilities utilised, decreased 20.8% to R11,816 million (2005: R14,912 million) in the year ended March 31, 2006. In April 2005, the Euro 500 million Eurobond matured and was refinanced with R600 million nominal value of the existing TL06 bond, with the balance being refinanced with short-term commercial paper borrowings and hedging instruments. The Group repaid R2,720 million of the commercial paper debt by March 31, 2006. Included in interest-bearing debt at March 31, 2006, was R429 million in commercial paper bills that matured in April 2006.

Telkom maintains an active dialogue with the principal credit rating agencies, who review our ratings periodically. Moody’s Investor Services and Standard & Poor’s have rated our foreign debt A3 and BBB respectively.

5 Group Cash Flow

Cash flows from operating activities decreased 39.5% to R9,506 million (2005: R15,711 million), primarily due to higher taxation and dividend payments offset by increased operational cash flows. Cash flows utilised in investing activities increased 15.5% to R7,286 million (2005: 6,306 million), primarily due to increased capital expenditure in both the mobile and fixed-line segments. Cash utilised in financing activities of a R1,502 million for a share buyback and the R2,720 million repayment of commercial paper bills, was partially offset by the loans raised to refinance the Eurobond, as well as cash inflows from maturing financial assets.

Summary

	Year ended March 31,		
	Restated		
In ZAR millions	2005	2006	%
Cash generated from operations	18,622	19,724	5.9
Cash from operating activities (after tax, interest, dividends)	15,711	9,506	(39.5)
Investing activities	(6,306)	(7,286)	15.5
Financing activities	(9,897)	(258)	(97.4)
Net (decrease)/increase in cash	(492)	1,962	(498.8)

EBITDA minus capital expenditure

Year ended March 31,

		Restated	
In ZAR millions	2005	2006	%
Fixed-line	8,650	9,709	12.2
Mobile	3,049	3,336	9.4
Group	11,699	13,045	11.5

6 Group Capital Expenditure

Group capital expenditure increased 28.3% to R7,508 million (2005: R5,850 million) and represents 15.8% of Group revenue (2005: 13.6%).

Fixed-line capital expenditure

Year ended March 31,

In ZAR millions	2005	2006	%
Base expansion and core support	1,902	2,534	33.2
Network evolution	729	926	27.0
Efficiencies and improvements	1,177	1,080	(8.2)
Company support and other	295	397	34.6
	4,103	4,937	20.3

Fixed-line capital expenditure increased 20.3% to R4,937 million (2005: R4,103 million) and represents 15.1% of fixed-line revenue (2005: 13.0%). Baseline expansion and core support capital expenditure of R2,534 million (2005: R1,902 million) was largely for the deployment of technologies to support the growing data services business and expenditure for access line deployment in selected high growth residential areas. The continued focus on rehabilitating the access network and increasing the efficiencies

and redundancies in the transport network contributed to the network evolution capital expenditure of R926 million (March 31, 2005: R729 million).

Telkom continues to focus on its operations support system investment with current emphasis on workforce management, provisioning and fulfilment, assurance and customer care. During the year ended March 31, 2006, R1,080 million (2005: R1,177 million) was spent on the implementation of several systems.

Mobile capital expenditure

Year ended March 31,			
In ZAR millions	2005	2006	%
South Africa	1,389	2,193	57.9
Other African countries	358	378	5.6
	1,747	2,571	47.2

Mobile capital expenditure (50% of Vodacom's capital expenditure) increased 47.2% to R2,571 million (2005: R1,747 million) and represents 15.1% of mobile revenue (March 31, 2005: 12.8%) which was mainly spent on the cellular network infrastructure as a result of increased investment in South Africa for increased traffic and investment in 3G technologies. The increase in capital expenditure in other African countries is largely as a result of an increased investment in Tanzania to accommodate the substantial growth in the subscriber base during the year.

7 Segment Performance

Telkom's operating structure comprises two segments, fixed-line and mobile. The fixed-line segment provides fixed-line voice and data communications services through Telkom; directory services through our 64.9% owned subsidiary, Telkom Directory Services and wireless data services through our wholly owned subsidiary, Swiftnet. The mobile segment consists of a 50% joint venture interest in Vodacom.

Vodacom's results are proportionately consolidated into the Telkom Group's consolidated financial statements. This means that we include 50% of Vodacom's results in each of the line items in the Telkom Group's consolidated financial statements. Telkom Directory Services, Swiftnet and Rossal No 65 and Acajou (subsidiaries for the repurchase of shares) subsidiaries are fully consolidated in the

Telkom Group’s consolidated financial statements.
Summary
Year ended March 31,

	Restated		
In ZAR millions	2005	2006	%
Operating revenue	43,160	47,625	10.3
Fixed-line	31,457	32,749	4.1
Mobile	13,657	17,021	24.6
Inter-segmental eliminations	(1,954)	(2,145)	9.8
Operating profit	11,261	14,677	30.3
Fixed-line	8,021	10,242	27.7
Mobile	3,240	4,435	36.9
Inter-segmental eliminations	–	–	–
Operating profit margin	26.1	30.8	18.1
Fixed-line	25.5	31.3	22.7
Mobile	23.7	26.1	9.8
EBITDA	17,549	20,553	17.1
Fixed-line	12,753	14,646	14.8
Mobile	4,796	5,907	23.2
Inter-segmental eliminations	–	–	–
EBITDA margin	40.7	43.2	6.1
Fixed-line	40.5	44.7	10.3
Mobile	35.1	34.7	(1.2)
Finance charges	1,695	1,233	(27.3)
Fixed-line	1,647	839	(49.1)
Mobile	48	394	720.8
Inter-segmental eliminations	–	–	–

FIXED-LINE SEGMENT

The fixed-line segment provides fixed-line voice and data communications services through Telkom, directory services through the 64.9% owned subsidiary, Telkom Directory Services, and wireless data services through the wholly owned subsidiary, Swiftnet. The fixed-line segment accounted for 67.3% (2005: 71.6%) of Group operating revenues (after inter-segmental eliminations) and 74.7% (2005: 78.4%) of Group operating profit at March 31, 2006.

The financial information presented below for the fixed-line segment is before inter-segmental eliminations.
Summary
Year ended March 31,

	Restated		
In ZAR millions	2005	2006	%
Revenue	31,457	32,749	4.1
Operating profit	8,021	10,242	27.7
EBITDA	12,753	14,646	14.8
Capital expenditure	4,103	4,937	20.3
Operating profit margin (%)	25.5	31.3	22.7
EBITDA margin (%)	40.5	44.7	10.3
Capex to revenue (%)	13.0	15.1	15.6

Fixed-line operating revenue

Year ended March 31,

	Restated		
In ZAR millions	2005	2006	%
Subscriptions and connections	5,359	5,803	8.3
Traffic	17,760	17,563	(1.1)
Local	5,746	5,753	0.1
Long distance	3,577	3,162	(11.6)
Fixed-to-mobile	7,302	7,647	4.7
International outgoing	1,135	1,001	(11.8)
Interconnection	1,546	1,654	7.0
Mobile operators1	748	760	1.6
International operators	798	894	12.0
Data	5,810	6,649	14.4
Leased lines and other data	4,754	5,282	11.1
Mobile leased facilities2	1,056	1,367	29.5
Directories and other	982	1,080	10.0
	31,457	32,749	4.1

1. Interconnection includes revenue from Vodacom of R464 million (2005: R465 million), 50% is eliminated on consolidation
2. Data includes revenue from Vodacom of R845 million (2005: R562 million), 50% is eliminated on consolidation

Operating revenue from the fixed-line segment, before inter-segmental eliminations, increased 4.1% to R32,749 million (2005: R31,457 million) primarily due to strong growth in data services revenue and increased subscription revenue, offset by a decline in traffic revenue.

Subscription and connections revenue grew 8.3% largely as a result of increased tariffs, increased sales of customer premises equipment, including PABX’s, and penetration of higher value-added services.

Traffic revenue decreased 1.1% as a result of the acceleration of broadband adoption and the resultant loss of internet dial-up minutes as well as the increasing substitution of calls placed using mobile services rather than fixed-line services. Traffic, including VoIP traffic but excluding interconnection traffic, decreased 2.9% to 27,361 million minutes (2005: 28,182 million minutes).

Interconnection revenue increased 7.0% largely as a result of an increase of 12.0% in international interconnection revenue. The increased interconnection revenue from international operators is mainly as a result of a 2.8% increase in international interconnection traffic minutes of 1,355 million minutes (2005: 1,318 million minutes). Mobile interconnection revenue increased 1.6% to R760 million (2005: R748 million) due to increased interconnection traffic from mobile operators and tariff decreases. Mobile interconnection traffic minutes increased by 4.2% to 2,299 million minutes (2005: 2,206 million minutes) in the year ended March 31, 2006.

Data revenue increased 14.4% mainly due to higher demand for data services, including ADSL, in the medium and small business segment with leased line and other data revenue growing 11.1% and mobile leased line revenue by 29.5%. The increase in mobile leased facilities is largely due to the rollout of 3G networks by the mobile operators.

Fixed-line operating expenses
Year ended March 31,

	Restated		
In ZAR millions	2005	2006	%
Employee expenses	7,285	6,470	(11.2)
Salaries and wages	4,785	4,592	(4.0)
Benefits	2,110	2,410	14.2
Workforce reduction expenses	961	88	(90.8)
Employee related expenses capitalised	(571)	(620)	8.6
Payments to other network operators1	5,896	6,150	4.3
Payment to mobile operators	5,059	5,231	3.4
Payment to international operators	837	919	9.8
SG&A	3,046	3,086	1.3
Materials and maintenance	1,726	1,617	(6.3)
Marketing	360	413	14.7
Bad debts	196	187	(4.6)
Other	764	869	13.7
Services rendered	1,976	2,050	3.7
Property management	1,068	1,107	3.7
Consultants and security	908	943	3.9
Operating leases	756	777	2.8
Depreciation, amortisation, impairment and write-offs	4,732	4,404	
	23,691	22,937	(3.2)

1. Payments to other network operators include payments made to Vodacom of R2,818 million (2005: R2,728 million), 50% is eliminated on consolidation

Fixed-line operating expenses, before inter-segmental eliminations, decreased 3.2% in the year ended March 31, 2006, to R22,937 million (2005: R23,691 million), primarily due to lower employee expenses and depreciation, amortisation, impairment and write-offs. The decrease was partially offset by increased expenses for services rendered, operating leases, selling, general and administrative expenses and payments to other operators.

Employee expenses decreased 11.2%, largely due to decreased workforce reduction expenses of R88 million (2005: R961 million) and an 11.7% reduction in headcount.

Payments to other network operators increased 4.3% as a result of higher payments to mobile operators and international operators. Payments to mobile operators increased 3.4%, largely as a result of tariff increases and a 3.9% increase in fixed-to-mobile traffic. Payments to international operators increased 9.8%

primarily due to an 24.1% increase in international outgoing traffic.

Selling, general and administrative expenses increased 1.3% as a result of increased marketing expenses offset by a decrease in material and maintenance expenses and bad debts.

Services rendered increased 3.7% with property management expenses increasing 3.7% as a result of increased maintenance. Consultants and security costs increased 3.9% primarily as a result of increased cost of regulatory accounting and Sarbanes-Oxley project and the transport costs of equipment from warehouses to final drop-off points due to an increased number of reported faults resulting from adverse weather conditions, offset by lower fees paid to Thintana due to the termination of the contract in November 2004 and lower insurance expenses.

Operating leases increased 2.8% as a result of increased vehicle lease rates, increased vehicle maintenance and increased ad-hoc vehicle rentals offset by a 7.2% reduction in the vehicle fleet from 10,458 vehicles at March 31, 2005 to 9,708 vehicles at March 31, 2006.

Depreciation, amortisation, impairment and write-offs decreased 6.9% to R4,404 million (2005: R4,732 million), largely as a result of extending the useful lives of certain network and support equipment.

Fixed-line operating profit increased 27.7% to R10,242 million (2005: R8,021 million) with an operating profit margin of 31.3% (2005: 25.5%). EBITDA increased 14.8% to R14,646 million (2005: R12,753 million), with EBITDA margins increasing to 44.7%. (2005: 40.5%).

MOBILE SEGMENT

The mobile segment accounted for 32.7% of Group operating revenue (2005: 28.4%) (after inter-segmental eliminations) and 25.3% of Group operating profits (2005: 21.6%). Vodacom’s operational statistics are presented below at 100%, but all financial figures represent the 50% that is proportionately consolidated in the Group and presented before inter-segmental eliminations.

Summary
Year ended March 31,

In ZAR millions	Restated 2005	2006	%
Operating revenue	13,657	17,021	24.6
Operating profit	3,240	4,435	36.9
EBITDA	4,796	5,907	23.2
Capital expenditure	1,747	2,571	47.2
Operating profit margin (%)	23.7	26.1	9.8
EBITDA margin (%)	35.1	34.7	(1.2)
Capex to revenue (%)	12.8	15.1	18.1

Mobile operating revenue

Year ended March 31,

In ZAR millions	Restated 2005	2006	%
Airtime and access	8,096	10,043	24.0
Data	670	1,019	52.1
Interconnect1	2,962	3,348	13.0
Equipment sales	1,344	1,993	48.3
International airtime	444	486	9.5
Other	141	132	(6.4)
	13,657	17,021	24.6

1. Interconnect revenue includes revenue from Telkom fixed-lines, of R1,409 million (March 2005: R1,364 million), which is eliminated on consolidation

Operating revenue from the mobile segment increased 24.6%, before inter-segmental eliminations, to R17,021 million (2005: R13,657 million), primarily driven by customer growth. Revenue from Vodacom's operations outside of South Africa as a percentage of Vodacom's total mobile operating revenue increased to 8.7% to R2,974 million (2005: R2,274 million).

The growth in revenue can largely be attributed to a 51.9% increase in Vodacom's total customers to 23,520 million as of March 31, 2006, (2005: 15,483 million), resulting from strong growth in prepaid and contract customers in South Africa and 64.8% growth in customers outside of South Africa. In South Africa, total Average Monthly Revenue Per User (ARPUs) decreased 14.7% to R139 (2005: R163). Contract ARPUs decreased 8.3% to R572 (2005: R624) and prepaid ARPUs decreased 11.5% to R69 (2005: R78).

Vodacom's continued implementation of upgrade and retention policies in the year ended March 31, 2006, ensured contract churn of 10.0%. Prepaid churn of 18.8% for the year ended March 31, 2006, was lower than the 30.3% prepaid churn for the year ended March 31, 2005.

Data revenue increased 52.1% and represents 6.0% of mobile revenue. The growth was largely due to customer growth and the introduction of new technologies and products in South Africa.

Mobile interconnect revenue increased by 13.0%, primarily due to an increase in the number of fixed-line calls terminating on Vodacom's network as a result of the increased number of Vodacom customers and South African mobile users.

Equipment sales increased 48.3% primarily due to the growth of the customer base coupled with added functionality of new phones based on new technologies.

Vodacom's international airtime revenue is largely international calls by Vodacom's customers, roaming revenue from Vodacom customers making and receiving calls while abroad and revenue from international customers roaming on Vodacom's network. International airtime revenue increased 9.5%, primarily as a result of an increase in the number of roaming partners.

Mobile operating expenses
Year ended March 31,

	Restated		
In ZAR millions	2005	2006	%
Employee expenses	826	1,019	23.4
Payments to other operators1	1,826	2,317	26.9
SG&A	5,888	7,328	24.5
Services rendered	45	65	44.4
Operating leases2	310	435	40.3
Depreciation, amortisation, impairment and write offs	1,556	1,472	(5.4)
	10,451	12,636	20.9

1. Payments to other operators include payments to Telkom fixed-line of R232 million (2005: R233 million), which are eliminated on consolidation

2. Operating leases include payments to Telkom fixed-line of R376 million (2005: R256 million), which are eliminated on consolidation

Mobile operating expenses, before inter-segmental eliminations, increased by 20.9% in the year ended March 31, 2006, primarily due to increased employee expenses, selling and distribution costs, services rendered, operating leases and payments to other operators.

Mobile employee expenses increased 23.4%, primarily due to a 9.3% increase in the number of employees to 5,302 and a higher employee deferred bonus incentive accrual resulting from Vodacom's higher net profit. Vodacom increased the total number of its employees by 11.1% in its other African operations to 1,154 employees and by 4.9% in its operations in South Africa to 4,148 employees as of March 31, 2006.

Employee productivity in South Africa and other African countries, as measured by customers per employee, increased 43.1% to 4,436 customers per employee as of March 31, 2006.

Mobile payments to other operators increased 26.9% to R2,317 million (2005: R1,826 million) in the year ended March 31, 2006, as a result of increased outgoing traffic terminating on the other mobile networks relative to traffic terminating on the fixed-line network and partially due to an increase in interconnection tariffs on January 1, 2005, in South Africa. The cost of terminating calls on other mobile networks is higher than calls terminating on Telkom's fixed-line network.

Mobile selling, general and administrative expenses increased 24.5% in the year ended March 31, 2006, primarily due to an increase in selling, distribution and marketing expenses to support the growth in South African and other African operations.

Mobile depreciation, amortisation, impairment and write-offs decreased by 5.4% to R1,472 million in the year ended March 31, 2006 primarily as a result of a partial impairment reversal of Vodacom Mozambican asset impairment of the prior year. The implementation of IAS 16 (revised): "Property, Plant and Equipment" further contributed to the lower depreciation for the year ended March 31, 2006.

Telkom's 50% share of Vodacom's profit from operations increased 36.9% to R4,435 million and the mobile operation profit margin increased to 26.1%. Mobile EBITDA increased 23.2% to R5,907 million with EBITDA margins increasing to 34.7%.

8 Employees

Fixed-line

Year ended March 31,

	2005	2006	%
Telkom Company	28,972	25,575	(11.7)
Lines per employee	163	184	12.9
Subsidiaries	572	581	1.6
Fixed-line employees at year end	29,544	26,156	(11.5)
Movement in fixed-line employees			
(Telkom Company only, excluding subsidiaries)			
Year ended March 31,			
	2005	2006	

Opening balance	32,358	28,972
Appointments	159	686
Employee losses	(3,545)	(4,083)
Workforce reductions	(2,296)	(2,990)
Voluntary early retirement	(513)	(674)
Voluntary severance	(1,741)	(2,295)
Involuntary reductions	(42)	(21)
Natural attrition	(1,249)	(1,093)
Closing balance	28,972	25,575

Mobile Employees

Year ended March 31,			
	2005	2006	%
South Africa	3,954	4,148	4.9
Customers per employee	3,247	4,620	42.3
Other African countries	1,039	1,154	11.1
Customers per employee	2,546	3,776	48.3
Vodacom Group	4,993	5,302	6.2
Customers per employee	3,101	4,436	43.1

9. Summarised Group Financial Statements

Auditors' report

The comprehensive annual financial statements, from which these summarised results have been derived, have been audited by the Company's auditors, Ernst & Young. Their unqualified audit report is available for inspection at the Company's registered office.

Summarised consolidated income statement
for the three years ended March 31, 2006

		Restated	Restated	
		2004	2005	2006
	Notes	Rm	Rm	Rm
Total revenue		41,115	43,696	48,260
Operating revenue	2	40,582	43,160	47,625
Other income		255	280	480
Operating expenses		31,499	32,179	33,428
Employee expenses		7,408	8,111	7,489
Payments to other operators		5,985	6,132	6,826
Selling, general and administrative expenses		7,665	8,824	10,273

Services rendered		2,269	2,021	2,114
Operating leases		924	803	850
Depreciation, amortisation, impairment and write-offs	3	7,248	6,288	5,876

Operating profit		9,338	11,261	14,677
Investment income		322	350	397
Finance charges	4	3,264	1,695	1,233
Interest		2,488	1,686	1,346
Foreign exchange and fair value effect		776	9	(113)
Profit before tax		6,396	9,916	13,841
Taxation		1,738	3,082	4,520
Profit for the year		4,658	6,834	9,321
Attributable to:				
Equity holders of Telkom		4,589	6,751	9,182
Minority interest		69	83	139
		6,834	4,658	
Basic earnings per share (cents)	5	823.9	1,246.7	1,744.7
Diluted earnings per share (cents)	5	823.9	1,244.3	1,735.2
Dividend per share (cents)	5	90.0	110.0	900.0

Summarised consolidated balance sheet
at March 31, 2006

	Notes	Restated 2004 Rm	Restated 2005 Rm	2006 Rm
ASSETS				
Non-current assets		41,751	42,552	44,813
Property, plant and equipment	7	37,756	36,448	37,274
Intangible assets	8	1,864	3,182	3,910
Investments		1,567	2,277	2,894
Deferred expenses		213	133	254
Deferred taxation		351	512	481
Current assets		11,423	15,045	12,731
Other financial assets		1,241	5,074	275
Short-term investments		168	69	69
Current portion of deferred expenses		430	214	226
Inventories		520	658	814
Trade and other receivables		5,846	5,820	6,399
Cash and cash equivalents	9	3,218	3,210	4,948
Total assets		53,174	57,597	57,544
EQUITY AND LIABILITIES				
Equity attributable to equity holders of Telkom		21,628	26,141	29,165
Share capital and premium	10	8,293	8,293	6,791
Treasury shares	10	(238)	(1,812)	(1,809)
Share-based compensation reserve		–	68	151
Non-distributable reserves		91	361	1,136
Retained earnings		13,482	19,231	22,896
Minority interest		200	220	301
Total equity		21,828	26,361	29,466
Non-current liabilities		16,707	13,870	12,391
Interest-bearing debt	11	12,703	9,504	7,655
Deferred taxation		469	947	1,068
Deferred revenue		1,097	959	991
Provisions		2,438	2,460	2,677

Current liabilities		14,639	17,366	15,687
Credit facilities utilised	9	422	909	693
Trade and other payables		6,007	6,782	6,103
Shareholders for dividend		7	7	4
Current portion of interest-bearing debt	11	4,051	4,499	3,468

Current portion of deferred revenue	1,718	1,717	1,975
Current portion of provisions	1,329	1,428	1,660
Income tax payable	460	1,711	1,549
Other financial liabilities	645	313	235
Total liabilities	31,346	31,236	28,078
Total equity and liabilities	53,174	57,597	57,544

Summarised consolidated statement of changes in equity
For the three years ended March 31, 2006

		Restated	Restated
	2004	2005	2006
		Rm	Rm
Balance at April 1	18,864	21,828	26,361
– Attributable to equity holders	18,670	21,628	26,141
– Minority interests	194	200	220
Change in accounting policies	(809)	–	–
Restated balance at April 1	18,055	21,828	26,361
– Attributable to equity holders	17,861	21,628	26,141
– Minority interests	194	200	220
Net profit for the year	4,658	6,834	9,321
Dividend declared	(555)	(673)	(4,879)
Foreign currency translation reserve	(101)	12	52
Fair value adjustment on investments	9	(22)	–
Business combination	–	(117)	–
Purchase of treasury shares	(238)	(1,574)	–
Purchase of subsidiary	–	5	27
Increase in share-based compensation reserve	–	68	86
Shares bought back and cancelled	–	–	(1,502)
Balance at March 31	21,828	26,361	29,466
– Attributable to equity holders	21,628	26,141	29,165
– Minority interests	200	220	301

Summarised consolidated cash flow statement
for the three years ended March 31, 2006

	Notes	Restated 2004 Rm	Restated 2005 Rm	2006 Rm
Cash flows from operating activities		13,884	15,711	9,506
Cash receipts from customers		40,520	43,561	46,958
Cash paid to suppliers and employees		(24,218)	(24,939)	(27,234)
Cash generated from operations		16,302	18,622	19,724
Interest received		469	463	482
Dividends received		10	14	50
Finance charges paid		(1,787)	(1,272)	(1,316)
Taxation paid		(562)	(1,487)	(4,550)
Cash generated from operations before dividend paid		14,432	16,340	14,390
Dividend paid		(548)	(629)	(4,884)
Cash flows from investing activities		(5,423)	(6,306)	(7,286)
Proceeds on disposal of property, plant and equipment and intangible assets		52	37	92
Proceeds on disposal of investments		29	267	493
Additions to property, plant and equipment and intangible assets	7,8	(5,248)	(5,880)	(7,396)
Additions to other investments		(331)	(592)	(475)
Acquisition of subsidiaries	16	75	(138)	–
Cash flows from financing activities		(6,481)	(9,897)	(258)
Purchase of treasury shares		(102)	(1,710)	–
Shares bought back and cancelled		–	–	(1,502)
Loans raised		1,732	1,157	4,123
Loans repaid		(7,428)	(5,027)	(7,399)

Finance lease capital repaid		(5)	(13)	(24)
(Increase)/decrease in net financial assets		(678)	(4,304)	4,544
Net increase/(decrease) in cash and cash equivalents		1,980	(492)	1,962
Net cash and cash equivalents at beginning of the year		837	2,796	2,301
Effect of foreign exchange rate differences		(21)	(3)	(8)
Net cash and cash equivalents at end of the year	9	2,796	2,301	4,255

Change in comparatives
The Group reclassified R463 million of Finance costs accrued from Cash paid to suppliers and employees to Finance charges paid for the year ended March 31, 2005 (2004: R532 million).

Notes to the summarised consolidated annual financial statements
for the year ended March 31, 2006
1 Significant accounting policies
Basis of preparation
The comprehensive consolidated annual financial statements from which these summarised results have been derived comply with International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board ("IASB") and the Companies Act in South Africa, 1973.
The financial statements are prepared on the historical cost basis, with the exception of certain financial instruments and share-based payments which are measured at fair value. The Group's significant accounting policies are consistent with those applied in the previous financial year except for the following:

- the Group has adopted IAS16 (revised), IAS17 (revised), IAS24 (revised), IAS40 (revised), IFRS4 and IFRIC1 which are applicable for financial years beginning on or after January 1, 2005;
- the Group has early adopted the amendment to IAS19 which is applicable for financial years beginning on or after January 1, 2006;
- the Group has made certain voluntary changes in accounting policies related to fixed-line connection revenues; and

• the Group made certain retrospective changes to its application of certain accounting standards. The changes were:

– Lease payments and receipts under operating leases have been restated in order to recognise the expenses and income on a straight-line basis over the lease terms. This ensures that the income statement charge/income is more representative of the time pattern of the operating lease benefit/cost to the Group. The Group previously recognised the expenses and the income based on the amount paid or payable and received or receivable for each period. The restatement decreases the Group's results for the years ended
March 31, 2005, by R3 million and 2004, by R3 million.

– IT Software items have been reclassified from Property, plant and equipment to Intangible assets to the value of R2,650 million (2004: R1,300 million) and the related depreciation from Depreciation to Amortisation. The Group has identified and recorded software that was previously included as part of Property, plant and equipment as a separate intangible asset because it was not considered an integral part of the related hardware.

– Investment properties have been restated to Property, plant and equipment to the value of R25 million (2004: R32 million). The Vodacom Group previously classified its Vodaworld property as an investment property. However, the property's primary purpose is to service and connect Vodacom customers. The property, therefore, does not meet the criteria of IAS40: Investment Property, ie to earn rentals or for capital appreciation.

– Other financial assets of R134 million (2004: R1,101 million) and liabilities of R83 million (2004: R153 million) previously classified as non-current have been reclassified to current assets and liabilities, as they represent derivatives classified as held for trading.

Notes to the summarised consolidated annual financial statements (continued)
for the year ended March 31, 2006

	2004	2005	2006
		Rm	Rm
2 Operating revenue	40,582	43,160	47,625
Fixed-line	30,541	30,888	32,039
Mobile	10,041	12,272	15,586
Fixed-line	30,541	30,888	32,039
Subscriptions, connections and other usage	5,117	5,385	5,803
Traffic	18,313	17,723	17,534
Domestic (local and long distance)	9,680	9,286	8,886
Fixed-to-mobile	7,321	7,302	7,647
International (outgoing)	1,312	1,135	1,001
Interconnection	1,441	1,320	1,433
Data	4,792	5,484	6,223
Directories and other	878	976	1,046

Change in comparatives

Operating revenue has increased by R43 million in 2005 (2004: R98 million) due to the change in fixed-line policy for recognising connection revenues (refer to note 1).

	2004	2005	2006
3 Depreciation, amortisation, impairment and write-offs	7,248	6,288	5,876
Depreciation of property, plant and equipment	6,092	5,442	5,154
Amortisation of intangible assets	806	502	560
Impairment of property, plant and equipment	149	85	–
Reversal of impairment of property, plant and equipment	–	(26)	
Impairment of intangible assets	–	49	–
Write-offs of property, plant and equipment	201	210	188

In recognition of the changed usage patterns of certain items of property, plant and equipment, the Group reviewed their remaining useful lives in the

current year. The assets affected were certain items			
included in Network and Support equipment.			
4 Finance charges	3,264	1,695	1,233
Interest	2,488	1,686	1,346
Local debt	2,253	1,515	1,506
Foreign debt	303	281	9
Less: Finance costs capitalised	(68)	(110)	(169)
Foreign exchange gains and losses and fair value			
adjustments	776	9	(113)
Foreign exchange (gains)/losses	(368)	112	57
Fair value adjustments on derivative instruments	1,144	(103)	(170)
Capitalisation rate	15.14%	15.23%	13.91%

Notes to the summarised consolidated annual financial statements (continued)
for the year ended March 31, 2006

	2004	2005	2006
5 Earnings and dividend per share			
Basic earnings per share (cents)	823.9	1,246.7	1,744.7
The calculation of earnings per share is based on profit attributable to equity holders of Telkom for the year of R9,182 million (2005: R6,751 million; 2004: R4,589 million) and 526,271,093 (2005: 541,498,547; 2004: 556,994,962) weighted average number of ordinary shares in issue.			
Diluted earnings per share (cents)	823.9	1,244.3	1,735.2
The calculation of diluted earnings per share is based on earnings for the year of R9,182 million (2005: R6,751 million; 2004: R4,589 million) and 529,152,318 diluted weighted average number of ordinary shares (2005: 542,537,579; 2004: 556,994,962). The adjustment in the weighted average number of shares is as a result of the expected future vesting of shares already allocated to employees under the Telkom Conditional Share Plan.			
Headline earnings per share (cents)	875.2	1,279.0	1,740.5

The calculation of headline earnings per share is based on headline earnings of R9,160 million (2005: R6,926 million; 2004: R4,875 million) and 526,271,093 (2005: 541,498,547; 2004: 556,994,962) weighted average number of ordinary shares in issue.			
Diluted headline earnings per share (cents)	875.2	1,276.6	1,731.1
The calculation of diluted headline earnings per share is based on headline earnings of R9,160 million (2005: R6,926 million; 2004: R4,875 million) and 529,152,318 (2005: 542,537,579; 2004: 556,994,962) diluted weighted average number of ordinary shares in issue. The adjustment in the weighted average number of shares is as a result of the expected future vesting of shares already allocated to employees under the Telkom Conditional Share Plan.			
Reconciliation between earnings and headline earnings:			
Earnings as reported	4,589	6,751	9,182
Adjustments:			
Profit on disposal of investment	(25)	(64)	(163)
Profit on disposal of property, plant and equipment and intangibles	(19)	(30)	(79)

Impairment of property, plant, equipment and intangibles	134	(26)	
Write-offs of property, plant and equipment	201	210	188
Acquisition of subsidiary	–	–	35
Amortisation of goodwill	72	–	–
Tax and minority interest effects	(92)	(75)	23
Headline earnings	4,875	6,926	9,160

Notes to the summarised consolidated annual financial statements (continued)
for the year ended March 31, 2006

	2004	2005	2006
5 Earnings and dividend per share (continued)			
Reconciliation of weighted average number of ordinary shares			
Ordinary shares in issue	557,031,819	557,031,819	544,944,899
Weighted average number of treasury shares	(36,857)	(15,533,272)	(18,673,806)
Weighted average number of shares outstanding	556,994,962	541,498,547	526,271,093
Reconciliation of diluted weighted average number of ordinary shares			
Weighted average number of shares outstanding	556,994,962	541,498,547	526,271,093
Expected future vesting of shares	–	1,039,032	2,881,225
Weighted average number of shares outstanding	556,994,962	542,537,579	529,152,318
Dividend per share (cents)	90.0	110.0	900.0

The calculation of dividend per share is based on dividends of R4,801 million (2005: R606 million; 2004: R501 million) declared on June 2, 2005, and 533,465,571 (2005: 551,509,083; 2004: 557,031,819) number of ordinary shares outstanding. The reduction in the number of shares represents the number of treasury shares held on date of payment.

6 Net asset value per share

Net asset value per share (cents)	3,905.1	4,900.2	5,593.5

The calculation of net asset value per share is based on net assets of R29,165 million (2005: R26,141 million; 2004: R21,628 million) and 521,408,320 (2005: 533,465,571; 2004: 553,846,083) number of ordinary shares outstanding.

Notes to the summarised consolidated annual financial statements (continued) for the year ended March 31, 2006

7 Additions to property, plant and equipment

Freehold land and buildings	64	42	105
Leasehold buildings	59	–	75
Network equipment	1,524	1,742	2,622

Support equipment	140	95	130
Furniture and office equipment	9	10	19
Data processing equipment and software	491	379	381
Under construction	2,598	2,123	2,933
Other	51	73	45
			4,936

Fully depreciated assets with a cost of R3,724 million were derecognised in the 2006 financial year. This has reduced both the cost price and accumulated depreciation of property, plant and equipment accordingly.

8 Additions to intangible assets

Trademarks, copyrights and other	4	–	2
Licences	57	–	1
Software	–	103	219
Assets under construction	371	1,284	974
			432

Notes to the summarised consolidated annual financial statements (continued) for the year ended March 31, 2006

9 Net cash and cash equivalents	2,796	2,301	4,255
Cash and bank balances	1,219	2,375	1,853
Short-term deposits	1,999	835	3,095
Cash shown as current assets	3,218	3,210	4,948
Credit facilities utilised	(422)	(909)	(693)
Undrawn borrowing facilities	2,995	4,750	9,519

10 Share capital

Authorised and issued share capital and share premium are made up as follows:

Authorised	10,000	10,000	10,000
999,999,998 ordinary shares of R10 each	10,000	10,000	10,000
1 (2005: 1; 2004: 1) Class A ordinary share of R10	–	–	–
1 (2005: 1; 2004: 1) Class B ordinary share of R10	–	–	–
Issued and fully paid	8,293	8,293	6,791
544,944,897 (2005: 557,031,817; 2004: 557,031,817)ordinary shares of R10 each	5,570	5,570	5,449
1 (2005: 1; 2004: 1) Class A ordinary share of R10	–	–	–
1 (2005: 1; 2004: 1) Class B ordinary share of R10	–	–	–
Share premium	2,723	2,723	1,342

Share buyback

During the year, Telkom bought back 12,086,920 ordinary shares at a total consideration of R1,502 million. This reduced the share capital by R121 million and the share premium by R1,381 million.

Treasury shares

12,687,521 (2005: 12,717,190; 2004: 3,185,736) and 10,849,058 (2005: 10,849,058; 2004: Nil) ordinary shares in Telkom, with a fair value of R2,038 million (2005: R1,366 million; 2004: R251 million) and R1,743 million (2005: R1,166 million; 2004: RNil) are currently held as treasury shares by its subsidiaries Rossal No 65 (Proprietary) Limited and Acajou Investments (Proprietary) Limited, respectively.

Notes to the summarised consolidated annual financial statements (continued)

for the year ended March 31, 2006

11 Interest-bearing debt

Long-term interest-bearing debt	12,703	9,504	7,655
Total interest-bearing debt	16,754	14,003	11,123
Gross interest-bearing debt	20,151	16,914	13,686
Discount on debt instruments issued	(3,397)	(2,911)	(2,563)
Less: Current portion of interest-bearing debt	(4,051)	(4,499)	(3,468)
Local debt	(3,628)	(264)	(2,642)
Locally registered Telkom debt instruments	(2,286)	–	(2,211)
Repurchase agreements	(27)	–	–
Commercial paper bills	(1,313)	(262)	(429)
Short-term interest-free loans	(2)	(2)	(2)
Foreign debt	(408)	(4,210)	(786)
Finance leases	(15)	(25)	(40)

12 Commitments

Capital commitments authorised	7,151	7,970	10,265
Fixed-line	4,566	5,029	6,519
Mobile	2,585	2,941	3,746
Commitments against authorised capital expenditure	439	825	842
Fixed-line	88	91	200
Mobile	351	734	642
Authorised capital expenditure not yet	6,712	7,145	9,423

contracted			
Fixed-line	4,478	4,938	6,319
Mobile	2,234	2,207	3,104

Management expects these commitments to be financed from internally generated cash and other borrowings.
The Group exposure is 50% of the following items:
Interception of Communications and Provisions of Communication-related Information Act (“the Act”)
The Act was proclaimed in the Government Gazette and has been made effective September 30, 2005, with the exception of the provisions dealing with customer registration which comes into effect on June 30, 2006. The cellular operators have succeeded in obtaining, in principle, support by the Department of Justice for an electronic registration process. The legislative amendments necessary to allow for such an electronic registration process have not yet been effected, but are anticipated prior to the effective date of June 30, 2006. The sections of the interception and monitoring legislation (“RICA”) prescribing a paper-based customer registration process came into effect on May 28, 2006. A reliable estimate of capital and operating costs that will potentially be incurred in order to comply with the provisions of the Act cannot be made at this stage.

Notes to the summarised consolidated annual financial statements (continued)
for the year ended March 31, 2006
12 Commitments (continued)
Global Alliance fees
The Vodacom Group pays annual fees from February 18, 2005, for the services provided. The fee is calculated as a percentage of revenue.
Retention incentives
The Vodacom Group has committed a maximum of R456 million (March 31, 2005: R373 million) in respect of customers already beyond their normal 24-month contract period, but who have not yet upgraded to new contracts, and therefore have not utilised the incentive available for such upgrades. The Group has not provided for this liability, as no legal obligation exists, since the customers have not yet entered into new contracts.
Africell Cellular Services (Proprietary) Limited
An offer to acquire the cellular business of Africell Cellular Services (Proprietary) Limited was made and accepted. The suspensive conditions as well as Competition Commission approval, are currently being attended to.

13 Contingencies
Supplier dispute
No material change since prior year.
Competition commission
South African Value Added Network Services (“SAVA”).
No material change since prior year.
Internet Service Providers Association (“ISPA”)
The Internet Service Providers Association (“ISPA”), an association of internet service providers (ISPs), filed complaints against Telkom at the Competition Commission regarding alleged anti-competitive practices on the part of Telkom. A maximum administrative penalty of up to 10%, calculated with reference to Telkom’s annual turnover, excluding the turnover of subsidiaries and joint ventures, for the financial year prior to the compliant date, may be imposed if it is found that Telkom has committed a prohibited practice as set out in the Competition Act, 1998 (as amended). The Competition Commission has formally requested Telkom to provide it with certain records of orders placed for certain services, in an attempt to first investigate the latter aspects of the complaint.

Notes to the summarised consolidated annual financial statements (continued)
for the year ended March 31, 2006

	2004	2005	2006
14 Segment information			
Eliminations represent the inter-segmental transactions that have			
been eliminated against segment results. The mobile segment			
represents the Group’s joint venture Vodacom.			
Business segment			
Consolidated revenue	40,582	43,160	47,625
Fixed-line	31,004	31,457	32,749
To external customers	30,541	30,888	32,039
Inter-company	463	569	710
Mobile	11,428	13,657	17,021
To external customers	10,041	12,272	15,586
Inter-company	1,387	1,385	1,435
Elimination	(1,850)	(1,954)	(2,145)
Other income	255	280	480
Fixed-line	230	255	430
Elimination	–	(9)	–
Mobile	25	34	50

Operating expenses	31,499	32,179	33,428
Fixed-line	24,510	23,691	22,937
Elimination	(1,387)	(1,385)	(1,435)
Mobile	8,839	10,451	12,636
Elimination	(463)	(578)	(710)
Consolidated operating profit	9,338	11,261	14,677
Fixed-line	6,724	8,021	10,242
Elimination	924	807	725
Mobile	2,614	3,240	4,435
Elimination	(924)	(807)	(725)
Consolidated investment income	322	350	397
Fixed-line	1,324	1,992	2,583
Elimination	(1,061)	(1,700)	(2,250)
Mobile	59	58	64
Consolidated finance charges	3,264	1,695	1,233
Fixed-line	2,991	1,647	839
Mobile	284	48	394
Elimination	(11)	–	–

Notes to the summarised consolidated annual financial statements

(continued)

for the year ended March 31, 2006

14 Segment information (continued)

Consolidated taxation	1,738	3,082	4,520
Fixed-line	876	1,775	2,981
Mobile	862	1,307	1,539
Minority interests	69	83	139
Fixed-line	56	68	81
Mobile	13	15	58
Profit attributable to equity holders of Telkom	4,589	6,751	9,182
Fixed-line	4,125	6,523	8,924
Elimination	(137)	(893)	(1,525)
Mobile	1,514	1,928	2,508

Elimination	(913)	(807)	(725)
Consolidated assets	50,198	50,177	54,306
Fixed-line	41,441	40,206	43,748
Mobile	9,799	11,157	12,262
Elimination	(1,042)	(1,186)	(1,704)
Investments	1,735	2,346	2,963
Fixed-line	1,466	2,240	2,861

Mobile	269	106	102
Other financial assets	1,241	5,074	275
Fixed-line	1,222	5,039	256
Mobile	19	35	19
Total assets	53,174	57,597	57,544
Consolidated liabilities	13,487	15,209	15,171
Fixed-line	9,733	10,658	10,409
Mobile	4,796	5,737	6,466
Elimination	(1,042)	(1,186)	(1,704)
Interest-bearing debt	16,754	14,003	11,123
Fixed-line	15,724	12,703	9,889
Mobile	1,030	1,300	1,234
Other financial liabilities	645	313	235
Fixed-line	613	313	205
Mobile	32	–	30
Tax liabilities	460	1,711	1,549
Fixed-line	34	1,395	1,234
Mobile	426	316	315
Total liabilities	31,346	31,236	28,078

Notes to the summarised consolidated annual financial statements

(continued)

for the year ended March 31, 2006

14 Segment information (continued)

Other segment information

Capital expenditure for property, plant and equipment	4,936	4,464	6,310
Fixed-line	3,491	2,820	3,960
Mobile	1,445	1,644	2,350
Capital expenditure for intangible assets	432	1,387	1,196
Fixed-line	371	1,284	975
Mobile	61	103	221
Depreciation and amortisation	6,898	5,944	5,714
Fixed-line	5,633	4,522	4,216
Mobile	1,265	1,422	1,498

Impairment and asset write-offs	350	295	162
Fixed-line	350	210	188
Mobile	–	85	(26)
Intangible assets impairment – Mobile	–	49	–
Workforce reduction expenses – Fixed-line	302	961	88

for the year ended March 31, 2006

15 Related parties

Details of material transactions and balances with related parties not disclosed elsewhere in the summarised consolidated annual financial statements were as follows:

With joint venture:			
Vodacom Group (Proprietary) Limited			
Related party balances			
Trade receivables	42	42	48
Trade payables	(250)	(250)	(256)
Related party transactions			
Income	(463)	(569)	(710)
Expenses	1,387	1,385	1,443
Audit fees	3	3	3
Interest received	(11)	–	–
With shareholders:			
Thintana Communications LLC			
Management fees	154	57	–

On November 22, 2004, Thintana Communications LLC sold their total interest in Telkom.

Government			
Related party balances			
Trade receivables	189	185	194
Related party transactions			
Revenue	(1,866)	(1,987)	(2,106)
With entities under common control:			
Major public entities			
Related party balances			
Trade receivables	25	37	31
Trade payables	(3)	(7)	(2)
Related party transactions			
Income	(368)	(445)	(343)
Expenses	169	199	170

Rent received	(9)	(15)	(17)
Rent paid	54	52	56
Remuneration and benefits	103	93	146

Notes to the summarised consolidated annual financial statements (continued)
for the year ended March 31, 2006
16 Purchase of subsidiarY
On August 1, 2005, the Vodacom Group acquired a 51% interest in the equity of Cointel VAS (Proprietary) Limited. The fair value of the assets and liabilities acquired were determined by the Group and are as follows:

Fair value of net assets acquired	(47)
Property, plant and equipment	(1)
Intangible assets	(90)
Trade and other receivables	(4)
Cash and cash equivalents	(42)
Deferred taxation liability	18
Trade and other payables	57
Taxation payable	8
Provision	1
Dividends payable	6
Minority interest	23
Goodwill	(18)
Purchase price (including capitalised costs)	(42)
Cash and cash equivalents	42
Cash consideration	–

The purchase price of R84 million (Group share: R42 million), excluding capitalised costs was paid on August 23, 2005. Capitalised costs were paid throughout the period.
Revenue amounting to R45 million and net profit of R9 million is included in the current period results.
Revenue would have amounted to R47,630 million and net profit to R9,146 million if the entity had been consolidated for the full year ended March 31, 2006.
The goodwill related to the acquisition represents future synergies and is allocated to the mobile South African cash- generating unit.

Notes to the summarised consolidated annual financial statements (continued)
for the year ended March 31, 2006
17 Negative working capital
For the financial years ended March 31, 2006, 2005 and 2004, the Group's current liabilities are greater than current assets. Current liabilities will be financed from operating cash flows, new borrowings and existing credit facilities.

18 Subsequent events

Business Connexion Group Limited (BCX)

On April 4, 2006, Telkom announced its firm intention to make an offer to acquire the entire issued share capital of BCX, other than the BCX shares held as treasury shares and, if the trustees of the BCX share incentive trust so agree, the BCX shares held by the BCX share incentive trust. Telkom will acquire the outstanding options in BCX on the same terms and conditions as the offer for the shares. The offer will be implemented by way of a scheme of arrangement in terms of section 311 of the Companies Act, to be proposed by Telkom between BCX and its shareholders.

The transaction will advance Telkom's ongoing data strategy. In particular, Telkom believes that the transaction will enhance Telkom's ability to offer its customers end-to-end solutions across the ICT value chain. Telkom's strength has to date been on ICT services relevant to its core connectivity proposition, managed network and internet access and BCX offers a complementary service offering. The transaction will enable Telkom to have a meaningful presence in the IT services market extending its value chain with BCX's proven capabilities in business application and support management, business process outsourcing and other IT related complementary lines of business.

BCX has defined a strategy to expand into the communications arena and has been considering a relationship with a communications company to that effect. If the offer is successful, BCX will continue to operate as a standalone or separate business unit within Telkom. BCX will retain and expand its service offering and always service its clients with ongoing commitment.

Cell captive annuity policy

Subsequent to year end, an addendum to the annuity policy contract was signed, which transferred a part of the post-retirement medical liability to an annuity fund. This will effectively change the presentation of the liability and the asset as the annuity policy will meet the definition of a plan asset in terms of IAS19 which requires the liability to be reduced by the fair value of the plan asset. The effect of this on the annual financial statements will be a reduction in investments as well as liabilities to the value of R1,371 million.

Share buy-back

As part of the Group's commitment to the optimal use of capital, the Telkom Board approved on June 2, 2006 a share buy-back programme to the value of R2 billion.

Other matters

The directors are not aware of any other matter or circumstance since the financial year end and the date of this report, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Group and the results of its operations.

10 Supplementary Information
In connection with the US Securities Exchange Commission Rules relating to “Conditions for use of Non-GAAP Financial Measures”, EBITDA and headline earnings have been reconciled to net profit.

Year ended March 31,

	Restated	
In ZAR millions	2005	2006
EBITDA		
Earnings before interest, taxation, depreciation and amortisation		
(EBITDA) can be reconciled as follows:		
EBITDA	17,549	20,553
Depreciation, amortisation, impairment and write-offs	(6,288)	(5,876)
Investment income	350	397
Finance charges	(1,695)	(1,233)
Taxation	(3,082)	(4,520)
Minority interests	(83)	(139)
Net profit	6,751	9,182
Headline earnings		
The disclosure of headline earnings is a requirement of the JSE		
Securities Exchange, South Africa and is not a recognised measure		
under US GAAP.		
Headline earnings can be reconciled as follows:		
Headline earnings	6,751	9,182
Profit on disposal of investment	(64)	(163)
Profit on disposal of property, plant and equipment	(30)	(79)
Impairment of property, plant and equipment and intangible assets	(26)	
Write-offs of property, plant and equipment	210	188
Acquisition of subsidiary	–	35
Tax and minority interest effects	(75)	23
Net profit	6,926	9,160

Definitions
Operating free cash flow
Operating free cash flow is defined as cash flow from operating activities, after interest and taxation, before dividends, less cash flow from investing activities.
Total interest-bearing debt
Total interest-bearing debt is defined as short and long-term interest-bearing debt, including credit facilities and finance leases.
Net debt
Net debt is defined as total interest-bearing debt, net of bank and cash and financial assets and liabilities.
Asymmetrical Digital Subscriber Line (ADSL)
ADSL is a broadband access standard which uses existing copper lines to offer high-speed digital connections over the local loop. ADSL transmits data asymmetrically, meaning that the bandwidth usage is much higher in one direction than the other. ADSL provides greater bandwidth from the exchange to the customer (ie downloading) than from the customer to the exchange (ie sending).

Average Revenue per User (ARPU)
ARPU is usually quoted on a monthly or annual basis by cellular networks.

US DOLLAR CONVENIENCE

Year ended March 31,

	Restated 2005	2006	%
Revenue	6,939	7,744	11.6
Operating profits	1,810	2,385	31.8
Net profit	1,099	1,516	37.9
EBITDA	2,822	3,339	18.3
EPS (cents)	200.5	283.7	41.9
Net debt	1,116	1,110	(0.5)
Total assets	9,260	9,357	1.0
Cash flow from operating activities	2,526	1,546	(38.8)
Cash flow used in investing activities	(1,014)	(1,185)	16.9
Cash flow used in financing activities	(1,591)	(42)	97.4
Exchange rate			
Period end1			
US$1 = ZAR	6.22	6.15	(1.1)

1. Noon buying rate

11 Special Note Regarding Forward-looking Statements

All of the statements included in this document, as well as oral statements that may be made by us or by officers, directors or employees acting on behalf of us, that are not statements of historical facts constitute or are based on forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995, specifically Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. These forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause our actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause our actual results or outcomes to differ materially from our expectations are those risks identified in Item 3. “Key Information-Risk Factors,” of Telkom’s most recent Annual Report on Form 20-F filed with the US Securities and Exchange Commission (SEC) and its other filings and submissions with the SEC which is available on Telkom’s website at www.telkom.co.za/ir, including, but not limited to, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment; continued mobile growth and reductions in Vodacom’s and Telkom’s net interconnect margins; Vodacom’s and Telkom’s ability to expand their operations and make investments in other African countries and the general economic, political, social and legal conditions in South Africa and in other countries where Vodacom and Telkom invest; our ability to attract and retain key personnel; our inability to appoint a majority of Vodacom’s directors and the consensus approval rights at Vodacom may limit our flexibility and ability to implement our preferred strategies; Vodacom’s continued payment of dividends or distributions to us; our ability to improve and maintain our management information and other systems; our negative working capital; changes and delays in the implementation of new technologies; our ability to reduce theft, vandalism, network and payphone fraud and lost revenue to non-licensed operators; our ability to improve our internal control over financial reporting; health risks to related mobile handsets, base stations and associated equipment; our control by the Government of the Republic of South Africa; the outcome of regulatory, legal and arbitration proceedings, including tariff approvals, and the outcome of Telkom’s hearing before the Competition Commission related to the VANs litigation, its proceedings with Telcordia Technologies Incorporated and others;

our ability to negotiate favourable terms, rates and conditions for the provision of interconnection services; our ability to implement and recover the substantial capital and operational costs associated with carrier pre-selection, Number Portability and monitoring and interception; Telkom's ability to comply with the South African Public Finance Management Act and South African Public Audit Act and the impact of the Municipal Property Rates Act; fluctuations in the value of the Rand; the impact of unemployment, poverty, crime and HIV infection, labour laws and exchange control restrictions in South Africa; and other matters not yet known to us or not currently considered material by us.

We caution you not to place undue reliance on these forward-looking statements. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are qualified in their entirety by these cautionary statements. Moreover, unless we are required by law to update these statements, we will not necessarily update any of these statements after the date hereof, either to confirm them to actual results or to changes in our expectations.

EXHIBIT 99.4

Focussed on creating longterm value.

Telkom SA Limited

Group Annual Results for the year ended March 31, 2006
5 June 2006

www.telkom.co.za/ir

Cautionary statement on forward looking statements

All of the statements included in this document, as well as oral statements that may be made by us or by officers, directors or employees acting on behalf of us, that are not statements of historical facts constitute or are based on forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995, specifically Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. These forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause our actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause our actual results or outcomes to differ materially from our expectations are those risks identified in Item 3. “Key Information-Risk Factors,” of Telkom’s most recent Annual Report on Form 20-F filed with the US Securities and Exchange Commission (SEC) and its other filings and submissions with the SEC which is available on Telkom’s website at www.telkom.co.za/ir, including, but not limited to, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment; continued mobile growth and reductions in Vodacom’s and Telkom’s net interconnect margins; Vodacom’s and Telkom’s ability to expand their operations and make investments in other African countries and the general economic, political, social and legal conditions in South Africa and in other countries where Vodacom and Telkom invest; our ability to attract and retain key personnel; our inability to appoint a majority of Vodacom’s directors and the consensus approval rights at Vodacom may limit our flexibility and ability to implement our preferred strategies; Vodacom’s continued payment of dividends or distributions to us; our ability to improve and maintain our management information and other systems; our negative working capital; changes and delays in the implementation of new technologies; our ability to reduce theft, vandalism, network and payphone fraud and lost revenue to non-licensed operators; our ability to improve our internal control over financial reporting; health risks to related mobile handsets, base stations and associated equipment; our control by the Government of the Republic of South Africa; the outcome of regulatory, legal and arbitration proceedings, including tariff approvals, and the outcome of Telkom’s hearing before the Competition Commission related to the VANs litigation, its proceedings with Telcordia Technologies Incorporated and others; our ability to negotiate favourable terms, rates and conditions for the provision of interconnection services; our ability to implement and recover the substantial capital and operational costs associated with carrier pre-selection, Number Portability and monitoring and interception; Telkom’s ability to comply with the South African Public Finance Management Act and South African Public Audit Act and the impact of the Municipal Property Rates Act; fluctuations in the value of the Rand; the impact of unemployment, poverty, crime and HIV infection, labour laws and exchange control restrictions in South Africa; and other matters not yet known to us or not currently considered material by us.

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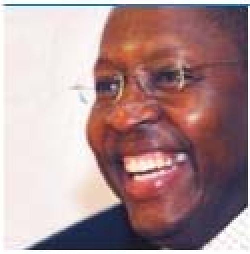
Agenda

Group highlights	Papi Molotsane
Fixed-line business	Papi Molotsane
Mobile business	Papi Molotsane
Group financials	Kaushik Patel
2010 Business plan	Papi Molotsane

Group highlights

Papi Molotsane



Financial highlights

- **10.3%** growth in Group operating revenue to R 47.6 billion
- **43.2%** Group EBITDA margin
- **30.3%** growth in Group operating profit to R 14.7 billion
- Return on assets up from **19.8% to 25.6%**
- Total shareholder returns of **R9** per share and **R1.5 billion share buy back**

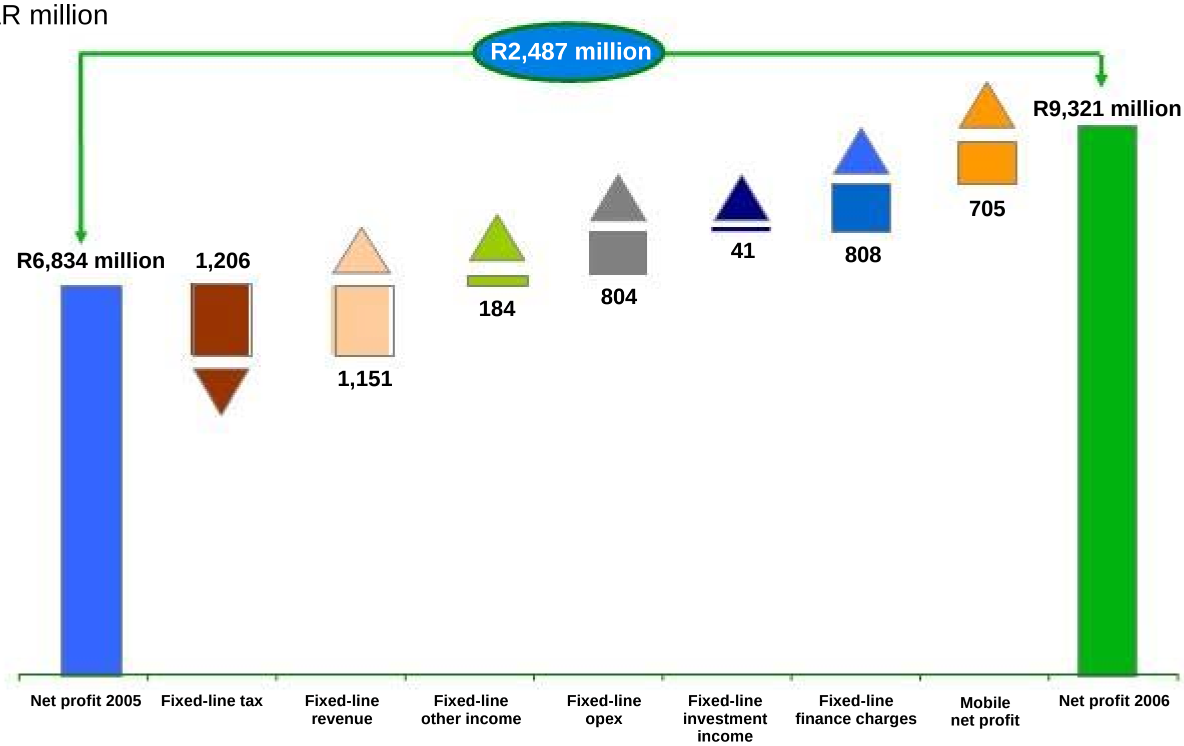
36.1% increase
in HEPS to 1740.5 cents per share

- **Total dividend 900 cents per share declared and**
- **R2 billion share buy back programme**

Approved June 2, 2006

Group net profit drivers

ZAR million



Operational highlights

Customer growth and retention

- **41.2%** growth in managed data network sites to 16,887
- **146.2%** growth in ADSL services to 143,509
- **51.9%** growth in total mobile customers to 23.5 million
- **3.9% fixed to mobile** traffic growth through customer value enhancing packages

26%
increase
64kbit/sec
Equivalents
per employee

Operational excellence

- **12.9%** increase in fixed lines per employee to 184
- **42.3%** improvement in SA mobile customers per employee to 4,620

77.5%
increase
in optic fibre
network to
6,736,000 km

Regulatory Developments

Interconnection and facilities leasing	▪ LRIC Regulatory Financial Statements – due September 2006 ▪ FAC Regulatory Financial Statements – submitted September 2005 ▪ SNO Shared access for first 2 years from start of operation ▪ Public hearings attended – March 2006
Tariff regulation	▪ Final regulation approved by Minister in August 2005 : CPI - 3.5% ▪ Includes ADSL ▪ In excess of 65% of Telkom revenue in regulatory basket
Electronic Communications Act (ECA) and ICASA Bill	▪ Passed by the national assembly on November 3, 2005 ▪ Assented to by the President of South Africa ▪ 24 month conversion period of existing licenses to new market structure ▪ Act not implemented until ICASA bill passed into law ▪ ICASA Act – Bill passed parliament December 2005, referred back by President
Number Portability	▪ Expected during September 2006 ▪ SNO requested implementation in February 2006 (not later than 12 months after request)

Minister Announcements on 25 May 2006

- **Telkom welcomes the introduction of competition**
  - Expands the market
  - Stimulates innovation
  - Allows for value comparison
  - Positive contribution to the economy
- **The Minister prioritising broadband infrastructure rollout**
- **Minister's speech focused on:**
  - Extending Sentech's rights
  - Existing submarine cable and proposed submarine cable access
  - Establishment of a broadband advisory council and a local loop unbundling committee
- **Impact on Telkom**
  - Provisions of EC Act allows for all Minister's announcements
  - Pursue alternative investment in cables if commercially viable
  - Will monitor and contribute to above mentioned forums

Competition landscape

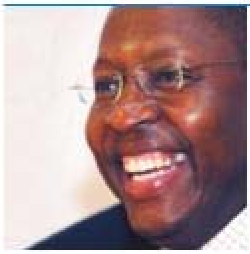
- SNO licensed December 9, 2005
  - Discussion underway on interconnection and facilities leasing with the SNO
- Local licenses operational 2006 (USALs)
- 5 broadband providers including Telkom
- Value added networks (VANs)
- Internet Service Providers (ISPs)
- Competition driving IP demand

Key Advances in Technology

- Industry world-wide moving to **IP based products** and services
- **Broadband**
  - ADSL 2^{+} trialling
  - VDSL trialling
  - Mobile WiMax – Standards finalised by IEEE 802.16e
- **HSDPA** roll-out by Vodacom (MTN following)
- Increasing **speed of convergence**
- **IPTV and Mobile TV**

Fixed-line business

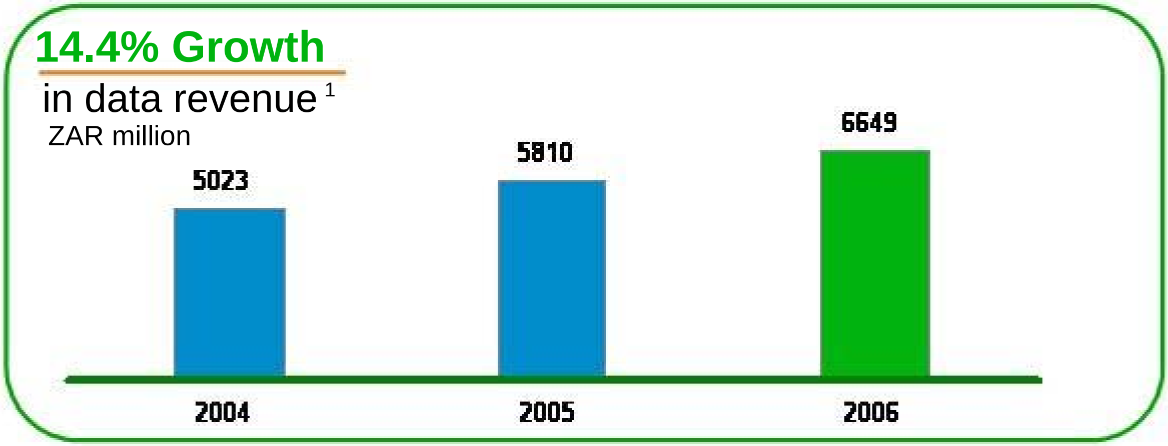
Papi Molotsane



Performance highlights

- **4.1%** growth in fixed-line revenue to **R32,749 million**
- **14.4%** growth in fixed-line data revenue to **R6,649 million**
- **3%** tariff reductions effective September 2005
- **11.2%** reduction in fixed-line employee expenses
- **7.2%** reduction in vehicle fleet
- Fixed-line EBITDA margin of **44.7%** from **40.5%**

Strong data growth



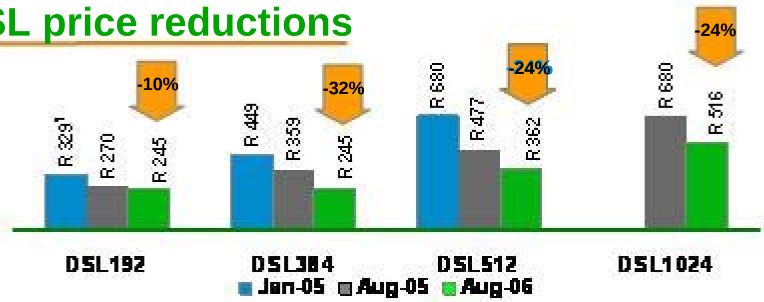
- **41.2%** growth in managed data network sites
- **146.2%** growth in ADSL services to **143,509**
- **11.1%** growth in 64 kbit/sec equivalent circuits **547,493**
- **25.7%** growth in internet customers to **284,908**

[1] Before inter-segmental eliminations

Successful ADSL roll-out plan

ADSL services

DSL price reductions



[1] Introduced in March 2005

2006 ADSL price reductions average 24%

Increased value to DSL192 customers through free migration to DSL384[2]

[2] Dependant on availability of network

- Improve value proposition through increase speed and price reductions
- Project in progress to stream line order/installation

Increasing annuity component of voice revenue

Telkom Closer

Benefits

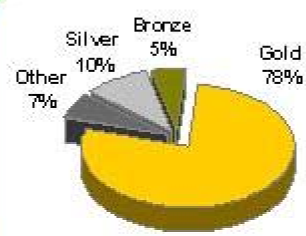
- To the consumer
  - Telkom Closer plan 3 for R300 pm
    - Access
    - Call answer
    - 1000 standard time minutes
    - Unlimited callmore minutes[1]
- To Telkom
  - Increase annuity revenue
  - Provides a value comparison
  - Improve competitive position

Signed up a total of 71,317 plans in 3 months since launch – 31 March 2006

PC bundles

Benefits

- Increased annuity revenue
- Long term customer contracts
- Multiple products



6,807 bundles sold

[1] Terms and conditions apply

Value adding ICT solutions provider

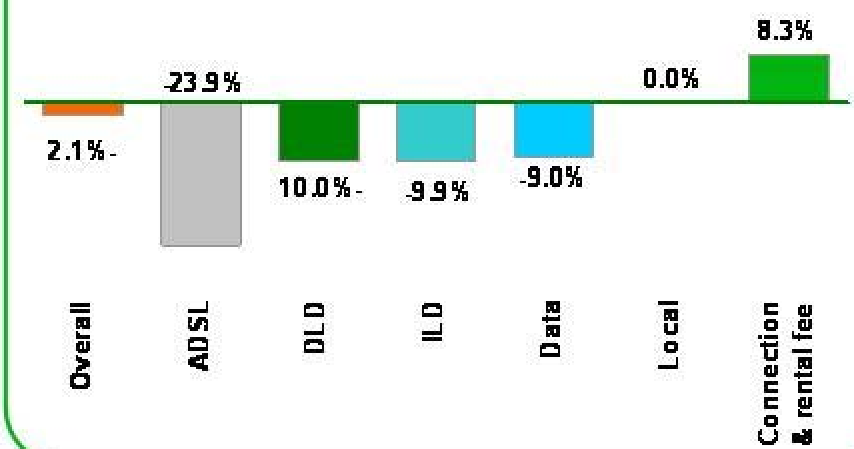
New business bundles

- **Telkom SupremeCall**
  - Came to market early May 2006
  - Calling plans between R1,000 and R20,000
  - Per second billing
  - Saving on local, long distance, internet dial-up, fixed to mobile and international calls
  - Carry-over unused portion
- **Benefits to Telkom**
  - Increase annuity revenue
  - Provide value comparison
  - Improve competitive position

Rebalancing tariffs and driving volume in SA

Tariff adjustments effective August 1, 2006

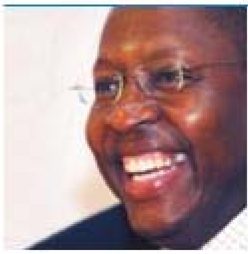
Filed June 5, 2006



Overall 2.1% reduction in regulatory filing

Mobile business

Papi Molotsane



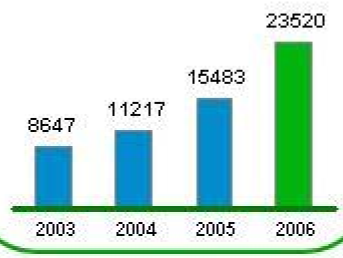
Strong performance from the mobile segment

- **51.9%** in total customers to **23.5 million**
- **24.6%** growth in mobile operating revenue to **R17 billion**[1]
- **52.1%** growth in data revenue
- **34.7%** EBITDA margin sustained despite declining ARPU'S
- **42.3%** customer per employee increased to **4,620** in SA
- Market share increased to **58%** from **56%**

51.9% growth

in total customers

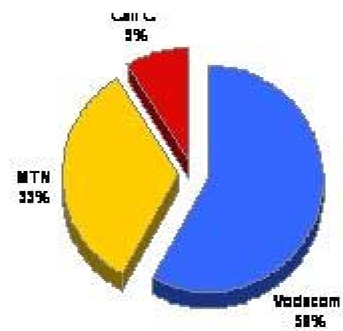
In thousands



46 million

estimated mobile customers in SA

Estimated market share at March 31, 2006

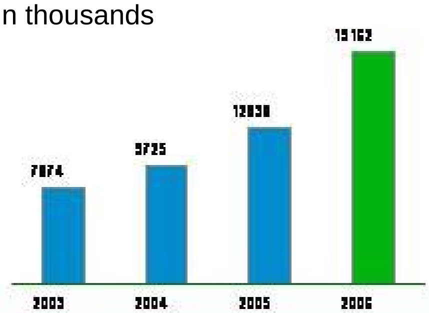


[1] 50% share

Leading mobile operator in SA

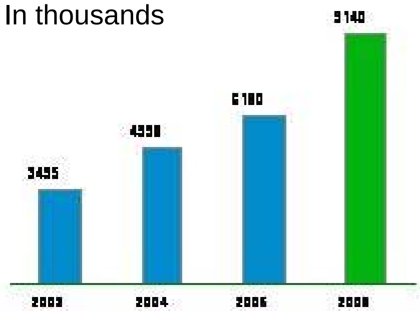
Customer

In thousands



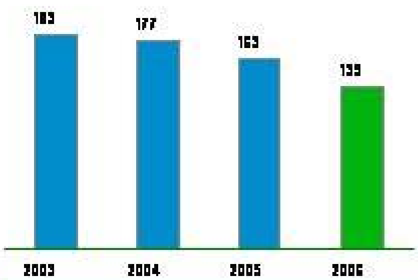
Gross connections

In thousands



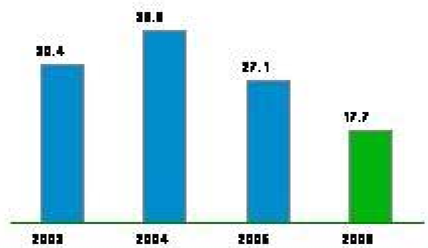
ARPU

ZAR



Churn

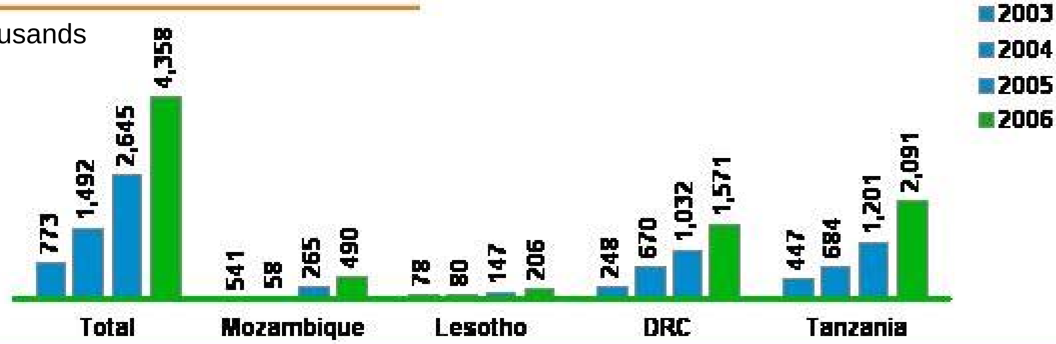
%



Strong mobile growth outside SA borders

Customers

In thousands

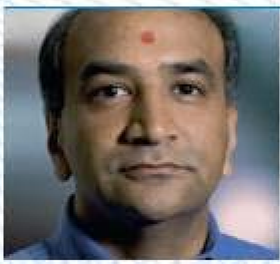


ARPU per month

In ZAR

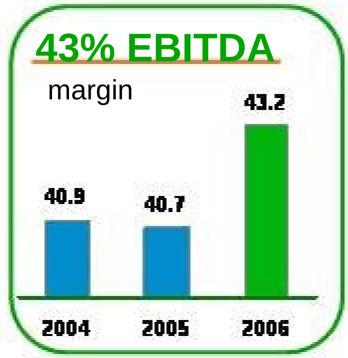
Group financials

Kaushik Patel



Group profitability

ZAR million	2005	2006	%
Operating revenue	43,160	**47,625**	10.3
Other income	280	**480**	71.4
Operating expenses	(32,179)	**(33,428)**	3.9
Operating profit	11,261	**14,677**	30.3
Investment income	350	**397**	13.4
Finance charges	(1,695)	**(1,233)**	(27.3)
Taxation	(3,082)	**(4,520)**	46.7
Net profit	6,834	**9,321**	36.4
Basic earnings per share (Cents)	1,246.7	**1,744.7**	39.9
EBITDA	17,549	**20,553**	17.1

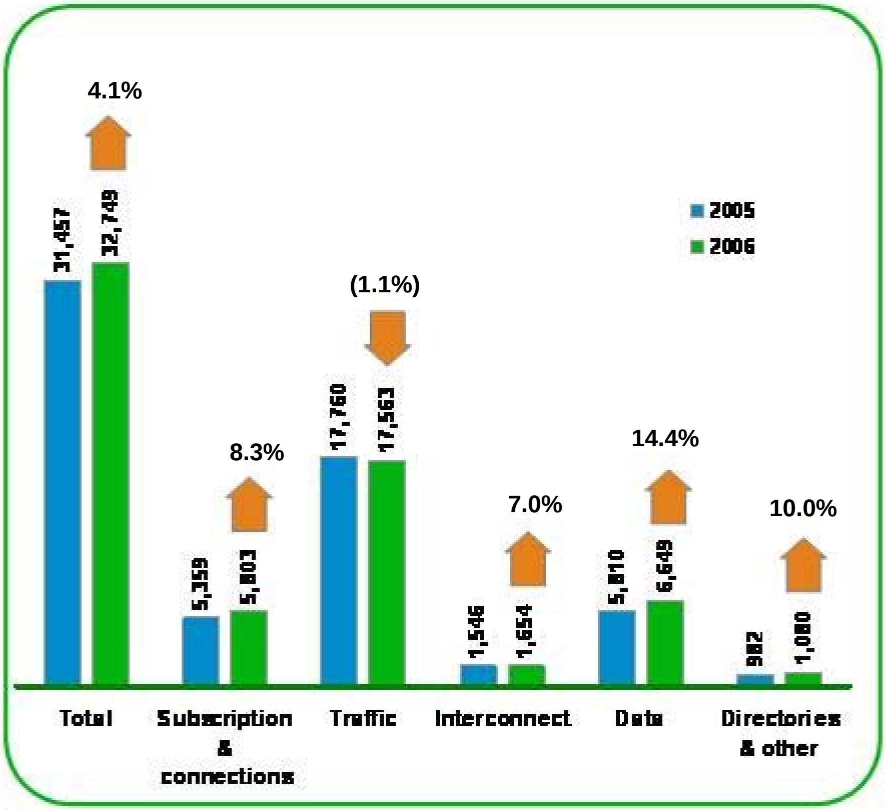


Segment contribution

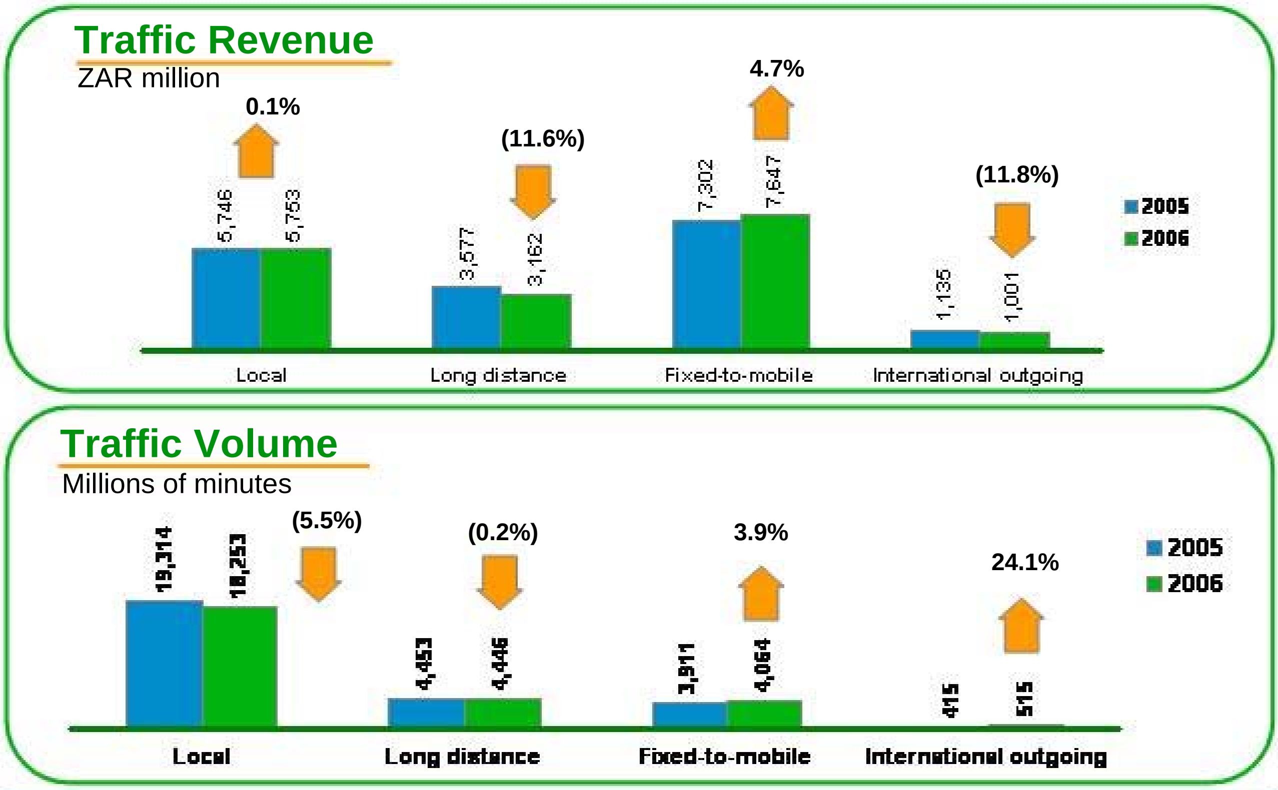
after inter-segmental eliminations

March 31, 2006

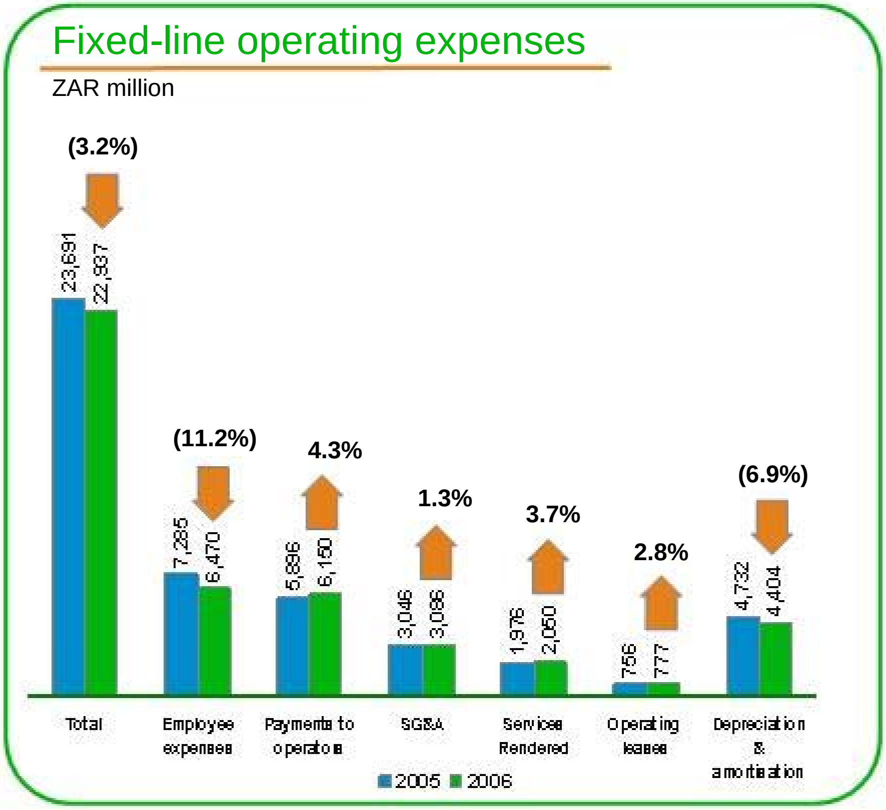
Fixed-line revenue



Traffic revenue and volume

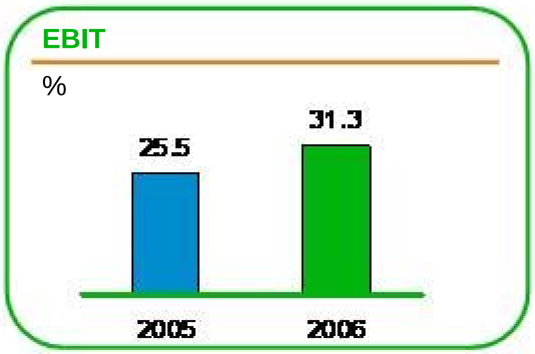


Fixed-line operating expenses

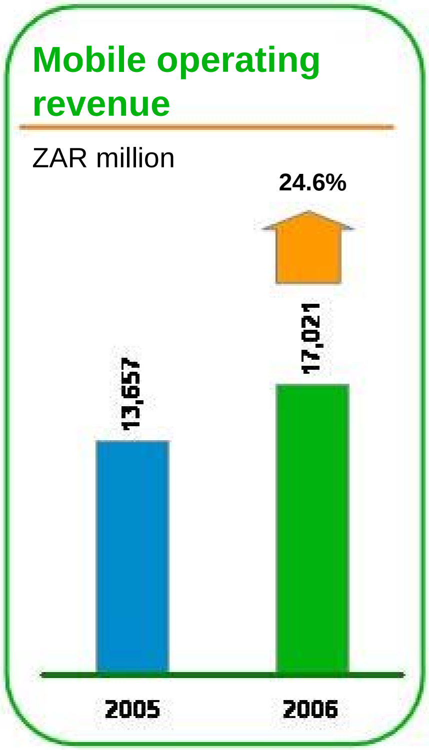


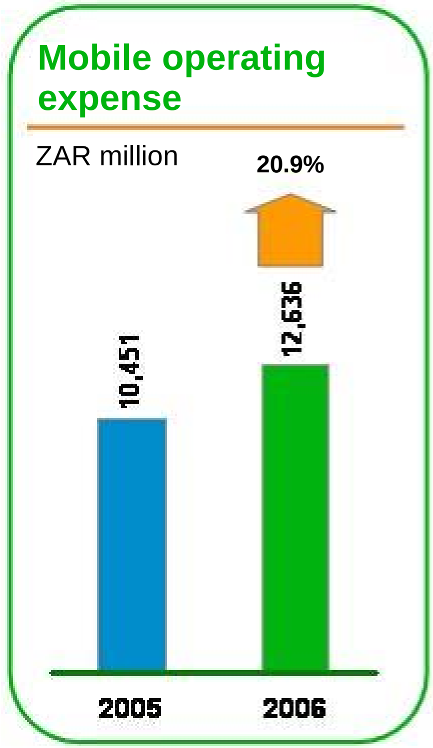
Fixed-line profitability

ZAR million	2005	2006	%
Operating profit	8,021	**10,242**	27.7
Operating profit margin (%)	25.5	**31.3**	
EBITDA	12,753	**14,646**	14.8
EBITDA margin (%)	40.5	**44.7**	



Mobile profitability





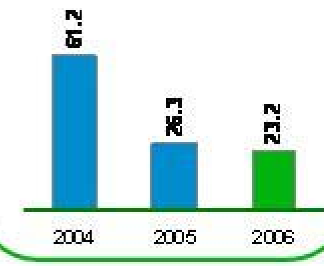
Maintaining **EBITDA** margin through **revenue growth**

Strengthened group balance sheet

ZAR million	2005	2006	%
Non-current assets	42,552	44,813	5.3
Current assets	15,045	12,731	(15.4)
Total assets	57,597	57,544	(0.1)
Capital and reserves	26,361	29,466	11.8
Non-current liabilities	13,870	12,391	(10.7)
Current liabilities	17,366	15,687	(9.7)
Total equity and liabilities	57,597	57,544	(0.1)
Net debt	6,941	6,828	(1.6)

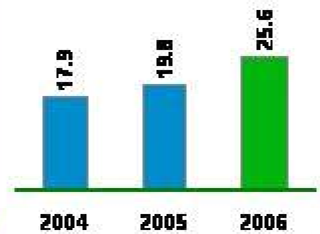
23% net debt

to equity



26% return

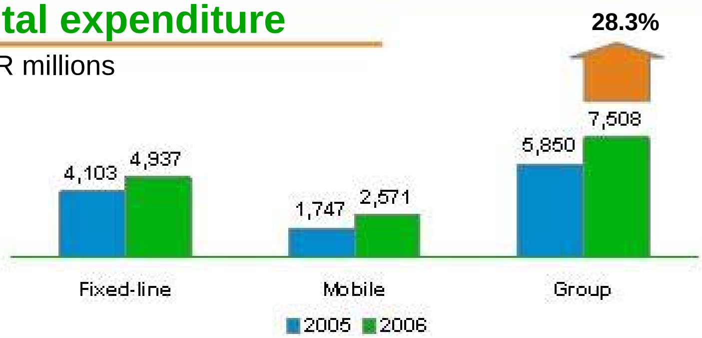
on assets



Capital investment

Capital expenditure

In ZAR millions



Capex to revenue

%

Capital expenditure

marginally

above 2006 guidance

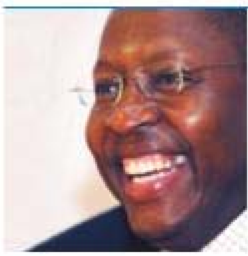
Group Cash Flow

ZAR million	2005	2006	%
Cash generated from operations	18,622	**19,724**	5.9
Dividend paid	(629)	**(4,884)**	676.5
Cash from operating activities	15,711	**9,506**	(39.5)
Investing activities	(6,306)	**(7,286)**	15.5
Financing activities	(9,897)	**(258)**	(97.4)
Net decrease in cash	(492)	**1,962**	498.8
Cash at end of period	2,301	**4,255**	84.9
Free cash flow	10,034	**7,104**	(29.2)

2010 Business plan

The transformation of the fixed-line business

Papi Molotsane



Challenges of a rapidly changing landscape

Competition

- Many new aggressive competitors emerging

Regulation

- New regulation with the potential to affect our bottom line

Customer demand

- Order book growth
- Increased capacity requirements
- Higher service level expectations
- Increased value expectations

Technological growth

- Rapid advances in deployment of new technologies

Our vision

to be a leading **customer** and **employee** centred **ICT solutions** service provider

- Enhancing customer satisfaction through customer centricity
- Retaining revenue and generating growth
- Engaging Telkom's people
- Evolving to a NGN in order to support profitable growth through prudent cost management
- Repositioning Telkom stakeholder management to create healthy external relationships

CAPEX increase focuses mainly on 2 areas:

Accelerating evolution of the network

+

Capacity growth

=

Increased requirement in CAPEX

Factors driving accelerated evolution

Customer demand for next generation services	Customer pull – Ready to embrace new wave services
Technological readiness as demonstrated through increased global procurement activities	Technology push
Regulation	ECA – *various threats and opportunities* Local loop unbundling
Increased competition	Much wider competitive landscape emerging aggressively

Evolution of the network

Legacy network replacement with IP centric focus

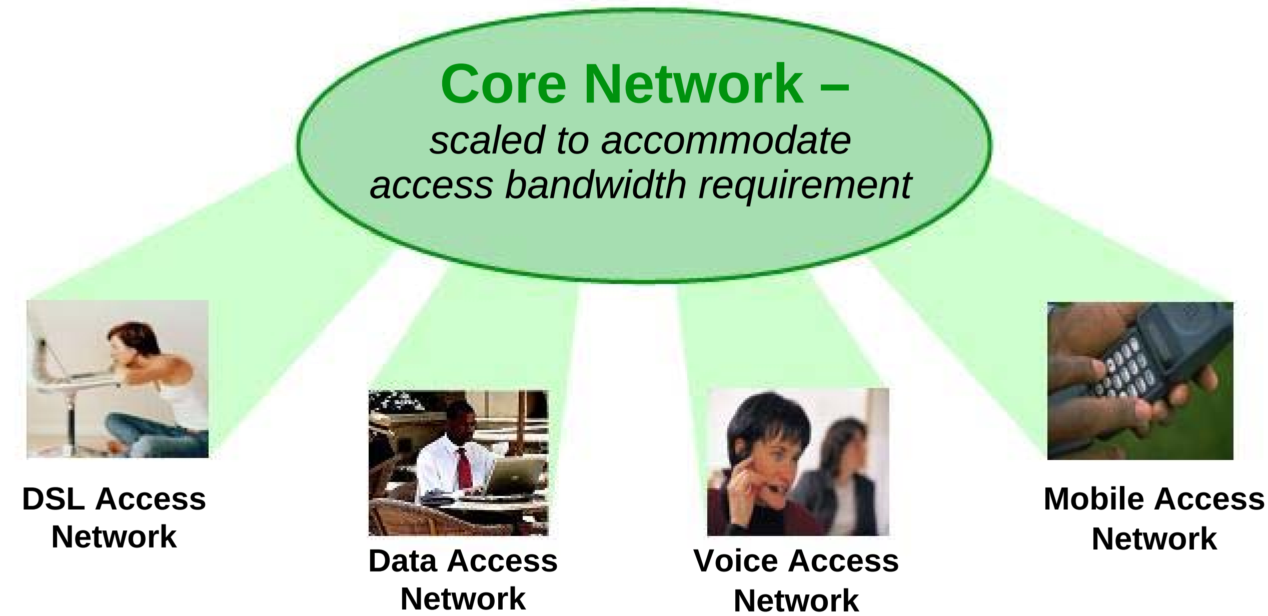
- Revenue protection through next generation voice service eg. IP centrics
- New revenue streams associated with new services
- Broadband – *increased penetration*
- Network efficiencies
  - Management of network obsolescence
  - Improved focus on ancillary enablement
  - Future Opex savings through improved network productivity

NGN related projects

- **ADSL growth**
  - Switch upgrade – software
  - Softswitch – deployment of VOIP
  - Improve Telkom's DSL network and broaden ADSL product portfolio
  - Access network more broadband capable
  - Switched Metro Ethernet
  - WiFi "hotspots"
  - WiMAX
- Local and national transport network
- WiMAX – ADSL footprint enhancement
- Infrastructure build wholesale COFL's

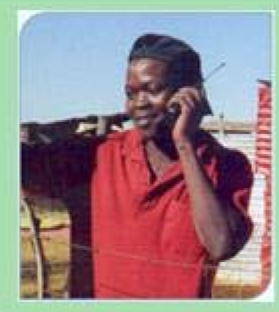
Capacity growth

… access capacity growth must be accommodated in core capacity growth



Capacity growth drivers

- **Broadband** – *key enabler to transform traditional fixed line companies into ICT solutions companies*
- **Mobile** – *strong growth in demand continuing*
- **Data** – *strong growth through the demand for value added services*
- **New developments** – *niche markets with the need for converged services*
- **International traffic** – *increase in corporate and consumer activity*



Trend analysis….*up to now and future trends*

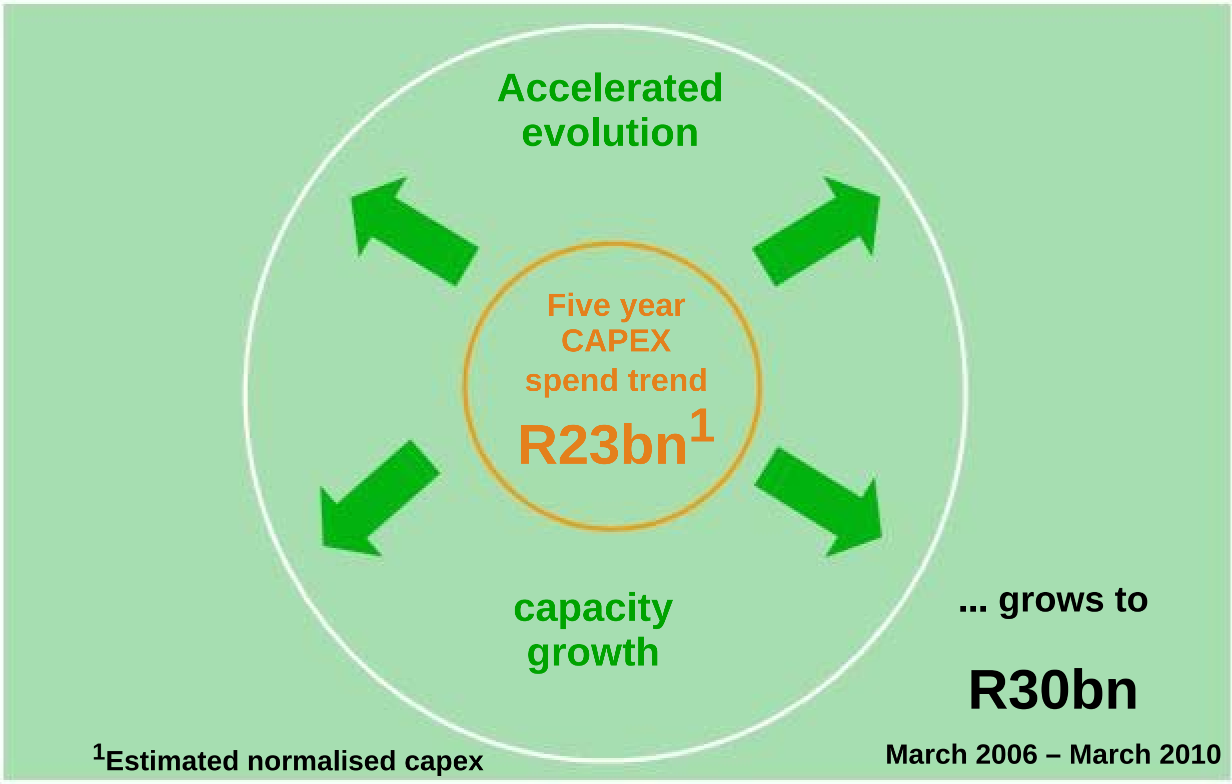
Up to now

- 450% bandwidth increase in broadband during past 2 years
- 80% bandwidth increase in mobile during past 2 years
- 140% increase in core transport network bandwidth capability during past 2 years

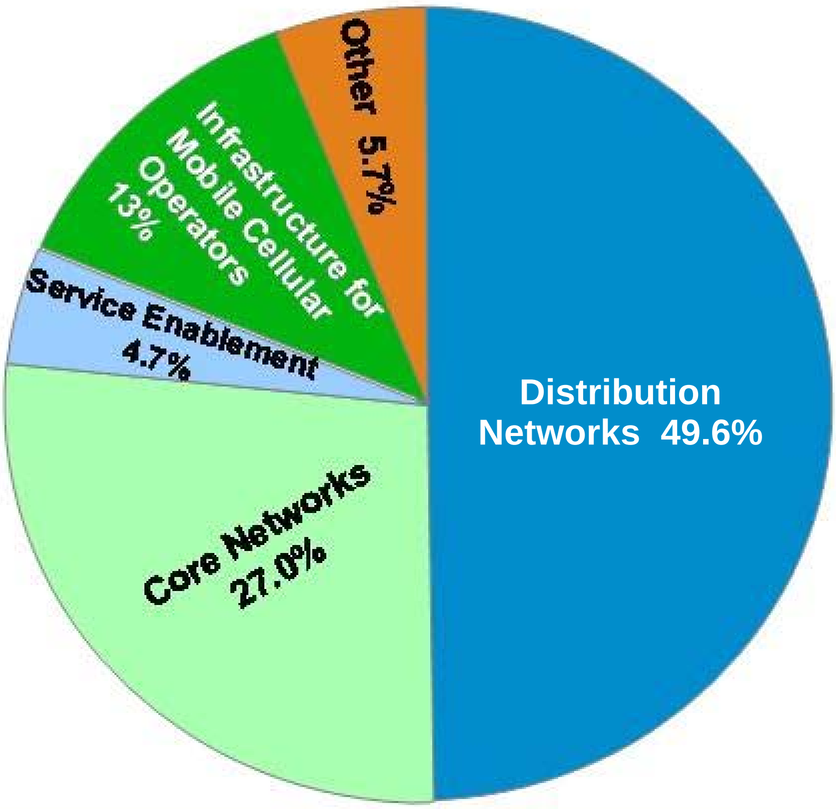
Expected future trends

- 640% bandwidth increase in broadband in next 5 years
- 140% bandwidth increase in mobile in next 5 years
- 1000% increase in core transport network bandwidth capability in next 3 years

Increased CAPEX requirements

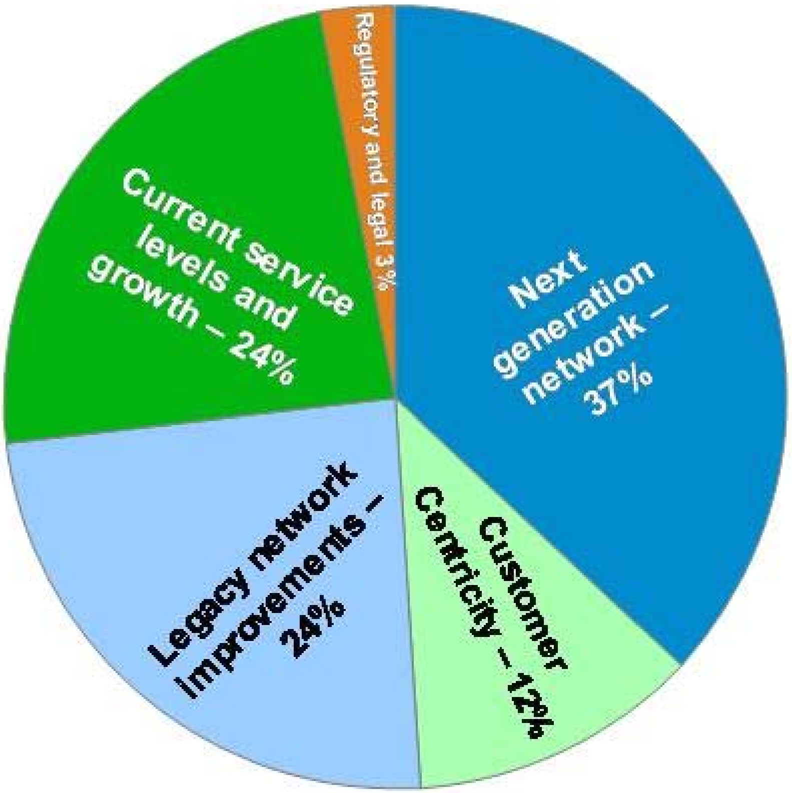


Areas of network investment



Total investment including increase due to capacity growth and accelerated evolution

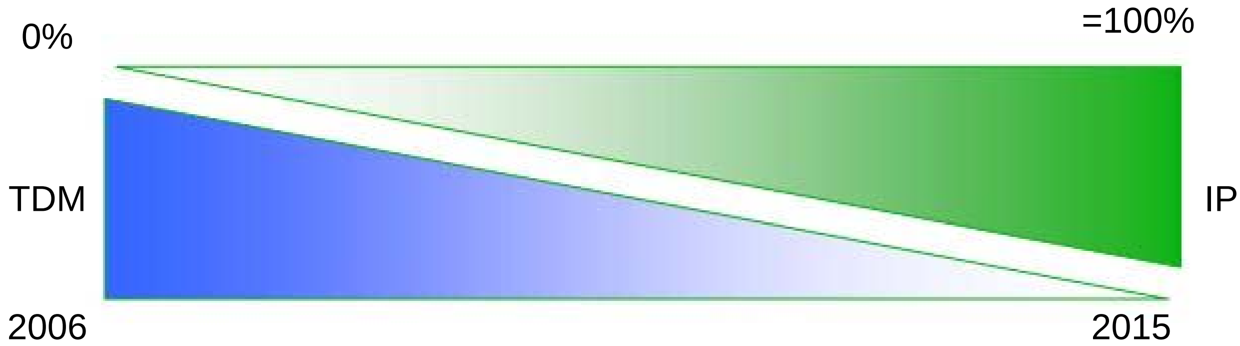
Business focus of CAPEX



Total investment including increase due to capacity growth and accelerated evolution

Time scale of evolution to IP

- Legacy substantially migrated to NGN by 2015
- Evolutionary approach
  - Operate NGN and Legacy network in parallel



- Customer requirements changing rapidly to IP related products and services
- Acceleration due to rapid growth in bandwidth demand

Thorough spend approval process designed to provide returns

- Projects are prioritised according to an IRR
- Existing infrastructure optimised to minimise CAPEX requirements
- Definite priority of capital investment spend on most lucrative opportunities
- Full business case evaluation per project:

  - **WACC based discount rate**
  - **Must be in line with business case framework**
  - **Detailed review and justifications of spend**
  - **Regulatory CAPEX a requirement**

Revenue under pressure

Impact

- Tariff reductions
- Cost-based interconnections
  - FAC
  - LRIC
- Market share losses
- Mobile substitution
- Cannibalisation of dial-up minutes due to ADSL take-up

Partially off-set by

- Increased wholesale revenue
- Tariff rebalancing
- Line mix weighted towards business customers
- Broadband rollout
- Annuity revenue

Expenses growth

- **Inflationary**
- **Customer satisfaction**
- **Employee**
  - 6.25% annual salary increase
  - Small increase in headcount

- **SGA**
  - Increase in maintenance to improve reliability and resilience
  - Increased maintenance requirement due to capacity growth and evolution

Financial outlook for March 2007

Fixed-line EBITDA margin between **37% and 40%**

Fixed-line capital expenditure in 2007 is expected to be **18% – 22%** of revenue as we invest for capacity and network evolution

Debt levels are targeted to a group net debt to equity ratio of **50% – 70%**

Acquisition strategy

- Continue to assess **opportunities**
- **Two** focus areas:
  - **data**
  - **mobile/fixed** line beyond SA borders
    - focus on wireless access

- Countries with potential for high returns
  - **rate and timing capacity dependent**
  - potential for **high returns**

- Good **regional and/or** business **fit**

Evaluation criteria

DCF valuation	Discount factor of WACC, country risk and specific investment risk
Full financial/legal/commercial due diligence	Review of fit into Telkom strategy
Human resource capacity	Integration plan pre-approved

BCX

Enhance ability to offer end-to-end solutions across ICT value chain

Customer centric focus

- Advance data strategy
- Add IT services in business applications & support management and business process outsourcing
- Operate as stand alone business unit

Offer price and mechanism

- Offer of R9 per BCX share plus BCX to pay a 25 cents per share special dividend
- Scheme meeting Monday June 12, 2006

Conditions precedent

- 75% or more eligible voters
- Court sanctioning
- Competition authorities approving

Cash distribution to shareholders

Free cash flow utilisation

- Dividends
- Share buy backs
- Acquisitions

Policy

- Grow ordinary dividend progressively
- Net debt to equity target between 50% – 70%
- Excess cash paid to shareholders via special dividend or share buy backs

Board Approval of R2 billion share buy back programme

- Tax (STC) efficient
- Ability to manage capital structure more efficiently

Investment case

- Leading position in telecommunication services
- Strong track record
- Strong balance sheet
- A skilled, energetic and experienced management team with many years of experience in telecommunications
- 50% stake in leading South African mobile phone company
- Well positioned to face challenges
- Strong cash flows
- Progressive dividend policy
- Opportunities for increased collaboration with Vodafone
- Pervasive and robust network
- Investing for future growth – IP network and acquisitions

Thank you

Questions and answers

EXHIBIT 99.5

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

Telkom SA Limited: Declaration of Dividend

Notice is hereby given that Telkom have today declared Dividend No. 11 of 500 cents per share and a special dividend of 400 cents per share for the year ended 31 March 2006 to be paid on Friday, 14 July 2006.

Salient dates

To holders of ordinary shares

	2006
Last date to trade ordinary shares cum dividend	Friday, 30 June
Last date to register transfers of certificated securities cum dividend	Friday, 30 June
Ordinary shares trade ex dividend	Monday, 3 July
Record date	Friday, 7 July
Payment date	Friday, 14 July

On the payment date, dividends due to holders of certificated securities on the South African register will either be transferred electronically to shareholders' bank accounts or, in the absence of suitable mandates, dividend cheques will be posted to such shareholders

Dividends in respect of dematerialised shareholdings will be credited to shareholders' accounts with their relevant CSDP or broker.

To comply with the further requirements of STRATE, between Monday, 3 July 2006 and 7 July 2006, inclusive, no ordinary shares pertaining to the South African register may be dematerialised or rematerialised.

To holders of American Depositary Shares

	2006
Ex dividend on the New York Stock Exchange	Monday, 3 July
Record date	Friday, 7 July
Approximate date for currency conversion into US dollars	Friday, 14 July

Approximate payment date of dividend	Friday, 28 July

By order of the order

VV Mashale
Company Secretary
Johannesburg
5 June 2006

Johannesburg

Sponsor: UBS

Special note regarding forward-looking statements
All statements contained herein, as well as oral statements that may be made by Telkom or Vodacom Group (Proprietary) Limited ("Vodacom"), in which Telkom has a 50% holding, or by officers, directors or employees acting on their behalf, that are not statements of historical facts, particularly Telkom's expectations with respect to basic and headline earnings per share, constitute or are based on forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, specifically Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause Telkom's or Vodacom's actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause Telkom's or Vodacom's actual results or outcomes to differ materially from their expectations are those risks identified in Item 3. "Key Information-Risk Factors" contained in Telkom's most recent annual report on Form 20-F filed with the U.S. Securities Exchange Commission ("SEC") and Telkom's other filings and submissions with the SEC, which are available on Telkom's website at www.Telkom.co.za/ir, including, but not limited to, the completion of Telkom's results for the year ended March 31, 2006 and the audit thereon, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment; continued mobile growth and reductions in Vodacom's and Telkom's net interconnect margins; Vodacom's and Telkom's ability to expand their operations and make investments in other African countries and the general economic, political, social and legal conditions in South Africa and in other countries where Vodacom and Telkom invest; Telkom's and Vodacom's ability to attract and retain key personnel; Telkom's inability to appoint a majority of Vodacom's directors and the consensus approval rights at Vodacom may limit Telkom's flexibility and ability to implement its preferred strategies; Vodacom's continued payment of dividends or distributions to Telkom; Telkom's ability to improve and maintain its management information and other systems; Telkom's negative working capital; changes and delays in the implementation of new technologies; Telkom's ability to reduce theft, vandalism, network and payphone fraud and lost revenue to non-licensed operators; Telkom's ability to improve its internal control over financial reporting; health risks related to mobile handsets, base stations and associated equipment; Telkom's control by the Government of the Republic of South Africa; the outcome of regulatory, legal and arbitration proceedings, including tariff approvals, and the outcome of Telkom's hearing before the Competition Commission related to the VANs litigation, its proceedings with Telcordia Technologies Incorporated and others; Telkom's ability to negotiate favorable terms, rates and conditions for the provision of interconnection services; Telkom's ability to implement and recover the substantial capital and operational costs associated with carrier pre-selection, number portability and monitoring and interception; Telkom's ability to comply with the South African Public Finance Management Act and South African Public Audit Act and the impact of the South African Municipal

Property Rates Act; fluctuations in the value of the Rand; the impact of unemployment, poverty, crime and HIV infection, labor laws and exchange control restrictions in South Africa; and other matters not yet known to Telkom or Vodacom or not currently considered material by them.

You should not place undue reliance on these forward-looking statements. All written and oral forward-looking statements attributable to Telkom or Vodacom, or persons acting on their behalf, are qualified in their entirety by these cautionary statements. Moreover, unless Telkom or Vodacom is required by law to update these statements, they will not necessarily update any of these statements after the date of this trading statement, either to conform them to actual results or to changes in its expectations.

EXHIBIT 99.6

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom" or “Company”)

Telkom SA Limited (TKG): Vodacom Group (Proprietary) Limited group Results for the year ended March 31, 2006

A culture of mobility

Vodacom logo

Vodacom Group (Proprietary) Limited group Results
for the year ended March 31, 2006

Highlights

Total customers increased by 51.9% to 23.5 million
- Customers increased by 49.3% in South Africa to 19.2 million
- Customers increased by 74.1% in Tanzania to 2.1 million
- Customers increased by 52.2% in the Democratic Republic of Congo to 1.6 million
- Customers increased by 40.1% in Lesotho to 206,000
- Customers increased by 84.9% in Mozambique to 490,000

South Africa market share increased by 2% points to 58%
Revenue increased by 24.6% to R34.0 billion
Profit from operations increased by 36.9% to R8.9 billion
EBITDA increased by 23.1% to R11.8 billion
Net profit after taxation increased by 32.0% to R5.1 billion
Cash generated from operations increased by 10.8% to R11.1 billion
Dividends increased by 32.4% to R4.5 billion

Total customers graph

Profit from operations graph

Commentary

Vodacom Group (Proprietary) Limited, South Africa's market leader in the provision of cellular services announces its results for the year ended March 31, 2006.

SOUTH AFRICA

Customers

The South African customer base increased by 49.3% to 19.2 million (2005: 12.8 million) for the year ended March 31, 2006. The increase was driven by the exceptional growth in the prepaid market although excellent growth was also achieved in the contract market. The number of prepaid customers increased by 53.3% to 16.8 million, while the number of contract customers increased by 26.2% to 2.4 million. The strong growth in customers was a direct result of the remarkable number of gross connections achieved, coupled with decreased churn.

ARPU

Prepaid services have been the driving force behind market penetration in South Africa and contributed 92.1% (2005: 90.1%) to all gross new connections. During the period under review, ARPU decreased to R139 (2005: R163) per month. The continued dilution of ARPU is caused by a higher proportion of lower ARPU as well as lower usage customers being connected to the network. Contract customer ARPU has decreased by 8.3% to R572 (2005: R624) per month. The main contributing factor to this decrease has been the high growth in data customers as well as the low end hybrid, Family Top Up package. The prepaid customer ARPU has decreased by 11.5% to R69 (2005: R78) per month.

Churn

Vodacom continuously focuses on retention of existing customers and acquisition of new customers. In 2006, Vodacom maintained a very low contract churn of 10.0% (2005: 9.1%). The decrease in prepaid churn experienced during the year under review to 18.8% (2005: 30.3%) is a result of a combination of the introduction of innovative products and services, loyalty initiatives and changes in business rules to ensure incentives are paid on factual connections.

Traffic

Total traffic on the network, excluding the impact of national and international roaming, has shown an increase of 20.0% to 17.1 billion (2005: 14.2 billion) minutes in 2006. This growth was mainly due to the 49.3% growth in the total customer base from 12.8 million to 19.2 million as at the end of March 2006. Also evident was a marked change in customer calling patterns, with total mobile to mobile traffic increasing by 26.1% while total mobile to fixed and fixed to mobile traffic increased by only 1.7%.

Regulatory

Light touch regulation by all regulatory bodies have played an important role in the impressive market penetration achieved in South Africa. Both the Independent Communications Authority of South Africa ("ICASA") Amendment Bill and the Electronic Communications Bill ("ECB") (previously known as the Convergence Bill), have been passed by Parliament in December 2005. The President has assented to the ECB, but has referred the ICASA Amendment Bill back to Parliament.

Vodacom made written and oral presentations to Parliament on both bills. Although not all of Vodacom's concerns with regard to the ECB were addressed, the ECB was amended to address Vodacom's two key concerns, i.e. the grandfathering of all current licensees' rights and obligations, and the provisions which dealt with price regulation and other market regulatory interventions to include due process and proper market studies.

The draft Information and Communication Technology ("ICT") BEE Charter is expected to be aligned with the Department of Trade and Industry ("DTI") Codes of Good Practice during July 2006 and to be released for public comment. Vodacom is committed to comply with the ICT BEE Charter when it is finalised.

ICASA has promulgated the Number Portability Regulations and the industry implementation date is expected to be in September 2006. The introduction of this facility could cause a flurry of market activities and it also presents Vodacom with the opportunity to increase its market share.

The effective date of the Interception of Communication and Communication-related Information Act ("RICA") was proclaimed at September 30, 2005. The sections of the interception and monitoring legislation prescribing a customer registration process comes into effect on June 30, 2006. This cumbersome prepaid customer registration process will, however, have a significant negative impact on market penetration.

Market share

Despite strong competition, Vodacom has retained its leadership in the highly competitive South African mobile communications market with an estimated 58% (2005: 56%) market share on March 31, 2006. The South African cellular industry has grown by 44% in the last year and Vodacom has contributed to approximately 63% of this growth. The market penetration of the cellular industry is now an estimated 71% (2005: 49%) of the population.

OTHER AFRICAN OPERATIONS

Vodacom's other African operations, which provide a world-class global system for mobile communications ("GSM") service to millions of customers, are all faced with continued challenges such as competition from other operators as well as rigorous regulatory changes. All these operations, with the exception of Mozambique, showed excellent profit growth for the year ended March 31, 2006.

Vodacom Tanzania achieved exceptional customer and profit growth. The customer base increased by 74.1% to 2.1 million (2005: 1.2 million) at March 31, 2006. The Tanzanian market remains highly competitive, but with mobile penetration estimated at 9.2% of the population, it still promises further growth potential. Vodacom Tanzania's market share decreased slightly to 58% (2005: 59%) at March 31, 2006.

Vodacom Congo remains the market leader with an estimated market share of 48% (2005: 47%) at March 31, 2006. The DRC has the lowest estimated mobile penetration of all Vodacom's operations at 5.5% of the population. Notwithstanding the uncertainties surrounding the planned elections in the coming year, Vodacom Congo increased its customer base by 52.2% to 1.6 million (2005: 1.0 million) at March 31, 2006.

Vodacom Lesotho is expected to remain a small operation, but has positioned itself well to minimise the impact of competitive activity and has maintained its estimated 80% market share at March 31, 2006. Vodacom Lesotho increased its customer base by 40.1% to 206,000 (2005: 147,000). Mobile penetration in Lesotho is now estimated at 12.9%.

Vodacom Mozambique's estimated market share of 30.0% (2005: 33.0%) has decreased due to strong competition from the established competitor mCel, despite offering competitive coverage through an aggressive coverage roll-out programme. Vodacom Mozambique increased its customer base by 84.9% to 490,000 (2005: 265,000) at March 31, 2006. Mobile penetration is estimated at 8.4%.

SHAREHOLDER CHANGES

Vodafone increased its effective shareholding in Vodacom from 35% to 50% by acquiring a 100% shareholding in VenFin Limited, who owns 15% in Vodacom Group (Proprietary) Limited. This transaction highlighted Vodafone's major commitment to Vodacom and the African continent.

FINANCIAL REVIEW
REVENUE
Geographical split

	Rand millions			% change	
Year ended March 31	2004	2005	2006	05/04	06/05
South Africa, including holding companies	21,350	25,041	31,069	17.3	24.1
Tanzania	897	959	1,312	6.9	36.8
DRC[1]	476	1,075	1,334	125.8	24.1
Lesotho	119	137	170	15.1	24.1
Mozambique	13	103	158	692.3	53.4
Revenue	22,855	27,315	34,043	19.5	24.6
DRC (49%)[1]	457	–	–	–	–
Adjusted revenue	23,312	27,315	34,043	17.2	24.6

Note:
1. During the year ended March 31, 2004, 51% of Vodacom Congo was proportionally consolidated in the Group financial statements. Effective April 1, 2004, Vodacom Congo is being fully consolidated as a subsidiary after certain clauses granting the outside shareholders participating rights have been removed from the shareholders' agreement. The adjusted revenue for 2004 reflects 100% of Vodacom Congo's revenue for comparative purposes.

Revenue increased by 24.6% to R34.0 billion (2005: R27.3 billion), of which Vodacom's other African operations contributed 8.7% (2005: 8.3%). The increase in revenue was primarily driven by the 51.9% increase in the Group customer base coupled with a 7.2 percentage point drop in overall churn to 19.6%. Group ARPU decreased by 16.0% to R127 per month mainly due to the majority of the growth in the customer base being achieved in prepaid customers and the lower end of the contract market.

Revenue composition

	Rand millions			% change	
Year ended March 31	2004	2005	2006	05/04	06/05
Airtime, connection and access	12,738	16,191	20,085	27.1	24.1
Data revenue	1,039	1,340	2,038	29.0	52.1
Interconnection	5,785	5,924	6,697	2.4	13.0
Equipment sales	2,275	2,687	3,986	18.1	48.3
International airtime	659	887	971	34.6	9.5
Other sales and services	359	286	266	(20.3)	(7.0)
Revenue	22,855	27,315	34,043	19.5	24.6

Airtime, connection and access
Vodacom's airtime, connection and access revenue increased by 24.1% to R20.1 billion (2005: R16.2 billion) during the year ended March 31, 2006, primarily due to the increase in the number of customers, offset by declining ARPUs in all operations.

REVENUE continued

Data revenue – geographical split

	Rand millions			% change	
Year ended March 31	2004	2005	2006	05/04	06/05
South Africa	943	1,246	1,886	32.1	51.4
Tanzania	91	74	108	(18.7)	45.9
DRC	–	9	25	–	177.8
Lesotho	5	9	16	80.0	77.8
Mozambique	–	2	3	–	50.0
Data revenue	1,039	1,340	2,038	29.1	52.1

Vodacom's data revenue increased by 52.1% to R2.0 billion (2005: R1.3 billion), mainly due to new data initiatives such as 3G, HSDPA, Vodafone live!, BlackBerry®, Mobile TV as well as the popularity of SMS and other data products. Vodacom South Africa transmitted 3.5 billion (2005: 2.4 billion) SMSs over its network during the year ended March 31, 2006, up 45.5% from 2005. The number of active data users on the South African network as at March 31, 2006 was: MMS users 867,119 (2005: 328,974); GPRS users 1,386,329 (2005: 579,581); 3G Vodafone Mobile Connect data card users 37,798 (2005: 5,101); 3G active handsets 179,576 (2005: 10,878); Vodafone live! users 351,427; Unique Mobile TV users 12,903. The contribution to data revenue from other African operations increased to 7.4% (2005: 7.0%) of total data revenue. Data revenue now constitutes 7.0% (2005: 5.6%) of service revenue (service revenue excludes equipment sales, starter pack sales and non-recurring revenue).

Interconnection

During the year, Vodacom's interconnection revenue increased by 13.0% to R6.7 billion (2005: R5.9 billion), primarily due to the growth in off-net incoming mobile traffic.

Equipment sales

Vodacom's revenue from equipment sales increased by 48.3% to R4.0 billion (2005: R2.7 billion) during the year. In South Africa handset sale volumes increased by 58.3% to 3.8 million (2005: 2.4 million) units. The growth in equipment unit sales was primarily driven by growth in customer bases, cheaper Rand prices of new handsets, coupled with added functionality of new phones based on new technologies.

International airtime

International airtime increased by 9.5% to R971 million (2005: R887 million) for the year ended March 31, 2006. International airtime revenues comprise international calls by Vodacom customers, roaming revenue from Vodacom's customers making and receiving calls while abroad and revenue from international customers roaming on Vodacom's networks.

Other sales and services

Other sales and services decreased by 7.0% to R266 million (2005: R286 million). Revenue from other sales and services includes income from Vodacom's cell captive insurance scheme, wireless application service provider ("WASP") revenue, site sharing rental income as well as other revenue from non-core operations.

PROFIT FROM OPERATIONS
Geographical split

	Rand millions			% change	
Year ended March 31	2004	2005	2006	05/04	06/05
South Africa, excluding holding companies[1]	5,272	6,618	8,602	25.5	30.0
Tanzania	135	183	263	35.6	43.7
DRC[2]	10	50	117	400.0	134.0
Lesotho	1	25	51	–	104.0
Mozambique	(88)	(454)	(144)	(415.9)	68.3
Holding companies	(105)	56	(23)	153.3	(141.1)
Profit from operations	5,225	6,478	8,866	24.0	36.9
DRC (49%)[2]	10	–	–	–	–
Adjusted profit from operations	5,235	6,478	8,866	23.7	36.9

Notes

1. The Group restated lease payments and receipts under operating leases in order to recognise the expenses and income on a straight-line basis over the lease terms. The Group previously recognised the expenses and the income based on the amount paid or payable and received or receivable for each period. The impact of these restatements is immaterial.
2. During the year ended March 31, 2004, 51% of Vodacom Congo was proportionally consolidated in the Group financial statements. Effective April 1, 2004, Vodacom Congo is being fully consolidated as a subsidiary after certain clauses granting the outside shareholders participating rights have been removed from the shareholders’ agreement. The adjusted profit from operations for 2004 reflects 100% of Vodacom Congo’s profit from operations for comparative purposes.

Profit from operations for the Group increased by 36.9% to R8.9 billion (2005: R6.5 billion) for the year ended March 31, 2006, fuelled by buoyant consumer spending and a low inflationary environment in South Africa as well as successful cost containment in all operations. A healthy increase in on-net traffic also contributed favourably to profit margins. Operating expenses increased by 20.8% which was lower than revenue growth of 24.6%. This resulted in Vodacom’s profit from operations margin increasing to 26.0% (2005: 23.7%). The profit from operations for the Group was negatively impacted by losses in Mozambique of R144 million, acquisition costs associated with high levels of contract customer connections and retentions in South Africa and prepaid customer connections in all operations.

EBITDA
Geographical split

	Rand millions			% change	
Year ended March 31	2004	2005	2006	05/04	06/05
South Africa, excluding holding companies[1]	7,526	8,995	11,053	19.5	22.9
Tanzania	278	345	465	24.1	34.8
DRC[2]	97	252	373	159.8	48.0
Lesotho	27	48	67	77.8	39.6
Mozambique	(71)	(111)	(129)	(56.3)	(16.2)
Holding companies	(100)	61	(20)	161.0	(132.8)
EBITDA	7,757	9,590	11,809	23.6	23.1
DRC (49%)[2]	93	–	–	–	–
Adjusted EBITDA	7,850	9,590	11,809	22.2	23.1

Notes

1. The Group restated lease payments and receipts under operating leases in order to recognise the expenses and income on a straight-line basis over the lease terms. The Group previously recognised the expenses and the income based on the amount paid or payable and received or receivable for each period. The impact of these restatements is immaterial.
2. During the year ended March 31, 2004, 51% of Vodacom Congo was proportionally consolidated in the Group financial statements. Effective April 1, 2004, Vodacom Congo is being fully consolidated as a subsidiary after certain clauses granting the outside shareholders participating rights have been removed from the shareholders’ agreement. The adjusted EBITDA for 2004 reflects 100% of Vodacom Congo’s EBITDA for comparative purposes.

EBITDA increased by 23.1% to R11.8 billion (2005: R9.6 billion) for the year ended March 31, 2006, with South Africa (including holding companies) contributing 93.4% and the other African operations contributing 6.6% to EBITDA. The EBITDA margin decreased to 34.7% (2005: 35.1%). The decline in the EBITDA margin is primarily the result of the full year impact of the global alliance fees paid to Vodafone, higher transmission and infrastructure costs as well as higher call centre costs, especially in South Africa and Tanzania. Vodacom’s EBITDA margin, adjusted for the impact of the low margin cellular phone and equipment sales, was 39.9% (2005: 40.1%).

OPERATING EXPENSES

	Rand millions			% change	
Year ended March 31	2004	2005	2006	05/04	06/05
Depreciation, impairment and amortisation	2,532	3,112	2,943	22.9	(5.4)
Payments to other network operators	2,990	3,652	4,634	22.1	26.9
Other direct network operating costs	9,445	10,966	13,663	16.1	24.6
Staff expenses	1,332	1,653	2,042	24.1	23.5
Marketing and advertising	702	767	977	9.3	27.4
General administration expenses	687	751	1,043	9.3	38.9
Other operating income	(58)	(64)	(125)	10.3	95.3
Operating expenses[1]	17,630	20,837	25,177	18.2	20.8

Note

1. The Group restated lease payments and receipts under operating leases in order to recognise the expenses and income on a straight-line basis over the lease terms. The Group previously recognised the expenses and the income based on the amount paid or payable and received or receivable for each period. The impact of these restatements is immaterial.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment decreased by 5.4% to R2.9 billion (2005: R3.1 billion) in the year ended March 31, 2006. The implementation of IAS 16: Property, Plant and Equipment contributed to the lower depreciation charge for the period. A portion of Mozambique’s asset impairment of the prior year was reversed due to an increase in the fair value of infrastructure assets (net impairment reversal for the year: R53 million).

Payments to other network operators

Payments to other network operators increased by 26.9% to R4.6 billion (2005: R3.7 billion) in 2006 as a result of an increased amount of outgoing traffic terminating on other cellular networks, rather than on fixed-line networks.

Other direct network operating costs

Other direct network operating costs increased by 24.6% to R13.7 billion (2005: R11.0 billion) in the year ended March 31, 2006. Other direct network operating costs include the cost to connect customers onto the network as well as other expenses such as cost of equipment and accessories sold, commissions paid to the distribution channels, customer retention expenses, regulatory and license fees, distribution expenses, transmission costs as well as site and maintenance costs.

Staff expenses

Staff expenses increased by 23.5% in the year ended March 31, 2006 to R2.0 billion (2005: R1.7 billion), primarily as a result of an increase in headcount of 9.3% to 5,459 (2005: 4,993) employees in 2006, to support the growth in operations, an increase in the provision for Vodacom’s bonus schemes due to increased profits, the first time provision for long-term incentives payable to executives as well as annual salary increases. Employee productivity has improved in all of Vodacom’s operations, as measured by customers per employee, improving by 38.9% to 4,308 (2005: 3,101) customers per employee.

Marketing and advertising

Marketing and advertising expenses increased by 27.4% in 2006 to R977 million (2005: R767 million), mainly driven by new technologies and enhancing brand presence in all operations.

General administration expenses

General administration expenses increased by 38.9% to R1.0 billion (2005: R751 million), where the increase was primarily as a result of the customer care centre solutions and various other increases due to the growth in the business. General administration expenses comprise expenses such as accommodation, information technology costs, office administration, consultant expenses, social economic investment and insurance.

Other operating income

Other operating income increased by 95.3% to R125 million (2005: R64 million). Other operating income comprises income that Vodacom does not consider as part of its core activities, such as cost recoveries for risk management and consultancy services and franchise fees received.

CAPITAL EXPENDITURE (“CAPEX”)

Capital expenditure additions – geographical split

	Rand millions			% change	
Year ended March 31	2004	2005	2006	05/04	06/05
South Africa, excluding holding companies	1,654	2,777	4,384	67.9	57.9
Tanzania	351	234	318	(33.3)	35.9
DRC[1]	395	335	273	(15.2)	(18.5)
Lesotho	7	10	26	42.9	160.0
Mozambique	478	115	121	(75.9)	5.2
Holding companies	6	23	16	283.3	(30.4)
Capital expenditure for the year	2,891	3,494	5,138	20.9	47.1
DRC (49%)[1]	380	–	–	–	–
Adjusted capital expenditure	3,271	3,494	5,138	6.8	47.1

Note

1. During the year ended March 31, 2004, 51% of Vodacom Congo was proportionally consolidated in the Group financial statements. Effective April 1, 2004, Vodacom Congo is being fully consolidated as a subsidiary after certain clauses granting the outside shareholders participating rights have been removed from the shareholders’ agreement. The adjusted capital expenditure for 2004 reflects 100% of Vodacom Congo’s capital expenditure for comparative purposes.

Cumulative capital expenditure – geographical split

	2005		2006	
Year ended March 31	R billions	Foreign	R billions	Foreign
South Africa (R billions)	20.3	–	24.1	–
Tanzania (TSH billions)	1.4	240.1	1.5	297.6
DRC1 (US$ millions)	1.8	281.0	2.0	323.1
Lesotho (Maloti millions)	0.2	211.0	0.2	225.0
Mozambique (MZM billions)	0.7	2,173.7	0.6	2,644.6
Holding companies (R billions)	–	–	0.1	–
Cumulative capital expenditure	24.4	–	28.5	–

The total cumulative capital expenditure of the Group at March 31, 2006 increased by 16.8% to R28.5 billion (2005: R24.4 billion). The Group invested R5.1 billion (2005: R3.5 billion) in property, plant and equipment and computer software for 2006, of which R4.2 billion (2005: R2.8 billion) was for cellular network infrastructure (excluding software).

It is Vodacom's policy to hedge all foreign denominated commitments of South African operations. However, Vodacom does not qualify for hedge accounting in terms of IAS 39 and therefore, all capital expenditure in South Africa is recorded at the exchange rate ruling at the date of acceptance of the equipment. Capital expenditure of Vodacom's other African operations is translated at the average exchange rate of the Rand against the operation's reporting currency for the period, while closing capital expenditure is translated at the closing exchange rate of the Rand against the reporting currency. For this reason, Vodacom's capital expenditure in any given year cannot be properly evaluated without taking the exchange rate movements against the Rand into account.

FUNDING

Vodacom's net debt position has increased to R709 million (2005: R426 million) as at March 31, 2006. The Group's net debt to EBITDA ratio was 6.0% (2005: 4.4%) while Vodacom's net debt to equity ratio increased to 8.2% (2005: 5.4%). However, the final dividend of R2.8 billion, which was paid on April 5, 2006, should be taken into account when evaluating the net debt to equity ratio. In addition, in terms of covenant calculations, intangible assets are excluded from the calculation. If the shareholders for dividends is included and intangible assets are excluded from the calculation, the net debt to equity ratio at March 31, 2006, increased to 45.9% (2005: 32.0%).

FUNDING continued

Summary of net debt and maturity profile

Rand millions			Repayment of 2006 debt					
Year ended March 31	2005	2006	2007	2008	2009	2010	2011	2012 onwards
Finance leases								
South Africa	858	808	79	114	192	99	162	162
Funding loans								
Vodacom Tanzania shareholder and project finance loans	369	275	184	–	–	–	–	91
Vodacom Congo medium term loan	1,129	1,114	1,114	–	–	–	–	–
Vodacom Congo preference share liability	232	229	229	–	–	–	–	–
Vodacom Lesotho minority shareholders' loan	4	4	4	–	–	–	–	–
Other	7	39	39	–	–	–	–	–
Debt excluding bank overdrafts	2,599	2,469	1,649	114	192	99	162	253
Bank overdrafts	1,817	1,386						
Gross debt	4,416	3,855						
Bank and cash balances	(3,990)	(3,146)						
Net debt	426	709						

EFFECTIVE TAX RATE

Vodacom's effective tax rate decreased to 37.5% (2005: 40.2%) primarily as a result of the reduction in the statutory South African tax rate of 1.0% to 29.0% (2005: 30.0%), as well as no additional Mozambique impairments being raised in the current period for which no deferred taxation asset was recognised. Secondary taxation on companies ("STC") increased Vodacom's effective tax rate by 6.9% (2005: 6.6%).

SHAREHOLDER DISTRIBUTIONS

Dividends declared for the 2006 financial year totalled R4.5 billion (2005: R3.4 billion), an increase of 32.4%. The final dividend of R2.8 billion was paid on April 5, 2006.

CONCLUSION

Vodacom has performed well in an evolving and competitive African market. The South African market continues its robust trend and management believes that the market is far from being saturated. The strong cash generation ability of Vodacom's South African operations ensured a healthy consolidated balance sheet, despite substantial dividend payouts. In South Africa, Vodacom intends to strategically position itself to negate the impact of the pending deregulation of the South African market and plans to seize any emerging opportunities. With its strong brand and strong balance sheet, the Group is well positioned to remain the leading player in the main markets in which it operates.

Affordability is the key to market penetration in all markets and Vodacom will continue to re-evaluate its tariffs and introduce innovative products to stimulate demand. In an ever-changing economic and regulatory environment, Vodacom is well positioned to maintain and even improve its current market leadership.

Adv OA Mabandla
Non-executive Chairman

ADC Knott-Craig
Chief Executive Officer

Segment key operational indicators

SOUTH AFRICA

Consolidated key operational indicators (Vodacom South Africa, Smartcall, Smartcom and Cointel)

	Year ended March 31			% change	
	2004	2005	2006	05/04	06/05
Customers (‘000)[1]	9,725	12,838	19,162	32.0	49.3
Contract	1,420	1,872	2,362	31.8	26.2
Prepaid	8,282	10,941	16,770	32.1	53.3
Community services	23	25	30	8.7	20.0
Gross connections (‘000)	4,998	6,180	9,140	23.6	47.9
Contract	377	610	702	61.8	15.1
Prepaid	4,617	5,566	8,422	20.6	51.3
Community services	4	4	16	–	400.0
Inactives (3 months – %)	n/a	7.9	8.7	n/a	0.8
Contract	n/a	1.5	2.4	n/a	0.9
Prepaid	n/a	9.0	9.6	n/a	0.6
Total churn (%)[2]	36.6	27.1	17.7	(9.5)	(9.4)
Contract	10.1	9.1	10.0	(1.0)	0.9
Prepaid	41.3	30.3	18.8	(11.0)	(11.5)
Traffic (millions of minutes)[3]	12,172	14,218	17,066	16.8	20.0
Outgoing	7,647	9,231	11,354	20.7	23.0
Incoming	4,525	4,987	5,712	10.2	14.5
ARPU (Rand per month)[4]	177	163	139	(7.9)	(14.7)
Contract	634	624	572	(1.6)	(8.3)
Prepaid	90	78	69	(13.3)	(11.5)
Community services	2,155	2,321	1,796	7.7	(22.6)

Notes

1. Customer totals are based on the total number of customers registered on Vodacom’s network, which have not been disconnected, including inactive customers, as at the end of the period indicated.
2. Churn is calculated by dividing the average monthly number of disconnections during the period by the average monthly total reported customer base during the period.
3. Traffic comprises total traffic registered on Vodacom’s network, including bundled minutes, outgoing international roaming calls and calls to free services, but excluding national roaming and incoming international roaming calls. Traffic for 2005 was restated to exclude packet switch data traffic.
4. ARPU is calculated by dividing the average monthly revenue during the period by the average monthly total reported customer base during the period. ARPU excludes revenues from equipment sales, other sales and services and revenues from national and international users roaming on Vodacom’s networks.

SOUTH AFRICA continued

Consolidated key operational indicators (Vodacom South Africa, Smartcall, Smartcom and Cointel)

	Year ended March 31			% change	
	2004	2005	2006	05/04	06/05
Minutes of use per month[5]	96	84	74	(12.5)	(11.9)
Contract	263	226	206	(14.1)	(8.8)
Prepaid	56	52	49	(7.1)	(5.8)
Community services	3,061	3,185	2,327	4.1	(26.9)
South Africa cumulative capex[6]	18,132	20,358	24,095	12.3	18.4
Vodacom South Africa	18,101	20,308	24,035	12.2	18.4
Other	31	50	60	61.3	20.0
Capex per customer (Rand)	1,720	1,515	1,257	(13.5)	(17.0)
Number of employees	3,848	3,954	4,148	2.8	4.9
Vodacom South Africa employees	3,848	3,809	3,893	(1.0)	2.2
Smartcall and Smartcom employees	–	145	206	–	42.1
Cointel employees	–	–	49	–	–
Customers per employee	2,527	3,247	4,619	28.5	42.3
Market share (%)[7]	54	56	58	2.0	2.0

Notes

5. Minutes of use per month is calculated by dividing the average monthly minutes during the period by the average monthly total reported customer base during the period. Minutes of use exclude calls to free services, bundled minutes and data minutes.
6. Cumulative capital expenditure (“capex”) includes software.
7. Market share is calculated based on Vodacom’s total reported customers and the estimated total reported customers of MTN and Cell C.

VODACOM TANZANIA
Key indicators

	Year ended March 31			% change	
	2004	2005	2006	05/04	06/05
Customers (‘000)[1]	684	1,201	2,091	75.6	74.1
Contract	5	5	7	–	40.0
Prepaid	676	1,193	2,081	76.5	74.4
Community services	3	3	3	–	–
Gross connections (‘000)	404	746	1,353	84.7	81.4
Churn (%)	30.0	29.6	28.5	(0.4)	(1.1)
ARPU (Rand)[2]	128	81	67	(36.7)	(17.3)
Cumulative capex (Rand millions)	1,146	1,359	1,503	18.6	10.6
Number of employees[3]	316	340	438	7.6	28.8
Customers per employee	2,165	3,532	4,774	63.1	35.2
Mobile penetration (%)[4]	3.3	5.1	9.2	1.8	4.1
Mobile market share (%)[4]	57	59	58	2.0	(1.0)

Notes

1. Customer totals are based on the total number of customers registered on Vodacom’s network, which have not been disconnected, including inactive customers, as of end of the period indicated.
2. ARPU is calculated by dividing the average monthly revenue during the period by the average monthly total reported customer base during the period. ARPU excludes contract connection revenue, revenue from equipment sales, other sales and services and revenue from national and international users roaming on Vodacom’s networks.
3. Headcount includes secondees.
4. Penetration and market share is calculated based on Vodacom estimates.

VODACOM CONGO

Key indicators (All indicators include 100% of Vodacom Congo)

	Year ended March 31			% change	
	2004	2005	2006	05/04	06/05
Customers (‘000)[1]	670	1,032	1,571	54.0	52.2
Contract	8	10	14	25.0	40.0
Prepaid	653	1,010	1,538	54.7	52.3
Community services	9	12	19	33.3	58.3
Gross connections (‘000)	513	565	892	10.1	57.9
Churn (%)	20.2	23.1	28.1	2.9	5.0
ARPU (Rand)[2]	150	98	86	(34.7)	(12.2)
Cumulative capex (Rand millions)	1,432	1,759	2,000	22.8	13.7
Number of employees[3]	334	527	479	57.8	(9.1)
Customers per employee	2,006	1,958	3,279	(2.4)	67.5
Mobile penetration (%)[4]	2.3	3.5	5.5	1.2	2.0
Mobile market share (%)[4]	47	47	48	–	1.0

Notes

1. Customer totals are based on the total number of customers registered on Vodacom’s network, which have not been disconnected, including inactive customers, as of end of the period indicated.
2. ARPU is calculated by dividing the average monthly revenue during the period by the average monthly total reported customer base during the period. ARPU excludes contract connection revenue, revenue from equipment sales, other sales and services and revenue from national and international users roaming on Vodacom’s networks.
3. Headcount includes secondees.
4. Penetration and market share is calculated based on Vodacom estimates.

VODACOM LESOTHO
Key indicators

	Year ended March 31			% change	
	2004	2005	2006	05/04	06/05
Customers (‘000)[1]	80	147	206	83.8	40.1
Contract	3	4	3	33.3	(25.0)
Prepaid	76	142	200	86.8	40.8
Community services	1	1	3	–	200.0
Gross connections (‘000)	51	70	98	37.3	40.0
Churn (%)	65.1	17.3	22.3	(47.8)	5.0
ARPU (Rand)[2]	125	92	78	(26.4)	(15.2)
Cumulative capex (Rand millions)	201	211	225	5.0	6.6
Number of employees[3]	68	63	67	(7.4)	6.3
Customers per employee	1,176	2,333	3,071	98.4	31.6
Mobile penetration (%)[4]	5.1	7.4	12.9	2.3	5.5
Market share (%)[4]	80	80	80	–	–

Notes
1. Customer totals are based on the total number of customers registered on Vodacom’s network, which have not been disconnected, including inactive customers, as of end of the period indicated.
2. ARPU is calculated by dividing the average monthly revenue during the period by the average monthly total reported customer base during the period. ARPU excludes contract connection revenue, revenue from equipment sales, other sales and services and revenue from national and international users roaming on Vodacom’s networks.
3. Headcount includes secondees.
4. Penetration and market share is calculated based on Vodacom estimates.

VODACOM MOZAMBIQUE
Key indicators

	Year ended March 31			% change	
	2004	2005	2006	05/04	06/05
Customers (‘000)[1]	58	265	490	356.9	84.9
Contract	1	4	8	300.0	100.0
Prepaid	57	261	482	357.9	84.7
Gross connections (‘000)	58	225	342	287.9	52.0
Churn (%)	0.3	11.3	32.2	11.0	20.9
ARPU (Rand)[2]	110	52	36	(52.7)	(30.8)
Cumulative capex (Rand millions)	478	696	605	45.6	(13.1)
Number of employees[3]	43	109	170	153.5	56.0
Customers per employee	1,349	2,431	2,885	80.2	18.7
Mobile penetration (%)[4]	2.6	4.2	8.4	1.6	4.2
Mobile market share (%)[4]	11	33	30	22.0	(3.0)

Notes
1. Customer totals are based on the total number of customers registered on Vodacom’s network, which have not been disconnected, including inactive customers, as of end of the period indicated.
2. ARPU is calculated by dividing the average monthly revenue during the period by the average monthly total reported customer base during the period. ARPU excludes contract connection revenue, revenue from equipment sales, other sales and services and revenue from national and international users roaming on Vodacom’s networks.
3. Headcount includes secondees.
4. Penetration and market share is calculated based on Vodacom estimates.

Consolidated income statements
for the three years ended March 31, 2006

	2004 Restated Rm	2005 Restated Rm	2006 Rm
Revenue	22,855.2	27,315.3	34,042.5
Other operating income	57.6	63.8	125.1
Direct network operating cost	(12,435.1)	(14,617.8)	(18,297.2)
Depreciation	(2,316.9)	(2,413.6)	(2,651.6)
Staff expenses	(1,331.6)	(1,652.9)	(2,042.1)
Marketing and advertising expenses	(702.0)	(767.3)	(976.9)
General administration expenses	(687.2)	(751.3)	(1,042.7)
Amortisation of intangible assets	(214.8)	(429.6)	(344.2)
Impairment of assets	–	(268.4)	52.8
Profit from operations	5,225.2	6,478.2	8,865.7
Interest, dividends and other financial income	656.6	662.8	659.3
Finance costs	(1,107.5)	(641.7)	(1,318.2)
Profit before taxation	4,774.3	6,499.3	8,206.8
Taxation	(1,722.0)	(2,613.0)	(3,077.8)
Net profit	3,052.3	3,886.3	5,129.0
Attributable to:			
Equity shareholders	3,026.1	3,855.5	5,012.3
Minority interests	26.2	30.8	116.7

	2004 R	2005 R	2006 R
Basic and diluted earnings per share	302,610	385,550	501,230
Dividend per share	210,000	340,000	450,000

Consolidated balance sheets
as at March 31, 2006

	2004 Restated Rm	2005 Restated Rm	2006 Rm
ASSETS			
Non-current assets	12,851.3	13,888.4	16,079.2
Property, plant and equipment	10,912.5	11,576.9	13,386.6
Investment properties	9.9	–	–
Intangible assets	1,002.7	1,644.3	1,954.9
Financial assets	222.4	93.3	92.1
Deferred taxation	277.8	308.1	297.6
Deferred cost	403.8	236.9	311.2
Lease assets	22.2	28.9	36.8
Current assets	7,322.7	8,706.4	8,688.6
Deferred cost	859.8	428.3	451.8
Short-term financial assets	354.3	187.1	149.3
Inventory	288.5	479.5	454.3
Trade and other receivables	3,450.0	3,621.4	4,487.1
Cash and cash equivalents	2,370.1	3,990.1	3,146.1
Total assets	20,174.0	22,594.8	24,767.8
EQUITY AND LIABILITIES			
Equity	7,604.2	7,887.9	8,672.3
Ordinary share capital	*	*	*
Retained earnings	7,836.1	8,057.2	8,567.3
Non-distributable reserves	(324.9)	(298.0)	(178.3)
Minority interests	93.0	128.7	283.3
Non-current liabilities	2,317.5	3,233.1	2,236.6
Interest bearing debt	1,216.6	2,213.5	819.2
Deferred taxation	410.1	472.1	602.3
Deferred revenue	403.8	240.7	320.3
Provisions	178.4	184.4	372.3
Operating lease liabilities	108.6	122.4	122.5
Current liabilities	10,252.3	11,473.8	13,858.9
Trade and other payables	3,862.1	4,830.8	5,104.7
Deferred revenue	1,883.4	1,411.4	1,604.5
Taxation payable	852.0	632.6	630.2
Non-interest bearing debt	4.3	4.3	4.3
Short-term interest bearing debt	839.9	381.6	1,645.5
Short-term provisions	473.7	595.0	623.0
Dividends payable	1,500.0	1,800.0	2,800.0
Derivative financial liabilities	64.5	1.0	60.9
Bank borrowings	772.4	1,817.1	1,385.8
Total equity and liabilities	20,174.0	22,594.8	24,767.8

* Amounts less than R50 000.

Consolidated statements of changes in equity
for the three years ended March 31, 2006

	Attributable to equity shareholders					
	Share capital	Retained earnings	Non-distributable reserves	Total	Minority interests	Total equity
	Rm	Rm	Rm	Rm	Rm	Rm
Balance at March 31, 2003						
– previously reported	*	6,962.8	(141.0)	6,821.8	88.0	6,909.8
Changes in accounting policies, reclassifications and restatements	–	(53.6)	–	(53.6)	–	(53.6)
Balance at March 31, 2003						
– restated	*	6,909.2	(141.0)	6,768.2	88.0	6,856.2
Net profit for the year	–	3,026.1	–	3,026.1	26.2	3,052.3
Dividends declared	–	(2,100.0)	–	(2,100.0)	–	(2,100.0)
Contingency reserve	–	0.8	(0.8)	–	–	–
Net gains and losses not recognised in the consolidated income statement						
Foreign currency translation reserve	–	–	(194.0)	(194.0)	(21.2)	(215.2)
Foreign currency translation reserve						
– deferred taxation	–	–	10.9	10.9	–	10.9
Balance at March 31, 2004						
– restated	*	7,836.1	(324.9)	7,511.2	93.0	7,604.2
Net profit for the year	–	3,855.5	–	3,855.5	30.8	3,886.3
Dividends declared	–	(3,400.0)	–	(3,400.0)	(3.8)	(3,403.8)
Contingency reserve	–	(1.0)	1.0	–	–	–
Acquired reserves from the minorities of Vodacom Congo (RDC) s.p.r.l.	–	(233.4)	82.1	(151.3)	–	(151.3)
Acquisition of subsidiary	–	–	–	–	10.1	10.1
Revaluation of available-for-sale investments	–	–	0.2	0.2	0.1	0.3
Net gains and losses not recognised in the consolidated income statement						
Foreign currency translation reserve	–	–	(56.4)	(56.4)	(1.5)	(57.9)
Balance at March 31, 2005						
– restated	*	8,057.2	(298.0)	7,759.2	128.7	7,887.9
Net profit for the year	–	5,012.3	–	5,012.3	116.7	5,129.0
Dividends declared	–	(4,500.0)	–	(4,500.0)	(0.9)	(4,500.9)
Contingency reserve	–	(2.2)	2.2	–	–	–
Acquisition of subsidiary	–	–	–	–	46.5	46.5
Minority share of VM, S.A.R.L.	–	–	–	–	8.0	8.0
Revaluation of available-for-sale investments	–	–	(0.2)	(0.2)	(0.1)	(0.3)
Net gains and losses not ecognized in the consolidated income statement						
Foreign currency translation reserve	–	–	117.7	117.7	(15.6)	102.1
Balance at March 31, 2006	*	8,567.3	(178.3)	8,389.0	283.3	8,672.3

* Amounts less than R50 000.

Consolidated cash flow statements
for the three years ended March 31, 2006

	2004 Restated Rm	2005 Restated Rm	2006 Rm
Cash flow from operating activities			
Cash receipts from customers	22,175.5	27,078.8	33,132.7
Cash paid to suppliers and employees	(14,578.8)	(17,066.8)	(22,042.4)
Cash generated from operations	7,596.7	10,012.0	11,090.3
Finance costs paid	(512.3)	(259.2)	(446.4)
Interest, dividends and other financial income received	368.7	246.8	338.6
Taxation paid	(1,463.3)	(2,744.4)	(2,980.3)
Dividends paid – equity shareholders	(1,200.0)	(3,100.0)	(3,500.0)
Dividends paid – minority shareholders	–	(5.2)	(0.9)
Net cash flows from operating activities	4,789.8	4,150.0	4,501.3
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	(2,813.8)	(3,048.0)	(4,346.3)
Proceeds on disposal of property, plant and equipment	5.0	20.1	29.6
Acquisition of intangible assets	(121.1)	(205.4)	(442.1)
Proceeds on disposal of intangible assets	–	–	1.6
Acquisition of subsidiaries	149.6	(289.8)	(0.4)
Change in business combinations	–	–	0.3
Acquired cash from Vodacom Congo (RDC) s.p.r.l.	–	12.9	–
Other investing activities	(219.5)	136.0	(33.5)
Net cash flows utilised in investing activities	(2,999.8)	(3,374.2)	(4,790.8)
CASH FLOW FROM FINANCING ACTIVITIES			
Shareholder loans repaid	(920.0)	–	–
Interest bearing debt incurred	186.9	1,165.3	32.3
Interest bearing debt repaid	(55.6)	(1,332.3)	(89.7)
Finance lease capital repaid	(9.6)	(28.1)	(50.2)
Net cash flows utilised in financing activities	(798.3)	(195.1)	(107.6)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	991.7	580.7	(397.1)
Cash and cash equivalents at the beginning of the year	647.5	1,597.7	2,173.0
Effect of foreign exchange rate changes	(41.5)	(5.4)	(15.6)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,597.7	2,173.0	1,760.3

Disclaimer

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Vodacom Group (Proprietary) Limited is a private company and as such is not required by the Companies Act 61 of 1973, as amended, to publish its results.

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Without in any way derogating from the generality of the aforegoing, it should be noted that:

- Many of the statements included in this report are forward-looking statements that involve risks and/or uncertainties and caution must be exercised in placing any reliance on these statements. Moreover, Vodacom Group (Proprietary) Limited will not necessarily update any of these statements after the date of this report either to conform them to actual results or to changes in our expectations.

- Insofar as the shareholders of Vodacom Group (Proprietary) Limited are listed and offer their shares publicly for sale on recognised stock exchanges locally and/or internationally, potential investors in the shares of Vodacom Group (Proprietary) Limited’s shareholders are cautioned not to place undue reliance on this report.

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EXHIBIT 99.7

A CULTURE OF MOBILITY

Vodacom Group (Proprietary) Limited

for the year ended March 31, 2006
June 5, 2006

vodacom

Content

Alan Knott-Craig
Chief Executive Officer

Operational highlights

Leon Crouse
Chief Financial Officer

Financial review

Operational highlights

Alan Knott-Craig

Chief Executive Officer

vodacom

Group highlights

For the year ended March 31, 2006 vs. prior year

Total customers	Revenue	Profit from operations
23.5 million	R34.0 billion	R8.9 billion
51.9% ↑	24.6% ↑	36.9% ↑

Profit from operations margin	Net profit after tax	Dividends
26.0%	R5.1 billion	R4.5 billion
2.3% pts ↑	32.0% ↑	32.4% ↑

- **High gross connections: increase of 50.9% year on year to 11.8 million**
- **Low churn: decrease of 7.2% points year on year to 19.6%**

Vodacom South Africa tariff reductions

Contract packages: Happy hours (Monday to Friday: 5pm – 8pm)

Business	13.4% - 21.6%
Talk packages	16.8% - 29.1%
Weekender & Family	17.2% - 35.2%

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Vodacom South Africa tariff reductions (continued)

Prepaid packages

Vodago & Smartstep	Happy hours	41.6% - 51.3%
4U Prepaid	Peak On-net	8.0%
	Peak Off-net	16.9%
	Happy hours	54.2%

Data packages

- From 03/04 to 04/05 up to ±90% reduction in data tariffs
- Currently in-bundle data ranging from R0.47 to R1.75 per MB
- This will decrease to range from R0.39 to R1.40 from June 1, 2006


vodacom
Consistent delivery on strategy
Revenue growth
Market penetration
Market share
The continuous introduction of new high-utility services
High speed mobile data - HSDPA
Brand and distribution
Continued search for new opportunities in Africa
Margin management
Leveraging economies of scale
Optimising efficiencies
Productivity up 38.9% to 4,308 customers per employee
Strategy underpinned by:
Market leadership
Strong brand
Strong distribution

Vodacom South Africa customer registration

- **Proposed requirement**

  Obligation to register new and historic customers will become effective on June 30, 2006 in terms of the Regulation of Interception of Communications and Provision of Communication-related Information Act ("RICA")

- **Proposed RICA requirements**

  Prohibit use of handsets and SIM cards on network if not registered

  Following information to be captured in respect of SIM cards and / or handsets:

  - Full names and surname

  - ID number

  - Residential address and business and postal address

  Face to face verification of details

  Registration period of 12 months starting June 30, 2006 for total historical customer base

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Mobile TV

- Convergence of broadcasting and telecoms
- Access to content very important
- Mobile TV technologies
  - 3G (± 13,000 customers watched Zuma verdict on their Vodacom cellphones)
  - MBMS
  - DVB-H
- Launched 3G Mobile TV in December 2005
- Trial DVB-H, together with Multichoice

South Africa – market share 58%

Population 46.9 million, penetration 70.6%

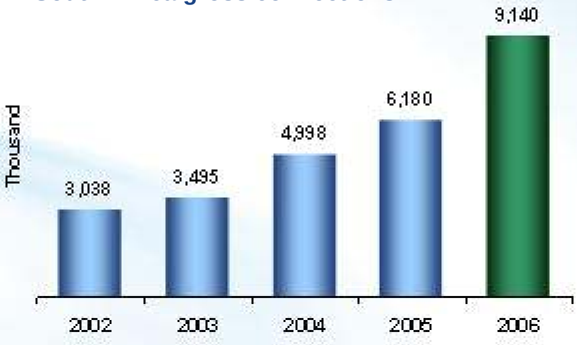
	2005	2006	% change
Total customers	12.8 million	19.2 million	49.3%
Revenue	R25,041 million	R31,069 million	24.1%
Profit from operations	R6,618 million	R8,602 million	30.0%
ARPU	R163	R139	14.7%
Customers per employee	3,247	4,619	42.3%
Capex per customer	R1,515	R1,257	17.0%
Capex as a % of revenue	11.1%	14.1%	3.0% pts

- **Gross connections: 8.4 million prepaid and 702 thousand contract customers**
- **Increase of 2% points in market share to 58%**

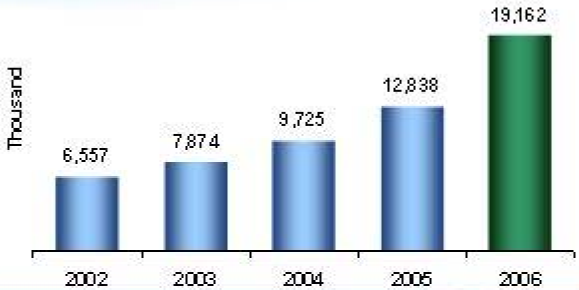
Strong South Africa operational indicators

- Gross connections up 47.9% year on year to a record high of 9.1 million
- Customers up 49.3% year on year to 19.2 million
- Total traffic increased by 20.0% year on year to 17.1 billion minutes

South Africa gross connections



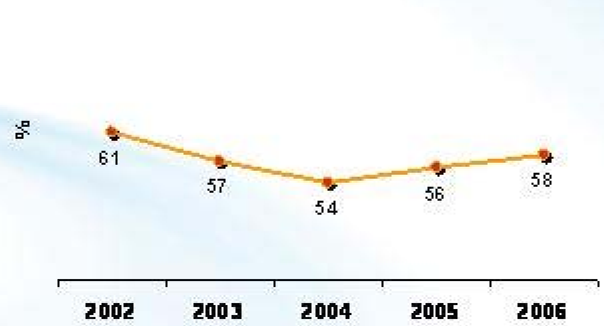
South Africa customers



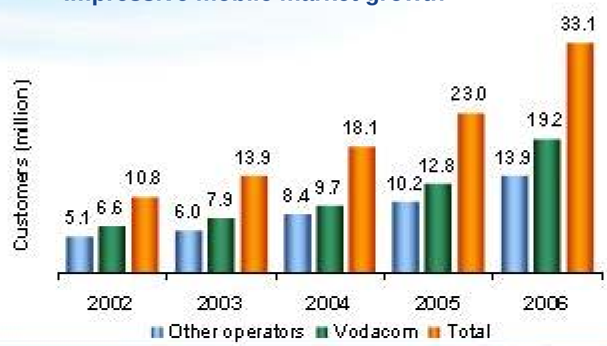
South Africa market estimated at 43 million by 2011

- Vodacom strategically placed for continued market leadership
  - Lowest cost operator
  - Extensive distribution
  - Market share defence
  - Key market and focus
  - Strong recognised brand
  - Established management team
- Potential for further growth
  - Continued growth in voice revenues
  - Continued data and associated technologies focus: 3G, HSDPA, BlackBerry®, Mobile TV and Vodafone live!, etc

South Africa market share



Impressive mobile market growth



Improved South Africa churn

- Contract churn slightly higher at 10.0%
- Prepaid churn decreased to 18.8%
- Contract inactive customers increased from 1.5% in March 2005 to 2.4%
- Prepaid inactive customers increased from 9.0% in March 2005 to 9.6% in March 2006

South Africa churn

Lower South Africa ARPU

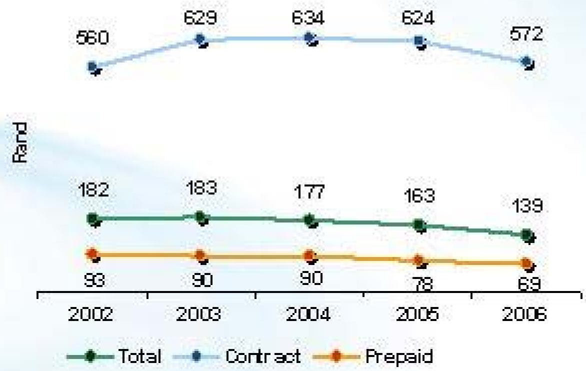
- Prepaid ARPU decreased 11.5% year on year to R69
- Contract ARPU decreased 8.3% year on year to R572
- Total ARPU decreased 14.7% year on year to R139

Lower incoming revenue per customer

Lower average usage

Customer mix

South Africa ARPU per month



3G and Vodafone live!

- Over 32 thousand increase in 3G Vodafone mobile connect cards from March 2005 to 38 thousand
- Over 179 thousand 3G active handsets

3G Vodafone mobile connect cards

- Over 351 thousand Vodafone live! users
- Over 12 thousand Mobile TV users

Vodafone live! users

Tanzania – market share 58%

Population 39.2 million, penetration 9.2%

	2005	2006	% change
Total customers	1,201,000	2,091,000	74.1%
Revenue	R959 million	R1,312 million	36.8%
Profit from operations	R183 million	R263 million	43.7%
ARPU	R81	R67	17.3%
Customers per employee	3,532	4,774	35.2%
Capex per customer	R1,131	R719	36.4%
Capex as a % of revenue	24.4%	24.3%	0.1% pts

- **Substantial growth in customers and profitability**
- **Competitive market**
- **Regulatory and fiscal environment stabilised**

Democratic Republic of Congo (DRC) – market share 48%

Population 59.5 million, penetration 5.5%

	2005	2006	% change
Total customers	1,032,000	1,571,000	52.2%
Revenue	R1,075 million	R1,334 million	24.1%
Profit from operations	R50 million	R117 million	134.0%
ARPU	R98	R86	12.2%
Customers per employee	1,958	3,279	67.5%
Capex per customer	R1,705	R1,273	25.3%
Capex as a % of revenue	31.2%	20.5%	10.7% pts

- **Entrenched market position in a competitive market**
- **Upcoming elections**
- **Challenging political and fiscal environment**

Lesotho – market share 80%

Population 2.0 million, penetration 12.9%

	2005	2006	% change	
Total customers	147,000	206,000	40.1%	↑
Revenue	R137 million	R170 million	24.1%	↑
Profit from operations	R25 million	R51 million	104.0%	↑
ARPU	R92	R78	15.2%	↓
Customers per employee	2,333	3,071	31.6%	↑
Capex per customer	R1,434	R1,092	23.8%	↓
Capex as a % of revenue	7.3%	15.2%	7.9% pts	↑

- **Performance improved substantially**
- **Significant growth in customers**
- **Paid dividend of R7.5 million**

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Mozambique – market share 30%

Population 19.4 million, penetration 8.4%

	2005	2006	% change
Total customers	265,000	490,000	84.9%
Revenue	R103 million	R 158 million	53.4%
Loss from operations	(R454 million)	(R144 million)	68.3%
ARPU	R52	R36	30.8%
Customers per employee	2,431	2,885	18.7%
Capex per customer	R2,625	R1,235	53.0%
Capex as a % of revenue	109.7%	76.8%	32.9% pts

- **Competitive network coverage and quality**
- **Significant growth in customers**
- **Rebuilding distribution channel**

Financial review

Leon Crouse

Chief Financial Officer

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Accounting changes

For the year ended March 31, 2006

R million	Balance sheet	Profit from operations
Prior year adjustments (before taxation):		
IAS 17: Leases (retained earnings)	**93.5**	
IAS 38: Intangible assets: cost (at March 31,2005)	**2,123.3**	
: accumulated depreciation	**(1,419.8)**	
Current year adjustments:		(26.1)
IAS 16: Property, plant and equipment		(163.4)
IAS 19: Long-term incentives		139.0
IAS 17: Leases		(1.7)

Combined effect of IFRS changes had a positive impact of R26.1 million on current year profit from operations

Note: Prior years restated according to latest IFRS requirements. Impact on profit from operations immaterial

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Group income statements

Extracts for the years ended March 31,

R million	2004	2005	2006	% change
Revenue	22,855	27,315	**34,043**	24.6%
Operating expenses excluding depreciation, amortisation and impairment	(15,098)	(17,725)	**(22,234)**	(25.4%)
EBITDA	7,757	9,590	**11,809**	23.1%
Depreciation and amortisation	(2,532)	(2,844)	**(2,996)**	(5.3%)
Impairment	–	(268)	**53**	119.8%
Profit from operations	5,225	6,478	**8,866**	36.9%
Net finance (costs) / income	(451)	21	**(659)**	n/a
Profit before tax	4,774	6,499	**8,207**	26.3%
Taxation	(1,722)	(2,613)	**(3,078)**	(17.8%)
Net profit	**3,052**	**3,886**	**5,129**	**32.0%**

- **Depreciation and amortisation excluding IAS 16 adjustment: R3.2 million; an increase of 11.1%**
- **Effective tax rate 37.5% vs. 40.2% prior year**

Group revenue
By country

R million	2004	2005	2006	% change
South Africa	21,350	25,041	**31,069**	24.1%
Tanzania	897	959	**1,312**	36.8%
DRC	476	1,075	**1,334**	24.1%
Lesotho	119	137	**170**	24.1%
Mozambique	13	103	**158**	53.4%
	22,855	**27,315**	**34,043**	**24.6%**

- **Revenue driven by strong customer growth**
- **Other African operations contributed 8.7% (2005: 8.3%)**

Group revenue
Revenue composition

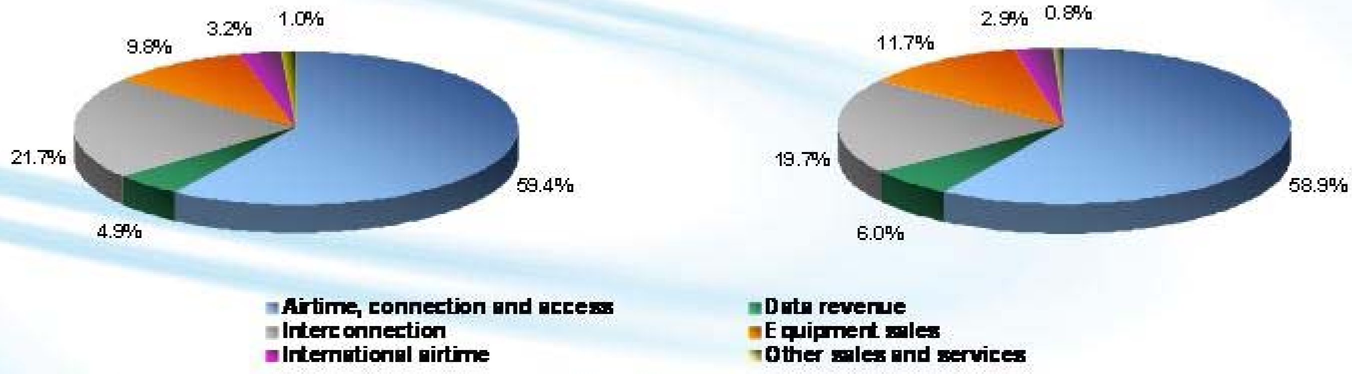
R million	2004	2005	2006	% change
Airtime, connection & access	12,738	16,191	**20,085**	24.1%
Data revenue	1,039	1,340	**2,038**	52.1%
Interconnection	5,785	5,924	**6,697**	13.0%
Equipment sales	2,275	2,687	**3,986**	48.3%
International airtime	659	887	**971**	9.5%
Other sales & services	359	286	**266**	(7.0%)
	22,855	**27,315**	**34,043**	**24.6%**

Group revenue

By revenue type

Revenue analysis – 2005
R27,315 million

Revenue analysis – 2006
R34,043 million



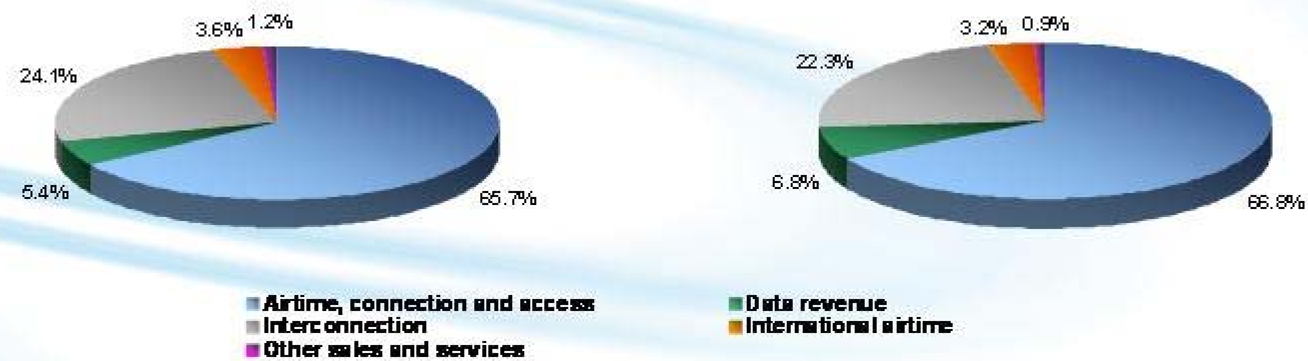
- **Airtime contribution down 0.5% points; revenue up 24.1% to R20.1 billion**
- **Interconnect contribution down 2.0% points; revenue up 13.0% to R6.7 billion**
- **Data contribution up 1.1% points; revenue up 52.1% to R2.0 billion**

Group revenue (excluding equipment sales)

By revenue type

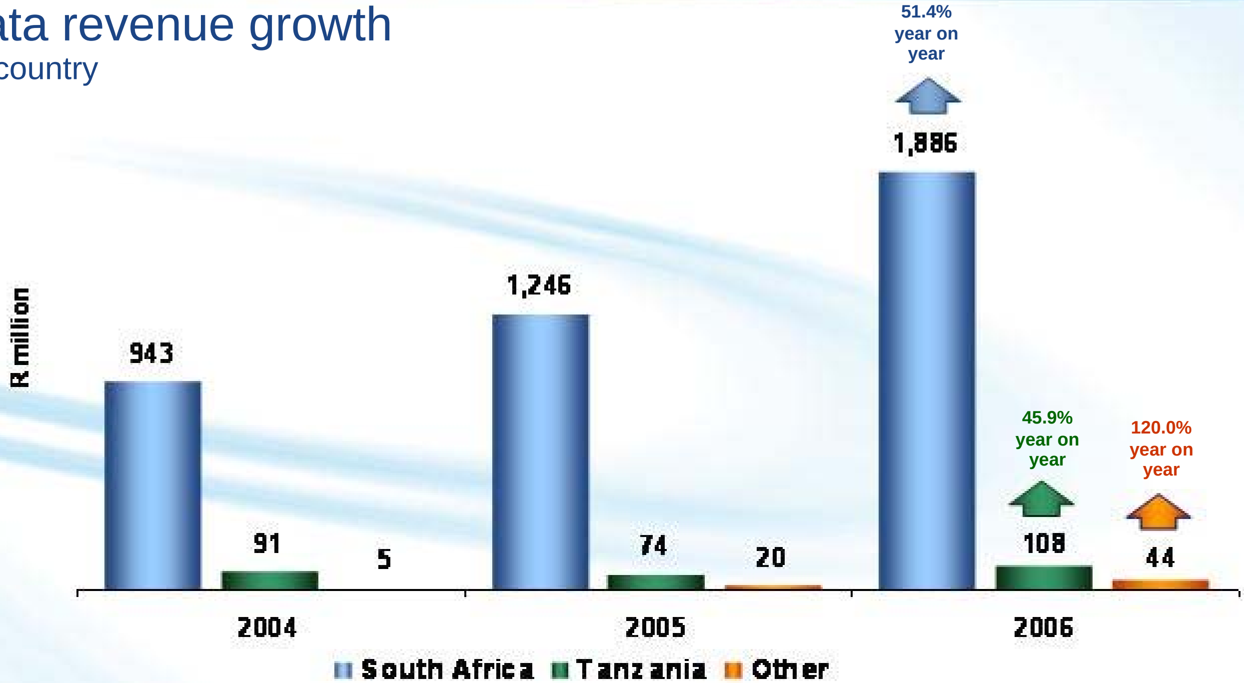
Revenue analysis – 2005
R24,628 million (excluding equipment sales)

Revenue analysis – 2006
R30,057 million (excluding equipment sales)



- **Airtime contribution up 1.1% points; revenue up 24.1% to R20.1 billion**
- **Interconnect contribution down 1.8% points; revenue up 13.0% to R6.7 billion**
- **Data contribution up 1.4% points; revenue up 52.1% to R2.0 billion**

Data revenue growth
By country



- South Africa data revenue up 51.4%, due to customer growth and new technologies (3G, HSDPA, Vodafone live!, BlackBerry®, Mobile TV)
- Tanzania data revenue up 45.9% due to customer growth and increased data spend by customers

EBITDA growth and margin analysis

- Strong EBITDA performance
  Increased 23.1% year on year to R11.8 billion
  EBITDA margin decreased 0.4% points year on year to 34.7%
  EBITDA margin 39.9%, when excluding cellular phone and equipment sales
- South Africa EBITDA
  Increased 22.9% year on year to R11.1 billion
  EBITDA margin decreased 0.3% points year on year to 35.6%
- Improved EBITDA for other African operations
  Increased 45.3% year on year to R0.8 billion
  Contributed 6.6% of total vs. 5.6% for the same period in the previous financial year
  Mozambique EBITDA is negative R129 million

EBITDA

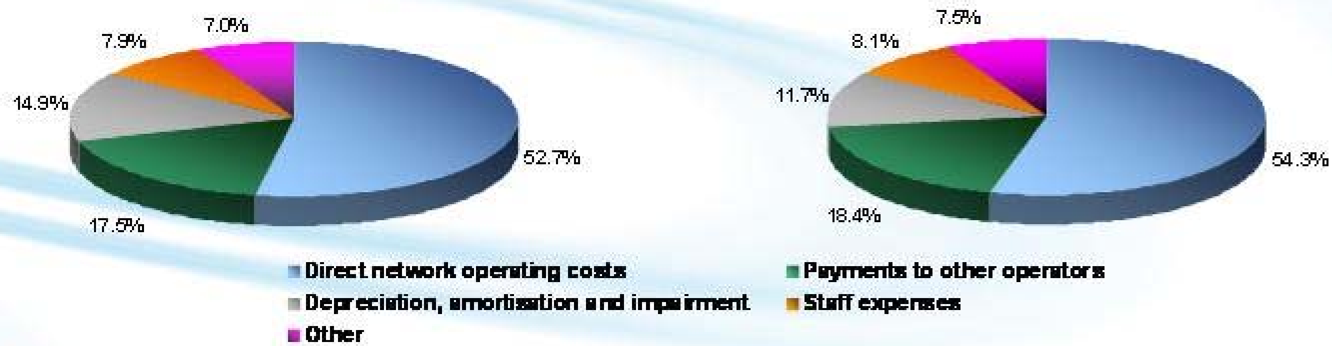
EBITDA margin by country

Group operating expenses

By expense type

Operating expense analysis – 2005
R20,837 million

Operating expense analysis – 2006
R 25,177 million



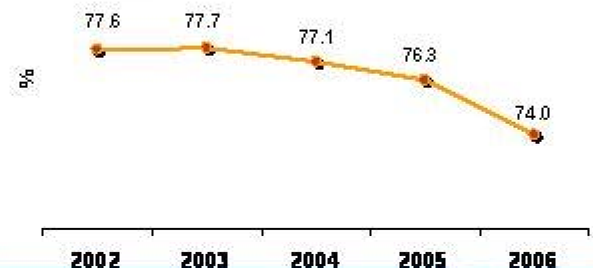
- **Direct network operating cost contribution up by 1.6% points; costs up 24.6% to R13.7 billion**
- **Payments to other operators contribution up 0.9% points; costs up 26.9% to R4.6 billion**
- **Depreciation, amortisation and impairment contribution down 3.2.% points; costs down 5.4% to R2.9 billion. Impairment R268 million vs. R53 million net reversal**

Group operating expenses

- Depreciation, amortisation and impairment
  Decreased with 5.4% year on year to R2.9 billion
- Staff expenses
  Increased 23.5% to R2.0 billion
  Total headcount increased by 9.3% to 5,459
- Cost of connection and retention up 25%
- Expenses, excluding depreciation, amortisation and impairment up 25.4%
- Cost associated with new technologies such as transmission and Vodafone partnership costs – full year effect

Operating expenses

Operating expenses as a percentage of revenue



Group profit from operations
By country

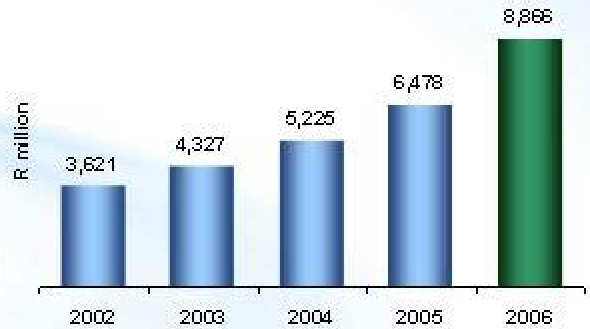
R million	2004	2005	2006	% change
South Africa	5,272	6,618	**8,602**	30.0%
Tanzania	135	183	**263**	43.7%
DRC	10	50	**117**	134.0%
Lesotho	1	25	**51**	104.0%
Mozambique	(88)	(454)	**(144)**	68.3%
Holding companies	(105)	56	**(23)**	n/a
	5,225	**6,478**	**8,866**	**36.9%**
Profit from operations margin (%)	22.9%	23.7%	**26.0%**	2.3% pts

- **Customer growth of 51.9% to 23.5 million**
- **Revenue growth of 24.6% vs. operating expenses growth of 20.8%**

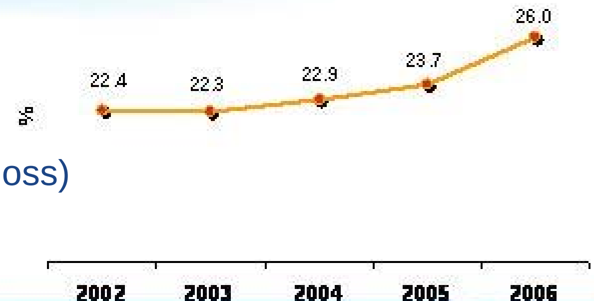
Profit from operations and margin

- Profit growth of 36.9% year on year to R8.9 billion
- South Africa (30.0% year on year growth to R8.6 billion)
  Exceptional customer growth of 49.3%
  Operating expenses increased 22.7% vs. revenue growth of 24.1%
- Tanzania (43.7% year on year growth)
  74.1% growth in customers
  Profit margin increased to 20.0% (2005: 19.1%)
- DRC (134.0% year on year growth)
  52.2% growth in customers
  Profit margin increased to 8.8% (2005: 4.7%)
- Lesotho (104.0% year on year growth)
  40.1% growth in customers
  Profit margin increased to 30%
- Mozambique (68.3% year on year smaller loss)
  84.9% increase in customers
  Net impairment reversal of R53 million

Profit from operations



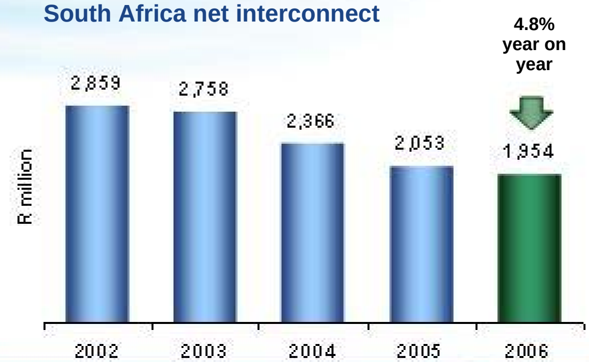
Profit from operations margin



Factors affecting trends and margins

- Low margin equipment sales
  58.3% year on year increase in equipment sale volumes to 3.8 million units
- South Africa net interconnect revenue decreased 4.8% year on year to R1.9 million
  Margin dropped by 6.6% pts to 33.7%
- Gross South Africa customer connections of 9.1 million
  Prepaid customer connections of 8.4 million; an increase of 51.3%

  Contract customer connections of 0.7 million; an increase of 15.1%
- Gross other African customer connections of 2.7 million, an increase of 67.1% year on year



Factors affecting trends and margins (continued)

- ## South Africa traffic mix

  Outgoing traffic increased 23.0% year on year to 11.4 billion minutes

  Incoming traffic increased 14.5% year on year to 5.7 billion minutes

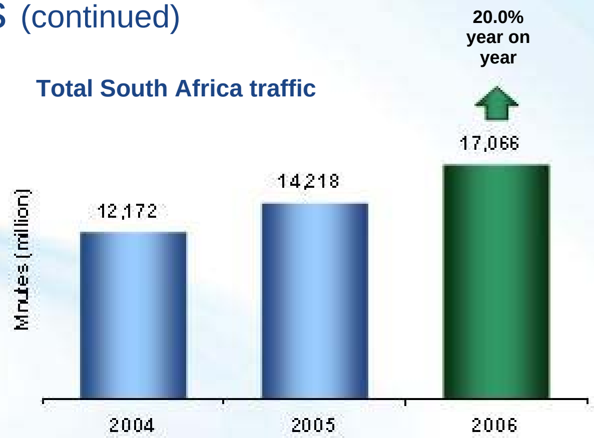
  Mobile to mobile traffic increased 26.1 % to 13.5 billion minutes

  Mobile / fixed traffic increased 1.7 % to 3.6 billion minutes

  On-net traffic increased by 30.7% to 6.5 billion minutes

- ## Highly competitive markets

Total South Africa traffic



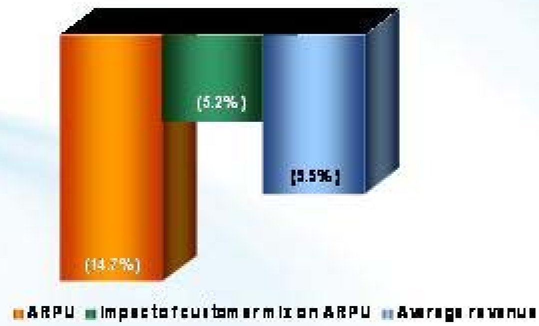
South Africa ARPU per month

Customer mix impact on total and contract ARPU

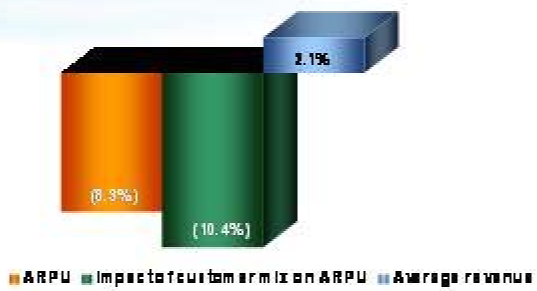
- Total ARPU decreased by 14.7% from R163 to R139 per month year on year

- Contract ARPU decreased by 8.3% from R624 to R572 per month year on year

South Africa total ARPU per month



South Africa contract ARPU per month



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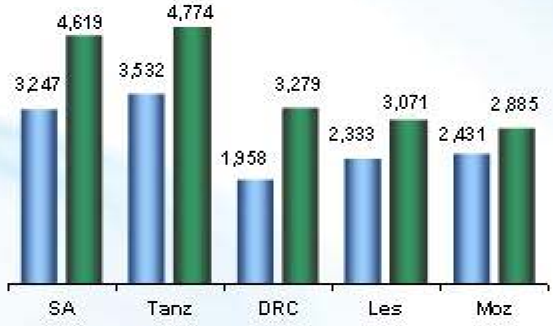
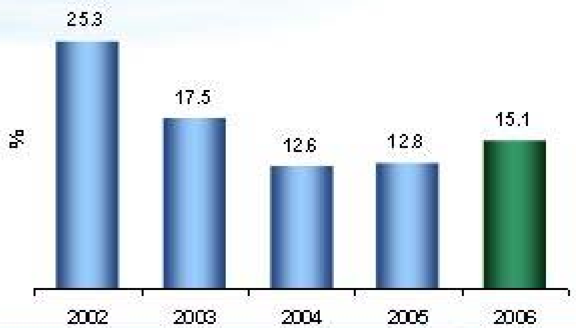
Productivity measures

- Consolidated customers per employee
  Increased 38.9% year on year to 4,308 based on 5,459 employees
- Consolidated gross capex as a % of revenue increased to 15.1% from 12.8% for the same period in the previous financial year
  Investment in new technologies
  Increased capacity

Customers per employee



Gross capex additions as a % of revenue



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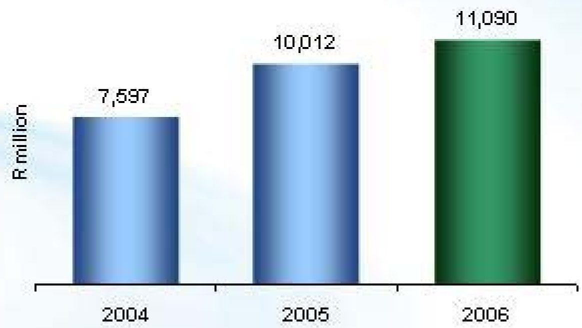
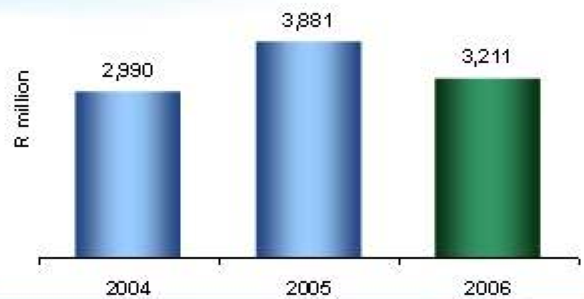
Strong cash generation

- EBITDA increase of R2.2 billion
- Cash generated from operations increased 10.8% to R11.1 billion
- Increase in capex spend of R1.5 billion to R4.8 billion
- Phasing of working capital
- Free cash flow decreased 17.3% to R3.2 billion

Cash generated from operations



Free cash flow



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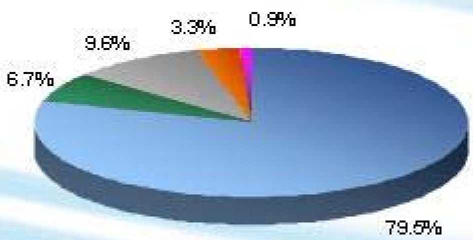
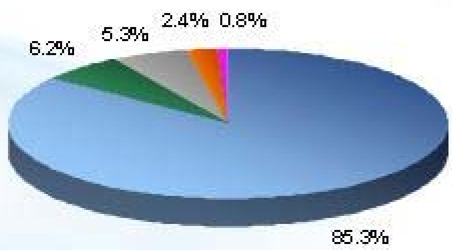
Capex additions and composition

Including software

Capex gross additions – 2005
R3,494 million



Capex gross additions – 2006
R5,138 million



South Africa
Tanzania
DRC
Mozambique
Lesotho and holding companies

- **Capex as a % of revenue at 15.1% vs. prior year of 12.8%**
- **South Africa capex gross additions increased 57.9% to R4.4 billion**
- **Other African capex additions increased 6.3% to R0.7 billion**
- **3G / HSDPA spend of R903 million vs. prior year of R272 million**

Net debt maturity profile

March 31, R million	2007	2008	2009	2010	2011	>2012	Total 2006	Total 2005
South Africa – finance leases	79	114	192	99	162	162	**808**	858
Tanzania	184	-	-	-	-	91	**275**	369
DRC	1,343	-	-	-	-	-	**1,343**	1,361
Lesotho	4	-	-	-	-	-	**4**	4
Other	39	-	-	-	-	-	**39**	7
Debt excluding bank overdrafts	**1,649**	**114**	**192**	**99**	**162**	**253**	**2,469**	**2,599**
Bank overdrafts							**1,386**	1,817
Gross debt							**3,855**	**4,416**
Bank and cash balances							**(3,146)**	(3,990)
Net debt							**709**	**426**

Final dividend of R2.8 billion paid on April 5, 2006

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Debt composition

Gross debt composition including bank overdrafts – 2005

R4,416 million

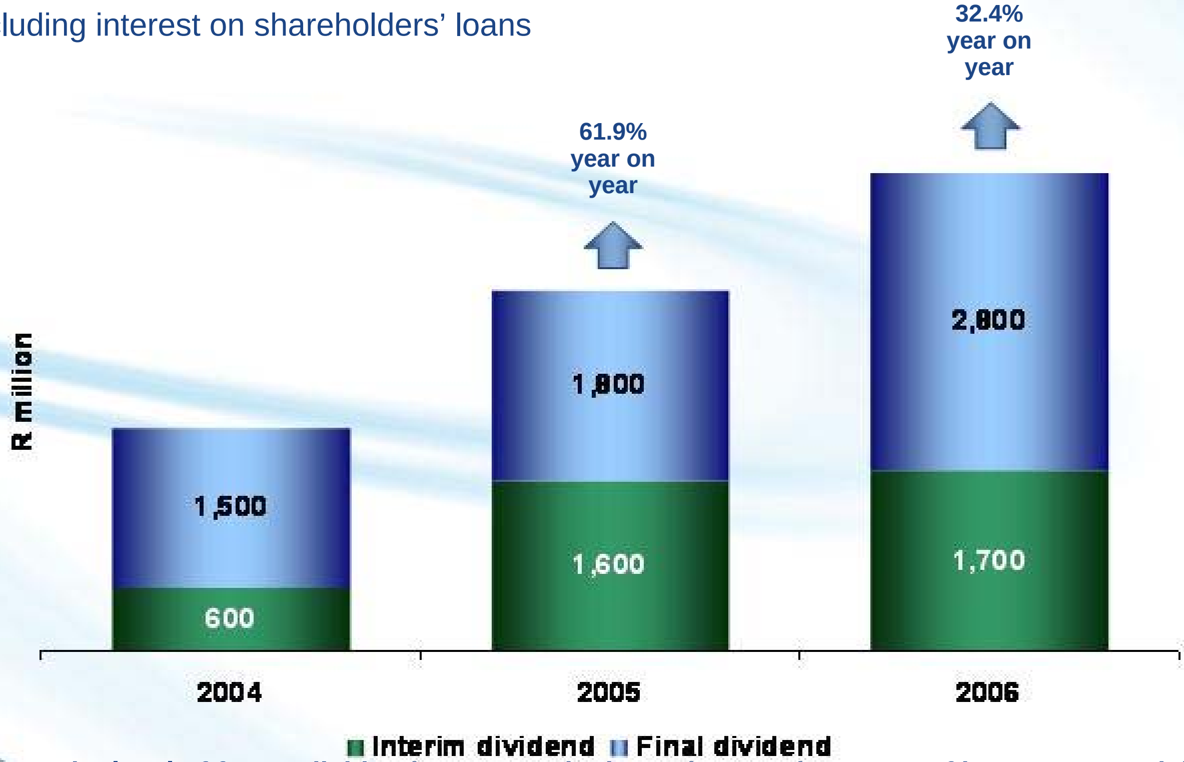
Gross debt composition including bank overdrafts – 2006

R3,855 million

- **Net debt to equity ratio 8.2% (2005: 5.4%)**
- **Foreign denominated ring-fenced of R184 million and foreign denominated, not ring-fenced R1,492 million**
- **Adjusting for dividends and STC on dividends payable: net debt to equity ratio of 45.9% (2005: 32.0%)**

Shareholder distributions

Excluding interest on shareholders’ loans



The level of future dividend payments is dependent on the extent of investment activities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Questions?

Group balance sheets

Extracts at March 31,

R million	2004	2005	2006	% change
ASSETS				
Non-current assets	12,851	13,889	**16,079**	15.8%
Current assets	7,323	8,706	**8,689**	(0.2%)
Total assets	**20,174**	**22,595**	**24,768**	**9.6%**
EQUITY AND LIABILITIES				
Capital and reserves	7,604	7,888	**8,672**	9.9%
Non-current liabilities	2,318	3,233	**2,236**	(30.8%)
Current liabilities	10,252	11,474	**13,860**	20.8%
Total equity and liabilities	**20,174**	**22,595**	**24,768**	**9.6%**

Group cash flow statements

Extracts for the years ended March 31,

R million	2004	2005	2006	% change
Cash generated from operations	7,597	10,012	**11,090**	10.8%
Net cash flows from operating activities	**4,790**	**4,150**	**4,501**	**8.5%**
Net cash flows utilised in investing activities	(3,000)	(3,374)	**(4,791)**	(42.0%)
Net cash flows utilised in financing activities	(798)	(195)	**(107)**	45.1%
Net increase in cash and cash equivalents	**992**	**581**	**(397)**	**(168.3%)**
Cash and cash equivalents at the beginning of the year	648	1,598	**2,173**	36.0%
Effect of foreign exchange rate changes	(42)	(6)	**(16)**	(166.7%)
Cash and cash equivalents at the end of the year	**1,598**	**2,173**	**1,760**	**(19.0%)**

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EXHIBIT 99.8

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

Telkom SA Limited - Resignation and Appointment of directors

Telkom announces the resignation of Ms Thenjiwe Chikane as non-executive director to the Telkom Board, with effect from 19 June 2006. Telkom further announces the appointment, with effect from 19 June 2006, of Ms Keitumetse Seipelo Thandeka Matthews as non-executive director of the Company. Ms Matthews is a qualified Barrister of Law and is currently a member of Keida Children's Books CC.

Johannesburg
19 June 2006
Date: 20/06/2006 07:00:09 AM Produced by the JSE SENS Department

EXHIBIT 99.9

Telkom statement on alleged takeover negotiations

Telkom has taken note of speculative reports in the weekend press that Vodafone is interested in a takeover bid of the Company.

Papi Molotsane, CEO of Telkom, and Vodafone CEO, Arun Sarin, did meet during the course of last week, but this meeting was purely to discuss issues of cooperation between the two companies. This meeting was one of a series of meetings regarding Vodacom's future growth.

Papi Molotsane said "the objective of the meeting was to explore possibilities of maximising our joint investment in Vodacom."

At no stage did the two representatives discuss the sale of Telkom. All matters relating to such a sale can only be discussed by the Board."