Cautionary statement on forward looking statements

All statements contained herein, as well as oral statements that may be made by us or by officers, directors or employees acting on behalf of the Telkom Group, that are not statements of historical fact constitute "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. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements, including, without limitation, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment and further liberalisation of the telecommunications market; continued reductions in Vodacom's and Telkom's net interconnect margins; Vodacom's and Telkom's ability to expand and make investments in other African countries and the general economic, political, social and legal conditions in South Africa and in other African countries; Telkom'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 that may limit Telkom's 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 and internal control over financial reporting; 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; 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 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 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, labor laws and exchange control restrictions in South Africa; those risks identified under the caption "Risk Factors" contained in Item 3. of Telkom's most recent annual report on Form 20-F filed with the U.S. Securities Exchange Commission ("SEC") and its other filings and submissions with the SEC available on Telkom's website at www.telkom.co.za; and other matters not yet known to us or not currently considered material by us. You should not 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 conform them to actual results or fo changes in our expectations. This presentation may contain certain non-GAAP financial measures. Reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at www.telkom.co.za.
Chief officers

Chief Executive Officer
Papi Molotsane

Chief Operating Officer
Reuben September

Chief Financial Officer
Kaushik Patel

Chief Corporate Affairs Officer
Mandla Ngcobo
Group Highlights
Financial achievements

- **9.9%** growth in Group operating revenue
- **44.5%** Group EBITDA margin
- **37.3%** growth in Group operating profit
- **46.3%** growth in basic earnings per share
- total dividend of **900** cents per share paid on 8 July 2005

35% increase in headline earnings per share to 775.9 cents per share

R1.5 Billion Share buy back for cancellation
Group net profit drivers

ZAR million

- Net Profit Sept'04: R304 million
- Fixed Line Tax: R896 million
- Fixed Line Revenue: R628 million
- Fixed Line Other Income: R153 million
- Fixed Line Opex: R398 million
- Fixed Line Investment Income: R85 million
- Fixed Line Finance Charges: R388 million
- Total Mobile: R491 million
- Net Profit Sept'05: R4281 million

Telkom Group Interim Results September 2005
Delivering on strategic objectives

Customer growth and retention
- 32% growth in managed data network sites
- 42% growth in total mobile customers
- 161% growth in ADSL services

Operational excellence
- 22% improvement in fixed lines per employee
- 8% reduction in vehicle fleet
- 31% improvement in total mobile customers per employee
- Increased reliability of the network
Regulatory developments

VANS regulations
- VANS regulation published in May 2005

Tariff regulation
- Final regulation approved by Minister in August 2005
- Productivity factor increased from 1.5% to 3.5%
- Tariffs filed effective from September 2005

Electronic Communications Bill (Convergence Bill)
- Passed by the national assembly November 3, 2005
- To be referred to the National Council of Provinces

Mobile prices S27 enquiry
- Regulation of handset subsidies
- Mobile prices
- ICASA has yet to conclude their enquiry

Pricing colloquium
- Unbundling of the local loop
- Cost based access to international cables
- Self-provision by VANS
- The removal of ADSL caps
Expanding services and improving efficiencies

- **17.5%** growth in fixed-line data revenue
- Increased broadband adoption
- Tariff rebalancing
- Fixed-line EBITDA margin of **46.7%**
- Fixed-line employee expenses reduced by **9.6%**
- **8.1% reduction** in vehicle fleet
Improved service levels

Fulfilment (Installations)
- Under pressure due to high demand for certain products
- Using external resources to compliment high demand areas
- Self install option for ADSL planned
- Implementation of operating support system

Assurance (Repair)
- Investment to increase resilience resulting in improved network reliability
- Declining fault rates
- Protecting network against environmental elements
- Implementation of operating support system
Strong data and ADSL growth

- **32% growth** in managed data network sites to 14,316
- **161% growth** in **ADSL** services to 95,290
- **31% growth** in mobile leased facilities
- **73% growth** in wholesale internet leased lines (64kbit/s) to 15,600

18% growth
in data revenue
ZAR million

2003 2004 2005

2,443 2,748 3,230
Increasing broadband penetration

The ADSL challenge in South Africa
• Long local loop length
• Copper quality

The ADSL solution
• Plans to introduce self install option
• Improve affordability through increased speed and price options
• Shortening the loop length through technology

Price reductions
Home DSL512 monthly rental

<table>
<thead>
<tr>
<th>Month</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug-05</td>
<td>R477</td>
</tr>
<tr>
<td>Mar-05</td>
<td>R599</td>
</tr>
<tr>
<td>Jan-05</td>
<td>R680</td>
</tr>
</tbody>
</table>

DSL 192 and DSL 384
for R270 and R359
per month, respectively
(effective August 1, 2005)
Increasing PC penetration in South Africa

Package includes
- Mecer PC or notebook
- Telkom Surfmore
- TelkomInternet
- 36 month contract

Benefits
- Annuity Income
- Long term consumer contracts
- Multiple products

4,297 sold from launch to 31 October 2005

High Specifications bundles most popular
- Silver 11%
- Bronze 5%
- Gold 84%
Value adding ICT solutions provider

Success in winning network outsourcing contracts

• Providing integrated solutions

• Tailor made solutions

• Manage and operate networking services throughout South Africa

• Partnering
Reducing cost of business in SA

Average tariff adjustments for September 2005

3% reduction instead of allowed increase of 0.1%
Increase in international outgoing traffic

**ILD revenue**
In ZAR million

<table>
<thead>
<tr>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>656</td>
<td>620</td>
<td>482</td>
</tr>
</tbody>
</table>

**ILD minutes**
In millions

<table>
<thead>
<tr>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>214</td>
<td>200</td>
<td>246</td>
</tr>
</tbody>
</table>

- **28% reduction** on average in international long distance tariffs from January 1, 2005
## Price reductions in long distance calls

<table>
<thead>
<tr>
<th>DLD revenue</th>
<th>DLD minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>In ZAR million</td>
<td>In millions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.911</td>
<td>1.856</td>
<td>1.667</td>
<td>2.335</td>
<td>2.257</td>
<td>2.258</td>
</tr>
</tbody>
</table>

10% reduction in domestic long distance tariffs from September 1, 2005

Domestic long distance call rate 80 cents per min
Investing for new services

**Capex for customer growth**
- ADSL services
- New line growth – e.g. gated communities
- Data connectivity and business systems
- Links for the mobile operator 3G rollouts

**Capex to evolve the network**
- Evolving transport network to high speed and improved reliability
- Softswitch deployment (in trial)
- Software upgrade to interface with softswitch and new services capability

**Capex to increase efficiencies**
- Workforce management
- Asset management
- Customer relationship management
- Operational support systems

Telkom Group Interim Results September 2005
Strong performance from the mobile segment

- **23%** growth in mobile operating revenue to R8.1 billion
- **32.9%** growth in EBITDA to R2.8 billion
- **34.4%** EBITDA margin
- **66.8%** growth in operating profit to R2.1 billion
Leading mobile operator in SA

Customers
In thousands

<table>
<thead>
<tr>
<th></th>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>39%</td>
<td>8,522</td>
<td>11,346</td>
<td>15,773</td>
</tr>
</tbody>
</table>

Gross connections
In thousands

<table>
<thead>
<tr>
<th></th>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>56%</td>
<td>101,4</td>
<td>4,181</td>
<td></td>
</tr>
</tbody>
</table>

ARPU
In ZAR

<table>
<thead>
<tr>
<th></th>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>179</td>
<td>165</td>
<td>147</td>
<td></td>
</tr>
</tbody>
</table>

Chum
%

<table>
<thead>
<tr>
<th></th>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>39%</td>
<td>20</td>
<td>17</td>
<td></td>
</tr>
</tbody>
</table>

Cell C 10%
MTN 33%
Vodacom 57%

27.7 million
Estimated mobile customers in SA

Estimated market share at 30 September 2005

Telkom Group Interim Results September 2005
Successful launch of 3G service in SA

**SMSs transmitted**
In billions

<table>
<thead>
<tr>
<th></th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>1.5</td>
<td></td>
</tr>
</tbody>
</table>

**Number of Active users on network**

<table>
<thead>
<tr>
<th>BlackBerry®</th>
<th>3G data cards</th>
<th>Vodafone Live!</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,737</td>
<td>18,662</td>
<td>102,404</td>
</tr>
</tbody>
</table>

52.6% growth in data revenue to R447 million
Strong mobile growth outside SA borders

Customers

<table>
<thead>
<tr>
<th></th>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,070</td>
<td>2,141</td>
<td>3,349</td>
</tr>
<tr>
<td>Tanzania</td>
<td>541</td>
<td>586</td>
<td>919</td>
</tr>
<tr>
<td>DRC</td>
<td>485</td>
<td>903</td>
<td>1,236</td>
</tr>
<tr>
<td>Mozambique</td>
<td>0</td>
<td>164</td>
<td>336</td>
</tr>
<tr>
<td>Lesotho</td>
<td>182</td>
<td>63</td>
<td>91</td>
</tr>
</tbody>
</table>

ARPU per month

<table>
<thead>
<tr>
<th></th>
<th>Sep-03</th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>136</td>
<td>91</td>
<td>73</td>
</tr>
<tr>
<td>DRC</td>
<td>111</td>
<td>122</td>
<td>171</td>
</tr>
<tr>
<td>Mozambique</td>
<td>88</td>
<td>N/A</td>
<td>41</td>
</tr>
<tr>
<td>Lesotho</td>
<td>119</td>
<td>91</td>
<td>77</td>
</tr>
</tbody>
</table>

3.3 million mobile customers outside of South Africa
Group Financials
## Group profitability

<table>
<thead>
<tr>
<th></th>
<th>Sept’04</th>
<th>Sept’05</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>21,338</td>
<td>23,456</td>
<td>9.9</td>
</tr>
<tr>
<td>Other income</td>
<td>133</td>
<td>115.8</td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(15,997)</td>
<td>(16,226)</td>
<td>1.4</td>
</tr>
<tr>
<td>Operating profit</td>
<td>5,474</td>
<td>7,517</td>
<td>37.3</td>
</tr>
<tr>
<td>Investment income</td>
<td>134</td>
<td>61.9</td>
<td></td>
</tr>
<tr>
<td>Finance charges</td>
<td>(935)</td>
<td>(745)</td>
<td>(20.3)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(1,639)</td>
<td>(2,708)</td>
<td>65.2</td>
</tr>
<tr>
<td>Netprofit</td>
<td>3,034</td>
<td>4,281</td>
<td>41.1</td>
</tr>
<tr>
<td>Basic earnings per share (cents)</td>
<td>541.8</td>
<td>46.3</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>8,668</td>
<td>10,438</td>
<td>20.4</td>
</tr>
</tbody>
</table>

Telkom Group Interim Results September 2005
Segment contribution

September 30, 2005

OPERATING REVENUE
- Mobile: 31%
  - Fixed-line: 69%
- Mobile: 23%
  - Fixed-line: 77%
- Mobile: 19%
  - Fixed-line: 81%

OPERATING PROFIT

PROFIT FOR THE PERIOD

after inter-segmental eliminations
Fixed line operating revenue

Fixed-line operating revenue (before inter-segmental eliminations)
ZAR million

<table>
<thead>
<tr>
<th></th>
<th>Sep-04</th>
<th>Sep-05</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>15,733</td>
<td>16,407</td>
<td>4.3%</td>
</tr>
<tr>
<td>Subscription &amp; connections</td>
<td>2,611</td>
<td>2,804</td>
<td>7.4%</td>
</tr>
<tr>
<td>Traffic</td>
<td>8,935</td>
<td>8,938</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>Interconnect</td>
<td>837</td>
<td>844</td>
<td>0.8%</td>
</tr>
<tr>
<td>Data</td>
<td>2,748</td>
<td>3,200</td>
<td>17.5%</td>
</tr>
<tr>
<td>Directories &amp; other</td>
<td>542</td>
<td>593</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

Strong data growth impacted by lower tariffs
## Fixed line operating expenses

Fixed-line operating expenses (before inter-segmental eliminations)  
ZAR million

<table>
<thead>
<tr>
<th></th>
<th>Sep-04</th>
<th>Sep-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>11,643</td>
<td>11,273</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>3,475</td>
<td>3,143</td>
</tr>
<tr>
<td>Payments to other operators</td>
<td>2,983</td>
<td>3,129</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>1,452</td>
<td>1,437</td>
</tr>
<tr>
<td>Services rendered</td>
<td>1,001</td>
<td>945</td>
</tr>
<tr>
<td>Operating leases</td>
<td>385</td>
<td>367</td>
</tr>
<tr>
<td>Depreciation &amp; Amortisation</td>
<td>2,262</td>
<td>2,282</td>
</tr>
</tbody>
</table>

Lower employee costs with **cost discipline maintained** across all categories.
## Fixed line profitability

<table>
<thead>
<tr>
<th>ZAR million</th>
<th>Sept’04</th>
<th>Sept’05</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>4,207</td>
<td>5,404</td>
<td>28.5</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>26.7</td>
<td>32.9</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>6,574</td>
<td>7,656</td>
<td>16.5</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>41.8</td>
<td>46.7</td>
<td></td>
</tr>
</tbody>
</table>

Consistently strong operating performance
Mobile profitability

ZAR million

**Mobile operating revenue**

- Sep-04: 6,573
- Sep-05: 8,088

**Mobile operating expense**

- Sep-04: 5,322
- Sep-05: 5,995

**EBITDA margin**

- Sep-04: 23.0%
- Sep-05: 12.6%

**Operating profit margin**

- Before inter-segmental eliminations

26% operating profit margin

34% EBITDA margin
## Strengthened group balance sheet

<table>
<thead>
<tr>
<th></th>
<th>ZAR million</th>
<th>Sept’04</th>
<th>Sept’05</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td>41,261</td>
<td>42,868</td>
<td>3.9</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td>11,390</td>
<td>10,517</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>52,651</td>
<td>53,385</td>
<td>1.4</td>
</tr>
<tr>
<td>Capital and reserves</td>
<td></td>
<td>23,344</td>
<td>25,132</td>
<td>7.7</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>13,061</td>
<td>14,137</td>
<td>8.2</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td>16,246</td>
<td>(13.1)</td>
<td></td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td></td>
<td>52,651</td>
<td></td>
<td>1.4</td>
</tr>
<tr>
<td>Net debt</td>
<td></td>
<td>12,362</td>
<td>10,935</td>
<td>(11.6)</td>
</tr>
</tbody>
</table>

Telkom Group Interim Results September 2005
Capital investment

Capital expenditure

In ZAR millions

- Fixed-line: Sep-04 1,369, Sep-05 1,858
- Mobile: Sep-04 706, Sep-05 1,238
- Total: Sep-04 2,075, Sep-05 3,096

Capex to revenue

- Fixed-line: Sep-04 8.7%, Sep-05 11.3%
- Mobile: Sep-04 10.7%, Sep-05 15.3%
- Group: Sep-04 9.7%, Sep-05 13.2%

Maintained capital expenditure to revenue within guidance range of 12% - 15%
## Group cash flow

<table>
<thead>
<tr>
<th>ZAR million</th>
<th>Sept'04</th>
<th>Sept'05</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations</td>
<td>7,504</td>
<td>8,625</td>
<td>14.9</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(607)</td>
<td>(4,848)</td>
<td>(698.7)</td>
</tr>
<tr>
<td>Cash from operating activities</td>
<td>5,595</td>
<td>875</td>
<td>(84.4)</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(2,275)</td>
<td>(3,078)</td>
<td>(35.3)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(3,988)</td>
<td>859</td>
<td>121.5</td>
</tr>
<tr>
<td>Net decrease in cash</td>
<td>(668)</td>
<td>(1,344)</td>
<td>(101.2)</td>
</tr>
<tr>
<td>Cash at end of period</td>
<td>2,105</td>
<td>951</td>
<td>(54.8)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>3,927</td>
<td>2,645</td>
<td>(32.6)</td>
</tr>
</tbody>
</table>

Telkom Group Interim Results September 2005
Our Future
Our Vision

is to be a leading **customer** and **employee** centred **ICT solutions** provider
Shifts in strategic emphasis

- Enhancing **customer** satisfaction through customer centricity
- Retaining **revenue** and **generating growth**
- Evolving the network to a **next generation network** in order to support profitable growth through prudent **cost management**
- Engage our **employees**
- Reposition Telkom stakeholder management to create **healthy external relationships**
Delivering shareholder value

Customer centricity
- Customer service excellence
- Full spectrum of ICT solutions
- Converged solutions services

Growth engines
- Broadband acceleration
- Data services
- Triple play services
- Cellular & Fixed Mobility
- Outside SA

Stakeholder relations
- Honest and transparent
- Mutually beneficial
- Good corporate citizen

Enabled through our people and a next generation network
Financial outlook for March 2006

- 2006 EBITDA margin target is to achieve 40% and above

- EBITDA margin is expected to be impacted by the introduction of competition, price reductions in data services and more aggressive rollout of IP network

- Capital expenditure in 2006 is expected to be closer to the top end of our guidance of 12%-15% as we more aggressively rollout ADSL and our IP network

- Debt levels are expected to be maintained to achieve net debt to equity ratio of 50%-70%
Investor relations
telkomir@telkom.co.za
Tel: +27 12 311 5720
Fax: +27 12 311 5721