

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take in relation to this circular consult your Central Securities Depository Participant ("CSDP"), broker, banker, accountant, legal advisor or other professional advisor immediately.

Action required

1. If you have disposed of all your shares in Telkom SA Limited ("Telkom" or "the Company"), please forward this circular to the stockbroker, banker or agent through whom you disposed of such shares.
2. If you are registered holders of certificated Telkom shares or you hold dematerialised Telkom shares and have recorded your shareholding in your own name on the sub-register maintained by your CSDP or broker, and if you are unable to attend the Annual General Meeting of shareholders of Telkom to be held at 12:00 on Tuesday, 27 January 2004 at the NBSC Building, 61 Oak Avenue, Techno Park, Centurion, South Africa and wish to be represented at the Annual General Meeting, you should complete and return the attached proxy form, in accordance with the instructions contained therein so as to be received by the transfer secretaries, Computershare Limited (in South Africa), by no later than 12:00 on Friday, 23 January 2004.
3. Shareholders who have dematerialised their Telkom shares (other than those shareholders whose shareholding is recorded in their own name on the sub-register maintained by their CSDP or broker) must provide their CSDP with their voting instructions for the Annual General Meeting in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP or broker. If, however, such shareholders wish to attend the Annual General Meeting in person, then they will need to request their CSDP or broker to provide them with the necessary authority to attend and vote at the Annual General Meeting.



Telkom SA Limited
(Incorporated in the Republic of South Africa)
(Registration number 1991/005476/06)
(JSE & NYSE share code: TKG)
(ISIN: ZAE000044897)

CIRCULAR TO SHAREHOLDERS

regarding

- the adoption of an employee share incentive plan, the Telkom Conditional Share Plan ("the Plan");
- general authority for Telkom to repurchase its shares

and incorporating

- a notice of the 11th Annual General Meeting of shareholders of the Company;
- a form of proxy; and
- the salient features of the Plan

Sponsor



Independent reporting
Accountants



Attorneys (in respect of the Plan)



Date of issue: _____

ADMINISTRATION

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Investor Relations

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Customer call centre

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Business call centre

10217

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152 Proes Street
Pretoria, 0002
South Africa

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Tel: +27 12 321 5808

Company registration number

1991/005476/06

Website

www.telkom.co.za

Auditors

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Illovo, 2196, South Africa
PO Box 2322, Johannesburg, 2000, South Africa

KPMG Inc

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PO Box 11265, Hatfield, 0028, South Africa

Sponsors

UBS Securities South Africa (Proprietary) Limited
64 Wierda Road East
Wierda Valley, South Africa
Sandton, 2196, South Africa

Transfer secretaries

Computershare Limited
Registration No 1958/003546/06
Ground Floor, 70 Marshall Street
Johannesburg, 2001, South Africa
PO Box 61051
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United States ADR Depository

The Bank of New York
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1. INTRODUCTION

At the Annual General Meeting of shareholders of the Company to be held on Tuesday, 27 January 2003, the Company will in addition to the business usually conducted at such meetings, propose to its shareholders, among other resolutions, the following:

- 1.1 two ordinary resolutions, required to adopt and implement an employee share incentive plan, the Telkom Conditional Share Plan ("Plan"). The Board considers it to be in the interests of the Company that the Plan be adopted so as to provide employees of the Company an opportunity to acquire equity in the Company, as a further incentive to advance the Company's interests. The salient features of the Plan are set out on pages 9 and 10 of this circular; and
- 1.2 a special resolution, the effect of which will be to give the Company and/or its subsidiaries, general approval to acquire, from time to time, the Company's shares on the JSE Securities Exchange South Africa ("JSE"). The general approval will be valid until the next Annual General Meeting of the Company's shareholders, and will lapse unless renewed by the shareholders at the aforesaid Annual General Meeting. The general approval will, however, not extend beyond 15 months from the date of registration of the special resolution.

The information given hereunder is furnished in compliance with the JSE's Listings Requirements in relation to the adoption of employee share incentive plan and buy-back of shares.

2. DIRECTORS

The directors of the Company are as follows:

Name	Address	Function
Nomazizi Ethel Mtshotshisa	Beslin House, 10 Koningkramer Road New Germany, 3610	Non-executive Chairman
Sizwe Errol Nxasana	24th Floor, Telkom Towers North, 152 Proes Street Pretoria, 0002	Executive director (CEO)
Shawn Michael [#] McKenzie	24th Floor, Telkom Towers North, 152 Proes Street Pretoria, 0002	Executive director (COO)
Tan Chian Khai [*]	25th Floor, Telkom Towers North, 152 Proes Street Pretoria, 0002	Executive director (CSO)
Jonathan Paul [#] Klug	175 E Houston, San Antonio Texas, 78205, USA	Non-executive director
Tan Sri Dato' Ir. [*] Md. Radzi Mansor	Telkom Malaysia Baharu Level 55, Menara Telekom, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia	Non-executive director
Richard Peter Menell	Anglovaal Mining, 56 Main Street Marshalltown, Johannesburg 3107	Non-executive director
Mthandazo Peter Moyo	Old Mutual, Jan Smuts Drive Pinelands, 7450	Non-executive director
Tlhalefang Anthony Sekano	CWIC, 1st Floor, 10 Cradock Avenue, Rosebank, 2196	Non-executive director
Charles Leonard Valkin	Twin Towers West, Sandton City Sandton, 2196	Non-executive director
Themba Guduza Vilakazi	158 Jan Smuts Avenue, 4th Floor IS Junction, Rosebank, 2196	Non-executive director

[#] American

^{*} Malaysian

3. SHARE CAPITAL

The authorised and issued share capital of the Company is set out below:

	Number of shares	Rm
Authorised share capital		
Ordinary shares of R10 each	1 000 000 000	10 000
Issued share capital		
Ordinary shares of R10 each	557 031 817	5 570
Class A ordinary share of R10 each	1	–
Class B ordinary share of R10 each	1	–

4. MAJOR SHAREHOLDERS

At the last practicable date (being 18 December), shareholders beneficially holding directly, or indirectly, 5% or more of the issued share capital of the company were as follows:

Shareholder	Number of shares	Percentage holding
The Government of the Republic of South Africa	215 626 043	38.71
Thintana Communications LLC	167 109 546	30.00

At the last practicable date, the directors were not aware of any other shareholder who beneficially holds directly or indirectly, 5% or more prior to the finalisation of this circular at the last practicable date of the Company's issued share capital.

5. DIRECTORS' INTERESTS

At the last practicable date, the directors had the following direct and indirect, beneficial and non-beneficial interests in the share capital of the Company:

	Beneficial		Non-beneficial		Total	Percentage holding (%)
	Direct	Indirect	Direct	Indirect		
N E Mtshotshisa	–	–	–	88	88	*
S E Nxasana	223	446	446	–	1 115	*
M P Moyo	–	–	–	18 184 993	18 184 993#	3.26
T G Vilakazi	–	–	188	–	188	*
	223	446	634	18 185 081	18 186 384	3.26

* Less than 1%

The shares are beneficially owned by Old Mutual of which Mr MP Moyo is an executive director.

N E Mtshotshisa, Chairman of the Board of directors on March 31, 2003, is a director of Beslyn Investments, a company that has a contract to supply Telkom with protective clothing.

T A Sekano is a Chairman of Letlapa Security and a director of Telesafe Security. Letlapa Security owns an interest in Telesafe Security, a security company that provides physical security services at Telkom premises.

S M McKenzie is a shareholder of Amdocs Inc, a company that supplies certain Information Technology software to Telkom.

There have been no changes in the directors' interests in the Company between March 31, 2003, the date of the Company's last financial year end, and the last practicable date.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear in paragraph 2 above, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and this circular contains all information required by law and the JSE Listings Requirements.

7. LITIGATION STATEMENT

Expenditure of R594m was incurred up to March 31, 2002 for the development and installation of an integrated end-to-end customer assurance and activation system to be supplied by Telcordia. In the 2001 financial year, the agreement with Telcordia was terminated and in that year, the Company wrote off R119m of this investment in the fixed-line business. Following an assessment of the viability of the project, the balance of the Telcordia assets were written-off in the 2002 financial year. During March 2001, the dispute relating to the termination of the agreement, was taken to arbitration, where Telcordia was seeking approximately US\$130m plus interest at a rate of 15.50% per year for money outstanding and damages. In September 2002, a partial ruling was issued by the arbitrator in favour of Telcordia. On November 5, 2002, Telkom brought an application in the High Court of South Africa to review the partial award. The hearing of the review application commenced on August 11, 2003 and on 27 November 2003, the High Court set aside the partial award of the arbitrator and allowed the arbitration to be heard afresh by a panel of 3 (three) retired High Court judges. Telcordia also petitioned the United States District Court for the District of Columbia to confirm the partial ruling, which petition Telkom has successfully resisted. Telcordia, however, have since filed a notice to appeal. The arbitration proceedings and the amount of Telkom's liability are not expected to be finalised until late 2003 or early 2004. Telkom had provided US\$47m (March 31, 2003: US\$44m) for its estimate of probable liabilities, which include interest and legal fees at September 20, 2003.

Telkom is also party to various additional proceedings and lawsuits in the ordinary course of business, which management do not believe will have a material adverse impact on the Company.

8. MATERIAL CHANGES

No material changes in the financial or trading position of the Company have taken place since the interim results for the six months ended 30 September 2003.

9. ANNUAL GENERAL MEETING

A notice convening the 11th Annual General Meeting of Telkom shareholders to be held at the NBSC building, 61 Oak Avenue, Techno Park, Centurion, South Africa on Tuesday, 27 January 2004 at 12:00 and a form of proxy for use by registered certificated shareholders and dematerialised shareholders with own name registration who are unable to attend the Annual General Meeting form part of this circular. Duly completed forms of proxy must be received by the transfer secretaries by no later than 12:00 on Friday 23, January 2004. Dematerialised shareholders, other than with own name registration, must inform their CSDP or broker of their intention to attend the Annual General Meeting and obtain the necessary authorisation from their CSDP or broker to attend the Annual General Meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the Annual General Meeting in person. This must be done in terms of the agreement entered into between the shareholders and the CSDP or broker concerned.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office during normal office hours up to the close of business on Friday, 23 January 2004:

- the Memorandum and Articles of Association of Telkom;
- the audited financial statements for the three years ended 31 March 2003;
- interim financial statements for the six months ended 30 September 2003;
- the Telkom Conditional Share Plan; and
- a signed copy of this circular

By order of the Board

V V Mashale
Company Secretary

Pretoria



TELKOM SA LIMITED
("Telkom" or "the Company")
(Registration number 1991/005476/06)
JSE and NYSE share code: TKG ISIN: ZAE000044897
11th Annual General Meeting of Telkom Shareholders

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the shareholders of Telkom will be held at the NBSC Building, 61 Oak Avenue, Techno Park, Centurion, South Africa on Tuesday, 27 January 2004 at 12:00 for the following purposes:

ORDINARY BUSINESS

1. To receive the annual financial statements for the year ended 31 March 2003, copies of which were posted to members in July 2003.
2. To transact such other business as may be transacted at an Annual General Meeting.

SPECIAL BUSINESS

3. To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions:

3.1 Ordinary Resolution 1

"Resolved that, The Telkom Conditional Share Plan, embodied in the document tabled at the Annual General Meeting convened to consider, inter alia, this ordinary resolution number 1 and signed by the Chairman for identification purposes, be and is hereby adopted by the Company."

A copy of The Telkom Conditional Share Plan is available for inspection at Company's registered office, from the date of this notice until the close of business on Friday, 23 January 2004. Furthermore, a summary of the salient features of The Telkom Conditional Share Plan is attached overleaf.

3.2 Ordinary Resolution 2

"Resolved that, subject to the passing of ordinary resolution number 1 to be proposed at the Annual General Meeting at which, inter alia, this ordinary resolution number 2 is to be considered, 22 281 272 shares in the issued ordinary share capital of the Company (being 4% thereof) be and are hereby placed under the control of the directors of the Company who are specifically authorised in terms of section 221 of the Companies Act 61 of 1973, as amended, to allot and issue all or any of such shares to the participants under, and in terms of the provisions of, The Telkom Conditional Share Plan, as amended"

4. To consider and, if deemed fit, to pass, with or without modification, the following special resolutions:

4.1 Special Resolution 1

"Resolved that Clause 33.1.1 of the Company's Articles of Association be amended to read as follows:

"The directors may meet, adjourn and otherwise regulate their meetings as they think fit, provided however, that the Board shall meet at least once a quarter, and any director shall be entitled to convene or direct the Secretary to convene a meeting of the directors."

The reason for and effect of this resolution is to amend the Articles of Association of the Company to reduce the minimum number of Board meetings per year from 6 to 4.

4.2 Special Resolution 2

"Resolved that the Company, or a subsidiary of the Company, be authorised, subject to the limitations set out in the provisos to this special resolution 2, by way of a general approval, to acquire ordinary shares in the issued share capital of the Company from time to time, upon such terms and conditions and in such amounts as the directors of the Company and/or its subsidiaries may from time to time decide, but always subject to the provisions of the Companies Act, 61 of 1973, as amended ("Companies Act") and the Listings Requirements ("Listings Requirements") from time to time of the JSE, which general approval shall endure until the following Annual General Meeting of the Company (whereupon this approval shall lapse unless it is renewed at the aforementioned Annual General Meeting, provided that this approval shall not extend beyond fifteen months from the date of registration of this special resolution 2), provided that neither the Company nor any subsidiary of the Company shall acquire any ordinary shares in the issued share capital of the Company unless, prior to the implementation of the first such acquisition:

- the Company's directors ensures that its sponsor provides the JSE with the necessary report on the adequacy of the working capital of the Company and its subsidiaries in terms of the Listings Requirements prior to the commencement of the buyback; and
- the Company provides the JSE with a written statement and confirmation by the directors of the Company to the effect that, after considering the effect of such acquisition:
 - the Company and the Group are at the time of the relevant acquisition, or would after the implementation of the relevant acquisition be, able to pay their debts as they become due in the ordinary course of business, for a period of at least 12 months from the date of their statement;
 - the assets of the Company and the Group, would, after the implementation of the relevant acquisition, be in excess of the liabilities of the Company and the Group, for a period of at least 12 months from the date of their statement. For this purpose, the assets and liabilities of the Company and the Group will be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements of the Company;
 - the share capital and reserves of the Company and the Group would, after the implementation of the relevant acquisition, be adequate for the ordinary business purposes, for a period of at least 12 months from the date of their statement; and
 - the working capital of the Company and the Group would, after the implementation of the relevant acquisition, be adequate for ordinary business purposes, for a period of at least 12 months from the date of their statement,
- and prior to the implementation of any further such acquisition that is implemented within the 12-month period referred to above, the Company provides the JSE with a written statement and confirmation by the directors of the Company to the effect that the provisions of the Companies Act have been complied with in respect of such further acquisition.

It is recorded that the Listings Requirements currently require, inter alia, that the Company may acquire ordinary shares in the Company pursuant to a general approval if:

- authorisation thereto being given by its articles;
- approval by shareholders in terms of a special resolution of the Company, in Annual General/General Meeting, which shall be valid only until the next Annual General Meeting or for 15 months from the date of the resolution, whichever period is shorter;
- such repurchase does not exceed 20% of the Company's issued ordinary share capital in any one financial year;
- the repurchase of securities being effected through the order book operated the the JSE trading system and done without any prior understanding or arrangement between the Company and the counter parties;
- such repurchases are not made at a price more than 10% above the weighted average of the market value of the Company's ordinary shares for the five business days immediately preceding such repurchase; and
- at any point in time, a company may appoint one agent to effect any repurchase(s) on the Company's behalf;
- the Company may only undertake a repurchase of its share if, after such repurchase, it still complies with paragraphs 3.37 to 3.41 of the JSE Listing Requirements concerning shareholder spread requirements;
- the Company or its subsidiaries may not repurchase company shares during a prohibited period as defined in paragraph 3.67 of the JSE Listing Requirements;
- an announcement is published by the Company as soon as ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue at the time the general approval is granted ("initial number") have been repurchased and thereafter, after each 3% in aggregate of the initial number has been repurchased, containing full details of such repurchases."

The effect of this resolution and the reason for it is to grant the Company and its subsidiaries a general approval in terms of the Companies Act to facilitate the acquisition of the Company's own shares, which general approval shall be valid until the earlier of the next Annual General Meeting of the Company or its variation or revocation of such general approval by special resolution by any subsequent general meeting of the Company, provided that the general approval shall not extend beyond fifteen months from the date of such meeting. Such general approval will provide the directors with flexibility to effect a repurchase of the Company's shares, should it be in the interest of the Company to do so at any time while the general approval is in force. At the present time the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate.

NOTES ON PROXIES

- (1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead at the Annual General Meeting. A proxy need not be a member of the Company.
- (2) A form of proxy which sets out the relevant instructions for its completion, is attached for use by shareholders of the Company who wish to appoint a proxy. The instrument in appointing a proxy and the authority, if any, under which it is signed must be received by the Company's transfer secretaries at the address given below by not later than 12:00 on Friday, 23 January 2004.
- (3) Shareholders who hold certificated shares in their own name and shareholders who have dematerialised their shares with "own name" registration must lodge their completed proxy forms with the Company's transfer secretaries, at the address given below not later than 12:00 on Friday, 23 January 2004.
- (4) All beneficial owners of shares who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than those shareholders who have dematerialised their shares with "own name" registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time and in accordance with the agreement between the beneficial owner, and the CSDP, broker or nominee (as the case may be) to allow the CSDP, broker or nominee to carry out the instructions and if applicable lodge the requisite voting instruction by not later than 12:00 on Friday, 23 January 2004.
- (5) Should such beneficial owners, however, wish to attend the meeting in person, they may do so by requesting their CSDP, broker or nominee to issue them with an appropriate authority in terms of the agreement entered into between the beneficial owner, and the CSDP, broker or nominee (as the case may be) and if applicable, lodge the appropriate authority with the Company's transfer secretaries at the address given below by not later than 12:00 on Friday, 23 January 2004.

By order of the Board

V V Mashale
Company Secretary

18 December 2003

Business address and registered office
Telkom Towers North
152 Proes Street
Pretoria, South Africa, 0002
(Private Bag X881, Pretoria, 0001)

South African Transfer Secretaries
Computershare Limited
Registration number 1958/003546/06
Ground Floor, 70 Marshall Street
Johannesburg, South Africa, 2001
(PO Box 61051, Marshalltown, 2107)

SALIENT FEATURES OF PROPOSED TELKOM CONDITIONAL SHARE PLAN ("THE PLAN")

1 NUMBER OF ORDINARY SHARES TO BE MADE AVAILABLE FOR THE PURPOSES OF THE PLAN

- 1.1 The present issued ordinary share capital of the Company is comprised of 557 031 819 ordinary shares ("shares"). The aggregate number of shares which may be made available for purposes of the Plan shall be 22 281 272 ordinary shares (being 4% of the Company's issued ordinary share capital).
- 1.2 The aggregate number of shares that may be acquired by -
 - 1.2.1 management employees in terms of the Plan will not exceed 2% of the Company's ordinary share capital;
 - 1.2.2 non-management employees in terms of the share Plan will not exceed 2% of the Company's ordinary share capital; and
 - 1.2.3 any one participant in terms of this Plan will not exceed 0,05% of the Company's ordinary share capital.

2 PARTICIPANTS AND MANNER OF PARTICIPATION

- 2.1 The participants in the Plan will comprise management employees and non-management employees of the Company.
- 2.2 The Board may, on an annual basis, resolve.
 - 2.2.1 that contracts ("conditional contracts") to acquire shares should be awarded to employees of the Company;
 - 2.2.2 the particular employees to whom such conditional contracts should be awarded;
 - 2.2.3 the maximum number of shares to be awarded provisionally in terms of each such conditional contract.
- 2.3 A conditional contract will oblige the Company to allot and issue to the employee or procure the transfer to the employee, free of any cash payment, the provisional number of shares awarded to the employee, subject to certain performance criteria applicable to him or her being met within a specified period. Accordingly, the final number of shares to which the employee becomes entitled will depend on whether the performance criteria are met and if so to what extent, but the final number of shares awarded will not exceed the provisional number awarded.
- 2.4 The performance criteria applicable to a management employee have to be met within 3 (three) years. Those applicable to a non-management employee have to be met for one third of his or her provisional shares at the end of 2 (two) years, for the next third at the end of 3 (three) years and for the last third at the end of 4 (four) years, in each case from the date of his or her conditional contract.
- 2.5 At the end of each of the aforesaid periods the rights of the employee concerned to his or her provisional shares will vest unconditionally if and to the extent that the applicable performance criteria will have been met and the employee is still in the employment of the company. The Company will then be obliged to allot and issue (credited as fully paid up) the appropriate number of shares (if any) to the employee or to procure that the appropriate number of shares (if any) are transferred to the employee.

3 TERMINATION OF EMPLOYMENT

- 3.1 The rights of employees whose employment is terminated as a result of (a) death (other than suicide); (b) retrenchment where such employee does not receive a voluntary severance package; (c) an outsourcing; (d) normal retirement; and (e) retrenchment due to ill health will remain unaffected.
- 3.2 Employees whose employment with the Company is terminated for reasons other than those set out in 4.1 above will lose their rights to acquire any shares other than any rights which may have already vested.
- 3.3 The Board may, at its discretion, treat a participant more favourably on the termination of his/her employment than set out in 4.1 above.

4 GENERAL PROVISIONS

- 4.1 Provision is made for the number of shares to which employees are entitled under conditional contracts to be adjusted pursuant to events which impact on the capital structure of the Company (eg subdivisions, consolidations and reductions of capital). Adjustments must be certified as being fair and reasonable by an independent merchant bank. Provision is also made for accelerated vesting in the event of a change of control. However, employees do not participate in rights issues or capitalisation issues.
- 4.2 Until rights to shares are vested, employees will not receive any dividends for them or be entitled to votes, which they carry.
- 4.3 No participant shall be entitled to cede any of his or her rights or delegate any of his or her obligations under this plan.
- 4.4 The Board will have the power to amend any of the provisions of the share plan provided that
 - 4.4.1 no such amendment affects the vested rights of any employees; and
 - 4.4.2 no such amendment effecting any of the following matters shall be competent unless sanctioned by the JSE Securities Exchange South Africa and by the Company in general meeting.
 - 4.4.2.1 the eligibility of persons who may participate under the share plan;
 - 4.4.2.2 the calculation of the total number of shares which may be acquired for the purpose of or pursuant to this plan;
 - 4.4.2.3 the maximum number of shares which may be acquired by any participant;
 - 4.4.2.4 the voting, dividend, transfer and other rights attaching to provisional shares.



TELKOM SA LIMITED
 ("Telkom" or "the Company")
 (Registration number: 1991/005476/06)
 JSE and NYSE share code: TKG ISIN: ZAE000044897

FORM OF PROXY

(For completion by certificated shareholders and own-name dematerialised shareholders)

For use at the Annual General Meeting to be held at 12:00 on Tuesday, 27 January 2004, at NBSC Building, 61 Oak Avenue, Techno Park, Centurion, South Africa.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, vote and speak in his/her stead at the Annual General Meeting. A proxy need not be a member of the Company.

I/We (name in block letters)

being a member/members of the Company and entitled to votes, do

hereby appoint

of

failing him/her

of

or failing him/her the Chairman of the Annual General Meeting as my/our proxy to represent me/us at the Annual General Meeting to be held at 12:00 on Tuesday, 27 January 2004 or at any adjournment thereof, as follows:

Ordinary business	FOR	AGAINST	ABSTAIN
(1) To receive the annual financial statements for the year ended 31 March 2003			
(2) To transact such other business as may be transacted at an Annual General Meeting			
Special business			
(3.1) Ordinary Resolution 1 To approve the Telkom Conditional Share Option Plan			
(3.2) Ordinary Resolution 2 To place 22 281 272 shares in the issued ordinary share capital of the Company under the control of the directors to allot and issue to participants of the Telkom Conditional Share Plan			
(4.1) Special Resolution 1 To amend Clause 33.1.1 of the Company's Articles of Association			
(4.2) Special Resolution 2 Authority to buy back the Company's shares			

And generally to act as my/our proxy at the said Annual General Meeting. (Indicate with an "X" on the relevant number of votes, in the applicable space, how you wish your votes to be cast. Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed _____ this _____ day of _____ 2004

Signature of members _____ Assisted by (where applicable) _____

Please read the notes on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space(s) provided, with or without deleting "the Chairman of the Annual General Meeting", but any such deletion or insertion must be initialed by the shareholder. Any insertion or deletion not complying with the foregoing will be declared not to have been validly effected. The person whose name stands first on the proxy form and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairman of the Annual General Meeting.
2. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereof. A shareholder of his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the shareholder or by his/her proxy.
3. To be effective, completed proxy forms must be lodged with the Company's South African transfer secretaries in Johannesburg not less than 48 hours before the time appointed for the holding of the Annual General Meeting. As the meeting is to be held at 12:00 on Tuesday, 27 January 2004, proxy forms must be lodged not later than Friday, 23 January 2004.
4. The completion and lodging of this proxy form will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat instead of any proxy appointed in terms hereof.
5. The Chairman of the Annual General Meeting may reject or accept any proxy from which is completed and/or received other than in compliance with these notes.
6. Any alteration to this proxy form, other than a deletion of alternatives, must be initialed by the signatories.
7. Documentary evidence establishing the authority of the person signing this proxy form in a representative or other legal capacity must be attached to this proxy form unless previously recorded by the Company or the transfer secretaries or waived by the Chairman of the Annual General Meeting.
8. Where there are joint holders of shares:
 - 8.1 any one holder may sign the proxy form; and
 - 8.2 the vote of the senior shareholder (for that purpose seniority will be determined by the order in which the names of the shareholders appear in the Company's register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes(s) of the other joint shareholders.
9. This proxy form is not for completion by those shareholders who have dematerialised their shares (other than those whose shareholding is recorded in their own name in the subregister maintained by their Central Securities Depository Participant (CSDP). Such shareholder should provide their CSDP, broker or nominee with their voting instructions.

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