

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 broker, banker or agent through whom you disposed of such shares.
2. If you are a registered holder 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 are unable to attend the annual general meeting of shareholders of Telkom to be held at 10:30 on Monday 15 September 2008 in the Auditorium, Gallagher Estate, 19 Richards Drive, Midrand, Johannesburg, South Africa but wish to be represented at the annual general meeting, you must complete and return the attached form of proxy in accordance with the instructions contained therein so as to be received by the transfer secretaries, Computershare Investor Services (Pty) Limited (in South Africa), by no later than 10:30 on Friday 12 September 2008.
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 or broker with their voting instructions for the annual general meeting in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP if they are unable to attend the annual general meeting but wish to be represented thereat. If, however, dematerialised 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 and NYSE share code: TKG)
(ISIN: ZAE000044897)
("Telkom" or the "company")

CIRCULAR TO SHAREHOLDERS

regarding

general authority for Telkom to repurchase its shares;

and incorporating

- a notice of annual general meeting of shareholders; and**
- a form of proxy (for completion by certificated and "own name" dematerialised shareholders).**

Sponsor



Date of issue: 14 August 2008

Copies of this circular are available in English only and can be obtained at the company's registered office.

1. INTRODUCTION

At the annual general meeting of shareholders of the company to be held on Monday 15 September 2008 the company will, in addition to business usually conducted at such meetings, propose to its shareholders, a special resolution, the effect of which will be to give the company and/or its subsidiaries, general authority to acquire, from time to time, the company's shares on the JSE Limited ("JSE"). The general authority will be valid until the next annual general meeting of the company, and will lapse unless renewed by the shareholders at the aforesaid annual general meeting. The general authority will, however, not extend beyond fifteen months from the date of the special resolution. To the extent that the number of shares repurchased pursuant to this authority exceeds the maximum number of shares that subsidiaries may hold in their holding company, such shares will be cancelled from the company's issued share capital and restored to authorised but unissued share capital.

2. DIRECTORS

The directors of the company are as follows:

Name	Address	Function
Shirley Therese Arnold	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director, Chairman
Reuben Joseph September	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Executive director, Chief Executive Officer
Brahm du Plessis	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director
Reitumetse Jackie Huntley	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director
Peter Gowar Joubert	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director
Dr Victor Bernard Lawrence	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director
Penuell Cornwell Sibusiso Luthuli	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director

Name	Address	Function
Keitumetse Seipelo Thandeka Matthews	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director
Brian Molefe	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director
Dr Ekwow Spio-Garbrah	Telkom Towers North 24th Floor 152 Proes Street Pretoria 0002 South Africa	Non-executive director

3. SHARE CAPITAL

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

	Number of shares	R
Authorised share capital		
Ordinary shares of R10 each	999 999 998	9 999 999 980
Class A ordinary share of R10 each	1	10
Class B ordinary share of R10 each	1	10
Issued share capital		
Ordinary shares of R10 each	520 784 184	5 207 841 840
Class A ordinary share of R10 each	1	10
Class B ordinary share of R10 each	1	10

4. MAJOR SHAREHOLDERS

At Thursday 31 July 2008, shareholders beneficially holding directly 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*	207 038 058	39.76
Black Ginger 33 (Proprietary) Limited**	46 604 996	8.95
Public Investment Corporation Limited	34 620 736	6.65
Elephant Consortium	34 180 996	6.56

* These shares are held together with the Class A Share.

** These shares are held together with the Class B Share.

At the last practicable date, being Thursday 31 July 2008, the directors were not aware of any other shareholder who beneficially holds, directly or indirectly, 5% or more of the company's issued share capital.

5. DIRECTORS' INTERESTS

At the last practicable date, being Thursday 31 July 2008, none of Telkom directors other than Mr RJ September held any direct and indirect, beneficial and non-beneficial interests in the share capital of the company. Mr RJ September directly hold 7 155 ordinary shares in the capital of Telkom.

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 Listings Requirements of the JSE.

7. LITIGATION STATEMENT

Save as set out herein, there are no litigation or arbitration proceedings, including any proceedings that are pending or threatened of which Telkom is aware, that may have or have had in the recent past, being at least the 12 previous months, a material effect on Telkom's financial position. Telkom is currently engaged in the following litigation or arbitration proceedings:

7.1 Telcordia arbitration

Telcordia instituted arbitration proceedings against Telkom in March 2001 before a single arbitrator of the International Court of Arbitration, operating under the auspices of the International Chamber of Commerce. Telcordia is seeking to recover approximately \$130 million for monies outstanding and damages, plus costs and interest at a rate of 15.5% per year which was increased to US\$172 million in the 2007 financial year and subsequently decreased to US\$128 million. The arbitration proceedings relate to the cancellation of an agreement entered into between Telkom and Telcordia during June 1999 for the development and supply of an integrated end-to-end customer assurance and activation system by Telcordia. In September 2002, the arbitrator found that Telkom had wrongfully repudiated the contract and a partial award was issued by the arbitrator in favour of Telcordia. Telkom subsequently filed an application in the South African High Court to review and set aside the partial award. In November 2003, the South African High Court set aside the partial award and issued a cost order in favour of Telkom. In May 2004, the South African High Court dismissed an application by Telcordia for leave to appeal and ordered Telcordia to pay the legal costs of Telkom. In November 2004 the Supreme Court of Appeals granted Telcordia leave to appeal. Telcordia filed a notice of appeal also at that time petitioned the United States District Court for the District of Columbia to confirm the partial award, which petition was dismissed, along with a subsequent appeal. Following the dismissal of the appeal, Telcordia filed a similar petition in the United States District Court of New Jersey. The United States District Court of New Jersey also dismissed Telcordia's petition, reaffirming the decision of the United States District Court of Columbia. Telcordia appealed this dismissal, which was later dismissed by the Appeals Court of New Jersey.

The appeal by Telcordia in the Supreme Court of Appeals was heard in October 2006. Following the successful upholding of the appeal, Telkom filed an application for leave to appeal to the Constitutional Court on only the issue revolving around the Supreme Court of Appeals' failure to recognise Telkom's rights of access to the courts under the South African Arbitration Act. The Constitutional Court has since dismissed Telkom's appeal with costs. The Constitutional Court judgment brought to finality the merits dispute of the Telcordia damages claim against Telkom and the parties are expected to reconvene the arbitration solely for purposes of determining the amount of damages to which Telcordia is entitled. Following the ruling by the Constitutional Court, two hearings were held at the International Dispute Resolutions Centre, or IDRC. The first hearing was held in London on 21 May 2007 and was a 'directions hearing', in terms of which the parties consented to a ruling by the arbitrator setting out a consolidated list of proposals and issues to form part of the damages hearing.

The second hearing was held in London at the IDRC in June 2007 and dealt with the application by Telcordia for the striking out of part of Telkom's defense on the basis that Telkom had raised issues in its defense that had already been heard by the arbitrator prior to his partial award. This application was dismissed by the arbitrator. The arbitrator also made a ruling compelling Telcordia to provide certain particulars requested by Telkom with regard to the claims by Telcordia. In his ruling, the arbitrator also set out a list of issues for determination at the damages.

The parties also attempted to explore possible settlement by means of mediation. The mediation took place in London in February 2008 without success. In the interim the parties have agreed to the appointment by the arbitrator of a third party expert to deal with the technical issues in relation with the software that was required to be provided by Telcordia, who will make a recommendation to the arbitrator in dealing with the quantum of the claims. The arbitration proceeded to deal with various procedural issues that require resolution prior to the main substantive hearings, which are expected to take place later in 2008.

Although Telkom is currently unable to predict the exact amount that it may eventually be required to pay Telcordia, it has made provisions for estimated liabilities in respect of Telcordia in the sum of US\$70 million (R569 million), including interest and legal fees. Telkom will be required to fund any payments to Telcordia from cash flows or the incurrence of debt and the amount of any damages above Telkom's provision would increase Telkom's liabilities and decrease its net profit, which could have a material adverse effect on its financial condition, cash flows and results of operations.

7.2 **Competition Commission**

Telkom is party to a number of legal proceedings filed by parties with the South African Competition Commission alleging anti-competitive practices described below. If Telkom were found to have committed prohibited practices as contained in the Competition Act, 89 of 1998 ("Competition Act"), as amended, Telkom could be required to cease these practices, divest these businesses and be fined a penalty of up to 10% of Telkom's annual turnover, excluding the turnover of subsidiaries and joint ventures, for each complaint for the financial years prior to the dates of the complaints. The Competition Commission has to date not imposed the maximum penalty on any offender.

As competition continues to increase, Telkom expects that it will become involved in an increasing number of disputes regarding the legality of services and products provided by Telkom and third parties. These disputes may range from court lawsuits to complaints lodged by or against Telkom with various regulatory bodies. Telkom is currently unable to predict the amount that it may eventually be required to pay in these proceedings, however, Telkom has not included provisions for any of these claims in its financial statements. In addition, Telkom may need to spend substantial amounts defending or prosecuting these claims even if it is ultimately successful. If Telkom is required to cease these practices, divest itself of the relevant businesses or pay significant fines, Telkom's business and financial condition could be materially adversely affected and its revenue and net profit could decline. Telkom may be required to fund any penalties or damages from cash flows or drawings on our credit facilities, which could cause our indebtedness to increase.

7.3 **Independent Cellular Service Provider Association of South Africa ("ICSPA")**

In 2002, the ICSPA filed a complaint against Telkom at the Competition Commission in terms of the Competition Act, alleging that Telkom had entered into contracts with large corporations, providing large discounts with the effect of discouraging the corporates from using the 'premicell' device installed by their members. ICSPA alleged various contraventions of the Competition Act. Telkom provided the Competition Commission with certain information requested. Telkom also referred the Competition Commission to its High Court application in respect of utilisation of the 'premicell' device. The Competition Commission declined to refer the matter to the Competition Tribunal. ICSPA then referred the matter to the Competition Tribunal in September 2003. Telkom filed its answering affidavit in November 2003. ICSPA has taken no further action since.

7.4 **The South African Value Added Network Services ("SAVA")**

In May 2002, the South African Value Added Network Services Providers' Association, an association of VANS providers, filed complaints against Telkom at the Competition Commission under the Competition Act, alleging, among other things, that Telkom was abusing its dominant position in contravention of the Competition Act and that it was engaged in price discrimination. The Competition Commission found, among other things, that several aspects of Telkom's conduct *prima facie* contravened the Competition Act and referred certain of the complaints to the Competition Tribunal for adjudication. The complaints deal with Telkom's alleged refusal to provide telecommunications facilities to certain VANS providers to construct their networks, refusal to lease access facilities to VANS providers, provision of bundled and cross-subsidised competitive services with monopoly services, discriminatory pricing with regard to leased line services and alleged refusal to peer with certain VANS providers.

Telkom has brought an application in the South African High Court to review the decision by the Competition Commission, on the basis that the Tribunal does not have the jurisdiction to adjudicate the matter. The Competition Commission has opposed the application. The application was heard in the High Court in April 2008 and judgment was reserved. The SAVA complaint is being held over, pending the High Court's decision on the jurisdictional challenge.

7.5 **Omnalink**

In August 2002 Omnilink filed a complaint against Telkom at the Competition Commission alleging that Telkom was abusing its dominance by discriminating in its price for Diginet services as against those charged to VANS and the price charged to customers who apply for a Telkom IVPN solution. The Competition Commission conducted an enquiry and subsequently referred the complaint, together with the SAVA complaint, to the Competition Tribunal for adjudication. This matter is currently being dealt with together with the SAVA matter discussed above and is being held over pending the High Court's decision with regards to the jurisdictional challenge discussed above.

7.6 **Orion/Telkom (Standard Bank and Edcon)**

In April 2003, Orion filed a complaint against Telkom, Standard Bank and Edcon at the Competition Commission concerning Telkom's discounts offered on public switched telecommunication services to corporate customers. In terms of the rules of the Competition Commission, the Competition Commission, who acts as an investigator, had one year to investigate the complaint. Orion simultaneously with the filing of the complaint, also filed an application against Telkom, Standard Bank and Edcon at the Competition Tribunal, for an interim order interdicting and restraining Telkom from offering Orion's corporate customers reduced rates associated with Telkom's Cellsaver discount plan.

The Competition Commission completed its investigation and decided that there was no *prima facie* evidence of any contravention of the Competition Act. Orion however referred the matter to the Competition Tribunal in terms of section 51 of the Competition Act, which allows for parties to refer matters to the Competition Tribunal themselves. Telkom has not yet filed its answering affidavit in the main complaint before the Competition Tribunal. To date there has been no further developments on this matter.

7.7 **Internet Service Association ("ISPA")**

In December 2005, the ISPA, an association of ISPs, filed complaints against Telkom at the Competition Commission regarding alleged anti-competitive practices on the part of Telkom. The complaints deal with the cost of access to SAIX, the prices offered by Telkom/*Internet*, the alleged delay in provision of facilities to ISPs and the alleged favourable installation timelines offered to Telkom Internet customers. 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. Telkom provided the Competition Commission with the information and is awaiting the Commission's response.

7.8 **M-Web and Internet Solutions ("IS")**

In June 2005, M-Web and Internet Solutions, or IS, jointly lodged a complaint with the Competition Commission against Telkom and also requested interim relief at the Competition Tribunal. The complaint at the Competition Commission mainly deals with Telkom's pricing for ADSL retail products and its IP Connect products, the termination of the peering link between Telkom and IS, the wholesale pricing of SAIX bandwidth for ADSL users of other internet service providers, the architecture of Telkom's ADSL access route and the manner in which internet service providers can only connect to Telkom's edge service router via IP Connect as well as alleged excessive pricing for bandwidth on Telkom's international undersea cable. The application for interim relief at the Competition Tribunal dealt with allegations that Telkom should maintain the peering link between IS and Telkom in terms of its current peering agreement, and demanded that Telkom treat the traffic generated by ADSL customers of M-Web as traffic destined for the peering link and that Telkom upgrade its peering link to accommodate the increased ADSL traffic emanating from M-Web and maintain a maximum of 65% utilisation. Telkom filed its answering affidavit, and is awaiting IS and M-Web's replying affidavit.

Since then, Telkom has entered into a new peering agreement with IS.

7.9 **M-Web**

In June 2007, M-Web brought an application against Telkom for interim relief at the Competition Tribunal with regard to the manner in which Telkom provides wholesale ADSL internet connections. M-Web requested the Competition Tribunal to grant an order of interim relief against Telkom to charge M-Web a wholesale price for the provision of ADSL internet connections which is not higher than

the lowest retail price. M-Web further applied for an order that Telkom implement the migration of end customers from Telkom PSTS ADSL access to M-Web without interruption of the service. Telkom raised the objection that the Competition Tribunal does not have jurisdiction to hear the matter in its answering affidavit filed at the Competition Tribunal. Telkom still had to "plead over" as to the merits of the matter. Telkom has also filed an application in the High Court of the Transvaal Provincial Division on 3 July 2007 for an order declaring that the Competition Tribunal does not have jurisdiction to hear the application made to it by M-Web.

The parties have entered into settlement negotiations, which resulted in the withdrawal of the interim relief application by M-Web as well as a withdrawal of the jurisdictional challenge by Telkom. The parties are in further negotiations.

Telkom is not currently able to predict when these disputes may be resolved or the amount that Telkom may eventually be required to pay, however, Telkom has not included provisions for all of these claims in our consolidated financial statements. In addition, Telkom may need to spend substantial amounts defending or prosecuting these claims even if Telkom is ultimately successful. If Telkom were to lose these or future legal and arbitration proceedings, Telkom could be prohibited from engaging in certain business activities and could be required to pay substantial penalties and damages, which could cause Telkom's revenue and net profit to decline and have a material adverse impact on Telkom's business and financial condition. Telkom may be required to fund any penalties or damages from cash flows or drawings on our credit facilities, which could cause our indebtedness to increase.

8. MATERIAL CHANGES

No material changes in the financial or trading position of the company have taken place since the results of the financial year ended 31 March 2008 were published.

9. ANNUAL GENERAL MEETING

A notice convening an annual general meeting of Telkom shareholders to be held on Monday 15 September 2008 in the Auditorium, Gallagher Estate, 19 Richards Drive, Midrand, Johannesburg, South Africa at 10:30 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 company's transfer secretaries by no later than 10:30 on Friday 12 September 2008. Dematerialised shareholders, other than dematerialised shareholders 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 12 September 2008:

- the memorandum and articles of association of Telkom;
- the audited financial statements for the three financial years ended 31 March 2008; and
- a signed copy of this circular.

By order of the board

Sandi Linford
Group Secretary

Pretoria
14 August 2008



Telkom SA Limited

(Incorporated in the Republic of South Africa)

(Registration number 1991/005476/06)

(JSE and NYSE share code: TKG)

(ISIN: ZAE00044897)

("Telkom" or the "company")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the sixteenth annual general meeting of members will be held on Monday 15 September 2008 in the Auditorium, Gallagher Estate, 19 Richards Drive, Midrand, Johannesburg, South Africa at 10:30 to conduct the following business:

1. To receive and consider the annual financial statements for the year ended 31 March 2008.
2. To elect:
 - 2.1 Mr PG Joubert as a director of the company.
Mr PG Joubert was appointed as a director of the company by the board after the last annual general meeting of the company and is, in accordance with the provisions of the company's articles of association, obliged to retire at this annual general meeting. Having so retired, Mr PG Joubert is eligible for election.
 - 2.2 Mr B du Plessis as a director of the company.
Mr B du Plessis is obliged to retire by rotation at this annual general meeting in accordance with the provisions of the company's articles of association. Having so retired, Mr B du Plessis is eligible for re-election.The profiles of each of the directors up for election or re-election appears on page 10.
3. To re-appoint Ernst & Young Inc as auditors of the company, to hold office until the conclusion of the next annual general meeting of the company and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2009 is Mr R Hillen.

Special business

To consider and if deemed fit, pass, with or without modification the following special resolution:

Special resolution

"RESOLVED THAT the directors of the company be and are hereby authorised to approve the purchase by the company, or by any of its subsidiaries, of the company's ordinary shares subject to the provisions of the Companies Act, 1973, as amended, and the Listings Requirements of JSE Limited ("JSE"), provided that:

- (a) the general authority granted to the directors shall be valid only until the company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this resolution;
- (b) any general purchase by the company and/or any of its subsidiaries of the company's ordinary shares in issue shall not in aggregate in any one financial year exceed 20% (twenty percent) of the company's issued ordinary share capital at the time that the authority is granted;
- (c) no acquisition may be made at a price more than 10% (ten percent) above the weighted average of the market value of the ordinary share for the 5 (five) business days immediately preceding the date of such acquisition;

- (d) the repurchase of the ordinary shares are effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party (reported trades are prohibited);
- (e) the company may only appoint one agent at any point in time to effect any repurchase(s) on the company's behalf;
- (f) the company or its subsidiary may not repurchase ordinary shares during a prohibited period;
- (g) the general authority may be varied or revoked by special resolution of the members prior to the next annual general meeting of the company; and
- (h) should the company or any subsidiary cumulatively repurchase, redeem or cancel 3% (three percent) of the initial number of the company's ordinary shares in terms of this general authority and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter in terms of this general authority, and announcement shall be made in terms of the Listings Requirements of the JSE."

Having considered the effect on the company of the maximum repurchase under this general authority, the directors are of the opinion that:

- the company and the group will be able in the ordinary course of business to pay its debts for a period of 12 (twelve) months after the date of this notice of annual general meeting;
- the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 (twelve) months after the date of this notice of annual general meeting which assets and liabilities have been valued in accordance with the accounting policies used in the audited financial statements of the group for the year ended 31 March 2008;
- the share capital and reserves of the company and the group will be adequate for the ordinary business purposes for a period of 12 (twelve) months after the date of this notice of annual general meeting; and
- the working capital of the company and group are considered adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of annual general meeting.

The board will ensure that the company's 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 JSE Listings Requirements prior to the commencement of any share repurchase in terms of this special resolution.

Reason for and effect of the special resolution:

The reason for special resolution is to grant the company's directors a renewable general authority or permit a subsidiary company to acquire ordinary shares of the company. The effect of this special resolution is to confer a general authority on the directors of the company to repurchase ordinary shares of the company which are in issue from time to time.

The board has considered the impact of a repurchase of up to 20% (twenty percent) of the company's shares, being the maximum permissible under a general authority in terms of the JSE Listings Requirements. Should the opportunity arise and should the directors deem it in all respects to be advantageous to the company to repurchase such shares, it is deemed appropriate that the directors be authorised to repurchase the company's shares.

Directors' responsibility statement

The directors, whose names appear on pages 2 and 3, collectively and individually, accept full responsibility for the accuracy of the information pertaining to this special resolution and certify 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 that this special resolution contains all information required by the JSE Listings Requirements.

Litigation statement

The directors, whose names appear on pages 2 and 3, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, other than what has been disclosed on pages 4 to 7, that may have or have had in the previous twelve months a material effect on the group's financial position.

Material change

Other than the facts and developments reported on in the annual report which was posted to shareholders on or about 14 August 2008, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the annual financial statements and the date of this notice of annual general meeting.

Profiles of directors

Peter Gowar Joubert (75) BA (Rhodes), DPWM (Rhodes), AMP (Harvard). Director of companies. Past CEO and Chairman of Afrox. Past Chairman of several companies including Delta Electrical, Foodcorp, General Motors SA, Impala Platinum, Munich Re and NEI. Past Deputy Chairman of Murray & Roberts and Nedcor. Past director of several companies including Malbak, Nedcor Investment Bank, Old Mutual plc and Old Mutual Life Assurance. Current Chairman of BDFM Publishers and Sandvik. Current director of SAA and Transnet and external advisor to General Motors SA.

Sunday Times Businessman of the year (1991), member of first King Committee on corporate governance. Vice-president of the Institute of Directors, Council Member and Director of the SA Institute of Race Relations.

Brahm du Plessis (53) was appointed to the board on 2 December 2004. Advocate du Plessis has been a practicing advocate at the Johannesburg Bar since 1987, specialising in intellectual property law. Prior to that he was a senior lecturer in Roman-Dutch Law at the University of Cape Town. He was a founder member of the CDRT (Community Dispute Resolution Trust) and is past chairman of the Johannesburg branch of NADEL. He has published a law journal article on the Contracts in Restraint of Trade in Roman and Roman-Dutch Law. Advocate du Plessis is a member of Advocates for Transformation and a member of the Johannesburg Bar Council. Advocate du Plessis holds Bachelor of Arts and LLB degrees from the University of Stellenbosch and an LLM degree from the University of London.

Voting and proxies

Ordinary shareholders are entitled to attend, speak and vote at the annual general meeting.

Ordinary shareholders may appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder of the company.

Shareholders holding dematerialised shares, but not in their own name must furnish their Central Securities Depository Participant ("CSDP") or broker with their instructions for voting at the annual general meeting. If your CSDP or broker, as the case may be, does not obtain instructions from you, it will be obliged to act in terms of your mandate furnished to it, or if the mandate is silent in this regard, complete the relevant form of proxy attached.

Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at the annual general meeting, your CSDP or broker will assume that you do not wish to attend the annual general meeting or send a proxy.

If you wish to attend the annual general meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of authority to you. Shareholders holding dematerialised shares in their own name, or holding shares that are not dematerialised, and who are unable to attend the annual general meeting and wish to be represented thereat, must complete the form of proxy attached in accordance with the instructions therein and lodge it with or mail it to the transfer secretaries.

Forms of proxy should be forwarded to reach the transfer secretaries, Computershare Investor Services (Pty) Limited by no later than 10:30 on Friday 12 September 2008.

The completion of a form of proxy will not preclude a shareholder from attending the annual general meeting.

By order of the board

Per: **Sandi Linford**
Group Secretary

14 August 2008



Telkom SA Limited

(Incorporated in the Republic of South Africa)
(Registration number 1991/005476/06)
(JSE and NYSE share code: TKG)
(ISIN: ZAE00044897)
("Telkom" or the "company")

FORM OF PROXY

(For completion by certificated shareholders and own-name dematerialised shareholders. Members entitled to attend and vote at the general meeting may appoint one or more proxies to attend, vote and speak at the general meeting in his stead. Such proxy/ies need not be a member/s of Telkom.)

For use at the sixteenth annual general meeting of shareholders of Telkom to be held on Monday 15 September 2008, in the Auditorium, Gallagher Estate, 19 Richards Drive, Midrand, Johannesburg, South Africa at 10:30.

I/We _____ (name in BLOCK LETTERS)

of _____ (address in BLOCK LETTERS)

being a member/members of the company, holding ordinary shares in the company,

do hereby appoint:

of _____

or failing him/her, _____

of _____

or _____

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 on Monday 15 September 2008 at 10:30 or at any adjournment thereof, as follows:

	For	Against	Abstain
1. To receive and adopt the annual financial statements for the year ended 31 March 2008			
2. To re-elect the following directors in terms of the company's articles of association:			
2.1 PG Joubert			
2.2 B du Plessis			
3. Re-appointment of independent Auditors			
4. Special resolution			

and generally to act as my/our proxy at the said annual general meeting.

(Indicate with an "X" or the relevant number of shares, 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 at _____ this _____ day of _____ 2008

Signature of member assisted by (where applicable) _____

Please read the notes on the reverse side hereof.

NOTES:

1. 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.
2. 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 initialled 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 this form of proxy 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.
3. 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 thereat. A shareholder or 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.
4. To be effective, completed forms of proxy must be lodged with the company's South African transfer secretaries, Computershare Investor Services (Proprietary) Limited, no less than 24 hours before the time appointed for the holding of the annual general meeting, excluding Saturdays, Sundays and public holidays. As the annual general meeting is to be held at 10:30 on Monday 15 September 2008 forms of proxy must be lodged no later than 10:30 on Friday 12 September 2008.
5. The completion and lodging of this form of proxy 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.
6. The Chairman of the annual general meeting may reject or accept any form of proxy which is not completed and/or received, other than in compliance with these notes.
7. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the company or the transfer secretaries or waived by the Chairman of the annual general meeting.
9. Where there are joint holders of shares:
 - any one holder may sign this form of proxy; and
 - 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 vote(s) of the other joint shareholders.
10. This form of proxy 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 sub-register maintained by their Central Securities Depository Participant ("CSDP"). Such shareholders should provide their CSDP, broker or nominee with their voting instructions.

South African transfer secretaries

Computershare Investor Services (Proprietary) Limited
Ground Floor, 70 Marshall Street
Johannesburg, South Africa 2001
(PO Box 61051, Marshalltown 2107)

Should any shareholder have any queries concerning this annual general meeting or have any question concerning their shares, please call the Telkom shareholders' toll free number on 0861 100 948 for assistance.

Shareholders are advised that the transfer secretaries will conduct shareholder education as well as assist with the updating of shareholder records between 08:30 and 10:00 at Gallagher Estate on Monday 15 September 2008.