

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

Telkom SA Limited files an average tariff adjustment of 2.7% for 2004

Telkom SA Limited has filed its 2004 tariff adjustments with the Independent Communications Authority of South Africa (ICASA), in accordance with the Telecommunications Act, 103 of 1996, and regulations made under the Act. The current regulations impose a price cap formula on a basket of specified services that Telkom previously had the exclusive right to provide, including installations; prepaid and postpaid line rental; local, long distance and international calls; fixed-to-mobile calls; public payphone calls; ISDN services; the Diginet product; and the Megaline product.

Currently, the overall tariffs for all services in the basket may not be increased by more than 1.5% below inflation in South Africa, based on the consumer price index (CPI) and measured using revenue for the services in the basket at constant volumes for the prior year. In addition, the price of any individual product or service included in the basket may not be increased by more than 5% above inflation in South Africa in any year. Inflation is based on the year on year movement in CPI as measured at September 30, 2003. CPI was 3.7% at September 30, 2003.

The current regulation makes provision for the carry over of allowable rate benefits that were not used in the prior year to be claimable in the following year. In the 2003 annual tariff increases Telkom did not utilise the full allowable rate benefits. The amount carried over to the 2004 tariff increases will have a 0.5% impact on the allowable increase in tariffs.

Based on CPI and the carry over allowance from the prior year, Telkom's tariff adjustments for the regulated basket of services represent an increase in revenue of 2.7%, effective from January 1, 2004.

Key tariff changes

The following tables set forth subscription and connection tariffs as of January 1, 2004 and January 1, 2003.

As of January 1, 2004

PSTN Postpaid PSTN Prepaid ISDN -2 ISDN primary
(ZAR, including value-added tax)

Business

Installation	274.35	n/a	384.75	20,721.00
Monthly rental	108.8	n/a	216.82	3,264.00

Residential

Installation	274.35	158.40	384.75	n/a
Monthly rental	81.90	50.80	184.28	n/a

As of January 1, 2003

PSTN Postpaid PSTN Prepaid ISDN-2 ISDN primary
(ZAR, including value-added tax)

Business

Installation	268.98	n/a	377.19	20,314.80
Monthly rental	101.23	n/a	201.78	3,036.96

Residential

Installation	268.98	155.27	377.19	n/a
Monthly rental	76.20	47.23	171.50	n/a

The following table sets forth postpaid and prepaid traffic tariffs as of January 1, 2004 and January 1, 2003.

	As of January 1, 2003		As of January 1, 2004	
	Peak rates¹	Off peak rates²	Peak rates¹	Off peak rates²

(ZAR, including value-added tax)

Postpaid services (residential and business)

Local minimum call charge (0-50km) for first unit ³	0.55	0.55	0.56	0.56
Local call rate per minute (0-50km) after first unit ³	0.37	0.14	0.38	0.15
Long distance minimum call charge (>50km) for first unit ⁴	0.99	0.99	0.99	0.99
Long distance call rate per minute (>50km) after first unit ⁴	0.99	0.50	0.99	0.50
Fixed-to-mobile call rate per minute (Vodacom) ⁶	1.88	1.11	1.90	1.17
Fixed-to-mobile call rate per minute	1.88	1.11	1.84	1.13

(MTN) ⁵				
Fixed-to-mobile call rate per minute (Cell C) ⁷	1.88	1.11	1.84	1.13
Prepaid services (residential only)				
Local minimum call charge (0-50km) for first unit ⁸	0.55	0.55	0.56	0.56
Local call rate per minute (0-50km) after first unit ⁸	0.42	0.16	0.43	0.17
Long distance minimum call charge (>50km) for first unit ⁹	0.99	0.99	0.99	0.99
Long distance call rate per minute (>50km) after first unit ⁹	1.17	0.59	1.17	0.59
Fixed-to-mobile call rate per minute (Vodacom) ⁶	1.88	1.11	1.90	1.17
Fixed-to-mobile call rate per minute (MTN) ⁵	1.88	1.11	1.84	1.13
Fixed-to-mobile call rate per minute (Cell C) ⁷	1.88	1.11	1.84	1.13

1. Monday to Friday 7 a.m. to 7 p.m. for local and long distance calls. Monday to Friday 7 a.m. to 8 p.m. for fixed-to-mobile calls.
2. Monday to Thursday 7 p.m. to 7 a.m. the next morning and Friday 7 p.m. to Monday 7 a.m. for local and long distance calls.
3. Monday to Thursday 8 p.m. to 7 a.m. the next morning and Friday 8 p.m. to Monday 7 a.m. for fixed-to-mobile calls.
4. The first unit for peak calls is 89 seconds and for off peak calls is 222.5 seconds (January 1, 2003: 238 seconds)
5. The first unit for peak calls is 60 seconds and for off peak calls is 120 seconds
6. The peak fixed-to-mobile call rate per minute for MTN was reduced to R1.84 as of February 1, 2003 and R1.82 as of July 1, 2003.
7. The peak fixed-to-mobile call rate per minute for Vodacom was reduced to R1.82 as of July 1, 2003
8. The peak fixed-to-mobile call rate per minute for Cell C was reduced to R1.82 as of July 1, 2003
9. The first unit for peak calls is 78 seconds and for off peak calls is 194.5 seconds (January 1, 2003: 207 seconds)
10. The first unit for peak calls is 51 seconds and for off peak calls is 101 seconds.

Tariffs for calls to international fixed-line destinations have decreased between 3% and 6% and tariffs for calls to international mobile destinations have increased between 6% and 8.7%.

The following table sets forth the monthly tariffs for data leased lines using 20 km

distances and ADSL service as of the dates indicated. Subscription to the ADSL service also requires the subscription to a PSTN postpaid line.

**As of January 1,
2003 2004**

ADSL connection charges

Residential	404	404
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Business	404	404
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ADSL service charges

Residential	680	680
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Business	800	800
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Diginet	2,066	2,196
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Diginet Plus	6,286	6,165
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Megalines

2 Mbit/s	16,188	16,963
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34 Mbit/s	136,800	143,412
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140 Mbit/s	461,244	483,588
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Johannesburg

14 November 2003