

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

**PRETORIA HIGH COURT DISMISSES TELCORDIAS APPLICATION FOR LEAVE TO APPEAL**

The Pretoria High Court today dismissed an application by Telcordia for leave to appeal a High Court judgment made in favour of Telkom last year, that set aside a partial award made earlier by an arbitrator in a long-standing dispute between the parties.

After hearing the application for three days last week, the High Court found that there was no prospect that another Court would arrive at a different conclusion from the one that the judge found in his judgment in the review application on 27 November 2003. The Court also granted a cost order in favour of Telkom, including costs for two counsel.

A dispute arose between Telcordia and Telkom in 2000, when Telkom terminated its agreement with Telcordia for the delivery of a fully integrated end-to-end customer activation and assurance system.

Following the parties failure to resolve the dispute, Telcordia initiated arbitration proceedings under the auspices of the International Chamber of Commerce (ICC) during the first quarter of 2001. In response to Telcordias claims for outstanding amounts and certain out-of-scope services of approximately \$130 million, Telkom counter -claimed against Telcordia for an amount in excess of \$300 million, including a claim for the refund of monies paid by Telkom to Telcordia.

On 27 September 2002, the arbitrator handed down a partial award in favour of Telcordia, effectively settling the merits of the dispute between the parties and notwithstanding a pending Section 20 application (in terms of the Arbitration Act) in the South African High Court to resolve pertinent legal issues in the matter. However, Telkom applied to the High Court in South Africa, sitting at Pretoria, to review and set aside the partial award.

In November 2003 the High Court handed down judgment in favour of Telkom following the hearing of an extensive six-week review application. In terms of the court order, the partial award was set aside and the Court ordered that the matter be heard by a panel of three retired Judges of the Supreme Court of Appeal in South Africa.

Johannesburg

3 May 2004

Special note regarding forward-looking statements

All statements contained herein, as well as oral statements that may be made by

Telkom 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 U.S. Private Securities Litigation Reform Act of 1995, specifically Section 21E of the U.S. 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. Among the factors that could cause our actual results or outcomes to differ materially from our expectations are those risks identified under the caption Risk Factors contained in the prospectus relating to Telkoms initial public offering filed with the U.S. Securities Exchange Commission and available on Telkoms website at [www.telkom.co.za/ir](http://www.telkom.co.za/ir), including, but not limited to, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment; Telkoms ability to reduce expenditure, the outcome of arbitration or litigation proceedings with Telcordia Technologies Incorporated; general economic, political, social and legal conditions in South Africa and in other countries where Vodacom invests; fluctuations in the value of the Rand; 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 of this press release, either to conform them to actual results or to changes in our expectations.

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