

Telkom Limited

(Registration number 1991/005476/06)

JSE share code: TKG

ISIN: ZAE000044897

("Telkom" or the "Company")

CAUTIONARY ANNOUNCEMENT

Shareholders of Telkom are advised that Telkom and KT Corporation (collectively "the Companies") have entered into discussions regarding a potential strategic venture ("Potential Strategic Venture") that would, if implemented, result in KT Corporation acquiring a strategic equity shareholding of 20% in the post-issue ordinary share capital of Telkom (excluding treasury shares reserved for Telkom employees share schemes) ("Potential Equity Investment") and the Companies entering into long-term agreements to formalise the relationship and identified areas of mutual strategic and business cooperation.

Should the Potential Strategic Venture be agreed, Telkom and KT Corporation will implement the Potential Equity Investment by way of a specific issue of new Telkom ordinary shares for cash at an issue price of ZAR36.06 per new Telkom ordinary share.

Shareholders are advised that whilst the discussions between Telkom and KT Corporation are progressing well, there is no certainty at this stage that these discussions will lead to a formal transaction being proposed or concluded. Shareholders are advised to exercise caution when dealing in the Company's securities until a further announcement is made.

Pretoria

14 October 2011

Lead financial advisor and transaction sponsor to Telkom

Deutsche Bank

Co-advisor to Telkom

Deloitte

Legal advisor to Telkom

Eversheds

Communications advisor to Telkom

Capital MCG

Sponsor to Telkom

UBS South Africa (Pty) Ltd