

Telkom SA SOC Limited
Registration number 1991/005476/30)
JSE share code: TKG
JSE bond code: BITEL
ISIN: ZAE000044897

("Telkom" or "the Group")

Tax Court Judgement

Shareholders are advised that the appeal against the Tax Court judgement received on the dispute between Telkom and South African Revenue Services (SARS) relating to the tax treatment of the loss that arose in the 2012 financial year on the sale of a foreign subsidiary, was heard by the Supreme Court of Appeal on 4 March 2020. The judgement was handed down on 25 March 2020 against Telkom. We intend to apply to the Constitutional Court for leave to appeal the judgement.

Shareholders are reminded Telkom fully provided for the implications of the matter, as it relates to both the 2012 and 2014 years of assessment, in prior financial years and therefore this will be earnings neutral. However, the cash flow implications of the outstanding liability of approximately R1 billion, which includes the implications of the judgement on the 2014 financial year, will be informed by a payment arrangement to be agreed with SARS.

Centurion

31 March 2020

Sponsor

Nedbank Corporate and Investment Banking