

Telkom SA SOC Limited
(Incorporated in the Republic of South Africa)
(Registration number 1991/005476/30)
JSE Bond Code: BITEL
JSE Share Code: TKG
ISIN: ZAE000044897
("Telkom" or the "company")

S&P GLOBAL RATINGS REVISES TELKOM RATING IN LINE WITH SOVEREIGN RATING

On 8 May 2020, S&P Global Ratings (S&P) revised Telkom's long-term issuer rating to "BB" from "BB+" and ascribed a "stable" outlook from a "negative" outlook. This rating action follows the downgrade of South Africa's long-term local currency rating on 29 April 2020, from "BB" to "BB-" with a "stable" outlook. The ratings action on the sovereign came as a result of the potential impact of COVID -19 on the fiscus and the growth outlook.

S&P views Telkom as a Government Related Entity (GRE) and this led to this rating action. However, the rating agency has always maintained the low likelihood of negative interventions by Government. It also considers a moderate impact of COVID-19 on Telkom's financial profile and recognises the company's modest financial risk. The ascribed stable outlook also takes into account Telkom's Standalone Credit Profile (SACP) of "bbb-".

13 May 2020

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