Telkom SA SOC Limited
Registration number 1991/005476/30
JSE share code: TKG
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ISIN: ZAE000044897
("Telkom" or the "Group")

Trading update for the third quarter ended 31 December 2024

TELKOM DELIVERS STRONG THIRD QUARTER RESULTS REFLECTING CONTINUED OPERATIONAL EFFICIENCIES

Group highlights for continuing operations[2]

- **Group revenue up 0.9%** to R10 995 million
  - Mobile service revenue growth of 9.6% – outperforming South African mobile market
  - Fixed data revenue up 4.7%
  - Information technology service revenue up 3.2%
  - Year-to-date[4] Group revenue up 1.6% to R32 377 million
- **Group EBITDA up 28.0%** to R2 986 million
  - Continued operational efficiency gains from cost optimisation initiatives
  - Group EBITDA margin up 5.8 percentage points (ppts) to 27.2%
  - Year-to-date adjusted[4] Group EBITDA of R8 592 million with EBITDA margin of 26.5%
- **Strong operational drivers** – data-led strategy in action
  - Mobile subscribers up 21.6% to 24 million, with 17.3% growth in mobile data subscribers
  - Homes passed with fibre up 13.1% to 1.3 million with homes connected up 17.6%, leading to a 49.8% connectivity rate, up 1.9 ppts
  - Mobile and fixed data traffic up 22.2% and 23.7% respectively
- **Resilient financial position** – R621 million of cash proceeds from disposal of properties in the first nine months
- **Positive outlook** – continued profitability improvement expected from disciplined execution of data-led strategy

Swiftnet[2] disposal on track to close at end of 2025 financial year

Notes:
1. *The information contained in this trading update has not been reviewed or reported on by Telkom's external auditor.*
2. *Financial measures presented are for continuing operations for the quarter and exclude the masts & towers business. Swiftnet is classified as a discontinuing operation.*
3. *All numbers and growth rates quoted are year-on-year and refer to the quarter ended 31 December 2024 ("Q3 FY2025" or the "quarter") compared to the quarter ended 31 December 2023 ("Q3 FY2024"), unless stated otherwise.*
4. *Year-to-date numbers and growth rates are year-on-year ("y-o-y") and refer to the nine months ended 31 December 2024 compared to the nine months ended 31 December 2023. Adjusted financial measures for year-to-date performance reflect the underlying performance of Telkom's operations excluding non-recurring items in the form of restructuring costs of R160 million plus the R618 million impact of the Telkom Retirement Fund conversion from a defined benefit to a defined contribution fund.*
5. *Medium term guidance for Group revenue and Group EBITDA is compound annual growth rate of low- to mid- single digits on a reported basis for total operations.*

Group Chief Executive Officer – Serame Taukobong commented:

We are pleased to report strong results for the third quarter, reaffirming our position as the backbone of South Africa's digital future. Our data-led strategy continued to deliver impressive performance across key metrics, underscoring our competitive advantage in our diverse businesses working together to realise these results. With strong momentum across our business units, we remain confident in achieving our medium-term objectives as we continue to invest in our infrastructure, network and digital services delivering profitable growth.

The Group demonstrated continued operating gains with group EBITDA growing in strong double digits ahead of group revenue. As a result, group EBITDA margin expanded by a pleasing 5.8 ppts to 27.2% for the quarter under review, enhanced by non-core property sales.

Our data-led strategy continued to yield strong data service revenue growth across the group driven by the ongoing demand for our compelling data propositions.

We continued to deploy capital expenditure ("capex") optimally, expanding our mobile network and fixed network. Our smart-capex approach to network investments also contributed to top line growth while reducing direct costs and improving overall profitability. This further advanced our agenda of creating a firm, strong cash-generating base from which to grow in the medium term.

We are now in the final stages of closing the disposal of Swiftnet, having obtained all the required regulatory approvals in December 2024. The proceeds from property disposals provided additional liquidity to the Group.

Telkom's strong financial results reflect our relentless commitment to executing our InfraCo strategy as OneTelkom. These results provide clear evidence that we are on track, delivering profitable growth while reinforcing our role as the backbone of South Africa's digital future.

By leveraging our unique capabilities, we continue to meet the growing demand for data-led services while driving improved operational efficiencies across all our businesses. We remain confident in our strategic direction and our ability to create sustainable value for our stakeholders.

OPERATIONAL EFFICIENCIES LEAD TO IMPROVED PROFITABILITY, EXECUTION OF DATA-LED STRATEGY DRIVING DATA REVENUE GROWTH

Group financial information for the quarter ended: R million	31 December 2024	31 December 2023	Y-o-Y % change
Group revenue	10 995	10 902	0.9%
Group EBITDA	2 986	2 333	28.0%
Group EBITDA margin	27.2%	21.4%	5.8 ppts

EBITDA growth tracking ahead of revenue and medium-term guidance

Group revenue increased in line with medium-term guidance[5], primarily driven by the ongoing demand for data propositions. Key contributors to this were higher prepaid recharges coupled with mobile data revenue growth of 10.8%, ongoing migrations to fibre-related services with fixed data revenue growing by 4.7% and information technology ("IT") services revenue increasing by 3.2%. Overall mobile service revenue growth at 9.6% continued to gain value share, outperforming South African mobile market growth rates. For the nine months to date, group revenue advanced by 1.6% to R32 377 million.

The operational gains from cost optimisation initiatives were enhanced by property sales and led to Group EBITDA increasing by R653 million. Excluding property sales, Group EBITDA improved by 3.8 ppts to 25.1%.

The Mobile business focused on acquiring customers, managing device and roaming costs, while expanding mobile network coverage to migrate traffic onto our mobile network. These initiatives led to operational efficiency gains and higher profitability. Openserve, our fixed connectivity business, achieved improved operating margin for the quarter, reflecting an optimised footprint as they provided the most reliable fixed network throughout the country. Our ICT business, BCX, executed well on streamlining its operating structures and improved its revenue mix by growing IT services.

Data-led strategy in action

Our Mobile business continued to surpass new milestones with mobile subscribers now reaching a record 24 million, growing by 21.6%. Mobile data users grew by 17.3% and now comprise 62.3% of total mobile subscribers. We continued to prioritise fibre connections as we passed homes with an additional 100 115 homes connected, up by a strong 17.6%. We saw continued substantial growth in data consumption with mobile and fixed traffic growing by 22.2% and 23.7% respectively y-o-y. Information technology service revenue, along with fibre data revenue for our ICT business also grew pleasingly. Overall contribution by mobile data and fibre-related services towards total revenue continued to advance in line with our strategy.

Resilient financial position

The financial position strength of the Group was sustained with interest-bearing debt reduced by 2.7% since 30 September 2024 from additional liquidity. The sale of the high-value property portfolio is largely complete with R417 million proceeds received during the quarter, bringing the year-to-date total proceeds received to R621 million.

Swiftnet disposal on track to close at end of 2025 financial year

We progressed the disposal of the masts and towers business housed in Swiftnet SOC Limited (the “disposal”) to the purchasing consortium comprising: (i) an infrastructure fund managed by a subsidiary of Actis LLP; and (ii) an infrastructure vehicle 100% owned by Royal Bafokeng Holdings Limited.

On 13 December 2024, the Independent Communications Authority of South Africa approved the disposal resulting in a change of control of Swiftnet’s licences.

The progress made to date on the disposal along with the obtained shareholder and regulatory approvals, puts us on-track to meet our target to close the transaction by the end of 2025 financial year. Swiftnet numbers are excluded from Group disclosures as it is a discontinuing operation.

Outlook

We have continued to advance our business to focus on our core strength - data connectivity. Optimising our cost structures has embedded a cost-conscious culture that will continue into the next financial year. We progressed our data-led strategy, underpinned by growing mobile data subscribers, connected additional fibre in homes and premises as we passed them and expanded our data-related IT service revenue, thereby advancing overall group data revenue. We expect these trends to continue in the last quarter of our financial year.

Overall, we remain confident in our strategic direction and our ability to create sustainable value for our stakeholders.

OPERATIONAL REVIEWS

Continuing operations:

Telkom Consumer: Mobile data revenue a catalyst for sustained growth and improved profitability

Standalone summary financial information for the quarter ended: R million	31 December 2024	31 December 2023	Y-o-Y % change
Revenue	7 152	6 875	4.0%
- Mobile service revenue	5 401	4 926	9.6%
o Mobile data revenue	4 089	3 689	10.8%
EBITDA	1 488	983	51.4%
EBITDA margin	20.8%	14.3%	6.5 ppts

Telkom Consumer reported a 4.0% increase in operating revenue, notwithstanding the intensifying competitive pressures within the market.

The Mobile business delivered strong operating revenue growth of 6.5% to R6 346 million, marked by a 9.6% increase in mobile service revenue to R5 401 million, fueled by the strategic execution of innovative value-accretive offerings amidst intensifying competitive measures. Mobile data revenue, a subset of mobile service revenue, benefitted from mobile data subscribers and data traffic expansion. Mo'Nice, our tailored pricing solution, now accounts for 34.5% of service revenue, reflecting its pivotal role in driving revenue and consumer engagement.

The pre-paid segment grew strongly by 25.0% to 21.0 million subscribers at an ARPU of R61 (Q3 FY2024: R66). The key driver to this strong growth is the utilisation of channel and consumer behavioural insights to find the optimal spot and ensure relevance in targeting our offers. Furthermore, outside of the optimisation of Mo'Nice, we introduced affordable 4G smartphones at attractive price points, pre-loaded with WhatsApp and Facebook (an attractive drawcard to the mass market). This positions us well in converting 2G customers. The managed pre-paid ARPU decrease is attributed to non-metro regions that attract lower ARPUs, but increased volumes.

The post-paid subscriber base was stable at 3.0 million with an improved ARPU of R185 (Q3 FY2024: R182). This culminated in the total subscriber base expanding by 21.6% to 24.0 million mobile users, with a blended ARPU of R79 (Q3 FY2024: R86). The post-paid segment is starting to show recovery, stimulated by several factors, including but not limited to, portfolio rebalancing with regards to price plan device alignment, stringent credit vetting and retention measures.

Mobile data subscribers expanded by 17.3% to 14.9 million, representing 62.3% of the total subscriber base, driving mobile data traffic to grow by 22.2% to 452 petabytes.

The Consumer business unit reported a substantial increase in EBITDA supported by robust revenue growth and ongoing cost-optimisation strategies. These factors contributed to a 6.5 ppts expansion in the EBITDA margin, highlighting improved operational leverage.

Mobile EBITDA grew by 46.9% to R1 755 million, driven by strong revenue momentum, particularly within the pre-paid segment, resulting in an EBITDA margin of 27.6%. The combination of revenue growth from higher recharges and customer acquisitions, reduced handset device sales, improved roaming costs and a decline in impairment of receivables, mainly contributed to the improved EBITDA margin.

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Our airtime advance product, which is part of the beyond connectivity strategy, continues to serve as a key revenue driver, delivering a 35.1% growth.

Capital expenditure has facilitated the significant enhancement of capacity and coverage across our base stations. The Mobile business added 49 sites during the quarter and 142 sites year-to-date.

Openserve continued to drive fibre data growth, efficiency gains improved profitability

Standalone summary financial information for the quarter ended: R million	31 December 2024	31 December 2023	Y-o-y % change
Revenue	3 107	3 120	(0.4%)
EBITDA	1 069	1 014	5.4%
EBITDA margin	34.4%	32.5%	1.9 ppts

Openserve's fibre data portfolio continued to maintain a positive momentum with steady gains in fibre data revenue, which increased by 5.4%. External revenue grew by 9.2% to R1 236 million underpinned by the channel and product diversification strategy. Fibre data services revenue grew by R121 million while voice and other data revenue declined R167 million, leading to a marginal overall revenue decrease.

Homes passed by Openserve grew by 154 942 (13.1%) to 1 340 565, while homes connected increased by 100 115 (17.6%) to 667 465, sustaining the industry-leading connectivity rate of 49.8%. Consumer demand for high-speed broadband pushed data consumption up 23.7% to 757 petabytes during the quarter. Our ongoing investment in network modernisation continued to set industry standards, achieving uptime of 99.94%, 99.88%, and 99.99% across access, transport and core network respectively.

Openserve's continued cost efficiency in network simplification (site consolidation and legacy systems decommissioning) and renewable energy programmes (lithium-ion batteries and solar) yielded benefits. These measures, combined with the strategic upgrade of technologies and infrastructure at key central office locations, along with the improved stability of the electricity grid, reduced diesel costs by 87.8% (R78 million) for the quarter. These efficiency gains enhanced EBITDA and EBITDA margin improved by 1.9 ppts.

BCX strategic shifts yield positive momentum

Standalone summary financial information for the quarter ended: R million	31 December 2024	31 December 2023	Y-o-y % change
Revenue	2 913	3 225	(9.7%)
- Information technology service revenue	1 208	1 131	6.8%
EBITDA	438	322	36.0%
EBITDA margin	15.0%	10.0%	5.0 ppts

BCX's strategic initiatives to rebase its cost structure, pivot toward higher-margin IT services, and actively manage and retain converged communications clients are beginning to deliver tangible results in Q3, positioning the business for sustained resilience.

The IT segment declined 17.9% to R1 530 million, reflecting deliberate actions to moderate growth of lower-margin product (hardware/software) revenue, which fell 23%. However, the higher-margin IT services grew by 6.8%, driven by strong demand for Cloud Infrastructure as a Service (IaaS) and IT service management offerings. This underscores BCX's successful shift toward scalable, annuity-based revenue streams.

The Converged Communications business grew 1.7% to R1 383 million, demonstrating traction in BCX's strategy to extend client retention and carefully manage transitions to next-generation technologies. Growth was fuelled by data services, up 5.9% to R677 million, driven by growth in next generation fibre services (which now constitutes over 85% of the business), and expansion in customer premises equipment sales. Voice revenue declined consistent with sector trends, though mitigated by disciplined portfolio management.

BCX generated substantial EBITDA growth with margins expanding by 5.0 ppts. This improvement reflects a deliberate strategic focus on higher-margin service offerings and proactive management of receivables, which reduced impairments by R52 million. Ongoing cost optimisation programs, including facilities consolidation and operational efficiency projects, are progressing and expected to deliver incremental savings in Q4. These initiatives underscore BCX's commitment to sustaining margin resilience amid evolving market conditions.

R417 million proceeds received from disposals of non-core properties in the third quarter

Gyro accelerated the conveyancing process of non-core properties and 22 properties were transferred during the quarter realising cash of R417 million, resulting in cash realised to date of R621 million for 52 properties. 14 properties to the value of R289 million are expected to transfer during the last quarter of the financial year.

We conducted another auction in December 2024 where 28 properties, with a sale value of R126 million were sold. These properties will complete the transfer process during the 2026 financial year.

Discontinued operation

Swiftnet continued to grow and commercialise the masts and towers portfolio

Standalone summary financial information for the quarter ended: R million	31 December 2024	31 December 2023	Y-o-Y % change
Revenue	381	333	14.4%
EBITDA	279	246	13.4%
EBITDA margin	73.2%	73.9%	(0.7ppts)

Swiftnet continued to organically grow the co-location business while scaling up the new Power-as-a-Service (PaaS) offering. As at the end of Q3 FY2025, 14 towers have been built and completed, while nine towers are under construction. We also continued to focus on the PaaS build and 499 solutions have been built and connected to customers.

Swiftnet's revenue increased by 14.4% with revenue from customers with expanding tenancies increasing by 25.8% to R324 million. PaaS contributed significantly to revenue growth during the quarter. In addition, revenue growth was also driven by inflationary escalations, new tenancies, 5G expansion, antennae upgrades and In-Build-Solutions. Swiftnet numbers are excluded from Group disclosures as it is a discontinuing operation.

REGULATORY AND LEGAL MATTERS

Licensing of radio frequency spectrum delayed

It is anticipated that ICASA will commence with preparing for the next high demand spectrum licensing process during the current year. The first step in ICASA's project plan is to consider the competition issues relevant to the licensing of additional high-demand spectrum, including the impact of direct and indirect access to spectrum. The outcome of this first step will inform the licensing process to be followed by ICASA. It is anticipated that around 280 MHz of additional spectrum, including spectrum in the sub 1 GHz and mid-range bands will be made available for licensing.

A mobile network operator launched a review application regarding ICASA's approval of spectrum sharing/pooling arrangements between three mobile operators. The outcome of this application may also have a bearing on the design of the spectrum licensing process. The application will be heard by the High Court on 13 and 14 February 2025. Most of the mobile operators are participating in the legal proceedings along with ICASA.

Review of call termination rates ongoing

Having begun its review of call termination rates in May 2021, ICASA published the final Call Termination Rate Regulations on 9 December 2024 to come into effect on 1 July 2025. Telkom welcomes ICASA's decision to phase in symmetrical mobile termination rates.

Amendments to end-user subscriber and service charter regulations

ICASA published draft amendments to the End-user and Subscriber Service Charter Regulations on 31 March 2023 ("Draft EUSSC Regulations"). However, it deferred the amendment of sections 8A and 8B (relating to the transfer and roll-over of services purchased by end-users) after receiving objections to the draft amendments from operators. ICASA proposed additional amendments to these sections on 29 February 2024 and held public hearings in October 2024. Telkom maintains that the Draft EUSSC Regulations are overly prescriptive, undermine competition and customer choice and interfere with commercial decision-making. Telkom trusts that ICASA will carefully consider the concerns expressed by operators before publishing the regulations as proposed.

Special Investigating Unit – appeal against High Court judgment setting aside Proclamation

On 19 July 2023, the Pretoria High Court handed down judgment setting aside the Presidential Proclamation 49 of 2022 (the "Proclamation"). The Proclamation gave the Special Investigating Unit ("SIU") authority to investigate various historical matters, including Telkom's contracting for network and advisory services, and the disposal of former Telkom subsidiaries. The High Court declared the Proclamation unconstitutional, invalid and of no force or effect and awarded costs to Telkom.

On 11 December 2023, the High Court granted the President and the SIU leave to appeal to the Supreme Court of Appeal. The appeal remains pending before the Supreme Court of Appeal, and Telkom will continue with steps to uphold the High Court order in its favour. We expect the matter to be heard by the Supreme Court of Appeal in the latter part of 2025.

TELKOM MANAGEMENT TO HOST MARKET UPDATE CONFERENCE CALL

Management will host a call for the investment community on Monday, 10 February 2025 at 16h00 South African Standard Time (UTC+2) to discuss the trading update and conduct a Q&A session. Dial-in details will be made available on the Group website https://group.telkom.co.za/ir/overview.html.

Centurion

10 February 2025

Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited

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SUPPLEMENTARY FINANCIAL INFORMATION

The financial information in the table below has not been reviewed or reported on by Telkom's external auditor.

(R'm)	Year-to-date	Q3 FY2025	Q2 FY2025	Q1 FY2025	Q4 FY2024	Q3 FY2024	Year-to-date
Continuing operations	**December FY2025**	**December 2024**	**September 2024**	**June 2024**	**March 2024**	**December 2023**	**December FY2024**
Group revenue	32 377	10 995	10 679	10 703	10 586	10 902	31 877
Group EBITDA – reported	7 814	2 986	2 201	2 627	2 358	2 333	7 070
Group EBITDA – adjusted	8 592	2 986	2 979	2 627	2 358	2 333	7 070
Group EBITDA margin – reported (%)	24.1%	27.2%	20.6%	24.5%	22.3%	21.4%	22.2%
Group EBITDA margin – adjusted (%)	26.5%	27.2%	27.9%	24.5%	22.3%	21.4%	22.2%
Group capex	**3 883**	**1 138**	**1 034**	**1 711**	**1 795**	**1 196**	**4 339**
Consumer	1 759	455	228	1 076	416	582	2 235
BCX	178	41	73	64	167	108	249
Openserve	1 652	578	586	488	839	439	1 708
Gyro	3	1	-	2	47	3	3
Corporate	55	21	25	9	101	26	60
Masts & towers (discontinued operation)	236	42	122	72	225	38	84
Revenue breakdown							
Mobile	**18 040**	**6 346**	**5 957**	**5 737**	**5 591**	**5 957**	**16 992**
Mobile voice and subscriptions	3 274	1 157	1 073	1 044	1 026	1 092	3 174
Mobile interconnection	412	155	132	125	134	145	392

Mobile data	11 935	4 089	4 019	3 827	3 647	3 689	10 653
Handset and device sales	2 204	877	659	668	714	960	2 529
Significant financing component	215	68	74	73	70	71	244
Fixed	**9 685**	**3 219**	**3 217**	**3 249**	**3 293**	**3 222**	**9 820**
Voice	1 889	584	641	664	701	724	2 366
Interconnection	171	59	55	57	65	63	182
Data	6 440	2 176	2 153	2 111	2 090	2 078	6 200
Fibre-related services	5 559	1 905	1 863	1 791	1 581	1 661	4 980
Other data services	881	271	290	320	509	417	1 220
Handset and device sales	907	325	259	323	339	279	844
Sundry revenue	278	75	109	94	98	78	228
Information technology	**4 177**	**1 249**	**1 356**	**1 572**	**1 528**	**1 575**	**4 612**
Information technology service revenue	2 889	976	987	926	901	946	2 823
IT hardware and software	1 251	263	355	633	612	615	1 740
Interest revenue	37	10	14	13	15	14	49
Other	**475**	**181**	**149**	**145**	**174**	**148**	**453**
Digital media sales	112	37	41	34	53	46	148
Insurance revenue	217	73	72	72	72	74	209
Lease revenue	146	71	36	39	49	28	96
Gyro		-	-	-	-	-	-
Total	**32 377**	**10 995**	**10 679**	**10 703**	**10 586**	**10 902**	**31 877**

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Business unit stand-alone information

(R'm)	Year-to-date December FY2025	Q3 FY2025 December 2024	Q2 FY2025 September 2024	Q1 FY2025 June 2024	Q4 FY2024 March 2024	Q3 FY2024 December 2023	Year-to-date December FY2024
Revenue							
Telkom Consumer	20 548	7 152	6 807	6 589	6 470	6 875	19 859
BCX	9 048	2 913	2 960	3 175	3 287	3 225	9 628
Openserve	9 268	3 107	3 105	3 056	3 130	3 120	9 381
Swiftnet (discontinued operation)	1 094	381	370	343	336	333	985
EBITDA							
Telkom Consumer	4 093	1 488	1 404	1 201	1 113	983	2 980
Telkom Mobile	4 958	1 755	1 660	1 543	1 384	1 195	3 652
BCX	991	438	300	253	239	322	1 055
Openserve	3 153	1 069	1 061	1 023	930	1 014	3 004
Swiftnet (discontinued operation)	806	279	274	253	256	246	734
EBITDA margin (%)							
Telkom Consumer	19.9%	20.8%	20.6%	18.2%	17.2%	14.3%	15.0%
BCX	11.0%	15.0%	10.1%	8.0%	7.3%	10.0%	11.0%
Openserve	34.0%	34.4%	34.2%	33.5%	29.7%	32.5%	32.0%
Swiftnet (discontinued operation)	73.7%	73.2%	74.1%	73.8%	76.2%	73.9%	74.5%
Mobile service revenue (external)	15 621	5 401	5 224	4 996	4 807	4 926	14 219
Mobile EBITDA margin	27.4%	27.6%	27.7%	26.8%	24.6%	20.0%	21.4%

Quarterly operational information

	Q3 FY2025	Q2 FY2025	Q1 FY2025	Q4 FY2024	Q3 FY2024
	December	September	June	March	December
	2024	2024	2024	2024	2023
Mobile subscribers					
Active mobile subscribers	23 999 182	22 784 590	21 213 647	20 438 983	19 737 370
- Pre-paid	20 985 177	19 777 721	18 242 602	17 493 045	16 793 495
- Post-paid	3 014 005	3 006 869	2 971 045	2 945 938	2 943 875
ARPU blended (rand)	78.79	79.97	80.53	84.10	85.60
ARPU pre-paid (rand)	60.75	61.46	62.0	64.86	65.90
ARPU post-paid (rand)	185.35	185.62	183.1	180.48	181.75
Mobile data subscribers	14 946 694	14 582 031	13 466 730	12 740 658	12 743 406
Fixed subscribers					
Fixed broadband lines	559 392	553 312	553 369	554 953	556 965
Fibre	523 299	509 617	499 100	489 994	479 383
xDSL	36 093	43 695	54 269	64 959	77 582
Network population coverage					
Homes passed	1 340 565	1 290 462	1 256 603	1 217 110	1 185 623
Homes connected	667 465	640 730	615 430	590 527	567 350
Fibre connectivity rate (%)	49.8%	49.7%	49.0%	48.5%	47.9%
Mobile sites integrated	7 863	7 814	7 778	7 738	7 721
Traffic					
Fixed broadband (petabytes)	757	708	681	614	612
Mobile broadband (petabytes)	452	436	414	371	370
Total fixed-line traffic (millions of minutes)	973	986	955	995	1 001

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Forward looking statements

Certain financial information presented in this trading update announcement may constitute forward looking statements.

All statements, other than statements of historical facts, including, among others, statements regarding our strategy; future financial position and plans; objectives; capital expenditures ("capex"); projected costs and anticipated cost savings and financing plans; as well as projected levels of growth in the communications market, are forward-looking statements. Forward-looking statements can generally be identified by terminology such as "may", "will", "should", "expect", "envisage", "intend", "plan", "project", "estimate", "anticipate", "believe", "hope", "can", "is designed to" or similar phrases. However, the absence of such words does not necessarily mean a statement is not forward looking.

Forward-looking statements involve several known and unknown risks, uncertainties and other factors that could cause our actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Factors that could cause our actual results or outcomes to differ materially from our expectations include, but are not limited to, those risks identified in Telkom's most recent integrated report which is available at https://group.telkom.co.za/ir/overview.html.

Telkom cautions readers not to place undue reliance on these forward-looking statements. All written and verbal forward-looking statements attributable to Telkom, or persons acting on Telkom's 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 document, so that they conform either to the actual results or to changes in our expectations.