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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of: November 2008**

**001-31609  
(Commission File Number)**

**Telkom SA Limited**

(Translation of registrant's name into English)

**Telkom Towers North  
152 Proes Street  
Pretoria 0002  
The Republic of South Africa  
(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained on this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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On October 27, 2008, Telkom SA Limited (“Telkom”) announced the untimely death of John Joseph, chief executive officer of Africa Online, a wholly owned subsidiary of Telkom. A copy of the announcement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On November 6, 2008, Telkom issued an announcement regarding the proposed sale by Telkom of a 15% stake in Vodacom Group (Proprietary) Limited (“Vodacom”) to a wholly-owned subsidiary of Vodafone Group Plc (“Vodafone”), the distribution of 50% of the after tax sale proceeds by way of a special dividend to Telkom shareholders net of any tax levied thereon, the listing of Vodacom on the main board of the JSE Limited and the unbundling of Telkom’s remaining 35% stake in Vodacom to Telkom shareholders in South Africa and other eligible jurisdictions. A copy of the announcement is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The announcement contains forward-looking statements and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On November 6, 2008, Telkom presented the details regarding the proposed sale by Telkom of a 15% stake in Vodacom to a wholly-owned subsidiary of Vodafone, the distribution of 50% of the after tax sale proceeds by way of a special dividend to Telkom shareholders net of any tax levied thereon, the listing of Vodacom on the main board of the JSE Limited and the unbundling of Telkom’s remaining 35% stake in Vodacom to Telkom shareholders in South Africa and other eligible jurisdictions. A copy of the presentation is attached hereto as Exhibit 99.3 and is incorporated herein by reference. The presentation contains forward-looking statements and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

Shareholders in certain jurisdictions outside of South Africa may not be entitled to receive any Vodacom shares that Telkom unbundles if such receipt would require registration or approval under local securities laws. A mechanism is intended to be put in place so that shareholders in such jurisdictions outside of South Africa may receive cash instead of the Unbundling Shares if such receipt would require registration or approval under relevant local securities laws.

**THIS IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES AND SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION. ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES IS REQUIRED TO BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM TELKOM AND/OR VODACOM AND THAT CONTAINS DETAILED INFORMATION ABOUT VODACOM AND ITS MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS. TELKOM AND VODACOM HAVE NO CURRENT INTENTION OF MAKING ANY PUBLIC OFFERING OF VODACOM SECURITIES IN THE UNITED STATES THAT WOULD REQUIRE REGISTRATION.**

#### **SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS**

All of the statements contained herein and the exhibits incorporated by reference herein, as well as oral statements that may be made by Telkom or Vodacom, or by officers, directors or employees acting on their behalf related to such subject matter, that are not statements of historical facts constitute or are based on forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995, specifically Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. These forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause Telkom's or Vodacom's actual results and outcomes 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 Telkom's or Vodacom's actual results or outcomes to differ materially from their expectations are those risks identified in Item 3. "Key Information-Risk Factors" contained in Telkom's most recent Annual Report on Form 20-F filed with the US Securities and Exchange Commission (SEC) and its other filings and submissions with the SEC which are available on Telkom's website at [www.telkom.co.za/ir](http://www.telkom.co.za/ir), including, but not limited to, our ability to consummate the Vodacom transaction, our ability to successfully implement our mobile strategy, increased competition in the South African fixed-line, mobile and data communications markets; our ability to implement our strategy of transforming from basic voice and data connectivity to fully converged solutions, developments in the regulatory environment; continued mobile growth and reductions in Vodacom's and Telkom's net interconnect margins; Telkom's and Vodacom's ability to expand their operations and make investments and acquisitions in other African countries and the general economic, political, social and legal conditions in South Africa and in other countries where Telkom and Vodacom invest; our ability to improve and maintain our management information and other systems; our ability to attract and retain key personnel and partners; our inability to appoint a majority of Vodacom's directors and the consensus approval rights at Vodacom may limit our flexibility and ability to implement our preferred strategies; Vodacom's continued payment of dividends or distributions to us; our negative working capital; changes in technology and delays in the implementation of new technologies; our ability to reduce theft, vandalism, network and payphone fraud and lost revenue to non-licensed operators; the amount of damages Telkom is ultimately required to pay to Telcordia Technologies Incorporated; the outcome of regulatory, legal and arbitration proceedings, including tariff approvals, and the outcome of Telkom's hearings before the Competition Commission and others; any requirements that we unbundle the local loop, our ability to negotiate favorable terms, rates and conditions for the provision of interconnection services and facilities leasing services or if ICASA finds that we or Vodacom have significant market power or otherwise imposes unfavorable terms and conditions on us; our ability to implement and recover the substantial capital and operational costs associated with carrier preselection, number portability and the monitoring, interception and customer registration requirements contained in the South African Regulation of Interception of Communications and Provisions of Communication-Related Information Act and the impact of these requirements on our business; Telkom's ability to comply with the South African Public Finance Management Act and South African Public Audit Act and the impact of the Municipal Property Rates Act and the impact of these requirements on our business; fluctuations in the value of the Rand and inflation rates; the impact of unemployment, poverty, crime, HIV infection, labor laws and labor relations, exchange control restrictions and power outages in South Africa; and other matters not yet known to us or not currently considered material by us.

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Furthermore, the targets, estimates, forecasts, projections and pro forma financial information included in the exhibits incorporated by reference herein have been prepared based upon a number of assumptions and estimates that, while presented with numerical specificity and considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control, and upon assumptions with respect to future economic activity and business decisions which are subject to change. In addition, targets, estimates, forecasts, projections and pro forma financial information in a transforming industry such as Telkom's are inherently risky, particular in later years. As a result, we cannot provide any assurance that these results will be realized. The prospective and pro forma financial information presented herein may vary substantially from actual results. We make no representation that these results will be achieved.

We caution you not to place undue reliance on these forward-looking statements. All written and oral forward-looking statements attributable to Telkom or Vodacom, or persons acting on their behalf, are qualified in their entirety by these cautionary statements. Moreover, unless Telkom or Vodacom is required by law to update these statements, they will not necessarily update any of these statements after the date hereof, either to conform them to actual results or to changes in their expectation.

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<u>Exhibit</u>	<u>Description</u>
99.1	Announcement, dated October 27, 2008, issued by Telkom SA Limited (“Telkom”), announcing the untimely death of John Joseph, chief executive officer of Africa Online, a wholly owned subsidiary of Telkom.
99.2	Announcement, dated November 6, 2008, issued by Telkom, regarding the proposed sale by Telkom of a 15% stake in Vodacom Group (Proprietary) Limited (“Vodacom”) to a wholly-owned subsidiary of Vodafone Group Plc (“Vodafone”), the distribution of 50% of the after tax sale proceeds by way of a special dividend to Telkom shareholders net of any tax levied thereon, the listing of Vodacom on the main board of the JSE Limited and the unbundling of Telkom’s remaining 35% stake in Vodacom to Telkom shareholders in South Africa and other eligible jurisdictions.
99.3	Presentation, made by Telkom on November 6, 2008, regarding the proposed sale by Telkom of a 15% stake in Vodacom to a wholly-owned subsidiary of Vodafone, the distribution of 50% of the after tax sale proceeds by way of a special dividend to Telkom shareholders net of any tax levied thereon, the listing of Vodacom on the main board of the JSE Limited and the unbundling of Telkom’s remaining 35% stake in Vodacom to Telkom shareholders in South Africa and other eligible jurisdictions.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**TELKOM SA LIMITED**

By: /s/ Deon Fredericks

Name: Deon Fredericks

Title: Acting Chief of Finance

Date: November 6, 2008

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**EXHIBIT INDEX**

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**EXHIBIT 99.1**

**27 October 2008**

**CEO of Africa Online passes away**

It is with much regret that Telkom announces the untimely death of John Joseph, Chief Executive Officer (CEO) of Africa Online, a wholly owned subsidiary of the Company.

CEO of Telkom, Reuben September says, "John was an invaluable member of our team, a larger than life character who had been integral to establishing and building the Africa Online brand and developing a portfolio of service offerings across all segments in nine African countries. We are deeply saddened by his passing and on behalf of the Company, I would like to convey my deepest condolences to John's family and friends, as well as staff at Africa Online."

John had been CEO with Africa Online since March 2007.

Before ascending to the CEO position at Africa Online, John had occupied various positions at Telkom since 1995. In 2000, he was tasked with establishing Telkom Wholesale Marketing, an organisation that has since developed into a communication wholesale provider.

"John made a tremendous contribution in realising Telkom's ambition to play a leading ICT services provider role on the continent. He will be sorely missed," said September.

A new CEO has not yet been appointed. Telkom will make an announcement in this regard as soon as possible.

Ends.

Issued by (but not to be quoted)

Pynee Chetty  
Media Relations  
Tel: 012 311 5247  
Fax: 088 012 311 5247  
Mobile: 082 857 5141



<DOCUMENT>  
<TYPE> EX-99.2  
<FILENAME> c76856exv99w2.htm  
<DESCRIPTION> Exhibit 99.2  
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## EXHIBIT 99.2

Telkom SA Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1991/005476/06)  
(JSE and NYSE share code: TKG)  
(ISIN: ZAE000044897)  
("Telkom")

### ANNOUNCEMENT REGARDING THE FOLLOWING PROPOSED INTER-CONDITIONAL TRANSACTIONS:

1. The sale by Telkom of a 15% stake in Vodacom Group (Proprietary) Limited ("Vodacom") to a wholly-owned subsidiary of Vodafone Group Plc ("Vodafone")
2. The distribution of 50% of the after tax sale proceeds by way of a special dividend to Telkom shareholders ("Telkom shareholders") net of any tax levied thereon
3. The listing of Vodacom on the main board of the JSE Limited ("JSE")
4. The unbundling of Telkom's remaining 35% stake in Vodacom to Telkom shareholders in South Africa and other eligible jurisdictions

#### 1. INTRODUCTION

Telkom shareholders are referred to the cautionary announcements, the last of which was published on 9 October 2008, regarding the receipt by Telkom of a non-binding proposal from Vodafone.

Telkom shareholders are advised that Telkom, Vodafone, various subsidiaries of Vodafone and Vodacom have signed binding transaction agreements (the "Transaction Agreements"), pursuant to which:

1. Vodafone will acquire from Telkom an additional 15% of the entire issued share capital of Vodacom for a cash consideration of ZAR 22.5 billion less the attributable net debt of Vodacom as at 30 September 2008 ("the Sale Transaction");
2. Telkom will distribute 50% of the after tax proceeds from the Sale Transaction to Telkom shareholders by way of a special dividend, net of any tax levied thereon ("the Distribution");
3. Vodacom will be converted to a public company and application will be made for Vodacom to be listed on the main board of the JSE ("the Listing"); and
4. Telkom will distribute the balance of the shares in Vodacom held by Telkom (constituting 35% of the entire issued share capital of Vodacom) to Telkom shareholders in South Africa and other eligible jurisdictions, in proportion to their shareholdings in Telkom, by way of an unbundling in terms of section 90 of the Companies Act 61 of 1973, as amended ("Companies Act") and section 46 of the Income Tax Act 58 of 1962 as amended ("the Unbundling Transaction").

Further details of the Sale Transaction, the Distribution, the Listing and the Unbundling Transaction (collectively, "the Proposed Transaction") are set out in paragraphs 4, 5, 6 and 7 below.

#### 2. RATIONALE FOR THE PROPOSED TRANSACTION

##### Benefits to Telkom

The board of directors and senior management of Telkom have undertaken an extensive review of Telkom's investment in Vodacom and have concluded that, although Vodacom remains attractive and highly profitable, in order to maximise future shareholder value it is preferable:

- i) for Telkom to focus on its core fixed-line business and pursue a standalone growth strategy; and
- ii) for Vodacom to be a separately listed company.

Telkom's existing shareholding in Vodacom is not optimal from a value creation perspective as Telkom exercises joint control over Vodacom and is therefore limited in its ability to realise the potential benefits of an integrated strategy. Furthermore, the Vodacom shareholders' agreement ("Shareholders' Agreement") limits Telkom's ability to act independently and execute its strategy.

On this basis, after evaluating the options available to Telkom, the board of Telkom has decided to proceed with the Proposed Transaction given the compelling strategic and financial rationale therefor, namely:

- i) to free Telkom from the Shareholders' Agreement, thereby enabling it to explore mobile convergence opportunities;
- ii) to unlock value for Telkom shareholders; and
- iii) to enable the competitive repositioning of Telkom across the information and communication technology ("ICT") sector, both in South Africa and internationally.

The Proposed Transaction is expected to unlock significant value for Telkom shareholders by providing support for the value of Telkom's stake in Vodacom and enabling a re-rating of Telkom's fixed-line and other businesses, the current see-through value of which is significantly lower than those of Telkom's listed peers.

Following the implementation of the Proposed Transaction, Telkom intends to continue to focus on its core fixed-line business and to pursue its growth strategy in, amongst others, the following ways:

- i) with its own mobile capability, Telkom will be able to provide converged fixed-line, mobile and data solutions to both the residential and corporate markets;
- ii) as an integrated service provider, Telkom will be able to bundle the full range of communications products into attractive packages offering significant value to customers;
- iii) Telkom intends to expand into managed voice, managed data and IT services and applications, and to diversify into new revenue growth opportunities in adjacent markets, such as rich content and data centres; and
- iv) Telkom will pursue expansion opportunities across the ICT sector and African continent, which meet Telkom's pre-determined set of investment criteria, enabling the business to grow internationally. This is intended to reduce risk, enhance the diversity of Telkom's earnings and enable Telkom to participate in higher growth markets.

#### **Benefits to Telkom shareholders**

In addition to the foregoing, the Listing will provide Telkom shareholders in South Africa and other eligible jurisdictions with an opportunity to gain direct exposure to a leading African communications company that provides world-class mobile telephony services to more than 34 million individual customers in South Africa, Tanzania, Lesotho, the DRC and Mozambique. Vodacom will capture the full benefit of being part of Vodafone, the world's largest mobile operator by revenues with a best in class research and development platform.

Implementation of the Proposed Transaction will give Telkom shareholders the opportunity to choose in which company/ies they would like to be invested. The Unbundling Transaction will allow investors to attribute an appropriate value to both Telkom and Vodacom which is in alignment with the specific dynamics and prospects of the respective companies.

Vodafone has agreed with the Government of South Africa, *inter alia*, that the Vodacom identity will remain visible on the African continent. In addition, Vodafone has agreed that Vodacom will be the exclusive investment vehicle through which it will make acquisitions in sub-Saharan Africa (excluding Ghana and Kenya where Vodafone is already present).

Vodafone intends to ensure that the majority of directors on the board of Vodacom will be non-executive directors with a suitable number being independent non-executive directors in compliance with the King Report on Corporate Governance for South Africa. The Chairman of Vodacom will be an independent non-executive director. Following the Listing, Vodacom intends to maintain a dividend policy in line with other similarly placed companies listed on the JSE.

### 3. DESCRIPTION OF THE BUSINESS OF VODACOM

Vodacom is Telkom's 50% owned mobile communications joint venture with Vodafone. Vodacom is the largest mobile communications network operator in South Africa with an estimated market share of approximately 55% as of 31 March 2008 based on total estimated customers. Vodacom had 34.0 million customers as of 31 March 2008, of which 24.8 million were in South Africa. In addition to the leading position in South Africa, Vodacom has a portfolio of growing operations in Africa and is the number one operator in Tanzania, Lesotho, and the Democratic Republic of Congo and the number two operator in Mozambique. The company is also the leading wireless broadband service provider in South Africa with an expanding total communications service offering across sub-Saharan Africa. Vodacom is well positioned to capture growth from the fast-growing enterprise market in Africa following the announcement of its intended acquisition of the telecommunications assets of Gateway Telecommunications. Vodacom had consolidated revenue of ZAR 48.2 billion, net profit attributable to equity shareholders of ZAR 8.0 billion and cash flow from operating activities of ZAR 5.1 billion in the year ended 31 March 2008 and total assets of ZAR 34.2 billion and equity attributable to equity holders of Vodacom of ZAR 11.8 billion as of 31 March 2008.

### 4. THE SALE TRANSACTION

The Sale Transaction will be implemented prior to the Listing and the Unbundling Transaction.

Subject to the fulfilment of the conditions precedent set out in paragraph 8 below, Telkom will dispose of 15% of the entire issued share capital of Vodacom to a wholly-owned subsidiary of Vodafone, Vodafone Holdings (SA) (Proprietary) Limited ("VHSA").

The purchase price of ZAR 22.5 billion for the 15% stake in Vodacom has been determined on a cash-free, debt-free basis. The consideration payable to Telkom by VHSA will therefore be ZAR 20.95 billion, being ZAR 22.5 billion less the attributable net debt of ZAR 1.55 billion ("the Net Purchase Price"). The net debt of ZAR 1.55 billion includes an amount of ZAR 450 million which relates to dividends received by Telkom post 30 September 2008. The Net Purchase Price is payable in cash, 10 business days after the fulfilment or, where applicable, waiver of the conditions precedent.

The Net Purchase Price will be further adjusted by deducting 15% of any dividends (and any secondary tax levied thereon), declared or paid by Vodacom during the period between signing and implementation of the Proposed Transaction.

### 5. THE DISTRIBUTION

In considering the application of the proceeds arising from the Sale Transaction, the directors of Telkom shall, in accordance with their fiduciary duties, act in the best interests of all Telkom shareholders. On this basis, the directors have recommended that 50% of the Net Purchase Price (as adjusted) be retained by Telkom and the balance returned to Telkom shareholders by way of a special dividend (net of any applicable taxes). This is a condition of the Proposed Transaction and Telkom shareholders will be required to pass the resolution declaring this special dividend in a general meeting.

The proceeds retained by Telkom will be invested in projects aligned with its growth strategy as set out in paragraph 2 above or acquisitions which meet Telkom's rigorous investment criteria and which are projected to generate returns well in excess of Telkom's cost of capital. Further detail in this regard will be provided to Telkom shareholders in the circular referred to in paragraph 12 below.

## 6. THE LISTING

The Listing will take place prior to the Unbundling Transaction. The listing of Vodacom on the JSE will be one of the largest listings in recent years and Vodacom is expected to rank amongst the top 20 companies by market capitalisation on the JSE.

## 7. THE UNBUNDLING TRANSACTION

In terms of the Unbundling Transaction, Telkom will distribute its remaining shares in Vodacom (i.e. constituting 35% of the entire issued share capital of Vodacom) (“the Unbundling Shares”) to Telkom shareholders in proportion to their shareholding in Telkom.

A mechanism shall be put in place so that shareholders in certain jurisdictions outside of South Africa may receive cash instead of the Unbundling Shares if such receipt would require registration or approval under relevant local securities laws.

Following the implementation of the Proposed Transaction, it is anticipated that Vodafone will hold 65% of the ordinary shares in Vodacom.

## 8. CONDITIONS PRECEDENT

The Sale Transaction, the Distribution, the Listing and the Unbundling Transaction are inter-conditional so that none of them will be implemented unless the others become unconditional. Once all the conditions have been met, the Proposed Transaction will be implemented in the following sequence:

- i) first, the Sale Transaction;
- ii) second, the Listing;
- iii) third, the Unbundling Transaction; and
- iv) fourth, the Distribution.

The Sale Transaction is conditional upon Telkom shareholder approval in terms of JSE Listings Requirements. The Sale Transaction is further subject to, *inter alia*, the fulfilment, or where applicable, waiver, of all regulatory and statutory approvals and consents as may be necessary, including, *inter alia*:

- i) the South African Competition Authorities;
- ii) the Tanzanian Competition Authorities; and
- iii) the Independent Communications Authority of South Africa.

The Listing is subject to approval by the JSE. The declaration of the Distribution is subject to the approval by a majority of Telkom shareholders in general meeting.

The Unbundling Transaction is subject to, *inter alia*, the fulfilment, or where applicable, waiver, of the following conditions precedent:

- i) approval of the Unbundling Transaction by 75% of Telkom shareholders in general meeting in accordance with section 228 of the Companies Act; and
- ii) approval by the JSE of the Listing.

The conditions precedent referred to above must be fulfilled within 12 months of the signature date of the Transaction Agreements, or such other later date as may be agreed by the parties.

## 9. FINANCIAL EFFECTS ON TELKOM

The unaudited *pro forma* financial effects set out below are included for the purpose of illustrating the effects of the Sale Transaction, the Distribution and the Unbundling Transaction on Telkom’s earnings, diluted earnings, headline earnings, diluted headline earnings, net asset value and net tangible asset value, per ordinary share of Telkom, for the year ended 31 March 2008.

The board of directors of Telkom is responsible for the unaudited *pro forma* financial effects below. These unaudited *pro forma* financial effects are presented for illustrative purposes only and because of their nature, may not give a fair reflection of Telkom’s financial position, changes in equity, results of operations or cash flows following implementation of the Proposed Transaction.

Per Telkom share (cents)	Before the Proposed Transaction <sup>1</sup>	After the Proposed Transaction <sup>5</sup>	Percentage change
Basic earnings <sup>2</sup>	1,565.0	4,327.5	177%
Diluted earnings <sup>3</sup>	1,546.9	4,277.6	177%
Headline earnings <sup>2</sup>	1,634.8	1,010.5	-38%
Diluted headline earnings <sup>3</sup>	1,616.0	998.8	-38%
Net asset value <sup>4</sup>	6,570.3	7,221.6	10%
Net tangible asset value <sup>4</sup>	4,874.8	5,948.9	22%

Notes:

- 1) Based on the published audited annual results for the financial year ended 31 March 2008.
- 2) Basic earnings per share and headline earnings per share are based on 509.6 million shares, being the weighted average number of shares in issue (excluding treasury shares) for the financial year ended 31 March 2008.
- 3) Diluted earnings per share and diluted headline earnings per share are based on 515.5 million shares, being the weighted average number of shares in issue for the financial year ended 31 March 2008.
- 4) Net asset value per share and net tangible asset value per share are based on 499.5 million shares, being the total number of shares in issue of 520.8 million less treasury shares of 21.3 million as at 31 March 2008.
- 5) The “After the Proposed Transaction” column is calculated on the following basis:
  - i) the 15% stake in Vodacom was sold to Vodafone with effect from 1 April 2007;
  - ii) the Net Purchase Price from the Sale Transaction was received on 1 April 2007;
  - iii) the Distribution (net of applicable taxes thereon) took place on 1 April 2007;
  - iv) interest was earned on the Net Purchase Price at an after tax rate of 8.6% for the period from 1 April 2007 to 31 March 2008; and
  - v) the net profit after tax arising from the Sale Transaction and taxes in respect of the Distribution have been excluded from the calculation of headline earnings per share and diluted headline earnings per share.

10. DIRECTORS’ OPINION AND RECOMMENDATION

The directors of Telkom have considered the terms and conditions of the Proposed Transaction and are of the opinion that the Proposed Transaction will ultimately enhance shareholder value for Telkom shareholders. Accordingly, the directors of Telkom are in favour of the Proposed Transaction and intend to vote, in respect of any Telkom shares held by them at the date of the general meeting, in favour of the resolutions necessary to approve and implement the Proposed Transaction. The directors recommend that Telkom shareholders also vote in favour of such resolutions.

11. SHAREHOLDER SUPPORT

Telkom shareholders are referred to the cautionary announcement on 9 October 2008 which indicated that the South African Government is supportive of the Proposed Transaction, subject to finalising the Transaction Agreements. Telkom shareholders are advised that the South African Government and the Public Investment Corporation Limited (PIC), which, as of 30 September 2008, directly or indirectly owned 39.8% and 18.1% of Telkom’s issued share capital, respectively, have now provided irrevocable undertakings to vote in favour of the Proposed Transaction.

## 12. POSTING OF CIRCULAR

A circular providing further information on the Proposed Transaction and containing a notice of general meeting is expected to be posted to Telkom shareholders in the first quarter of 2009.

## 13. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENTS

Telkom shareholders are advised that the cautionary announcements referred to in the first paragraph of this announcement are hereby withdrawn and caution is no longer required to be exercised by Telkom shareholders when dealing in Telkom's securities.

Pretoria  
6 November 2008

Financial advisers to Telkom  
JPMorgan Chase Bank N.A. and IDG Financial Services (Pty) Ltd

Transaction sponsor to Telkom  
J.P. Morgan Equities Ltd

South African legal advisers to Telkom  
Werksmans Inc. and Mchunu Koikanyang Inc.

US legal advisors to Telkom  
Paul, Hastings, Janofsky & Walker LLP

Financial advisers to the South African Government  
Morgan Stanley South Africa (Pty) Ltd and Rand Merchant Bank, a division of FirstRand Bank Limited

Legal advisers to the South African Government  
Edward Nathan Sonnenbergs Inc.

### **Special note regarding forward looking statements**

Many of the statements included in this announcement constitute or are based on forward looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, specifically Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, including, among others, statements regarding Telkom's ability to successfully complete the Proposed Transaction and its effects on Telkom's operations, Telkom's ability to implement its mobile strategy and any changes thereto, Telkom's future financial position and plans, strategies, objectives, capital expenditures, 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 the use of terminology such as "may", "will", "should", "expect", "envisage", "intend", "plan", "project", "estimate", "anticipate", "believe", "hope", "can", "is designed to" or similar phrases, although the absence of such words does not necessarily mean that a statement is not forward looking. These forward looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause Telkom's actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward looking statements. Telkom caution you not to place undue reliance on these forward looking statements. All written and oral forward looking statements attributable to Telkom, or persons acting on Telkom's behalf, are qualified in their entirety by these cautionary statements. Moreover, unless Telkom is required by law to update these statements, Telkom will not necessarily update any of these statements after the date of Telkom's most recent annual report on Form 20-F filed with the US Securities and Exchange Commission (SEC), either to conform them to actual results or to changes in Telkom's expectations.



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Telkom filed an annual report on Form 20-F with the US SEC, for the year ended 31 March 2008 on 18 July 2008. This annual report includes a detailed description of risk factors that may affect its business. For further information you should refer to the Form 20-F and other filings with the US SEC, which are available on Telkom's investor relations website at [www.telkom.co.za/ir](http://www.telkom.co.za/ir).

THIS IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES AND SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION. ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES IS REQUIRED TO BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM TELKOM AND/OR VODACOM AND THAT CONTAINS DETAILED INFORMATION ABOUT VODACOM AND ITS MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS. TELKOM AND VODACOM HAVE NO CURRENT INTENTION OF MAKING ANY PUBLIC OFFERING OF VODACOM SECURITIES IN THE UNITED STATES THAT WOULD REQUIRE REGISTRATION.

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## Forward looking statement

Shareholders in certain jurisdictions outside of South Africa may not be entitled to receive any Vodacom shares that Telkom unbundles if such receipt would require registration or approval under local securities laws. A mechanism is intended to be put in place so that shareholders in such jurisdictions outside of South Africa may receive cash instead of the Unbundling Shares if such receipt would require registration or approval under relevant local securities laws.

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### SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

All of the statements contained herein, as well as oral statements that may be made by Telkom or Vodacom, or by officers, directors or employees acting on their behalf related to such subject matter, that are not statements of historical facts constitute or are based on forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995, specifically Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. These forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause Telkom's or Vodacom's actual results and outcomes 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 Telkom's or Vodacom's actual results or outcomes to differ materially from their expectations are those risks identified in Item 3, "Key Information-Risk Factors" contained in Telkom's most recent Annual Report on Form 20-F filed with the US Securities and Exchange Commission (SEC) and its other filings and submissions with the SEC which are available on Telkom's website at [www.telkom.co.za/ir](http://www.telkom.co.za/ir), including, but not limited to, our ability to consummate the Vodacom transaction, our ability to successfully implement our mobile strategy, increased competition in the South African fixed-line, mobile and data communications markets; our ability to implement our strategy of transforming from basic voice and data connectivity to fully converged solutions, developments in the regulatory environment; continued mobile growth and reductions in Vodacom's and Telkom's net interconnect margins; Telkom's and Vodacom's ability to expand their operations and make investments and acquisitions in other African countries and the general economic, political, social and legal conditions in South Africa and in other countries where Telkom and Vodacom invest; our ability to improve and maintain our management information and other systems; our ability to attract and retain key personnel and partners; our inability to appoint a majority of Vodacom's directors and the consensus approval rights at Vodacom may limit our flexibility and ability to implement our preferred strategies; Vodacom's continued payment of dividends or distributions to us; our negative working capital; changes in technology and delays in the implementation of new technologies; our ability to reduce theft, vandalism, network and payphone fraud and lost revenue to non-licensed operators; the amount of damages Telkom is ultimately required to pay to Telcordia Technologies Incorporated; the outcome of regulatory, legal and arbitration proceedings, including tariff approvals, and the outcome of Telkom's hearings before the Competition Commission and others; any requirements that we unbundle the local loop, our ability to negotiate favorable terms, rates and conditions for the provision of interconnection services and facilities leasing services or if ICASA finds that we or Vodacom have significant market power or otherwise imposes unfavorable terms and conditions on us; our ability to implement and recover the substantial capital and operational costs associated with carrier preselection, number portability and the monitoring, interception and customer registration requirements contained in the South African Regulation of Interception of Communications and Provisions of Communication-Related Information Act and the impact of these requirements on our business; Telkom's ability to comply with the South African Public Finance Management Act and South African Public Audit Act and the impact of the Municipal Property Rates Act and the impact of these requirements on our business; fluctuations in the value of the Rand and inflation rates; the impact of unemployment, poverty, crime, HIV infection, labor laws and labor relations, exchange control restrictions and power outages in South Africa; and other matters not yet known to us or not currently considered material by us.

Furthermore, the targets, estimates, forecasts, projections and pro forma financial information included herein have been prepared based upon a number of assumptions and estimates that, while presented with numerical specificity and considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control, and upon assumptions with respect to future economic activity and business decisions which are subject to change. In addition, targets, estimates, forecasts, projections and pro forma financial information in a transforming industry such as Telkom's are inherently risky, particular in later years. As a result, we cannot provide any assurance that these results will be realized. The prospective and pro forma financial information presented herein may vary substantially from actual results. We make no representation that these results will be achieved.

We caution you not to place undue reliance on these forward-looking statements. All written and oral forward-looking statements attributable to Telkom or Vodacom, or persons acting on their behalf, are qualified in their entirety by these cautionary statements. Moreover, unless Telkom or Vodacom is required by law to update these statements, they will not necessarily update any of these statements after the date hereof, either to conform them to actual results or to changes in their expectation.



## Key terms of the Vodacom transaction

<b>Structure</b>	<ul style="list-style-type: none"><li>▪ Three inter-conditional components:<ul style="list-style-type: none"><li>• 15% stake to be sold to Vodafone</li><li>• Remaining 35% to be listed on the JSE and distributed to Telkom shareholders in South Africa and other eligible jurisdictions by way of an unbundling</li><li>• 50% of post tax (CGT) proceeds declared as special dividend (net of STC)</li></ul></li></ul>
<b>Price</b>	<ul style="list-style-type: none"><li>▪ Consideration for the 15% Vodacom stake is ZAR22.5bn less Vodacom's attributable net debt at September 30, 2008 of ZAR1.55 billion<ul style="list-style-type: none"><li>• paid in cash</li><li>• subject to capital gains tax ("CGT")</li></ul></li></ul>



## Key terms (continued)

<b>Conditions</b>	<ul style="list-style-type: none"><li>■ Telkom shareholder approvals:<ul style="list-style-type: none"><li>• 50% for the disposal of 15% of Vodacom to Vodafone</li><li>• 75% for the unbundling of the remaining 35% of Vodacom to Telkom shareholders (Section 228 of Companies Act)</li><li>• 50% for the declaration of the special dividend</li></ul></li><li>■ Regulatory approvals including:<ul style="list-style-type: none"><li>• Competition authorities</li><li>• ICASA</li><li>• JSE approval for the listing of Vodacom</li></ul></li></ul>
<b>Shareholders Agreement</b>	<ul style="list-style-type: none"><li>■ The Vodacom shareholders agreement is terminated in its entirety</li></ul>





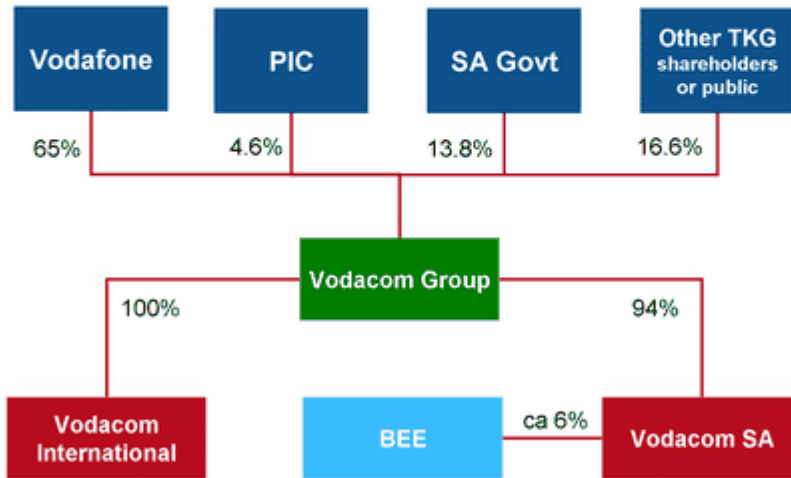
## Key terms (continued)

<b>Vodacom minority shareholder protection</b>	<ul style="list-style-type: none"><li>▪ Vodacom will be used as Vodafone's vehicle for expansion in sub-Saharan Africa (excluding North Africa, Kenya and Ghana)</li><li>▪ Vodacom to distribute all profits not needed for growth and debt repayment</li><li>▪ Independent, non-executive chairman and majority non-executive directors; compliance with best practice</li></ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"><li>▪ Telkom to retain 50% of the proceeds to fund its repositioning post Vodacom</li><li>▪ The remainder of the proceeds will be returned to shareholders as a special dividend (less STC payable thereon)</li></ul>
<b>Unlocking value for Telkom shareholders Positioning Telkom for future growth</b>	



## Vodacom ownership structure post transaction

Telkom shareholders gain direct equity exposure to Vodacom

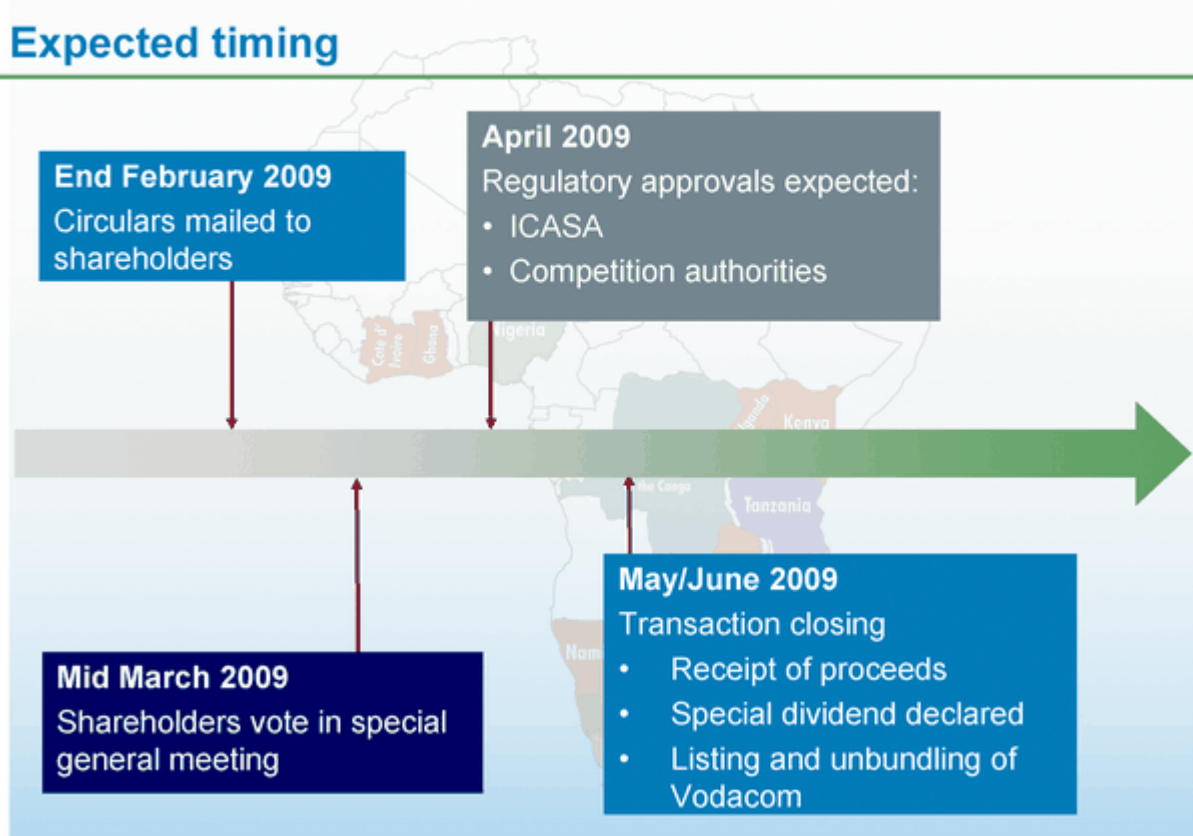


End of misaligned shareholder strategies





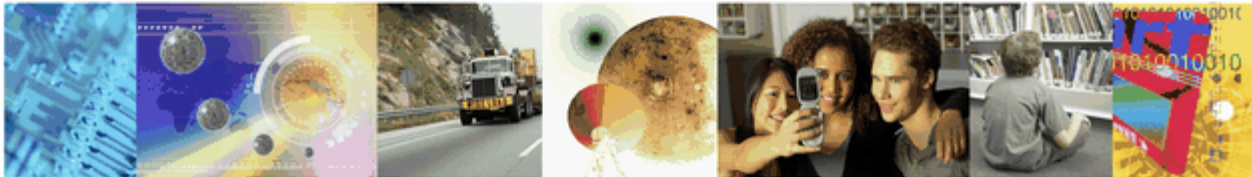
## Expected timing





## Transaction rationale

<b>Value unlock</b>	<ul style="list-style-type: none"><li>■ Attractive cash consideration for 15% of Vodacom</li><li>■ Telkom to retain 50% of proceeds, remainder distributed to shareholders (net of STC)</li><li>■ Potential re-rating of under valued fixed-line business</li><li>■ Direct equity exposure to South Africa's leading mobile operator</li></ul>
<b>Remove strategic limitations</b>	<ul style="list-style-type: none"><li>■ Telkom will be able to compete in mobile markets and drive its convergence strategy</li></ul>
<b>Repositioning Telkom</b>	<ul style="list-style-type: none"><li>■ Capitalise on the fixed-line strengths to become a fully integrated service provider</li><li>■ Seek to become Africa's leading fixed, mobile and data service provider</li></ul>

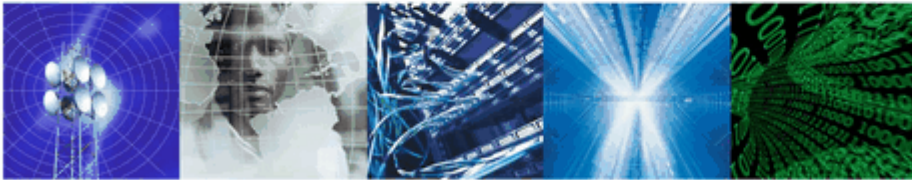




## Strategic limitations removed – Telkom free to compete

- Able to provide mobile services in South Africa and across Africa
- Is expected to realise the power and benefits of a fully integrated strategy
- Free from geographic limitations

Customers want to communicate in any format, over any device, anytime, anywhere and in any volume



Telkom can now offer fully converged services



## Enhanced ability to compete

<b>Maximise core fixed-line value</b>	<b>Top line growth</b>	<ul style="list-style-type: none"> <li>Strengthened ability to defend and grow revenue base</li> <li>Focus on converged fixed, mobile and data services opportunities</li> </ul>
	<b>Margin</b>	<ul style="list-style-type: none"> <li>Use of wireless (mobile) solutions to improve margins</li> </ul>
	<b>Capex</b>	<ul style="list-style-type: none"> <li>Telkom's strength remains its network</li> <li>Acceleration of infrastructure investments including NGN</li> </ul>
<b>International expansion</b>		<ul style="list-style-type: none"> <li>Cash injection for international expansion</li> <li>Freedom to pursue investments in any market</li> </ul>
<b>Convergence</b>		<ul style="list-style-type: none"> <li>Free to drive convergence through a complimentary mobile solution</li> <li>Under-serviced areas to benefit from wireless (mobile) solution</li> <li>Leverage the NGN and Telkom's network footprint</li> </ul>
<b>Strategic partnerships</b>		<ul style="list-style-type: none"> <li>Free to explore partnerships with other major mobile players</li> </ul>



## Unaudited pro forma Telkom financials

	Before	After	Comments
<b>Revenues 08 (ZARbn)</b>	56.3	34.5	<ul style="list-style-type: none"> <li>Removal of 50% of Vodacom consolidated revenues</li> </ul>
<b>EBITDA 08 (ZARbn)</b>	20.6	12.4	<ul style="list-style-type: none"> <li>EBITDA from fixed-line and other businesses after transaction</li> </ul>
<b>Total gross debt (ZARbn)</b>	18.4	15.2	<ul style="list-style-type: none"> <li>Deconsolidation of 50% of Vodacom debt</li> </ul>
<b>Total cash (ZARbn)</b>	1.7	10.9	<ul style="list-style-type: none"> <li>Based on 50% of proceeds retained and distribution of the remainder (net of STC)</li> </ul>
<b>Net debt (ZARbn)</b>	16.6	4.4	<ul style="list-style-type: none"> <li>Capital structure flexibility</li> </ul>

**Proceeds invested and used to manage capital efficiently**

Source: Annual report FY2008





## Unaudited pro forma capital structure and use of proceeds

Before		After	
Total net debt 08	R16.6bn	Total net debt <sup>1</sup>	R4.4bn
EBITDA 08	R20.6bn	EBITDA 08	R12.4bn
Net debt/EBITDA	0.8x	Net debt <sup>1</sup> /EBITDA	0.4x

<sup>1</sup> Assuming 50% of Vodacom sale proceeds are retained by Telkom

### Capital structure

- Pro forma, with 50% of proceeds, implies a ND/EBITDA of 0.4x
- Three year targeted ND/EBITDA of 1.3x to retain flexibility



## Current financial market turmoil

### Impact on Telkom

- Currently, local funding market remains available to Telkom, but
  - 40% of Telkom's capex is foreign currency denominated
  - Rand has depreciated more than 30% since August 2008
- Management paying close attention to capex and future investments





## Investors will have direct exposure to Vodacom

<b>Direct exposure</b>	<ul style="list-style-type: none"><li>▪ Valuation of Vodacom historically hidden within Telkom and Vodafone sum of the parts</li><li>▪ Market reference now provides clarity as to fair value of Vodacom</li></ul>
<b>Pursue international growth</b>	<ul style="list-style-type: none"><li>▪ Vodacom to be the expansion vehicle for Vodafone in sub-Saharan Africa (excluding North Africa, Ghana and Kenya)</li><li>▪ Simplified investment decision making process</li></ul>
<b>Vodafone synergies</b>	<ul style="list-style-type: none"><li>▪ Single controlling shareholder</li><li>▪ Continued access to Vodafone's product range and innovation</li></ul>

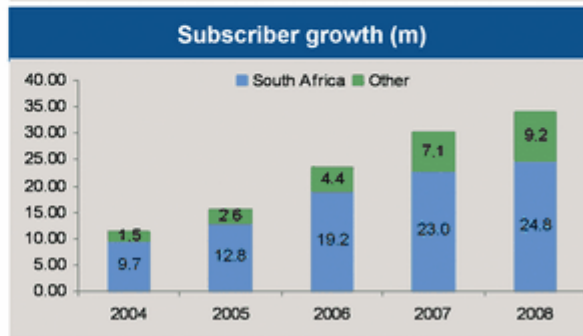
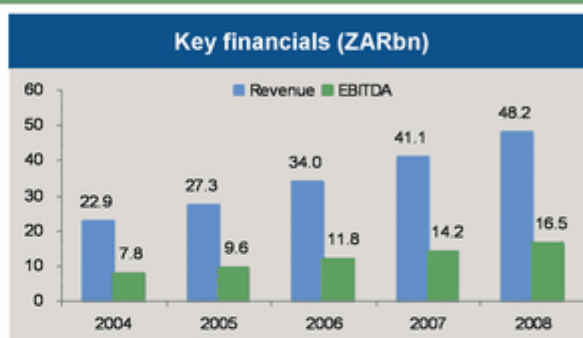




## Vodacom - an attractive investment

	Highlights				
	SA	TZ	DRC	MQ	LS
Subscribers (m)	24.8	4.2	3.3	1.3	0.4
Position	1/3	1/6	1/4	2/2	1/3
Market Share	55%	52%	41%	40%	80%
Penetration	94%	20%	12%	16%	26%

Legend: South Africa (SA), Tanzania (TZ) Democratic Republic of Congo (DRC), Mozambique (MQ), Lesotho (LS).



**34m subscriber base expected to grow on back of low penetration in Africa**



## A positive outcome for all

Telkom	Vodacom
<ul style="list-style-type: none"><li>▪ Financially strong and liberated incumbent, free to compete</li><li>▪ Retention of a portion of proceeds, positions Telkom for future growth</li><li>▪ Able to offer full convergence</li><li>▪ Not restricted in geographic expansion</li><li>▪ Under-serviced areas in SA provided for more economically</li></ul>	<ul style="list-style-type: none"><li>▪ Listed on JSE</li><li>▪ Vehicle for Vodafone's sub-Saharan African expansion</li><li>▪ African mobile player headquartered in SA</li><li>▪ Benefiting from Vodafone products and innovations</li></ul>

Shareholders realise value and gain exposure to two strengthened assets  
Significant Foreign Direct Investment in South Africa

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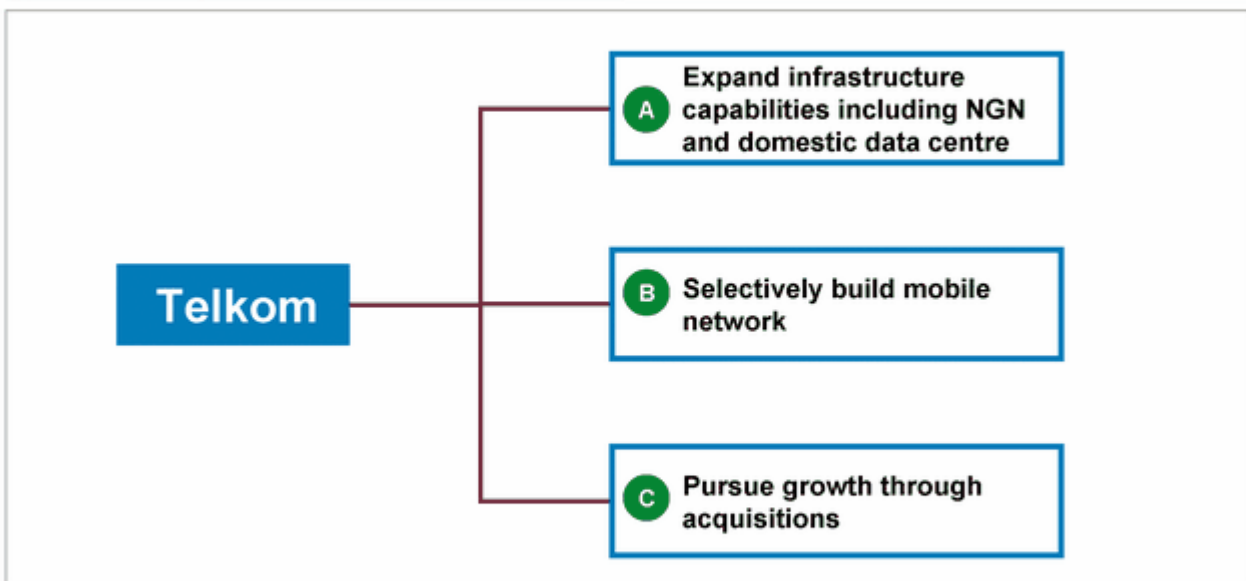



## Same strategy – enhanced ability to execute





## Telkom to retain 50% of the proceeds to enhance competitive positioning



Backbone provider for all mobile networks — Telkom uniquely positioned





## A Acceleration of Network expansion including NGN

### Strategy and rationale

- Increasing demand for capacity, new data and converged products
- Legacy network increasingly expensive to maintain, competitors rolling out NGN
- Significant switch in focus from pure cost-saving to include a sustainable revenue-generating NGN model
- Sourcing revenue not only from end-users but also from vendors
- Demand for fixed-mobile converged products accelerates need for optimised NGN

Enhances Telkom's most important strategic asset, its network, to drive defend and grow strategy



## A Aggressive move up the value-added ICT chain

### Strategy and rationale

- Data centre and enhanced data management capabilities aimed at:
  - Synergies/bundling of network services with IT and hosting capabilities
  - Corporates and multinationals in Africa demand international connectivity and data solutions
  - Remote IT management, hosting mission critical applications for consumers, small business and corporates
- Data centre key to ensure on-selling of NGN capabilities

Telkom expected to capture the benefits of growth in data services



## B Selectively building mobile network

### Strategy and rationale

- SA mobile voice market highly competitive and nearing saturation, but
  - untapped growth in fixed-mobile convergence and mobile data
  - potential pricing benefits as intra-group interconnection costs can be eliminated
  - mobile capabilities important to secure opportunities in South Africa and across Africa



Selective focus on customers with enhanced product offering





**B** Selectively building mobile network (continued)

**Strategy and rationale**

- Targeting corporate customers, high-end residential and high theft / maintenance areas
- Leverage from existing network and channels
- Use wireless access where most cost efficient
- Will seek network sharing and roaming agreements with mobile operators



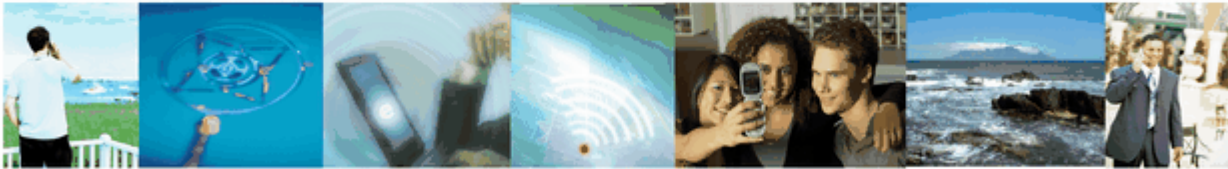
Selective network build; full service through roaming



## **B** Selectively building mobile and wireless network (cont)

### Benefits

- Lower churn through convergence and less fixed-mobile substitution
- Telkom to benefit from increased efficiency in rural areas
- Regulatory obligations such as payphones managed more effectively
- Quicker rollout capabilities
- Reduced losses from cable theft and high maintenance areas



Adding mobility to Telkom's bundle of services creates significant value



## **C** Pursuing growth opportunities through acquisitions

<b>Capabilities</b>	<p>Increase the current international and ICT footprint :</p> <ul style="list-style-type: none"><li>▪ Acquire African fixed/mobile capabilities</li><li>▪ Acquire IT capabilities</li></ul>
<b>Defined parameters for acquisitions</b>	<ul style="list-style-type: none"><li>▪ Preference for controlling stakes in strategic investments</li><li>▪ Acquisitions based upon strict return criteria, balancing return on investments against cost of capital</li><li>▪ Maintain financial flexibility</li><li>▪ Ensure management capacity is in place</li></ul>
<b>Potential targets</b>	<ul style="list-style-type: none"><li>▪ New licences to be issued on the African continent along with several Sub-Saharan privatisation opportunities</li><li>▪ Acquire/partner data centre operation to execute data centre strategy — various targets have already been considered/evaluated</li></ul>



**The sale of Vodacom will enable Telkom to realise its vision**

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**To evolve from  
South Africa's  
leading fixed-line business to  
the leading ICT player  
in Africa**

