FORM 6-K
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Section 13a-6 or 15d-16
of the Securities Exchange Act of 1934

For the month ended: June 2004

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- .

On February 25,(1) 2004 , Telkom SA Limited ("Telkom") issued a press release announcing that it has noted the Competition Commission's decision to refer certain of the complaints brought against it in 2002 by the South African Value-Added Network Services Association (SAVA) and Omnilink to the Competition Tribunal for determination, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On March 23, 2004, Telkom issued a Trading Statement in terms of the Listing Requirements of the JSE Securities Exchange, South Africa as they became aware that the financial results for the period to be reported upon next will be materially different from that of the previous corresponding period, a copy of which is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

On March 26, 2004, the Telkom issued an announcement to the JSE Securities Exchange, South Africa, notifying the Company Secretary's dealings in Telkom securities, a copy of which is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

On March 26, 2004, Telkom issued an announcement to the JSE Securities Exchange, South Africa, notifying directors dealings in Telkom securities, a copy of which is attached hereto as Exhibit 99.4 and is incorporated herein by reference.

On April 1, 2004, Vodacom Group (Pty) Limited ("Vodacom") (unlisted), South Africa's leading mobile communications group, in which Telkom SA Limited has a 50% holding, announced the signing and implementing of a 5-year management agreement with VEE Networks (previously Econet Wireless Nigeria), a copy of the announcement is attached hereto as Exhibit 99.5 and is incorporated herein by reference.

On May 3, 2004, Telkom issued a press release announcing the Pretoria High Court dismissed an application by Telcordia for leave to appeal a High Court judgment made in favor of Telkom during 2003, a copy of which is attached hereto as Exhibit 99.6 and is incorporated herein by reference.

On May 31, 2004, Vodacom announced the termination of the management agreement and negotiations with VEE Networks (previously Econet Wireless Nigeria), a copy of the announcement is attached hereto as Exhibit 99.7 and is incorporated herein by reference.

On June 7, 2004, Telkom posted its annual results for the year ended March 31, 2004 to shareholders, a copy of which is attached hereto as Exhibit 99.8 and is incorporated herein by reference. The annual report contains forward-looking statements regarding Telkom and Vodacom and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 7, 2004, Telkom presented its annual results for the year ended March 31, 2004 to shareholders, a copy of the presentation is attached hereto as Exhibit 99.9 and is incorporated herein by reference. The annual results contain forward-looking statements regarding Telkom and Vodacom and include cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 7, 2004, Vodacom posted its annual results for the year ended March 31, 2004 to shareholders, a copy of which is attached hereto as Exhibit 99.10 and is incorporated herein by reference. The annual report contains forward-looking statements regarding Vodacom and includes cautionary statements identifying important factors that could cause actual results to differ materially from those

(1) Different from date in exhibit index.

anticipated.

On June 7, 2004, Vodacom presented its annual results for the year ended March 31, 2004 to shareholders, a copy of the presentation is attached hereto as Exhibit 99.11 and is incorporated herein by reference. The annual results contain forward-looking statements regarding Vodacom and include cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

On June 7, 2004, Telkom posted a final dividend announcement for the year ended March 31, 2004, a copy of which is attached hereto as Exhibit 99.12 and is incorporated herein by reference.

On June 17, 2004, Telkom issued a press release to clarify that the general authority granted to it by shareholders at its annual general meeting on January 27, 2004 to purchase shares in its own capital on the open market does not permit it to participate in the share placement which was being implemented by Thintana Communications LLC, a copy of which is attached hereto as Exhibit 99.13 and is incorporated herein by reference.

Exhibit	Description
99.1	Press release, dated February 25, 2004, issued by Telkom, announcing that Telkom notes Competition Commission and Tribunal decision.
99.2	Trading statement, dated March 23, 2004, issued by Telkom.
99.3	Announcement, dated March 26, 2004, issued by Telkom to the JSE Securities Exchange, South Africa, providing notification of the Company Secretary's dealings in Telkom securities.
99.4	Announcement, dated March 26, 2004, issued by Telkom to the JSE Securities Exchange, South Africa, providing notification of a director's dealings in Telkom securities.
99.5	Press release, dated April 1, 2004, issued by Vodacom, announcing the signing of a 5 year management agreement with VEE Networks (previously Econet Wireless Nigeria).
99.6	Press release, dated May 3, 2004, issued by Telkom, announcing the Pretoria High Court's dismissal of an application by Telcordia for leave to appeal a High Court judgment made in favor of Telkom.
99.7	Press release, dated May 31, 2004, issued by Vodacom, announcing the termination of the management agreement with VEE Networks (previously Econet Wireless Nigeria).
99.8	Telkom's announcement of its annual results for the year ended March 31, 2004 on June 7, 2004.
99.9	Telkom's presentation of its annual results for the year ended March 31, 2004 on June 7, 2004.
99.10	Vodacom's announcement of its annual results for the year ended March 31, 2004 on June 7, 2004.
99.11	Vodacom's presentation of its annual result for the year ended March 31, 2004 on June 7, 2004.
99.12	Announcement, dated June 7, 2004, issued by Telkom, announcing its final dividend No. 9.
99.13	Announcement, dated June 17, 2004, issued by Telkom, providing clarity on the participation in the Thintana Communications LLC's private placement.

EXHIBIT 99.1

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

Telkom notes Competition Commission and Tribunal decisions

Telkom has noted the Competition Commission's decision to refer certain of the complaints brought against it in 2002 by the South African Value-Added Network Services Association (SAVA) and Omnilink to the Competition Tribunal for determination.

"We will respond to the Competition Commission's referral in due course, once we have been served with their notice of motion," said Telkom's Legal Services Group Executive, Mandla Ngcobo.

He said that it was unfortunate that press reports created the impression that Telkom had already been tried, found guilty and fined. "This is not the case. On the contrary, Telkom co-operated fully with the Competition Commission in its investigations and their findings are of a preliminary nature only. The matter will now serve before the Competition Tribunal where the allegations will be fully aired. We feel confident that we will be able to demonstrate to the Tribunal that Telkom has not contravened the Competition Act."

The Commission's further decision not to refer the "bundling complaint" to the Tribunal demonstrated that the Company had not unfairly leveraged its position as a provider of facilities in the VANS market.

"Telkom has consistently provided telecommunication facilities to VANS providers within the current legal and regulatory framework and the parameters as set out by ICASA in their previous rulings. Telkom, as a PSTS provider, denies that it has abused any dominant position. These disputes with SAVA relate to long-standing issues which are still pending before ICASA, certain of which have been dealt with, but the rulings were set aside by the High Court on review and referred back to ICASA, for their consideration. Others are yet to be finalized by ICASA," said Ngcobo.

While the Competition Act makes provision for the imposition of a remedy of up to 10% of a company's turnover, there is a judicial process that must be followed here. It is by no means a foregone conclusion that the Competition Tribunal will uphold the findings of the Commission, or impose this remedy on Telkom. The Act also allows for an appeal process, and it is irresponsible to speculate on the outcome of the legal process.

With regard to the Competition Tribunal's ruling relating to the provision of confidential information to Orion, Ngcobo said that Telkom did not agree with the ruling and was taking the matter on appeal.

Johannesburg

25 February 2004

EXHIBIT 99.2

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

TELKOM SA LIMITED TRADING STATEMENT

In terms of the Listings Requirements of the JSE Securities Exchange, South Africa ("JSE Listings Requirements"), companies are required to publish a trading statement as soon as they become aware that the financial results for the period to be reported upon next will be materially different from that of the previous corresponding period.

Telkom is currently finalising its results for the financial year ending 31 March 2004, which are expected to be released on 7 June 2004. Telkom accordingly advises that it expects earnings and headline earnings for the financial year ending 31 March 2004 to be substantially above earnings and headline earnings for the financial year ended 31 March 2003. In terms of the JSE Listings Requirements, substantially is defined as an increase or a decrease of more than 30%.

The above information has been reviewed by Telkom's Independent Reporting Accountant. The Independent Reporting Accountant's report is available for inspection at the registered office of Telkom.

Johannesburg
23 March 2004

EXHIBIT 99.3

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share code TKG
("Telkom")

Notification of directors dealing in Telkom SA Limited securities

In terms of Section 3.63 – 3.74 of the JSE Securities Exchange South Africa Listing Requirements please note the following:

Company Secretary:	VV Mashale
Number of Securities:	50
Class of Security:	Ordinary
Nature of Interest:	Direct, beneficial
Nature of Transaction:	Purchase
Date:	24 March 2004
Price:	R 33.81
Shareholding:	The shares purchased represent 25% of Mr Mashale's Telkom SA Limited shares, or options to buy shares, held in terms of the rules of the Government Initiated Employee Share Option Plan (The Diabo 2% Scheme)

EXHIBIT 99.4

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share code (TKG
("Telkom")

Notification of directors dealing in Telkom SA Limited securities

In terms of Section 3.63 – 3.74 of the JSE Securities Exchange South Africa Listing Requirements please note the following:

Chief Executive Office:	Sizwe Nxasana
Number of Securities:	50
Class of Security:	Ordinary
Nature of Interest:	Direct, beneficial
Nature of Transaction:	Purchase
Date:	24 March 2004
Price:	R 33.81
Shareholding:	The shares purchased represent 25% of Mr Nxasana's Telkom SA Limited shares, or options to buy shares, held in terms of the rules of the Government Initiated Employee Share Option Plan (The Diabo 2% Scheme)

EXHIBIT 99.5

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

VODACOM AND ECONET WIRELESS NIGERIA SIGN MANAGEMENT AGREEMENT

Vodacom Group (Proprietary) Limited ("Vodacom" or "Vodacom Group") (unlisted), South Africa's leading mobile communications group, in which Telkom has a 50.0% holding, announced today the signing and implementing of a 5-year Management Agreement.

The Agreement supersedes an interim agreement that has been in effect since October 2003. In return for a management fee, a very senior team, led by Mr Willem Swart, newly appointed as chief executive officer at Econet Wireless Nigeria, have started work in Nigeria today. Mr Swart was formerly the managing director of Vodacom Congo.

Econet Wireless Nigeria Limited will start trading under the Vodacom brand with immediate effect. In terms of the Agreement the Vodacom Group will also provide additional support in respect of procurement, network design and roll-out, products and services, marketing and other group services.

The signing of the Agreement follows extensive due diligence by Vodacom over a 9-month period. It represents a key step in the process of Vodacom's proposed equity investment into the business of Econet Wireless Nigeria Limited, in terms of which Vodacom will take a controlling stake in this business.

Vodacom Deputy Group CEO, Mr Andrew Mthembu, said the proposed equity investment process will receive a huge boost from this Agreement. The transaction to effect the equity investment still requires finalisation of the commercial terms and the sanction of the courts of Nigeria as well as the Nigerian Communications Commission and the Nigerian Securities and Exchange Commission. Mthembu stated that the closure of the equity investment process will take time, however it is likely to be completed within a 6-18 months timeframe.

Econet Chairman, Mr Oba Otudeko, says the Agreement will enable Econet Wireless Nigeria to draw from the goodwill and expertise of Vodacom as the leading mobile operator on the continent and to boost the Nigerian network operations as well as strengthen it to compete more aggressively.

Vodacom is particularly proud to be making this announcement on the 10^{th} anniversary of the launch of its commercial service on 1 April 1994. Mthembu said that this Agreement marks the start of the second chapter in the growth of the Vodacom Group.

Vodacom Group (Pty) Ltd incorporates the leading mobile network operators in South Africa, Tanzania, Democratic Republic of the Congo and Lesotho. It has also recently launched service in Mozambique and with over 11 million customers is the largest mobile operator on the African continent. Econet Wireless Nigeria Limited is the second largest mobile operator in Nigeria with over 1 million customers.

Johannesburg
1 April 2004

Exhibit 99.6

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

Telkom SA Limited - Pretoria High Court Dismisses Telcordias Application For Leave To Appeal

The Pretoria High Court today dismissed an application by Telcordia for leave to appeal a High Court judgment made in favour of Telkom last year, that set aside a partial award made earlier by an arbitrator in a long-standing dispute between the parties.

After hearing the application for three days last week, the High Court found that there was no prospect that another Court would arrive at a different conclusion from the one that the judge found in his judgment in the review application on 27 November 2003. The Court also granted a cost order in favour of Telkom, including costs for two counsels.

A dispute arose between Telcordia and Telkom in 2000, when Telkom terminated its agreement with Telcordia for the delivery of a fully integrated end-to-end customer activation and assurance system.

Following the parties failure to resolve the dispute, Telcordia initiated arbitration proceedings under the auspices of the International Chamber of Commerce (ICC) during the first quarter of 2001. In response to Telcordias claims for outstanding amounts and certain out-of-scope services of approximately $130 million, Telkom counter-claimed against Telcordia for an amount in excess of $300 million, including a claim for the refund of monies paid by Telkom to Telcordia.

On 27 September 2002, the arbitrator handed down a partial award in favour of Telcordia, effectively settling the merits of the dispute between the parties and notwithstanding a pending Section 20 application (in terms of the Arbitration Act) in the South African High Court to resolve pertinent legal issues in the matter. However, Telkom applied to the High Court in South Africa, sitting at Pretoria, to review and set aside the partial award. In November 2003 the High Court handed down judgment in favour of Telkom following the hearing of an extensive six-week review application. In terms of the court order, the partial award was set aside and the Court ordered that the matter be heard by a panel of three retired Judges of the Supreme Court of Appeal in South Africa.

Johannesburg
3 May 2004

Exhibit 99.7

Telkom SA Limited - Vodacom press release
Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

Vodacom press release

Vodacom Group (Proprietary) Limited ("Vodacom") in which Telkom has a 50.0% holding, today issued the following statement:

"Vodacom and Vee Networks (previously Econet Wireless Nigeria) today mutually agreed to terminate their current Management Agreement on an amicable basis. To ensure a smooth transition Vodacom will continue to provide technical support to Vee Networks for a period of up to 6 months. Willem Swart has decided to resign from his position at Vodacom in order to pursue a career as the Chief Executive Officer of Vee Networks. Following this decision Vodacom has realigned its top management structure. The employment contract of its Deputy CEO, Andrew Mthembu was terminated. Vodacom Group Strategy Director, Robert Pasley has resigned from Vodacom effective 31 May 2004."

Johannesburg
31 May 2004

Exhibit 99.8

Telkom Group annual results for the year ended 31 March 2004

Johannesburg, South Africa – June 7, 2004, Telkom SA Limited (JSE and NYSE: TKG), South Africa’s largest communications group announces audited results for the year ended March 31, 2004.

- Group operating free cash flow growth of 123% to R9,0 billion
- Headline earnings per share growth of 175% to 864 cents
- Group EBITDA margin reaches 40%
- Dividends of 200 cents for the year

“The Telkom Group delivered strong results for the year. Our continual focus on driving greater capital and operational efficiencies combined with good growth from both our fixed-line data business and our mobile segment, has allowed us to deliver headline earnings per share growth of 175%.” Sizwe Nxasana, Chief Executive Officer

Commenting on the Group annual results, Sizwe Nxasana, CEO, said: “The management of the Telkom Group are pleased to report strong results in our first full year as a listed company.

“In our fixed-line business, we expanded operating margins by aggressively defending revenues and systematic streamlining of our operations, while our mobile business continued to deliver robust growth by winning customers in the local market and in other African countries. These achievements underpinned the generation of strong cash flows, allowing the Group to repay debt and invest capital in driving growth and supporting ongoing cost savings.

“This positive momentum, reinforced by a strengthened capital structure and a relatively buoyant economic environment, enabled the Group to meet and exceed its performance targets for the year, and deliver on its core strategic objective of returning value to shareholders.”

Successfully achieved financial targets

The Group has delivered a strong set of financial results demonstrating management’s commitment to meeting targets. Group operating revenue increased 8.8% to R40,795 million driven by the 23.2% increase in mobile revenue, and operating profit increased 39.5% to R9,088 million for the year ended March 31, 2004. EBITDA margins during the same period expanded to 40.0% compared to 34.7% in the prior period primarily as a result of the strict cost discipline in the fixed-line business as well as the release of the Telcordia provision of R356 million and the strengthening in the Rand.

Headline earnings per share grew 175.0% to 863.6 cents per share and basic earnings per share grew 177.5% to 812.0 cents. Strong earnings growth was delivered as a result of a 39.5% increase in operating profit and a 21.4% reduction in finance charges. Included in finance charges are the net losses of R776 million arising from measuring derivatives at fair value and the relative volatility of the currency during the period.

Cash from operating activities increased 42.4% to R13,884 million, which fully covered cash requirements for group capital expenditure of R5,187 million and facilitated the repayment of R6,4374 million in net debt. Net debt decreased 33.8% to R13,362 million. The balance sheet was strengthened with net debt to equity of 60.6% at March 31, 2004, within the announced targeted range of 50% to 70%. A final dividend of 110 cents per share was declared by the board of directors, in addition to the special dividend of 90 cents per share.

A focused strategy to create shareholder value

Good progress was made across the Group for the year ended March 31, 2004, instructed by a focused strategy to create value for shareholders comprising three key imperatives:

- An intense focus on customer growth and retention;

- Driving operational efficiencies and innovation; and

- Sustaining marketplace development.

The fixed-line business posted solid growth in data revenues by driving data adoption in consumer and small and medium business markets, and increasing the penetration of value-added data services among residential and business customers. The competitiveness of this segment was boosted through wide-ranging programmes to reduce costs, improve employee efficiency and entrench a culture of innovation across all operations. All these efforts culminated in considerable improvements in service delivery and an enhanced customer experience.

Robust growth was sustained in the mobile business through strong customer growth in South Africa and other African countries. Vodacom continued to maintain its market leadership and achieved a record level of gross connections. Continued focus on customer care and retention saw contract churn in South Africa falling to its lowest level ever.

The first steps were taken to harness potential synergies between the fixed-line and mobile businesses, both in driving operational efficiencies and in integrated product and service offerings. The businesses entered into joint retail distribution and customer payment collections during the year.

Fixed-line

Telkom continued to make great strides in its strategy of becoming the data service provider of choice, with several new product launches, including VPN Supreme, a dedicated IP service, CyberTradeMall and TelkomInternet powered by Satellite. Data products were aggressively promoted to the consumer and small and medium enterprises markets through targeted campaigns. The strong growth in ISDN of 16.5% to 655,994 and the increased reach to over 20,000 ADSL customers was supported by 44.1% growth in Internet subscribers to 142,208. The number of ADSL-enabled exchanges has almost doubled to 304 during the year covering approximately 61% of exchanges. Telkom recently launched a 24-month ADSL contract bundled with a free modem. Telkom also continued to sell value added data services to corporate and business customers, with 17.3% growth in leased lines, 17.2% growth in managed network sites and overall data revenue growth of 13.5%.

Telkom focused strongly on stemming the loss of fixed-line customers and traffic. Both access lines and traffic remained relatively flat on the prior year through aggressive ISDN marketing, reconnection campaigns and deals with property developers to ensure early connection of new customers. The stimulation of traffic remains a priority and further calling packages were launched supported by extensive fixed-line tariff education. An unwavering focus on improving customer service resulted in the rebranding of TelkomDirect, the repositioning of Telkom branches and the closure of non-viable outlets.

Fixed-line controllable costs, excluding depreciation, amortisation, impairments and write-offs and the release of the Telcordia provision, reduced by R706 million mainly through reductions in materials and maintenance, property management costs and operating leases. Employee expenses remained relatively flat, with a 0.7% increase primarily due to retrenchment costs. Fixed-line employees, excluding subsidiaries, were reduced by 8.5% through a controlled and socially responsible retrenchment programme, underpinned by re-skilling and other relevant support services. Increased employee productivity was reflected in growth from 137 to 149 lines per employee.

Mobile

Vodacom has seen significant growth in South Africa over the past 10 years, with almost 10 million customers at the end of March 2004. During the year, Vodacom South Africa reached gross connections of five million, the highest level ever. Vodacom also maintained its leadership position, with a 54% (2003: 57%) market share. Vodacom continued to focus on customer care and retention, which saw contract churn at its lowest level ever at 10.1%.

A number of innovative new products and services were introduced during the year, including Call

Sponsor, which enables a contract customer to sponsor up to three prepaid customers, SMS-only roaming for international travel and several MMS and SMS bundled products. Vodacom grew data revenues by 58.9% to over R1.0 billion in revenue (50% share is R0.5 billion).

As part of Vodacom's strategy to increase margins, they are currently gaining control of their service provider channels. They have taken the first steps towards attaining this goal by purchasing 51% of Smartphone SP (Proprietary) Limited, effective from March 1, 2004. Vodacom South Africa now directly manages 70.6% of its contract customers and 97.8% of its prepaid customers.

Mobile employee productivity in South Africa and other African countries, as measured by customers per employee, increased by 24.0% to 2,434 customers per employee as of March 31, 2004.

Vodacom's customers in other African countries grew by 93.0% to 1,492,000 (2003: 773,000). Vodacom Congo experienced strong customer growth of 170.2% and Vodacom Tanzania is showing resilience, despite very challenging market conditions. The recent investment in Mozambique is doing well and 58,000 customers were connected in three and a half months since startup in December 2003.

Vodacom's attempts to enter the Nigerian market have been drawn out, and various equity structures were evaluated to mitigate the risk to shareholders. Unfortunately shareholders could not find an acceptable solution and Vodacom has terminated its management agreement and negotiations with VEE Networks (formerly Econet Wireless Nigeria Limited) effective May 31, 2004. Vodacom will continue its strategy of managed expansion into Africa, only entering markets where the conditions and risks are acceptable to shareholders.

Operational efficiency enhancements gained momentum, with the successful rollout of workforce management by the Operational Support Systems (OSS) organisation. This enabled 4,817 employees' work to be planned, allocated and monitored electronically through the use of handheld devices. The field force team, which delivers service to customers, achieved significant savings through a reduction of the vehicle fleet of 6.0%, reduced dispatches driven by a reduction in repeat faults, reduced theft and breakage incidents and a 16% reduction in the cost of fixed-line materials and maintenance.

Telkom continued to focus on optimising its property portfolio through the relocation of employees from leased properties to owned properties and improvements in overall space utilisation.

Group performance

Group operating revenue increased 8.8% (2003: 10.0%) to R40,795 million (2003: R37,507 million) in the year ended March 31, 2004. Fixed-line operating revenue, after inter-segmental eliminations, increased 4.6% (2003: 5.9%) primarily due to solid growth in data services and increased subscription and connection tariffs and local and fixed-to-mobile traffic tariffs. Mobile operating revenue, after inter-segmental eliminations, increased 23.2% (2003: 27.5%) primarily due to customer growth.

Group operating expenses increased 1.9% (2003: 4.0%) to R31,805 million (2003: R31,226 million) in the year ended March 31, 2004 primarily due to increased operating expenses in the mobile segment. This was partially offset by a 3.5% decrease (2003: 0.7%) in the fixed-line operating expenses (before inter-segmental eliminations) primarily due to reduced payments to operators, selling, general and administrative expenses, services rendered and operating leases, partially offset by an increase in depreciation, amortisation and impairment and write-off of assets. Fixed-line selling, general and administrative costs (before inter-segmental eliminations) decreased by 15.1% mainly due to the reversal of the Telcordia provision. The increase in mobile operating expenses of 17.9% (2003: 23.6%) (before inter-segmental eliminations) was primarily due to increased competition resulting in increased incentive costs and expenses to support customer growth. Mobile payments to other operators increased as a result of the increased outgoing traffic and the higher volume growth of more expensive outgoing traffic terminating on other mobile networks relative to traffic terminating on the lower cost fixed-line network.

Investment income consists mainly of interest received on trade receivables, short-term investments and bank accounts. Investment income increased 13.0% (2003: 17.2% decrease) to R479 million (2003: R424 million) largely as a result of higher interest received due to higher average balances held in investment and bank accounts.

Finance charges include interest paid on local and foreign borrowings, amortised discounts on bonds and commercial paper bills, fair value gains and losses on financial instruments and foreign exchange gains and losses. Finance charges decreased 21.4% (2003: 62.9% increase) to R3,264 million (2003: R4,154 million) due to a 13.3% decrease (2003: 9.9%) in interest expense to R2,488 million (2003: R2,869 million) and a 39.6% decrease (2003: 302.4%) in group net fair value and exchange losses on financial instruments of R776 million (2003: R1,285 million). The decrease in interest expense was primarily due to lower balances on local loans.

Consolidated tax expenses increased 63.1% (2003: 20.2%) to R1,711 million (2003: R1,049 million) in the year ended March 31, 2004. The consolidated effective tax rate for the year ended March 31, 2004 was 27.2% (2003: 37.7%). Telkom Company's effective tax rate was 15.6% (2003: 34.7%). The lower effective tax rate for Telkom Company in the year ended March 31, 2004 was primarily due to dividends received from Vodacom and the raising of a deferred tax asset on the unutilised STC credits. Vodacom's effective tax rate was 36.1% (2003: 34.0%). The higher effective tax rate for Vodacom is as a result of the Secondary Taxation on Companies payable on the dividends declared by Vodacom.

Net profit increased 177.5% (2003: 33.5%) to R4,523 million (2003: R1,630 million) in the year ended March 31, 2004.

Group capital expenditure decreased 7.1% (2003: 36.6% decrease) to R5,307 million (2003: R5,712 million) and represents 13.0% of group revenue (2003: 15.2%) in line with the Group's announced guidance of maintaining capital expenditure in the range of 12% to 15% of group revenues.

Cash flows from operating activities increased 42.4% (2003: 19.3%) to R13,884 million (2003: R9,748 million) primarily due to increased operational cash flows and decreased finance charges. Cash flows utilised in investing activities decreased 5.4% (2003: 38.0%) to R5,423 million (2003: R5,731 million) primarily due to a reduction in capital expenditure partially offset by Vodacom's investment in Mozambique and the repurchase of Telkom's shares.

Solid operating performance across the Group combined with strict cost discipline has resulted in a strengthened balance sheet. Net debt, after financial assets and liabilities, decreased 33.8% to R13,362 million (2003: R20,171 million). The balance sheet at March 31, 2004 strengthened, resulting in a net debt to equity ratio of 60.6% from 109.9% at March 31, 2003.

The Group intends to maintain a targeted net debt to equity range of between 50% – 70% whilst increasing distributions to shareholders in the form of dividends and share buy-backs while maintaining a strategic level of cash for potential corporate action.

Interest bearing debt (including credit facilities utilised) decreased 23.6% to R17,176 million (2003: R22,492 million) in the year ended March 31, 2004. In the year ended March 31, 2004, loans repaid and the increase in net financial assets exceeded loans raised by R6,374 million. The Group's repayments in the year ended March 31, 2004 included a repayment of R4,311 million of the Telkom TL03 local bond.

Telkom remains committed to maintaining its investment grade credit ratings and both S&P and Moody's ratings were unchanged at BBB- and Baa3, respectively. In May 2004, Moody's issued a release stating that they had placed Telkom under review for a possible upgrade in rating.

The macro environment remained relatively stable over the year

GDP growth during 2003 was 1.9%. The outlook for GDP growth is fairly positive with domestic expenditure remaining buoyant, resulting in more income becoming available for discretionary telecommunication spend.

The relatively low interest rates of 11.5% at March 31, 2004 have been positive for telecommunications spend, particularly among small and medium sized businesses. Telkom expects to benefit from the future refinancing of debt at lower interest rates from the higher fixed rates currently being paid.

Telkom's annual tariffs are set in January each year based on annual inflation increases in September. In 2003, the Statistics South Africa error in the calculation of inflation and the subsequent downward revision of 1.3% was unfortunate as Telkom had concluded its three-year agreement with the unions based on higher future inflation expectations.

The appreciation of the Rand has been positive for Telkom as a significant portion of capital and operating expenditure is denominated in foreign currency. The value of the Rand as measured against the Dollar has appreciated 26.4% in the year ended March 2004 to an average of R7.17 per US$1.00 from R9.74 per US$1.00 in the prior year. While this appreciation negatively impacted Telkom's international interconnection revenues and the translation of Vodacom's revenues from international operations, it resulted in savings in foreign denominated operating and capital expenditure and contributed to the improvement in operating margins. Although the strong Rand positively contributed to operating profit, it negatively impacted net reported earnings as a result of the R776 million loss on the net fair value and exchange losses on financial instruments.

The regulatory environment

On July 15, 2003, the Department of Communications announced their plans to introduce a Convergence Bill that will provide a licensing and regulatory framework for a converged telecommunications, broadcasting and information technology industry. This will supplement or replace current sector-specific legislation. No formal timeline for the tabling in Parliament of the new legislation has been communicated, but Government will continue to interact with the industry in its development.

On November 4, 2003, the Minister of Communications announced her intention to licence the Second National Operator (SNO). However, the process of licencing is still under way and to date the SNO licence has not been awarded. In June, 2004 the Minister approved four applicants for the under serviced area licencees.

On November 14, 2003, Telkom filed its fixed-line average tariff adjustments of 2.7% effective from January 2004 with the ICASA. On December 10, 2003, a revised filing was submitted to the Independents Communications authority of South Africa ICASA with an average tariff adjustment of 2.2% to take account of Vodacom reducing their fixed-to-mobile tariff.

In terms of the competitive enabling regulations surrounding carrier pre-selection, a two-phased approach has been adopted. This will initially entail a call-by-call carrier selection, which has already been built into Telkom's exchanges, followed by full carrier pre-selection.

In the year ahead the following key regulatory developments are expected:

- The Group's regulatory accounts, known as the COA/CAM, the Chart of Account and Cost Allocation Manual, will be presented on a historic cost basis this year and on a current cost/Long Run Incremental Cost (LRIC) basis next year;

- The regulator is expected to review price tariffs in terms of the composition of the basket of services and the application of the price control formula, which currently caps overall price increases on a basket of services at CPI minus 1.5%; and

- The regulations on interconnection are fairly stable and little new developments are expected over the next year. However, the refinement of interconnection guidelines will evolve as Telkom negotiates with new licencees.

Black Economic Empowerment (BEE)

BEE fits logically into the drive for sustainability for all South African companies. It is crucial for the creation of a sustainable marketplace by enlarging the domestic market and a broad-based black middle class to support ongoing revenue and profit growth. BEE is therefore a crucial growth imperative for Telkom.

Telkom was recently recognised as the most empowered company in South Africa by the Financial Mail/Empowerdex survey of 200 listed companies. This award demonstrated the Group's achievements in advancing broad-based BEE across all its pillars.

BEE procurement forms the cornerstone of Telkom's strategy as an area with the most impact. The Group's BEE procurement programme is primarily based on leveraging its buying power and profile to empower small and medium businesses. Telkom directed R5 billion in the 2004 financial year to BEE suppliers. The Group has also made strong progress in employment equity, training and development and social investment.

Telkom and Vodacom have been actively involved in the development of the BEE Charter for the ICT sector. The third working draft was released in May 2004 with finalisation expected in June 2004.

Both Telkom and Vodacom have created meaningful value for BEE shareholders. Over 100,000 South African retail investors subscribed during Telkom's Initial Public Offering (IPO), specifically targeted at historically disadvantaged individuals. In its first year as a listed company, the estimated value created for retail shareholders amounted to about R560 million. Vodacom has realised significant value for its previous BEE shareholder, HCI. In October 1996, a 5% stake was sold to HCI for R118 million. Six years later, the BEE company sold their stake for R1.5 billion, making it one of the most successful BEE deals ever done in South Africa.

Corporate governance

There were a number of developments in corporate governance in both the Group's domiciles, with the JSE Securities Exchange, South Africa (JSE) and New York Stock Exchange, Inc. (NYSE) adopting more stringent listing requirements. In addition, the Sarbanes-Oxley Act in the USA together with the local King II Report has set a rigorous corporate governance framework that the Group is working hard to comply with.

Dividends

The Telkom board of directors approved a final dividend of R613 million or 110 cents per share on June 3, 2004. A special dividend of R501 million or 90 cents per share was paid on December 29, 2003, making the total dividend for 2004 R1,114 million.

The Board aims to pay a progressively increasing dividend annually. The level of dividend will be based upon a number of factors, including the assessment of financial results, the group's debt level, interest coverage and future growth expectations, including internal cash flows. For future years the company only expects to pay an annual dividend.

The year ahead

Over the past year, the Group has demonstrated its ability to maintain its leadership position, balance its commitments as an active and responsible corporate citizen, and continues to deliver healthy returns to shareholders.

The Group will seek to continue optimising its capital structure to support the appropriate allocation of cash to ongoing cost saving initiatives and pursuing new growth opportunities, while returning dividends to shareholders. The balance sheet now allows greater financial flexibility to participate in future corporate action.

Although the Group will continue to look inward to extract further operating efficiencies, the focus will increasingly shift outward to seek new growth opportunities in selected new market areas, such as data, and exploiting synergies between fixed-line and mobile. Additionally, both businesses will seek to pursue considered African expansion.

NE Mtshotshisa	SE Nxasana
Non-executive chairman	Chief executive officer
June 7, 2004	

Operational data

For the year ended March 31,	**2003**	**2004**	**% change**
Fixed-line data			
Fixed access lines (thousands)	4,844	4,821	(0.5)
Postpaid – PSTN	3,285	3,134	(4.6)
Postpaid – ISDN channels	563	656	16.5
Prepaid	817	856	4.8
Payphones	179	175	(2.2)
Fixed-line penetration rate (%)	10.7	10.4	(2.8)
Revenue per fixed access line (ZAR)	4,987	5,169	3.6
Total fixed-line traffic (millions of minutes)	32,868	32,942	0.2
Local	20,396	20,547	0.7
Long distance	4,728	4,616	(2.4)
Fixed-to-mobile	4,135	3,980	(3.7)
International outgoing	439	427	(2.7)
Interconnection	3,170	3,347	5.6
Mobile interconnection	2,099	2,159	2.9
International interconnection	1,071	1,188	10.9
International call centre	—	25	—
ADSL (thousands)	3	20	661.5
Managed data network sites	7,729	9,061	17.2
Internet customers	98,690	142,208	44.1
Fixed-line employees (excluding subsidiaries)	35,361	32,358	(8.5)
Fixed-line employees (including subsidiaries)	35,942	32,934	(8.4)
Fixed lines per fixed-line employee	137	149	8.8
Mobile data(1)			
Total customers (thousands)	8,647	11,217	29.7
South Africa			
Mobile customers (thousands)	7,874	9,725	23.5
Contract	1,181	1,420	20.2
Prepaid	6,664	8,282	24.3
Community services telephones	29	23	(20.7)
Mobile churn (%)	30.4	36.6	20.4
Contract	11.9	10.1	(15.1)
Prepaid	34.0	41.3	21.5
Mobile market share (%)	57	54	(5.3)
Mobile penetration (%)	30.2	39.2	29.8
Total mobile traffic (millions of minutes)	10,486	12,297	17.3
Mobile ARPU (ZAR)	183	177	(3.3)
Contract	629	634	0.8
Prepaid	90	90	—
Community services	1,861	2,155	15.8
Mobile employees	3,904	3,848	(1.4)
Mobile customers per mobile employee	2,017	2,527	25.3
Other African countries			
Mobile customers (thousands)	773	1,492	93.0
Mobile employees	502	761	51.6
Mobile customers per mobile employee	1,540	1,961	27.3

(1) 100% of Vodacom. Telkom consolidates 50%.

Summarised consolidated income statements

for the years ended March 31,	Notes	Audited 2003 Rm	Audited 2004 Rm
Operating revenue	4	37,507	40,795
Other income		233	98
Operating expenses		31,226	31,805
Employee expenses		7,208	7,408
Payments to other operators		6,092	5,985
Selling, general and administrative expenses		7,682	7,971
Services rendered		2,622	2,269
Operating leases		1,124	923
Depreciation, amortisation, impairment and write-offs		6,498	7,249
Operating profit		6,514	9,088
Investment income		424	479
Profit before finance charges		6,938	9,567
Finance charges	5	4,154	3,264
Interest		2,869	2,488
Foreign exchange and fair value effect		1,285	776
Profit before tax		2,784	6,303
Taxation		1,049	1,711
Profit after tax		1,735	4,592
Minority interests		105	69
Net profit for the year		1,630	4,523
Basic and diluted earnings per share (cents)	8	292.6	812.0
Headline earnings per share (cents)	8	314.0	863.6
Dividend per share (cents)	8	—	90.0

Summarised consolidated balance sheets

at March 31,	Notes	Audited 2003 Rm	Audited 2004 Rm
Assets			
Non-current assets		43,308	41,923
Property, plant and equipment		41,046	39,024
Investment properties		—	32
Intangible assets		364	580
Investments		1,161	1,567
Deferred taxation		737	720
Current assets		9,921	11,061
Other financial assets		1,771	1,089
Income tax receivable		276	—
Short term investments		26	168
Inventories		621	520
Trade and other receivables		6,110	6,066
Cash and cash equivalents	10	1,117	3,218
Total assets		53,229	52,984
Equity and liabilities			
Capital and reserves		18,348	22,058
Share capital and premium	11	8,293	8,293
Treasury shares	11	—	(238)
Non-distributable reserves		(11)	104
Retained earnings		10,066	13,899
Minority interests		194	200
Non-current liabilities		20,490	16,283
Interest bearing debt	12	17,453	12,703
Deferred taxation		497	1,142
Provisions		2,540	2,438
Current liabilities		14,197	14,443
Credit facilities utilised	10	280	422
Trade and other payables		5,229	6,007
Shareholders for dividend		—	7
Deferred income		1,030	1,345
Current portion of interest bearing debt	12	4,759	4,051
Current portion of provisions		2,155	1,658
Income tax payable		177	460
Other financial liabilities		567	493
Total equity and liabilities		53,229	52,984

Summarised consolidated cash flow statements

for the years ended March 31, 2004	Notes	Audited 2003 Rm	Audited 2004 Rm
Operating activities		9,748	13,884
Cash receipts from customers		37,494	40,520
Cash paid to suppliers and employees		(25,431)	(24,750)
Cash generated from operations		12,063	15,770
Interest received		384	479
Finance charges paid		(2,776)	(1,255)
Dividend paid		(25)	(548)
Taxation refunded/(paid)		102	(562)
Investing activities		(5,731)	(5,423)
Proceeds on disposal of property, plant and equipment		21	52
Proceeds on disposal of investment		172	29
Proceeds on disposal of subsidiaries and joint ventures		16	—
Additions to property, plant and equipment		(5,671)	(5,187)
Intangible assets acquired		—	(61)
Additions to other investments		(269)	(331)
Acquisition of subsidiaries		—	75
Financing activities		(3,026)	(6,481)
Listing costs		(154)	—
Purchase of treasury shares		—	(102)
Loans raised		9,117	1,732
Loans repaid		(11,526)	(7,428)
Finance lease capital repaid		—	(5)
Finance lease capital raised		5	—
Increase in net financial assets		(468)	(678)
Net increase in cash and cash equivalents		991	1,980
Net cash and cash equivalents at beginning of the year		(98)	837
Effect of foreign exchange rate differences		(56)	(21)
Net cash and cash equivalents at end of the year	10	837	2,796

Summarised consolidated statement of changes in equity

for the years ended March 31,	Audited 2003	Audited 2004
Balance at April 1	16,832	18,348
Net profit for the year	1,630	4,523
Fair value adjustments on investments	(37)	9
Foreign currency reserves net of tax	(121)	(83)
Share issue expenses reversed	44	—
Treasury shares	—	(238)
Dividend declared	—	(501)
Balance at March 31	18,348	22,058

Notes to the summarised consolidated financial statements for the year ended March 31, 2004

1. Basis of preparation
The Group has prepared summarised consolidated financial statements in conformity with International Financial Reporting Standards and South African Statements of Generally Accepted Accounting Practice in compliance with IAS34 and AC127 – Interim Financial Reporting respectively. The accounting policies applied in the preparation of the preliminary results for the year ended March 31, 2004 are consistent with those applied in the annual financial statements for the year ended March 31, 2003.

The preparation of summarised consolidated financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Although these estimates are based on management’s best knowledge of current events and actions that the Group may undertake in the future, actual results may differ from those estimates.

2. Comparatives
Certain comparative figures have been reclassified in accordance with current period classifications and presentation. These reclassifications have no effect on prior year net profit. The current period classifications more closely resemble the nature of transactions within the Group’s operating structure.

The principle reclassifications were to reflect certain other benefits as part of salaries and wages, to show certain payments to other operators net of revenue and to reflect impairments and write-offs as part of the depreciation charge.

3. Restatement
Vodacom restated its balance sheet disclosure for the 2003 financial year to reflect its net zero investment in the Vodacom Congo (RDC) s.p.r.l’s preference shares at its gross value in investments and interest bearing debt as the Group does not have a legal right of set-off for these amounts. This restatement does not impact the Group’s results or cash flow information for the 2003 year.

		2003 Rm	2004 Rm
4.	Operating revenue	37,507	40,795
	Fixed-line	29,106	30,443
	Mobile	8,401	10,352
	Fixed-line	29,106	30,443
	Subscriptions, connections and other usage	4,595	5,024
	Traffic	18,001	18,313
	Domestic (local and long distance)	9,178	9,680
	Fixed-to-mobile	7,539	7,321
	International (outgoing)	1,284	1,312
	Interconnection	1,587	1,441
	Data	4,183	4,787
	Directories and other	740	878
5.	Finance charges	4,154	3,264
	Interest	2,869	2,488
	Local debt	2,642	2,253
	Foreign debt	375	303
	Less: Finance costs capitalised	(148)	(68)

	Foreign exchange gains and losses and fair value adjustments	1,285	776
	Foreign exchange losses/(gains)	(761)	(368)
	Fair value adjustments on derivative instruments	2,046	1,144
6.	Restructuring costs	244	302
	Telkom has continued to incur restructuring costs as a result of a plan to reduce the workforce. 1,633 employees were affected (2003: 2,124)		
7.	Impairment and write-offs of property, plant and equipment	189	350
	During the period, the Group raised an impairment provision of R149 million on an earth station. The asset was developed to route traffic between the Public Switch Telecommunications Network ("PSTN") and the Satellite Access Node ("SAN") of a satellite company. The satellite company has not met its current outstanding financial obligations to Telkom and management is of the opinion that no future payments will be received. Management has assessed the asset and it appears unlikely that there will be future economic benefits flowing to the Group to recover the carrying value.		

In addition the Group has written off decommissioned and obsolete equipment.

8.	Earnings per share		
	Basic and diluted earnings per share		
	The calculation of earnings per share is based on net profit for the year (earnings) of R4,523 million (2003: R1,630 million) and weighted number of ordinary shares in issue of 556,994,962 (2003: 557,031,819).		
	Headline earnings per share		
	The calculation of headline earnings per share is based on headline earnings of R4,810 million (2003: R1,749 million) and 556,994,962 (2003: 557,031,819) weighted average number of ordinary shares issued.		
	Reconciliation between earnings and headline earnings:		
	Earnings as reported	1,630	4,523
	Adjustments:		
	Profit on disposal of investment	(89)	(25)
	Profit on sale of property, plant and equipment	(15)	(19)
	Property, plant and equipment impairment and write-offs	189	350
	Goodwill amortisation	73	73
	Goodwill impairment	16	—
	Tax and outside shareholder effects	(55)	(92)
	Headline earnings	1,749	4,810
	Basic and diluted earnings per share (cents)	292.6	812.0
	Headline earnings per share (cents)	314.0	863.6

The disclosure of headline earnings is a requirement of the JSE Securities Exchange of South Africa and is not a recognised measure under US GAAP.

	Dividend per share (cents)	—	90.0
9.	Net asset value per share (cents)	3,293.7	3,982.7

The calculation of net asset value per share is based on net assets of R22,058 million at March 31, 2004 (2003: R18,348 million) and 553,846,083 (2003: 557,031,819) issued shares.

10.	Net cash and cash equivalents	837	2,796
	Cash and bank balances	916	1,219
	Short-term deposits	201	1,999
	Cash shown as current assets	1,117	3,218
	Credit facilities utilised	(280)	(422)
	Unutilised banking facilities (Rbn)	3.0	3.0
	The borrowing powers of the directors are unlimited.		
11.	Share capital	8,293	8,293
	Issued and fully paid		
	557,031,817 (2003: 557,031,817) ordinary shares of R10 each		
	1 (2003: 1) Class A ordinary share of R10		
	1 (2003: 1) Class B ordinary share of R10		
	Treasury shares	—	(238)
	3,185,736 ordinary shares in Telkom are currently held by its subsidiary Rossal No 65 (Proprietary) Limited, at a fair value of R251 million		
12.	Interest-bearing debt	22,212	16,754
	Current portion of interest-bearing debt	4,759	4,051
	Local debt	4,527	3,628
	Foreign debt	225	408
	Finance leases	7	15
	Long-term portion of interest-bearing debt	17,453	12,703
	Local debt	11,473	7,355
	Foreign debt	4,873	4,166
	Finance leases	1,107	1,182
13.	Additions to property, plant and equipment	5,712	5,307
	Land and buildings	60	123
	Network equipment	2,479	1,524
	Furniture and office equipment	22	10
	Support equipment	341	140
	Data processing equipment	354	491
	Under construction	2,416	2,968
	Other	40	51

14. Purchase of subsidiaries

On March 1, 2004 a 51% interest in the equity of Smartphone SP (Proprietary) Limited was acquired for a purchase price of R117 million, (Telkom's 50% share) of which R116 million was paid on April 7, 2004.

		2003 Rm	2004 Rm
15.	Commitments		
	Capital commitments authorised	6,974	7,151
	Fixed-line	4,977	4,566
	Mobile	1,997	2,585
	Commitments against authorised capital expenditure	435	439
	Fixed-line	104	88
	Mobile	331	351
	Authorised capital expenditure not yet contracted	6,539	6,712
	Fixed-line	4,873	4,478
	Mobile	1,666	2,234

Management expects these commitments to be financed from internally generated cash and other borrowings.
Capital commitments of the mobile segment was restated for the years ending March 31, 2003 to include capital expenditure approved by the Board of Directors for the next financial year.

16. Contingencies

Third parties
Sundry disputes with third parties that are not individually significant and that Telkom does not intend to settle amount to R70 million (2003: R161 million).
Guarantee of employee housing loans
Telkom guarantees a certain portion of employees’ housing loans. The amount guaranteed differs depending on facts such as employment period and salary rates. When an employee leaves the employment of Telkom, any housing debt guaranteed by Telkom is settled before any pension payout can be made over to the employee. The maximum amount of the guarantee in the event of the default is R144 million (2003: R192 million).
Supplier dispute
Expenditure of R594 million was incurred up to March 31, 2002 for the development and installation of an integrated end-to-end customer assurance and activation system to be supplied by Telcordia. In the 2001 financial year, the agreement with Telcordia was terminated and in that year, the company wrote off R119 million of this investment. Following an assessment of the viability of the project the balance of the Telcordia investment was written off in the 2002 financial year. During March 2001, the dispute was taken to arbitration, where Telcordia was seeking approximately US$130 million plus interest at a rate of 15.50% per year for money outstanding and damages. In September 2002, a partial ruling was issued by the arbitrator in favour of Telcordia. On November 5, 2002, Telkom brought an application to the High Court in South Africa to review and set aside the partial award. The hearing of the review application commenced on August 11, 2003. Judgement in Telkom’s favour was handed down on November 27, 2003. Telcordia, however, brought an application for leave to appeal on April 28, 29 and 30, 2004. On May 3, 2004, the High Court dismissed the application by Telcordia and ordered Telcordia to pay the legal costs of Telkom including the cost of two council. Telcordia also petitioned the United States District Court for the district of Columbia to confirm the partial ruling which petition Telkom has successfully resisted. Telcordia, however, has since filed a notice to appeal against the decision of the District Court of Columbia, which appeal was heard on April 1, 2004. The court dismissed the appeal by Telcordia on April 9, 2004. The dispute between Telkom and Telcordia and the amount of Telkom’s liability are not expected to be finalised until late 2004 or early 2005. As Telkom no longer believes it has a probable obligation, it has provided US$Nil (March 31, 2003: US$44 million) for its estimate of liabilities, which include interest and legal fees.

Competition Commission

The South African Value Added Network Services Association ("SAVA"), an association of value added network service ("VANS") providers, filed complaints against Telkom at the Competition Commission regarding alleged anti-competitive practices on the part of Telkom. Certain of the complaints have been referred to the Competition Tribunal by the Competition Commission for adjudication. The complaints deal with Telkom's alleged refusal to provide telecommunications facilities to certain VANS providers to construct their networks, alleged refusal to lease access facilities to VANS providers, alleged discriminatory pricing with regard to leased line services and alleged refusal to peer with certain VANS providers.

A maximum administrative penalty of up to 10% to be calculated with reference to Telkom's annual turnover, excluding the turnover of subsidiaries and joint ventures, for the financial year prior to the complaint date, may be imposed if it is found that Telkom has committed a prohibited practice as set out in the Competition Act, 1998 (as amended). The Competition Commission has to date not imposed the maximum penalty.

Telkom has brought an application in the High Court in respect of the Competition Tribunal's jurisdiction to adjudicate this matter, on the basis that:

- the Competition Tribunal should not decide on the nature of Telkom's rights as contained in the Telecommunication's Act, 1996 (as amended) as well as Telkom's various licences; and
- several of the complaints are already the subject of matters still pending at the Independent Communications Authority of South Africa ("ICASA"). Telkom argues that it is for the sectoral regulator, ICASA, to decide on the rights and obligations given to Telkom in terms of the Telecommunication's Act and its PSTS licence.

Telkom is confident that it has not committed a prohibited practice as set out in the provisions of the Competition Act as authorised by its PSTS licence. We do not expect the Competition Tribunal to adjudicate on this matter within the next two years.

Vodacom Congo (R.D.C.) s.p.r.l.

The Group exposure is 50% of the following items:

Vodacom, in terms of the shareholders' agreement, is ultimately responsible for the funding of the operations of Vodacom Congo. Currently Vodacom Congo is incurring losses which are expected to continue in the short term. The 49% portion attributable to the other joint venture partner in respect of the liabilities and losses as at March 31, 2004 and 2003 were as follows:

		2003 Rm	2004 Rm
	Losses	(200)	(15)
	Total liabilities	(816)	(1,133)
	Total assets	658	1,012
17.	Segment information		
	The inter-company transactions are reflected as net and are thus eliminated against segment results.		
	Business segment		
	Consolidated revenue	37,507	40,795
	Fixed line	29,542	30,906
	Mobile	9,890	11,739
	Elimination	(1,925)	(1,850)
	Consolidated operating profit	6,514	9,088
	Fixed line	4,348	6,471
	Mobile	2,166	2,617
	Consolidated finance charges	4,154	3,264
	Fixed line	3,758	2,991
	Mobile	438	284

Elimination	(42)	(11)
Consolidated assets (excluding investments, other financial assets and taxation assets)	49,995	50,160
Fixed line	42,332	41,441
Mobile	8,254	9,761
Elimination	(591)	(1,042)
Interest bearing debt	22,212	16,754
Fixed line	21,128	15,724
Mobile	1,544	1,030
Elimination	(460)	—
Capital expenditure for property, plant and equipment	5,712	5,307
Fixed line	4,013	3,862
Mobile	1,699	1,445
Depreciation and amortisation	6,293	6,899
Fixed line	5,105	5,633
Mobile	1,188	1,266

18. Related parties

Related party relationships exist within the Group. During the year all transactions were concluded at arm’s length. Details of material transactions and balances with related parties are as follows:

With joint venture		
Vodacom Group (Proprietary) Limited		
Related party balances		
Trade receivable	35	42
Trade payable	(253)	(250)
Related party transactions		
Income	(435)	(463)
Expenses	1,489	1,387
Audit fees – IPO related fees	14	3
IPO costs	25	—
Interest received	(42)	(11)
With shareholders		
Thintana Communications LLC		
Management fees	273	154
Government		
Revenue	1,606	1,866
Trade receivable	193	189
Employees		
Other receivables	126	114

Further related party disclosures are contained in the annual financial statements.

19. Telkom Employee Conditional Share Plan

Telkom shareholders approved the Telkom Employee Conditional Share Plan at the January 2004 Annual General Meeting. The scheme covers both operational and management employees and is aimed at giving shares to Telkom employees, at a Rnil exercise price, at the end of the vesting period.

The Telkom Board approved the first growth of 3.2 million shares before year-end. The allocation to employees however did not take place in the current year.

20. Subsequent events

Smartphone SP (Proprietary) Limited

Smartphone SP (Proprietary) Limited offered to purchase an 85.75% equity stake in Smartcom (Proprietary) Limited for R77.2 million. All suspensive conditions contained in the sale of shares agreement were met on April 16, 2004.

Dividends

The Telkom board has approved a dividend on June 3, 2004 amounting to 110 cents per share.

Other matters

Effective April 1, 2004 Vodacom International Limited (“VIL”) entered into a five-year management agreement with VEE Networks Limited (“VEE”), (formerly Econet Wireless Nigeria Limited), subject to rights of termination in favour of each of the parties. In terms of the agreement, VIL would have manage VEE’s cellular network operations in Nigeria for a fee which is based on VEE’s turnover. VEE would have been allowed to use the Vodacom logo and brand name. VIL also had the intention to acquire an equity stake in the business of VEE.

However, on May 31, 2004, VIL and VEE mutually agreed to terminate the management agreement entered into on April 1, 2004. VIL will continue to provide technical support to VEE for a period of up to six months. VIL has also decided not to pursue an equity stake in the business of VEE.

The Group is further also a defendant in certain legal proceedings related to its activities in Nigeria. The outcome or extent of any claims against the Group, should the Group not be successful in defending these claims, is unknown.

The directors are not aware of any other matter or circumstance since the financial year end and the data of this report, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Group and the results of its operations.

21. Negative working capital

For the financial years ended March 31, 2004 and 2003 the Group’s current liabilities are greater than current assets. Current liabilities will be financed from operating cash flows, new borrowings and existing credit facilities.

Audit report

The comprehensive audited annual financial statements, from which the summarised results have been derived, have been audited by the joint auditors Ernst & Young and KPMG. Their unqualified opinions on the comprehensive annual financial statements and the summarised financial statements contained herein are available for inspection at the Company’s registered office.

Special note regarding forward-looking statements

All statements contained herein, as well as oral statements that may be made by us or by officers, directors or employees acting on behalf of the Telkom Group, that are not statements of historical fact constitute “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995, specifically Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results 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 our actual results or outcomes to differ materially from our expectations are those risks identified under the caption “Risk Factors” contained in item 3 of Telkom’s most recent annual report on Form 20-F filed with the U.S. Securities Exchange Commission (SEC) and our other filings with the SEC, available on Telkom’s website at www.telkom.co.za/ir, including, but not limited to, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment; Telkom’s ability to reduce expenditure, customer non-payments, theft and bad debt, the outcome of arbitration or litigation proceedings with Telcordia Technologies Incorporated and others; general economic, political, social and legal conditions in South Africa and in other countries where Vodacom invests; fluctuations in the value of the Rand and inflation rates, our ability to retain key personnel; and other matters not yet known to us or not currently considered material by us. You should not place undue reliance on these forward-looking statements. All written and oral forward-looking statements, attributable to us, or persons acting on our 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 hereof either to conform them to actual results or to changes in our expectations.

www.telkom.co.za

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Board of Directors
NE Mtshotshisa (Chairman)
SE Nxasana (CEO)
SM McKenzie (COO)*
CK Tan (CSO)#, JP Klug*
Tan Sri Dato’Ir Md Radzi Mansor#
RP Menell, MP Moyo, TA Sekano, CL Valkin,
TG Vilakazi, VV Mashale (Company Secretary)
* American # Malaysian

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Cautionary language concerning forward-looking statements

All statements contained herein, as well as oral statements that may be made by us or by officers, directors or employees acting on behalf of the Telkom Group, that are not statements of historical fact constitute "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995, specifically Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results 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 our actual results or outcomes to differ materially from our expectations are those risks identified under the caption "Risk Factors" contained in item three of Telkom's most recent annual report on Form 20-F filed with the U.S. Securities Exchange Commission ("SEC") and our other filings with the SEC, available on Telkom's website at www.telkom.co.za/ir, including, but not limited to, increased competition in the South African fixed-line and mobile communications markets; developments in the regulatory environment; Telkom's ability to reduce expenditure, customer non-payments, theft and bad debt, the outcome of arbitration or litigation proceedings with Telcordia Technologies Incorporated and others; general economic, political, social and legal conditions in South Africa and in other countries where Vodacom invests; fluctuations in the value of the Rand and inflation rates, our ability to retain key personnel; and other matters not yet known to us or not currently considered material by us. You should not place undue reliance on these forward-looking statements. All written and oral forward-looking statements, attributable to us, or persons acting on our 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 hereof either to conform them to actual results or to changes in our expectations.

This presentation may contain certain non-GAAP financial measures. Reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at www.telkom.co.za/ir

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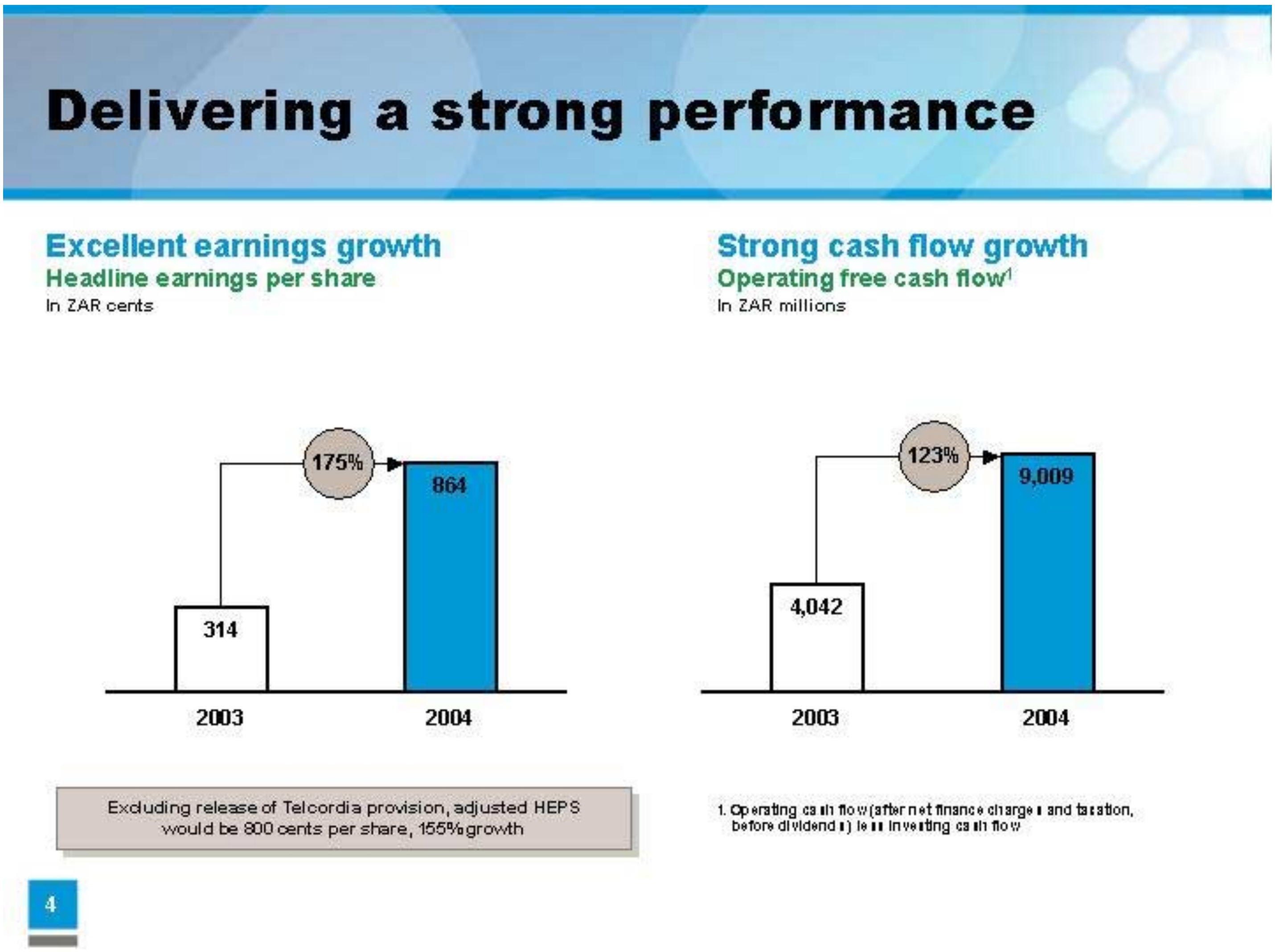

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Group financial highlights for 2004

- **9%** group **revenue** growth
- **40%** group **EBITDA** margins
- Group **capex** **13%** of revenues
- Group **return on assets** of **18%**
- Net **debt to equity** of **61%**
- Total **dividend** of 200 cents per share

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Group overview

Segment	Company	Performance[1]	Contribution

Fixed-line — Telkom

March 31 In ZAR millions	2004	% change
Revenue	30,906	5
EBITDA	12,454	29
EBITDA margin (%)	40	
Capex	3,862	(4)
Capex to revenue (%)	13	

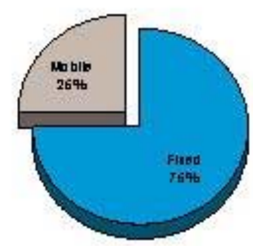
#1 in SA

Mobile — vodacom

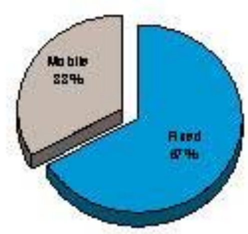
50% interest in Vodacom

March 31 In ZAR millions	2004	% change
Revenue	11,739	19
EBITDA	3,883	16
EBITDA margin (%)	33	
Capex	1,445	(15)
Capex to revenue (%)	12	

Revenue
Year ended March 31, 2004



Net profit
Year ended March 31, 2004



1. Segment results before intersegmental eliminations. Mobile results represent Telkom's 50% interest in Vodacom.

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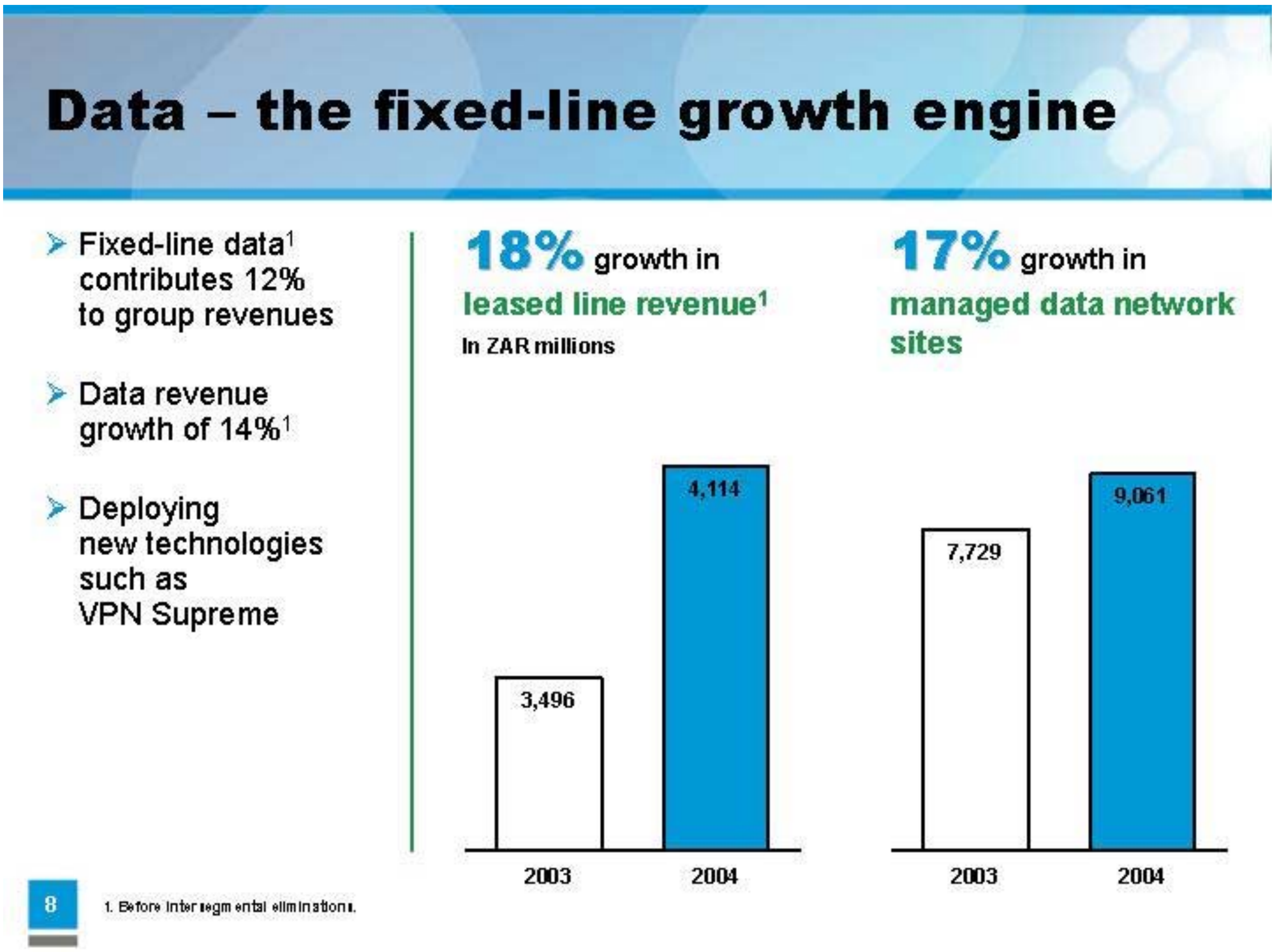

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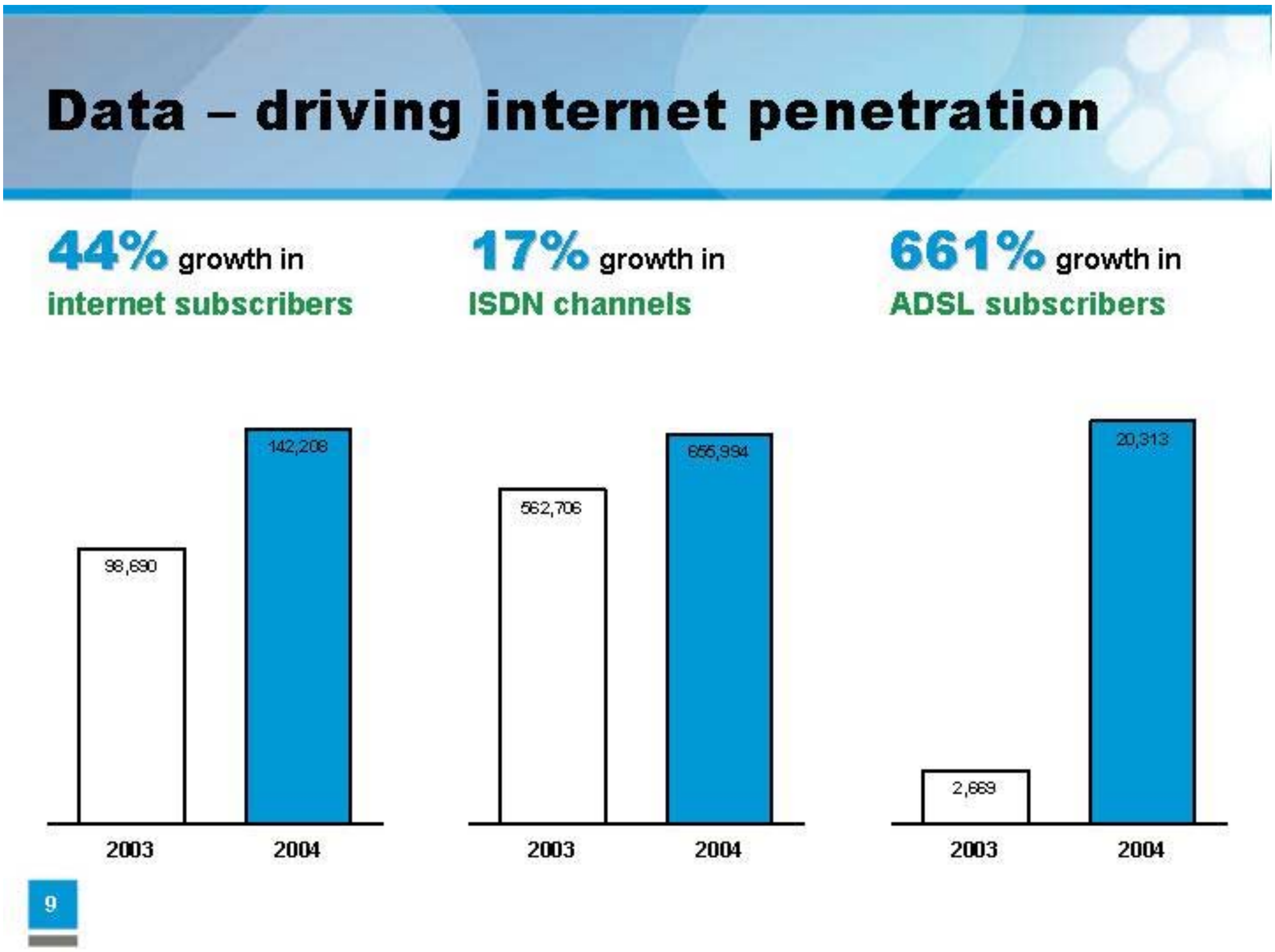

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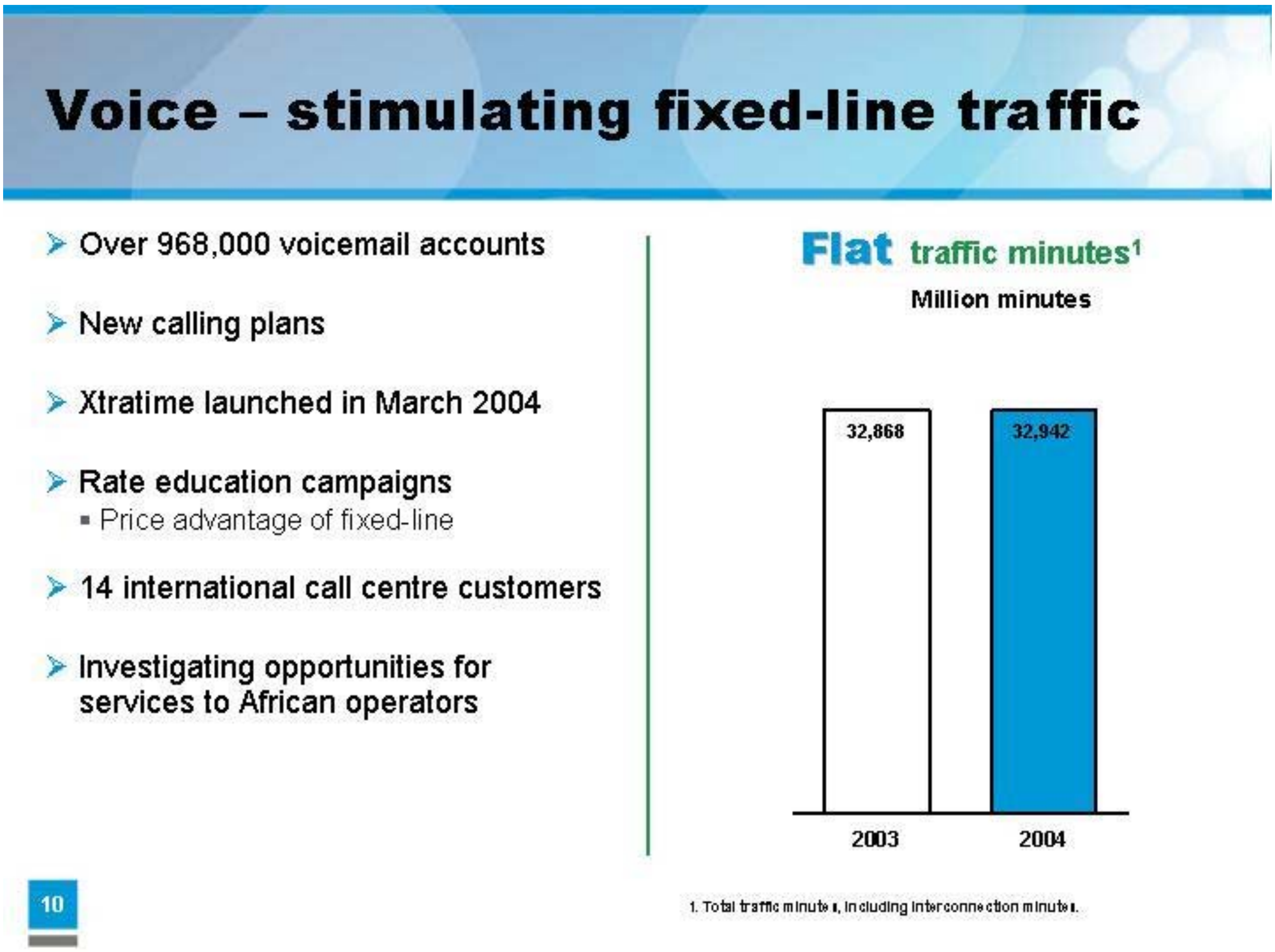

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Voice – stemming line loss

Convenience

- Online ordering and payments
- TelkomDirect retail outlets
- Vodashop deals
- View bills online

Connect/Reconnect campaigns

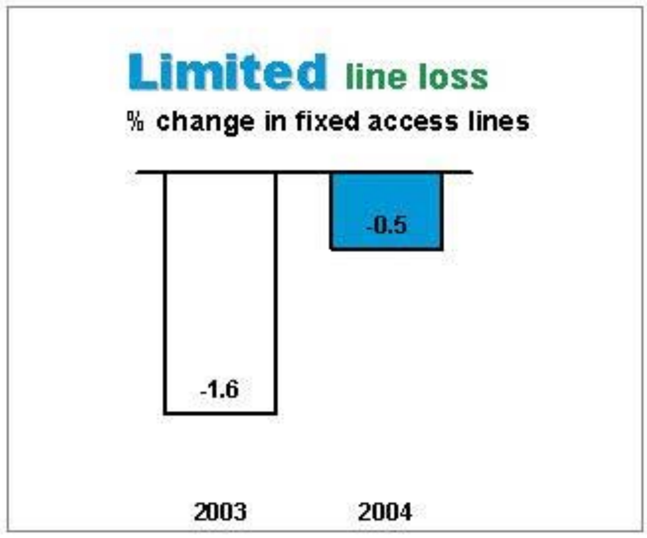
- Get connected – 50% discount campaigns
- Project transfer
- Lengthened PrepaidFone suspension times

Property development details

- Smart moves (launched with ABSA)
- PDConnect
- Property24

Credit management policy

- Reduce barrier to entry
- No deposit for certain credit scores but limit usage



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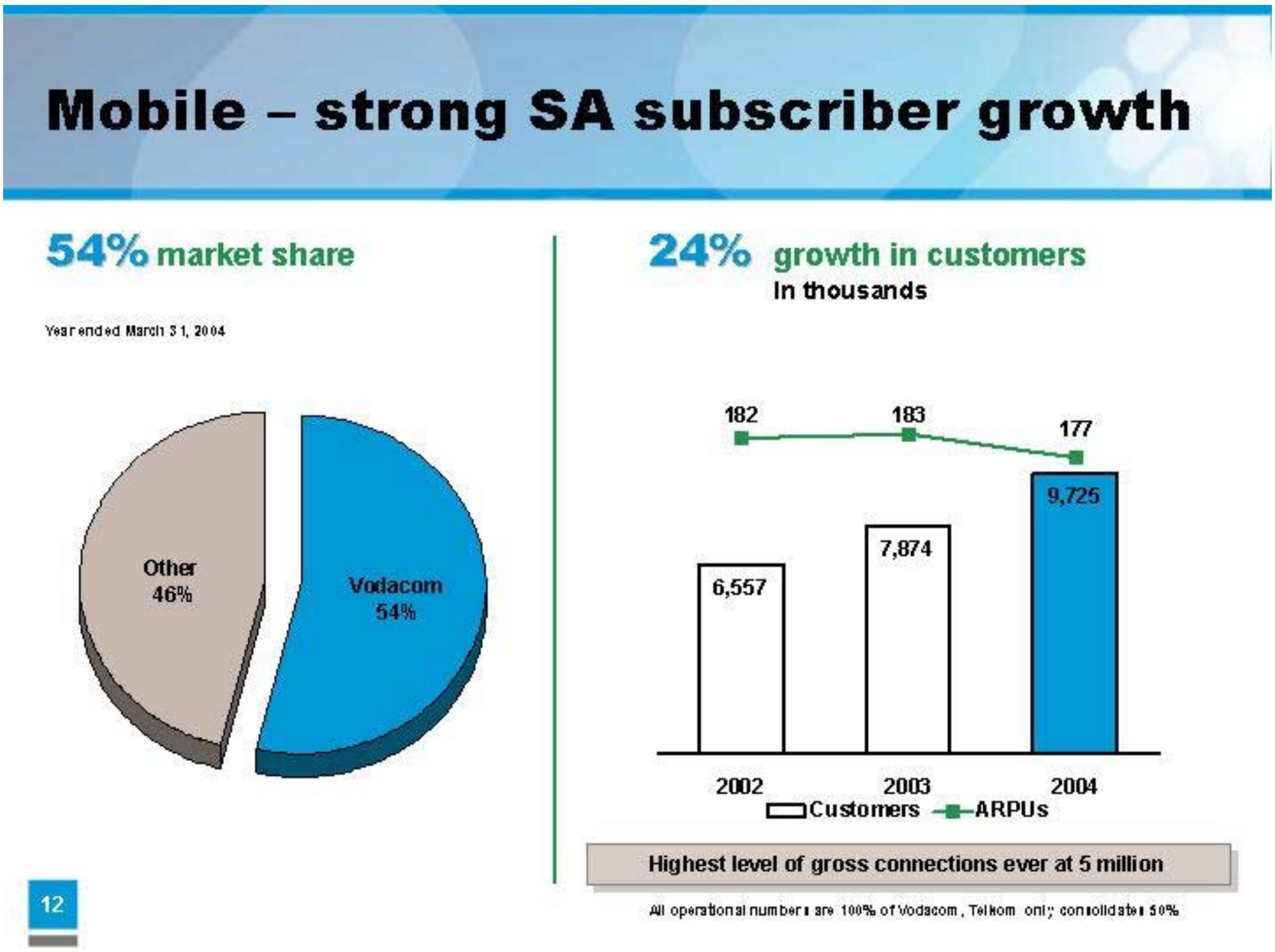

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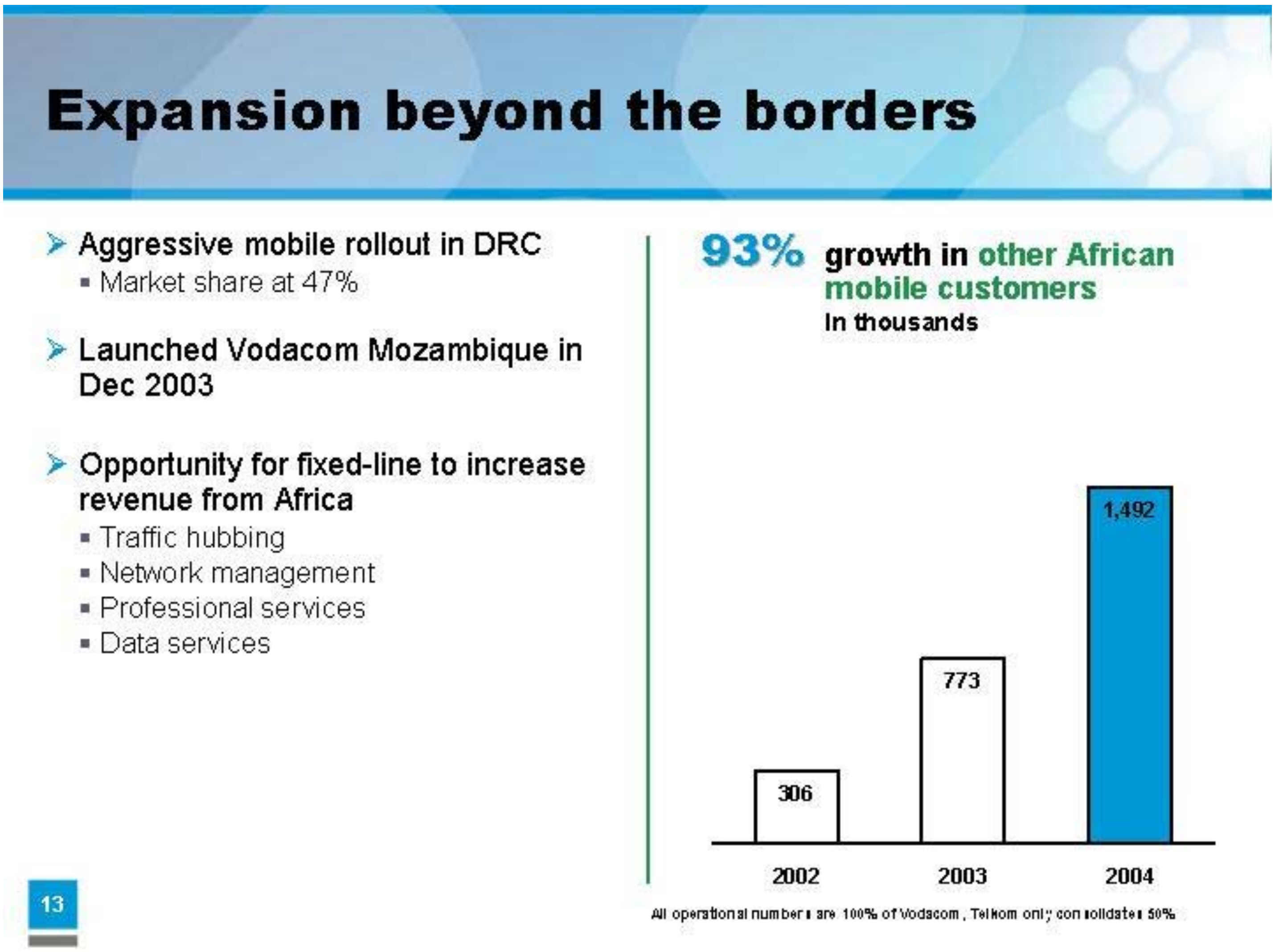

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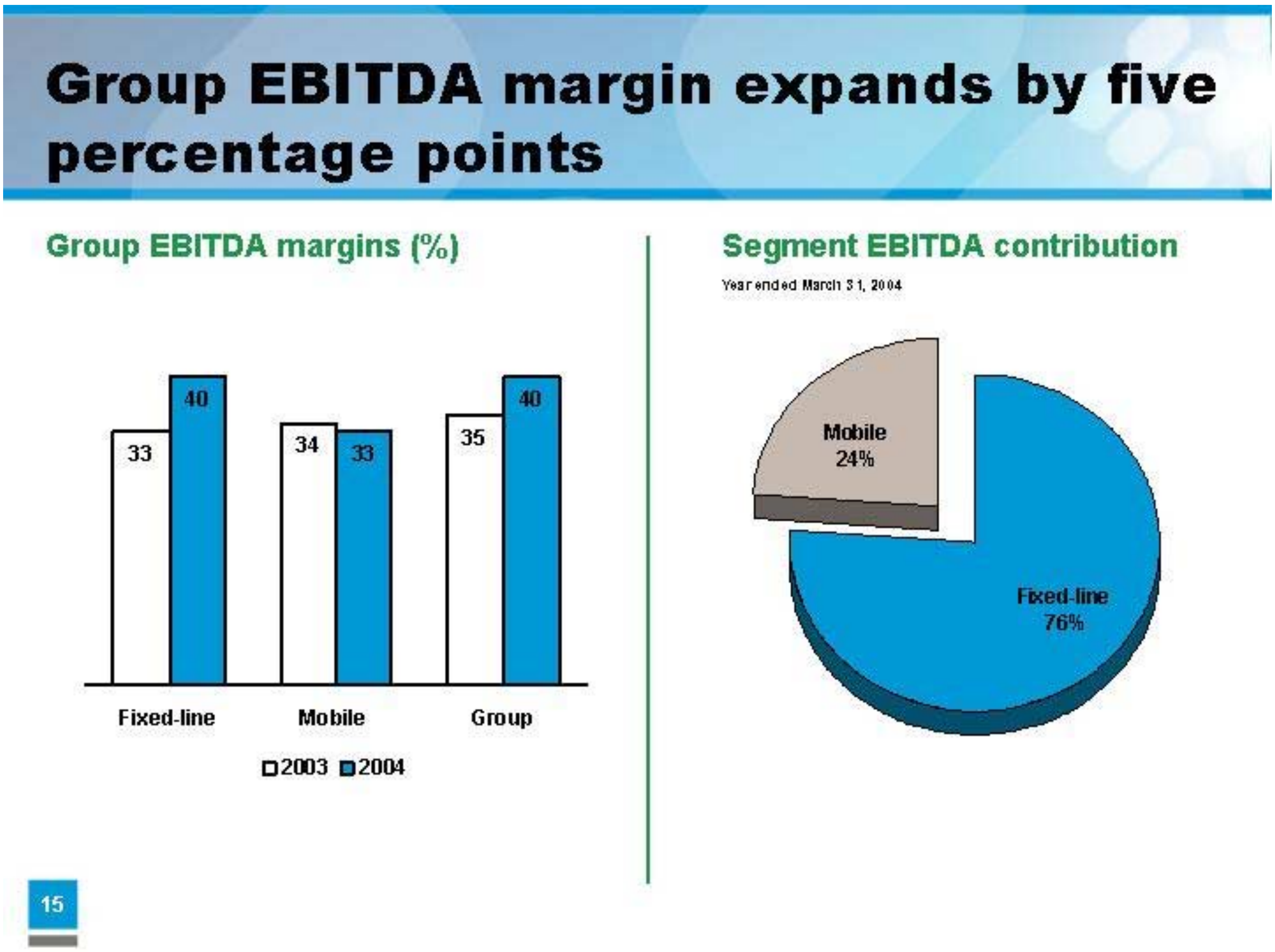

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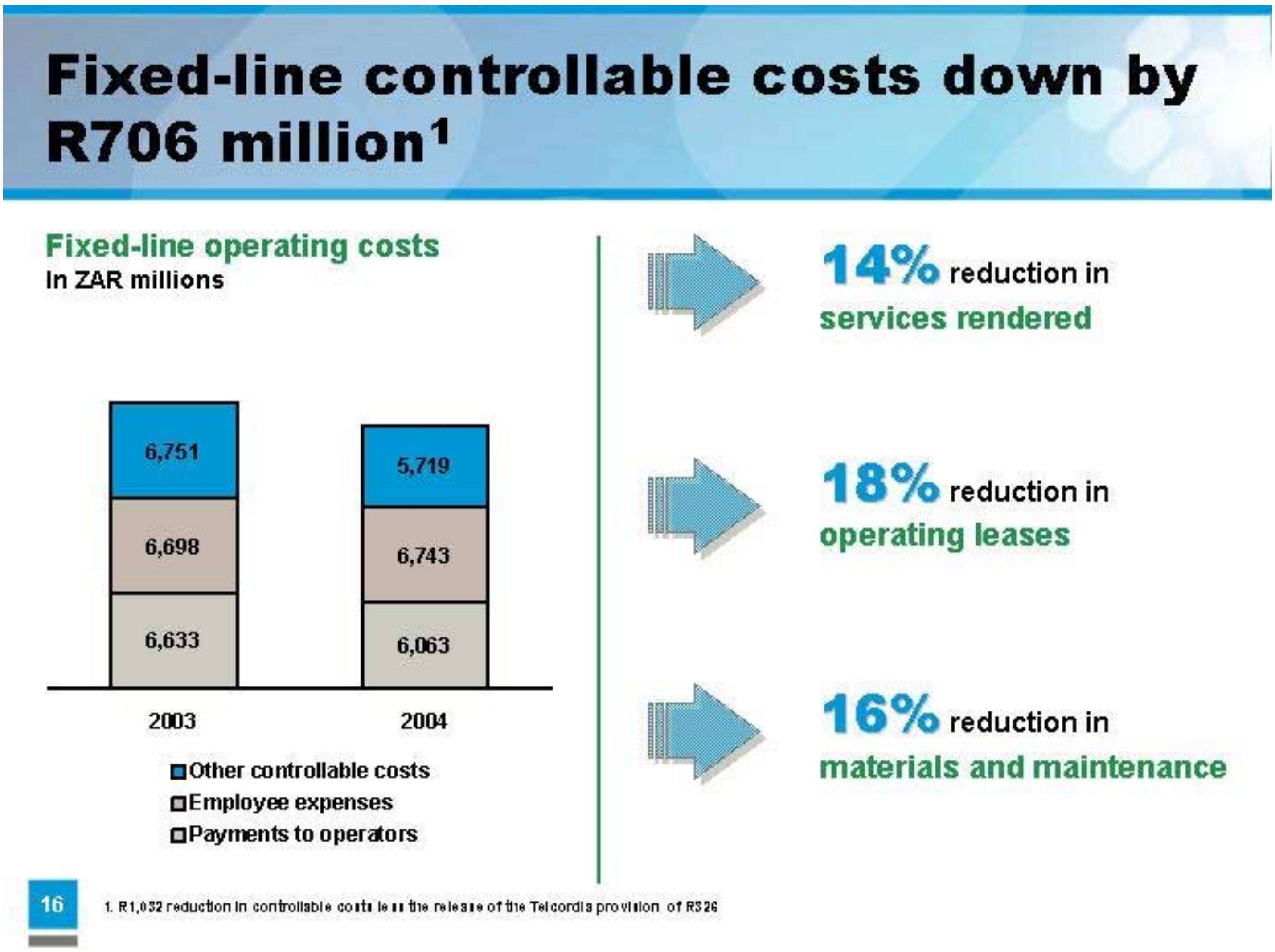

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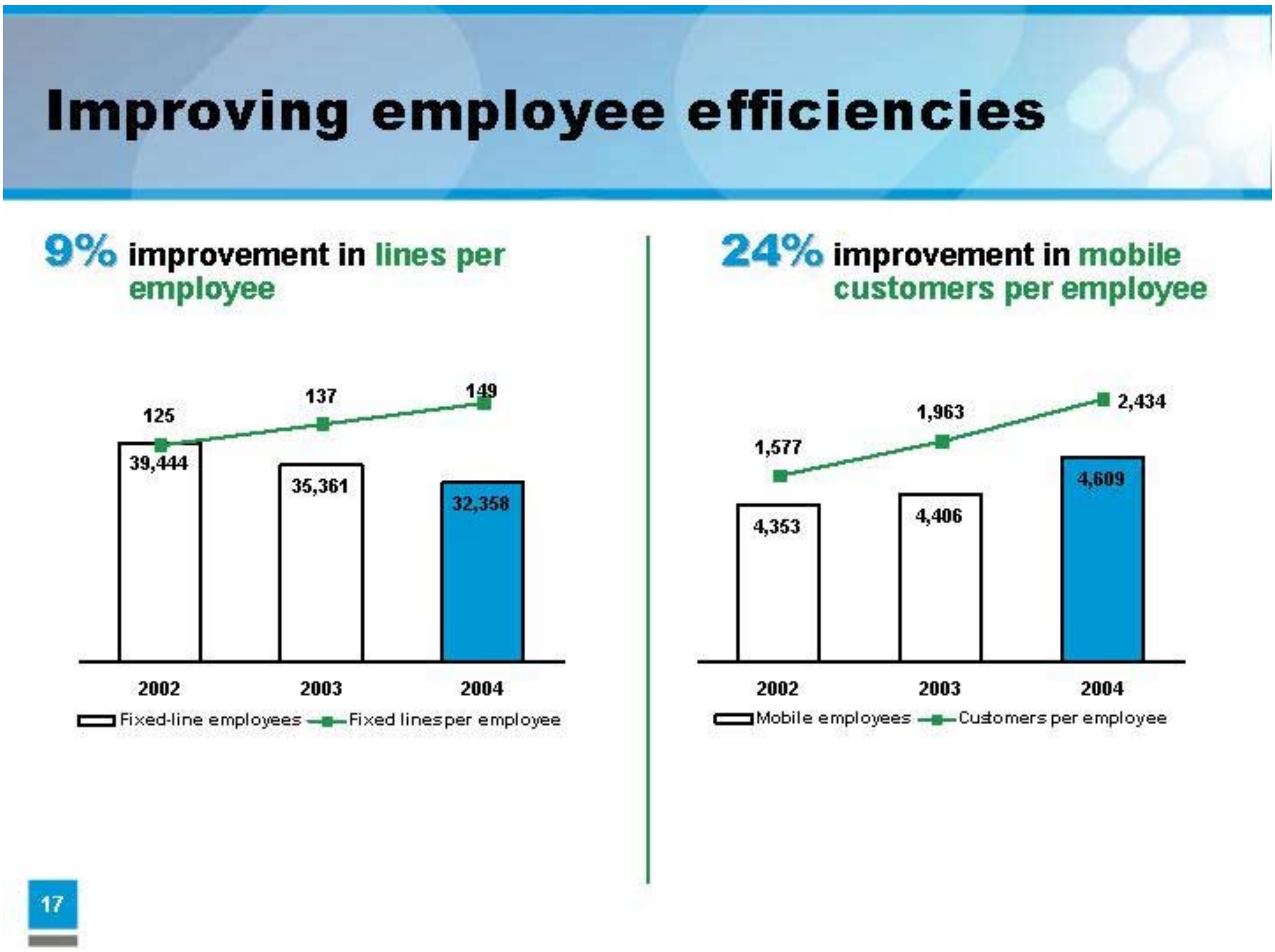

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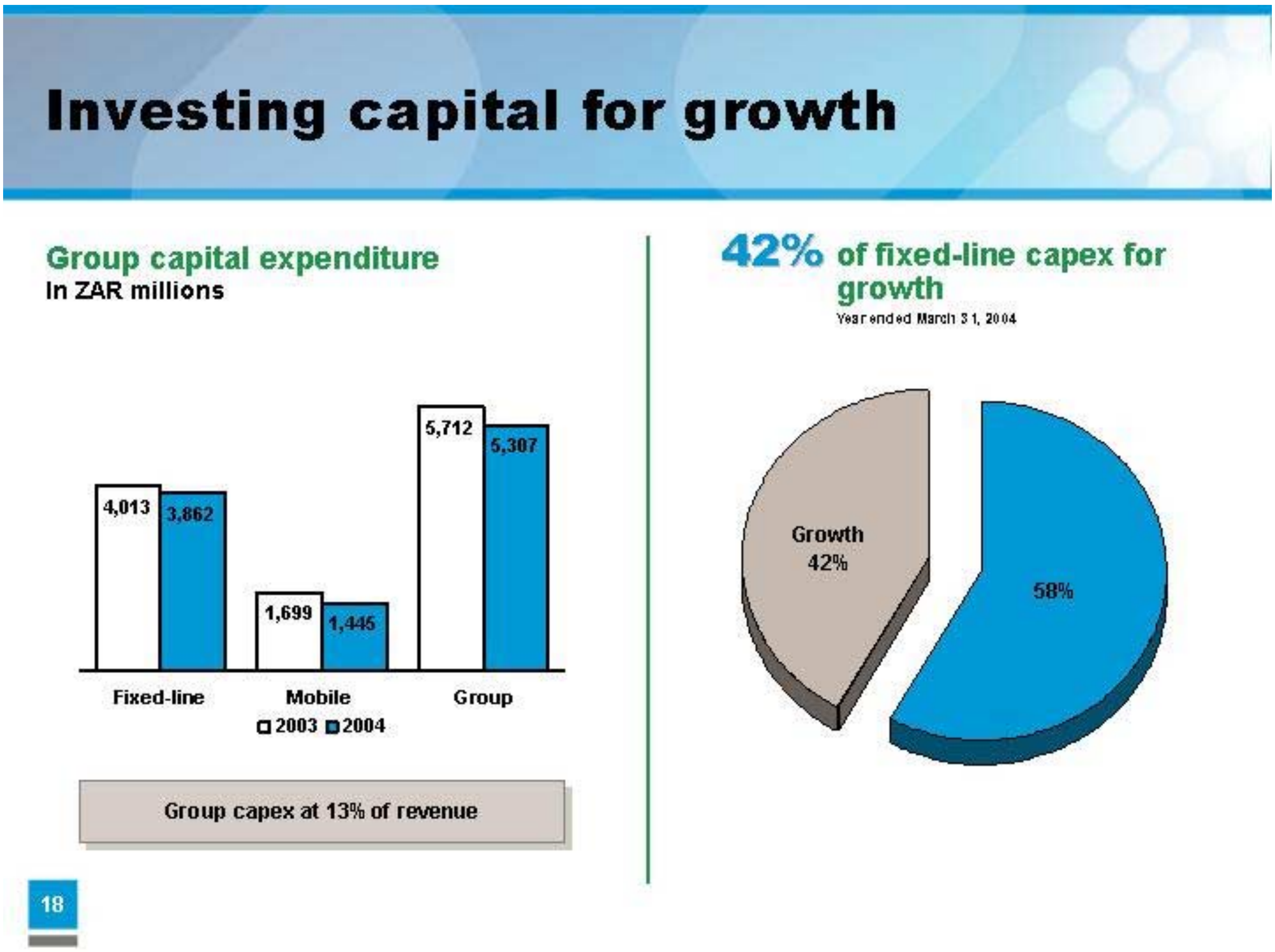

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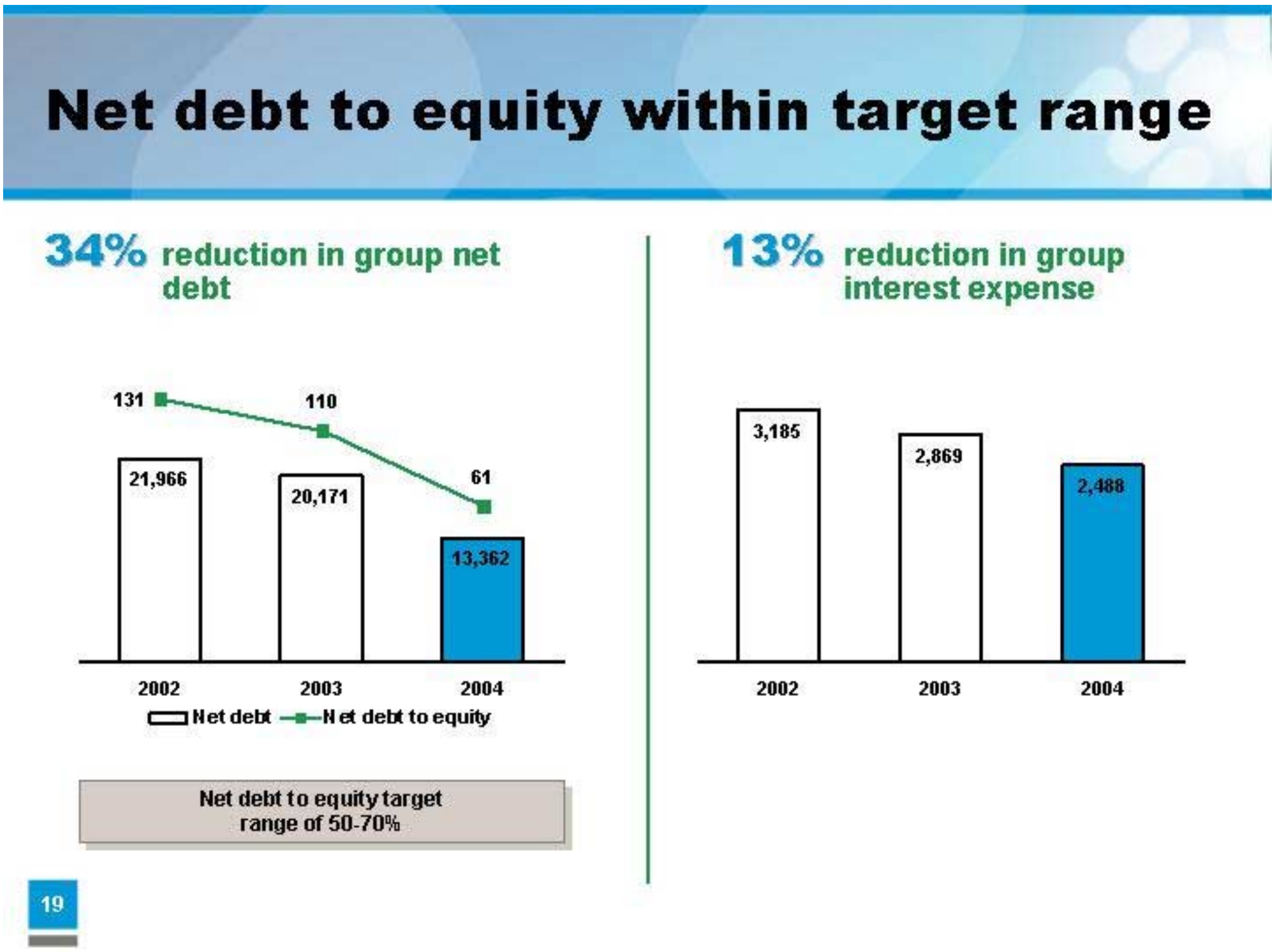

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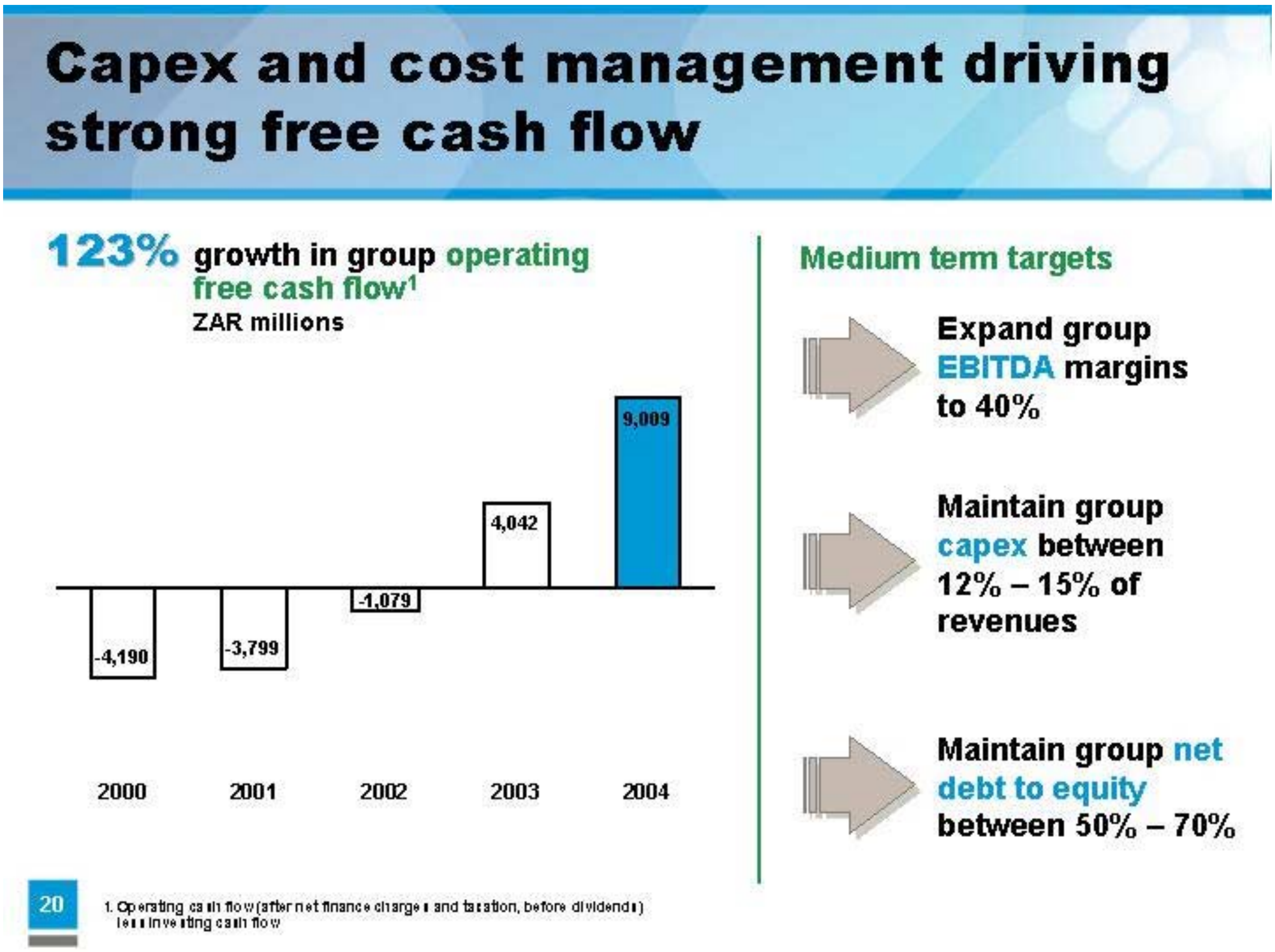

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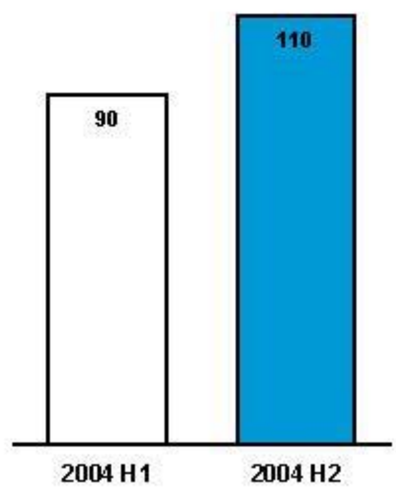
Returns to shareholders

- Strong growth in final dividend to 110 cents per share
  - Total dividend of 200 cents per share (payout ratio 25%)
- Shareholder approval granted to repurchase shares
- Financial flexibility to participate in future share liquidity events

22% **growth of final dividend compared to special**
In ZAR cents per share



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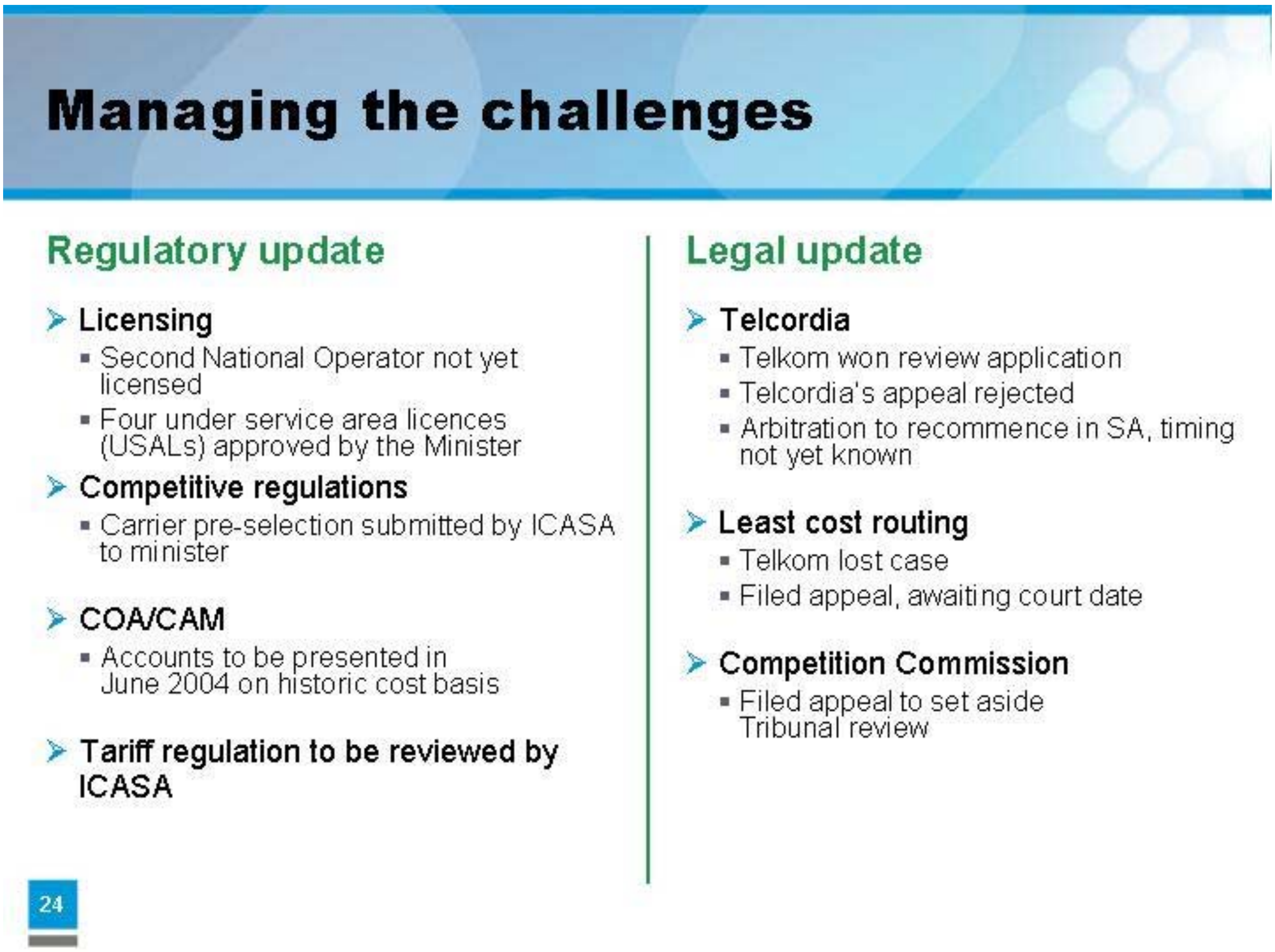

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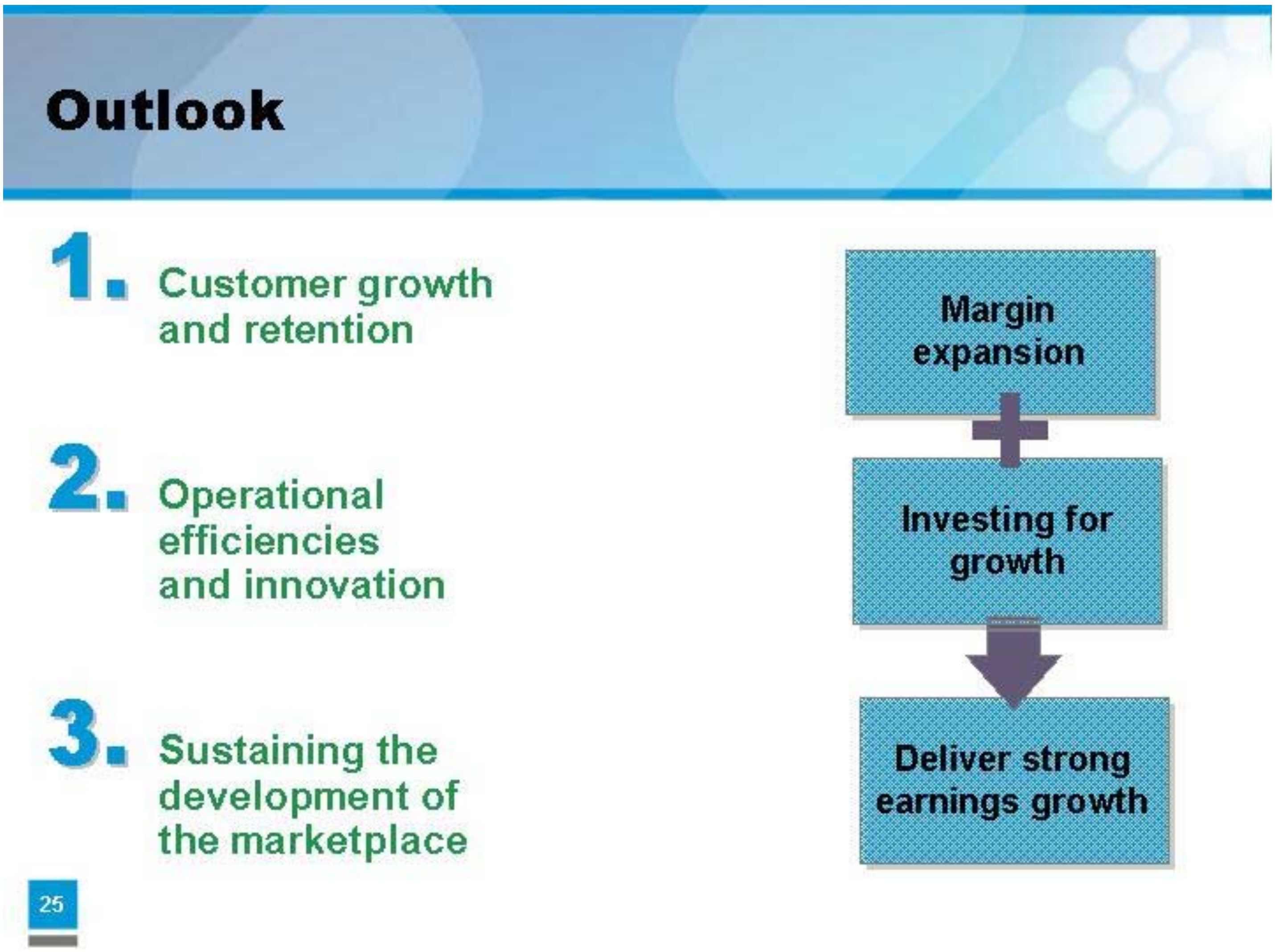

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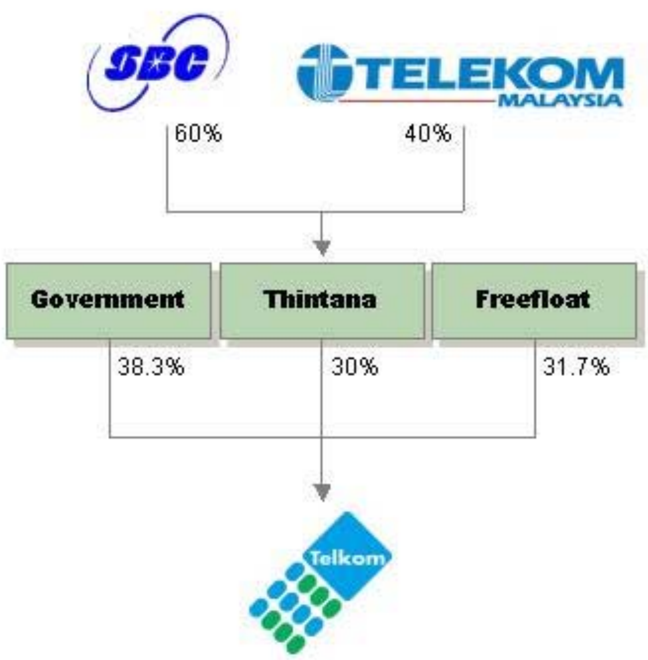
Group shareholders



- Government and Thintana hold class A and B shares respectively which have special rights
- Government and Thintana were subject to underwriters' lock-up until September 2003
- Government is subject to a further 545 days lock-up ending March 2005
  - Registration rights agreement
- Thintana has a strategic services agreement with Telkom
  - Valid until May 2007 or earlier if Thintana shareholding reduces below 15%
  - Fee based on dollar rate per second

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Exhibit 99.10

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

Vodacom audited full-year results for the year ended March 31, 2004

Vodacom Group (Proprietary) Limited ("Vodacom"), South Africa's largest mobile communications group, in which Telkom has a 50.0% holding, has announced audited full-year results for the year ended March 31, 2004. Revenue increased by 18.7% to R23,478 million (US$3,715 million), profit from operations increased 20.9% to R5,234 million (US$828 million) and net profit increased 36.9% to R3,032 million (US$480 million) for the year ended March 31, 2004.

Group financial highlights:

- Group revenue growth of 18.7% to R23.5 billion
- Group EBITDA growth of 15.9% to R7.8 billion
- Group data revenue growth of 58.9% to R1.0 billion
- Profit from operations growth of 20.9% to R5.2 billion
- Net profit growth of 36.9% to R3.0 billion
- Shareholder distributions of R2.1 billion

Operating highlights

- Group total customers up 29.7% to 11.2 million
- Group capex as a % of revenue reduced by 4.9% points to 12.3%
- Group customers per employee improved by 23.9% to 2,433
- Acquired 51% of Smartphone SP (Proprietary) Limited in March 2004
- Vodacom Mozambique launched in December 2003

South Africa
Customers

The South African customer base continued to grow this year, showing the market is larger than previously forecast. Total customers increased by 23.5% to 9.7 million (2003: 7.9 million), with the majority of the growth coming from the prepaid market. The number of prepaid customers increased by 24.3% to 8.3 million, while the number of contract customers increased by 20.2% to 1.4 million, fuelled to a large extent by increased connection incentive levels in the market. The strong growth in customers was a direct result of the remarkable number of gross new connections achieved of 5.0 million, coupled with low churn in the contract base, offset to some extent by increased churn in the prepaid base.

ARPU

The developing market, through the prepaid service, has been driving market penetration in 2004 and made up 92.4% (2003: 94.3%) of all gross connections. Indications are that total ARPU has stabilized and during the period under review decreased to R177 per month (2003: R183) due to the continued dilution of ARPU caused by the higher proportion of new, lower ARPU prepaid connections. Contract customer ARPU has increased by 0.8% (2003: 12.3%) to R634, while prepaid customer ARPU remained stable (2003: decreased by 3.2%) at R90 per customer per month.

Churn

Due to the high cost of acquisition in a highly developed contract market, Vodacom has implemented upgrade and retention policies over the last couple of years that ensured the decrease in contract churn to the lowest level in our history of 10.1% in 2004 (2003: 11.9%). The developing prepaid market however is characterized by low acquisition costs due to the flexibility required by this market to be able to access our services as the customer has disposable income. The high prepaid churn experienced during the year under review of 41.3% (2003: 34.0%) is a function of an increasingly competitive market, but also due to changes to the business rules governing prepaid customers.

Traffic and minutes of use

Total traffic on the network, excluding the impact of national and international roaming, has shown an increase of 17.3% to 12.3 billion minutes in 2004 (2003: 10.5 billion). This growth was due mainly to the 23.5% growth in the total customer base from 7.9 million to a base of 9.7 million as at the end of March 2004. Also evident was a marked change in customer calling patterns, with mobile to mobile traffic increasing by 30.9% while mobile to fixed traffic decreased by 6.4%.

Market share

Vodacom has retained its dominance in the South African market with an estimated 54% market share as at March 31, 2004 despite strong competition. Although we have been highly successful in defending our market share, this competitiveness of the market has inevitably resulted in margin squeeze.

Other African operations

This was an exciting year for our existing other African investments as we further entrenched ourselves in all of these operations. Vodacom Tanzania Limited (“Vodacom Tanzania”) consolidated its position as market leader in that country with a 57% market share at year-end. Vodacom Congo (RDC) s.p.r.l. (“Vodacom Congo”) has significantly grown its market share since the re-launch of the operation under the Vodacom brand in May 2002 and has increased its market share from 9% at that time to 47% at year-end. Vodacom Lesotho (Proprietary) Limited (“Vodacom Lesotho”) has positioned itself to capitalize on any future market growth and minimize the impact of competitive activity. After almost two years of negotiations, Vodacom launched commercial operations in the Republic of Mozambique on December 15, 2003. Although still in its infancy, initial indications from this market are promising. The number of connections experienced in the three months since launching was ahead of expectations, enabling us to rapidly achieve a 11% market share against an established operator, MCel. Initial ARPU levels are at R110 or $15 per month. All our African operations, except our new Mozambican operation, were profitable at the profit from operations level for the year.

Effective April 1, 2004 Vodacom International Limited (“VIL”) entered into a five year management agreement with VEE Networks Limited (“VEE”), (formerly Econet Wireless Nigeria Limited), subject to the right of termination in favor of each of the parties. In terms of the agreement, VIL would have managed VEE’s cellular network operations in Nigeria for a fee which is based on VEE’s turnover. VEE would have been allowed to use the Vodacom logo and brand name. VIL also had the intention to acquire an equity stake in the business of VEE.

However, on May 31, 2004, VIL and VEE mutually agreed to terminate the management agreement entered into on April 1, 2004. VIL will continue to provide technical support to VEE for a period of up to six months. VIL has also decided not to pursue an equity stake in the business of VEE.

Financial review

The Vodacom Group achieved remarkable results in an ever more competitive and demanding environment. Revenue increased by 18.7% to R23.5 billion and net profit after tax and minorities to R3.0 billion, an impressive achievement for our ten-year old Group.

Operating revenue

	Year ended March 31, Rand millions			% of total	% of total	% of total	% change	% change
	2002	2003	2004	2002	2003	2004	03/02	04/03
Airtime, connection and access	9,030	10,647	12,738	55.9	53.8	54.3	17.9	19.6
Data revenue	457	654	1,039	2.8	3.3	4.4	43.1	58.9
Interconnection	4,301	5,309	5,785	26.6	26.8	24.7	23.4	9.0
Equipment sales	1,627	2,264	2,898	10.1	11.5	12.3	39.2	28.0
International airtime	301	539	659	1.9	2.7	2.8	79.1	22.3
Other sales and services	435	366	359	2.7	1.9	1.5	(15.9)	(1.9)
Total revenue	**16,151**	**19,779**	**23,478**	**100**	**100**	**100**	**22.5**	**18.7**

Airtime, connection and access

Vodacom's airtime revenue increased 19.6% (2003: 17.9%) during the year ended March 31, 2004, primarily due to the increase in the number of Vodacom's customers, and, to a lesser extent, standard tariff increases. Total customers increased 29.7 % (2003: 26.0%) primarily due to strong prepaid customer growth in South Africa and significant customer growth in our other African operations.

Data revenue

During the year under review, Vodacom changed its classification of revenue to enable the separate identification of data revenue. This was done because of the strategic importance Vodacom places on understanding and growing data revenue in the future.

Vodacom's data revenue increased 58.9% to R1,039 million (2003: R654 million), mainly due to SMS traffic growth. Although the other African operations contribute a small proportion of data revenue, the substantial increase in Vodacom Tanzania of 28.2% for the year is encouraging. Data revenue in Vodacom Congo and Vodacom Mozambique (VM, S.A.R.L) is still very small.

Vodacom transmitted 2.0 billion SMSs (2003: 1.5 billion) over its South African network during the year ended March 31, 2004, up 33.3% from 2003. The number of active MMS users on the network as at March 31, 2004 was 61,374 (2003: 1,789) and the number of active GPRS users on the network was 100,128 (2003: 7,756). Data revenue contributed 4.4% of total revenue for the year ended March 31, 2004 (2003: 3.3%).

Interconnection

Vodacom's interconnection revenue increased 9.0% (2003: 23.4%) during the year to R5.8 billion (2003: R5.3 billion) primarily due to an increase in the number of calls terminating on Vodacom's network as a result of the increased number of Vodacom customers and mobile users generally in all operations during the period. Adding to the growth in interconnection revenue was the changing call patterns of mobile users in South Africa, with disproportionally more calls terminating on mobile networks than on the fixed-line network. However, significantly offsetting this and thereby inhibiting growth in interconnection revenue was a 9.2% reduction in traffic originating from Telkom and terminating on Vodacom's network.

Equipment sales

Vodacom's revenue from equipment sales, which yields relatively low margins, increased markedly during the year, reaching its highest level ever. Equipment sales revenue increased by 28.0% (2003: 39.2%) during the year to R2.9 billion (2003: R2.3 billion). The growth in equipment sales was primarily due to the growth of our Vodacom Congo operations and the significant uptake of new handsets in South Africa because of the high level of new connections fuelled by cheaper Rand-prices of MMS and GPRS-enabled handsets coupled with the added functionality of the new phones, such as built-in digital cameras.

International airtime

International airtime increased 22.3% (2003: 79.1%) to R659 million in 2004 (2003: R539 million), primarily as a result of a healthy increase in international airtime revenue in Vodacom Congo, coupled with a moderate increase in Vodacom South Africa. International airtime comprise mainly of international calls by Vodacom customers, roaming revenue from Vodacom's customers making and receiving calls while abroad and revenue from international customers roaming on Vodacom's networks. The increase is mainly due to a 30.5% increase in Vodacom's South African customers roaming internationally and a 12.5% increase in international visitors roaming in South Africa.

Other sales and services

Other sales and services in prior years included revenue from our television rental business, Teljoy, which was sold in March 2002 and has shown a steady decrease from then on, as we focus on our core revenue generating business.

Operating expenses

	Year ended March 31, Rand millions			%	%
	2002	2003	2004	03/02	04/03
Depreciation and amortization	2,070	2,374	2,533	14.7	6.7
Payments to other operators	1,378	2,217	2,990	60.9	34.9
Other direct network operating costs(1)	6,992	8,643	10,063	23.6	16.4
Staff expenses	1,135	1,018	1,332	(10.3)	30.8
Marketing and advertising	542	653	702	20.5	7.5
General administration expenses	498	612	682	22.9	11.4
Integration costs, disposal of operations and impairments	(56)	—	—	—	—
Other operating income	(29)	(68)	(58)	134.5	(14.7)
Operating expenses	**12,530**	**15,449**	**18,244**	**23.3**	**18.1**

Note
(1) Direct network operating costs less payments to other operators.

Depreciation and amortization

Vodacom's depreciation and amortization increased by 6.7% to R2,533 million in the year ended March 31, 2004 (2003: R2,374 million). Our biggest capital investments have already been made in South Africa and growth in depreciation in South Africa is therefore slowly declining. The significant strengthening of the Rand against the US Dollar resulted in depreciation on foreign-denominated capital expenditure in our African operations for the year being translated at a lower exchange rate than in the past, which resulted in relatively lower depreciation charge for the year. In fact, the depreciation and amortization charge in Vodacom Tanzania in Rand terms actually decreased by 6.8% from 2003 to 2004.

Payments to other operators

Vodacom's payments to other network operators increased by 34.9% to R2,990 million in 2004 (2003: R2,217 million) increasing significantly in both the years ended March 31, 2004 and 2003, as a result of increased outgoing traffic and the increased amount of outgoing traffic terminating on other mobile networks, rather than on Telkom's fixed-line network. As the cost of terminating calls on other mobile networks is higher than calls terminating on Telkom's fixed-line network, as mobile substitution increases with the increasing number of total mobile users in South Africa, interconnection charges should also continue to increase and continue to put pressure on profit margins.

Other direct network operating costs

Other direct network expenses include the cost to connect customers onto the network and are incurred to support growth in revenues. Other direct network expenses also includes cost of goods sold, commissions, customer retention expenses, regulatory and license fees, distribution expenses and site and maintenance costs. Despite increased competition these costs have increased in line with the record number of customer connections and growth in revenues, by 16.4% to R10.1 billion for the year ended March 31, 2004 (2003: R8.6 billion).

Staff expenses

Staff expenses increased by 30.8% in the year ended March 31, 2004 to R1,332 million (2003: R1,018 million) primarily as a result of an increase in headcount of 4.6% in 2004 (2003: 1.2%), as well as an average group-wide salary increase of 8% and a higher deferred bonus incentive accrual. Total headcount in our South African operations decreased by 1.4% (2003: increased by 1.2%) as we continued to increase productivity. Total headcount in our other African operations increased by a significant 51.6% (2003: 1.6%) in order to meet the demands of the rapid expansion of these operations. Employee productivity has shown a marked improvement in all of our operations, as measured by customers per employee, increasing on an overall basis by 23.9% to 2,433 customers per employee in 2004 (2003: 1,963).

Marketing and advertising

Marketing and advertising expenses increased by 7.5% in 2004 to R702 million, (2003: R653 million) driven mainly by inflationary increases in South African expenditure, marginal decreases in Rand terms in

Vodacom Tanzania, Congo and Lesotho coupled with the marketing expenses related to the launch of Vodacom Mozambique.

General administration expenses

General administration expenses increased by 11.4% to R682 million (2003: R612 million). General administration expenses comprise a number of expenses including accommodation, information technology costs, office administration, consultants' expenses, social economic investment and insurance. Although small, the increase is mainly as a result of the continued expansion drive into Africa, which require expenses relating to assignees on secondments and high overhead costs such as accommodation, insurance and consulting fees.

Capital expenditure

Capital expenditure – geographical split

	Year ended March 31, Rand millions 2002	2003	2004	% of total 2002	% of total 2003	% of total 2004	% change 03/02	% change 04/03
South Africa excluding holding companies	3,253	2,482	1,654	79.6	73.0	57.2	(23.7)	(33.4)
Tanzania	676	323	351	16.5	9.5	12.1	(52.2)	8.7
Congo (51%)	92	516	395	2.3	15.2	13.7	460.9	(23.4)
Mozambique	—	—	478	—	—	16.5	—	—
Lesotho	26	72	7	0.6	2.1	0.2	176.9	(90.3)
Holding companies	38	6	6	1.0	0.2	0.3	(84.2)	—
Capital expenditure for the year	4,085	3,399	2,891	100.0	100.0	100.0	(16.8)	(14.9)

The total cumulative capital expenditure of the Group at March 31, 2004 increased by 13.1% to R20.7 billion (2003: R18.3 billion). The Group invested R2.9 billion (2003: R3.4 billion) in property, plant and equipment. R2.8 billion (2003: R3.2 billion) was for cellular network infrastructure and related IT and billing systems.

The stronger Rand aided the Group in that most capital expenditure is imported and foreign denominated. Although it is our policy to hedge all foreign denominated commitments from South Africa, we do not qualify for hedge accounting in terms of IAS 39. This means that all capital expenditure in South Africa is recorded at the exchange rate ruling at the date of acceptance of the equipment. Capital expenditure of our other African operations is translated at the average exchange rate of the Rand against the US Dollar during the year of R11.42, R9.81 and R7.17 for 2002, 2003 and 2004 respectively. Closing capital expenditure of our other African operations are translated at the closing exchange rate of the Rand against the US Dollar for the year, namely R11.44, R7.97 and R6.32 in 2002, 2003 and 2004 respectively. For this reason Vodacom's capital expenditure in any given year cannot be evaluated without taking the effect of the exchange rate movements against the Rand into account.

Funding

Our on balance sheet consolidated net debt position has decreased considerably to R463 million as at March 31, 2004 (2003: R2,445 million). This reflects the Group's net debt position before the payment for 51% of the equity of Smartphone SP (Proprietary) Limited of R234 million and settlement of the R1.5 billion dividend payable at the end of May 2004 and brings the Group's net debt to EBITDA ratio to its lowest level ever of 6.0%. The repayment of our shareholder loans of R920 million during the year did not impact our net debt position and therefore did not impact our net debt/EBITDA ratio. If dividends payable were included in net debt, our net debt position would increase to R1,963 million, and our net debt/EBITDA ratio to 25.3%.

The improvement in net debt was principally the result of very strong cash generation in our South African operations and a cash balance of R150 million in Smartphone SP (Proprietary) Limited at the time of purchasing our 51% stake, which significantly increased our consolidated cash deposits. Other changes in interest-bearing debt were brought about primarily as a result of repayment and re-measurement in Rand terms of Vodacom Tanzania project finance debt, a further draw-down of South African guaranteed credit facilities in Vodacom Congo as well as the payment of dividends in Vodacom Group. The repayment and re-measurement of Vodacom Tanzania's project finance arrangements resulted in a reduction of R166 million in interest-bearing debt. The draw-down on new debt and re-measurement of existing debt in Vodacom Congo brought about an increase of R84 million in our share of Vodacom Congo's debt.

Vodacom Congo is only proportionately consolidated but almost 100% of the debt has recourse to South Africa. If the net debt on Vodacom Congo's balance sheet, guaranteed by the Group but not included in the 51% consolidation, is included, the consolidated net debt number increases by R753 million to R1,216 million and to R2,716 million if dividends payable are included, increasing Vodacom's net debt/EBITDA ratio to 35.0%.

The Group had a positive cash flow before shareholder distributions (dividends paid and shareholder loan interest paid) and financing activities of R3.0 billion (2003: R1.9 billion). The stronger cash flow in 2004 is mainly due to the greater cash generation from operations, as well as a reduction in capital expenditure.

Segment commentary

Revenue – geographical split

	Year ended March 31, Rand millions			% change	% change
	2002	**2003**	**2004**	**03/02**	**04/03**
South Africa (excluding holding companies)	15,410	18,544	21,981	20.3	18.5
Tanzania	657	880	867	33.9	(1.5)
DRC (51%)	14	259	476	1,750.0	83.8
Mozambique	—	—	13	—	—
Lesotho	70	96	119	37.1	24.0
Holding companies	—	—	22	—	—
Revenue	**16,151**	**19,779**	**23,478**	**22.5**	**18.7**

Revenue

Revenue increased year on year by 18.7% (2003: 22.5%) to R23.5 billion, of which our other African operations contributed 6.4% (2003: 6.2%). The increase in revenues was primarily driven by strong customer growth in all of our operations.

South Africa

South Africa was by far the biggest contributor to this growth, accounting for 93.6%, or R3.4 billion of the growth in revenues. South African ARPU contracted by 3.3% to R177 per month, which is encouraging given the growth in customers in South Africa of 23.5%. South African contract ARPU grew by 0.8% to R634 per month (2003: R629) for the year ended March 31, 2004, while prepaid ARPU over the same period remained stable at R90 (2003: R90) per month.

Other African countries

Vodacom's revenue from its other African operations increased 21.2% (2003: 66.7%) to R1.5 billion for the year ended March 31, 2004 (2003: R1.2 billion). The increase in revenue was driven by very strong customer growth, and was partially offset by lower Rand-based revenues in these countries due to the weakness of the US Dollar against the Rand. The slight decrease in revenue in Vodacom Tanzania was primarily as a result of Rand strength and lower US Dollar denominated tariffs, which were necessitated by a highly competitive environment and aggressive price cuts by competitors – as high as 40% to 50% for the year. Coupled with the stronger Rand, these factors resulted in the much lower recorded ARPU of R128 for the year (2003: R217), a decrease of 41.0%. The increases in the revenues of Vodacom Congo, Mozambique and Lesotho were the result of very strong customer growth. However, the strong revenue growth in US Dollar terms in Vodacom Congo and Vodacom Tanzania was significantly offset by the stronger Rand. In US Dollar terms, Vodacom Tanzania's revenue grew by 34.4% to $121 million (2003: $90 million), Vodacom Congo's proportional revenue grew by 153.8% to $66 million (2003: $26 million) and Vodacom Mozambique's revenue was $2 million for the year ended March 31, 2004.

Profit from operations – geographical split

	Year ended March 31, Rand millions			% change	% change
	2002	2003	2004	03/02	04/03
South Africa (excluding holding companies)	3,627	4,476	5,466	23.4	22.1
Tanzania	134	187	141	39.6	(24.6)
DRC (51%)	(20)	(117)	9	(485.0)	107.7
Mozambique	—	—	(88)	—	—
Lesotho	12	4	1	(66.7)	(75.0)
Holding companies	(132)	(220)	(295)	66.7	34.1
Profit from operations	**3,621**	**4,330**	**5,234**	**19.6**	**20.9**

Profit from operations

Profit from operations increased by 20.9% (2003: 19.6%) to R5.2 billion for the year ended March 31, 2004 (2003: R4.3 billion). Operating expenses increased by 18.1% (2003: 23.3%) which was lower than revenue growth of 18.7% (2003: 22.5%). This resulted in our profit from operations margin increasing marginally to 22.3% (2003: 21.9%), despite margin squeeze resulting from the lower tariffs charged by Vodacom Tanzania in response to the changing market conditions and reduction in net interconnect revenue. Operating expenses in South Africa grew by 18.0% (2003: 19.4%) versus revenue growth of 18.5% (2003: 20.3%) as we managed to contain overheads and thereby improve our margins in South Africa.

EBITDA – geographical split

	Year ended March 31, Rand millions			% change	% change
	2002	2003	2004	03/02	04/03
South Africa (excluding holding companies)	5,567	6,423	7,536	15.4	17.3
Tanzania	231	334	278	44.6	(16.8)
DRC (51%)	(12)	(49)	97	(308.3)	298.0
Mozambique	—	—	(71)	—	—
Lesotho	31	26	27	(16.1)	3.8
Holding companies	(126)	(30)	(100)	(76.2)	233.3
EBITDA	**5,691**	**6,704**	**7,767**	**17.8**	**15.9**

Shareholder distributions

Shareholder distributions for the 2004 financial year totalled R2,147 million. This reflected an increase in shareholder distributions of 179.6% over the prior year and comprised of interest of R47 million (2003: R168 million) and dividends declared of R2,100 million (2003: R600 million). In addition, Vodacom Group repaid all its shareholder loans totalling R920 million in June 2003. This is the fourth year that dividends have been declared, although the first year that an interim dividend was declared and paid. The R1,500 million final dividend declared was paid to shareholders on May 31, 2004.

Outlook

The Vodacom Group has performed exceptionally well in a changing and more competitive African market that required resilience of our Group. Our performance in the South African market continues to exceed expectations and we believe that our status as the least-cost South African cellular operator gives us a competitive advantage to maintain our margins. The strong cash generation from our South African operations ensured that our consolidated balance sheet remains as strong as ever, even after paying out substantial amounts to our shareholders and making equity investments in Mozambique and Smartphone SP (Proprietary) Limited. We continue to be confident of our success in all of our operations and look forward to an exciting next decade of growth, challenges and innovation.

OPERATIONAL DATA

South African operations - key operational information

	Year ended March 31,					% change	% change
	2000	2001	2002	2003	2004	03/02	04/03
Customers (‘000)(1)	**3,069**	**5,108**	**6,557**	**7,874**	**9,725**	**20.1**	**23.5**
Contract	963	1,037	1,090	1,181	1,420	8.3	20.2
Prepaid	2,082	4,046	5,439	6,664	8,282	22.5	24.3
Community services	24	25	28	29	23	3.6	(20.7)
Gross connections (‘000)	**1,884**	**2,990**	**3,038**	**3,495**	**4,998**	**15.0**	**43.0**
Contract	261	263	199	197	377	(1.0)	91.4
Prepaid	1,617	2,725	2,836	3,295	4,617	16.2	40.1
Community services	6	2	3	3	4	0.0	33.3
Inactives (3 months – %)	**n/a(8)**	**n/a**	**13.9**	**18.2**	**17.6**	**4.3**	**(0.6)**
Contract	n/a	n/a	3.8	5.3	5.7	1.5	0.4
Prepaid	n/a	n/a	15.9	20.5	19.7	4.6	(0.8)
Total churn (%)(6)	**31.8**	**23.3**	**27.2**	**30.4**	**36.6**	**3.2**	**6.2**
Contract	17.4	18.7	14.5	11.9	10.1	(2.6)	(1.8)
Prepaid	40.5	24.8	30.1	34.0	41.3	3.9	7.3
Traffic (millions of minutes)(2)	**5,669**	**7,472**	**8,881**	**10,486**	**12,297**	**18.1**	**17.3**
Outgoing	2,885	4,052	4,967	6,343	7,772	27.7	22.5
Incoming	2,784	3,420	3,914	4,143	4,525	5.9	9.2
ARPU (Rand per month)(4)	**266**	**208**	**182**	**183**	**177**	**0.5**	**(3.3)**
Contract	481	493	560	629	634	12.3	0.8
Prepaid	132	98	93	90	90	(3.2)	0.0
Community service	n/a	1,453	1,719	1,861	2,155	8.3	15.8
Minutes of use per month (MOU)(3)	**158**	**137**	**111**	**101**	**96**	**(9.0)**	**(5.0)**
Contract	274	270	264	269	263	1.9	(2.2)
Prepaid	90	70	58	54	56	(6.9)	3.7
Community service	1,593	2,859	3,354	3,162	3,061	(5.7)	(3.2)
Number of employees	**4,048**	**4,102**	**3,859**	**3,904**	**3,848**	**1.2**	**(1.4)**
Customers per employee	**758**	**1,245**	**1,699**	**2,017**	**2,527**	**18.7**	**25.3**
Market share(7)	**59%**	**61%**	**61%**	**57%**	**54%**	**(4.0)**	**(3.0)**
Cumulative capex (Rand millions)	**7,048**	**10,232**	**14,317**	**16,535**	**18,132**	**15.5**	**9.7**
SA network capex per customer (Rand)	**2,543**	**2,053**	**1,991**	**1,933**	**1,720**	**(2.9)**	**(11.0)**

Notes

(1) Customer totals are based on the total number of customers registered on Vodacom’s network, which have not been disconnected, including inactive customers, as at the end of the period indicated.

(2) Traffic comprises total traffic registered on Vodacom’s network, including bundled minutes, outgoing international roaming calls and calls to free services, but excluding national roaming and incoming international roaming calls.

(3) Minutes of use per month is calculated by dividing the average monthly minutes during the period by

the average monthly total reported customer base during the period. Minutes of use excludes calls to free services, bundled minutes and data minutes.
(4) ARPU is calculated by dividing the average monthly revenue during the period by the average monthly total reported customer base during the period. ARPU excludes revenues from equipment sales, other sales and services and revenues from national and international users roaming on Vodacom's networks.
(5) Value-added service revenue from previously partially owned service providers is included in contract and total average monthly revenue per customer from October 1, 2001, at which time Vodacom consolidated these previously partially owned service providers.
(6) Churn is calculated by dividing the average monthly number of disconnections during the period by the average monthly total reported customer base during the period.
(7) Market share is calculated based on Vodacom's total reported customers and the estimated total reported customers of MTN and CellC.
(8) N/a – not available.

Vodacom Tanzania - key indicators

	Year ended March 31,			% change	% change
	2002	2003	2004	03/02	04/03
Customers ('000)(1)	**229**	**447**	**684**	**95.2**	**53.0**
Contract	5	5	5	0.0	0.0
Prepaid	224	440	676	96.4	53.6
Community services	—	2	3	—	50.0
Gross connections ('000)	**154**	**262**	**404**	**70.1**	**54.2**
Churn (%)	**4.8**	**13.3**	**30.0**	**8.5**	**16.7**
ARPU (Rand)(2)	**305**	**216**	**128**	**(29.2)**	**(40.7)**
Cumulative capex (Rand millions)	**1,142**	**1,058**	**1,145**	**(7.4)**	**8.2**
Number of employees	**188**	**224**	**316**	**19.1**	**41.1**
Mobile penetration (%)(3)	**1.1**	**2.2**	**3.3**	**1.1**	**1.1**
Customers per employee	**1,215**	**1,997**	**2,165**	**64.4**	**8.4**
Mobile market share (%)(3)	**56**	**53**	**57**	**(3.0)**	**4.0**

Vodacom Congo - key indicators (all indicators 100% of Vodacom Congo)

	Year ended March 31,			% change	% change
	2002	2003	2004	03/02	04/03
Customers ('000)(1)	**21**	**248**	**670**	**1,081.0**	**170.2**
Contract	—	4	8	—	100.0
Prepaid	21	237	653	1,028.6	175.5
Community services	—	7	9	—	28.6
Gross connections ('000)	**21**	**260**	**513**	**1,138.1**	**97.3**
Churn (%)	**—**	**24.2**	**20.2**	**24.2**	**(4.0)**
ARPU (Rand)(2)	**n/a**	**200**	**150**	**—**	**(25.0)**
Cumulative capex (Rand millions)	**180**	**944**	**1,432**	**424.4**	**51.7**
Number of employees	**235**	**204**	**334**	**(13.2)**	**63.7**
Mobile penetration (%)(3)	**0.3**	**1.0**	**2.3**	**0.7**	**1.3**
Customers per employee	**90**	**1,215**	**2,006**	**1,250.0**	**65.1**
Mobile market share (%)(3)	**9**	**44**	**47**	**35.0**	**3.0**

Vodacom Lesotho - key indicators

	Year ended March 31,			% change	% change
	2002	2003	2004	03/02	04/03
Customers (‘000)(1)	**56**	**78**	**80**	**39.3**	**2.6**
Contract	15	4	3	(73.3)	(25.0)
Prepaid	41	73	76	78.0	4.1
Community services	—	1	1	—	—
Gross connections (‘000)	**45**	**76**	**51**	**68.9**	**(32.9)**
Churn (%)	**26.5**	**70.6**	**65.1**	**44.1**	**(5.5)**
ARPU (Rand)(2)	**144**	**104**	**125**	**(27.8)**	**20.2**
Cumulative capex (Rand millions)	**122**	**194**	**201**	**59.0**	**3.6**
Number of employees	**71**	**74**	**68**	**4.2**	**(8.1)**
Mobile penetration (%)(3)	**2.6**	**4.3**	**5.1**	**1.7**	**0.8**
Customers per employee	**796**	**1,047**	**1,176**	**31.5**	**12.3**
Mobile market share (%)(3)	**100**	**80**	**80**	**(20.0)**	**—**

Vodacom Mozambique – key indicators

	Year ended March 31, 2004
Customers (‘000)(1)	**58**
Contract	1
Prepaid	57
Community services	—
Gross connections (‘000)	**58**
Churn (%)	**0.3**
ARPU (Rand)(2)	**110**
Cumulative capex (Rand millions)	**478**
Number of employees	**43**
Mobile penetration (%)(3)	**2.6**
Customers per employee	**1,349**
Mobile market share (%)(3)	**11**

Notes

(1) Customer totals are based on the total number of customers registered on Vodacom’s network, which have not been disconnected, including inactive customers, as of end of the period indicated.

(2) ARPU is calculated by dividing the average monthly revenue during the period by the average monthly total reported customer base during the period.

ARPU excludes revenue from equipment sales, other sales and services and revenue from national and international users roaming on Vodacom’s networks.

(3) Penetration and market share is calculated based on Vodacom estimates.

AUDITED CONSOLIDATED INCOME STATEMENT
Amounts in accordance with IFRS, for the years ended March 31,

	2002 Rm	2003 Rm	2004 Rm
REVENUE	16,150.7	19,778.7	23,478.0
OTHER OPERATING INCOME	29.2	68.0	57.6
DIRECT NETWORK OPERATING COST	(8,369.8)	(10,860.4)	(13,052.9)
DEPRECIATION	(1,857.3)	(2,163.0)	(2,316.9)
STAFF EXPENSES	(1,135.2)	(1,018.6)	(1,331.6)
MARKETING AND ADVERTISING EXPENSES	(542.0)	(652.5)	(702.0)
GENERAL ADMINISTRATION EXPENSES	(498.2)	(611.6)	(682.3)
AMORTIZATION OF INTANGIBLE ASSETS	(212.7)	(210.7)	(216.0)
INTEGRATION COSTS, DISPOSAL OF OPERATIONS AND IMPAIRMENTS	56.4	—	—
PROFIT FROM OPERATIONS	3,621.1	4,329.9	5,233.9
INTEREST, DIVIDENDS AND OTHER FINANCIAL INCOME	840.4	742.4	656.6
FINANCE COSTS	(868.2)	(1,546.3)	(1,107.5)
PROFIT BEFORE TAXATION	3,593.3	3,526.0	4,783.0
TAXATION	(1,190.7)	(1,198.9)	(1,725.0)
PROFIT AFTER TAXATION	2,402.6	2,327.1	3,058.0
MINORITY INTEREST	(29.6)	(112.5)	(26.2)
NET PROFIT	2,373.0	2,214.6	3,031.8

AUDITED CONSOLIDATED BALANCE SHEET

Amounts in accordance with IFRS, as at March 31,

	2002 Rm	2003 Rm	2004 Rm
ASSETS			
NON CURRENT ASSETS	11,429.1	12,276.2	13,194.2
Property, plant and equipment	9,896.6	10,675.0	10,858.6
Investment properties	—	—	63.8
Intangible assets	796.3	551.1	1,034.1
Investments *	238.5	345.4	222.4
Deferred taxation	497.7	704.7	1,015.3
CURRENT ASSETS	4,145.3	4,689.7	6,903.5
Inventory	306.0	238.8	288.5
Accounts receivable	2,845.9	3,158.9	3,926.5
Short-term investments	58.6	50.9	316.5
Foreign currency derivatives	215.6	34.6	1.9
Bank and cash balances	719.2	1,206.5	2,370.1
TOTAL ASSETS	15,574.4	16,965.9	20,097.7
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES	5,463.8	6,837.4	7,603.1
Ordinary share capital	—	—	—
Non-distributable reserves	106.1	(132.3)	(299.2)
Retained earnings	5,357.7	6,969.7	7,902.3
MINORITY INTEREST	10.6	88.0	93.0
NON CURRENT LIABILITIES	1,894.4	2,881.6	2,568.5
Interest bearing debt	780.2	1,732.2	1,216.6
Deferred taxation	926.2	993.1	1,173.5
Provisions	188.0	156.3	178.4
CURRENT LIABILITIES	8,205.6	7,158.9	9,833.1
Accounts payable	3,223.6	3,799.0	5,326.3
Taxation payable	351.6	315.2	852.0
Shareholder loans	920.0	920.0	—
Non-interest bearing debt	4.3	4.3	4.3
Short-term interest bearing debt *	1,231.7	436.4	839.9
Provisions	297.6	324.4	473.7
Dividends payable	600.0	600.0	1,500.0
Foreign currency derivatives	—	200.6	64.5
Bank overdraft	1,576.8	559.0	772.4
TOTAL EQUITY AND LIABILITIES	15,574.4	16,965.9	20,097.7
COMMITMENTS AND CONTINGENT LIABILITIES			

* The Group restated its investments and short-term interest bearing debt for the 2003 and 2002 financial years.

AUDITED CONSOLIDATED CASH FLOW STATEMENTS
Amounts in accordance with IFRS, for the years ended March 31,

	2002 Rm	2003 Rm	2004 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers	15,583.1	19,349.0	22,798.3
Cash paid to suppliers and employees	(9,395.0)	(12,627.9)	(15,201.6)
CASH GENERATED FROM OPERATIONS	6,188.1	6,721.1	7,596.7
Finance costs paid	(889.2)	(721.7)	(512.3)
Interest, dividends and other financial income received	541.6	280.0	368.7
Taxation paid	(1,539.1)	(1,337.4)	(1,463.3)
Dividends paid – shareholders	(480.0)	(600.0)	(1,200.0)
Dividends paid - minority shareholders in subsidiaries	(6.3)	—	—
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,815.1	4,342.0	4,789.8
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	(4,409.1)	(3,066.5)	(2,813.8)
Proceeds on disposal of property, plant and equipment	92.4	7.7	5.0
Additions to investment properties	—	—	—
Acquisition of intangible assets	(193.7)	—	(121.1)
Disposal of subsidiaries	1.7	31.5	—
Acquisition of subsidiaries	(0.1)	—	149.6
Disposal of joint ventures	23.3	—	—
Acquisition of joint ventures	—	—	—
Advance to minority shareholders	—	(157.9)	—
Disposal of other investments	—	9.0	—
Other investing activities	(57.8)	(67.0)	(219.5)
NET CASH FLOWS UTILIZED IN INVESTING ACTIVITIES	(4,543.3)	(3,243.2)	(2,999.8)
CASH FLOW FROM FINANCING ACTIVITIES			
Shareholder loans repaid	—	—	(920.0)
Interest bearing debt raised	570.6	774.1	186.9
Interest bearing debt repaid	—	(426.1)	(55.6)
Finance lease capital repaid	—	(1.6)	(9.6)
Finance lease capital raised	—	13.2	—
Funding received from minority shareholders	—	157.9	—
NET CASH FLOWS (UTILIZED IN) / FROM FINANCING ACTIVITIES	570.6	517.5	(798.3)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(157.6)	1,616.3	991.7
Cash and cash equivalents at the beginning of the year	(796.1)	(857.6)	647.5
Effect of foreign exchange rate changes	96.1	(111.2)	(41.5)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(857.6)	647.5	1,597.7

Disclaimer

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Vodacom Group (Proprietary) Limited is a private company and as such is not required by the Companies Act of 61 of 1973, as amended, to publish its results.

Vodacom Group (Proprietary) Limited makes no guarantee, assurance, representation and/or warranty as to the accuracy of the information contained in this report and will not be held liable for any reliance placed on the information contained in this report.

The information contained in this report is subject to change without notice and may be incomplete or condensed. In addition, this report may not contain all material information pertaining to Vodacom Group (Proprietary) Limited and its subsidiaries.

Without in anyway derogating from the generality of the aforegoing, it should be noted that:

- Many of the statements included in this report are forward-looking statements that involve risks and/or uncertainties and caution must be exercised in placing any reliance on these statements. Moreover, Vodacom Group (Proprietary) Limited will not necessarily update any of these statements after the date of this report either to conform them to actual results or to changes in our expectations.

- Insofar as the shareholder’s of Vodacom Group (Proprietary) Limited are listed and offer their shares publicly for sale on recognised Stock Exchanges locally and/or internationally, potential investors in the shares of Vodacom Group (Proprietary) Limited’s shareholders are cautioned not to place undue reliance on this report.

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Exhibit 99.11

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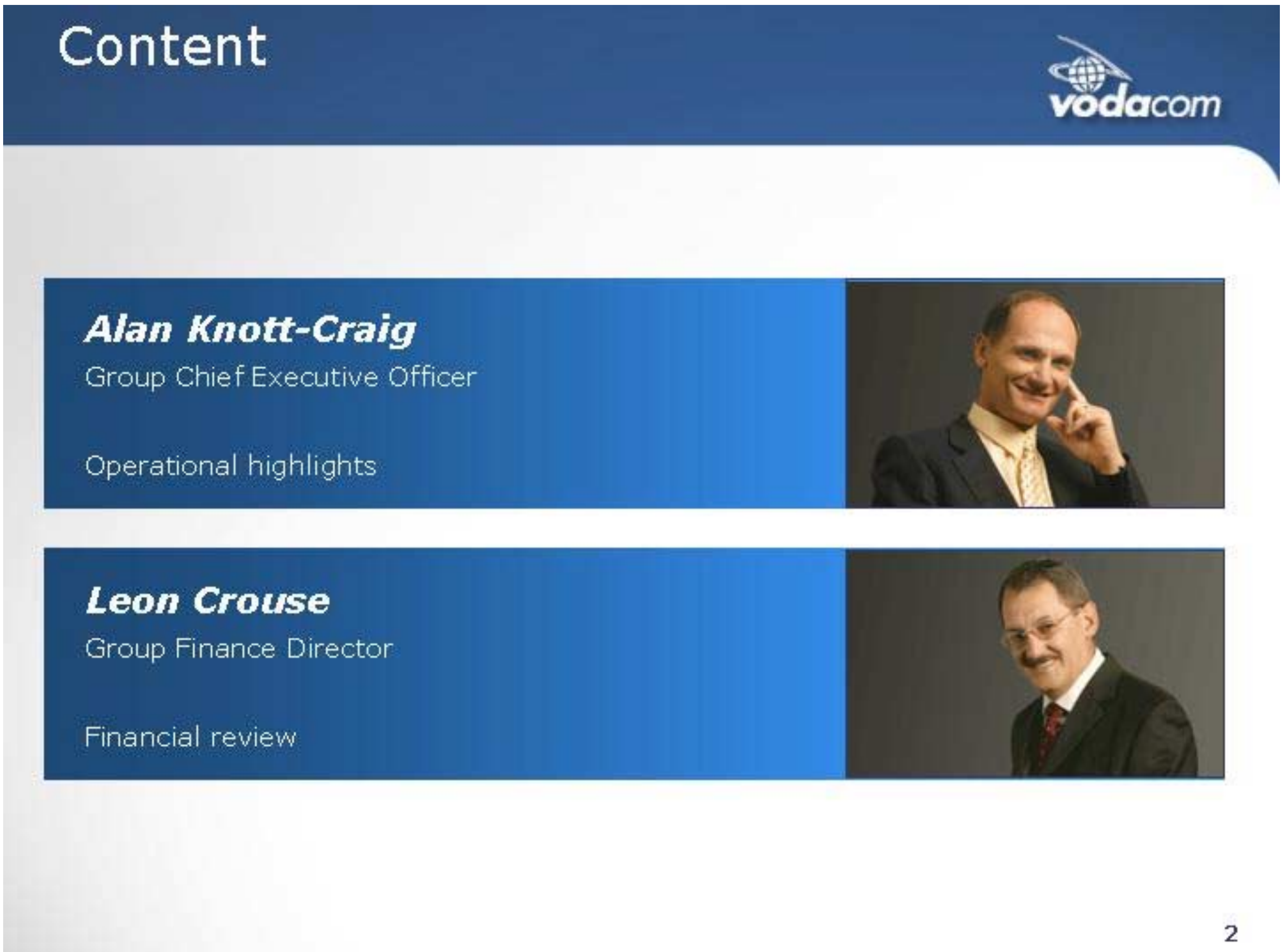

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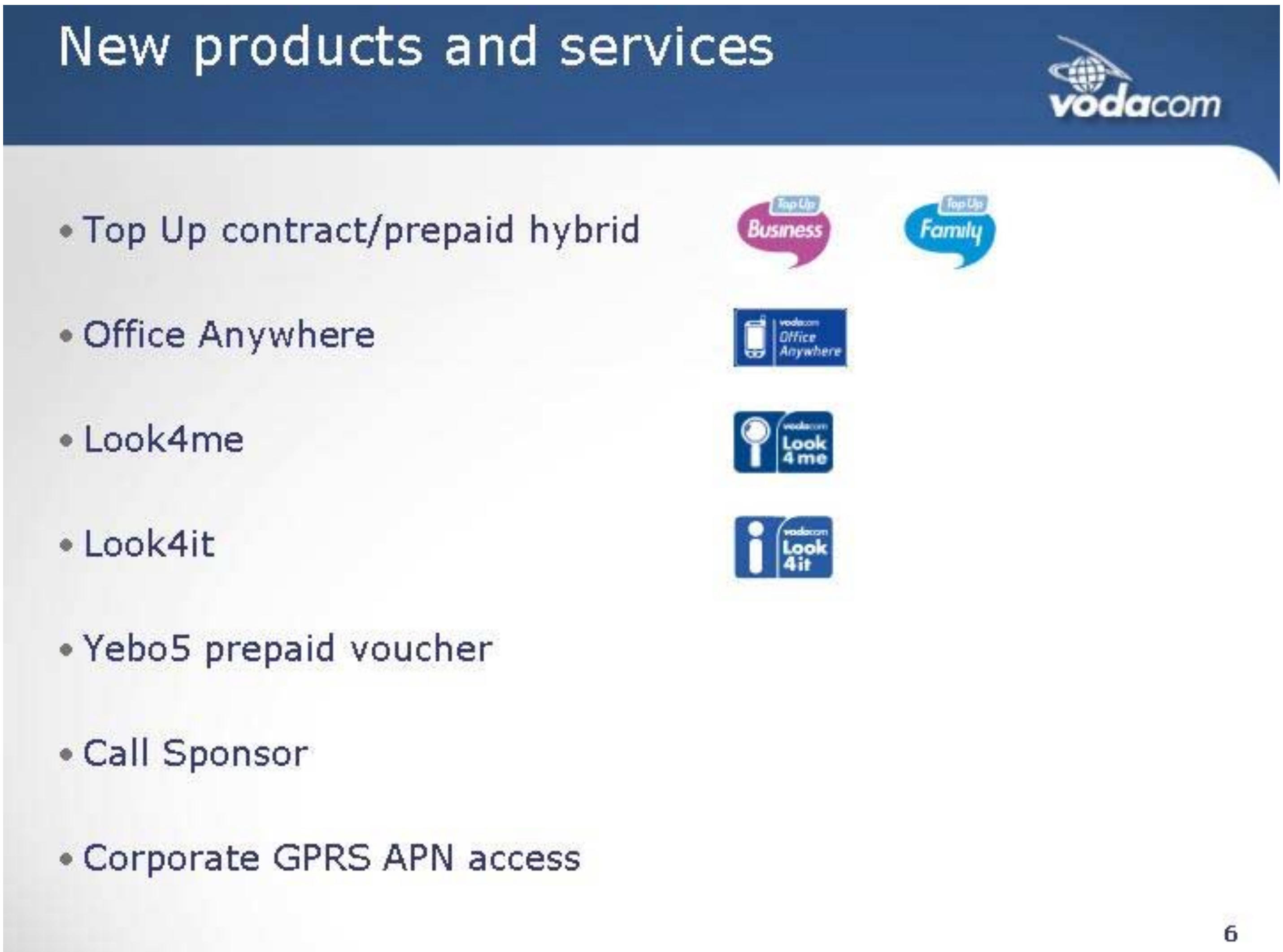

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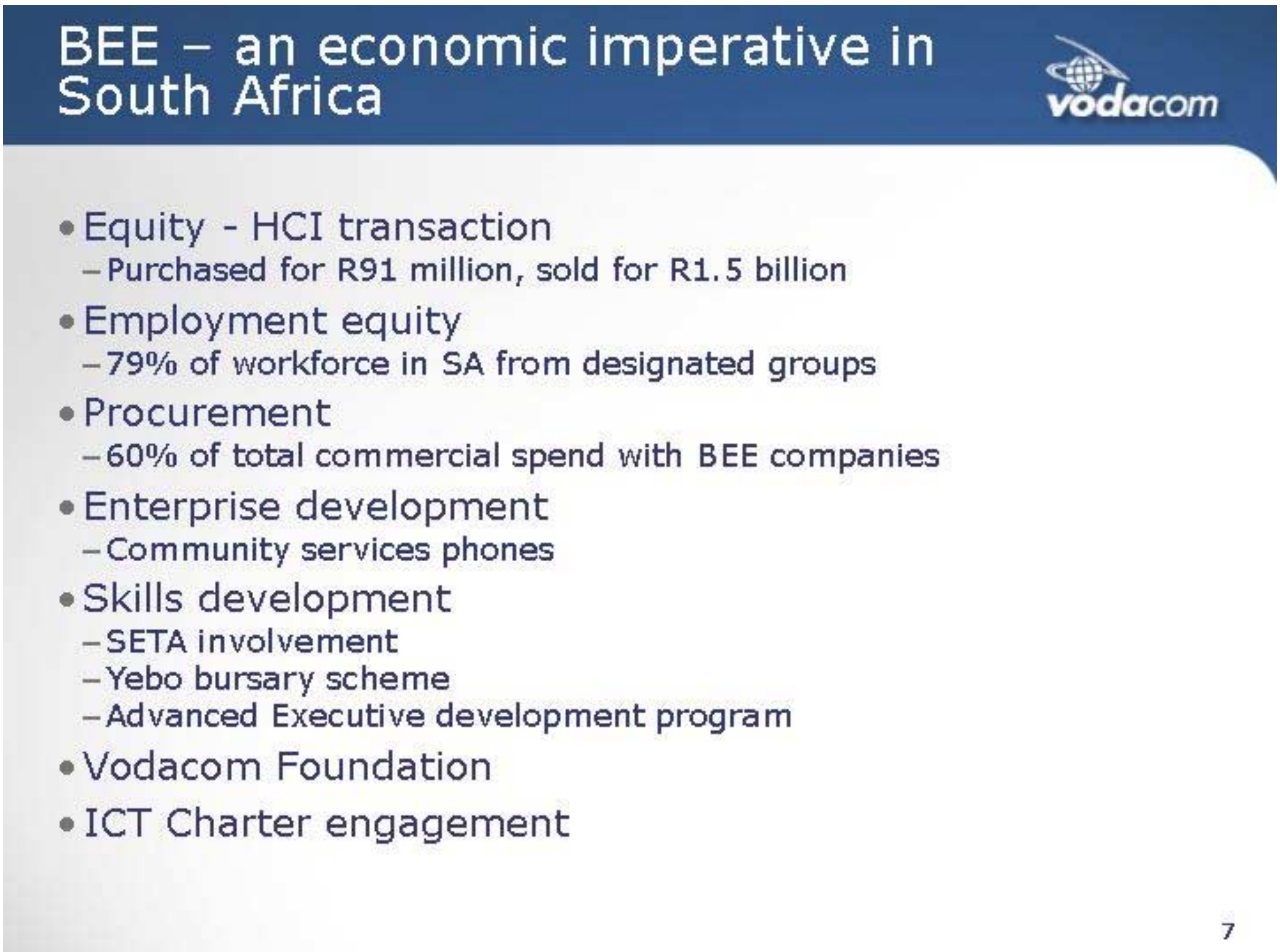

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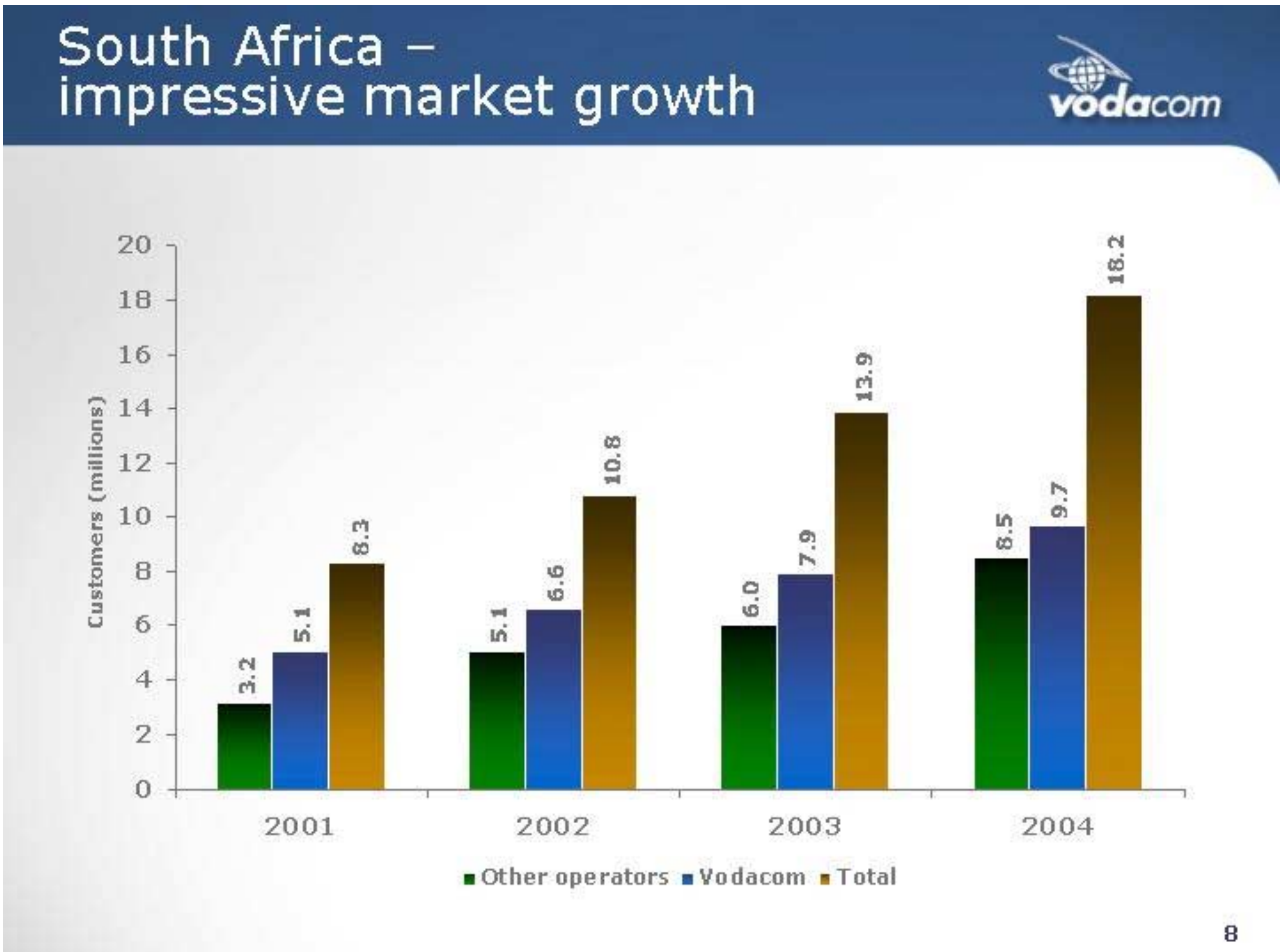

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South Africa – market share 54%

Population 42.7 million, penetration 41.2%

vodacom

	2003	2004	% change
• Total customers	7.9 million	9.7 million	23.5%
• Revenue	R18,544 million	R21,981 million	18.5%
• EBITDA	R6,423 million	R7,536 million	17.3%
• ARPU	R183	R177	3.3%
• Customers per employee	2,017	2,527	25.3%
• Capex	R2,482 million	R1,654 million	33.3%
• Capex as a % of revenue	13.4%	7.5%	5.9%pts

Pressures unchanged

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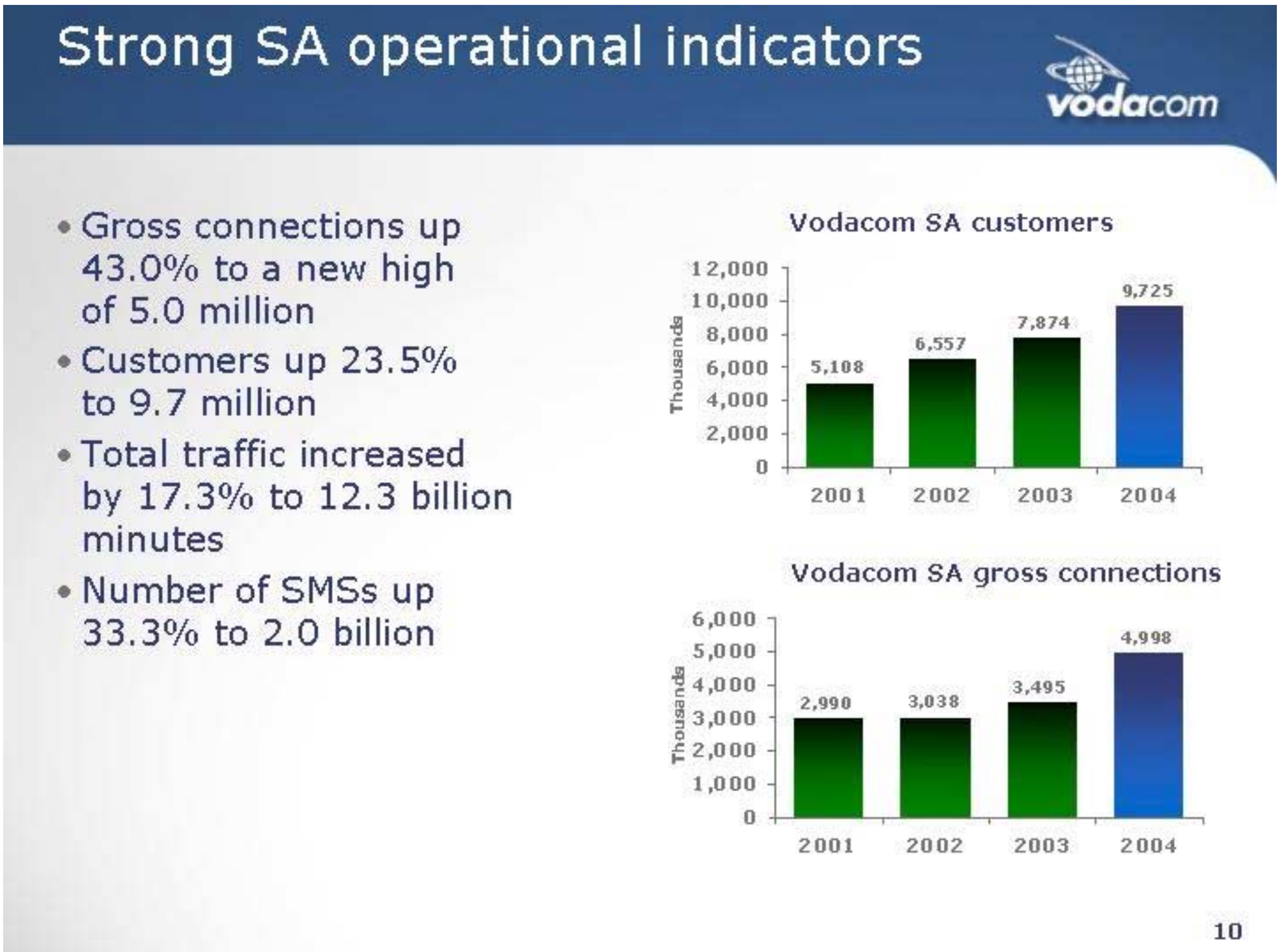

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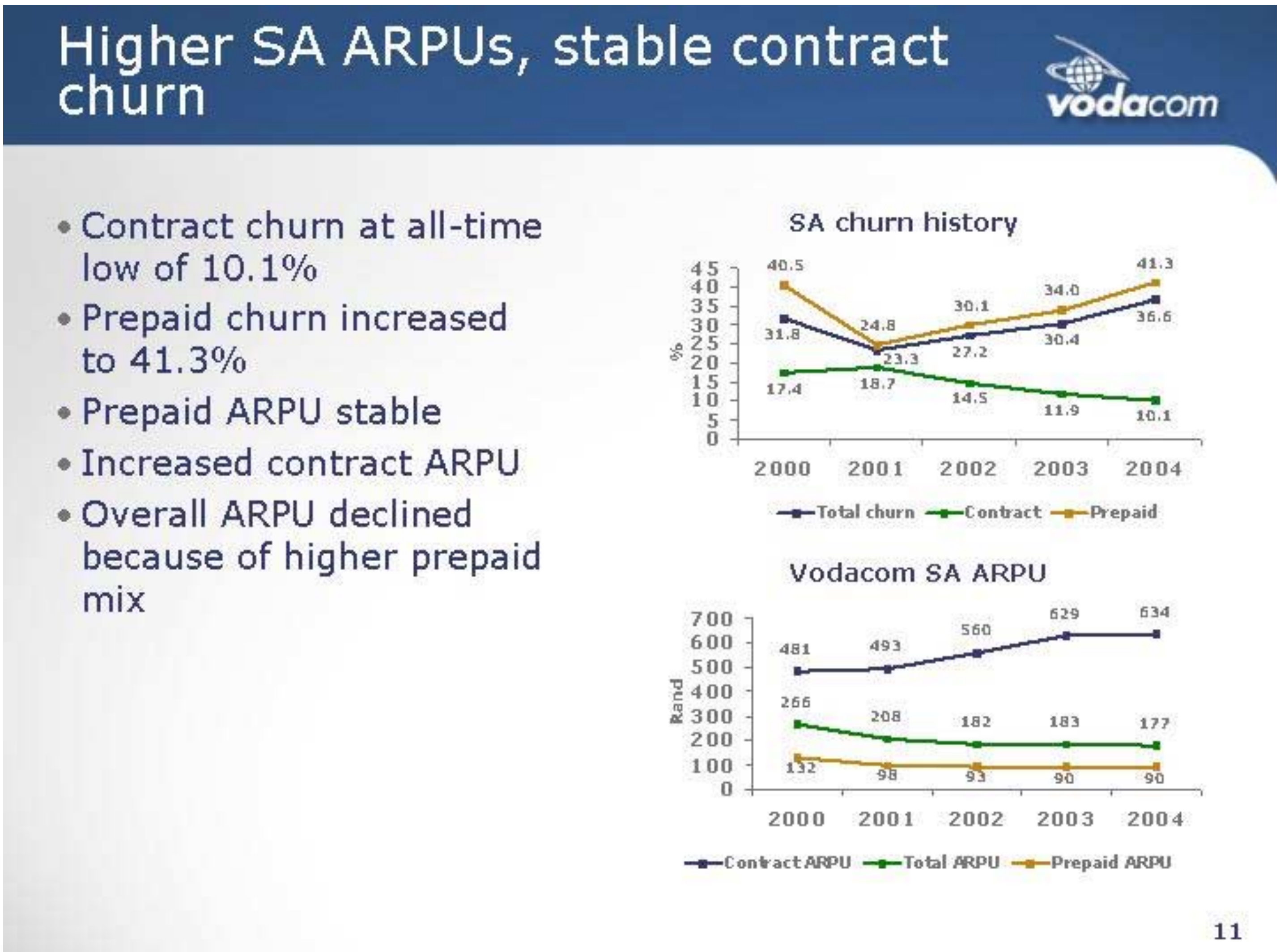

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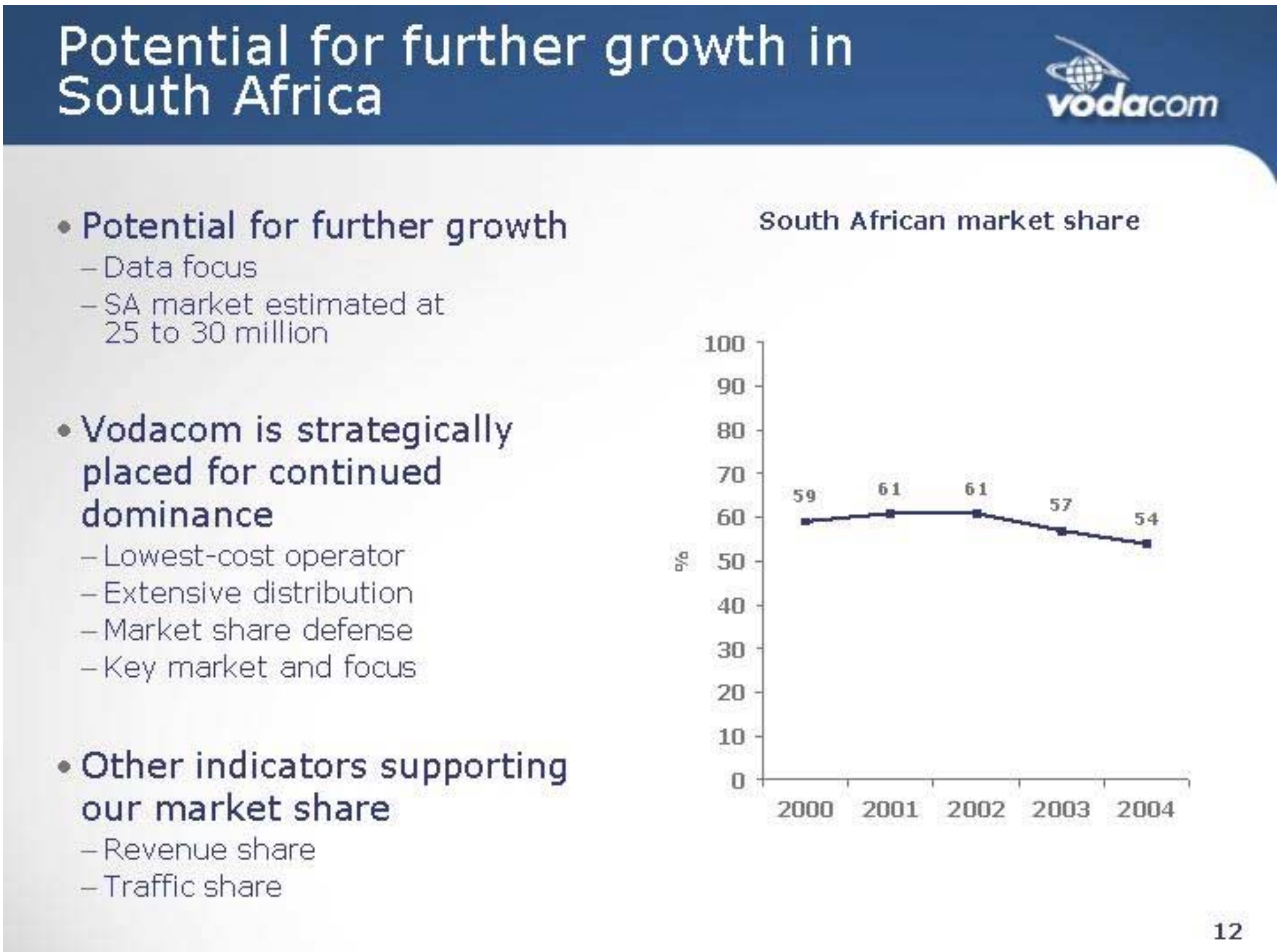

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Tanzania – market share 57%

Population 35.9 million, penetration 3.3%

vodacom

	2003	2004	% change
• Total customers	447,000	684,000	53.0%
• Revenue	R880 million	R867 million	1.5%
• EBITDA	R334 million	R278 million	16.8%
• ARPU	R216	R128	40.7%
• Customers per employee	1,997	2,165	8.4%
• Capital expenditure	R323 million	R351 million	8.7%
• Capex as a % of revenue	36.7%	40.5%	3.8%pts

Competitive market

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DRC – market share 47%

Population 56.6 million, penetration 2.3%

vodacom

(100% of Vodacom Congo)	2003	2004	% change
• Total customers	248,000	670,000	170.2%
• Revenue	R508 million	R933 million	83.7%
• EBITDA	(R96 million)	R190 million	
• ARPU	R200	R150	25.0%
• Customers per employee	1,215	2,006	65.1%
• Capital expenditure	R1,011 million	R775 million	23.3%
• Capex as a % of revenue	199.2%	83.0%	116.2%pts

Note: Vodacom Group proportionally consolidates only 51% of Vodacom Congo

Market position entrenched

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Lesotho – market share 80%

Population 1.8 million, penetration 5.1%

	2003	2004	% change
• Total customers	78,000	80,000	2.6%
• Revenue	R96 million	R119 million	24.0%
• EBITDA	R26 million	R27 million	3.8%
• ARPU	R104	R125	20.2%
• Customers per employee	1,047	1,176	12.3%
• Capital expenditure	R72 million	R7 million	90.3%
• Capex as a % of revenue	75.0%	5.9%	69.1%pts

Operation has stabilised

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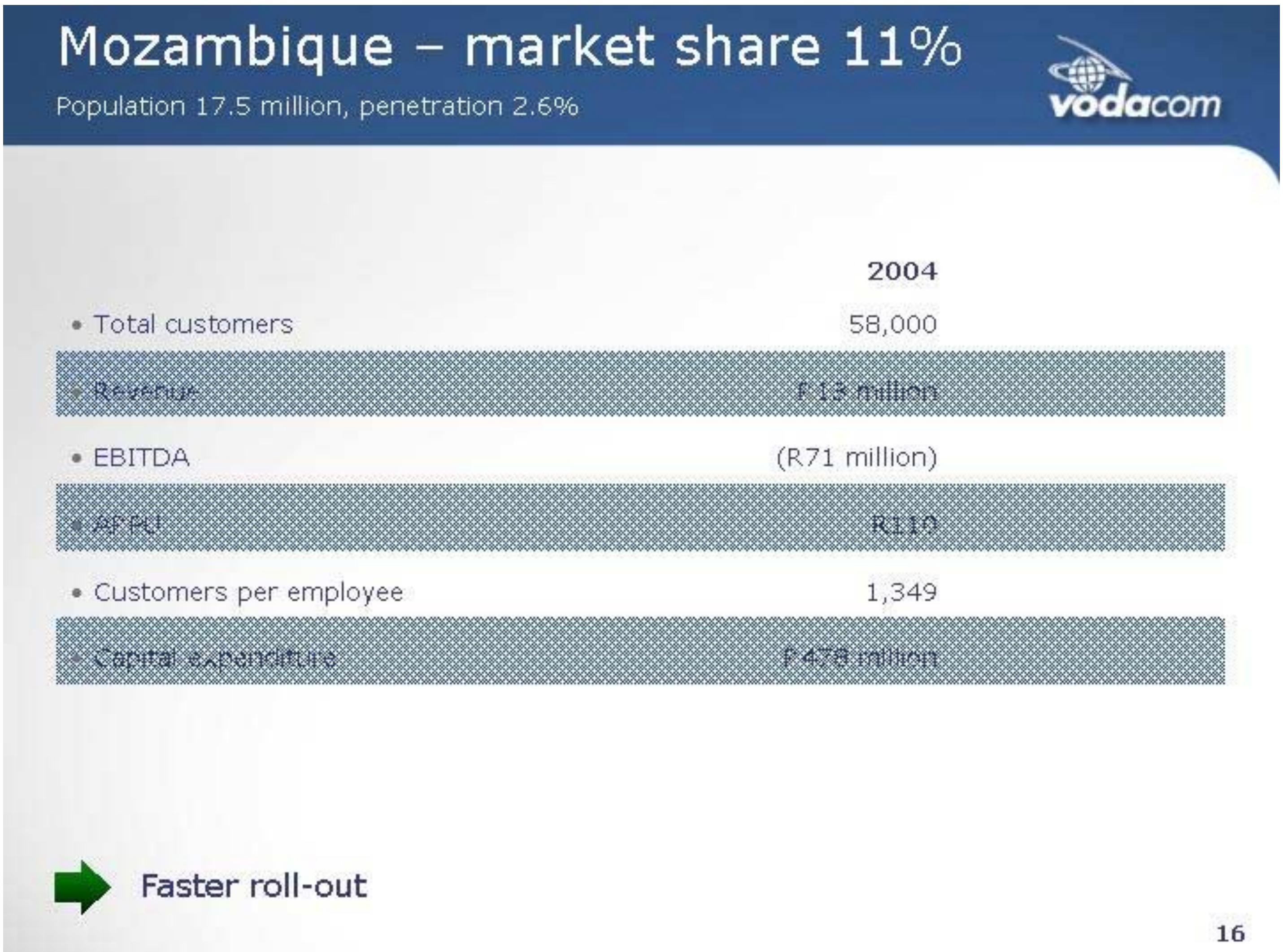

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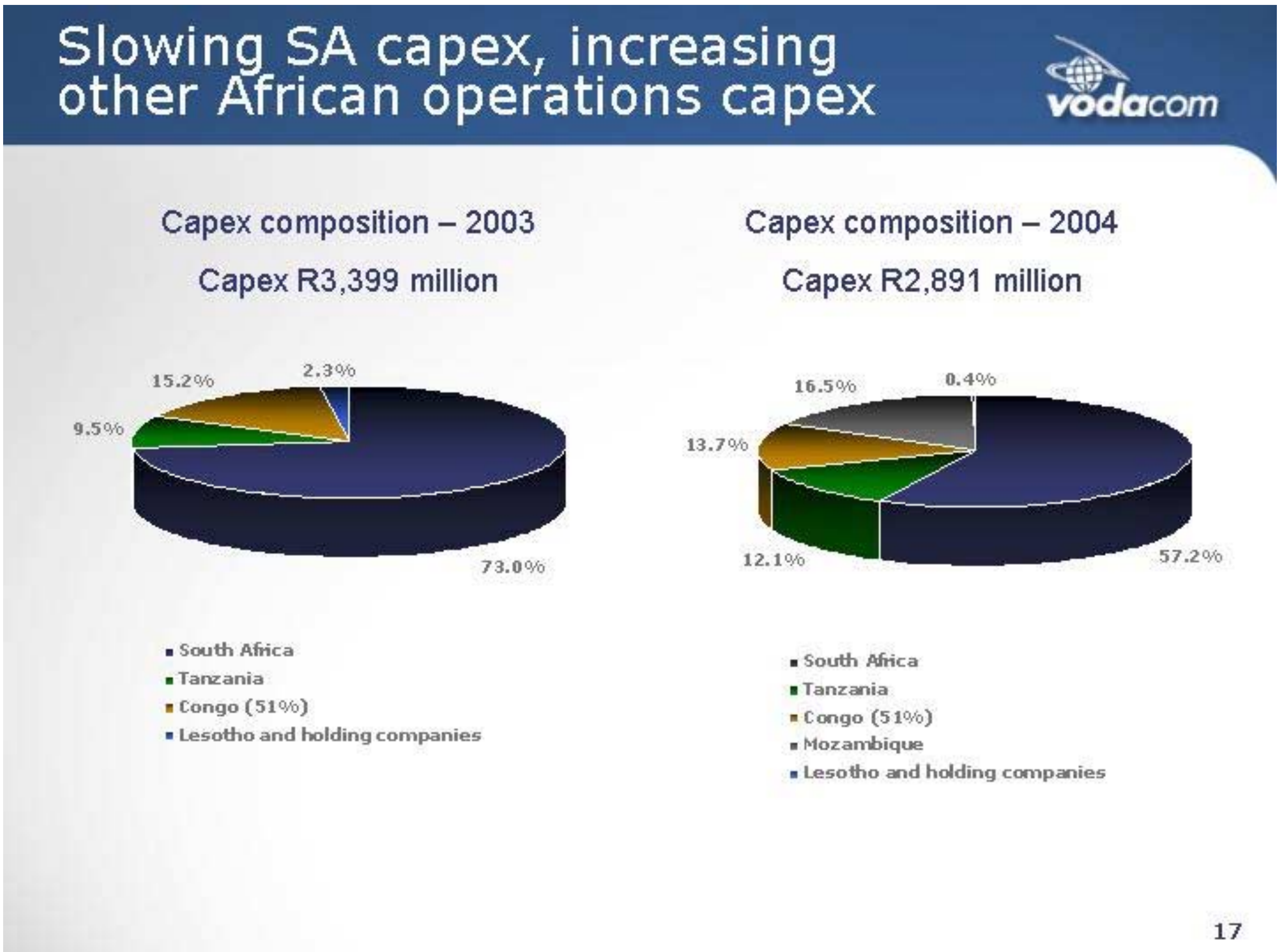

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Group results

vodacom

R million	2002	2003	2004	% change 04/03
Revenue	**16,151**	**19,779**	**23,478**	**18.7**
Operating expenses excluding depreciation and amortization	(10,460)	(13,075)	(15,711)	20.2
EBITDA	5,691	6,704	7,767	15.9
Depreciation and amortization	(2,070)	(2,374)	(2,533)	6.7
Profit from operations	3,621	4,330	5,234	20.9
Net finance costs	(28)	(804)	(451)	(43.9)
Profit before tax	3,593	3,526	4,783	35.6
Taxation and minorities	(1,220)	(1,311)	(1,751)	33.6
Net profit	**2,373**	**2,215**	**3,032**	**36.9**
IAS 39 adjustment	*352*	*(486)*	*(277)*	*(43.0)*

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Group revenue analysis

By country

vodacom

R million	2002	2003	2004	% change 04/03
South Africa	15,410	18,544	21,981	18.5
Tanzania	657	880	867	(1.5)
DRC (51%)	14	259	476	83.8
Mozambique	–	–	13	–
Lesotho	70	96	119	24.0
Holding companies	–	–	22	–
Vodacom Group	**16,151**	**19,779**	**23,478**	**18.7**

Other African operation's contribution: 6.4% (2003: 6.2%)

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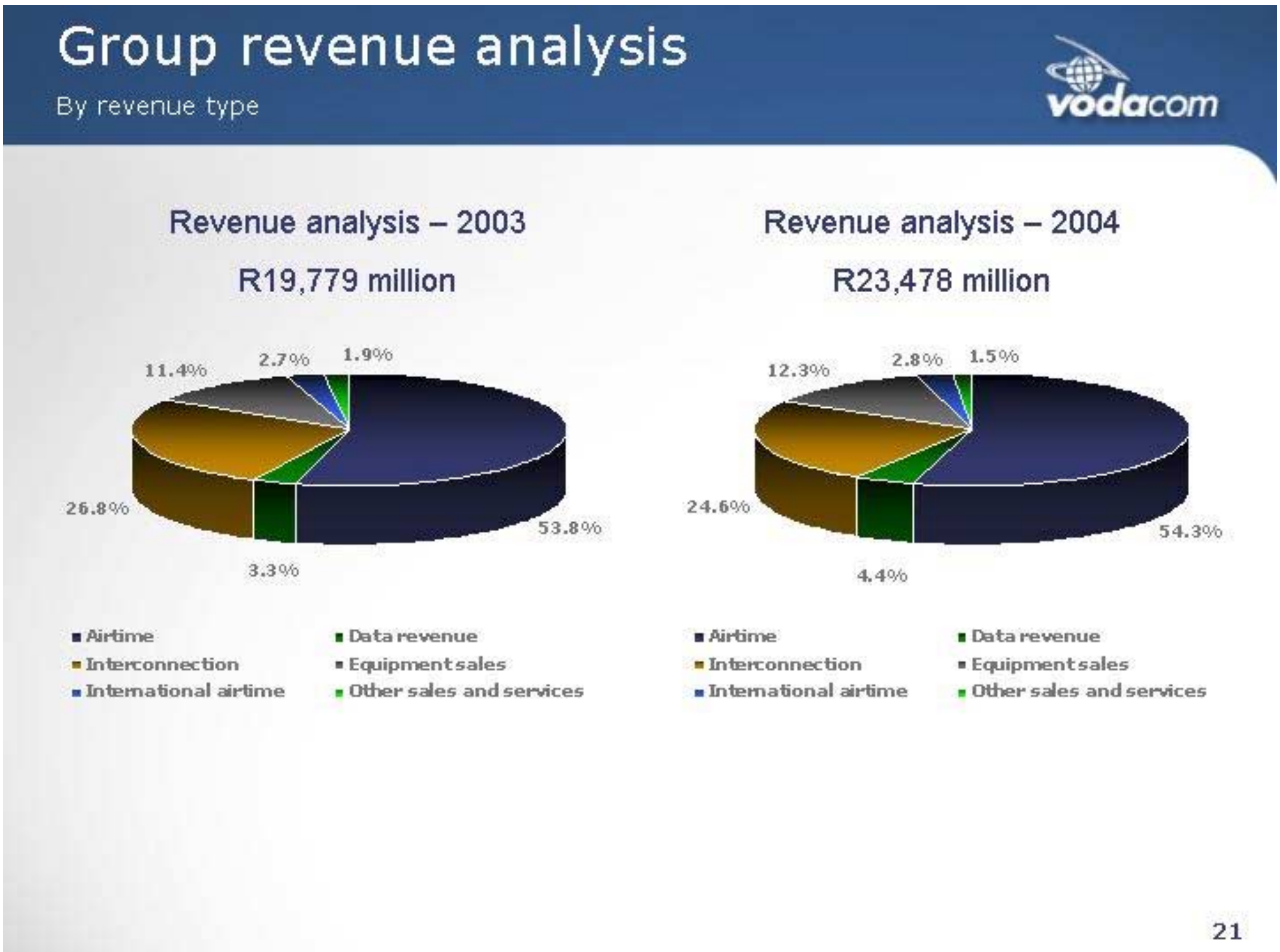

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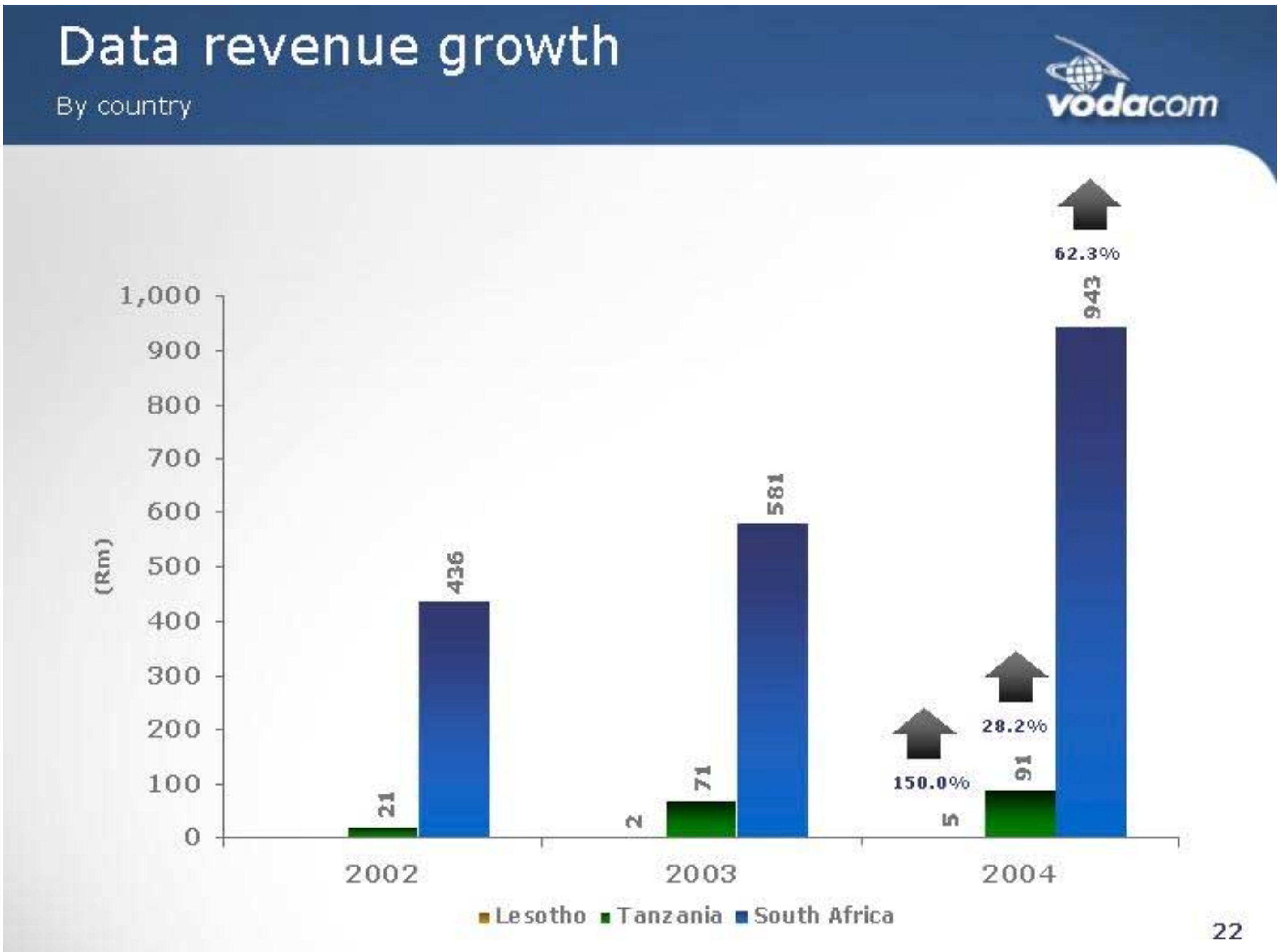

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Group EBITDA analysis

By country

vodacom

R million	2002	2003	2004	% change 04/03
South Africa	5,567	6,423	7,536	17.3
Tanzania	231	334	278	(16.8)
DRC (51%)	(12)	(49)	97	–
Mozambique	–	–	(71)	–
Lesotho	31	26	27	3.8
Holding companies	(126)	(30)	(100)	(233.3)
Vodacom Group	**5,691**	**6,704**	**7,767**	**15.9**
EBITDA margin (%)	35.2	33.9	33.1	(0.8) pts

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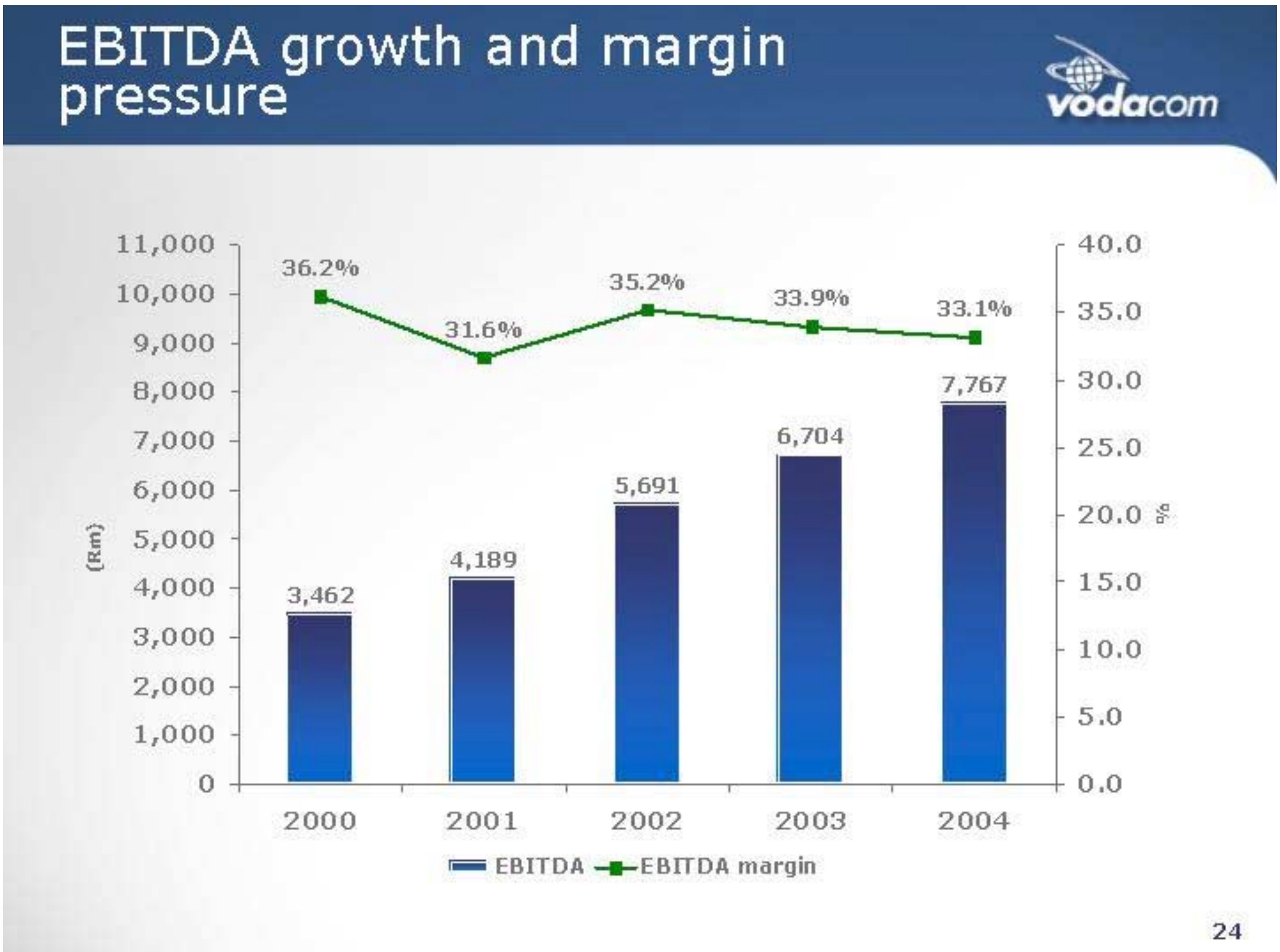

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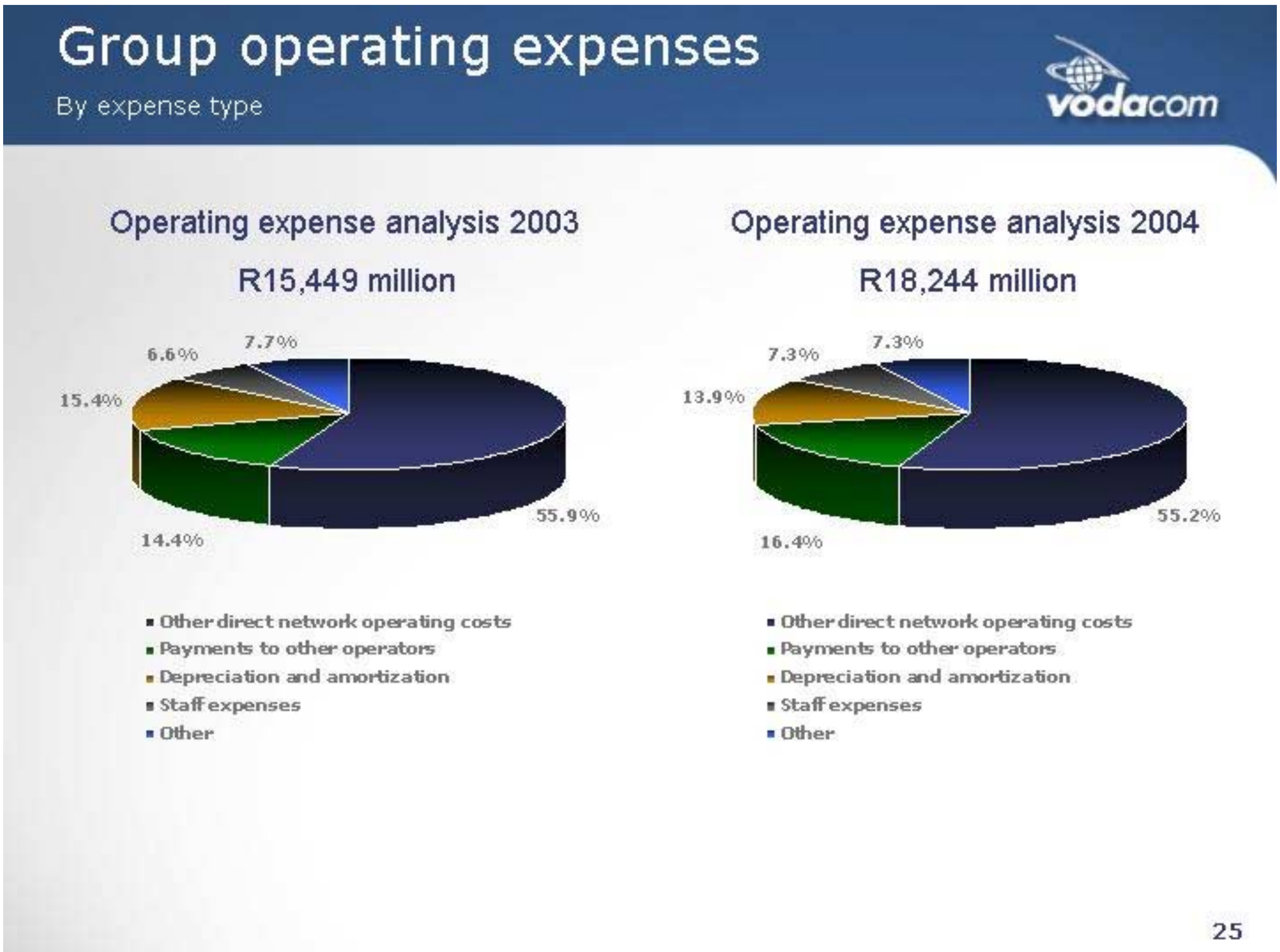

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Group profit from operations analysis

vodacom

R million	2002	2003	2004	% change 04/03
South Africa	3,627	4,476	5,466	22.1
Tanzania	134	187	141	(24.6)
DRC (51%)	(20)	(117)	9	–
Mozambique	–	–	(88)	–
Lesotho	12	4	1	(75.0)
Holding companies	(132)	(220)	(295)	(34.1)
Vodacom Group	**3,621**	**4,330**	**5,234**	**20.9**
Profit from operations margin (%)	22.4	21.9	22.3	0.4pts

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Factors affecting the trends

- Currency influence
  - Current capex cheaper in Rand
  - Depreciation of US$ historical capex lower
  - Translated US$ revenue lower
  - Rand-based and local currency expenses higher
- Adjusted profit after tax shows the real trend and excludes IAS 39 adjustments
  - Effect of currency revaluation
  - Effect of FEC book revaluation

Rand/US Dollar	2002	2003	2004
Closing rate	11.44	7.97	[illegible]
Average rate	11.42	9.81	7.17

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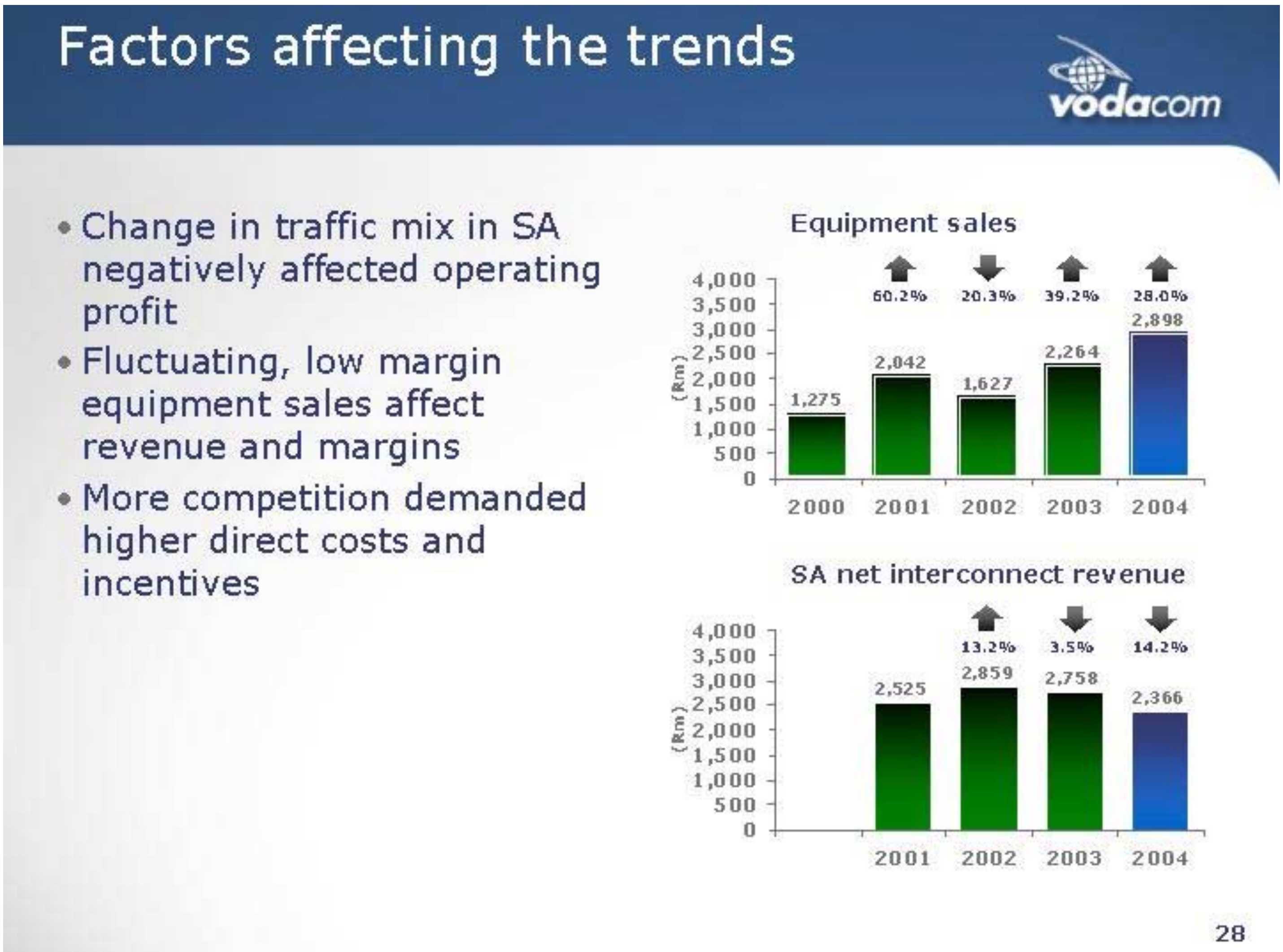

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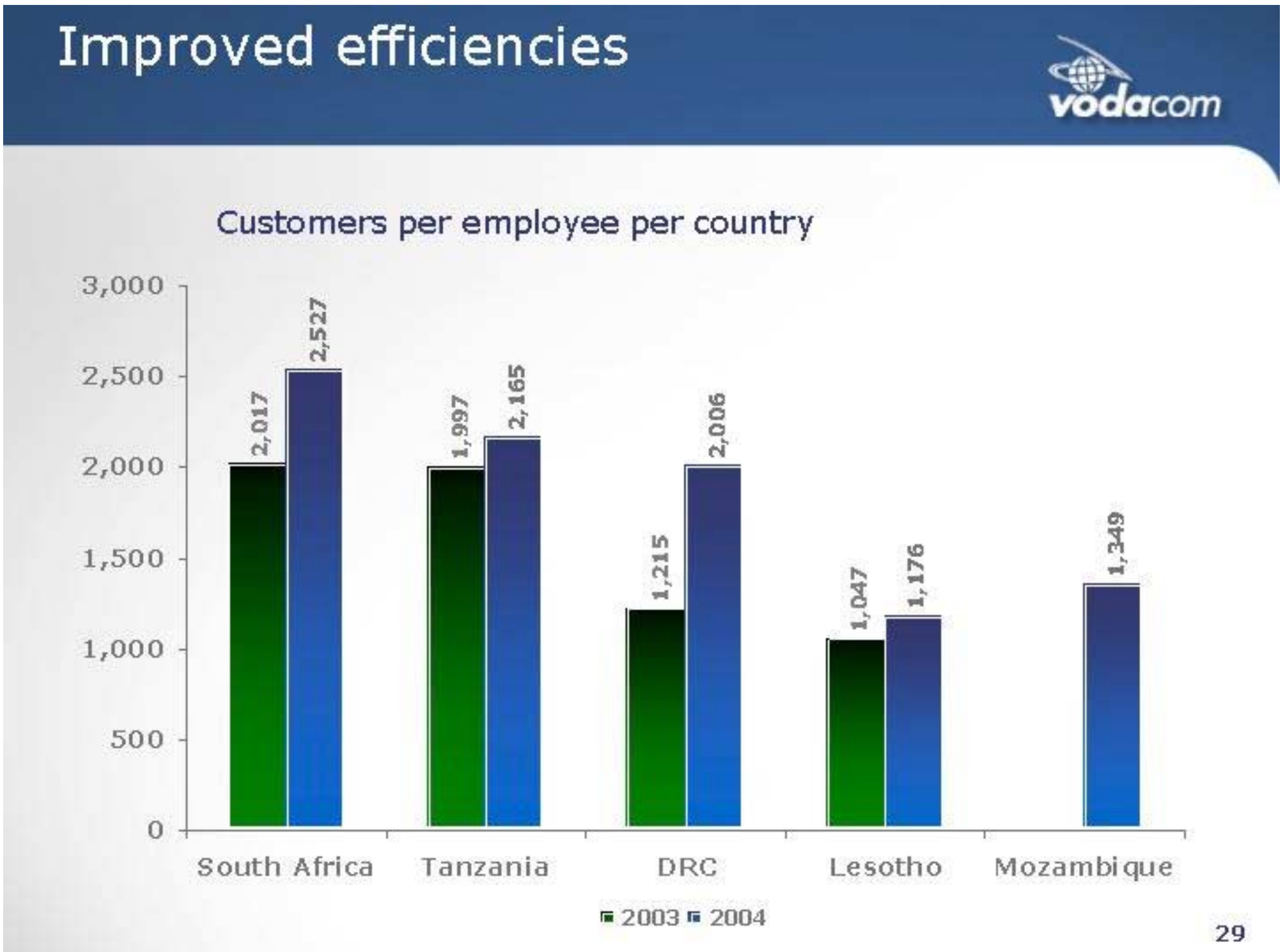

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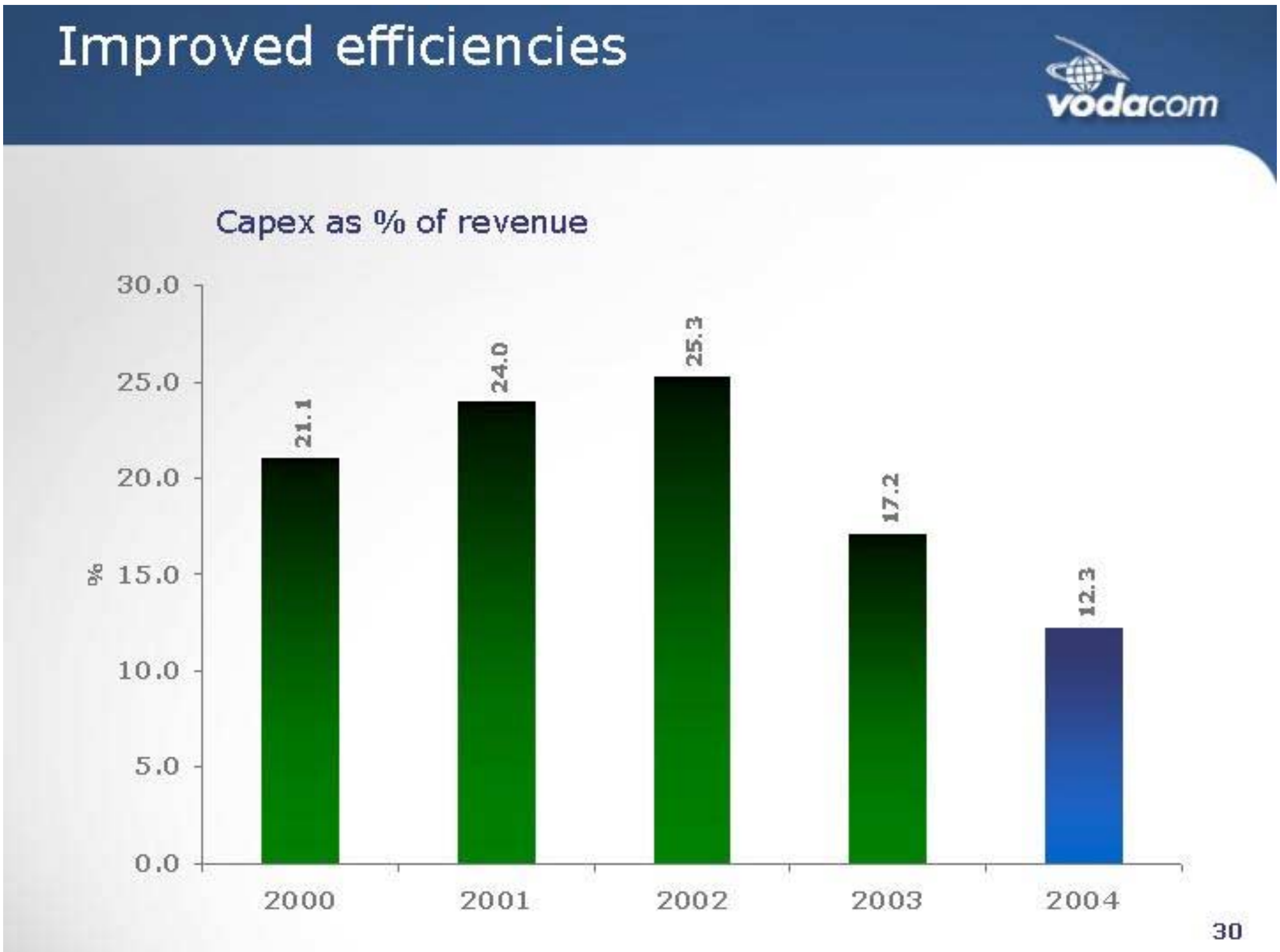

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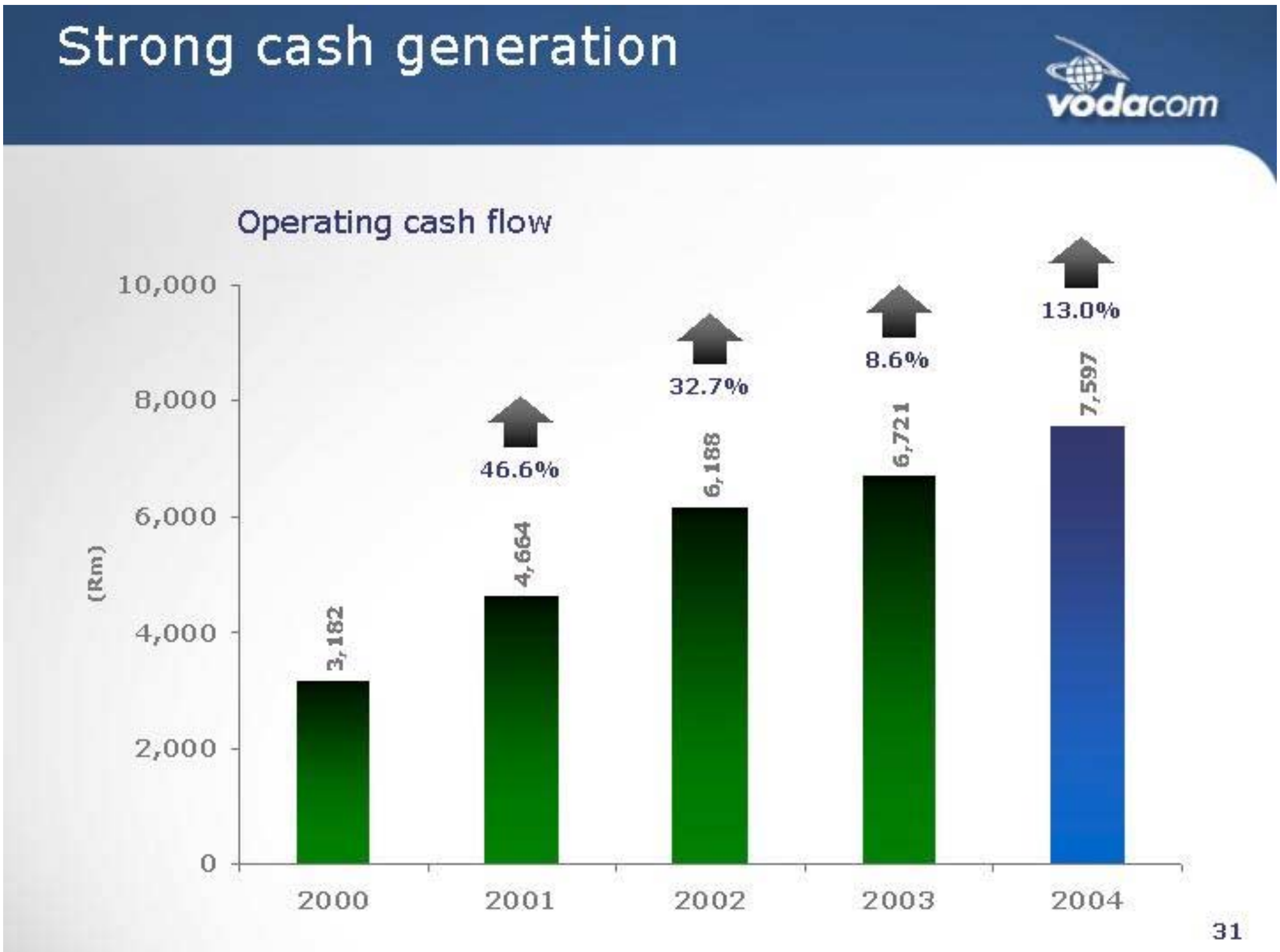

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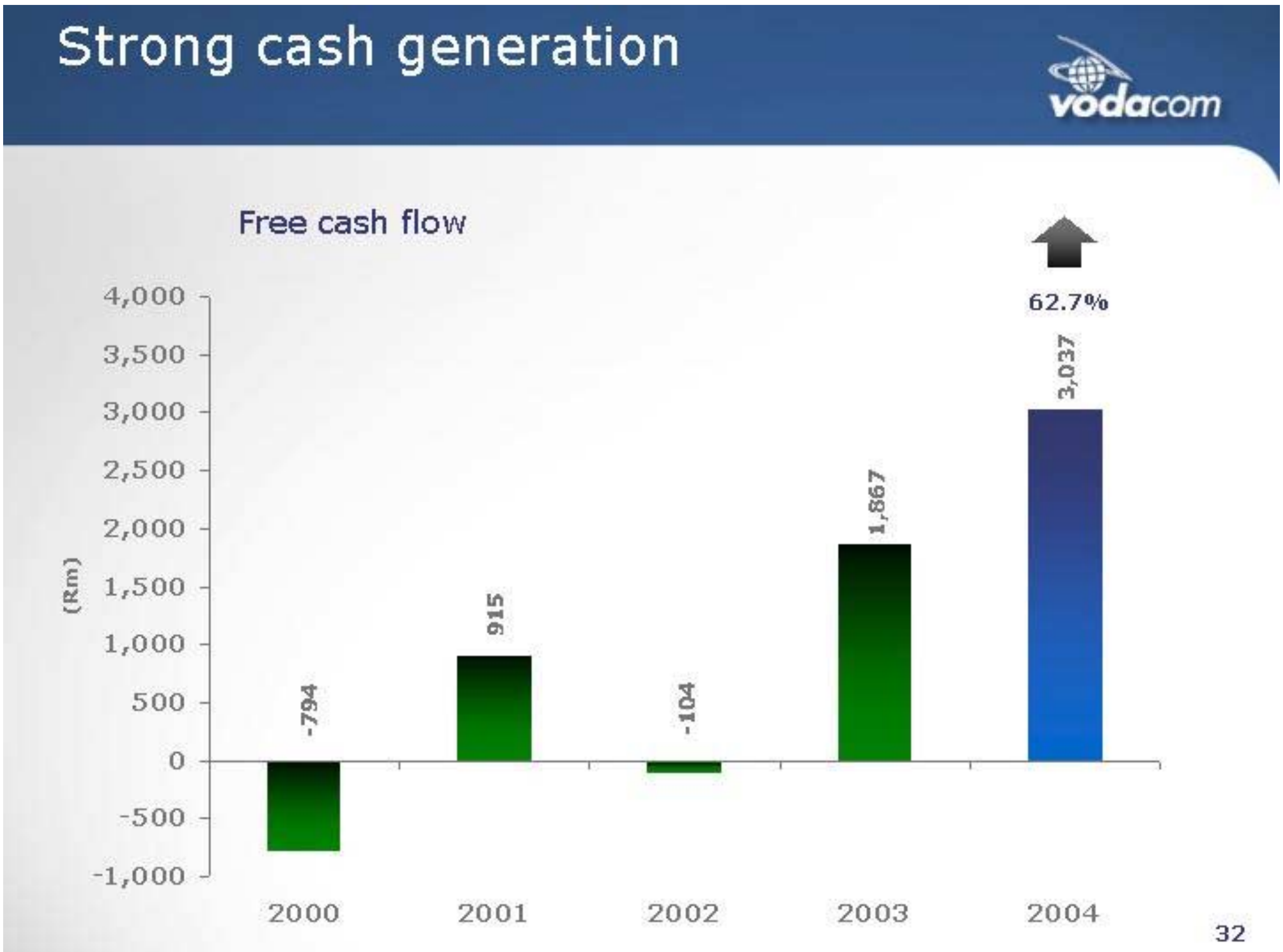

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Net debt maturity profile

vodacom

Rand million	2005	2006	2007	2008	2009	>2010	Total 2004	2003
SA finance leases	29	51	79	114	192	421	886	885
Vodacom Tanzania	66	85	110	87	78	–	426	592
Vodacom Congo (51%)	745	–	–	–	–	–	745	692
Vodacom Lesotho	4	–	–	–	–	–	4	4
SA shareholder loans	–	–	–	–	–	–	–	920
Debt excluding bank overdrafts	**844**	**136**	**189**	**201**	**270**	**421**	**2,061**	3,093
Less: net bank and cash balances							(1,598)	(648)
Net debt							**463**	**2,445**
Net debt including all off-balance sheet debt							**1,383**	2,764

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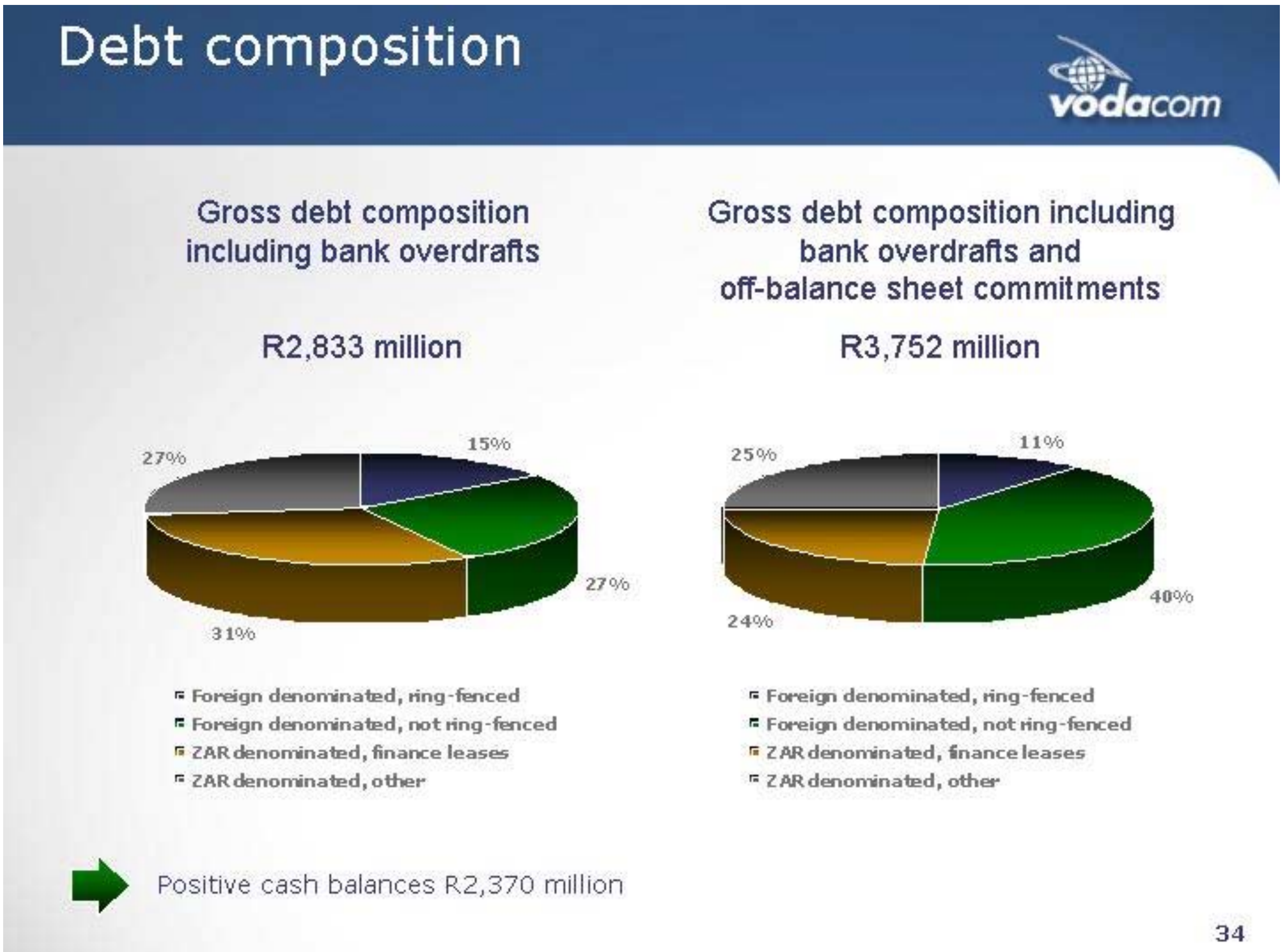

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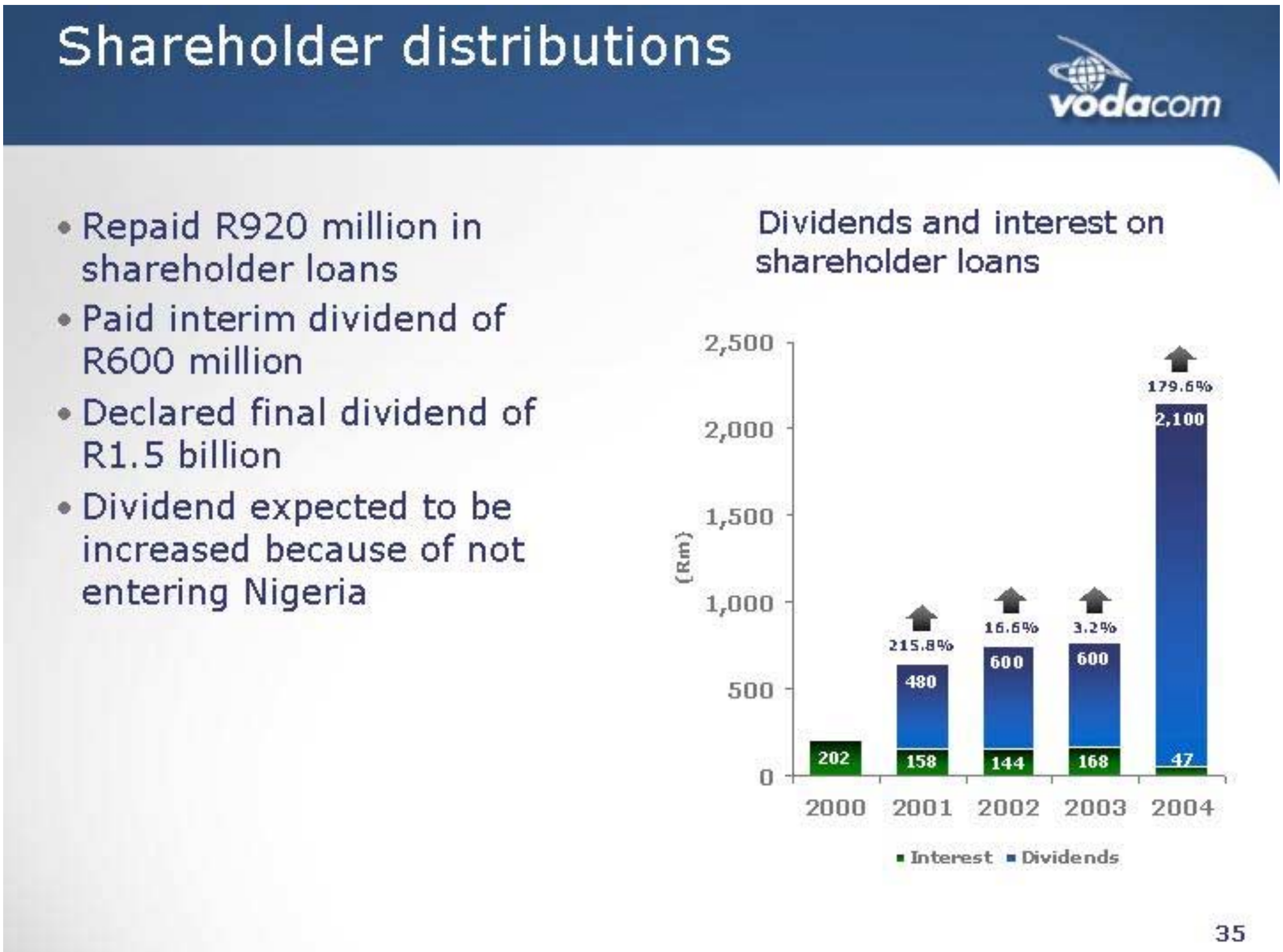

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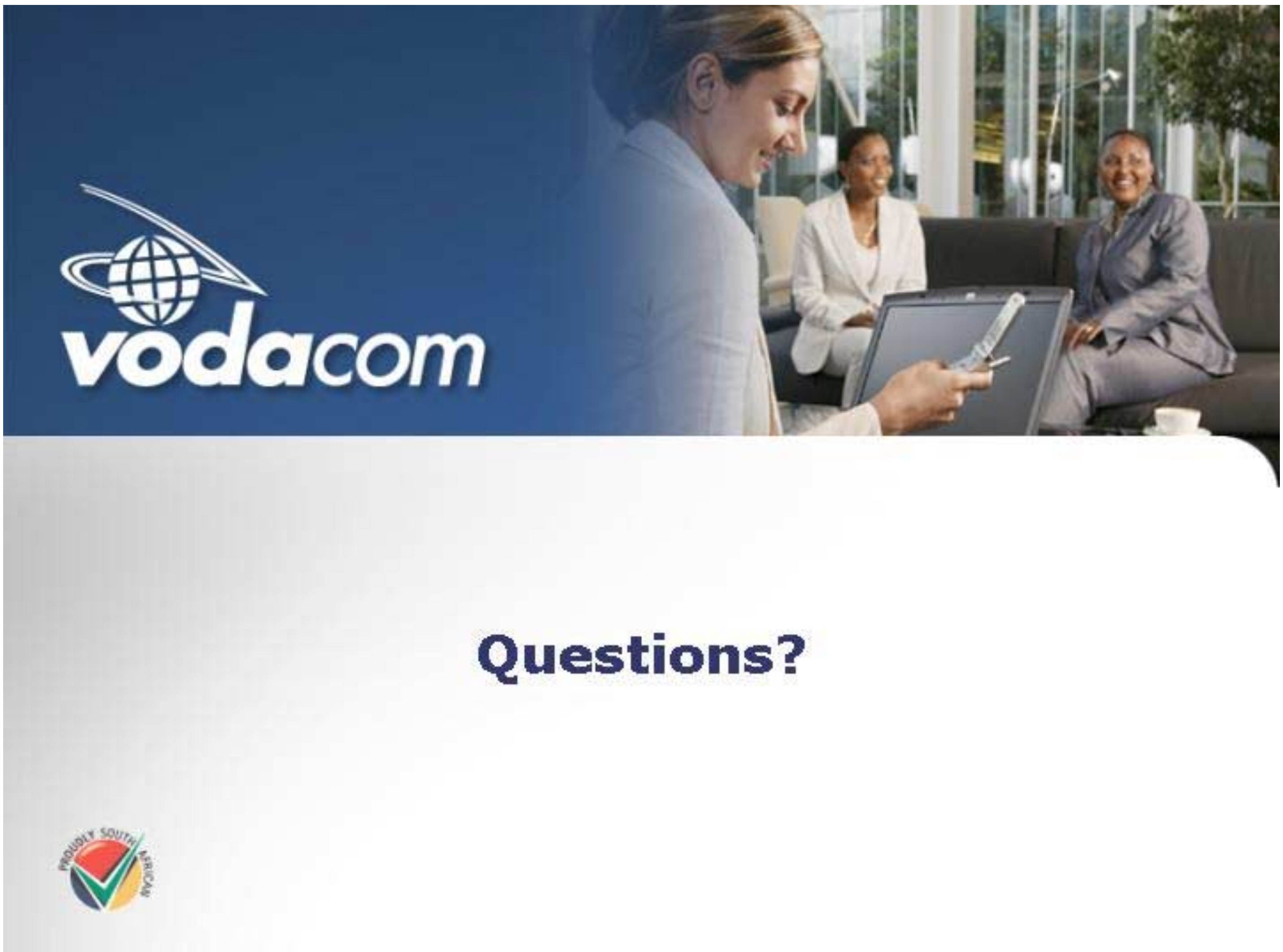

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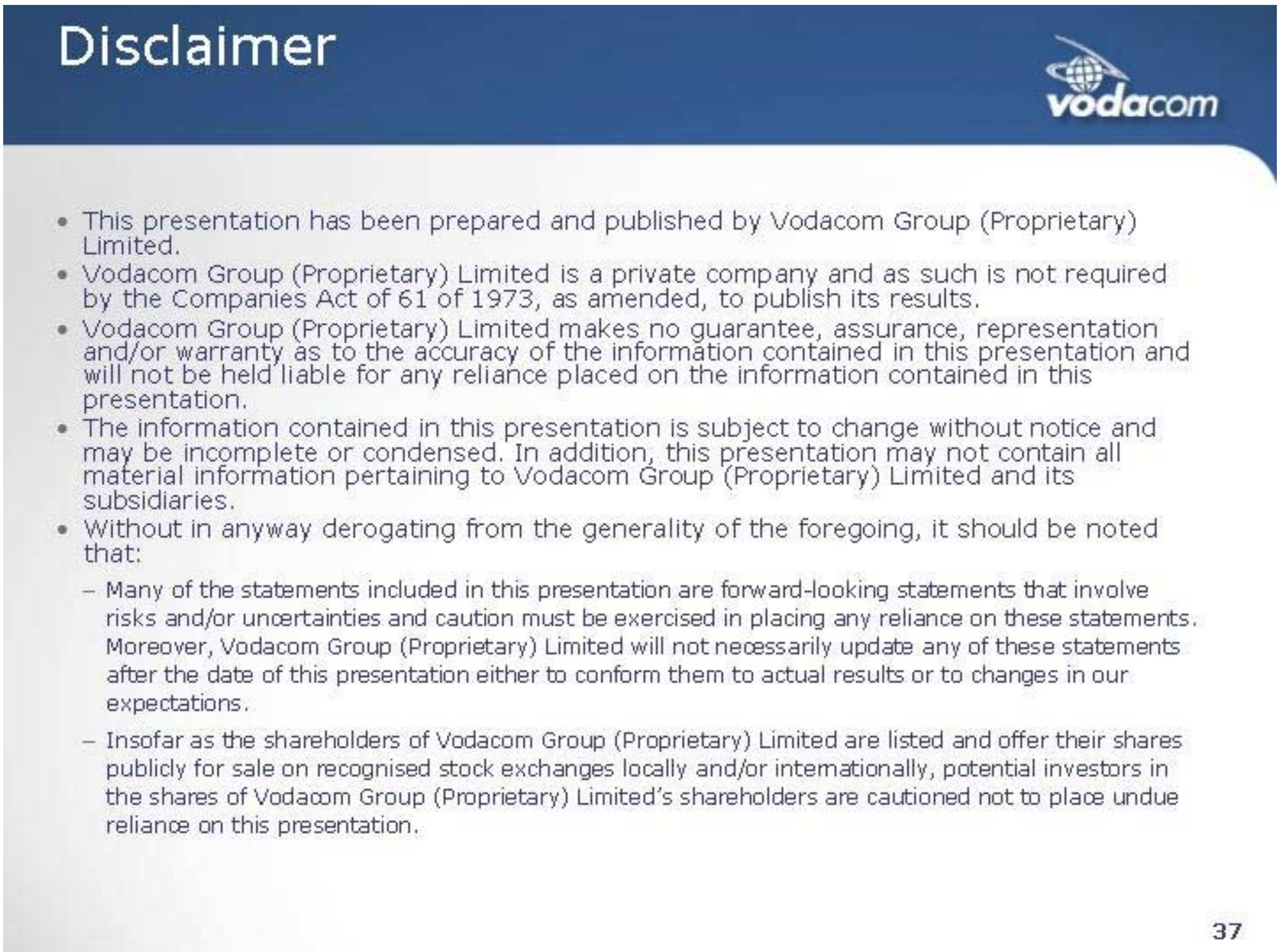

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Group income statements

extracts for the years ended March 31

vodacom

R million	2002	2003	2004	% change 04/03
Revenue	**16,151**	**19,779**	**23,470**	**18.7**
Operating expenses excluding depreciation and amortization	(10,460)	(13,075)	(15,711)	20.2
EBITDA	5,691	6,704	7,762	15.9
Depreciation and amortization	(2,070)	(2,374)	(2,533)	6.7
Profit from operations	3,621	4,330	5,234	20.9
Net finance costs	(28)	(804)	(451)	(43.9)
Profit before tax	3,593	3,526	4,783	35.6
Taxation and minorities	(1,220)	(1,311)	(1,751)	33.6
Net profit	**2,373**	**2,215**	**3,032**	**36.9**

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Group balance sheets

extracts as at March 31

vodacom

R million	2002	2003	2004	% change 04/03
ASSETS				
Non-current assets	11,429	12,276	13,194	7.5
Current assets	4,145	4,690	6,904	47.2
Total assets	**15,574**	**16,966**	**20,098**	**18.5**
EQUITY AND LIABILITIES				
Capital and reserves	5,464	6,837	7,603	11.2
Minority interest	11	88	93	5.7
Non-current liabilities	1,894	2,882	2,569	(10.9)
Current liabilities	8,205	7,159	9,833	37.4
Total equity and liabilities	**15,574**	**16,966**	**20,098**	**18.5**

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Group cash flow statements

extracts for the years ended March 31

vodacom

R million	2002	2003	2004	% change 04/03
Cash receipts from customers	15,583	19,349	22,798	17.8
Cash generated from operations	6,188	6,721	7,597	13.0
Net cash flows from operating activities	**3,815**	**4,342**	**4,790**	**10.3**
Net cash flows utilized in investing activities	**(4,543)**	**(3,243)**	**(3,000)**	**(7.5)**
Net cash flows (utilized in)/from financing activities	**570**	**517**	**(798)**	**–**
Net increase/(decrease) in cash and cash equivalents	**(158)**	**1,616**	**992**	**(38.6)**
Cash and cash equivalents at the beginning of the year	(796)	(858)	647	–
Effect of foreign exchange rate changes	96	(111)	(41)	(63.1)
Cash and cash equivalents at the end of the year	**(858)**	**647**	**1,598**	**147.0**

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Exhibit 99.12

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE and NYSE Share Code TKG
("Telkom")

Notice is hereby given that Telkom have today declared Final Dividend No. 9 of 110 South African cents per share for the year ended 31 March 2004 to be paid on Friday, 9 July 2004.

Salient dates

To holders of ordinary shares

	2004
Last date to trade ordinary shares cum dividend	Friday, 25 June
Last date to register transfers of certificated securities cum dividend	Friday, 25 June
Ordinary shares trade ex dividend	Monday, 28 June
Record date	Friday, 2 July
Payment date	Friday, 9 July

On the payment date, dividends due to holders of certificated securities on the South African register will either be electronically transferred to shareholders' bank accounts or, in the absence of suitable mandates, dividend cheques will be posted to such shareholders.

Dividends in respect of dematerialised shareholdings will be credited to shareholders' accounts with the relevant CSDP or broker.

To comply with the further requirements of STRATE, between Monday, 28 June 2004 and Friday, 2 July 2004, inclusive, no ordinary shares pertaining to the South African share register may be dematerialised or rematerialised.

To holders of American Depositary Shares.

	2004
Ex dividend on New York Stock Exchange	Monday, 28 June
Record date	Friday, 2 July
Approximate date for currency conversion into US dollars	Friday, 9 July
Approximate payment date of dividend	Friday, 23 July

By order of the Board
V V Mashale
Company Secretary
Johannesburg
7 June 2004

Exhibit 99.13

Telkom SA Limited
(Registration Number 1991/005476/06)
ISIN ZAE000044897
JSE AND NYSE Share Code TKG
("Telkom")

Telkom wishes to clarify that the general authority granted to it by shareholders at its annual general meeting on 27 January 2004 to purchase shares in its own capital on the open market does not, under the terms of the Listings Requirements of the JSE Securities Exchange South Africa, permit it to participate in the share placement which is currently being implemented by Thintana Communications LLC.

Telkom will continue to consider the purchase of shares in its own capital on the open market under the terms of its existing authority.

Johannesburg
17 June 2004

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: ____________________________

Sizwe Nxasana
Chief Executive Officer
(principal executive officer)

Date: July 16, 2004