

## Notes to the financial statements continued

for the year ended 31 March 2020

### 10. Earnings and dividend per share

|                                                                                                    | Group                       |                                    |
|----------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------|
|                                                                                                    | 31 March<br>2020<br>Rm      | Restated<br>31 March<br>2019<br>Rm |
| <b>Total operations</b>                                                                            |                             |                                    |
| <b>Basic earnings per share (cents)</b>                                                            | 121.1                       | 561.9                              |
| <b>Diluted earnings per share (cents)</b>                                                          | 119.5                       | 551.8                              |
| <b>Headline earnings per share (cents)*</b>                                                        | 208.1                       | 619.2                              |
| <b>Diluted headline earnings per share (cents)*</b>                                                | 205.3                       | 608.1                              |
| <b>Reconciliation of weighted average number of ordinary shares:</b>                               | <b>Number of<br/>shares</b> | <b>Number of<br/>shares</b>        |
| Weighted ordinary shares in issue                                                                  | 511 140 239                 | 511 140 239                        |
| Weighted average number of treasury shares                                                         | (13 288 103)                | (13 759 299)                       |
| <b>Weighted average number of shares outstanding</b>                                               | <b>497 852 136</b>          | <b>497 380 940</b>                 |
| <b>Reconciliation of diluted weighted average number of ordinary shares:</b>                       | <b>Number of<br/>shares</b> | <b>Number of<br/>shares</b>        |
| Weighted average number of shares outstanding                                                      | 497 852 136                 | 497 380 940                        |
| Expected future vesting of shares related to Group share scheme incentive plans (refer to note 25) | 6 781 658                   | 9 146 285                          |
| <b>Diluted weighted average number of shares outstanding</b>                                       | <b>504 633 794</b>          | <b>506 527 225</b>                 |

\* The disclosure of headline earnings is a requirement of the JSE Limited and is not a recognised measure under IFRS. It has been calculated in accordance with the South African Institute of Chartered Accountants' circular 1/2019 issued in this regard.

|                                                                                           | 31 March<br>2020<br>Rm |               | Restated<br>31 March<br>2019<br>Rm |               |
|-------------------------------------------------------------------------------------------|------------------------|---------------|------------------------------------|---------------|
|                                                                                           | Gross                  | Net**         | Gross                              | Net**         |
| <b>Total operations</b>                                                                   |                        |               |                                    |               |
| <b>Reconciliation between earnings and headline earnings:</b>                             |                        |               |                                    |               |
| Profit for the year                                                                       |                        | 608           |                                    | 2 831         |
| Non-controlling interests                                                                 |                        | (5)           |                                    | (36)          |
| Profit attributable to owners of Telkom                                                   |                        | 603           |                                    | 2 795         |
| Profit on disposal of property, plant and equipment and intangible assets                 | (18)                   | (18)          | (2)                                | (2)           |
| Profit on disposal of subsidiaries and associates                                         | (9)                    | (9)           | –                                  | –             |
| Write-offs, impairments and losses of property, plant and equipment and intangible assets | 414                    | 392           | 270                                | 257           |
| Gain on remeasurement of non-current assets held for sale                                 | (23)                   | (23)          | –                                  | –             |
| Translation of net investment in a foreign operation                                      | 91                     | 91            | –                                  | –             |
| Remeasurement of associates                                                               |                        | –             | 30                                 | 30            |
| Headline earnings                                                                         |                        | 1 036         |                                    | 3 080         |
| <b>Dividend per share (cents)</b>                                                         |                        | <b>320.93</b> |                                    | <b>349.11</b> |

The dividend per share is based on a dividend of 249.40 cents per share declared on 27 May 2019 and 71.53 cents per share declared on 8 November 2019 (31 March 2019: 236.97 cents per share declared on 28 May 2018 and 112.14 cents per share declared on 13 November 2018). 511 140 239 number of ordinary shares were outstanding on the dates of the dividend declaration (31 March 2019: 511 140 239).

\*\* The taxation impact consists of a R22 million increase (31 March 2019: R13 million) in tax expense related to recoupment of tax on write-offs of property, plant and equipment and intangible assets.