

Notes to the consolidated annual financial statements

For the year ended 31 March 2015

1. Corporate information

Telkom SA SOC Limited (Telkom), the ultimate parent of the group, is a company incorporated and domiciled in the Republic of South Africa (South Africa) whose shares are publicly traded.

The main objective of Telkom, its subsidiaries and associate (the group) is to supply telecommunication, multimedia, technology, information, mobile communication services and other related information technology services to Telkom's customers in South Africa. The group's services and products include:

- | Fixed-line retail voice services to post-paid, pre-paid and private payphone customers using PSTN (public switched telephone network) lines, including ISDN (integrated services digital network) lines, and the sale of subscription-based value-added voice services and calling plans
- | Fixed-line customer premises equipment rental, sales and services both voice and data needs and these include PABX, computers, routers, modems, telephone handsets and other ancillary equipment
- | Interconnection services, including terminating and transiting traffic from South African mobile operators, as well as from international operators and transiting traffic from mobile to international destinations
- | Fixed-line data services, including domestic and international data transmission services, such as point-to-point leased lines, ADSL (asymmetrical digital subscriber line) services, packet-based services, managed data networking services and internet access and related information technology services
- | Data centre operations which includes e-commerce, application service provider, hosting, data storage, e-mail and security services
- | W-CDMA (wideband code division multiple access), a 3G next generation network, including fixed voice services, data services and nomadic voice services
- | Mobile communication services, including voice services, data services and handset sales through its mobile brand called Telkom Mobile and
- | Other services including directory services, through Trudon Proprietary Limited, wireless data services, through Swiftnet Proprietary Limited and included internet services outside South Africa.

Convergence is one of our key strategic initiatives in building a sustainable future for Telkom. We will lead the provision of converged services in South Africa in support of our mission statement: *Seamlessly connecting people to a better life*. Our strategy is to transform Telkom into an integrated fixed, mobile, IT and content provider, leveraging our unique strengths in the fixed, mobile and IT markets in order to drive sustainable revenue growth, defend our core business and create efficiencies over the longer term.