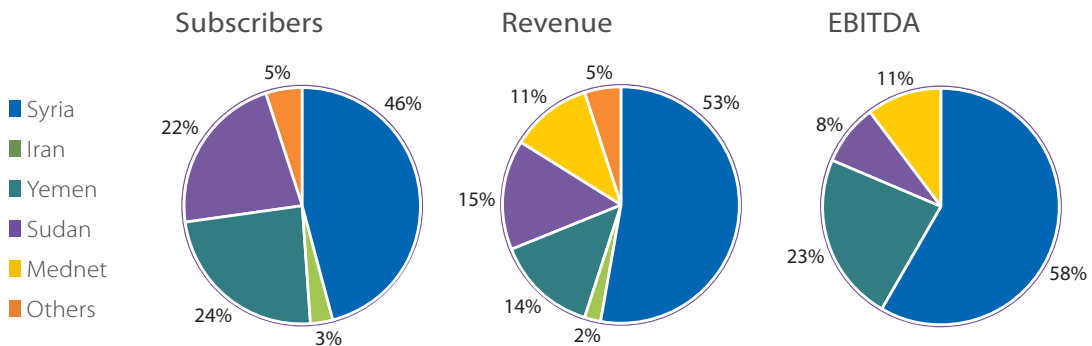


Middle East and North Africa region

Middle East and North Africa regional contribution to Group total

Population (million) and % of Group total	Subscribers (000) and % of Group total	Revenue (Rm) and % of Group total	EBITDA (Rm) and % of Group total	PAT (Rm) and % of Group total	Capex (Rm) and % of Group total
178,1 36%	4 912 12%	3 756 7%	1 117 5%	182 2%	1 656 17%

Country contributions to Middle East and North Africa region total



Regional summary

The Investcom acquisition added five regional territories to the MTN Group including Sudan, Cyprus, Yemen, Afghanistan and Syria, covering over 215 million people. Apart from Cyprus, where mobile penetration is approximately 80%, these are markets with penetration levels at below 20%, reflecting excellent potential for sustainable growth.

Performance

Subscriber and ARPU

New operations were launched in Afghanistan and Iran during the review period. All territories however recorded growth during the year predominantly in pre-paid customers, with the exception of Iran which initially focused on postpaid subscribers.

Overall ARPU continued to decline as penetration increased.

Operational

With two operations launched in the review period (Iran and Afghanistan), following one in the prior year (Sudan), and the integration of five Investcom territories nearing completion, operational performance in this region was mixed during the review period. Notable performances came from strong subscriber and revenue growth in Syria, which has launched third-generation trials on its network, and Yemen and Sudan which passed the one-million subscriber mark in September. The network roll out in Sudan is still behind schedule. Internal and external issues have constrained the network roll out in Iran but progress so far in 2007 has been encouraging.

Given the low penetration rates of mobile services in most territories in this region, expanding distribution channels (including owned and contracted outlets) in ways that suit each market will be an ongoing process.

Outlook

Competition

With two or more operators in each territory, competition is increasing across the region.



Strategy

The MENA region will benefit from synergies around common products, services and infrastructure to stay ahead of the competition. The operations are also employing partnerships aimed at data and converged marketplace.

Middle East and North Africa region *continued*

MTN Irancell

Iran market information and results

	2006
Population (million)	69,5
Mobile penetration (%)	20
Market share (%)	1
Pre-paid/postpaid mix (%)	0/100
Revenue (Rm)	157
EBITDA (Rm)	(118)
Capex (Rm)	1 578
ARPU (Rm)	9
Subscribers (000)	154

Overview

MTN Group holds 49% of MTN Irancell with the balance held by the Iran Electronic Development Company. This greenfield operation was launched on 21 October 2006 with a 15-year GSM licence, effective July 2006.

The Islamic Republic of Iran has a population of almost 70 million people, with around half having access to either fixed or mobile telephones. Until the entry of MTN Irancell, the Iranian market had one fixed-line and two mobile operators, only one of which was a private company. Mobile penetration is currently 20%.

Performance

Subscriber and ARPU

Coverage levels in Iran at 31 December 2006 were very low – less than 1% of the land and 16% of the population.

Accordingly MTN Irancell's focus for 2007 is on extending coverage as rapidly as possible, supported by attractive promotional campaigns.

In the two months between launch and year-end, MTN Irancell acquired 154 000 postpaid subscribers, a slower start than expected, but 2007 has prospects of faster growth as the company will have opened up to pre-paid subscribers as well.

ARPU excluding connection fees was US\$9.

Operational

MTN Irancell launched commercially in October 2006 with the network covering Tehran, Mashad and Tabriz. By year-end, this had expanded to another eight cities to give a head start to the 2007 subscriber acquisition drive. The company made good progress in recruiting a competent workforce. Intensive marketing saw the company achieve 80% awareness in its coverage areas within two months.

Operating environment

Competition

The fixed-line operator and one mobile operator are state-owned. A second mobile operator focused on pre-paid was sub-licensed in 2005. MTN Irancell has shown that good coverage and sound network quality, together with attractive rates and innovative products and services, are key to increasing market share.

Products

Supported by sophisticated technology, MTN Irancell has pioneered the customer care approach in Iran, offering rapid online registration and activation, a customer service centre, flat tariffs across all distances and other innovative promotions. The company also introduced GPRS and multimedia messaging data services to the country.

Infrastructure

MTN Irancell used multi-vendor outsourcing as a way to launching a significant network in record time. Internally, call centres, ERP systems, customer care and sales support were all in place to support the launch.

MTN Irancell's network covered eight cities by year-end with core capacity to accommodate one million subscribers (by March 2007, this figure was 2,4 million). In its first months of operating, the company has built some 600 base transceiver stations with 16 base station controllers, three mobile switching centres and five media gateways spanning 300km of road coverage.

Distribution

Capitalising on well-established retail distribution networks for electronics and other fast-moving consumer goods, MTN Irancell had formal service agreements with 1 421 dealers by

year-end and the information technology systems to offer online registration.

Regulatory environment

MTN Irancell satisfied all pre-launch licence requirements and is continuing its constructive engagement with the regulatory authorities to finalise the interconnect agreement. The company is managing the somewhat lengthy administrative procedures to secure building permission for network infrastructure and comply with municipal and environmental requirements, and has focused on maximising local content and outsourcing to third parties where feasible.

Outlook

For MTN Irancell, the challenges in the immediate future will be to keep pace with a changing regulatory environment and meet the aggressive network roll out and other targets in the licensing agreement. We continue to pursue ways to resolve regulatory issues and, with diligent planning, believe we will meet infrastructural targets.

Middle East and North Africa region *continued*

MTN Sudan

Sudan market information and results

	2006*	2005**
Population (million)	36,3	34,2
Mobile penetration (%)	12	7
Market share (%)	25	12
Pre-paid/postpaid mix (%)	99/1	98/2
Revenue (Rm)	887	133
EBITDA (Rm)	165	(72)
Capex (Rm)	625	339
ARPU (US\$)	16	19
Subscribers (000)	1 066	269
Data % of revenue	5	—

*First six months unaudited

**Unaudited

Overview

MTN Sudan has a GSM and 3G licence, issued in 2003 and valid until 2019. MTN Group indirectly holds 85% of the equity, with the balance held by Sudanese minorities.

Sudan summary

With a population of over 36 million, Sudan has a government system in which all effective political power is in the hands of the president. It is divided into 26 states – economically dependent on central government – and is regionally and internationally classified as an extremely poor country. Initiatives are under way to resolve the civil war, epitomised by the Darfur

conflict, although economists believe international disapproval is unlikely to jeopardise Sudan's economic development, with partners such as China, Malaysia and India unwilling to risk the enormous sums they have invested in the country's energy sector.

Performance

Subscriber and ARPU

The Sudan operation recorded an exceptional increase in subscriber numbers for the period from 269 000 in December 2005 to exceed the million mark at year-end. This reflected a range of initiatives and country-firsts which lifted its market share from the mid-teens to almost 25% against increased competition.

Operational

Strong growth in subscriber numbers was supported by an equally strong increase in the staff complement – particularly in senior positions – aggressive advertising and marketing campaigns, and significant expansions in network infrastructure and coverage.

Operating environment

Competition

Mobile penetration of the Sudanese market more than doubled in the review period, reflecting intense activity by two of the three mobile operators including

MTN Sudan. Following the launch of a third mobile operator during the period, competition is intensifying and this will continue in the new financial year.

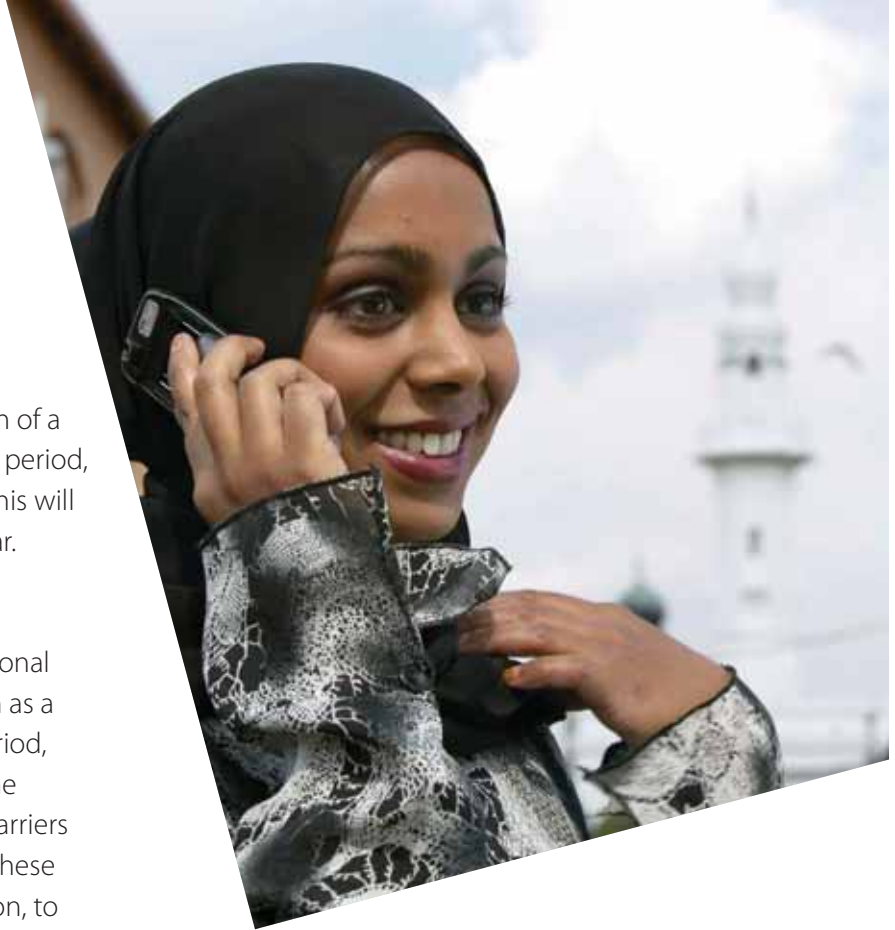
Products

Various commercial and promotional activities entrenched MTN Sudan as a preferred network during the period, targeting the specific needs of the pre-paid segment by reducing barriers to entry and cost of ownership. These ranged from a dual SIM promotion, to “free airtime” offers, and innovative products such as the unit transfer, hajj roaming and instalment facilities for connection fees in the pre-paid bundle.

Infrastructure

MTN asserted its technological leadership in the Sudanese market by launching 3G, in addition to introducing GPRS technology to a GSM market. The company expanded the number of roaming agreements with international operators to more than 100 in more than 70 countries and successfully launched pre-paid roaming with Saudi Arabia. Network expansion increased coverage of cities from four to 13, with 27 towns and two main roads also covered.

During the period, 480 base transceiver stations and 356 GSM sites were rolled out, one mobile switching centre and 19 base station controllers were added to the network.



Distribution

MTN Sudan reaches the market through a combination of owned outlets, which increased from three to six during the year, and 14 contracted distributors.

Regulatory environment

Interconnect price negotiations with major parties were recently concluded and submitted to the regulator for approval. MTN Sudan will continue to co-operate with the regulator in an endeavour to develop an equitable marketplace.

Outlook

MTN Sudan has made considerable progress in the review period, with enhanced network infrastructure and coverage in place and the staff complement to manage increased subscriber numbers, good growth is anticipated in the year ahead.