

Sustainability report continued

Group president and CEO's statement

Emerging markets in Africa and the Middle East are the world's fastest-growing sectors for mobile telecommunications. In addition, the concept of connectivity in these territories remains one of the most attractive available business opportunities for investors. Mobile communications is also regarded as one of the main drivers of universal access across emerging markets, both through establishing a highly successful pre-paid platform and the ability to roll out mobile networks in record time across vast geographic areas.

Given appropriate policies and a robust yet stable regulatory environment, mobile telecommunications is a genuine enabler of economic growth and socio-economic development. But this can only happen in an environment that attracts responsible investment to establish reliable and pervasive telecommunications infrastructure. It also requires an integrated commercial and sustainability mindset that acknowledges the long-term socio-economic value of empowered communities, inspired staff, satisfied customers and an optimally conserved natural environment.

MTN understands that sustainability management is an interactive, long-term process requiring our ongoing commitment and focus, particularly under expansionary conditions. MTN has

been exceedingly assertive in increasing its footprint during the year as well as capitalising on emerging market opportunities in the Middle East. The MTN Group's acquisition of Investcom LLC has added Sudan, Republic of Guinea and Guinea Bissau, Liberia, Benin and Ghana, Yemen, Syria, Cyprus and Afghanistan to the Group. Through this expansion process, MTN now operates in 21 countries covering a population of roughly 500 million and serving over 40 million subscribers.

This ground-breaking acquisition has positioned the Group well to achieve its vision of being the pre-eminent mobile operator in emerging markets.

While the integration has gone smoothly, with satisfactory performance all round, the expansion process has not been without its challenges. With specific regard to sustainability management, the acquisition process has, at times, monopolised our attention and directed our efforts to integrating new members into the Group. This targeted objective has briefly diluted our focus on embedding suitable sustainability management practices across our established operations. A significantly increased subscriber base, due to organic growth and acquisitions, has placed pressure on our existing infrastructure and our employees' ability to reach all of our sustainability objectives. Accordingly, MTN management will concentrate on embedding our sustainability framework

across existing and new operations in the year ahead.

The MTN board approved a formal sustainability reporting framework and policy during the year, which will help integrate sustainability principles in the culture and operational fabric of all of our operations. MTN continues to train and encourage our staff, contractors and suppliers to support MTN's sustainability objectives and targets by adopting acceptable sustainability practices for the products and services MTN provides.

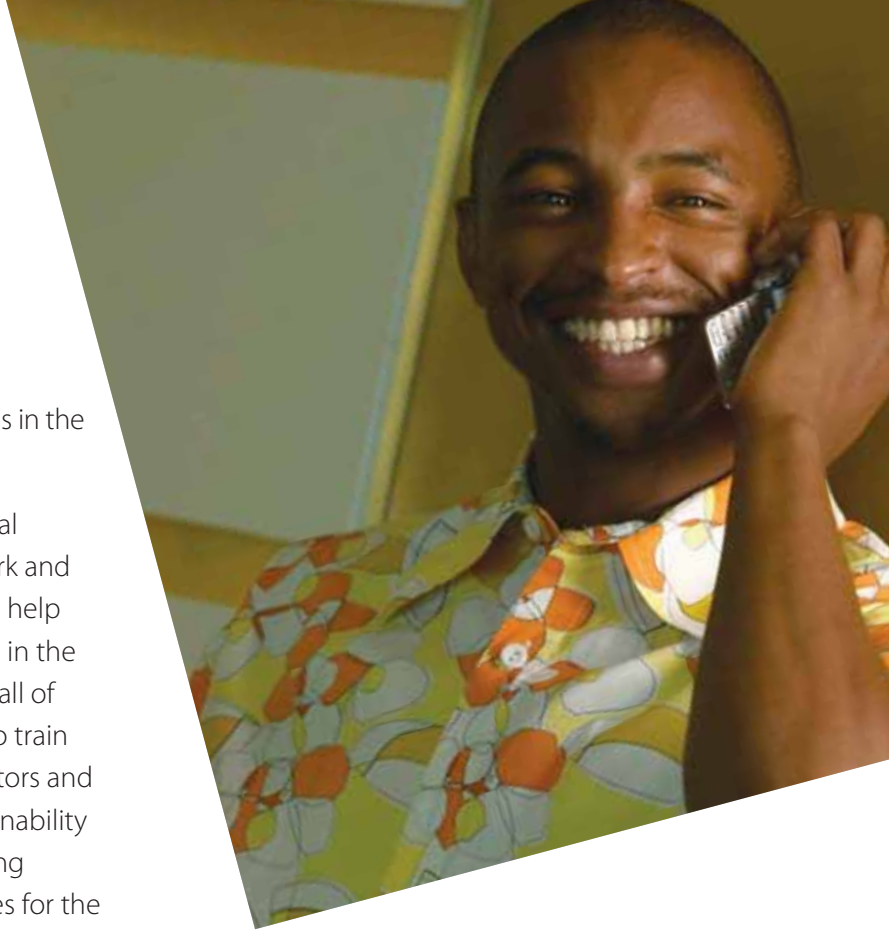
Our sustainability progress during the reporting period is highlighted by the following achievements:

Economic

- Our subscriber base increased from 23 million to 40 million.
- Capital investments amounted to 9,8 billion, an increase of 3 billion from 6,4 billion for the nine months end December 2005.
- Total payments to various governments including taxes and licence fees have increased from 2,9 billion to 9,1 billion for the nine months ended December 2005.
- MTN continues to support local suppliers in each of its operations; our total spending across the Group amounted to R7,4 billion.
- Our BEE expenditure in South Africa reached R1,9 billion, representing 29,22% of total procurement.

Social

- Total MTN Group payroll expenditure amounted to R2,4 billion.
- Total MTN Group expenditure on employee training in 2006 was R133 million.
- Corporate social investments for the year amounted to R73 million.
- MTN in South Africa achieved a BEE profile rating of AA, improving on its earlier BB rating. The AA rating details our total BEE score at between 75% and 85%, compared to the BB rating of between 45% – 55%.
- MTN South Africa invested R86 million in entrepreneurial development that benefited an estimated 4 000 individuals.
- The MTN Nigeria Foundation's rural telephone project won the GSM Association award for 'Best Use of Phone in the Community'.



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- MTN South Africa received the 'Progressive Company of the Year' award at the Black Management Forum Presidential Awards for Business Leadership.

Environmental

- MTN South Africa implemented a risk-based environmental management system.
- MTN Group, the GSM Association and Ericsson teamed up to pilot biofuels as an alternative source of power for base stations in Nigeria – the project aims to demonstrate the potential of using biofuels to replace diesel as a source of power for mobile base stations located beyond the reach of the electricity grid.

Despite the strides made to date, MTN acknowledges that improvements are needed. The following imperatives will provide the context for setting sustainability targets in the year ahead:

- Transferring skills, promoting sustainability awareness and performance, firmly embedding sustainability management in all operations and promoting awareness of sustainability issues among staff and suppliers.
- Establishing local committees to oversee the sustainability management process.
- Launching local MTN foundations to pursue corporate social responsibility initiatives in our new emerging market.

- Promoting a unified culture characterised by diversity and equity in MTN's expanded workplace.
- Strengthening our risk management structures and implementing whistle-blowing hotlines and forensic capabilities in our emerging operations.
- Improving stakeholder communication and interaction at all levels.
- Continuing to develop local supplier support, expanding as far as possible the procurement of high-value goods from local suppliers.
- Improving and monitoring the frequency and quality of stakeholder engagement.
- Achieving ISO and OHSAS (occupational health and safety assessment series) certification across our operations.
- Implementing and monitoring key environmental management performance indicators.
- Promoting better communication on sustainability with staff, customers and suppliers of recycling facilities.
- Expanding product stewardship initiatives and promoting the responsible use of cellphones in our markets.
- Developing and implementing environmental management practices focused on responsible energy, water and material use.

Corporate sustainability initiatives can help create the conditions required to stimulate the use of communication services and products tailored for significant portions of emerging markets. Customers in these markets have limited disposable income but really need communication tools. Given its leadership position in African and Middle Eastern telecommunications markets, the MTN Group will optimise commercial value for its shareholders and substantially enhance its growth prospects by securing important emerging markets. In addition, with corporate sustainability being a core focus for the Group in the year ahead, MTN will endeavour to build sustainable relationships with local communities, suppliers, governments and private sector partners in our new operational territories.

A strategic imperative in galvanising the MTN Group culture, fostering cross-cultural skills know-how and maintaining quality service standards across the new operational territories is to align corporate sustainability practices and performance indicators across all operations. This will be achieved by embedding the Group sustainability



framework, risk framework, leadership programmes, human resource strategy and establishing local MTN Foundations where appropriate.

MTN will continue to measure and monitor our impacts. Where appropriate, we will refine our sustainability objectives so that the measurement of successful sustainability practices becomes as tangible as the measurement of commercial results. In this way, MTN will pursue the creation of responsible, integrated stakeholder value across all stakeholder groups.

Phuthuma Nhleko

Group President and CEO
28 March 2007