

South and East Africa region

Revenue contribution to Group

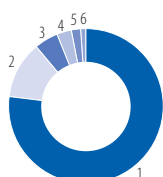
R31 453 million

South and East 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
100,8 20%	19 329 31%	31 453 43%	11 329 36%	6 155 52%	3 707 24%

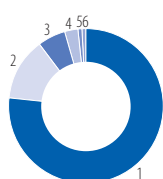
Country contributions to SEA region total

Subscribers %



- 1 South Africa
- 2 Uganda
- 3 Botswana
- 4 Rwanda
- 5 Swaziland
- 6 Zambia

Capex %



- 1 South Africa
- 2 Uganda
- 3 Zambia
- 4 Rwanda
- 5 Botswana
- 6 Swaziland

The South and East Africa (SEA) region includes South Africa, Swaziland, Zambia, Botswana, Uganda and Rwanda. The region is the largest contributor to the Group in terms of revenue and second in terms of subscribers, with MTN South Africa being the key driver of growth and profitability.

Tim Lowry was appointed vice president of the SEA region and managing director of MTN South Africa on 1 June 2007.

Performance

Subscribers in the region increased by 3,7 million to 19,3 million over the past 12 months. ARPU in most markets declined by between USD1 and USD2, which is consistent with increased penetration. ARPU declined to USD10 in Zambia due to low minutes of use (MOUs) as a result of uncompetitive pricing and the prevalence of dual SIMS.

Operational

MTN South Africa delivered a stable performance, increasing subscribers by 17% to 14,8 million and

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maintaining market share at 36%. Low-denomination vouchers and bundled offerings have stimulated use. The increased focus on enhancing the quality and capacity of the network in South Africa continued during the period. The MTN data proposition is gaining momentum with a 42% increase in data revenue to R2,8 billion.

MTN Uganda performed well, increasing subscribers by 48% to 2,4 million. Market share, however, dropped to 56% in this highly competitive market. The high-growth nature of this market and significant improvements in infrastructure and use of the network have underpinned this performance.

MTN Zambia increased subscribers by 40% to 262 000 despite a slow start to infrastructure roll out and aggressive marketing and product campaigns by competitors. The combination of revised pricing plans and the increasing pace of infrastructure roll out are expected to ensure improved performance in future.

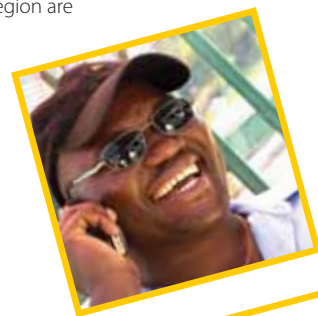
The Group increased its ownership in Mascom Botswana from 51% to 53% and MTN Rwanda from 40% to 55%. The Botswana operation however, remains a joint venture.

Outlook

Economic indicators in the SEA region are positive with growing disposable income in all markets.

MTN South Africa will remain focused on developing and implementing the optimal operating model to meet the needs of a converging market, regulatory developments and increased competition. The operation is pursuing a self-provisioning strategy to improve the capacity and quality of mobile transmissions and effectively manage margins.

All operations in the region continue to focus on improving operational efficiencies, extending network coverage and service innovation.



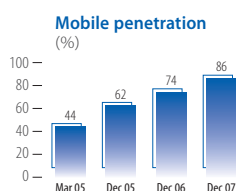
**The SEA region
is the largest
contributor to the
Group in terms
of revenue.**

South and East Africa region *continued*

MTN South Africa

South African market information and results

	2007	2006
Population (million)	48	47
Mobile penetration (%)	86	74
Market share (%)	36	36
Market sizing (million) (2012)	56	
Shareholding (%)	100	
Launch date	June 94	



Overview

MTN South Africa performed well despite challenging conditions. Subscribers increased by 17% to 14,8 million with market share maintained at 36% at 31 December 2007. The postpaid subscriber base grew by 9% to 2,5 million subscribers and the prepaid subscriber base by a healthy 19% to 12,3 million over the 12-month period. Low-denomination vouchers have continued to be a key driver in stimulating use.

The postpaid segment had a tough year largely due to the unwinding of a specific

on-biller agreement, which resulted in almost 300 000 postpaid subscribers, who had previously been prepaid subscribers, migrating back to prepaid. This segment's strong recovery towards the end of 2007 reflected further enhancements to both its distribution channel strategy and customer value proposition.

Blended ARPU for the South African operation decreased by 6% to R149 from R159 at 31 December 2006. Prepaid ARPU remained relatively stable, declining marginally to R92 from R93 at 31 December 2006, due to further market penetration and awarding of more affordable lower-denomination vouchers. Postpaid ARPU decreased to R396 from R441 due to increased penetration into the lower-usage segment.

The MTN South Africa data proposition continues to gain momentum with a 42% increase in data revenue to R2,8 billion for the period. This was due to competitive pricing and increased 3G roll out.

The MTN South Africa brand was successfully relaunched with the "GO" campaign, which received a number of accolades including the Markinor Top Brands Survey and the Loerie Awards for advertising. There were also significant improvements in customer service levels. This was ratified by the Ask

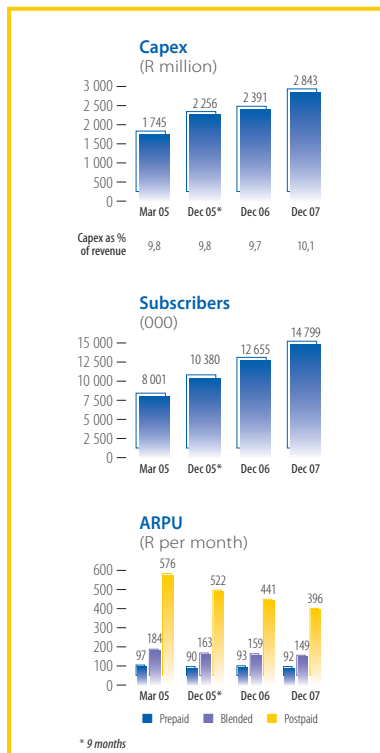
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Africa Orange Index Survey, which named MTN South Africa the leading customer service provider in the telecommunications industry.

As part of the increased focus on improving capacity to deliver on the business strategy, MTN South Africa has been restructured into a functional organisational design. This has resulted in revised sales and service, marketing, and strategy and business development departments being implemented. This structure has been supported by a number of senior appointments. MTN South Africa has also entered into an information system outsourcing contract to gain access to a broader pool of skills.

Market environment

Strong economic expansion continued during the year, with GDP growth of 5,1% against inflation of 7,1%. The increase in interest rates from 11,20% to 13,08% over the period and the introduction of more stringent lending criteria have caused growth in domestic consumption to partially slow. The medium-term outlook for the South African economy remains strong due to the planned infrastructure development programme and anticipated rise in government spending. The rand remained stable against the dollar, averaging R7,04/USD1 for the year as it was in 2006.



The South African mobile communications market is a highly competitive and rapidly changing environment. Included in the range of new competitors are four broadband suppliers and the imminent entry of two fixed-line operators.

Despite a maturing market, MTN's five-year estimates for the addressable market in

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2012 have been revised upwards to 56 million, with market penetration of 103%. This increase is due to the impact of multiple SIMS, multiple pricing plans and improved affordability with lower-denominated vouchers.

Infrastructure

In line with the focus on enhancing the capacity and quality of the South African network, R2,8 billion was invested over the year, primarily in radio transmission, the core network and the value-added services platform. Over the period, 359 2G base transceiver stations and 378 3G BTSs were commissioned. At year-end, the total number of 3G sites was 1 379 and 904 000 3G handsets and data cards were in use.

MTN South Africa is pursuing a self-provisioning strategy to improve the capacity and quality of mobile transmissions and effectively manage margins. The roll out of approximately 5 000km of fibre and microwave backbone throughout South Africa is expected to be completed by 2010. Capital expenditure of R212 million has been allocated for the fibre project in 2008.

Products and services

A number of innovative and customer-focused products were introduced over the year. MCharge, MTN's virtual recharge mechanism, was revamped to increase the

availability of MTN airtime. This, together with introducing R5 as MTN's lowest airtime denomination, is targeted at dormant and low-usage customers. Two new pricing plans, PAYG call per second peak and peak maximizer reposition, were introduced and are designed around peak use and targeted at high ARPU prepaid customers.

International calling tariffs, especially to neighbouring countries, have been simplified by grouping countries into zones and reducing charges to as little as R2,90 per minute. MTN's instant social messaging chat service, noknok, was launched free of charge for a promotional period towards the end of 2007.

Data is becoming increasingly important as a driver of growth and, during the year, data contributed 10% (8% in 2006) of total revenue, resulting from more competitive pricing offers.

Distribution

MTN South Africa's distribution strategy was revised to enhance its sales effectiveness and profitability. Key activities included realigning the channel mix, managing discounts to the channel and improving the customer experience.

Black economic empowerment (BEE)

The ICT charter has been aligned to government's BEE codes and submitted

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to the Department of Trade and Industry (dti) for evaluation. BEE expenditure and achieving employment equity targets remain priorities for the company. Accordingly, procurement strategies and appointing employment equity candidates remain key focus areas as the company establishes its BEE leadership position. MTN South Africa has an Empowerdex AA rating.

Regulatory environment

The South African regulatory environment continues to pose some challenges.

MTN South Africa enjoys a constructive relationship with the regulatory authorities and has worked closely with a wide range of stakeholders to address key issues. Key developments over the period include:

- ICASA issued draft regulations on interconnect following public hearings held on 15 October 2007. A second draft was published on 24 December 2007 for comment, however interconnect definitions and guidelines are still to be finalised.
- The community service interconnect dispute between MTN South Africa and a competitor was referred to the Competition Tribunal and is currently being adjudicated.
- Regulation on Interception and Provision of Communication Related Information Act (RICA), which affects subscriber and

registration information, is likely to be implemented in 2008.

- MTN South Africa's access to the LTE (long-term evolution) spectrum required for 3G evolution is being discussed.
- There are ongoing delays in finalising licences in line with the Electronic Communications Act (ECA).
- The lack of clarity on the status of the submarine cable could potentially impact MTN South Africa's ability to provide international connectivity for data use.

Outlook

Looking forward, MTN South Africa is gathering momentum and is well positioned to deliver a good performance. A key focus area will be network roll out particularly in terms of improving quality of service, capacity and self-provisioning. Further improvements to the overall value proposition, distribution and customer service will contribute to this performance. Data, 3G in particular, is expected to show stronger growth due to more competitive pricing and increased coverage.