

Sustainability review

THIS REVIEW

This brief review details our performance highlights for 2007.

A comprehensive sustainability report is available on the Group's website (www.mtn.com) where it can be downloaded in sections or in its entirety. The report covers the following broad issues and stakeholder groups:

- Tariffs
- Network coverage
- Licensing obligations
- Our customers
- Our suppliers
- Our employees
- Corporate social responsibility initiatives
- Our environmental responsibility

The website also contains supplementary information such as Group policies and procedures as well as individual operating country reports.

CEO'S STATEMENT

The review period was a year of consolidation with recently acquired operations integrating the MTN way into their daily business operations. During the year, the Group worked to assimilate its multinational position, and with the rebranding of several operations – including, Yemen, Sudan, Syria and Ghana – MTN has become a pre-eminent emerging market mobile operator. Our staff complement now stands at approximately 15 000, comprising more than 40 different nationalities.

May was a sad month for the MTN Group, when we learned of the loss of our four MTN Cameroon colleagues and friends in the Kenya Airways crash on Saturday, 5 May. This was one of the most devastating occurrences in MTN's 13-year history. We extend our sincere condolences to the families and friends of MTN Cameroon CEO Campbell Utton; MTN Cameroon CFO, Sarah Stewart and her husband, Adam Stewart; MTN Cameroon company secretary, Patrick Njamfa; and MTN Cameroon network engineer, Patrice Enam.

Our growth has come with unique challenges. For one, it has been a challenge to embed and standardise policies and frameworks across our new operations in the anticipated time frames. This is particularly true for our sustainability framework and policy. Different countries have different sustainability priorities given their local socio-economic contexts. We are, however, confident that the sustainability framework will be integrated into operations as the Group drives regional synergies for its overall business performance.

To further integrate sustainability across the operations, in line with our sustainability management framework, the Group is considering appointing a Group-level sustainability resource as well as operational managers to integrate, monitor and report on the sustainability framework.

As a Group we have committed to establishing an MTN foundation in each of our operations. With five additional foundations launched in 2007, we now have foundations in nine countries. Operations that launched foundations in 2007 are Ghana, Uganda, Sudan, Yemen and Guinea Bissau.

MTN operates in a fast-paced and dynamic sector of the global economy. Mobile telephony users have experienced both personal and economic empowerment from communication and associated services. In emerging markets where communities are, for the most part, playing “technology catch-up”, mobile telephony is enriching people’s lives and enabling trade and commerce.

With this in mind, our sustainability initiatives are often focused on areas where mobile telephony can itself become a broader enabler for our sustainability programmes. For instance, our ICT Rural Entrepreneurship Programme in South Africa gives rural women access to mobile communication infrastructure to facilitate economic opportunities. It also addresses the challenge of business isolation. By the end of 2007, 48 ICT business centres had been established with a total of 1 600 women trained. Similarly, our VillagePhone projects in Rwanda and Uganda have expanded exponentially. Through this initiative, MTN allocates public payphone boxes to local entrepreneurs to manage. In Rwanda, the success of the VillagePhone project was highlighted during

the year as it expanded to all 30 Rwandan districts, establishing 1 100 new businesses.

We also announced MTN's involvement as mobile operator partner in the "Phones for Health partnership" initiative at the 2007 3GSM World Congress. Through this initiative mobile telephony helps to address HIV/Aids and other major health challenges in Africa. Field workers can use their mobile phones to submit critical health information directly to qualified health practitioners and receive immediate responses. We look forward to rolling out this service to all our Africa operations.

MTN aspires to be the leading mobile operator in emerging markets. This aspiration is underpinned by our responsibility to make our products and services "market appropriate" and "customer relevant". It is our ongoing intention to capture the expanding lower-end subscriber base and to increase mobile market penetration by decreasing service costs. During the year, tariffs remained unchanged in most operational countries while our operations worked to improve network coverage through enhanced technology infrastructure.

MTN's subscriber base grew by 53% to reach 61,4 million subscribers during the year.

Our call centres across all operations experienced mounting pressure from the increased subscriber base – both as a result of new market expansion and the introduction of new services. In the year ahead, we will continue to increase the number of call centre agents and implement new technology to respond to routine enquiries. These enhancements will go hand-in-hand with a renewed focus on training for call centre staff to improve every level of customer interaction.

Worldwide, technology convergence is becoming increasingly important. We therefore need to ensure that our products and services are able to deliver on our customers' needs for more integrated technology solutions. MTN will continue to explore ways to increase its data and mobile content services in 2008. Opportunities have already emerged from the value chain, such as payment solutions that enable the transfer of funds in under-served markets. Our mobile banking offering is just one of the enabling initiatives to empower subscribers

in emerging markets and will be expanded to more countries in the year ahead.

In South Africa, energy supply challenges have put businesses under pressure to find alternative energy sources. To address the impact of power disruptions, we have installed standby generators at our headquarters in Johannesburg, South Africa. Our operations too have explored innovative ways to ensure the reliability of future electricity delivery. In Zambia, we have engaged the energy parastatal to ensure reliable energy and in Uganda, MTN is exploring ways to reduce its energy use as well as to become more energy efficient. MTN Rwanda is exploring the use of alternative power sources such as wind, solar and hydrogen to run its base stations.

Our stakeholder engagement process has been more complex this year and responses have not always been forthcoming, given the focus of our newer operations on business integration across borders. In the year ahead, the Group will promote better stakeholder communications to assess the true impact of its products and services.

Our employees are fast becoming a global family. In the year ahead, we will not only capitalise on the cultural diversity of our people but also on the unique and positive contribution of each person to our Group's collective growth and prosperity. Our Y'elloStar Award programme for staff will continue to reward the exceptional performance of committed individuals across the Group. We encourage our MTN leadership to support all our staff by promoting a shared vision, upholding ethical business practices, and providing a safe and supportive work environment for all employees.

MTN has made substantial progress in its vision of being the leading telecommunications provider in emerging markets. Our strategy is to continue to expand and search for new opportunities in emerging and growing markets. Industry trends illustrate that the approach of offering enhanced and integrated mobile telecommunication solutions is gaining momentum. In this regard, the Electronic Communications Act (ECA) in South Africa offers the company a real opportunity in its licence requirements to provide "technology-neutral" solutions.

The drive for continual expansion will be balanced by our commitment to sustainable development. We look forward to a rewarding and productive 2008.

Sustainability and MTN

MTN sustainability policy

MTN's sustainability policy describes the Group's commitment to the sustainable development of communities within which it operates. Moreover, it guides the responsible management of the social, economic and environmental aspects of operations.

The Group has also developed a sustainability framework aimed at assisting its operations to articulate and understand MTN's contributions to sustainable development. The framework gives guidance on what operations should be reporting on and also on indicators that need to be managed. However, sustainability management goes beyond mere reporting. It requires the responsible monitoring and management of sustainability issues to ensure long-term sustainable development. Further details of the framework are available on the Group website, www.mtn.com.

Sustainability vision

MTN's vision statement "to be the leading provider of telecommunications services in emerging markets" is underpinned by its commitment to sustainable development in the communities within which it operates. MTN is constantly evolving its governance structures, targets and reporting mechanisms to maintain a balance between economic, social and environmental performance.

As a telecommunications network operator in emerging markets, the Group acknowledges the key role mobile communications can play in socio-economic development. MTN's goal is to be a valuable partner to individuals, communities and businesses in increasing access to quality communication services, enhancing universal access for remote customers and contributing to the general quality of life of the people and communities it serves.

MTN recognises that although standard business practices apply across the Group, each operational country holds unique challenges and opportunities. Hence, priorities are ultimately driven by each