

Chairman's statement

Dear stakeholders

MTN is evolving into a leading provider of telecommunications services in emerging markets. This is reflected in sustained strong performance, underpinned by steady organic growth, prudent acquisitions and rigorous governance.

The Group delivered an excellent performance in the 12 months to 31 December 2007, recording a 53% increase in subscriber numbers to 61,4 million, a 42% increase in revenue to over R73 billion and a 42% increase in earnings before interest, tax, depreciation and amortisation (EBITDA) to nearly R32 billion.

Working from a detailed strategic blueprint – explained in different sections of this report – we have approved an increase in capital expenditure to enhance quality and network coverage. In this rapidly growing and competitive industry, innovation is key and, again, MTN has proved its ability to innovate by introducing new relevant products based on existing and complementary technologies such as third-generation or 3G and GPRS. A diverse, high calibre workforce such as ours, with significant experience in developing markets is an unrivalled competitive advantage.

Geopolitical environment

Financial and political uncertainty is heightened across the globe, with investors becoming increasingly risk averse. Despite this backdrop MTN has proven that emerging markets offer sound growth opportunities. This is not expected to change going forward, given improving economic fundamentals and relatively low levels of penetration across the majority of markets in which we operate. The Group has a strong track record of constructively addressing the many challenges presented in emerging markets, including challenging regulatory environments, which is evidenced by strong financial and operational performance to date.

Robust risk management processes are substantially in place. Government relations and a policy of pro-active corporate citizenship and social responsibility programmes add tangible value to the quality of life of millions of people.

Industry developments

Mobile connectivity in emerging markets is fast becoming the primary means of communication and there is strong evidence that it represents the most far-reaching

Cyril Ramaphosa
Non-executive
chairman



**MTN is evolving into a leading provider
of telecommunications services
in emerging markets.**

solution to reduce the digital divide and bring economic growth to underdeveloped regions. MTN's anecdotal evidence supports this, highlighting two features that differentiate mobile telecommunications in emerging markets: firstly the rapid pace of subscriber acquisition to the point where mobile handsets far outnumber available fixed lines and, secondly, the role of mobile communications in sustainable development. Our sustainability report details some of the initiatives we are spearheading and supporting through MTN foundations that we are rolling out in each of our operations.

Convergence is a reality in emerging markets and therefore has a direct impact on MTN's business. Unified licences permit delivery of an increased range of services through any medium. Technology advancements allow for accelerated broadband speeds making the provision of many converged services possible.

Based on convergence, customers demand more integrated and sophisticated services. These range from individual products to tailor-made bespoke corporate solutions.

MTN is leveraging the considerable opportunity for providing converged communication services across voice and data.

Corporate governance

The board of directors endeavours to ensure that all operations comply with the Code of Corporate Practices and Conduct recommended by King II and the benchmarks of global best practice.

As a result of extensive new commitments, MA Ramphele and PL Woicke resigned as directors with effect from 18 March 2008. The board greatly appreciates their contribution to the achievements of the Group and wishes them well in their endeavours.

Sustainability reporting

MTN presents an annual integrated report to stakeholders – combining our economic, social and environmental performance, challenges and targets. In doing so, we are guided by international reporting benchmarks such as the Global Reporting Initiative (GRI) and its telecommunications-specific supplements. In operational areas where

stakeholder reporting standards are not yet fully developed, we apply best practice.

Our intention is to present a comprehensive and cohesive view of our Group – one that addresses the issues raised by ongoing stakeholder engagement, and elaborates on the way forward.

Appreciation

Our promise to every subscriber is that MTN will be *everywhere you go*. The same promise applies to the nearly 15 000 people who constitute the “MTN family” across 21 countries. These are extraordinary people with extraordinary skills and commitment. Combined, they create a community noted for its camaraderie and passion.

I thank our stakeholders – our shareholders, board members, management and staff, business partners and loyal customers – for allowing us to turn our promise of *everywhere you go* into reality, every day.

Cyril Ramaphosa

18 March 2008



The Group has a strong track record of constructively addressing challenges.

