

Sustainability review

As a multi-national group, we are committed to contributing to the sustainable development of the many communities in which we operate. Our sustainability policy guides the responsible management of social, economic and environmental aspects of each operation.

This brief review details our commitment to sustainability as well as performance highlights for 2008.

Further sustainability-related information can be accessed on the Group's website (www.mtn.com). The website also contains supplementary information such as certain Group policies and procedures as well as individual operating country reports.

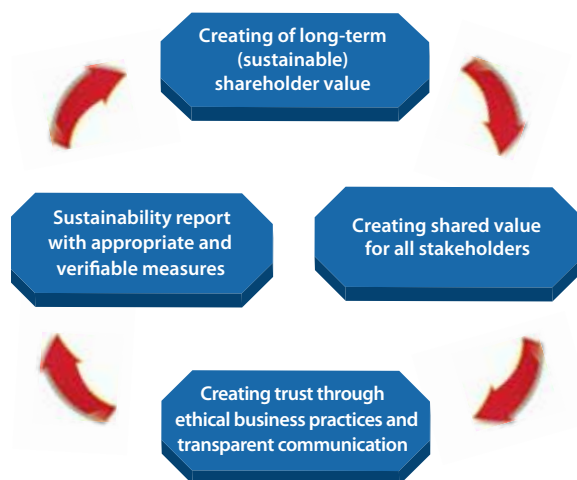
Our definition of sustainability

MTN has adopted a multi-faceted approach to managing sustainability within the Group. In terms of this approach, we explore:

- Promoting sound corporate governance practices and ethical responsibility.
- Providing a safe working environment in which the health of our people is protected and their opportunities for self-development are enhanced.
- Promoting cultural diversity and equity in the workplace.
- Minimising adverse environmental impacts.
- Providing opportunities for social and economic development in the communities in which we operate.

The value of sustainability

The following diagram illustrates the long-term value that sound sustainability management and reporting processes hold for the Group, demonstrating our commitment to sustainable development as a business imperative:



MTN sustainability policy

As a multi-national group, we are committed to contributing to the sustainable development of the many communities in which we operate. Our sustainability policy guides the responsible management of social, economic and environmental aspects of each operation.

Our comprehensive sustainability framework assists operations in articulating and understanding MTN's contributions to sustainable development. This is achieved by providing reporting guidelines and highlighting indicators that must be managed. We believe, however, that managing sustainability goes beyond reporting, requiring us to continually monitor and responsibly manage a range of issues to ensure long-term sustainable development. These issues include:

- Complying with all relevant local laws on sustainability issues and, in the absence of legislation, identifying and observing appropriate international best practice.
- Regularly reviewing our business to identify sustainability issues, set performance goals and monitor and publish outcomes, in order to continually improve sustainability performance.
- Conducting appropriate assessments and implementing recommendations. Assessments include environmental impact assessments and broad stakeholder engagement programmes.
- Encouraging and providing training to our contractors and suppliers to support MTN's sustainability objectives and targets by adopting sustainable practices in providing products and services.

- Educating and training staff on sustainability matters to increase their awareness of sustainable development.
- Increasing appreciation for the sustainable benefits of communication technologies among customers, legislators, opinion makers and the general public.
- Devising, implementing and monitoring Group-wide management systems for implementing our sustainability strategy.
- Committing to achieving annual targets for sustainability improvement.

Sustainability vision

Our vision statement "to be the leading provider of telecommunications services in emerging markets" is underpinned by our commitment to sustainable development in the communities in which we operate. To reach this goal, MTN constantly reviews 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 understands the key role of mobile communications in socioeconomic development. We strive to be a valuable partner to individuals, communities and businesses in increasing access to quality communication services, enhancing universal access for customers in remote areas and contributing to the quality of life of the people in the communities we serve.

Sustainability review *continued*

Although standard business practices apply across the Group, we also understand that each of our 21 operations faces unique challenges and opportunities. Accordingly, sustainable development priorities are ultimately driven by each country's own economic, business and social dynamics.

Risk management and accountability

Mandated by the board, the Group risk and compliance committee has overall responsibility for identifying, monitoring and evaluating sustainability management performance and associated risks. The Group risk and compliance committee also provides control measures to be implemented by the Group's executive committee.

Corporate affairs, in consultation with Group risk management, is responsible for developing the sustainability management framework and implementing this framework throughout the Group.

Stakeholder engagement

MTN engages with a wide range of stakeholders with varying interests across the Group. Our stakeholders are defined as individuals or groups with common interests, who may be affected by or have an impact on MTN's business objectives. Given the geographic and demographic spread of our operations, the Group does not yet have a standard stakeholder engagement policy. However, each operation is required to

identify, engage and communicate with its local stakeholders. Group corporate affairs is in the process of developing a stakeholder engagement policy.

Certain aspects of stakeholder engagement are widely practised across the Group. For example, given the complexities of engaging different government stakeholders across cultural borders, we have initiated a standard government relations framework applicable to all operations. This framework aims to establish a consistent and responsible approach to initiating and managing government relations.

Across all our operations, MTN Group stakeholders are identified as:

- Regulators
- Government ministries and officials
- Community groups
- Media
- Investors, analysts and shareholders
- Customers
- Suppliers
- Distributors
- Employees
- Unions
- Business partners including contractors and various business associations.

Within these categories, each MTN operation identifies its stakeholders as individuals or groups who may have a direct or indirect impact on the business, in areas such as revenue, product use, brand reputation and perception.

Key sustainability issues

To date, key issues pertinent to the sustainability of our business, as identified through stakeholder engagement, can be summarised as:

- Network quality and coverage
- Tariffs
- Financial performance and continued investments
- Client relationship management
- Corporate social responsibility, including MTN's contribution to poverty alleviation and support for communities
- Employee rights, development and retention
- Health and environmental effects of mobile phones and base stations.

Review of 2008 stakeholder engagement

The main findings identified during the 2008 stakeholder engagement process can be summarised as follows:

- The majority of stakeholders were not aware that MTN produces a sustainability report.
- A common concern expressed by all stakeholders was the effect of electromagnetic fields (EMFs) from mobile phones, base stations and masts on human health. Almost all stakeholders agreed that MTN needs to be more pro-active in addressing the public's concerns on these matters.

- No stakeholders were aware that MTN offers recycling facilities for used or damaged mobile phones and batteries.
- The majority of stakeholders across the Group agreed that global climate change is a priority that MTN must focus on by participating in programmes that raise public awareness of the significance and effects of global climate change.
- Education, healthcare and poverty alleviation were raised by the majority of stakeholders across the Group as social issues that MTN should focus on.
- Providing support to local suppliers was highlighted as a very important issue.

All issues raised to date have a common theme: that effective engagement and two-way dialogue between MTN and its stakeholders must be improved, to ensure that stakeholders are aware of MTN's responses to and performance in the identified areas of concern. MTN will continue to identify ways to improve and promote effective stakeholder communication.

Sustainable business management

We recognise that responsible sustainable development ultimately translates into business growth in terms of expanded market share and customer retention. Our operations demonstrate their commitment by maintaining a positive and prominent corporate image, focusing on creating short- and long-term customer and business networks and creating "authentic value" for MTN over and above short-term profitability.

Sustainability review *continued*

By ensuring the long-term sustainability of our business, our operations in turn contribute to the sustainability of their host countries. This is achieved through:

- Investing in infrastructure to ensure operations provide quality service to local customers and extend their reach, thus contributing to universal access goals.
- Meeting licence obligations such as providing access to telephony services that facilitate trade and commerce.
- Offering accessible and affordable products.
- Taking responsibility for managing the product lifecycle through initiatives such as electronic voucher distribution (EVD), which reduces the environmental impact of discarded paper-based airtime vouchers.
- Contributing to various initiatives for social and economic development through local MTN foundations.

Commitments and progress

Sustainable development at MTN depends on achieving a responsible balance between our economic, environmental and social impacts. It is imperative that we promote ethical business practices and robust corporate governance throughout our African and Middle Eastern footprint. We are equally committed to providing a healthy and safe working environment for some 26 000 employees including contractors, celebrating cultural diversity and enhancing opportunities for talented and loyal professionals to develop and excel. As far as possible,

operations strive to minimise their environmental impact while maximising their contributions to regional social and economic development.

Informed by our sustainability best-practice research (conducted by KPMG) and results from the stakeholder engagement process (conducted by Ernst & Young), MTN initiated a process of refining formal reporting and management structures for sustainability during 2008. This Group-level sustainability management structure, endorsed by the risk and compliance and the executive management committees, prescribes:

- Establishing a sustainability project team with representation from risk, safety health and environment (SHE) and corporate affairs.
- Appointing a Group sustainability manager who reports to the risk and compliance committee. The manager will oversee the operational aspects of sustainability management throughout the Group.
- Replicating the structure of a sustainability committee in each operation; driven by country chief executive and supported by the risk department, with a combination of non-negotiable responsibility (embedded in monthly financial reporting) and local flexibility.
- Investing in sustainability management training for executives and staff.

Our responses to these recommendations include the following:

- The executives for risk and corporate affairs will continue to champion sustainability management.
- Key performance indicators to be reported across all operations have been endorsed by the risk and compliance and executive committees. These indicators were included in the annual sustainability questionnaire and will be integrated into quarterly reporting requirements of operations.
- A sustainability management committee with representation from risk, SHE and corporate affairs is being instituted in the first half of 2009.
- The process to appoint the Group sustainability manager was initiated in November 2008 and concluded at the end of March 2009. The major mandate of the sustainability manager will be to oversee the operational aspects of sustainability management throughout the MTN Group.
- The sustainability manager will follow through on the recommendation that each operation should replicate the structure of a sustainability committee, and be responsible for designing the training programme for directors, senior and middle management on sustainable development.

The steps taken to implement the recommendations will ensure we take sustainability management forward, thus realising long-overdue progress.

Economic sustainability

The telecommunications sector contributes significantly to gross domestic product (GDP) in many emerging market countries, with MTN making a specific material impact in Africa and the Middle East. For a review of the social and economic impact of mobile phones, please refer to the case study on the website: www.mtn.com. In evaluating our economic sustainability performance, it is important to consider the various impacts our activities have on the broader community, including opportunities for education, employment and our role as an engine for broader economic growth within the regions in which we operate.

Our subscriber base continued to grow substantially during the year under review. At 31 December 2008, the Group had 90,7 million subscribers across our 21 operations, an increase of 48% on the previous year.

Our level of capital investment reflects our commitment to the countries in which we operate. In 2008, this reached R28,3 billion, an 84% increase over capital investment in 2007.

Sustainability review *continued*

Economic and governance structures – progress against targets

What we said we will do	What we have achieved	What we still need to improve
Conduct an annual reputation review that addresses our expanding Group and harnesses the value of local initiatives and stakeholder engagement processes.	<p>The Group evaluated available tools and methodologies for rolling out a comprehensive reputation review.</p> <p>In late 2008 a phased approach was accepted. Phase 1 comprises internal exploration of the value of reputation management. Informed by phase 1, phase 2 will focus on external perceptions.</p>	Roll out the review in Q1 of 2009 (phase 2 could roll out in June/July 2009).
<p>Expand the use of whistleblowing in the group.</p> <p>Confirm best tools for receiving, recording and reporting whistleblowing for all 21 operations.</p>	Group BRM have contracted with Deloitte SA to operate the whistleblower facility for all operations. Roll out is currently at 50% with 100% planned by Q309 of 2009.	Complete whistleblower roll out and improve marketing of facility to all staff to ensure that it is used correctly.
MTN South Africa will focus increasingly on enterprise development by fostering a culture of black business support, with specific emphasis on companies owned by black women.	<p>MTN South Africa's black economic empowerment (BEE) expenditure in 2008 was R5,3 billion.</p> <p>The available base of entrepreneurial businesses owned by black women has not increased significantly. Accordingly, MTN has been unable to increase its support of these businesses significantly during the year.</p>	Continue to pursue increased expenditure with companies owned and managed by black women.

What we said we will do	What we have achieved	What we still need to improve
<p>Cement the sustainability management framework. Confirm performance indicators and lines of responsibility for operational sustainability reporting and management.</p> <p>Conduct reviews of sustainability framework compliance and performance data gathering.</p>	<p>Recommendations of the Sustainability Best Practice Research were endorsed by the executive and risk and compliance committees in mid-2008.</p> <p>Implementation of recommendations, including the recruitment of a Group sustainability manager, began in November 2008.</p>	<p>Roll out education and information programme on sustainability, MTN's policy and performance to ensure thorough Group-wide understanding of the policy and management framework.</p>
<p>MTN Group will use electronic sustainability data collection tools to improve the quality of data collected and achieve greater and more tangible assurance on sustainability performance.</p>	<p>Data collection tool in place.</p> <p>Rather than customisation to multiple languages, core sustainability performance data were confirmed for reporting in English.</p>	<p>Confirm resources at operations level to record data consistently.</p>
<p>Further embed the culture of risk management across operations and refine risk reporting.</p>	<p>All operations have risk management structures in place.</p>	

Sustainability review *continued*

Social sustainability

As a multi-national telecommunications company active in emerging markets, MTN has a particular opportunity to make a meaningful contribution to social development. The social dimension is measured through the direct and indirect impact Group activities have on various stakeholders, in both the workplace and broader society.

Investing in our people

Investing in the continual development of our employees is a strategic priority for MTN, as we recognise that the performance of our people is a key competitive advantage.

During 2008, the Group successfully implemented a hosted human resources (HR) platform for all MTN operations. The HR information system provides access to a standardised platform for Group-wide HR administration, with reduced costs compared to maintaining local systems for this purpose in each operation.

MTN has well-established individual and career development initiatives in place, including the rotation of staff across regions that enables knowledge sharing and the alignment of new acquisitions to the MTN culture, and promotes an aligned customer experience across the Group.

With the increase in competition across our operating markets, our ability to attract and retain talented individuals is fundamental to our continued success. Staff poaching is mitigated by building a strong employee value proposition that focuses on the leadership brand, people development, work life effectiveness and diversity. Further strategies include identifying and developing critical skills and future leaders in the Group, to grow the number of skilled professionals within the organisation and to assist in effective succession planning.

MTN Academy

Launched in October 2008, the MTN Academy is a result of the Group's decision to develop a new strategic approach to learning and organisational development, assisting with our talent attraction, development and retention strategy. The academy is a vehicle to help grow and develop our employer value proposition and invest in our people, culture and organisation.

The vision of the MTN Academy is to drive business performance and set a new standard for talent development and organisational learning excellence. The academy does not replace existing learning and development initiatives, but aims to create a standardised approach to these initiatives across our diverse geographic footprint. Regional learning centres are being established in Accra, Dubai and Johannesburg, and we look forward to reporting on the success of this initiative over the next year.

Group culture audit

The Group culture audit is an important communication tool which provides valuable feedback on staff opinions and perceptions to the leadership teams in each country of operation. The 2008 Group culture audit was concluded in October, with a 13% increase in participation from 2007. The overall Group participation rate of 85% comfortably exceeded our participation target of 75%.

Yello Stars

The *Yello Stars* award and recognition event was launched in 2005, in response to the Group culture audit that is run annually. The awards contribute to boosting staff morale and creating a sense of belonging within MTN. Individuals are nominated from across the Group by their peers, with

nominations based on four focus areas: knowledge sharing, star performance, customer service and living the MTN values. In 2008 over 3 000 nominations were received.

Corporate social responsibility

The MTN foundations are the Group's primary vehicles for corporate social responsibility (CSR), focusing on initiatives in health, education, poverty alleviation and arts and culture. Foundations have been established in 11 operating countries, with Benin successfully launching its foundation in February and Congo-Brazzaville in April 2008. The Group mandates each of its operations to contribute a percentage of profit after tax to facilitate CSI programmes, including operations where foundations have not yet been established. The Group endeavours to establish foundations in all operating countries.

Further information on activities undertaken by the MTN foundations is available on the Group's website and on individual operating countries' websites.

21 Days of Y'ello Care

Established in 2007, the *21 Days of Y'ello Care* programme is an opportunity for employees to directly contribute to the communities in which they live and work. Held from 1 June to 21 June 2008, 9 710 employees participated in the programme, up from 5 547 in 2007. The overall CEO prize for best initiative was shared between MTN Yemen and MTN Côte d'Ivoire, whose activities included cleaning 15 of the biggest mosques in the Sana'a and Hajjah regions and building a pedestrian footbridge directly opposite one of MTN's service centres, respectively.

Responding to attacks on foreign nationals

In 2008, South Africa experienced a spate of violent attacks against foreign nationals that began in May 2008 in Alexandra, Johannesburg, and spread to various areas across the country. As a South African-based multi-national company, MTN felt compelled to make a positive contribution to the lives of people affected by these attacks. Our response included:

- Donating R1,5 million to the Red Cross and making an in-kind contribution valued at over R670 000, including clothing and other items as well as airtime and SIM cards for use by Red Cross volunteers. In addition, MTN employees volunteered over weekends to help the Red Cross by collecting food, clothing and other supplies for victims.
- In addition, and as part of the launch of MTN's advertising campaign for 2010 sporting events, the Group pledged to donate R10 000 for every goal scored at the Africa qualifiers for the 2010 FIFA World Cup South Africa™ and the 2010 Africa Cup of Nations, from 31 May to 22 June 2008. At the end of the qualifying period, 225 goals had been scored, amounting to R2 250 000. These funds were donated to the Salvation Army (R250 000), Doctors Without Borders (R250 000), Gauteng Disaster Management Centre (R580 000), The Star newspaper's Operation Reach Out (R500 000), the Southern Africa Trust Peace Concert (R400 000) and accredited non-governmental organisations in the City of Cape Town (HDI Support, Mustadifin Foundation and South African National Zakah Fund), which shared R300 000 equally.

At the end of this traumatic period, MTN had donated over R4 million to charity organisations assisting displaced foreign nationals.

Sustainability review *continued*

Social performance – progress against targets

What we said we will do	What we have achieved	What we still need to improve
A Group corporate social responsibility (CSR) policy will be adopted in 2008.	The diverse regions and needs of our operations diminished the need for a formal policy and reinforced the significance of the Group CSR framework.	Monitor implementation of the Group CSR framework and alignment of CSR activities across all operations. Review the effectiveness of the framework.
Support newly acquired operations in establishing CSR management functions and preparing foundation launches (where appropriate).	In 2008 two more operations established foundations, bringing the total number to 11 out of 21 operations.	Work with remaining operations to launch foundations.
Ensure that MTN retains scarce skills despite industry-wide staff turnover trends.	The MTN Academy was successfully launched.	
Roll out government relations framework to all operations and generate quarterly status reports.	The Group has assisted operations with limited capacity to implement the government relations framework on an <i>ad hoc</i> basis.	Review and improve on the consistency of engagements and interventions to mitigate challenges faced by operations.
In line with the Group's customer-centric focus, continue improving call service centre response rates across all operations.	Service centres across the Group are continually under review.	

Environmental sustainability

The environmental dimension of MTN's sustainability relates to our impact on living and non-living natural systems, including ecosystems, land, air and water. Environmentally, the telecommunications sector is typically classified as being of medium impact.

MTN has made significant strides in recent years to standardise processes across its operations to ensure impacts on the natural environment are managed effectively. Environmental performance across the Group is in line with international industry standards, and we strive to continually improve our performance.

Diverse approaches have been adopted to ensure environmental preservation and social development initiatives are identified and implemented in different countries of operation. Our goal is to minimise adverse environmental impacts, while increasing the potential for contributions to social and economic development within local business and communal contexts. We continually monitor and aim to improve our environmental performance to meet and exceed international industry standards.

Direct and indirect environmental impacts of our activities include those associated with rolling out and operating network infrastructure, as well as the more generic impacts of administering a large organisation. During 2008, we invested substantially in expanding and improving the quality of our network across our African and Middle Eastern footprint. The newer technologies being rolled out in our operations have

a favourable impact on our environmental performance; new base station technology is operationally more energy efficient, and its ability to service more customers requires fewer base stations to be built in a specific area.

Infrastructure sharing

Infrastructure sharing has emerged as an effective way for mobile operators to leverage synergies to reduce duplication of resources, holding benefits in terms of reduced environmental impact as well as costs, both from a capital and operational expenditure perspective. During 2008, MTN continued to expand sharing of infrastructure in a number of operating countries, and will actively pursue opportunities for further infrastructure sharing during 2009.

The primary form of infrastructure sharing we engage in is the sharing of passive infrastructure and related costs, such as the physical tower, surrounding fences and power requirements of base stations. In Nigeria, MTN currently shares 350 of some 4 800 base station sites, with an additional 400 shared sites planned in 2009. In South Africa around 30% of our base station sites are shared sites. MTN also engages in transmission infrastructure sharing, notably in South Africa where we have partnered with other telecommunications operators to roll out around 5 000 km of fibre-optic cable.

It is important to note that infrastructure sharing is better suited to more mature mobile markets, where operators compete on products and services rather than on coverage. We anticipate that infrastructure sharing will become increasingly feasible in line with the maturation of the markets we operate in.

Sustainability review *continued*

Environmental performance – progress against targets

What we said we will do	What we have achieved	What we still need to improve
Expand the implementation of the Cura risk management system across MTN South Africa to track and manage environmental risks and incidents.	<p>Cura risk management system expanded and is used to track safety and health incidents.</p> <p>The system generates statistical graphs that detail the percentage of safety and health incidents.</p>	Increase Cura risk management system to track hours of disability as a consequence of injuries.
Achieve approval to increase environmental management resource capacity Group-wide.	No dedicated environmental management resources were appointed in 2008.	Ensure environmental management concerns are included in the sustainability management team's work and performance monitoring mandate.
Work with business units and other stakeholders to develop a more intensive programme in order to increase customer awareness of handset recycling and the use of biodegradable cards.	<p>There has been limited progress. Cellphone and battery recycling still limited to South Africa, where MTN is promoting awareness of the need to recycle cellphones by donating old handsets to charitable organisations or disposing of them through MTN outlets to ensure their disposal is responsibly managed.</p> <p>The Group is exploring partnerships to expand recycling across all operations.</p>	Operations will be engaged to expand recycling and greening initiatives across MTN's operational footprint.
<p>Increase environmental management resource capacity.</p> <p>Improve co-ordination of environmental management across the Group.</p>	No dedicated environmental management resources were appointed in 2008.	Environmental management concerns are included in the sustainability management team's work.
Ensure that the EMF health and safety level site agreement implemented in South Africa is implemented across all operations.	The EMF site agreement, together with key environmental performance indicators, are included in the annual sustainability questionnaire.	Ensure the agreement is implemented across the Group.

Acknowledgements and awards

- MTN Côte d'Ivoire was named 2007's best mobile operator for West Africa.
- MTN Group was awarded the inaugural African Business of the Year and Brand of the Year awards, presented in London by the Commonwealth Business Council (CBC) African Business Awards in July 2008.

The African Business Awards celebrate the rapidly transforming business landscape in Africa by promoting entrepreneurial excellence, world-class best practices in business and greater visibility for African brands and companies. The award recognises companies that have shown outstanding returns and growth rates, coupled with innovative working techniques, and the development of staff and the communities in which they operate. The Brand of the Year award recognises companies that have achieved outstanding brand recognition in the past 12 months, with wide appeal and wider recognition both in Africa and worldwide.

- MTN Nigeria won the award for Best Initiative in Support of the Millennium Development Goals, awarded by Africa Investor (AI) in 2008.