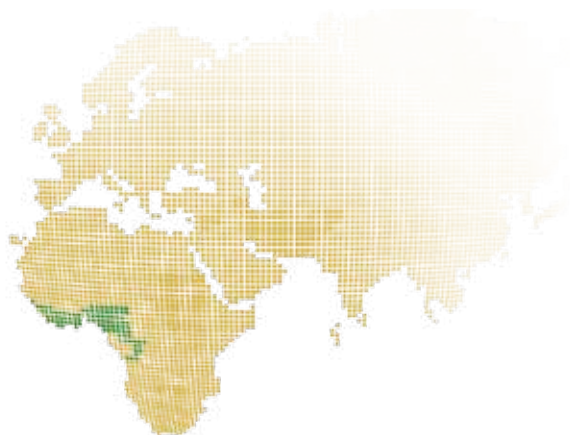


# Group chief operating officer's report *continued*

for the year ended 31 December 2009



## West and Central Africa region

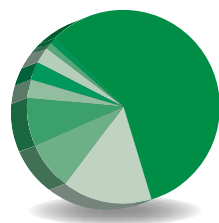
MTN's West and Central Africa region encompasses nine countries; Nigeria, Ghana, Cameroon, Côte d'Ivoire, Benin, Congo-Brazzaville, Guinea-Bissau, Guinea Conakry and Liberia. The WECA regional office is in Accra.

	Population (million)	Subscribers (000)	Revenue (Rm)	EBITDA (Rm)	Capex (Rm)
Total for region	222,0	52 859	50 543	27 029	16 518
Contribution to Group total*	43%	45%	45,2%	58,7%	53%

\* Difference in head office.

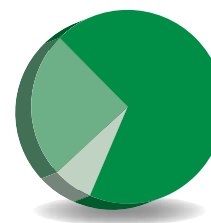
### Country contributions to WECA region total

#### Subscriber contributions (%)



- Nigeria – 58%
- Ghana – 15%
- Cameroon – 8%
- Côte d'Ivoire – 8%
- Benin – 3%
- Guinea Conakry – 3%
- Congo-Brazzaville – 3%
- Liberia – 1%
- Guinea-Bissau – 1%

#### Capex (%)



- Nigeria – 62%
- Ghana – 16%
- Rest of region – 22%



## Group chief operating officer's report *continued*

for the year ended 31 December 2009

### West and Central Africa region *continued*

#### Performance

Most MTN operations in the WECA region consolidated their positions in increasingly competitive markets for mobile communications in 2009. The Group's significant investment in upgrading the networks in West and Central Africa in the past two years paid off, bolstering MTN's value proposition in terms of both coverage and capacity. This, along with a revamp of the regional distribution framework and a proactive approach to competitive pressures, ensured that MTN's operations in WECA were insulated somewhat against the effects of the world economic slowdown. This was particularly true of MTN operations in Nigeria, Ghana and Cameroon.

However, consumer spending did suffer in those smaller markets that are particularly sensitive to changes in demand for their commodity exports, including Congo Republic and Liberia.

In many countries regulatory activity mounted, further pressuring revenue and average revenue per user (ARPU) figures. Among various new regulatory requirements, the registration of subscribers' personal details has or will soon become law in a number of markets. In 2009, MTN embarked on SIM-card registration drives in Côte d'Ivoire and Cameroon, drawing on lessons learnt by the Group in accomplishing this in other markets. Proactive stakeholder engagement remains an MTN hallmark, and the Company continues to work together with regulators to achieve the best results for the industry as a whole.

Total subscriber numbers in WECA rose 31% to 52.9 million, while ARPUs in the region fell between USD1 and USD5 a month. MTN worked hard to counter the slower revenue growth by

adopting an aggressive approach to cost management. However, the Company did not cut back on investment in the network, including the upgrade of voice and data capabilities. Among its investments in Nigeria (the details of which appear in a separate country report on page 46), MTN continued to roll out fibre transmission facilities and to further develop the 3G network. In Ghana (the details of which appear in a separate country report on page 52), MTN was the first operator to launch a 3G network in 2009, offering customers high-speed internet access and other multimedia services. In Côte d'Ivoire, MTN integrated ISPs Arobase and Afnet and in Cameroon it continued to invest in WiMax capabilities. All of these investments were in addition to spending on enhancing MTN's voice offerings.

In 2009, the Group rolled out solar energy solutions to power MTN base stations in Guinea-Bissau, Congo Republic, Liberia, Ghana and Nigeria. MTN Group is working closely with national environmental agencies to reduce the businesses' impact on the environment as well as to inform the population in this regard. MTN is now sharing infrastructure and sites with other operators in every WECA market, and in Ghana the Group is piloting a new, more systematic way to share infrastructure.

In 2009, WECA operations applied a new customer segmentation model, enabling it to address more effectively the various segments in terms of products and services, distribution and customer care. MTN launched Mobile Money in Ghana and Côte d'Ivoire and completed the preparations for the launch of this product in all WECA markets, once regulatory approval has been attained. Following the launch of Mobile Money pilots in Ghana, Nigeria, Cameroon and Côte d'Ivoire in late 2008, the Company

implemented five additional pilots in February 2009. These were in Benin, Congo Republic, Guinea-Bissau, Guinea Republic and Liberia.

Customers adopted the seamless roaming offering MTN One World with enthusiasm, and MTN continues to promote it. The Group also leveraged its sponsorship of the 2010 FIFA World Cup South Africa™, by offering a number of products and promotions linked to this event. MTN One World allows customers to make and receive calls everywhere they go at local rates, without having to buy a new SIM card. Loyalty programmes, particularly for medium- and high-spend customers, helped ensure MTN maintained its position in the WECA market.

MTN foundations are now established in most WECA countries (Congo Republic, Benin, Ghana, Nigeria, Cameroon, Côte d'Ivoire, and in early 2010, Guinea-Bissau), where they carry out a number of programmes to care for the community and the environment. This has also helped build the brand and promote MTN's values to its customers. These values are a "Can Do" approach, leadership, innovation, relationships and integrity. In Liberia, where the Group successfully negotiated the renewal of its operating licence, MTN co-branded Lonestar Cell with the MTN Liberia tag.

In line with efforts to develop human resources and create meaningful career paths, MTN worked to rotate staff within the region and the wider Group, increasing the sharing of knowledge and experience among colleagues. Internal audits show a very pleasing increase in staff satisfaction in the year, helped by increased engagement as well as training through the MTN Academy, where participation and feedback have been very encouraging.

MTN's WECA management continues to hone its succession plans, helped by the talent management board tasked with identifying staff for development and promotion. In many countries, MTN is considered the employer of choice.

## Outlook

Signs of a rebound in economic activity in the WECA region give cause for cautious optimism in the year ahead, but more demanding regulatory requirements (including new interconnection regimes) and stiffer competition will mean that MTN's work remains challenging. However, with a good quality network and attractive products and services, capitalising on the Group's sponsorship of the 2010 FIFA World Cup™, the WECA regional management believes MTN is well positioned for the year ahead. Having already anticipated certain regulatory requirements such as subscriber registration, management also expects to mitigate the impact of these on WECA operations.

In 2010, MTN aims to roll out the WiMax networks (Congo, Guinea Republic and Liberia have already obtained WiMax licences) and is positioning itself for the bundling of data and voice. Another priority is the laying of fibre linked to the WACS undersea cable, which will be landing in Congo, Cameroon, Nigeria, Ghana and Côte d'Ivoire. MTN has obtained landing station rights in most countries, and continues to work to secure these in others. The 2011 operational start of WACS will allow MTN to position itself as a major internet service provider in every country and help bridge the digital divide. In so doing, MTN expects the market for mobile services in the region to increase to 185,5 million within five years.