



Introduction and Overview

Cameroon

Phillippe Vandebrouck – CEO Cameroon



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Country overview



Population 19.6m

Market sizing 9.7m (2014)

Penetration 38%

Economics

*GDP per capita (USD at PPP)	2010 : 2,236 2011 : 2,289
Inflation (ave.)	2010 : average 1.9% 2011 : average 4.3%
Commercial banks' prime lending rate	14% (typical MTN fixed rate : 6%)
FCFA Exchange rate (ave.)	Euro : 656 (pegged) USD : 521 (2010), 550 (2011)

Demographics

Language	Predominantly French with English and 200 local languages
Religion	Christian and Muslim



*Source: Economist Intelligence Unit (EIU) Country Report - August 2010

Market dynamics



Political environment

- Presidential elections planned for H211, President Paul Biya is expected to be re-elected
- EIU: disputes over poll results, ethnic and regional rivalries, cost of living, lack of jobs, social welfare and services
- Multi-directional lobbying between government and business

Economic environment

- Deficit expected to widen slightly to 0.8% of GDP in 2010, narrowing to 0.2% of GDP in 2011. Current account deficit 2010 narrows to 2.5% of GDP, widening to 3.1% in 2011
- Monetary policy determined by BEAC, prioritising inflation and maintaining the FCFA peg to the Euro
- Recovery of FDI and mechanisation of mining industry to boost real GDP growth to average 3.6% in 2010-11
- Oil is Cameroon's main export. 2011 export receipts are forecast to decline by 0.8% in nominal terms

Regulatory environment

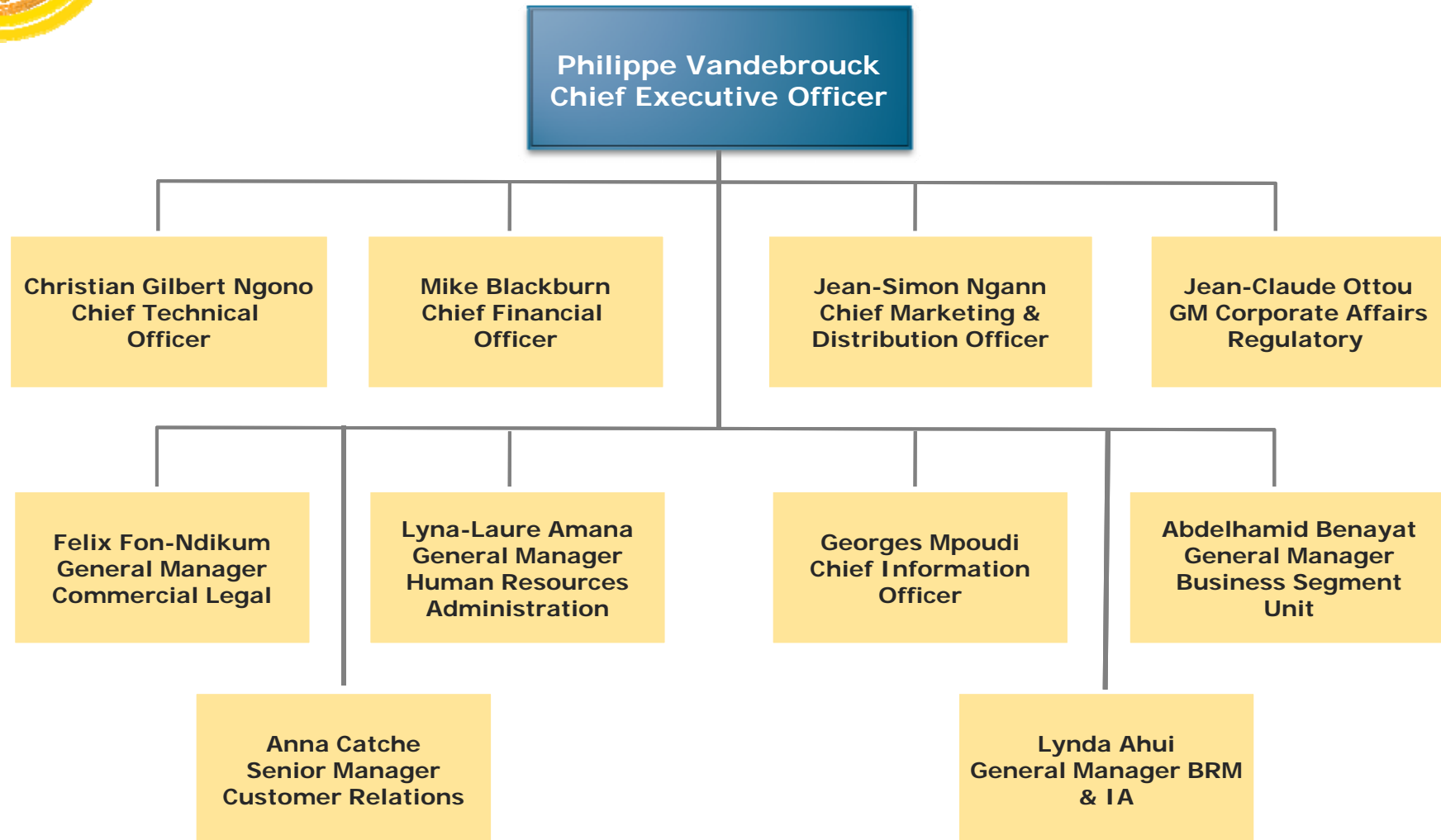
- Telecom law, resulting in slow decision making
- Subscriber registration campaign started in Jun 09

GSM competitors – Jun 10



	MTN	Orange
Launch date	Apr 2000	May 1999
Subscribers	4,543,000	3,023,00
Market share	60%	40%
Shareholders	MTN Mauritius : 70% Local / Private : 30%	Orange SA : 99.5%
Initiatives	<ul style="list-style-type: none"> • GSM/EDGE network • BlackBerry • USB Modem proliferation • Data bundles individuals • MTN Zone • Mobile Money • 3G readiness 	<ul style="list-style-type: none"> • GSM/EDGE network • iphone • USB modem proliferation • Data bundles corporates

Management team



Licences



Period

- Licence from Feb 00 to Feb 15
 - Spectrum: GSM 900 and GSM 1800 MHz (by special dispensation)
- ISP licence from Mar 06 to Mar 16
 - Wimax: 3500 MHz
- VAS licence (for MobileMoney): granted Dec 09

Upfront fees

- GSM - FCFA 44 billion (USD 85m)

Obligations

- National road coverage: 6,071 km – 4 900km achieved to date
- Reasonable quality obligations

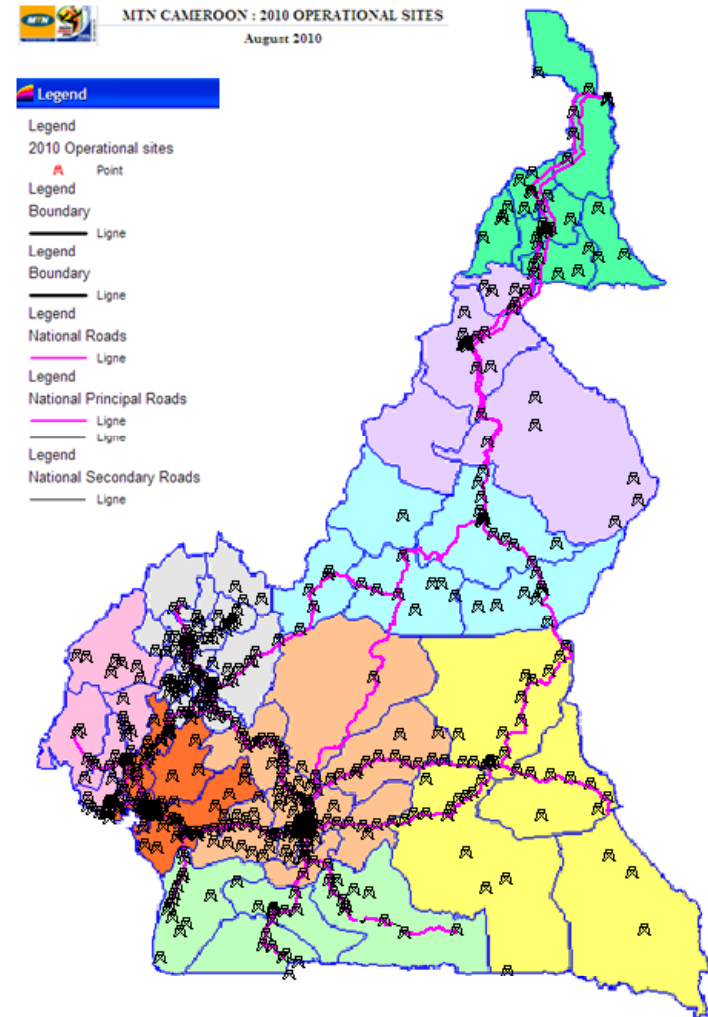
Coverage

- GSM: 194 cities & towns, over 3,000 villages & communities
- WIMAX: 31 cities & towns

2.5G network rollout



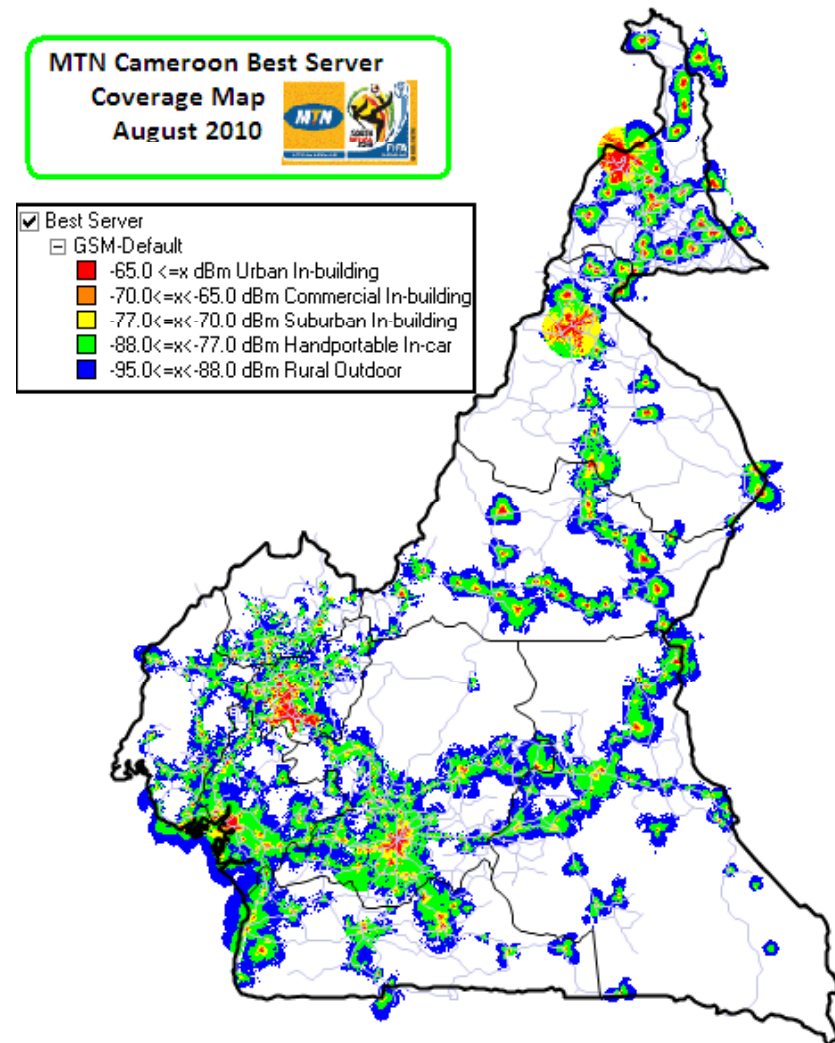
- 771 BTS's
- 8 MSC's, 12 BSC's
- 194 cities and towns
- Over 3,000 villages and communities covered



2.5G network rollout cont...



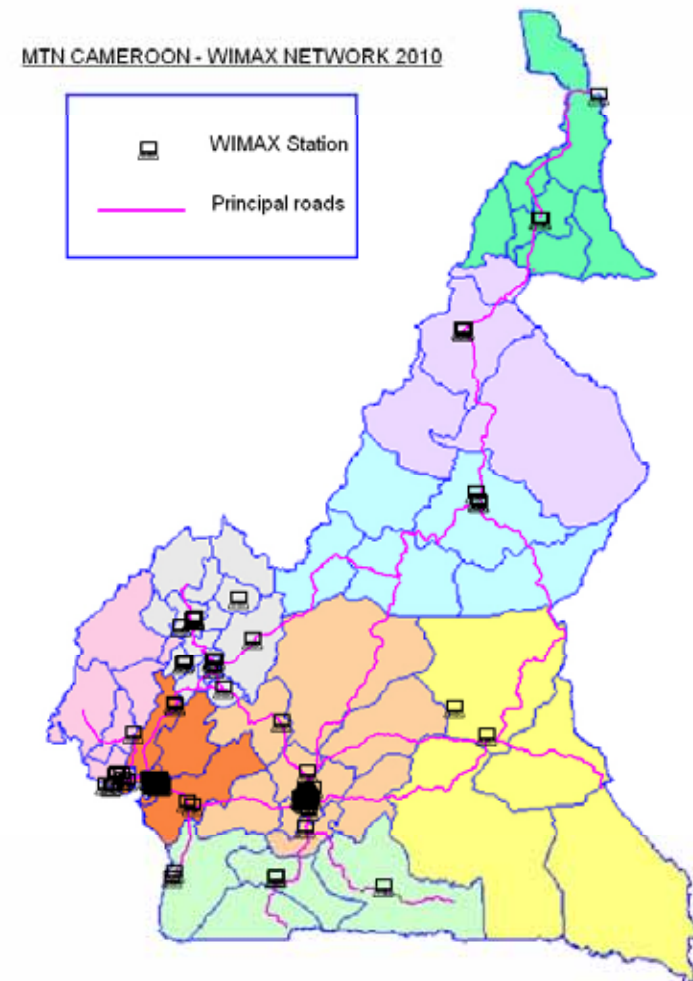
- Road coverage
 - 4,900 km completed
 - 5,557 km to be covered by end 2010 (91.5% of licence obligation)
- Focus on optimising cost to deploy operate and maintain



Wimax network rollout



- 31 cities and towns covered by our WIMAX network
- 133 Wimax Base Stations connected to our nationwide MPLS network
- MTN positioned as the leader in VPN/Data services in the corporate segment



Distribution channel



- Spread over 4 regions
 - 7 EVD Partners,
 - 40 Strategic dealers
 - 60 EVD dealers
 - 30 Village Phone Partners
 - Over 280,000 P.O
 - 37 partners with 72 Top Up Points (for postpaid bill payments)

Selection of competent....

Ensuring the availability of products and services in the market efficiently and competitively using a proximity model that :

- provides fair returns to our distribution partners.
- promotes a controlled environment that enables channel development and growth

Driven by...

The new deal package:

- Restructured distribution channel
- Financial assistance cycle
- New commissions structure
- Zoning
- Mobile Money
- Dealer Portal

To enhance...

- Penetration of remote and rural areas
- Margin management
- Sustainable growth
- Support
- Loyalty

Data -ISP



Licence

- Mar 06 (MTN Network Solutions)

Customers

- Over 3,000 customers, currently focused on corporates and small business
- MTN NS is the market leader in the corporate internet market segment

Products

- VPN MPLS
- Internet access via WIMAX or EDGE
- Prepaid Internet: WIMAX in conjunction with WIFI: an innovative solution allowing MTN GSM subscribers use their prepaid airtime to access the internet
- Hosting Services launched

Coverage

- Leader in coverage
- All the regions are covered, 31 cities & towns, 133 base stations

Organisation

- ISP and GSM organisations are fully integrated for maximum efficiency

Products & services (mass market)



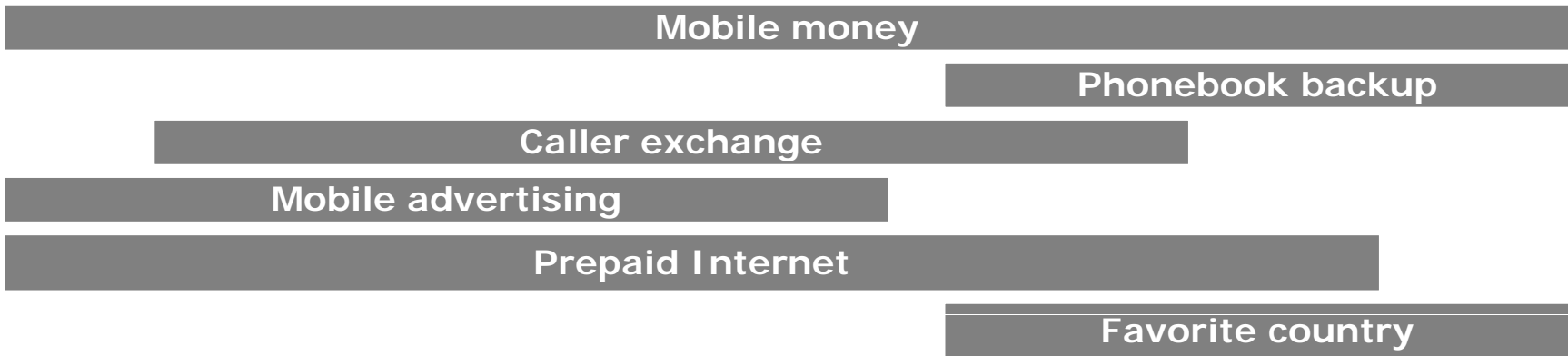
Trendies	Survivors	Her & Home	Trader	Progress	Achievers
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Usage

Voice, SMS, prepaid internet, mobile data, mobile money

MTN Value proposition Interest

- | | | | | | |
|---|---|--|---|---|---|
| <ul style="list-style-type: none"> Instant Messaging Content downloads Mobile Ad Contents SMS services | <ul style="list-style-type: none"> Paygo's with monthly airtime push Mobile advertising | <ul style="list-style-type: none"> LBC children location Xmas, B2S, Valentine & Ramadan promotions | <ul style="list-style-type: none"> Negative balance Prepaid Blackberry Phonebook backup Caller exchange | <ul style="list-style-type: none"> Favorite country Mobile broadband Flight roaming Call collect phonebook backup Caller exchange | <ul style="list-style-type: none"> First digit free Favorite country phonebook backup Flight roaming Video surveillance I map |
|---|---|--|---|---|---|



Brand leadership



Q210

Market Share

61%

Brand Preference

55.6%

Brand Awareness

53.3%

Brand Affinity

54.5%

MTN remains the most preferred brand in the Cameroon telecoms space

the
FA World Cup™
July 2010



MTN Cameroon Financials

Mike Blackburn
CFO - Cameroon

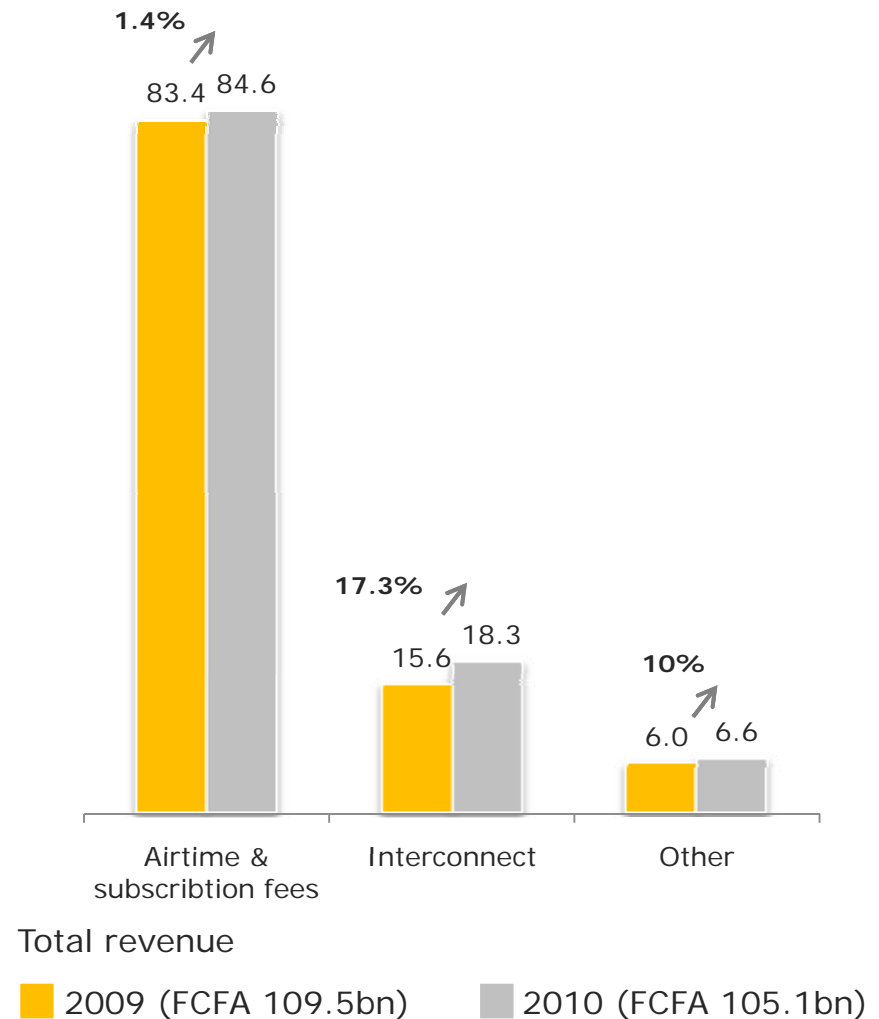


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Revenue analysis



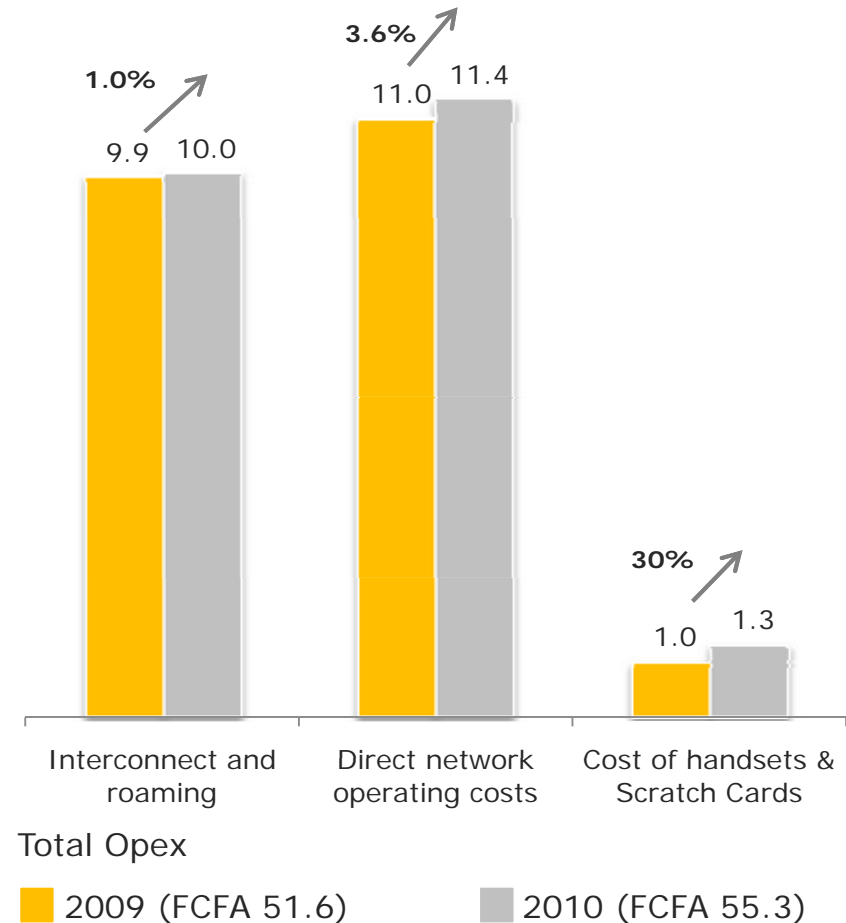
- Airtime and subscriptions fees
 - Lower marginal subscribers come on board
- Interconnect revenue
 - Volume growth partly off-set by reductions in interconnect tariffs driven by the regulator
- Other
 - GSM Data, SMS, VAS, VPN's and internet access revenues growth impacted by regulator's temporary suspension of CRBT
 - Mobile Money & hosting services have good potential for further revenue diversification



Operating expenses analysis



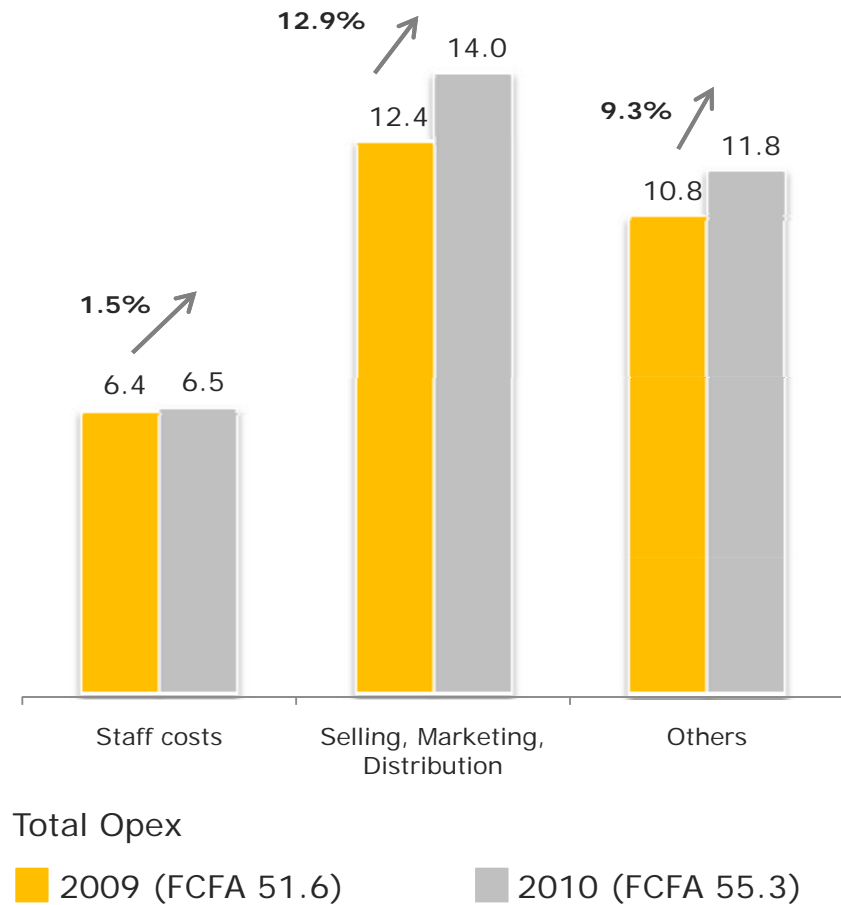
- Interconnect and roaming
 - Interconnect traffic increase in volume offset by reduction in tariffs
- Direct network operating costs
 - Increase in maintenance cost, although benefits from lower cost Group contracts and outsourcing has assisted in keeping costs down
 - Transmission cost driven by growth in demand for international bandwidth
 - Rent and utilities are driven upward by BTS site rentals and generator fuel. The BTS solar project as well as the push for further electrification of sites should provide future benefits



Operating expenses analysis



- Staff costs
 - Increase in headcount
- Selling, marketing and distribution
 - Restructure of dealer commission to ensure a more sustainable model



Tax considerations



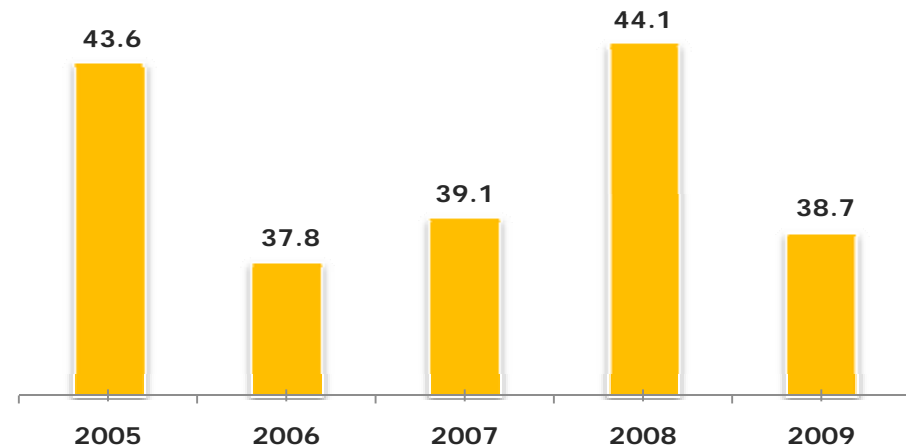
Material reconciling items:

- Effective tax rate reconciliation to 38.5%
- Prior year over-provisions 3.1%
- Deferred tax 1.0%
- Investment Tax relief 6.4%

Forecast to December 2010

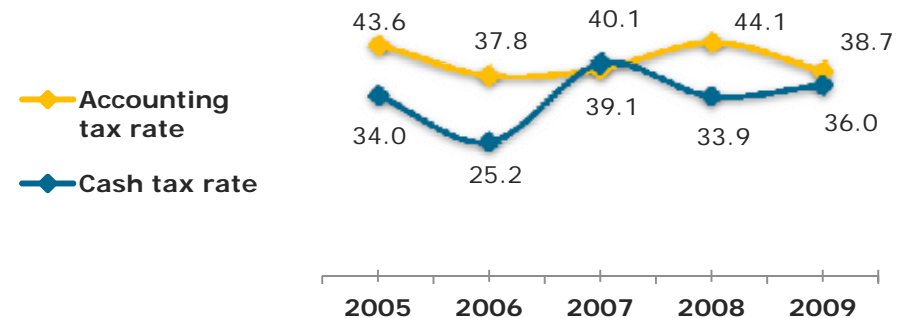
- Effective tax rates expected to be slightly below prior year at 37%, with tax relief from investing activities.

Effective tax rates
%

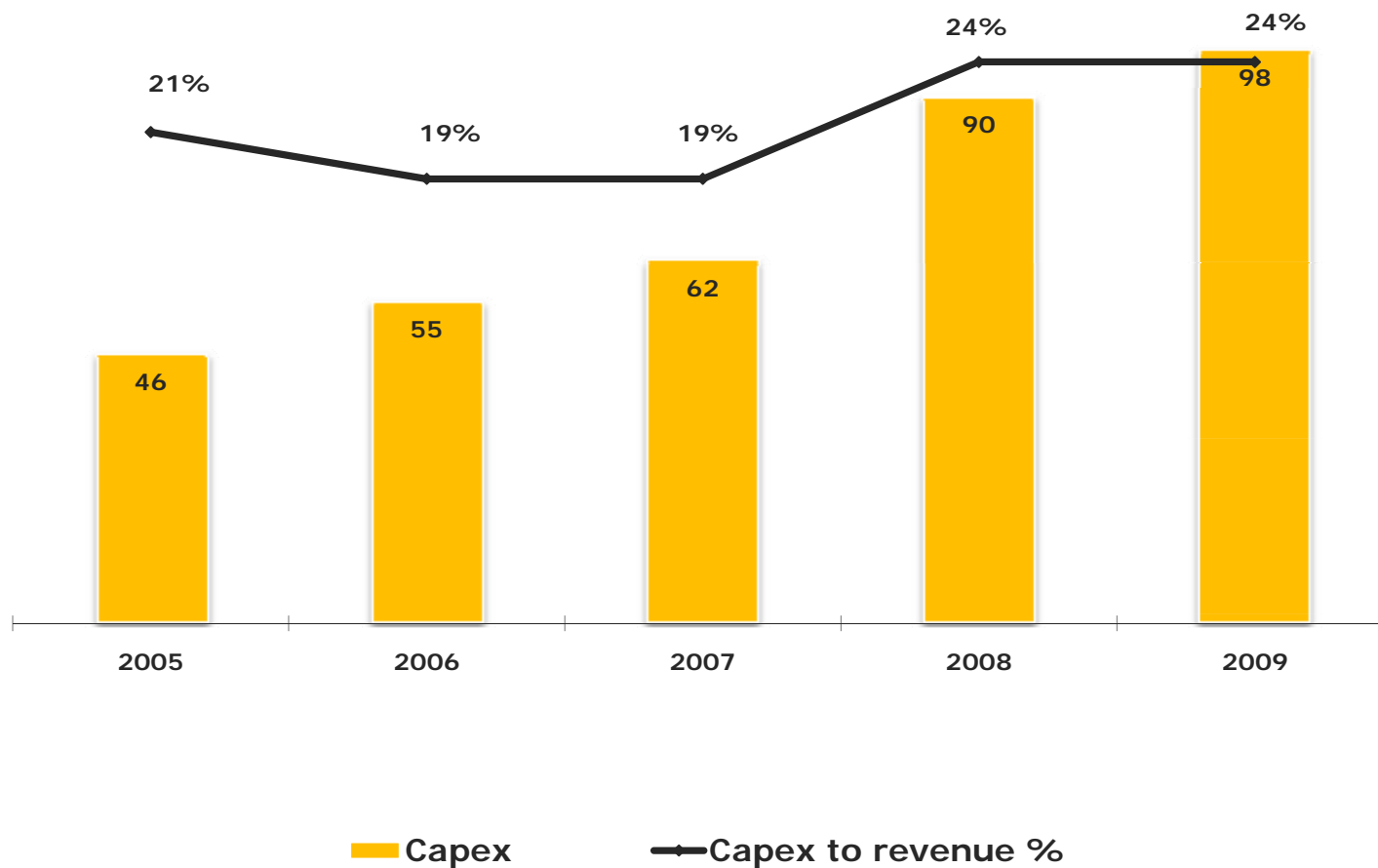


Cameroon expected trends in effective tax rates

Illustrative%



Capital trends (USD millions)





Looking forward

Cameroon

Philippe Vandebrouck – CEO Cameroon



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MTN Foundation



General

- Launched in Feb 05 and conducted as an in-house organisation
- Reorganized as a separate entity in Dec 09
- Flagship of the MTNC Corporate Social Responsibility program
- MTN Cameroon invests up to 1% of its PAT
- Partnerships with organizations e.g. UNICEF, WWF...
- H.E. Roger Milla (trustee), one of the best known African football personalities

Objectives

- Contribute to the preservation of the biodiversity
- Invest in the community development through communities empowerment
- Assist the government in facing public health challenges
- Promote youth and communities access to ICTs

Projects

- Reforest the Northern regions of the country with WWF
- Promote young girls education with UNICEF
- Create multimedia centers
- Contribute to the proliferation of the telemedicine with The Joseph Foundation headed by Dr Jacques Bonjawo, renown scientist and former manager of the internet MSN Division at Microsoft USA

Looking forward



Opportunities

- Strong brand and image
- Prepaid internet by wifi hotspot
- Hosting Services
- Mobile Money
- Regional synergies

Challenges

- Regulation and telecom law
- 3rd entrant
- Registration of subscribers



Thank you

Questions



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Cameroon

- income statement (LC)



FCFA millions	Jun 10	Jun 09	% change
Revenue	109,538	105,056	4.3%
EBITDA	54,263	53,457	1.5%
EBITDA margin (%)	49.5%	50.9%	- 1.4 points
Depreciation & amortisation	21,440	18,585	15.4%
Net finance costs	1,602	1,265	26.7%
Profit before taxation	31,220	33,608	-7.1%
Income tax expense	11,179	11,774	-5.0%
Profit after taxation	20,041	21,834	-8.2%

Cameroon

- balance sheet



CFA millions	as at Jun 10	as at Jun 09
Non-current assets	171,565	167,975
Property, plant and equipment	126,094	115,279
Intangible assets	34,907	40,835
Other non-current assets	10,565	11,861
Current assets	46,079	49,244
Bank and cash	14,374	16,799
Other current assets	31,705	32,445
Total assets	217,645	217,219
Capital and reserves	87,454	88,618
Non-current liabilities	15,236	25,391
Long term liabilities	15,232	25,386
Deferred taxation and other non-current liabilities	5	5
Current liabilities	114,955	103,210
Non-interest bearing liabilities	93,800	93,055
Interest bearing liabilities	21,155	10,155
Total equity and liabilities	217,645	217,219

Cameroon

- funding structure



Facility A

- Syndicated Medium Term Loan: FCFA 44 billion
- Nominal rate 6.85%
- Raised in 2007
- Final half yearly payment of CFA 5 billion in July 2012
- Participants: Standard Chartered, Citibank, SGBC, BICEC, Credit Agricole
- All participants have agreed to re-new the facility in Q4 2010