



Introduction and Overview

Côte d'Ivoire

Wim Vanhelleputte – CEO Côte d'Ivoire



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Country overview



Population 21.7m	Market sizing 23m (2014)	Penetration 61%
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Economics	
GDP per capita	US\$ 1983
Inflation	2.9% (2010 headline rate)
Commercial banks' prime lending rate	10.5% (average)
Exchange rate	XOF/USD = 0,00192 (www.oanda.com)
Demographics	
Language	French, several local languages
Religion	Christian, Muslim, Animism



Market dynamics



Political environment

- Notable improvement since the signature of the Peace agreement
- New election date is now set to 31 Oct 10, following missed schedules

Economic environment

- Since Peace agreement the country is now more unified : goods and people can move around easily, encouraging trade
- Good growth prospects for 2010 and 2011, driven by cocoa and coffee prices in international market

Regulatory environment

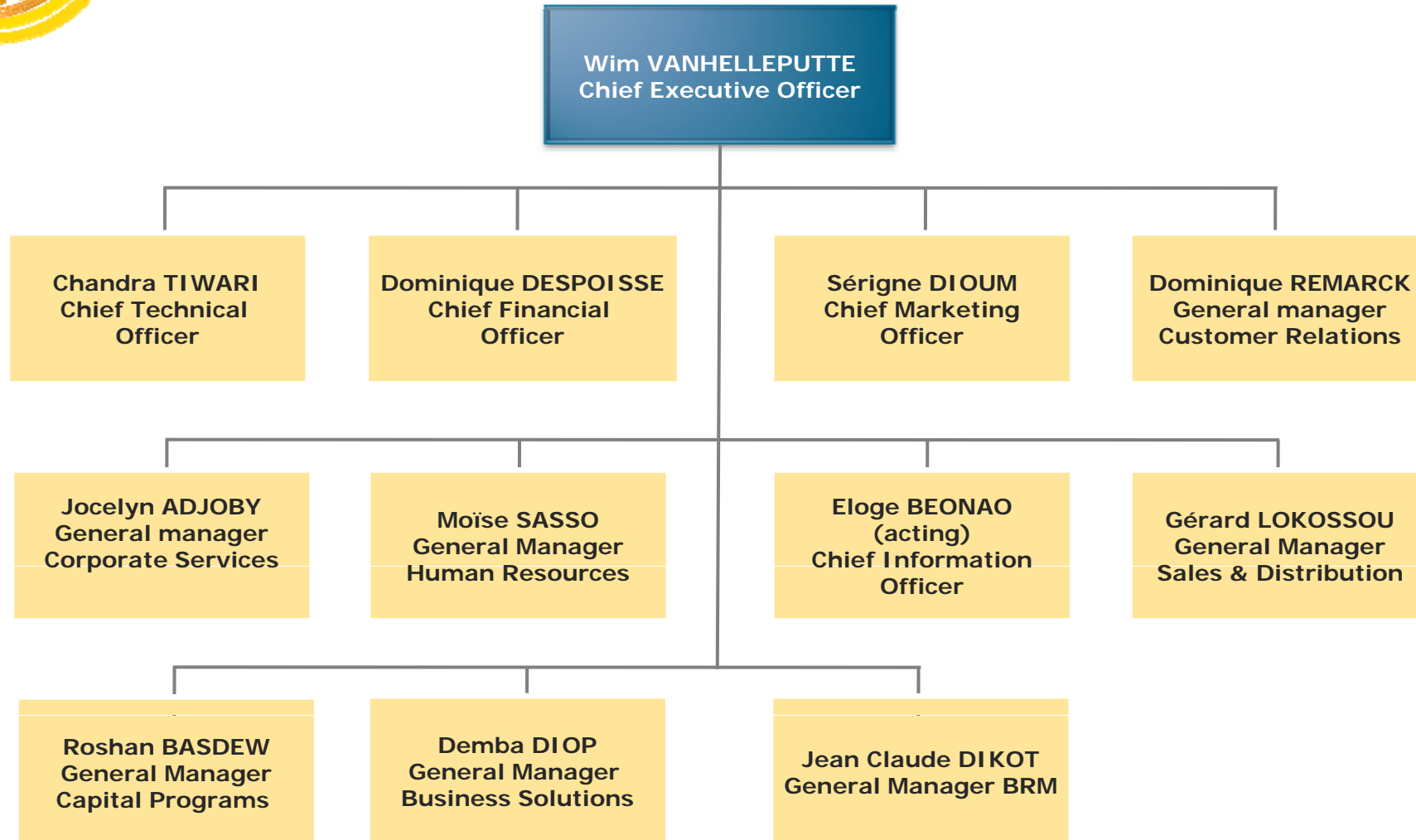
- Lack of visibility into the regulatory strategy for the country
- Awaiting new Telecommunications Act aimed at reorganise the industry with the attribution of universal licenses
- Change of interconnection/termination rate, process on going with the calculation method CMILT
- SIM registration implemented Jul 09
 - Ongoing discussions with regulator to establish framework and official deadline

GSM competitors – Jun 10



	MTN	ORANGE	MOOV	KOZ	GREEN
Launch date	July 2005	1997	2006	2007	2008
Subscribers	4 818 304	3 897 976	2 709 505	1 079 421	676 961
Market share	36%	30%	21%	8%	5%
Shareholders	<ul style="list-style-type: none"> • MTN inter (64.67%) • Planor (25.33%) • Teylium group (10%) 	France Telecom (85%) Comafrique (15%)	Etisalat (100%)		
Initiatives	<ul style="list-style-type: none"> • MTN Zone • Internet Offers 	<ul style="list-style-type: none"> • Week end promotions • Fun Max • Eko phone (village phone) 	<ul style="list-style-type: none"> • Blackberry and push mail • Moov cash (sms game) • Moov select • International promotions 	<ul style="list-style-type: none"> • Prepaid roaming 	<ul style="list-style-type: none"> • 8 cars to win

Management team



Licences



Period/ spectrum

- GSM Operator license – Apr 96 to Apr 16
- 900-1800MHz

Upfront fees

- GSM - CFAF 40 billion - **last installment paid in 2008**

Obligations

- Regarding GSM, there is no coverage obligation. All the other obligations are listed in the Cahier des charges

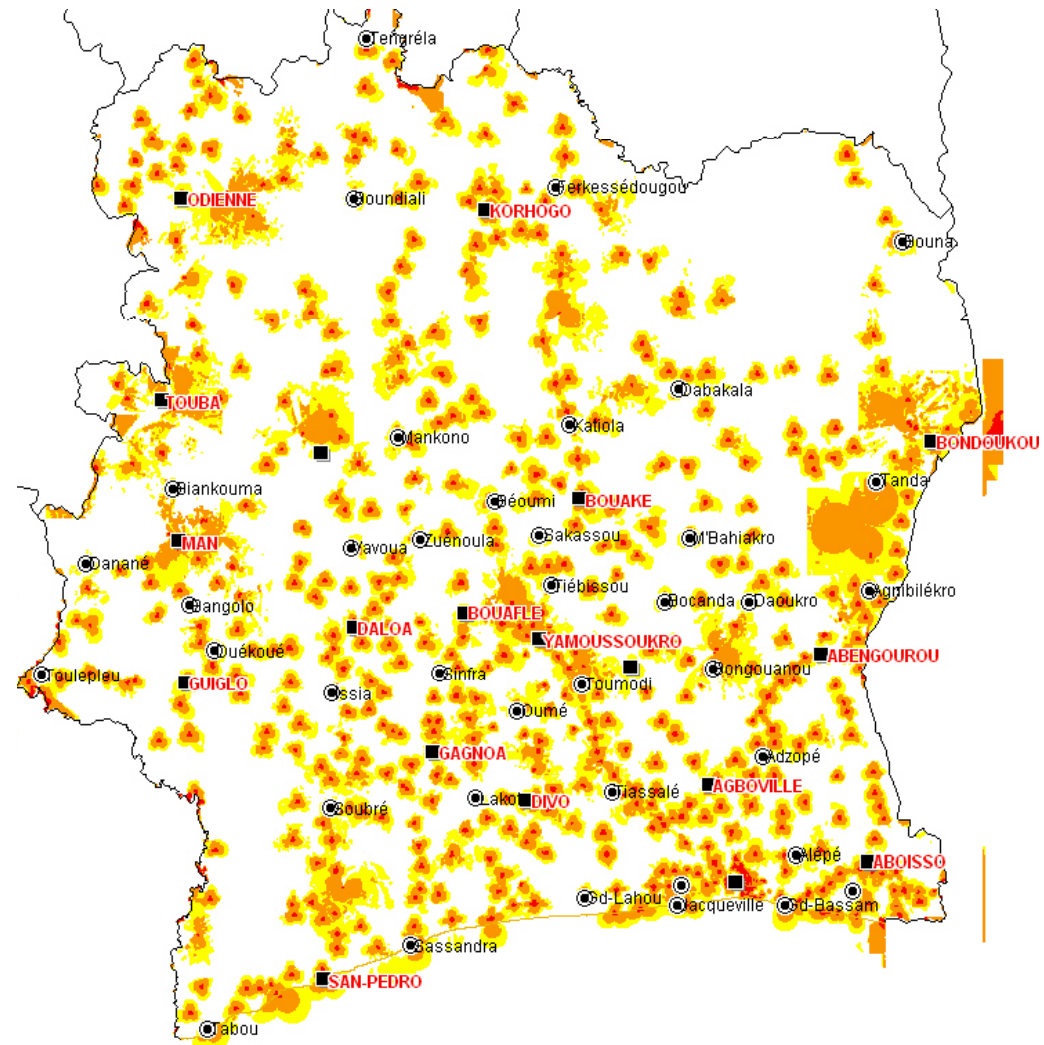
Coverage

- GSM coverage : 457 cities covered; 1700 km of FO
- Territory coverage: 73,01%
- Population coverage: 92%

Radio network rollout



- 1007 sites
- 1700 km's of Fibre
- 6 MSC's and 22 BSC
- 457 cities and villages
- Colocation and infrastructure sharing and fiber deployment to support multi bearer services



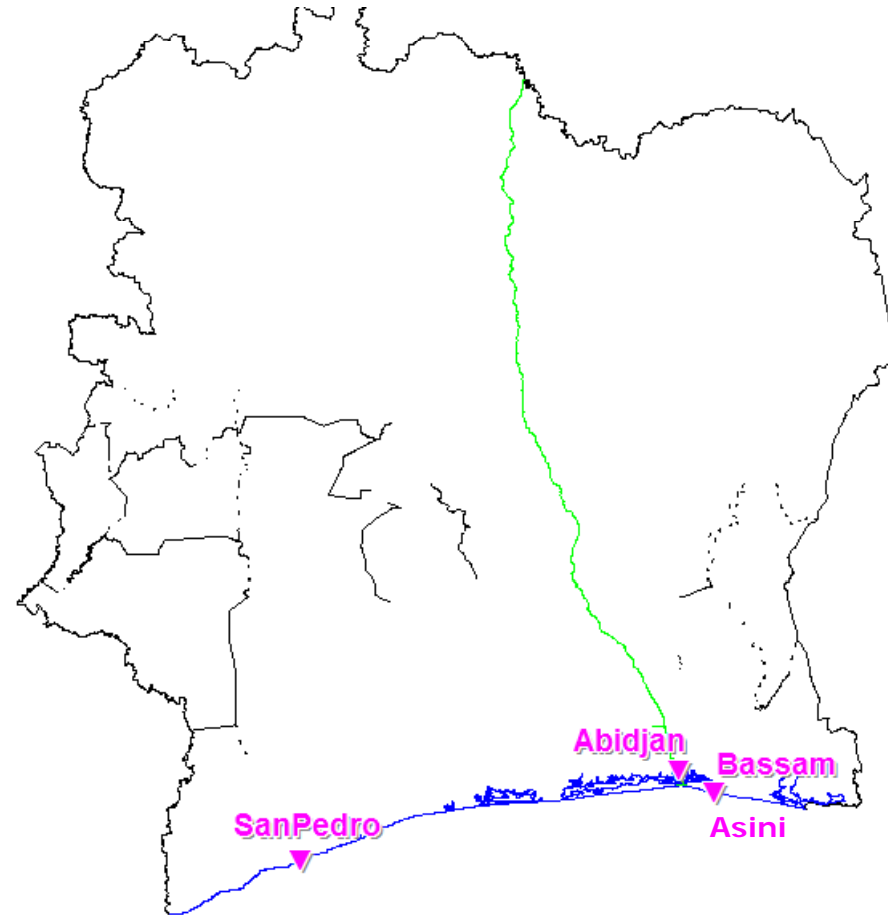
CDMA and Wimax network coverage



- Wimax – Planned 160
- Cites : Abidjan, San Pedro, Bassam
- 127 BTS in Abidjan (21 remaining site)
- 7 BTS in San Pedro
- Services
 - Mobile Internet
 - VoIP
 - Prepaid & Postpaid
 - L2VPN
 - Selfcare portal

CDMA – planned 60

- Cites : Abidjan, Asini, Bassam
- 56 BTS
- Service
 - Mobile Internet
 - Fix Phone
 - PTT
 - Selfcare portal
 - Capacity



Distribution channel



- 3 territories
 - 8 strategic dealers
 - 2,472 wholesale dealers
 - 86,345 POS
 - 5 Connect Points nationwide
 - 65 MTN Shops
 - 1,420 kiosks
 - 17 MTN Service Centers



Data – ISP



Licence

- Concession Agreement (Arobase Telecom) - 20 years ending in Jul 22
 - CFAF 2,7 billion to be paid from 2008 to 2014
 - coverage obligation to be negotiated with the regulator on a yearly basis
- Provisional license for internet (Afnet) - 5 years ending in 2012

Customers

- 5,950 subscribers at Jun 10 compared to 5,721 on May

Products

- PRE-WIMAX 3,5 Ghz
- EVDO & CDMA
- WIMAX 2,5 Ghz

Coverage

- WIMAX: 3 big cities covered with 136 BTS (mobile internet, VoIP, L2VPN, Selfcare portal)
- CDMA: 1 city covered 56 BTS sites (mobile internet, fix phone, PTT, Selfcare portal)

Organisation

- This activity is managed by a dedicated department: MTN Business

Product and services



Product	Customer Benefit	Segment
Mobile Broadband	Mobile High speed connection to internet (EVDO and Wimax USB Dongle)	Achievers, Progressives, Traders, Trendies
Residential Broadband	High Speed connection to internet (Using Wimax Triple Play Box)	Achievers, Progressives, Traders
MTN Play	Mobile Multimedia portal for entertainment, infotainment and device customisation (Wallpaper, ringtone, RBT)	Trendies
Mobile Money	Transfert and receive Money at the best cost, bill and goods payment, saving and Virtual Top Up	Survivor, Traders, Progressives, Achievers
Phonebook Backup	Secure phonebook and don't loose contacts by Over the Air Backup	Traders, Progressives, Achievers
Pay 4 Me	Make a call, B Party pay for it	Survivor, Progressives
Call Completion Services (Notify Me, Who called, Call Me Back, Voicemail 2 email)	Never miss a call or an opportunity	Traders, Progressives, Achievers

Brand Stats



Market leadership

Q210

Market Share

36.0%

Brand Preference

33.1%

Brand Awareness

33.5%

Brand Affinity

36.5%

MTN remains the most preferred brand in the Côte d'Ivoire telecoms space

the
FA World Cup™
July 2010



Financials

Côte d'Ivoire

Wim Vanhelleputte– CEO Côte d'Ivoire

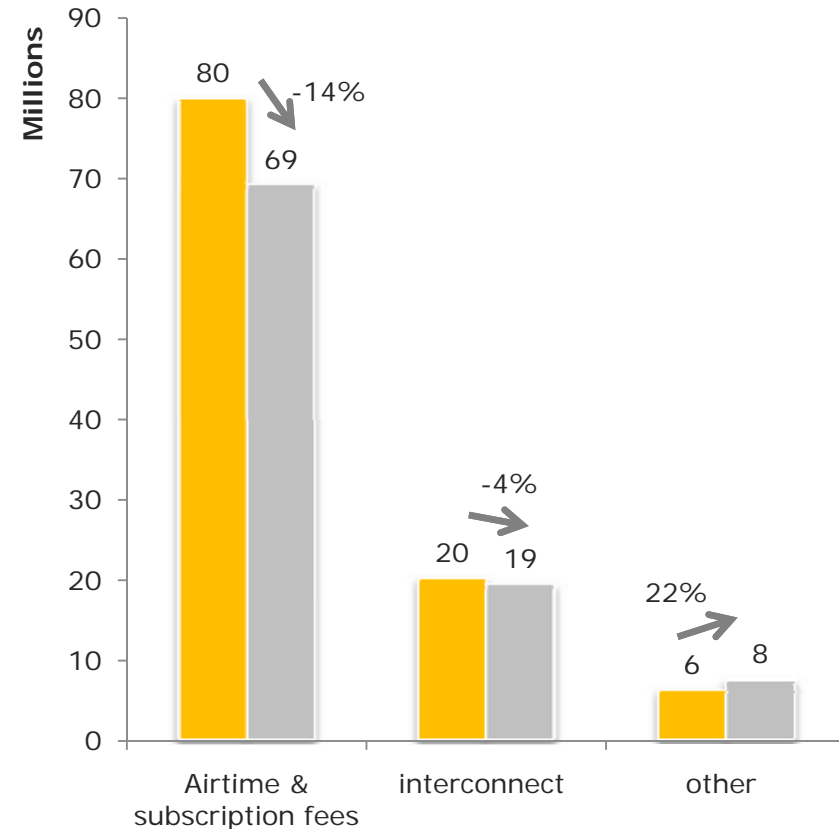


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Revenue analysis



- Airtime and subscriptions fees
 - Due to change in traffic mix
- Interconnect revenues
 - Small decrease following decline in tariff (FCFA 45/min in 2009 versus FCFA 43/min in 2010)
- Other
 - Decrease in handset revenue – non-core activity, outsourced to trade
 - Internet data, optical fiber and fix line following the acquisition of Afnet and Arobase in 2008



Total revenue

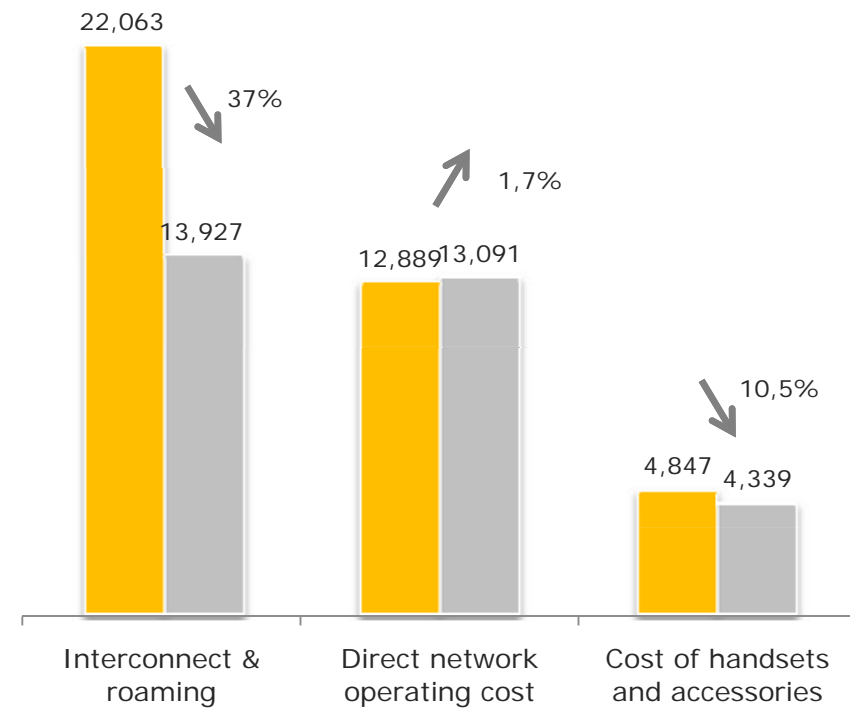
■ 2009 (XOF 106bn)

■ 2010 (XOF 96bn)

Operating expenses analysis



- Interconnect and roaming
 - Decrease of MOU and interconnect tariff
- Direct network operating costs
 - Mainly due to increase in fuel caused by electricity shortage
 - Site rental costs relatively stable
 - Increase in number of sites



Total OPEX

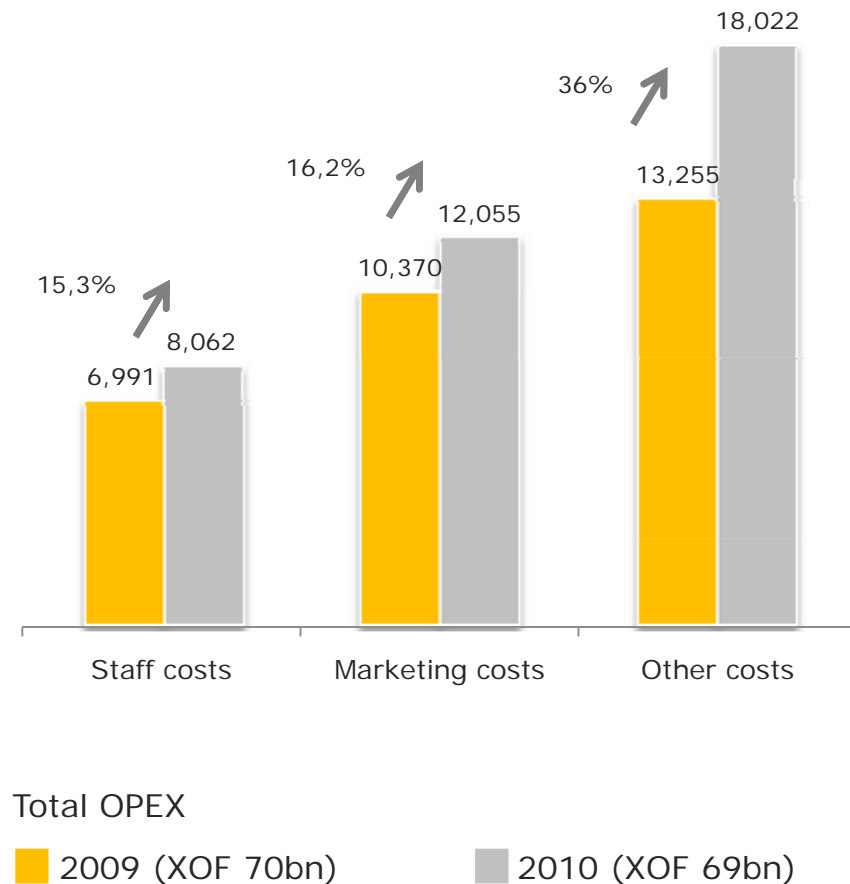
■ 2009 (XOF 70bn)

■ 2010 (XOF 69bn)

Operating expenses analysis



- Staff costs
 - Mainly due to NSO and severance packages
- Selling distribution and marketing costs
 - New activities launched this year, and integration of MTN FIFA contribution (Broadcast, fees,...)
- Other costs
 - Exceptional expenses related to :
 - Bad debt for dealers and interconnect operator



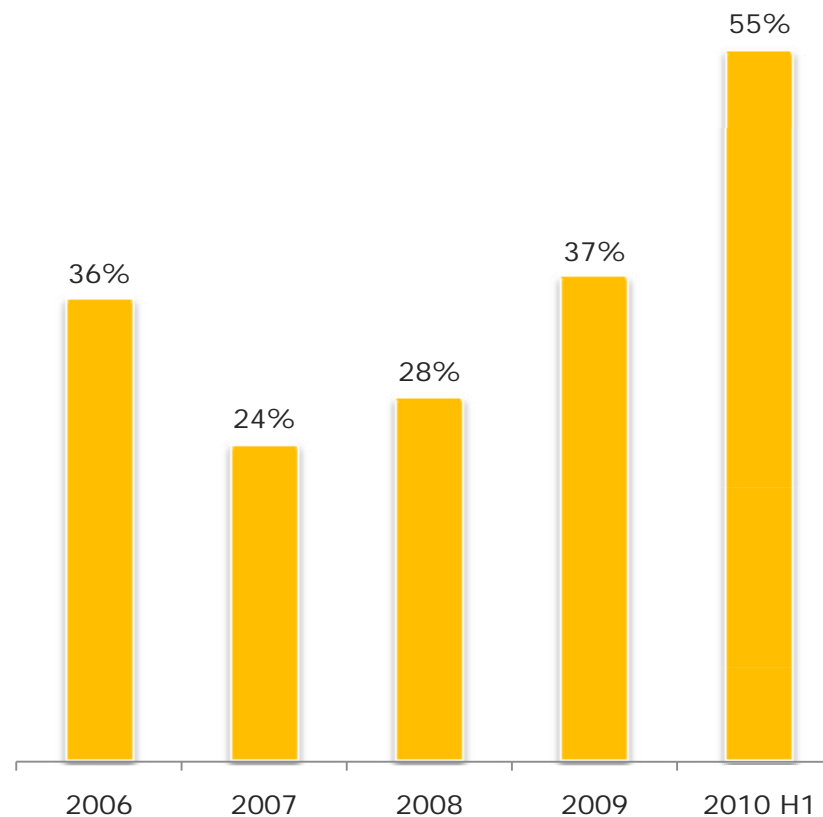
Tax considerations



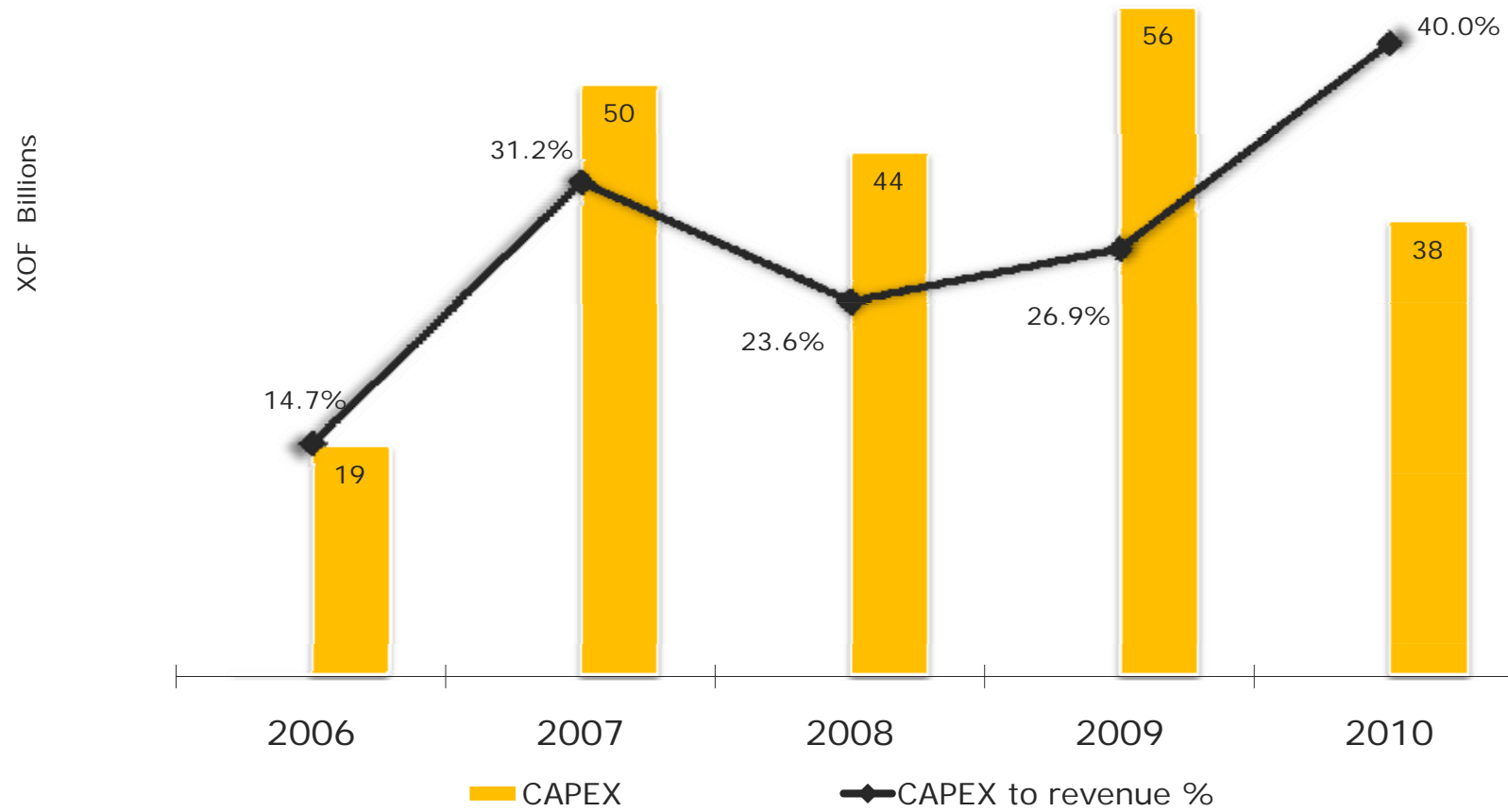
Material reconciling items:

- Effective tax rate reconciliation to 25%
- Bad debts 33%
- Provisions 14%
- Last year adjustment 13%

Effective tax rates



Capital trends





Looking forward

Côte d'Ivoire

Wim Vanhelleputte – CEO Côte d'Ivoire



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MTN Foundation



General

- Launched in 2006
- Aim is to build a better future for the populations by investing within our communities
- MTN Foundation long-term projects implementation but also through CSR initiatives involving all staff
- Strategy based upon carrying out activities in collaboration with the Health and Safety Department, hence securing full involvement and interest of staff for CSR issues

Objectives

- Win the hearts and minds of the rural and city community as a concerned and involved corporate citizen
- Increase competitive edge in the market by demonstrating clear leadership in consistent, successful and sustainable CSR project execution : MTN Foundation has positioned itself as the first telecoms operator involved in CSR
- Associate MTN name and brand associated with positive community change and development, essentially in rural remote area

Projects

- Public health : prevention of HIV/ AIDS, chronic disease and malaria through testing activities, sensitisation and information campaign for a behaviour change
- Education : school connectivity programme implementation and development at national level, in partnership with High Schools and Universities
- Community development through developing activities for women's empowerment and entrepreneurship

Looking forward



Opportunities

- Fixed – mobile convergence
- WACS landing station
- Mobile money
- Cost containment

Challenges

- Irrational competitor behaviour
- Multi-SIM and churn
- Reduced marginal ARPU



Thank you

Questions



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Côte d'Ivoire

- income statement (LC)



XOF ('000)	Jun 10	Jun 09	% change
Revenue	95 865 143	106 169 175	-10%
EBITDA	26 369 226	35 754 670	-26%
EBITDA margin (%)	28%	34%	-6%
Depreciation & amortisation	16 916 981	11 390 779	49%
Net finance costs	7 038 164	2 958 857	138%
Profit before taxation	2 414 081	21 405 034	-89%
Income tax expense	1 326 835	6 288 132	-79%
Profit after taxation	1 087 246	15 116 902	-93%

Côte d'Ivoire

- balance sheet



XOF ('000)	as at Jun 10	as at Jun 09
Non-current assets	243 048 851	214 125 635
Property, plant and equipment	183 023 656	155 526 968
Intangible assets	28 737 074	28 712 597
Other non-current assets	31 288 121	29 886 070
Current assets	48 084 150	40 165 021
Bank and cash	8 386 091	2 074 660
Other current assets	39 698 059	38 090 361
Total assets	291 133 001	254 290 656
Capital and reserves	83 967 188	93 498 329
Non-current liabilities	72 753 967	48 687 715
Long term liabilities	72 753 967	47 457 607
Deferred taxation and other non-current liabilities		1 230 107
Current liabilities	134 411 846	112 104 613
Non-interest bearing liabilities	85 579 820	68 831 938
Interest bearing liabilities	48 832 025	43 272 675
Total equity and liabilities	291 133 001	254 290 656

Côte d'Ivoire

- funding structure



Facility

- Syndicated loan: XOF (millions) 76142 (Equ Mons USD 146)
- Start date : Jul 09
- Ending date : Mar 14
- Number of Installments: 8x starting Sep 10
- Interest rate: 8%
- No capital repayment during the first year