

MTN Group Limited  
(Incorporated in the Republic of South Africa)  
Registration Number 1994/009584/06  
Share code: MTN  
ISIN: ZAE000042164  
("MTN Group")

## **RELEASE OF SUBSCRIBER NUMBERS FOR THE QUARTER ENDED 31 March 2011**

MTN Group recorded 147,265,000 subscribers at 31 March 2011. This is a 4% increase for the quarter from 141,598,000 subscribers recorded at 31 December 2010. The Group continued to perform well despite aggressive competition and heightened political unrest in certain countries in the Middle East and West Africa.

MTN continues to make good progress on its various key group initiatives.

- Data, including SMS, has continued its strong growth trajectory. In South Africa, smartphones account now account for 11% of the postpaid and 1.5% of the prepaid base.
- As previously disclosed, MTN entered into a joint venture agreement with American Tower Corporation to acquire the tower portfolio of MTN Ghana. The joint venture closed on the acquisition of an initial tranche of 400 towers in early May 2011.
- Mobile money subscribers increased by 5% to 4,6 million when compared to December 2010. MTN is now active in 12 of its markets, 5 of which are in pilot soft launch phase. In Uganda, mobile money revenues contributed more than 3.5% of total in country revenue for the quarter.
- MTN continues to benefit from its various cable investments. In April this year the high-capacity West Africa Cable System (WACS) linking Southern Africa and Europe landed at Yzerfontein, South Africa. The 14,000km long fibre optic submarine cable system has already landed in Nigeria, Cote d'Ivoire and Cameroon and is expected to land in Ghana in early May 2011. MTN is the landing party in the last four countries mentioned. Service on this cable system is anticipated to commence in late 2011.

The analysis below is presented on a regional basis. The subscriber bases of the three regions continue to grow at marginally different rates although, when compared to December 2010, the subscriber contribution between the regions remains relatively unchanged. South and East Africa (SEA) region contributed 22% (December 2010: 22%) of the Group's total subscribers while West and Central Africa (WECA) and Middle East and North Africa (MENA) contributed 45% (December 2010: 46%) and 33% (December 2010: 32%), respectively.

The SEA region increased its subscriber base by 3.2% for the quarter. The South African operation contributes 58% to the region's subscribers, increasing by 1.9% to 19,197,000 for the quarter. The growth was slower than expected as a result of higher prepaid disconnections due mainly to seasonality, although some distribution difficulties also contributed. Market share was marginally down following increased competition in the prepaid segment. Uganda increased its subscriber base by 6.9% to 6,908,000 maintaining its leadership position in an increasingly competitive market.

The WECA region increased its subscriber base by 3.4% for the quarter. The strong growth in the region was attributable to good growth in Nigeria and Ghana which contribute 60% and 14% respectively. Nigeria recorded a 4% increase in its subscriber base to 40,211,000 as competitor campaigns and promotions stepped up. MTN responded by introducing new segmented tariff plans and bundled offerings in late January 2011. This enabled MTN to retain its market share. Ghana also increased its subscriber base by 4% to 9,070,000 maintaining its market share as competition intensified. This was due to competitive offers in the market, improved churn management as well as the introduction of attractive data packages. Cameroon recorded negative net additions of 203 000 following a regulatory requirement to disconnect 306,000 unregistered subscribers at the end of March 2011. The company had secured 91.4% of the revenue by the end of the quarter, however the regulatory requirements negatively impacted distribution efficiency. Cote d'Ivoire increased its subscriber base only marginally to 5,406,000 mainly as a result of the political and social instability. Although there seems to be resolution of the political dispute, the civil unrest has had a negative impact on the country and normalisation of the operation is expected to take some time. Following a dispute relating to fees allegedly owed to the authorities in Guinea Conakry, a presidential decree has placed the company and its assets under the administration of the regulator. MTN's operations in Guinea Conakry, Areeba, are negotiating in good faith with the government. We are confident that both parties will reach an amicable solution that will be in the best interest of all the stakeholders affected, including the millions of MTN subscribers in Guinea.

The MENA region recorded a 5.5% increase in subscribers for the quarter. The growth within the region was largely attributable to Iran which contributes 66% to the region's subscribers and which increased its subscribers by 5.5% to 31,391,000. Iran continued to perform well as its value propositions remain attractive to the market. Syria increased its subscribers by less than 1% to 4,920,000. The licence conversion process is still on track although it is will be delayed as a result of the present unrest in the country.

In line with previous year's trends, the year to date first quarter ARPU's show a step change. MTN South Africa's blended average revenue per a user ("ARPU") decreased by 10% to R137. Prepaid ARPU decreased 10% to R101 and postpaid APRU continued on a downward trend declining 9% to R299. This is as a result of continued migration onto lower value packages. Nigerian ARPU decreased by 6% to \$10 as increased usage partially offset lower tariffs. Ghana's ARPU declined by 5% to \$7 mainly due to the impact of currency movements as local currency ARPU's increased marginally. Iran's ARPU continued to remain relatively stable at \$8 while lower usage in Syria reduced ARPU by 12% to \$14.

#### **Revised 2011 net additions guidance**

	Old (000')	New (000')
South Africa	2,000	2,000
Nigeria	4,200	4,400
Ghana	390	900
Iran	3,350	4,200
Syria	600	500
Rest	6,385	6,435
	16,925	18,435

## Subscriber Numbers

	Dec-10	Mar-11	% change	Contribution %
	Subs '000	Subs '000		
<b>SEA</b>				
South Africa	18,841	19,197	1.9%	58%
<i>Post-paid</i>	3,365	3,434	2.1%	10%
<i>Pre-paid</i>	15,477	15,763	1.8%	48%
Uganda	6,463	6,908	6.9%	21%
Mascom - Botswana	1,414	1,445	2.2%	4%
Rwanda	2,547	2,638	3.6%	8%
Zambia	1,900	2,043	7.5%	6%
Swaziland	726	678	-6.6%	2%
<b>Sub total</b>	<b>31,891</b>	<b>32,909</b>	<b>3.2%</b>	<b>22.3%</b>
<b>WECA</b>				
Nigeria	38,669	40,211	4.0%	60%
Ghana	8,721	9,070	4.0%	14%
Cameroon	4,792	4,589	-4.2%	7%
Cote d'Ivoire	5,381	5,406	0.5%	8%
Benin	2,144	2,245	4.7%	3%
Conakry	1,761	2,002	13.7%	3%
Congo - Brazzaville	1,666	1,725	3.5%	3%
Liberia	746	795	6.5%	1%
Bissau	568	570	0.3%	1%
<b>Sub total</b>	<b>64,449</b>	<b>66,613</b>	<b>3.4%</b>	<b>45.2%</b>
<b>MENA</b>				
Iran	29,743	31,391	5.5%	66%
Syria	4,898	4,920	0.4%	10%
Sudan	3,475	4,016	15.6%	8%
Afghanistan	4,045	4,189	3.6%	9%
Yemen	2,856	2,977	4.2%	6%
Cyprus	241	250	4.0%	1%
<b>Sub total</b>	<b>45,257</b>	<b>47,743</b>	<b>5.5%</b>	<b>32.4%</b>
<b>Total Subscribers</b>	<b>141,598</b>	<b>147,265</b>	<b>4.0%</b>	<b>100%</b>

## ARPU

	Dec-10	Mar-11	% change*	LC % change
	YTD ARPU	YTD ARPU		
<b>SEA</b>				
South Africa**	R 152	R 137	-10%	-10%
Post-paid	R 329	R 299	-9%	-9%
Pre-paid	R 112	R 101	-10%	-10%
Uganda	\$5	\$4	-22%	-16%
Mascom - Botswana	\$11	\$10	-11%	-15%
Rwanda	\$5	\$4	-24%	-24%
Zambia	\$6	\$5	-16%	-17%
Swaziland	\$12	\$14	11%	-7%
<b>WECA</b>				
Nigeria	\$11	\$10	-6%	-5%
Ghana	\$7	\$7	-5%	1%
Cameroon	\$8	\$7	-8%	-12%
Cote d'Ivoire	\$7	\$6	-3%	-6%
Benin	\$9	\$9	-3%	-6%
Conakry	\$5	\$5	-18%	-6%
Congo - Brazzaville	\$10	\$9	-12%	-16%
Liberia	\$10	\$10	7%	7%
Bissau	\$8	\$6	-18%	-21%
<b>MENA</b>				
Iran	\$8	\$8	-1%	0%
Syria	\$16	\$14	-12%	-11%
Sudan	\$5	\$4	-4%	8%
Afghanistan	\$5	\$5	-16%	-18%
Yemen	\$6	\$6	-12%	-14%
Cyprus	\$32	\$32	-2%	-6%

\* %'s are based on actual and not rounded figures

Subscribers are customers who have participated in a revenue generating activity in the last 90 days. ARPU is the monthly weighted average revenue per subscriber. Revenue includes interconnect fees and excludes connection fees and visitor roaming revenue, and this is divided by the weighted average subscriber base over the period.

\*\* South Africa subscribers and ARPU's include community service payphones into pre-paid and application providers into post-paid.