



**MTN Group Limited**

**DATE: 19/03/2008**

**MTN Year End Results Presentation**





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**Nozipho January-Bardill**

Good morning, sanbonani, salaam aleikum, bonjour Mesdames et Messieurs, y'ello ladies and gentlemen. My name is Nozipho January-Bardill, and I'm the group executive responsible for corporate affairs. My task this morning is to warmly welcome you to our innovation centre to the MTN Group's annual results, and also to introduce you to my colleagues who will make the presentation. A special welcome goes to members of our board who are present in the audience. I also wish to acknowledge the presence of my colleagues in the executive, and in particular our three Vice Presidents from the regions of our footprint.

Today's audience also includes as usual the investors, the analysts, members of the South African and international media and our general managers, both from the group and MTN South Africa. To the MTN'ers in our footprint across the continent and the Middle East who are watching the presentation via web cast, a warm welcome to all of you as well. Distinguished ladies and gentlemen, I'd like to introduce to you at this point our group President and CEO Mr. Phuthuma Nhleko, our Chief Operating Officer Mr. Sifiso Dabengwa and our Chief Financial Officer Mr. Rob Nesbit. Phuthuma will start off by presenting the group's strategic and operational overview, and Rob will follow and take you through the group numbers, at the end of which Phuthuma will conclude with an outlook for 2008. Slides 28, 29 and 30 in the printed booklet refer to this period in the future.

After all the presentations are done you will have a chance to ask questions to our panellists, and no doubt our VPs will also be able to respond to some of those that are relevant to their regions. So at this time I'd like to invite Phuthuma to come up, and ask you please to turn your cell phones off or keep them silent. Thank you very much.

**Phuthuma Nhleko**

Good morning and thank you very much Nozipho. I would really like to welcome the MTN group directors, and I think as you said all the thousands of colleagues that are watching this on web cast. We certainly appreciate the time that you've made to come and ask us questions, but of course more importantly for us to give the results for the year that ended December 2007. If we start off with the vision for the group, we certainly believe that we're still very much on track on what we promised almost five years ago in terms of repositioning MTN to become a dominant operator in the emerging markets. I think if you look at the period from 1993 up until 2007 you can see that both our revenue and subscribers have had a correlation that has made it quite sensible for us to continue the fairly significant expansion.

That expansion of course is driven by fundamentals, and if one had to take a very broad overview of some of the key markets, you'll realise that the fundamentals are fairly strong in terms of the GDP growth in those countries. But more importantly, it has always been our view that the economy in these countries is fairly significant. Hence our challenge in being able to forecast market sizes appropriately. Nevertheless I think we've sort of stress-tested our way as we expanded, and revised the

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addressable market sizes upwards as and when we felt very confident to do that. And I think if you look at those key markets you will find that by 2012 we are really seeing something in the order of around 240 million addressable subscribers. And in many respects that does really confirm the high growth that we certainly anticipate in these markets.

A key feature of course of this growth is the very extensive increase in the traffic. I mean just to put things into perspective, within two years Iran will be generating the same traffic as South Africa after almost 14 years of South Africa's existence. In a very similar way Nigeria has actually surpassed South Africa now in terms of traffic. So we are dealing with a fairly significant growth in demand, and that demand is outstripping the capacity that we have. And because of that we have resolved to make 2008 a very large capex year to try and ensure that we fully take advantage of the demand and don't find ourselves losing out on this growth. Now I know people may argue and say, well, you've said this for quite a few years. But I think that traffic graph just shows you what has happened in the last year in Nigeria, in Iran and even in the medium-sized countries. They're going through essentially the same growth.

I think if we look at the results, and just put those results into context, firstly let me say that of course we are still subject to the currency movements, still very much susceptible to that. But I'd like to say I think this year the impact has been relatively minimal in revenue and in EBITDA, and I think Rob in his presentation will address that in more detail. The second context of these results is of course the end of the pioneer status in Nigeria, and therefore the tax holiday in Nigeria. And of course it's also the first year that we've had the full impact of the Investcom acquisition. Within that context we've still managed to increase the subscribers to 61 million, which is a 53% increase. Revenue is up 42% and EBITDA is up 42%. I think even if you had to ring-fence the Investcom operations out of those results, you'd still see that the old operations that MTN had actually grew close to 30% per annum, both on revenue and on EBITDA.

The EBITDA margin I think was a fairly key measure that we've set ourselves a target on. We've always said that we wanted to be at least 45% EBITDA margin or above. And we are at 43.5%. That 43.5% includes the impact of the higher revenue share in Iran. If you had to take Iran out of this equation you'd find that we're looking at an EBITDA margin of close to 44%, which is very close to the target that we set a few years ago. The earnings per share are up 17% to 681.9 c. That's of course the adjusted EPS, which as I said takes into consideration the pioneer status end in March 2007 and quite a number of other adjustments that will be dealt with under the financial section.

Last but not least let me just say that we have increased the dividends by 51% to R2.5 billion. More importantly, we changed the cover because as you will see from the financial presentation there has been very strong cash generation out of the group, and even though we're going to have a fairly large capex year in 2008 we're very confident that that capex is going to continue to generate fairly large growth and fairly strong cash



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flows. I think finally, let me just say that the net debt to EBITDA measure we indicated would be at about 0.4 by December 2008. We are already at 0.5 X, so we are well ahead of what we undertook to do. Now of course with large capex during the year that might go up again, but we think that is a fairly key highlight for this year's performance.

Looking at the key developments, let's say that the expansion opportunities will continue. We really do believe that we must continue to look at opportunities that can extend the footprint of the group. And I must say that's not simply expansion for expansion's sake. It is really driven by the fact that economies of scale in this business are very important. So in this particular case size does matter. We have come to the conclusion that a good part of this expansion is likely to be M&A related, simply because there are a limited number of new licences now that we can look at. We have increased our stake in Rwanda and Botswana, because in those cases we're below 50% and it's fairly important for us to be above 50% and have proper control, particularly management control. But in the case of Uganda, Nigeria and Cote d'Ivoire we essentially broadened the base in those countries.

Looking at the rollout, I have said that this continues to be one of the key challenges that we have. I'm happy to say that in this last reporting period, certainly in Iran and Nigeria, we have reported record rollout of base stations. I think both those countries are running above 150 base stations per month. Notwithstanding that we are still not meeting the full demand. And of course capex for 2007 was R15 billion and increased as a percentage of revenue. Convergence is a fairly important theme that we've spoken about. We did take a view in South Africa, as you recall, on Telkom. Unfortunately we couldn't proceed to a conclusive stage, but we've continued in other countries like Nigeria, Cameroon, Cote d'Ivoire and Syria to acquire ISPs with a view of having a far more integrated solution and value proposition to our clients, particularly the corporate clients. So this will continue to be a big feature of 2008.

The branding of Investcom has been effectively completed. There are most probably two countries left, Afghanistan and Liberia, and Afghanistan will be branded hopefully in the next two months. And of course we spoke about the capital structure in terms of reducing the debt, which I've already said we've done quite satisfactory. But also improve the return on equity by ensuring that the underlying operations are geared as significantly as we can. Again this has been done, and Rob will deal with it under finance. One of those features was the \$2 billion unsecured facility that was raised in Nigeria. Once again that is testimony to just how strong the Nigerian economy has become over the last five years. Five years ago you couldn't do that, but now they could raise that level of facilities in a matter of weeks.

If we look at the subscribers per region, we've always set out to have a far more diversified base in terms of subscriber earnings. We're not there yet, but certainly we've made some fairly substantial progress in that regard. As expected the MENA region is contributing more, and the SEA region is declining. Of course the MENA region is driven very much by



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	<p>the exceptional growth that we've seen in Iran in the last nine months. So this clearly does help to diversify our subscriber base, and we'd like to try and replicate this on an earnings basis as well. The ARPUs have remained fairly strong. Of course in Nigeria we had given you guidance that we expected to be in the lower teens by this time of the year. I must say we've seen a much stronger resilience of ARPU in Nigeria. At \$17 we still think that's fairly good after almost five years. The \$3 drop in ARPU if you look on a group-wide basis is obviously clearly expected, because we are going into lower segments in each market.</p> <p>If we look at EBITDA, again we are fairly happy with this in the sense that the initiatives we have taken in the last few years to bring up efficiencies seem to have borne fruit. Yes, at times there is some currency impact that helps us, but overall the EBITDA for the group has gone from 29.2% margin in 2002 to the 42.5% in 2007. And as I said earlier, if you take Iran out of that you're actually looking at almost 45%. We don't believe that has happened by accident. It is the result of a lot of the initiatives we have taken. Each region has improved. As you can see here in the SEA region South Africa has a 34% EBITDA margin, and in the WECA region Nigeria has maintained 57%. Again I know people will raise questions in the sense that we said we would expect to be in the low 50s by now. We still say that is likely to happen because you've got two very strong players that have entered the Nigerian market, very well-resourced. So we are saying that we've maintained that margin in Nigeria, but it's likely to come under pressure. The MENA region of course is the only one that has dropped in the EBITDA margin, primarily because of the Syria and Iran revenue share. And of course Syria, as you know, that revenue share goes up every year. So that is really the situation in the EBITDA area, and we hope to continue those initiatives that we've started.</p> <p>Looking at the SEA region, certainly South Africa is not ex-growth. Yes, if you look at the other operations it looks a somewhat muted growth, but we believe that as we are still seeing a 17% increase in subscribers year on year it's still a fairly strong market. What is more important of course is that after about nine years a country such as Uganda is still showing us a 48% increase in subscribers. This supports my point about the shadow economy in these countries, or the informal economies, being much stronger than people would realise. In Zambia we had a bit of a slow start, and this is as a result of being a bit slow out of the blocks on the network after we acquired the operation. But I'm glad to say we've made significant progress there as well.</p> <p>In South Africa, we had a very strong recovery in post-paid in the second half. We mentioned to you that we had that on-biller challenge which was cancelled, but those 343,000 subscribers that became prepaid actually migrated back to post-paid. So it would show as being fairly strong. Prepaid performed as expected. And more importantly, on the ARPU we found that the low-denomination vouchers have helped us a great deal in stabilising the ARPU at the prepaid level, and of course ensured that churn is slightly lower in that area.</p> <p>We have looked at distribution strategy in South Africa quite seriously,</p>



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	<p>and in 2008 there will be quite a significant review and initiatives to widen that footprint and make it stronger. And also realign the channel mix in terms of how we get our product out there. So overall post-paid performance in South Africa is satisfactory. Low-denomination vouchers have helped. A lot of bundled offerings have also kept us very competitive. The marginal ARPU in South Africa in our estimation is around R308 for post-paid and about R55 for prepaid.</p> <p>I indicated that capex across the group has a general theme is going to be quite a big issue for 2008, and South Africa is no different. But we have of course started in 2007 to again spend more on capex to try and accommodate the growth of 3G subscribers. So we increased the sites by 737 during 2007. We also spoke about self-provisioning, once the regulator had allowed us to do more of that. And we will lay cable of almost 5000 kilometres in 2008. And I think that will put us in a much better position in that area. Data has increased as well to 10%. The pleasing aspect of that is that the SMS has reduced to only 63% of data. And as I said, if we do make some meaningful advances in the ISP area in South Africa we'd like to see an even larger improvement in that. And of course the operators in South Africa are highly competitive, hence the great prices on data. And I think the consumer is obviously the winner in that area.</p> <p>Regulations in South Africa continue to be challenging. Firstly, ECA, where we are supposed to transform our licences, we are still having discussions with ICASA on that. I think they've taken out a first draft, but we're not happy with that because we feel there needs to be more thoroughness in the way that those licences are worded and so on. So that's an ongoing discussion. We're hopeful that by June/July that will have been completed. Inter-connect again is an ongoing discussion. Public hearings were made, but we haven't really reached any conclusion with ICASA in this area. And then of course the challenge with Cell C, where they have had discussions with the Competition Tribunal. Again I think we're hoping that this will be finalised this year, but the ball is very much in their court, and we will respond accordingly as and when the process moves on.</p> <p>The Interception Bill I guess is still to be finalised by parliament, and we will wait until we can find a way of ensuring that the well-intentioned and absolutely essential requirements of government through this bill are done in a manner that is palatable to us commercially and is balanced and fair to everybody. I think one of the key issues of course is the timing of the registrations and having to disconnect people who are not registered and so on. So I'm sure this will be resolved this year. I think finally on the regulatory front, the BEE front, as you know the ICT Charter really preceded the DTI code. Input has been made and we're waiting for the DTI to make the final decisions on that.</p> <p>The WECA region is now the biggest contributor to MTN Group; notwithstanding that Nigeria is effectively 59% of the total sub-base. The important point here is that the medium-sized countries and the smaller countries are actually now growing at a faster rate than Nigeria. And we</p>



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	<p>did have problems in Benin. As you may recall we lost two months of service there, but that problem was resolved and they still managed a 37% growth in subscribers. Looking at Nigeria, ARPU at \$17 by the end of the year and with marginal ARPU at \$10, we thought that was pretty good. By mid-February they had 17.4 million subscribers, so it's a run-rate of about 450,000 per month. We're not saying that rate will be sustained, and we don't want to mislead, but we're trying to indicate here that that run-rate has been very strong without any promotions. We're not doing any promotions because we are trying very hard to ensure that we've got sufficient capacity.</p> <p>Of course we have had challenges with the NCC on level of congestion, and we are discussing that. There was a court issue, but on Monday the court ruled in our favour that the process that NCC was following was not appropriate. And we are hopeful that given that step that was in our favour we will all find an amicable way of going forward on this. We also had very enhanced product offerings in Nigeria: Blackberry, GPRS, EDGE and WiMAX. And of course we have stated rolling out 3G on a pilot basis in Nigeria. The other key feature was the broadening of the shareholder base in Nigeria. We had said we would do that, and we've said that for quite a few years. We have now placed in excess of 6.5% of our holding in Nigeria with a much broader base of individuals and institutions. Now those institutions obviously have a wide base of shareholders, and some of them have pension funds and so on. In future we may decide to broaden that even further, but nevertheless we thought that was a very good first step.</p> <p>The rollout remains a very key issue in Nigeria. Just to take one step back, you will recall that in the fourth quarter of 2006 we had a new value proposition in Nigeria, which amongst other things had an impact of reducing tariffs. I think even we underestimated the elasticity, and it was a huge explosion in subscribers after that. And this is why you will see that in 2007 – particularly the second half – we have rolled out the most sites in Nigeria that we've ever rolled out in six months. And we expect that pace to continue during 2008 as we're going to put out enough capex to try and cover that demand. Now, I'm aware that at times there is some scepticism about the capex numbers we give out, and the capacity to actually meet that rollout and put the infrastructure in the ground. But as I've indicated in Iran and Nigeria that pace has increased significantly. I think anything above 150 base stations per month is now being achieved. And we hope to maintain that pace. The 3G license we paid \$150 million for last year, and as I said we're still very much in the trial phase.</p> <p>Of course Ghana was the largest operation in the Investcom stable, and it was the largest contributor. And I'm glad to say that once we applied MTN methodologies to that, we virtually doubled the number of subscribers in a year. I mean the operation had been running for almost ten years, and in eighteen months we doubled the size of the network. And Ghana capacity and size of the market seems to be much higher than what we envisaged initially. So we were at 4 million subscribers by the end of the year, and by end of February we are at about 4.2 million</p>



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	<p>subscribers. But we are expecting strong competition in Ghana. MTC has come into the market, and I'm sure another licence may be issued.</p> <p>However, we do believe as usual that our strong position in the market, quality of service, quality of distribution and quality of network relative to others will keep us at the current market share, or hopefully improve the market share that we have. A big event in Ghana was Afcon, which we believe went fairly well. Rollout on Ghana was strong as indicated. 718 base stations were put up in 2007, and of course four new switches. Even though the operation has been there for many years, it is still only around 73% of the population. And we're hoping that once we lay the 1600 fibre in Ghana it will also give us far more transmission capacity to be able to increase the level of services and market share.</p> <p>Lastly, if we look at the Middle East, let me just say that on that slide we are really talking about 49% of MTN Iran sales. So when you look at that number you should keep that in mind. The key story here is the huge demand that we've seen in Iran on the subs growth. But it's true in the other regions as well. Syria has been in existence for quite a number of years. We're still enjoying almost 40% growth on subscribers. And of course Afghanistan is also, notwithstanding being an operation that is facing a lot of security challenges and infrastructural problems and so on, is still growing quite phenomenally. This has been around for as long as the Investcom acquisition, which is only about eighteen months. And we'd expect good growth going forward.</p> <p>If we look at Iran, of course even though we launched around October/November 2006, the operation was really launched in earnest only in January 2007. And by mid-March 2008 we had already reached 9.4 million subscribers. It was 6 million subscribers by December. As I indicated earlier the growth is fairly significant in the sense that by the end of December 2008 we would expect, purely on a subscriber basis, for the Iranian business to be the same size as the South African business. And it took fourteen years to get there. So you can have a sense of some of the pressures we would be facing on the network. I should point out that these numbers... in Iran it is Norouz, which is the new calendar year and festive season, so that has had an impact on this, as well as promotions like BOGOF - Buy One, Get One Free. So that has helped. And we can't say that will necessarily be maintained for the rest of the year. But suffice to say that it's very strong growth. And that 25% market share in Iran has been achieved again literally in a year.</p> <p>The inter-connect agreement is still not signed. It's not because people don't want to sign it. There have been a lot of administrative, bureaucratic issues that have been dealt with, but we are very confident now that it will be signed fairly shortly. Infrastructure, we've got over 2000 sites in Iran now that are live. In fact, I think it's about 2023. Again, it was a different concept we followed. It was the first time that we went on a complete turn-key basis with three very big international vendors, and we believe that has helped us a great deal in the coverage. That coverage is still very small. The 339 sites is only 30% of what our competitor has in Iran. So we've still got quite a long way to go. We are still within the licence</p>



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<b>Rob Nisbet</b>	<p>conditions. We haven't breached those. But it's just an indication that from a coverage perspective we've still got a long way to go, even though we've only got 15% of the population.</p> <p>Sudan has been one of the challenges that we had in 2007. We started off with some technical challenges on the HLR in the first quarter, and that slowed us down a little bit. And then of course the CDMA operator did launch with very low tariffs and very high handset subsidies and so on. But notwithstanding that, I think we've still been able to increase the subs to 1.5 million. Of course those very low tariffs forcing us to be competitive have had an impact on the ARPU. The re-branding has gone very well, and I think it's true really for all the Investcom operations. I think the MTN brand has been well-accepted, and we are consolidating that position as we go forward. Capex again is a fairly big issue in Sudan. And we sincerely hope that we can roll out in the south of Sudan. As you know, there are political challenges in the south, but we do believe that we are moving towards a situation where there is agreement between the north and the south for us to be able to roll out the network in the south.</p> <p>A key feature of Syria as you all know is that it's a BOT arrangement, which makes it difficult in terms of finding a happy balance between investment for keeping up with capacity when actually at the end of the BOT you would have to hand the infrastructure over. The second feature of course is the very high revenue share in Syria. We remain hopeful that at some point we'll be able to renegotiate those. But suffice to say we haven't made progress in this area at present. The recharge cards in Syria are also very short term, and I think that has got quite a high impact on churn. We can't extend that period, because if we do that the other competitor has to agree to do that as well. But certainly we're still seeing very significant growth in an operation that has been around for quite a while.</p> <p>There were 317 new BTSs rolled out in Syria, and as I said it's an operation that's been there for a while, and therefore has almost the entire population covered. But we believe there is still quite an opportunity on the value-added side of things. But because it's managed, we can't go on our own; our competitor has to be ready to go as well. So we are in a sense almost artificially held back in that area. So I think that's really the key operational issues. Let Rob come and do the finance, and then we'll take it from there.</p> <p>Thank you. Thanks Phuthuma. Morning members of the board, ladies and gentlemen and all my fellow MTN'ers out there. It's my pleasure to bring the financial results to you for the year ended 31 December 2007. I think just to start off with when you look at the results compared to December 2006 you must recall that obviously up to December 2006 we only had Investcom for the six month period. So what we have done on some of the lines is effected unaudited numbers for Investcom for the full twelve month period to December 2006, so you can just relatively get the performance year on year and from the group perspective as well. Phuthuma has been through this, and this is obviously the impact of</p>



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	<p>Investcom coming through, on the revenue side the increase was 41%. If you look at the organic growth it's about 28%. EBITDA, very similar numbers. Adjusted HEPS went up close on 17%, and obviously I'll go through that when we get to the HEPS number because when you look at the earnings for the year without the adjustment for the year that was obviously down. And I'll go through the reasons for that.</p> <p>Just the key accounting considerations. I think firstly if you look at the tax charge this year of R7.7 billion. I think the key issue to remember there is if you look at the effective tax rate of 39% compared to last year's 17.6%. Obviously the major contributor was Nigeria coming through, and I go through another slide further on about Nigeria. But if you look at that overall increase year on year of about R5.2 billion, you'll see that Nigeria counts for about R4.6 billion of that. So obviously the major impact coming through of the increased tax rate is Nigeria. The adjusted HEPS effect, which I'll go through a bit later on as well, obviously on the deferred tax credit side you have that R264 million coming through. What that is effectively is for the first three months of the year we were still in pioneer status, so basically a deferred tax asset was raised for the first three months. And then obviously that was unwound for the last nine months. So the effective unwind during that period was the R1.9 million.</p> <p>So it's really when you look at the adjustments that come through to our adjusted HEPS line it's the net of those two that effectively come through. On PPA amortisation, Investcom accounted for R1 billion of that. As you are aware we do have this put and each year we reverse it out, because we don't believe in the IFRS treatment of the put option. So the impact of that on our earnings has been the R366 million. Change in ownership, none of these actually impacted on our results for the year, other than when you look at the comparative analysis 2006 to 2007, specifically in the southern region. Because of Uganda – we increased our stake late in 2006 and for this year it has been fully consolidated – it does distort the numbers slightly if you look year on year. Other than that it really wasn't material.</p> <p>On the forex side, I think the key issue there is when you look at the forex loss of some R800 million you should unpack that, because it does look a large number. The put option comes through on that line of about R360 million. The items that come through on the forex loss side. The other item is the \$750 million loan that we raised for the acquisition of Investcom. Obviously we've covered that forward, so the forward points on that for the year also come up to about R300 million. So those are the two major items. I know in terms of accounting rules nowadays that comes through as a forex loss. Quite a few years back that used to come through interest, and personally if you look at the interest differential between the two – you all know how you calculate the forward points – I still believe that is more of an interest line than a forex loss line. The other item that came through on that line was the loss on the Dollar loans that Iran made with the slight devaluation of the Iranian Rial to the Dollar. And that was about R160 million.</p> <p>Just to get on to the HEPS side, the bottom line a 16.6% increase. As I</p>



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	<p>mentioned, two key items. If you look at the Nigerian deferred tax and combine the two together, that's the reversal of 12 cents. And obviously the 89 cents above that. So obviously you can view it as one. Then the reversal of the put option. The contribution below that year on year, if you look at the southern regions, that contribution went up about 14%. Then if you look at the West Africa region, that went up 24%. Obviously you get the MENA region increasing substantially, but that was off a very low base. Head office companies as opposed to head office, obviously there is a large cost coming through there, and the major item that came through there is the put option. And on the other side the cost of the interest due to the Investcom acquisition that came through on that line.</p> <p>On the exchange rate side, the Rand Dollar was pretty flat for the year on average. Closing there was a movement. The other one to look at is the Naira as well. Last year we did give out our anticipated numbers from a budgetary perspective, so the Naira was actually stronger than the dollar compared to what we budgeted. And if you look at the Rand as well, it was also stronger against the Dollar. So obviously that does come through on the capex numbers compared to what we spent for the 2007 year compared to what we put out. The other two items I will mention is the Ghanaian Cedis closing rate, the devaluation of 10%, as well as the Sudanese Dinar. The only reason why I mention that is when we look at intangibles, when the intangibles of the goodwill comes through there is an effective decrease in that of about R1.1 billion.</p> <p>On the income statement side, revenue we've spoken about. EBITDA of 42% and 27%, and this obviously does get impact on the next slide. Depreciation was R6.7 million, and there are more details in the back. Obviously the major contributor to that is Nigeria, which I think contributes about 46% to that depreciation line. And the other one of course is South Africa at about 20%. The amortisation major item still coming through there is obviously the Investcom acquisition and the other intangibles coming through from the other operations. Finance costs at R3.1 million; really comprised mainly of the head office companies at about R2.4 million and the other two major items in there close to about R300 million were South Africa and Nigeria on that line.</p> <p>Income tax expense I have gone through already. And then obviously minority interests. The reason why that decreased is you may recall in December 2006 we increased our stake in Nigeria. So effectively if you compare to 2006 our stake increased in the region of about 7%. So minorities decreased in that calculation. So that's really the reason for the decrease year on year. Obviously as you're aware that has subsequently changed again, and we have decreased our stake in Nigeria. So that will obviously pick up this next year. Just on the revenue analysis, this is obviously the reported line. I'm just going to swap over to the next slide. If you look at the total revenue of 41%, if you exclude Investcom you've got the 27% coming through. If you go to the next slide, this is effectively looking at the Investcom numbers for the full twelve months of those six. So when you look at South Africa up at 14.8%, good growth coming through there. As Phuthuma said, it's not fully mature at this point in time.</p>



Speaker	Narrative
	<p>The other operations at 61%. I mentioned earlier on that we had increased our stake in Uganda, and you saw the other small increases. Uganda is actually the major impact there, so if you had to unpack that and just look at the operations' performance year on year you'll find the other operations that fall into that, their revenue went up about 36% year on year. So obviously it wasn't 61%. Comparatively it was 36%. Nigeria was 35.9%. If you look at Nigeria in Naira, that went up by about 30%. Ghana, 34%, which was a good showing there as well, as Phuthuma said. It really has performed since we put more capex in the ground. Other operations coming through at 37%. Iran, great performance coming through at R1.341 billion.</p> <p>If you recall, I mean last year we stated that we were hoping to get connection fees coming through in the region of about \$100 per connection. For this last year if you look at prepaid those connection fees really came through at about \$12, so there is a major decrease there. So connection fees don't form a major part of the revenue that came through in Iran for the year. And a lot of that is therefore just airtime revenue that came through on that line. Sudan was obviously off a very low base, and the other operations' major reason for increases was items such as Afghanistan that were really start-ups in the previous period.</p> <p>EBITDA. I'll spend a bit of time on this slide and then I'll go to the twelve months restated for Investcom. South Africa, as Phuthuma said, increased its EBITDA margin, which is a good showing. And we do effectively reflect that out excluding handsets as well, as you can see you have a similar increase in a latter slide. The other operations coming through on the margin, the 50% increase I mentioned earlier, it wasn't a 50% increase, it was lower than that. If you look at the December 2007 EBITDA margin for the other operations compared to 2006, the 50% down to 46%, effectively all those operations dropped by 2%. And the other item that came through there was Zambia. As Phuthuma said, although it's improving it had an EBITDA loss for this year, so obviously that decreased the overall EBITDA margin for that grouping. Nigeria was pretty flat year on year, notwithstanding the increase in revenue of about 30% in local terms. Obviously that is the underlying expenses coming through.</p> <p>Ghana had good performance, with other operations increasing up from 39% to 42%. Iran, if you remember in June when we reported the EBITDA loss that came through Iran for the six months was R180 million, which is the same as it was for the full year. Iran did turn EBITDA positive from September, so for the last four months of the year it was positive. We don't see that turning around, so this year for Jan/Feb Iran continues to be positive. We did previously state that we expect the Iranian EBITDA margins going forward to be in the mid to high 20s once it gets a bit more mature. I doubt whether we'll get into the high 20s this year, but obviously that will be our target for next year.</p> <p>If you look at Sudan as mentioned, you can see the start-up of that effectively coming through. And other operations were fairly low. And in those operations you have Afghanistan and you have [unclear] that</p>



Speaker	Narrative
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	<p>comes through there as well, as well as Cyprus. That's why those EBITDA margins in those regions are pretty low. Just on the 12 months comparative, other operations, in the SEA region instead of 50.6% would be about 26% for the change for Uganda and Ruanda and that. Ghana you can see at 35% and the other at 39%. And then just to drop down to Syria at 24% and Sudan obviously a major increase. That is effectively just because of the start-up that it was coming through. And then the other operations a fairly substantial increase as well, and that was mainly due to Afghanistan being off a low base.</p> <p>Profit after tax, I won't spend much time on this. I think just to mention that when you look at the bottom of this slide and see the note, you can see what we've done here. We've just excluded within Nigeria the deferred tax impact. Not the charge impact, just the deferred tax reversal. So you get more of a comparative analysis. We did the same last year. And I think just to state, Nigeria, if you look at that, it is obviously pretty flat. The effective tax charge, excluding the deferred tax reversal, was about R2 billion. So if you had to increase Nigeria's bottom line by the R2 billion you'd find that that number would have increased by about 40% in Nigeria. So good performance coming through. We'll see where it ends up next year, and get on to the tax rate as well, what we anticipate Nigeria to be, later on.</p> <p>Head office companies I have covered. Just to get to South Africa quickly, inter-connect is a slide that we normally show. And if you look at the handsets as well, obviously what we do there is take the handsets out of the revenue line. You can see there is only increase of 0.6 percentage points as well on the EBITDA side, which is good. The inter-connect costs you can see went up by 20% relative to the overall revenue. Overall revenue increased by 14%, so you can see the inter-connect negativity starting to come through into the overall South African margins. And notwithstanding that we still managed to get an EBITDA increase coming through. And that really was on the distribution and commission expense line where we had some savings. When I say some savings I think that's probably a bit of an easy statement. I think they've done a huge amount of work in that operation to try and make the routes and deliveries to market far more effective and cut down the commissions within those areas. So it wasn't an easy task within this market.</p> <p>On the Nigerian side the EBITDA margin was pretty flat. Capex to revenue, as Phuthuma said, if you look on the Nigerian side we have got congestion issues and quality problems. In South Africa we had the same. You will see this next year we are aiming to pick up our capex spend quite significantly, specifically in the Nigerian and South African operations, which we will get to a bit later on. Then overall as you can see, inter-connect was pretty flat. Phuthuma did mention the pricing issues and that within the Nigerian market. Just on intangibles, in terms of IFRS you have to finalise your evaluation of intangibles within a twelve month period of your financial year end, so all the intangible goodwill and that have now been finally allocated from the Investcom acquisition. If you look at the bottom you can see Ghana, which is the major portion of the goodwill allocation, which took up about R12 billion. And then</p>
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Speaker	Narrative
	<p>obviously Sudan at about R4 billion and Yemen at about R2 billion.</p> <p>As I mentioned earlier, if you look at that goodwill, it's not due to amortisation or impairment of goodwill. That decrease is really due to the exchange rate issue that came through of about R1.1 billion. The other items I won't go into, but the licences you are obviously amortising, and we did acquire the licence in Nigeria. So the total licence acquisition on that line was about R1.4 billion. Just a bit more on the tax side. Obviously the reconciliation back to 29%, if you look at the two major reasons why our tax rate was at 39.5%, obviously the first was the effective tax rate in Nigeria. That had an impact of 6.41%. Nigeria's effective tax rate for the year was 46%. In June we did say we expect it to be in the mid to high 40s, so it did come through at that sort of number. And then just for next year, just to put a peg on that as well, Nigeria effectively is still in its pioneer status. So instead of the effective tax rate being at 32% in Nigeria we still expect an effective tax rate to come through of about 40% or in that sort of region.</p> <p>Now from an overall group perspective obviously at 39.5% you'd expect our tax rate to reduce accordingly with Nigeria coming down. You would probably expect that rate to be around 35% or 36%. And the reason why it's not that accurate is once again for the first three months of this year we are still coming out of the pioneer status in Nigeria. So what it really means is that the three months of this year are double-taxed within Nigeria, so it depends on the profitability of the first three months of this year relative to the last nine months of the year. And depending on what that profitability ends up being it will depend what the effective tax rate ends up being within Nigeria. And that's why you cannot give an exact answer. It's a bit difficult, because we don't know what the profitability is going to be by the end of the year.</p> <p>If we then just look at the other item that came through, the non-deductibility of interest on the Investcom acquisition of 2.2%. Those two items really make up the majority of the reason for our extremely high tax rate. If you look at the cash tax rate and the accounting tax rate within Nigeria, if you recall the previous slides we've shown we've actually shown those two converging by December 10. With the additional capex we're now anticipating putting in the ground, that effectively starts converging slightly in 2010, but you're not going to see the effective cash tax rate hitting the same as your accounting tax rate until 2011 or 2012. It is still going to lag because of the additional capex going through within that market.</p> <p>On the balance sheet side, property plants and equipment I will address when we get to the cash flow. Goodwill and intangibles, I think I have mentioned most of the items that go on there. So I'll miss that as well. Other current assets are comprised of three issues: your deferred tax asset of about R1.3 billion, the loan into Iran Cell of about R1.2 billion and prepayments on sites within Iran and Nigeria, which is just over R1 billion as well. On the other current assets the increase year on year looks quite a lot. If you were to reverse out, there is a portion of the Iran loan in there as well. If you had to reverse that out the increase year on</p>



Speaker	Narrative
	<p>year would be about 35%, which is more in line with our effective trading. So there's about R1.6 billion in the current assets in the current year that is effectively a portion of the current Iran loan that we've advanced that you need to take out. Everything else I think is very much in line, so I won't spend any more time on that.</p> <p>If we just get down to the net debt side at R22 billion compared to R16 billion, as Phuthuma said we had very strong cash generation this year at R7 billion coming through. The debt EBITDA ratio is from 1.01 last year to 0.5 this year, so obviously well within our norm and range we want to be in. I think by the end of this year it is probably a bit of a debate how much of the capex hits the bottom line. But we're not going to be that far off that at the end of the day. Then if we get through to the net debt position by operation, the key item there that I'm going to mention is if you look at the cash build up, if you look at South Africa at the R2.8 billion building up from the dividend payment that is coming through. If you then go through to Nigeria as well there is a bit of a build-up there as well because there is an anticipated dividend payment coming through fairly shortly. And then the two operations with Ghana we've mentioned before. We do have an issue with regards to declaration of dividends right now because of some shareholder issues that we trust will be resolved within the next few months. And then the other one is Syria, and obviously cash continues to build up. It's just that legislation still hasn't been passed of how to externalise those funds in a normalised manner. So you can actually take them out, but we're waiting for that legislation to be passed at this point in time.</p> <p>Interest-bearing liabilities split; if you just look at the repayment profile you can see in the current year there's a slight pick up relative to last year. So at some point in time we need to start rebalancing that to a certain extent. But if you then drop down to the notes on the right hand side you can see our capacity and facilities we have available are about R20 billion, so we have ample capacity to settle any of those loans that become payable over the next twelve months.</p> <p>Just on the unproductive interest side, it is quite a big issue in our lives. You can see it has been reduced to about R13.5 billion, and as those dividends continue to come up from the underlying operations that can be reduced going forward. We have managed to gear up some of our underlying operations, and that is going to continue in the current year because it's a key focus area. And the reason for that it is far more efficient on the tax side with regards to interest deductibility. Moody's rating upgrade, I think as you're all probably aware we did get a rating upgrade. The issue is that it is notched down to allow us for future expansion. So if we obviously did do future expansion you wouldn't expect a downgrade to come through on that line.</p> <p>Cash flow statement. I think R25 billion or R26 billion cash inflows from operating activities is very strong. And then once again if you just look at the acquisition of PP&amp;E at R14.4 billion, and then software which is including in other investment activities of about R500 million. So we spent about R15 billion on the capex side. And the other investing activities are</p>



Speaker	Narrative
<p><b>Phuthuma Nhleko</b></p>	<p>the Iran loan as well as the licence of Nigeria of \$150 million, the 3G licence. Capital expenditure is a big slide. If you remember last year we had a budget of R18 billion. What we actually put in the ground was about R15 billion. If you look at those exchange rates you can see the Rand was a bit stronger than anticipated, so if you had to allow for that we most probably put about R16.5 billion in the ground. And I think we said we'd probably end up putting R17 billion in the ground, so we weren't that far off from what we said we would put in the ground.</p> <p>If however you look at the 2008 year, the boards at the various operations and the group board have approved capex in line with some R30 billion. Once again from an overall hitting the balance sheet perspective we only expect that to come through probably in the region of about R25 billion, which is a substantial pick-up from this last year. When Phuthuma showed us slides with the amounts of earnings coming through from those various operations and the amount of congestion that we have, going forward you will find that obviously revenue will follow through with the capex increase. Maybe not directly proportionally, because we do need to increase quality. But you will find in the latter years we will obviously pick up on the revenue side. Two key operations to mention there are Nigeria as well as South Africa. I think if you look at the quality of the South African network at the moment it's not what it needs to be and it's not what it was. So there's a pick up there. Obviously there is also the infrastructure rollout from a fibre perspective that comes through. And then there is also additional 3G capacity rollout that comes through there as well. So definitely pick-up coming through in that market, as well as the Nigerian market. The others, let's just say are in line. The markets are deeper with what we anticipated and therefore we are aiming to step up our capex spend in all those markets to take advantage of all the high demand coming through. Thank you.</p> <p>Okay. Thanks Rob. I think just to conclude then, just to look at some of the key issues for 2008. We still have five or six key things that are not going to change, and we're going to continue to stay the course on. The expansion I've spoken about. We continue to explore opportunities in that area. I did say last year that we've got to a stage where even if there were opportunities that were outside Africa and the Middle East we've taken a view that provided they give us some critical mass, and make sense for that region, we would consider those. The rollout is the whole capacity issue that we've just discussed, and we showed a number that has been approved for capex. You know, when we get there we'll see how things evolve during the year and some of it may spill over as commitments for 2009.</p> <p>Convergence we are pursuing with some vigour. And we have, as I said, completed some transactions in-country, and will continue to look for opportunities in South Africa as well. But we are quite resigned to the fact that we do need to have an integrated ISP within the operations in order to serve the needs of the customers. The efficiencies are a perennial issue that we continue to follow, and as you know our business is highly regulated. So staying on the radar screen of these regulators and making</p>



Speaker	Narrative
	<p>sure that there are no surprises becomes a fairly important thing for us. The sixth objective, which I haven't put here, is the one that Rob discussed, which is to continue to look at pushing the debt into the underlying operations where ever we can because we believe that will improve the return on equity for shareholders.</p> <p>If we look at where we are going to end up in terms of subscribers for 2008, again these are indicative figures. We are looking at close to 22 million new net additions for 2008. Of course, what happens in Nigeria and Iran has got quite a huge impact on this, but we believe that if we achieve that we should then have a base of subscribers by the end of 2008 which is somewhere in the early 80s, over 80 million subscribers. But as I said, we will do the trade update in April and we'll be able to give more indication of where we are. But in a sense we've already given you the numbers for Iran and Nigeria up to end of February, so that gives you a sense. So that really is the closing slide.</p> <p>I would just say, of course there is no way that one can guarantee that things won't go bump in the night at times, but we do believe that we are on a very strong platform. I mean, there are no key issued that we think are going to steer us from the track that we are on in terms of expansion as well as operations. And of course we will be able to discuss that at half year. Let me conclude by saying thank you very much. There is an annexure that has got all the details and fairly comprehensive data on every single operation, so hopefully you can look at that to save yourself some questions, because some of that is in there. And whatever is not in here we are quite prepared to respond to. Thank you very much, and let me once again thank all the MTN colleagues and staff who have really made this 2007 quite a satisfactory year. And also thank Nazir and Debbie for putting this presentation together. Thank you very much. Okay I think if we could just take some questions. And we'll try and field those. If the three of us up here can't field those we've got very capable executives sitting up front who I'm sure can answer the questions.</p>
<p><b>Nick Kershaw</b></p>	<p>Hi it's Nick Kershaw. I've got three questions. The first thing is can you tell us what the churn levels were in South Africa for prepaid and post-paid? The second question is from a capex perspective what average Rand Dollar exchange rate are you using for the coming year? And the third question is in Iran you've already added 3.4 million subs in two and a half months. What are you expecting to happen in the rest of the year, because you only guided for 7 million for the full year.</p>
<p><b>Phuthuma Nhleko</b></p>	<p>Okay let me answer the question on Iran first. Then Sifiso will deal with the churn in South Africa and on the capex Rob will respond. On Iran we did say that the very high take-up is in many respects quite influences by the Norouz period which is almost like the new year festive period in Iran. And that goes on for a month or two months actually. We will then see what happens in April, because we would expect that that run rate would probably come down. And that is really what has given us the view of saying by end of December 2008 we would have expected to add</p>



Speaker	Narrative
<b>Sifiso Dabengwa</b>	<p>another 7 million subscribers in Iran.</p> <p>Post-paid is about 10% or 11% per annum. And then for prepaid it's just over 60%.</p>
<b>Nick Kershaw</b>	<p>Thank you.</p>
<b>Rob Nesbit</b>	<p>The Rand Dollar average is R7.22. And then if you look at the Naira Dollar as well – which obviously could have an impact – that was in the region of about 122 NGN. So at the moment as you know it's about 117 NGN.</p>
<b>Craig Hackney</b>	<p>Hi it's Craig. Just expanding a bit on Nick's question, could you expand a bit with regards to churn in Nigeria as well? And then also in terms of subscriber acquisition costs and retention costs, what is happening in South Africa and Nigeria? And then just finally, if you look at the dividend cover for this period, is that what you would be comfortable with looking forward?</p>
<b>Phuthuma Nhleko</b>	<p>I think on the dividend cover as I indicated, the cover of five is what we believe we are comfortable with as being sustainable, given also the projected high capex spend that we're going to have in 2008. So really for the foreseeable medium-term we expect it to remain at five. If there is cause to change we will do that. Sifiso you want to answer on Nigeria trend figures?</p>
<b>Sifiso Dabengwa</b>	<p>Certainly. Nigeria has churn of about 30%. It has fluctuated quite a bit but it has been improving. I can't recall... the other question was subscriber acquisition costs in South Africa. Still for post-paid it's just over R2000, and for pre-paid between R50 and R70.</p>
<b>Craig Hackney</b>	<p>And the acquisition costs in Nigeria?</p>
<b>Sifiso Dabengwa</b>	<p>In Nigeria we don't actually have acquisition costs as such because the retail rate is higher than what we pay for the sims, and we don't subsidise handsets either.</p>
<b>Craig Hackney</b>	<p>Thank you.</p>
<b>Reese Summerton</b>	<p>Phuthuma its Reese Summerton here. I just wanted to get an idea of your minutes of use numbers. In South Africa we've seen minutes of use go down, perhaps on a quarter by quarter basis, but certainly on a year</p>



Speaker	Narrative
	<p>by year basis. And you've shown the graph that Iran and Nigeria are getting ahead of the size of the network of South Africa. Longer-term once you've upgraded the network locally what level of usage do you think the South African market can justify? Do you think we can go up to 200 or 300 minutes in South Africa to be on a par with the norm internationally? That's the first question. And then secondly, just your off-net traffic trends in Nigeria, I'm not sure if that has had any significant change over the last year.</p>
<p><b>Phuthuma Nhleko</b></p>	<p>Okay I'll ask Tim to answer the question on South Africa. Sifiso do you want to deliver the Nigerian question?</p>
<p><b>Sifiso Dabengwa</b></p>	<p>Well there hasn't been that much of a change. Still about 70% on-net and about 30% off-net.</p>
<p><b>Tim Lowry</b></p>	<p>I think minutes of usage in South Africa will go up. As we roll out more network I believe we'll catch more traffic. At the moment I think we're constrained on that portion. And with products like dynamic tariffing we will see an increase, but I'm not prepared to give an exact prediction. I think we can probably give an update on dynamic tariffing at the end of the Q1 update.</p>
<p><b>Steven Carrot</b></p>	<p>Hi, it's Steven from Credit Suisse. I've got three questions. They all relate to Nigeria. The first one is on your Nigerian EBITDA margin. I know you've always been saying it's going to go down over the medium-term. However there has been quite a sharp drop in the second half. Your full year number was about 37%. You've got 35% or 36% or so for H2. Did that have anything to do with a change in the underlying cost environment, or was that partly impacted by your very impressive step up in your network rollout? Did any of that capex come through in your operating line? That is question one. Question two is on your Nigerian network congestion. Is that still a significant problem there? What are the congestion numbers? And question three, the start-up of the Nigerian competitor. What are you seeing there? What is your latest estimate of when they'll get off the ground? What is your best estimate of when you think they'll get going?</p>
<p><b>Phuthuma Nhleko</b></p>	<p>I think on the competitor, as I said they launched a few days ago. It was a test call. I would think it would most probably take at least six months or so for them to be fully competitive in terms of distribution channels in place and so on. We have always estimated that by mid-year June/July 2008 we would expect them to be in a position to be applying pressure from a competitive perspective. On congestion in Nigeria, yes, I think our congestion levels are about 12%. But yes, there is no doubt we are still facing challenges there. As I indicated we've got a very significant rollout programme, hence the very large capex. But it's getting the logistics in place. I think we are doing a far higher rollout in Nigeria than we had in</p>



Speaker	Narrative
	the past. We are quite comfortable it will come down. [unclear] do you want to comment?
<b>Christian de Faria</b>	We have launched the AMR two weeks ago and we're finding that the network quality, the quality of speech has improved quite drastically. So it's not just the congestion figures, it's the quality of audio that AMR has provided.
<b>Phuthuma Nhleko</b>	Okay thanks. Sifiso, do you want to talk about the impact on reduction of EBITDA.
<b>Sifiso Dabengwa</b>	I don't think there was any major issue. I mean there were issues in terms of the expanded network, more rollout, and fewer in-staff costs. But it's not at the level that we really expected - the 55% or 56% levels.
<b>Rob Nisbet</b>	I mean I think obviously with additional rollout you get additional costs coming through. Site leases. You also get additional cost coming through with regards the petrol and the diesel. So there definitely was a pick-up on that side. As Sifiso said on salaries as well there was a pick-up. There has been an ongoing discussion with some of the authorities in Nigeria, specifically whether or not we should be paying licence fees for our masts. We don't believe we should be, but we have provided for that. That we had not provided for in the first six months. In the second six months we provided for the full year. So if we should need that that is fully provided for. And I think the impact on the EBITDA margin was about 2%. So that was an item that came through.
<b>Male speaker</b>	A question for Rob. I recall you mention an anticipated dividend payment coming up in Nigeria. I just want to know what the timing of that is, and if possible, the quantum. I'm not sure if I heard you mention correctly that there is a dividend payment there. I thought I heard in your presentation that there is an anticipated payment in Nigeria.
<b>Rob Nisbet</b>	The issue is that there is an expected dividend. Obviously that needs to go through into the Nigerian market as well, as we do have shareholders there. At this point in time I cannot clarify that issue, but we would like to see that coming through fairly shortly.
<b>John Slettevold</b>	It's John Slettevold from UBS. Just really on the extent to which you will reduce your reliance on Telkom over the next couple of years given the high capex. Can you give an indication of what the rollout will be this year and also next year in terms of the self-provisioning you will be doing relative to what Telkom is doing for you on the fixed lines?
<b>Phuthuma Nhleko</b>	Tim, do you want to talk about that?
<b>Tim Lowry</b>	I think in the short term there will be little impact in 2008. I think most of



Speaker	Narrative
	the impact will be in the latter half of 2009, because you have to roll out the fibre and then a lot of the hops to the base stations will be radio. So I think we will see an increase in our opex in transmission with Telkom in this year and in the first part of next year. But I hope it starts to come down in the second half of 2009.
<b>Phuthuma Nhleko</b>	Okay shall we take maybe two more questions?
<b>Female speaker</b>	Thank you. Can you give us an idea of what proportion of your South African and Nigerian revenue comes from data, and what your intentions are in those regions? Thank you.
<b>Phuthuma Nhleko</b>	Well, I mean on South Africa I think we've indicated that it's 10%. But of that 10% of data about 63% is SMS. On Nigeria, Nigeria is 8%.
<b>Meloy Horn</b>	Meloy Horn from Merrill here.
<b>Phuthuma Nhleko</b>	Hi.
<b>Meloy Horn</b>	Morning. Just two quick questions from me. The first one on Ghana. It looks like in Q4 there has been a dramatic slow-down in your subscriber growth. 144,000 compares to about 400,000 for all the other quarters. You should quite upbeat about Ghana, but this is really about a quarter of what you've done before. Is there something specific that we need to be aware of here? And then secondly, in terms of South Africa, you've highlighted 904,000 3G handsets. Can you give us an indication of how many 3G data cards you have out there?
<b>Phuthuma Nhleko</b>	I think with Ghana there is something specific. At the end of last year because of the higher congestion levels basically a directive came from the Ghanaian regulators that we had to stop promotions. So we stopped for two months. For two months we couldn't really put any product in the market because they wanted the congestion levels to come down in Ghana. That's the reason for the slow-down. We are now back up and are pushing hard in Ghana. 120,000 is the number of data cards. Shall we take two more questions? I think there is one there at the back.
<b>Johan Snyman</b>	Johan Snyman, JP Morgan. Phuthuma, two questions. Just in terms of Botswana where you increased your shareholding, what happened to the management contract? And number two; looking at some of the smaller markets like Congo and Zambia, what are the plans?
<b>Phuthuma Nhleko</b>	In the case of Botswana, sadly nothing has happened to the



Speaker	Narrative
<b>Nozipho January-Bardill</b>	<p>management contract so far. It's still held by Portugal Telecom. But we are engaging them on the view that we are over 51% now. And what we are really saying is we'd like to introduce our brand there, and it makes sense for us to have the management contract. But obviously the management contract is not without value, so we're hoping we will come to some sort of understanding sooner rather than later. As far as the smaller operations, we have begun to put in place a concept that we call hub and cluster, which really seeks to avoid duplicating in those small operations all the functions that we have in the large ones. We haven't made as much progress as we wanted to in 2007, but this is going to be a key KPI for 2008. So you will have the medium-size or larger operations providing much more support to the smaller ones, such that their cost base and overhead infrastructure can come down. And that's really what we're going to do. I know some people have scepticism about the size of these operations, but if you look at the results we have shown, relatively small countries have had huge growth of over a million subscribers. This indicates these economies are actually much larger than the stats would indicate. Shall we take a last question if there is one? Thank you very much. Thank you.</p> <p>Well thank you very much ladies and gentlemen. That brings to an end the presentation for the results for the year ended 2007. We'd like to say thank you to our colleagues in our operations who have been watching this presentation. At this point we'd like to invite you to join us for a small brunch downstairs, and hope that you found the presentation useful. Thank you very much.</p>

END OF TRANSCRIPT