

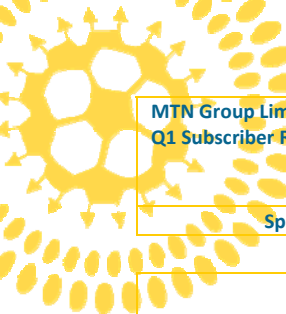
MTN Group Limited
MTN Group Q1 Subscriber Release
29/04/2010





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| Operator | <p>Good afternoon and welcome to the MTN Group Q1 subscriber release. All participants are now in listen only mode, and there will be an opportunity for you to ask questions at the end of today’s presentation. If you should need any assistance during the conference then please signal an operator by pressing star then zero. Please also note that this conference is being recorded. I would now like to hand the conference over to Debbie Millar. Please go ahead.</p> |
| Debbie Miller | <p>Thanks and good afternoon and good morning to some of you further east. This is Debbie, Head of Investor Relations for MTN Group. Thanks for joining us today to discuss MTN’s Q1 subscriber numbers. Dialling in today we have Phuthuma Nhleko, group President and CEO, Sifiso Dabengwa, group COO, Tim Lowry, VP of the SEA region, Jamal Ramadan, VP of the MENA region and Christian de Faria, VP for the WECA region. Unfortunately Nair Patel is unable to join us due to some unforeseen delays in his travel arrangements. Phuthuma will give a brief overview of the trading performance for the quarter as well as an outlook for the group, and thereafter we’ll move into a Q&A session. I know Phuthuma is on a slight deadline, so if we could keep that down to 30 minutes maximum that would help us a lot. I also just need to caution everyone that obviously we’re under cautionary and can’t entertain questions that relate to the transaction. And with that I’ll hand over to Phuthuma.</p> |
| Phuthuma Nhleko | <p>Thank you very much, Debbie, and good afternoon everybody. It’s really a pleasure for us to update you on our trading performance for the first quarter to 31st March 2010. We are of the view that we have a fairly solid subscriber growth, of 7%, bringing us to 123 million at the end of Q1. The key feature really in almost all the countries is that we are marginally ahead of the implied run rates based on the guidance that we gave you at year end. It’s also pleasing to note that whilst we’ve had a lot of currency volatility in 2009 we’ve been far more stable so far this year. And the reported ARPU is really very much in line with the changes in local currency.</p> <p>During the first quarter the ARPUs have remained in Dollar terms fairly robust, notwithstanding the seasonal trends and of course increasingly much deeper penetration and competition. You will note that Q1 APRU’s are usually a step change from YTD numbers of the previous quarter, being only quarter 1.</p> <p>Moving onto a regional operational overview</p> <p>The Southern and Eastern African Region now contributes 22% of the group subscribers. That region has increased by 4% during this last quarter. The region’s growth was as usual very much driven by South Africa, and I’m quite pleased to say that South Africa added around 357,000 subscribers to the base. So that net positive addition in our view is encouraging given obviously the most challenging circumstances we faced in 2009.</p> |



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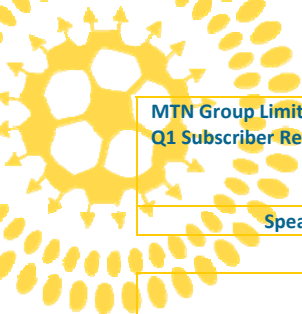
The growth in post-paid also continued to be driven by lower value ,hybrid MyChoice package and prepaid growth was mainly attributable to the improved value propositions that we launched during the second half of 2009. Another area where we are quite happy with the performance is the growth in data traffic, which increased by 82%. The brand awareness also helped in a lot of the campaigns that we've undertaken such as the Ayoba campaign. The strong growth we've had in post-paid and prepaid is very much the result of a lot of work that has been done by MTN SA in the last six months re-looking at segmentation and having a far deeper understanding of some of the drivers in the behaviour of those two segments as the market becomes more mature. Finally, we have also concluded the national roaming agreement with Telkom which has enabled Telkom mobile subscribers to roam on MTN.

Looking at other countries in the region, despite increasing competition, most countries have performed well. I'm glad to say that these countries have performed well. Uganda has performed exceptionally well with almost five competitors increasing its subscriber base by 8%. Mobile Money also continues to be successful in Uganda. We had almost 800,000 subscribers at the end of Q1. And we've now launched Mobile Money in Rwanda in the SEA region as well as Ghana and Cote d'Ivoire in the WECA region. And those countries together with Uganda give us almost 1.3 million Mobile Money customers across the group.

The WECA region also recorded a fairly strong growth of 10% for the quarter. The Nigerian operation really continues to perform very strongly. They added 2.4 million subscribers in Q1. The rollout that we undertook in 2009 and 2008 really has been the base to ensure that we have sufficient capacity in Nigeria to sustain the subscriber run rate in that country, particularly in the light of impending competition. The continued success of the distribution channels has also helped quite a bit. As you will recall in most countries, starting in Nigeria, we reconfigured our distribution channel to enable us to be far more efficient and create a much stronger loyalty to the group. And I think that has also had a very positive impact.

SIM card registration has been a big issue that has been raised in a number of countries. We will see that being implemented commencing 1st May 2010 in Nigeria. This ought to be perceived as a soft launch with a few months' grace period until 1st August 2010. We have had quite a lot of experience now in this area, including in Iran, Sudan, South Africa and Cameroon as well. So we really believe that we are well prepared for what is required to mitigate any impact on meeting our subscriber numbers for the year.

I think moving on to Ghana and staying in the WECA region, competition continues to be very aggressive, specifically on promotions. Having said that, we still have grown the subscriber base by 5% in Ghana. SIM registration is to be implemented 4th July 2010. There is a difference here in the sense that in Ghana it will be both on new and existing customers and is expected to be completed in 18 months. Of course I think if we do find challenges on the period there's always an open engagement with the regulators to discuss those sorts of challenges. Nonetheless that's the timeline at the moment. The management in Ghana is taking a lot of focus and time to ensure that once again the preparation enables a very smooth implementation of this registration from systems and processes.



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On the other countries within the region, the only disappointment was Cote d'Ivoire, mainly due to the very irrational competitor behaviour in that country, and a poorer relative value propositions, and of course other infrastructural challenges we've had like power outages and so on. Management is taking corrective action. We always try and get on the front foot in those organisations.

In the Middle East and North Africa Region contributes 32% of group subscribers. Again we saw a very strong performance for the quarter, an 8% increase on the base from the end of December 2009. The star performer again is MTN Irancell which added 2.1 million subscribers to the base. And this growth is attributable to a number of factors, part of that being attractive promotions, loyalty programmes and so on. I think the performance in Iran still needs to be seen in the context of network quality that can be improved on. We've said a number of times that site acquisition has been a challenge in Iran. But nevertheless this remains a priority, and even though there's a lot of site sharing there is quite a lot of work to be done. We also rolled out WiMAX in major cities in Iran, and I think certainly over the next few months we will see the impact of that on the data element of MTN Irancell increasing substantially.

MTN Syria increased their base very marginally, only by 1%. As you may recall we've had somewhat muted capacity additions in the network in Syria up until we get clearer on the final terms of the BOT. We are reluctant to put too much CAPEX into the ground here and of course we've also had seasonal trends and the holiday period in Q1.

So I think in conclusion for these brief trade updates by and large our guidance remains consistent as what we presented to you in March when we did the 2009 year end results. At this stage we are aware of the increasing regulatory requirements and so on, particularly SIM registration which features quite prominently. But I mean I must say we have made a concerted effort to accommodate all those challenges, regulatory and otherwise, in our forecast. So I must say the guidance that we gave in March will remain unchanged at this stage. We still feel relatively confident that it will be achieved. I am overall pleased with the trading performance for this quarter and quite comfortable that we will meet our targets as we outlined them to you. I think with that very brief overview we would like to thank you for listening, and I'd like to pass on to Debbie and then we will be taking a short Q&A.

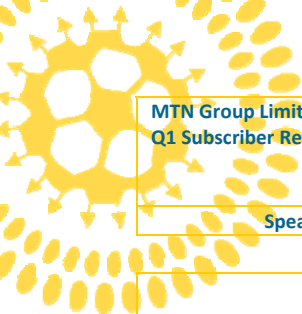
Thanks. I think that concludes our overview, and we will be happy to answer any questions you might have. So over to the operator to facilitate.

Thank you very much. Ladies and gentlemen, a reminder that if you'd like to ask a question, please press star then one now. If you then decide to withdraw your question please press star and then two to remove yourself from the question queue. Our first question comes from William Kirby of Nevsky Capital. Please go ahead.

Debbie Miller

**Operator
William Kirby**

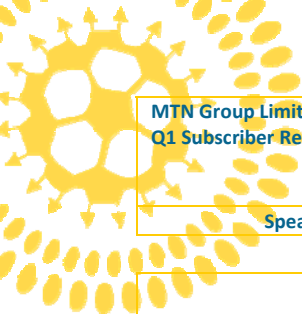
Thank you. On Nigeria what sort of marginal ARPU are you seeing from new



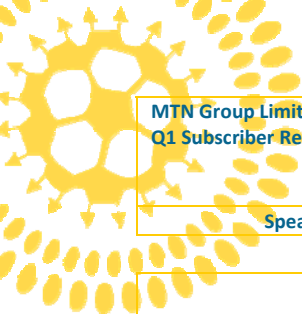
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| | <p>subscribers? And then secondly, is that going to change in your perception of the network quality like [unclear] etc. of your competitors?</p> |
| Phuthuma Nhleko | Christian, do you want to respond? |
| Christian de Faria | <p>The marginal ARPU is \$7.5. There was no significant change in the marginal ARPU. In terms of quality of the network I would say that by far quality is maintained and really accommodated the new take-up subscribers over the time. So I would say there is no worry in the capacity and quality we are offering at the moment to our subscribers.</p> |
| Operator | Our next question comes from Nick Kershaw of Deutsche Bank. Please go ahead. |
| Nick Kershaw | <p>Hi, can you give us an indication in South Africa just with RICA now having been fully implemented what sort of gross connections were in January, February and March? Are we now back to the level where those have normalised?</p> |
| Phuthuma Nhleko | Tim? |
| Tim Lowry | <p>The gross connections, I haven't got that figure to hand I must say. But in terms of RICA we have now got about 55% of the prepaid base registered.</p> |
| Nick Kershaw | <p>I mean has the... don't worry about the absolute number of gross connections. Is that still increasing or has that normalised? Do you expect to see further improvement in your run rate going forward or are we back to a normalised level?</p> |
| Tim Lowry | I think we are at a normalised level. |
| Nick Kershaw | Thank you. |
| Operator | Our next question comes from Sean Gardiner of Morgan Stanley. Please go ahead. |
| Sean Gardiner | <p>Yes, thank you. Just going back to Nigeria. Can you just talk about the elasticity you've seen on your interconnect traffic [inaudible segment]? And then secondly maybe you can talk about your subscriber additions on a monthly basis in Nigeria, just to give us an idea of whether it was quite symmetrical, the 2.4 million, or whether it's weighted to any particular month. Thanks.</p> |
| Phuthuma Nhleko | Christian? |
| Christian de Faria | <p>I think on the second question regarding the number of subscribers during the quarter, we had a very strong month of January on the December offers and promotions. And there is more than one million. And in the month of March we were around 760,000. So it's more or less equalised with a strong month of January. And on the interconnect there was a reduction of the interconnect towards the end of last year. There was a change in the behaviour in the on-net traffic. Then the [unclear] there is elasticity there so we won't have the reduction on the revenue on the interconnect and it's pretty much in line with our expectation.</p> |



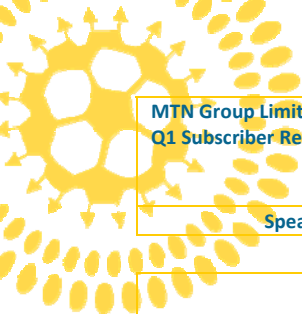
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| Sean Gardiner | Thank you. |
| Operator | Our next question comes from Rhys Summerton of Citigroup. Please go ahead. |
| Rhys Summerton | Hi. Good afternoon. Just a few simple questions. Could you just run through your market share in Nigeria and if that's changed much. And then on Iran, I just noticed the ARPU looks like it hasn't changed in about five quarters now, and I'm just wondering with such strong subscriber growth what's explaining that? Is your usage going up or are there other services which are compensating for any of the dilution that's coming through? And then the third question was just on South Africa. With the changes in interconnect already implemented have you seen any change in the traffic mix in South Africa since that came through? Thanks. |
| Phuthuma Nhleko | Okay. On Nigeria I mean our market share now is close to 51%. Clearly as some of the competitors pick up it could drop to let's say 49% by end of year. So 51% is very strong. I think the capacity that has been put in has really enabled us to have more than our fair share of those gross adds. So at the moment it's around 51%, but I think the point is depending on how aggressive the new competitor is going to be we'll have to see where it ends at year end. But no surprise if it goes below 51% given that even if people makes significant investment in capacity it will take a significant amount of time to get capacity. On Iran, Sifiso, do you want to comment on Iran, and Tim on South Africa? |
| Jamal Ramadan | Phuthuma, maybe I can comment on Iran. |
| Phuthuma Nhleko | Okay, sorry. |
| Jamal Ramadan | On Iran I think the marginal ARPU remained very strong, very close to the average ARPU so far. And this is really driven by the improvement of the quality of the network and definitely the value-added services and the promotions we are doing. If we look at the MOUS, the MOUS are pleasing. And this is a result of strong marketing activity on promotions and a strong [unclear]. So I think this trend is continuing so far. As we go forward and we penetrate more that ARPU would decrease. |
| Tim Lowry | Okay. I think on South Africa it's far too early to make any statement about trends on interconnect. What we've seen to date is nothing has changed. |
| Rhys Summerton | Okay, thanks very much. |
| Operator | Our next question comes from Craig Hackney of BJM. Please go ahead. |
| Craig Hackney | Hi. Good afternoon. Just looking at South Africa again, two questions. The increase in prepaid ARPU is that being driven by the positive RICA effects or is it a case of post-paid customers trading down? And the secondly, Phuthuma, I think you said that data revenue in South Africa was up 82% year on year. Does that include SMS or exclude it, and is it possible to give us what the data... sorry, you said data traffic was up 82%. Is it possible to give us what the data revenue growth was in South Africa year on year please? |



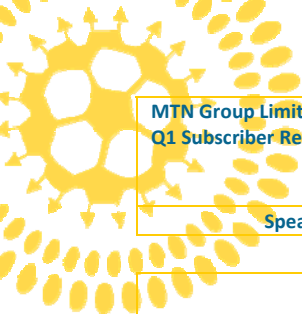
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| Phuthuma Nhleko | Somebody correct me if I'm wrong, but that 82% does include SMS, but of course SMS has dropped to a much smaller percentage of data now. I think it's most probably down to 30%. |
| Tim Lowry | My recollection is that that is pure data growth, that 80%. We had a very strong up-kick in both our post-paid customers and in our prepaid customers on data offerings. I'll give you an example. In Q1 of this year we sold 80,000 BlackBerries. And in Q1 of last year we sold 20,000 BlackBerries. So data penetration in both prepaid and post-paid is growing strongly. And that is lifting the ARPU in prepaid. There is a base effect from RICA certainly on prepaid, but it involves some coming through on strong data growth. |
| Craig Hackney | Thanks. Is it possible to... can you give the data revenue growth number year on year? |
| Tim Lowry | I think it's around about 80%. |
| Debbie Miller | We will just come back to you and confirm it. |
| Craig Hackney | I'm just looking for the difference between the traffic growth and the revenue growth. |
| Tim Lowry | Yeah, we can confirm that. |
| Craig Hackney | Thank you. |
| Operator | Sir, does that answer your question? |
| Craig Hackney | Yes, it does. |
| Operator | Thank you very much. Our next question comes from John Slettevold of UBS. Please go ahead. |
| John Slettevold | Thanks. Could you just maybe indicate what your position is regarding the new MTR proposals from ICASA, even if it's just broadly? Are you supportive of these after [?] glide paths which has been put forward? And then there's a second question. In any of your operations are you seeing any sort of areas of particular worry regarding margin trends? In other words, are we likely to be disappointed on margins in any specific area? |
| Phuthuma Nhleko | Okay. All right. [unclear] comment on the margin trend. I think on ICASA we have long agreed the principle of a glide path. In fact, we thought at the end of last year when we entered into that tripartite agreement on interconnect and sort of stipulated what the end numbers would be on a glide path certainly is more palatable to us. Certainly ICASA want a much deeper cut, and it will be a discussion. They have said they want a whole chapter ten process which basically is a deeper cut than what we wanted. So if your question is are we broadly supportive, the answer is yes. Do we agree precisely with the numbers they have tabled? The |



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| | answer is no. I guess somewhere we will have to find an amicable solution. |
| John Slettevold | Thanks. |
| Operator | Ladies and gentlemen... |
| John Slettevold | Sorry, there was a second question on margins. |
| Sifiso Dabengwa | On the issue of margins I mean there's no specific area or specific operation at this moment in time where there's any major issue that we're concerned about in relation to the reductions of margins. I mean we might see negative impacts here and there as a direct result of negative cost aspects in a specific operation, but there's nothing significant that we're aware of. |
| John Slettevold | Thanks. |
| Operator | Ladies and gentlemen, a reminder that if you'd like to ask a question please press star and then one now. Our next question comes from Herve Drouet of HSBC. Please go ahead. |
| Herve Drouet | Yes, thank you. My question is regarding market share on what you believe is your market share in South Africa in terms of wireless data. If you have done any studies on that and if you can share it with us it would be useful. And I was wondering do you see other countries where you see strong take-up of wireless data as well outside of South Africa? Thank you. |
| Phuthuma Nhleko | The last part I can answer and then, Tim, do you want to talk about market share of data in South Africa? Clearly I think we're saying that the data area is still an area where there is capacity to develop. If you had to say where the two largest opportunities are, clearly Iran is one and the other one is Nigeria. And I think I guess in terms of [unclear] of those operations and the capacity to develop business in those countries. Having said that, virtually all the medium sized countries have got data opportunities as well. That's precisely why amongst other things we went and acquired some ISPs so that we are well positioned to provide an integrated service. |
| Herve Drouet | Do you have any figures you can share with us in terms of data revenue growth in other countries? |
| Phuthuma Nhleko | It's still very high once we are properly positioned. I think the data number that you should look at to show you is low the data is and therefore the potential for growth. Sifiso, correct me if this is not right, but if you look at Iran for instance if you look at data it's 5% and in Nigeria maybe 10%. So I mean that just shows you what the potential is. Now, expectation is that will grow by 30% or 40%. I think we ourselves are getting into rhythm in terms of a proper structure internally to organise ourselves to be able to provide those solutions and encourage data use that will be quite significant. |
| Herve Drouet | Okay. Thank you. In terms of market share? |



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| Phuthuma Nhleko | Tim, do you want to talk about market share of data? |
| Tim Lowry | I can't really give you a sense. We have to wait for everyone else to publish their figures. The last figure I saw we were doing about 40% of these connections in South Africa, which is a part of that we share with Vodacom. And that was up from I think about 34% in Q3 or Q4 last year. The other thing I can say about BlackBerry in South Africa, it's our number one selling handset now in our branded channel. |
| Phuthuma Nhleko | Could we take maybe two last questions? |
| Operator | We have only two questions left in the queue. The first comes from Jonathan Kennedy-Goode of Investec Securities. Please go ahead. |
| Jonathan Kennedy-Goode | Just one quick question. The Nigerian regulator mentioned some issue around potentially capping prices in Nigeria. Could you give us a sense of what your effective tariff per minute is in Nigeria and where that cap may be placed, and if there is one now, how far away it is from your effective tariff? |
| Christian de Faria | I think first of all there is no concrete discussion on price cap. Actually it's more a [unclear] exercise from a candidate to be a regulator. So that means there is nothing concrete. And the grand prize is substantially [unclear] the grand prize. So the price reduction is more a competition exercise than a regulatory exercise. |
| Operator | My apologies. Our final question comes from Craig Hackney of BJM. Please go ahead. |
| Craig Hackney | Hi. Sorry, I think the previous question wasn't fully answered so if you want to go ahead and finish that, that's fine. |
| Christian de Faria | No, I think I was finished. There is no actual discussion on the new price cap. It's more amongst [unclear] and has not yet been substantiated by concrete discussions. |
| Craig Hackney | My question relates again to South Africa with regard to the iPhone. I understand you can't get the iPhone yet on an MTN contract, but I don't think Vodacom has exclusivity. Can you just explain why MTN isn't offering the iPhone yet in South Africa? |
| Phuthuma Nhleko | Look, I think the issue is Vodacom by and large really was assisted through the Vodafone structure as I understand it. And Tim can re-emphasise that. Having said that, we now are working with Apple and are talking to them directly, and we're hoping that that's something we're going to resolve fairly soon. I must say you can get a lot of iPhones on the black market, and you can do that as well, but we want to do it through proper channels and do it the correct way. The real answer is as I understand it Vodacom by and large has been assisted by whatever relationship Vodafone has with Apple on the iPhone. |
| Tim Lowry | I think what Phuthuma is saying is correct. It really was on the back of the Vodafone relationship. But we still have 30,000 iPhones on the South African network despite |



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| | that, and contributing R572 per month to ARPU. |
| Craig Hackney | Okay, thank you very much. |
| Operator | Thank you, sir. That was our final question. Mr Nhleko, would you like to make some closing comments? |
| Phuthuma Nhleko | Well, just to thank everybody for taking time out to ask us questions on the results. And we will talk again I think in September. |
| Operator | Thank you very much. On behalf of the MTN Group that concludes this afternoon's conference. Thank you for joining us. You may now disconnect your lines. |

END OF TRANSCRIPT