



# MTN Group Limited

Review of results and funding outlook  
Presented on 27 May 2008



## Financial review

Rob Nisbet

Group Finance Director

## Funding outlook

Debbie Millar

General Manager: Corporate Finance

## Looking forward

Rob Nisbet

Group Finance Director

## Questions...

# Strategy and rationale for meeting



- Introduce MTN locally
- Role of MTN Dubai
- Activities of the Group



# Financial review

Rob Nisbet  
Group Finance Director



## To be the leader in telecommunications in emerging markets

National player



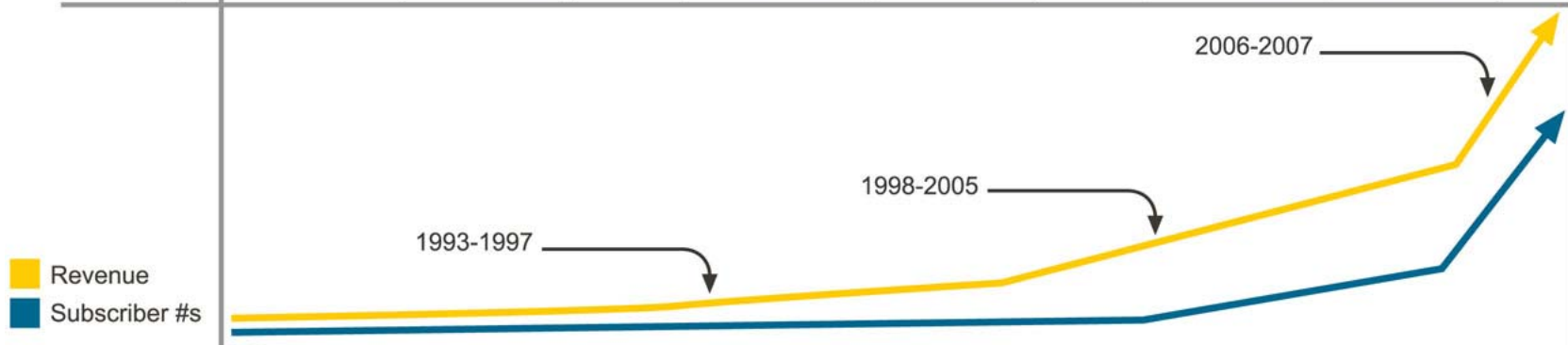
African player



Emerging market player



Operations	<b>1</b>	<b>11</b>	<b>21</b>
Population	<b>41m</b>	<b>274m</b>	<b>510m</b>
Market cap	<b>ZAR2.7bn (31 Dec 1997)</b>	<b>ZAR103bn (31 Dec 2005)</b>	<b>ZAR238bn (31 Dec 2007)</b>



# Key economic developments



	South Africa	Nigeria	Ghana	Iran	Sudan	Syria
GDP Growth (2007 est)	5%	6.1%	6.2%	4.3%	12.8%	3.5%
Inflation rates Dec 07	9%	9%	11%	14%	8.5%	9%
Market size million (2012)	56	80	15	52	18	12
GDP/Capita nominal US\$ (2007 est)	6,239	938	649	4,252	1,262	1,516

High growth markets

# Key indicators



	Subscribers ( '000) Mar-08	Subscribers ( '000) 31-Dec-07	% change Dec-07	ARPU (ZAR/US\$) 31-Mar-08	ARPU (ZAR/US\$) 31-Dec-07
<b>South and East Africa</b>	<b>20 017</b>	<b>19 329</b>	<b>+4</b>		
South Africa	15 169	14 799	+3	R144	R149
Uganda	2 464	2 362	4	\$9	\$10
Botswana	880	874	+1	\$13	\$15
Rwanda	754	652	+16	\$11	\$12
Swaziland	398	380	+5	\$16	\$18
Zambia	352	262	+34	\$12	\$10
<b>West and Central Africa</b>	<b>30 505</b>	<b>27 999</b>	<b>+9</b>		
Nigeria	17 766	16 511	+8	\$16	\$17
Ghana	4 398	4 016	+9	\$14	\$15
Côte d'Ivoire	2 896	2 679	+8	\$11	\$13
Cameroon	2 855	2 559	+12	\$12	\$14
Guinea Conakry	870	727	+20	\$10	\$15
Benin	679	652	+4	\$15	\$12
Congo Brazzaville	404	316	+28	\$24	\$20
Liberia	351	304	+15	\$17	\$19
Guinea Bissau	286	235	+22	\$11	\$17
<b>Middle East and North Africa</b>	<b>17 691</b>	<b>14 025</b>	<b>+26</b>		
Iran	9 025	6 006	+50	\$9	\$10
Syria	3 158	3 109	+2	\$18	\$20
Sudan	2 361	2 090	+13	\$8	\$12
Yemen	1 565	1 507	+4	\$8	\$9
Afghanistan	1 462	1 200	+22	\$7	\$11
Cyprus	120	113	+7	\$44	\$39
<b>Total MTN</b>	<b>68 213</b>	<b>61 353</b>	<b>+11</b>		

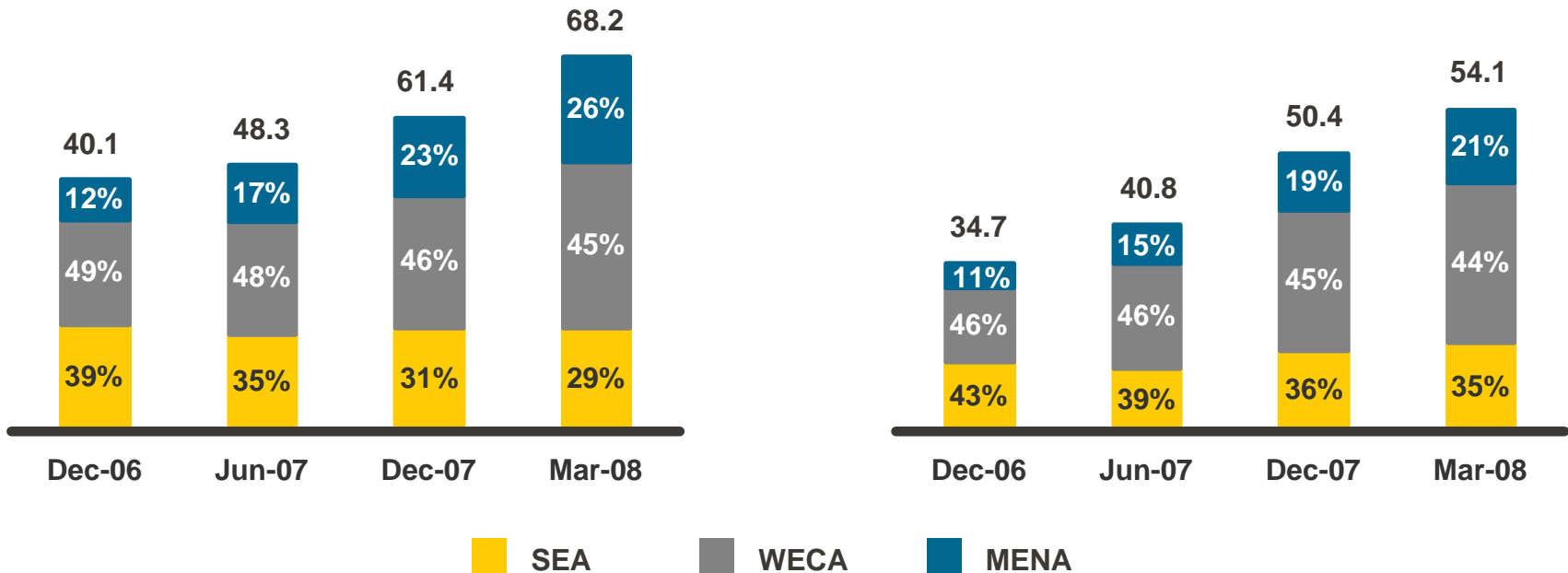
# Subscriber contribution by region...



## MTN Group

Total  
(subscriber million)

Proportionate\*  
(subscriber million)



\* Based on % ownership

Increased diversification

# Key developments...



Expansion opportunities	<ul style="list-style-type: none"><li>• Continue seeking value accretive opportunities in existing and new territories</li><li>• Broadened local shareholder base in Uganda ( ↓ 2%), Nigeria ( ↓ 6.5%) and Côte d'Ivoire ( ↓ 8.6%)</li><li>• Increased MTN shareholding in Rwanda ( ↑ 15%) and Botswana ( ↑ 2%)</li></ul>
Rollout	<ul style="list-style-type: none"><li>• Demand continues to outstrip supply in key markets</li><li>• Aggressive infrastructure rollout to ensure capacity and quality</li><li>• Rollout gathered momentum in second half of 2007</li><li>• Capex spend of US\$2,264 billion (Dec 07), an increase to 21% of revenue from 19% (Dec 06)</li></ul>
Convergence	<ul style="list-style-type: none"><li>• Acquisitions of ISPs and other technologies in Nigeria and Cameroon</li><li>• Mobile banking JV with Standard Bank</li><li>• Mobile television JV with Multichoice</li></ul>
Optimise operations	<ul style="list-style-type: none"><li>• Strong execution of brand rollout, product offering, operational efficiencies and procurement</li></ul>
Capital structure	<ul style="list-style-type: none"><li>• De-leverage group debt from 1.0xEBITDA (Dec 06) to 0.5xEBITDA (Dec 07)</li><li>• US\$2 billion fund-raising in Nigeria</li><li>• Moody's upgrade to A2.za from A3.za and outlook to positive from neutral</li></ul>

# EBITDA analysis



		EBITDA Contribution %		EBITDA Margin %	
SEA	2006	42		35	
	2007	36		36	
WECA	2006	50		53.5	
	2007	52		53.8	
MENA	2006	5		30	
	2007	8		24	
*MTN Group	2006	100		43.4	
	2007	100		43.5	

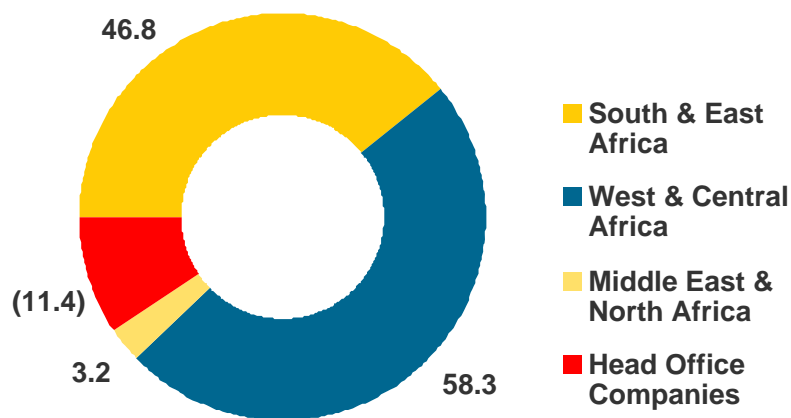
\* Difference in HQ companies

# Earnings per share

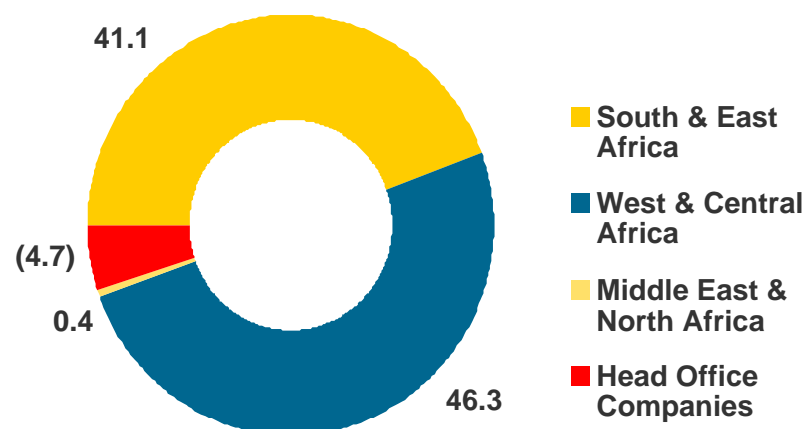


US\$ cents	12 months ended Dec 2007	12 months ended Dec 2006	% change
<b>Basic headline earnings per share</b>	<b>83.1</b>	86.2	(3.6)
Reversal of put option in respect of subsidiaries	2.8	2.2	27.3
Reversal of the subsequent utilisation of deferred tax asset	12.7	–	
Reversal of deferred tax asset	(1.7)	(5.3)	(67.9)
<b>Adjusted headline earnings per share</b>	<b>96.9</b>	83.1	16.6

2007  
HEPS (US\$ 96.9 cents)



2006  
HEPS (US\$ 83.1 cents)



Converted at average rate R7,04:US\$1 (Dec 06 and Dec 07)

# Group highlights to Dec 2007



## Group subscribers

Up 53% to 61,4 million



## Revenue

Up 42% to ZAR 73,145 billion  
(US\$10.390 billion)



## EBITDA

Up 42% to ZAR 31,845 billion  
(US\$4.523 billion)



## EBITDA margin

Marginally up  
from 43.4% to 43.5%



## Adjusted headline EPS

Up by 17% to 681.9 cents  
(US\$ 96.9 cents)



## Dividend declaration

Up 51% to 136 c/share  
(US\$ 19.3 cents) totalling  
R2,536 billion (US\$374 million)



Net debt/EBITDA 0.5x

# Exchange rates analysis



	Average (PAT)			Closing		
	Dec 2007	Dec 2006	% var	Dec 2007	Dec 2006	% var
Rand per Dollar	<b>7,04</b>	7,04	—	<b>6,78</b>	7,05	4
Nigerian Naira per Dollar	<b>125,98</b>	128,49	2	<b>118,40</b>	128,41	8
Iranian Rials per Dollar	<b>9 300,10</b>	9 168,96	(1)	<b>9 446,00</b>	9 220,00	(2)
Ghana Cedis per Rand	<b>1 318,79</b>	1 282,55	(3)	<b>1 445,26</b>	1 312,99	(10)
Sudanese Dinars per Rand	<b>28,69</b>	32,54	12	<b>30,23</b>	28,82	(5)
Nigerian Naira per Rand	<b>17,89</b>	18,70	4	<b>17,46</b>	18,23	4
Syrian Pound per Rand	<b>7,09</b>	7,11	—	<b>7,08</b>	7,24	(2)
Iranian Rial per Rand	1 320,38	1 365,28	3	1 393,05	1 308,73	(6)

# Income statement



US\$ million	12 months ended Dec 2007	12 months ended Dec 2006*	% change	% change excl. Investcom
<b>Revenue</b>	<b>10 390</b>	7 329	41.8	27.8
<b>EBITDA</b>	<b>4 523</b>	3 184	42.1	27.3
<b>EBITDA MARGIN</b>	<b>43.5%</b>	43.4%		
Depreciation	(962)	(714)	34.7	22.0
Amortisation	(312)	(183)	70.6	51.1
<b>Profit from operations</b>	<b>3 249</b>	2 286	42.1	29.1
Net finance costs	(451)	(203)	122.3	
Share of profits of associates	1	3	(65.2)	
<b>Profit before taxation</b>	<b>2 799</b>	2 086	34.2	
Income tax expense	(1 107)	(368)	200.7	
<b>Profit after taxation</b>	<b>1 692</b>	1 719	(1.5)	
Minority interest	(186)	(212)	(12.2)	
<b>Attributable profit</b>	<b>1 506</b>	1 507		

\* Includes 6 months of Investcom  
 Converted at average rate R7,04:US\$1 (Dec 06 and Dec 07)

# Revenue analysis – restated (12 months Investcom 2006)



US\$ million	12 months ended Dec 2007	12 months ended Dec 2006 *	% change
<b>South &amp; East Africa</b>	<b>4 468</b>	3 776	18.3
South Africa	4 009	3 491	14.8
Other operations	459	285	61.0
<b>West &amp; Central Africa</b>	<b>4 419</b>	3 217	37.4
Nigeria	2 876	2 116	35.9
Ghana	575	399	34.4
Other operations	968	702	37.9
<b>Middle East &amp; North Africa</b>	<b>1 530</b>	866	76.8
Iran	190	11	—
Syria	643	490	31.2
Sudan	229	120	90.4
Other operations	468	245	91.5
<b>Head Office Companies **</b>	<b>-27</b>	9	-431.0
<b>Total</b>	<b>10 390</b>	7 868	32.0
Excl. Investcom	8 281	6 478	27.8

\* Unaudited – Includes 12 months of Investcom \*\* Includes adjustment on Ghana revenue  
 Converted at average rate R7,04:US\$1 (Dec 06 and Dec 07)

# EBITDA analysis – restated (12 months Investcom 2006)



US\$ million	12 months ended Dec 2007	12 months ended Dec 2006 *	% change ZAR	Dec 2007 EBITDA margin %	**Dec 2006 EBITDA Margin %
<b>South &amp; East Africa</b>	<b>1 609</b>	1 328	21.2	36,0	35,2
South Africa	1 394	1 185	17.7	34,8	33,9
Other operations	215	143	50.6	46,9	50,1
<b>West &amp; Central Africa</b>	<b>2 358</b>	1 726	36.6	53,8	53,6
Nigeria	1 648	1 212	36.1	57,3	57,2
Ghana	294	217	35.5	54,9	54,4
Other operations	415	298	39.6	42,9	42,4
<b>Middle East &amp; North Africa</b>	<b>359</b>	237	51.4	23,5	27,4
Iran	(26)	(8)	(210.3)		
Syria	196	158	24.5	30,5	32,1
Sudan	82	23	260.0	35,7	18,9
Other operations	107	65	63.7	22,8	25,9
<b>Head Office Companies</b>	<b>198</b>	122	61.0		
<b>Total</b>	<b>4 523</b>	3 413	32.5	43,5	43,3
Excl. Investcom	3 634	2 855	27.3	43,5	44,1

\* Unaudited – Includes 12 months of Investcom \*\* Audited results excluding six months  
 Converted at average rate R7,04:US\$1 (Dec 06 and Dec 07)

# Profit after tax



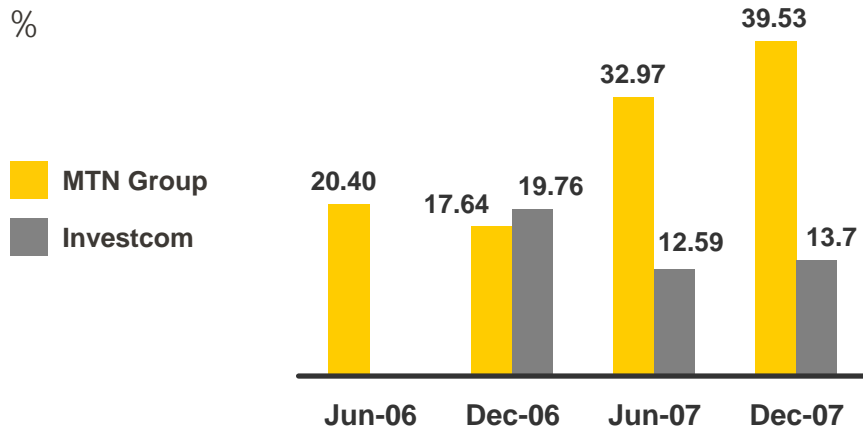
US\$ million	12 months ended Dec 2007	12 months ended Dec 2006 **	% change
<b>South &amp; East Africa</b>	<b>874</b>	727	20.2
South Africa	786	681	15.3
Other operations	88	46	
<b>West &amp; Central Africa</b>	<b>1 169</b>	946	24.5
Nigeria*	846	815	5.0
Ghana	132	49	
Other operations	191	82	
<b>Middle East &amp; North Africa</b>	<b>104</b>	26	301.1
Iran	(67)	(20)	
Syria	87	37	
Sudan	27	(0.4)	
Other operations	57	9.8	
<b>Head Office Companies</b>	<b>(213)</b>	(98)	
<b>Total</b>	<b>1 934</b>	1 601	21.4

\* Excluding deferred tax impact: 2007 – R1 704m (Dec 2006 – R825m) \*\* Includes 6 months of Investcom  
 Converted at average rate R7,04:US\$1 (Dec 06 and Dec 07)

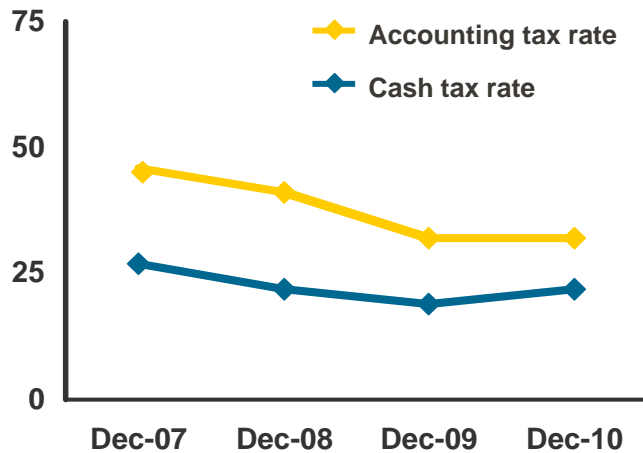
# Tax considerations



Effective tax rates  
%



Nigeria – expected trends in effective tax rates  
Illustrative %



## Effective rate reconciliation (to 29%)

- Nigeria – 6.41%
  - Expiry of Pioneer Status in Nigeria – application of commencement provision and effect of investment allowance.
- Nigeria effective tax rate 46% this year, expected to decline to low 40's.
  - Normal tax US\$283
  - Deferred tax US\$239
- Non allowable interest on Investcom acquisition – 2.23%
- STC and withholding taxes suffered
- The negative impact of STC and WHT is offset by Nigerian investment allowance and foreign tax rate adjusted

## Looking forward

- Group effective rate expected in mid to high 30's based on
  - Nigerian tax
  - Disallowed expenses

# Cash flow statement



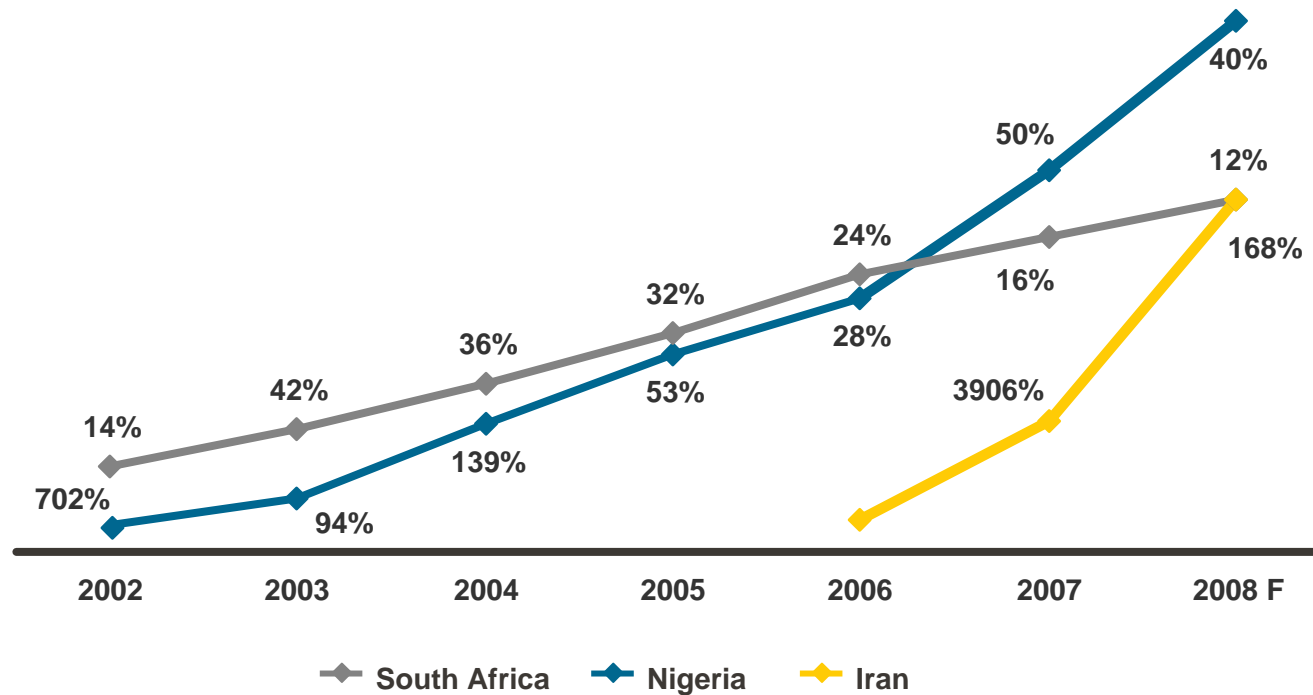
US\$ million	12 months ended Dec 2007	12 months ended Dec 2006
<b>*Cash inflows from operating activities</b>	<b>3 672</b>	2 504
*Net cash generated by operations	<b>4 877</b>	3 258
*Net interest paid	<b>(366)</b>	(20)
*Taxation paid	<b>(601)</b>	(580)
*Dividends paid	<b>(238)</b>	(154)
<b>*Cash outflows from investing activities</b>	<b>(2 451)</b>	(5 067)
**Acquisitions of PP&E (excluding software)	<b>(2 054)</b>	(1 332)
**Other investing activities	<b>(397)</b>	(3 735)
	<b>1 210</b>	(2 563)
<b>**Cash (outflows) / inflows from financing activities</b>	<b>(314)</b>	2 694
<b>**Net movement in cash and cash equivalents</b>	<b>900</b>	131

\* Converted at average rate R7,04:US\$1 (Dec 06 and Dec 07) \*\* Converted at R6.75:US\$1 (Dec 07) and R7.05:US\$1 (Dec 06)

# Erlang



**Erlang:** The Erlang is a unit of traffic density in a telecommunications system. One Erlang is the equivalent of one call in a specific channel for an hour.



# Capital expenditures (incl. software)



US\$ million	Approved 2007	Actual 2007	Approved 2008
<b>South &amp; East Africa</b>	667	543	1 147
South Africa	580	419	984
Other operations	87	127	163
<b>West &amp; Central Africa</b>	1 176	1 167	2 419
Nigeria	739	706	1 813
Ghana	154	183	274
Other operations	283	278	332
<b>Middle East &amp; North Africa</b>	622	542	670
Iran	381	230	289
Sudan	112	142	141
Syria	62	62	117
Other operations	67	108	122
<b>Head Office Companies</b>	2	7	
<b>Total</b>	<b>2 466</b>	<b>2 264</b>	<b>4 236*</b>

\* Balance sheet impact expected to be US\$3.5bn at Dec 2008

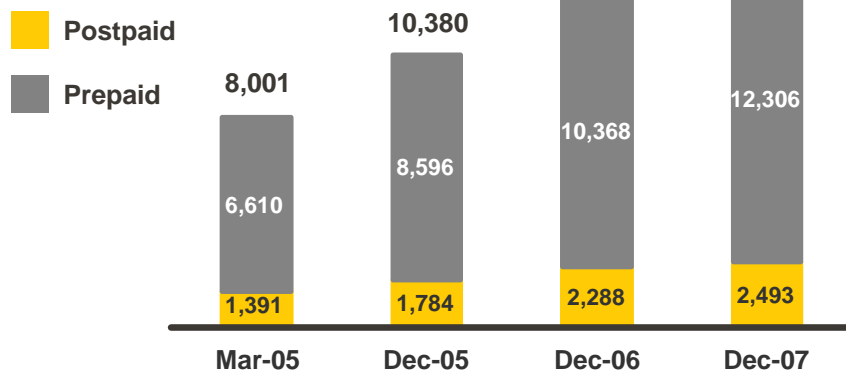
Approved 07 converted at R7.52:US\$1, Actual 07 converted at R6.78:US\$1 and Approved 08 converted at R7.22:US\$1

# South Africa – operational highlights

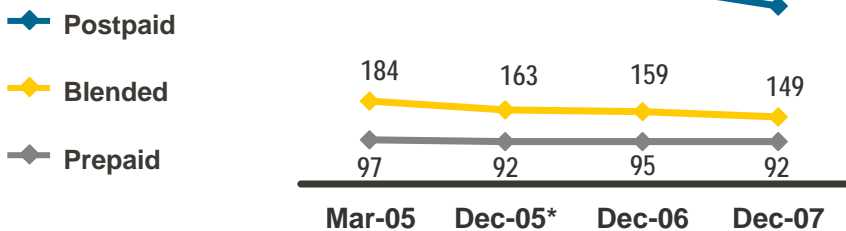


**Launched** Jun 1994 **Market share** 36% **Population** 48m **Market sizing** 56m (2012) **Penetration** 86% **Shareholding** 100%

## Subscribers ZAR ('000)



## ARPU ZAR per month



Avg. total MOU  
comprises both  
incoming and  
outgoing minutes

Period	Mar-05	Dec-05	Dec-06	Dec-07
Avg. total MOU	140	129	124	106

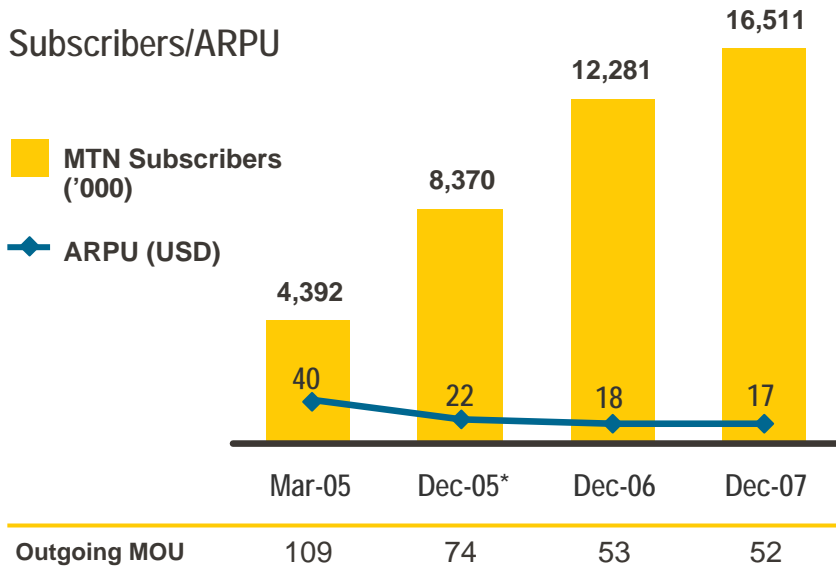
- Strong recovery in post paid in H2
  - Channel strategy and value proposition
  - H1: net adds 238 000
  - H2: net adds -33 000
- Total on-biller of approx 343 000 for 2007
- Prepaid subscriber growth & ARPU maintained
  - Competitive pricing
  - Lower denomination vouchers
  - H1: net adds 707 000
  - H2: net adds 1 231 000
- Revitalised distribution strategy
  - Realigned channel mix
  - Increased distribution footprint
- Improved customer service levels
- March 08
  - Subscribers 15 169 000
  - ARPU R144

\* 9 months

# Nigeria – operational highlights



**Launched** Aug 2001 **Market share** 44% **Population** 141m **Market sizing** 80m (2012) **Penetration** 27% **Shareholding** 85%



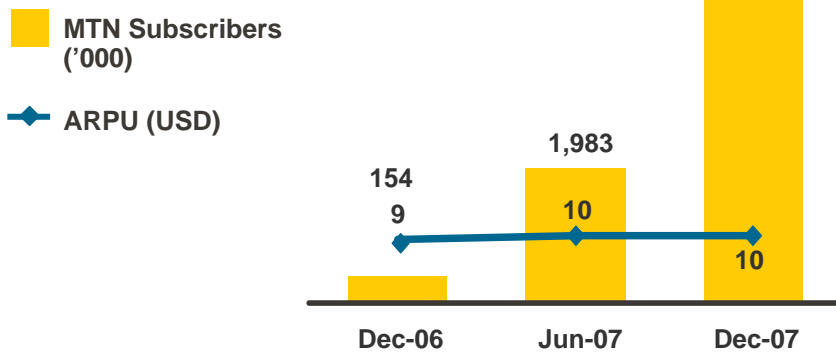
\* 9 months

- Quality of service remains a priority – Lagos and Abuja
- Demand driven growth (no promos)
- Strong subscriber growth and market share maintained
  - Competitive pricing
  - MTN Brand preference
  - H1: net adds 1 755 000
  - H2: net adds 2 475 000
  - Total subscribers at Feb 08: 17 459 000
- Enhanced product offering (Blackberry©, GPRS, Edge, Wimax)
- Comprehensive distribution
- Broadening of the Nigerian shareholder base
  - MTN reduced shareholding by 6.5%
  - Concluded early 2008
- March 08
  - Subscribers 17 766 000
  - ARPU \$16

**Strong market fundamentals**

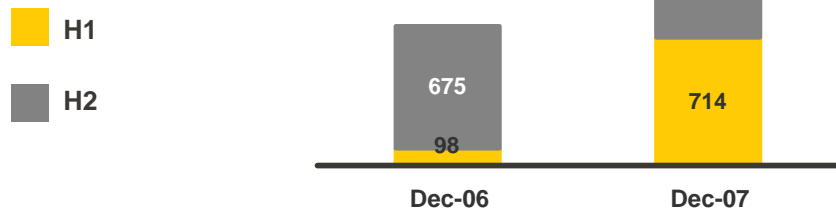
**Commercial Launch** Dec 2006 **Market share** 23% **Population** 70.6m **Market sizing** 52m (2012) **Penetration** 37% **Shareholding** 49%

## Subscribers/ARPU



Outgoing MOU	Dec-06	Jun-07	Dec-07
	85	82	92

## Capex ZAR million



Capex as % of revenue	Dec-06	Dec-07
	–	116

- Strong start-up performance
- Market share up from 12% (Jun 07) to 23% (Dec 07)
- Increasing MOU keeping ARPU stable
- Positive market response to brand and value proposition
- Step change in network capacity
  - Improved perception of service quality due to network rollout
  - 2003 live sites
  - 1500km road coverage
  - 339 cities covered
- Compliant with network rollout licence conditions
- Logistical challenges with transmission links
- First to market in providing GPRS
- March 08
  - Subscribers 9 025 000
  - ARPU \$9

**Strong start up performance**

# Balance sheet



US\$ million	As at Dec 2007	As at Dec 2006
<b>Non-current assets</b>	<b>12 107</b>	<b>10 820</b>
Property, plant and equipment	5 821	4 347
Goodwill and Intangible assets	5 722	5 689
Other non-current assets	564	784
<b>Current assets</b>	<b>4 941</b>	<b>2 927</b>
Bank balances	2 597	1 431
Other current assets	2 344	1 496
<b>Total assets</b>	<b>17 048</b>	<b>13 747</b>
<b>Capital and Reserves</b>	<b>7 596</b>	<b>6 061</b>
<b>Non-current liabilities</b>	<b>4 294</b>	<b>4 851</b>
Long term liabilities	3 393	4 055
Deferred taxation and other non current liabilities	901	796
<b>Current liabilities</b>	<b>5 158</b>	<b>2 835</b>
Non-interest bearing liabilities	3 587	2 212
Interest bearing liabilities	1 571	623
<b>Total equity and liabilities</b>	<b>17 048</b>	<b>13 747</b>
<b>* Net debt</b>	<b>2 367</b>	<b>3 247</b>

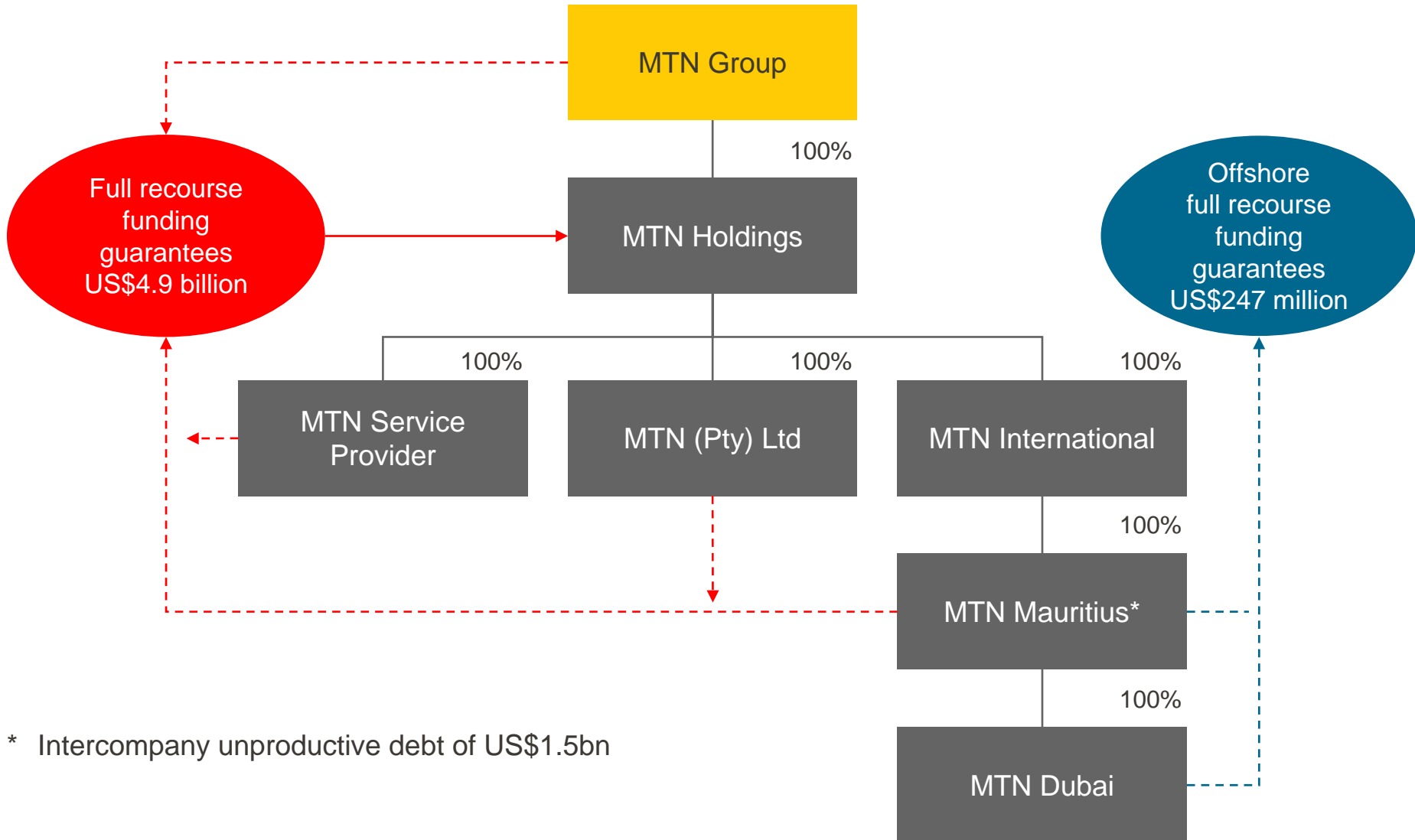
Converted at R6.78:US\$1 (Dec 07) and R7.05:US\$1 (Dec 06)



## **Funding outlook**

Debbie Millar  
General Manager: Corporate Finance

# Structure of debt



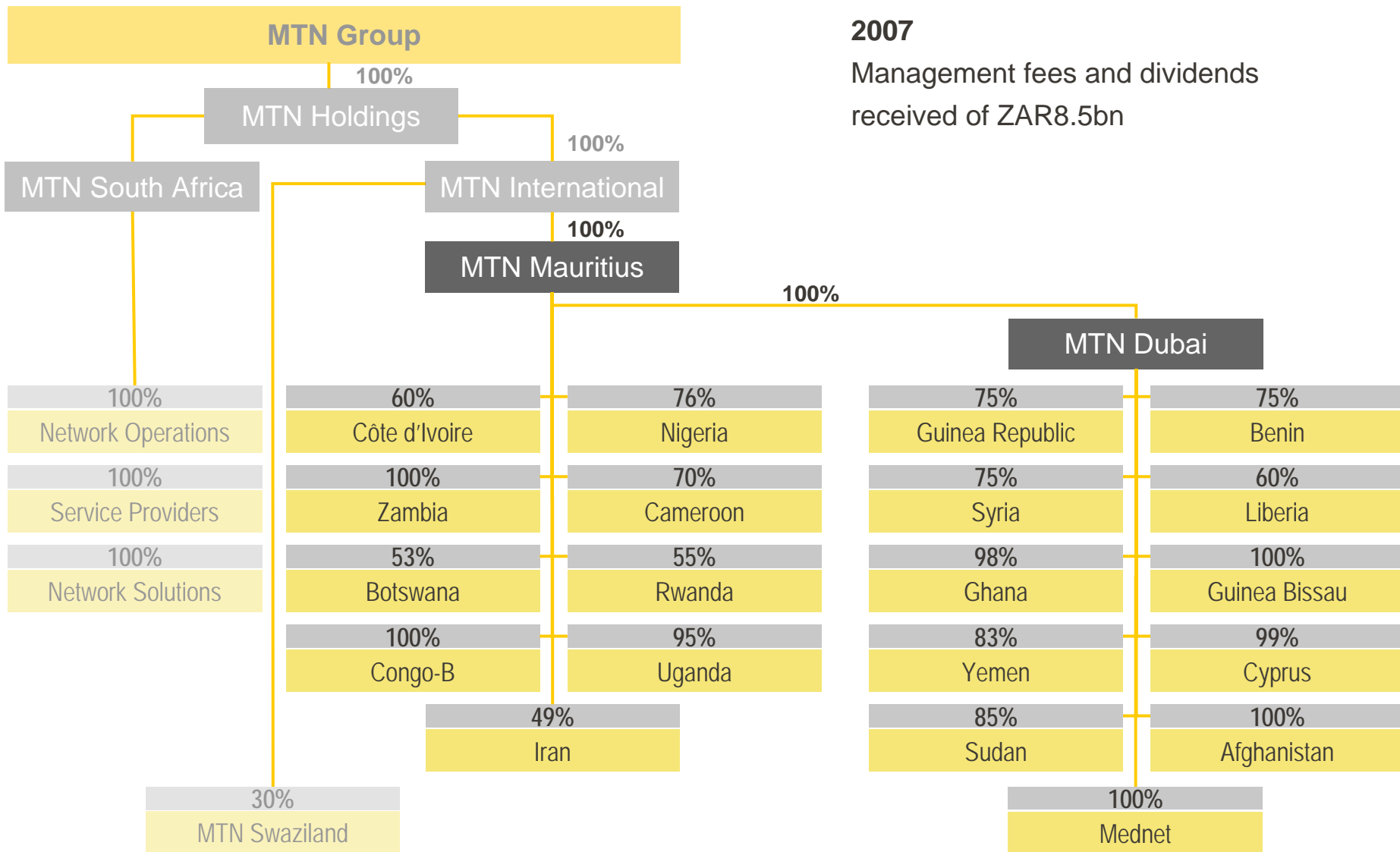
\* Intercompany unproductive debt of US\$1.5bn

# Rationale for debt structure...

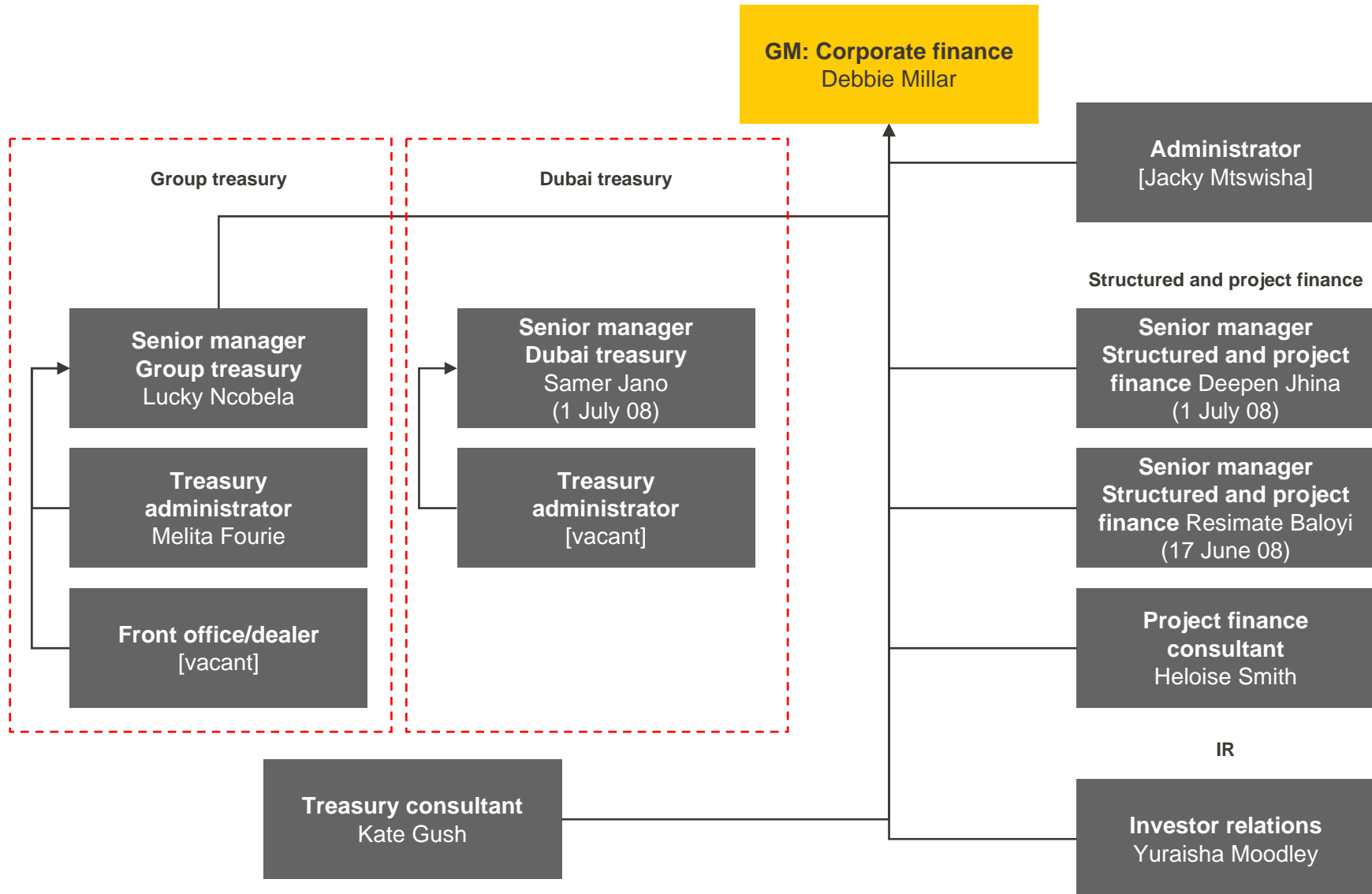


- Non recourse debt is still key
  - Improves currency match to revenue stream
    - Unlocks local debt capacity and builds local market capacity
  - Improves efficiency of balance sheet for local partners
  - Central banks often prefer
  - Improved risk sharing
- Holding company debt – cross guarantee structure
  - Limited use, only for operations that do not suit project finance
  - Usually for expansion (acquisition) or bridging purposes
  - Tax inefficient and should be limited
- Recourse debt in operations
  - Limited use, usually vendor based

# Offshore cash flow strength



# Structure and team



# Analysis of net debt position



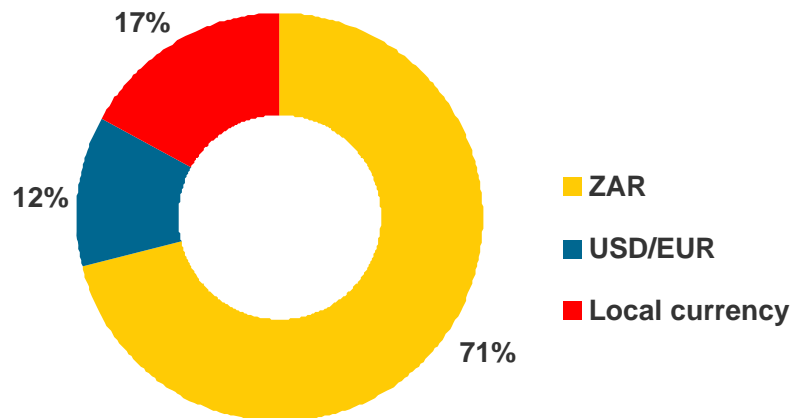
As at 31 Dec 2007 US\$ million	Net (cash) debt	Interest bearing liabilities*	Cash and cash equivalents
<b>South &amp; East Africa</b>	<b>485</b>	971	485
South Africa	441	854	413
Other operations	45	117	72
<b>West &amp; Central Africa</b>	<b>35</b>	973	938
Nigeria	154	737	584
Ghana	(200)	14	214
Other operations	81	222	141
<b>Middle East &amp; North Africa</b>	<b>127</b>	586	459
Iran	478	507	29
Sudan	9	38	29
Syria	(301)	18	318
Other operations	(59)	22	82
<b>Head Office Companies</b>	<b>1 720</b>	2 435	715
<b>Total</b>	<b>2 367</b>	4 964	2 597

\* Including long-term borrowings, short-term borrowings and overdrafts  
Converted at R6.78:US\$1

# Interest bearing liabilities split as at 31 December 2007

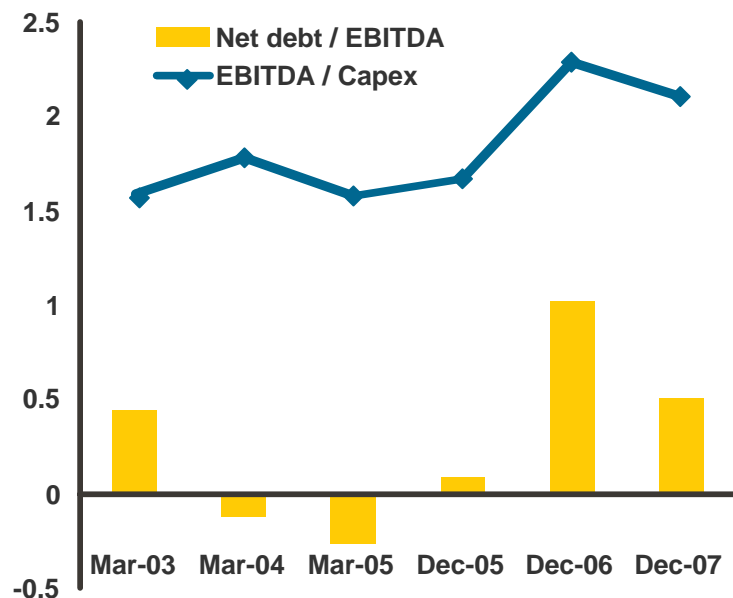


## Currency analysis (liabilities)

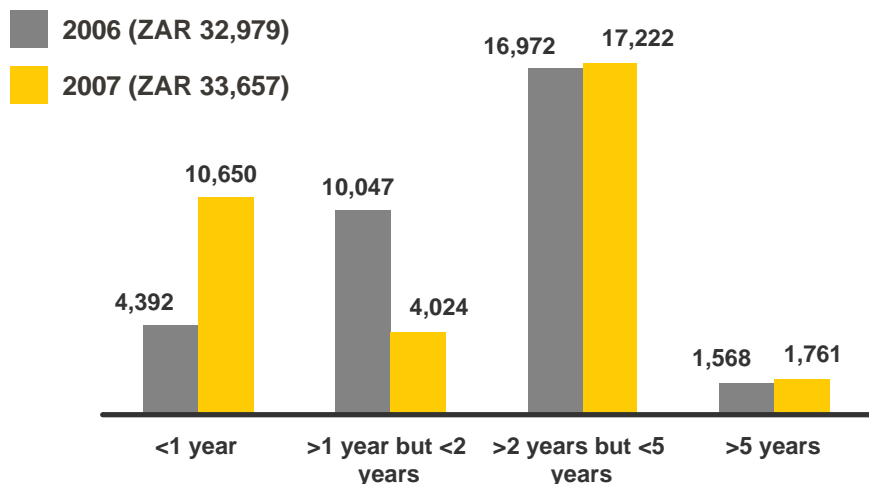


- Fundraising at operational level
  - Nigeria approx US\$2bn (80% LC)
  - Côte d'Ivoire approx US\$100m (100% LC)
  - Cameroon approx US\$80m (100% LC)
- Cash accumulation
  - Syria
  - Ghana
  - Nigeria
- Net debt to EBITDA of 0.5x (Dec 06:1.02x)
- Moody's rating upgrade
  - National scale rating to A2.za from A3.za
  - Global scale rating of Baa3 provides two notch headroom to reflect the possible impact of further acquisitions
  - Outlook upgraded to positive from neutral

# Group covenants and repayment profile



Repayment profile ZAR million



- Syndication – financial ratios
  - Leverage – Consolidated total net borrowings / Adjusted consolidated EBITDA. Grid levels of >1.5x, >1.0x, <1.0x
  - Interest cover – Consolidated EBITDA / Consolidated net finance costs > 5x
- Syndication – permitted indebtedness
  - Existing debt, and refinancing thereof
  - All project finance
  - \$1.7 billion
- Bond and syndication – cross default
  - Material subsidiaries – ZAR250 million or US\$25 million
- Available facilities across the Group of approximately US\$3 billion

# South African facilities



Company	Source of facility	Facility		Utilisation in US\$	Undrawn facilities in US\$	Comments
		Currency	Amount (m)			
South Africa	<b>General banking facilities*</b>	ZAR	6 617	567	249	<b>Have US\$400m additional uncommitted facilities</b>
	<b>Structured finance</b>	ZAR	712	88	–	<b>Building lease</b>
	<b>Bond* (DMTN)</b>	ZAR	10 000	777	456	<b>Unutilised under DMTN</b>
	Bond MTN 01 (2 yr term)	ZAR	5 000	617	456	Unlikely to repay
	Bond MTN 02 (6 yr term)	ZAR	1 300	160	–	Unlikely to repay
	<b>Syndicated loan facility*</b>	USD	2 662	1 412	1 250	
	Facility A1 (4 yr term)	USD	656	656	–	\$94m repaid Jan 08
	Facility A2 (4 yr term)	ZAR	6 125	756	–	R875m repaid Jan 08
	Facility B (RCF)	USD	1 250	–	–	To keep at this stage
Mauritius	<b>Bridge facility*</b>	USD	150	135	15	<b>Rollover from Sep 07 To consider refinancing</b>
Investcom LLC	<b>Banque Audi</b>	USD	88	55	33	
	RCF	USD	60	27	–	To keep at this stage but consider refinancing
	Term	USD	28	28	–	
<b>Total</b>		<b>USD</b>	<b>5 037</b>	<b>3 034</b>	<b>2 003</b>	

All numbers at 31 March 2008 (R8.1053:\$1)

\* MTN Group cross guarantee

# Non South African facilities



Company	Source of facility	Facility		Utilisation in US\$	Undrawn facilities in US\$	Comments
		Currency	Amount (m)			
Nigeria*	International debt	USD	400	400	–	US\$2bn non recourse facility concluded in October 2007
	Local debt	NGN	206 00	1 210	550	
Uganda*	Total	UGX	112 047	66	–	New facility raised in 2006 Short term Short term
	Syndicate	UGX	67 553	–	–	
	Bilateral	UGX	16 930	–	–	
	PN's	UGX	27 000	–	–	
	Motor vehicle leases	UGX	564	–	–	
Cameroon*	Syndicated loan facility	CFA	44 150	106	–	New facility secured from local banks in June 2007
Ghana*	Loan	USD	40	20	20	Refinancing being considered
Côte d'Ivoire*	Various	XOF	58 705	142	–	Additional fundraising in progress
Zambia	Club loan	ZMK	149 565	41	–	Facility guaranteed by MTN International
Total		USD		1 985	570	

1. Syria, Cyprus and Congo B currently utilise mainly vendor finance
2. Afghanistan, Sudan, Guinea Conakry, Liberia, Guinea Bissau funded by MTN Dubai at present
3. Afghanistan project finance drawdown delayed due to increased funding need

All numbers at 31 March 2008 (R8.1053:\$1)

\* Non recourse funding

# 2008 priorities...



- Reduce unproductive interest
- Fully functional Dubai treasury
- Formalise treasury policy in the operations
- Evaluate opportunities for ECA funding
- Cash up streaming across the group – Syria, Nigeria, Ghana
- Project finance of “start up” operations
  - Afghanistan
  - Sudan
  - Iran
- Provide facilities for gearing of operations on a non recourse basis
  - Benin
  - Cameroon
  - Congo B
  - Cote d’Ivoire
  - Ghana
  - Rwanda
  - Uganda
  - Yemen



**Looking forward...**

Rob Nisbet

# Looking forward...



Expansion opportunities	<ul style="list-style-type: none"><li>• Continue to seek value accretive opportunities in emerging markets</li></ul>
Rollout	<ul style="list-style-type: none"><li>• Ensure appropriate levels of capacity and quality for new and existing subscribers</li></ul>
Convergence	<ul style="list-style-type: none"><li>• Data/corporate opportunities, new products and services</li></ul>
Optimise operations	<ul style="list-style-type: none"><li>• Operational efficiencies</li><li>• Regional synergies</li></ul>
Regulations	<ul style="list-style-type: none"><li>• Constructive engagement with regulatory authorities</li><li>• Input in developing effective regulations</li></ul>

# Subscriber guidance 2008



	Actual 2007	2008 net adds guidance
South Africa	14,799	2,200
Nigeria	16,511	5,000
Ghana	4,016	1,300
Iran	6,006	7,000
Syria	3,109	680
Sudan	2,090	1,100
Rest	14,822	4,500
	61,353	21,780

Expected 36% increased in subscriber growth

# Key Credit Strengths



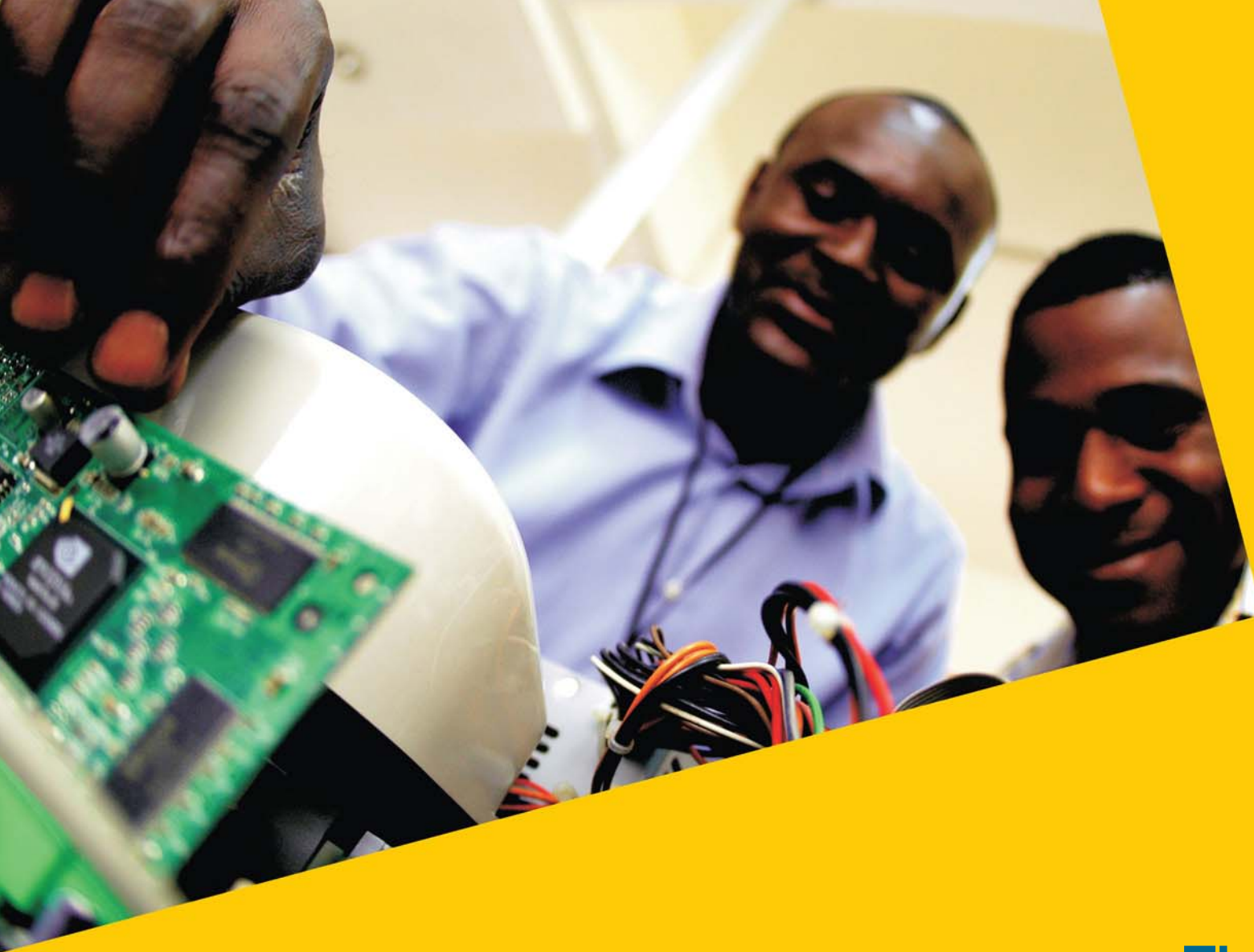
	Credit Strengths	Rationale
<p>MTN benefits from good fundamentals in its established markets underpinned by a strong brand</p>	<p><b>Strong position in domestic SA market</b></p>	<ul style="list-style-type: none"> <li>● #2 operator with 35% market share and a robust track record in subscriber / revenue growth</li> <li>● Stable three-player market with strong cash generation</li> </ul>
	<p><b>Leading market positions in key international markets with growth potential</b></p>	<ul style="list-style-type: none"> <li>● Leading market positions in high-growth and profitable African / Middle-Eastern countries including Nigeria, Ghana and Syria with penetration upside</li> <li>● Economic growth fundamentals still strong in most markets</li> <li>● Penetration below 35% (average)</li> </ul>
<p>MTN has a diversified portfolio of operations at different stages of growth</p>	<p><b>Strong track record of operating in emerging markets</b></p>	<ul style="list-style-type: none"> <li>● Strong performance across the portfolio</li> <li>● Benefits from best practice across the Group and ability to leverage</li> <li>● Accumulated know-how (e.g. new network launches in Iran)</li> <li>● Achieve economies of scale in group procurement/purchasing power</li> <li>● Pool of talent across operations</li> </ul>
<p>Strengthening operations are expected to generate strong cash flows going forward</p>	<p><b>Attractive diversification of assets</b></p>	<ul style="list-style-type: none"> <li>● Footprint covering 21 countries in Africa / Middle East</li> <li>● Mix of established free cash flow generating operations and high growth start-ups</li> </ul>
	<p><b>Cash flow generation</b></p>	<ul style="list-style-type: none"> <li>● Peak spending in 2008</li> <li>● Cash up streamed through dividends and management fees</li> </ul>
	<p><b>Credit rating</b></p>	<ul style="list-style-type: none"> <li>● 2 notch headroom in Moody's credit rating to reflect the possible impact of further acquisitions</li> </ul>

# Potential Challenges



MTN has already a strong track record and an experienced management team to address potential challenges

Potential Challenges	Mitigating Factors
<p><b>Exposure to high risk markets</b></p>	<ul style="list-style-type: none"> <li>• Portfolio of selected markets</li> <li>• Experienced local management teams limit execution risks</li> <li>• Local partners</li> </ul>
<p><b>Significant investment requirement</b></p>	<ul style="list-style-type: none"> <li>• Proven ability to generate sound returns commensurate with investment</li> <li>• Capex/sales expected to decline towards low teens over medium term</li> </ul>
<p><b>Uncertain political / regulatory regimes</b></p>	<ul style="list-style-type: none"> <li>• Managing regulatory challenges and uncertainties</li> <li>• Risks reduced through efficiency of the markets and practical importance of the networks</li> <li>• Nationalisation always a concern</li> </ul>
<p><b>Increased competition</b></p>	<ul style="list-style-type: none"> <li>• Current position in market</li> <li>• Depth of resources</li> <li>• Current rollout coverage advantage</li> </ul>
<p><b>Extraction of cash from foreign operations</b></p>	<ul style="list-style-type: none"> <li>• Established track record of extracting cash through dividends and management fees</li> <li>• Significant headroom in SA facilities</li> </ul>
<p><b>FX risk</b></p>	<ul style="list-style-type: none"> <li>• Local currency funding maximised to limit asset / liability mismatch</li> <li>• Operations hedge foreign currency requirements where possible</li> </ul>



**Thank you**

Questions?

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