



MASCOM WIRELESS

Botswana

SEA Region Day (17 July 2008)

Presented by

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BOTSWANA IN FIGURES



Population	1.8m
GDP per capita	USD 6500
Inflation	14.5%
Main inflation drivers	Food and Oil
Prime lending rate	17%
Key business drivers	Mining, Agriculture and Tourism
Mobile penetration	82%
Internet penetration	6%
Fixed line penetration	8%



MASCOM AT A GLANCE



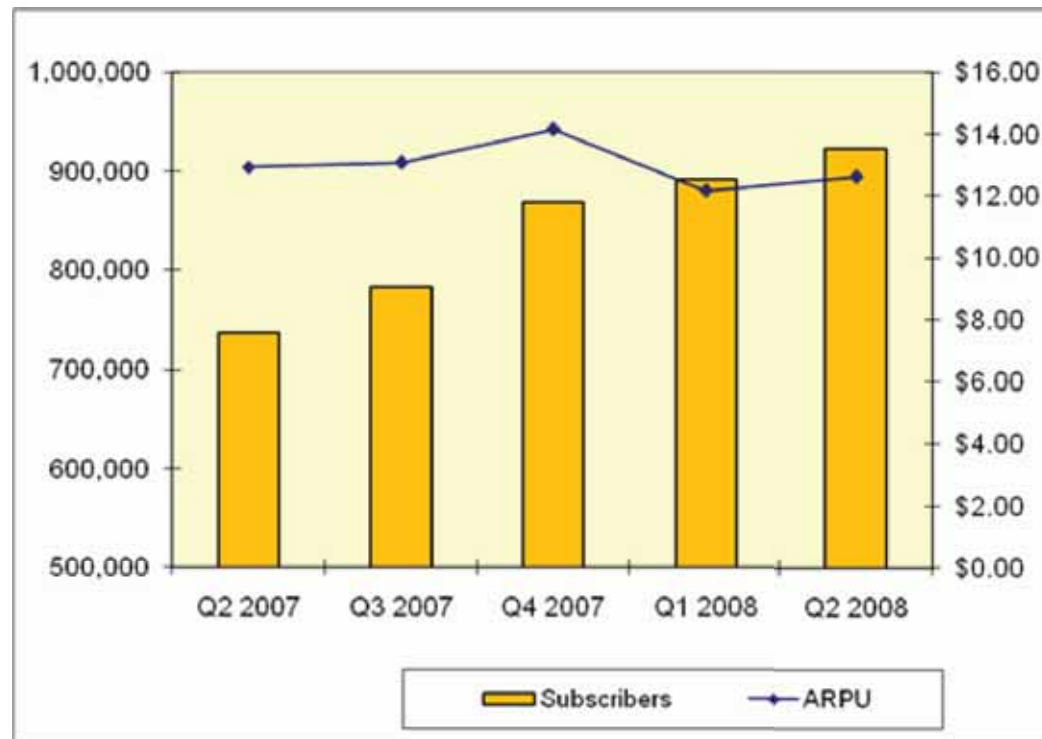
- ISO 9001:2000 and 14001:2004 certified.
- Has been in the market for more than 10 years.
- Market leader with an overall mobile market share >60%.
- Currently with over 900,000 customers.
- 15 year Service Neutral Licence obtained in Jun 2007.
- Main competitors are Orange and BTC (fixed incumbent with a recently new mobile operation – BMobile).
- All the 3 operators are mainly supplied by Ericsson.

SERVICE NEUTRAL LICENCE

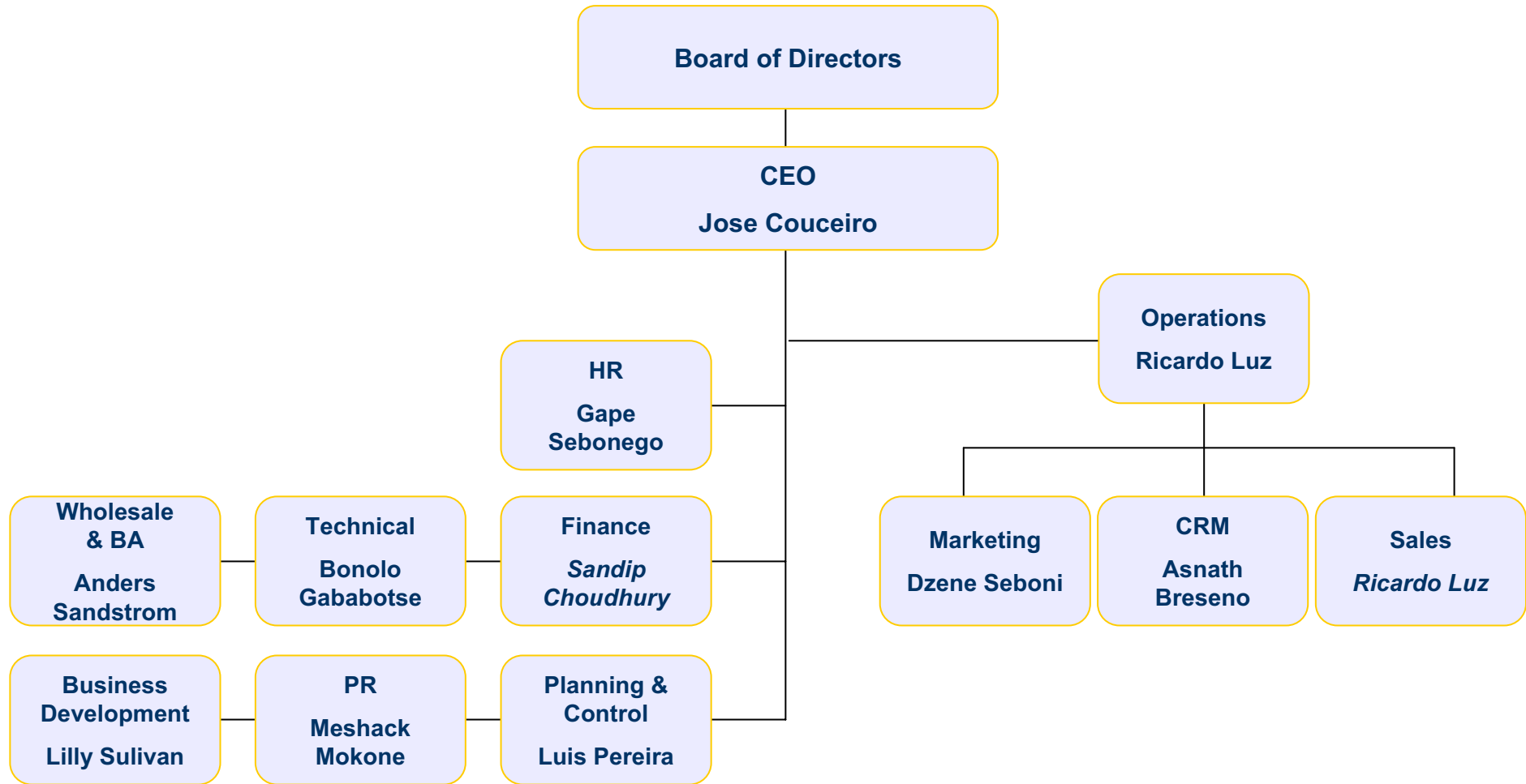
Period	<ul style="list-style-type: none"> • 15 years (effective in June 2007). • Service neutral license that allows mobile, fixed, fixed wireless and value added services deployment. • Also allows self provision of transmission capacity and self own international gateway.
Fees	<ul style="list-style-type: none"> • 3% of net revenue
Spectrum	<ul style="list-style-type: none"> • 900 Mhz. • 1800 Mhz. • 3G/3.5G. • Running WIMAX trial on 2.5-2.6 Mhz.
Coverage	<ul style="list-style-type: none"> • Population coverage of over 85%.

MAIN PERFORMANCE FIGURES

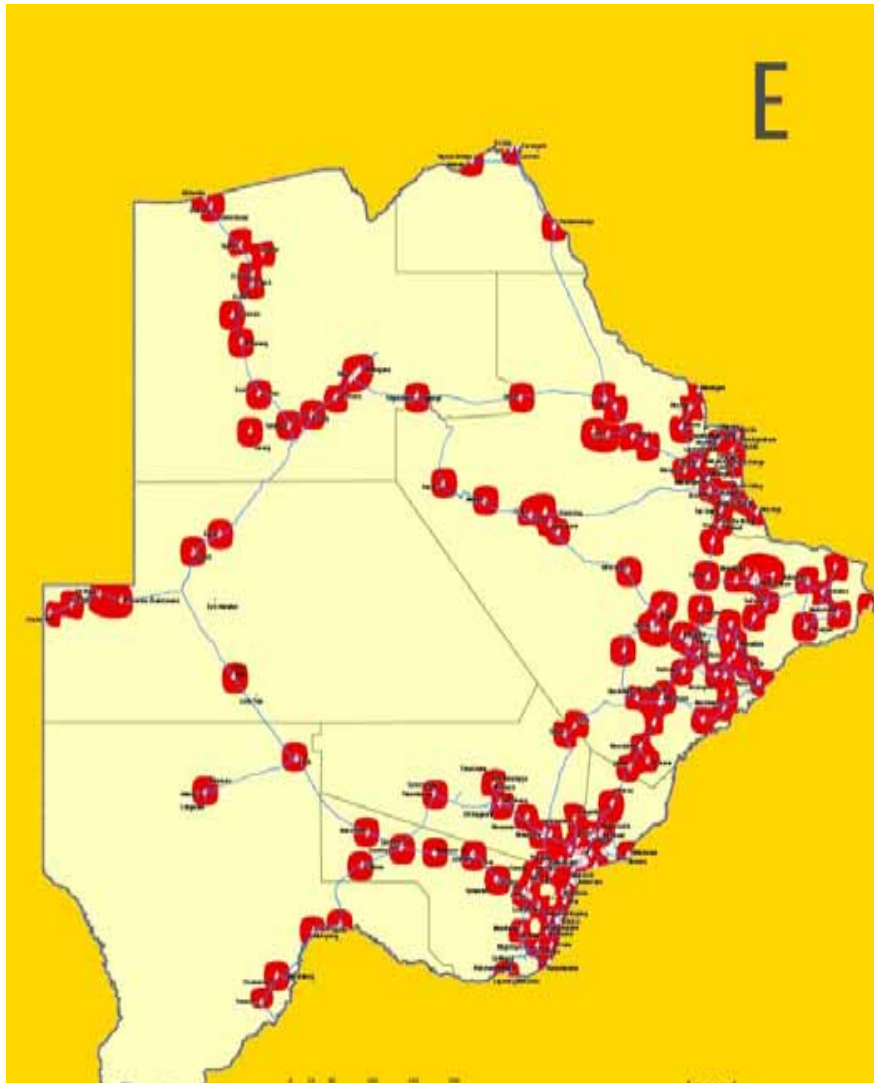
USD'000	Dec'06	Dec'07
Revenue	101,111	127,439
EBIDTA	50,120	66,613
Capex/Revenue	13.2%	9.7%



OPERATIONAL STRUCTURE



NETWORK



- Covers over 85% of the population.
- Offers 2.5G countrywide and about to launch 3G/HSDPA in Gaborone.
- Projects in progress:
 - ✓ Introducing layered network architecture.
 - ✓ Phased development of own backbone.
 - ✓ WiMAX trial.
 - ✓ Government subsidised Rural telecommunications program.
 - ✓ CRM system.

PREPAID RECHARGES (1/2)

MASCOM'S CURRENT RECHARGE OFFER		% of sales
ELECTRONIC	Easy Top Up Standard peer to peer electronic recharge deployed between dealers and end users' mobile handsets (credit transfer between SIM cards).	41,4%
	Direct Top Up Electronic recharges using VISA cards through the end users' mobile handsets.	6,4%
PHYSICAL	Scratch Cards Standard physical recharges, with a code hidden under a cover to be scratched.	44,9%
	Vouchers Physical recharges similar to scratch cards, generated by specific machine units that print the recharge code.	7,3%

Easy Top Up is becoming the most common recharge in the Botswana market, having benefited from the simplicity of the process, the flexibility of recharge amounts, the commitment from the distribution network and the communication of the offer as the “easiest way to recharge your mobile”.



SERVICE OFFERINGS: PREPAID VOICE

Basic Prepaid Voice Offers

- ✓ **Get started with Mascom Prepaid Now! “Flexi Call”**
 - Mascom Flexi call is a convenient prepaid service that gives the benefits of cellular communication, without monthly subscription fees or the need to obtain credit approval.
 - Flexi Call subscribers have a full range of services, including voice mail, short message service, international roaming and differentiated on-net/off-net and peak/off-peak rates.
- ✓ **Flexi Executive**
 - The package is especially tailored for SoHo customers.
 - For every call longer than 2 minutes means an extra 25 thebe per completed minute credited to the customer’s balance.
 - Includes reduced tariffs subject only to a mandatory P100 recharge per month.

Other Distinctive Related Offers

- ✓ **Kgolo** (traffic bonus with incoming calls); **Nzamele** (balance transfer between different customers’ prepaid accounts); **Prepaid Revolution** (automatically on request prepaid profile change); **Colme** (call back sms); **MTN Group preferred roaming rates** (voice and data); **Instant bonus at each recharge**; **Monthly bonus on last months’ consumption**; **Mobile banking**; etc.

SERVICE OFFERINGS: CONTRACT & DATA

Voice Contract Offers

✓ Business and Consumer Contract Plans:

- Monthly subscription rate for a selected period of time (12 or 24 months) pegged with a free handset and minute packages.
- Contract subscribers have a full range of services, differentiated and reduced on-net/off-net and peak/off-peak rates.
- Current offer includes 8 different options (different levels of handsets and minute packages) pegged with 2 different sets of rates (for business and consumer customers).

Prepaid & Postpaid Data Offers

✓ Wireless Internet Access:

- Countrywide available for prepaid and postpaid customers on GPRS/EDGE.
- Soon to be available in Greater Gaborone area on UMTS/HSPDA (1.2Mb/sec. as first stage).
- Surf Option 1: “Monthly MB Bundle Packages”, with and without data devices, ranging from a monthly subscription of P50 (with 20 MB included) to P500 (with 1GB and data card included);
- Surf Option 2: “Pay As You Surf”, with fixed rates per MB (available for both prepaid and postpaid customers).

CORPORATE RESPONSIBILITY



- Mascom sponsors and actively participates in development of Sports, Education, Entertainment and Culture.
 - ✓ Sponsor of Mascom Premier League.
 - ✓ Free Computer Packages to schools.
 - ✓ Quarterly rural site launches.
 - ✓ Sponsor of cultural activities/festivals and local artists.
- As a certified ISO 14001 company, Mascom acknowledges the importance of protecting the environment as part of a global community and is committed to conduct its business in an environmentally friendly manner.

THE ROAD AHEAD

Challenges

- Power shortages.
- Intensifying competition.
- Dependency on Incumbent's backbone.
- Rising costs (steel, diesel etc) and exchange rate.
- Implementation of prepaid registration

Opportunities

- High mining activity.
- Low Internet penetration and poor fixed infrastructure.
- Leverage on service neutral license to provide mobile and fixed services.



THANK YOU

