

# MTN Swaziland

Tebogo Mogapi  
CEO



# Overview



**Population** 1.1m (Dec 07)    **Market sizing** 0.7m (2012)    **Penetration** 40% (Dec 07)

## Economics

**GDP/Capita** \$1,700

**Inflation** 11.6% (2008 E)

**Local rates** Central Bank Landing Rate 11.5%

**Currency** LC/USD = 7,5 (pegged to the ZAR)

## Demographics

**Language** English, SiSwati

**Religion** Predominantly Christian



# Market players



## MTN (single player market)

**Launch date**

1998

**Subscribers**

398,914m (Mar 08)

**Suppliers**

Ericsson

**Coverage**

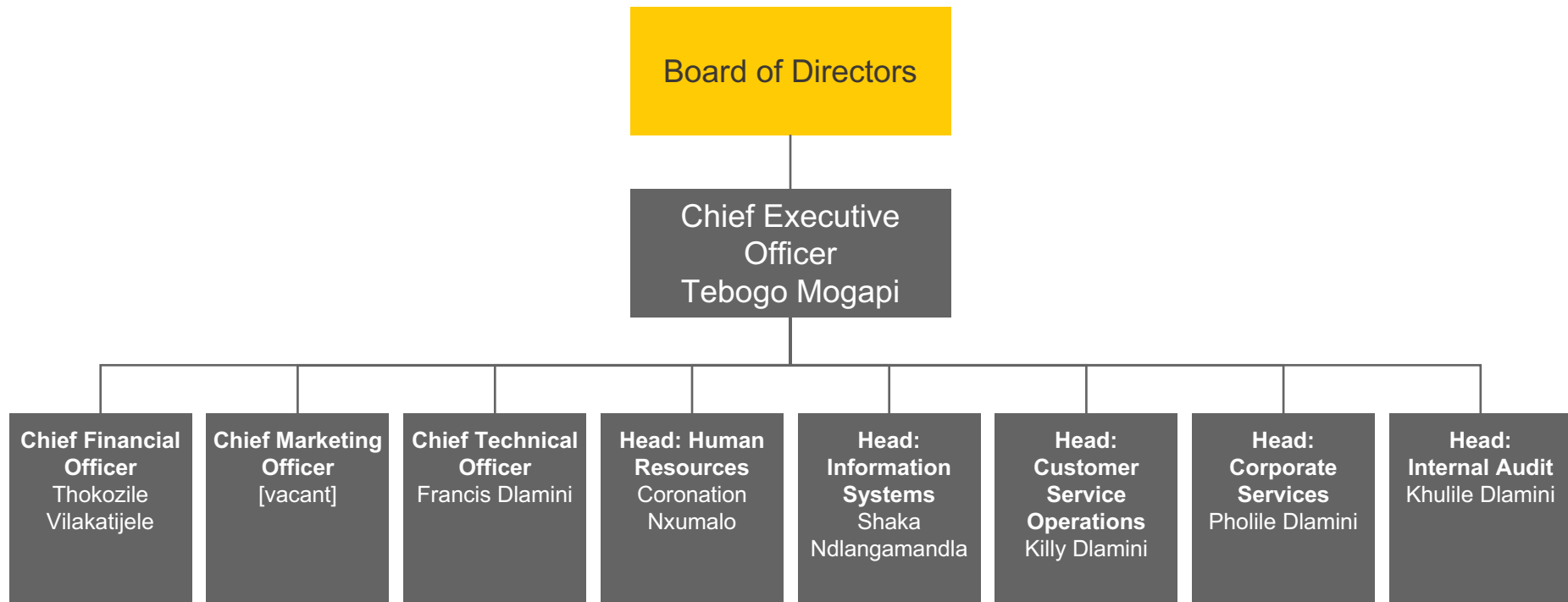
86% land  
93% population

# License



<b>Period</b>	<ul style="list-style-type: none"><li>• Granted July 1998</li><li>• Effective November 1998</li><li>• 10 years exclusivity period</li><li>• Renewable for a further 10 years</li><li>• No self-provision of backbone transmission infrastructure and no international gateway rights</li></ul>
<b>Fees</b>	<ul style="list-style-type: none"><li>• No initial fee</li><li>• Universal service obligation (USD4.5 million investment by Year 10)</li><li>• Licence fees – minimum USD307k of 5% of NOI yearly</li><li>• Spectrum fee – USD2.7k per frequency channel yearly</li></ul>
<b>Spectrum</b>	<ul style="list-style-type: none"><li>• 900 MHz</li></ul>
<b>Coverage</b>	<ul style="list-style-type: none"><li>• Year 6 – 85% population<ul style="list-style-type: none"><li>- All cities and towns</li><li>- 80% of major roads</li></ul></li><li>• Year 8 – 89% of population<ul style="list-style-type: none"><li>- All cities and towns</li><li>- All major roads</li></ul></li><li>• Year 10 – 93 % of population<ul style="list-style-type: none"><li>- All communities</li><li>- Some roads</li></ul></li></ul>
<b>Tariffs</b>	<ul style="list-style-type: none"><li>• Regulatory/ministerial approval required</li></ul>

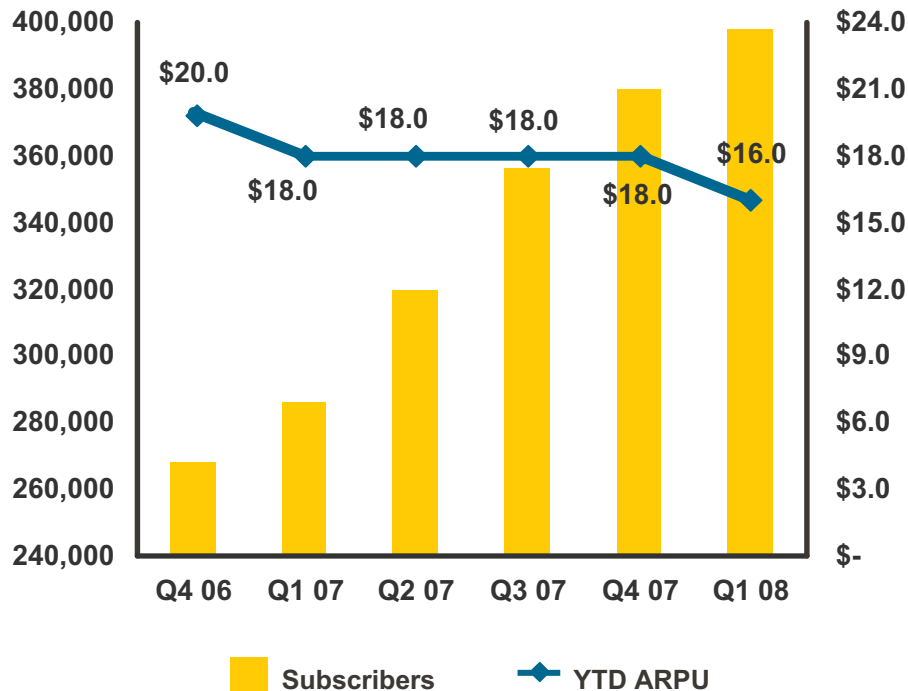
# Operational structure 2008



# Highlights



ZAR '000	2006	2007
Revenue	128,000	151,000
EBIDTA	77,000	88,000



- Subscriber base grew to 398,914 (Mar 08)
  - 99% prepaid base
  - 73% MTN Zone
- A cancellation management (churn) service was launched in March 2008 to help in ensuring increased population penetration
- Licence renewal in process of being finalised
- Data trials

# Infrastructure

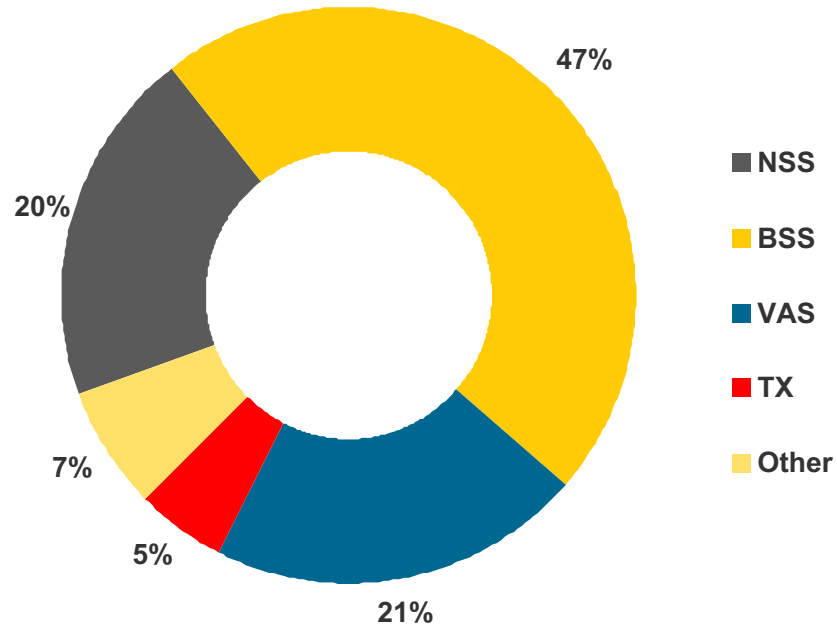


Technology benchmarks	Mar 08
% land	86%
% population covered	91%
Total number of MSCs/MS-C-Ss	2
Total number BSCs	2
Total number of sites	112
Total number of BTSs	132

# Rollout plan



## Budget allocation

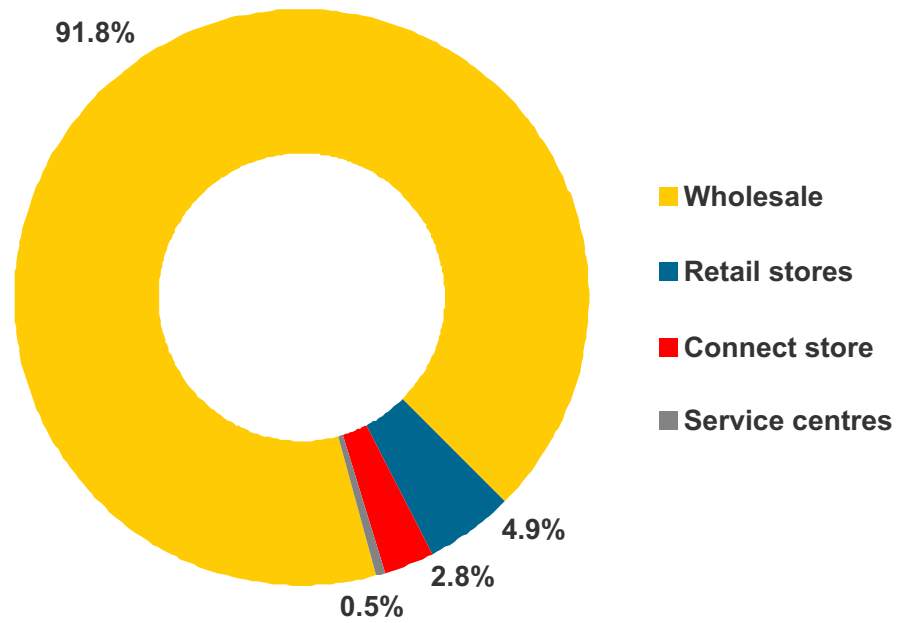


- 2 core locations to provide network resilience
  - Mbabane and Matsapha
- IP core and backbone to be implemented 2008 and will provide ready upgrade path to converged services and 3G
- Capex USD13m
- Pursuing ISP services
- 36 additional BTS sites

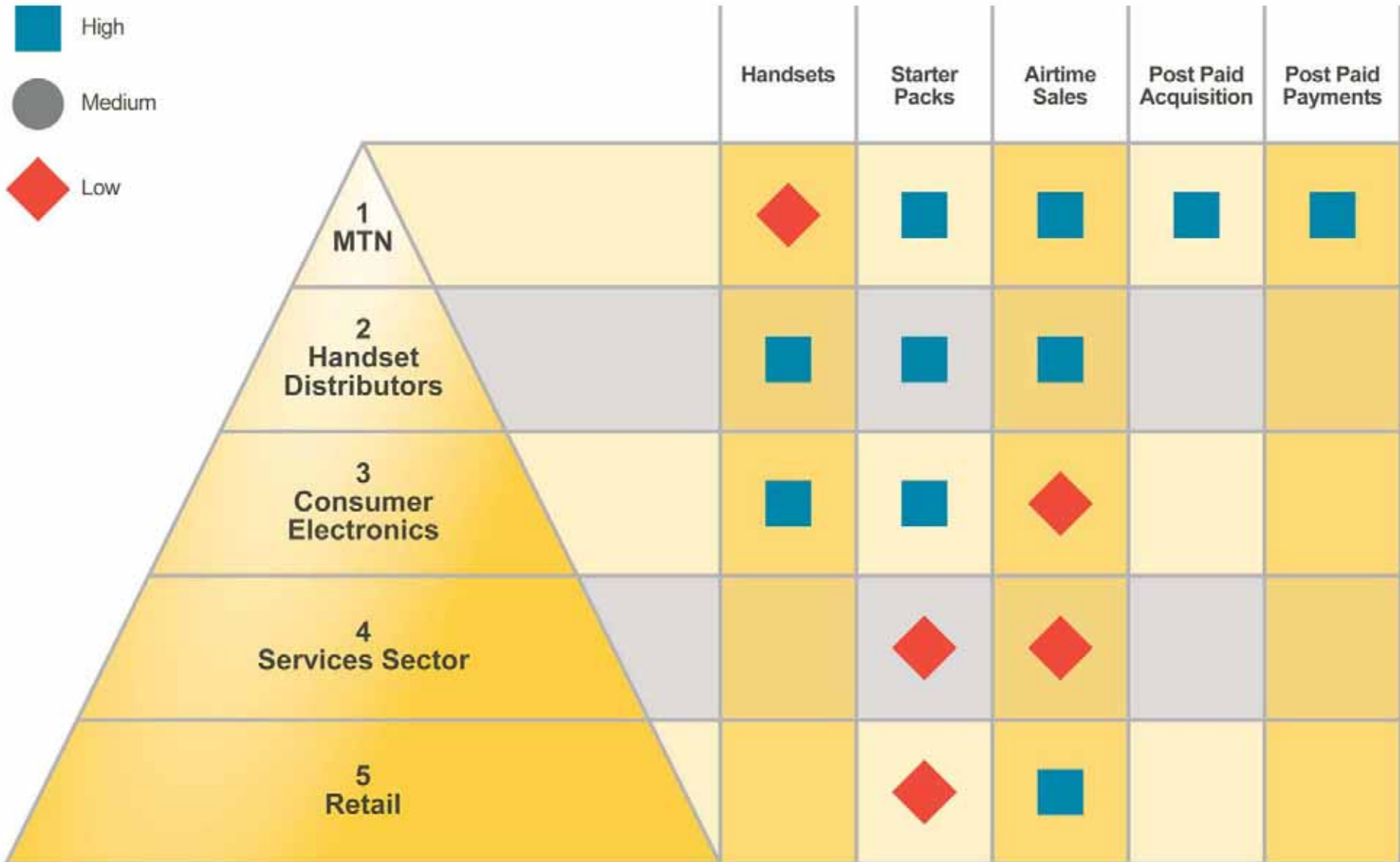
# Distribution



## Distribution channels



# Distribution



In excess of 4,900 points of presence throughout the country (high Virtual Top Up vendor penetration)

# Customer operations



## Call Centre:

- 7-day call centre

- ✓ Provides country-wide service
- ✓ Reduces time to address customer needs

## Self management:

- USSD
  - Customers can place requests anytime, anywhere
- E-Care
  - Under development (far advancement)

- ✓ Call centre load reduction
- ✓ Bill issuing and cost reduction

## Dealer portal:

- SIM swap
- Tracking of VTU activity

- ✓ Availability in major metropolitan areas
- ✓ Call centre load reduction

# Voice proposition



Reasonable per minutes rates across both PAYG and Postpaid

- ✓ Reasonable rates compared to what users are charged in neighbouring markets such as SA
- ✓ Attractive for fix to mobile rates

Standard per second billing

- ✓ Provides best value for usage, especially for shorter duration calls

Dynamic Tariffing offering for PAYG (MTNZone)

- ✓ Till recently we offered maximum 60% discount, have since increase maximum discount to 95%

# Data proposition



## GPRS for all customers

- No charge for connection – only for data exchange
- (testing for EDGE)

- ✓ **Data Enabling email solutions**
- ✓ **Internet access**

- Data SIM cards enabled for both SMS and data
- DATA and SMS Bundles due for launch in Q2, 2008

- ✓ **Addresses demand for telemetry & tracking uses**
- ✓ **Expanding GPRS usage**

# Looking forward



## Opportunities

## Challenges

Increased data usage

Possible entrant of second mobile network

ISP

Slow population growth (due largely to HIV/AIDS)

Youth market

High inflation  
Lack of foreign direct investment  
Interest rate hikes

Mobile content



**Thank you**

Questions?

# Notice



The information contained in this document has not been verified independently. No representation or warranty express or implied is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Opinions and forward looking statements expressed represent those of the Company at the time. Undue reliance should not be placed on such statements and opinions because by nature, they are subjective to known and unknown risk and uncertainties and can be affected by other factors that could cause actual results and Company plans and objectives to differ materially from those expressed or implied in the forward looking statements.

Neither the Company nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever (based on negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation and do not undertake to publicly update or revise any of its opinions or forward looking statements whether to reflect new information or future events or circumstances otherwise.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

## **CONTACT DETAILS**

Telephone: +27 11 912-3000

Facsimile: +27 11 912-4093

E-mail: [investor\\_relations@mtn.com](mailto:investor_relations@mtn.com)

Internet: [www.mtn.com](http://www.mtn.com)