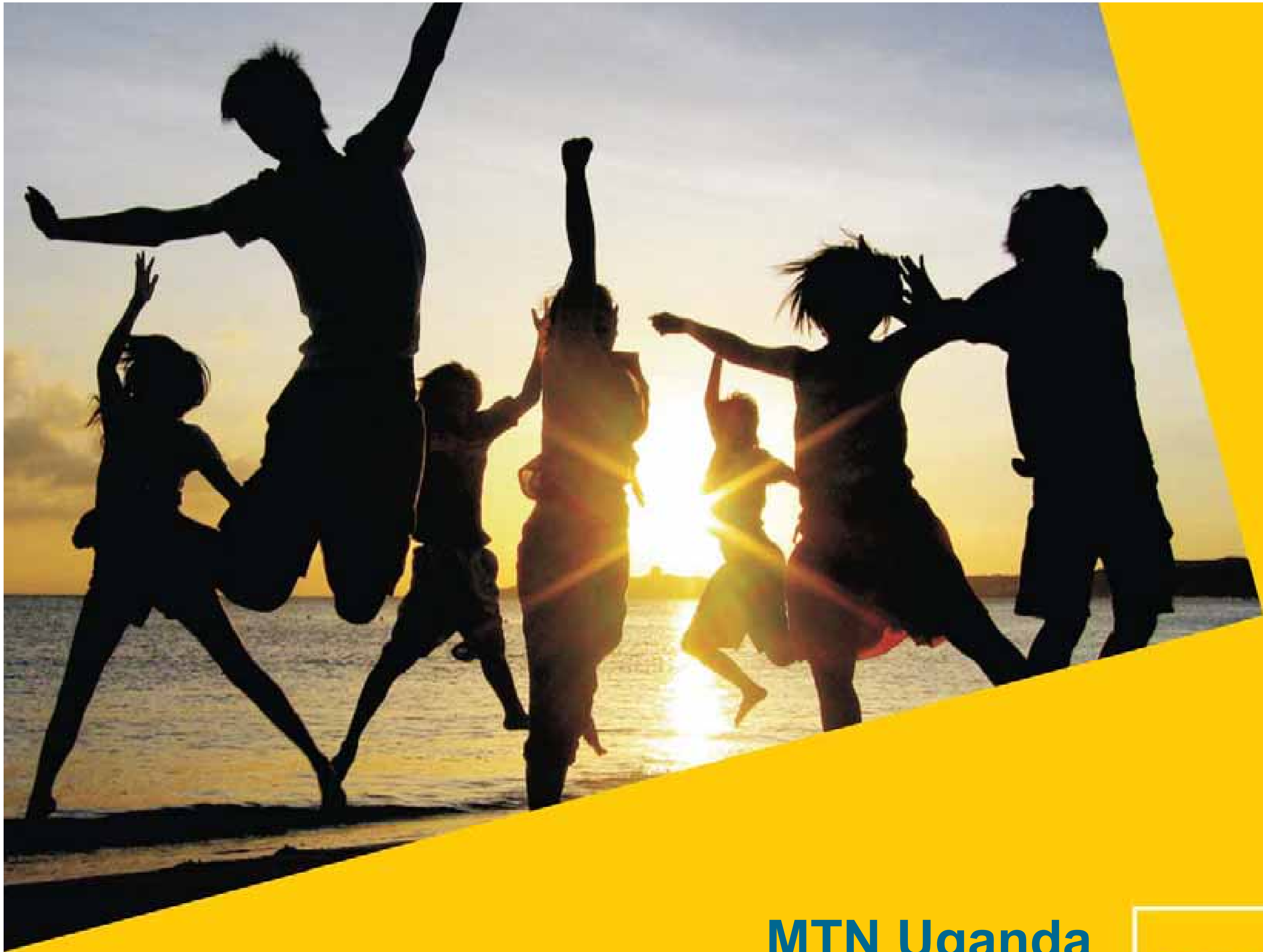


MTN Uganda

Noel Meier
CEO

Overview

Population 29m (Dec 07) **Market sizing** 14.9m (2012) **Penetration** 15% (Dec 07)

Economics	
GDP/Capita	$339.79 (actual 2006) $430.68 (est. 2008)
Inflation	6.1% (actual 2007) 7.5% (est. 2008)
Avg. lending rate	19.0%
182 Day T-Bill rate	12.82 (21 May)
Exchange rate	LC/USD 1,645 (29 May 08) 1,714 (est. 2008)
Demographics	
Language	English, Luganda + 11 other local languages
Religion	Christian and Muslim

Sources: EIU, MBEA Research

Market dynamics

Economic	• Real GDP growth rate 6.4% (2008) • Supported by construction and services • High inflation on the back of rising food and fuel prices
Social	• Low urbanisation – 13%
Regulatory	• Fairly stable • New policy guidelines resulted in new telecoms licensing regime
Telecom	• Market revenues expected to reach USD 1.4 billion by 2010 • Highly competitive

New licensing structure and impact

Telecom Market Uganda

Services	Infrastructure	"Combined"
>16 Licensees (about 7 operational) Regional entrants for East Africa; numerous ISPs; voice and infrastructure service resellers; VoIP service providers; traditional broadcasters	**>6 Licensees (at least 2 operational)** Includes a power company; regional East African operators **Government of Uganda** e-Government national backbone	**>15 Licensees (5 operational)** 1. MTN 2. UTL 3. Celtel 4. Warid Telecom 5. HITs Telecom

- Competitive landscape in Uganda mostly influenced by the increased liberalisation and a 3-category licensing regime
  - Over 36 licenses issued with over 14 operational
  - 5 mobile operators (including 2 new licensees) although only Warid has launched services
  - Entry and acquisitions by operators from East Africa (mainly Kenya), e.g. KDN, Jamii, Simbanet
  - Additional consolidation via acquisitions from firms outside East Africa, e.g. Altech acquisition of KDN
  - Network expansion and investment in converged and data networks has resulted:
    - A total of over US$ 500m invested over the past 12 to 18 months compared to <US$ 150/annum 2 years ago
    - Increased competition in data market now certain

Market players

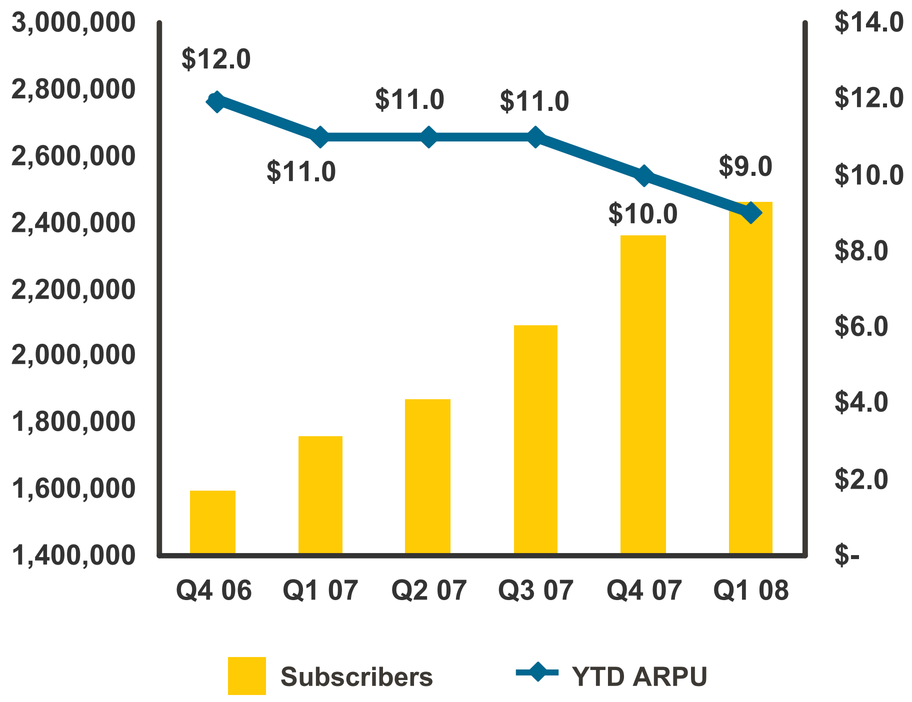
	MTN	Celtel (Zain)	Uganda Telecom	Warid Telecom
Launch date	1998	1995	2000 (mobile)	2008
Subscribers (Mar 08)	2.5m	1.6m	721k	343k
Suppliers	Ericsson Huawei	Ericsson	Alcatel Huawei	Ericsson Huawei
Coverage	702 towns & villages 80% population	620 towns & villages 77% population	455 towns & villages 70% population	341 towns & villages 49% population
Shareholders	MTN Group	Zain	51% Ucom (Telecel, Detecon, Orascom) 49% government of Uganda	Abu Dhabi Group

License

Period	• Granted 15 April 1998 • Effective 25 October 1998 • 20 years • Renewable for a period of 10 years • National Operator license, that allows provision of cellular, fixed, fixed wireless and value added services
Fees	• Initial fee USD 5.8m • Universal service fee – 1% of revenue
Spectrum	• 900 MHz • 1800 MHz • 3G
Coverage	• Population coverage 80% • Geographic coverage 72% • 5700 km of road coverage

Highlights

ZAR '000	December 06	December 07
Revenue	1,462,487	2,032,000
EBIDTA	775,044	1,008,000



- Subscribers at 2.5m – Mar 08
  - Up 48% from Mar 07
  - 99% prepaid base
- Major re-investment program underway in terms of network expansion ~207 new sites to be rolled out in 2008 (incl. carry over from 2007)
- New entrant expected to launch HITs Telecoms in 2008
- Anticipate market price decreases impacting ARPU levels and margins
- Estimated market share:
  - 66% revenue
  - 50% subscribers
- Fixed line:
  - 36,552 (31,152 prepaid and 5,370 postpaid)
  - Provided using copper/fibre wire line network, CDMA and GSM

Operational structure 2008

MTN Uganda Ltd.
Board of Directors

Noel Meier
Chief Executive Officer

Strategic Planning and Projects
John Paul Bagiire
GM, SP

Finance
Dlamini Nompumelelo
CFO

IT
Phinda Ncala
CIO

Comm. Operations
Erik van Veen
CCO

Network Group
Francis Kazinduki
CTO

Legal and Regulatory
Anthony Katamba
Company Secretary

Human Resources
Florence Mawejje
GM, HR

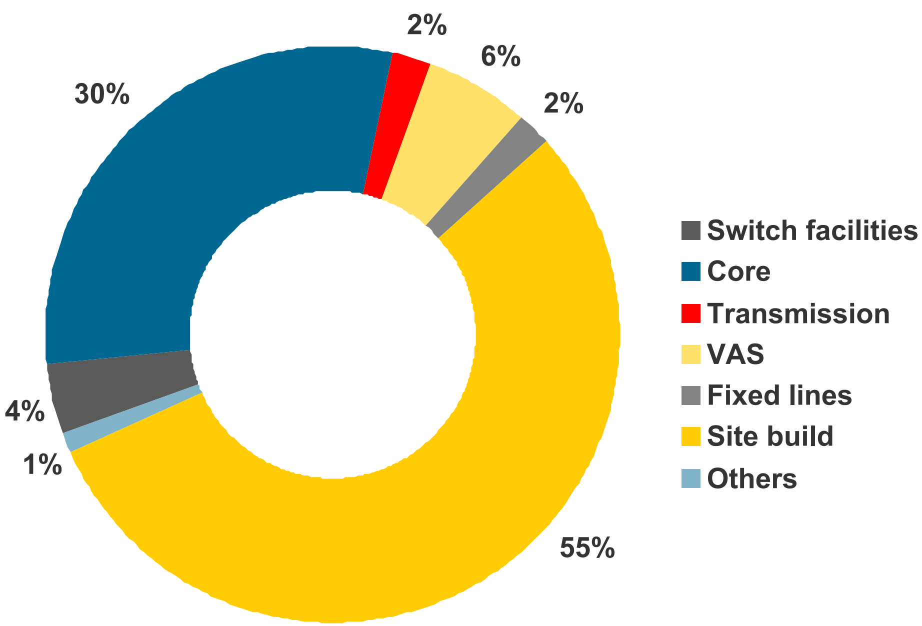
Business Risk and Internal Audit
Richard Mutesasira

Infrastructure

Technology benchmarks	Mar 08
% land	72% countrywide
% population covered	MTN 80% (Uganda -16% teledensity)
Total number of MSCs/MSC-Ss	5/1
Total number BSCs	9
Total number of sites	455
Total number of BTSs	623

Rollout plan

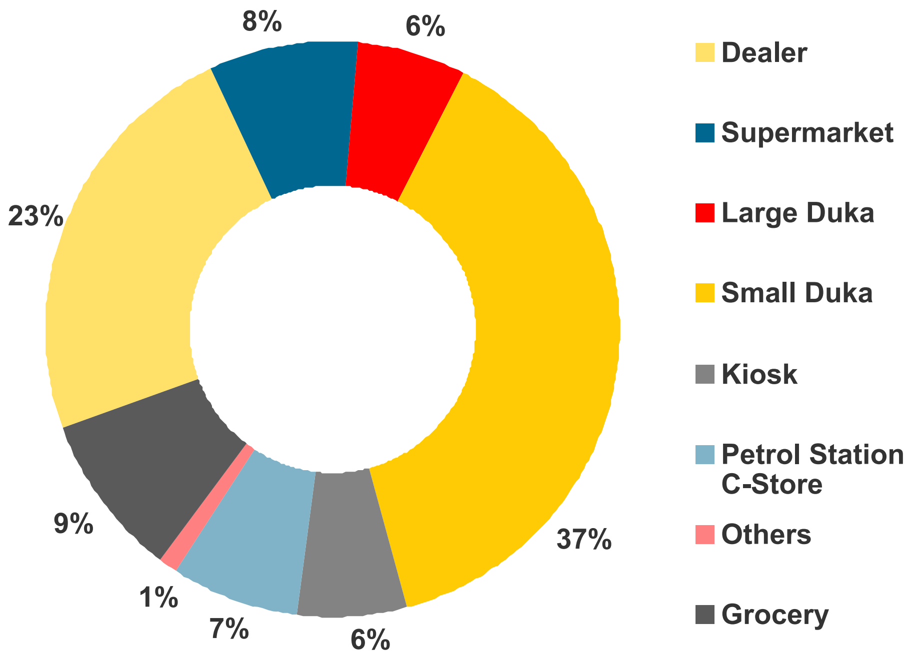
Budget allocation



- Introducing split architecture
- Remote switch locations to provide resilience
  - Kampala (x2)
  - New – Kamapala, Mbarara, Tororo and Masindi
- IP core and backbone exists in Kampala
- Capex ZAR 490m
- Fibre expansion to 3 regional switch centres (Mbarara, Tororo and Masindi)

Distribution

Distribution channels



Distribution

- ■ High
- ● Medium
- ◆ Low

	Handsets	Sim Packs	Airtime Sales	Post Paid Acquisition	Post Paid Payments
1 MTN	◆	◆	◆	●	●
2 Direct Sales				■	■
3 Dealer Outlets	●	■	◆		●
4 Stockists	◆	●	●		
5 Retail	■	●	■		

Customer operations

Call Centre:

- Operating 07h00-11h00 seven days a week
- Dedicated prepaid postpaid and data help lines (Blackberry, smart phone and GPRS support)
- Multimedia functionality (fax, mail, email, web)

✔ **Provides country-wide service**

✔ **Reduces time to address customer needs**

✔ **Increased accessibility**

E-billing:

- On-line billing
- Ease of reconciliation
- Itemised e-billing
- Bill delivery within 48 hours of bill run

✔ **Improved customer experience**

✔ **Ease of access**

✔ **Reliability in terms of bill delivery**

Voice proposition

Standard per second billing – cheap on-net calls – Pay Go per Second	✔ Provides best value for money for customers who keep their calls short ✔ Accounts for over 70% of base
Per second rate with highly discounted on-net off-peak/discount calls and SMS – Pay Go Late Chat	✔ A value for money proposition with very low rate during discount (11pm and 5am) ✔ Key driver for youth segment acquisition and low users/mainly receivers
Per minute flat rate across networks and time bands – MTN Per Minute Flat Rate	✔ Competitive peak hour rates ✔ Compelling proposition for prepaid customers who make most of their calls during peak times ✔ Suitable for high users
Hybrid Pre and Post Paid package – MTN Top-Up	✔ Allows post paid customers the ability to load airtime when they exceed set credit limits ✔ Customers enjoy preferential rates = post paid subscribers while staying in control of spend ✔ High interest among junior staff of our corporate customers

Voice proposition

MTN Home & Away – Free incoming calls and very outbound call charges within East Africa	✔ Continue to load and share airtime while roaming on partner networks ✔ Staying connected within the region, allowing customers to stay in touch while travelling within East Africa (Kenya, Tanzania, Rwanda, Sudan [08]) ✔ Increased roaming revenue ✔ Mitigate churn
MTN Business Time (Post-paid) – Aimed at Corporate and SME market	✔ Preferential tariff and convenience of being to call when need arises ✔ Monthly subscription with lower tariffs ✔ High ARPU ✔ Low churn
MTN Fixed Lines – Aimed Corporate and SME market	✔ Preferential tariffs versus mobile ✔ Cheap international calls ✔ On-net calls to MTN mobile ✔ Prepaid and post-paid
International roaming	✔ 228 operators in 105 countries ✔ Prepaid roaming operators

Data proposition

Data circuits charged based on capacity and distance – local, regional and international	✔ **High speed data transmission service with guaranteed uptime through service agreements** ✔ **Reliable and secure data transmission**
Prepaid bundle based Fixed Broadband pay per use service	✔ **Competitive "eat as much as you want" offer and stay connected** ✔ **Delivered mainly off WiMax network**
Prepaid flat rate Fixed data powered by CDMA	✔ **Competitive "eat as much as you want", "plug and play" service** ✔ **A convenient dual play customer premises equipment**
Mobile Data powered by EDGE/GPRS • Includes modem based and smart phone based services • Monthly flat rate – available on contract & prepaid plans	✔ **Affordable high speed internet service – suitable for small office and home use** ✔ **High growth service**
GPRS/EDGE for all customers • Charge per kilobyte of data exchange	✔ **Convenient and affordable access to internet and web-based email**

Social responsibility

- Major focus on Public access
  - Installed over 2,800 Public payphones
  - MTN villagePhone JV with Grameen Foundation now has more than 15,800 operators
  - MTN Sharedphone has 16,800 installations
  - Presidential award for contribution towards transformation

Looking forward

Opportunities	Challenges
Low penetration	Intensifying competition
Low VAS penetration and usage	Competitors using strong political influence to set and influence regulatory agenda
Leverage on greater ICT awareness within the country and region	Recruitment, retention of key skills, given the loss of staff in the new competitive environment
Strong local currency	High inflation, fuel prices and spectrum fees
Leverage the strong brand awareness	

Thank you

Questions?