



MTN Cameroon

Christian de Faria
Regional VP



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2. Telecommunications environment

- History
- Competitors
- Regulation

3. MTN Cameroon

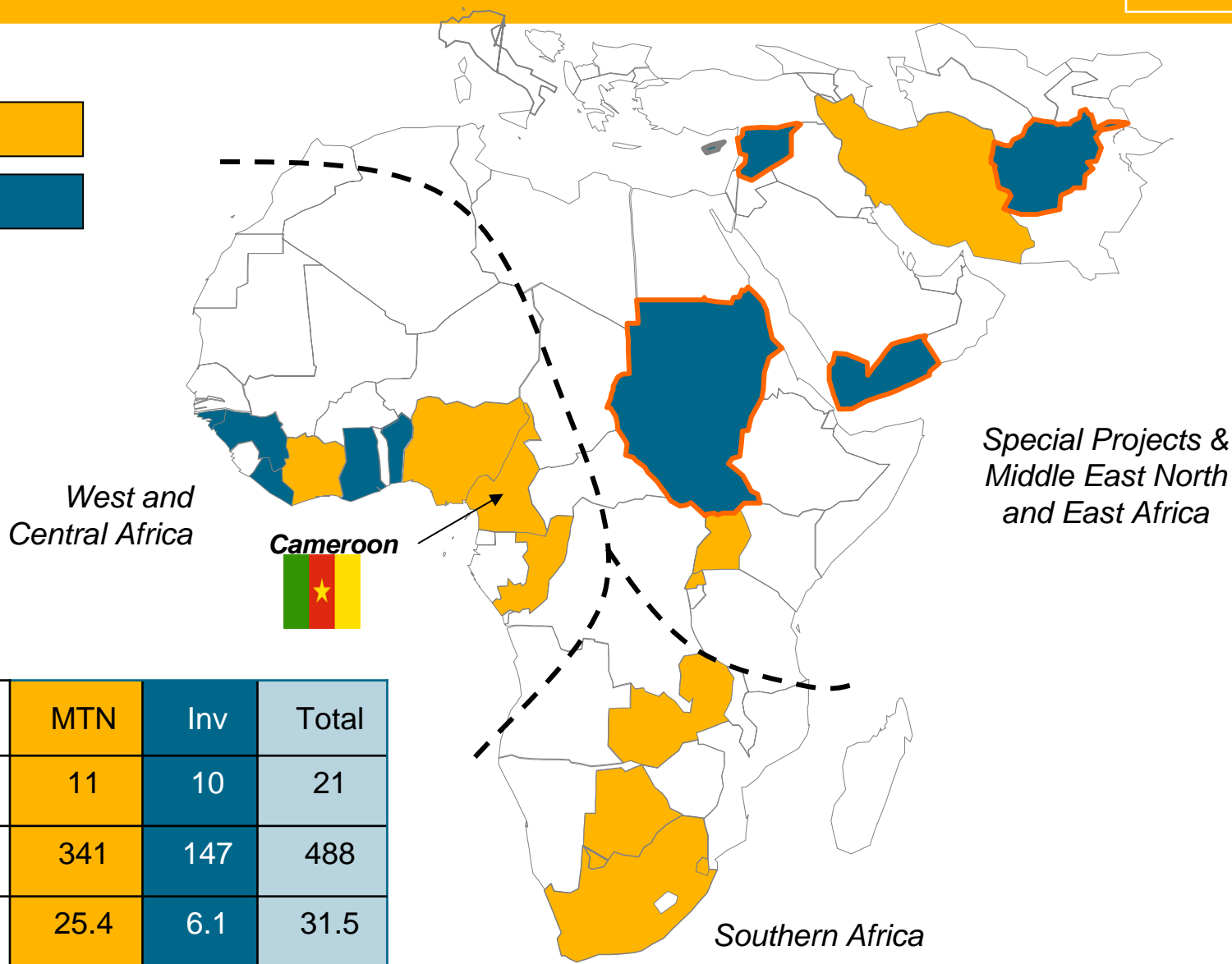
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Country overview: Cameroon



MTN

Investcom



	MTN	Inv	Total
Countries	11	10	21
Population (m)	341	147	488
Subscribers (m)	25.4	6.1	31.5

Country overview: Cameroon



Surface area of 475 650 km²

Country overview: Cameroon

Economic, Political & Regulatory Environment



ECONOMIC ENVIRONMENT

- Real economic growth of < 2% with FMCG companies also experiencing low growth.
- Narrow achievement of the HIPC targets gives hope.
- US \$ 900 million to be injected into the economy.
- Return of Bakassi Region could boost oil revenues & open up new untapped market.
- Corruption & destruction of the SME sector still needs to be addressed.
- XAF pegged to Euro, important country for the region.

POLITICAL ENVIRONMENT

- Stable environment which is expected to continue for medium term.
- Depends largely on the health of the President.
- Clean up vis a vis governance should materialize and assist the economy.

REGULATORY ENVIRONMENT

- MTN Cameroon is in compliance with licence requirements.
- Convergence opportunity.
- Regulator lacks resources & political clout to be effective.
- Numbering plan is a big challenge – need to move to 8 digit plan in Feb.
- Privatisation of CamTel & close relationship with France Telecom seen as a challenge.
- Pressure on national interconnect rates.
- PTO risks.

Country overview: Cameroon



Economics

GDP

- Per Capita GDP USD 805

Inflation

- 3%

Currency

- USD /FCFA 530; exchange fluctuations follow the Euro / USD trend
- The local Currency is pegged to the Euro

Local rates

- Interest rates of around 7% - 10%

Demographics

Population

- 17.3 million
- Growth rate: 2.5%
- 56 percent of the population under 20 years of age

Language

- English and French

Religion

- A blend of Christians, Moslems and Animist



- MTN Cameroon

- Strong growth in market share and dominance of consumer segment
- Market share of active subs increased between Dec 05 and Oct 06 from 54.0% to 58%
- Revenue market share estimated at 52%
- Consumer segment success due to EVD and “Total flexibility product” (tariff selection)

- CamTel

- Increased market share in business segment
- Rolling out of CDMA wireless service CTphone in main business centres (Douala/Yaounde)
- Slow progress on privatisation of CamTel
- Limited fixed line expansion
- Investment in transmission infrastructure (fibre links between Douala and Yaounde)
- Government recently formed new mobile company called CMT
 - Majority owned by CamTel and the local Cameroon Investment Corporation
 - Awarded 3rd mobile licence, although no clarity on technology and frequency to be used

- Orange

- Strong competitor
- Expected to protect leadership position in post paid and business sector and increase market share in consumer sector

MTN Cameroon: Licence Agreement



- Concession Agreement reached on 15 February 2000
 - Granting authorisation to set up and run a national mobile GSM cellular telephony network to the Cameroonian Public for a period of 15 years renewable
- Fees
 - The concession Admission / Initial Licence fee was FCFA 40.435 billion
 - Annual licence fee is FCFA 2.924 billion.
 - Annual spectrum fee is included in the operating and management levy – management contributions costs capped at maximum of 2% of annual revenue.
 - Obligation to provide service with a minimum contribution of 2% investment in the Telecommunication Development Fund
- Renewal
 - The concession may be renewed for one or several periods of 10 years.

MTN Cameroon: Shareholder structure



MTN Cameroon is a registered Cameroonian company

MTN	70%
Broadband Communications	30% (local partners)

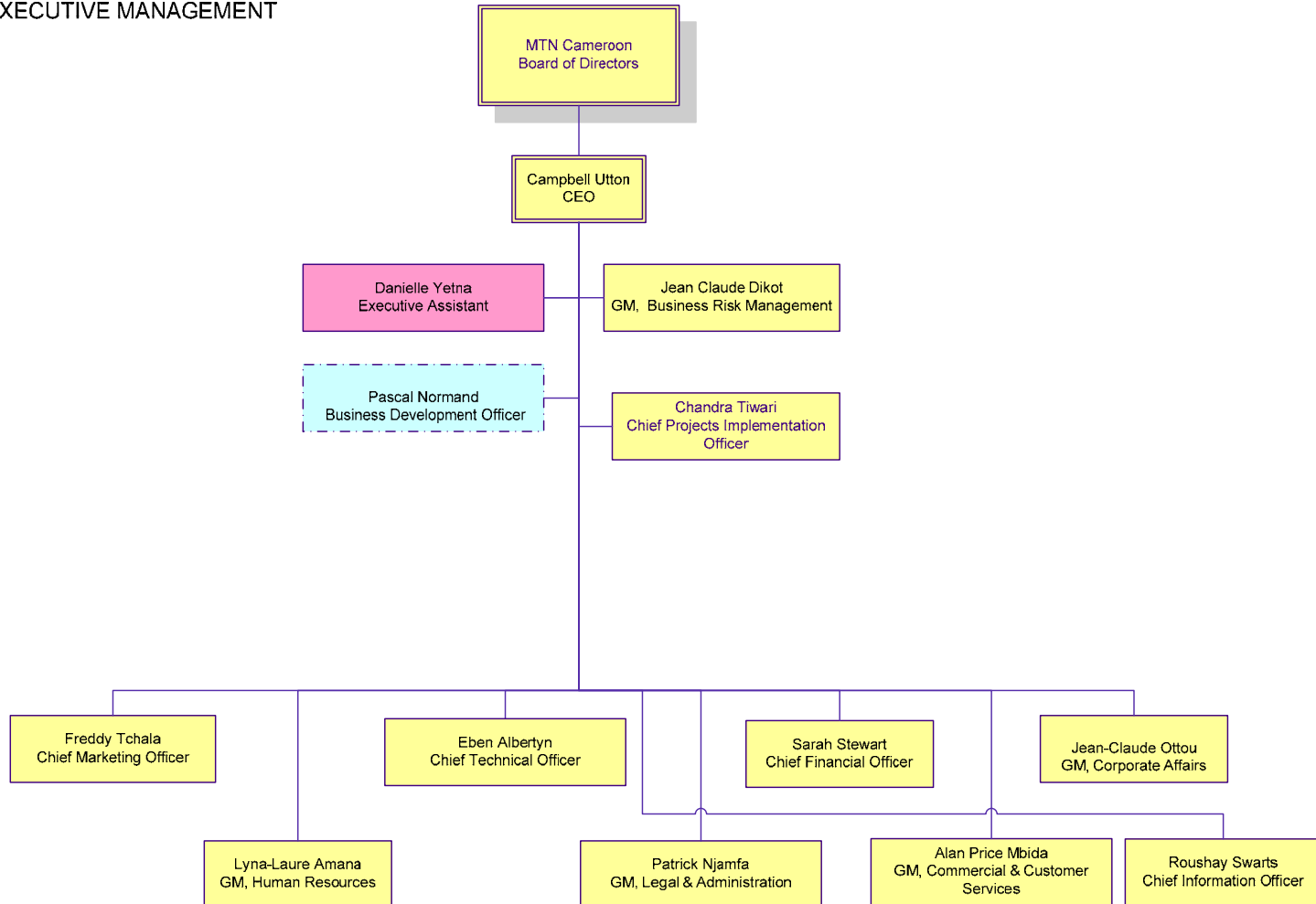
MTN has 80% economic ownership with 10% put option

There has been no change in the shareholding structure

MTN Cameroon: Operational structure



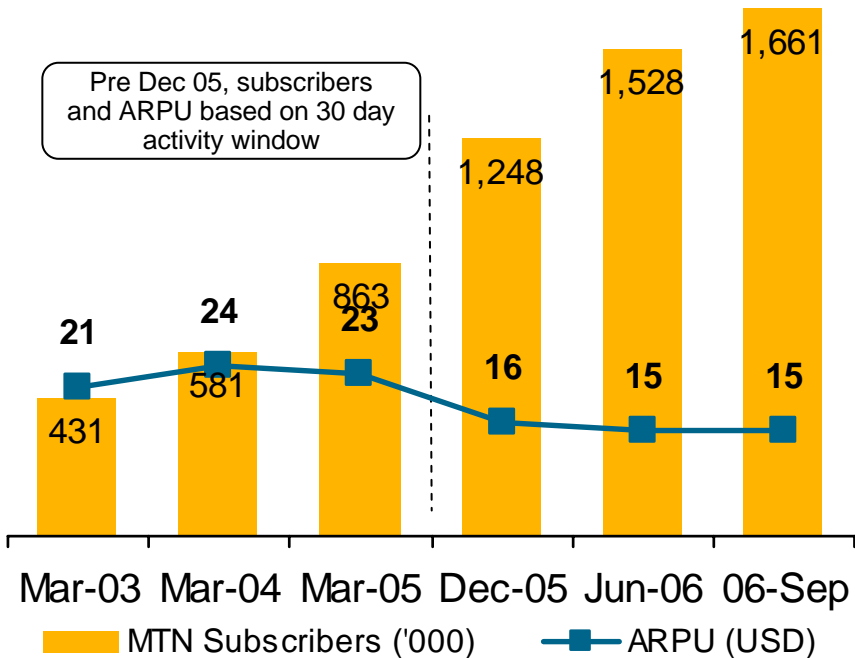
MTN CAMEROON EXECUTIVE MANAGEMENT



MTN Cameroon: Subscribers and ARPU



Subscribers/ARPU



Commentary

- Strong subscriber growth, 33% YTD
- As penetration increases ARPU dilution is evident, approx 34% dilution in ARPU YTD
- Contract airtime revenue declined by 4% whilst prepaid airtime revenue increased by 17%

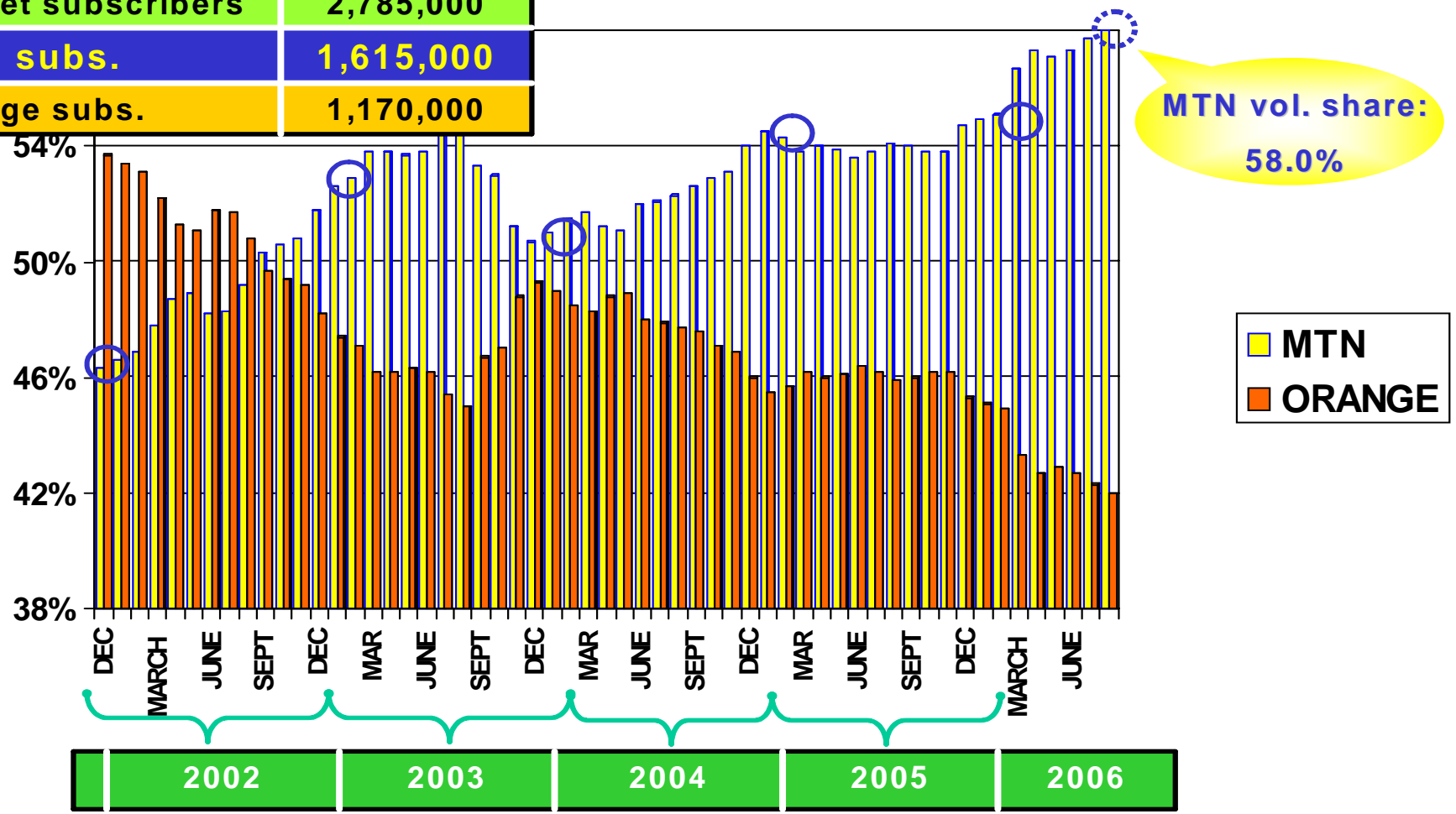
Strong growth in subscribers



Cameroon Market Share

GSM market shares (Dec01-August06)

Market subscribers	2,785,000
MTN subs.	1,615,000
Orange subs.	1,170,000



Market sizing of 3.3 million subscribers already exceeded



- Strong subscriber growth has put network under pressure
- Major focus on addition of TRU capacity to deal with the network congestion - TRU count has increased 16% from 2,218 at December 2005, to 2,568 at June 2006
- Key focus areas for 2007 includes
 - General capacity upgrades
 - Installation of a 4th MSC
 - Implementation of a remote BSC in Bafoussam which will be commissioned simultaneously with the new MSC
- MTN Cameroon keen to participate in a more converged environment



- The distribution channel is currently being restructured and aims to achieve the following :
 - Reduce drastically the Supply / Demand gap in the field
 - Increase flexibility in the management of the Channel
 - Limit the financial pressure on the Dealers, and better share the financial risk across the channel
 - Focus on productivity :on Strategic Dealers level as well as on PoS level
 - Increase the Dealers' loyalty to our Brand



Consumer

Pay As you Go Per
Second Billing
Pay As you Go Payback
Pay As you Go POP
Call Box

Business

Business Choice
Business Flexi
Business plus Standard
Business plus Silver
Business Plus Gold

Value Added Services

-Account Balance
-Me2U
-BipMe
-Voicemail
-Who Called
-Notify Me
-Faxmail
-Mobile Internet
-Save My Contacts
-SIMGO
-Sims wap
-Call Baring & Forwarding
-Call holding & waiting
-Call line Identification
presentation



MTN Cameroon: Corporate Social Investment

With regard to the company's vision *to be a vital part of a communicating society*, the Corporate Social Investment Program ensures the company's positioning as a committed partner contributing to the sustainable development of the country.

The major innovation brought by MTN has been the creation of the first ever Foundation by a private enterprise, to drive it's social investment in several areas:

- Education, Science & Technology
- Health & HIV/AIDS
- Environment
- Arts & Culture
- Community Development.

MISSION

Build and maintain a positive, original and sustainable image of MTN Cameroon as a responsible citizen.

MTN Cameroon: Key financial information



Income Statement

6 months ended LC' million	Jun 2006	June 2005	% change
Revenue	71 301	55 951	27%
EBITDA	37 906	24 226	56%
<i>EBITDA %</i>	53%	43%	
Profit after taxation	10 775	9 648	12%

- The increase in subscriber base to 1.5 million accounted for the growth in airtime revenues but offset by declining ARPU and MOU per subscriber.
- The roll-out of EVD providing greater availability and affordability in the distribution channel
- Exclusive contract with Belgacom for international interconnect in 2006, increasing the number of roaming partners
- Good control of operating costs and continued price pressure on suppliers



	Current
Syndicated M T Loan (2005)	28,175
Total	28,175
Net debt	13,042
Net debt/equity	29%

- Debt is all in local currency resulting in
 - Higher rates (if no devaluation against EUR)
 - Reduced FX risks
- Limited covenants
- May require future funding



Opportunities

- Strong growth still evident
- Customer care
- Data services
- MTN affiliation
 - Products
 - Brand
 - Best practice
 - Regional footprint



Challenges

- Busy hour capacity
- Competition
- Regulation
- Economy
- Postpaid business segment



Thank you
Questions?