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• Country Overview

• MTN Nigeria Corporate Profile

• 2012 Performance Review

• Looking Ahead
## Country Overview

<table>
<thead>
<tr>
<th>Population 161m</th>
<th>Market sizing 141.9m (2014)</th>
<th>Population Penetration 38%</th>
<th>Penetration into Addressable Market 73%</th>
</tr>
</thead>
</table>

### Economics

<table>
<thead>
<tr>
<th>GDP per capita (US$ at PPP)</th>
<th>Source: NBS</th>
<th>US$1,490</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>Source: CBN</td>
<td>8.6%</td>
</tr>
<tr>
<td>Commercial banks' prime lending rate</td>
<td>Source: CBN</td>
<td>16.6%</td>
</tr>
<tr>
<td>Exchange rate</td>
<td>Source: CBN</td>
<td>LC/USD = 157.31</td>
</tr>
</tbody>
</table>

### Demographics

<table>
<thead>
<tr>
<th>Language</th>
<th>English, several local languages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Religions</td>
<td>Christianity and Islam</td>
</tr>
</tbody>
</table>
Environment Scan

Political

- Political instability
- Challenges in the relationship between the executive and the legislature arm of government partly due to disagreements over national budget planning and implementation.
- Incidence of insecurity, widespread flooding and other socio-economic issues.
- Criticism of government security, infrastructural development and job creation.

Economic

- High inflation rate prevailed for most of 2012 period after the removal of fuel subsidy, which saw 50% increase in pump price of petrol at the opening of the year.
- Consistent focus on price stability, fiscal consolidation and prudence by the monetary and fiscal authorities
- Relative stability in domestic interest rates compared to the previous period with sharp volatility during the third quarter of the year.
- External reserve closed at $44 billion while Nigeria bonny light crude remained above $100 per barrel for most of the period
- 90-day NIBOR averaged 14.02% in 2012 compared to 13.94% recorded in 2011
- Monetary policy rate (MPR) remained stable at 12% throughout the period

Regulatory

- Review of the 2009 Interconnect Rates which fixed asymmetric interconnect rates in favour of new entrants and imposition of Off-net price cap of N4 for SMS
- NCC fined Telecoms Operators over Poor Service Quality and promo bans now lifted for all operators
- Number Portability commenced in April 2013
- Subscriber registration cut-off date announced 30th June
- MTNN declared Dominant Operator in GSM and Leased lines with Glo
GSM Competitors – December 2012

<table>
<thead>
<tr>
<th></th>
<th>MTN</th>
<th>Airtel</th>
<th>Glo</th>
<th>Etisalat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch date</td>
<td>2001</td>
<td>2001</td>
<td>2003</td>
<td>2007</td>
</tr>
<tr>
<td>Subscribers</td>
<td>47.4m</td>
<td>19.6m</td>
<td>18.8m</td>
<td>13.9m</td>
</tr>
<tr>
<td>Market share</td>
<td>47.56%</td>
<td>19.62%</td>
<td>18.88%</td>
<td>13.93%</td>
</tr>
<tr>
<td>Shareholders</td>
<td>MTNI (78.8%)</td>
<td>Airtel (79.1%)</td>
<td>100% local shareholding</td>
<td>EMTS (40%) Mubadala (30%)</td>
</tr>
<tr>
<td></td>
<td>Private (21.2%)</td>
<td>Private (20.1%)</td>
<td></td>
<td>PTHL (30%)*</td>
</tr>
</tbody>
</table>

Strategic focus and positioning

**MTNN**
Established market leader in volume and value terms based on strong brand, segmented value propositions and Pan Nigerian network coverage. Innovation leader with consistent market advantage on new products and services. The brand has driven key market milestone e.g. first prepaid Blackberry in Africa, DStv Mobile, Magic Voice etc.

**Airtel**
The price leader and has led major market disruption since its entry in 2010, with a 60% reduction in headline tariff. Aggressive data focus with 3.5G network in all the 36 major cities/state capitals in Nigeria.

**Etisalat**
Pioneered flat/unitary tariff as a late entrant and has consistently leveraged this for growth and market attraction. Perceived as offering the best data experience, both on small and large screens Pan Nigeria

**Globacom**
Offers the lowest rate in the market, with on-net CUG rate that is as low as N3/min (2 cent/min.) Has established itself as a truly Nigerian brand with strong local appeal and reinforced by localized propositions e.g. Ofala SIM (a unique price plan created for a local festival in the Eastern part of Nigeria)

* Premium Telecommunications Holdings Limited (PTHL), a special purpose vehicle which holds the interest of Nigerian investors in Etisalat. PTHL offered 35 million shares (17.5%) for sale via Private Placement in March 2009
MTN Nigeria Shareholders and Board of Directors

MTN Group
- 78.83%

Individual local shareholders
- 8.73%

Shareholders through private placement (OTC)
- 12.44% **

Board of directors
- P Dozie (Chairman)
- F Jakoet (Chairman) (INED)*

MTN Reps
- R S Dabengwa
- N Patel
- P Norman
- J Desai

Executive Directors
- B Goschen (CEO)
- A Bing (CFO)

Non-executive Directors
- P Dozie
- M S Bello
- A Dasuki
- B Folawiyo
- V Odilli
- G Oyebode
- F Jakoet (INED)*

Audit and Risk Management Committee
- F Jakoet (Chairman) (INED)*

MTN Reps
- N Patel

Non-executive Directors
- B Folawiyo

*Independent Non-Executive Director
** Including Shanduka
<table>
<thead>
<tr>
<th><strong>MTN</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Launch date</strong></td>
<td>August 2001</td>
</tr>
<tr>
<td><strong>Subscribers</strong></td>
<td>51.3m (Q1 2013)</td>
</tr>
<tr>
<td><strong>Market share</strong></td>
<td>49.7% (Q1 2013)</td>
</tr>
<tr>
<td><strong>Shareholders</strong></td>
<td>MTNI (78.8%) Private (21.2%)</td>
</tr>
<tr>
<td><strong>Licences &amp; Spectrum</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Unified Access Service License (UASL): September 2006 – August 2021</td>
</tr>
<tr>
<td></td>
<td>• 3GHz Spectrum: May 2007 – April 2021</td>
</tr>
<tr>
<td></td>
<td>• International Submarine Cable (WACS): January 2010 – January 2030</td>
</tr>
<tr>
<td></td>
<td>• Wimax 3.5GHz Spectrum: 2007/ Renewable annually</td>
</tr>
<tr>
<td></td>
<td>• Microwave Spectrums 8GHz – 26GHz: 2001/Renewable Annually</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 3,078 cities, towns and villages in all 36 states of the federation, including the Federal Capital Territory (FCT)</td>
</tr>
<tr>
<td></td>
<td>• 86.46% geographic coverage</td>
</tr>
<tr>
<td></td>
<td>• 89.24% population coverage</td>
</tr>
</tbody>
</table>
Radio Network Rollout

MTN Nigeria Active BTS Sites

Legend:
- Active Sites
- BTS

NWG Regions:
- ABLUA (8)
- ASABA (3)
- ENUGU (4)
- IBAFAN (6)
- KANO (10)
- LAGOS (2)
- PORTHARCOURT (4)
Network Coverage
2012 Performance Review

- Subscribers/ARPU/Revenue
- Net Additions
- Market Share
- Capex / BTS Rollout
- Data
# Nigeria - operational highlights

<table>
<thead>
<tr>
<th>Launched Aug 2001</th>
<th>Market share 49.7% (Q1 ’13)</th>
<th>Population 161m</th>
<th>Market sizing 141.9m (2014)</th>
<th>Penetration 64%</th>
</tr>
</thead>
</table>

### Subscribers (’000)/ARPU ($)

<table>
<thead>
<tr>
<th></th>
<th>Dec-09</th>
<th>Dec-10</th>
<th>Dec-11</th>
<th>Dec-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN Subscribers (’000)</td>
<td>30,827</td>
<td>38,669</td>
<td>41,641</td>
<td>47,440</td>
<td>51,295</td>
</tr>
<tr>
<td>ARPU (USD)</td>
<td>12.1</td>
<td>11.1</td>
<td>9.8</td>
<td>8.7</td>
<td>7.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Dec-09</th>
<th>Dec-10</th>
<th>Dec-11</th>
<th>Dec-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outgoing MOU</td>
<td>53</td>
<td>48</td>
<td>55</td>
<td>70</td>
<td></td>
</tr>
</tbody>
</table>

### Net additions (’000)

<table>
<thead>
<tr>
<th></th>
<th>Dec-09</th>
<th>Dec-10</th>
<th>Dec-11</th>
<th>Dec-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outgoing MOU</td>
<td>7,750</td>
<td>7,842</td>
<td>2,973</td>
<td>5,800</td>
<td>14</td>
</tr>
<tr>
<td>Outgoing MOU</td>
<td>3,489</td>
<td>3,612</td>
<td>1,101</td>
<td>4,257</td>
<td>14</td>
</tr>
<tr>
<td>Outgoing MOU</td>
<td>4,261</td>
<td>4,230</td>
<td>1,872</td>
<td>1,543</td>
<td>3,854</td>
</tr>
</tbody>
</table>

- Significant increase in net additions
  - Attractive segmented value propositions
  - Significant field activities driving activations
  - Effective churn management
  - Aggressive competition in Q4
  - Continued growth despite promo ban
- Improving Network Quality
- Improved brand perception
- ARPU declined 8.1%
- Marginal ARPU’s still above $6
- Continued intense competitive pressure on tariffs
MOU / ERM (USD) Trend

<table>
<thead>
<tr>
<th></th>
<th>Mar-12</th>
<th>Jun-12</th>
<th>Sep-12</th>
<th>Dec-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOU</td>
<td>2556</td>
<td>2866</td>
<td>3637</td>
<td>3953</td>
<td>4716</td>
</tr>
<tr>
<td>ERM</td>
<td>0.123</td>
<td>0.09</td>
<td>0.07</td>
<td>0.067</td>
<td>0.062</td>
</tr>
</tbody>
</table>
Average Daily Revenue (NGN m)

Average daily revenue

Jan-12, Feb-12, Mar-12, Apr-12, May-12, Jun-12, Jul-12, Aug-12, Sep-12, Oct-12, Nov-12, Dec-12, Jan-13, Feb-13, Mar-13

Average daily rev
MTN gained ~2.14% subscriber share through effective dormancy management initiatives and targeted penetration of first timers (with attractive proposition).
Rollout achievements for 2012
- successfully implemented a large network swap and modernisation programme
- Achieved 108% of 2012 Capitalisation Target
- 1,175 3G BTS’s rolled out
- Achieved 100% WACS availability and WACS alternate (out-bound) DCN implementation
- Power equipment upgrades / optimization / replacement at switching centres, BTS, Fibre and other high priority sites across the country
- Rolled out 682 BTS (2G & 3G sites) in Q1 2013
## Network Infrastructure

<table>
<thead>
<tr>
<th>Network Infrastructure</th>
<th>Dec-11</th>
<th>Jun-12</th>
<th>Dec-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>2G BTS Sites (Cumulative)</td>
<td>7,046</td>
<td>7,600</td>
<td>8,457</td>
<td>8,905</td>
</tr>
<tr>
<td>3G BTS Sites (Cumulative)</td>
<td>2,074</td>
<td>2,636</td>
<td>3,250</td>
<td>3,481</td>
</tr>
</tbody>
</table>

### Number of km of fibre rolled out (Cumulative)

| Backbone Metro (Cumulative)                | 9,077  | 9,169  | 9,738  | 10,432 |
| Fibre to site (Cumulative)                 | 152    | 152    | 1,513  | 1,551  |
| BH Erlang carried by the Network           | 596,554| 557,511| 779,194| 785,557|
Data % revenue (Incl sms)
1Q 2013 – 17%
2012   - 13%
2011   - 9%

Data revenue grew by 78% between 2011 and 2012 due to:

- 131% growth in Internet and blackberry with introduction of various bundled device, data packages and blackberry value proposition during the year.

- 112% growth in VAS with various promos during the period such as MTN Ultimate Wonder.

- Mobile Internet plans for mobile phones (10MB, 25MB, 100MB), smartphones and tablets (250MB, 500MB, 1GB) were introduced during the year.

- Time-based (Hourly) Broadband Bundles were also introduced.
Data Success stories in VAS Segment (Afrinolly, MTN Play etc.)

- **2.3 million MTN Afrinolly apps** downloaded to Android, Blackberry & Nokia phones, making MTN Afrinolly the highest downloaded app developed in Africa.
- MTN Afrinolly film competition successfully concluded Feb 2013. >200 entries accepted from 14 countries including Nigeria, Ghana, South Africa, Tanzania, Burkina Faso, Rwanda, Kenya, Senegal, Singapore, Zimbabwe, Canada, Philippines, USA and UK.

- **MTN Play Total Revenue in Naira**

- **MTN Play Unique Users**
Looking Ahead

• Aggressive Network rollout – 2G and 3G
• Creating a distinct customer experience at all touch points
• Continued acquisition drive
• Effective churn management
• Driving local content in Apps
• Cost effectiveness and Efficiency
MTN Nigeria

Financial Overview
Trend of Key Performance Matrix

Revenue (N'bn)

Costs Nbn (COS+Opex)

EBITDA Nbn

Data Revenue (Nbn)

Net Connections (millions)

RGS (millions)
Trend of Key Performance Matrix (Cont’d)

**Market Share**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010A</th>
<th>2011A</th>
<th>2012A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>44.21%</td>
<td>49.61%</td>
<td>51.81%</td>
<td>50.02%</td>
<td>47.56%</td>
</tr>
</tbody>
</table>

**Outgoing MOU (millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010A</th>
<th>2011A</th>
<th>2012A</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOU</td>
<td>12,678</td>
<td>17,271</td>
<td>20,220</td>
<td>26,565</td>
<td>36,542</td>
</tr>
</tbody>
</table>

**Incoming MOU (millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010A</th>
<th>2011A</th>
<th>2012A</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOU</td>
<td>5,280</td>
<td>6,123</td>
<td>7,184</td>
<td>11,015</td>
<td>11,083</td>
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</table>

**BTS Additions**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>BTS</td>
<td>2,214</td>
<td>1,620</td>
<td>1,984</td>
<td>983</td>
<td>2,589</td>
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</tbody>
</table>

**Capitalisation (N'bn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010A</th>
<th>2011A</th>
<th>2012A</th>
</tr>
</thead>
<tbody>
<tr>
<td>BN</td>
<td>138</td>
<td>191</td>
<td>93</td>
<td>129</td>
<td>258</td>
</tr>
</tbody>
</table>

**ERM (N)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010A</th>
<th>2011A</th>
<th>2012A</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERM</td>
<td>38.0</td>
<td>35.0</td>
<td>25.0</td>
<td>20.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>
## Income statement

**NGN bns**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>% Change FY’11 V FY’12</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>754</td>
<td>758</td>
<td>(0.5%)</td>
<td>692</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>440</td>
<td>468</td>
<td>(6.0%)</td>
<td>437</td>
</tr>
<tr>
<td>EBITDA Margin %</td>
<td>58%</td>
<td>62%</td>
<td>(4.0%)</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>(110)</td>
<td>(104)</td>
<td>(5.8%)</td>
<td>(104)</td>
</tr>
<tr>
<td><strong>Amortisation</strong></td>
<td>(10 )</td>
<td>(8)</td>
<td>(25.0%)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Profit from operations</strong></td>
<td>320</td>
<td>359</td>
<td>(10.9%)</td>
<td>333</td>
</tr>
<tr>
<td><strong>Finance cost</strong></td>
<td>(14 )</td>
<td>(18)</td>
<td>22.2%</td>
<td>(28)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>306</td>
<td>341</td>
<td>(10.3%)</td>
<td>305</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(83)</td>
<td>(109)</td>
<td>23.9%</td>
<td>(103)</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>223</td>
<td>232</td>
<td>(3.9%)</td>
<td>202</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>27.1%</td>
<td>32.0%</td>
<td>(4.9%)</td>
<td>33.0%</td>
</tr>
<tr>
<td><strong>CAPEX as a % of Revenue</strong></td>
<td>34.3%</td>
<td>17.0%</td>
<td>17.3%</td>
<td>14.0%</td>
</tr>
</tbody>
</table>
## Revenue and Operating Cost

**NGN bns**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime and Subscriptions</td>
<td>537.9</td>
<td>595.6</td>
<td>(9.7%)</td>
<td>580.8</td>
<td>493.6</td>
<td>370.9</td>
</tr>
<tr>
<td>Interconnect</td>
<td>92.3</td>
<td>91.7</td>
<td>0.7%</td>
<td>59.4</td>
<td>72.0</td>
<td>62.2</td>
</tr>
<tr>
<td>Data</td>
<td>105.8</td>
<td>59.6</td>
<td>77.5%</td>
<td>40.9</td>
<td>22.6</td>
<td>15.8</td>
</tr>
<tr>
<td>Others</td>
<td>17.5</td>
<td>11.1</td>
<td>57.7%</td>
<td>10.7</td>
<td>8.1</td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>753.6</td>
<td>758.0</td>
<td>(0.6%)</td>
<td>691.8</td>
<td>596.2</td>
<td>455.3</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>153.0</td>
<td>135.8</td>
<td>(12.7%)</td>
<td>121.4</td>
<td>119.2</td>
<td>90.0</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>160.9</td>
<td>154.1</td>
<td>(4.4%)</td>
<td>134.5</td>
<td>124.6</td>
<td>100.7</td>
</tr>
<tr>
<td><strong>Operating Cost</strong></td>
<td>313.9</td>
<td>289.9</td>
<td>(8.3%)</td>
<td>255.9</td>
<td>243.8</td>
<td>190.7</td>
</tr>
</tbody>
</table>
 Revenue analysis

- Intense competition among the operators in order to maintain market share
- Dilution of Effective Rate per Minute (ERM) from N22.20 in 2011 to N14.98 in 2012
- MOU during the period grew by 39% (from 2.84b minutes in 2011 to 3.95b minutes in 2012)
- Interconnect revenue grew by 0.7%, the marginal increase could be attributable to various propositions and promotions that were introduced in the course of the year by competitors which empowered their subscribers to make more off-net calls
- ‘Others’ growth (VAS, Handset and Accessories and Connection Revenue) driven by the introduction of low-end phones which were massively sold in 2012 compared to 2011 e.g. HUG 2800.
- Data enabled phones and devices which were bundled with data contributed to increase sales in year 2012
- Various promotions put in place for new subscriber acquisition.
- The introduction of 2-in-1 sim kit sold at N150 as against 1 sim kit sold at N100 with N50 airtime

<table>
<thead>
<tr>
<th>Service Type</th>
<th>2012 (N754bn)</th>
<th>2011 (N758bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime &amp; Subscription</td>
<td>595.6</td>
<td>537.9</td>
</tr>
<tr>
<td>Interconnect</td>
<td>92.3</td>
<td>91.7</td>
</tr>
<tr>
<td>Data</td>
<td>105.8</td>
<td>59.6</td>
</tr>
<tr>
<td>Others</td>
<td>17.5</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Total Revenue

- **2012 (N754bn)**
- **2011 (N758bn)**
Effective Rate per Minute

- 2008: N34.70
- 2009: N28.10
- 2010: N28.21
- 2011: N22.20
- 2012: N14.98
Interconnect Analysis

NGN bns

![Bar chart showing interconnect revenue and cost from 2008 to 2012.]

- Interconnect Revenue
- Interconnect Cost

![Line chart showing net interconnect revenue (N'b) from FY'08 to FY'12.]

- FY'08: 23.7
- FY'09: 26.0
- FY'10: 24.6
- FY'11: 46.9
- FY'12: 30.2
Operating Expenses Analysis

- **Facilities cost**
  - 15% increase in the number of integrated sites and >100% growth in number of Hybrid sites

- **Marketing costs**
  - Decline due to costs saving measures implemented in FY’12 i.e. lower rates from Vendors (for instance media agent fees and football sponsorships) as well as reduction in the number of sponsorships carried out

- **Maintenance costs** declined due to increase in the number of colocation sites in 2012 and other cost saving measures adopted by the business

- **Others** increased due to growth in Staff Costs (16%) and Leased Circuits (30%). The growth in Leased Circuit was due to increase in volume of data traffic which led to 127% growth in the total number of E1s (2,300 in FY’11 to 5,217 in FY’12)
Fuel Usage & BTS Additions Analysis

![Graph showing fuel usage and BTS additions analysis from 2008 to 2012.](image-url)
EBITDA and key drivers

- EBITDA declined by 6% between 2011 and 2012 due to:
  - Intense competitive pressures in the industry leading to decline in tariffs (ERM decreased by 33% over the period)
  - High volume of freebies to subscribers
  - Security risks in Northern Nigeria as well as floods in various parts of the country which impacted sales and usage
  - Tariff reduction and growth in subscriber base during the year resulted in an increase of off-net MOU and as such interconnect costs
Tax Reconciliation

Material reconciling items:

Effective tax rate reconciliation 27.1%

- Company’s Income Tax 30.0%
- Education tax 2.8%
- Expenses not Allowed 2.6%
- Investment allowance relief (2.0%)
- Prior year Tax Overprovision (2.0%)
- Exempt Income (FGN Bond) (4.3%)

Dec-08 43%
Dec-09 32%
Dec-10 32%
Dec-11 32%
Dec-12 27%
## Balance Sheet

**NGN bn**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>622</td>
<td>497</td>
<td>473</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>553</td>
<td>436</td>
<td>422</td>
</tr>
<tr>
<td>Non-Current Prepayments</td>
<td>37</td>
<td>36</td>
<td>28</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank balances</td>
<td>36</td>
<td>107</td>
<td>170</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>34</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>88</td>
<td>226</td>
<td>71</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>779</td>
<td>831</td>
<td>716</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>176</td>
<td>175</td>
<td>174</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>247</td>
<td>280</td>
<td>316</td>
</tr>
<tr>
<td>Deferred taxation and other non-current liabilities</td>
<td>157</td>
<td>180</td>
<td>221</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>357</td>
<td>376</td>
<td>226</td>
</tr>
<tr>
<td>Taxation</td>
<td>76</td>
<td>83</td>
<td>17</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>90</td>
<td>108</td>
<td>69</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>779</td>
<td>831</td>
<td>716</td>
</tr>
</tbody>
</table>
Statement of cash flows

NGN bn

<table>
<thead>
<tr>
<th>Net cash generated from operations</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation paid</td>
<td>456</td>
<td>504</td>
<td>440</td>
</tr>
<tr>
<td>Cash inflows from operating activities</td>
<td>353</td>
<td>443</td>
<td>390</td>
</tr>
<tr>
<td>Acquisitions of PPE</td>
<td>(228)</td>
<td>(127)</td>
<td>(96)</td>
</tr>
<tr>
<td>Proceeds from sale of PPE</td>
<td>(42)</td>
<td>(5)</td>
<td>4</td>
</tr>
<tr>
<td>Other Investments</td>
<td>130</td>
<td>(156)</td>
<td>(3)</td>
</tr>
<tr>
<td>Interest received</td>
<td>34</td>
<td>13</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash outflows from investing activities</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from borrowings</td>
<td>65</td>
<td>43</td>
<td>10</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(96)</td>
<td>(20)</td>
<td>(17)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(239)</td>
<td>(221)</td>
<td>(166)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(48)</td>
<td>(33)</td>
<td>(28)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash outflows from financing activities</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net movement in cash and cash equivalents</td>
<td>(71)</td>
<td>(63)</td>
<td>100</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>107</td>
<td>170</td>
<td>70</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>36</td>
<td>107</td>
<td>170</td>
</tr>
</tbody>
</table>
• USD:NGN rate has witnessed a lot of fluctuation over the years. The CBN is however making significant efforts to ensure stability of the NGN.
Interest Rate & Inflation Rate

Annual Interest Rate (%)

Annual Inflation Rate (%)

2008 2009 2010 2011 2012

Annual Interest rate (%)

Annual Inflation Rate (%)
### Funding Structure

MTN Nigeria has a loan portfolio with a consortium of local banks and foreign banks.

| Restructured & Additional Local Currency Facility | $1.2bn and $900m term loan facilities (Indexed on NIBOR plus Margins)  
6.5 years tenor  
Repayable in 9 equal semi-annual installments from November 2015 – November 2019 |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| New Foreign Loan Syndication Facility          | US$300m term loan facility (Indexed on LIBOR plus Margins)  
6 year tenor  
Repayable in 10 equal semi-annual installments from October 2014 – April 2019 |
| Old Buyer’s Credit Facility                   | US$200m foreign currency buyer’s credit for purchase of Huawei equipment (Indexed on LIBOR plus Margins)  
5 year tenor  
| Old ECA-Backed Facility                       | US$250m foreign currency term loan facility linked to Ericsson equipment purchases (Indexed on LIBOR plus Margins)  
95% Comprehensive cover provided by EKN of Sweden  
5 year tenor  
| New Buyer’s Credit Facility                   | US$300m foreign currency buyer’s credit for purchase of Huawei equipment (Indexed on LIBOR plus Margins)  
6.5 year tenor  
Repayable in 9 equal semi-annual installments from July 2015 – December 2019 |
| New ECA-Backed Facility                       | US$300m foreign currency term loan facility linked to Ericsson equipment purchases (Indexed on LIBOR plus Margins)  
95% Comprehensive cover provided by EKN of Sweden and funded by SEK to the tune of US$100m  
6.5 year tenor  
Repayable in 12 equal semi-annual installments from February 2014 to August 2019 |
| Loan Covenants                                | Net debt: EBITDA – Not more than 2.5x  
EBITDA: Net interest payable – Not less than 5.0x |
Topical Regulatory Issues

May 2013
Outline

1. Overview of Nigeria Regulatory Landscape
2. Licensing & Spectrum Issues
3. Topical Issues
4. Multiple Regulation
5. Policy Developments
6. Emerging Trends
7. Focused Engagement
8. Snap Shot of Regulatory Fees & Taxes
Overview of Nigeria Regulatory Landscape

**Background**

- Historical stable regulatory environment
- Policy direction provided by the Ministry of Communications Technology; Regulatory oversight provided by Nigerian Communications Commission (NCC)
- Political, legislative and environmental factors exert pressure on Regulator
- Largely consultative approach to industry regulation; but we note increasing political and consumerist influences
- Quasi-regulators (CPC, NESREA, NLRC) and other ecosystem issues create the problem of overlapping (multiple) regulation and taxation.
Licensing & Spectrum Issues

**Licenses**

- Unified Licensing framework in operation.
- Review of licensing structure anticipated
- Focus on competition compliance – designation of dominant operators and move to prescribe pricing principles.
- Also amplified enforcement of colocation /infrastructure sharing obligations.

**Snapshot of MTN Licenses**

<table>
<thead>
<tr>
<th>License</th>
<th>Year of issue</th>
<th>Term</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>DML</td>
<td>9th Feb 2001</td>
<td>15yrs</td>
<td>8th Feb 2016</td>
</tr>
<tr>
<td>UASL</td>
<td>1st Sep 2006</td>
<td>15yrs</td>
<td>31st Aug 2021</td>
</tr>
<tr>
<td>2GHz Spectrum</td>
<td>1st May 2007</td>
<td>15yrs</td>
<td>30th Apr 2022</td>
</tr>
<tr>
<td>WACS</td>
<td>1st Jan 2010</td>
<td>20yrs</td>
<td>31st Dec 2030</td>
</tr>
</tbody>
</table>

**Spectrum**

- Spectrum allocation : auctions the preferred allocation model
- MTN allocations – 900MHz, 1800MHz, 2100MHz & 3.5Ghz utilized for 2G, 3G and WIMAX services respectively
- Key challenges are availability of spectrum, bandwidth sufficiency and interference issues.
- Present utilization remains key consideration vis-à-vis potential for refarming to maximize efficient usage; LTE trials ongoing on 1800MHz band pending availability of desired 2.6GHz & 800MHz bands
- Potentials for spectrum reorganization vis-à-vis Digital Dividend & 4G/LTE Spectrum; definitive roadmap for analog-digital migration remains unclear; converged regulator possible.
Topical Key issues

• **Competition Regulation**
  - MTN declared a dominant operator in mobile voice market and jointly dominant (with Glo) in Wholesale Leased line/Transmission market segments with attendant obligations – engagement and mitigation on-going.

• **MTR Regulation**
  - Termination rates for voice slashed from N8.20 to N4.90
  - Impact of −N3.30 per minute; i.e. over 40% decline in wholesale voice revenues
  - Inevitable parallel reduction of rates for international incoming traffic

• **Mobile number portability**
  - Effective April 22 2013
  - Numbers of Subscribers that Port In 246; Port Out 908; Net (662) as at 7th of May 2013

• **Subscriber Registration**
  - NCC Directive for disconnection of unregistered lines by June 30
  - Directive stems from national interest & security considerations

• **Quality of Service (QoS)**
  - Ban imposed on promos due to poor QoS perception
  - Ban recently lifted due to improvements in QoS

• **Off Net SMS price cap**
  - Off Net SMS capped at N4 to promote SMS uptake
  - SMS Revenue grew by 3% in Q1’13 compared to Q4’12
Overlapping/Multiple Regulation & Taxation

Features
- Overlapping MDAs = duplicated jurisdictions/charges
- Illegal taxes & Levies
  - Creation of local & State versions of federal taxes
  - Taxation without legal basis/spurious instruments
- Arbitrary increase of existing taxes & levies
- Illegitimate “audit” & “assessment” fees
- “Informal” militant/community demands

Drivers:
- Revenue generation
- Turf wars
- “Cash Cow” / “Golden Goose” perception
- Quick-win opportunity
- CSR enforcement

Antagonist

Impacts
- Increased operational costs
- Limitations on ability to generate revenue
- Revenue losses from idle/sealed sites
- Ripple effects: unhelpful precedents
- Detriment on QoS and sanction exposure
- Destabilizes network budgeting & creates rollout delays
Policy Developments

ICT Policy
- Ongoing development of holistic ICT industry policy to provide basis for proposed sector convergence and transformation strategies
- ICT Policy thrust to render Nigeria a true knowledge society with significant opportunities for growth especially in data space.
- MTN’s current efforts thus invested in bringing ICT Policy to fruition as early as possible

Broadband Policy
- Multiple approaches in executive and regulatory proposals:
  - Presidential - 360° coverage of issues, inclusive industry engagement, due consideration of existing investments
  - NCC – focused on infrastructure and competition regulation.
  - Both approaches now being harmonised.
- MTN’s focus:
  - Harmonization/alignment of the 2 paths
  - Maximising the opportunity for Government support to provide broadband enablers
  - Preventing any attempt to expropriate investments; mitigating against prejudicial implementation.

Convergence Expectations
- Proposals for merger of telecoms and broadcasting regulators to harmonize spectrum administration across sectors and aid seamless harvest of Digital Dividend spectrum.
- MTN expects speedy implementation of convergence to harness the gains of LTE spectrum availability especially the desirable 800MHz band now occupied by broadcasters.
Emerging Trends

- **Critical Infrastructure Protection**
  - Concerted industry efforts on two fronts:
    - *Secure formal declaration of telecoms infrastructure as Critical National Infrastructure (CNI)*
    - *Actualize Critical Infrastructure Protection Legislation*
  - Ministerial buy-in at executive level to fortify telecoms infrastructure.

- **Proposals for Mandatory Listing**
  - The industry has recently come under pressure for public listing on the NSE
  - Explored the opportunity
  - In this event all operators would be expected to comply
  - Challenges to consider: profit history of operators, dominance and market size

- **Competition Regulation**
  - NCC continues to scrutinize and apply both ex-ante & ex-post measures to the telecoms market to achieve balance – leading to declaration of significant market power/dominance in defined markets and consequential action.

- **Regulatory Approach:**
  - MTN continues to manage regulatory overtures which are influenced by consumerist considerations/heavy political and other pressures.
  - MTN and Industry continue to promote industry self-regulation/light touch regulation
Compliance & Issue Monitoring:
- Regular meetings with stakeholders
- Structured review of regulatory instruments
- Advice and opinions on pertinent issues
- Correspondence with regulatory bodies

Policy Development & Input:
- Active participation in regulatory proceedings with relevant departments
- Position papers and submissions on pertinent industry issues
- Interpret and respond to interventions

Engagement:
- Formal & informal
- Direct & indirect
- Hand-holding sessions with key Regulatory staff
- Liaising between business and regulator
- Education & enlightenment of operator depts. and units
- Lobby via industry bodies, influential 3rd party agents
- NRA relationship improving
## Appendix: Regulatory Fees & Other Govt Payments From Inception to December 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Payment terms</th>
<th>Total paid 2001 – 2012 Dec ₦</th>
<th>Total paid 2001 – 2012 Dec $</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOL</td>
<td>2.5% of annual Net revenues</td>
<td>89,564,399,472</td>
<td>655,885,170</td>
</tr>
<tr>
<td>Spectrum</td>
<td>Case-by-case basis + annual renewals</td>
<td>6,239,349,525</td>
<td>45,691,110</td>
</tr>
<tr>
<td>Numbering</td>
<td>Case-by-case basis + annual renewals</td>
<td>57,768,801,715</td>
<td>423,044,208</td>
</tr>
<tr>
<td>Registration &amp; Approvals</td>
<td>One-off on case-by-case basis</td>
<td>15,270,000</td>
<td>111,823</td>
</tr>
<tr>
<td>Admin charges</td>
<td>Transactional basis</td>
<td>4,480,000</td>
<td>32,807</td>
</tr>
<tr>
<td>Govt Levies &amp; Taxes</td>
<td>As and when due</td>
<td>93,127,964,292</td>
<td>681,981,358</td>
</tr>
</tbody>
</table>
Agenda

• Competitive landscape
• Q1 Performance Highlight
• MTR reduction and MNP : Strategic Response
• 2013 Strategic Theme and Initiatives
  • Aggressive data drive
  • VAS/Product Innovation
  • Churn/Dormancy Management
  • Agent Banking : Mobile Money
  • Segmented Value proposition
Competitive Landscape
Competitive Overview: Jan-March 2013

Airtel Nigeria
- Despite regulators’ ban and continued to leverage 9x bonus for growth.
- Medium value multi-simming drive, as a source of secondary growth with discounted Samsung Duo bundle offer.
- Enhanced data strategy (Samsung Hero series and HTC Window phone), bundled with on-net calls, SMS and data and relaunched its Smartbyte unitary tariff (N12 to all networks after 250MB data).

Globacom
- Globacom impacted the data market with 7-in-1 inclusive data plus device proposition (discounted device between 15-25% free 200-500MB instant data on activation, ongoing free data of 200MB for 12 months, low tariff CUG numbers (9K to 9 numbers), Special No rate (2k), flat rate of 18k to all networks and unlimited download for a week!
- Launched 2 new price plans with 40% reduction in offnet rates (Glo Hi Flier and Glo Talk Free –N10.80)
- Leverage its 10th anniversary to relaunch with a new pay-off – UNLIMITED, with clear pre-MNP innuendo.
- Strategic government/Public sector proposition (25,000 CUG for LASG staff, 100,000 CUG Police CoopCom initiative).

Etisalat Nigeria
- Aggressive data proposition with highly publicised Free 2G for 3G/month offer.
- Launched premium rates first 2-minutes tariff, with advantage of discounted flat rate per day (EasyPlan at N12)
- Aggressive below-the-line with 20% bonus of total cumulative spend per month
2013 Q1 Performance Snapshot
MTNN RGS increased by 19.6% between March 2012 and March 2013 while ERM declined by 47% for same period.
MTN gained ~2.14% subscriber share through effective dormancy management initiatives and targeted penetration of first timers (with attractive proposition).
Competitive offers for new entrant and seasonality impacted on Gross connection growth. However, MTN maintained 32.5% lead on YTD average vs others.

<table>
<thead>
<tr>
<th>%Gross Connection growth</th>
<th>Sept '12</th>
<th>Oct '12</th>
<th>Nov '12</th>
<th>Dec '12</th>
<th>Jan '13</th>
<th>Feb '13</th>
<th>Mar '13</th>
<th>GC 2013 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN</td>
<td>1,763,293</td>
<td>1,751,162</td>
<td>1,788,507</td>
<td>2,096,710</td>
<td>2,070,466</td>
<td>1,836,004</td>
<td>2,111,507</td>
<td>6,017,977</td>
</tr>
</tbody>
</table>

The growth decline observed in January is synonymous with a new year (*average holiday of 3-5 days*) and February decline is as a result of number of days of the month (28 days).

*We estimate Gross Connections for other operators as the new sims that appear on the MTNN network for the first time in the last 180 days. i.e. An operators sim that makes/receive an activity on our network for the first time in 180 days is taken as a new connection for that Operator.*
Market share drivers in the month: MTN has 56% share of first-timers (a 9% point growth from Nov12) and has maintained a stable figure amongst the multi-simmers.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% new connections with previous SIM</td>
<td>68</td>
<td>74</td>
<td>66</td>
<td>65</td>
<td>68</td>
<td>65</td>
<td>63</td>
</tr>
<tr>
<td>% new connections with NO previous SIM</td>
<td>32</td>
<td>26</td>
<td>34</td>
<td>35</td>
<td>32</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>MTN share within the % new connections with NO previous SIM</td>
<td>59</td>
<td>54</td>
<td>47</td>
<td>47</td>
<td>52</td>
<td>55</td>
<td>56</td>
</tr>
</tbody>
</table>

- Multisimmers continue to be the largest contributors to new connections.
- The prevalence of high-end and branded multiple SIM devices from established OEMs like Samsung, LG and Nokia. This is giving fresh impetus to multisimming behaviour and making it more attractive to the high value segment.
- MTN leads on share of first timers (9 percent percentage growth from Nov. 2012) and have sustained its share amongst multisimmers through attractive propositions.

MTN Share amongst first-timers

<table>
<thead>
<tr>
<th></th>
<th>MTN</th>
<th>Airtel</th>
<th>Glo</th>
<th>EMTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov-12</td>
<td>47</td>
<td>25</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Dec-12</td>
<td>47</td>
<td>26</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Jan-13</td>
<td>52</td>
<td>25</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Feb-13</td>
<td>55</td>
<td>23</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Mar-13</td>
<td>56</td>
<td>23</td>
<td>11</td>
<td>10</td>
</tr>
</tbody>
</table>

MTN Share amongst multisimmers

<table>
<thead>
<tr>
<th></th>
<th>MTN</th>
<th>Airtel</th>
<th>Glo</th>
<th>EMTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov-12</td>
<td>17</td>
<td>31</td>
<td>18</td>
<td>34</td>
</tr>
<tr>
<td>Dec-12</td>
<td>16</td>
<td>33</td>
<td>18</td>
<td>33</td>
</tr>
<tr>
<td>Jan-13</td>
<td>16</td>
<td>33</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>Feb-13</td>
<td>17</td>
<td>32</td>
<td>20</td>
<td>31</td>
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<tr>
<td>Mar-13</td>
<td>17</td>
<td>34</td>
<td>22</td>
<td>27</td>
</tr>
</tbody>
</table>
MNP, MTR and Dominance Operator status
MTN’s strategic response
MTN Nigeria MNP Go-to-market strategies

Pre MNP

Existing Customers
DEFENSIVE STRATEGY

Post MNP

New Customers
OFFENSIVE STRATEGY

1 PROTECT
2 ENTICE
3 CAPTURE
4 RETAIN

DEFENSIVE STRATEGY
OFFENSIVE STRATEGY
Mobile Number Portability: MTN’s strategic thrust

• MNP is minimal in a highly multisimming market, as customers can maximize the best offers per operator.

• MNP has had limited impact in most markets, usually observed as another competitive event, without being a disruptor.

• Churn experiences a marginal increase during the year MNP is introduced, however it returns to close to pre-MNP levels in the next year or two.

• Reasons for porting include price seekers and quality seekers, and a significant number of porting processes are abandoned.

• Position MTN as the ultimate porting destination, building on the established market credentials and positive brand equity

• Minimise the risk of net loss that is traditionally associated with the incumbent/market leader

• Leverage the opportunity for new acquisition, building on MTN’s coverage and increasingly positive value perception, linked to its large-community on-net advantage.
MTN has just launched the most impactful MNP campaign: creating sufficient shielding effect and positive brand affinity

- Over **120,000** unpaid views on YouTube!

- Has generated over **7,200** earned unique content via reports in traditional media, radio commentary, blog and direct/indirect tagging.

<table>
<thead>
<tr>
<th>Positive</th>
<th>Neutral</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brilliant, ingenious, Disruptive, WoW</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Biggest coup in Marketing</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>There is so much to Saka with the dance steps</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>I don’t like MTN, but I will not port because of this great ad</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Porting is not about advertising, fix your network</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Failure of Etisalat Marketing management</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>A clearer understanding of the meaning of porting</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>MTN remains the clear leader, irrespective of its challenges</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>22</td>
<td></td>
</tr>
</tbody>
</table>

Social Miner Audit of 14,121 comments on all social networks 24th April and May 4th 2013
Disproportionate reduction in MTR by 40.2% vs 25.5% in Dec 2009, with low-to-medium risk of value erosion

<table>
<thead>
<tr>
<th></th>
<th>Sep '06</th>
<th>Dec '09</th>
<th>Dec '10</th>
<th>Dec '11</th>
<th>Dec '12</th>
<th>Apr '13</th>
<th>Apr '14</th>
<th>Apr '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established MNO</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11.00</td>
<td>8.20</td>
<td>8.20</td>
<td>8.20</td>
<td>8.20</td>
<td>4.90</td>
<td>4.40</td>
<td>3.90</td>
</tr>
<tr>
<td>New and Small operators</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>10.20</td>
<td>9.80</td>
<td>9.00</td>
<td>8.20</td>
<td>6.90</td>
<td>5.20</td>
<td>3.90</td>
<td></td>
</tr>
<tr>
<td>MTN ERM</td>
<td>35.04</td>
<td>28.64</td>
<td>28.59</td>
<td>18.19</td>
<td>10.56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decline in MTR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>40.2%</td>
<td>10.2%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Decline in ERM</td>
<td>18.3%</td>
<td></td>
<td></td>
<td></td>
<td>41.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The new glide path starts on 1 April 2013, and runs until 30 March 2016, with a 40.2% downward adjustment, with a further 10.2% and 11.7% between 2014 and 2015 respectively.
2013 Strategic initiatives
## 2013 Goals & Objectives

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliver 7.0m net adds</td>
</tr>
<tr>
<td>Recapture market share in urban/city areas – particularly Lagos – by improving capacity and QoS and developing compelling propositions for HV customers</td>
</tr>
<tr>
<td>Develop regional market approach to customise propositions and distribution channel management by area</td>
</tr>
<tr>
<td>Develop MTN Zone concept as key competitive differentiator</td>
</tr>
<tr>
<td>Anticipate MNP arrival and incentivise HV customers so they do not use MNP arrival to churn</td>
</tr>
<tr>
<td>Develop Multi-SIM approach that ensures MTN SIM is primary and multiple slots in Multi-SIM devices are available to MTN SIMs</td>
</tr>
<tr>
<td>Develop mobile money proposition to achieve sustainable base</td>
</tr>
<tr>
<td>Grow data revenues particularly encouraging use of 3G network</td>
</tr>
<tr>
<td>Introduction of churn management campaigns</td>
</tr>
</tbody>
</table>
Aggressive data growth
Data is a potential revenue driver with more innovative and competitive service devoid of network outages in critical cities.

*Data Revenue excludes sms revenue*
Average usage/user increasing with data user growth and congruent with increasing adoption of low/medium value smartphones and lifestyle contents (social media, e-learning and online shopping).
High Growth potential of Smartphones: Growing subscriber base and ARPU

Smartphone users’ ARPU is a reflection of the expanded services and contents that the devices provide.

On-the-go lifestyle and opportunity for real-time social networking, productivity tools and entertainment content are driving incremental data consumption.

Subscriber Base by Phone

54% increase in smartphone customers between Q112 and Q113

Smartphone
9%

GPRS
34%

2G
57%

Non-Smartphone ARPU
261

Smartphone ARPU
922
Data Users: 3G customers per operator

- **MTN**: 4.3m
- **Airtel**: 2m
- **Glo**: 2.3m
- **EMTS**: 2m
VAS/Data and Product Development
Data Growth Initiatives

Above-The-Line Campaigns

• **Data Bonus Offers**: Up to 160% Data Bonus for 100MB data subscription and above

• **Data Bundle Plans** featuring **Rollover & Gifting**: Rollover unused data to the next month subscription

• **Data / Device Bundled Offers**: Freebies bundled with data devices – feature phones and smartphones

Below-The-Line Campaigns

• **Customer Lifetime Management Campaigns**
  o Subscription reminder notifications for customers who don’t renew data subscription after bundle expiry

<table>
<thead>
<tr>
<th>Bundle Plan</th>
<th>Price ($)</th>
<th>Volume Quota</th>
<th>Validity Period</th>
<th>Activation Code (Text to 131)</th>
<th>Activation USSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10MB</td>
<td>100</td>
<td>10MB</td>
<td>24hrs</td>
<td>109</td>
<td>*109#</td>
</tr>
<tr>
<td>25MB (New)</td>
<td>150</td>
<td>25MB</td>
<td>24hrs</td>
<td>112</td>
<td>*112#</td>
</tr>
<tr>
<td>50MB (New)</td>
<td>200</td>
<td>50MB</td>
<td>24hrs</td>
<td>113</td>
<td>*113#</td>
</tr>
<tr>
<td>150MB</td>
<td>500</td>
<td>150MB</td>
<td>24hrs</td>
<td>103</td>
<td>*103#</td>
</tr>
<tr>
<td>Monthly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100MB</td>
<td>1000</td>
<td>260MB</td>
<td>30 Days</td>
<td>106</td>
<td>*106#</td>
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<tr>
<td>250MB</td>
<td>1300</td>
<td>325MB</td>
<td>30 Days</td>
<td>109</td>
<td>*109#</td>
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<tr>
<td>500MB</td>
<td>2000</td>
<td>750MB</td>
<td>30 Days</td>
<td>118</td>
<td>*118#</td>
</tr>
<tr>
<td>1GB</td>
<td>3500</td>
<td>1.5GB</td>
<td>30 Days</td>
<td>111</td>
<td>*111#</td>
</tr>
<tr>
<td>5GB</td>
<td>8000</td>
<td>7.5GB</td>
<td>30 Days</td>
<td>101</td>
<td>*101#</td>
</tr>
</tbody>
</table>

Visit www.mtnonlinenigeria.mtn.com for mobile internet plans and other details.
The Service Delivery Platform provides service creation, service deployment and administration services. Introduced in Q4 2012, MTN Nigeria has commercialised 7 key 3rd party content services on the SDP

- Effective (fast and efficient) support for development and deployment of wide variety of new services provided by 3rd Party Providers (including OTT), using standard interfaces
- Rapid response to constantly evolving service requirements
- Optimization of MTN’s operational processes, leveraging opportunities for scale
- Provides MTNN with the platform to rapidly syndicate & bill content, applications and services over multiple bearers including multimedia, SMS, USSD, IVR, airtime & mobile money payments
- Multiple charging models to stimulate adoption: One off, promotional, auto-renewable subscriptions, fallback and micro-billed charging models
- All of the above reflect the market needs for speed and charging flexibility to suit a wide variety of customers
MTN Zone

Pricing minutes innovatively based on location

- RGS 30 (Million)
- RGS 90 (Million)

New Subscribers

MTN Zone
Enjoy amazing rates. Call as low as 1kobo/sec
Churn/Dormancy Management
MTN Churn vs. Average Industry churn: MTN maintained churn that is significantly below industry-wide average.
Mobile Money Agent Banking
Mobile Money Update – CBN Engagement

• Registration to new customers on the Mobile Money platform was suspended in December 2012.

• We have had series of engagement with both the regulatory authority (CBN) and our existing partners.

• From our engagement, the key concerns of the CBN were;
  1. MTN brand was too dominant
  2. MTN Appeared to be running a different Mobile Money schemes, since we were advertising a different access/USSD code from our partners
  3. They also requested that we harmonize our databases with our partners.

The business has consequently engaged our various Partners to implement these recommendations.
In Sept 2012, there was a trade launch across key cities. In addition to ATL/CLM/and BTL activities.

This accounts for the spike in figures across all activities from the month of September.

Growth in MM Subscriber numbers by 212% post launch between September and December 2012.

There was a 45% increase in transacting subscribers between December 2012 and February 2013.

The Drop in December came as a result of regulatory concerns which inhibited further customer registrations.
DRIVING LEADERSHIP AT THE POINT OF SALE
• **Our Structure**

• Our Strategy

• Our Performance

• Our Readiness

• Our Priorities
sales & distribution structure

- Explore growth opportunities
- Alignment with key strategic objectives
- Cross functional synergy with stakeholders

- In field execution
- Customer management
- Feedback management

- Ensure end-to-end distribution of all products from the CWH to the 22 B2Bs inventory across the country

- Trade partner account set-up and stock ordering bank confirmation and order release
- TP credit, commission and compensation management
Each region has its dedicated regional sales and distribution team headed by a senior manager.
Eight Sub-Regions

The 3 regions are further divided into 8 sub-regions comprising of 2 to 7 territories depending on market size.
We drive hard on both direct and indirect channels

MTN

Indirect
- Traditional
  - Trade Partners
    - DSA
    - New Dawn
    - TP Outbound Sales
  - Convenience channel members
  - Sub trade partners
    - Bizlift members
- Non Traditional
  - MM Super Agents
  - Sim Reg Agencies
  - Data Trade partners

Direct
- Service Centre
- Connect stores
- Connect points

End Users
• Our Structure

• Our Strategy

• Our Performance

• Our Readiness

• Our Priorities
Sales & Distribution Strategy

To drive sustainable growth through execution excellence, superior customer Experience and expanded distribution coverage.

- **Customer Engagement Experience**
  - Raise the barrier to entry for competition in the trade channels

- **Visibility Experience**
  - Look and feel of a market leader

- **Data & Devices Growth**
  - Drive rapid Consumer data uptake through redefined redistribution channels

- **New Growth Opportunities Growth**
  - Accessing new markets & frontiers

- **Processes & Systems Optimizing**
  - Doing more with less, faster, better & eliminating waste

Attract, nurture and retain Nigeria’s best S&D talent.
Strategy Pillar

To drive sustainable growth through execution excellence, superior customer experience and expanded distribution coverage

Customer Engagement

Experience

Raise the barrier to entry for competition in the trade channels

1. Customer Acquisition
2. Winning at Retail
3. Outlet Classification
4. Loyalty Programs

Attract, nurture and retain Nigeria’s best S&D talent.
Customer Engagement

Customer Acquisition – Multi-channel approach to subscriber acquisition drive...

- **363** Walk In Centres (17 Service Centers, 256 Connect Locations, 90 New Dawn shops)
- **2,500** Mobile Sim Registration and Activation Agents providing increased subscriber foot prints.
- **600** Trade Partner Outbound Sales Teams driving increased pull strategy at retail.
- **104** MDCC (MTN Direct Consumer Contact) agents actively engaging potential subscribers.
Customer Engagement

Customer Acquisition – Driving subscriber acquisition at every sales point and customer acquisition outlet...

- **10,700** SIM Registration Boxes and Tablet Devices fully optimised and utilised.
- **10** Specialised SIM Reg. and Activation Agencies driving increased subscriber acquisition.
- Trade commission skewed to encourage acquisition and market share growth.
- Greater than **90%** registration of RGS90 subscribers.
- Achieved **110%** of YTD business gross connection target.
Customer Engagement

Winning at Retail ... expanding our reach and optimising our coverage

- Direct To Retail Field force of over **5,475**
- Weekly coverage of over **300,000** retail outlets
- Effective coverage of **120** Trade Partner exclusive retail blocks
- Improved communication with the trade

Growing the retail base

- **2011**: 120,000
- **2012**: 340,000
- **2013**: 480,000

Synchronised Field Force with TPs

2,400 DSAs Trained & Motivated
To drive sustainable growth through execution excellence, superior customer Experience and expanded distribution coverage

Attract, nurture and retain Nigeria’s best S&D talent.

VISIBILITY

1. VISA 3000
2. Merchandising Strategy
3. Outlets Classification
Retail outlets segmentation

Innovative merchandising solutions

Standardised PoS communication using the merchandising manual

Engagement with regulatory bodies

Visibility

... and achieving visibility proportional to our market share

VISA 3000
- Strong brand visibility
- Retailer ownership
- Customer convenience
Attract, nurture and retain Nigeria’s best S&D talent.

To drive sustainable growth through execution excellence, superior customer experience and expanded distribution coverage.

Experience

Experience

Growth

Data & Devices

Drive rapid Consumer data uptake through redefined redistribution channels

DATA & DEVICES

1. Channel Strategy
2. Multi-level engagement
3. Revised Supplier Model
We have redefined our channels of distribution to grow data & device usage

**Device Trade Channel strategy**

1. **MTN Partners**
   - Provision of shop fronts for device displays, sales and support
   - Value Proposition
     - Sales Discount
     - Activation bonus
     - Discount on VTU
     - Loyalty bonus
     - Service payment

2. **Walk in Centres**
   - Own & 3rd party Walk In Centres & environment.
   - Value Proposition
     - Sales discount
     - Payment for services
     - Activation bonus
     - Discount on VTU
     - Loyalty bonus

3. **Direct Sales Agents**
   - Sales team focused on creating awareness on data & devices
   - Value Proposition
     - Sales commissions

4. **OEMs**
   - Partnership with OEMs to drive data sales revenue and connection
   - Value Proposition
     - Free SIM kits
     - Activation bonus
     - Discount on VTU airtime
     - Loyalty bonus

5. **Independent Resellers**
   - Partnership with structured independent sellers of hardware
   - Value Proposition
     - Free SIM kits
     - Activation bonus
     - Discount on VTU airtime
     - Loyalty bonus
Data and Devices

Embarked on new channel initiatives to further grow data & device usage

**New Dawn Shops**
- 90 shops operational
- One stop shop for customer service & sales

**Engagement with 5 OEM**
- Nokia, Samsung, Techno, ZTE, Huawei
- Monthly engagement schedule
- Free Sims for OEMs

- **Deployment of Tech Squad**
  - Specialist Data Gurus in walk in centers
  - Present in all New Dawn, and specific Walk-in Outlets
Our efforts have paid off and we have 4.8 million 3G devices on the network.

Total 3G devices on the network

**Definition**
- **TP** – Trade Partner
- **SC** – Service Centers
- **CS** – Connect Stores
- **DP** – Data Partner
Strategy Pillar

To drive sustainable growth through execution excellence, superior customer experience and expanded distribution coverage

NEW GROWTH OPPORTUNITIES

1. Mobile Money
2. Convenience Channel
3. Semi-urban
4. Rural Telephony
5. Structured Retail & Experience Channel

Attract, nurture and retain Nigeria’s best S&D talent.
New Growth Opportunities

... making in-roads into new frontiers

- Engagement with high Retail Chains, Malls, Parks and HoReCa
- Already signed on:
  - TransferTo,
  - Tranglo
  - Ezetop
New Growth Opportunities

... making in-roads into new frontiers

PROJECT S.W.A.G

SEMI-URBAN: WIN AND GROW
Attract, nurture and retain Nigeria’s best S&D talent.

To drive sustainable growth through execution excellence, superior customer experience and expanded distribution coverage.

Strategy Pillar

PROCESSES & SYSTEMS

1. Cost structure
2. FFMS
3. Trade Partner portal

Processes & Systems

Optimising

Doing more with less, faster, better & eliminating waste

Experience
Growth
Our cost structure entails the following:

- Distribution cost (CWH) - General logistics operations.
- Trade discounts, commissions & bonuses
- Upfront discounts (Airtime vouchers & data devices)
- Backend commissions and bonuses (ORSC, gross connection & new dawn services)
- Customer acquisition - Sim registration and activation
Processes and Systems

We want to do more with less; by improving on our systems

Field Force Management
- Automated Sales Process
- Visibility of in field execution

Trade Partner Portal
- One-stop dealer management application
- Integration with the customer relationship management (CRM) application
• Our Structure

• Our Strategy

• Our Performance

• Our Readiness

• Our Priorities
Logical Contribution still above target

- EVD contribution to Total Airtime Sales is **76%** in the 2012
- Contribution to Total Airtime Sales: Physical -24%, Logical – 74%, VTU – 4%
- 2% growth in YTD EVD vs. 2012 (EVD: 76%)
• Our Structure

• Our Strategy

• Our Performance

• Our Readiness

• Our Priorities
Engine Room

... zeroing in and achieving enviable results

ER MANCOM
- All Executives

National Engine Room
- Cross-functional HQ GM team
- Regional ER leaders SMs

Region South West (CTO/CFO/CRE)
Region North (HRE/CESO)
Region East (CIO/BRM/CSE)

Lagos 1+ 2
Lagos 3
NE + NW
NC
East 1
East 2

Cross-functional regional teams with “execution teams” on the ground
- S&D, Marketing, CR, Network

Performance transparency (regional data analysis)

Business Intelligence (6 dedicated resources)
Regional market insights teams
• Our Structure

• Our Strategy

• Our Performance

• Our Readiness

• Our Priorities
2013 Top Priorities

- Proactively drive the sales of devices, focusing on new & existing distribution channels
- Point of Sales dominance through our Winning at Retail initiative and Trade Marketing capabilities
- Use SIM registration as tool for competitive advantage
- Achieve the Look and Feel of a market leader across our trade channels.
- Maximise opportunities in new frontiers (Rural coverage, Mobile Money)
- Strong Sales and Distribution talent pipeline
• The Experience
Trade Partners Branded Outbound sales Van

- To harness full market potential in their trading territories
- Agreed route plans
- Provides both sales and services
Service Centers on Wheels – 8 Mobile Lite across the Sub regions

• Make products and services available and accessible to customers in the most convenient way
• Focus on echarge and data/VAS
New Dawn Shop – setting the pace in data experience
Utilizing every opportunity to drive gross connection: *Id-El Maulud Activation*
Utilising every opportunity to drive gross connections:

Valentine Activations – Oshogbo (Osun 1)
MTN Zone Migration @ Ezi & Ubulu market in Delta
New experiences for rural dwellers
The Solid Y’ello
APPENDIX
The Sales Team

... active, agile and daring
External Drivers - Nigeria ICT market players

In general, the ICT market is served by several players with no clear market dominance.

Key Drivers
- Risk of Churn/Commoditization (excess competitive data infrastructure);
- Risk of disintermediation
- Risk of innovation (loss of client relationship to Apple and Google)
**MTNN Expanding the service offering**

Managed network, managed convergent and managed IT services are heavily demanded and represent the biggest opportunity.

### Network Services

<table>
<thead>
<tr>
<th>1</th>
<th>Mobile Connectivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Fixed connectivity</td>
</tr>
<tr>
<td>3</td>
<td>Network as a Service</td>
</tr>
<tr>
<td>4</td>
<td>Cloud</td>
</tr>
<tr>
<td>5</td>
<td>M2M + Mobility</td>
</tr>
<tr>
<td>6</td>
<td>NFC + M-Payment</td>
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<tr>
<td>7</td>
<td>Business Apps</td>
</tr>
<tr>
<td>8</td>
<td>Data Centre</td>
</tr>
<tr>
<td>9</td>
<td>System Integration</td>
</tr>
<tr>
<td>10</td>
<td>Managed IT</td>
</tr>
</tbody>
</table>

#### Fixed voice/broadband
- VOIP
- Virtual PBX/CUG
- ADSL broadband
- WiMax broadband

#### Mobile voice/broadband
- VOIP
- Mobile-PBX/CUG
- GPRS/EDGE
- 3G/HSDPA+/LTE

#### Backbone connectivity
- Leased line/Ethernet
- Satellite
- Submarine cable
- VPN

#### Managed connectivity
- Managed VPN
- Managed WAN/WLAN (including security)

#### Mobile voice/broadband
- VOIP
- Mobile-PBX/CUG
- GPRS/EDGE
- 3G/HSDPA+/LTE

*Source: Delta Partners analysis*
<table>
<thead>
<tr>
<th>Network Services</th>
<th>Managed WAN (Phase 1) - web based service monitoring platform to corporate customer for KPI management &amp; service enhancement</th>
<th>Managed WAN (Phase 2) - extension of web based monitoring platform to all customer nodes for troubleshooting and fault escalation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convergent Services</td>
<td>• Online Storage/Document Management (BaaS) • WebPlus • Personalised email • Webpage development • Domain name registration • Desktop as a Service (DaaS) • XaaS: MFB SaaS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cloud Services • Accounting Software/Billing &amp; Invoicing • CRM software • HRM software • Advanced Security</td>
<td></td>
</tr>
<tr>
<td>Machine – 2 - Machine</td>
<td>• Fleet Management • Security &amp; Surveillance</td>
<td></td>
</tr>
<tr>
<td>Enterprise Apps</td>
<td>• Field Force Automation • Backup &amp; Storage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cloud Storage • Device Security</td>
<td></td>
</tr>
<tr>
<td>Managed IT Services</td>
<td>Data Centre Services - Colocation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Data Centre Services - Basic Server Hosting</td>
<td></td>
</tr>
<tr>
<td>Digital Services</td>
<td>• IVR Advertising</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mobile Advertising</td>
<td></td>
</tr>
</tbody>
</table>
## SME Segment Product Mix (MTN MyOffice)

### Network Services
- Fixed wireless broadband internet (Wimax)
- Fixed wireline, ADSL and Dedicated Internet
- Mobile Internet

### Network Services
- Fixed Voice
- Mobile Voice
- SME CUG
- Smart phone & tablet bundled with data propositions

### Convergent services
- DaaS
- BaaS
- M2M- Transport and Logistic
- M2M services
- Project Cumulus (ERP; McAfee, HRM, CRM, SFA)

### Convergent services
- Domain Name
- Webhosting
- Webpage Development
- Personalised Email
- Hosted PBX

### MyOffice:
- Bouquet of products & services (voice, data, Internet and cloud services) specifically tailored for SME businesses.
- Network services constitute the major % of the mix but future growth will be driven by convergent services.
Key Focus Areas for 2013

• Drive revenue through customised Data & ICT solutions to address specific vertical industry opportunities

• Increase Market and Value share:
  • Aggressive Sales drive into Major Corporates focusing on Cross-selling and Upselling opportunity with expanded service offering
  • Aggressively promote, drive and enhance MTN MyOffice SME Proposition

• Improving customer service end-to-end

• Continue to promote and position the MTN Business brand as the leading ICT provider
Key messages

• Operating in a fragmented space but aim to achieve market leadership
• Expanded ICT service offering strategy into the business market is working
• Focusing on key verticals to drive revenue and market share
• Positioning the MTN Business brand as the leading ICT provider
MTN Business – ICT Leader

The Clear-cut Leader in Business ICT Solutions.

MTN Business has changed the business solutions landscape for the better, always raising the bar in business innovation. And this is just the beginning.

MTN Business. Think Transformation.
Connectivity | Communication | Collaboration | Optimisation
www.mtnbusiness.org
MTN XaaS: MFB SaaS

If 2 out of 3 microfinance banks worldwide are choosing Software-as-a-Service solutions, shouldn’t you be?

MTN XaaS
Micro-Banking Software as a Service

Imagine being able to deliver banking anywhere without the constraints of infrastructure ownership and licensing costs. Micro-Banking Software as a Service makes this possible from the security of the MTN Cloud.

Email us at mtnbusinesssupport@mtn.com to assist our specialists assist you in evaluating your needs.

Save Cost · Reduce Complexity · Make Profit

Think Transformation
www.mtnbusiness.com

MTN Business
Sample Advertising Material

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Less Expensive. More Effective.

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Being away from the office is no barrier to getting work done with MTN Business Cloud Storage apps. Now you can get access to all your saved files on your office computer with your mobile device anytime anywhere.

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Introducing MTN WebPlus
Take Your Business Online

A physical address is no longer enough for your business. To get a website for your business today with MTN WebPlus. It's an affordable all-in-one web service designed specifically for SMEs. In just a few simple steps your business can have its own website and it can all be done by you.

- Domain Name Registration
- Web Hosting
- Personalised Business Email
- Easy-to-Use Website Builder

MTN WebPlus is part of MTN MyOffice - the complete ICT package for SMEs.
For more information, please visit www.mtnbusiness.com.ng or send an email to mtntechbusiness@mtnagroup.net

Connectivity I Communication I Collaboration I Optimization
Solutions for the Enterprise
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**In one place yet everywhere**

*with MTN Enterprise Apps*

The new MTN Business Transport & Logistics App allows you monitor and track the movement of your entire fleet right from your mobile device. You will never be in the dark again.

*Get any other business need? Just tell us and we will create apps to meet them.*

For enquiries, send email to mtntobusiness@mtngroup.net

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**Don’t worry about infrastructure. Focus on running your business.**

With MTN’s state of the art data centres, MTN Business offers business solutions that cater for your every need. Whether it is server co-location, managed hosting or server virtualization, we provide you with cost-effective solutions that allow you to focus on the most important thing – your business.

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Introducing **MTN MyOffice**
The Complete ICT Suite for SMEs

Now you have all the communications services your business needs in one place and from one Partner.

- Closed User Group service bundled with mobile broadband Internet.
- Tablets, Smartphones and feature phones bundled with mobile broadband Internet.
- Fixed Broadband Internet.
- Desktop/Backup as a Service and lots more...

**Big Savings for Your Business**

**MTN Business**

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**Introducing MTN MyOffice**
One solution for all your business needs

- Closed User Group service bundled with mobile broadband Internet.
- Tablets, Smartphones and feature phones bundled with mobile broadband Internet.
- Fixed Broadband Internet.
- Desktop/Backup as a Service and lots more...

**Big Savings for Your Business**

**MTN Business**
Sample Advertising Material

MTN ePresence. For your international meetings.

Make all your international meetings an ePresence experience. Take decisions quicker whilst saving on time, travel hassles and expenses. With MTN ePresence, any meeting across the globe is possible.

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For enquiries send email to: epresence@mtnnigeria.net

Life is richer with MTN
www.mtnbusiness.com.ng

MTN Business
MTN Network Evolution 2008 – 2012

Challenges

Innovation

What the future holds?
From 2008-2012, the MTNN Network evolved through the introduction of new access technologies for mobile networks.

Within the same period, MTNN grew capacity by 255% to capture an additional busy hour traffic of 544,000 Erlangs.

Aggressive promotions, namely ‘magic number’ and ‘5 star’ resulted in capacity limitations due to the sharp increase in MoU.

Quality of Service parameters came under strain due to the capacity challenges in 2012.
MTNN NETWORK EVOLUTION 2008-2012

Network Element Evolution

Evolution of the network is critical to ensure new access technologies.

An important driver is how the customers will interact with the network tomorrow, with what and at what rate?

MTNN rate of evolution provides the impetus the business needs to launch differentiated products and services ahead of the competition.
Pressure on MTNN revenue due to price war triggered by the competition, MTNN embarked on the “5 Star” Promo in Q3, 2012. Key effect was traffic in excess of available capacity and in turn degradation of Quality of Service.
In addition to commercial challenges, the environment presents a number of challenges, a Thisday Newspaper publication of Mar 3, 2013 reads; “In fairness to the operators, there are a number of operational challenges, many of them unique to Nigeria, that have direct adverse impact on the overall quality of service of the operators”.

- Operational environment becomes more challenging every year, putting pressure on investment portfolios for growth and support.
- Innovation is important to drive market growth and improve efficiency
POWER
MTNN:
- Generates over 120 MVA of Power from Diesel Generators from BTS sites only
- Replaces generators every 12,000 hours (a year and half)
- Consumes approximately 6.4m litres of AGO Monthly

NATURAL DISASTERS
- Flooding in north, middle belt & east of country
- Impacts logistics & network optimisation

INSURGENCY
- Insurgency in north east results in 192 BTS taken out of service

FIBRE CUTS
- MTNN has 9100 km of physical fibre optic cables spanning the country, which are exposed to controllable/uncontrollable cuts
Highlight:
- Marked improvement in Network performance indicators through Q3 ‘12 to Q1 ’13
- All KPIs have remained above the NCC target throughout the year*

<table>
<thead>
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<th>NCC KPI</th>
<th>SEP'12</th>
<th>OCT’12</th>
<th>NOV’12</th>
<th>JAN’13</th>
<th>FEB’13</th>
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</tbody>
</table>

*TCH in January did not meet the NCC target.
CORE NETWORK

I. Pooling of Core Nodes for additional control layer switching, efficient capacity utilisation, optimal loading and traffic distribution
   • MSC-BC
   • SGSN

II. AoIP and IuoIP Implementation for improved capacity management between MSC and BSC/RNC layer

III. Direct Gy Implementation for enhanced capacity and PS-CS communication

IV. WAN Optimisation for reduced Internet bound delays

V. MSP Regionalisation for WAP service redundancy

VI. 3GDT: 3G Direct Tunnel to increase payload traffic speed since it forwards payload traffic directly from RNC to GGSN, bypassing SGSN to reduce number of hops.

VII. ASDNS: Active Select DNS is a method of localising GPRS traffic to the closest GGSN to reduce latency and over utilisation of WAN links

VIII. iCache: Deployment for internet and data compression. Enhance quality of experience and reduction in OPEX.

IX. 10G WACS: Upgrade of Internet Capacity by additional 2.5G to a total of 10G. Ensure better browsing experience for subscriber and adequate capacity towards the internet
TRANSPORT

I. Multiservice Metro providing transmission capacity for both TDM and Packet traffic in the metropolitan areas (20 Cities)
II. Lambda Upgrades increasing transmission capacity on the optical backbone
III. NGN Synchronization - Expansion of the synchronisation network in line with the growth of the transmission network to improve performance
IV. Roaming Signaling migration on satellite links to enhance capacity
V. IPDCN for Remote transmission visibility to enhance network operations, optimisation and support
VI. Prioritisation of cells based on Technical Importance, Revenue, Number of High Value Customers and Data Usage for Effective customer experience management.

POWER AND INFRASTRUCTURE

I. Hybrid Power solutions for reduced dependencies on AGO, improved efficiency and cleaner energy.
II. Rapid/lower cost network roll-out: Co-location, roof tops, billboards etc...
III. Site Build cost optimisation
IV. Introduction end-to-end Site build Management framework for rapid rollout
How do we continue to compete and deliver on our promise to our valued customer?

**Lower Operating Costs**
- Hybrid energy systems
- Increase infrastructure sharing (co-location)
- Continue to drive innovation with partners to reduce equipment footprint, cooling and power requirements
- Efficiency and scale economies in the Supply chain

**Improved Customer Experience**
- Ensuring target network availability through Intelligent and efficient site operations
- Maintaining capacity headroom in Access and Core Networks
- Improved network monitoring, routine maintenance and fault resolution.