MTN Group Ltd
Interim Results Analyst
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Speaker	Narrative
Chris Maroleng	Good morning ladies and gentlemen. It's my greatest pleasure to welcome you to MTN Group's interim results presentation for the period ending 30th June 2017. In particular we would like to welcome you members of the investor community who are here today. I also see members of the media and analysts also with us. Some of our group board members and of course group ExCo members are also very welcome here. Then of course we have MTNers from across our footprint in about 22 countries representing this footprint who will be watching on various channels and listening in to the presentation. After the presentation you will be given an opportunity to ask questions. With those few words it's my greatest pleasure to introduce our group President and CEO, Rob Shuter. Thank you very much.
Rob Shuter	Good morning everybody. A big welcome from my side to you in the room, on the webcast and those joining us on the Business TV channel, you are most welcome. A big yellow welcome to our MTNers also watching across the footprint. Just to quickly take you through the running order for this morning, I'm going to spend a few minutes talking about how we see the demographic opportunities and how we are thinking about the strategic framework for the group going forward. I'm going to hand over to Ralph who will take you through the numbers, and then of course I will come back for some concluding remarks and also to help us through the Q&A. Before I dive into the strategy and operational review I thought you might find it interesting to get a bit of a feel for what we have been up to in the five months since I joined and since many new colleagues also came in. So I think there were five things I really wanted to touch on. The first has been the focus on staff engagement and key appointments. MTN has been through a bit of a turbulent time these last few years so we put a lot of energy into stabilising the organisation, re-energising people. We have had a number of key appointments we've had to fill at the group ExCo. I think we have brought some great people in. A lot of new talent coming into the South African OpCo as well, and of course some key new appointments across the group, for example Head of Procurement in Dubai, new Head of Regulatory in Nigeria. So I think we're feeling more comfortable that we're getting the people we need to bring new talent into what is already a wonderful organisation. And I will show you a bit later that some of the key staff metrics, engagement etc. are really going in the right direction. I think the second big thing has been to get to understand the market. So certainly this has been a big focus of mine. I think I spent more nights on an aeroplane than I have at home, visited ten of the largest markets. But also Ralph has accompanied me on a lot of the trips. We have really in a more general sense being encouraging MTN to have a much more external orientation. So being in the field, being with customers, being in the market, spending time with the distributors, understanding what is happening, the trading reality on the street. In the end this is a very practical commercial industry and you've got to be on top of what's happening in the market. The third big thing has been to understand the business. Obviously we learn a lot going around the market, but there is a lot of information to digest. Also my team and

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	I are very focused on the accurate management information we need to understand where the business is so we make the right decisions so we've got the right strategies going forward. One of the examples I wanted to give you is the work that has been done around the subscriber definitions because this is obviously quite a key thing in the results of the first half. An example of that is in many markets we regard a customer as active if they are generating revenue. That is what RGS stands for, revenue generating subscriber. But in a lot of the markets where there is a lot of bulk SMS often subscribers are only kept active because they are receiving a bulk SMS from somewhere else. We feel this is distorting the reality of the business, so you will see for example Nigeria alone we took about 7 million subscribers out of the definition of active. Now, this is an ongoing process. We need to finish it by the end of the year. And then we will have a clean read of where we are, how deep we are into the markets and what kind of opportunities there are. Another example is the active data subscribers. Historically we have reported around 120 million active data subscribers. Now, we know that there are some subscribers who only use about 1 MB a week. So we call them accidental subscribers. And again it is not really a good representation of the opportunity in the market. So we have already changed that definition. You will see in the results active data subscribers now just around 70 million. So that's a real good measure of what we've got, but it also shows there is a lot more opportunity perhaps than anybody would have thought historically. The fourth big item has been engagement on the strategy. So that's been a function of discussions with the ExCo, discussions with the OpCo CEOs, our ManCo colleagues, with the board. We have had off site. We have had the whole of the group board in Accra for a few days last month. And we have a new strategic framework and I'm going to take you through that in a second. The final big focus has been around what we call operational governance. A large part of this is how we run the business. How do we set targets? How do we manage progress? What KPIs do we look at? How often do we review the business? Who reviews them? What the operational cadence of running these very detail-oriented commercial businesses? I think we have made good progress. I think we have set out very clearly what we're asking from ourselves, from our OpCos. And we also need to get a lot better at managing the big issues, the events that really come with the territory of managing in a large number of complex geographies. So I think we have made a respectable start and of course we will keep reporting back over the quarters and the halves that come on the progress. So let's move to the opportunities in the markets. And I've got two slightly more forward looking slides. And the first one is what we call a demographic opportunity. Basically what we set out in the slide is across our 22 markets what do we think we're going to see in the next four years leading up to 2020. Now, the one interesting thing is the population growth. So basically we're estimating that there is another 45 million people coming into our existing makes in the next four years. That is almost the size of a tier two OpCo coming in just in the size of population growth. The second thing we're forecasting is actually that the consumption power of

	consumers in our geographies is going to improve as we move through the recessionary patterns, the poor macro, the oil price, the pressure on commodity prices. In general we would like to see that lifting up over the next few years. That is obviously a very key metric when we are thinking about appetite for new services, for data affordability kind of questions. I think the last big theme that we see across the market is the adoption of data and digital services. These are big numbers. The basic prediction is that we would get up to 500 million data customers across the footprint in the next four years. So the explosion of the mobile internet and the fact that for most of our customers this is a mobile internet play. There is very little fixed line infrastructure in most of the markets. And on top of that 500 million of data users we are expecting also a big increase in the adoption of digital services. So what do I mean when I say digital service? If you think about the smartphones that you've all got with you, every icon on your screen is basically the digital service, and the smartphone is connected to the internet. So the real question is what will the role be of the operators, companies like MTN, in that digital service ecosystem in these developing markets? So that's a little bit about the subscriber numbers. I guess the next question is what about the money? What about the revenue? So what we've done on the next slide is again predicting where we think the revenue pools will be in 2020. It's a fairly simple picture. So we've got the consumer sector on the left, the enterprise sector in the middle and the wholesale sector on the right. And I think there are a couple of key messages I wanted to pull out of this slide. So the first thing is that consumers are a big part of the revenue pools across our market. It is estimated to still be 70% three or four years out. I think this quite well suits a consumer centric operator like MTN. But within the consumer segment you can see that data and digital are going to be the big growth engines. Today if you look at our results for the first half we are at 55% voice revenue. This is predicting that data and digital together will be more than voice not too far in the distant future. They are big growth pools, so they are both estimated to grow about R80 billion over the four years. And of course what is very critical then is how we are going to arrange ourselves to leverage and take advantage of that opportunity. If you look at enterprise I think what is very interesting looking at that slide is the vast bulk of the revenues in the enterprise market is still in voice and data connectivity. Okay, so in the mobile world we call that managed mobility. And ICT whilst an important segment is very much smaller as you see in that pie chart. So what we feel is critical for an operator like MTN is that we have to build our enterprise business on the foundation of connectivity. It's a little bit going back to our roots. It leverages our scale. It leverages our infrastructure. We put the ICT services more in their proper context as an add-on service in the more sophisticated markets. But we need a very strong foundation in connectivity. The final wholesale is a relatively small revenue pool, but the key thing there is that we have a lot of infrastructure and we need to make sure that we organise ourselves to take advantage of the opportunities to resell that in the wholesale market where it makes sense. So we call this the fish where the fish are slide. And I guess the next

thing is how is the group placed in the future that looks like this? And of course we would say that we are well placed. What else would you expect us to say? But I think it is true that the 22 markets we're in are in general the right markets to be in. We're in the big markets for our geographies of Africa and Middle East.

I think it is also true that we have a good position in these markets. So we are number one operator in 14 out of the 22 markets. So we've got brand, we've got customer base, we've got infrastructure, we've got good people, we've got a broad range of products and services. So I think we are well placed to leverage the opportunity. And in fact when you look at these big growth engines of data and digital I think MTN makes already a very good start. So 72 million active data customers across the portfolio. I think what is also really encouraging is the progress in mobile money. So that is 18 million 30 day active MoMo customers across the portfolio. That's up just short of 20% in the half. So I've got a slide on that a little bit later.

So last part of the puzzle then is how we are going to arrange ourselves to take advantage of these opportunities. And that's where we've done the work on the strategic framework for MTN. Basically we have come up with six operational pillars upon which we will base the strategy and we have grouped them into the acronym in the slide that has just popped up in front of you that we are calling the BRIGHT strategy. It's got a nice smiley face for a bright Thursday morning here in Johannesburg this morning. So a couple of things. Firstly you see we make an effort also in how this is communicated. This is largely for the people in the company. We need to give them hope and inspiration and we need to make it memorable, easy to recall. That's the classic thing of you want to ask someone in an elevator and they say the strategy is this.

So the MTN strategy is BRIGHT. Six operational pillars to build our business, to take advantage of the opportunities I've just described in the market. What are the elements? Best customer experience. NPS lead, lower churn, higher market share, return on efficiency, capital efficiency, ROIC. I've got a slide on each one of them so I'm going quickly through them. Ignite commercial performance. The commercial agenda. The retail is detail commercial leverage of the business. The G is the two big growth engines of data and digital. The H hearts and minds. Culture, people, high-performance culture, minds, reputation, stakeholder management, risk management, regulatory. And finally of course as a technology company the T in any acronym has to stand for technology excellence.

So very quickly on the BRIGHT elements. The B. I think the thing I wanted to stress on this slide is this is a very commercial objective. Of course we want customers to have a great experience. We want them to feel good about doing business with MTN. we want our people to feel good about serving customers. But we also have a commercial agenda. And the big hidden cost in the P&L of a mobile operator is churn. So the operator with a sustainable NPS advantage has got the best chance of having a sustainably lower churn and has got the best chance of over time slowly taking value market share in the key segments.

How are we doing? There is a snapshot of that across the bottom of the slide. So there

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	are our seven large OpCos. You see only two have a number one NPS. At least there are two, because Iran just jumped into the number one in the half. So there is a lot of work across the rest of the markets and there is a lot of work even across the markets which you don't see on this slide. So in a way when you look at the ambition relative to the current reality to have a 10 point NPS lead across all our markets we are quite far away from that. We need to be honest and straightforward about that. But this is absolutely something we're going to put a huge amount of energy into. The R, return on efficiency. I think the key thing to remember is we are a capital intensive industry. You see in our results we are putting R30 billion of capex into networks and IT across 22 markets in 12 months. So in our industry the return on capital and in particular the marginal return on the marginal capital is a very important metric. It informs a lot of things. Where do you spend? How much do you spend? How do you allocate scarce resource between technologies, between countries, between rollout capacity coverage? So it needs to be much more an art and a science in a company like ours. Second thing, total shareholder return. Of course we are very much aware we are competing for the attention of investors with our emerging market mobile-centric Telco's. So we want to outperform our peer group. We want to deliver the alpha within our macro environment. The third big focus is around cash flow. Adjusted free cash flow, free cash flow, operating free cash flow, any form of cash flow is going to be a big focus because in the end cash is king. They say that of course. But also for MTN we have to be generating the right amount of cash out of the operations also for the funding of the group and gearing and dividends and all of these kinds of things. Now, the concept I wanted to introduce on the bottom of the slide is the concept of the cash ratio. So it's the simplest metric in the world. We take the EBITDA margin and we minus the capital intensity. So it's the percentage of revenue that's left basically after your expenses and your capex. Why it's an important measure is because it helps us to manage the margin and the capex as one combined topic and not two parallel streams. So that's important. But the second thing also is we need to recognise that as we move into particularly the digital services world they have often a different economic profile. So often the EBITDA margins are lower if you're selling a curated streaming service in a particular market. But of course the capex is much lower as well because this is not carrying the big GSM capex on the network. So I think if we are more and more focussed on the cash ratio it will take a lot of noise out of these different attributes. Moving to the I - Ignite commercial performance. I guess there are a couple of things in here. The first thing is that we are building off the existing Ignite programme. So the Ignite programme was all about getting the right kind of commercial, financial and operational performance out of the two big markets, South Africa and Nigeria, over 2017 and 2018. We want to extend that conceptually across the whole portfolio and focus on the commercial performance. So what would we be looking for? Subscriber growth. We're looking for the number one or number two position across all the markets. And we're looking to take a disproportionate share of the value in revenue and EBITDA.

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What are the key things that would go in there? One very important thing is what we call the segmented go-to market. So basically to have the right segmentation model for consumers with the right channel differentiation per segment. The same for enterprise. So as I described earlier when we looked at the revenue pools we are big believers in voice and data connectivity centric enterprise business. So this means we need to re-segment our base and we need to arrange ourselves to take advantage of that. It's network, its distribution, it's the product portfolio, and it's the commissioning into the indirect. There is a whole science there.

So if you're thinking ignite commercial performance, build on the Ignite programme, segmented go to market, and a big focus on retention and base management. We tend to be an industry which is often vey acquisition-centric. So we are all pouring in gross adds every month or every quarter. We need to rebalance this industry so we're focussing also on retention based management. This is the world of customer value management, CVM. This is the industry speak for this kind of activity. We've got a nice programme together now to up the CVM skills and resourcing across the OpCos. Our campaign intensity is too low. We don't have the right campaign engines. We don't always have the kind of MI that we need.

Commercial performance. How would we say we are doing? I think the net adds story is very much distorted by all this work we're doing on subscribers. It is frustrating for us that we're not all the way through it. I'm sure it's frustrating for you. By the end of the year when we are done with this, clean subscriber numbers, then you will see the real net add performance across the group. Market position, as I said earlier we do have strong positions in our key markets. But where we're not number one we need also to have a path there particularly in the key segments.

The next one is the G, the growth through data and digital. I'm sorry I'm cantering through this because Ralph has much to share with you on the numbers. As I said before data and digital is two things. The one is access data, internet access, mobile internet. The other one is digital services. The key metrics are data subs and digital subs. So that is rapidly expanding the base. This is critical. And the third measure is basically the digitisation of how we operate, so moving your channels from physical to digital for sales, for services, USSD, IVR, online. That is a whole programme in and of itself.

I've spoken a bit about the data users on the left. On the right on the MoMo I think it's quite encouraging to see Nigeria coming through in the half, putting on over a million subs in the first six months. So they are now 11% of the MoMo subs. A couple of little sound bites for you on the MoMo world. So I told you it's 14 markets. They are on one industrial-strength mobile money platform. In June 2017 we processed 170 million transactions across those markets. So that's 4,000 transactions a minute. So already there is quite a lot of scale in the business. Total value of transactions June 2017 was $4 billion. Of course we've got a long way to go. We very much accept that. We need to make progress in the big tier one markets, which is early days. But if you go to the tier twos, if you go to Ghana, Rwanda, Cameroon, you really see a lot of traction in the mobile money business across MTN.

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	Hearts and minds. The two halves of it. I spoke a bit about the employee engagement motivation and morale. I think it's quite nice if you look at the chart on the bottom left. So the ENPS. Would you recommend MTN as a place to work for your friends and family? From around about two we've jumped all the way up to 30 in the six months. So I think that's a big stand-out for our OpCo CEOs and our OpCo management teams because they are the guys that are really keeping their people engaged and motivated often in quite difficult circumstances. And if you look at our engagement scores across the group again a nice list in the first half. So I think some really green shoots on the people engagement side. The mind part is really all about the reputation management. We're putting some good people in place. We have hired a Head of Group Regulatory, Felleng, who is here with us in the front row. We've approved a whole structure for Felleng to assemble a group regulatory and public policy team. We are upskilling public policy and regulatory across the markets. This a space where you need a few very smart, very experienced people who need to be very much on top of the regulatory and public policy agenda. The final topic, technology excellence. So it is not just about the mobile network. Of course that is super important. So number one network NPS is exactly the right metric. We are very focussed on voice quality as well. Telco's have got a habit of running so far and quick into the data world that they forget that a large part of the perception that we all have on the quality of the network is the voice quality. Is the call clear? What is the set-up? What is the drop? What is the voice coverage? A very important metric still. So you see there the progress on the bottom part of the chart. 2G, 3G, DCRs, significant improvements across the entire portfolio. But of course it is also about the data experience. And where we write there 'quality data sessions' those three words are quite carefully selected. So MTN is not about this nuclear arms race to have the fastest 4G download speed in a particular space. It is about the customer experience of the data session. You optimise your network in a different way depending on whether you are chasing a headline or you're really worried about the customer's app experience. Because let's be honest, most of our data experience on a smartphone is in an app. We are in YouTube. We are browsing in Google. We are downloading emails off the email server. The last thing on technology excellence is just to re-emphasis the central role of IT. Often the network experience could be perfectly fine but customers are having a technical experience of an operator basically on their IT environment. Billing, charging, the app, the experience in retail, the experience when you call a call centre, the time it takes to resolve a query. This is all a function of your IT estate. And this needs really to be optimised if you want to build this number on NPS across the piece. So that's a whistle-stop tour through the BRIGHT strategy. We are going to continue to work on this in the second half. We are looking for much more specific project plans, KPIs, milestones. We are going to report like this. We are going to organise like this. We are going to run the business like this. And we really believe that these are

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	the six big things that are going to drive the operational performance and leverage the opportunity in the market. I've gone over my time, but I will keep going for a few minutes. Our results for the first half. So very much relying on Ralph to take you through the detail, but I wanted to point out a few key things. One, group service revenue constant currency, if you are wanting to get a feel for the operational performance in the markets that's the place to look 7.5%, we think it's a respectable result. Of course when you look at the reported numbers that's a negative number. And that is really as a result of the big depreciation of the local currencies in the last 12 months. So we are simply translating back into Rand a much smaller amount for the same amount of the local currency. To give you an example of it the largest market we're translating back is the Nigerian market. The Naira has depreciated more than 70% year on year. So you are just not getting back into ZAR the Naira that we got the year before. But in your packs and in your reporting you have full details of both reported and constant currency, so of course you make your own judgements. Two big growth drivers, data and digital. Constant currency again looking at the performance across the market, group data up 30%, group digital up 25%. So what we were saying this morning is we think it's an encouraging start for a multinational operator who is staking out a strategy based on these two big growth pools of data and digital. Group capex, R10 billion spent in the first half so we've got R20 billion to go in the second half. I think the final thing to pull out of the slide is we have reconfirmed also the dividend guidance for the full year and therefore have declared an interim dividend of R2.50, 250 cents per share. A few quick comments on the commercial performance in the large markets. South Africa, so we try and tell a story just in the heading. We say supported by prepaid growth. South Africa has had a very respectable performance in prepaid, service revenue up 9%, a solid performance in the net adds, good commercial momentum, and I think in general we've got a prepaid business to be proud of. But we all know we have a tremendous amount of work to do in the contract or post-paid market. So if you wanted to get one green shoot, you see top right of the slide that we have positive net adds for the first time in a long time. So that's Telco speak. That means we're not losing customers anymore. In fact we marginally added some customers in the half. In that contract market there are really two big pieces. There is the consumer contract market and there is the enterprise contract market. And the enterprise piece I think is the pressure is in these numbers. In fact consumer contract is also looking much more positive. I think a couple of other stand-outs in the South African results. 18.5% growth in data revenue, so pretty respectable and benchmarks pretty well against what is happening in the industry. Network quality is much improved. And you see also good progress on the site rollout, 3G and 4G sites. And I think in South Africa for sure we're in good shape to get our way through the South African capex programme that we announced from the beginning of the year. So the South African capex programme has not been re-estimated in these results. And finally it's good to see some commercial momentum. Hopefully you have enjoyed a good company stepping behind the

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	Springboks who needed a lot of support. And we were very proud also to win the Brand of the Year in South Africa just in these last few days. Secondly to talk about Nigeria, again a story and a heading. Focus on healthy growth. So what do I mean by that? I think the one big thing is we are cleaning up the sub definitions. I've discussed that already. We also have quite a big business in value added services, and we have really been optimising that business a lot in the six months, trying to be much more attuned to what customers are looking for. So things like double opt in if you buy a service, things like a very crisp summary of the various services that subscribers have opted in for. It's as easy to cancel a service as it is to put a new service on. Do not disturb lists have been implemented. It has depressed a little bit the revenue in the first half, but I think we have the right base to grow from going forward. A big stand-out in the Nigerian results is the data growth, up 70%. So that has been depressed for quite some time with various regulatory changes, data only on an opt-in basis, pressure in the market itself and a lot of competition. I think within that market our team in Nigeria have done really a good job commercially. And if you look also at the network and the site rollout we are one of the few operators that is still basically investing for the long term with the support of the group. Finally on MTN IranCell that's really a story of consistent execution. A very disciplined business. Very well run, very tight. Consistent progress on net adds. Stand-out performance in data revenue, 68%. Good progress also in the digital space. Good progress on rollout. And as Ralph will share a little bit later I think also good progress in making sure that as MTN Group we can bring back the funds, the returns, the loans, the dividends from our success in that market. So with that as the introduction I will hand you over to Ralph and I will be back in a few minutes.
Ralph Mupita	Rob, thanks very much and a very good morning to everybody here. It's nice to see some familiar faces in the crowd. And to all of you here at 14th Avenue and those who are joining us streaming via TV or on the web I want to extend my welcome as well. Over the next 20 minutes I want to take you through the financial highlights for the half year under review. I first of all want to take you through the significant items that are impacting our results. There are about four significant items that I think explain a lot of our financial results as you look at them on a reported basis versus a constant currency basis. I will then cover some of the salient items on the income statement before looking at the main financial KPIs of our three key markets, South Africa, Nigeria and Iran. I will then go back into the income statement, cover the key income statement lines, put a bit more detail on them and explain some of the key movements, and then finish off by looking at our balance sheet as well as our cash flow. So let's start. As I mentioned there are four major factors that we believe have impacted our half year results. And the first one is the point around weak local currencies relative to the Rand and the US Dollar. If we look at all our operations across the 22 OpCos relative to the Rand over the period they have all weakened. So the first major impact of this is that you will see that our reported results are lower than our constant currency

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	results when you look at it from the point of view of revenue and EBITDA and other of the main KPIs. And obviously we have been talking a lot and Rob has been talking a lot about constant currency growth. Constant currency in our view provides better visibility of the underlying operating performance of the business. The second major impact you will see is particularly in Nigeria where the weaker Naira has had a significant impact on our network opex. And this has resulted in lower margins than you will have seen at the end of December 2016. In December 2016 many of you will remember a Nigeria EBITDA margin of 40%. The second impact is really one-off items impacting basic earnings. And here we have positives and negatives. And the first positive is that we've had approximately R6 billion coming into EBITDA related to the profit when we had the exchange of our 51% shareholding in Nigerian Tower Co and exchanged that for shares in IHS Holdings. So that was a positive. On the downside we had asset impairments in Sudan and Syria of R1.7 billion and R1.1 billion respectively. These asset impairments relate to carrying values previously written up to account for the impact of hyperinflation exceeding the calculated value in use. Below the EBITDA line we have goodwill impairments totally R2.6 billion. And these come in through for Afghanistan, Yemen and Sudan. The operating environments in these markets has been challenged and necessitated the impairments. The third factor is what we call non-operating items impacting headline earnings. And as you will recall we fully expensed the Nigeria fine in 2016. However there is still the accounting for the interest unwind relating to the fine of some R537 million in the first half of the year. And we have had forex losses to the tune of R1.5 billion. R600 million relate to the repatriation of cash from Iran and the final major factor is the disposal of Afrihost. We disposed of Afrihost which was an operation under South Africa at the end of 2016. So the reported growth rates that you see in your pack will be much lower than organic. And when I make commentary around the South African operation looking at the service revenue, EBITDA etc. that will be based on the organic. And I think that gives you a better reflection of how the business is truly performing from a South African perspective. So let's start and have a look at some of the salient points of the income statement. The table that you see here has reported and constant currency growth rates at the far right hand of the chart for some of the income statement lines. So you will see that we have a solid constant currency growth rate of 7% for revenue and if you look at service revenue that's a solid 8%. But on a reported basis the revenue growth was down 19% as well as similar for service revenue growth. As an example of this impact of weaker currencies the Nigeria revenue translates to the Rand for group consolidation in this period 38% lower than prior year. In that income statement the other income line you see there of R6 billion relates to the gain on exchange of the Nigerian Tower Co for shares in IHS that I mentioned previously. And that's a once-off positive impact to basic earnings. I will unpack the other elements of the income statement later in my presentation as I mentioned, but let me close out and refer to the interim dividend. As Rob has mentioned the board has declared an interim dividend of 250 cents per share which you will see at the

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	bottom of your table there. And this interim dividend is in line with the 2017 guidance which we have maintained. So as I mentioned starting to look at our big markets and starting with South Africa the chart that you see here illustrates the service revenue, expenses, EBITDA and capex trends over the period under review. As I mentioned again the South African operation here is excluding Afrihost. So all the measures here are on an organic basis. Service revenue was a solid 5.2% and this was driven by good data growth of 19% and digital revenues that grew strongly at 38%. The data revenue growth was driven by an increase in data traffic. We saw data traffic growing by 56% year on year. And this is off the back of sustained investment in the network and the prepaid net adds that we saw in the first half. The growth in digital revenue was driven by the Xtra time offering that we took to the market in the second half of 2016. Voice revenues were down 5% year on year and voice minutes declined 11% during the period. If you look at expenses cost of sales was overall lower in the first half than the same period and this was mainly driven by lower handsets sold, lower subsidies on the handsets, and obviously the stronger Rand having an impact on handsets that are imported. The growth in opex was largely driven by network – we are growing our network – as well as marketing expenses. When you look at the network we had unitary cost increases both for rental and electricity and as I mentioned we rolled out additional sites for our 3G and our 4G network. The EBITDA margin that you see that increased was largely a function of a decrease in handset cost of goods sold, but the increase in prepaid data and Xtra time revenues was also supportive of the margin over the period. If you look at capex intensity in the period it was lower than planned. However we believe with an acceleration as Rob has mentioned we certainly see the South African operation fully meeting its capex intensity as it looks to complete its investment programme for 2017. Moving on to Nigeria, we recorded a solid 11% growth in service revenues in the period, and this is a very solid result considering the tough macro environment in Nigeria. It was encouraging to see that we continue to see growth in our core voice market where we had 4% growth in the period. Voice represents about 63% of current total revenues in Nigeria, so that growth would have been pretty supportive on margins. We had solid data revenue growth of 70%. This clearly illustrates the significant opportunity that Rob spoke about earlier on around data. And when you look at that revenue stack bar you see that data is still relatively small in a market such as Nigeria. The significant increase in the 3G and 4G network really has closed the gap in the major metros where we are probably behind some of our competitors, and obviously in these metros that's where you find the higher ARPU data subscribers. In terms of expenses what stands out is the growth in opex over the period. This was driven by the network expenses. Now, here there are two main drivers underpinning this growth. The first is a significant component of expenses are US Dollar dominated. And with the devaluation of the Naira against the US Dollar the unit increases obviously

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	increased. The second is that we've had the significant rollout both for our 3G and our 4G networks over the period. Now, thinking about what proportion are network expenses of the total opex for Nigeria the number there is about 63%. So quite a significant part of the opex is network related and would have been impacted by the devaluation of the Naira versus the US Dollar. This network expense growth has been the most significant driver impacting the margin decline that you see there in the chart. We have had a few one-off expenses that in aggregate would have impacted close on 1% negatively the margin that you see there achieved at 38.3% for the half year. In terms of capex intensity in the period it was higher than last year but lower than we had planned. Although the US Dollar liquidity in Nigeria remains constrained we currently have sufficient funding facilities for our capex rollout and programme for the balance of 2017 and going into 2018. Moving on to Iran. We saw consistent performance from the business with service revenues continuing to grow in the teens, up 16% year on year. The key driver here as you can see on the chart is the 70% growth in data revenues. There have been significant investments and build-out of our 3G and in particular 4G network that has underpinned the data growth as well as the strong net adds that you would have seen in Rob's earlier slide. Digital revenue growth was more muted in the first half. We had at the start of the beginning of the year new opt-out processes introduced as well as more onerous regulatory approvals required for some of the VAS products in the market. When you look at expenses and when you start to look at cost of sales we've had an increase in handset costs as a result of taking to the market more 3G and LTE modems sold. Some of these had a negative margin. The growth in data traffic put some pressure on opex. We saw an increase in data traffic of close on 190% year on year in the Iranian market. That data growth has resulted in increased transmission expenses and the business is required to lease the long haul capacity from TIC, the government-owned fixed line operator. The opex has also increased as staff salaries were adjusted to meet the market benchmarks. The EBITDA margin drop that you see there of 1.4% is mostly driven by the transmission expenses that I referred to. The accelerated rollout of the network to meet the data demand that we see in this market is putting some short-term pressure on cash flow. The capex intensity that you see at the half year, we will see moderating in the second half. Going back to the income statement, I will start with service revenue. The service revenue bridge that you see on the chart here shows a year on year growth of the various revenue streams starting with the reported H1 service revenue at the far right hand of your chart that you see there and then builds out the constant currency growth rates of the three main revenue bearers there, voice, data and digital, and then adjusts for FX and hyperinflation, ending off with reported H1 2017 service revenue. This format of reviewing constant currency performance whilst reflecting reported results is one I will use consistently in slides that will follow. So let's have a look at service revenue. Data and digital revenue were the key drivers of growth in the period. Data was up a solid 32%. We saw a healthy 25% growth in

Speaker	Narrative
	digital. And just looking at data revenue growth this was boosted by the significant rollout of our 3G and 4G infrastructure, net add growth that we saw in several markets, our value for money propositions that we've taken into the market as well. Our active data subscribers as Rob mentioned earlier stands now at 72 million under our new definition. We have seen an average MB per month usage of more than 100% over the period. So really seeing the pickup off relatively low bases here. Digital revenues were underpinned by the strong mobile money subscriber growth that Rob mentioned earlier as well as the Xtra time offerings that we've launched both in South Africa and in Nigeria. Whilst outgoing revenues were largely flat in the period and we continue to look at ways to optimise our voice pricing whilst taking advantage of the demographics in our market, this allows us to mitigate over time on the voice revenues given that it is still a big part of our revenue base going forward as Rob raised earlier. Let's look at expenses. Here we take a look at group expenses firstly on the top chart looking at the cost of sales and then operating expenses. During the period cost of sales was flat which is a really good outcome considering the competitive environments which we are operating in. The handset costs stood out, declining almost R600 million year on year supported by the strong Rand and stable handset subsidies in some of the markets where we have handsets coming through our income statement. This would however swing the other way if we saw a period of Rand weakness in the second half of the year. The year on year increase in commissions and distribution was mostly driven by the growth that we saw in our mobile financial services business across several of our markets. Moving on to operating expenses. We saw an increase of almost 24% with network costs being the key driver of this. This was again driven by the network rollout as well as the increases that we saw in the key markets of South Africa and Nigeria that I previously mentioned. If we move on to EBITDA on this slide you see the key drivers of group EBITDA both in absolute terms as well as from a group margin perspective. And you will see South Africa grew EBITDA margin by a decent 13%. This is on the back of service revenue growth as well as the margin expansion that I mentioned previously. Nigeria EBITDA declined 15% in Rand terms, and this was driven by the Naira devaluation and network opex. Overall group EBITDA was down 3%. Group EBITDA margin was mostly impacted by the Nigeria EBITDA margin as you can see there on the chart, 4.4% impact. The profits from the exchange on Nigeria Tower Co as well as the impairments for the hyper inflated assets in Sudan and Syria are more once-off in nature, so a more reflective way of thinking about our operating margin is the 32.9% that you see there highlighted in the chart. If we move on to finance cost there are three main drivers for the lower finance costs that we reported over the period. This is lower FX losses. The Rand strength was a factor, and there is a change in the mix of debt across the group. So if we start with the FX losses during the period we saw a reduction in FX losses of close to R2 billion relative to the prior period. This decline was largely as a result of lower foreign denominated receivables in Mauritius following the repatriation of funds from MTN IranCell. The forex losses in the period under review also included an amount of just

	under R600 million that I mentioned before relating to the repatriation of the Iran dividend and the short-term loan from MTN IranCell. In terms of the stronger Rand against the Dollar in the same period resulted in lower Rand reported finance cost on US denominated debt. The debt translation of Nigerian finance costs following the weaker Naira also resulted in lower Rand reported interest paid. When we look at the mix of debt over the period the Naira debt decreased from 14% to 8% of total group debt whilst the US Dollar debt increased from 38% to 48% in the period. This swing in the relative composition of our debt away from high interest Naira debt towards the lower interest US debt has affected the lowering of our average cost of debt, and the stronger Rand has also had an impact both in the mix of debt and the average cost of debt that you see there on your chart. If I move to JVs and associates, the first thing that you will see there in the chart is the lower contribution from Iran, that was a result of two factors, firstly a lower profit after tax as well as the depreciation of the Rial versus the Rand. We repatriated over R12 billion of MTN group cash from IranCell bank accounts over the past 12 months and this has resulted in lower interest income earned for the JV. In terms of the tower companies you see that line over there in the chart. We saw a big year on year improvement. In the previous year the Nigeria Tower Co which is now part of IHS incurred unrealised forex losses following the depreciation of the Naira. The operating losses we see across our digital businesses are largely in line with prior year. These businesses are building out and gaining scale. However given the Rand strength the reported results would reflect better, as you see in the chart an improvement year on year. Again as you can see the depreciation of assets previously written up for hyperinflation in Iran have decreased the reported share of our results for JVs and associates, but higher obviously than the prior period. Looking at tax, when we look to reconcile the tax rate I think there are a couple of points to note here. Firstly the tower profit of R6 billion is non-taxable. The standout point that you will see is Sudan. There is an impairment of Sudan assets coupled with Sudan turnover based tax which renders a large proportion of expenses non-deductible. And this has an impact on the group effective tax rate. Withholding taxes here of 7% are up on cash upstreamed to the group. And the way to think about more of a normalised group effective tax rate barring any unforeseen circumstances would be the low to mid 30s at a group level. If we move to headline earnings per share this will complete my review of the income statement. This table you see provides a reconciliation of basic earnings per share through to basic headline earnings per share that reflects more visibility of the operational performance of the business. If you start at the top of the table you will recognise the reported earnings per share there of 290 cents for the first half of 2017. If you walk your way down the table and you adjust for profits and impairments recognised in earnings we end up with a reported headline earnings per share of 217 cents. If we adjust that further with all the non-operating items, that is the Nigeria interest

unwind – there is an impact there of 24 cents – the hyperinflation impact of 42 cents and the impact of FX loss of 70 cents we get an operational view of headline earnings per share of some 353 cents. If you then make the same adjustments for the prior period, you will see there as you walk down the table that we will get 358 cents, implying a year on year decline of 1%. This 1% decline does not exclude the impact of local currency weaknesses embedded in translated group earnings. We think that this view of operational headline earnings gives you a better reflection of the true underlying earnings generation of the business and we will report it as such going forward.

Let's now move and have a look at the balance sheet. During the last six months we had PPE additions of R9.5 billion. We took on impairments of R2.3 billion. Depreciation and amortisation of R9.6 billion and we had foreign currency translation reserves of R3.1 billion. All of that resulted in a net decline over the period under review. Goodwill and other intangibles decreased in line with impairments taken in the period as well as the strong Rand. The exchange of Nigeria Tower Co shares into IHS Holdings is the major change that you see there in non-current assets. We fair valued our IHS Holdings at R25 billion as at the end of 30 June 2017.

Looking further down the table our interest-bearing liabilities have come down driven by lower Nigeria debt that I mentioned previously as well as a stronger Rand versus the US Dollar. Our net debt has remained stable over the period. We have less than R10 billion of maturities due for the second half of this year all the way up to 2020. All of our group funding activity at the moment is focussed on refinancing and rolling over our existing debt. We are using our refreshed DMTN programme for most of the funding activities as you would have seen in the market in recent times.

So let me close off the financial review by looking at cash flows. Here you have the cash flow bridge, and this bridge shows the key movements in operating, investing and financing activities as you can see on the chart there. So you will see that operating activities generated R12 billion. We invested R12 billion of cash capex in the period, so there was R2 billion of capex from last year that came through. That reconciles the R10 billion that Rob spoke about. The net impact of our financing activities was an outflow of R1 billion resulting in a free cash outflow of just under R2 billion in the period. Within operating activities what stands out is the repatriation of Iranian dividends of R6.5 billion in the first quarter. The 2016 final dividend of 400 cents per share resulted in the outflow you see there of R8.5 billion. The cash capex of R12 billion predominantly is financing the investment activity in the network across our markets.

From a financing point of view as I mentioned earlier our activity is mostly focussed on refinancing and rolling over existing group debt, so very limited change there. We have outstanding cash repatriations from Iran where we expect flows over the next six to nine months of over R5 billion at current exchange rates. We are continuing our focus on cash upstreaming, OpCo dividend upstreaming to the group, management fees where we have management fees, intercompany loans being repaid. And post the end of June 2017 we have had dividends being declared by many of our OpCos. We have had dividends declared by Ghana, dividends declared by South Africa.

Speaker	Narrative
	Nigeria declared a dividend in July. And very pleasingly we saw a dividend being declared in Nigeria for the proceeds for the group at about $98 million. We have been very encouraged with those. Still a bit constrained but improved liquidity since the opening of the IME window in Nigeria. So those dividend upstreamings from the OpCos as well as management fees have been very encouraging over the period. We further have the Ghana localisation process in the second half of the year. When we received our 4G license in Ghana last year, a condition was to localise up to 35% of the business. We are far advanced with that process, and any proceeds that come from that localisation will be up-streamed for group corporate purposes. That that concludes my financial review and I will hand over back to Rob to make the concluding remarks.
Rob Shuter	Thanks Ralph. Hopefully you found that useful. I think the MTN results are always a little bit confusing. There are so many things coming in and out and FX, so we made a big effort to at least try and get them as clear as we could. Just two more slides from me. I think the first thing is to talk through a little bit the 2017 guidance. We are basically confirming pretty much most of the elements. SA service revenue growth mid-single digit, so we're on track for that. EBITDA margin up 0.5% to 1%. We are on track for that. Nigeria up a single digit, clearly at 10.8% we're on track for that. We had a capex estimate of R34.7 billion which we have reduced to R30 billion largely as a result of struggling with the Dollar liquidity in Nigeria we have pulled back some of the group capex. But generally we are still trying to invest in the business for the future. We have confirmed the dividend guidance for the full year as I discussed. So I think steady as she goes in terms of the specific capex for 2017. The final slide is looking a little bit forward into the remaining five months of the year. So I think three big focusses for myself, the management team and all our MTNers. A big one is to entrench the BRIGHT programme. So we need to land the Ignite programme particularly in South Africa and Nigeria to make sure we set the right foundation commercially for the following year. The work in delivering the NPS lead across all the markets, we're really looking for a very practical programme that will push through those improvements. So that needs to get into the 'do this by then managed progress' kind of mode. On the data I think one last thing I wanted to introduce on the data strategy is the concept we have been calling the dual data strategy. And that's basically what you are seeing, that we are very focussed on the high-end customers in metro areas. That is a big 4G high-end smartphone story. That is a large part of where our 72 million customers sit today. At the same time we're very much committed to bringing the next 50, 100, 200 million customers into the data world. We realise that is going to be largely peri-urban rural customers largely on lower-end 3G devices. So we need a coverage commercial device strategy if we really want to push this democratisation of data down through the next few layers of the customer base. So we call this dual data strategy, volume and value. There is a lot of work to be done there. Accelerating enterprise, the pivot back to SME focussed fixed and mobile connectivity. And very focussed on rapidly scaling the MoMo business. This is a game where it is

	fantastic we put on 2 or 3 million subscribers in the first half, 5 million year on year. But that 18 million needs to be 40 million or 50 million just in the next few years. This is super time critical that we carve out the right role for ourselves there. A second big part is completing the investment programme. I think I've been through quite a lot of that. We introduced specifically for you in that second bullet quite a key metric for us going forward is going to be 3G population coverage. Again talking back to this data volume strategy. In some of our big markets, for example in MTN Ghana, the population coverage for data is still less than 50% and the way we will get to the next 50% largely has to be a more rural 3G coverage layer because the handsets are going to be 3G handsets for these customers coming into the market. So 3G coverage is a big metric. And I think a final piece of work is around the medium-term financial plans. So MTN has its big budgeting three-year planning cycle in the second half of the year. That's where we need to look at what the macro looks like in the market, what kind of commercial returns we can pull out, what sort of investment profile we need, how we feel about gearing, and of course this will also inform our decision on the longer-term dividend policy which we are going to be communicating with the full year results once we have been through that whole detailed review. So that concludes the presentation and I think we've got time for maybe ten minutes or so of questions. T
Jonathan Kennedy-Good	Jonathan from Standard Bank.
Rob Shuter	Jonathan. Thank you.
Jonathan Kennedy-Good	Just a couple of questions on the new management team and their incentive schemes. How exactly are you incentivised in terms of revenue growth, revenue market share, operating free cash flow, total shareholder return? Are those precise measures in place already? One final question. Obviously the impairments that you've made to certain OpCos, how many of the OpCos are actually loss-making at the bottom line, and do you have any views on restructuring or asset sales yet?
Rob Shuter	Okay. Let me start with the first one I remember. So the incentive programmes for the senior management are all fully described in the financial results of last year. This is basically the scheme we walked into. So for the short term incentive group ExCo our colleagues here in the head office environment we really have a single metric which is the group attributable earnings for the short-term incentive. For the long-term incentives this has historically been a combination of operating free cash flow growth and total shareholder return. In our board meetings of the last few days we have approved that for the next cycle on the long-term incentive we will rather focus on four metrics, and they will include now revenue, EBITDA, the total shareholder return and the cash flow. So that is a much more balanced approach. And we will have a similar structure also for the executives and the management team for next year's short-term incentive. We are seven or eight months through the year so we have not made any changes for the existing STI. And remind me on your second question.

Speaker	Narrative
Jonathan Kennedy-Good	The impairments to OpCos, whether there are loss-making OpCos.
Rob Shuter	Just a quick answer to that. The impairments really are in two spaces. There is the impairment of assets and equipment that only comes when you have already worked your way all the way through the goodwill. That was the case for the Sudan and Syria. The goodwill impairments were the other markets that Ralph referred to. Generally these are our Middle East and so-called conflict markets. I think we have had a good scrub through the impairments and the carrying value this half, so unless there is new significantly bad news the next two years or so I think we're pretty comfortable with how those calculations have been made. I think the final part of your question around portfolio, a big focus for my team and I has been to get the right performance out of the countries we're in. This is a very operational strategy. I guess towards the back end of the year with the board we look at the portfolio as well. I really believe that we need to show that we can be great custodians of these assets even when they are in difficult markets and difficult macro, and build up credibility as an operator of emerging market telco assets. Then maybe in the future we can look at whether we can expand the portfolio depending on consolidation in the sector.
JP Davids	Good morning. JP from JP Morgan. Two questions and one clarification please. The first question around your cash ratio and the philosophy you have around your cash ratio. Is it more a save to invest mentality or more an invest to grow mentality? I.e. are you going to see EBITDA savings before you invest in capex, or invest in capex to grow the business and push the margins up through that? the second question, maybe a little bit tougher, if you pull together all of what you've said around BRIGHT and the demographic opportunity etc. what is your blue sky aspiration in terms of what this group could look like in five years? I.e. can the earnings number today be factors higher five years from today, or is it sort of incremental gains from here?
Rob Shuter	Okay. JP from JP. So I think the first question around the cash ratio. I think at one level it's just a simple rule of thumb because often what we do in our industry is we look at an OpCo and say the margin is 35%. That kind of looks okay. But if the margin is 35% and the capex is 15% then 20% is flowing through to cash. That's a good result. If the margin is 35% and the capex is 36% that's not a sustainable result. So we are just trying to encourage ourselves, and maybe in time those who are following the stock, to look at the net cash coming out of the two components. I think that's the first point. The question on the orientation, I think when it comes to opex and resources to build out the new businesses I think we are very much in the save to invest mentality. What we can't do is put a whole lot of new operating expenditure on top of an existing opex envelope because we're going to put huge pressure on margins. So we are going to have to be more efficient in the core business and we're going to have to make trade-offs and choices. Of course it's not binary. It's not one or the other. But you asked for a general orientation.

Speaker	Narrative
	I think when it comes to capex though it's a little bit different because here we are playing the long game. We want these operations in these countries to be positioned to take advantage of these opportunities in a three, five, ten year kind of horizon. So you've got to put the infrastructure in that enables you to be competitive. Within the existing capex envelopes though – the R34 billion down to R30 billion – within that R30 billion envelope we think we can do a lot. So I think in then capex space it is going to be much more around how we take an existing envelope and how we allocate it and how we use smart measures in that allocation. That's why I spoke earlier in my comments about the margin return on the marginal capital. We have got to be really so scientific about whether the next 3G U900 site goes there or there. You can't just say it's 100 sites and hope for the best. That is not going to work for us going forward. Times are tough and we've got to turn every Rand over three or four times and make sure we put it in the right place. The long-term vision for the business, I think what we're trying to do at this stage is try and sketch it at a conceptual level. What I speak a lot about in the business is the 100, 200, 300. Can we have 300 million customers as opposed to the 230 million now? That means population growth but it means market share gains. We need to out-compete the competition. Of the 300 million can we have 200 million active data customers? That's two-thirds of the base. Today we have 70 million of the 230 million. And finally of the 200 million can we have 100 million actively using an MTN digital service, whether it is mobile money or streaming video or entertainment or whatever it might be. So we are basically going from an 18, 70, 230 world to a 100, 200, 300 world. If we execute that deliberately, we keep a good eye on the opex and the capex, we manage the business well, I think we can really generate a very good performance out of the company. Exactly how we model that out in the three year plans in the next few years we need to see how we tackle that in the second half.
Richard Majoor	Good morning. It's Richard Majoor from Macquarie speaking here. Three questions. First, long-term the e-commerce portfolio MTN has previously communicated this Amazon of Africa vision. And we have another half of losses. Is there a horizon to an EBITDA or a net income breakeven on that portfolio? Second question. And then the next question. Last year in Iran the regulator dropped the transmission pricing and you spoke about 100% plus data traffic growth. Is it likely that there will be another step down in transmission pricing in Iran this year? Thank you.
Rob Shuter	Sure. So the question around the e-commerce portfolio, I think if I can just put it at a high level perspective, basically in that digital service world we think that there are four key verticals. The first vertical is mobile financial services. That is the mobile money we discussed previously. There is entertainment where you see the streaming video, mobile video etc. There is lifestyle where you see all of the ring back tones and education, a whole bunch of things. And the final one is e-commerce. Now, the e-commerce is a very fragmented space. And I think our strategy historically and our strategy still today is that we participate in the fourth vertical via the three Rocket JVs. And I think this is a good positioning for us. We get a big exposure to the vertical without ourselves trying to start the next Uber of Africa or the Foodora of a particular market. And I think in general we are pretty

Speaker	Narrative
	encouraged by the progress. You know there are some challenges here and there, but in general in the Iranian market IIG is doing really well. If you look at Snapp in particular, Middle East and Africa as well, there is as much good as bad. It is a kind of accelerator strategy. You are not going to get ten out of ten winners. We do think that the cash calls from the JV are going to come down over time. That is in our business plans. You already saw the losses coming down in the associate structures. So I think that is pretty much all on track. I think your final question around the transmission in the Iranian market I think the important thing to know there is we can self-provide the access transmission. We just can't self-provide the long haul transmission between cities and geographies. There we have to buy from the incumbent operator. They have their own financial pressures. I was there a week or ten days ago, and I don't think we should be holding any great hopes that there is a big price decline coming in long haul transmission. Of course we keep lobbying for it and arguing etc. But the thing always to remember with the IranCell operation is that there is a very high revenue share in that license to government. So when we look at the margin a bit under pressure at 36% or 37% with a 28% revenue share this is still a very high-margin business. And I think the team are doing pretty well there to try and balance all of these things out. I think we have time for two more questions.
Nik Kershaw	Rob, sorry, just to clarify on the Naira rate that is being quoted on Bloomberg. The Nigerian government wanted to improve the disclosure. So they actually asked Bloomberg to start quoting the secondary rate. The actual official CBN rate remains ₦305 and the interbank rate remains ₦325. So the Naira hasn't actually moved. It is just on Bloomberg the rate that you see there is actually a different rate from what they used to disclose. So there hasn't actually been any change.
Rob Shuter	Thanks Nik. Nik, do you have any questions coming through on the webcast?
Nik Kershaw	No, nothing.
Rob Shuter	Okay. Is there a last question from colleagues in the room?
Chris Grundberg	It's Chris Grundberg from UBS. I've only got two questions actually, so that's good. And they are both on clarifications. Just to be clear on your Nigerian guidance you are still looking at high single-digit growth for the year. You've obviously done north of that in the first half. I just want you to maybe explain if there is anything you are seeing in the second half that specifically justifies the deceleration. I would have thought potentially given the lower competition post the Etisalat news that maybe you would have been more encouraged. So I would like to get your thoughts on that. And then ditto on the capex guidance. I'm conscious of your comments around wanting to lead on technology. I appreciate the longer term, but how much of your change in capex guidance is about being more efficient with that capex versus just currency constraints? Thanks.
Rob Shuter	Thanks Chris. So I think two things. On the very specific financial guidance which is basically these three things of the revenue growth, SA, Nigeria and the margin, we are

Speaker	Narrative
	not restating that guidance. We are just saying we are on track. And if we were not on track we would say so. So clearly if you grow 10.8% in H1 you would like to maintain that kind of trajectory in the second half. And that is certainly what we will be pushing… Ferdi is sitting in the front row looking a bit worried for what I promise on his behalf. But no, we are saying we will meet the guidance and obviously we would like to if possible exceed it. And we are not expecting a big slowdown in H2. So I think that's how we would feel about that. I think on the capex in some of the countries we have actually accelerated the capex. If you take South Africa for example the strong Rand is giving us more capex for the original capex envelope of R11.5 billion and we've left the R11.5 billion in the guidance. So we thought rather let's take advantage of that and keep pushing the infrastructure out. Pretty much across the rest of the markets we have encouraged them to still try and target their original rollout. It is more they are just signalling they started a few months late and they're going to struggle to get it all in the ground. We have put a bit more capex into Ghana. IranCell obviously is putting quite some capex in there. I think it's really Nigeria that's the one that is struggling to get through the numbers. That is not any great incentive to slow down the investment profile.
Mike Gresty	Thanks Rob. It's Mike Gresty from Citi.. I just wanted to ask about Turkcell actually. Obviously that reared its ugly head again. Any thoughts relative to the previous views around that, and possibly around timelines when that might be finalised if you've got any ideas on that.
Rob Shuter	So I think you know for those that follow the stock for many years now the unsuccessful bidder for the license in IranCell has been contending that there were irregularities on behalf of MTN. we don't agree with that at all. We think they are completely spurious. I've studied the matter in depth myself. The Hoffman report which was built to help all of us understand what happened is publicly available. Anybody who is concerned about the matter can read the report. It is 280 pages. Or you can read the first 18 pages. I think this is a spurious allegation and we will not be bullied. We will defend ourselves very rigorously. But it will take time. The legal process will take time. And it's one of these stories that will unfold slowly. But I'm entirely comfortable with MTN's position on Turkcell. So on that inspiring note – I hate to finish with a Turkey – I would like to thank you all for your attendance for coming out here this morning to listen to our story. I think we have a great company. We are obviously working very hard to make it better. We appreciate your support. Thanks.

END OF TRANSCRIPT