MTN Group Overview

Book 1
Launched in 1994, the MTN Group Limited (MTN Group) is a multinational telecommunications group offering cellular network access and business solutions. It has mobile licences across 21 countries in Africa and the Middle East and as at the end of December 2009, recorded more than 116 million subscribers. The MTN Group is listed on the JSE Limited under the share code: “MTN”.

**MTN Group operates in three regions:**

- **South and East Africa (SEA):** MTN South Africa, MTN Swaziland, MTN Zambia, MTN Uganda, MTN Rwanda and Mascom Botswana.
- **West and Central Africa (WECA):** MTN Nigeria, MTN Cameroon, MTN Congo-Brazzaville, MTN Côte d’Ivoire, MTN Benin, MTN Ghana, MTN Guinea-Bissau, MTN Guinea Conakry and Lonestar Liberia.
- **Middle East and North Africa (MENA):** MTN Irancell, MTN Afghanistan, MTN Cyprus, MTN Sudan, MTN Syria and MTN Yemen.
Geographic footprint
Group structure

MTN South Africa 100%

MTN Holdings 100%

MTN International 100%

MTN Mauritius 100%

100% Service Providers

100% Network Operations

100% Business Solutions

30% MTN Swaziland

96% MTN Uganda

53% Mascom Botswana

55% MTN Rwanda

98% MTN Zambia

70%* MTN Cameroon

100% MTN Congo-Brazzaville

76%* MTN Nigeria

65% MTN Côte d’Ivoire

49% MTN Irancell

*Legal ownership
MTN Dubai 100%

75%
MTN Guinea Conakry

99%
MTN Ghana

60%
Lonestar Liberia

83%
MTN Yemen

85%
MTN Sudan

75%
MTN Benin

100%
MTN Guinea-Bissau

75%
MTN Syria

51%
MTN Cyprus

100%
MTN Afghanistan

20%
Belgacom International Carrier Services
Chairman’s statement

The intensive capital investment programme of recent years is designed to stand the Group in good stead in the years to come as competition intensifies.

Innovating and delivering

In its 15th year of operation, the MTN Group passed the 100 million subscriber mark with a robust and resilient operational performance in the majority of the countries in which it operates. This was made possible by a firm adherence to our strategy, including investing heavily to extend the quality, coverage and capacity of the communications network across the 21 markets in which we operate.
The intensive capital investment programme of recent years is designed to stand the Group in good stead in the years to come as competition intensifies and the world fully recovers, in the longer term, from the economic malaise of 2008 and 2009.

Across the globe, millions of jobs were lost in 2009 as the world economy contracted by an estimated 1.7%. Credit markets tightened, limiting lending which would otherwise have supported investment and growth.

With its continued commitment to its markets, a strong brand and established value proposition, MTN was able to weather the storm. But, understandably, it is not immune to a challenging economic cycle, or to moves in commodity prices which remain key to the health of many of the countries in which the Group operates.

Hard times encourage innovative thinking and MTN showed this with its novel products and services in the midst of mounting pressure on consumers’ disposable incomes, aggressive competition and increased regulatory requirements. The Group’s adoption in the year of a segmented approach to the market, offering customers sector-specific products and services, proved successful and was well received by subscribers. Along with MTN Zone dynamic tariffing and MTN MobileMoney, as well as other customised offerings, these assisted the Group in maintaining or growing market share in almost all of its jurisdictions. They also helped MTN Group win the “most innovative brand in the telecoms sector” award in the Ask Afrika Trust Barometer in September 2009.

For an organisation that generates most of its revenue in currencies other than its reporting currency, the strength of the South African rand also proved a considerable hurdle.

As a result, MTN Group reported its first drop in headline earnings per share since inception, to 803.2 cents from 836.5 cents in 2008. But, thanks to continued strong cash generation and the expectation that capital expenditure has now peaked, the Group increased its dividend to shareholders. This effective relaxation of MTN’s dividend cover resulted in a payout to shareholders for 2009 of 192 cents a share, from 181 cents for 2008.

**Operating sustainability**

Sustaining the performance of the MTN network and the mobile market it serves is essential. This requires a reasonable and predictable regulatory regime, to allow cash-generating mobile companies to continue to invest in bridging the digital divide and so stimulating economic growth.

Maintaining transparent and constructive relationships with those it interacts with is an important MTN Group value. During 2009, the Group stepped up its co-operation with regulators across the footprint, as various new regulatory requirements (such as SIM-card registration and managing mobile termination rates) began to gain momentum in many markets. The Group also worked to enhance its engagement with customers, employees and the communities in which it operates.

The expansion of mobile telephony across the Middle East and Africa has already had a significantly positive impact on the lives of our customers, but it has the potential to have an even bigger effect as better, more reliable communication encourages trade and development. Mobile telephony’s applications in assisting socioeconomic development are many – from facilitating internet-based education and health, to helping disseminate various essential services and information.
Chairman’s statement  continued

For MTN, sustainability is about ensuring sound practices are part of its core business. In 2009, through the efforts of an improved Group sustainability function, the focus on the environmental, social and ethical issues that could pose an economic risk or opportunity to MTN was heightened. Through ongoing board and executive support and Group-led strategic planning, the Company is in a better position to adapt to global imperatives and enhance stakeholder value.

In 2009, MTN Uganda won the best solution for rural services award at the AfricaCom Awards in Cape Town. This was for its MTN Google SMS offering, developed in partnership with Google and the Grameen Foundation, a non-profit organisation fighting poverty. Among the services MTN Google SMS offers is Farmer’s Friend, a searchable database with both agricultural advice and targeted weather forecasts, and Google Trader, which matches buyers and sellers of agricultural produce.

Apart from positive, direct benefits such as this, MTN also assists communities on the ground through its significant corporate social investment programme. It has a clear CSI mandate, which is carried out through the MTN foundations already established in the majority of its markets. Once a year, through the 21 Days of Yellow Care initiative, employees throughout the Group volunteer and roll up their sleeves to help their local communities. The projects range from planting trees, cleaning streets, mosques and facilities for disadvantaged children to building recreational centres and soccer fields and establishing vegetable gardens. For the second year running in 2009, employees of MTN Yemen won the Group’s first prize for this initiative. Well done to you all.

In 2009, MTN launched a campaign to reduce deaths in Africa from malaria, which is the number one killer of children under the age of five on the continent. For maximum impact, the Group teamed up with the Malaria Community – a coalition of leading technical and advocacy groups. The aim is to help ensure 100% coverage and use of mosquito bed nets in malaria areas, achievement of which stands to save more than four million lives by 2015. This initiative is being rolled out in countries affected by the mosquito-borne disease, including Ghana, Uganda, Zambia, South Africa, Côte d’Ivoire, Cameroon, Botswana, Swaziland, Congo-Brazzaville, Nigeria, Benin, Liberia, Guinea Conakry, Guinea-Bissau and Rwanda.

Addressing environmental impacts

Recent studies have shown that information communications technologies (ICTs) can have a significant impact in reducing energy consumption and greenhouse gas emissions. A 2008 Global e-Sustainability Initiative report estimated that ICTs could lessen emissions by up to 22% by 2020 through practices such as smart logistics, smart buildings, a smart power grid and reducing travel through videoconferencing and tele-work.

MTN recognises the enabling role it can play in helping the world economy move to a lower-carbon environment. Reaffirming its commitment to reducing the impact of climate change,
the Group has signed the Copenhagen Communiqué on climate change ahead of the United Nations climate change summit, adding to the growing chorus calling for environmentally friendly practices.

In 2009 the Group analysed its own carbon intensity, looking at opportunities to reduce the impact of its business on the environment and mitigate climate-change related risks. The results indicate that MTN needs to accelerate its efforts to reduce the carbon intensity and increase the energy efficiency of base stations, data centres, large premises etc. MTN is proud of its early efforts in this regard. The Group has assessed the viability of alternative energy solutions to power base stations, including solar and hydrogen fuel cell trials in Sudan and Swaziland, biogas pilots in South Africa and operating solar-powered sites in Cameroon, Nigeria and Rwanda, among others.

At Kleinaarpen in the Kalahari Desert of South Africa (an area without access to the national power grid), MTN deployed an 80 metre tower on a base station that incorporates multiple energy technologies, including solar, wind, fuel cells and lithium-ion batteries. The site, home to the Group’s tallest mast, provides MTN with an opportunity to test “green” technology and provides mobile coverage in a 50km radius to people in an area previously without coverage. As the solar and wind generation capacity is far in excess of the average consumption, MTN intends in future to supply the local community with the surplus.

With a presence in Africa and the Middle East, MTN is acutely aware of how vulnerable these markets are to the adverse impact of climate change and is committed to the concept of people, planet, profit and a positive legacy for generations to come.

Appreciating employees
MTN recognises the vital contribution of its employees (some based in particularly difficult environments) and continues the Group’s many endeavours to provide a rewarding work environment. In 2009, MTN achieved a top 10 ranking in the World’s Best 40 Global Companies survey by AT Kearney, a leading management consulting firm. Other companies in the top 10 included the likes of Nintendo, Google and Apple. The survey was compiled for BusinessWeek, an influential international business publication. Awards such as this encourage us to do better, challenging MTN to sustain and improve on this position.

The safety of MTN people everywhere is paramount. Many countries in which the Group operates face political and social challenges. In 2009, the MTN Group crisis operations centre was opened in Johannesburg to provide support to all employees, 24-hours a day, seven days a week. The centre is an integrated command, control, communications and information-relay facility aimed at boosting the Group’s risk management capability; flagging potential crises; providing control and appropriate response measures during events on the ground. Supporting the national emergency response teams in every country, it endeavours to prevent any incident from becoming a crisis.
In 2009, MTN stepped up its fight against fraud, implementing various improved fraud prevention and detection mechanisms, which included the implementation of a Group-wide fraud incident register, conducting fraud risk assessments in most operations and the implementation of improved whistleblowing mechanisms.

Corporate governance
Sound and thorough corporate governance is essential to ensure business sustainability. MTN endeavours to make certain that it complies fully with corporate governance best practice and with the requirements of the King code. In line with the guidelines on the ideal composition of the board of directors, three new independent, non-executive directors were appointed, effective January 2010: Dawn Marole, Peter Mageza and Alan Harper have a broad range of expertise and experience and their positive presence is welcomed.

Their appointments follow that of Nazir Patel, the new Group finance director, to the board with effect from 27 November 2009. Nazir replaced Rob Nisbet, who resigned following 14 distinguished years of service as Group finance director. We thank Rob for his important contribution and wish him well. We welcome Nazir, who brings with him a wealth of knowledge from across the globe.

In 2009, Phuthuma won The Sunday Times Top 100 Business Leader of the Year award, voted by his peers who are the CEOs of the top 100 listed companies in South Africa. At the time, he acknowledged that much of his success came from the talented team around him. I believe it is this deep and broad skills set among MTN senior management that will continue to underpin the Group’s success. The board is confident in the leadership of MTN and of its consistent strategy to consolidate and diversify its
is watched by a significant percentage of its more than 100 million subscribers. MTN is proud to operate in five of the six African countries competing in the competition. As the first African sponsor of the world’s largest sporting event, MTN is living up to the promise of being a united and uniting force. It also displays the Group’s “Can Do” approach and “think big” attitude, further bolstering the brand and demonstrating our leadership.

It’s Africa’s time. Ke Nako.

Cyril Ramaphosa
Chairman
March 2010
Group directorate

Back row: from left to right
MJN Njeke*
NP Mageza*
DDB Band*
AT Mikati*
MC Ramaphosa*
JHN Strydom*

Front row: from left to right
KP Kalyan*
NI Patel*

*Profiles appear on pages 14 and 15 of this report.
Group directorate continued

1. MC Ramaphosa (57)  
BProc, LLD (HC)  
Independent non-executive director and chairman  
Board committee membership  
Nomination, remuneration, human resources and corporate governance committee.  
Other directorships  
Skills, expertise and experience  
Previously chairman of the Constitutional Assembly and the only chairman of the specially formed Black Economic Empowerment Commission. He was also a member of parliament, secretary-general of the ANC and secretary of the National Union of Mine Workers. Cyril is currently on the national executive committee of the ANC and has also received several honorary doctorates.  

2. PF Nhlokza (50)  
BSc (Civil Eng), MBA  
Executive director: Group president and chief executive officer  
Board committee membership  
Chairman of Group executive and steering committee. Attends various board committee meetings ex officio.  
Other directorships  
Director of various companies in the MTN Group. Director of Newshelf 664 (Pty) Limited and Engen Limited, non-executive chairman of Worldwide African Investments Holdings (Pty) Limited, the GSMA association and Trustee of the Alpine Trust.  
Skills, expertise and experience  
Previously chairman of the Constitutional Assembly and the only chairman of the specially formed Black Economic Empowerment Commission. He was also a member of parliament, secretary-general of the ANC and secretary of the National Union of Mine Workers. Cyril is currently on the national executive committee of the ANC and has also received several honorary doctorates.  

3. AF van Biljon (62)  
BCom, CA(SA), MBA  
Independent non-executive director  
Board committee membership  
Chairman: Audit committee.  
Other directorships  
Directorships: Director of Hans Merensky Holdings (Pty) Limited, St Augustine College of South Africa, Chairman and trustee of Standard Bank Group Retirement Fund and Liberty Group Pension and Provident Funds.  
Skills, expertise and experience  

4. MJN Njieka (51)  
BCom, BCompt (Hons), CA(SA), LLB  
Non-executive independent director  
Board committee membership  
Audit committee and risk management and compliance committee.  
Other directorships  
Skills, expertise and experience  
Johnson is Chairman of Metropolitan Holdings, AcelorMittal SA and Resilient Property Income Fund. He served as a partner at PricewaterhouseCoopers and is a past chairman of the South African Institute of Chartered Accountants.  

5. J van Rooyen (60)  
BCom, BCompt (Hons), CA(SA)  
Independent non-executive director  
Board committee membership  
Chairman: Risk management and compliance committee and member of audit committee.  
Other directorships  
Director of various companies in the Uranus Group, Pick n Pay Stores Limited, Exxaro Resources Limited, and Trustee of the International Accounting Standards Committee Foundation.  
Skills, expertise and experience  
Jeff is a founder member and CEO of Uranus Investment Holdings (Pty) Limited and previously served as CEO of the Financial Services Board. He is also founder member and former president of the Association for the Advancement of Black Accountants (ABASA) and was chariperson of the Public Accountants and Auditors Board in 1995.  

6. AT Mikati (37) (Lebanese)  
BSc  
Non-executive director  
Board committee membership  
Nomination, remuneration, human resources and corporate governance.  
Other directorships  
CEO of M1 Limited an international investment group with a strong focus on the telecommunications industry. A director on some M1 Group subsidiary boards as well as EZ-Link, B-Pro Limited, B-Net Limited, Horizon Global Services, IMC, Mint Trading, Unoil and Fancorndale Group.  
Skills, expertise and experience  
While completing his BSc in the United States, Azmi founded T-One, a telecoms company providing long distance services between the United States and other international destinations. He became CEO of Investcom and, under his leadership, sales grew from US$20 million to US$1 billion, over less than seven years. At 33, he was the youngest CEO of a Middle Eastern publicly traded company.  

7. DDB Band (66)  
BCom, CA(SA)  
Independent non-executive director  
Board committee membership  
Chairman: Nomination, remuneration, human resources and corporate governance, alternate member of audit committee.  
Skills, expertise and experience  
While completing his BSc in the United States, Azmi founded T-One, a telecoms company providing long distance services between the United States and other international destinations. He became CEO of Investcom and, under his leadership, sales grew from US$20 million to US$1 billion, over less than seven years. At 33, he was the youngest CEO of a Middle Eastern publicly traded company.
Other directorships

Skills, expertise and experience
Previously served as managing director of CNA Gallo Limited, CEO of The Argus Holdings Group and chairman and CEO of the Premier Group Limited.

8 KP Kalyan (55)
BCom (Econ) (Honours), Economic, University of Durban Westville; Senior Executive Management Programme (London Business School)
Independent non-executive director
Board committee membership
Member of the nomination, remuneration, human resources and corporate governance and member of risk management and compliance committee.

Other directorships

Skills, expertise and experience
Koosum is currently chairman of Igungo Holdings. Prior to that she was senior business development manager at Shell International Exploration and Production (Pty) Limited in London, general manager, corporate, for Shell Southern Africa, senior economist at the Chamber of Mines and economist at the Electricity Commission of Victoria, Melbourne, Australia.

9 NI Patel (53)
BCom, BCompt (Hons), CA (SA)
Group Finance director
Board committee membership
Attends various board committee meetings ex officio.

Other directorships
Director of various companies in the MTN Group.
Skills, expertise and experience
He has served as a qualified chartered accountant with wide international experience in Europe and the Middle East. Since Naij joined the MTN Group, he has been responsible for the Group’s financial management and accounting function; has participated in several of the Group’s mergers and acquisition activities and serves on a number of MTN’s subsidiary boards.

10 RS Dabengwa (52)
BSc (Eng), MBA
Executive director, MTN Group chief operating officer
Board committee membership
Group executive and steering committee and tender committee.

Other directorships
Director of various companies in the MTN Group and Newshelf 664 (Pty) Limited.

Skills, expertise and experience
Prior to joining MTN, he was employed by Eskom as an executive director responsible for sales, customer service, electrification and distribution technology. Prior to Eskom he worked as a consulting electrical engineer in the building services industry and in the mining and railways sectors.

11 JHN Strydom (71)
MCom (Acc), CA (SA)
Non-executive director
Board committee membership
Audit committee and member of risk management and compliance committee.

Other directorships
Director of Public Investment Corporation Limited, and Growthpoint Properties Limited.

Skills, expertise and experience
Jan is a registered chartered accountant and a founding partner of Strydoms Incorporated Chartered Accountants (SA), a firm specialising in business valuations, litigation support and forensic investigations. He is also a senior member of the Special Income Tax Court for taxation appeals.

12 MLD Marole (50)
BCom, DTE, MBA
Independent non-executive director
Board committee membership
Risk management and compliance committee.

Other directorships

Skills, expertise and experience
Dawn’s career history, primarily in the financial services sector dates back to 1983. She is a member of the policy board for financial services and regulations as an adviser to the Minister of Finance. She is the current chairperson of FOWA (People Opposing Women Abuse).

13 A Harper (54) (British)
BA (Hons)
Independent non-executive director
Board committee membership
Nomination, remuneration, human resources and corporate governance.

Other directorships
Director of Eaton Venture LLP, Tovo Europe Limited, Venture Partnership Foundation Limited and Golden Years Holidays plc.

Skills, expertise and experience
Alan previously worked for the Vodafone Group from 1995 and serves as group strategy and new business director for Vodafone plc from 2000 to 2007 and was responsible for corporate and regulatory strategy, business development, R&D and public policy. In this role he led the public and external team, which included all regulatory work, government relations, EMF and spectrum policy. Alan was a member of the executive committee of the Vodafone Group from 1997 to 2007, was a board member of the GSM Association, chairman of Vodafone Ventures and chairman of the Board of Trustees of the Vodafone UK Foundation.

14 NP Mageza (55)
FCCA (Fellow of the Association of Certified Chartered Accountants)
Independent non-executive director
Board committee membership
Audit committee.

Other directorships

Skills, expertise and experience
Peter is a Fellow of the Association of Chartered Certified Accountants (ACCA) UK and was until June 2009 Absa executive director and group chief operations officer. Prior to this he had extensive experience in the financial/banking arena. He currently serves on the boards of The Bidvest Group Limited, Remgro Limited and Rainbow Chickens Limited.
Executive committee

Back row: from left to right
PD Norman**
T Lowry**
JA Desai**
C de Faria**

Front row: from left to right
NI Patel*
PN January-Bardill**

*Profiles of these executive directors appear on pages 14 and 15 of this report.
**Profiles of these executive directors appear on pages 18 and 19 of this report.
Executive committee continued

1 J Ramadan (53)
MA (Inf Tech)
Regional vice president – MENA region
Committee membership
Group executive and steering committee.
Directorships
Director on the boards of all MENA region operations and MTN Dubai.
Skills, expertise and experience
Jamal was an executive director of Investcom LLC, which he joined in 1996 as operations director. Prior to that he was director of IT at FTML (a subsidiary of France Telecom), operating in Lebanon.

2 TP Lowry (54)
BA (Soc Sci)
Regional vice president – SEA region
Committee membership
Group executive and steering committee and Group tender committee.
Directorships
Director on the boards of all SEA region operations.
Skills, expertise and experience
Tim has over 30 years’ experience in the global telecommunications industry. He was the vice president for Western Europe Telecom at France Telecom. Prior to that he held executive positions at Orange, France Telecom and Cable & Wireless in Africa and the Middle East, Australia and Europe.

3 S Fakie (56)
BCom, BCompt (Hon), CA(SA)
Executive: business risk management
Committee membership
Group executive and steering committee.
Directorships
Director of various companies in the MTN Group.
Director of Absa Group Limited.
Skills, expertise and experience
Shauket has over 36 years’ experience in accounting, auditing, consulting and advisory work. In 1999, he was appointed as Auditor-General of South Africa for a seven-year term which ended in November 2006.

4 PF Nhleko (50)*

5 NI Patel (53)*

6 RS Dabengwa (52)*

7 C de Faria (54)
Degree in Finance Administration (CA)
Regional vice president – WECA region
Committee membership
Group executive and steering committee and tender committee.
Directorships
Director on the boards of all WECA region operations, MTN Dubai and Uniglobe SA in France.
Skills, expertise and experience
Christian was previously CEO of PT Excelcomindo Pratama, known as XL, the largest mobile operator in Indonesia and before that he was CEO of Telekom Malaysia, responsible for international strategy and involved in the rapid growth of investments in Sri Lanka, Bangladesh and Cambodia.

8 PN January-Bardill (59)
Dip (HR Man), BA (Eng and Phil), MA (Ling), Cert in Edu
Group executive: corporate affairs and MTN spokesperson
Committee membership
Group executive and steering committee.
Directorships
Director of various companies in the MTN Group.
Director of Afl来看看吧！(Kolkom SA).
Skills, expertise and experience
Nozipho was a deputy director-general in the Department of Foreign Affairs 2005 to 2007. She was South Africa’s ambassador to Switzerland from 2001 to 2005. She has served on the boards of, among others, FirstRand Insurance (Momentum) and Southern Life Insurance Companies. She served as a member of the United Nations Committee on the Elimination of Racial Discrimination from 2000 to 2008.

*Profiles of these executives appear on pages 14 and 15 of this report.
Operational review

Group overview

Sustainability review

Business review

12  JA Desai (52)
BA (Hons) BCom
Group chief technology and information officer

Directorships
Director of various companies in the MTN Group.

Skills, expertise and experience
Jyoti started her career at The Standard Bank of SA Limited. Moved to Telkom SA in an executive position. Joined MTN Nigeria as chief information officer. Moved to Iran in 2005 to start up the Iran operation as COO MTN IranCell.

9  KL Shuenyane (39)
BEcon and Internat Stud, CA (England and Wales)
Group executive: mergers and acquisitions

Committee membership
Group executive and steering committee.

Directorships
Director of various companies in the MTN Group.

Skills, expertise and experience
Khumo was head of direct investments and a member of the executive committee of Investec’s South African operations. He was previously a member of Investec’s corporate finance division.

10  SL Botha (45)
BEcon (Hons)
Group executive: marketing

Committee membership
Group executive and steering committee.

Directorships
Director of various companies in the MTN Group.
Director of Tiger Brands Limited.

Skills, expertise and experience
Santie was an executive director at Absa Bank Limited. She was awarded Marketer of the Year in 2002 by the Marketing Federation of South Africa. She also worked for Unilever (UK) for six years.

11  PD Norman (44)
MA (Psych)
Group executive: human resources

Committee membership
Group executive and steering committee.

Directorships
Director of various companies in the MTN Group.
Trustee of the Chartered Accountants Medical Aid Fund.

Skills, expertise and experience
Paul has been an executive at MTN since 1997. He spent over 13 years in the field of human resources and has worked extensively in the transport and telecommunications industries. He was awarded HR Practitioner of the Year in 2003 by the Institute of People Management.
Group president and CEO’s report

MTN’s strategic agenda is clear: it aims to be the leader in telecommunications in emerging markets. This strategy is built on three pillars – consolidation and diversification; leveraging MTN’s footprint and intellectual capacity; and convergence and operational evolution.

Phuthuma Nhleko
Group president and CEO

Harnessing the benefits of MTN’s scale
At no time is a clear strategic vision more necessary than in an environment of uncertainty. The global economic crisis has tested the mettle of organisations the world over and exposed the robustness – or otherwise – of their business models. While the MTN Group did not escape its share of challenges in 2009, including greater competition, more demanding regulatory requirements and slowing economies, it was another year of a strong operational performance across the Middle East and Africa.
The Group performed well for the year under review. MTN Group revenue increased by 9.2% to R111.9 billion and earnings before interest, tax, depreciation and amortisation (EBITDA) by 6.7% to R46.1 billion for the year ended 31 December 2009. With 70% of the Group's earnings sourced outside South Africa the adverse moves in the currencies of MTN's major markets compared to the currency in which it reports its results – the rand – had a substantial negative impact on the Group's financial results.

To illustrate this, had there been no movement in currency rates during the year, reported revenue would have been 11 percentage points higher and EBITDA 12 percentage points above that reported. Higher regulatory fees in Syria and various challenges in South Africa put pressure on the Group's EBITDA margin, resulting in a reading of 41.1% in 2009 from 42.1% in 2008. Adjusted headline earnings per share decreased by 16.6% to 754.3 cents, and excluding the impact of the functional currency losses, increased by 8.5% to 878.9 cents.

In the year, the Group continued to execute on major infrastructure roll out projects, with annual investment in infrastructure and systems peaking at more than R31.2 billion and substantially enhancing the quality of the network. This facilitated growth of 28% in subscriber numbers to more than 116 million people in 21 countries. MTN maintained or grew its market share in all but one of these jurisdictions.

Average revenue per user (ARPU) per month declined across most operations, in line with greater mobile penetration and to a lesser extent by the deterioration in the various economies. This was anticipated. As markets evolve, ARPUs typically drop as more people at the lower end of the income spectrum are able to own a mobile. Notwithstanding the increase in penetration, the absolute level across many of the Group's operations remains low and MTN believes there is still significant growth to be had across its footprint. The demographics of the markets also support this, as MTN is primarily present in countries where population growth rates are still high. Reputable industry research puts the size of the untapped potential mobile subscriber market on the African continent alone at around 500 million people – almost five times MTN's current subscriber base.

While working to reduce capital and operational costs, the Group also continues to find new ways to augment growth in revenues and offer customers more features. Data, money transfers and value-added services are fundamental to this.

**Strategic agenda**

MTN's strategic agenda is clear: it aims to be the leader in telecommunications in emerging markets. This strategy is built on three pillars – consolidation and diversification; leveraging MTN's footprint and intellectual capacity; and convergence and operational evolution.
Group president and CEO’s report continued

Consolidation and diversification
MTN believes that consolidation in the sector will continue. Increasingly, in the face of growing competition, achieving better economies of scale and spreading earnings and risks over more markets will determine the success and sustainability of mobile communication operations. In an attempt to achieve this, the Group continued to assess a number of opportunities to expand its operations and diversify its earnings base. In 2009, MTN was in discussions considering an opportunity with an Indian operator, which we were unable to conclude to both parties’ satisfaction.

This does not deter MTN from its long-term strategic objective. However, there is no obligation, or pressure from any quarter, to do a deal and MTN will not rush into any transaction without thoroughly evaluating it and ensuring that it is a good fit and is in the interest of shareholders. MTN continues to work to identify transactions that are meaningful either strategically or from a size perspective and we continue to believe the current economic environment presents a number of opportunities in emerging markets that could add value to the Group. MTN is the largest primary listing on the JSE. Its comparatively low level of gearing enables the Group to consider potential acquisitions with confidence regarding its ability to finance such transactions.

Leveraging MTN’s footprint and intellectual capacity
In its 15 years of operations, MTN has established a truly global brand, whose leadership is best displayed through the exclusive global mobile sponsorship of the 2010 FIFA World Cup South Africa™. MTN’s strategy is to leverage the brand and already widespread presence to achieve sustained growth and more operational efficiencies. In his report on page 26, the chief operating officer details Group initiatives to standardise equipment and processes, and simplify and centralise functions. Among these are successful efforts to leverage the Group’s scale to secure more competitive pricing from vendors, the number of which MTN continues to rationalise without sacrificing competition. Another important objective is the standardisation of IT architecture and we are pleased to report encouraging progress in this regard.

The record capital investment made during 2009 to enhance network capabilities has given the Group the headroom it required and a step change in capability, quality and capacity.

MTN expects that 2009 will represent the peak in capex funding, which has built up steadily since the Group’s inception in 1994. In the year ahead, MTN intends to continue to pursue opportunities to unlock value from its infrastructure assets, realising liquidity and improving competitiveness through further reducing capital and operational expenditure.
Convergence and operational evolution

While demand for voice services has been the driver for MTN’s growth to date, increasingly mobile operators will be required to provide seamless internet-based connectivity and services. Anticipating this rapidly approaching new era, MTN has over recent years hastened the groundwork by making numerous investments. These include: investing considerable sums to upgrade the GSM network to one based on internet protocol; securing WiMax licences and starting to establish services using this technology; rolling out the most modern fibre transmission facilities; securing significant bandwidth on high-capacity submarine cables; purchasing 3G licences and ISPs; and establishing its own ISPs.

In South Africa, in 2009, MTN successfully integrated Verizon South Africa into MTN Business, which it will use as a springboard into the rest of the continent and – in time – offer managed solutions. This represents a boost in revenue from fixed data (however this is currently referred to as “other revenue” in MTN accounts). In addition, increased take-up of mobile data offerings in South Africa underpinned data’s contribution to overall Group revenues in 2009.

Over the years, MTN has built up a strong core of valuable skills, experience and passion in its team of staff. This intellectual capacity, too, can be leveraged to achieve even greater things. In 2009, a number of new appointments of senior management were made, further deepening the Group’s leadership set. Many managers in the field moved from one operation to another, facilitating increased knowledge share and skills transfer across the business and providing staff with attractive and meaningful opportunities for growth within emerging markets. Over time, this should further bolster our ability to attract and retain the best skill and capability across our footprint.

In recent years, the MTN staff complement has begun to reflect the internationalisation of the Company, showing more diversity in culture, language and ways of doing business and bringing the Group significant benefits. At MTN we recognise that our success is attributable to the depth and quality of our employees. Initiatives such as a strategic talent investment board and the MTN Academy are aimed at addressing the leadership capability and capacity needs of the organisation.
To support the convergence of technologies, MTN has also worked to evolve its product offering. It launched MTN Mobile Money, first in Uganda and then in Ghana. This innovative, useful and affordable tool with which to transfer money, offers customers convenience and creates "stickiness", which in turn helps limit customer churn. To date it has also been launched in South Africa, Rwanda, Côte d'Ivoire, Benin and Yemen. Its success in Uganda, where it had more than 500 000 users at the end of December 2009, is a good indicator of the scale of opportunity ahead.

To address the growing demand for content, in October 2009 MTN entered a strategic partnership with India-based software and managed services provider IMImobile. Through this alliance, MTN's markets will gain access to a repository of globally popular content through enhanced delivery platforms. The content will include music, sports, games, entertainment, news and much more. It will also enable MTN to launch new income-generating voice and data services. MTN has already introduced a number of exciting products and services on its portal and on www.mtnfootball.com.

The evolution of the business model is envisaged to take coverage infrastructure from a fully owned network basis to an outsource-based or infrastructure sharing model. While in November 2009, MTN acquired a 20% investment in Belgacom International Carrier Services (BICS) mainly in exchange for the assets of MTN International Carrier Services. This will provide the Group with another important avenue to carry international voice and data traffic and lead to a reduction in costs as well as an improvement in the service quality. MTN continues to invest in the various undersea cable opportunities to further support its strategy.

Prospects
Competition across our footprint is likely to continue to increase, which with regulatory pressures will make 2010 a challenging one. MTN believes it is well positioned for the period ahead.

In line with its strategy, MTN also continues to work to identify transactions that will reduce concentration risk and further improve its ability to leverage economies of scale. These opportunities have historically been difficult to close but this does not make their rationale any less compelling.

After achieving record infrastructure roll out in 2009, MTN expects capital expenditure to slow. There will be continued investment in fibre and cable to service its evolving voice and data requirements and MTN is still pursuing opportunities for infrastructure sharing.

Within a dynamic environment, MTN will continue to optimise efficiencies and improve processes and systems to strive for sustained or improved profitability.
In South Africa, MTN is still committed to the implementation of its BEE transaction.

At the recent Mobile World Congress in Barcelona, signs of the increased momentum towards real convergence were everywhere. Smartphones, including the popular BlackBerry®, together with a range of other products are clearly increasingly important. This exciting new phase in mobile telephony is really about enabling other sectors to function more efficiently and effectively and MTN believes that the industry in Africa is going to take the lead. In pursuit of this the Group recently appointed a dedicated innovation project leader who is investigating a potential project with a number of other mobile communications firms.

MTN has ambitious goals and significant opportunities. With careful planning and wise decision-making, the Group can continue to achieve good growth. In 2010, MTN expects to add 20 million subscribers to its customer base. In the first three months of the year, the Group went some way to achieving this by signing up 7.5 million customers.

**Closing and appreciation**

To a large extent, this performance, and that of 2009, is thanks to the incredible energy and commitment displayed by MTN employees. I applaud them for the zeal with which they live MTN’s shared values of leadership, integrity, innovation, relationships and a “Can Do” attitude. I would also like to thank our customers and the communities in which we operate for constantly demanding the best value proposition in the market from MTN and for the enthusiasm they display in adopting our innovations. A note of thanks is also due to our suppliers, as well as to the regulators with whom we engage. We look forward to working together to facilitate further growth in this dynamic industry in the years ahead.

Phuthuma Nhleko
Group president and CEO
March 2010
Group chief operating officer’s report

In more than half of the 21 countries in which MTN operates, mobile penetration remained below 50% of the population in 2009, indicative of the continued opportunity for growth in the years ahead.

Sifiso Dabengwa
Group chief operating officer

Sustaining the success of operations
The success of MTN Group’s operations in 2009 was characterised by a reliable network, a compelling brand with attractive value propositions and extensive and efficient distribution. All these factors were underpinned by teams of inspired and motivated people.
Management believes 2009 was the Group’s peak capital expenditure year and is pleased to report major successes – from an execution perspective – in its ability to extend the network. As an example, the roll out of an average 100 – 150 base transceiver stations a month was easily attained in the bigger markets.

This strong momentum rapidly improved the capacity of the various networks and ensured that MTN’s offering was superior to that of its competitors in most countries. In turn, it enabled more than 25 million new subscribers to join MTN, expanding the Group’s overall representation in the market. This encouraging picture was during a period of increased competition, including price-based promotions, and as customer affordability in a more depressed economic environment became increasingly important.

In more than half of the 21 countries in which MTN operates, mobile penetration remained below 50% of the population in 2009, indicative of the continued opportunity for growth in the years ahead.

With mounting competition and heightened demands from regulators, sustaining the success of MTN Group’s operations now lies, to a large extent, in achieving greater cost efficiencies and economies of scale. In this pursuit, MTN continues to hone various programmes to achieve excellence in the way operations are run and Group-wide functions are managed. The adoption and development of international best practice in all that MTN does as well as advancing the Group’s work to optimise skills are also central to MTN. It is gratifying to note good progress in this regard in 2009.

The Group continued to post gains in its drive to standardise and centralise many functions, making processes streamlined, consistent and well understood across the organisation, and at the same time contributing to cost cutting. These efforts also directly and positively influenced the experience of customers dealing with MTN.

So far, the focus of the operational efficiency drive has been on big impact areas like the procurement and standardisation of network and information technology equipment, consulting services and software development. MTN is pleased to report that thanks to the centralised Group procurement function, the cost of electronic equipment for the network has dropped by close to 50% in the past three years.

This initiative, as well as the standardisation of IT infrastructure, continues. So, too, does the implementation of best practice guidelines throughout the Group. In 2009, such guidelines were applied in relation to functions such as site build, network management, the deployment of radio access networks and electromagnetic field safety toolkits. Pilots of activity-based costing were launched in Nigeria, Iran and Syria in an effort to ensure understanding and management of costs.

Infrastructure sharing remained a priority. In every MTN market there is an element of this, with the extent depending on – for example – the age of the network in a particular country. Not only does the Group reduce its capital and operational costs by owning or using infrastructure and transmission in partnership with competitors (or specialised infrastructure firms), it also reduces its impact on the environment.
Related to infrastructure sharing is the contracting out of the management of certain physical assets. In some countries – Iran is one example – MTN already outsources the ownership and management of infrastructure. The Group considers this desirable, as it allows for a better depth of skills, as well as economies of scale, and fits in with MTN’s endeavours to reduce costs and optimise its assets.

Among the so-called green aspects of sharing network facilities are the Group’s renewable energy efforts. As mentioned by the chairman in his statement (on page 6), MTN is running a number of pilot stations to test the feasibility of alternative power supplies to provide energy for base stations and other facilities. The new generation network, installed virtually throughout MTN operations, is also already considerably more energy efficient than its predecessor.

The distribution framework continued to evolve in the year, widening the footprint in which MTN products are available and increasingly involving third parties, to whom the Group endeavours to structure the best trade partner proposition. With a strong focus on specific, localised geographic areas, MTN products are easily accessible to existing customers, as well as to potential subscribers.

Given that ultimately the customer experience determines the Group’s success, MTN recently undertook an exercise to find out just what makes its customers tick, in a survey that included interviewing 25,000 people across its footprint. This showed that even with the diverse social, religious, racial and cultural groups in the 21 markets, the needs of six broad segments are largely similar. The findings mean that through its customer segmentation model, MTN is now able to market its products and services in a more effective and consistent manner across its operations, greatly assisting business planning and in line with its standardisation initiatives.

Aiming to deliver on the brand promise, MTN launched a number of products to enhance the value proposition to customers in 2009. MTN Zone, the dynamic tariffing tool first introduced in some countries in 2008, was rolled out to many other markets in the year. This helps the Group manage network capacity use by offering discounted rates when network utilisation is low and so support use during these off-peak times. By offering affordable pricing to customers, it encourages more subscribers to sign up for MTN services, keeps them loyal and limits churn.

The Group is also pleased with the initial response in select markets to the launch of MTN MobileMoney – a simple, secure and convenient way to send money, buy airtime and pay bills. The extension of seamless roaming, known as MTN One World, to more markets is also encouraging. This innovation allows customers to make and receive calls across the MTN footprint at local rates and without having to buy a new SIM card.

MTN launched a number of promotions linked to the Group’s sponsorship of the 2010 FIFA World Cup South Africa™ in 2009. These were particularly popular in jurisdictions such as Cameroon, Nigeria, Ghana, Côte d’Ivoire and South Africa where the national football team will participate in the event. And although the real revenue benefits will not be realised immediately, MTN believes its exclusive global mobile sponsorship is a real differentiator, bolstering the brand.
In the pages that follow, the vice presidents of MTN’s three operating regions give overviews for each of their regions, as well as detailed reports on the performance of the five largest operations in MTN’s universe.

Sifiso Dabengwa
Group chief operating officer
March 2010

Since the acquisition of a number of internet service providers in the past two to three years, MTN has been putting in place the infrastructure – such as WiMax – needed to optimise the functioning of these ISPs. The Group has also continued to invest in fibre roll out in a number of countries, as well as in various new undersea cables, which will provide it with the capacity to offer faster broadband speeds at a lower cost. Among the most important submarine cable investments are those in EASSy (Eastern Africa Submarine Cable System), WACS (West Africa Cable System) and EIG (Europe India Gateway), which are expected to come online from around mid-2010 to 2011. MTN Group also acquired capacity in SAT3/WASC/SAFE and TEAMs (The East Africa Marine System), which are already operational. The investment in the cables will ensure the Group operations are able to provide high quality data and voice into the future. Finally, the roll out of 3G networks, mainly in urban areas and in larger, more mature operations, is providing not only data capability but also much needed voice capacity.

All MTNs endeavours are supported and driven by the expertise, energy and enthusiasm of its people – its key competitive advantage. In its second year of operation, the MTN Academy stepped up the training of MTN employees everywhere, bolstering the Group’s skills sets and focusing on developing people locally. This is particularly important given the increased competition for talent across the MTN footprint, and the heightened challenge of finding the right calibre of employees in certain countries. There were numerous management changes in 2009, most of which were the appointment of MTN staff to other operations within the Group. Employee empowerment with regards to standard processes and procedures also fits in with efforts to drive economies of scale Group-wide.
Operational review for the year ended 31 December 2009

Group chief operating officer’s report continued
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South and East Africa region

MTN’s South and East Africa (SEA) region encompasses six countries: South Africa, Uganda, Botswana, Rwanda, Swaziland and Zambia. The MTN SEA regional office is in Johannesburg, which is also home to the main elements of the MTN Group head office and the place it is listed.

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (million)</th>
<th>Subscribers (000)</th>
<th>Revenue (Rm)</th>
<th>EBITDA (Rm)</th>
<th>Capex (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>107,8</td>
<td>26 152</td>
<td>39 669</td>
<td>12 701</td>
<td>8 645</td>
</tr>
<tr>
<td>Contribution to Group total*</td>
<td>21%</td>
<td>23%</td>
<td>35,4%</td>
<td>27,6%</td>
<td>28%</td>
</tr>
</tbody>
</table>

*Difference in head office.

Country contributions to SEA region total

**Subscriber contributions (%)**
- South Africa – 61%
- Uganda – 20%
- Botswana – 5%
- Rwanda – 7%
- Zambia – 5%
- Swaziland – 2%

**Capex (%)**
- South Africa – 70%
- Rest of region – 30%
Performance
The launch and enthusiastic take-up of money transfers via MTN Mobile Money in Uganda was one of the key highlights of the region. Strong subscriber growth, infrastructure roll out and improved market positioning, particularly in Uganda also punctuated the performance in the smaller countries. However, the first prolonged contraction in South African economic activity since MTN started operating 15 years ago squeezed consumers, and together with the implementation of a new regulatory requirement to register all customers’ identity details (the so-called RICA process) in the second half of the year, put pressure on subscriber numbers in the region’s biggest market.

Overall, SEA subscriptions expanded 8.8% to 26.2 million, led by good growth in Zambia, Rwanda, Uganda, Botswana and Swaziland (in order of each country’s percentage growth contribution). These were offset by a fall in user numbers in South Africa due to the economic slowdown, the effect of RICA and exacerbated by IT system problems (the details of which appear in a separate country report on page 36).

Average revenue per user per month fell across the region, by between USD1 and USD4.50. This was in line with increased mobile penetration, which ranges between 19% and more than 100% in the six SEA markets, as well as greater competitor activity. Half the MTN markets in South and East Africa have mobile penetration rates still below 50%.

In line with the Group’s increased focus on data, MTN South Africa successfully integrated Verizon South Africa (Proprietary) Limited with MTN Network Solutions to launch MTN Business in 2009. With nearly a quarter of the data market in South Africa, the operation is working on opportunities to extend its services throughout the African continent.

In East Africa in 2009, MTN strengthened its position despite widespread deregulation of the industry in recent years, increasing competition and significant declines in tariffs. Continued investment in the network, together with the launch of innovative products and a revamp of MTN’s distribution model in Uganda and Rwanda, led to a solid increase in customer numbers.

In the year, MTN invested R8.65 billion of capital in SEA, up from R7.35 billion in 2008. In South Africa, more than 1 000 base transceiver stations came on air in the year – the largest network roll out in this market in eight years, making the South African GSM network now one of the world’s most modern. In Rwanda, demand increased significantly as prices declined. The network was able to handle this thanks to the considerable investment made in providing additional coverage and capacity.

In an effort to build market share through network quality improvements, in Uganda MTN rolled out 436 BTS, up from 251 in 2008, leading to substantial increases in network traffic. In March 2009, MTN Uganda launched Mobile Money, and by year-end had signed up 470 000 users, illustrating the scale of opportunity for this offering for the greater Group.

A steep decline in the price of copper depressed economic activity in Zambia and led to a depreciation of the local currency and a drop in ARPU to USD7 from USD11 in 2008. Nevertheless, MTN Zambia’s new management team completed the roll out
of the network, refined its distribution model and stepped up its promotional activity.

MTN Swaziland recorded good subscriber growth despite a sluggish economy and high levels of unemployment. Swaziland – along with South Africa, Rwanda and Uganda – saw the soft launch of seamless roaming in the year. The service offers MTN prepaid customers the opportunity to enjoy their local rates and purchase airtime while roaming on other MTN networks.

The launch of dynamic tariffing in Botswana in the middle of the year was well received by the market, with 525,000 customers – or some 40% of the subscriber base – taking up the offering. This helped counter the effect of a contraction in the economy related to the depressed demand for diamonds, Botswana’s key export. To stimulate adoption by the market of data offerings, Mascom Botswana launched attractive data bundles. This boosted the increasing use of multiple SIM cards, contributing to an expansion in mobile penetration to more than 120%.

**Outlook**

Extending the provision of value-added products, including MTN Mobile Money and seamless roaming, as well as data services, will remain a focus for the SEA region in the year ahead. In Uganda, the installation of 3G facilities will relieve congestion on the 2G network and facilitate greater data usage. Similarly, the Group’s access to various submarine fibre cables, and the recent launch of MTN Business, will boost overall data capabilities in the region.

Some R6.1 billion has been earmarked for capital expenditure in the SEA region in 2010. This will be devoted to improving the quality and capacity of MTN’s network.

MTN will continue to work to reduce environmental emissions from its sites, by further exploring alternative and renewable power supplies. It will build on recent gains in East Africa, where in 2009 MTN rolled out a centralised fuel management system, making it easier to forecast necessary deliveries and monitor fuel use. The business also established hybrid stations with some reliance on solar power which means that surplus power at night is used to recharge batteries, and less power is then used during the day.

Given the low level of mobile penetration in half of MTN’s SEA markets, the Group has increased its estimate for the size of the potential mobile market in five years’ time to 102.9 million, from a previous forecast of 96.6 million.
Group chief operating officer’s report continued
for the year ended 31 December 2009

South and East Africa region continued

MTN South Africa

Launched June 1994, market share 32%, population 49.4 million, forecast market size in 2014 – 64.3 million, shareholding 100%.

MTN South Africa revenue and expenses summary

<table>
<thead>
<tr>
<th></th>
<th>12 months to December 2009</th>
<th>12 months to December 2008</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime and subscription revenue</td>
<td>17 885</td>
<td>17 881</td>
<td>0</td>
</tr>
<tr>
<td>Interconnect revenue</td>
<td>7 271</td>
<td>6 951</td>
<td>5</td>
</tr>
<tr>
<td>Data and SMS</td>
<td>4 496</td>
<td>3 596</td>
<td>25</td>
</tr>
<tr>
<td>Connection revenue</td>
<td>69</td>
<td>35</td>
<td>94</td>
</tr>
<tr>
<td>Cellular telephones and accessories</td>
<td>2 870</td>
<td>2 122</td>
<td>(8)</td>
</tr>
<tr>
<td>Other</td>
<td>558</td>
<td>561</td>
<td>(1)</td>
</tr>
<tr>
<td>Total revenue</td>
<td>33 149</td>
<td>32 148</td>
<td>3</td>
</tr>
<tr>
<td>Direct network operating costs</td>
<td>2 319</td>
<td>2 301</td>
<td>1</td>
</tr>
<tr>
<td>Costs of handsets, SIMs and vouchers</td>
<td>4 173</td>
<td>4 293</td>
<td>(3)</td>
</tr>
<tr>
<td>Interconnect and roaming costs</td>
<td>6 400</td>
<td>5 140</td>
<td>25</td>
</tr>
<tr>
<td>Employee benefits and consulting costs</td>
<td>1 576</td>
<td>1 212</td>
<td>30</td>
</tr>
<tr>
<td>Selling, distribution and marketing costs</td>
<td>6 832</td>
<td>6 374</td>
<td>7</td>
</tr>
<tr>
<td>Other expenses (general and administration)</td>
<td>1 439</td>
<td>2 243</td>
<td>(36)</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>22 739</td>
<td>21 563</td>
<td>5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10 410</td>
<td>10 585</td>
<td>(1.7)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>31.4%</td>
<td>32.9%</td>
<td>(1.5) pts</td>
</tr>
</tbody>
</table>

Subscribers (000)

ARPU

Postpaid Prepaid

Average total MOU comprises both incoming and outgoing minutes

Postpaid Prepaid

Outgoing MOU

MTN Integrated Business Report / 31 December 2009 / Operational review
Overview

2009 was a tough year for MTN South Africa, marked by a depressed economy, network and IT support system problems and a drop in subscriber numbers following the implementation of the regulatory requirement to register all users’ personal details. Competition continued to be vigorous in this maturing market, where – for the first time – the number of SIM cards in use exceeded the population. This was a result of the growing use of multiple SIM cards by many customers, as well as increasing demand for mobile communications for telemetry.

MTN South Africa’s market share decreased to 32% in 2009 from 36%. The subscriber base narrowed for the first time in the Company’s 15-year history, reducing by 6% to 16,07 million.

MTN South Africa increased revenue modestly by 3,1%, indicating that the prepaid subscribers lost in the RICA process were not meaningful to revenue. Consequently, prepaid ARPU increased by R3 to R100 at December 2009, despite the disconnections of 1,4 million prepaid subscribers. This was also a result of the launch of several innovative products and services for the prepaid market, coupled with enhanced distribution points, continued upgrades to the network, particularly in the second half of the year. Lower post-paid ARPU, which decreased by R38 to R365, was indicative of the pressure on consumers’ disposable income, the Company noted a downward migration among many contract customers to lower monthly spending on mobile communication.

MTN South Africa’s EBITDA decreased by 1,7% in the year as the rise in operating expenditure of 5% outpaced growth in revenue of 3%. As a result, the EBITDA margin slipped 1,5% percentage points to 31,4%. This was due mainly to reducing fixed to mobile interconnect traffic, an increase in handset sales as margins reduced and higher distribution costs following the integration of iTalk and Cell Place.

MTN South Africa continued with its aggressive capital investment programme, spending R6,03 billion in the year. The core modernisation of infrastructure was completed and opportunities to share mast sites with competitors were pursued in an effort to reduce the Company’s environmental footprint.

After suffering a reverse at mid-year because of network and IT system problems, the MTN brand saw benefits from its sponsorship of the 2010 FIFA World Cup South Africa™ as well as the new “Ayoba” campaign. In the 2009 Ask Afrika Trust Barometer, MTN was rated number one in the innovation category and the second most trusted company in South Africa.

Market environment

Consumers in South Africa were under severe pressure, evidenced by higher levels of bad debt and the downward migration among contract customers to more affordable packages. During the year, the central bank cut its key lending rate as inflation slowed and consumer confidence declined sharply.

The registration of subscribers’ personal details became mandatory in the third quarter as the Regulation of Interception of Communications and Provision of Communications-Related Information Act (RICA) came into effect. This changed the dynamic of the market, impacting all operators’ connections. In the fourth quarter, South African mobile operators agreed on an initial cut in mobile termination rates which became effective from 1 March 2010.
Group chief operating officer’s report continued
for the year ended 31 December 2009

South and East Africa region continued

MTN South Africa continued

Infrastructure

Network

MTN South Africa continued to invest in modernising its core, radio and transmission network to enhance its 3G, 2G and overall data capacity. Thanks to a focused effort from the network team, the Company integrated 1 155 base transceiver stations in 2009, the most it has installed in a single year in South Africa since 2001. This investment, in addition to that made in 2008 and the commissioning of its metropolitan fibre-optic network, enabled the Company to increase its circuit switch (voice) capacity by 26% and packet switch (data) capacity by 50%. The 3G population coverage increased to 48% from 35% in 2008. In early 2009, MTN South Africa agreed with other operators to build a joint 5 000km national fibre-optic network to connect the major centres across South Africa. Work has since begun with the Gauteng north ring expected to be completed by July 2010.

IT systems

After experiencing problems with a number of the Company’s IT systems in the year, MTN South Africa embarked on a three-year development plan to upgrade those systems responsible for tracking, reporting and billing of a customer’s network use. Working closely with a new team, to whom the Company outsourced its IT in 2008, improvements to the stability of various legacy systems have been made. Tools for better monitoring system performance have been implemented with the aim of ensuring a more versatile systems with better developed customer solutions. A command centre has also been commissioned in November to allow faster tracking and resolution of system issues.

In September the Company swapped out its wholesale billing system, replacing it with a new state-of-the-art solution. The call data network was also modified after delays in reporting data usage. Although many issues have been addressed, some remain unresolved. More work needs to be done to transform the current systems, with preparation being undertaken on numerous developments expected to go live over 2010/2011.
Undersea cables and data solutions
MTN South Africa secured access to more international broadband undersea cable capacity when SEACOM came online in mid-2009. Together with additional capacity and the economies of scale realised due to the merger of Verizon and MTN Network Solutions into MTN Business, the enlarged Company was able to reduce the cost of bandwidth to corporate customers by some 30%.

Products and services
The MTN Group’s global sponsorship of the 2010 FIFA World Cup™ was used as a springboard for many MTN exclusive product launches in 2009, positively impacting the MTN brand. Similarly, the “Ayoba” summer campaign – through which MTN entrenched in local households the slang word for everything that is good – bolstered brand perception. The “Ayoba” advertisements have a strong local feel, stirring up excitement ahead of the soccer spectacle.

Among the various new products and services introduced in the year were the MTN Zone “100% Mahala” (free) promotion, and MTN Muziq starter pack and Muziq bundles, which give customers exclusive access to songs from South Africa’s biggest hip hop groups. The Company also launched a domestic money transfer pilot in January 2009 using the MTN Mobile Money solution. The launch of BlackBerry® for prepaid TopUp customers and the reinforced focus on postpaid consumer BlackBerry® service offerings led to six-fold growth in the BlackBerry® base. MTN also launched the FIFA visitor starter pack which will enable MTN to capture a significant pool of sports tourists to South Africa in their home countries prior to the 2010 FIFA World Cup™.

There was growth of 75% in data traffic in 2009. This was helped by the successful deployment of various smartphone devices with enhanced web-orientated applications and messaging capabilities. More content became available on MTN Loaded, such as news and sports blips besides the regular content downloads.

Distribution
There was much progress made with regard to distribution channels in the year. These included the integration of retailers Cell Place and iTalk; the rebuilding or upgrading of more than 200 stores; and the closure and relocation of some retail outlets to more appropriate locations to better service customers. In the fourth quarter, MTN South Africa signed new distribution agreements with wholesalers and retailers to take into account the planned changes to mobile termination rates. In December, MTN South Africa set a new in-house record for the distribution of airtime.

People
Faced with the twin challenges of economic recession and fiercer competition, MTN South Africa undertook an aggressive exercise to realign the organisation behind the customer in 2009. In specific areas, it restructured jobs and was forced to make some retrenchments. By March 2010, MTN South Africa had reduced its workforce by some 400 permanent and 1 500 temporary/contract positions. This right-sizing, painful as it was, means the Company is now operating close to what it believes to be optimal headcount in the current circumstances. It is encouraging that in spite of the retrenchments, a recent customer satisfaction survey showed a measurable improvement in this important indicator.
Skills development remained a priority in the year, with employees attending various types of training, and 100 graduates participating in the graduate development programme. The Company understands the imperative of making South Africa a more equal society – socially, politically and economically. Accepting that everyone has a responsibility in this regard, MTN South Africa invests in training previously disadvantaged individuals and supports enterprise development through various programmes including preferential procurement. In 2009 it spent R9,07 billion with black-owned businesses, up from R5,3 billion in 2008.

Regulatory environment
The South African ICT regulatory environment underwent a number of changes in 2009. In January, a new licensing regime was established and new licences were issued to more than 350 organisations which are now entitled to provide their own telecoms infrastructure. MTN South Africa continues to engage with various parties, including the industry regulator ICASA and numerous governmental bodies. Key recent regulatory developments include:

• Following the conversion of MTN South Africa’s mobile licence to an electronic communications network services licence and an electronic communications service licence in early 2009, new licence fee regulations came into effect in April 2009. The new fee is 1,5% of gross profit, versus the 5% of net operating income paid previously.

• RICA came into effect in July 2009. Since then, MTN South Africa has been registering subscribers’ personal details as required by the RICA provisions. Mobile operators have until end-December 2010 to complete the exercise.

• In 2009, MTN South Africa and a smaller competitor settled a dispute over interconnect fees for certain so-called community service telephones. As part of the settlement agreement, the competitor withdrew its complaint from the Competition Commission and the matter has been withdrawn by the Commission.

• Following the release of the draft facilities leasing guidelines by the regulator, MTN South Africa is awaiting the final regulations, expected this year.

• MTN agreed to a reduction in mobile termination rates together with its competitors in late 2009. The cut (to 89 cents from R1,25 during peak hours) took effect in March 2010. The regulator has released draft regulations relating to interconnection in April this year. MTN, together with other operators, has been given the opportunity to comment on regulations and is in constructive engagement with ICASA.
The regulator has indicated that access to the appropriate spectrum required for LTE (long-term evolution) is destined for smaller players with 30% direct black equity ownership. MTN South Africa continues to engage with ICASA in this regard and is applying for frequency in terms of self-provisioning.

**Outlook**

The past year was one of the most difficult MTN South Africa has experienced, but the Company believes it has emerged the stronger. Retail sales figures indicate that consumer confidence remains weak, but the 2010 FIFA World Cup™ is expected to boost the economy, with a large inflow of foreign exchange also expected. MTN continues to engage customers around this event.

Further developing the data business will remain a priority, helped by the recent landing of the EASSy undersea fibre cable near Durban. The growth of MTN business is expected to continue, thereby improving MTN’s competitive position in the rapidly converging mobile and ISP sectors. The Company’s programme to modernise the network is almost complete. However, it will continue to invest in the national long-distance fibre network, the new metropolitan fibre network and the replacement of IT systems. It has earmarked capex for 2010 of R4,25 billion.

MTN South Africa intends to devote considerable energy to enhancing its relationships and communication with all stakeholders – from staff and customers to regulators and the government. Its energy-reduction and renewable energy efforts will remain a key focus, with progress being carefully monitored at the Kleinaarpen site and the tri-generation plant at the Johannesburg campus.
Group chief operating officer’s report continued
for the year ended 31 December 2009

West and Central Africa region
MTN’s West and Central Africa region encompasses nine
countries; Nigeria, Ghana, Cameroon, Côte d’Ivoire,
Benin, Congo-Brazzaville, Guinea-Bissau, Guinea
Conakry and Liberia. The WECA regional office is in
Accra.

<table>
<thead>
<tr>
<th>Population (million)</th>
<th>Subscribers (000)</th>
<th>Revenue (Rm)</th>
<th>EBITDA (Rm)</th>
<th>Capex (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total for region</td>
<td>222,0</td>
<td>52,859</td>
<td>50,543</td>
<td>27,029</td>
</tr>
<tr>
<td>Contribution to Group total*</td>
<td>43%</td>
<td>45%</td>
<td>45.2%</td>
<td>58.7%</td>
</tr>
</tbody>
</table>

* Difference in head office.

Country contributions to WECA region total

Subscriber contributions (%)

- Nigeria – 38%
- Ghana – 15%
- Cameroon – 8%
- Côte d’Ivoire – 8%
- Benin – 7%
- Guinea Conakry – 3%
- Congo Brazzaville – 3%
- Liberia – 1%
- Guinea-Bissau – 1%

Capex (%)

- Nigeria – 62%
- Ghana – 16%
- Rest of region – 22%
Performance
Most MTN operations in the WECA region consolidated their positions in increasingly competitive markets for mobile communications in 2009. The Group’s significant investment in upgrading the networks in West and Central Africa in the past two years paid off, bolstering MTN’s value proposition in terms of both coverage and capacity. This, along with a revamp of the regional distribution framework and a proactive approach to competitive pressures, ensured that MTN’s operations in WECA were insulated somewhat against the effects of the world economic slowdown. This was particularly true of MTN operations in Nigeria, Ghana and Cameroon.

However, consumer spending did suffer in those smaller markets that are particularly sensitive to changes in demand for their commodity exports, including Congo Republic and Liberia.

In many countries regulatory activity mounted, further pressuring revenue and average revenue per user (ARPU) figures. Among various new regulatory requirements, the registration of subscribers’ personal details has or will soon become law in a number of markets. In 2009, MTN embarked on SIM-card registration drives in Côte d’Ivoire and Cameroon, drawing on lessons learnt by the Group in accomplishing this in other markets. Proactive stakeholder engagement remains an MTN hallmark, and the Company continues to work together with regulators to achieve the best results for the industry as a whole.

Total subscriber numbers in WECA rose 31% to 52.9 million, while ARPUs in the region fell between USD1 and USD5 a month. MTN worked hard to counter the slower revenue growth by adopting an aggressive approach to cost management. However, the Company did not cut back on investment in the network, including the upgrade of voice and data capabilities. Among its investments in Nigeria (the details of which appear in a separate country report on page 46), MTN continued to roll out fibre transmission facilities and to further develop the 3G network. In Ghana (the details of which appear in a separate country report on page 52), MTN was the first operator to launch a 3G network in 2009, offering customers high-speed internet access and other multimedia services. In Côte d’Ivoire, MTN integrated ISPs Arobase and Afnet and in Cameroon it continued to invest in WiMax capabilities. All of these investments were in addition to spending on enhancing MTN’s voice offerings.

In 2009, the Group rolled out solar energy solutions to power MTN base stations in Guinea-Bissau, Congo Republic, Liberia, Ghana and Nigeria. MTN Group is working closely with national environmental agencies to reduce the businesses’ impact on the environment as well as to inform the population in this regard. MTN is now sharing infrastructure and sites with other operators in every WECA market, and in Ghana the Group is piloting a new, more systematic way to share infrastructure.

In 2009, WECA operations applied a new customer segmentation model, enabling it to address more effectively the various segments in terms of products and services, distribution and customer care. MTN launched Mobile Money in Ghana and Côte d’Ivoire and completed the preparations for the launch of this product in all WECA markets, once regulatory approval has been attained. Following the launch of Mobile Money pilots in Ghana, Nigeria, Cameroon and Côte d’Ivoire in late 2008, the Company...
implemented five additional pilots in February 2009. These were in Benin, Congo Republic, Guinea-Bissau, Guinea Republic and Liberia.

Customers adopted the seamless roaming offering MTN One World with enthusiasm, and MTN continues to promote it. The Group also leveraged its sponsorship of the 2010 FIFA World Cup South Africa™, by offering a number of products and promotions linked to this event. MTN One World allows customers to make and receive calls everywhere they go at local rates, without having to buy a new SIM card. Loyalty programmes, particularly for medium- and high-spend customers, helped ensure MTN maintained its position in the WECA market.

MTN foundations are now established in most WECA countries (Congo Republic, Benin, Ghana, Nigeria, Cameroon, Côte d’Ivoire, and in early 2010, Guinea-Bissau), where they carry out a number of programmes to care for the community and the environment. This has also helped build the brand and promote MTN’s values to its customers. These values are a “Can Do” approach, leadership, innovation, relationships and integrity. In Liberia, where the Group successfully negotiated the renewal of its operating licence, MTN co-branded Lonestar Cell with the MTN Liberia tag.

In line with efforts to develop human resources and create meaningful career paths, MTN worked to rotate staff within the region and the wider Group, increasing the sharing of knowledge and experience among colleagues. Internal audits show a very pleasing increase in staff satisfaction in the year, helped by increased engagement as well as training through the MTN Academy, where participation and feedback have been very encouraging.

MTN’s WECA management continues to hone its succession plans, helped by the talent management board tasked with identifying staff for development and promotion. In many countries, MTN is considered the employer of choice.

**Outlook**

Signs of a rebound in economic activity in the WECA region give cause for cautious optimism in the year ahead, but more demanding regulatory requirements (including new interconnection regimes) and stiffer competition will mean that MTN’s work remains challenging. However, with a good quality network and attractive products and services, capitalising on the Group’s sponsorship of the 2010 FIFA World Cup™, the WECA regional management believes MTN is well positioned for the year ahead. Having already anticipated certain regulatory requirements such as subscriber registration, management also expects to mitigate the impact of these on WECA operations.

In 2010, MTN aims to roll out the WiMax networks (Congo, Guinea Republic and Liberia have already obtained WiMax licences) and is positioning itself for the bundling of data and voice. Another priority is the laying of fibre linked to the WACS undersea cable, which will be landing in Congo, Cameroon, Nigeria, Ghana and Côte d’Ivoire. MTN has obtained landing station rights in most countries, and continues to work to secure these in others. The 2011 operational start of WACS will allow MTN to position itself as a major internet service provider in every country and help bridge the digital divide. In so doing, MTN expects the market for mobile services in the region to increase to 185.5 million within five years.
West and Central Africa region continued

Launched August 2001, market share 49.6%, population 146.6 million, forecast market size in 2014 – 110.7 million, legal shareholding 76%.

MTN Nigeria revenue and expenses summary

<table>
<thead>
<tr>
<th></th>
<th>12 months to December 2009</th>
<th>12 months to December 2008</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime and subscription revenue</td>
<td>27 534</td>
<td>25 557</td>
<td>8</td>
</tr>
<tr>
<td>Interconnect revenue</td>
<td>4 045</td>
<td>4 291</td>
<td>(6)</td>
</tr>
<tr>
<td>Data and SMS</td>
<td>1 321</td>
<td>1 110</td>
<td>19</td>
</tr>
<tr>
<td>Connection revenue</td>
<td>116</td>
<td>236</td>
<td>(51)</td>
</tr>
<tr>
<td>Other</td>
<td>309</td>
<td>363</td>
<td>(15)</td>
</tr>
<tr>
<td>Total revenue</td>
<td>33 326</td>
<td>31 558</td>
<td>6</td>
</tr>
<tr>
<td>Direct network operating costs</td>
<td>3 240</td>
<td>3 418</td>
<td>(5)</td>
</tr>
<tr>
<td>Costs of handsets, SIMs and vouchers</td>
<td>785</td>
<td>590</td>
<td>33</td>
</tr>
<tr>
<td>Interconnect and roaming costs</td>
<td>2 793</td>
<td>2 847</td>
<td>(2)</td>
</tr>
<tr>
<td>Employee benefits and consulting costs</td>
<td>1 034</td>
<td>1 048</td>
<td>(1)</td>
</tr>
<tr>
<td>Selling, distribution and marketing costs</td>
<td>3 250</td>
<td>2 976</td>
<td>9</td>
</tr>
<tr>
<td>Other expenses (general and administration)</td>
<td>2 477</td>
<td>2 431</td>
<td>2</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>13 579</td>
<td>13 310</td>
<td>2</td>
</tr>
<tr>
<td>EBITDA</td>
<td>19 746</td>
<td>18 248</td>
<td>8</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>59.3%</td>
<td>57.8%</td>
<td>1.4 pts</td>
</tr>
</tbody>
</table>
Overview

MTN Nigeria’s continued heavy investment in infrastructure to enhance the quality and capacity of its network, together with a more streamlined sales and distribution channel, helped boost subscriber numbers in Africa’s most populous country by a third in 2009, and lift MTN Nigeria’s market share to almost half.

The strength of the MTN brand, the broad appeal and innovative nature of its segmented value propositions and effective usage-boosting promotions also assisted in ensuring that MTN Nigeria achieved more than three-quarters of the net additions in the market to end the year with 30.83 million customers and a GSM market share of 49.6%. To accommodate these new subscribers, MTN Nigeria rolled out its new 0813 number range.

Total mobile market penetration grew to 42.4% from just 15% five years ago.

Although local currency revenue increased by 30% for the period, in line with subscriber growth, this translated into a much lower 5.6% growth in rand terms to R33.3 billion, due to the rand strength in the second half of the year compounding naira weakness in the first. In line with increased penetration into lower-usage segments and pressure on consumer spending, average revenue per user declined marginally in local currency, by 9.6% for the year. Weakness in the naira currency exacerbated the fall in dollar terms, with ARPU of USD12 for 2009 down from USD16 in 2008.

MTN Nigeria’s EBITDA grew 8% in rand terms and 32% in naira terms. The EBITDA margin improved by 1.4 percentage points to 59.3%, mainly due to an increase in revenue and the benefits of scale together with a containment of operating expenses, in particular an 18% decline in the price of fuel.

Nigeria remained the top destination for MTN Group capital expenditure in 2009, accounting for some R10.2 billion. Investments were made to modernise the network and improve its capacity and coverage, with a major emphasis on strengthening the Company’s wireless data offering.

Market environment

In 2009, the Nigerian economy faced numerous challenges, starting the year with a depressed oil price which reduced export earnings. This kept the pressure on the naira, which lost further ground to the dollar following the run on the currency in late 2008. In response to the challenges, changes in the central bank’s foreign exchange policy and a reduction in credit lines by foreign counterparties further affected the currency. However, by year-end the naira had stabilised, recovering some of its losses.

Nigeria did not escape the worldwide credit squeeze, resulting in high local interest rates due to banks’ exposure to non-performing loans and a stock market collapse. Liquidity improved after the central bank replaced the executive management of a number of undercapitalised Nigerian banks. Inflation remained high and the supply of electricity – aggravated by political instability in the oil-producing Niger Delta – continued to be inadequate.
In this difficult economic environment, the Nigerian telecoms sector also faced increasing regulatory requirements. A new interconnect regime was adopted at the end of the year. The number of CDMA operators increased by four to 20. These companies offer low prices in voice and data, but do not meet customers’ needs for complete mobility. A new GSM licence holder commenced full commercial operation in 2009, bringing to five the total number of GSM operators and intensifying competition through aggressive promotions and price reductions. In 2009, both CDMA and GSM operators focused on promoting their data offerings, leveraging 3G and 3G-related technologies. MTN Nigeria was able to effectively compete and remains supported by the strength of the network, the MTN brand and the continued attractiveness of its segmented propositions. During the year, it increased its market share by subscribers by over five percentage points, and also lifted its brand preference scores significantly.

**Infrastructure**

MTN Nigeria maintained its strong momentum in infrastructure development in 2009, rolling out a total of 1,220 base transceiver stations to bring to 7,113 the total number built so far. Roll out maintained momentum despite numerous challenges, including delays in customs clearing of goods and generally slow delivery of network equipment. The coverage of the network was enhanced in the year with the addition of 215 towns and cities, taking to 83.4% the land mass covered by MTN Nigeria, from just over two-thirds in 2008. In an effort to expand transmission facilities, some 1,561km of new backbone and 110km of metro fibre were implemented in the year, however the challenge of fibre cuts resulting from roadworks, as well as vandalism remain.
The roll out of the Nigerian 3G network gained traction, with 561 3G sites going live, completing the second phase of the 3G roll out plan and bringing the total number of live 3G sites to 1,117 in December 2009.

Infrastructure sharing initiatives continued to gain traction, with the sharing of BTS sites and fibre infrastructure pursued as a means of reducing the overall capital cost of the network, as well as its environmental footprint.

MTN Nigeria embarked on testing and commissioning of alternative energy systems with a view to significantly reducing diesel consumption and the associated emission of carbon into the atmosphere. Wind and solar energy options are also currently being investigated for possible adoption in future and environmental awareness initiatives are being encouraged Company-wide.

**Products and services**

MTN Nigeria’s product and service development focuses on initiatives that will enhance MTN’s brand equity, as well as facilitate revenue growth, particularly in data and value-added services. In line with this, in 2009 the Company launched MTN Google SMS and MTN Backup, both supported by MTN’s extensive messaging and data infrastructure (HSPA, 3G, EDGE, GPRS). These services are particularly suited to the Nigerian market, providing access to information as well as security. Google SMS enables subscribers to use their mobile phones to do searches, get the latest news, sports information etc, while MTN Backup allows users to save a copy of their contacts off their SIM cards and handsets directly on to the MTN network. Both products were the first of their kind in Nigeria.

MTN Nigeria introduced a variety of mobile broadband data bundles, marketing 3G/HSPA data dongles and data SIM cards via various channels. More than 78,000 data modems were sold in the year. Although this is still relatively small, it – as well as the take-up of BlackBerry® handsets – is an indicator of increased momentum among MTN Nigeria’s data propositions. By year-end, there were more than 25,300 active BlackBerry® users on the network.

A solid campaign to promote Caller Tunez Re-Loaded (with several enhanced features to allow customers to personalise the service) led to increased user awareness and acceptance. By year-end more than four million subscribers were using this service. There was also good response to MTN Nigeria’s 2010 FIFA World Cup South Africa™ promotion, as well as the “Yello Bounty” year-end promotion designed to reward customers via the innovative neighbourhood Yello Bounty Train.

Among other service launches in 2009 were MTN Care (which provides Nigerian customers with 24-hour access to medical and emergency services in three major cities) and seamless and 3G roaming.
MTN also tapped into the youth market’s passion for music and sport through a number of significant sponsorships. These included “MTN Project Fame West Africa”, a musical talent search show that dominated prime-time television viewership across West Africa for four months. It also recorded the highest SMS and website hit rate for any show of its kind in Nigeria. The Lagos Street Soccer Championship, which aims to develop young football talent by giving youths a platform to display their skills, was an important sponsorship linked to the Group’s 2010 FIFA World Cup™ sponsorship.

Distribution
MTN Nigeria continued to benefit in 2009 from the restructuring of the distribution model executed the year before and as more of the unregistered informal distribution points were integrated into the Company database in the year. The focus now is to improve the distribution footprint in areas outside major cities, improving distribution logistics to deepen MTN Nigeria’s reach into outlying areas.

People
In an effort to drive a customer-centric culture at MTN Nigeria and ensure a consistent MTN-branded experience for all, 90% of employees participated in a project to go back to the shop floor and spend a day in a customer-facing role. This initiative reinforces the importance of customer care and has also led to a number of recommendations from employees to improve the customer experience. Among the many proposals implemented are the deployment of point-of-sale terminals for electronic transactions, the introduction of queue management systems as well as aesthetic upgrades of MTN shops.

MTN Nigeria is pleased to report a 100% participation rate in the 2009 Group culture audit, from which the Company gauges employee satisfaction. The Company works hard to engage with its employees to ensure a happy, motivated staff. With a focus on career enhancement, many of MTN Nigeria’s people travelled in the region in 2009, providing their expertise to other operating units through short-term assignments and secondments.

MTN Nigeria continued to improve its remuneration policies to position the Company competitively to attract and retain top talent.

Regulatory environment
Continued evolution of the telecoms regulatory environment in Nigeria has led to increasing demands on the businesses of all mobile operators. In the year, MTN Nigeria continued to actively engage the regulator, the NCC, on a number of proposed initiatives such as subscriber registration, quality-of-service parameters, mandated customer care centres and mobile number portability.
The Company secured approval from the NCC for MTN’s submarine cable landing station and the new 0816 numbering plan range in December 2009. It also aimed to pursue a zero-tolerance strategy to collect interconnect debts due to MTN, and as a result, was able to recover substantial sums. However, interconnect receivables remain a challenge in the industry.

In April 2009 the regulator reviewed the wholesale SMS interconnect rates downward following consultation with operators. Later in the year, the NCC determined new interconnect rates 30% below previous rates, with a glide path to uniform rates for fixed termination and newer mobile operators. The new interconnect regime came into effect on 31 December 2009 with asymmetrical rates skewed in favour of new entrants. These will converge over the next three years. As some four-fifths of MTN Nigeria’s traffic is on-network, it expects the impact of the reduction in interconnect fees to be muted.

Although competition is expected to intensify, and the economic outlook remains uncertain, MTN Nigeria is cautiously optimistic. MTN Nigeria expects its strong distribution network to assist greatly in the process of registering subscribers, and expects this regulatory requirement – starting in May 2010 – to only dampen subscriber growth for a period when it is implemented.

MTN Nigeria is targeting the addition of approximately six million new subscribers to its network in 2010 and forecasts the size of the mobile market in Nigeria to expand to nearly 110.7 million in 2014, underscoring the considerable opportunity for mobile telephony that still exists in this important economy.
West and Central Africa region continued

MTN Ghana

Launched November 1996, market share 55%, population 24 million, forecast market size in 2014 – 22.5 million, shareholding 98%.

MTN Ghana revenue and expenses summary

<table>
<thead>
<tr>
<th></th>
<th>12 months to December 2009</th>
<th>12 months to December 2008</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime and subscription revenue</td>
<td>4 077</td>
<td>4 308</td>
<td>(5)</td>
</tr>
<tr>
<td>Interconnect revenue</td>
<td>1 145</td>
<td>1 172</td>
<td>(2)</td>
</tr>
<tr>
<td>Data and SMS</td>
<td>351</td>
<td>473</td>
<td>(26)</td>
</tr>
<tr>
<td>Connection revenue</td>
<td>38</td>
<td>61</td>
<td>(38)</td>
</tr>
<tr>
<td>Other</td>
<td>57</td>
<td>33</td>
<td>(72)</td>
</tr>
<tr>
<td>Total revenue</td>
<td>5 667</td>
<td>6 047</td>
<td>(6)</td>
</tr>
<tr>
<td>Direct network operating costs</td>
<td>519</td>
<td>468</td>
<td>11</td>
</tr>
<tr>
<td>Costs of handsets, SIMs and vouchers</td>
<td>194</td>
<td>143</td>
<td>36</td>
</tr>
<tr>
<td>Interconnect and roaming costs</td>
<td>646</td>
<td>845</td>
<td>(24)</td>
</tr>
<tr>
<td>Employee benefits and consulting costs</td>
<td>256</td>
<td>271</td>
<td>(6)</td>
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<tr>
<td>Selling, distribution and marketing costs</td>
<td>592</td>
<td>563</td>
<td>5</td>
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<tr>
<td>Other expenses (general and administration)</td>
<td>894</td>
<td>971</td>
<td>(8)</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>3 101</td>
<td>3 261</td>
<td>(5)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2 566</td>
<td>2 786</td>
<td>(8)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>45.3%</td>
<td>46.1%</td>
<td>(0.8) pts</td>
</tr>
</tbody>
</table>
Overview
Ghana is the most competitive market in which MTN operates, with five operators currently offering mobile telephony services, and a sixth due to start up soon. The fact that MTN Ghana was able to maintain market share at 55% in 2009 is testament to the Company’s superior product offering, outstanding employee performance and the strong MTN brand. This is backed by continued heavy capital investment to ensure the best network quality and capacity, as well as enhanced value propositions such as MTN Zone and MTN Mobile Money.

MTN Ghana grew its subscriber base by almost a quarter to eight million (four times the base when MTN took over the operation in 2006), helping to push mobile penetration in the important cocoa and gold exporter up to 61% of the population. It is pleasing to report that even with this strong growth in subscriber numbers, there was a significant improvement in measured customer satisfaction in the year.

Although local currency revenue increased by 25.1% for the period, ahead of subscriber growth, this translated into a 6.3% decline in revenue in rand terms to R5.7 billion due to a combination of rand strength in the second half of the year and weakness in the Ghanaian cedi, particularly in the first half of the year. Aggressive price offers from new competitors and deeper market penetration put pressure on average revenue per user (ARPU) in local currency terms. In dollar terms, the fall was exacerbated by the decline in the value of the cedi, resulting in a drop to USD8 a month from USD12 in 2008.

EBITDA margin narrowed only marginally to 45.3% from 46.1% despite numerous challenges. The weakness of the cedi had a major impact on operating expenses as many of the costs are denomiated in euros or dollars. Direct network operating costs increased by 11%, mainly as a result of increased rentals from the 28% increase in BTS sites in operation in the year.

Market environment
Following closely contested elections, Ghana experienced a smooth transition of power to a new president in January 2009. The Ghanaian economy had a difficult start to the year, as the worldwide downturn translated into a decline in trade, foreign donor aid and remittances from the substantial number of overseas Ghanaian workers. This put further strain on the cedi currency, which lost nearly a third of its value to the dollar, pushing up inflation and keeping interest rates high. Customers had less disposable income and companies felt the effect of higher costs.

Later in the year, the cedi stabilised somewhat and inflation started to slow from peaks of around 20%. Against this tough economic backdrop, mobile telecoms operators also had to contend with fierce and growing competition as well as increased demands from the industry regulator.

Infrastructure
In 2009, Ghana remained an important contributor to MTN Group capital expenditure, with some R2.6 billion invested in enhancing the overall quality, capacity and coverage of the network. The number of base transceiver stations increased by 30% with the roll
West and Central Africa region continued

MTN Ghana continued

out of 729 stations, bringing to more than 3 000 the total in operation. Positioning the business for increasing take-up of data services, MTN Ghana also brought on air 531 3G stations in the year. These investments meant that the Company added 10 new towns to its coverage and facilitated a sharp increase in data throughput on the network.

Some 660km of new fibre transmission routes were completed in the year: 605km of national routes and the rest in the metropolitan network. These national route cables provide capacity for transmission within Ghana, and also fit into the regional cross-border network connectivity requirement into Côte d'Ivoire and beyond, providing alternative routes to the international gateway for both countries.

To reduce its impact on the environment, as well as manage capital and operational costs, MTN Ghana continues to work toward greater sharing of fibre infrastructure with other mobile operators. It is pleased to report some important successes in this regard in 2009, with more sharing agreements expected to be sealed in 2010.

Products and services

MTN Ghana kept up its reputation for innovative product offerings, launching a number of new services in the year and optimising and building on the success of the 2008 introduction of dynamic tariffing through MTN Zone. This product continues to help differentiate MTN from its increasingly aggressive competitors and encourages on-network calls.
Among various robust product and service launches in 2009 were Voice SMS; Conference Call; Reserve your Number (allowing customers to choose their numbers) and the “Text Go to 2010” promotion and the “Rally Round the Flag” loyalty programme. The full commercial launch of MTN Mobile Money took place in the year, as well as a number of enhanced data offerings, including 3G mobile broadband and internet SIM launched on a prepaid platform. Ghanaians continued to take advantage of MTN Loaded’s many offerings, with music the most popular, resulting in over one million unique subscribers accessing this service.

MTN Ghana recorded an overall increase in data usage in the year, supported by the country-wide roll out of EDGE technology that began in June 2008 that allows customers to make data connections up to three times faster than via GPRS. In May 2009, MTN Ghana launched 3.5G UMTS services, leading to a sudden jump in subscribers using these services.

**Distribution**

In an effort to get closer to its customers, MTN Ghana increased its distribution footprint in the year. The number of MTN retail points of sale more than doubled to 210 000 from 98 000, with an extra focus on solid distribution in high-end outlets such as pharmacies, handset shops and exclusive dealer shops. The corporate customer base grew by a fifth thanks to key account management selling initiatives, supported by customer experience programmes implemented in conjunction with marketing.

In the second half of the year, the distribution structure was further geared up to support MTN Mobile Money services by acquiring more merchants and registration agents. Service activations were driven through the work of new event sales teams, as well as the nationwide deployment of about 2 000 “foot soldiers” and canvassers. These initiatives helped to secure MTN Ghana’s market leadership. So too did the use of performance-indicator-based dealer commissions, investment to increase the visibility of MTN points of sales, as well as MTN Mobile Money’s enhanced distribution plan.

MTN Ghana also implemented a new tool for better measuring sales performance at the local level. This also helps the Company design relevant distribution interventions to improve performance and will be leveraged further as a key differentiator in 2010.

**People**

Ensuring MTN Ghana maintains an engaged employee base that translates into exemplary performance was a key priority in 2009, resulting in a sharp improvement in communication with staff in the year. This was effected through initiatives such as the introduction of a monthly in-house newsletter; the launch of a 24-hour help desk for employee queries; the “It All Adds Up” campaign to drive communication on total rewards; more interactive staff sessions; and, finally, the launch of The Innovation Hub project to provide competitive advantage by harnessing employee ideas for sustained business results.
Flowing from these initiatives, MTN Ghana is pleased to report an improvement in both the level of participation and the results of the recent Group culture audit. Some 96% of all employees participated in this important gauge of staff satisfaction, up 20 percentage points in the year, and the results were equally encouraging.

Recognising the importance of uplifting the community in which we operate, the MTN Ghana Foundation continued to invest primarily in education and health in 2009. Among key initiatives were projects to improve literacy and numeracy in the Northern Region of Ghana, support for the construction of new classrooms in the Western and Eastern Regions, as well as support in Accra for the Princess Marie Louise Children’s Hospital – the only specialist children’s hospital in the country.

**Regulatory environment**

During the year there was heightened interest in the telecoms industry from the Ghanaian authorities and the public, with increasing demands and expectations from the authorities on the country’s mobile operators. This followed the implementation of a new communications service tax of 6% of revenue in 2008 and the increase in the same year of regulatory fees to 1% of revenue.

Mobile operators also pay a rural development levy of 1% of revenue.

MTN Ghana continued to engage proactively with the regulatory authorities on various issues, including such things as the proposed implementation of GVG (global voice group), which will put additional charges on international traffic and is thus expected to lead to lower international mobile traffic volumes from Ghana. MTN Ghana is also gearing up to register subscribers’ personal details, as required by the regulator, in line with similar initiatives in other MTN markets.

**Outlook**

Among MTN Ghana’s key priorities in 2010 are to sustain the recent significant improvements in network performance, as well as increase the penetration and usage of MTN Mobile Money. Focus will also be given to concluding more infrastructure-sharing agreements with other operators, thereby reducing the Company’s environmental footprint. In an effort to improve MTN Ghana’s broadband capacity, the Company will continue to work to secure approval for a landing station in the country for the WACS submarine cable.
On the regulatory front, the registration of customer data is due to commence in July 2010 when all new activations must be registered. The regulatory authorities require that the details of all existing subscribers be collected by the middle of 2011. Increased competition, with the entrance of the sixth mobile operator in Ghana, is likely to put pressure on service providers. However, the health of the economy is expected to improve as inflation and interest rates ease, and commercial oil production begins later in the year. Considering all these factors, MTN Ghana is targeting the addition of some 800 000 new customers to its network in 2010.
Middle East and North Africa region

MTN’s Middle East and North Africa (MENA) region is made up of Irancell Telecommunication Services (Proprietary) Limited (in which the Group owns 49%), MTN Syria, MTN Sudan, MTN Yemen, MTN Afghanistan and MTN Cyprus. The MTN office in Dubai hosts the Group’s network technology and operations process group along with the region’s functional units.

<table>
<thead>
<tr>
<th>Population (million)</th>
<th>Subscribers (000)</th>
<th>Revenue (Rm)</th>
<th>EBITDA (Rm)</th>
<th>Capex (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total for region</td>
<td>190,1</td>
<td>37 014</td>
<td>21 525</td>
<td>5 782</td>
</tr>
<tr>
<td>Contribution to Group total*</td>
<td>36%</td>
<td>32%</td>
<td>19,2%</td>
<td>12,6%</td>
</tr>
</tbody>
</table>

*Difference in head office.

Country contributions to MENA region total

Subscriber contributions (%)
- Iran – 63%
- Syria – 11%
- Sudan – 10%
- Afghanistan – 9%
- Yemen – 6%
- Cyprus – 1%

Capex (%)
- Iran – 57%
- Syria – 13%
- Rest of region – 30%
Sustainability review

MTN Integrated Business Report / 31 December 2009 / Operational review
Middle East and North Africa region continued

Performance
MTN’s operations in most MENA countries performed well in the year, largely meeting Group forecasts – a particularly good showing considering the difficult political and security situation in many jurisdictions. MTN Sudan recorded some operational improvements by building the necessary internal infrastructure as well as an improved strategy.

Total subscribers in the region grew 41% to 37 million, led by the Group’s newest Middle East operation in Iran, which benefited from significant capital investment to improve the quality and coverage of its network. (For more details, please see the separate country report on page 62.)

In 2009, mobile penetration across the six MTN MENA countries ranged from 25% in Yemen to more than 100% in Cyprus, with four of the countries in this area recording penetration rates below 50%. Average revenue per user across the region declined in 2009, as more lower-usage customers signed up to the network and competition intensified.

MENA capital expenditure in the year was led by Iran, where MTN Irancell spent R6.78 billion to bring on line more than 2,000 base transceiver stations. (Only 49% of this total capex was for the MTN Group’s account.) In Syria, where the Company operates under a build, operate and transfer (BOT) contract, MTN spent R748 million in total capex, with 504 BTS added.

MTN’s MENA operations adopted a segmented approach to customers, tailoring products and services to meet the needs of specific market segments across the region. Marketing initiatives were focused on managing churn and enhancing customer loyalty.

Seamless roaming was implemented throughout the six operating companies, offering the local recharge, traffic steering and welcome SMS features. Further features and services will be added in the year ahead. Yemen was the first country in the region to offer MTN Mobile Money, with its successful soft launch in December.

MTN continued to hone its distribution model in the year, implementing new commission schemes to ensure the commitment of distributors to MTNs offering, as well as the loyalty of customers. The logistics network was improved, with MTN operating warehouses for its products in all regions, improving the Group’s reach and accessibility, particularly in rural areas.

MTN’s people across the region are the backbone of the business. In 2009, the Group continued to implement initiatives to manage human resources better by rewarding staff for their tenure and clearly defining career paths for exceptional talent. These initiatives helped to provide consistency and motivation to employees everywhere. However, the uncertain security situation in many MENA countries makes attracting and retaining suitable middle management skills a challenge. MTNs strategy to employ and develop local resources, rather than rely on expatriates, has proved successful in many areas, helped by the recent establishment of the MTN Academy in Dubai. In Yemen and Sudan, MTN reduced the number of expatriates in the year.

After a difficult 2008, marked by the regulator’s directive to disconnect 1.1 million subscribers who had not registered their personal details, MTN Sudan devoted considerable energy in 2009 to redefining its business and its operational approach. The new strategy is more aggressive, particularly in the south of the country and in Darfour, as well as the suburbs of big cities, including...
Khartoum. MTN also concluded a new approach with its main vendors and obtained board support for a strong rollout plan in 2010. A new distribution model, enhancing overall reach, was adopted.

Furthermore, the key products that differentiated MTN Sudan and at the same time helped manage the network capacity usage were the enhanced version of MTN Zone dynamic tariffing (which offers subscribers discounts of up to 90% on-net and off-net depending on the available capacity of the subscriber location) and Talk For Free (which offers customers free airtime after the fifth minute of each call up to 30 minutes). The benefits of the new strategy are expected to take some time to be felt in a meaningful way.

In Afghanistan, MTN gained the number one market share position thanks to enhancements to its network, distribution and customer service. MTN Afghanistan deployed 236 BTS in the year, a significant number considering the security situation in that country. This led to a significant reduction in congestion, marked improvements in the backbone and a good performance in terms of network resilience and redundancy. The business launched five new customer service points in five major cities and significantly improved its reach by signing up seven new distributors.

MTN Yemen maintained its leadership position, with a share of just under 40% of the market, and reduced churn in the year. It also managed to sustain a healthy blended ARPU. Subscriber numbers grew by 26% as 240 BTS were rolled out. For the second year running, employees of MTN Yemen won the Group’s first prize for the successful implementation of the “21 Days of Yellow Care” community outreach programme.

Leveraging MTN Group’s sponsorship of the 2010 FIFA World Cup South Africa™, MTN Cyprus launched many product innovations in the year, including the FIFA Pack and a first-in-market Triple-Play Product offering mobile voice, fixed voice and broadband access.

MTN Cyprus rolled out 66 BTS, worked to expand its HSDPA network and began to install a new intercity and metropolitan fibre network.

**Outlook**

With the entrance of new operators likely in Iran and possibly also in Syria and Yemen, competition in the MENA region is expected to intensify. However, MTN is confident that its operational strategy will enable the region to achieve the ambitious targets set.

Building on the success of MTN Zone in other markets, the MENA operations plan to launch dynamic tariffing in Afghanistan and Yemen in 2010. MTN also plans to introduce Mobile Money in Iran, Sudan and Afghanistan, as well as in Syria, where regulatory approval is still awaited. Iran and Afghanistan have launched their commercial internet service provider, while MTN Syria’s ISP is due for commercial launch soon.

MTN is confident that the revised business strategy for Sudan provides a strong foundation for growth in the country of some 40 million people where mobile penetration remains below 40% and the outlook for the economy is encouraging. MTN will continue to explore opportunities in Sudan – and other markets – to outsource certain functions and share sites with competitors. With significant prospects for mobile market growth across MENA, MTN expects this potential market to expand to some 146.6 million people by 2014.
MTN Irancell revenue and expenses summary (49%)

<table>
<thead>
<tr>
<th>Service</th>
<th>12 months to December 2009</th>
<th>12 months to December 2008</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime and subscription revenue</td>
<td>4 051</td>
<td>2 360</td>
<td>72%</td>
</tr>
<tr>
<td>Interconnect revenue</td>
<td>2 167</td>
<td>1 676</td>
<td>29%</td>
</tr>
<tr>
<td>Data and SMS</td>
<td>1 210</td>
<td>689</td>
<td>76%</td>
</tr>
<tr>
<td>Connection revenue</td>
<td>150</td>
<td>206</td>
<td>(27)%</td>
</tr>
<tr>
<td>Other</td>
<td>47</td>
<td>4</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>7 625</td>
<td>4 935</td>
<td>55%</td>
</tr>
<tr>
<td>Direct network operating costs</td>
<td>722</td>
<td>604</td>
<td>20%</td>
</tr>
<tr>
<td>Regulatory fees – revenue share</td>
<td>2 067</td>
<td>1 280</td>
<td>61%</td>
</tr>
<tr>
<td>Costs of handsets, SIMs and vouchers</td>
<td>179</td>
<td>162</td>
<td>10%</td>
</tr>
<tr>
<td>Interconnect and roaming costs</td>
<td>937</td>
<td>666</td>
<td>41%</td>
</tr>
<tr>
<td>Employee benefits and consulting costs</td>
<td>95</td>
<td>63</td>
<td>51%</td>
</tr>
<tr>
<td>Selling, distribution and marketing costs</td>
<td>614</td>
<td>469</td>
<td>31%</td>
</tr>
<tr>
<td>Other expenses (general and administration)</td>
<td>347</td>
<td>199</td>
<td>74%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>4 961</td>
<td>3 443</td>
<td>44%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2 664</td>
<td>1 492</td>
<td>79%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>34.9%</td>
<td>30.2%</td>
<td>4.7 pts</td>
</tr>
</tbody>
</table>
Overview
Aggressive subscriber acquisition activity and heavy investment in further extending the network ensured that MTN Irancell exceeded its performance targets in 2009. Promotions such as “Buy One, Get One Free”, “Magic SMS” and a cut in the price of prepaid starter packs helped ensure net connections of 7.2 million in the year and increased total subscribers to 23.26 million.

Together with enhanced product and service offerings, improvements in customer care and wider distribution, this helped drive mobile market penetration to 80% at the end of 2009 from 61% a year earlier. MTN Irancell’s market share rose to 40% from 37%.

Revenue in local currency increased by 60% for the year, significantly ahead of subscriber growth which translated into a 54.5% increase in rand terms. MTN’s 49% share of MTN Irancell’s revenue was R7.6 billion. Average revenue per user per month declined by only USD1 to USD8 despite the sharp increase in subscribers.

Aggressive cost control initiatives combined with the benefits of economies of scale resulted in operating expenses growth of 44% lagging revenue growth of 55%, improving the EBITDA margin in by 4.7 percentage points to 34.9%. In particular, tight control of commissions, headcount growth and marketing expenditure, along with the implementation of single vendor maintenance and locally manufactured recharge vouchers, helped keep cost increases in check.

MTN Irancell continues to benefit from a strong brand, helped in part by customised advertising in local dialects in areas where Farsi is not the primary language, as well as the MTN Group’s global sponsorship of the 2010 FIFA World Cup South Africa™.

In the year, MTN Irancell received the local tax award for its exemplary compliance with tax regulations.

Market environment
Iran did not escape the effects of the global economic slowdown, which affected the demand for its primary export oil. Social unrest sparked by the presidential election in June also put pressure on economic activity. There has been a delay in issuing the third GSM licence in Iran and the expectation now is that it will be issued during 2010.

Infrastructure
MTN Irancell kept up its strong investment momentum to enhance the quality, coverage and performance of its network in 2009, with MTN Group’s 49% share of capital spending for the Company reaching R3.3 billion. By year-end, a total of 1 429 cities and towns had MTN Irancell coverage, representing additions of 62 new towns a month. The Company also expanded its road coverage to 10 928km from 5 932km.

Between the three outsourced network build vendors (Nokia-Siemens, Ericsson and Huawei) MTN Irancell activated 2 043 new base transceiver stations (BTS) in the year, giving an impressive monthly average of 170 and bringing the total to 3 532. A significant number of these were brought on air in Tehran, helping to enhance network quality. The extra sites added in Esfahan assisted MTN Irancell in improving both the quality and coverage and attracted more customers. Further enhancements remain a priority, as do site acquisitions, particularly in the main cities.
MTN Irancell became the first operator to launch WiMax technology successfully in December 2009, by providing wireless data transmission services.

**Products and services**

The Company continued to enhance its value proposition to customers and maintained its reputation for innovation with the launch of numerous new products and services in 2009. Customers responded positively to the "Buy One, Get One Free" SIM card promotion, with 2.9 million people taking advantage of the offer. The "Magic SMS" promotion was similarly well received, attracting 1.4 million subscribers.

Among other promotions was the "WOW" campaign, during which users loaded their recharge cards with special "WOW" codes and received additional free airtime. Ring-back tones, the service that allows subscribers to select a tune to play to their callers, was launched with great success in January 2009, reaching two million subscribers within two months and almost doubling that figure by year-end. Initiatives such as these helped in our efforts to reduce churn and improve brand awareness, which also received a fillip from the MTN Group’s global sponsorship of the 2010 FIFA World Cup™.

**Distribution**

MTN Irancell worked to ensure wide distribution and availability of its products in the year, with the addition of eight new distributors, increasing the total from seven to 15. Among the various methods of buying airtime in Iran are via bank cash machines (ATMs), logical points of sales, web kiosks and internet banking. During the year, the number of banks distributing our products increased from four to 15.

Some 5 000 new dealers formed part of the service channel, with the dealer footprint up to 8 000 dealers, each of whom is also a customer registration point. MTN Irancell noted a sharp improvement in the collection of customers’ registration documents from dealers in the year, thanks to the installation of the necessary systems at dealerships to make this
easier. Dealers have moved away from only selling SIM cards and airtime and now offer an increasing range of services to ensure an enhanced customer experience.

With 580 points of presence, the Post Office was added as another distribution channel for MTN Irancell products in 2009. An additional work shift was introduced at the eight MTN Irancell service centres, extending trading hours and ensuring greater customer convenience.

In an effort to reduce distribution costs whilst ensuring high product availability, MTN Irancell began issuing lower-denomination vouchers that are available only through bank ATMs, the internet and point-of-sale machines. The local production of recharge vouchers and SIM cards lowered costs, enhanced rapid restocking and improved availability.

In the year, efforts to improve the customer experience resulted in MTN Irancell’s call centres achieving their highest service level and answer rate since the inception of the business.

People
The Company continued to bolster training through the MTN Academy and put considerable effort behind skills transfer to local employees. A new staff benefit package was also introduced in the year. MTN Irancell converted a number of its temporary employees to permanent staff, thereby assisting its efforts to retain a motivated and competent employee base.

Regulatory environment
MTN Irancell is pleased to report a number of positive developments on the regulatory front in 2009. These include: the signing of a memorandum of understanding with the incumbent operator on interconnection, and agreement of an interconnect rate for the year; the award to MTN Irancell of a WiMax number range following the granting of a WiMax licence to the business; the clearing of spectrum interferences in major cities as well as the granting of the 0938 GSM number range to the Company. The authorities also published draft number portability regulations.

Outlook
While the growth in MTN Irancell since its October 2006 launch is remarkable, the company continues to strive to firmly entrench its position versus a well-established competitor and the entry of a third operator, expected in 2010.

In the year ahead, MTN Irancell will work on further improvements to its network quality and coverage, particularly in the main centres of Tehran and Esfahan. To achieve this, MTN Group has earmarked capital expenditure of R2,67 billion as its share of capex for MTN Irancell in 2010.

The full commercial launch of WiMax in early 2010 is expected to open up the broadband market for MTN Irancell, providing a strong competitive position. Among a number of other planned product launches, the Company expects to introduce dynamic tariffing as well as MTN Mobile Money to its Iranian customers in the year ahead. Along with a renewal of its service centre strategy, these factors are expected to help the business meet its target of adding around five million subscribers in 2010.
Launched June 2002, market share 45%, population 20.5 million, forecast market size in 2014 – 12.7 million, shareholding 75%.

MTN Syria revenue and expenses summary

<table>
<thead>
<tr>
<th></th>
<th>12 months to December 2009 Rm</th>
<th>12 months to December 2008 Rm</th>
<th>December 2009 vs 2008 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime and subscription revenue</td>
<td>5 451</td>
<td>5 254</td>
<td>4</td>
</tr>
<tr>
<td>Interconnect revenue</td>
<td>514</td>
<td>472</td>
<td>9</td>
</tr>
<tr>
<td>Data and SMS</td>
<td>533</td>
<td>397</td>
<td>34</td>
</tr>
<tr>
<td>Connection revenue</td>
<td>64</td>
<td>84</td>
<td>(24)</td>
</tr>
<tr>
<td>Other</td>
<td>425</td>
<td>301</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>6 987</strong></td>
<td><strong>6 508</strong></td>
<td><strong>7</strong></td>
</tr>
<tr>
<td>Direct network operating costs</td>
<td>622</td>
<td>419</td>
<td>48</td>
</tr>
<tr>
<td>Regulatory fees – revenue share</td>
<td>3 269</td>
<td>2 789</td>
<td>17</td>
</tr>
<tr>
<td>Costs of handsets, SIMs and vouchers</td>
<td>70</td>
<td>38</td>
<td>85</td>
</tr>
<tr>
<td>Interconnect and roaming costs</td>
<td>424</td>
<td>460</td>
<td>(8)</td>
</tr>
<tr>
<td>Employee benefits and consulting costs</td>
<td>243</td>
<td>216</td>
<td>13</td>
</tr>
<tr>
<td>Selling, distribution and marketing costs</td>
<td>342</td>
<td>250</td>
<td>37</td>
</tr>
<tr>
<td>Other expenses (general and administration)</td>
<td>644</td>
<td>507</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>5 614</strong></td>
<td><strong>4 679</strong></td>
<td><strong>20</strong></td>
</tr>
<tr>
<td>EBITDA</td>
<td>1 373</td>
<td>1 829</td>
<td>(25)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>19.6%</td>
<td>28.1%</td>
<td>(8.5) pts</td>
</tr>
</tbody>
</table>
Overview
The performance of MTN Syria exceeded forecasts in 2009, led by the expansion of its subscriber base by 20% to 4.25 million. The Company’s aggressive user acquisition initiatives late in the year, along with network and product enhancements, bolstered net additions to some 710,000 for 2009. This helped drive the Syrian market’s mobile penetration to around 46% by year-end, from 38% in 2008.

Local currency revenue increased by 8.2% for the period, slower than subscriber growth, which translated into a 7.4% increase in revenue in rand terms to R7.0 billion. ARPU decreased USD1 to USD18 for the period.

The EBITDA margin decreased by 8.5 percentage points to 19.6%. This was a result of the full year effect of the increase to 50% from 40% in the share of revenue MTN Syria had to pay to the Syrian authorities (effective end-June 2008).

By the end of 2009, MTN Syria had completed the transformation of its infrastructure to the new IP generation, increased its population coverage and further strengthened the MTN brand. This provides a solid basis for future growth in both subscribers and traffic. MTN Syria recorded good progress throughout the year in complying with the highest standards of corporate governance, and is pleased to report significant constructive interaction between the Company and various regulatory entities in the country.

Market environment
The telecoms market in Syria is a heavily regulated one and MTN Syria is one of two companies licensed to provide mobile telecommunications services in the country of 20 million. A third operator is expected to be licensed by the end of 2010. In 2009, the weaker global economic environment posed a number of challenges to consumers in Syria, particularly those at the lower end of the income pyramid.

Infrastructure
There was a noticeable improvement in the overall quality and performance of the network throughout the year as MTN Syria completed the migration of its core infrastructure from one based on time-division multiplexing to an IP backbone. A new type of HLR (home location register) – NT-HLR – was installed and connected to all nodes and recently came into service. Despite various challenges, MTN Syria rolled out 504 base transceiver stations in the year.

In 2009, MTN enhanced its 3G network, extending the 3G coverage area to more major cities. By implementing 7.2 HSDPA on the network, MTN Syria has also greatly improved the speed with which customers can access the internet.

MTN Syria finalised the outsourcing of the maintenance of its radio sites, which improved network availability, and implemented a new network management system. It upgraded the intelligent network system dedicated to prepaid users, resulting in a more flexible platform designed to improve customer satisfaction. The prepaid calls contact centre was outsourced and various other enhancements were implemented, such as the launch of SMS/MMS filtering and an anti-spam solution.

Products and services
Capitalising on the MTN Group’s global sponsorship of the 2010 FIFA World Cup South Africa™, MTN Syria launched several promotions and packages related to the big event. However, the
Group chief operating officer’s report continued
for the year ended 31 December 2009

Middle East and North Africa region continued

MTN Syria continued

Company maintained a cost-efficient approach, pending the opportunity to convert the current BOT contract into a freehold licence.

During the year, MTN Syria improved its segmented approach to customers, offering products tailored to meet the needs of specific groups. These included Youth and Mini packages. It also focused on strengthening its position in the corporate segment. This was accompanied by offering so-called top-up promotions to induce usage and an extension of validity periods to increase affordability. Another major development was the introduction during 2009 of per-second billing for prepaid subscribers, corresponding to market demand and aiming to increase customers’ satisfaction.

While providing high-quality voice service remained MTN Syria’s primary role, a more concerted effort was made in 2009 to support the introduction of data solutions. This came as a result of the regulator’s approval to launch limited 3G services. MTN Syria introduced a bouquet of mobile broadband (3G) bundles including a pay-as-you-go bundle as it introduced 3G coverage in major cities across Syria. The Company also successfully implemented seamless roaming, while the launch of MTN Mobile Money is still pending regulatory approval.

Distribution
Recognising the competitive advantage of an efficient and effective distribution network, the Company implemented several initiatives to enhance its market position. Improvements were made to distributors’ channels and – with a focus on quality – the number of distributors was reduced to seven from 11. The commission scheme to distributors was further modified to ensure more emphasis on the value and quality of the subscribers.
The validity of some prepaid vouchers was extended to better accommodate customers’ needs. To facilitate improved communication with customers, Dealer Link was launched as a web application. This allows for the sending of suggestions, requests, complaints, etc, which are then stored within a database and an appropriate response is generated within 24 hours.

People
Given that the telecoms industry is driven by the rapid change and developments in technology, suitably qualified people are in great demand. Human capital is the most important asset and MTN Syria is continuously investing in developing the right talent and honing strategies to attract, develop and retain talent. Several human resources projects and initiatives were launched in 2009 in co-ordination with the Group function to achieve the Company’s strategic objectives. A major focus was on developing employees with multiple skills as well as headcount optimisation in order to achieve optimum efficiency, increase productivity and ensure that all employees are equipped with the knowledge and skills needed to support business growth. An important development initiative is the leadership talent management programme, through which the Company has developed personal development plans for all managers, senior managers and executives.

Regulatory environment
The regulatory environment is evolving and the publication of a new telecoms law and the entrance of a third mobile operator are expected during 2010. MTN Syria continues to engage closely and constructively with the authorities on the possible conversion of its BOT contact (with its stringent conditions, including revenue share) into a standard mobile operator licence. The Company is pleased to report that there has been some progress in this regard, with the Syrian government giving serious consideration to the issue. In 2009, MTN Syria received an ISP licence, and extensive preparations were made to position the Company as a major ISP in Syria in the years ahead.

Outlook
Although mobile penetration increased during 2009, the pace of growth in this key indicator (and the acquisition of lower income customers) is slowing because of the high costs of revenue sharing and the BOT structure, which prevents any meaningful reduction in tariffs by the market’s two operators and constrains roll out. However, the issuing of the new telecoms law, the expected entrance of a third operator into the market and the anticipated conversion of MTN Syria’s BOT contract should help in the uptake of subscribers and will stimulate usage. MTN expects to add some 400,000 customers to its network in 2010 and spend some R456 million on capital projects.

Among commercial product launches planned for Syria in 2010 is MTN Mobile Money. Although internet access is the main application of 3G technology, other services are expected to follow later in the year.
MTN is a leading provider of telecommunications services in emerging markets. This provides us with the opportunity to catalyse development that improves quality of life by providing opportunities for social and economic inclusion and growth, connecting people, providing better ways of doing business, and facilitating the trade growth.

The Group is pleased to present an abridged report of the Group’s 2009 sustainability results. The detailed report may be accessed on www.mtn.com/sustainability.

**Sustainability vision, strategy and principles**

MTN is a leading provider of telecommunications services in emerging markets. This provides us with the opportunity to catalyse development that improves quality of life by providing opportunities for social and economic inclusion and growth, connecting people, providing better ways of doing business, and facilitating the trade growth.

MTN’s sustainable business practices represent an incremental journey. The Group started this journey in 1994; in 2009 the implementation of the Group sustainability function, board and executive support, Group-led strategic planning, and resource commitment have positioned the Group to better realise its sustainability vision.

Our sustainability vision: In meeting MTN’s business objectives, we will continue to enhance stakeholder value, manage risks and opportunities posed by economic, social, human and environmental capitals, within our scope of influence.

To remain resilient, sustainability is not secondary to the business: it is about positioning social, environmental and ethical considerations at the core of MTN.

To accelerate the implementation of MTN’s sustainability vision, a strategy and key implementation principles have been defined.
### Strategy

- Focus on environmental, social and governance issues of importance to stakeholders, and that may have a material impact on MTN’s economic position
- Business decisions will be motivated by sustainability opportunities and risks, rather than mere compliance
- Group sets direction and influences imperatives, in collaboration with operations, which maintain closest working relationships with stakeholders

### Implementation principles

- Set foundations for sustainability: ensure internal awareness and education, implement human and system resources, identify opportunities and risks, and manage and report performance
- Focus on no more than three project initiatives per annum. Projects are to be prioritised based on effort required and potential impact
- Use pilots, trials, and a phased implementation approach where suitable
- Share successes and use lessons learnt from previous experiences
- Balance Group’s vision and requirements with local operating conditions, challenges and opportunities

### Governance of sustainability

The Group board is accountable for sustainable business practice and as such, has delegated responsibility to the risk management and compliance committee. The executive management of the sustainability function is the responsibility of the Group executive corporate affairs, who reports progress and plans to the Group executive committee (Exco). Signoff of major deliverables is undertaken by the Group president and CEO, where commitments bind the entire Group.
The diagram below indicates the governance and management of the sustainability function in MTN.

* Nominations, remuneration, human resources and corporate governance committee
** Operating company, used within MTN to denote all subsidiaries and associates
*** Sustainability is a standing item on committee agenda
**** Sustainability working teams and forums will be implemented in regions or operating companies commencing in the latter half of 2010
† Exco also includes the chief operating officer’s office and company secretary
## 2008 Sustainability commitments’ feedback

<table>
<thead>
<tr>
<th>2009 commitments in 2008</th>
<th>Status</th>
<th>Degree to which objective was achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk/Governance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roll out annual reputation review</td>
<td>• Self-assessment of MTN’s reputation by Exco and Opco CEOs via questionnaire completed. Results presented to Exco</td>
<td><img src="chart1.png" alt="Pie Chart 1" /></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• In 2011 MTN will undertake external assessment with media, analysts and regulators</td>
</tr>
<tr>
<td>Complete whistleblower roll out; improve staff awareness</td>
<td>• Roll out completed. Operations also received basic fraud awareness training</td>
<td><img src="chart3.png" alt="Pie Chart 3" /></td>
</tr>
<tr>
<td>Review/improve consistency of government relations engagements</td>
<td>• Stakeholder governance model incorporating identification and management processes defined. Implementation of model planned in 2010</td>
<td><img src="chart4.png" alt="Pie Chart 4" /></td>
</tr>
<tr>
<td></td>
<td>• Appointment of an executive for regulatory affairs at Group level</td>
<td><img src="chart5.png" alt="Pie Chart 5" /></td>
</tr>
<tr>
<td>Establish Group sustainability governance structure (corporate affairs, SHE, risk, network and technology, HR, investor relations, Opco representation)</td>
<td>• Group Sustainability Manager appointed to drive strategy and implementation</td>
<td><img src="chart6.png" alt="Pie Chart 6" /></td>
</tr>
<tr>
<td></td>
<td>• In 2010, implementation of local and regional sustainability forums to commence</td>
<td><img src="chart7.png" alt="Pie Chart 7" /></td>
</tr>
<tr>
<td>Enhance CURA risk management system to track hours of disability due to injuries</td>
<td>• Reviewed decision to only track this indicator. Determined that a more holistic incident management system was required to address stakeholder reputation management, insurance, safety and health, and sustainability-related incidents proposed</td>
<td><img src="chart8.png" alt="Pie Chart 8" /></td>
</tr>
</tbody>
</table>

*Degree of MTN’s achievements*
*Degree yet to be achieved*
## Abridged sustainability report continued

<table>
<thead>
<tr>
<th>2009 commitments in 2008</th>
<th>Status</th>
<th>Degree to which objective was achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social contribution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitor implementation of Group CSR framework and align activities. Review framework effectiveness</td>
<td>• All 21 Opcos now undertake projects that deliver sustainable impact</td>
<td></td>
</tr>
<tr>
<td>Launch foundations in remaining operations</td>
<td>• Underway – see section titled Foundations</td>
<td></td>
</tr>
<tr>
<td>Increase MTN South Africa spend on black women-owned/managed companies</td>
<td>• Spending increased to over R520 million (unaudited), a 43% increase from the previous year's spend</td>
<td></td>
</tr>
<tr>
<td><strong>Staff development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roll out sustainability education/training programme, including policy, management framework, performance</td>
<td>• Board/executive/senior level awareness and engagement ongoing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Carbon footprint training undertaken</td>
<td></td>
</tr>
</tbody>
</table>
### 2009 commitments in 2008

<table>
<thead>
<tr>
<th>Staff development (continued)</th>
<th>Status</th>
<th>Degree to which objective was achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirm sustainability resources at operational level</td>
<td>• Sustainability champions have been identified in MTN South Africa, Swaziland, Nigeria, Ghana, Uganda, Cameroon, Syria, Cyprus, Rwanda, Zambia, Yemen, Congo-Brazzaville and Benin</td>
<td><img src="degree.png" alt="Chart" /></td>
</tr>
<tr>
<td>Environment</td>
<td>Further work to clarify internal roles of different functions will need to be undertaken to ensure roles and tasks are appropriately allocated and executed. Some work on the top environmental priorities and actions has commenced (see section titled The environment)</td>
<td><img src="degree.png" alt="Chart" /></td>
</tr>
<tr>
<td>Ensure environmental management concerns are included in sustainability management team’s work and performance monitor mandate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ensure electromagnetic fields (EMF) health and safety level site agreement implemented across all Opcos</td>
<td></td>
<td><img src="degree.png" alt="Chart" /></td>
</tr>
</tbody>
</table>

Degree of MTN's achievements
- Green: Achieved
- Red: Yet to be achieved
Material sustainability opportunities and risks for 2009

The Group’s review has determined the environmental, social, and ethical or governance issues that could pose a material opportunity or risk to MTN’s business.

The top sustainability-related opportunities, and MTN’s response, are described below.

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Description</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Operations were concerned about the business’ environmental impact and explored solutions to reduce this</td>
<td>See section titled Environment</td>
</tr>
<tr>
<td>2010 FIFA World Cup™ sponsorship</td>
<td>MTN’s sponsorship provides longer-term opportunities to make a sustained economic and social difference</td>
<td>See section titled Community</td>
</tr>
<tr>
<td>Community/Foundation</td>
<td>Given the size and scope of our operations, opportunities exist to fulfill our desire to be the pace-setter of community development and upliftment efforts</td>
<td>See section titled Community</td>
</tr>
</tbody>
</table>

The top sustainability risks, and MTN’s response, are described below.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Description</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory</td>
<td>MTN’s top regulatory risks included an array of challenges including the matter of interconnection charges, quality of service and bureaucratic challenges eg, regulatory changes to telecommunications legislation, and ambiguous legislation</td>
<td>See section titled Regulatory</td>
</tr>
<tr>
<td>Environmental</td>
<td>MTN’s material environmental risks predominantly relate to carbon-based energy consumption, operating base transceiver station (BTS) sites, public concerns about EMF emissions of BTS sites and cellular handsets, and global increase in environmental legislation</td>
<td>See section titled Environment</td>
</tr>
<tr>
<td>Fraud</td>
<td>External and internal types of fraud include theft of assets and inventory (such as airtime and diesel), distribution fraud and procurement fraud</td>
<td>See section titled Fraud management</td>
</tr>
</tbody>
</table>
Material stakeholder matters addressed over 2009

Customers
For purposes of this abridged report, examples of initiatives by operations are illustrated below. These do not necessarily represent the full scope of initiatives, products and services offered by all MTN operations.

Quality of network
The Group’s network roll out strategy remained a key feature throughout 2009, enabling MTN to maintain or improve market share and relevance. MTN expanded the number of base stations, increased network capacity, prepared for 3G solutions, extended coverage, and improved infrastructure management. The Group chief operating officer’s report (page 26), contains more information in this respect.

Customer relations
As markets develop, customer intimacy and differentiation become key success factors. Improving service is one of the solutions to retention, reducing churn, and mitigating the impact of reduced spend due to global financial crisis. Examples of efforts are set out below.

- To differentiate MTN, operations developed a better understanding of customers. This informed the design and implementation of a customer segmentation model in all operations.
- A customer service charter was introduced, and is being implemented within a number of operations.
- Service quality is assessed through a variety of means eg, MTN Benin conducts a mystery shopper assessment programme.
- Customers are acknowledged through loyalty and retention programmes. MTN Yemen, for instance, launched a retention programme to activate dormant accounts.

- Technology such as an integrated voice recognition (IVR) system is used to enable customer self-service and reduced waiting times. Dedicated help lines for high-value customers have also been introduced eg, by MTN Uganda.

Bridging the communications divide
Reducing financial barriers by addressing handset access and acquisition costs helps reduce the communications divide.

MTN Virtual Number was introduced in a number of operations. This solution enables customers without handsets to make and receive calls, send messages and make financial remittances using someone else’s handset. To reduce acquisition cost, low-cost handsets are also offered in all MTN operations. For example, MTN Zambia’s entry level handset of R107,00 is one of the lowest in the market. MTN Uganda plans to subsidise handset costs in 2010.

Rural network coverage is a feature in all our markets. For example, since 2002, MTN Nigeria’s “phone ladies’ programme empowers rural entrepreneurs through extended telephony access, while generating a small return for entrepreneurs. In 2009 MTN Uganda partnered with Grameen Foundation USA to implement the VillagePhone solution.

Value-added services help extend access to commercial and social benefits. One such solution, MTN Zone, was introduced across operations to reduce call costs (and help ease network congestion over peak periods). MTN Google SMS, another value-added service, was recently introduced in Uganda. Communities access services such as Farmer’s Friend, Health Tips, Clinic Finder and Google Trader through SMS queries, and receive a near-instant reply. More than 1.7 million electronic hits have been recorded since its mid-2009 launch.
Innovation

- MTN’s Can Do spirit focuses on staying in touch with the needs of markets. Recent innovations include MTN MobileMoney, enabling subscribers to remit money or pay bills using a secure, easy and fast service, was made available in Yemen, Ghana, Uganda, Côte d’Ivoire, Benin, South Africa, Rwanda, Liberia, Congo-Brazzaville, Nigeria, and Cameroon. With significant emerging market demand for such services, further roll out across other operations is also underway.

MTN Play is an interactive mobile access channel enabling customers to enjoy digital 2010 FIFA World Cup™, and boost mobile penetration rates.

Improving systems

After experiencing problems with a number of the Company’s IT systems in the year, MTN South Africa embarked on a three-year development plan to upgrade those systems responsible for tracking, reporting and billing of a customers’ network use. Working closely with a new team, to whom the Company outsourced its IT in 2008, improvements to the stability of various legacy systems have been made. Tools for better monitoring system performance have been implemented with the aim of ensuring a more versatile system with better developed customer solutions. A command centre has also been commissioned in November to allow faster tracking and resolution of system issues.

Governance and regulation

Local participation

MTN is committed to partnering with local shareholders in all countries in which it operates. MTN regards this practice as essential in all of its operations to ensure that the benefits of its investments are shared with local investors and in turn to ensure that it benefits from the input of local knowledge at shareholder and board level. MTN South Africa’s broad-based black economic empowerment performance is available in the detailed 2009 sustainability report on www.mtn.com/sustainability

King III Code of Corporate Governance and Sustainability

MTN has taken cognisance of the new requirements of King III and has initiated a project to assess gaps between MTN’s sustainability practices and the requirements of King III. Current practices and systems will be adapted where necessary.

Business continuity planning

A business continuity management (BCM) strategy was developed, comprising critical aspects of emergency response, crisis management, business recovery and resumption. A holistic management process to adequately address these risks, and a framework to build operational resilience using a phased approach were implemented. Disaster recovery plans were also developed. A crisis management plan was defined, and investment in network infrastructure and redundancy has continued, with operating companies adopting network architecture design principles coupled with major investments to improve network redundancy. This has significantly enhanced MTN’s capability to effectively respond in order to safeguard the interests of key stakeholders.

Interconnection

There has been an increased focus by national regulatory authorities (NRA) on the effective regulation of interconnect charges, also known as MTR. MTN has noted all the requirements and the rationale that each NRA has proposed and continues to engage NRAs on this matter. It is necessary for operators and regulators to fully understand the detailed costs of providing interconnect services based on an approved
cost model, to ensure that MTN and all network operators realise a fair return on facilities provided.

In South Africa, draft regulation regarding interconnection rates was published in April 2010. MTN is currently in constructive engagement with ICASA (the regulatory authority) to establish a rate going forward.

In Nigeria, interconnection rates were reduced effective 1 January 2010.

In Uganda, the regulator proposed a MTR tariff which was less than the cost of network operations. MTN Uganda and the regulator reached settlement on this matter, and are set to engage on interconnection discussions.

Following the promulgation of the Information and Communication Technologies Act, Act No 15 of 2009 in Zambia, MTN Zambia's licence will be migrated into the new licensing regime which is technology-neutral.

Increasing competitive activity through the issue of new licences is also a focus of regulators. MTN Cyprus upgraded the network to improve 3G service coverage and quality, and moved the data traffic management backbone to a fibre optic network, which is more reliable and stable compared to the old radio transmission network to strengthen prospects for entering into a commercial agreement to access future mobile virtual network operator (MVNO) licences.

SIM registration
For global authorities to combat crime, industries such as the financial and telecommunication services are required to register the details of their customers. SIM card registration has been introduced by NRAs in a number of markets.

Key developments in 2009:
- The Regulation of Interception of Communication Act (RICA) came into effect in South Africa. The Act stipulates that the phone numbers of active SIM cards not registered by phase 1, ending 31 December 2010, must be removed from the network.
- In Nigeria, GSM operators requested the Nigerian Communications Commission (NCC) to extend the start date of the registration process, given the short notice period, lack of consensus on the identity form required, and the volume of registrations that needs to be undertaken. The NCC extended the start date to allow operators time to implement the necessary facilities to identify customers.

Fraud management
In 2009, fraud risk was addressed through the following actions:
- The heads of business risk management (BRM) were tasked with operational fraud risk management. Additionally MTN Nigeria, South Africa, Conakry and Benin appointed a dedicated forensics resource. Congo-Brazzaville will appoint a dedicated forensics staff member by April 2010
- In some operations, the revenue assurance function was segregated to ensure a dedicated focus on fraud identification (particularly airtime fraud)
- A revenue assurance tool was procured, and implemented
- The Whistleblower line Tip-offs Anonymous was launched for staff to report internal and external instances of unethical behaviour.

Basic training in fraud awareness has now been undertaken in 85% of operations. Training for the remaining operations will be undertaken when local BRM functions are established.
Our people
Training and development
Our 34,243 people (including temporary staff and contractors) are our ambassadors, custodian of our values, innovators, and managers of our stakeholders. Offering opportunities for career training and staff development enables leadership development, succession planning, and talent retention and attraction, and is a competitive differentiator. In 2009 the MTN Academy created a standardised approach to learning and development initiatives, and established regional learning centres in South Africa, Ghana and Dubai. Learning solutions, leadership talent management, coaching and performance support, and services such as organisational development, standards, best practice and benchmark research now enable a holistic, Group-wide response to the need to develop talent.

MTN Yemen, Uganda and South Africa introduced the leadership talent management (LTM) programme, a new approach to learning and skills development based on self-development, to mitigate inadequate depth of managerial skills and lack of time to register for training by busy managers. MTN South Africa offers learning through experience programmes to newly qualified graduates. In 2009, 76 graduates were placed in engineering, legal, sales and marketing areas for a period of 24 months. Six trainee chartered accountants were also placed, while 16 university students have benefited from full-time bursary awards. Bursaries to the value of R5,000 are available to full-time MTN employees.

Rotation of staff across MTN regions enables knowledge sharing and the alignment of new acquisitions to the MTN culture, promoting a standardised customer experience across the Group.

Recognition
The MTN Y’ello Stars campaign was launched to boost staff morale and create a sense of belonging by recognising outstanding employees. It is in its fourth year of existence.

The environment
Electromagnetic fields (EMF) and safe communications
Stakeholders may express concern about possible health effects that could result from exposure to spectrum or electromagnetic waves upon which voice and data communications are based.

MTN supports open, independent, quality, scientific research. The results of international studies, and positions undertaken by authorities including the International Commission on Non-Ionising Radiation Protection (ICNIRP), World Health Organisation (WHO), European Committee for Electro Technical Standardisation, the UK National Radiological Protection Board, the American National Standards Institute and Standards Australia indicate there is no substantiated scientific evidence that radio signals from base stations, operating in accordance with recognised safety standards, pose a health risk.

MTN continually reviews the results of radio frequency research performed throughout the world. To ensure operations are consistent with the most current health and safety standards information, EMF guidelines were updated in 2009. These prescribe that in countries where there is existing legislation and regulations around EMF, these national limits should be taken into consideration, and the stricter of legislation applied. Commencing 2010, those operations which do not currently maintain a basic...
Electromagnetic field levels in areas surrounding MTN base station sites in residential areas are well below the ICNIRP guidelines. This is achieved through adoption of best practice, including not raising signal strengths beyond that which is necessary to achieve service objectives. Examples of activities by operations include:

- In MTN Cyprus, EMF emissions are measured twice a year to ensure emissions remain significantly lower than minimum EU standards. Together with organisational support from the Union of Municipalities, MTN Cyprus and the incumbent service provider are the official sponsors of information seminars on “EMF and Mobile Telephony in our Lives”.
- MTN Yemen has started working with the Ministry of Telecommunications on health safety regulations and creating awareness about EMF in communities.
- MTN South Africa surveyed 408 BTS sites located near hospitals and schools. In total, 261 assessments were completed, and all were found to be compliant in terms of the INCIRP guidelines. The remaining 147 site assessments still have to be undertaken.

**Carbon footprint**

In 2009, the Group undertook its first detailed and wide-scale carbon (CO₂) footprinting exercise, representing 62.2% of the business by subscriber numbers.

The Group’s footprint for the period 1 January 2009 – 31 December 2009 of 565 860 tonnes CO₂e, is predominantly caused by diesel use or electricity purchased for base station sites. This presents the greatest opportunity for reduction, efficiency, and investment in alternative technologies, which will help the Group mitigate the impact of rising global energy prices, energy insecurity, and possible future carbon taxes. This will also contribute to cost management and business continuity objectives.

Examples of MTN’s consideration of alternative energy solutions include:

- Hybrid and solar-powered base station trials in Sudan, and operating stations in Cameroon.
- Implementation of an off-grid BTS in Kleinaarpen in South Africa, powered by solar and wind, with hydrogen fuel cell secondary power. Also in South Africa, the Smalvisch project currently underway will implement a BTS powered by a hybrid solar/wind solution. Biogas and fuel cell technology projects are also under development.
The use of a hydrogen fuel cell for GSM and 3G base station backup (as an alternative to diesel) in Swaziland is currently being trialled. Hybrid solutions are also being tested in Guinea Conakry, Rwanda, Liberia, Nigeria, and Uganda.

The implementation of engineered solutions is also undertaken to manage base station power. Operations in Côte d’Ivoire and South Africa have saved fuel, maintenance fees and CO₂ output through engineered solutions such as battery management.

“ICT’s largest influence will be by enabling energy efficiencies in other sectors, an opportunity that could deliver carbon savings five times larger than the total emissions from the entire ICT sector in 2020.” The Climate Group and Global e-Sustainability Initiative.

As an ICT company, MTN’s role in reducing the impact of other sectors through de-materialisation (substituting high carbon or physical products with electronic solutions eg, e-commerce, video conferencing and teleworking) will help the global economy reduce emissions by helping other sectors optimise how they operate, and improving how society works and lives. MTN needs to explore these opportunities further.

MTN’s 2009 Carbon Disclosure Project report will be published on www.cdproject.net towards the end of 2010.

Infrastructure sharing
Network operators who share base station infrastructure benefit both in terms of reduced operating and capital costs, and a lower environmental and social impact.

The Group is actively pursuing several opportunities to share infrastructure assets across its footprint in Africa and the Middle East. MTN is, among others, engaging with other mobile operators to explore site sharing, leasing space on towers to others operators, and jointly rolling out fibre networks. The East Africa Submarine Cable System (EASSy), an undersea fibre-optic cable that will link the countries of Southern, Eastern and Northern Africa to the rest of the world, Europe India Gateway (EIG), SAT-3, Main-1 and the West Africa Cable System (WACS) form part of the Group’s strategy to ensure further operational cost reductions and increased quality delivery by all our operations.

E-waste
Electronic waste is any form of technology that has been discarded or is no longer required. Environmental groups indicate that e-waste is predominantly dumped in developing countries, and the problem is growing. E-waste contains valuable components such as copper and gold, and communities often attempt to salvage this. Electronic devices also contain lead, cadmium, mercury, and other heavy metals, and other toxic and chemical components harmful to both humans and the environment.

MTN’s direct and indirect generation of e-waste predominantly stems from obsolete computers and associated information technology, and the provision of handsets and recharge vouchers. Operations have responded to this issue as follows:
• In Yemen, MTN is helping the Ministry of Environment implement its strategy to deal with mobile waste.
To reduce the blight of plastic vouchers on the landscape or to landfill sites, MTN Congo-Brazzaville and Yemen accelerated the use and distribution of electronic voucher distribution process. This is also available from MTN Cameroon and MTN South Africa.

MTN Cyprus is a member of Green Dot, the European Packaging and Waste Directive (94/62/EC), AFIS (recycling protocol for batteries), and Waste Electrical and Electronic Equipment European Union Directive (recycling protocol for used electronic batteries).

As a Group, MTN acknowledges the need to develop a better understanding of e-waste generation, and a strategy customised for local operating conditions, on how to address this issue.

**The community**

**MTN foundations**

In 2006, the board stipulated that all operations were to reinvest up to 1% of profit after tax in corporate social responsibility activities. Countries in which MTN foundations have been established by the end of 2009 (including both non-profit organisations and internal division foundations) include South Africa, Uganda, Swaziland, Nigeria, Cameroon, Côte d’Ivoire, Guinea-Bissau, Ghana, Benin, Congo-Brazzaville, Yemen and Afghanistan. Community investment focuses on supporting multi-year, sustainable projects in the areas of health, education and culture, and nationally aligned priorities such as environmental management and economic empowerment.

Examples of projects include:

- **Health:** malaria, HIV/AIDS, cancer, sickle-cell disease, mother and child mortality, cholera, and road safety programmes which vary in implementation from clinic investment to education and access to medical services.

- **Education:** ICT connectivity at schools, universities and community centres, classroom and facilities’ construction, and adult skills’ training centres.

- **Culture:** promotion of rural-based tourism, music, arts and culture education sponsorship and educator training.

**Volunteering: 21 Days of Y’ello Care**

The 21 Days of Y’ello Care programme is conducted in each operation over 21 days in each year. From humble beginnings in 2007, the programme has grown substantially, and in 2009 approximately 40% of staff volunteered in their communities.

In 2009, 40% of MTN staff volunteered their services.

*Figure 2: Increase in staff volunteers between 2007 and 2009*
Motivation and support is provided through awarding the Group President and CEO Y’ello Care Award to the operation with the highest percentage of staff volunteers, and greatest community impact. Efforts range from raising community awareness and products to address health and environmental issues, environmental cleanup and restoration, sport facility provision, refurbishment and support at facilities for children and the elderly.

**Legacy projects**
MTN’s sponsorship of the FIFA 2010 World Cup™ is being leveraged to make a measurable contribution to social development using Africa’s love for football to create a lasting legacy. To address persistent challenges and accelerate achievement of the Millennium Development Goals, the Group focused on two projects in the health and education fields:
- In partnership with United Against Malaria (UAM), awareness is being raised globally, worldwide commitment to ending malaria renewed, and focus on increasing use of prevention tools and malaria treatment in Africa undertaken.
- With more than 75 million children around the world being denied an opportunity to go to school, MTN and other participating mobile operators support the 1Goal: Education for All initiative.

**Our suppliers**

**Reducing costs**
To reduce and contain cost, procurement adopted strategic sourcing principles coupled with the formulation of strategic partnerships with key vendors. Group frame agreements, including Group price books, supported by individual country contracts are in place for these vendors. Regular industry price benchmarking takes place. Electronic reverse auctions have been successfully piloted and are currently being implemented.

**Standardisation**
The Group tender committee is appointed by the board to consider all Group procurement tenders and ensure that the procurement of goods and services is commercially and legally sound and conducted in a fair, honest, transparent and equitable manner. Its terms of reference have been based on the requirements of good corporate governance.

To achieve economies of scale, the Group standardised product, service and process specifications across multiple business areas and reduced the number of suppliers in these areas. Procurement toolkits defining the centralised procurement function and
tender committee structures were implemented in 80% of MTN's operations. Approval levels were also specified. Implementation was complemented by toolkit training, and other learning programmes. Key performance indicators (KPIs) have been set to measure the effectiveness of procurement functions, and a supplier performance management framework for key suppliers was developed.

Enterprise development
The development of small enterprises can be better sustained through the provision of mentorship, support and advice to developing businesses locally. Examples across the footprint include:

- MTN South Africa commenced training of business enterprises, encouraged development in rural communities and supported enterprises that produce goods that were previously not available in South Africa, or that enhance job creation.
- MTN Nigeria’s Bizlift initiative provides business ideas, increased access to finance and sales support material to more than 53,000 MTN retailers. It also implemented a project to train and develop enterprises among disabled and disadvantaged youth.
- MTN Uganda partnered with Enterprise Uganda’s business linkage programme in a pilot initiative between 2005 and 2007 to enhance the productive capacity, efficiency, competitiveness and sustainability of the 12 local small to medium enterprises. In 2009, MTN Uganda nominated more of its SME suppliers to improve their entrepreneurial skills and management approaches through this programme.

The transfer of knowledge and skills to local management helps in the reduction of expatriate staff, another means with which to enhance local development.

Future sustainability commitments
The forward-looking sustainability commitments detailed in this report are informed by the Group’s objective to continue implementing and extending its sustainability imperative, and communicating with stakeholders.

The Group advises that the commercial and sustainability maturity positions of operations, which varies across its footprint, will impact the extent and timing of implementation of the commitments set out below. Although the MTN Group is based in South Africa, the business is truly multinational across the African continent and the Middle East. Operating conditions vary across countries, and the macro conditions often makes for a difficult trading environment. Nevertheless, the Group is actively driving operations to integrated sustainability imperatives into their activities, from strategy and governance through to infrastructure and community engagement. While this may add further internal pressures, operations acknowledge the importance of sustainability and have welcomed the imperative.
### Reporting period/s | Commitment | Target
--- | --- | ---
**Group sustainability**

2010 | Develop and commence implementation of internal education and training plan | By quarter 3, 2010

2010 | Complete identification of sustainability champions in remaining operations | By December 2010

2010 – medium term | Close gaps in current risk identification, reporting and management processes, and possible sustainability risks not identified/reported/managed | Commence by quarter 3, 2010

2010 – medium term | Improve sustainability data collection, reporting, management and assurance systems | Commence by quarter 3, 2010

2011 | Identify and report sustainability performance (objectives, material opportunities and risks and management data) at least twice a year internally | Commence by quarter 3, 2011

**Customer**

2010 and medium term | Continue network infrastructure investment across MTN’s footprint | —

2010 and medium term | Continue rolling out MTN MobileMoney | —

2010 | Reduce cost of handset ownership through subsidy provision | —

2010 | Focus on innovation, customer-centricity and loyalty to reduce customer churn and increase stickiness | —

2010 | Increase use of e-billing in MTN Uganda | Additional 4% of customer base
## Abridged sustainability report

<table>
<thead>
<tr>
<th>Reporting period/s</th>
<th>Commitment</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer (continued)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010 and medium term</td>
<td>Improve MTN South Africa customer experience by integrating customer management and retail billing systems, and rolling out customer contract strategy at segment and channel level</td>
<td>—</td>
</tr>
<tr>
<td>2010</td>
<td>Increase operational efficiency, visibility into spend by customers, and provide single bill for multiple services</td>
<td>By December 2010</td>
</tr>
<tr>
<td><strong>Regulatory</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Review strategic relationship with possible new MVNO entrants (MTN Cyprus)</td>
<td>By December 2010</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Continue emphasising zero tolerance policy</td>
<td>—</td>
</tr>
<tr>
<td>2010</td>
<td>Complete King III Code of Good Conduct review and determine required compliance actions</td>
<td>Quarter 3, 2010</td>
</tr>
</tbody>
</table>
### Reporting period/s | Commitment | Target
--- | --- | ---
#### People
2010 | Improve staff health and safety in MTN Cyprus | —
2010 | Complete integration processes: MTN in Cyprus | —
2010 | Continue investment in staff: Determine effectiveness of LTM programme in MTN Yemen and continue driving staff development and growth in MTN Uganda | —
2010 | Improve staff engagement levels in MTN Cameroon | —
#### Environment
2010 | Carbon footprinting data, process and education improvement. Commence Phase 2 footprinting | • Implement process to ensure monthly reporting by quarter 4, 2010, for Phase 1 operations
• Extend organisational scope to more operations
2010 | Provide additional capacity building and support for carbon footprinting and associated environmental issues: New and refresher training for CO₂ footprinting champions | By quarter 3, 2010
## Reporting period/s | Commitment | Target
--- | --- | ---
### Environment (continued)

<table>
<thead>
<tr>
<th>Reporting period/s</th>
<th>Commitment</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 – medium term</td>
<td>Review and determine actions to address e-waste</td>
<td>Commence by quarter 4, 2010</td>
</tr>
<tr>
<td>2010 – medium term</td>
<td>Focus on energy-reduction initiatives</td>
<td>—</td>
</tr>
<tr>
<td>2010 – medium term</td>
<td>Continue exploring opportunities to switch to lower-emission or alternative renewable power sources for BTS power</td>
<td>—</td>
</tr>
<tr>
<td>2010</td>
<td>Roll out EMF framework across operations</td>
<td>—</td>
</tr>
<tr>
<td>2010</td>
<td>Improve understanding of EMF in MTN Cyprus and Yemen communities</td>
<td>—</td>
</tr>
<tr>
<td>Medium – long term</td>
<td>Develop and implement a carbon/energy management strategy</td>
<td>—</td>
</tr>
</tbody>
</table>

### Communities

<table>
<thead>
<tr>
<th>Reporting period/s</th>
<th>Commitment</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Launch MTN Rwanda foundation</td>
<td>February 2010</td>
</tr>
<tr>
<td>2010</td>
<td>Include focus on malaria in 21 Days of Yello Care</td>
<td>May 2010</td>
</tr>
</tbody>
</table>
### Suppliers

<table>
<thead>
<tr>
<th>Reporting period/s</th>
<th>Commitment</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Increase supplier participation in 21 Days of Yello Care: MTN Congo-Brazzaville</td>
<td>May 2010</td>
</tr>
<tr>
<td>2010</td>
<td>Reduce late payment complaints: Ensure all purchase orders and approvals are captured electronically (MTN Cameroon)</td>
<td>Meet 30-day payment terms where applicable eg. SMEs</td>
</tr>
<tr>
<td>2010</td>
<td>Improve procurement toolkit: Improve purchasing/procurement controls (MTN Yemen)</td>
<td>—</td>
</tr>
</tbody>
</table>
| 2010               | • Help improve sustainability of MTN Uganda SME suppliers  
• Roll out national training on enterprise development in South Africa                                                                       | • 10 MTN Uganda SME suppliers  
• Training in all nine South African provinces                                                                                          |
| 2010               | Improve procurement processes, working with suppliers as strategic partners (MTN South Africa)                                                                                                           | Complete procurement process automation                                                                                              |
| 2010               | Develop multi-sourcing strategy                                                                                                                                                                          | —                                                                                                                                         |
The board of directors and senior management are committed to good corporate governance and understand their roles and responsibilities as custodians of the Company which has over 116 million customers and 145 000 shareholders.

**Introduction**

The MTN Group Limited subscribes to high ethical standards and principles of corporate governance. This has been an important feature of the business since the Company’s foundation. The Company’s corporate governance system is the cornerstone of its primary objective of creating value for its stakeholders in a sustainable way, in the context of the triple bottom line.

**Regulatory compliance**

The MTN Group Limited is a company incorporated in South Africa under the provisions of the Companies Act, 1973, as amended (Act No 61 of 1973). The Group encompasses operations in 21 countries in Africa and the Middle East, holding companies in at least three other jurisdictions and is listed on the JSE Limited (JSE).

In keeping with its vision and strategy, the Group subscribes, and applies the principles contained in the Code of Corporate Practices and Conduct recommended by the King Report on Corporate Governance in South Africa 2002 (King II).

While the board is satisfied that the Group does comply with the JSE Listings Requirements, the Companies Act and the requirements of King II, the board has already started addressing the challenges posed by the recommendations of the updated and revised King Report on Governance for South Africa 2009 (King III) and the much awaited new Companies Act (Act No 71 of 2008).

In other jurisdictions where the Company operates, governance developments are monitored on an ongoing basis to ensure that local regulatory requirements are complied with. The board monitors compliance by means of committee reports, which include information on any significant interaction with key stakeholders, including regulators, and through the activities of locally based audit and risk committees and internal auditors.

The board of directors endeavours to ensure that all operations comply with these corporate governance principles and the requirements of global best practices. Likewise, the board places strong emphasis on implementing high standards of reporting, financial and risk management.
The MTN Group financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as required by the JSE Listings Requirements, Corporate Laws Amendment Act and other legislative requirements or corporate governance frameworks. The Company’s corporate governance systems are designed to exceed minimum compliance levels and continue to evolve to meet the expectations of all stakeholders.

During the year under review:
- The board received presentations on King III as well as the implications of the newly promulgated Companies Act, focused on the board, committees and individual directors;
- The board undertook a comprehensive review of the existing composition and skills available on the board and defined the key attributes that would be required for future appointments. It also reviewed the composition of the audit committee, nominations, remuneration, human resources and corporate governance committee (NRHR & CG committee) and the risk management and compliance committee as well as the composition of the board itself and, based on the findings, decided to reconstitute the membership of committees and the board. The effective date of such appointments was 1 January 2010;
- The board received presentations from the sponsor on the implications of changes to the JSE Listings Requirements.

Looking forward to 2010 and ahead
In keeping with King III, Companies Act, No 71 of 2008, JSE Listings Requirements and other governance and legislative developments, the focus in 2010 and ahead will be on the following initiatives:
- Implementation and assessment of the Company’s compliance with King III, including a gap analysis exercise to identify specific areas of improvements;
- Continue to review regulatory and legislative developments to ensure that the Group is able to respond appropriately;
- Prepare to implement the new corporate law regime, together with new or amended legislation relating to competition, privacy of information and consumer protection;
- Review and update the board charter, articles of associations and committees’ terms of reference to incorporate the requirements of the new Companies Act, the JSE Listings Requirements and King III; and
- Review all shareholder agreements to align them with new regulatory and corporate governance developments.

Board of directors and composition
The MTN Group has a unitary board structure comprising three executive directors, two non-executive directors and nine independent non-executive directors.

The non-executive directors and independent non-executive directors play a critical role as board representatives on the various board committees and ensure that the Company’s interests are served by impartial, objective and independent views that are separate from those of management and shareholders. Determination of independence is guided by the King Code, the Companies Act and corporate best practice.

The MTN Group board retains full and effective control over the Group and is responsible, inter alia, for the adoption of strategic plans, the monitoring of operational performance and management, and the development of appropriate and effective risk management policies and processes. The full extent of the board’s responsibilities is contained in an approved board charter. The directors are of the opinion that they have adhered to the terms of reference as detailed in the board charter for the financial year under review.
The board and its committees’ composition and the record of attendance are set out on page 98. The profiles of the individual directors, including appointment dates, are set out on pages 14 and 15 and page 98.

**Articles of association and board charter**

The general powers of the directors are set out in the Company’s articles of association. They have further unspecified powers and authorities in respect of matters which may be exercised and dealt with by the Company, which are not expressly reserved to the members of the Company in general meeting.

The board charter regulates how the board and individual members of the board discharge their responsibilities according to the principles of good governance. The charter aims to ensure that all board members understand their duties and responsibilities as well as the laws, regulations and best practices governing their conduct.

The board charter details the following key matters:
- Division of responsibilities between the board and management
- Size and composition of the board
- Balance of powers
- Role of the board
- Matters reserved for the board
- The role of the chairman, the chief executive and the company secretary
- Board and committees governance
- Evaluation and performance of the board and its committees; and
- Relationship with all stakeholders.

**Chairman**

The board is chaired by Mr MC Ramaphosa. No individual board member has unfettered powers of decision making. Responsibility for managing the board and executive responsibility for the conduct of the business are differentiated. Accordingly, the roles of the chairman of the board and the chief executive officer are separate. The chairman is responsible for leadership of the board, ensuring its effectiveness in all aspects of its activities and setting its agenda. The chairman is also responsible for ensuring that the directors receive accurate, timely and clear information. The chairman also ensures effective communication with shareholders and facilitates the effective contribution of non-executive directors in particular and ensures constructive relationships between executive and non-executive directors. The board, on the advice and recommendation of the executive and steering committee (Exco), is responsible for setting the strategic direction of the Company. Annually, the board considers, debates and adopts with or without amendments, a strategic plan presented by Exco.

**Group president and chief executive officer (GP & CEO)**

Mr PF Nhleko is the GP & CEO and is responsible for the day-to-day management of the Group, supported by Exco, which he chairs. The GP & CEO provides leadership to the executive team in running the business, co-ordinates proposals developed by the executive committee for consideration by the board, and also develops the Company’s strategy for consideration and approval by the board.

**Appointment and resignation**

To ensure a rigorous and transparent procedure, any appointment of a director is considered by the board as a whole, on the
Corporate governance report continued

recommendsation of the NRHR & CG committee. Where necessary, MTN Group uses external service providers to source the skills required by the board. The selection process involves consideration of the existing balance of skills and experience on the board and a continual process of assessing the needs of the Company. Non-executive directors are required to devote sufficient time to the Company’s affairs.

There is no formal limitation on the number of board appointments that non-executive directors can hold but all directors are required to carefully consider the number of appointments they take so as to ensure that they have the time and capacity to properly and comprehensively carry out their duties as a director. Non-executive directors are required to advise the chairman of the board or the chairman of the NRHR & CG committee before accepting membership on other external boards. In line with the directorships policy, executive directors are permitted to accept one external non-executive board appointment subject to approval by the board. All fees received relating to the holding of a directorship on the board of an external company by an executive director are ceded to the MTN Group.

Non-executive directors are required to advise the board of any subsequent changes to or additional commitments from time to time as provided for the Companies Act, 1973.

Three non-executive directors namely, Messrs NP Mageza and A Harper and Ms MLD Marole were appointed to the board, effective from 1 January 2010. All board appointments met the requirements of the Companies Act, King II and the JSE Listings Requirements. During the year under review, Mr RD Nisbet resigned from the board as Group finance director and was replaced by Mr NI Patel effective from 27 November 2009. The appointments will be confirmed at the annual general meeting to be held on 15 July 2010. The board is confident that the current board, consisting of 14 members, is sufficiently well resourced and experienced.

Retirement of directors by rotation

The Company’s articles of association provide that one-third of the directors who have been longest in office since the last election, are required to retire at each annual general meeting (AGM) and may offer themselves for re-election. During the year under review, Messrs RS Dabengwa, AT Mikati, MJN Njeke and J van Rooyen retired from the board and were re-elected at the annual general meeting on 24 June 2009.

The board, on the recommendation of the NRHR & CG committee, reviewed the independence of Messrs MC Ramaphosa, DDB Band and AF van Biljon, who are due to retire from the board by rotation at the forthcoming AGM. Details of retiring directors are set out on page 171 of book 2.

The board concluded that despite Messrs MC Ramaphosa and DDB Band having served as directors since October 2001, and Mr AF van Biljon since November 2002, their independence of character and judgement are not in any way affected or impaired by their length of service, and the board is therefore of the opinion and has declared the three directors to be independent. The determination of independence is guided by the King Code, the Companies Act and international best practice.
Independence of directors
The MTN board comprises a majority of independent non-executive directors. The board considers nine out of the 11 non-executive directors to be independent in terms of the King II definition and the guidelines outlined in the JSE Listings Requirements. One of the non-executive directors has interests in the MTN Group as outlined on page 40 in book 2. The board is mindful of this and the potential conflict of interests that might arise as a result, however remote. A rigorous policy of disclosure of interests and recusal from discussions in which a director has an interest is followed to mitigate any such conflicts and thus preserve their independence.

The graph below shows extent of independence of directors

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent non-executive directors</td>
<td>9</td>
<td>64</td>
</tr>
<tr>
<td>Non-executive directors</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Executive directors</td>
<td>3</td>
<td>22</td>
</tr>
</tbody>
</table>

* as at 1 January 2010

Induction and development
MTN recognises that the induction of new directors, as well as the ongoing development of all directors, is critical in ensuring that they are able to effectively discharge their responsibilities within the Company’s governance structure as well as the legislative framework under which it operates. During the year under review, the directors received briefings and presentations on the new requirements of the Companies Act, No 71 of 2008, King III and the JSE Listings Requirements.

Whenever there are new legislative/corporate governance changes, directors are informed accordingly. In addition, all directors have access to the services of independent professional advisers at the expense of the Company in order to act in the best interests of the Company, although no such advice was sought during 2009. Furthermore, all directors have access to management, and to the advice of the company secretary.

Board and directors evaluation
Consistent with previous years, a collective evaluation of the board was conducted aimed at inter alia, determining how the board’s effectiveness can be improved. The evaluation was carried out by the Institute of Directors (IoD). Executive directors were also included in the evaluation process.

Director performance is assessed against these criteria: time availability, commitment to performing the functions of a director, knowledge of the business, providing strategic direction, contribution to investment decisions, consideration of significant financial matters, views on critical and key issues, the constant challenges that face the Company, the director’s views on his/her own performance as a board member, and attendance over the past year.
The process included:

- An evaluation of board effectiveness;
- An assessment of the performance of board members; and
- An assessment of the performance of board subcommittees and an evaluation of their terms of reference.

The GP & CEO’s performance is also evaluated according to his performance scorecard, which is approved annually by the NRHR & CG committee. The outcomes of the board evaluation were as follows:

- The board has more significant areas of strength than weaknesses;
- The board is firmly focused on strategy;
- The effectiveness of the audit committee is seen as one of the biggest strengths of the board;
- Board meetings appear to be well run and managed;
- The company secretary is seen to provide excellent support to the chairman and the board;
- The monitoring role played by the board in ensuring delivery on its mandate and oversight of systems controls and risks is seen as particularly good;
- The board charter was seen as providing a good roadmap to the board in so far as duties and responsibilities were concerned;
- The agenda-setting process is seen as being strong. The NRHR & CG committee was seen as adding significant value;
- The role, composition and terms of reference of the subcommittees and the considerable value that they add to overall board effectiveness are also viewed as a major strength of the board;
- The Group’s annual report and sustainability reporting are taken seriously by the board and are regarded as an effective stakeholder communication.

Delegation of authority and risk management

The ultimate responsibility for the Group’s operations rests with the board. The board retains effective control through a well-developed governance structure of board committees that specialise in specific areas of the business. Necessary authorities have been delegated to the GP & CEO to manage the day-to-day business affairs of the Company. The Group executive and steering committee assists the GP & CEO in discharging his duties and the duties of the board when it is not in session. However, in terms of statute and the Company’s constitution, certain matters are reserved for board and/or shareholder approval.

The delegation of authority is reviewed periodically to ensure it remains aligned and relevant in relation to the rapid growth of the Company. Future amendments will also include the integration of a risk appetite framework, which has recently been adopted by the Group, with a view to identifying, classifying, escalating and mitigating risks. Further details of the risk management philosophy appear on page 108 of the risk management report.

Board remuneration and shareholding

Details of remuneration paid to directors are set out on page 26 in book 2. Non-executive directors receive fees for their membership and attendance at meetings of the board and committees on which they serve. In addition, where non-executive directors perform ad hoc work, they are paid in accordance with an approved schedule of fees. Proposals on non-executive directors’ remuneration are made through the NRHR & CG committee for review by the board. The remuneration of non-executive directors
is submitted to shareholders for sanctioning at the annual general meeting prior to implementation. Details of directors shareholding are set out on page 40 in book 2.

**Dealsings by directors in company securities**

Directors’ dealings are disclosed on page 41 in book 2. The Company has a policy in place that regulates dealings by directors. In compliance with the JSE Listings Requirements, all directors are required prior to trading, to obtain clearance to trade from the chairperson or the designated director. All the directors complied with the JSE Listings Requirements during the period under review.

**Group governance structure**

This section provides an overview of the Company’s formal governance structure and related mechanisms.

This structure is largely replicated in significant MTN subsidiaries. In all subsidiary operations, the audit committee assumes the additional responsibilities of risk management and compliance.

The board has a diversity of talent, expertise and experience. This is put to good use through various carefully structured board committees and is partly reflected by the number of board and committee meetings held during the year under review. These are presented in the tables to follow:

**Group board**

**Committees**
- Audit
- Risk management and compliance committee
- Exco
- NRHR & CG
- Group tender

**Management forums/ departments**
- Internal Audit/BRM
- Commercial committee
- Technical committee
- Talent board
- Tier II tender committee

**External bodies**
- Group auditors
## Corporate governance report

### Directors

| Directors                  | Age | Director since | Scheduled board meetings attended | Special board meetings attended
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent non-executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MC Ramaphosa</td>
<td>57</td>
<td>Oct-01</td>
<td>4/4</td>
<td>10/10</td>
</tr>
<tr>
<td>DD8 Band</td>
<td>66</td>
<td>Oct-01</td>
<td>4/4</td>
<td>10/10</td>
</tr>
<tr>
<td>KP Kalyan</td>
<td>55</td>
<td>Jun-06</td>
<td>4/4</td>
<td>9/10</td>
</tr>
<tr>
<td>MJN Njeke</td>
<td>51</td>
<td>Jun-06</td>
<td>4/4</td>
<td>9/10</td>
</tr>
<tr>
<td>AF van Biljon</td>
<td>62</td>
<td>Nov-02</td>
<td>4/4</td>
<td>10/10</td>
</tr>
<tr>
<td>J van Rooyen</td>
<td>60</td>
<td>Jul-06</td>
<td>4/4</td>
<td>9/10</td>
</tr>
<tr>
<td><strong>Non-executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AT Mikati</td>
<td>37</td>
<td>Jul-06</td>
<td>4/4</td>
<td>10/10</td>
</tr>
<tr>
<td>JHN Strydom</td>
<td>71</td>
<td>Mar-04</td>
<td>4/4</td>
<td>10/10</td>
</tr>
<tr>
<td><strong>Executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PF Nhleko</td>
<td>50</td>
<td>Jul-01</td>
<td>4/4</td>
<td>10/10</td>
</tr>
<tr>
<td>RS Dabengwa</td>
<td>52</td>
<td>Oct-01</td>
<td>4/4</td>
<td>10/10</td>
</tr>
<tr>
<td>RD Nisbet (Resigned as Group finance director on 30 September 2009)</td>
<td>54</td>
<td>Oct-01</td>
<td>3/4</td>
<td>10/10</td>
</tr>
<tr>
<td>NI Patel (Appointed as Group finance director on 27 November 2009)</td>
<td>53</td>
<td>Nov-09</td>
<td>1/4</td>
<td>n/a</td>
</tr>
</tbody>
</table>

* Special board meetings (meetings scheduled outside predetermined meeting dates on special business) are convened at short notice and therefore directors are not always available to attend.
<table>
<thead>
<tr>
<th>Audit</th>
<th>Meetings attended</th>
<th>Risk management and compliance committee</th>
<th>Meetings attended</th>
<th>NRHR &amp; CG</th>
<th>Meetings attended</th>
<th>Group tender</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>5/6</td>
<td>Alternate n/a</td>
<td>4/4</td>
<td>Member</td>
<td>5/5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman</td>
<td>6/6</td>
<td>Member 2/4</td>
<td>3/4</td>
<td>Chairman</td>
<td>5/5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>6/6</td>
<td>Member 2/4</td>
<td>4/4</td>
<td>Member</td>
<td>5/5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>5/6</td>
<td>Member 4/4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invitee</td>
<td>6/6</td>
<td>Invitee 4/4</td>
<td></td>
<td>Invitee</td>
<td>5/5</td>
<td>Member</td>
<td>1/2</td>
</tr>
<tr>
<td>Invitee</td>
<td>6/6</td>
<td>Invitee 4/4</td>
<td></td>
<td>Invitee</td>
<td>5/5</td>
<td>Member</td>
<td>2/2</td>
</tr>
<tr>
<td>Invitee</td>
<td>5/6</td>
<td>Invitee 4/4</td>
<td></td>
<td>Invitee</td>
<td>2/5</td>
<td>Member</td>
<td>2/2</td>
</tr>
<tr>
<td>Invitee</td>
<td>1/6</td>
<td>Invitee n/a</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>Member</td>
<td>1/2</td>
</tr>
</tbody>
</table>
In camera meetings
During the period under review most of the board meetings were preceded by in camera meetings of non-executive directors.

Special ad hoc board committees
In certain instances, the board constituted special board committees which are granted the necessary authority to deal with the salient matters under special projects and to allow for a more detailed consideration of issues.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Committee member since</th>
<th>Scheduled meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLD Marole (Chairman)</td>
<td>50</td>
<td>05/2004</td>
<td>2/2</td>
</tr>
<tr>
<td>C de Faria</td>
<td>54</td>
<td>06/2007</td>
<td>2/2</td>
</tr>
<tr>
<td>T Lowry</td>
<td>54</td>
<td>06/2007</td>
<td>1/2</td>
</tr>
<tr>
<td>J Ramadan</td>
<td>53</td>
<td>06/2007</td>
<td>2/2</td>
</tr>
<tr>
<td>C Wheeler</td>
<td>46</td>
<td>05/2004</td>
<td>2/2</td>
</tr>
</tbody>
</table>

Special committees may consist of different directors depending on the expertise required to resolve any special matters under review by the committee.

Executive and steering committee (Exco)
This committee facilitates the effective control of the Group’s operational activities in terms of its delegated authority approved by the board. It is responsible for recommendations to the board on the Group’s policies and strategies and for monitoring their implementation in line with the board’s mandate. The committee
is assisted by three regional vice presidents (VPs) who communicate and co-ordinate the policies and strategies of the committee to the various subsidiary operations. The committee meets at least monthly and additionally as required. The committee is chaired by the GP & CEO.

The committee constituted the following subcommittees with a view to further enhancing its ability to manage and oversee operational matters:
- The technical committee
- The commercial committee.

Both committees are chaired by the Group chief operating officer with two additional Exco members, including the VPs. Various other senior management representatives of large subsidiaries attend as permanent invitees to ensure broad representation. The profile of the executive committee is set out on pages 18 and 19.

**Board committees**
The MTN Group board recognises that it is ultimately accountable and responsible for the performance and affairs of the Group and that the issue of delegated authorities to board committees and management in no way absolves the board and its directors from the obligation to carry out their duties and responsibilities.

All board committees operate under written terms of reference approved by the board.

All committee chairpersons also provide the board with a report on recent committee activities. Board committees are permitted to take independent outside professional advice as and when deemed necessary. The office of the Group secretary provides support and secretarial services to each of the board committees.

Membership of board committees comprises independent and non-executive directors only, with the exception of the executive and steering committee and the Tier II tender committee, which are primarily committees of an operational nature and so comprised of senior management. There is full disclosure and transparency from these committees to the board. The membership and principal responsibilities of the committees are set out on page 98. Each committee’s authority and the discharge of its responsibilities is directed by a charter.

The committees are as follows:
- Audit (Audit)
- Risk management and compliance (Risk)
- Nominations, remuneration, human resources and corporate governance (NRHR & CG)
- Group tender (Tender)
- Executive and steering (Exco)

The board is satisfied that the board committees set out in detail below have effectively discharged their responsibilities as contained in their respective terms of reference during the year under review.
The committees’ profiles are detailed as follows:

**Group audit committee**
The audit committee is a statutory committee and also has duties delegated to it by the board. The audit committee is appointed annually by the board as required by the Companies Act, No 61 of 1973. The audit committee assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate financial systems and control processes, and the preparation of financial statements and related financial reporting in compliance with all applicable legal requirements and accounting standards.

The audit committee activities report as required by the Companies Act is contained on page 17 in book 2. Membership of the committee and attendance at meetings is reflected on page 98. The audit committee has a majority of independent non-executive directors who are financially literate as recommended by King II.

The committee’s chairman attended the annual general meeting during the year under review.

The executive directors, as well as internal and external audit representatives (the Company auditors), attended all committee meetings as permanent attendees. The committee chairman also attends Group risk management and compliance committee meetings.

The head of business risk management/internal audit (BRM) and external auditors have unrestricted access to the committee and its chairman. The committee chairman also meets regularly with the head of business risk management. BRM reports to the GP&CEO and to the chairman of the Group audit committee as well as to the risk management and compliance committee. BRM’s performance is reviewed annually by the committee.

Audit committees exist in each Group operation and significant risk and audit matters relating to operations are regularly reported to the Group audit committee. The non-executive chairpersons of subsidiary audit committees do meet formally with the Group audit committee annually or more often as required. Members of the Group audit committee do periodically visit selected subsidiary operations so as to enhance their understanding of the Group’s overall financial control environment. Audit workshops are held annually to consider and agree on audit plans for all operations for the year ahead and to review the effectiveness of the overall internal audit function.

The audit committee operates in line with a charter as approved by the board and fulfils its corporate governance and statutory duties as applicable.

**In-camera meetings**
The main meetings of the committee are preceded by an in-camera session of non-executive members only and are concluded by a separate in-camera session with the following key invitees:

- Management
- Internal audit
- External audit.
External audit
The joint external auditors provide an independent assessment of key accounting and information systems and controls in the Group. The auditors are appointed by the board on the recommendation of the Group audit committee and ratified by shareholders. The external auditors’ performance and independence is regularly monitored by the Group audit committee and formally assessed annually. Non-audit work performed is authorised in advance by the chairman of the audit committee to ensure that there is no conflict of interest and that the work is within the scope of that permitted. The audit partners are rotated every five years.

Financial directors who served over the period under review
During the period under review, Mr RD Nisbet served as Group financial director until 30 September 2009. On his resignation, he was replaced by Mr NI Patel who was formally appointed with effect from 27 November 2009. The audit committee had, for the period under review, formally considered and satisfied itself of the appropriateness, expertise and experience of the financial directors.

Reporting and accountability
The chairman of the committee accounts to the board for its activities and makes recommendations to the board regarding the adoption of the annual and interim financial statements and any other matters arising from the above responsibilities.

The chairman of the committee is required to attend the annual general meeting to answer questions concerning matters falling within the ambit of the committee.

Meetings
The committee meets not less than four times per year and the quorum is three members present.

Group risk management and compliance committee
The risk management and compliance committee was established to improve the efficiency of the board and assist it in discharging its duties with regard to identifying, considering and monitoring risks impacting the Company and ensure compliance with prevailing legislation and other statutory requirements including voluntary corporate governance frameworks. The committee is also responsible for the sustainability framework and sustainability reporting for the MTN Group.

A close working relationship exists between the risk management and compliance committee and the audit committee. Three non-executive directors serving on the audit committee also serve on the risk management and compliance committee. This ensures that overlapping responsibilities are dealt with in an efficient manner.
The committee is responsible for performing the following functions:

**Compliance**
- To periodically review issues relevant to the board’s oversight responsibilities, including compliance with the relevant laws and governance standards;
- Review compliance with all local and foreign legislation and regulatory body requirements applicable to the Company including but not limited to the following:
  - Companies Act
  - JSE Listings Requirements
  - Governance frameworks
  - Safety and health legislation
  - Employment equity
  - Security Services Act
  - Taxation legislation.

During the year under review, the committee assessed the Company’s compliance with all statutory and other voluntary governance codes and was satisfied that it had complied with requirements. The committee is constituted of independent and non-executive directors only and details of attendance and membership of the committee are set out on page 98.

**Group nominations, remuneration, human resources and corporate governance committee (NRHR & CG)**
The NRHR & CG committee has been constituted to assist the board in discharging its duties relating to the nomination of board members and senior management. It also oversees the formulation of a remuneration philosophy and human resources strategy to ensure that the Company employs and retains the best human capital possible relevant to its business needs; maximises the potential of its employees; and ensures the Group’s adherence to sound corporate governance principles.

Some committee meetings were preceded or followed by an in-camera session (meeting of non-executive directors only).

The committee’s mandate, which is reviewed annually by the board, defines its key responsibilities as follows:
- Reviews the size, structure and composition of the board.
- Conducts an annual assessment of the board’s performance.
- Conducts an annual assessment of the chairman’s as well as the GP & CEO’s performance.
- Sets criteria for the nomination of directors and committee members.
- Identifies, evaluates and nominates candidates for appointment to the board to fill vacancies as they arise.
- Reviews and determines the remuneration of executive directors.
- Reviews and approves the Group’s policy on executive remuneration.
- Reviews and approves Group policies on corporate governance.
- Monitors the Group’s compliance with King II and other relevant legislation.
- Makes recommendations to the board on annual salary increases and performance-related bonus awards.
- Reviews and approves performance-related incentive schemes, performance criteria and measurements, including share scheme allocations to executive directors and senior staff.
• Reviews and approves new remuneration methodologies for the management team including, but not limited to, incentive schemes, benefit funds and benefits related to salary-sacrifice options.
• Reviews the Group’s philosophy regarding fees payable to non-executive directors, based on recommendations from the executive directors (as a separate process from executive remuneration reviews). This must be confirmed by the board and ratified by shareholders.
• Monitors and reviews compliance with employment equity practices.

In terms of King II and the JSE Listings Requirements, the chairman of the nominations committee should be the chairman of the board, and membership of the committee must consist of only non-executive directors. MTN has combined the nominations committee, human resources and remunerations committees as well as the corporate governance committee under one committee. As such MTN is not strictly compliant with the King II recommendation. The chairman of the board is, however, a member of the NRHR & CG committee and thus able to influence the nomination processes sufficiently.

The committee is only constituted of independent non-executive directors and thus exceeds the King II and JSE Listings Requirements of non-executive directors only. Details of the committee’s attendance and membership are set out on page 98.

The committees’ chairman attended the annual general meeting during the year under review. Further details regarding directors’ remuneration and the Group remuneration philosophy are set out on page 98.

**Group tender committee**

The Group tender committee’s primary objective is to promote a sustainable and fair tender culture and to ensure that tender policies are applied consistently, always bearing in mind best business practices to develop all markets and promote economic development. The committee is chaired by an independent non-executive director. The committee’s charter, which is approved by the board and reviewed periodically, aims to promote an effective, transparent and independent procurement and tender evaluation process. The committee, however, only reviews high-level tenders as the need arises. Various lower-level tender committees are in place group-wide to ensure that all other tenders are reviewed with the same level of efficiency. The chairman of the tender committee will be replaced by another independent chairman due to the appointment of the current chairman to the board.

Details of attendance and membership are set out on page 98.

**Code of conduct**

The MTN Group is committed to promoting the highest standards of ethical behaviour among its directors, management and employees. In accordance with this objective and in the interests of good corporate governance, the code of conduct is subject to review annually and is cascaded down to all operations.
Group company secretary
Ms SB Mtshali is the Group company secretary. The company secretary is a central source of information and advice to the board and within the Company on matters of ethics and good governance. Together with the investor relations department, the company secretary provides a direct communication link with investors and liaises with the Company’s share registrars on all issues affecting shareholders. The company secretary assists the board in its deliberations, drawing the attention of members to their legal duties and ensuring, together with the executive directors and senior management, that decisions of the board are properly implemented.

This office also communicates and monitors compliance, among others, with the Group trade embargo policy, ensuring that no employee, executive director or non-executive director is allowed to deal in the Company’s securities during prohibited periods.

The company secretary provides the board as a whole and directors individually with guidance on the discharge of their responsibilities. Appointment and removal of the company secretary are matters for the board as a whole. The company secretary ensures that in accordance with pertinent legislation, the proceedings and affairs of the board and its members, the Company itself and, where appropriate, the owners of securities in the Company, are properly administered. The company secretary ensures compliance with the rules and Listings Requirements of the JSE Limited. The company secretary also assists in developing the annual board plan, administers the long-term incentive schemes and ensures compliance with the statutory requirements of the Company and its subsidiaries.

Compliance office
A compliance function has been established within the company secretary office, responsible for advising and assisting the board of directors and management in implementing the awareness and assessment of compliance with the regulatory environment. MTN understand that compliance with laws, regulations and all governance frameworks promotes and sustains the reputation and standing of a company.

Group executive: regulatory affairs
MTN Group has 21 operations in Africa and the Middle East. There are many regulatory issues that are applicable in these operations. During the year under review, a Group Executive: regulatory affairs was appointed to advise the Group of related legal developments in various operations.

Stakeholder communication
MTN strives to have transparent, open and clear communication with all of its relevant stakeholders. It is the policy of the Company, where practical, to ensure that financial and non-financial information is timeously and accurately disseminated to relevant stakeholders. To communicate Group strategy and performance, regular presentations are made by executive directors and senior management to institutional investors, analysts and the media.
A corporate website (http://www.mtn.com) communicates the latest Group financial and operational data, as well as relevant historical information.

The MTN Group encourages shareholders to attend the annual general meeting, which provides an opportunity for shareholders to raise pertinent questions and to interact with directors. A summary of the proceedings of all general meetings and the outcome of voting on items of business are posted on the website immediately following the AGM.

**Political donation policy**
MTN supports multi-party democracy in South Africa and good governance and healthy competition of ideas in the country’s policy-making environment through its political funding policy. Parties that receive funding are chosen using verified provisions from the Independent Electoral Commission. To qualify for funding, political parties must be registered in terms of section 15 of the Electoral Commission Act, No 57 of 1996, and must have parliamentary representation. During the year under review, the Company distributed funding in support of the democratic elections held in South Africa.

**Integrated sustainability reporting**
In accordance with King II, MTN understands that the principle of transparency in reporting sustainability information is a critical element of effective reporting. The key consideration is whether the information provided has allowed stakeholders to understand the key issues affecting the Company as well as the effect the Company’s operation has had on the economic, social and environmental wellbeing of the community, both positive and negative.

To ensure that the Company has focus on sustainability issues a Group sustainability manager has been appointed. A full sustainability review appears on page 70 to page 90 of this report.

**Sponsor**
MTN fully understands the role and responsibilities of the sponsor as described in the JSE Listings Requirements. On February 2009, Deutsche Securities (Pty) Limited was appointed the Company’s sponsor replacing Merrill Lynch South Africa (Pty) Limited. MTN has a sound relationship with its sponsor and considers that they have discharged their responsibilities with due care and skill.
Risk management and internal control

The Group has adopted a risk philosophy that is aimed at maximising business success and shareholder value by effectively balancing risk and reward.

Overview
As a Group that operates in and understands emerging markets, MTN believes that risk management and internal control are fundamental to effective corporate governance and the development of a sustainable business. The Group has adopted a risk philosophy that is aimed at maximising business success and shareholder value by effectively balancing risk and reward.

MTN’s objective has always been to embed risk management and internal control into the day-to-day running of the business in a practical manner. This involves continual proactive identification and understanding of risk factors and events that may impact business objectives, development of appropriate response strategies and internal control mechanisms, continual monitoring and reporting and independent assurance. This is achieved through the implementation of various risk management and governance mechanisms. These include:

• Monitoring the effective implementation by the various operations’ chief executives and other management of corporate governance measures.
• Embedding risk management procedures into day-to-day activities such as business planning, operational reviews, projects etc.
• Business risk management functions in most operations to facilitate, co-ordinate and monitor the effective implementation of risk management mechanisms.
• Assurance from internal audit and external audit on the internal control environment.
• Audit and risk committees in all operations.
• Group oversight.

MTN has taken cognisance of the new requirements of King III and has initiated a project to assess gaps between MTN’s current risk management practices and the requirements of King III. The gaps will be assessed and current practices and systems will be adapted where necessary.
Roles and responsibilities
Board of directors
The Group board of directors is ultimately responsible for oversight of proper risk management and internal control mechanisms and is supported by two subcommittees, namely the Group audit committee and the Group risk management and compliance committee. The Group audit committee is the oversight body for the implementation of adequate and effective internal control mechanisms in the Group. The Group risk management and compliance committee is the oversight body for risk management in the Group. It sets and approves the risk management framework, and reviews the overall effectiveness of risk management structures and response strategies. At a lower level, each operating company has its own audit and risk committee which is a subcommittee of the board of directors of that operating company. These committees are chaired by independent non-executive directors and essentially mirror on a lower level the role of the Group audit committee and Group risk management and compliance committee. These committees report to the Group committees on a regular basis to ensure oversight from a Group perspective.

Management
Management of the Group is responsible for the implementation of adequate and effective internal control mechanisms at an operational level. Management is represented at a Group level by the Group executive committee, headed by the Group president and chief executive officer, and at an operating company level by the chief executive officer of each operating company.

Independent business risk management function
Business risk management is an independent function responsible for the disciplines of enterprise risk management, internal audit and fraud risk management. It has more than 160 risk, internal audit, fraud risk and forensic specialists across the 21 operating countries of which more than two-thirds are internal audit specialists. The internal audit discipline within business risk management is independent from the risk management discipline and does not get involved in risk management activities. Business risk management is headed by a Group executive who reports directly to the Group president and chief executive officer and has direct access to, and regular meetings with, the chairpersons of the Group audit committee and Group risk management and compliance committee. MTN now has business risk management functions in all of its operations with oversight from the Group business risk management function. The activities of the business risk management function are guided by a set of policies, frameworks and methodologies which have been approved by the Group audit committee and Group risk management and compliance committee.

Risk management and internal control mechanisms
Risk appetite
MTN’s risk appetite is determined by type of risk. This allows for a more controlled way of managing risk levels. A formal risk escalation structure was implemented at the end of 2009 based on MTN’s risk-bearing capacity and a set of risk thresholds at various levels in the Group. Aggregation of total risk is done qualitatively and the Group risk management and compliance committee assesses the acceptability of MTN’s consolidated risk profile.
Enterprise risk management
As far as enterprise risk management is concerned, the business risk management function is responsible for ensuring the existence of an effective framework for risk management and driving the implementation of this framework throughout the Group. This is done by assisting and advising management on the topic and by ensuring effective reporting and escalation of risks.

The process of risk management in the Group is guided by a risk framework which is based on best practice risk management procedures. The Group business risk management function, together with management, has the mandate and responsibility of ensuring that adequate risk management processes are implemented in all areas of the business in line with the risk framework. During the year under review, significant progress was made with the migration of decentralised risk databases to a consolidated risk database. This will allow for better analysis, monitoring and reporting.

Insurance and risk transfer
MTN has a comprehensive insurance programme in place which covers perils such as material damage/business interruption, political risk, public liability, directors’ and officers’ liability, crime and professional indemnity. The limits of indemnity for these covers have been structured to optimise the balance between maximum potential loss and containing premiums. MTN also believes that risk retention and self-insurance are necessary to keep premiums at reasonable levels and show commitment towards risk management. MTN’s risk retention levels differ from policy to policy.

Fraud risk management
The fraud risk management function is responsible for assessing fraud risk across the Group and driving the implementation of fraud prevention activities, which include whistleblowing processes. Fraud risk management is also responsible for detecting and investigating fraud. The implementation of fraud prevention mechanisms in the Group remains a priority. There was an increase in the number of fraud and theft cases reported in 2009. We believe that this was not because of an increase in fraud and theft activities, but mainly the result of the implementation of improved fraud prevention and detection mechanisms. These included the implementation of a Group-wide fraud incident register, conducting fraud risk assessments in most operations and the use of improved whistleblowing mechanisms. The overall value of fraud and theft incidents uncovered to date is not material.

In 2010, MTN will focus on the following inherent fraud risk categories from both a fraud risk and internal audit point of view:
• Procurement – conflict of interest and collusion with suppliers
• Asset and inventory theft
• Site acquisition and construction
• Manipulation of billing data
• Bribery and corruption

Internal audit
MTN has a substantial internal audit discipline function which is responsible for providing independent internal audit assurance to the Group. The independence of the internal audit discipline is maintained by ensuring that internal audit employees are not involved in risk management activities and by virtue of the fact
that internal audit work is ultimately governed by the Group audit committee. The internal audit charter, which has been approved by the Group and the operating companies’ audit committees, also provides for the independence of the internal audit function.

Internal audit activity in the Group has been increasing for the past few years with total internal audit hours in 2009 rising to 110,000 from 98,000 in 2008. Internal audit assurance is guided by extensive risk evaluation. Projected internal audit hours for 2010 are in excess of 130,000 hours. The Group is now reaching the point where internal audit coverage extends to most operations and most high-risk processes. The distribution of these hours in the various core business areas can be illustrated as follows:

% audit hours
- Procurement
- Asset management
- Customer relations
- Facilities
- Finance
- Human resources
- IT/IS/network
- Marketing
- Revenue assurance
- Sales and distribution
- Warehouse and stock management
- Other (legal, company secretary, follow-up)

The split of audit hours planned for 2010 between the various country operations is illustrated as follows:

**Total audit hours**

- Nigeria
- SA
- Ghana
- Cameroon
- Uganda
- Côte d’Ivoire
- Iran
- Liberia
- Rwanda
- Yemen
- Zambia
- Congo
- Guinea Conakry
- Benin
- Syria
- Swaziland
- Sudan
- Guinea Bissau
- Afghanistan
- Cyprus

There has been major focus on the improvement of the quality and maturity of internal audit coverage over the past year and these efforts will continue into 2010 with an eventual external quality assessment planned for 2011. Outsourcing arrangements on some internal audits add to the objectivity and independence of the internal audit work undertaken.
Principal risks
The board believes that management has identified the core risks in relation to the Group. These, as displayed in the graphic alongside, are categorised into operational, telecoms sector, strategy and macro-economic risks. MTN’s principal risks fall mainly into the macro-economic, telecoms sector and strategic categories.

The year under review
Strategy
The steep growth experienced by the telecommunications industry in the past is starting to slow. This is because of a number of factors ranging from strong competition, regulatory pressures as well as converging technologies. A challenge for MTN and most mobile operators is to adapt its business model and technologies from the traditional voice offerings to a converged offering including voice, data and content. MTN has made good progress in this regard with various offerings including MTN MobileMoney, MTN Play as well as a number of business solutions through MTN Business. MTN MobileMoney has been launched in a number of countries with good uptake. MTN has committed in excess of USD191 million of investment in various submarine broadband cables to ensure high-speed connectivity and improved quality and capacity of voice and data offerings.

In addition to building new revenue growth models, MTN is continuing to focus on improving operational efficiencies in order to keep operational expenditure under control and maintain competitive EBITDA levels.

International sanctions against some countries in which MTN operates, pose a threat to the MTN Group with regards funding arrangements, supply chain management, investor relations etc. The Group is actively aware of these situations and has taken appropriate mitigating action wherever possible.

Sector
The regulatory environments in the MTN operating countries define special conditions under which MTN operates. These conditions are very dynamic, changing from time-to-time and are becoming more complex. During the period under review, MTN has seen a number of regulatory instruments introduced in many markets. These include the registration of SIM cards, changes to mobile termination rates, site sharing and the promulgation or repeal of telecommunication legislation and regulations. These are deemed to have been made under legislative and licensing regimes that gave rise to the first wave of licences to MTN. Regulatory pressure will continue to impact the Group. The Group continues to monitor and engage with policy makers and regulators in order to align its investment with the various regulatory and policy road maps.
MTN will likely face increased competition as the telecoms industry continues to consolidate.

**Macro**

The political situation in some of the countries in which MTN operates continues to be challenging. The year under review has been characterised by security, political and social unrest challenges.

These challenges are often beyond MTN’s ability to control and may negatively impact on the Group. MTN is confident that its risk management strategies in response to these risks have mitigated the risk to the Group. These strategies include strict compliance with regulations, physical security measures, the establishment of a Group crisis operations centre, risk transfer and insurance strategies and good corporate citizenship.

Exposure to financial markets remains a risk to the Group. This risk has many facets including exposure to currency fluctuations, interest rate changes, liquidity and counterparty risk. These risks are managed through a centralised treasury function with the implementation of various mechanisms and procedures including a Group treasury policy.

**Operational**

In the past few years, MTN has made significant progress in reducing the risks associated with network performance in certain countries. This is a result of considerable capital expenditure which peaked at more than R32 billion in 2009.

The repatriation of earnings from most of the Group’s operations has continued as planned in 2009, and good progress was made in overcoming the existing barriers to repatriation in certain countries.

MTN has stepped up its efforts to standardise processes across the Group with specific attention given to capital project management, network site build, activity-based costing and human resources. However, ongoing focus is still required.

The business continuity management project has made good progress in the past year with a number of countries now having formal business continuity projects in progress or, in certain cases, completed.

Increased requirements from King III on the governance of information technology are being assessed and any potential shortcomings will be addressed.

A comprehensive tax risk management strategy has been implemented to improve the management of tax risk.

The availability and depth of technical and leadership skills in certain MTN operating countries remains a challenge to the Group. However, the MTN Academy is now well established and its focus on leadership development and e-learning on technical aspects, together with other leadership development initiatives, will assist in the years ahead.
## Glossary

### Terms and acronyms

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<td>2G</td>
<td>Second generation</td>
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<td>3G</td>
<td>Third generation</td>
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<tr>
<td>ADR</td>
<td>American depositary receipt</td>
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<td>AI</td>
<td>Africa Investor</td>
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<tr>
<td>ARPU*</td>
<td>Average revenue per user per month</td>
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<tr>
<td>ATM</td>
<td>Automatic teller machine</td>
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<tr>
<td>BA</td>
<td>Bankers’ acceptance rate</td>
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<td>BEE</td>
<td>Black economic empowerment</td>
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<td>BOT</td>
<td>Build operate and transfer</td>
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<td>Bps</td>
<td>Basis points</td>
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<td>BRM</td>
<td>Business risk management</td>
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<td>BTS</td>
<td>Base transceiver station</td>
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<td>BWP</td>
<td>Botswana pula</td>
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<tr>
<td>Capex</td>
<td>Capital expenditure</td>
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<td>CBC</td>
<td>African business awards</td>
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<td>CDMA</td>
<td>Code-Division Multiple Access</td>
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<td>CFA</td>
<td>Communauté Financière Africaine franc</td>
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<tr>
<td>CGU</td>
<td>Cash-generating unit</td>
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<tr>
<td>CSR</td>
<td>Corporate social responsibility</td>
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<td>CST</td>
<td>Communication service tax</td>
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<td>dti</td>
<td>South African Department of Trade and Industry</td>
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<td>E</td>
<td>Emalangeni</td>
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<tr>
<td>EASSy</td>
<td>Eastern Africa Submarine Cable System</td>
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<tr>
<td>EBITDA</td>
<td>Earnings before interest, tax, depreciation and amortisation</td>
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<tr>
<td>ECA</td>
<td>Electronic Communications Act of South Africa</td>
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<td>ECICSA</td>
<td>Export Credit Insurance Corporation of South Africa</td>
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<td>EMF</td>
<td>Electromagnetic field</td>
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<td>EPS</td>
<td>Earnings per share</td>
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<td>eTOM</td>
<td>enhanced telecom operations map</td>
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<td>EUR</td>
<td>Euro</td>
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<td>EURIBOR</td>
<td>Euro Interbank Offered Rate</td>
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<td>EVD</td>
<td>Electronic voucher distribution</td>
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<td>EXCO</td>
<td>Executive committee</td>
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<td>FEC</td>
<td>Forward Exchange Contract</td>
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</table>

*ARPU is measured on a monthly basis. The revenue (including interconnect fees but excluding connection fees and visitor roaming revenue) is divided by the weighted average subscriber base over the reported period.*
### Glossary

**Terms and acronyms (continued)**

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<th>Description</th>
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<td>Federation Internationale de Football Association</td>
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<td>FIPPA</td>
<td>Foreign Investment Promotion and Protection Act</td>
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<td>FMCG</td>
<td>Fast moving consumable goods</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>GHC</td>
<td>Ghana cedi</td>
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<td>GPRS</td>
<td>General packet radio service</td>
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<td>GRI</td>
<td>Global Reporting Initiative</td>
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<td>GSM</td>
<td>Global system for mobile communications</td>
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<td>HEPS</td>
<td>Headline earnings per share</td>
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<td>HIV/AIDS</td>
<td>Human immunodeficiency virus/acquired immune deficiency syndrome</td>
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<td>HR</td>
<td>Human resources</td>
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<td>HSDPA</td>
<td>High speed downlink packet access</td>
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<td>IAS</td>
<td>International Accounting Standards</td>
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<td>ICASA</td>
<td>Independent Communications Authority of South Africa</td>
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<td>ICT</td>
<td>Information and communication technologies</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IFRIC</td>
<td>International Financial Reporting Interpretation Committee</td>
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<td>IFRS</td>
<td>International Financial Reporting Standards</td>
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<td>IP</td>
<td>Internet protocol</td>
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<td>IRR</td>
<td>Iranian rials</td>
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<td>IS</td>
<td>Information Systems</td>
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<td>ISO</td>
<td>International Standards Organisation</td>
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<td>ISP</td>
<td>Internet service provider</td>
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<td>ITIL</td>
<td>Information technology infrastructure library</td>
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<td>IVR</td>
<td>Interactive voice response</td>
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<td>JSE</td>
<td>JSE Limited – the South African stock exchange</td>
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<td>JIBOR</td>
<td>Johannesburg Interbank Offered Rate</td>
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<td>King II</td>
<td>King committee report on corporate governance 2002</td>
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<td>LCs</td>
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<td>LIBOR</td>
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<td>LTE</td>
<td>Long-term evolution</td>
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<td>NRHR &amp; CG</td>
<td>Nomination, remuneration, human resources and corporate governance committee</td>
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Glossary continued

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<tr>
<td><strong>MCharge</strong></td>
<td>MTN’s virtual recharge mechanism</td>
</tr>
<tr>
<td><strong>MENA</strong></td>
<td>Middle East and North Africa region includes operations in Iran, Afghanistan, Syria, Yemen, Cyprus and Sudan</td>
</tr>
<tr>
<td><strong>MMS</strong></td>
<td>Multimedia messaging service</td>
</tr>
<tr>
<td><strong>MNP</strong></td>
<td>Mobile number portability</td>
</tr>
<tr>
<td><strong>MOU</strong></td>
<td>Minutes of use</td>
</tr>
<tr>
<td><strong>MPLS</strong></td>
<td>Multiprotocol label switching</td>
</tr>
<tr>
<td><strong>NCC</strong></td>
<td>Nigerian Communications Commission</td>
</tr>
<tr>
<td><strong>NGN</strong></td>
<td>Next-generation networking</td>
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<tr>
<td><strong>NGN</strong></td>
<td>Nigerian naira</td>
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<tr>
<td><strong>NIBOR</strong></td>
<td>Nigerian InterBank Offered Rate</td>
</tr>
<tr>
<td><strong>NokNok</strong></td>
<td>MTN’s instant social messaging chat service, launched in 2007</td>
</tr>
<tr>
<td><strong>NTC</strong></td>
<td>National Telecommunications Corporation</td>
</tr>
<tr>
<td><strong>off-net</strong></td>
<td>Telephone calls originating and terminating on different networks</td>
</tr>
<tr>
<td><strong>O IETA I</strong></td>
<td>Organisation for Investment Economic and Technical Assistance of Iran</td>
</tr>
<tr>
<td><strong>on-net</strong></td>
<td>Telephone calls originating and terminating on the same network</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>Profit after tax</td>
</tr>
<tr>
<td><strong>PAYG</strong></td>
<td>Pay as you go</td>
</tr>
<tr>
<td><strong>PIC</strong></td>
<td>Public Investment Corporation</td>
</tr>
<tr>
<td><strong>PIN</strong></td>
<td>Personalised identification number</td>
</tr>
<tr>
<td><strong>postpaid/contract</strong></td>
<td>Services for which the subscriber has a contract and pays monthly</td>
</tr>
<tr>
<td><strong>PTO</strong></td>
<td>Public telecommunications operator</td>
</tr>
<tr>
<td><strong>prepaid</strong></td>
<td>Services for which the subscriber pays in advance</td>
</tr>
<tr>
<td><strong>PSTN</strong></td>
<td>Public switched telephone network</td>
</tr>
<tr>
<td><strong>PWC</strong></td>
<td>PricewaterhouseCoopers</td>
</tr>
<tr>
<td><strong>RICA</strong></td>
<td>Communication-Related Information Act</td>
</tr>
<tr>
<td><strong>SAICA</strong></td>
<td>South African Institute of Chartered Accountants</td>
</tr>
<tr>
<td><strong>SARS</strong></td>
<td>South African Revenue Services</td>
</tr>
<tr>
<td><strong>SARs</strong></td>
<td>Share Appreciation Rights Scheme</td>
</tr>
<tr>
<td><strong>SDG</strong></td>
<td>Sudanese pounds</td>
</tr>
<tr>
<td><strong>SEA</strong></td>
<td>South and East Africa includes operations in South Africa, Botswana, Swaziland, Uganda, Rwanda and Zambia</td>
</tr>
<tr>
<td><strong>SHE</strong></td>
<td>Safety, health and environment</td>
</tr>
<tr>
<td><strong>SIM</strong></td>
<td>Subscriber identity module</td>
</tr>
<tr>
<td><strong>SME</strong></td>
<td>Small and medium enterprise</td>
</tr>
<tr>
<td><strong>SMS</strong></td>
<td>Short message service</td>
</tr>
<tr>
<td><strong>SP</strong></td>
<td>Service provider</td>
</tr>
</tbody>
</table>
### Glossary

**Terms and acronyms (continued)**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>SPE</td>
<td>Special purpose entities</td>
</tr>
<tr>
<td>STC</td>
<td>Secondary taxation on companies</td>
</tr>
<tr>
<td>SPV</td>
<td>Special purpose vehicle</td>
</tr>
<tr>
<td>STRATE</td>
<td>Share Transactions Totally Electronic</td>
</tr>
<tr>
<td>subscriber</td>
<td>A customer who has participated in a revenue generating activity within the last 90 days</td>
</tr>
<tr>
<td>SYP</td>
<td>Syrian pound</td>
</tr>
<tr>
<td>SRI</td>
<td>Social responsible investment index</td>
</tr>
<tr>
<td>TCI</td>
<td>Telecommunications Company of Iran</td>
</tr>
<tr>
<td>TDM</td>
<td>Time division multiplexing</td>
</tr>
<tr>
<td>UCT</td>
<td>University of Cape Town</td>
</tr>
<tr>
<td>Unisa</td>
<td>University of South Africa</td>
</tr>
<tr>
<td>USD</td>
<td>US dollar</td>
</tr>
<tr>
<td>UGX</td>
<td>Uganda shilling</td>
</tr>
<tr>
<td>VGC</td>
<td>VGC Communications Limited</td>
</tr>
<tr>
<td>VoIP</td>
<td>Voice over internet protocol</td>
</tr>
<tr>
<td>VP</td>
<td>Vice president</td>
</tr>
<tr>
<td>WECA</td>
<td>West and Central Africa includes operations in Nigeria, Cameroon, Côte d’Ivoire, Ghana, Benin, Liberia, Guinea Republic, Guinea-Bissau and Congo-Brazzaville</td>
</tr>
<tr>
<td>WiMax</td>
<td>Worldwide interoperability for microwave access/broadband wireless technology</td>
</tr>
<tr>
<td>ZAR</td>
<td>South African rand</td>
</tr>
<tr>
<td>ZCA</td>
<td>Zambian Communications Authority</td>
</tr>
<tr>
<td>ZMK</td>
<td>Zambian kwacha</td>
</tr>
</tbody>
</table>