



**MTN Group Limited**

**DATE: 31/10/2008**

**MTN Q3 Results**





Speaker	Narrative
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<p><b>Operator</b></p>	<p>Good afternoon and welcome to the MTN third quarter results presentation. All participants are now in listen only mode, and there will be an opportunity to ask questions at the end of today's presentation. If you should need assistance during the conference then please signal an operator by pressing star and then zero. Please also note that this conference is being recorded. I would now like to turn the conference over to Phuthuma Nhleko. Please go ahead.</p>
<p><b>Debbie Miller</b></p>	<p>Hi. Before Phuthuma starts I think I will just introduce everybody. This is Debbie Miller, Head of Investor Relations. Thanks for joining us for the MTN trading update for the period ended 30<sup>th</sup> September 2008. With me here today are Phuthuma Nhleko, group CEO, Rob Nisbet, group CFO, Sifiso Dabengwa, group COO, Tim Lowry, VP of the SEA region, Jamal Ramadan, VP of the MENA region and Christian de Faria, VP for the WECA region. Phuthuma is going to give a brief overview of the group's trading performance for the quarter as well as a little bit of an outlook for the group, and therefore we will move onto the Q&amp;A which I understand the operator will assist with.</p>
<p><b>Phuthuma Nhleko</b></p>	<p>Thank you very much, Debbie, and good afternoon to everybody. It's a pleasure for me to give this trade update for Q3. I think we'll had a fairly satisfactory quarter notwithstanding the fairly difficult trading conditions in most of our operations as well as impending competition that we've seen in the last six months. The group in the last quarter, which was Q3, increased its subscribers from 74 million at the end of June 2008 to just under 81 million subscribers at the end of September. Of course we do report the performance on a regional basis. If we begin with the South and East Africa region, referred to as the SEA region, this region contributed 28% of the group's performance. And the West and Central Africa region, 44%. And the Middle East and North Africa region, 28%.</p> <p>In looking at the performance of the SEA region we will of course see that South Africa is the largest contributor, contributing 72% to the region's growth of 7% for the quarter, and with the South African subscribers increasing 4% to the end of September 2008. We were fairly pleased with the net post-paid connections which I think were satisfactory after we had a challenging Q1 and Q2, as those two quarters were affected by the reversal of the on-biller post-paid challenge that we had. I think prepaid growth has been exceptionally strong, and that growth has been underpinned by the proposition that we call MTN Zone, which effectively is a form of dynamic tariffing in a lot of countries where there is an opportunity to take advantage of network capacity. We have now enhanced the MTN Zone product to include off-net calls, and we will see the product continuing to grow even though we are already at about 6.5 million subscribers in South Africa.</p> <p>MTN South Africa's ARPU increased by 1%, which really is an indication that the rising inflation has not had as unfavourable an impact as one may have expected on the quantum of disposable income allocated to the telecoms sector. We also managed to effectively double the capex rollout in South Africa, and have rolled out a significant number of sites on both 2G and 3G.</p>



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Of course I must say the Southern African results in particular have to be seen in the context of the recent volatility, and given that at the end of September we were on a Dollar to ZAR exchange ratio of R8.30. Of course during this period this didn't have as large an impact on the South African operations.

If we look at Uganda, which is the other material operation within the SEA region, they have increased the subscriber base during this Q3 quarter alone by 16% following the introduction of MTN Zone, which was only launched in July 2008. They now have approximately two million subscribers on this product. And we also have to say that we have seen an increase in the APRU in Uganda by 1% in Dollar terms, but of course we've had a decline of 4% in local currency terms.

Looking at the West Africa and Central African region, this region recorded a very strong 10% growth in subs during Q3. Nigeria of course is still the main contributor with 56% of subs in the region coming from Nigeria. We also have during the Q3 period increased the BTS rollout quite significantly. We rolled out an additional 524 sites during that quarter. This has gone a long way to helping us improve the quality of service in Nigeria to an extent that the regulator was quite happy to lift the advertising ban. We've also seen a 1% increase in the ARPU in Nigeria, which is quite consistent with the local currency ARPU increase as well.

In Ghana we also had some fairly strong growth during Q3, and the subscriber base there grew by 14% during Q3 to a total of 5.7 million. Once again, I think the logistics management of the rollout has improved significantly in most of these countries. In the case of Ghana we were able to roll out 377 BTS sites during that quarter. Ghana had a 9% decrease in ARPU, really as a result of in the first instance the increased penetration to lower segments in the market. But of course we also had the weakening of the Ghanaian currency against the Dollar. The foreign exchange impact on the ARPU was around 5%. In other words the impact of the forex movement on that ARPU number was 5%. Within the WECA region MTN Zone was introduced in Ghana, Cameroon and Benin, and I think we continue to do relatively well with that product.

The Middle East and North Africa, again we've had a fairly strong growth in subs in this region during Q3 to 22.6 million for up until 30 September 2008. And the strong growth in this region is of course driven primarily by the growth in Iran. Iran increased its subscribers by 13% to 13.1 million. So the net additions for the quarter are very much, in our view, in line with the Q3 additions for the prior year, but lower than the first quarters of the year. So this of course has to be put in context. Ramadan did have an impact. We would expect to continue to push up the pace over the next few months.

In Sudan, as you're all aware, we reported during the half year results that we had some challenges in having to disconnect over one million subscribers as a result of certain requirements imposed by the regulator in having people registered for security reasons. But I'm glad to say that we have started to show a significant improvement with a 7% increase in subscribers to 2.2



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million. Sudan will continue to receive a lot of focus and resources from the group.

MTN Syria had a fairly modest increase of only 2%. Again this was primarily because of the Ramadan period, and it would appear that countries do get affected differently by this. But I think in the case of Syria there has been quite a marked slowdown, and we're hoping it will pick up in the next few months. I think it is worth saying that of course in Iran and Syria and Sudan the ARPU remains fairly strong, notwithstanding that these are operations that are very susceptible to seasonal trends and increased penetration.

I think generally, before getting to a conclusion, I would say that given the fairly challenging trading environment for companies given the debt crisis and so on, I'm happy to say that MTN's holding companies have relatively limited re-financing requirements, and more importantly we have sufficient facilities to cover those, as well as a fairly meaningful cash balance across the group and continued strong cash generation from the operations. That does allow management to remain highly focussed on the operations. I think the overall performance for the group throughout the quarter has been fairly strong. We are relatively on track on the subs and capex guidance that was given at the end of June. I would, however, like to take the opportunity to update some numbers in the guidance that we gave you at the end of June. I'll just go through the top six countries.

In the case of South Africa we said that the net adds would be 2.2 million for this year, ending at 16.9 million, and we still expect to achieve that. In the case of Nigeria we said net adds would be 5 million. We have upgraded that to 5.5 million, which means that Nigeria should end with 22 million subscribers at the end of the year. In Ghana we have upgraded our net adds from 1.3 million to 2.1 million, and the total adds at the end of the year for Ghana would therefore be 6.1 million. For Iran we had given a guidance of 8.5 million as the net adds. We have increased that by a million to 9.5 million, so we would expect Iran to end at 15.5 million for the year. In Syria because of the impact of Ramadan we have reduced that guidance slightly from 680,000 adds to 500,000 adds. So the year end total for Syria should be 3.6 million. And in Sudan we will maintain the 500,000 additional adds for the year. They should end up at 2.5 million. And then the rest of the operations we had given guidance of 4.5 million net adds. We will increase that to 5.5 million. So the rest of the operations should come to 20.3 million.

So I think that is really the guidance on the subs. I think on the capex we are pushing. I think we indicated that we hope to have committed around R25 billion by the end of the year. I think we're still pushing towards that figure. I think going forward we will of course continue to focus on the infrastructure rollout to ensure that we take full advantage of the demand and really maximise the growth potential which is still there. A lot of these operations are still on average around 30% penetration, some meaningfully below that. And we do believe that we've established a solid platform to grow the sub base and continue to have an aggressive rollout to capture the traffic and the market share.



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	<p>The standard operational objectives that we always given you, those I think we remain highly focussed on, such as the regional operational synergies and so on. I think on the expansion front all we can say is of course we will continue to look at opportunities that will enable us to diversify the earnings of the group. We will also continue to look at areas that have an aspect of convergence on data and other areas. This is why we have acquired some ISPs. In South Africa, Verizon, which we're still waiting to have approved by the competition board, and fairly similar operations in other countries. And then lastly the objective of optimising the capital structure and leveraging the debt at head office would obviously continue. Suffice to say that we are sufficiently ahead of the guidance we had given. Yes, we were ahead at mid-year, and we still expect to be [inaudible segment] depending on what happens to the capex rollout. I think that brings us to the end of my brief overview, and we will take some questions.</p>
<p><b>Operator</b></p>	<p>Thank you very much, sir. Ladies and gentlemen, at this time if you would like to ask a question please press star and then one on your touchtone phone. If you then decide to withdraw your question please press star and then two. I'll repeat that. If you'd like to ask a question please press star and then one now. Our first question comes from Craig Hackney of BJM. Please go ahead.</p>
<p><b>Craig Hackney</b></p>	<p>Hi, good afternoon. Just two questions. We're now the end of October. Have you started to see any material impact of an economic slowdown in any of your regions? That's the first question. And then secondly is it possible for you to give us any indication of EBITDAR margins in Nigeria and South Africa in terms of whether there has been any material change from what we saw in the first half of the year? Thank you.</p>
<p><b>Phuthuma Nhleko</b></p>	<p>I think generally we haven't really seen any major impact on the slowdown. I mean of course it's very topical and there is a lot of news flow on that. We're not saying that we might not see that next year, but certainly if you look at the ARPU numbers – taking out the impacts of currency and so on – and if you look at the subs growth, I think most of our operations remain fairly strong. I think in South Africa, which is a fairly large economy, we haven't seen a slowdown that would be marked in any way. As far as the EBITDAR margins are concerned I think we did say that in South Africa this was a year where we did a lot of significant investment to take care of a number of strategic initiatives such as distribution and so on. And therefore at half year we showed a somewhat muted EBITDAR margin. And I think what we expect is by year end we expect the EBITDAR margin not to deteriorate any further and could possibly go up. But I think the worst case scenario is that it would stay the same.</p> <p>I think in the case of Nigeria we have more or less said that there is more competition coming in, therefore the higher EBITDAR margins are not sustainable. But that's not going to happen overnight. So I think the EBITDAR margin reported end of June, I think we more or less want to maintain that EBITDAR margin and are fairly confident that we will do so. In the case of Iran we reported a much higher EBITDAR margin that we had given guidance for. I think it's 29% or 30%. And again we would expect to</p>



Speaker	Narrative
	maintain that. So there may be slight differences in certain countries, but we're not expecting a huge change in EBITDAR margin at all. We would expect in most cases to maintain as a minimum what we reported at half year, and in some cases we might actually see an upturn.
<b>Craig Hackney</b>	Thank you very much.
<b>Operator</b>	Our next question comes from Reece Summerton of Citi Group. Mr Summerton, you are live in the call.
<b>Reece Summerton</b>	Hi there. A few questions a bit more specific on Nigeria where Etisalat has launched their lower price offering. Do you see any reason for MTN to respond to that? And then secondly, could you give us the churn for Iran in the third quarter, and hopefully South Africa as well. And then I'm also trying to understand the MTN Zone product. If you're opening that up to off-net calls as well, isn't that going to put more pressure on EBITDAR margins in South Africa for the second half of the year?
<b>Phuthuma Nhleko</b>	All right. On those two questions, Christian can respond on Nigeria, but I'm not aware that Etisalat has gone with a lower tariff rating. But Christian can respond. Tim, do you want to respond on South Africa and talk about the churn in Iran?
<b>Tim Lowry</b>	To answer the question about churn in South Africa, I would say the churn in South Africa, both post-paid and prepaid, is the same as it was last year. I haven't seen any deterioration there. As far as the off-net product is concerned, that has only been out on the market now for eight weeks, but we haven't seen any impact on EBITDAR margins as a result of launching that.
<b>Christian da Faria</b>	Regarding Etisalat in Nigeria, there is a lot of circulation about product and service from Etisalat. We don't see any reason at the moment to have a concrete response on any movement regarding Etisalat. We are [inaudible segment] regarding Etisalat, but it's too early to say what would be... if you want a concrete product offering of Etisalat in that case.
<b>Reece Summerton</b>	Thanks. And just the churn in Iran?
<b>Jamal Ramadan</b>	The churn in Iran is about 2.5% to about 3% per month, but I must add that because we've been in a state of quite aggressive promotion we think that will probably change going forward.
<b>Reece Summerton</b>	Thanks a lot.
<b>Operator</b>	Our next question comes from Johan Snyman of JP Morgan. Please go ahead.
<b>Johan Snyman</b>	Good afternoon. Just on MTN Zone, are there more markets which you plan to roll out MTN Zone in the next quarter or two, and if so, what markets? Thank you.
<b>Phuthuma Nhleko</b>	Look, I think we are going to look at a few more countries. I can't recall any



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	<p>country offhand, but I think Sudan certainly is one where we are going to roll out MTN Zone. There was an issue of having to change the core to be able to do that. We are looking at Liberia and [unclear]. So we are looking at a few more.</p>
<p><b>Johan Snyman</b></p>	<p>And Cameroon you have launched?</p>
<p><b>Phuthuma Nhleko</b></p>	<p>Yeah, Cameroon we have launched as well already. Ghana obviously we've done and Uganda we've done. It just works very well. Some of them in fact started MTN Zone before South Africa.</p>
<p><b>Johan Snyman</b></p>	<p>Thank you.</p>
<p><b>Operator</b></p>	<p>Our next question comes from Colin Goldstein of Cleveland Capital. Please go ahead.</p>
<p><b>Colin Goldstein</b></p>	<p>Good afternoon and well done on the numbers. Two questions. The first one is in Nigeria or Ghana you have some new competitors. Can they actually compete? How does the business work if you had to go into a new market where you had such established players like yourself in Nigeria or Ghana? Can you come from number fifth or sixth and take over number one or two? What will happen to your market share in the future? That's the first question. The second question is in terms of the Rand. Assuming the Rand Dollar at R10 to \$1, which it is now, how much higher would your 2007 numbers have been?</p>
<p><b>Phuthuma Nhleko</b></p>	<p>Okay, I think I'll ask Rob to respond as far as the currency issue is concerned, but let me just try and generally make a comment on the competition. Look, I mean the chances of anybody coming in and being number five and then becoming number one in Nigeria, you can't say it's impossible but it's practically virtually zero. Having said that we obviously don't go and take these new entrants for granted. Capacity is a big issue. I think they will find out that rolling out infrastructure in a country like Nigeria is not easy, and unless you've got the infrastructure and capacity quite frankly you can advertise all you want and do as many promotions as you want, it's not going to translate into a meaningful business proposition. But of course we are aware that unless we consolidate our position, which we continue to do, our market share could come under pressure.</p> <p>There has been a lot of discussion about market share in Nigeria. I think part of the problem is in the case of MTN the definition of subscribers isn't crystal clear. It's really, as we've said in the release, somebody who has generated revenue in the last 90 days. I think in the other competitor definition it's not clear. If you look at sharing of revenues it's very significant. All I'm saying is we've now had the experience. Uganda was another one where one or two operators came in, but the capacity and infrastructure quickly becomes the real test for the promotions that you kick off with. We are very alert. You will see that in almost all these countries we have basically doubled the pace at which we roll out the networks. And of course we keep a very beady eye on how much capex we do put in there, but suffice to say that MTN is very well positioned in almost all these markets to continue to hold its number one</p>



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<b>Rob Nisbet</b>	<p>position. Rob, do you want to comment on the currency?</p> <p>I think the issue is there are cross- rates you have to look at. So the straight Rand devaluation against the Dollar, depending on what happens to the other cross-rates doesn't mean much at all. So if you had to look at the Naira, for argument's sake, which as you know has been pretty strong to the Dollar – it has actually strengthened in the last year – and then you look at the contribution of Nigeria to the overall results and you just apply a 40% on that, then from that perspective you'd come through with an impact on revenue of most probably somewhere in the region of 10% or 12%, EBITDAR of most probably 14%. But you have to look at every single cross-rate and then make your assumption on what's going to happen on those. So some of the underlying currencies have devalued with the sensitivity of the Dollar, and others have remained fairly static. So a difficult question to answer.</p>
<b>Colin Goldstein</b>	Thank you.
<b>Operator</b>	Our next question comes from John Slettevold of UBS. Please go ahead.
<b>John Slettevold</b>	Thanks. The question is relating to Nigeria. I'm just wondering if you're seeing a significant impact from operators like Starcomms and Multi-Links in Nigeria. In other words, are they now starting to have an impact on the competitive environment and the way you're thinking about your business there?
<b>Christian da Faria</b>	I think the impact so far has been [unclear]. We are still really [unclear] as an impact felt on our business, and the value proposition of those operators is really limited in terms of corporates and [unclear]. We don't feel a huge threat going forward from these operators. [Inaudible segment]. There is a limited impact so far on our business and going forward we also don't see a big threat.
<b>John Slettevold</b>	Thanks.
<b>Operator</b>	Ladies and gentlemen, a reminder that if you would like to ask a question please press star and then one. Our next question comes from Nick Kershaw of Macquarie. Please go ahead.
<b>Nick Kershaw</b>	Hi, good afternoon. Congratulations on a great set of numbers. Just a quick question on Sudan. Could you give us an update? I know there were some technical issues there, some management issues. You were planning to roll out in southern Sudan. And really just an update on the problems that you had at the half year, how things have gone with that.
<b>Phuthuma Nhleko</b>	I think there are maybe a few elements. I think first of all in terms of the rollout in southern Sudan, we have started rolling out in southern Sudan. And I must say that actually the MTN brand in southern Sudan is very strong because the people that see it, it's almost like an extension of Uganda in many features. But nevertheless it's very strong, and we will continue to roll out, particularly in 2009. And the gap between us and our competitors in



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	southern Sudan is very small, so we've got a fair chance that we are a strong player and will dominate that part of the country.
<b>Phuthuma Nhleko</b>	As far as management issues are concerned we have had a change of management teams, and we are busy formulating strategies that hopefully will be put in place as we speak. Of course we've literally got two months left in the year, so we would expect the pick-up to be in Q1. Sifiso, do you want to comment on the technical issues?
<b>Sifiso Dabengwa</b>	Those technical issues were resolved and we don't have too much of a problem anymore.
<b>Christian da Faria</b>	[Inaudible segment] and this will also help us getting to the value proposition in terms of commercial and marketing.
<b>Nick Kershaw</b>	Thanks. And then just two other questions if I may. How many data subscribers have you got in South Africa? That's the one question. Then the second question is I know you said that in Syria the slower quarterly additions were due to the Ramadan period, but last year that didn't seem to have any impact at all.
<b>Phuthuma Nhleko</b>	Let me answer this question first and then Tim will talk about the data subscribers in South Africa. I think, Nick, that's quite correct, but something which we also mentioned is that Syria is a managed [unclear] market. You can't put out products and you can't go too far ahead of your competitor. When that happens, as legislated they have to ask you to slow down. So it was Ramadan, and we were ahead of Celtel and we were asked to slow down so they could catch up. That's just the nature of the market.
<b>Christian da Faria</b>	Also this year Ramadan was a real calendar month, and so the effect was bigger in September as compared to last year where part of it was on the third quarter and part on the first quarter.
<b>Nick Kershaw</b>	Thanks.
<b>Tim Lowry</b>	Okay, Nick. This time last year we had 22,000. We have now got 75,000.
<b>Nick Kershaw</b>	Okay.
<b>Tim Lowry</b>	And the other interesting fact is the ARPU last year at this time was 308 and the ARPU on data lines now is 396.
<b>Nick Kershaw</b>	396. Great. Thank you very much.
<b>Operator</b>	Our next question comes from Nolan Menarkanson [?] of BJM. Please go ahead, sir.
<b>Nolan Menarkanson</b>	Hi. Just going back to the currency issue. Looking at the Naira it seems to me to be the only commodity currency that has not weakened. It looks a little bit out of place given the country's reliance on commodities, notably oil. What are you seeing in the market? Can you just explain to me how this currency



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<p><b>Rob Nisbet</b></p>	<p>works? It obviously looks like some kind of intervention there. And if it had to move can you just run those sensitivities again?</p> <p>If you look at the underlying economy, even if you had to go back to where we initially went in there way back in 2001, at that point in time the oil price was around \$16 to \$18 a barrel. And then it picked up fairly quickly to about \$25 to \$30. I mean it took a long time before those oil revenues found it's way into the economy. So Nigeria grew pretty quickly notwithstanding the fact that those underlying revenue streams that were flowing into the country weren't finding their way to the underlying consumers. From an overall perspective, and I have to tell you I'm not an expert at all, people do say that they don't believe you'll see a major deterioration coming through below about \$60. Some people even go as low as \$45 that you wouldn't expect to see a major deterioration.</p> <p>But I have to tell you, your view is probably as good as mine on that. But the government did revise their budget down to \$45 from \$65 a barrel, and they have taken cognisance of that. So when they did they budget it's not as if they did their budget at \$130 a barrel in any case. They did their initial budget at \$65, which does show constraint from a budgetary perspective, and fairly good fiscal policies coming through. To play those currency games that we were going through before obviously you have to look at the cross rates. So if the Naira devalues against the Dollar is it going to devalue against the Rand, or where is it going to go relative to the Rand? So I'm not too sure how you want me to play that game, but it's quite easy to play as you know.</p>
<p><b>Nolan Menarkanson</b></p>	<p>What I guess I'm getting at is if the Naira goes as high as 140 or 150 a few years ago in the 2001 crisis. So let's assume that the Naira weakened against the Dollar by 20%, now against the Rand let's assume the Rand does what it's doing against the Dollar. What I'm getting at is that the Naira looks like an outlier. If that had to move 10% or 20% what would the sensitivity there be?</p>
<p><b>Rob Nisbet</b></p>	<p>If you had to move it 10% relative to where the Rand was, the Rand devalued more than 10% to the Dollar, so effectively that would still leave a net strengthening of the Naira to the Rand. So that would still be net positive on our results. I mean I'm not trying to be funny but the numbers are pretty easy. We gave what the average exchange rates were for the Naira to the Dollar and the Naira to the Rand in our half year results to June. So you can just play with those numbers which ever way you wish to. And the contribution to the group revenue, the contribution to the group on EBITDAR, it's a relatively easy game to play on the scenario side.</p>
<p><b>Nolan Menarkanson</b></p>	<p>Okay, thanks.</p>
<p><b>Operator</b></p>	<p>Our next question comes from Jan Louw of Avior. Please go ahead, sir.</p>
<p><b>Jan Louw</b></p>	<p>Good afternoon. Could you please just give me an indication of what the possible cannibalisation of MTN Zone of the normal traditional prepaid market in South Africa, and if it had the desired effect of rebalancing the usage for today?</p>



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<b>Phuthuma Nhleko</b>	Okay when you say cannibalisation, just to get the question clear, cannibalisation of what? In terms of revenue or people shifting into MTN Zone?
<b>Jan Louw</b>	Yes, people shifting into MTN Zone because obviously they're lower ARPU users.
<b>Tim Lowry</b>	MTN Zone has given us approximately 800,000 new customers. Of the 3.5 million you've got about 800,000 new. If you look at the MTN Zone ARPU in South Africa it is R112 against the prepaid at R94. And where we're seeing the major shift in customers is from MTN Call Per Second where about two million customers have moved to MTN Zone. And MTN Call Per Second has an average ARPU of R93. So it decreases by approximately about R19. So yes, there are moves, but they are beneficial moves to the business.
<b>Operator</b>	Our next question comes from Steven Pettifer of Merrill Lynch. Please go ahead, sir.
<b>Steven Pettifer</b>	Thank you. My question concerns competition across Africa. I just wondered, have you seen or heard of any of your competitors in any of your markets that are struggling now due to funding problems? Thank you.
<b>Phuthuma Nhleko</b>	Can you just repeat the question? [Background chat].
<b>Rob Nisbet</b>	So far to date the answer is no, we haven't. As you know there have been quite a few entrants coming in. Time will tell whether or not they manage to roll out the networks they need to, but up to now we haven't seen any impact on that side.
<b>Steven Pettifer</b>	Okay, thank you.
<b>Operator</b>	Our next question comes from Rob Forsythe of Investec Asset Management. Please go ahead.
<b>Female Speaker</b>	Hi. I'm sorry, it's not Rob. It's one of his colleagues. I just wanted to ask you a quick question about your strategy in Zambia. Could you touch a bit on infrastructure, which you talked about previously in terms of going into new regions, as well as running us through whether you're making any profit in Zambia at the moment? And if not, are you going to going forward?
<b>Phuthuma Nhleko</b>	Okay, I will talk about new regions and Tim can comment on Zambia. I am not too sure really of the essence of the question on the new regions so far as to say that as I indicated we do basically take the view that it would be useful for MTN to diversify its earnings from a fairly heavy concentration in South Africa and Nigeria. But in doing that obviously we either need to find new licences that are material enough to have that impact of diversifying our earnings or alternatively M&A activity that would make strategic sense for us. We continue to look. There was a lot of discussion in the last six months, but of course nothing came to the fore there. If you refer to geographic regions we are really saying we want to continue on the African continent to the



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	<p>extent opportunities present themselves there, or the Middle East and even further East. There are one or two opportunities that we have looked at, as you are aware. And that is still on the cards. But I hasten to add that obviously we would only do that if we thought that it was strategically consistent with what I've just said, and didn't have a huge diluting impact on the group if it ended up being a large transaction. But I think at the moment most probably people are just reviewing their positions. On Zambia, Tim, do you want to comment on Zambia?</p>
<p><b>Tim Lowry</b></p>	<p>In Zambia we are aggressively busy building network, and I think we will build about 100 base stations this year or 150 base stations this year, and we have a target of about 200 next year, which will significantly reduce the advantage that our major competitors have had. As far as the business is concerned it is EPA [?] positive. But our primary focus at the moment is building network and acquiring customers.</p>
<p><b>Female Speaker</b></p>	<p>And are you looking at acquiring a 3G licence in Zambia?</p>
<p><b>Tim Lowry</b></p>	<p>To my knowledge we have one, and we are looking at awarding a tender for the [unclear].</p>
<p><b>Female Speaker</b></p>	<p>Right. Okay. And WiMAX? What's your take on WiMAX in Zambia at the moment?</p>
<p><b>Tim Lowry</b></p>	<p>We don't have WiMAX in Zambia.</p>
<p><b>Female Speaker</b></p>	<p>Do you intend to acquire?</p>
<p><b>Tim Lowry</b></p>	<p>I think our focus at the moment is on 2G coverage.</p>
<p><b>Female Speaker</b></p>	<p>Thank you.</p>
<p><b>Operator</b></p>	<p>Our next question comes from Nick Kershaw of Macquarie. Please go ahead.</p>
<p><b>Nick Kershaw</b></p>	<p>Hi, just a question for Christian. We have seen in Cameroon now for the last four quarters a sequential decline in net additions. Could you comment on the competitive landscape there? And also in the Congo we've seen a significant uptake in additions there. Maybe you could just comment on those two regions, please.</p>
<p><b>Christian da Faria</b></p>	<p>I think as you have seen we have increased our market share since last year. The market is becoming quite saturated, and Cameroon is one of the markets where we grew our market share by 6% in the last few months, where we have a very strong position. If there is a slow-down it's not because we are losing competitive advantage. On the contrary. It is because the market is getting more and more saturated if you want. And Congo, I mean we are pleased with the situation in Congo. As you may know in the last year we were struggling with the rollout of our network we had put our in Congo. And we are rolling out the network successfully and we are regaining our market share as we committed last time. So the MTN Zone plus the increase of the capacity has allowed us to regain and reinforce our position in</p>



Speaker	Narrative
	Congo.
<b>Nick Kershaw</b>	Great. Thanks very much.
<b>Operator</b>	Our next question comes from William Kirby of Nevsky Capital. Please go ahead.
<b>William Kirby</b>	Thank you. My question was just coming back to Nigeria. Are you or any of your competitors planning to share infrastructure or base stations with Etisalat? Thank you.
<b>Phuthuma Nhleko</b>	I think at the moment obviously we've got a very strong position on that, but we would not say that we would rule that out at the appropriate time. And I suspect those times are coming sooner rather than later. Obviously each country has a different set of circumstances that are prevailing, and we are constantly reviewing our options in that respect. I'm hopeful that in the end we would take the right decision there. So to answer your question it's not something that we really want, but we have to assess each country on a case by case basis, including Nigeria.
<b>William Kirby</b>	Okay. Thank you.
<b>Phuthuma Nhleko</b>	Shall we take two more questions?
<b>Operator</b>	Gentlemen and ladies, there are in fact no further questions. Would you like to make any closing comments?
<b>Phuthuma Nhleko</b>	Thank you very much for taking time out to listen to us, and we shall chat again in March 2009. Thank you.
<b>Operator</b>	Thank you very much. On behalf of MTN that concludes this afternoon's conference. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT