



**MTN Group Limited**

**DATE: 31/10/2007**

**MTN Trading Update**





Speaker	Narrative
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<p><b>Operator</b></p>	<p>Good afternoon and welcome to the MTN quarterly trading update. All participants will be in listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If you need assistance during the conference please signal an operator by pressing star and then zero. Please note that this conference is being recorded. I would now like to turn the conference over to Debbie Miller, head of investor relations.</p>
<p><b>Debbie Millar</b></p>	<p>Good afternoon Hi this is Debbie Miller, head of investor relations for the MTN group. Thanks for joining us today to discuss MTN's results for the quarter ended 30 September 2007. With me here today is Phuthuma Nhleko, group CEO and president, Rob Nisbet the group finance director, Sifiso Dabengwa, group COO and we have Tim Lowry, VP for here and Christian De Faria, VP for WECA here as well. Phuthuma will give you a brief overview of the group's results, highlighting the subscriber base and ARPU performance and a bit of an outlook for the group. And thereafter we will move into a Q&amp;A session which the conference call operator will facilitate.</p>
<p><b>Phuthuma Nhleko</b></p>	<p>Thank you very much Debbie. Good afternoon everybody and once again welcome to this quarterly update for the period ended 30<sup>th</sup> September 2007. I'm happy to say that we have had another relatively strong quarter as demonstrated by a strong set of results where we have enjoyed a 12% increase in subscribers, and that is since June 30<sup>th</sup> 2007. That 12% increase takes us from 48 million subscribers to 54 million subscribers at 30<sup>th</sup> September 2007. The net connections for the year ended 30<sup>th</sup> September are 14 million subscribers, which really does put us on track to achieve the revised figure of 17.5 million net connections at December 2007. I think that was the revised number that we gave you when we had the half year results. I think as everybody is quite aware we do have a cautionary that is still running on the discussions between ourselves and Telkom, so I'd really like to appeal to everybody to bear with us and not ask us questions or put us in a position where we can't comment. In fact, we can't comment as the discussions are ongoing.</p> <p>If we have to then move on to the results themselves, the operational performance starting off with the Southern and East African region. The subscriber increase for this region for the quarter is 5%. The South African operation of course is still the very dominant contributor in that region and the South African operation contributed 52% to the region's growth, with subscribers increasing 3% for the quarter ended September 2007. We have had a restatement of the South African subscriber numbers and ARPU levels, which reflects MTN's consolidated South African operation's position. That restatement or adjustment includes the following: firstly the addition of community service sims in prepaid, secondly the addition of application providers in the post-paid area, thirdly the inclusion of sundry revenues or wholly-owned service providers into the post-paid ARPU and fourthly the deduction of trade discounts offered by the wholly-owned service providers in the post-paid ARPU number.</p>



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So post-paid connections are obviously normalised since we have unwound the contract or agreement we had with the on-biller arrangement that we had during the half year. We did mention during the half year results that there would be an unwinding that arrangement as it was not favourable to the company. So these post-paid connections actually reflect the situation having unwound. If you look at Uganda, which is the other more substantial operation in the South and East Africa region, they have enjoyed an increase of 12% to just over 2 million subscribers for the same period. In other words, for this quarter. That increase is partly aided by more competitive pricing during that period.

I think if we go to the West Africa and Central Africa region, that region recorded a 9% growth in subscribers for this quarter. Of course Nigeria continues to be the main contributor there having contributed 47% of this growth during this quarter, therefore increasing the subscribers in Nigeria by 7% to 14.9 million subscribers for the quarter. Of course we have had the network under pressure in Nigeria, but I'm happy to say that the quality and capacity issues are being addressed through a very aggressive network rollout in Nigeria. In Ghana we also had a fairly strong performance. We recorded a 14% increase in subscribers to 3.8 million subs. This again was in many respects underpinned by the network roll-out in Nigeria and expanding the distribution channel. And of course the new product offers since the re-branding of Areeba in Ghana to MTN Nigeria. But I think the creation of capacity in Nigeria since August 2006 has been fairly significant and has helped a lot in that growth. In Cameroon we have increased subscribers by 15% to 2.2 million subscribers. Again there has been fairly intense marketing, which has included increased free minute packages as part of the suite of products and value propositions put out into the market in Cameroon.

I think looking at the third region, which is the MENA region – the Middle East and North Africa region – this recorded obviously the strongest growth of 36% and increased subscribers to 10 million for the quarter ended 30<sup>th</sup> September. Of course we did come off a low base there in Iran, which has increased subscribers by 88% to 3.7 million. And I think this has to be seen in the context of Iran having only around 100 000 subscribers during the January 2007 period. So fairly strong performance. I think it is also encouraging that we continued growth during the Ramadan period. As you may recall, during the half year we indicated that we are uncertain as to what would happen during that period, but I think that strong growth continued. I think it was also aided by certain promotions that also ensured the successful migration to the prepaid offerings. Afghanistan and Sudan also showed very strong growth, again coming off somewhat of a low base. That was 66% growth for Afghanistan and 24% growth for Sudan in the period. This was largely due to increased coverage and the benefits of re-branding and promotions. And I think in Sudan the re-branding has gone very well. Afghanistan we anticipate to re-brand by the end of the year. Syria also performed very well, delivering an increase in subscribers of 12%. Again in Syria we had a very successful re-branding around August this year.

ARPU in Nigeria in particular remained in line, with Nigeria and Ghana showing strong ARPU's of \$17 and \$16 respectively. I think in closing I would



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	<p>say that we have had established a very solid platform to grow in our subscriber base, as long as we continue to invest in improving the capacity and quality of the network. I think it's not really a demand issue; it's being able to provide the capacity in all the large markets, particularly Ghana, Nigeria, Sudan and Iran. Also to extract the regional and operational synergies to obviously optimise the economies of scale on a regional basis. And of course continue to explore on a group-wide basis expansion opportunities that would enable us to diversify our earnings, firstly on a regional basis but also in terms of the category of business. Essentially I'm referring to data and corporate markets and so on.</p> <p>I think lastly the issue of the capital structure of the group, which we have always pointed out as a key structural objective for us, that is important to continue to de-leverage the debt at the centre and really optimise that capital structure by raising more debt in-country at the operational level. So I think that is really a brief overview of the results for this quarter. Thank you very much, and I hand over to Debbie.</p>
<b>Debbie Millar</b>	I think we can hand over to the operator for some questions.
<b>Operator</b>	Thank you very much. At this time if you would like to ask a question please press star and then one. If you decide to withdraw your question you can press star and then two. Our first question is from Sean Gardner of Morgan Stanley. Please go ahead.
<b>Sean Gardner</b>	Thank you. I was wondering if you could update us on the regulator in Nigeria, they wanted to fine the operators. Do you think that fine will come through? And then on Nigeria as well with capacity constraints, what is the revised timetable to get to a stage where you feel you have enough supply in the market to meet the demand? Thanks.
<b>Phuthuma Nhleko</b>	Well I mean I think firstly the fine that was spoken about in Nigeria was not really a fine that was material in number terms. But you know we have taken a position that we indicated to the regulator that the process that they followed in wanting to impose a fine was completely inconsistent with the licence conditions and processes that they would be expected to follow. I think if you look at timing in terms of quality of network over the last few months, we have had a fairly significant roll-out continuing. I think we have been averaging over 100 base stations now in Nigeria. And we believe that certainly by now there are signs of much improved quality. And certainly by the end of the year we're hoping that there will be even higher significant discernible improvement in the quality and the lowering of congestion levels in Nigeria. So we're saying we hope to have seen the worst of that congestion by the end of this financial and calendar year.
<b>Sean Gardner</b>	So on the action taken by the regulator, do you think you will have to give



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	away the free airtime they were talking about or have you reached an agreement with them?
<b>Phuthuma Nhleko</b>	No we don't believe so. I mean you know, I think we have taken a legal position on the matter and we believe that it's unlikely.
<b>Sean Gardner</b>	Ok. Thank you.
<b>Operator</b>	Our next question is from Reece Summerton of City Group. Please go ahead.
<b>Reece Summerton</b>	Hello can you hear me?
<b>Phuthuma Nhleko</b>	Yes we can hear you.
<b>Reece Summerton</b>	Hi there. I just have two questions. The one was on market share. Do you have any estimates on where the trend is in terms of market share in South Africa and Nigeria? And then secondly, obviously your Nigerian ARPU number looks fantastic and doesn't seem too influenced by the currency. Do you have any guidance about whether it's increasing usage which is coming through or interconnection which is driving that ARPU, just to give us a sense of where the trend is on those two numbers?
<b>Phuthuma Nhleko</b>	I will ask Christian to respond about market share in Nigeria and the ARPU, and Tim can talk about the South Africa situation.
<b>Christian de Faria</b>	This is Christian de Faria speaking. The market share in Nigeria has stabilised. It increased in the first quarter until the third quarter 2007 and stabilised around the 45% mark. We are very confident that we will maintain this market share.
<b>Reece Summerton</b>	Ok thanks.
<b>Tim Lowry</b>	On South Africa I think it depends on if you take sim or value market share. On sim market share we believe we are somewhere around 33% to 34%. But if you take value share we believe we're somewhere between 36% and 37%.
<b>Reece Summerton</b>	So there is a slight deterioration in South Africa right?



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<b>Tim Lowry</b>	I think what is happening is due to the lower denomination vouchers we have been selling we have had customers actually spending more in the base we have, which has been improving our value market share. So I think you could say that the strategy of lower denomination has been working well for us.
<b>Reece Summerton</b>	Ok, and just to move onto the interconnection and usage in Nigeria.
<b>Christian de Faria</b>	Sorry can you repeat that question just to make sure I understand it?
<b>Reece Summerton</b>	Ja, sorry. Your ARPU is obviously going up. I'm trying to work it out or get an understanding of if your ARPU is being driven by increased usage or more by the interconnection because the other networks are getting bigger so obviously the calls terminating on your network should be improving as well.
<b>Christian de Faria</b>	I think the increase of ARPU is mainly with the increase of usage, especially with the value proposition that we introduced in September last year. We have seen a continuous increase in usage.
<b>Reece Summerton</b>	And is that from your existing base or your new subscribers coming on at a higher level than you anticipated?
<b>Christian de Faria</b>	Both.
<b>Reece Summerton</b>	Thanks very much.
<b>Operator</b>	Our next question is from Craig Hackney of BJM. Please go ahead.
<b>Craig Hackney</b>	Hi. Could you just comment a little bit about churn figures in your key markets, whether they have increased, decreased or stayed the same? Thanks.
<b>Sifiso Dabengwa</b>	I think the basically remained very stable. South Africa has been in the region of 5% per month. We have seen some improvements in the last few months but I wouldn't say that it's so significant that there is any major shift. Nigeria and Ghana have remained constant, they haven't really changed that much. In all of them I think they have remained reasonably constant.
<b>Craig Hackney</b>	Ok thank you.



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<b>Operator</b>	Our next question is from Meloy Horn of Merrill Lynch. Please go ahead.
<b>Meloy Horn</b>	Thank you very much. I have three questions please. The first one related to Iran. If you look at the period 1 <sup>st</sup> July to 20 <sup>th</sup> August our daily run rate was around about 24 000 and then during the Ramadan period it slowed down to about 13 000, which is understandable at this stage. I was wondering if post Ramadan whether we are tracking up towards the earlier levels again. That's the first question. And then secondly with regards to Nigeria, if you could maybe just give us a sense of what the ARPU is in local currency and where the marginal ARPU is at this point in time. And then thirdly in terms of Ivory Coast, has there been any change of market dynamics in that market as it would appear on a sequential basis your net adds are slowing down. And its done a slightly slower growth as well as the ARPU is also trending down. So if you wouldn't mind giving us an update there. Thank you.
<b>Phuthuma Nhleko</b>	Ok I will ask Sifiso to respond about the run rate in Iran and really what happened during Ramadan and what we are seeing post Ramadan. Of course we can't talk much about that other than to give an indication. And then Christian will talk about Cote d'Ivoire.
<b>Sifiso Dabengwa</b>	We have seen an improvement in the post-Ramadan run rate, and it has gone to the levels prior to that. And I must say that we are continuously pushing promotions into the market and that's really helping us drive the subscriber numbers.
<b>Christian de Faria</b>	Cote D'Ivoire is constant and in some quarters a slight slowdown in the intake of customers due to a very strong reaction of our main competitor in Cote D'Ivoire. We adapted our value proposition in Cote d'Ivoire so that we are confident to come back to the level that we had early in the year.
<b>Debbie Millar</b>	And then you were looking for...
<b>Christian de Faria</b>	The ARPU in the local currency.
<b>Debbie Millar</b>	Meloy I'll get back to you, I don't have it to hand.
<b>Meloy Horn</b>	Ok thank you.
<b>Tim Lowry</b>	Meloy the ARPU's went up slightly as well. The exchange rate has strengthened dramatically in Nigeria in the last period. So it wasn't up to the quarter September. But we'll come back to you on that number.



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<b>Meloy Horn</b>	Thank you.
<b>Operator</b>	Our next question is from Francois Maritz of Rand Merchant Bank. Please go ahead.
<b>Francois Maritz</b>	Hi. I just have a quick question. There was a news item out on Ghana and issues with the regulator. Could you just comment on that? And also the growth in post-paid and prepaid ARPU's in South Africa was 3% and 2% and then it was just 1%. Is that due to the restatement?
<b>Phuthuma Nhleko</b>	I'll ask Debbie to answer the question on the restatement issue. I think on Ghana really, as I said we have rolled out the network fairly aggressively since we took over from Investcom in August last year. But of course once we re-branded and put out quite a lot of products there has been huge demand and fairly high congestion in Ghana. And the regulator...I guess regulators do talk to each other I suspect. Seeing what has happened in Nigeria they also asked us to slow down and stop the promotions until the congestion can come down to an acceptable level. And we're pushing very hard on the rollout. So as to whether it would have been justified for them to stop us, that's debatable. But I think there is truth that there have been higher congestion levels in certain areas in Ghana.
<b>Debbie Millar</b>	And then in South Africa on a like for like basis the trend is not materially different. So we did actually distribute a full history, but just in terms of the current period. No material difference between the trends.
<b>Operator</b>	Our next question is from Denise Molina of E2 Research. Please go ahead.
<b>Denise Molina</b>	Hi thanks. Just a couple of questions on competition. [inaudible segment] buying the second fixed line operator in Ghana. And I believe that network had a little mobile infrastructure. I was wondering if you could talk about that, when you expect them to be on line. And second I want to ask about any incremental licences that the government in Iran might be thinking about issuing.
<b>Phuthuma Nhleko</b>	Look I meant the Ghana situation is a news item. When are they going to come on stream? It's difficult to say. I can't see it until late next year some time I suspect. And of course I think we're quite comfortable with our market position in Ghana, which is very strong. I think we're close to 56% market share. So that's really where we are. I think in Iran, your question on new licences, the situation really is the government is talking about issuing a new licence. Contractually my recollection is that they can't issue another licence for at least two years after our licence was granted. But after that they're



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	quite entitled to issue another licence. It's not clear whether its going to be a 3G licence or what that's going to be. But that's really where we are at this point.
<b>Denise Molina</b>	Could I just follow up? Are you expecting any incremental licence issues in any other markets?
<b>Phuthuma Nhleko</b>	I think there is talk from time to time. As you know in Nigeria they did issue a licence recently. Syria there is discussion as to whether they should be issuing another licence. They may or may not. It's not clear. Sudan, there was a CDMA licence that has been issued. I'm not too sure if they will issue another licence that soon after the CDMA licence. Generally we always operate on the basis that new licences will be issued. You take a relatively small market like Uganda, there are not five licences. We wouldn't have expected five licences in Uganda. So we tend to expect that. Having said that our insurance is our market position. We take a view that our position in these markets in terms of consolidating it going forward, rolling out the networks so that we are the unsurpassed dominant player hopefully neutralises the issuing of additional licences which hopefully will become un-commercial, unless of course the regulator did something that was completely outside the licence conditions.
<b>Denise Molina</b>	Ok thanks so much.
<b>Operator</b>	Our next question is from Ritchie Sindani of [unclear] Research. Please go ahead.
<b>Ritchie Sindani</b>	Good day. My question applies particularly to Zambia and Congo Brazzaville. I note some decline in subscriber numbers there. I came in the middle of the presentation and I have missed the reasons there. Could you elaborate just a bit and what interventions do you have in plan to arrest the decline?
<b>Phuthuma Nhleko</b>	Look Congo Brazzaville and Zambia are our problem children at the moment in the entire group. In the case of Zambia it was really a situation of us entering the market relatively late in the day. I think the incumbent went on an on-net strategy and did all sorts of things on the distribution side. But suffice to say that we are working hard. They've had much larger coverage than we have, but in the year and a half that we have been there we are pushing that network rollout as rapidly as we can. Obviously a fairly challenging situation. The coverage is a big issue. They've got probably twice the size of network that we have at the moment in Zambia. But we are committing the funds to roll out that network and create that capacity. And I think we're starting to see some positive results in that respect. Congo Brazzaville was more of a vendor/logistics issue where we really for a long time had challenges getting the network rolled out. The vendor will remain



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	<p>nameless but suffice to say they didn't meet the target and obligations that we expected. We have taken some corrective action by appointing another sort of project management company that hopefully will do far better on the rollout. So we're hoping to see a turnaround in that operation in the next six months. But yes, you spotted the two operations that are giving us the most challenges at the moment.</p>
<b>Ritchie Sindani</b>	<p>Ok thank you.</p>
<b>Operator</b>	<p>Thank you. Our next question is from Brad [unclear] of Oaktree Capital. Please go ahead.</p>
<b>Brad</b>	<p>Yes good morning. Just a couple of questions. In five of your important markets, South Africa, Nigeria, Sudan, Iran and Ghana, I wonder if you could just talk about the price per minute dynamics. Is competition based on price per minute? Have your price points remained relatively stable or just a bit of a trend in those markets? And for the same markets I was wondering if you could tell us how data is evolving as a percent of your revenues for those markets?</p>
<b>Phuthuma Nhleko</b>	<p>I mean that's quite a long and involved question but maybe let's try and split it up this way. Let Sifiso talk about Iran and Tim can talk about South Africa and Christian can talk about Nigeria. That will cover at least three of the big five.</p>
<b>Sifiso Dabengwa</b>	<p>I mean in Iran pricing is very regulated and it's very low, it's in the region of about 6c US. The level of pricing at the moment is very much based on the fixed line pricing where there is a high level of subsidy. Our view is that in the future we should be able to negotiate with the regulator that the pricing gets increased, even if it is just slightly. We don't expect any reductions at all in the next year or so. And then from a data point of view it's still extremely low. We haven't been able to have the MMS service up yet. The MMS service was shut down by the authorities until they're able to install some kind of mechanism in which they can control the content. So data is very low but we are seeing SMS picking up.</p>
<b>Tim Lowry</b>	<p>On South Africa at the moment I'd say pricing is flat. What we have been trying to do though is introduce some usage stimulation products in that higher usage segment rather than in the lower usage segment, but it's too early to see what the impact of that is on elasticity at this moment in time. On data I would say the same trends that we reported in the first half are continuing on data growth. And on pricing of data I think at the moment both ourselves and our major competitor are sitting on parity and I would expect us to remain there.</p>



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<b>Christian de Faria</b>	<p>On Nigeria it has been remaining very flat during the year. From 2007 until now there has been no special pressure on the tariff. And the segmentation and value proposition that we introduced end of last year has remained very attractive and we have not seen any pressure on the market on the tariff reduction. On the data we have introduced a series of new products like the Blackberry. So we have introduced some packages for the stimulation of usage of SMS and MMS, and we are seeing steady growth on that. But in relation to the total revenue we are still marginal.</p>
<b>Brad</b>	<p>Ok great. Thank you very much.</p>
<b>Operator</b>	<p>Our next question is from Igor Seminov of ING. Please go ahead.</p>
<b>Igor Seminov</b>	<p>I just wanted to follow up on the pricing question. It's a bit surprising to me to be honest to have flat pricing in these countries. Can you maybe explain that a little bit to me, because the experience that I have is that when the countries are in 30% penetration their prices are declining by 20% per year. So why is this not the case in Nigeria? Most of your ARPU's are fairly stable and you're saying that there is no pressure on the market. Is that because the companies are not keeping up with network construction, so if you lower your prices the networks will be down because of the explosion of usage?</p>
<b>Phuthuma Nhleko</b>	<p>Sorry just to answer your question on Nigeria that is precisely the answer. As we mentioned earlier in the call, we have huge congestion in Nigeria where all networks cannot cope with the volume of traffic and the demand. The last thing that we want to do is reduce the tariffs. In actual fact, part of what we're seeing now is as a result of the tariff reduction around August/September 2006. So that's really the reason. The reason is that the demand is completely outstripping the supply and we just can't create more problems for ourselves in that area. In the case of Iran the reality is that there has been an incumbent that is government controlled that has had a particular pricing tariff for a particular period. In our case our pricing is controlled in a sense that we cannot charge 20% more than what the incumbent charges. Of course we are at a rollout stage where again we are trying to create capacity and again are suffering huge capacity and congestion constraints. So again, to start reducing the tariff in Iran wouldn't make sense at this point. South Africa is more of a mature market, but as Tim mentioned we've got the low denomination vouchers that are in the system and so on. So there is perfect reason and rationale in all these markets not to drop the tariffs.</p>
<b>Igor Seminov</b>	<p>Ok when do you think your cap ex will be up to the demand levels in those key markets? In Nigeria, Ghana and some of the other bigger markets.</p>
<b>Phuthuma Nhleko</b>	<p>As I mentioned earlier the main theme running through the group in most of</p>



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	<p>the markets, particularly the big ones, is that its an issue of lack of capacity and not demand. So given that theme, one can expect that we are going to have to be increasing the network rollout and the capacity, and therefore cap ex. We are coming to the end of the year so I think when we do the results in March next year we would be obviously in a position to give better guidance on what that translates to in figures. But the bottom line is there is high demand in these larger markets and we have to plan and accommodate that.</p>
<p><b>Igor Seminov</b></p>	<p>Ok thank you. And given these stable ARPU's would you update your guidance for the revenue for this year?</p>
<p><b>Debbie Millar</b></p>	<p>We haven't given out any revenue guidance. We give subs guidance in terms of net adds and at this stage we haven't changed those. We changed them for our June results but we're not amending them at the moment.</p>
<p><b>Igor Seminov</b></p>	<p>Ok thanks very much.</p>
<p><b>Operator</b></p>	<p>Our next question is from Nick Kershaw of Investec. Please go ahead.</p>
<p><b>Nick Kershaw</b></p>	<p>Hi. Over the past year we've seen a steady increase in ARPU in Iran. Are we expecting further increases in Iranian ARPU from these levels? And just in Nigeria, I must say I was quite surprised by the increase in ARPU. Was there any seasonality or anything specific that might have boosted that for this particular quarter? And lastly in Benin, is it right to assume that the decline in ARPU is because of the disconnection of the network and have those ARPU levels normalised again?</p>
<p><b>Phuthuma Nhleko</b></p>	<p>Ok. I think on Benin, yes it would be the impact. We were off for almost two months. On Iran...</p>
<p><b>Sifiso Dabengwa</b></p>	<p>We really don't expect there to be a significant increase but we've only been operating for about ten or twelve months. I guess we need another twelve months or so to see where the trend is actually going.</p>
<p><b>Phuthuma Nhleko</b></p>	<p>And increase coverage.</p>
<p><b>Sifiso Dabengwa</b></p>	<p>Ja and also to increase coverage.</p>
<p><b>Christian de Faria</b></p>	<p>Where Nigeria is concerned there is no particular influence. There is really a boost in the usage, but no particular trend.</p>



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<b>Nick Kershaw</b>	Thank you very much.
<b>Operator</b>	Thank you. Our next question is from John Slettevold from UBS. Please go ahead.
<b>John Slettevold</b>	Good afternoon. Just a quick question on Nigeria. In the opening statement you were very positive that things are going right now with regards to the cap ex rollout. Should we expect then an improved run rate from the fairly mediocre performance of the last two quarters going into the fourth quarter? Or is that only really going to start coming through next year?
<b>Christian de Faria</b>	I mean the lot of the cap ex we have seen in the last few months is really taking effect now in the last quarter. But we don't expect really in the last quarter a spectacular increase in the leverage that we had in the last quarter.
<b>John Slettevold</b>	So on the levels that you see in Q3?
<b>Christian de Faria</b>	Yes.
<b>John Slettevold</b>	Thank you.
<b>Operator</b>	Our next question is from Scott Rile of Macquarie. Please go ahead.
<b>Scott Rile</b>	Thank you very much. A quick question about South Africa. This is the second quarter in a row where we have seen pretty flat subscriber growth there. Can you comment on South Africa? Do you expect it to start entering a period of stabilisation in the market or do you think that there is still further material subscriber and value growth in the market in the next twelve to eighteen months?
<b>Tim Lowry</b>	On the post-paid it's flat because of the migrations we've had due to the on-biller issue that we've had back from post-paid to prepaid. I would expect to start improving on post-paid net connections in quarter one next year, because some of that migration will continue into October. As far as prepaid is concerned, we do sign up a significant number of people each month but at the moment we have as lot of what we call rotational spin churn. And that is something that we are working on and putting a lot of effort into. So we are hoping to improve our net connections in that area next year. So I think if you put those two things together we should get customer growth during 2008.



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<b>Phuthuma Nhleko</b>	As far as the potential of the market is concerned I remain on the bullish side rather than the bearish side.
<b>Operator</b>	Operator can we take maybe two last questions please? Thank you. Our next question is from Jonathan Kennedy-Good of Georgia Securities. Please go ahead.
<b>Jonathan Kennedy</b>	Good afternoon, just one quick question on Ghana. You had a cash pile in the region. Have you managed to repatriate any of that? I do believe that at your interim results you mentioned that it was tied up as a result of a legal issue predating your purchase of the Investcom business.
<b>Tim Lowry</b>	That issue is still there. We're working on it, but those funds are still in Ghana.
<b>Jonathan Kennedy</b>	And you can't at this stage provide us with an update one exactly what that issue is?
<b>Tim Lowry</b>	It's a shareholder dispute issue that arose before our time and it continues. There were various press reports about it in the past. So it's the same issue.
<b>Jonathan Kennedy</b>	Thank you.
<b>Operator</b>	Our final question is from William Kirby of Nevsky Capital. Please go ahead.
<b>William Kirby</b>	Hello. Thank you. I have two questions. Firstly how is the build-up of your own backbone in South Africa going and what impact do you expect that to have on your EBITDAR margins in the future? And secondly with your South African subscribers, particularly the data ones, are many of them using data cards as a substitute for fixed-line broadband? And what sort of trend do you see there? Thank you.
<b>Tim Lowry</b>	Beyond a very small pilot in the Sandton/Rosebank area we have not rolled out any additional fibre at this moment in time. We are in a tender process at the moment as we have announced, and that closes towards the end of this month or early next month. And then we'd evaluate that. The major area where we will focus if we go ahead – and we're already getting counter-offers from other bandwidth suppliers that are significantly lower than we currently enjoy so we'll have to weigh those up – the major impact will be in the Johannesburg and Pretoria region in 2008 and probably in 2009 into the long-distance area. I don't expect this to increase EBITDAR margins. What I hope it will do is to reduce the cost pressure we have in the transmission line



Speaker	Narrative
	<p>within our accounts so that we don't have reducing margins as a result of increased transmission costs. And then your final question about whether we're seeing fixed mobile substitution between ADSL and data cards, the answer is that I have no empirical evidence to say that is happening.</p>
<b>William Kirby</b>	Ok thank you.
<b>Operator</b>	Thank you gentlemen. Would you like to make any concluding remarks?
<b>Phuthuma Nhleko</b>	Thank you very much for taking the time to ask us some questions on the last quarter results and we look forward to talking to you in March 2008.
<b>Operator</b>	Thank you. On behalf of MTN that concludes today's conference. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT