MTN Group Limited
Q1 Quarterly Review
DATE: 25/04/2013

Speaker	Narrative
Operator	Good day ladies and gentlemen and welcome to the MTN Group quarterly review. All participants are now in listen-only mode and there will be an opportunity for you to ask questions after today's presentation. If you should need any 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 hand the conference over to Nik Kershaw. Please go ahead, sir.
Nik Kershaw	Good afternoon everyone. Nik Kershaw speaking. Thanks very much for joining us today to discuss our results for the quarter ended 31st March 2013. On the call today we've got Sifiso Dabengwa, group President and CEO, Nazir Patel, group CFO, Karel Pienaar, CEO of the South African operations, Ahmad Farroukh, the COO and Brett Goschen, CEO of Nigeria. I think you all have seen the announcement already. Sifiso is briefly going to touch on some of the highlights for the quarter, and then we are going to move on to a question and answer sessions which will be facilitated by the call operator. Over to you, Sifiso.
Sifiso Dabengwa	Thank you, Nik. Good afternoon, ladies and gentlemen, and thank you for joining us for the quarter one update. Just a few points that I would like to make. Firstly, the group recorded a total of 195.4 million subscribers, which is a quarter on quarter increase of 3.2%. This is a solid performance despite the highly competitive challenges that we are seeing in some of our key markets. South Africa had a slow start to the year with high churn levels. However, the operation has maintained its market share and also has reviewed its market offerings to be much more competitive. There has been good performance across all areas of the business in Nigeria and we are satisfied that we will be able to achieve much better performance as we go forward. Just to remind you that there has been the reduction in termination rates in Nigeria effective from 1st April this year. Data continues to be an important driver of growth, and across the group we have seen an increase of 42.2% year on year. From a data subscribers point of view we've seen an increase of 8.2% for the same period. As at the end of Q1 our capital expenditure programme is on track as we ensure the group continues its competitiveness and supports subscriber and revenue growth. Thank you, ladies and gentlemen. We will now take questions.
Operator	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. If you then decide to withdraw your question please press star and then two. Our first question comes from JP Davids of Barclays. Please go ahead, sir.
JP Davids	Good afternoon everyone. Two questions please. The first one in South Africa. You talk about the weaker consumer environment in the market. Could you put a bit of perspective on why we're seeing that coming through more in the post-paid segment

Speaker	Narrative
	than the prepaid segment at the moment? From the numbers I've looked at it looks like revenues are more under pressure in post-paid. Then moving to Nigeria. In your annual report you talk about the network getting up to speed by July. When you look at the progress that you're making now it's quite interesting that you've had such a strong quarter in terms of net adds for the first quarter. The question then is how can you be driving so hard for net adds when maybe the network is not quite up to where you expect it to be by July? Thank you.
Sifiso Dabengwa	Karel, do you want to take the first question and Brett the second.
Karel Pienaar	Just on the post-paid to prepaid, firstly we must state that we are seeing pressure on prepaid as well as post-paid. Certainly as mentioned the whole consumer market has been seriously depressed. The market has been highly competitive on all aspects from prepaid to post-paid. So we certainly have seen pressure on both sides. It's not particular to one or the other. I hope that answers the question.
Brett Goschen	I think we said that by July at price levels that were in existence at the time we would meet the quality of service that we had set and quality of service at previous levels. Our network has been growing pretty well. So what we expected for quality of service we've been able to meet the parameters now for the month of March. But I think when you're talking about chasing net additions you're adding on as a percentage of your base maybe 8% over the course, so it is quite small relative to being able to do a price drop across your entire base where we have a much bigger effect on minutes of use and network quality than adding subscribers. So we have been chasing subscribers to the extent we're able to within our capacity limitations because ultimately that will give us the long-term growth.
Operator	Our next question comes from Edward Hill-Wood of Morgan Stanley. Please go ahead.
Edward Hill-Wood	Good afternoon. I have some questions about Nigeria again. Are you surprised by the muted statements and actions so far of your key competitor in Nigeria to the MTR reduction, and what do you think that tells you about the likely pace of tariff pricing going forward? And secondly, disregarding what actually happens in Q2, what has the strong build-up and response to your price cuts towards the end of last year told you about the long-term dynamics in the Nigerian market?
Brett Goschen	Okay. I'm not sure what competitor you're referring to, but since the ban was lifted for the other three they have all effectively dropped prices during the promotion. So if you're referring to Etisalat, then yes, they haven't changed their standard price band but really the market has just gone back to where it was in September last year from a promo perspective. We introduced the 100% bonus on recharges for the weekend and then double your recharge bonus for during the week. So I mean effectively there has been a price increase, but overall the MTR reduction exceeded expectations so we do see prices overall coming down in the market. We have exceeded expectations on the upside. If you include the minutes of use from the new subscribers coming in and you compare it to before the price reductions and going back to the second quarter of last year then if you add the minutes of use and new subscribers it would be slightly higher than one, with one being revenue neutral. And then if you just look at existing

Speaker	Narrative
	minutes of use it is higher than historically but lower than one, but not too much lower. We still believe we could sell more minutes if we had a higher capacity on our network. So the network rollout and putting capacity in the ground is still very key for us and our revenue growth.
Edward Hill-Wood	You mentioned in the last comment that in March you think you’ve met the March requirements for the network quality. Are you in conversations with the MCC to lift the promo ban?
Brett Goschen	Yes, absolutely. The promo ban got lifted for the other three operators based on the December measurement. And we failed on one parameter, and it wasn’t lifted for us. In March we met NCC KPIs, all four of them. So we have been in touch with the NCC. Late last week they sent their staff to take measurements for March. They indicated it was good. Now they are taking it back to the Chairman of the NCC. I actually spoke to him this morning. He is waiting for the report from the engineers. And he said if we meet the KPIs then the ban will be lifted. So we expect it to be lifted shortly.
Edward Hill-Wood	Thanks very much.
Operator	Our next question comes from David Lerche of Avior Research. Please go ahead.
David Lerche	Good afternoon gentlemen. Just a single question on the subscriber guidance. Obviously you say the total additional subscriber guidance has remained steady at 21 million, but given that we have done more than half of the Nigeria guidance already this year maybe you could give us an update on where you think the Nigerian subscriber and maybe South African additions will be for the full year?
Sifiso Dabengwa	Look, at this stage we didn’t want to do any changes because Q1 is usually not a very good reflection of what will happen for the rest of the year. But in terms of the overall numbers we still think that they will be where they are. It is possible that Nigeria could do a little more than what we’ve initially projected, and South Africa, but we will review that at the end of June.
David Lerche	Okay, great. Thank you.
Operator	Our next question comes from Thato Motlanthe of Citigroup. Please go ahead.
Thato Motlanthe	Good afternoon. Just a couple of questions from me. The performance in data is pretty strong in Nigeria. Could you give us an indication please of what the percentage is of service revenue in Nigeria? And also just linked to that what the performance of voice revenue in Nigeria was. The second question is on South Africa. You’ve given an indication that you’ve maintained your market share. If your subscriber net adds are negative and Vodacom is experiencing the same where are these subscribers disappearing to? We know that Vodacom has got the calling card issue, which I understand is more than MTN has. If you could just give us some colour on that. And then just a last question on South Africa. You gave an indication of the sequential average daily revenues for Nigeria. Could you give us the same for South Africa since the end of December? Thanks.

Nik Kershaw	Let me mention a couple of things. We're not going to give the numbers for South Africa. We are not giving guidance on actual revenue numbers for the particular quarter at this stage. The reason we gave the data for Nigeria specifically was given the big focus on Nigeria and the efforts that have been put into Nigeria. Unfortunately we're not going to give more data than that. The one thing I can give you is your question around data as a percentage of total revenue in Nigeria. Data revenue was 13.1% of total revenues in Nigeria for the quarter. You asked quite a few questions.
Thato Motlanthe	I will repeat the other one. The other one was on South Africa. With net adds being negative and Vodacom experiencing the same, and also the comment that South African market share was more or less maintained, where would the subscribers be disappearing off to? Bearing in mind Vodacom is disconnecting people who are taking advantage of the calling cards.
Karel Pienaar	What we have seen in South Africa is there is about 3 million or 4 million customers who are just hopping from one network to the next depending on the value offer. So you have seen a strong movement of a small base of lower ARPU customers that are jumping around, which is natural with the very aggressive offers in the market. That's the first comment. The second comment is that we know that the net negative impact of Vodacom is probably in the order of double ours. So that's another comment from the insight we've got. So they have seen a similar effect, and certainly since September last year they also had a net negative in the prepaid area. Thirdly, we have seen a lot of numbers over this quarter that have totally vanished off all the networks. There is around a million that are just not there any more in the totals, so it is people who have just exited totally. So there is quite a few people that have just vanished. And again we put it behind economic conditions as well for that. I hope that answers the question.
Thato Motlanthe	Thanks.
Operator	Our next question comes from Chris Grundberg of UBS. Please go ahead, sir.
Chris Grundberg	Thanks very much. I just had a couple of questions on Nigeria. First of all just to clarify and make sure that you are still comfortable with that comment you mentioned earlier that you will have your network where you want it to be by July. Is that hasn't changed at all with the reduction in MTRs and the increased traffic that might have driven. And then on the mobile number portability. I appreciate it has been on the horizon for some time and it is not taking you by surprise, but can you remind us of why you're comfortable that that doesn't have any impact on your operations. And then just the last question, I just wondered if you had any reactions to Airtel's purchase of Warid in Uganda, whether you looked at the asset or whether you expect any further consolidation in any of your other markets this year. Thanks.
Sifiso Dabengwa	Let me just answer your last question. We did have some discussions in relation to Warid. This is mainly internally. There was an issue of us being in the number one

	position and then being the consolidator. So it dropped off quite early. But we think this is going to happen more and more in other countries in the sense that there are just way too many operators in most of the countries that we operate in. So I think this is a good start for the industry in general. Brett?
Brett Goschen	Yes. I think that July was an indication of when we would get back to where we were, meeting the NCC quality of services at prices at the time. But certainly with the MTR coming down a little sharper than expected we do see a slight price decrease. And then on top of that the elasticity has been a little bit better. So yes, every month we get into a better position. But to fully realise the benefits of our capabilities in the market, to build up a bit of headroom and to maximise the minutes of use and the revenue, that will be later than July, probably more towards the end of the year or first quarter of 2014.
Chris Grundberg	And just on mobile number portability.
Brett Goschen	Sorry, what was the question again, Chris, on the number portability?
Chris Grundberg	I appreciate it has been on the horizon for some time and it probably doesn't change your thinking or planning, but just to remind us why you are not worried about it or why you don't think it is going to be an issue.
Brett Goschen	The mobile number portability kicked off on Monday this week. We've done a survey. There is a high rate of multi-SIMming in this market, something like 40%. A lot of them have numbers on other networks that people already know. They like to keep other numbers because of maybe service quality in a particular area, or also to take advantage of promotions on a particular network. So we see the number being very low in Nigeria for those reasons. There have been a couple of reports so far this week and they have been pretty neutral for us. We don't really believe there will be a significant impact on MTN Nigeria.
Chris Grundberg	That's great. Thanks.
Operator	Our next question comes from Jonathan Kennedy-Good of SBG Securities. Please go ahead.
Jonathan Kennedy-Good	Good afternoon. I just want to delve a little bit more into the strong net adds that you had this quarter in Nigeria. If you weren't able to engage in promotional activity I presume you may have traced these subs via the distribution channel. Are you putting more incentives into that channel, and how does that affect margin, and will you continue to do it over the remaining course of the year? And then just one other question for Sifiso. Is it possible to comment on whether you've engaged in any buy-backs during the quarter?
Brett Goschen	The strong net adds was the effect of a few different things. The largest reason is our churn management is contained. Although we are not allowed to do promotions you are allowed to do dormancy campaigns to your subscribers. So we really target that. As soon as a subscriber shows any reduction in activity we target him via SMS with

	offers. That has been very attractive in keeping our churn rate very low. And that has been a substantial reason for the net adds and the low churn. We also made a big effort in the field, through the use of third-party activators. Where we do have some headroom we do activity, any type of public functions or events with people on the ground selling our SIM cards. That has been effective. In the second half of last year we did change the commission structure where overall it is the same but the weighing towards SIM activation as opposed to other aspects of the commission structure was slightly higher wages. We also pushed Zone quite strongly, which has been pretty popular in driving net adds.
Jonathan Kennedy-Good	Thank you.
Sifiso Dabengwa	Just repeat the second question.
Jonathan Kennedy-Good	On the second question, whether you are able to tell us if you engaged in share buy-backs during the quarter.
Sifiso Dabengwa	No.
Jonathan Kennedy-Good	No, you didn't, or no, you can't comment?
Sifiso Dabengwa	No, we didn't.
Jonathan Kennedy-Good	Okay. Thank you.
Operator	Our next question comes from David Leffel of Deutsche Bank. Please go ahead, sir.
David Leffel	Thank you. You are certainly enjoying exceptionally robust data revenue growth in many markets. I wonder if you could give us an idea of how much the volume of data actually increased year on year so we can compare it to the 42% overall.
Nik Kershaw	David, I don't have that number to hand. Clearly volumes have grown significantly ahead of what revenues have. We continue to see data prices falling down. But I would have to come back to you with the actual volume the group has seen from an overall data revenue.
Karel Pienaar	If you look quarter on quarter 2012 to 2013 it has been 100% growth in volume.
David Leffel	We are seeing in a number of markets quite significant data growth. What is driving that? Is it just the maturity of the markets? Is it new handsets? Is it something you are stimulating or is it the consumers stimulating it themselves?
Karel Pienaar	There are a couple of reasons for this growth. Firstly devices and apps, we know it's the biggest driver for that. Certainly we have a very concerted effort to move people to 3G and smartphone devices. You've seen the growth, up to 6 million in our market. So that would be the first. The second one is as you improve the quality of the network all the way to LTE, I was looking at the numbers on LTE, just the revenue growth and the data growth of LTE customers, so as the quality improves so you find

Speaker	Narrative
	people just consume a huge amount. So are we stimulating the growth? Absolutely, getting the right devices and the right quality network in place is probably the most material contribution one makes to getting that going. There is a lot of education on the prepaid level, so I think there is a nice growth in the prepaid market as well. That is more education, bringing people into the data market with things like the browser and things like that. So that's the short answer. Thanks.
David Leffel	Okay. Thanks.
Brett Goschen	For Nigeria, it's a couple of things. Obviously the data-enabled devices have a key role to play, so a key part of our strategy is putting the right devices in consumers' hands. And for that we do through our own channels. We have set up our stores or service outlets to be much more device-orientated. We have also partnered with the OEMs and their distributors as well as independent retailers to funnel SIMs and asset bundles to get devices in our consumers' hands. In Nigeria we've done a lot on the content side. Downloads from our Afrinolly application, which is the most popular app developed in Africa... we launched that five or six months ago and there has already been more than 24 million minutes of viewing time with people viewing videos from Nollywood, which is the movie industry in Nigeria. And then we have also had MTN Play with content downloads and games downloads. Revenue year on year has about doubled, as has our value-added service for data on the content side as well. So that has really been driving our data.
David Leffel	Okay. Thank you.
Operator	Our next question comes from Peter Takaendesa of Rand Merchant Bank. Please go ahead.
Peter Takaendesa	Good afternoon. Let me just start on saying well done on driving that recovery in Nigeria. We hope that continues. Then looking a bit mid- to long-term, can you give us a sense of how long you can sustain network quality in South Africa without getting new spectrum? That's the first part. Then the second part, there was some sort of media suggesting that you could look at new growth opportunities in the region of $3 billion to $7 billion. My question is, are there actually such opportunities in the market at this stage over the mid-term?
Karel Pienaar	Shall I take the data one? Mid- to long term without any more spectrum, we say 18 months to two years we can survive till. We are still aggressively rolling out 3G, so we are going to add another 1,000 3G sites which we have spectrum for. So we've got a while to go still. Certainly within the next two years we will have some options on spectrum I'm pretty convinced. So I wouldn't stick alarm bells out at this stage, but it is a focus for us to get the spectrum issue resolved. There are a couple of options for us in that space as well.
Sifiso Dabengwa	On your second question I think the real question which was actually put forward to me was for me to comment on what I think our debt capacity is. And then what I commented on was that we would be comfortable with a debt of anywhere between $4 billion and $8 billion. That's really what the question was. And then this was

Speaker	Narrative
	converted into saying that I said that there is opportunities in that range. I mean we continue looking for opportunities. We are not saying that they are there. I think as we commented late last year and early this year we are seeing much more reasonable valuations than we were seeing 18 to 24 months back. So we think that opportunities are better now. We are not necessarily saying that there is anything obvious. That's really the essence of my comment.
Peter Takaendesa	Okay. Fair enough. Thank you very much.
Operator	Our next question comes from Alex Balakhnin of Goldman Sachs. Please go ahead.
Alex Balakhnin	Good afternoon. Two questions from me if I may. The first is on your Nigerian turnaround and growth in the fourth quarter. If I recall correctly you were calling for a turnaround quite shortly. The question is what makes you more comfortable now than previously? Do you see your competitors less pushy which gives you more room for growth and turnaround? And on the same thing, your fourth quarter robust growth, can you quantify what robust really means here? Is it double digit? My second question is on the statement that you see some consolidation potential in the African countries. Do you see that the regulators are getting more positive or taking a positive stance on the concentration or the increase in the number of players? Thank you.
Brett Goschen	I can comment on what we guided the market. Just to be clear we haven't changed what we've said or said that things will improve quicker or worse in Nigeria. I think what we said to the market at the end of last year when we released our full year results was that by September 2013 we expect the overall Nigerian market to return to double-digit revenue growth, and people should then take a view on how MTN would participate within that growth. And what we were saying is for September last year when the tariff cuts were fully implemented obviously revenues bottomed out. So by September this year we expect the total mobile revenues in Nigeria to be in double-digit revenue growth. And at this stage based on how things are tracking now we still take the view that by the time it gets to the fourth quarter this year that the market should return to double-digit revenue growth.
Sifiso Dabengwa	On the second question around consolidation, firstly I don't think that regulators across the continent now have a mindset of seeing fewer players in the market if you take note of the fact that in Cameroon we just had a new player licensed. I think that what is generally going to happen is that the smaller players because of the price competition that we've been seeing are probably not likely to get any decent financial performance. We think that the cost of operating in most of the countries we operate in is such that the kind of pricing levels that we are starting to see is not going to be sustainable for most of them. I think that is probably more the cause of the consolidation, and not necessarily the regulators. We are of the view that fewer players are better for the industry.
Alex Balakhnin	Thank you. That is very helpful.
Operator	Our next question comes from Mike Gresty of Deutsche Bank. Please go ahead.

Speaker	Narrative
Mike Gresty	Good afternoon. Just a couple of things from my side. Just as far as the South African market is concerned, perhaps the reference to the weak consumer, while certainly relevant is also a fairly nebulous concept. I just wanted to understand practically what you're seeing from your competitors and how much of the softness is as a result of changing dynamics within the industry and things you're having to respond to. You mentioned things have got a little bit better towards the end of the quarter. Is that simply a result of you moving to where the market is? Can you give us some sense of what the industry is doing now? I also did some calculations to see what the rollout of new base stations in Nigeria was in the last quarter versus last year, and it looked to me possibly as if the momentum had actually slowed a little bit versus the second half of last year. I don't know if my calculations are wrong there. And then finally, can you talk about whether there have been any developments around getting cash out of Iran or optimising your balance sheet in any other markets that we should be aware of?
Karel Pienaar	Thanks. Firstly, we have seen an increase of non-voluntary churn, in other words an increase from our post-paid but also on the prepaid market. That would be the broad economic conditions. We have also seen a decrease in price elasticity, especially in the prepaid market i.e. when we increase discounts on Zone, when we give further discounts on recharge cards the level of elasticity we saw last year to this year has also decreased quite substantially. So that really talks to us on the economic conditions more than anything else. I mean I'm sure there are a couple of other things. If you look at the other aspect of the market, and that is the competitive pressure, certainly last year MTN took quite a bit of market share away from our competitors. This year all of our competitors came in with very aggressive pricing. I'm talking specifically on data and specifically on prepaid. The latest Cell C offering that came out in the beginning of February, effectively Cell C dropped prices by half last year with the 99 cents. If you look at the so-called super recharge of theirs effectively they have dropped pricing substantially, depending on how you calculate it you could say down a third level. Certainly that has an effect on our customers and we have been forced to respond to those. If we look at the interconnect and where our market share is at the end of March we are finding we are not seeing any major movement in the market share. But I can't understate the fact that this market is very aggressively being priced at the moment and we will continue to respond on pricing. This past quarter we did 15 new products, mainly responding to offerings in the market as well. We have never been so busy with that. I hope that answers some of the question.
Mike Gresty	Thank you very much.
Operator	Our next question comes from Johan Snyman of Renaissance Capital. Please go ahead.
Johan Snyman	Thank you. I've got two questions.
Nik Kershaw	Johan, before you start there are a few other outstanding questions that Mike had. Let us deal with those first.
Brett Goschen	I think you're talking about the base stations in Nigeria. The third quarter we doubled the number of sites we put on air this year to where we were in 2012. If you're

Speaker	Narrative
	comparing to where we ended 2012 and the second half I don't have those numbers in front of me. Maybe there is a slight dip. Basically historically we had a sharp dip in the third quarter and then it picks up, and then it is a strong rollout towards the end of the year. We lessened that impact in 2013 quite substantially. We started the tenders for the various elements. Certainly on the cycle side particularly we are very well placed in terms of our site planning, the site acquisitions, but we only recently concluded the tender for the cycle contractors. So as those orders go out we will see a pick-up in the cycles.
Karel Pienaar	What was the last question?
Nik Kershaw	It was repatriating the money from Iran, Sifiso.
Sifiso Dabengwa	Okay. We continue to put a lot of effort in doing that work. We have discussions some time today. So that is something that we just continue working on until we get a clear result.
Operator	We have Johan Snyman up next.
Johan Snyman	Good afternoon. Just two quick ones, both data related. The first one, if I look at SA I just want to make sure that I'm making a like for like comparison. You indicated that data revenues were up 15.7% year on year including business and mobile. Was that also the case for Q1 2012? And the second one with reference to IranCell, how do I read that sentence that says the subscribers remain stable but revenues up almost 60% year on year in local currency? Thank you.
Nik Kershaw	Johan, just on the data revenues that we disclosed for South Africa, that is like for like. It excludes the business revenues. We strip business revenues out of this quarter to show a clear like for like versus the first quarter of last year for the South African data revenue growth. So the number is pure mobile data revenue.
Johan Snyman	Nick, it says it includes business as well.
Karel Pienaar	Johan, maybe if I can answer that. We allocated equal to the MTN business data to compare like for like. If you take the business data out then the mobile data growth was 18%.
Johan Snyman	Thank you. And then just on IranCell?
Nik Kershaw	Sorry, Johan. What was the question on Iran again? Apologies.
	I just want to get some colour on that statement that data subscribers remained stable but revenues went up almost 60% year on year.
Nik Kershaw	I think the data subscribers have been stable over the quarter, but there has been growth on a year on year basis. During the quarter there wasn't much movement from a data subscriber perspective, but on a year on year basis throughout 2012 we saw an improvement in data revenue and that continued in this year, although there

Speaker	Narrative
	wasn't big movement in the absolute subscriber number over the last three months.
Johan Snyman	Can I assume it is still mainly messaging rather than unique data?
Nik Kershaw	No, the actual unique data... messaging is still the biggest chunk. The 60% growth that we're talking about was pure data, but at the moment on a relative basis data is 20% and messaging would be 80% on a relative comparison basis. But the growth we're talking about relates to actual mobile data as opposed to messaging.
Johan Snyman	Okay. Thank you.
Operator	Our next question comes from JP Davids of Barclays. Please go ahead.
JP Davids	Hi. Thanks. Two follow-ups. The first one is for Karel. You mentioned the increase in competitiveness in data and in prepaid. If you could touch on post-paid in particular, if you're comfortable with your current tariff line as opposed to the integrated offers that Vodacom has. Should we expect some changes on that front? And then the second question is for Brett. In the release you talk about the data subscribers in Nigeria being a little over 22 million. And if you look at the regulatory data in Nigeria it talks about internet subscribers being closer to 2 million for you guys. I was wondering if you could give us some perspective on market share that you have in data in Nigeria at the moment. Thank you.
Karel Pienaar	Johan, on the post-paid packages maybe you're not aware but about a week ago we brought out a whole new range of post-paid packages. We are still happy with all of them. One of the packages of our competitors is unlimited, and there we are coming soon. Please don't tell them. So there will be continued changes going forward, but we have done quite a few. Most of it is in a good position. On the data side there is also some more stuff coming there. Again we brought out a month ago some extensive new packages that are quite competitive. We have seen some nice uptick from that over the past month. On the data, especially at the higher end, there is some new stuff coming. So there is a lot of new on a continuos basis. Thanks.
Brett Goschen	I'm not sure where that 2 million came from, but I mean of the 22 million less than 10 million will be subscribers who regularly buy a data bundle. About 50% of the revenues aren't necessarily 3G. They are on GPRS, so EDGE-enabled phones. I don't know where that 2 million comes from.
JP Davids	Sorry, the 2 million to be clear comes from the regulator site. They have an internet subscriber data market share for the market with you guys at 2.4 million, which is about 20% of the market for internet subscribers. It just seems very low relative to your voice share.
Brett Goschen	That's not correct. On the data market share it is much more difficult to get accurate stats as on voice. But roughly speaking our data market share is slightly ahead of our voice market share. I think Airtel and Glo are behind their voice market share. And Etisalat will be ahead of their voice market share on data.

Speaker	Narrative
JP Davids	Thanks.
Operator	Our next question comes from Franca di Silvestro of HSBC. Please go ahead.
Franca di Silvestro	The first one maybe for Sifiso. With the ruling on the petroleum case are you committed to seek an early ruling on the Turkcell litigation, or are you just going to wait for your turn in court? And secondly, can I just get a better sense of Nigeria? The question is for Brett. When you are looking at the capex rollout at the moment from your competitors is everybody going for the same areas? Is everyone focussing on the metro areas? Because you are still trying to meet the KPIs of the NCC and still trying to make them happy would that suggest that your competitors are able to perhaps focus their capex rollout on areas that you're not currently able to get to? I just want to understand that a bit better.
Brett Goschen	We are all focussed on different areas. Airtel is not rolling out much at all. They are sitting with headroom, so their traffic rollout is pretty small. We are not actually seeing much activity. Glo have announced they are going to be investing quite substantially in their capex rollout this year, but we haven't seen much on the ground. Etisalat are the ones probably rolling out most aggressively at the moment. But we are focussed on different areas. Our market share is in Lagos and so we are focussed very much in that area. Etisalat are particularly focussed in the north. We are also focussed there because that is where the growth market is coming from. In the south-east we are very congested, so competitors see that as a weakness. So they are focussing their efforts there while we are trying to increase our capacity in the south-east as well.
Franca di Silvestro	Thank you.
Sifiso Dabengwa	On the first question, we will leave the court process to follow its course. The judge in our case stated the process awaiting the outcome of the Kiobel case, and therefore at this stage there is no indication as to why it should take long for it to continue and for him to make up his mind.
Franca di Silvestro	Thank you.
Operator	Our next question is a follow-up. It comes from Thato Motlanthe of Citigroup. Please go ahead.
Thato Motlanthe	Just a quick follow-up, Nik. The percentage of total revenue in Nigeria that is coming from data, can you give us an indication of what it was last year for Q1 2012?
Nik Kershaw	Sure. Just give me a second to give you the actual number. Just bear with me a moment. It was a similar number. In the first quarter of last year the data revenue number was 13%. It then reduced during the course of the year and it has increased again now. Obviously data tariffs moved during the course of the year as well, and then from a network perspective if you remember we commented at a stage last year that there had been some pressure on our Blackberry network because of the congestion we had on our voice network at the time. There was some pressure on the Blackberry sales. It has started to increase, but it was at a similar quantum this time

Speaker	Narrative
	last year.
Thato Motlanthe	Sorry, if the quantum was the same and the data revenue grew by 64% year on year that would imply the growth for the other segments?
Nik Kershaw	Let me just confirm the numbers and I will send you an email after the call just to make 100% sure.
Thato Motlanthe	Thanks.
Operator	Ladies and gentlemen, a reminder that if you would like to ask a question please press star and then one now. Our next question comes from Ziyad Joosub of JP Morgan. Please go ahead.
Ziyad Joosub	Hi everyone. Just two quick questions on Nigeria please. The first question has got to do with your traffic mix. Have you seen any change in you on-net percentage? That's the first question. Then the second question is if you look at Etisalat's Q1 release they only had 200,000 net adds whereas MTN is at 3.9 million almost. So you see quite a big slowdown on their part in the first quarter of this year. Do you have any insight into maybe how aggressively Glo have been recently, specifically this year Q1? Thank you.
Brett Goschen	Our traffic mix is still 82/18 approximately. It has stabilised at that. We had a good quarter relative to our competitors. We picked up market share. What happened was with all those promo activities [inaudible segment] the promo ban has also benefited MTN. When the washing machine effect came to an end they had a lot of churn with people chasing the latest promo. If you look at the subscriber numbers you have one customer who is counted twice because of the number of days. I think Etisalat used 120 days and Airtel used 180 days in their reporting. So that has caught up with them. We didn't have that effect and we kept our churn levels low, had a lot of net adds and picked up some market share. And in fact all the other operators in January [inaudible segment] because of the washing machine effect like they had on the SIMs [inaudible segment] so they tried to counteract that. The most aggressive in the market is Glo. They have lost the most over the last six months, so when the promo ban was lifted they have come out most aggressively. Airtel has their offer for 36 Naira per day [unclear] for the first minute. They have nine minutes for free. So they are very aggressive in the market. So certainly Airtel and Glo are more aggressive than Etisalat currently.
Operator	Gentlemen, we have no further questions. Do you have any closing comments?
Sifiso Dabengwa	Thank you very much for your participation.
Operator	Thank you very much. On behalf of the MTN Group that concludes this conference. Thank you for joining us. You may now disconnect your lines.