MTN Group Limited
Quarterly update for the period ended 30 September 2012

MTN Group Limited
(Incorporated in the Republic of South Africa)
Registration Number 1994/009584/06
Share code: MTN
ISIN: ZAE000042164
("MTN Group")

MTN Group recorded 182,7 million subscribers

– Satisfactory subscriber growth despite strong competition

– Subscriber stimulating activities showing positive results

– Capital expenditure programme on track

MTN Group President and CEO, Sifiso Dabengwa commented:

MTN delivered a satisfactory set of results for the quarter ended 30 September 2012, increasing subscriber numbers by 3.8% to 182,7 million. The Group's performance was underpinned by solid operational management and the rollout of appealing value propositions despite aggressive pricing competition, regulations and economic challenges across the different markets in which the Group operates. This solid operational performance over the past quarter has enabled MTN to increase guidance for net additions for 2012 from 21.25 million to 23.70 million.

MTN has continued to implement on its strategic pillars of improving shareholder returns, developing existing and new revenue streams, optimising costs and improving customer experience. Most relevant during the quarter was the execution of competitive products and services in response to aggressive price declines in the market, a continued focus on data growth and improved network rollout. Looking forward to the balance of the year, acceleration of our network expansion will be a key priority across the majority of our operations as network quality remains a key enabler for our business.

Operational review

MTN Group

This commentary includes an analysis of MTN South Africa, MTN Nigeria and the Large Opco Cluster. Detailed schedules of subscriber numbers, quarterly ARPU and net additions guidance for all 21 operations are also included. With this update we have revised our disclosure to show actual quarterly ARPU as opposed to year-to-date ARPU. We have furthermore disclosed ARPU in both USD as well as local currency.

MTN South Africa

MTN South Africa has continued the strong momentum as reported at the interim (1H12) period. The subscriber base increased by 4.1% for the quarter, mainly attributable to a strong performance in the pre-paid segment, which maintained market share and increased subscribers by 4.2%. The post-paid segment grew its subscriber base by 3.6% for the quarter increasing its market share marginally. Post-paid growth continues to be driven by hybrid offerings, which contributed 44% to the post-paid subscriber base. Data delivered a satisfactory performance despite strong competition which has seen tariffs come down across the market. Local currency blended ARPU remained stable at R121.25. Prepaid ARPU showed an upward trend as minutes of use improved from lower tariffs and positive elasticity while postpaid ARPU continued to decline due to lower "out of bundle" spend and a high volume of telemetry SIMS.

MTN Nigeria

Although MTN Nigeria has continued to face a number of challenges subscriber growth showed a healthy improvement during the quarter, increasing 5.7% and maintaining market share. This was largely due to successful competitive offerings, which saw significant price declines driven by promotional activities. Elasticity has steadily improved during the quarter and billable minutes of use increased by 24% MoM in September with an effective elasticity of 1.0x. Including promotional traffic we have seen Busy Hour Erlang almost double over the quarter and this has placed significant pressure on the network. Parts of the network have experienced some deterioration in congestion levels. Data continued to gain momentum, although growth in 2G data users was impacted by network congestion. Local currency ARPUs declined by 9.3% for the quarter mainly due to lower tariffs. Network quality and capacity remains a priority and are being addressed through a comprehensive network rollout programme. This will be a key focus over the next six to 12 months.

Other operations

Large Opco Cluster

MTN Irancell continued to deliver a sound operational performance despite an increasingly challenging economic and political environment. The company increased its subscriber base by 2.8% largely due to its attractive value propositions and network quality. However, growing competition and a high inflationary environment affected gross activations during the quarter. At the end of September 2012, MTN Irancell recorded 230 000 Wimax users. Network rollout has been impacted slightly by delayed equipment delivery. Towards the end of the quarter the local currency depreciated substantially against the dollar and this will impact the translation of fourth quarter earnings. Furthermore full-year earnings will be impacted by the translation of the balance sheet at the closing rate.

MTN Ghana increased its subscribers by 4.8% for the quarter, a strong result in a highly competitive market. This was supported by attractive acquisition and usage based promotions as well as effective management of sales and marketing. The company showed a marginal decline in market share following the launch of a new entrant at the end of the second quarter. Data continued to show good growth due to an increased focus on distribution and coverage. Local currency ARPU increased by 2.6% due to attractive promotions stimulating improved usage on the network. Network quality and capacity are being addressed through the ongoing network rollout.

MTN Syria increased its subscriber base by 2.0% despite the ongoing civil unrest. Local currency ARPU declined by 12.2% mainly due to network outages, particularly in the Aleppo area which is a key revenue generating region for the business. In the light of this ongoing unrest, pressure on ARPU and revenue is expected to continue for the balance of the year. Security of staff and assets remains a key priority for the business.

MTN Cameroon grew its subscribers by 1.6% in the quarter. The slow growth was mainly due to a shortage in the number range, which has also resulted in a loss of market share. This has subsequently been addressed. Local currency ARPU declined by 3.9% in the quarter due to challenges on the EVD system impacting revenues in September.

MTN Côte d'Ivoire increased its subscribers by less than 1%. This was mainly due to a challenging economic environment, with a delay in the seasonal cocoa harvest and political unrest in some parts of the country. Competition also intensified resulting in a loss of market share. Local currency ARPU declined by 7.4% as a result.

MTN Uganda's performance was impacted by increased competition during the quarter and the business increased subscribers only marginally. Although market share was negatively impacted, value share was maintained. This was attributable to the continued success of the MTN Zone offering. Local currency ARPU increased by 4.6%.

MTN Sudan delivered a satisfactory performance despite the slow growth of the GSM market. During the quarter, the company increased market share and marginally increased its subscriber base. The more than 80% devaluation in the Sudanese pound has resulted in a marked increase in inflation and led to further challenges in the business. Delays in equipment delivery have impacted network rollout.

Subscribers
('000)

Country	1Q11 Mar	2Q11 Jun	3Q11 Sept	4Q11 Dec	1Q12 Mar	2Q12 Jun	**3Q12 Sept**	QoQ % Change
South Africa	**19 197**	**19 799**	**20 968**	**22 033**	**22 735**	**23 533**	**24 498**	**4.1%**
Post-paid	*3 434*	*3 555*	*3 688*	*3 834*	*4 004*	*4 195*	*4 346*	*3.6%*
Pre-paid	*15 763*	*16 244*	*17 280*	*18 199*	*18 731*	*19 338*	*20 152*	*4.2%*
Nigeria	**40 211**	**40 540**	**41 107**	**41 641**	**42 899**	**43 184**	**45 640**	**5.7%**
Other	**87 857**	**91 933**	**96 515**	**100 827**	**104 939**	**108 783**	**112 042**	**3.5%**
Large Opco Cluster	**66 300**	**69 225**	**72 926**	**76 300**	**79 681**	**82 557**	**84 451**	**2.3%**
Iran	31 391	32 182	33 314	34 681	36 831	38 296	39 382	2.8%
Ghana	9 070	9 562	9 894	10 156	10 394	10 758	11 270	4.8%
Syria	4 920	5 123	5 428	5 716	5 693	5 906	6 021	2.0%
Côte d'Ivoire	5 406	5 644	5 944	6 305	6 337	6 466	6 489	0.3%
Cameroon	4 589	4 879	5 464	5 800	6 367	6 952	7 067	1.6%
Uganda	6 908	7 241	7 508	7 629	7 725	7 228	7 239	0.2%
Sudan	4 016	4 594	5 374	6 013	6 334	6 951	6 982	0.4%
Small Opco Cluster	**21 557**	**22 708**	**23 589**	**24 527**	**25 258**	**26 226**	**27 591**	**5.2%**
Yemen	2 977	3 344	3 693	3 880	4 035	4 215	4 445	5.4%
Afghanistan	4 189	4 338	4 412	4 768	4 952	5 173	5 326	3.0%
Benin	2 245	2 305	2 300	2 399	2 488	2 519	2 602	3.3%
Congo – Brazzaville	1 725	1 731	1 729	1 672	1 634	1 653	1 748	5.8%
Zambia	2 043	2 173	2 383	2 704	2 946	3 156	3 470	10.1%
Guinea-Conakry	2 002	2 110	2 183	1 987	1 977	2 099	2 340	11.5%
Rwanda	2 638	2 794	2 864	2 889	2 899	3 033	3 229	6.5%
Cyprus	250	263	280	280	283	302	316	4.6%
Liberia	795	852	939	1 006	1 045	1 060	1 102	3.9%
Botswana	1 445	1 481	1 509	1 584	1 603	1 596	1 600	0.3%
Guinea-Bissau	570	599	587	591	608	638	622	-2.5%
Swaziland	678	718	710	767	788	782	791	1.1%
Total subscribers*	**147 265**	**152 272**	**158 590**	**164 501**	**170 573**	**175 995**	**182 704**	**3.8%**

*Includes South Sudan.

ARPU
(US$)

	1Q11 Mar	2Q11 Jun	3Q11 Sept	4Q11 Dec	1Q12 Mar	2Q12 Jun	**3Q12 Sept**
South Africa	**19,70**	**19,20**	**19,43**	**18,86**	**16,02**	**15,41**	**15,11**
Nigeria	**9,93**	**9,75**	**9,69**	**9,42**	**9,30**	**9,23**	**8,30**
Large Opco Cluster							
Iran	7,58	8,11	8,09	7,96	7,48	7,44	**7,44**
Ghana	6,91	7,01	6,84	7,10	6,57	6,03	**6,02**
Syria	14,48	13,78	14,54	13,04	10,36	9,90	**8,85**
Côte d'Ivoire	6,29	5,28	5,82	6,51	6,10	6,06	**5,51**
Cameroon	7,28	7,98	7,41	6,49	6,42	5,31	**5,00**
Uganda	3,92	3,00	3,16	3,92	3,99	3,71	**3,86**
Sudan	4,46	4,65	3,98	3,80	3,72	3,88	**2,51**
Small Opco Cluster							
Yemen	5,65	5,75	6,07	6,88	6,24	5,98	**6,06**
Afghanistan	4,55	4,98	4,97	4,26	4,48	4,83	**4,52**
Benin	8,54	8,92	9,01	8,84	8,02	7,77	**7,81**
Congo B	9,22	9,65	10,51	9,74	10,26	10,19	**11,15**
Zambia	5,06	4,26	5,68	5,62	4,44	5,19	**5,07**
Conakry	4,52	4,83	4,81	4,90	5,61	5,55	**5,24**
Rwanda	3,63	3,54	4,21	3,76	3,81	3,52	**3,89**
Cyprus	31,59	34,39	29,11	34,18	27,01	30,33	**25,05**
Liberia	10,25	10,56	9,64	9,47	9,18	9,52	**9,45**
Botswana	9,99	10,24	10,30	9,91	8,53	8,54	**8,69**
Bissau	6,18	8,07	6,41	5,53	5,43	5,40	**4,15**
Swaziland	13,92	13,82	13,98	14,29	10,83	10,42	**10,76**

Subscribers are customers who have participated in a revenue-generating activity in the last 90 days, ARPU is the monthly weighted average revenue per subscriber. Revenue includes interconnect fees and excludes connection fees and visitor roaming revenue, and this is divided by the weighted average subscriber base over the period.

South Africa subscribers and ARPUs include community service payphones into pre-paid and application providers into post-paid.

ARPU
(local currency)

	1Q11 Mar	2Q11 Jun	3Q11 Sept	4Q11 Dec	1Q12 Mar	2Q12 Jun	**3Q12 Sept**
South Africa	**136,7**	**131,1**	**134,0**	**135,3**	**123,5**	**121,5**	**121,2**
Post-paid	*299,4*	*282,0*	*293,6*	*273,2*	*267,2*	*261,3*	*241,6*
Pre-paid	*101,5*	*98,1*	*99,8*	*105,9*	*93,2*	*91,3*	*95,2*
Nigeria	**1 520,2**	**1 511,5**	**1 499,0**	**1 511,7**	**1 493,3**	**1 462,0**	**1 326,1**
Large Opco Cluster							
Iran	78 353,6	86 249,9	86 120,1	85 968,9	87 378,7	91 155,0	**91 196,5**
Ghana	10,5	10,6	10,4	11,6	11,1	11,3	**11,6**
Syria	682,6	656,9	693,7	661,2	616,2	688,9	**605,1**
Côte d'Ivoire	3 015,	2 387,9	2 673,2	3 160,8	3 032,0	3 098,8	**2 870,2**
Cameroon	3 469,9	3 611,7	3 410,9	3 235,8	3 192,7	2 708,0	**2 602,4**
Uganda	9 161,9	7 207,1	8 568,1	10 173,9	9 537,3	9 228,3	**9 653,4**
Sudan	12,1	12,5	10,7	10,2	9,9	11,0	**11,6**
Small Opco Cluster							
Yemen	1 212,5	1 273,9	1 443,5	1 573,8	1 353,1	1 286,3	**1 303,5**
Afghanistan	206,6	228,8	235,1	206,4	221,7	243,3	**234,1**
Benin	4 071,3	4 031,4	4 148,2	4 295,6	3 991,9	3 961,5	**4 086,8**
Congo B	4 395,4	4 365,3	4 838,4	4 730,0	5 101,2	5 203,0	**5 808,3**
Zambia	24 132,3	20 162,6	27 527,5	27 998,1	23 045,3	27 318,0	**25 445,5**
Conakry	33 225,1	31 670,6	32 537,9	33 908,4	38 819,4	38 199,9	**35 867,4**
Rwanda	2 148,0	2 113,8	2 513,0	2 251,9	2 300,9	2 131,7	**2 374,1**
Cyprus	22,9	23,6	20,5	25,2	20,5	23,0	**20,5**
Liberia	10,3	10,6	9,6	9,5	9,2	9,5	**9,5**
Botswana	66,4	66,6	70,1	73,7	61,7	65,1	**67,0**
Bissau	2 956,5	3 647,4	2 949,7	2 680,3	2 698,2	2 757,4	**2 170,0**
Swaziland	96,5	96,1	97,3	99,5	83,5	83,9	**89,1**

Revised net additions guidance

Country	Jun 12 ('000)	**Sep 12 ('000)**
South Africa	**3 000**	**3 500**
Nigeria	**4 000**	**5 300**
Other	**14 250**	**14 900**
Large Opco Cluster	—	**11 150**
Iran	5 500	5 500
Ghana	950	1 400
Syria	400	500
Côte d'Ivoire	—	250
Cameroon	—	1 500
Uganda	—	0
Sudan	—	2 000
Small Opco Cluster	—	**3 750**
Total	**21 250**	**23 700**

Fairland

25 October 2012

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