

MTN Group Limited

Quarterly update for the period ended 31 March 2013

MTN Group Limited

(MTN)

Registration number: 1994/009584/06

ISIN: ZAE000042164

Share code: MTN

MTN Group records 195,4 million subscribers

MTN is a leading emerging markets mobile operator, connecting approximately 195 million people in 22 countries across Africa and the Middle East. We are at the forefront of global technological changes, delivering a bold, new Digital World to our customers.

- Solid subscriber growth despite competitive markets
- South Africa impacted by high level of churn
- Encouraging revenue trends in Nigeria
- Robust data revenue growth, up 42,2% year-on-year (YoY)
- Capital expenditure programme on track

MTN Group President and CEO, Sifiso Dabengwa comments:

"The Group started the year strongly, increasing subscriber numbers by 3,2% quarter on quarter to 195,4 million. This supported growth in traffic volumes and local currency revenue. In South Africa, despite a slow start to the year, MTN maintained its market share and reviewed its market offerings to be more competitive. In Nigeria, MTN continued to record a good performance in a highly competitive market.

The Group's performance is underpinned by a strong focus on continuous improvement in network quality and coverage, wider and more effective distribution and by the introduction of various innovative and competitive products and services to our customers. Our capital expenditure programme is progressing well. This is designed to ensure the Group's continued competitiveness and support subscriber and revenue growth into the future. The solid performance over the past quarter means we have maintained our guidance for net additions for the full 2013 year at 21 million."

Operational review

MTN Group

This commentary includes an analysis of the performance of MTN South Africa, MTN Nigeria and the Group's Large Opco Cluster. We also give detailed schedules of subscriber numbers and quarterly average revenue per user (ARPU). ARPU figures and net additions data for all 21 operations (excluding South Sudan). ARPU figures are based on actual quarterly ARPU and are disclosed in both US dollars and local currency.

MTN South Africa

After a strong 2012, the past quarter was characterised by a weaker consumer environment as well as increased pricing competition. The business recorded 470 000 net disconnections, a quarter on quarter (QoQ) decrease of 1,9% in the traditionally weak period, which was further exacerbated by the strong subscriber growth recorded in the last quarter of 2012. In the period under review, the average price per minute (PPM) declined 5,5% compared to the same period a year earlier, placing some pressure on revenue growth. Blended ARPU declined 8,1% to R110,62 as a result of promotional activities and a decline in effective tariffs. Towards the end of the quarter there has been some sign of an improvement in both subscriber and revenue trends.

Data revenue remains a key focus for the business. In the past quarter, active data subscribers were 13,3 million, data revenue, including MTN Business and mobile data, increased approximately 15,7% YoY.

MTN Nigeria

Following a challenging 2012, there was a continued improvement in the key operating metrics for the Nigerian business in the past quarter. We recorded net additions of 3,9 million, an increase of 8,1% QoQ, as the market rebounded following the significant price reductions during August and September 2012. Encouragingly, revenue growth continued to track higher since bottoming out in September last year and local currency ARPU remained stable. We regained market share by 2 percentage points to 49,7%.

Average daily revenue continued to increase from September 2012 and over the past six months, average daily revenue has increased 12,8%. Despite the recently announced sharper-than-expected reduction in mobile termination rates (MTRs), we are confident that the market will return to robust YoY revenue growth levels by the start of the fourth quarter 2013.

As mobile penetration increases, data revenue is becoming an important part of our growth. In the past quarter, data subscribers reached 22,8 million, and data revenue increased approximately 63,5% in local currency YoY.

We made good progress on our network rollout, adding 450 new 2G sites during the quarter compared to 211 in the same period last year. We also added 259 co-located 3G sites, bringing the total number of 3G sites to 3 508. Network quality and coverage is a top priority for the business to ensure that we remain competitive, particularly given the recent reduction of termination rates and its potential impact on tariffs.

MTN Group Limited

Quarterly update for the period ended 31 March 2013

Other Operations: Large Opco Cluster

MTN Ghana increased subscribers by 2,5% QoQ, adding 290 000 subscribers, a solid result in the highly competitive market. The business performed well with stable YoY local currency ARPU. A strong performance in the data market supported ARPU, with data subscribers reaching 4,1 million and data revenue increasing 67,3% in local currency YoY.

MTN Irancell increased subscribers 2,6% QoQ. Local currency ARPU continued to track higher although US dollar ARPU was impacted by the movement in the rial. Particularly strong growth in the data business, albeit off a low base, supported local currency ARPU. Data subscribers remained stable at 10,1 million at the end of the quarter and data revenue increased 58,6% in local currency YoY.

MTN Cameroon increased subscribers by 2,6% QoQ, adding 192 000 subscribers in the period. Since the tariff cuts at the end of the first quarter of 2012, local currency ARPU has remained relatively stable. Minutes of use (MOU) increased 56% YoY, driven by the sharp reduction in tariffs. We continue to drive data usage on our 2G network ahead of the introduction of 3G services in Cameroon. Data subscribers reached 0,6 million at the end of the quarter and data revenue increased 42,9% in local currency YoY.

MTN Ivory Coast increased subscribers by 5,8% QoQ, adding 354 000 subscribers, a very strong result, while local currency ARPU remained resilient. The performance of our data business improved significantly YoY, supported by the launch of our 3G service in December 2012. Data subscribers reached 0,9 million at the end of the quarter and data revenue increased 41,1% in local currency YoY.

MTN Uganda added 248 000 subscribers, growing 3,2% QoQ. ARPU in the quarter was impacted following promotional activities in the last quarter of 2012 and the subsequent decrease in effective tariffs. Improved network performance and increased 3G coverage supported our data performance. Data subscribers reached 1,2 million at the end of the quarter and data revenue increased 53,6% in local currency YoY.

MTN Sudan continued to deliver improvements as local currency revenue increased more than 50% YoY and margins expanded. MTN Sudan added 323 000 subscribers, a 4,1% increase QoQ, data subscribers increased to 2,4 million and a substantial increase in data revenues was recorded in local currency terms.

MTN Syria continued to operate in a highly challenging environment with no improvement in the security situation. The business recorded net disconnections of 364 000, a 6% decrease QoQ, with both revenue and margins coming under pressure. This is expected to continue.

MTN Group Limited

Quarterly update for the period ended 31 March 2013

Subscribers (‘000)

| Country | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13 | QoQ % change |
|---------------------------|---------|---------|---------|---------|---------|-----------------|
| South Africa | 22 735 | 23 533 | 24 498 | 25 421 | 24 950 | (1,9) |
| Post-paid | 4 004 | 4 195 | 4 346 | 4 498 | 4 636 | 3,1 |
| Pre-paid | 18 731 | 19 338 | 20 152 | 20 923 | 20 314 | (2,9) |
| Nigeria | 42 899 | 43 184 | 45 640 | 47 441 | 51 295 | 8,1 |
| Other | 104 939 | 108 783 | 112 042 | 115 824 | 118 557 | 2,4 |
| Large OpCo Cluster | 79 681 | 82 557 | 84 451 | 87 236 | 89 318 | 2,4 |
| Iran | 36 831 | 38 296 | 39 382 | 40 502 | 41 542 | 2,6 |
| Ghana | 10 394 | 10 758 | 11 270 | 11 735 | 12 024 | 2,5 |
| Syria | 5 693 | 5 906 | 6 021 | 6 028 | 5 665 | (6,0) |
| Côte d'Ivoire | 6 337 | 6 466 | 6 489 | 6 079 | 6 433 | 5,8 |
| Cameroon | 6 367 | 6 952 | 7 067 | 7 307 | 7 499 | 2,6 |
| Uganda | 7 725 | 7 228 | 7 239 | 7 702 | 7 950 | 3,2 |
| Sudan | 6 334 | 6 951 | 6 982 | 7 883 | 8 206 | 4,1 |
| Small OpCo Cluster | 25 258 | 26 226 | 27 591 | 28 589 | 29 239 | 2,3 |
| Yemen | 4 035 | 4 215 | 4 445 | 4 576 | 4 691 | 2,5 |
| Afghanistan | 4 952 | 5 173 | 5 326 | 5 224 | 5 376 | 2,9 |
| Benin | 2 488 | 2 519 | 2 602 | 2 672 | 2 739 | 2,5 |
| Congo-Brazzaville | 1 634 | 1 653 | 1 748 | 1 740 | 1 720 | (1,1) |
| Zambia | 2 946 | 3 156 | 3 470 | 4 074 | 4 200 | 3,1 |
| Guinea-Conakry | 1 977 | 2 099 | 2 340 | 2 276 | 2 353 | 3,4 |
| Rwanda | 2 899 | 3 033 | 3 229 | 3 432 | 3 451 | 0,6 |
| Cyprus | 283 | 302 | 316 | 313 | 312 | (0,3) |
| Liberia | 1 045 | 1 060 | 1 102 | 1 189 | 1 231 | 3,5 |
| Botswana | 1 603 | 1 596 | 1 600 | 1 632 | 1 623 | (0,6) |
| Guinea-Bissau | 608 | 638 | 622 | 656 | 727 | 10,8 |
| Swaziland | 788 | 782 | 791 | 806 | 817 | 1,4 |
| Total subscribers* | 170 573 | 175 995 | 182 704 | 189 266 | 195 388 | 3,2 |

*Includes South Sudan.

MTN Group Limited

Quarterly update for the period ended 31 March 2013

ARPU

(Local currency)

| | 1Q 2012 | 2Q 2012 | 3Q 2012 | 4Q 2012 | 1Q 2013 | QoQ % change |
|---------------------------|-----------|-----------|-----------|-----------|------------------|-----------------|
| South Africa | 123,54 | 121,52 | 121,25 | 120,36 | 110,62 | (8,1) |
| Post-paid | 267,21 | 261,33 | 241,62 | 237,35 | 222,34 | (6,3) |
| Pre-paid | 93,16 | 91,33 | 95,18 | 95,16 | 86,05 | (9,6) |
| Nigeria | 1 493,33 | 1 462,04 | 1 326,12 | 1 269,01 | 1 245,64 | (1,8) |
| Other | | | | | | |
| Large OpCo Cluster | | | | | | |
| Iran | 87 378,68 | 91 155,01 | 91 196,47 | 89 432,79 | 92 298,84 | 3,2 |
| Ghana | 11,14 | 11,33 | 11,63 | 11,49 | 11,32 | (1,5) |
| Syria | 616,22 | 688,95 | 605,12 | 544,47 | 504,88 | (7,3) |
| Côte d'Ivoire | 3 032,04 | 3 098,75 | 2 870,24 | 3 248,90 | 3 183,33 | (2,0) |
| Cameroon | 3 192,65 | 2 708,00 | 2 602,40 | 2 817,53 | 2 685,36 | (4,7) |
| Uganda | 9 537,29 | 9 228,29 | 9 653,43 | 9 660,26 | 9 368,65 | (3,0) |
| Sudan | 9,90 | 11,01 | 11,57 | 11,93 | 11,19 | (6,2) |
| Small OpCo Cluster | | | | | | |
| Yemen | 1 353,09 | 1 286,33 | 1 303,46 | 1 321,90 | 1 294,57 | (2,1) |
| Afghanistan | 221,69 | 243,33 | 234,09 | 205,14 | 206,21 | 0,5 |
| Benin | 3 991,93 | 3 961,53 | 4 086,18 | 4 017,78 | 3 862,85 | (3,9) |
| Congo-Brazzaville | 5 101,21 | 5 203,02 | 5 808,30 | 5 375,20 | 5 252,34 | (2,3) |
| Zambia* | 23,05 | 27,32 | 25,45 | 24,90 | 22,51 | (9,6) |
| Guinea-Conakry | 38 819,43 | 38 199,87 | 35 867,40 | 37 715,56 | 37 914,82 | 0,5 |
| Rwanda | 2 300,91 | 2 131,70 | 2 374,07 | 2 288,04 | 1 888,47 | (17,5) |
| Cyprus | 20,48 | 23,08 | 20,46 | 19,43 | 18,30 | (5,8) |
| Liberia | 9,18 | 9,52 | 9,45 | 7,84 | 8,63 | 10,1 |
| Botswana | 61,73 | 65,09 | 67,01 | 72,49 | 61,84 | (14,7) |
| Guinea-Bissau | 2 698,15 | 2 757,42 | 2 170,03 | 2 005,40 | 1 968,81 | (1,8) |
| Swaziland | 83,46 | 83,95 | 89,12 | 94,17 | 92,10 | (2,2) |

* Zambian Kwacha rebased on 1 January 2013. Prior period comparatives have been adjusted accordingly.

MTN Group Limited

Quarterly update for the period ended 31 March 2013

ARPU

(US dollar)

| | 1Q 2012 | 2Q 2012 | 3Q 2012 | 4Q 2012 | 1Q 2013 | QoQ % change |
|---------------------------|---------|---------|---------|---------|---------|-----------------|
| South Africa | 16,02 | 15,07 | 14,62 | 13,92 | 12,98 | (11,0) |
| Post-paid | | | | | | |
| Pre-paid | | | | | | |
| Nigeria | 9,30 | 9,23 | 8,30 | 8,08 | 7,89 | (2,2) |
| Other | | | | | | |
| Large OpCo Cluster | | | | | | |
| Iran | 7,48 | 7,44 | 7,44 | 3,91 | 3,76 | (3,9) |
| Ghana | 6,57 | 6,03 | 6,02 | 6,06 | 5,92 | (2,3) |
| Syria | 10,36 | 9,90 | 8,85 | 7,09 | 5,54 | (21,9) |
| Côte d'Ivoire | 6,10 | 6,06 | 5,51 | 6,44 | 6,42 | (0,3) |
| Cameroon | 6,42 | 5,31 | 5,00 | 5,58 | 5,41 | (3,0) |
| Uganda | 3,99 | 3,71 | 3,86 | 3,69 | 3,56 | (3,7) |
| Sudan | 3,72 | 3,88 | 2,51 | 2,71 | 2,54 | (6,2) |
| Small OpCo Cluster | | | | | | |
| Yemen | 6,24 | 5,98 | 6,06 | 6,15 | 6,02 | (2,2) |
| Afghanistan | 4,48 | 4,83 | 4,52 | 3,91 | 3,92 | 0,1 |
| Benin | 8,02 | 7,77 | 7,81 | 7,96 | 7,79 | (2,2) |
| Congo-Brazzaville | 10,26 | 10,19 | 11,15 | 10,65 | 10,59 | (0,6) |
| Zambia | 4,44 | 5,19 | 5,07 | 4,79 | 4,22 | (11,8) |
| Guinea-Conakry | 5,61 | 5,55 | 5,24 | 5,49 | 5,56 | 1,3 |
| Rwanda | 3,81 | 3,52 | 3,89 | 3,67 | 3,01 | (18,1) |
| Cyprus | 27,01 | 30,33 | 25,05 | 25,25 | 24,18 | (4,2) |
| Liberia | 9,18 | 9,52 | 9,45 | 7,84 | 8,63 | 10,1 |
| Botswana | 8,53 | 8,54 | 8,69 | 9,20 | 7,68 | (16,5) |
| Guinea-Bissau | 5,43 | 5,40 | 4,15 | 3,97 | 3,97 | (0,1) |
| Swaziland | 10,83 | 10,42 | 10,76 | 10,89 | 10,32 | (5,3) |

The financial information on which this quarterly update is based has not been reviewed or reported on by MTN's external auditors.

Fairland
25 April 2013

Sponsor

Deutsche Securities (SA) Proprietary Limited