



MTN Group Ltd Quarterly Results Call
DATE: 29/10/2018





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<p>Operator</p>	<p>Good afternoon ladies and gentlemen and welcome to the MTN Group Ltd quarterly results call. All participants will be in listen only mode. There will be an opportunity to ask questions later during the conference. If you should need assistance during the call please signal and operator by pressing star then zero. Please note that this call is being recorded. I would now like to turn the conference over to Nik Kershaw. Please go ahead, sir.</p>
<p>Nik Kershaw</p>	<p>Hi. Good afternoon everyone. Nik Kershaw speaking. Thanks very much everyone for taking time to dial in this afternoon. With me here this afternoon is Rob Shuter, group CEO, Ralph Mupita, group CFO, and Michael Fleischer, our Chief Legal Counsel. Rob and Ralph will make a few introductory comments and thereafter we will move into a Q&A which will be facilitated by the operator. I think you will all have seen the SENS that we released this morning. It is also available on our website. With that over to you, Rob.</p>
<p>Rob Shuter</p>	<p>Thanks very much, Nik. Welcome also from my side to everybody. Obviously the SENS announcement went out this morning, so I will take it that you've all had a chance to go through that. I guess we really just wanted to put a bit of colour around it, and then we will hand over for Q&A. I think overall it was a very solid quarter operationally. You all know that we announced the BRIGHT strategy last year. It has a big focus on the customer experience, a big focus on growth in data and digital, also the returns, margin improvement. So there is a lot going on there. And if we look at the performance now that we are nine months into the 2018 year we are really pleased that we are in line with our medium-term guidance.</p> <p>So you saw constant currency service revenue growth for the group at 10%, so that's slightly above our high single digit. A strong performance in there from Nigeria, just over 17%. SA around 3%, so slightly ahead of the first half, so a small improvement. The third largest opco that is consolidating in is Ghana, so a strong performance there. On the revenue side on the top line I think there is good progress. And it is also because we are successfully rolling out the strategy of improving the data performance, increasing coverage. Active data subscribers I think grew nicely to 74.2 million and data revenues for the group are up just short of 24%. So I think pretty pleasing from a revenue perspective.</p> <p>And if we look at the second part of the guidance around margin improvement we saw Nigeria come in at 43.2%, we saw SA stable at 34.5%. Ghana came in at 37.6%, but just to remind everybody that we implemented the management fees in May, and if we restated or just extracted that for the purposes of comparison the margin in Ghana would have been just over 40%. So I think the improving margins are also coming through well.</p> <p>If I look very quickly at the big markets, in South Africa definitely there is progress, but as we've said there is still work to be done. The biggest drag on the top line is still the enterprise business unit. You will recall that was -14% at the half year. And that rate of decline has improved or is not declining by as much. So that is part of what is driving the operational performance. It was a big quarter for the SA opco. We saw NPS going</p>



Speaker

Narrative

back into the number one position, which was encouraging. We are very busy implementing the Cell C roaming transaction, so we hope to have the multi-operator call network, the so-called MOCN, fully implemented by the end of October. So they have got a couple of days left to do that. Obviously that is well advanced.

A big deployment of LTE on 900 frequency. So that's the first big deployment in the group. You know we have spoken a lot about putting 3G on the 900 spectrum, the so-called U900. With increased penetration of 4G devices in South Africa and quite a spectrum shortage we have actually been deploying LTE on the 900 spectrum, and that is one of the largest deployments you will see certainly in most of the continent.

Touching briefly on the spectrum outlook, I think there we do have some progress on the regulatory front. So you would have seen recent announcements that government is committed to implementing the spectrum auction in the early part of 2019. So that is progress. We are looking there at a combination of the low band spectrum, 700 and 800, and the high band spectrum, 2600. It is still not clear what will be auctioned, what will be reserved for the wholesale operator. Industry has to complete its feedback on the proposals by the 9th November. And from MTN's perspective we still believe the hybrid model can work, but it is really important that there is still a decent allocation of spectrum to the operators including 800 which is a key band. So that is still going to be subject to quite some discussion over the next weeks.

We are also very focussed on our data pricing. I think we said historically that there are many very affordable data prices for MTN South Africa customers, but it tends particularly to favour those on postpaid and with larger bundles. We do think there is work to be done on the entry-level data pricing and the smaller bundles, particularly for prepaid customers. And we think we're going to have some exciting announcements on that in the next few months, certainly before the end of the quarter. So I think there is progress there.

If I turn briefly to Nigeria, again a strong top line performance. A very strong performance in the data business, so data revenues growing 52%. A nice uplift in active data subscribers to 17.2 million. I think very good operational execution in the Nigerian business. Good subscriber growth. Strong growth in voice. So I think despite the regulatory challenges we've got in the Nigerian market, which I will touch on in a second, operationally I think very strong performance. We do still continue to optimise our value-added service business. You will see from the SENS that we've put some additional protections in for customers. This obviously has had some negative impact on our VAS revenues, but we do expect those to start improving, as we said previously, in the next couple of quarters.

The MoMo business we saw some progress, subscriber growth getting up...But I think what is very encouraging in the Nigerian market is it looks like there is quite some progress on the regulatory front for mobile money. So the Central Bank of Nigeria has issued the new guidelines for the payment banking regime. This is still in exposure draft form, but this for the first time means that the regulatory licences we would need to operate the mobile money business as we operate it in many of the other markets would be possible. So we are engaged on that process and fully intend to



Speaker

Narrative

submit an application for a payment bank licence as soon as those regulatory arrangements are finalised.

Ghana, again a strong performance as we said earlier. Service revenue up just short of 23%. We did have a change in estimate in the quarter on how we deal with breakage on the prepaid side of the business. So that did affect Q3. So those of you that might have run the numbers you would have seen that Q3 service revenue was up around 15%. That was negatively affected by this change in estimate and on a normalised basis would have been more like 20%. That is all related to the IFRS 15 implementation. Again in Ghana and very strong data growth, just over 30%, strong margin as I've discussed, digital services doing well, continued good growth in both the data digital and mobile money businesses.

In our tier two markets I think some of the more difficult markets have been Ivory Coast and Cameroon. So those were negative around -7% or -8%. We really believe we are now through the worst of that. Ivory Coast we have a new commercial structure in place. We have made a lot of changes to our pricing and I think that is going to start improving the commercial performance very soon. And Cameroon we made quite some changes to the management team. We hired a new CEO who joined just a couple of weeks ago, Hendrik Kasteel, a very well-experienced international operator. So we are very pleased to have him on board and I think we look forward also to an improved performance there.

Actually for both Ivory Coast and Cameroon the digital and mobile money subscriber growth was pretty strong, so there are some green shoots definitely in those markets. And for Uganda I think a pretty strong performance, revenue growth around 7.4%. A little bit depressed by some of the regulatory challenges there, but I think still respectable. In the Iran market obviously that is coming through as an associate so it is not consolidating into these numbers that I've been talking about. But service revenue of 14%, margin stable at around 35%, subscriber growth pretty okay. So despite a very challenging situation in that country I think also a decent performance.

So that's a bit of a whistle-stop tour through the group results and through the major opcos. I just wanted to touch on two additional operational things. Mobile money performance across the group was very encouraging. We got our mobile money subscribers up to 25.8 million 30-day actives. So that is really making us one of the larger players in the market. We are looking to launch in a couple of opcos in the next few months. So we are currently operating in 14. We want to add two countries to that in the very near term. Obviously as I said a movement in Nigeria will really make a massive difference into our mobile money strategy, particularly its ability to affect the group's results which has always been constrained by the fact that we haven't had the tier one opcos in MoMo.

Progress on the dual-data strategy, this is obviously very key as well. So as I said active data customers are up to 74.2 million, up 5 million odd. Very strong performance I think in the networks, so generally we see improved network NPS, improved throughput, very successful data rollout across the markets. We announced our new CHASE strategy for dual data at the ITU last month. So that's where we focus on our



Speaker	Narrative
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<p>Ralph Mupita</p>	<p>five challenges: coverage, handsets, affordability, services and experience and ease of use. This is now in full execution across the markets and I think we are really looking forward to a boost in the data business even in the years ahead. So actually very positive on the operational performance. I think we know where the pressure points are. SA EBU, Ivory Coast, Cameroon, we've got good plans to get on top of them and I think we really are seeing the BRIGHT strategy now come to life in these results.</p> <p>Obviously the other big factor in the quarter was the regulatory issues in Nigeria. And we've had a couple of calls on that with you and some updates in terms of renewing the cautionaries. Where we are today is I guess two main tracks. Number one is the continued engagement with the authorities explaining what MTN Nigeria's position is, exchanging documentation, and really putting to the authorities in that market our perspective on what transpired and what the issues are. And I think if you follow also some of the feedback from the Nigerian authorities in the last month or so there appears to be a genuine will to have a reasonable and amicable solution on that in the near term, and obviously from our position we very much welcome that.</p> <p>Of course, at the same time we need to make sure that we protect ourselves in the legal process and really relying on the courts in Nigeria to make sure there is an orderly process. And there as we've previously advised we have two court dates coming up, the 30th October and 8th November. And this is really where the applications for relief against any further action will be heard. So important just to remind investors that these court dates are not actually going to be deciding on the merits of the matter. It is really just our application that no further action should be taken while we're discussing it. And, in fact, over the last weeks that we've been busy with this there have been no further negative actions from either the Central Bank or the Attorney General. So, it appears as if this is the right environment for a solution to emerge. Obviously, these are now subject to court processes so we also need to respect that.</p> <p>The third matter I wanted to discuss – and then I will hand over to Ralph – is around the listing of MTN Nigeria. I think it's very important to say that we're fully committed to honouring our obligations to list MTN Nigeria on the stock exchange. We would like to do that as soon as possible. Clearly the regulatory issues do make this more challenging and we do still need to work on exactly what the format of the listing will be, but we are still trying very hard to conclude this as soon as possible. It may well be though that it slips into early 2019 considering all of the other discussions that are going on. So, with that I will hand over to Ralph for a few comments more particularly on the balance sheet.</p> <p>Rob, thanks very much, and welcome to everybody. I know we've got people dialling into the call from a variety of jurisdictions and we appreciate you guys dialling in. As Rob mentioned I'm just going to provide a little bit of colour with regards to the balance sheet and cash flows. Maybe just starting with cash proceeds received at the HoldCo in the quarter. I think there were two main sources of cash that came to the HoldCo. We concluded the Cyprus transaction where we sold 100% of Cyprus and repatriated net proceeds of \$303 million to the group. Those proceeds, as we mentioned in the SENS announcement, we used to settle US Dollar debt.</p>
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Speaker

Narrative

The Ghana IPO, which was also pretty successful, we had on the 3rd September and we are now holding 85.4% as MTN Group of MTN Ghana opco. So we've got both institutional and retail investors who have come into that business. And when one looks at that IPO from our perspective it was pretty successful. For sure the market in Ghana is probably a lot thinner traded than Johannesburg and other markets, but I think when you see where the share price in MTN Ghana is, it looks pretty decent, 21% up on listing. So, we had proceeds there of \$202 million net coming into the group.

The other matter that we concluded in the quarter was an outstanding loan from the Uganda Tower Company and again proceeds there of \$34 million. Now, these are the three main items we referenced in the SENS announcement, but for sure we have been focussing on the usual upstreaming to the group of management fees and dividends as opcos declare those dividends. And the proceeds that we've had coming in the quarter were focussed on reducing the US Dollar debt. We have had US Dollar loans maturing in 2020 and 2021 which we reduced to the tune of circa \$400 million in the quarter with the proceeds.

So, this is very much supportive of the de-leverage priority that we communicated to you at the half year. And we remain very focused that we are looking to ensure that we get to the HoldCo gearing target of between 2x and 2.5x by year end. We remain committed to driving and achieving that.

The other focus we've had in the quarter is work that we started actually at the start of H2, which was the early refinance of our two revolving credit facilities that we had. We had one facility of \$250 million which was signed in 2014, and then the balance was signed in 2016. And I'm pleased to say that working through the consortium of international banks that had originally provided us with that facility we closed at \$1.25 billion worth of revolving credit facility with the accordion feature to be able to upsize to \$1.5 billion. And we were able to do that with better pricing. This is, as you will appreciate, a significant part of the headroom within our facilities. And to those from the credit rating agencies, this is a key aspect of how you look at the credit risk profile of the group. So, we are very pleased that we were able to close that with support of the consortium of banks that we've been working with.

The other matter I would just like to update you on is Iran. You will remember that in the first quarter of the €88 million equivalent. And then the snapback sanctions were announced by the United States which we said was going to potentially challenge our ability to repatriate the balance of the cash that we had in Iran. At the half year we spoke in Euro terms about our outstanding balances of €188 million excluding the intercompany loan. And we continue to look at efforts to repatriate within our risk framework, but we haven't as of today been able to repatriate anything further. But obviously if we are able to repatriate any material proceeds we would obviously inform the market.

I think the most important issue that has happened in Iran in the quarter has been that there was a new currency regime that has been put into place. And there are



Speaker	Narrative
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	<p>basically four rates of exchange for a variety of goods and services, and the two main ones being the CBI rate, which we still reference to what we call the FIPPA-approved funds for repatriations, loans and dividends. And then there is a new SANA rate which came into effect on the 11th August. So, we have started translating Iranian balances more broadly at the SANA rate since August. And I guess for the first two months of the year that SANA rate has been pretty volatile.</p> <p>If you look at it from a Euro perspective. it has been somewhere between 145,000 and 150,000 Iran Rial to the Euro. This month we have seen that it has come down quite substantially. So still very volatile, but it is probably the reference rate at which one can expect future dividends to be declared, which then forms the basis of how we would translate. But as I said earlier on there is a quantum of funding that we still anticipate at CBI rate because that was approved before the sanctions regime. So, the €188 million that we would have quoted at the half year as outstanding with all the various rates being used is at the end of September more like €143 million. That reflects some of the currency impacts that we saw with the SANA rate coming into effect. The sanctions second window obviously comes in on the 4th November, and there are amounts that can still be repatriated through beyond that date. And for sure we will wait and see how issues develop beyond the 4th November when that window snaps in as well.</p> <p>Nigeria cash upstreaming, obviously as we've been dealing with CBN and AG matters we remain of the view, and strongly so, that our equity CCIs are valid and have been the basis of dividend repatriation. But we have not gone to the CBN to seek a repatriation of the H2 dividend from Nigeria. As you can well imagine we are trying to deal with these issues in an omnibus way. But there has been no repatriation and I think it is pretty safe to assume that until we resolve it there won't be any cash upstreaming from Nigeria on this basis.</p> <p>However, if one looks at the Nigerian operation in terms of their ability to fund their own capex and growth they have existing facilities of at least \$300 million that can support their capex plans for the balance of this year and into next year. And they have raised ₦200 billion of facilities of the ₦400 billion programme that they initiated at the beginning of the year, and that will be able to support capex and working capital requirements that the business needs.</p> <p>And then the final point I would like to raise is on capex. We did give a guidance at the end of H1 that at current exchange rates we foresaw that full year guidance for capex would be more like R25.5 billion across the group at current exchange rates. And that pretty much remains the case as we ended Q3 and looking ahead. So that guidance pretty much remains. We noted in our SENS that capex to the end of Q3 has been just over R16 billion so that means there is roughly around R9.5 billion of capex to take through in Q4. So Rob, I will probably pause there and hand over back to you.</p>
Rob Shuter	Okay. Thanks Ralph. Hopefully you found that helpful, and I guess best to turn to Q&A.
Operator	Of course, sir. Ladies and gentlemen, if you would like to ask a question at this moment please press star and then one on your touchtone phone. If you decide to



Speaker	Narrative
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<p>Cesar Tiron</p>	<p>withdraw the question, please press star and then two to remove yourself from the list. Once more, if you would like to ask a question please press star and then one. The first question we have is from Cesar Tiron of Merrill Lynch. Please go ahead.</p> <p>Yes, hi everyone. Thanks for the call and for the opportunity to have questions. I have two questions please. The first one is on Nigeria. The quarter was obviously very strong. I'm just wondering if anything has changed operationally since August. Also, if you can talk about competition intensity. I think one of the competitors reported 27% revenue growth in Nigeria for the quarter last week. And then second, as regards to South Africa can you please comment on the margin which is probably a little bit on the softer side given your commitment to increase margins in South Africa over time. Thank you so much.</p>
<p>Rob Shuter</p>	<p>Thanks Cesar. I will take the first one and then leave Ralph to make a few comments on the SA margin. I think operationally there are no big changes in Nigeria from August. We continue to implement our strategy. We continue to see good momentum. I think we do as you say see more disclosure now coming through particularly from Airtel. So we need to have a good look at that and see how we stack up. On first analysis certainly our margin compares very favourably. But we will need to study that in a little bit more detail. All of our metrics show that we are competing well in the market. I think we have discussed before that we particularly commercially look at bi-directional interconnect which is a proxy for market share of active subscribers. And we don't see anything negative or any trend shifts in the last few months.</p> <p>On competitive intensity Nigeria is a very competitive market. Data pricing is very low. There are a lot of promotional offers in the market. You've got some operators very aggressive on voice, some operators very aggressive on data. But in the end we're playing our own game there. Let's give customers a great network. Let's give them a great experience. Let's sort our distribution out so we bring the right amount of gross adds in. Let's work on the churn so that the gross adds turn to net adds. And I think all of this operational execution is what has been feeding the results particularly in the last few quarters.</p>
<p>Ralph Mupita</p>	<p>Cesar, on your question about SA margin, yes, it is a bit softer than where we wanted to be. But I think there are two main factors to think through that have impacted the margins. The first is that the guys have pushed pretty hard on their handset strategy. Rob spoke about the CHASE framework that we're pushing all the opcos on. The team pushed pretty hard in Q3 in pushing on the 3G and 4G handsets. So the volumes of 3G and 4G handsets that we procured was much higher than the prior quarter, and that is to get us in a good place for the final quarter of the year. As you well know it is the one that comes with quite a lot of promotional activity. So, there is a volume effect there of 3G and 4G handsets. And then the final impact is just the weaker Rand in the quarter relative to the prior period. We do believe that this is a business that can deliver sustainably a margin above 35%, but the main issue here which is within our control is that we pushed quite aggressively on handsets.</p>
<p>Cesar Tiron</p>	<p>Thank you very much. That's very helpful. I just wanted to quickly follow up on</p>



Speaker	Narrative
Rob Shuter	<p>Nigeria. I just wanted to make sure I understand. The ability to upstream cash does not prevent you at any time to import equipment or pay any suppliers in Dollars? Thank you.</p>
Rob Shuter	<p>Maybe just two things. I think the point Ralph was making was that we want to resolve the big issues in Nigeria so we haven't applied for upstreaming. We do obviously still maintain that all our CCI's are valid. I think it's a choice right now to focus on resolving the big issues. But to your second point, no, it has not affected our ability to make normal operational payments to creditors and banks and the like.</p>
Cesar Tiron	<p>Thank you so much.</p>
Operator	<p>The next question we have is from JP Davids of JP Morgan.</p>
JP Davids	<p>Hi guys. Kicking off with two on my side, Rob, in your introductory remarks you mentioned the press commentary from the CBN governor talking about an amicable solution. Would you characterise your recent engagements with the CBN and Attorney General as amicable? Or maybe how would you characterise them? Switching gear, maybe one more for Ralph. Just on the numbers side you've got the Cell C deal coming in in the quarter and then potentially some legal costs filtering through in Nigeria in the quarter. Can you help us understand if those had any material impact on the quarterly trends? Thank you.</p>
Rob Shuter	<p>I will tackle the first one. Most of our engagements have really been around the central bank matter. And those have been not only with the central bank but with various stakeholders in Nigeria. All of those interactions have been extremely professional, very thorough, well-coordinated. So, I think it's a good environment to find a solution. I think certainly everything that I've been exposed to has been professional and constructive. There has not been a lot of progress on the AG matter. That we are just going to have to see how that plays out. Certainly, it is now clear to us that many corporates in Nigeria have received similar letters, and that may be one that we just have to play a bit of a longer game on.</p>
Ralph Mupita	<p>Just on the Cell C deal, we did have some revenue coming through in both August and September, well below the minimum threshold of the deal in anticipation of the MOCN being fully implemented. So, I think as we get into Q4 the majority of the Cell C revenue will come through in a way that we still think will keep us within trying to approach our guidance range. So, Cell C I don't think will materially change Q4. I think it is much more a full year impact. But as I said we had some revenue in both September and August. And then on Nigeria the legal costs are currently not probably the most significant thing that may impact full year margins. I think the thing we need to look at would be more the listing costs, the costs that we have been preparing for listing. But I don't think it materially affects the kind of shape that we anticipate seeing the full year margins, which have been well above 40% for all of the year. These costs will come through but I don't think it fundamentally changes much.</p>
JP Davids	<p>Thanks to both of you.</p>



Speaker	Narrative
Operator	The next question we have is from John Kim of UBS.
John Kim	Hi gents. A couple of questions here. First on Iran. Ralph, you mentioned that a certain quantum had been approved to be repatriated at the CBR rate. Could you help us cite that against the €188 million outstanding at the half year? Second question unrelated on timing. In Nigeria you mentioned that there might be a possibility for a regulatory licence for MTN on mobile money. Any sense of turnaround time or adjudication on that? When would you see the licences granted? Thanks.
Ralph Mupita	I will leave Rob to talk to Nigeria. Iran, if we use the September numbers as I mentioned the €188 million with all the movements with the exchange rates is more like €143 million. So, the amount on the FIPPA approved is €104 million approximately. So, it's the majority of that amount.
Rob Shuter	On the regulatory environment for mobile financial services what the central bank has done is they issued an exposure draft for the licensing and regulation of payment service banks. And this was issued on 5 th October and it is obviously in a very advanced stage. This is the licensing regime as I said earlier that would be very much advantageous to bring mobile financial services to a broad range of Nigerian customers. They asked for comments back on the guidelines by 19 th October, and certainly we have submitted all our feedback. So, it is really now in the hands of the central bank. I guess from their perspective it might well depend on what the comments look like from the various stakeholders in the industry. So, it's very hard for us to predict. Obviously from our side we would be really pleased if it came through still in 2018, but we're going to have to just keep a watching brief on that.
John Kim	Okay. Thanks.
Operator	Ladies and gentlemen, just a reminder, if you would like to ask a question please press star and then one. The next question is from Ziyad Joosub of HSBC.
Ziyad Joosub	<p>Hi everyone. Thanks for the questions. Just two questions from me please. The first question is on South Africa voice revenues. I noticed it is pretty apparent that in Q4 you had quite a steep deceleration in service revenue growth in South Africa. That was at the same time that you had a lot of this volatility or deceleration in voice revenue. Is it fair to assume that a lot of that voice volatility came into play last Q4, so as we move into Q4 this year and 2019 next year we should see a better voice trend at MTN South Africa? Not the -8% or -9% but something more in line with the rest of the industry in South Africa.</p> <p>And then the second question please is just on the injunctive relief. To the best of your ability could you maybe just provide some colour on how long this process takes? So, the court date for the repatriation issue is tomorrow. When do you think you will get an answer? And if you do get an answer, could you maybe give a bit more detail on what the impact of getting the injunctive relief is? If you decide to upstream cash could it be done once you've got an injunctive relief etc.? Or if you wanted to lever up Nigeria etc. could you operate your business as per normal? Thank you.</p>



Speaker	Narrative
<p>Rob Shuter</p>	<p>Let me make a few comments on both of those and then maybe Ralph has anything to add. I think on SA voice just to say that I think here we are talking about outgoing voice, the -8.4% that you referred to. There is still about another 1.4 billion of incoming voice and that has a better trajectory because we priced up the incoming termination rates for the international calls. So, the overall voice category for South Africa is looking a bit healthier and probably will benchmark better. And just be careful when you benchmark it against the competition as to whether you're looking at voice as a whole or outgoing, because there are some differences in the growth rates.</p> <p>But I do think it is fair to say though that it is a trend around the world that as smartphone penetration increases, data adoption increases, there is pressure on voice revenues mostly because of a rapid increase in instant messaging. And so I think this is going to be a pressure point generally for the industry in SA, whereas for most of the rest of the portfolio there is still strong voice growth because there is still people penetration and many low-end devices in the market. I guess, Ralph, we are not expecting any major shifts in Q4?</p>
<p>Ralph Mupita</p>	<p>No, we are not expecting any major shifts. My only build on what Rob has said would be that as we mentioned earlier on there is quite a lot of activity to stimulate voice usage. So we've got our CVM engine fully in place now where we're looking at getting the voice usage up. The voice bundles that we've launched are already up. So this is all to try and improve the voice, particularly the outgoing voice. To Rob's point there is a much more structural trend to lower and sometimes the comparatives are not as usual because sometimes others only report or reference full voice as opposed to outgoing.</p>
<p>Rob Shuter</p>	<p>And maybe just a few comments on the legal process. So I guess there are two things. The first is that the main thing we were looking for in the injunctive relief was to make sure that there were no other negative steps taken by either of the authorities whilst we were looking for a solution. And in fact as I said in my earlier comments there have been no further negative steps. But we do think it's important to keep the legal process going. The legal processes are not fast. I think it is likely that we have an adjourned date tomorrow because there will always be more information that is requested. Then the motion will be heard and then there will be another adjournment for an outcome. And this is just on the injunctive relief. The actual merits of our two cases will only go into the formal legal process during the first quarter of 2019. So, the wheels of justice generally don't turn particularly fast, and I think it is no different in this matter. But I think it is still achieving the right objective that we create a safe environment to look for a constructive solution.</p>
<p>Ziyad Joosub</p>	<p>Understood. Thanks very much. Thank you.</p>
<p>Operator</p>	<p>The next question is from JP Davids of JP Morgan.</p>
<p>JP Davids</p>	<p>Hi guys. A couple more from my side. Can you provide any update if possible on the Uganda licence renewal process? And then just a couple for Ralph on the accounting side. The change in exchange rate, may that have an impact on any impairments</p>



Speaker	Narrative
	<p>around the Iranian book value? And separate to that, if you would provide a little bit of colour on the \$202 million from Ghana. How much of that is received as a dividend and how much of that is actual sell-down of your stake in the entity? Thanks.</p>
<p>Rob Shuter</p>	<p>Okay. So maybe if I deal with the first one. I think we made good progress with the Uganda licence extension. We did receive feedback that our various processes have been successful and that we should have the licence extended. We are now really discussing the finer details of exactly how that will be done, what quality of service obligations there will be, coverage, licence fees etc. And we were just notified late last week that we have a 30-day extension to agree all of those final terms. So, I guess we would aim to conclude that in November, but I think it is going pretty much according to plan.</p>
<p>Ralph Mupita</p>	<p>Just on the exchange rate, JP, obviously we have moved to the SANA rate away from the CBI for consolidating our balance sheet. I think for sure if the rate remains much lower than the CBI ate I think you can be assured that there will be valuation losses coming through, and those will come through the P&L. But as I said the SANA rate has been pretty volatile for the last two months. But as we noted in a market like Nigeria when the NAFEX came in it eventually stabilises at some rate. But at current rates you would anticipate revaluation losses coming through from Iran. And then on the \$202 million we haven't provided the split, but I think the right way to think about it is that the board of Ghana has now declared an H2 dividend with the Q3 results. And that is much more directional on what the real dividend is that you can see coming through. We just haven't provided the disclosure on that split of the \$202 million.</p>
<p>Rob Shuter</p>	<p>Maybe two small builds. I think the issue in Iran is all going to be to do now with the exchange rate losses on translation at the different rates. It is not related to any asset impairment on our carrying value in the Iranian opco. And I guess just to make the point again that the Ghana IPO proceeds came in after the end of the quarter so you will see them in Q4 when we report at the end of the year.</p>
<p>JP Davids</p>	<p>And then one quick follow-up on Uganda. There was some talk in the local media about a listing there. It doesn't seem like that's on the cards. It seems like it is standard fare in terms of what they want for the licence extension.</p>
<p>Rob Shuter</p>	<p>As I said we are still in discussions on the terms of the extension. There is a focus I think on localisation and bringing potentially more Ugandan investors into the opco directly. This is something we are open to and we are discussing with them how best that will be achieved. That doesn't necessarily require a local listing.</p>
<p>JP Davids</p>	<p>Thank you.</p>
<p>Operator</p>	<p>Ladies and gentlemen, just a final reminder, if you would like to ask a question please press star then one. We will pause a moment to see if we have any further questions. We have a follow-up question from JP Davids.</p>
<p>JP Davids</p>	<p>Hi guys. I promise this is the last from my side. I was trying to give everyone else an opportunity. Just on South Africa I just wanted to come back to the business. Rob, you</p>

