



MTN Group Ltd
Q3 Trading Update
DATE: 24/10/2016





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<p>Operator</p>	<p>Good afternoon ladies and gentlemen and welcome to MTN’s third quarter trading update. All participants will be in listen-only mode. There will be an opportunity for you to ask questions at the end of today’s presentation. If you should need assistance during the conference please signal and operator by pressing star then zero. Please note that this conference is being recorded. I would like to hand the conference over to Mr Nik Kershaw. Please go ahead, sir.</p>
<p>Nik Kershaw</p>	<p>Hi. Good afternoon everyone. Thanks very much for joining us today to discuss MTN’s quarterly results for the period ending 30 September 2016. On the call with me here today is Phuthuma Nhleko, Group Executive Chairman, Gunther Engling, and Mteto Nyati, CEO of MTN South Africa, Ferdi Moolman, the CO from Nigeria and Michael Fleischer, our Group Legal Counsel. Phuthuma will provide a few more details on the group’s performance and outlook. Thereafter we will move to a Q&A session which the conference call operator will facilitate. Just to remind everyone a detailed version of the quarterly announcement is on the MTN website as well as on SENS. With that over to you, Phuthuma.</p>
<p>Phuthuma Nhleko</p>	<p>All right. Thank you, Nik, for that introduction and afternoon everybody. Of course to those in the US good morning. As Nik has mentioned most of you hopefully have already seen the announcement. I won’t deal with that extensively. Hopefully you can raise questions based on the announcement. I will just maybe provide a brief overview of the key developments during the quarter and then we can move to Q&A after that. During this quarter we embarked on a material transformation project. As you may recall on some of the road shows I did indicate that we would undertake this transformation project which would focus initially primarily on South Africa and Nigeria.</p> <p>The objective really of this exercise is to maximise revenue growth, return on investment, and enable a much higher level of customer service experience and ensuring operational efficiencies. These operations are really expected to deliver some results off some very clearly defined targets in the first half of 2017. And I think as we said in the announcement we have got targets all the way up to the end of 2018. And it is quite an involved project also just in terms of external consultants to really ensure that it is a very radical change or a step change if you like in the way that the company perceives its operations and processes and so on.</p> <p>I’m also pleased to announce that the starting date for the new group CEO, Rob Shuter, has now been agreed as March 2017, on Monday 13th. And of course once Rob arrives I will resume my non-executive chairman’s position as I had played that role before the unfortunate events of October 2015.</p> <p>In addition during this quarter we have made a further senior management appointment in the form of Felleng Sekha, and she is going to be Head of Regulatory Affairs and Public Policy. She commenced on 20th October. The appointment of the group CFO as well as other senior management positions that we want to finalise will</p>



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all be completed before year end. And we have made significant progress in doing that. So I'm hopeful that certainly by year end the senior management team will be settled or at the very least the start date would have been concluded. Rob can then take the process forward when he arrives early next year.

The other key matter that we have dealt with over the period was the repatriation of funds from Iran. And I'm happy to say we have started receiving funds from Iran. Whilst we are very much in the early process or stages this creates confidence that within the next three to six months we will have repatriated a significant portion of those funds if not all those funds. I know we said this a few times, but we took great care to ensure that all the processes are consistent with proper counsel as regard sanctions and making sure that we don't fall foul of any of those regulations.

Of course with the sanctions being lifted in January 2016 that has made it much easier. But nonetheless we still went through a pretty rigorous process to ensure compliance and all the legislation etc. So that is where we are on that. I'm sure we can get into more detail on that one, but suffice to say that we've made some significant progress.

We have also very pleasingly started seeing the first signs of operational improvement in our key markets of South Africa and Nigeria. As you know it has been a very difficult period in both key markets for very different reasons. But we expect to continue to see that momentum in this regard for the balance of the year.

The last key matter which I should maybe mention which we put on SENS is the whole matter about repatriation of funds out of Nigeria. I can only just repeat very firmly that there is absolutely not improper repatriation of funds from Nigeria. Of course whilst MTN Nigeria initiatives the process the banks issue the certificates of capital importation, the CCIs as we call them, if they are satisfied that they can actually do that. And of course all CCIs that are required have to be issued before any funds are actually taken out of the country. In that respect

I should also emphasise that the rules in Nigeria are fairly straightforward in that Nigeria guarantees repatriation of dividends and capital etc. This needless to say has to be linked to the investment that we've brought in over the years. So when money is sent out of the country you can only do that through the banks and through the central bank. We are happy to take any more detailed questions should anyone raise any on that. And of course we have also said that to the extent that anything out of these discussions result in any further action the company obviously has to and will reserve its rights. So we are quite comfortable on our position on that and are quite firm on that matter.

Looking forward I should say that despite a tough operating environment as a result of the weaker macro conditions particularly in the countries that are commodity or oil dependent as well as the regulatory challenge that we've experienced we are confident that the fundamental changes that have been implemented over the past year starting in Q4 are starting to bear fruit. And it will position us well to participate in amongst other things in the data revolution and ensure improving stakeholder



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Nik Kershaw	<p>relations and governance processes. So I think that is really our quarterly update in brief. I will hand back to Nik.</p> <p>Thanks very much, Phuthuma. I think we will go to the conference call moderator so that we can move on to questions. Thank you.</p>
Operator	<p>Thank you very much, gentlemen. Ladies and gentlemen, at this time if you would like to ask a question you are welcome to press star then one. That will place you in the question queue. If you however decide to withdraw the question you are welcome to press star then two to remove yourself from the question queue. The first question comes from JP Davids of JP Morgan.</p>
JP Davids	<p>Hi. Two questions to start please. The first one on Iran. The progress you have made around cash repatriation, is that ring-fenced to the cash that was trapped in that market or can we expect that cash repatriation from future earnings will also be repatriated out of the market? I just want to get a sense of how flexible the cash repatriation outlook is looking forward. And then switching gear to Nigeria, I note your comments on the call and in the SENS announcement around the Nigerian allegations. Can you give us a little bit more colour if you plan on getting any third-party assurances to ensure that there is nothing untoward that has happened here? Or should we understand that as you said it's so straightforward that this doesn't need to be done and it is just a matter of the senate running through its investigation and finding favourably in your case? Thank you.</p>
Phuthuma Nhleko	<p>Okay. Let me answer both questions. I think on the second one I will ask Mike Fleischer who is our group legal counsel to add. First on Iran, we are obviously establishing the process and the channel so that we can repatriate future dividends and repayment of loans in the ordinary course of business. So the answer is absolutely yes. This is not purely for money that was ring-fenced and trapped before January 2016 when the sanctions were lifted. Of course that's the first priority, but beyond that as things normalise hopefully then these channels will continue to be able to do that. So it is certainly something that is sustainable and permanent as opposed to a specific event.</p> <p>I think on Nigeria I can only just repeat what I said, that we are very comfortable that MTN has not done anything that is wrong and there is no dividend whatsoever that has been taken out of Nigeria without the proper documentation and going through the central bank. That I can say with confidence. As far as what the senate intentions are I can't speak to that. I think people can probably make their own assessment of what is going on. And we always ensure that we take proper legal assessment and counsel on these kinds of things. But I will let Mike comment on that.</p>
Michael Fleischer	<p>Good afternoon. In answer to the direct question I think good governance demands in any type of situation where these things arise, particularly over a 15 year period, that you would go back and make 100% sure and dot the I's and cross the t's. And of course we will do that and are busy doing that with our counsel as Phuthuma did say. We are fairly confident and it is a fairly simple process, but we will certainly from a governance perspective make 100% sure.</p>



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JP Davids	Thank you.
Operator	The next question comes from Cesar Tiron of Bank of America Merrill Lynch.
Cesar Tiron	<p>Yes. Hi. The first question is on Nigeria. It seems that one of your competitors has made some upwards price adjustments with data pricing over the past couple of weeks. Would you say that the level of price has stabilised in Nigeria and do you think it is possible that it will move higher? Then I have two questions on margins. First in South Africa you do mention the 200 basis point sequential improvement in margins in the quarter. That is obviously from a very low base in H1. The question is also how much of this is driven by selling less handset as opposed to any operational efficiency? And then also you don't mention anything on the Nigerian margins. So I'm going to ask very directly is something like 46% or 47% a reasonable number to aim for for the full year? Thank you.</p>
Nik Kershaw	<p>Cesar, it's Nik here. Just to comment on the margin issue I think the point was nothing has changed around our previous guidance for margins for Nigeria. We had said to people that in this second half period for every 10% movement in the Naira that would take around 75 basis points off Nigerian margins. And we communicated that at the interim period and nothing has changed in that regard. I think that is the comment on that. And on the South African margins there was a combination of factors that would have impacted the margins in the third quarter. Ferdi, can you touch on the pricing environment in Nigeria?</p>
Ferdi Moolman	Nik, we actually didn't hear that first question.
Nik Kershaw	The question was just around the pricing environment in Nigeria because some of the competitors have actually moved some of their pricing higher.
Ferdi Moolman	<p>Okay. Firstly obviously we are sitting in a high inflation environment. We see prices going up. We need to look at an increase in prices. MTN is the dominant operator which makes our flexibility in the market a lot more difficult. We have seen specifically Etisalat. What they have done is actually not gone with a full price increase but actually restructure the way they bill for data. They also have capacity constraints on their network. So they are still basically selling the data at the same price. They are just allowing some usage in evenings. It is a more intelligent way of doing their pricing. We have seen [inaudible segment] international termination rates. They increased that in the last week of Q3 we have seen some increase in price there, and we are working with the regulator in terms of what has to happen with the pricing going forward.</p>
Nik Kershaw	<p>Good. I'm going to quickly repeat what Ferdi has said because I know it was not a great line. I think in Nigeria there have been two issues. From an Etisalat perspective they haven't changed their headline package on the data but they have changed some of the underlying promotions so the effective price has gone up. And certainly depending on the environment we would obviously look to follow there. And international termination rates, the regulator did approve a higher international</p>



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	<p>termination rate which has also had an impact on the pricing. Thank you.</p>
<p>Operator</p>	<p>The next question comes from Chris Grundberg of UBS.</p>
<p>Chris Grundberg</p>	<p>Thanks very much. Just a couple of questions following up on Nigeria if I may. I wondered if you could elaborate just in terms of what the specific next steps are in that senate process. Can you elaborate on whether there is any indication of what the senate can or cannot do with any findings? Do they have to recommend an action to any other authoritative body? Just some further colour on what your anticipation is there. and then as a second one can you elaborate a little bit on the comment, Ferdi, that you made in the senate hearings regarding how in some instances there had been some transfers made without the approvals within 24 hours but those were inbound payments. I wondered if you could clarify that point for us. Thank you.</p>
<p>Michael Fleischer</p>	<p>Sure. I will deal with both those questions. The first one is that the next step in the senate process is the senate will take further representations. They indicated from the parties separately. As you would have seen there were many parties that were present including the banks, the central bank and ourselves. Ultimately the senate then comes to a conclusion and it makes recommendations. It doesn't have any powers of enforcement itself. So it would make recommendations if it wanted to, to any particular regulator that it believed its decision had to be communicated to. That was the first point.</p> <p>The second point relates to the so-called 24 hour rule. And that is that the CCIs must be issued within 24 hours after the importation of the capital. And I think what Ferdi has said at the enquiry was that it is not always logistically possible to meet that 24 hour rule which we believe is in the main an administrative process. But in circumstances where the 24 hour rule has not been met it has become practise in Nigeria that the banks get central bank approval in order to issue the CCI. And I think in the main the banks confirmed that at the enquiry. I think like us they will probably also go back and check these things through their governance processes.</p>
<p>Chris Grundberg</p>	<p>Thanks. And to confirm then that the CBN approval that is sought in instances where the CCI doesn't come within 24 hours that supersedes the CCI in your interpretation?</p>
<p>Michael Fleischer</p>	<p>Yes. As I say the banks are the entities that actually issue the CCI. So they should be satisfied that they can issue the CCI in those circumstances. And that has been the practise over time.</p>
<p>Chris Grundberg</p>	<p>Got it. That's helpful. Thank you.</p>
<p>Operator</p>	<p>The next question comes from Mike Gresty of Citi.</p>
<p>Mike Gresty</p>	<p>Good afternoon guys. A couple from my side. Just looking at your capex run rate first of all it looks like you've been spending say R7 billion to maybe R7.5 billion per quarter. If you are going to hit your R35 billion authorised capex for the year you are going to have a massive last quarter, somewhere around R13 billion. I just want to get a sense of whether that's likely to happen or if we're likely to come up a little bit</p>



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	<p>short. That's the first question. Then the second one, I just want to chat a little but about subs in South Africa if I may. Your guidance for South Africa is that you're going to do just over a million subs. Now, you have gone backwards the first three quarters. It would imply you're going to have a massive fourth quarter. After your last results you suggested you had resolved all of your issues with the distributors, you had performance targets in place. And yet the prepaid momentum was still pretty weak. Can you maybe chat a little bit about what is going on from that perspective? It still doesn't look like a particularly good story.</p>
<p>Phuthuma Nhleko</p>	<p>All right. I'm going to ask Gunther and Nik to talk about the capex and then, Mteto, do you want to talk about subs in South Africa?</p>
<p>Nik Kershaw</p>	<p>Hi Mike. I think your observation is spot on. I think practically speaking it is unlikely that we would hit based on the current run rate the full R35 billion. Obviously the guys are going to give a big push in Nigeria in particular. That was one market where if you look across what we were trying to do in the third quarter that is one market where we were a little bit behind where we would have liked. We certainly expect to see accelerated capex in the fourth quarter. You have always seen historically we have seasonally a much stronger second half versus the first half. It has been as high as one third/two thirds first half second half if you look historically. So we will give it a go. But I think it will practically be quite difficult to hit the full R35 billion.</p>
<p>Mteto Nyati</p>	<p>With regards to the subs in South Africa I would like to tackle them both in terms of prepaid and post-paid. If you look at the post-paid subs for the first time this quarter each and every month from July up to end of September we were able to deliver positive net connections on the post-paid. And to me this is a very important change because for a very long time we were losing customers in that space. And that has largely been driven by all of the improvements that we have been doing with regards to the network, the call centres etc. The other area is in September we had positive net connections in both the prepaid and post-paid.</p> <p>Again that is a change that has happened in the end of September where we are also seeing the same thing in October, the same trend where our prepaid connections are ramping up quite fast. And the driver to that is largely linked to the commission structure that we have changed where in the past we have not been paying commissions around data. And as a result most of our distributors have been channelling elsewhere, not necessarily to us. With the changes that we have made in September we are seeing a significant amount of connections in the prepaid space largely driven by these actions.</p>
<p>Mike Gresty</p>	<p>Okay. So I can take it that your guidance you have thought about and you are confident that you can hit it.</p>
<p>Mteto Nyati</p>	<p>We are confident. If you look at the run rate both September and where we are now I'm confident that we will make it.</p>
<p>Mike Gresty</p>	<p>Okay. Thank you very much.</p>



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Operator	The next question comes from Jonathan Kennedy-Good of Standard Bank.
Jonathan Kennedy-Good	Good afternoon. I just want to follow up on Nigeria. With regards to the FX Act in Nigeria are there specific fines that could be levied against you for contravention of the Act? I seem to recall with the SIM registration it was ₦200,000 per SIM at the time. Is there a similar kind of number that is set out in that legislation? And then second of all you have made the comment that the CBN has instructed banks to suspend dividends. Is that just applicable to MTN or across the market itself? And then if I may just one on South Africa on post-paid and prepaid ARPU. Massive jumps there which were similar in magnitude to this time last year, and yet in the fourth quarter 2015 it fell off again. I'm just trying to reconcile how a post-paid subscriber in South Africa is happy – well he is still up 17% in the quarter – given we don't see any of that from the other operators.
Michael Fleischer	Let me deal with the first question as regards penalties. As I indicated when I answered the first question, clearly we are still going back and checking. But our initial assessment of the Act is that it doesn't provide penalties specifically relating to the section of the Act that deals with CCIs. The Act seems to only indicate penalties in circumstances where there is wilful disregard, criminal activity, forgeries and the like. So we are still assessing what the situation would be in this particular case. But we can't put our finger on any particular offence or any particular penalty that is applicable in these circumstances at the moment.
Phuthuma Nhleko	If I may emphasise once again because I think this is very important, as MTN we are comfortable that we have done nothing wrong in Nigeria as far as repatriation of funds. There is absolutely not money that has been taken out of Nigeria without proper approvals or the approval of the central bank. If however somebody is looking for a needle in a haystack over 15 years you can try and find something. What people's agendas we are cannot control. But we are very firm and very clear that anything we have done as far as repatriating funds out of Nigeria over a 15 year period is absolutely correct. I cannot emphasise that more. But obviously we can't control what people do for whatever purposes. To the extent that there is anything that is prejudicial to us we are saying that we are drawing the line and we take a very firm position on that.
Mteto Nyati	To answer your question on the ARPUs of post-paid and prepaid in South Africa, as you may remember in the beginning of the third quarter in South Africa we took a price action. We increased prices in the market. And that is largely the driver behind these changes in ARPU in South Africa.
Michael Fleischer	Just to finish the last question that you asked me about the dividends, I don't have any knowledge of what the central bank has addressed to any other parties. So I can't really confirm whether other parties are affected as well.
Jonathan Kennedy-Good	Thank you. I just wonder, to follow up on Mteto's point, if you have raised prices and you've got 17% increase in ARPU are you not expecting churn to increase in South Africa away from you? Is there some kind of handset strategy that you have to ensure that your customers are staying on your network, perhaps by subsidising handsets a



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<p>Mteto Nyati</p>	<p>bit more aggressively? It seems like a very large increase in ARPU.</p> <p>If you look at where we were, we were priced way below our competitors. So that is one thing. And again we monitor this and one of the key feedbacks that we get from the market is what is called the NPS scores where we look at the value and how we are compared to our competitors on the value side. In the third quarter the latest results that we got in the third quarter we were at the top when it came to value. Again although we made the price step in the third quarter we are still below both Vodacom and in some instances Cell C. So I'm comfortable. We also look at what has happened with regards to subscribers. We had positive net connections throughout the quarter for post-paid, again showing that we are competitive in the market.</p> <p>Okay. So we can expect ARPU to remain at these levels unlike last year where they dropped in South Africa?</p>
<p>Mteto Nyati</p>	<p>Exactly.</p>
<p>Jonathan Kennedy-Good</p>	<p>Thank you.</p>
<p>Operator</p>	<p>The next question comes from Madhvendra Singh of Morgan Stanley.</p>
<p>Madi Singh</p>	<p>Just a couple of follow-ups in Nigeria. You said there were 3.1 million disconnections the way you record subscribers. So is it fair to assume your actual run rate was 4.6 million for the quarter? Should we expect a similar run rate in the next quarter as well? And how do we expect that to affect the revenue trends? Similarly on the issue regarding the connectivity of base stations with fibre versus copper transmission, has there been any progress made there? And finally in the case of South Africa I want to check in the light of the white paper that has been issued recently is there any particular aspect of the white paper which concerns you or worries you significantly? Thank you.</p>
<p>Nik Kershaw</p>	<p>Madi, just to comment on the Nigerian subs, yes, the number that we reported was after we disconnected 3.1 million subscribers. And regarding the fourth quarter we gave guidance of what net additions would be for the full year. So you can do the maths. You shouldn't necessarily assume that we are going to do 4 million in the fourth quarter. You should assume that the guidance we have given for full year net additions is what we will close the year with. So that's just on the Nigerian subs. Mteto, do you maybe want to comment on the white paper?</p>
<p>Mteto Nyati</p>	<p>The white paper, there are some aspects of the white paper that we are very uncomfortable with, specifically two areas. One is a clause there which states that all of the network operators have to take back the spectrum that has been allocated to them. So that's the one area. The second one is how you allocate new spectrum. Again there they say it is not going to be allocated to the network operators but to these wholesale open access networks. Those two are the areas where we have the biggest issue. That is where we are working to try and see how we can influence in the right direction.</p>



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Madi Singh	Great. And just on the base station connectivity in Nigeria, transmission. Is the move to fibre progressing well?
Nik Kershaw	We continue to move forward with that. I don't have the exact numbers to hand, but that connecting the sites to fibre continues and it is an ongoing process there.
Madi Singh	All right. Thank you.
Operator	The next question comes from Ziyad Joosub of HSBC.
Ziyad Joosub	Hi everyone. Thank you for the questions. I've got three questions please. The first one is on Nigeria. Your tariff and promotion approvals from the NCC also getting delayed by about 45 days. Have you seen any improvement in that? The second question also for Nigeria – specifically maybe Ferdi can answer this one – you have had steep declines in Nigeria data pricing. I was wondering has this created any acceleration in value-added services, digital, music etc. Has the cheaper data prices driven higher growth in those other data sub segments? And then post your 4G+ launch in Iran the 3G launch obviously was accompanied by a lot of capex and network opex. Should we expect another step-up in network opex post this 4G launch? Thanks very much.
Ferdi Moolman	Yes. I will answer the first question in terms of the process with the regulator. I'm happy to say that all the products we submitted in April and May when services were restored have now been approved. The last of the approvals came in about two weeks ago, so we now have sufficient promotional material available to do what we need to do in the market. And we are submitting new offers going forward. So the process is slowly improving. In terms of the second question around data pricing and whether that is in fact increasing our VAS services. At this point in time it is not pushing our VAS services. [Inaudible] we hope to be doing this soon. So the growth you are seeing in the activity is not coming on the back of the growth in data pricing at this point in time.
Nik Kershaw	Just on your question on the 4G launch in Iran, if you look at the opex in Iran certainly they have managed their opex particularly well. The one single line item that has increased has been the leased line cost related to higher data volumes and because those leased line costs have gone up. Certainly going forward as data volumes increase on the back of 4G services you would see a commensurate increase in leased line costs in Iran, although the business is working to try to find ways of reducing that. But that certainly will remain a line item under pressure.
Ziyad Joosub	Thanks very much. Thank you.
Operator	The next question comes from Ksenia of UBS.
Ksenia	Hi. Thank you for the call. I have one question. How much funds have you already repatriated out of Iran so far?
Nik Kershaw	Sorry, as we said right upfront when we had the intro we are not giving any more



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	<p>details around the Iranian repatriation other than what we've given in the SENS announcement.</p>
Ksenia	<p>Okay. Thank you.</p>
Operator	<p>The next question comes from Nicole Agar of Truffle Asset Management.</p>
Nicole Agar	<p>Good afternoon. Just on Iran the statement that you made at interims is that you hope to repatriate up to R15 billion. Does that still stand? And the second question on South Africa, the transformation project, can you give us some of these hard targets that everyone is working towards? Thank you.</p>
Nik Kershaw	<p>Hi Nicole. Just on the Iranian cash we always indicated we had plus or minus \$1 billion, maybe \$900,000 to \$1.1 billion. It just depends on what the money is being spent at various times. But it is around your R15 billion equivalent that we would be looking to get out of Iran. That number that we mentioned previously is still very much the number. And as far as the targets for your second question we aren't disclosing those at this stage.</p>
Nicole Agar	<p>Thank you.</p>
Operator	<p>The next question comes from Richard Majoor of Macquarie.</p>
Richard Majoor	<p>Good afternoon gentlemen. I would like to enquire about Nigeria, the Visafone transaction and MTN's 800 megahertz spectrum, if there are any plans to launch LTE on the back of that anytime soon. Thank you.</p>
Ferdi Moolman	<p>On the Visafone transaction we have actually got LTE running on Visafone at the moment. In fact we've got Visafone products which at this point in time are around dongles and WiFi devices. So we have already launched LTE on the Visafone.</p>
Nik Kershaw	<p>Operator, we have probably got time for two more questions.</p>
Operator	<p>The next question comes from Alexander Balakhnin of Goldman Sachs.</p>
Alexander Balakhnin	<p>Good afternoon. Two quick questions from me. The first is do you see any signs of the pricing competition in Nigeria and your competitors are more mindful about the price changes? If you can share some observations on that. And the second question is you discussed the dynamics of EBITDA margin in South Africa. Can you share your observations on the same in Nigeria please? Thank you.</p>
Nik Kershaw	<p>Hi Alex, it's Nik here. I think on the second point around the Nigerian margins we have commented earlier that the guidance we gave at the interim period where we expected for every 10% weakening in the Naira relative to the Dollar to have around a 75 basis point impact on Nigerian margins. That was the guidance we gave at the interim period and that hasn't changed. And similarly around the competitive pricing environment in Nigeria I think what we said there is we have seen some of the competitors starting to raise their effective tariff on data. They haven't really changed</p>



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	<p>their headline tariffs but they have changed some of the below the line promotions. Certainly the inflation is creeping up and I think the environment is moving in that direction where it is not completely outside the realms of likelihood that we could start to see some price increases happening. But obviously we will continue to monitor that as we move forward. But on the data side we have started to see some of the other operators increase their effective tariffs.</p>
Operator	<p>Ladies and gentlemen, due to time constraints the last question is going to be taken from Craig Hackney of NOAH Capital Markets.</p>
Craig Hackney	<p>Thanks. A few months ago there was talk around an additional tax on mobile services revenue in Nigeria. Has there been any more information on that recently?</p>
Ferdi Moolman	<p>We have had no movement in terms of the tax except there seems to be an indication that the senate is opposing the implementation of the penetration tax.</p>
Craig Hackney	<p>Okay. So that's currently under consideration by the senate. Is that right?</p>
Ferdi Moolman	<p>Yes. It was discussed at senate and they expressed the view that they will oppose the implementation of the tax.</p>
Craig Hackney	<p>Oh, they were opposed. All right. Thanks very much.</p>
Operator	<p>Gentlemen, that was the final question.</p>
Nik Kershaw	<p>Thanks very much everyone for dialling in. we appreciate your time. If you do have any more questions or anything like that please send through an email or give me a call. Thanks very much.</p>
Operator	<p>Thank you. On behalf of MTN Group that concludes this afternoon's conference. Thank you for joining us. You may now disconnect your lines.</p>

END OF TRANSCRIPT