MTN Group Ltd
Q1 Results
DATE: 03/05/2017

Speaker	Narrative
Operator	Good afternoon ladies and gentlemen and welcome to MTN's quarter one results for the period ended 31 March 2017. 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 an operator by pressing star and then zero. Please note that this conference is being recorded. I would now like to hand the conference over to Mr Nik Kershaw. Please go ahead, sir.
Nik Kershaw	Hi. Good afternoon everyone. Thanks very much for dialling in for our Q1 trading update. With me today is Ralph Mupita, group CFO, and Rob Shuter who is dialling in from Rwanda. I'm going to hand over to Rob who will make a few opening remarks. I think everyone would have seen the SENS that we put out this morning. And then after that we can jump into a Q&A which the conference call operator will facilitate. So over to you, Rob.
Rob Shuter	Thanks very much Nik. And I hope I am clear enough calling from Kigali. I think just a few opening remarks. Clearly the SENS has gone out so I'm not going into too much detail. We will make sure there is plenty of time for Q&A. but by way of introduction I think we would characterise the quarter as solid. I think solid in the sense that for the main markets that we've given revenue guidance on, South Africa and Nigeria, we've had a decent quarter and laid the right foundation for the rest of the year. I think generally in our tier two markets we have made steady progress. And there is much work that lies ahead but I think we have a good foundation to build on. I think the second comment is that we've stabilised our executive management team. I've been with my feet under the desk since the middle of March. Ralph has come in the course of April. And our team is now stabilised with the exception of one vacancy for the SEA region which we are in the process of filling. The third comment is still generally about the strategic direction of the group going forward. We remain very excited about the two Ds, the Ds being data adoption and digital adoption. This is really the big demographic opportunity that lies ahead of us. We think we are uniquely positioned to take advantage of the opportunity in terms of our brand, customer base, our infrastructure and positioning in the market, our home markets, our front yard and back yard so to speak. And I've been visiting the countries the last while, obviously South Africa, Nigeria, Ivory Coast, Ghana, Rwanda, and will be travelling to Cameroon on my next trip. And I was very encouraged by our positioning in the market and also the great opportunity we have ahead of us. So with those comments we will open for Q&A and do the best we can to coordinate the questions amoung ourselves. Operator, you can take questions please.
Nik Kershaw	Thank you very much, gentlemen. Ladies and gentlemen, at this time if you would like to ask a question you're welcome to press star and then one. That will place you in the
Operator	question queue. If you however decide to withdraw the question you're welcome to

Speaker	Narrative
	press star and then two to remove yourself from the question queue. Just a reminder, if you would like to ask a question you're welcome to press star and then one. The first question comes from Cesar Tiron of Bank of America Merrill Lynch.
Cesar Tiron	On the release it says that while the momentum is encouraging in Nigeria you are talking about an ongoing review of value added service subscribers and that it would put pressure on digital revenues for the balance of the year. Could you please clarify this point? And could you please clarify your views on the dividend for MTN and whether you are planning on announcing a new dividend policy at some stage? Thank you.
Rob Shuter	I think it is in the value added market that this is the part of our digital that has grown very quickly. We have a lot of partners and service providers. And so it has become an increasingly complex area for our customers also to keep track of which services they subscribe for, whether they want to discontinue or start again services. It has created a lot of load on our contact centre with customers wanting to make these changes. And of course the regulator in Nigeria is really looking for operators to take a central role in making sure that we have a viable and sustainable value added service business but also one that is customer friendly. So we've done a comprehensive review of that and the result is that there will be services that will be discontinued. We will reduce the number of partners on the system. And this is going to put some pressure on the VAS revenue in the shorter term, I would say over the next three quarters, but over time once we've got that on a more stable footing I think there is definitely still growth in that part of the business. Ralph, on the dividend?
Ralph Mupita	Just a couple of points on your question on the dividend. As you all know we have guided 700 cents per share for full year 2017. We made that as a preliminary result for 2016. And obviously we are going to be doing some work to review our capital structure and working through our business plans and the capex investment required in for investment in our network. So we will certainly be doing that work and at the appropriate time certainly coming back to the market with a clearer dividend policy. But for 2017 I think the read through there is clearly the 700 cents per share.
Cesar Tiron	Thank you so much.
Operator	The next question comes from JP Davids of JP Morgan.
JP Davids	Hi guys. I appreciate quarterly results are not necessarily the easiest platform to discuss the strategy. But if we can take the March presentation or the 2016 presentation as our starting point, Rob, you alluded to the three Ds and data in particular as a very exciting opportunity at MTN. but maybe more broadly you can just discuss the ability for MTN to deliver a stable return on capital employed or maybe even improving return on capital employed over the medium term, and particularly within the African context. And then as a separate question – maybe you want to put them together, it's up to you – in the SENS announcement today you talk about the scale of your operations. Are you talking about scale there in the context of your in market scale or the overall size of the portfolio i.e. the 20 countries or your market

	positions, number one to number two in every market? Thank you.
Rob Shuter	Okay, thanks JP. I think the first thing is we are great believers in market scale. I think this is what has determined to a large extent the success of operators around the world, scale and ability to deploy networks, build a brand, have a base you can cross-sell to, have a meaningful distribution, economies of scale in efficiencies and opex. So this is I think the first and most important thing. I think over time of course it is possible to leverage cross-market scale. The most obvious examples of our across-market scale would be the brand itself, the shared technologies, one mobile money platform, centralised procurement in Dubai, things like funding etc. But there is still work to do. The second question around the sustainability of return on capital in the African market over time, this is very much dependent on what the investment profile will be across the markets. I think we feel that we've had a relatively full investment profile over the recent past, so I do think we would want to see that coming down. And generally our margins are pretty healthy by international norms across most of the markets. But it is to be frank still a work in progress. The team is just recently in and I guess generally in quarterly updates we tend to focus more on recent revenue and subscriber trends. Thank you.
JP Davids	Good. Thank you.
Operator	The next question comes from Jonathan Kennedy-Good of SBG Securities.
Jonathan Kennedy-Good	Good afternoon. Just in South Africa if I look at your subscriber numbers, seven of the last ten quarters on the post-paid side you've been negative, four of the last five in prepaid. And this has been in a period where telemetry SIMs have been growing I presume at a healthy clip. It looks to me as thought your post-paid base is subsiding at least 1% per quarter in South Africa. I mean clearly this is a new management team. And I wonder whether you have any obvious insights into how that scenario gets rectified, otherwise the scale that you say you seek is moving beyond the horizon. So I'm just trying to understand how while there is a 4% revenue growth in the first quarter – that's off a very weak base – are we expecting that to continue into the second half given the trends that we see continue in the underlying business.
Rob Shuter	Well, thanks Jonathan. I think if I can cut the question into two parts and talk very briefly about prepaid, I think MTN has a fairly decent track record of managing prepaid businesses across our markets. And I think South Africa is really no exception to that. We have good infrastructure, good distribution, and I think the performance there is okay. There is always room for improvement, but I think on a benchmark basis also the prepaid business is generally okay. I think our big struggle is in post-paid. We are by definition in South Africa a strong number two with a sizeable post-paid segment, which I guess in the last five years we have been managing in post-paid as strong number two. And as we've analysed the problem there are no quick fixes. There is a whole infrastructure that needs to be built to manage churn and to manage quality, base management, to manage your distribution both direct and indirect and franchise. I think it is pretty consistently said that we can make progress in the near

Speaker	Narrative
	term commercially but it is going to take quite some time for it to work itself through the financial numbers. I believe as a team with Godfrey, in South Africa for the first time that we are laying the right foundation to improve our performance there.
Jonathan Kennedy-Good	Thank you. If I may have one follow-up question, just to mention the R4.6 billion in capex for the first quarter. I presume that's for the group, which sounds quite light relative to full year guidance. I believe there is some seasonality in the first quarter which means that this quarter is always light, but if you could comment on reason for that. And then also how much foreign currency are you using to fund Nigerian capex and if you're still using foreign currency will that be done for the foreseeable future in light of continued constraints on currency trading in that market?
Rob Shuter	Generally there is seasonality in the capex and generally our OpCo's seem to gear up rather slowly in Q1. I think we can do a better job in that going forward. But we remain committed to putting the investment in across the markets. So we continue to roll out infrastructure particularly in the digital service adoption. I think in Nigeria we're committed to the market and we are committed to putting infrastructure in. So what becomes problematic is access to Dollars in the market. Now as you know there is a third currency window which I think should ease things. And generally we have been buying these Dollars above the official exchange rate which puts pressure on capex and opex going forward, but the situation in a broad sense is manageable and by investing through the cycle will help us as the macro improves.
Jonathan Kennedy-Good	Thank you.
Operator	The next question comes from Mike Gresty of Citi.
Mike Gresty	Good afternoon guys. Just a couple from my side. First of all I was just wondering if there is any update on the use of the Visafone spectrum. I recall last time we chatted that there had been some positive developments from the legal front in terms of some of the objections there which was more positive. But I was wondering if the regulator had made any changes there. Then perhaps a further follow-up on Jonathan's question about the post-paid environment in South Africa. It looks pretty much like the telemetry SIMs have been flattering the subscriber trends and that the genuine subs have been declining quite seriously. I was wondering if you could shed some light on what proportion of the 5.2 million post-paid subs are machine to machine. And also what have you been seeing in terms of the underlying true subscriber trends there? Are they getting any less bad? Is the loss slowing? Can you give us any sense as to what's going on there?
Rob Shuter	Okay. So I will pick up the Nigeria question quickly and ask Nik or Ralph to comment in more detail on the subscriber situation in South Africa. The Visafone obviously is the question of our ability to access the 800 spectrum. It is being used for the subscribers that are in the Visafone entity. And we remain in a dialogue with the regulatory authority in Nigeria on what the best path going forward is. So I would say there is no new news on this particular issue. Nik or Ralph?
Ralph Mupita	On the telemetry subscribers numbers 2.4 million is the number.

Speaker	Narrative
Nik Kershaw	And Mike, in the quarter we disconnected approximately 20,000 telemetry SIMs. That was related to the ongoing process if you remember when we acquired some of the historic numbers around Autopage and some of those guys there were some telemetry SIMs in there which have been rolling off as well. And there was an issue from a regulatory perspective where certain numbers needed to have 14 digit numbers, so from a regulatory perspective we had to disconnect some of those guys who hadn't come in to get their numbers redone either. So we did disconnect about 20,000 telemetry SIMs in the quarter.
Mike Gresty	What does that imply about the normal ones, Nik? Generally are you seeing the rate of loss slowing? We would hope so, but I don't want to put words in your mouth.
Nik Kershaw	During the quarter from a post-paid perspective we actually saw it was negative for the quarter but actually in the month of March from a net additions perspective post-paid was actually marginally positive. So the trend has been improving steadily. It is clearly not yet where we would like it to be, but it has been moving in the right direction.
Mike Gresty	Great. Thank you very much.
Operator	The next question comes from Richard Majoor of Macquarie.
Richard Majoor	Good afternoon. I have two questions in relation to Nigeria. The first question, if you would elucidate the EBITDA guidance. There was quite a sharp drop in FY16 from 49% to 40%. I don't know if you have any updated guidance on the matter. The second question is on mobile money in Nigeria, the exclusivity arrangements with Yellow Diamond Bank, if there has been any movement there, or any movement on actually obtaining a mobile money license in Nigeria. Thank you.
Rob Shuter	Ralph, do you want to take the EBITDA and I will pick up on mobile money?
Ralph Mupita	Sure. I mean I think we have clearly guided at the preliminary results around the sensitivity of the EBITDA margin to the FX exchange rate, the US Dollar to the Naira, where we said that any 10% negative movement would impact the EBITDA margin by 2%. As Nik has mentioned and actually Rob mentioned it, we are actually acquiring Dollars in the market at higher than the official rate. So on a blended basis I think you can read that we would be having at an opex level certainly higher than the official rate. But we don't have any further guidance for you right now around the margins besides the point around the sensitivity, the 10% drop to 2% impact on margin.
Richard Majoor	Thank you.
Rob Shuter	And I think on the mobile money side there are no new developments there. The regulatory position is as is and we will continue to motivate how a better balance between a mobile-led bank-led environment for the adoption of mobile money. Again that is a work in progress.

Speaker	Narrative
Richard Majoor	Thank you.
Operator	The next question comes from Chris Grundberg of UBS.
Chris Grundberg	Hi guys. Just picking up on a comment from earlier around your fuller investment profile in the recent past. I wanted to get your views on what you see as the efficiency or effectiveness of your South African network investment. I just wondered if you could characterise how that has been and where you see the network today versus your targets or internal expectations. And then just whether you have had any chance to think about the right level of spend for the capex in South Africa over the next few years. Any rough sense there would be great. And then as a second question just back on Nigeria I wondered if you could comment on the competitive landscape at the moment. Obviously one of your more aggressive local players has been under some pressure recently. I wondered if you could comment on the trends you have seen during the quarter, any major moves from the competitors, any views on pricing and how you see that maybe playing out over the next couple of quarters. Thanks.
Rob Shuter	I can say a few words there. I think in the South African market we need a quality network. You could describe it as good a network. For a strong number two to compete effectively I think that is very much required. So we did spend the capex over the last couple of years to deliver that. We are pretty encouraged by what we see in terms of our relative performance against the number one. I think it is fair to say that we're feeling much more comfortable about where we are. And I guess we are going to have to continue to invest to maintain that position. But for sure we do need the absolute investment levels to come down over the next few years. I guess the question is as we go through the planning cycle what does that mean for 2018 and 2019. I don't want to be drawing a conclusion around that until we've done the work. I think in Nigeria the recent performance has been pretty encouraging particularly when you look at the leading indicators, the commercial indicators we would look at, recharging, data bundle sales, relative network performance in the big metros, Lagos etc. You know the competitors are there and they are commercially active. And for sure we are pretty much the only ones putting a decent level of investment in. I don't think there have been any major pricing moves during the quarter. Of course in that environment all tariff changes are submitted to the regulator and there is quite some lead time before you see them in the market. Data pricing for the larger bundles is really low. But how we've been trading is encouraging.
Chris Grundberg	That's helpful. Thank you.
Operator	The next question comes from Craig Hackney of NOAH Capital Markets.
Craig Hackney	Hi. Thank you. Two questions as well. Just firstly on Ghana with the disconnection of subscribers there. We still saw ARPU come off quite sharply sequentially. If you could just speak a little bit about the dynamics of that market. And then on Iran I think you said at the full year results presentation that you were hoping to sign up two MVNOs from the second half of this year. I was just wondering if that was still on track and whether we should expect that to help offset some of the margin pressure you've

Speaker	Narrative
	been seeing there as a result of the increased transmission costs. Thank you.
Rob Shuter	Perhaps Nik or Ralph could explain the Ghana sub issue. I didn't catch the first part of the Iran question, so if you could repeat that that would be helpful.
Craig Hackney	I was just saying I think the regulator is requiring each of the mobile operators to sign up two mobile virtual network operators. And I think you said you were on track to sign up two in the second half of this year. I was just wondering whether that was still on track and how that may impact the operating metrics of the business in the second half of the year.
Nik Kershaw	In Ghana I think you would see the year on year ARPUs did actually go up. There is always some seasonality around the revenues in Ghana as well. And then as well just around the subscriber disconnections they weren't disconnected at the beginning of the period. They were disconnected during the quarter. So obviously that does skew the calculations because it is done on a monthly average weighted basis. So I think you will get a better indication of the underlying ARPU in Ghana as we report the second quarter numbers.
Craig Hackney	Okay. Thanks.
Rob Shuter	I think as you say there is a drive by the regulator to stimulate the MVNO market and many are popping up. But I think in the general sense we remain confident of our position there and believe that we can still do well. And I think in the shorter term the MVNO market will not make materially a difference either way either in terms of the revenue or the competitive dynamics. I don't think we will see that in the second half.
Craig Hackney	Okay. Thank you.
Nik Kershaw	Craig, and just to add to that, in Iran at the moment across the country there are six or seven MVNOs that have licensed their names and been licensed. We have actually signed up two MVNOs on our network. They haven't actually officially launched yet, but we have concluded that in line with the regulatory requirements that we could do that on commercial terms that made sense to us as opposed to being forced into something from a regulatory perspective as well. And then obviously as Rob said we are not expecting it to have a material impact this year.
Craig Hackney	Okay. Thanks very much.
Operator	The next question comes from Madhvendra Singh of Morgan Stanley.
Madhvendra Singh	Hi. Thanks for the call. Firstly in Nigeria I remember during the annual results presentation we were told that the run rate in Nigeria was around 16%. And then we are closing the quarter at around 13%. So is it fair to assume that the March did slow down significantly, and if that is the case what is the reason behind that? And if you could also help with the trends during April. Have you seen any improvement in the underlying revenue growth trend? And secondly also in case of the wider African markets which have seen significant FX depreciations have you been thinking of

Speaker	Narrative
	raising the prices locally especially in markets like Sudan and South Sudan? It seems like there have been some price increases by other competitors if not by you. So would you consider something like that in other markets including Nigeria? Thank you.
Rob Shuter	Okay. So I will say a few things and let the team as well. I guess if you look at the Nigerian trends in the first quarter the comparative for January was very weak. So January was a very strong year on year month and then it moderated in February and March mainly because of what had happened in the prior year. And so March looks pretty okay and April looks pretty okay as well. The trend there is reasonably stable and positive, and January was a little bit of an outlier. I think on the FX pressure and pricing it is not good generally but I think the important thing to remember is that we are in pretty rigid regulatory environments across a lot of these markets. For example if we felt that it was important to price up in South Sudan because of what happened with the currency then it is a whole regulatory process to go through. And in fact we have to seek approval, and that is sometimes a difficult process to get through.
Ralph Mupita	If I can just add on to your point around Nigeria revenue progression, just to build on your point, we had guided again that in Nigeria we would think of Nigeria revenue growth as high single digits for the full year. So to Rob's point there was some comparator impacts in quarter one last year versus this year where we have seen progression on Jan to February with 16% you talk about. And things have then normalised and the trading has been actually okay. But again just to guide around the high single digit number which is what we put out in the market in March.
Madhvendra Singh	Just to follow up on that, if we look at the comments around restrictions on the SIM card sales limiting them to the brick and mortar stores would you expect some kind of negative impact on your revenue growth because of that from where you started the base from?
Ralph Mupita	Certainly from the regulatory impact which you talk to I think we would still be fairly comfortable with that high single growth. So we are not seeing these regulatory issues as an impact to what we guided earlier on.
	All right. Thank you.
Madhvendra Singh	
Rob Shuter	If I can add to that the change in the regulatory environment had a big impact on the market. But I think within the environment we are comparatively well placed because we have more digital presence that meet with the definition. So I think it will not primarily affect the revenue growth. It will stabilise the churn in the industry and ideally in the future we could pick up a higher share of the growth rate going forward.
	Thank you very much.
Madhvendra Singh	The next question comes from John Kim of Deutsche Bank.
Operator	Good afternoon everyone. Two questions for you, one specific to Nigeria. Can you help us unpack the revenue growth there, as much detail as you feel comfortable
John Kim	giving around the 12% year on year growth and how you expect that to play out. In

Speaker	Narrative
	addition I'd love to hear a little bit of detail on capex deployment in the region. How is it tracking versus budget and where is it going? Is it fiberisation? Is it base station densification, so on and so forth? And the second question is more general in nature. Could you just update us a bit on Project Ignite? Is it on track and what are the big blocks in terms of the initiative? Thank you.
Nik Kershaw	Just on the Nigeria revenues I think we don't give the detailed breakdown at the quarterlies. I think suffice to say we obviously did comment that data revenue growth had been particularly strong in the period. And if you do remember the regulator changed the rules around out of bundle data sales in October 2015. So certainly Q1 2016 and Q4 2015 it was low and we've seen steady improvement since then. So certainly data has been a key driver. And we expect that to remain a key driver going forward. And that's on access data. I think on value added services to the previous comments that were made around that we do expect some slowdown there given the review around the value added services process. And unfortunately at this stage that is the only detail we can give you.
Rob Shuter	A few comments from my side on Project Ignite, and maybe Ralph could make a few comments on the capex allocation in Nigeria. Project Ignite is basically aimed at improving our commercial performance in South Africa and Nigeria. I think we've identified all the key projects. We are well into the execution phase of that. In South Africa it is largely in areas on what we need to do to be more effective on post-paid and also the network quality and some efficiency measures. I think we are well into execution. Nigeria had a slightly different focus. A lot of it was focussed on data monetisation and addressing the underperformance in the market in addition to some capex projects. So a lot of work lies ahead. I think it is getting a lot of time and attention. In the second half of the year a lot of it will be transferrable to the other markets, particularly the data monetisation and the efficiency work. I think there is a lot there that is applicable across our other markets. Ralph, can you give some general direction on Nigerian capex?
Ralph Mupita	Yes, I mean obviously as you noted on our overall capex from a seasonality point of view we are a little bit behind, but obviously we believe we will catch up. Specific to Nigeria the guidance we have given in terms of the capex spend our plan currently is to fully roll that out. And so we have been rolling out the 3G and LTE sites in the quarter. And we think we continue to make good progress here and obviously we are working with IHS here. That is all we will give in specific detail on the rollout of 3G and LTE sites at the moment.
	Okay. Thanks.
John Kim	The next question comes from Ziyad Joosub of HSBC.
Operator	Hi everyone. The first one is on IranCell. Can you just confirm with me that the data revenue growth of 77%, does that only relate to data access or connectivity revenue
Ziyad Joosub	growth? So how exactly has value added services and digital performed in IranCell given that connectivity growth has been this strong? And what has driven this sort of growth? Has it been primarily 4G and TD-LTE launches? For Iran it is quite spectacular

Speaker	Narrative
	given the base that you start off from. The second question is on MTN South Africa. On the data side of things last year it was disclosed that 16% of data revenue comes from VAS and digital services and it was growing at 77% year on year. That seems to have slowed down quite a lot based on quarter one's disclosure to around 20%. Could you maybe provide a bit more colour on what we've seen that deceleration in value added services and digital growth in SA? Thank you.
Rob Shuter	Nik to break down the different categories in the market.
Nik Kershaw	So just to be clear, in the presentation that we gave all of the numbers where we talk about data that is all access data. So it is only access data and excludes the actual value added services. And when we talk digital that is basically value added services and mobile money. And just in South Africa we did say the digital services was up 20% year on year and access data in South Africa was up 17.8%. Did you have another question?
Ziyad Joosub	Sure. So is it fair to say that last year MTN South Africa's data growth was predominantly driven by value added services and this year we are seeing a lot stronger connectivity growth? I estimate connectivity growth was only 4% last year in South Africa, so moving up to 18% is quite a good improvement. And while you are getting the Iranian stuff, just on the voice revenue trends in South Africa. Can you explain to me why in H2 2016 we saw billable minutes increase? I think January went up to 108. And you had good outgoing voice revenue growth. And all of a sudden in this quarter we are seeing billable minutes reduce and we saw outgoing voice revenue decline despite having what looked to be pretty easy counts.
Nik Kershaw	So just a couple of points to make. Firstly we did see improved data growth in South Africa this year. I think regarding the traffic in last year I would have to go back and check. I'm not sure of exact details around that last year. So I will have to come back to you on that. And I think in Iran obviously clearly the strong growth in access data use that we saw there was really driven off both 3G and 4G. Obviously we have seen continued growth from a penetration perspective. And as you know Iran is our highest market around 3G or smartphone penetration and we have seen a very strong performance around that. I don't want to give you the incorrect data on the digital for now. I will come back to you on that after the call.
Ziyad Joosub	Okay. Sorry about this. On Iran are you guys still feeling comfortable that you can sort out the transmission cost issue with respect to data revenue growth? Have you had any engagement with regulators or authorities on that since full year results?
Nik Kershaw	We did negotiate a reduction in the leased line tariffs, so we have actually seen that come down. But the reality is given the strong growth in volumes leased lines still remains the biggest drag from a margin perspective. We will obviously continue to engage, but at this stage it remains a drag notwithstanding the fact that we have actually negotiated a reduction there.
	Okay. Excellent. Thank you.

Speaker	Narrative
Ziyad Joosub	Ladies and gentlemen, just a reminder, if you would like to ask a question you're welcome to press star and then one. We have a follow-up question from Jonathan Kennedy-Good of SBG Securities.
Jonathan Kennedy-Good	Just a quick follow-up on Ziyad's question around the data revenue increase in Nigeria of 70% odd. I didn't realise this related only to one portion of the data revenue. In Nigeria what was the actual overall data revenue growth if you included digital? If I'm not mistaken almost half your total data revenue is actually digital there. Is that already going backwards?
Nik Kershaw	So Jonathan, firstly as I said one of the things we did from a disclosure perspective just to make it absolutely clear is going forward whenever we refer to data we are referring to access data only. And when we refer to digital that is mobile money and value added services. The reason you saw the very strong growth in access data relates to the fact that we saw the suspension effectively of out of bundle data sales in October 2015 and data revenues bottomed out in March/April 2016. So if you actually think practically speaking quarter on quarter or year on year the first quarter was a very low base from a data perspective. And that's why you saw the particularly strong growth around access data. On the digital side there obviously the revenues were impacted by the value added services. We have spoken about the fact that we are busy with a review around value added services and that is continuing at the moment.
	Thank you.
Jonathan Kennedy-Good	
Rob Shuter	Maybe if I can just make a comment on that. I think what we are trying to do is to tighten up how we describe our business. And what you will see in many of the markets is access data and mobile financial services and value added services perform in different ways. Some markets have high penetration of mobile money and a low data penetration, for example a market like Rwanda where I am now. So we are going to clean that up so we just have one consistent description so we all know what we're talking about. And access data on its own is going to be a very important driver of results going forward. So I think it is important that we single that out so that we can all understand where we are and what the potential is in our markets.
	Thank you.
Jonathan Kennedy-Good	We have a follow-up question from Ziyad Joosub from HSBC.
Operator	For MTN South Africa and the reduction in billable voice minutes as well as the reduction in outgoing voice has that got to do with consumers shifting more spend towards data services? Have you had negative elasticity to certain prices increases that you may have pushed through? Just more colour on why we finished 2016 reasonably strong on voice, moving to an easy count period, and the voice still seems quite soft. If you could give any colour on that please.
	I think we tried already on that. And I guess the short answer is give us a bit of time to look back into the last two quarters of last year so that we can better explain the

Speaker	Narrative
Rob Shuter	trends into the coming quarter. I think we can't really shed more light on that at this stage. I am unfortunately personally running a little bit out of time, so perhaps we could take the last few questions.
Operator	Ladies and gentlemen, just a final reminder, if you would like to ask a question you're welcome to press star and then one. Gentlemen, we don't have any further questions in the queue. Do you have any closing comments?
Rob Shuter	If I can say from my side to top and tail the call a solid performance, a lot of work lies ahead, be assured that the new management team are working their butts off to get on top of the business and make sure we get the best possible performance out of it. And we look forward to engaging with you guys at the half year. Thanks to my team for their hard work.
Operator	Thank you. On behalf of MTN that concludes this afternoon's conference. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT