MTN Group H1 2019 results conference call transcript

Date: 08 August 2019

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Operator	Good day ladies and gentlemen and welcome to MTN Group's H1 2019 results conference call. All participants will be in listen-only mode. There will be an opportunity 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'd like to hand the conference over to Yuraisha Moodley. Please go ahead ma'am.
Yuraisha Moodley	Good afternoon everyone. Thank you for dialling in today. With me here I have Rob Shuter, our Group CEO and Ralph Mupita, our Group CFO. I trust you've all seen the SENS announcement this morning. It is also available on our website together with our presentation. I will firstly hand you over to Rob for an overview and introductory remark. He will then pass over to Ralph for his comments before returning to give us an outlook for the rest of the year. We'll then move over to Q&A. Thanks.
Rob Shuter	Thanks, Yuraisha. Good afternoon everyone and welcome. Thanks for dialling in. I really wanted to give you some flavour of the results so apologies to those who have heard it already today. In general, we summarise H1 2019 as a period in which we made **encouraging progress** under **difficult trading conditions**. So, what do we mean by difficult trading conditions? I guess in South Africa it means a weaker macro environment whilst at the same time we implemented the new end-user requirements and repriced our out-of-bundle rates. In Nigeria, it means a muted economy, particularly in the time of presidential elections but before the new cabinet has been formed. In Iran, obviously with the re-imposition of US sanctions, there's been a tremendous pressure there on the exchange rate and consequently on the economy. For **encouraging progress**, when we look at the results, we see three broad themes: • The first is **solid financials** and Ralph will take you through that; • Secondly, **commercial momentum;** and • Thirdly, **strategic progress**. So, Ralph over to you on the financials.
Ralph Mupita	Rob thanks very much and good afternoon to you all and we do have shareholders who call us from the US, good morning, and shareholders in the Far East, good evening to you. So, Rob said that we believe that we're encouraged by the **solid financials** delivered in the first half. We implemented the new IFRS 16 accounting

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	standards in the first half which created some complexity in the numbers that you've seen. But if we set those aside, we saw a 12% growth in adjusted headline earnings per share and this is, we've said before, the metric that gives you a sense of the underlying earnings momentum that is in the business. This is the first time in the last few years that we've delivered adjusted headline earnings per share growth and it's really, really encouraging for us. Our service revenue grew just below 10% on a constant currency basis and EBITDA grew just above 10%, which means we continued to deliver improvements in the group's margin. Importantly, our holdco leverage remains stable at 2.3 times, well within our guidance range of 2 to 2.5 times. And in the first half of this year we had higher upstreaming compared to the same period last year, delivering over R1,3 billion higher compared to the prior year period. I also just wanted to re-emphasise the seasonality of our cash flows between dividend payments and cash upstreaming. As I mentioned earlier today, typically the second half of the year has the lower dividend payments by the group, and then higher upstreaming coming to the group. So, as a consequence of this, we generally see an improvement in the second half in the holdco net debt and the group leverage. As we grew our revenues in the first half, we managed very carefully our investment programme and we saw capex intensity drop further, to 16,9%, after we capitalised R12,3 billion. We are also encouraged by the underlying progress on improving returns, our new medium-term target that we introduced this year. Last year, we ended at 11,5% and that was on an IAS 17 basis and on the same basis we're at 12,9%. So Rob, back to you.
Rob Shuter	Thanks Ralph. So that was **solid financials**. Second theme: **commercial momentum**. So, I think we were encouraged by the subscriber growth. Overall, subs grew by 7,7 million so that's what takes us now to the 240 million. Active data users, that's a key metric for the data business, grew by 3,5 million. And our 30-day MoMo, Mobile Money, users grew by 2,4 million so taking that to 30 million active customers. We continue to focus on the customer experience and are pleased to record that we now have brand NPS leadership across more than 50% of the portfolio. I think that contributed to MTN being named the most valuable South African

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	brand and the most admired African brand...So we were pleased and proud with those accolades. The third dimension is what we call **strategic progress**. So, these are sort of big projects, big initiatives that build our digital operator strategy. A few landmark events: • We successfully completed the listing of MTN Nigeria on the Nigerian Stock Exchange. • Our e-commerce venture, Jumia, listed on the New York Stock Exchange. • Our asset realisation programme, which we announced in March, delivered R2,1 billion of proceeds in Q2. • Our advanced instant messaging platform Ayoba is now live in three of our West African markets and we already have more than 300 000 active users. • And we were really thrilled with the formal approval of our super-agent licence in Nigeria. That clears the way for the launch of phase 1 of the Nigeria fintech business whilst we still await the payment service banking licence. So finally, turning to **the balance of the year**. What are we going to be focusing on? In the **South African** opco, I think three critical things. Firstly, to deliver the enterprise turnaround and return that business unit to growth. It has been on an improving trend but still shrinking just under 8% in H1 and we need to get that to zero and then back into growth in the next few quarters. Secondly, focusing on recovery in the prepaid business. So that's partially just digesting the new regs and the reductions in pricing, but I think also we'd like some more commercial momentum in prepaid. And thirdly, the launch of the fintech business in SA. For MTN **Nigeria**, three focus areas again. Firstly, rolling out 4G coverage now that we've been able to access our 800 spectrum. Secondly, we'll be launching both Ayoba and MusicTime, the music streaming business, in the second half. And thirdly, as I mentioned earlier, a big focus on fintech. Across the rest of the portfolio, I think there are six things that we're really working on: • One is to continue the turnaround of the WECA region. There we had a much-improved performance from MTN Cameroon but still some challenges, particularly in Ivory Coast. • Two, focus on resolving some of the more complicated regulatory situations. Obviously, we still have the tax dispute in Nigeria. We still

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	need to finalise the licensing discussions in Uganda so those are two key ones. • Three, launching MusicTime! and Ayoba across the rest of the portfolio. • Four, on the asset realisation programme, as I said, we've pulled R2,1 billion in Q2 but we're targeting at least R15 billion over the next three years so there's still quite a lot of work to do there. • Five, we have a very important campaign which we're launching in the second half, a pan-African campaign we're calling 'MTN 4 Good'. Really celebrating and communicating all the good things that MTN is delivering in our home countries. • And finally, we remain committed and resolute to delivering on our medium-term targets. So, with that quick backdrop, I will now open up for Q&A.
Operator	Thank you very much sir. Ladies and gentlemen, at this time if you wish to ask a question, you're welcome to press star then one on your touchtone phone or the keypad on your screen at which time you'll hear a confirmation tone. Following this process will place you in the question queue. If you decide your question has been addressed and you wish to withdraw your question, you're welcome to press star then two on your touchtone phone to remove yourself from the question queue. Just a reminder, should you wish to ask a question, you're welcome to press star and then one. The first question comes from JP Davids of JP Morgan.
JP Davids	Good afternoon, thanks for the opportunity. Two questions from my side. Firstly, kicking off with the financial framework you introduced at the capital market day around higher cash ratios, I'm just interested in how you're looking at the second half in terms of squeezing the lemon there. Particularly, when you talk about re-energising growth in South Africa and launching various new growth initiatives across the portfolio both in Nigeria and in the smaller opcos. So how is all of this going to be done while squeezing up EBITDA margins and keeping capex under control? So that's question one. Question two, just looking at national roaming more broadly. When you think about the opportunities here outside South Africa, are there any sort of interesting ones that come to mind? Particularly, when you get more spectrum in markets like Nigeria. I'm just wondering if there's an opportunity to tie up someone like 9mobile if you don't really do so and sort of leverage the existing infrastructure that you have in these markets? Thank you.
Rob Shuter	Thanks JP. Maybe I can make a few introductory comments on the first one and then I'll hand over to Ralph more for the financial part of it. I think that what we need to manage very carefully in H2 is both the opex, looking to

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	optimise the EBITDA margins and we also need to manage the capex to stay within our overall envelope and I think we're comfortable that that's all achievable. The digital service launches are not really consuming a lot of capex because we've largely built those platforms already. One of our key critical advantages in the market is that we've got infrastructure, we've got people, we've got campaigns, we've got resources. So we can take a resource for example, that might have launched a summer campaign on voice and data and we can use that same resource to launch our go-to-markets on Ayoba and MusicTime!. So I don't believe that pushing out on these new businesses is putting a particular pressure. You know the pressure much more comes from really densifying the network, more towers, more capex. And I think that we're very comfortable we can stay in our guidance ranges. Ralph, any builds?
Ralph Mupita	Yeah, no, a couple of builds and maybe more points of emphasis JP. I mean I would say the first point about squeezing more in H2 has come through from the seasonality effect that I spoke about. Two thirds of the dividends in the first half, one third [in the second half] and then the mix of upstreaming 40/60. I think, at the holdco level, we seasonally have a better H2 on that front. To Rob's point, the capex is pretty stable and we feel pretty comfortable and confident that we will be within the R28 billion that we spoke about, notwithstanding the fact that we're pushing pretty strongly in Nigeria particularly around ensuring that we have greater 4G coverage, covering more metros and cities. So that capex envelope is pretty secure from our perspective and obviously expense control and focus in the second half. That's a focus particularly for the SA business. They've pushed pretty strongly last year rolling out the network. We've got a much bigger network – probably about 13% bigger than it was this same period last year and that talks to part of the opex that you guys are seeing coming through. And they'll pull back in the second half on devices and as you can well imagine, that can also support a stronger H2. So those will be the points I would make.
Rob Shuter	Yeah, I think on the national roaming. This is really the second phase of infrastructure sharing. The first phase was much more about co-location on towers, tower sales, barter sites, you know where we share the passive infrastructure, towers, guarding, power, transmission but not the active equipment. And national roaming is effectively active network sharing but where you've got excess capacity, you allow other operators/customers to roam on that. So I think we've got a very good working model now in South Africa. And we do see opportunities across many of the markets. The only challenge we sometimes have is the regulatory environment. So in some markets we still need regulation to be promulgated on exactly how national roaming should work and Nigeria is an example of that. So once the proper regulatory framework is in place for us to offer excess capacity, particularly in the peri-urban and rural areas to other operators, I think, is a core part of the

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	business case. It's one of the advantages of separating out the wholesale business and putting it under its own management team with MTN GlobalConnect, is that they're going to actively pursue now these potential national roaming-type transactions across the whole of the portfolio.
JP Davids	Great, thanks Rob and Ralph.
Operator	Thank you. The next question comes from Jonathan Kennedy-Good of Standard Bank.
Jonathan Kennedy-Good	Hi, good afternoon. Thanks for the call. Just wanted to touch base on working capital in the half. Can you give some colour on what's been driving working capital absorption? It was almost R5 billion. And then the other element I wanted to query would be, R2 billion in asset realisations, I think you mentioned that there was a decline in restricted cash in Nigeria that offset that. I'm just wondering what drove that and whether we see that come back at some stage?
Ralph Mupita	Okay, Jonathan maybe I'll pick up those two questions. On the working capital, as you say it's over R4,5 billion. As I mentioned earlier, the movements are just over R900 million is the frequency fees that we paid after resolving our issues with the regulators. So that was a timing thing. You all know that was an issue in the first half of last year, Benin frequency fees. So that's the first one. And then the other is in a couple of countries, Uganda, Zambia etc. These are vendor liabilities and there's timing set of issues with the vendors. I think you would have seen seasonally the same sort of profile this time last year. And sometimes these things do come up, particularly around the vendors. The timing of paying or paying out. Then on the point around the R2,1 billion asset realisation programme. The point there was with some of the financing we had in Nigeria, we had the cash that was restricted and that restriction's off now. So it's not something that you will see as a repeat. So if you're thinking of it as a permanent thing, I think, think of it as a once-off. So that's the explanation on that part.
Jonathan Kennedy-Good	Thanks and if I may, just one follow up, on the South African wholesale revenue was R2 billion for the half which was up substantially and obviously you had some changes to your revenue recognition on the Cell C contract. I mean could you give us a steer on what second half would look like versus the R2 billion in 1H?
Ralph Mupita	Well, I guess without giving you too a strong a steer, I mean I guess what I can say I think they're two dynamics to look at in that number. The first is that Telkom has moved off as of the end of June so that won't be coming, it was

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	there in the half so it won't be coming through in H2. And then on the balance, obviously with Cell C, I think it's common cause and knowledge around the challenges that they've had, but I think more recently they have communicated that they have secured some funding that they believe will get them through the two key processes that will result in the re-cap. One of them is to look at a broader and deeper agreement with us and we signed a non-binding term sheets. And in the next couple of months we'll look to dot the Is and cross the Ts on that. And if it works out, we'll then communicate as such. So, depending on what happens there, I think that will affect what H2 looks like. So, I wouldn't want to be putting a steer given that we still got a couple of, a month or two that we're still working with Cell C to see if how do we turn that non-binding into a long-form agreement.
Jonathan Kennedy-Good	Thank you.
Operator	Thank you. The next question comes Slava Degtyarev of Goldman Sachs.
Slava Degtyarev	Hi, yes. Thank you very much for the call. Couple of questions. Firstly, on service revenue progression in Nigeria in the second half. It seems like you expected an acceleration in the second half of the year. Will it be driven by a better macro or by higher political certainty or maybe by improved competitive landscape? So any thoughts on that. And secondly, also Nigeria, can you elaborate on the phase one versus phase two in terms of the fintech business in Nigeria? So, what's the addressable market under the phase one of the licence versus the phase two? Thank you.
Ralph Mupita	Ja, just on service revenue if I can just pick that up. We do anticipate a stronger H2. We've seasonally seen that in prior periods that H2 is stronger. What we are really focused on in the second half is pushing out particularly 4G in the metros. We have got the capex out planned for particularly improving the pop coverage of 4G in specific metros and that's a focus that we will have and I think you've seen the price changes that we've made in the market to make ourselves a lot more competitive. So, we still feel pretty confident about the service revenue guidance for Nigeria, H2 being better than H1 and the key focus Rob mentioned earlier on is really pushing 4G coverage in the big metros where we would reflect and said there's still opportunity for us to perform better. So it's more our focus but obviously we're also anticipating the macro will also help in the second half, you know with the ministers appointed etc.
Rob Shuter	Yeah, I think on the financial services in Nigeria, the super-agent licence is really helping us to lay the foundation for the more broader financial services

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	strategy. So what it basically means is that currently we have a network of agents that are accepting cash and dispensing prepaid airtime. Let's call that the agent network. And if you have a super-agent licence, it means that those agents can also get involved in financial services transactions and those will be predominantly what we call cash-to-cash. So a customer could go to an agent, give them funds and give them a number or a customer to transfer those funds to. And on the other side, the customer would go to an agent wherever they are and take the money out again and also be able to allow things like bill payments. So, it really helps us in setting up and repurposing the agent network. What we are not still able to do is to really implement the Mobile Money wallet, the e-wallet let's call it. And for that, we either have to partner with a bank or ideally we get our own banking licence and that would be the payment service banking licence. A lot of the economics really require us to be able to provide the full service. I would call it phase one or let's call it laying the foundation for the broader fintech business over time.
Slava Degtyarev	Okay, thank you very much.
Operator	The next question comes from Dalibor Vavruska of Citi Group.
Dalibor Vavruska	Hello, good afternoon. Thank you for taking my question. I just wanted to maybe touch back one last time on the revenue dynamics. So if you look at the mobile service revenue which you're reporting for all the major regions. In the second quarter for most of them I think except for WECA is down compared to the first quarter by a couple of percentage points. I'm just wondering whether that surprised you, whether you were expecting that? And I understand the new revenue sources and the macro boost and all this stuff you're talking about for the rest of the year. But I'm just wondering whether you may think that there is something more systemic going on rather than just cyclical or random because it cannot be hitting most of the businesses or whether it's just a coincidence and you think that the trends will improve? And my second question is technical, the revenue...I mean on the recognition of the Cell C, that gap, I'm just wondering why did you choose not to recognise some revenue or why did you not just book it as bad debt expense and fully recognising the revenue? Thank you.
Rob Shuter	Okay, maybe just a few comments on the quarter-on-quarter seasonality. I mean in the group numbers, part of it was driven by the softness in SA data revenues with the pricing adjustments. Because obviously we're now comparing them to Q2 of last year which was before any of those changes. I think the value-added services business or what we call digital, you know we're still competing in Q2 of this year against the Q2 of last year where there was still quite significant revenues there. So, the seasonality in the numbers is not

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	just what's happening in the sequential quarters, Q2 versus Q1, it's also what happened in the previous year. And most of the metrics are not significantly different from our own internal forecasting. And I think as we said in the presentation this morning, there's some big items dragging the overall revenue growth. Things like the WECA portfolios, basically flat when everything else has grown 10% to 20%. We reduced over a R1 billion in the VAS services but there's only really R1,4 billion left now. And then we've got some drag in SA with enterprise and data pricing. So just technically we should see an improvement in second half and that's before we move to our seasonal performance where it's stronger as we move into the summer months. Ralph?
Ralph Mupita	Ja, I guess Dalibor, IFRS 15 is a point of reflection for us. I mean at the point when you are not certain that the invoice gets paid, you need to apply prudence. And so the 395 represents the point when we weren't certain that we would get paid so we took that prudent approach of not recognising that revenue. So it was based on applying the standard and obviously taking that judgement call that says, you know we're not certain that we will get paid. As I mentioned at the results presentation, we did actually receive some payment in approach to the end of the period but we didn't want to go and change the accounting approach that we had taken which we think remains appropriate. So it would have been aggressive and probably inappropriate for us to book the revenues when we weren't certain that we were going to get paid. So I think that's the approach that we took.
Rob Shuter	Ja, maybe just to build on that. I mean I must say it was news to me also that the accounting worked like this. In the old days, you booked the revenue and then you provided and now you have this new category that you've invoiced to the customer and you might get paid and it just sort of sits somewhere on the side, it's not really on the balance sheet, it's nowhere. But you know, I'm sure the accountants know best and as the situation with Cell C stabilises eventually those invoices with Cell C will come back onto the P&L.
Dalibor Vavruska	Okay great. Thanks Rob and Ralph.
Operator	Ladies and gentlemen, just a reminder. Should you wish to ask a question, you're welcome to press star and then one on your touchtone phone to place yourself in the question queue. The next question comes from John Kim of UBS.
John Kim	Hi, thanks for the opportunity. Two questions. One very high level, when you think about your long-term ROE target and the various levers to get from here

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	to there, where do you think majority of the upside will come from over the next, call it, three to five years? Is it on the asset intensity, is it the margin progression or is it going to be top-line driven? And second question, a little bit more granular on Nigeria which I'll hold until later.
Rob Shuter	Well maybe just a comment from my side. I think when we look at the P&L, what we've managed I think to demonstrate in the last few years is that we can drive the top line on a better trajectory than historically and that we can control basically the direct costs on the opex so we progressively open up the margin. And that operating leverage, I would say is one big part of what will improve returns. The second big part, though, is everything that happens underneath EBITDA where we've had a history as a group of having a) big loss-making e-commerce associates that have eroded EBITDA. We've also had a lot of volatility in foreign exchange that works its way into the interest line and then we've had significant assets that are consuming capital and sitting in the E but not generating any R, of which probably the most relevant is IHS which is not equity accounted so nothing comes in. And a combination of top-line growth, operational leverage, exiting some of these unprofitable ventures and monetising some of the big assets, I think collectively they're all going to play a part in increasing the ROE. We are a very unusual group where, of our approximate numbers, R90 billion of capital, we have a more of a third of it tied up in what are now not long-term strategic assets which generally tend to produce either zero or negative contributions to HEPS. So we're really determined to clean all that up because then I think we will reveal the quality of the earnings of our consolidated subsidiaries.
John Kim	Okay, helpful. Onto Nigeria, and my questions do really centre around fintech. If you see a situation where the PSB licence is granted, are you allowed, under term regulation, to effectively source loans for consortium partners, i.e. can you get a part of that available revenue opportunity? And do you have a view on how you're going to structure this business, i.e. will it look more similar to M-Pesa where it's a bit of a consortium format, government ownership, something like that or would you prefer to maintain control?
Rob Shuter	Okay, the first part of the question is the payment service bank licence doesn't permit lending. It is what it says on the term, payment services. So you can hold the individual customer deposits, you can implement your payments, your person to person etc. And then the aggregation of all the small deposits is required to be invested in treasury bills so you don't take any counterparty risk on the deposits. So, it's really meant to be a simple, low-risk environment to implement payment, money transfer business. So, what would be more common in the Nigerian market is on the platform that's created, you then

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	would allow and encourage other banks to come in with lending products. That's very similar to what we do across the rest of the markets and there are commercial arrangements then in place between us and those banks for commissions or loan origination fees etc. So that's most likely how it would look and that part of it at least would look actually quite similar to M-Pesa where most of the lending is being done with bank partners. In terms of how the business is set up, it is actually MTN Nigeria that's applied for the PSB licence and so we would expect it to be wholly owned by the opco, the opco itself obviously is owned now more than 20% by Nigerian shareholders. And we will put formal agreements in place between the payment service bank and the opco, so arm's length agreements for things like accessing USSD, commissions on airtime sales etc. I think it's an important point that going forward, we want to make that functional separation of the fintech businesses in all the markets and then we'll be able to give investors a very clear segment view of fintech by aggregating the results of all of these fintech companies that are sitting underneath the opcos.
John Kim	Okay, helpful. Thank you.
Operator	Ladies and gentlemen, just another reminder. Should you wish to ask a question, you're welcome to press star and then one. The next question comes from Cesar Tiron of Merrill Lynch.
Cesar Tiron	Yes, hi. Thanks for the call and the opportunity to ask questions. Apologies if they have been asked previously. I have three. So the first one is on the price cuts you have made in Nigeria. Can you please give some background on that and say if you've already seen some elasticity on that of these price cuts and why you think the revenues in Nigeria will accelerate in H2? Second, on the 45 billion of lease liabilities which you recognise under IFRS 16, on which currency are those? And then just on South Africa and regulation, when do you expect now spectrum to be awarded, is that going to be a 2020 event and is the open access network a base case now? Thank you so much.
Rob Shuter	Let me pick up the first one and then I'll hand over to Ralph on the leases. I think the challenge we had on the data pricing in Nigeria is that we were just a little bit off the market. The most sold bundle there for quite some time has been ₦1000 bundle which started off with 1GB, competition put 1.5GB, we put 0.5GB only after hours. Then there was a little bit of pricing pressure. So, the way we've responded is basically put more data into the bundle and leave the price point where it is. And I think that will make us more competitive and obviously the network can handle the extra traffic. So, it's not so much an elasticity question. It's more that our bundles now will become relatively more

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	attractive and we will pull some bundle sales away from the competition and I think we'll see in the next quarter or so, a positive momentum there.
	Maybe I'll pick up the SA spectrum and then Ralph can come back to the other one. So I think what's happened now is that we've got a policy directive that is positive in the sense that it confirms what we've called in the industry the hybrid model. So, it basically says yes, there should be a WOAN, wholesale open access network, yes it should have some preferential rights and pricing on spectrum, but the balance of the spectrum should be made available to the operators so that's positive. I guess the challenge now though is because the WOAN is preferred, in theory you won't know how much spectrum is available for the operators until you decide how much spectrum is required by the WOAN and it's not clear to us at this stage how that process will be run and how long it will take for that answer. But bearing in mind that we're already in August, it does become I think less likely that it completes in 2019, not impossible but I would say less likely.
	From our side, we signed a national roaming agreement with Liquid last year that allows our customers in time to access and roam on their 1800 spectrum network and I think that's provided us quite a bit of, let's say, cushion or capacity that we're not really exposed if this takes a bit longer than it should. It would really be most helpful though, particularly to be licensed on the low band spectrum. You know the key band that's missing in South Africa for real data adoption across peri-urban and rural areas is a coverage layer for LTE and it's really not efficient to build that on a 1800 type spectrum. So we really would and are encouraging them to accelerate as much as they can, the project, but if it takes a bit longer then we'll be able to weather that in our current situation.
Ralph Mupita	Cesar, on the lease liabilities, as you know it's 45.8 in the period and obviously that is in our reported currency of rand but that would obviously have been translated from local currencies. So, you well know the discussions we've had in the past that for example, Nigeria, we have those leases indexed to the CBN rate. So it's largely local currencies but it's the full basket of the leases in specific countries translated into rand. That's your 45.8.
Cesar Tiron	So just to confirm, it is not a majority of US dollars?
Ralph Mupita	No, it's not. These are local... These will be... Like even for the IHS one, it is against... It's a naira-based index to the CBN rate. It's not dollars.
Rob Shuter	And obviously all the South African are ZAR denominated. I think we've got time just for a last question before we close.

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Operator	Thank you very much sir. At which point the last question comes from Ziyad Joosub of HSBC.
Ziyad Joosub	Hi everyone. Thank you for the question. Just a quick one from me please. It still looks like the pricing floor in Nigeria remains in place, you still getting good outgoing minute growth, voice revenue is still a big driver of incremental revenue growth in this market. What are your views on the sustainability of the voice pricing floor staying in place for let's say the next 12 to 24 months? Do you think it's something that's likely or do you think we will see some evolution in voice pricing over the next year in Nigeria? Thank you.
Rob Shuter	Sure, thanks very much. You know the pricing floor for voice has been in for quite some time. It's mostly there I guess from a regulatory perspective to protect smaller operators, particularly making sure that there's not aggressive on-net promotions. And there's not... I think generally, the voice pricing is very competitive and reasonable and affordable in the Nigerian market so I don't think there's any pressure to remove that. And it is possible in time that we also could have a price floor on data because that has dropped really a lot but that would be down the line. And so, if you've got basically voice pricing pretty stable; you've got 3 to 4 million new customers coming into the opco every six months; minute usage still relatively low, I think there's still a very good business case to monetise voice in Nigeria and in many of the other markets as well. So thanks very much for the questions. I hand back to the operator.
Operator	Thank you very much sir. Ladies and gentlemen, unfortunately, that's all we have time for. On behalf of MTN, that concludes this afternoon's conference. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT