

MTN

SOUTH AFRICA

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CORPORATE BROCHURE



In the back of the net

Investing in technology and innovative services to drive its customer appeal, and inspired marketing to unite football with the internet, MTN South Africa is unlocking the massive potential of mobile telephony, as managing director Karel Pienaar tells John O'Hanlon

It's hard to think of an industry with more potential for growth than telecommunications, wherever you are in the world. The competition between the likes of RIM, Apple, Google and Microsoft to advertise the technology they are rolling out ahead of the Christmas season underlines the opportunities to capture the next generation of users.



Reliable Telecoms Service Delivery requires experience and partnership

Concilium Technologies

Concilium Technologies is an established and trusted South Africa-based provider of reputable telecom test and service assurance solutions to sub-Saharan telecom operators and service providers. To properly address and understand clients' needs requires continued commitment to investment and development of sophisticated local telecom skills. Combined with significant technology partnerships with JDSU and Agilent Technologies, Concilium's people deliver the difference in configuring, installing, commissioning and supporting any solution offered, from single boxes to complex systems. Concilium has been associated with MTN for many years and MTN have recognised how our solutions have positively contributed to their own customers' experience.

Telecommunications is certainly one of the fastest growing sectors of South Africa's economy. The country is the fourth-fastest growing mobile communications market in the world with more than 39 million subscribers, or nearly 80 per cent of its population. MTN shares that market with Vodacom and Cell-C but Karel Pienaar quite likes the challenge. "It's difficult for me to say this as an old monopolist but competition is good!"

Unlike in the United States and Europe, new technology has been as much a tool for development and commercial growth in Africa as an adjunct to people's lifestyle. It's not just the poor state of the infrastructure in sub-Saharan Africa that makes life difficult—mobile apps have the potential to make a real difference to people's everyday lives. Take MobileMoney, MTN's 'electronic wallet' service that provides a fast, secure, affordable and convenient way for customers to send and receive money anywhere in Uganda, no matter the network, using their phone. The service launched in 2008 already has nearly a million users and expects that to increase to 3.5 million (a tenth of the population) in 2012. Many people in South Africa also have access to the technology of cell phones, but do not have access to a formal bank account.

MTN has not had everything its own way, however. Although group revenues grew nine per



JDSU has been a trusted test and measurement partner to the world's communications providers for more than nine decades. Our innovations and know-how make it possible for our customers to offer their customers the best experience whenever they use the phone, the Internet, mobile devices, or watch television.

JDSU is pleased to further expand its portfolio via the recent acquisition of the Network Solutions communications test business of Agilent, including the unit's innovative Long Term Evolution (LTE)/4G, network verification and deployment products.

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“Adding value to electrical engineering in Southern Africa”

Leadership

Founded in 1909, the South African Institute of Electrical Engineers (SAIEE) has evolved with the changing face of Southern Africa. The Institute has played a significant role in the development of electrical science, and its applications, throughout the region. The many thousand strong membership includes leading engineers, technologists, and technicians, working in a diverse range of electrical engineering including: information technology; research; manufacturing; medical science; telecommunications; mining; measurement and control, and power infrastructure services.

Sustainability

The SAIEE is a sustainable organisation that is exceptionally well positioned to support engineers throughout their careers and to add value to the community, legislative bodies, and above all the overall economic development of the country.

Approach

In a world where science and technology dictates national growth and sustainability, the SAIEE adds value to scientific and engineering issues. Over the years the Institute has fostered a fellowship that spans the entire Southern African region with the objective of promoting the profession and the industry through the sharing of knowledge.

The SAIEE provides a pathway to professional development through interaction with national and international organisations, recognition of individual achievement and updating members on technological advances.

The enhancement of engineering proficiency in the region is cultivated through a range of bursary and student loan programmes. The Institute's outreach schemes are designed to empower historically disadvantaged individuals with opportunity and status in the engineering fraternity.

The South African Institute of Electrical Engineers

The South African Institute of Electrical Engineers (SAIEE) is for young engineers to excel in and experienced engineers to contribute to today's technology-driven world. Founded in 1909, and growing by 400 members annually, 42 per cent of SAIEE's 5,400 members are under 40.

Where science and technology dictates, the SAIEE adds professional value to national growth and sustainability in Southern Africa. Your membership gives access to exploit the wide spectrum of expertise and excellence available—from medical through communication to power generation—every aspect of electrical engineering including technology used by leaders like MTN. Don't miss out— join the SAIEE now.

matches to enter the Guinness Book of Records.

South Africa was obsessed with football long before it won the right to host the 2010 World Cup. The English Premier League is eagerly followed by millions; every single premier league match is shown live on South African TV and millions of rand are wagered on the results—increasingly via mobile phones. Against that background MTN signed a sponsorship agreement with Manchester United in March this year.

The deal allows MTN to offer exclusive mobile content like match highlights, player profiles and ringtones. “South African football fans from all walks of life can identify with Manchester United,” says Pienaar. And it should be noted that as one of the world's most exposed brands in the most ‘connected’ demographic—the 18-30 range—MU makes strategic choices as to who it associates itself with. In India it has a similar deal with Bharti Airtel. According to United's chief executive officer David Gill: “The partnership with MTN is a

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cent to R111.9 billion in 2009, with 70 per cent earned outside South Africa, the strength of the Rand meant that profits before tax were down 12 per cent. So the company's performance in its home market this year was critical, and MTN demonstrated its creativity in a drive to feed the national passion for football and Ayobamise (township slang for astonish) them.

As part of its global sponsorship of the FIFA World Cup, MTN secured the exclusive mobile content rights for Africa and the Middle East. This allowed subscribers to watch matches on their cell phones, offering gaming opportunities, downloads and plenty of merchandise as well as reduced call rates for the duration of the competition. Ten golden tickets allowed winners and their partners to attend 25 matches around the country, all expenses paid, while Thulani Ngcobo won MTN's Last Fan Standing competition and attended 38

very important step in the club's plan to get closer to its family of fans based all over the world.”

Karel Pienaar was formerly CEO of MTN Nigeria and was instrumental in creating the successful business that exists there today. He understands the pan-African strategy of the group, and ultimately believes in the power of telecommunications to unite the very different economies that MTN serves. Prior to becoming MD of MTN SA in August last year, Pienaar was the chief technology and information officer of MTN Group, but now he is able to focus on the home market. “We are extremely pleased with the results we achieved this year, not just because of the World Cup but with the entire GO! Campaign that we announced in 2009 and rolled out this year with ‘Let's go 2010’ focused specifically on the football.”

It's tempting to think of 2010 as MTN SA's year of marketing, but it also seems to have become its

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year for awards. It started when MTN Business was awarded the Telecoms Risk Initiative Award 2010 by the Institute of Risk Management South Africa (IRMSA). Then at the GSM AfricaCom awards in November MTN walked off with awards in three of the five categories it was shortlisted for. One of the awards went to MTN South Africa for the Best Network Improvement for the Optimal Network Coverage; another for the Ayoba! marketing campaign. Pienaar says it was a team effort. "This recognition bears testimony to the world class network that MTN South Africa rolled out when it invested approximately R14 billion in its network. The Ayoba campaign went a long way towards getting South Africans excited about the World Cup." He stresses, however, that creativity and imaginative marketing ultimately depend upon leadership in technology and the service this drives. A couple of days later on November 12 Pienaar received an award of his own, however, this time

for engineering and innovation when he was presented with the South African Institute of Electrical Engineers' (SAIEE) President's Award, the organisation's highest honour. Another recent accolade for MTN South Africa was being chosen Best Employer in the telecommunications sector for the second year running, in the CRF Best Employers Survey for 2010/11. MTN also came first in the Top 10 Large-Sized Employers (more than 4,000 employees) category, was second in the Best Empowered Employer category and took third spot overall as South Africa's Best Employer in the survey. Promoting MTN SA's commitment to being a responsible corporate citizen, Pienaar has spearheaded the company's efforts to invest in enterprise development, human resources, skills development and the promotion of equal opportunities, something he passionately believes in. This was acknowledged by independent empowerment rating agency Empowerdex, which recently presented MTN

SA with an A rating for Broad Based Black Economic Empowerment (BBBEE).

He is also immensely proud of the company's social investment arm, the MTN SA Foundation, which works to promote four key portfolios: education, health entrepreneurship and arts and culture. "We go into communities in partnership with the local clinics, hospitals and NGOs offering them screening for lifestyle diseases such as hypertension, diabetes and HIV. Those found to be in ill health are referred to hospitals where they continue to receive treatment," he says.

"This year we opened business support centres at Moretele near Pretoria and KwaHlabisa in KwaZulu Natal to provide administrative development services to 50 selected small businesses in those communities." This kind of support, he adds, can make a real difference to start-up businesses, enabling them to survive and grow.

Looking forward, Pienaar believes that infrastructure investment is the most significant driver for growth. "MTN invested R3 billion in infrastructure over the past year, most of it in rural projects," he says. Ever the engineer, he is excited by the potential of technology to cut costs and connect more people. "Base station power consumption is down 70 per cent; we're deploying solar and wind power solutions. The economics for this kind of thing are becoming so much better."

While voice is still the killer app in Africa, one in four handsets sold in South Africa is now a smartphone. Data, whether supporting banking services, shopping or even football is the next big thing. To put it into perspective, says Pienaar, the average contribution of data to revenues across the MTN group is currently just 1.35 per cent*. "We have set a target to grow that to 20 per cent over the next five years." www.mtn.com

*Jan to June 2010

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