

MTN announces sale of mobile network towers

MTN Group Limited and IHS Holding Limited have announced that they have entered into definitive agreements pursuant to which IHS will acquire up to 931 mobile network towers from MTN Cote d'Ivoire for US\$141 million and up to 827 towers from MTN Cameroon for US\$143 million.



Under the definitive agreements, IHS will be a 100% shareholder of the tower companies to be set up in each country to manage the towers and other passive infrastructure.

MTN Cote d'Ivoire and MTN Cameroon will, on commercial terms, become the anchor tenants on the towers being purchased for an initial term of ten years.

"The benefits to MTN of monetising our non-core assets and outsourcing passive infrastructure to experienced independent companies such as IHS are considerable," said Sifiso Dabengwa, group president and CEO of MTN Group.

"With a continued commitment to improving the service to our customers, a reduction of our capital expenditure requirements allows us to concentrate on investing in our customer base and implementing additional services to meet the demand for innovative products and data."

The sale of towers is in line with MTN's infrastructure sharing strategy aimed at the monetisation of its assets and cost optimisation. The agreements include a commitment from IHS to roll out a build-to-suit programme to support MTN's future requirements in both countries, as well as pursue opportunities to build tower sites for other wireless operators.

"We are delighted to build on our successful partnership with MTN for whom we have previously built and maintained sites in Nigeria and Sudan. Our strong technical capabilities and operational expertise reinforce MTN's performance-oriented approach and high standards of service," said Issam Darwish, CEO of IHS.

"This transaction is the next step in our strategy for expansion across Africa; we continue to invest in countries with attractive economic and demographic profiles. This transaction firmly positions IHS as a leading mobile tower infrastructure company in sub-Saharan Africa with resources for continued expansion and technological innovation."

Following closing of the contemplated transactions, IHS will become the largest independent tower company in West Africa with a presence in the four largest economies in the region; Nigeria, Ghana, Cameroon and Cote d'Ivoire.

The transactions are expected to close during the first quarter of 2013, subject to customary closing conditions.

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