

## MTN's 17th AGM update

At the Annual General Meeting held yesterday, 29 May 2012, MTN Group president and chief executive officer, Sifiso Dabengwa was expected to comment on the group's performance for the first four months of 2012 in comparison with the same period in 2011.



Dabengwa expected to make the following comments:

- The majority of the markets in which MTN operates showed strong subscriber growth despite continued high levels of competition. The group increased its subscriber base by 5.2% for the four months from 31 December 2011 to 30 April 2012 and has subsequently passed 173.1 million mobile subscribers across its 21 operations.
- The group showed sound double digit revenue growth for the period compared with the corresponding period for 2011. This was mainly due to a weaker Rand against the US\$ and strong growth in South Africa, Iran and Ghana.

The growth rate in Nigeria was dampened by ongoing price competition while Syria's revenue declined due to continued unrest in the country. Cameroon, Cote d'Ivoire and Uganda also showed healthy revenue growth for the period compared to 2011. Data and SMS revenues continued to deliver robust growth in most markets, increasing their contribution to total revenue.

- Group earnings before interest, tax, depreciation and amortisation (EBITDA) margins were slightly down when compared with the same period last year and with 2011 full year margins. This was mainly due to lower EBITDA margins in Nigeria, Ghana and South Africa. The implementation of cost optimisation initiatives remains a focus.
- The majority of MTN's operations continue to make good progress on network rollout. It is anticipated that more than 70% of the 2012 capital expenditure guidance will be committed by end June 2012. Full year capitalisation will be close to the 2012 guidance provided previously.
- MTN South Africa performed well during the period. Revenue showed good growth largely due to increased contributions from data and SMS revenues. EBITDA margins declined mainly due to the impact of a lower interconnect margin. Handset

and accessories costs, which increased partly due to the depreciation of the Rand against the USD and higher postpaid connections, also had a negative impact on the margin.

- MTN Nigeria's local currency airtime and subscription contribution to total revenue slowed due a decline in tariffs during 2011, which was not compensated by a proportionate increase in minutes of use. This, together with a lower interconnect margin, has resulted in some pressure on the EBITDA margin. The key focus for the Nigeria operation is to improve the network quality and capacity to enhance competitiveness. Good progress has been made on the capital expenditure roll out program implemented from late 2011.
- MTN Irancell continued to deliver strong revenue growth when compared to the same period last year. This was attributable to a variety of attractive promotions and improved usage. EBITDA margins have remained healthy despite sharp increases in costs due to the removal of subsidies from the beginning of 2011.

For more, visit: <https://www.bizcommunity.com>