

## SEVENTY MILLION MORE AFRICANS NOW CONNECTED TO GSM NETWORKS

GSM coverage extended by an area the size of France in just 12 months

13th May 2008, Cairo: The GSMA, the global trade body for the mobile industry, announced today that the number of mobile connections in Africa has risen 70 million in the past 12 months to 282 million. Mobile operators have ramped up investment in the region extending GSM coverage to reach an additional 550,000 square kilometres occupied by 46 million people. The broadening coverage and the falling cost of mobile communications is enabling tens of millions of Africans to become connected for the first time in their lives. Africa has only 35 million fixed-lines.

“Africa’s mobile industry is delivering on its promise to blanket the continent’s inhabitants with coverage giving tens of thousands of rural communities their first opportunity to realise the substantial social and economic benefits of mobile communications,” said Tom Phillips, Chief Government & Regulatory Affairs Officer of the GSMA, speaking at the ITU Telecom Africa event in Cairo. “However, over 300 million rural Africans do not yet have mobile coverage. They live in an area the size of China, India and the USA combined. Developing sustainable business models to serve these communities is a great challenge, which requires the mobile industry and African governments to work together.”

At the ITU’s Connect Africa summit in Kigali in October, the GSMA announced that mobile operators plan to invest more than \$50 billion in sub-Saharan Africa over the next five years to provide more than 90% of the population with mobile coverage. To realise the full social and economic benefits of this investment, African governments need to ensure that sufficient spectrum is available, particularly for mobile broadband services. Governments also need to tackle mobile-specific taxes, high license fees, international gateway monopolies and other regulatory bottlenecks that constrain the competitiveness of African business.

Supporting quotes:

“With capital expenditure investment levels reaching over US \$2 billion in 2007, MTN is one of the most significant investors in many markets in which it operates. Approved capital expenditure investment for 2008 is almost twice that amount,” said Phuthuma Nhleko, MTN Group President and CEO.

"We have created a new subsidiary "Telecel Globe" which will reinvest in Africa's smaller countries. Telecel Globe will be fully staffed on its own. Orascom Telecom will only support its procurement power and commercial know how. We call on African governments to reduce the taxation and regulatory burden on mobile users so we can maximise the positive impact of this investment," said Naguib Sawiris, Chairman and CEO, Orascom Telecom.

“Around 75% of the population is covered in most African countries where Orange operates and we intend to reach 90% coverage with the same level of quality by 2010 to serve untapped areas,” said Marc Rennard, Executive Vice President, Orange - France Telecom Group.

“In 2007 alone, our capital expenditure additions in our Tanzania, Democratic Republic of Congo, Mozambique and Lesotho operations totalled R1.6 billion. This investment includes building high-speed data networks in most of these countries,” said Alan Knott-Craig, CEO of Vodacom Group.

“Zain will build its own fibre capacity backbones, where necessary, to speed up delivery and increase affordability of telecom services. Zain believes that such investments across sub-Saharan Africa will also have a positive economic and social impact,” said Dr. Saad Al Barrak, CEO of Zain Group.

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About the GSMA:

The GSM Association (GSMA) is the global trade association representing more than 750 GSM mobile phone operators across 218 countries and territories of the world. The Association's members represent more than 3 billion GSM and 3GSM connections - over 86% of the world's mobile phone connections. In addition, more than 200 manufacturers and suppliers support the Association's initiatives as key partners.

The primary goals of the GSMA are to ensure mobile phones and wireless services work globally and are easily accessible, enhancing their value to individual customers and national economies, while creating new business opportunities for operators and their suppliers.

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