



MTN Nigeria Q3 2019 Results

Teleconference

Date: 31 October 2019



<p>Operator</p>	<p>Good afternoon ladies and gentlemen and welcome to MTN Nigeria's third quarter of 2019 results conference call. All participants will be in listen only mode. There will be an opportunity to ask questions when prompted. If you should need assistance during the call, please dial an operator by pressing star and then zero. Please note that this conference is being recorded. I would now like to hand the conference over to Chima. Please go ahead sir.</p>
<p>Chima Nwaokoma</p>	<p>Good day everyone and thank you for joining this call to discuss MTN Nigeria's results for the nine-month period to September 30, 2019. My name is Chima Nwaokoma, Senior Manager Investor Relations. With me on this call are Ferdi Moolman, MTN Nigeria's CEO, Mazen Mroue, MTN Nigeria's COO, Adekunle Awobodu, MTN Nigeria CFO. We also have Ralph Mupita, MTN Group CFO and non-executive director of MTN Nigeria. Finally, we have Thato Motlanthe, Group Investor Relations Executive.</p> <p>Ferdi will provide you with an overview of the performance and Kunle will cover some financial highlights. We will then return to Ferdi to provide an outlook for the business. Thereafter, we will move on to Q&A, which will be facilitated by the operator. Just to remind you, our results were announced this morning and you will find a version of the results on our website – www.mtnonline/investors. With this I hand over to Ferdi to give us the overview.</p>
<p>Ferdi Moolman</p>	<p>Good afternoon everybody. Thank you, Chima. I would like to thank everybody for joining the call and giving us this opportunity to provide you with some colour around Q3 of 2019. In summary I'm really encouraged by the quarterly performance. There were a number of areas that we focussed on during the quarter. These areas were very important for us in order to reposition the company for future growth, and I will run through the initiatives for you a little bit later.</p> <p>When I look at the results for the quarter and I look at service revenue, there are a number of important issues that I think we just need to table. One is that in Q3, we saw 12% growth year on year, which is an accelerated growth. If we exclude the VAS and digital revenue which, as you all know, is impacted by the subscriber model that we've been reviewing, you will see a service revenue growth of 15% year on year.</p> <p>During the quarter, we continued to unlock efficiencies in our opex. On an IAS 17 basis our opex only grew by 9% compared to higher inflation rates. Consequently, we saw an increase of 1.5pp on our EBITDA margin based on IAS 17. We have seen strong growth in profit after tax and earnings per share with profit after tax increasing by ₦33 billion to ₦148</p>





billion which reflects a 29% increase for the year. And consequently our earnings per share also grew by the same percentage from ₦5.65 to ₦7.29.

As I said in my opening statement, there are a number of areas that we focussed on during the quarter. These areas influenced our performance in the quarter and put us in a very strong position going into the final quarter of the year and into 2020. The first one I would like to provide **some colour on is on subscriber performance. There's an ongoing discussion between the National Identity Management Commission and NCC. The National Identity Management Commission is also known as NIMC and they are responsible for identity management in Nigeria and they issue the ID cards. There's an ongoing discussion between these two bodies around GSM subscriber registration requirements.**

In anticipation of enhanced SIM registration requirement that could come from these discussions, we worked jointly with the NCC during the quarter to identify subscriber information that needed to be updated and enhanced. Consequently, we embarked on a large scale exercise to update subscriber information. We extended our registration points in the country but we largely relied on the registration devices that we had. So the same devices that we used for registering new subscribers were used to facilitate the update of 2.2 million subscribers. As I just said, we were successful in updating 2.2 million subscribers during the quarter. It is worth mentioning that while the scale of the information update was larger than usual, keeping our subscriber information up to date is a continuous process.

The next area I would like to focus on is data repositioning. In Q3 we started the process of repositioning our entire data eco-system. The **focus wasn't just on coverage and capacity but also on portfolio offering.** More specifically on 3G, we still have a large 3G base on our network. We started refarming some 2G frequencies to provide more capacity and better coverage, more specific indoor coverage for 3G subscribers. We will accelerate the project in Q4 and we are focusing on Lagos and Port Harcourt for this upgrade.

On 4G, we focussed on increasing coverage and consequently we increased our 4G population coverage from 28% in Q2 to around 35% at end of Q3. The delay in the release of our 800 MHz frequency, impacted our 4G rollout. As you know, the frequency was unlocked towards the end of Q2 and we have since rolled out over 2,000 LTE sites in the quarter. In total we now have close to 6,700 sites under 4G coverage giving us that 35% population coverage. Because we have 800 and 2600 spectrum, we are now the only operator in the country to provide 4G plus, which offers increased speed of about 200 megabits per second in urban areas.





As I said, we also reviewed our data offering at the end of Q2. We did this by first looking at our value conscious segment where we increased volumes on popular data bundles and introduced new bundles for them to enjoy improved quality and superior 4G plus speed. For the price sensitive segment of the market, we also introduced new affordable data bundles at lower price points. Obviously, all of these were put in place towards the end of Q2 and beginning of Q3. So what has been very encouraging is that we started seeing increased speed of adoption and increased usage of our data products in the market. Our 4G traffic, for example, now is about 30% of the throughput in data as opposed to about 20% at the end of Q2. We also saw a good increase in our active data subscriber base of 1.6 million during the quarter.

Another area that I want to discuss is the VAS and digital. As you know, we started the optimisation process which was about reviewing the subscription model and how we managed these services during the course of 2017 and 2018. That project is now finally concluded and we started seeing good growth in the quarter. For the first time, in August and September, we saw substantial growth month on month. In fact, if you look at this quarter versus previous quarter, you will see growth in our VAS and digital revenue. The NCC also approved auto renewal, so with that we are very confident that will see continuous growth from the VAS and digital revenue lines going into Q4 and the next year.

On fintech, as you know, a super-agent licence was awarded to us. This super-agent licence is extremely important in terms of our mobile money strategy. It allows us to roll out and take control of the agent network, which is obviously a cornerstone when we ultimately get the PSB licence. We started rollout in the same month we got the licence. We have done the launch in four states so far - Lagos, Kano, Rivers and Oyo State.

We have registered 66,000 agents to date and we are adding quite a number per month. We are targeting close to 100,000 agents by the end of the year. The main product we have launched is the cash to cash payment service, which gives customers the ability to send money across Nigeria to anybody without having a bank account. So, these were the major projects that we focussed on in Q3, which are positioning us very well for growth in Q4 and going into 2020.

Moving into some corporate matters, the redemption notice on the preference shares still remains in place and we continue to await the completion of the necessary regulatory processes to be able to redeem the shares. We are working with CBN on resolving this. As you now know, the hearing on the Attorney General matter was held yesterday. All parties have filed documents and the case has now been adjourned to





Adekunle
Awobodu

30th and 31st January 2020 for commencement of the trial itself. We remain resolute that MTN Nigeria has not committed any offence and will continue to defend this position.

I think this gives you a little bit of colour in terms of the quarter, so I will hand over to Kunle just to unpack the financials a little bit.

Thank you Ferdi. Good afternoon everyone. Let me start by highlighting some of the encouraging key revenue data points already touched on by Ferdi. Service revenue increased by 12.1% to ₦854 billion for the nine-month period. On a quarter on quarter basis, service revenue increase was 1.7%. This was driven mainly by growth in voice and data revenue. If we exclude VAS and digital, our service revenue growth was 15% year on year. Our voice revenue increase was 10% and that took us to ₦628 billion for the nine months.

Our growth for the quarter on voice was moderated by the slower growth in net addition during the period. Ferdi has explained some of the challenges on subscriber growth. Data revenue increased by about 35% to ₦154 billion. On a quarter on quarter basis, data revenue increase was 9.6%. This is on top of the 9.3% growth between Q2 and Q1. Revenue from fintech business rose by about 22% to ₦25 billion; for the quarter, we recorded a 5.4% increase. Although digital revenue decreased by about 84% to ₦3.1 billion year on year, we recorded for the quarter an increase of about 26%, signalling a recovery on digital revenue. It is important for me to highlight that in the long run our data, digital and fintech business remain our main focus for future revenue growth.

Before I move on to the rest of the financials, let me also highlight that, in January 2019, MTN Nigeria adopted IFRS 16 accounting standard in line with global best practises. As a result, we have applied IFRS 16 to the leases that were previously classified as operating leases and recognised what we call logical right of use (ROU) assets. We also had to do an appropriate corresponding entry into our lease liability line on our balance sheet. Therefore, in relation to these leases, instead of recognising operating lease expense of about ₦77.5 billion under the IAS 17, we recognised ₦92.7 billion of depreciation and interest costs due to the implementation of IFRS 16. In summary, the implementation of IFRS 16 is expected to depress PAT margin by between 1-1.5pp in the short to medium term due to the front loading impact of finance costs.

Operating expenses reduced by about 18% due to IFRS 16 implementation. On an IAS 17 basis, operating expenses increased by 9.3%, which is well below inflation. On a quarter on quarter basis, operating expenses increased moderately by about 4% in spite of the significant investment we made to upgrade and increase capacity of our



network. Lower digital expenses arising from VAS optimisation, increased focus on digital and electronic channels, as well as other cost management initiatives helped us to contain costs.

EBITDA margin was 53.7% on account of the implementation of IFRS 16. On an IAS 17 basis, the margin improved to 44.7% having increased by 1.5pp. We continue to sustain EBITDA margin expansion with EBITDA growth well ahead of revenue and inflation at 39.3% to ₦460 billion. Our capex investment continued to accelerate. It increased by 40% to ₦154 billion. If I factor out the impact of IFRS 16 and look at it purely on an IAS 17 basis, our capex increased by 21% to ₦134 billion. A big portion of this investment was on our network service quality improvement in line with our drive for 4G expansion. By the end of September, our capex intensity stood at about 18%.

Our free cash flow rose by 30% to ₦306 billion. This was supported by growth in EBITDA and moderated by the increase in capex. Our finance costs rose by 113% to ₦74 billion, due to interest expense on financial leases (arising from IFRS 16 implementation) that I earlier explained. If we look at it on an IAS 17 basis, finance costs dropped by 34%. This was led by a stable exchange rate and the fact that there was no impact on finance costs arising from the NCC fine which was fully settled in May 2019.

Our bottom line remains strong with growth of 24% and 29% respectively in PBT and PAT. As Ferdi mentioned earlier, our earnings per share increased by 29% to ₦7.29. We keep exploring financing options including the issuance of commercial paper as part of our strategy to diversify our funding sources and optimise our overall funding costs. We plan to achieve an optimal mix of debt structure between foreign and local currency. We have historically maintained moderate leverage and remain in a comfortable position relative to our covenants. As at end of September our debt to EBITDA stood at 0.45x against a maximum of 2.5x. Our interest coverage was over 15x against a minimum of 5x.

Ferdi Moolman

I now hand back to Ferdi to give you an outlook for the business.

I am very excited about the prospects of Q4 and going into 2020; and this is for a number of reasons. Firstly on our subscriber addition, now that **we've concluded the exercise with the NCC, it means we have our subscriber registration infrastructure available to focus on subscriber acquisition.** So we see increase in our subscriber numbers towards the end of the year. This is also important because new subscribers drive voice revenue. So I can see us continue to grow on subscriber numbers.

On the data offerings that we have now adjusted the prices, the prices



were adjusted as I said at the end of Q2. We normally see a month or two months for the impact to kick in, and we have seen good adoption and growth on our data bundle sales. We will continue working on network expansion and focusing on the 3G refarming. When we do the refarming, we see very exciting results. We see data traffic jumping just on the refarming by between 5% and 12% depending on where the refarming is done.

On 4G coverage as well as extending 4G plus, we have placed all the orders and we now have all the equipment. So it is just about rolling out the equipment and extending 4G coverage. So we will see a lot of excitement around the data offerings that we have.

Finally on VAS and digital, although these will still make up a small **percentage of our revenue in total, we've now concluded that** these revenue lines have bottomed out. And as I said, the NCC has approved auto-renewal, which is vital for these types of products. So we believe we will see continued growth going into Q4 and into next year. We are also looking forward to other digital products like Ayoba and the Music Time that we are focussing on launching during the last quarter of the year.

On fintech, it is absolutely important, for the eventual success of the PSB, **for us to get the agent network rolled out. I'm very happy with the** progress. We have set up a new company called YDFS (Yello Digital Financial Services). The super-agent licence sits within this company. The company has close to 90 employees. As I said earlier, we have already rolled out 66,000 agents and we are focussing on increasing that to about 100,000 agents by the end of the year. So, for the success of the PSB, the agent network is extremely important going forward.

I'm very excited about these opportunities. Generally, that is it from us, Kunle and myself, for now. So I will hand over to Chima.

Chima
Nwaokoma

Thank you Ferdi and Kunle for the insight into our business performance and outlook for the rest of the year. I now hand back to the conference call moderator so that we can take questions.

Operator

Thank you very much sir. Ladies and gentlemen, at this time if you would like to ask a question you are welcome to press star and then one on your touchtone phone or the keypad on your screen at which time you will hear a confirmation tone. Following this process will place you in the question queue. If you decide a 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, if you would like to ask a question you are welcome to press star and then one. The first question comes from Cesar Tiron of Bank of





<p>Cesar Tiron</p>	<p>America Merrill Lynch.</p> <p>Thanks for the call and thanks for the opportunity to ask questions. I have two please. The first one is if you can please go through the subscriber additions in the quarter and explain if you had any disconnections. And the second question is really on the delay of the award of the mobile money license. Can you please explain why you think this happens, and whether you think this is linked in any case to the court case with the attorney general? Thank you so much.</p>
<p>Ferdi Moolman</p>	<p>Okay. Thank you for the question. On the subscriber addition, during the quarter we worked with the NCC in updating the data for about 3 million subscribers. We were successful in updating 2.2 million of these subscribers and the balance of the subscribers we had to suspend. When we do the suspension, we immediately remove the subscribers from our RGS (Revenue Generating Subscribers). I'm not sure how other operators deal with this. Normally, they will allow those suspension to ride out until they have been dormant for 90 days and then they take them off RGS. So when we did the suspension, we immediately got them removed from our RGS.</p> <p>The second question was on the PSB and the question was 'did we think this was related to the court case with the Attorney General'. There is no indication that these two things are related at all. We are quite positive that the CBN actually issued two licenses to two local mobile operators, one to Glo and one to 9Mobile. We understand that the PSB will be issued in phases. But, we don't believe this is linked to the Attorney General issue at all.</p>
<p>Cesar Tiron</p>	<p>Okay. Thank you.</p>
<p>Adekunle Awobodu</p>	<p>If I can just add before the next question is asked, the fact that we re-registered over 3 million subscribers also affected our ability to focus on acquisition because we use the same infrastructure for acquiring subscribers.</p>
<p>Operator</p>	<p>Thank you very much sir. The next question comes from Jonathan Kennedy-Good of Standard Bank.</p>
<p>Jonathan Kennedy-Good</p>	<p>Good afternoon and thank you for the call and opportunity to ask questions. Again on mobile money I just wanted to ask you if we see substantial delays in the PSB license, what are the current economics like on the current structure that you have. I presume you have a partner where you could cash in and cash out. I understand that's the main hurdle that the PSB license resolves. If you could comment on that. And perhaps some colour on how many active accounts you have on the mobile money</p>





<p>Ferdi Moolman</p>	<p>side and what kind of Dollar ARPU they are generating.</p> <p>In terms of the super-agent itself, we do have a partner bank that we work with. We work with Access/Diamond Bank as our partner bank. The major product we provide at this stage is the cash in/cash out. It's a little bit early to give you an indication of the ARPU. The cash in/cash out is a relatively new product in Nigeria.</p> <p>In terms of how the delay of the PSB will influence us at this point in time, I don't think the PSB is actually delaying our plans. Even if we had the PSB, we would have followed exactly the same process. You need to set up the agent network first, get that agent network working, employ people, get the product set up and get the system changed to be able to deal with all of these. At this stage, I actually think we've got a good head start against some of our competitors in the market with the super-agent.</p> <p>The other thing with the PSB is that the licence being issued is what is called Approval in Principle. When that licence is awarded, the company that gets it can actually not operationalise it until they get final approval. So when you get the PSB license, you have to go through the process of getting your name approved, getting the board of directors approved, setting up the company, setting the systems up, all of those things and that can take at least three to six months to happen. Therefore, the fact that we have the super-agent licence, gives us the opportunity to start operational processes as quickly as possible. As I said, the major focus is to get the agent network out there. Although I can't give you a clear view on the ARPU, obviously, the ARPU is much lower than the ARPU we have for GSM. And I would guess it would sit in the range that you find in other countries, plus minus.</p>
<p>Jonathan Kennedy-Good</p>	<p>Great. Thanks. If I may just ask one follow-up, would it be correct to say that the cash in/cash out process can only be executed by Diamond Bank infrastructure?</p>
<p>Ferdi Moolman</p>	<p>No, that is not correct. The cash in/cash out actually works fully on our infrastructure. The way this works is that you can go to any one of our agents, give the agent money and our system creates tokens. All you have to do is give the mobile number of the person you want to pay to and a token gets delivered to that person; while you also get a token. The beneficiary can go to any agent in the country and all he gives the agent are the two tokens, the one that he received and the one delivered to the person who sent the money. By providing those two tokens, the money will be cashed out. So, that entire infrastructure sits with us.</p>
<p>Jonathan Kennedy-Good</p>	<p>Right.</p>





<p>Ferdi Moolman</p>	<p>The other question was how many mobile money accounts we have at this stage. I think we have about 600,000 mobile money accounts. This is the full wallet which we run with Access Bank. So for cash in/cash out, you don't need a wallet. All you need is an MTN number for that cash in/cash out to work.</p>
<p>Jonathan Kennedy-Good</p>	<p>Thank you. That's clear. Thank you.</p>
<p>Operator</p>	<p>The next question comes from John Munge of Vergent Asset Management.</p>
<p>John Munge</p>	<p>Hi. Thanks for setting up the call. I have two questions, one relating to mobile data and the second one regarding mobile money, your fintech product. On mobile data could we get a sense of how your market share has evolved over the last few quarters and where you stand on NPS scores relative to your competition? And as you have unlocked the extra 800MHz of 4G has the competition responded to your own price decrease? And on the mobile money side, you mentioned that today you have around 66,000 agents. Do we have a sense of how the competition has been able to scale up with regards to their own agent network? Thank you.</p>
<p>Ferdi Moolman</p>	<p>On mobile data, we believe on the 3G we have the largest market share. On 4G, Airtel had the largest market share until very recently. We believe we are now starting to pass Airtel on the 4G market share, more specifically, around the 800MHz frequency that we've pushed out. I forgot to mention something else in terms of the data project, the entire repositioning of data. Because our network is much older than that of Airtel, majority of the SIMs we had in the market were not 4G SIMs. So we needed to go through a process to update these SIMs to 4G to be able to attract people to the 4G network.</p> <p>On the pricing, the reality is that we reduced our prices, basically. Our data was being sold at a premium of between 20% and 30% prior to the pricing review we did to match competition. We obviously have sufficient capacity on the network and our coverage is increasing to give us an opportunity that should we need to play on the pricing level we are able to do that to ensure continued growth on data.</p> <p>I think you asked a question on mobile money too, on how the competitors were doing compared to us in terms of their agent network. Not one of our competitors at this particular point in time has a super-agent license. So Glo, 9mobile and Airtel do not have a super-agent licence, which means they haven't even been able to start the rollout of</p>





	that infrastructure. They can only start it once they get a super-agent licence. Even the PSB that was issued to 9Mobile and Glo at this point in time does not give them the right to roll out any agent infrastructure. They need to wait for a final approval of their license before they can do that.
John Munge	Understood. And just finally in regards to the NPS scores on your mobile data, how does your network compare to that of competitors?
Ferdi Moolman	So on NPS, our data network is rated as number one in the market. It is principally based on a few things. Number one, we still have the largest coverage in the market, and our voice and data quality supports that. Also when you look at download speed and drive test, on 3G we lead the market, but on 4G we believe we caught up with Airtel and have now passed them. They were leading the market earlier. So, as I said, the 4G rollout plan was a little bit frustrated by virtue of the 800MHz. What our competitors could do was they could refarm frequencies quite freely to be able to launch 4G. Because of heavy demand for our 3G and 2G services, it was far more difficult for us to immediately start the refarming. We have now started the refarming, so we believe we have caught up and we can accelerate from here.
John Munge	Understood. And just finally from my side, is there an expected timeline for when the PSB license should get awarded?
Ferdi Moolman	No, I don't have an expected timeline at this stage.
John Munge	Thank you.
Operator	The next question comes from Doyinsola Popoola of Chapel Hill Denham.
Doyinsola Popoola	Good afternoon. So my questions are two or three. The first is around the average revenue per user for nine months 2019 versus nine months 2018. If you can give us those two figures that would be appreciated. That was first. The second is around the capex. Capex intensity is around 18% for the first nine months. Should we be expecting anything materially different in Q4 or should we think capex should be around that level? Then the third question is around your market share from your subscriber base and revenue standpoint. Can you speak to what we should expect from you in terms of actions, because it seems to us that you are losing market share. So can you speak to what we should expect, what you will likely do in terms of gaining market share in the coming quarters? Thank you.
Adekunle Awobodu	I will just take the ARPU number that you are looking for. We don't release full ARPU numbers, but I will give you an indication. Our ARPU for the





	<p>past two quarters sits at about 1,500. In terms of capex, ideally, towards the end of the year we try to ramp up a little bit. But we expect to be in the region of 18% of our revenue. What you need to remember when you try to model is that sitting in our capex number is also the right of use (ROU) asset that has been created because of IFRS 16. So you need to take that out when you model our capex intensity ratio.</p>
<p>Ferdi Moolman</p>	<p>In terms of market share, when you look at market share you've got to take a bit of a broader picture. There are four mobile operators in the market. Just for clarity, ourselves, Airtel, Glo and 9Mobile. What we have seen is that 9Mobile has consistently lost both market share and value share, and a lot of these have gone to Airtel and to Glo. We have largely maintained our market share, although we acknowledge there was a slight decrease. We are obviously planning on improving our performance going into the last quarter of the year and into next year.</p>
<p>Doyinsola Popoola</p>	<p>Really, market share is substantially driven by the registration devices that we can now fully utilise for subscriber acquisition as opposed to using them for subscriber record update. In terms of our data offering, as we increase our 4G coverage and the quality of our 3G network, you will automatically see our market share start to grow again.</p>
<p>Operator</p>	<p>Okay. Thank you.</p>
<p>Jerry Nnebue</p>	<p>Thank you very much. The next question comes from Jerry Nnebue of CardinalStone.</p>
<p>Ferdi Moolman</p>	<p>Hello. I have a couple of questions. Firstly I just want to get a sense of the whole USSD issue with the banks. I would like to find out if the banks are still paying for that service given what has happened recently. My second question is on your funding. You said that you plan to seek other funding sources. Does this include the initial ₦200 billion CPs you have mentioned previously? If not, what size of funding are you looking at getting and what is the timeline for that? Those are my questions.</p>
<p>Ferdi Moolman</p>	<p>I will take the USSD question and Kunle can take the funding. Firstly, what is important to understand is that the USSD utilises a channel that we use to set up voice calls and send SMS. So that channel is not just used for the USSD interaction. It's a very important channel for the telco industry. If that channel gets overloaded then the quality of our voice and SMS goes down substantially. If you set up a voice call, this uses about two and half seconds of that channel and an SMS probably about three seconds. Any USSD interaction with that channel consumes about 20 seconds of the channel. So the channel is not just used for USSD. It is an absolute core resource for voice and SMS.</p>





	<p>At this particular point in time, what is important for us is that the consumer shouldn't be paying twice for the same service. In other words, we shouldn't be charging the consumer for the usage of the service and the banks shouldn't be charging at the same time. We are very eager to speak to the banks and other stakeholders to try and find a solution that would work for everybody and also be in favour of the consumer. I do believe we can find a solution to resolve the issue. I will hand over to Kunle to talk about the funding.</p>
<p>Adekunle Awobodu</p>	<p>Historically, we have primarily financed our capital expenditure through syndicated bank facilities. In the past 12 months, we have actually raised about ₦400 billion through these syndicated loans. But we have now looked at our strategy and are currently exploring other alternatives that will allow us greater access to funding and also help us optimise our funding costs. What we will be looking at is the commercial paper. We are currently going through the approval process with the FMDQ exchange. I will not be able to give you a timing. When it is optimal for us to do this, we will come to the market. We are looking at maybe between ₦60 billion and ₦100 billion.</p>
<p>Ferdi Moolman</p>	<p>I just thought I would perhaps provide a bit of clarity to everybody because I think there were a number of questions around subscriber growth. You must understand we only have a limited number of devices in the market to be able to do subscriber registration or acquisition. And when we have to do re-registration or update of information we have to use exactly the same devices.</p> <p>When we go through an exercise like we what went through during the quarter, what we normally do is we set up additional re-registration points around the country. So we redistribute the existing logistics infrastructure we have around the country to make it easier for people to come in and provide additional information. But the reality is we only have a limited number of devices. Consequently, it does impact the number of new subscribers we can add to the network. As I said, the exercise is largely concluded and we can now utilise the full infrastructure again for subscriber acquisition. I thought I should add that. So thank you everyone.</p>
<p>Chima Nwaokoma</p>	<p>Once again thank you everybody for joining this call. We will make the transcript available on our website in the next few days, and if you have further questions please reach me via email. Thank you.</p>
<p>Operator</p>	<p>Thank you very much, gentlemen. Ladies and gentlemen, on behalf of MTN that concludes today's conference call. Thank you for joining us. You may now disconnect your lines.</p>





END OF TRANSCRIPT

