ECONET WIRELESS ZIMBABWE LIMITEDUNAUDITED ABRIDGED FINANCIAL RESULTS

ECONET

WIRELESS

Inspired to change your world

for the half year ended 31 August 2012



Inspiring Innovations



Strategic and operational overview Douglas Mboweni

Chief Executive Officer

Financial overview

Roy Chimanikire
Deputy Finance Director

Outlook

Douglas Mboweni Chief Executive Officer





You can now pay your kombi fare with your phone!





Strategic and operational overvieo Douglas Mboweni Chief Executive Officer

Our Vision



Pioneering Spirit

To provide telecommunications to all the people of Zimbabwe

Personal Approach Professional Conduct

Our Strategy

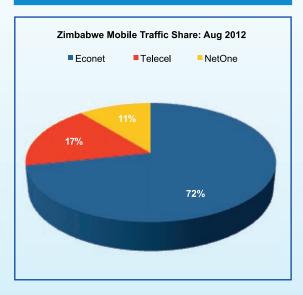




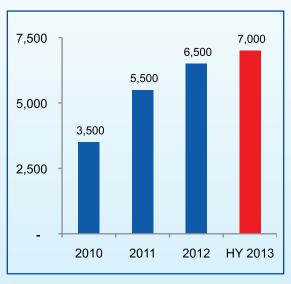
Market Position Strong Market Leadership



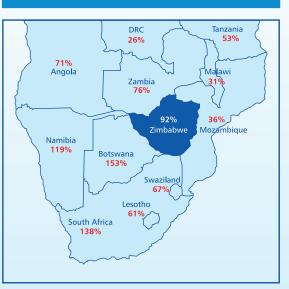
Mobile traffic share



Subscriber growth



Penetration - Mobile



Source: Management Estimates

Source: www.wirelessintelligence.com, Q4 2012 data

Executing our strategic goals Revenue Growth



Voice



- Voice remains the major driver
- Network expansion & subscriber acquisition
- Protection of value share across all service elements
- Focus on high value customers.
- Tariffs remained stable

Data



- Delivering the fastest data speeds enabled by our wide fibre infrastructure
- Network upgrades to improve network capacity
- Distribution of lower-cost data-enabled devices

VAS & Overlays



Services launched:

- New EcoCash features developed
- Buddie Beatz (caller ring back tones.)
- Mobile news
- Premium rated SMS and content based services introduced to boost SMS revenue

Executing our strategic goals

Revenue growth - Driving segment-specific offers



Corporate



 Providing relevant business solutions to Corporates and Small-to-Medium sized enterprises





Consumer



 Delivering consumer-relevant propositions





Executing our strategic goals

Success of our VAS - US\$300 million worth in transactions since launch



Launched
September 2011

1.7 million registered customers to date

An agent network in excess of 1,600

US\$300 million
worth in transactions
since launch

Registered Customers (millions)



Current Features

- Airtime top up
- Cash-In & Cash-out
- Peer to Peer (P2P) transfers
- Over the counter (OTC)
 Merchant payment
- Bulk payments
- Off-line Bill payments

Strategic Interventions

- Purchase of a stake in TN Bank to drive EcoCash adoption
- Partnerships established with various banks
- Enhanced functionality being developed

Executing our strategic goals Success of our Data offering



Launched October 2010

Doubled volume of data delivered

Zimbabwe in Top 5
African countries with
fastest download
speeds

Continued revenue growth

Registered Customers (millions)



- Robust growth in the subscriber base
- Most of the network is now data-enabled
- More data capacity and coverage being deployed

Executing our strategic goals Going green - Providing innovative solutions



Trials suggest that when off grid subscribers acquire mobile charging solutions, usage and the average revenue per user (ARPU) increases by 10% to 14%. - GSM Association

Green Kiosks



- Deploying Green Kiosks countrywide to expand the distribution footprint for Econet's products and services
- Creating employment and business opportunities for start-up SMEs
- Customer retention, loyalty enhancement and increased brand visibility

Solar Products



- Providing a range of solar powered products and devices, which include lanterns, cell phone chargers and lamps
- Harnessing solar energy to provide lighting and cell phone charging solutions to off-grid locations
- Keeping customers connected and responding to community needs
- Responding to lack of power in off-grid locations

Solar Base Station



Power availability

- Reduce carbon footprint
- Testing solutions aimed at improving cost efficiency and network uptime

Executing our strategic goalsEnhancing Customer Experience



New Shops

31 "New-Generation" shops to enhance customer experience.

Distribution Footprint

Expanded distribution footprint to over 1600 outlets (inclusive of the TN branch network) that are spread countrywide.

Call Centre

Increased call-handling capacity to improve on customer support.

Web
Support
& Customer
Feedback

Installed live web support customer interface.









- Reduced call volumes and foot traffic into shops through root-cause analysis
- Focus on self-service
- Focus on network capacity and quality

Executing our strategic goals

EcoCash – Building Synergies



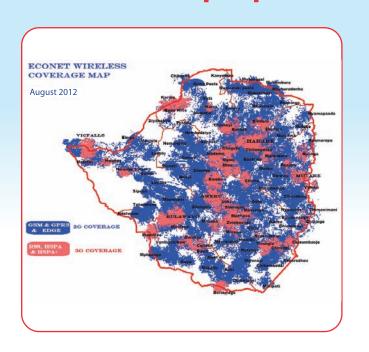


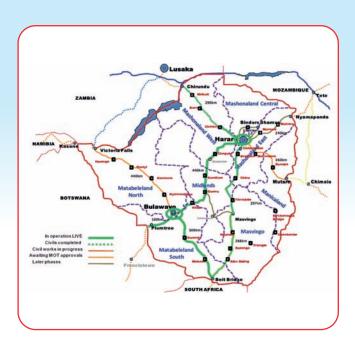
Network Infrastructure





More people, More places, Connected!





- Econet commands the most extensive network coverage in Zimbabwe
- Continued investment in broadband coverage and capacity
- Evaluation of emerging power technologies to improve power availability and reduce generator running costs
- Increase capacity to capture remaining unreached customers
- Focus on quality improvement

Strong Brand Equity Latest Awards



Econet scoops *Forbes* - "Top 10 of Africa's Most Innovative Companies Award" and "Customer Service Excellence Award."



Winner of several prestigious awards, which include: Superbrand, Zimra Tax Award, Frost & Sullivan, Customer Services Award, Corporate Social Responsibility and the ICT Achievers Award.

Strong Brand Equity Inspiring brand promotions





GET IT ALL AND STAY IN TOUCH.

Your Buddie keeps you in touch with friends and family in so many ways.

Only Buddie gives you more value for money, more talk time, more convenience when you travel and so much more fun ensuring that you stay connected always





Only Buddie Gives You More!

































Capernaum Trust Making a difference in the lives of the less privileged



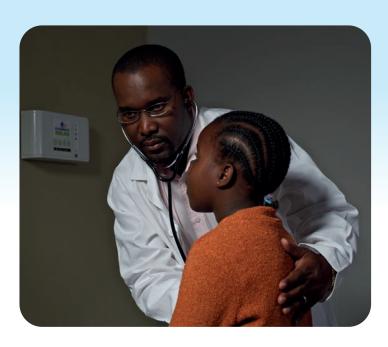




- Capernaum Trust intervention model targets the transformation of the History Makers: Spirit, Soul and Body
- 70,000 children have benefited since inception
- Distributed over 5,300 solar lanterns and clothed 3,000 history
 makers with school uniforms

The National Healthcare Trust Zimbabwe Taking healthcare services to the people







- Building, maintaining and sustaining capacity in communities
- Launched the University of Zimbabwe Virtual Learning Hall in partnership with CARA

Joshua Nkomo Scholarship Fund Developing future leaders

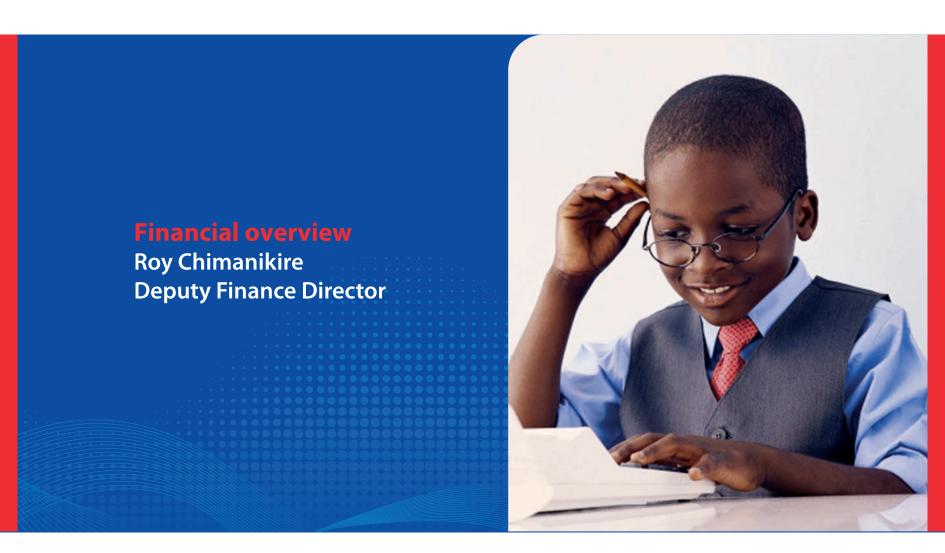






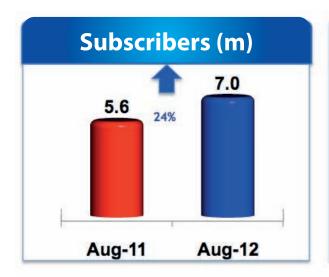
- 771 Scholarships offered since 2006
- Currently 517 Joshualites are benefitting from the programme
- Career guidance to more than 200,000 students all over
 Zimbabwe

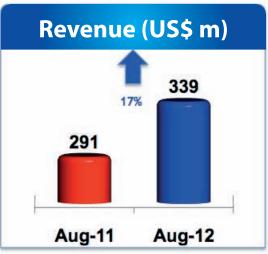


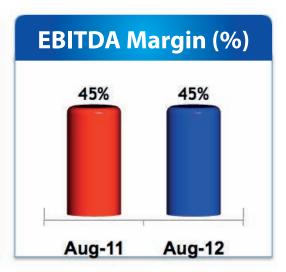


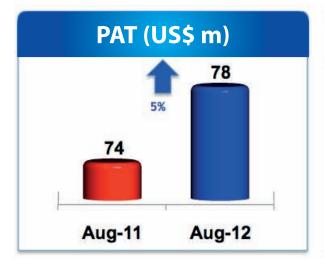
Financial Highlights Industry-Leading Financial Performance

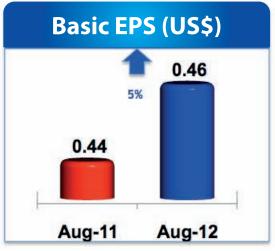


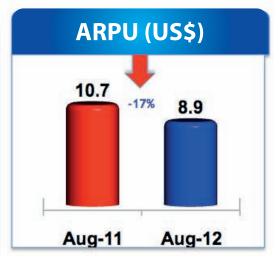






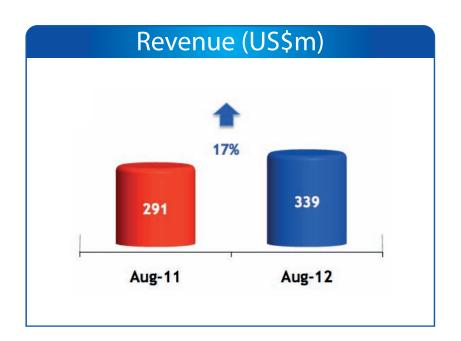


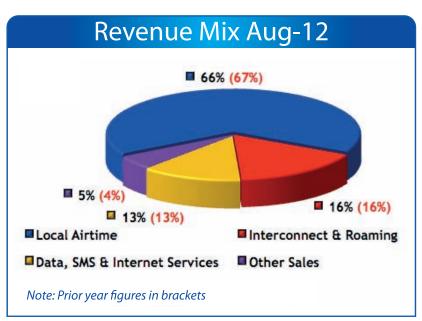




Strong Revenue Performance Voice and Data continue to drive growth



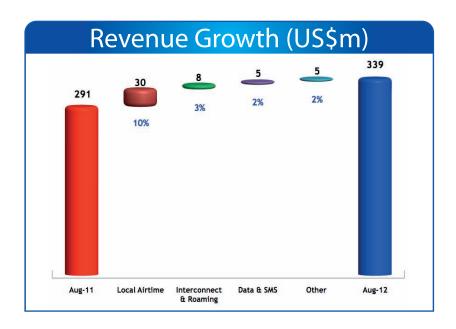


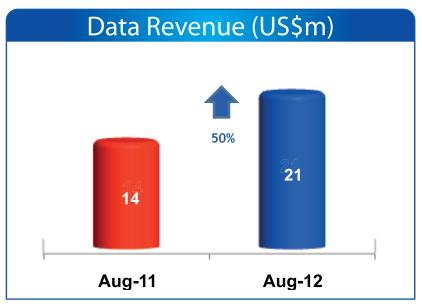


- Maintained revenue mix
- 21% of growth attributable to non-voice revenue
- Sustained growth in subscribers

Strong Revenue Performance 50% YOY growth in data revenue



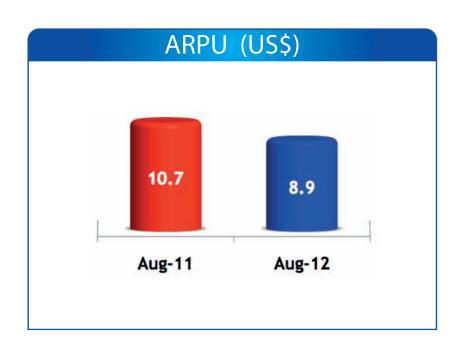




- Voice still the main driver of growth
- 50% growth in data revenue
- Voice growth driven by increase in usage and subscribers

Maintaining Subscriber Spend Sustainable ARPU

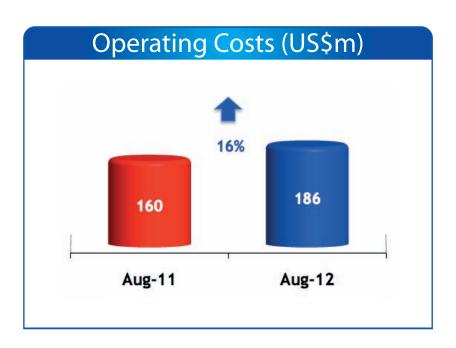




- Decline is due to dilutive effect of new lower value subscibers
- Suite of new services (e.g Ecocash)
 still to realise their potential which
 will positively impact ARPU's in the
 medium term

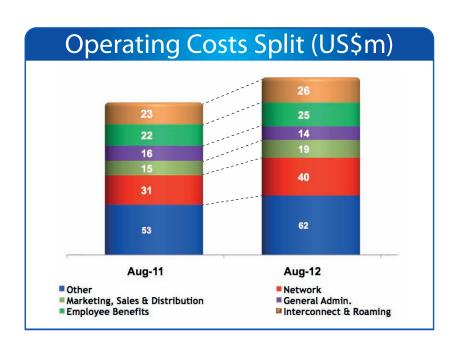
Positioning the business for sustainable growth Creating a stable growth platform





Cost Drivers

- Increased operating costs due to unusually high number of power failures
- Increase in operating base stations
- Over 50% of base stations have generators

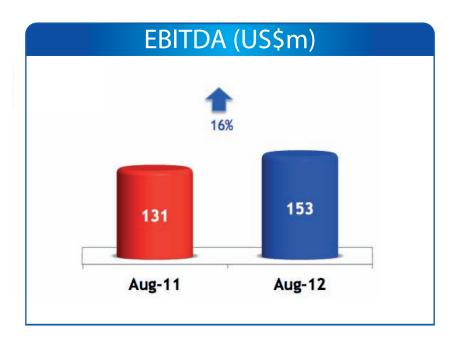


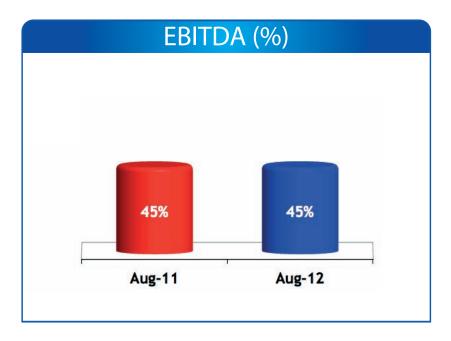
Cost Management

- Trial of alternative power sources
- Deployment of network management solutions
- Outsourcing non-core activities
- Managing staff and administrative costs
- Effective use of marketing spend

Stable Margins and Increasing EBITDA Continued EBITDA growth





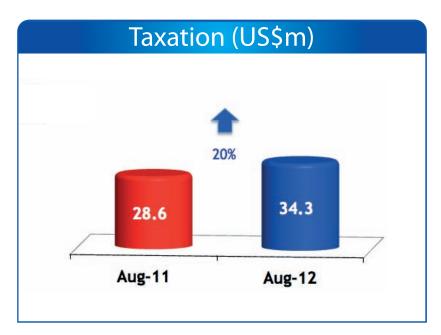


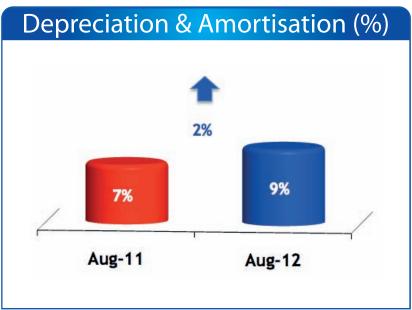
- EBITDA margin at 45% is strong versus peers
- Increased network operating costs
- Ecocash expected to have a positive impact on distribution costs

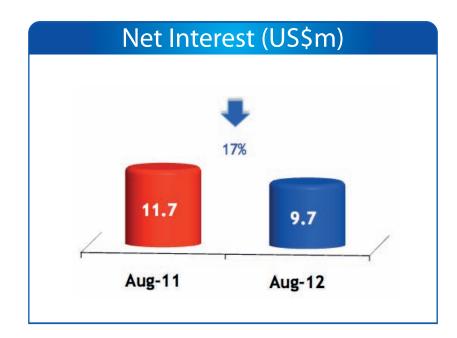
Capital costs and Taxation







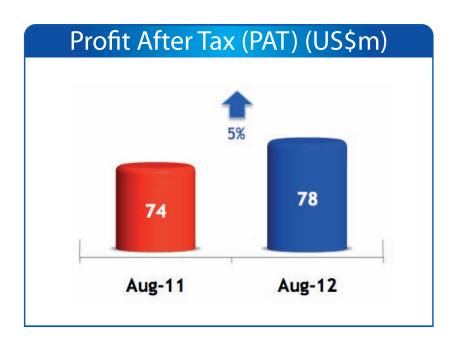


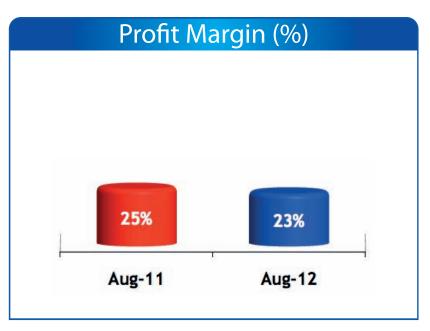


- Tax efficiency initiatives in place
- Increased effective tax rate due to decline in capex allowances
- Depreciation increased by 2% as a percentage of revenue

Stable MarginsStabilising of profitability margins



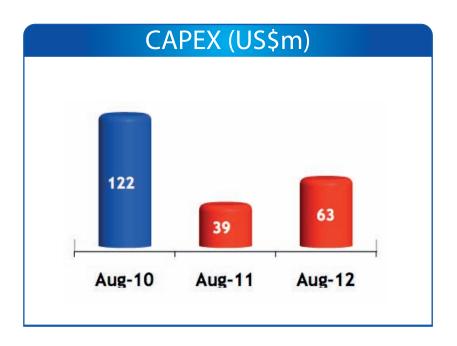




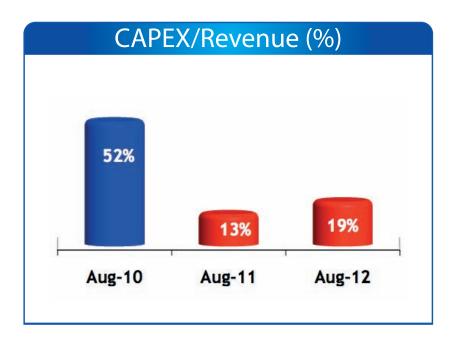
 PAT margin decline due to increase in depreciation

Focused Capital Investment Declining CAPEX demands





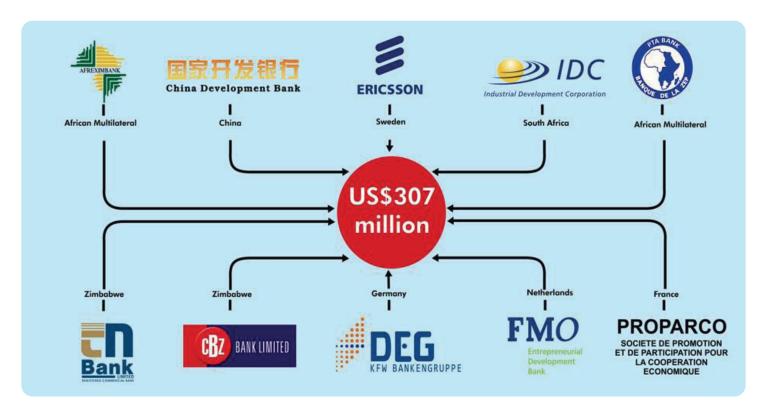
- Drivers of capital expenditure remain the same:
- Increase in broadband capacity and coverage
- Network optimisation and improvement in quality
- Investment in new products e.g. EcoCash
- Improving IT backbone infrastructure to support business growth



- Decline in capex to revenue ratio from Aug-10 to Aug-12
- Capex to revenue ratio expected to increase due to change in capex cycle

Financing Our Growth Econet Secures Financing

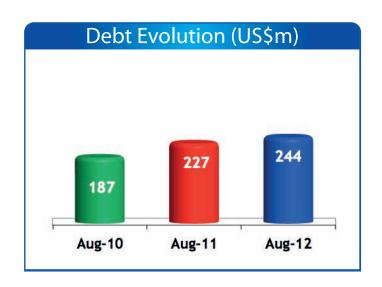


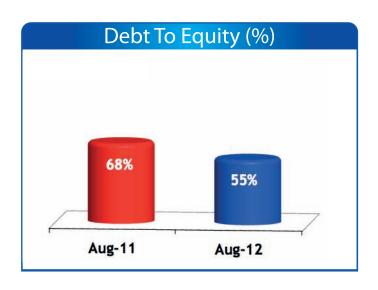


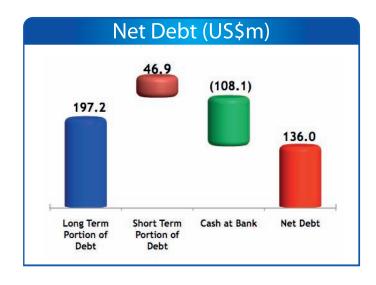
- Econet recently secured a \$307 million loan facility.
- The Afrexim Syndicate incorporates Afrexim Bank, DEG,FMO, PROPARCO, TN Bank and CBZ Bank
- The company continues to unlock investment opportunities in the country.
- Investment spurs economic growth
- \$255 million used to refinance existing facilities
- \$52 million of new capital invested

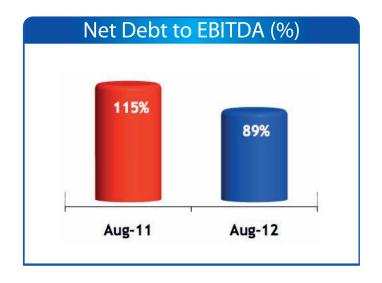
Financing Our Growth Managing Our Debt Commitments







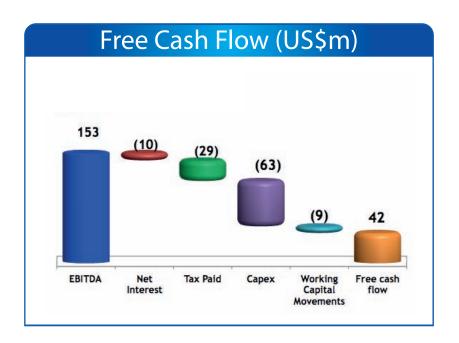


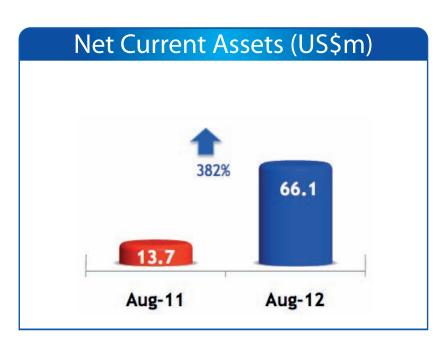


Free Cash Flow

Generating resources for sustainable growth







- Continued execution of stratagies to sustain strong cash flow growth
- Balance Sheet restructuring had a positive impact on liquidity and solvency

Statement Of Financial Performance US\$m



	Unaudited Aug-12	Unaudited Aug-11	Variance (%)
Revenue	339,469	290,858	17%
EBITDA	152,810	131,245	16%
Depreciation & amortisation	(32,541)	(21,176)	-54%
Operating profit	120,270	110,070	9%
Net finance costs	(9,685)	(11,657)	17%
Share of profit in associate	1,708	1,983	-14%
Profit before tax	112,279	102,635	9 %
Income tax expense	(34,261)	(28,637)	-20%
Profit after tax	78,017	73,999	5%
Non-controlling interests	(76)	310	
Attributable profit	77,941	74,308	5%
EBITDA Margin	45%	45%	-
PAT Margin	23%	25%	-2%

Statement Of Financial Position US\$m



	Unaudited Aug-12	Unaudited Aug-11	Variance (%)	Audited Feb-12
ASSETS				
Property, plant & equipment	593,076	451,169	31%	561,656
Other non-current assets	55,318	37,790	46%	38,917
Current assets	226,832	178,183	27%	211,854
TOTAL ASSETS	875,226	667,142	31%	812,427
EQUITY & LIABILITIES				
Share capital	34,447	28,070	23%	33,125
Reserves	404,923	301,149	34%	346,821
Minority Interest	3,591	2,530	42%	2,847
Total Equity	442,961	331,749	34%	382,793
Interest bearing liabilities	244,157	226,754	-8%	249,139
Other non-current liabilities	74,394	43,616	-71%	70,667
Other Current Liabilities	113,714	65,023	-75%	109,828
Total Liabilities	432,265	335,393	-29%	429,634
TOTAL EQUITY & LIABILITIES	875,226	667,142	31%	812,427

Statement Of Cash Flows US\$m



	Unaudited Aug-12	Unaudited Aug-11	Variance (%)
Cash generated from operations	152,243	139,509	9%
Tax paid	(28,584)	(11,903)	-140%
Net cash from operating activities	123,659	127,606	-3%
Net finance costs	(9,685)	(11,657)	17%
Acquisition of property, plant and equipment	(63,123)	(38,652)	-63%
Other investing activities	(16,324)	(6,836)	-139%
Cash used in investing activities	(89,132)	(57,145)	-56%
Cash generated from financing activities	(27,195)	(31,066)	12%
Increase in cash & cash equivalents	7,332	39,395	-81%
Cash and cash equivalents at the beginning of the period	100,793	34,691	191%
Cash & cash equivalents at the end of the period	108,125	74,086	46%

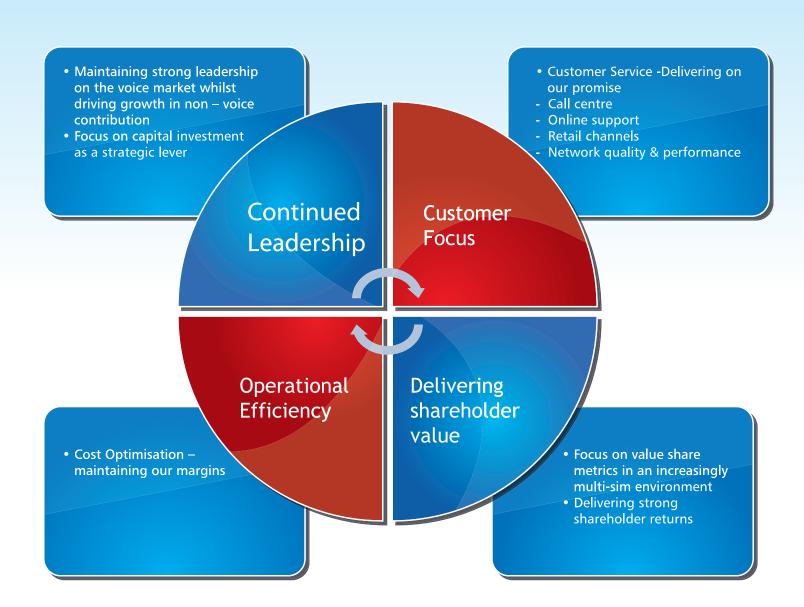






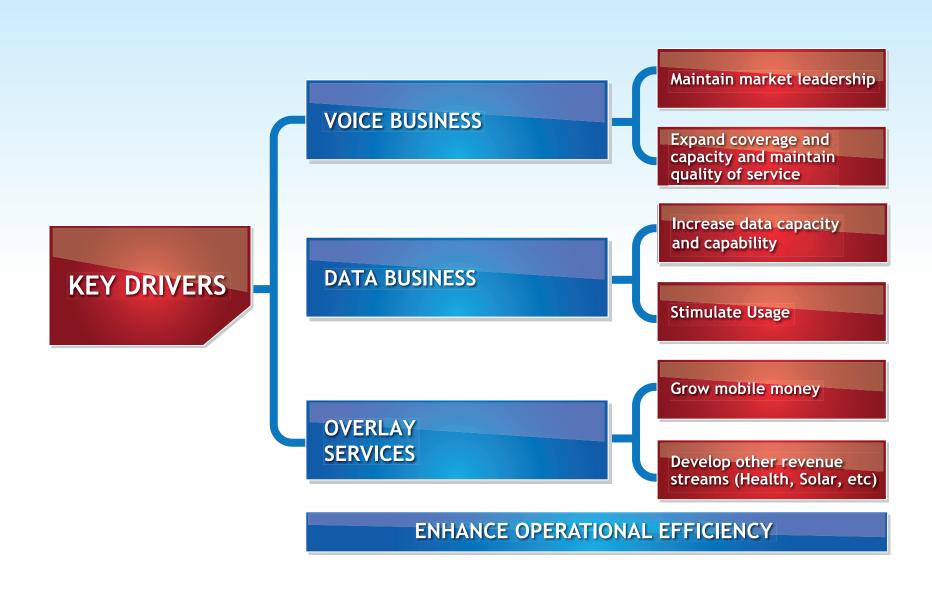
Outlook Continued focus on our strategic imperatives





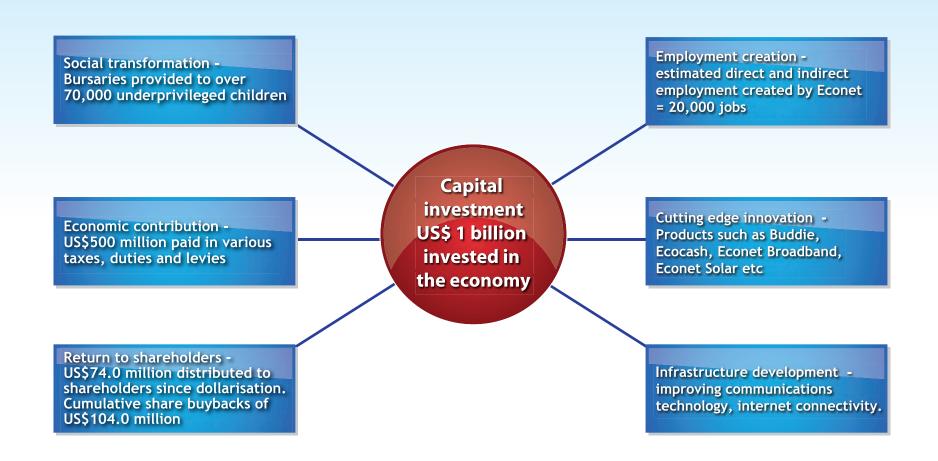
Our Strategy for Growth Defining our future





Shareholder Value Proposition Creating Sustainable Value





Conclusion





"What matters most about a new technology is not how it works, but how people use it and the changes it brings about in human lives..."

Frances Cairncross







Disclaimer



Neither the Company nor any of its respective subsidiaries, advisors or representatives shall have any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

Opinions and forward looking statements expressed represent those of the Company at the time. Undue reliance should not be placed on such statements and opinions, as these can vary with time resulting in company results, plans and objectives differing materially from those expressed in this document.

Absent independent verification, no representation or warranty express or implied is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained herein.

The Company shall not be liable for any claims arising from any reliance on this document to purchase or subscribe for any securities or entering into any contracts or commitment whatsoever.