
Sonatel group: half year 2009 results



agenda






1. summary
2. highlights
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1. summary

1. in short

Sonatel group maintained a high level of profitability and a significant growth (+8%) despite an increased competition and a difficult economic environment.

1. a satisfactory interim result in a context of crisis

<i>in million Fcfa</i>	<i>June 2008</i>	<i>June 2009</i>	<i>Δ June 2009 / June 2008</i>	<i>Evolution</i>
& Revenues	259,149	279,588	+7.9%	
& EBITDA	140,400	164,969	+17.5%	
& EBITDA margin	54.2%	59.0%	+4.8 pts	
& EBIT	86,027	119,409	+38.8%	
& Proforma	97,927		+21.9%	
& Net Result	61,503	101,133	+64.4%	
& Proforma	80,903		+25.0%	

1. countries of presence environment



SENEGAL

Confirmed leadership on the market but increased competition over the six-month period marked by a strong development of the unlimited and abundance offers.



MALI

Leadership maintained in a market strongly impacted by the economic crisis. Privatization of the historical operator.



GUINEA

Hardening of the business environment. Financial performances strongly enhanced compared to 2008 despite the intensification of competition and the difficulties of financing.



GUINEA BISSAU

Political and economic environment tended. Renewal of commercial dynamism with a gain in market share. Enhanced financials performances awaiting.

2. highlights

2. key developments for six-month period(1/2)

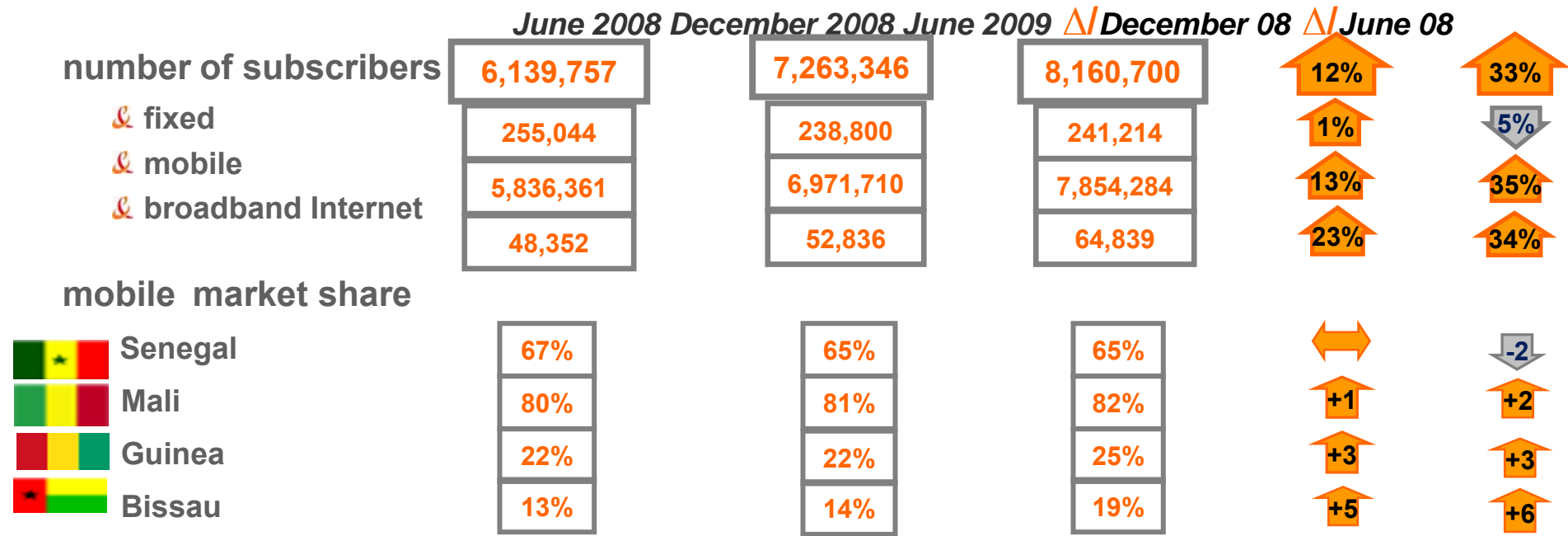
- ❑ difficult economic environment in the countries of presence of the group: review in decrease of the GDP growth forecasts
- ❑ increase of the competition on all the markets: starting activities of the 3rd operator in Senegal
- ❑ pursuit in generalisation of unlimited and abundance offers on the Senegalese market; innovative offers and lower prices
- ❑ relaunch of the broadband Internet in Senegal and in Guinea Bissau
- ❑ strenghtening of our market shares on all the countries
- ❑ passing the 8 million subscribers for the group with a strong advance on the competitors in Senegal and Mali
- ❑ commercial dynamics strengthened with the launch of new offers (dual play, international recharging ticket, prepaid on fixed lines, USB key for Internet mobility) and the lower of prices on the mobile data
- ❑ launch of “mobile Kirène”: distribution partnership of the Orange products by Kirène

2. key developments for six-month period(2/2)

- ❑ strengthening of operational and financial performances of the group
- ❑ launch of a plan of mobilization and transformation process of the company
- ❑ midterm loan of 80 billion Fcfa contracted
- ❑ an employment loyalty program based on a distribution of bonus shares with transfer of property at the time of retirement
- ❑ Sonatel gold palm winner in the 2nd edition of the “Palms of the Stock Exchange” of the BRVM
- ❑ certification ISO 9001 version 2008 obtained for the system of management set up by the entities of Senegal (Sonatel SA, Sonatel Mobiles, Sonatel Multimedia, Sonatel Business Solutions)







3. operational and financial results

3. consolidation of the operational performances: 8.2 million customers and strong market position in Senegal and Mali



- more than 2 million new customers over the last 12 months; continuation of the growth of the mobile and Internet subscribers
- leadership maintained in Senegal and Mali and increase of the market shares of starting new countries despite the intensification of competition

3. subscribers: still strong growth on historic markets

	June 2008	December 2008	June 2009	Δ/December 08	Δ/June 08
fixed subscribers	255,044	238,800	241,214	 1%	 5%
mobile subscribers	5,836,361	6,971,710	7,854,284	 13%	 35%
<i>Senegal</i>	3,038,205	3,536,672	4,037,783	14%	33%
<i>Mali</i>	2,359,014	2,757,094	3,113,762	13%	32%
<i>Guinea</i>	398,000	617,896	615,382	-	55%
<i>Bissau</i>	41,142	60,048	87,720	46%	113%
broadband Internet	48,352	52,836	64,839	 23%	 34%
<i>Senegal</i>	43,380	47,692	56,369	18%	30%
<i>Mali (WiMAX)</i>	4,758	4,716	7,677	63%	61%
<i>Bissau (WiMAX)</i>	214	428	793	82%	271%

- ❑ predominance of the mobile subscribers in Senegal and Mali; stagnation of the number of mobile subscribers in Orange Guinea because of the clearing of the inactive subscribers
- ❑ continuation of the development of the broadband Internet on all the countries in spite of the constraints related on the illiteracy and the cost of the equipment
- ❑ light improvement of the number of fixed subscribers with the introduction of fixed prepaid line

3. consolidation of the financial performances: high level of profitability among the best of the sector

<i>in million Fcf</i>	<i>Proforma June 2008</i>	<i>June 2008 *</i>	<i>June 2009</i>	<i>Δ/June 08</i>	<i>Δ/Proforma 08</i>
& Turnover	259,149	259,149	279,587	↑ 8%	↑ 8%
& EBITDA	140,400	140,400	164,969	↑ 18%	↑ 18%
& EBITDA margin	54%	54%	59%	↑ 5	↑ 5
& Earnings before interest and taxes (EBIT)	86,027	97,927	119,409	↑ 39%	↑ 21%
& Net result	61,503	80,903	101,133	↑ 64%	↑ 25%
& Investments	62,200	62,200	31,469	↓ 49%	↓ 49%
& Free Cash-flow	78,200	88,233	133,500	↑ 71%	↑ 51%

- ❑ turnover growth always drawn by the mobile phone activity
- ❑ improvement of the Ebitda margin
- ❑ earnings before interest and taxes and net earnings in big rise because of the improvement of the Ebitda margin and the effects of the exceptional drop of 2008 (effects of change of accounting amortization period and the swap)
- ❑ rising of employment expenses due mainly to the new program of employee stock ownership

* Including 2 Guineas except change of methods of depreciation

4. prospects

4. prospects

sustained investments

- acceleration of the deployment and reinforcement of the investments
- 95% of the villages of more than 500 inhabitants of Senegal covered by the mobile signal
- more than 100 solar stations installed in Senegal

quality of service improved

- building loyalty policy for our best customers
- maintain of international standard for technical quality service indicators

strong market position

- leadership on our historical markets with market shares higher than 60% in spite of a strong competition

innovation

- development of the broadband penetration and the mobile data via innovative offers

profitable growth

- continuation of the development of broadband and the value added services
- continuation of the costs control
- maintain of an Ebitda margin at least equal to 55% and higher than our competitors

thank you