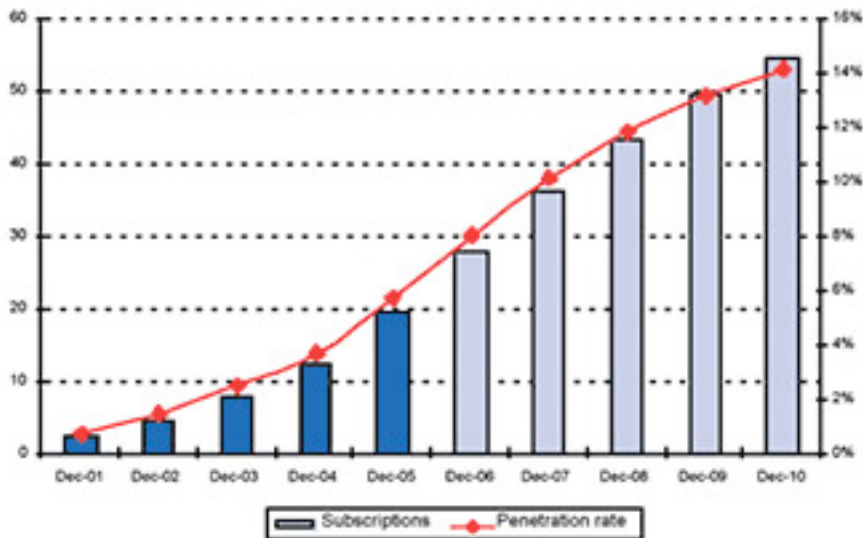
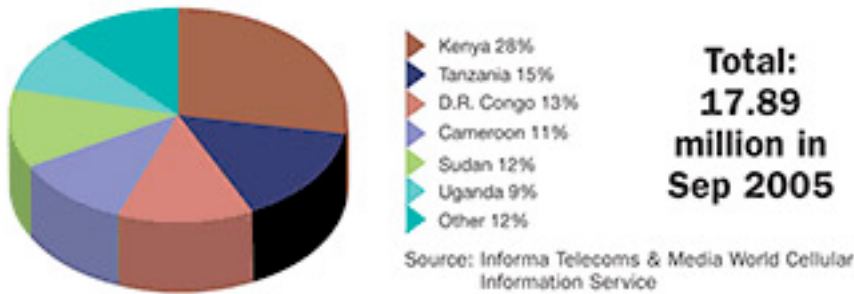


East & Central African Subscribers to Reach 55m in 2010!

By the end of 2006, the East and Central Africa region will include 6 countries among the 15 largest African markets, with Kenya, DR Congo and Tanzania among the top ten. Kenya, which had 5.5 million mobile subscriptions at the end of 2005, will maintain a strong growth rate over the next five years and exceed the 10 million mark by 2008. While new entrants have recently fuelled high growth rates in Sudan, Central African Republic and Chad, it is the DR Congo that, thanks to fresh acquisitions and fierce competition, is expected to challenge Kenya's leadership in the sub-region by 2010. The country's mobile market is by then forecast to have grown by nearly 300% since the end of 2005, while subscriptions in the Eastern and Central African region as a whole should increase by 187% over the same period to reach nearly 55 million at the end of 2010.

Fierce competition has driven prices down in key markets such as Kenya, Tanzania and DR Congo where SIM cards are now sold for less than USD 5. Voice remains the dominant service (accounting for at least 95% of the revenues) with average call charges at USD 0.20 per minute on-net (off-peak). Some operators are working towards introducing flat pan-regional call rates, especially between Kenya Uganda and Tanzania. This is already the case for Celtel and Safaricom in Kenya, whose customers can call partner networks in Uganda and Tanzania for USD 0.60 per minute on average (peak hours), while standard international calls cost around USD 1.50 per minute. Despite very low messaging usage SMS as a recharge option has become a major trend and airtime is available across the region, often for less than USD 0.50. Encouraged by their success with airtime transfer and also by a recent launch in South Africa operators are now trying to go a step further and offer mobile banking.

On the data side of things Kenya and Sudan have launched GPRS services. WCDMA is set to be launched for the first time in the region by both operators in Sudan by the end of 2006. (East and Central Africa in these statistics includes: Burundi, Cameroon, Central African Republic, Chad, Congo, DR Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Kenya, Rwanda, Sao Tome & Principe, Somalia, Sudan, Tanzania, Uganda)



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