Taking Treasury's Rightful Place within a Company

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Who
we are…
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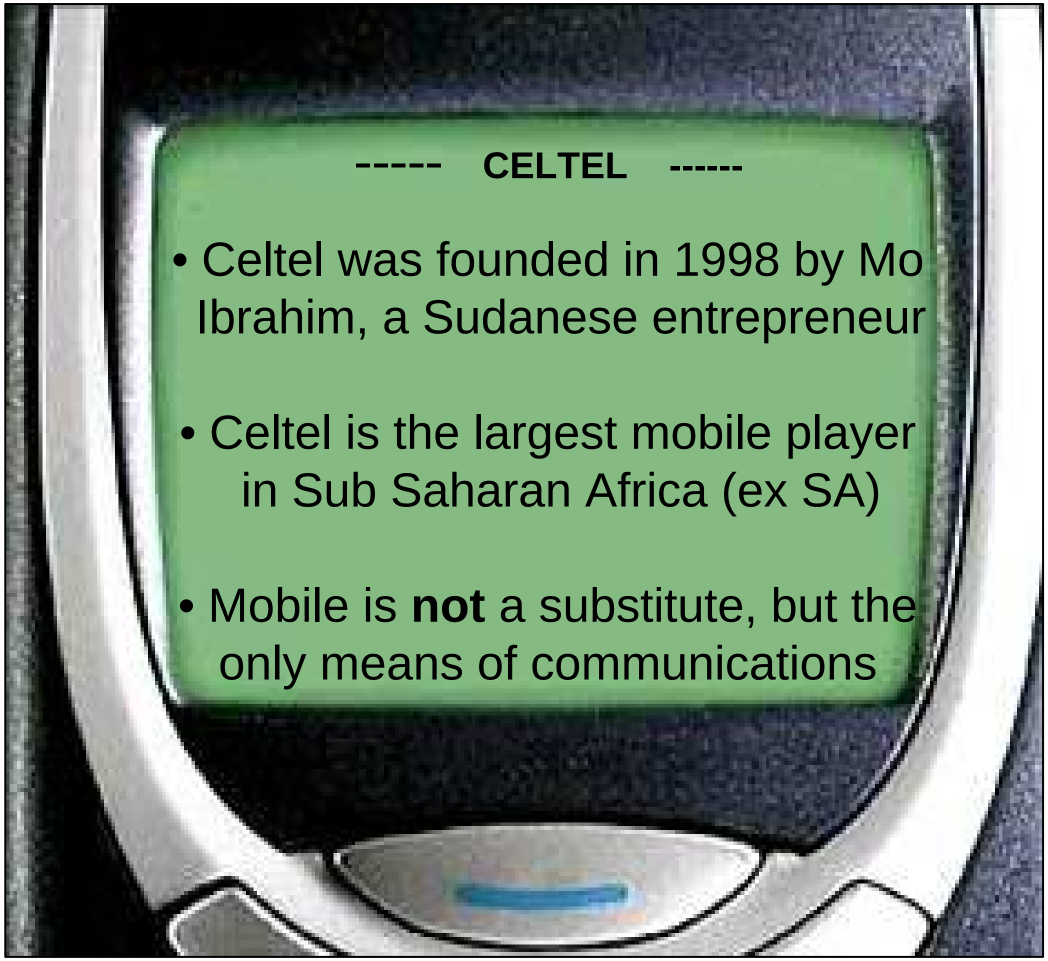
Background


----- CELTEL ------
• Celtel was founded in 1998 by Mo Ibrahim, a Sudanese entrepreneur
• Celtel is the largest mobile player in Sub Saharan Africa (ex SA)
• Mobile is **not** a substitute, but the only means of communications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Identifying opportunities

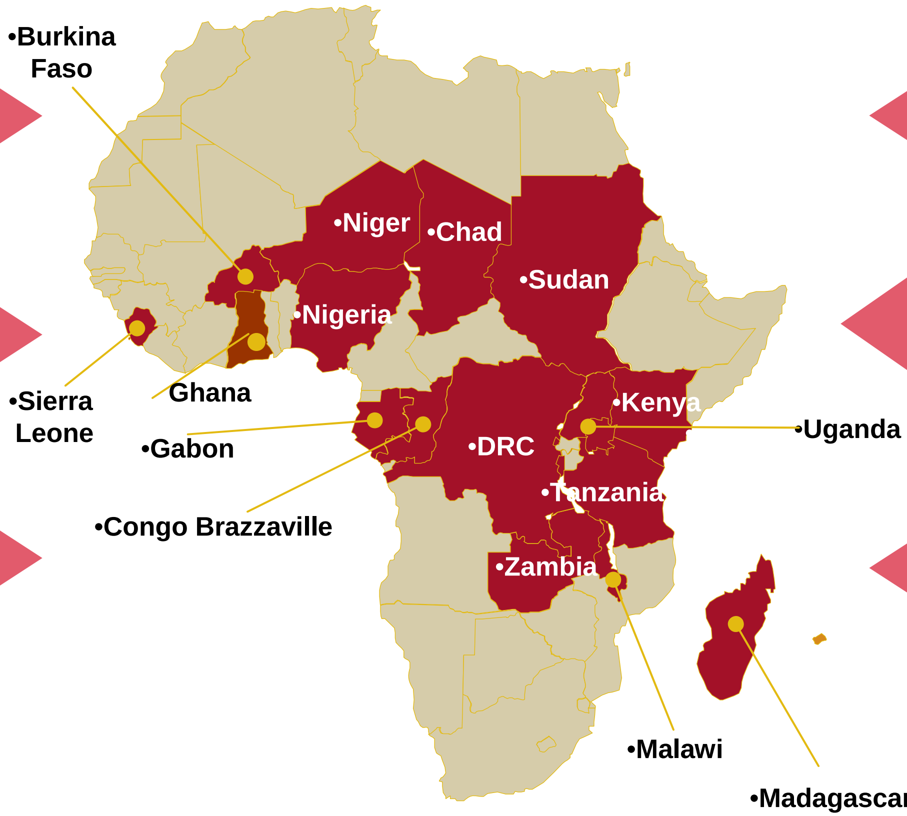
- **Celtel was a pioneer in meeting Africa's needs for telecoms infrastructure and services:**
  - ✓ When Celtel started in 1998 there were only 2 million mobile phones in Africa on a population of 850 million
  - ✓ Now Africa is the fastest growing region in the world for mobile phones
    - The last two years there were more new mobile phone customers in Africa than in North America and Europe
  - ✓ Today there are some 150 million mobile users
  - ✓ Sub Sahara Africa still below 10% penetration and Nigeria at about 26%
  - ✓ All of Africa at 18% penetration compared to over 100% in parts of Europe

The largest footprint across Africa

420m Population Under Licence (50% of continent)

Over 27 Million Customers

Invested over $6bn of capital in our 16 operations



Celtel Revenues: $3,200 in 2007

Celtel EBITDA: $1,200 in 2007

Over 98% of staff and mgmt is African

The Leading Pan African Mobile Operator and an original African brand

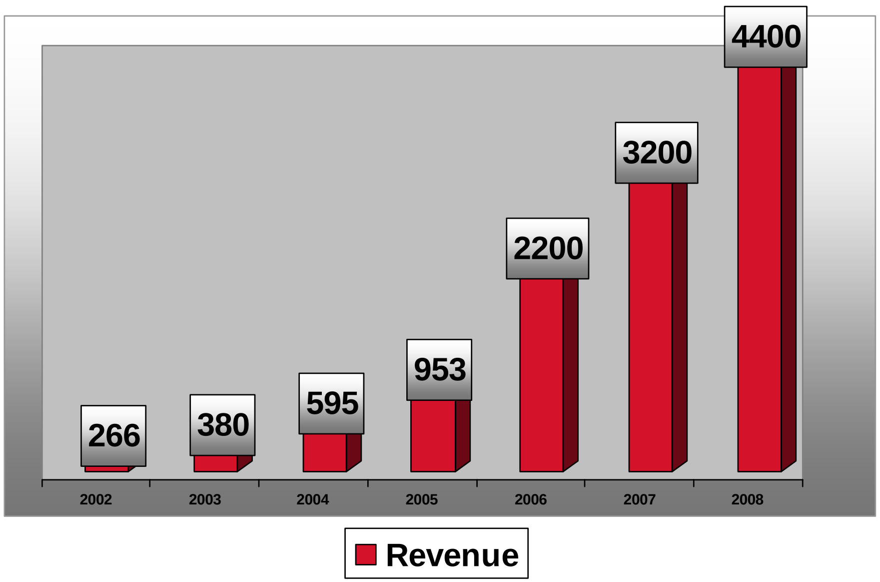
Lagos , 12th February 2008

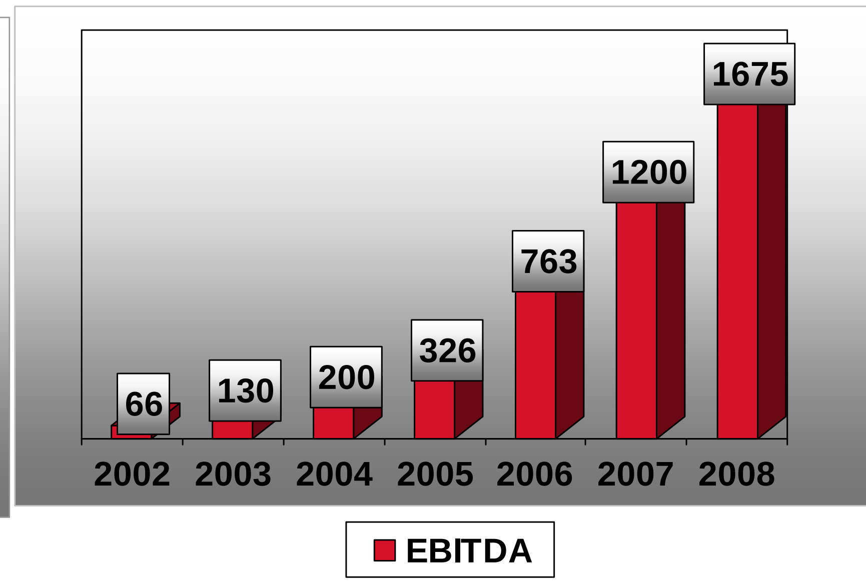
Celtel's Business Model

Celtel was built on a very strong set of principles and values:

- Key value is integrity – Celtel has demonstrated that it is possible to conduct a business across Sub Saharan Africa that follows best business practice
- Celtel adopts best practice for corporate governance and expects the same from governments and partners
- Hiring and training of local professionals is key to success
- Centralized business model
- Strong local/international partnerships at Board and Shareholder level – a main mitigator of political risk

Celtel Revenue and Profit Growth : M USD





Role of Group Treasury at Celtel

- Ensuring liquidity to meet current and future liabilities
- Ensuring that business activities and subsidiaries are funded in the most appropriate and cost effective manner
- Identifying and mitigating against financial risks which could erode financial strength.
- Encouraging a culture of sound financial practice
- Creating, improving and implementing new treasury risk policies
- Evaluating complex structured transactions and advising the Zain/Celtel Management Board on financial risks and other implications
- Maintaining global relationships with financial institutions

Financial Environment

Challenges we face in our Corporate Finance/Treasury activities relate to:

- Cash management
  - ➢ Cash repatriation
  - ➢ Reliable cash flow forecasts
  - ➢ Cash collection/payments

- Expansion financing
  - ➢ Local currency loans versus foreign currency loans
  - ➢ Capital markets versus syndicated loan markets
  - ➢ DFIs and vendors

- Financial Risk Management
  - ➢ FX and IR mitigation
  - ➢ Insurance

African Treasury Challenges

- Restrictive Regulatory Environment
- Non-Developed Financial Markets
- The Cash “ Burden”
- Forex Unavailability & Currency Non-Convertibility
- Onerous Risk Premiums on Financing

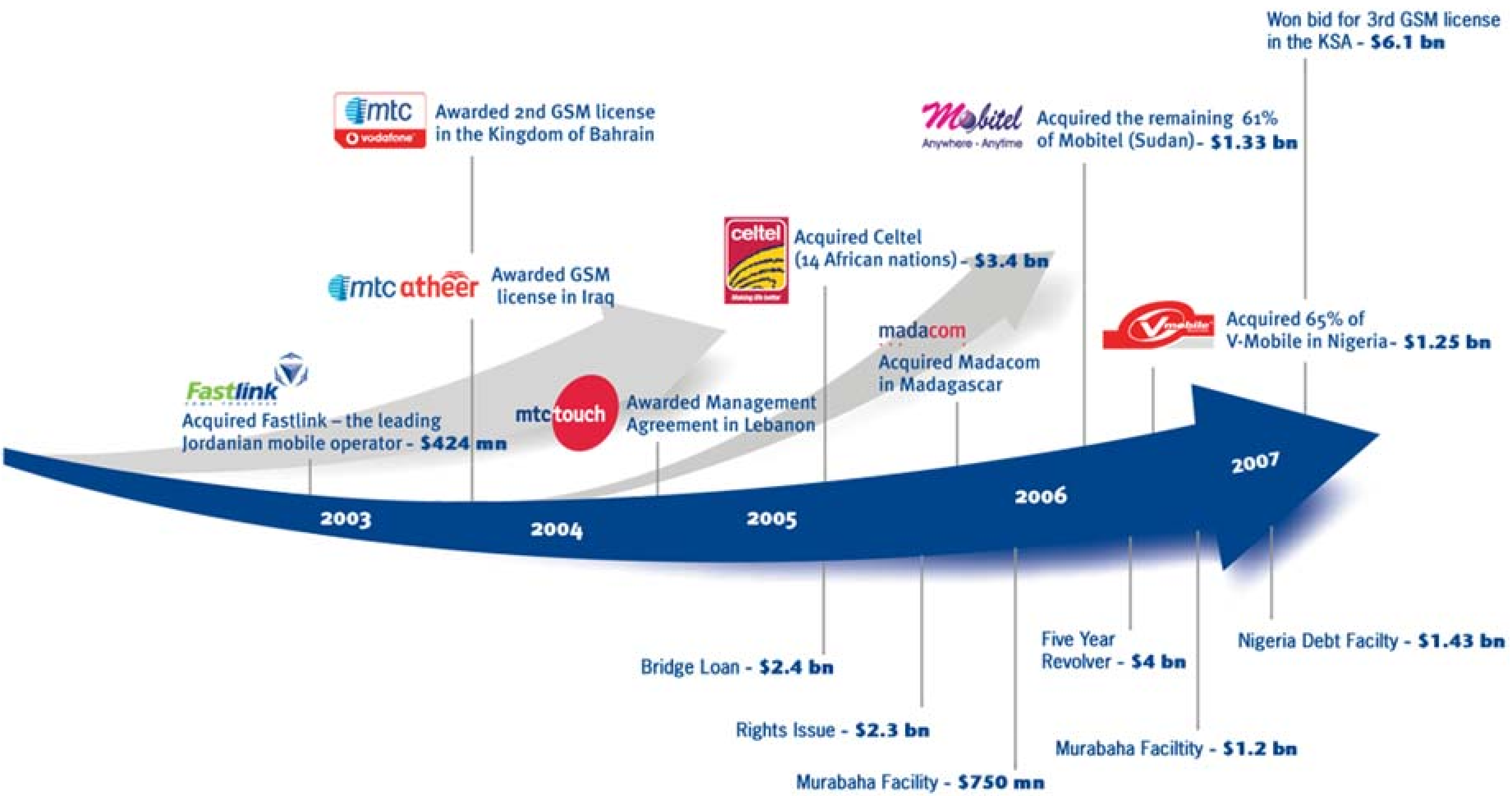
Maintaining Treasury Relevancy

- Dynamic and Flexible Treasury Model
- Realignment of Treasury Objectives with the Needs of Stakeholders
- Operating at the Forefront of Efficiency Gain Initiatives

Change Drivers Affecting Treasury's Role

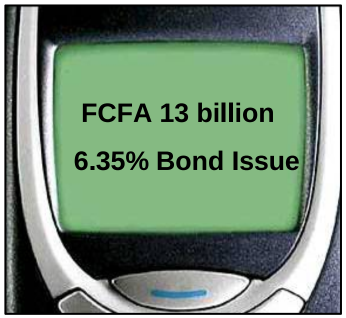
- Rapid & Continuous Expansive Mode
- Acquisitions
- Divestitures
- Privatizations : IPO's
- New regulatory Requirements
- Globalization
- Slowdowns in Revenue and Profitability

Zain Group – Acquisition Path



2007 Deal Flow

Burkina Faso



Nigeria

Gabon

Congo B

5 Countries

Tchad

Sudan

Niger

Revenue Growth: Impact on Treasury

- Increase in Treasury Resource Capabilities
- Technological Forays in Treasury Applications
- Cash Flow Visibility
- Exclusive Focus on P&L and a tendency to ignore Cash Flow Generation
- Pressure on Yield Enhancement

M & A Treasury Dynamics- Pre-Merger

- Diversity of Views in degree of involvement
- Evaluation of Financing Options
- Making sure that there sufficient Lines of Credit to fund the Acquisition
- Perception and management of risk against adverse economic conditions
- Play the role of a rival Private Equity Bidder

Post Merger: Understanding of Relevant Treasury Areas of the Acquired

- Cash and liquidity management
- Banking Relationships and Credit
- Treasury Systems
- Management Reporting
- Controls, policies and procedures
- Forex and interest rate exposures
- Treasury organization, skill levels and staffing etc.

Post Merger:Cost Containment & Savings

- Reduced banking fees due to consolidation
- Combined treasury processes and staff reductions due to the combination of service outsourcing
- Working with business units in areas such a pricing , budgeting and cash flow forecasting to generally support the business side of the integration by acting as an in-house consultant to business units.

Source: J. Baldoni :E&Y : Four Quadrants of Treasury Integration Value -2005

Post Merger: Process Efficiency Gains

- Determining the optimal combined treasury organization’s future state
- Establishing efficient data collection methods
- Assessing combined treasury’s technology needs and perform “gap analysis” to determine additional technology and system requirements

Post Merger: Human Capital

- Conducting a treasury skills inventory , as well as a task/needs review
- Quickly identifying key “at risk” staff vital to the integrations success.

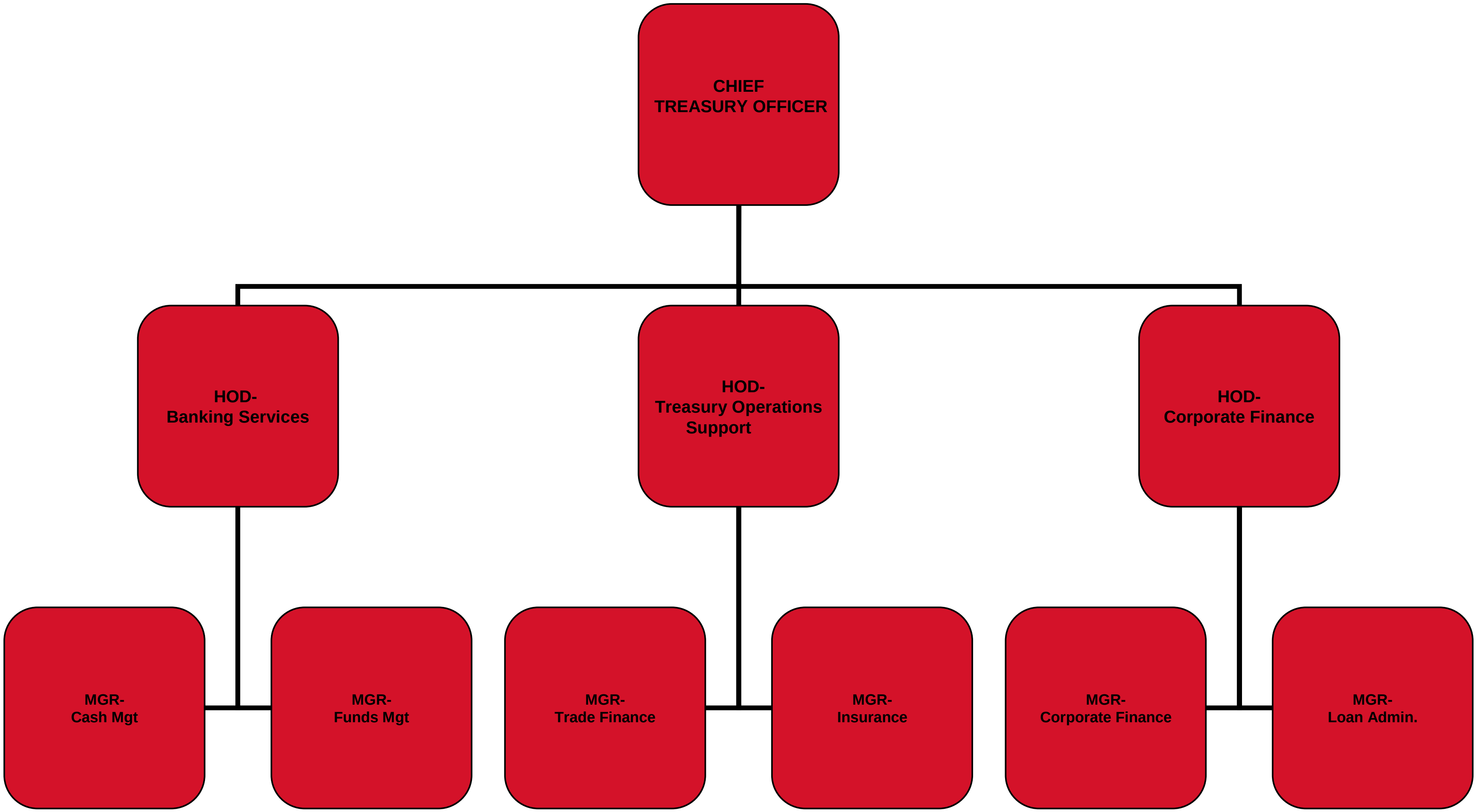
Post Merger: Governance and Control

- Gaining immediate visibility and control of the acquired company's cash , investments and banking activities
- Identifying and mitigating financial risk issues such as currency, interest rate, credit etc.
- Integrating policies and procedures.

Roles and Responsibilities- Pre-Celtel

- Ensure that Celtel Nigeria operations are adequately funded
- Ensure optimal liquidity and cash management
- Treasury risk management functions
- Insurance risk management
- International trade services
- Banking relationship management
- Corporate finance – capital raising

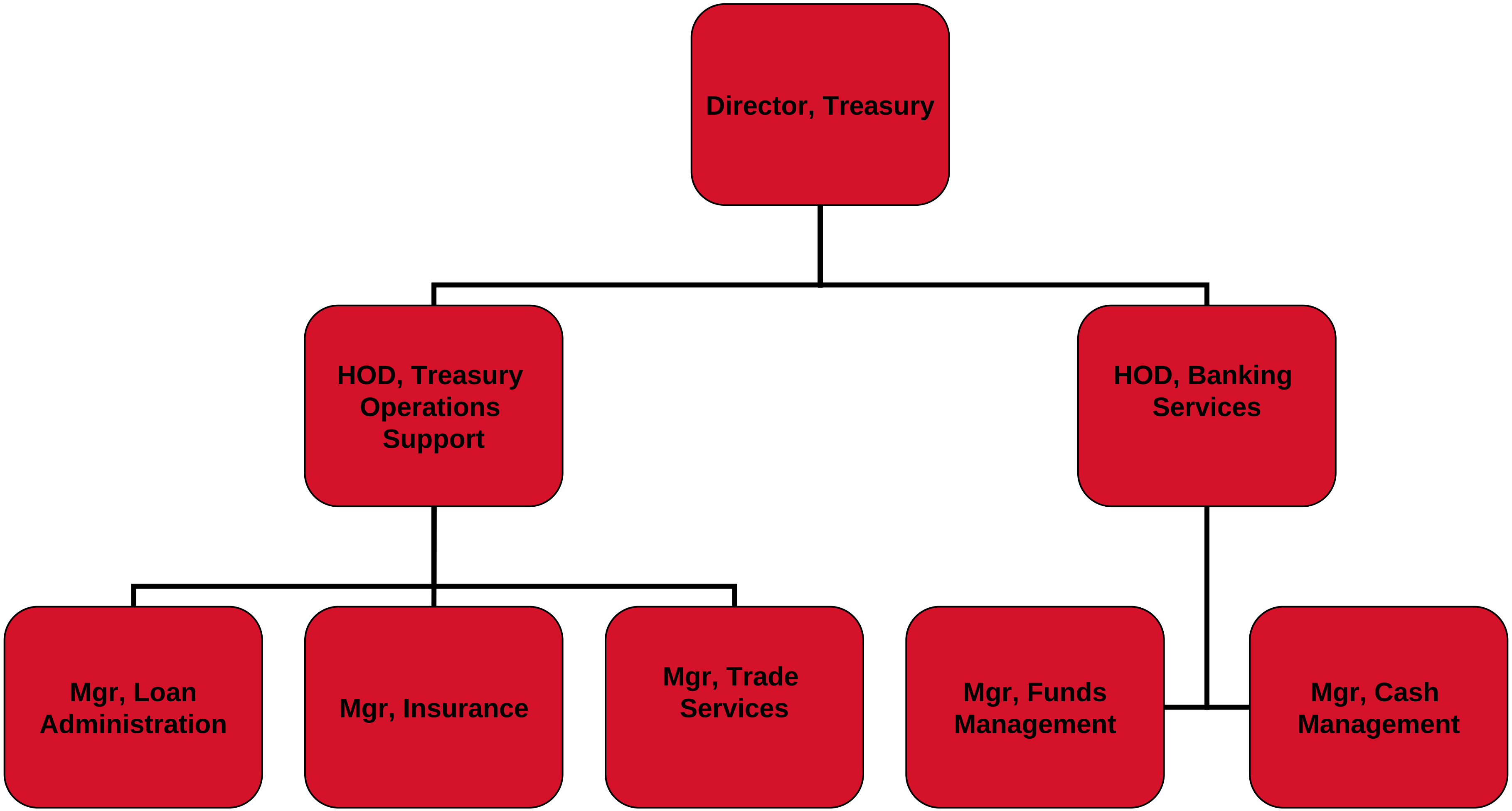
Pre-Celtel structure



Celtel structure and changes

- Treasury now an integral part of finance group
- Corporate finance function now domiciled at HQ level
- De-centralized treasury functions with a dotted reporting line to group treasury

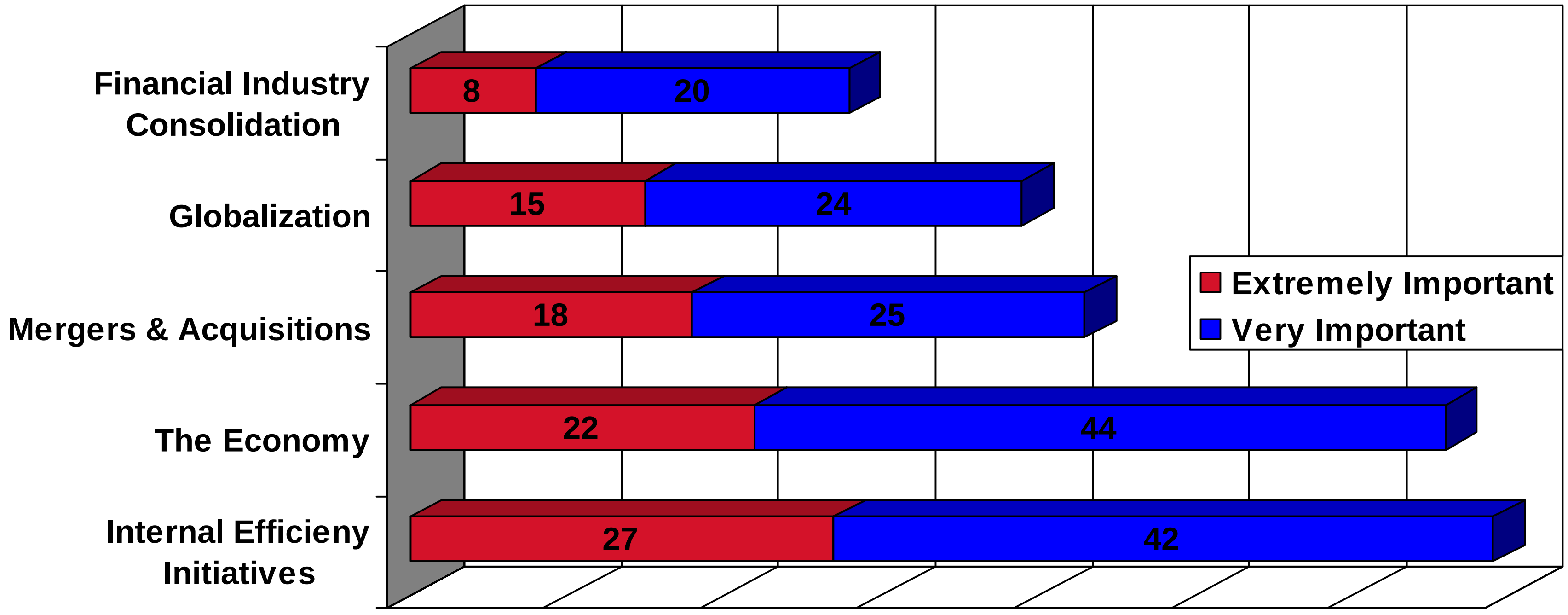
Post-Celtel structure and changes



Divestitures and Treasury

- Spin-Offs/ Spin-Outs
- Straight-Forward Sale
- ECO’s
- IPO’s

Factors Affecting Treasury Area



Source: Business finance /JPMorgan Chase Survey 2007

Improving Treasury Efficiencies

- Understand Internal and External Change Drivers
- Review and confirm the Treasury requirements for the business
- Design Policies, Processes Systems and Banking Solutions to meet the New Requirements & Work out Details for Implementation Plan
- Apply Best Practice Project and Change Management Standards to Ensure Efficient Migration to the New Structure

Zain/Celtel -Gaining on Treasury Efficiencies:

- Increase Access to Funds to maintain and Expand Network Rollouts in remote areas within the framework of the company's **ACE** strategy
- Greater Operational Effectiveness in Accounts Payable and Post-Paid Receivables
- Reduce Foreign Exchange Exposure and Lower Transaction Costs
- Improve Control over African Investment Risk
- More Opportunity and Return on Idle Working Capital

Globalization Leads to Centralization

- An increasing focus on working capital management creating a demand for more efficient order-to-cash and purchase-to-pay cycle processes
- The availability of technology in the form of ERP's and web based solutions that make it easier and more cost effective for companies of all sizes to pursue centralization
- A growing demand for greater control and visibility of treasury and payment activities, from both risk management and compliance perspectives.

Treasury's Rightful Place

- At the Forefront of Efficiency Improvement
- Focus on Cash in Bad and Good Times
- Malleable According to Business Requirements
- Recognized as Value Adding by the Organization
- Work Intensively with Other Units of the Company
- Complement the Ebbs and Flows of the Business

Thank You