



W E N D E L



29 October 2012

Investment in IHS Holding

Wendel to invest c. 125M\$ in IHS through Oranje-Nassau Développement

■ Investment thesis

- ✓ **First direct investment in Africa**, in a fast growing region & industry
- ✓ Capture the **strong growth of the African continent** through a balanced geographical footprint in multiple countries
- ✓ **IHS** is a provider of telecom tower infrastructure, leasing “space” on towers primarily to mobile network operators in Africa
- ✓ Telecom infrastructure **sector is crucial to the economy development**, resilient over time and with high growth potential
- ✓ IHS will become **a Pan-African leader** through external and internal growth. The company recently announced the acquisition of MTN's towers in Cameroon & Côte d'Ivoire, reaching a base of 5,700 sites
- ✓ Entrepreneurial and multicultural management

■ Transaction key figures

- ✓ **Wendel, through OND, to invest 125M\$** (c. 25% of shareholding) alongside **first tier existing shareholders** (IFC, ECP, Investec AM & FMO)
- ✓ **Transaction valued at c14x current EBITDA**
- ✓ This investment is realized in the context of a capital increase in preferred shares, to finance IHS acquisition of towers in Côte d'Ivoire & Cameroon and development in Nigeria

■ Governance key points

- ✓ Shareholder agreement with substantial governance influence for Wendel
- ✓ 2 out of 9 board members, and 1 seat in each Committee (audit, compensation/HR, strategy)

A transaction supporting IHS Pan-African strategy

External growth opportunity

- Definitive agreement(*) on October 12, for the acquisition from MTN of 931 towers in Côte d'Ivoire and 827 towers in Cameroon
- The agreement includes a commitment from IHS to roll out a build-to-suit program to support MTN's future requirements in both countries

Becoming the largest independent tower company in West Africa

- IHS increases its sites under management from c.4,000 to more than 5,700 and becomes the largest independent tower company in West Africa, with presence in the 4 largest economies of the region

Partnership with at least one mobile operator secured

- MTN Côte d'Ivoire & Cameroon anchor tenant for initial term of ten years
- IHS maintains strong relationship with other leading Pan-African mobile operators

Financial metrics

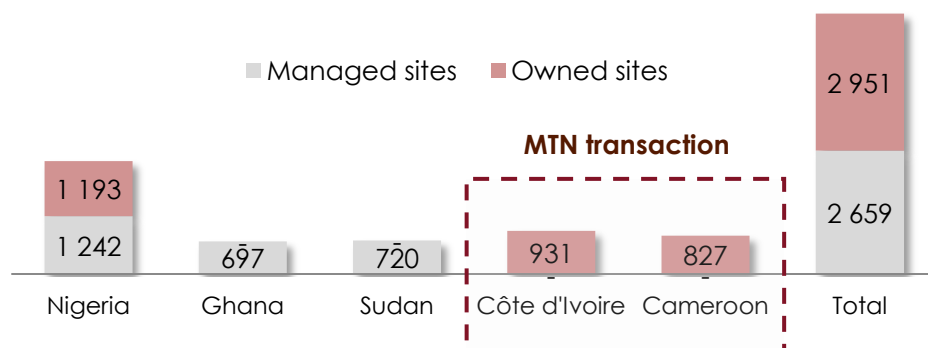
- c. 284M\$ acquisition price, i.e. c.160K\$ per tower
- Ebitda Margin in line with sector in the medium term

*The IHS / MTN transactions are expected to close during the first quarter of 2013, subject to customary closing conditions

IHS company profile

Overview

- Pan-African tower operator founded in 2001 with operations in Nigeria, Ghana, Sudan and South Sudan
- Provides services across the full tower value chain: managed services, deployment and site ownership



- Currently employs c.1,000 personnel (80%+ technical)
- Executive management team a mix of highly experienced international professionals in various disciplines
- Focused on delivering quality service to customers with best in class delivery and up-time (more than 99.9% on IHS collocation sites)
- Investing heavily in R&D power solutions and operating efficiencies
- ISO 9001 certified since 2006

Key figures

- **2012 key figures (FY ending April 2012)**
 - Total revenues: 97M\$ (o/w 38M\$ in collocation)
 - Recurring EBITDA: 11M\$ (o/w 10M\$ in collocation)
 - 782 towers owned (+ 141 WIP)
 - Tenancy ratio: 1.67x
- **Current trading prior to MTN deal**
 - Over 25% top line growth
 - 25 M\$ current EBITDA

Diversified revenue mix

- Long standing relationships with major and credit worthy telecom operators



Others

Indicative future shareholding structure of IHS Holding



- Investment arm of the World Bank
- One of the largest investors in telecommunications and infrastructure in Africa
- 45bn\$ committed portfolio



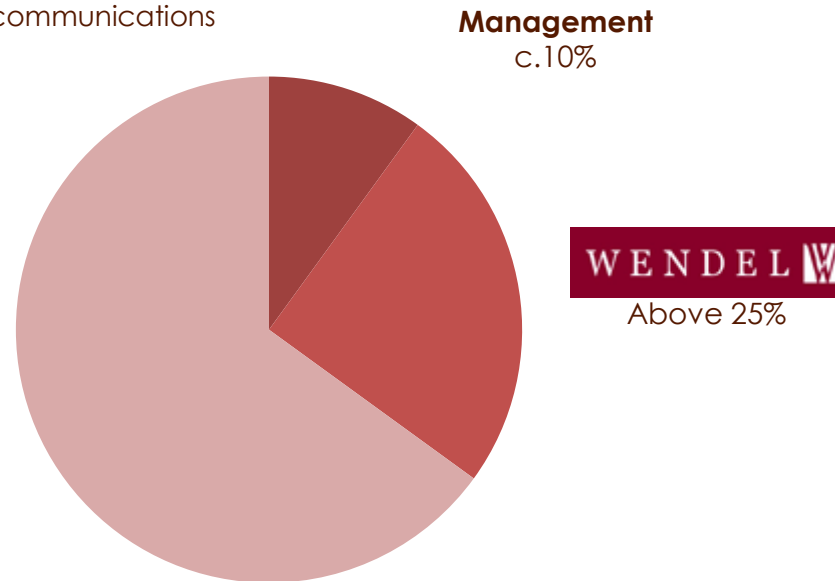
- First private equity firm to raise more than 1.8bn\$ for investment in companies across Africa
- Over 50 investments since 1997 and more than 20 exits generating an average of 3x invested capital
- “Private Equity deal of the year “ Award at Africa Investor’s Investment & Business Leader Awards 2012



- Development bank of the Netherlands and one of the largest development banks in the world
- Both the Dutch state and large Dutch banks are shareholders
- 6.2bn\$ committed investment portfolio



- Leading global investment manager with approximately 100bn\$ under management
- one of the largest investors in private and public equity in Africa

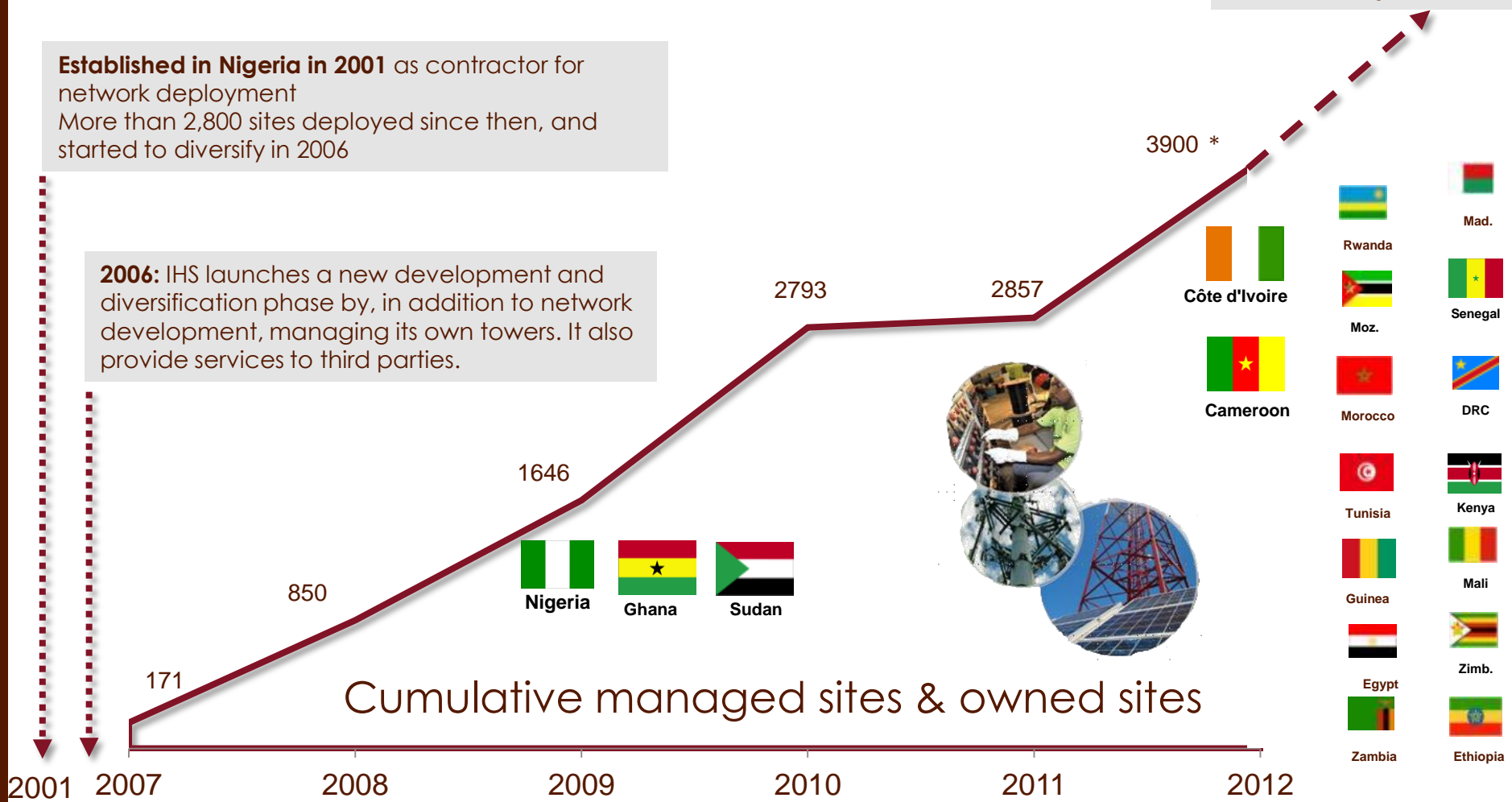


Strong development pace since inception in 2001

Established in Nigeria in 2001 as contractor for network deployment
More than 2,800 sites deployed since then, and started to diversify in 2006



















2006: IHS launches a new development and diversification phase by, in addition to network development, managing its own towers. It also provide services to third parties.

Continued expansion in Africa with 10 + markets within next 5 years



*Prior to MTN transaction

IHS compares favorably to competition on all relevant criteria

	 6 Years 12 years in Network development	 2 Years	 6 Years	 3 Years
African Track Record				
Services Portfolio				
Collocation	✓	✓	✓	✓
Management Services	✓	✓	✗	✗
Deployment	✓	✗	✗	✗
Key customers Breadth	   	   	   	 
Estimated Towers under Management in Africa	c.5,700 after deal with MTN	c. 4,200	c. 3,700	c. 1,500

Source: Public filings, press releases, company information.

IHS value proposition

- ✓ Innovative power solutions and opex savings for operators
- ✓ Lower cost base than competitors: Scope to offer better lease rates
- ✓ Highly qualified workforce and high staff retention
- ✓ Ready to be deployed in new markets
- ✓ Proprietary tower market database
- ✓ Optimised algorithms and software for planning and mapping
- ✓ Optimised site acquisition process
- ✓ Better understanding of local markets



Deal background

Why invest in Africa ?

Africa offers a superior growth potential

- ✓ **Superior GDP growth:** the African GDP has increased by around 5% on average over the last 10 years, even more in sub-saharan Africa
- ✓ **Strong demographics:** the large and young African population (c. 1 billion people) with middle and higher earning classes are rapidly expanding
- ✓ **Dynamic markets:** IHS geographies represent c. 24% of the African GDP in 2012 and are growing at a fast pace

Geographical & cultural proximity

- ✓ Wendel takes advantage of Bureau Veritas presence in Africa, with 3,000 people and key government contracts
- ✓ Presence of all group companies, included unlisted ones such as Materis, Mecatherm and Stahl
- ✓ Strengths of European & French corporates in Africa

The African telecom market offers a combination of both scale and growth

34bn\$+

Annual revenue pool of 6 largest telecom operators (1)

8%

annual growth rate(2)

170,000

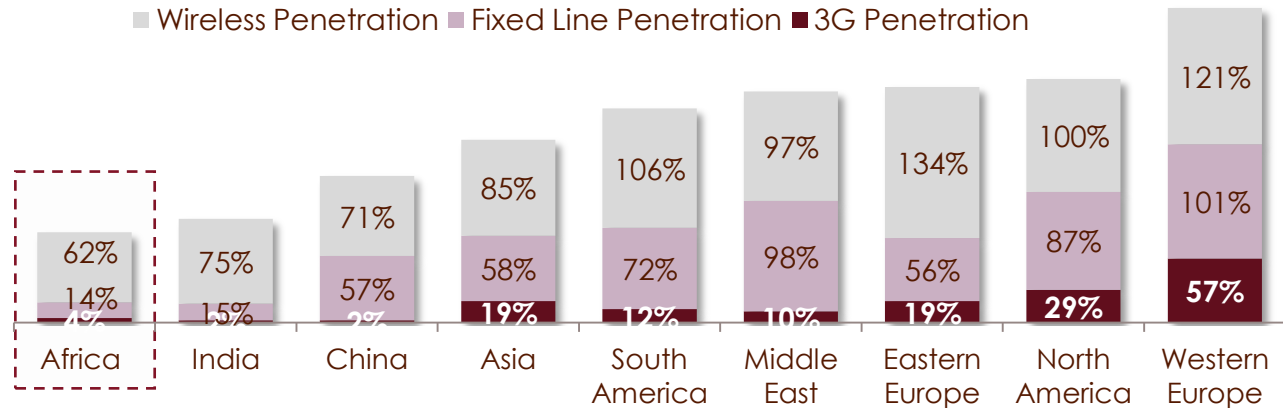
towers in all Africa

More than 300,000 needed

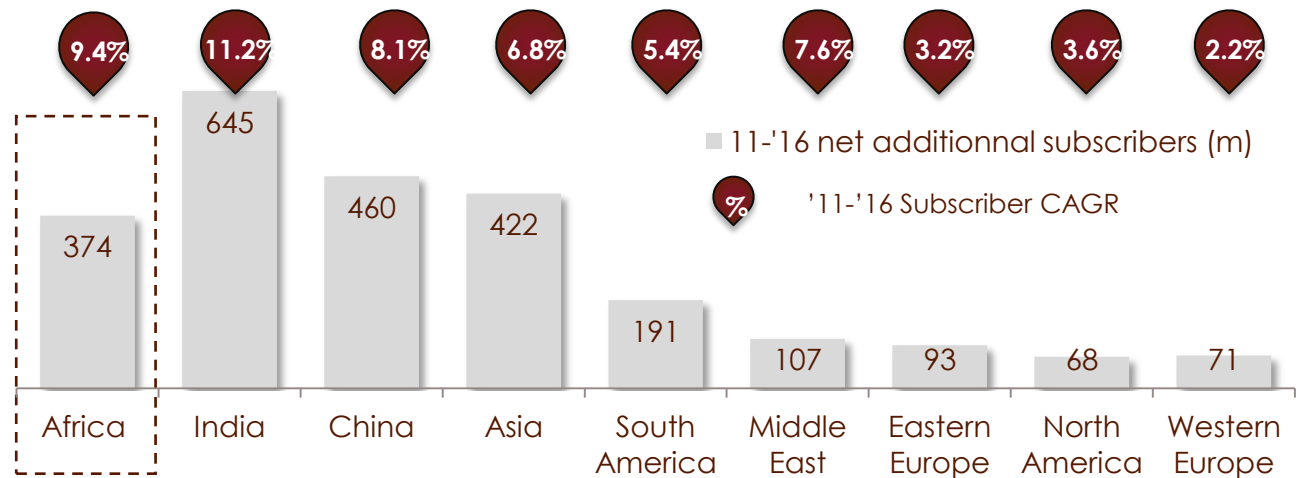
15bn\$+

of near term capex requirement(2)

Penetration in Africa is the lowest in the world...



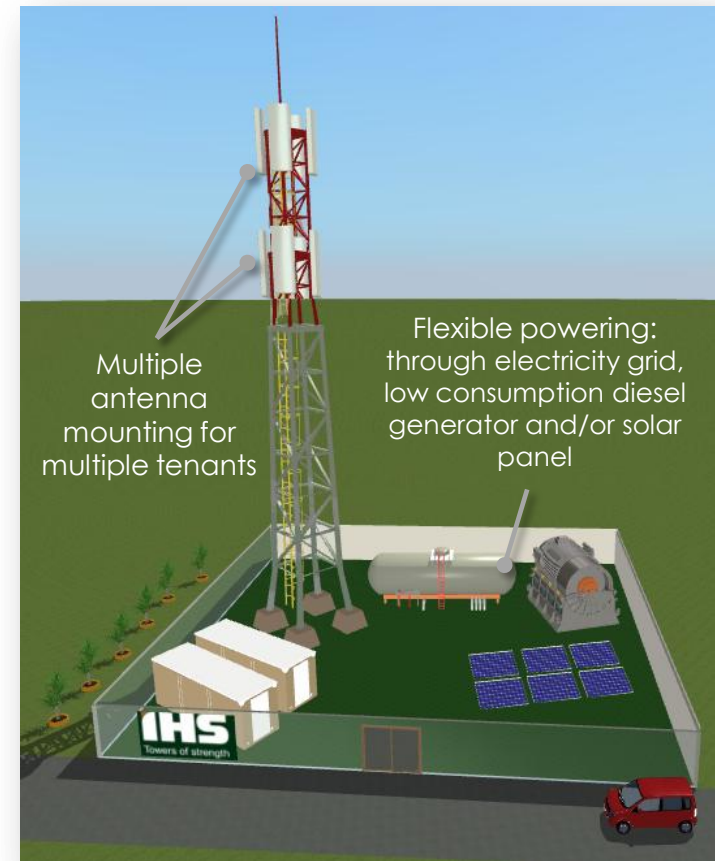
...paving the way for solid growth over the next 5 years



Sources: WCIS, Broker Research. (1) Etisalat, MTN, Bharti/Airtel, France Telecom, Vodafone, Millicom. (2) 'over 2011-2013 period

Why are towers attractive ?

- Towercos lease “space” on towers primarily to mobile wireless service providers.
- They ensure network availability (uptime, power supply) and maintain/secure the tower network
 - Focus on passive network only
 - Business models can vary from BLB (*Buy and Lease Back*), BTS (*Build to Suit*), MLL (*Managed with Licence to Lease*) and MS (*Managed Services*)
- Proven business model with high EBITDA margins (> 60% in the US, > 40% in India)
 - Upfront investment (200K\$ per tower)
 - High operating leverage, with tenancy ratio uplift
 - Visibility on revenue stream because of (i) low tenant turnover and (ii) long term contracts (10-15 years)
 - High cash flow from stable portfolio of leases (70–90% of incremental revenue converted to Cash Flow)
- Growth comes from co-location and new service roll-out (data...) → ability to add leases to tower base



A resilient business model based on long term customer contracts and a competitive product offering

Growth market with strong fundamentals

- **Voice Subscriber Growth:** Number of subscribers in **Sub-Saharan Africa** expected to increase from 380M in 2011 to 550M in 2015. Need for 150.000+ new towers or space on existing towers in Africa
- **Data Subscriber Growth:** Mobile operators are beginning to roll out 3G and 4G networks to meet demand in the underserved data market. 3G and 4G data services require three times as many towers compared to voice only

Build To Suit focus

- **Attractiveness of BTS:** Build To Suit towers are attractive as they can be built in locations of maximum demand leading to the highest lease-up rates
- **Operational Experience and In-House Knowledge:** IHS is well suited to execute on a BTS strategy due to its experience in the tower construction business and managed services business

Strong cash flows

- **Contracted Cash Flows:** 10 to 15-year contracts with Mobile Network Operators (MNO) result in steady and annuity-like revenue
- **Large Credit Worthy Customers:** current key customers are MTN, Airtel, Etisalat and Visafone.
- **Negative Working Capital:** market norm is for customers to pay up to 6 months in advance

High switching costs

- **Contracts:** Long term nature of MNO contracts make difficult to switch to a different tower operator
- **Network Redesign:** Switching tower operators is also made difficult by the resulting need to redesign the network
- **TowerCo Reliance:** By outsourcing their passive networks, MNOs are becoming increasingly reliant on TowerCos

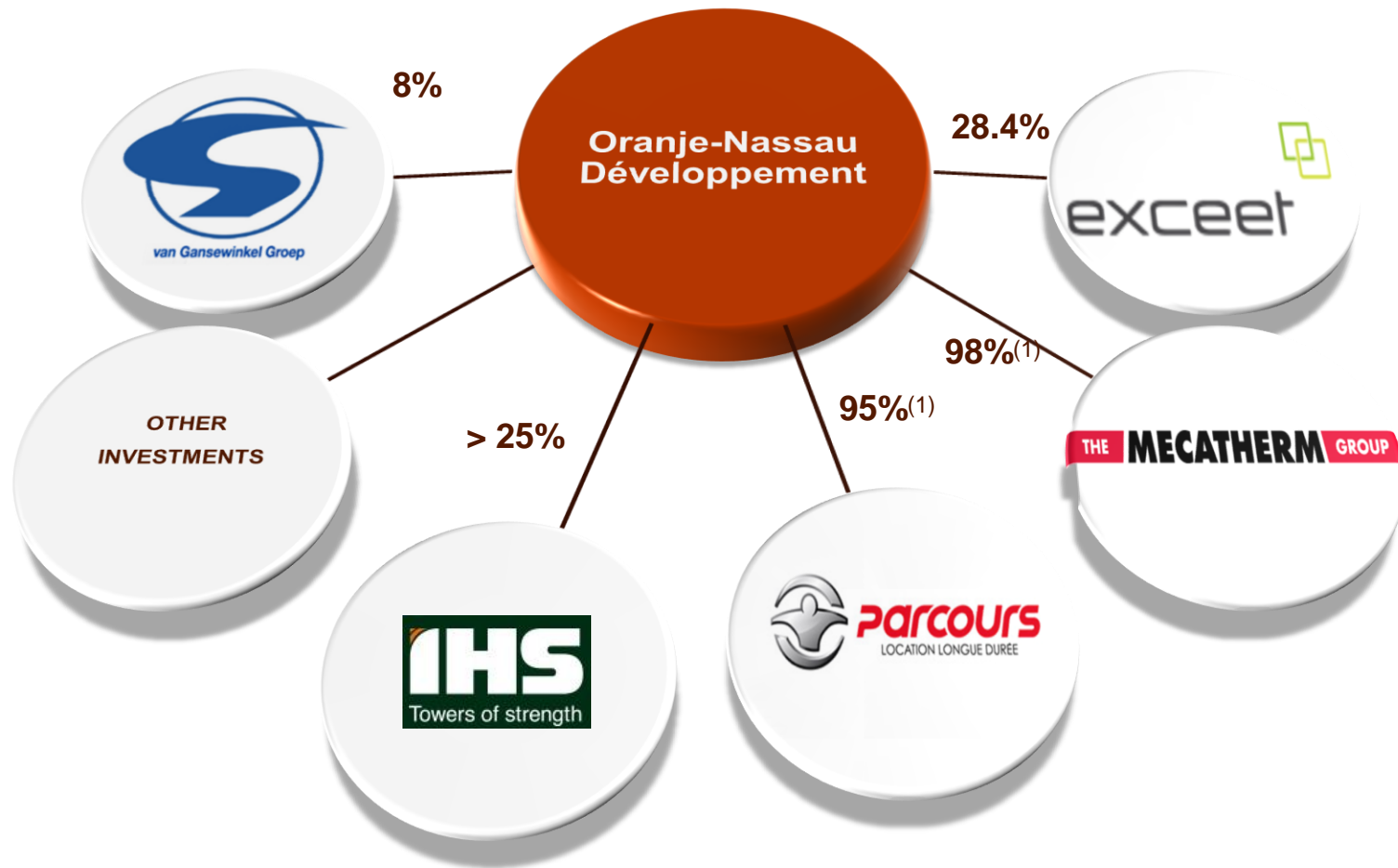
Clear value proposition for mobile operators

- **Focus on Cost Control:** Network sharing and tower outsourcing is a key component of this strategy as ARPUs decline
- **Decreased Opex:** Multi-tenancy allows TowerCos to lease towers for less than their current operating costs
- **Focus on Core Business:** MNO management teams can focus on their core businesses (marketing, pricing, data...)
- **Increase Regulatory Pressures:** Regulation requiring tower sharing provide strong support to the industry



IHS in Wendel's strategy

Oranje-Nassau Développement - Structure dedicated to growth, diversification and innovative investment opportunities



(1) Before dilution from financial instruments giving access to share capital

Wendel's growth strategy

New investments

Wendel

**€200 – 500M
of equity per investment**

In geographic regions well known
to Wendel
*(Germany, Benelux, North America
and France)*

Oranje-Nassau Développement

**✓ Up to €200M
in equity per investment**

- ✓ All geographic regions
- ✓ Diversification and growth

- ✓ Exposure to new economies
- ✓ Benefiting from long-term economic trends
- ✓ Priority on unlisted companies
- ✓ Control / co-control, working together with management,
both strategically and operationally
- ✓ Moderate financial leverage



Appendix

Glossary & additional information

■ IHS Website

<http://www.ihstowers.com>

■ Glossary

Build-to-Suit (BTS)

IHS has the technical expertise, experience and resources required to construct and manage the development of new towers. IHS team of Site Development Project Managers handles every step of the project, working with both internal and external resources to manage the process. Build-to-Suit services include:

- Site analysis – land surveys, environmental site assessment, geo-technical analysis, zoning and permitting
- Site acquisition
- Permits and legal due diligence to ensure compliance
- Site development and construction management
- Equipment installation

Manage with License to Lease (MLL)

Through Manage with License to Lease option IHS manages sites owned by a mobile network company, with the authority to lease out space on the towers and manage shared resources. This enables the site owner to gain additional value by reducing OPEX as well as freeing up their time and resources focus on serving customers.

Buy-Lease-Back (BLB)

In line with its commitment to continually offer more value to clients, IHS provides a Buy-Lease-Back option where IHS buys mobile towers and related assets from mobile network operators and lease them back to them. This offers clients key benefits, including:

- Cost savings – reduced OPEX
- Freed up capital investment
- Network expansion opportunities

IHS has an experienced management team in Africa, with a broad range of operating and investing experience

Background

	<p>Issam Darwish Title: Vice Chairman / Chief Executive Officer Age: 41</p>	<ul style="list-style-type: none"> • Founded IHS in 2001 • Previously Deputy Managing Director at Motophone from 1988 to 2000, Network Manager at LibanCell • Vice Chairman at MCI Overseas in the 1990s • BSc in Computer & Communications Engineering
	<p>Rajiv Jaitly Title: Nigeria Chief Executive Officer Age: 51</p>	<ul style="list-style-type: none"> • CEO Quippo Infocomm • Regional CEO Bharti Airtel • VP Pepsico • MBA (Marketing) from the Long Island University
	<p>Ted Manvitz Title: Chief Operating Officer Age: 40</p>	<ul style="list-style-type: none"> • Managing Director at ARMCP (Nigeria) • Executive Director at JP Morgan (London, San Francisco) • Associate at Bryan Cave LLP (corporate finance and M&A attorney) • MBA (Finance), Juris Doctor and BSBA (Accounting)
	<p>David Ordman Title: Chief Financial Officer Age: 43</p>	<ul style="list-style-type: none"> • Previously Chief Financial Officer at Starcomms Plc (Nigeria) and CFO of Millicom Pakistan (Paktel) • FCA – trained at PWC UK • MBA from the Columbia/London Business Schools combined programme
	<p>William Saad Title: Chief Technical Officer Age: 41</p>	<ul style="list-style-type: none"> • Over 10 years of experience in the telecom industry • Operations Director at Motophone • Network Operator at LibanCell and OMC / GSM Administrator at MCI • BSc in Computer and Communications Engineering
	<p>Rob Gelderloos Title: Chief Commercial Officer Age: 51</p>	<ul style="list-style-type: none"> • VP of Operations at Celtel International • CEO at Celtel (DRC) and at Celtel (Congo Brazzaville) • CFO at Shell (Zaire, Haiti, Netherlands) • Masters in Business Economics and Chartered Accountant
	<p>Romain de Villeneuve Title: Business Development Director Age: 40</p>	<ul style="list-style-type: none"> • Over 15 years of experience in telecom industry • Head of Transformation Program, Business Development Director – Orange Group • CFO at Alcatel (Colombia, Thailand, Bangladesh, Poland) • Master of Science in Management
	<p>Mustafa Tharoo Title: General Counsel Age: 38</p>	<ul style="list-style-type: none"> • Over 15 years of private practice experience in undertaking M&A, project finance and infrastructure transactions across Africa • Founder and head of corporate, Adept Chambers • Director, Africa Legal Network Limited (a network of leading law firms across 12 African countries) • LLB Law & Economics, University of London