



WENDEL



IHS
Wendel Investor Day

Issam Darwish, CEO – December 6, 2012

Wendel as a long term partner

- **Long term** investment horizon: exactly what telecom infrastructure requires
- **Large size** investor with ability to support the company when needed over time
- Deep experience in accompanying entrepreneurs and managers in a **high growth development phase**
- Strong involvement of Wendel in the company's **governance and strategic decisions**
- **Synergies** with French/European customers and supply base

IHS, the leading tower leasing company in Africa



Nigeria

- 850 towers + 500 in progress
- 1.8x Lease Up Rate ("LUR")
- Already secured order book of a further 250 sites for 2013
- 10 – 15 year lease agreements
- MTN, Airtel and Etisalat amongst main customers



Côte d'Ivoire

- 931 towers
- 10 year lease agreements
- MTN as anchor tenant
- Acquired October 2012



Cameroon

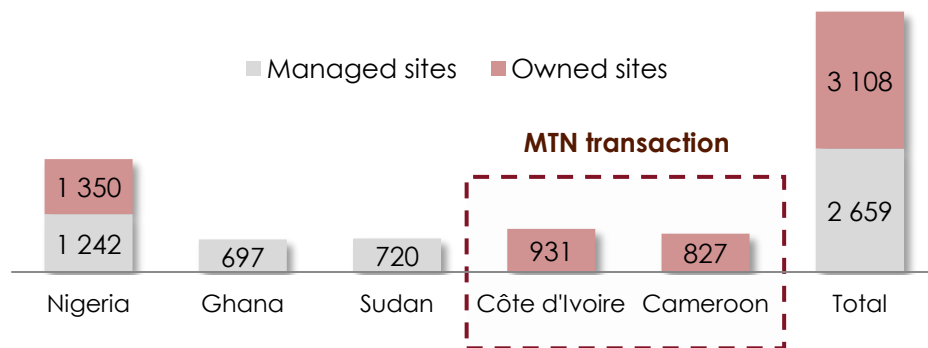
- 827 towers
- 10 year lease agreements
- MTN as anchor tenant
- Acquired October 2012



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 is 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)
 - Lease-up rate: 1.67x
- **Current trading prior to MTN deal**
 - 25% top line growth
 - 25 M\$ current run rate EBITDA
 - 850 towers owned (+ 500 WIP)
 - Lease-up rate: 1.80x



















Diversified revenue mix

- Long standing relationships with major and credit worthy telecom operators



Others

IHS compares favorably to competition on all relevant criteria

	 5 Years in Collocation 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

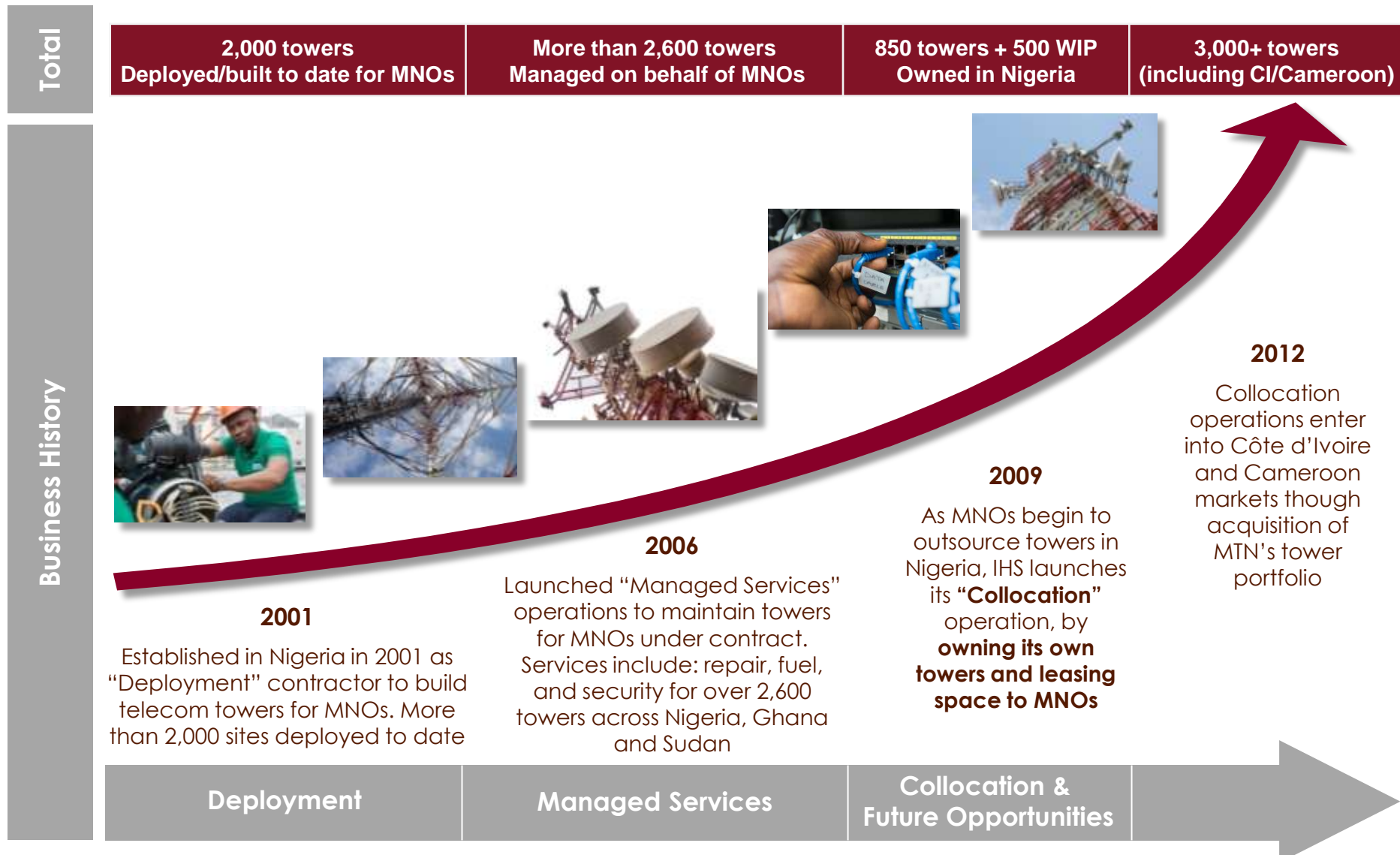
Source: Public filings, press releases, company information.

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

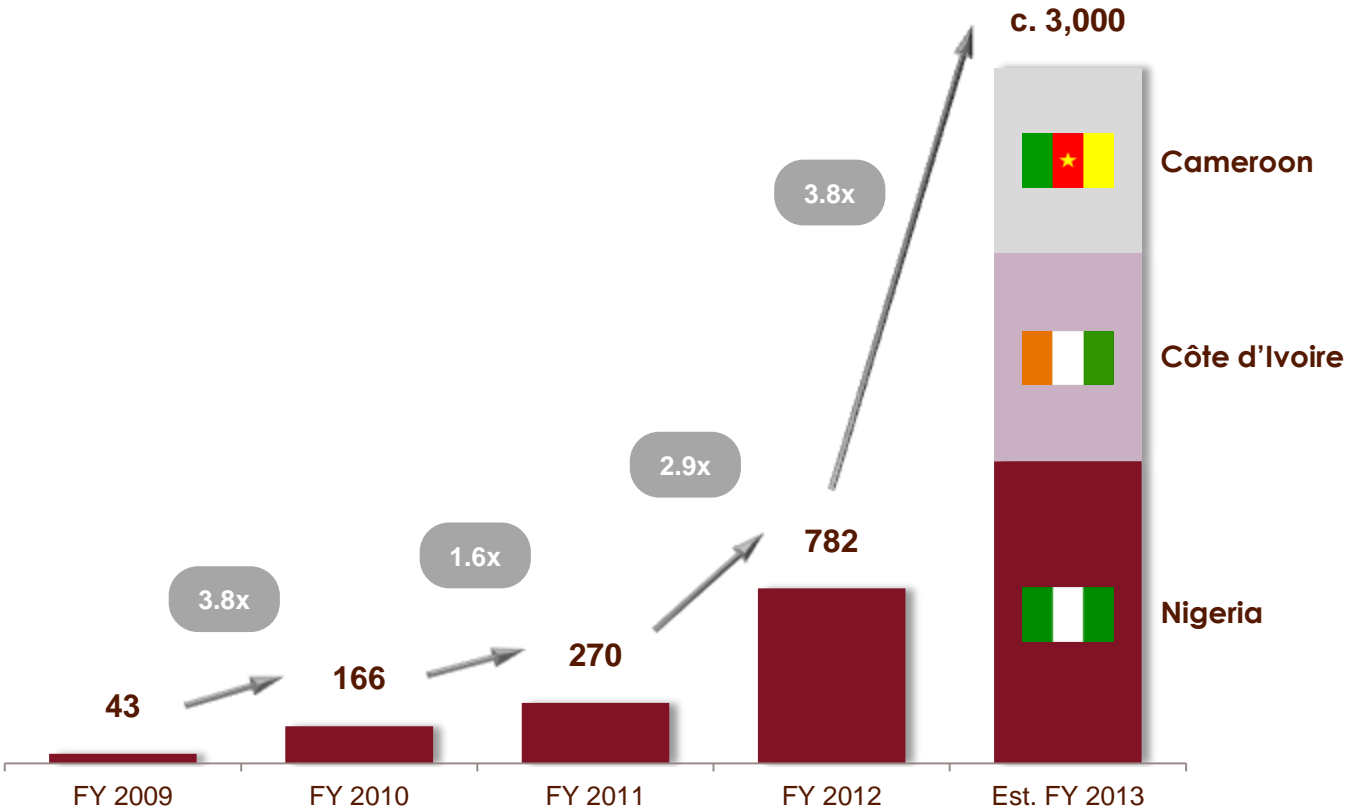
12-year track record of success

Success throughout the tower value chain and a reputation for quality and reliability from MNO customers



IHS has experienced significant growth in its collocation business

Growth of the Collocation Business (Number of Collocation Sites) ⁽¹⁾



Source: Company Information.
 (1) Fiscal year ends on April 30.

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

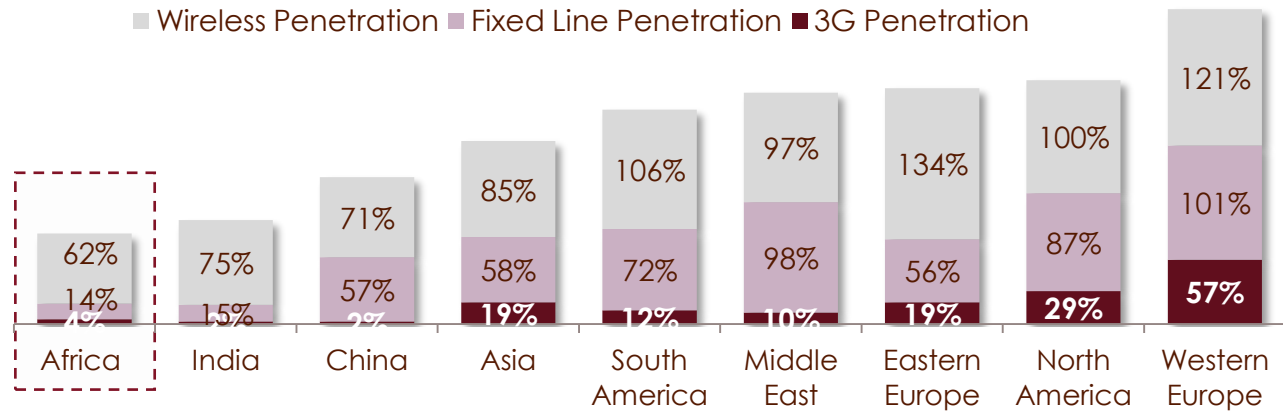
towers in all Africa

More than 300,000 towers/slots needed

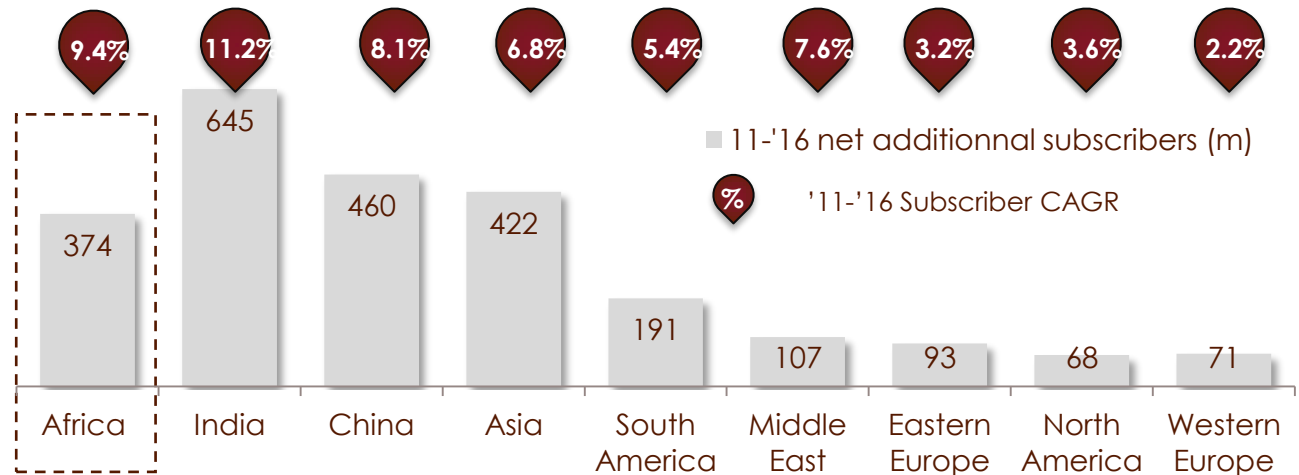
15bn\$+

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, Orange, Vodafone, Millicom. (2) ' over 2011-2013 period

Africa is an attractive market for tower companies

African Telecom Market

Current operators expanding coverage

- **Operators are expanding coverage to rural areas and 2nd / 3rd tier cities**
- **Lower population densities in these areas make collocation attractive to MNOs** as unit tower revenue will be lower

**Data growth
Rollout of 3G & 4G**

- 3G is only starting to be launched with **penetration rate currently at 4%**
- **Wireless data is the primary method of accessing the internet in Africa**
- **3G data services require 3x as many towers** compared to voice only service

Favourable MNO and regulatory dynamics

- **African telecom sector represents a \$34bn industry**, growing at a CAGR of 8%
- **Multiple creditworthy tier 1 & tier 2 MNOs** increasingly willing to share towers
- Multiple Wimax players and **2G/3G operators that are set to enter the market**

TowerCo Model

Long term, contracted cash flows

- **10 to 15-year contracts with MNOs** result in low risk and annuity-like revenues
- **High switching costs** due to network redesign requirements upon switching
- **Negative working capital** as customers pay up to 6 months in advance

Compelling unit economics

- **A tower is EBITDA positive with 1 tenant**
- As most costs are fixed, **tower EBITDA margins increase to more than 40% and 50% with the addition of a second and third tenants respectively**

Clear value proposition for mobile operators

- **Focus on cost control** through tower outsourcing as ARPU's are declining
- **Decreased opex** as multi-tenancy allows to lease towers for less than their current operating costs
- **Focus on core business / Improved quality of service**

IHS is the best positioned tower company in Africa

A proven track record of delivering results

Strong operating performance

- 50% gross margin
- Average uptime of 99.9% in the last 12-months
- 1.8x Lease Up Rate (LUR) across portfolio (demonstrated ability to achieve 2.0x LUR in 14-months)

Demonstrated ability to operate at scale

- IHS has built more than 2,000 towers demonstrating its capacity to execute a build to suit strategy
- IHS currently owns and manages for its clients, such as MTN, Etisalat, and Airtel, over 5,700 towers

Proprietary knowledge of MNO tower locations and Radio Frequency planning

- Developed unique and proprietary insight into location of existing towers and the demand for new towers
- Best in class in-house Radio Frequency planning capabilities enables IHS to determine where to build towers to maximise the potential for collocation
- Demonstrated track record of rapid LUR ramp up by picking the best locations to construct BTS towers to be used by multiple tenants

IHS is the best positioned tower company in Africa

Well positioned to continue to grow

Leading position in Nigeria

- IHS is the largest and most profitable tower company in Nigeria
- Nigeria is the largest telecom market in Africa (15% of total market in Africa)



Nigeria



Tier 1 MNOs

Tier 2 MNOs

Wimax & ISP operators

2G/3G licenses

4 new 3G licenses issued to existing operators

Leading position in Côte d'Ivoire and Cameroon

- IHS is the only tower company in Côte d'Ivoire and Cameroon, owning respectively 30% and 50% of the total towers in those markets



Côte d'Ivoire



Cameroon



3

11

2 new 3G licenses issued to existing operators

1

8

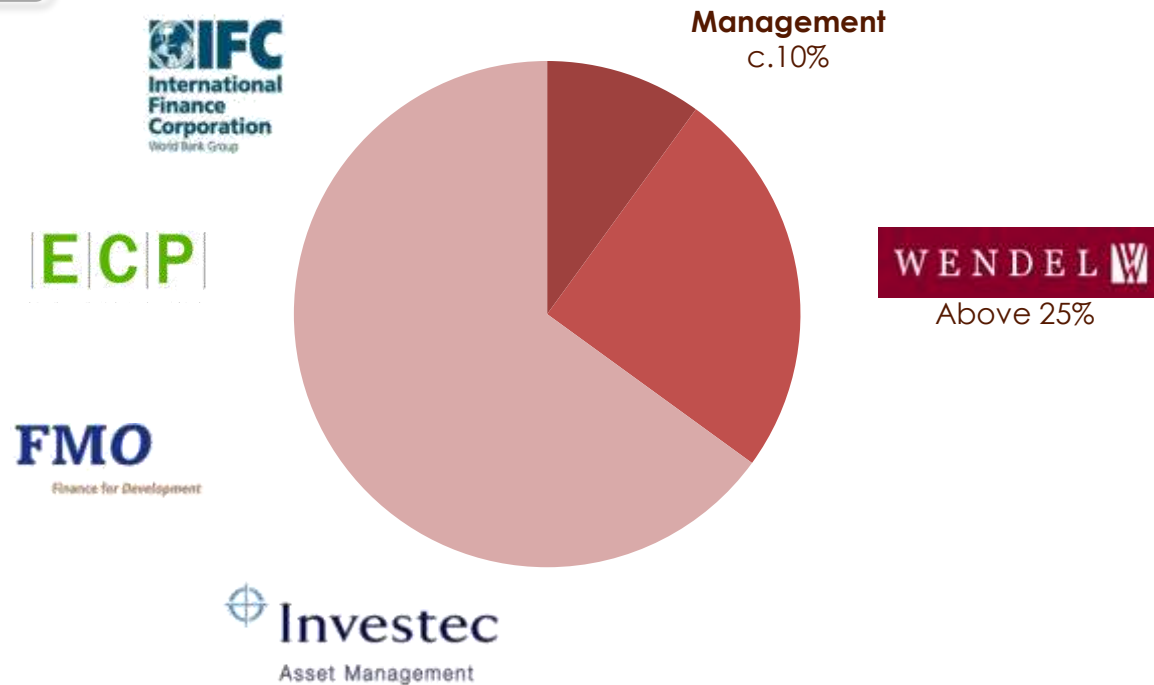
1 to 2 new 2G/3G licenses expected to be issued to operators

IHS is the best positioned tower company in Africa

























Strong financial backing

- Leading international investors and African specialists with additional investment capacity
- On 30-Nov-12, IHS signed a \$202m syndicated credit facility provided by Ecobank to fund the acquisition of MTN's towers in Cameroon and Côte d'Ivoire

**Indicative future
shareholding structure of IHS**




The evolution and vision of IHS

	FY 2012	FY 2013	+2-3 Years	5 Yearst+
Market presence	 Nigeria		<div style="border: 1px dashed gray; padding: 5px; display: inline-block;">  Nigeria  Côte d'Ivoire  Cameroon </div>	
			+3 additional markets	+5 to 7 additional markets
Expansion focus	Material strategic partnerships Transactions outside Nigeria		Strong Pan-African presence	Continued expansion in Africa And the Middle East
Target markets and opportunities	 Cameroon  Côte d'Ivoire	 Senegal  DRC  Kenya  Mali  Zimb.  Moz.  Morocco	 Tunisia  Guinea  Egypt  Mad.  Rwanda  Ethiopia  Zambia	.../...
Target MNO partnerships	       ...other operators			

Source: Company Information

Outlook

- **The African telecom market is expected to grow significantly** over the coming years, requiring the deployment of telecom infrastructure to support mobile network capacity and coverage expansion
 - **IHS, as an independent towerco, will benefit from a fundamental trend towards tower-sharing and infrastructure outsourcing** from the Mobile Network Operators:
 - To date, only 11,000 towers (6% of total) have been outsourced in Africa
 - 100,000 towers are expected to be outsourced in the coming years
 - **IHS expects to grow its portfolio to 20,000 towers on a pan-African scale over the coming years:**
 - Anchor tenants will be creditworthy leading operators only
 - Combination of Buy and Lease Back (BLB), Manage with License to Lease (MLL) and Build to Suit (BTS)
-  **With Wendel support, IHS has the ambition and potential to become the leading pan-African tower operator**

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