

A Work Project, presented as part of the requirements for the Award of a
Masters Degree in Finance from the NOVA – School of Business and
Economics.

**EXHIBITS OF “ECONET WIRELESS ZIMBABWE LIMITED:
BUILDING THE FUTURE”**

Maria Flor de Soveral Padeira Cardoso Duarte

Number 18172

A Project carried out under the supervision of:

Professor Paulo Soares de Pinho

January 8th, 2016

Exhibit 1 – The Board of Directors

Dr. James Myers – Chairman

Dr. Myers was appointed to the board in May 2009. He was appointed as chairman of the board in December 2012 but apart from it, he chairs the board's Remuneration Committee. He also sits on the board of the parent company of Econet Wireless Zimbabwe Limited, Econet Wireless Global.

Mr. Strive Masiyiwa – Founder

Mr. Strive Masiyiwa is the founder and executive chairman of group Econet Wireless. He is considered one of Africa's most generous men as he has been providing scholarships to young African for more than 20 years, with his own money.

Mr. Craig Fitzgerald – Chartered Accountant

Mr. Fitzgerald was appointed to the board of directors in December 2003, as a non-executive director. He serves on a number of boards within the Group.

Mr. Douglas Mboweni

Mr. Douglas Mboweni is in the group since 1996 and in the Board since 2003. He is the Chief Executive Officer of Econet Wireless Zimbabwe Limited and is an executive director.

Mrs. Tracy Mpofo

Mrs. Tracy Mpofo is a non-executive member of the board. She joined Econet in 2001 as the Finance Director and is now a Chartered Accountant and a Chartered Management Accounted.

Mr. Krison Chirairo

Mr. Krison Chirairo is the Finance Director of the company. He is in the group since 1998 and in the board since February 2007.

Ms. Beatrice Mtetwa

Ms. Beatrice Mtetwa is non-executive director of the Board since October 2010. She is a lawyer with international recognition.

Mrs. Sherree Shereni

Mrs. Sherree Shereni is an independent non-executive director of the Board since May 2013. She chairs the board's Risk Committee and has helped the Group with her experience and expertise in stakeholder engagement and management.

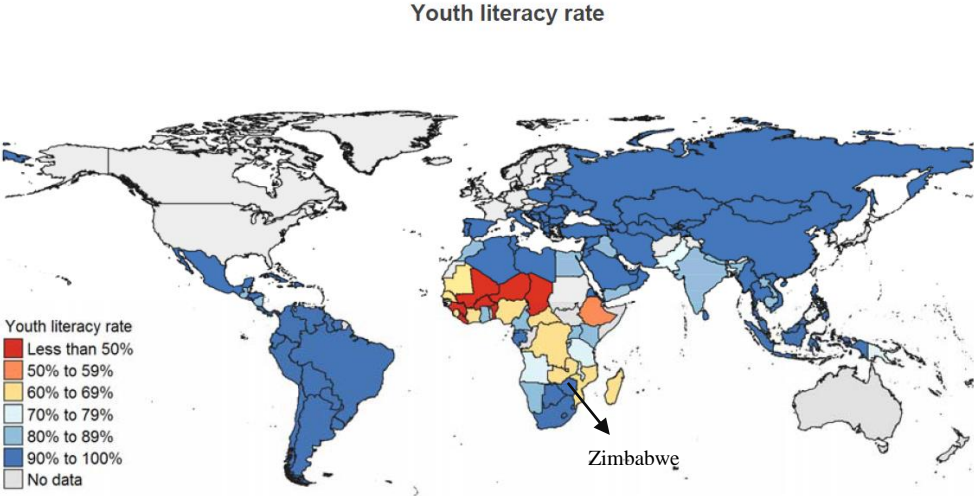
Mr. Godfrey Gomwe

Mr. Godfrey Gomwe was appointed to the Board in May 2013 as an independent non-executive director. Additionally he is the Chairman of the board's Social and Ethics Committee.

Mr. Martin Edge

Mr. Martin Edge joined the Board in May 2013 as an independent non-executive director. He has advised on some of the most important transactions in Africa's telecommunications sector.

Exhibit 2 – Global Maps of Literacy Rates for Youth, 2011



Source: UNESCO Institute for Statistics, September 2013.

Exhibit 3 – the last Zimbabwe dollar



Exhibit 4 – Economic Overview of Zimbabwe

Zimbabwe		2004-2008	2009	2010	2011	2012	2013	2014	2015	2016
Real GDP Growth	%	-7.5	7.5	11.4	11.9	10.6	4.5	3.2	2.8	2.7
Real per capita GDP growth	%	-8.3	6.6	10.4	9.1	7.8	3.3	2	1.7	1.6
Consumer Prices	<i>Annual average, percentage change</i>	39.9	6.2	3	3.5	3.7	1.6	-0.2	-1	0
Total investment	% of GDP	...	15.1	23.9	22.4	13.5	13	13.2	13.3	13.7
Gross National Savings	% of GDP	...	-32	8	-8.5	-11	-12.5	-9	-6.9	-7.4
Overall Fiscal Balance, including Grants	% of GDP	-3.5	-2.1	0.7	-1.3	-0.6	-1.9	-1.5	-1.2	-2.5
Government revenue excluding grants	% of GDP	6.1	11.4	23.3	26.7	28	27.7	27.6	27.9	27.1
Government Expenditure	% of GDP	9.6	14	22.6	27.9	28.6	29.7	29	29.1	29.5
Government Debt	% of GDP	50.6	68.3	63.2	51.8	56.7	54.2	54	55.2	54.7
Broad Money	% of GDP	10.7	16.9	24.7	28.3	29.6	28.8	32	33.5	33
Broad Money Growth	%	1.4	340	68.6	33.1	19.1	5.3	12.6	6.8	2.1
Claims on Nonfinancial private sector	% of GDP	3.8	8.4	17.6	24.7	28.3	26.8	27.5	-	-
Exports of Goods and Services	% of GDP	27.3	22.1	36.7	42.8	32.7	29.4	28.3	27.3	27.2
imports of goods and services	% of GDP	36.5	76.1	61.5	78.4	62.9	59.3	54.5	53.3	54.2
trade balance on goods	% of GDP	-7.3	-47.1	-20.3	-28.7	-23.3	-23.1	-19.9	-19.6	-20.8
External current Account	% of GDP	-8.5	-47.1	-16	-30.9	-24.6	-25.4	-22.3	-21.6	-23.8
External Debt to Official Creditors	% of GDP	56.2	66.5	62.3	52	48.4	46.6	47.2	49.1	49.1
Terms of trade on goods	<i>index, 2000 = 100</i>	86.2	104.4	109.8	108.8	112.5	111.8	109.2	112.1	110.7

Exhibit 5 – Country Comparison

July 2015	Inflation (% change)	GDP per Capita	Current Account (% GDP)	Gross Debt (% GDP)	Real GDP (% change)	Corruption Index	Global Peace Index	Rating (Moody's)
Belarus	16%	17,964	-6%	42%	-0.51%	31	2,173	Caa1
Democratic Repub	1%	771	-9%	21%	8.04%	22	3,085	Ba3
Egypt	9%	11,346	-3%	89%	3.44%	37	2,382	B3
Ethiopia	9%	1,774	-9%	23%	8.91%	33	2,234	B1
Haiti	6%	1,807	-5%	25%	3.30%	19	2,074	
Iraq	2%	15,872	-5%	64%	3.93%	16	3,444	
Malawi	19%	1,141	-2%	0%	5.04%	33	1,814	
Mozambique	4%	1,256	-40%	58%	7.58%	31	1,976	B1
Niger	1%	1,084	-19%	39%	5.86%	35	2,320	
Nigeria	9%	6,184	0%	12%	4.90%	27	2,910	Ba3
Tanzania	6%	2,916	-8%	38%	7.02%	31	1,903	
Uganda	5%	2,010	-10%	35%	5.02%	26	2,179	B1
Ukraine	17%	8,669	-4%	77%	-2.09%	26	2,845	Ca
Yemen	15%	3,273	-4%	57%	-0.71%	19	2,751	
Zimbabwe	0%	2,092	-23%	59%	2.91%	21	2,294	

Exhibit 6 – Rating and Sovereign Credit Spread

Default Spreads by Rating Class - Sovereign Bonds/CDS in January 2015

Aaa/AAA	0.00%
Aa1/AA+	0.40%
Aa2/AA	0.50%
Aa3/AA-	0.60%
A1/A+	0.70%
A2/A	0.85%
A3/A-	1.20%
Baa1/BBB+	1.60%
Baa2/BBB	1.90%
Baa3/BBB-	2.20%
Ba1/BB+	2.50%
Ba2/BB	3.00%
Ba3/BB-	3.60%
B1/B+	4.50%
B2/B	5.50%
B3/B-	6.50%
Caa1/CCC+	7.50%
Caa2/CCC	9.00%
Caa3/CCC-	10.00%

Exhibit 7 - Subscribers’ Market Share Evolution

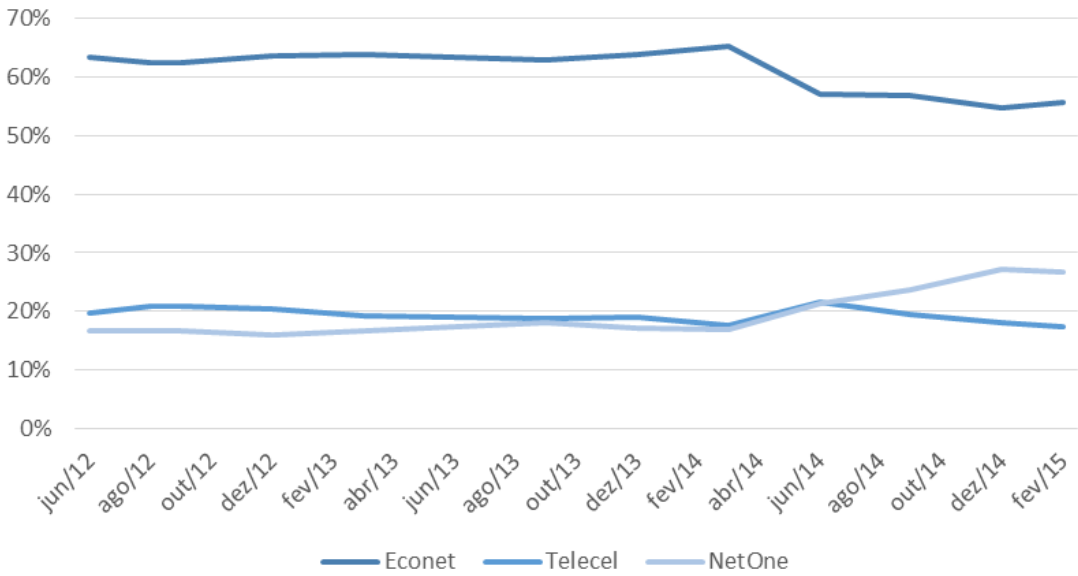


Exhibit 8 – The Telecommunications Sector in Zimbabwe

	2012	2013	2014	2015
Population	12,974,000	13,117,000	13,261,000	13,407,000
Population (FY)	12,733,250	13,009,750	13,153,000	13,297,500
Mobile Penetration Rate	79.51%	96.49%	105.62%	89.18%
Active Subscribers		7,301,102	8,608,637	6,470,812
Internet Penetration Rate	30.6%	42.0%	45.0%	

Exhibit 9 – Financial Landscape in Zimbabwe as at December 2014

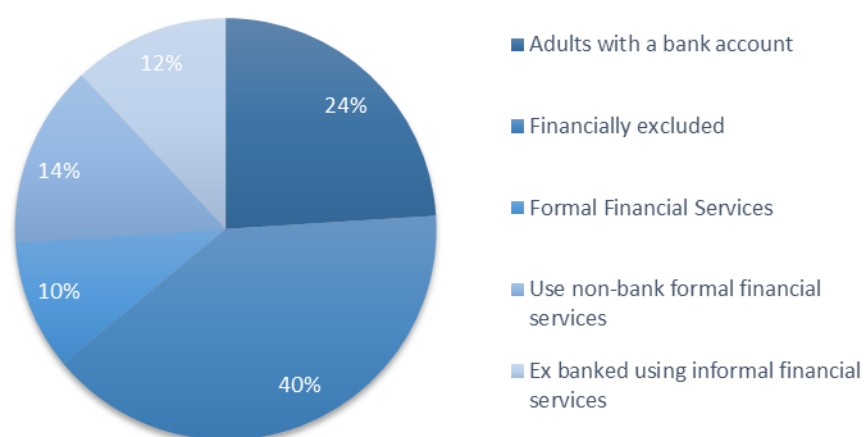
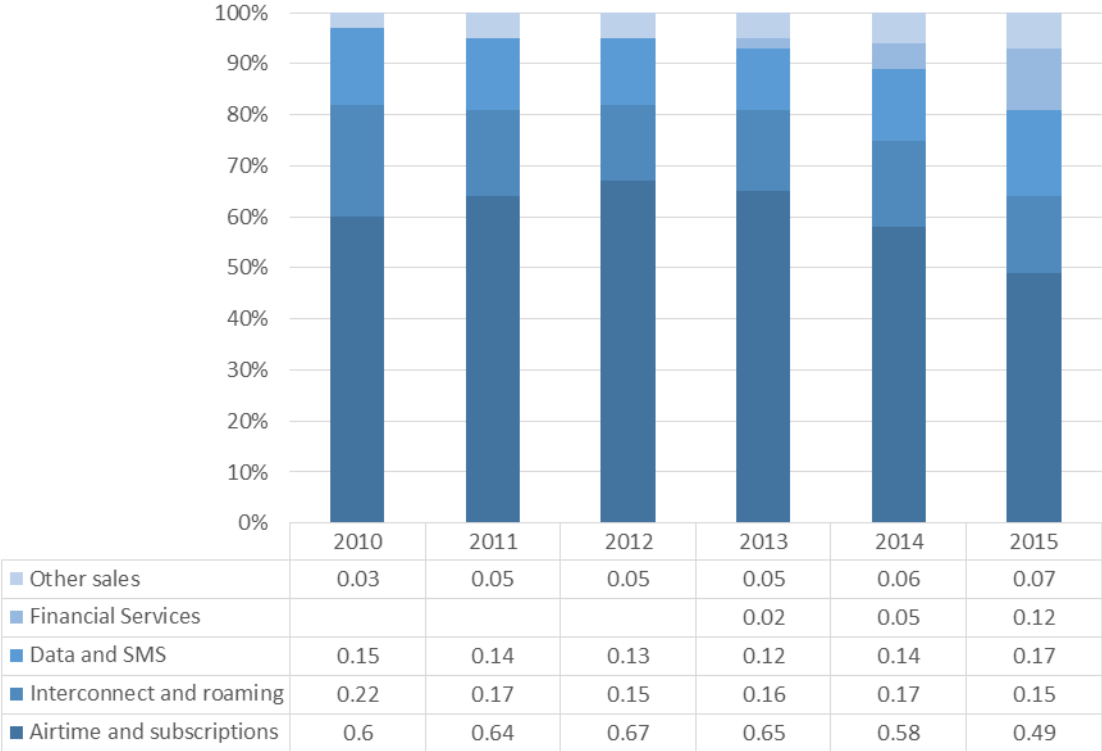


Exhibit 10 – Econet's top 10 shareholders

Name	Shares	Percent Outstanding
Econet Wireless Global Ltd	630.579.551	69,35%
Franklin Advisers Inc	19.287.620	2,12%
Franklin Templeton Investments	18.563.955	2,04%
Wasatch Advisors Inc	16.767.994	1,84%
Fitzgerald Craig	10.699.010	1,18%
Mpofu Tracy	10.376.420	1,14%
Mboweni Douglas	7.014.684	0,77%
Boutique Collective Investment	5.066.291	0,56%
T Rowe Price Associates	4.745.884	0,52%
Prescient Management Co	180.000	2,00%

Source: Bloomberg as at November 2015

Exhibit 11 – Revenue Contribution as of February 2015



Source: Econet Annual Report

Revenues per business area	2013	2014	2015
Airtime and subscriptions	495,952,665	441,042,715	362,975,773
Interconnect and roaming	115,283,694	127,623,451	117,477,421
Data and SMS	44,587,064	101,242,680	154,425,141
Financial Services	947,017	5,636,956	7,132,839
Other Sales	39,020,185	77,131,917	104,771,466

ARPU per business unit	2013	2014	2015
Airtime and subscriptions	5.66	4.27	4.67
Interconnect and roaming	1.32	1.24	1.51
Data and SMS	0.51	0.98	1.99
Financial Services	0.01	0.05	0.09

Exhibit 12 – Historical Income Statement

All figures in US\$	2010	2011	2012	2013	2014	2015
Revenue	362,776,972	493,491,226	611,115,533	695,790,625	752,677,719	746,182,640
Cost of sales and external services sold	- 72,469,513	- 97,723,647	- 159,156,746	- 182,955,954	- 203,065,419	- 245,952,350
Impairment losses - loans and advances relating to the furniture book				-	- 18,369,859	85,585
Gross profit	290,307,459	395,767,579	451,958,787	512,834,671	531,242,441	500,315,875
Other income	1,353,090	4,972,007	1,580,889	1,534,333	8,683,092	6,590,029
Gain on disposal of available-for-sale investment			11,693,274			
Gain on disposal of interest in former subsidiary			2,941,972			
Share of profit/(loss) associate	1,089,844	-	-	- 2,930,659	6,707,066	9,048,017
Gain on financial assets at fair value through profit or loss	722,715	-	-	5,030	18,847	- 2,740
General administrative expenses	- 82,595,132	- 124,103,950	- 124,170,919	- 140,686,551	- 139,407,992	- 164,729,317
Marketing and sales expenses	- 16,496,550	- 11,489,756	- 13,969,662	- 17,961,279	- 21,800,993	- 13,842,670
Network expenses	- 10,977,630	- 18,172,922	- 35,450,814	- 45,434,962	- 47,195,736	- 47,971,645
Other expenses	- 2,305,620	- 4,226,643	- 3,689,201	- 4,947,261	- 6,072,642	- 3,762,985
EBITDA	181,098,176	242,746,315	290,894,326	302,413,322	332,174,083	285,644,564
Depreciation, amortisation and impairments	- 21,110,647	- 40,255,320	- 46,497,440	- 71,563,248	- 101,723,923	- 126,289,195
Impairment of property, plant and equipment and inv property	- 7,496,290	- 34,410				
Reversal of impairment loss on property, plant and equipment		1,255,903				
Profit from Operations	152,491,239	203,712,488	244,396,886	230,850,074	230,450,160	159,355,369
Finance income	472,885	820,273	2,105,472	2,653,217	595,931	1,064,612
Finance costs	- 4,903,297	- 8,061,711	- 10,202,838	- 28,600,048	- 37,037,230	- 37,076,496
Profit on disposal of investment in associate	61,320		2,830,389			
Profit before taxation	148,122,147	196,471,050	239,129,909	204,903,243	194,008,861	123,343,485
Income tax expense	- 34,912,391	- 55,501,650	- 73,388,821	- 64,965,023	- 74,612,119	- 53,135,878
Profit for the year	113,209,756	140,969,400	165,741,088	139,938,220	119,396,742	70,207,607
Other comprehensive income						
Exchange differences arising on translation	- 88,700					
Available for sale reserve recycled to profit or loss			- 3,885,824			
Revaluation of property, plant and equipment	- 128,000	280,515				
Fair value loss on available-for-sale investments	5,076,133	- 1,162,909	- 696,996	- 781,769	- 111,956	210,738
Taxation effect of other comprehensive income	1,565,692	6,463	159,652	7,818	1,109	- 2,107
	6,425,125	- 875,931	- 4,423,168	- 773,951	- 110,847	208,631
Items that may not be reclassified to profit or loss						
Gain arising on revaluation of property and equipment				-	6,626	-
Taxation effect of other comprehensive income				-	- 1,706	-
				-	4,920	-
Other comprehensive loss for the year, net of tax	6,425,125	- 875,931	- 4,423,168	- 773,951	- 105,927	208,631
Total comprehensive income for the year	119,634,881	140,093,469	161,317,920	139,164,269	119,290,815	70,416,238
Profit for the year attributable to:						
Equity holders of Econet Wireless Zimbabwe Limited	114,645,631	140,445,946	165,734,129	139,593,292	119,281,716	70,256,228
Non-controlling interest	- 1,435,875	523,454	6,959	344,928	115,026	- 48,621
	113,209,756	140,969,400	165,741,088	139,938,220	119,396,742	70,207,607
Total comprehensive income attributable to:						
Equity holders of Econet Wireless Zimbabwe Limited	121,132,041	139,570,015	161,310,961	138,819,341	119,175,789	70,464,859
Non-controlling interest	- 1,497,160	523,454	6,959	344,928	115,026	- 48,621
	119,634,881	140,093,469	161,317,920	139,164,269	119,290,815	70,416,238

Exhibit 13 – Historical Balance Sheet

All figures in US\$	2010	2011	2012	2013	2014	2015
ASSETS						
Non-current assets						
Property, plant&equipment	267,536,571	498,860,819	561,656,046	690,805,885	734,664,113	736,320,233
Investment Property	293,600	411,600	411,000	951,517	3,656,586	4,167,267
Intangible Assets	1,573,300	1,308,758	7,991,004	9,492,568	143,394,762	140,776,068
Deferred tax asset	1,937,742	4,370,261	2,686,315	5,642,613	19,238,457	19,000,816
Goodwill				6,090,632	6,090,632	6,090,632
Investment in associates	-	-	8,974,389	14,061,120	20,768,186	29,816,203
Financial instruments						
- Held-to-maturity investments	4,162,668	10,677,761	14,161,138	9,896,415	11,736,041	40,177,977
- Available-for-sale investments	21,371,066	20,810,359	4,692,566	3,010,797	3,329,214	3,173,882
- Loans and advances - long term portion					20,488,728	20,676,622
- other receivables - long term portion					-	12,954,603
Total Non-current assets	296,874,947	536,439,558	600,572,458	739,951,547	942,877,991	1,013,154,303
Current assets						
Inventories	8,678,279	12,034,207	12,054,662	14,443,786	25,901,874	18,533,606
Equipment deposits	42,600,012	11,738,808	44,214,217			
Financial instruments						
- trade and other receivables	30,545,189	42,559,355	54,739,533	63,105,361	67,205,085	88,334,541
- financial assets at fair value through profit or loss	46,892	50,911	52,976	58,006	76,853	408,820
- loans and advances				119,321,627	66,271,160	40,821,466
- Cash and cash equivalents	13,923,748	34,690,685	100,792,971	78,229,628	71,331,021	95,238,733
Total Current assets	95,794,120	101,073,966	211,854,359	275,158,408	230,785,993	243,337,166
Total Assets	392,669,067	637,513,524	812,426,817	1,015,109,955	1,173,663,984	1,256,491,469
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital and share premium	12,861,502	22,980,326	33,124,930	35,697,496	37,448,131	40,763,691
Retained earnings		258,891,276	345,478,251	453,138,968	561,884,250	614,111,627
Other reserves	150,307,499	5,765,894	1,342,726	568,775	462,848	5,894,089
Attributable to owners of Econet Wireless Zimbabwe Limited	163,169,001	287,637,496	379,945,907	489,405,239	599,795,229	660,769,407
Non-controlling interest	2,316,595	2,840,049	2,847,008	3,477,998	3,924,078	4,525,321
Total Equity	165,485,596	290,477,545	382,792,915	492,883,237	603,719,307	665,294,728
Non-current liabilities						
Deferred tax liability	35,697,603	45,518,461	70,667,055	85,493,429	109,837,492	120,458,424
Financial instruments - Long-term interest-bearing debt	91,763,217	198,520,430	103,338,155	202,799,895	134,852,046	165,757,698
Total Non-current liabilities	127,460,820	244,038,891	174,005,210	288,293,324	244,689,538	286,216,122
Current liabilities						
Deferred revenue	7,525,212	17,707,448	10,515,168	10,127,617	14,109,056	18,381,526
Provisions	6,125,865	8,490,490	10,961,156			
Financial instruments						
- trade and other payables	22,767,484	26,809,406	79,704,187	118,871,498	168,988,197	138,569,201
- Short-term interest bearing debt	46,944,097	49,872,251	145,800,362	61,771,039	105,427,999	98,175,726
- deposits due to banks and customers				36,350,711	19,363,364	41,635,843
Income tax payable	16,359,993	117,493	8,647,819	6,812,529	17,366,523	8,218,323
Total Current liabilities	99,722,651	102,997,088	255,628,692	233,933,394	325,255,139	304,980,619
Total Liabilities	227,183,471	347,035,979	429,633,902	522,226,718	569,944,677	591,196,741
Total Equity and Liabilities	392,669,067	637,513,524	812,426,817	1,015,109,955	1,173,663,984	1,256,491,469

Exhibit 14 – Historical Cash Flow Statement

All figures in US\$	2010	2011	2012	2013	2014	2015
Operating Activities						
Cash generated from operations	129,909,998	273,920,806	282,851,746	216,176,544	384,953,189	226,962,021
Income tax paid	- 23,016,872	- 64,063,844	- 36,465,392	- 53,096,888	- 53,310,503	- 51,421,332
Net cash flows from operating activities	106,893,126	209,856,962	246,386,354	163,079,656	331,642,686	175,540,689
Investing activities						
Finance income	261,049	820,273	1,834,505	2,653,217	203,822	984,551
Acquisition of intangible assets	- 1,761,291	- 774	- 3,860	- 565,570	- 141,607,981	- 6,841,825
Acquisition of available-for-sale investments	- 4,402,026	- 866,707	- 2,994,047	- 134,406	- 430,373	-
Acquisition of financial assets at fair value through profit or loss	-	-	5,285,524	-	-	- 332,635
Acquisition of investment property	- 160,148,716	- 270,034,151	- 183,534,985	- 147,043,725	- 376,668	- 494,567
Acquisition of held-to-maturity investments	- 1,709,909	- 6,056,265	- 3,212,410	- 1,872,598	- 1,447,517	- 30,722,081
Repayments on maturity of investments	-	-	-	-	-	2,360,205
Net cash inflow on acquisition of subsidiary	-	-	1,639,442	16,597,539	302,859	120,631
Incorporation of a subsidiary	-	-	-	-	-	300,000
Increase/(decrease) in deposits due to banks and customers	-	-	-	-	16,987,347	22,272,479
(Increase)/Decrease in loans and advances	-	-	-	-	33,119,512	- 12,393,019
Purchase of PP&E to expand operating activity	-	-	-	-	139,718,276	- 118,545,457
Proceeds on disposal of associate	292,535	-	-	20,000,000	-	-
Proceeds on disposal of PP&E	980,428	150,061	2,326,522	-	237,033	175,702
Net cash used in investing activities	- 166,487,930	- 275,987,563	- 181,938,193	- 150,365,543	- 267,310,654	- 143,116,016
Financing activities						
Finance costs	- 4,903,297	- 8,061,711	- 10,202,838	- 33,359,941	- 34,339,697	- 36,593,731
Dividends paid	- 507,198	- 9,624,598	- 36,371,846	-	-	- 29,815,016
Share buy-back	- 42,513,828	- 13,582,481	- 28,450,475	- 25,413,484	- 9,902,521	34,721,172
Proceeds from borrowing	171,027,962	167,810,291	132,910,541	52,000,000	48,385,371	120,963,640
Repayment of borrowings	- 55,135,693	- 49,643,963	- 56,231,257	- 31,807,690	- 75,373,792	- 97,793,026
Issue of Shares	-	-	-	3,303,659	-	-
Net cashflows used in financing activities	67,967,946	86,897,538	1,654,125	- 35,277,456	- 71,230,639	- 8,516,961
Net decrease in cash and cash equivalents	8,373,142	20,766,937	66,102,286	- 22,563,343	- 6,898,607	23,907,712
Cash and cash equivalents at the beginning of the year	5,550,606	13,923,748	34,690,685	100,792,971	78,229,628	71,331,021
Cash and cash equivalents at the end of the year	13,923,748	34,690,685	100,792,971	78,229,628	71,331,021	95,238,733

Exhibit 15 - Annual Change in Operational Expenses (% of Revenue)

Income Statement	2010	2011	2012	2013	2014	2015
Gross Profit Margin	80.02%	80.20%	73.96%	73.71%	70.58%	67.05%
EBITDA Margin	49.92%	49.19%	47.60%	43.46%	44.13%	38.28%
Operational Margin	42.03%	41.28%	39.99%	33.18%	30.62%	21.36%
General administrative expenses	-22.77%	-25.15%	-20.32%	-20.22%	-18.52%	-22.08%
Marketing and sales expenses	-4.55%	-2.33%	-2.29%	-2.58%	-2.90%	-1.86%
Network expenses	-3.03%	-3.68%	-5.80%	-6.53%	-6.27%	-6.43%
Other expenses	-0.64%	-0.86%	-0.60%	-0.71%	-0.81%	-0.50%

Exhibit 16 – Sectors’ Unlevered Beta according to Damodaran

Industry	Number of firms	Beta	Industry	Number of firms	Beta
Advertising	52	1.18	Insurance (Prop/Cas.)	52	0.83
Aerospace/Defense	93	1.16	Investments & Asset Management	148	1.10
Air Transport	22	0.98	Machinery	137	1.23
Apparel	64	0.99	Metals & Mining	124	1.28
Auto Parts	75	1.35	Office Equipment & Services	25	1.34
Bank (Money Center)	13	0.81	Oil/Gas (Integrated)	8	0.81
Banks (Regional)	676	0.53	Oil/Gas (Production and Exploration)	392	1.27
Beverage (Soft)	46	1.14	Oil/Gas Distribution	85	0.96
Broadcasting	28	1.30	Oilfield Svcs/Equip.	161	1.54
Brokerage & Investment Banking	46	1.16	Packaging & Container	26	0.95
Building Materials	39	1.12	Paper/Forest Products	22	0.84
Business & Consumer Services	177	1.19	Power	82	0.83
Cable TV	18	0.91	Precious Metals	147	1.29
Chemical (Basic)	46	0.94	Publishing & Newspapers	43	1.15
Coal & Related Energy	42	1.64	R.E.I.T.	213	0.79
Computer Services	119	1.16	Real Estate (General/Diversified)	11	1.82
Computers/Peripherals	64	1.21	Recreation	68	1.21
Construction Supplies	55	1.60	Reinsurance	4	1.35
Diversified	23	1.00	Restaurant/Dining	79	0.89
Drugs (Biotechnology)	400	1.10	Retail (Automotive)	30	1.18
Education	42	1.13	Rubber& Tires	4	1.02
Electrical Equipment	126	1.24	Semiconductor	100	1.21
Electronics (General)	189	1.03	Semiconductor Equip	47	1.23
Engineering/Construction	56	1.31	Shipbuilding & Marine	14	1.36
Entertainment	84	1.21	Shoe	13	0.84
Environmental & Waste Services	103	1.28	Software (Entertainment)	20	1.12
Farming/Agriculture	37	0.84	Software (Internet)	327	1.29
Financial Svcs. (Non-bank & Insurance)	288	0.67	Software (System & Application)	259	1.10
Food Processing	96	0.99	Steel	40	1.31
Food Wholesalers	14	1.41	Telecom (Wireless)	21	1.15
Furn/Home Furnishings	27	1.09	Telecom. Equipment	126	1.24
Green & Renewable Energy	26	1.32	Telecom. Services	77	1.07
Healthcare Products	261	0.99	Tobacco	20	1.09
Homebuilding	35	1.29	Transportation	21	0.86
Hospitals/Healthcare Facilities	56	0.97	Transportation (Railroads)	10	1.05
Hotel/Gaming	80	1.18	Trucking	30	1.32
Household Products	135	1.03	Unclassified	8	0.10
Information Services	67	1.11	Utility (General)	21	0.59
Insurance (General)	24	1.03	Utility (Water)	19	1.09
			Total Market	7887	1.06

Exhibit 17 – Peer Comparison

Ticker	Name	P/Book N12M	P/E N12M	P/CF N12M	EV/EBITDA N12M	Debt to Equity
	Average	4,02	13,71	13,35	5,87	39,91
MTN SJ Equity	Econet Wireless Zimbabwe Limited	1,13	7,70	7,48	1,95	39,93
ECO ZH Equity	MTN Group Limited	2,93	13,28	14,79	5,74	39,67
TKG SJ Equity	Vodacom Group Limited	8,33	14,79	17,54	7,86	18,65
SNTS BC Equity	SONATEL	4,04	11,74	10,63	5,57	4,61
SAFCOM KN Equity	Safaricom Limited	6,13	18,50	22,43	9,16	10,20
VOD SJ Equity	Telkom SA SOC Ltd.	1,56	16,23	7,25	4,93	126,42

Source: Factset as at 28th February 2015

MTN Group is a South African multinational mobile telecom firm with global presence, operating in Africa, Europe and Asia. It offers a wide variety of services, including fixed and mobile telephony, digital and mobile financial services.

Vodacom Group Limited is a South African company, operating in over 40 African countries. It provides businesses in voice, messaging, data and converged services and has a customer base of more than 55 million people.

Sonatel – Société Nationale des Télécommunications du Senegal – is Senegal’s main telecom provider and has businesses in the fixed and mobile telephony, internet and television services. It is a global company, with presence in Mali and Guinea

Safaricom Limited is a Kenyan company, providing mobile and fixed voice, SMS, Data, Internet and Mobile Money services. It was the first company revolutionizing the industry with the launch of the mobile financial services.

Telkom SA is a South African telecom company, operating in more than 38 countries across Africa.

Exhibit 18 – Econet Share Price Evolution



Source: Bloomberg as at 28th February 2015

Exhibit TN1 – WACC

WACC	13,01%
Tax Rate	25,75%
After Tax Interest Rate	10,03%
Equity	59%
Debt	41%
Capital Employed	100%
BL	1,13
Risk-free Rate	1,99%
Sovereign Bonds' Spread	7,5%
rE	15,13%
rD	13,5%
perpetual growth	5,5%
Bu	1,06
BV Equity	665.294.728
Net Debt	359.172.157
MV Equity	836.738.934

Exhibit TN2 – Business Units growth

	2016	2017	2018	2019	2020
ARPU per month (USD)					
Airtime	-5%	-5%	-5%	-3%	-3%
Interconnect and roaming	-3%	-3%	-3%	-1%	-1%
Data and SMS	5%	5%	5%	7%	10%
EcoCash	15%	20%	25%	30%	35%
Other sales growth rate	-3%	-2%	-1%	0%	0%
EcoCash Subscribers	5%	7%	7%	7%	10%

Exhibit TN3 – Income Statement

Income Statement	2016	2017	2018	2019	2020
Gross Profit Margin	67,1%	67,1%	67,1%	67,1%	67,1%
General administrative expenses	-22,1%	-22,1%	-22,1%	-22,1%	-22,1%
Marketing and sales expenses	-1,9%	-1,9%	-1,9%	-1,9%	-1,9%
Network expenses	-6,4%	-6,4%	-6,4%	-6,4%	-6,4%
Other expenses	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%

Exhibit TN4 – Adjusted Present Value

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Profit (EBIT)	203.712.488	244.396.886	230.850.074	230.450.160	159.355.369	179.150.020	170.815.250	168.612.322	192.192.313
Depreciation	40.255.320	46.497.440	71.563.248	101.723.923	126.289.195	80.499.353	84.716.986	86.842.563	87.974.854
Tax Expense	- 52.455.966	- 62.932.198	- 59.443.894	- 59.340.916	- 41.034.008	- 46.131.130	- 43.984.927	- 43.417.673	- 49.489.521
Capex	- 271.579.568	- 109.292.667	- 200.713.087	- 145.582.151	- 127.945.315	- 119.077.658	- 104.159.437	- 97.199.534	- 94.985.761
Changes in Net Working Capital	- 11.328.172	40.694.148	28.412.359	34.558.887	- 44.180.184	- 1.936.576	257.531	4.838	1.545.780
Unlevered FCF	- 91.395.898	159.363.609	70.668.700	161.809.903	72.485.057	92.504.009	107.130.341	114.832.840	137.237.665
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Interest	- 4.903.297	- 8.061.711	- 10.202.838	- 28.600.048	- 37.037.230	- 37.076.496	- 16.081.010	- 14.066.358	- 13.126.448
Tax Rate	25,75%	25,75%	25,75%	25,75%	25,75%	25,75%	25,75%	25,75%	25,75%
Tax Shield	1.262.599	2.075.891	2.627.231	7.364.512	9.537.087	9.547.198	4.140.860	3.622.087	3.380.060
EV	1.256.042.520								
Net Debt	359.172.157								
Market Cap	896.870.363								
Shares Outstanding	1.640.021.430								
Price per Share	0,55								
BBG Price	0,51								
Discount	-6,7%								

Exhibit TN5 – Scenario Analysis

		ru									
		0,55	12,5%	13,0%	13,5%	14,0%	14,5%	15,0%	15,5%	16,0%	16,5%
g	2,5%		0,54	0,50	0,47	0,44	0,41	0,39	0,36	0,34	0,32
	3,0%		0,57	0,53	0,50	0,46	0,43	0,41	0,38	0,36	0,34
	3,5%		0,61	0,56	0,52	0,49	0,46	0,43	0,40	0,37	0,35
	4,0%		0,65	0,60	0,56	0,52	0,48	0,45	0,42	0,39	0,37
	4,5%		0,69	0,64	0,59	0,55	0,51	0,47	0,44	0,41	0,39
	5,0%		0,74	0,68	0,63	0,58	0,54	0,50	0,47	0,44	0,41
	5,5%		0,80	0,73	0,67	0,62	0,57	0,53	0,49	0,46	0,43
	6,0%		0,86	0,79	0,72	0,66	0,61	0,56	0,52	0,49	0,45
	6,5%		0,94	0,85	0,78	0,71	0,65	0,60	0,56	0,52	0,48
	7,0%		1,03	0,93	0,84	0,77	0,70	0,64	0,59	0,55	0,51

Exhibit TN6 – Peer Comparison

Ticker	Name	P/Book N12M	P/E N12M	P/CF N12M	EV/EBITDA N12M	Debt to Equity
	Average	4,02	13,71	13,35	5,87	39,91
MTN SJ Equity	Econet Wireless Zimbabwe Limited	1,13	7,70	7,48	1,95	39,93
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Source: Factset as at 28th February 2015