

EXHIBIT 1

News24.com Home | Blogs | OLX Free Classifieds

Jobs | Property | Cars | kalahari.com

fin24

Search by company name or news keyword Search



Make it a team effort
Let's find solutions instead of focusing on negatives, says Lulu Letlape.



It's all in alignment
Successful people position themselves with experts.

Sign in to access my Portfolios

New user? Register for Fin24 Dashboard

Register now for Fin24 Dashboard and get access to portfolios, watchlists, financial comparison tools, and a whole lot more to help you achieve your financial goals.

Home

Companies

Markets

Economy

Opinion

Multimedia

Money

Entrepreneurs

Special Reports

Jobs

Data provided by

GOLD

1665.02 ↑ (1.55%)

OIL

115.98 ↑ (0.94%)

PALLADIUM

646 ↑ (2.78%)

PLATINUM

1544.2 ↑ (1.16%)

SILVER

30.65 ↑ (3.86%)

McGrawHill

auto general

Where am I? [Home](#) > [Companies](#) > [ICT](#)

US sanctions hurt MTN in Iran

Aug 12 2012 12:04 Edward-John Bottomley - Sake24

Recommend

Sign Up to see what your friends recommend.

Tweet

Facebook

Share

Cape Town – US sanctions against Iran seems to be a thorn in MTN's flesh, its latest interim results show.

Chief executive Sifiso Dabengwa admits that the South African telecommunications giant could for the past six months hardly bring a single cent out of Iran to South Africa.

MTN's Iranian network is currently the second largest in the group and Iranians now comprise around 20% of its subscribers.

In the past six months the Iranian business has made a significant contribution to MTN's profit. This division's subscribers have increased by 10.4% and its turnover by 28.3%.

According to Dabengwa, MTN is engaged in negotiations with American officials about its business in Iran. "It's generally accepted that we should not be punished. US sanctions should not have unintended consequences for non-American companies."

The sanctions against Iran could further harm MTN if that country's currency, the rial, has to devalue as a result. The rial has recently done poorly against the dollar and Iran will make an announcement in this regard in the coming week.

The devaluation of the rial will have a serious impact on MTN's earnings in the second half of the financial year, says finance director Nazir Patel.

The Turkcell court case is still hanging over MTN's head. The company is being challenged in a US court over its operating licence in Iran. Turkcell, its Turkish competitor, accuses it of having bribed officials, including an ambassador, to get the licence. Turkcell is claiming \$4.2bn in damages.

Turkcell's allegations are also being investigated in South Africa by the Hawks, the police's elite investigation unit.

MTN has instituted an independent investigation into the allegations through the Hoffmann

RELATED ARTICLES

- MTN in talks to repatriate Iran funds
- MTN's Liberia partner: Collusion claims
- SA envoy in Iran probed over MTN
- SA suspends ambassador linked to MTN
- MTN 'was warned' over Iran
- Growth in Iran, Ghana boosts MTN

TOP STORIES

- Toe the line or else, Zuma warns mining firms
Aug 22 2012 22:30
President Jacob Zuma has warned mining firms they could lose their licences if they fail to provide decent housing for workers.
- Mantashe: I have serious issues with BEE
Aug 22 2012 10:34
ANC secretary general Gwede Mantashe says he has "serious grievances" with the effectiveness of black economic empowerment.
- Tickets for 1time?
Aug 22 2012 16:45
Prudence and fiduciary responsibility may have compelled 1time to apply for rescue proceedings, according to an expert who hopes it's not too late.

MOST POPULAR

READ

COMMENTED

- Toe the line or else, Zuma warns mining firms
- Mantashe: I have serious issues with BEE
- Tickets for 1time?
- 'Mega black-owned' bank to launch in 2013
- SA may retaliate against UK wine ruling



CLICK HERE

ALL NEW

OPTIMA

ADMIRATION COMES STANDARD

R309 995* (Incl. VAT)



KIA MOTORS

http://www.fin24.com/Companies/ICT/US-sanctions-hurt-MTN-in-Iran-20120812

8/23/2012

commission. Reporting on its interims, MTN says the investigation is ongoing.



AnswerIt

Get your financial questions answered.



Newsletters

You choose what you want.



RSS Feeds

News delivered really simply.



Help

Lost? Confused? Problems? Let us help you.



Calculators

Easy-to-use personal finance tools.



Blogs

Your opinion on you, me and everyone.



Compare and Buy

Get a better rate on personal finance by shopping around.



Data Products

Get us in your home, on your television.

24.com

Fin24 Partners: [Sake24](#) | [Rapport](#) | [MiningMx](#) Data supplied by: [McGrawHill](#)

[Contact Us](#) | [RSS feeds](#) | [Terms and Conditions](#)



SHARE THIS PAGE



▼ COMMENT ON THIS STORY 1 comment

ADD YOUR COMMENT

Comment 1500 characters remaining

[f](#) POST COMMENT



[fidel.mgoqi](#) - August 12, 2012 at 07:26

[Comments Policy](#)

[Report comment](#)

The more reason that our country and this continent should look east for trading partners, to escape this financial terrorism by these western vultures, who can't wait to overthrow the Iranian government and award all Iranian state contracts to their corporate class, from construction, to weapons, to energy, telecommunications, etc.

"We hope Iraq will be the first domino and that Libya and Iran will follow. We don't like being kept out of markets because it gives our competitors an unfair advantage," John Gibson, chief executive of Halliburton's Energy Service Group, International Oil Daily 7th May of 2003 (less than 7 weeks after the invasion of Iraq)

Now you can add Syria to the mix!

4 3 [Reply to fidel.mgoqi](#)



Not working? [Click here](#)

[More videos](#)

COMPARE AND BUY

Compare and apply for hundreds of financial products from many suppliers.

• [Credit cards](#)

• [Medical aid](#)

• [Current accounts](#)

brought to you by **thinkmoney**.co.za

MONEY CLINIC



Do you have a question about your finances? We'll get an expert opinion. [Click here...](#)

SPONSORED LINKS



Bolus & Bolus



Free Fax2Mail



Bidvest Bank



Business Travel Experts



August 08, 2012 05:49 PM Eastern Daylight Time

UANI Issues Statement on MTN's Talks with the U.S. Government to Repatriate Iran Profits, Calls for Sanctions on MTN Irancell

NEW YORK--(BUSINESS WIRE)--United Against Nuclear Iran (UANI) CEO, Ambassador Mark D. Wallace, issued the following statement Wednesday following reports that South African telecom giant MTN is in [discussions with the U.S. government regarding its inability to transfer its Iran profits out of the country](#):

It is of no surprise that MTN is having difficulties moving its profits out of Iran, given the international banking blockade emerging against the regime that MTN has chosen to ignore. For MTN, its problems are only being compounded by Iran's ongoing currency collapse, which MTN's chief financial officer concedes will have "a severe impact on second-half earnings."

Any company that does business in Iran is exposing itself to serious financial risks and difficulties, given the international community's attempts to isolate the regime. Businesses around the world are taking note of MTN's current struggles.

The U.S. government absolutely must not help MTN--a direct partner of the Iranian regime--find a way to circumvent the international banking blockade against Iran. We call on the Obama administration to immediately sanction MTN Irancell (of which the Iranian regime owns 51% and MTN 49%) under existing U.S. sanctions law, given MTN's well-established and prominent role in the Iranian regime's brutal campaign of oppression. That MTN's illegitimately-earned profits remain stuck in Iran is certainly not a problem the U.S. government should be responsible for solving.

It is time for MTN to end this constant stream of reputational and fiduciary harm, by ending its irresponsible partnership with the Iranian regime. Outrageously, MTN has worked directly with the Iranian regime to silence, track, and apprehend innocent Iranians, and engaged in highly inappropriate corruption. MTN has continued to show no understanding of the severity of the human rights situation in Iran, or any remorse over the regime's use of its technology. If MTN is content with what is going on in Iran today, then it clearly has no standards whatsoever for where or with whom it will do business.

Click [here](#) to read UANI's February 29 letter to MTN.

Click [here](#) to read UANI's January 25 letter to MTN.

Click [here](#) and [here](#) to see UANI's MTN advertisements.

Click [here](#) to send a message to MTN.

Contacts

United Against Nuclear Iran
Nathan Carleton, 212-554-3296
press@uani.com





» Print

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to colleagues, clients or customers, use the Reprints tool at the top of any article or visit: www.reutersreprints.com.

UPDATE 2-MTN in talks with U.S. to move money out of Iran

Wed, Aug 8 2012

* H1 adjusted headline EPS 537.4 cents, vs 470.1 cents

* H1 revenue 66.43 bln rand, versus 56.54 bln rand

* Group subscribers up 7 percent to 176 mln

By Helen Nyambura-Mwaura

JOHANNESBURG, Aug 8 (Reuters) - MTN Group, Africa's top telecom, is in talks with South African and U.S. officials about moving money out of its Iran business, as tightening sanctions have prevented it repatriating funds, its chief executive said.

Johannesburg-based MTN, which reported a 14 percent rise in first-half profit, also said on Wednesday a likely devaluation of the Iranian rial -- another result of U.S.-led pressure on Tehran -- could have a "severe impact" on second-half results.

The mobile operator owns 49 percent of MTN Irancell, which contributes nearly 10 percent of its total revenue, but has become an increasing headache, with the potential to tarnish MTN's image as a post-apartheid success story.

MTN is being sued by rival Turkcell for \$4.2 billion in a U.S. court, saying it used bribery and lobbied South Africa to support Tehran's military in return for a 2005 cellular licence in Iran that was originally awarded to the Turkish firm.

MTN has denied the charges and called Turkcell's demands "extortionate".

Chief Executive Sifiso Dabengwa told reporters after MTN's first-half results on Wednesday that it had been unable to take cash out of the business for at least six months.

"There is general acceptance that we should not be punished. U.S. sanctions should not have unintended consequences for non-U.S. companies," Dabengwa said.

Washington is putting increased pressure on Iran over its nuclear programme and appears to be cracking down on non-U.S. companies with ties to the country.

New York regulators accused British bank Standard Chartered on Monday of scheming with the Iranian government and hiding \$250 billion worth of transactions.

Speaking in Cape Town on Wednesday, U.S. Secretary of State Hillary Clinton called on South Africa to use its long-standing links with Tehran to persuade Iran to reconsider its suspected pursuit of nuclear weapons.

"South Africa can play an even greater role on issues like curbing Iran's pursuit of nuclear weapons, or preventing nuclear materials from falling into the hands of terrorists," Clinton said in a speech billed as the centrepiece of her 11-day Africa tour.

RIAL WORRIES

"The Iran issue is going to have a detrimental impact on MTN's future in terms of revenues," said Mervin Miemoukanda, a research analyst at consulting firm Frost & Sullivan.

"With all the uncertainty around Iran, the future is not bright in terms of revenues and subscribers."

MTN, which operates in 21 countries across Africa and the Middle East, will likely see its earnings squeezed if Iran devalues the rial, said Chief Financial Officer Nazir Patel.

The currency has tumbled against the U.S. dollar in free market dealings as traders bet on a devaluation in the official exchange rate. The central bank governor said on Sunday a change to the government's "reference rate" would be announced within the next 10 days.

"It is likely to have a severe impact on second-half earnings," Patel said at the earnings presentation.

Despite the complications of sanctions, Iran continues to be a major money-spinner for MTN. The mobile operator reported a 14 percent rise in adjusted headline earnings per share, as growth in Iran, together with South Africa and Ghana, helped overcome tough competition in the key Nigeria market.

Revenue from the Iran business jumped by 30 percent in the six months to end-June, the company reported. Local subscribers increased more than 10 percent, to more than 38 million. Iran now accounts for 22 percent of MTN's 176 million subscribers.

"I don't think they are prepared to lose 20 percent of their customer base. They will find ways of continuing to operate in Iran - even if it's tough," said Frost & Sullivan's Miemoukanda.

MTN said adjusted headline earnings per share totalled 537.4 cents for the period, compared with 470.1 cents last year. Headline EPS, the main profit gauge in South Africa, excludes certain one-time items.

Group revenue totalled 66.43 billion rand (\$8.16 billion), compared with 56.5 billion rand in the same period last year.

Shares were down 0.9 percent at 152.35 at 1333 GMT, underperforming a slight rise in the benchmark Top-40 index .

personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.

Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to colleagues, clients or customers, use the Reprints tool at the top of any article or visit: www.reutersreprints.com.

23 August 2012 | Everyday News for Everyday People



Harare

Mon



8°

Tue



7°

[HOME](#) [NEWS](#) [SPORT](#) [BUSINESS](#) [ENTERTAINMENT](#) [COLUMNISTS](#) [PROPERTY](#) [SPECIAL FEATURES](#)**BUSINESS** | **TELECOMMUNICATIONS**

MTN in talks to move money out of Iran

REUTERS | 2012-08-09 15:36:00

JOHANNESBURG — MTN Group, Africa's top telecom, is in talks with South African and United States officials about moving money out of its Iran business, as tightening sanctions have prevented it repatriating funds, its chief executive said.

Johannesburg-based MTN, which reported a 14% rise in first-half profit, said on Wednesday a likely devaluation of the Iranian rial — another result of US-led pressure on Tehran — could have a “severe impact” on second-half results.

The mobile operator owns 49% of MTN Irancell, which contributes nearly 10% of its total revenue, but has become an increasing headache, with the potential to tarnish MTN's image as a post-apartheid success story.

MTN is being sued by rival Turkcell for \$4,2 billion in a US court, saying it used bribery and lobbied South Africa to support Tehran's military in return for a 2005 cellular licence in Iran that was originally awarded to the Turkish firm.

MTN has denied the charges and called Turkcell's demands “extortionate”.

Chief executive Sifiso Dabengwa told reporters after MTN's first-half results on Wednesday that it had been unable to take cash out of the business for at least six months.

“There is general acceptance that we should not be punished. US sanctions should not have unintended consequences for non-US companies,” Dabengwa said.

Washington is putting increased pressure on Iran over its nuclear programme and appears to be cracking down on non-US companies with ties to the country.

New York regulators accused British bank Standard Chartered on Monday of scheming with the Iranian government and hiding \$250 billion worth of transactions.

Speaking in Cape Town on Wednesday, US Secretary of State Hillary Clinton called on South Africa to use its long-standing links with Tehran to persuade Iran to reconsider its suspected pursuit of nuclear weapons.

“South Africa can play an even greater role on issues like curbing Iran’s pursuit of nuclear weapons, or preventing nuclear materials from falling into the hands of terrorists,” Clinton said in a speech billed as the centrepiece of her 11-day Africa tour.



Add New Comment

[Login](#)



Showing 0 comments

Sort by popular now

* [Subscribe by email](#) . [RSS](#)

Reactions



[blog comments powered by DISQUS](#)

All material © Newsday Zimbabwe. Material may not be published or reproduced in any form without prior written perm