

NEF rewards MTN investors to stimulate savings culture

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ASONGE shareholders, who bought a stake in MTN two years ago and have resisted the temptation to sell their shares, will at the end of this month be rewarded one bonus share for every 10 ordinary shares held.

Based on MTN's closing share price of R126.11 a share yesterday, the Asonge shareholding is worth just over R1.5 billion.

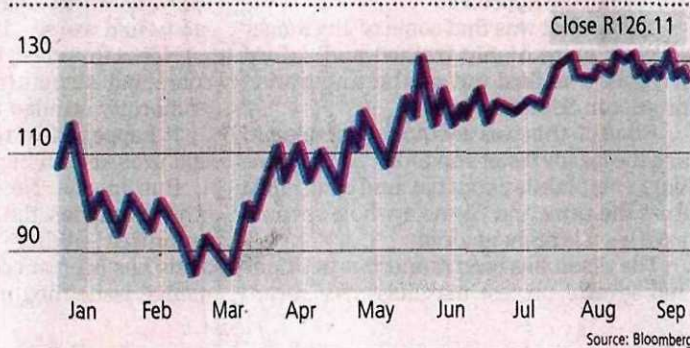
The National Empowerment Fund (NEF) originally bought the shares for R171 million at R28.52 a share in 2002.

NEF spokesperson Moemise Motsepe said yesterday that the decision to reward investors was to promote a culture of investment and savings among black people.

In 2007, the NEF sold half of its 1.5 percent in MTN to more than 86 000 black investors via the Asonge Share Scheme. It sold over 12 million shares for R73.84 a share, representing a 20 percent discount, to black

MTN

Price, rand Jan 1-Sep 3



people, stokvels and other savings groups. At the time the shares were worth R1.3 billion.

The NEF said in a statement that "these bonus shares are being awarded at the exclusive cost of the NEF as part of its patriotic commitment to bridging the economic divide, and will not amount to any cost to the investor".

The extra shares that NEF plans to allocate are from the 1.4 million that it had set aside after the scheme was oversubscribed by 13 percent in 2007.

Motsepe added that some shareholders sold their shares after the one year lock-in period to September last year.

MTN is planning to sell about 6 percent in the listed entity to



Shareholders in MTN through Asonge will get one bonus share for every 10 ordinary shares they still hold.

PHOTO: SIMPHIVE MBOKAZI

black people by next year to replace its Newsheif scheme.

The group is in discussions with Indian based Bharti Airtel for a cash and share swap deal. MTN and its shareholders plan to buy 36 percent in Bharti, which will then buy 49 percent in MTN.

The National Treasury confirmed this week that it was processing an exchange control

application from MTN for the proposed merger. The Treasury and the Reserve Bank will have to consider whether the flow of money relating to the proposed deal infringes on exchange control laws and if any exemptions are necessary.

MTN and Bharti have extended their deadline to the end of this month.