Half-Year Results Presentation
9th November, 2011

OPERATING MARKET CONDITIONS

Growing demand for Corporate Data

- Demand for enterprise business solutions
- Strong growth in the SME/SOHO and Government sector
- Big opportunity for bespoke solutions

Growing Mobile Data market

- Need for superior and affordable data connectivity
- Low internet penetration
- Low penetration of data enabled devices
- Popularity of social networking

Demand for value added services

- Safaricom webbox
- Mobile DSTV
- SMS for Twitter & Facebook
- Advanced billing system
- Revamped Okoa Jahazi
- Bonga Loyalty Program
- Skiza
- M-PESA

Industry Dynamics

- Rising operational costs
- Declining voice ARPU
- Network cable cuts

Regulation

- MTR freeze
- Mobile Number Portability
- SIM registration
- Reduction of frequency usage fees
- Met 6 out of 8 of our Quality of Service parameters

Macro-Economic factors

- Rising inflation
- Escalating energy costs
- Rising interest rates
- Rapidly depreciating shilling

MARKET DYNAMICS

Increased competition in voice services in a 4 player market

M-PESA still transforming the lives of ordinary Kenyans

CCK statistics: mobile phone penetration stands at 64.2% as at June 2011

CCK Statistics: 98% of Internet access being through the mobile platform

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THE RIGHT STRATEGY

1. Revenue Growth

- Provision of integrated communication solutions to our various customer segments

2. Reduce reliance on Voice

- Expand our other revenue channels, with focus on Data and M-PESA

3. Sustained Investment

- Invest in our network to ensure that we offer cutting-edge technology and reliable connectivity

4. Maintain market leadership

- Grow the brand, customer focus, continued innovation and value addition

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STRATEGY EXECUTION

8.0 % growth in Customers

18.1 million customers

5.3% growth in Revenues

Kshs. 49.6 Billion

5.5% decline in Voice Revenues

Kshs. 31.5 Billion

30.4 % growth in Data Revenues

Kshs. 14.6 Billion

49.3% growth in M-PESA Revenues

Kshs. 7.9 Billion

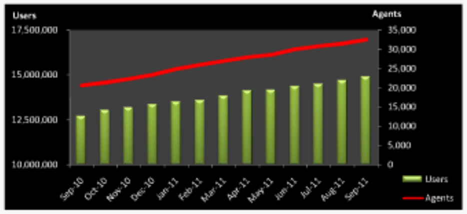
36.3% growth in Broadband Revenues

Kshs. 3.1 Billion

M-PESA: Superior Results

Product penetration

- 82.4% of our customer base
- 9.8% growth in customer base to 14.9 million
- Over 32,000 agents



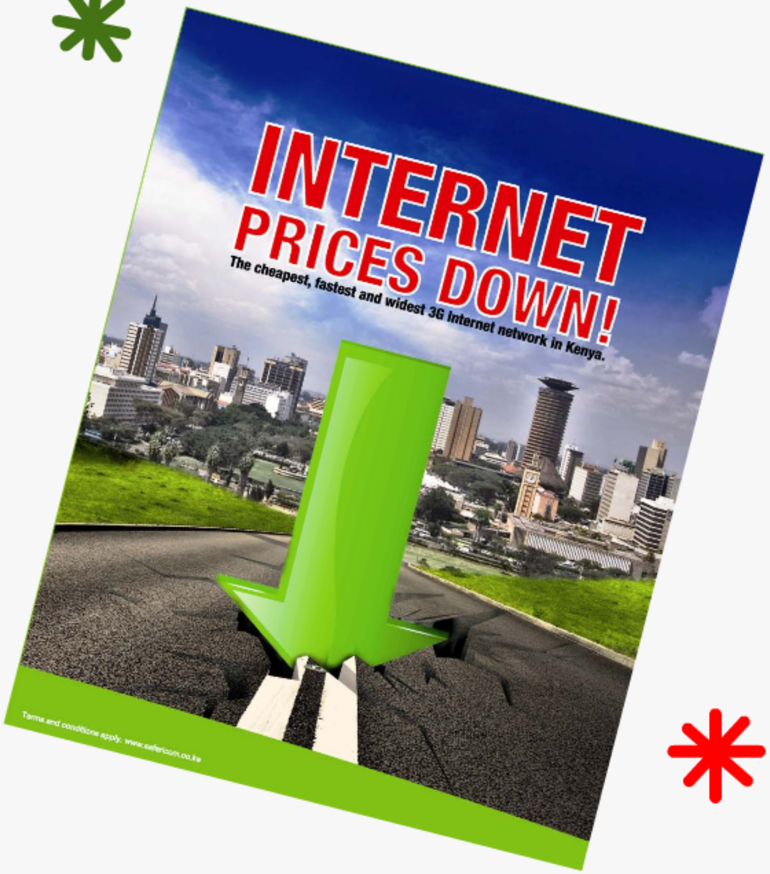
Product evolution

- Expanding portfolio with a more financial outlook
- M-PESA is positioned to expand its usability further both at individual and corporate levels.

Revenue generation

- M-PESA revenue up by 49.3% to Kshs.7.9 bn
- Kshs. 314 bn ($3.15 bn) worth of transactions moved between April-September 2011

DATA: Right on Target



'Leading the pack'

- 43% growth in data customers to 5.1 million users
- Mobile and fixed broadband revenue up by 36.3% to Kshs.3.1bn
- 92% of Kenya's internet subscriptions are on Safaricom connected mobile devices (CCK June Statistics)

'Offering the best'

- 52% of our network coverage is now 3G active
- Offering mobile data speeds of 21 Mbps and trials for 42 Mbps are in progress
- Affordable mobile data prices

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Enterprise Business

- Fixed data connections up by 92% to 6,177 (3,223 in Sept. 2010)
- Wide product range
- Investing in technology and partnerships in the public and private sectors
- Focus on Health and Education

Forging ahead on Data and M-PESA

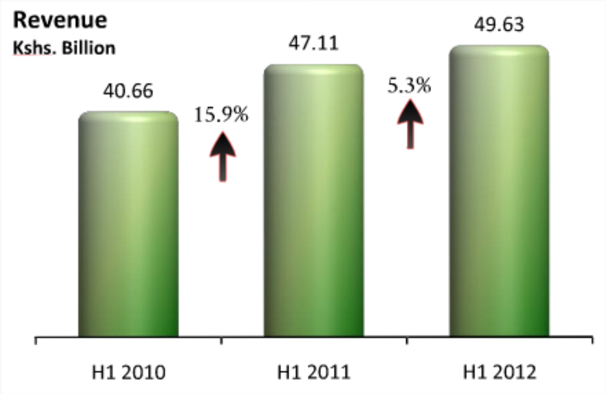
Continuously invest in our network to ensure that we offer the most advanced technology and reliable connectivity

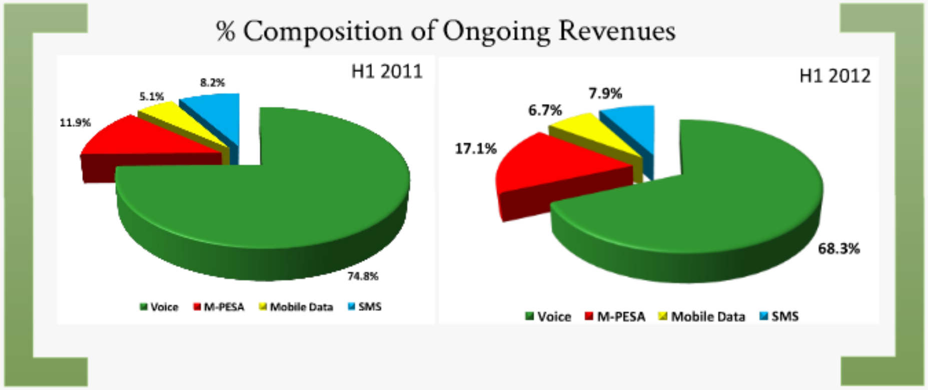
Continue on M-PESA's transformation into a fully fledged financial tool

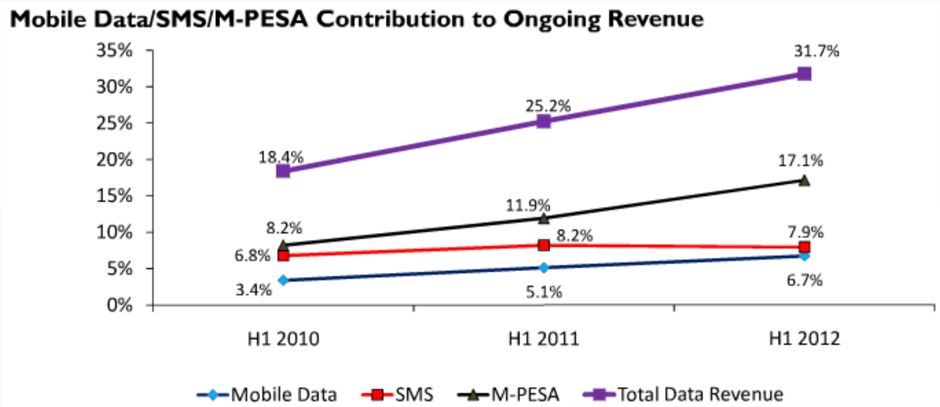
Further expand our distribution network and make available affordable data enabled devices to achieve our Data-for-All objective

First mover advantage: Offering the very latest and innovative products and services

FINANCIAL OVERVIEW: REVENUES



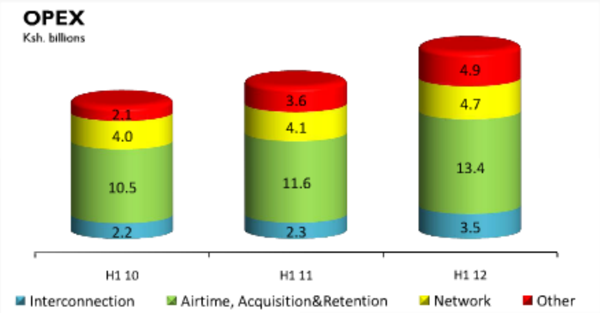




FINANCIAL OVERVIEW: COSTS

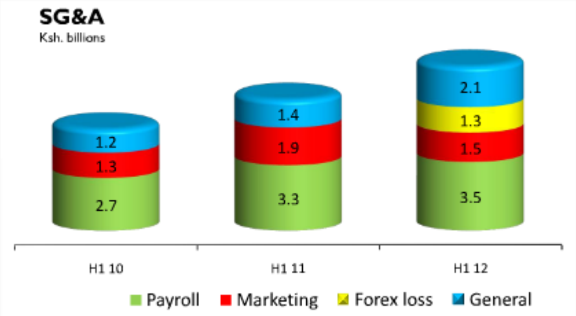
OPEX has increased by 23%

- Growth in interconnect costs;
- CCK License fees
- Increase in licence fees as a result of our continued network expansion
- 0.5% universal licence fees on revenue
- Rising energy costs



SG&A has increased by 26%

- Driven by a net forex loss of Ksh. 1.3 bn
- Increased Payroll and personnel costs by 6%
- Increase in General and administrative costs
- Decreased Marketing costs by 24%



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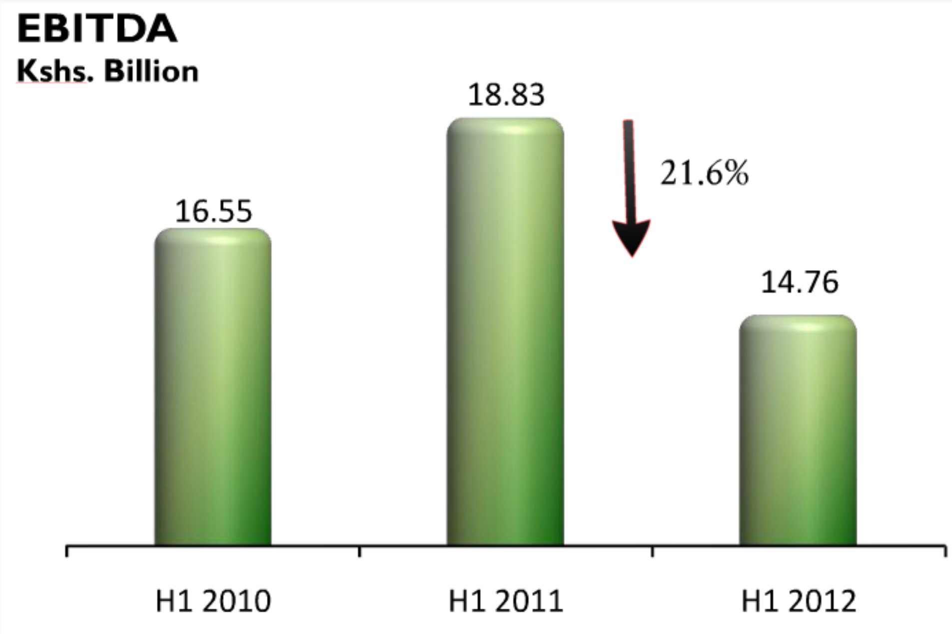
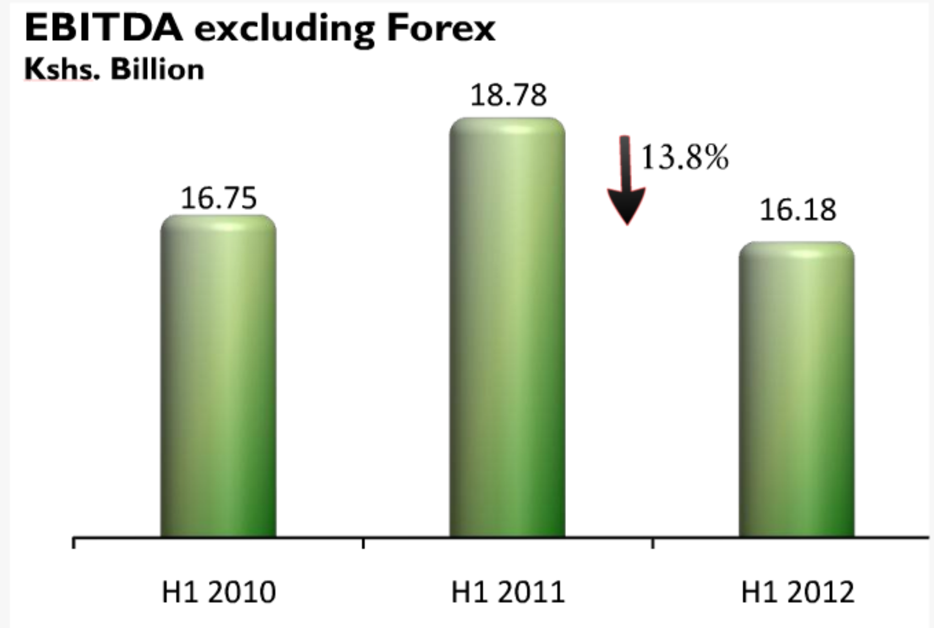
Cost Management Initiatives

- Reducing data transmission costs,
- Promotion of electronic top-ups,
- Optimization of our corporate structure
- Reducing site build costs.

Savings of over Kshs. 1.8 bn. in the period





EBITDA declined by 21.6% inclusive of Forex

- Impact of the rapidly depreciating shilling has led to a net forex loss
- Revaluation of trading balances of Ksh. 1.4bn

EBITDA excluding forex declined by 13.8% to Kshs. 16.18bn

- Impact of increased OPEX and SG&A costs

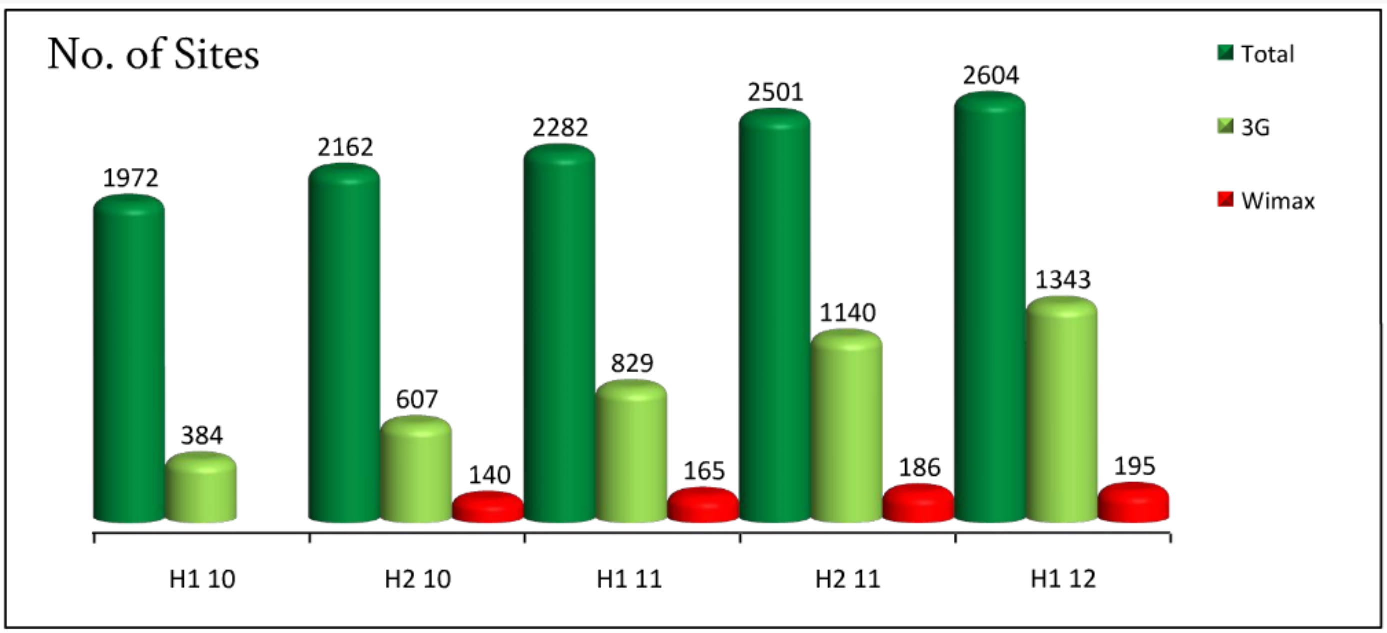
CAPEX

Kshs. 15.5 billion invested in the period

Focus on

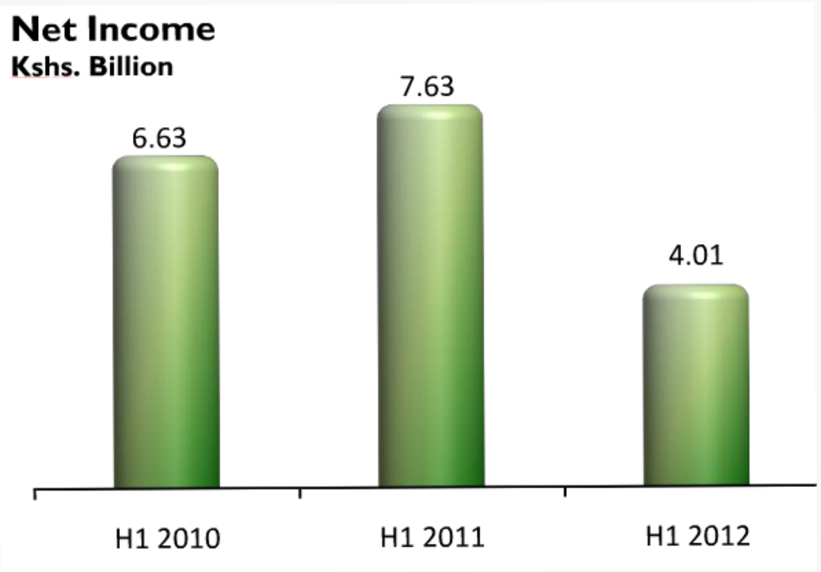
- 3G coverage, improving 2G capacity and quality
- Switching capacity & Fibre connectivity

Higher CAPEX intensity in the 1st half

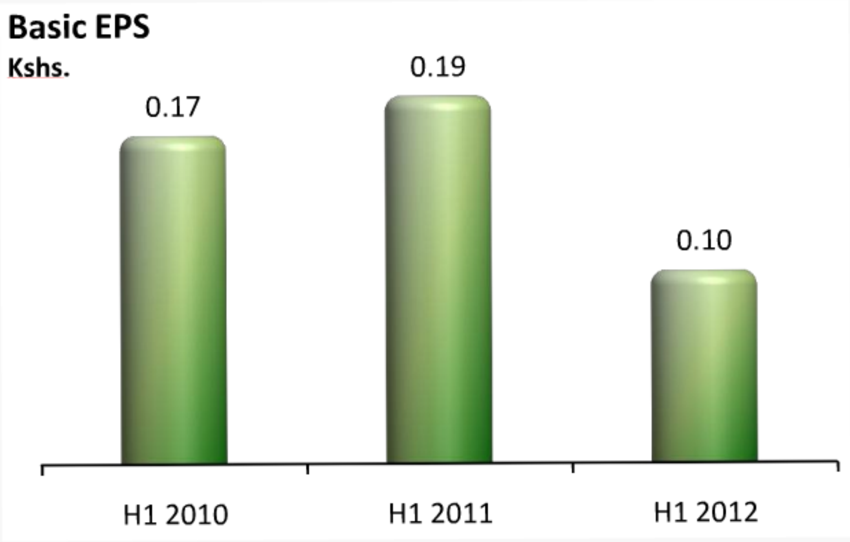


NET INCOME & EPS

Net income has declined to Kshs. 4.01 bn



EPS has declined to Kshs. 0.10



FUTURE OUTLOOK

Financial and Digital Inclusion

- Nationwide reach of our network
- Cutting edge data solutions
- Become the partner of choice
- Expand M-PESA into micro insurance, micro savings, micro credit and easy payment facilities.

Managing our costs

- Process re-engineering
- Streamlining of transmission and leased line costs
- The introduction of a managed service model for network opex.

TO BE THE BEST COMPANY IN AFRICA

Provision of superior service

- Integrated communication solutions to our various customer segments
- Continuous engagement with the customer
- Product innovation