DISCLAIMER

The following presentation is being made only to, and is only directed at, persons to whom such presentations may lawfully be communicated ("relevant persons"). Any person who is not a relevant person should not act or rely on this presentation or its contents.

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite or subscribe for or otherwise acquire securities in the Company.

The presentation also contains certain non-GAAP financial information. The Group's management believes these measures provide valuable additional information in understanding the performance of the Company's businesses because they provide measures used by the company to assess performance. Although these measures are important in the management of the business, they should not be viewed as replacements for, but rather as complementary to, the comparable GAAP measures.

Safaricom, M-PESA and Safaricom/M-PESA logos are trade marks of Safaricom Ltd. Other products and company names mentioned herein may be the trademarks of their respective owners.
TABLE OF CONTENTS:

01. NCHI YETU, STORI YETU
02. DELIVERING THE STRATEGY
03. THE NUMBERS
04. WAY FORWARD
NCHI YETU, STORI YETU
(Our country, Our Story)
NCHI YETU, STORI YETU
THE POWER OF CONNECTION

90% of Kenya’s population covered by mobile

Mobile provides wider access to health, education and financial services.

Telecoms contribution to economy is 8% of GDP

Source: Kenya Economic Survey, CA Reports
NCHI YETU, STORI YETU
THE POWER OF CONNECTION

In Kibera, M-PESA is providing access to water for over 80,000 residents.

For over 26 million M-PESA users, mobile money is more than just money transfer.
Commitment to responsible business by fully aligning with the Global Goals

Making a Difference: 120 projects this year creating meaningful impact in health, agriculture and education

NCHI YETU, STORI YETU
IMPACTFUL INNOVATION
We believe in the power of unity to build a better Kenya. #Twaweza

Over 70% Safaricom staff dedicate their time to community projects

We have forged over 35,000 partnerships across industries to drive change this year

NCHI YETU, STORI YETU
A HUMAN NETWORK
NCHI YETU, STORI YETU
SUSTAINABLE GROWTH FOR KENYA | 2006/7 - 2016/7

TRUE VALUE
IMPACT ON SOCIETY
10x PROFIT

CONTRIBUTION TO GDP
6.5% on average annually

SUSTAINING EMPLOYMENT
845K jobs in 2016 up from 426k in 2006

SOCIAL IMPACT OF M-PESA
184.6 SHS BILLION up from 83m in 2006

These results were calculated using KPMG’s ‘True Value’ methodology which uses proprietary methodology to establish the business value of companies.
DELIVERING THE STRATEGY
DEliaVERING THE STRATEGY

Customer First + Relevant Products + Operational Excellence =

- Revenue
- EBIT
- Net Income
- Free CashFlow
DELIVERING THE STRATEGY
CUSTOMER FIRST

Segments-led approach driving sharper customer focus

CONNECTIVITY
Safaricom M-PESA App (400k users)

CARE
40% increase in Customer Care Staff

Expanded service access (44 shops and 60 care desks)

My Data Manager (5 million users)

My Subscriptions Manager (2.1 million users)

REWARD AND LOYALTY
Bonga Rewards (Shs 2.3bn redeemed, Shs 3.5bn accumulated)
DELIVERING THE STRATEGY

RELEVANT PRODUCTS

**FLEX** - Discounting 35% value

**BLAZE** - (1.6 million customers)

**M-PESA in East Africa** (Uganda, Tanzania, Rwanda)

**M-PESA** free P2P transfers below Shs. 100

**M-PESA** Statements 1.2 million users

**Stori Ibambe** – Sh25 billion redeemed

Deep analytics guiding a more customised customer relationship
DELIVERING THE STRATEGY
OPERATIONAL EXCELLENCE

Continuous investment in the network of the future

Lean Operating Model

QUALITY
Customer Analytics
Great Network Availability

OPTIONS
Ambitious FTTH and FTTB rollout plan
Fastest rollout on 4G

CAPACITY

COVERAGE

Safaricom
Our network is ranked the best when compared to other networks in Kenya and Africa.

Source: P3, an independent analyst has found that our network is ranked the best when compared to other networks in Ghana, South Africa and Egypt.
THE NUMBERS
**Strong Financial Performance** | Delivered by our purpose and strategy

<table>
<thead>
<tr>
<th>Key Financials</th>
<th>FY17</th>
<th>FY16</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Revenue</td>
<td>204.1</td>
<td>177.8</td>
<td>+14.8%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>100.3</td>
<td>83.1</td>
<td>+20.7%</td>
</tr>
<tr>
<td>EBIT*</td>
<td>67.0</td>
<td>55.1</td>
<td>+21.6%</td>
</tr>
<tr>
<td>Net Income*</td>
<td>45.1</td>
<td>38.1</td>
<td>+18.3%</td>
</tr>
<tr>
<td>Free Cash Flow**</td>
<td>43.5</td>
<td>30.4</td>
<td>+43.3%</td>
</tr>
</tbody>
</table>

*Excludes one off adjustment of Shs 3.4Bn in H1
**Excludes Dividends, Spectrum purchases and any M&A activity
Higher investment and affordable prices | 3m additional customers have chosen Safaricom

- **Investment***: Shs. 38Bn
- **Prices***:
  - Data: 19%
  - SMS: 9%
  - P2P: 11.8%
  - Voice: ↓ 8%
  - Data: ↓ 22%
  - SMS: ↓ 19%
  - P2P: ↓ 9%
- **Customers**: ↑ 11.8%

*Includes Capital expenditure and 4G Spectrum purchase

**Effective average rate per unit
Resilient Business Model | Stable traditional telco streams, growing data & financial services

- Increased customer base and usage
- Increased data users and usage
- Increased M-PESA users and use cases

*Outgoing Voice
FY17 Service Revenue | M-PESA & Mobile Data continue to drive growth

- **M-PESA +7.6ppts**
  - +32.7% (YoY)
  - 27.0% of SR (+3.7ppts YoY)

- **Mobile Data +4.6ppts**
  - +38.5% (YoY)
  - 14.3% of SR (2.4ppts YoY)

---

<table>
<thead>
<tr>
<th>Service Revenue (Shs Bn)</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>118.1</td>
<td>138.4</td>
<td>156.3</td>
<td>177.8</td>
<td>204.1</td>
</tr>
</tbody>
</table>

**Outgoing Voice**
- +1.8ppts (+3.8% YoY)
- 42.5% of SR (-4.5ppts YoY)

**Fixed Data**
- +0.8ppts (37.4% YoY)
- Total Data 16.9% of SR (+2.9ppts YoY)

**Service Revenue Waterfall (Shs Bn)**

- FY16 Outgoing Voice: 177.8
- M-PESA: 3.2
- Total Data: 13.6
- Messaging: 9.6
- Other: (0.6)
- FY17: 204.1
M-PESA Revenue | Expansion of the eco-system drives growth

**+7.6 ppts**

**Bread & Butter +4.2 ppts**
- 75% of M-PESA Revenue
- P2P +21% (YoY)
- Withdrawals +24% (YoY)

**New Business +3.4 ppts**
- 25% of M-PESA Revenue
- C2B/ B2C/ B2B +103% (YoY)
- Lipa Na M-PESA (LNM) +61% (YoY)
- Other +10% (YoY)

---

M-PESA Revenue (Shs Bn)

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>22.8</td>
<td>26.6</td>
<td>32.6</td>
<td>45.6</td>
<td>55.1</td>
</tr>
</tbody>
</table>

Growing the Eco-system

- 19m 30 day active M-PESA subs +14.6% (YoY)
- 130k+ M-PESA Agents +35% (YoY)
- 50k+ 30 day active LNM tills +32% (YoY)
- 7m 30 day active loan customers +48% (YoY)
- 10 transactions per customer per month +35% (YoY)

30-day Active M-PESA Customers (m)

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>10.5</td>
<td>12.2</td>
<td>13.9</td>
<td>16.6</td>
<td>19.0</td>
</tr>
</tbody>
</table>
M-PESA Transaction Values | Growth continues in Bread and Butter, acceleration from New Business

<table>
<thead>
<tr>
<th>Shs 'Bn'</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,536</td>
<td>198</td>
<td>929</td>
<td>1,129</td>
<td>1,342</td>
<td>1,591</td>
</tr>
<tr>
<td>842</td>
<td>751</td>
<td>1,077</td>
<td>1,151</td>
<td>1,335</td>
<td>1,603</td>
</tr>
<tr>
<td>845</td>
<td>1,077</td>
<td>1,1319</td>
<td>1,569</td>
<td>1,849</td>
<td></td>
</tr>
</tbody>
</table>

5 YR CAGR +27%

H1 YoY% CAGR 5 Years
+74% +27%
+19% +21%
+20% +19%
+18% +23%

Mobile Data Revenue | Increasing penetration to drive growth

Driving the digital revolution

- Mobile Data ARPU* - Shs 153 +17% (YoY)
- Data subs now at 16.6m +18.1% (YoY)
- Usage per customer per month at 269MBs +52% (YoY)
- Data enabled devices now at 41% +10ppts (YoY)

Mobile Data Revenue (Shs Bn)

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6.6</td>
<td>9.3</td>
<td>14.8</td>
<td>21.2</td>
<td>29.3</td>
</tr>
</tbody>
</table>

30-day Active Mobile Data Customers (m)

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>7.1</td>
<td>9.6</td>
<td>11.6</td>
<td>14.1</td>
<td>16.6</td>
</tr>
</tbody>
</table>

*Mobile Data ARPU based on distinct data customers per month
**Performance on reported basis**

- **EBIT** 27.7% (YoY)
- Contribution margin 19.5% (YoY)
- Opex 9.7% (YoY)

---

**EBIT* (Shs Bn)**

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.9</td>
<td>35.1</td>
<td>45.6</td>
<td>55.1</td>
<td>67.0</td>
</tr>
</tbody>
</table>

---

**EBIT* YoY (Shs Bn)**

<table>
<thead>
<tr>
<th>FY16</th>
<th>Contribution Margin</th>
<th>Network OpEx</th>
<th>Payroll Costs</th>
<th>Other OpEx</th>
<th>Depreciation</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>55.1</td>
<td>(2.5)</td>
<td>(1.0)</td>
<td>(1.3)</td>
<td>(5.3)</td>
<td>67.0</td>
<td></td>
</tr>
</tbody>
</table>

---

**Contribution Margin**

- Contribution Margin* +17.7%
- OpEx* -12.4%

*Excludes H1 one off adjustment
Capex | Driven by our commitment to keep Kenya ahead in the technological roadmap

**Capex (Shs Bn)**

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.9</td>
<td>27.8</td>
<td>33.7</td>
<td>33.3</td>
<td>35.3</td>
</tr>
</tbody>
</table>

**Five Year FY Capex Intensity**

- FY13: 20.0%
- FY14: 19.2%
- FY15: 20.6%
- FY16: 17.2%
- FY17: 16.6%

**Capex Allocation**

- Radio Access, 38%
- IT Systems, 21%
- Fixed Network, 6%
- Operations, 9%
- Core Network, 8%
- Transmission, 12%
- Other Capex, 6%

**Sites**

- 4,677 sites, 95% coverage
- 3,517 3G sites, 85% coverage
- 1,103 4G sites, 25% coverage

**Own Fibre Roll out**

- Over 47k+ homes passed with FTTH
- 1,445 commercial buildings with FTTB
Cash Flow | Growth delivered by better operating performance

Net Cash & Usage (Shs Bn)

Healthy Debt Position
- Debt / Equity Ratio: 0.15x
- Debt / EBITDA Ratio: 0.16x

Opening Balance | EBITDA | Net Debt | Normal Dividends | Special Dividends | Capex | Tax paid | Spectrum | Working capital | Net interest | Closing balance
---|---|---|---|---|---|---|---|---|---|---
6.2 | 103.1 | 16.5 | (30.4) | (27.2) | (35.3) | (24.0) | (2.5) | (1.3) | 0.5 | 6.0
### Key Financials | Statement of Income

<table>
<thead>
<tr>
<th>Shs Bn</th>
<th>FY17 Reported</th>
<th>FY17 Normalized**</th>
<th>FY16 Reported</th>
<th>YoY% Reported</th>
<th>YoY% Normalized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice revenue (Outgoing &amp; Incoming)</td>
<td>93.46</td>
<td>93.46</td>
<td>90.80</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Messaging revenue</td>
<td>16.68</td>
<td>16.68</td>
<td>17.33</td>
<td>(3.7%)</td>
<td>(3.7%)</td>
</tr>
<tr>
<td>Mobile data revenue</td>
<td>29.29</td>
<td>29.29</td>
<td>21.15</td>
<td>38.5%</td>
<td>38.5%</td>
</tr>
<tr>
<td>Fixed service revenue</td>
<td>5.24</td>
<td>5.24</td>
<td>3.82</td>
<td>37.4%</td>
<td>37.4%</td>
</tr>
<tr>
<td>M-PESA revenue</td>
<td>55.08</td>
<td>55.08</td>
<td>41.50</td>
<td>32.7%</td>
<td>32.7%</td>
</tr>
<tr>
<td>Other service revenue</td>
<td>4.36</td>
<td>4.36</td>
<td>3.18</td>
<td>36.8%</td>
<td>36.8%</td>
</tr>
<tr>
<td><strong>Service Revenue</strong></td>
<td>204.11</td>
<td>204.11</td>
<td>177.78</td>
<td>14.8%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Handset and other revenue</td>
<td>8.70</td>
<td>8.70</td>
<td>8.62</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Construction revenue</td>
<td>0.08</td>
<td>0.08</td>
<td>9.28</td>
<td>(99.2%)</td>
<td>(99.2%)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>212.89</td>
<td>212.89</td>
<td>195.68</td>
<td>8.8%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Other income</td>
<td>2.51</td>
<td>0.28</td>
<td>0.23</td>
<td>&gt;100%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Direct costs</td>
<td>(66.75)</td>
<td>(66.75)</td>
<td>(62.31)</td>
<td>7.1%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Construction costs</td>
<td>(0.08)</td>
<td>(0.08)</td>
<td>(9.28)</td>
<td>(99.1%)</td>
<td>(99.1%)</td>
</tr>
<tr>
<td><strong>Contribution Margin</strong></td>
<td>148.57</td>
<td>146.34</td>
<td>124.33</td>
<td>19.5%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Contribution Margin %*</td>
<td>69.0%</td>
<td>68.7%</td>
<td>66.6%</td>
<td>2.4ppt</td>
<td>2.1ppt</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(44.95)</td>
<td>(46.08)</td>
<td>(40.99)</td>
<td>9.7%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Forex loss on trading activities</td>
<td>(0.01)</td>
<td>(0.01)</td>
<td>(0.27)</td>
<td>(97.4%)</td>
<td>(97.4%)</td>
</tr>
<tr>
<td>Operating cost &amp; Fx loss % total revenue*</td>
<td>20.9%</td>
<td>21.6%</td>
<td>22.1%</td>
<td>(1.2%)</td>
<td>(0.5%)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>103.61</td>
<td>100.25</td>
<td>83.07</td>
<td>24.7%</td>
<td>20.7%</td>
</tr>
<tr>
<td>EBITDA Margin %*</td>
<td>48.1%</td>
<td>47.1%</td>
<td>44.5%</td>
<td>3.6ppt</td>
<td>2.5ppt</td>
</tr>
<tr>
<td>Depreciation, impairment &amp; amortisation</td>
<td>(33.23)</td>
<td>(33.23)</td>
<td>(27.94)</td>
<td>18.9%</td>
<td>18.9%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>70.38</td>
<td>67.02</td>
<td>55.12</td>
<td>27.7%</td>
<td>21.6%</td>
</tr>
<tr>
<td>EBIT Margin %*</td>
<td>32.7%</td>
<td>31.5%</td>
<td>29.5%</td>
<td>3.1ppt</td>
<td>1.9ppt</td>
</tr>
<tr>
<td>Net Financing, Forex and Fair Value Losses</td>
<td>0.23</td>
<td>0.23</td>
<td>0.90</td>
<td>(73.9%)</td>
<td>(73.9%)</td>
</tr>
<tr>
<td>Share of associate profit</td>
<td>0.02</td>
<td>0.02</td>
<td>0.10</td>
<td>(82.0%)</td>
<td>(82.0%)</td>
</tr>
<tr>
<td>Fair Value Loss on Investment property</td>
<td>-</td>
<td>-</td>
<td>(0.37)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Taxation</td>
<td>(22.19)</td>
<td>(22.19)</td>
<td>(17.66)</td>
<td>25.7%</td>
<td>25.7%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>48.44</td>
<td>45.09</td>
<td>38.10</td>
<td>27.1%</td>
<td>18.3%</td>
</tr>
<tr>
<td><strong>Net Income %</strong></td>
<td>22.5%</td>
<td>21.2%</td>
<td>20.4%</td>
<td>2.1ppt</td>
<td>0.7ppt</td>
</tr>
<tr>
<td><strong>Earning per share (EPS)</strong>*</td>
<td>1.21</td>
<td>1.13</td>
<td>0.95</td>
<td>27.1%</td>
<td>18.3%</td>
</tr>
<tr>
<td><strong>Dividend per share (DPS)</strong>*</td>
<td>0.97</td>
<td>0.97</td>
<td>0.76</td>
<td>27.5%</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

*Margin is calculated on total revenue (less construction revenue) plus other income
**Normalised for one off adjustment
***Proposed for FY17, paid FY16 excluding special dividend
WAY FORWARD
OUR OPERATING ENVIRONMENT

Regulatory pressure

Industry collaboration
DIGITISING THE HOME

Expansion plan to capture an under penetrated market

Passed 53,000 homes with fibre

Fibre is the gateway to Value Added Services for the Home

Smart Home Strategy based on converged solutions

Passed 53,000 homes with fibre

Fibre is the gateway to Value Added Services for the Home

Smart Home Strategy based on converged solutions
THE EVOLUTION OF M-PESA

2007
Simple Money Transfer

2009
Payments for Services (Kenya Power)

2011
International Money Transfer

2012
Savings and Loans (M-Shwari)

2013
Payments for Goods and Services (Lipa na M-PESA)

2015
M-PESA Comes Home

2016
Value Addition (API, Hakikisha, Statements, Bulk Payments, M-PESA Kadogo)

2016
M-TIBA

2017
Safaricom App

2017
One Tap

FUTURE
REVOLUTIONALISING PAYMENTS

Phone Sticker  Card  Wristband

TAP. PIN. PAID.
FY18 GUIDANCE

**EBIT**
From Shs 67 Bn (FY17 normalized)
To Shs 71-75 Bn

**CAPEX**
From Shs 35 Bn
To Shs 35-38 Bn
Q & A