**Dear All,**

I wish to set the record straight on various negative and inaccurate stories that have appeared in the media over the last couple of weeks:

In Mid-September, MTN Uganda discovered suspicious supply chain payments made to several service providers. The MTN forensic team and Uganda Police were engaged to investigate the suspicious transactions. This resulted in the charging of two staff members implicated in the investigation, with offences relating to fraud in the amount of UShs. 13 billion. MTN has also made criminal complaints against the suppliers implicated and filed a civil claim against one of them who reneged on their contractual undertaking to refund the funds misappropriated by them.

Subsequently one of the staff that was charged in court for embezzlement of company funds, Mr. Naphtal Were, made baseless allegations of tax evasion against Senior Management and Directors of the Board of MTN Uganda. Through his lawyers he initiated a private prosecution against the Senior Management and Directors of the MTN Uganda Board and applied to court to issue a warrant of arrest. It should be noted that the private prosecution initiated by Naphtal Were was brought against the MTN Global Chief Executive and the Board, who are not resident in Uganda, for allegedly making false declarations to URA in Uganda. Also, the case was brought against MTN Uganda’s (non-executive) Chairman, and three senior executives none of whom deals with customs declarations to URA. Customs declarations are made by clearing agents, and not by the MTN Global Chief Executive or the MTN Board, who reside abroad, or by the MTN Uganda Chairman or senior executives, as this is a function of clearing agents which are independent companies. Therefore, the private prosecution which was initiated by a person who is facing four cases of fraud and theft should be viewed in its proper perspective.

In a ruling delivered on the 6th November, 2012, the Buganda Road Chief Magistrate’s Court ruled that no warrant of arrest can be issued against any of the individuals named in the complaint, and that the criminal summons earlier issued by court were not mandatory orders that required the persons named in the summons to appear in court.

The court also ruled on the issue of whether the Director of Public Prosecution (“DPP”) should take over the proceedings of the case. The court ruled that the DPP should take over the proceedings and that the complainant should hand over all the files to the DPP. The aforementioned ruling gives the DPP authority to take over the handling of this matter henceforth.

As has also been reported in the press, the said staff mentioned above, Mr. Naphtal Were, was already facing charges of attempted fraud of UShs. 600 million form MTN Uganda and in the process of searching his home, the police found stolen MTN property-11 solar power inverters, with an estimated value of UShs. 140 million. As a result of the suspected theft, a fresh criminal complaint and police file have been opened against him with a view to having him charged for the theft of the inverters.

MTN’s has strong corporate values of ethical behaviour and integrity, and any allegations against the company are taken seriously.

**Regards,**

**Mazen Mroué**

**CEO**