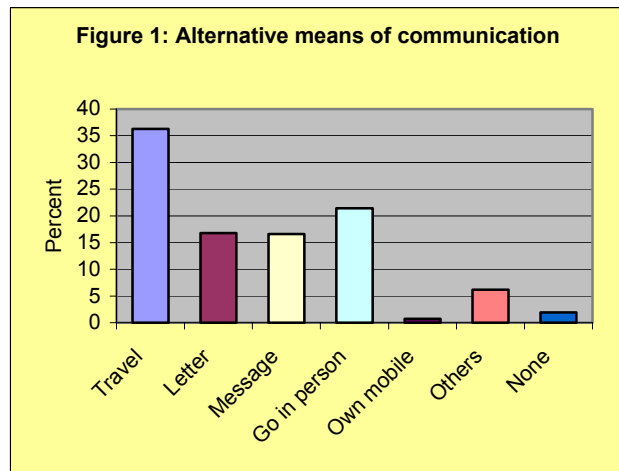


July 2005 –Selected results from the largest demand survey in Nigeria

In the country which most symbolizes Africa's growing telecommunications market, Intelcon has completed the largest survey of telecommunications demand in unserved urban and rural locations ever undertaken in Africa. The results will be used by Intelcon, in consultation with the Nigerian Communications Commission (NCC), to help refine the design of the country's universal access program and to identify further pilot investment projects for the Universal Service Provision Fund. The study is part of a World Bank sponsored technical assistance project. The study covers 24 of the country's 36 states, in every region of the country. The survey team has conducted more than 5,000 interviews, both household and business/institutions, in 24 urban and 48 semi-urban locations and 72 rural villages. Intelcon designed the survey to identify demand, affordability and user preferences, and it was executed with the assistance of its local associate, the country's leading market research firm, eShekels Limited. The following are just a few selected highlights of the survey's finding from the household interviews:

Figure 1 shows that over one third of respondents (36%) travel to another town with phone service to make a call in order to communicate with somebody not living in their village. 21% actually go in person due to the absence of a phone. A third of respondents are either sending a letter or using a messenger (or a combination of both – i.e. writing a letter and then using a messenger to deliver it).



Looking at the average travel distance per region, Figure 2 shows that respondents in the North-East travel by far the farthest, at 110 km. North-Central respondents travel on average 56 km while North-West respondents travel 50 km typically. Averages in the South are between 30 and 40 km.

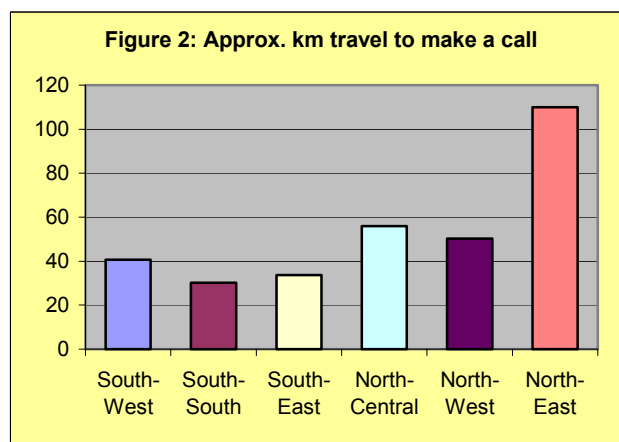
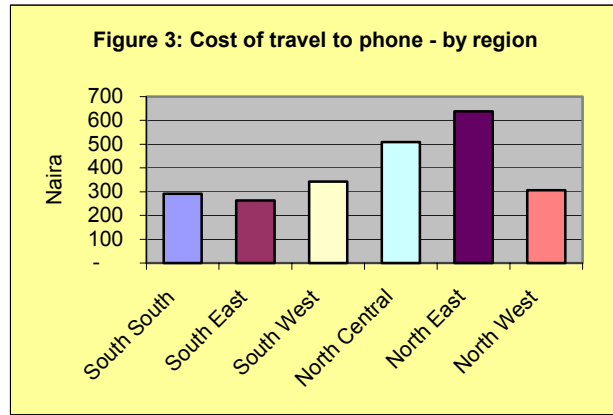
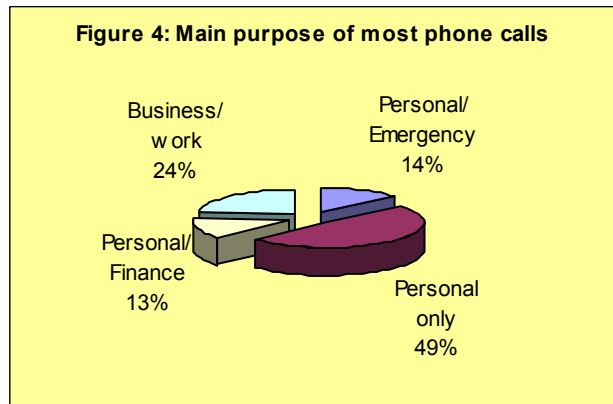


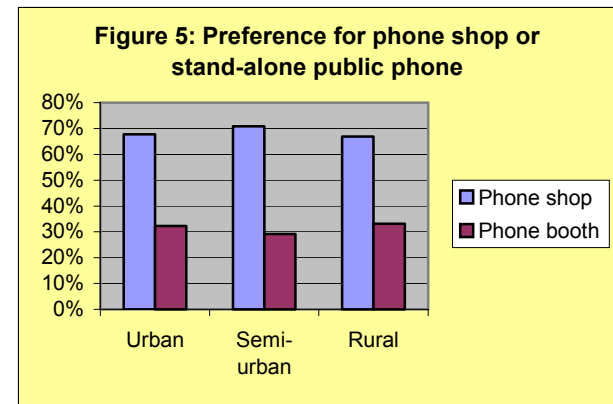
Figure 3 shows the average cost to travel to a phone. The North-East and North-Central region not only spend the most time to get to a phone, but also pay the most, over 600 and 500 Naira respectively.



Respondents who currently travel to make phone calls (36% of the total), spend on average 7% of their household income on telecom services. All respondents were also asked about *future* spending, if they had a public telephone in their village or town. The responses indicated that on average, Nigerians could be expected to spend 8% of their household income.



When asked what type of phone calls they would make most often, Figure 4 shows that 50% of respondents would make primarily calls related to personal matters, while almost 25% stated their calls would be related most often to business and work.



68% of respondents prefer a public phone shop and 32% prefer a stand-alone public payphone. Figure 5 shows that there are no significant differences between urban, semi-urban and rural respondents.

Figure 6 illustrates respondents' preference between cheaper or better quality calls (i.e. clearer reception, fewer dropped calls). The study found that 74% of respondents chose better quality while 26% preferred to pay less for calls. Figure 6 shows that semi-urban and rural respondents are slightly more price sensitive.

