



MTN Group Limited
Financial results
for the year ended 31 December 2013



everywhere you go


Summarised consolidated financial results


for the year ended 31 December 2013


MTN is a leading emerging markets mobile operator, connecting 207,8 million people in 22 countries across Africa and the Middle East. We are committed to continuously improving our customer experience and delivering a bold, new Digital World to them.


Highlights


 **Group subscribers**
9,8%
to 207,8 million


 **Revenue increased**
12,0% (3,1^{*})
R136 495 million

 **Data revenue increase**
41,4% (32,6^{*})
to R20 670 million

 **EBITDA increased**
13,0%^{} (1,6%^{*})**
R58 820 million

 **EBITDA margin increased**
0,4 percentage points to
43,1%^{}**

 **Capex increased**
4,6% (-4,3%^{*})
to R30 164 million

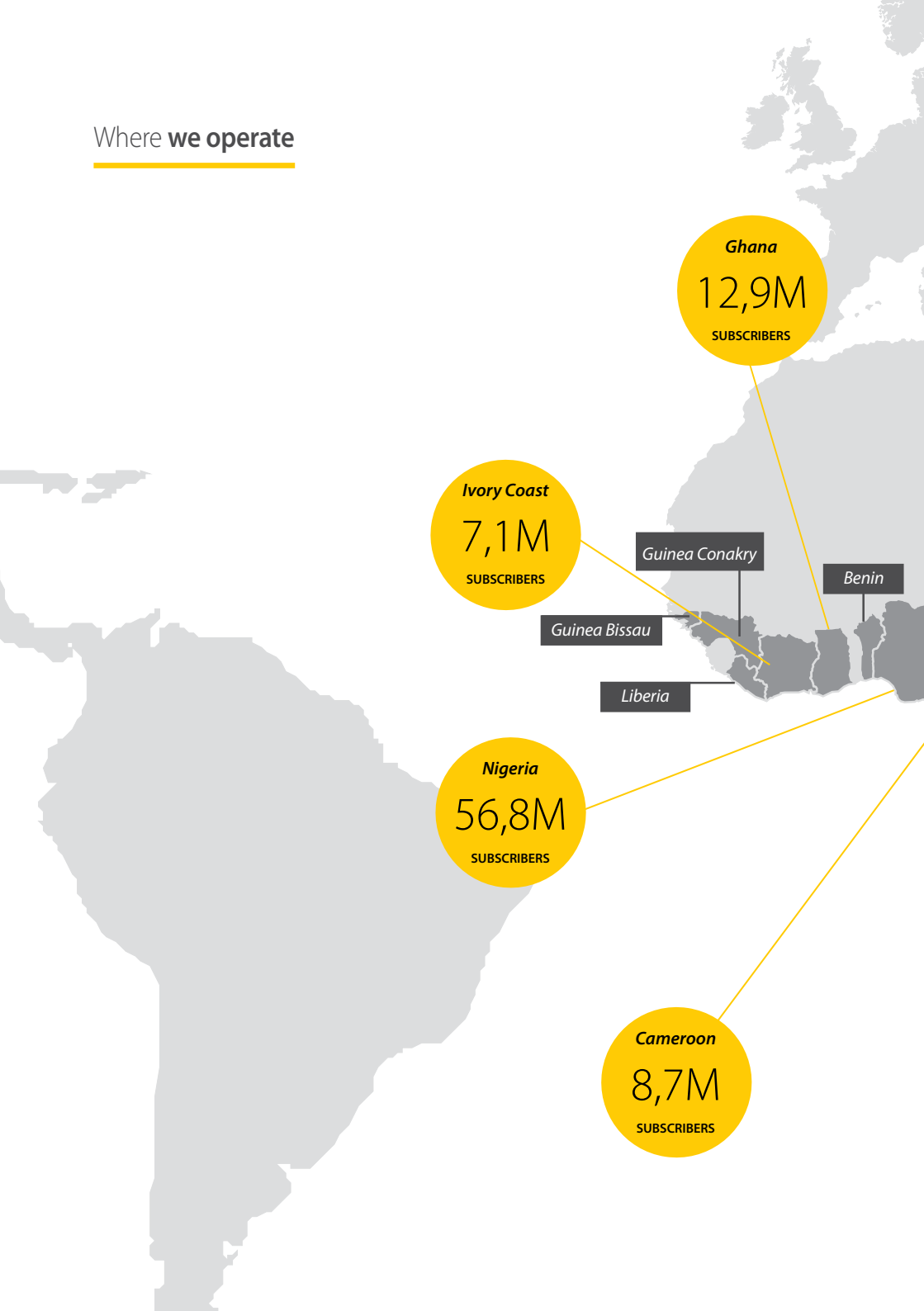
 **HEPS increased**
27,3%
1 386 cents

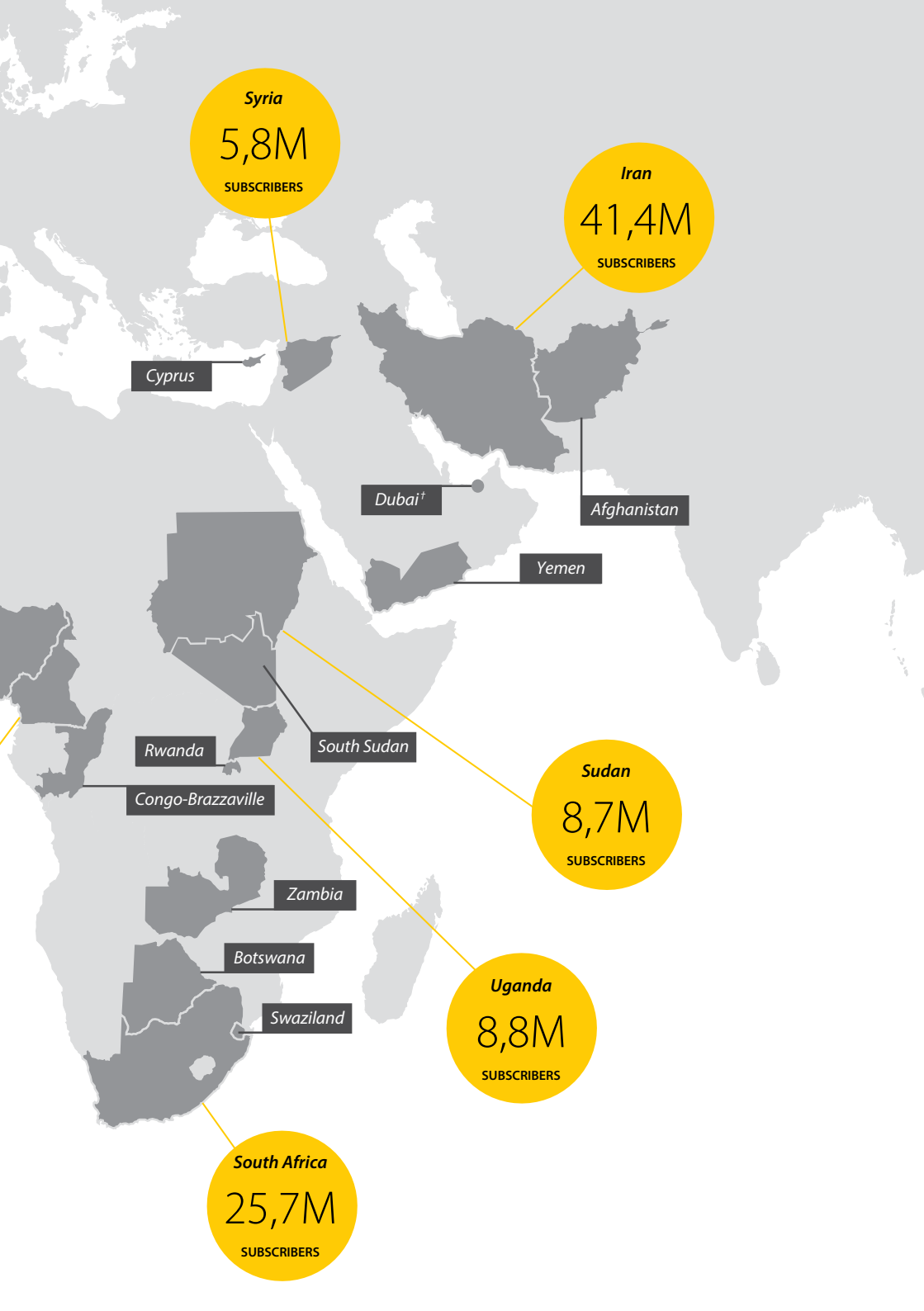
 **Final dividend of**
665 cents per share
with total dividend of
1 035 cents per share

* Constant currency information disclosed in these results is the responsibility of the Group's board of directors. The constant currency information has been presented to illustrate the impact of changes in currency rates on the Group's results and hence may not fairly present the Group's results of operations. In determining the change in constant currency terms, the current financial reporting year's results have been adjusted to the prior year's average exchange rates determined as the average of the monthly exchange rates which can be found on www.mtn.com/investors. The measurement has been performed for each of the Group's currencies, materially being that of the US dollar and Nigerian naira. The organic growth percentage has been calculated by utilising the constant currency results compared to the prior year results. The constant currency information has been reported on in terms of ISAE 3000 (Assurance Engagements other than reviews of historical financial information) by the Group's external auditors.

** excluding tower profits of R968 million (December 2012: R587 million)

Where **we** operate





Syria

5,8M

SUBSCRIBERS

Iran

41,4M

SUBSCRIBERS

Cyprus

Dubai⁺

Afghanistan

Yemen

Rwanda

Congo-Brazzaville

South Sudan

Zambia

Botswana

Swaziland

Sudan

8,7M

SUBSCRIBERS

Uganda

8,8M

SUBSCRIBERS

South Africa

25,7M

SUBSCRIBERS

Review of results

OVERVIEW

During the year, MTN Group delivered satisfactory growth in headline earnings, supported by favourable currency movements. The Group faced a number of challenges, including aggressive price competition and increased regulatory pressures in many of our key markets.

Group subscribers increased by 9,8% to 207,8 million, notwithstanding ongoing subscriber registration programmes in a number of markets. Subscriber growth was supported by competitive segmented offerings and improved network quality and capacity in many markets.

The efficient execution of our extensive capital expenditure (capex) programme significantly improved network quality and capacity, and facilitated higher voice and data traffic. This investment in capacity will also ensure that MTN remains competitive and is able to roll out solutions beyond traditional voice services.

Group reported revenue increased by 12,0% in the year. This was positively impacted by a weakening of the rand against a number of currencies in which our businesses operate. For the year as a whole, the rand declined by 18,3% on average against the US dollar. On a constant currency basis, revenue increased by a more muted 3,1%*. This was largely the result of a 6,1% decline in revenue in MTN South Africa and 5,7%* growth in MTN Nigeria. Both our Large and Small opco clusters delivered more pleasing results with revenue growth of 11,0%* and 7,5%* respectively, with particularly encouraging growth reported by our operations in Uganda, Ghana, Cameroon, Sudan, Yemen and Zambia.

Our Nigerian operation continued to improve its performance during the year, with fourth quarter revenue up 15,3% year-on-year (YoY) in local currency. Notwithstanding the challenges faced by our South African operation, the business showed signs of improved performance in the second half.

Group EBITDA increased by 13,0% (1,6%*) to R58 820 million excluding the profit from the sale of towers. Further progress was made on cost optimisation across the Group, which supported the EBITDA margin of 43,1%** for the year, 0,4 percentage points higher than the previous year. The good progress made on cost savings was offset to an extent by the lower EBITDA margin in the South African operation, which was largely driven by the decline in revenue.

Capital expenditure for the year was R30 164 million, 4,6% higher than the previous year. Excluding the effect of changes in foreign exchange movements, capex decreased by 4,3%*. During 2013, the Group's operations rolled out 5 161 2G and 4 413 3G sites, supporting increased minutes of use (MOU) and faster data speeds on our 3G networks.

During the year under review, the Group adopted IFRS 11 Joint Arrangements for the first time and accounted for MTN's investment in MTN IranCell in terms of IAS 29 – Financial Reporting in Hyperinflationary Economies. The Group also reclassified its intergroup loan to MTN Syria as a net investment in a foreign operation in accordance with the principles of IAS 21 -The Effect of Changes in Foreign Exchange Rates.

PROSPECTS

Notwithstanding the muted constant currency growth reported for the full year, MTN has made sound progress over the last six months. The large investment in capex during the year has significantly addressed both network quality and capacity, which will be key factors supporting continued growth over the medium term.

While the South African business delivered disappointing results, the executive team is focused on helping this business deliver an improved overall performance in the year ahead.

We continue to explore opportunities to expand our product offering outside of traditional voice and expect to increase our presence in the digital space by leveraging technology and maximising the opportunity of low internet penetration in our markets. Delivering additional services through the internet will be supported by our recent partnership with Rocket Internet (Rocket), which is expected to be concluded in the first half of 2014. This will enhance growth in our internet business in Africa and the Middle East as Rocket is one of the world's leading internet incubators, with a presence across our footprint. Expanding our 3G coverage and enabling access to affordable data-enabled devices is anticipated to support strong growth in data usage. The continued roll out of MTN Mobile Money and broader financial services, as well as providing innovative ICT solutions to corporate and SME customers through our enterprise business unit, remain a key priority.

The Group is focused on delivering a distinct customer experience by improving network quality and capacity as well as providing value-added products targeted at our different customer segments. We continue to transform our organisation through cost optimisation and increasing operational efficiency which will help the delivery of sustainable returns for all our stakeholders.

Value-accretive M&A opportunities will continue to be explored in line with our strategy.

Any forward-looking information contained in this announcement has not been reviewed or reported on by the Company's external auditors.

SANCTIONS

MTN continues to work closely with all relevant authorities in managing US and EU sanctions against Iran, Syria and Sudan. MTN continues to retain international legal advisors to assist the Group in remaining compliant with all applicable sanctions. In particular, we will focus on the segregation of funds to ensure continued compliance with both internal and external requirements.

TURKCELL ALLEGATIONS

In November, Turkcell İletişim Hizmetleri AS (Turkcell) filed a lawsuit against MTN, MTN International (MTNI) and others in the South Gauteng High Court of South Africa, seeking damages of approximately US\$4.2 billion plus interest. Its claim arose from substantially the same allegations on which it founded US proceedings against MTN in early 2012. Those were related to Turkcell subsidiary East Asian Consortium's (EAC) unsuccessful effort to obtain the second GSM licence in Iran during 2005. Turkcell had withdrawn its claims in the US proceedings on 1 May 2013. Turkcell's allegations were investigated by a special committee appointed by the MTN board (the Hoffmann Committee) and its findings reported by MTN to stakeholders in February 2013. After a thorough examination of Turkcell's allegations and consideration of the available evidence, the Hoffmann Committee concluded that the allegations were unfounded. MTN will continue to vigorously defend any proceedings instituted by Turkcell in respect of such matters.

LEADING THE DELIVERY OF A "BOLD NEW DIGITAL WORLD"

We continue working towards our vision to lead the delivery of a "bold, new Digital World" to our customers and made good progress in the execution of our strategy in 2013. Over the medium term, our priorities are driving growth beyond voice, creating a distinct customer experience while ensuring that we optimise costs.

During the year, we delivered on a number of initiatives towards achieving this.

Review of results continued

Voice revenue contributed three-quarters (75,5%) of total revenue. In the year, voice continued to face pressure as a result of aggressive price competition and lower mobile termination rates, which caused a decrease of 1,8 percentage points in its contribution to overall revenue. MTN remained competitive and maintained its market share in most key markets by improving the quality and capacity of its network.

We recorded progress in customer service, improving our net promoter score by 28% in countries where it has been rolled out. The net promoter score is the result of a customer satisfaction survey implemented in South Africa, Nigeria, Ghana, Cameroon and Ivory Coast in the year. MTN's segmented offerings as well as value-added products and services remain priorities going forward.

During the year, data services were the key driver of the Group's revenue growth and increased their contribution by 3,1 percentage points to 15,1%. The number of data users increased by 37,4% to 80,6 million as we expanded our 3G networks and stimulated the adoption of data-enabled devices and smartphones. At the end of December we had 34,8 million smartphones on our network, an increase of 59,0% on the previous year. We expect the recent launch of our own affordable "Steppa" smartphone to quicken the pace of smartphone penetration. Managing tariffs in the data environment remains a key focus.

MTN Mobile Money and financial services are an increasingly important part of our service offering. We are not only working on acquiring subscribers but also on increasing the volume of transactions through expanding our product range. In 2013, MTN introduced numerous financial products such as various short-term insurance offerings, ATM withdrawals and remote payments for airline tickets. The number of registered MTN Mobile Money subscribers grew by 57,3% to 14,8 million. However, growth in the active subscriber base was slower than expected, due in part to regulatory and operational challenges. This is an area of management attention in 2014.

To accelerate MTN's expansion into the digital space, we entered into a partnership with Rocket. Our partnership will be effected through two separate agreements. Firstly, we have an equity partnership agreement with Rocket and Millicom International Cellular to develop our internet businesses in Africa, being one third shareholders each through Africa Internet Holding (AIH), which already has a presence in 13 countries on the continent. The second agreement involves Rocket and MTN becoming 50% shareholders in Middle East Internet Holding (MEIH). MTN expects to invest approximately EUR300 million over the next two to four years in AIH and MEIH.

We continue to leverage our integrated ICT business, which is still in its infancy and is envisaged to increase its contribution going forward. During 2013, we secured two large multinational contracts in Africa and a partnership with PCCW, owners of one of the world's largest IP backbones, which will allow us to enhance our expanding ICT offering in Africa. We also provide cloud services to SME customers in seven markets and high-speed networks in 11 markets.

In the year, we made solid progress on cost optimisation across the Group. This supports the increase in our EBITDA margin to 43,1%**.

However, as the telecommunications environment continues to evolve towards data and as competition intensifies further, our returns will come under pressure. It is therefore imperative that we embed cost optimisation and efficiencies into the business to ensure we have the most effective base for future growth.

A number of initiatives have already resulted in real cost benefits. In 2013 we started the process to establish a global hub for centralised transaction processing in South Africa and standardised processes across support functions. Centralising procurement continues to realise gains with the establishment of a procurement company in Dubai and the development of a blueprint for the supply chain management processes across the Group. We realised meaningful cost reductions in our distribution network through the renegotiation of contracts in South Africa and the realignment of our commission structure in Nigeria.

The Group continues to explore tower transactions on an ongoing basis. In the year, MTN sold towers in Cameroon and Ivory Coast and entered into agreements to sell towers in Rwanda and Zambia. We anticipate that these agreements will close in the first half of 2014. Other steps taken to manage costs included optimising labour productivity costs and a continued focus on power costs. Land leasing costs and high inflation in key markets remain challenging.

Financial review

Group revenue increased by 12,0% (3,1%*) to R136 495 million. This was supported by strong growth in the Large opco cluster 13,7% (11,0%*), supported by Uganda 35,5% (17,8%*), Ghana 20,5% (13,0%*), Cameroon 36,5% (11,9%*) and Sudan 15,7% (34,5%*). The South African and Nigerian operations reported revenue growth of -6,1% and 24,5% (5,7%*) respectively. The Small opco cluster performed well, increasing revenue by 25,8% (7,5%*). This was supported by strong growth in Zambia 51,0% (33,4%*) and Yemen 31,6% (11,1%*).

The weakness in the rand exchange rate in the year contributed to the improvement in reported revenue for operations outside South Africa. More specifically, the rand declined by 15,6% against the naira, while the naira remained relatively constant against the US dollar.

Outgoing voice revenue increased by 12,3% (2,4%*) compared to the prior year and contributed 64,2% of total revenue. Performance was negatively impacted by price competition in key markets. In 2013, the average price per minute (APPM) declined by 14,9% in US dollar terms. These lower voice tariffs resulted in a 19,0% increase in MTN's voice traffic volumes YoY. We expect to see APPM declining further in 2014.

Group data revenue (excluding SMS) increased by 41,4% (32,6%*), supported by an expanded 3G network, strong growth in data users and an increase in smartphone adoption. Data's contribution to total revenue was 15,1%, 3,1 percentage points higher than the prior year. South Africa and Nigeria were the largest contributors to data revenue growth and together accounted for 77,9% of the Group's total data revenue. Other strong operations included Ghana, Uganda, Cameroon, Ivory Coast and Syria.

Group interconnect revenue declined by 4,4% (12,9%*) following a cut in termination rates in our Nigerian and South African operations. These two operations accounted for 52,0% of total Group interconnect revenue. The 24,9% decline in South Africa interconnect revenue and the 23,0%* decrease in Nigerian interconnect revenue resulted in a 6,5 percentage point decline in the Group's interconnect margin to 17,7%.

EBITDA

Group earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 13,0%(1,6%*) to R58 820 million, excluding the profit on tower sales. The Group EBITDA margin increased marginally by 0,4 percentage point to 43,1%***, despite lower margins in South Africa and Nigeria (excluding the reversal of the provision of management fees). Progress was made in reducing advertising and transmission costs but these gains were offset by higher rent and utility costs as well as increased interconnect costs.

The slight widening in the Group's EBITDA margin was supported by increased margins in Ghana (0,5pp), Ivory Coast (0,6pp), Sudan (4,0pp), Yemen (2,7pp) and Zambia (13,2pp). However, South Africa, Nigeria (excluding the reversal of the provision of the management fees), Syria, Cameroon and Uganda recorded declines in their EBITDA margins.

DEPRECIATION AND AMORTISATION

Depreciation increased by 19,3% as a result of the significant capex roll out in South Africa and Nigeria. Amortisation costs increased by 30,5%, driven by increased spending on software.

Review of results continued

NET FINANCE COSTS

Net finance costs of R1 234 million were 67,4% below the R3 790 million in the previous year. This was largely due to foreign currency gains of R1 066 million as a result of R2 226 million in functional currency gains in Mauritius, partly offset by foreign exchange losses incurred on the Sudan working capital accounts of R778 million. The increase in interest costs was largely due to the higher debt levels in Nigeria as the business invested in its capex programme.

TAXATION

The Group's absolute taxation charge increased by 4,0% to R12 307 million and the effective tax rate declined by 4,2 percentage points to 28,8%. The lower effective tax rate was mainly the result of the discontinuance of secondary tax on companies (STC) in South Africa and the IAS 21 adjustment on foreign exchange losses.

EARNINGS

Basic headline earnings per share (HEPS) increased by 27,3% to 1 386 cents and attributable earnings per share (EPS) increased by 27,4% to 1 434 cents.

CASHFLOW

Cash inflows from operating activities increased by 34,7% to R27 025 million mainly due to a 16,8% increase in cash generated from operations and a 16,6% decrease in tax payments. Cash outflows on property, plant and equipment (excluding software) increased by 18,5% to R24 568 million, which contributed significantly to the cash outflow in investing activities. This was partially offset by the proceeds from the sale of the towers of R2 378 million. Cash inflows from financing activities were mainly the result of an increase in borrowings in Nigeria. Cash and cash equivalents increased to R39 577 million due to the net cash inflow and the positive effect of the weaker rand/US dollar exchange rate.

CAPITAL EXPENDITURE

Capex increased by 4,6% (-4,3%*) to R30 164 million, of which R2 563 million related to foreign currency movements. In 2013, we accelerated infrastructure investment to support the improvement of our network quality and capacity.

CASH BALANCE

The Group reported net debt of R352 million. This excludes R5 518 million (49%) of net cash in MTN Irancell that is now accounted for on an equity basis.

CHANGES IN OWNERSHIP

During the year under review, the following changes in shareholding occurred:

- The Group concluded the acquisition of the remaining 50% equity interest in MTN Cyprus, which is now a wholly owned subsidiary of MTN Dubai;
- The Group decreased its shareholding in MTN Côte d'Ivoire SA from 67,67% to 66,83%;
- The Group increased its shareholding in the Mauritian internet service provider Satalite Data Networks Mauritius Proprietary Limited from 60% to 100%; and
- The Group increased its shareholding in MTN Afghanistan from 90.5% to 100%

OPERATIONAL REVIEW

SOUTH AFRICA

- Reported revenue declined by 6,1%, impacted by reviewed accounting treatment adjustment
- Excluding the impact of the adjustment, revenue decreased 1,6%
- Interconnect revenue down 24,9%
- Data revenue increased 20,2%
- EBITDA margin declined 0,3 percentage points to 33,8%

Although there is still much work to be done, **MTN South Africa** started to show some progress during the second half of the year after a challenging start to 2013. This improvement was largely a result of more relevant segmented offerings to the pre-paid segment, particularly the revised MTN Zone offering. An international calling campaign offering cheaper calls to other African countries and the discontinuation of value-eroding offers were also key contributors. The pre-paid subscriber base declined by 1,1%, bringing the total pre-paid base to 20,7 million subscribers. Most of the subscriber loss reported earlier in the year was recovered in the second half. The post-paid segment performed well, increasing its subscriber base by 11,3% to 5,0 million. MTN South Africa recorded an increase in the number of upgrades to higher tariff plans.

Total revenue declined by 6,1% to R39 708 million. This was impacted by a R1 888 million adjustment made to revenue as a result of management reviewing the accounting treatment for handset sales. Excluding this adjustment, revenue declined by 1,6% (including MTN Business). This was mainly a result of lower outgoing voice revenue, which declined by 8,3% to R19 327 million. Data revenue, including MTN Business, increased by 20,2% to R8 822 million and contributed 22,2% to total revenue. This was a positive result despite lower data pricing. Increased 3G coverage, improved smartphone adoption and competitive data bundles were the main contributors to this growth. The number of smartphones on MTN's network increased by 32,6% to 7,3 million, and the number of data users increased by 6,4% to 14,3 million.

The EBITDA margin declined by 1,8 percentage points excluding the impact of the handset sales adjustment and 0,3 percentage points including the impact of the adjustment. This decline was largely as a result of lower revenue growth. While cost increases in 2013 were kept to below the inflation rate, cost optimisation and labour productivity remains a priority. In December, MTN South Africa reduced the number of employees given its increased focus on aligning costs with revenue. The cost structures of the business will continue to be reviewed in 2014.

Capex for the period amounted to R5 835 million, which mainly related to improving quality and capacity on 2G and 3G networks. During the year, we added 516 new 2G sites and 1 133 co-located 3G sites. The 3G population coverage improved sharply and is now 75,8%.

We continue to have discussions with the authorities regarding the planned auction of 2.6 GHz and 3.5 GHz spectrum frequency and allocations.

On 29 January 2014, the Independent Communications Authority of South Africa (ICASA) announced its final decision regarding the initial proposal to reduce mobile termination rates. MTN does not believe this is in accordance with the cost-based approach set out in the Electronic Communications Act and has taken legal action against ICASA contesting the approach used.

Review of results continued

NIGERIA

- Net subscriber additions of 9,3 million
- Revenue increased 5,7%*
- Interconnect revenue down 23,0%*
- EBITDA margin decreased 2,9 percentage points to 55,4% (excluding the reversal of prior year management fees provision)
- Capex of R14 298 million, with 2 743 new 2G sites and 1 607 co-located 3G sites added

MTN Nigeria grew its subscriber base by 19,7% in 2013, bringing total subscribers to 56,8 million at the end of December. This was a notable turnaround in the face of aggressive competition and a difficult operating environment. The strong growth was driven by improved segmented offerings to customers, a better quality network, and was supported by seasonal promotions aimed at growing subscribers and increasing usage.

Total revenue increased by 5,7%*. Revenue growth was dampened by interconnect revenue, which declined by 23,0%* following a 40% reduction in mobile termination rates at the beginning of the year and a lower effective tariff. The effective tariff declined by more than 30,0% in the year. Fourth quarter revenue showed encouraging growth, ahead of expectations, increasing by 15,3% in local currency terms over the comparable prior year quarter. This follows the mandatory subscriber registration disconnections, the reconnection of service in the three northern states and the lifting of the promotions ban which hampered revenue in the first half of the year.

Data revenue increased by 26,3%* and now contributes 15,1% to total revenue. This growth was driven mainly by innovative local content and attractive data bundles, but was limited by slow speeds resulting from the high volume of traffic on MTN's 3G network. The number of active smartphones on the network increased by 63,1% to 6,2 million at the end of December.

The EBITDA margin (excluding the reversal of prior year management fees provision) declined by 2,9 (3,2*) percentage points to 55,4% as a result of slower revenue growth. Assuming no management fees or other prior year adjustments, the underlying EBITDA margin was 57,0%. The operation performed well on cost-optimisation initiatives, reporting subdued opex growth. We realised cost savings in many areas, including marketing and the revised commission structure implemented during the year. Reported EBITDA increased by 29,7% mainly due to the reversal of the management fee provision. The current year reversal of management fee provisions related to prior periods amounted to R1 778 million, while the management fee expense for 2013 was R758 million.

Capital expenditure for the year increased to R14 298 million and was aimed at significantly improving the quality and capacity of the network. The network KPIs set out by the Nigerian Communications Commission were achieved at the end of December 2013. During the year, MTN Nigeria rolled out 2 743 new 2G sites and 1 607 co-located 3G sites. The company is fully committed to ensuring that the quality and capacity of the network remains at the appropriate standards.

LARGE OPOCO CLUSTER

- Subscribers increased 7,1% to 93,4 million
- Revenue 11,0%* higher
- Data revenue increased 72,7%*
- EBITDA margin expanded 1,1 percentage points to 36,1%

MTN Irancell delivered a satisfactory performance, increasing its subscriber base by 2,2% to 41,4 million. This subdued growth was mainly the result of high levels of mobile penetration and increased competition. The delay in the approval of a new number range and a weaker economy further impacted growth in net additions.

The numbers below exclude the adjustment made for hyperinflation:

Total revenue increased by 18,3%* compared to the prior year. Outgoing voice revenue grew by 15,8%*, driven by a 5,3% increase in MOU with a marginal decline in the effective voice tariff. SMS and data revenue continued to show good growth, increasing by 18,0%* and 60,2%* respectively. Data revenue now contributes 10,3% of total revenue despite the operation not having a 3G licence. At the end of December, MTN Irancell had 10,3 million active smartphones on its network and 11,7 million data users. SMS revenue contributed 21,2% to total revenue. The number of WiMax subscribers increased by 14,3% to 339 809 at the end of December.

MTN Irancell's EBITDA margin declined by 1,4 (1,1*) percentage points to 42,8%, largely impacted by foreign currency denominated costs following the depreciation of the Iranian rial and an increase in international interconnect costs. In an effort to limit this impact going forward, MTN Irancell has renegotiated some contract terms with key vendors to mitigate the impact of costs denominated in foreign currency. During the year, the operation did well in maintaining cost increases at below the rate of inflation.

MTN Irancell invested R1 758 million of capex during the year. It rolled out 746 new 2G sites and 415 km of fibre, improving the quality and capacity of the network.

MTN Ghana increased subscribers by 10,2% to 12,9 million. This was a good performance in the light of a very competitive market and high levels of penetration. MTN Ghana's performance was driven by increased regional segmentation, acquisition and retention campaigns and a focus on MTN Mobile Money.

Total revenue increased by 13,0%*, supported by the 81,6%* growth in data revenue. Data contributed 9,7% to total revenue, underpinned by a 20,9% increase in data users to 4,9 million. Outgoing voice revenue increased by 7,0%*. Total revenue was impacted by lower incoming voice revenue due to reduced incoming international traffic on the network.

MTN Ghana's EBITDA margin expanded by 0,5 (0,5*) percentage points to 37,5%, supported by cost savings across various areas of the business, notably on marketing and maintenance costs.

MTN Cameroon delivered a strong performance, increasing its subscriber base by 19,2% to 8,7 million at the end of December 2013. This was supported by promotional offerings to segmented groups and increased penetration levels across the countries regions. During the year, MTN launched five new service centres, improving product availability and customer service.

Total revenue grew by 11,9%* despite slow economic growth and increased competition. This performance was achieved as a result of strong expansion in data revenue, which increased by 68,3%* and contributed 6,4% to total revenue. The growth in data was, however, constrained by MTN Cameroon not having a 3G licence. MTN's attractive data bundles and value-added services such as MTN Play and Magic Voice were the main contributors to growth in data revenue. Voice revenue increased by 7,7%* despite a 39,4% decline in the effective tariff. MOU increased marginally relative to the decline in the effective tariff. Interconnect revenue also contributed to total revenue, increasing by 13,1%*.

The number of registered MTN Mobile Money subscribers at the end of December was 1,4 million. Activation of subscribers as well as the roll out of a merchant network remains a priority.

MTN Cameroon's EBITDA margin, excluding profit from the sale of towers, decreased by 3,3 (3,3*) percentage points to 42,6% largely as a result of higher lease rental costs following the tower transaction. Including the tower profit, the EBITDA margin increased to 49,0%.

Capex amounted to R768 million. During the year, 191 2G sites were rolled out and improvements to quality and capacity were made to high traffic sites in the main cities.

Review of results continued

MTN Ivory Coast performed well in an economy that is starting to show signs of recovery. Subscribers grew by 16,4% to 7,1 million despite aggressive competition. This was driven by effective churn management programmes, which have reduced churn rates to below 3% per month.

Total revenue increased by 9,1%*, supported by a 158,9%* growth in data revenue and a 16,0%* increase in interconnect revenue. Affordable 3G handsets and value-added services accelerated this growth trend. There are currently 1,8 million smartphones on the network and this number is expected to grow further with the introduction of cheaper smartphones into the market. Voice revenue grew by 2,1%* due to lower MOU and despite a decline in the effective tariff.

MTN Mobile Money started gaining momentum with an increase of 59,0% to 1,5 million registered subscribers at the end of December. The distribution network now has more than 3 000 merchants with a focus on expanding the rural footprint.

The operation's EBITDA margin excluding profits on tower sales rose by 0,6 (0,5*) of a percentage point to 40,9%, helped by notable savings made on network and marketing costs.

MTN Ivory Coast spent R830 million on its capex programme, rolling out 92 new 2G sites and 84 co-located 3G sites in the year.

MTN Uganda delivered a good performance, increasing its subscriber base by 14,4% to 8,8 million, driven by strong acquisition promotions, segmented offerings and the continued success of MTN Zone. Increased penetration into rural areas and improved network quality further supported this growth.

Total revenue increased by 17,9%*, supported by a 51,7%* increase in data revenue and a 10,9%* increase in outgoing voice revenue. SMS revenue declined by 3,5%* as customers opted for newer data-driven social media platforms for communication. Data trends were supported by an expanded 3G network, value-added services and enhanced marketing.

MTN Mobile Money continued to perform well and recorded a 47,0% increase in registered subscribers to 5,2 million with more than 25 million transactions per month. Usage was stimulated by a wider mobile payment product range.

MTN Uganda's EBITDA margin declined by 0,5 (0,5*) percentage points to 35,9%, excluding the profit from the sales of towers, mainly because of an increase in network-related and commission costs.

Capex in the year amounted to R553 million, with 117 new 2G sites and 92 co-located 3G sites rolled out, significantly improving quality and capacity on the network.

Notwithstanding the prevailing circumstances, **MTN Syria** recorded a 3,3% decrease in subscribers to 5,8 million amid extremely challenging conditions. Despite a 4,2%* decline in total revenue, data revenue increased by 44,2%*. MTN Syria's EBITDA margin declined by 5,6 (5,3*) percentage points to 17,4%. The operation's performance will remain under pressure until the crisis in the country is resolved.

MTN Sudan increased its subscriber base by 10,7% to 8,7 million and its market share to approximately 33,8%. Revenue increased by 34,5%* and the EBITDA margin expanded by 4,0 (3,9*) percentage points to 31,7%. Capex in the year amounted to R1 072 million with the roll out of 101 new 2G sites and 366 co-located 3G sites, which supported strong data growth of 202,4%*, albeit off a low base.

SUBSCRIBER NET ADDITION GUIDANCE FOR 2014

	'000
South Africa	2 000
Nigeria	5 000
Large opco	6 750
Iran	2 500
Ghana	800
Cameroon	500
Ivory Coast	750
Sudan	1 250
Syria	(50)
Uganda	1 000
Small opco	3 000
Total	16 750

Declaration of final ordinary dividend

Notice is hereby given that a gross final dividend of 665 cents per share for the period to 31 December 2013 has been declared payable to MTN shareholders. The number of ordinary shares in issue at the date of this declaration is 1 873 278 848 (including 22 337 752 treasury shares).

The dividend will be subject to a maximum local dividend tax rate of 15% which will result in a net dividend of 565,25 cents per share to those shareholders that bear the maximum rate of dividend withholding tax of 99,75 cents per share. No STC credits are available for utilisation. The net dividend per share for the respective categories of shareholders for the different dividend tax rates is as follows:

0%	665,0000 cents per share
5%	631,7500 cents per share
7.5%	615,1250 cents per share
10%	598,5000 cents per share
12.5%	581,8750 cents per share
15%	565,2500 cents per share

These different dividend tax rates are a result of the application of tax rates in various double taxation agreements as well as exemptions from dividend tax.

MTN Group Limited's tax reference number is 9692/942/71/8. In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE Limited, the salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend on the JSE	Thursday, 20 March 2014
First trading day ex dividend on the JSE	Monday, 24 March 2014
Record date	Friday, 28 March 2014
Payment date	Monday, 31 March 2014

Review of results continued

No share certificates may be dematerialised or re-materialised between Monday, 24 March 2014 and Friday, 28 March 2014, both days inclusive. On Monday, 31 March 2014, the dividend will be transferred electronically to the bank accounts of certificated shareholders who make use of this facility.

In respect of those who do not use this facility, cheques dated Monday, 31 March 2014 will be posted on or about that date. Shareholders who hold dematerialised shares will have their accounts held by the Central Securities Depository Participant or broker credited on Monday, 31 March 2014.

The MTN board confirms that the Group will satisfy the solvency and liquidity test immediately after completion of the dividend distribution.

For and on behalf of the board

PF Nhleko

Chairman

RS Dabengwa

Group President and CEO

Fairland

5 March 2014

For further information on the MTN annual results please refer to the Group's website: www.mtn.com



Summarised consolidated financial results in accordance with **International Financial Reporting Standards (IFRS)**

The preparation of the Group's summarised consolidated financial results was supervised by the Group chief financial officer, BD Goschen, BCom, BCompt (Hons), CA(SA). The summarised consolidated financial results have been extracted from the audited consolidated annual financial statements, but are not themselves audited. The directors of the Company take full responsibility for the preparation of the summarised consolidated financial results and that the financial information has been correctly extracted from the underlying audited consolidated annual financial statements. A copy of the full set of consolidated annual financial statements is available for inspection from the Company secretary at the registered office of the Company.

The results were made available on 5 March 2014.

Summarised consolidated income statement

for the year ended 31 December

	Note	2013 Rm	Restated 2012 Rm
Revenue		136 495	121 867
Other income		1 327	894
Direct network operating costs		(18 299)	(16 188)
Costs of handsets and other accessories		(10 744)	(9 590)
Interconnect and roaming		(13 816)	(13 254)
Staff costs		(8 670)	(7 534)
Selling, distribution and marketing expenses		(16 362)	(15 631)
Other operating expenses		(10 143)	(7 927)
EBITDA		59 788	52 637
Depreciation of property, plant and equipment		(16 458)	(13 791)
Amortisation of intangible assets		(2 820)	(2 161)
Operating profit		40 510	36 685
Net finance costs		(1 234)	(3 790)
Share of results of joint ventures and associates after tax	8	3 431	3 008
Profit before tax		42 707	35 903
Income tax expense		(12 307)	(11 835)
Profit after tax		30 400	24 068
Attributable to:			
Owners of MTN Group Limited		26 289	20 704
Non-controlling interests		4 111	3 364
		30 400	24 068
Basic earnings per share (cents)	7	1 434	1 126
Diluted earnings per share (cents)	7	1 427	1 120

Summarised consolidated statement of **comprehensive income**

for the year ended 31 December 2013

	2013 Rm	2012 Rm
Profit after tax	30 400	24 068
Other comprehensive income after tax:		
Exchange differences on translating foreign operations [¶]	11 078	(3 507)
Owners of MTN Group Limited	10 179	(3 498)
Non-controlling interests	899	(9)
Total comprehensive income for the year	41 478	20 561
Attributable to:		
Owners of MTN Group Limited	36 468	17 206
Non-controlling interests	5 010	3 355
	41 478	20 561

[¶] This component of other comprehensive income does not attract any tax and may subsequently be reclassified to profit and loss.

Summarised consolidated statement of financial position

as at

	Note	December 2013 Rm	Restated December 2012 Rm	Restated January 2012 Rm
Non-current assets		150 910	120 199	110 055
Property, plant and equipment		92 903	73 905	64 914
Intangible assets and goodwill		37 751	32 594	32 672
Investment in joint ventures and associates		12 643	4 645	6 359
Deferred tax and other non-current assets		7 613	9 055	6 110
Current assets		75 911	55 875	64 018
Non-current assets held for sale	14	1 281	1 373	820
Current assets		74 630	54 502	63 198
Other current assets		32 808	26 522	29 005
Restricted cash		2 222	5 272	526
Cash and cash equivalents		39 600	22 708	33 667
Total assets		226 821	176 074	174 073
Total equity		119 771	92 887	92 699
Shareholders' equity		114 438	89 006	88 897
Non-controlling interests		5 333	3 881	3 802
Non-current liabilities		49 066	32 713	32 718
Interest bearing liabilities	12	34 664	21 322	23 139
Deferred tax and other non current liabilities		14 402	11 391	9 579
Current liabilities		57 984	50 474	48 656
Interest bearing liabilities	12	11 361	10 762	10 069
Other current liabilities		46 623	39 712	38 587
Total equity and liabilities		226 821	176 074	174 073

Summarised consolidated statement of **changes in equity**

for the year ended 31 December 2013

	Note	2013 Rm	2012 Rm
Opening balance		89 006	88 897
Restatement for impact of hyperinflation	8	5 563	—
Restated balance at 1 January		94 569	88 897
Share buy-back [°]		—	(2 088)
Shares issued during the year		5	3
Shares cancelled		[^]	[^]
Transactions with non-controlling interests	16	(495)	(122)
Share-based payment reserve		215	147
Total comprehensive income:		36 468	17 206
Profit after tax		26 289	20 704
Other comprehensive income after tax		10 179	(3 498)
Dividends paid		(16 210)	(14 919)
Other movements		(114)	(118)
Shareholders' equity		114 438	89 006
Non-controlling interests		5 333	3 881
Closing balance		119 771	92 887
Dividends per share (cents)		873	797

[^] Amounts less than R1 million.

[°] During 2012 MTN Holdings Proprietary Limited bought 15 573 340 shares in the Company.

Summarised consolidated statement of cash flows

for the year ended 31 December

	2013 Rm	Restated 2012 Rm
Net cash inflow from operating activities	27 025	20 062
Net cash outflow from investing activities	(19 835)	(24 212)
Net cash inflow/(outflow) from financing activities	6 264	(5 280)
<i>Increase/(decrease) in cash and cash equivalents</i>	13 454	(9 430)
Cash and cash equivalents at beginning of the year	22 539	33 074
Exchange gains/(losses) on cash and cash equivalents	3 584	(1 105)
<i>Cash and cash equivalents at end of the year</i>	39 577	22 539

Notes to the summarised consolidated financial results

for the year ended 31 December

1. INDEPENDENT AUDIT

The summarised consolidated financial results have been extracted from the audited consolidated annual financial statements, but are not themselves audited. The directors of the Company take full responsibility for the preparation of the summarised consolidated financial results and that the financial information has been correctly extracted from the underlying audited consolidated annual financial statements.

The consolidated annual financial statements have been audited by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc., who have performed their audit in accordance with International Standards on Auditing. A copy of their unqualified audit report is available for inspection at the registered office of the Company.

2. GENERAL INFORMATION

MTN Group Limited (the Company) carries on the business of investing in the telecommunications industry through its subsidiary companies, joint ventures and associate companies.

3. BASIS OF PREPARATION

The summarised consolidated financial results are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council (FRSC), and must also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. These summarised financial results should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRS. A copy of the full set of consolidated annual financial statements is available for inspection from the Company secretary at the registered office of the Company.

4. PRINCIPAL ACCOUNTING POLICIES

The Group has adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the Group from 1 January 2013.

The principal accounting policies and methods of computation applied are in accordance with financial reporting standards (IFRS) and are consistent in all material respects with those applied in the previous year except as set out below.

5. CHANGES IN ACCOUNTING POLICIES

IFRS 10 Consolidated Financial Statements

The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

The Group concluded that the adoption of IFRS 10 did not result in any material change in the consolidated status of its subsidiaries.

IFRS 11 Joint Arrangements

IFRS 11 requires equity accounting of joint ventures and eliminates the proportionate consolidation option of accounting. Previously, the Group proportionately consolidated all joint ventures which entailed that it included its share of the assets, liabilities, income and expenses of jointly controlled entities on a line-by-line basis in its financial statements.

Under the equity method, the investments in joint ventures is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and movements in other comprehensive income of joint ventures after the date of acquisition. The Group's share of the profit or loss of joint ventures is recognised in a single line item in profit or loss under the equity method.

The Group has applied the new policy for investments in joint ventures in accordance with the transition provisions of IFRS 11. The change in accounting policy has been applied as from 1 January 2012. The Group recognised its investment in joint ventures at the beginning of the earliest period presented (1 January 2012), as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. This is the deemed cost of the Group's investments in its joint ventures for purposes of applying equity accounting.

The change from proportionate consolidation to equity accounting resulted in a change in individual asset, liability, income, expense and cash flow line items with no impact on equity or profit attributable to equity holders. The impact of the application of IFRS 11 on the Group's financial results is disclosed in note 17.

Notes to the summarised consolidated financial results continued

for the year ended 31 December

6. SEGMENT ANALYSIS

The Group has identified reportable segments that are used by the Group executive committee (Chief Operating Decision Maker) to make key operating decisions, allocate resources and assess performance. The reportable segments are geographically differentiated regions and grouped by their relative size.

Operating results are reported and reviewed regularly by the Group executive committee and include items directly attributable to a segment as well as those that can be attributed on a reasonable basis, whether from external transactions or from transactions with other Group segments.

EBITDA is used as a measure of reporting profit or loss of each segment.

	2013 Rm	Restated 2012 Rm
REVENUE		
South Africa	39 707	41 338
Nigeria	48 159	38 697
Large opco cluster	38 659	37 818
Iran†	9 514	12 175
Ghana	8 269	6 862
Syria	3 229	5 391
Cameroon	5 204	3 812
Ivory Coast	5 480	4 124
Uganda	4 467	3 296
Sudan	2 496	2 158
Small opco cluster	19 804	16 695
Head office companies and eliminations	(320)	(506)
Iran revenue exclusion^{a†}	(9 514)	(12 175)
	136 495	121 867

^a Irancell Telecommunication Company Services (PJSC) proportionate revenue is included in the segment analysis as reviewed by the CODM and excluded from reported revenue due to equity accounting for joint ventures.

† Excludes the impact of hyperinflation of R1 714 million.

Notes to the summarised consolidated **financial results** continued

for the year ended 31 December 2013

6. SEGMENT ANALYSIS continued

	2013 Rm	Restated 2012 Rm
EBITDA		
<i>South Africa</i>	13 425	14 478
<i>Nigeria</i>	29 235	22 544
<i>Large opco cluster</i>	15 517	14 935
Iran [†]	4 075	5 388
Ghana	3 123	2 537
Syria	561	1 238
Cameroon	2 550	1 750
Ivory Coast	2 813	1 662
Uganda	1 603	1 762
Sudan	792	598
<i>Small opco cluster</i>	6 732	5 597
<i>Head office companies and eliminations</i>	(1 046)	471
<i>Iran EBITDA exclusion^{††}</i>	(4 075)	(5 388)
	59 788	52 637
Depreciation and amortisation of assets	(19 278)	(15 952)
Net finance cost	(1 234)	(3 790)
Share of results of joint ventures and associates after tax [#]	3 431	3 008
Profit before tax	42 707	35 903

[†] Irancell Telecommunication Company Services (PJSC) proportionate EBITDA is included in the segment analysis as reviewed by the CODM and excluded from reported EBITDA due to equity accounting for joint ventures.

^{††} Excludes the impact of hyperinflation of R739 million.

[#] Includes the impact of hyperinflation as required by IAS 29.

Notes to the summarised consolidated **financial results** continued

for the year ended 31 December

7. EARNINGS PER ORDINARY SHARE

	2013	2012
Number of ordinary shares in issue		
At end of the year (excluding MTN Zakhele and treasury shares)	1 832 845 805	1 832 672 645
Weighted average number of shares		
Shares for earnings per share (excluding MTN Zakhele and treasury shares)	1 832 729 584	1 837 991 865
Add dilutive shares		
– MTN Zakhele shares	6 740 791	9 835 922
– Share schemes	2 988 671	1 575 047
Shares for dilutive earnings per share	1 842 459 046	1 849 402 834
	2013 Rm	2012 Rm
Reconciliation between profit attributable to the owners of MTN Group Limited and headline earnings [^]		
Profit after tax	26 289	20 704
Loss on disposal of property, plant and equipment, and intangible assets	34	49
Net reversal of impairment of property, plant and equipment	(20)	(26)
Impairment of associate	–	6
Realisation of deferred gain	(357)	(308)
Profit on disposal of non-current assets held for sale	(510)	(368)
Realisation of deferred gain on disposal of non-current assets held for sale	(38)	(39)
Basic headline earnings[^]	25 398	20 018
Earnings per share (cents)		
– Basic	1 434	1 126
– Basic headline	1 386	1 089
Diluted earnings per share (cents)		
– Diluted	1 427	1 120
– Diluted headline	1 378	1 082

[^] Amounts are presented after taking into account tax and non-controlling interests.[^] Headline earnings is calculated in accordance with circular 2/2013 Headline Earnings as issued by the South African Institute of Chartered Accountants at the request of the JSE Limited.

Notes to the summarised consolidated **financial results** continued

for the year ended 31 December 2013

	2013 Rm	Restated 2012 Rm
8. SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATES AFTER TAX	3 431	3 008
Irancell Telecommunication Company Services (PJSC) [†]	3 115	2 896
Others	316	112
[†] The economy of the Islamic Republic of Iran has been classified as hyperinflationary, which has resulted in the financial results of Irancell Telecommunication Company Services (PJSC) having been accounted for in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". The effect of applying the standard has resulted in an increase in the investment in the joint venture and an increase in the share of the results of the joint venture. Prior period gains and losses arising from the net monetary position have been recognised directly in equity.		
9. CAPITAL EXPENDITURE INCURRED	30 164	28 827
10. CONTINGENT LIABILITIES	1 023	473
11. AUTHORISED CAPITAL EXPENDITURE FOR PROPERTY, PLANT AND EQUIPMENT, AND SOFTWARE	26 151	27 157
12. INTEREST BEARING LIABILITIES		
Bank overdrafts	23	169
Current borrowings	11 338	10 593
Current liabilities	11 361	10 762
Non-current borrowings	34 664	21 322
	46 025	32 084

13. ISSUE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

During the year under review, the following entities raised and repaid significant debt instruments:

- MTN Nigeria Communications Limited raised R10,3 billion additional debt through a syndicated loan and export credit facilities.
- MTN Nigeria Communications Limited repaid R1,2 billion relating to a syndicated term loan facility and export credit facility.
- MTN Holdings Proprietary Limited raised R6,2 billion additional debt through a syndicated loan facility, issuance of Unsecured Zero Coupon Commercial Papers and short-term general borrowings.
- MTN Holdings Proprietary Limited repaid R6,0 billion relating to short-term general borrowings, settlement of Senior Unsecured Notes and Unsecured Zero Coupon Commercial Papers.

In accordance with the Domestic Medium Term Note Programme previously established by MTN Holdings Proprietary Limited, the Group issued R3,9 billion (December 2012: R5,6 billion) of Senior Unsecured Zero Coupon Notes. R6,0 billion (December 2012: R4,6 billion) of the Domestic Medium Term Note Programme has been repaid.

There were no share buy-back transactions during the year. During 2012 MTN Holdings Proprietary Limited, a wholly owned subsidiary of the Group, acquired 15 573 340 shares in the ordinary share capital of the Company for an amount of R2,1 billion with the cumulative amount of R3 billion spent in respect of the share buy-back at the reporting date (inclusive of transaction costs). The shares so acquired are fully paid up and are held as treasury shares.

Notes to the summarised consolidated financial results continued

for the year ended 31 December

14. NON-CURRENT ASSETS HELD FOR SALE

The Group entered into a transaction with IHS Holding Limited (IHS) in which IHS will acquire 558 mobile network towers from MTN Rwandacell Limited and 704 towers from MTN (Zambia) Limited. IHS is a 100% shareholder of the tower companies set up in each country to manage the towers and other passive infrastructure. MTN Rwandacell Limited and MTN (Zambia) Limited will be the anchor tenants on commercial terms of the towers for an initial term of 10 years.

Each transaction is expected to close independently during the first half of 2014, subject to customary closing conditions.

In 2013, MTN Côte d'Ivoire S.A. and Mobile Telephone Networks Cameroon Limited concluded transactions with IHS in which IHS acquired 911 mobile network towers from MTN Côte d'Ivoire S.A. for US\$141 million and 820 towers from Mobile Telephone Networks Cameroon Limited for US\$143 million. IHS is a 100% shareholder of the tower companies set up in each country to manage the towers and other passive infrastructure. MTN Côte d'Ivoire S.A. and Mobile Telephone Networks Cameroon Limited will be the anchor tenants on commercial terms of the towers for an initial term of 10 years.

15. EVENTS AFTER REPORTING PERIOD

Acquisition of Africa Internet Holding and Middle East Internet Holding

The Group has agreed to acquire 33,3% of Africa Internet Holding (AIH), a joint venture between Rocket Internet and Millicom International Cellular, to develop internet businesses in Africa. The Group, Millicom International Cellular and Rocket Internet will each become 33,3% shareholders in AIH.

The Group and Rocket Internet have also agreed to create a joint venture, Middle East Internet Holding (MEIH), to develop internet businesses in the Middle East, with the Group and Rocket Internet becoming 50% shareholders in MEIH.

The Group expects to invest approximately EUR300 million over the next two to four years into AIH and MEIH.

The investments are subject to regulatory approval, and the two transactions are expected to close during the first and second quarter of 2014 respectively.

16. CHANGES IN SHAREHOLDING

16.1 *Acquisition of 50% in MTN Cyprus Limited*

During March 2013, the Group increased its shareholding in its subsidiary MTN Cyprus Limited from 50% to 100% for R690 million. MTN Cyprus Limited is now a wholly owned subsidiary of MTN (Dubai) Limited.

Notes to the summarised consolidated **financial results** continued

for the year ended 31 December 2013

16. CHANGES IN SHAREHOLDING continued**16.2 Disposal of 0,84% in MTN Côte d'Ivoire S.A.**

During March 2013, the Group decreased its shareholding in MTN Côte d'Ivoire S.A. from 67,67% to 66,83% for R57 million.

In 2012, the Group increased its shareholding in MTN Côte d'Ivoire S.A. by 3% to 67,67% for R177 million.

16.3 Acquisition of 40% in Satalite Data Networks Limited

During March 2013, the Group increased its shareholding in Satalite Data Networks Limited from 60% to 100% for R47 million.

16.4 MTN Afghanistan Limited

The International Finance Corporation (IFC) exercised its put option and sold its non-controlling interest of 9,1% in MTN Afghanistan to MTN (Dubai) Limited for R248 million. MTN Afghanistan Limited is now a wholly owned subsidiary of MTN (Dubai) Limited.

17. IMPACT OF THE APPLICATION OF IFRS 11**17.1 Income statement**

	31 December 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
Revenue	135 112	(13 245)	121 867
Other income	894	—	894
Direct network operating costs	(20 464)	4 276	(16 188)
Costs of handsets and other accessories	(9 789)	199	(9 590)
Interconnect and roaming	(15 041)	1 787	(13 254)
Staff costs	(7 775)	241	(7 534)
Selling, distribution and marketing expenses	(16 052)	421	(15 631)
Other operating expenses	(8 321)	394	(7 927)
EBITDA	58 564	(5 927)	52 637
Depreciation of property, plant and equipment	(14 860)	1 069	(13 791)
Amortisation of intangible assets	(2 386)	225	(2 161)
Operating profit	41 318	(4 633)	36 685
Net finance costs	(4 157)	367	(3 790)
Share of results of joint ventures and associates after tax	(180)	3 188	3 008
Profit before tax	36 981	(1 078)	35 903
Income tax expense	(12 913)	1 078	(11 835)
Profit after tax	24 068	—	24 068

Notes to the summarised consolidated **financial results** continued

for the year ended 31 December

17. IMPACT OF THE APPLICATION OF IFRS 11 continued**17.2 Statement of financial position**

	31 December 2012			1 January 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
Non-current assets	121 097	(898)	120 199	113 787	(3 732)	110 055
Property, plant and equipment	77 485	(3 580)	73 905	71 610	(6 696)	64 914
Intangible assets and goodwill	33 935	(1 341)	32 594	34 540	(1 868)	32 672
Investment in joint ventures and associates	1 765	2 880	4 645	2 681	3 678	6 359
Deferred tax and other non-current assets	7 912	1 143	9 055	4 956	1 154	6 110
Current assets	60 287	(4 412)	55 875	67 621	(3 603)	64 018
Non-current assets held for sale	1 373	—	1 373	820	—	820
Current assets	58 914	(4 412)	54 502	66 801	(3 603)	63 198
Other current assets	27 937	(1 415)	26 522	30 449	(1 444)	29 005
Restricted cash	5 277	(5)	5 272	546	(20)	526
Cash and cash equivalents	25 700	(2 992)	22 708	35 806	(2 139)	33 667
Total assets	181 384	(5 310)	176 074	181 408	(7 335)	174 073
Total equity	92 887	—	92 887	92 699	—	92 699
Shareholders' equity	89 006	—	89 006	88 897	—	88 897
Non-controlling interests	3 881	—	3 881	3 802	—	3 802
Non-current liabilities	33 307	(594)	32 713	33 392	(674)	32 718
Interest-bearing liabilities	21 742	(420)	21 322	23 554	(415)	23 139
Deferred tax and other non-current liabilities	11 565	(174)	11 391	9 838	(259)	9 579
Current liabilities	55 190	(4 716)	50 474	55 317	(6 661)	48 656
Interest-bearing liabilities	10 790	(28)	10 762	10 462	(393)	10 069
Other current liabilities	44 400	(4 688)	39 712	44 855	(6 268)	38 587
Total equity and liabilities	181 384	(5 310)	176 074	181 408	(7 335)	174 073

Notes to the summarised consolidated **financial results** continued

for the year ended 31 December 2013

17. IMPACT OF THE APPLICATION OF IFRS 11 continued**17.3 Statement of cash flows**

	31 December 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
Net cash inflow from operating activities	25 078	(5 016)	20 062
Net cash outflow used in investing activities	(27 059)	2 847	(24 212)
Net cash outflow used in financing activities	(5 759)	479	(5 280)
Net decrease in cash and cash equivalents	(7 740)	(1 690)	(9 430)
Cash and cash equivalents at beginning of the year	35 213	(2 139)	33 074
Exchange losses on cash and cash equivalents	(1 942)	837	(1 105)
Cash and cash equivalents at end of the year	25 531	(2 992)	22 539

Administration

Company registration number

1994/009584/06
 ISIN code: ZAE000042164
 Share code: MTN

Board of directors

PF Nhleko**	AF van Biljon***
RS Dabengwa*	F Titi***
BD Goshen*	J van Rooyen***
KP Kalyan***	MLD Marole***
AT Mikati***	NP Mageza***
MJN Njeke***	A Harper****
JHN Strydom**	

[†] Lebanese

[‡] British

^{*} Executive

^{**} Non-executive

^{***} Independent non-executive

Group secretary

SB Mtshali
 Private Bag X9955, Cresta, 2118

Registered office

216-14th Avenue
 Fairland
 Gauteng, 2195

American Depositary Receipt (ADR)

Programme

Cusip No 62474M108 ADR to ordinary
 share 1:1

Depository: The Bank of New York

101 Barclay Street, New York NY 10286, USA

MTN Group Sharecare line

Toll-free: 0800 202 360 or +27 11 870 8206
 if phoning from outside South Africa

Office of the transfer secretaries

Computershare Investor Services Proprietary Limited
 Registration number 2004/003647/07
 70 Marshall Street, Marshalltown
 Johannesburg, 2001
 PO Box 61051, Marshalltown, 2107

Joint auditors

PricewaterhouseCoopers Inc.,
 2 Eglin Road, Sunninghill, 2157
 Private Bag X36, Sunninghill, 2157
 SizweNtsalubaGobodo Inc.,
 1 Woodmead Drive, Woodmead Estate
 Woodmead, 2157
 PO Box 2939, Saxonwold, 2132

Sponsor

Deutsche Securities (SA) (Proprietary) Limited
 3 Exchange Square, 87 Maude Street, Sandton, 2196

Attorneys

Webber Wentzel
 10 Fricker Road, Illovo Boulevard, Sandton, 2107
 PO Box 61771, Marshalltown, 2107

Contact details

Telephone:
 National (011) 912 3000
 International +27 11 912 3000
 Facsimile:
 National (011) 912 4093
 International +27 11 912 4093
 E-mail: investor_relations@mtn.co.za
 Internet: <http://www.mtn.com>



everywhere you go