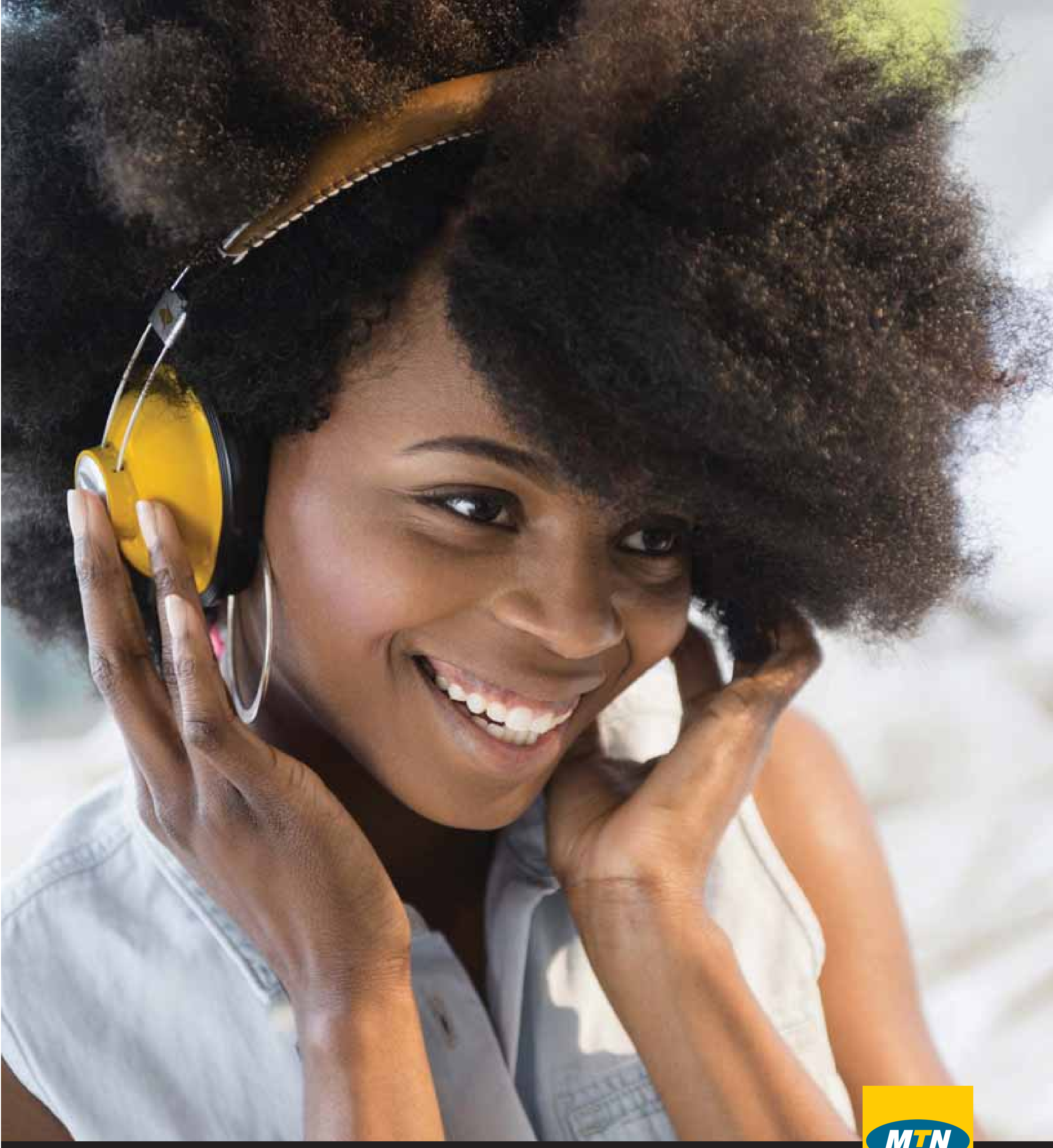


MTN GROUP LIMITED

Financial results

for the year ended 31 December 2014

Contents page

01

RESULTS OVERVIEW

02

RESULTS PRESENTATION

03

APPENDICES

04

DATA SHEETS

Summary consolidated financial results

for the year ended 31 December 2014

Highlights

Group subscribers

7,5%

223,4 million

Revenue increased

6,4%

R146 154 million

Data revenue increase

33,2%

to R27 317 million

EBITDA increased

10,2%

R65 520 million

EBITDA margin increased

1,5 percentage points to

44,8%

Final dividend of

800 cents

per share with total dividend of

1 245 cents per share

HEPS increased

8,9%**

1 536 cents

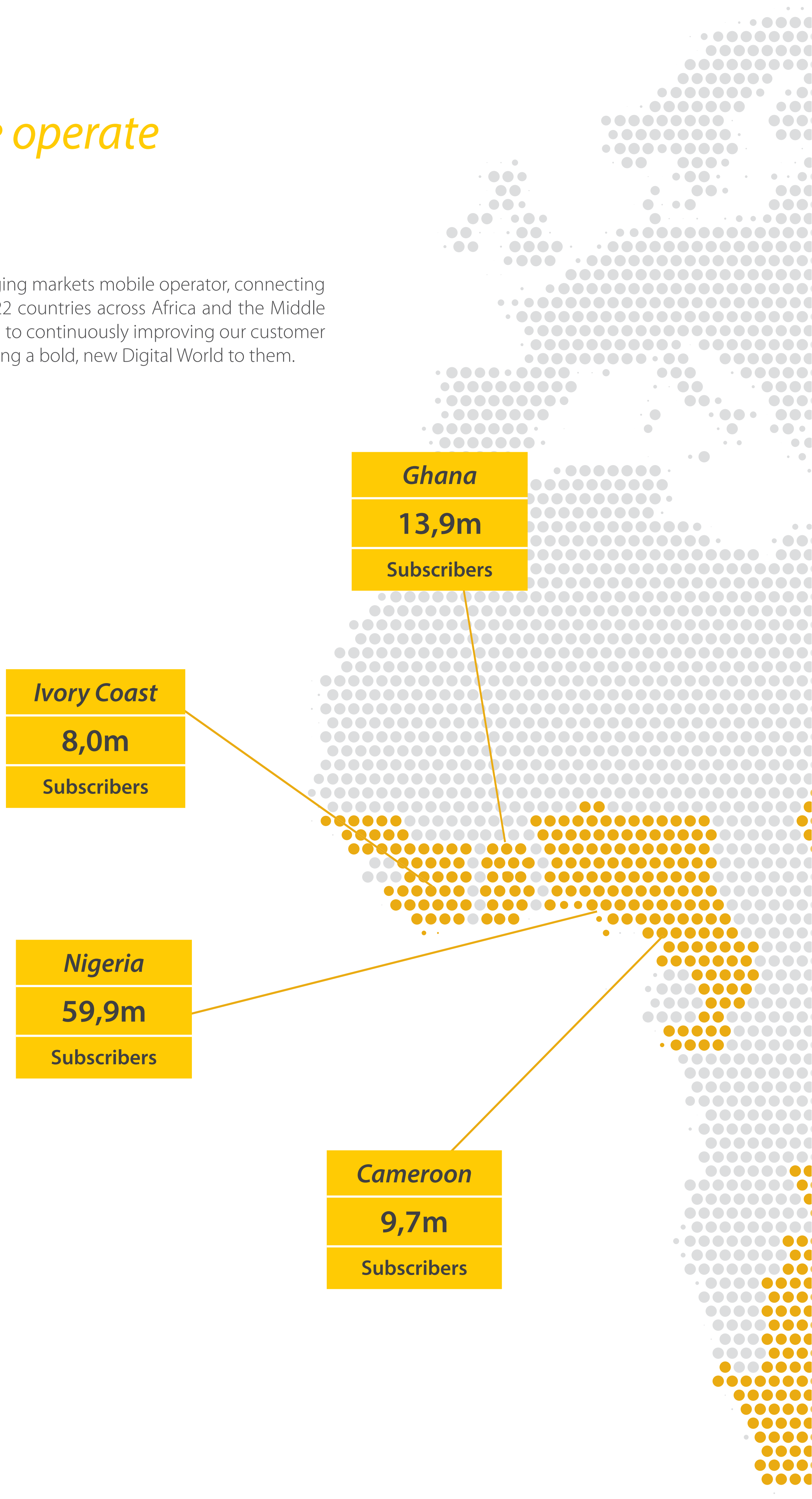
Note: *Certain financial information presented in these results constitutes pro forma financial information. The pro forma financial information is the responsibility of the Group's board of directors and is presented for illustrative purposes. Because of its nature, the pro forma financial information may not fairly present MTN's financial position, changes in equity, results of operations or cash flows. An assurance report has been prepared and issued by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc. in respect of the pro forma financial information included in this announcement that is available at the registered office of the Company.*

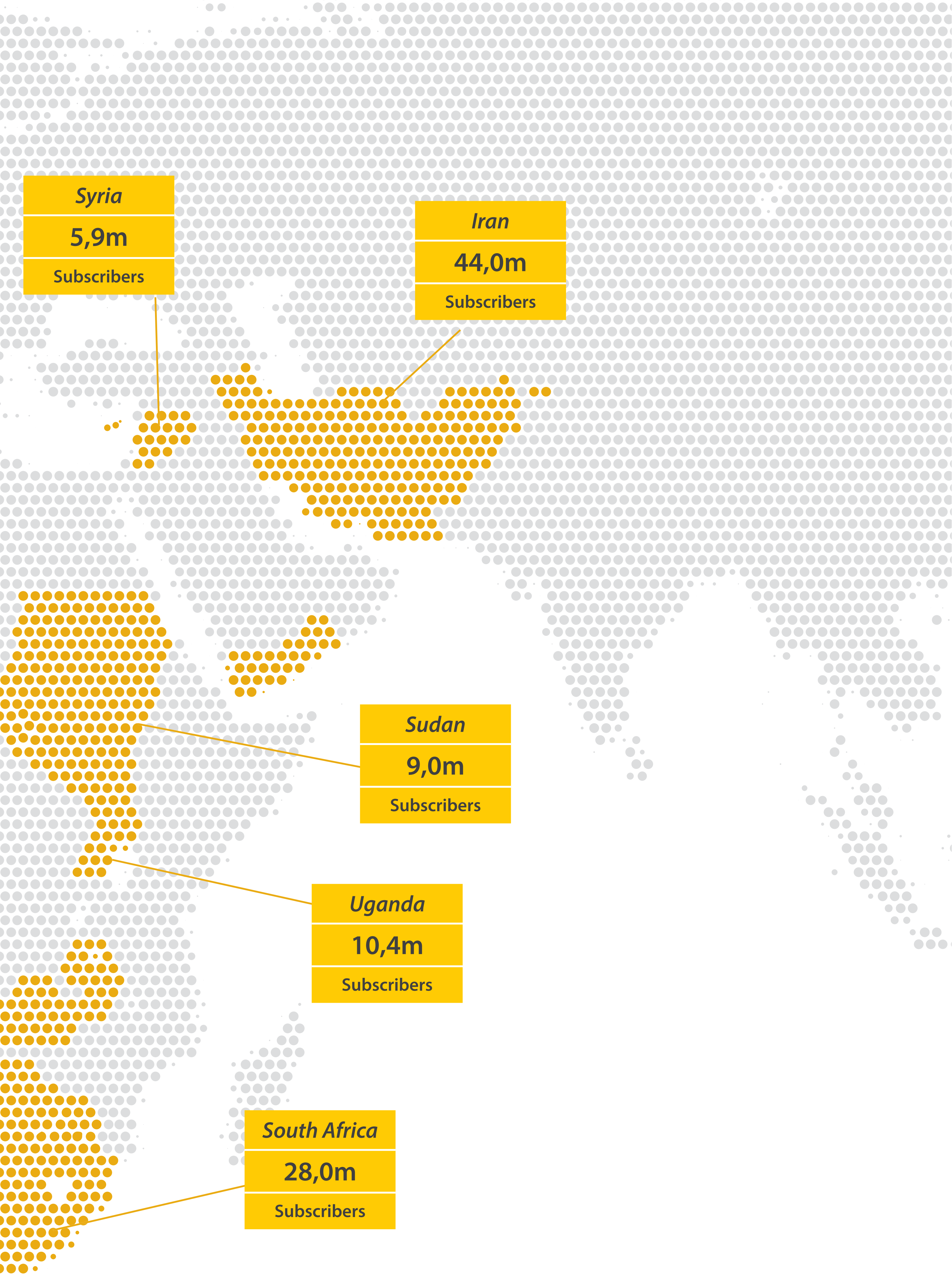
1. *The financial information presented in these results has been prepared excluding the impact of hyperinflation, goodwill impairment and tower profits and constitutes pro forma financial information to the extent not extracted from the segment disclosure included in the audited financial statements for the year ended 31 December 2014. This pro forma financial information has been presented to eliminate the impact of hyperinflation, goodwill impairment and tower profits from the financial results in order to achieve a comparable analysis year on year. Hyperinflation adjustments, goodwill impairment and tower profits have been calculated in terms of the Group accounting policies disclosed in the consolidated annual financial statements.*
2. *Constant currency ("organic") information has been presented to illustrate the impact of changes in currency rates on the Group's results. 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. In addition, in respect of MTN Irancell, MTN Sudan and MTN Syria, the constant currency information has been prepared excluding the impact of hyperinflation.*
3. *Additional financial analyses are presented to illustrate a breakdown of the Group's financial results excluding the impact of hyperinflation.*

* *Constant currency ("organic") information.*
** *Not adjusted for the impact of hyperinflation and tower profits.*
*** *Additional financial analysis.*

Where we operate

MTN is a leading emerging markets mobile operator, connecting 223 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.




Syria
5,9m
Subscribers
Iran
44,0m
Subscribers
Sudan
9,0m
Subscribers
Uganda
10,4m
Subscribers
South Africa
28,0m
Subscribers

Review of results

Overview

The MTN Group's 2014 results reflect a challenging year, impacted by aggressive price competition, increased regulatory requirements and pressure on consumer expenditure. The sharp decline in the oil price in the second half of the year had a marked impact on the economies and exchange rates of a number of African and Middle Eastern countries. Notwithstanding these conditions, most of MTN's large and small operating companies (opcos) showed promising improvements in operational performance.

The Group continued to benefit from encouraging growth in non-voice revenue, driven by various data initiatives (including the Mobile Money offering) across key markets. We also made good progress in transforming our operating model, particularly in reducing costs and monetising assets with the finalisation of the agreement to sell and lease back towers in Nigeria in the fourth quarter of 2014.

MTN South Africa's performance was in line with our expectations and provided clear evidence in the second half of a successful turnaround with consistent month-on-month improvements in the last six months of the year. The large opco cluster recorded double-digit organic revenue growth and margin expansion and the small opco cluster delivered improvements in most operations. MTN Nigeria's performance was below expectations, impacted largely by regulatory determinations and economic pressures as well as operational challenges.

Group subscribers increased by 7,5% to 223,4 million. This was driven by competitive pricing, segmented offerings and improved network quality and capacity in many markets. Group subscriber numbers were, however, affected by the alignment of internal subscriber reporting methodology in Cameroon, which negatively impacted reported subscriber numbers by approximately 1,6 million.

Group revenue grew by 6,4% in the year. This was largely the result of an increase of 12,1% in MTN Nigeria's revenue and a decline of 3,9% in MTN South Africa's revenue. Data revenue increased by 33,2% in the year, to contribute 18,7% to total revenue at year-end. Both our large and small opco clusters delivered pleasing results, with reported revenue growth of 7,1% and 13,0% respectively.

Group EBITDA increased by 10,2% to R65 520 million. We made further progress in our cost optimisation efforts, which supported a 1,5 percentage points expansion in the EBITDA margin to 44,8% for the year.

Capital expenditure was R25 242 million, 16,3% lower than the previous year. During 2014, the Group's operations rolled out 3 669 2G, 6 491 largely co-located 3G and 684 LTE sites, facilitating increased voice and data usage on our network.

Cash inflows generated by operations increased by 8,2%** to R64 628 million**.

Prospects

In 2015, MTN expects to benefit from a number of interventions put in place in South Africa and Nigeria in the previous year. In South Africa, we expect to build on the positive momentum gained on revenue and subscriber additions in the second half of 2014. The South African operation will also accelerate its immediate capex plans to support our medium-term growth prospects, particularly in the data area.

MTN Nigeria will focus on active subscriber management, providing more competitive offerings and improving data usage. We continue to engage positively with the regulator. However, in Nigeria some level of uncertainty remains with regards to the implications of the oil price and currency fluctuations, which may lead to slower economic growth. This may result in some headwinds for the business in 2015.

Review of results (continued)

We expect the large and small opco clusters to extend the progress shown during 2014 and here again the operations will continue to focus on non-voice revenue to **drive sustainable growth**, which is one of the Group's five strategic themes.

In line with our strategic theme to **create and manage stakeholder value**, we will continue to evaluate shareholder returns through our progressive dividend policy of growing dividends by between 5% and 15% a year, as well as buying back shares on an opportunistic basis.

We remain committed to **creating a distinct customer experience** through increasing our 3G and LTE coverage and improving network quality and capacity. This is of particular importance in South Africa where we will be extending our capex programme significantly. We will continue to expand the measurement and use of our customer satisfaction index (via net promoter scores) and tailor-make our offerings to enhance our customer experience.

To **drive long-term sustainable growth** across the Group, we will increase data revenue by encouraging uptake through increased smartphone penetration, competitive pricing, bundled services and increased speeds.

The continued rollout of MTN Mobile Money and broader financial services remains a priority with the widening of our distribution platform and the introduction of new products and services including micro lending, international remittances, retail payments and insurance. We continue to develop our digital offering through focusing on local content and working with other suppliers. Through our partnership with Rocket Internet AG we now have a platform that facilitates easier rollout.

Our enterprise business unit is well placed to provide innovative ICT solutions to corporate and SME customers, the public sector and financial services customers. In 2015, we will focus on becoming the ICT partner of choice to companies expanding into Africa; to governments seeking to improve engagement with their citizens; and to companies aiming to enhance their business offering.

Transforming our operating model through cost optimisation and increasing operational efficiencies remains another key strategic theme. *Project Next!,* our back-office transformation programme, is starting to gain traction with the substantial migration of the back office functions in Ghana to the Shared Services Hub (SSH) during the year. The programme is planned to be rolled out in another two markets in 2015. We will also continue to streamline costs in the distribution network in some of our key markets. The commercialisation of MTN's tower infrastructure is a major part of our efforts to optimise our network.

Innovation and best practice is another of the Group's strategic themes, and in this respect we aim to provide leadership to drive innovation throughout our businesses, capitalising on the opportunities we have identified. Linked to this are our efforts to ensure that every MTN operation is agile and shares best practices, including efficient go-to-market capabilities, to maintain a competitive advantage.

Sanctions

MTN continues to work closely with all relevant authorities with regards to US and EU sanctions against Iran, Syria and Sudan. Our international legal advisors continue to assist the Group in remaining compliant with all applicable sanctions.

Leading the delivery of a "bold new digital world"

We continue working towards our Group vision to lead the delivery of a "bold, new Digital World" to our customers. During 2014, we recorded progress on a number of initiatives towards achieving this.

Voice

Voice revenue contributed 61,2% to total revenue, a decline of 2,0 percentage points in the year due to aggressive price competition and stronger growth in data services. Despite this, MTN remained competitive and maintained market share in most key markets.

Our performance was supported by improving the quality and capacity of our voice networks across the Group and a strong focus on improving the customer experience supported by bundled offerings, usage-based segmentation and products. During the year, we made good progress in rolling out our customer management toolkit, which is an effective way to track each market's customer experience metrics.

Data

Data services remain the key driver of the Group's revenue growth and increased their contribution by 3,8 percentage points to 18,7% of total revenue in 2014. In the year, the number of data users increased by 22,8% to 101,2 million as we expanded our 3G and LTE networks and stimulated the adoption and usage of data-enabled devices and smartphones. At the end of December, we had 51,9 million 3G-enabled devices on our network, an increase of 30,4% on the previous year.

Financial services

Our mobile financial services continue to gain greater acceptance in the market, providing an exciting medium-term opportunity. We are focused on acquiring subscribers as well as increasing the volume of transactions and revenue through expanding our distribution base and product range to include international remittances, saving, lending and insurance. In 2014, we grew Mobile Money subscribers by 50,1% to 22,2 million, led by growth in Ghana, Ivory Coast, Uganda and Benin.

Digital

MTN sees a significant opportunity to tap into the digital space on the African continent and in the Middle East. Through our investments with Rocket Internet AG in Africa Internet Holdings (AIH) (33%) and Middle East Internet Holdings (MEIH) (50%) we are aiming to leverage our brand, customer base, distribution network and payment solutions (Mobile Money) in the markets where both AIH and MTN are present to deliver a range of internet services including ecommerce retailing, as well as market place, taxi, travel, classified and food delivery services. During 2014, AIH launched 44 new operations across 23 markets in Africa while MEIH has 11 operations in various countries in the Middle East providing a strong base for future growth. Furthermore MTN has launched, as part of its entertainment strategy, a host of new products and services, including MTN FrontRow, a video-on-demand offering, which was launched in December.

Our investment in the Amadeus IV Digital Prosperity Fund also assists in identifying and evaluating digital opportunities.

ICT

Our enterprise business unit (EBU) is well placed to becoming the ICT partner of choice to corporate and SME, public sector and financial services customers, given our extensive infrastructure with 22 established operations and 47 data centres across Africa and the Middle East.

Review of results *(continued)*

During the year the EBU was centralised under the newly appointed executive, Mteto Nyati. In addition, the acquisition of the 50% plus one share in Afrihost Proprietary Limited (Afrihost), a leading internet service provider focused on the SME and corporate segments in South Africa, was concluded in November 2014. This, as well as future acquisitions in this space, will be important in supporting our ambitions in this area.

Transforming our operating model

Cost optimisation remains an important area of focus and has supported our EBITDA margin expansion to 44,8%. We rolled out *Project Next!* in Ghana in the year, and this is set to launch in another two markets in 2015.

The sale in recent years of our tower infrastructure in a number of countries has allowed MTN to move to a more efficient operating environment with improved multi-tenancy and reduced costs. During the year, we concluded a transaction whereby MTN Nigeria's passive infrastructure will be transferred to an associate company. MTN Group has retained an interest in the newly created entity and MTN Nigeria will lease back the towers for its operations.

We also concluded previously announced tower deals in Zambia and Rwanda during the year.

We also took steps to manage costs through our centralised procurement function in Dubai, the implementation of network managed services, streamlining of our distribution network and work to improve labour productivity across our operations.

Financial review

Revenue

Table 1: Group revenue by country

	Actual (Rm)	Restated Prior (Rm)	Reported %	Organic %
South Africa	**38 922**	40 482	(3,9)	(3,9)
Nigeria	**53 995**	48 159	12,1	3,7
Large opco cluster	**31 200**	29 145	7,1	11,4
Ghana	**7 149**	8 269	(13,5)	13,8
Cameroon	**6 194**	5 204	19,0	6,9
Ivory Coast	**6 418**	5 480	17,1	5,1
Uganda	**5 289**	4 467	18,4	6,8
Syria	**3 449**	3 229	6,8	25,9
Sudan	**2 701**	2 496	8,2	16,4
Small opco cluster	**22 385**	19 804	13,0	4,3
Head office companies and eliminations	**(348)**	(320)	8,8	11,3
Total	**146 154**	137 270	6,4	3,2
Hyperinflation	**776**	–	–	–
Total reported	**146 930**	137 270	7,0	3,6

Group revenue increased by 6,4% (3,2%*) to R146 154 million despite a 3,9% contraction in the South African operation's revenue and declines in the value of the Ghanaian cedi and the Syrian pound. Revenue growth was supported by an increase of 12,1% (3,7%*) in MTN Nigeria's revenue and weakness in the rand, which had a 3,2% positive impact on revenue.

The large opco cluster's revenue increased by 7,1% (11,4%*), in line with guidance and supported by improved revenue growth in Cameroon of 19,0% (6,9%*), Ghana of -13,5% (13,8%*), Syria of 6,8% (25,9%*) and Sudan of 8,2% (16,4%*). MTN operations in Zambia, Benin, Congo-Brazzaville and Cyprus supported the constant currency performance of the small opco cluster.

Movements in some of the Group's major operational currencies positively impacted Group performance. The rand weakened against the US dollar by 12,6% in the year, with a resultant average rate to the US dollar of 10,87 at end December 2014. Furthermore, the rand weakened by 7,2% against the Nigerian naira, 6,4% against the Iranian rial and strengthened by 28,6% against the Ghanaian cedi and by 13,7% against the Syrian pound.

Table 2: Group revenue analysis***

	Actual (Rm)	Restated Prior (Rm)	Reported %	Organic %	Contribution to revenue %
Outgoing voice	**89 378**	86 757	3,0	(0,9)	61,2
Incoming voice	**14 919**	15 367	(2,9)	(5,9)	10,2
Data	**27 317**	20 504	33,2	30,9	18,7
SMS	**4 518**	5 364	(15,8)	(17,5)	3,1
Devices	**7 890**	7 541	4,6	4,5	5,4
Other	**2 132**	1 737	22,7	19,6	1,4
Total	**146 154**	137 270	6,4	3,2	100,0
Hyperinflation	**776**	–	–	–	–
Total reported	**146 930**	137 270	7,0	3,6	100,0

Outgoing voice revenue increased by 3,0% (-0,9%)* compared to the prior year and contributed 61,2% to total revenue. Performance was negatively affected by price competition in key markets resulting in lower voice tariffs, particularly in South Africa. Across our operations, average price per minute (APPM) declined by 12,1% in US dollar terms.

Group data revenue (excluding SMS) increased by 33,2% (30,9%*), supported by an expanded 3G network, strong growth in data usage and an increase in the number of smartphones and 3G-enabled devices in our markets. Data's contribution to total revenue was 18,7%, 3,8 percentage points higher than in the previous year. MTN South Africa and MTN Nigeria were the largest contributors, together accounting for 70,7% of MTN Group's total data revenue. The majority of operations in both the large opco and small opco cluster also delivered good data revenue growth.

Group interconnect revenue declined by 2,9% (5,9%*) following cuts in termination rates in our Nigerian and South African operations. These came into effect in April and May respectively.

Table 3: Cost analysis***

	Actual (Rm)	Restated Prior (Rm)	Reported %	Organic % change	% of revenue
Handsets	**11 926**	10 744	11,0	10,5	8,2
Interconnect	**12 574**	12 646	(0,6)	(3,4)	8,6
Roaming	**1 016**	1 170	(13,2)	(13,8)	0,7
Commissions	**9 794**	10 246	(4,4)	(6,8)	6,7
Revenue share	**2 131**	1 745	22,1	37,1	1,5
Service provider discounts	**2 257**	2 506	(9,9)	(12,9)	1,5
Network	**19 174**	16 554	15,8	12,3	13,1
Marketing	**3 434**	3 610	(4,9)	(8,0)	2,4
Staff costs	**8 800**	8 670	1,5	(1,6)	6,0
Other OPEX	**9 528**	9 917	(3,9)	(6,0)	6,5
Total	**80 634**	77 808	3,6	1,5	55,2
Hyperinflation	**541**	–	–	–	–
Total reported	**81 175**	77 808	4,3	2,1	55,2

EBITDA

Table 4: Group EBITDA by country

	Actual (Rm)	Restated Prior (Rm)	Reported %	Organic % change
South Africa	**12 509**	14 067	(11,1)	(11,1)
Nigeria	**31 620**	29 235	8,2	(0,2)
Large opco cluster	**11 439**	10 512	8,8	11,1
Ghana	**2 674**	3 102	(13,8)	10,8
Cameroon	**2 651**	2 215	19,7	7,7
Ivory Coast	**2 475**	2 239	10,5	(0,4)
Uganda	**2 074**	1 603	29,4	17,4
Syria	**651**	561	16,0	36,5
Sudan	**914**	792	15,4	24,1
Small opco cluster	**8 083**	6 732	20,1	10,5
Head office companies and eliminations	**1 869**	(1 084)	(272,4)	(267,7)
Total	**65 520**	59 462	10,2	5,3
Hyperinflation	**241**	–	–	–
Tower profits	**7 430**	968	–	–
Total reported	**73 191**	60 430	21,1	16,2

Group earnings before interest, taxation, depreciation and amortisation and goodwill impairment (EBITDA) increased by 10,2% (5,3%*) to R65 520 million. The Group EBITDA margin expanded by 1,5 percentage points (pp) to 44,8%, benefiting from cost-containment initiatives throughout the Group. We continued to optimise our distribution costs, inclusive of service provider and other commissions and marketing costs.

The Group's EBITDA margin was supported by increased margins in Uganda (3,3pp), Syria (1,5pp) and Sudan (2,1pp). MTN South Africa's EBITDA margin remained under pressure and contracted 2,6 pp.

Depreciation and amortisation

Table 5: Group depreciation and amortisation***

	Depreciation				Amortisation			
	Actual (Rm)	Prior (Rm)	Reported %	Organic %	**Actual (Rm)**	Prior (Rm)	Reported %	Organic %
South Africa	**3 436**	3 329	3,2	3,2	**662**	598	10,7	10,7
Nigeria	**8 816**	7 788	13,2	4,5	**1 038**	791	31,2	21,6
Large opco cluster	**2 969**	2 778	6,9	11,6	**726**	713	1,8	0,8
Ghana	**563**	618	(8,9)	20,6	**115**	102	12,7	49,0
Cameroon	**468**	428	9,3	(1,6)	**291**	249	16,9	4,8
Ivory Coast	**557**	445	25,2	13,3	**180**	177	1,7	(7,9)
Uganda	**512**	442	15,8	4,5	**62**	103	(39,8)	(45,6)
Syria	**336**	381	(11,8)	3,4	**28**	30	(6,7)	10,0
Sudan	**533**	464	14,9	23,9	**50**	52	(3,8)	3,8
Small opco cluster	**2 654**	2 372	11,9	2,7	**538**	404	33,2	22,5
Head office companies and eliminations	**249**	191	30,4	19,4	**267**	314	(15,0)	(15,6)
Total	**18 124**	16 458	10,1	5,3	**3 231**	2 820	14,6	10,0
Hyperinflation	**138**	–	–	–	**20**	–	–	–
Total reported	**18 262**	16 458	11,0	5,8	**3 251**	2 820	15,3	10,5

Depreciation increased by 10,1% (5,3%*) to R18 124 million as a result of higher capex spend in previous years. Amortisation costs increased by 14,6% (10.0%*), driven by increased spending on software in Nigeria, Uganda and Cameroon

Net finance costs

Table 6: Net finance costs***

	Actual (Rm)	Prior (Rm)	Reported %	Organic %	% of revenue of
Net interest paid/(received)	**2 515**	2 300	9,3	3,1	1,7
Net forex (gains)/losses	**1 091**	(1 066)	(202,3)	(198,6)	0,7
Total	**3 606**	1 234	192,2	177,3	2,4
Hyperinflation	**62**	–	–	–	
Total reported	**3 668**	1 234	197,2	182,3	2,4

Net finance costs of R3 606 million increased sharply from the R1 234 million recorded in the comparable period in the prior year. This was largely due to foreign currency losses in 2014 of R1 091 million which were mainly the result of:

- Mauritius functional currency gains of R337 million.
- Nigeria forex losses of R713 million incurred on US dollar borrowings and as a result of the devaluation of the naira.
- Ghana forex losses of R155 million as a result of the depreciation of the cedi.
- Dubai forex losses of R249 million, of which R144 million relates to a realised net forex loss on dividends received.

Review of results *(continued)*

Taxation

Table 7: Taxation***

	Actual (Rm)	Restated Prior (Rm)	Reported %	Organic %	Contribution to taxation %
Normal tax	**12 880**	8 684	48,3	40,7	93,5
Deferred tax	**(833)**	2 256	(136,9)	(135,2)	(6,1)
Capital gains tax	**1**	(1)	(200,0)	(200,0)	–
Foreign income and withholding taxes	**1 732**	1 322	31,1	28,0	12,6
Total	**13 780**	12 261	12,4	7,0	100,0
Hyperinflation	**7**	–	–	–	–
Tower profits	**(426)**	226	–	–	–
Total reported	**13 361**	12 487	7,0	1,7	100,0

The Group's absolute taxation charge increased by 12,4% (7,0%*) to R13 780 million and the effective tax rate increased to 31,1% from 29,1%. The increase is largely due to withholding tax payable as a result of increased dividend upstreaming, the lower investment allowance deductions resulting from lower capex additions in Nigeria as well as handset adjustments due to the voluntary change in accounting policy relating to revenue recognition in South Africa.

Earnings

Basic headline earnings per share (HEPS) increased by 8,9%** to 1 536 cents** and attributable earnings per share (EPS) increased by 20,0%** to 1 752 cents**.

Cash flow

Cash inflows generated by operations increased by 8,2%** to R64 628 million**. This was mostly offset by a 25,6%** increase in dividends paid of R5 058 million**, resulting in a net 0,4%** increase in cash generated by operating activities to R27 132 million**.

Capital expenditure

Table 8: Capital expenditure analysis

	Actual (Rm)	Prior (Rm)	Reported %	Organic %
South Africa	**5 676**	5 835	(2,7)	(2,7)
Nigeria	**8 375**	14 298	(41,4)	(44,9)
Large opco cluster	**5 863**	5 805	1,0	5,7
Ghana	**1 400**	1 690	(17,2)	9,9
Cameroon	**862**	768	12,2	1,0
Ivory Coast	**1 185**	830	42,8	28,7
Uganda	**667**	553	20,6	4,0
Syria	**357**	892	(60,0)	(54,7)
Sudan	**1 392**	1 072	29,9	35,7
Small opco cluster	**3 888**	3 809	2,1	(5,1)
Head office companies and eliminations	**1 440**	417	245,3	241,0
Total	**25 242**	30 164	(16,3)	(18,0)
Hyperinflation	**164**	–	–	–
Total reported	**25 406**	30 164	(15,8)	(17,9)

Capex decreased by 16,3% (18,0%*) to R25 242 million, of which R517 million related to foreign currency movements.

Review of results *(continued)*

Financial position

Table 9: Net debt analysis (Rm)

	Cash and cash equivalents	Interest-bearing liabilities	Inter-company eliminations	Net debt/ (cash)
South Africa	1 828	22 382	(22 382)	(1 828)
Nigeria	17 855	24 675	–	6 820
Large opco cluster	8 302	5 360	(1 900)	(4 842)
Ghana	876	646	–	(230)
Cameroon	3 011	134	–	(2 877)
Ivory Coast	438	746	–	308
Uganda	576	–	–	(576)
Syria	3 149	1 900	(1 900)	(3 149)
Sudan	252	1 934	–	1 682
Small opco cluster	5 260	7 528	(4 230)	(1 962)
Head office companies and eliminations	15 491	39 252	(17 406)	6 355
Total	48 736	99 197	(45 918)	4 543

The Group reported net debt of R4 543 million** at the end of 2014, compared to net debt of R352 million** at 31 December 2013. This increase was due to the Group dividend payment of R20 527 million** during the year and the raising of a $750 million Eurobond debt in Mauritius. This excludes R6 825 million (49%) of net cash in MTN Irancell, which is accounted for on an equity basis.

Business combinations/acquisition of joint ventures

IHS Holding Limited (IHS)

Aligned to our strategic initiatives around towers we have acquired a stake in an African infrastructure holding company, IHS, for a consideration of R5 420 million**.

Middle East Internet Holdings S.A.R.L (MEIH)

The Group and Rocket Internet AG (Rocket) have formed a joint venture, MEIH, to develop internet businesses in the Middle East, with the Group and Rocket each being 50% shareholders. The Group invested €120 million in the joint venture.

Africa Internet Holdings Gmbh (AIH)

The Group has acquired 33,3% of AIH for €168 million, a joint venture between Rocket and Millicom International Cellular, to develop internet businesses in Africa. The Group, Millicom International Cellular and Rocket have each become 33,3% shareholders in AIH.

Nashua

In November 2014, the Group acquired its Nashua Mobile subscriber base from Nashua Mobile Proprietary Limited for R1 246 million. The acquisition of the subscriber base will enable the Group to consolidate the MTN post-paid subscriber base into one entity and own the relationship with the subscribers.

Afrihost

In November 2014, the Group acquired 50% plus one share of Afrihost for R408 million, thereby obtaining control of Afrihost.

Operational review

South Africa

- Reported revenue declined by 3,9%
- Data revenue increased 7,0%
- EBITDA margin declined 2,6 percentage points to 32,1%

MTN South Africa delivered clear evidence of a turnaround in the second half of the year and in the fourth quarter EBITDA increased 28,1% quarter on quarter. This was achieved despite a challenging consumer environment. The operation increased its subscriber base by 8,9% to 28,0 million, reporting 2,7 million net additions in the second half versus the 430 496 net disconnections recorded in the first half of the year. This was largely a result of segmented offerings based on usage, limited duration on-net promotions such as WOW and below-the-line advertising campaigns in the pre-paid segment. As a result, the pre-paid subscriber base increased by 9,1% to 22,6 million. The post-paid segment delivered a significantly improved performance, reporting net subscriber additions of 414 251 for the year. This was supported by a variety of revised offers.

Total revenue declined by 3,9% to R38 922 million. This was mainly a result of a 36,0% decline in interconnect revenue due to lower mobile termination rates (MTRs). While data revenue only increased 7,0% there was a meaningful improvement in the fourth quarter with mobile data revenue growth of 17% when compared to the same period last year. Fourth quarter 2014 on third quarter 2014 mobile data revenue growth was 42,3%. Increased 3G coverage, improved smartphone adoption and tailored data bundles were the main contributors to this growth. By year-end, data revenue contributed 23,8% of total revenue from 21,4% in 2013. The number of smartphones on MTN's network increased by 17,8% to 5,9 million, and the number of data users increased by 20,1% to 17,1 million.

The EBITDA margin declined by 2,6 percentage points largely as a result of lower interconnect revenue, now a net payer, and increased provisions for impairment of trade receivables amounting to R616 million from R289 million in the previous year. Stricter credit criteria have been implemented to ensure this level of bad debts does not reoccur. MTN South Africa continues to focus on improving profitability throughout the business and on various cost efficiencies, including managed services and optimising the distribution network.

Capex for the period of R5 676 million was slightly lower than budget due to improved procurement processes. During the year, we added 520 new 2G sites and 904 3G sites. The 3G population coverage improved to 87%. As a result of improved performance in the second half (with voice traffic volumes up 31,0% year on year and growing demand for data), we will increase capex significantly in 2015. This will be focused on improving the quality and capacity of the 2G and 3G network and rolling out LTE.

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

Nigeria

- Net subscriber additions of 3,1 million
- Revenue increased 3,7%*
- Interconnect revenue up 14,1%*
- EBITDA margin of 58,6%
- Capex of R8 375 million, with 1 367 new 2G sites and 2 365 co-located 3G sites added

MTN Nigeria grew its subscriber base by 5,5% in 2014, increasing total subscribers to 59,9 million. This was a satisfactory performance given regulatory restrictions relating to the regulator's 2013 ruling that declared MTN Nigeria a 'dominant operator'. Performance was underpinned by improved segmented offerings to high-value customers and seasonal promotions aimed at growing subscribers and increasing usage. The operation reported 1,5 million net additions in the last quarter following regulatory approval of select promotional offerings from October 2014 onwards.

Total revenue increased by 12,1% or 3,7% in constant-currency terms, below expectations, although MTN's revenue market share remained stable. Growth in revenue was impacted by a decline in on-net traffic due to the dominance ruling and lower-than-anticipated subscriber numbers. Data revenue continued to grow strongly, increasing by 28,3%* to contribute 18,6% of total revenue at year-end. This was mainly a result of the 18,1% increase in data users, increased smartphone penetration and the introduction of products such as the 4.5G smartphone data plan.

The number of smartphones on the network increased by 51,2% to 9,3 million at the end of December. We worked hard to improve data usage through offering innovative products and bundled packages including MTN SME Plus, MTN Biz Plus, MTN Music+, MTN Callertunez, while harnessing e-commerce and financial service opportunities with our online shop Jumia. MTN Nigeria's Mobile Money offering, Diamond Yellow, gained encouraging momentum and we are now exploring ways to expand the offering.

The EBITDA margin increased by 1,6 percentage points to 58,6% on a like-for-like basis (excluding the reversal of the management fee in 2013). This was supported by cost-optimisation initiatives, including a revised commission structure and managed services implemented during the year. In December, costs were affected by the sale of MTN Nigeria's towers to the tower company and the subsequent lease expenses incurred. This follows the conclusion of arrangements in quarter four to transfer tower assets to a new entity that will be managed by the telecoms infrastructure provider IHS. A total of 9 132 towers will be transferred by June 2015 of which 4 154 were transferred in 2014.

During the year, MTN Nigeria's capital expenditure was aimed at meeting the growing demand for data. We rolled out 1 367 new 2G sites and 2 365 co-located 3G sites, spending R8 375 million. Although capex declined by 41,4% in the year, sufficient quality and headroom has been achieved on the network and the operation has the flexibility to rapidly roll out as required.

To ensure compliance with regulations, MTN Nigeria rigorously monitors the KPIs set by the Nigerian Communications Commission.

IRANCELL (Joint venture, equity accounted)

- Subscribers increased 6,2% to 43,9 million
- Revenue increased 14,3%*
- Data revenue increased 96,3%*
- Maintained EBITDA margin at 42,8%

MTN Irancell delivered a good performance, increasing its subscriber base by 6,2% to 43,9 million. This was largely supported by segmented product offerings, successful subscriber acquisition campaigns, focused churn management as well as the launch of 3G services.

Total revenue increased by 14,3%* compared to the prior year, supported by improved distribution in Tehran and four other major cities, a high uptake of bolt-on packages and the expansion of the 3G network and value-added services. The operation was awarded a 3G and LTE licence in August, which significantly enhanced data revenue in the fourth quarter. Data revenue increased by 96,3%* and now contributes 17,6% of total revenue. MTN Irancell now has 17,3 million active smartphones on its network and 15,1 million data users. On 22 December 2014, the regulator passed a resolution setting the maximum tariff for data at 0.5 Iranian rial (IRR) per KB for post-paid and 0.75 IRR per KB for pre-paid customers.

MTN Irancell maintained its EBITDA margin at 42,8%, supported by the management of cost increases to below the rate of inflation.

MTN Irancell invested R6 350 million (100%) of capex during the year. It rolled out 621 LTE sites and 2 151 3G sites to support the launch of 3G services.

Large Opco cluster

- Subscribers increased 8,9% to 56,7 million
- Revenue increased 11,4%*
- Data revenue increased 74,4%*
- EBITDA margin expanded 0,6 percentage points to 36,7%

MTN Ghana's performance was pleasing despite a weak macro-economic environment and tough competition. We increased subscriber numbers by 7,1% to 13,9 million and maintained our market share at 50,5%. Price adjustments in the second half supported improvements in traffic and net additions.

Total revenue increased by 13,8%*, supported by voice and a 123,0%* growth in data revenue. Data contributed 18,8% to total revenue, underpinned by a meaningful increase in data users to approximately 8 million. The strong growth in data was a result of improved 3G coverage, reduced data prices and a significant uptake of digital services. MTN Mobile Money delivered a strong performance with 3,4 million registered MTN Mobile Money customers.

MTN Ghana continues to focus on cost optimisation as the weakening of the cedi against the US dollar has resulted in significant pressure on fuel costs and other US dollar-denominated expenses. Despite this, MTN Ghana's EBITDA margin remained relatively flat at 37,4%, largely supported by the expiration of the management fee agreement on 31 March 2014.

During the year, MTN Ghana invested R1 400 million in the network, adding 112 3G sites and 64 2G sites.

MTN Cameroon delivered a solid performance, increasing its subscribers by 10,9% to 9,7 million. On 31 December, the internal alignment of the subscriber reporting methodology resulted in the restatement of subscriber numbers to 9,7 million, a reduction of 1,6 million subscribers. Despite this, the operation maintained its leadership position with market share at 59,4%.

Total revenue increased by 6,9%*, supported by segmented voice and data offers focused on high-value customers and youth. This included the successful launch of new value propositions such as MTN Hyper Booster to stimulate on-net usage and data adoption. Data revenue increased by 35,4%*, contributing 8,1% to total revenue. This was a good performance despite the commercial launch of a third mobile operator in September 2014 with an exclusive 3G licence. MTN Cameroon is in negotiations with the regulator to receive a 3G licence in the first half of 2015. The operation ended the year with 1,6 million registered MTN Mobile Money customers and continued to focus on increasing its active subscribers and transaction volumes.

MTN Cameroon's EBITDA margin increased by 0,2 percentage points to 42,8% despite higher lease rental costs following the tower transaction.

Capex amounted to R862 million. During the year, we rolled out 125 new sites in advance of the 3G licence and made improvements to the quality and capacity of high traffic sites in the main cities.

MTN Ivory Coast delivered a strong performance despite tough competition. Subscribers increased by 13,3% to 8 million and market share increased 1,3 percentage points to 39,2%.

Total revenue increased by 5,1%*, supported by growth in data revenue. Competitive tariffs, below-the-line offers and value-added services accelerated this growth trend. Data revenue increased by 33,7%* and now contributes 11,2% of total revenue. Total data users increased 4,4% year on year to 1,7 million. This was significantly boosted by the first 3G sites coming on air in the country.

We showed good progress with MTN Mobile Money, increasing registered subscribers by 74,3% to 2,6 million at the end of December. This was underpinned by bonus promotions on airtime and remittances between Ivory Coast and Burkina Faso.

The operation's EBITDA margin declined by 2,3 percentage points to 38,6%. Tough cost controls mitigated the impact of leasing costs from the tower company and the new 2% levy on revenue. MTN Ivory Coast spent R1 185 million on its capex programme, with a strong focus on 3G and fibre. During the year, we rolled out 252 2G sites and 105 co-located 3G sites.

MTN Uganda increased its subscriber base by 18,0% to 10,4 million, driven by bundled voice products, improved 3G coverage and increased take up of MTN Mobile Money. We increased our market share to 56,8% despite operating in a highly competitive market made up of six operators.

Total revenue increased by 6,8%*, supported by a 36,6 %* increase in data revenue. By year-end, data contributed 24,7% to total revenue. Data trends were supported by value-added services and enhanced marketing. There remains significant opportunity for increased 3G penetration in the country.

MTN Mobile Money continued to perform well and recorded a 40,9% increase in registered subscribers to 7,3 million. Usage was stimulated by a wider mobile payment product range and a new enhanced technology platform.

MTN Uganda's EBITDA margin increased by 3,3 percentage points to 39,2% thanks to strong cost control.

Capex in the year amounted to R667 million, with 157 new 2G sites and 140 co-located 3G sites rolled out, improving quality and capacity on the network.

MTN Syria recorded a marginal increase in subscribers to 5,9 million in a very challenging operating environment. Total revenue increased 25,9%* and data revenue continued to gather pace, increasing by 108,3%*.

Despite high inflation, MTN Syria's EBITDA margin grew by 1,5 percentage points to 18,9%. The operation's performance will remain under pressure until the crisis in the country is resolved. Some of the key challenges remain security, transmission, power outages and insufficient fuel supply. Shortly after year-end, in January 2015, MTN Syria was awarded a long-term freehold licence by the Syrian authorities, to December 2034. This replaces the previous build, operate and transfer arrangement.

MTN Sudan increased subscribers by 2,6% to 9 million, in a weak economy and faced with subscriber registration requirements. Revenue increased by 16,4%* and data revenue increased by 136,4%*, contributing 15,4% to total revenue. The growth in data was mainly attributable to attractive data bundles. The EBITDA margin expanded by 2,1 percentage points to 33,8 % despite steep inflation. Capex in the year amounted to R1 392 million.

Small opco cluster

- Subscribers increased 9,3% to 34,8 million
- Revenue increased 4,3%*
- Data revenue increased 90,7%*
- EBITDA margin increased 2,1 percentage points to 36,1%

The small opco cluster showed satisfactory revenue growth of 4,3%* despite a tough operating environment impacted by the decline of oil prices and Ebola particularly in West Africa. Revenue was supported by solid growth in Zambia, Benin, Cyprus and Congo-Brazzaville, with Liberia showing encouraging signs towards year-end. Data revenue increased 90,7%*. This was supported by good growth in Mobile Money which recorded 5,8 million subscribers in 8 countries at the end of December 2014.

The EBITDA margin showed encouraging expansion of 2,1 percentage points to 36,1%. This was mainly attributable to a strong focus on cost containment and the benefit from centralised procurement.

Capex for the year amounted to R3 888 million with 473 2G and 540 co-located 3G sites added in the year.

Review of results (continued)

Annexure

Pro forma financial information for the year ended 31 December:

	Actual 2014	(1) Hyper-inflation and goodwill impair-ment	(2) Tower profit	Actual 2014 excl hyper-inflation, goodwill impairment and tower profit	Actual 2013	(1) Hyper-inflation	(2) Tower profit	Actual 2013 excl hyper-inflation and tower profit
Revenue	**146 930**	**776**	**–**	**146 154**	137 270	–	–	137 270
Other income	**7 928**	**–**	**7 430**	**498**	1 327	–	968	359
EBITDA	**73 191**	**241**	**7 430**	**65 520**	60 430	–	968	59 462
Depreciation, amortisation and impairment of goodwill	**23 546**	**2 191**	**–**	**21 355**	19 278	–	–	19 278
Profit from operations	**49 645**	**(1 950)**	**7 430**	**44 165**	41 152	–	968	40 184
Net finance cost	**3 668**	**62**	**–**	**3 606**	1 234	–	–	1 234
Net monetary gain	**878**	**878**	**–**	**–**	–	–	–	–
Equity income	**4 208**	**529**	**–**	**3 679**	3 431	318	–	3 113
Profit before tax	**51 063**	**(605)**	**7 430**	**44 238**	43 349	318	968	42 063
Income tax expense	**13 361**	**7**	**(426)**	**13 780**	12 487	–	226	12 261
Profit after tax	**37 702**	**(612)**	**7 856**	**30 458**	30 862	318	742	29 802
Non-controlling interests	**5 623**	**161**	**1 586**	**3 876**	4 111	–	193	3 918
Attributable profit	**32 079**	**(773)**	**6 270**	**26 582**	26 751	318	549	25 884
EBITDA margin	**49,8%**			**44,8%**	44,0%			43,3%
Effective tax rate	**26,2%**			**31,1%**	28,8%			29,1%

1) Represents the exclusion of the hyperinflation impact of certain of the Group's subsidiaries (MTN Sudan and MTN Syria) and the Group's joint venture in Iran, being accounted for on a hyperinflationary basis in accordance with IFRS on the respective financial statement line items affected.

   In addition, the goodwill impairment charge amounting to R2 033 million, accounted for in accordance with IFRS, has been adjusted for in the "Depreciation, amortisation and impairment of goodwill" line.

2) Represents the exclusion of the financial impact relating to the sale of tower assets during the financial year on the respective financial line items impacted, which include: Tower sale profits for Nigeria R7 329 million, Zambia R48 million, Rwanda R2 million, Ghana R20 million and the release of a deferred gain of R31 million (2013: Cameroon R335 million, Ivory Coast R574 million, Ghana R21 million and the release of a deferred gain of R38 million) and the relating tax impact of R426 million (2013: R226 million).

As the Group will continue in its strategy to monetise its passive infrastructure, similar tower sale transactions may continue going forward. In addition, the impact of hyperinflation on the Group's results will continue for as long as Syria, Sudan and Iran are considered to be hyperinflationary economies.

Review of results (continued)

Revised subscriber net addition guidance for 2015

	Actual '000
South Africa	**2 400**
Nigeria	**4 750**
Large Opco cluster	**7 100**
Iran	**1 750**
Ghana	**1100**
Cameroon	**1 500**
Ivory Coast	**800**
Sudan	**750**
Syria	**0**
Uganda	**1 200**
Small Opco cluster	**3 250**
Total	**17 500**

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

Declaration of final ordinary dividend

Notice is hereby given that a gross year-end dividend of 800 cents per share for the period to 31 December 2014 has been declared payable to MTN shareholders. The number of ordinary shares in issue at the date of this declaration is 1 847 410 539 (including 10 704 475 treasury shares).

The dividend will be subject to a maximum local dividend tax rate of 15% which will result in a net dividend of 680 cents per share to those shareholders that bear the maximum rate of dividend withholding tax of 120 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%	800 cents per share
5%	760 cents per share
7.5%	740 cents per share
10%	720 cents per share
12.5%	700 cents per share
15%	680 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	Friday, 20 March 2015
First trading day *ex* dividend on the JSE	Monday, 23 March 2015
Record date	Friday, 27 March 2015
Payment date	Monday, 30 March 2015

Review of results (continued)

No share certificates may be dematerialised or re-materialised between Monday, 23 March 2015 and Friday, 27 March 2015, both days inclusive. On Monday, 30 March 2015, 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, 30 March 2015 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, 30 March 2015.

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
3 March 2014

For further information on MTN results please refer to the Investor Relations section on the Group's website: **www.mtn.com/investors**

01 PRELIMINARY AUDITED SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Group's preliminary audited summary consolidated annual financial statements have been independently audited by the Group's external auditors. The preparation of the Group's preliminary audited summary consolidated annual financial statements was supervised by the Group chief financial officer, BD Goschen, BCom, BCompt (Hons), CA(SA).

The results were made available on 4 March 2015.

Independent auditors' report on summary consolidated financial statements

TO THE SHAREHOLDERS OF MTN GROUP LIMITED

The summary consolidated annual financial statements of MTN Group Limited, contained in the accompanying preliminary report, which comprise the summary consolidated statement of financial position as at 31 December 2014, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes are derived from the audited consolidated annual financial statements of MTN Group Limited for the year ended 31 December 2014. We expressed an unmodified audit opinion on those consolidated annual financial statements in our report dated 3 March 2015. Our auditors' report on the audited consolidated annual financial statements contained an Other Matter paragraph: "Other reports required by the Companies Act" (refer below).

The summary consolidated annual financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated annual financial statements, therefore, is not a substitute for reading the audited consolidated annual financial statements of MTN Group Limited.

Directors' responsibility for the summary consolidated annual financial statements

The directors are responsible for the preparation of these summary consolidated annual financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 3 to the summary consolidated annual financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the summary consolidated annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the summary consolidated annual financial statements derived from the audited consolidated annual financial statements of MTN Group Limited for the year ended 31 December 2014 are consistent, in all material respects, with those consolidated annual financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 3 to the summary consolidated annual financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The "Other reports required by the Companies Act" paragraph in our audit report dated 3 March 2015 states that as part of our audit of the consolidated annual financial statements for the year ended 31 December 2014, we have read the Directors' report, the Audit committee's report and the Company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated annual financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated annual financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated annual financial statements or our opinion thereon.

PricewaterhouseCoopers Inc.
Director: JR van Huyssteen
Registered Auditor
Sunninghill
3 March 2015

SizweNtsalubaGobodo Inc.
Director: SY Lockhat
Registered Auditor
Woodmead
3 March 2015

Summary consolidated income statement

for the year ended 31 December

	Note	2014 Rm	2013* Rm
Revenue		**146 930**	137 270
Other income		**7 928**	1 327
Direct network operating costs		**(21 604)**	(18 299)
Costs of handsets and other accessories		**(11 957)**	(10 744)
Interconnect and roaming		**(13 653)**	(13 816)
Staff costs		**(8 838)**	(8 670)
Selling, distribution and marketing expenses		**(15 531)**	(16 362)
Other operating expenses		**(10 084)**	(10 276)
EBITDA		**73 191**	60 430
Depreciation of property, plant and equipment		**(18 262)**	(16 458)
Amortisation of intangible assets		**(3 251)**	(2 820)
Impairment of goodwill		**(2 033)**	–
Operating profit		**49 645**	41 152
Net finance costs		**(3 668)**	(1 234)
Net monetary gain		**878**	–
Share of results of joint ventures and associates after tax	9	**4 208**	3 431
Profit before tax		**51 063**	43 349
Income tax expense		**(13 361)**	(12 487)
Profit after tax		**37 702**	30 862
Attributable to:			
Equity holders of the Company		**32 079**	26 751
Non-controlling interests		**5 623**	4 111
		37 702	30 862
Basic earnings per share (cents)	8	**1 752**	1 460
Diluted earnings per share (cents)	8	**1 742**	1 452

** 2013 amounts restated, refer to notes 5 and 18.*

Summary consolidated statement of comprehensive income

for the year ended 31 December

	2014 Rm	2013* Rm
Profit after tax	**37 702**	30 862
Other comprehensive income after tax:		
Exchange differences on translating foreign operations including the effect of hyperinflation°	**2 968**	11 078
Equity holders of the Company	**2 960**	10 179
Non-controlling interests	**8**	899
Total comprehensive income	**40 670**	41 940
Attributable to:		
Equity holders of the Company	**35 039**	36 930
Non-controlling interests	**5 631**	5 010
	40 670	41 940

° This component of other comprehensive income does not attract any tax and may subsequently be reclassified to profit or loss.
** 2013 amounts restated, refer to notes 5 and 18.*

Summary consolidated statement of financial position

as at

	Note	31 December 2014 Rm	31 December 2013* Rm	1 January 2013* Rm
Non-current assets		**163 218**	153 083	127 365
Property, plant and equipment		**87 546**	92 903	73 905
Intangible assets and goodwill		**36 618**	37 751	32 594
Investment in joint ventures and associates		**25 514**	12 643	10 208
Deferred tax and other non-current assets		**13 540**	9 786	10 658
Current assets		**90 467**	76 573	56 465
Non-current assets held for sale	15	**3 848**	1 281	1 373
		86 619	75 292	55 092
Other current assets		**42 628**	33 470	27 112
Restricted cash		**893**	2 222	5 272
Cash and cash equivalents		**43 098**	39 600	22 708
Total assets		**253 685**	229 656	183 830
Total equity		**133 442**	121 812	100 029
Attributable to equity holders of the Company		**128 517**	116 479	96 148
Non-controlling interests		**4 925**	5 333	3 881
Non-current liabilities		**52 613**	49 860	33 327
Interest-bearing liabilities	13	**39 470**	34 664	21 322
Deferred tax and other non-current liabilities		**13 143**	15 196	12 005
Current liabilities		**67 630**	57 984	50 474
Interest-bearing liabilities	13	**13 809**	11 361	10 762
Other current liabilities		**53 821**	46 623	39 712
Total equity and liabilities		**253 685**	229 656	183 830

** 2013 amounts restated, refer to notes 5 and 18.*

Summary consolidated statement of changes in equity

for the year ended 31 December

	Note	2014 Rm	2013* Rm
Opening balance at 1 January		**116 479**	94 569
Restatement for voluntary change in accounting policy	5, 18	**–**	1 579
Restated balance at 1 January		**116 479**	96 148
Shares issued during the year		**3**	5
Shares cancelled		**(^)**	(^)
Share buy-back		**(2 422)**	–
Transactions with non-controlling interests		**–**	(495)
Share-based payment transactions		**110**	215
Settlement of vested equity rights		**(209)**	–
Total comprehensive income		**35 039**	36 930
Profit after tax		**32 079**	26 751
Other comprehensive income after tax		**2 960**	10 179
Dividends declared		**(20 527)**	(16 210)
Other movements		**44**	(114)
Attributable to equity holders of the Company		**128 517**	116 479
Non-controlling interests		**4 925**	5 333
Closing balance at 31 December		**133 442**	121 812
Dividends declared during the year (cents per share)		**1 110**	873
Dividends declared after year end (cents per share)		**800**	665

^ Amount less than R1 million.

** 2013 amounts restated, refer to notes 5 and 18.*

Summary consolidated statement of cash flows

for the year ended 31 December

	2014 Rm	2013 Rm
Net cash generated from operating activities	**27 132**	27 025
Cash generated by operations	**64 628**	59 708
Dividends paid to equity holders of the Company	**(20 527)**	(16 187)
Other operating activities	**(16 969)**	(16 496)
Net cash used in investing activities	**(25 991)**	(19 835)
Acquisition of property, plant and equipment	**(19 562)**	(24 568)
Movement in investments and other investing activities	**(6 429)**	4 733
Net cash from financing activities	**2 639**	6 264
Net increase in cash and cash equivalents	**3 780**	13 454
Cash and cash equivalents at beginning of the year	**39 577**	22 539
Exchange (losses)/gains on cash and cash equivalents	**(182)**	3 584
Net monetary loss on cash and cash equivalents	**(103)**	–
Cash and cash equivalents at end of the year	**43 072**	39 577

Notes to the summary consolidated financial statements

for the year ended 31 December

1. INDEPENDENT AUDIT

The summary consolidated annual financial statements have been derived from the audited consolidated annual financial statements. The directors of the Company take full responsibility for the preparation of the summary consolidated annual financial statements and that the financial information has been correctly derived from the underlying audited consolidated annual financial statements. The summary consolidated annual financial statements for the year ended 31 December 2014 have been audited by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc., who expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the consolidated annual financial statements from which these summary consolidated annual financial statements were derived. A copy of the auditors' report on the consolidated annual financial statements is available for inspection at the Company's registered office, together with the financial statements identified in the auditors' report.

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 associates.

3. BASIS OF PREPARATION

The summary consolidated annual financial statements 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 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 summary consolidated annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRS. A copy of the full set of the audited 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 2014, none of which had a material impact on the Group.

The accounting policies applied in the preparation of the consolidated annual financial statements from which the summary consolidated annual financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, with the exception of the voluntary change in accounting policy in respect of revenue recognition (notes 5 and 18).

5. VOLUNTARY CHANGE IN ACCOUNTING POLICY

IAS 18 Revenue

Previously, the Group accounted for arrangements with multiple deliverables (i.e. multiple element revenue arrangements) by dividing these arrangements into separate units of accounting and recognising revenue through the application of the residual value method.

During the year under review, the Group resolved to change its accounting policy in recognising revenue relating to these arrangements from applying the residual value method to the relative fair value method. This change was effected by the Group on a voluntary basis.

Notes to the summary consolidated financial statements (continued)

for the year ended 31 December

5. VOLUNTARY CHANGE IN ACCOUNTING POLICY (continued)

IAS 18 Revenue (continued)

Previously under the residual value method, fair value was ascribed to each of the undelivered elements (typically the service contract) and any consideration remaining (after reducing the total consideration of the arrangement with the fair value of the undelivered elements) was allocated to the delivered element(s) in the transaction (typically the handset). This resulted in limited amounts of revenue being allocated to the elements delivered upfront (i.e. the handset). Under the relative fair value method, the consideration received or receivable is allocated to each of the elements (delivered and undelivered) according to the relative fair value of the elements included in the arrangement.

The Group believes that the change results in more relevant and reliable information being presented in respect of revenue recognised in relation to multiple element revenue arrangements, as revenue is now being recognised in relation to each of the elements delivered and to be delivered based on the relative fair value of the relating elements in relation to the total consideration received or receivable. The new accounting policy also results in an improved correlation between the recognition of revenue and associated costs and also aligns the Group's policy more closely with the requirements of IFRS 15 *Revenue from Contracts with Customers* which is effective for periods commencing on 1 January 2017.

As required in terms of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the change in accounting policy was applied retrospectively which resulted in an increase in revenue, other operating and income tax expenses, trade and other receivables, non-current loans and other receivables, equity and deferred tax liabilities in prior years. The impact on the Group's financial results and position is disclosed in note 18.

6. FINANCIAL INSTRUMENTS

The carrying amounts of all financial instruments measured at amortised cost closely approximate fair value.

7. SEGMENT ANALYSIS

The Group has identified reportable segments that are used by the Group executive committee (chief operating decision maker ("CODM")) 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 are 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 for each segment.

During the year under review, the Group executive committee resolved to review segment results on a basis excluding profits realised in respect of the sale of towers during the respective financial year. In addition, Irancell Telecommunication Company Services (PJSC), which previously formed part of the large opco cluster in terms of the segmental presentation of financial results, is now presented to the Group executive committee on a standalone basis. Due to the change in the segment information presented to the Group executive committee during the current financial year, the comparatives were adjusted accordingly.

Notes to the summary consolidated financial statements *(continued)*

for the year ended 31 December

		2014 Rm	2013* Rm
7.	**SEGMENT ANALYSIS** (continued)		
	REVENUE		
	South Africa	**38 922**	40 482
	Nigeria	**53 995**	48 159
	Large opco cluster	**31 200**	29 145
	Ghana	**7 149**	8 269
	Cameroon	**6 194**	5 204
	Ivory Coast	**6 418**	5 480
	Uganda	**5 289**	4 467
	Syria^	**3 449**	3 229
	Sudan^	**2 701**	2 496
	Small opco cluster	**22 385**	19 804
	Major joint venture – Iran°	**11 631**	9 514
	Head office companies and eliminations	**(348)**	(320)
	Hyperinflation impact	**776**	–
	Iran revenue exclusion°	**(11 631)**	(9 514)
		146 930	137 270

° Irancell Telecommunication Company Services (PJSC) proportionate revenue is included in the segment analysis as reviewed by the CODM and excluded from IFRS reported revenue due to equity accounting for joint ventures and excludes the impact of hyperinflation of R1 655 million (December 2013: R1 714 million).

^ Excludes the impact of hyperinflation of: Syria R434 million (December 2013: Nil), Sudan R342 million (December 2013: Nil).

** 2013 amounts restated, refer to notes 5 and 18.*

Notes to the summary consolidated financial statements *(continued)*

for the year ended 31 December

		2014 Rm	2013* Rm
7.	**SEGMENT ANALYSIS** (continued)		
	EBITDA		
	South Africa	**12 509**	14 067
	Nigeria	**31 620**	29 235
	Large opco cluster	**11 439**	10 512
	Ghana	**2 674**	3 102
	Cameroon	**2 651**	2 215
	Ivory Coast	**2 475**	2 239
	Uganda	**2 074**	1 603
	Syria^	**651**	561
	Sudan^	**914**	792
	Small opco cluster	**8 083**	6 732
	Major joint venture – Iran°	**4 982**	4 075
	Head office companies and eliminations	**1 869**	(1 084)
	Hyperinflation impact	**241**	–
	Tower sale profits#	**7 430**	968
	Iran EBITDA exclusion°	**(4 982)**	(4 075)
	EBITDA	**73 191**	60 430
	Depreciation, amortisation and impairment of goodwill	**(23 546)**	(19 278)
	Net finance cost	**(3 668)**	(1 234)
	Net monetary gain	**878**	–
	Share of results of joint ventures and associates after tax	**4 208**	3 431
	Profit before tax	**51 063**	43 349

° Irancell Telecommunication Company Services (PJSC) proportionate EBITDA is included in the segment analysis as reviewed by the CODM and excluded from IFRS reported EBITDA due to equity accounting for joint ventures and excludes the positive impact of hyperinflation of R776 million (December 2013: R739 million).

^ Excludes the positive impact of hyperinflation of: Syria R111 million (December 2013: Nil), Sudan R130 million (December 2013: Nil).

 # Tower sale profits for the year include: Nigeria R7 329 million, Zambia R48 million, Rwanda R2 million, Ghana R20 million and release of deferred profit of R31 million (2013: Cameroon R335 million, Ivory Coast R574 million, Ghana R21 million and release of deferred profit of R38 million).

** 2013 amounts restated, refer to notes 5 and 18.*

Notes to the summary consolidated financial statements *(continued)*

for the year ended 31 December

		2014	2013
8.	**EARNINGS PER ORDINARY SHARE**		
	Number of ordinary shares in issue		
	At end of the year (excluding MTN Zakhele and treasury shares*)	**1 822 213 500**	1 832 845 805
	Weighted average number of shares		
	Shares for earnings per share	**1 831 196 131**	1 832 729 584
	Add: dilutive shares		
	– MTN Zakhele shares issued	**7 192 687**	6 740 791
	– Share schemes	**2 865 069**	2 988 671
	Shares for dilutive earnings per share	**1 841 253 887**	1 842 459 046

** Treasury shares of 11 649 825 (December 2013: 23 402 918) held by the Group and MTN Zakhele options of 14 492 564 (December 2013: 17 030 125) have been excluded from this reconciliation.*

	2014 Rm	2013* Rm
Reconciliation between profit attributable to the equity holders of the Company and headline earnings		
Profit after tax	**32 079**	26 751
Net profit on disposal of non-current assets held for sale	**(6 237)**	(510)
Net loss on disposal of property, plant and equipment and intangible assets	**63**	34
Net impairment/(reversal of impairment) of property, plant and equipment and intangible assets	**565**	(20)
Realisation of deferred gain	**(364)**	(357)
Loss on disposal of investment in joint venture	**15**	–
Realisation of deferred gain on disposal of non-current assets held for sale	**(31)**	(38)
Impairment of goodwill	**2 033**	–
Basic headline earnings°	**28 123**	25 860
Earnings per share (cents)		
– Basic	**1 752**	1 460
– Basic headline	**1 536**	1 411
Diluted earnings per share (cents)		
– Diluted	**1 742**	1 452
– Diluted headline	**1 527**	1 404

° Headline earnings are 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.

** 2013 amounts restated, refer to notes 5 and 18.*

Notes to the summary consolidated financial statements *(continued)*

for the year ended 31 December

		2014 Rm	2013 Rm
9.	**SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATES AFTER TAX**	**4 208**	3 431
	Irancell Telecommunication Company Services (PJSC)	**4 113**	3 115
	Others	**95**	316
10.	**CAPITAL EXPENDITURE INCURRED**	**25 406**	30 164
11.	**CONTINGENT LIABILITIES**	**932**	1 023
12.	**AUTHORISED CAPITAL EXPENDITURE FOR PROPERTY, PLANT AND EQUIPMENT AND SOFTWARE**	**29 693**	26 151
13.	**INTEREST-BEARING LIABILITIES**		
	Bank overdrafts	**26**	23
	Current borrowings	**13 783**	11 338
	Current liabilities	**13 809**	11 361
	Non-current borrowings	**39 470**	34 664
		53 279	46 025

14. 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 ("MTN Nigeria") raised R2,0 billion additional debt through an export credit facility and a vendor finance facility.

– MTN Nigeria repaid R1,9 billion relating to an export credit facility.

– MTN Holdings Proprietary Limited ("MTN Holdings") raised R2,3 billion additional debt through a syndicated loan facility, R1,0 billion through a revolving credit facility, R2,0 billion through a long-term loan and R10,7 billion through short-term general borrowings.

– MTN Holdings repaid R1,3 billion relating to long-term borrowings and R12,0 billion relating to short-term general borrowings.

– MTN International (Mauritius) Limited ("MTN Mauritius") raised R3,3 billion debt through a revolving credit facility.

– MTN Mauritius repaid R3,3 billion relating to the revolving credit facility.

In accordance with the Domestic Medium Term Note Programme previously established by MTN Holdings, the Group issued no Senior Unsecured Zero Coupon Notes in the current year (2013: R3,9 billion). R2,4 billion (2013: R6,0 billion) has been repaid in terms of the Domestic Medium Term Programme during the year.

MTN (Mauritius) Investments Limited issued USD750 million Guaranteed Notes which are due on 11 November 2024. Interest is payable semi-annually in arrears at 4,755% per annum.

During the year, MTN Holdings acquired 10 704 475 shares in the ordinary share capital of the Company for an amount of R2,4 billion bringing the cumulative repurchase to 1,8% of issued shares since 2011. The shares so acquired are fully paid up and are held as treasury shares. There were no share buy-back transactions during 2013.

Notes to the summary consolidated financial statements *(continued)*

for the year ended 31 December

15. NON-CURRENT ASSETS HELD FOR SALE

The Group entered into a transaction with IHS Holding Limited ("IHS") for the disposal of 9 132 mobile network towers by MTN Nigeria. Tranche 1 of the transaction constituting 4 154 towers was concluded during the year with tranche 2 constituting 4 978 towers expected to close independently during the second quarter of 2015, subject to customary closing conditions.

The Group retained an interest in the tower business and MTN Nigeria will be the anchor tenant on commercial terms on the towers for an initial term of 10 years.

In addition, the Group concluded transactions with IHS in which IHS acquired 550 mobile network towers from MTN Rwandacell Limited ("MTN Rwanda") for USD48 million and 748 towers from MTN (Zambia) Limited ("MTN Zambia") for USD57 million. IHS is a 100% shareholder of the tower companies set up in each country to manage the towers and other passive infrastructure. MTN Rwanda and MTN Zambia will be the anchor tenants on commercial terms on the towers for an initial term of 10 years.

16. BUSINESS COMBINATIONS AND ACQUISITION OF JOINT VENTURES

Middle East Internet Holding

The Group and Rocket Internet have formed a joint venture, Middle East Internet Holding ("MEIH"), to develop internet businesses in the Middle East, with the Group and Rocket Internet being 50% shareholders in MEIH. The Group invested EUR120 million consisting of a EUR40 million cash payment and EUR80 million contingent consideration into MEIH. The transaction closed on 20 May 2014.

Acquisition of Africa Internet Holding

The Group has acquired 33,3% of Africa Internet Holding ("AIH") for EUR168 million, a joint venture between Rocket Internet and Millicom International Cellular, to develop internet businesses in Africa. The Group, Millicom International Cellular and Rocket Internet have each become 33,3% shareholders in AIH. The transaction closed on 1 July 2014.

Afrihost

In November 2014 , the Group acquired 50% plus one of the share capital of Afrihost Proprietary Limited ("Afrihost") for R408 million, thereby resulting in the Group obtaining control of Afrihost. Control over Afrihost will enable the Group to drive its accelerated SME strategy and provide scale for the Group's virtual market, content and cloud offering. Net identifiable assets acquired of R179 million and non-controlling interests of R90 million resulted in goodwill of R319 million determined on a provisional basis.

Nashua

In November 2014, the Group acquired its Nashua Mobile subscriber base from Nashua Mobile Proprietary Limited for R1 246 million. The acquisition of the subscriber base will enable the Group to consolidate the MTN postpaid subscriber base into one entity and own the relationship with the subscribers. Net identifiable assets acquired of R721 million resulted in goodwill of R525 million determined on a provisional basis.

Notes to the summary consolidated financial statements (continued)

for the year ended 31 December

17. EVENTS AFTER REPORTING PERIOD

Syria freehold licence

MTN Syria (JSC) ("MTN Syria") operated under a contractual service arrangement granted and controlled by the Syrian Telecommunication Establishment ("STE"). The contract known as Build, Operate and Transfer ("BOT") provided for revenue sharing between MTN Syria and the STE and required the handing over of the network to the STE at the end of the licence period. Subsequent to the reporting period, the Group concluded its negotiations with the STE for a freehold licence. This resulted in the termination of the BOT contract and acquisition of a freehold licence with a term of 20 years with effect from 1 January 2015. The initial licence fee of SYP25 billion was funded through cash balances maintained within the local operation.

Dividends declared

Dividends declared at the board meeting held on 3 March 2015 amounted to 800 cents per share.

18. IMPACT OF THE IAS 18 VOLUNTARY CHANGE IN ACCOUNTING POLICY (IAS 18 Revenue)

18.1 Income statement

	31 December 2013		
	Previously reported Rm	Adjustments for change in accounting policy Rm	Restated Rm
Revenue	136 495	775	137 270
Other operating expenses	(10 143)	(133)	(10 276)
EBITDA	59 788	642	60 430
Income tax expense	(12 307)	(180)	(12 487)
Profit after tax	30 400	462	30 862
Basic earnings per share (cents)	1 434	26	1 460
Basic headline earnings per share (cents)	1 386	25	1 411
Diluted earnings per share (cents)	1 427	25	1 452
Diluted headline earnings per share (cents)	1 378	26	1 404

Notes to the summary consolidated financial statements (continued)

for the year ended 31 December

18. IMPACT OF THE IAS 18 VOLUNTARY CHANGE IN ACCOUNTING POLICY (IAS 18 Revenue) (continued)

18.2 Statement of financial position

	31 December 2013			1 January 2013		
	Previously reported Rm	Adjust-ments for change in accounting policy Rm	Restated Rm	Previously reported Rm	Adjust-ments for change in accounting policy Rm	Restated Rm
Non-current assets						
Deferred tax and other non-current assets	7 613	2 173	9 786	9 055	1 603	10 658
Current assets						
Other current assets	32 808	662	33 470	26 522	590	27 112
Total assets	226 821	2 835	229 656	181 637	2 193	183 830
Total equity	119 771	2 041	121 812	98 450	1 579	100 029
Attributable to equity holders of the Company	114 438	2 041	116 479	94 569	1 579	96 148
Non-current liabilities						
Deferred tax and other non-current liabilities	14 402	794	15 196	11 391	614	12 005
Total equity and liabilities	226 821	2 835	229 656	181 637	2 193	183 830

Administration

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

Board of Directors
PF Nhleko***
RS Dabengwa*
BD Goschen*
KP Kalyan***
AT Mikati†**
MJN Njeke***
KC Ramon***
JHN Strydom**
AF van Biljon***
F Titi***
J van Rooyen***
MLD Marole***
NP Mageza***
A Harper#***
†Lebanese
#British
*Executive
**Non-executive
***Independent non-executive director

Group Secretary
SB Mtshali
Private Bag X9955, Cresta, 2118

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American Depository Receipt (ADR) programme:
Cusip No. 62474M108 ADR to ordinary Share 1:1

Depository
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