MTN Group Limited

Reviewed interim results for the six months ended 30 June 2006

Group subscribers up 9,4% in six months to 25,4 million

Revenue 17,6% higher to R20,2 billion against six months to 30 September 2005

EBITDA up 20,9% to R8,7 billion against six months to 30 September 2005

Condensed consolidated income statements

	6 months ended 30 June 2006 Reviewed Rm	6 months ended 30 Sept 2005 Reviewed Restated Rm	% change	9 months ended 31 Dec 2005 Audited Rm
Revenue	**20 209**	17 180	18	27 212
Direct network operating costs	**(1 563)**	(1 301)	20	(1 992)
Cost of handsets and other accessories	**(1 595)**	(1 775)	(10)	(2 717)
Interconnect and roaming	**(2 814)**	(2 357)	19	(3 736)
Employee benefits	**(935)**	(840)	11	(1 310)
Selling, distribution and marketing expenses	**(3 442)**	(2 803)	23	(4 736)
Other expenses	**(1 199)**	(942)	27	(1 490)
Depreciation	**(2 009)**	(1 569)	28	(2 497)
Amortisation of intangible assets	**(232)**	(137)	69	(256)
Net finance income/(costs)	**338**	(92)		(373)
Share of results of associates	**21**	6		10
Profit before tax	**6 779**	5 370	26	8 115
Income tax expense	**(1 383)**	(977)	42	(1 411)
Profit for the period	**5 396**	4 393	23	6 704
Attributable to:				
Equity holders of the company	**4 804**	3 776	27	5 866
Minority interests	**592**	617	(4)	838
	5 396	4 393	23	6 704
Earnings per share (cents)	**288,3**	227,1	27	352,7
Diluted earnings per share (cents)	**286,0**	225,9	27	349,7
Dividend per share (cents)	**65,0**	65,0		65,0

Condensed consolidated balance sheets

	At 30 June 2006 Reviewed Rm	At 31 Dec 2005 Audited Rm	% change	At 30 Sept 2005 Reviewed Restated Rm
ASSETS				
Non-current assets	**36 338**	31 136	17	26 256
Property, plant and equipment	**23 897**	20 676	16	19 143
Goodwill	**3 054**	2 650	18	1 554
Other intangible assets	**4 333**	4 057	5	2 097
Investments in associates	**77**	54	43	53
Financial assets held at fair value through profit or loss	**351**	312	13	308
Loan and other non-current assets	**2 792**	2 001	40	1 939
Deferred income tax assets	**1 834**	1 386	32	1 162
Current assets	**19 413**	13 676	42	10 358
Cash and cash equivalents	**9 666**	7 222	34	4 825
Restricted cash**	**290**	338	(14)	350
Financial market instrument (note 10)	**2 611**	—		—
Other current assets	**6 846**	6 116	12	5 183
Total assets	**55 751**	44 812	24	36 614
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves	**27 754**	19 716	41	18 565
Minority interests	**3 819**	3 380	13	3 169
	31 573	23 096	37	21 734
Non-current liabilities	**11 418**	9 765	17	4 800
Borrowings	**7 991**	7 505	6	3 664
Deferred income tax liabilities	**1 733**	853	103	721
Other non-current liability (note 9)	**1 694**	1 407	20	415
Current liabilities	**12 760**	11 951	7	10 080
Non-interest-bearing liabilities	**11 507**	10 851	6	9 108
Interest-bearing liabilities	**1 253**	1 100	14	972
Total equity and liabilities	**55 751**	44 812	24	36 614

**These monies consist primarily of amounts placed on deposit with banks in Nigeria to secure letters of credit.

Condensed consolidated statements of changes in equity

	6 months ended 30 June 2006 Reviewed Rm	6 months ended 30 Sept 2005 Reviewed Restated Rm	9 months ended 31 Dec 2005 Audited Rm
Restated opening balance	**23 096**	18 416	18 416
Net profit	**4 804**	3 776	5 866
Dividends paid	**(1 083)**	(1 080)	(1 081)
Issue of share capital	**18**	15	33
Effect of put option	**—**	(415)	(1 284)
Transaction with minorities	**—**	—	124
Minorities' share of profits and reserves	**439**	836	838
Minority interest on acquisition	**(290)**	—	—
Revaluation of shareholders' loans	**296**	69	79
Share-based payments reserve	**9**	12	17
Transfer to cash flow hedging reserve	**1 900**	—	—
Currency translation differences	**2 384**	105	88
	31 573	21 734	23 096

Condensed consolidated cash flow statements

	6 months 30 June 2006 Reviewed Rm	6 months 30 Sept 2005 Reviewed Rm	9 months 31 Dec 2005 Audited Rm
Cash inflows from operating activities	**5 430**	4 514	9 161
Cash outflows from investing activities	**(3 812)**	(6 763)	(12 922)
Cash (out)/inflows from financing activities	**(146)**	647	5 357
Net movement in cash and cash equivalents	**1 472**	(1 602)	1 596
Cash and cash equivalents at beginning of period	**7 164**	5 772	5 772
Cash acquired through acquisitions	**—**	—	(152)
Foreign entities translation adjustment	**913**	144	(52)
Cash and cash equivalents at end of period	**9 549**	4 314	7 164

Segment analysis

	6 months ended 30 June 2006 Reviewed Rm	6 months ended 30 Sept 2005 Reviewed Restated Rm	9 months ended 31 Dec 2005 Audited Rm
REVENUE			
Southern Africa	**11 643**	9 918	15 793
West and Central Africa	**8 169**	6 905	10 868
Middle East, North and East Africa	**397**	357	551
	20 209	17 180	27 212
EBITDA			
Southern Africa	**4 118**	3 427	5 360
West and Central Africa	**4 352**	3 554	5 597
Middle East, North and East Africa	**191**	181	274
	8 661	7 162	11 231
PAT			
Southern Africa	**2 517**	1 854	2 836
West and Central Africa	**2 857**	2 460	3 763
Middle East, North and East Africa	**22**	79	105
	5 396	4 393	6 704

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed consolidated interim financial information ("interim financial information") announcement was prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting and in compliance with the Listing Requirements of the JSE Limited and the South African Companies Act, 1973 (Act 61 of 1973), on a consistent basis with that of the prior period.

The financial year-end for MTN Group and its subsidiaries has changed from 31 March to 31 December. The interim financial statements are therefore for the six-month period ended 30 June 2006, with the comparative results for the 6 months ended 30 September 2005.

The Group elected to early adopt IAS 21 (The effects of changes in foreign exchange rates) revised December 2005 (effective from 1 January 2006), from 1 April 2004 onwards. The financial impact of early adopting has been included in the September 2005 comparative results.

2. Headline earnings per ordinary share

The calculations of basic and adjusted headline earnings per ordinary share are based on basic headline earnings of R4 816 million (December 2005: R5 984 million) and adjusted headline earnings of R4 640 million (December 2005: R5 626 million) respectively, and a weighted average of 1 666 091 087 (December 2005: 1 663 208 548) ordinary shares in issue.

Reconciliation between net profit attributable to the equity holders of the company and headline earnings

	6 month-period ended 30 June 2006 Reviewed Rm	6 month-period ended 30 Sept 2005 Reviewed Restated Rm	9 month-period ended 31 Dec 2005 Audited Rm
Net profit attributable to company's equity holders	**4 804**	3 776	5 866
Adjusted for:			
Loss on disposal of property, plant and equipment	**6**	6	27
Profit on sale of associate	**—**	—	(23)
Impairment on PPE	**6**	41	114
Basic headline earnings	**4 816**	3 823	5 984
Adjusted for:			
Reversal of deferred tax asset	**(283)**	(192)	(332)
Reversal of put option in respect of subsidiary			
– Fair value adjustment	**(8)**	—	(19)
– Finance costs	**177**	—	97
– Minority share of profits	**(62)**	—	(104)
Adjusted headline earnings	**4 640**	3 631	5 626
Reconciliation of headline earnings per ordinary share (cents)			
Attributable earnings per share (cents)	**288,3**	227,1	352,7
Adjusted for:			
Loss on disposal of property, plant and equipment	**0,4**	0,4	1,6
Profit on sale of a subsidiary	**—**	—	(1,4)
Impairment of property, plant and equipment	**0,4**	2,4	6,9
Basic headline earnings per share (cents)	**289,1**	229,9	359,8
Effect of reversal of deferred tax asset	**(17,0)**	(11,5)	(20,0)
Effect of reversal of put option entries	**6,4**	—	(1,6)
Adjusted headline earnings per share (cents)	**278,5**	218,4	338,2
Contribution to adjusted headline earnings per ordinary share (cents)			
South Africa	**125,4**	109,7	171,2
Rest of Africa	**153,1**	108,7	167,0
Adjusted headline earnings per share (cents)	**278,5**	218,4	338,2
Number of ordinary shares in issue:			
– Weighted average (000)	**1 666 091**	1 662 605	1 663 209
– At period end (000)	**1 666 948**	1 664 082	1 665 317

Adjusted headline earnings adjustments

Deferred tax asset

The Group's subsidiary in Nigeria has been granted a five-year tax holiday under "Pioneer Status" legislation. Furthermore, capital allowances arising on capital expenditure incurred during this five-year period may be carried forward and claimed as deductions against taxable income from the sixth year of operations onwards. A deferred tax credit of R283 million (December 2005: R332 million), excluding minority interests, relating to these deductible temporary differences, has been recognised for the period ended 30 June 2006 in terms of IAS 12 – Income Taxes.

As previously disclosed, although the Group has complied with the requirements of IAS 12 in this regard, the Board of Directors has reservations about the appropriateness of this treatment in view of the fact that no cognisance may be taken in determining the value of such deferred tax assets for uncertainties arising out of the effects of the time value of money or future foreign exchange movements. The Board therefore resolved to report adjusted headline earnings (negating the effect of the deferred tax asset) in addition to basic headline earnings, to more appropriately reflect the Group's results for the period.

Put option in respect of subsidiary

The implementation of IFRS requires the Group to account for a written put option held by a minority shareholder of one of the Group's subsidiaries, which provides them with the right to require the subsidiary to acquire their shareholding at fair value. Prior to the implementation of IFRS the shareholding was treated as a minority shareholder in the subsidiary, as all risks and rewards associated with these shares, including dividends, currently accrue to the minority shareholder.

IAS 32 requires that in the circumstances described in the previous paragraph:

(a) the present value of the future redemption amount be reclassified from equity to financial liabilities and that financial liability so reclassified subsequently be measured in accordance with IAS 39;

(b) in accordance with IAS 39, all subsequent changes in the fair value of the liability together with the related interest charges arising from present valuing the future liability, be recognised in the income statement;

(c) the minority shareholder holding the put option no longer be regarded as a minority shareholder, but rather as a creditor from the date of receiving the put option.

Although the Group has complied with the requirements of IAS 32 and IAS 39 as outlined above, the Board of Directors has reservations about the appropriateness of this treatment in view of the fact that:

(a) the recording of a liability for the present value of the future strike price of the written put option results in the recording of a liability that is inconsistent with the framework, as there is no present obligation for the future strike price;

(b) the shares considered to be subject to the contracts are issued and fully paid up, have the same rights as any other issued and fully paid up shares and should be treated as such;

(c) the written put option meets the definition of a derivative and should therefore be accounted for as a derivative in which case the liability and the related fair value adjustments recorded through the income satement would not be required.

3. Independent review by the auditors

These condensed consolidated results have been reviewed by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsaluba VSP, who have performed their review in accordance with the International Statement on Review Engagements 2400. A copy of their unqualified review report is available for inspection at the registered office of the company.

	6 months 30 June 2006 Reviewed Rm	9 months 31 Dec 2005 Audited Rm	6 months 30 Sept 2005 Reviewed Rm
4. Capital expenditure incurred	**3 290**	6 732	4 125
5. Contingent liabilities and commitments			
Contingent liabilities	**1 030**	781	3 749
Operating leases	**777**	331	453
Finance leases	**625**	638	467
6. Commitments for property, plant and equipment and intangible assets			
– Contracted for	**4 913**	2 902	1 855
– Authorised but not contracted for	**6 322**	10 039	1 538
7. Cash and cash equivalents			
Bank balances, deposits and cash	**9 666**	7 222	4 825
Call borrowings	**(117)**	(58)	(511)
	9 549	7 164	4 314
8. Interest-bearing liabilities			
Call borrowings	**117**	58	511
Short-term borrowings	**1 136**	1 042	461
Current liabilities	**1 253**	1 100	972
Long-term liabilities	**7 991**	7 505	3 664
	9 244	8 605	4 636

9. Other non-current liability

The put options in respect of subsidiaries arise from arrangements whereby minority shareholders of two of the Group's subsidiaries have the rights to put their remaining shareholdings in the subsidiaries to Group companies.

On initial recognition, these put options were fair valued using effective interest rates as deemed appropriate by management to the extent that these put options are not exercisable at a fixed strike price the fair value will be determined on an annual base with movements in fair value being recorded in the income statement.

10. Financial market instrument

The financial market instrument relates to the fair value movement on the foreign exchange contracts and currency options in respect of the Investcom transaction as detailed in note 11. This has been treated as a cash flow hedge.

11. Post-balance sheet events

On 4 July 2006 the Group acquired 99,5% of the issued share capital of Investcom Plc for a consideration of US$5,5 billion settled in cash and shares. The cost of acquisition was settled through an issue of corporate paper in the South African bond market, a US$ and ZAR-denominated bank facility, 183 210 084 MTN Group shares issued and $3,7 billion cash settled out of the new facilities raised above.

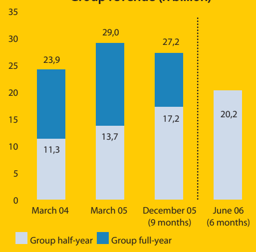
The purchase price allocation for the acquisition of Investcom has not yet been finalised. This is as a result of significant time limitations between acquisition date and issue of these interim financial statements. It is therefore impractical to disclose net assets acquired and goodwill allocation at this stage. This will be disclosed in the annual financial statements for the year ended 31 December 2006.

The shareholding in MTN Uganda was increased in two tranches in July 2006 from 52,01% to 97,34% for a total consideration of approximately US$220 million, converting the joint venture operation into a fully consolidated subsidiary of the Group.

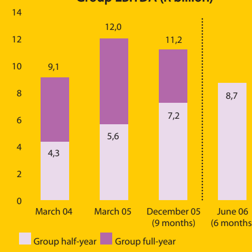
12. Net asset value per ordinary share and net (debt)/cash equity ratios

	At 30 June 2006 Reviewed Rm	At 31 Dec 2005 Audited Rm	At 30 Sept 2005 Reviewed Rm
Net asset value	16,65	11,84	11,2
Net (debt)/cash equity	2%	(4,5%)	2%

Group revenue (R billion)



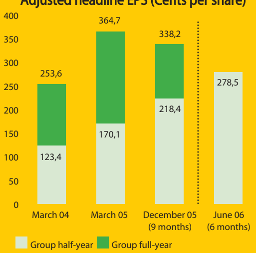
Group EBITDA (R billion)



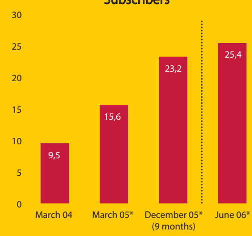
Operational data

	30 June 2006	31 December 2005
South Africa		
Subscribers	10 437 000	10 235 000
ARPU (Rand)	159	169
Nigeria		
Subscribers	9 636 000	8 370 000
ARPU (USD)	18	22
Cameroon		
Subscribers	1 528 000	1 248 000
ARPU (USD)	15	16
Uganda		
Subscribers	1 236 000	982 000
ARPU (USD)	12	15
Côte d'Ivoire		
Subscribers	1 108 000	1 080 000
ARPU (USD)	19	20
Mascom Botswana		
Subscribers	531 000	479 000
ARPU (USD)	16	21
Rwanda		
Subscribers	311 000	275 000
ARPU (USD)	16	17
Swaziland		
Subscribers	236 000	213 000
ARPU (Rand)	141	149
Congo Brazzaville		
Subscribers	229 000	210 000
ARPU (USD)	20	21
Zambia		
Subscribers	119 000	97 000
ARPU (USD)	20	20
Total subscribers*	25 371 000	23 189 000

Adjusted headline EPS (Cents per share)



Subscribers



** These subscribers are based on a 90-day subscriber activity.*

EBITDA margin of 42,9%

Adjusted headline EPS increased by 27,5% to 278,5 cents against six months to 30 September 2005

Acquisition of Investcom LLC concluded, effective July 2006

REVIEW OF RESULTS

MTN Group Limited (MTN Group) achieved a strong increase of 27,5% in adjusted headline earnings per share (adjusted headline EPS) to 278,5 cents (30 September 2005: 218,4 cents restated). The Group changed its financial year-end to 31 December at the end of the previous financial year in line with its operational cycle and international peer group, and is reporting interim results at 30 June for the first time. The last reviewed six-month period was 30 September 2005, which has been used for income statement comparatives. Results to 30 September 2005 have been restated due to the early adoption of IAS 21 (Revised) at 31 December 2005. The last reported results at 31 December 2005 have been used for balance sheet comparatives.

Revenue increased by 17,6% to R20,2 billion (30 September 2005: R17,2 billion). Earnings before interest, tax, depreciation and amortisation (EBITDA) increased to R8,7 billion (30 September 2005: R7,2 billion) and adjusted profit after tax (PAT) to R5,0 billion (30 September 2005: R4,1 billion) and reflected increases of 20,9% and 21,3% in EBITDA and adjusted PAT, respectively, compared to the six months ended 30 September 2005. The reported adjusted headline EPS and adjusted PAT exclude the beneficial financial impact of the recognition of the deferred tax asset accounted for in MTN Nigeria Communication Limited (MTN Nigeria), as well as the negative effect of an obligation whereby MTN Nigeria might have to purchase a certain portion of its own equity from a minority shareholder ("put option"). Basic headline earnings per share rose to 289,1 cents for the period, 25,8% above the restated 229,9 cents for the six months to 30 September 2005.

MTN Group recorded 25,4 million subscribers at the end of June 2006, a 9,4% increase from December 2005.

Operations acquired during 2005 accounted for 1 986 000 subscribers, comprising 8% of the Group's subscriber base as at 30 June 2006. These operations contributed 5,8% of revenue and 4,5% of EBITDA for the review period.

The Group has changed its segmental reporting to reflect three major operating regions: Southern Africa; West and Central Africa; and Middle East, North and East Africa. Southern Africa contributed 58% of revenue and 48% of EBITDA (September 2005: 58% and 48% respectively). The West and Central Africa region contributed 40% and 50% of revenue and EBITDA respectively, unchanged from September 2005. The Middle East, North and East African region has not contributed significantly as Iran, which is expected to be the major contributing operation in this region, has not yet launched commercial services.

Reported Rand values of assets and liabilities of non-South African operations increased between 10% and 20% owing to the depreciation of the Rand towards the end of the reporting period against the functional currencies of the operating companies. Most significantly, the Nigerian Naira strengthened by 12% to 17,9 versus the Rand since 31 December 2005, increasing the value of Nigerian assets by R2,1 billion.

Results for the review period do not include results of the Investcom transaction which was concluded during July 2006. The only material impact that this transaction has had on the first half of the year was the recognition of the hedging instruments taken out prior to period-end, to limit the exchange risk between the offer and effective dates of the transaction.

International Financial Reporting Standards

The early adoption of IAS 21 (Revised) at the end of December 2005 has resulted in exchange differences arising from the translation of US$-denominated shareholders' loans granted to operating companies, which are deemed part of the Group's net investment in a foreign operation, being recorded on consolidation as a separate component of equity as opposed to being accounted for through profit or loss. This treatment has resulted in a restatement of finance costs previously disclosed in September 2005 of R69 million and has negatively impacted the previous adjusted headline EPS of September 2005 by 4,2 cents per share.

Income statement analysis

Group consolidated revenue increased by 17,6% to R20,2 billion (30 September 2005: R17,2 billion). This was mainly due to the strong performance of MTN South Africa with revenue of the Southern African region at R11,6 billion (30 September 2005: R9,9 billion) and Nigeria contributing R6,4 billion in revenue, a 9% increase from September 2005. Operations acquired during 2005 contributed R1,2 billion (30 September 2005: R395 million).

EBITDA increased by 20,9% to R8,7 billion as a result of revenue growth, positive exchange rate impacts and cost-control initiatives, while the EBITDA margin increased from 41,7% to 42,9%. MTN South Africa achieved an EBITDA margin of 33,3%.

MTN Nigeria delivered a strong EBITDA margin of 56,1%, 3,9 percentage points better than in the six-month period ended 30 September 2005. The remaining international operations recorded EBITDA margins of between 33% and 59% excluding Zambia, which is virtually a start-up operation. The EBITDA margins of MTN Côte d'Ivoire, MTN Congo Brazzaville and MTN Zambia are currently lower than those of established MTN operations.

Depreciation and amortisation charges increased by 31,4% to R2,2 billion for the period (30 September 2005: R1,7 billion). This was mainly due to additional capital expenditure for the network rollout in Nigeria, where depreciation increased by R318 million to R1,2 billion, an increase of 36% relative to the six-month period ended 30 September 2005. Subscriber bases that were acquired in 2005 were capitalised on initial recognition in terms of IFRS 3. These bases were amortised during the period resulting in an increase in the amortisation charge of R78 million (30 September 2005: R27 million). Net finance income of R338 million was reported for the period in comparison to net finance costs of R92 million for the six-month period ended 30 September 2005.

The net exchange gain as a result of the translation of assets and liabilities to Rand in MTN Mauritius has added R537 million to profit before tax (September 2005: R18 million), while the impact of the put options in respect of minorities reduced profit before tax by R218 million.

The Group's taxation charge increased by 41,6% to R1,4 billion (30 September 2005: R977 million). The effective tax rate increased by 2 percentage points from September 2005 owing to deferred tax on functional currency gain in MTN Mauritius as well as extraordinary tax charges relating to the prior year in MTN Cameroon. The Group's effective tax rate remains low at 20,4%, primarily due to MTN Nigeria still benefiting from the Pioneer Status tax holiday. This results in a deferred tax credit to the income tax charge because of timing differences on property, plant and equipment.

The Board continues to report adjusted headline earnings in addition to basic headline earnings, with earnings adjusted for:

- The positive impact on earnings due to recording the Nigerian deferred tax credit noted earlier. This decreases earnings per share by 17 cents.
- IFRS requires the Group to account for a written put option held by minority shareholders of the Group's subsidiaries, which gives them the right but not the obligation to require the subsidiary to purchase their shareholding at fair value. The net impact is an increase in Group adjusted headline earnings per share of 6,4 cents. Refer to note 2 for more details.

Adjusted headline EPS of 278,5 cents for the period compares favourably to adjusted headline EPS of 218,4 cents for the six-month period ended 30 September 2005. South African operations contributed 125,4 cents or 45% of total adjusted headline EPS. The adjusted headline EPS contribution from international operations increased by 41% to 153,1 cents.

Balance sheet and cash flow

The Group's total assets have increased by 24,4% to R55,8 billion compared to R44,8 billion at 31 December 2005. Borrowings increased to R9,2 billion (December 2005: R8,6 billion). The weakening of the Rand against the US Dollar and functional currencies of the Group's other operations has significantly increased the consolidated Rand value of the Group's assets and liabilities.

The Group's goodwill and other non-current assets have increased since 31 December 2005 mainly due to the impact of exchange rate movements. The financial market instrument was acquired by the Group to hedge its exchange rate exposure on the anticipated acquisition of Investcom. This instrument has been fair valued.

At 30 June 2006, the Group had cash on hand of R10 billion, which included restricted cash (securitised cash deposits against letters of credit in Nigeria totalling R290 million). Group net cash (including restricted cash) increased from net debt of R1,0 billion at 31 December 2005 to net cash of R712 million at 30 June 2006.

The Group generated operating cash flow (before dividends) of R6,5 billion over the period with free cash flow (operating cash inflows less capital expenditure) of R3,2 billion. MTN South Africa and MTN Nigeria invested R1,2 billion and R1,5 billion respectively in property, plant and equipment, representing 82% of the Group's R3,3 billion capital expenditure for the first six months.

OPERATIONAL REVIEW

MTN South Africa recorded 10 437 000 subscribers at the end of June 2006, a 2% increase from December 2005, with growth expected to increase in the second half of the financial year. The postpaid component of the subscriber base was the main contributor to the increase, recording 216 000 net additions in the first six months. The prepaid base remained constant despite declines in the first quarter due to increased churn at the low end of the customer base. Net additions were positive in the second quarter of 2006 with 238 000 net new customers, with postpaid and prepaid contributing equally to this position.

As expected, blended ARPU for the six-month period declined by 6% to R159, driven principally by declines in the postpaid segment. Postpaid ARPU decreased by 8,7% to R494 (December 2005: R541) while prepaid ARPU decreased marginally to R90 (December 2005: R93). Included in total postpaid subscribers are 388 000 My Choice Top-up subscribers (December 2005: 281 000) who generate significantly lower ARPU than the average postpaid subscriber.

During the period, MTN South Africa was the 11th global operator (first in Africa) to launch a commercial HSDPA service.

3G site build continued with 304 additional base stations being rolled out in the first half of the year as part of expanding network coverage and capacity. This infrastructure provides customers in high-density areas with high-speed access to MTN South Africa's data offerings as well as video-based services. It is encouraging to note that the number of 3G subscribers has increased by 76 000 to 133 000 subscribers.

Data services contributed 7,8% of total revenue, excluding handset revenue. Whilst SMS continues to contribute 85% of data revenue, uptake of new data services is encouraging and continues on a positive upward trend.

MTN Nigeria increased its subscriber base to 9 636 000, a 15% growth since 31 December 2005. Subscriber acquisitions are expected to accelerate in the second half of the year. Blended ARPU remains strong and declined only marginally to US$18.

MTN Nigeria continues to hold a strong leadership position in the local market with an estimated 45% market share, a slight decrease from 47% in December 2005 owing to increased competition.

MTN Nigeria successfully increased core network capacity to support over 12 million subscribers from the 11 million supported in December 2005. The network rollout is proceeding as planned with 2 200 km of optic fibre cabling already completed. Total capital expenditure of R1,5 billion has been incurred during the period.

As previously reported, identifying the most appropriate mechanism to broaden the Nigerian shareholder base continues to receive attention and further announcements will be made at the appropriate time.

OTHER OPERATIONS

MTN Cameroon increased its market share from 54% at the end of December 2005 to 56% at the end of June 2006. Mobile subscribers increased by 22% to 1 528 000 subscribers during the review period. Continued growth in subscribers and MTN's leadership of the consumer segment in Cameroon is largely due to the successful launch of electronic voucher distribution as well as the successful introduction of the total flexibility product. This product allows prepaid subscribers to select any one of three tariff options for every call they make. ARPU declined to US$15 for the period, driven by increased penetration and consequent connections of lower-use subscribers.

MTN Uganda captured an estimated 80% of net connections during the period, increasing its mobile market share to 64,5%. Marketing initiatives such as aggressive retail and direct marketing promotions, a 30% reduction of SIM pack prices, as well as the introduction of the low-denomination airtime card, have contributed to the 26% increase in its mobile subscriber base from 982 000 in December 2005 to 1 236 000 at the end of June 2006. Increased market penetration resulted in ARPU declining to US$12.

MTN Côte d'Ivoire recorded 1 108 000 subscribers at 30 June 2006, a 3% increase from December 2005. Market share is currently estimated at 44% and ARPU for the six months ended 30 June 2006 was a strong US$19. MTN Côte d'Ivoire has experienced some transition challenges that are being addressed to increase market share and deliver the expected subscriber growth.

In May 2006, the Group increased its shareholding in MTN Côte d'Ivoire from 51,0% to 68,34% through the purchase of a 17,34% stake from Atlantique Telecom for R3 342,75 million.

Mascom Wireless Botswana recorded 531 000 subscribers at 30 June 2006 with an estimated market share of 62% and ARPU of US$16.

MTN Rwanda still enjoys 100% mobile market share with 311 000 subscribers and recorded ARPU of US$16. MTN Rwanda successfully launched the Village phone company to provide telecommunications services to underserviced areas. A second operator has been licensed but has not yet commenced operation.

MTN Swaziland increased its subscriber base to 236 000, an 11% increase from 31 December 2005. ARPU has decreased to R141, 5% lower than the R149 at the end of December 2005. MTN Swaziland is the only mobile operator in the country.

MTN Congo Brazzaville recorded 229 000 subscribers at 30 June 2006, a 9% increase from December 2005 with ARPU at US$20.

MTN Zambia recorded a 23% increase in subscribers to 119 000 from December 2005 with ARPU remaining stable at US$20. In terms of the licence, 10% of the equity in this business will be placed with Zambian nationals.

MTN Irancell The operation is ready for network system testing in three cities, Teheran, Mashaad and Tabriz, with 5000 test simcards. The first "on net" call was connected on 24 August 2006. Commercial launch is expected towards the latter part of September with the company targeting a minimum of 1 million subscribers and full coverage in six cities by the end of December 2006.

INVESTCOM TRANSACTION

In line with its vision of consolidating its position as the leading provider of telecommunications services in emerging markets, MTN Group made a cash and shares offer on 23 May 2006 to acquire the entire issued share capital of Investcom LLC, a company whose securities were listed in Dubai and London, for a total consideration of US$5,5 billion. The formal offer was based on an implied MTN Group share price of R59,25 (US$9,79). The purchase offer was to be settled partly in cash and partly by the issue of MTN Group shares. The cash portion of the offer was hedged resulting in a foreign exchange gain of R2,6 billion at 30 June 2006, which was treated as a cash flow hedge in terms of IAS 39 and was therefore recorded in equity.

MTN shareholders approved the transaction on 28 June 2006 and it became wholly unconditional on 4 July 2006. Investcom will be consolidated from this date onwards.

MTN Group has separately announced Investcom's results on SENS for the six months to 30 June 2006.

POST-BALANCE SHEET EVENTS

The Investcom LLC transaction became unconditional on 4 July and in accordance with DFIX rules settlement of cash and shares took place on 17 and 24 July 2006. In terms of the offer made US$3,7 billion was settled in cash and 183 000 000 MTN Group Limited shares were issued to the previous Investcom LLC shareholders.

Investcom LLC was delisted on 15 August 2006.

Bridging finance obtained at the time of the Investcom LLC offer was refinanced in early July through an issue of corporate paper in the South African bond market and a US$ and ZAR-denominated bank facility underwritten by Calyon, Citibank, Commerz, Deutsche, Sumitomo and Standard Chartered banks. A total of R6,3 billion was raised in the bond market – R5 billion with a four-year term and R1,3 billion with an eight-year term. Approximately US$2,6 billion of the underwritten banking facility has been utilised; US$1 billion is repayable over five years, the Rand equivalent of US$1 billion is repayable over five years and US$0,6 billion is a revolving facility.

The shareholding in MTN Uganda was increased during July 2006 from 52,01% to 97,34% for approximately US$220 million, converting the joint venture operation into a fully consolidated subsidiary of the Group.

PROSPECTS

MTN Group's vision is to be the leader in telecommunications in emerging markets. On the assumption that current market conditions endure, the Board expects the Group to continue to show good subscriber growth and maintain a strong market position in existing operations. Capital expansion programmes in Nigeria, South Africa and Iran, as well as the operations in Investcom, are expected to provide further impetus to subscriber and revenue growth.

Following the conclusion of the transaction with Investcom LLC in July 2006, the Group has increased its footprint substantially and further diversified its revenue and earnings streams. Financing the transaction has resulted in the Group raising additional debt and issuing shares. The related financing costs and dilution effect will inhibit the rate of growth in the Group's earnings per share in the short term.

The key priorities for the MTN Group in the short term are the integration of Investcom and realisation of synergies as a result of the transaction. In the medium term, priorities are the realisation of longer-term synergies as well as the repayment of debt used to fund the acquisition.

For and on behalf of the Board

MC Ramaphosa
(Chairman)

PF Nhleko
(Group President and CEO)

Fairland

30 August 2006

Certain statements in this announcement that are neither reported financial results nor other historical information are forward-looking statements, relating to matters such as future earnings, savings, synergies, events, trends, plans or objectives.

Undue reliance should not be placed on such statements because they are inherently subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward-looking statements (or from past results).

Unfortunately the company cannot undertake to publicly update or revise any of these forward-looking statements, whether to reflect new information of future events or circumstances or otherwise.

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These results can be viewed on www.mtn.com