MTN Group Limited

Interim financial results for the six months ended 30 June 2017

Contents

Note: *Certain financial information presented in these interim financial results constitutes pro forma financial information. The pro forma financial information is the responsibility of the Group's Board of directors (the Board) and is presented for illustrative purposes only. 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. The pro forma financial information, including the constant currency information (refer below) as well as any forward looking financial information incorporated in these condensed consolidated interim financial results, have not been audited or reviewed or otherwise reported on by our external joint auditors.*

1. *The financial information presented in these condensed consolidated financial results has been prepared excluding the impact of hyperinflation and the relating goodwill and asset impairments, tower profits (including a profit of R6 017 million relating to the profit realised on the exercise of the IHS exchange right whereby the Group's interest in the Nigeria Tower Company was exchanged for additional shareholding in IHS Holdings) and the Nigerian regulatory fine (consisting of the re-measurement impact when the settlement was entered into and the finance costs recognised as a result of the unwind of the initial discounting of the liability) (the pro forma adjustments) and constitutes pro forma financial information to the extent that it is not extracted from the segment disclosure included in the reviewed condensed consolidated interim financial statements for the period ended 30 June 2017. This pro forma financial information has been presented to eliminate the impact of the pro forma adjustments from the financial results in order to achieve a comparable analysis period on period. The pro forma adjustments have been calculated in terms of the Group's accounting policies disclosed in the consolidated financial statements for the year ended 31 December 2016.*
2. *Constant currency 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 period's results have been adjusted to the prior period 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 constant currency growth percentage has been calculated based on the current year constant currency results compared to the prior year results. In addition, in respect of MTN Irancell, MTN Sudan, MTN South Sudan and MTN Syria, the constant currency information has been prepared excluding the impact of hyperinflation. Hyperinflation accounting was discontinued for MTN Irancell and MTN Sudan on 1 July 2015 and 1 July 2016 respectively. The economy of South Sudan was assessed to be hyperinflationary effective 1 January 2016, and hyperinflation accounting was applied from December 2016 onwards.*

* *Constant currency information.*
** *Reported – includes the impact of the pro forma adjustments as defined.*

The Group's results are presented on a regional basis in line with the Group's operational structure. This comprises South and East Africa (SEA), West and Central Africa (WECA) and Middle East and North Africa (MENA) and their respective underlying operations as further outlined below.

The SEA region includes: South Africa, Uganda, Zambia, Rwanda, South Sudan, Botswana (joint venture, equity accounted), Swaziland (joint venture, equity accounted) and Business Group. The WECA region includes: Nigeria, Ghana, Cameroon, Ivory Coast, Benin, Congo-Brazzaville, Liberia, Guinea-Conakry and Guinea-Bissau. The MENA region includes: Iran (joint venture, equity accounted), Syria, Sudan, Yemen, Afghanistan and Cyprus.

Although Iran, Botswana and Swaziland form part of their respective regions geographically and operationally, they are excluded from their respective regional results because they are equity accounted for by the Group.

MTN Group Limited

Results overview for the six months ended 30 June 2017

Salient features

Group revenue

↑ 6,7%*

(decreased by 18,5%)
to R64 315 million

Group service revenue

↑ 7,5%*

(decreased by 19,1%)
to R60 003 million

Data revenue

↑ 31,9%*

(increased by 9,6%)
to R13 952 million

Digital revenue

↑ 24,7%*

(decreased by 9,3%)
to R6 460 million

Active MTN Mobile Money customers

↑ 2,7 million
to 17,9 million

EBITDA

↓ 3,1%*

(decreased by 27,7%)
to R21 179 million

EBITDA margin

↓ 4,2 percentage points to 32,9%

Positive HEPS of

217 cents**

Adjusted free cash flow

↓ 2,7%*

(29,8%)
to R10 874 million

Interim dividend of

250 cents
per share declared

** Constant currency information.*
*** Reported – includes the impact of pro forma adjustments as defined.*
EBITDA margin and numbers in brackets exclude pro forma adjustments as defined.

Results overview

GROUP PRESIDENT AND CEO, ROB SHUTER COMMENTS:

"We are seeing pleasing progress in our key growth drivers of data and digital services against headwinds of challenging macro-economic conditions and foreign exchange currency pressures. We continue to strengthen our focus on operational excellence with our six strategic pillars integrated in our new BRIGHT strategy. Our focus during the second half of the year will be to entrench our BRIGHT strategy, complete our network investment programme and build medium-term financial KPIs and targets for the BRIGHT strategy."

OVERVIEW

MTN delivered improved results for the six months ended 30 June 2017 and is on track to meet the financial year 2017 (FY2017) guidance communicated in March 2017. Macro-economic conditions remain challenging across a number of our markets, with Nigeria continuing to experience a weaker naira as well as hard currency liquidity challenges. Although South Africa entered a technical recession in the first quarter, the rand strengthened considerably against the US dollar during the period, while many of the currencies in our other markets weakened. Despite these macro-challenges, the Group continues to deliver on its operational targets.

During the past six months the management team undertook a thorough review of the Group strategy and developed a clear growth plan for MTN that will be arranged under six strategic pillars comprising: **B**est customer experience; **R**eturns and efficiency focus; **I**GNITE commercial performance; **G**rowth through data and digital; **H**earts and minds; and **T**echnology excellence. We refer to this as the "BRIGHT" strategy.

BRIGHT builds on work done over the past 18 months, in particular the Project IGNITE, our operational execution programme embarked on last year, in our two largest markets MTN South Africa and MTN Nigeria.

Group revenue in constant currency grew by 6,7%* to R64 315 million, underpinned by 10,8%* growth in revenue in Nigeria and a 5,2% (on an organic basis) improvement in service revenue growth in South Africa. MTN Uganda, MTN Ghana and MTN Ivory Coast also contributed positively to the Group's top-line growth. MTN Cameroon experienced a challenging period, negatively impacted by the data network shutdown in some parts of the country in the first quarter.

The improvement in Group revenue was mostly attributable to strong growth in data and digital revenue, supported by stable outgoing voice revenue. Data revenue increased by 31,9%* to R13 952 million, supported by the improved quality and capacity of our data networks in key markets. Digital revenue increased by 24,7%*, driven mainly by mobile financial services (MFS). MFS continued to gain traction, with the Group adding 2,7 million active MTN Mobile Money (MoMo) customers in the first half of the year. Outgoing voice revenue remained flat for the period at R32 768 million.

The Group's reported earnings before interest, tax, depreciation and amortisation, impairment of goodwill, net monetary gains and share of results of joint ventures and associates after tax (EBITDA) margin was 37,9%**. This was mainly as a result of the once-off profit (R6 017 million) realised on the exercise of the exchange right where the Group's interest in the Nigeria Tower InterCo B.V. (INT) was exchanged for a higher shareholding in IHS Holding Limited (IHS). This was partly offset by fixed asset impairments for MTN Sudan (R1 690 million) and MTN Syria (R1 125 million) relating to the carrying value previously written up under hyperinflation.

On an operational basis (excluding *pro forma* adjustments), the Group's EBITDA margin declined by 4,2 percentage points (pp) to 32,9%. MTN Nigeria's EBITDA margin (excluding the Nigerian regulatory fine) declined by 11,5pp* to 38,3%*. This was largely as a result of higher foreign-currency-denominated expenses in Nigeria following the depreciation of the naira against the US dollar. This was partly offset by a 3,4pp growth to 33,5% in the EBITDA margin in South Africa. The MTN South Africa margin improvement was largely supported by lower handset subsidies and volumes, as well as a strong rand benefiting the cost of handsets in the period. MTN Uganda, MTN Ghana and MTN Ivory Coast reported an increase in EBITDA margins while MTN Cameroon's margin declined largely as a result of lower revenue growth.

Reported headline earnings per share (HEPS) were 217 cents** compared to a 271 cents** headline loss per share in the comparable period, impacted by the Nigerian regulatory fine of 474 cents** (454 cents of the Nigerian fine fully expensed and 20 cents of the interest unwind). In the current period, the Nigerian regulatory fine interest unwind reduced HEPS by 24 cents.

Subscriber numbers in the period decreased by 3,6% to 231,8 million impacted by a decline in subscriber numbers in MTN Nigeria and MTN Ghana. This was largely a result of the Group's initiative to modernise subscriber definitions to reflect the business's changing mix of revenue streams. The implementation of the modernised definitions continues and is expected to be completed by the end of the year.

The Group continued to invest in the roll out of network and information technology across its markets. Capital expenditure (capex) was lower than expected, impacted by limited foreign currency availability in Nigeria, some execution challenges as well as the seasonality of the capex cycle. In the period, a total of 4 404 3G and 3 478 4G co-located sites were rolled out.

PROSPECTS AND GUIDANCE

Africa and the Middle East remain among the world's key growth regions over the medium to long term. As the prospects for telecommunications are closely aligned to this growth trajectory, we see a number of opportunities and believe that MTN is well placed to benefit given our unique position in the markets in which we operate.

With a strengthened leadership team, the Group continues to work towards achieving our vision "to lead the delivery of a bold, new Digital World to our customers". We will continue to leverage our scale and enhance our competitive position, benefiting from favourable demographic growth (that will mitigate expected future declines in voice revenue), low data penetration in our markets and the unique opportunity we have to provide our customers with a wide range of digital services across our operations.

To ensure that management remains focused on delivering on the BRIGHT strategy to the benefit of our stakeholders, we will establish clearly defined initiatives and KPIs for each of the six areas of "BRIGHT" in the second half of the year. We expect these initiatives to support improved top-line growth, EBITDA margins and cash flow over the medium term.

Results overview continued

Our recent extensive capex investments across our operations will enable the business to provide a superior customer experience and competitive data networks. This will support the increasing demand for data and digital services. We have reduced our capex guidance for 2017 to R30,0 billion from previous guidance of R34,8 billion. We expect to accelerate expenditure in the second half and meet the revised capex guidance for the full year.

MTN Nigeria continues to make progress with preparations to list MTN Nigeria shares on the Nigerian Stock Exchange. We anticipate completing this process in 2018, should market conditions permit. MTN Ghana is working with relevant regulators on a transaction to increase Ghanaian ownership of MTN Ghana shares. We expect to complete this in the course of 2017. Encouragingly, post period end MTN Nigeria declared an interim dividend which after adjusting for withholding taxes and minorities will result in USD95 million being received by MTN Group.

We remain on track to meet our FY2017 guidance despite the muted economic growth forecast across our markets.

In South Africa, we expect mid-single-digit service revenue growth and EBITDA margin expansion of 50 and 100 basis points year-on-year (YoY). This will be supported by a strong focus on customer service and significantly improved network quality, capacity and speed. Targeted cost-optimisation initiatives will support EBITDA growth. We do not expect the recent credit ratings downgrade of MTN following the sovereign downgrade of South Africa to have a material impact on existing facilities or the cost of new funding in 2017.

In Nigeria, we anticipate upper single-digit revenue growth YoY. This will be supported by an improved competitive position, improved network quality and capacity, smartphone penetration and an increased focus on growing data and digital revenue. We expect continued improvement in foreign currency liquidity following central bank interventions since February 2017.

In Iran, we expect to benefit from growth in the Iranian economy and from the country's youthful population, particularly in the digital services space. The Group will continue to focus on the upstreaming of dividends across all operations, including MTN Irancell.

Any forward-looking financial information disclosed in this results announcement has not been reviewed or audited or otherwise reported on by our external joint auditors.

DIVIDENDS

The Board has declared an interim dividend of 250 cents per share. This is in line with the FY2017 guidance of 700 cents per share communicated in March 2017.

2017 CAPITAL EXPENDITURE GUIDANCE

ZAR (million)	Estimated	Old guidance 2017	Capitalised June 2017	Capitalised June 2016
SEA	**13 152**	13 368	4 129	5 626
South Africa	**11 501**	11 526	3 475	4 773
Uganda	**886**	992	356	364
Other	**765**	850	298	489
WECA	**13 840**	16 314	5 368	6 975
Nigeria	**6 966**	9 543	2 749	2 534
Ghana	**2 435**	2 164	912	1 646
Cameroon	**1 077**	834	694	1 121
Ivory Coast	**1 575**	1 690	499	842
Other	**1 787**	2 083	514	832
MENA	**1 888**	2 134	734	1 064
Syria	**716**	840	85	191
Sudan	**325**	376	268	549
Other	**847**	918	381	324
Head office	**1 074**	2 937	74	107
Total	**29 954**	34 753	10 305	13 772
Hyperinflation	**–**	–	3	78
Total reported	**29 954**	34 753	10 308	13 850
Iran (49%)#	**5 727**	5 396	3 850	2 313

#Excluding hyperinflation.

FINANCIAL REVIEW

RECONCILIATION OF PRO FORMA FINANCIAL INFORMATION

ZAR (million)	IFRS reported 1H17	Hyper-inflation[(1)]	Tower profit[(2)]	Nigeria regulatory fine[(3)]	Opera-tional 1H17
Revenue	64 386	71	–	–	64 315
Other income	6 090	–	6 030	–	60
EBITDA	24 399	(2 810)	6 030	–	21 179
Depreciation, amortisation and impairment of goodwill[#]	14 374	722	–	–	13 652
Profit from operations	10 025	(3 532)	6 030	–	7 527
Net finance cost	3 457	(15)	–	537	2 935
Net monetary gains	67	67	–	–	–
Share of results of joint ventures and associates after tax	602	(640)	–	–	1 242
Profit/(loss) before tax	7 237	(4 090)	6 030	(537)	5 834
Income tax expense	2 312	(205)	–	–	2 517
Profit/(loss) after tax	4 925	(3 885)	6 030	(537)	3 317
Non-controlling interests	(282)	(779)	–	(114)	611
Attributable profit/(loss)	5 207	(3 106)	6 030	(423)	2 706
EBITDA margin	37,9%				32,9%
Effective tax rate	31,9%				43,1%

(1) *Represents the exclusion of the impact of hyperinflation and related goodwill and asset impairments for certain of the Group's subsidiaries (MTN Syria, MTN South Sudan and MTN Sudan) being accounted for on a hyperinflationary basis in accordance with International Financial Reporting Standards (IFRS) on the respective financial statement line items affected.*

The economies of Iran and Sudan were assessed to no longer be hyperinflationary effective 1 July 2015 and 1 July 2016 respectively and hyperinflation accounting was discontinued from this date onwards.

The economy of South Sudan was assessed to be hyperinflationary effective 1 January 2016 and hyperinflation accounting was applied from this date onwards.

Included in EBITDA is the fixed asset impairments for MTN Sudan (R1 690 million) and MTN Syria (R1 125 million) relating to the carrying value previously written up for the impact of hyperinflation.

\# *An amount of R192 million of the goodwill impairment on MTN Sudan relates to the carrying value previously written up for the impact of hyperinflation.*

(2) *Represents the exclusion of the financial impact relating to the sale of tower assets during the financial period on the respective financial line items impacted, which include:*

- *Tower profits, including R6 017 million relating to the profit realised on the exercise of the exchange right where the interest in the Nigeria tower company was exchanged for an increased shareholding in IHS Holdings.*
- *Release of Ghana deferred gain of R13 million (1H16: R18 million).*

IFRS reported 1H16	Hyper-inflation[1]	Tower profit[2]	Nigeria regulatory fine[3]	Opera-tional 1H16	Adjusted change %
79 115	237	–	–	78 878	(18,5)
367	–	18	–	349	(82,8)
18 882	90	18	(10 499)	29 273	(27,7)
13 691	77	–	–	13 614	0,3
5 191	13	18	(10 499)	15 659	(53,7)
5 945	32	–	452	5 461	(46,3)
919	919	–	–	–	–
(1 692)	(1 039)	–	–	(653)	(290,2)
(1 527)	(139)	18	(10 951)	9 545	(38,9)
4 726	32		–	4 694	(46,4)
(6 253)	(171)	18	(10 951)	4 851	(31,6)
(764)	204		(2 319)	1 351	(54,8)
(5 489)	(375)	18	(8 632)	3 500	(22,7)
23,9%				37,1%	(4,2)pp
(309,6%)				49,2%	(6,1)pp

(3) Represents the impact of the Nigerian regulatory fine subsequent to conclusion of the settlement agreement during 2016 on the respective financial line items impacted, which include:

- *2016: The remeasurement impact when the settlement agreement was entered into on 10 June 2016, constituting the difference between the balance of the provision recorded on this date (after taking into account finance cost accrued from the beginning of the financial year up to 9 June 2016) and the present value of the financial liability arising on this date in accordance with IFRS (included in the EBITDA line);*
- *2016 and 2017: The finance cost impact recognised as a result of the unwind of the discounting of the provision (for the period from 1 January to 9 June 2016) and the financial liability (for the period from 10 June 2016 to 30 June 2016 and from 1 January 2017 to reporting date).*

EXCHANGE RATES

The stronger rand and the significant year-on-year (YoY) depreciation of the naira against the US dollar had a negative translation impact on rand reported results for the period. The average naira depreciated by 35,3% against the US dollar in comparison to the prior period. The average rand strengthened by 14,7% against the US dollar YoY and closed 5,2% higher than the previous period.

REVENUE

Table 1: Group revenue by country

	Actual (Rm)	Prior (Rm)	Reported % change	Constant currency % change	Contribution to revenue %
SEA	**24 767**	25 156	(1,5)	2,9	38,5
South Africa	**20 156**	19 841	1,6	1,6	31,3
Uganda	**2 506**	2 804	(10,6)	9,4	3,9
Other	**2 105**	2 511	(16,2)	6,1	3,3
WECA	**33 308**	46 347	(28,1)	9,1	51,8
Nigeria	**18 037**	28 941	(37,7)	10,8	28,0
Ghana	**4 864**	5 165	(5,8)	22,6	7,6
Cameroon	**2 609**	3 202	(18,5)	(4,2)	4,1
Ivory Coast	**3 639**	3 751	(3,0)	13,0	5,7
Other	**4 159**	5 288	(21,4)	(8,0)	6,5
MENA	**6 299**	7 402	(14,9)	6,5	9,8
Syria	**952**	1 068	(10,9)	27,6	1,5
Sudan	**2 272**	2 345	(3,1)	21,5	3,5
Other	**3 075**	3 989	(22,9)	(7,9)	4,8
Head office companies and eliminations	**(59)**	(27)	–	–	–
Total	**64 315**	78 878	(18,5)	6,7	100,0
Hyperinflation	**71**	237	–	–	–
Total reported	**64 386**	79 115	(18,6)	6,2	100,0

Group total revenue increased by 6,7%* to R64 315 million. This was supported by encouraging revenue growth in Nigeria (up 10,8%*), Uganda (up 9,4%*), Ghana (up 22,6%*) and Ivory Coast (up 13,0%*). This was mainly a result of strong data and digital revenue growth in these markets. MTN Cameroon reported a 4,2%* decline in revenue, while total revenue growth in MTN South Africa increased by 1,6%.

Table 2: Group digital and data revenue

	Digital revenue				Data revenue			
	Actual (Rm)	Prior (Rm)	Reported % change	Organic % change	Actual (Rm)	Prior (Rm)	Reported % change	Constant currency % change
SEA	**2 131**	1 782	19,6	29,6	**7 558**	6 763	11,8	14,5
South Africa	**1 259**	915	37,6	37,6	**6 692**	5 851	14,4	14,4
Uganda	**635**	649	(2,2)	19,7	**286**	271	5,5	29,2
Other	**237**	218	8,7	25,2	**580**	641	(9,5)	9,5
WECA	**4 079**	5 081	(19,7)	23,1	**4 981**	4 627	7,7	56,7
Nigeria	**2 181**	3 409	(36,0)	14,1	**2 098**	2 178	(3,7)	70,4
Ghana	**1 110**	1 006	10,3	43,6	**1 254**	985	27,3	65,9
Cameroon	**111**	135	(17,8)	(3,7)	**455**	468	(2,8)	14,1
Ivory Coast	**398**	327	21,7	41,9	**472**	315	49,8	74,6
Other	**279**	204	36,8	58,8	**702**	681	3,1	20,6
MENA	**251**	261	(3,8)	22,2	**1 470**	1 391	5,7	33,4
Syria	**41**	24	70,8	141,7	**260**	284	(8,5)	32,4
Sudan	**132**	126	4,8	31,7	**629**	523	20,3	50,9
Other	**78**	111	(29,7)	(14,4)	**581**	584	(0,5)	18,3
Head office companies and eliminations	**(1)**	–	–	–	**(57)**	(56)	–	–
Total	**6 460**	7 124	(9,3)	24,7	**13 952**	12 725	9,6	31,9
Hyperinflation	**2**	10	–	–	**17**	56	–	–
Total reported	**6 462**	7 134	(9,4)	24,4	**13 969**	12 781	9,3	31,0

Data revenue increased by 31,9%*, benefiting from significantly improved data network quality and capacity across our key markets and a 9,1% increase in data users to 122,7 million. Data revenue increased in South Africa (up 14,4%), Nigeria (up 70,4%*), Uganda (up 29,2%*), Ghana (up 65,9%*), Cameroon (up 14,1%*) and Ivory Coast (up 74,6%*).

Digital revenue increased by 24,7%*, underpinned by solid growth in MFS. This was partly offset by slower growth in value-added services (VAS) revenue, impacted by the ongoing review of VAS across our markets, in particular Nigeria.

Outgoing voice revenue remained flat. This is a positive reinforcement of our work to stem the decline in the contribution of voice to the business, particularly in Nigeria.

Table 3: Group revenue analysis

	Actual (Rm)	Prior (Rm)	Reported % change	Constant currency % change	Contribution to revenue %
Outgoing voice	**32 768**	44 690	(26,7)	(0,0)	50,9
Incoming voice	**5 362**	7 777	(31,1)	(2,8)	8,3
Data	**13 952**	12 725	9,6	31,9	21,7
Digital	**6 460**	7 124	(9,3)	24,7	10,0
SMS	**1 374**	1 735	(20,8)	(2,0)	2,1
Devices	**3 524**	3 885	(9,3)	(6,8)	5,5
Other	**875**	942	(7,1)	0,2	1,5
Total	**64 315**	78 878	(18,5)	6,7	100,0
Hyperinflation	**71**	237	–	–	–
Total reported	**64 386**	79 115	(18,6)	6,2	100,0

COSTS

Table 4: Cost analysis

	Actual (Rm)	Prior (Rm)	Reported % change	Constant currency % change	% of revenue
Handsets and other accessories	**5 088**	6 036	(15,7)	(11,6)	7,9
Interconnect	**5 012**	6 868	(27,0)	(0,7)	7,8
Roaming	**372**	476	(21,8)	(4,8)	0,6
Commissions	**4 552**	4 689	(2,9)	24,4	7,1
Government and regulatory costs	**2 392**	2 955	(19,1)	8,5	3,7
VAS/digital revenue share	**1 569**	2 143	(26,8)	3,6	2,4
Service provider disc	**851**	987	(13,8)	(13,7)	1,3
Network	**12 436**	12 257	1,5	45,6	19,3
Marketing	**1 423**	1 789	(20,5)	(1,3)	2,2
Staff costs	**4 416**	4 770	(7,4)	11,6	6,9
Other OPEX	**5 025**	6 635	(24,3)	(7,4)	7,8
Total	**43 136**	49 605	(13,0)	12,5	67,1
Regulatory fine	**–**	10 499	–	–	–
Hyperinflation	**2 881**	147	–	–	–
Total reported	**46 017**	60 251	(23,6)	(1,7)	71,5

Total costs increased by 12,5%*, negatively impacted by foreign-denominated expenses in Nigeria and costs associated with the rollout of network sites in the period. Lower handset cost subsidies and volumes as well as a strong rand benefited the total cost of handsets in South Africa.

EBITDA

Table 5: Group EBITDA by country

	Actual (Rm)	Prior (Rm)	Reported % change	Constant currency % change
SEA	**7 958**	7 213	10,3	12,2
South Africa	**6 760**	5 979	13,1	13,1
Uganda	**830**	842	(1,4)	20,5
Other	**368**	392	(6,1)	(19,6)
WECA	**11 840**	20 574	(42,5)	(11,1)
Nigeria	**6 906**	14 421	(52,1)	(14,8)
Ghana	**1 786**	2 004	(10,9)	15,6
Cameroon	**808**	1 218	(33,7)	(22,1)
Ivory Coast	**1 276**	1 349	(5,4)	10,2
Other	**1 064**	1 582	(32,7)	(21,3)
MENA	**1 848**	2 359	(21,7)	(1,5)
Syria	**248**	305	(18,7)	17,0
Sudan	**750**	829	(9,5)	13,3
Other	**850**	1 225	(30,6)	(16,1)
Head office companies and eliminations	**(467)**	(873)	–	–
Total	**21 179**	29 273	(27,7)	(3,1)
Regulatory fine	**–**	(10 499)	–	–
Hyperinflation	**(2 810)**	90	–	–
Tower profits	**6 030**	18	–	–
Total reported	**24 399**	18 882	29,2	69,4

Group EBITDA declined by 3,1%*, mainly impacted by a 14,8%* decrease in MTN Nigeria's EBITDA as a result of higher foreign-denominated expenses following the depreciation of the naira against the US dollar. This was, however, offset by a 13,1% increase in MTN South Africa's EBITDA. MTN Uganda (up 20,5%*), MTN Ghana (up 15,6%*) and MTN Ivory Coast (up 10,2%*) contributed positively to Group EBITDA while MTN Cameroon recorded a 22,1%* decline in EBITDA. Head office costs were lower than the prior comparable period mainly as a result of a number of once-off costs incurred in the prior period.

Consequently, the Group EBITDA margin decreased by 4,2 percentage points to 32,9%.

DEPRECIATION, AMORTISATION AND IMPAIRMENT OF GOODWILL

Table 6: Group depreciation and amortisation

	Depreciation				Amortisation			
	Actual (Rm)	Prior (Rm)	Reported % change	Organic % change	**Actual (Rm)**	Prior (Rm)	Reported % change	Constant currency % change
SEA	**3 434**	3 230	6,3	9,0	**622**	616	1,0	(0,5)
South Africa	**2 914**	2 667	9,3	9,3	**476**	467	1,9	1,9
Uganda	**255**	300	(15,0)	4,0	**86**	100	(14,0)	(25,0)
Other	**265**	263	0,8	12,2	**60**	49	22,4	26,5
WECA	**4 544**	6 342	(28,4)	8,8	**1 064**	1 188	(10,4)	34,0
Nigeria	**2 509**	4 284	(41,4)	4,1	**551**	768	(28,3)	27,9
Ghana	**401**	379	5,8	38,3	**92**	60	53,3	98,3
Cameroon	**505**	508	(0,6)	16,9	**68**	72	(5,6)	9,7
Ivory Coast	**414**	403	2,7	19,9	**152**	107	42,1	65,4
Other	**715**	768	(6,9)	(9,2)	**201**	181	11,0	29,8
MENA	**965**	1 083	(10,9)	11,3	**255**	198	28,8	59,1
Syria	**153**	137	11,7	59,1	**24**	38	(36,8)	(7,9)
Sudan	**417**	435	(4,1)	20,2	**31**	33	(6,1)	18,2
Other	**395**	511	(22,7)	(9,2)	**200**	127	57,5	89,8
Head office companies and eliminations	**180**	203	–	–	**149**	150	–	–
Total	**9 123**	10 858	(16,0)	9,0	**2 090**	2 152	(2,9)	25,7
Hyperinflation	**472**	55	–	–	**58**	22	–	–
Total reported	**9 595**	10 913	(12,1)	13,5	**2 148**	2 174	(1,2)	27,5

The Group depreciation charge increased by 9,0%* to R9 123 million as a result of higher capex in 2016. Amortisation costs increased by 25,7%* to R2 090 million, mainly because of higher spend on software in the previous period. Non-hyperinflation-related goodwill impairments consisted of impairments in MTN Afghanistan (R841 million), MTN Sudan (R791 million) and MTN Yemen (R807 million).

NET FINANCE COSTS

Table 7: Net finance cost

	Actual (Rm)	Prior (Rm)	Reported % change	Constant currency % change	% of revenue
Net interest paid/ (received)	**1 420**	1 855	(23,5)	18,0	2,2
Net forex losses/(gains)	**1 515**	3 606	(58,0)	(37,4)	2,4
Total	**2 935**	5 461	(46,3)	(18,6)	4,6
Nigeria regulatory fine	**537**	452			
Hyperinflation	**(15)**	32	–	–	–
Total reported	**3 457**	5 945	(41,9)	(12,1)	5,4

Net finance costs decreased by 46,3% to R2 935 million. This was mainly due to a 58,0% reduction in net foreign exchange (forex) losses to R1 515 million for the period. The decline in forex losses was largely as a result of lower foreign-denominated receivables in Mauritius following the repatriation of funds from MTN Irancell in 2016. A 23,5% decrease in the Group's net interest charge was driven by the stronger rand against the US dollar, resulting in lower finance costs paid on US dollar bonds as well as the translation of the Nigeria finance charge following a weaker naira against the rand. South Africa and Dubai reported forex gains in the period.

Net forex losses mainly included:

- Forex losses in head office of R578 million due to the Iran dividend repatriation and the short-term loan to MTN Irancell;
- Forex losses in Nigeria of R893 million incurred on US dollar-denominated third-party payables; and
- Forex losses of R191 million in Sudan on foreign-denominated third-party funding and payables.

SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATES AFTER TAX

Joint ventures and associates reported a profit of R1 242 million compared to a loss of R653 million in the comparative period. This was mainly as a result of the exercise of the exchange right where MTN exchanged its 51% shares of Nigeria Tower InterCo B.V. for an increased equity stake in IHS. Following this transaction (effective 1 February 2017), we no longer own and equity account for a share of the results of INT.

TAXATION

Table 8: Taxation

	Actual (Rm)	Prior (Rm)	Reported % change	Constant currency % change	Contribution to taxation %
Normal tax	**2 463**	5 661	(56,5)	(42,1)	97,8
Deferred tax	**(481)**	(1 573)	(69,4)	(67,6)	(19,1)
Foreign income and withholding taxes	**535**	606	(11,7)	(6,9)	21,3
Total	**2 517**	4 694	(46,4)	(29,0)	100,0
Hyperinflation	**(205)**	32	–	–	–
MTN Zakhele impact	**–**	–	–	–	–
Tower profits	**–**	–	–	–	–
Total reported	**2 312**	4 726	(51,1)	(35,0)	100,0

The reported effective tax rate was 31,9%**, impacted mainly by lower normalised profit before tax (PBT) and the effects of tower profits, the turnover-based tax system in Sudan, the Sudanese impairments, as well as withholding taxes on upstreamed dividends and other fees.

The Group's reported taxation charge decreased by 51,1%** to R2 312 million for the period. This was impacted by higher taxable income in the prior period.

EARNINGS

Reported headline earnings per share (HEPS) were 217 cents** compared to a 271 cents** headline loss per share in the comparable period.

CASH FLOW

Cash inflows from operations decreased to R17 763 million**. This was mainly as a result of lower attributable profits in Nigeria. The repatriation of cash from MTN Irancell of R6 509 million supported cash flows for the period. Key cash outflows for the period included dividends paid of R8 475 million** and cash capex of R12 419 million**.

CAPITAL EXPENDITURE

Table 9: Capital expenditure

	Actual (Rm)	Prior (Rm)	Reported % change	Constant currency % change
SEA	**4 129**	5 626	(26,6)	(24,6)
South Africa	**3 475**	4 773	(27,2)	(27,2)
Uganda	**356**	364	(2,2)	20,1
Other	**298**	489	(39,1)	(32,5)
WECA	**5 368**	6 975	(23,0)	15,5
Nigeria	**2 749**	2 534	8,5	92,4
Ghana	**912**	1 646	(44,6)	(27,3)
Cameroon	**694**	1 121	(38,1)	(28,2)
Ivory Coast	**499**	842	(40,7)	(31,1)
Other	**514**	832	(38,2)	(28,0)
MENA	**734**	1 064	(31,1)	(14,8)
Syria	**85**	191	(55,5)	(36,6)
Sudan	**268**	549	(51,2)	(38,3)
Other	**381**	324	17,6	37,7
Head office companies and eliminations	**74**	107	–	–
Total	**10 305**	13 772	(25,2)	(3,6)
Hyperinflation	**3**	78	–	–
Total reported	**10 308**	13 850	(25,6)	(4,2)

Capex decreased by 25,2% (3,6%*) to R10 305 million. Capex in the first half of the year was slower than expected, impacted by limited foreign currency availability in Nigeria, some execution challenges as well as the seasonality of the capex cycle.

FINANCIAL POSITION

Table 10: Net debt analysis (Rm)

	Cash and cash equivalents*	Interest-bearing liabilities	**Net debt/ (cash)**	Net debt/ (cash) 2H16
SEA	4 657	2 519	**(2 138)**	(476)
South Africa	3 604	–	**(3 604)**	(2 023)
Uganda	36	1 391	**1 355**	1 385
Other	1 017	1 128	**111**	162
WECA	15 213	19 309	**4 096**	3 098
Nigeria	12 132	11 101	**(1 031)**	(1 107)
Ghana	89	189	**100**	24
Cameroon	892	2 647	**1 755**	1 257
Ivory Coast	572	3 035	**2 463**	2 070
Other	1 528	2 337	**809**	854
MENA	2 913	1 421	**(1 492)**	(748)
Head office companies and eliminations	9 725	61 596	**51 871**	50 028
Total reported	32 508	84 845	**52 337**	51 902
Iran	2 194	952	**(1 242)**	(6 036)

** Includes restricted cash and current investments.*

Net debt increased to R52 337 million** from R51 902 million** reported at year-end. The increase was mainly impacted by lower cash generated from operations offset by cash repatriated from Iran amounting to R6 509 million** and an increase in head office net debt.

OPERATIONAL REVIEW OF KEY MARKETS

South and East Africa (SEA)

- Subscribers increased by 0,3% to 54,9 million
- Revenue increased by 2,9%*
- Data revenue increased by 14,5%*
- Digital revenue increased by 29,6%*

South Africa

- Subscribers increased by 1,5% to 31,2 million
- Revenue increased by 1,6%
- Service revenue increased by 5,2%$^{\Delta}$
- Data revenue increased by 18,5%$^{\Delta}$
- Digital revenue increased by 37,6%
- EBITDA margin increased by 3,4pp to 33,5%
- Capex decreased by 27,2% to R3 475 million

$^{\Delta}$ *On an organic basis.*

MTN South Africa delivered an encouraging performance, supported by a strong prepaid performance, network expansion and a strengthened leadership team. The subscriber base increased by 1,5% to 31,2 million. The prepaid segment's subscriber base increased by 1,7% to 26,0 million, while the postpaid segment showed early signs of a recovery and increased its subscriber base by 0,2% to 5,2 million. Total revenue increased by 1,6% to R20 156 million. Service revenue increased by 5,2%$^{\Delta}$ to R16 753 million, supported by strong growth in data revenue and digital revenue, up 18,5%$^{\Delta}$ and 37,6% respectively. Prepaid service revenue increased by 9,2% while we saw a decline in postpaid service revenue, down by 3,9%.

MTN Uganda increased its subscriber base by 5,8% to 11,2 million, driven by attractive personalised bundled products, superior network quality and effective distribution. MTN Uganda successfully registered 89% of the subscriber base under the new SIM registration requirements ahead of the end-August 2017 deadline. Total revenue increased by 9,4%*, supported by strong growth in data and digital. Data revenue increased by 29,2%*. This was mainly underpinned by an increase in data traffic and good growth in data bundle adoption. Digital revenue increased by 19,7%*, supported mainly by MFS. The number of active MoMo customers increased by 11,3% to 4,6 million.

Results overview continued

West and Central Africa (WECA)

- Subscribers decreased by 8,5% to 102,3 million
- Revenue increased by 9,1%*
- Data revenue increased by 56,7%*
- Digital revenue increased by 23,1%*

Nigeria

- Subscribers decreased by 14,3% to 53,1 million
- Revenue increased by 10,8%*
- Data revenue increased by 70,4%*
- Digital revenue increased by 14,1%*
- EBITDA margin declined by 11,5pp to 38,3% (excluding the impact of the fine)
- Capex increased by 92,4%* to R2 749 million

MTN Nigeria continued to focus on healthy growth despite a challenging macro-economic environment. The operation continued to focus on reviewing and optimising both subscriber definitions and VAS subscriptions, placing some short-term pressure on subscriber net additions and VAS revenue. The subscriber base declined by 14,3% to 53,1 million, following both this review as well as lower gross connections as a result of new regulations that require all subscriber connections take place in permanent structures. Total revenue increased by 10,8%*, largely attributable to strong data revenue growth. Data revenue increased by 70,4%*, benefiting from customised data offerings and improved network quality driving data usage. Digital revenue grew by 14,1%* with active MoMo customers growing by 22,9% to 1,9 million.

MTN Ghana continued to benefit from an improving economy. MTN Ghana's subscriber base declined by 10,3% to 17,3 million, impacted by the internal review of subscriber definitions. Strong growth in revenue, up by 22,6%*, was supported by data and digital revenue growth. Data revenue increased by 65,9%*, led by a data-bundled smartphone drive and youth value propositions. Digital revenue grew by 43,6%* with the number of active MoMo subscribers growing by 9,5% to 6,2 million.

MTN Cameroon continued to experience a challenging operating environment, following the data shutdown and a slowdown in economic activity which had a material impact on subscriber and revenue growth in the period. The subscriber base declined by 3,3% to 9,5 million and total revenue decreased by 4,2%*. Despite this, active MoMo customers more than doubled to 730 776.

MTN Ivory Coast showed a positive turnaround in the period. Benefiting from significant network investments, it increased its subscriber base by 16,2% to 11,0 million. Total revenue increased by 13,0%*, underpinned by good growth in outgoing voice and data revenue, up by 9,8%* and 74,6%* respectively. Digital revenue increased by 41,9%* with active MoMo customers increasing by 8,2% to 1,3 million.

Middle East and North Africa (MENA)

- Subscribers increased by 1,1% to 74,5 million
- Revenue increased by 6,5%* (excluding Iran)
- Data revenue increased by 33,4%*(excluding Iran)
- Digital revenue increased by 22,2%* (excluding Iran)

IRAN (joint venture, equity accounted, 49%)

- Subscribers increased by 3,0% to 49,0 million
- Revenue increased by 17,2%*
- Data revenue increased by 67,7%*
- Digital revenue increased by 3,7%*
- EBITDA margin declined by 1,4pp to 36,3%
- Capex increased by more than 100% to R3 850 million

MTN Irancell delivered a solid performance despite pressure on data pricing. The number of subscribers increased by 3,0% to 49,0 million, supported by attractive data bundles and a superior quality 3G and 4G network. Total revenue increased by 17,2%*, driven by increased data revenue. Data revenue increased by 67,7%*, supported by growth in data bundles, modernisation of 2G and 3G sites and expansion of the 4G network. Digital revenue increased by 3,7%*, aided by an increase in local content offers.

LEGAL AND REGULATORY

The Turkcell lawsuit currently before the South Gauteng High Court in South Africa is not a new action and was initiated by Turkcell Iletisim Hizmetleri A.S (Turkcell) and East Asian Consortium (EAC) in 2013. It relates to Turkcell's alleged grievances arising from its unsuccessful bid to obtain a mobile licence in Iran, and the awarding of that licence to MTN Irancell in 2005. Recent developments in the matter were procedural in nature and had nothing to do with the merits of the case. MTN continues to believe that there is no legal merit to Turkcell's claim and will accordingly oppose it.

BOARD CHANGES

Alan van Biljon, who served as lead independent director from 2011, stepped down from this role on 31 May 2017. Alan will remain an independent non-executive director on the Board until his retirement at the end of the 2017 financial year. Alan Harper was appointed as the new lead independent director of the Board with effect from 1 June 2017.

Rob Shuter and Ralph Mupita were appointed as executive directors of the Board with effect from 13 March 2017 and 3 April 2017 respectively.

DECLARATION OF INTERIM ORDINARY DIVIDEND

Notice is hereby given that a gross interim dividend of 250 cents per share for the period to 30 June 2017 has been declared. The number of ordinary shares in issue at the date of this declaration is 1 884 269 758 (including 9 983 286 treasury shares held by MTN Holdings and 76 835 378 shares held by MTN Zakhele Futhi).

The dividend will be subject to a maximum local dividend tax rate of 20% which will result in a net dividend of 200 cents per share to those shareholders who bear the maximum rate of dividend withholding tax of 50 cents per share. The net dividend per share for the respective categories of shareholders for the different dividend tax rates is as follows:

0%	250 cents per share
5%	237,50 cents per share
7,5%	231,25 cents per share
10%	225 cents per share
12,5%	218,75 cents per share
15%	212,50 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:

Declaration date	Thursday, 3 August 2017
Last day to trade *cum* dividend on the JSE	Tuesday, 22 August 2017
First trading day *ex* dividend on the JSE	Wednesday, 23 August 2017
Record date	Friday, 25 August 2017
Payment date	Monday, 28 August 2017

No share certificates may be dematerialised or rematerialised between Wednesday, 23 August 2017 and Friday, 25 August 2017, both days inclusive.

On Monday, 28 August 2017, 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, 28 August 2017 will be posted on or about this date. Shareholders who hold dematerialised shares will have their accounts held by the Central Securities Depository Participant or broker credited on Monday, 28 August 2017.

For and on behalf of the Board

RA Shuter
Group President and CEO

PF Nhleko
Chairman

2 August 2017
Fairland

REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARD (IAS) 34 INTERIM FINANCIAL REPORTING

The Group's reviewed condensed consolidated interim financial statements for the six months ended 30 June 2017 have been independently reviewed by the Group's external auditors. The preparation of the Group's reviewed condensed consolidated interim financial statements was supervised by the Group chief financial officer, RT Mupita, BSc Eng (Hons), MBA, GMP.

The interim results were made available on 3 August 2017.

Independent auditors' review report on the condensed consolidated interim financial statements

TO THE SHAREHOLDERS OF MTN GROUP LIMITED

We have reviewed the condensed consolidated interim financial statements of MTN Group Limited, set out on pages 23 to 45 of the MTN Group Limited interim financial results for the six months ended 30 June 2017, which comprise the condensed consolidated statement of financial position as at 30 June 2017 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Directors' responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting,* the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (ISRE 2410). ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of MTN Group Limited for the six months ended 30 June 2017 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: JR van Huyssteen
Registered Auditor
Sunninghill
2 August 2017

SizweNtsalubaGobodo Inc.

SizweNtsalubaGobodo Inc.
Director: DH Manana
Registered Auditor
Woodmead
2 August 2017

Condensed consolidated income statement

for the

	Note	**Six months ended 30 June 2017 Reviewed Rm**	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
Revenue		**64 386**	79 115	147 920
Other income	7	**6 090**	367	335
Direct network and technology operating costs		**(12 460)**	(12 291)	(23 520)
Costs of handsets and other accessories		**(5 088)**	(6 065)	(12 304)
Interconnect and roaming costs		**(5 393)**	(7 358)	(13 393)
Staff costs		**(4 420)**	(4 777)	(9 152)
Selling, distribution and marketing expenses		**(8 399)**	(9 624)	(19 172)
Government and regulatory costs		**(2 405)**	(2 982)	(5 191)
Other operating expenses	9	**(7 912)**	(7 004)	(14 273)
EBITDA before Nigeria regulatory fine		**24 399**	29 381	51 250
Nigeria regulatory fine	8	**–**	(10 499)	(10 499)
EBITDA		**24 399**	18 882	40 751
Depreciation of property, plant and equipment		**(9 595)**	(10 913)	(20 988)
Amortisation of intangible assets		**(2 148)**	(2 174)	(4 748)
Impairment of goodwill	9	**(2 631)**	(604)	(873)
Operating profit		**10 025**	5 191	14 142
Net finance costs	10	**(3 457)**	(5 945)	(10 495)
Net monetary gain		**67**	919	1 723
Share of results of joint ventures and associates after tax	11	**602**	(1 692)	(127)
Profit/(loss) before tax		**7 237**	(1 527)	5 243
Income tax expense		**(2 312)**	(4 726)	(8 346)
Profit/(loss) after tax		**4 925**	(6 253)	(3 103)
Attributable to:				
Equity holders of the Company		**5 207**	(5 489)	(2 614)
Non-controlling interests		**(282)**	(764)	(489)
		4 925	(6 253)	(3 103)
Basic earnings/(loss) per share (cents)	12	**290**	(301)	(144)
Diluted earnings/(loss) per share (cents)	12	**283**	(301)	(144)

Condensed consolidated statement of comprehensive income

for the

	Note	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
Profit/(loss) after tax		**4 925**	(6 253)	(3 103)
Other comprehensive income after tax				
Items that may be subsequently reclassified to profit or loss				
Net investment hedges	18	**760**	(1 422)	(1 887)
Foreign exchange movement on hedging instruments		**1 052**	(2 032)	(2 684)
Deferred tax		**(292)**	610	797
Available-for-sale financial assets[1]		**817**	2 672	2 672
Gains arising during the period	13	**817**	2 672	2 672
Exchange differences on translating foreign operations including the effect of hyperinflation[1]		**(3 866)**	(11 077)	(22 907)
Losses arising during the period	18	**(3 866)**	(11 077)	(22 907)
Items that have been reclassified to profit or loss[1]	18	**3 298**	–	–
Other comprehensive income/(loss) for the period		**1 009**	(9 827)	(22 122)
Attributable to equity holders of the Company		**1 004**	(9 194)	(21 077)
Attributable to non-controlling interests		**5**	(633)	(1 045)
Total comprehensive income/(loss)		**5 934**	(16 080)	(25 225)
Attributable to:				
Equity holders of the Company		**6 211**	(14 683)	(23 691)
Non-controlling interests		**(277)**	(1 397)	(1 534)
		5 934	(16 080)	(25 225)

[1]*This component of other comprehensive income does not attract any tax.*

Condensed consolidated statement of financial position

as at

	Note	30 June 2017 Reviewed Rm	30 June 2016 Reviewed Rm	31 December 2016 Audited Rm
Non-current assets		**186 637**	200 447	189 089
Property, plant and equipment		**90 652**	93 462	95 633
Intangible assets and goodwill		**40 305**	52 172	46 473
Investment in joint ventures and associates	7	**22 465**	32 169	26 669
Investments	7	**25 714**	12 145	11 841
Deferred tax and other non-current assets		**7 501**	10 499	8 473
Current assets		**69 342**	82 468	79 611
Non-current assets held for sale		**–**	466	–
		69 342	82 002	79 611
Other current assets		**14 783**	12 940	13 853
Trade and other receivables		**29 527**	41 470	37 363
Restricted cash		**1 681**	637	1 020
Cash and cash equivalents		**23 351**	26 955	27 375
Total assets		**255 979**	282 915	268 700
Total equity		**102 894**	119 796	105 231
Attributable to equity holders of the Company		**100 859**	116 669	102 380
Non-controlling interests		**2 035**	3 127	2 851
Non-current liabilities		**82 054**	84 000	85 743
Interest-bearing liabilities	15, 16	**66 935**	64 190	67 319
Deferred tax and other non-current liabilities		**15 119**	19 810	18 424
Current liabilities		**71 031**	79 119	77 726
Non-current liabilities held for sale		**–**	208	–
		71 031	78 911	77 726
Interest-bearing liabilities	15, 16	**17 910**	17 757	19 635
Trade and other payables		**42 180**	43 602	45 142
Other current and tax liabilities		**10 941**	17 552	12 949
Total equity and liabilities		**255 979**	282 915	268 700

Condensed consolidated statement of changes in equity

for the

	Note	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
Opening balance at 1 January		**102 380**	146 369	146 369
Opening reserve adjustment for impact of hyperinflation	5	**–**	–	(123)
Restated balance at 1 January		**102 380**	146 369	146 246
Total comprehensive income		**6 211**	(14 683)	(23 691)
Profit/(loss) after tax		**5 207**	(5 489)	(2 614)
Other comprehensive income		**1 004**	(9 194)	(21 077)
Transactions with owners of the Company				
Shares issued		**–**	^	^
Shares cancelled		**–**	–	(^)
Share-based payment transactions		**217**	130	1
Shares repurchased from MTN Zakhele		**–**	–	(3 462)
Share-based payment transaction with MTN Zakhele Futhi		**–**	–	2 919
Dividends declared		**(8 078)**	(15 231)	(19 816)
Other movements		**129**	84	183
Attributable to equity holders of the Company		**100 859**	116 669	102 380
Non-controlling interests		**2 035**	3 127	2 851
Closing balance		**102 894**	119 796	105 231
Dividends declared during the period (cents per share)		**450**	830	1 080
Dividends declared after the period (cents per share)		**250**	250	450

^Amount less than R1 million.

Condensed consolidated statement of cash flows

for the

	Note	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
Net cash generated from/(used in) operating activities		**12 069**	(436)	20 716
Cash generated from operations		**17 763**	23 870	55 681
Dividends paid to equity holders of the Company		**(8 069)**	(15 212)	(19 792)
Dividends paid to non-controlling interests		**(406)**	(790)	(1 178)
Dividends received from associates and joint ventures	11	**6 952**	426	692
Other operating activities		**(4 171)**	(8 730)	(14 687)
Net cash used in investing activities		**(14 696)**	(14 209)	(40 408)
Acquisition of property, plant and equipment		**(11 331)**	(10 134)	(29 899)
Acquisition of intangible assets		**(1 088)**	(3 890)	(5 348)
Increase in non-current investments		**(158)**	(1 545)	(2 199)
(Acquisition)/disposal of bonds, treasury bills and foreign deposits		**(1 274)**	677	(2 704)
Movement in other investing activities		**(845)**	683	(258)
Net cash from financing activities		**(1 043)**	13 608	20 951
Proceeds from borrowings	16	**11 106**	23 967	59 647
Repayment of borrowings	16	**(12 223)**	(10 363)	(37 211)
Other financing activities		**74**	4	(1 485)
Net (decrease)/increase in cash and cash equivalents		**(3 670)**	(1 037)	1 259
Cash and cash equivalents at beginning of the period		**27 375**	34 139	34 139
Exchange losses on cash and cash equivalents		**(554)**	(6 272)	(8 192)
Net monetary gain on cash and cash equivalents		**11**	107	169
Net cash and cash equivalents at end of the year		**23 162**	26 937	27 375

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2017

1. INDEPENDENT REVIEW

The directors of the Company take full responsibility for the preparation of the condensed consolidated interim financial statements. The condensed consolidated interim financial statements have been reviewed by our joint independent auditors, PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc., who have expressed an unmodified conclusion. The joint external auditors have performed their review in accordance with International Standard on Review Engagements (ISRE) 2410.

2. GENERAL INFORMATION

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

3. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the South African Companies Act, No 71 of 2008. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

4. PRINCIPAL ACCOUNTING POLICIES

The Group has adopted all the new, revised or amended accounting pronouncements as issued by the International Accounting Standards Boards (IASB) which were effective for the Group from 1 January 2017, none of which had a material impact on the Group.

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

5. HYPERINFLATION

The financial statements of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

The economy of Sudan was assessed to no longer be hyperinflationary, effective 1 July 2016, and hyperinflation accounting was discontinued from this date onwards. As at 30 June 2017 the historical increase in the asset value as a result of hyperinflation accounting has been fully impaired, which resulted in a R1 690 million decrease in EBITDA for the period under review.

The economy of South Sudan was assessed to be hyperinflationary, effective 1 January 2016, and hyperinflation accounting was applied for the year ended 31 December 2016. Upon first application of hyperinflation, prior period losses of R123 million arising from the net monetary position were recognised directly in equity. As at 31 December 2016 and 30 June 2017, the property, plant and equipment of South Sudan was fully impaired, resulting in no hyperinflation adjustment on capital expenditure (CAPEX) for the period under review or during the year ended 31 December 2016.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2017

5. HYPERINFLATION continued

In 2015, the Iranian economy was assessed to no longer be hyperinflationary and hyperinflation accounting was discontinued effective 1 July 2015. The Group's results from Iran includes expenses resulting from the discontinuation of hyperinflation accounting mainly relating to the subsequent depreciation of assets that were historically written up under hyperinflation accounting. The additional income statement charge reduced equity accounted earnings from Iran by R640 million for the six months ended 30 June 2017 (June 2016: R1 039 million, December 2016: R1 853 million).

The economy of Syria was assessed to be hyperinflationary, effective 1 January 2014, and hyperinflation accounting has been applied since. As at 30 June 2017, R1 125 million of assets previously written up for hyperinflation have been impaired with the impact being included in EBITDA for the period under review.

The impact of hyperinflation on the segment analysis is as follows:

	Six months ended 30 June 2017 Reviewed Rm		
	Revenue	**EBITDA**	**CAPEX**
Syria	**40**	**(1 110)**	**3**
Sudan	**–**	**(1 690)**	**–**
South Sudan (included in other SEA)	**31**	**(10)**	**–**
	71	**(2 810)**	**3**
Iran – major joint venture	**–**	**69**	**–**

	Six months ended 30 June 2016 Reviewed Rm		
	Revenue	EBITDA	CAPEX
Syria	103	41	36
Sudan	134	49	42
South Sudan (included in other SEA)	–	–	–
	237	90	78
Iran – major joint venture	–	–	–

	Financial year 31 December 2016 Audited Rm		
	Revenue	EBITDA	CAPEX
Syria	484	164	310
Sudan	122	41	38
South Sudan (included in other SEA)	420	41	–
	1 026	246	348
Iran – major joint venture	–	(294)	326

6. 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 grouped according to their geographic locations.

The MTN Group is clustered into the following three regions and their respective underlying operations:

- South and East Africa (SEA)
- West and Central Africa (WECA)
- Middle East and North Africa (MENA).

Operating results are reported and reviewed regularly by the CODM and include external transactions or transactions with other Group segments that can be attributable to a segment on a reasonable basis.

EBITDA is used as the measure of reporting profit or loss for each segment and represents the basis on which the CODM reviews segment results. It is defined as earnings before interest, tax, depreciation, amortisation, impairment of goodwill, net monetary gains and share of results of joint ventures and associates after tax and further excludes the following items:

- Hyperinflation (note 5)
- Tower sale and exchange right profit on IHS investment (note 7)
- Nigeria regulatory fine (note 8)
- MTN Zakhele Futhi share-based payment expense.

Other than for the exclusion of the exchange right profit on the IHS investment during the period under review (note 7), this measure has remained unchanged in comparison to prior periods.

Irancell Telecommunication Company Services (PJSC) (Iran) proportionate results are included in the segment analysis as reviewed by the CODM and excluded from IFRS reported results for revenue, EBITDA and CAPEX due to equity accounting for joint ventures. The results of Iran in the segment analysis exclude the impact of hyperinflation accounting.

Notes to the condensed consolidated interim financial statements continued

for the

6. SEGMENT ANALYSIS continued

	Note	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
REVENUE				
SEA		**24 767**	25 156	52 142
South Africa		**20 156**	19 841	41 922
Uganda		**2 506**	2 804	5 465
Other SEA		**2 105**	2 511	4 755
WECA		**33 308**	46 347	80 655
Nigeria		**18 037**	28 941	47 122
Ghana		**4 864**	5 165	10 291
Cameroon		**2 609**	3 202	6 189
Ivory Coast		**3 639**	3 751	7 176
Other WECA		**4 159**	5 288	9 877
MENA		**6 299**	7 402	14 288
Syria		**952**	1 068	2 123
Sudan		**2 272**	2 345	4 585
Other MENA		**3 075**	3 989	7 580
Major joint venture - Iran		**7 869**	8 324	16 536
Head office companies and eliminations		**(59)**	(27)	(191)
Hyperinflation impact	5	**71**	237	1 026
Iran revenue exclusion		**(7 869)**	(8 324)	(16 536)
		64 386	79 115	147 920

Notes to the condensed consolidated interim financial statements continued

for the

6. SEGMENT ANALYSIS continued

	Note	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
EBITDA				
SEA		**7 958**	7 213	16 368
South Africa		**6 760**	5 979	13 811
Uganda		**830**	842	1 620
Other SEA		**368**	392	937
WECA		**11 840**	20 574	33 045
Nigeria		**6 906**	14 421	21 854
Ghana		**1 786**	2 004	4 184
Cameroon		**808**	1 218	2 065
Ivory Coast		**1 276**	1 349	2 333
Other WECA		**1 064**	1 582	2 609
MENA		**1 848**	2 359	4 657
Syria		**248**	305	689
Sudan		**750**	829	1 471
Other MENA		**850**	1 225	2 497
Major joint venture – Iran		**2 860**	3 139	6 455
Head office companies and eliminations		**(467)**	(873)	(2 089)
Hyperinflation impact		**(2 810)**	90	246
Nigeria regulatory fine		**–**	(10 499)	(10 499)
Tower sale profits		**13**	18	31
Profit on exercise of exchange right of IHS	7	**6 017**	–	–
MTN Zakhele Futhi share-based payment expense		**–**	–	(1 008)
Iran EBITDA exclusion		**(2 860)**	(3 139)	(6 455)
EBITDA		**24 399**	18 882	40 751
Depreciation, amortisation and impairment of goodwill		**(14 374)**	(13 691)	(26 609)
Net finance cost		**(3 457)**	(5 945)	(10 495)
Net monetary gain		**67**	919	1 723
Share of results of joint ventures and associates after tax		**602**	(1 692)	(127)
Profit/(loss) before tax		**7 237**	(1 527)	5 243

Notes to the condensed consolidated interim financial statements continued

for the

6. SEGMENT ANALYSIS continued

	Note	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
CAPITAL EXPENDITURE INCURRED				
SEA		**4 129**	5 626	12 896
South Africa		**3 475**	4 773	11 085
Uganda		**356**	364	758
Other SEA		**298**	489	1 053
WECA		**5 368**	6 975	17 325
Nigeria		**2 749**	2 534	8 701
Ghana		**912**	1 646	2 435
Cameroon		**694**	1 121	2 166
Ivory Coast		**499**	842	1 721
Other WECA		**514**	832	2 302
MENA		**734**	1 064	3 310
Syria		**85**	191	1 049
Sudan		**268**	549	1 549
Other MENA		**381**	324	712
Major joint venture – Iran		**3 850**	2 313	5 138
Head office companies and eliminations		**74**	107	1 389
Hyperinflation impact	5	**3**	78	348
Iran CAPEX exclusion		**(3 850)**	(2 313)	(5 138)
		10 308	13 850	35 268

7. INVESTMENT IN IHS

In January 2017, the Group exchanged its 51% interest in Nigeria Tower InterCo B.V., the parent company of INT Towers Limited (INT), the Nigerian telecom tower operator, for an additional shareholding in IHS Holding Limited (IHS Group) ("the transaction"). As a result of the transaction, the Group's economic interest in the IHS Group increased from approximately 15% class B non-voting shares to an economic interest of approximately 29% comprising class A voting shares and class B non-voting shares. The original IHS Group shareholders' agreement remains in place and there are no changes to IHS Group's independence as an operator. Neither the interest prior to, nor the interest obtained subsequent to the transaction will allow the Group to appoint a board member. In addition, IHS Group has the right to decide what strategic, financial and operational information is shared with the Group. As a result of these restrictions, the Group's vote is limited to matters which relate to fundamental changes in the business or which apply in exceptional circumstances and are considered to be protective in nature. The Group's rights do not constitute significant influence to participate in the financial and operating policy decisions of IHS Group. Consequently, the Group continues to account for its investment in IHS Group as an available-for-sale financial instrument.

The exchange, which closed on 23 February 2017, has been accounted for as a disposal of the Group's equity accounted interest in INT and an acquisition of an additional investment in the IHS Group. The net impact on profit before tax is R6 017 million, which was determined as the difference between the fair value of the new interest obtained and the carrying value of the equity-accounted interest in INT and after recycling the applicable amount included in the foreign currency translation reserve (FCTR) (note 18) to the income statement. This resulted in a decrease of R4 452 million in investments in associates and an increase of R13 767 million in available-for-sale investments.

The decision to exchange the shares was made following a thorough review of the commercial benefits of the exchange and an agreement on the number of shares that the Group will qualify for in IHS Group. Consensus on these matters and board approval for the transaction was obtained in January 2017. As a result, the investment in INT was not accounted for as held for sale in accordance with the requirements of IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* at 31 December 2016.

The transaction had no tax impact.

8. NIGERIA REGULATORY FINE

On 10 June 2016, MTN Nigeria Communications Limited (MTN Nigeria) resolved the matter relating to the previously imposed regulatory fine with the Federal Government of Nigeria (FGN) after the completion of an extensive negotiation process.

In terms of the settlement agreement reached on 10 June 2016, MTN Nigeria agreed to pay a total cash amount of N330 billion over three years (the equivalent of R25,1 billion[1]) to the FGN as full and final settlement of the matter.

The regulatory fine was fully expensed in the prior period with an additional expense recognised in the income statement amounting to R10,5 billion for the periods ended 30 June 2016 and 31 December 2016. A discount unwind of R537 million (June 2016: R452 million; December 2016: R1,0 billion) was recognised in finance costs during the current period relating to the outstanding liability. The balance of the liability at 30 June 2017 amounts to R7,2 billion (December 2016: R8,7 billion) after taking into account the payment of N30 billion (R1,3 billion[2]) on 24 March 2017 and the unwinding of the interest.

[1] *Amount translated at 10 June 2016 rate R1 = N13,15.*

[2] *Amount translated at March 2017 average rate R1 = N23,68.*

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2017

9. IMPAIRMENT OF GOODWILL AND PROPERTY, PLANT AND EQUIPMENT

Current period impairments

In a number of the Group's operations in the MENA region the socio-political instability experienced in these markets resulted in suppressed revenue growth and lower operating margins being experienced resulting in decreased forecast cash flows. This necessitated impairment reviews being performed on the Group's operations in Guinea-Bissau, Guinea-Conakry, Liberia, Ghana, Afghanistan, Sudan, Yemen and Syria where the carrying amounts of these cash-generating units were compared to their respective recoverable amounts. The recoverable amounts were determined through value-in-use calculations where future cash flows were estimated and discounted at the weighted average cost of capital discount rates. The discount rates and the perpetuity growth rates used in the value-in-use calculations of the operations impairment changes were recorded during the period under review are as follows:

	June 2017		December 2016	
	Growth rate %	Discount rate %	Growth rate %	Discount rate %
MTN Afghanistan	**6,0**	**18,8**	7,0	20,2
MTN Sudan	**14,0**	**33,0**	13,7	32,9
MTN Yemen	**5,0**	**24,8**	9,0	23,9
MTN Syria (JSC)	**15,0**	**35,2**	15,0	35,5

The following impairment losses were recognised in the income statement in the goodwill impairment and other operating expenses lines, respectively:

	Goodwill impairment Rm	Impairment of property, plant and equipment and intangible assets Rm	Recoverable amount Rm
MTN Afghanistan	**841**	**–**	**1 971**
MTN Sudan	**983**	**1 690**	**3 416**
MTN Yemen	**807**	**–**	**2 758**
MTN Syria (JSC)	**–**	**1 125**	**2 007**
Total	**2 631**	**2 815**	**10 152**

MTN Sudan was operating in a hyperinflationary economy up to 30 June 2016 while MTN Syria (JSC) continues to operate in a hyperinflationary economy. Hyperinflation accounting resulted in the write up of non-monetary assets and a resulting increase in the carrying value of these operations. The total impairment of property, plant and equipment and intangible assets amounting to R2 815 million and R192 million of the MTN Sudan goodwill impairment for the current period relate to the carrying value previously written up to account for the impact of hyperinflation, exceeding the calculated value in use.

The goodwill of MTN Sudan and MTN Syria has been fully impaired as at 30 June 2017 and the remaining goodwill in MTN Afghanistan and MTN Yemen amount to R527 million and R1 984 million at 30 June 2017 respectively.

9. IMPAIRMENT OF GOODWILL AND PROPERTY, PLANT AND EQUIPMENT continued

Prior period impairments

Areeba Guinea S.A.

Areeba Guinea S.A. (Conakry) experienced a decline in EBITDA and Guinea-Conakry experienced poor economic performance countrywide. Consequently, a review of the recoverable amount of Conakry was undertaken during 2016 subsequent to which an impairment loss amounting to R402 million was recognised. As at 31 December 2016, the goodwill balance relating to Conakry is fully impaired. No further impairments were deemed necessary as at 30 June 2017.

Afrihost

Based on an agreement concluded by the Group to sell its 50,02% investment in Afrihost Proprietary Limited (Afrihost) for R325 million, a goodwill impairment loss of R202 million was recognised at 30 June 2016 on the remeasurement of the assets to fair value less cost to sell in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The investment was disposed of during the second half of 2016.

10. NET FINANCE COSTS

	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
Interest income on loans and receivables	**1 240**	1 167	2 462
Interest income on bank deposits	**817**	986	1 962
Finance income	**2 057**	2 153	4 424
Interest expense on financial liabilities measured at amortised cost	**(4 004)**	(4 466)	(9 020)
Net foreign exchange losses	**(1 510)**	(3 632)	(5 899)
Finance costs	**(5 514)**	(8 098)	(14 919)
Net finance costs recognised in profit or loss	**(3 457)**	(5 945)	(10 495)
11. SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATES AFTER TAX	**602**	(1 692)	(127)
Irancell Telecommunication Company Services (PJSC)	**674**	936	2 073
Nigeria Tower InterCo. B.V.	**(8)**	(2 463)	(2 227)
Others	**(64)**	(165)	27

Dividends of R6 509 million were received from Irancell in the six months ended 30 June 2017.

Notes to the condensed consolidated interim financial statements continued

for the

		Six months ended 30 June 2017 Reviewed	Six months ended 30 June 2016 Reviewed	Financial year ended 31 December 2016 Audited
12.	**EARNINGS PER ORDINARY SHARE**			
	Number of ordinary shares in issue			
	At end of the period (excluding MTN Zakhele, MTN Zakhele Futhi and treasury shares)	**1 797 451 094**	1 822 711 720	1 797 228 125
	Weighted average number of shares			
	Shares for earnings/(loss) per share	**1 797 377 182**	1 822 527 498	1 819 974 274
	Add: Dilutive shares			
	– Share options – MTN Zakhele	**–**	6 807 058	–
	– Share options – MTN Zakhele Futhi	**38 681 604**	–	42 508 806
	– Share schemes	**898 793**	890 439	1 042 243
	Shares for dilutive earnings per share	**1 836 957 579**	1 830 224 995	1 863 525 323

Treasury shares

Treasury shares of 9 983 286 (June 2016: 10 206 255, December 2016: 10 206 255) are held by the Group and 76 835 378 (June 2016: 11 131 098 shares held by MTN Zakhele, December 2016: 76 835 378) are held by MTN Zakhele Futhi (RF) Limited (MTN Zakhele Futhi).

Dilutive shares

The share options and share rights issued in terms of the Group's share schemes, performance share plan, MTN Zakhele and MTN Zakhele Futhi did not have a dilutive effect on the loss per share for the period ended 30 June 2016 and the year ended 31 December 2016, and have therefore not been treated as dilutive for these comparative periods.

Notes to the condensed consolidated interim financial statements continued

for the

12. EARNINGS PER ORDINARY SHARE continued

Headline earnings/(loss) is calculated in accordance with the circular titled Headline Earnings as issued by the South African Institute of Chartered Accountants as amended from time to time and as required by the JSE Limited.

	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
Basic headline earnings/(loss) per share			
Reconciliation between profit/(loss) attributable to the equity holders of the Company and headline earnings/(loss)			
Profit/(loss) after tax	**5 207**	(5 489)	(2 614)
Net profit on disposal of property, plant and equipment	**(21)**	(15)	(1)
– Subsidiaries (IAS 16)	**(20)**	(16)	4
– Joint ventures (IAS 28)	**(1)**	1	(5)
Net profit on disposal of intangible assets	**–**	–	(47)
– Subsidiaries (IAS 38)	**–**	–	(47)
Profit on disposal of subsidiary (IFRS 10)	**–**	(277)	(130)
Net (profit)/loss on dilution of investment in joint venture (IAS 28)	**(28)**	–	349
Net impairment loss on property, plant and equipment and intangible assets (IAS 36)	**2 786**	265	205
Impairment of goodwill (IAS 36)	**2 631**	604	873
Realisation of deferred gain on disposal of non-current assets held for sale (IFRS 5)	**(13)**	(18)	(31)
Profit on derecognition of equity-accounted investment (IAS 28)	**(6 017)**	–	–
Total tax effects of adjustments	**(157)**	1	(10)
Total non-controlling interest effect of adjustments	**(486)**	(2)	(3)
Basic headline earnings/(loss)	**3 902**	(4 931)	(1 409)
Earnings/(loss) per share (cents)			
– Basic	**290**	(301)	(144)
– Basic headline	**217**	(271)	(77)
Diluted earnings/(loss) per share (cents)			
– Diluted	**283**	(301)	(144)
– Diluted headline	**212**	(271)	(77)

13. FINANCIAL INSTRUMENTS

Financial instruments at amortised cost

The Group has not disclosed the fair values of financial instruments measured at amortised cost except for the borrowings and the loan set out below, as their carrying amounts closely approximate their fair values.

Listed long-term borrowings

The Group has listed long-term fixed interest rate senior unsecured notes in issue which were issued in prior years, with a carrying amount of R23 117 million at 30 June 2017 (June 2016: R11 031 million, December 2016: R24 059 million) and a fair value of R23 036 million (June 2016: R10 731 million December 2016: R23 179 million). The fair values of these instruments are determined by reference to quoted prices in the Irish bond market. The market for these bonds is not liquid and consequently the fair value measurement is categorised within level 2 of the fair value hierarchy.

Loan to Nigeria Tower InterCo B.V.

The Group has a loan to INT with a carrying amount of R2 864 million (June 2016: R2 877 million, December 2016: R2 863 million) and a fair value of R2 982 million (June 2016: R3 373 million, December 2016: R2 969 million). The fair value of this instrument is determined by a discounted cash flow analysis using a market-related interest rate. The fair value measurement is categorised within level 3 of the fair value hierarchy.

Financial instruments measured at fair value

The fair values of financial instruments measured at fair value are determined as follows:

Treasury bills

The fair value of these investments is determined by reference to published price quotations in an active market. The Group has classified treasury bills with a carrying amount of R293 million (June 2016: R121 million, December 2016: R282 million) as available for sale and with a carrying amount of R697 million (June 2016: R nil, December 2016: R669 million) as at fair value through profit or loss. The fair value of these investments is categorised within level 1 of the fair value hierarchy.

Fair value measurement of investment in IHS

Included in investments in the condensed consolidated statement of financial position is an equity investment in IHS Group at fair value of R24 859 million at 30 June 2017. As stated in note 7, the Group increased its interest in IHS Group during the period under review following an exchange of its 51% interest in Nigeria Tower InterCo B.V. Prior to the increase, the Group reported fair values of R11 240 million and R11 354 million at 31 December 2016 and 30 June 2016 respectively, for the investment classified as available for sale. The fair value at 30 June 2016 and 31 December 2016 was determined with reference to recent transactions between market participants, consequently the investment was previously categorised within level 2 of the fair value hierarchy. For 30 June 2017, the absence of transactions between market participants resulted in the fair value being determined using models considered to be appropriate by management. The fair value was calculated using an earnings multiple technique and was based on unobservable market inputs including tower industry earnings multiples of between 13x to 17x applied to MTN management estimates of earnings, less estimated net debt.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2017

13. FINANCIAL INSTRUMENTS continued

Fair value measurement of investment in IHS continued

Given the confidentiality restrictions in the shareholders' agreement with IHS Group, MTN does not have access to the IHS Group business plans or 2016 actual financial information. Any estimated earnings used to derive the existing fair value are therefore based solely on MTN management, market estimates and assumptions on financial growth, currency movements, costs and performance. The investment has therefore been transferred from level 2 to level 3 in the fair value hierarchy for the current reporting period. An increase of one in the low and high end of the multiple range would have resulted in an increase in the fair value of R1 014 million and a decrease of one in the low and high end of the multiple range would have resulted in a decrease in the fair value by R1 014 million as at 30 June 2017. An increase of R817 million (June 2016 and December 2016: R2 672 million) has been recognised for the period under review in other comprehensive income resulting from the change in fair value.

Reconciliation of level 3 financial assets

The table below sets out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 3):

Balance at 1 January 2016	**9 707**
Transfers to level 2 (IHS)	**(9 250)**
Acquisitions	**61**
Foreign exchange differences	**(138)**
Balance at 1 January 2017	**380**
Transfers from level 2 (IHS)	**11 240**
Acquisitions	**143**
Exchange right exercise	**13 767**
Gain on available-for-sale investment	**817**
Foreign exchange differences	**(981)**
Balance at 30 June 2017	**25 366**

Notes to the condensed consolidated interim financial statements continued

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	Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
14. AUTHORISED COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND SOFTWARE	**20 924**	18 267	34 753
– Contracted	**12 046**	9 292	11 458
– Not contracted	**8 878**	8 975	23 295
15. INTEREST-BEARING LIABILITIES			
Bank overdrafts	**189**	18	–
Current borrowings	**17 721**	17 739	19 635
Current liabilities	**17 910**	17 757	19 635
Non-current borrowings	**66 935**	64 190	67 319
	84 845	81 947	86 954

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2017

16. ISSUE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

MTN Holdings raised R2,1 billion (June 2016: R9,7 billion, December 2016: R18,1 billion) additional debt through syndicated loan facilities, R4,1 billion (June 2016: R2 billion, December 2016: R2 billion) on general banking facilities and R757 million (June 2016: R2 billion, December 2016: R2,1 billion) through the Domestic Medium Term Programme.

MTN Holdings repaid R2,0 billion (June 2016: R800 million, December 2016: R7,4 billion) of the syndicated loan facility, R3,2 billion (June 2016: R1,2 billion, December 2016: R2,9 billion) of general banking facilities and R746 million (June 2016: R nil, December 2016: R154 million) of the Domestic Medium Term Programme.

MTN International (Mauritius) Limited (MTN Mauritius) raised R1,3 billion (June 2016: R3,5 billion, December 2016: R11,2 billion) and repaid R nil (June 2016: R837 million, December 2016: R12,9 billion) on a revolving credit facility.

MTN Nigeria Communications Limited raised R1,5 billion (June 2016: R nil, December 2016: R nil) long-term borrowings and repaid R2,1 billion (June 2016: R3,2 billion, December 2016: R5,4 billion).

Other borrowings raised and repaid across the Group amounted to R1,3 billion (June 2016: R6,8 billion, December 2016: R12 billion) and R4,1 billion (June 2016: R4,4 billion, December 2016: R8,4 billion), respectively.

During the second half of 2016, MTN (Mauritius) Investments Limited raised R14,2 billion debt through long-term fixed interest rate unsecured notes. These notes are listed on the Irish Stock Exchange.

Notes to the condensed consolidated interim financial statements continued

for the

		Six months ended 30 June 2017 Reviewed Rm	Six months ended 30 June 2016 Reviewed Rm	Financial year ended 31 December 2016 Audited Rm
17.	**CONTINGENT LIABILITIES**	**9 950**	1 308	8 127

Uncertain tax exposures

The Group operates in numerous tax jurisdictions and the Group's interpretation and application of the various tax rules applied in direct and indirect tax filings may result in disputes between the Group and the relevant tax authority. The outcome of such disputes may not be favourable to the Group. At period end there were a number of tax disputes ongoing in various of the Group's operating entities, the most significant of which relates to a transfer pricing dispute which the Group is contesting.

Legal disputes

The Group is involved in various legal disputes, the outcome of such disputes may not be favourable to the Group. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable, and has included contingent liabilities where considered possible but not probable.

		Six months ended 30 June 2017 Reviewed	Six months ended 30 June 2016 Reviewed	Financial year ended 31 Dec 2016 Audited	Six months ended 30 June 2017 Reviewed	Six months ended 30 June 2016 Reviewed	Financial year ended 31 Dec 2016 Audited
18. EXCHANGE RATES							
		Closing rates			Average rates		
United States dollar	USD	**0,08**	0,07	0,07	**0,08**	0,07	0,07
Nigerian naira	NGN	**24,92**	19,33	22,81	**23,91**	13,52	18,28
Iranian rial	IRR	**2 491,24**	2 081,00	2 355,36	**2 460,84**	1 984,95	2 119,83
Ghanaian cedi	GHS	**0,34**	0,26	0,31	**0,33**	0,25	0,27
Cameroon Communaute Financière Africaine franc	XAF	**44,38**	40,46	45,34	**45,55**	38,79	40,23
Côte d'Ivoire Communaute Financière Africaine franc	CFA	**44,29**	40,46	45,56	**45,63**	39,18	40,55
Ugandan shilling	UGX	**275,23**	232,12	261,73	**270,40**	220,40	232,52
Syrian pound	SYP	**39,67**	33,06	37,71	**38,87**	27,41	32,41
Sudanese pound	SDG	**0,51**	0,42	0,48	**0,50**	0,40	0,43

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2017

18. EXCHANGE RATES continued

The Group's functional and presentation currency is rand. The strengthening of the closing rate of the rand against the functional currencies of the Group's largest operations contributed to the decrease in the consolidated assets and liabilities and the resulting foreign currency translation reserve (FCTR) reduction of R3 866 million (June 2016: R11 077 million, December 2016: R22 907 million) for the current period. Following the exercise of the exchange rights in INT Towers Limited (note 7), a foreign currency translation loss of R3 298 million was released to the condensed consolidated income statement.

Net investment hedges

During 2016 and for the period ended 30 June 2017, the Group hedged a designated portion of its dollar net assets in MTN (Dubai) Limited (MTN Dubai) for forex exposure arising between the USD and ZAR as part of the Group's risk management objectives. The Group designated external borrowings (Eurobonds) denominated in USD held by MTN Mauritius with a value of R23 billion (December 2016: R23,1 billion) and external borrowings denominated in USD held by MTN Nigeria Communications Limited with a value of R3,5 billion (December 2016: R4,5 billion) as hedging instruments. For the period of the hedge relationship, foreign exchange movements on these hedging instruments are recognised in other comprehensive income as part of the foreign currency translation reserve (FCTR), offsetting the exchange differences recognised in other comprehensive income, arising on translation of the designated dollar net assets of MTN Dubai to ZAR. The cumulative forex movement recognised in other comprehensive income will only be reclassified to profit or loss upon loss of control over MTN Dubai. There was no hedge ineffectiveness recognised in profit or loss during the current or prior period.

Nigerian exchange rate

On 24 April 2017, a new quoted exchange rate window was established in Nigeria, the Nigerian Autonomous Foreign Exchange Fixing (NAFEX). For the current reporting cycle, due to the short time period that has elapsed between the introduction of this rate and period end, the Group has exercised judgement in determining the most appropriate rate to be used to convert foreign denominated balances at period end in Nigeria, and concluded to continue using the Interbank exchange rate for purposes of its interim results. The Group will monitor the market liquidity in these quoted rates going forward in assessing the most appropriate rate at which foreign denominated transactions and balances are to be translated for reporting purposes. The Interbank exchange rate quoted was N325,00:USD1 and the exchange rate quoted in the NAFEX window was approximately N366,41:USD1 as at 30 June 2017.

19. RELATED PARTY TRANSACTIONS

Transactions between members of the Group

Scancom Limited (MTN Ghana) entered into operating lease agreements with Ghana Tower InterCo B.V. The expense recorded amounted to R348 million for the six months ended 30 June 2017 (June 2016: R313 million, December 2016: R532 million). The rental amounts escalate every year by inflation and the initial term is 10 years, followed by four times five-year renewal periods.

MTN Uganda Limited entered into operating lease agreements with Uganda Tower InterCo B.V. The expense recorded amounted to R232 million for the six months ended 30 June 2017 (December 2016: R432 million; June 2016: R244 million). The rental amounts escalate every year by inflation and the initial term is 10 years, followed by four times five-year renewal periods.

MTN Nigeria Communications Limited entered into operating lease agreements with INT Towers Limited, a wholly owned subsidiary of Nigeria Tower InterCo B.V, which are considered related parties up to the date of exercise of the exchange right (note 7). The expense recorded from the beginning of the current reporting period to the date of the exercise of the exchange right (note 7) amounted to R464 million (December 2016: R4 254 million; June 2016: R2 502 million). The initial term is 10 years (extended to 15 years in 2016), followed by four times five-year renewal periods.

20. EVENTS AFTER REPORTING PERIOD

Bonds issued and repaid

Subsequent to the end of the reporting period the Group issued two variable rate bonds totalling R2,5 billion under its domestic medium term note (DMTN) programme. Both bonds were issued on 13 July 2017, R1,5 billion bearing interest at three-month JIBAR plus 1,8% maturing on 13 July 2020; and R1 billion bearing interest at three-month JIBAR plus 2% maturing on 13 July 2022.

On the same date, notes previously issued under the DMTN programme amounting to R1,25 billion matured and were settled.

Dividends declared

Dividends declared at the board meeting held on 2 August 2017 amounted to 250 cents per share.

Administration

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

Board of directors
PF Nhleko**
RA Shuter#*
RT Mupita*
PB Hanratty$***
A Harper#***
KP Kalyan***
S Kheradpir††***
NP Mageza***
MLD Marole***
AT Mikati†**
SP Miller^***
KC Ramon***
NL Sowazi***
AF van Biljon***
J van Rooyen***

†† American
† Lebanese
# British
$ Irish
^ Belgian
* Executive
** Non-executive
*** Independent non-executive director

Group secretary
SB Mtshali
Private Bag X9955, Cresta, 2118

Registered office
216 – 14th Avenue, Fairland, 2195

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

Depository
The Bank of New York
101 Barclay Street, New York NY. 10286, USA

MTN Group sharecare line
Toll free: 0800 202 360 or +27 11 870 8206
if phoning from outside South Africa

Office of the Transfer Secretaries
Computershare Investor Services Proprietary Limited
Registration number 2004/003647/07
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107

Joint auditors
PricewaterhouseCoopers Inc.
2 Eglin Road, Sunninghill, 2157
Private Bag X36, Sunninghill, 2157

SizweNtsalubaGobodo Inc.
20 Morris Street East
Woodmead, 2157
PO Box 2939, Saxonwold, 2132

Sponsor
Deutsche Securities (SA) Proprietary Limited
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E-mail: investor_relations@mtn.co.za
Internet: http://www.mtn.com

02

MTN Group Limited

Results presentation for the six months ended 30 June 2017

MTN Group Limited

Results presentation for the six months ended 30 June 2017

Notes

Disclaimer

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This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

RESULTS PRESENTATION

Notes

Agenda

1 Strategic and operational review

2 Financial overview

3 2017 focus areas and guidance

3

Notes

Priorities over the last 5 months

1. Key appointments and staff engagement
2. Spending time in the markets with customers and stakeholders
3. Understanding our business
   - key commercial information such as subscriber definitions
4. Broad engagement on our strategy and future plans
5. Operational governance including risk and issues management

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RESULTS PRESENTATION

Notes

Demographic trends | *underpinning growth across our markets*

2016 ⟶ **2020**

Population growth#

+ 45m to 700m

Consumption per capita growth (USD)##

+ 40 to 1 243

Data subscribers growth###

+ 200m to 500m

Digital subscribers growth###

+ 150m to 250m

 # Population across MTN markets
Private consumption per capita is real private consumption at PPP rates with 2005 base year divided by population for all of MTN's markets except South Sudan (no data available)
MTN market size estimates
SOURCE: IHS World Market Monitor; EIU; WCIS; OVUM; Delta Partners analysis; Kable analysis; McKinsey analysis and MTN analysis

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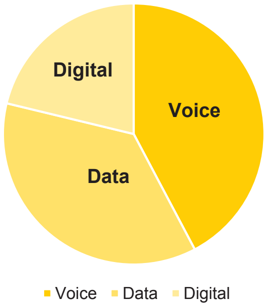
Notes

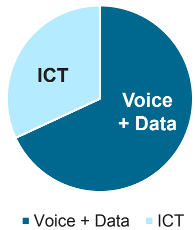
Data, digital and Enterprise | *key drivers for growth*

Predicted revenue pools across MTN markets in 2020

Consumer – R575bn



Enterprise - R210bn



Wholesale - R30bn

Markets included for Consumer – 22 OPCO markets
Markets included for Enterprise – 8 markets - SA, Nigeria, Iran, Ghana, Uganda, Ivory Coast and Kenya
Markets included for Wholesale – 24 countries with MTN footprint in MEA (Incl. SA, Nigeria, Iran)
SOURCE : Analysys Mason; Ovum, Telegeography, Delta Partners analysis; McKinsey Analysis

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RESULTS PRESENTATION

Notes

MTN is well placed | *to capture growth*

Leading emerging markets operator with

232 million
subscribers

18 million
active mobile money customers

72 million
active data users

#Largest market share in **14** countries

Broad range of **innovative products and services**
- Digital
- Consumer
- Enterprise
- Financial services

Extensive quality infrastructure: 25 countries across **Africa and the Middle East**

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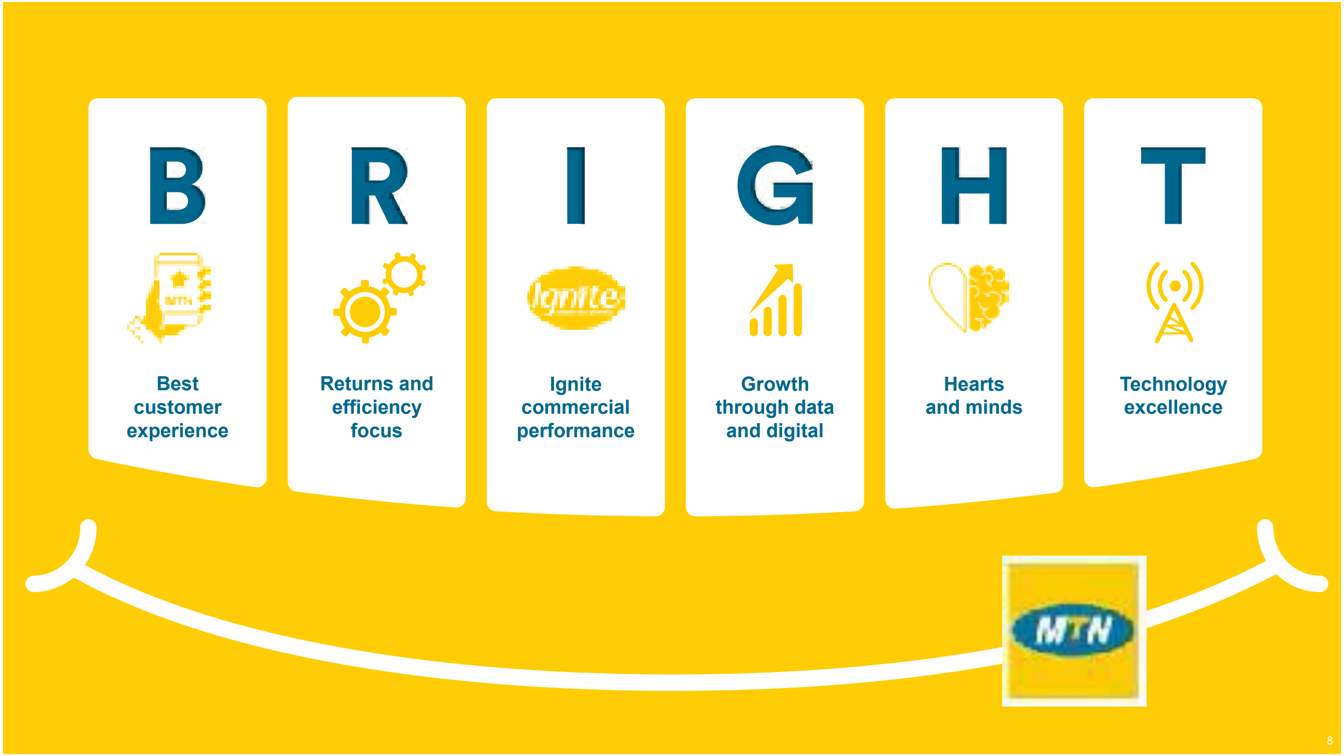
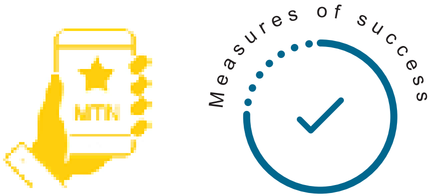
Notes



RESULTS PRESENTATION

Notes

Best customer experience



- *NPS leader*
- *Churn reduction*
- *Market share gains*

	South Africa	Nigeria	Iran	Uganda	Ghana	Cameroon	Ivory Coast
NPS score	75%	13%	33%	22%	29%	-4%	27%
NPS ranking	#2	#3	#1	#2	#4	#3	#1

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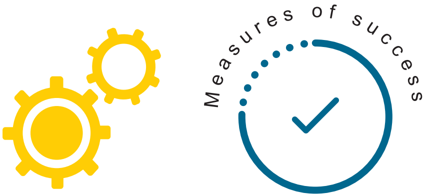
Notes

Returns and efficiency focus

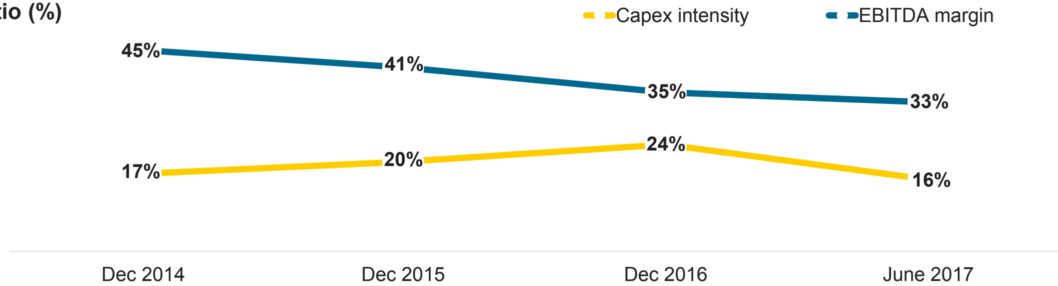


Return on invested capital

Total shareholder returns

Adjusted free cash flow yield

Cash Ratio (%)



RESULTS PRESENTATION

Notes

Ignite commercial performance

Ignite

Measures of success

- *Subscriber growth*
- *#1 or #2 in every market and segment*
- *Revenue share and EBITDA growth*

	South Africa	Nigeria	Iran	Uganda	Ghana	Cameroon	Ivory Coast
Net adds ('000)	451	- 8 876	1 416	610	- 1 992	- 329	1 534
Market position	#2	#1	#2	#1	#1	#1	#2

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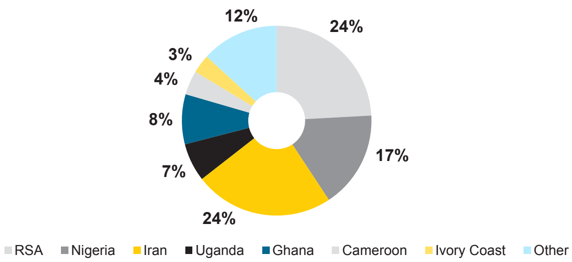
Notes

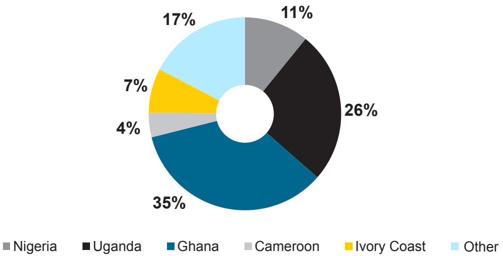
Growth through data and digital

- *Growth in data subscribers*
- *Growth in digital subscribers*
- *Sales and service through digital channels*

Active data users 72 million



Active mobile money (MoMo) customers up 18% to 18 million



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RESULTS PRESENTATION

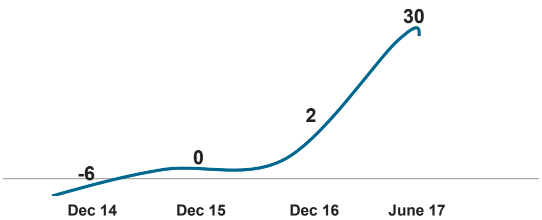
Notes

Hearts and minds

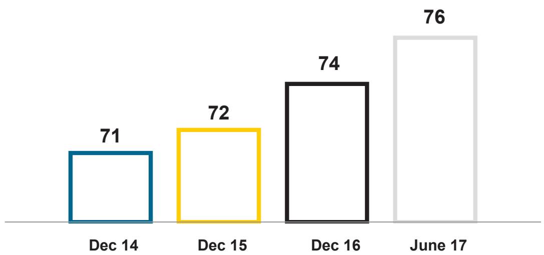
- *Employee NPS leader*
- *Culture survey score*
- *Reputation survey score*

Employee NPS (%)

Q: How likely are you to recommend MTN as a place to work?



Employee engagement global culture survey (%)



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Notes

Technology excellence

- *#1 network NPS*
- *Error free billing and charging*
- *Quality data sessions*

Market	South Africa	Nigeria	Iran	Uganda	Ghana	Cameroon	Ivory Coast	Total sites rolled out
Network NPS	# 2	#1	#1	#1	#1	#2	#2	
2G and 3G drop call ratio	↓	→	↓	↓	↓	↓	↓	3G: 4 404
3G and 4G pop coverage %	↑	↑	↑	↑	↑	↑	↑	4G: 3 478

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RESULTS PRESENTATION

Notes

Key performance metrics

+ 6.7%*

Group revenue

R64 315m

+ 7.5%*

Group service revenue

R60 003m

+ 31.9%*

Group data revenue

R13 952m

+ 24.7%*

Group digital revenue

R6 460m

- 3.1%*

Group EBITDA

R21 179m

R10.3bn**

Group capital expenditure

16.0% of revenue

- 2.7%*

AFCF

R10 874m

+ 18,6%***

HEPS

217 cents**

Interim dividend of 250 cents per share

**Constant currency view is shown and is adjusted for hyperinflation, tower profits and Nigeria fine impact*
*** Reported*
**** Reported excluding the Nigeria regulatory fine*

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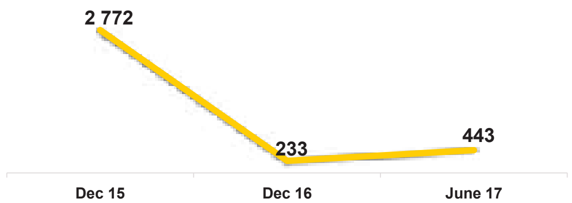
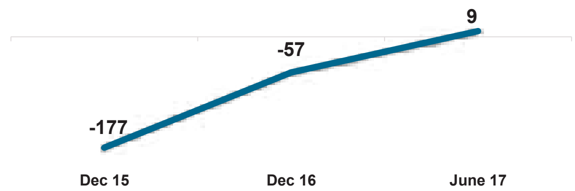
Notes

South Africa | *supported by prepaid growth*

Prepaid net adds ('000)



Postpaid net adds (including telemetry) ('000)



Improved data network quality

Data revenue
+ 18,5%'

829#
3G sites rolled out

1 316#
4G sites rolled out

'South African operation is shown on an organic basis
Live sites

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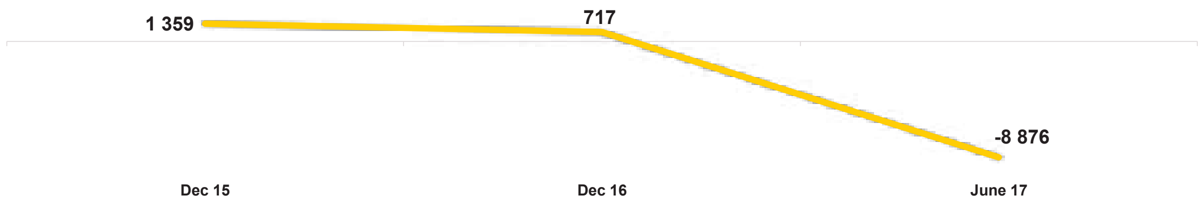
RESULTS PRESENTATION

Notes

Nigeria | *focus on healthy growth*

Net adds ('000)



Data revenue
+ 70,4%*

633#
3G sites rolled out

309#
4G sites rolled out

Active MoMo customers up 23% to 1,9 million

*Constant currency
Live sites

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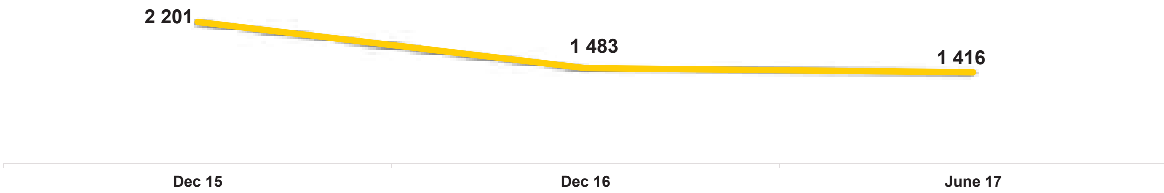
Notes

Iran | *consistent execution*

Net adds ('000)



Data revenue
+ 67,7%*

1 329#
3G sites rolled out

1 153#
4G sites rolled out

Data subscribers up 8.3% to 28.0 million

**Constant currency*
 # Live sites

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RESULTS PRESENTATION

Notes

Financial overview

Notes

Significant items impacting results

1 **Local currencies weaker against the Rand and US Dollar**
- Reported growth rates lower than constant currency
- Nigeria network opex higher, impacting margins

2 **Once-off items impacting basic earnings**
- Positive: IHS exchange profit (R6bn)
- Negative: Impairments of goodwill (R2.6bn) and assets (R2.8bn)

3 **Non-operational items impacting headline earnings**
- Nigeria fine interest unwind
- Foreign exchange losses

4 **Disposal of Afrihost by MTN SA in prior year**
- Reported growth rates lower than normalised

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RESULTS PRESENTATION

Notes

Group income statement

Solid constant currency revenue growth

ZAR (million)	***H1-17***	*H1-16*	*% change reported*	*% change normalised*
Revenue	64 386	79 115	(18.6)	6.7
Service revenue	60 073	74 403	(19.3)	7.5
Expenses	46 077	60 600	(24.0)	11.9
Other income	6 090	367	NM	
EBITDA	**24 399**	***18 882***	***29.2***	***(3.1)***
Depreciation, amortisation and impairment of goodwill	14 374	13 691	5.0	
Net finance cost	3 457	5 945	(41.9)	
Share of results from associates and JV's	602	(1 692)	135.6	
Monetary gain	67	919		
Profit before tax	**7 237**	***(1 527)***	***574.0***	
Income tax expense	2 312	4 726	(51.1)	
Profit after tax	**4 925**	***(6 253)***	***178.8***	
Non-controlling interests	(282)	(764)	(63.1)	
Attributable profit	**5 207**	***(5 489)***	***194.9***	
EPS (cents)	290	(301)	NM	
HEPS (cents)	217	(271)	NM	
DPS (cents)	250	250	-	

Normalised view is represented by constant currency and is adjusted for hyperinflation, tower profits and Nigeria fine impact

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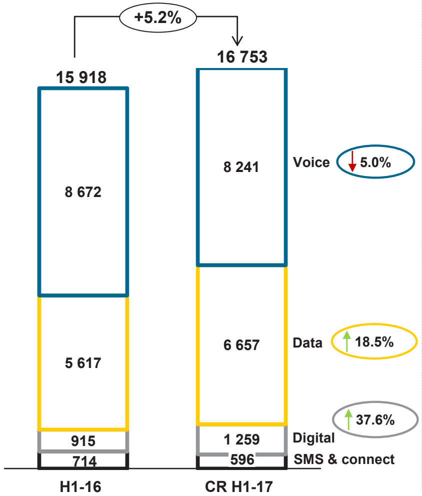
Notes

South Africa*

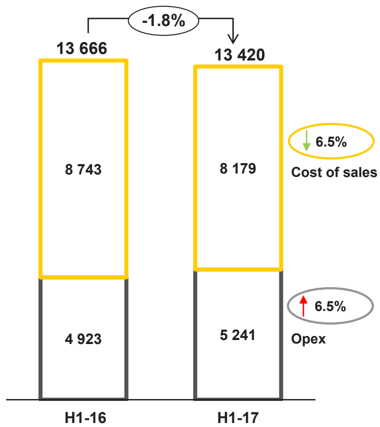
Investment in the network supporting service revenue growth

ZAR (million)

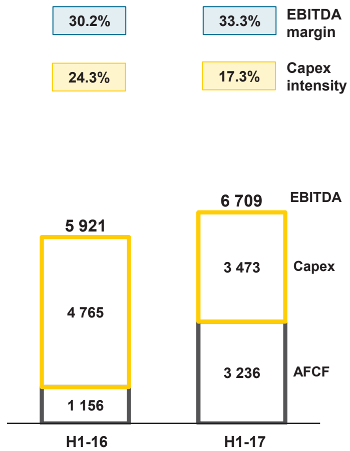
Service revenue



Expenses



EBITDA and Capex



*South Africa is shown on an organic basis

Capex intensity = Capex/ Total revenue
AFCF = EBITDA - Capex

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Notes

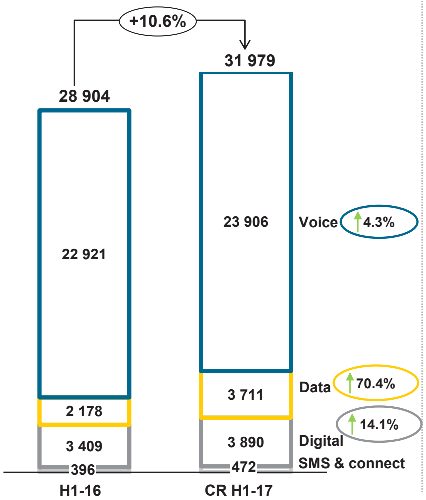
RESULTS PRESENTATION

Nigeria

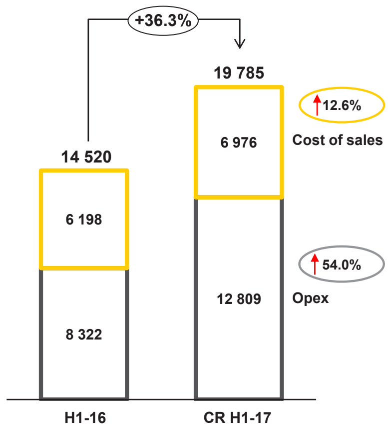
Solid service revenue growth in tough market

ZAR (million) Constant currency

Service revenue

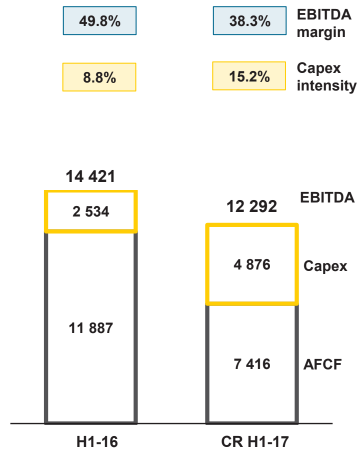


Expenses



H1-16 excludes the impact of the Nigeria fine

EBITDA and Capex



Capex intensity = Capex/ Total revenue
AFCF = EBITDA – Capex
H1-16 excludes the impact of the Nigeria fine

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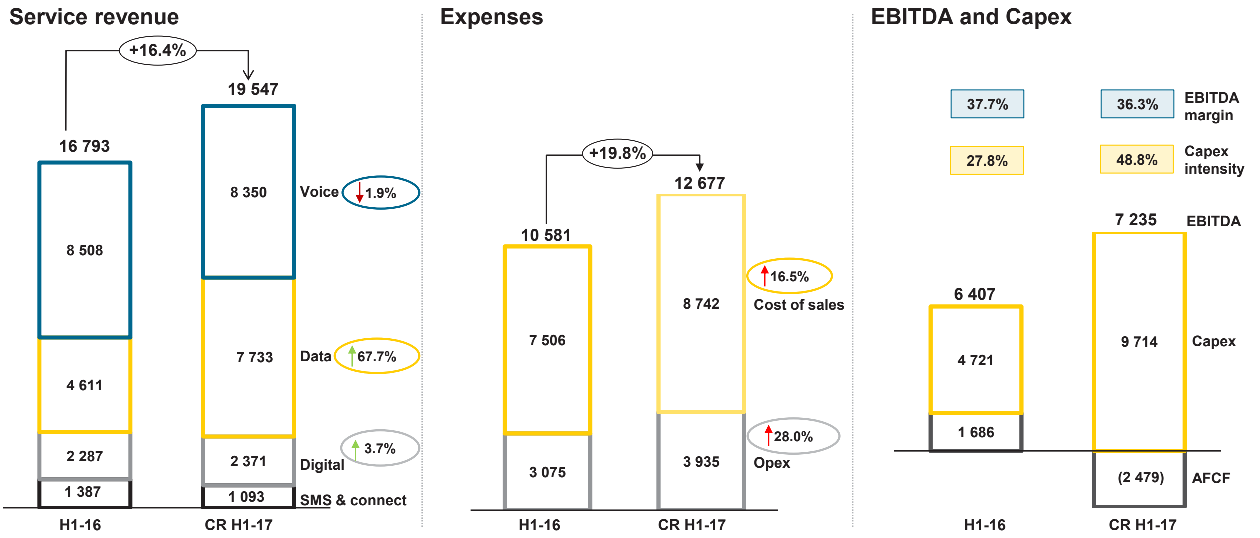
Notes

Iran 100%

Consistent performance supported by strong data growth

ZAR (million) Constant currency and excluding hyperinflation



Capex intensity = Capex/ Total revenue
AFCF = EBITDA - Capex

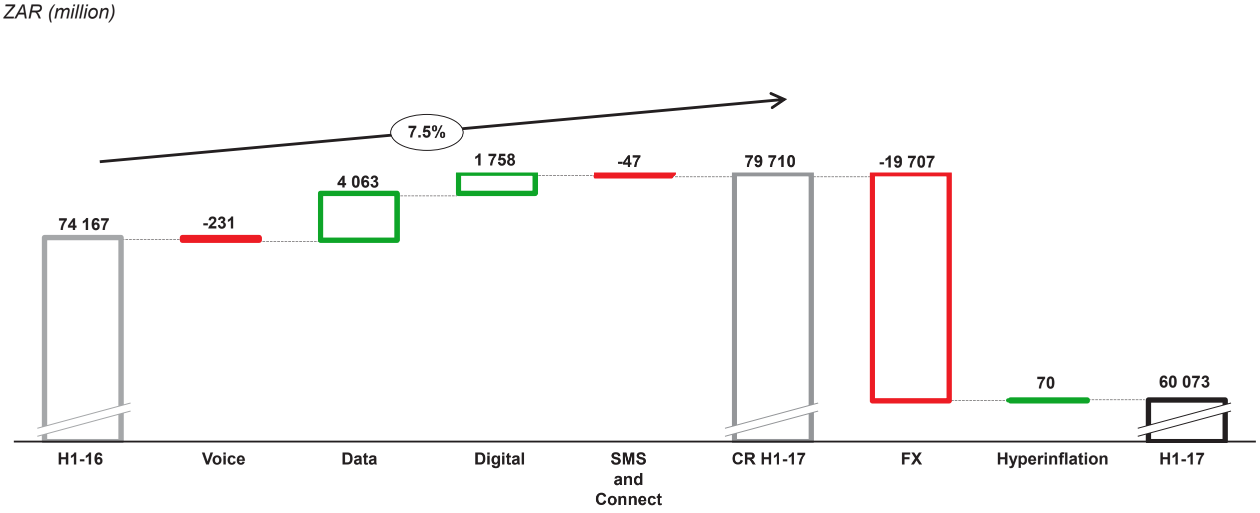
24

RESULTS PRESENTATION

Notes

Group service revenue

Data and digital revenue driving service revenue growth



CR H1-17 shows constant currency
H1-16 excludes hyperinflation

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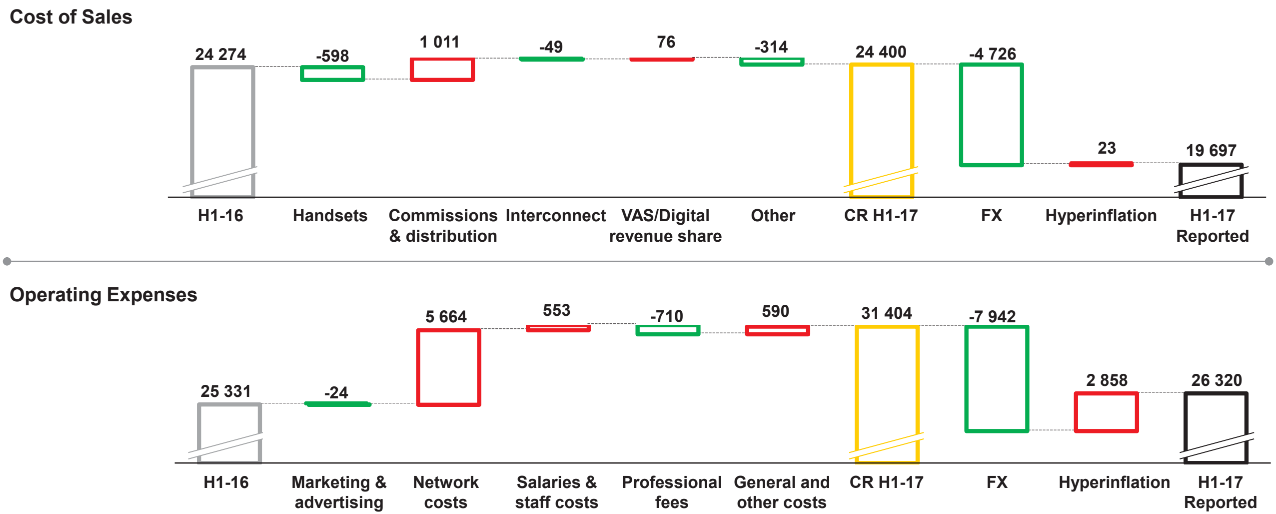
Notes

Expenses

Network costs key driver of expenses due to 3G/4G roll-out and TowerCo costs

ZAR (million)



CR H1-17 shows constant currency
H1-16 excludes hyperinflation and the Nigeria fine

26

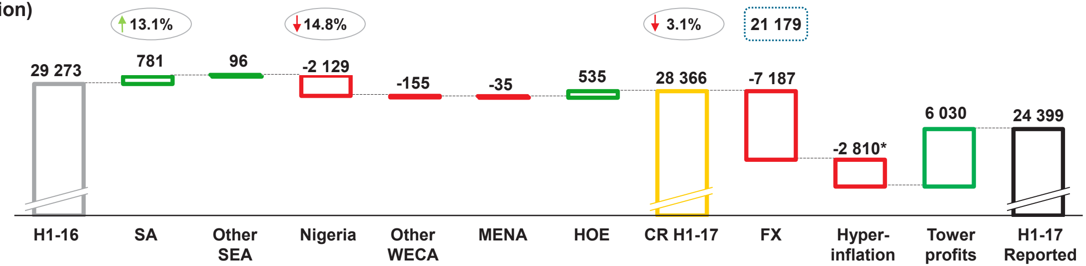
RESULTS PRESENTATION

Notes

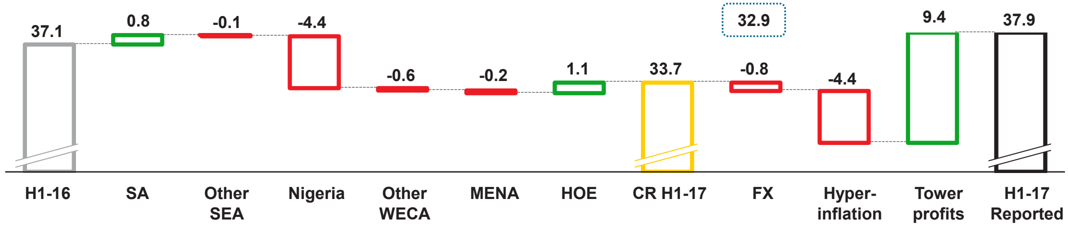
EBITDA

Depreciation of local currencies key margin driver

EBITDA ZAR (million)



EBITDA margin (%)



Normalised view excluding hyperinflation and tower profits

CR H1-17 Represents constant currency

H1-16 Excludes hyperinflation (R90m), tower profit (R18m) Nigeria fine impact (-R10 499m)

**Hyperinflation impact on EBITDA mainly relates to impairments of PPE and Intangibles amounting to R1.1bn on Syria and R1.7bn on Sudan*

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Notes

Finance costs

Lower forex losses and change in debt mix support lower finance costs

ZAR (million)	***H1-17***	*H1-16*
Net interest paid	1 410	1 861
Interest unwind on Nigeria fine	537	452
Net forex losses/(gains)	1 510	3 632
Net finance cost	***3 457***	***5 945***

	H1-17	*H1-16*
Cash and cash equivalents	(32 508)	(32 690)
Interest bearing liabilities	84 845	81 947
Net debt/(cash)	***52 337***	***49 257***

	H1-17	*H1-16*
Average cost of debt*	7.6%	9.1%
Net debt / normalised EBITDA*	1.2	0.8

Cash and cash equivalents includes restricted cash and current investments
Interest bearing liabilities includes a foreign currency translation decrease of R2 611m since Dec-16
Normalised EBITDA is adjusted for hyperinflation and tower profits
**Annualised cost of debt and EBITDA is applied*

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RESULTS PRESENTATION

Notes

Share of results of joint ventures & associates

Positive contribution despite lower profits in Iran & weak Rial

ZAR (million)	***H1-17***	*H1-16*	*Change %*
Iran	**1 314**	**1 975**	**(33.5)**
Tower companies	**(50)**	**(2 480)**	**98.0**
Digital Group	**(368)**	**(494)**	**25.5**
- AIH	(197)	(370)	46.8
- MEIH	(81)	(69)	(17.4)
- IME	(90)	(55)	(63.6)
Other	**346**	**346**	**0.0**
Share of results of joint ventures and associates after tax excluding hyperinflation	***1 242***	***(653)***	***290.2***
Hyperinflation – Iran (Depreciation of assets written up)	(640)	(1 039)	38.4
Reported share of results of joint ventures and associates after tax	***602***	***(1 692)***	***135.6***

Nigeria tower company disposed as part of the exchange right exercised to acquire a larger shareholding in IHS Holdings.
Tower companies 2016 results include forex losses of R2 282m resulting from the devaluation of the Naira

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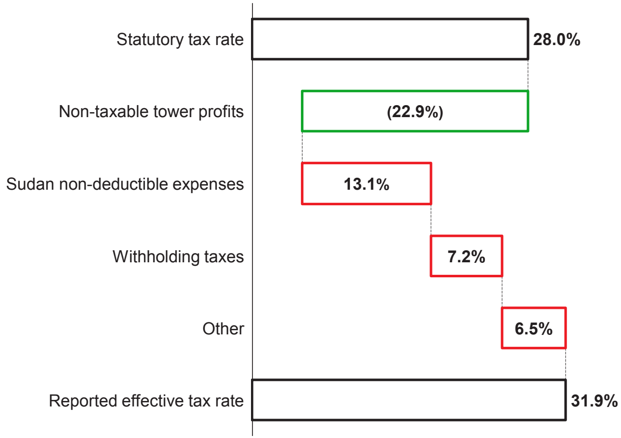
Notes

Taxation

Tower profits and non-deductible expenses in Sudan impacting effective tax rate

Reconciliation to corporate tax rate



Reported tax

ZAR (million)	***H1-17***	*H1-16*	*Change %*
Normal tax	2 464	5 666	(56.5)
Deferred tax	(687)	(1 545)	(55.5)
Foreign taxes	535	605	(11.6)
Total	***2 312***	***4 726***	***(51.1)***
Effective tax rate	31.9%		

RESULTS PRESENTATION

Notes

Headline earnings per share

Impacted by non-operational items

Reconciliation

ZAR (cents)	***H1-17***	*H1-16*	*Change %*
Basic attributable earnings/(loss) per share	***290***	***(301)***	***NM***
Profit on disposal of non-current assets (including tower profits)	*(1)*	*(2)*	*(50.0)*
Profit on dilution of investment in joint venture	*(2)*	*(15)*	*(86.7)*
Impairment of goodwill, PPE and non-current assets	*265*	*47*	*NM*
Profit on exercise of exchange right	*(335)*	*-*	*(100.0)*
Basic headline earnings/(loss) per share	***217***	***(271)***	***NM***
Nigeria regulatory fine	*-*	*454*	*(100.0)*
Basic headline earnings per share (excluding Nigeria regulatory fine)	***217***	***183***	***18.6***
Nigeria fine interest unwind	*24*	*20*	*20.0*
Hyperinflation (excluding impairments)	*42*	*20*	*NM*
Impact of foreign exchange losses and gains	*70*	*135*	*(48.1)*
Basic headline earnings per share (operational)	***353***	***358***	***(1.4)***

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Notes

Statement of financial position

ZAR strengthening impacting balance sheet. Net debt stable

ZAR (million)	***H1-17***	*H2-16*	*Movement %*
Property, plant and equipment	90 652	95 633	(5.2)
Goodwill and other intangible assets	40 305	46 473	(13.3)
Other non-current assets	55 680	46 983	18.5
Cash	23 351	27 375	(14.7)
Current assets	45 991	52 236	(12.0)
Total assets	***255 979***	***268 700***	***(4.7)***
Total equity	***102 894***	***105 231***	***(2.2)***
Interest bearing liabilities	84 845	86 954	(2.4)
Other liabilities	68 240	76 515	(10.8)
Total liabilities	***153 085***	***163 469***	***(6.4)***
Total equity and liabilities	***255 979***	***268 700***	***(4.7)***
Net debt	*52 337*	*51 902*	*0.8*

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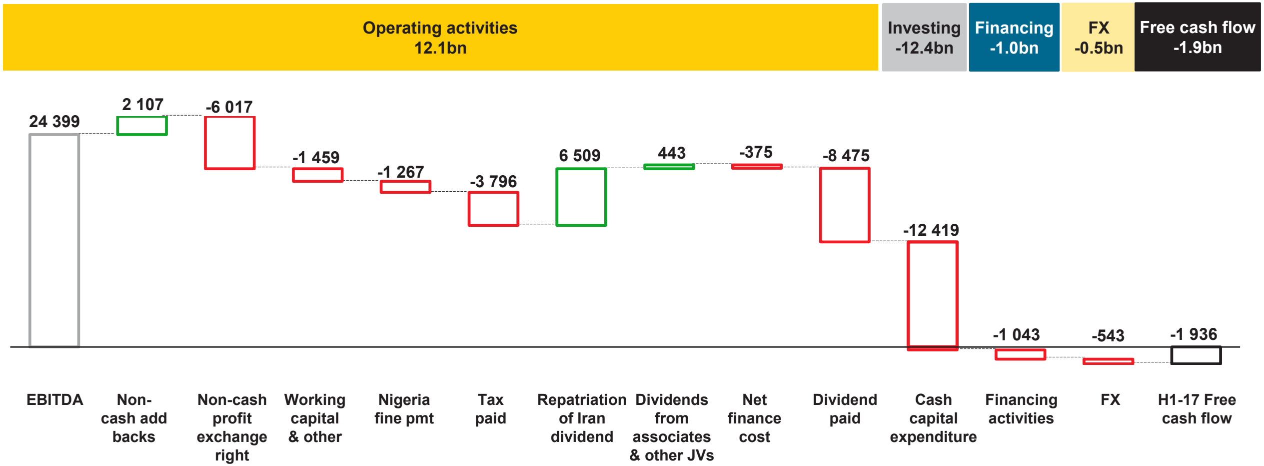
RESULTS PRESENTATION

Notes

Cash flow

Further Iran repatriation in Q1; continued investment in the network



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Notes

2017 focus areas and guidance

RESULTS PRESENTATION

Notes

2017 guidance

Key focus area	FY-17 Guidance		
Service Revenue Growth	Mid single digit growth YoY	✔	**Guidance reaffirmed**
EBITDA Margin	Up 0.5% to 1.0%	✔	
Revenue Growth	Upper single digit YoY	✔	
CAPEX	Estimate for 2017 - R30.0bn		*Revised from 34bn*
Dividends	FY2017 700cps		

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Notes

2017 focus areas

Entrench BRIGHT

- Deliver on the IGNITE programme
- Enable practical customer experience programme
- Implement dual data strategy
- Accelerate Enterprise
- Rapidly scale MoMo

Complete investment programme

- Improve network quality (voice/data)
- Increase 3G population coverage
- Refresh IT plans

Medium term financial plans

- Review longer term return and capex profile and;
- Gearing and dividend policy

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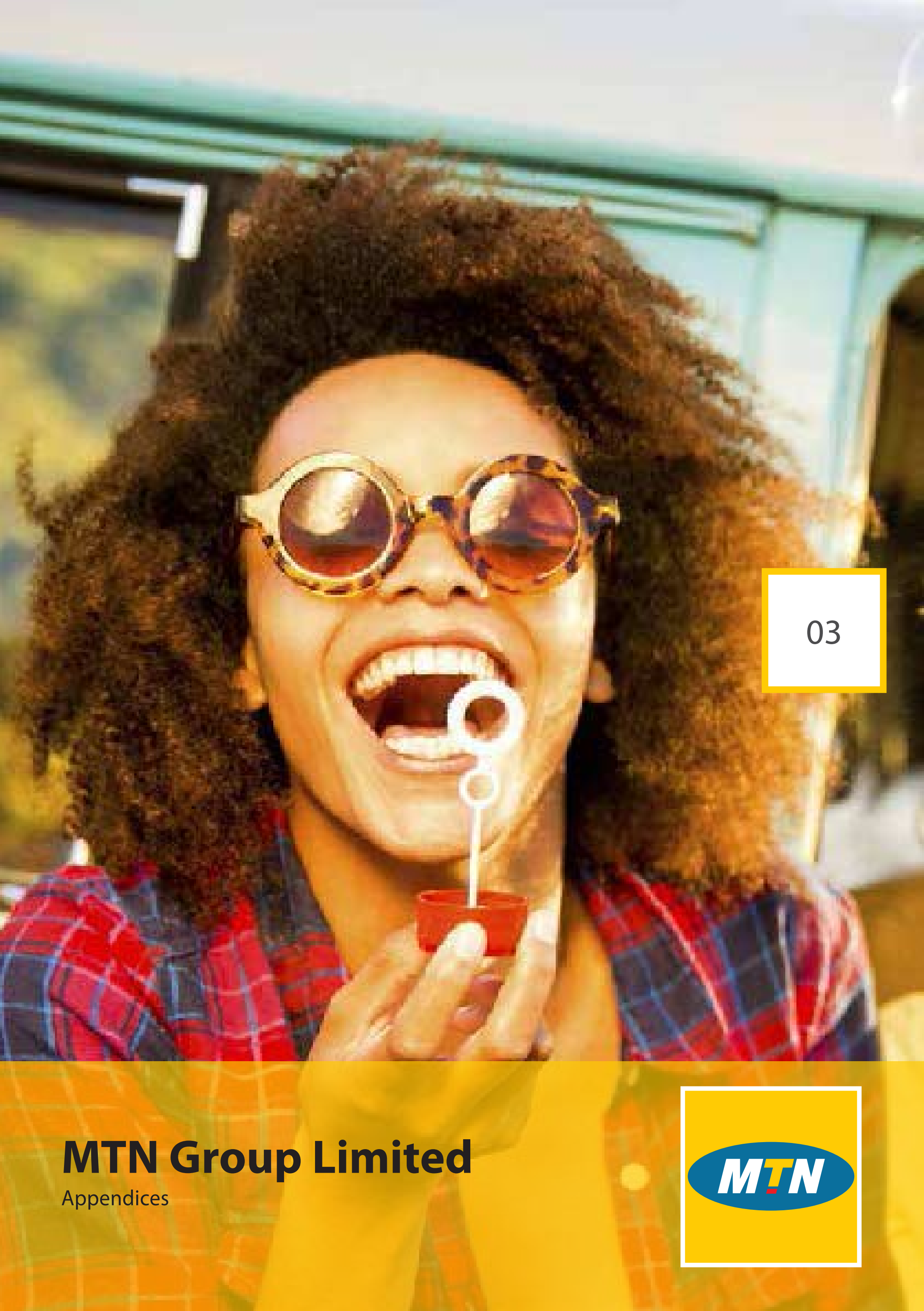
RESULTS PRESENTATION

Notes

thank ***you***

everywhere you go

Notes



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MTN Group Limited

Appendices

Appendices

Notes

Income statement

Hyperinflation, tower profit and Nigeria regulatory fine impact

ZAR (million)	IFRS reported H1-17	Hyper-inflation	Tower profit	Nigeria regulatory fine	Operational 2017	IFRS reported H1-16	Hyper-inflation	Tower profit	Nigeria regulatory fine	Operational 2016	Adjusted change %
Revenue	64 386	71	-	-	64 315	79 115	237	-	-	78 878	(18.5)
Other income	6 090	-	6 030	-	60	367	-	18	-	349	(82.8)
EBITDA	***24 399***	***(2 810)***	***6 030***	***-***	***21 179***	***18 882***	***90***	***18***	***(10 499)***	***29 273***	***(27.7)***
Depreciation, amortisation and impairment of goodwill	14 374	722	-	-	13 652	13 691	77	-	-	13 614	0.3
Profit from operations	***10 025***	***(3 532)***	***6 030***	***-***	***7 257***	***5 191***	***13***	***18***	***(10 499)***	***15 659***	***(53.7)***
Net finance cost	3 457	(15)	-	537	2 935	5 945	32	-	452	5 461	(46.3)
Net monetary gain	67	67	-	-	-	919	919	-	-	-	-
Share of results of joint ventures and associates after tax	602	(640)	-	-	1 242	(1 692)	(1 039)	-	-	(653)	NM
Profit before/ (loss) tax	***7 237***	***(4 090)***	***6 030***	***(537)***	***5 834***	***(1 527)***	***(139)***	***18***	***(10 951)***	***9 545***	***(38.9)***
Income tax expense	2 312	(205)	-	-	2 517	4 726	32		-	4 694	(46.4)
Profit (loss) after tax	***4 925***	***(3 885)***	***6 030***	***(537)***	***3 317***	***(6 253)***	***(171)***	***18***	***(10 951)***	***4 851***	***(31.6)***
Non-controlling interests	(282)	(779)	-	(114)	611	(764)	204		(2 319)	1 351	(54.8)
Attributable profit (loss)	***5 207***	***(3 106)***	***6 030***	***(423)***	***2 706***	***(5 489)***	***(375)***	***18***	***(8 632)***	***3 500***	***(22.7)***
EBITDA margin	*37.9%*				*32.9%*	*23.9%*				*37.1%*	*(4.2)pp*
Effective tax rate	*31.9%*				*43.1%*	*(309.6%)*				*49.2%*	*(6.1)pp*

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APPENDICES

Notes

Share of results of joint ventures & associates

ZAR (million)	***H1-17***	*H1-16*	*Change %*
Telco joint ventures	***1 579***	***2 198***	***(28.2)***
Iran	1 314	1 975	(33.5)
Swaziland	53	50	6.0
Botswana	212	173	22.5
Tower companies	**(50)**	**(2 480)**	**98.0**
- Ghana	15	(17)	NM
- Uganda	(57)	*	(100.0)
- Nigeria◊	(8)	(2 463)	99.7
BICS	87	123	(29.3)
Share of results of telco joint ventures and associates after tax excluding hyperinflation	**1 616**	**(159)**	**NM**
Iran – Hyperinflation (2016: Depreciation of assets written up)	(640)	(1 039)	38.4
Share of results of telco joint ventures and associates after tax including hyperinflation	**976**	**(1 198)**	**NM**
Digital Group	**(368)**	**(494)**	**25.5**
- AIH	(197)	(370)	46.8
- MEIH	(81)	(69)	(17.4)
- IME	(90)	(55)	(63.6)
Ayo	(6)	-	(100.0)
Travelstart	*	-	-
Share of results of joint ventures and associates after tax	**602**	**(1 692)**	**NM**

◊Nigeria tower company disposed as part of the exchange right exercised to acquire a larger shareholding in IHS Holdings, 2016 includes forex losses of R2 282m resulting from the devaluation of the Naira
**Less than R1 m*

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Notes

Net debt

ZAR (million)	Cash and cash equivalents*	Net interest-bearing liabilities	**Net debt/(cash) H1-17**	Net debt/(cash) H2-16
South Africa and East Africa	***4 657***	***2 519***	***(2 138)***	***(476)***
South Africa	3 604	-	(3 604)	(2 023)
Uganda	36	1 391	1 355	1 385
Other	1 017	1 128	111	162
West and Central Africa	***15 213***	***19 309***	***4 096***	***3 098***
Nigeria	12 132	11 101	(1 031)	(1 107)
Ghana	89	189	100	24
Cameroon	892	2 647	1 755	1 257
Ivory Coast	572	3 035	2 463	2 070
Other	1 528	2 337	809	854
Middle East and North Africa	***2 913***	***1 421***	***(1 492)***	***(748)***
Head office and eliminations	***9 725***	***61 596***	***51 871***	***50 028***
Total	***32 508***	***84 845***	***52 337***	***51 902***
Iran (49%)	*2 194*	*952*	*(1 242)*	*(6 036)*

** Includes restricted cash and current investments*

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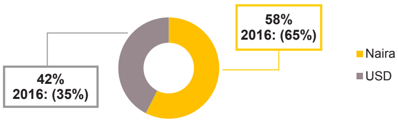
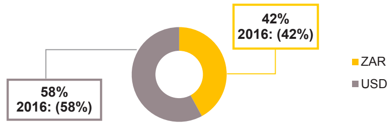
Notes

Net debt composition

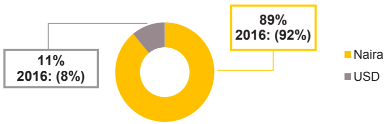
Nigeria borrowings
(%)



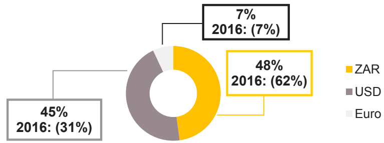
Head office borrowings
(%)



Nigeria cash
(%)



Head Office cash
(%)



Net debt composition ZAR (million)	***Total***	*Naira denominated*	*USD denominated*	*ZAR denominated*	*Euro denominated*
Nigeria borrowings	**11 101**	6 386	4 715	-	-
Nigeria cash	**12 132**	10 793	1 336	-	3
Head office borrowings	**61 596**	-	35 682	25 914	-
Head office cash	**9 725**	-	4 407	4 685	633

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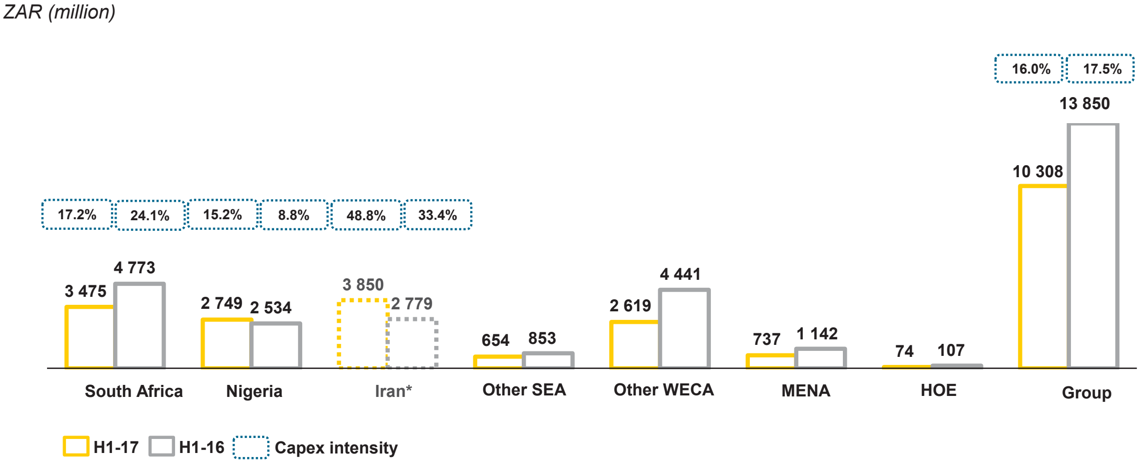
Notes

Capex

Capex expected to accelerate in H2-17



*Iran capex at 49% - equity accounted, not included in Group capex

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APPENDICES

Notes

Statement of cash flows

Lower cash generated from operations

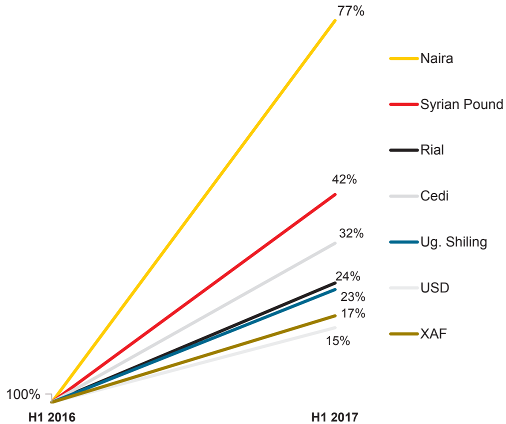
ZAR (million)	***H1-17***	*H1-16*	*Change %*
Cash generated from operations	17 763	23 870	(25.5)
Dividends paid to equity holders of the Company	(8 069)	(15 212)	47.0
Dividends paid to non-controlling interests	(406)	(790)	48.6
Dividends received from associates and joint ventures	6 952	426	NM
Net interest paid	(375)	(2 143)	82.5
Tax paid	(3 796)	(6 587)	42.4
Cash generated by operating activities	***12 069***	***(436)***	***NM***
Acquisition of property, plant and equipment and intangible assets	(12 419)	(14 024)	11.4
Movement in investments and other investing activities	(2 277)	(185)	NM
Cash used in investing activities	***(14 696)***	***(14 209)***	***(3.4)***
Cash by financing activities	***(1 043)***	***13 608***	***NM***
Cash movement	***(3 670)***	***(1 037)***	***NM***
Cash and cash equivalents at the beginning of the year	27 375	34 139	(19.8)
Effect of exchange rates and net monetary gain	(543)	(6 165)	(92.2)
Cash and cash equivalents at the end of the year	***23 162***	***26 937***	***(14.0)***

Notes

FX trends

Strong ZAR and weak Naira over the period under review

ZAR appreciation against local currencies
(YoY % change)



Average rates

ZAR : Local currency	***H1-17***	*H1-16*		*H1-17 vs H1-16 ZAR:LC strengthening/(weakening)*
Naira	**23.91**	13.52	↑	76.8
Rial	**2 460.84**	1 984.95	↑	24.0
Cedi	**0.33**	0.25	↑	32.0
Cameroon XAF	**45.55**	38.79	↑	17.4
Ivory Coast CFA	**45.63**	39.18	↑	16.5
Uganda shilling	**270.40**	220.40	↑	22.7
Syrian pound	**38.87**	27.41	↑	41.8
Sudanese pound	**0.50**	0.40	↑	25.0

USD : Local currency				*LC:USD strengthening/(weakening)*
ZAR	**13.30**	15.26	↑	14.7
Naira	**318.30**	205.83	↓	(35.3)
Rial	**32 735**	30 271	↓	(7.5)

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APPENDICES

Notes

FX trends

Closing rates

USD : Local currency	***H1-17***	*H1-16*	*H2-16*		*H1-17 vs H2-16 LC:USD strengthening/(weakening)*
ZAR	**13.04**	14.67	13.72	↑	5.2
Naira	**325.00**	283.50	312.94	↓	(3.7)
Rial	**32 495**	30 527	32 321	↓	(0.5)
Cedi	**4.39**	3.77	4.23	↓	(3.6)
Cameroon XAF	**578.92**	593.53	622.11	↑	7.5
Ivory Coast CFA	**577.77**	593.53	625.13	↑	8.2
Uganda shilling	**3 590.00**	3 405.00	3 591.50	↑	0.0
Syrian pound	**517.43**	485.00	517.43	↑	0.0
Sudanese pound	**6.68**	6.09	6.59	↓	(1.3)

ZAR: Local currency					*ZAR:LC strengthening/(weakening)*
Naira	**24.92**	19.33	22.81	↑	9.3
Rial	**2 491.24**	2 081.00	2 355.36	↑	5.8
Cedi	**0.34**	0.26	0.31	↑	9.7
Cameroon XAF	**44.38**	40.46	45.34	↓	(2.1)
Ivory Coast CFA	**44.29**	40.46	45.56	↓	(2.8)
Uganda shilling	**275.23**	232.12	261.73	↑	5.2
Syrian pound	**39.67**	33.06	37.71	↑	5.2
Sudanese pound	**0.51**	0.42	0.48	↑	6.3

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Notes

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MTN Group Limited

Data sheets

ARPU
(US dollar)

Country	1Q17	2Q17
SEA		
South Africa	6,34*	6,51
Uganda	2,11	2,06
Rwanda	1,74	2,03
Zambia	2,27	2,68
South Sudan	1,84	2,19
Botswana (joint venture)	6,17	6,70
Swaziland (joint venture)	7,75	7,72
WECA		
Nigeria	3,60	3,61
Ghana	2,87	3,67
Cameroon	2,98	3,17
Ivory Coast	4,33	4,35
Benin	5,30	5,09
Conakry	2,16	2,24
Congo B	6,51	7,43
Liberia	2,44	2,59
Bissau	3,48	4,62
MENA		
Iran (joint venture)	3,86	3,84
Syria	1,96	1,98
Sudan	3,59	3,76
Yemen	3,17	3,29
Afghanistan	1,52	1,72
Cyprus	17,10	20,07

**Restated to align with new definition*

1Q16	2Q16	3Q16	4Q16
5,29*	5,47*	6,31*	6,69*
2,49	2,25	2,23	2,30
2,01	1,93	1,95	1,87
2,45	2,63	2,82	2,60
2,06	1,50	1,24	1,95
5,45	5,67	6,33	6,74
5,60	6,11	7,41	7,77
5,40	5,09	3,38	3,52
3,13	3,19	3,23	3,27
3,37	3,29	3,36	3,38
4,55	4,63	4,76	4,51
5,94	5,95	5,87	5,92
1,70	1,83	2,06	2,02
8,22	8,66	8,01	7,35
3,73	3,51	3,34	3,45
3,24	4,11	3,94	3,52
3,73	3,99	4,02	3,94
2,09	1,80	2,16	2,02
2,83	2,90	3,12	3,41
4,10	3,71	3,69	3,24
1,92	1,84	2,01	1,92
18,51	19,33	19,68	17,53

ARPU
(Local currency)

Country	1Q17	2Q17
SEA		
South Africa	84,79*	85,24
Postpaid	147,05*	148,97
Postpaid (excluding telemetry)	264,52*	268,57
Prepaid	72,06*	72,32
Uganda	7 635,00	7 399,00
Rwanda	1 413,31	1 696,89
Zambia	21,80	24,54
South Sudan	198,44	257,39
Botswana (joint venture)	64,65	69,00
Swaziland (joint venture)	102,69	101,16
WECA		
Nigeria	1 131,00	1 171,00
Ghana	12,90	15,92
Cameroon	1 844,00	1 850,00
Ivory Coast	2 683,85	2 530,85
Benin	3 283,25	2 962,55
Conakry	19 926,34	20 093,59
Congo B	4 031,72	4 328,90
Liberia	2,44	2,59
Bissau	2 157,54	2 691,26
MENA		
Iran (joint venture)	128 907,00	134 721,00
Syria	1 013,91	1 024,15
Sudan	24,00	25,13
Yemen	793,79	824,79
Afghanistan	102,76	117,50
Cyprus	16,08	16,03

**Restated to align with new definition*

1Q16	2Q16	3Q16	4Q16
82,59*	81,42*	89,95*	92,11*
152,19*	149,73*	175,23*	162,14*
265,57*	263,97*	312,01*	290,88*
68,23*	67,15*	72,00*	77,54*
8 462,00	7 528,18	7 526,96	8 114,82
1 487,72	1 486,82	1 544,73	1 507,62
27,47	26,89	28,09	25,38
55,11	55,05	70,22	145,63
61,00	63,00	67,00	71,31
88,00	91,00	105,54	106,95
1 078,00	1 086,00	1 047,63	1 100,02
12,17	12,28	12,73	13,66
2 052,45	1 952,75	1 981,00	2 046,88
2 771,75	2 705,14	2 802,82	2 738,18
3 616,00	3 506,59	3 458,95	3 595,94
14 791,78	16 409,98	18 657,08	18 393,40
4 926,03	5 054,11	4 714,69	4 455,24
3,73	3,51	3,34	3,45
1 978,20	2 403,63	2 321,77	2 136,85
112 513,01	121 147,23	126 364,00	125 604,00
767,08	865,87	1 083,20	1 045,44
17,23	17,69	19,05	22,04
880,20	904,79	921,50	810,82
131,93	126,34	135,98	128,59
16,93	17,15	17,41	16,20

SUBSCRIBERS
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Country	1Q17	2Q17
SEA	54 279	54 893
South Africa	30 231	31 216
Postpaid	5 161	5 194
Prepaid	25 070	26 022
Uganda	10 861	11 158
Rwanda	4 210	3 510
Zambia	5 505	5 575
South Sudan	708	685
Botswana (joint venture)	1 784	1 763
Swaziland (joint venture)	981	987
WECA	108 665	102 328
Nigeria	60 523	53 094
Ghana	16 789	17 304
Cameroon	9 749	9 541
Ivory Coast	10 399	11 018
Benin	4 162	4 273
Conakry	2 493	2 550
Congo B	2 355	2 345
Liberia	1 495	1 412
Bissau	700	789
MENA	73 868	74 547
Iran (joint venture)	48 118	49 041
Syria	5 915	5 915
Sudan	7 604	7 576
Yemen	5 221	5 110
Afghanistan	6 597	6 469
Cyprus	414	436
Total subscribers	236 813	231 768

1Q16	2Q16	3Q16	4Q16
52 796	52 872	52 975	54 738
30 077	29 805	29 668	30 764
5 198	5 132	5 166	5 185
24 879	24 673	24 502	25 579
9 624	9 891	10 180	10 549
4 015	3 989	4 094	4 062
5 197	5 417	5 392	5 802
1 126	1 055	892	771
1 826	1 798	1 805	1 821
931	919	945	970
102 952	105 560	108 110	111 902
57 045	58 978	60 462	61 970
17 004	17 579	18 050	19 296
9 477	9 648	9 521	9 870
8 140	8 236	8 542	9 484
3 923	3 962	3 988	4 053
3 075	2 748	2 941	2 563
2 175	2 270	2 333	2 404
1 409	1 443	1 574	1 577
704	696	699	685
73 855	74 145	73 613	73 738
46 852	47 316	47 837	47 625
5 802	5 837	5 899	6 067
8 800	8 814	7 668	7 490
5 335	5 310	5 322	5 252
6 702	6 482	6 480	6 895
363	386	407	409
229 603	232 577	234 698	240 378

REVENUE
(Rm)

Country	1H17
SEA	24 767
South Africa	20 156
Uganda	2 506
Rwanda	661
Zambia	1 219
South Sudan	122
Business Group	103
WECA	33 308
Nigeria	18 037
Ghana	4 864
Cameroon	2 609
Ivory Coast	3 639
Bissau	246
Conakry	458
Congo B	1 370
Liberia	334
Benin	1 751
MENA	6 299
Syria	952
Sudan	2 272
Yemen	1 343
Afghanistan	910
Cyprus	822
Joint ventures	
Iran	7 869
Botswana	538
Swaziland	189
Equity accounting exclusion	(8 596)
Head office companies and eliminations	(59)
Total	64 315
Hyperinflation	71
Total including hyperinflation	64 386

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
25 156	26 986	52 142	(1,5)	2,9
19 841	22 081	41 922	1,6	1,6
2 804	2 661	5 465	(10,6)	9,4
775	689	1 464	(14,7)	6,1
1 408	1 300	2 708	(13,4)	(11,6)
210	139	349	(41,9)	131,4
118	116	234	(12,7)	(5,1)
46 347	34 308	80 655	(28,1)	9,1
28 941	18 181	47 122	(37,7)	10,8
5 165	5 126	10 291	(5,8)	22,6
3 202	2 987	6 189	(18,5)	(4,2)
3 751	3 425	7 176	(3,0)	13,0
246	230	476	–	16,3
527	505	1 032	(13,1)	3,6
1 815	1 567	3 382	(24,5)	(11,3)
524	451	975	(36,3)	(26,9)
2 176	1 836	4 012	(19,5)	(6,2)
7 402	6 886	14 288	(14,9)	6,5
1 068	1 055	2 123	(10,9)	27,6
2 345	2 240	4 585	(3,1)	21,5
1 905	1 554	3 459	(29,5)	(11,5)
1 204	1 108	2 312	(24,4)	(14,9)
880	929	1 809	(6,6)	9,2
8 324	8 212	16 536	(5,5)	17,2
518	486	1 004	3,9	12,0
174	188	362	8,6	8,6
(9 016)	(8 886)	(17 902)	–	–
(27)	(164)	(191)	–	–
78 878	68 016	146 894	(18,5)	6,7
237	789	1 026		
79 115	68 805	147 920	(18,6)	6,2

REVENUE BREAKDOWN
(Rm)

Country	1H17
South Africa	
Outgoing voice	7 522
Incoming voice	719
Data	6 692
Digital	1 259
SMS	553
Devices	3 087
Other	324
Revenue	20 156
Uganda	
Outgoing voice	1 363
Incoming voice	170
Data	286
Digital	635
SMS	20
Devices	32
Other	–
Revenue	2 506
Nigeria	
Outgoing voice	11 329
Incoming voice	2 112
Data	2 098
Digital	2 181
SMS	257
Devices	30
Other	30
Revenue	18 037

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
7 922	9 027	16 949	(5,0)	(5,0)
753	824	1 577	(4,5)	(4,5)
5 851	6 100	11 951	14,4	14,4
915	1 296	2 211	37,6	37,6
675	637	1 312	(18,1)	(18,1)
3 354	3 692	7 046	(8,0)	(8,0)
371	505	876	(12,7)	(12,7)
19 841	22 081	41 922	1,6	1,6
1 526	1 450	2 976	(10,7)	9,3
256	207	463	(33,6)	(18,8)
271	274	545	5,5	29,2
649	670	1 319	(2,2)	19,7
29	26	55	(31,0)	(17,2)
71	34	105	(54,9)	(42,3)
2	–	2	(100,0)	(100,0)
2 804	2 661	5 465	(10,6)	9,4
19 600	11 250	30 850	(42,2)	2,8
3 321	2 259	5 580	(36,4)	13,4
2 178	1 745	3 923	(3,7)	70,4
3 409	2 611	6 020	(36,0)	14,1
377	269	646	(31,8)	21,2
17	28	45	76,5	211,8
39	19	58	(23,1)	41,0
28 941	18 181	47 122	(37,7)	10,8

REVENUE BREAKDOWN (continued)
(Rm)

Country	1H17
Ghana	
Outgoing voice	1 886
Incoming voice	526
Data	1 254
Digital	1 110
SMS	50
Devices	17
Other	21
Revenue	4 864
Cameroon	
Outgoing voice	1 524
Incoming voice	338
Data	455
Digital	111
SMS	75
Devices	98
Other	8
Revenue	2 609
Ivory Coast	
Outgoing voice	2 307
Incoming voice	389
Data	472
Digital	398
SMS	43
Devices	18
Other	12
Revenue	3 639
Syria	
Outgoing voice	596
Incoming voice	13
Data	260
Digital	41
SMS	39
Devices	–
Other	3
Revenue	952
Hyperinflation	40
Revenue including hyperinflation	992

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
2 364	2 120	4 484	(20,2)	3,7
713	597	1 310	(26,2)	(3,9)
985	1 261	2 246	27,3	65,9
1 006	1 085	2 091	10,3	43,6
49	37	86	2,0	36,7
7	17	24	142,9	214,3
41	9	50	(48,8)	(36,6)
5 165	5 126	10 291	(5,8)	22,6
2 027	1 811	3 838	(24,8)	(11,6)
390	402	792	(13,3)	1,8
468	462	930	(2,8)	14,1
135	117	252	(17,8)	(3,7)
90	78	168	(16,7)	(2,2)
81	95	176	21,0	43,2
11	22	33	(27,3)	(9,1)
3 202	2 987	6 189	(18,5)	(4,2)
2 447	2 192	4 639	(5,7)	9,8
555	437	992	(29,9)	(18,4)
315	321	636	49,8	74,6
327	378	705	21,7	41,9
52	40	92	(17,3)	(3,8)
31	21	52	(41,9)	(32,3)
24	36	60	(50,0)	(41,7)
3 751	3 425	7 176	(3,0)	13,0
688	684	1 372	(13,4)	23,8
20	16	36	(35,0)	(10,0)
284	283	567	(8,5)	32,4
24	28	52	70,8	141,7
48	41	89	(18,8)	16,7
1	–	1	100,0	100,0
3	3	6	–	–
1 068	1 055	2 123	(10,9)	27,6
103	381	484	–	–
1 171	1 436	2 607	(15,3)	(9,6)

REVENUE BREAKDOWN (continued)
(Rm)

Country	1H17
Sudan	
Outgoing voice	1 115
Incoming voice	332
Data	629
Digital	132
SMS	35
Devices	5
Other	24
Revenue	2 272
Hyperinflation	–
Revenue including hyperinflation	2 272
Iran (49%)	
Outgoing voice	2 525
Incoming voice	773
Data	3 058
Digital	938
SMS	430
Devices	133
Other	12
Revenue	7 869

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
1 207	1 103	2 310	(7,6)	15,8
407	379	786	(18,4)	2,2
523	545	1 068	20,3	50,9
126	123	249	4,8	31,7
41	37	78	(14,6)	7,3
–	3	4	–	–
41	49	90	(41,5)	(26,8)
2 345	2 240	4 585	(3,1)	21,5
134	(12)	122	–	
2 479	2 228	4 707	(8,4)	14,9
3 206	2 935	6 141	(21,2)	(2,3)
963	884	1 847	(19,7)	(0,4)
2 259	2 656	4 915	35,4	67,7
1 121	952	2 073	(16,3)	3,7
679	574	1 253	(36,7)	(21,5)
72	120	192	84,7	130,6
24	91	115	(50,0)	(41,7)
8 324	8 212	16 536	(5,5)	17,2

EBITDA EXCLUDING TOWER PROFITS, HYPERINFLATION, REGULATORY FINE AND MTN ZAKHELE FUTHI IMPACT

(Rm)

Country	1H17
SEA	7 958
South Africa	6 760
Uganda	830
Rwanda	56
Zambia	343
South Sudan	(28)
Business Group	(3)
WECA	11 840
Nigeria	6 906
Ghana	1 786
Cameroon	808
Ivory Coast	1 276
Bissau	86
Conakry	(6)
Congo B	553
Liberia	(55)
Benin	486
MENA	1 848
Syria	248
Sudan	750
Yemen	454
Afghanistan	127
Cyprus	269
Joint ventures	
Iran	2 860
Botswana	232
Swaziland	98
Equity accounting exclusion	(3 190)
Head office companies and eliminations	(467)
Total	21 179
Regulatory fine	–
MTN Zakhele Futhi impact	–
Hyperinflation	(2 810)
Tower profit	6 030
Total including tower profit, hyperinflation, regulatory fine and MTN Zakhele Futhi	24 399

	1H16	2H16	YTD16	Reported (%)	Constant currency (%)
	7 213	9 155	16 368	10,3	12,2
	5 979	7 832	13 811	13,1	13,1
	842	778	1 620	(1,4)	20,5
	213	204	417	(73,7)	(65,3)
	456	420	876	(24,8)	(23,2)
	(296)	(83)	(379)	(90,5)	(64,5)
	19	4	23	(115,8)	(121,1)
	20 574	12 471	33 045	(42,5)	(11,1)
	14 421	7 433	21 854	(52,1)	(14,8)
	2 004	2 180	4 184	(10,9)	15,6
	1 218	847	2 065	(33,7)	(22,1)
	1 349	984	2 333	(5,4)	10,2
	70	68	138	22,9	42,9
	(77)	(92)	(169)	(92,2)	(90,9)
	842	603	1 445	(34,3)	(22,9)
	123	34	157	(144,7)	(150,4)
	624	414	1 038	(22,1)	(9,5)
	2 359	2 298	4 657	(21,7)	(1,5)
	305	384	689	(18,7)	17,0
	829	642	1 471	(9,5)	13,3
	675	684	1 359	(32,7)	(15,4)
	270	326	596	(53,0)	(47,4)
	280	262	542	(3,9)	12,5
	3 139	3 315	6 454	(8,9)	12,9
	287	307	594	(19,2)	(12,5)
	94	101	195	4,3	4,3
	(3 520)	(3 723)	(7 243)	–	–
	(873)	(1 216)	(2 089)	–	–
	29 273	22 708	51 981	(27,7)	(3,1)
	(10 499)	–	(10 499)	–	–
	–	(1 008)	(1 008)	–	–
	90	156	246	–	–
	18	13	31	–	–
	18 882	21 869	40 751	29,2	69,4

COST
(Rm)

Country	1H17
SEA	16 811
South Africa	13 396
Uganda	1 677
Rwanda	605
Zambia	876
South Sudan	151
Business Group	106
WECA	21 469
Nigeria	11 131
Ghana	3 078
Cameroon	1 801
Ivory Coast	2 363
Bissau	160
Conakry	464
Congo B	817
Liberia	389
Benin	1 266
MENA	4 450
Syria	704
Sudan	1 522
Yemen	888
Afghanistan	783
Cyprus	553
Joint ventures	
Iran	5 010
Botswana	306
Swaziland	90
Equity accounting exclusion	(5 406)
Head office companies and eliminations	406
Total	43 136
Regulatory Fine	
MTN Zakhele Futhi	–
Hyperinflation	2 881
Total reported	46 017

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
17 943	17 829	35 772	(6,3)	(0,8)
13 862	14 249	28 111	(3,4)	(3,4)
1 962	1 883	3 845	(14,5)	4,7
562	484	1 046	7,7	32,9
952	880	1 832	(8,0)	(6,0)
506	221	727	(70,2)	16,8
99	112	211	7,1	17,2
25 773	21 836	47 609	(16,7)	25,3
14 520	10 747	25 267	(23,3)	36,2
3 161	2 946	6 107	(2,6)	27,0
1 984	2 140	4 124	(9,2)	6,7
2 402	2 441	4 843	(1,6)	14,6
176	162	338	(9,1)	5,7
604	597	1 201	(23,2)	(8,3)
973	964	1 937	(16,0)	(1,3)
401	417	818	(3,0)	11,0
1 552	1 422	2 974	(18,4)	(4,9)
5 043	4 587	9 630	(11,8)	10,3
763	671	1 434	(7,7)	31,8
1 516	1 598	3 114	0,4	26,0
1 230	869	2 099	(27,8)	(9,3)
934	782	1 716	(16,2)	(5,5)
600	667	1 267	(7,8)	7,7
5 185	4 896	10 081	(3,4)	19,8
231	180	411	32,5	42,9
80	88	168	12,5	12,5
(5 496)	(5 164)	(10 660)	–	–
846	1 056	1 902	–	–
49 605	45 308	94 913	(13,0)	12,5
10 499	–	10 499	–	–
–	1 008	1 008	–	–
147	633	780	–	–
60 251	46 949	107 200	(23,6)	(1,7)

COST BREAKDOWN
(Rm)

Country	1H17
South Africa	
Handsets and other accessories	4 149
Interconnect	1 232
Roaming	160
Commissions	1 111
Government and regulatory costs	74
VAS/Digital revenue share	369
Service provider discount	845
Network	2 128
Marketing	507
Staff costs	1 016
Other OPEX	1 805
Cost	13 396
Uganda	
Handsets and other accessories	85
Interconnect	142
Roaming	15
Commissions	456
Government and regulatory costs	36
VAS/Digital revenue share	24
Service provider discount	–
Network	495
Marketing	34
Staff costs	140
Other OPEX	250
Cost	1 677

	1H16	2H16	YTD16	Reported (%)	Constant currency (%)
	4 796	4 905	9 701	(13,5)	(13,5)
	1 415	1 356	2 771	(12,9)	(12,9)
	177	153	330	(9,6)	(9,6)
	815	1 114	1 929	36,3	36,3
	110	32	142	(32,7)	(32,7)
	234	305	539	57,7	57,7
	984	944	1 928	(14,1)	(14,1)
	2 018	2 092	4 110	5,5	5,5
	344	697	1 041	47,4	47,4
	1 192	1 174	2 366	(14,8)	(14,8)
	1 777	1 478	3 255	1,6	1,5
	13 862	14 250	28 111	(3,4)	(3,4)
	114	71	185	(25,4)	(7,9)
	197	155	352	(27,9)	(12,2)
	22	19	41	(31,8)	(18,2)
	457	522	979	(0,2)	22,3
	92	(10)	82	(60,9)	(52,2)
	–	76	76	100,0	100,0
	–	–	–	–	–
	565	564	1 129	(12,4)	7,3
	86	84	170	(60,5)	(53,5)
	162	133	295	(13,6)	5,6
	267	269	536	(6,4)	15,7
	1 962	1 883	3 845	(14,5)	4,7

COST BREAKDOWN (continued)
(Rm)

Country	1H17
Nigeria*	
Handsets and other accessories	112
Interconnect	1 749
Roaming	58
Commissions	944
Government and regulatory costs	503
VAS/Digital revenue share	667
Service provider disc	–
Network	5 412
Marketing	298
Staff costs	544
Other OPEX	844
Cost	11 131
Ghana	
Handsets and other accessories	109
Interconnect	469
Roaming	28
Commissions	578
Government and regulatory costs	125
VAS/Digital revenue share	205
Service provider discount	–
Network	1 035
Marketing	93
Staff costs	239
Other OPEX	197
Cost	3 078

** Excluding the regulatory fine*

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
272	272	544	(58,8)	(26,5)
2 659	1 810	4 469	(34,2)	17,0
82	46	128	(29,3)	24,4
1 507	1 071	2 578	(37,4)	11,5
682	495	1 177	(26,2)	30,8
1 119	880	1 999	(40,4)	6,3
–	–	–		–
5 288	4 105	9 393	2,3	82,1
685	375	1 060	(56,5)	(23,7)
832	706	1 538	(34,6)	15,7
1 394	987	2 381	(39,5)	7,0
14 520	10 747	25 267	(23,3)	36,2
140	119	259	(22,1)	3,6
535	500	1 035	(12,3)	14,2
40	33	73	(30,0)	(7,5)
346	767	1 113	67,1	117,9
114	103	217	9,6	43,0
448	8	456	(54,2)	(40,2)
–	–	–	–	–
1 000	899	1 899	3,5	35,1
87	128	215	6,9	37,9
246	242	488	(2,8)	26,8
205	147	352	(3,9)	23,4
3 161	2 946	6 107	(2,6)	27,0

COST BREAKDOWN (continued)
(Rm)

Country	1H17
Cameroon	
Handsets and other accessories	156
Interconnect	226
Roaming	9
Commissions	193
Government and regulatory costs	168
VAS/Digital revenue share	31
Service provider discount	1
Network	541
Marketing	66
Staff costs	237
Other OPEX	173
Cost	1 801
Ivory Coast	
Handsets and other accessories	67
Interconnect	366
Roaming	17
Commissions	316
Government and regulatory costs	347
VAS/Digital revenue share	85
Service provider discount	–
Network	500
Marketing	102
Staff costs	270
Other OPEX	293
Cost	2 363

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
104	257	361	50,0	76,0
215	244	459	5,1	23,3
13	10	23	(30,8)	(23,1)
229	162	391	(15,7)	(0,4)
167	175	342	0,6	18,6
42	58	100	(26,2)	(14,3)
–	–	–	100,0	100,0
597	549	1 146	(9,4)	6,4
112	110	222	(41,1)	(31,3)
245	246	491	(3,3)	13,9
260	329	589	(33,5)	(21,2)
1 984	2 140	4 124	(9,2)	6,7
85	77	162	(21,2)	(8,2)
487	415	902	(24,8)	(12,3)
13	16	29	30,8	53,8
292	323	615	8,2	26,4
348	321	669	(0,3)	16,4
75	101	176	13,3	32,0
–	–	–	–	–
440	450	890	13,6	32,3
95	134	229	7,4	25,3
249	253	502	8,4	26,5
318	351	669	(7,9)	6,9
2 402	2 441	4 843	(1,6)	14,6

COST BREAKDOWN
(Rm)

Country	1H17
Iran (49%)	
Handsets and other accessories	161
Interconnect	569
Roaming	24
Commissions	30
Government and regulatory costs	2 239
VAS/Digital revenue share	196
Service provider discount	235
Network	1 114
Marketing	140
Staff costs	202
Other OPEX	100
Cost	5 010
Hyperinflation	(70)
Cost including hyperinflation	4 940
Syria	
Handsets and other accessories	3
Interconnect	22
Roaming	6
Commissions	17
Government and regulatory costs	292
VAS/Digital revenue share	9
Service provider discount	–
Network	182
Marketing	10
Staff costs	49
Other OPEX	114
Cost	704
Hyperinflation	1 150
Cost including hyperinflation	1 854

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
99	135	234	62,6	101,0
718	665	1 383	(20,8)	(1,7)
41	33	74	(41,5)	(29,3)
20	28	48	50,0	90,0
2 346	2 140	4 486	(4,6)	18,3
213	175	388	(8,0)	13,6
240	235	475	(2,1)	21,3
1 063	1 033	2 096	4,8	29,9
170	113	283	(17,6)	2,4
138	219	357	46,4	80,4
137	120	257	(27,0)	(8,8)
5 185	4 896	10 081	(3,4)	19,8
286	8	294	–	–
5 471	4 904	10 375	(9,7)	12,0
3	4	7	–	33,3
29	22	51	(24,1)	10,3
14	5	19	(57,1)	(35,7)
20	17	37	(15,0)	25,0
326	325	651	(10,4)	28,2
5	10	15	80,0	180,0
–	–	–	–	–
175	144	319	4,0	48,0
10	8	18	–	40,0
51	39	90	(3,9)	37,3
130	97	227	(12,3)	23,8
763	671	1 434	(7,7)	31,8
62	258	320	–	
825	929	1 754	124,7	139,9

COST BREAKDOWN
(Rm)

Country	1H17
Sudan	
Handsets and other accessories	73
Interconnect	207
Roaming	7
Commissions	183
Government and regulatory costs	81
VAS/Digital revenue share	43
Service provider disc	–
Network	515
Marketing	65
Staff costs	128
Other OPEX	220
Cost	1 522
Hyperinflation	1 690
Cost including hyperinflation	3 212

1H16	2H16	YTD16	Reported (%)	Constant currency (%)
93	84	177	(21,5)	(2,2)
253	204	457	(18,2)	2,4
6	6	12	16,7	33,3
171	155	326	7,0	33,3
113	83	196	(28,3)	(9,7)
36	35	71	19,4	50,0
–	–	–	–	–
470	471	941	9,6	37,4
80	66	146	(18,8)	2,5
110	121	231	16,4	45,5
184	373	557	19,6	52,2
1 516	1 598	3 114	0,4	26,0
85	(4)	81	–	–
1 601	1 594	3 195	100,6	153,4

MTN Group Limited continued

Results for the six months ended 30 June 2017

	Shareholding (%)	Licence period (years)	Population (m)	Mobile penetration (%)	Market position/ No of operators	Market share (%)
SEA						
South Africa	100	20	56	161	2/4	34,56
Uganda	96	20	41	49	1/8	54,70
Rwanda	80	15	12	71	1/3	41,94
Zambia	86	15	17	70	1/3	49,26
South Sudan	100	20	8	18	2/3	34,84
Botswana (joint venture)	53	15	2,2	150	1/3	54,61
Swaziland (joint venture)	30	10	1	85	1/1	100,00
WECA						
Nigeria	79	15	177	70	1/4	42,42
Ghana	98	15	28	113	1/9	53,82
Cameroon	70	15	24	71	1/3	55,47
Ivory Coast	59	20	24	145	2/3	31,06
Benin	75	20	11	67	1/4	54,27
Conakry	75	18	11	96	2/4	24,13
Congo B	100	15	5	88	1/3	55,10
Liberia	60	15	4	73	1/3	46,55
Bissau	100	10	2	72	1/3	59,64
MENA						
Iran (joint venture)	49	15	81	130	2/4	45,87
Syria	75	20	17	80	2/2	43,35
Sudan	85	20	39	56	2/3	34,91
Yemen	83	15	28	44	1/4	42,00
Afghanistan	100	15	34	53	1/5	36,31
Cyprus	100	20	1	115	2/4	42,23

 # Live sites

Outgoing MOU (minutes)	Tele-metry (m)	Data users (m)	Active data users (m)	Smart-phones (m)	MB/user	2G Sites[#]	3G Sites[#]	LTE Sites[#]
82	2 494	18 566	17 415	12 065	321	672	829	1 316
89		4 714	4 714	1 717	101	64	150	53
99		1 885	551	423	125	1	38	–
45		2 350	893	1 380	130	–	–	50
54		153	153	114	77	–	–	–
80		n/a	n/a	n/a	n/a	n/a	n/a	n/a
48		634	500	272	56	11	11	–
109		31 691	11 983	17 623	177	61	633	309
177		11 172	6 155	6 229	251	142	342	152
39		4 316	2 968	2 175	173	12	139	94
77		5 652	2 308	2 710	246	19	289	181
50		2 471	958	1 228	270	8	65	–
51		641	379	778	198	5	14	–
78		876	395	815	167	490	338	75
78		422	178	475	172	7	2	–
54		490	355	156	71	–	–	–
66		27 994	17 168	28 505	913	229	1 329	1 153
46		2 018	1 310	3 718	79	23	103	36
154		4 364	2 830	2 582	250	13	44	11
98		957	600	932	55	8	–	–
68		1 103	309	1 325	187	31	31	–
235		238	167	296	1 477	1	65	48

	Revenue (LCmillion)			EBITDA excluding tower profits, hyperinflation and regulatory fine (LCmillion)		
	1H17	1H16	Change %	**1H17**	1H16	Change %
SEA						
South Africa	**20 156**	19 841	1,6	**6 760**	5 979	13,1
Uganda	**678 194**	619 434	9,5	**224 405**	185 636	20,9
Rwanda	**40 719**	38 315	6,3	**3 324**	10 450	(68,2)
Zambia	**872**	988	(11,7)	**245**	319	(23,2)
South Sudan	**990**	420	135,7	**(242)**	(84)	188,1
Business group	**103**	118	(12,7)	**(3)**	19	(115,8)
WECA						
Nigeria	**431 454**	389 345	10,8	**165 154**	194 965	(15,3)
Ghana	**1 591**	1 297	22,7	**583**	503	15,9
Cameroon	**118 917**	124 152	(4,2)	**36 800**	47 259	(22,1)
Ivory Coast	**166 019**	146 905	13,0	**58 239**	52 850	10,2
Bissau	**11 211**	9 658	16,1	**3 932**	2 749	43,0
Conakry	**315 746**	304 566	3,7	**(4 443)**	(45 908)	(90,3)
Congo-Brazzaville	**62 419**	70 401	(11,3)	**25 191**	32 655	(22,9)
Liberia	**25**	34	(26,5)	**(4)**	8	(150,0)
Benin	**79 970**	85 272	(6,2)	**22 121**	24 427	(9,4)
MENA						
Syria	**37 013**	29 295	26,3	**9 638**	8 361	15,3
Sudan	**1 140**	938	21,5	**376**	333	12,9
Yemen	**25 283**	28 568	(11,5)	**8 560**	9 865	(13,2)
Afghanistan	**4 627**	5 421	(14,6)	**645**	1 214	(46,9)
Cyprus	**57**	52	9,6	**19**	17	11,8
Joint ventures						
Iran (49%)	**19 368 121**	16 532 265	17,2	**7 037 730**	6 231 488	12,9
Botswana (53,1%)	**423**	378	12,1	**243**	209	16,3
Swaziland (30%)	**189**	174	8,6	**98**	94	4,3

Bastion

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