Group reviewed interim results for the half year ended 30 September 2003 and cautionary announcement

MTN Group Limited

Revenue up by 30%

EBITDA up by 61%

Adjusted headline earnings per share up by 102%

Total number of subscribers up by 39%

Review of results

MTN Group Limited ("MTN Group") posted a strong performance for the first half of the 2004 financial year. Consolidated revenue rose to R11 272 million, a 30% increase over the comparable period last year. Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") increased by 61% to R4 334 million, resulting in Profit after Taxation ("PAT") of R2 133 million, a 168% increase over the same period last year. The Group produced interim headline Earnings Per Share ("EPS") of 127,1 cents (September 2002: 60,9 cents), adjusted to 123,3 cents due to the exclusion of the deferred tax credit of R63 million raised by MTN Nigeria. This compares to adjusted headline earnings of 60,9 cents to September 2002, and 142,8 cents for the year to March 2003. 7,9 million capable subscribers were recorded in the Group's managed operations, up 39% since September 2002.

While the South African operations showed satisfactory revenue growth of 26% to R7 105 million, the Group's international operations increased revenue by 39% from R2 969 million to R4 117 million, despite the impact of the strong Rand on consolidation of their results. The international operations contributed 37% to Group revenue during the review period. The overall EBITDA margin for the Group increased to 38,4%, from 30,9% for the comparable half year. Both MTN Nigeria and MTN Uganda recorded EBITDA margins of over 50% for the period, whilst the other international operations achieved EBITDA margins of well over 40%. MTN South Africa's EBITDA margin showed improvement to 28,5% from 26,4% for the 6 month period to March 2003. This was primarily due to operational cost containment in South Africa, coupled with higher overall cost to revenue efficiencies.

Net finance costs for the Group declined by 3% to R271 million against the comparable half year. This resulted from lower debt levels due to strong operating cash-flow generation and slower than anticipated network expansion in MTN Nigeria. Foreign exchange losses were also lower than expected, given the relative strength of the Rand. The unrealised losses incurred on the international sinking fund policy taken out as an indirect US dollar hedge increased by R43 million during the half year. The Group has achieved a comfortable level of EBITDA-to-net interest cover of 16 times.

The Group's effective tax rate, excluding goodwill amortisation charges, remains low at 18,8%, primarily due to MTN Nigeria being tax exempt for a period of five years as a result of its pioneer status, coupled with its deferred tax credit.

Operational review

MTN SOUTH AFRICA

MTN South Africa ("MTN SA") demonstrated that the South African market remains buoyant, with an increased level of net connections relative to the same period in the previous year. This was aided by the launch of new products into the market such as MTN Mychoice Top-up, a world first low-end hybrid prepaid/contract product, coupled with attractive connection incentives. A total capable subscriber base of 5 360 000 was recorded, with net connections for the six months of 130 000 for post-paid and 507 000 for pre-paid. This represents an increase in the subscriber base of 13% since 31 March 2003.

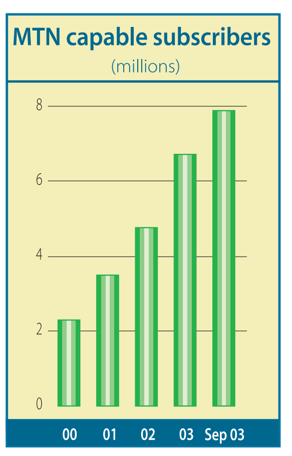
Blended Average Revenue Per User per month ("ARPU") of R207 was achieved for the six-month period, marginally up on the full year figure to March 2003 of R206. Both post-paid and pre-paid subscriber ARPU edged upwards from R607 and R101 at March 2003 to R609 and R103 for the six-month period. Data services, including SMS, contributed 4,0% of total revenue.

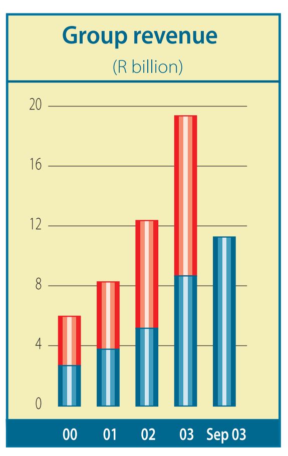
MTN INTERNATIONAL

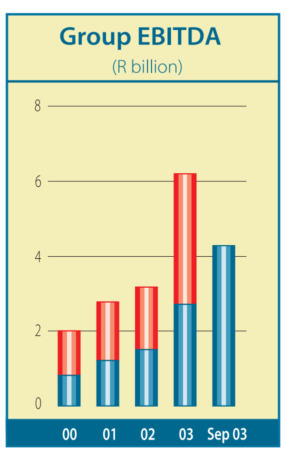
MTN Nigeria experienced strong demand for its services, requiring a controlled sign-up of new subscribers to match the available network capacity, while accelerated network roll-out continued. By 30 November 2003, the number of base stations had increased to 652 from 378 at 31 March 2003, while the number of operational switches had also increased to 14. Whilst capital expenditure has been lower than anticipated for the period, it is expected that the entire capital expenditure budget will be fully committed by year-end. Over the half-year, the subscriber base increased by 33% to 1 381 000, recording ARPU of US$55. Taking market conditions into consideration, MTN Nigeria announced the introduction of a new tariff plan, as well as the provision of a per-second billing option, to be effective from 1 December 2003. It is envisaged that some of the negative impact of such tariff reductions will be off-set by increased utilization.

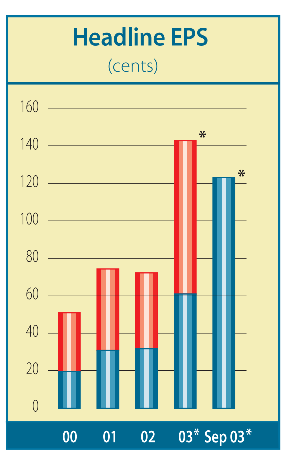
MTN Cameroon continues to perform satisfactorily indicating a sustainable turnaround of this operation which has maintained market leadership in a highly competitive environment. A total of 526 000 subscribers was recorded as at 30 September 2003, representing a 22% increase since 31 March 2003 with ARPU stabilizing at US$22.

Agreement has been reached regarding recovery of outstanding interconnect debtors in both MTN Nigeria and MTN Cameroon.









Full year Interim *adjusted

Consolidated PAT increased to R2 133 million from R796 million, representing 18,9% of revenue, compared with 9,2% in the previous half year. Attributable earnings for the Group increased by 157% to R1 813 million.

Adjusted headline EPS increased by 102% to 123,3 cents. South African wireless operations contributed 57,0 cents per share, a 25% increase compared to the same period last year. International operations performed above expectations, contributing 66,5 cents per share.

The Group's total assets have increased by 2,7% to R28 925 million since 31 March 2003. Long-term liabilities reduced to R2 610 million from R3 235 million, while short-term borrowings of R1 649 million were recorded. These short-term borrowings include the Naira equivalent of US$170 million relating to a facility within MTN Nigeria, which has subsequently been repaid on 21 November 2003 from draw-downs against a limited recourse, medium-term project finance facility of US$345 million (with an additional US$50 million stand-by facility provided by the International Finance Corporation ("IFC")).

As at 30 September 2003, the Group had cash on hand of R2 755 million as well as securitised cash deposits of R776 million against Letters of Credit in Nigeria. Taking both cash balances into account, net debt for the Group has further reduced to R728 million at 30 September 2003, from R2 707 million at 31 March 2003. Consequently, the debt/equity ratio for the Group (excluding goodwill) decreased to 8% from 35% at 31 March 2003. The Group's net unhedged US$ debt position has declined to an acceptable US$50 million as compared to US$157 million at 31 March 2003.

MTN Nigeria accounted for 65% of the Group's total capital expenditure for the period. It is expected that total capital expenditures for the full year will be lower than the capital commitments of R6,6 billion disclosed at 31 March 2003. This is partly due to the stronger Rand as well as a slower than anticipated pace of network roll-out in Nigeria.

The Group's international growth strategy continues to gain momentum and consequently, our results are continuously affected by exchange rate fluctuations. During the review period, the Rand appreciated by 12% against the US$ and by between 7% and 15% against the functional currencies of the Group's international operations. On translation into Rand, this had the effect of reducing the assets and liabilities of international operations reflected in the consolidated balance sheet, as well as their revenues and earnings. Foreign currency translation reserves were reduced by R436 million during the period.

Operational data

	Six months ended 30 Sept 2003	Six months ended 30 Sept 2002	% change	Year ended 31 March 2003
South Africa				
Subscribers	**5 360 000**	4 284 000	25	4 723 000
ARPU (Rand)	**207**	210	(1)	206
Swaziland				
Subscribers	**78 000**	63 000	24	68 000
ARPU (Rand)	**209**	210	—	206
Cameroon				
Subscribers	**526 000**	316 000	66	431 000
ARPU (US$)	**22**	21	5	21
Nigeria				
Subscribers	**1 381 000**	609 000	127	1 037 000
ARPU (US$)	**55**	60	(8)	57
Rwanda				
Subscribers	**132 000**	90 000	47	105 000
ARPU (US$)	**23**	28	(18)	27
Uganda				
Subscribers	**416 000**	298 000	40	363 000
ARPU (US$)	**23**	34	(32)	28

MTN Uganda, MTN Rwanda and **MTN Swaziland** all show signs of a slow down and the beginnings of a more mature phase in their respective life-cycles. MTN Uganda has experienced a decline in ARPU from US$28 to US$23 as a result of currency devaluation during the first quarter of 2003, as well as the general dilution of its subscriber base as it rolls out into the rural parts of the country bringing on new subscribers with a lower average usage. Subscriber numbers of 416 000, 132 000 and 78 000 were recorded for the three operations respectively.

STRATEGIC INVESTMENTS

Strategic Investments continues to explore synergistic opportunities adjacent to the core mobile business. Lower revenues were recorded during this period against the comparable half year, primarily due to the appreciation of the Rand against the foreign currencies in which much of Orbicom's revenue is denominated.

Prospects

Assuming current market conditions prevail, the Board is confident that the South African operation will continue its strong free cash flow generation while international operations are expected to maintain positive subscriber growth, underpinned by significant ongoing capital investment in network roll-out, particularly in MTN Nigeria. The Group now derives an increasing proportion of earnings from outside South Africa and, as a result, is becoming more susceptible to foreign exchange rate movements. In line with our vision of being the leading communications provider on the continent, the Group continues to explore value-enhancing investment opportunities.

Dividend

Although the Group generated significant free cash over the period, the majority of these cash resources have been re-invested into the international expansion programme, as well as into the reduction of borrowings. Accordingly, no interim dividend is proposed. The Board regularly reviews the Group's dividend policy, taking cognizance of potential expansion opportunities with a view to optimising returns to shareholders.

Post balance sheet events

Subsequent to 30 September 2003, the Group disposed of 3,0% of its investment in MTN Nigeria to the IFC and approximately 2,3% to its local Nigerian partners subject to certain terms and conditions, at a total value of US$28 million. Its effective interest in MTN Nigeria has reduced to 74,2% as a result.

Subsequent to year-end, the Group acquired an additional 9% of the equity of MTN Rwanda.

Cautionary announcement

Shareholders are advised that the Company has entered into negotiations which, if successfully concluded, may have an effect on the price of the Company's securities. Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities until a further announcement is made.

For and on behalf of the Board

M C Ramaphosa	**P F Nhleko**
(Non-executive Chairman)	(Group Chief Executive Officer)

Sandton
1 December 2003

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

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

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

Consolidated income statement

	Six months ended 30 Sept 2003 Reviewed Rm	Six months ended 30 Sept 2002 Reviewed Rm	% change	Year ended 31 March 2003 Audited Rm
Revenue	**11 272**	8 684	30	19 405
Cost of sales	**(4 730)**	(3 595)		(8 321)
Gross profit	**6 542**	5 089	29	11 084
Operating expenses – net of sundry income	**(2 208)**	(2 402)		(4 867)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**4 334**	2 687	61	6 217
Depreciation	**(977)**	(767)		(1 651)
Amortisation	**(92)**	(138)		(233)
Profit from operations before goodwill amortisation	**3 265**	1 782	83	4 333
Goodwill amortisation	**(299)**	(298)		(596)
Profit from operations	**2 966**	1 484	100	3 737
Finance income	**99**	73		124
Finance costs	**(370)**	(352)		(957)
Share of profits of associates	**2**	1		1
Profit before taxation	**2 697**	1 206	124	2 905
Taxation	**(564)**	(410)		(687)
Profit after taxation (PAT)	**2 133**	796	168	2 218
Minority interest	**(320)**	(91)		(289)
Attributable earnings	**1 813**	705	157	1 929
Headline earnings calculation				
Attributable earnings	**1 813**	705	157	1 929
Exclude: non-headline earnings items				
Goodwill amortisation	**299**	298		596
Gain on disposal of 20% shareholding in MTN Cameroon		(91)		(91)
Provision (released)/created against loan arising on disposal of MTN Cameroon to reflect net asset value	**(10)**	91		49
Basic headline earnings	**2 102**	1 003	110	2 483
Less: adjustment				
Reversal of deferred tax credit (see note 9)	**(63)**	—		(128)
Adjusted headline earnings	**2 039**	1 003	103	2 355
Headline earnings per ordinary share calculation				
Attributable earnings per share (cents)	**109,6**	42,8	156	117,0
Effect of goodwill amortisation	**18,1**	18,1		36,1
Net effect of disposal of stake in MTN Cameroon	**(0,6)**	—		(2,5)
Basic headline earnings per share (cents)	**127,1**	60,9	109	150,6
Effect of reversal of deferred tax credit (see note 9)	**(3,8)**	—		(7,8)
Adjusted headline earnings per share (cents)	**123,3**	60,9	102	142,8
Contribution to adjusted headline earnings per ordinary share (cents)				
Wireless telecommunications (MTN)	**123,5**	61,6	100	144,6
– South Africa	**57,0**	45,6	25	90,2
– Rest of Africa	**66,5**	16,0	316	54,4
Satellite communications (Orbicom)	**(0,2)**	(0,7)		(1,8)
Adjusted headline earnings per share (cents)	**123,3**	60,9	102	142,8
Number of ordinary shares in issue:				
– Weighted average (000)	**1 654 341**	1 646 566		1 648 530
– At period end (000)	**1 656 452**	1 651 292		1 652 057

Summarised consolidated balance sheet

	Six months ended 30 Sept 2003 Reviewed Rm	Six months ended 30 Sept 2002 Reviewed Rm	Year ended 31 March 2003 Audited Rm
ASSETS			
Non-current assets	**22 152**	23 359	22 842
Property, plant and equipment	**9 331**	9 045	9 374
Goodwill	**10 033**	10 599	10 298
Intangible assets	**1 941**	3 193	2 263
Investments and loans	**618**	449	734
Deferred taxation	**229**	29	173
Non-current prepaid tax	**—**	44	—
Current assets	**6 773**	5 660	5 314
Bank balances, deposits, cash and amounts receivable on demand	**2 755**	1 529	1 542
Securitised cash deposits*	**776**	1 248	586
Other current assets	**3 242**	2 883	3 186
Total assets	**28 925**	29 019	28 156
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' interest	**18 481**	16 458	17 063
Minority interests	**1 086**	941	882
	19 567	17 399	17 945
Non-current liabilities	**3 402**	2 778	4 042
Long-term liabilities	**2 610**	1 822	3 235
Deferred taxation	**792**	956	807
Current liabilities	**5 956**	8 842	6 169
Non-interest bearing liabilities	**4 307**	4 207	4 569
Short-term borrowings	**1 408**	4 379	1 394
Call borrowings	**241**	256	206
Total equity and liabilities	**28 925**	29 019	28 156
Net asset value per ordinary share (rand)			
– Book value	**11,16**	9,97	10,33
Net debt/equity	**4%**	21%	15%
Net debt/equity (excluding goodwill)	**8%**	54%	35%

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

Summarised consolidated cash flow statement

	Six months ended 30 Sept 2003 Reviewed Rm	Six months ended 30 Sept 2002 Reviewed Rm	Year ended 31 March 2003 Audited Rm
Net cash generated by operations	**4 064**	2 892	6 735
Net finance cost	**(232)**	(279)	(721)
Taxation paid	**(558)**	(426)	(684)
Cash inflows from operating activities	**3 274**	2 187	5 330
Cash outflows from investing activities	**(1 435)**	(1 859)	(4 333)
	1 839	328	997
Cash (out)/inflows from financing activities	**(177)**	974	187
Net movement in cash and cash equivalents	**1 662**	1 302	1 184
Cash and cash equivalents at beginning of period	**1 922**	1 230	1 230
Foreign entities translation adjustment	**(294)**	(11)	(492)
Cash and cash equivalents at end of period	**3 290**	2 521	1 922

Summarised group statement of changes in shareholders' equity

	Six months ended 30 Sept 2003 Reviewed Rm	Six months ended 30 Sept 2002 Reviewed Rm	Year ended 31 March 2003 Audited Rm
Balance at beginning of period	**17 063**	15 916	15 916
Effect of adoption of AC133	**(15)**	—	—
Restated opening balance at beginning of period	**17 048**	15 916	15 916
Net profit attributable to ordinary shareholders	**1 813**	705	1 929
Share capital issued at a premium less share issue expenses	**56**	138	148
Exchange differences arising on translation of foreign entities	**(436)**	(301)	(930)
Balance at end of period	**18 481**	16 458	17 063

Segmental analysis

	Six months ended 30 Sept 2003 Reviewed Rm	Six months ended 30 Sept 2002 Reviewed Rm	Year ended 31 March 2003 Audited Rm
REVENUE			
Wireless telecommunications (MTN)			
– South Africa	**7 105**	5 647	12 298
– Rest of Africa	**4 117**	2 969	6 972
	11 222	8 616	19 270
Satellite communications (Orbicom)	**50**	68	135
	11 272	8 684	19 405
EBITDA			
Wireless telecommunications (MTN)			
– South Africa	**2 027**	1 635	3 389
– Rest of Africa	**2 308**	1 056	2 842
	4 335	2 691	6 231
Satellite communications (Orbicom)	**(1)**	(4)	(14)
	4 334	2 687	6 217
PAT			
Wireless telecommunications (MTN)			
– South Africa	**941**	749	1 485
– Rest of Africa	**1 492**	354	1 355
	2 433	1 103	2 840
Satellite communications (Orbicom)	**(3)**	(11)	(29)
Corporate head office (goodwill)	**(297)**	(296)	(593)
	2 133	796	2 218

Notes

1. **Accounting policies and basis of preparation**

   This condensed consolidated interim financial information has been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP) and Schedule 4 of the South African Companies Act (Act No 61 of 1973) as amended. The accounting policies are consistent with those used in the annual financial statements for the year ended 31 March 2003, except for the adoption of the accounting statement on recognition and measurement of financial instruments (AC133).

   All significant international subsidiaries are incorporated in the condensed consolidated interim financial information as foreign entities, using the ruling exchange rate at half year-end for translation of assets and liabilities and the weighted average exchange rate during the period for translation of income, expenditure and cash flows. Exchange differences arising on consolidation are taken directly to a foreign currency translation reserve.

2. **Headline earnings per ordinary share**

   The calculations of basic and adjusted headline earnings per ordinary share are based on basic headline earnings of R2 102 million (2002: R1 003 million) and adjusted headline earnings of R2 039 million (2002: R1 003 million) respectively, and a weighted average of 1 654 341 082 (2002: 1 646 566 391) ordinary shares in issue. No fully diluted earnings per ordinary share, in respect of debentures and options convertible into ordinary shares, have been disclosed as the potential dilution is not considered to be material.

3. **Independent review by the auditors**

   This condensed consolidated interim financial information has been reviewed by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsaluba VSP Inc., who have performed their review in accordance with the Statement of South African Auditing Standards applicable to review engagements.

   A copy of their unqualified review report is available for inspection at the registered office of the Company.

4. **Listing requirements**

   This interim announcement has been prepared in compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

	Six months ended 30 Sept 2003 Reviewed Rm	Six months ended 30 Sept 2002 Reviewed Rm	Year ended 31 March 2003 Audited Rm
5. Capital expenditure incurred	**1 466**	1 834	4 235
6. Commitments and contingent liabilities			
Operating leases	**554**	782	1 515
Contingent liabilities	**48**	95	52
7. Commitments for capital expenditure			
– Contracted for	**2 351**	1 791	1 144
– Authorised but not contracted for	**2 660**	2 614	5 467
8. Cash and cash equivalents			
Bank balances, deposits and cash	**2 755**	1 529	1 542
Securitised cash deposits	**776**	1 248	586
Call borrowings	**(241)**	(256)	(206)
	3 290	2 521	1 922

9. **Recognition of deferred tax asset**

   The Group's subsidiary in Nigeria has been granted a five-year tax holiday under "pioneer status" legislation. Capital allowances arising during this period may be carried forward and claimed as deductions against taxable income from the sixth year of operations onwards. A deferred tax credit relating to these deductible temporary differences has been recognised in the results to 30 September 2003 in terms of the requirements of South African Statement of Generally Accepted Accounting Practice AC102 – Income Taxes, which requires a deferred tax asset to be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

   As previously disclosed, although the Group has complied with the requirements of AC102 in this regard, the Board of Directors has reservations about the appropriateness of this treatment in view of the fact that no cognizance may be taken in determining the value of such deferred tax assets for uncertainties arising out of the effects of the time value of money or future foreign exchange movements.

   The Board therefore resolved to report adjusted headline earnings (negating the effect of the deferred tax credit of R63 million) in addition to basic headline earnings, to more fully reflect the Group's results for the period.

10. **Post-balance sheet events**

    MTN International (Mauritius) Limited has disposed of approximately 5,3% of MTN Nigeria for an amount of US$28 million.

    A medium-term limited recourse financing facility of US$345 million (with an additional US$50 million standby facility) was concluded on 4 November 2003, and from the first draw-downs on 21 November 2003, MTN Nigeria's short-term commercial paper facility of US$170 million has been repaid.

    The Group acquired an additional 9% of the equity of MTN Rwanda.

Registration number: 1994/009584/06 **ISIN code:** ZAE 0000 42164 **Share code:** MTN

Directorate: M C Ramaphosa (Chairman), P F Nhleko* (CEO), D D B Band, S L Botha*, I Charnley*, Z N A Cindi, R S Dabengwa*, P L Heinamann, S N Mabaso, R D Nisbet*, A F van Biljon, L C Webb (alternate) **Executive*

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American Depository Receipt (ADR) programme: Cusip No. 55271U109 ADR to ordinary share 1:1

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

Office of the South African Registrars: Computershare Investor Services Limited (Registration number: 1958/003546/06) 70 Marshall Street, Johannesburg, 2001 PO Box 61051, Marshalltown, 2107

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These results can be viewed on the Group's website at **http://www.mtngroup.com**

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