



MTN Group Limited

Interim results presentation

for the six month period ended 30 September 2004

18 November 2004



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 - Phuthuma Nhleko
Group Chief Executive Officer
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 - Phuthuma Nhleko
Group Chief Executive Officer
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 - Rob Nisbet
Group Finance Director



Strategic overview

Phuthuma Nhleko

Group Chief Executive Officer

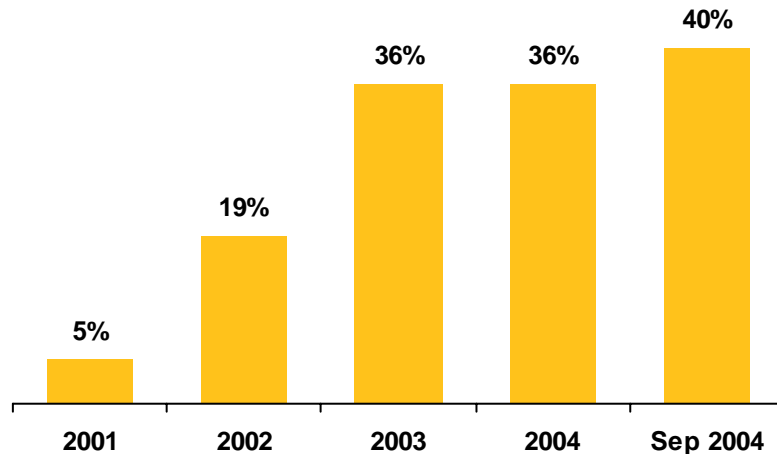


Introduction

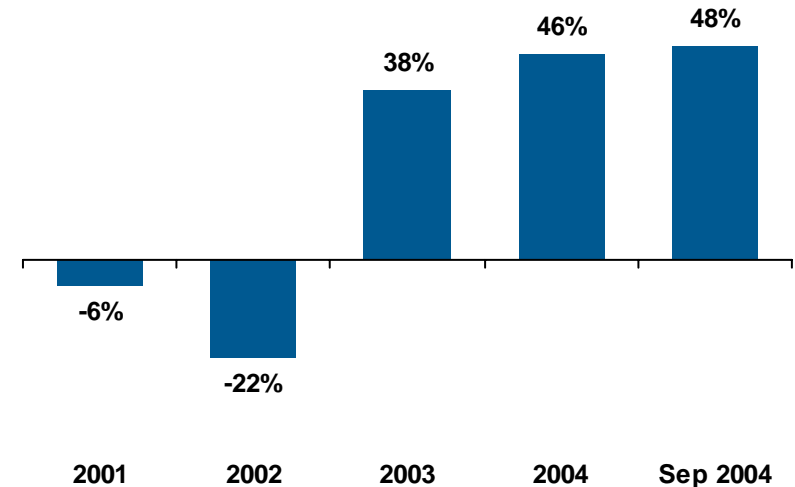


- MTN Group now multi-national - 40% of revenue and 48% of adjusted headline earnings from outside SA
- MTN Group's vision aligned to growth aspirations and strategic objectives
- Both expansion opportunities on African continent and outside currently being explored

Revenue contribution by International %



Adjusted HEPS contribution by International %





MTN Vision

*To be the leader in telecommunications in
developing markets*



Performance against strategic priorities for 2004/2005



- Strategic

- Identify and explore expansion opportunities
 - Pursued greenfield licence bids
 - Continue to explore single and multiple asset acquisitions

ongoing

- Operational

- Focused effort to dramatically improve customer centricity through brand leadership and innovation
 - Increased distribution network in SA
 - Pan- African soccer sponsorship
 - Edge roll-out in SA near completion with 3G to commence early 2005
 - Launched MTN Loaded - data revenue 5.5% of total revenue in SA*
- Ensure accelerated Nigerian network roll-out
 - On target to meet total of 1 680 base stations by March 05 – capacity to roll out up to 100 base stations p.m.
- Pursue margin expansion opportunities in SA
- Drive operational efficiency across all group companies

ongoing



ongoing

* Excludes handset revenue



Operational review

Phuthuma Nhleko

Group Chief Executive Officer












- Very competitive trading environment in all key markets
 - High postpaid subscriber acquisition costs
 - Reduction in connection fee in Nigeria
- Significant Rand appreciation against functional currencies year on year
- Strong performance by individual operations guided by Project Y'ello Africa
 - More centralised control of operations
 - Clearer operating objectives
 - Clear cost and revenue metric targets against international benchmarks
 - Leverage economies of scale in procurement of network infrastructure and handsets
 - Engender strong team approach

MTN Group highlights

For the six months ended 30 September 2004



- 11,0 million subscribers  40%
- R13,7 billion revenue  22%
- R5,6 billion EBITDA  29%
- 40,9% Group EBITDA margin 
- 32,8% SA EBITDA margin 
- R3,3 billion profit after tax  37%*
- 165,8 cents adjusted HEPS  34%

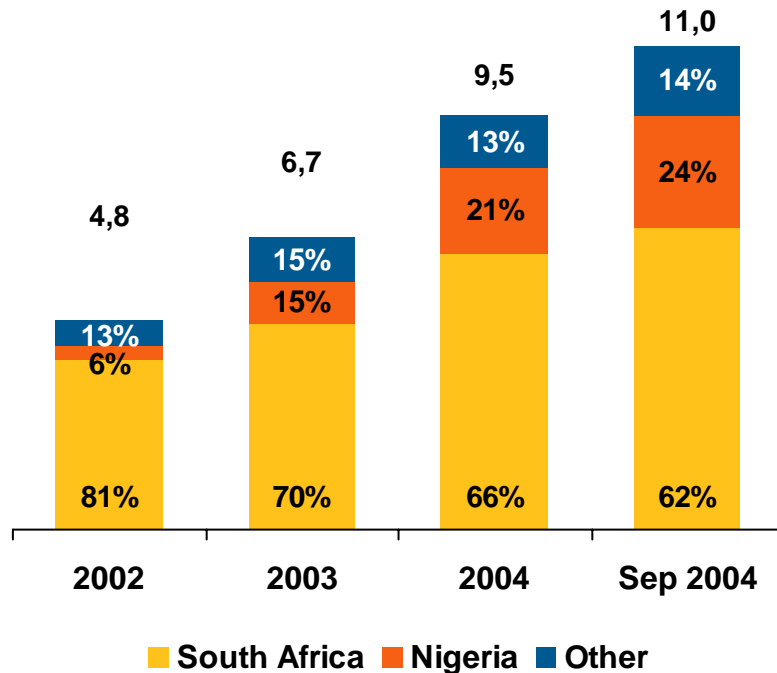
* Comparative for 2003 adjusted to account for changed treatment of goodwill as per AC131

Subscriber growth



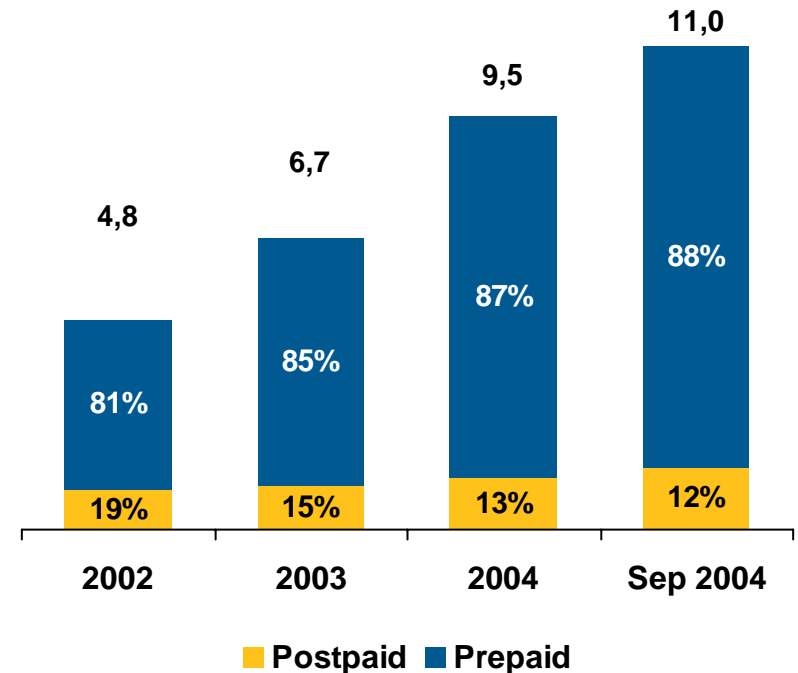
Geographic subscriber mix
Million

38% of subscribers
outside South Africa



Prepaid – Postpaid subscriber mix
%/million







88% of subscribers
prepaid



Subscriber growth

Total number of subscribers



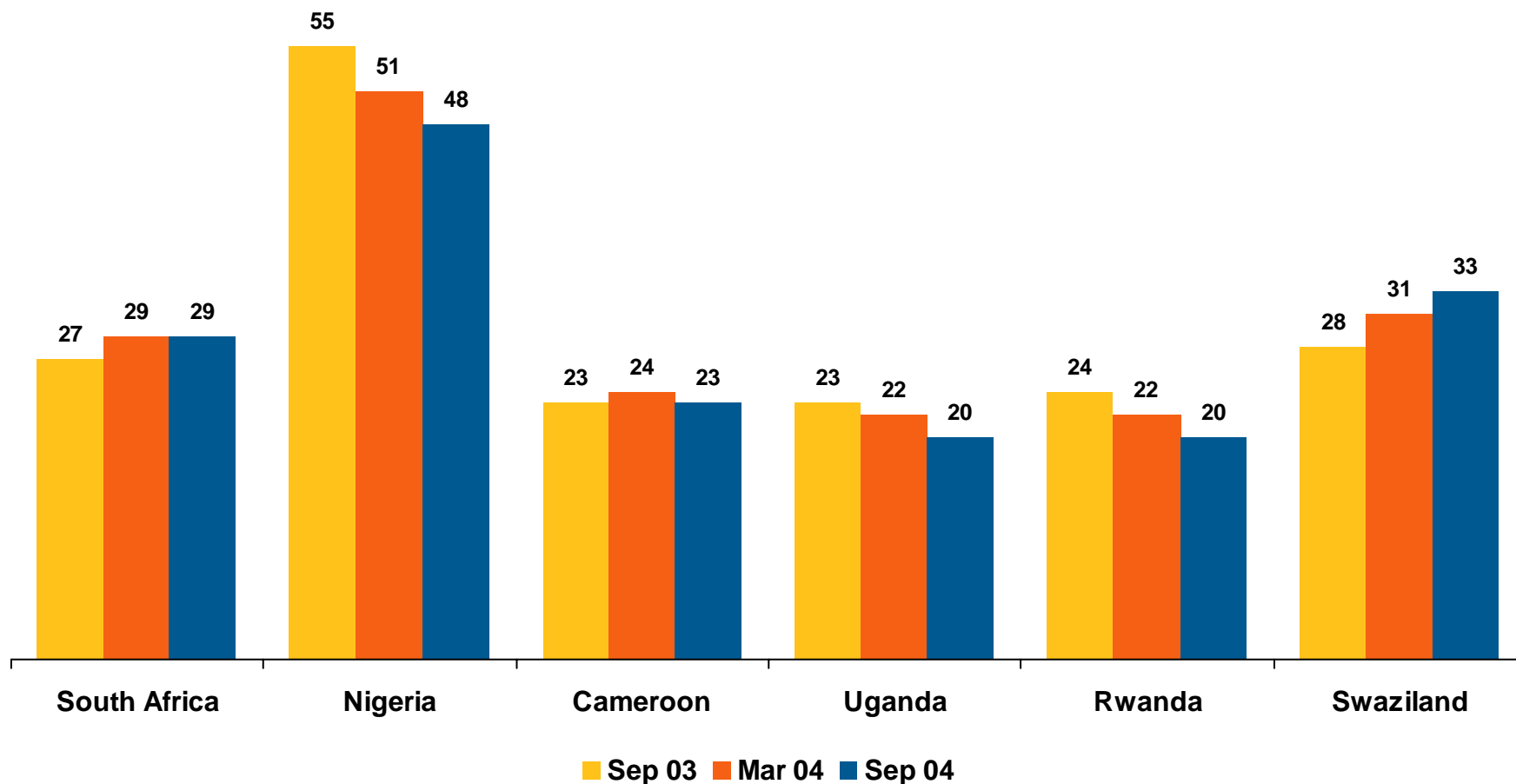
	Sep 03	Mar 04	Sep 04	Y-o-y growth to Sep 04
South Africa	5 360 000	6 270 000 *	6 878 000 *	 28%
Nigeria	1 381 000	1 966 000	2 587 000	 87%
Cameroon	526 000	581 000	689 000	 31%
Uganda	416 000	495 000	609 000	 46%
Rwanda	132 000	146 000 **	170 000 **	 29%
Swaziland	78 000	85 000	116 000	 49%
TOTAL	7 893 000	9 543 000	11 049 000	40%
MTN equity subscribers	7 159 000	8 551 000	9 789 000	37%

* Excludes application providers: Sep 04 – 91 000 (Sep 03 – 56 000)

** Includes subscribers in SuperCell: Sep 04 – 43 000 (Sep 03 – 40 000)

Business performance

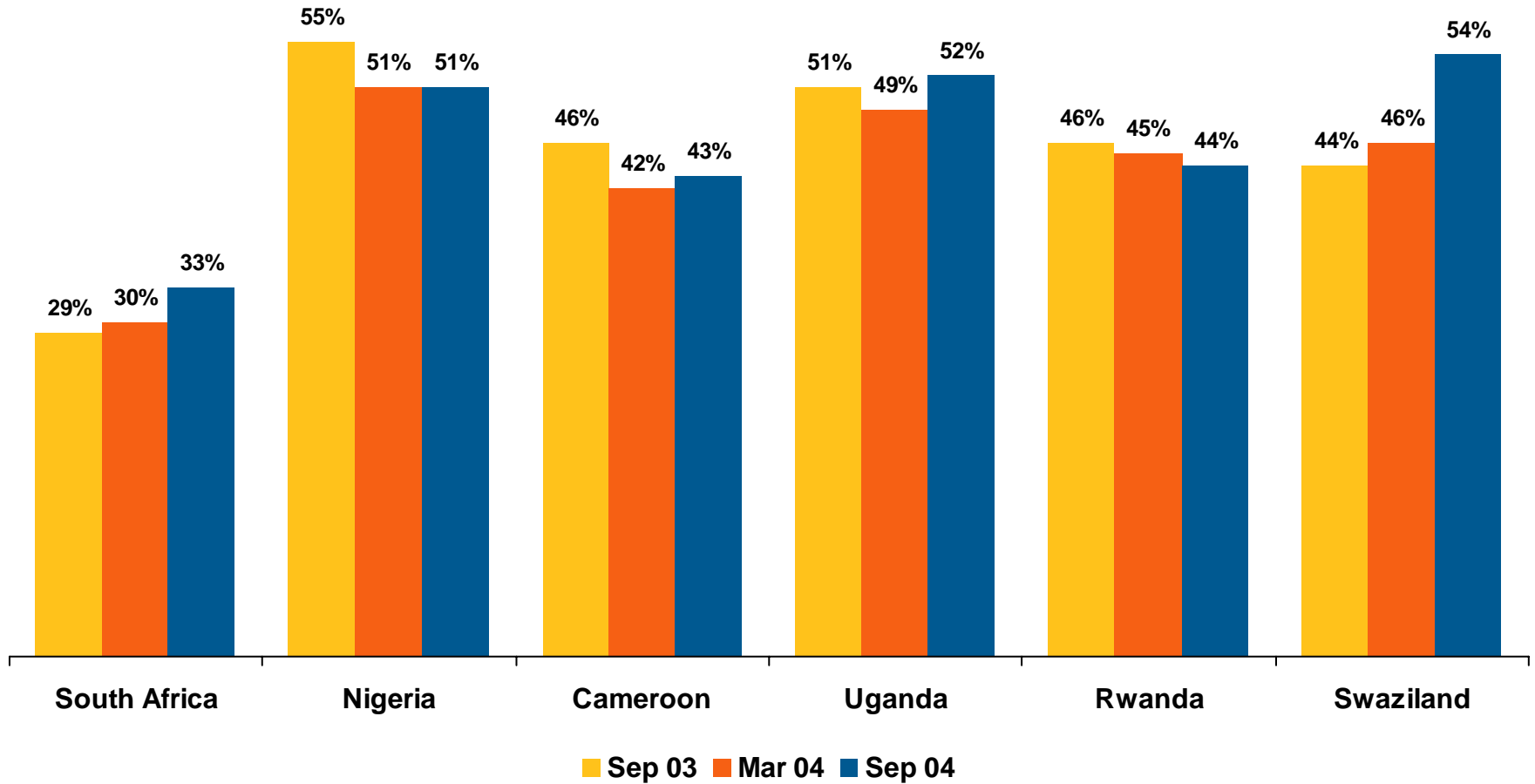
ARPU (US\$ per month)



Note: ARPU South Africa: Sept 04 – R187 (Sept 03 – R207)
ARPU in Nigeria excludes connection fee

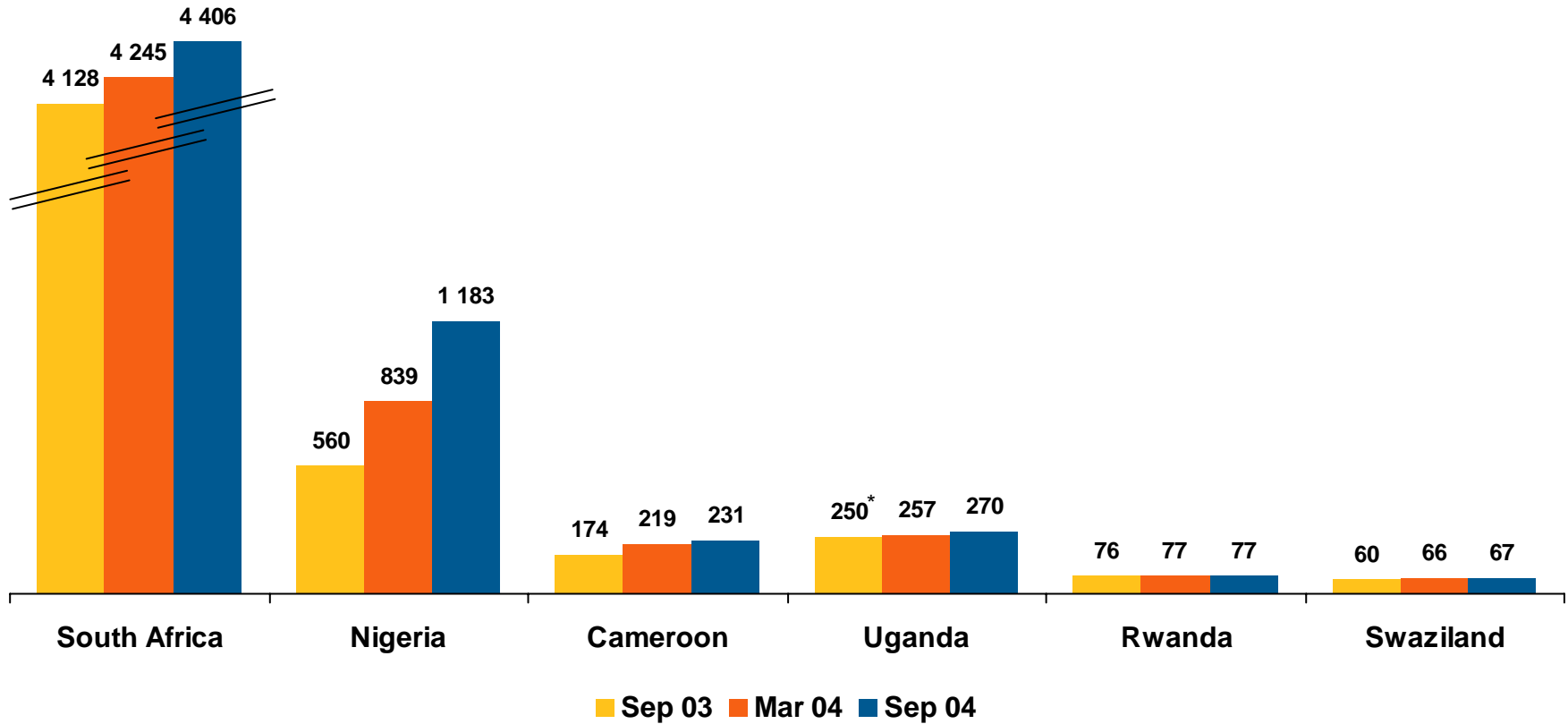
Business performance

EBITDA margin



Network roll-out

Number of sites



* Restated to reflect dual MHz base stations as one base station



- Soccer sponsorship – Pan Africa 2006 and 2008
- Launched MTN Loaded in South Africa
 - First in market with consumer content platform
- Announcement of introduction of BlackBerry in South Africa
 - Push based access to information and communication
 - Targeted to address corporate requirements
- Virtual Top-up airtime distribution
 - Launched in Nigeria
 - Launched in Cameroon
 - Testing in South Africa



- South Africa

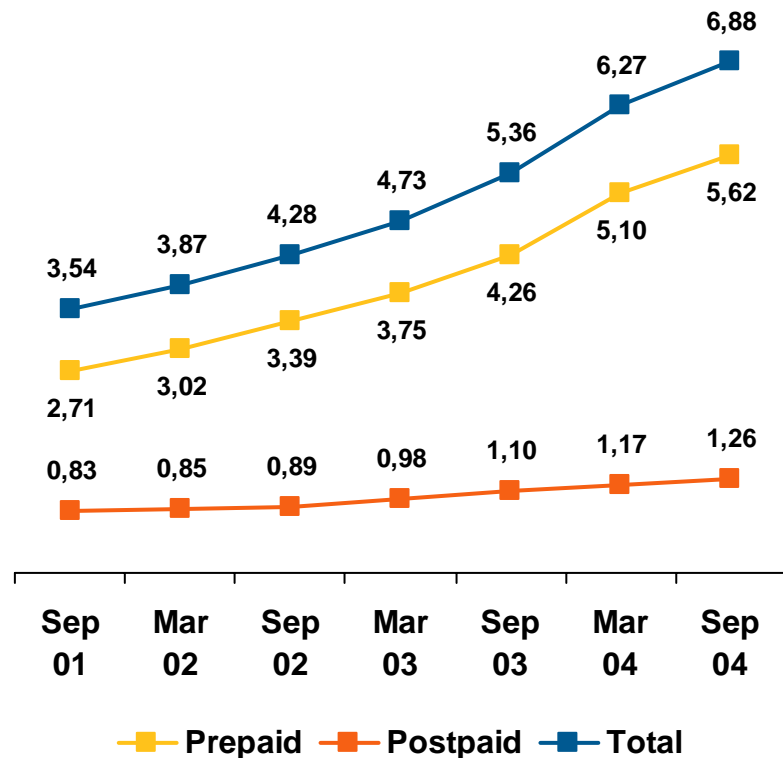
- Minister's announcements on telecoms liberalisation effective Feb 2005
 - Self-provisioning of transmission bandwidth
 - Provision of VoIP by Value Added Network Service providers
- 3G licence temporarily awarded – terms and conditions not yet finalised
- Number portability to be introduced end 2005 (guidelines still to be provided)
- Convergence bill – currently re-drafted by DoC
- ICT charter currently being drafted

- Nigeria

- Interconnect tariff intervention by NCC – court ruling still outstanding
- Introduction by Lagos State of Infrastructure Bill – charging levies on base station – currently challenged by Federal Government in court



Total subscribers (capable) million



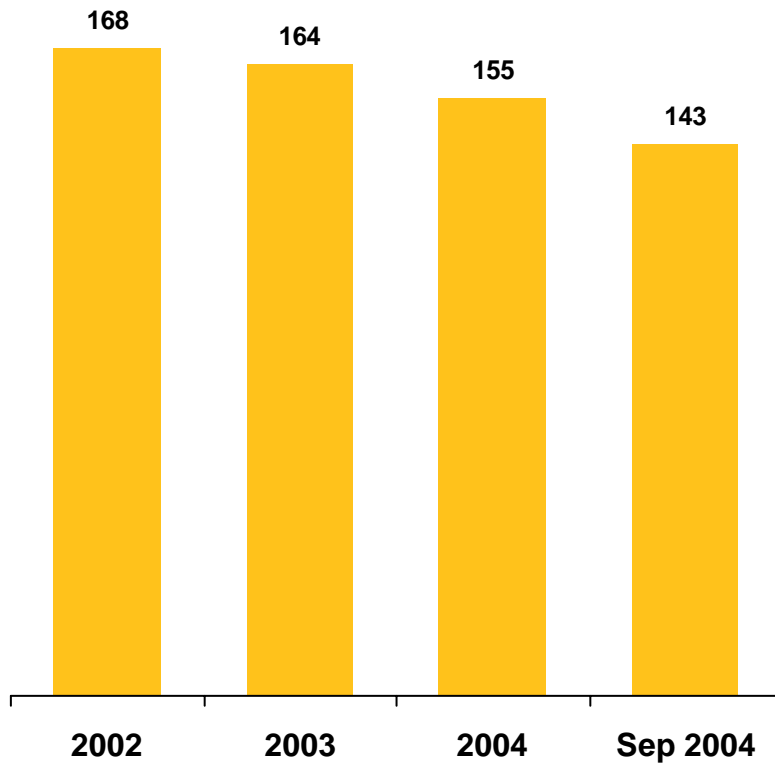
- Net add of 608 000 subs for period
- Addressable market expected to reach 33 million with expected penetration into addressable market of 85-90% by 2010
- My Choice top up subscribers at 170 000 at Sep 04 contributing significantly to postpaid growth but negatively impacting ARPU
- Prepaid churn remained in the 40-ies, while post-paid churn increased close to 14%

MTN South Africa

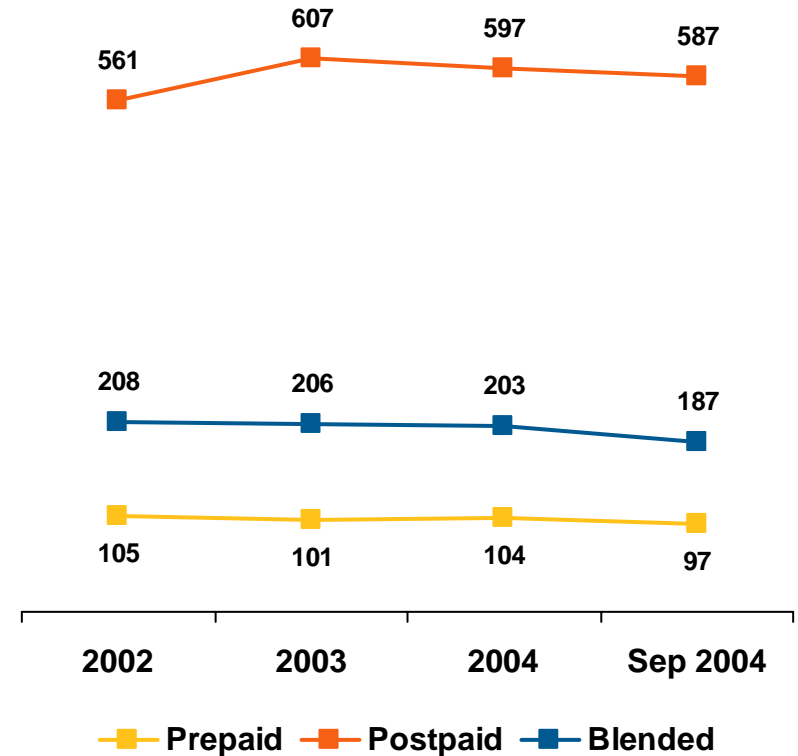
Usage and ARPU



Average MOU per sub
(monthly)

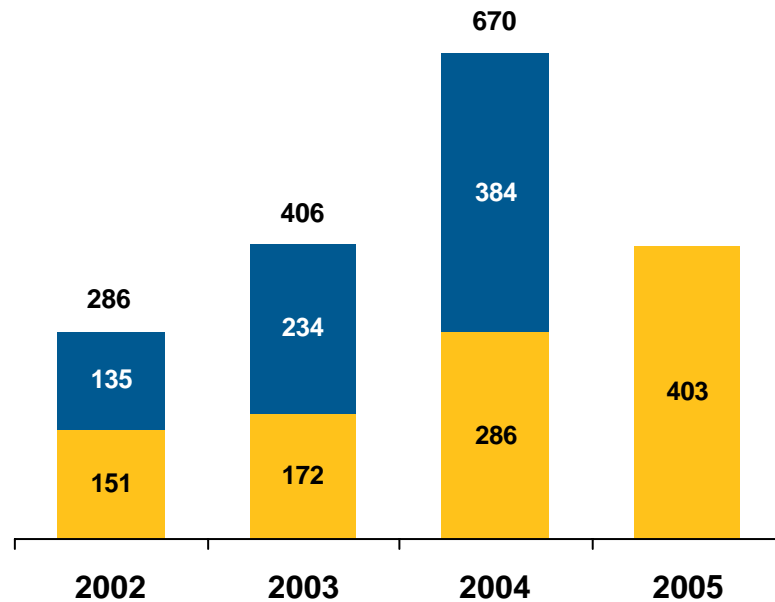


ARPU (blended)
Rand (monthly)





Data revenue R million



As % of
MTN SA
revenue*

3,2%

3,8%

5,0%

5,5%

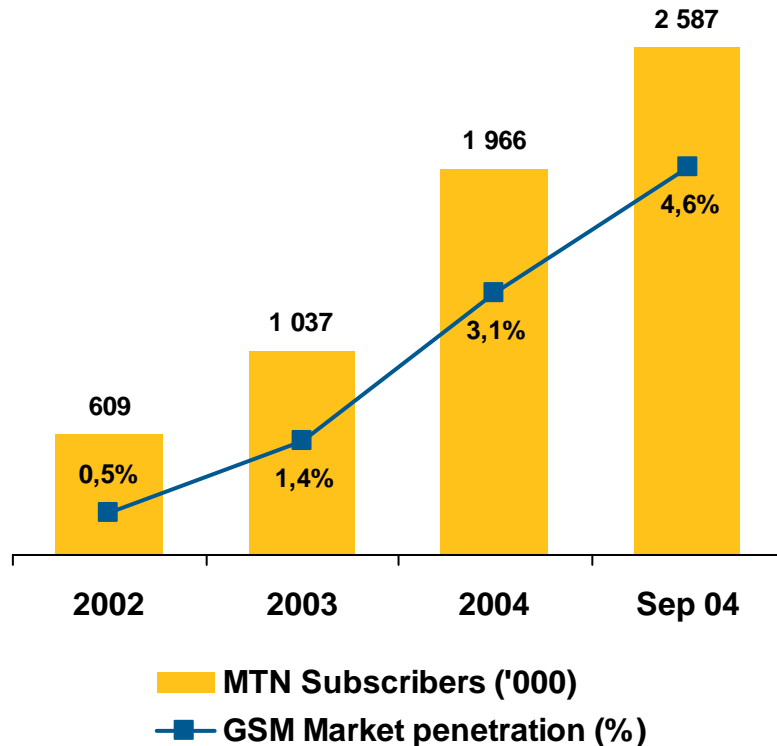
Data strategy

- MTN Loaded launched in July 2004 providing content and access to web info
- sms penetration
 - 40% for prepaid
 - 65% for postpaid
- sms contributes 95% of total data revenue
- Edge roll-out near completion
- 3G launch planned for first half of 2005

* Excludes handset revenue



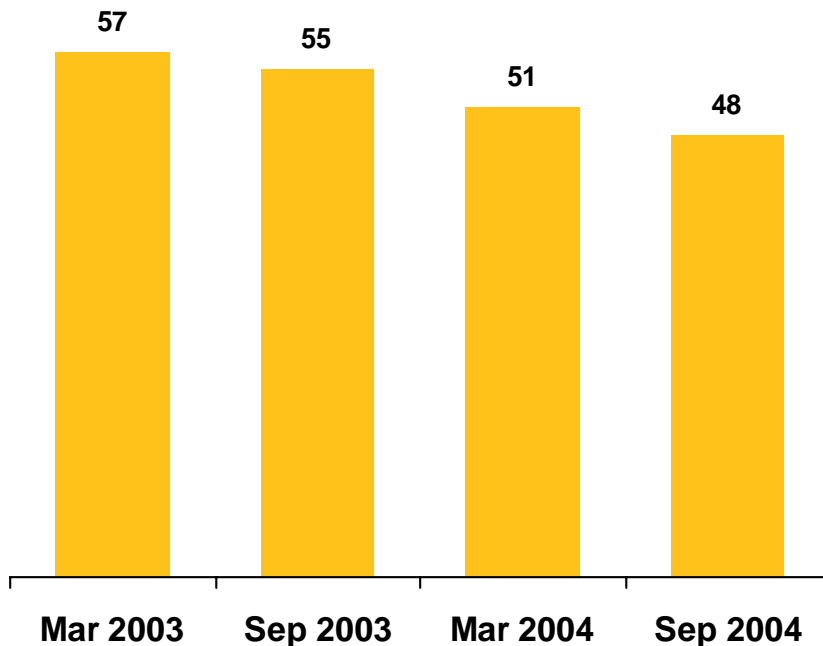
Nigerian subscriber market



- Competitive environment intensified with corresponding good subscriber growth
- Passed 3 million subscriber mark first week in November 04!
- Launched virtual-top up of airtime as additional distribution channel



ARPU
US\$

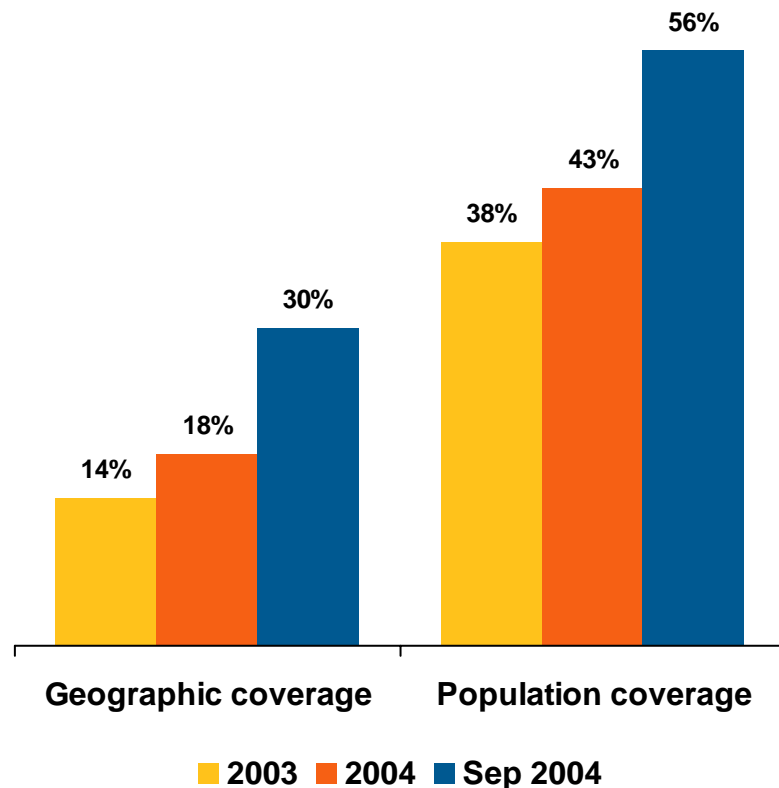


- Sufficient network capacity allowed for reduction in connection fee
- Connection fees reduced from Naira 8 980 in April 2004 to current levels of Naira 1 980 (including Naira 500 of airtime) – Special promotion in Nov 04 of Naira 980
- Contribution of connection fee to revenue declined from 9% to 6%



Geographic and population network coverage

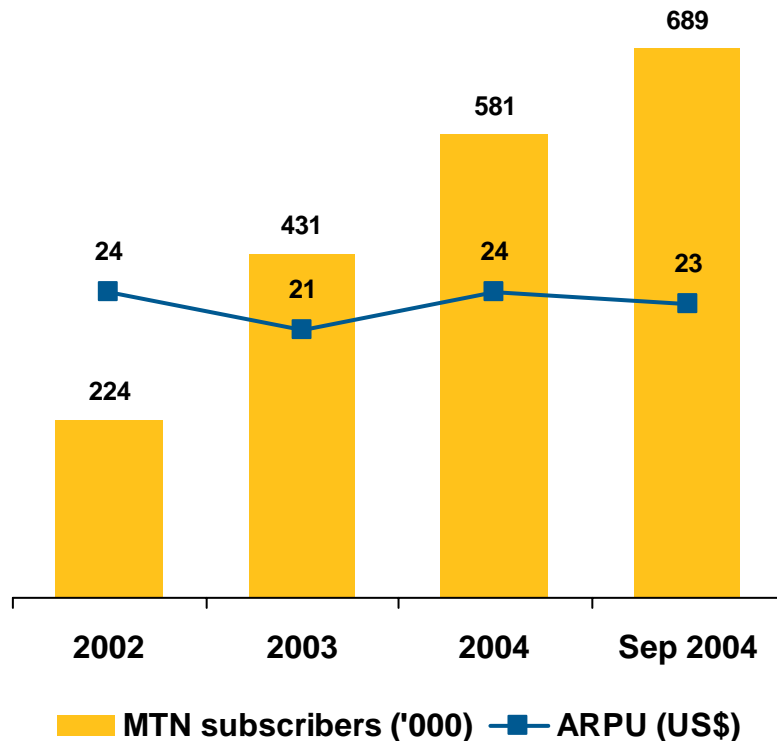
% (estimate)



- Network infrastructure
 - Added 344 base stations, now totalling 1 183 base stations sites
 - Added 8 switches, now totalling 24
 - Expansion/upgrade of transmission back bone continuing – planned fibre network for key transmission routes
- Network performance
 - Congestion level down to 7%
 - Drop call rate: 1%
- Network capacity
 - Roll-out on target to have 1 680 base stations by Mar 05



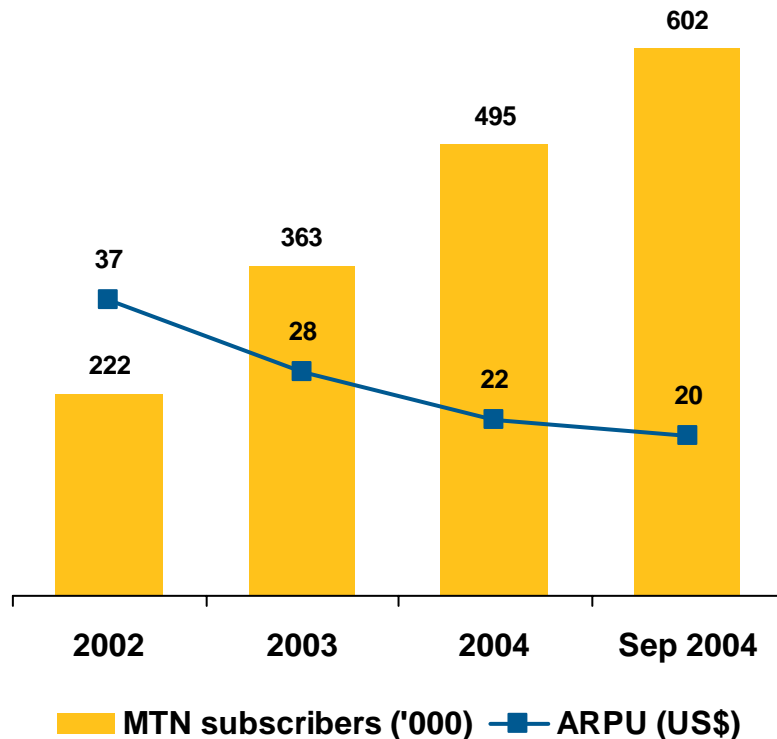
Cameroonian subscriber market



- Maintained market leadership at 52% market share
- Per second billing launched in June 2004 – positive take-up by approximately 1/3 of subscriber base
- Launched virtual-top up of airtime as additional distribution channel



Ugandan subscriber market



- Subscriber base increased 23% since 31 March 2004
- Strong market position maintained with estimated 67% market share
- Introduction of several new products into market such as Me2U airtime transfer
- Launched CDM wireless technology to corporates and SMEs
- Changed two card access system to single card mechanism



- MTN Rwanda

- MTN remains #1 brand in Rwanda with 96% brand recognition
- Decline in ARPU aligned with increase in subscriber base
- Planned privatisation of Rwandatel will include additional mobile licence, timing unclear
- Public phone initiative has made major inroads in rural market

- MTN Swaziland

- Changed two card access system to single card mechanism, resulting in strong subscriber growth
- Introduction of more value added services such as ring tones or logos using premium charge sms
- While no direct competitor expected in the short-term, new telecoms bill currently under debate to liberalise market
- Swazi Empowerment Limited listed its 19% shareholding in MTN Swazi on Swazi exchange (Jul 04)

Strategic priorities



- Entrench one brand, one group, one vision
- Continue to identify and pursue value enhancing expansion opportunities for growth and diversification of earnings
- Improve operational cost efficiency and expand margin to take full advantage of scale across all operations
- Pro-actively manage financial, economic and political risk inherent with international expansion
- Review capital structure of Group and Group companies to optimise returns to shareholders
- Leadership in innovation



Financial review

Rob Nisbet

Group Finance Director



Key accounting issues



- Deferred tax asset
 - R187 mil (net R140 mil) in MTN Nigeria (Sept 03 – R80mil (net R63 mil))
- Transitional provisions for AC131: Business Combinations
 - Goodwill previously amortised now tested for impairment
 - No impairment charge recognised for period (2003: amortisation charge of R299mil)
- Connection fee in Nigeria
 - R286 mil (net R214 mil) (US\$44mil – net US\$ 33mil) (2003: net US\$ 30 mil)
- Change in shareholding in MTN Nigeria and MTN Rwanda post Sept 2003
- Consolidation of staff incentive trusts from March 2004

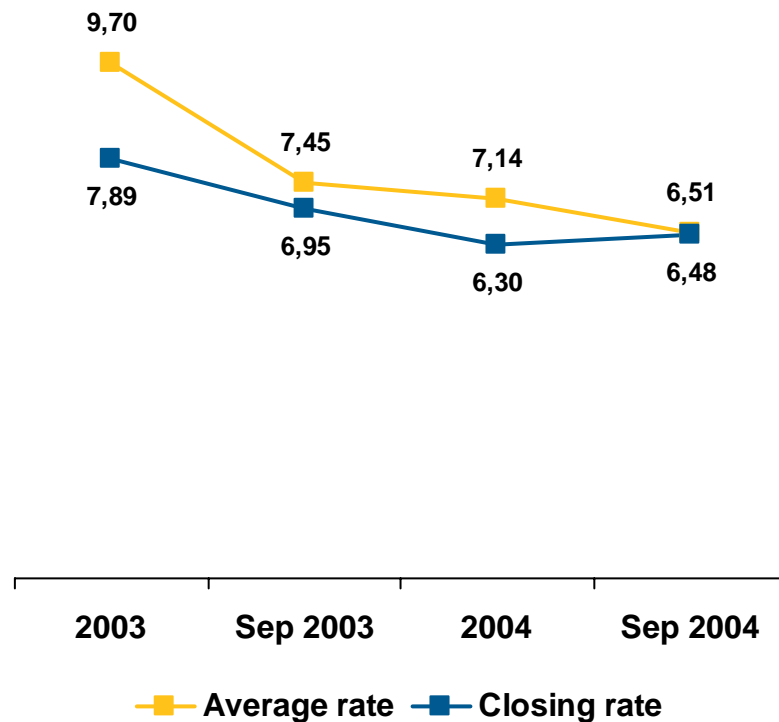
Full consolidation of MTN Nigeria (75%) and MTN Cameroon (70%) (80% of MTN Cameroon's economic risk still vests with the Group and is accounted for accordingly)

Proportionate consolidation of MTN Uganda (52%), MTN Rwanda (40%), MTN Swaziland (30%) and MTN Network Solutions (60%)

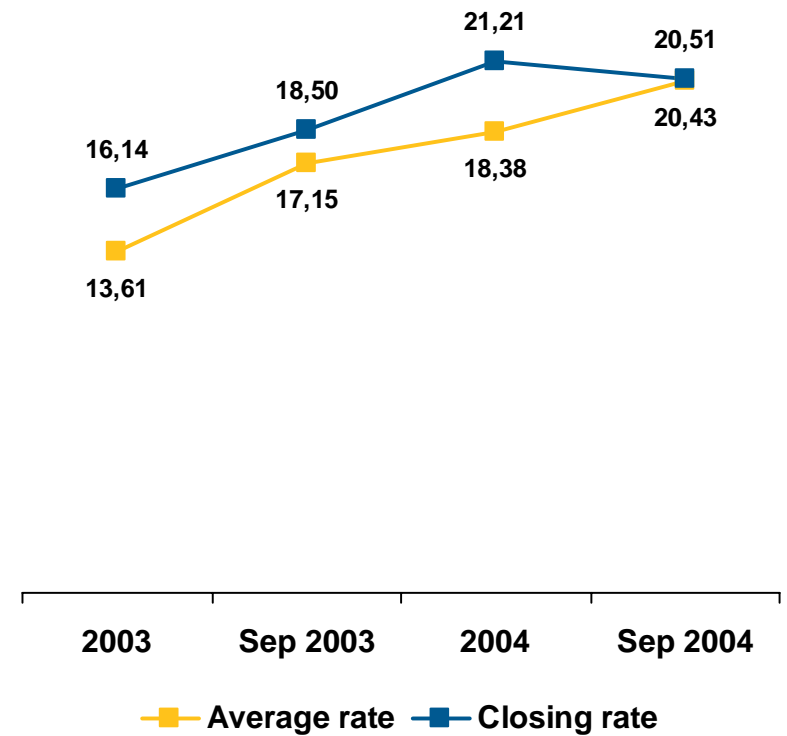
Exchange rate trends



Rand/US\$ exchange rate



Naira/Rand exchange rate



Exchange rates analysis

For the six months ended 30 September



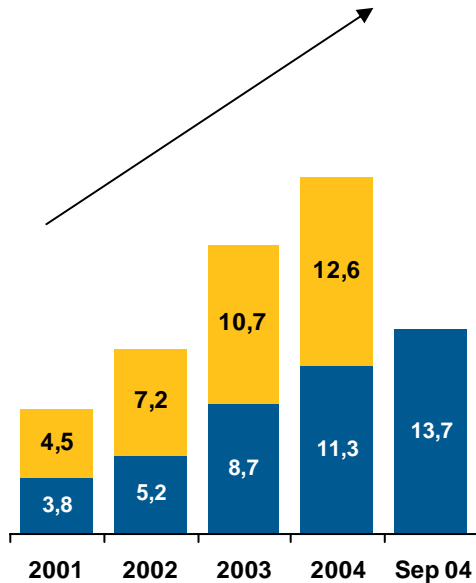
	Average exchange rates			Closing exchange rates		
	2003	2004	% var	2003	2004	% var
Rand per Dollar	7,45	6,51	13	6,95	6,48	7
Nigerian Naira per Rand	17,15	20,43	-19	18,50	20,51	- 11
CFA per Rand	78,26	85,5	- 9	82,15	83,71	- 2
Uganda Shilling per Rand	266,05	278,14	- 5	285,83	270,25	5
Rwanda Franc per Rand	71,90	90,77	- 26	81,38	90,41	- 11

Financial trends



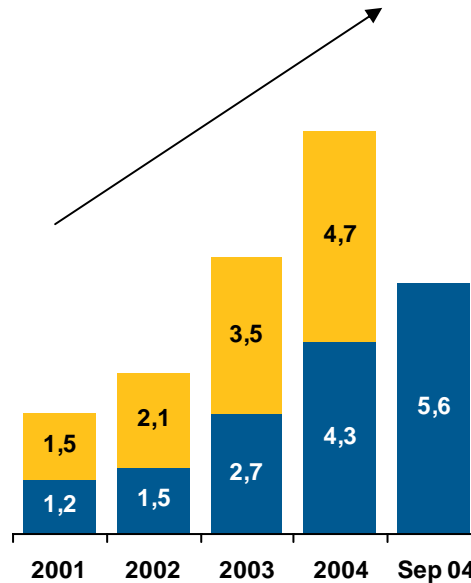
Group revenue R billion

**CAGR
Sep 01-Sep 04
38%**



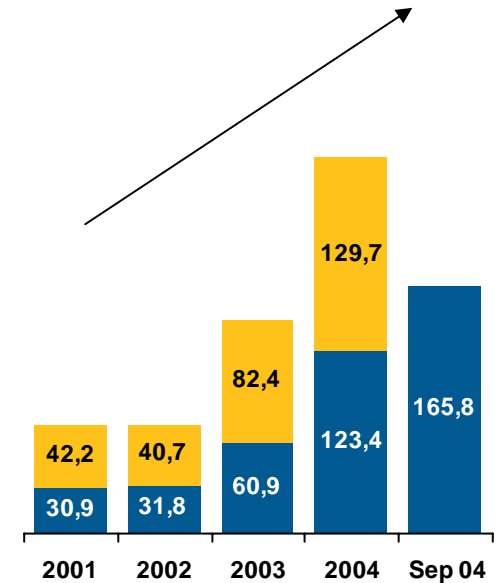
Group EBITDA R billion

**CAGR
Sep 01-Sep 04
47%**



Adjusted HEPS* cents

**CAGR
Sep 01-Sep 04
52%**



* **Basic headline earnings 2004 – 174.2 cents (2003 – 127.2 cents)**
Adjustment made to eliminate deferred tax asset raised by MTN Nigeria

Income statement



For six months ended 30 September R million	2004	2003	% change
Revenue	13 722	11 272	22
EBITDA	5 611	4 334	29
Depreciation	(1 362)	(977)	—
Amortisation	(79)	(391)	—
Profit from operations	4 170	2 966	41
Net finance costs	(127)	(271)	53
Share of profits of associates	11	2	—
Profit before taxation	4 054	2 697	50
Income tax expense	(720)	(564)	—
Profit after taxation	3 334	2 133	56
Minority interest	(438)	(320)	—
Net profit	2 896	1 813	60
Reversal of goodwill amortisation	—	299	—
Net profit (adjusted for AC131)	2 896	2 112	37

Earnings per share



For six months ended 30 September cents	2004	2003*	% change
Basic headline earnings per share	174,2	127,2	37
Reversal of deferred tax credit	(8,4)	(3,8)	–
Adjusted headline earnings per share	165,8	123,4	34
Segmental contribution			
South Africa	85,5	56,9	50
International	80,3	66,5	21
Adjusted headline earnings per share	165,8	123,4	34

* Restated for consolidation of share trust

Revenue analysis



For six months ended 30 September R million	2004	2003	% change Rand	% change LC
South Africa*	8 202	7 105	15	15
International	5 478	4 117	33	—
Nigeria	4 561	3 307	38	65
Cameroon	569	492	16	26
Uganda	252	237	6	11
Rwanda**	50	39	28	26
Swaziland	37	34	9	9
Mauritius/International	9	8	13	—
Other	42	50	—	—
Total	13 722	11 272	22	—

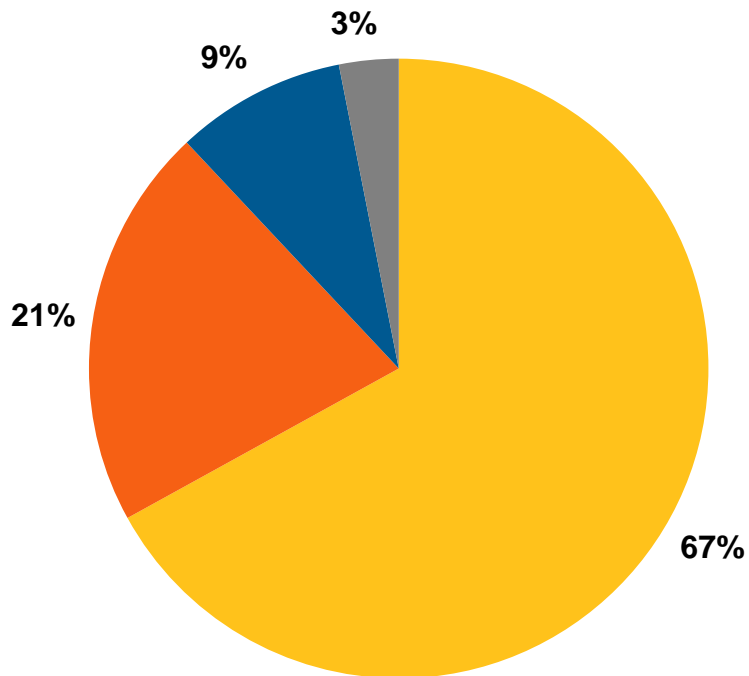
* Including MTN Network Solutions

** % change in Rand terms impacted by change in shareholding from 31% at 30 Sept 2003 to 40% at 30 Sept 2004

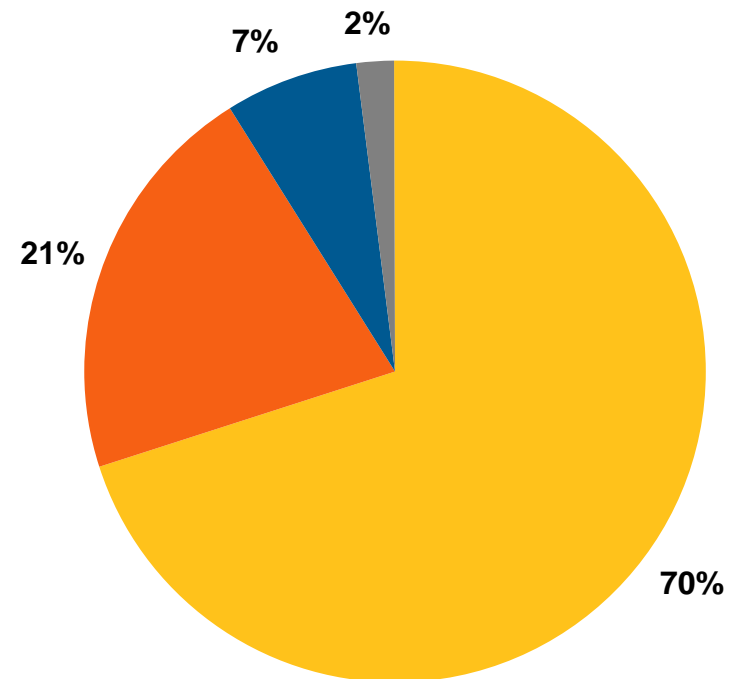
Revenue analysis



September 2003
100% = R11,3 billion



September 2004
100% = R13,7 billion



■ Subscriber spend ■ Interconnect ■ Equipment ■ Connection

EBITDA analysis

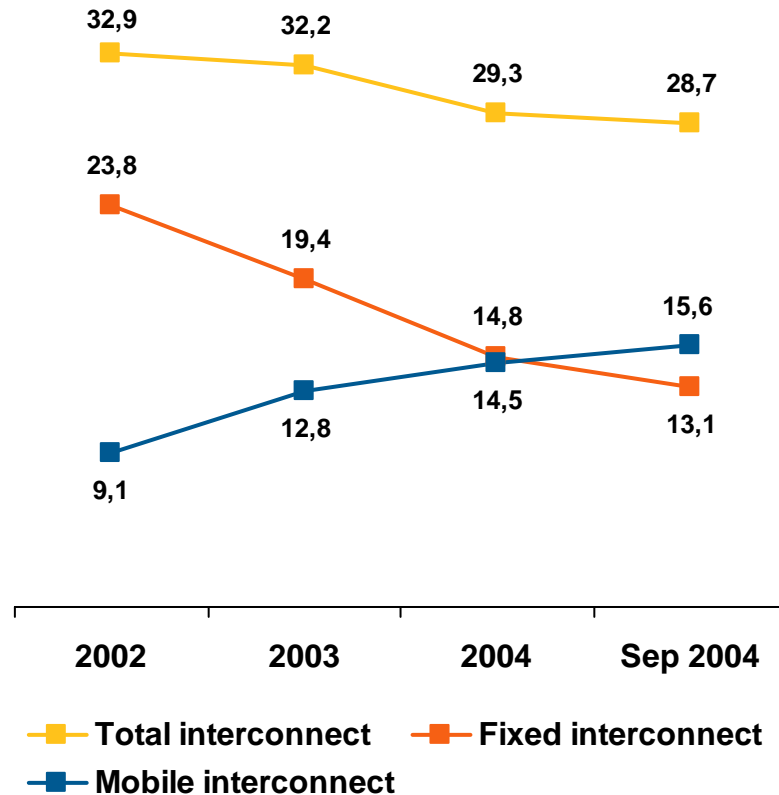


For six months ended 30 September R million	2004	2003	% change Rand	% change LC	2004 EBITDA margin %
South Africa*	2 688	2 027	33	33	32,8
International	2 915	2 308	26	—	—
Nigeria	2 348	1 811	30	55	51,5
Cameroon	243	227	7	16	42,7
Uganda	132	120	10	15	52,4
Rwanda**	22	18	22	22	44,0
Swaziland	20	15	33	33	54,1
Mauritius/International	150	117	28	—	—
Other	8	(1)	—	—	—
Total	5 611	4 334	29	—	40,9

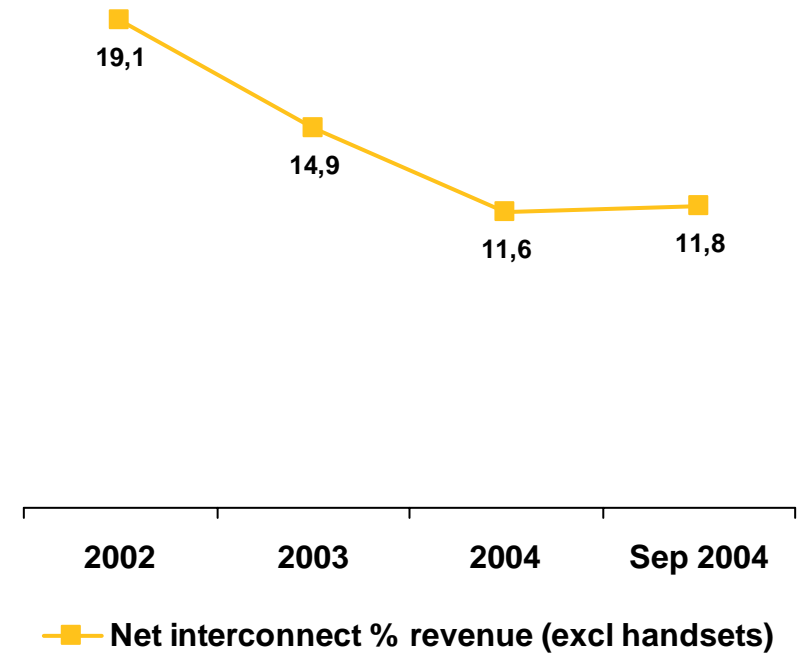
* Including MTN Network Solutions

** % change in Rand terms impacted by change in shareholding from 31% at 30 Sept 2003 to 40% at 30 Sept 2004

Trends in interconnect revenue
% of revenue



Net interconnect revenue
% of revenue



Profit after tax

(excluding Nigeria deferred tax asset)



For six months ended 30 September R million	2004	2003	% change Rand	% change LC
South Africa*	1 420	943	51	51
International	1 722	1 412	22	—
Nigeria**	1 486	1 390	7	28
Cameroon***	98	96	2	11
Uganda	60	51	18	23
Rwanda****	10	8	25	27
Swaziland	12	8	50	50
Mauritius/International	56	(141)	—	—
Other	5	(3)	—	—
Goodwill amortisation	—	(299)	—	—
Total	3 147	2 053	53	
Total (adjusted for AC 131)	3 147	2 352	34	

* Including MTN Network Solutions

** Excluded deferred tax asset: 2004 – R187 million (2003 – R80 million).

*** Additional depreciation charge of R 16 million (net R13 million) in Cameroon due to change in estimate

**** % change in Rand terms impacted by change in shareholding from 31% at 30 Sept 2003 to 40% at 30 Sept 2004

Balance sheet



As at R million	Sep 04	Mar 04	Sep 03*
ASSETS			
Non-current assets	26 329	23 357	22 164
Current assets	7 794	8 643	6 769
Total assets	34 123	32 000	28 933
EQUITY AND LIABILITIES			
Capital and reserves	24 159	21 266	19 560
Non-current liabilities	4 101	4 376	3 417
Current liabilities	5 863	6 358	5 956
Total equity and liabilities	34 123	32 000	28 933
Net debt / equity (excl. goodwill)	(2%)	(10%)	8%

* Restated for consolidation of share trusts

Balance sheet analysis



As at 30 September 2004 R million	Total	South Africa	Nigeria	Rest of Africa	Other*
ASSETS					
Non-current assets	26 329	5 039	9 062	2 500	9 728
Current assets	7 794	5 088	1 942	764	–
Total assets	34 123	10 127	11 004	3 264	9 728
EQUITY AND LIABILITIES					
Capital and reserves	24 159	6 043	6 870	1 518	9 728
Non-current liabilities	4 101	897	2 184	1 020	–
Current liabilities	5 863	3 187	1 950	726	–
Total equity and liabilities	34 123	10 127	11 004	3 264	9 728

* *Goodwill at MTN Group consolidation level*

Net debt in operations



As at R million	Sep 04	Mar 04
South Africa*	(1 983)	(1 875)
International	1 698	686
Nigeria	1 086	(24)
Cameroon	299	370
Uganda	66	68
Rwanda	(2)	7
Swaziland	(2)	(6)
Mauritius/International	251	271
Other	2	2
Total	(283)	(1 187)

* Including MTN Network Solutions

Cash flow statement



For six months ended 30 September R million	2004	2003*	% change
Net cash generated by operations	4 958	4 068	22
Net interest paid	(145)	(232)	—
Taxation paid	(1 173)	(558)	—
Dividends paid	(680)	—	—
Cash inflows from operating activities	2 960	3 278	(10)
Cash outflows from investing activities	(3 838)	(1 435)	—
	(878)	1 843	—
Cash (out) inflows from financing activities	(567)	(177)	—
Net movement in cash and cash equivalents	(1 445)	1 666	—

* *Restated for consolidation of share trusts*

Cash flow statement analysis



For six months ended 30 September R million	Total	South Africa	Nigeria	Rest of Africa
Net cash generated by operations	4 958	2 473	1 934	551
Net finance cost	(145)	43	(185)	(3)
Taxation paid	(1 173)	(1 053)	–	(120)
Dividend paid	(680)	(680)	–	–
Cash inflows from operating activities	2 960	783	1 749	428
Acquisitions of PP&E	(3 858)	(703)	(3 055)	(100)
Other investing activities	20	14	1	5
Cash outflows from investing activities	(3 838)	(689)	(3 054)	(95)
Cash in (out) flows from financing activities	(567)	15	233	(815)
Net movement in cash and cash equivalents	(1 445)	109	(1 072)	(482)

Capital expenditures

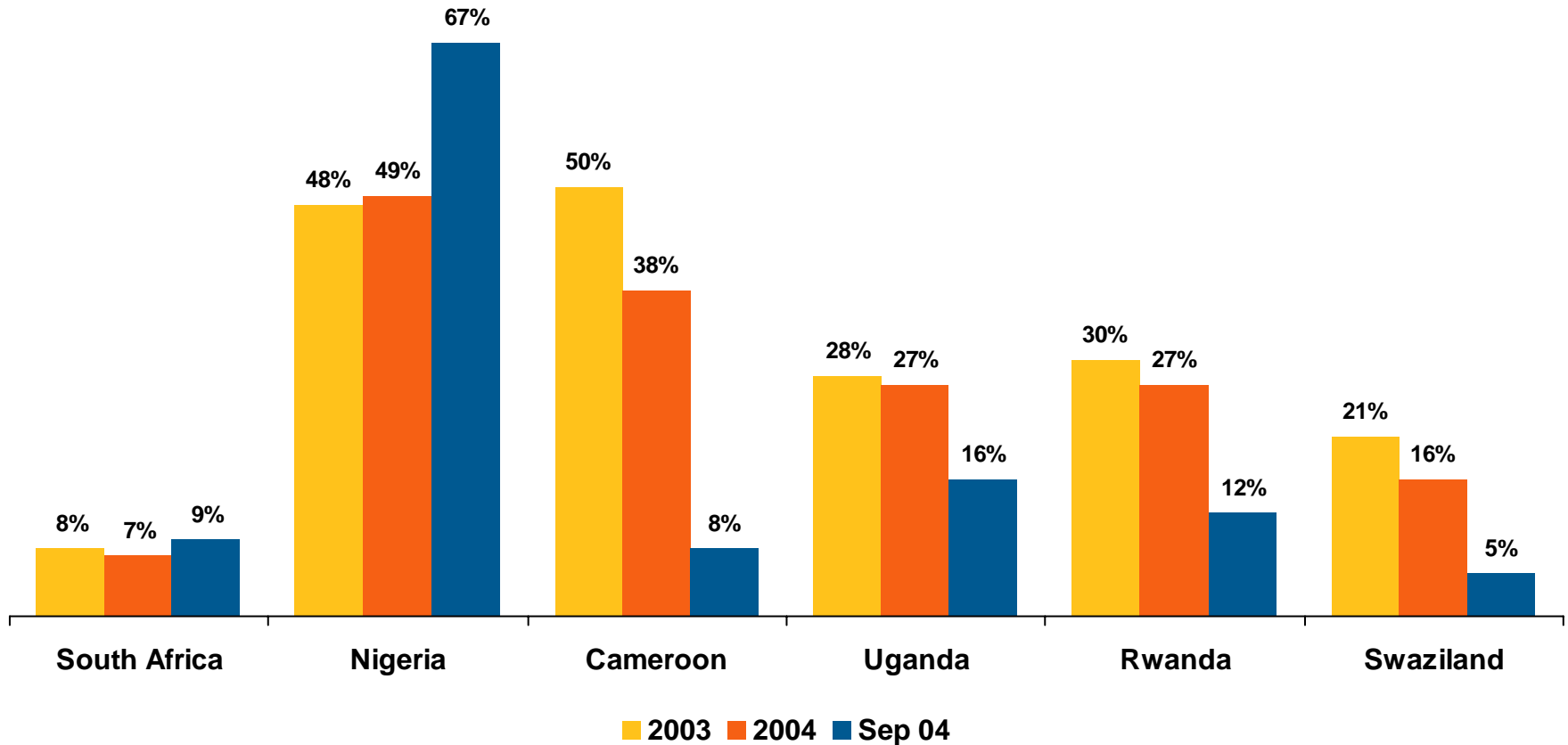


For six months ended 30 September R million	2004	Capital Commitments**
South Africa*	703	1 335
International	3 155	6 791
Nigeria	3 055	6 517
Cameroon	48	162
Uganda	41	76
Rwanda	6	19
Swaziland	2	17
Mauritius/International	3	—
Total	3 858	8 126

* Including MTN Network Solutions

** Commitments as at 30 September 2004 including additional amounts approved subsequent to March 2004 in relation to the current and future financial periods

Capex to revenue

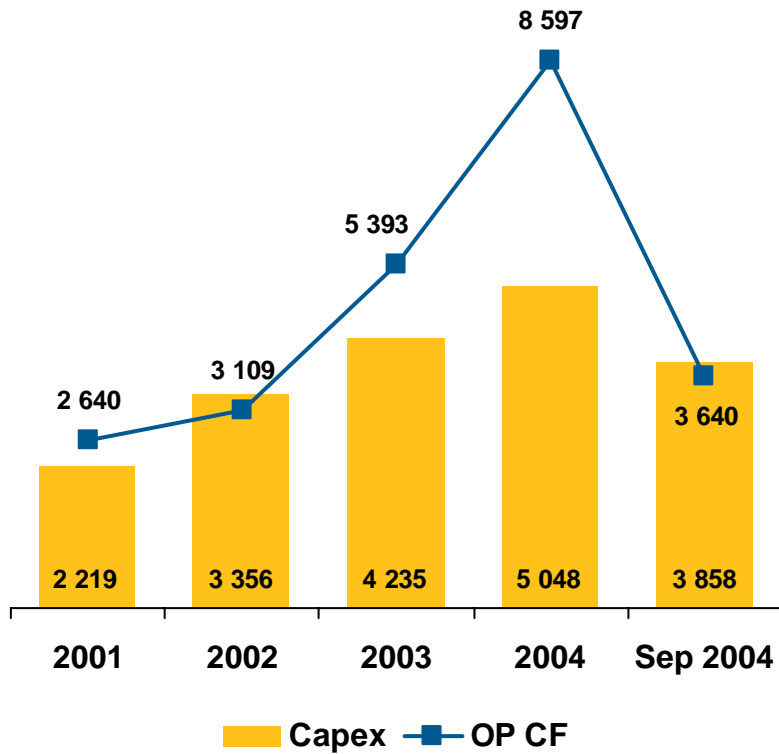


- South African capex to revenue expected to stay in 8 –10% range
- Nigerian capex to revenue to remain at high levels

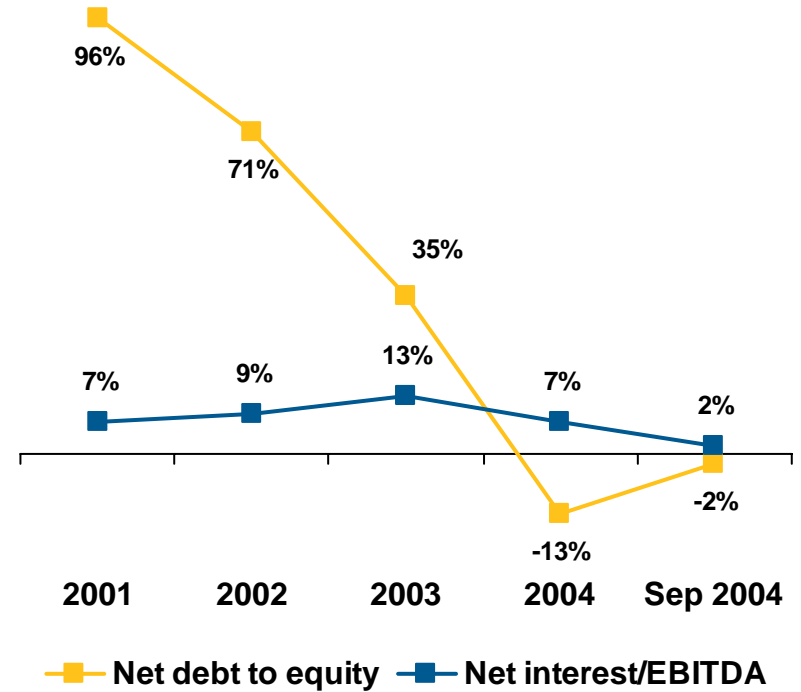
Ratios



Operating cash flows: capex R million



Solvency ratios %





Annexure



Balance sheet

Assets



As at R million	Sep 04	Mar 04	Sep 03*
Non-current assets	26 329	23 357	22 164
Property, plant and equipment	13 772	11 042	9 331
Goodwill	9 754	9 753	10 033
Intangible assets	1 625	1 646	1 941
Investment and loans	616	560	630
Deferred taxation and others	562	356	229
Current assets	7 794	8 643	6 769
Bank balances	3 302	3 648	2 769
Securitised cash deposits	599	1 688	776
Other current assets	3 893	3 307	3 224
Total assets	34 123	32 000	28 933

* Restated for the inclusion of share trust

Balance sheet

Equity and liabilities



As at R million	Sep 04	Mar 04	Sep 03*
Capital and reserves	24 159	21 266	19 560
Ordinary shareholders' interest	22 256	19 848	18 474
Minority interest	1 903	1 418	1 086
Non-current liabilities	4 101	4 376	3 417
Long-term liabilities	3 434	3 710	2 621
Deferred taxation	667	666	796
Current liabilities	5 863	6 358	5 956
Non-interest bearing liabilities	5 679	5 919	4 307
Interest bearing liabilities	184	439	1 649
Total equity and liabilities	34 123	32 000	28 933

* Restated for the inclusion of share trust

Balance sheet

Asset analysis



As at 30 September R million	Total	South Africa	Nigeria	Rest of Africa	Other*
Non-current assets	26 329	5 039	9 062	2 500	9 728
Tangible assets	13 772	4 850	7 371	1 551	–
Intangible assets (incl goodwill)	11 379	57	1 190	404	9 728
Other non-current assets	1 178	132	501	545	–
Current assets	7 794	5 088	1 942	764	–
Bank balances (incl securitised deposits)	3 901	2 340	1 098	463	–
Other current assets	3 893	2 748	844	301	–
Total assets	34 123	10 127	11 004	3 264	9 728

* *Goodwill at MTN Group consolidation level*

Balance sheet

Equity and liabilities analysis



As at 30 September R million	Total	South Africa	Nigeria	Rest of Africa	Other*
Capital and reserves	24 159	6 043	6 870	1 518	9 728
Non-current liabilities	4 101	897	2 184	1 020	–
Long-term liabilities	3 434	329	2 184	921	–
Deferred taxation	667	568	–	99	–
Current liabilities	5 863	3 187	1 950	726	–
Non-interest bearing liabilities	5 679	3 157	1 950	572	–
Interest bearing liabilities	184	30	–	154	–
Total equity and liabilities	34 123	10 127	11 004	3 264	9 728

* *Goodwill at MTN Group consolidation level*

Analysis of net debt position



As at 30 September 2004 R million	Net (cash) debt	Interest bearing liabilities*	Cash and cash equivalent
South Africa**	(1 983)	356	2 339
International	1 698	3 259	1 561
Nigeria	1 086	2 184	1 098
Cameroon	299	505	206
Uganda	66	80	14
Rwanda	(2)	7	9
Swaziland	(2)	5	7
Mauritius/International	251	478	227
Other	2	3	1
Total	(283)	3 618	3 901

* Including long-term borrowings, short-term borrowings and overdrafts

** Including MTN Network Solutions

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