Salient features

Service revenue

↑ **10,2%***

Data revenue

↑ **26,7%***

Subscribers at **223,4 million**, active data users at **71,2 million**

Active MTN Mobile Money customers rose to **24,1 million**

EBITDA

↑ **17,0%***

EBITDA margin

↑ **2,2** percentage points to 35,5%*

Capex

↑ **20,0%***

Basic HEPS of **215 cents**** from 231 cents**

Adjusted free cash flow

↑ **14,4%***

Interim dividend of **175 cents** per share declared

** Constant currency information after accounting for the impact of the pro forma adjustments as defined.*
*** Reported.*
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
Service revenue excludes device and SIM card revenue
Data revenue is access data and enterprise business unit access data revenue
Adjusted free cash flow = EBITDA less capex
All financial numbers are year on year (YoY) unless otherwise stated
All subscriber numbers are compared to end December 2017 unless otherwise stated
2017 comparatives are restated for the adoption of IFRS 15 and change in the presentation of cash flows

Group president and CEO, Rob Shuter comments:

"MTN had an encouraging first half of 2018, with an acceleration in the second quarter, supported by an improved operational performance across many markets. This was led by Nigeria, Ghana and South Africa. Service revenue growth increased, driven by robust voice revenue growth and the continued expansion of data and digital revenue. This in turn was supported by a 2,8% increase in subscriber numbers, continued network rollout, increasing 3G and 4G population coverage and improving customer service.

"We resolved some key regulatory issues in Cameroon and Benin, launched the initial public offering (IPO) of MTN Ghana and made progress on the IPO of MTN Nigeria. As part of our ongoing portfolio review, we agreed to the sale of MTN Cyprus. In the period, we further strengthened our governance of risk, continued to boost our specialist skills base, recorded improvements in employee engagement and extended mobile internet access to more people.

"Despite continued challenges in repatriating funds from MTN Irancell, the board remains committed to plans to declare a total dividend of 500 cents per share for 2018 and is targeting growth of 10% to 20% over the medium term. We believe everyone deserves the benefits of a modern connected life and see opportunity to provide this. We are confident that MTN remains well placed to deliver on our medium-term guidance."

Overview

MTN reported improved constant currency results for the six months ended 30 June 2018, delivering broadly on our medium-term targets as we remained focused on executing our BRIGHT strategy. Growth in service revenue accelerated, margins on earnings before interest, taxation, depreciation and amortisation (EBITDA) increased, and voice, data and digital revenue continued to expand.

Particularly noteworthy was the 38,6%* year-on-year (YoY) growth in second quarter EBITDA in Nigeria and 8,6%* increase YoY in South Africa. In Ghana, the second quarter EBITDA was up 13,6%* YoY after the introduction of the management fee from 1 May 2018.

Macroeconomic conditions remained challenging in South Africa, Iran and Cameroon; however, these were supportive in Nigeria, Ghana and Uganda. The South African economy had a poor start to the year, contracting 2,2% in the first quarter. Nigeria's economy expanded by 1,9% in the same period on the back of improved oil production and oil prices and greater foreign exchange liquidity. Iran's economy felt the impact of the US decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) agreement, and foreign currency remained in short supply. Many markets, particularly those in the Middle East, continued to experience socio economic challenges.

Among key currency moves, the rand's average rate strengthened 7,7% against the US dollar YoY and 22,6% against the Nigerian naira. In April 2018, Iran unified the official and open market exchange rates of the rial, leading to an effective 19,4% depreciation against the dollar.

Against our medium-term target of upper-single-digit growth in group service revenue, we delivered a 10,2%* increase in constant currency terms. This was led by growth of 17,0%* by MTN Nigeria, 27,9%* by MTN Ghana and 2,9% by MTN South Africa. Among our large operations, MTN Uganda also contributed positively; however; MTN Cameroon and MTN Ivory Coast reported declines.

At 30 June 2018, the group had 223,4 million subscribers. This compares to 217,2 million at the end of 2017.

Robust voice revenue growth, along with the continued expansion of data and digital revenue, supported overall service revenue growth. Voice revenue increased by 6,2%* in the period, evidence of our targeted customer value management (CVM) efforts as well as the continued shift in Nigeria of voice growth as we optimised our value-added service (VAS) offerings. Data revenue expanded 26,7%* as we continued to record improvements in the quality and capacity of our data networks after committing R11 461 million** in capital expenditure (capex). We rolled out a total of 3 603 3G and 3 660 4G sites. This supported data adoption, and at the end of June 2018 we had 71,2 million active data users.

Digital revenue increased by 7,6%*, underpinned by the greater uptake of MTN Mobile Money (MoMo), but negatively impacted by lower VAS revenue. At the end of June 2018, we had 24,1 million active MoMo users in 14 markets. MoMo revenue increased by more than 50% YoY. We continued to focus on our rich-media service offerings.

Over the medium term, we target improved profit margins. In the first half, the group's margin on EBITDA expanded by 2,2 percentage points (pp) to 35,5%*.

The reported EBITDA margin was 35,6%** compared to 38,2%** in June 2017. It was positively impacted by a net gain on the dilution of our investment in Iran Internet Group (IIG), following the entry of a new investor into that business. It was also supported by the reversal of fixed and intangible asset impairments (excluding goodwill) for MTN Sudan of R306 million** previously booked under hyperinflation accounting. The reported EBITDA margin was negatively impacted by currency fluctuations.

Reported basic headline earnings per share (HEPS) declined to 215 cents** from 231 cents** in the first half of 2017. HEPS were negatively impacted by a swing of 21 cents in the contribution from associates and joint ventures.

HEPS were also impacted by the following significant items in the first half: 17 cents relating to the Nigeria fine interest (from 24 cents in first half 2017); hyperinflation (excluding impairments) of 27 cents (from 42 cents in first half 2017); and the impact of foreign exchange losses and gains of 21 cents (from 49 cents in first half 2017). HEPS excluding these aforementioned items declined to 280 cents from 346 cents.

On 29 May 2018, MTN Ghana launched its IPO. This is part of the operation's plan to introduce a broad base of Ghanaians as investors and, in so doing, fulfil a requirement of its 4G licence. The offer period closed on 31 July 2018. Potential investors could apply for shares using MTN Mobile Money – the first mobile financial services platform to be used for an IPO. MTN Ghana is expected to list on the Ghana Stock Exchange by 5 September 2018, subject to final regulatory and corporate approvals.

As part of the ongoing review of our portfolio, in July 2018 we signed an agreement to sell 100% of MTN Cyprus, which is reflected in our accounts as a 'disposal group held for sale'. The net sale proceeds of approximately €260 million (approximately R4,17 billion using the closing exchange rate at 30 June 2018) will be paid upfront. We expect the sale to close within the third quarter of 2018. MTN Cyprus is MTN's only operating business in the European Union and falls outside our core footprint of Africa and the Middle East.

Our e-commerce joint ventures continued to grow. Within Africa Internet Holding (AIH), online shopping site Jumia continued to report solid top-line growth. In the first half of 2018, it recorded a 92% YoY increase in new customers to more than a million and an 80% increase in orders to around four million. The increase in gross merchandise value was 66%. This was powered by a 50% increase in active merchants to 47 000 and an 880% increase in SKUs to more than 12 million items.

Within Middle East Internet Holding, online retailer Wadi's recently launched grocery delivery service became the market leader in Saudi Arabia. Ride-hailing service Jeeny recorded a 33% YoY increase in ride numbers and cleaning service app Helpling increased bookings by 70% YoY.

Within IIG, in the first half of the year, cab-hailing and online food ordering service app Snapp reached 1,2 million daily rides and 27 000 delivered food orders a day. Hotel reservation app Snapptrip became the number one player in the Iran hotel booking market.

Regulatory and legal considerations

We tackled various regulatory matters in the period. MTN Cameroon renegotiated its licence agreement as part of an addendum for the usage of 4G spectrum. MTN Benin concluded a memorandum of understanding with the government as well as negotiations around future frequency fees.

In South Africa, we continued to engage with the authorities on proposed amendments to the Electronic Communications Act. We are working to find a solution that would best deliver the most cost-effective coverage for South Africans as well as resources for the national fiscus. We await cabinet's decision on the future of spectrum allocation.

On 1 June 2018, representatives of the South African Directorate for Priority Crime Investigation (the Hawks) visited our offices and those of our external legal counsel to obtain documents relating to aspects of the Turkcell litigation currently before the South Gauteng High Court. This lawsuit was initiated in 2013 by Turkcell Iletisim Hizmetleri A.S. and East Asian Consortium. 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. MTN believes there is no legal merit to Turkcell's claim and will continue to oppose it.

On 8 May 2018, the US announced its decision to withdraw from the JCPOA agreement and to re-impose economic sanctions against Iran. The first round of these sanctions became effective on 7 August 2018 and a second phase of sanctions is expected to be effective on 5 November 2018. The sanctions may limit the ability of the group to repatriate cash from MTN Irancell, including future dividends. As at 30 June 2018, Iranian rial-denominated dividends receivable and loans amounted to R3,4 billion. The official exchange rate to the US dollar was 42 490 rials at 30 June 2018 and has remained largely unchanged since April 2018. Sanctions may place pressure on the official exchange rate that is used to translate dividend and loan receivables as well as the equity-accounted results of MTN Irancell. We will continue to monitor the situation including the response of the Iranian authorities and the other JCPOA members.

As previously reported, so far during 2018, MTN Group has repatriated approximately €88 million from MTN Irancell, including €61 million relating to the full 2017 dividend due to MTN as well as a further €27 million of historic dividends. Opportunities for repatriation within the legislative framework continue to exist, however MTN Group has not factored these into our cash flow forecasts.

Dividends

The board has declared gross interim dividend of 175 cents per share.

Prospects and guidance

Well positioned to deliver growth

MTN is a leading operator in one of the world's fastest-growing regions. Guided by our clearly defined strategy, we are well positioned to grow by leveraging our scale and enhancing our competitive position. With our expanding data coverage and drive to accelerate smartphone adoption, we will take advantage of the material data and digital opportunity in our markets. As we build operational momentum, we will intensify our focus on our digital businesses in the future.

In the next few years we expect to widen our group EBITDA margin. We also target upper-single-digit growth in constant currency service revenue, driven by double-digit growth from MTN Nigeria and mid-single-digit growth from MTN South Africa.

Our extensive capital investment programme in recent years has sharply improved our network performance in many markets. This has supported our efforts to provide the best customer experience and to grow through enabling greater adoption of data and digital services. We expect the group capex intensity, which measures our efficiency in deploying assets, to moderate over the medium term to within a target range of 20% to 15%. At end-June 2018 it was 18,3%**. Our improving group margins and declining capex intensity are expected to support improved cash flow generation for the group.

Portfolio review

We continue to review the markets in which we operate to ensure a good strategic and operational fit. We continue to assess the cash flow performance of our operations in conflict markets, focusing on ensuring that they remain self-funded. We are also evaluating acquisition and partnership opportunities across Africa and the Middle East. These ongoing reviews could, over the medium term, result in some changes to our portfolio.

Listing

MTN Nigeria expects to list on the Nigerian Stock Exchange before the end of 2018, subject to regulatory approvals and appropriate market conditions. The MTN Group expects that any reduction in its ownership of MTN Nigeria will be limited.

Capex guidance 2018

(Rm)	**Estimated 2018**	Capitalised 1H18	Capitalised[1] 1H17
South Africa	**9 675**	3 907	3 473
Nigeria	**6 314**	2 320	2 749
SEAGHA	**4 021**	2 219	1 566
Ghana	**2 070**	1 260	912
Uganda	**750**	392	356
Other	**1 200**	567	298
WECA	**3 261**	2 351	1 707
Ivory Coast	**1 300**	562	499
Cameroon	**501**	101	694
Other	**1 460**	1 688	514
MENA	**1 851**	572	734
Syria#	**713**	102	85
Sudan#	**346**	59	268
Other	**923**	411	381
Head office	**76**	93	76
GlobalConnect	**312**	–	–
Total	**25 510**	11 462	10 305
Hyperinflation	**–**	(1)	3
Total reported	**25 510**	11 461	10 308
Iran (49%)#	**4 517**	1 622	3 850

Excluding hyperinflation.

[1] *Restated to reflect segments reallocated.*

Financial review

Headline earnings reconciliation

(Rm)	IFRS reported	(Impair-ment)/ reversal of PPE and intangible assets[1]	Impair-ment of goodwill[2]	Profit on exercise of exchange right and tower profit[3]
1H18				
Revenue	**62 777**	**–**	**–**	**–**
Other income	**406**	**–**	**–**	**12**
EBITDA	**22 335**	**244**		**12**
Depreciation, amortisation and impairment of goodwill	**11 503**		**149**	**–**
Profit from operations	**10 832**	**244**	**(149)**	**12**
Net finance cost	**3 677**	**–**	**–**	**–**
Hyperinflationary monetary gain	**100**	**–**	**–**	**–**
Share of results of associates and joint ventures after tax	**197**	**–**	**–**	**–**
Profit before tax	**7 452**	**244**	**(149)**	**12**
Income tax expense	**2 541**	**–**	**–**	**–**
Profit after tax	**4 911**	**244**	**(149)**	**12**
Non-controlling interests	**530**	**42**	**–**	**–**
Attributable profit	**4 381**	**202**	**(149)**	**12**
EBITDA margin	**35,6%**			
Effective tax rate	**34,1%**			
1H17				
Revenue	64 815	–	–	–
Other income	6 090	–	–	6 030
EBITDA	24 781	(2 786)		6 030
Depreciation, amortisation and impairment of goodwill	14 374	–	2 631	–
Profit from operations	10 407	(2 786)	(2 631)	6 030
Net finance cost	3 457	–	–	–
Hyperinflationary monetary gain	67	–	–	–
Share of results of associates and joint ventures after tax	579	–	–	–
Profit before tax	7 596	(2 786)	(2 631)	6 030
Income tax expense	2 416	(157)	–	–
Profit after tax	5 180	(2 629)	(2 631)	6 030
Non-controlling interests	(280)	(486)	–	–
Attributable profit	5 460	(2 143)	(2 631)	6 030
EBITDA margin	38,2%			
Effective tax rate	31,8%			

For notes please refer to page 10.

Gain on dilution of investment[4]	Other[5]	Nigeria regulatory fine[6]	Hyper-inflation (excluding impair-ment)[7]	Forex losses[8]	Adjusted	% move-ment
–	**–**	**–**	**65**	**–**	**62 712**	**(3,1)**
304	**11**	**–**	**–**	**–**	**79**	**NM**
304	**11**	**–**	**1**	**–**	**21 763**	**1,3**
–	**–**	**–**	**91**	**–**	**11 263**	**0,4**
304	**11**	**–**	**(90)**	**–**	**10 500**	**2,2**
–	**–**	**396**	**(1)**	**600**	**2 682**	**88,2**
–	**–**	**–**	**100**	**–**	**–**	
134	**–**	**–**	**(540)**	**–**	**603**	**(50,6)**
438	**11**	**(396)**	**(529)**	**(600)**	**8 421**	**(16,3)**
–	**–**	**–**	**(15)**	**(160)**	**2 716**	**(8,6)**
438	**11**	**(396)**	**(514)**	**(440)**	**5 705**	**(19,6)**
–	**–**	**(84)**	**(23)**	**(71)**	**666**	**(23,2)**
438	**11**	**(312)**	**(491)**	**(369)**	**5 039**	**(19,1)**
–	–	–	71	–	64 744	
28	21	–	–	–	11	
28	21	–	5	–	21 483	
–	–	–	530	–	11 213	
28	21	–	(525)	–	10 270	
–	–	537	(15)	1 510	1 425	
–	–	–	67	–	–	
–	–	–	(641)	–	1 220	
28	21	(537)	(1 084)	(1 510)	10 065	
–	–	–	(49)	(350)	2 972	
28	21	(537)	(1 035)	(1 160)	7 093	
–	–	(114)	(275)	(272)	867	
28	21	(423)	(760)	(888)	6 226	

[1] *2018: Reversal of the hyperinflation-related asset impairment in MTN Sudan (R306 million) and exclusion of the impact of other asset impairments.*
2017: Exclusion of the impact of impairments of assets previously written up for the impact of hyperinflation for MTN Syria (R1 125 million) and MTN Sudan (R1 690 million), partly offset by a reversal of assets previously impaired.

[2] *Represents the exclusion of the impact of goodwill impairment recognised*
2018: In relation to MTN Yemen.
2017: In relation to MTN Yemen (R807 million), MTN Afghanistan (R841 million) and MTN Sudan (R983 million). An amount of R192 million of the goodwill impairment on MTN Sudan relates to the carrying value of goodwill previously written up for the impact of hyperinflation.

[3] *The financial impact relating to the sale of tower assets during the financial period is excluded:*
2018: Release of a deferred gain of R12 million (2017: R13 million) in Ghana.
2017: Release of a deferred gain of R13 million in Ghana and R6 017 million 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.

[4] *Represents the gain on dilution of the group's investments in International Digital Services Middle East Limited following the entry of a new investor into that business.*

[5] *Profits earned on the disposal of items of property, plant and equipment are excluded.*

[6] *Exclusion of finance cost recognised as a result of the unwind of the discounting of the financial liability created on conclusion of the Nigeria regulatory fine.*

[7] *The impact of hyperinflation is excluded for the operations that are currently accounted for on a hyperinflationary basis (MTN Syria and MTN South Sudan) as well as those that have previously been accounted for on a hyperinflationary basis. 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. For these operations the impact of hyperinflation unwind over time mainly through depreciation, amortisation or subsequent asset impairments.*

[8] *Adjustment for the net forex losses impacting earnings for the respective periods.*

Exchange rates

The stronger average rand and the depreciation of the Nigerian naira and the Iranian rial had a negative translation impact on rand-reported results for the period. The average naira depreciated by 13,3% against the US dollar YoY, and the closing rate at end-June 2018 was down 0,3% in the period. The average rand strengthened by 7,7% YoY against the US dollar and closed 9,9% weaker in the period.

Revenue

Group revenue increased 9,7%* and service revenue increased by 10,2%*, supported by growth in MTN Nigeria (up 17,0%*), MTN Ghana (up 27,9%*), MTN South Africa (up 2,9%) and MTN Uganda (up 8,8%*). MTN Cameroon and MTN Ivory Coast reported a 7,0%* and 6,6%* decline in service revenue respectively.

Costs

Total costs were well contained, increasing by 6,8%*. They were negatively impacted by foreign-denominated expenses in Nigeria and costs associated with the rollout of network sites.

EBITDA

EBITDA excludes impairment of goodwill, net monetary gains and share of results of associates and joint ventures after tax. Group EBITDA increased by 17,0%*. It was driven by increases of 31,5%*, 5,7%* and 34,7%* in MTN Nigeria, MTN South Africa and MTN Ghana respectively and lower head office costs, which were partially offset by the performance of the WECA markets. The group EBITDA margin increased by 2,2 percentage points* to 35,5%*.

Depreciation, amortisation and impairment of goodwill

The group depreciation charge increased by 10,2%* because of higher capex over the past few years. Amortisation costs increased by 17,6%*, after higher expenditure on software in the previous period. Non-hyperinflation-related goodwill impairments consisted of impairments in Yemen (R149 million**).

Net finance costs

Net finance costs increased by 6,4%**. This was mainly because of lower interest income in Nigeria after the early redemption by MTN Nigeria of treasury bonds.

Net forex losses declined by 60,3%** because of lower losses in Nigeria, after the operation settled a number of foreign-denominated expenses. Net forex losses mainly included:

- Head office forex losses of R425 million; and
- Forex losses in Nigeria of R175 million incurred on US dollar-denominated third-party payables.

Share of results of associates and joint ventures after tax

We reported a profit of R197 million** from associates and joint ventures, compared to a profit of R579 million** in the same period of 2017. This was mainly because of a 30,1%** decline in MTN Irancell's profits – a result of higher depreciation related to network rollout, increased transmission costs and higher forex losses because of the weaker rial. The share of results of joint ventures was also affected by the increased loss in Africa Internet Holding (AIH) because of higher marketing and logistics costs.

Taxation

The reported effective tax rate was 34,1%**, driven higher by lower profits from associates and joint ventures as well as non-deductible interest on the Nigeria fine. The prior year's rate had also benefited from non-taxable tower profits. The group's reported taxation charge increased by 5,2%** YoY to R2 541 million**.

Earnings

We reported headline earnings per share (HEPS) of 215 cents** compared to 231 cents** in the comparable period. HEPS were negatively impacted by a swing of 21 cents in associates and joint ventures. HEPS were impacted by the following items: 17 cents relating to the Nigeria fine interest (from 24 cents in first half 2017); hyperinflation (excluding impairments) of 27 cents (from 42 cents in first half 2017); and the impact of foreign exchange losses and gains of 21 cents (from 49 cents in first half 2017), and reflected a decline to 280 cents from 346 cents.

Cash flow

Cash inflows from operations were slightly lower at R16 757 million**. The group repatriated R1 296 million** in cash from MTN Irancell. Key cash outflows included cash capex of R12 549 million** and dividends paid to equity holders of R8 098 million**.

Capital expenditure

Capex increased by 20,0%* (increased by 11,2%** to R11 461 million**) for the first half.

Net debt increased to R69 831 million** from R57 145 million** reported at year-end, impacted by the weaker closing rand and the payment of the final dividend under the previous dividend policy.

Operational review of key markets

MTN South Africa

- Service revenue increased by 2,9%*
- Data revenue increased by 13,5%*
- Digital revenue increased by 17,9%*
- EBITDA grew 5,7%* to R7 450 million*
- EBITDA margin increased by 0,8pp* to 35,2%*
- Capex increased by 12,5%*

MTN South Africa reported improved profitability on a strong consumer business, supported by our CVM initiatives. However, growth in service revenue was below expectations on the slow turnaround of the enterprise business. Despite this, we started to see a stabilisation of enterprise towards the end of the second quarter after the appointment of new leadership. Data usage was driven by the strong uptake of social media bundles. Digital revenue grew on demand for Xtratime and gaming.

Prepaid service revenue increased by 2,5%*, while postpaid service revenue declined by 2,5%*. Postpaid churn stabilised. We expect an acceleration of service revenue growth in the second half, driven by improvements in the postpaid and enterprise segments.

The subscriber base increased by 2,2% from December 2017 to 30,2 million. We continued to record network improvements. Boosted by these, we signed a deal to provide wholesale roaming services to Cell C, which will lead to incremental growth in revenue and EBITDA from the fourth quarter. Following the introduction of new methodology to measure NPS, we moved to number two NPS.

Ahead of the decision of the courts on the timeline for the implementation of new data regulations, over the next six months we will proactively implement the various changes to which we have committed.

MTN Nigeria

- Service revenue increased by 17,0%*
- Data revenue increased by 63,7%*
- Digital revenue decreased by 24,8%*
- EBITDA grew by 31,5%* to R9 094 million*
- EBITDA margin increased by 4,7pp* to 43,0%*
- Capex increased by 0,5%*

MTN Nigeria performed ahead of expectations, with double-digit growth in voice revenue driving accelerated service revenue growth and the further widening of the EBITDA margin. Increased usage and growth in data subscribers supported data revenue growth. Digital revenue declined as a result of further optimisation of our VAS business. Towards the end of the second quarter, net additions and revenue growth slowed in line with economic activity, as well as some seasonality. We expect this trend to continue in the third quarter, with an improved performance expected in the fourth quarter.

The subscriber base expanded by 5,6% from December 2017 to 55,2 million. We continued work to improve customer experience and recorded steady growth in overall NPS, supported by our increased efforts to improve network quality and availability. We reported an increase in the number of active MoMo customers to nearly 2,2 million. The enterprise business performed well. We made good progress on our plans to list MTN Nigeria on the Nigerian Stock Exchange. We do not expect any material cash inflows to the group from the IPO.

Southern and East Africa and Ghana (SEAGHA)

- Service revenue increased by 22,9%*
- Data revenue increased by 30,8%*
- Digital revenue increased by 28,6%*

MTN Ghana reported a very strong performance in the first half, continuing to benefit from the relatively buoyant economy. Growth in voice, data and digital revenue drove a 27,9%* increase in service revenue and supported the 2,0pp* widening in the EBITDA margin to 39,2%*. The new Ghana management fee agreement was put in place effective 1 May 2018. MTN Ghana's strong first half performance was supported by various attractive value propositions, including the youth activation initiative MTN Pulse. Subscribers grew by 5,5% from December 2017 to 16,5 million. The number of active data subscribers increased by 6,1% in the same period to 6,9 million and data volumes more than doubled. This supported a 36,7%* increase in data revenue.

MTN Ghana continued to lead the group in terms of the total number and growth of MoMo subscribers, adding 10,7% more active MoMo subscribers from December 2017 to 7,9 million, supported by consistent service delivery across all channels. At end-June 2018, MoMo made up 15% of revenue. In May 2018, MTN Ghana's IPO was launched and the operation is expected to be listed, subject to final corporate and regulatory approvals, by 5 September 2018. A new CEO, Selorm Adadevoh, joined in June 2018.

MTN Uganda increased service revenue by 8,8%*, led by a 19,7%* increase in digital revenue. Growth in MoMo revenue exceeded expectations and profitability was supported by a reduction in commissions paid to MoMo agents. The number of active MoMo customers on Uganda's leading brand and network NPS operator increased to 5,3 million. MoMo subscribers made up more than half the total subscriber base of 10,5 million, which declined by 1,8%, impacted by the regulator's ban on the sale and replacement of SIM cards between March and May 2018. The number of active data subscribers rose to 1,8 million, helping lift data revenue by 17,8%*.

West and Central Africa (WECA)

- Service revenue decreased by 7,5%*
- Data revenue increased by 13,6%*
- Digital revenue increased by 23,0%*

MTN Cameroon's subscriber base declined by 5,9% from December 2017 to 6,6 million in a difficult operating environment, impacted by a data shutdown and weak economic activity. Service revenue decreased by 7,0%*, affected by the lower subscriber base and despite 15,0%* growth in data and 71,2%* growth in digital revenue. The number of active MoMo customers increased by 10,5% from December 2017 to 1,2 million, with revenue up by 404%* YoY. EBITDA declined by 44,1%* and the EBITDA margin narrowed 11,8pp* to 19,2%*.

MTN Ivory Coast's service revenue declined by 6,6%* on weaker voice revenue in a competitive market. Digital and data revenue continued to expand, up by 34,7%* and 15,4%* respectively. The EBITDA margin declined by 8,5pp* to 26,8%* because of declining voice revenue and increased interconnect costs, most notably national interconnect costs. The subscriber base grew by 3,1% from December 2017 to 11,3 million. We led the market in brand NPS and the total number of active MoMo customers increased by 15,8% from December 2017 to 2,5 million. MoMo revenue grew by 48,7% and data volumes almost doubled. We completed subscriber re-identification in May 2018.

Middle East and North Africa (MENA) (excluding Iran)

- Service revenue increased by 21,6%*
- Data revenue increased by 32,5%*
- Digital revenue increased by 21,3%*

MTN Irancell (joint venture – equity accounted, 49%)

- Service revenue increased by 16,1%*
- Data revenue increased by 48,2%*
- Digital revenue increased by 4,7%*
- EBITDA increased by 16,7%*
- EBITDA margin increased by 0,3pp* to 36,5%*
- Capex decreased 45,4%*

MTN Irancell had a good first half and remained the market leader in terms of data services. Strong growth in data revenue was the result of the extensive network rollout and optimisation during 2017, as well as the additional rollout of 3G and 4G network sites in the first half and successful spectrum refarming, attractive segmented offers and strong subscriber net additions as more subscribers moved to 3G-enabled devices. By end-June, of the total of 44,6 million subscribers, 19,3 million were active data subscribers. Data traffic volumes increased by more than 110% YoY. The enterprise business continued to record good growth. The number of subscribers using the MyMTN app increased to 6,7 million from 4,6 million in December 2017. MTN Irancell secured access to more spectrum in the 2 600MHz band. Despite an increase in transmission costs, optimisation in other areas of the business led to total costs being managed and this contributed to EBITDA of R6 745 million*. EBITDA was also supported by a net gain on the dilution of the investment in IIG. This was following the entry of a new investor into that business.

Following the decision of the US to withdraw from the JCPOA, the rial has depreciated sharply and access to foreign exchange has become more difficult, pressuring economic growth.

Board changes

We announced the appointment of three new independent non-executive directors. Swazi Tshabalala and Mcebisi Jonas joined the board on 1 June 2018 and Dr Khotso Mokhele joined the board on 1 July 2018. We wish them well in their new roles.

Declaration of interim ordinary dividend

Notice is hereby given that a gross interim dividend of 175 cents per share for the period to 30 June 2018 has been declared. The number of ordinary shares in issue at the date of this declaration is 1 884 296 758 (including 9 791 839 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 140 cents per share to those shareholders who bear the maximum rate of dividend withholding tax of 35 cents per share. The net dividend per share for the respective categories of shareholders for the different dividend tax rates is as follows:

- 0% 175,00 cents per share
- 5% 166,25 cents per share
- 7,5% 161,875 cents per share
- 10% 157,50 cents per share
- 12,5% 153,125 cents per share
- 15% 148,75 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	Wednesday, 8 August 2018
Last day to trade *cum* dividend on the JSE	Tuesday, 28 August 2018
First trading day *ex* dividend on the JSE	Wednesday, 29 August 2018
Record date	Friday, 31 August 2018
Payment date	Monday, 3 September 2018

No share certificates may be dematerialised or rematerialised between Wednesday, 29 August 2018 and Friday, 31 August 2018, both days inclusive. On Monday, 3 September 2018 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, 3 September 2018 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, 3 September 2018.

For and on behalf of the board

PF Nhleko	**RA Shuter**	**RT Mupita**
Chairman	*Group president and CEO*	*Group CFO*

7 August 2018
Fairland