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# MTN Group Limited

Results for the year ended 31 December 2013



*everywhere you go*



## **Agenda**

**01**

### **Strategic and operational review**

*Sifiso Dabengwa  
Group President and CEO*

**02**

### **Group financial review**

*Brett Goschen  
Group CFO*

**03**

### **Looking ahead**

*Sifiso Dabengwa  
Group President and CEO*



## Strategic and operational review

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Say goodbye to the briefcase  
and say welcome to the tablet.

***Welcome to the  
Bold New Digital World.***

# Our strategy pillars

Supporting the delivery of a Bold, New Digital World



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## CREATING AND MANAGING STAKEHOLDER VALUE

- *Corporate governance, values and ethics*
- *Great place to work*
- *Sustainable shareholder returns*

## CREATING A DISTINCT CUSTOMER EXPERIENCE

- *Brand leadership*
- *Exceeding customer expectations*
- *Consistent customer experience across all touch points*
- *Network quality and coverage*

## DRIVING SUSTAINABLE GROWTH

- *Digital adjacent and enterprise businesses*
- *Data and voice evolution*
- *M&A and strategic partnerships*

## TRANSFORMING OUR OPERATING MODEL

- *Asset and resource optimisation*
- *Centralised procurement and SCM*
- *Shared services*
- *Network managed services*

## INNOVATION AND BEST PRACTICE

- *Operating under principle of innovation in everything we do*
- *Sharing best practice*



# Group highlights

Satisfactory performance across the group



everywhere you go

↑ 9,8%

to 207,8 million

Group subscribers

↑ 12,0%

to R136,5 billion

\*Revenue

↑ 41,4%

to R20,7 billion

Data revenue

↑ 13,0%

to R58,8 billion

\*\* EBITDA

↑ 27,3%

to 1,386 cents

HEPS

↑ 25,6% up

to 1,035 cents

Total dividend

\* On a constant currency basis Revenue increased 3,1%

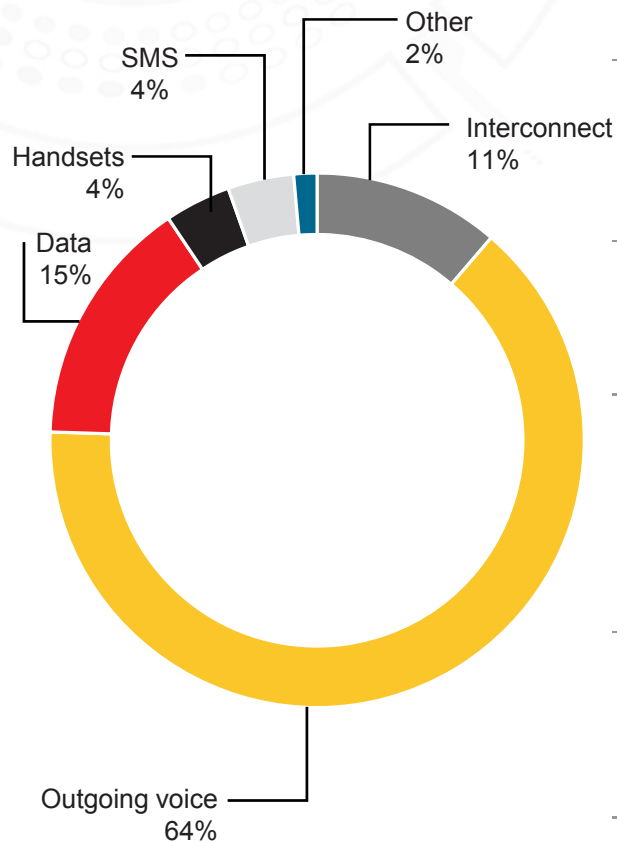
\*\* On a constant currency basis EBITDA increased 1,6%. EBITDA excludes tower profits

# 2013 Operational highlights

Satisfactory performance despite some challenges



everywhere you go



Revenue Contribution

## Revenue growth

- Good local currency revenue growth across most operations

## Subscriber growth

- Surpassed 200 million customers on our network
- Challenging growth in SA given slow response to aggressive competition
- Iran impacted by weaker economic environment

## Voice

- Voice traffic up 19,0%
- Revenue up 12,3%, US\$ APPM down 14,9%
- Promotions driving market activity

## Data and related services

- Total data traffic increased 78,7% to 54,548TB
- Increased smartphone penetration with 34,8m smartphones on our network
- Slower than expected growth in Mobile Money
- Driving data growth; devices and network capacity

## Network quality and capacity

- Group capex R30,2bn, ahead of guidance of R27,2bn
- 5,161 2G and 4,413 3G sites rolled out

## Improved cost management

- Global transaction processing hub in SA
- Group headcount reduction of 5,4%
- Managed network services in Nigeria
- Passive infrastructure disposal in Cameroon and Ivory Coast

# South Africa

Performance improvements in second half



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Launched Jun 1994

Market share 34,6%

Population 51,7m

Market size 2016 : 96m

Penetration 135%

Shareholding 100%

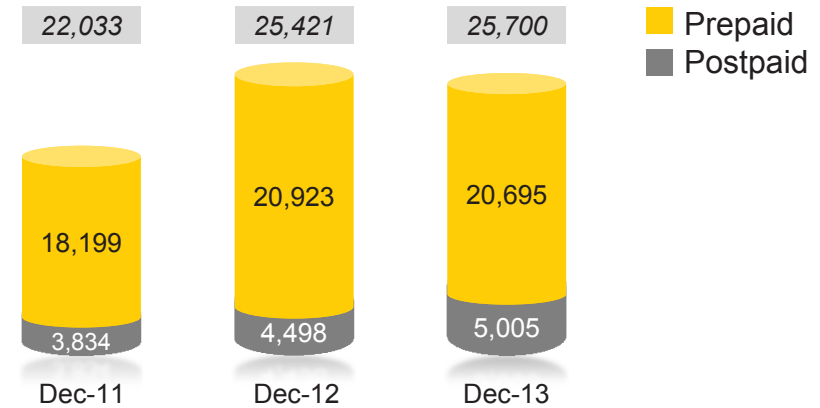
## Disappointing subscriber growth

- Net adds 699k in H2 from 420k disconnections in H1
- Ineffective response to aggressive competition in H1
- Regained market relevance in pre-paid offering in H2
- Good post paid performance
- 6,4% growth in data subscribers to 14,3m

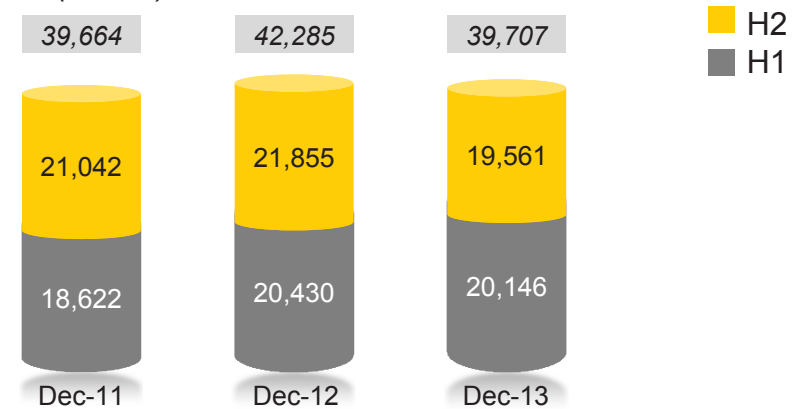
## Revenue growth impacted by lower tariffs

- Revenue down 6,1% incl handset revenue adjustment
- Effective tariff down 4,5%
- Significant reduction in free minutes
- Interconnect revenue 24,9% lower due to MTR cut
- Data revenue up 20,2%, now contributes 22,2%
- 9,7m 3G devices on network incl 7,3m smartphones

Subscribers  
'000



Revenue\*  
ZAR (million)



\* Prior year numbers adjusted to include MTN Business Solutions

# South Africa

Focus on cost containment



everywhere you go

## Operating costs down 5,6%

- Improved management of costs
- Reduction in commissions and distribution costs
- Review of staffing requirements

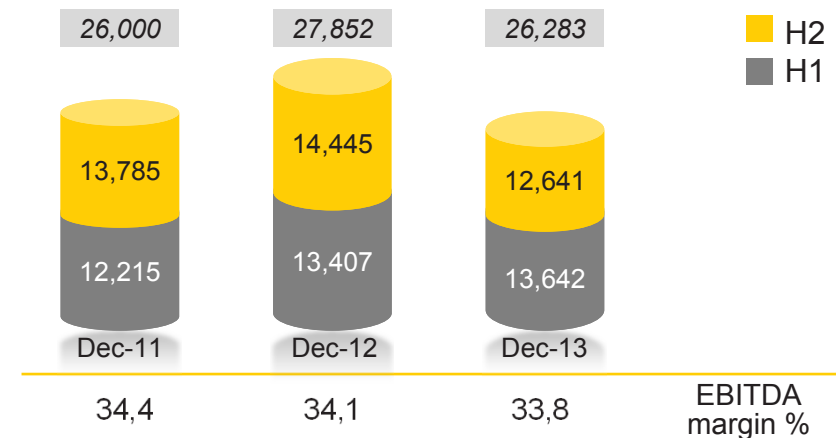
## Reduction in interconnect impacted margin

- Higher off-net traffic despite lower interconnect
- Handset costs up 14,4%, driven by higher value smartphones

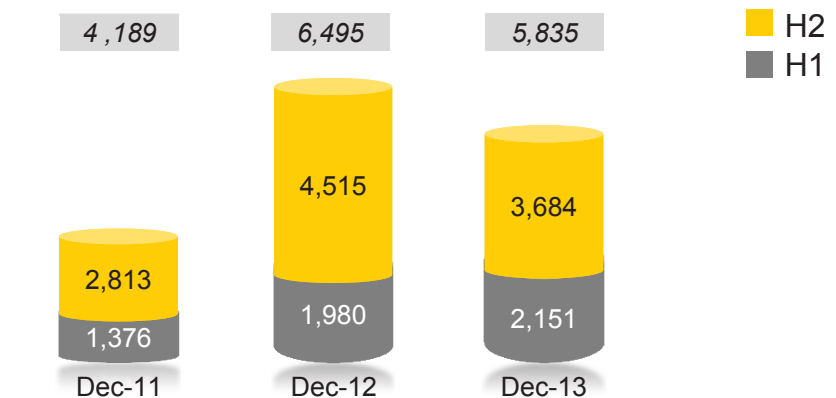
## Continued investment in 3G and LTE

- 1,133 new 3G sites on-air
- 761 LTE sites in 2013 up 171%
- 76% 3G population coverage
- LTE spectrum availability and allocation remain a challenge

Expenses\*  
ZAR (million)



Capex\*  
ZAR (million)



EBITDA  
margin %

34,4

34,1

33,8

\* Prior year numbers adjusted to include MTN Business Solutions



# Nigeria

Notable turnaround in tough conditions



everywhere you go

Launched Aug 2001

Market share 49,4%

Population 164,5m

Market size 2016: 133,2m

Penetration 69%

Shareholding 78,8%

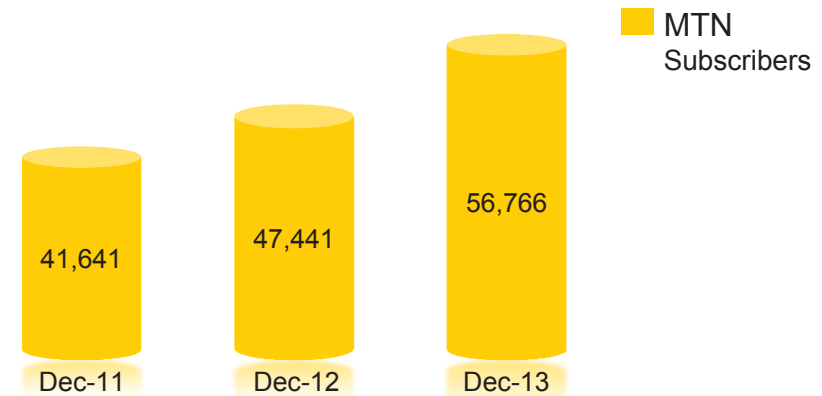
## Strong subscriber growth

- 9,3m net adds despite SIM registration and network suspension in 3 states
- Improved competitiveness in market offerings
- Focus on churn reduction and dormancy management

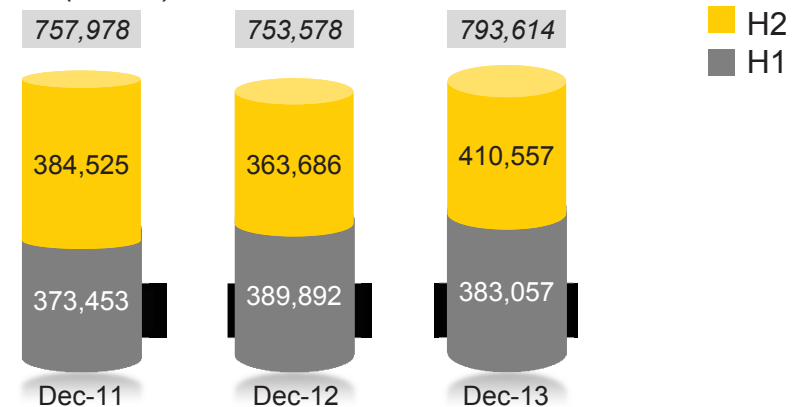
## Encouraging revenue growth trends

- Revenue up 5,3% (LC)
- Effective outgoing tariff down 32,9% (LC)
- Interconnect revenue down 23,0% (LC) , lower MTR
- MOU up 22,9% to 101mins per subscriber
- Q4 revenue growth of 15,3% from Q4 2012
- Data revenue up 27,2% (LC), contributes 15,1%
- 6,5m 3G devices on network incl 216,000 dongles
- Off-net price cap due to "market dominance" finding

Subscribers  
'000



Revenue  
NGN (million)



# Nigeria

Strong focus on network rollout



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## Costs well contained

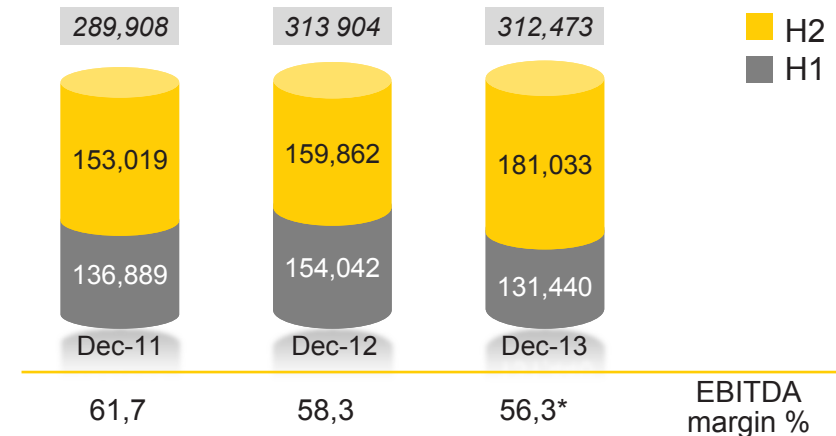
- Reduction in commissions and marketing expenses
- Site rental and fuel costs key challenge
- Network costs up 28,3% (LC)

## Improved network quality and capacity

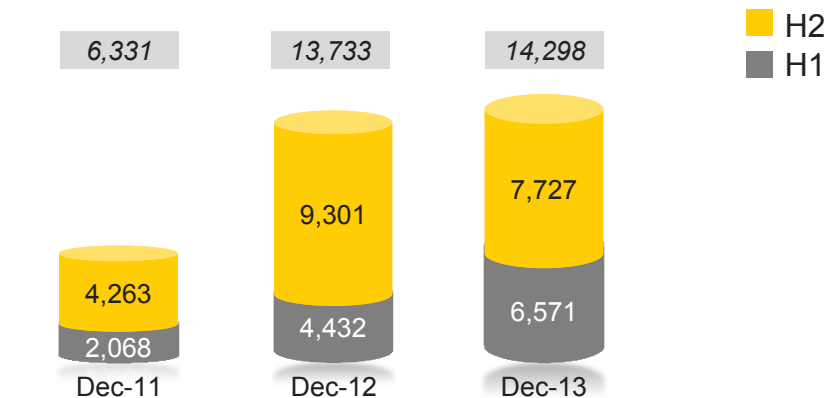
- Accelerated network roll-out
- 1,607 new 3G sites and 2,743 new 2G sites
- 452 hybrid powered sites rolled out
- 5,038km fibre roll out
- Auction of 2.3GHz spectrum announced in Q1 2014
- Ongoing discussion with Regulator regarding additional spectrum

\* Normalised EBITDA assumes no management fee recognised

Expenses  
NGN (million)



Capex  
ZAR (million)



# Iran

Good result in challenging environment



everywhere you go

Launched Oct 2006

Market share 46,5%

Population 77,8m

Market size 2016:101m

Penetration 114,3%

Shareholding 49%

## Muted subscriber growth of 2,2%

- Increased competition and penetration levels
- Delay in allocation of new number ranges
- Weaker economic environment

## Solid revenue growth despite challenges

- Revenue up 18,0% (LC), stable tariff
- MOU up 5,3% to 80mins per subscriber
- Data revenue (excl sms) up 63,0% (LC)
- Data contributes 10,3% of revenue
- 10,3m smartphones on network

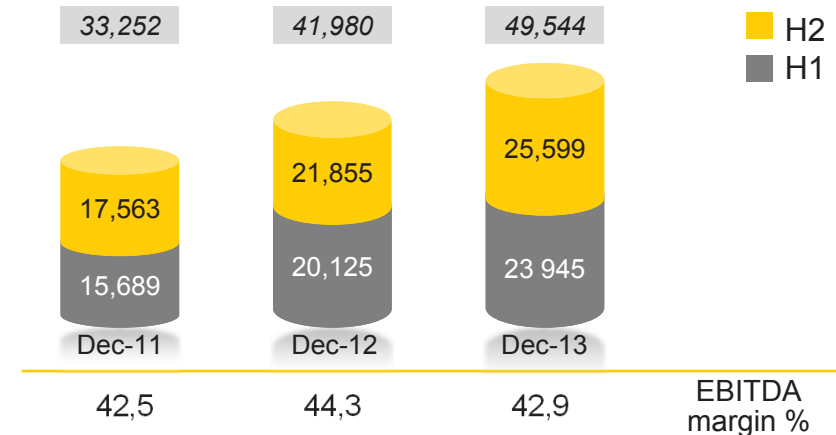
## Significant investment in network

- Added 743 2G sites and rolled out 408km of fibre

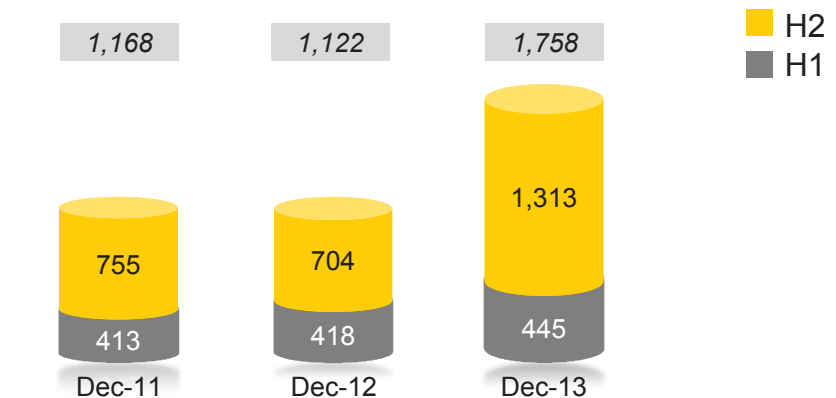
## Continued focus on sanctions compliance

- No cash repatriated in 2013
- Continued monitoring of sanctions status

## Revenue IRR (billion)



## Capex ZAR (million)



# Ghana

Solid performance despite competition



everywhere you go

Launched Nov 1996

Market share 50,2%

Population 26,0m

Market size 2016 31,8m

Penetration 96%

Shareholding 97,7%

## Good subscriber growth

- Subscribers up 10,2% to 12,9m
- Acquisition campaign, bonus offers and segmentation
- High levels of competition and penetration

## Maintained revenue growth trends

- Revenue up 13,0% (LC), stable tariff
- MOU down 4,7% to 122mins per subscriber
- Data revenue (excl sms) up 80,9% (LC)

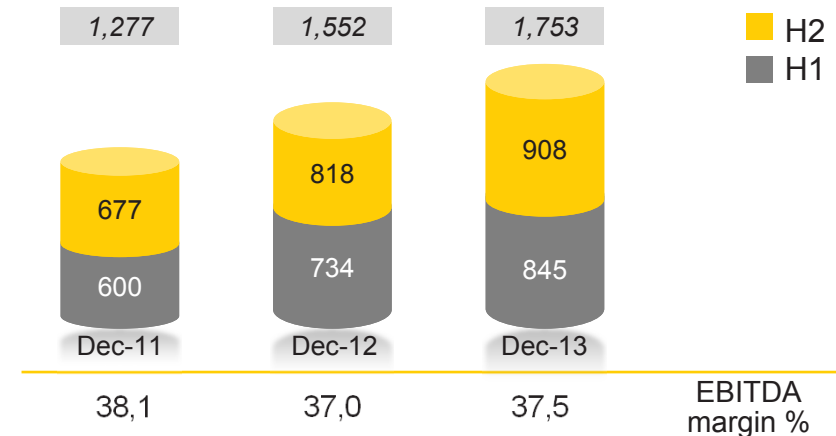
## Good cost containment

- EBITDA margin expanded 0,5pp
- Network operating costs up 15,8% (LC) due to tower lease structure
- Controlled marketing and maintenance costs

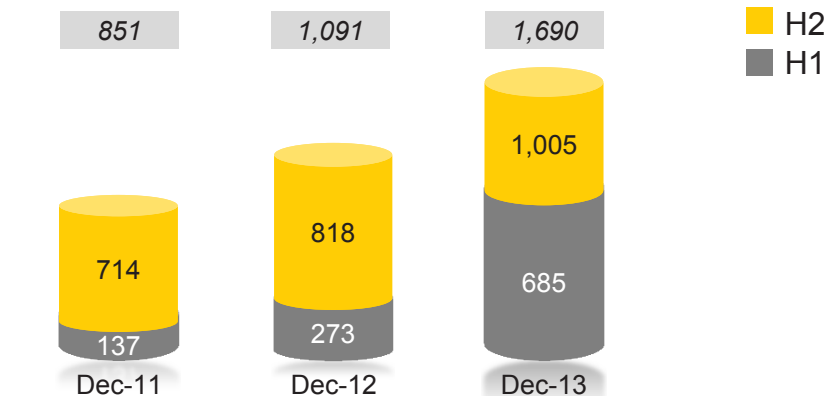
## Strong investment in network

- 110 2G and 175 3G sites added
- 408km of fibre rolled out

## Revenue Cedi (million)



## Capex ZAR (million)



# Cameroon

Driving value and customer experience



everywhere you go

Launched Feb 2000

Market share 59,3%

Population 21,4m

Market size 2016 18,5m

Penetration 69%

Shareholding 70%

## Subscribers increased 19,2% to 8,7m

- Market share up to 59,3%
- Increased promotional activity and segmented offerings
- Enhanced customer experience, improved net promoter score

## Solid revenue growth despite macro environment

- Revenue up 11,8% (LC)
- MOU up 51,1% to 73mins per subscriber
- Data revenue (excl sms) increased 68,4% (LC)

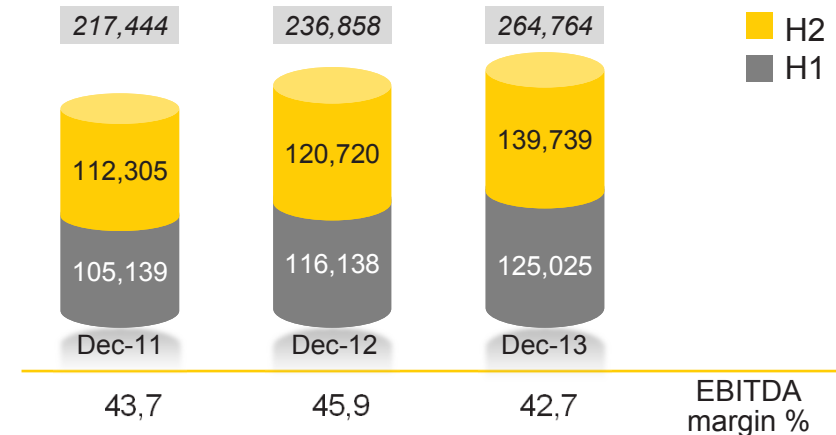
## Operating lease costs from tower sale impacted margin

- EBITDA margin down 3,2 pp
- Network costs up 64,6% (LC)

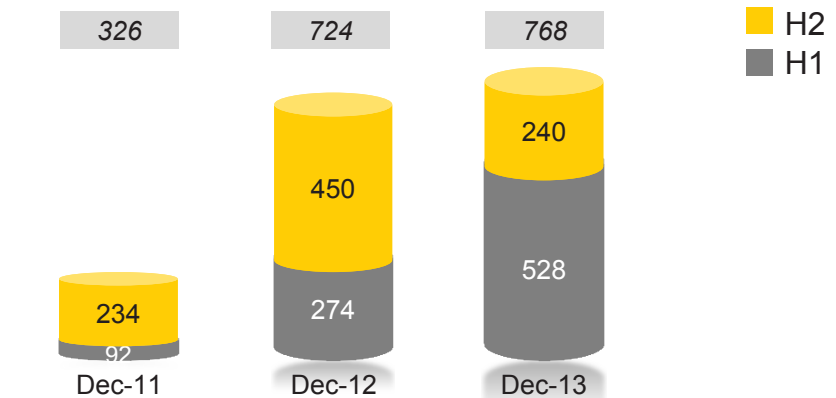
## Improved network quality

- 191 2G sites added
- Tower transaction completed
- No 3G licence, exclusivity expires Dec 2014

## Revenue CFA (million)



## Capex ZAR (million)



# Ivory Coast

Adoption of 3G technology supports growth



everywhere you go

Launched Apr 1996

Market share 37,8%

Population 23,8m

Market size 2016 20,6m

Penetration 79%

Shareholding 66,8%

## Maintained market share despite competition

- Subscribers grew 16,4% to 7,1m
- Effective churn management
- Economic recovery underway

## Data driving revenue growth

- Revenue up 9,0% (LC), tariff down 19,4%
- MOU up 29,5% to 56mins per subscriber
- Data revenue contribution of 8,7%
- 1,8m smartphones on network
- 59,0% increase in Mobile Money users to 1,5m

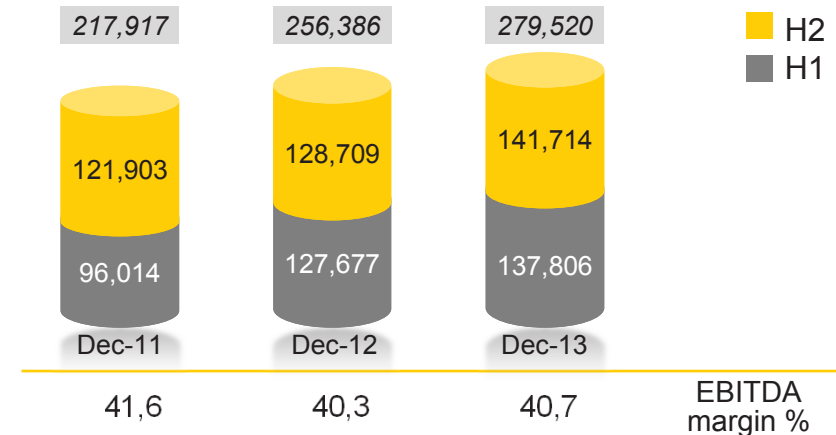
## Lower network and marketing costs support margin

- EBITDA margin expanded 0,4pp

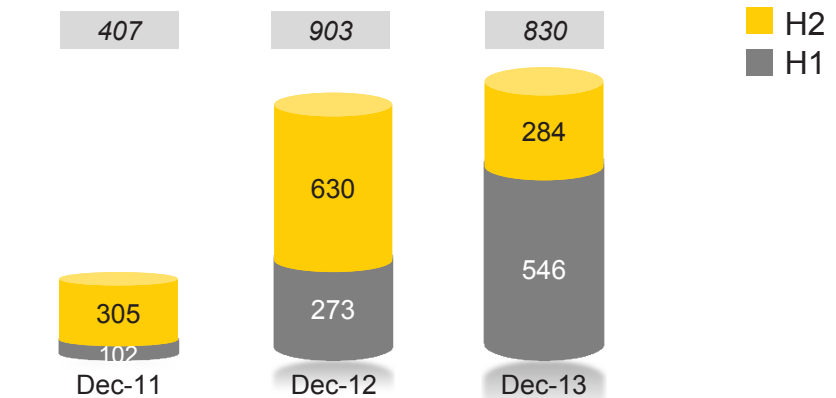
## Roll out of 3G network continues

- 92 2G and 84 3G co-located sites added
- Focus on 3G network roll out

## Revenue CFA (million)



## Capex ZAR (million)



# Uganda

Leading the MTN financial services product offering



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Launched Oct 1998

Market share 53,5%

Population 37,2m

Market size 2016 20,3m

Penetration 44%

Shareholding 96%

## Increased market share despite competition

- Subscribers up 14,4% to 8,8m
- Data subscribers 27,5% of base
- Effective tariff management reduced churn and increased ARPU

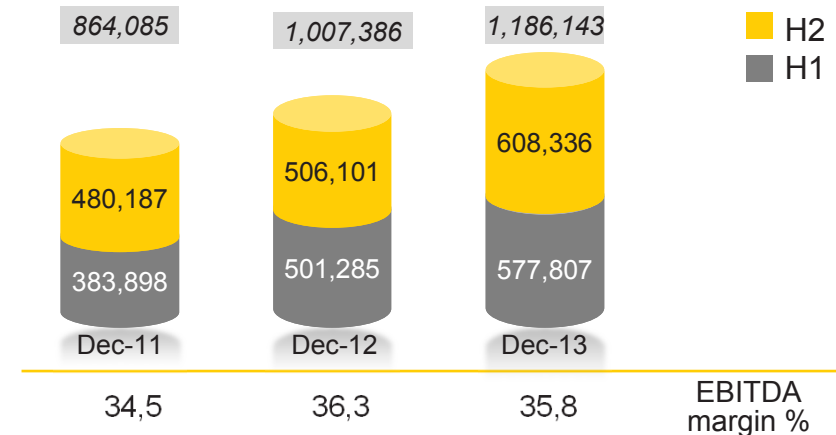
## Strong revenue growth

- Total revenue up 17,7% (LC), tariff down 7,3%
- MOU up 9,3% to 75mins per subscriber
- Data revenue up 51,6% (LC)
- 47% increase in Mobile Money users to 5,2m
- Margin impacted by lease rental from tower deal

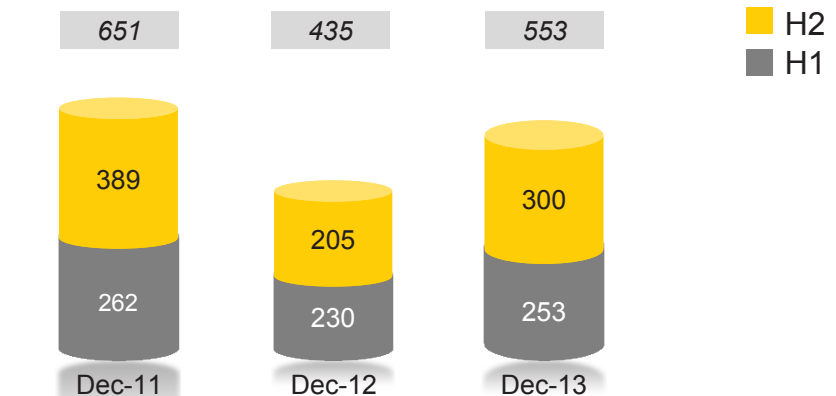
## Increased capex to improve network capacity

- 117 2G and 92 3G co-located sites added
- Launched pilot LTE in Kampala

## Revenue UGX (million)



## Capex ZAR (million)



# Syria

## Challenging operating environment



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Launched Jun 2002

Market share 43,7%

Population 16,5m

Market size 2016 14,8m

Penetration 81%

Shareholding 75%

### Significant operational challenges due to military activity

- Subscriber numbers down 3,3%
- 50% availability of radio network
- Fuel and power availability challenges
- Staff safety paramount

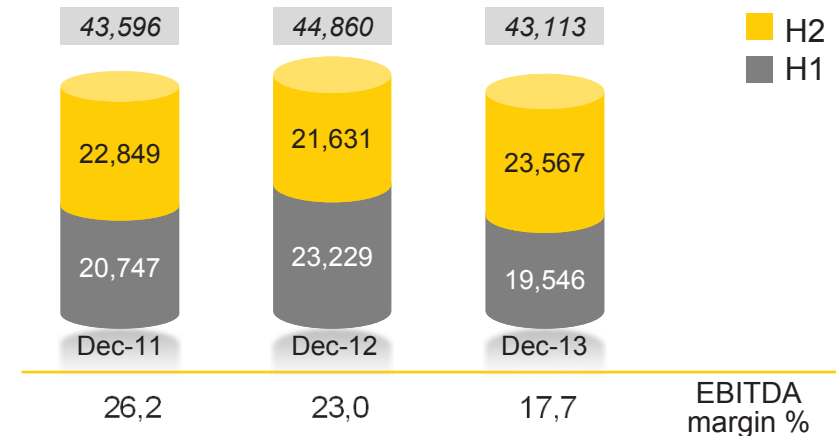
### Revenue remains under pressure

- Revenue down 3,9% (LC) despite tariff increase of 20,5%
- MOU down 47,4% to 64mins per subscriber
- Higher interconnect costs impacted margin

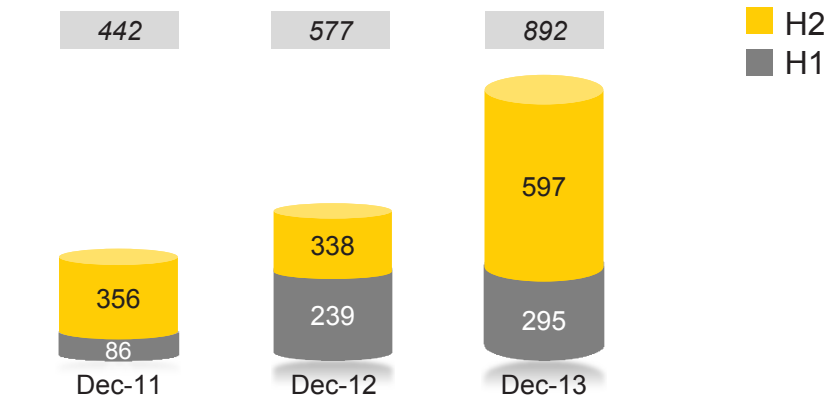
### Focus on providing basic service

- Network uptime impacted by fibre cuts, accessibility and unrest

### Revenue SYP (million)



### Capex ZAR (million)





# Sudan

A strong performance from a low base



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Launched Sep 2005

Market share 33,8%

Population 35m

Market size 2016 30,3m

Penetration 73%

Shareholding 85%

## Strong subscriber growth

- Subscribers up 10,7% to 8,7m
- Market share up to 33,8%
- Reduced churn levels through innovation and value added offers

## Voice and data revenue growth remain strong

- Revenue up 32,7% (LC)
- Voice revenue up 20,3% (LC)
- 11,1% increase in MOU to 111 mins per subscriber
- Data revenue (excl sms) up 193,5% (LC)

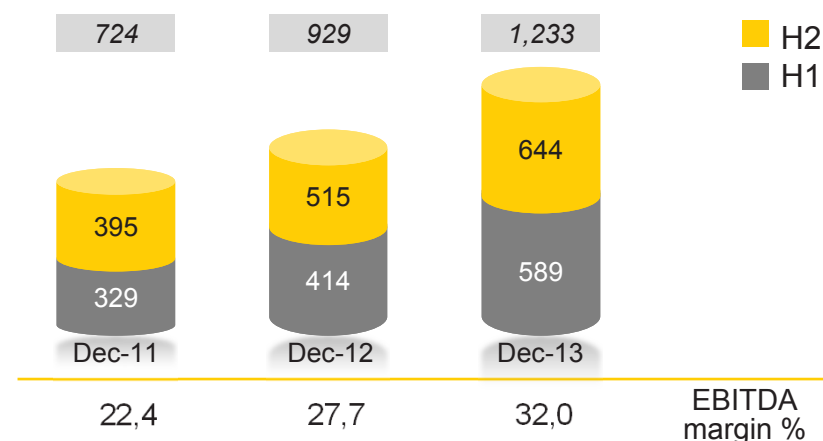
## Good cost containment in high inflation environment

- EBITDA margin expanded 4,3pp to 32,0%
- Operating costs up 24,7% (LC)

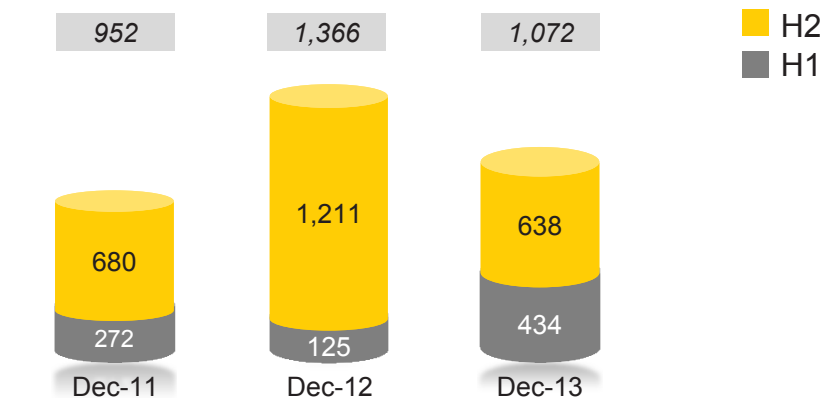
## Network roll out a key priority

- 101 new 2G and 366 co-located 3G sites

## Revenue SDG (million)



## Capex ZAR (million)



# Small opco cluster

Increasing contribution to the Group



everywhere you go

01

## **Solid delivery**

- Encouraging revenue growth up 25,8%
  - Margins down 1,8% to 34,0%
  - SIM registration impacting subscriber numbers (Afghanistan, Benin)
  - Increased regulatory challenges (MTRs, spectrum)
  - Volatile political environment (Conakry, Afghanistan, Bissau, South Sudan and Yemen)
  - Economic pressures remain (Cyprus, Bissau)
- 

02

## **Increased management support to drive incremental growth and monetise on**

- Innovative voice offerings
- Low internet penetration
- Expansion of mobile financial services



## Group financial review

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Say goodbye to the briefcase  
and say welcome to the tablet.

***Welcome to the  
Bold New Digital World.***

# Financial highlights



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## Revenue

- Acceleration of Nigeria revenue
- RSA revenue under pressure
- Strong growth in LOC

## EBITDA

- Focus on cost optimisation
- Organic up 1.6%
- Impacted by FX positively

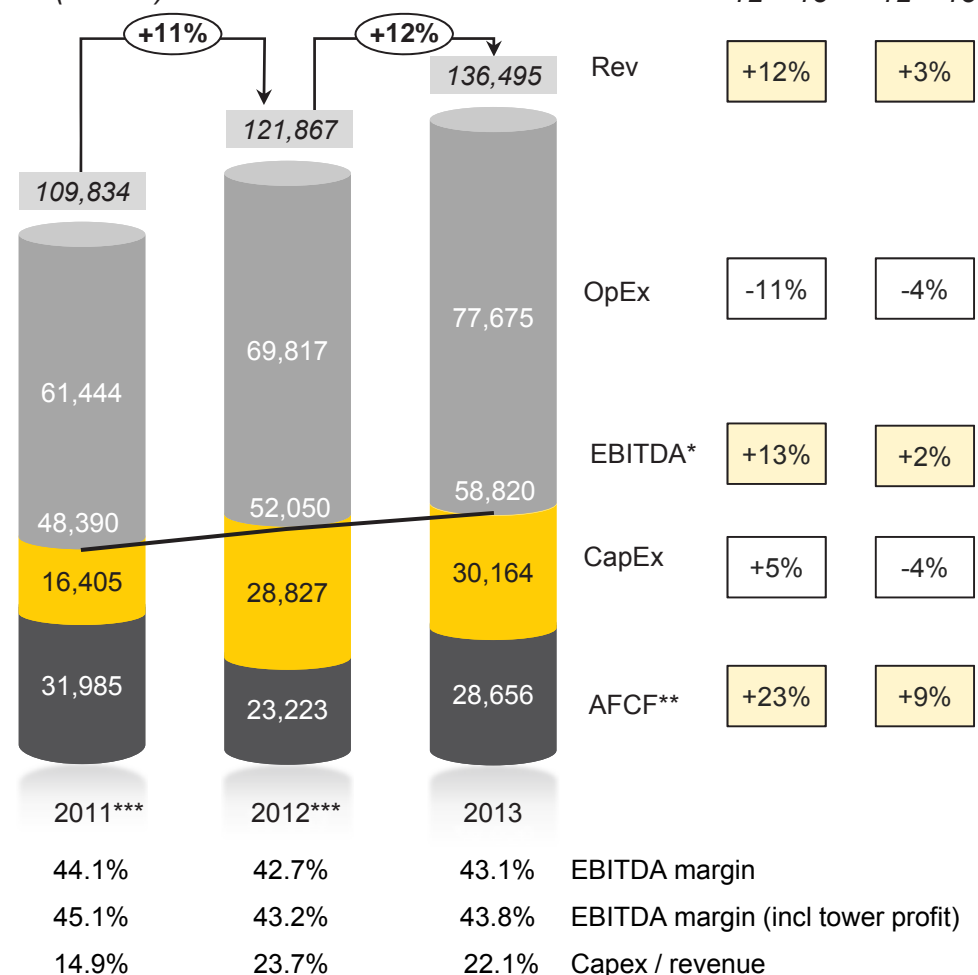
## \*Excl tower profit

- Dec 13: ZAR 968m
- Dec 12: ZAR 587m
- Dec 11: ZAR 1,185m

## Capex

- Nigeria increased network rollout to address QoS issues and capacity

Group summary: 2011 - 2013  
ZAR (million)



\*\* EBITDA less capex (approximates free cash flow)

\*\*\* All prior amounts restated on equity accounting basis

# Revenue



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## RSA

- Total revenue down 6.1% attributable to the change in accounting treatment of handset revenue

## Outgoing voice

- Outgoing revenue up 12.3% YoY
- Revenue generating minutes up 19.0%
- Subscribers up 9.8% YoY to 207.8m

## Incoming voice

- Interconnect revenue down 4.4%
- MTR glide path in key markets
- Incoming minutes up 5.3%

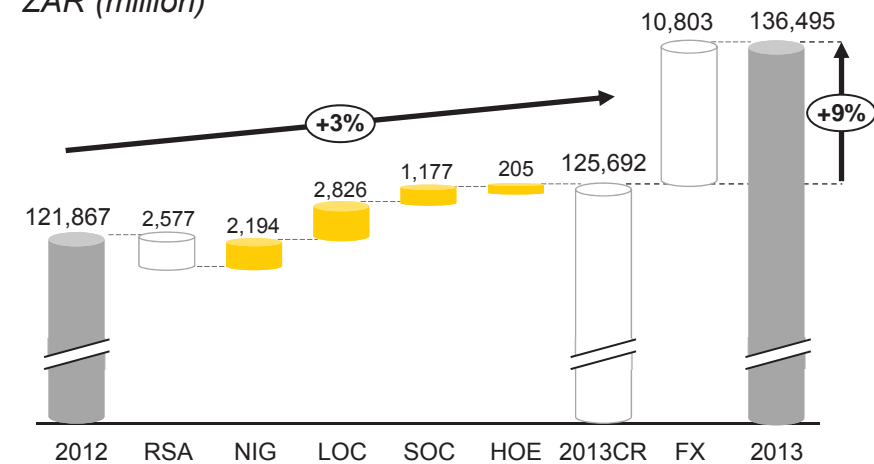
## Data

- Data revenue up 41.4%
- Subscribers up 37.4% and traffic up 78.7%
- Data enabled devices – 137.3m (smartphones 34.8m)

## Devices

- Number of prepaid handsets sold 5.7m, postpaid 1.4m

Revenue breakdown  
ZAR (million)



## Revenue growth

	Organic	Reported
South Africa	-2%*	-6%
Nigeria	6%	25%
Ghana	13%	21%
Cameroon	12%	37%
Ivory Coast	9%	33%
Uganda	18%	36%
Syria	-4%	-40%
Sudan	35%	16%

2013CR is at constant prior year FX rate  
SOC – Small opco cluster

LOC – Large opco cluster  
HOE – Head office companies and eliminations

\*Revenue same basis as 2012

# Revenue - data

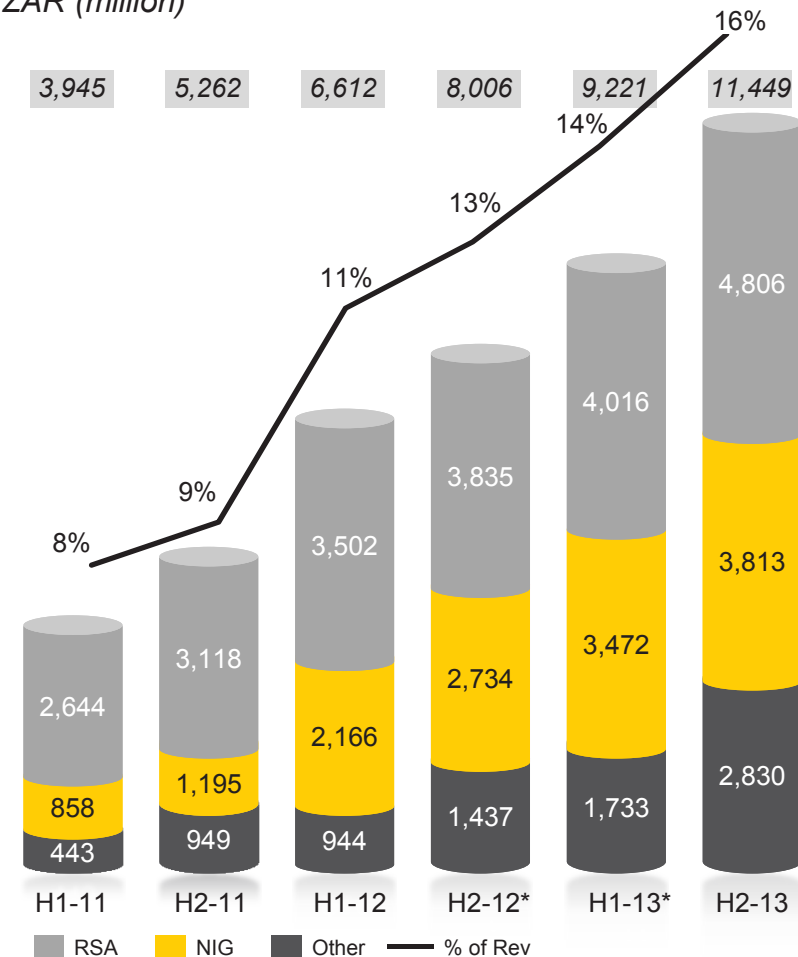


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- Contributes 15.1% of total revenue, 19.2% incl sms
- RSA and Nigeria contributed 77.9% of total data revenue
- Nigeria data revenue increased on higher data users
- Strong organic growth from LOC

Data growth	Organic	Reported
South Africa	20%	20%
Nigeria	26%	49%
Ghana	82%	92%
Cameroon	68%	106%
Ivory Coast	159%	218%
Uganda	52%	76%
Syria	44%	-12%
Sudan	202%	167%

Revenue - data  
ZAR (million)



\* Prior periods data revenue aligned for comparability

# Opex



everywhere you go

## Direct network operating costs

- Increased number of sites
- Higher diesel, electricity and site lease costs
- Tower lease costs – additional from Uganda, Ivory Coast and Cameroon

## Cost of handsets and other accessories

- Higher average cost of smartphones and FX impact driven by RSA

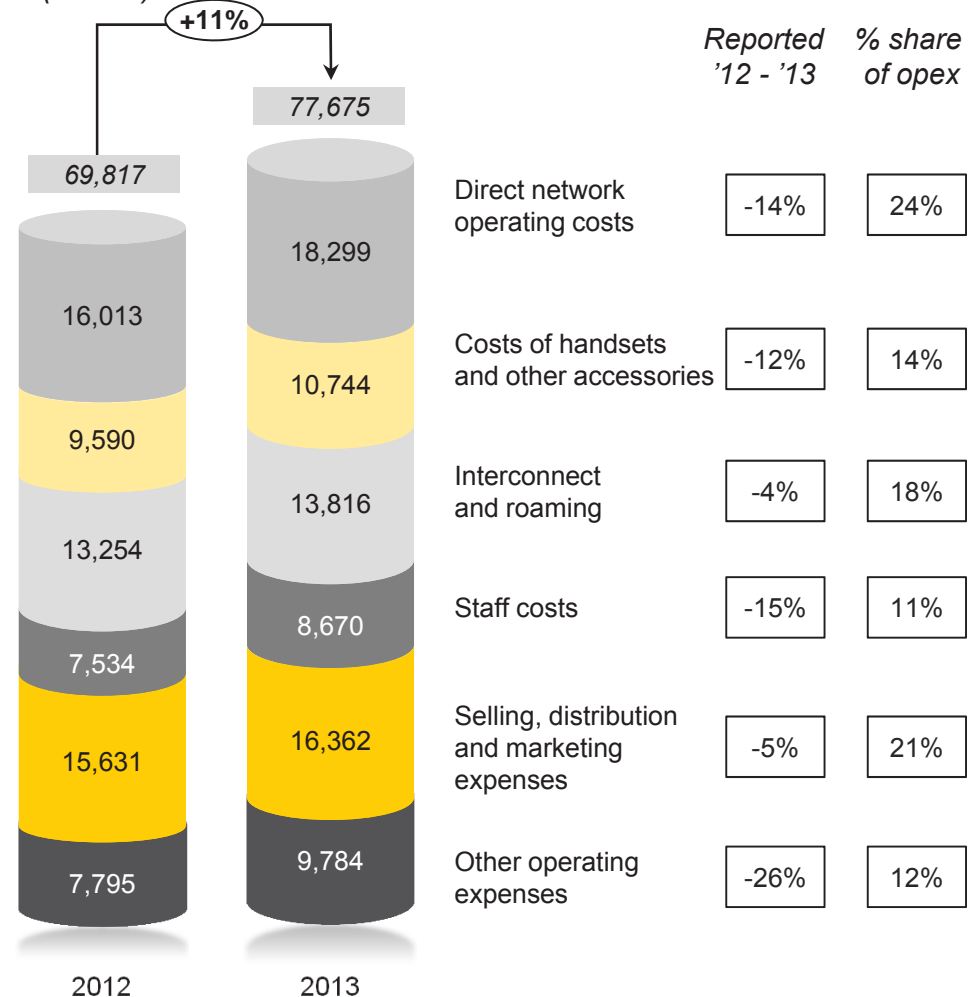
## Staff costs

- FX impact, organic increased by 5.4%

## Other operating costs

- Provision for interconnect debt
- Professional fees up, mainly Nigeria from various projects
- ISP cost up, driven by RSA and Uganda

Opex  
ZAR (million)



# EBITDA margin



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EBITDA margin up 0.4pp to 43.1%

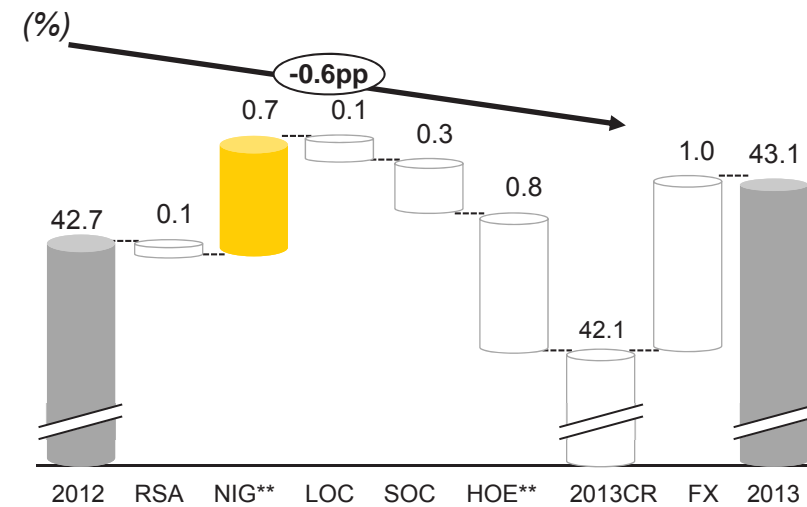
## RSA margin

- Reported: 33.8% down 0.3pp
- Margin down 1.8pp to 32.3% excl RSA handset adjustment
- Focus on cost optimisation, stable margins during 2<sup>nd</sup> half

## Nigeria margin

- Reported: 60.7% up 2.4pp
- Margin at 55.4%, down 2.9pp, if had accrued for management fees as per 2012
- Higher rent and utilities cost – increased sites and fuel cost

EBITDA margin reconciliation



\*\*Nigeria -1.1%, HOE 1.0% excl management fee write off

EBITDA growth	Organic	Reported
South Africa	-7%***	-7%
Nigeria*	10%	30%
Ghana	15%	22%
Cameroon	4%	27%
Ivory Coast	10%	35%
Uganda	16%	34%
Syria	-26%	-55%
Sudan	54%	33%

\*Nigeria excl management fee write off, organic 1% and reported 18%

\*\*\*Unchanged – no EBITDA impact



# Interest



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*Net interest paid ZAR 2,300m, lower interest received*

- Nigeria higher interest paid on loans to fund capex

*Net forex gain ZAR 1,066m*

- Sudan loss – working capital
- Mauritius gain ZAR 2,266m
- Syria forex loss ZAR 1,260m taken to the statement of financial position in terms of IAS21

<i>Net finance cost ZAR (million)</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
Net interest paid	2 300	1 051	1 803
Net forex (gains)/losses	(1 066)	2 739	(291)
<b>Total</b>	<b>1 234</b>	<b>3 790</b>	<b>1 512</b>

<i>Net forex (gains)/losses ZAR (million)</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
Sudan	778	373	(65)
Syria	41	1 507	490
Mauritius	(2 266)	1 114	(778)
Other	381	(255)	62
<b>Total</b>	<b>(1 066)</b>	<b>2 739</b>	<b>(291)</b>

# Taxation



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Group effective tax rate reduced due to:

- Secondary tax on companies

Repealed and replaced with dividend tax on the shareholder

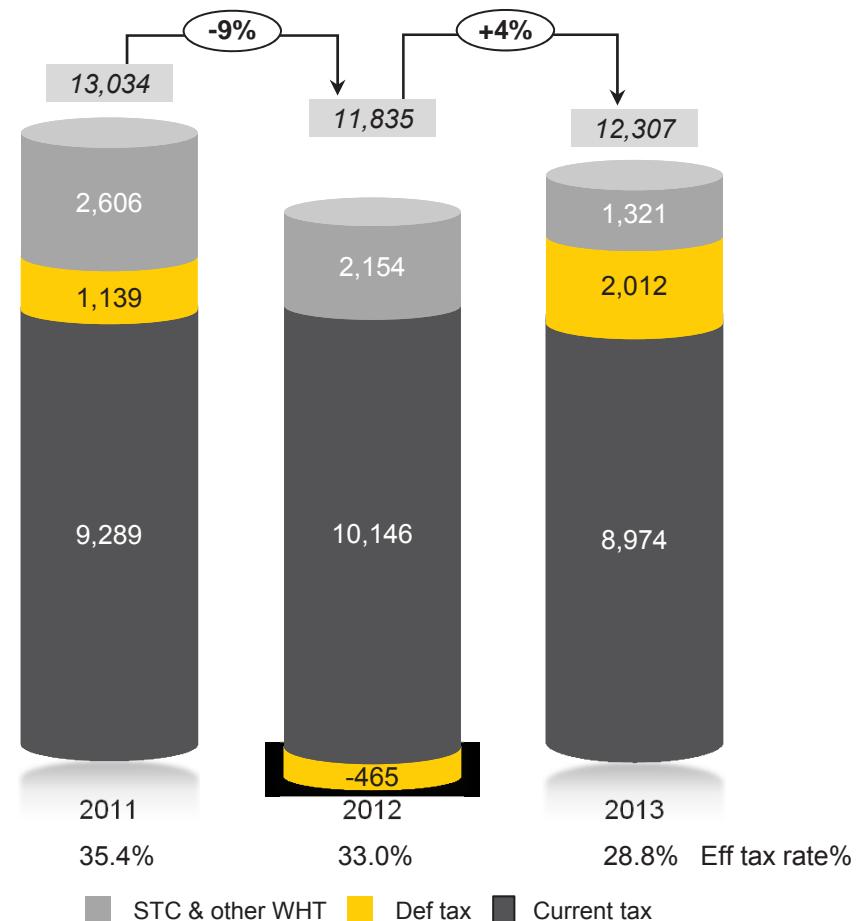
- Forex losses in 2012

Taken to equity in 2013 (IAS21)

## Deferred tax

- Deferred tax asset raised from forex losses relating to Iran dividends in 2012 reversed in 2013

Tax  
ZAR (million)



# Headline earnings per share



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ZAR (cents)	2013	2012	Variance %
<b>Attributable earnings per share</b>	<b>1 434</b>	<b>1 126</b>	<b>27.4</b>
Profit on disposal of non-current assets	(47)	(36)	(30.6)
Reversal of impairment of PPE and non-current assets	(1)	(1)	NM
<b>Basic headline earnings per share</b>	<b>1 386</b>	<b>1 089</b>	<b>27.3</b>

# Shareholder returns



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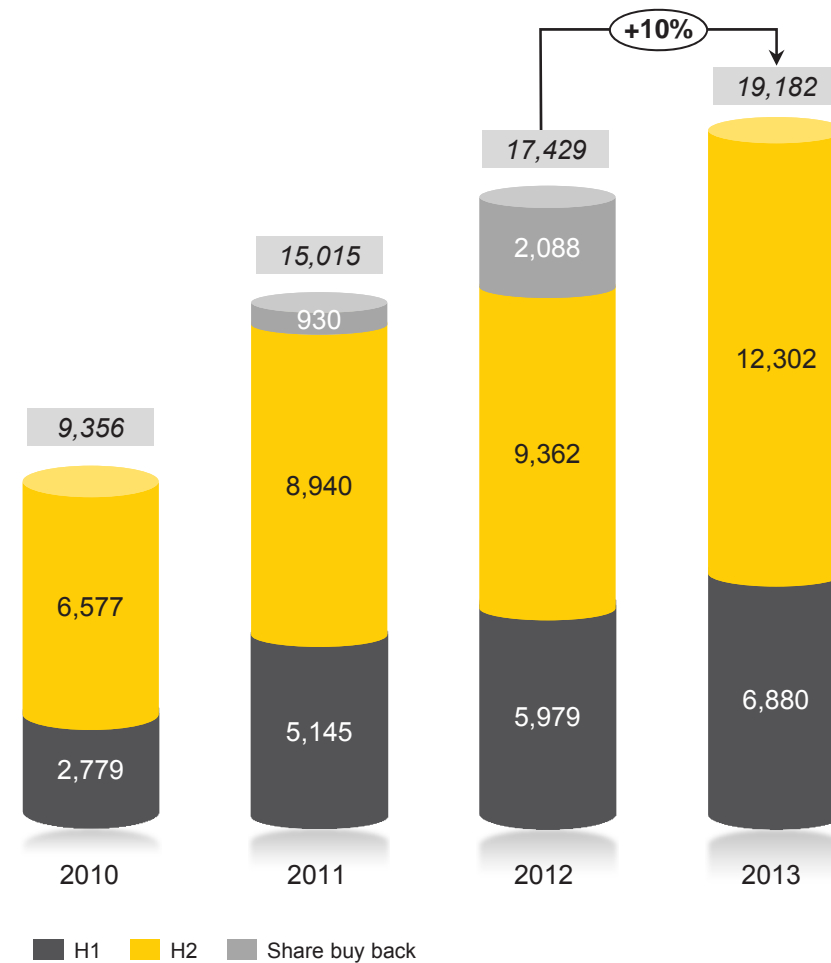
## Dividends

- Interim dividend 370cps
- Final dividend 665cps
- Total dividend 1 035cps

## Share buy-backs

- H2 2011 repurchased 6.8m shares (ZAR 930m)
- H1 2012 repurchased 15.6m shares (ZAR 2.1bn)
- Total repurchase of 1.2% of issued shares since 2011

Dividends and share buy-backs  
ZAR (million)



# Income statement



everywhere you go

ZAR (million)	2013	2012	Variance %
Revenue	136 495	121 867	12
Other income	1 327	894	48
<b>EBITDA</b>	<b>59 788</b>	<b>52 637</b>	<b>14</b>
Depreciation and amortisation	19 278	15 952	(21)
<b>Profit from operations</b>	<b>40 510</b>	<b>36 685</b>	<b>10</b>
Net finance cost	1 234	3 790	67
Share of results of joint ventures and associates after tax	3 431	3 008	14
<b>Profit before tax</b>	<b>42 707</b>	<b>35 903</b>	<b>19</b>
Income tax expense	12 307	11 835	(4)
<b>Profit after tax</b>	<b>30 400</b>	<b>24 068</b>	<b>26</b>
Non-controlling interests	4 111	3 364	(22)
<b>Attributable profit</b>	<b>26 289</b>	<b>20 704</b>	<b>27</b>
<i>EBITDA margin</i>	43.8%	43.2%	0.6pp
<i>Profit on sale of towers</i>	968	587	65
<i>EBITDA margin % excl tower profit</i>	43.1%	42.7%	0.4pp
<i>Effective tax rate</i>	28.8%	33.0%	(4.2pp)

# Statement of financial position



everywhere you go

ZAR (million)	2013	2012
Property, plant and equipment	92 903	73 905
Intangible assets and goodwill	37 751	32 594
Other non-current assets	20 256	13 700
Current assets	74 630	54 502
Non-current assets held for sale	1 281	1 373
<b>Total assets</b>	<b>226 821</b>	<b>176 074</b>
<b>Total equity</b>	<b>119 771</b>	<b>92 887</b>
Interest bearing liabilities	46 025	32 084
Other liabilities	61 025	51 103
<b>Total liabilities</b>	<b>107 050</b>	<b>83 187</b>
<b>Total equity and liabilities</b>	<b>226 821</b>	<b>176 074</b>
Net debt/(cash)	352	(2 857)
[Net debt/(cash)]/ EBITDA	0.01	(0.05)

# Statement of cash flows



everywhere you go

ZAR (million)	2013	2012	Variance %
Cash generated by operations	59 708	51 105	17
Dividends paid to owners of MTN Group Limited	(16 187)	(14 919)	(8)
Dividends paid to non-controlling interests	(3 571)	(3 018)	(18)
Dividends received from joint ventures and associates	454	994	(54)
Net interest paid	(2 195)	(693)	NM
Tax paid	(11 184)	(13 407)	17
<b>Cash generated by operating activities</b>	<b>27 025</b>	<b>20 062</b>	<b>35</b>
Acquisition of property, plant and equipment	(24 568)	(20 741)	(18)
Other investing activities	4 733	(3 471)	NM
<b>Cash used in investing activities</b>	<b>(19 835)</b>	<b>(24 212)</b>	<b>18</b>
<b>Cash generated by/(used in) financing activities</b>	<b>6 264</b>	<b>(5 280)</b>	<b>NM</b>
Cash and cash equivalents at the beginning of the year	22 539	33 074	(32)
Effect of exchange rates on cash and cash equivalents	3 584	(1 105)	NM
<b>Cash and cash equivalents at the end of the year</b>	<b>39 577</b>	<b>22 539</b>	<b>76</b>



## Appendix

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Say goodbye to the briefcase  
and say welcome to the tablet.

***Welcome to the  
Bold New Digital World.***



# Capex



everywhere you go

ZAR (million)	2013	2012	Authorised 2014
<b>South Africa</b>	<b>5 835</b>	<b>6 495*</b>	<b>6 290</b>
<b>Nigeria</b>	<b>14 298</b>	<b>13 733</b>	<b>10 959</b>
<b>Large opco cluster</b>	<b>5 805</b>	<b>5 066</b>	<b>4 443</b>
Ghana	1 690	1 091	1 535
Cameroon	768	724	697
Ivory Coast	830	903	662
Uganda	553	435	585
Syria	892	577	385
Sudan	1 072	1 336	579
<b>Small opco cluster</b>	<b>3 809</b>	<b>2 823</b>	<b>4 061</b>
<b>Head office companies</b>	<b>417</b>	<b>710</b>	<b>398</b>
<b>Total</b>	<b>30 164</b>	<b>28 827</b>	<b>26 151</b>

\*Including MTN Business Solutions

# Net debt



everywhere you go

ZAR (million)	Cash and cash equivalents	Interest bearing liabilities	Intercompany eliminations	Net debt 2013*	Net (cash) 2012*
<b>South Africa</b>	<b>2 562</b>	<b>18 066</b>	<b>(18 066)</b>	<b>(2 562)</b>	<b>(4 033)</b>
<b>Nigeria</b>	<b>13 636</b>	<b>24 757</b>	-	<b>11 121</b>	<b>5 892</b>
<b>Large opco cluster</b>	<b>9 322</b>	<b>4 261</b>	-	<b>(5 061)</b>	<b>(4 835)</b>
Ghana	1 325	620	-	(705)	(933)
Cameroon	2 896	418	-	(2 478)	(977)
Ivory Coast	719	1 167	-	448	143
Uganda	628	184	-	(444)	(317)
Syria	3 492	-	-	(3 492)	(3 868)
Sudan	262	1 872	-	1 610	1 117
<b>Small opco cluster</b>	<b>4 806</b>	<b>7 380</b>	<b>(3 247)</b>	<b>(673)</b>	<b>453</b>
<b>Head office companies</b>	<b>15 347</b>	<b>15 020</b>	<b>(2 146)</b>	<b>(2 473)</b>	<b>(334)</b>
<b>Total</b>	<b>45 673</b>	<b>69 484</b>	<b>(23 459)</b>	<b>352</b>	<b>(2 857)</b>

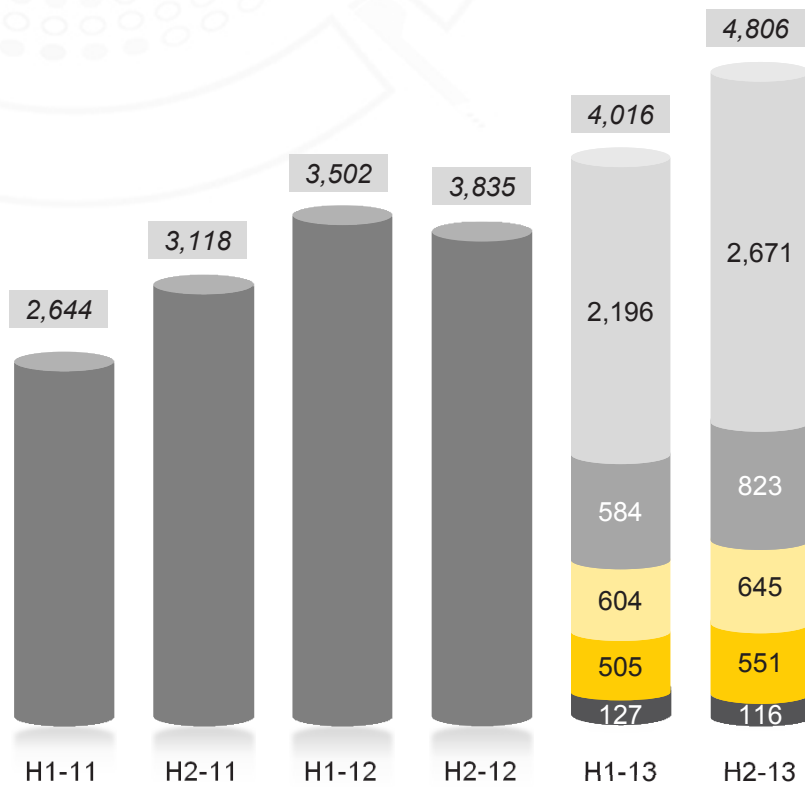
\* Excl Iran net cash position at Dec 13: ZAR 5 518m (Dec 12: ZAR 3 166m) @ 49%

# Revenue – data

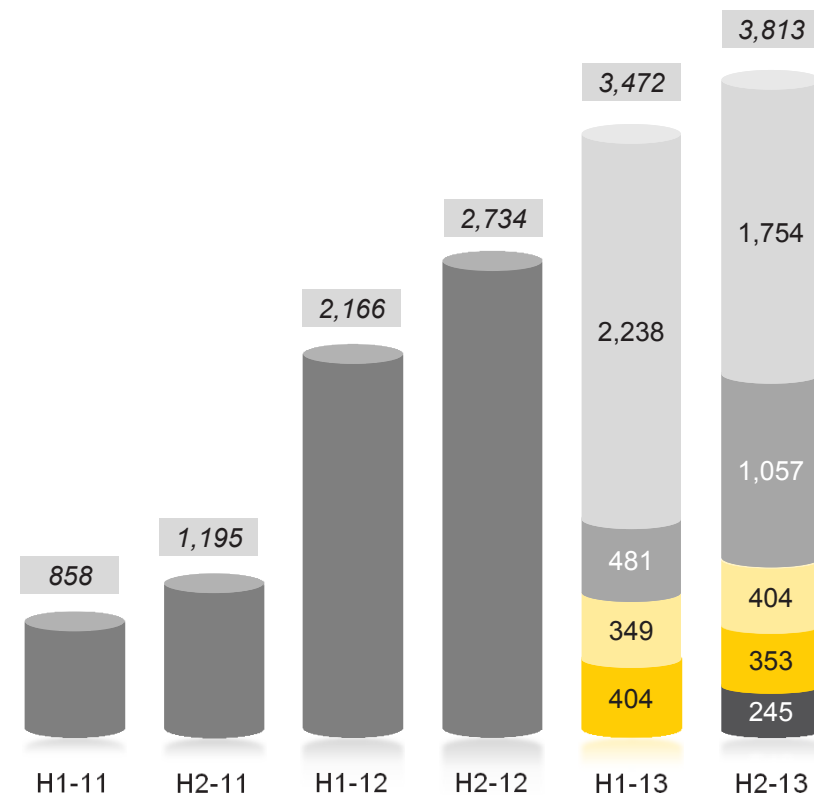


everywhere you go

South Africa  
ZAR (million)



Nigeria  
ZAR (million)



Other Blackberry BS SA VAS Internet

Other Blackberry Leased line/Wimax VAS Internet

# South Africa

## Incl Business Solutions South Africa



everywhere you go

South Africa ZAR (million)	H1-12	H2-12*	H1-13	H2-13
Revenue	19 860	21 478	20 146	19 561
EBITDA	7 034	7 444	6 503	6 922
<b>EBITDA margin</b>	<b>35.4%</b>	<b>34.7%</b>	<b>32.3%</b>	<b>35.4%</b>
Capex	1 936	4 480	2 151	3 684

MTN Business Solutions** ZAR (million)	H1-12	H2-12	H1-13	H2-13
Revenue	570	377	-	-
EBITDA	(11)	(34)	-	-
<b>EBITDA margin</b>	<b>(1.9%)</b>	<b>(9.0%)</b>	-	-
Capex	44	35	-	-

South Africa incl Business Solutions ZAR (million)	H1-12	H2-12	H1-13	H2-13
Revenue	20 430	21 855	20 146	19 561
EBITDA	7 023	7 410	6 503	6 922
<b>EBITDA margin</b>	<b>34.4%</b>	<b>33.9%</b>	<b>32.3%</b>	<b>35.4%</b>
Capex	1 980	4 515	2 151	3 684

\* Incl 2 months of MTN Business Solutions

\*\* 2012 includes 10 months performance

# South Africa

## Handset adjustment



everywhere you go

<i>Reported ZAR (million)</i>	<i>2013</i>	<i>2012</i>	<i>Variance %</i>
Revenue	39 707	42 285	(6)
EBITDA	13 425	14 433	(7)
<b>EBITDA margin</b>	<b>33.8%</b>	<b>34.1%</b>	<b>(0.3pp)</b>

The impact in 2013 reduces handset revenue and commission cost by ZAR 1 888m.

*2013 basis same as 2012*

<i>ZAR (million)</i>	<i>2013</i>	<i>2012</i>	<i>Variance %</i>
Revenue	41 595	42 285	(2)
EBITDA	13 425	14 433	(7)
<b>EBITDA margin</b>	<b>32.3%</b>	<b>34.1%</b>	<b>(1.8pp)</b>

# Equity income



everywhere you go

ZAR (million)	2013	2012	Variance %
Iran	3 115	2 896	8
- Reported	2 797	2 896	(3)
- Hyperinflation adjustment	318	-	100
Swaziland	62	49	27
Botswana	237	244	(3)
Others	17	(181)	NM
<b>Equity Income</b>	<b>3 431</b>	<b>3 008</b>	<b>14</b>

# Iran income statement – 100%



everywhere you go

ZAR (million)	2013 Actual	Hyperinflation adjustment	2013 incl hyperinflation	2012	Variance %
Revenue	19 417	3 499	22 916	24 846	(8)
<b>EBITDA</b>	<b>8 318</b>	<b>1 508</b>	<b>9 826</b>	<b>10 995</b>	<b>(11)</b>
Depreciation and amortisation	1 741	2 342	4 083	2 340	(74)
<b>Profit from operations</b>	<b>6 577</b>	<b>(834)</b>	<b>5 743</b>	<b>8 655</b>	<b>(34)</b>
Net finance income/(cost)	722	143	865	(746)	NM
Net monetary gain	-	1 280	1 280	-	100
<b>Profit before tax</b>	<b>7 299</b>	<b>589</b>	<b>7 888</b>	<b>7 909</b>	<b>-</b>
Income tax expense	1 591	(60)	1 531	1 999	23
<b>Profit after tax</b>	<b>5 708</b>	<b>649</b>	<b>6 357</b>	<b>5 910</b>	<b>8</b>
<b>Share of results after tax (49%)</b>	<b>2 797</b>	<b>318</b>	<b>3 115</b>	<b>2 896</b>	<b>8</b>

# Effect of equity accounting – 2012



everywhere you go

ZAR (million)	2012 reported	Iran	Other JV's	2012 restated
Revenue	135 112	(12 175)	(1 070)	121 867
Operating expenditure	76 548	(6 787)	(531)	69 230
<b>EBITDA (incl tower profit)</b>	<b>58 564</b>	<b>(5 388)</b>	<b>(539)</b>	<b>52 637</b>
Capex	30 101	(1 122)	(152)	28 827
<b>AFCF</b>	<b>28 463</b>	<b>(4 266)</b>	<b>(387)</b>	<b>23 810</b>
Share of results of joint ventures and associates after tax	(180)	2 896	292	3 008



# FX trends

## Closing rate



everywhere you go

<i>USD: Local currency</i>	2013	2012	2011	Variance% '12-'13	Variance% '11-'12
ZAR	10.52	8.47	8.07	24	5
Naira	160.12	156.40	162.20	(2)	4
Rial	24 777.00	24 596.00	11 119.90	(1)	(121)
Cedi	2.31	1.90	1.64	(22)	(16)
Cameroon XAF	475.68	496.97	506.18	4	2
Ivory Coast CFA	475.68	496.97	506.18	4	2
Uganda shilling	2 522.00	2 643.67	2 475.00	5	(7)
Syrian pound	143.75	86.51	54.14	(66)	(60)
Sudanese pound	5.69	4.41	2.68	(29)	(65)

### *ZAR: Local currency*

Naira	15.23	18.47	20.10	18	8
Rial	2 355.94	2 905.20	1 378.10	19	(111)
Cedi	0.22	0.22	0.20	-	(10)
Cameroon XAF	45.23	58.70	62.73	23	6
Ivory Coast CFA	45.23	58.70	62.73	23	6
Uganda shilling	239.81	312.26	306.73	23	(2)
Syrian pound	13.67	10.22	6.71	(34)	(52)
Sudanese pound	0.54	0.52	0.33	(4)	(58)

# FX trends

## Average rate



everywhere you go

<i>USD: Local currency</i>	<i>H1-13</i>	<i>H2-13</i>	<i>YTD-13</i>	<i>H1-12</i>	<i>H2-12</i>	<i>YTD-12</i>	<i>Variance% '12-'13</i>
ZAR	9.18	10.11	9.65	7.89	8.47	8.16	18
Naira	158.62	160.59	159.59	159.48	158.52	159.04	-
Rial	24 651	24 797	24 724	11 970	15 862	13 701	(80)
Cedi	1.95	2.14	2.04	1.78	1.91	1.85	(10)
Cameroon XAF	501.77	488.16	496.22	502.65	513.17	507.84	2
Ivory Coast CFA	501.08	487.41	496.60	503.76	513.86	508.56	2
Uganda shilling	2 605.54	2 543.46	2 573.98	2 456.92	2 558.01	2 490.30	(3)
Syrian pound	101.76	164.83	130.72	64.40	72.32	67.99	(92)
Sudanese pound	4.41	5.22	4.82	2.78	4.41	3.50	(38)

### *ZAR: Local currency*

Naira	17.05	15.90	16.46	20.25	18.70	19.50	16
Rial	2 662.57	2 454.82	2 554.14	1 515.07	1 886.00	1 685.67	(52)
Cedi	0.21	0.21	0.21	0.23	0.23	0.23	9
Cameroon XAF	54.83	48.20	51.96	63.93	60.54	62.20	17
Ivory Coast CFA	54.78	48.22	51.50	63.89	60.70	62.31	17
Uganda shilling	279.33	251.57	264.66	303.73	301.82	303.08	13
Syrian pound	11.02	16.31	13.57	8.14	8.56	8.34	(63)
Sudanese pound	0.48	0.52	0.50	0.35	0.52	0.43	(16)



# 03

## Looking ahead

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Say goodbye to the briefcase  
and say welcome to the tablet.

***Welcome to the  
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# Looking ahead

Prospects remain positive



everywhere you go

01

*Maintain absolute dividend growth*

02

*Improve network quality and capacity  
Value driven and segmented products*

03

*Network managed services  
Back office and IT shared services  
Passive infrastructure sharing  
Reduce commission and distribution costs*

04

*e-Commerce venture  
Financial services a key focus  
Broadband growth*

05

*Migration to all IP networks  
Leverage off Amadeus Fund*

# Subscribers

Guidance 2014



everywhere you go

	<i>Net subscriber additions ('000)</i>
<b>South Africa</b>	<b>2 000</b>
<b>Nigeria</b>	<b>5 000</b>
<b>Large opco cluster</b>	<b>6 750</b>
Iran	2 500
Ghana	800
Cameroon	500
Ivory Coast	750
Sudan	1 250
Syria	(50)
Uganda	1 000
<b>Small opco cluster</b>	<b>3 000</b>
<b>Total</b>	<b>16 750</b>

# Capex

## Guidance 2014



everywhere you go

ZAR (million)	2012 Actual	2013 Actual	Authorised 2014
<b>South Africa</b>	<b>6 495*</b>	<b>5 835</b>	<b>6 290</b>
<b>Nigeria</b>	<b>13 733</b>	<b>14 298</b>	<b>10 959</b>
<b>Large opco cluster</b>	<b>5 066</b>	<b>5 805</b>	<b>4 443</b>
Ghana	1 091	1 690	1 535
Cameroon	724	768	697
Ivory Coast	903	830	662
Uganda	435	553	585
Syria	577	892	385
Sudan	1 336	1 072	579
<b>Small opco cluster</b>	<b>2 823</b>	<b>3 809</b>	<b>4 061</b>
<b>Head office companies</b>	<b>710</b>	<b>417</b>	<b>398</b>
<b>Total</b>	<b>28 827</b>	<b>30 164</b>	<b>26 151</b>

\*Including MTN Business Solutions



*thank you*



*everywhere you go*