



MTN GROUP LIMITED

FIVE-YEAR OPERATIONAL AND FINANCIAL REVIEW

for the year ended 31 December 2014

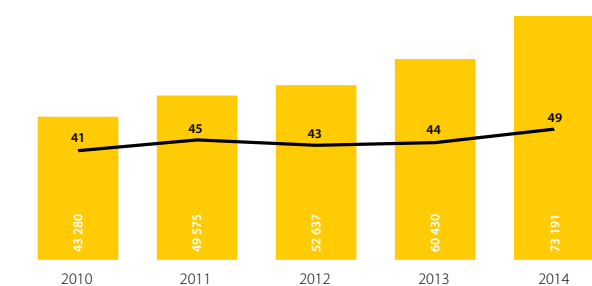
Five-year operational and financial review

INCOME STATEMENT	2014 US\$m	CAGR ¹ %	2014 Rm	2013 ² Rm	2012 ² Rm	2011 ² Rm	2010 ² Rm
Revenue	13 587	9	146 930	137 270	121 867	109 834	104 500
Other income	705		7 928	1 327	894	1 458	–
Operating expenses	(7 552)	7	(81 667)	(78 167)	(70 124)	(61 717)	(61 220)
EBITDA	6 740	14	73 191	60 430	52 637	49 575	43 280
Depreciation and amortisation	(1 990)	11	(21 513)	(19 278)	(15 952)	(14 032)	(14 119)
Impairment of goodwill	(180)	>100	(2 033)	–	–	(31)	(32)
Operating profit	4 570	14	49 645	41 152	36 685	35 512	29 129
Net finance costs	(338)	(1)	(3 668)	(1 234)	(3 790)	(1 512)	(3 873)
Net monetary gain	78		878	–	–	–	–
Share of results of associates and joint ventures after tax	388	19	4 208	3 431	3 008	2 821	2 098
Profit before tax	4 698	17	51 063	43 349	35 903	36 821	27 354
Income tax expense	(1 239)	6	(13 361)	(12 487)	(11 835)	(13 034)	(10 527)
Profit after tax	3 459	22	37 702	30 862	24 068	23 787	16 827
Attributable to							
– Equity holders of the Company	2 944	22	32 079	26 751	20 704	20 754	14 300
– Non-controlling interests	515	22	5 623	4 111	3 364	3 033	2 527
Headline earnings	2 590	19	28 123	25 860	20 018	19 811	14 011

¹ Compound annual growth rate.

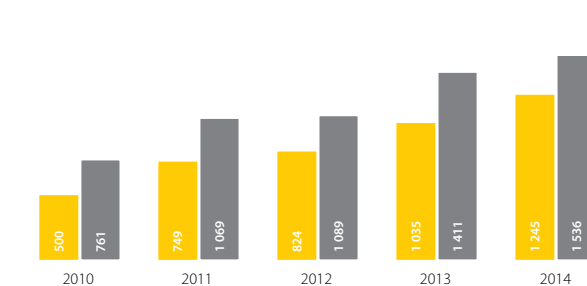
² 2013 restated, refer to note 48 of the 2014 Group annual financial statements on pages 130 and 131. Retrospective restatement of the Group's results and financial position for periods prior to 2013 is impracticable.

EBITDA



■ EBITDA (Rm) — EBITDA margin (%)

Headline earnings and dividends per share (cents)



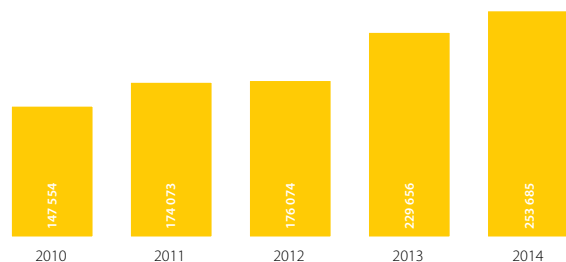
■ Dividends per share ■ Headline earnings per share

Five-year operational and financial review *continued*

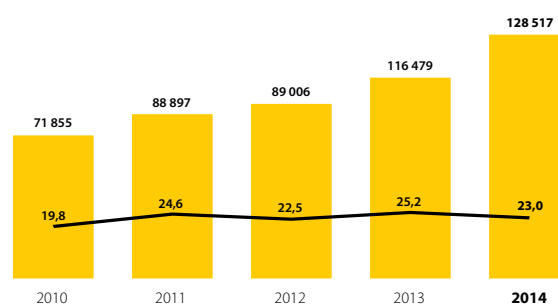
STATEMENT OF FINANCIAL POSITION	2014 US\$m	CAGR %	2014 Rm	2013 ¹ Rm	2012 ¹ Rm	2011 ¹ Rm	2010 ¹ Rm
Property, plant and equipment	7 582	11	87 546	92 903	73 905	64 914	57 345
Goodwill and intangible assets	3 171	6	36 618	37 751	32 594	32 672	28 518
Investments and loans	3 286	40	37 945	20 385	12 409	11 440	9 964
Deferred tax assets	96	(2)	1 109	2 044	1 291	1 029	1 225
Bank balances, deposits and cash	4 221	10	48 736	45 673	34 565	43 458	32 933
Other current assets	3 614	24	41 731	30 900	21 310	20 560	17 569
Total assets	21 970	15	253 685	229 656	176 074	174 073	147 554
Equity attributable to equity holders of the Company	11 130	16	128 517	116 479	89 006	88 897	71 855
Non-controlling interests	426	22	4 925	5 333	3 881	3 802	2 219
Total equity	11 556	16	133 442	121 812	92 887	92 699	74 074
Interest-bearing liabilities	4 614	12	53 279	46 025	32 084	33 208	34 454
Non-interest-bearing liabilities	4 846	15	55 952	48 349	42 392	40 200	32 043
Deferred tax liabilities	954	12	11 012	13 470	8 711	7 966	6 983
Total liabilities	10 414	13	120 243	107 844	83 187	81 374	73 480
Total equity and liabilities	21 970	15	253 685	229 656	176 074	174 073	147 554

¹ 2013 restated, refer to note 48 of the 2014 Group annual financial statements on pages 130 and 131. Retrospective restatement of the Group's results and financial position for periods prior to 2013 is impracticable.

Total assets (Rm)



Equity and return



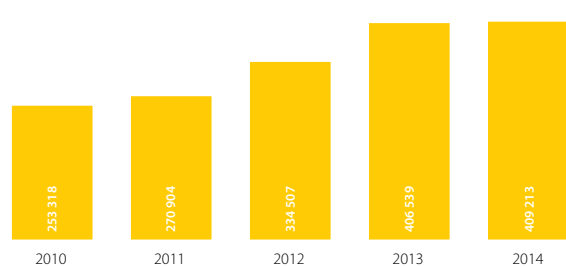
■ Equity attributable to equity holders of the Company (Rm)
 — Return on average shareholders' funds (%)

Five-year operational and financial review *continued*

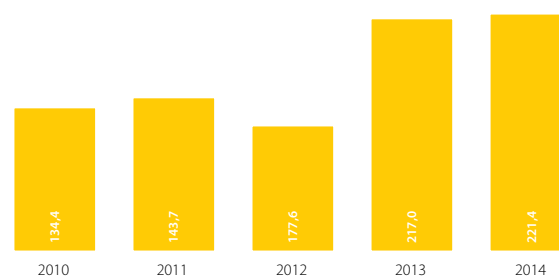
STATEMENT OF CASH FLOWS	2014 US\$m	CAGR %	2014 Rm	2013 ¹ Rm	2012 ¹ Rm	2011 ¹ Rm	2010 ¹ Rm
Net cash inflows from operating activities	2 498	(1)	27 132	27 025	20 062	23 279	28 722
Net cash used in investing activities	(2 393)	17	(25 991)	(19 835)	(24 212)	(17 492)	(13 982)
Net cash from/(used in) financing activities	243	64	2 639	6 264	(5 280)	(8 867)	368
Net increase/(decrease) in cash and cash equivalents	348	(29)	3 780	13 454	(9 430)	(3 080)	15 108
Cash and cash equivalents at beginning of the year	3 763	18	39 577	22 539	33 074	32 626	20 763
Exchange (losses)/gains and monetary loss on cash and cash equivalents	(381)		(285)	3 584	(1 105)	3 528	(3 245)
Cash and cash equivalents at end of the year	3 730	7	43 072	39 577	22 539	33 074	32 626
Statement of cash flows – extracts							
Cash generated from operations	5 951	9	64 628	59 708	51 105	46 626	45 962
Dividends paid to equity holders of the Company	(1 890)	34	(20 527)	(16 187)	(14 919)	(11 722)	(6 313)
Acquisition of property, plant and equipment	(1 801)	8	(19 562)	(24 568)	(20 741)	(13 191)	(14 366)

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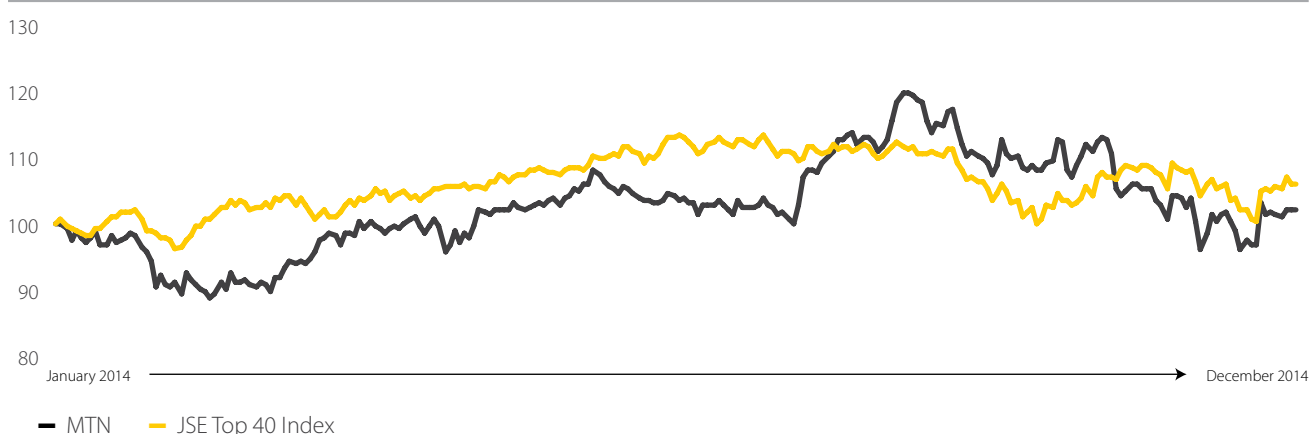
Market capitalisation (Rm)



Closing share price (R)



Share price performance



Five-year operational and financial review *continued*

	CAGR %	2014	2013 ¹	2012 ¹	2011 ¹	2010 ¹
Performance per ordinary share						
Basic earnings (cents)	23	1 752	1 460	1 126	1 119	776
Diluted earnings (cents)	23	1 742	1 452	1 120	1 111	765
Headline earnings (cents)	19	1 536	1 411	1 089	1 069	761
Dividends (cents)	26	1 245	1 035	824,0	749,0	500,0
Net asset value – book value (rand) ²	16	69,5	62,2	47,3	47,2	38,1
Returns and profitability ratios						
Return on assets (%) ³		20,5	20,3	21,0	22,1	19,6
Return on average shareholders' funds (%) ⁴		23,0	25,2	22,5	24,6	19,8
EBITDA margin (%)		49,8	44,0	43,2	45,1	41,4
Adjusted free cash flow		47 785	30 266	23 810	33 170	25 653
EBITDA multiple (times) ⁵		5,5	6,7	6,4	5,7	5,8
Effective taxation rate (%)		26,2	28,8	33,0	35,4	38,5
Solvency and liquidity ratios						
Gearing (%) ⁶		3,4	0,3	(2,7)	(11,1)	2,1
Interest cover (times) ⁷		4,8	3,3	4,3	5,7	4,8
Dividends cover (times) ⁸		1,2	1,4	1,3	1,4	1,5
Net debt/(cash) to EBITDA ⁹		0,1	–	–	(0,2)	–
Operating cash flow/revenue (%)		44,0	43,5	41,9	42,5	44,0
Share statistics						
Number of ordinary shares in issue (million)						
– at year end	–	1 848	1 873	1 883	1 885	1 885
– weighted average during the year	–	1 841	1 833	1 838	1 854	1 842
Closing price (cents per share)	13	22 141	21 702	17 760	14 373	13 442
Market capitalisation (Rm)	13	409 213	406 539	334 507	270 904	253 318
US dollar to rand exchange rates						
Average	10	10,86	9,65	8,16	7,17	7,34
Closing	15	11,55	10,52	8,47	8,07	6,61

¹2013 restated, refer to note 48 of the 2014 Group annual financial statements on pages 130 and 131. Retrospective restatement of the Group's results and financial position for periods prior to 2013 is impracticable.

²Ordinary shareholders' interest divided by the number of ordinary shares in issue at year end.

³Operating profit as a percentage of the average of the opening and closing balances of total assets.

⁴Headline earnings as a percentage of the average of the opening and closing balances of ordinary shareholders' interest.

⁵Market capitalisation less net (cash)/debt (interest-bearing liabilities less bank balances, deposits and cash) divided by EBITDA.

⁶Net (cash)/debt as a percentage of total equity.

⁷Operating profit divided by finance costs.

⁸Headline earnings divided by total dividend.

⁹Interest-bearing liabilities less cash, divided by EBITDA.

Five-year operational and financial review *continued*

NON-FINANCIAL INFORMATION	CAGR		2014	2013	2012	2011	2010
	%						
Countries in which MTN has GSM licences			21	21	21	21	21
Subscriber numbers (million)	12		223,3	207,8	189,3	164,5	141,6
Group entities (excluding joint ventures)	13		176,8	163,9	146,4	127,5	109,7
Joint ventures	10		46,5	43,9	42,9	37,0	31,9
Countries in which MTN has largest market share			15	15	15	15	15
Total number of employees	(4)		22 204	25 424	26 716	24 252	26 055
Group entities (excluding joint ventures)	(5)		19 475	22 476	23 871	21 504	23 594
Joint ventures	3		2 729	2 948	2 845	2 748	2 461
Carbon dioxide and equivalent (CO ₂ e) emissions from energy use (tonnes)	8		1 531 527	1 520 895 ¹	1 040 723	950 564	1 127 254
Operational information							
South Africa							
Mobile penetration (%)			154	135	131	120	105
Market share (%)			34	35	38	34	36
Subscribers (million)	10		28	26	25	22	19
ARPU (R) ²	(12)		92	108	122	134	154
EBITDA margin (%)			32	35 ³	35	35	34
Capex/revenue (%)			15	14 ³	16	11	11
Nigeria							
Mobile penetration (%)			73	69	62	54	49
Market share (%)			49	49	48	50	52
Subscribers (million)	11		60	57	47	42	39
ARPU (US\$) ²	(14)		6	7	9	10	11
EBITDA margin (%)			59	61	58	62	63
Capex/revenue (%)			16	30	36	18	14
Nigerian naira average foreign exchange rate	(7)		15,27	16,46	19,50	21,76	20,67
Nigerian naira closing foreign exchange rate	(9)		15,93	15,23	18,47	20,10	23,00
Ghana							
Mobile penetration (%)			102	99	91	78	67
Market share (%)			51	50	51	52	53
Subscribers (million)	12		14	13	12	10	9
ARPU (US\$) ²	(13)		4	6	6	7	7
EBITDA margin (%)			37	38	37	37	44
Capex/revenue (%)			20	20	16	14	54
Ghanaian cedi average foreign exchange rate	8		0,27	0,21	0,23	0,21	0,20
Ghanaian cedi closing foreign exchange rate	6		0,28	0,22	0,22	0,20	0,22
Iran							
Mobile penetration (%)			120	114	113	103	92
Market share (%)			46	47	47	45	44
Subscribers (million)	10		44	41	41	35	30
ARPU (US\$) ²	(16)		4	4	7	8	8
EBITDA margin (%)			43	43	44	43	41
Capex/revenue (%)			27	19	9	11	18
Iranian rial average foreign exchange rate	14		2 390	2 554	1 686	1 474	1 401
Iranian rial closing foreign exchange rate	11		2 342	2 356	2 905	1 378	1 566

¹ The Group's emissions were revised during 2014. The reported emissions for 2013 were restated accordingly.

² Annual ARPU.

³ 2013 restated, refer to note 48 of the 2014 Group annual financial statements on pages 130 and 131. Retrospective restatement of the Group's results and financial position for periods prior to 2013 is impracticable.

Five-year operational and financial review *continued*

NON-FINANCIAL INFORMATION	CAGR %	2014	2013	2012	2011	2010
Syria						
Mobile penetration (%)		82	81	59	58	50
Market share (%)		44	44	45	46	45
Subscribers (million)	5	6	6	6	6	5
ARPU (US\$) ¹	(29)	4	5	9	14	16
EBITDA margin (%)		19	17	23	26	24
Capex/revenue (%)		10	28	11	7	6
Syrian pound average foreign exchange rate	25	15,43	13,57	8,34	6,54	6,39
Syrian pound closing foreign exchange rate	25	17,15	13,67	10,22	6,71	7,13
Cameroon						
Mobile penetration (%)		73	69	62	54	40
Market share (%)		59	59	56	55	60
Subscribers (million)	19	10	9	7	6	5
ARPU (US\$) ¹	(16)	4	5	6	7	8
EBITDA margin (%)		43	43	46	44	49
Capex/revenue (%)		14	15	19	10	16
Cameroon Communauté Financière Africaine franc average foreign exchange rate	(9)	45,77	51,96	62,20	65,67	67,26
Cameroon Communauté Financière Africaine franc closing foreign exchange rate	(11)	46,94	45,23	58,70	62,73	74,20
Ivory Coast						
Mobile penetration (%)		84	79	77	75	64
Market share (%)		39	38	36	37	38
Subscribers (million)	13	8	7	6	6	5
ARPU (US\$) ¹	(4)	6	7	6	6	7
EBITDA margin (%)		39	41	40	42	33
Capex/revenue (%)		19	15	22	12	24
Côte d'Ivoire Communauté Financière Africaine franc average foreign exchange rate	(9)	45,81	51,50	62,31	64,81	67,43
Côte d'Ivoire Communauté Financière Africaine franc closing foreign exchange rate	(11)	46,94	45,23	58,70	62,73	76,07

¹ Annual ARPU.

Five-year operational and financial review *continued*

NON-FINANCIAL INFORMATION	CAGR %	2014	2013	2012	2011	2010
Uganda						
Mobile penetration (%)		47	44	41	42	34
Market share (%)		57	54	53	52	56
Subscribers (million)	14	10	9	8	8	6
ARPU (US\$) ¹	(12)	3	4	4	4	5
EBITDA margin (%)		39	36	36	35	45
Capex/revenue (%)		13	12	13	26	21
Uganda shilling average foreign exchange rate	(5)	240,06	264,66	303,08	347,60	295,99
Uganda shilling closing foreign exchange rate	(9)	239,02	239,81	312,26	306,73	348,03
Sudan						
Mobile penetration (%)		69	73	73	53	39
Market share (%)		36	34	32	27	21
Subscribers (million)	32	9	9	8	6	3
ARPU (US\$) ¹	(20)	2	2	3	5	5
EBITDA margin (%)		34	32	28	22	17
Capex/revenue (%)		52	43	62	49	41
Sudanese pound average foreign exchange rate	12	0,53	0,50	0,43	0,36	0,34
Sudanese pound closing foreign exchange rate	7	0,52	0,54	0,52	0,33	0,40

¹ Annual ARPU.