Welcome to the New World

MTN Group Limited

Reviewed interim results *for the six months ended 30 June 2013*

MTN

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everywhere you go

Summary consolidated reviewed financial results

for the six months ended 30 June 2013

MTN is a leading emerging markets mobile operator, connecting more than 200 million people in 22 countries across Africa and the Middle East. We are at the forefront of global technological changes, delivering a bold, new Digital World to our customers.

Highlights

201,5 million

GROUP SUBSCRIBERS INCREASED 6,5%

R65 248 million

REVENUE INCREASED 9,8%

R9 054 million

DATA REVENUE INCREASED 36,9%

R27 743 million**

EBITDA INCREASED 6,4%

42,5%**

EBITDA MARGIN STABLE

R12 792 million

CAPEX INCREASED 32,7%

654 cents

HEPS INCREASED 22,0%

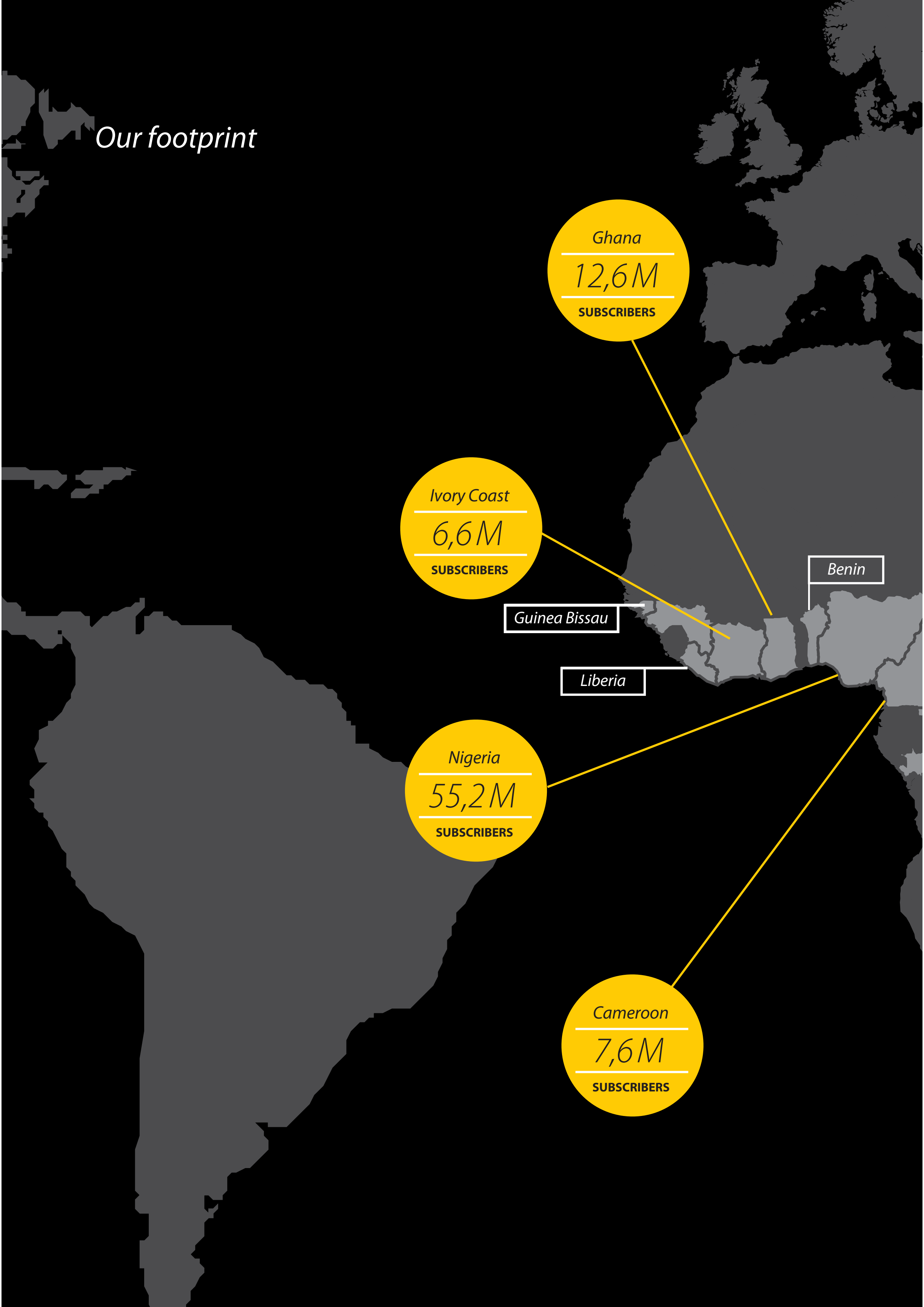
370 cents

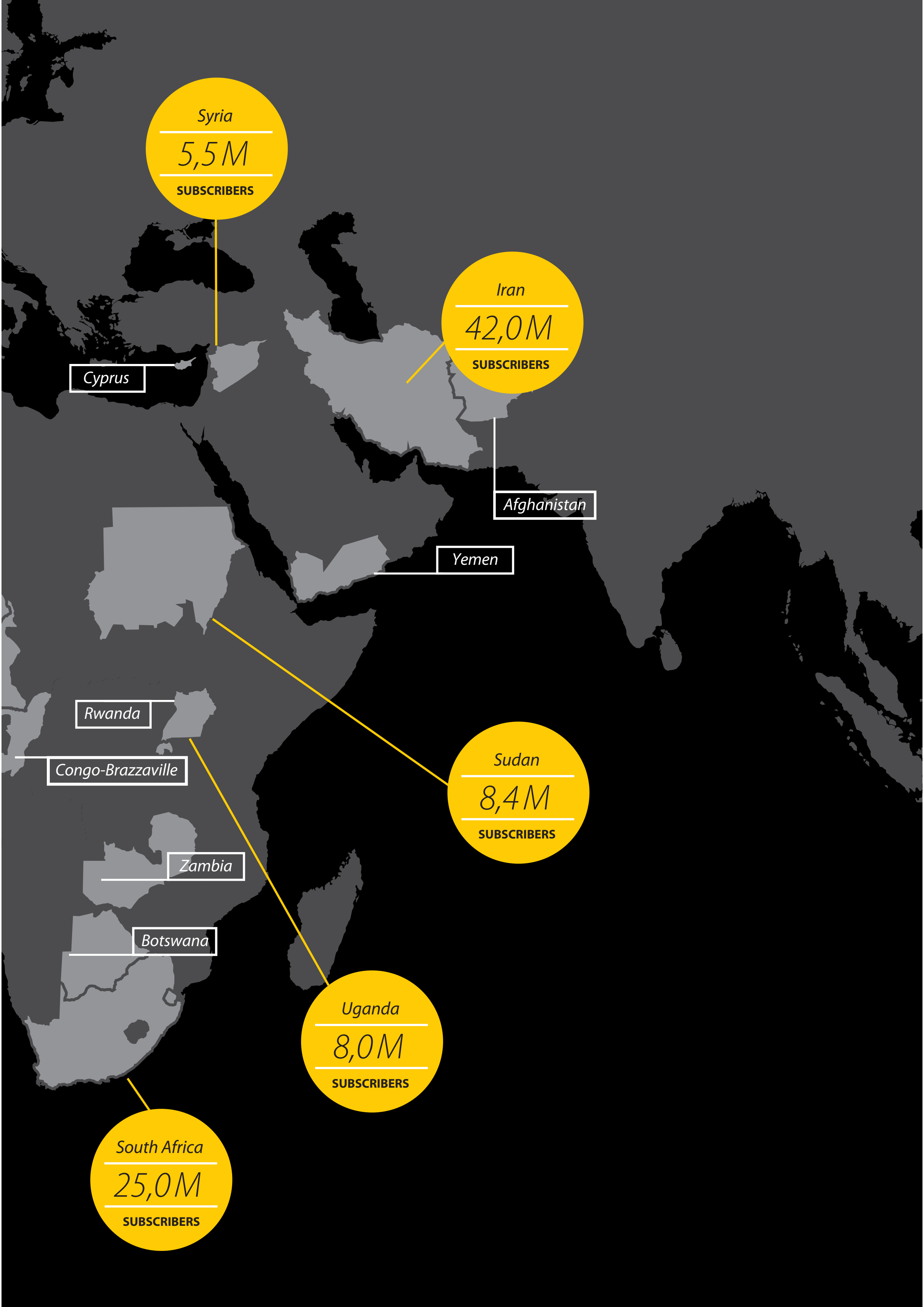
INTERIM DIVIDEND PER SHARE INCREASED 15,3%

* *Constant currency information disclosed in these results is the responsibility of the Group's directors. The constant currency information has been presented to illustrate the impact of changes in currency rates on the Group's results and hence may not fairly present the Group's results of operations. In determining the change in constant currency terms, the current financial reporting period's results have been adjusted to the prior period's average exchange rates determined as the average of the monthly exchange rates. The measurement has been performed for each of the group's currencies, materially that of the USD, Nigerian Naira and Iranian Rial. The constant currency information has not been reviewed and reported on by the Group's external auditors.*

** *Excluding tower profits*

Our footprint




Syria
5,5 M
SUBSCRIBERS
Cyprus
Iran
42,0 M
SUBSCRIBERS
Afghanistan
Yemen
Rwanda
Congo-Brazzaville
Sudan
8,4 M
SUBSCRIBERS
Zambia
Botswana
Uganda
8,0 M
SUBSCRIBERS
South Africa
25,0 M
SUBSCRIBERS

Review of results

Overview

We are pleased to report MTN's results for the six-month period to 30 June 2013. The results reflect a challenging operating environment given the sustained global economic slowdown, highly competitive mobile markets and regulatory pressures, which have seen average voice tariffs across our markets fall 29,5% year-on-year (YoY) in US dollar terms. Despite these challenges, our substantial investment in network infrastructure and robust subscriber growth position us well for improved organic growth.

Over the first six months of 2013, Group subscribers increased 6,5%, to 201,5 million, supported by competitive offerings and increased network capacity. At the end of July, the Group recorded a total of 200 million subscribers after adjusting for the 3,2 million disconnections in Nigeria related to the mandatory subscriber registration programme which closed on 30 June 2013.

Reported revenue for the six months increased 9,8% (*organic revenue up 1,9%), despite being negatively impacted by the tariff cuts in both Nigeria and South Africa. The 'Large OpCo Cluster' and the 'Small OpCo Cluster' reported a solid 9,7% and 24,7% YoY growth in revenue respectively. The reported financial results were positively affected by the 16,3% decline in the average rand versus US dollar rate.

MTN Nigeria continued to show consistent month-on-month improvements in its operational metrics. Revenue performance, however, was impacted by the 40% reduction in mobile termination rates effective 1 April as well as by the temporary network disconnections in three northern states. In South Africa, the weak consumer environment and aggressive competition had a dampening effect on revenue.

Group EBITDA increased by 6,4% to R27 743 million, with the EBITDA margin remaining stable at 42,5% excluding the profit from the tower sales in Ivory Coast and Cameroon. We expect improved organic growth in EBITDA in the second half of this year.

In the six month period we invested R12 792 million in our network, bringing 2 130 2G and 1 800 3G sites on air. This is in line with our strategy to improve the quality of our service offering to more customers and remains a key element in securing continued growth over the medium term.

During the period under review, the Group reclassified its intergroup loan to MTN Syria as a net investment in the foreign operation in accordance with the principles of IAS 21, 'The Effect of Changes in Foreign Exchange Rates'. This has resulted in foreign exchange movements of R962 million in respect of the loan being accounted for in equity from 1 January 2013. This has positively impacted headline earnings per share (HEPS) with HEPS increasing 22,0% to 654 cents for the period.

Prospects

For the remainder of the year, we expect to deliver improved YoY organic growth in both revenue and EBITDA. Although operating conditions in South Africa are expected to remain difficult, we will continue to focus on competitive, value-added propositions and on improving cost efficiencies. The recovery in our Nigerian operation is expected to continue over the second half, supported by a strong capital expenditure programme. We expect the Group to add a total of 21,1 million subscribers for the full 2013 year.

Any forward looking information contained in this announcement has not been reviewed or reported on by the Company's external auditors

In the medium term there remain a number of opportunities for MTN, which include providing more services to our customers by moving decisively into the digital space and taking advantage of growth in data traffic and ICT solutions. We will also continue to leverage MTN's inherent strength in adjacent industries and explore value accretive M&A activities.

Amid greater competition, which in turn pressures revenue and margins, we will remain competitive by providing an excellent customer experience, improving network quality and capacity, lowering the cost base of our business and improving operational efficiency.

SANCTIONS

MTN continues to work closely with all relevant authorities in managing US and EU sanctions against Iran and Syria. MTN continues to retain international legal advisors to assist the Group in remaining compliant with all applicable sanctions.

CHANGES TO THE BOARD OF DIRECTORS

During the year to date, the following changes to the board became effective:

- MC Ramaphosa tendered his resignation as chairman of the board, effective 28 May 2013;
- PF Nhleko was appointed to replace him as chairman of the board, effective 29 May 2013;
- NI Patel tendered his resignation as executive director and Group chief financial officer, effective 21 July 2013; and
- BD Goschen was appointed as executive director and Group chief financial officer, effective 22 July 2013.

Leading the delivery of a bold new digital world

We continue to enhance our traditional voice offering and actively develop new products and services in support of our data and ICT growth strategies. This will see data continue to be a key driver of the business over the medium term.

VOICE

Over the first six months of 2013, traffic volumes increased 26,2% YoY and voice revenue grew 7,9%. Voice revenue now accounts for 63,7% of total revenue, down from 64,8% in 2012. On a YoY basis, the average price per minute (APPM) declined by 29,5% in US dollar terms. We remain focused on improving network quality and customer service as well as providing value-added products and services to our customers, such as MTN Zone and Me2U.

DATA AND RELATED SERVICES

During the period, data services were the key driver of MTN's revenue growth. Our operations in South Africa and Nigeria were the biggest contributors to data revenue growth, whilst those in Ghana, Cameroon, Ivory Coast and Benin also delivered a strong performance.

Data subscriber numbers increased by 29,5% to 65,4 million and data traffic grew by 55,7%. This was achieved through extending our 3G coverage as well as through the increased number of data-enabled devices, which have reached 122,2 million. Our network has 31,6 million smartphones in use and increasing smartphone penetration remains an important objective. We also continue to support innovation with products such as Magic Voice, MTN Play, MTN Opera Mini and MTN Afrinolly.

Review of results

The MTN Mobile Money and financial services offering continues to gain traction in existing and new markets and had almost 12,1 million users at the end of June 2013, a YoY increase of 64,5%. MTN Mobile Money revenue reached R289 million, with Uganda the leading market for this service. We have now launched MTN Mobile Money services in 15 markets and a key focus is to establish a solid base and improve returns from this product.

ICT SERVICES

The integration of the South African Enterprise Business has allowed for a more holistic offering as businesses seek simplified solutions that enable converged voice, video and data communications. We are well positioned to leverage our integrated ICT business and the ongoing infrastructure investment to provide key products and services to our corporate and SME customers across all our markets. These include cloud computing, infrastructure, networking and managed services for end-to-end data routing.

Financial review

REVENUE

Table 1: Group revenue by country

	Actual (Rm)	Prior (Rm)	Reported %	Organic %
South Africa	**20 146**	20 430***	(1,4)	(1,4)
Nigeria	**22 303**	19 262	15,8	(1,6)
Large OpCo Cluster	**13 919**	12 690	9,7	8,6
Ghana	**4 002**	3 242	23,4	15,3
Cameroon	**2 309**	1 817	27,1	7,7
Ivory Coast	**2 543**	1 998	27,3	8,0
Uganda	**2 051**	1 619	26,7	15,4
Syria	**1 780**	2 846	(37,5)	(16,0)
Sudan	**1 234**	1 168	5,7	42,5
Small OpCo Cluster	**9 080**	7 284	24,7	8,1
Head office companies and eliminations	**(200)**	(248)	(19,4)	(21,8)
Total	**65 248**	59 418	9,8	1,9

Group revenue increased by 9,8% (1,9%*) to R65 248 million for the six-month period, despite a marginal contraction in the revenue growth in the South African (–1,4%) and Nigerian (–1,6%*) operations, which were negatively affected by tariff reductions in these highly competitive markets. The strong organic growth achieved in Ghana (15,3%*), Uganda (15,4%*) and Sudan (42,5%*) supported the overall results. We expect improved YoY trends in revenue for the second half of this year as the investment in capex underpins continued growth in our network coverage and quality.

**** Includes MTN Business South Africa*

Table 2: Group revenue analysis

	Actual (Rm)	Prior (Rm)	Reported %	Organic %	Contribution to revenue %
Outgoing voice	**41 553**	38 523	7,9	(0,8)	63,7
Incoming voice	**7 547**	7 987	(5,5)	(12,5)	11,6
Data	**9 054**	6 612	36,9	29,6	13,9
SMS	**2 720**	2 694	1,0	(2,9)	4,2
VAS	**103**	98	5,1	3,4	0,2
Devices	**3 284**	2 844	15,5	14,5	5,0
Other	**987**	660	49,5	36,1	1,4
Total	**65 248**	59 418	9,8	1,9	100,0

Outgoing voice revenue increased by 7,9% compared to the prior year and contributed 63,7% to total revenue. Group data revenue increased by 36,9% as the number of data subscribers reached 65,4 million, an increase of 29,5% on the prior year. Data's contribution to total revenue was 13,9% (18,0% including SMS) and the upward trend is expected to continue. The weakness in the rand exchange rate in the period contributed to the improvement in reported revenue.

Table 3: Cost analysis

	Actual (Rm)	Prior (Rm)	Reported % change	Organic % change	% of revenue
Handsets	**4 883**	4 574	6,8	3,5	7,5
Interconnect	**6 145**	5 769	6,5	(0,7)	9,4
Roaming	**569**	472	20,6	15,3	0,9
Commissions	**5 683**	4 741	19,9	11,2	8,7
Revenue share	**931**	1 427	(34,8)	(15,5)	1,4
Service provider disccounts	**1 257**	1 048	19,9	21,6	1,9
Network	**7 481**	6 324	18,3	9,5	11,5
Marketing	**1 661**	1 678	(1,0)	(8,5)	2,5
Employee benefits	**4 272**	3 496	22,2	14,0	6,5
Other OPEX	**4 623**	3 820	21,0	(2,4)	7,1
Total	**37 505**	33 349	12,5	7,4	57,5

EBITDA

Table 4: Group EBITDA by country

	Actual (Rm)	Prior (Rm)	Reported % change	Organic % change
South Africa	**6 503**	7 023	(7,4)	(7,4)
Nigeria	**14 762**	11 645	26,8	8,0
Large OpCo Cluster	**4 997**	4 515	10,7	5,2
Ghana	**1 560**	1 222	27,7	19,3
Cameroon	**1 054**	854	23,4	4,8
Ivory Coast	**965**	842	14,6	(2,7)
Uganda	**756**	616	22,7	11,4
Syria	**291**	657	(55,7)	(40,2)
Sudan	**371**	324	14,5	54,0
Small OpCo Cluster	**3 163**	2 663	18,8	4,4
Head office companies and eliminations	**(1 682)**	223	(854,3)	(860,3)
Total	**27 743**	26 069	6,4	(4,5)

Group earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 7,4% to R28 599 million, which includes R856 million related to the profit on tower sales. Excluding the profit on tower sales, EBITDA increased by 6,4% to R27 743 million, with a margin of 42,5%. The tower sales resulted in a R244 million YoY increase in lease costs negatively impacting margins for the period.

EBITDA was supported by solid growth from Ghana (19,3%*), Uganda (11,4%*), Sudan (54,0%*) and Cameroon (4,8%*). Although normalised Nigerian EBITDA (excluding the reversal of management fees) decreased 7,5%* YoY, there has been an encouraging sequential trend and we expect a stable performance in the second half of the year. MTN South Africa, Ivory Coast and Syria recorded declines in EBITDA of 7,4%*, 2,7%* and 40,2%* respectively.

DEPRECIATION AND AMORTISATION

Table 5: Group depreciation and amortisation

	Depreciation **Actual (Rm)**	Prior (Rm)	Reported % change	Amortisation **Actual (Rm)**	Prior (Rm)	Reported % change
South Africa	**1 624**	1 705	(4,8)	**302**	208	45,2
Nigeria	**3 565**	2 605	36,9	**311**	240	29,6
Large OpCo Cluster	**1 315**	1 185	11,0	**364**	323	12,7
Ghana	**274**	246	11,4	**48**	62	(22,6)
Cameroon	**181**	222	(18,5)	**144**	88	63,6
Ivory Coast	**201**	178	12,9	**85**	63	34,9
Uganda	**202**	161	25,5	**44**	50	(12,0)
Syria	**222**	181	22,7	**16**	25	(36,0)
Sudan	**235**	197	19,3	**27**	35	(22,9)
Small OpCo Cluster	**1 090**	883	23,4	**188**	139	35,3
Head office companies and eliminations	**89**	77	14,1	**155**	86	80,2
Total	**7 683**	6 455	19,0	**1 320**	996	32,5

Group depreciation increased by 19,0% YoY as the Group accelerated its capex rollout in South Africa and Nigeria. Amortisation costs rose by 32,5% driven by increased spend on software.

NET FINANCE COSTS

Table 6: Net finance costs

	Actual (Rm)	Prior (Rm)	Reported % change	Organic % change	Percentage of revenue %
Net interest paid/(received)	**1 102**	148	644,6	1 088,5	1,7
Net forex (gains)/losses	**(1 014)**	1 536	166,0	(167,2)	(1,6)
Net finance costs	**88**	1 684	(94,8)	(56,8)	0,1

Net finance costs of R88 million reflect a decrease of R1 596 million from the previous year. This is largely due to a functional currency gain of R1 497 million as well as foreign exchange losses of R962 million incurred on the Syrian pound intergroup loan receivable, previously recorded in profit or loss and is now being reported in equity in accordance with IAS 21. The Iranian rial and Sudanese pound remained relatively stable against the US dollar over the six-month period, reducing the YoY reported forex losses.

TAXATION

Table 7: Taxation

	Actual (Rm)	Prior (Rm)	Reported % change	Organic % change	Contribution to taxation %
Normal tax	**4 605**	4 927	(6,5)	(17,5)	69,6
Deferred tax	**1 423**	486	192,8	161,7	21,5
Foreign income and withholding taxes	**592**	689	(14,1)	(13,9)	8,9
Secondary tax on companies	**0**	897	(100,0)	(100,0)	0,0
Total	**6 620**	6 999	(5,4)	(15,3)	100,0

The Group's taxation charge decreased by 5,4% to R6 620 million and the effective tax rate declined 5,1 percentage points to 31,3%. The lower tax charge and effective tax rate were mainly the result of the secondary tax on companies (STC) in South Africa being discontinued and a reduction in withholding taxes.

EARNINGS

Headline earnings per share (HEPS) increased 22,0% to 654 cents and attributable earnings per share (EPS) increased 19,0% to 684 cents.

CASH FLOW

Cash inflows from operating activities declined by 18,8% to R4 854 million mainly due to a 2,7% decline in cash generated from operations and an 8,2% increase in dividends paid. Expenditure on property, plant and equipment (excluding software) increased by 20,7% to R10 156 million, which contributed significantly to the cash outflow on investing activities. Cash inflows on financing activities were mainly the result of an increase in borrowings in Nigeria of R5 608 million and MTN Holdings of R1 740 million.

CAPITAL EXPENDITURE

Table 8: Capital expenditure analysis

	June 2013 Actual (Rm)	June 2012 Prior (Rm)	Reported %	Organic %
South Africa	**2 151**	1 980	8,6	8,6
Nigeria	**6 571**	4 432	48,3	25,7
Large OpCo Cluster	**2 741**	1 414	93,8	88,6
Ghana	**685**	273	150,9	129,6
Cameroon	**528**	274	92,7	62,1
Ivory Coast	**546**	273	100,0	69,2
Uganda	**253**	230	10,0	(1,8)
Syria	**295**	239	23,4	60,2
Sudan	**434**	125	247,2	321,6
Small OpCo Cluster	**1 217**	1 507	(19,2)	(30,5)
Head office companies and eliminations	**112**	306	(63,4)	(67,5)
Total	**12 792**	9 639	32,7	19,7

Capex increased by 32,7% to R12 792 million, of which R1 255 million related to the depreciation in the rand. On a constant-currency basis, capex was R11 537 million. Capex already committed for the second half of the year stands at R8 119 million.

CASH BALANCE

Table 9: Net debt analysis (Rm)

	Cash and cash equivalents	Interest-bearing liabilities	Inter-company eliminations	Net debt/ (cash)
South Africa	(3 546)	17 179	(17 153)	(3 520)
Nigeria	(7 063)	19 593	–	12 530
Large OpCo Cluster	(10 080)	10 629	(6 245)	(5 696)
Ghana	(1 626)	655	–	(971)
Cameroon	(2 964)	494	–	(2 470)
Ivory Coast	(976)	1 063	–	87
Uganda	(753)	251	–	(502)
Syria	(3 446)	2 677	(2 315)	(3 084)
Sudan	(315)	5 489	(3 930)	1 244
Small OpCo Cluster	(3 059)	6 629	(2 698)	872
Head office companies and eliminations	(14 431)	16 094	(1 881)	(218)
Total	(38 179)	70 124	(27 977)	3 968

The Group reported net debt of R3 968 million as net cash balances declined by R6 825 million driven by the increased investment to support our capex programme and the associated interest-bearing liabilities. The net debt excludes R4 800 million (49%) of net cash in MTN Irancell now accounted for on an equity basis.

CHANGES IN OWNERSHIP

During the period under review, the following changes in shareholding occurred:

- The Group concluded the acquisition of the remaining 50% equity interest in MTN Cyprus from its local partner, Amaracos Holdings. All conditions precedent to the acquisition were fulfilled on 26 March 2013 and MTN Cyprus is now a wholly owned subsidiary of MTN Dubai;
- The Group decreased its shareholding in MTN Ivory Coast SA from 67,67% to 66,83%; and
- The Group increased its shareholding in Mauritian internet service provider Satalite Data Networks Mauritius Proprietary Limited, from 60% to 100%.

Operational review

SOUTH AFRICA

- EBITDA margin declined by 2,1 percentage points
- Data revenue increased by 14,7%
- Capex increased 8,6%

MTN South Africa felt the effects of weaker consumer demand and was slow to respond to aggressive price competition in both voice and data offerings. The total subscriber base declined marginally to 25,0 million from 25,4 million at 31 December 2012.

After a difficult start to 2013, which saw decreased subscriber net connections, the pre-paid segment managed to regain some market share in the second quarter due to improved dormancy management and as customers responded positively to lower tariffs and increased promotional activity.

The post-paid subscriber base performed well, increasing by 5,8% during the six-month period to 4,8 million. This was driven by competitive data offerings and the success of hybrid and classic packages. Despite a difficult operating environment, MTN South Africa maintained its relative value share among post-paid subscribers.

Total revenue declined by 1,4% to R20 146 million from R20 430 million in the previous year (including MTN Business). Airtime and subscription revenue declined by 4,4% to R9 443 million largely due to lower outgoing voice revenue.

Data revenue, including MTN Business, increased by 14,7% to R4 016 million from R3 502 million in the prior year and contributed 19,9% to total revenue. Data pricing remained under pressure as the average effective price per megabyte decreased by 25,0% from 31 December 2012.

Data revenue growth was supported by an increase in the number of mobile data users to 13,5 million from 11,9 million, attracted by a compelling value proposition and the efficient distribution of products. Data revenue also benefited from the integration of MTN Business into the South African operation. Handsets and accessories' revenue grew by 16,0% to R3 023 million. During the six-month period, MTN South Africa sold 2,4 million pre-paid phones and 699 000 post-paid handsets.

Blended ARPU declined by 13,3% to R105,40 from R121,52 in June 2012. Pre-paid ARPU of R78,64 was 13,9% lower than the same period last year (R91,33). Post-paid ARPU decreased by 15,5% to R220,90 compared with R261,33 in the previous year.

EBITDA decreased by 7,4% to R6 503 million. The EBITDA margin declined by 2,1 percentage points largely as a result of lower revenue growth. Operating costs were well contained and increased marginally by 1,2% despite the depreciation of the rand against the US dollar as well as higher handset volumes, resulted in an 8,4% increase in handsets' and other accessories' costs. Given the more challenging revenue growth environment, there will be an increased focus on cost controls.

Capex for the period amounted to R2 151 million with a focus on 2G and 3G coverage, quality and capacity. The 3G population coverage is now 67,7%. During the period, limited long-term evolution (LTE) coverage was implemented in main centres, partly due to a delay in the planned auction of 2.6GHz and 3.5GHz spectrum and the final frequency and spectrum allocations that are still to be determined. We continue to engage with the various regulatory bodies in this regard.

NIGERIA

- Net subscriber additions of 7,8 million
- Normalised EBITDA margin of 56,5%
- Capex increased by 25,7%*
- 1 083 2G and 499 3G co-located sites delivered

MTN Nigeria continued to improve its performance, adding 3,8 million subscribers in Q1 and a further 3,9 million subscribers in Q2, bringing total subscribers at the end of June 2013 to 55,238 million. However, in July, MTN Nigeria disconnected a number of subscribers related to the regulator-driven subscriber registration process. At the end of July, 3,2 million mandatory net disconnections impacted reported subscriber numbers and brought total subscriber numbers to 52,7 million.

MTN Nigeria showed a promising upward trend in revenue growth in the period, supported by strong growth in subscriber numbers and in minutes of use (MOU). However, the reduction in mobile termination rates, the promotions ban until April and the suspension of services in three states in the north of the country from mid-May constrained performance and resulted in a 1,6%* decline in revenue compared with same period in 2012.

In July, post the mandatory subscriber registration process and the lifting of the service suspension in two of the three northern states, it was encouraging that revenues increased 6,5% on a month-on-month basis.

Reported EBITDA increased by 26,8% mainly due to the reversal of the management fee provision. The cumulative prior period reversal amounts to R1 778 million and the current period reversal amounts to R379 million. Excluding the reversal of this provision, EBITDA decreased by 8,0%* compared to the prior year with the normalised EBITDA margin of 56,5%. The operation continues to focus on improving cost efficiencies within managed services and procurement.

The higher interconnect charges were largely the result of an increase in off-net traffic following tariff adjustments across the market. This was despite the almost 40% reduction in termination rates introduced during the period.

The 35,9% YoY organic growth in data revenue (excluding SMS) supports our strategy to increase the contribution of data to total revenue. This was achieved through the provision of value-added products such as MTN Afrinolly, MTN Play and MTN Caller Tunez, free SIM cards and data bundle offers as well as by our more device-oriented service centres. During the period, a total of 5,3 million smartphones and approximately 230 000 dongles were active on our network.

MTN Nigeria's capital expenditure rollout progressed well and despite increased traffic, the operation achieved a corresponding improvement in network quality. During the first half of 2013, R6 571 million was capitalised and MTN Nigeria rolled out 1 083 2G sites and 499 3G co-located sites.

MTN Nigeria continues to constructively engage with the regulator, the Nigerian Communications Commission, regarding its recent determination that MTN Nigeria is a dominant operator in that country.

OTHER KEY OPERATIONS (including MTN Irancell)

- Organic revenue growth of 11,1%
- EBITDA margin (excluding tower sales) of 31,9%*
- Data revenues increased 96,3%*

MTN Irancell grew total revenue by 19,0%* compared to the prior year, with a 17,9%* increase in airtime and subscription revenue and a 20,7%* increase in SMS revenue. The 3,8% growth in subscribers to 42 million as well as the 32,5% YoY growth in the WiMAX subscriber base to approximately 307 000, contributed to revenue performance. Local currency ARPU increased by 5,8% YoY despite challenging economic conditions.

Data revenue (excluding SMS) increased by 52,7%* compared to the prior year, mainly because of improved network quality and coverage and numerous promotions supported by affordable handsets, and appealing bundle packages.

MTN Irancell's EBITDA margin remained stable at 44,3%, supported by solid revenue growth and efficiencies. These efficiencies counteracted the effect of high inflation and the depreciation of the Iranian rial, which caused a substantial increase in the cost of imported equipment and material. MTN Irancell continued to invest in its network, spending R907 million for the six-month period. It is expected to meet its capex rollout programme requirements for the full year.

MTN Ghana performed strongly, increasing subscribers by 7,3% to 12,6 million compared to 11,7 million at the end of December 2012 and increasing revenue by 15,3%*. This performance was driven by a targeted subscriber acquisition campaign, which included segmented customer offerings, improved regional distribution structures and numerous promotions. There was also good uptake of products like MTN Protect and MTN Play. The operation maintained its market share at 50,5%.

Data revenue (excluding SMS) increased by 56,3%*, supported by attractive data bundle offerings, affordable handsets and an improved contribution from MTN Mobile Money. MTN Business continued to gain traction with products such as cloud services. EBITDA rose by 19,3%* and the EBITDA margin expanded by 1,3 percentage points to 39,0%, supported by cost savings across all areas of the business. Network modernisation and expansion remain a key focus given increasing traffic volumes.

MTN Cameroon grew its subscriber base by 4,3% to 7,6 million compared to 7,3 million at the end of December 2012. Despite sluggish economic growth, strong competition and high churn levels, the operation grew revenue by 7,7%* and maintained its market share at around 57%.

Sustained pressure on tariffs was partially offset by a 103% increase in MOU as the investment in network modernisation accelerated. At the end of the six month period, two-thirds of the capex budget had been capitalised.

Data services performed well with data revenue increasing by 44,4%*, helped by promotions and improved coverage. The 3G rollout programme will commence once existing exclusivity arrangements expire in December 2014 and this is expected to support data revenue growth. EBITDA increased by 44,4%* mainly due to the profit from the tower sales. Excluding the profit on the tower sales, EBITDA increased by 4,8%*.

MTN Ivory Coast grew revenue by 8,0%* and recorded net connections of 493 000, which increased its subscriber base to 6,6 million after disconnecting 400 000 subscribers who failed to register their personal details by the end of 2012. This improved performance was supported by an effective MTN value proposition and an efficient registration system. Following the launch of 3G services in December 2012, data and SMS revenue increased by 40,6%* and 64,7%* respectively, supported by an increased uptake of both 2G and 3G services and increased data usage for browsing and games.

EBITDA increased by 43,3%*, benefiting from the profit from the tower sales. Excluding the effects of the tower sales, EBITDA decreased by 2,7%* due to the tower rental expense and revenue-sharing commissions. The capex programme to rollout more fibre in Abidjan and upgrade the intelligent network platform remains on track.

MTN Uganda increased its subscriber base by 4,4% to 8,0 million from 7,7 million at the end of December 2012, driven by strong promotional activity, a reduction in churn and the continued success of the MTN Zone offering.

Revenue increased by 15,4%*, supported by strong data revenue growth. SMS revenue declined 14,6%* as customers opted for newer data-driven social media platforms to communicate and as internet browsing increased. This positively impacted mobile data revenue, which increased 57,4%, supported by a simplified data bundles offering, upgraded internet speeds, regional data exhibitions and a strong performance from MTN Mobile Money. MTN Mobile Money recorded a 51% increase in subscribers and more than 25 million transactions per month.

EBITDA declined 41,0%* due to the tower sales in the prior period. Excluding the tower sales, EBITDA grew 11,4%*.

MTN Syria reported commendable results amid extremely challenging conditions, with the subscriber base decreasing by 8,6% to 5,5 million from 6,0 million at the end of December 2012. Despite a 16,0%* decline in overall revenue, data revenue increased by 28,4%* due to the MTN proposition, which includes promotions and reliable systems. The operation's performance will remain under pressure until the crisis in the country is resolved.

MTN Sudan recorded a good performance, increasing its subscriber base by 7,2% to 8,4 million compared to 7,9 million in the prior period and maintaining its market share at approximately 31,5%. Revenue and EBITDA increased by 42,5%* and 54,0%* respectively. While off a low base, data revenue increased by 260,0%* and remains a strong focus for the business.

REVISED SUBSCRIBER NET ADDITION GUIDANCE FOR 2013

	Old '000	New '000
South Africa	2 900	**800**
Nigeria	7 000	**9 000**
Large OpCo cluster		
Iran	3 850	**3 600**
Ghana	800	**1 450**
Cameroon	1 000	**850**
Ivory Coast	300	**850**
Sudan	1 350	**1 350**
Syria	–	**(750)**
Uganda	800	**800**
Small OpCo cluster	3 000	**3 150**
Total	21 000	**21 100**

Declaration of interim ordinary dividend

Notice is hereby given that a gross interim dividend of 370 cents per share for the six months ended 30 June 2013 has been declared payable to shareholders of MTN's shares. The dividend has been declared out of income reserves. The number of ordinary shares in issue at the date of this declaration is 1 881 924 634 (including 22 337 752 treasury shares). The dividend will be subject to a maximum local dividend tax rate of 15% which will result in a net dividend to those shareholders that bear the maximum rate of dividend withholding tax of 314,50 cents per share after dividend withholding tax of 55,50 cents per share. No Secondary Tax on Companies (STC) credits were utilised. The net dividend per share for the respective categories of shareholders for the different dividend tax rates are as follows:

0%	370,0000 cents per share
5%	351,5000 cents per share
7,5%	342,2500 cents per share
10%	333,0000 cents per share
12,5%	323,7500 cents per share
15%	314,5000 cents per share

The different dividends tax rates above result from the application of the 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:

Last day to trade cum dividend on the JSE	Friday, 30 August 2013
First trading day ex dividend on the JSE	Monday, 2 September 2013
Record date	Friday, 6 September 2013
Payment date	Monday, 9 September 2013

No share certificates may be dematerialised or re-materialised between Monday, 2 September 2013 and Friday, 6 September 2013, both days inclusive.

Dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on Monday, 9 September 2013. In the absence of specific mandates, dividend cheques will be posted to shareholders on or about Monday, 9 September 2013. Shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant ("CSDP") or broker credited on Monday, 9 September 2013.

The MTN board confirms that the Group will satisfy the solvency and liquidity test immediately after completion of the dividend distribution.

For and on behalf of the Board

PF Nhleko *RS Dabengwa*

Chairman *Group President and CEO*

Fairland

14 August 2013

For further information on the MTN interim results please refer to the Group's website: **www.mtn.com**

Condensed reviewed consolidated interim financial information in accordance with International Financial Reporting Standards ("IFRS")

The Group's condensed reviewed consolidated interim financial information for the six months ended 30 June 2013 have been independently reviewed by the Group's external auditors. The preparation of the Group's condensed reviewed consolidated interim financial information was supervised by the Group chief financial officer, BD Goschen, BCom, BCompt (Hons), CA(SA).

These results were made available on 14 August 2013.

Condensed consolidated income statement

	Note	**Six months ended 30 June 2013 Reviewed Rm**	Six months ended 30 June 2012* Reviewed Rm	Financial year ended 31 December 2012* Audited Rm
Revenue		**65 248**	59 418	121 867
Other income		**1 027**	711	894
Direct network operating costs		**(8 412)**	(8 125)	(16 188)
Costs of handsets and other accessories		**(4 883)**	(4 574)	(9 590)
Interconnect and roaming		**(6 714)**	(6 241)	(13 254)
Employee benefits		**(4 272)**	(3 496)	(7 534)
Selling, distribution and marketing expenses		**(8 601)**	(7 467)	(15 631)
Other operating expenses		**(4 794)**	(3 591)	(7 927)
EBITDA		**28 599**	26 635	52 637
Depreciation of property, plant and equipment		**(7 683)**	(6 455)	(13 791)
Amortisation of intangible assets		**(1 320)**	(996)	(2 161)
Operating profit		**19 596**	19 184	36 685
Net finance costs		**(88)**	(1 684)	(3 790)
Share of results of joint ventures and associates after tax	9	**1 658**	1 720	3 008
Profit before tax		**21 166**	19 220	35 903
Income tax expense		**(6 620)**	(6 999)	(11 835)
Profit after tax		**14 546**	12 221	24 068
Attributable to:				
Equity holders of the Company		**12 537**	10 594	20 704
Non-controlling interests		**2 009**	1 627	3 364
		14 546	12 221	24 068
Basic earnings per share (cents)	8	**684**	575	1 126
Diluted earnings per share (cents)	8	**680**	570	1 119

** 2012 amounts restated, refer to note 18.*

Condensed consolidated statement of comprehensive income

	Six months ended 30 June 2013 Reviewed Rm	Six months ended 30 June 2012 Reviewed Rm	Financial year ended 31 December 2012 Audited Rm
Profit after tax	**14 546**	12 221	24 068
Other comprehensive income:			
Exchange differences on translating foreign operations: #	**8 280**	(4 908)	(3 507)
Equity holders of the Company	**7 942**	(4 728)	(3 498)
Non-controlling interests	**338**	(180)	(9)
Total comprehensive income for the period	**22 826**	7 313	20 561
Attributable to:			
Equity holders of the Company	**20 479**	5 866	17 206
Non-controlling interests	**2 347**	1 447	3 355
	22 826	7 313	20 561

This component of other comprehensive income does not attract any tax and may subsequently be reclassified to profit and loss.

Condensed consolidated statement of financial position

	Note	**30 June 2013 Reviewed Rm**	30 June 2012* Reviewed Rm	31 December 2012* Audited Rm
Non-current assets		**132 636**	107 722	120 199
Property, plant and equipment		**83 866**	64 825	73 905
Intangible assets and goodwill		**36 482**	29 576	32 594
Investments in joint ventures and associates		**6 929**	7 094	4 645
Deferred tax and other non-current assets		**5 359**	6 227	9 055
Current assets		**65 020**	57 114	55 875
Non-current assets held for sale	15	**190**	–	1 373
		64 830	57 114	54 502
Other current assets		**36 589**	32 151	26 522
Restricted cash		**2 825**	1 714	5 272
Cash and cash equivalents		**25 416**	23 249	22 708
Total assets		**197 656**	164 836	176 074
Total equity		**103 664**	87 165	92 887
Attributable to equity holders of the Company		**99 533**	83 545	89 006
Non-controlling interests		**4 131**	3 620	3 881
Non-current liabilities		**43 950**	34 367	32 713
Interest-bearing liabilities	13	**31 964**	25 192	21 322
Deferred tax and other non-current liabilities		**11 986**	9 175	11 391
Current liabilities		**50 042**	43 304	50 474
Interest-bearing liabilities	13	**10 184**	9 545	10 762
Other current liabilities		**39 858**	33 759	39 712
Total equity and liabilities		**197 656**	164 836	176 074

**2012 amounts restated, refer to note 18.*

Condensed consolidated statement of changes in equity

	Note	**Six months ended 30 June 2013 Reviewed Rm**	Six months ended 30 June 2012 Reviewed Rm	Financial year ended 31 December 2012 Audited Rm
Opening balance		**89 006**	88 897	88 897
Share buy-back#		**–**	(2 088)	(2 088)
Shares issued during the period		**^**	2	3
Shares cancelled		**^**	–	^
Transactions with non-controlling interests	17	**(495)**	(122)	(122)
Share-based payment reserve		**88**	23	147
Total comprehensive income		**20 479**	5 866	17 206
Profit after tax		**12 537**	10 594	20 704
Other comprehensive income after tax		**7 942**	(4 728)	(3 498)
Dividends paid		**(9 362)**	(8 940)	(14 919)
Other movements		**(183)**	(93)	(118)
Attributable to equity holders of the Company		**99 533**	83 545	89 006
Non-controlling interests		**4 131**	3 620	3 881
Closing balance		**103 664**	87 165	92 887
Dividends per share (cents)		**370**	476	797

^ *Amount less than R1 million.*

During 2012 MTN Holdings Proprietary Limited bought 15 573 340 shares in the company to the value of R2,1 billion.

Condensed consolidated statement of cash flows

	Six months ended 30 June 2013 Reviewed Rm	Six months ended 30 June 2012* Reviewed Rm	Financial year ended 31 December 2012* Audited Rm
Net cash inflow from operating activities	**4 854**	5 975	20 062
Net cash outflow from investing activities	**(9 104)**	(12 968)	(24 212)
Net cash inflow/(outflow) from financing activities	**5 495**	(2 145)	(5 280)
Increase/(decrease) in cash and cash equivalents	**1 245**	(9 138)	(9 430)
Cash and cash equivalents at beginning of period	**22 539**	33 074	33 074
Exchange gains/(losses) on cash and cash equivalents	**1 529**	(1 199)	(1 105)
Cash and cash equivalents at end of period	**25 313**	22 737	22 539

** 2012 amounts restated, refer to note 18.*

1. **INDEPENDENT REVIEW**

The condensed consolidated financial information has been reviewed by our joint auditors, PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc., who have performed their review in accordance with International Standard on Review Engagements 2410. A copy of their unmodified review report is available for inspection at the registered office of the Company. Constant currency disclosure has not been reviewed by our joint external auditors.

2. **GENERAL INFORMATION**

MTN Group Limited (the Company) carries on the business of investing in the telecommunications industry through its subsidiary companies, joint ventures and associate companies.

3. **BASIS OF PREPARATION**

These condensed consolidated interim results have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the preparation and disclosure requirements of IAS 34 *Interim Financial Reportin*g, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Listings Requirements of the JSE Limited and in the manner required by the South African Companies Act No 71, 2008.

4. **PRINCIPAL ACCOUNTING POLICIES**

The Group has adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the Group from 1 January 2013.

The principal accounting policies and methods of computation applied are consistent in all material respects with those applied in the previous financial year except as set out below.

5. **CHANGES IN ACCOUNTING POLICIES**

IFRS 10 Consolidated Financial Statements

The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

The Group has revised its accounting policies on the consolidation of subsidiaries and concluded that the adoption of IFRS 10 did not result in any material change in the consolidation of the Group.

IFRS 11 Joint Arrangements

IFRS 11 requires equity accounting for joint ventures and eliminates the proportionate consolidation option of accounting. Previously, the Group proportionately consolidated all joint ventures which entailed that it included its share of the assets, liabilities, income and expenses of jointly controlled entities on a line-by-line basis in its financial statements.

Under the equity method, the investments in joint ventures are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Group's share of the profit or loss and movements in other comprehensive income of joint ventures after the date of acquisition. The Group's share of the profit or loss of joint ventures is recognised as a single line item in profit or loss under the equity method.

The Group has applied the new policy for investments in joint ventures in accordance with the transitional provisions of IFRS 11. The change in accounting policy has been applied from 1 January 2012. The Group recognised its investment in joint ventures at the beginning of the earliest period presented (1 January 2012), as the net of the carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. This is the deemed cost of the Group's investments in its joint ventures for purposes of applying equity accounting.

The change from proportionate consolidation to equity accounting resulted in a change in individual asset, liability, income, expense and cash flow line items with no impact on equity or profit attributable to equity holders. The impact of the application of IFRS 11 on the Group's financial results is disclosed in note 18.

5. CHANGES IN ACCOUNTING POLICIES *(continued)*

IFRS 13 Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. IFRS 13 was adopted and applied prospectively and it was assessed that the adoption did not result in any material impact on the financial results of the Group.

6. FINANCIAL INSTRUMENTS

The carrying amount of all financial instruments measured at amortised cost closely approximate fair value.

7. SEGMENT ANALYSIS

The Group has four reportable segments that are used by the Group executive committee, which is deemed to be the Chief Operating Decision Maker (CODM) of the Group, to make key operating decisions, allocate resources and assess performance. The reportable segments have been defined based on quantitative thresholds which have resulted in the identification of the following business segments, South Africa, Nigeria, Large OpCo Cluster and Small OpCo Cluster.

	Six months ended 30 June 2013 Reviewed Rm	Six months ended 30 June 2012* Reviewed Rm	Financial year ended 31 December 2012* Audited Rm
REVENUE[0]			
South Africa	**20 146**	19 860	41 338
Nigeria	**22 303**	19 262	38 697
Large OpCo Cluster	**18 321**	19 196	37 818
Iran	**4 402**	6 506	12 175
Ghana	**4 002**	3 242	6 862
Syria	**1 780**	2 846	5 391
Cameroon	**2 309**	1 817	3 812
Ivory Coast	**2 543**	1 998	4 124
Uganda	**2 051**	1 619	3 296
Sudan	**1 234**	1 168	2 158
Small OpCo Cluster	**9 080**	7 854	16 695
Head office companies and eliminations	**(200)**	(248)	(506)
Iran revenue exclusion°	**(4 402)**	(6 506)	(12 175)
	65 248	59 418	121 867

[0] *Irancell Telecommunication Company Services (PJSC) proportionate revenue is included in the segment analysis as reviewed by the CODM and excluded from reported revenue due to equity accounting for joint ventures.*

* *2012 amounts restated, refer to note 18.*

	Six months ended 30 June 2013 Reviewed Rm	Six months ended 30 June 2012* Reviewed Rm	Financial year ended 31 December 2012* Audited Rm
7. SEGMENT ANALYSIS *(continued)*			
EBITDA°			
South Africa	**6 503**	7 034	14 478
Nigeria	**14 762**	11 645	22 544
Large OpCo Cluster	**7 782**	7 969	14 935
Iran	**1 948**	2 908	5 388
Ghana	**1 560**	1 222	2 537
Syria	**291**	657	1 238
Cameroon	**1 447**	854	1 750
Ivory Coast	**1 409**	842	1 662
Uganda	**756**	1 162	1 762
Sudan	**371**	324	598
Small OpCo Cluster	**3 163**	2 650	5 597
Head office companies and eliminations	**(1 663)**	245	471
Iran EBITDA exclusion°	**(1 948)**	(2 908)	(5 388)
	28 599	26 635	52 637
Depreciation and amortisation	**(9 003)**	(7 451)	(15 952)
Net finance cost	**(88)**	(1 684)	(3 790)
Share of results of joint ventures and associates after tax	**1 658**	1 720	3 008
Profit before tax	**21 166**	19 220	35 903

° *Irancell Telecommunication Company Services (PJSC) proportionate EBITDA is included in the segment analysis as reviewed by the CODM and excluded from reported EBITDA due to equity accounting for joint ventures.*

* *2012 amounts restated, refer to note 18.*

Notes to the condensed consolidated financial information

	Six months ended 30 June 2013 Reviewed	Six months ended 30 June 2012* Reviewed	Financial year ended 31 December 2012* Audited
8. EARNINGS PER ORDINARY SHARE			
Number of ordinary shares in issue			
At end of the period (excluding MTN Zakhele)	**1 881 924 634**	1 854 973 597	1 855 010 397
Weighted average			
Balance at beginning of period (excluding MTN Zakhele)	**1 855 010 397**	1 854 816 617	1 854 816 617
Share options excercised	**1 209**	59 113	116 768
Shares cancelled	**(397 056)**	–	(336 620)
In issue at end of period	**1 854 614 550**	1 854 875 730	1 854 596 765
Less: treasury shares	**(22 337 752)**	(10 809 049)	(16 604 900)
Shares for earnings per share	**1 832 276 798**	1 844 066 681	1 837 991 865
Add: dilutive shares			
MTN Zakhele shares issued	**10 766 448**	11 621 957	9 835 922
Share schemes	**1 900 017**	1 465 326	1 575 047
Shares for dilutive earnings per share	**1 844 943 263**	1 857 153 964	1 849 402 834
	Rm	Rm	Rm
Reconciliation between profit attributable to the equity holders of the Company and headline earnings^			
Profit after tax	**12 537**	10 594	20 704
Net profit on disposal of non-current assets held for sale	**(602)**	(698)	(662)
Impairment/(reversal of impairment) of property, plant and equipment and non-current assets	**46**	(11)	(20)
Basic headline earnings#	**11 981**	9 885	20 022
Earnings per share (cents)			
– Basic	**684**	575	1 126
– Basic headline	**654**	536	1 089
Diluted earnings per share (cents)			
– Basic	**680**	570	1 119
– Basic headline	**649**	532	1 083

	Six months ended 30 June 2013 Reviewed Rm	Six months ended 30 June 2012* Reviewed Rm	Financial year ended 31 December 2012* Audited Rm
9. SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATES AFTER TAX	**1 658**	1 720	3 008
Irancell Telecommunication Company Services (PJSC)	**1 361**	1 670	2 896
Others	**297**	50	112
10. CAPITAL EXPENDITURE INCURRED	**12 792**	9 639	28 827
11. CONTINGENT LIABILITIES	**630**	917	1 224
12. AUTHORISED CAPITAL EXPENDITURE FOR PROPERTY, PLANT AND EQUIPMENT AND SOFTWARE	**27 157**	22 539	27 157
13. INTEREST-BEARING LIABILITIES			
Bank overdrafts	**103**	512	169
Current borrowings	**10 081**	9 033	10 593
Current liabilities	**10 184**	9 545	10 762
Non-current borrowings	**31 964**	25 192	21 322
	42 148	34 737	32 084

^ *Amounts are presented after taking into account non-controlling interests and tax.*

Headline earnings is calculated in accordance with circular 3/2012 headline earnings as issued by the South African Institute of Chartered Accountants at the request of the JSE Limited.

* *2012 amounts restated, refer to note 18.*

14. ISSUE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

During the period under review the following entities raised and repaid significant debt instruments:

- MTN Nigeria Communications Limited raised R6,2 billion additional debt through a syndicated loan facility.
- MTN Nigeria Communications Limited repaid R600 million relating to a syndicated term loan facility and export credit facility.
- MTN Holdings Proprietary Limited raised R6,2 billion additional debt through a syndicated loan facility and issuance of Senior Unsecured Notes.
- MTN Holdings Proprietary Limited repaid R4,4 billion relating to short-term general borrowings and settlement of Senior Unsecured Notes.

In accordance with the Domestic Medium-Term Note Programme previously established by MTN Holdings Proprietary Limited, the Group issued R2,6 billion (December 2012: R5,6 billion) of Senior Unsecured Zero Coupon Notes. R2,9 billion (December 2012: R4,6 billion) of the Senior Unsecured Zero Coupon Notes has been repaid.

There were no share buy-back transactions for the current period. During 2012 MTN Holdings Proprietary Limited, a wholly owned subsidiary of the Group, acquired 15 573 340 shares in the ordinary share capital of the Company for an amount of R2,1 billion with the cumulative amount of R3 billion spent in respect of share buy-backs at the reporting date (inclusive of transaction costs). The shares so acquired are fully paid up and are held as treasury shares.

15. NON-CURRENT ASSETS HELD FOR SALE

During the current period, the Group concluded a transaction with IHS Holding Limited (IHS) in which IHS acquired 931 mobile network towers from MTN Ivory Coast SA for USD141 million and 576 mobile network towers from Mobile Telephone Network Cameroon Limited. IHS will purchase a further 251 mobile network towers from Mobile Telephone Network Cameroon Limited, resulting in the sale of 827 mobile network towers for USD143 million. IHS is a 100% shareholder of the tower companies set up in each country. MTN Ivory Coast SA and Mobile Telephone Networks Cameroon Limited have become anchor tenants of the towers sold for an initial term of 10 years.

16. EVENTS AFTER REPORTING PERIOD

MTN Zakhele refinance

MTN Zakhele gave notice to MTN of its intention to excercise its call option in terms of the Notional Vendor Financing ("NVF") by delivering the NVF Call Option Early Exercise Notice on 29 July 2013, MTN delivered the NVF Acceptance Notice on 1 August 2013. MTN Zakhele will purchase MTN shares to the value of approximately R1,7 billion in the open market and is required to deliver an equivalent number of MTN shares to MTN by no later than 20 August 2013.

This will be treated as a reduction of approximately R1,7 billion of the NVF balance in MTN Zakhele's accounts.

The shares transferred to MTN will be cancelled as required by the JSE and effectively a share buyback of R1,7 billion will be completed at a minimal cost to MTN.

17. CHANGES IN SHAREHOLDING

		Carrying amount on transaction date Rm
17.1	**MTN Cyprus Limited**	
	During March 2013, the Group increased its shareholding in MTN Cyprus Limited from 50% to 100% for EUR58 million.	
	Purchase consideration	**690**
	Net assets acquired	**163**
	Difference included in equity on consolidation	**527**
17.2	**Disposal of 0,84% in MTN Ivory Coast SA**	
	During March 2013, the Group decreased its shareholding in MTN Ivory Coast SA from 67,67% to 66,83% for USD6 million.	
	Consideration received	**57**
	Net assets disposed	**25**
	Difference included in equity on consolidation	**32**
17.3	**Satalite Data Networks Limited**	
	During March 2013, the Group increased its shareholding in Satalite Data Networks Limited from 60% to 100% for ZAR47 million.	

Notes to the condensed consolidated financial information

18. IMPACT OF THE APPLICATION OF IFRS 11

18.1 Income statement

Revenue
Other income
Direct network operating costs
Costs of handsets and other accessories
Interconnect and roaming
Employee benefits
Selling, distribution and marketing expenses
Other operating expenses
EBITDA
Depreciation of property, plant and equipment
Amortisation of intangible assets
Operating profit
Net finance costs
Share of results of joint ventures and associates after tax
Profit before tax
Income tax expense
Profit after tax

	Six months ended 30 June 2012			Financial year ended 31 December 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
	66 426	(7 008)	59 418	135 112	(13 245)	121 867
	711	–	711	894	–	894
	(10 389)	2 264	(8 125)	(20 464)	4 276	(16 188)
	(4 687)	113	(4 574)	(9 789)	199	(9 590)
	(7 043)	802	(6 241)	(15 041)	1 787	(13 254)
	(3 617)	121	(3 496)	(7 775)	241	(7 534)
	(7 803)	336	(7 467)	(16 052)	421	(15 631)
	(3 800)	209	(3 591)	(8 321)	394	(7 927)
	29 798	(3 163)	26 635	58 564	(5 927)	52 637
	(7 045)	590	(6 455)	(14 860)	1 069	(13 791)
	(1 112)	116	(996)	(2 386)	225	(2 161)
	21 641	(2 457)	19 184	41 318	(4 633)	36 685
	(1 805)	121	(1 684)	(4 157)	367	(3 790)
	(93)	1 813	1 720	(180)	3 188	3 008
	19 743	(523)	19 220	36 981	(1 078)	35 903
	(7 522)	523	(6 999)	(12 913)	1 078	(11 835)
	12 221	–	12 221	24 068	–	24 068

Notes to the condensed consolidated financial information

18. IMPACT OF THE APPLICATION OF IFRS 11 (*continued*)

18.2 Statement of financial position

Non-current assets
Property, plant and equipment
Intangible assets and goodwill
Investments in joint ventures and associates
Deferred tax and other non-current assets
Current assets
Non-current assets held for sale
Other current assets
Restricted cash
Cash and cash equivalents
Total assets
Total equity
Attributable to equity holders of the Company
Non-controlling interests
Non-current liabilities
Interest-bearing liabilities
Deferred tax and other non-current liabilities
Current liabilities
Interest-bearing liabilities
Other current liabilities
Total equity and liabilities

	Six months ended 30 June 2012			Financial year ended 31 December 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
	110 716	(2 994)	107 722	121 097	(898)	120 199
	70 776	(5 951)	64 825	77 485	(3 580)	73 905
	31 359	(1 783)	29 576	33 935	(1 341)	32 594
	1 841	5 253	7 094	1 765	2 880	4 645
	6 740	(513)	6 227	7 912	1 143	9 055
	62 476	(5 362)	57 114	60 287	(4 412)	55 875
	–	–	–	1 373	–	1 373
	62 476	(5 362)	57 114	58 914	(4 412)	54 502
	32 773	(622)	32 151	27 937	(1 415)	26 522
	1 725	(11)	1 714	5 277	(5)	5 272
	27 978	(4 729)	23 249	25 700	(2 992)	22 708
	173 192	(8 356)	164 836	181 384	(5 310)	176 074
	87 165	–	87 165	92 887	–	92 887
	83 545	–	83 545	89 006	–	89 006
	3 620	–	3 620	3 881	–	3 881
	35 021	(654)	34 367	33 307	(594)	32 713
	25 621	(429)	25 192	21 742	(420)	21 322
	9 400	(225)	9 175	11 565	(174)	11 391
	51 006	(7 702)	43 304	55 190	(4 716)	50 474
	9 837	(292)	9 545	10 790	(28)	10 762
	41 169	(7 410)	33 759	44 400	(4 688)	39 712
	173 192	(8 356)	164 836	181 384	(5 310)	176 074

18. IMPACT OF THE APPLICATION OF IFRS 11 (*continued*)

18.3 Statement of cash flows

Net cash from operating activities*
Net cash used in investing activities
Net cash used in financing activities*
Net decrease in cash and cash equivalents
Cash and cash equivalents at beginning of period
Exchange losses on cash and cash equivalents
Cash and cash equivalents at end of period

** In addition to the IFRS 11 adjustments, dividends paid to non-controlling interests were reclassified from financing activities to operating activities to include all dividends paid to equity holders in operating activities as at 31 December 2012. The June 2012 amount of R1 420 million has been reclassified accordingly.*

	Six months ended 30 June 2012			Financial year ended 31 December 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
	10 957	(4 982)	5 975	25 078	(5 016)	20 062
	(13 730)	762	(12 968)	(27 059)	2 847	(24 212)
	(3 676)	1 531	(2 145)	(5 759)	479	(5 280)
	(6 449)	(2 689)	(9 138)	(7 740)	(1 690)	(9 430)
	35 213	(2 139)	33 074	35 213	(2 139)	33 074
	(1 298)	99	(1 199)	(1 942)	837	(1 105)
	27 466	(4 729)	22 737	25 531	(2 992)	22 539

Administration

MTN Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1994/009584/06
Share code: MTN
ISIN code: ZAE 000042164
("MTN")

Directorate:
PF Nhleko (Chairman), RS Dabengwa* (Group President and CEO), BD Goschen*, A Harper+, KP Kalyan, NP Mageza, MLD Marole, AT Mikati++, MJN Njeke, JHN Strydom, F Titi, AF van Biljon (LID) and J van Rooyen

**Executive +British ++Lebanese*

Company secretary:
SB Mtshali, 216 – 14th Avenue, Fairland, 2195
Private Bag X9955, Cresta, 2118

Registered office:
216 – 14th Avenue, Fairland, 2195

American Depository Receipt (ADR) programme:
Cusip No. 62474M108 ADR to ordinary share 1:1

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

Office of the South African registrars:
Computershare Investor Services Proprietary Limited (Registration number: 2004/003647/07)
70 Marshall Street, Marshalltown, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Joint auditors:
PricewaterhouseCoopers Inc., 2 Eglin Road, Sunninghill, 2157
Private Bag X36, Sunninghill, 2157 and,
SizweNtsalubaGobodo Inc., 20 Morris Street East, Woodmead, 2191
PO Box 2939, Saxonwold, 2132

Sponsor: Deutsche Securities (SA) Proprietary Limited

E-mail: investor_relations@mtn.co.za