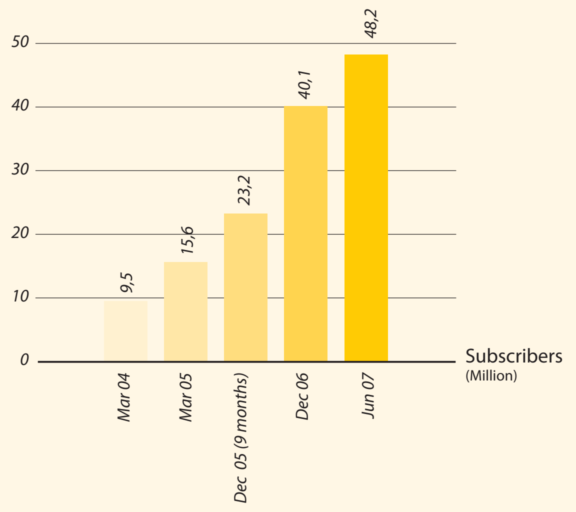
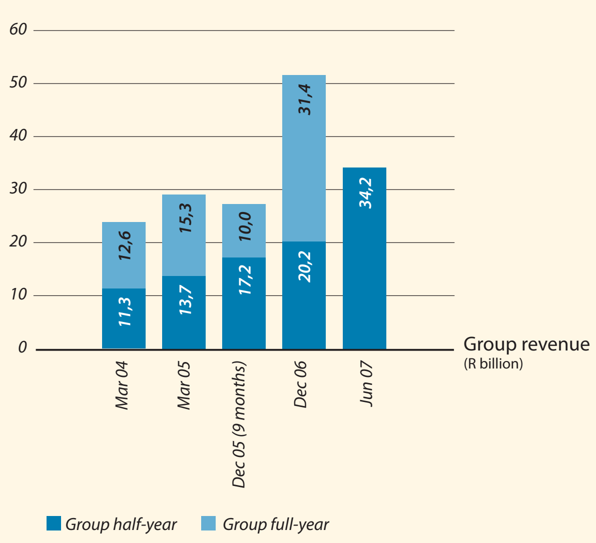
MTN Group Limited

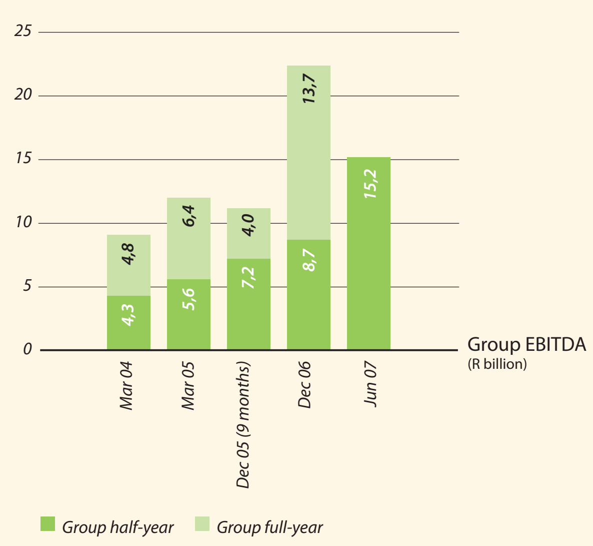
Highlights of results for the six months to 30 June 2007

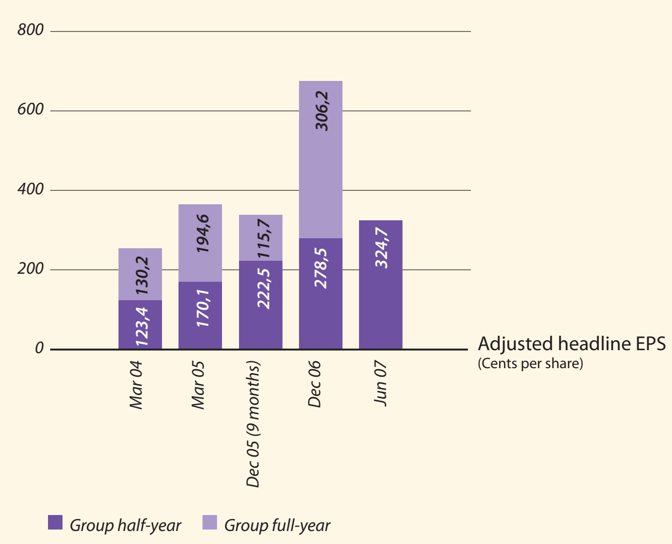
- Group subscribers ↑ 20% to 48,2 million from December 2006
- Revenue ↑ 69% to R34,2 billion from June 2006
- EBITDA ↑ 75% to R15,2 billion from June 2006
- EBITDA margin ↑ to 44,4%
- Adjusted headline EPS of 324,7 cents

REVIEWED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007









REVIEW OF RESULTS

MTN Group Limited (MTN Group) continued to deliver a solid performance in the six months to 30 June 2007. The results of the comparative period to 30 June 2006 do not include the results of the Investcom acquisition, which was concluded in July 2006.

MTN Group reports operational performance by region, namely South and East Africa ("SEA"), West and Central Africa ("WECA") and Middle East and North Africa ("MENA").

The Group recorded revenue growth of 69% to R34,2 billion (30 June 2006: R20,2 billion). Excluding the positive effect of foreign currencies strengthening against the Rand, Group revenue growth would have been 60%.

At 30 June 2007, Investcom contributed 21% to Group revenue and accounted for 35% of the revenue growth. Nigeria and South Africa were also key contributors recording increases of 51% and 15% respectively for the six-month period to 30 June 2007. Nigeria's growth in local currency was 33% and the strengthening of the Naira against the Rand contributing 18%. Nigeria reported high revenue growth due to increased subscriber numbers and newly introduced competitive offers in the last quarter of 2006.

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 75% to R15,2 billion when compared to the six-month period ended 30 June 2006. Excluding the positive effect of foreign currencies strengthening against the Rand, Group EBITDA growth would have been 64%. The SEA region contributed 34% to Group EBITDA growth and WECA contributed 54%, with Nigeria contributing 70% of the WECA region's EBITDA. The MENA region contributed 8% of total EBITDA, up 3% from 31 December 2006.

Profit after tax ("PAT") increased 16,8% to R6,3 billion compared to the R5,4 billion for the six months to 30 June 2006, notwithstanding the unfavourable impact of the expiry of the pioneer tax holiday status of the Nigeria operation.

Basic headline earnings per share ("EPS") rose to 304,2 cents for the period, 5% above the 289,1 cents for the six months ended 30 June 2006.

Adjusted headline earnings per share increased to 324,7 cents for the period from 278,5 for the six months ended 30 June 2006.

The Group recorded 48,2 million subscribers at the end of June 2007, a 20% increase from 31 December 2006. This reflects the strong growth opportunity in the expanded footprint. The former Investcom operations recorded subscriber growth of 28% to 10,8 million from 31 December 2006, contributing 22% of Group total subscribers at 30 June 2007. Subscribers in the SEA region increased by 9% to 17 million, the WECA region by 18% to 23,2 million subscribers and the MENA region recorded a 63% increase to 8 million subscribers.

Income statement analysis

Group consolidated revenue increased by 69% to R34, 2 billion (30 June 2006: R20,2 billion) largely due to strong subscriber growth.

The acquisition of Investcom accounted for 35% of this growth. Other key contributors were Nigeria which increased by 51% to R9,7 billion and South Africa, which increased by 15% to R13,1 billion. Ghana and Syria generated revenue of R2 billion each.

The Investcom operations revenue increased by 98% to R7,5 billion compared to the six months to 30 June 2006 (unaudited). These operations contributed R2,8 billion (18,9%) to WECA revenue and R4,7 billion (92%) to the MENA revenue for the period under review.

Group EBITDA increased by 75% from 30 June 2006 to R15,2 billion (30 June 2006: R8,7 billion). 20% of this is a result of the Investcom acquisition, while revenue growth, positive exchange rate movement and initiatives to improve operational efficiencies were positive contributors .

The EBITDA contribution by Investcom was R1,4 billion and R1,3 billion to the WECA and MENA regions respectively. Excluding results from Investcom, organic EBITDA growth was 40% to R12,1 billion.

Group EBITDA margin improved to 44,4% from 42,9% for the six-month period ended 30 June 2006. This was underpinned by the inclusion of Investcom's high margin operations as well as strong margins in Nigeria of 59% (30 June 2006: 56%). South Africa, Ghana, Sudan and Syria margins for the six months ended 30 June 2007 were 34%, 52%, 37% and 32% respectively.

Group depreciation increased by R1,2 billion to R3,2 billion for the period ended 30 June 2007. Excluding former Investcom operations and MTN Irancell, depreciation amounted to R2,5 billion. This was driven mainly by additional capital expenditure for the network capacity expansion in Nigeria where depreciation increased by 26% to R1,5 billion compared to the six-month period to 30 June 2006. The depreciation charge has also been unfavourably impacted by the depreciation of the South African Rand against foreign currencies. The depreciation relating to Investcom operations was R611 million with Ghana, Syria and Sudan at R151 million, R247 million and R83 million respectively.

Group amortisation of intangible assets increased by R867 million when compared to the six months to 30 June 2006. The amortisation relating to the acquisition of Investcom was R568 million for the six months to 30 June 2007, while MTN Irancell contributed R67 million to this total.

Net finance costs totalled R1,5 billion, which primarily relates to the financing of the Investcom acquisition.

The Group taxation charge increased by R1,8 billion compared to the six months ended 30 June 2006. This mostly relates to the end of the pioneer status tax holiday in Nigeria (R1 billion). The former Investcom operations contributed R264 million and the balance of the increase is due to the increased profitability of the rest of the operations.

MTN Group's effective tax rate increased from 20% to 33% mainly due to the end of the tax holiday in Nigeria, non-deductible interest relating to the acquisition of Investcom and amortisation of intangibles.

The Group Board continues to report adjusted headline EPS in addition to basic headline EPS. The adjustments are in respect of:

- The reversal of the positive impact on earnings due to the Nigerian deferred tax credit. This decreases the adjusted headline EPS by 12,0 cents.
- The reversal of the subsequent utilisation of the deferred tax asset raised during the period of pioneer status increasing the adjusted headline EPS by 23,5 cents.
- IFRS requires the Group to account for a written put option held by a minority shareholder of one of the Group subsidiaries, which provides them with the right to require the subsidiary to acquire their shareholding at fair value. The net adjustment is an increase in adjusted headline EPS of 9,0 cents.

Adjusted headline EPS of 324,7 cents for the period compares favourably to adjusted headline EPS of 278,5 cents for the six months ended 30 June 2006.

Balance sheet and cash flow

The Group's total assets increased by 9% to R106 billion compared to R97 billion at 31 December 2006. The Group balance sheet has been positively impacted by the depreciation of the South African Rand against foreign currencies of non-South African operations within the Group. The foreign currency translation reserve increased by R217 million.

Operational data 30 June 2007

	Subscribers ('000)	ARPU
Southern and East Africa	**16 952**	
South Africa	13 412	R149
Uganda	1 869	USD11
Botswana	663	USD14
Rwanda	486	USD13
Swaziland	320	USD18
Zambia	202	USD11
Middle East and North Africa	**8 025**	
Syria	2 592	USD20
Iran	1 983	USD10
Sudan	1 523	USD15
Yemen	1 301	USD10
Afghanistan	527	USD11
Cyprus	99	USD39
West and Central Africa	**23 180**	
Nigeria	14 036	USD16
Ghana	3 392	USD16
Ivory Coast	2 161	USD14
Cameroon	1 954	USD14
Benin	569	USD15
Guinea Republic	393	USD15
Congo Brazzaville	281	USD18
Liberia	253	USD19
Guinea Bissau	141	USD18
Total MTN Group	**48 157**	

Property, plant and equipment increased by R3,3 billion from 31 December 2006. This included acquisitions of R6,1 billion across the Group with R1,8 billion in Nigeria, R1,3 billion in South Africa and R714 million in Iran. Exchange rate differences increased values by R385 million, while depreciation decreased values by R3,2 billion.

Goodwill and other intangible assets have increased by 1% to R40,5 billion from 31 December 2006. The increase was as a result of capitalisation of the 3G licence and 7,5 MHz frequency spectrum band licence awarded to MTN Nigeria from December 2006, offset by amortisation of R1,1 billion.

Current assets increased by R5,9 billion to R26,6 billion. The increase was mainly due to the increase in other current assets by R2,7 billion to R13,2 billion and cash balances by R3,3 billion to R13,4 billion. The movement in trade and other receivables is driven mainly by Nigeria, which increased by R209 million to R1 billion (interconnect receivables and prepayments) and Ghana, which increased by R358 million to R671 million. The increase in the Group's cash balances was after cash outflows of R6,1 billion for capital expenditure, R2,7 billion for dividends and R51,9 million additional equity purchase in Botswana.

Of the total borrowings of R34 billion, approximately R19 billion remained unproductive. The remaining balance of the US$1,25 billion revolving credit facility, totalling R300 million, was repaid in full by February 2007. R2 billion of the unproductive debt was repaid during July and August 2007. The Group's target is to reduce total debt to 0,4 times EBITDA by the end of 2008.

OPERATIONAL REVIEW

South Africa

MTN South Africa delivered a stable performance in a very competitive market increasing its total subscriber base by 7% from 31 December 2006 to 13,4 million at 30 June 2007. The postpaid subscriber base grew by 3% to 2,4 million subscribers and the prepaid base increased by 7% to 11,0 million over the six-month period. Low-denomination vouchers have been a key driver in stimulating usage.

During the period there was an unwinding of an agreement with a specific on-biller which resulted in the migration of approximately 46% of the 326 000 postpaid subscribers linked to this on-biller being migrated back to prepaid. Most of the remaining subscribers will be migrated before year-end.

Average revenue per user ("ARPU") in the postpaid segment decreased to R435 from R487 at 31 December 2006 and prepaid ARPU decreased to R87 from R94, both decreases owing to continued penetration into lower-usage segments. As expected, blended ARPU decreased 9% to R149 from R164 at December 2006 as the operation penetrated deeper into the lower-usage segment.

Network enhancement during the review period included the commissioning of 134 new 2G base transceiver stations ("BTSs") and 359 3G BTSs. Going forward there will be increased focus on investing in the 2G, 3G and transmission network.

The second quarter of 2007 saw the launch of the brand revitalisation campaign "Go" which has been successful in increasing brand awareness.

The MTN data proposition is gaining momentum with a 58% increase in data revenue to R1,2 billion. This was due to competitive pricing and an increased 3G rollout.

Nigeria

MTN Nigeria increased its subscriber base by 14% to 14 million since 31 December 2006. Subscriber growth slowed in the second quarter due to capacity and quality constraints. The capacity and quality is being addressed with a ramp-up in infrastructure rollout.

During the period, ARPU declined from US$18 to US$16, which is consistent with increased penetration into the lower segment of the market.

The strong EBITDA margin was due to the sustainability of the cost structure achieved over the last year.

MTN Nigeria maintained its leading market position due to a strong brand preference and an effective value proposition. During the period, a number of products and innovations were launched, such as the Blackberry service for both prepaid and postpaid customers.

By the end of June 2007, 84 BTSs were rolled out. 111 BTSs were integrated during the month of July. The installation of the Lagos Metro and Niger-Delta's fibre optic cabling is nearing completion and will be commissioned in the second half of the year. The integration and commissioning of IP/MPLS backbone to service corporate customers has significantly increased capacity. A select 3G rollout will commence before year-end.

MTN Nigeria was awarded a 15-year 2 GHz spectrum licence on 1 May 2007 for US$150 million for the delivery of 3G services.

Effective 31 December 2006, the operation acquired a 100% shareholding in a cabling and radio telephone services provider, VGC Telecommunications.

Iran

MTN Irancell soft launched commercial operations with postpaid services on 21 October 2006. Prepaid services were launched in January 2007. The period under review is the first full six months of operation. During the period, MTN Irancell recorded net additions of 1,8 million subscribers with 1,98 million subscribers at 30 June 2007. Growth in subscriber numbers is stabilising with 3,2 million active subscribers recorded at 20 August 2007.

ARPU increased from US$9 in December 2006 to US$10 resulting from improvements in the quality and capacity of the network, thereby stimulating usage.

During the period, MTN Irancell has increased its brand awareness and launched a number of new products. These included the prepaid product, IRR50 000 airtime voucher, GPRS, MMS and customer care over the internet and via the call centre.

The operation has significantly increased its distribution channels in all 30 provinces of Iran, with over 3 900 dealers and service centres in 180 cities.

Following a slow network rollout in 2006, the network has been significantly enhanced and now has sufficient capacity to service 6,5 million subscribers. There were 1 109 live sites at 30 June 2007 compared with 361 sites as at 31 December 2006 and coverage of 191 cities and 26 of the 30 provincial capitals. The population coverage was at approximately 40% compared to 16% as at 31 December 2006.

Ghana

MTN Ghana recorded an exceptional increase in subscriber numbers for the period from 2,6 million in December 2006 to 3,4 million. This was underpinned by strong operational execution of the network rollout, distribution, promotional campaigns and new product offerings. This has resulted in market share increasing from 52% at 31 December 2006 to 54% at 30 June 2007.

ARPU decreased from US$17 for the six-month to 31 December 2006 to US$16 for the six months to 30 June 2007, primarily due to the acquisition of lower-end customers.

Network enhancement continued during the review period with the installation of 328 new BTSs, bringing the total to 1 270. At 30 June 2007, geographical coverage was 31% and population coverage was 71%.

MTN Ghana made further progress in expanding its distribution channel. Three major distributors have been added to the network and the decentralisation of distribution points from head office is progressing well. There has also been a significant increase in Electronic Voucher Distribution ("EVD") vendors to 31 451 vendors from 12 808 in December 2006.

The operation introduced new products and innovations, which included the launch of Me2U, international call-back and international top-up services, which increased international call traffic.

Sudan

MTN Sudan increased its subscriber base by 43% from 31 December 2006, recording 457 000 net connections to 1,5 million subscribers at 30 June 2007. MTN Sudan increased its market share marginally to 27% from 25% as at 31 December 2006.

Subscriber acquisitions in the first quarter of 2007 were slightly hindered due to technical challenges experienced during the migration to the new billing system. In June 2007, the Sudan operation was successfully rebranded MTN Sudan. A number of products were also launched in the second quarter of 2007, which included a prepaid per second billing campaign.

ARPU decreased from US$16 for the six months to 31 December 2006 to US$15 for the six months to 30 June 2007.

During the period, the operation rolled out 372 additional BTSs. Population and geographical coverage increased from 36% to 42% and 2% to 3% respectively when compared to December 2006.

Syria

MTN Syria delivered a stable performance, recording a 16% increase in subscriber numbers to 2,6 million from 2,2 million in December 2006.

ARPU declined from US$22 for the six months to December 2006 to US$20 in the period under review. This was due to an increase in mobile penetration from 26% at 31 December 2006 to 30% at 30 June 2007.

MTN Syria continued to focus on improving the coverage in the major cities and providing coverage in the rural and coastal areas. 124 BTSs were rolled out in the six months to 30 June 2007.

PROSPECTS

A consolidation of earnings is still expected in 2007 due to MTN Nigeria being taxed from 1 April 2007 following the expiration of its pioneer status and the initial dilutionary impact of the Investcom acquisition.

The Group's leadership position in mostly high-growth emerging markets, provides a solid platform to grow our subscriber base. The provision of appropriate products and excellent service to our customers remains a priority. We remain focused on enhancing the quality of our network and ensuring that we are well placed to benefit from a rapidly converging telecommunications market. We will also continue driving operational synergies, improving the Group's cost base and pursuing strategic expansion opportunities.

For and on behalf of the Board

MC Ramaphosa
(Chairman)

PF Nhleko
(Group President and CEO)

Fairland
28 August 2007

Registration number: 1994/009584/06 ISIN code: ZAE 0000 42164 Share code: MTN

Directorate: MC Ramaphosa (Chairman), PF Nhleko* (Group President and CEO), DDB Band, RS Dabengwa*, KP Kalyan, AT Mikati, RD Nisbet*, MJN Njeke, MA Ramphele, ARH Sharbatly, JHN Strydom, AF van Biljon, J van Rooyen, P Woicke *Executive

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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 2004 (Proprietary) Limited (Registration number: 2004/003647/07). 70 Marshall Street, Johannesburg, 2001. PO Box 61051, Marshalltown, 2107

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Condensed consolidated income statements

	6 months ended 30 June 2007 Reviewed Rm	6 months ended 30 June 2006 Reviewed Rm	% change	12 months ended 31 December 2006 Audited Rm
Revenue	**34 206**	20 209	69	51 595
Direct network operating costs	**(3 620)**	(1 563)	132	(4 628)
Cost of handsets and other accessories	**(2 425)**	(1 595)	52	(4 135)
Interconnect and roaming	**(4 747)**	(2 814)	69	(7 178)
Employee benefits and consulting expenses	**(1 560)**	(935)	67	(2 453)
Selling, distribution and marketing expenses	**(4 535)**	(3 442)	32	(7 949)
Other expenses	**(2 119)**	(1 199)	77	(2 839)
Depreciation	**(3 210)**	(2 009)	60	(5 030)
Amortisation of intangible assets	**(1 099)**	(232)	374	(1 289)
Net finance (costs)/income	**(1 490)**	338	(541)	(1 427)
Share of results of associates	**5**	21	(76)	23
Profit before tax	**9 406**	6 779	39	14 690
Income tax expense	**(3 101)**	(1 383)	124	(2 591)
Profit for the period	**6 305**	5 396	17	12 099
Attributable to:				
Equity holders of the company	**5 555**	4 804	16	10 610
Minority interests	**750**	592	27	1 489
	6 305	5 396	17	12 099
Earnings per share (cents)	**298,6**	288,3	4	605,4
Diluted earnings per share (cents)	**286,2**	286,0	—	589,1
Dividend per share (cents)	**90,0**	65,0		65,0

Condensed consolidated balance sheets

	At 30 June 2007 Reviewed Rm	At 30 June 2006 Reviewed Rm	% change	At 31 December 2006 Audited Rm
ASSETS				
Non-current assets	**79 330**	36 338	118	76 282
Property, plant and equipment	**33 954**	23 897	42	30 647
Goodwill	**27 082**	3 131	765	27 017
Other intangible assets	**13 442**	4 256	216	13 088
Investments in associates	**78**	77	1	73
Financial assets held at fair value through profit and loss	**—**	351	(100)	—
Loan and other non-current assets	**2 439**	2 792	(13)	2 852
Deferred income tax assets	**2 335**	1 834	27	2 605
Current assets	**26 574**	19 413	37	20 635
Cash and cash equivalents	**12 744**	9 666	32	9 961
Restricted cash**	**622**	290	114	130
Financial market instrument	**—**	2 611		—
Other current assets	**13 208**	6 846	93	10 544
Total assets	**105 904**	55 751	90	96 917
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves	**43 207**	27 754	56	38 696
Minority interests	**3 826**	3 819	—	4 033
	47 033	31 573	49	42 729
Non-current liabilities	**28 661**	11 418	151	34 203
Borrowings	**24 531**	7 991	207	28 587
Deferred income tax liabilities	**2 753**	1 733	59	2 778
Other non-current liability	**1 377**	1 694	(19)	2 838
Current liabilities	**30 210**	12 760	137	19 985
Non-interest-bearing liabilities	**20 287**	11 507	76	15 593
Interest-bearing liabilities	**9 923**	1 253	692	4 392
Total equity and liabilities	**105 904**	55 751	90	96 917

**These monies consist primarily of amounts placed on deposit with banks in Nigeria to secure letters of credit.

Condensed consolidated statements of changes in equity

	6 months ended 30 June 2007 Reviewed Rm	6 months ended 30 June 2006 Reviewed Rm	12 months ended 31 December 2006 Audited Rm
Opening balance	**42 729**	23 096	23 096
Net profit	**5 555**	4 804	10 610
Dividends paid	**(2 702)**	(1 083)	(2 500)
Issue of share capital	**14**	18	9 532
Transaction with minorities	**200**	—	(1)
Purchase of non-controlling interests	**—**	(290)	(1 686)
Minorities' share of profits and reserves	**750**	439	1 489
Shareholders' revaluation reserve	**259**	296	86
Share-based payments reserve	**11**	9	36
Cash flow hedging reserve	**—**	1 900	(54)
Currency translation differences	**217**	2 384	2 121
	47 033	31 573	42 729

Condensed consolidated cash flow statements

	6 months ended 30 June 2007 Reviewed Rm	6 months ended 30 June 2006 Reviewed Rm	12 months ended 31 December 2006 Audited Rm
Cash inflows from operating activities	**9 408**	5 430	17 622
Cash outflows from investing activities	**(7 170)**	(3 812)	(38 606)
Cash in/(out) flows from financing activities	**41**	(146)	18 993
Net movement in cash and cash equivalents	**2 279**	1 472	(1 991)
Cash and cash equivalents at beginning of period	**9 008**	7 164	7 164
Cash acquired through acquisitions	**—**	—	2 895
Foreign entities translation adjustment	**9**	913	940
Cash and cash equivalents at end of period	**11 296**	9 549	9 008

Segmental analysis

	6 months ended 30 June 2007 Reviewed Rm	6 months ended 30 June 2006 Reviewed Rm	12 months ended 31 December 2006 Audited Rm
REVENUE			
South and East Africa	**14 556**	12 036	26 586
West and Central Africa	**15 053**	8 169	21 208
Middle East and North Africa	**4 575**	—	3 756
Head office companies	**22**	4	45
	34 206	20 209	51 595
EBITDA			
South and East Africa	**5 163**	4 142	9 346
West and Central Africa	**8 162**	4 352	11 355
Middle East and North Africa	**1 163**	(27)	1 117
Head office companies	**713**	194	595
	15 201	8 661	22 413
PAT			
South and East Africa	**2 638**	2 224	5 119
West and Central Africa	**4 633**	2 857	7 489
Middle East and North Africa	**389**	(76)	182
Head office companies	**(1 355)**	391	(691)
	6 305	5 396	12 099

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed consolidated interim financial information ("interim financial information") announcement was prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting and in compliance with the Listing Requirements of the JSE Limited and the South African Companies Act (1973), on a consistent basis with that of the prior period.

2. Headline earnings per ordinary share

The calculations of basic and adjusted headline earnings per ordinary share are based on basic headline earnings of R5 660 million (June 2006: R4 816 million) and adjusted headline earnings of R6 040 million (June 2006: R4 640 million) respectively, and a weighted average of 1 860 430 (June 2006: 1 666 091) ordinary shares in issue.

Reconciliation between net profit attributable to the equity holders of the company and headline earnings

	6 months ended 30 June 2007 Reviewed Rm	6 months ended 30 June 2006 Reviewed Rm	12 months ended 31 December 2006 Audited Rm
Net profit attributable to company's equity holders	**5 555**	4 804	10 610
Adjusted for:			
Loss on disposal of property, plant and equipment	**32**	6	40
Impairment (reversal) of property, plant and equipment	**73**	6	(22)
Basic headline earnings	**5 660**	4 816	10 628
Adjusted for:			
Reversal of deferred tax asset	**(223)**	(283)	(650)
Reversal of the subsequent utilisation of deferred tax asset	**436**	—	—
Reversal of put option in respect of subsidiary			
– Fair value adjustment	**132**	(8)	120
– Finance costs	**111**	177	301
– Minority share of profits	**(76)**	(62)	(153)
Adjusted headline earnings	**6 040**	4 640	10 246
Reconciliation of headline earnings per ordinary share (cents)			
Attributable earnings per share (cents)	**298,6**	288,3	605,4
Adjusted for:			
Loss on disposal of property, plant and equipment	**1,7**	0,4	2,3
Impairment (reversal) of property, plant and equipment	**3,9**	0,4	(1,2)
Basic headline earnings per share (cents)	**304,2**	289,1	606,5
Reversal of deferred tax asset	**(12,0)**	(17,0)	(37,1)
Reversal of the subsequent utilisation of deferred tax asset	**23,5**	—	—
Reversal of put option in respect of subsidiary	**9,0**	6,4	15,3
Adjusted headline earnings per share (cents)	**324,7**	278,5	584,7
Contribution to adjusted headline earnings per ordinary share (cents)			
South and East Africa	**141,6**	224,8	289,5
West and Central Africa	**237,2**	124,3	325,8
Middle East and North Africa	**12,4**	(4,6)	2,7
Head office companies	**(66,5)**	(66,0)	(33,3)
	324,7	278,5	584,7
Number of ordinary shares in issue:			
– Weighted average (000)	**1 860 430**	1 666 091	1 752 305
– At period-end (000)	**1 861 208**	1 666 948	1 860 268

Adjusted headline earnings adjustments

Deferred tax asset

The Group's subsidiary in Nigeria had been granted a five-year tax holiday under "pioneer status" legislation. On 31 March 2007, MTN Nigeria exited "pioner status", and from 1 April 2007 became subject to income tax in Nigeria. A deferred tax asset of R2,7 billion was created during "pioneer status" in respect of capital allowances on capital assets that are only claimable after the company comes out of "pioneer status". The above has resulted in the commencement of the reversal of the deferred tax asset shown as an adjustment of R436 million to the adjusted headline earning figure.

A deferred tax credit of R223 million (June 2006: R283 million), excluding minority interests relating to deductible temporary differences, has been recognised for the period ended 30 June 2007 in terms of IAS 12 – Income Taxes.

As previously disclosed, although the Group has complied with the requirements of IAS 12 in this regard, the Board of Directors has reservations about the appropriateness of this treatment in view of the fact that no cognisance may be taken in determining the value of such deferred tax assets for uncertainties arising out of the effects of the time value of money or future foreign exchange movements. The Board therefore resolved to report adjusted headline earnings (negating the effect of the deferred tax asset) in addition to basic headline earnings, to more fully reflect the Group's results for the period.

Put option in respect of subsidiary

The implementation of IFRS requires the Group to account for a written put option held by a minority shareholder of one of the Group subsidiaries, which provides them with the right to require the subsidiary to acquire their shareholdings at fair value. Prior to the implementation of IFRS, the shareholding was treated as a minority shareholder in the subsidiary as all risks and rewards associated with these shares, including dividends, currently accrued to the minority shareholders.

IAS 32 requires that, in the circumstances described in the previous paragraph:

(a) the present value of the future redemption amount be reclassified from equity to financial liabilities and that financial liability so reclassified subsequently be measured in accordance with IAS 39;

(b) in accordance with IAS 39, all subsequent changes in the fair value of the liability, together with the related interest charges arising from present valuing the future liability be recognised in the income statement; and

(c) the minority shareholder holding the put option no longer be regarded as a minority shareholder but rather as a creditor from the date of receiving the put option.

Although the Group has complied with the requirements of IAS 32 and IAS 39 as outlined above, the Board of Directors has reservations about the appropriateness of this treatment in view of the fact that:

(a) the recording of a liability for the present value of the future strike price of the written put option results in the recording of a liability that is inconsistent with the framework, as there is no present obligation for the future strike price;

(b) the shares considered to be subject to the contracts are issued and fully paid up, have the same rights as any other issued and fully paid-up shares and should be treated as such; and

(c) the written put option meets the definition of a derivative and should therefore be accounted for as a derivative, in which case the liability and the related fair value adjustments recorded through the income statement would not be required.

3. Independent review by the auditors

These condensed consolidated results have been reviewed by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsaluba VSP, who have performed their review in accordance with the International Statement on Review Engagements 2410. A copy of their unqualified review report is available for inspection at the registered office of the Company.

	6 months ended 30 June 2007 Reviewed Rm	6 months ended 30 June 2006 Reviewed Rm	12 months ended 31 December 2006 Audited Rm
4. Capital expenditure incurred	**6 256**	3 290	9 778
5. Contingent liabilities and commitments			
Contingent liabilities	**610**	1 030	911
Operating leases	**1 490**	777	837
Finance leases	**608**	625	592
6. Commitments for property, plant and equipment and intangible assets			
– Contracted for	**7 022**	4 913	3 268
– Authorised but not contracted for	**8 446**	6 140	13 163
7. Cash and cash equivalents			
Bank balances, deposits and cash	**12 744**	9 666	9 961
Call borrowings	**(1 448)**	(117)	(953)
	11 296	9 549	9 008
8. Interest-bearing liabilities			
Call borrowings	**1 448**	117	953
Short-term borrowings	**8 475**	1 136	3 439
Current liabilities	**9 923**	1 253	4 392
Long-term liabilities	**24 531**	7 991	28 587
	34 454	9 244	32 979

9. Other non-current liability

The put options in respect of subsidiaries arise from arrangements whereby minority shareholders of two of the Group's subsidiaries have the right to put their remaining shareholdings in the subsidiaries to Group companies.

On initial recognition, these put options were fair valued using effective interest rates as deemed appropriate by management to the extent that these put options are not exercisable at a fixed strike price. The fair value will be determined on an annual basis with movements in fair value being recorded in the income statement.

10. Financial market instrument

The financial market instrument relates to fair value movement on the foreign exchange contracts and currency options in respect of the Investcom transaction. This has been treated as a cash flow hedge.

11. Post-balance sheet events

On 12 July 2007, the government of Benin suspended the current licence of MTN Benin and another mobile operator. The government has proposed amendments to the licence conditions including a significant increase in licence fees.

MTN management has been in ongoing discussions with the authorities in Benin to obtain clarity on the status of the current licence. MTN management has obtained positive legal confirmation on the validity of its existing licence

The value of the net assets of this operation at 30 June 2007 was R1,6 billion, which is inclusive of goodwill of R845 million and intangibles of R260 million. MTN holds 75% equity in the Benin operation.

Certain statements in this announcement that are neither reported financial results nor other historical information are forward-looking statements, relating to matters such as future earnings, savings, synergies, events, trends, plans or objectives.

Undue reliance should not be placed on such statements because they are inherently subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward-looking statements (or from past results).

Unfortunately the company cannot undertake to publicly update or revise any of these forward-looking statements, whether to reflect new information of future events or circumstances or otherwise.

These results can be viewed on www.mtn.com

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