

Directors' report

for the year ended 31 December 2006

Nature of business

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

Subsidiary companies

Details of entities in which MTN Group Limited has a direct or indirect interest are set out in Annexures 1 and 2 of the financial statements from pages 272 to 277.

Directorate and group secretary

The composition and profiles of the board of directors of MTN Group appear on pages 18 and 19.

The Group Secretary is Ms SB Mtshali, whose business and postal addresses are set out below:

<i>Business address</i>	<i>Postal address</i>
216 – 14th Avenue	Private Bag 9955
Fairland	Cresta
Gauteng	2118
2195	

Interests of directors and officers

During the year under review, no contracts were entered into in which directors and officers of the company had an interest which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group. The emoluments and perquisites of executive directors are determined by the Group Nominations, remuneration, human resources and corporate governance committee and approved by the board. No long-term service contracts exist between executive directors and the company, with the exception of the contract of service between the Group President and CEO and the company, which commenced on 1 July 2002 and terminates on 30 June 2007. As the Group operates in a highly dynamic and specialised industry which requires strong and insightful leadership the board has extended the contract of service of the Group president and CEO to 30 June 2010.

	December 2006 Rm	December 2005 Rm
Results of operations		
Aggregate net profits in:		
Subsidiaries	10 872	5 797
Joint ventures	63	151
Associated companies	23	10
	10 958	5 958
Aggregate net losses in:		
Subsidiaries	(192)	(77)
Joint ventures	(156)	(15)
	(348)	(92)

The financial statements on pages 173 to 277 set out fully the financial position, results of operations and cash flows of the Group. Note 1 to the financial statements provides an analysis of the financial results by geographic segment.

Directors' report

for the year ended 31 December 2006 (*continued*)

Review of financial results and activities

Reviews of financial results and the activities of MTN Group are contained in the reports of the Chairman, the Group President and CEO, the Group Finance Director, the Group chief operating officer's report and the annual financial statements.

Share capital

Authorised share capital

There was no change in the authorised share capital of the company during the year under review. The authorised ordinary share capital of MTN Group is 2,5 billion shares of 0,01 cents each. The following are the movements in the issued and unissued ordinary share capital from the beginning of the accounting period to the date of this report:

Issued share capital

The issued share capital of the company was increased during the year by the allotment and issue of shares to employees who exercised share options in terms of the MTN Group Limited Share Option Scheme. The allotments were as follows:

3 475 434	at R9,31
79 880	at R12,88
1 561 411	at R13,53
109 540	at R16,81
319 526	at R27,00
101 520	at R40,50

The issued share capital of the company was further increased by the allotments and issue of shares as follows:

23 October 2006	6 093 463 at R61,55	The acquisition of an additional 6,97% in MTN Nigeria Communications Limited.
17 July 2006	183 207 374 at R60	Partial payment in respect of the acquisition of Investcom LLC by MTN Group Limited through MTN International (Mauritius) Limited. The transaction was approved at the general meeting of shareholders on 27 June 2006.
21 July 2006	2 710 at R60	Partial payment in respect of the acquisition of Investcom LLC by MTN Group Limited through MTN International (Mauritius) Limited. The transaction was approved at the general meeting of shareholders on 27 June 2006.

Accordingly, at 31 December 2006, the issued share capital of the company was R186 027 (December 2005: R166 532) comprising 1 860 268 283 (December 2005: 1 665 317 425) ordinary shares of 0,01 cent each. No treasury stock was held at the date of this report.

Control of unissued share capital

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 221 of the Companies Act, 1973 (Act 61 of 1973), as amended, (the Companies Act). As this general authority remains valid only until the next annual general meeting, which is to be held on Wednesday, 13 June 2007, members will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares up to a maximum of 10% of the company's issued share capital under the control of the directors until the next annual general meeting.

Further details of the authorised and issued shares as well as the share premium for the period ended 31 December 2006 appears in note 17 to the MTN Group financial statements.

Acquisition of the company's own shares

At the last annual general meeting held on Wednesday, 13 June 2006, shareholders gave the company or any of its subsidiaries, a general approval in terms of sections 85 and 89 of the Companies Act, by way of special resolution, for the acquisition of its own shares. As this general approval remains valid only until the next annual general meeting, to be held on Wednesday, 13 June 2007, members will be asked at that meeting to consider a special resolution to renew this general approval until the next annual general meeting.

Distribution to shareholders

A dividend of 90 cents per share (December 2005: 65 cents) amounting to R1,674 million (December 2005: R1,082 million) was declared in respect of the 31 December 2006 financial year on Wednesday, 28 March 2007, payable to shareholders registered on Friday, 20 April 2007. The payments of future dividends will depend on the board's ongoing assessment of MTN Group's earnings and financial position, including its cash needs, future earnings prospects and other factors.

Shareholders on the South African register who dematerialised their ordinary shares receive payment of their dividends electronically, as provided for by STRATE. For those shareholders who have not yet dematerialised their shareholding in the company in certificated form, the company operates an electronic funds transmission service, whereby dividends may be electronically transferred to shareholders' bank accounts. These shareholders are encouraged to mandate this method of payment for all future dividends.

Shareholders' interest

Major shareholders

The following information was extracted from the company's share register at 31 December 2006:

	December 2006		December 2005	
	Number of shares	% of issued share capital	Number of shares	% of issued share capital
<i>Nominees holding shares in excess of 5% of the issued ordinary share capital of the company:</i>				
Nedcor Bank Nominees Limited	717 004 224	38,54	693 873 922	41,67
Standard Bank Nominees (Tvl) (Proprietary) Limited	554 492 303	29,81	407 683 225	24,48
First National Nominees (Proprietary) Limited	260 115 971	13,98	160 579 581	9,64
<i>Spread of ordinary shareholders</i>				
Public	1 615 877 721	86,86	1 420 414 139	85,29
Non-public	244 390 562	13,14	244 903 286	14,71
– Directors of MTN Group Limited and major subsidiaries	875 476	0,05	1 386 383	0,08
– MTN Group Limited Share Incentive Scheme	12 675	—	13 492	—
– MTN Uganda Staff Provident Fund	2 400	—	3 400	—
– Newshelf 664 (Proprietary) Limited	243 500 011	13,09	243 500 011	14,63
Total issued share capital	1 860 268 283	100,00	1 665 317 425	100,00

Directors' report

for the year ended 31 December 2006 (*continued*)

Disclosures in accordance with section 140A (8) (a) of the Companies Act, and paragraph 8.63 of the JSE Limited Listings Requirements

According to information received by the directors, the following shareholders held shares in excess of 5% of the issued ordinary share capital of the company:

<i>Beneficial shareholders holding 5% or more</i>	December 2006		December 2005	
	Number of shares	% of issued share capital	Number of shares	% of issued share capital
Newshelf 664 (Proprietary) Limited*	243 500 011	13,09	243 500 011	14,63
Public Investment Corporation Limited	244 104 739	13,12	228 138 865	13,70
Lombard Odier Darier Hentsch & Cie (M1 Limited)	183 210 084	9,85	—	—
JP Morgan Chase	109 936 947	5,91	100 680 382	6,05
Old Mutual Group	119 066 523	6,40	134 066 169	8,05

*Although Newshelf 664 has an economic interest in 309 million MTN Group Limited shares, it currently only has voting rights over 243,5 million MTN Group Limited shares. Further details of the Newshelf 664 shareholding are provided on page 185.

Certain of these shareholdings are partially or wholly included in the nominee companies mentioned on page 175. Apart from this, the company is not aware of any other party who has a shareholding of 5% or more in the company.

The MTN Group share option and share appreciation rights schemes

The company operates share option and share appreciation rights schemes ("the schemes") and eligible employees, including executive directors are able to participate in accordance with the scheme's rules. The schemes are designed to recognise the contributions of executive directors and eligible staff and to provide additional incentives to contribute to the company's continued growth.

In terms of the company's schemes, the total number of shares which may be allocated for the purposes of the schemes shall not exceed 5% of the total issued ordinary share capital of the company from time to time, being 81 799 691 shares approved by shareholders in 2001.

MTN Group Limited Share Option Scheme ("the option scheme")

The following information is provided in accordance with the provisions of the option scheme:

Accounting policy

The Group issues equity-settled share-based payment to employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured using the stochastic model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share-based payments

The vesting periods under the share option and share appreciation rights schemes are as follows: 20%, 20%, 30% and 30% on the anniversary of the second, third, fourth and fifth years respectively after the grant date. The strike price is determined as the closing market price for MTN Group Limited shares on the day prior to date of issue.

If the options or appreciation rights remain unexercised after a period of 10 years from the date of grant, they expire. Options or appreciation rights are forfeited if the employee leaves the Group before they vest.

Details of the share options outstanding at the period end are as follows:

	December 2006 Number of shares	December 2005 Number of shares
Options allocated and reserved at beginning of year	17 524 564	23 069 614
Adjustment to prior year closing balance	1 004 990	—
Add: Options allocated and reserved during the year	—	—
Less: Options no longer reserved due to participants leaving the employ of the Group and the lapsing of offer	(981 339)	(2 712 835)
Less: Options exercised and allotted during the year	(5 647 311)	(2 832 215)
Options allocated at year-end	11 900 904	17 524 564

The market weighted average share price on the dates that share options were exercised during the year was R61,82.

The options outstanding at the end of the year have a weighted average remaining contractual life of seven years (December 2005: eight years). During the year to 31 December 2006, no options were granted. These fair values were calculated using the stochastic model. The inputs into the model were as follows:

	December 2006	December 2005
Weighted average share price for the period	R61,82	R49,22
Weighted average exercise price	R65,01	R46,75
Expected life	5 – 7 years	5 – 7 years
Risk-free rate	8,16% – 11,87%	8,16% – 11,87%
Expected dividend yield	1,02%	1,02%
Expected volatility	48,35% – 60,3%	48,35% – 60,3%

Expected volatility was determined by calculating the historical volatility of the company's share price over the previous seven years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected dividend yield was determined based on historical data.

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for the year ended 31 December 2006 (*continued*)

Options exercised during the year yielded the following proceeds, after transaction costs:

	December 2006 R000	December 2005 R000
Ordinary share capital – at par	*	*
Share premium	66 878	36 138
Proceeds	66 878	36 138
Fair value, at exercise date, of shares issued	366 863	132 407

*Amount less than R1 million

Share options outstanding at the end of the year have the following terms:

December 2006			December 2005		
Number outstanding	Exercise price R	Remaining contractual life (years)	Number outstanding	Exercise price R	Remaining contractual life (years)
1 034 819	13,53	4,65	2 767 184	13,53	5,65
239 640	12,88	5,73	319 520	12,88	6,73
7 261 171	9,31	5,73	10 299 210	9,31	6,73
750 000	16,81	6,23	859 540	16,81	7,23
1 447 774	27,00	6,55	1 912 920	27,00	7,55
—	33,09	—	300 100	33,09	8,55
1 167 500	40,50	7,65	1 066 090	40,50	8,65
11 900 904			17 524 564		

MTN Group Share Appreciation Rights Scheme ("the rights scheme")

On 31 May 2006, the board of directors approved a share appreciation rights scheme to supersede the existing share option scheme. Details of grants made during the year and rights in issue at 31 December 2006 are outlined below:

Offer date	Strike price R	Total	Remaining contractual life (years)
31/5/2006	56,83	3 036 600	9,58
21/11/2006	71,00	3 612 900	9,92
Total in issue		6 649 500	

Equity compensation benefits for executive directors, officers and directors of major subsidiaries

MTN Group Limited share option and appreciation rights schemes for the year ended 31 December 2006

Director's/ officer's name	Balance as at 1 January 2006	Allocated during the year	Offer price	Date of allocation	Exercised during the year	Balance as at 31 December 2006	Exercisable	Offer price	Exercisable date
MTN Group									
RS Dabengwa									
Share options	198 420		9,31	02/9/2002		198 420	58 220	R27,00	01/12/2005
	291 100		27,00	01/12/2003		291 100	99 210	R9,31	02/09/2006
Share appreciation rights		134 800	56,83	31/05/2006		134 800	58 220	R27,00	01/12/2006
		43 400	71,00	21/11/2006		43 400	99 210	R9,31	02/09/2007
	<u>489 520</u>					<u>667 720</u>	87 330	R27,00	01/12/2007
							87 330	R27,00	01/12/2008
							26 960	R56,83	30/11/2007
							8 680	R71,00	21/11/2008
							26 960	R56,83	30/11/2008
							8 680	R71,00	21/11/2009
							40 440	R56,83	30/11/2009
							13 020	R71,00	21/11/2010
							40 440	R56,83	30/11/2010
							13 020	R71,00	21/11/2011
PF Nhleko									
Share options	1 993 700					1 993 700	82 740	R9,31	02/09/2004
Share appreciation rights		516 400	71,00	21/11/2006		516 400	477 740	R9,31	02/09/2005
	<u>1 993 700</u>					<u>2 510 100</u>	716 610	R9,31	02/09/2006
							716 610	R9,31	02/09/2007
							172 133	R71,00	21/11/2008
							172 133	R71,00	21/11/2009
							172 134	R71,00	21/11/2010
RD Nisbet									
Share options	748 640		9,31	2/9/2002	187,160	561 480	280 740	R9,31	02/09/2006
	64 500		27,00	1/12/2003	12,900	51 600	12 900	R27,00	01/12/2006
Share appreciation rights		197 400	71,00	21/11/2006		197 400	280 740	R9,31	02/09/2007
	<u>813 140</u>					<u>810 480</u>	19 350	R27,00	01/12/2007
							19 350	R27,00	01/12/2008
							39 480	R71,00	21/11/2008
							39 480	R71,00	21/11/2009
							59 220	R71,00	21/11/2010
							59 220	R71,00	21/11/2011

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for the year ended 31 December 2006 (continued)

Equity compensation benefits for executive directors, officers and directors of major subsidiaries (continued)

MTN Group Limited share option and appreciation rights schemes for the year ended 31 December 2006 (continued)

Director's/ officer's name	Balance as at 1 January 2006	Allocated during the year	Offer price	Date of allocation	Exercised during the year	Balance as at 31 December 2006	Exercisable	Offer price	Exercisable date
MTN major subsidiaries									
AR Bing									
Share options	19 440		9,31	02/09/2002	12,150	7 290	7 290	R9,31	2/9/2007
	33 350		40,50	1/12/2004		33 350	6 670	R40,50	1/12/2006
Share appreciation rights		16 200	56,83	31/05/2006		16 200	6 670	R40,50	1/12/2007
		3 200	71,00	21/11/2006		3 200	10 005	R40,50	1/12/2008
	<u>52 790</u>					<u>60 040</u>	10 005	R40,50	1/12/2009
							3 240	R56,83	30/11/2007
							640	R71,00	21/11/2008
							3 240	R56,83	30/11/2008
							640	R71,00	21/11/2009
							4 860	R56,83	30/11/2009
							960	R71,00	21/11/2010
							4 860	R56,83	30/11/2010
							960	R71,00	21/11/2011
Z Bulbulia									
Share options	75 900		13,53	28/09/2001	15 180	60 720	18 480	R9,31	02/09/2004
	92 400		9,31	02/09/2002		92 400	15 180	R13,53	28/09/2004
	24 700		27,00	01/12/2003		24 700	18 480	R9,31	02/09/2005
Share appreciation rights		64 600	56,83	31/05/2006		64 600	22 770	R13,53	28/09/2005
	<u>193 000</u>					<u>242 420</u>	4 940	R27,00	01/12/2005
							27 720	R9,31	02/09/2006
							22 770	R13,53	28/09/2006
							4 940	R27,00	01/12/2006
							27 720	R9,31	02/09/2007
							7 410	R27,00	01/12/2007
							7 410	R27,00	01/12/2008
							12 920	R56,83	30/11/2007
							12 920	R56,83	30/11/2008
							19 380	R56,83	30/11/2009
							19 380	R56,83	30/11/2010
SL Botha									
Share options	859 540		16,81	07/07/2003	109,540	750 000	174 276	R16,81	07/07/2006
							287 862	R16,81	07/07/2007
							287 862	R16,81	07/07/2008

Equity compensation benefits for executive directors, officers and directors of major subsidiaries (continued)

MTN Group Limited share option and appreciation rights schemes for the year ended 31 December 2006 (continued)

Director's/ officer's name	Balance as at 1 January 2006	Allocated during the year	Offer price	Date of allocation	Exercised during the year	Balance as at 31 December 2006	Exercisable	Offer price	Exercisable date
I Charnley									
Share options	100 000		13,53	28/09/2001	100,000	—	105 780	R9,31	28/09/2004
	528 900		9,31	02/09/2002		528 900	105 780	R9,31	28/09/2005
Share appreciation rights		174 300	56,83	31/05/2006		174 300	158 670	R9,31	02/09/2006
		69 400	71,00	21/11/2006		69 400	158 670	R9,31	02/09/2007
	<u>628 900</u>					<u>772 600</u>	34 860	R56,83	30/11/2007
							13 880	R71,00	21/11/2008
							34 860	R56,83	30/11/2008
							13 880	R71,00	21/11/2009
							52 290	R56,83	30/11/2009
							20 820	R71,00	21/11/2010
							52 290	R56,83	30/11/2010
							20 820	R71,00	21/11/2011
C de Faria									
Share appreciation rights		348 600	71,00	21/11/2006		348 600	69 720	R71,00	21/11/2008
							69 720	R71,00	21/11/2009
							104 580	R71,00	21/11/2010
							104 580	R71,00	21/11/2011
A Farroukh									
Share appreciation rights		277 900	71,00	21/11/2006		277 900	55 580	R71,00	21/11/2008
							55 580	R71,00	21/11/2009
							83 370	R71,00	21/11/2010
							83 370	R71,00	21/11/2011
BG Gouldie									
Share options	22 050		13,53	28/09/2001		22 050	22 050	R13,53	28/09/2006
	82 810		40,50	1/12/2004		82 810	16 562	R40,50	1/12/2006
Share appreciation rights		15 300	56,83	31/05/2006		15 300	16 562	R40,50	1/12/2007
		47 900	71,00	21/11/2006		47 900	24 843	R40,50	1/12/2008
	<u>104 860</u>					<u>168 060</u>	24 843	R40,50	1/12/2009
							3 060	R56,83	30/11/2007
							9 580	R71,00	21/11/2008
							3 060	R56,83	30/11/2008
							9 580	R71,00	21/11/2009
							4 590	R56,83	30/11/2009
							14 370	R71,00	21/11/2010
							4 590	R56,83	30/11/2010
							14 370	R71,00	21/11/2011

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for the year ended 31 December 2006 (continued)

Equity compensation benefits for executive directors, officers and directors of major subsidiaries (continued)

MTN Group Limited share option and appreciation rights schemes for the year ended 31 December 2006 (continued)

Director's/ officer's name	Balance as at 1 January 2006	Allocated during the year	Offer price	Date of allocation	Exercised during the year	Balance as at 31 December 2006	Exercisable	Offer price	Exercisable date
J Ramadan									
Share appreciation rights		348 600	71,00	21/11/2006		348 600	69 720	R71,00	21/11/2008
							69 720	R71,00	21/11/2009
							104 580	R71,00	21/11/2010
							104 580	R71,00	21/11/2011
MB Manyatshe	300 100		R33,09	01/11/2004	—	Resigned			
SB Mtshali									
Share appreciation rights		53 000	56,83	31/05/2006		53 000	10 600	R56,83	31/05/2008
							10 600	R56,83	31/05/2009
							15 900	R56,83	31/05/2010
							15 900	R56,83	31/05/2011
PD Norman									
Share options	440 080		9,31	02/09/2002	110 000	330 080	20	R9,31	02/09/2005
	33 900		40,50	01/12/2004		33 900	165 030	R9,31	02/09/2006
Share appreciation rights		45 700	56,83	31/05/2006		45 700	165 030	R9,31	02/09/2007
		72 100	71,00	21/11/2006		72 100	6 780	R40,50	01/12/2006
	<u>473 980</u>					<u>481 780</u>	6 780	R40,50	01/12/2007
							10 170	R40,50	01/12/2008
							10 170	R40,50	01/12/2009
							9 140	R56,83	30/11/2007
							14 420	R71,00	21/11/2008
							9 140	R56,83	30/11/2008
							14 420	R71,00	21/11/2009
							13 710	R56,83	30/11/2009
							21 630	R71,00	21/11/2010
							13 710	R56,83	30/11/2010
							21 630	R71,00	21/11/2011
KW Pienaar									
Share options	496 480		9,31	02/09/2002	124,120	372 360	186 180	R9,31	02/09/2006
	31 100		R40,50	01/12/2004		31 100	186 180	R9,31	02/09/2007
Share appreciation rights		103 800	71,00	21/11/2006		103 800	6 220	R40,50	01/12/2006
	<u>527 580</u>					<u>507 260</u>	6 220	R40,50	01/12/2007
							9 330	R40,50	01/12/2008
							9 330	R40,50	01/12/2009
							20 760	R71,00	21/11/2008
							20 760	R71,00	21/11/2009
							31 140	R71,00	21/11/2010
							31 140	R71,00	21/11/2011

Equity compensation benefits for executive directors officers, and directors of major subsidiaries (continued)

MTN Group Limited share option and appreciation rights schemes for the year ended 31 December 2006 (continued)

Director's/ officer's name	Balance as at 1 January 2005	Allocated during the year	Offer price	Date of allocation	Exercised during the year	Balance as at 31 December 2005	Exercisable	Offer price	Exercisable date
MTN Group									
RS Dabengwa	264 560		9,31	02/09/2002	66 140	198 420	58 220	R27,00	01/12/2005
	291 100		27,00	01/12/2003		291 100	99 210	R9,31	02/09/2006
	555 660					489 520	58 220	R27,00	01/12/2006
							99 210	R9,31	02/09/2007
							87 330	R27,00	01/12/2007
							87 330	R27,00	01/12/2008
PF Nhleko	1 993 700		9,31	02/09/2002		1 993 700	82 740	R9,31	02/09/2004
							477 740	R9,31	02/09/2005
							716 610	R9,31	02/09/2006
							716 610	R9,31	02/09/2007
RD Nisbet	748 640		9,31	02/09/2002		748 640	187 160	R9,31	02/09/2005
	64 500		27,00	01/12/2003		64 500	12 900	R27,00	01/12/2005
	813 140					813 140	280 740	R9,31	02/09/2006
							12 900	R27,00	01/12/2006
							280 740	R9,31	02/09/2007
							19 350	R27,00	01/12/2007
						19 350	R27,00	01/12/2008	
MTN major subsidiaries									
Z Bulbulia	75 900		13,53	28/09/2001		75 900	10 005	R40,50	1/12/2009
	92 400		9,31	02/09/2002		92 400	15 180	R13,53	28/09/2003
	24 700		27,00	01/12/2003		24 700	18 480	R9,31	02/09/2004
	193 000					193 000	15 180	R13,53	28/09/2004
							18 480	R9,31	02/09/2005
							22 770	R13,53	28/09/2005
							4 940	R27,00	01/12/2005
							27 720	R9,31	02/09/2006
							22 770	R13,53	28/09/2006
							4 940	R27,00	01/12/2006
							27 720	R9,31	02/09/2007
							7 410	R27,00	01/12/2007
							7 410	R27,00	01/12/2008
SL Botha	959 540		16,81	07/07/2003	100 000	859 540	91 908	R16,81	07/07/2005
							191 908	R16,81	07/07/2006
							287 862	R16,81	07/07/2007
							287 862	R16,81	07/07/2008

Directors' report

for the year ended 31 December 2006 (continued)

Equity compensation benefits for executive directors, officers and directors of major subsidiaries (continued)

MTN Group Limited share option and appreciation rights schemes for the year ended 31 December 2006 (continued)

Director's/ officer's name	Balance as at 1 January 2005	Allocated during the year	Offer price	Date of allocation	Exercised during the year	Balance as at 31 December 2005	Exercisable	Offer price	Exercisable date
I Charnley	100 000		13,53	28/09/2001		100 000	6 666	R13,53	28/09/2003
	528 900		9,31	02/09/2002		528 900	105 780	R9,31	28/09/2004
	<u>628 900</u>					<u>628 900</u>	93 334	R13,53	02/09/2004
							105 780	R9,31	28/09/2005
							158 670	R9,31	02/09/2006
							158 670	R9,31	02/09/2007
I Hassen	160 500		R27,00	01/12/2003		Resigned			
JB McGrath[#]	423 680		R9,31	02/09/2002		423 680	105 920	R9,31	02/09/2005
							158 880	R9,31	02/09/2006
							158 880	R9,31	02/09/2007
MB Manyatshe	300 100		R33,09	01/11/2004		Resigned			
Y Muthien	326 080		R9,31	02/09/02		Resigned			
PD Norman	440 080		9,31	02/09/2002		440 080	110 020	R9,31	02/09/2005
	33 900		40,50	01/12/2004		33 900	165 030	R9,31	02/09/2006
	<u>473 980</u>					<u>473 980</u>	165 030	R9,31	02/09/2007
							6 780	R40,50	01/12/2006
							6 780	R40,50	01/12/2007
							10 170	R40,50	01/12/2008
						10 170	R40,50	01/12/2009	
KW Pienaar	496 480		9,31	02/09/2002		496 480	124 120	R9,31	02/09/2005
	31 100		R40,50	01/12/2004		31 100	186 180	R9,31	02/09/2006
	<u>527 580</u>					<u>527 580</u>	186 180	R9,31	02/09/2007
							6 220	R40,50	01/12/2006
							6 220	R40,50	01/12/2007
							9 330	R40,50	01/12/2008
							9 330	R40,50	01/12/2009
CG Utton[#]	280 480		R9,31	02/09/2002		280 480	70 120	R9,31	02/09/2005
	83 200		R27,00	01/12/2003		83 200	16 640	R27,00	01/12/2005
	<u>363 680</u>					<u>363 680</u>	105 180	R9,31	02/09/2006
							16 640	R27,00	01/12/2006
							105 180	R9,31	02/09/2007
							24 960	R27,00	01/12/2007
						24 960	R27,00	01/12/2008	

[#]No longer a director of a major subsidiary in 2006

Share options exercised by directors

The share options exercised and resulting trades can be viewed under directors' share dealings on page 185.

Directors' shareholdings

The interests of the directors and alternate directors in the ordinary shares of the company were as follows:

Director	Beneficial		Non-beneficial	
	December 2006	December 2005	December 2006	December 2005
DDB Band	14 023	14 023	—	—
I Charnley (major subsidiary director)	13 800	13 800	—	—
RD Nisbet*	611 066	1 111 066	—	—
Z Bulbulia* (major subsidiary director)	10 000	10 000	—	—
PD Norman* (major subsidiary director)	—	—	10 000	10 000

*Shares acquired through the MTN Debenture Scheme

No changes occurred in the above shareholding subsequent to year-end until the date of this report.

PF Nhleko, I Charnley, RD Nisbet, SL Botha and RS Dabengwa hold an indirect beneficial interest in MTN Group shares through the management buy-in. Further details appear below.

Directors' share dealings

Shares traded by directors and officers for the year ended 31 December 2006

Director's of MTN Group	Shares sold	Price obtained	Date of sale
RD Nisbet [#]	200 060	62,02	30 March 06
RD Nisbet	500 000	63,32	27 March 06
AR Bing [#]	12 150	70,90	3 November 06
Z Bulbulia [#]	15 180	80,71	20 December 06
SL Botha [#]	109 540	72,61	30 November 06
I Charnley [#]	100 000	61,52	29 March 06
PD Norman [#]	110 000	62,66	27 September 06
KW Pienaar [#]	124 120	61,52	29 March 06

[#]Shares exercised under the MTN Group Limited Share Option Scheme

PF Nhleko entered into a forward purchase contract with a commercial bank on 24 May 2006 whereby 4 150 000 MTN Group shares would be acquired at a forward price of R63,97 per share on an 18-month term basis.

Directors' interests in MTN Group held through Newshelf 664 (Proprietary) Limited

Newshelf 664 (Proprietary) Limited ("Newshelf 664") has an economic interest in 309 million MTN Group shares (equivalent to 18,6% [March 2005: 18,6%] of the issued capital of MTN Group). These shares were acquired from Transnet Limited ("Transnet") at an average price of R13,90 per share between December 2002 and March 2003. As a result of the funding structure for the purchase of these shares, at 31 December 2006 Newshelf 664 had voting rights over 243,5 million (March 2005: 246 million) MTN Group shares (equivalent to 14,62% of the total voting rights of MTN Group). Pursuant to a contractual undertaking contained in the original agreements for the funding of Newshelf, and as a prerequisite to the funders entering into the funding arrangements, Newshelf was obliged to enter into a hedging transaction in terms of which voting rights in respect of a maximum of 65,5 million MTN Group shares are the subject of a scrip-lending arrangement.

Newshelf 664's ordinary shares are held by a trust for the benefit of eligible permanent staff employed by MTN Group Limited and its South African subsidiaries as well as eligible senior staff members of its African operations. This is expected to benefit approximately 2 400 eligible employees. Such benefits will vest over

Directors' report

for the year ended 31 December 2006 (continued)

the six year funding period but will only become tradeable when all obligations of Newshelf 664, including all debt and equity related funding obligations to certain financing institutions, have been met, and thereafter in accordance with the terms of the trust deed.

The trust has five trustees, two of whom are directors of MTN Group, namely PF Nhleko and I Charnley. The other trustees, W Lucas-Bull, PM Jenkins and Z Sithole, are independent. Furthermore, all the directors of Newshelf 664 have been appointed by the trust, such directors being PF Nhleko, I Charnley, RD Nisbet and RS Dabengwa (jointly, "the Newshelf 664 directors"). The Newshelf 664 directors as well as SL Botha (jointly, "the executive directors") are also included amongst the eligible employees who are potential beneficiaries of the trust. Consequently, the interests of the executive directors in respect of the MTN Group shares held by Newshelf 664 are as follows:

- As a result of being trustees of the trust, PF Nhleko and I Charnley, together with the other trustees, have an indirect, non-beneficial interest in the MTN Group shares which are currently held by Newshelf 664.
- As a result of being directors of Newshelf 664, the Newshelf 664 directors have an indirect, beneficial interest in respect of the voting rights pertaining to the MTN Group shares which are currently held by Newshelf 664.
- As a result of being beneficiaries of the Trust, the executive directors have an indirect, beneficial interest in the MTN Group shares which are currently held by Newshelf 664. This beneficial interest is in the form of rights to participate in a predetermined ratio ("the participation ratio") in the net surplus in Newshelf 664 (if any) which may arise once all of Newshelf 664's obligations have been met, including settlement of all funding. Certain of the financial institutions who funded the acquisition of the MTN Group shares also participate in the growth in value of the MTN Group shares. The participation ratio in the net surplus of Newshelf 664 of each executive director is as follows:
 - PF Nhleko 7,9270% (2005: 7,9270%)
 - I Charnley 5,5869% (2005: 5,5869%)
 - RS Dabengwa 5,5869% (2005: 5,5869%)
 - RD Nisbet 5,5869% (2005: 5,5869%)
 - SL Botha 1,1634% (2005: 1,1634%)

Subject to the terms and conditions of the trust deed, the rights to participate will accrue to the executive directors in equal tranches of 16,6666% per annum for six years on the condition that, in the event that any executive director is not in the employment of the MTN Group at the end of the six year period, he or she will only be entitled to that percentage of the rights to participate which will have vested prior to the executive director leaving the employment of the MTN Group.

In addition, the Newshelf 664 directors have exercised an option to participate in 0,23% of the economic benefits attaching to the "B" class redeemable preference shares and the "B" class participating preference share held by the Public Investment Corporation (the "PIC"), as funders to Newshelf 664, for which option the Newshelf 664 directors jointly paid an amount of R5 million. The capital acquisition consideration paid by each executive director was as follows.

– PF Nhleko	R1 612 577
– I Charnley	R1 129 141
– RS Dabengwa	R1 129 141
– RD Nisbet	R1 129 141
Total	R5 000 000

The Newshelf 664 directors thus have an indirect beneficial interest in the MTN Group shares acquired by Newshelf 664 to the extent that the proceeds of such shares (dividends and capital) are required to service and settle the preference share funding provided by the PIC, but only to the extent of the proportion that their funding of the preference shares bears to the total PIC funding.

Director's emoluments and related payments for the year ended 31 December 2006

	Date appointed	Date resigned	Directors' fees R'000	Salaries R'000	Retirement benefits R'000	Other benefits R'000	Bonuses R'000	Share options exercised R'000	Total R'000
Executive directors									
PF Nhleko	1 July 02			4 905	422	222	8 488	—	14 037
SL Botha*	7 July 03	13 June 06		1 095	140	17	—	—	1 252
I Charnley*	1 August 01	13 June 06		1 020	134	62	—	4 778	5 996
RS Dabengwa	1 October 01			3 066	453	6 469**	3 737	3 246	16 971
RD Nisbet	1 October 01			2 683	344	214	3 500	10 274	17 015
Sub-total executive directors				12 769	1 493	6 984	15 725	18 298	55 269
Non-executive directors									
DDB Band	1 October 01		676						676
K Kalyan	13 June 06		762						762
MJN Njeke	13 June 06		274						274
MC Ramaphosa	1 October 01		955						955
MA Ramphele	13 June 06		229						229
AT Mikati***	17 July 06		494						494
AH Sharbatly***	13 June 06		617						617
AF van Biljon	1 November 02		770						770
JHN Strydom	11 March 04		642						642
J van Rooyen	17 July 06		337						337
PL Woicke	13 June 06		834						834
Ex directors as at 13 June 2006									
ZNA Cindi		13 June 06	238						238
PL Heinamann		13 June 06	456						456
MA Moses (Transnet Limited)		13 June 06	183						183
Sub-total non-executive directors			7 467						7 467
Total executive and non-executive directors			7 467	12 769	1 493	6 984	15 725	18 298	62 736

*Executive directors up to 13 June 2006 and the directors' emoluments therefor represent the pro-rated portion of their annual remuneration

**Includes expatriate adjustment payment of R6,406 million

***The director's emoluments have been provided for but have not been paid to the directors as yet.

Directors' report

for the year ended 31 December 2006 (continued)

Director's emoluments and related payments for the year ended 31 December 2005

	Date appointed	Date resigned	Directors fees R'000	Salaries R'000	Retirement benefits R'000	Other benefits R'000	Bonuses R'000	Share options exercised R'000	Total R'000
Executive directors									
PF Nhleko	1 July 02			3 572	300	27	5 000		8 899
SL Botha	7 July 03			1 762	226	117	1 250	3 949	7 304
I Charnley	1 August 01			1 462	198	97	1 800		3 557
RS Dabengwa	1 October 01			2 194	344	37	2 500	3 258	8 333
RD Nisbet	1 October 01			1 763	226	36	1 900		3 925
Sub-total executive directors				10 753	1 294	314	12 450	7 207	32 018
Non-executive directors									
DDB Band	1 October 01		431						431
ZNA Cindi	23 April 99		361						361
PL Heinamann	1 October 01		473						474
MC Ramaphosa	1 October 01		536						536
AF van Biljon	1 November 02		448						448
JHN Strydom	11 March 04		381						381
MA Moses	18 November 04		340						340
Sub-total non executive directors			2 970						2 970
Total executive and non-executive directors			2 970	10 753	1 294	314	12 450	7 207	34 988

Performance bonuses

Performance bonuses for executive directors are linked to operational and financial value drivers pertaining to business performance against budget for individual operations and the MTN Group as a whole. These value drivers are determined by the board every year in respect of the next financial year. Each executive director's performance bonus is conditional upon achievement of their specific value drivers and key performance indicators, which are structured to retain a balance between the performance of entities for which they are directly responsible, and that of the Group. In order to align incentive awards with the performance to which they relate, bonuses above reflect the amounts accrued in respect of each year and not the amounts paid in that year. The bonuses are determined by the Group nominations, remuneration, human resources and corporate governance committee, and are approved by the board.

Property, plant and equipment

There were no changes in the nature of property, plant and equipment nor in the policy regarding their use during the financial year under review.

American depository receipt facility

A sponsored American depository receipt ("ADR") facility was established. This ADR facility is sponsored by the Bank of New York and details of the administrators are reflected under the administration page 291.

Acquisitions

Details of the MTN Group acquisitions are presented on pages 21 and 25 of the Group president and CEO's statement.

Borrowing powers

In terms of the articles of association of the company, the borrowing powers of the company are unlimited, however, all borrowings by the MTN Group are subject to limitations in the treasury policy of the MTN Group. The details of borrowings appear in note 19 of the annual financial statements.

Post-balance sheet events

Details of the post-balance sheet event appear in note 40 on page 259 of the annual financial statements.

Material resolutions

Details of special resolutions and other resolutions of a significant nature passed by the company and its subsidiaries during the year under review requiring disclosure in terms of the listing requirements of the JSE are as follows:

To approve an authority for the company and/or subsidiary of the company, to acquire shares in the company.

Directors and Group Secretary

The appointments to, or resignations from the board during the year under review can be viewed on page 141 of the Corporate Governance report.

In accordance with the articles of association of the company one third of the board is required to retire by rotation at each annual general meeting. Retiring directors are those who have been in office the longest since their last re-elections and directors who have been appointed between annual general meetings.

Profiles of the directors seeking re-election are contained in the notice of the annual general meeting which forms part of the annual financial statement.

The directors retiring by rotation at the next annual general meeting in terms of the articles of association are Messrs MC Ramaphosa, PF Nhleko, RS Dabengwa and DDB Band, AF van Biljon, AT Mikati and J van Rooyen.

The office of the secretary is held by SB Mtshali.

Going concern

The directors have reviewed the MTN Group's budget and cash flow forecast for the year to 31 December 2007. On the basis of this review, and in the light of the current financial position and existing borrowing facilities, the directors are satisfied that the MTN Group has access to adequate resources to continue in operational existence for the foreseeable future is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

Auditors

PricewaterhouseCoopers Inc. and SizweNtsaluba vSP will continue in office as joint auditors in accordance with section 270(2) of the Companies Act.