

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please consult your Central Securities Depository Participant ("CSDP"), banker, broker, sponsor, legal adviser, accountant or other professional adviser immediately.

Action required

1. If you have disposed of all of your shares in MTN Group Limited ("MTN Group"), this circular, together with the attached form of proxy, should be handed to the purchaser of such shares or the broker, banker, or other agent through whom the disposal was effected.
2. Certificated shareholders or own name dematerialised shareholders who are unable to attend the general meeting of MTN Group shareholders to be held at 10:00 on Tuesday, 27 June 2006 at the registered office of MTN Group in the Auditorium, Phase II, 216 – 14th Avenue, Fairland, South Africa (the "general meeting") and wish to be represented at such meeting, must complete and return the attached form of proxy (pink) in accordance with the instructions contained therein to the transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa (PO Box 61051, Marshalltown, 2107) which forms, in order to be valid, must be received by no later than 10:00 on Friday, 23 June 2006.
3. Dematerialised shareholders, other than own name dematerialised shareholders, who wish to attend the general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend and vote their shares. Alternatively, should such shareholders not wish to attend the general meeting, they should provide their CSDP or broker with their voting instructions. This must be effected in terms of the custody agreement entered into between them and their CSDP or broker.



MTN Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1994/009584/06)
Share code: MTN ISIN: ZAE000042164
("MTN Group" or the "Company")

CIRCULAR TO MTN GROUP SHAREHOLDERS

regarding

the proposed transaction by MTN International (Mauritius) Limited ("MTN Mauritius"), a wholly-owned subsidiary of MTN Group, in terms of which MTN Mauritius has offered to acquire from the shareholders of Investcom LLC ("Investcom") the entire issued (and to be issued) ordinary share capital of Investcom;

and incorporating

- **a notice of general meeting of MTN Group shareholders; and**
- **a form of proxy (pink) (to be completed by certificated shareholders and dematerialised shareholders with own name registration only).**

Joint financial adviser and transactional sponsor

Deutsche Securities 
Member of the Deutsche Bank Group

Joint financial adviser


FIRST AFRICA

Sponsor


Merrill Lynch
Global Markets & Investment Banking Group
Merrill Lynch South Africa (Pty) Ltd
Registration number 1995/001805/07
Registered Sponsor and Member of the JSE Limited

Joint independent reporting accountants and auditors


PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration no 1998/012055/21)

South African legal advisers


WEBBER WENTZEL BOWENS

International legal advisers

 **FRESHFIELDS BRUCKHAUS DERINGER**

Joint independent reporting accountants and auditors



Sizwe Ntsaluba vsp
est. 1985

Date of issue: 12 June 2006

Deutsche Securities (SA) (Proprietary) Limited and First Africa (SA) (Proprietary) Limited are acting for MTN Group and MTN Mauritius in connection with this transaction and no one else and will not be responsible to anyone, other than MTN Group and MTN Mauritius, for providing advice in relation to the transaction.

CORPORATE INFORMATION

Group Secretary and registered office

S B Mtshali
ACIS HDipComms.Law
216 – 14th Avenue
Fairland, 2195
South Africa
(Private Bag 9955, Cresta, 2118)

Joint financial adviser and transactional sponsor

Deutsche Securities (SA) (Proprietary) Limited
(Registration number 1995/011798/07)
3rd Floor, 3 Exchange Square
87 Maude Street
Sandown, 2196
South Africa
(Private Bag X9933, Sandton, 2146)

Joint financial adviser

First Africa (SA) (Proprietary) Limited
(Registration number 1996/005683/07)
Inanda Green Business Park
Albertyn Road
Wierda Valley West
Sandton, 2196
South Africa
(PO Box 651633, Benmore, 2010)

Transfer secretaries

Computershare Investor Services 2004
(Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
South Africa
(PO Box 61051, Marshalltown, 2107)

Sponsor

Merrill Lynch South Africa (Proprietary) Limited
(Registration number 1995/001805/07)
138 West Street
Sandown, 2196
South Africa
(PO Box 651987, Benmore, 2010)

South African legal advisers

Webber Wentzel Bowens
10 Fricker Road
Illovo Boulevard
Johannesburg, 2196
South Africa
(PO Box 61771, Marshalltown, 2107)

International legal advisers

Freshfields Bruckhaus Deringer
65 Fleet Street
London, EC4Y 1HS
United Kingdom

Joint independent reporting accountants and auditors

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered accountants and auditors
(Registration number 1998/012055/21)
2 Eglin Road
Sunninghill, 2157
South Africa
(Private Bag X36, Sunninghill, 2157)

Joint independent reporting accountants and auditors

SizweNtsaluba VSP
Chartered Accountants (SA)
Registered accountants and auditors
1 Woodmead Drive
Woodmead, 2157
South Africa
(PO Box 2939, Saxonwold, 2132)

MTN Group Sharecare Line

Toll-free: 0800 202 360

or

+27 11 870 8206

if phoning from outside South Africa

This circular is only available in English. Copies may be obtained from the registered office of MTN Group, the joint financial advisers and sponsor whose addresses are set out in the "Corporate information" section of this circular, as well as from all other broking members of the JSE Limited.

TABLE OF CONTENTS

The definitions commencing on page 8 of this circular have been used in this table of contents.

	<i>Page</i>
Corporate information	Inside front cover
Salient features	2
Important dates and times	7
Definitions	8
Circular to MTN Group shareholders	
1. Introduction	12
2. The Investcom Offer	12
3. Information on Investcom	20
4. Information on MTN Group	21
5. Undertakings, Opinions and Recommendations	30
6. General Meeting	30
7. Application for Listing	30
8. Amendments to Investcom's Articles of Association	31
9. Directors' Responsibility Statement	31
10. Experts' Consents	31
11. Costs	31
12. Documents available for inspection	31
Annexure 1 Sanctions applicable to the Enlarged Group	32
Annexure 2 Unaudited <i>pro forma</i> financial statements of MTN Group	34
Annexure 3 Joint independent reporting accountants' report on the <i>pro forma</i> financial statements and the <i>pro forma</i> financial effects of MTN Group	38
Annexure 4 Historical financial information of Investcom	40
Annexure 5 Trading history of Investcom GDSs on the LSE	86
Annexure 6 Material loans of MTN Group	87
Annexure 7 MTN Group operating trading update for the first quarter ended 31 March 2006	88
Notice of general meeting	90
Form of proxy (pink)	Attached

SALIENT FEATURES

The definitions commencing on page 8 of this circular apply to these salient features. This summary contains the main features of the Investcom Offer detailed in this circular, which should be read in its entirety.

The Rand values referred to in paragraphs 1 and 3 of the salient features, in the definitions and paragraphs 1 and 2 of the circular to MTN Group shareholders and in the notice of general meeting accompanying this circular are based on the average exchange rate of R6.0522/US\$1 for the five business day period ended 28 April 2006, being the last business day in South Africa prior to the SENS announcement dated 2 May 2006.

1. INTRODUCTION

MTN Group shareholders are referred to the SENS announcements dated 2 May 2006, 15 May 2006 and 23 May 2006 containing certain details of the Investcom Offer in terms of which MTN Mauritius, a wholly-owned subsidiary of MTN Group, proposes to acquire the entire issued ordinary share capital of Investcom for an aggregate consideration of approximately US\$5,526 million (R33.5 billion).

The Investcom Offer constitutes a Category 1 transaction in terms of the Listings Requirements and MTN Group is, accordingly, required to issue a circular containing full details of the Investcom Offer and to obtain MTN Group shareholder approval to undertake the Investcom Offer.

2. RATIONALE FOR THE INVESTCOM OFFER

The Investcom Offer is in line with MTN Group's vision to be the leading provider of telecommunications in emerging markets. MTN Group is undertaking the Investcom Offer to enhance its growth profile in Africa and the Middle East, to gain further scale in emerging mobile markets, to strengthen its operational capabilities and to diversify its financial profile, thereby unlocking synergistic potential.

Investcom is an international provider of mobile telecommunications services with operations in Africa, the Middle East and Europe. At the end of 2005, Investcom's mobile operations had approximately 4.9 million subscribers in Benin, Cyprus, Ghana, Guinea Bissau, Liberia, Sudan, Syria and Yemen. Investcom has recently been awarded GSM licences to build and operate mobile networks in Afghanistan and Guinea Republic, expanding its operations to ten countries and boosting its combined population under licence to approximately 147 million.

There are no overlapping operations between MTN Group and Investcom. On a combined basis, the Enlarged Group would operate mobile networks in 21 countries, covering a population under licence of approximately 488 million people and serving approximately 28 million subscribers (as at 31 December 2005). This operational footprint would also more comprehensively cover important regional hubs such as West and Central Africa with Nigeria, Ghana, Cameroon, Côte d'Ivoire, Benin, Congo Brazzaville, Liberia, Guinea Bissau and Guinea Republic and East Africa with Sudan, Uganda and Rwanda. Furthermore, completion of the Investcom Offer would expand the Enlarged Group's presence in the Middle East through operations in Syria, Yemen and Afghanistan, and in the second half of the calendar year, Iran.

Given the attractive competitive position of MTN Group and Investcom in their various markets, the Investcom Offer would complement the Enlarged Groups' strategy to be the leading mobile operator across its footprint.

It is expected that Investcom's cash generative operations would make a sizeable contribution to the financial performance of MTN Group, enhancing its growth profile and diversifying revenues and earnings. The Investcom Offer also offers the Enlarged Group the potential for increasing revenues and reducing costs through the exploitation of regional cross-selling opportunities, enhanced economies of scale, technology and product sharing and the alignment of a centralised procurement system.

The corporate structure of the Enlarged Group will be dependent on the level of acceptances achieved for the Investcom Offer. As the Investcom Offer is being undertaken by MTN Mauritius, which holds the majority of the existing assets of the MTN Group outside of South Africa, MTN Group envisages incorporating all of Investcom's existing operations in their current form into the Enlarged Group. No particular structural changes in individual operations are envisaged at this time.

The addition of Investcom's skilled and experienced personnel would broaden the proven management capacity of MTN Group, facilitate knowledge transfer within MTN Group's operations and enable MTN Group to further develop the Enlarged Group's business in the Middle East.

3. TERMS OF THE INVESTCOM OFFER

3.1 Consideration and funding

The Investcom Offer comprises:

- US\$3.85 (R23.30) in cash for each Investcom share, which is equivalent to US\$19.25 (R116.50) for each Investcom GDS; or
- the Cash and Share Alternative in terms of which each Investcom shareholder will be entitled to elect to receive up to approximately 36% of their Cash Consideration in MTN Group shares (to be listed on the JSE) on the basis that each Investcom shareholder can elect to receive US\$2.0809 (R12.59) in cash and 0.1807 new MTN Group shares for each Investcom share, subject to a maximum aggregate number of 204,298,809 new MTN Group shares being issued pursuant to the Cash and Share Alternative. The Cash and Share Alternative is equivalent to US\$10.4047 (R62.97) in cash and 0.9035 new MTN Group shares for each Investcom GDS.

To the extent that valid elections for new MTN Group shares under the Cash and Share Alternative, taken together with the maximum number of new MTN Group shares which persons may elect to receive pursuant to the reintroduced Cash and Share Alternative as part of any compulsory acquisition of Investcom shares (see paragraph 2.2.7), exceed the maximum number of new MTN Group shares available under the Cash and Share Alternative, such elections (including under any such compulsory acquisition) will be scaled back, *pro rata*, as nearly as practicable. To the extent that elections for new MTN Group shares are scaled back, Investcom shareholders will instead receive Cash Consideration (at the rate of US\$9.79 per new MTN Group share) *in lieu* of such new MTN Group shares.

The value of each new MTN Group share to be issued under the Cash and Share Alternative is equivalent to (and fixed at) US\$9.79 (R59.25), which represents the five business day volume weighted average price of MTN Group shares prior to the last business day in South Africa before the SENS announcement dated 2 May 2006.

The Investcom Offer values the entire issued ordinary share capital of Investcom at approximately US\$5,526 million (R33.5 billion) on the basis of 1,435,257,519 Investcom shares in issue. To the extent that any further Investcom shares are or have been allotted or issued or any rights over Investcom shares are or have been granted, then the Cash Consideration per Investcom share (and the equivalent for each Investcom GDS) payable under the Investcom Offer (and both the Cash Consideration and the number of new MTN Group shares under the Cash and Share Alternative) would decrease accordingly.

The equity portion of the consideration will be satisfied through the issue of up to 204,298,809 new MTN Group shares to Investcom shareholders and Investcom GDS holders. These new MTN Group shares, if issued in full, would represent approximately 10.9% of the enlarged issued share capital of MTN Group. If MTN Group shareholders approve the Investcom Offer, application will be made to the JSE for the new MTN Group shares to be admitted to listing on the main board of the JSE. These shares will be issued out of the current unissued share capital of MTN Group. The cash portion of the consideration has been financed through a bridge credit facility of approximately US\$3,850 million (R23.3 billion) committed by Deutsche Bank AG, London Branch, and Standard Chartered Bank. The borrower under the facility is Mobile Telephone Networks Holdings (Proprietary) Limited and the facility is guaranteed by MTN Group, MTN Mauritius, Mobile Telephone Networks (Proprietary) Limited and MTN Service Provider (Proprietary) Limited. The facility is currently available and will terminate on

the earlier of (i) six months from the signing of the agreement (the "Final Maturity Date"); (ii) the last day of the "Certain Funds Period", being the latest of: (a) the date upon which the Investcom Offer lapses, terminates or is withdrawn (if the Investcom Offer has not become or been declared unconditional at the time); (b) 60 days after the date on which MTN Mauritius first becomes entitled to commence a compulsory acquisition procedure to acquire Investcom shares; and (iii) 120 days from when the Investcom Offer becomes or is declared unconditional. The Final Maturity Date can be extended to at least the expiry of the Certain Funds Period.

The funds available to Mobile Telephone Networks Holdings (Proprietary) Limited under the facility will be advanced to MTN Mauritius to settle the Cash Consideration as required. The commitment fee is 0.375% of the total facility.

It is the intention of the MTN Group Board to refinance the US\$3,850 million bridge credit facility within the initial six month period from the proceeds of an appropriate mix of funding, potentially including local and international bank financing and funding from the debt capital markets. In determining the final funding mix, MTN Group will take into consideration the ultimate cash settlement required, the progress of the Investcom Offer and market conditions.

MTN Group has received approval from the South African Reserve Bank for the funding arrangements and the refinancing described above, as well as for the opportunity to hedge its foreign exchange exposure. MTN Group took a currency position before announcing the Investcom Offer and incurred R159 million in fees associated with these hedging costs. MTN Group is comfortable with its current US dollar exposure in respect of the Investcom Offer.

Deutsche Bank AG, London Branch, is satisfied that the necessary financial resources are available to MTN Mauritius to satisfy full acceptance of the Investcom Offer.

MTN Mauritius' undertakings and obligations under the Investcom Offer have been guaranteed by MTN Group.

3.2 Conditions precedent

The Investcom Offer is subject to the fulfilment of, amongst others, the following conditions precedent:

- valid acceptances of the Investcom Offer being received in respect of not less than 75% (or such lower percentage as MTN Group may decide but not less than a majority of 50% plus 1 share) of the Investcom shares in issue;
- the shareholders of MTN Group approving the Investcom Offer;
- the JSE approving the listing of the additional MTN Group shares to be issued as consideration for the Investcom Offer; and
- other regulatory authorisations as set out in paragraph 2.3 of the circular.

MTN Group will communicate to its shareholders through the South African press and on SENS in connection with the fulfilment of the conditions to the Investcom Offer. In any event, MTN Group will publish in the South African press and on SENS details of the fulfilment or non-fulfilment (and, if applicable, waiver) of the conditions on Tuesday, 20 June 2006, being the date five business days prior to the general meeting of MTN Group convened to consider, and if deemed fit, to approve the Investcom Offer.

4. PRO FORMA FINANCIAL EFFECTS

The table below sets out, for illustrative purposes only, the unaudited pro forma financial effects of the Investcom Offer based on the final audited results of MTN Group for the nine months ended 31 December 2005 and a corresponding nine-month extract from Investcom's published financial statements for the 12-month period ended 31 December 2005. These results were prepared in accordance with International Financial Reporting Standards.

Due to the nature of these *pro forma* financial effects, the table below may not fairly present MTN Group's financial position, changes in equity, results of operations or cash flows, nor does this statement in any way constitute a profit forecast or estimate. Furthermore, it is essential that the table set out below be read in conjunction with the explanatory notes following immediately thereafter. The financial effects statement is the responsibility of the directors of MTN Group.

Because of the retrospective nature of the unaudited *pro forma* financial effects, these financial effects do not appropriately reflect MTN Group's financial position after the Investcom Offer and do not give an indication of MTN Group's future earnings. A simple consolidation of the historical financial effects of MTN Group and Investcom does not appropriately reflect the future prospects of the combined businesses that MTN Group is offering to purchase due to:

- the high annual growth (in excess of 40%) experienced by Investcom over the past two years;
- certain Investcom companies having only commenced operations last year and not contributing to profitability for the *pro forma* period reported on;
- Investcom having increased its effective shareholdings in Yemen and in Sudan since the end of the reported period (31 December 2005); and
- the exceptional growth currently being experienced in the cellular industry in emerging markets.

Consequently historical performance is not an appropriate reflection of future prospects.

	Audited Before the acquisition⁽¹⁾	<i>Pro forma</i> After the transaction⁽²⁾⁽³⁾⁽⁴⁾	Percentage change
Headline earnings per MTN Group share (cents)	359.8	280.6	(22.0)
Adjusted headline earnings per MTN Group share (cents)	338.2	261.5	(22.7)
Attributable earnings per MTN Group share (cents)	352.7	274.9	(22.1)
Diluted headline earnings per MTN Group share (cents)	356.5	278.6	(21.9)
Diluted adjusted headline earnings per MTN Group share (cents)	335.9	259.5	(22.7)
Diluted attributable earnings per MTN Group share (cents)	349.7	272.8	(22.0)
Net asset value per MTN Group share (cents)	1,183.9	1,693.5	43.0
Net tangible asset value per MTN Group share (cents)	818.8	(329.0)	(140.2)
Weighted average number of MTN Group shares (millions)	1,663.2	1,867.5	12.3
Diluted weighted average number of MTN Group shares (millions)	1,677.4	1,881.7	12.2
Number of MTN Group shares in issue at 31 December 2005 (millions)	1,665.3	1,869.6	12.3

Notes:

- (1) The "Before the acquisition" financial information reflects amounts extracted from the MTN Group audited financial results for the nine-month period ended 31 December 2005 and the audited financial position as reported on that date.
- (2) The "After the transaction" financial information reflects MTN Group's *pro forma* financial results after accounting for a 100% acquisition of Investcom. The following assumptions have been applied in calculating these effects:
 - all Investcom shareholders accepted the Investcom Offer and opted for the Cash and Share Alternative of US\$2.0809 in cash and 0.1807 new MTN Group shares for each Investcom share;
 - up to a maximum of 204,298,809 new MTN Group shares were issued to Investcom shareholders and the balance of the consideration was settled in cash;
 - the Investcom Offer was effective throughout the nine-month period ended 31 December 2005 for attributable earnings, headline earnings and adjusted headline earnings per share;
 - the Investcom Offer was effective at 31 December 2005 for net asset and net tangible asset value per share; and
 - 204,298,809 new MTN Group shares were issued to Investcom shareholders on 1 April 2005 for weighted average, diluted weighted average and total number of ordinary shares.
- (3) A full Purchase Price Allocation review in terms of IFRS 3: Business Combinations, has not been completed as a consequence of the extent of this exercise, and as a result none of the financial effects resulting from such an allocation have been taken into account in the above financial effects, including no amortisation and deferred tax impacts in respect of intangible assets which may arise on the acquisition.
- (4) The change in tangible net asset value per ordinary share "After the transaction" arises from the deduction of assumed goodwill arising on the Investcom Offer. The net asset value of Investcom at 31 December 2005 was R4,814 million.

5. UNDERTAKINGS, OPINIONS AND RECOMMENDATIONS

- 5.1 M1 has provided MTN Group with an irrevocable undertaking to accept the Investcom Offer and elect the Cash and Share Alternative in respect of 1,013,572,574 Investcom shares, which represents approximately 70.6% of the ordinary shares of Investcom. The undertaking from M1 will cease to be binding only if the Investcom Offer lapses or is withdrawn.
- 5.2 The MTN Group Board is of the opinion that the terms and conditions of the Investcom Offer are fair and reasonable and that the implementation thereof will be to the long-term benefit of MTN Group shareholders. Accordingly, the Board unanimously recommends that MTN Group shareholders vote in favour of the resolutions to be proposed at the general meeting.
- 5.3 The directors, insofar as they are entitled, intend to vote in favour of the ordinary resolutions to be proposed at the general meeting.

6. LETTERS OF EXCLUSIVITY

Each of M1 and Investcom has separately undertaken in favour of MTN Mauritius that it will not, and will procure that Investcom's subsidiaries do not, until the Investcom Offer closes, lapses or otherwise terminates, among other things, sell, transfer, encumber or dispose of any Investcom shares, issue any further Investcom shares or grant any rights to subscribe for Investcom shares, solicit, initiate or knowingly encourage the submissions of proposals or offers in relation to the sale of Investcom shares or co-operate with any other approach, proposal or offer.

7. DEED OF WARRANTY

M1 has signed a Deed of Warranty and Undertaking in favour of MTN Group and MTN Mauritius, the salient terms of which are:

- M1 has given certain warranties and undertakings in respect of the Investcom group and its shareholdings therein and has agreed to provide collateral (in the form of cash and/or shares) valued at US\$400,000,000 as security for potential liability under the agreement; and
- M1 has agreed to a lock-up period of 14 months from the date of issue of the MTN Group shares issued to it in connection with the Investcom Offer, during which period it will (subject to limited exceptions) not be entitled to dispose of its MTN Group shares.

8. DEED OF COVENANT

M1 and its shareholders have entered into a Deed of Covenant in favour of MTN Group and MTN Mauritius, the salient terms of which are:

- M1 and its shareholders have agreed that they shall not carry on or be engaged or have an economic interest in any competing business (as defined in the Deed of Covenant) in certain protected territories (as defined in the Deed of Covenant) for a period of two years from the date on which the Investcom Offer becomes unconditional and in respect of competing business in certain other territories (as more fully set out in the Deed of Covenant) for a period of one year from the date on which the Investcom Offer becomes unconditional; and
- M1 and its shareholders shall not without MTN Group's prior written consent, deal in shares in MTN Group (other than acquiring MTN Group shares up to an aggregate maximum of 9.9% of the MTN Group shares) until the end of a period of 12 months from the date on which the Investcom Offer becomes or is declared unconditional. M1 and its shareholders are restricted from acquiring MTN Group shares greater than an aggregate of more than 20% of MTN Group shares during the subsequent 12-month period.

9. GENERAL MEETING

The notice convening the general meeting is attached hereto and forms part of this circular. The general meeting will be held at 10:00 on Tuesday, 27 June 2006 at the registered office of MTN Group in the Auditorium Phase II, 216 – 14th Avenue, Fairland, South Africa for the purposes of considering and, if deemed fit, passing with or without amendment, the ordinary resolutions necessary to implement the Investcom Offer.

IMPORTANT DATES AND TIMES

2006

Opening date of the Investcom Offer, on	23 May
Circular and notice of general meeting posted to MTN Group shareholders, on	12 June
Last date for receipt of forms of proxy from MTN Group shareholders for the general meeting by not later than 10:00, on	23 June
General meeting to be held at 10:00, on	27 June
Results of general meeting released on SENS, on	27 June
Results of general meeting published in the South African press, on	28 June
First closing date of the Investcom Offer at 17:00 (Dubai time), on	28 June
Anticipated first listing of new MTN Group shares, on or about	17 July

Notes:

1. The definitions and interpretations commencing on page 8 of this document apply, *mutatis mutandis*, to this information on important dates and times.
2. All times shown in this circular are South African local times.
3. The above dates and times are subject to amendment. Any amendments to the dates and times will be released on SENS and published in the South African press.
4. If the general meeting is adjourned or postponed, forms of proxy (pink) must be received by no later than 48 hours prior to the time of the adjourned or postponed general meeting, provided that for the purposes of calculating the latest time by which forms of proxy must be received, Saturdays, Sundays and South African public holidays will be excluded.

DEFINITIONS

In this circular and the annexures hereto, including the notice of general meeting and the form of proxy (pink), unless otherwise stated or the context otherwise requires, a reference to the singular includes the plural and *vice versa*, words denoting one gender include the other, words denoting natural persons include legal persons and associations of persons and *vice versa* and the words in the first column have the meanings stated opposite them in the second column:

“3G”	generic term used for the third generation of mobile telecommunications systems;
“Areeba Limited”	Areeba Limited (registration number HE 141156), a company incorporated with limited liability in Cyprus, and a wholly-owned subsidiary of Investcom;
“associated companies”	any company in which MTN Group or Investcom (as the case may be) or any of their respective subsidiaries hold any shares;
“beneficial owner”	a person or entity on whose behalf any dematerialised share is held in the name of a nominee company in accordance with a custody agreement entered into with a CSDP or broker;
“BIS”	the Bureau of Industry and Security with the US Department of Commerce;
“business day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“Cash Consideration”	the cash consideration under the Investcom Offer of US\$3.85 (R23.30) per Investcom share, being equivalent to US\$19.25 (R116.50) per Investcom GDS;
“Cash and Share Alternative”	a cash and share alternative comprising US\$2.0809 (R12.59) in cash and 0.1807 MTN Group shares per Investcom share, which is equivalent to US\$10.4047 (R62.97) in cash and 0.9035 MTN Group shares per Investcom GDS, subject to an aggregate maximum of 204,298,809 new MTN Group shares;
“certificated shareholders”	MTN Group shareholders who hold MTN Group shares in a form evidenced by a share certificate or other written instrument;
“this circular” or “the circular”	this bound document to MTN Group shareholders, dated 12 June 2006, comprising the circular to MTN Group shareholders and all annexures and attachments hereto and any subsequent supplements thereto;
“the CPC”	the Commission for the Protection of Competition in Cyprus;
“Companies Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“Computershare” or “transfer secretaries”	Computershare Investor Services 2004 (Proprietary) Limited (registration number 2004/003647/07), a private company duly registered and incorporated with limited liability in accordance with the company laws of South Africa and which is the transfer secretary of MTN Group;
“CSDP”	Central Securities Depository Participant;

“dematerialisation”	the process whereby share certificates, certified transfer deeds, balance receipts and any other documents of title to shares in a tangible form are dematerialised into electronic records for the purposes of STRATE;
“dematerialised shareholder”	a holder of MTN Group shares which have been incorporated into STRATE and the ownership of which are no longer evidenced by a certificate or written instrument but by electronic records;
“DIFX”	the Dubai International Financial Exchange;
“the Enlarged Group”	MTN Group and Investcom and their respective subsidiaries and associated companies taken together;
“the EAR”	Export Administration Regulations;
“the EU”	the European Union;
“the general meeting”	the general meeting of MTN Group shareholders to be held at 10:00 on Tuesday, 27 June 2006 at the registered office of MTN Group in the Auditorium Phase II, 216 – 14th Avenue, Fairland, South Africa;
“the Group”	MTN Group, its subsidiaries and associated companies;
“GSM”	global system for mobile communication;
“GSM 900”	global standard for mobile telecommunications operating in the 900 MHz frequency band;
“GSM 1800”	global standard for mobile telecommunications operating in the 1800 MHz frequency band;
“Investcom”	Investcom LLC, a company duly registered and domiciled with limited liability in and under the laws promulgated by, the Dubai International Financial Centre under commercial registration number 78;
“Investcom GDS”	an Investcom Global Depository Share evidenced by a Global Depository Receipt representing five Investcom shares, which Global Depository Shares are listed on the DIFX and LSE;
“Investcom group”	Investcom, its subsidiaries and associated companies;
“Investcom Offer”	the offer in terms of which MTN Mauritius has offered to acquire the entire issued share capital of Investcom from Investcom shareholders;
“Investcom shareholders”	holders of Investcom shares;
“Investcom shares”	ordinary shares having a par value of US\$0.05 each in the issued share capital of Investcom;
“JSE”	JSE Limited, a company duly registered and incorporated with limited liability under the company laws of South Africa under registration number 2005/022939/06, licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004);
“last practicable date”	the last practicable date prior to the finalisation of this circular, being 19 May 2006;

“Listings Requirements”	the Listings Requirements of the JSE in force as at the date of this circular;
“LSE”	the London Stock Exchange plc;
“M1”	M1 Limited, a company duly registered and incorporated with limited liability in and under the laws promulgated by the Dubai International Financial Centre, which is the holding company of Investcom;
“MHz”	Megahertz, or a million cycles per second, a measure of frequency;
“MTN Group” or “the Company”	MTN Group Limited (registration number 1994/009584/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, the ordinary shares of which are listed on the JSE;
“MTN Group Board” or “the Board”	the board of directors of MTN Group;
“MTN Group shareholders”	holders of MTN Group shares;
“MTN Group shares”	ordinary shares having a par value of 0.01 cent each in the issued share capital of MTN Group;
“MTN Mauritius”	MTN International (Mauritius) Limited (registration number 19434/3597), a private company duly registered and incorporated with limited liability in Mauritius, and under the laws promulgated under the Companies Act of 2001, and a wholly-owned subsidiary of MTN Group;
“MTN South Africa”	Mobile Telephone Networks (Proprietary) Limited (registration number 1993/001436/07), a private company duly registered and incorporated with limited liability under the company laws of South Africa;
“Newshelf 664”	Newshelf 664 (Proprietary) Limited (registration number 2001/025418/07), a private company duly registered and incorporated with limited liability under the company laws of South Africa;
“the OECD”	the Organisation for Economic Co-operation and Development;
“OFAC”	the Office of Foreign Assets Control within the US Department of the Treasury;
“the OFAC Regulations”	regulations codified in Title 31, Subtitle B, Chapter V of the US code of Federal Regulations;
“own name dematerialised shareholders”	shareholders that have dematerialised their shares through a CSDP and have instructed the CSDP to hold their shares in their own name on the sub-register (list of shareholders maintained by the CSDP and forming part of the Company register);
“the PIC”	the Public Investment Corporation, a company established in terms of the Public Investment Corporation Act, 2004 (Act 23 of 2004);
“Rand” or “R”	the lawful currency of South Africa;

“register”	register of the certificated shareholders maintained by MTN Group and the sub-register of dematerialised shareholders maintained by the relevant CSDP in terms of sections 101 and 91A, respectively, of the Companies Act;
“SDNs”	Specially Designated Nationals and Blocked Persons published by OFAC;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“STE”	the Syrian Telecommunications Establishment;
“STRATE”	STRATE Limited (registration number 1998/022242/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa and which is a registered central securities depository;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“the UN”	the United Nations;
“US”	the United States of America; and
“US dollar” or “US\$”	the lawful currency of the US.



MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

Share code: MTN ISIN: ZAE000042164

Directors:

Matamela Cyril Ramaphosa (*Chairman*)*
Phuthuma Freedom Nhleko (*Group President and CEO*)
Douglas Denoon Balharrie Band*
Susan Louise Botha
Irene Charnley
Zithulele Nyangana Absalom Cindi*
Raymond Sifiso Dabengwa
Paul Lindsay Heinemann*
Moirra-Anne Moses**
Robert Duncan Nisbet
Jan Hendrik Nicolaas Strydom**
Alan Francis van Biljon*

* *Independent non-executive*

** *Non-executive*

CIRCULAR TO MTN GROUP SHAREHOLDERS

1. INTRODUCTION

MTN Group shareholders are referred to the SENS announcements dated 2 May 2006, 15 May 2006 and 23 May 2006 containing details of the Investcom Offer in terms of which MTN Mauritius, a wholly-owned subsidiary of MTN Group, proposes to acquire the entire issued (and to be issued) ordinary share capital of Investcom for an aggregate consideration of approximately US\$5,526 million (R33.5 billion).

The Investcom Offer constitutes a Category 1 transaction in terms of the Listings Requirements and MTN Group is, accordingly, required to issue a circular containing full details of the Investcom Offer and to obtain MTN Group shareholder approval to undertake the Investcom Offer.

The purpose of this circular is to provide MTN Group shareholders with information regarding Investcom and the Investcom Offer so as to enable MTN Group shareholders to consider and, if deemed fit, approve the ordinary resolutions contained in the notice of general meeting.

2. THE INVESTCOM OFFER

2.1 Rationale

The Investcom Offer is in line with MTN Group's vision to be the leading provider of telecommunications in emerging markets. MTN Group is undertaking the Investcom Offer to enhance its growth profile in Africa and the Middle East, to gain further scale in emerging mobile markets, to strengthen its operational capabilities and to diversify its financial profile, thereby unlocking synergistic potential.

Investcom is an international provider of mobile telecommunications services with operations in Africa, the Middle East and Europe. At the end of 2005, Investcom's mobile operations had approximately 4.9 million subscribers in Benin, Cyprus, Ghana, Guinea Bissau, Liberia, Sudan, Syria and Yemen. Investcom has recently been awarded GSM licences to build and operate mobile networks in Afghanistan and Guinea Republic, expanding its operations to ten countries and boosting its combined population under licence to approximately 147 million.

There are no overlapping operations between MTN Group and Investcom. On a combined basis, the Enlarged Group would operate mobile networks in 21 countries, covering a population under licence of approximately 488 million people and serving approximately 28 million subscribers (at 31 December 2005). This operational footprint would also more comprehensively cover important regional hubs such as West and Central Africa with Nigeria, Ghana, Cameroon, Côte d'Ivoire, Benin, Congo Brazzaville, Liberia, Guinea Bissau and Guinea Republic and East Africa with Sudan, Uganda and Rwanda. Furthermore, completion of the Investcom Offer would expand the Enlarged Group's presence in the Middle East through operations in Syria, Yemen and Afghanistan and, in the second half of the calendar year, Iran.

Given the attractive competitive position of MTN Group and Investcom in their various markets, the Investcom Offer would complement the Enlarged Group's strategy to be the leading mobile operator across its footprint.

It is expected that Investcom's cash generative operations would make a sizeable contribution to the financial performance of MTN Group, enhancing its growth profile and diversifying revenues and earnings. The Investcom Offer also offers the Enlarged Group the potential for increasing revenues and reducing costs through the exploitation of regional cross-selling opportunities, enhanced economies of scale, technology and product sharing and the alignment of a centralised procurement system.

The corporate structure of the Enlarged Group will be dependent on the level of acceptances achieved for the Investcom Offer. As the Investcom Offer is being undertaken by MTN Mauritius, which holds the majority of the existing assets of the MTN Group outside South Africa, MTN Group envisages incorporating all of Investcom's existing operations in their current form into the Enlarged Group. No particular structural changes in individual operations are envisaged at this time.

The addition of Investcom's skilled and experienced personnel would broaden the proven management capacity of MTN Group, facilitate knowledge transfer within MTN Group's operations and enable MTN Group to develop further the Enlarged Group's business in the Middle East.

2.2 Terms of the Investcom Offer

2.2.1 Consideration and funding

The Investcom Offer comprises:

- US\$3.85 (R23.30) in cash for each Investcom share, which is equivalent to US\$19.25 (R116.50) for each Investcom GDS; or
- the Cash and Share Alternative in terms of which each Investcom shareholder will be entitled to elect to receive up to approximately 36% of their Cash Consideration in MTN Group shares (to be listed on the JSE) on the basis that each Investcom shareholder can elect to receive US\$2.0809 (R12.59) in cash and 0.1807 new MTN Group shares for each Investcom share, subject to a maximum aggregate number of 204,298,809 new MTN Group shares being issued pursuant to the Cash and Share Alternative. The Cash and Share Alternative is equivalent to US\$10.4047 (R62.97) in cash and 0.9035 new MTN Group shares for each Investcom GDS.

To the extent that valid elections for new MTN Group shares under the Cash and Share Alternative, taken together with the maximum number of new MTN Group shares which persons may elect to receive pursuant to the reintroduced Cash and Share Alternative as part of any compulsory acquisition of Investcom shares (see paragraph 2.2.7 below), exceed the maximum number of new MTN Group shares

available under the Cash and Share Alternative, such elections (including under any such compulsory acquisition) will be scaled back, *pro rata*, as nearly as practicable. To the extent that elections for new MTN Group shares are scaled back, Investcom shareholders will instead receive Cash Consideration (at the rate of US\$9.79 per new MTN Group share) *in lieu* of such new MTN Group shares.

The value of each new MTN Group share to be issued under the Cash and Share Alternative is equivalent to US\$9.79 (R59.25), which represents the five business day volume weighted average price of MTN Group shares prior to the last business day in South Africa before the SENS announcement dated 2 May 2006.

The Investcom Offer values the entire issued ordinary share capital of Investcom at approximately US\$ 5,526 million (R33.5 billion) on the basis of 1,435,257,519 Investcom shares in issue. To the extent that any further Investcom shares are or have been allotted or issued or any rights over Investcom shares are or have been granted, then the Cash Consideration per Investcom share (and the equivalent for each Investcom GDS) payable under the Investcom Offer (and both the Cash Consideration and the number of new MTN Group shares under the Cash and Share Alternative) would decrease accordingly.

The equity portion of the consideration will be satisfied through the issue of up to 204,298,809 new MTN Group shares to Investcom shareholders and Investcom GDS holders. These new MTN Group shares, if issued in full, would represent approximately 10.9% of the enlarged issued share capital of MTN Group. If MTN Group shareholders approve the Investcom Offer, application will be made to the JSE for the new MTN Group shares to be admitted to listing on the main board of the JSE. The cash portion of the consideration has been financed through a bridge credit facility of approximately US\$3,850 million (R23.3 billion) committed by Deutsche Bank AG, London Branch, and Standard Chartered Bank. The borrower under the facility is Mobile Telephone Networks Holdings (Proprietary) Limited and the facility is guaranteed by MTN Group, MTN Mauritius, Mobile Telephone Networks (Proprietary) Limited and MTN Service Provider (Proprietary) Limited. The facility is currently available and will terminate on the earlier of (i) six months from the signing of the agreement (the "Final Maturity Date"); (ii) the last date of the "Certain Funds Period", being the latest of: (a) the date upon which the Investcom Offer lapses, terminates or is withdrawn (if the Investcom Offer has not become or been declared unconditional at that time) (b) 60 days after the date on which MTN Mauritius first becomes entitled to commence a compulsory acquisition procedure to acquire Investcom shares; and (iii) 120 days from when the Investcom Offer becomes or is declared unconditional. The Final Maturity Date can be extended to at least the expiry of the Certain Funds Period.

The funds available to Mobile Telephone Networks Holdings (Proprietary) Limited under the facility will be advanced to MTN Mauritius to settle the Cash Consideration as required. The commitment fee is 0.375% of the total facility.

It is the intention of the MTN Group Board to refinance the US\$3,850 million bridge credit facility within the initial six month period from the proceeds of an appropriate mix of funding potentially including local and international bank financing and funding from the debt capital markets. In determining the final funding mix, MTN Group will take into consideration the ultimate cash settlement required, the progress of the Investcom Offer and prevailing market conditions.

MTN Group has received approval from the South African Reserve Bank for the funding arrangements and the refinancing described above, as well as for the opportunity to hedge its foreign exchange exposure. MTN Group took a currency position before announcing the Investcom Offer and incurred R159 million in fees associated with these hedging costs. MTN Group is comfortable with its current US dollar exposure in respect of the Investcom Offer.

Deutsche Bank AG, London Branch, is satisfied that the necessary financial resources are available to MTN Mauritius to satisfy full acceptance of the Investcom Offer.

MTN Mauritius' undertakings and obligations under the Investcom Offer have been guaranteed by MTN Group.

2.2.2 Effective date

The Investcom Offer will become effective when all of the conditions to the Investcom Offer (see paragraph 2.2.6 below) have been fulfilled or waived by MTN Mauritius. The first date on which the Investcom Offer will lapse, unless the conditions are fulfilled or waived or the Investcom Offer is extended by MTN Mauritius, is 28 June 2006. Settlement of the consideration in respect of acceptances received up to the date on which the Investcom Offer becomes unconditional will be made by no later than 14 days after such first closing date. The Investcom Offer will lapse unless the minimum acceptance condition has been fulfilled or waived by no later than 29 July 2006, or if all other conditions have not been fulfilled or waived, not later than 21 days after the minimum acceptance condition has been satisfied (or, in each case, such later date as Investcom agrees and the DFSA permits).

2.2.3 Letters of exclusivity

Each of M1 and Investcom has separately undertaken in favour of MTN Mauritius that it will not, and will procure that Investcom's subsidiaries do not, until the Investcom Offer closes, lapses or otherwise terminates, among other things, sell, transfer, encumber or dispose of any Investcom shares, issue any further Investcom shares or grant any rights to subscribe for Investcom shares, solicit, initiate or knowingly encourage the submissions of proposals or offers in relation to the sale of Investcom shares or co-operate with any other approach, proposal or offer.

2.2.4 Deed of Warranty and Undertaking

M1 has signed a Deed of Warranty and Undertaking in favour of MTN Group and MTN Mauritius, the salient terms of which are:

- M1 has given certain warranties and undertakings in respect of the Investcom group and its shareholding therein and has agreed to provide collateral (in the form of cash and/or shares) valued at US\$400,000,000 as security for potential liability under the agreement; and
- M1 has agreed to a lock-up period of 14 months from the date of issue of the MTN Group shares issued to it in connection with the Investcom Offer during which it will (subject to limited exceptions) not be entitled to dispose of its MTN Group shares.

2.2.5 Deed of covenant

M1 and its shareholders have entered into a Deed of Covenant in favour of MTN Group and MTN Mauritius, the salient terms of which are:

- M1 and its shareholders have agreed that they shall not carry on or be engaged or have an economic interest in any competing business (as defined in the Deed of Covenant) in certain protected territories (as defined in the Deed of Covenant) for a period of two years from the date on which the Investcom Offer becomes unconditional and in respect of competing business in certain other territories (as more fully set out in the Deed of Covenant) for a period of one year from the date on which the Investcom Offer becomes unconditional; and
- M1 and its shareholders shall not without MTN Group's prior written consent, deal in shares in MTN Group (other than acquiring MTN Group shares up to an aggregate maximum of 9.9% of the MTN Group shares) until the end of a period of 12 months from the date on which the Investcom Offer becomes or is declared unconditional. M1 and its shareholders are restricted from acquiring MTN Group shares greater than an aggregate of more than 20% of MTN Group shares during the subsequent 12-month period.

2.2.6 Conditions precedent

The Investcom Offer is subject to the fulfilment of, amongst others, the following conditions precedent:

- valid acceptances being received in respect of not less than 75% (or such lower percentage as MTN Group may decide but not less than a majority of 50% plus one share) of the Investcom shares in issue;

- the shareholders of MTN Group approving the Investcom Offer;
- the JSE approving the listing of the additional MTN Group shares to be issued as consideration for the Investcom Offer; and
- other regulatory authorisations as set out in paragraph 2.3 of the circular.

MTN Group will communicate to its shareholders through the South African press and on SENS in connection with the fulfillment of the conditions to the Investcom Offer. In any event, MTN Group will publish in the South African press and on SENS details of the fulfillment or non-fulfillment (and, if applicable, waiver) of the conditions on Tuesday, 20 June 2006, being the date five business days prior to the general meeting of MTN Group convened to consider, and if deemed fit, to approve the Investcom Offer.

2.2.7 Compulsory acquisition

Upon the Investcom Offer becoming, or being declared, unconditional in all respects and sufficient acceptances (being 90%) being received under the Investcom Offer, MTN Group intends to apply the provisions of Articles 81 to 89 (inclusive) of the Dubai International Financial Centre Companies Law 2004, to acquire compulsorily the outstanding Investcom shares on the equivalent terms as the Investcom Offer.

2.2.8 Delisting of Investcom GDSs

It is intended that if MTN Mauritius has, by virtue of its shareholdings and acceptances of the Investcom Offer, acquired or agreed to acquire Investcom shares carrying at least 75% of the voting rights attaching to the ordinary share capital of Investcom, MTN Mauritius will procure the making of an application by Investcom:

- (i) for the cancellation of the trading in Investcom GDSs on the LSE's market for listed securities and the cancellation of the listing of the Investcom GDSs from the official list of the UK Listing Authority; and
- (ii) for the cancellation of the trading in Investcom GDSs on the DIFX and the cancellation of the listing of the Investcom GDSs from the official list of securities of the DIFX.

It is intended that appropriate notifications will be given once MTN Mauritius announces it has acquired 75% of the voting rights.

2.3 Regulatory authorisations

2.3.1 Conditions relating to authorisations

The Investcom Offer is subject to the fulfilment or waiver of all authorisations (as defined in the document making the Investcom Offer) which are required by law by MTN Mauritius in any relevant jurisdiction for or in respect of the Investcom Offer or the change of control of any member of the Investcom group having been obtained from all appropriate regulatory authorities dealing with anti-trust, competition, merger or foreign investment matters in each case where the absence of such authorisation would have a material adverse effect on the Investcom group taken as a whole and all such authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same.

Set out below is a summary of the regulatory authorisations referred to above which, to MTN Mauritius' knowledge, are required as a result of the Investcom Offer, and the status of such authorisations as at the last practical date.

2.3.2 Regulatory authorisations

In Cyprus, MTN Mauritius is required to notify the CPC of the acquisition of Investcom under the Control of Concentrations between Enterprises Law and to obtain the consent of the CPC in respect thereof. MTN Mauritius intends to notify the CPC as soon as reasonably possible. In light of the fact that MTN Group presently has no operations in Cyprus, the MTN Group Board has no reason to believe that its acquisition of control over the licensee in Cyprus (Areeba Limited) has any anti-competitive implications in Cyprus, and expects the CPC's approval to be granted in due course.

On the advice of local counsel in the various jurisdictions no other regulatory approval or consents are required to be made or obtained in any of the other countries in which Investcom operates.

MTN Group shareholders are advised and cautioned that should the consent of the CPC not be obtained, the Investcom Offer would only fail as a result thereof if the failure to obtain such consent or approval has a material adverse effect on the Investcom group taken as a whole. MTN Mauritius, however, has the right to waive any such non-fulfilment. Should such approval or consent not be obtained and is either not material or is waived by MTN Mauritius, MTN Mauritius will engage with the CPC to agree a satisfactory solution, which may include the disposal of the relevant licence (or Investcom group's interest therein) to a third party satisfactory to the regulator.

MTN Group will communicate to its shareholders through the South African press and on SENS in connection with the fulfillment of the conditions to the Investcom Offer on an ongoing basis. In any event, MTN Group will publish in the South African press and on SENS details of the fulfillment or non-fulfillment (and, if applicable, waiver) of the conditions on Tuesday, 20 June 2006, being the date five business days prior to the general meeting convened to consider, and if deemed fit, to approve the Investcom Offer.

2.4 Sanctions applicable to the Enlarged Group

Information regarding sanctions applicable to certain countries in which the Enlarged Group will have operations has been set out in Annexure 1 to this circular.

2.5 Pro forma financial effects

2.5.1 Pro forma financial effects

The table below sets out, for illustrative purposes only, the unaudited *pro forma* financial effects of the Investcom Offer based on the final audited results of MTN Group for the nine months ended 31 December 2005 and a corresponding nine-month extract from Investcom's published financial statements for the 12-month period ended 31 December 2005. These results were prepared in accordance with International Financial Reporting Standards.

Due to the nature of these *pro forma* financial effects, the table below may not fairly present MTN Group's financial position, changes in equity, results of operations or cash flows, nor does this statement in any way constitute a profit forecast or estimate. Furthermore, it is essential that the table set out below be read in conjunction with the explanatory notes following immediately thereafter. The financial effects statement is the responsibility of the directors of MTN Group.

Because of the retrospective nature of the unaudited *pro forma* financial effects, these financial effects do not appropriately reflect MTN Group's financial position after the Investcom Offer and do not give an indication of MTN Group's future earnings. A simple consolidation of the historical financial effects of MTN Group and Investcom does not appropriately reflect the future prospects of the combined businesses that MTN Group is offering to purchase due to:

- the high annual growth (in excess of 40%) experienced by Investcom over the past two years;
- certain Investcom companies having only commenced operations last year and not contributing to profitability for the *pro forma* period reported on;
- Investcom having increased its effective shareholdings in Yemen and in Sudan since the end of the reported period (31 December 2005);
- the exceptional growth currently being experienced in the cellular industry in emerging markets.

Consequently historical performance is not an appropriate reflection of future prospects.

	Audited Before the acquisition⁽¹⁾	<i>Pro forma</i> After the transaction⁽²⁾⁽³⁾⁽⁴⁾	Percentage change
Headline earnings per MTN Group share (cents)	359.8	280.6	(22.0)
Adjusted headline earnings per MTN Group share (cents) *	338.2	261.5	(22.7)
Attributable earnings per MTN Group share (cents)	352.7	274.9	(22.1)
Diluted headline earnings per MTN Group share (cents)	356.5	278.6	(21.9)
Diluted adjusted headline earnings per MTN Group share (cents)	335.9	259.5	(22.7)
Diluted attributable earnings per MTN Group share (cents)	349.7	272.8	(22.0)
Net asset value per MTN Group share (cents)	1,183.9	1,693.5	43.0
Net tangible asset value per MTN Group share (cents)	818.8	(329.0)	(140.2)
Weighted average number of MTN Group shares (millions)	1,663.2	1,867.5	12.3
Diluted weighted average number of MTN Group shares (millions)	1,677.4	1,881.7	12.2
Number of MTN Group shares in issue at 31 December 2005 (millions)	1,665.3	1,869.6	12.3

* Refer reconciliation of adjusted headline earnings included in the published MTN Group financial statements for the period ended 31 December 2005.

Notes:

- (1) The "Before the acquisition" financial information reflects amounts extracted from the MTN Group audited financial results for the nine-month period ended 31 December 2005 and the audited financial position as reported on that date.
- (2) The "After the transaction" financial information reflects MTN Group's *pro forma* financial results after accounting for a 100% acquisition of Investcom. The following assumptions have been applied in calculating these effects:
 - all Investcom shareholders accepted the Investcom Offer and opted for the Cash and Share Alternative of US\$2.0809 in cash and 0.1807 new MTN Group shares for each Investcom share;
 - up to a maximum of 204,298,809 new MTN Group shares were issued to Investcom shareholders and the balance of the consideration was settled in cash;
 - the Investcom Offer was effective throughout the nine-month period ended 31 December 2005 for attributable earnings, headline earnings and adjusted headline earnings per share;
 - the Investcom Offer was effective at 31 December 2005 for net asset and net tangible asset value per share; and
 - 204,298,809 new MTN Group shares were issued to Investcom shareholders on 1 April 2005 for weighted average, diluted weighted average and total number of ordinary shares.
- (3) A full Purchase Price Allocation review in terms of IFRS 3: Business Combinations, has not been completed as a consequence of the extent of this exercise, and as a result none of the financial effects resulting from such an allocation have been taken into account in the above financial effects, including no amortisation and deferred tax impacts in respect of intangible assets which may arise on the acquisition.
- (4) The change in tangible net asset value per ordinary share "After the transaction" arises from the deduction of assumed goodwill arising on the Investcom Offer. The net asset value of Investcom at 31 December 2005 was R4,814 million.

2.5.2 *Pro forma income statement and balance sheet*

The unaudited *pro forma* balance sheet and income statement of the Enlarged Group for the nine-month period ended 31 December 2005 is set out in Annexure 2 to this circular.

2.5.3 *Joint independent reporting accountants' report*

The joint independent reporting accountants' report on the unaudited *pro forma* financial statements and effects is set out in Annexure 3 to this circular.

3. INFORMATION ON INVESTCOM

3.1 Incorporation and nature of business

Investcom was incorporated in 1994 under the name Investcom Holding (Luxembourg) S.A., as a *Société Anonyme* domiciled in the Grand Duchy of Luxembourg. Investcom is the holding company of the group companies with its head office located in Beirut, Lebanon. In September 2005, Investcom changed its domicile from the Grand Duchy of Luxembourg to the Dubai International Financial Centre in the Emirate of Dubai in the United Arab Emirates. Following the change of its domicile, Investcom's name was changed from Investcom Holding (Luxembourg) S.A. to Investcom LLC. In September 2005, Investcom entered into a deed of exchange with Al Bashair Telecom, agreeing to acquire an additional 40% of the outstanding shares of Spacotel Yemen, increasing Investcom's overall stake to 82.8%. Investcom also agreed to acquire an additional 30% interest in Bashair Telecom Co., its Sudanese subsidiary, increasing Investcom's total stake to 85%. The acquisition of both these additional stakes was in consideration for the issue of Investcom shares to Al Bashair Telecom and was completed on 27 April 2006. In October 2005, Investcom went public with a primary listing on the DIFX and a secondary listing on the LSE.

Investcom is an international provider of mobile telecommunications services with operations in Africa, the Middle East and Europe. Investcom operates six GSM mobile telecommunications networks in Africa, being networks in Benin, Ghana, Guinea-Bissau, Guinea Republic, Liberia and Sudan. In the Middle East, Investcom operates mobile telecommunications networks in Syria and Yemen and in Europe, Investcom operates a GSM 3G mobile telecommunications network in Cyprus. In addition, Investcom has recently been granted a licence to operate a mobile telecommunication network in Afghanistan. Investcom also provides international carrier services, principally through Mediterranean Network SAM in Monaco, and telecommunication engineering and consulting services.

As at 31 December 2005, Investcom had a total of approximately 4.9 million subscribers. For the year ending 31 December 2005, Investcom had revenues of approximately US\$903 million (R5.7 billion) compared to US\$633 million (R4.1 billion) for the prior 12-month period, representing a growth rate of 43%. Investcom reported EBITDA of US\$396 million (R2.5 billion) for the year ended 31 December 2005 compared to US\$279 million (R1.8 billion) for the prior 12-month period, which represents a growth rate of 42%. In line with its strong performance, Investcom reported profit after tax of approximately US\$208 million (R1.3 billion) for the year ended 31 December 2005 compared with approximately US\$165 million (R1.1 billion) reported for the prior 12-month period, representing a growth rate of 26%.

Investcom had a positive net cash position of approximately US\$144 million (R0.9 billion) as at 31 December 2005 compared to net debt of approximately US\$106 million (R0.6 billion) as at 31 December 2004.

The registered address of Investcom is: PO Box 9371, Emirates Towers – Level 35, Sheikh Zayed Road, Dubai, United Arab Emirates.

3.2 Historical financial information

Annexure 4 of this circular contains the published audited historical financial information of Investcom for the three years ended 31 December 2005. Investcom's complete financial information is available for inspection in terms of paragraph 12 below.

3.3 Trading history of Investcom GDSs on the LSE

The trading history of the Investcom GDSs on the LSE is set out in Annexure 5 to this circular. The trading history of the Investcom GDSs on the DFIX has not been disclosed as the GDSs are not as regularly traded on the DFIX as they are on the LSE.

3.4 Material loans

The Investcom group had no material borrowings at the last practicable date. Information on loans to the Investcom Group at 31 December 2005 are set out in Note 26 to the historical financial information of Investcom contained in Annexure 4 to this circular.

3.5 Material contracts

The Investcom group has not entered into any material contracts, other than in the ordinary course of business, during the two-year period immediately preceding the last practicable date.

3.6 Material changes

There have been no material changes to the financial or trading position of the Investcom group since the publication of its financial results for the year ended 31 December 2005.

3.7 Litigation statement

Spacotel Syria is currently in dispute with STE regarding the commencement date under its Build-Operate-Transfer Agreement, which date determines the date from which the level of revenue sharing with STE increases from 30% to 40%. If the STE's contention as to the commencement date is upheld, Spacotel Syria could be required to pay 10% of its gross revenues for the disputed period, which is estimated to be approximately SYP2,422 million (R305 million). Investcom cannot give any assurance as to the settlement or outcome of this dispute.

On 1 May 2006 the Government of the Republic of Benin passed legislation, among others, (i) suspending the regulatory authority for Posts & Telecommunications in Benin; (ii) (in order to make the regulatory authority more professional and representative and to grant it the necessary financial autonomy and independence to fulfill its purpose) abrogating all legislation passed pursuant to certain ordinances relating to telecommunications laws and to the authority of the regulator; and (iii) requiring private operators to pay amounts owing to the public treasury in respect of various duties levied on these operators. The legislation further provides for a re-evaluation of all mobile telecommunications licenses granted to private operators and to inventorise and to take over the partnership contracts between Benin Telecom SA and the private operators by 1 June 2006.

4. INFORMATION ON MTN GROUP

4.1 Incorporation, history and nature of business

MTN Group was incorporated on 23 November 1994 under the name Investment Facility Company Two Six Five (Proprietary) Limited. On 22 June 1995, it changed its name to M-Cell (Proprietary) Limited. M-Cell (Proprietary) Limited was subsequently converted into a public company with effect from 14 July 1995 and listed on the JSE in August 1995 under the name M-Cell Limited. In October 2002, the Company changed its name from M-Cell Limited to MTN Group Limited.

Prior to 2002, Johnnic Communications Limited was the majority shareholder of MTN Group. On 31 March 2002, Johnnic Communications Limited disposed of most of its shareholding in MTN Group, making Johnnic Holdings Limited the majority shareholder, as Johnnic Holdings Limited had acquired a further 21.1% of the equity in MTN Group resulting in an interest of approximately 36.5% as at 31 March 2002. Transnet Limited held approximately 24% of the equity in MTN Group as at 31 March 2002. In 20 June 2003 Johnnic Holdings Limited unbundled approximately 31.9% of its MTN Group shares to its shareholders. In the same

year, Newshelf 664 acquired approximately 18.7% of MTN Group shares from Transnet Limited. Whilst Newshelf 664 has since divested of 4.1% (under a scrip lending arrangement) of its MTN Group shareholding, it remains the single largest shareholder with a 14.6% interest in the Company as at the last practicable date. During the period 1 April 2003 to 31 March 2004, the PIC also acquired 10.3% of the issued share capital of MTN Group and at the last practicable date, the PIC held a 14.3% interest in MTN Group.

In 1994, MTN South Africa was awarded the second national digital GSM licence for cellular telecommunications in South Africa. MTN South Africa commenced its commercial operations as a provider of cellular and communications services in June 1994. Having established itself in South Africa, MTN Group has expanded its mobile and fixed-line telecommunications operations to nine other countries, namely Nigeria, Cameroon, Côte d'Ivoire, Uganda, Rwanda, Botswana, Swaziland, Zambia and the Republic of Congo.

In 1998, MTN Group was awarded GSM licences to provide mobile telecommunications services in Swaziland, Uganda and Rwanda. In addition to the GSM licence awarded to MTN Group in Uganda, MTN Group has the right to operate a fixed line network, which includes fixed wireless terminals and broadband fibre technology.

MTN Group commenced operations in Cameroon during 2000, following the acquisition of the mobile operations of Camtel, a State-owned telecommunications operator. In August 2001, MTN Group commenced operations in Nigeria. At 31 December 2005, MTN Group had a subscriber base of approximately 8.4 million in Nigeria.

In 2005, MTN Group acquired interests in Libertis Telecom S.A. in the Republic of Congo, IranCell Telecommunications Services Company (Joint Stock Company) in Iran, Mascom Wireless Botswana Limited in Botswana, Telecel Zambia Limited in Zambia and Loteny Telecom S.A. in Côte d'Ivoire.

MTN Group is one of the largest GSM operators in Africa covering a population of over 341 million people. It has over 23 million subscribers across the African continent where it provides cellular, satellite and internet access services to 10 African countries and plans to launch its operations in Iran in the second half of this calendar year.

4.2 Prospects

The Enlarged Group will create the clear leader in telecommunications in Africa and the Middle East, with existing operations in 19 countries and a new operation launching in Iran in the second half of 2006.

The MTN Group Board is confident that the Enlarged Group will:

- become a sound platform for growth based on:
 - the expansion of the geographic footprint and access to attractive markets with, in most circumstances, strong market positioning or alternatively opportunities in new, unpenetrated markets;
 - increased and improved diversity of management capacity though Investcom's controlling shareholder and management playing an important part in broadening the experienced management base of MTN Group, particularly in the Middle East; and
 - regionalised hubs with sound pillars in Southern Africa, West and Central Africa, East Africa and the Middle East unlocking regional opportunities in products, services and other resources. In particular there is a contiguous footprint around Ghana and Nigeria in the west;
- be able to leverage synergy opportunities in the areas of:
 - capital expenditure, through group procurement;
 - leveraging product investment and research and development;
 - traffic efficiencies, such as regional and international roaming;
 - indirect costs, such as a single head office and scaling of marketing and branding costs; and
 - best practice sharing on all aspects of the business;

- enable diversification of the Enlarged Group, rebalancing earnings and cash flow which ultimately reduces the overall risk profile. The diversification does not, however, create an unmanageable group of companies as the operations are strategically well-positioned across the African continent and Middle East and across similar time zones.

On the assumption that current market conditions endure, the Board expects the MTN Group to continue to show good subscriber growth, maintaining a strong market position in all of its existing operations and deliver sustainable and increasing medium to long term returns to its shareholders. Capital programs in Nigeria, Iran, Sudan and Afghanistan are expected to provide further impetus to subscriber and revenue growth.

Significant goodwill is expected to arise on the acquisition of Investcom as a result of the premium paid over net asset value as a consequence of the expected profitability of Investcom in the future and the significant synergies expected to arise after the acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

4.3 Share capital and major shareholders

4.3.1 *Authorised and issued share capital*

The authorised and issued share capital of MTN Group, at the last practicable date and after giving effect to the Investcom Offer, on the assumption that full acceptance of the Investcom Offer is received and that the maximum of 204,298,809 new MTN Group shares are issued, is set out below:

	R'000
Before	
<i>Authorised share capital</i>	
2,500,000,000 ordinary shares of 0.01 cent each	250
<i>Issued and fully paid-up share capital</i>	
1,666,947,529 ordinary shares of 0.01 cent each	167
<i>Share premium</i>	
At the last practicable date	14,293,161
Total ordinary shares and share premium	14,293,328
After	
<i>Authorised share capital</i>	
2,500,000,000 ordinary shares of 0.01 cent each	250
<i>Issued and fully paid-up share capital</i>	
1,871,246,338 ordinary shares of 0.01 cent each	187
<i>Share premium</i>	
At the last practicable date	14,293,161
Arising from the Investcom Offer (net of share issue expenses)	12,104,684
Total ordinary shares and share premium	26,398,033

4.3.2 *Major shareholders*

The following MTN Group shareholders beneficially held, directly and indirectly, more than 5% of MTN Group's issued share capital at the last practicable date:

Name	Direct	Indirect	Total	Percentage shareholding
Newshelf 664	243,500,011	–	243,500,011	14.6
PIC	49,931,320	188,001,307	237,932,627	14.3
Old Mutual Group	128,754,490	2,579,318	131,333,798	7.9

The following MTN Group shareholders beneficially held, directly and indirectly, more than 5% of MTN Group's issued share capital at the last practicable date after giving effect to the Investcom Offer, on the assumption that 204,298,809 new MTN Group shares are issued:

Name	Direct	Indirect	Total	Percentage shareholding
Newshelf 664	243,500,011	–	243,500,011	13.0
PIC	49,931,320	188,001,307	237,932,627	12.7
M1	144,274,924	–	144,274,924	7.7
Old Mutual Group	128,754,490	2,579,318	131,333,798	7.0

4.4 Information relating to directors

4.4.1 Directors' emoluments

The following tables set out the emoluments of MTN Group directors paid for the nine months ended 31 December 2005:

Directors	Salary/ Fees R'000	Retirement benefits R'000	Other benefits R'000	Bonuses R'000	Share options R'000	Total R'000
Executive						
P F Nhleko	3,572	300	27	5,000	–	8,899
S L Botha	1,762	226	117	1,250	3,949	7,304
I Charnley	1,462	198	97	1,800	–	3,558
R S Dabengwa	2,194	344	37	2,500	3,258	8,333
R D Nisbet	1,763	226	36	1,900	–	3,925
Total	10,753	1,294	314	12,450	7,207	32,018
Non-executive						
D D B Band	431	–	–	–	–	431
Z N A Cindi	361	–	–	–	–	361
P L Heinemann	473	–	–	–	–	473
M C Ramaphosa	536	–	–	–	–	536
A F van Biljon	448	–	–	–	–	448
J H N Strydom	381	–	–	–	–	381
M A Moses	340	–	–	–	–	340
Total	2,970	–	–	–	–	2,970
Grand total	13,723	1,294	314	12,450	7,207	34,988

There will be no change in the remuneration of any of the directors as a consequence of the Investcom Offer.

4.4.2 *Directors' interests in MTN Group shares*

The direct and indirect beneficial interests of the directors of MTN Group in the issued share capital of MTN Group at the last practicable date were as follows:

Directors	Direct beneficial	Percentage holding
Executive		
P F Nhleko	–	–
S L Botha	–	–
I Charnley	13,800	0.001
R S Dabengwa	–	–
R D Nisbet	611,066	0.037
Total	624,866	0.037
Non-executive		
D D B Band	14,023	0.001
Z N A Cindi	–	–
P L Heinamann	–	–
M C Ramaphosa	–	–
A F van Biljon	–	–
J H N Strydom	–	–
M A Moses	–	–
Total	14,023	0.001
Grand total	638,889	0.038

The direct and indirect beneficial interests of the directors of MTN Group in the issued share capital of MTN Group after giving effect to the Investcom Offer, on the assumption that 204,298,809 new MTN Group shares are issued, will be as follows:

Directors	Direct beneficial	Percentage holding
Executive		
P F Nhleko	–	–
S L Botha	–	–
I Charnley	13,800	0.001
R S Dabengwa	–	–
R D Nisbet	611,066	0.033
Total	624,866	0.033
Non-executive		
D D B Band	14,023	0.001
Z N A Cindi	–	–
P L Heinamann	–	–
M C Ramaphosa	–	–
A F van Biljon	–	–
J H N Strydom	–	–
M A Moses	–	–
Total	14,023	0.001
Grand total	638,889	0.034

- On 24 May 2006, Mr Nhleko entered into an 18-month forward purchase contract with a commercial bank for 4,150,000 MTN Group shares at a forward price of R63.97 per share; and
- On 27 March 2006, Mr Nisbet sold 500,000 MTN Group shares at a price of R63.32 per share.

The directors of MTN Group held no non-beneficial interests in the issued share capital of MTN Group as at the last practicable date.

Newshelf 664 has an economic interest of 309 million MTN Group shares (equivalent to 18.5% of the issued share capital of MTN Group as at the last practicable date). These shares were acquired from Transnet Limited 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 2005, Newshelf 664 had voting rights over 243.5 million MTN Group shares (equivalent to 14.6% of the total voting rights of MTN Group at the last practicable date). Pursuant to a contractual undertaking contained in the original agreements for the funding of Newshelf 664, and as a pre-requisite to the funders entering into the funding agreements, Newshelf 664 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.

All of the ordinary shares in the issued share capital of Newshelf 664 are held by a Trust for the benefit of eligible permanent staff employed by MTN Group and its South African subsidiaries as well as eligible senior staff members in its African operations. Such benefits will vest over the six-year funding period but will only become tradable 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: P F Nhleko and I Charnley. The other trustees, W Lucas-Bull, P M Jenkins and Z Sithole, are independent. All the directors of Newshelf 664 have been appointed by the trust, such directors being: P F Nhleko, I Charnley, R D Nisbet and R S Dabengwa. The directors of Newshelf 664, as well as S L Botha and P D Norman, are also included amongst the eligible employees who are potential beneficiaries of the trust. Consequently, the interests of MTN Group's executive directors and P D Norman in respect of the MTN Group shares held by Newshelf 664 are as follows:

- as a result of being trustees of the trust, P F 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; and
- as a result of being beneficiaries of the trust, the MTN Group executive directors and P D Norman have an indirect, beneficial interest in MTN Group shares which are currently held by Newshelf 664. This beneficial interest is in the form of rights to participate in a pre-determined 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 of MTN Group shares. The participation ratio in the net surplus of Newshelf 664 at the last practicable date for each MTN Group executive director is as follows:

Name	Percentage participation
P F Nhleko	7.93
I Charnley	5.59
R S Dabengwa	5.59
R D Nisbet	5.59
S L Botha	1.16

Subject to the terms of the trust deed, the rights to participate will accrue to the MTN Group executive directors and P D Norman in equal tranches of 16.6666% per annum for six years on the condition that, in the event that any MTN Group executive director or P D Norman, as applicable, 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 MTN Group executive director or P D Norman, as applicable, leaving the employment of the MTN Group.

In addition, the Newshelf 664 directors have exercised an option to participate in 0.23 per cent of the economic benefit attaching to the "B" class redeemable preference shares and the "B" class participating preference shares held by the PIC, as funders to Newshelf 664, for which option the Newshelf 664 directors jointly paid an amount of R5 million. The capital acquisition paid by each Newshelf 664 executive director was as follows:

Name	Amount R
P F Nhleko	1,612,577
I Charnley	1,129,141
R S Dabengwa	1,129,141
R D Nisbet	1,129,141
	5,000,000

The Newshelf 664 directors thus have an indirect beneficial interest in the MTN Group shares acquired by Newshelf 664 to the extent that 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 the proportion that their funding of the preference shares bears to the total PIC funding.

4.4.3 Directors' interests in MTN Group share options

The options issued and exercised during the nine-month period ended 31 December 2005 by the executive directors were as follows:

Directors	Opening balance at 1 April 2005				Closing balance at 31 December 2005				
	Number of options	Allocation date	Offer price (R)	Options issued during the period	Options issued during the period	Exercise price	Exercisable options	Offer price (R)	Exercisable date
P F Nhleko	<u>1,993,700</u>	02/09/2002	9.31	-	-	-	1,993,700	9.31	02/09/2004
I Charnley	<u>100,000</u>	28/09/2001	13.53	-	-	-	100,000	13.53	28/09/2003
	<u>528,900</u>	02/09/2002	9.31	-	-	-	528,900	9.31	28/09/2004
	<u>628,900</u>						<u>682,900</u>	13.53	02/09/2004
								9.31	28/09/2005
								9.31	02/09/2006
								9.31	02/09/2007
S L Botha	<u>959,540</u>	07/07/2003	16.81	-	100,000	56.49	859,540	16.81	07/07/2005
								16.81	07/07/2006
								16.81	07/07/2007
								16.81	07/07/2008
R S Dabengwa	<u>264,560</u>	02/09/2002	9.31	-	66,140	58.60	198,420	27.00	01/12/2005
	<u>291,100</u>	01/12/2003	27.00	-	-	-	291,100	9.31	02/09/2006
	<u>555,660</u>						<u>489,520</u>	27.00	01/12/2006
								9.31	02/09/2007
								27.00	01/12/2007
								27.00	01/12/2008
R D Nisbet	<u>748,640</u>	02/09/2002	9.31	-	-	-	748,640	9.31	02/09/2005
	<u>64,500</u>	01/12/2003	27.00	-	-	-	64,500	27.00	01/12/2005
	<u>813,140</u>						<u>280,740</u>	9.31	02/09/2006
								27.00	01/12/2006
								9.31	02/09/2007
								27.00	01/12/2007
								27.00	01/12/2008

Directors' dealings in MTN Group share options between 1 January 2006 and the last practicable date were as follows:

- on 30 March 2006, Mr Nisbet sold 200,060 MTN Group share options at a price of R62.02 per share; and
- on 29 March 2006, Ms Charnley sold 100,000 MTN Group share options at a price of R61.52 per share.

4.4.4 Directors' interest in transactions

None of the directors had any interests, direct or indirect, in any transaction during the current or immediately preceding financial year or in any earlier financial year which remain in any respect outstanding or unperformed.

4.4.5 Directors' service contracts

No long-term service contracts exist between the Company and its executive directors, with the exception of the service contract of Mr Nhleko, which commenced on 1 July 2002 and terminates on 30 June 2007.

In terms of the current contract between MTN Group and Mr Nhleko, termination of employment is subject to a 30-day written notice period. Discussions are currently underway regarding the extension of this contract of employment.

Mr Nhleko and Mr Nisbet are both precluded under a restraint of trade agreement for a period of two years after leaving the employment of MTN Group from engaging in any business venture, directly or indirectly, which may be deemed to be in competition with MTN Group in mobile telecommunications services in any country where MTN Group operates.

4.5 Loans

Details of all loans to the Group in excess of R250,000,000 have been disclosed in Annexure 6 to this circular. Save as disclosed in paragraph 2.2.1 above and the two loans in excess of R1 billion in Annexure 6 of this circular, there are no material loans.

4.6 Material changes

Save for the Investcom Offer, details of which are set out in this circular, and the release of subscriber numbers for the quarter ended 31 March 2006 on 15 May 2006, there have been no material changes to the financial or trading position of the Group since the publication of its financial results for the nine-month period ended 31 December 2005 on 23 March 2006. The full text of the SENS announcement on subscriber numbers for the quarter ended 31 March 2006, is contained in Annexure 7 of this circular.

4.7 Adequacy of working capital

The directors are of the opinion that MTN Group has sufficient working capital available for its present requirements and that the Enlarged Group will have sufficient working capital for a period of 12 months after the date of approval of this circular.

4.8 Material contracts

Save for the legal agreements in respect of the Investcom Offer, the material loans set out in paragraph 4.5 above and the IranCell transaction set out below, the Group has not entered into any material contracts, other than in the ordinary course of business, during the two-year period immediately preceding the last practicable date or prior to that which remain outstanding in any respect.

On 21 November 2005 it was announced that MTN Mauritius is a 49 percent. shareholder in MTN IranCell. Following the payment of the up-front licence fee of €300 million by MTN Mauritius on behalf of MTN IranCell on 21 November 2005, the second GSM licence was issued to MTN IranCell which licence became effective on 27 November 2005.

4.9 Litigation statement

There are no material legal or arbitration proceedings including any proceedings which are pending or threatened against the Group, which may have, or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of the Group.

4.10 Vendors

M1, Investcom's majority shareholder, has provided MTN Group with an irrevocable undertaking to accept the Investcom Offer and elect for the Cash and Share Alternative in respect of 1,013,572,574 Investcom shares. M1 is a limited liability company solely owned by Messrs Taha Mikati and Najib Mikati, who each own 50% of M1's share capital. M1's registered address is: PO Box 121136, Emirates Towers – Level 35, Sheikh Zayed Road, Dubai, United Arab Emirates. MTN Group has not made any other acquisitions during the three year period immediately preceding the last practicable date, which are material.

5. UNDERTAKINGS, OPINIONS AND RECOMMENDATIONS

- 5.1 M1 has provided MTN Group with an irrevocable undertaking to accept the Investcom Offer and elect for the Cash and Share Alternative in respect of 1,013,572,574 Investcom shares, which represents approximately 70.6% of the ordinary shares of Investcom. The undertaking from M1 will cease to be binding only if the Investcom Offer lapses or is withdrawn.
- 5.2 MTN Group Board is of the opinion that the terms and conditions of the Investcom Offer are fair and reasonable and that the implementation thereof will be to the long-term benefit of MTN Group shareholders. Accordingly, the Board unanimously recommends that MTN Group shareholders vote in favour of the ordinary resolutions to be proposed at the general meeting.
- 5.3 The directors, insofar as they are entitled, intend to vote in favour of the ordinary resolutions to be proposed at the general meeting.

6. GENERAL MEETING

A general meeting of MTN Group shareholders will be held at the registered office of the MTN Group in the Auditorium Phase II, 216 – 14th Avenue, Fairland, South Africa at 10:00 on Tuesday, 27 June 2006 in order to consider and if deemed fit, approve, with or without modification, the ordinary resolutions set out in the notice of general meeting and which are necessary to implement the Investcom Offer.

A notice of general meeting is attached to and forms part of this circular.

If you hold certificated MTN Group shares or hold dematerialised MTN Group shares in your own name, and are unable to attend the general meeting of MTN Group shareholders, and wish to be represented thereat, you should complete and return the enclosed form of proxy (pink) in accordance with the instructions therein, and lodge it with the transfer secretaries of MTN Group, whose details are contained herein, by not later than 10:00 on Friday, 23 June 2006.

If you do not hold your dematerialised MTN Group shares in your own name and wish to attend the general meeting or to vote by way of proxy, you must request your CSDP or broker to furnish you with the necessary authority to attend the general meeting or to be represented thereat by proxy. This must be done in terms of the custody agreement between the shareholders and their CSDP or broker.

7. APPLICATION FOR LISTING

Up to a maximum of 204,298,809 MTN Group shares will be issued in respect of the Investcom Offer. An application for the listing of these MTN Group shares will be submitted to the JSE following MTN Group shareholder approval of the Investcom Offer. These shares will be listed as and when they are issued pursuant to the Investcom Offer.

8. AMENDMENTS TO INVESTCOM'S ARTICLES OF ASSOCIATION

MTN Group has undertaken to the JSE that, to the extent permitted by applicable law, it will amend Investcom's articles of association in accordance with the Listings Requirements within a reasonable timeframe following the implementation of the Investcom Offer. This will be subject to Investcom shareholder approval, if required.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of MTN Group, whose names appear on, page 15 of this circular accept full responsibility for the accuracy of the information given in this circular and certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement in this circular false or misleading, and that they have made all reasonable inquiries in this regard, and that the circular contains all information required by law and the Listings Requirements. The information relating to Investcom and persons acting in concert with it contained in Section 3 of this circular (save for the information set forth in paragraph 3.3) and, save for the disclosure set forth in "Financial Operations Overview", the information relating to Investcom contained in Annexure 4 hereof has been extracted from the Offer Document to Investcom shareholders dated 23 May 2006. The directors of MTN Group are responsible for correctly extracting such information from the Offer Document.

10. EXPERTS' CONSENTS

The joint financial advisers, transactional sponsor, legal advisers, joint independent reporting accountants and auditors, sponsor and transfer secretaries have consented in writing to act in the capacities stated and to their names being stated in this circular and had not withdrawn their consents prior to the publication of this circular.

PricewaterhouseCoopers Inc. and SizweNtsaluba VSP, the joint independent reporting accountants and auditors, have consented to the inclusion of their report in the circular.

The consent letters are available for inspection in terms of paragraph 12 below.

11. COSTS

The estimated cost to MTN Group of implementing the Investcom Offer is approximately R112 million (excluding VAT), which includes:

- R65 million to Deutsche Securities (SA) (Proprietary) Limited for advisory fees;
- R19 million to First Africa (SA) (Proprietary) Limited for advisory fees;
- R13 million to Freshfields Bruckhaus Deringer for legal fees;
- R8 million to Webber Wentzel Bowens for legal fees;
- R0.2 million to PricewaterhouseCoopers Inc. as the independent reporting accountants and auditors;
- R2.5 million to Ernst & Young for due diligence fees;
- R0.9 million to Cleary Gottlieb Steen & Hamilton LLP for due diligence fees;
- R1 million in JSE documentation inspection and listing fees;
- R0.2 million to Ince (Proprietary) Limited for the typesetting and printing of this circular; and
- R1.8 million to the Dubai Financial Services Authority.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by MTN Group shareholders from Monday, 12 June 2006 to Tuesday, 27 June 2006 during normal business hours on business days, at the registered office of MTN Group:

- 12.1 the memorandum and articles of association of MTN Group;
- 12.2 memorandum and articles of association of MTN Mauritius;
- 12.3 the articles of association of Investcom;
- 12.4 the document containing the Investcom Offer made to Investcom shareholders;
- 12.5 a signed copy of the Deed of Warranty and Undertaking described in paragraph 2.2.4 above;
- 12.6 a signed copy of the Deed of Covenant described in paragraph 2.2.5 above;
- 12.7 a signed copy of the Exclusivity Letters described in paragraph 2.2.3 above;
- 12.8 the published audited consolidated accounts of MTN Group for the three most recent financial years;
- 12.9 the published audited consolidated accounts of Investcom for the three most recent financial years;
- 12.10 a copy of the service contract referred to in paragraph 4.4.5 above;
- 12.11 a copy of the MTN Group Share Trust;
- 12.12 copies of sworn appraisals of fixed properties;
- 12.13 a signed copy of the written irrevocable undertaking to accept the Investcom Offer from M1 as referred to in paragraph 5.1 above;
- 12.14 the joint independent reporting accountants' report on the unaudited *pro forma* financial information and the *pro forma* financial effects of MTN Group as reproduced in Annexure 3 to this circular;
- 12.15 a signed copy of this circular; and
- 12.16 the consent letters from the joint financial advisers, transactional sponsor, legal advisers, joint reporting accountants and auditors, sponsor and transfer secretaries whose names appear on the inside front cover of this circular.

By order of the MTN Group Board

S B Mtshali
Group Secretary

Fairland
12 June 2006

Registered office
216 – 14th Avenue
Fairland, 2195
South Africa
(Private Bag 9955, Cresta, 2118)

SANCTIONS APPLICABLE TO THE ENLARGED GROUP

As of May 2006, MTN Group has mobile telecommunications operations in Côte d'Ivoire and plans to launch operations in Iran in the second half of this calendar year and Investcom has mobile telecommunications operations in Liberia, Sudan and Syria among other countries. Côte d'Ivoire, Liberia, Sudan and Syria together, the "Sanctioned Countries", accounted for 2.40%, 0.44%, 0.42% and 6.29%, respectively, of the Enlarged Group's *pro forma* consolidated revenues for the nine-month period ended 31 December 2005.

OFAC promulgates and administers economic sanctions regulations codified in the OFAC Regulations against designated foreign countries and individuals. The BIS administers the EAR, which restricts the export and re-export of certain US-origin goods, technology and software to certain countries. The OFAC Regulations impose economic sanctions of varying degrees on each Sanctioned Country that prohibit US persons from engaging in any transaction, including investments, with any person located in or formed under the law of Iran, Sudan, any national or local governmental authority of such country, any person designated in the list of SDNs and any person owned or controlled by, or acting or purporting to act for, any such person.

The MTN Group Board does not believe that the restrictions imposed under the OFAC Regulations and the EAR should not apply to the Investcom Offer, MTN Group, Investcom or entities within the MTN Group or the Investcom group engaged in business activities in the Sanctioned Countries because, among other things, (i) business activities with the Sanctioned Countries by non US-persons are not generally prohibited under the OFAC Regulations, (ii) no sanctioned government entity or SDN is involved in the Investcom Offer or such business activities, (iii) we understand that MTN Group and Investcom do not generally export items of U.S. origin or other items controlled under the EAR to the Sanctioned Countries and (iv) the Investcom Offer will not result in any new funds being provided or made available for MTN Group or Investcom operations in any Sanctioned Country.

However, the MTN Group Board cannot predict with confidence OFAC's interpretation of the OFAC Regulations or the interpretation by BIS of the EAR with regard to these countries, and it is possible that OFAC or BIS may take a different view regarding the measures MTN Group or Investcom have taken or the status of their groups. The imposition of any OFAC or BIS sanctions or designation by OFAC of individuals or entities within the Enlarged Group as SDNs may result in U.S. persons or affiliates associated therewith, including US persons who may own shares in the Enlarged Group, being subject to restrictions and penalties, including having their MTN Group shares frozen. These sanctions could also have a material adverse effect on the Enlarged Group's business, financial condition and the results of its operations.

In addition, Syria's relations with the US have deteriorated in recent years and in 2003 the US enacted the Syria Accountability Act, which contemplated the potential imposition of a number of economic sanctions and export controls on Syria, some of which have already been imposed, including a general prohibition of US exports to Syria, except for food and medicine, and a prohibition of flights from Syria to the US.

In addition to the OFAC Regulations, the EAR and the Syria Accountability Act discussed above, the Enlarged Group and its operating companies may be subject to or seek to comply with laws, regulations and policies with worldwide applications (including regulations promulgated by the UN, the EU and the OECD) in respect of business transacted in or with countries with respect to which the UN, the EU and the OECD, among others, may have implemented economic or trade sanctions or export controls that govern and/or affect where and how the business of the Enlarged Group and its operating companies may be conducted. In addition, the Enlarged Group's shareholders, shareholders of its operating companies, lenders, suppliers or other entities with which it and its operating companies conduct business may be subject to or seek to comply with these laws, regulations and policies. There can be no assurance that compliance issues under UN, EU or OECD regulations or policies or similar laws and regulations will not arise with respect to the Enlarged Group, its operating companies or other persons acting on its or their behalf or with which it or its operating companies conduct business. Non-compliance with current or future applicable laws and regulations could result

in civil or criminal liability for the Enlarged Group, its operating companies and/or its directors or the imposition of significant fines, as well as negative publicity and reputational damage. In addition, the MTN Group Board cannot predict what effect subsequent changes in the laws or regulation may have on the Enlarged Group's business. Any of the foregoing could have a material adverse effect on the Enlarged Group's business, financial condition or the results of operations.

UNAUDITED *PRO FORMA* FINANCIAL STATEMENTS OF MTN GROUP

The unaudited *pro forma* balance sheet and income statement of MTN Group for the nine-month period ended 31 December 2005 are set out below. The unaudited *pro forma* consolidated balance sheet and income statement have been prepared for illustrative purposes only to provide information on how the Investcom Offer would have impacted the financial position and results of MTN Group. Because of their nature, the unaudited *pro forma* balance sheet and income statement may not be a fair reflection of MTN Group's financial position after the Investcom Offer, nor of its future earnings. The directors of MTN Group are responsible for the preparation of the unaudited *pro forma* financial information.

Because of the retrospective nature of the unaudited *pro forma* financial effects, these financial effects do not appropriately reflect MTN Group's financial position after the Investcom Offer and do not give an indication of MTN Group's future earnings. A simple consolidation of the historical financial effects of MTN Group and Investcom does not appropriately reflect the future prospects of the combined businesses that MTN Group is offering to purchase due to:

- the high annual growth (in excess of 40%) experienced by Investcom over the past two years;
- certain Investcom companies having only commenced operations last year and not contributing to profitability for the *pro forma* period reported on;
- Investcom having increased its effective shareholdings in Yemen and in Sudan since the end of the reported period (31 December 2005); and
- the exceptional growth currently being experienced in the cellular industry in emerging markets.

PRO FORMA INCOME STATEMENTS

R'million	MTN Group (Note 2)	Investcom (Note 3)	Adjustments (Note 4)	Unaudited <i>Pro forma</i> After the Investcom Offer (Note 1)
Revenue	27,212	4,670	–	31,882
Direct network operating costs	(1,992)	(1,252)	–	(3,244)
Cost of handsets and other accessories	(2,717)	(12)	–	(2,729)
Interconnect and roaming	(3,736)	(665)	–	(4,401)
Employee benefit costs	(1,310)	(205)	–	(1,515)
Selling, distribution and marketing expenses	(4,736)	(137)	–	(4,873)
Other expenses	(1,490)	(514)	–	(2,004)
Depreciation	(2,497)	(540)	–	(3,037)
Amortisation of intangible assets	(256)	(72)	–	(328)
Net finance costs	(373)	(45)	(1,693)	(2,111)
Share of results of associates	10	88	–	98
Profit before tax	8,115	1,316	(1,693)	7,738
Income tax expense	(1,411)	(316)	–	(1,727)
Profit for the period	6,704	1,000	(1,693)	6,011
Attributable to:				
Equity holders of the Company	5,866	960	(1 693)	5,133
Minority interests	838	40	–	878
Profit for the period	6,704	1,000	(1,693)	6,011
Weighted average shares in issue (million)	1,663.2			1,867.5
Earnings per share (cents)	352.7			274.9
Headline earnings per share (cents)	359.8			280.6
Adjusted headline earnings per share (cents)	338.2			261.5
Diluted earnings per share (cents)	349.7			272.8
Diluted headline earnings per share (cents)	356.5			278.6
Diluted adjusted headline earnings per share (cents)	335.9			259.5

Notes:

- (1) The unaudited *pro forma* financial information reflects MTN Group's *pro forma* financial results after accounting for a 100% acquisition of Investcom. The following assumptions have been applied:
 - the acquisition was effective throughout the nine-month period ended 31 December 2005;
 - all Investcom shareholders accepted the Investcom Offer and opted for the Cash and Share Alternative of US\$2.0809 in cash and 0.1807 new MTN Group shares for each Investcom share;
 - up to a maximum of 204,298,809 new MTN Group shares were issued to Investcom shareholders and the balance of the consideration was settled in cash; and
 - a full Purchase Price Allocation (“PPA”) review in terms of IFRS 3: Business Combinations, has not been completed, as a consequence of the extent of such an exercise. In the absence of this exercise and for purposes of the *pro forma* financial information, the excess of the fair value of the Investcom Offer consideration relative to the carrying value of the assets and liabilities of Investcom reflected in its audited financial statements at 31 December 2005, has been allocated to goodwill. Following the PPA review, a portion of the excess may be allocated to tangible and other intangible assets, which will be depreciated or amortised over their expected useful lives, including the deferred taxation impacts thereon. Goodwill will be assessed on an annual basis for impairment.
- (2) Extracted from the MTN Group audited results for the nine-month period ended 31 December 2005.
- (3) Extracted from the management accounts of Investcom used in the preparation of Investcom's audited results for the 12 months ended 31 December 2005. The dollar-denominated results were converted to Rand at a Rand/Dollar exchange rate of R6.47/US\$1, representing the average rate for the nine months to 31 December 2005.

(4) Represents interest and costs of raising finance used to settle the cash portion of the Investcom Offer consideration at an average rate of 8.91% per annum. These financing costs include hedging transaction costs of R159 million, also relating to the settlement of the cash portion of the consideration. It has been assumed that additional financing costs incurred are not tax deductible.

(5) All financial effects, with the exception of the hedging transaction costs of R159 million, have an ongoing effect.

PRO FORMA BALANCE SHEETS

R'million	MTN Group (Note 2)	Investcom (Note 3)	Investcom Offer Consideration (Note 4)	Consolidation adjustments (Note 5)	Unaudited Pro forma After the Investcom Offer (Note 1)
ASSETS					
Non-current assets	31,136	5,232	34,341	(4,814)	65,895
Property, plant and equipment	20,676	2,656	–	–	23,332
Goodwill	2,650	10	34,341	(4,814)	32,187
Other intangible assets	4,057	2,195	–	–	6,252
Investments in associates	54	370	–	–	424
Financial assets held at fair value through profit or loss	312	–	–	–	312
Loans and other non-current assets	2,001	1	–	–	2,002
Deferred income tax assets	1,386	–	–	–	1,386
Current assets	13,676	3,945	(331)	–	17,290
Other current assets	6,116	1,098	–	–	7,214
Restricted cash	338	–	–	–	338
Cash and cash equivalents	7,222	2 847	(331)	–	9,738
Total assets	44,812	9,177	34,010	(4,814)	83,185
EQUITY					
Share capital and reserves	19,716	4,814	11,945	(4,814)	31,661
Minority interests	3,380	846	–	–	4,226
Total equity	23,096	5,660	11,945	(4,814)	35,887
LIABILITIES					
Non-current liabilities	9,765	1,150	22,065	–	32,980
Borrowings	7,505	454	22,065	–	30,024
Deferred income tax liabilities	853	98	–	–	951
Other non-current liabilities	1,407	598	–	–	2,005
Current liabilities	11,951	2,367	–	–	14,318
Non-interest bearing liabilities	10,851	1,422	–	–	12,273
Interest bearing liabilities	1,100	945	–	–	2,045
Total liabilities	21,716	3,517	22,065	–	47,298
Total equity and liabilities	44,812	9,177	34,010	(4,814)	83,185
Shares in issue (million)	1,665.3				1,869.6
Net asset value per share (cents)	1,183.9				1,693.5
Net tangible asset value per share (cents)	818.8				(329.0)

Notes:

- (1) The unaudited *pro forma* financial information reflects MTN Group's *pro forma* financial position after accounting for a 100% acquisition of Investcom, based on the following assumptions:
 - the acquisition was effective as at 31 December 2005;
 - all Investcom shareholders accepted the Investcom Offer and opted for the Cash and Share Alternative of US\$2.0809 in cash and 0.1807 new MTN Group shares for each Investcom share;
 - up to a maximum of 204,298,809 new MTN Group shares were issued to Investcom shareholders at R59.25 per MTN Group share and the balance of the consideration was settled in cash; and
 - a full Purchase Price Allocation ("PPA") review in terms of IFRS 3: Business Combinations, has not been completed, as a consequence of the extent of such an exercise. In the absence of this exercise and for purposes of the *pro forma* financial information, the excess of the fair value of the Investcom Offer consideration relative to the carrying value of the assets and liabilities of Investcom reflected in its audited financial statements at 31 December 2005, has been allocated to goodwill. Following the PPA review, a portion of the excess may be allocated to tangible and other intangible assets.
- (2) Extracted from the MTN Group audited results for the nine-month period ended 31 December 2005.
- (3) Extracted from the management accounts of Investcom used in the preparation of Investcom's audited results for the 12 months ended 31 December 2005. The dollar-denominated financial position was converted to Rand at a Rand/Dollar exchange rate of R6.31/US\$1, representing the closing rate at 31 December 2005.
- (4) Represents the settlement of the purchase consideration and costs directly attributable to the acquisition, assuming that the purchase consideration was partially settled by an MTN Group equity issuance and partly in cash. The cash consideration was financed by new interest-bearing debt facilities.

The determination of the fair value of the Investcom Offer consideration shall be determined on the effective date of the acquisition and shall be impacted by the market price per MTN Group share and the Rand/Dollar exchange rate on such date.

- (5) Represents the acquisition consolidation adjustments.

JOINT INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION AND THE *PRO FORMA* FINANCIAL EFFECTS OF MTN GROUP

"The Directors
MTN Group Limited
216 – 14th Avenue
Fairland, 2195
South Africa

Dear Sirs

LIMITED ASSURANCE REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE *PRO FORMA* FINANCIAL INFORMATION RELATING TO THE INVESTCOM OFFER

Introduction

MTN Group Limited ("MTN Group") has offered to acquire ("the Investcom Offer") the entire issued share capital of Investcom LLC ("Investcom") from the Investcom shareholders.

We have performed our limited assurance engagement in respect of the *pro forma* income statement, balance sheet and financial effects ("the *pro forma* financial information") set out in Annexure 2 and paragraph 2.5.1 of the circular to the shareholders of MTN Group, dated 12 June 2006 ("the Circular") and issued in connection with the Investcom Offer. The *pro forma* financial information has been prepared in accordance with the Listings Requirements of the JSE Limited ("the JSE"), for illustrative purposes only, to provide information about how the Investcom Offer might have affected the reported historical financial information of MTN Group, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors' responsibility

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of MTN Group and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the Circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and the *Guide on Pro forma Financial Information* issued by SAICA.

The standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of MTN Group, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of MTN Group in respect of the Investcom Offer.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of MTN Group and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing or International Standards on Review Engagements* and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of MTN Group;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of Sections 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully,

PricewaterhouseCoopers Inc
Registered Accountants and Auditors
Chartered Accountants (South Africa)

2 Eglin Road
Sunninghill
2157

5 June 2006

SizweNtsaluba VSP
Registered Accountants and Auditors
Chartered Accountants (South Africa)

1 Woodmead Drive
Woodmead Estate
Woodmead
2191

5 June 2006"

HISTORICAL FINANCIAL INFORMATION OF INVESTCOM

The financial information contained in Section 3 of this circular (save for the information set forth in paragraph 3.3) and, save for the disclosure set forth in "Financial Operations Overview", the information relating to Investcom contained in this Annexure 4 has been extracted from the Offer Document to Investcom shareholders dated 23 May 2006. The directors of MTN Group are responsible for correctly extracting such information from the Offer Document. Ernst and Young (Luxembourg) has audited and expressed an unqualified opinion on the 2003 and 2004 financial statements. Ernst and Young (Dubai) has audited and expressed an unqualified opinion on the 2005 financial statements. The 2005 audited annual report is available on Investcom's website at the following address: www.investcomholding.com

FINANCIAL OPERATIONS OVERVIEW

Gross operating revenues

Investcom's gross operating revenues comprise revenues from mobile telephony services, including sales of handsets, international telephony services, including international carrier and fixed telephony services and other services (including engineering and consulting). For the year ended 31 December 2005, Investcom had gross operating revenues of US\$903.3 million, compared with US\$632.8 million for the year ended 31 December 2004 and US\$408.2 million for the year ended 31 December 2003. This increase year-on-year was primarily due to the increase in Investcom's mobile customer base and increased mobile usage, combined with increased international traffic volumes, which was partially offset by a decline in tariffs for international traffic, in line with trends in the international carrier market.

For the three-year period ended 31 December 2005, Investcom's gross operating revenues do not include Investcom's share of revenues from Spacotel Yemen, which was historically accounted for under the equity method of accounting and reflected in share of results of associates. In September 2005, Investcom entered into a deed of exchange with Al Bashair Telecom, pursuant to which Investcom agreed to acquire an additional 40% stake in Spacotel Yemen, taking Investcom's overall stake in Spacotel Yemen to approximately 82.8%. The acquisition was completed in April 2006 and the operations and results of Spacotel Yemen will be consolidated in Investcom's 2006 consolidated financial results.

Gross operating revenue generated by Investcom's mobile telephony services represented 90% of gross operating revenues in 2005, compared with 87% in 2004 and 83% in 2003. Gross operating revenue generated by Investcom's international and fixed telephony services declined during the course of 2005 compared with 2004, representing 9% of gross operating revenues in 2005, compared with 13% in 2004 and 15% in 2003. Gross operating revenues from other services were US\$5.5 million in the year ended 31 December 2005, compared to US\$2.1 million in 2004 and US\$6.3 million in 2003. The increase in 2005 was mainly due to the acquisition of Inteltec in April 2005. Inteltec contributed US\$1.6 million to Investcom's consolidated gross operating revenue for the year ended 31 December 2005, being the year in which it was consolidated.

Gross operating costs

Investcom's gross operating costs consist of the costs of SIM and recharge cards, the costs of handsets, commissions, the costs of mobile interconnection, revenue sharing, spectrum frequency and technical costs, costs of international carrier interconnection, site costs and other costs. Investcom's gross operation costs for the year ended 31 December 2005 were US\$358.6 million compared with US\$252.0 million in 2004 and US \$193.8 in 2003. This increase was primarily due to the increase in gross operating revenues.

Gross profit

For the year ended 31 December 2005, Investcom realised gross profit of US\$544.8 million, compared with US\$380.8 million for the year ended 31 December 2004 and US\$214.4 million for the year ended 31 December 2003.

General and administrative expenses

In 2005, Investcom had general and administration expenses, which consist of staff costs, selling and marketing costs, office general expenses, professional and consultancy expenses and other expenses, amounting to US\$147.5 million, compared with US\$99.2 million in 2004 and US\$54.5 million in 2003. This was primarily due to regular salary increases and the addition of staff, increased marketing and advertisement spending resulting from the growth of existing businesses and the establishment of new businesses, and increased business development and financing activities in connection with new operations.

EBITDA

EBITDA for the year ended 31 December 2005 amounted to US\$395.8 million, compared to US\$278.9 million for the year ended 31 December 2004 and US\$158.2 million for the year ended 31 December 2003. Investcom's consolidated EBITDA margin for the year ended 31 December 2005 was 44%, equal to that achieved during the same period in 2004 and was 39% for the year ended 31 December 2003.

Profit after tax

Profit after tax for the year ended 31 December 2005 was US\$207.8 million compared to US\$158.2 million in 2004 and US\$87.7 million in 2003, representing an increase of 31% in 2005, 80% in 2004. Note that this excludes the positive effect in profit after tax in 2004 due to a one-off gain of US\$7.1 million resulting from the disposal of Mobinvest.

CONSOLIDATED INCOME STATEMENTS

For the years ended 31 December

	Notes	2005 US\$	2004 US\$	2003 US\$
Gross operating revenue	4	903,325,146	632,797,411	408,172,228
Gross operating costs	5	(358,561,433)	(252,008,524)	(193,770,682)
GROSS PROFIT		544,763,713	380,788,887	214,401,546
Other operating income		1,850,169	1,420,384	2,079,837
General administrative expenses	6	(147,480,787)	(99,152,306)	(54,478,033)
Depreciation, amortisation and goodwill written-off	11,12	(116,788,205)	(57,835,695)	(39,235,710)
Provisions for doubtful receivables		(3,186,494)	(4,104,868)	(2,092,297)
Doubtful debts written-off		(142,063)	(31,961)	(1,724,359)
PROFIT FROM OPERATIONS		279,016,333	221,084,441	118,950,984
Finance revenue	7	9,799,937	4,316,895	2,709,954
Finance costs	7	(19,725,552)	(9,864,585)	(6,369,753)
(Loss)/Gain on exchange		(2,103,596)	222,599	(1,807,272)
Share of results of associates	13	16,259,022	9,637,107	4,859,944
Provisions	24	(7,386,589)	–	–
Net gain/(loss) on sale of investment in subsidiaries	8	(103,945)	5,237,619	(5,538,471)
Negative goodwill arising from acquisition of subsidiaries	13	1,543,101	–	–
Gain/(Loss) on sale of held for trading securities		82,370	50,538	(12,100)
PROFIT BEFORE TAXATION		277,381,081	230,684,613	112,793,286
Income tax expense	9	(69,544,135)	(65,399,307)	(25,047,704)
NET PROFIT FOR THE YEAR		207,836,946	165,285,306	87,745,582
Attributable to:				
Equity holders of the parent		195,876,476	148,094,803	77,290,315
Minority interests		11,960,470	17,190,503	10,455,267
Basic earnings per share	10	0.16	0.12	0.06

CONSOLIDATED BALANCE SHEETS

As at 31 December

	Notes	2005 US\$	2004 US\$	2003 US\$
ASSETS				
Non-current assets				
Intangible assets	11	348,984,045	267,474,664	41,110,402
Property, plant and equipment	12	420,423,953	281,310,052	199,052,021
Investments in associates	13	58,602,189	41,308,178	8,975,181
Long-term accounts receivable		78,027	81,197	7,795,355
Available for sale securities	14	80,208	662,860	2,624,673
		828,168,422	590,836,951	259,557,632
Current assets				
Inventories	15	4,762,553	4,676,593	3,817,582
Accounts receivable and pre-payments	16	166,479,076	111,202,195	73,394,230
Held for trading securities	17	2,601,543	1,424,389	1,467,172
Bank balances and cash	18	450,619,409	116,210,871	49,800,403
		624,462,581	233,514,048	128,479,387
Total assets		1,452,631,003	824,350,999	388,037,019
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	19	66,427,428	20,000,000	7,500,000
Share premium	20	296,737,327	–	–
Statutory reserve	21	2,000,000	2,000,000	750,000
Foreign currency translation reserve	22	(4,987,308)	(6,660,519)	10,654,704
Retained earnings	23	206,159,799	113,064,996	65,061,598
Result for the year		195,876,476	148,094,803	77,290,315
Attributable to equity holders of the parent		762,213,722	276,499,280	161,256,617
Minority interests		133,863,147	118,903,906	21,682,940
Total equity		896,076,869	395,403,186	182,939,557
Non-current liabilities				
Provisions	24	539,253	81,398	13,687
Long-term accounts payable	25	93,926,479	68,039,630	19,981,169
Term loans	26	71,899,256	15,832,310	20,350,325
Deferred income tax liability	27	15,537,947	15,371,030	5,027,138
		181,902,935	99,324,368	45,372,319
Current liabilities				
Accounts payable and accruals	28	179,823,986	134,532,038	94,268,341
Taxes payable	9	21,892,541	37,075,365	23,180,285
Bank overdrafts	18	74,756,019	106,763,912	13,322,490
Amounts due to shareholders	29	8,398,207	5,138,399	13,382,290
Current portion of term loans	26	42,644,470	12,283,715	8,556,701
Current portion of long-term accounts payable	25	23,770,364	19,411,796	5,533,552
Other current liabilities	30	23,365,612	14,418,220	1,481,484
		374,651,199	329,623,445	159,725,143
Total equity and liabilities		1,452,631,003	824,350,999	388,037,019

CONSOLIDATED CASH FLOW STATEMENTS

For the years ended 31 December

	Notes	2005 US\$	2004 US\$	2003 US\$
OPERATING ACTIVITIES				
Profit before taxation		277,381,081	230,684,613	112,793,286
Adjustments for:				
Share of results of associates	13	(16,259,022)	(9,637,107)	(4,859,944)
Provisions	24	7,386,589	–	–
Depreciation, amortisation and goodwill written off	11,12	116,788,205	57,835,695	39,235,710
Provisions for doubtful debts		3,186,494	4,104,868	2,092,297
Doubtful debts written-off		142,063	31,961	1,724,359
Loss/(Gain) on sale of subsidiaries (net)	8	103,945	(5,237,619)	5,538,471
(Gain)/Loss on disposal of held for trading securities		(82,370)	(50,538)	12,100
Negative goodwill arising from acquisition of subsidiaries	13	(1,543,101)	–	–
Finance income	7	(9,799,937)	(4,316,895)	(2,709,954)
Finance cost	7	19,725,552	9,864,586	6,369,753
Operating profit before working capital changes:		397,029,499	283,279,564	160,196,078
Inventories		(85,960)	(859,011)	(2,668,996)
Receivables		(33,826,650)	(19,539,260)	(32,049,050)
Payables		32,128,001	52,330,698	65,820,800
Cash from operations		395,244,890	315,211,991	191,298,832
Taxation paid		(69,302,025)	(44,172,640)	(23,114,200)
Net cash from operating activities		325,942,865	271,039,351	168,184,632
INVESTING ACTIVITIES				
Disposal of investments, net of (cash)/ overdraft disposed of	8	–	(5,730)	(3,075,714)
Acquisition of a subsidiary, net of cash acquired	8	1,181,926	(100,650,000)	–
Acquisition of investment in associates	13	(40,658,770)	(28,045,997)	–
Disposal of investment in associates	13	27,783,987	957,906	–
Purchases of property, plant and equipment	12	(257,134,201)	(155,823,030)	(119,935,281)
Proceeds from disposal of property, plant and equipment		2,568,626	–	–
Purchases of held for trading securities		(1,094,785)	93,320	(1,429,856)
Proceeds from disposal of held for trading securities		–	–	613,557
Proceeds from disposal of available for sale securities		478,706	7,199,419	31,183
Advance payments on assets purchased		(24,778,789)	(19,150,002)	(5,174,769)
Purchase of intangible assets	11	(85,281,504)	(39,255,185)	(29,668,531)
Acquisition of additional shares in a subsidiary		–	(1,753,987)	(1,560,637)
Minority's share of increase in capital of a subsidiary		–	–	5,211,917
Dividend income from associates	13	11,347,680	3,280,222	116,544
Finance income	7	9,799,937	4,316,895	2,709,954
Net cash used in investing activities		(355,787,187)	(328,836,169)	(152,161,633)

CONSOLIDATED CASH FLOW STATEMENTS (continued)

For the years ended 31 December

	Notes	2005 US\$	2004 US\$	2003 US\$
FINANCING ACTIVITIES				
Proceeds from term loans	26	93,324,805	25,615,042	22,676,218
Repayment of term loans	26	(5,380,129)	(3,725,055)	(13,687,063)
Proceeds from long-term accounts payable	25	53,273,485	52,241,939	1,376,142
Repayment of long-term accounts payable	25	(16,373,569)	(15,056,996)	–
Proceeds from long-term receivables		3,172	7,714,158	29,040
Receipts from/(Repayments to) shareholders	29	3,259,808	(8,243,891)	(6,796,810)
Distribution of dividends		(15,000,000)	(15,600,000)	–
Finance costs		(19,725,552)	(9,864,586)	(6,369,753)
Minority's share in dividends distributed by subsidiaries	7	(2,885,035)	(1,335,628)	–
Increase in share capital		303,164,755	–	–
Net cash from financing activities		393,661,740	31,744,983	(2,772,226)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
		363,817,418	(26,051,835)	13,250,773
Net foreign exchange difference		2,599,013	(979,119)	(3,094,400)
Cash and cash equivalents at the beginning of the year	18	9,446,959	36,477,913	26,321,540
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
	18	375,863,390	9,446,959	36,477,913

CONSOLIDATED STATEMENTS IN CHANGES IN EQUITY
For the years ended 31 December

	Notes	Share capital US\$	Share premium US\$	Statutory reserve US\$	Foreign currency translation reserve US\$	Retained earnings US\$	Total US\$	Minority interest US\$	Total equity US\$
Balance at 31 December 2002		7,500,000	-	750,000	13,655,084	65,061,598	86,966,682	12,810,164	99,776,846
Currency translation differences		-	-	-	(3,155,918)	-	(3,155,918)	(288,522)	(3,444,440)
Net profit for 2003		-	-	-	-	77,290,315	77,290,315	10,455,267	87,745,582
Shares acquired from minority		-	-	-	-	-	-	(1,560,637)	(1,560,637)
Increase in capital of a subsidiary		-	-	-	-	-	-	5,211,917	5,211,917
Subsidiaries disposed		-	-	-	-	-	-	(4,945,249)	(4,945,249)
Currency translation reserve realised		-	-	-	155,538	-	155,538	-	155,538
Balance at 31 December 2003		7,500,000	-	750,000	10,654,704	142,351,913	161,256,617	21,682,940	182,939,557
Currency translation differences		-	-	-	(17,315,223)	-	(17,315,223)	(776,779)	(18,092,002)
Net profit for 2004		-	-	-	-	148,094,803	148,094,803	17,190,503	165,285,306
Total income and expenses for 2004		-	-	-	(17,315,223)	148,094,803	130,779,580	16,413,724	147,193,304
Issuance of share capital	19	12,500,000	-	-	-	(12,500,000)	-	-	-
Transfer to legal reserves	20	-	-	1,250,000	-	(1,250,000)	-	-	-
Distribution of dividends		-	-	-	-	(15,600,000)	(15,600,000)	-	(15,600,000)
Impact of newly acquired subsidiary		-	-	-	-	-	-	81,708,126	81,708,126
Shares acquired from minority		-	-	-	-	-	-	(71,361)	(71,361)
Dividends of subsidiaries		-	-	-	-	-	-	(1,335,628)	(1,335,628)
Retained earnings of subsidiaries disposed during the year		-	-	-	-	63,083	63,083	506,105	569,188
Balance at December 2004		20,000,000	-	2,000,000	(6,660,519)	261,159,799	276,499,280	118,903,906	395,403,186
Currency translation differences		-	-	-	1,673,211	-	1,673,211	5,883,806	7,557,017
Net profit for 2005		-	-	-	-	195,876,476	195,876,476	11,960,470	206,293,845
Total income and expenses		-	-	-	1,673,211	195,876,476	197,549,687	17,844,276	213,850,862
Issuance of share capital	20	46,427,428	-	-	-	(40,000,000)	6,427,428	-	6,427,428
Share premium	20	-	296,737,327	-	-	-	296,737,327	-	296,737,327
Distribution of dividends		-	-	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)
Dividends of subsidiaries		-	-	-	-	-	-	(2,366,960)	(2,366,960)
Impact of newly acquired subsidiary		-	-	-	-	-	-	(518,075)	(518,075)
Balance at 31 December 2005		66,427,428	296,737,327	2,000,000	(4,987,308)	402,036,275	762,213,722	133,863,147	896,076,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACTIVITIES

Investcom LLC (“the holding company”) (formerly Investcom Holding (Luxembourg), S.A.) was a private shareholding company (Société Anonyme) registered and incorporated in Luxembourg on 15 June 1994. Effective 15 September 2005, the holding company changed its domicile from the Grand Duchy of Luxembourg to the Dubai International Financial Centre (“DIFC”) in the Emirate of Dubai in the United Arab Emirates under commercial registration number 78 with the status of a limited liability company in and under the laws promulgated by the DIFC. The holding company’s principal activity is to invest in subsidiaries and associates that are engaged in the telecommunications industry. The holding company’s registered office is at: PO Box 9371, Emirates Tower – Level 35, Sheikh Zayed Road, Dubai, United Arab Emirates. The financial statements were issued in accordance with a resolution of the Board of Directors, dated 30 March 2006.

The holding company undertook an initial public offering on 6 October, 2005. Its shares are publicly traded on the London Stock Exchange (“LSE”) and the Dubai International Financial Exchange (“DIFX”) under the trading symbol “INVT”.

The holding company and its subsidiaries (“the group”) operate in three main geographical areas (Asia, Europe and Africa) and employed 3,168 employees at 31 December 2005 (2004: 2,205 employees).

The consolidated financial statements have been prepared in compliance with the LSE and DIFX requirements for listed LLC companies.

Details of the legal holdings in the consolidated subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal field of activity	2005	2004	2003
Easy Dial International Ltd.	British Virgin Islands	Holding Company	99.00%	99.00%	100.00%
Investcom Mobile Communication Ltd.	British Virgin Islands	Holding Company	100.00%	100.00%	100.00%
Investcom Consortium Holding S.A.	British Virgin Islands	Holding Company	99.00%	99.00%	100.00%
Satcorp Communications Ltd.	British Virgin Islands	Holding Company	100.00%	100.00%	100.00%
Investcom Mobile Benin Ltd.	British Virgin Islands	Holding Company	99.00%	99.00%	100.00%
Investcom Telecommunications Guinea Ltd.	British Virgin Islands	Holding Company	99.00%	–	–
Investcom Telecommunications Afghanistan Ltd.	British Virgin Islands	Holding Company	100.00%	–	–
S.A.M. Mediterranean Network	Monaco	Telecommunications	99.84%	99.84%	99.84%
Mediterranean Network Multimedia SAM	Monaco	Telecommunications	99.99%	99.99%	99.84%
Spacotel U.K. Ltd.	United Kingdom	Telecommunications	100.00%	100.00%	100.00%
Investcom Telecommunication Yemen	British Virgin Islands	Telecommunications	100.00%	100.00%	100.00%
Prime Call Ltd.	British Virgin Islands	Telecommunications	100.00%	100.00%	100.00%
Ideal Communications Europe	British Virgin Islands	Telecommunications	–	–	100.00%
Areeba Limited	Cyprus	Telecommunications	100.00%	100.00%	100.00%
Spacotel Africa Ltd	British Virgin Islands	Telecommunications	100.00%	100.00%	100.00%

Name of subsidiary	Country of incorporation	Principal field of activity	2005	2004	2003
Scancom Limited	Ghana	Telecommunications	97.65%	97.65%	97.65%
Spacetel Syria	Syria	Telecommunications	75.00%	75.00%	75.00%
Spacetel Benin SA	Benin	Telecommunications	75.00%	75.00%	65.00%
Lonestar Communications Corp. LLC	Liberia	Telecommunications	60.00%	60.00%	60.00%
Bashair Telecom Company Limited	Sudan	Telecommunications	55.00%	55.00%	–
Spacetel Guinea Bissau	Guinea Bissau	Telecommunications	100.00%	100.00%	–
Areeba Guinea	Guinea	Telecommunications	75.00%	–	–
Areeba Afghanistan	Afghanistan	Telecommunications	100.00%	–	–
Investcom Global Ltd.	British Virgin Islands	Managing and Holding Company	99.00%	99.00%	100.00%
Interserve Overseas Ltd.	British Virgin Islands	International Business	99.00%	99.00%	100.00%
Uniglobe SA	France	Management Company	99.80%	99.80%	99.80%
Servico SAL	Lebanon	Services and Transportation of Goods	99.97%	99.97%	99.97%
Inteltec Offshore SAL	Lebanon	Maintenance and Engineering Services	99.80%	99.80%	99.80%
Inteltec Maroc S.A.	Morocco	Maintenance and Engineering Services	99.83%	99.83%	99.83%
Inteltec SAL	Lebanon	Maintenance and Engineering Services	99.99%	–	–
Investcom Services SAL	Lebanon	Managing and Holding Company	97.00%	62.00%	–
Sprint Spacetel Incorporated	British Virgin Islands	Dormant Company	–	–	100.00%
Investcom International Ltd.	British Virgin Islands	Dormant Company	99.00%	99.00%	100.00%
Spacetel International Ltd.	United Kingdom	Dormant Company	100.00%	100.00%	100.00%
Tone International Limited	British Virgin Islands	Dormant Company	–	–	50%
Connection Limited	British Virgin Islands	Dormant Company	–	–	50%
Vernis Associates SA	Panama	Holding Company	100.00%	–	–
Galactic Engineering Projects SA	Panama	Holding Company	78.00%	–	–
Starcom Global Ltd.	British Virgin Islands	Holding Company	89.00%	–	–
Global Dial Limited	British Virgin Islands	Telecommunications	–	–	100.00%
The Guinea System Mobile Partners Limited	Caymen Islands	International Business	–	–	100.00%
Iaccess SAL	Lebanon	Trading and Telecommunications	–	–	99.00%
Eznet SAL	Lebanon	Trading and Telecommunications	–	–	99.00%
Intericast SAL	Lebanon	Digital Broadcast for Satellite	–	–	90.00%
Ideal Communications SAL	Lebanon	Trading and Telecommunications	–	–	49.00%

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of Investcom LLC have been prepared in accordance with International Financial Reporting Standards.

The consolidated financial statements have been prepared on a historical cost basis, modified to include the remeasurement at fair value for sale and trading securities.

The presentation currency of the Investcom group is the US Dollar. Investcom is domiciled in Dubai and its subsidiaries and associates operate in different currencies. The functional currency of the company is US Dollar because of the significant influence of the US Dollar on its operations.

Basis of consolidation

The consolidated accounts comprise the accounts of Investcom LLC and its controlled subsidiaries. The financial statements of subsidiaries are prepared for the same reporting period as the holding company, using consistent accounting policies. Adjustments are made to conform any dissimilar material accounting policies that may exist.

All material inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

A subsidiary is an entity that is controlled by the group, usually evidenced by ownership, directly or indirectly, of more than 50 percent of the voting share capital of the entity.

Subsidiaries are consolidated from the date the group obtains control until such time as control ceases. Acquisition of subsidiaries is accounted for using the purchase method of accounting.

Minority interests principally represent the interest in Scancom Limited, Spacetel Benin SA, Lonestar Communications Corporation LLC, Bashair Telecom Company Limited, Galactic Engineering Projects SA, Spacetel Syria, and Areeba Guinea that are not held by the group.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that the group has adopted those new/revised standards mandatory for financial years beginning on or after 1 January 2005.

The changes in accounting policies result from adoption of the following new or revised standards:

- IFRS 3: Business Combinations, IAS 36 (revised): Impairment of Assets, and IAS 38 (revised): Intangible Assets
- IFRS 5: Non-current Assets Held for Sale and Discontinued Operations
- IAS 21 (revised): The Effects of Changes in Foreign Exchange Rates

The principal effects of these changes in policies are discussed below:

IFRS 3 'Business Combinations', IAS 36 'Impairment of Assets' and IAS 38 'Intangible Assets'

IFRS 3 has been applied for business combinations for which the agreement date is on or after 31 March 2004. The adoption of IFRS 3 and IAS 36 (revised) has resulted in the group ceasing annual goodwill amortisation and commencing testing for impairment at the cash-generating unit level annually (unless an event occurs during the year which requires the goodwill to be tested more frequently) from 1 January 2005. No adjustment was required to the financial statements as a result of applying this revised accounting policy.

Moreover, the useful lives of intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Until the end of the last year, intangible assets were considered to have a finite useful life with a rebuttable presumption that that life would not exceed 20 years from the date when the asset was available for use. In accordance with the revised IAS 38, some of the intangible assets are regarded to have an indefinite useful life

when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the group. The revised accounting policy applied prospectively for intangible assets is described in the "Summary of significant accounting policies".

IAS 21 'The Effects of Changes in Foreign Exchange Rates'

At 1 January 2005, the group adopted IAS 21 (revised). As a result, any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are now treated as assets and liabilities of the foreign operation and translated at the closing rate. In accordance with the transitional provisions of IAS 21, this change is applied prospectively. In addition, goodwill acquired in a business combination prior to 1 January 2005 and fair value adjustments arising on that acquisition are deemed to be assets and liabilities of the parent company. This change in accounting policy has no significant impact at 31 December 2005 or 31 December 2004.

2.3 Significant accounting judgments and estimates

Judgments

In the process of applying the group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

International telephony revenue recognition

There is a significant time lag between the time when incoming international services are rendered and the receipt of confirmation from international operators. Significant judgment by management is involved when estimating revenues from incoming international traffic.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill

The group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More details are given in Note 11.

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates. At the balance sheet date, gross trade accounts receivable were US\$101,600,585 and the provision for doubtful debts was US\$9,134,449. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the income statement.

2.4 Significant accounting judgments and estimates

Investment in associates

The group's investment in associates is accounted for under the equity method of accounting. An associate is an entity in which the group has significant influence (typically 20% – 50% ownership) and which is neither a subsidiary nor a joint venture. The financial statements of the associate are used by the group to apply the equity method. The reporting dates of the associate and the group are identical and both use consistent accounting policies.

The investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the group's share of net assets of the associate, less any impairment in value. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the associate's equity, the group recognises its share of any changes and discloses this, when applicable in the statement of changes in equity.

Foreign currency translation

The functional and presentation currency of Investcom LLC is the US Dollar. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated income statement.

The assets and liabilities of foreign subsidiaries are translated into US Dollars at the rate of exchange ruling at the balance sheet date. The income statements of foreign subsidiaries are translated at the average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to equity. On disposal of a foreign subsidiary, accumulated exchange differences are recognised in the income statement as a component of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of an overseas subsidiary are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate at the date of the transaction.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful life of other assets, as follows:

Freehold buildings	20 years
General installations	5 to 10 years
Telecommunication equipment	5 to 10 years
Motor vehicles	4 to 5 years
Office furniture, equipment and computers	3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Significant costs directly associated with the establishment of new networks are recorded as construction in progress in tangible fixed assets. Such costs are primarily related to third party engineering and design work for the installation of the network and system integral to its operation. The depreciation of these costs commences on the date the network becomes available for use.

Intangible assets

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets,

liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the group are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Licences

Costs incurred in the acquisition of new licences are capitalised. Capitalised licences are amortised on a straight-line basis over their respective useful lives, typically ten to twenty years without considering the renewal periods. Annual license fees are expensed.

Licences are assessed for impairment whenever there is an indication that they may be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable are made on a prospective basis.

Other intangible assets

Other intangible assets are initially capitalised at cost. Following initial recognition the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Investments

All investments in securities (representing interests of less than 20% and/or over which the group has no significant influence) are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

Gains or losses on investments classified as fair value through profit or loss are recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

After initial recognition, investments which are classified as available for sale and held for trading are remeasured at fair value.

Gains or losses on investments classified as fair value through profit or loss are recognised in income. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected, or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Inventories

Inventories are valued at the lower of cost and net realisable value, with cost determined on a first-in, first-out basis. Costs are those expenses incurred in bringing each product to its present location and present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less any further estimated costs necessary to make the sale.

Trade and other receivables

Subscribers and interconnect trade receivables, which generally have 30 – 90-day terms, are recognised and carried at the original invoice amount less an allowance for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written-off as incurred.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash, cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30 – 90 days terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the group has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Long-term accounts payable and term loans

Long-term accounts payable and term loans are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the term loan or long-term accounts payable. After initial recognition, all long-term accounts payable and term loans are substantially measured at amortised cost using the effective interest rate. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised or impaired, as well as through the amortisation process.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Revenue

The group recognises all its revenues when services are rendered based on usage of its networks and facilities. The group derives revenue from mobile telephony, international telephony and other sources such as leased lines and the sale of equipment.

Mobile telephony

Subscriber revenue primarily consists of monthly fixed charges for usage of the mobile networks, recognised as the service is provided. One time non refundable activation fees are recognised upon activation of the mobile lines in the same period as the related costs. Airtime revenues are recognised as time is spent based on hourly rates. Pre-paid cards allow the forward purchase of a specified amount of airtime by customers. Revenues are recognised as credit is used. Accordingly, unutilised airtime is carried in the balance sheet and is included within other current liabilities.

International telephony

International telephony revenue is recognised as the related service is provided.

Other

Other revenue primarily consists of monthly fixed charges for usage of internet and leased lines provided by the group. This revenue is recognised as it accrues.

Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Interest

Interest revenue is recognised as the interest accrues using the effective interest method that is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial asset.

Subscriber acquisition and loyalty costs

Subscriber acquisition and loyalty costs are expensed as incurred. These costs include commissions and rebates paid to distributors.

Revenue sharing agreements

Revenue shared with Government agencies in accordance with a build-operate-transfer contract is recognised as an expense as the related revenues are generated.

Taxation

Taxation is provided for in accordance with income tax laws that are effective in the countries where the group operates.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Employees' end of service benefits

The group provides end of service benefits to its employees in accordance with the labour laws of the countries in which the group operates. The entitlement to these benefits is usually based upon employees' length of service, the employees' salaries, the group's contribution to the Social Security Funds and other requirements outlined in the respective labour laws. The expected costs of these benefits are accrued over the period of employment.

Fair values

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of comparable instruments.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted equity securities, fair value is determined by reference to the expected discounted cash flows.

2.5 Adoption of IFRS during the 2005 financial year

The group has adopted the following revised standards during the 2005 financial year and comparative figures (2004 financial year) have been amended as required. Adoption of revised standards does not have any effect on equity at 1 January 2004.

- IAS 1: Presentation of Financial Statements;
- IAS 2: Inventories;
- IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS 10: Events after the Balance Sheet Date;
- IAS 16 (revised): Property, Plant and Equipment;
- IAS 17: Leases;
- IAS 19 (revised): Employee Benefits;
- IAS 24: Related Party Disclosures;
- IAS 27: Consolidated and Separate Financial Statements;

- IAS 28: Investments in Associates;
- IAS 31: Interests in Joint Ventures;
- IAS 32: Financial Instruments: Disclosure and Presentation;
- IAS 33: Earnings per Share;
- IAS 39: Financial Instruments: Recognition and Measurement;
- IAS 40: Investment Property; and
- IFRS 2: Share-based payment.

IFRSs and IFRIC Interpretations not yet effective

The group has not applied the following IFRSs and IFRIC Interpretations that have been issued but are not yet effective:

IFRS 6: Exploration for and Evaluation of Mineral Resources

This Standard does not apply to the activities of the group.

IFRIC 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

This Interpretation is required to be applied for annual periods beginning on or after 1 January 2006, but is not expected to be relevant for activities of the group.

The group expects that adoption of the pronouncements listed above will have no impact on the group's financial statements in the period of initial application.

3. SEGMENTAL INFORMATION

The group's primary reporting format is business segments and its secondary format is geographical segments.

The group's business comprises principally of three business segments: Mobile Telephony, International and Fixed Telephony and Other Services.

The Mobile Telephony segment provides mobile telecommunication and associated services including roaming, international calling, handset sales and value-added services.

The International and Fixed Telephony segment provides international traffic routing to other carriers on a wholesale basis, and national and international voice resale.

The Other Services segment provides engineering and consulting services.

The group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

Business segments

The following tables present revenue and profit information and certain asset and liability information regarding business segments for the three years ended 31 December 2005:

3. **SEGMENTAL INFORMATION – continued**

Business segments

Year ended 31 December 2005

In US\$	Mobile Telephony	International and Fixed Telephony	Other Services	Eliminations	Consolidated
Sales to external customers	816,497,654	81,346,060	5,481,432	–	903,325,146
Inter-segment sales	19,962,257	94,378,955	68,638,765	(182,979,977)	–
Segment result	836,459,911	175,725,015	74,120,197	(182,979,977)	903,325,146
External operating costs	(301,881,703)	(53,864,406)	(2,815,324)	–	(358,561,433)
Inter-segment operating costs	(24,504,914)	(88,815,601)	(1,376,512)	114,697,027	–
Segment operating costs	(326,386,617)	(142,680,007)	(4,191,836)	114,697,027	(358,561,433)
External general and administrative expenses	(115,490,856)	(6,271,809)	(25,718,122)	–	(147,480,787)
Inter-segment general and administrative expenses	(60,673,807)	(6,776,481)	(2,700,329)	70,150,617	–
General and administrative expenses	(176,164,663)	(13,048,290)	(28,418,451)	70,150,617	(147,480,787)
Depreciation and amortisation	(114,692,065)	(1,648,470)	(447,670)	–	(116,788,205)
Provision for doubtful receivables, net	(2,378,980)	(935,253)	(14,324)	–	(3,328,557)
External other operating income	214,896	440,894	1,194,379	–	1,850,169
Inter-segment other operating income	–	–	1,867,667	(1,867,667)	–
Net segment result	217,052,482	17,853,889	44,109,962	–	279,016,333
Net finance costs					(9,925,615)
Loss on exchange					(2,103,596)
Share of results of associates					16,259,022
Provisions					(7,386,589)
Net loss on sale of investment in subsidiaries					(103,946)
Negative goodwill arising from acquisition of subsidiaries					1,543,101
Gain on sale of held for trading securities					82,370
Income tax expense					(69,544,135)
PROFIT FOR THE PERIOD					207,836,946
Assets and Liabilities					
Segment assets	674,751,293	48,194,456	671,083,065	–	1,394,028,814
Investment in associates	58,602,189	–	–	–	58,602,189
Total assets	733,353,482	48,194,456	671,083,065	–	1,452,631,003
Segment liabilities	261,392,146	30,798,009	264,363,979	–	556,554,134
Other segment information					
Capital expenditure:					
Additions to tangible fixed assets	252,170,659	3,819,305	1,144,237	–	257,134,201

3. SEGMENTAL INFORMATION – continued

Year ended 31 December 2004

In US\$	International and Fixed Telephony				Consolidated
	Mobile Telephony	International and Fixed Telephony	Other Services	Eliminations	
Sales to external customers	551,472,483	79,199,724	2,125,204	–	632,797,411
Inter-segment sales	6,704,107	33,637,351	44,512,225	(84,853,683)	–
Segment result	558,176,590	112,837,075	46,637,429	(84,853,683)	632,797,411
External operating costs	(191,556,413)	(59,133,640)	(1,318,471)	–	(252,008,524)
Inter-segment operating costs	(7,666,840)	(23,790,169)	(1,216,149)	32,673,158	–
Segment operating costs	(199,223,253)	(82,923,809)	(2,534,620)	32,673,158	(252,008,524)
External administrative expenses	(71,223,757)	(5,665,831)	(22,262,718)	–	(99,152,306)
Inter-segment administrative expenses	(46,411,239)	(6,033,781)	(843,668)	53,288,688	–
Administrative expenses	(117,634,996)	(11,699,612)	(23,106,386)	53,288,688	(99,152,306)
Depreciation and amortisation	(56,405,629)	(1,119,261)	(310,805)	–	(57,835,695)
Provision for doubtful receivables, net	(4,096,094)	(40,618)	(117)	–	(4,136,829)
Other operating income	(855,805)	428,499	1,847,690	–	1,420,384
Inter-segment other operating income	–	–	1,108,163	(1,108,163)	–
Net segment result	179,960,813	17,482,274	23,641,354	–	221,084,441
Net finance costs					(5,547,691)
Gain on exchange					222,599
Share of results of associates					9,637,107
Net gain on sale of investment in subsidiaries					5,237,619
Gain on sale of held for trading securities					50,538
Income tax expense					(65,399,307)
PROFIT FOR THE YEAR					165,285,306
Assets and liabilities					
Segment assets	684,533,787	25,447,463	73,061,571	–	783,042,821
Investment in associates	41,308,178	–	–	–	41,308,178
Total assets	725,841,965	25,447,463	73,061,571	–	824,350,999
Segment liabilities	282,551,856	22,691,752	123,704,205	–	428,947,813
Other segment information					
Capital expenditure:					
Additions to tangible fixed assets	154,572,540	1,271,300	336,007	–	156,179,847

3. **SEGMENTAL INFORMATION – continued**

Year ended 31 December 2003

In US\$	Mobile Telephony	International and Fixed Telephony	Other Services	Eliminations	Consolidated
Sales to external customers	339,838,014	62,024,716	6,309,498	–	408,172,228
Inter-segment sales	48,454	13,171,452	26,802,552	(40,022,458)	–
Segment result	339,886,468	75,196,168	33,112,050	(40,022,458)	408,172,228
External operating costs	(156,219,892)	(36,825,229)	(725,561)	–	(193,770,682)
Inter-segment operating costs	(2,182,766)	(18,432,734)	(1,017,970)	21,633,470	–
Segment operating costs	(158,402,658)	(55,257,963)	(1,743,531)	21,633,470	(193,770,682)
External administrative expenses	(41,652,933)	(5,655,274)	(7,169,826)	–	(54,478,033)
Inter-segment administrative expenses	(13,157,887)	(4,562,824)	(804,406)	18,525,117	–
Administrative expenses	(54,810,820)	(10,218,098)	(7,974,232)	18,525,117	(54,478,033)
Depreciation and amortisation	(37,580,739)	(1,142,236)	(512,735)	–	(39,235,710)
Provision for doubtful receivables, net	(1,467,204)	171,851	(2,521,303)	–	(3,816,656)
Other operating income	513,591	725,877	874,171	(33,802)	2,079,837
Net segment result	88,138,638	9,475,599	21,234,420	102,327	118,950,984
Net finance costs					(3,659,799)
Loss on exchange					(1,807,272)
Share of results of associates					4,859,944
Net loss on sale of investment in subsidiaries					(5,538,471)
Loss on sale of held for trading securities					(12,100)
Income tax expense					(25,047,704)
PROFIT FOR THE YEAR					87,745,582
Assets and liabilities					
Segment assets	308,605,791	42,525,021	27,931,026	–	379,061,838
Investment in associates	8,975,181	–	–	–	8,975,181
Total assets	317,580,972	42,525,021	27,931,026	–	388,037,019
Segment liabilities	173,533,162	16,274,950	36,972,290	–	226,780,402
Other segment information					
Capital expenditure:					
Additions to tangible fixed assets	119,352,416	990,072	504,023	–	120,846,511

3. SEGMENTAL INFORMATION – continued

Geographical segments

Year ended 31 December 2005

In US\$	Africa	Asia	Europe	Eliminations	Consolidated
Sales to external customers	397,681,092	402,996,899	102,647,155	–	903,325,146
Inter-segment sales	83,841,785	4,022,541	95,115,651	(182,979,977)	–
Segment result	481,522,877	407,019,440	197,762,806	(182,979,977)	903,325,146
External operating costs	(78,978,524)	(210,825,622)	(68,757,287)	–	(358,561,433)
Inter-segment operating costs	(21,345,267)	(1,376,512)	(91,975,248)	114,697,027	–
Segment operating costs	(100,323,791)	(212,202,134)	(160,732,535)	114,697,027	(358,561,433)
External general and administrative expenses	(80,068,107)	(49,239,177)	(18,173,503)	–	(147,480,787)
Inter-segment general and administrative expenses	(49,227,017)	(13,806,094)	(7,117,506)	70,150,617	–
General and administrative expenses	(129,295,124)	(63,045,271)	(25,291,009)	70,150,617	(147,480,787)
Depreciation and amortisation	(47,033,429)	(63,449,224)	(6,305,552)	–	(116,788,205)
Provision for doubtful receivables, net	(125,496)	(1,521,049)	(1,682,012)	–	(3,328,557)
Other operating income	1,351,325	1,778,648	(1,279,804)	–	1,850,169
Inter-segment other operating income	–	–	1,867,667	(1,867,667)	–
Net segment result	206,096,362	68,580,410	4,339,561	–	279,016,333
Net finance costs					(9,925,615)
Loss on exchange					(2,103,596)
Share of results of associates					16,259,022
Provisions					(7,386,589)
Net loss on sale of investment in subsidiaries					(103,945)
Negative goodwill arising from acquisition of subsidiaries					1,543,101
Gain on sale of held for trading securities					82,370
Income tax expense					(69,544,135)
PROFIT FOR THE YEAR					207,836,946
Assets and liabilities					
Segment assets	616,739,915	691,307,686	85,981,213	–	1,394,028,814
Investment in associates	–	58,602,189	–	–	58,602,189
Total assets	616,739,915	749,909,875	85,981,213	–	1,452,631,003
Segment liabilities	252,354,911	246,501,015	57,698,208	–	556,554,134
Other segment information					
Capital expenditure:					
Additions to tangible fixed assets	129,285,697	120,064,529	7,783,975	–	257,134,201

3. **SEGMENTAL INFORMATION – continued**

Year ended 31 December 2004

	Africa	Asia	Europe	Eliminations	Consolidated
Sales to external customers	230,131,188	321,075,321	81,590,902	–	632,797,411
Inter-segment sales	48,342,844	1,878,666	34,632,173	(84,853,683)	–
Segment result	278,474,032	322,953,987	116,223,075	(84,853,683)	632,797,411
External operating costs	(25,509,036)	(164,279,087)	(62,220,401)	–	(252,008,524)
Inter-segment operating costs	(7,666,840)	(1,216,149)	(23,790,169)	(32,673,158)	–
Segment operating costs	(33,175,876)	(165,495,236)	(86,010,570)	(32,673,158)	(252,008,524)
External administrative expenses	(52,037,744)	(33,687,107)	13,427,455	–	99,152,306
Inter-segment administrative expenses	(36,284,074)	(10,280,316)	(6,724,298)	53,288,688	–
Administrative Expenses	(88,321,818)	(43,967,423)	(20,151,753)	53,288,688	(99,152,306)
Depreciation and amortisation	(13,068,920)	(41,770,804)	(2,995,971)	–	(57,835,695)
Provision for doubtful receivables, net	(66,191)	(3,886,229)	(184,409)	–	(4,136,829)
Other operating income	1,118,218	(378,876)	681,042	–	1,420,384
Inter-segment other operating income	–	–	1,108,163	(1,108,163)	–
Net segment result	144,959,445	67,455,419	8,669,577	–	221,084,441
Net finance costs					(5,547,691)
Gain on exchange					222,599
Share of results of associates					9,637,107
Net gain on sale of investment in subsidiaries					5,237,619
Gain on sale of held for trading securities					50,538
Income tax expense					(65,399,307)
PROFIT FOR THE YEAR					165,285,306
Assets and liabilities					
Segment assets	382,094,498	250,846,281	150,102,042	–	783,042,821
Investment in associates	–	41,308,178	–	–	41,308,178
Total assets	382,094,498	292,154,459	150,102,042	–	824,350,999
Segment liabilities	160,184,477	180,237,866	88,525,470	–	428,947,813
Other segment information					
Capital expenditure:					
Additions to tangible fixed assets	49,631,477	78,317,177	28,231,194	–	156,179,848

3. **SEGMENTAL INFORMATION – continued**

Year ended 31 December 2003

	Africa	Middle East	Europe	Eliminations	Consolidated
Sales to external customers	123,929,900	221,385,112	62,857,216	–	408,172,228
Inter-segment sales	24,891,804	1,327,350	13,803,304	(40,022,458)	–
Segment result	148,821,704	222,712,462	76,660,520	(40,022,458)	408,172,228
External operating costs	38,364,232	118,532,331	36,874,119	–	193,770,682
Inter-segment operating costs	2,182,766	1,017,970	18,432,734	(21,633,470)	–
Segment operating costs	40,546,998	119,550,301	55,306,853	(21,633,470)	193,770,682
External administrative expenses	22,956,892	25,055,819	6,465,322	–	54,478,033
Inter-segment administrative expenses	8,331,332	7,077,304	4,584,305	(19,992,941)	–
Administrative expenses	31,288,224	32,133,123	11,049,627	(19,992,941)	54,478,033
Depreciation and amortisation	(13,710,940)	(24,355,285)	(1,169,485)	–	(39,235,710)
Provision for doubtful receivables, net	(1,828,799)	(2,160,209)	172,352	–	(3,816,656)
Other operating income	927,877	62,937	1,122,826	(33,803)	2,079,837
Net segment result	62,374,620	44,576,481	10,429,733	1,570,150	118,950,984
Net finance costs					(3,659,799)
Loss on exchange					(1,807,272)
Share of results of associates					4,859,944
Net loss on sale of investment in subsidiaries					(5,538,471)
Loss on sale of held for trading securities					(12,100)
Income tax expense					(25,047,704)
PROFIT FOR THE YEAR					87,745,582
Assets and liabilities					
Segment assets	113,046,609	179,292,981	86,722,248	–	379,061,838
Investment in associates	–	8,975,181	–	–	8,975,181
Total assets	121,858,268	188,268,162	86,722,248	–	388,037,019
Segment liabilities	62,518,575	111,647,215	52,614,612	–	226,780,402
Other segment information					
Capital expenditure:					
Additions to tangible fixed assets	32,403,853	87,348,761	1,093,896	–	120,846,511

3. SEGMENTAL INFORMATION – continued

Due to the significance of Scancom Limited and Spacotel Syria within Mobile Operations additional detailed information is provided on their individual contribution to the group. Additional summarised information is also provided for the other five Mobile Operators of the group.

Scancom Limited

	2005 US\$	2004 US\$	2003 US\$
Gross operating revenue	323,901,748	181,219,415	91,782,568
Gross operating costs	(53,773,308)	(20,169,370)	(31,833,847)
GROSS PROFIT	270,128,440	161,050,045	59,948,721
Other operating income	73,244	134,013	18,922
Administration expenses	(83,952,547)	(51,245,542)	(16,388,820)
Depreciation and amortisation	(22,446,368)	(13,675,394)	(9,046,742)
Provisions for doubtful receivables	–	–	(91,954)
PROFIT FROM OPERATIONS	163,802,769	96,263,122	34,440,127
Finance costs net	199,685	836,735	206,272
Gain/(Loss) on exchange	332,795	98,872	(827,884)
Provisions	(3,602,091)	–	–
PROFIT FOR THE PERIOD BEFORE TAXES	160,733,158	97,198,729	33,818,515
Income tax expense	(46,119,713)	(34,048,415)	(12,056,174)
PROFIT FOR THE YEAR	114,613,445	63,150,314	21,762,341
Attributable to:			
Group share	111,920,029	61,666,282	21,250,926
Minority share	2,693,416	1,484,032	511,415
PROFIT FOR THE YEAR	114,613,445	63,150,314	21,762,341
Other segment information			
Capital expenditure:			
Tangible fixed assets	51,648,872	35,552,450	26,865,246

3. SEGMENTAL INFORMATION – continued

Spacetel Syria

	2005 US\$	2004 US\$	2003 US\$
Gross operating revenue	399,612,233	318,983,228	219,793,773
Gross operating costs	(208,023,119)	(163,001,443)	(118,353,119)
GROSS PROFIT	191,589,114	155,981,785	101,440,654
Other operating income	–	(992,005)	–
Administration expenses	(55,799,529)	(42,048,175)	(30,704,335)
Depreciation and amortisation	(63,039,306)	(41,522,495)	(23,893,037)
Provisions for doubtful receivables	(1,521,049)	(3,886,228)	(1,371,386)
PROFIT FROM OPERATIONS	71,229,230	67,532,882	45,471,896
Finance costs, net	(2,707,279)	(3,863,899)	(3,629,769)
(Loss)/Gain on exchange	(2,343,640)	1,012,820	(233,584)
Provisions	(3,778,381)	–	–
PROFIT FOR THE PERIOD BEFORE TAXES	62,399,930	64,681,803	41,608,543
Income tax expense	(9,391,284)	(13,501,212)	(10,722,513)
PROFIT FOR THE YEAR	53,008,646	51,180,591	30,886,030
Attributable to:			
Group share	39,756,484	38,385,443	23,164,523
Minority share	13,252,162	12,795,148	7,721,507
PROFIT FOR THE YEAR	53,008,646	51,180,591	30,886,030
Other segment information			
Capital expenditure:			
Tangible fixed assets	118,924,843	78,000,568	86,948,563

Spacetel Syria operates under a build-operate-transfer (“BOT”) contract with the Public Telecommunications Establishment of the Syrian Arab Republic (“STE”). The contract period is for 15 years from the commencement order date of 29 June 2002 and it is renewable for three more years. The provisions of the BOT contract provide for revenue sharing with STE during the term of the contract, as follows:

First three years	30%
Second three years	40%
Remaining years	50%
Years of extension	60%

3. SEGMENTAL INFORMATION – continued

Other Mobile Operators

	2005 US\$	2004 US\$	2003 US\$
Gross operating revenue			
Spacetel Benin	37,711,446	27,693,100	16,306,620
Lonestar Communications	27,471,355	26,707,668	12,003,508
Areeba – Cyprus	21,110,087	2,621,621	–
Spacetel Guinea Bissau	6,140,804	951,555	–
Bashair Telecom Company	20,512,237	–	–
Areeba Guinea	–	–	–
Areeba Afghanistan	–	–	–
Gross operating cost			
Spacetel Benin	10,826,957	8,091,523	5,136,345
Lonestar Communications	5,856,036	4,129,143	3,079,347
Areeba – Cyprus	16,423,477	3,076,607	–
Spacetel Guinea Bissau	2,242,720	755,168	–
Bashair Telecom Company	15,491,705	–	–
Areeba Guinea	–	–	–
Areeba Afghanistan	–	–	–
Operating expenses (including depreciation and amortisation and net of other operating income)			
Spacetel Benin	12,147,855	9,936,109	6,080,220
Lonestar Communications	13,300,307	9,804,779	4,977,168
Areeba – Cyprus	18,292,860	9,382,841	–
Spacetel Guinea Bissau	3,313,083	1,360,950	–
Bashair Telecom Company	25,701,262	1,767,153	–
Areeba Guinea	655,872	–	–
Areeba Afghanistan	178,178	–	–
Depreciation and amortisation			
Spacetel Benin	3,951,734	3,468,593	2,032,235
Lonestar Communications	3,606,384	1,944,223	1,624,792
Areeba – Cyprus	4,621,194	1,837,682	–
Spacetel Guinea Bissau	1,102,948	452,380	–
Bashair Telecom Company	9,426,275	–	–
Areeba Guinea	2,362	–	–
Areeba Afghanistan	357	–	–
Operating profit			
Spacetel Benin	14,736,634	9,665,468	5,090,055
Lonestar Communications	8,315,012	12,773,746	3,946,993
Areeba – Cyprus	(13,606,250)	(9,837,827)	–
Spacetel Guinea Bissau	585,001	(1,164,563)	–
Bashair Telecom Company	(20,680,730)	(1,767,153)	–
Areeba Guinea	(655,872)	–	–
Areeba Afghanistan	(178,178)	–	–

3. SEGMENTAL INFORMATION – continued

Other Mobile Operators – continued

	2005 US\$	2004 US\$	2003 US\$
Capital expenditure			
Spacetel Benin	5,813,340	4,223,846	4,267,693
Lonestar Communications	6,832,825	4,363,816	1,270,917
Areeba – Cyprus	3,958,262	26,945,384	–
Spacetel Guinea Bissau	598,606	5,309,037	–
Bashair Telecom Company	52,399,112	177,140	–
Areeba Guinea	11,991,201	–	–
Areeba Afghanistan	3,599	–	–

4. GROSS OPERATING REVENUE

The following table presents a breakdown of gross operating revenues by type of business activities throughout our various operations for three years ended 31 December 2005, 2004 and 2003.

	2005 US\$	2004 US\$	2003 US\$
Mobile telephony	812,449,202	546,849,308	343,527,411
International telephony	76,665,636	78,017,892	51,778,101
Sales	8,042,732	4,172,872	8,077,976
Engineering	581,430	2,141,117	2,792,278
Other	5,586,146	1,616,222	1,996,432
	903,325,146	632,797,411	408,172,228

5. GROSS OPERATING COST

	2005 US\$	2004 US\$	2003 US\$
Cost of cards (SIM and recharge)	26,343,526	18,236,379	5,487,579
Cost of handsets	2,271,812	3,263,103	2,044,687
Commissions	26,435,715	16,469,742	23,835,281
Cost of interconnection	67,596,893	51,653,136	30,050,320
Revenue sharing (Note 3)	131,485,052	85,342,306	61,924,576
Spectrum, frequency and technical fees	30,312,646	15,725,067	14,064,987
Cost of international connection	50,417,065	49,441,104	35,514,672
Sites costs	13,920,120	8,037,728	7,975,687
Other	9,778,604	3,839,959	12,872,893
	358,561,433	252,008,524	193,770,682

6. GENERAL AND ADMINISTRATIVE EXPENSES

	2005 US\$	2004 US\$	2003 US\$
Staff costs	38,945,366	21,221,398	15,969,148
Selling and marketing expenses	24,016,528	12,434,282	7,878,755
Office general expenses	31,345,445	21,007,044	12,381,859
Professional and consultancy	45,521,626	33,124,816	13,222,713
Other expenses	7,651,822	11,364,766	5,025,558
	147,480,787	99,152,306	54,478,033

Staff costs breakdown is as follows:

	2005 US\$	2004 US\$	2003 US\$
Salaries	27,871,717	16,071,122	12,420,503
Social security	3,143,682	1,791,653	1,172,862
Employee other benefits	7,929,967	3,358,623	2,375,783
	38,945,366	21,221,398	15,969,148

7. OTHER REVENUES AND EXPENSES

7.1 Finance costs

	2005 US\$	2004 US\$	2003 US\$
Interest on bank overdrafts	6,881,455	4,833,845	2,296,886
Interest on bank loans	5,083,581	1,664,629	1,916,921
Interest on vendor financing agreements	2,592,192	387,406	541,373
Other charges	5,168,324	2,978,706	1,614,573
	19,725,552	9,864,586	6,369,753

7.2 Finance revenue

	2005 US\$	2004 US\$	2003 US\$
Interest income banks	8,632,967	3,866,304	2,543,687
Interest income other	1,166,970	450,591	166,267
	9,799,937	4,316,895	2,709,954

8. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) During 2005, the group acquired the following:

- an additional 35.00 % interest in Investcom Services SAL;
- a 99.99 % holding in Inteltec SAL;
- a 100.00 % holding in Vernis Associates SA;
- a 78.00 % holding in Galactic Engineering Projects SA; and
- an 89.00% holding in Starcom Global Limited.

The fair value of the net identifiable assets and liabilities of these acquisitions at the date of acquisition were as follows:

	US\$
Total assets	10,510,119
Total liabilities	(10,177,433)
Fair value of net assets	332,686
Our share of fair value of net assets	361,175
Negative goodwill arising from acquisition	(1,543,101)
Net cash flow from acquisition	(1,181,926)

- (b) During 2004, the group's share of ownership in a subsidiary (Spacetel Benin) was increased by 10% due to a restructuring of the subsidiary's capital. The fair value of the identifiable assets and liabilities of Spacetel Benin as at purchase date were as follows:

	US\$	US\$	US\$
Total non-current assets		8,318,508	
Inventory	236,403		
Accounts receivable	4,666,916		
Cash and banks	928,670		
Total current assets		5,831,989	
Total assets			14,150,497
Total non-current liabilities		(335,000)	
Total current liabilities		(12,387,894)	
Total liabilities			(12,722,894)
Net book value of net assets			1,427,603
Additional shares acquired during the year –10%			
Shareholding in net book value of net assets			142,760
Consideration paid			(1,682,627)
Goodwill			1,539,867

- (c) During 2004, the group acquired through one of its subsidiaries, Easydial International Limited, 55% of the voting shares of Bashair Telecom Company Limited.

Bashair Telecom Company Limited is the operator of the mobile GSM system in Sudan, and began its operations in July 2005.

On acquisition, Bashair Telecom Company Limited had a newly issued license with a fair value of US\$183,000,000. Easydial International Limited. purchased shares from existing shareholders, as follows:

	Percentage holding acquired	Number of shares acquired	Consolidated US\$
September 2004	30%	1,404,000	54,900,000
October 2004	25%	1,170,000	45,750,000
Total shares	55%	2,574,000	100,650,000

Bashair Telecom Company Limited contributed a loss of US\$2,323,316 to the net result of the group in 2004.

- (d) During the year 2004, the holding company disposed of ten subsidiaries and available for sale securities, and realised a net gain of US\$5,237,619. Details are as follows:

	US\$
Gain on sale of available for sale securities	7,392,026
Loss on sale of subsidiaries	(2,154,407)
Net gain on sale	5,237,619

During March 2004, the holding company sold its investment in Mobinvest, collected a receivable of US\$7,687,679 and realised a capital gain of US\$7,392,026.

On 28 December 2004 the holding company sold ten dormant companies and realised a net loss of US\$2,154,407.

The dormant sold companies were as follows:

1. Global Dial Limited
2. Sprint Spacetel Incorporated
3. The Guinea System Mobile Partners Limited
4. Iaccess SAL
5. EZ Net SAL
6. Interactive Broadcast (Intercast) SAL
7. Tone International Limited
8. Connection BVI
9. Abeo SAL
10. Ideal Communications Europe Limited

In accordance with the sale agreements, the holding company agreed to write-off the loan balances amounting to US\$2,691,751, and write-back the loan balances amounting to US\$1,354,399 that were due from and to these subsidiaries.

The net book values of identifiable assets and liabilities of these sold subsidiaries at 1 January 2004 were as follows:

	US\$
Shares disposed during the year:	
Net book value of net assets	(817,064)
Debts written-off	(2,691,751)
Write-back of a loan	1,354,399
Consideration received	9
Loss on disposal	(2,154,407)

The net cash flow on disposal of the subsidiaries is as follows:

	US\$
Net cash disposed	(5,739)
Cash received	9
Net cash outflow	(5,730)

The subsidiaries contributed a net loss of US\$432,382 to the net results of the holding company in year 2003.

- (e) During 2005 the group wrote-off a receivable from one of the ten disposed of subsidiaries and available for sale securities that were sold on 28 December 2004. The additional loss amounted to US\$103,945.
- (f) On 1 January 2003, the group's share of ownership in a subsidiary (Scancom Limited) was increased by 4.8% due to restructuring of the subsidiary's capital. The fair value of the identifiable assets and liabilities of Scancom Limited as 1 January 2003 were as follows:

	US\$
Total assets	31,424,432
Total liabilities	(19,406,682)
Net assets	12,017,750
Additional shares acquired during the year (%)	4.8
Fair value of net assets	576,852
Consideration paid	(1,560,637)
Goodwill	983,785

- (g) During year 2003, the holding company disposed of two subsidiaries, and realised a net loss of US\$5,538,471. Details are as follows:

	US\$
Loss on disposal of subsidiaries	6,486,706
Reversal of provision made in 2002	(1,103,773)
Currency translation reserve – loss	155,538
Net loss	5,538,471

On 3 June 2003, based on share assignment agreements signed between the holding company and minority shareholders of two subsidiaries, the holding company agreed to dispose of its shareholding in two subsidiaries effective 1 January 2003. In accordance with the share assignment agreements, the holding company agreed to write-back a loan of US\$1,696,323 and write-off a loan balance of US\$5,742,822 that were due to and from these subsidiaries. The fair value of the identifiable assets and liabilities of the subsidiaries as of 1 January 2003 were as follows:

	US\$
Assets	22,044,734
Liabilities	(13,960,357)
Fair value of net assets	8,084,377
Shares disposed during the year:	
Fair value of net assets	2,440,209
Debts written-off	5,742,822
Write-back of loan	(1,696,323)
Consideration received	(2)
Loss on disposal	6,486,706

The net cash flow on disposal of the subsidiaries was as follows:

	US\$
Net cash disposed	(3,075,716)
Cash received	2
Net cash outflow	(3,075,714)

9. TAXATION

The holding company is subject to income tax on profits at a rate of 0% in accordance with the laws promulgated by the Dubai International Financial Centre (“DIFC”). The establishing law of the DIFC decrees that this zero rate will be applicable until at least 2054. When domiciled in Luxembourg the holding company was subject to an annual tax calculated as a percentage of capital and reserves.

The group is subject to income tax on its operations, in certain territories primarily in Ghana, Syria, Benin, Liberia and Cyprus.

Ghana

Income tax has been provided for based on the estimated taxable profit of the Ghana operations at a rate of 28% (2004: 32.5% and 2003: 32.5%). The differences between the financial and the taxable income are due mainly to adjustments for accelerated depreciation on fixed assets for tax purposes and provisions for taxes on future dividends. The deferred tax effect for the current year amounts to US\$6,070,800 (2004: US\$10,233,134 and 2003: US\$1,933,504).

Syria, Benin and Liberia

Income tax has been provided for based on the estimated taxable profit of the subsidiaries operations at various rates varying between 15% and 35% (2004: between 15% and 35% and 2003: between 15% and 35%), in accordance with the income tax laws of the countries where the subsidiaries operate. The differences between the financial and the taxable income are not material. Accordingly there is no significant deferred tax effect for the current or the prior year.

Cyprus

No income tax arises in Cyprus due to taxation losses. Taxation losses in Cyprus may be carried forward indefinitely for offset against future taxable profits. No deferred tax asset has been created in respect of Cyprus taxation losses as it is probable that taxable profits will not be available in the immediate future against which the tax losses carried forward can be utilised.

Income tax expense comprises:

	2005 US\$	2004 US\$	2003 US\$
Taxation (holding company)	65,009	314,458	25,497
Income tax expense (subsidiaries)	63,408,326	54,851,715	22,262,239
Deferred income tax liability (Note 27)	6,070,800	10,233,134	1,933,504
National reconstruction levy	–	–	826,464
	69,544,135	65,399,307	25,047,704

Reconciliation between the tax expense and the product of the accounting profit multiplied by the tax rate in the Dubai International Financial Centre for the year ended 31 December 2005 is as follows:

	2005 US\$	%
Accounting profit before tax	277,381,081	
At the DIFC statutory income tax rate of 0%	–	–
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	63,728,319	23.0
Impact of withholding taxes included in the income tax expense	8,376,126	3.0
Impact of expenditure not allowed for tax purposes	507,444	0.2
Impact of capital allowances	(3,067,754)	(1.1)
Income tax reported in the financial statements	69,544,135	25.1

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

There are no dilutive potential shares accordingly no diluted earnings per share amount is presented.

The following reflects the income and share data used in the basic earnings per share computation.

	2005	2004	2003
Net profit attributable to ordinary equity holders of the parent from continuing operations (US\$)	195,876,476	148,094,083	77,290,315
Weighted average number of ordinary shares for basic earnings per share	1,232,137,142	1,200,000,000	1,200,000,000

11. INTANGIBLE ASSETS

	Software licence and other US\$	Goodwill US\$	Trademark US\$	GSM license US\$	Total US\$
Cost:					
Balance at 1 January 2003	4,413,780	6,226,224	10,858	16,786,879	27,437,741
Disposal of subsidiaries	(170,146)	–	–	(2,368,377)	(2,535,523)
Additions	25,096	983,785	1,325,549	27,435,204	29,769,634
Disposals	–	–	(320,535)	–	(320,535)
Balance at 31 December 2003	4,268,730	7,210,009	1,015,872	41,853,706	54,348,317
Disposal of subsidiaries	(1,090,510)	–	(10,858)	–	(1,101,368)
Additions	3,732,837	1,539,867	–	34,028,059	39,300,763
Change in scope	21,642	–	–	186,311,503	186,333,145
Disposals	(577,631)	–	–	(12,400)	(590,031)
Reclassification	1,005,014	–	(1,005,014)	–	–
Currency translation reserve	2,233,717	–	–	3,086,076	5,319,793
Balance at 31 December 2004	9,593,799	8,749,876	–	265,266,944	283,610,619
Additions	4,414,687	–	–	80,866,817	85,281,504
Acquisition of subsidiaries	60,718	–	–	–	60,718
Disposals	(303,872)	–	–	(166,132)	(470,004)
Reclassification	142,481	–	–	–	142,481
Currency translation difference	(709,420)	–	–	10,692,755	9,983,335
Balance at 31 December 2005	13,198,393	8,749,876	–	356,660,384	378,608,653
Amortisation:					
Balance at 1 January 2003	3,235,599	6,226,224	1,995	2,122,169	11,585,987
Disposal of subsidiaries	–	–	–	(718,244)	(718,244)
Amortisation charge for the year	22,475	–	494,689	1,088,655	1,605,819
Impairment	–	983,785	–	–	983,785
Related to disposals	–	–	(219,432)	–	(219,432)
Balance at 31 December 2003	3,258,074	7,210,009	277,252	2,492,580	13,237,915
Disposal of subsidiaries	(1,094,378)	–	–	–	(1,094,378)
Amortisation charge for the year	572,636	–	–	1,850,189	2,422,825
Related to disposals	(535,590)	–	(8,863)	–	(544,453)
Reclassification	268,389	–	(268,389)	–	–
Currency translation reserve	1,219,060	–	–	894,986	2,114,046
Balance at 31 December 2004	3,688,191	7,210,009	–	5,237,755	16,135,955
Acquisition of subsidiaries	35,997	–	–	–	35,997
Amortisation charge for the year	2,650,411	–	–	11,782,737	14,433,148
Related to disposals	(303,949)	–	–	(166,132)	(470,081)
Currency translation difference	(414,240)	–	–	(96,171)	(510,411)
Balance at 31 December 2005	5,565,410	7,210,009	–	16,758,189	29,624,608
Net carrying amount at 31 December 2005	7,541,983	1,539,867	–	339,902,195	348,984,045
Net carrying amount at 31 December 2004	5,905,608	1,539,867	–	260,029,189	267,474,664
Net carrying amount at 31 December 2003	1,010,656	–	738,620	39,361,126	41,110,402

Amortisation expenses are disclosed on the face of the consolidated income statement.

GSM licences give the right to group companies to install, maintain, operate and use a mobile communication network. The main characteristics of the licences operated by group companies are as follows:

Date of acquisition	Company	Country	Terms
September 2005	Areeba Afghanistan	Afghanistan	15 years (renewable for ten more years)
August 2005	Areeba Guinea SA	Guinea	15 years (renewable for five more years)
December 2004	Scancom Limited.	Ghana	15 years (renewable)
October 2004	Bashair Telecom Company	Sudan	15 years (renewable)
August 2004	Spacotel Benin	Republic of Benin	10 years
December 2003	Areeba Limited.	Cyprus	20 years (renewable)
December 2003	Spacotel Guinea-Bissau	Guinea-Bissau	10 years (renewable)
June 2002	Spacotel Syria	Syria	15 years (renewable for three more years)
December 1999	Lonestar Com. Corp.	Liberia	15 years

12. PROPERTY, PLANT AND EQUIPMENT

in US\$	Freehold land and buildings	General installations	Telecom- munication equipment	Motor vehicles	Office furniture	Office equipment and computers	Capital work in progress	Total
Cost:								
At 1 January 2003	1,085,945	1,561,706	169,950,064	1,912,293	1,280,157	8,430,958	85,025	184,306,148
Disposal of subsidiaries	(314,646)	—	(2,984,131)	(1,007,195)	(7,176,641)	(926,225)	—	(5,949,838)
Additions	978,106	1,561,545	112,078,311	1,200,921	275,661	4,298,914	93,053	120,486,511
Disposals	—	—	(638,178)	(128,528)	(7,226)	(9,816)	—	(783,748)
At 31 December 2003	1,749,405	3,123,251	278,406,066	1,977,491	830,951	11,793,831	178,078	298,059,073
At 1 January 2004	1,749,405	3,123,251	278,406,066	1,977,491	830,951	11,793,831	178,078	298,059,073
Change in scope	—	—	—	18,900	18,379	24,895	—	62,174
Disposal of subsidiaries	—	—	(2,766,004)	—	(19,941)	(188,581)	—	(2,974,526)
Additions	9,103	5,018,355	136,214,337	3,135,735	1,511,060	7,635,116	2,656,141	156,179,847
Disposals	—	(39,486)	(356,847)	(102,769)	(8,170)	(65,089)	(1,843)	(574,204)
Reclassification	—	120,715	(841,088)	—	(8,430)	849,517	(120,714)	—
Foreign currency translations	114,058	1,017,350	1,851,960	217,444	673,708	(11,534)	66,298	3,929,284
At 31 December 2004	1,872,566	9,240,185	412,508,424	5,246,801	2,997,557	20,038,155	2,777,960	454,681,648
At 1 January 2005	1,872,566	9,240,185	412,508,424	5,246,801	2,997,557	20,038,155	2,777,960	454,681,648
Additions on acquisition of subsidiary	—	233,364	297,011	446,958	78,387	186,790	—	1,242,510
Additions	1,232,288	9,797,216	217,662,641	2,386,304	1,698,627	8,107,484	16,249,641	257,134,201
Disposals	—	13,434	(2,377,175)	(140,139)	(170)	(215,435)	(1,971,247)	(4,690,732)
Reclassification	—	—	—	—	—	—	—	—
Foreign currency translations	(132,291)	(953,773)	(18,916,412)	(204,121)	(183,125)	(971,985)	(844,123)	(22,205,830)
At 31 December 2005	2,972,563	18,330,426	609,174,489	7,735,803	4,591,276	27,145,009	16,212,231	686,161,797
Depreciation:								
At 1 January 2003	178,630	236,425	60,915,446	703,371	448,697	3,013,558	—	65,496,127
Disposal of subsidiaries	(60,118)	—	(1,575,184)	(451,530)	(214,147)	(601,684)	—	(2,902,663)
Depreciation charge for the year	63,869	496,908	33,778,020	237,378	230,216	1,839,706	—	36,646,106
Relating to disposals	—	—	(173,374)	(54,065)	(409)	(4,670)	—	(232,518)
At 31 December 2003	182,381	733,333	92,944,908	435,163	464,357	4,246,910	—	99,007,052
At 1 January 2004	182,381	733,333	92,944,908	435,163	464,357	4,246,910	—	99,007,052
Disposal of subsidiaries	—	—	(2,399,454)	—	(4,951)	(132,650)	—	(2,537,055)
Depreciation charge for the year	112,841	813,544	50,796,552	584,067	308,110	2,797,756	—	55,412,870
Relating to disposals	—	(26,235)	(124,731)	(30,429)	(3,048)	(32,942)	—	(217,385)
Reclassification	—	(4)	(4,998,067)	—	141	4,987,930	—	—
Foreign currency translations	193,864	303,919	20,400,381	230,991	276,577	300,382	—	21,706,114
At 31 December 2004	489,086	1,824,557	156,629,589	1,219,792	1,041,186	12,167,386	—	173,371,596
At 1 January 2005	489,086	1,824,557	156,629,589	1,219,792	1,041,186	12,167,386	—	173,371,596
Depreciation charge for the year	371,336	2,493,777	92,428,159	1,414,344	685,565	4,961,877	—	102,355,058
Relating to disposals	—	—	(1,964,575)	(170)	(51,129)	(51,129)	—	(2,122,107)
Reclassification	—	125,204	216,157	356,822	44,564	163,308	—	906,055
Foreign currency translations	(39,520)	(216,641)	(7,746,753)	(4,456)	(57,874)	(664,516)	—	(8,772,758)
At 31 December 2005	820,902	4,226,897	239,562,579	2,837,269	1,713,271	16,576,926	—	265,737,844
Net carrying amount at 31 December 2005	2,151,661	14,103,529	369,611,910	4,898,534	2,878,005	10,568,083	16,212,231	420,423,953
Net carrying amount at 31 December 2004	1,383,480	7,415,628	255,878,835	4,027,009	1,956,371	7,870,769	2,777,960	281,310,052^(a)
Net carrying amount at 31 December 2003	1,567,024	2,398,918	185,461,158	1,542,328	366,594	7,546,921	178,078	199,052,021

(a) Properties, plant and equipment of the group of US\$ Nil (2004: US\$0.6 million) were pledged during year 2004 in favor of suppliers and banks as security against credit facilities granted to the group.

(b) Stanbic Bank Ghana Limited has a charge, by way of a debenture, on assets of a subsidiary up to US\$ Nil (2004: US\$9.9 million) as security against credit facilities granted to the group. Facilities utilised at 31 December 2005 were US\$ Nil (2004: US\$10,300,000).

All depreciation expenses are disclosed on the face of the consolidated income statement.

13. INVESTMENTS IN ASSOCIATES

The group has the following investments in associates:

Name of associate	Country of incorporation	Principal field of activity	2005	2004	2003
			Percentage of ownership		
Jibayat SAL	Lebanon	Collection of invoices	43.93	43.93	43.93
Spacetel Yemen	Yemen	Telecommunications	42.80	40.00	25.00
Spotcell Holding Limited	British Virgin Islands	Holding company	0.00	0.00	45.00
Globalcom Holding SAL	Lebanon	Holding company	0.00	0.00	25.00

During 2004, the group acquired an additional 15% shareholding in Spacetel Yemen. The seller of the 15% shares in Spacetel Yemen had an immediately exercisable call option to call back the shares at the same price plus interest. The call option expired on 16 July 2005 and the seller exercised his call option. The results attributable to these shares were not included in the share of results of associates for the period. An effective ownership interest of 25% was applied in accounting for the investment in Spacetel Yemen at 31 December 2004.

In a series of transactions between 24 February 2005 and 24 March 2005 the group acquired an additional economic interest at 17.8% in Spacetel Yemen.

	2005 US\$	2004 US\$	2003 US\$
Carrying value of associates	41,308,178	8,975,181	4,480,509
Disposal of an investment	(27,783,987)	(957,906)	–
New investment acquired	40,658,770	28,045,997	–
Share of results of associates	16,259,022	9,637,107	4,859,944
Dividend income	(11,347,680)	(3,280,222)	(116,544)
Other movements	–	(785,477)	–
Currency translation difference	(492,114)	(326,502)	(248,728)
	58,602,189	41,308,178	8,975,181

The main component of the share of result of associates represents the 42.8% of Investcom Telecommunications' Yemen share in Spacetel Yemen.

The following table illustrates summarised information of the group's investments in associates:

	2005 US\$	2004 US\$	2003 US\$
Share of associates' balance sheets			
Current assets	18,093,215	9,477,010	5,747,742
Non-current assets	57,946,625	43,143,104	13,876,732
Current liabilities	(17,437,651)	(8,999,866)	(6,984,130)
Non-current liabilities	–	(2,312,070)	(3,665,163)
Net assets	58,602,189	41,308,178	8,975,181
Share of associates' revenue and results			
Revenues	44,796,522	23,115,942	16,762,531
Results	16,259,022	9,637,107	4,108,178

14. AVAILABLE FOR SALE SECURITIES

Available for sale securities mainly represent unquoted investments which are carried at cost less any provision for impairment because fair value cannot be reliably determined due to the unpredictable nature of future cash flows.

15. INVENTORIES

	2005 US\$	2004 US\$	2003 US\$
Pre-paid SIM cards	1,071,026	1,951,426	1,626,791
Post-paid SIM cards	529,743	561,362	780,550
Recharge cards	1,337,403	488,875	475,754
Accessories	920,933	673,344	244,843
Other	903,448	1,001,586	689,644
	4,762,553	4,676,593	3,817,582

16. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2005 US\$	2004 US\$	2003 US\$
Trade accounts receivable (a)	101,600,585	75,627,883	51,076,856
Provisions for doubtful debts	(9,134,449)	(8,742,847)	(4,636,815)
Amounts due from related parties (b)	12,550,523	7,825,147	14,054,343
Advance to suppliers	4,246,752	4,804,600	1,405,413
Other receivables (c)	48,029,331	26,421,488	5,177,564
Pre-paid expenses	6,583,998	5,134,910	6,274,994
Accrued income – post-paid cards	2,602,336	131,014	41,875
	166,479,076	111,202,195	73,394,230

(a) The breakdown of the trade accounts receivables is as follows:

	2005 US\$	2004 US\$	2003 US\$
End users	41,341,473	38,906,635	32,638,948
Interconnection receivables	55,192,781	29,830,918	13,191,610
Distributors receivables	1,454,723	1,830,867	2,297,772
Receivables from other roaming partners	3,305,770	5,022,911	2,937,841
Other	305,838	36,552	10,685
	101,600,585	75,627,883	51,076,856

(b) The breakdown of the amounts due from related parties is as follows:

	2005 US\$	2004 US\$	2003 US\$
Voice Data and Telecom Co.	1,138,835	953,778	1,475,604
Spacetel Guinea	91,837	1,510,295	2,005,052
B-Jet Limited	1,403,351	1,253,333	1,173,333
Fans Air Limited	4,422,871	2,257,596	2,176,786
Saudi Inteltec	206,838	246,066	272,442
Spacetel Yemen	2,404,911	1,303,140	5,983,009
Other related parties	2,881,880	300,939	968,117
	12,550,523	7,825,147	14,054,343

With the exception of Spacetel Yemen, which is an associate, each of the above entities are owned by certain directors of Investcom LLC.

(c) The breakdown of other receivables is as follows:

	2005 US\$	2004 US\$	2003 US\$
Advances to employees	1,087,384	903,724	185,471
Deferred charges	6,157,705	2,519,020	–
Advance payment to suppliers	20,532,037	14,345,402	3,769,356
VAT and miscellaneous taxes	10,318,063	5,113,268	685,027
Other	9,934,142	3,540,074	537,710
	48,029,331	26,421,488	5,177,564

17. HELD FOR TRADING SECURITIES

Held for trading securities consist of a portfolio of quoted shares amounting to US\$2,601,543 (2004: US\$1,424,367, 2003: US\$1,467,172).

18. CASH AND CASH EQUIVALENTS

	2005 US\$	2004 US\$	2003 US\$
Bank balances and cash	450,619,409	116,210,871	49,800,403
Bank overdrafts	(74,756,019)	(106,763,912)	(13,322,490)
	375,863,390	9,446,959	36,477,913

- (a) Bank balances and cash include deposits of US\$63,926,221 (2004: US\$53,238,318, 2003: US\$10,965,220) with commercial banks in countries where the group operates. These deposits are mainly denominated in US Dollars and are short term in nature, with an effective interest rate of 6.64% (2004: 3.75%, 2003: 1.13%). These deposits are blocked against various credit facilities extended to the holding company and its subsidiaries.
- (b) Bank balances and cash include an amount of US\$Nil (2004: US\$3,002,297, 2003: US\$1,832,508) that are restricted. These restricted funds must be used only for import of equipment and for release of customers' deposits against international calling services. In addition to that, US\$2,501,400 (2004: US\$2,000,000, 2003: US\$ Nil) are restricted cash margin for letters of guarantee issued.
- (c) Bank balances include an amount of US\$1,510,663 (2004: US\$4,743,004, 2003: US\$6,617,002) that are in the name of the shareholders and are held by them on a fiduciary capacity for the benefit and on behalf of the holding company.
- (d) Bank overdrafts of US\$73,354,584 (2004: US\$102,093,240, 2003: US\$12,865,108) of the group are secured by:
- (i) a pledge on the shares of an associated company;
 - (ii) the personal guarantee of the shareholders;
 - (iii) bank deposits held as cash collateral. Bank overdrafts are mainly denominated in US Dollars with an effective interest rate of 7.5% (2004: 7%, 2003: 2.1%).

19. SHARE CAPITAL

The authorised share capital of the holding company is US\$90,000,000 divided into 1,800,000,000 shares of US\$0.05 each (2004: US\$20,000,000 divided into 200,000 shares of US\$100 each; 2003: US\$7,500,000 divided into 75,000 shares of US\$100 each).

The issued share capital of the holding company is US\$66,427,428.45 divided into 1,328,548,569 shares of US\$0.05 each (2004: US\$20,000,000 divided into 200,000 shares of US\$100 each and 2003: US\$7,500,000 divided into 75,000 shares of US\$100 each).

The movement in number of shares issued and fully paid was as follows:

	2005	2004	2003
Number of shares outstanding, 1 January	200,000	75,000	75,000
Increase in share capital through transfer from retained earnings (see (a) and (c) below)	400,000	125,000	–
Increase in the number of shares due to the decrease in the par value from US\$100 to US\$0.05 (see (b) below)	1,199,400,000	–	–
Increase of share capital through Initial Public Offering (Note 20)	128,548,569	–	–
Number of shares outstanding at 31 December	1,328,548,569	200,000	75,000

The movement in number of shares issued and fully paid was as follows:

- (a) On 15 September 2005, based on an extraordinary resolution of the company's shareholders, the company's share capital was increased from US\$20,000,000 to US\$60,000,000 by transferring US\$40,000,000 from the company's retained earnings. Accordingly, the company issued 400,000 shares of US\$100 each.
- (b) On 15 September 2005, based on an extraordinary resolution of the company's shareholders, the nominal values of the shares of the company were reduced from US\$100 per share to US\$0.05 per share. Accordingly, the company issued 1,199,400,000 new shares or US\$0.05 each.
- (c) During 2004, the extraordinary general assembly of the shareholders dated 27 December 2004 increased the share capital of the company to US\$20,000,000 by issuing 125,000 shares of US\$100 through a transfer of US\$12,500,000 from retained earnings.
- (d) During the year the company paid cash dividends of US\$75 per share amounting to US\$15,000,000. During 2004 the company paid cash dividends of US\$208 per share amounting to US\$15,600,000 and US\$ Nil in 2003.

20. SHARE PREMIUM

Based on the Board of directors' resolution dated 5 October 2005, the company issued to the public 25,709,714 Global Depository Shares ("GDS") each representing five shares outside the United States. To create the GDS, the company issued 128,548,569 shares. The proceeds relating to the issuance of shares amounted to US\$317,514,966 (including par value of US\$6,427,428). The commissions and other expenses relating to the issuance of GDSs amounted to US\$14,350,211 resulting in a share premium of US\$296,737,327.

21. STATUTORY RESERVE

Luxembourg companies are required to appropriate to statutory reserve a minimum of 5% of the annual net income, after deducting any losses brought forward, until this reserve equals 10% of the nominal value of the issued share capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the company. The appropriation to statutory reserve is effected after approval at the general meeting of the shareholders. Appropriation during the year ended 31 December 2005 to statutory reserve amounted to US\$ Nil (2004: US\$1,250,000, 2003: US\$ Nil) after the capital increase of the company.

Following the holding company's redomiciliation to Dubai the directors have elected to retain this reserve, however, it is now distributable.

22. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries into US Dollars.

Foreign currency translation gains at 31 December 2005 arising from translating the assets and liabilities of overseas subsidiaries into US Dollars were US\$1,673,211 (2004: loss of US\$17,315,223, 2003: loss of US\$3,155,918).

23. RETAINED EARNINGS

Consolidated retained earnings include statutory reserves of subsidiaries of US\$12,431,769 (2004: US\$8,797,509, 2003: US\$4,620,442) that are not available for distribution.

24. PROVISIONS

Balance mainly represents provisions for end of service indemnity. Movements in the provision recognised in the balance sheet are as follows:

	2005	2004	2003
	US\$	US\$	US\$
Balance at 1 January	81,398	13,687	1,103,773
Provisions made during the year	7,386,589	77,943	12,576
Payments made during the year	(7,417,382)	(10,850)	(1,103,773)
Provisions of acquired subsidiary	488,868	–	–
Currency translation	(220)	618	1,111
Balance at 31 December	539,253	81,398	13,687

25. LONG-TERM ACCOUNTS PAYABLE

	2005	2004	2003
	US\$	US\$	US\$
Long-term accounts payable	117,696,843	87,451,426	25,514,721
Less: Instalments due within one year classified under current liabilities	(23,770,364)	(19,411,796)	(5,533,552)
Balance classified as non-current liability	93,926,479	68,039,630	19,981,169

(a) Long-term accounts payable includes US\$16,252,989 (2004: US\$21,900,321 and 2003: US\$22,134,208) due to General Customs Directorate in the country where a subsidiary operates, for equipment imported prior to 31 December 2002. Custom duty for imported equipment during 2004 and 2005 was paid to the General Customs Directorate. No final agreement has been reached regarding payment of the balance due to the General Customs Directorate for imported equipment before 2002.

(b) Long-term accounts payable also includes US\$49,295,024 (2004: US\$45,652,432 and 2003: US\$ Nil) in respect of license fees of some of the subsidiaries which are payable over a period of one to six years. Interest is payable on these amounts at rates approximating the three-month LIBOR rate.

(c) US\$50,200,343 (2004: US\$18,122,057, 2003: US\$ Nil) represents vendor credit agreements for the supply and installation of subsidiary's GSM mobile network bearing interest at six-month Euribor + 0.45%.

The movement of long-term accounts payable during the year 2005 can be summarised as follows:

	2005 US\$	2004 US\$	2003 US\$
Balance at 1 January	87,451,426	25,514,721	2,004,372
Currency translation difference	(6,654,499)	2,053,183	–
Reclassification from term loans to accounts payable	–	22,676,683	–
Reclassification from accounts payable to other payables	–	(2,537,790)	–
Proceeds from new facilities	53,273,485	52,241,939	28,951,045
New subsidiaries	–	2,559,686	–
Settled during year	(16,373,569)	(15,056,996)	(5,440,696)
Balance at 31 December	117,696,843	87,451,426	25,514,721

26. TERM LOANS

	2005 US\$	2004 US\$	2003 US\$
Term loans	114,543,726	28,116,025	28,907,026
Less: Instalments due within one year classified under current liabilities	(42,664,470)	(12,283,715)	(8,556,701)
Balance classified as non-current liability	71,899,256	15,832,310	20,350,325

The movement of long-term loans during the year 2005 can be summarised as follows:

	2005 US\$	2004 US\$	2003 US\$
Balance at 1 January	28,116,025	28,907,026	19,917,871
Currency translation difference	(1,516,975)	79,330	–
Reclassification from term loans to accounts payable	–	(22,676,683)	–
Proceeds from new facilities	93,324,805	25,615,042	22,676,218
Sale of a subsidiary	–	(83,635)	–
Settled during the year	(5,380,129)	(3,725,055)	(13,687,063)
Balance at 31 December	114,543,726	28,116,025	28,907,026

(a) Investcom LLC was granted a credit facility of US\$50 million. The loan is repayable in 20 quarterly instalments starting 1 March 2006. Interest accrues on a quarterly basis	50,000,000	–	–
(b) Investcom LLC was granted a revolving credit facility of US\$60 million. The facility expires on 15 December, 2006	22,500,070	–	–
(c) Scancom Limited was granted a loan from a financing institution amounting US\$40 million. The loan is repayable over five years in 13 equal instalments with the first installment on 15 March 2007. The loan includes a grace period of two years	20,000,000	–	–
(d) Scancom Cyprus was granted a term loan of €4 million. The amount is repayable in 2006	4,832,032	5,944,724	–
(e) The term loan is granted by a financial institution to a subsidiary and repaid during the year	–	1,060,833	3,182,499

26. TERM LOANS (CONTINUED)

	2005 US\$	2004 US\$	2003 US\$
(f) The term loan was granted by a supplier to a subsidiary under supplier credit agreements for the purchase of network equipments	391,935	1,175,805	1,959,675
(g) The term loan of US\$1,005,000 is granted by a financial institution to a subsidiary and repaid during year	–	335,000	1,005,000
(h) The term loan of US\$2,540,000 was granted by a financial institution to a subsidiary. This amount is due to be repaid in 2006	423,334	2,540,000	–
(i) On 10 July 2004 Scancom Syria was granted a loan from a financing institution of US\$10 million for the purchase of telecom equipment. The loan includes a grace period of one year and is repayable over four years in eight equal semi-annual instalments	11,176,376	10,155,467	–
(j) A subsidiary was granted a term loan of US\$6,250,596 repayable in nine consecutive semi-annual instalments	4,957,227	6,250,596	–
(k) Other term loans	262,751	653,600	83,634
(l) A subsidiary was granted a term loan of Cypriot Pounds 10,259,500 (US\$21,889,270) on 1 December 2003. The loan is repayable in four annual instalments starting from 1 December 2004. Interest accrues on a monthly basis. Reclassified into long-term accounts payable	–	–	21,889,270
(m) Term loan granted in 2003 as a vendor financing agreement	–	–	786,948
	114,543,726	28,116,025	28,907,026

The above loans carry variable interest at commercial rates. The average effective interest rate on the term loans for the year ended 31 December 2005 was 7.02% (2004: 5.24%, 2003: 4.10%). Some of the above loans are secured by: (1) guarantees from related parties; (2) charges on property, plant and equipment and (3) notes payable. As the term loans attract interest at rates which vary with market movements, the fair value of the term loans approximates carrying value.

27. DEFERRED INCOME TAX LIABILITY

Deferred income tax liability at 31 December 2005, 2004 and 2003 relates to the following:

	2005 US\$	2004 US\$	2003 US\$
Temporary differences between book and tax basis of assets and liabilities	10,655,447	11,172,080	5,027,138
Temporary differences associated with undistributed earnings of investments in subsidiaries	4,882,500	4,198,950	–
Amount included in balance sheet as non-current deferred income tax liability	15,537,947	15,371,030	5,027,138

The development of deferred income tax liability during the financial years 2005, 2004 and 2003 is as follows:

	2005 US\$	2004 US\$	2003 US\$
Balance at 1 January	15,371,030	5,027,138	3,093,634
Currency translation adjustment	(75,193)	110,758	–
Deferred tax expense due to temporary differences (Note 9)	6,070,800	10,233,134	1,933,504
Deferred tax expense relating to Ghanaian hyperinflation	(5,828,690)	–	–
Balance at the end of the year	15,537,947	15,371,030	5,027,138

28. ACCOUNTS PAYABLE AND ACCRUALS

		2005 US\$	2004 US\$	2003 US\$
Trade accounts payable	(a)	111,313,854	77,641,649	51,420,812
Amounts due to related parties (Note 31)		3,355,694	2,298,664	7,998,385
Accrued license fees		–	–	7,000,000
Other	(b)	65,154,438	54,591,725	27,849,144
		179,823,986	134,532,038	94,268,341

(a) Trade accounts payable breakdown is as follows:

Trade payables	65,709,125	36,232,837	36,549,990
Interconnection payables	40,141,332	33,677,027	13,323,583
Distributors commission payable	1,642,172	774,392	4,881
Payables to other roaming partners	239,659	137,155	114,587
Other	3,581,566	6,820,238	1,427,771
Total trade payables	111,313,854	77,641,649	51,420,812

(b) Other payables breakdown is as follows:

Employee benefits	364,574	480,585	269,194
Accruals	34,467,480	9,547,373	8,605,531
Social security payables	337,622	180,172	147,738
Interest and commissions payable	179,808	33,352	35,844
Miscellaneous	29,804,954	44,350,243	18,790,837
Total other	65,154,438	54,591,725	27,849,144

29. AMOUNTS DUE TO SHAREHOLDERS

Amounts due to shareholders represent loans granted by the shareholders to the group to finance the acquisition of investments and advances to subsidiaries. These loans are repayable on demand and are non-interest bearing.

30. OTHER CURRENT LIABILITIES

At 31 December 2005, other current liabilities represent unearned revenues in relation to pre-paid cards for an amount of US\$23,365,612 (2004: US\$14,418,220, 2003: US\$1,481,484).

31. RELATED PARTY TRANSACTIONS

These represent transactions with related parties, i.e. shareholders and senior management of the group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the group's management.

	2005 US\$	2004 US\$	2003 US\$
Board remuneration paid to Directors			
Mediterranean Network S.A.M.	3,244,790	3,033,589	2,562,283
Investcom Global Limited	5,600,000	5,600,000	1,600,000
Transactions with entities controlled by certain directors of Investcom LLC			
Hi-Speed Enterprises Limited (Occupancy and salaries)	1,416,668	1,655,496	–
Hi-Speed Enterprises Limited (Consultancy)	1,560,000	2,559,955	–
C-Jet Limited	814,566	–	–
B-Jet Limited (Travel cost)	559,519	623,376	1,669,613
Compensation to key management personnel of the group			
Compensation to key management personnel	3,130,000	1,000,000	–

32. CAPITAL EXPENDITURE COMMITMENTS

At 31 December 2005 the group had capital expenditure commitments of approximately US\$17,883,552 (2004: US\$113,396,320, 2003: US\$4,509,229) for the purchase of technical equipment entered into but not provided for in these consolidated financial statements.

33. CONTINGENT LIABILITIES

During year 2005 the group had issued letters of guarantees in favor of suppliers and financial institutions amounting to US\$153,322,256 (2004: US\$130,915,880, 2003: US\$58,245,980) granted in the ordinary course of business against loans and credit facilities. The group had contingent liabilities in respect of letters of guarantees of US\$81,935,549 outstanding at 31 December 2005 (2004: US\$65,194,135, 2003: US\$20,795,091).

Under the terms of a contract signed between a subsidiary and the Government of Syria, the subsidiary should present a bank guarantee of US\$50 million, to be submitted upon the fourteenth year from commencing investment (i.e. 2015) and to be kept until the issuance of the final financial and technical acceptance certificate for the transfer of the project and ownership of the network to the Telecommunication Ministry of Syria.

34. OPERATING LEASE COMMITMENTS

The company has entered into commercial leases for the rental of sites for its terrestrial network bases. The non-cancelable lease terms range between two to ten years.

Future minimum rentals payable under non-cancelable operating leases are as follows:

	2005 US\$	2004 US\$	2003 US\$
Within one year	1,487,369	918,912	–
After one year but not more than five years	4,943,138	3,621,243	–
More than five years	1,716,313	2,411,211	–
	8,146,820	6,951,366	–

35. RISK MANAGEMENT

The group is exposed to market risk, including primarily changes in interest rates and currency exchange rates. The group does not hold or issue derivative financial instruments for hedging or trading purposes.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The group is exposed to interest rate risk on its interest bearing liabilities. Maturities and the range of interest rates on interest bearing assets and liabilities are disclosed in the related notes. Management has not entered into any transactions designed to hedge against these interest rate risks.

Credit risk

The group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

The group has significant concentration of credit risk, with exposure spread over a small number of counter-parties and customers in addition to geographical concentration subject to country sovereign risk, mainly in Syria, Yemen, Ghana, Sudan and Benin.

Liquidity risk

The group limits its liquidity risk by ensuring adequate funds and bank facilities are available. The group's terms require amounts to be paid within 60 days of the date of transaction. Trade payables are normally settled within 60 days of the date of service in accordance with the terms of purchase.

Currency risk

The group operates in several countries mainly in Europe, the Middle East and Africa and as a result is exposed to significant currency risk. The group is mainly exposed to foreign currency risk in relation to revenues and borrowings. Management has not entered into any transactions designed to hedge against these foreign currency risks.

Trade accounts receivables and payables are denominated in the following currencies:

	Accounts receivable	Accounts payable
Ghanaian Cedis	36,184,939	5,118,613
Syrian Pounds	26,060,420	50,240,768
CFA Franc	19,612,029	17,785,012
Euro	13,687,233	16,261,465
Sudanese Dinar	2,655,693	8,816,995
US Dollars	266,014	6,794,799
Other currencies	3,134,257	6,296,202
	101,600,585	111,313,854

Business risk

The group has operations in emerging markets, namely Africa and Middle East, where the regulatory, political, technological and economic environments are evolving. As a result, there are uncertainties that may affect future operations, the ability to conduct business, foreign exchange transactions and debt repayments and which may impact upon agreements with other parties. In the normal course of business, Investcom is involved in discussions regarding taxation, interconnect, and licences renewals and tariffing arrangements, which can have a significant impact on the long-term economic viability of its operations.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of held for trading investments, receivables, bank balances and cash, and certain other assets. Financial liabilities consist of bank overdrafts, term loans, payables and accrued expenses.

The fair values of financial instruments are not materially different from their carrying value.

TRADING HISTORY OF INVESTCOM GDSs ON THE LSE

The highest, lowest and closing prices as well as the volume at which the Investcom GDSs traded on the LSE for each quarter commencing October 2005 and ended March 2006 or each month from 5 October 2005 to 19 May 2006 and for each day from 2 May 2006 to the last practicable date, are set out below:

	High US\$	Low US\$	Close US\$	Volume (GDS)
Quarterly				
2005				
Quarter 4	15.49	12.00	14.05	33,173,184
2006				
Quarter 1	19.25	14.10	15.50	22,275,332
Monthly				
2005				
October	15.49	12.00	13.51	21,845,401
November	15.00	13.50	14.00	6,853,547
December	14.14	13.30	14.05	4,474,236
2006				
January	17.70	14.10	17.61	12,531,737
February	19.25	16.10	17.35	3,588,040
March	17.63	15.00	15.50	6,155,555
April	17.00	15.00	15.15	3,149,726
May	19.12	18.50	18.70	10,869,240
Daily				
2006				
2 May	19.00	18.50	18.75	2,246,390
3 May	18.86	18.70	18.86	1,710,997
4 May	19.00	18.78	18.95	1,835,263
5 May	19.12	19.00	19.08	2,111,224
8 May	19.10	18.95	18.99	726,115
9 May	18.95	18.90	18.95	520,670
10 May	19.00	18.85	18.88	237,840
11 May	18.85	18.83	18.83	250,162
12 May	18.85	18.75	18.75	157,830
15 May	18.70	18.50	18.70	34,120
16 May	18.75	18.65	18.65	89,913
17 May	18.70	18.68	18.68	251,800
18 May	18.70	18.62	18.68	326,235
19 May	18.70	18.65	18.70	370,681

MATERIAL LOANS OF MTN GROUP

Lender	Amount	Rates	Repayment terms	Security
Unsecured loans				
Mauritius				
Syndicated Loan – Arranged by Standard Bank London Limited and Sumitomo Mitsui Banking Corporation – Europe	ZAR331,375,000	LIBOR+ 0.40%	One final payment by March 2007	Not applicable
Syndicated Loan – Arranged by Standard Finance (Isle of Man)	ZAR361,500,000	LIBOR + 0.40%	One final payment in November 2006	Not applicable
South Africa				
Various Composite Facilities	ZAR780,000,000	Linked to BA ranging from 8.5% – 14.0% p.a.	Due within 365 days	Not applicable
Standard Corporate Merchant Bank	ZAR3,173,000,000	Rates between 7.45% and 8.818%	Repayable on 30 October 2007	Not applicable
US\$3,85 billion Bridge Credit Facility – Arranged and Underwritten by Deutsche Bank AG and Standard Chartered Bank	US\$Nil	Undrawn (commitment fee of 0.375% on the total amount of the Bridge Credit Facility)	If drawn, repayable 180 days from the signing of the agreement. Also has a six-month extension period	Not applicable
Cameroon				
Syndicated Medium-term Loan of Communauté Financière Africaine franc CFA32.2 billion	ZAR360,798,572	Fixed at 7.35%	Repayable in eight payments of CFA4.025 billion per semester starting on 30 September 2006	Not applicable
Secured loans				
South Africa				
Rand Merchant Bank (a division of FirstRand Bank) – Phase 1	ZAR300,000,000	11.8%	Payable monthly with six years outstanding	Secured by the underlying property
ABSA Bank Limited – Phase 2	ZAR333,000,000	7.464%	Payable monthly with 19 years outstanding	Secured by the underlying property
Nigeria				
Local Facility – Commercial Paper	ZAR1,506,280,000	Lower of 3-month NIBOR + 1% or MRR + 4%	Repayable bi-annually from September 2006 to November 2010	
Local Facility	ZAR723,000,000	NIBOR + 0.75%	Matures November 2008	
International Finance Corporation	ZAR241,000,000	LIBOR + 3%	Repayable bi-annually from September 2006 to November 2010	

Note 1:

All of the Nigerian loans, including other smaller loans totalling R376 million, are secured by a fixed charge over the company's movable assets, service licence, ordinary share deposit accounts and a floating charge over the undertaking and its assets, property and receivables. The proceeds of the insurance policies are secured in favour of the security trustee. MTN Mauritius has also provided its shares as security for these loans.

Repayment of all loans repayable in 12 months will be financed through a combination of cash generated from the operations and refinancing.

It is the intention of the MTN Group Board to refinance the US\$3.85 billion Bridge Credit Facility within the initial 180-day period from the proceeds of an appropriate mix of funding potentially including local and international bank financing and funding from the debt capital markets.

MTN GROUP OPERATING TRADING UPDATE FOR THE FIRST QUARTER ENDED 31 MARCH 2006

MTN Group recorded 55% year-on-year growth in subscribers in its operations to 24,185,000. This represents a 4% increase since the last reported period ended 31 December 2005. Excluding operations acquired in the previous financial period, year-on-year subscriber growth was 43%.

Traditionally, seasonality in the first quarter of the calendar year results in lower connections and airtime usage relative to the remaining quarters. The first quarter of a new financial year reports the quarter's average revenue per user ("ARPU"), while the previous period's ARPU is a year to date number. Due to the change in year end this is the first time that ARPU's are being disclosed for the first quarter to 31 March.

MTN South Africa showed strong post-paid acquisitions. Pre-paid acquisitions also remained strong although declining on a net basis due to increased churn at the low end following the promotion of pre-paid product in the previous quarter. The promotion has since been terminated, and net connections have now normalised. The subscriber base of MTN Group's South African operations therefore reduced by 36,000 in the first quarter of the year. MTN Group's international operations recorded a total of 13,986,000 subscribers – an increase of 8% since December 2005, now accounting for 58% of Group subscriber base (31 December 2005: 56%). MTN Nigeria remained the largest of the international operations, with growth of 8% since the prior quarter and its closing base of 9,036,000 representing 65% of the Group's subscribers outside of South Africa.

For MTN South Africa the current quarter's blended ARPU reduced to R155 in line with Group's expectations with pre-paid ARPU of R87 and post-paid ARPU of R496 being recorded. MTN Nigeria recorded blended ARPU of \$19, which is a 5% reduction quarter-on-quarter, in line with Group expectations. When compared to the average ARPU for nine months ended 31 December 2005, the quarter's ARPU dropped by \$3 or 14%.

The Group's operations in Iran are still on target to launch within its licence commitment.

Further details on subscriber numbers and ARPU trends are provided below.

Subscribers

	31 March 2006	31 December 2005	Percentage change vs December 2005	31 March 2005	Percentage change vs March 2005
South Africa	10,199,000	10,235,000	0%	8,001,000	27%
Post-paid	1,757,000	1,654,000	6%	1,391,000	26%
Pre-paid	8,442,000	8,581,000	(2%)	6,610,000	28%
Nigeria	9,036,000	8,370,000	8%	5,574,000	62%
Cameroon	1,409,000	1,248,000	13%	919,000	53%
Côte d'Ivoire	1,068,000	1,080,000	(1%)	–	–
Uganda	1,128,000	982,000	15%	782,000	44%
Mascom – Botswana	497,000	479,000	4%	–	–
Rwanda	293,000	275,000	7%	209,000	40%
Congo – Brazzaville	222,000	210,000	6%	–	–
Swaziland	224,000	213,000	5%	156,000	44%
Zambia	109,000	97,000	12%	–	–
	24,185,000	23,189,000	4%	15,641,000	55%

Note:

MTN only accounts for subscribers who have made or received a revenue generating call within an unbroken period of 90 days on its networks.

ARPUs

	31 March 2006	31 December 2005	31 March 2005
South Africa (blended)	R155	R169	R184
Post-paid	R496	R541	
Pre-paid	R87	R93	
Nigeria	\$19	\$22	\$40
Cameroon	\$14	\$16	\$23
Côte d'Ivoire	\$18	\$20	–
Uganda	\$12	\$15	\$19
Mascom – Botswana	\$18	\$21	–
Rwanda	\$16	\$17	\$19
Congo – Brazzaville	\$20	\$21	–
Swaziland	\$21	\$23	\$29
Zambia	\$20	\$20	–



MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

Share code: MTN ISIN: ZAE000042164

("MTN Group" or "the Company")

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the shareholders of MTN Group will be held at the registered office of MTN Group in the Auditorium, Phase II, 216 – 14th Avenue, Fairland, South Africa on Tuesday, 27 June 2006 at 10:00, for the purpose of considering and, if deemed fit, passing the following ordinary resolutions, with or without modification.

Words and expressions used in the definitions commencing on page 8 of this circular to which this notice of general meeting of shareholders of MTN Group is attached shall bear the same meanings in this notice of meeting of shareholders and, in particular, in the resolutions referred to below:

Ordinary resolution number 1

"RESOLVED THAT, subject to the passing of ordinary resolutions numbers 2, 3 and 4 the Investcom Offer (a copy of which is tabled at the meeting) by MTN International (Mauritius) Limited (a wholly-owned subsidiary of the Company), to acquire the entire issued and to be issued share capital in Investcom LLC ("Investcom") for:

- a cash consideration of US\$3.85 (R23.30) for each Investcom share (equivalent to US\$19.25 (R116.50) for each Investcom GDS);
- or, at the election of each Investcom shareholder accepting the Investcom Offer, as an alternative to the cash offer, a part cash, part share consideration of US\$2.0809 in cash and 0.1807 new MTN Group shares (to be listed on the Securities Exchange of the JSE Limited ("JSE")) for each Investcom share (equivalent to US\$10.4047 (R62.97) in cash and 0.9035 new MTN Group shares for each Investcom GDS), subject to a maximum aggregate number of 204,298,809 new MTN Group shares being issued pursuant to this MTN Group partial share alternative;

representing a potential aggregate cash consideration payable by MTN International (Mauritius) Limited of up to US\$5,526 million (R33.5 billion), with an MTN Group partial share alternative in terms of which Investcom shareholders are entitled to elect to receive, as an acquisition issue under the JSE Listings Requirements, up to approximately 36% of the aggregate cash consideration otherwise available under the Investcom Offer in new MTN Group shares (subject to a maximum aggregate number of 204,298,809 new MTN Group shares being issued pursuant to this MTN Group partial share alternative),

be and is hereby approved."

Ordinary resolution number 2

"RESOLVED THAT, subject to the passing of ordinary resolution number 1 the directors of the Company be and are hereby, as a specific authority and approval, authorised to allot and issue, as an acquisition issue under the JSE Listings Requirements, up to 204,298,809 new MTN Group shares (representing approximately 10.9% of the enlarged share capital of MTN Group) as part of the consideration to be paid to Investcom shareholders for their Investcom shares."

Ordinary resolution number 3

“RESOLVED THAT, subject to the passing of ordinary resolutions numbers 1 and 2 the Company make application to the JSE to list the new MTN Group shares allotted and issued pursuant to ordinary resolution number 2.”

Ordinary resolution number 4

“RESOLVED THAT any director of the Company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for and incidental to the implementation of ordinary resolutions numbers 1, 2 and 3.”

For the purposes of determining whether any of the above ordinary resolutions have been passed, votes in respect of shares held by a share trust or share scheme will not be counted.

VOTING AND PROXIES

MTN Group shareholders who have not dematerialised their MTN Group shares or have dematerialised MTN Group shares and have them registered in their own name, but who are unable to attend the general meeting of MTN Group shareholders and wish to be represented thereat, should complete and return the attached form of proxy (pink), in accordance with the instructions contained therein, to the office of the transfer secretaries of MTN Group, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107). The form of proxy must be received by no later than 10:00 on Friday, 23 June 2006.

MTN Group shareholders who have already dematerialised their MTN Group shares through a CSDP or broker, other than own name dematerialised MTN Group shareholders, should contact their CSDP or broker in order to advise them of their voting instructions, unless they wish to attend the general meeting of MTN Group shareholders in which event they must request their CSDP or broker to provide them with the necessary authority to attend the general meeting of MTN Group shareholders in terms of the custody agreement entered into with their CSDP or broker.

A shareholder entitled to attend and vote at the MTN Group general meeting is entitled to appoint a proxy to attend and speak and, on a poll, vote in such shareholder’s stead. A proxy need not be a member of the Company.

On a show of hands, every shareholder present in person or represented by proxy shall have one vote and, on a poll, every shareholder present in person or represented by proxy shall have one vote for every share held.

By order of the MTN Group Board

S B Mtshali

Group Secretary

Registered address

MTN Group Limited
216 – 14th Avenue
Fairland, 2195
(Private Bag 9955, Cresta, 2118)

Transfer secretaries

Computershare Investor Services 2004
(Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)



MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

Share code: MTN ISIN: ZAE000042164

("MTN Group" or "the Company")

FORM OF PROXY

FOR COMPLETION BY MTN GROUP SHAREHOLDERS WHO HAVE NOT YET DEMATERIALISED THEIR SHARES OR WHO HAVE DEMATERIALISED THEIR SHARES WITH OWN NAME REGISTRATION ONLY

If you wish to appoint a proxy to act on your behalf at the general meeting of shareholders of MTN Group to be held on Tuesday, 27 June 2006 at the registered office of MTN Group in the Auditorium, Phase II, 216 – 14th Avenue, Fairland, South Africa at 10:00 and at any adjournment or postponement thereof, please complete and return this form. (Also see the notes overleaf.)

Note: If your dematerialised MTN Group shares are held through a bank or broker and you have not provided the nominee with a general mandate to act on your behalf at shareholder meetings, and you wish to cast your vote at this meeting or you want to attend the general meeting in person, please contact your bank or broker.

I/We, (please print)

of (address)

holding ordinary shares in the Company, hereby appoint:

- _____ or failing him/her,
- _____ or failing him/her,

3. **the Chairman** of the general meeting,

as my/our proxy to act for me/us and on my/our behalf at the general meeting of shareholders of the Company which will be held on **Tuesday, 27 June 2006 at the registered office of MTN Group in the Auditorium Phase II, 216 – 14th Avenue, Fairland, South Africa at 10:00** and at any adjournment or postponement thereof, for purposes of considering and if approved, passing with or without modification, the resolutions to be proposed thereat and to vote for or against the resolutions or abstain from voting in respect of the shares registered in my/our name, as follows.

Please indicate with an "X" the instructions to your proxy in the spaces provided below. In the absence of such indication the proxy will be entitled to exercise his/her discretion in voting. (Also see the notes overleaf).

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. Ordinary resolution number 1 To approve the recommended offer in terms of which MTN Mauritius has offered to acquire the entire issued share capital of Investcom LLC ("Investcom") from Investcom shareholders			
2. Ordinary resolution number 2 To authorise the directors of the Company to allot and issue, up to 204 298 809 new MTN Group shares			
3. Ordinary resolution number 3 To authorise any director of the Company to make an application to the JSE to list the new MTN Group shares to be allotted and issued			
4. Ordinary resolution number 4 To authorise any director of the Company to implement the ordinary resolutions			

Signed at _____ on _____ 2006

Signature _____ Assisted by (where applicable) _____ (state capacity and names)

Telephone number (daytime) (_____)

Each member is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in place of that member at the general meeting of shareholders.

Notes:

1. A proxy need not be a member of the Company.
2. A member may insert the name of one or two alternative proxies of his/her own choice in the space provided, with or without deleting the words "the Chairman of the general meeting". The member must initial any such deletion. The person whose name appears first on this form or proxy and has not been deleted, will be entitled to act as proxy to the exclusion of those whose names follow.
3. Any alteration or correction must be initialled by the signatory, and if applicable, the person assisting the signatory.
4. The Chairman of the general meeting may reject or accept any form of proxy, which is not duly completed and/or received by the Company in time.
5. A copy of the power of attorney or such other documentary evidence, duly certified by a notary, establishing the authority of a person signing this form of proxy in a representative capacity, must be attached to this form of proxy.
6. The completion and lodging of this form of proxy will not preclude the relevant member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this proxy, should such member wish to do so.
7. Duly completed proxy forms must be lodged with or posted to the Company's transfer secretaries Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001, South Africa (PO Box 61051, Marshalltown, 2107). The said proxy forms must be received by the transfer secretaries no later than 10:00 Friday, 23 June 2006.
8. On a show of hands, every shareholder shall have only one vote, irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of shares he/she holds or represents, have only one vote.
9. On a poll, every shareholder present in person or represented by proxy shall have one vote for every MTN Group share held by such shareholder.
10. An ordinary resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the results of the show of hands, a poll shall be demanded by any person entitled to vote at the general meeting.
11. If a poll is demanded, the ordinary resolution put to the vote shall be decided on a poll.

