



MTN Group Limited

Final audited results for the year ended 31 December 2007



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

HIGHLIGHTS

Group subscribers up 53% to 61,4 million from December 2006

Revenue increased 42% to R73,1 billion

EBITDA up 42% to R31,8 billion

Net debt to EBITDA of 0,5x

Dividend per share of 136 cents



REVIEW OF RESULTS

MTN Group Limited (MTN Group) continued to deliver a solid performance in the twelve months to 31 December 2007, driven mainly by mobile subscriber growth across all operations.

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

The Group recorded revenue growth of 42% to R73,1 billion (31 December 2006: R51,6 billion). The SEA and WECA regions contributed 43% and 42% respectively of total Group revenue, and the MENA the remaining 15%. This compares with 52% by SEA, 41% by WECA and 7% by MENA at 31 December 2006 and reflects growth from a low base and start-ups in the MENA region. The Iran operation contributed 12% of the total MENA region's revenue (up from 2% last year). Without the positive effect of foreign currencies having strengthened against the Rand, Group revenue would have been approximately 2% lower.

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 42% to R31,8 billion compared with the twelve-month period ended 31 December 2006. Without the positive effect of foreign currencies having strengthened against the Rand, Group EBITDA would have been 3% lower. The SEA region contributed 36% to Group EBITDA and WECA 52%. The MENA region contributed 8% of total Group EBITDA, up 3% from December 2006.

Profit after tax ("PAT") decreased to R11,9 billion from R12,1 billion for the twelve months to 31 December 2006, owing to increased finance charges and a higher tax charge arising mostly from the end of the pioneer tax status of the Nigerian operation. Basic headline earnings per share ("HEPS") rose to 584,8 cents for the period, 4% below the 606,5 cents for the twelve months ended 31 December 2006.

The Group recorded 61,4 million subscribers at 31 December 2007, a 53% increase from 40,2 million at 31 December 2006, as penetration rates increased in most markets. The former Investcom operations recorded subscriber growth of 66% from 31 December 2006, to 13,9 million or 23% of the Group's total subscribers. Subscribers in the SEA region increased by 23% to 19,3 million, in the WECA region by 43% to 28 million, and the MENA region recorded a 186% increase to 14 million driven by the very strong growth of Irancell.

The average revenue per user ("ARPU") has marginally declined in most operations, which is consistent with increased penetration into lower usage segments.

The Group is supportive of meaningful local shareholder participation. During the course of the year, it facilitated the increase in equity participation of local shareholders in Uganda to 5%. MTN also decreased its shareholding in Côte d'Ivoire to 60% during the year. The Group is also keen to ensure that, where possible, it holds a controlling interest in its operations. Accordingly, during the course of the year, the Group increased its shareholding in MTN Rwanda from 40% to 55% and Mascom Botswana from 51% to 53%. The increase in Botswana did not result in a change in control.

M A Rampheloe and P L Woicke resigned their positions as directors with effect from 18 March 2008. The Board greatly appreciates their contribution to the achievements of the Group.

In February 2008 Moody's upgraded MTN's national scale rating to A2.za from A3.za and affirmed the global scale issuer rating at Baa3. The outlook on the ratings was changed to positive.

Income statement analysis

Group consolidated revenue increased by 42% to R73,1 billion (31 December 2006: R51,6 billion) largely owing to strong subscriber growth.

The increase in revenue was mainly driven by South Africa, which increased revenue by 15% to R28,2 billion, and Nigeria, which increased revenue by 36% to R20,3 billion. Ghana and Syria generated revenues of R4 billion and R4,6 billion respectively.

Former Investcom operations increased revenue by 48% to R14,8 billion (31 December 2006: R10 billion 12 months unaudited). These operations contributed R5,3 billion (17%) to WECA revenue and R9,4 billion (88%) to the MENA revenue for the period under review.

Group EBITDA increased by 42% to R31,8 billion (31 December 2006: R22,4 billion) as a result of strong revenue growth and initiatives to improve operational efficiencies.

Former Investcom operations generated R6,3 billion of the Group's total EBITDA for the year under review. The Group's EBITDA increased year on year by 29% to R25,1 billion, excluding the former Investcom operations. The SEA region's EBITDA increased by 22%, accounting for 36% of the Group's EBITDA. This was driven mostly by EBITDA from South Africa. The WECA region contributed 52% to Group EBITDA, up 1% from 31 December 2006. The MENA region contributed 8% to Group EBITDA, up 3% from December 2006.

The Group's EBITDA margin improved marginally to 43,5% compared with 43,4% for the twelve months ended 31 December 2006.

The Group depreciation charge increased by R1,7 billion to R6,8 billion for the period ended 31 December 2007. R0,8 billion of this amount is attributable to the increased investment in the former Investcom operations and a full-year application of the depreciation charge compared to six months in the previous year. Additional investment, mainly in South Africa, Iran and Nigeria, contributed to the remainder. The depreciation related to former Investcom operations came to R1,3 billion, with Ghana, Syria and Sudan at R327 million, R509 million and R200 million respectively.

Group amortisation of intangible assets increased by R0,9 billion to R2,2 billion compared with the twelve months to 31 December 2006. The amortisation relating to the acquisition of Investcom operations increased by R500 million to R1,1 billion for the twelve months to 31 December 2007, while Iran contributed a further R79 million. Nigeria's amortisation increased by R60 million, mainly as a result of the acquisition of a 3 G licence and 7,5 MHz frequency spectrum band licence.

Net finance costs of R3,2 billion were higher by R1,7 billion compared to 31 December 2006 and related mostly to the full-year impact of financing the borrowings related to the Investcom acquisition.

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

- The impact on earnings due to the Nigerian deferred tax credit, which decreases the adjusted headline EPS by 12,0 cents.
- The IFRS requirement that the Group account for a written put option held by a minority shareholder of one of the Group subsidiaries which provides them with the right to require the subsidiary to acquire their shareholding at fair value. The net impact is an increase in adjusted headline EPS of 19,7 cents.
- The unwinding of a previously reversed deferred tax asset in Nigeria, which increased the adjusted headline EPS by 89,4 cents.

Adjusted headline EPS of 681,9 cents for the period under review compares favourably with adjusted headline EPS of 584,7 cents for the twelve months ended 31 December 2006.

Group Taxation

The Group's taxation charge increased by R5,2 billion compared with the twelve months ended December 2006. This relates mostly to the ending of the pioneer status tax holiday in Nigeria in March 2007, resulting in a tax charge of R3,8 billion in 2007 compared with a tax credit of R0,8 billion in 2006.

MTN Group's effective tax rate increased from 17,6% at December 2006 to 39,5% at December 2007, mainly because of the end of the tax holiday in Nigeria at the end of March 2007.

Balance sheet and cash flow

The Group's total assets increased by 19% to R116 billion compared with R97 billion at 31 December 2006.

Property, plant and equipment increased by R8,8 billion from 31 December 2006. This included acquisitions of R14,8 billion across the Group - R4,8 billion in Nigeria, R2,6 billion in South Africa and R1,5 billion in Iran (MTN's share only).

Goodwill and other tangible assets have decreased by 3% to R38,9 billion, as a result of the exchange-rate movement of the local currencies against the Rand on the translation of Investcom LLC's goodwill. Intangible assets before amortisation increased by R2,1 billion, mainly as a result of the acquisition of the 3G licence and the 7,5 MHz frequency spectrum band licence awarded to MTN Nigeria.

Current assets grew by R12,9 billion to R33,5 billion, mainly because of the increase in other current assets of R5,4 billion to R15,9 billion and in cash balances of R7,5 billion to R17,6 billion. The movement in trade and other receivables was driven mainly by Nigeria, which increased by R388 million to R519 million (interconnect receivables and prepayments), and South Africa, which increased by R1,1 billion to R7,1 billion. The increase in the Group's cash balances was after cash outflows of R14,5 billion for capital expenditure, R1,7 billion for dividends, R91 million additional equity purchased in subsidiaries and joint ventures, and R4,2 billion in taxes paid.

Of the total interest-bearing liabilities of R34 billion (2006: R33 billion), a significant portion was originally used to fund the Investcom transaction via Mauritius. This debt includes R5 billion four-year bonds, R1,3 billion eight-year bonds, as well as syndicated facilities consisting of two five-year term loans of US\$750 million and R7 billion each, and a three-year revolving credit facility of US\$1,25 billion. R5,2 billion of the unproductive debt was repaid during 2007, reducing it to R14,9 billion.

Irancell's debt increased by R1,6 billion to R3,4 billion, primarily as a result of funding its network rollout and operational and other working capital requirements. The company entered into deferred payment facility arrangements with Nokia, Ericsson and Huawei for the sole purpose of funding the network rollout.

MTN Nigeria's debt increased by R1,4 billion to R5 billion, as a result of the funding of its network rollout and dividend payments. In October 2007, Nigeria signed an unsecured US\$ 2 billion medium-term debt fund made up of 80% local currency and a 20% US\$ portion. Net debt to EBITDA at 31 December 2007 is 0,5 x due to significant cash accumulation in Nigeria, Ghana and Syria. The Group's target is to reduce total debt to 0,4 times EBITDA by the end of 2008.

OPERATIONAL REVIEW

South Africa ■ MTN South Africa performed well in a very competitive market increasing its total subscriber base by 17% from 31 December 2006 to 14,8 million at 31 December 2007. The postpaid subscriber base grew by 9% to 2,5 million subscribers, and the prepaid base increased by a healthy 19% to 12,3 million over the twelve-month period. Low-denomination vouchers have been a key driver in stimulating usage. Market share was maintained at 36% at 31 December 2007.

The postpaid segment made a strong recovery in the second six months of 2007, through improvements in the channel strategy and customer value proposition.

Blended ARPU decreased by 9% to R149 at 31 December 2007, from R164 at 31 December 2006. Prepaid ARPU remained relatively stable, declining marginally to R92 from R94 owing to more affordable lower denomination vouchers. Postpaid ARPU decreased to R396 from R487, because of increased penetration into the lower usage segments.

Network enhancement during the review period included the commissioning of 371 2G base transceiver stations ("BTSs") and 590 3G BTSs. At year-end, the total number of 3G sites was 1379, and 904 000 3G handsets and data cards were in use. Looking forward, MTN South Africa is laying its own fibre cable to improve the capacity and quality of mobile transmission, and effectively manage margins.

The second quarter of 2007 saw the launch of the brand revitalisation campaign "Go", which has been successful in increasing brand awareness. There have been a number of innovative products targeted at different customer segments. These include low-denomination vouchers, peak-time usage products, BlackBerry®-connect on HTC and the FNB bulk sms.

The MTN data proposition is gaining momentum, with a 42% increase in data revenue to R2,8 billion. This was due to competitive pricing, increased 3G roll-out and improved stock management in the channels.

Nigeria ■ MTN Nigeria increased its subscriber base by 34% to 16,5 million at 31 December 2007. This was achieved despite network capacity- and quality constraints and strong competition. Network capacity and quality are being addressed through a ramp-up in the infrastructure roll-out in the second half of 2007.

During the period, ARPU declined from US\$18 at 31 December 2006 to US\$17 at 31 December 2007, which is consistent with increased penetration into the lower segment of the market.

MTN Nigeria maintained its leading market position, with market share at 43% as a result of competitive pricing, strong brand preference and an effective value proposition. During the period, a number of products and innovations were launched, such as GPRS roaming, Edge, BlackBerry® services, Vitrain top-up and Wimax.

By the end of December 2007, 785 additional sites had been added during the year, bringing the total number of live sites to 3 422, and approximately 77 sites have now been integrated with 3G technology. The Lagos Metro (82 km) and Niger - Delta (342 km) fibre-optic cabling were completed in the second half of 2007.

The integration and commissioning of IP/MPLS backbone to service corporate customers has significantly increased capacity. MTN Nigeria was awarded a 15-year 2 GHz spectrum licence on 1 May 2007, at a cost of US\$150 million, for the delivery of 3G services as well as a 7,5 MHz frequency spectrum band licence on 23 March 2007, at a cost of N288 000, renewable annually.

Iran ■ Irancell soft-launched commercial operations with postpaid services on 21 October 2006. Prepaid services were launched in January 2007. The period under review is the first full twelve months of operation. During the period, Irancell recorded an exceptional performance, increasing subscribers from 154 000 to 6 million. This equates to an average net acquisition rate of 488 000 subscribers per month. Prepaid subscribers comprise 94% of the subscriber base.

ARPU increased from US\$9 at 31 December 2006 to US\$10 at 31 December 2007 as a result of usage stimulating packages and improvements in the quality and capacity of the network.

During the period, Irancell increased its brand awareness and launched a number of new products, including flat competitive rates and standard per-second billing. Irancell was first to market in providing GPRS, which has enabled email solutions, MMS, Data SIMS and Vitrain content portal.

The operation has significantly increased its distribution channels in all 30 provinces of Iran, with over 4 945 dealers and service centres in 258 cities.

Following a slow roll-out in 2006, the network has been significantly enhanced and had sufficient capacity to service 6,5 million subscribers at 31 December 2007. There are 2 023 live sites across the 30 provincial capitals in 291 cities. Geographic coverage is 50%, population coverage is 50% and there is 1 500 km of road coverage.

Ghana ■ MTN Ghana recorded an exceptional increase in subscriber numbers for the period under review, from 2,6 million to 4,0 million. This was underpinned by improvements in network coverage and quality and an enhanced competitive proposition. The operation was rebranded MTN Ghana in August 2007.

ARPU decreased from US\$17 at 31 December 2006 to US\$14 at 31 December 2007, as a result of increased penetration and reduced tariffs.

Network enhancement continued during the review period with the installation of 718 new BTSs, bringing the total number to 1 660. At 31 December 2007, geographical coverage was 28% and population coverage was 72%.

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

The operation introduced new products and innovations, including GPRS roaming, Me2U, International call-back and International Top-Up services, which increased international call traffic.

Sudan ■ MTN Sudan increased its subscriber base by 96% to 2,1 million at 31 December 2007 and its market share from 25% to 28% at 31 December 2007, in a highly competitive market.

Subscriber acquisitions in the first quarter of 2007 were slightly lower due to technical challenges experienced during the migration to the new billing system. In June 2007, the Sudan operation was successfully rebranded MTN Sudan.

Operational data	31 December 2007	
	Subscribers ('000)	ARPU (ZAR/US\$)
South and East Africa	19 329	
South Africa	14 799	R149
Uganda	2 362	\$10
Botswana	874	\$15
Rwanda	652	\$12
Swaziland	380	\$18
Zambia	262	\$10
West and Central Africa	27 999	
Nigeria	16 511	\$17
Ghana	4 016	\$14
Côte d'Ivoire	2 679	\$13
Cameroon	2 559	\$14
Guinea Conakry	727	\$15
Benin	652	\$12
Congo Brazzaville	316	\$20
Liberia	304	\$19
Guinea Bissau	235	\$17
Middle East and North Africa	14 025	
Iran	6 006	\$10
Syria	3 109	\$20
Sudan	2 090	\$12
Yemen	1 507	\$9
Afghanistan	1 200	\$11
Cyprus	113	\$39
Total MTN	61 353	

A number of products were also launched in the second quarter of 2007, including a prepaid per-second billing campaign. A number of value-adding initiatives were launched, ranging from voicemail, postpaid bill inquiry, 3G data card, bulk SMS for corporates and prepaid multiprofile.

ARPU decreased from US\$16 at 31 December 2006 to US\$12 at 31 December 2007, because of high connections in the lower usage market and the prevalence of dual SIMs. MTN Sudan has introduced a segmented pricing offering which will stimulate usage and support ARPU.

During the period, the operation rolled out an additional 575 BTS sites. Population coverage is 43% and geographical coverage is 3%.

Syria ■ MTN Syria delivered stable performance in a high-growth market, recording a 39% increase in subscriber numbers to 3,1 million at 31 December 2007.

Blended ARPUs declined from US\$22 at 31 December 2006 to US\$20 at 31 December 2007. Prepaid ARPUs are US\$15 and postpaid ARPUs are US\$42. This was due to an increase in mobile penetration from 26% to 35%.

MTN Syria continued to focus on improving coverage in the major cities and providing coverage in rural and coastal areas. 337 BTSs were rolled out in the twelve months to 31 December 2007. Population coverage and geographical coverage stood at around 98% and 78% respectively.

Prospects

The Group's prospects for 2008 remain positive in our key markets.

Strategic priorities include:

- Actively seeking value-accretive expansion opportunities in emerging markets;
- Ongoing infrastructure investment to ensure appropriate levels of capacity and quality;
- Ensuring that the Group is well positioned to benefit from a rapidly converging technology market;
- Driving operating margin efficiencies;
- Engaging with regulatory authorities.

Dividend declaration

Due to the Group's strong free cash flow generation and sound financial position, a dividend of 136 cents per share (December 2006: 90 cents per share) has been declared.

Notice is hereby given that a dividend (number 9) of 136 cents per ordinary share has been declared and is payable to shareholders recorded in the register of the MTN Group at the close of business on Friday, 11 April 2008.

In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE, the MTN Group has determined the following salient dates for the payment of the dividend:

Last day to trade cum dividend	Friday, 4 April 2008
Shares commence trading ex dividend	Monday, 7 April 2008
Record date	Friday, 11 April 2008
Payment date of dividend	Monday, 14 April 2008

Share certificates may not be dematerialised/rematerialised between Monday, 7 April 2008 and Friday, 11 April 2008, both days inclusive.

On Monday, 14 April 2008 the dividend will be electronically transferred to the bank accounts of certificated shareholders who make use of this facility. In respect of those who do not use this facility, cheques dated

Monday, 14 April 2008 will be posted on or about that date. Shareholders who have dematerialised their shares will have their accounts held by their Central Securities Depository Participant or broker credited on Monday, 14 April 2008.

For and on behalf of the Board

M C Ramphosa

(Chairman)

Fairland

18 March 2008

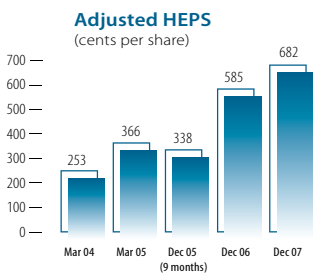
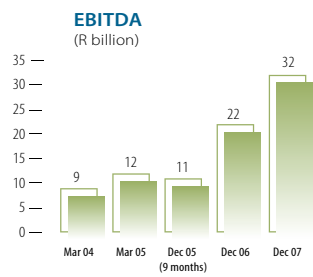
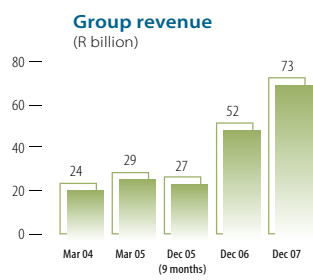
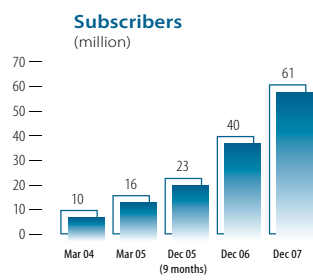
P F Nhleko

(Group President and Chief Executive Officer)

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

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

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



	12 months ended 31 December 2007 Audited Rm	12 months ended 31 December 2006 Audited Rm	Change %
Revenue	73 145	51 595	42
Direct network operating costs	(8 525)	(4 628)	84
Cost of handsets and other accessories	(5 524)	(4 135)	34
Interconnect and roaming	(9 997)	(7 178)	39
Employee benefits and consulting expenses	(3 379)	(2 453)	38
Selling, distribution and marketing expenses	(9 071)	(7 949)	14
Other expenses	(4 804)	(2 839)	69
Depreciation	(6 774)	(5 030)	35
Amortisation of intangible assets	(2 199)	(1 289)	71
Net finance costs	(3 173)	(1 427)	122
Share of results of associates	8	23	(65)
Profit before tax	19 707	14 690	34
Income tax expense	(7 911)	(2 591)	201
Profit for the period	11 916	12 099	(2)
Attributable to:			
Equity holders of the Company	10 608	10 610	—
Minority interests	1 308	1 489	(12)
	11 916	12 099	(2)
Earnings per share (cents)	569,9	605,4	(6)
Diluted earnings per share (cents)	559,2	589,1	(5)
Dividend per share (cents)	90,0	65,0	

	At 31 December 2007 Audited Rm	At 31 December 2006 Audited Rm	Change %
ASSETS			
Non-current assets	82 085	76 282	8
Property, plant and equipment	39 463	30 647	29
Goodwill	25 744	27 017	(5)
Other intangible assets	13 053	13 088	—
Investments in associates	60	73	(18)
Loan and other non-current receivables	2 433	2 852	(15)
Deferred income tax assets	1 332	2 605	(49)
Current assets	33 501	20 635	62
Cash and cash equivalents	16 868	9 961	69
Restricted cash*	739	130	468
Other current assets	15 894	10 544	51
Total assets	115 586	96 917	19
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital and reserves	47 315	38 696	22
Minority interest	4 187	4 033	4
	51 502	42 729	21
Non-current liabilities	29 114	34 203	(15)
Borrowings	23 007	28 587	(20)
Deferred income tax liabilities	2 676	2 778	(4)
Other non-current liabilities	3 431	2 838	21
Current liabilities	34 970	19 985	75
Non-interest bearing liabilities	24 320	15 593	56
Interest-bearing liabilities	10 650	4 392	142
Total equity and liabilities	115 586	96 917	19

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

	12 months ended 31 December 2007 Audited Rm	12 months ended 31 December 2006 Audited Rm
Opening balance	42 729	23 096
Net profit attributable to equity holders of the Company	10 608	10 610
Dividends paid	(3 387)	(2 500)
Issue of share capital	60	9 532
Disposal/(Purchase) of non-controlling interests	294	(2 874)
Purchase of controlling interests	192	1 187
Minorities' share of profits and reserves	1 308	1 489
Shareholders' revaluation reserve	565	86
Share-based payments reserve	92	36
Cash flow hedging reserve	30	(54)
Coveration of shareholder loans to preference shares	(192)	—
Currency translation differences	(797)	2 121
	51 502	42 729

	12 months ended 31 December 2007 Audited Rm	12 months ended 31 December 2006 Audited Rm
REVENUE		
South and East Africa	31 453	26 586
West and Central Africa	30 843	21 208
Middle East and North Africa	10 779	3 756
Head office companies	70	45
	73 145	51 595
EBITDA		
South and East Africa	11 329	9 346
West and Central Africa	16 601	11 355
Middle East and North Africa	2 530	1 117
Head office companies	1 385	595
	31 845	22 413
PAT		
South and East Africa	6 155	5 119
West and Central Africa	6 529	7 489
Middle East and North Africa	730	182
Head office companies	(1 498)	(691)
	11 916	12 099

	12 months ended 31 December 2007 Audited Rm	12 months ended 31 December 2006 Audited Rm
Cash inflows from operating activities	25 850	17 622
Cash outflows from investing activities	(17 152)	(35 711)
Cash (out)/inflows from financing activities	(2 135)	18 993
Net movement in cash and cash equivalents	6 563	904
Cash and cash equivalents at beginning of period	9 008	7 164
Effect of exchange rate changes	(25)	940
Cash and cash equivalents at end of period	15 546	9 008

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed financial information ("financial information") announcement is based on the audited financial statements of the Group for the year ended 31 December 2007 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") International Accounting Standard 34, the Listing Requirements of the JSE Limited and the South Africa Companies Act 61 of 1973 as amended, on a consistent basis with that of the prior period.

2. Headline earnings per ordinary share

The calculations of basic and adjusted headline earnings per ordinary share are based on basic headline earnings of R10 886 million (December 2006: R10 628 million) and adjusted headline earnings of R12 693 million (December 2006: R10 246 million) respectively, and a weighted average of 1 861 454 696 (December 2006: 1 752 304 867) ordinary shares in issue.

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

	12 months ended 31 December 2007 Audited Rm	12 months ended 31 December 2006 Audited Rm
Net profit attributable to equity holders of the Company	10 608	10 610
<i>Adjusted for:</i>		
Loss on disposal of property, plant and equipment	61	40
Impairment/(reversal of impairment) of property, plant and equipment	173	(22)
Other impairments	44	—
Basic headline earnings	10 886	10 628
<i>Adjusted for:</i>		
Reversal of deferred tax asset	(223)	(650)
Reversal of the subsequent utilisation of deferred tax asset	1 664	—
Reversal of put option in respect of subsidiary	—	—
— Fair value adjustment	262	120
— Finance costs	210	301
— Minority share of profits	(106)	(153)
Adjusted headline earnings	12 693	10 246
Reconciliation of headline earnings per ordinary share (cents)		
Attributable earnings per share (cents)	569,9	605,4
<i>Adjusted for:</i>		
Loss on disposal of property, plant and equipment	3,3	2,3
Impairment/(reversal of impairment) of property, plant and equipment	9,3	(1,2)
Other impairments	2,4	—
Basic headline earnings per share (cents)	584,8	606,5
Reversal of deferred tax asset	(12,0)	(37,1)
Reversal of the subsequent utilisation of deferred tax asset	89,4	—
Reversal of put option in respect of subsidiary	19,7	15,3
Adjusted headline earnings per share (cents)	681,9	584,7
Contribution to adjusted headline earnings per ordinary share (cents)		
South and East Africa	329,2	289,5
West and Central Africa	410,6	325,8
Middle East and North Africa	22,2	2,7
Head office companies	(80,1)	(33,3)
	681,9	584,7
Number of ordinary shares in issue:		
— Weighted average (000)	1 861 455	1 752 305
— At period end (000)	1 864 798	1 860 268

Adjusted headline earnings adjustments

Deferred tax asset

The Group's subsidiary in Nigeria had been granted a five-year tax holiday under "pioneer status" legislation. As previously disclosed, although the Group has complied with the requirements of IAS 12 in this regard, no cognisance was taken in determining the value of such deferred tax assets for uncertainties arising out of the effects of the time value of money or future foreign exchange movements. The Board resolved to report adjusted headline earnings (negating the effect of the deferred tax asset) in addition to basic headline earnings, to more fully reflect the Group's results for that period.

A deferred tax credit of R223 million (December 2006: R650 million) excluding minority interests relating to deductible temporary differences has been recognised for the period ended 31 December 2007 in terms of IAS 12 - Income Taxes.

On 31 March 2007 MTN Nigeria exited "pioneer status", and from 1 April 2007 became subject to income tax in Nigeria. A deferred tax asset of R2,5 billion was created during "pioneer status" in respect of capital allowances on capital assets that are only claimable after the Company comes out of "pioneer status". The above has resulted in the commencement of the reversal of the deferred tax asset shown as an adjustment of R1,9 billion (R1,7 billion excluding minorities) to the adjusted headline earnings figure.

Put option in respect of subsidiary

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

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

- the present value of the future redemption amount be reclassified from equity to financial liabilities and that the financial liability so reclassified subsequently be measured in accordance with IAS 39;
- in accordance with IAS 39, all subsequent changes in the fair value of the liability together with the related interest charges arising from present valuing the future liability be recognised in the income statement; and
- the minority shareholder holding the put option no longer be regarded as a minority shareholder, but rather as a creditor from the date of receiving the put option.

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

- the recording of a liability for the present value of the future strike price of the written put option results in the recording of a liability that is inconsistent with the Framework, as there is no present obligation for the future strike price;
- the shares considered to be subject to the contracts are issued and fully paid up, have the same rights as any other issued and fully paid up shares and should be treated as such; and
- the written put option meets the definition of a derivative and should therefore be accounted for as a derivative in which case the liability and the related fair value adjustments recorded through the income statement would not be required.

3. Independent audit by the auditors

These condensed consolidated results have been audited by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsaluba vsr, who have performed their audit in accordance with the International Standards on Auditing. A copy of their unqualified audit report is available for inspection at the registered office of the Company.

	12 months ended 31 December 2007 Audited Rm	12 months ended 31 December 2006 Audited Rm
4. Capital expenditure incurred	15 536	9 778
5. Contingent liabilities and commitments		
Contingent liabilities	957	911
Operating leases	955	837
Finance leases	581	592
Other	373	506
6. Commitments for property, plant and equipment and intangible assets		
— Contracted for	8 671	3 268
— Authorised but not contracted for	21 910	13 163
7. Cash and cash equivalents		
Bank balances, deposits and cash	16 868	9 961
Call borrowings	(1 322)	(953)
	15 546	9 008
8. Interest-bearing liabilities		
Call borrowings	1 322	953
Short-term borrowings	9 320	3 439
Current liabilities	10 650	4 392
Long-term liabilities	23 007	28 587
	33 657	32 979

9. Other non-current liabilities

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

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

10. Business combinations

The acquisition of additional shares in MTN Rwanda

In November 2007 the shareholding in MTN Rwanda, a telecommunications company incorporated in Rwanda, was increased from 40% to 55%, for US\$ 40,5 million, converting the joint venture operation into a fully consolidated subsidiary of the Group.

MTN Rwanda contributed revenues of R305 million and net profit of R101 million to the Group. If the step-up had occurred on 1 January 2007 the contribution to the Group revenue would have been R583 million and the contribution after tax would have been R197 million.

These amounts have been calculated using the Group's accounting policies.

Goodwill is attributable to the synergies expected to arise after the Group gaining control of MTN Rwanda.

Details of the net assets acquired and goodwill as at acquisition are as follows:

	November 2007 Rm	Acquiree's carrying amount on acquisition date Rm
Total purchase consideration	272	—
Fair value of net assets acquired	(58)	—
Goodwill	214	—
The assets and liabilities arising from the acquisition are as follows:		
	Fair value at acquisition date Rm	Acquiree's carrying amount on acquisition date Rm
Cash and cash equivalents	223	223
Property, plant and equipment	254	254
Intangibles	2	2
Investment in subsidiary	4	4
Inventories and receivables	84	84
Payables	(139)	(139)
Net deferred tax liability	(39)	(39)
Net assets acquired	389	389
Minorities	(175)	—
Net assets already owned	(156)	—
Fair value of assets acquired	58	—
Cash and cash equivalent in subsidiary acquired	—	134
Purchase consideration	—	(272)
Cash outflow on acquisition	—	(138)

11. Post-balance sheet events

Broadening of the Nigerian shareholder base of MTN Nigeria

Subsequent to year-end, Nigerian individuals and key institutions have acquired a 9,45% interest in MTN Nigeria from MTN, acting through its wholly owned subsidiary, MTN International (Mauritius) Limited, and other shareholders in MTN Nigeria, pursuant to a private placement.

The main rationale for the transaction is to achieve MTN's stated intention of broadening the ownership of MTN Nigeria among Nigerian citizens and institutions and to reaffirm MTN's commitment of enabling greater Nigerian representation in MTN Nigeria.

MTN disposed of an overall equity interest of 5,96% in MTN Nigeria as part of the private placement for a consideration of US\$594,50 million, thereby reducing its interest in MTN Nigeria to 76,08%.

The allocation date for the private placement was 8 February 2008 and share transfers have been effected on 18 February 2008.

Change in tax rate

On 20 February 2008 the South African Minister of Finance announced a change in the corporate tax rate from 29% to 28%. This change is effective for financial years ending on any date between 1 April 2008 and 31 March 2009.

Registration number

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

Directorate

M C Ramaphosa (Chairman), P F Nhleko (Group President and CEO)*, R S Dabengwa*, R D Nisbet*, D D B Band, K P Kalyan , A T Mikati, M J N Njike, A H Sharbatly, J H N Strydom, A F van Biljon, J van Rooyen

*Executive

Group Secretary

S B Mtshali, 216 14th Avenue, Fairland, 2195.

Registered office

216 14th Avenue, Fairland, 2195

American Depository Receipt (ADR) programme

Cusip No. 62474M108 ADR to ordinary share 1:1.

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