MTN Group Limited

Final audited results for the nine-month period ended 31 December 2005 and dividend declaration

HIGHLIGHTS OF RESULTS

- Group subscribers exceeded 23 million
- Revenue of R27,2 billion
- EBITDA of R11,2 billion
- EBITDA margin of 41,3%
- PAT of R6,7 billion
- Adjusted headline EPS of 338,2 cents
- Headline EPS of 359,8 cents
- Dividend per share of 65 cents
- New investments in Côte d'Ivoire (51%), Zambia (100%), Botswana (44%), Congo Brazzaville (100%) and Iran (49%)

REVIEW OF RESULTS

The MTN Group Limited (MTN Group) reports adjusted headline earnings per share (adjusted headline EPS) of 338,2 cents for the nine months to 31 December 2005 (the period) compared with 366 cents for the 12-month period ended 31 March 2005. MTN Group has changed its financial year end to 31 December in line with its operational cycle and to align itself with its international peer group and is reporting on this basis for the first time. Although not directly comparable with the prior 12-month period ended 31 March 2005, revenue for the current period of R27,2 billion compares favourably to revenue of R29 billion for the prior 12-month period, while earnings before interest, tax, depreciation and amortisation (EBITDA) of R11,2 billion also demonstrated sound growth when compared to the EBITDA of R12 billion (restated) for the prior 12-month period. In line with these results, the adjusted profit after tax (PAT) of R6,7 billion for the period was very satisfactory being only 8% lower than the R7,3 billion (restated) for the prior 12-month period. The reported adjusted headline EPS and adjusted PAT exclude the beneficial financial impact of the further recognition of the deferred tax asset accounted for by MTN Nigeria Communication Limited (MTN Nigeria), as well as the effect of an obligation which one of our subsidiaries has to purchase a certain portion of its own equity ("put option"). Basic headline EPS is 359,8 cents compared to 382 cents (restated) for the prior 12-month period.

In line with its vision of consolidating its position as the leading provider of telecommunications services in developing markets, the MTN Group during the period successfully concluded acquisitions in Cote d'Ivoire (51%), Zambia (100%) and Congo Brazzaville (100%), which are being consolidated as subsidiaries, as well as in Iran (49%) and Botswana (44%), which are being proportionally consolidated as joint ventures.

As at 31 December 2005, these new operations accounted for 1 866 000 subscribers, being 8%, of the Group's 23,2 million subscriber base. The results of these operations are only accounted for from the effective date of acquisition and the full financial benefits of the acquisitions will only be reflected in the next financial year. The new acquisitions accounted for 3,5% of revenue and 3,7% of EBITDA, but had an insignificant impact on adjusted headline EPS for the nine-month period to 31 December 2005 as the positive contribution of the new operations was offset by exchange losses and finance costs related to the funding of the acquisitions.

The overall contribution by all the operations outside of South Africa, including the new acquisitions, increased to 44% of revenue, 56% of EBITDA and 49% of adjusted headline EPS, from 40%, 50% and 44% respectively for the 12 month prior period. As a significant proportion of the Group's revenue and profit is generated outside of South Africa, the fluctuation in the functional currencies of our international operations against the Rand continues to affect the Group's consolidated results. Most significantly, the closing value of the Nigerian naira at 20,42 naira per rand has strengthened by 5% from the exchange rate at 31 March 2005 increasing the rand value of the Nigerian assets and liabilities, while the average exchange rate of 20,23 naira per rand is 6% stronger than the average rate for the prior 12 month period increasing the rand earnings contributed by MTN Nigeria.

International Financial Reporting Standards

The Group is reporting its final audited financial results in accordance with International Financial Reporting Standards ("IFRS"). Results for the prior period, being the year end to 31 March 2005, have been restated. The conversion to IFRS has had a limited effect on the Group's results. Adjusted headline EPS reported for the prior period ended 31 March 2005 decreased by 0,6 cents to 366 cents. The reason for this decline is outlined in the reconciliation of SA GAAP to IFRS. Volatility in our earnings will continue in the future due to the impact of currency movements. Due to the early adoption of IAS 21 (revised), exchange differences arising from the translation of US$ denominated shareholder loans granted to operating companies which are deemed to be part of the Group's net investment in a foreign operation, are recorded on consolidation as a separate component of equity as opposed to being accounted for through profit or loss. This is similar to the accounting treatment of these loans prior to the introduction of IFRS.

Income statement analysis

MTN Group consolidated revenue of R27,2 billion for the period compared favourably against the prior 12-month period of R29 billion. This result was mainly due to the strong performance of MTN South Africa with revenue of R15,1 billion (31 March 2005: R17,4 billion (restated)) and MTN Nigeria with revenues of R 9,0 billion (31 March 2005: R 9,3 billion). Other operations contributed 11% (31 March 2005: 8,0%), and new operations accounted for 3,5% of the Group's revenue.

The MTN Group's EBITDA for the nine-month period was R11,2 billion which also compares favourably on a relative basis with EBITDA of R12,0 billion (restated) for the prior 12-month period and, pleasingly, the Group's EBITDA margin remained stable at 41,3%.

MTN South Africa recorded an EBITDA margin of 33% for the period compared with 34,6% for the prior year. This performance was primarily due to seasonality in gross connections because a significant number of subscribers are acquired during December with the acquisition costs also expensed in the same month. In prior reporting periods this was then offset by revenues earned from these subscribers in the quarter to 31 March, thereby delivering a higher EBITDA margin.

MTN Nigeria's EBITDA margins remained strong at 52,3%. The remaining, International operations recorded EBITDA margins of between 45% and 57%. MTN Irancell will be launched commercially during 2006, and Zambia, which is virtually a start-up operation, reflected negative margins.

Depreciation and amortisation charges of R2,5 billion and R0,3 billion respectively for the period (31 March 2005: R2,8 billion and R 0,2 billion) continue to increase mainly due to the network rollout in Nigeria.

Amortisation relates to: (a) software which is now reflected as part of intangible assets (previously part of property plant and equipment); (b) the amortisation of purchased subscriber bases, primarily in the new operations, which have been fair valued and capitalised on initial recognition in terms of IFRS 3 and (c) the amortisation of license fees for the existing as well as new operations which were fair valued and capitalised on initial recognition.

Net finance costs of R373 million for the period are higher than the R270 million for the prior 12-month period. They include non-cash charges of R 330 million, mainly comprising charges of R124 million relating to written put options held by minorities and unrealised foreign exchange losses of R181 million.

The Group's taxation charge of R1,4 billion for the period includes R135 million of Secondary Tax on Companies in respect of the dividend paid to shareholders in July 2005. The Group's effective tax rate remains low, primarily as a result of MTN Nigeria still being within its five-year tax holiday period granted under Pioneer Status from 1 April 2002, and the consequential impact of the increase in the Nigerian deferred tax asset.

The Board continues to report adjusted headline earnings in addition to basic headline earnings. Adjusted headline earnings have been adjusted as follows:

- The positive impact on earnings that the deferred tax credit has in Nigeria during the period in which Pioneer Status is in effect, has been reversed. This has decreased earnings per share by 20 cents.
- The implementation of IFRS requires the Group to account for a written put option held by a minority shareholder of one of the Group's subsidiaries, which provides them with the right to require the subsidiary to acquire their shareholding 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 shareholder.

  IAS 32 requires: that in the circumstances described in the previous paragraph, (a) the present value of the future redemption amount be reclassified from equity to financial liabilities and that the financial liability so reclassified subsequently be measured in accordance with IAS 39; (b) in accordance with IAS 39, all subsequent changes in the fair value of the liability together with the related interest charges arising from present valuing the future liability, be recognised in the income statement and (c) the minority shareholder holding the put option no longer be regarded as a minority shareholder, but rather as a creditor from the date of receiving the put option. The fair value movements on the financial instrument resulted in an increase of 1,1 cents per share. The finance charges reflected as a result of this treatment had a negative impact of 5,8 cents and the Group's increased share in the results of the subsidiary, as a consequence of the minority shareholder being accounted for as a creditor, was 6,3 cents. This resulted in a net positive impact of 1,6 cents which has been reversed in the adjusted headline EPS.

The Board believes that accounting for this put option as required by IAS 32 and 39 does not adequately reflect the economic realities of the transaction in that: (a) the minority shareholder currently fully shares in the equity risks and rewards of the subsidiary and that (b) accounting for changes in the fair value of the financial instrument in the income statement is misleading because if the put option were to be excercised at fair value it stands to reason that these shares could be onsold for the same price with no impact on profitability or cash flow. Inherently, a transaction at fair market value implies that one party receives an asset at fair value and the other party pays for it at fair value and to suggest that a profit or loss is made on this transaction is, in the opinion of the directors, misleading.

Adjusted headline EPS of 338,2 cents for the period compare favourably to the adjusted headline EPS of 366 cents for the prior 12-month period. South African operations contributed 171,2 cents or 51% of total adjusted headline EPS. The adjusted headline EPS contribution from international operations increased by 3,2% to 167 cents.

Balance sheet and cash flow

The Group's total assets have increased by 50,7% to R44,8 billion compared to R29,7 billion (restated) at 31 March 2005. Long-term borrowings increased to R7,5 billion (March 2005: R3,0 billion), while interest bearing short-term borrowings increased to R1,1 billion (March 2005: R221 million).

The Group's goodwill, other intangible assets and investments and loans have increased significantly since 31 March 2005 mainly due to the new acquisitions.

At 31 December 2005, the Group had cash on hand, including securitised cash deposits of R338 million against letters of credit in Nigeria, of R7,6 billion. R2,4 billion of the cash on hand is in South Africa. Group net cash (including securitised cash deposits) decreased from R3,2 billion at 31 March 2005 to net debt of R1 billion at 31 December 2005. This was largely attributable to the acquisitions in Côte d'Ivoire, Zambia, Botswana , Iran and Congo Brazzaville for a total consideration of R6,8 billion as well as the R1,1 billion dividend payment in July 2005, offset by operational cash generation in South Africa and Nigeria.

Operating cash flow (before dividends) of R10,3 billion was generated, with free cash flow (being operating cash inflows less capital expenditure) of R 3,9 billion being recorded. MTN Nigeria invested R 3,8 billion in property, plant and equipment, representing 59% of the Group's R 6,4 billion capital expenditure for the nine months.

OPERATIONAL REVIEW

MTN South Africa continued to achieve strong subscriber growth in both the postpaid and prepaid segments with subscribers increasing by 28% to 10 235 000 at 31 December 2005. The prepaid component of the subscriber base continued to drive this growth and increased by 30% or 1 971 000 net connections to 8 581 000 subscribers representing 83,8% (31 March 2005: 82,6%) of the total subscriber base. The postpaid base increased by a healthy 19% over the nine-month period to 1 654 000 subscribers. The strong prepaid subscriber growth in the last quarter was partially as a result of connection promotions.

As expected, blended ARPU for the nine-month period declined by 8% to R169. Postpaid and prepaid ARPU experienced decreases to R541 (March 2005: R576) and R93 (March 2005: R97) respectively. The ARPU decreases were the result of continued penetration into lower usage segments. Included in total postpaid subscribers are 281 000 My Choice Top-up subscribers which generate significantly lower ARPU than average postpaid subscribers.

MTN South Africa currently estimates its market share at 35%.

MTN South Africa launched broadband (3G and EDGE) services in June 2005. 3G coverage is currently available in the key metropolitan centres while 31% of our South African network is EDGE enabled. This provides customers with high speed access to MTN South Africa's data offerings as well as video-based services. It is encouraging to note that more than 57 000 subscribers have utilised our 3G offering.

Data services contributed 8,2% towards total revenue excluding handset revenue. As expected, because of the slower uptake of new data services, more than 95% of data revenue is still being generated by SMS.

During August 2005, MTN Banking, a joint venture with Standard Bank, was launched in South Africa to leverage the strategic mobile banking opportunity.

The Group acquired the remaining 40% in MTN Network Solutions, a first-tier Internet Service Provider, to better position itself in a converged telecommunications environment. This investment is now accounted for as a subsidiary.

MTN Nigeria continued to perform well, increasing its subscriber base to 8 370 000, a 50% growth since 31 March 2005. The strong growth in subscriber numbers was fuelled by sustained demand and very low connection fees. The tariff environment has remained competitive, particularly in the reseller market. MTN has managed to increase tariffs from the extremely low levels in February 2005. Blended ARPU declined to US$22 but has remained strong and relatively stable throughout the year, with a marginal ARPU level of approximately US$14.

MTN Nigeria continues to hold the largest share of the local market with an estimated 47% market share. The focus of the operation remains on maintaining network quality standards while increasing coverage in the rapidly expanding market.

MTN Nigeria's network rollout is proceeding as planned with the commissioning of 498 new base stations and five new switches during the nine-month period. 980 kilometres of optic fibre have been installed which will only be commissioned in the next financial year, and this will significantly increase backbone capacity. Total capital expenditure for the period was lower than expected at R 3,8 billion. All profits generated by the business to date have been reinvested into the Nigerian operation.

As previously reported, identifying the most appropriate mechanism to broaden the Nigerian shareholder base continues to receive attention and further announcements will be made at an appropriate time.

Other operations

MTN Cameroon has maintained market leadership in a highly competitive trading environment, and has an estimated market share of 54% and 1 248 000 subscribers. The growth in subscribers is largely due to the launch of per second-billing as well as the "Me2U" airtime transfer product. ARPU declined to US$16 for the period, driven by the connection of lower usage subscribers.

MTN Cote d'Ivoire, recorded 1 079 000 subscribers as at 31 December 2005, being a 16% increase from 932 000 since acquisition. Market share is estimated at 47% and ARPU for the six months ended 31 December 2005 was US$20. The acquisition of the 51% controlling interest for R1,398 billion, became effective on 1 July 2005.

Aggressive marketing and promotional strategies helped MTN Uganda increase its mobile subscriber base by 26% to 982 000 from 31 March 2005. MTN Uganda still enjoys its position as the market leader, with 63% of mobile market share. However, increased market penetration resulted in ARPU declining slightly to US$15.

MTN Rwanda still enjoys 100% mobile market share with 275 000 subscribers and recorded an ARPU of US$17. A second operator has been licensed but has not yet commenced operation.

MTN Swaziland increased its subscriber base to 213 000, a 36% increase from 31 March 2005 and still enjoys 100% mobile market share. ARPU has remained constant at R149.

MTN Zambia recorded a 6% increase in subscribers since acquisition to 97 000 subscribers with an ARPU of US$20. The acquisition of the 100% interest for R347 million became effective on 10 August 2005. In terms of the licence, 10% of the equity in this business will be available for ownership by Zambians.

Mascom Wireless Botswana recorded 479 000 subscribers on 31 December 2005, an estimated market share of 67% with an ARPU of US$21. The acquisition of the 44% interest for R846 million became effective on 29 September 2005.

MTN Congo Brazzaville recorded 210 000 subscribers as at 31 December 2005 with an ARPU of US$21. MTN purchased 100% of this company for R656 million which was effective on 1 December 2005.

During the year, the Group obtained competition approval for the sale of Orbicom, and this transaction was concluded at a profit of R23 million to the Group.

Irancell

On 21 November 2005, the Minister of Communications and Information Technology of the Islamic Republic of Iran (the Ministry) issued the second GSM licence to Irancell Telecommunications Services Company (Irancell). MTN acquired a 49% share in Irancell. This is an exciting greenfield opportunity with Iran's population estimated at 69 million and current mobile penetration of approximately 11%. MTN Group funded the licence fee of €300 million (US$350 million) through a commercial arrangement with Irancell. In addition, Irancell was capitalised with €150 million (US$175 million) as part of the licence requirement and MTN funded its own and its partners' share of working capital. The partners' share was funded through a commercial arrangement.

Irancell has awarded the infrastructure tenders and is expected to launch commercially by September 2006.

PROSPECTS

The Group's vision is to be the leader in telecommunications in developing markets. The Group currently has operations in 10 countries across Africa, and commencement of commercial operations in Iran is expected in the second half of 2006. In order to further consolidate its position on the continent and to diversify its investment portfolio, the Group will continue to explore value-enhancing expansion opportunities principally in Africa and the Middle East. Opportunities complementary to the core mobile telephony business will also be pursued.

On the assumption that current market conditions endure, the Board expects the Group to continue to show good subscriber growth, maintain a strong market position in all of its existing operations and deliver sustainable and increasing medium to long term returns to its shareholders. Capital expansion programmes in Nigeria, South Africa and Iran are expected to provide further impetus to subscriber and revenue growth. As a consequence, the Board expects continued satisfactory growth in earnings for the year ahead.

DIVIDEND DECLARATION

In light of the Group's strong free cash flow generation, especially by the South African operation, coupled with its strong financial position, a dividend of 65 cents per share (December 2005: 65 cents per share) has been declared.

Notice is hereby given that a dividend (number 7) of 65 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, 21 April 2006.

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

Last day to trade *cum* dividend	Wednesday, 12 April 2006
Shares commence trading *ex* dividend	Thursday, 13 April 2006
Record date	Friday, 21 April 2006
Payment date of dividend	Monday, 24 April 2006

Share certificates may not be dematerialised/rematerialised between Thursday, 13 April 2006 and Friday, 21 April 2006 both days inclusive.

On Monday 24 April 2006 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 24 April 2006 will be posted on or about that date. Shareholders who have dematerialised their shares will have accounts held by their Central Securities Depository Participant or broker credited on Monday 24 April 2006.

For and on behalf of the Board

M C Ramaphosa
(Chairman)

P F Nhleko
(Group Chief Executive Officer)

Fairland
23 March 2006

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.

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

Directorate: M C Ramaphosa (Chairman), P F Nhleko* (Group CEO), D D B Band, S L Botha*, I Charnley*, Z N A Cindi, R S Dabengwa*, P L Heinamann, M A Moses, R D Nisbet*, J H N Strydom, A F van Biljon *Executive

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

American Depository Receipt (ADR) programme: Cusip No. 62474M108 ADR to ordinary share 1:1
Depository: The Bank of New York, 101 Barclay Street New York NY 10286, USA

Office of the South African registrars: Computershare Investor Services 2004 (Proprietary) Limited
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Condensed consolidated income statements

	9 months ended 31 December 2005 Audited Rm	12 months ended 31 March 2005 Audited (Restated) Rm
Revenue	**27 212**	28 994
Direct network operating costs	**(1 992)**	(2 171)
Cost of handsets and other accessories	**(2 717)**	(3 053)
Interconnect and roaming	**(3 736)**	(3 670)
Employee benefit costs	**(1 310)**	(1 435)
Selling, distribution and marketing expenses	**(4 736)**	(4 736)
Other expenses	**(1 490)**	(1 929)
Depreciation	**(2 497)**	(2 813)
Amortisation of intangible assets	**(256)**	(189)
Net finance costs	**(373)**	(270)
Share of results of associates	**10**	18
Profit before tax	**8 115**	8 746
Income tax expense	**(1 411)**	(1 494)
Profit for the period	**6 704**	7 252
Attributable to:		
Equity holders of the company	**5 866**	6 357
Minority interest	**838**	895
	6 704	7 252
Earnings per share	**352,7**	383,0
Diluted earnings per share	**349,7**	379,4
Dividend per share	**65,0**	41,0

Condensed consolidated balance sheets

	31 December 2005 Audited Rm	31 March 2005 Audited (Restated) Rm
ASSETS		
Non-current assets	**31 136**	19 151
Property, plant and equipment	**20 676**	15 787
Goodwill	**2 650**	33
Other intangible assets	**4 057**	1 846
Investments in associates	**54**	43
Financial assets held at fair value through profit or loss	**312**	300
Loans and other non-current receivables	**2 001**	324
Deferred income tax assets	**1 386**	818
Current assets	**13 676**	10 579
Cash and cash equivalents	**7 222**	5 822
Restricted cash**	**338**	607
Other current assets	**6 116**	4 150
Total assets	**44 812**	29 730
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital and reserves	**19 716**	16 083
Minority interest	**3 380**	2 333
	23 096	18 416
Non-current liabilities	**9 765**	3 715
Borrowings	**7 505**	3 019
Deferred income tax liabilities	**853**	696
Other non-current liabilities	**1 407**	—
Current liabilities	**11 951**	7 599
Non-interest bearing liabilities	**10 851**	7 378
Interest-bearing liabilities	**1 100**	221
Total equity and liabilities	**44 812**	29 730

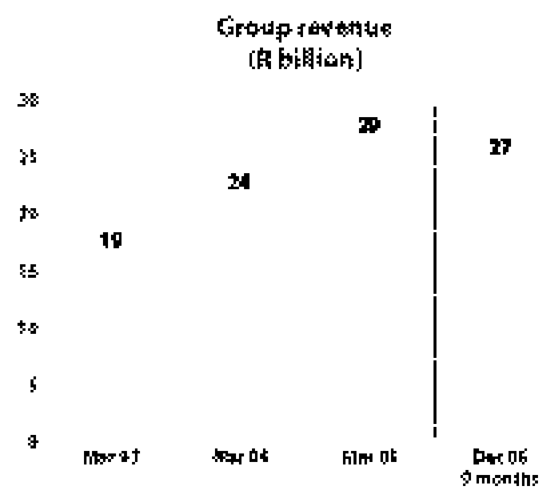
***This consists primarily of monies that are placed on deposit with banks in Nigeria to secure letters of credit.*

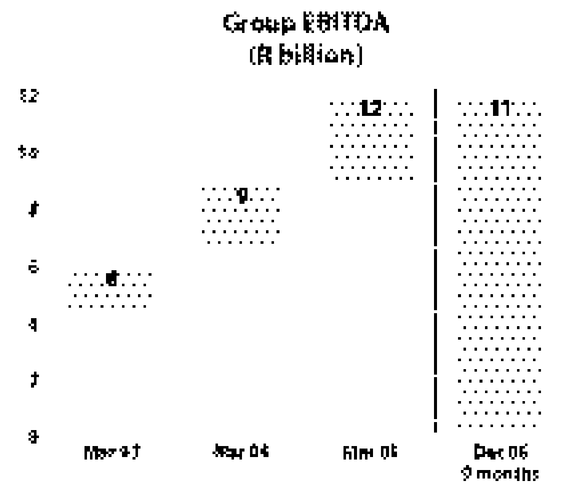
Condensed consolidated statements of changes in equity

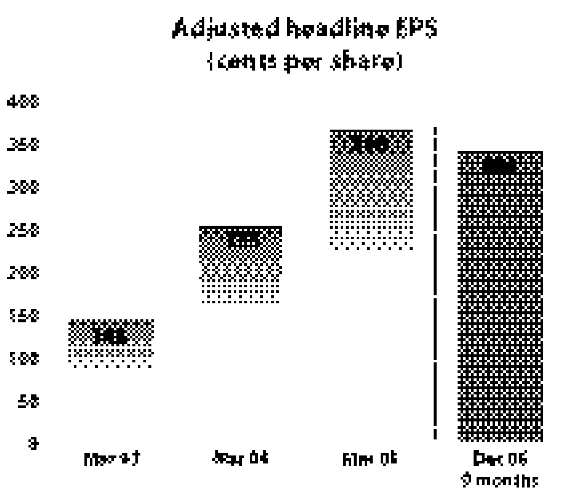
	9 months ended 31 December 2005 Audited Rm	12 months ended 31 March 2005 Audited (Restated) Rm
Restated opening balance	**18 416**	11 752
Net profit	**5 866**	6 357
Dividends paid	**(1 081)**	(680)
Issue of share capital	**33**	55
Effect of put option	**(1 284)**	(12)
Minorities interest on acquisition	**124**	—
Minorities share of profits and reserves	**838**	895
Revaluation of shareholders loan	**79**	19
Treasury shares sold	**—**	6
Share-based payments reserve	**17**	17
Currency translation differences	**88**	7
	23 096	18 416

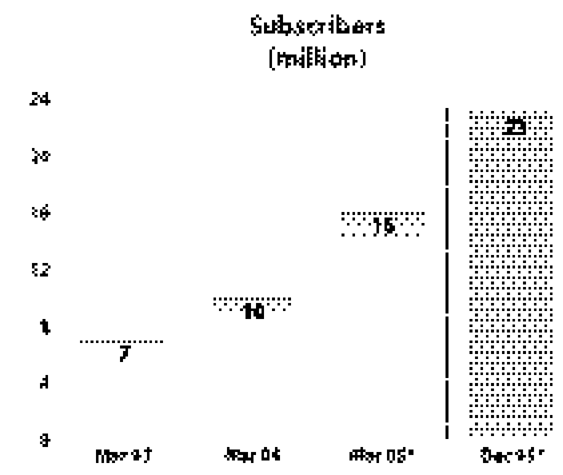
Condensed consolidated cash flow statements

	9 months ended 31 December 2005 Audited Rm	12 months ended 31 March 2005 Audited (Restated) Rm
Cash inflows from operating activities	**9 161**	9 513
Cash outflows from investing activities	**(12 922)**	(7 562)
Cash inflows from financing activities	**5 357**	222
Net movement in cash and cash equivalents	**1 596**	2 173
Cash and cash equivalents at beginning of period	**5 772**	3 542
Cash acquired through acquisitions	**(152)**	—
Foreign entities translation adjustment	**(52)**	57
Cash and cash equivalents at end of period	**7 164**	5 772









*These subscribers are based on 90-day subscriber activity, prior years all subscribers except RSA are on 30-day activity.

Operational data

	31 December 2005	31 March 2005
South Africa		
Subscribers	10 235 000	8 001 000
ARPU (Rand)	169	184
Nigeria		
Subscribers	8 370 000	5 574 000
ARPU (USD)	22	40
Cameroon		
Subscribers	1 248 000	919 000
ARPU (USD)	16	23
Uganda		
Subscribers	982 000	782 000
ARPU (USD)	15	19
Rwanda		
Subscribers	275 000	209 000
ARPU (USD)	17	19
Swaziland		
Subscribers	213 000	156 000
ARPU (Rand)	149	178
Cote d'Ivoire		
Subscribers	1 080 000	—
ARPU (USD)	20	
Mascom Botswana		
Subscribers	479 000	—
ARPU (USD)	21	
Congo Brazzaville		
Subscribers	210 000	—
ARPU (USD)	21	
Zambia		
Subscribers	97 000	—
ARPU (USD)	20	
Total subscribers	23 189 000	15 641 000

Note:

1. Subscriber figures for the year ended March 2005 have been restated and are now based on 90-day subscriber activity.
2. ARPU figures for the year ended 31 March 2005 are still based on 30-day subscriber activity – not restated.

Reconciliation of SA GAAP to IFRS
including the effect of early adopting IAS 21 (revised)

	31 March 2005 Audited Rm	IFRS Transition date 1 April 2004 Audited Rm
Reconciliation of equity		
Equity previously reported under SA GAAP	**18 257**	11 546
Adjustment upon adoption of IFRS	**159**	206
Equity reported under IFRS	**18 416**	11 752
Equity adjustments		
Leases	**(31)**	(31)
Property, plant and equipment	**168**	246
Intangible assets	**68**	53
Other	**(46)**	(62)
	159	206
Reconciliation of income statement		
Net profit after tax previously reported	**7 314**	
Share-based payments	**(17)**	
Foreign exchange gain	**26**	
Property, plant and equipment	**(78)**	
Intangible assets	**18**	
Other	**8**	
As reported under IFRS	**7 271**	
Early adoption of IAS 21 (revised)	**(19)**	
31 March 2005 restated	**7 252**	

Segment analysis

	9 months ended 31 December 2005 Audited Rm	12 months ended 31 March 2005 Audited (Restated) Rm
REVENUE		
South Africa	**15 507**	17 350
Nigeria	**9 034**	9 310
Rest of Africa and Middle East	**2 671**	2 334
	27 212	28 994
EBITDA		
South Africa	**5 009**	5 996
Nigeria	**4 727**	4 884
Rest of Africa and Middle East	**1 495**	1 120
	11 231	12 000
PAT		
South Africa	**2 871**	3 402
Nigeria	**3 293**	3 454
Rest of Africa and Middle East	**540**	396
	6 704	7 252

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed consolidated financial information ("financial information") announcement is based on the audited financial statements of the Group for the period ended 31 December 2005 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the listing requirements of the JSE Limited and the South African Companies Act (1973).

The financial year-end for MTN Group and its subsidiaries has changed from 31 March to 31 December. The financial statements are therefore for the nine months ended 31 December 2005.

Although the financial statements for the period ended 31 December 2005 are MTN's first published financial statements stating full compliance with IFRS, MTN had already complied in the prior year, with effect from 17 July 2000, with the following SA GAAP standards that had identical requirements to the IFRS standards:

IFRS 3 (AC140) (issued 2004) – Business combinations

IAS 36 (AC128) (revised 2004) – Impairment of Assets

IAS 38 (AC129) (revised 2004) – Intangible Assets

IAS 27 (AC132) (revised 2004) – Consolidated and Separate Financial Statements

The "31 March 2005 IFRS restated" figures have therefore only been adjusted to comply with the remainder of the International Financial Reporting Standards, while the "31 December 2005" figures have been adjusted to comply with all International Financial Reporting Standards. Refer to the Reconciliation of SA GAAP to IFRS for the effects of IFRS-compliance on previously reported financial statements. The nature of all items reconciling SA GAAP to IFRS has been described in detail in the financial statements for the period ended 31 December 2005.

2. Headline earnings per ordinary share

The calculations of basic and adjusted headline earnings per ordinary share are based on basic headline earnings of R5 984 million (March 2005: R6 339 million) and adjusted headline earnings of R5 626 million (March 2005: R6 074 million) respectively, and a weighted average of 1 663 208 548 (March 2005: 1 659 670 617) ordinary shares in issue.

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

	9 months ended 31 December 2005 Audited Rm	12 months ended 31 March 2005 Audited (Restated) Rm
Net profit attributable company's equity holders	**5 866**	6 357
Adjusted for:		
Loss/(profit) on disposal of property, plant and equipment	**27**	(3)
Profit on sale of subsidiary	**(23)**	—
Profit on sale of associate	**—**	(4)
Effect of disposal of stake in MTN Cameroon	**—**	(11)
Impairment of property, plant and equipment	**114**	—
Basic headline earnings	**5 984**	6 339
Adjusted for:		
Reversal of deferred tax asset	**(332)**	(265)
Impact of put option:		
– Fair value adjustment	**(19)**	—
– Finance costs	**97**	—
– Minority share of profits	**(104)**	—
Adjusted headline earnings	**5 626**	6 074

2. Headline earnings per ordinary share – *continued*

	9 months ended 31 December 2005 Audited	12 months ended 31 March 2005 Audited (Restated)
Reconciliation of headline earnings per ordinary share (cents)		
Attributable earnings per share (cents)	**352,7**	383,0
Adjusted for:		
Loss/(Profit) on disposal of property, plant and equipment	**1,6**	(0,2)
Profit on sale of subsidiary	**(1,4)**	—
Profit on sale of associate	**—**	(0,2)
Effect of disposal of stake in MTN Cameroon	**—**	(0,6)
Impairment of property, plant and equipment	**6,9**	—
Basic headline earnings per share (cents)	**359,8**	382
Effect of reversal of deferred tax asset	**(20,0)**	(16,0)
Effect of reversal of put option	**(1,6)**	—
Adjusted headline earnings per share (cents)	**338,2**	366
Contribution to adjusted headline earnings per ordinary share (cents)		
South Africa	**171,2**	204,1
Rest of Africa and Middle East	**167,0**	161,9
Adjusted headline earnings per share (cents)	**338,2**	366
Number of ordinary shares in issue:		
– Weighted average (000)	**1 663 209**	1 659 671
– At period end (000)	**1 665 317**	1 662 497

Deferred tax asset

The Group's subsidiary in Nigeria has been granted a five-year tax holiday under "Pioneer Status" legislation. Capital allowances arising on capital expenditure incurred during this period may be carried forward and claimed as deductions against taxable income from the sixth year of operations onwards. A deferred tax credit of R332 million (March 2005: R265 million) excluding minority interests relating to these deductible temporary differences has been recognised for the period ended 31 December 2005 in terms of IAS 12 – Income Taxes. A deferred tax asset is raised where it is probable that future profits will be generated in order to utilise the deductible temporary differences.

As previously disclosed, although the Group has complied with the requirements of IAS 12 in this regard, the Board of Directors has reservations about the appropriateness of this treatment in view of the fact that no cognisance may be taken in determining the value of such deferred tax assets for uncertainties arising out of the effects of the time value of money or future foreign exchange movements.

Impact of put option

Refer to the commentary for an explanation of the impact of these entries.

The Board therefore resolved to report adjusted headline earnings (negating the effect of the deferred tax asset and the put option) in addition to basic headline earnings, to more fully reflect the Group's results for the period.

3. Independent audit by the auditors

These condensed consolidated results have been audited by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsaluba VSP, 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.

		9 months ended 31 December 2005 Audited Rm	12 months ended 31 March 2005 Audited (Restated) Rm
4.	**Capital expenditure incurred (including software)**	**6 732**	7 576
5.	**Contingent liabilities and lease commitments**		
	Contingent liabilities	**781**	1 372
	Operating lease commitments	**331**	679
	Finance lease commitments	**638**	308
6.	**Commitments for property, plant and equipment and intangible assets**		
	– Contracted for	**2 902**	3 144
	– Authorised but not contracted for	**10 039**	7 247
7.	**Cash and cash equivalents**		
	Bank balances, deposits and cash	**7 222**	5 822
	Call borrowings	**(58)**	(50)
		7 164	5 772
8.	**Interest-bearing liabilities**		
	Call borrowings	**58**	50
	Short-term borrowings	**1 042**	171
	Current liabilities	**1 100**	221
	Long-term liabilities	**7 505**	3 019
		8 605	3 240

9. Business combinations

9.1 The acquisition of 51% of Telecel Côte d'Ivoire.

On 1 July 2005, the Group acquired 51% of the share capital of Loteny Telecom, trading under the name Telecel Côte d'Ivoire, a telecommunications company operating in Côte d'Ivoire. The acquired business contributed revenues of R392,5 million and profit after tax of R83,5 million to the Group for the period from 1 July 2005 to 31 December 2005.

If the acquisition had occurred on 1 April 2005 the contribution to Group revenue would have been R571,2 million, and the contribution to profit after tax would have been R98,3 million. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2005, together with the consequential tax effects.

The goodwill is attributable to the high profitability of the acquired business and the significant synergies expected to arise after the Group's acquisition of Telecel Côte d'Ivoire.

Details of the net assets acquired and goodwill are as follows:	1 July 2005 Audited Rm
Total purchase consideration	1 398
Fair value of net assets acquired	(142
Goodwill	1 256

The assets and liabilities arising from the acquisition are as follows:	Fair value 1 July 2005 Audited Rm	Acquiree's carrying amount 1 July 2005 Rm
Cash and cash equivalents	41	41
Property, plant and equipment	621	1 031
Intangible assets	603	376
Inventories and receivables	109	109
Payables	(1 001)	(988
Borrowings	(142)	(148
Net deferred tax asset	48	—
Net assets	279	421
Minority interests (49%)	(137)	
Net assets acquired	142	
Purchase consideration settled in cash		1 398
Cash and cash equivalents in subsidiary acquired		(41
Cash outflow on acquisition		1 357

9.2 The acquisition of 100% of Telecel Zambia, 40% of MTN Network Solutions (Pty) Limited, 44% of Mascom Wireless (Pty) Limited and 100% of Libertis Telecom

On 1 August 2005, the Group acquired 100% of the share capital of Telecel Zambia, a telecommunications company operating in Zambia, on 1 April 2005, the Group acquired 40% of Network Solutions (Pty) Limited, an internet service provider company incorporated in South Africa, and on 1 December 2005, the Group acquired 100% of Libertis Telecom, a telecommunications company incorporated in the Republic of Congo. On 28 September 2005, the Group acquired 44% of Mascom Wireless Botswana (Pty) Limited, a telecommunications company operating in Botswana.

The acquired businesses contributed revenues of R372 million and profit after tax of R54 million to the Group for the period.

If the acquisitions had occurred on 1 April 2005 the contribution to Group revenue would have been R708 million, and the contribution to profit after tax would have been R149 million. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the acquirees to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2005, together with the consequential tax effects.

The goodwill is attributable to the high profitability of the acquired businesses and the significant synergies expected to arise after the Group's acquisition of these businesses.

Details of the net assets acquired and goodwill as at acquisition are as follows:	On acquisition dates Audited Rm
Total purchase consideration	1 932
Fair value of net assets acquired	(494
Goodwill	1 438

The assets and liabilities arising from the acquisition are as follows:	Fair values on acquisition dates Audited Rm	Acquiree's carrying amounts on aquisition dates Rm
Cash and cash equivalents	105	105
Property, plant and equipment	350	350
Intangible assets	230	5
Inventories and receivables	70	70
Payables	(141)	(141
Borrowings	(102)	(102
Net deferred tax liability	(18)	(18
Net assets acquired	494	269
Purchase considerations		1 932
Cash and cash equivalents in businesses acquired		(111
Purchase consideration not yet settled in cash		(36
Cash outflow on acquisition		1 785

The business combinations outlined above were determined provisionally by the end of December 2005. In accordance with IFRS 3, these will be finalised within 12 months of the respective acquisition dates and appropriate adjustments may be required.

10. Other non-current liabilities

Other non-current liabilities relate to put options in respect of subsidiaries arising from arrangements whereby minority shareholders of two of the Group's subsidiaries have rights to put their shareholdings in the subsidiaries to Group companies. On recognition, the put options were fair valued using the effective interest rate as deemed appropriate by management.

11. Post balance sheet events

There are no significant post balance sheet events.

12. Net asset value per ordinary share and net (debt)/cash equity ratios

	9 months ended 31 December 2005 Audited	12 months ended 31 March 2005 Audited (Restated
Net asset value	**11,84**	9,67
Net (debt)/cash equity	**(4,5%)**	17%

These results can be viewed on our website at www.mtn.co.za