



# y'ello



## **MTN Group Limited** **Audited results**

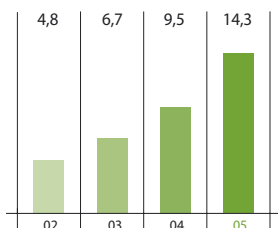
for the financial year ended 31 March 2005  
and dividend declaration



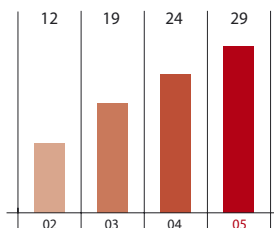
# Highlights of results

- **Subscribers increased by 50% to 14,3 million**
- **Revenue increased by 21% to R29 billion**
- **EBITDA increased by 33% to R12 billion**
- **EBITDA margin increased to 41,5%**
- **PAT increased by 47% to R7,3 billion**
- **Adjusted headline earnings per share increased by 45% to 366,6 cents**

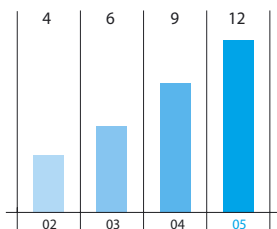
**Subscribers**  
(million)



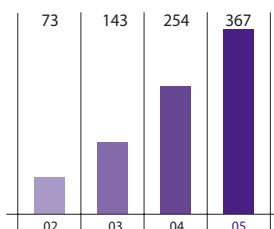
**Group Revenue**  
(R billion)



**Group EBITDA**  
(R billion)



**Adjusted headline EPS**  
(cents per share)





## Operational data

	Year ended	Year ended
	31 March 2005	31 March 2004
<b>South Africa</b>		
Subscribers	<b>8 001 000</b>	6 270 000
ARPU (Rand)	<b>184</b>	203
<b>Nigeria</b>		
Subscribers	<b>4 392 000</b>	1 966 000
ARPU (USD)	<b>40</b>	51
<b>Cameroon</b>		
Subscribers	<b>863 000</b>	581 000
ARPU (USD)	<b>23</b>	24
<b>Uganda</b>		
Subscribers	<b>719 000</b>	495 000
ARPU (USD)	<b>19</b>	22
<b>Rwanda</b>		
Subscribers	<b>188 000</b>	146 000
ARPU (USD)	<b>19</b>	22
<b>Swaziland</b>		
Subscribers	<b>145 000</b>	85 000

## REVIEW OF RESULTS

MTN Group Limited (MTN Group or the Group) continued its strong growth trend during the 2005 financial year, achieving an increase of 45% in Adjusted Headline earnings per share (Adjusted Headline EPS) to 366,6 cents. The Group lifted consolidated revenues by 21% year-on-year to R29 billion on the strength of a 50% increase in its total mobile subscriber base to 14,3 million at 31 March 2005. MTN Group also improved profitability levels, recording earnings before interest, tax, depreciation and amortisation (EBITDA) of R12 billion and profit after tax (PAT) of R7,3 billion, up 33% and 47%, respectively, compared to last year.

The reported Adjusted Headline EPS excludes the beneficial financial impact of the deferred tax asset recognised by MTN Nigeria Communications Limited (MTN Nigeria). Basic (unadjusted) headline earnings per share are 385 cents compared to 264,2 cents for the previous financial year.

The contribution by the international operations to overall Group results increased slightly to 39% of revenue, 50% of EBITDA and 44% of Adjusted Headline EPS. As a significant proportion of the Group's revenue and profits is generated outside South Africa, the fluctuation of the reporting currencies of our international operations against the rand continues to impact on the Group's consolidated results. Of primary importance is the Nigerian naira, against which the rand strengthened by 17% on average over the 2005 financial year compared with the average rate for the previous year. Consequently, the strong revenue and earnings growth achieved by MTN Nigeria was somewhat muted in the Group financial results when translated into rand. During the year, the rand also appreciated by between 2% and 17% on average against the reporting currencies of the Group's other international operations. An important change in accounting policies was implemented during the year, with MTN Group adopting IFRS3 (AC 140) and the revised IAS36 (AC 128), IAS38 (AC 129) and IAS27 (AC 132) with effect from 17 July 2000. Under the above statements, minority shareholders are now treated as equity participants and increases or reductions of the Group's stake in any of its subsidiaries, which do not result in a change of control, are accounted for as equity transactions. As a result, the difference between the purchase price (or disposal proceeds) and book value of minority interests acquired (or disposed of) arising from transactions with minorities is now recorded directly in equity and not as goodwill or in the income statement, as was previously the case. The main transaction impacted by this retrospective adoption of the above accounting statements was the restructuring transaction implemented in July 2000 in terms of which MTN Group acquired the 23% minority stake in MTN Holdings held by Transnet Limited, and settled the transaction by the issue of shares. Although there was no effective change in control in terms of the Group's previous accounting policy, this resulted in the recognition of R11,6 billion of goodwill on the MTN Group balance sheet. Such goodwill was previously being amortised over 20 years at an annual charge of R580 million. Restating the income statement for this change in accounting policy in respect of the year ended 31 March 2004, resulted in an increase in PAT of R671 million for the 2004 financial year, which is primarily attributable to goodwill no longer being amortised. On the restated balance sheet as at 31 March 2004, goodwill has been credited by R9,7 billion, reducing reserves and overall equity by the same amount.

## REVIEW OF RESULTS (continued)

### Income statement analysis

Group consolidated revenue increased to R29 billion, a 21% increase year-on-year. MTN South Africa recorded an increase in revenue of 17% to R17,8 billion, while MTN Nigeria's revenue grew by 34% to R9,3 billion, despite the rand strengthening against the naira during the period under review.

EBITDA increased by 33% to R12 billion and, pleasingly, the Group's EBITDA margin increased from 37,9% to 41,5%. MTN South Africa recorded a healthy improvement in EBITDA margin to 34%, up from 30% for the year ended 31 March 2004 and 33% for the six months ended 30 September 2004. This positive trend has been underpinned by tighter control over distribution costs, improved net interconnect balances and lower handset costs due to rand strength, but has been offset to some degree by increased postpaid subscriber acquisition costs driven by the competitive environment. The Group's international operations all increased their EBITDA margins year-on-year and achieved margins in the 43% to 52% range.

Depreciation charges increased by 23% from R2,2 billion to R2,7 billion, driven by the sizeable capital investment linked to the network roll-out in Nigeria.

Net finance costs declined to R266 million from R604 million in the prior year. MTN Nigeria took on additional borrowings during the year, drawing down further under its medium-term project finance facility. This was offset by a reduction in interest expense arising from the US dollar-syndicated facility in MTN Mauritius being largely repaid during the year, as well as the substantial cash balances in South Africa generating interest income. A reduction in foreign exchange losses to R38 million for 2005, compared to R208 million for the previous year, further contributed to the overall reduction of net finance costs.

Taxation increased by 36% to R1,5 billion for the year ended 31 March 2005, which includes R84 million of STC payable on the dividend payment made in July 2004. The Group's effective tax rate decreased to 17%, primarily as a result of MTN Nigeria still being within its five-year tax holiday granted under pioneer status in 2002, coupled with the increase in the deferred tax asset of R406 million due to timing differences on capital allowances.

Basic headline earnings per share increased by 46% to 385,0 cents, while Adjusted Headline EPS increased by 45% to 366,6 cents. South African operations contributed 204 cents or 56% of total Adjusted Headline EPS, representing a 50% year-on-year increase. Adjusted Headline EPS derived from international operations increased by 38% to 162,6 cents.

### Balance sheet and cash flow

The Group's total assets have increased by 32% to R29,4 billion compared to the restated R22,3 billion at 31 March 2004. Long-term borrowings reduced to R3,0 billion (2004: R3,7 billion), while short-term borrowings decreased to R167 million (2004: R334 million) as at 31 March 2005. Both MTN Mauritius and MTN Cameroon reduced their borrowings, year-on-year while MTN Nigeria had fully drawn down on its US\$345 million medium-term loan facilities, and utilised US\$15 million of the additional US\$200 million loan facility arranged during the year to meet its aggressive capital investment plans.

At 31 March 2005, the Group had cash on hand of R6,4 billion, including securitised cash deposits of R591 million against letters of credit in Nigeria, with R4,4 billion of the cash on hand residing in South Africa. Overall taking cash at bank and on hand, securitised cash deposits less interest-bearing short- and long-term liabilities into account, the Group remains in a net cash positive position of R3,2 billion at 31 March 2005. This increase from R1,2 billion at 31 March 2004 is largely attributable to the strong operating cash generation in MTN South Africa.

Operating cash flow (before dividends of R680 million) was R10,2 billion for the year, with free cash flow (being operating cash inflows less capital expenditure) of R2 billion being generated notwithstanding the major investment of R7,6 billion in property plant and equipment. MTN Nigeria invested R5,5 billion, representing 72% of the Group's total capital expenditure for the year.

The Group utilised R7,6 billion of the authorised R9,5 billion capital expenditure during the year, while capital expenditure of R10,4 billion has been approved for the next twelve months.

## OPERATIONAL REVIEW

**MTN South Africa** continues to achieve healthy subscriber growth and recorded a total of 8 001 000 capable subscribers at 31 March 2005. The prepaid component of its base increased by 30% to 6 610 000 subscribers. The postpaid base increased by 19% to 1 391 000 subscribers. Estimated market share remains between 38% and 39%. Blended average revenue per user per month (ARPU) of R184 was achieved for the year. Both postpaid and prepaid subscriber ARPU decreased, to R576 (2004: R597) and R97 (2004: R104) respectively. This decrease in both prepaid and postpaid ARPU is the result of strong subscriber growth in the lower-end segments of the mobile market in South Africa. The decrease in blended ARPU is driven by changes in mix, with prepaid subscribers now constituting 83% of the total base. Included in total postpaid subscribers are 215 000 My Choice Top-up subscribers, who generate significantly lower ARPU than the average for the postpaid base, and as such impacted on the postpaid ARPU decrease year-on-year.



Data contributed 6% towards total revenue excluding handset revenue.

The national roll-out of 3G coverage and services has commenced and full commercial service launch of broadband services is planned mid-year, with EDGE coverage of approximately 20% of our South African network and 3G covering the key metropolitan centres. This will enable customers to access advanced MTN data offerings as well as video-based services.

During the year, MTN disposed of its 30% investment in New Bucks Holdings, the loyalty programme jointly established with FirstRand Bank Limited, to eBucks.com Holdings Limited.

**MTN Nigeria** increased its active subscriber base to 4 392 000, a 123% growth year-on-year, despite a slow start. This strong increase, particularly in the third financial quarter, was partially assisted by a substantial decrease in connection fees to 980 naira, which coincided with additional network and switching capacity being made available. As a natural consequence of rapidly-increasing penetration into the addressable market for GSM subscribers, blended ARPU (excluding connection fees) has decreased significantly from US\$51 for the 2004 financial year to US\$40 for the 2005 financial year. The ARPU of subscribers most recently joining the network decreased to US\$27 at the end of March 2005. This downward trend in blended ARPU is expected to continue.

MTN Nigeria continued its accelerated network roll-out, commissioning 823 base stations and 14 switches during the year to meet customer demand in the rapidly-expanding Nigerian market. Total capital expenditure for the year was R5,5 billion, a record for any operation in the MTN Group. To date, all profits generated by MTN Nigeria have been reinvested into the business. Additional funding of US\$200 million has been raised from local and international financial institutions to supplement internally-generated cash flows to fund the extensive capital expenditure programme of R7 billion approved for the twelve-month period to March 2006.

During the year under review, correspondence was received from certain Nigerian authorities that could have created uncertainty as to whether or not MTN Nigeria has "pioneer status". Discussions have been ongoing with the relevant authorities in this regard. Subsequent to year end, additional positive correspondence clarifying the position around pioneer status has been received. In the light of these factors, the board of directors of MTN Group remains confident that the grant of pioneer status to MTN Nigeria is and will remain in effect for the full five-year period.

**MTN Cameroon** maintained market leadership in a highly-competitive trading environment. Its subscriber base increased to 863 000, representing a 49% increase from 31 March 2004. This was, boosted by being first to market with a variety of innovative offerings, including Me2U which enables transfer of prepaid virtual airtime between subscribers. ARPU declined marginally to US\$23 for the year ended 31 March 2005.

**MTN Uganda** increased its total GSM subscriber base by 45% year-on-year to 719 000, fuelled by the introduction of packages providing network access and airtime in a single card, as well as simple, flat-rate tariffs which have proven extremely popular. Following strong subscriber growth, MTN Uganda's ARPU decreased to US\$19 from US\$22 for the year to March 2005, assisted by a 10% strengthening of the Ugandan shilling against the US dollar.

**MTN Rwanda** experienced a slowdown in subscriber growth, increasing its active subscriber base to 188 000. ARPU of US\$19 was recorded, compared to US\$22 at 31 March 2004.

**MTN Swaziland** achieved strong subscriber growth of 71%, driven by the decision to combine network access and airtime in a single card. Deeper penetration into the market resulted in a decrease in ARPU to R178 from R223.

Traditionally, the Group reported on its international subscriber base as being subscribers who have been active (made or received a revenue-generating call) over a 30-day period, compared to a 90-day period in South Africa. To align all Group companies to a common standard comparable with other operators, all reported subscriber numbers will, with effect from April 2005, be based on 90-day activity levels. Under the new definition, the subscriber base as at 31 March 2005 would be 15,6 million subscribers.

## STRATEGIC INVESTMENTS

MTN Group, through its strategic investments division, identifies and evaluates value-enhancing expansion opportunities in developing markets as well as opportunities to expand the Group's business offerings beyond the core mobile telecommunications arena. While several potential acquisitions as well as new licence bids have been pursued during the year, none of these transactions have yet come to fruition.

Reference is made to the announcement dated 9 June 2005 in respect of legal proceedings in the English High Court against Celtel International B.V. and Dr Mohammed Ibrahim, whereby MTN Group obtained disclosure of certain information and documents. The board of directors has resolved that it is in the Group's long-term best interest not to pursue further legal proceedings at this stage.

## PROSPECTS

The Group's vision is to be the leader in telecommunications in developing markets. To further consolidate its position on the continent and to diversify its investment portfolio, the Group will continue to explore value-enhancing international expansion opportunities. Business opportunities complementary to the core mobile telephony business will also be pursued.



## REVIEW OF RESULTS (continued)

Assuming that current market conditions prevail, the board is confident that the Group will continue to show good subscriber growth and maintain a strong market position in all its operations despite intensifying competition. While a meaningful capital expansion programme in Nigeria and South Africa is planned for the current financial year, this will be fully funded by the operations and is expected to support further subscriber and revenue growth.

The Group continues to review alternative mechanisms to broaden the Nigerian shareholding in MTN Nigeria. A further announcement will be made in this regard once a firm decision has been reached.

### CHANGE IN YEAR-END

The MTN Group board has decided to align its reporting cycle with its international peers and has approved a change in year end to 31 December. Transitionally, interim results for the six-month period to 30 September 2005 will be reported on, followed by financial results for the nine-month period to 31 December 2005. The Group's reporting cycle will then change, with interim results being published for the six months to 30 June and full-year financial results to 31 December.

### DIVIDEND

In light of the Group's strong free cash flow generation, especially by the South African operation coupled with its strong financial position, the board recommended a dividend cover of 5 to 6 times on Adjusted Headline EPS. Accordingly, as detailed below, a dividend of 65 cents per share for the year has been declared.

This dividend policy for MTN Group will still enable the Group to pursue growth opportunities while returning cash to shareholders and optimising its capital structure.

For and on behalf of the board

**M C Ramaphosa**  
(Chairman)

**P F Nhleko**  
(Group Chief Executive Officer)

Johannesburg  
9 June 2005

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## DIVIDEND DECLARATION

Notice is hereby given that a dividend (number 6) of 65 cents per ordinary share has been declared and is payable to shareholders recorded in the register of MTN Group at the close of business on Friday, 1 July 2005.

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

Last day to trade <i>cum</i> -dividend	Friday, 24 June 2005
Shares commence trading <i>ex</i> -dividend	Monday, 27 June 2005
Record date	Friday, 1 July 2005
Payment date of dividend	Monday, 4 July 2005

Share certificates may not be dematerialised/rematerialised between Monday, 27 June 2005 and Friday, 1 July 2005, both days inclusive.

On Monday, 4 July 2005, 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 4 July 2005 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, 4 July 2005.

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*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 MTN Group 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.*

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## Consolidated income statement

	Year ended 31 March 2005 Audited Rm	Year ended 31 March 2004 Audited* Rm	% change
<b>Revenue</b>	<b>28 994</b>	23 871	21
Cost of sales	<b>(10 848)</b>	(9 659)	12
<b>Gross profit</b>	<b>18 146</b>	14 212	28
Operating expenses – net of other operating income	<b>(9 082)</b>	(7 533)	21
<b>Profit from operations</b>	<b>9 064</b>	6 679	36
Finance income	<b>305</b>	144	112
Finance costs	<b>(571)</b>	(748)	(24)
Share of profits of associates	<b>18</b>	9	100
<b>Profit before taxation</b>	<b>8 816</b>	6 084	45
Income tax expense	<b>(1 502)</b>	(1 101)	36
<b>Profit after taxation (PAT)</b>	<b>7 314</b>	4 983	47
Minority interest	<b>(907)</b>	(612)	48
<b>Net profit</b>	<b>6 407</b>	4 371	47
<b>Calculation of headline earnings</b>			
<b>Net profit</b>	<b>6 407</b>	4 371	47
(Profit)/loss on disposal of property, plant and equipment	<b>(3)</b>	8	
Impairment reversed against loan arising on disposal of MTN Cameroon	<b>(11)</b>	(9)	
Profit on sale of associate	<b>(4)</b>	—	
<b>Basic headline earnings</b>	<b>6 389</b>	4 370	46
<i>Adjustment:</i>			
Reversal of deferred tax asset (see note 14)	<b>(305)</b>	(174)	
<b>Adjusted headline earnings</b>	<b>6 084</b>	4 196	45
<b>Reconciliation of headline earnings per ordinary share (cents)</b>			
<b>Attributable earnings per share (cents)</b>	<b>386,0</b>	264,2	46
(Profit)/loss on disposal of property, plant and equipment	<b>(0,2)</b>	0,5	
Impairment reversed against loan arising on disposal of MTN Cameroon	<b>(0,6)</b>	(0,5)	
Profit on sale of associate	<b>(0,2)</b>	—	
<b>Basic headline earnings per share (cents)</b>	<b>385,0</b>	264,2	46
Effect of reversal of deferred tax asset (see note 14)	<b>(18,4)</b>	(10,6)	73
<b>Adjusted headline earnings per share (cents)</b>	<b>366,6</b>	253,6	45
<b>Contribution to adjusted headline earnings per ordinary share (cents)</b>			
South Africa	<b>204,0</b>	136,1	50
Rest of Africa	<b>162,6</b>	117,5	38
<b>Adjusted headline earnings per share (cents)</b>	<b>366,6</b>	253,6	45
Number of ordinary shares in issue:			
– Weighted average (000)	<b>1 659 671</b>	1 654 380	
– At period end (000)	<b>1 662 497</b>	1 657 724	

\*Restated for the adoption of IFRS 3 (AC 140), IAS 36 (AC 128) (revised), IAS 38 (AC 129) (revised) and IAS 27 (AC 132) (revised).

## Summarised consolidated balance sheet

	Year ended 31 March 2005 Audited Rm	Year ended 31 March 2004 Audited* Rm
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>18 727</b>	13 637
Property, plant and equipment	15 623	10 904
Goodwill	33	33
Intangible assets	1 686	1 784
Investments and loans	604	560
Deferred tax assets	781	356
<b>Current assets</b>	<b>10 637</b>	8 643
Cash at bank and on hand	5 838	3 648
Securitised cash deposits**	591	1 688
Other current assets	4 208	3 307
<b>Total assets</b>	<b>29 364</b>	22 280
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital and reserves	15 933	10 128
Minority interests	2 324	1 418
<b>Non-current liabilities</b>	<b>18 257</b>	11 546
Borrowings	3 618	4 376
Deferred tax liabilities	3 011	3 710
<b>Current liabilities</b>	<b>607</b>	666
Non-interest bearing liabilities	7 489	6 358
Interest-bearing liabilities	7 272	5 919
	217	439
<b>Total equity and liabilities</b>	<b>29 364</b>	22 280
Net asset value per ordinary share (rand)	9,58	6,11
Net cash (debt)/equity %	18	10

## Segmental analysis

	Year ended 31 March 2005 Audited Rm	Year ended 31 March 2004 Audited* Rm
<b>REVENUE</b>		
South Africa	17 753	15 184
Rest of Africa	11 241	8 687
	<b>28 994</b>	23 871
<b>EBITDA</b>		
South Africa	6 016	4 522
Rest of Africa	6 003	4 533
	<b>12 019</b>	9 055
<b>PAT</b>		
South Africa	3 393	2 244
Rest of Africa	3 921	2 739
	<b>7 314</b>	4 983



## Summarised consolidated cash flow statement

	Year ended 31 March 2005 Audited Rm	Year ended 31 March 2005 Audited Rm
<b>Cash inflows from operating activities</b>	<b>9 501</b>	8 597
<b>Cash outflows from investing activities</b> 898)	<b>(7 551)</b>	(4)
<b>Cash (out)/inflows from financing activities</b>	<b>(859)</b>	233
<b>Net movement in cash and cash equivalents</b>	<b>1 091</b>	3 932
Cash and cash equivalents at beginning of period	<b>5 231</b>	1 931
Foreign entities translation adjustment	<b>57</b>	

## Summarised group statement of changes in shareholders' equity

	Year ended 31 March 2005 Audited Rm	Year ended 31 March 2004 Audited* Rm
<b>Opening balance at 1 April</b>	<b>10 128</b>	17 056
Effect of adoption of IAS 39 (AC 133)	—	(15)
Effect of adoption of IFRS 3 (AC 140) 281)	—	(10)
<b>Restated opening balance at 1 April</b>	<b>10 128</b>	6 760
Net profit	<b>6 407</b>	4 371
Dividends paid	<b>(680)</b>	—
Issue of share capital	<b>55</b>	95
Transactions with minorities (110)	<b>(12)</b>	—
Treasury shares sold	<b>6</b>	—

\*Restated for the adoption of IFRS 3 (AC 140), IAS 36 (AC 128) (revised), IAS 38 (AC 129) (revised) and IAS 27 (AC 132) (revised).

\*\*These monies are placed on deposit with banks in Nigeria to secure letters of credit.

## NOTES

### 1. Basis of accounting

These condensed consolidated results have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP). The accounting policies are consistent with those used in the annual financial statements for the year ended 31 March 2004, except for the adoption of South African Statements of Generally Accepted Accounting Practice IFRS 3 (AC 140) – Business Combinations, IAS 36 (AC 128) – Impairment of Assets (revised), IAS 38 (AC 129) – Intangible assets (revised) and IAS 27 (AC 132) – Consolidated and separate financial statements (revised) with effect from 17 July 2000.

### 2. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation and accounting policies during the year.

### 3. Change in accounting policies

The adoption of IFRS 3 (AC 140) requires simultaneous adoption of IAS 36 (AC 128) (revised) and IAS 38 (AC 129) (revised). The adoption of these statements as well as IAS 27 (AC 132) (revised) resulted in a change in accounting policies applied previously to goodwill and to the acquisition and sale of minorities.

The effects of adopting the above statements and the resultant change in accounting policies are as follows:

- When minority interests are purchased/sold after 17 July 2000, the difference between the purchase price/consideration received and the book value of the minority interest is recorded directly in equity, rather than as additional goodwill or in the income statement;
- Amortisation of previously recognised goodwill ceased with effect from 17 July 2000; and
- From the year ended 31 March 2001 onwards, goodwill is tested annually for impairment, as well as when there are indications of impairment.

## NOTES (continued)

### 4. **Headline earnings per ordinary share**

The calculations of basic and adjusted headline earnings per ordinary share are based on basic headline earnings of R6 389 million (2004: R4 370 million) and adjusted headline earnings of R6 084 million (2004: R4 196 million) respectively, and a weighted average of 1 659 670 617 (2004: 1 654 380 353) ordinary shares in issue. No fully diluted earnings per ordinary share, in respect of debentures and options convertible into ordinary shares, have been disclosed as the potential dilution is not considered to be material.

### 5. **Independent audit by the auditors**

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

### 6. **Listing requirements**

This interim announcement has been prepared in compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

	Year ended 31 March 2005 Audited Rm	Year ended 31 March 2004 Audited Rm
<b>7. Capital expenditure incurred</b>	<b>7 576</b>	5 048
<b>8. Contingent liabilities and commitments</b>		
Contingent liabilities	<b>1 372</b>	788
Operating leases	<b>679</b>	610
Finance leases	<b>308</b>	314
<b>9. Commitments for capital expenditure</b>		
– Contracted for	<b>3 144</b>	3 516
– Authorised but not contracted for (next twelve months)	<b>7 247</b>	5 986
<b>10. Cash and cash equivalents</b>		
Bank balances, deposits and cash	<b>5 838</b>	3 648
Securitised cash deposits	<b>591</b>	1 688
Call borrowings	<b>(50)</b>	(105)
	<b>6 379</b>	5 231
<b>11. Interest bearing liabilities</b>		
Call borrowings	<b>50</b>	105
Short-term borrowings	<b>167</b>	334
Current liabilities	<b>217</b>	439
Long-term liabilities	<b>3 011</b>	3 710
	<b>3 228</b>	4 149
<b>12. Depreciation and amortisation</b>		
Depreciation	<b>2 708</b>	2 204
Amortisation	<b>247</b>	172
<b>13. Reconciliation of profit from operations to EBITDA</b>		
Profit from operations	<b>9 064</b>	6 679
Add:		
Depreciation	<b>2 708</b>	2 204
Amortisation	<b>247</b>	172
EBITDA	<b>12 019</b>	9 055
<b>14. Recognition of deferred tax asset</b>		

The Group's subsidiary in Nigeria has been granted a five-year tax holiday under "pioneer status" legislation. Capital allowances arising 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 relating to these deductible temporary differences has been recognised in the results to 31 March 2005 in terms of the requirements of South African Statement of Generally Accepted Accounting Practice AC 102 – Income Taxes, which requires a deferred tax asset to be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As previously disclosed, although the Group has complied with the requirements of AC 102 in this regard, the Board of Directors has reservations about the appropriateness of this treatment in view of the fact that no cognizance may be taken in determining the value of such deferred tax assets for uncertainties arising out of the effects of the time value of money or future foreign exchange movements.

The Board therefore resolved to report adjusted headline earnings (negating the effect of the deferred tax credit of R305 million) in addition to basic headline earnings, to more fully reflect the Group's results for the period.

# Administration

## COMPANY REGISTRATION NUMBER

1994/009584/06

ISIN code: ZAE 0000 42164      Share code: MTN

## BOARD OF DIRECTORS

M C Ramaphosa, P F Nhleko\*, D D B Band, S L Botha\*, I Charnley\*, Z N A Cindi, R S Dabengwa\*,  
P L Heinemann, M A Moses, R D Nisbet\*, J H N Strydom, A F van Biljon      \*Executive

## ACTING COMPANY SECRETARY

Mr L C Jooste

216 14th Avenue, Fairland, 2195. Private Bag 9955, Sandton, 2146

## 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

## CONTACT DETAILS

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## OFFICE OF THE SOUTH AFRICAN REGISTRARS

Computershare Investor Services Limited

Registration Number 1958/003546/06

70 Marshall Street, Marshalltown, Johannesburg, 2001. P O Box 61051, Marshalltown, 2107

## JOINT AUDITORS

PricewaterhouseCoopers Inc.

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SizweNtsaluba vsp Inc.

1 Woodmead Drive, Woodmead Estate, Woodmead, 2157. P O Box 2939, Saxonwold, 2132

## SPONSOR

Merrill Lynch South Africa (Pty) Ltd Inc. Registration Number 1995/001805/07

(Registered sponsor and member of the JSE Securities Exchange South Africa)

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## ATTORNEYS

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## MTN GROUP SHARECARE LINE

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