

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

2 RESULTS OF OPERATIONS

2.1 Operating segments

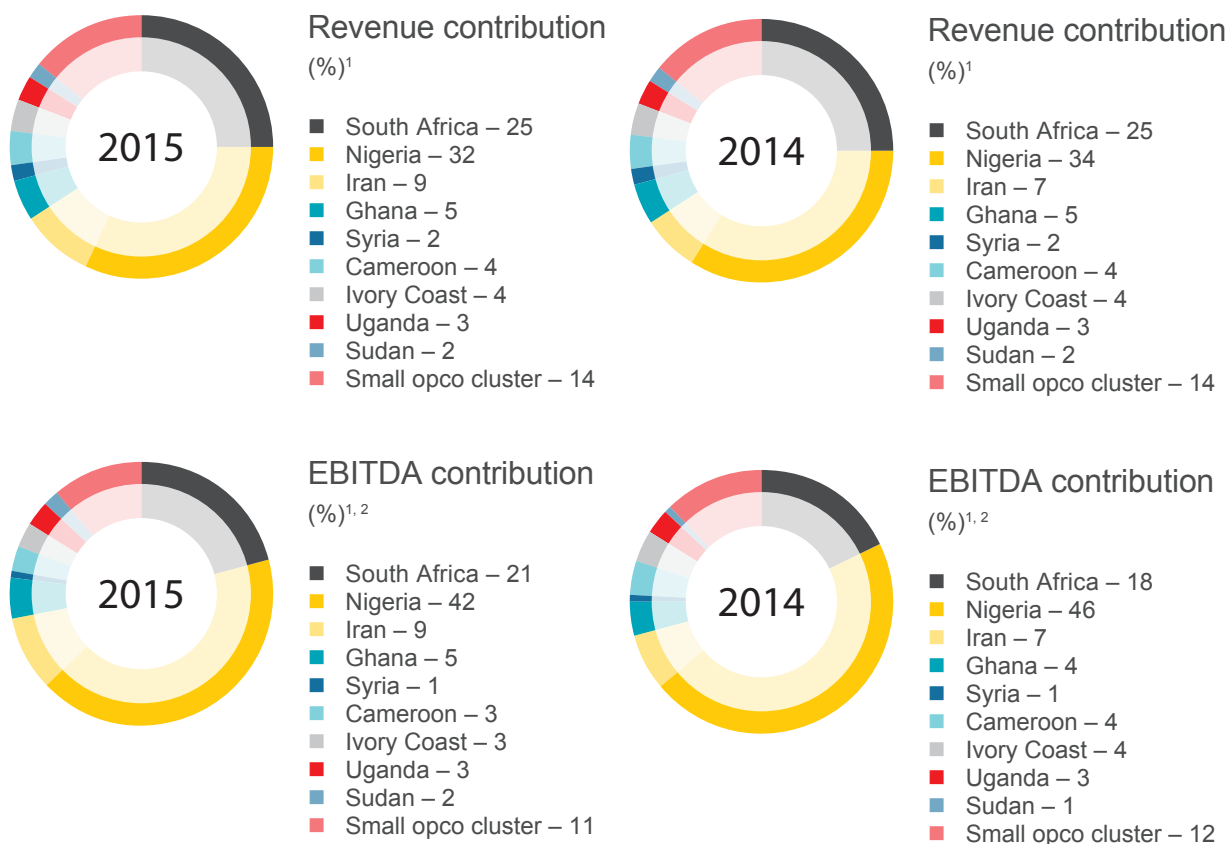
The Group has identified reportable segments that are used by the Group executive committee (chief operating decision maker (CODM)) to make key operating decisions, allocate resources and assess performance. The reportable segments are geographically differentiated regions and are grouped by their relative size.

The Group's principal activities include the provision of network IT services, local, national and international telecommunications services; broadband and internet products and services; and converged fixed/mobile products and services.

Operating results are reported and reviewed regularly by the Group executive committee and include items directly attributable to a segment as well as those that can be attributed on a reasonable basis, whether from external transactions or from transactions with other Group segments.

Unallocated items mainly comprise corporate expenses which do not directly relate to the operating activities of the segments or which cannot be re-allocated on a reasonable basis. Segment results are determined before any adjustment for non-controlling interests.

EBITDA is used as the measure of reporting profit or loss of each segment.



¹ Including Iran, excluding adjustments for hyperinflation and head office companies.

² Excludes adjustments for profit on tower sales and the regulatory fine in Nigeria (refer note 6.3).

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

2 RESULTS OF OPERATIONS (continued)

2.1 Operating segments (continued)

			Large opco cluster			
	South Africa Rm	Nigeria Rm	Ghana Rm	Cameroon Rm	Ivory Coast Rm	Uganda Rm
2015						
Revenue	40 038	51 942	7 903	5 806	6 424	5 148
EBITDA	13 370	27 504	3 197	2 101	2 195	1 775
Depreciation and amortisation						
Impairment of goodwill						
Net finance costs						
Net monetary gain						
Share of results of associates and joint ventures after tax						
Profit before tax						
EBITDA margin (%)	33,4	53,0	40,5	36,2	34,2	34,5
Capital expenditure⁴	10 948	4 993	1 831	1 911	833	951
Capex/revenue (%)	27,3	9,6	23,2	32,9	13,0	18,5
2014						
Revenue	38 922	53 995	7 149	6 194	6 418	5 289
EBITDA	12 509	31 620	2 674	2 651	2 475	2 074
Depreciation and amortisation						
Impairment of goodwill						
Net finance costs						
Net monetary gain						
Share of profit/(loss) of associates and joint ventures after tax						
Profit before tax						
EBITDA margin (%)	32,1	58,6	37,4	42,8	38,6	39,2
Capital expenditure⁴	5 676	8 375	1 400	862	1 185	667
Capex/revenue (%)	14,6	15,5	19,6	13,9	18,5	12,6

¹ Excludes adjustments for hyperinflation.

² Head office companies and eliminations consist mainly of the Group's central financing activities, management fees and dividends received from segments as well as intersegment eliminations.

³ Irancell Telecommunication Company Services (PJSC) proportionate results are included in the segment analysis as reviewed by the CODM and excluded from IFRS reported results due to equity accounting for joint ventures.

⁴ Capital expenditure comprises additions to property, plant and equipment, software and capital work in progress.

The Group is domiciled in South Africa.

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

					Adjustments to IFRS				
Syria ¹ Rm	Sudan ¹ Rm	Small opco cluster Rm	Major joint venture – Iran ¹ Rm	Head office companies and elimina- tions ² Rm	Iran ³ Rm	Profit on tower sales Rm	Nigeria regulatory fine Rm	Adjust- ments for hyper- inflation Rm	Consoli- dated Rm
2 605	3 472	23 290	13 660	(275)	(13 660)	–		710	147 063
460	1 216	7 525	5 665	575	(5 665)	8 263	(9 287)	231	59 125
									(23 293)
									(504)
									(3 010)
									1 348
									1 226
									34 892
17,7	35,0	32,3	41,5						40,2
974	819	4 368	4 180	1 571	(4 180)	–		412	29 611
37,4	23,6	18,8	30,6						20,1
3 449	2 701	22 385	11 631	(348)	(11 631)	–		776	146 930
651	914	8 083	4 982	1 869	(4 982)	7 430	–	241	73 191
									(21 513)
									(2 033)
									(3 668)
									878
									4 208
									51 063
18,9	33,8	36,1	42,8						49,8
357	1 392	3 888	3 112	1 440	(3 112)	–		164	25 406
10,4	51,5	17,4	26,8						17,3