

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

9 GROUP COMPOSITION (continued)

9.3 Changes in shareholding

Changes in shareholding of subsidiaries are transactions that result in increases or reductions in the interest held in a subsidiary of the Group, but which do not result in a loss of control and are accounted for as transactions with non-controlling shareholders as disclosed in note 1.3.1.

9.3.1 Current year changes in shareholding

9.3.1.1 MTN Côte d'Ivoire SA

New licence requirements in Ivory Coast require that 15% of the share capital of MTN Côte d'Ivoire SA be held by an Ivorian citizen. On 21 May 2015, MTN Mauritius disposed of 8% of its interest in MTN Côte d'Ivoire SA to Teyliom Global Capital Limited (TGCL), a fellow subsidiary of an entity which already holds a 7% interest in MTN Côte d'Ivoire SA. MTN Dubai advanced an interest-bearing loan to TGCL in order to effect the purchase. The loan is repayable in 20 years' time, and is secured by the 8% holding in MTN Côte d'Ivoire SA. The transaction was subject to certain conditions subsequent at agreement signature date, consequently although the shares were legally sold at that date, the transaction was only effective on 15 December 2015 for accounting purposes. At a Group level, it is viewed that an option was granted to TGCL, consequently neither the loan to TGCL nor the disposal of the 8% interest is recognised. As a result, the legal ownership percentage and the accounting ownership percentage differs by 8% at 31 December 2015. The option resulted in the recognition of an IFRS 2 charge at a Group level. This charge was capitalised as part of the licence cost as it is considered to be a cost which is directly attributed to the cost of acquiring this licence.

9.3.2 Prior year changes in shareholding

There were no transactions with non-controlling shareholders or changes in shareholding of any of the Group's subsidiaries during 2014.