

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

9 GROUP COMPOSITION (continued)

9.5 Joint operations

In respect of its interest in joint operations, the Group recognises in its financial statements its share of the assets held jointly, classified according to the nature of the assets, any liabilities that it has incurred, its share of any liabilities incurred jointly with the other joint operators in relation to the joint operation, any income from the sale or use of its share of the output of the joint operation, together with its share of any expenses incurred by the joint operation and any expenses that it has incurred in respect of its interest in the joint operation.

When the Group acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, identifiable assets acquired and liabilities assumed are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised in profit or loss. Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

When the Group increases its interest in a joint operation in which the activity of the joint operation constitutes a business, by acquiring an additional interest in the joint operation, the Group's previously held interests in the joint operation are not remeasured if the joint operator retains joint control.

The Group has entered into agreements with several other companies to construct high capacity fibre-optic submarine cable systems.

The Group has the following interests in jointly controlled operations:

	Ownership interest held	
	2015 %	2014 %
Joint operation		
Europe India Gateway Submarine Cable System	7,12	7,09
West Africa Cable System	11,06	11,45
Eassy Cable System	16,26	16,26
Africa Coast to Europe Cable System	8,67	–

During the year, the Group entered into a new agreement to construct a high capacity fibre-optic submarine cable system, named Africa Coast to Europe Cable System. The cost to the Group amounts to US\$51,6 million.

The following table presents, on a condensed basis, the Group's share of assets and liabilities, revenue and expenses of the jointly controlled operations which are included in the consolidated statement of financial position and income statement:

	2015 Rm	2014 Rm
Revenue	35	21
Expenses	(299)	(212)
Total assets	3 133	1 977
Total liabilities (excluding unearned income)	(129)	(124)
Unearned income	(161)	(132)

9.6 Interest in subsidiaries

The subsidiaries in which MTN Group Limited has direct and indirect interests are set out in note 9.1. A summary of the Group's subsidiaries with material non-controlling interests is presented below:

		Non-controlling interests	
	Principal place of business	2015 Rm	2014 Rm
Subsidiary			
MTN Nigeria Communications Limited	Nigeria	2 365	2 306
MTN Côte d'Ivoire S.A.	Côte d'Ivoire	1 284	971
Spacotel Benin SA	Benin	392	346
Mobile Telephone Networks Cameroon Limited	Cameroon	469	450
Other		959	852
		5 469	4 925

Set out on the next page is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. Unless otherwise stated, the Group's subsidiaries' countries of incorporation are also their principal place of operation. The summarised financial information presented is before intercompany eliminations.