

Notes to the group financial statements continued

for the year ended 31 December 2017

9 GROUP COMPOSITION (continued)

9.5 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.

	Principal place of business	Non-controlling interests	
		2017 Rm	2016 Rm
Subsidiary			
MTN Nigeria Communications Limited	Nigeria	793	725
MTN Côte d'Ivoire S.A.	Côte d'Ivoire	995	983
SpaceTel Benin S.A.	Benin	61	172
Mobile Telephone Networks Cameroon Limited	Cameroon	302	396
MTN Sudan Company Limited	Sudan	(793)	36
Other		136	539
		1 494	2 851

Notes to the group financial statements continued

for the year ended 31 December 2017

9 GROUP COMPOSITION (continued)

9.5 Interest in subsidiaries (continued)

Summarised financial information of subsidiaries with material non-controlling interests

Set out below and 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 places of operation. The summarised financial information presented is before intercompany eliminations.

	MTN Nigeria Communications Limited		MTN Côte d'Ivoire S.A.	
	2017 Rm	2016 Rm	2017 Rm	2016 Rm
% ownership interest held by non-controlling interests	21,17	21,17	33,17¹	33,17 ¹
Summarised statement of financial position				
Non-current assets	25 226	28 704	8 091	8 070
Current assets	8 809	16 493	1 426	2 003
Total assets	34 035	45 197	9 517	10 073
Non-current liabilities	10 849	19 855	2 665	2 702
Current liabilities	19 439	21 916	3 852	4 408
Total liabilities	30 288	41 771	6 517	7 110
Summarised income statement				
Revenue	36 005	47 122	7 421	7 176
EBITDA	14 041	11 355	2 347	2 333
Profit/(loss) before tax	4 772	(947) ²	922	1 004
Income tax expense	(1 206)	(3 156)	(212)	(230)
Profit/(loss) after tax	3 566	(4 103) ²	710	774
Profit/(loss) attributable to non-controlling interests	756	(869) ²	236	257
Dividends attributable to non-controlling interests	425	–	269	527
Summarised statement of cash flows				
Net cash generated from operating activities	5 680	13 692	674	755
Net cash used in investing activities	(5 844)	(11 165)	(1 241)	(748)
Net cash (used in)/from financing activities	(2 123)	(5 034)	412	41
Net (decrease)/increase in cash and cash equivalents	(2 287)	(2 507)	(155)	48
Net cash and cash equivalents at the beginning of the year	6 412	15 577	445	430
Exchange (loss)/gains on cash and cash equivalents	(1 035)	(6 658)	1	(33)
Net cash and cash equivalents at the end of the year	3 090	6 412	291	445

¹ The non-controlling interests hold 41,17% of the issued ordinary share capital of MTN Côte d'Ivoire S.A. However, the effective ownership for accounting purposes is 33,17% due to outstanding funding provided by the group to the non-controlling interests to acquire ordinary share capital in MTN Côte d'Ivoire.

² The summarised financial information is restated to reflect the timing of the recognition of the regulatory fine for all income statement line items affected in accordance with the financial period in which MTN Group recognised the fine.

Notes to the group financial statements continued

for the year ended 31 December 2017

9 GROUP COMPOSITION (continued)

9.5 Interest in subsidiaries (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

	Spacotel Benin S.A.		Mobile Telephone Networks Cameroon Limited		MTN Sudan Co Limited	
	2017 Rm	2016 Rm	2017 Rm	2016 Rm	2017 Rm	2016 Rm
% ownership interest held by non-controlling interests	25	25	20¹	20 ¹	15	15
Summarised statement of financial position						
Non-current assets	2 587	2 434	6 335	6 347	1 624	8 532
Current assets	2 278	1 721	1 988	2 362	894	1 284
Total assets	4 865	4 155	8 323	8 709	2 518	9 816
Non-current liabilities	771	563	2 330	1 253	2 202	866
Current liabilities	3 852	2 906	4 484	5 478	2 104	4 817
Total liabilities	4 623	3 469	6 814	6 731	4 306	5 683
Summarised income statement						
Revenue	3 470	4 012	5 373	6 189	4 540	4 707
EBITDA	655	1 038	1 304	2 065	(98)	1 512
Profit/(loss) before tax	48	478	94	830	(1 640)²	(572)
Income tax	(45)	1	(179)	(297)	(177)	(179)
Profit/(loss) after tax	3	479	(85)	533	(1 817)	(751)
Profit/(loss) attributable to non-controlling interests	*	120	(17)	107	(273)	(113)
Dividends attributable to non-controlling interests	120	300	84	110	–	–
Summarised statement of cash flows						
Net cash generated from/(used in) operating activities	329	612	(47)	900	1 188	1 374
Net cash used in investing activities	(489)	(573)	(573)	(2 222)	(547)	(883)
Net cash from/(used in) financing activities	269	(173)	25	1 701	627	(405)
Net increase/(decrease) in cash and cash equivalents	109	(134)	(595)	379	1 268	86
Net cash and cash equivalents at the beginning of the year	747	970	944	644	370	546
Exchange (loss)/gains on cash and cash equivalents	(4)	(89)	38	(79)	(1 184)	(262)
Net cash and cash equivalents at the end of the year	852	747	387	944	454	370

¹ The non-controlling interests hold 30% of the issued ordinary share capital of Mobile Telephone Networks Cameroon. However, the effective ownership for accounting purposes is 20% due to outstanding funding provided by the group to the non-controlling interests to acquire ordinary share capital in Mobile Telephone Networks Cameroon during prior years.

² The significant devaluation in the Sudanese pound resulted in a large foreign exchange loss on loan balances. These balances are classified as part of the net investment in MTN Sudan Company Limited and is therefore accounted for in the foreign currency translation reserve in the MTN Group results.

* Amounts less than R1 million.