

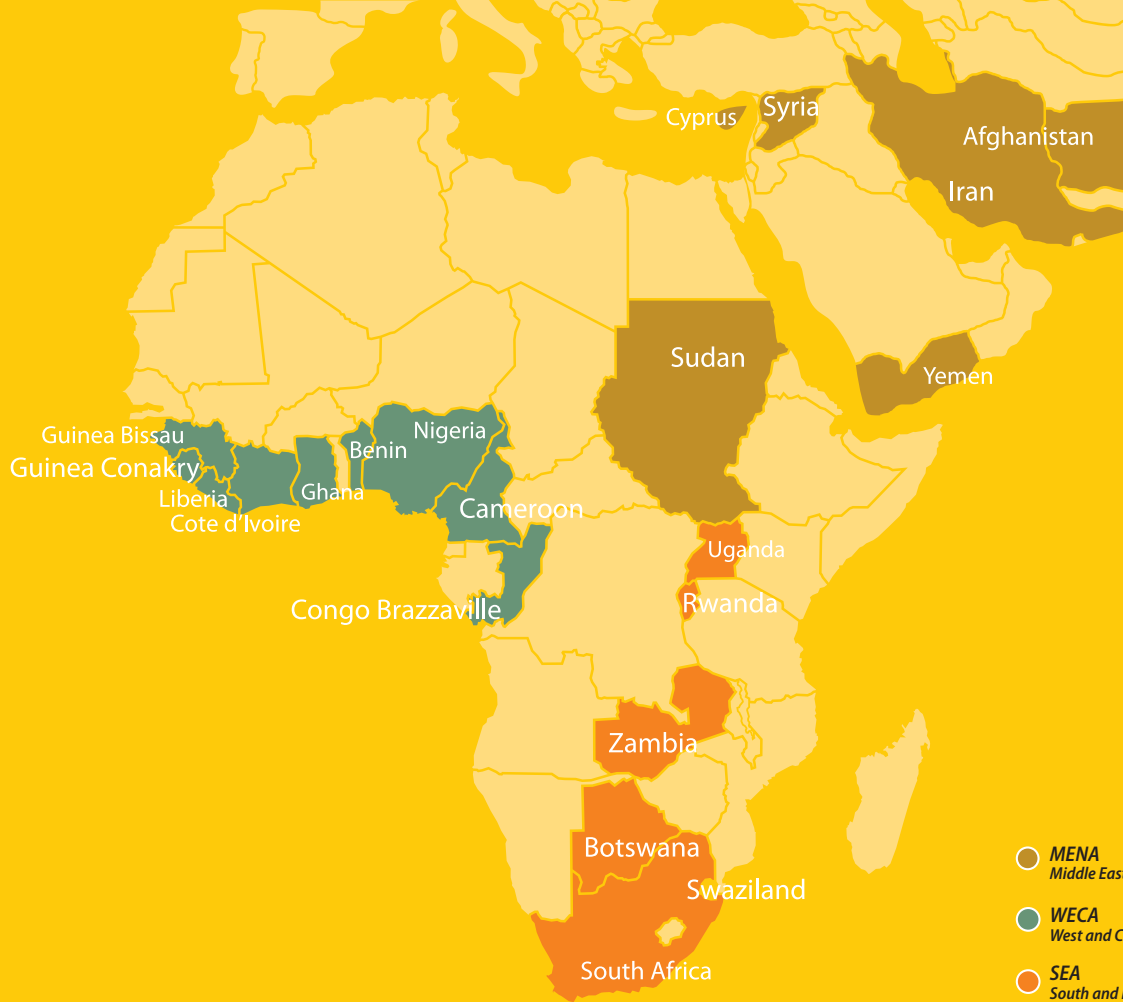


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P10neering
the way

MTN Group Limited
Final Audited Results
Year Ended 31 December 2010



everywhere you go



-  **MENA**
Middle East and North Africa
-  **WECA**
West and Central Africa
-  **SEA**
South and East Africa

Highlights

141,6 million

Group subscribers up 22,0%

44%

EBITDA^Δ margin up 2,9 percentage points

R31,0 billion

Approximate FCF* up 108,0%

909,1 cents

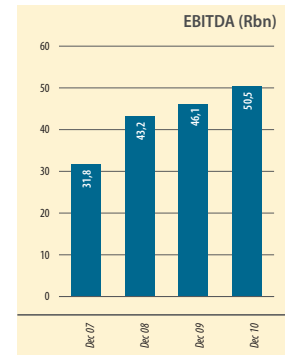
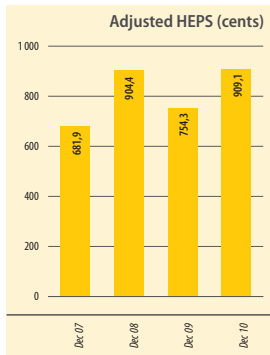
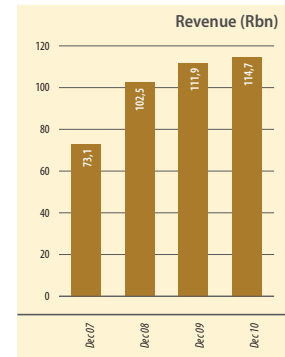
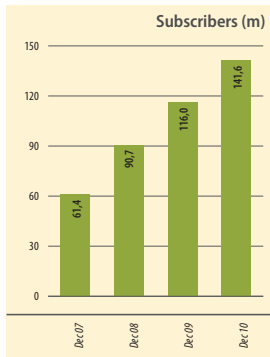
Adjusted HEPS^Δ up 20,5%

349 cents

Final dividend per share

*EBITDA^Δ – Capex (approximately free cash flow)

^ΔExcluding the impact of the MTN Zakhele transaction



Review of results

Performance review

MTN Group enjoyed a satisfactory operational performance for the year to 31 December 2010 despite being negatively impacted by the strong rand, as the translation of the various group companies' earnings into rand dampened the reported numbers. Economies across our footprint have emerged relatively strongly from the challenges of the global financial crisis of 2008. The commodity cycle upswing together with continued infrastructure investment and improved governance helped maintain a positive trading momentum.

MTN concluded the largest telecommunications BEE deal in South Africa. Worth R8,1 billion, this has enabled MTN South Africa to achieve its objective of creating a broad-based empowerment holding following the unwinding of Newshelf 664 in 2008. MTN Zakhele (a BEE special purpose vehicle) now holds 4% of the MTN Group and has 120,349 individual and 2,203 BEE groups as shareholders. The total cost of the transaction, together with the related ESOP scheme, was R2,9 billion. The analysis of the company's results below excludes the impact of MTN Zakhele, which has been separately detailed where appropriate.

Profit analysis ZAR million			Constant currency variance	
	2010	2009	Variance %	%
Total revenue	114 684	111 947	2.5	14
Total operating costs	64 174	65 884	-2.6	
EBITDA (excl Zakhele)	50 510	46 063	9.7	23
EBITDA margin % (excl Zakhele)	44.0	41.1	2.9 pts	
MTN Zakhele costs	2 973			
EBITDA (incl Zakhele)	47 537	46 063	3.2	

On a constant currency basis, revenue grew by 14% when compared to the comparative period. However, due to the continued strengthening of the rand, reported revenue at R114,7 billion was 2.5% higher than the prior year as 68% of the Group's revenue is generated in currencies other than the rand. Regulation of mobile termination rates, mainly in South Africa and Nigeria, resulted in a decline of 13% in interconnect revenue, whilst data revenue, including SMS and MTN Business Solutions, increased by 33% albeit off a low base and notwithstanding the impact of the rand.

A sound operational performance resulted in a 23% increase in earnings before interest, tax, depreciation and amortisation ("EBITDA") on a constant-currency basis. The strong rand, however, meant the increase in reported EBITDA** was 9.7%. The Group's EBITDA** margin increased by 2.9 percentage points to 44.0%. The decrease in costs in the year was mainly due to the decrease in interconnect costs together with a reduction in selling, distribution and marketing costs. Despite the lower interconnect revenue in the year, the increase in on-net traffic had a positive impact on the margin contribution of interconnect to the Group. Reported EBITDA, excluding the MTN Zakhele transaction, increased to R50,5 billion despite the effect of the strong rand.

The R2,9 billion MTN Zakhele charge to income is in respect of costs of the transaction that included the notional vendor finance of R1,4 billion, the donation of R1,3 billion, the employee share option scheme of R171 million and other transaction costs of R126 million.

The Group's strong operational performance was under-pinned by a 22% increase in subscribers to 141,6 million from 116,0 million in the prior year, as well as improved efficiencies due to various cost initiatives and despite higher levels of mobile penetration, aggressive competition and increased regulatory requirements. MTN continued to maintain network quality and capacity and to offer attractive segmented value propositions to customers.

Details of the performance of MTN's main operations are provided below under individual country headings.

Net finance costs ZAR million			Variance
	2010	2009	%
Net interest paid	1 925	2 201	(12,5)
Net forex losses	924	1 106	(16,5)
Functional currency losses	1 223	3 204	(61,8)
Put option	22	(701)	(103,0)
Total	4 094	5 810	(29,5)

Net finance costs decreased by 29.5% to R4,1 billion in 2010 from R5,8 billion the previous year. This was mainly due to a 61.8% reduction in functional currency losses to R1,2 billion at the end of December 2010. The functional currency loss relates to the foreign currency cash balances in Mauritius. Foreign currency losses reduced by 16,5% to R924 million.

The Group's depreciation charge increased by 12% to R13,2 billion at December 2010. This was mainly the result of the impact of the first full year of depreciation in respect of the significant 2009 capital expenditure programme.

Tax ZAR million			Variance
	2010	2009	%
Normal tax	7 834	6 425	21,9
Deferred tax	1 984	992	100,0
STC and other withholding taxes	1 449	1 195	21,3
Total	11 267	8 612	30,8
Effective tax rate (%) – excl MTN Zakhele	36,3	33,4	1,7 pts
Effective rate (%) – incl MTN Zakhele	40,1		

The Group's effective tax rate increased to 36.3% from 33.4% in 2009. This was mainly due to the impact of the Secondary Tax on Companies ("STC") on the maiden interim dividend

paid on 20 September 2010 and the reduced effect of the Nigerian put option on profit before tax. The decrease in the Nigerian investment allowance as a result of reduced capital expenditure also contributed to the higher tax rate. On including the impact of MTN Zakhele, the rate increases to 40.1% due to the non deductibility of these expenses.

Basic headline earnings per share ("HEPS") decreased by 1.9% to 776,2 cents and adjusted HEPS by 1.0% to 747,0 cents. After excluding the impact of MTN Zakhele adjusted HEPS increased by 20.5% to 909,1 cents. Adjusted HEPS excludes the impact of the put options.

Minority or non-controlling interests remained stable at R2,5 billion because of lower rand earnings from non-South African operations and an increased contribution by the South African operation to profit after tax.

Capital expenditure ZAR million	Authorised 2011	Actual 2010	Actual 2009
South and East Africa	5 676	5 421	8 645
South Africa	3 920	3 908	6 034
Other operations	1 756	1 513	2 611
West and Central Africa	10 723	9 919	16 518
Nigeria	7 784	4 700	10 222
Ghana	1 221	3 092	2 586
Other operations	1 718	2 127	3 710
Middle East and North Africa	4 871	3 402	5 785
Iran	1 317	1 661	3 326
Syria	1 066	410	748
Other operations	2 488	1 331	1 711
Head office companies	861	724	300
Total	22 131	19 466	31 248

Review of results

Reported capital expenditure (“capex”) was R19,5 billion, 38% lower than in 2009 and slightly below estimate. The lower-than-expected expenditure was partially attributable to rand strength as well as lower expenditure in Nigeria and Iran. The stronger rand reduced reported capex for the year by R2,3 billion. In Ghana, MTN’s capex was higher than expected because of the roll-out of fibre and a new switch centre. Group capex in 2011 is planned to be marginally higher partly due to a roll-over from 2010.

The R13,3 billion increase in the Group’s cash and cash equivalents at year end was mainly the result of the R11,7 billion reduction in the Group’s capex requirement, as outlined above. This was also the key driver of the increase in approximate free cash flow* for the period to R31,0 billion from R14,9 billion in 2009.

The increase in cash and cash equivalents, combined with marginally lower gross debt levels, resulted in a net cash position of R905 million at 31 December 2010 compared with a net debt position of R12,2 billion in the prior year.

Group initiatives

MTN recognises the importance of evolving its business as the industry matures and converges and as consumers demand broader product offerings. Even though MTN’s 21 markets are at varying stages of development, a number of data and value-added service initiatives continued to gain momentum during 2010. These included:

- The introduction of a dedicated ‘Commercial and Innovation’ function which has developed a comprehensive data strategy for the Group’s operations. Partner relationships, products and process frameworks are now better established for roll-out across the Group.
- Investment and upgrade of network and IT infrastructure to support converged and IP-based services including 3G and WiMax;

- Investment in undersea cables and fibre transmission both on a national and international level;
- Launch of MobileMoney in three more markets to date, bringing the total number of countries that have launched this service to 11 and the total number of MobileMoney subscribers to 4,3 million at the end of December 2010.

In order for MTN to continue to operate at historical levels of profitability and maintain its competitive edge, the Group has embarked on structural cost efficiencies and savings initiatives. These include:

- The adoption of an infrastructure tower-sharing strategy to pursue more extensive sharing of passive infrastructure and fibre.
- A structural framework for key projects including:
 - Cost-effective platforms for delivery of data and services;
 - Standardisation and optimisation of systems and processes;
 - Increased centralisation of procurement activities and rationalisation of suppliers; and
 - Shared services and outsourcing

The Ghanaian market presented an ideal opportunity to commence the Group’s medium-term objectives with respect to its towers. MTN and American Tower Corporation (“ATC”) announced that they have entered into a definitive agreement for the establishment of a joint venture in Ghana. This includes the sale of 1,876 of MTN Ghana’s towers for approximately USD428,3 million, of which ATC will pay USD218,5 million for its 51% stake. This is expected to be implemented during the first half of 2011.

South Africa

MTN South Africa's performance was encouraging in a market that is technically more than 100% penetrated, driven by high growth in the prepaid segment. The operation increased its market share to 36%, as a result of leveraging a strong brand and improved segmented propositions in the prepaid and hybrid segments of the market. The brand perception was greatly supported by MTN's affiliation to the 2010 FIFA World Cup™ and the Ayoba campaign. Subscribers increased by 17.3% for the period to 18,8 million. This was mainly due to the 18.6% increase in the prepaid segment to 15,5 million users. The strong product offering in this segment, including the enhanced MTN Zone offering, was a big contributor to growth. The postpaid segment continued to grow, albeit at a slower pace, increasing its subscriber base by 11.3% to 3,4 million at the end of 2010. The increased use of hybrid packages was partly offset by a fall in classic-type packages. As at 31 December 2010, 81% of the prepaid base and 71% of the postpaid base had been RICA'd and the deadline was extended to 30 June 2011.

MTN South Africa's revenue grew by 8% for the year, driven mainly by an 8% growth in airtime and subscription revenue. Strong growth in data revenue of 47% was offset by a 10% decrease in interconnect revenue. The first reductions in mobile termination rates were effective in March 2010 and, following the publication of the final termination regulation on 29 October 2010, these reductions will continue until both peak and off-peak rates are at 40c in March 2013. Prepaid average revenue per user per month ("ARPU") increased by R12 to R112 because of an increase in the percentage of revenue-generating subscribers in the reported base and an increase in data revenue spend. Postpaid ARPU declined by R36 to R329 a month due to continued lower out-of-bundle spend and migrations to lower-value packages.

MTN South Africa's EBITDA margin increased by 2.6 percentage points to 34.0% from the prior year. This was partly driven by an increase in on-net traffic which resulted in

interconnect costs reducing by more than the reduction in interconnect revenue. Margins were also positively affected by relatively lower distribution costs and changes in the licence fee terms.

MTN South Africa continued to invest in and upgrade the network, rolling out 369 2G and 284 3G BTSs and bringing the total BTS count to 8,912 at the end of the year. Capex reduced to 11% of revenue, from 18% in the prior year although 3G, data and IP interfaces, coverage and capacity increased significantly in support of the growing data revenue opportunity. To further support the network, long-distance fibre initiatives continue to be rolled out but progress on these initiatives has been slower than expected. By the end of December 2010, 472 km of the Johannesburg-to-Durban route had been trenched, while 172 km and 80 km of the Johannesburg-to-Bloemfontein and Bloemfontein-to-Cape Town routes respectively had been trenched.

Nigeria

MTN Nigeria performed well for the period under review despite increased competition in the fourth quarter, increasing its market share to 52% through the capture of more than 60% of the subscribers added by the market in 2010. This was as a result of attractive segmented promotions to customers and effective churn management. Improved customer service and product accessibility through enhanced distribution channels and customer call centres also contributed to the subscriber base increasing by 25% over the year to 38,7 million. Registration of the existing subscriber base is progressing steadily with approximately 34% of the total base registered as at 31 January 2011. From 14 February 2011, all new SIM cards are being sold partially activated in line with regulatory requirements. This gives customers 30 days to register the SIM card during which time they can only receive calls.

Review of results

Naira ("NGN") revenue grew by 16% mainly as a result of increased airtime and subscription revenue (up 19%), which was partially offset by lower interconnect revenue. Interconnect revenue decreased by 25% following the introduction by the regulator of lower mobile termination rates at the end of the prior year. Data and SMS revenue continued on a strong trajectory albeit off a very low base. ARPU declined by 10% in local currency and 11% in dollar terms to USD11, in line with penetration into lower-usage segments of the market. Mobile penetration in Nigeria increased by 7 percentage points to 49% during the year.

MTN Nigeria's EBITDA margin increased by 3.7 percentage points to 62.9% at 31 December 2010. This was mainly due to the operation achieving better economies of scale and various ongoing cost control initiatives.

The strength of the rand dampened the rand reported results for Nigeria resulting in a 0.5% revenue growth to R33,4 billion and a 6.8% EBITDA growth to R21,1 billion.

Site roll-out only gained momentum in the second half of the year as the company added 1,504 2G and 480 3G BTSs, bringing the total BTS count to 9,110 at the year end. Capital expenditure reduced to 14% of revenue from 31% the prior year. Despite the slower roll-out, the operation maintained network quality and capacity and this will remain a priority as competition intensifies. In addition to the increase in BTS coverage, 4,800 existing BTS sites were upgraded. Nigeria also continued to roll-out fibre across the country, completing a 696 km fibre ring between Yola, Bauchi and Gombe. In an effort to enhance data capabilities, a national fibre expansion project (phase 1) was initiated linking 71 high-capacity BTS sites on fibre and integrating 66 sites. Further roll-out of WiMax continued to gain momentum, increasing the roll-out to three additional states.

Ghana

MTN Ghana performed satisfactorily in one of the Group's most competitive markets, with market share decreasing to 53% from 55% in 2009. MTN Ghana recorded a 9% increase in subscribers to 8,7 million at December 2010, driven largely by the introduction of new price plans and the revision of MTN Zone to allow subscribers to view discounts in terms of monetary value rather than as discount percentages. MTN Ghana's performance was encouraging given aggressive competition through headline tariff reductions and the impact of SIM card registration. This regulatory requirement resulted in net disconnections in the second half of the year. As at 31 December 2010, 70% of the base had been registered. The final deadline for registration is June 2011.

Cedi ("GHC") revenue grew by 14%, ahead of subscriber growth, mainly because of the increase in airtime and subscription revenue. Although data revenue grew strongly, this was off a low base and only contributed 1.9% to total revenue. SMS revenue also increased significantly, but again only contributed 5% to revenue. Reported ARPU decreased by USD1 to USD7 while GHC ARPU remained stable despite the disconnections in the second half of the year.

MTN Ghana's EBITDA margin decreased slightly to 44.3% from 44.5% in the prior period. This was mainly because of the increase in direct network operating costs, specifically rent and utilities, and maintenance costs associated with a price hike in May 2010 as well as a bigger network. Staff costs also contributed to the decrease in margin as a result of improved retention initiatives.

Due to the strong rand, there was no revenue growth in rand terms and a 0.7% decrease in EBITDA to R2,4 billion for the year.

MTN Ghana rolled out 940 BTSs during the year, bringing the total number of BTSs to 4,033. Capex increased to 55% of revenue from 46% the prior year as the roll-out gained momentum in the second half of the year, enabling the operation to maintain network quality and capacity despite a meaningful increase in traffic. A further 77 3G BTSs were added.

Iran

MTN Irancell reported a strong operational performance, increasing its market share to 44% in December 2010 from 40% the prior year. This was mainly due to improved network coverage and quality, attractive seasonal promotions, the continued roll-out of electronic distribution channels and improved brand perception. Subscriber numbers increased by 28% to 29,7 million at the end of the year.

Rial ("IRR") revenue increased by 42%, significantly ahead of subscriber growth for the same period. This was largely due to the 42% growth in airtime and subscription revenue and the 73% growth in SMS revenue, which were partly offset by lower connection revenue as a result of the lower prices charged on prepaid connections. Data revenue growth was high but not yet significant as a percentage of revenue because of content limitations. Reported ARPU remained stable at USD8 , although IRR ARPU increased marginally as a result of improved network quality.

MTN Irancell's EBITDA margin increased by 6.2 percentage points to 41.1% at the end of December 2010. This was mainly because of cost efficiencies in maintenance and transmission emanating from renegotiated supplier contracts, as well as a change in the transmission leasing strategy. A reduction in prepaid dealer commissions and tighter control of marketing costs also contributed.

Owing to the strength of the rand, these figures in rand terms translated into 21% revenue growth and 42% growth in EBITDA for the year. MTN Group consolidates only 49% of MTN Irancell.

During the year 1,284 BTS's were added, resulting in a total 6,859 at the end of the year. Capex declined to 18% of revenue from 44% in the prior year, although MTN Irancell increased its population and geographic coverage to 77% and 20% respectively. It also added 5,772 km of road coverage during the year. WiMax roll-out continued, increasing the number of live sites to 535, mainly in major cities.

Syria

MTN Syria's performance remained stable as it maintained its market share at 45% and recorded a 15% increase in subscriber numbers to 4,9 million at the end of December 2010. These results were underpinned by attractive segmented customer value propositions, loyalty programmes and improved brand perception. A memorandum of understanding for the conversion of the build-operate-transfer arrangement to a freehold licence was signed with the Ministry of Telecommunications and is expected to be implemented in the first half of 2011.

Syrian pound ("SYP") revenue increased by 10.4% in the year, mainly attributable to the 10% increase in airtime and subscription revenue and the 9% growth in interconnection revenue. Data revenue has also started to show growth as a result of increased data product offerings. Data revenue now comprises 4.4% of total revenue and SMS revenue 6.6%.

Reported ARPU decreased by USD2 to USD16, as SYP ARPU declined by 8% in line with penetration into lower-usage segments.



Review of results

MTN Syria's EBITDA margin increased by 4.1 percentage points to 23.7% at the end of the year. This was largely because of a decrease in rent and utility costs resulting from a change in the electricity provision and usage estimation policy. Transmission and maintenance costs also decreased following the adoption of lower pricing from the regulator. In addition, there was a general reduction in commissions paid in the market which led to a material reduction in distribution costs.

Because of the strong rand, MTN Syria reported a 2.5% reduction in revenue in rand terms to R6,8 billion and a 14% increase in EBITDA to R1,6 billion for the 2010 year.

MTN Syria added 415 BTSs in the year, bringing the cumulative total at the end of the period to 3,912. Capital expenditure dropped to 6% of revenue from 11% in the prior year without negatively affecting performance. This is because the operation has already completed its frequency plans and re-engineered radio transmission aimed at enabling increased network quality and capacity.

Prospects

MTN's vision is to be the leader in telecommunications in emerging markets. The board will continue to evaluate and consider value accretive opportunities going forward. However, due to the limited number of such opportunities, the board is confident that growth aspirations can be accommodated within the imperative of improved short term returns to shareholders.

With a strong market position and penetration still at a weighted average of 50%*** in the markets in which it operates, MTN is well positioned to continue to deliver good organic growth. Increased voice penetration, intense competition, at times challenging regulatory environments and the evolution of industry and customer trends are likely to continue to place pressure on revenue growth and EBITDA margins. However, these are expected to be offset in part by growth in data and other value added services, increased voice usage and cost reduction strategies.

The markets and economies in which MTN operates continue to evolve and MTN is responsive to the management of risks in these markets. Operations in countries affected by local tensions have continued to function with the Group taking precautionary measures wherever necessary.

Further to the announcement of 20 December 2010, the Group continues to look for ways to optimise the management and structure of MTN's International operations and will make further announcements in due course in line with its strategy.

Subscriber net additions guidance for 2011

	Net additions 000's
South Africa	2,000
Nigeria	4,200
Ghana	390
Iran	3,350
Syria	600
Rest	6,385
Total	16,925

*** Excluding South Africa and Iran

Dividends

Shareholders are advised that the MTN board has approved an increase in the payout ratio to 55%. Accordingly, a final cash dividend of 349 cents per share in respect of the period to 31 December 2010 has been declared. This will bring the total dividend for the year to 500 cents. The dividend is calculated based on a full-year adjusted HEPS of 909,1 cents, after a once-off adjustment for the impact of MTN Zakhele. As 151 cents was paid at the interim period, a final dividend of 349 cents is payable to shareholders recorded in the register of the MTN Group at the close of business on Friday, 1 April 2011.

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

Last day to trade cum dividend	Friday, 25 March 2011
Shares commence trading ex dividend	Monday, 28 March 2011
Record date	Friday, 1 April 2011
Payment of dividend	Monday, 4 April 2011

Share certificates may not be dematerialized or rematerialised between Monday, 28 March 2011 and Friday, 1 April 2011, both days inclusive.

On Monday, 4 April 2011, the dividend will be transferred electronically 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 Monday, 4 April 2011 will be posted on or about that date. Shareholders who hold dematerialised shares will have their accounts held by the Central Securities Depository Participant or broker credited on Monday, 4 April 2011.

For and on behalf of the Board

M C Ramaphosa

(Chairman)

P F Nhleko

(Group President and CEO)

Fairland

9 March 2011

Condensed consolidated income statement



	31 December 2010 Audited Rm	31 December 2009 Audited Rm
Revenue	114 684	111 947
Direct network operating costs	(16 818)	(15 925)
Cost of handsets and other accessories	(6 819)	(6 297)
Interconnect and roaming	(12 593)	(15 166)
Employee benefits	(5 961)	(5 843)
Selling, distribution and marketing expenses	(14 741)	(14 649)
Other expenses	(10 215)	(8 004)
Depreciation of property, plant and equipment	(13 248)	(11 807)
Amortisation of intangible assets	(2 120)	(2 668)
Goodwill impairment	(32)	—
Net finance costs	(4 094)	(5 810)
Share of results of associates after tax	52	(5)
Profit before income tax	28 095	25 773
Income tax expense	(11 268)	(8 612)
Profit after tax	16 827	17 161
Attributable to:		
Equity holders of the company	14 300	14 650
Non-controlling interests	2 527	2 511
Earnings per ordinary share (cents) attributable to equity holders of the company		
– basic	776,2	791,4
– diluted	764,5	781,5
Dividends per share (cents)	343,0	181,0

Condensed consolidated statement of comprehensive income



	31 December 2010 Audited Rm	31 December 2009 Audited Rm
Profit after tax	16 827	17 161
Other comprehensive income:		
Exchange differences on translation of foreign operations	(9 811)	(17 700)
Cash flow hedges	77	(191)
Total comprehensive income/(loss) for the year	7 093	(730)
Attributable to:		
Equity holders of the company	5 059	(2 508)
Non-controlling interests	2 034	1 778
	7 093	(730)

Condensed consolidated statement of financial position

	31 December 2010 Audited Rm	31 December 2009 Audited Rm
Non-current assets	99 727	110 213
Property, plant and equipment	63 361	67 541
Goodwill, intangible assets and investments in associates	31 568	37 526
Other non-current assets	4 798	5 146
Current assets	54 234	46 024
Cash and cash equivalents	35 947	23 999
Restricted cash	285	742
Other current assets	18 002	21 283
Assets of disposal group classified as held for sale	825	—
ASSETS	154 786	156 237
Total equity	74 074	72 866
Non-current liabilities	33 995	28 426
Borrowings	24 857	21 066
Deferred tax and other non-current liabilities	9 138	7 360
Current liabilities	46 717	54 945
Non interest-bearing liabilities	36 246	39 094
Interest-bearing liabilities	10 471	15 851
EQUITY AND LIABILITIES	154 786	156 237

Condensed consolidated statement of changes in equity

	31 December 2010 Audited Rm	31 December 2009 Audited Rm
Opening balance	72 866	80 542
Total comprehensive income/(loss) for the year	7 093	(730)
Dividends paid	(9 083)	(6 122)
Shares issued during the year	11	20 392
Transactions with non-controlling interests	60	(43)
MTN Zakhele transaction	2 847	—
Newshelf share buy back	—	(21 226)
Other reserves	280	53
Closing balance	74 074	72 866

Condensed consolidated statement of cash flows

	31 December 2010 Audited Rm	31 December 2009 Audited Rm
Cash inflows from operating activities	34 728	36 282
Cash outflows from investing activities	(15 701)	(33 192)
Cash outflows from financing activities	(2 055)	(926)
Net movement in cash and cash equivalents	16 972	2 164
Cash and cash equivalents at beginning of year	22 646	25 596
Exchange losses on cash and cash equivalents	(3 711)	(5 114)
Cash and cash equivalents at end of year	35 907	22 646

Segmental analysis



	31 December 2010 Reviewed Rm	31 December 2009 Audited Rm
REVENUE		
South and East Africa	42 502	39 669
West and Central Africa	49 887	50 543
Middle East and North Africa	22 008	21 525
Head office companies	287	210
	114 684	111 947
EBITDA		
South and East Africa	14 556	12 701
West and Central Africa	27 683	27 029
Middle East and North Africa	7 393	5 782
Head office companies	(2 095)	551
	47 537	46 063
PAT		
South and East Africa	7 511	6 875
West and Central Africa	12 003	12 026
Middle East and North Africa	3 740	2 099
Head office companies	(6 427)	(3 839)
	16 827	17 161

Notes to the condensed consolidated financial statements

1. INDEPENDENT AUDIT BY THE AUDITORS

These condensed consolidated results have been audited by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsaluba vsp, who have performed their audit in accordance with the International Standards on Auditing. A copy of their unqualified audit report is available for inspection at the registered office of the company.

2. GENERAL INFORMATION

MTN Group Limited (the "Group") carries on the business of investing in the telecommunications industry through its subsidiary companies, joint ventures and associate companies.

3. BASIS OF PREPARATION

These audited results are a summary of the consolidated financial statements and are prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), the presentation and disclosure requirements of IAS34 Interim Financial Reporting, the AC 500 Standards as issued by the Accounting Practices Board or its successor, the Listings Requirements of the JSE Limited and the requirements of the South African Companies Act, No 61 of 1973, as amended, on a basis consistent with the prior year.

4. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in the annual financial statements.

During the year, the Group adopted all the IFRS and interpretations being effective and deemed applicable to the Group. None of these had a material impact on the results of the Group.

5. HEADLINE EARNINGS PER ORDINARY SHARE

The calculations of basic and adjusted headline earnings per ordinary share are based on basic headline earnings of R14 011 million (2009: R14 869 million) and adjusted headline earnings of R13 761 million (2009: R13 963 million) respectively and a weighted average number of ordinary shares in issue of 1 844 321 478 (2009: 1 851 260 334).

Reconciliation between net profit attributable to the equity holders of the company and headline earnings

	31 December 2010 Audited Rm	31 December 2009 Audited Rm
	Net**	Net**
Net profit attributable to company's equity holders	14 300	14 650
<i>Adjusted for:</i>		
(Gain)/loss on disposal of non-current assets	(132)	71
(Reversal of)/impairment of property, plant and equipment and other non-current assets	(157)	148
Basic headline earnings	14 011	14 869
<i>Adjustment:</i>		
Reversal of put options in respect of subsidiaries:		
– Fair value adjustment	(172)	(537)
– Finance costs	471	537
– Forex	(277)	(701)
– Non-controlling interests share of profits	(272)	(205)
Adjusted headline earnings	13 761	13 963

Notes to the condensed consolidated financial statements (continued)

	31 December 2010 Audited Rm	31 December 2009 Audited Rm
Reconciliation of headline earnings per ordinary share (cents)		
Attributable earnings per share (cents)	776,2	791,4
<i>Adjusted for:</i>		
(Gain)/loss on disposal of non-current assets	7,1	3,8
(Reversal of)/impairment of property, plant and equipment and other non-current assets	(8,5)	8,0
Basic headline earnings per share (cents)	760,6	803,2
Reversal of put options in respect of subsidiaries	(13,6)	(48,9)
Adjusted headline earnings per share (cents)	747,0	754,3
Diluted headline earnings per share	748,9	793,2
Number of ordinary shares in issue:		
– Weighted average ('000)	1 844 321	1 851 260
– At period end ('000)	1 884 529	1 840 536

***Amounts are stated after taking into account non-controlling interests.*

Adjusted headline earnings adjustments

Put option in respect of subsidiaries

IFRS requires the Group to account for written put options held by non-controlling shareholders of Group subsidiaries, which provides the non-controlling shareholders with the right to require the subsidiaries to acquire its shareholding at fair value. Prior to the implementation of IFRS, the shareholdings were treated as non-controlling shareholders in the subsidiaries as all risks and rewards associated with these shares, including dividends, accrued to the non-controlling shareholders.

IAS 32 requires that in the circumstances described in the previous paragraph:

- (a) the present value of the future redemption amount be reclassified from equity to financial liabilities and that financial liability so reclassified subsequently be measured in accordance with IAS 39;

- (b) in accordance with IAS 39, all subsequent changes in the fair value of the liability together with the related interest charges arising from present valuing the future liability be recognised in the profit and loss;
- (c) the non-controlling shareholder holding the put option no longer be regarded as a non-controlling shareholder but rather as a creditor from the date of receiving the put option.

Although the Group has complied with the requirements of IAS 32 and IAS 39 as outlined above, the board of directors has reservations about the appropriateness of this treatment in view of the fact that:

- (a) the recording of liabilities for the present value of the future strike price of the written put options result in the recording of liabilities that is inconsistent with the framework, as there is no present obligation for the future strike price;
- (b) the shares considered to be subject to the contracts are issued and fully paid up, have the same rights as any other issued and fully paid up shares and should be treated as such;
- (c) the written put options meet the definition of a derivative and should therefore be accounted for as a derivatives in which case the liabilities and the related fair value adjustments recorded through the profit and loss would not be required.

	31 December 2010 Audited Rm	31 December 2009 Audited Rm
6. CAPITAL EXPENDITURE INCURRED	19 466	31 248
7. CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent liabilities – upgrade incentives	941	1 209
Operating leases – non-cancellable	349	832
Finance leases	303	348
Other	491	749

Notes to the condensed consolidated financial statements (continued)



	31 December 2010 Audited Rm	31 December 2009 Audited Rm
8. COMMITMENTS FOR PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	22 131	23 599
9. CASH AND CASH EQUIVALENTS		
Bank balances, deposits and cash	35 947	23 999
Call borrowings	(40)	(1 353)
	35 907	22 646
10. INTEREST-BEARING LIABILITIES		
Call borrowings	40	1 353
Short-term borrowings	10 431	14 498
Current liabilities	10 471	15 851
Non-current liabilities	24 857	21 066
	35 328	36 917

11. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

MTN's Ghana subsidiary, Scancor Limited announced on 6 December 2010 that it has concluded a transaction with the American Tower Company (ATC) which involves the sale of up to 1 876 of Scancor Limited's existing sites to TowerCo Ghana for an agreed purchase price of up to approximately, USD 428,3 million, of which ATC will hold a 51% stake in TowerCo Ghana's holding company, with the remaining 49% stake held by MTN Dubai Limited. Scancor Limited will be the anchor tenant, in commercial terms, on each of the towers being purchased. The transaction is expected to be finalised during 2011, subject to customary closing conditions.

12. POST BALANCE SHEET EVENTS

The directors are not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which significantly affects the financial position of the Group or the results of its operations or cash flows for the year ended.

13. EFFECTS OF MTN ZAKHELE TRANSACTION

MTN concluded its Broad-Based Economic Empowerment transaction "MTN Zakhele" during October 2010. The transaction is designed to provide long term, sustainable benefits to all BEE participants and will run for a period of six years. Over 122 552 applicants subscribed for shares and were successful.

The total cost of this transaction was R2 973 million which was recognised as a once-off charge in the income statement for the year. This charge includes the once-off IFRS 2 Share-based Payment transactions charges for the notional vendor finance of R1 382 million, the Employee Share Option Plan of R171 million and a donation of R1 294 million. Transaction costs amounted to R126 million.

If this transaction is excluded, attributable earnings would have been 18% higher.

Net profit attributable to the company's equity holders	14 300
Add back once off MTN Zakhele cost	2 973
Net profit attributable to the company's equity holders excluding MTN Zakhele	17 273
Adjusted headline earnings per share excluding MTN Zakhele	909,1 cents



Notes



Registration number: 1994/009584/06 **ISIN code:** ZAE 000042164 **Share code:** MTN

Directorate: MC Ramaphosa (Chairman), PF Nhleko* (Group President and CEO), RS Dabengwa*, N Patel*, KP Kalyan, AT Mikati, MJN Njeke, JHN Strydom, AF van Biljon, J van Rooyen, DDB Band, D Marole, P Mageza, A Harper *Executive

Group secretary: SB Mtshali, 216 – 14th Avenue, Fairland, 2195 ~ Private Bag 9955, Cresta, 2118

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

Office of the South African registrars: Computershare Investor Services (Proprietary) Limited
(Registration number: 2004/003647/07) ~ 70 Marshall Street, Marshalltown, Johannesburg, 2001 ~ PO Box 61051, Marshalltown, 2107

Joint auditors: PricewaterhouseCoopers Inc., 2 Eglin Road, Sunninghill, 2157 ~ Private Bag X36, Sunninghill, 2157 and
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