MTN Group Limited Integrated Report

for the year ended 31 December 2013

everywhere you go

About this report and navigation

This annual integrated report is MTN Group Limited's (MTN, the Group or Company) primary communication to investors and other stakeholders, endeavouring to help them better understand our business. It explains our business priorities, how we are governed and how we implement our strategy to ensure MTN's long-term viability and relevance.

Our approach to integrated reporting has evolved over the past few years. For this year's report we worked on improving the structure to present a clear and concise story that assists stakeholders in making a more informed assessment of MTN. We have also endeavoured to give an indication of how we expect to perform in future.

Supplementary information that provides more detail on business initiatives is contained in associated reports on MTN's website. The sustainability and corporate governance reports as well as a full set of annual financial statements (AFS) can be obtained at www.mtn.com/Investors/Financials/Pages/integratedreports.aspx

Icon reference

To make for easier reading, navigation and cross-referencing tools have been included to reference relevant pages within this book and supplementary reports on the website.

www.mtn.com/Investors/Financials/Pages/integratedreports.aspx

Refer to page in integrated report

Reports

GR *Governance report*

AFS *Annual financial statements*

SR *Sustainability report*

We welcome feedback on this report at **investor_relations@mtn.co.za**

Scope and boundary

The content of this report addresses key developments and material matters for the period 1 January to 31 December 2013. It provides insight into factors which influence our strategy and determine our strategic priorities. It gives commentary, performance measures and prospects for the Group's strategy and material operations.

We define materiality through our internal reporting processes which start with quarterly reporting meetings hosted by the Group president and CEO. These meetings are held over two days every quarter, and include the presentation of performance and prospects by each operation's CEO, including feedback from each operation's stakeholders. The process enables the executive committee (exco) to identify common opportunities and risks which are termed as material for the purposes of this integrated report. Material matters are then addressed at a Group exco level, and, where appropriate, through relevant board committees. This is in addition to being discussed at each operation's country-level board and exco meetings, at which at least one Group exco member attends.

The material matters define the content of this report. They are underscored by our strategic priorities detailed on page 17. Strategic priorities are further developed into specific initiatives, delivery of which is quantified and evaluated against annual targets set by the Group exco at the beginning of the year. In this report, we also provide our outlook on the delivery of our priorities.

When determining material matters, we consider the size of each operation. Our cluster contributions are given on page 6, and show that MTN Nigeria and MTN South Africa collectively account for 64% of the Group's total revenue. The CEOs of these operations therefore report directly to the Group president and CEO. Our large opco cluster makes up 21% of the Group's total revenue and the executive responsible for this cluster sits on the exco. For these reasons, we include more detailed 2013 performance reports on MTN South Africa, MTN Nigeria and our large opco cluster on pages 58 to 63.

For the purposes of this report, summarised financial results have been included. The full AFS and the external audit report can be found at

Reporting principles and assurance

Financial information

In compiling its summarised financial results and AFS, the Group applies International Financial Reporting Standards (IFRS) and complies with the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. It also complies with the JSE Listings Requirements and the Companies Act of 2008.

The audit committee advises the board which approves the AFS. The AFS are jointly audited by PricewaterhouseCoopers Inc and SizweNtsalubaGobodo Inc.

Non-financial information

Local and global standards and guidelines are used in compiling non-financial information. The key standards of reference are the JSE Listings Requirements, the Companies Act of 2008, King Code of Governance Principles for South Africa 2009 (King III), the International Integrated Reporting Council (IIRC) guidelines, the JSE Social Responsibility Index, the United Nations Global Reporting Initiative G3 Sustainability Reporting Guidelines, the Telecommunications sector supplement and the Carbon Disclosure Project standard.

Non-financial information on certain aspects of the business has been externally assured by PricewaterhouseCoopers Inc. This is included in the detailed sustainability report SR. The assurance statement can be found on page 72.

Approval by the board

The structure and layout of this report is based on guidance in the latest integrated reporting framework set by the IIRC, and internal parties have devoted significant thought to how best to communicate MTN's story. The report was prepared under the supervision of the Group CFO, Brett Goschen CA(SA). The audit committee ensures the integrity of the report and has applied its collective mind to its preparation and presentation. The directors are responsible for the integrity of the integrated report as a whole. The report was approved by the board in March 2014.

Marking 20 years

In 2014, MTN celebrates 20 years in the business.

Two decades of extraordinary achievements and sometimes considerable challenges. A thousand weeks of phenomenal expansion and world firsts. Seven thousand days of pushing the boundaries and embracing diversity. So much has changed, but some things haven't. MTN is still the pioneering company it was back in the early 1990s, boldly going where others feared to tread: connecting people and making a difference. From a single licence in South Africa awarded in 1994, MTN has invested hundreds of billions of rand in state-of-the-art networks and licences to now connect 208 million people in 22 countries across Africa and the Middle East. From basic voice calls and messaging services, the Group has broadened its offering to include numerous innovative communication, content and entertainment services. Our "can do" approach will continue to propel us forward: Welcome to the new world. 20 years in the making.

** Constant currency information disclosed in these results is the responsibility of the Group's board of directors. The constant currency information has been presented to illustrate the impact of changes in currency rates on the Group's results and hence may not fairly present the Group's results of operations. In determining the change in constant currency terms, the current financial reporting year's results have been adjusted to the prior year's average exchange rates determined as the average of the monthly exchange rates which can be found on . The measurement has been performed for each of the Group's currencies, materially being that of the US dollar and Nigerian naira. The organic growth percentage has been calculated by utilising the constant currency results compared to the prior year results. The constant currency information has been reported on in terms of ISAE 3000 (Assurance Engagements other than reviews of historical financial information) by the Group's external auditors.*

*** Excluding tower profits of R968 million (December 2012: R587 million).*

01 Setting the scene

02 What drives and influences our strategy

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01

Setting the scene

Say goodbye to the briefcase
and say welcome to the tablet.

Welcome to the
Bold New Digital World.

Where we operate

MTN is a leading emerging markets mobile operator. Through our extensive investment in advanced communication infrastructure, the talent of our people and the strength of our brand, we now connect more than 200 million customers through our extensive infrastructure in 22 countries across Africa and the Middle East. Offering numerous innovative voice, data and ICT products and services, we are the market leader in 15 of the 22 countries in which we operate. Our annual capital expenditure has grown sharply since inception and over the past five years alone has exceeded R130 billion (including joint ventures). We employ 25 424 people and our revenue for the year was R136 495 million.

Ghana

12,9m

SUBSCRIBERS

Technology coverage#
2G – 80%
3G – 26%

Market share and position
50,2% **No 1**

Revenue (Rm)
8 269 (6% contribution)

Ivory Coast

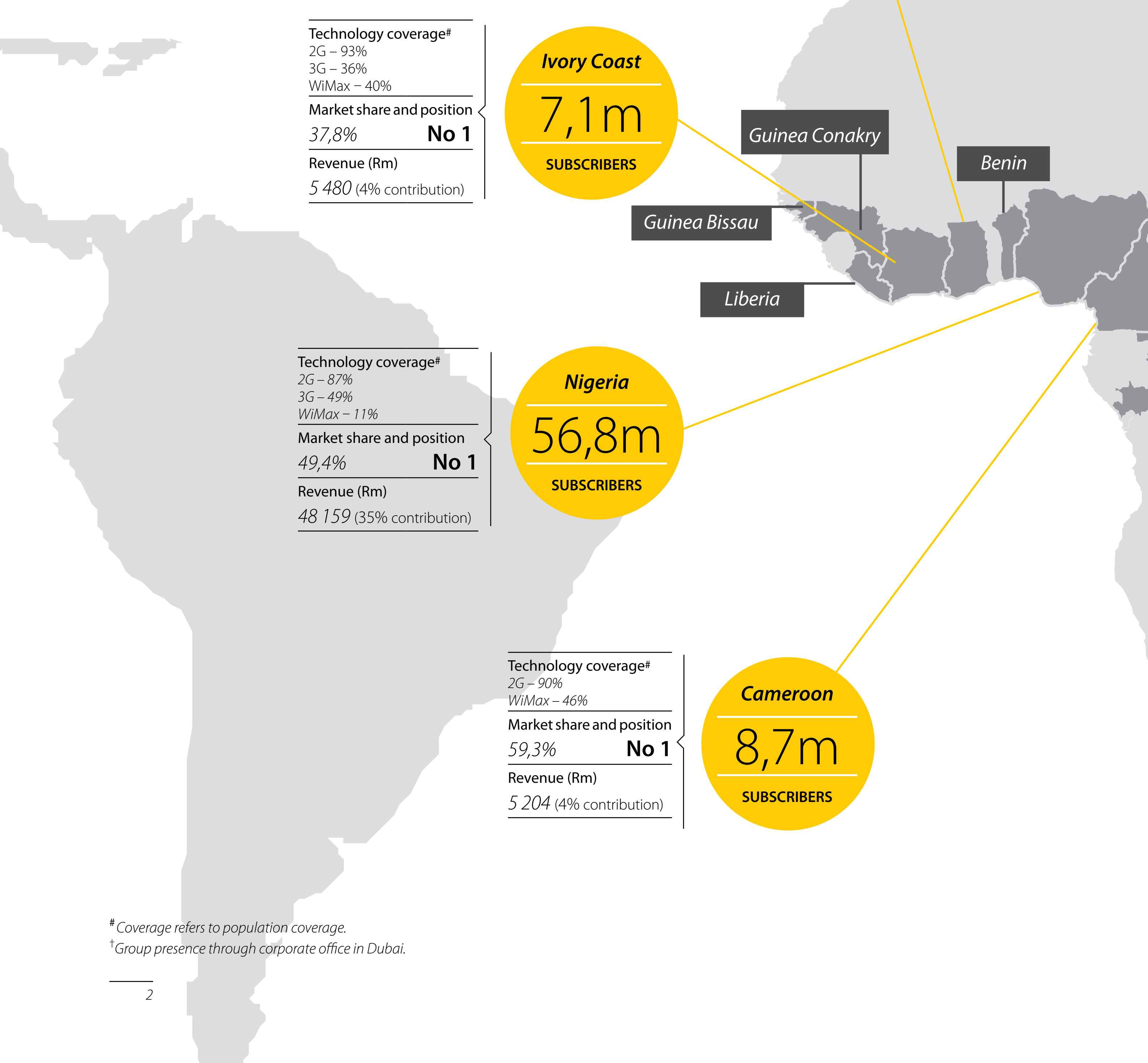
7,1m

SUBSCRIBERS

Technology coverage#
2G – 93%
3G – 36%
WiMax – 40%

Market share and position
37,8% **No 1**

Revenue (Rm)
5 480 (4% contribution)



Nigeria

56,8m

SUBSCRIBERS

Technology coverage#
2G – 87%
3G – 49%
WiMax – 11%

Market share and position
49,4% **No 1**

Revenue (Rm)
48 159 (35% contribution)

Cameroon

8,7m

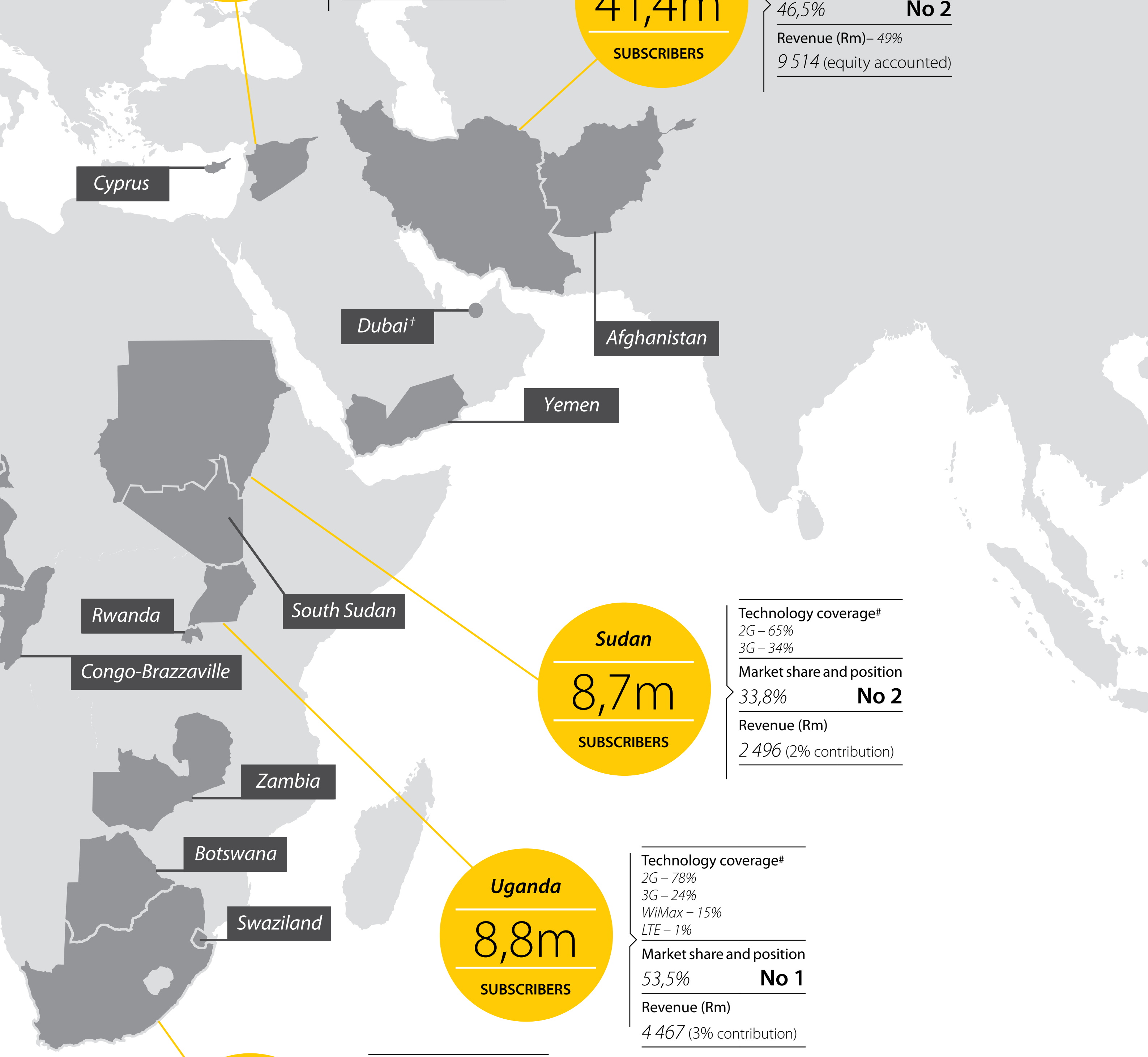
SUBSCRIBERS

Technology coverage#
2G – 90%
WiMax – 46%

Market share and position
59,3% **No 1**

Revenue (Rm)
5 204 (4% contribution)

Coverage refers to population coverage.
† *Group presence through corporate office in Dubai.*



Syria

5,8m

SUBSCRIBERS

Technology coverage#
2G – 65%
3G – 30%

Market share and position
43,7% **No 2**

Revenue (Rm)
3 229 (2% contribution)

Iran

41,4m

SUBSCRIBERS

Technology coverage#
2G – 83%
WiMax – 23%

Market share and position
46,5% **No 2**

Revenue (Rm)– *49%*
9 514 (equity accounted)

Sudan

8,7m

SUBSCRIBERS

Technology coverage#
2G – 65%
3G – 34%

Market share and position
33,8% **No 2**

Revenue (Rm)
2 496 (2% contribution)

Uganda

8,8m

SUBSCRIBERS

Technology coverage#
2G – 78%
3G – 24%
WiMax – 15%
LTE – 1%

Market share and position
53,5% **No 1**

Revenue (Rm)
4 467 (3% contribution)

South Africa

25,7m

SUBSCRIBERS

Technology coverage#
2G – 99%
3G – 76%
LTE – 5%

Market share and position
34,6% **No 2**

Revenue (Rm)
39 707 (29% contribution)

Our investment proposition and key statistics

MTN's strong and established brand, extensive infrastructure and innovative products and services provide the platform for a compelling investment proposition. Our ambitious strategy, driven by experienced and visionary leaders, and attractive shareholder returns further bolster the investment case.

As we show throughout this report, the performance of our many operating businesses is solid; our strategy for sustainable growth through voice, data and ICT is sound, and our returns to shareholders over the last 20 years are strong. We are committed to a dividend policy of absolute growth. In the period to the end of 2015, we aim to grow dividends at between 5% and 15% annually. In the past four years, we have returned R61 billion to shareholders through dividends and share buy-backs.

†Total shareholder returns over five years (2009 to 2013)

143,7%

- ↑ 100,0% share price return
- ↑ 43,7% dividend return

†Total shareholder returns over three years (2011 to 2013)

87,7%

- ↑ 61,4% share price return
- ↑ 26,3% dividend return

†Assumes dividends are reinvested

MTN's operations generate strong cash flows that provide reliable streams of income to invest in improving our network quality and capacity as well as enhance our services. This allows for sustainable value creation. In 15 of our 22 operations, MTN has clear market leadership. Our focus on emerging markets means that in many of our operations, internet penetration rates remain relatively low, offering good potential for growth. The opportunities to broaden our customer offerings are numerous.

KEY STATISTICS

	2013	2012	% change
Financial			
Revenue (Rm)	**136 495**	121 867	12
Operating expenses (Rm)	**77 675**	69 817	11
EBITDA** (Rm)	**58 820**	52 050	13
EBITDA margin** (%)	**43,1**	42,7	0,4(pp)
Headline earnings per share (cents)	**1 386**	1 089	27
Dividend per share (cents)	**1 035**	824	26
Capex (Rm)	**30 164**	28 827	5
Share price (cents) (31 Dec)	**21 702**	17 760	22
Market capitalisation (31 Dec) (Rbn)	**407**	335	21

Note: Excludes joint ventures in line with IFRS. See summarised financials on page 79 and AFS.
***Excluding tower profit.*
Percentage points are abbreviated to pp.

People	**2013**	2012	% change
Number of employees	**25 424**	26 716	(4,8)
Investment in employee development (Rm)	**293**	383	(23,5)
Employee turnover (%)	**7**	5	40,0
Gender diversity (% women to total employees)	**36**	36	–
Employee culture survey (%)	**68**Ⓐ	69	(1,4)
MTN CSI (Rm)	**314**Ⓐ	235	33,6

Notes: Employee numbers were restated in the year to exclude managed services staff.
For an explanation of the restatement of the 2012 CSI data, see SR.

Governance	**2013**	2012	% change
Operations with fraud management framework (%)	**86**Ⓐ	81	6,2
Number of whistleblower tip-offs	**687**Ⓐ	886	(22,5)
Hours spent on internal audit activities	**180 421**	168 035	7,4

For further information, see SR

Environment	**2013**	2012	% change
GHG emissions avoided/reduced (tonnes CO_2e)	**54 587**	15 284	257
CO_2 emissions from energy use (tonnes CO_2e)	**1 525 542**	1 040 723	46,5
Scope 1	**769 471**	652 790	17,9
Scope 2	**640 831**	384 725	66,6
Scope 3	**115 240**	3 208	3 492
MTN Nigeria			
– electricity use (kWh)	**106 502 142**Ⓐ	–	–
– diesel use (kL)	**166 116**Ⓐ	–	–
– energy spend (Rm)	**1 980**Ⓐ	–	–
– Scope 1 (t CO_2e)	**492 271**Ⓐ	–	–
– Scope 2 (t CO_2e)	**46 115**Ⓐ	–	–

Note: For definitions of Scope 1, 2 and 3 and an explanation of the changes in these see SR.

Network quality

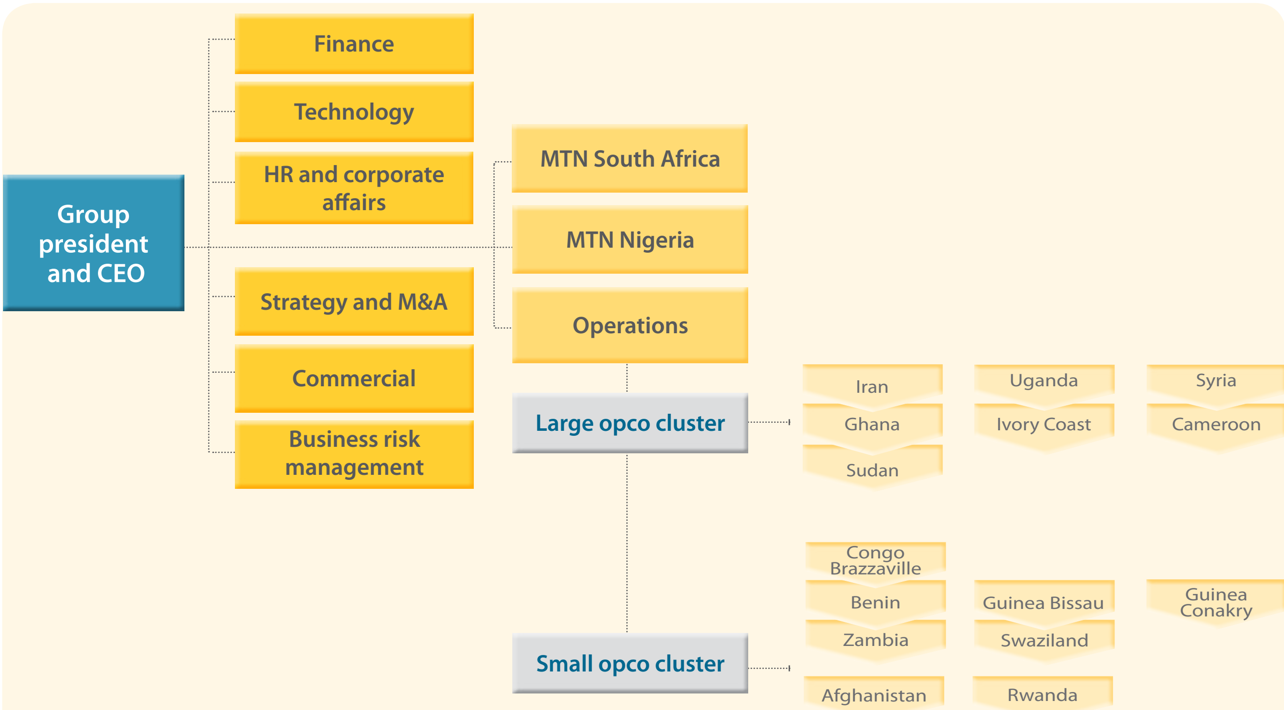
Ensuring the quality of our networks is central to achieving our strategic theme of creating a distinct customer experience. It is also critical to fulfilling our regulatory requirements in the 22 markets in which we operate.

While we measure network quality in all our markets, we now provide independent assurance on key network quality statistics in three important markets – Nigeria, South Africa and Ghana. The statistics we provide are the call setup success rate, the dropped call rate and network availability in each of these markets. For details on our performance in 2013, please see SR.

Ⓐ *Indicates data has been subject to limited assurance. See page 72 for assurance statement.*

For more information see the five-year review. AFS

Our management structure



For details on ownership structure see, www.mtn.com/mtngroup/about/pages/structure.aspx

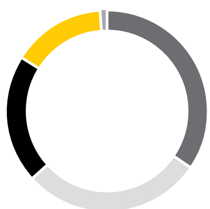
Profiles of responsible executives on page 24.

Our cluster contributions

Subscribers ***207,8 million*** *(including joint ventures)*

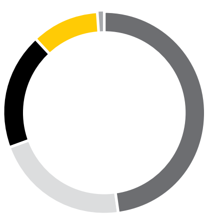
Nigeria	27%
South Africa	13%
Large opco cluster	45%
Small opco cluster	15%

Revenue ***R136 495 million***



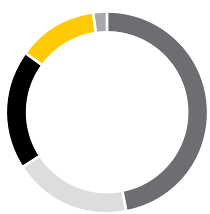
Nigeria	35%
South Africa	29%
Large opco cluster	21%
Small opco cluster	15%
Head office	<1%

*EBITDA*** ***R58 820 million***



Nigeria	49%
South Africa	22%
Large opco cluster	19%
Small opco cluster	11%
Head office	(1%)

Capex ***R30 164 million***



Nigeria	47%
South Africa	19%
Large opco cluster	19%
Small opco cluster	13%
Head office	2%

Note: *For 49% share in Iran Revenue – R9 514 million*
EBITDA – R4 075 million
Capex – R1 758 million

***Excluding tower profit.*

02

What drives and influences our strategy

Say goodbye to the hardcover
and say welcome to the eBook.

Welcome to the Bold New Digital World.

Our vision, mission, values and vital behaviours

Vision

*To lead the delivery of a **bold, new Digital World** to our customers.*

Mission

*To make our customers' lives a whole lot **brighter**.*

MTN believes that our culture is a strategic asset enabling our success. We express our culture through our values and vital behaviours. We believe in a culture of candour, collaboration and complete accountability to get it done. By instilling this in MTN employees we ensure that we are able to deliver on our strategy, and ultimately on our vision and mission. We achieve this through what we consider to be MTN's vital behaviours, which set the tone for what is expected of every leader and employee in interactions with each other and all stakeholders across the Group. These vital behaviours are reinforced through the work of the MTN Academy.

Our values	What this means to us	Expressed through the vital behaviour of:
Leadership	• Lead by example • Be an inspiration • Provide vision • Be accountable, take ownership • Be dependable	Complete accountability
Innovation	• Be creative, create new ideas • Do things differently • Be original • Focus on solutions • Think outside the box	Get it done
Relationships	• Work together, cooperate • Share ideas through teamwork • Be caring and friendly • Show respect • Communicate	Active collaboration
Integrity	• Be honest • Deliver on promises • Do what is right • Be truthful to others and yourself • Be trustworthy and reliable	Complete candour
Can do	• Be positive • Believe in yourself • Show willingness • Endure and have courage • Believe it can be done	Get it done

Our employee value proposition

The MTN Deal is a compelling people-centred value proposition offered to all MTN employees across our operations. It has five key components: *brand strength* (the power of the MTN brand); *our leadership brand* (we have bold and inspiring leaders); *investing in our talent* (unlocking human potential); *a globally diverse culture* (celebrating our diverse communities); and *total reward and recognition* (achieving performance excellence).

For details of total reward and recognition, please see the remuneration report on page 36.

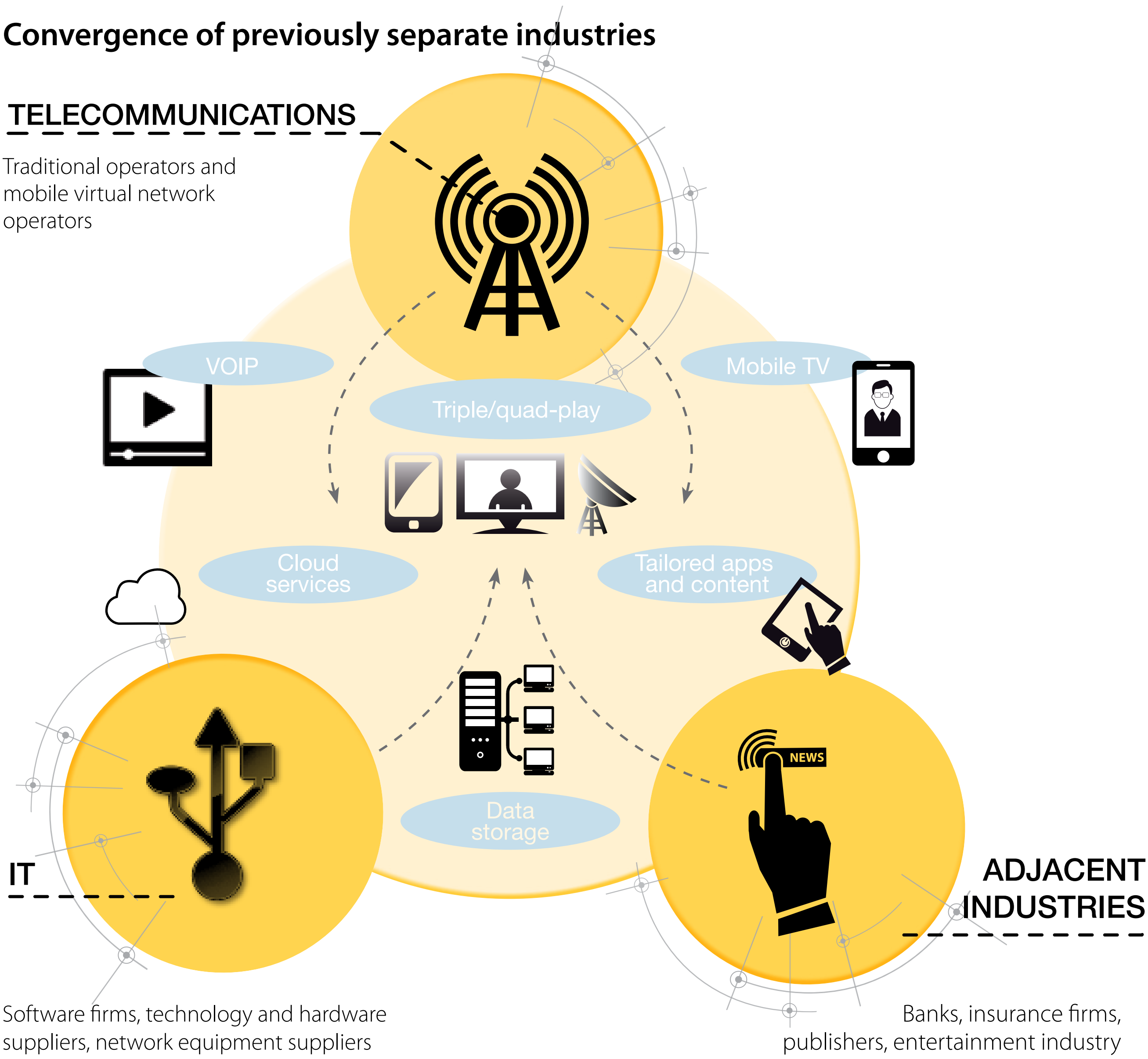
The environment in which we operate

In the past two decades, the global telecommunications environment has changed rapidly, completely reshaping the market. There has been a significant increase in the number of non-conventional players in the market, impacting traditional telecommunications revenue streams. In addition, there are increasing regulatory pressures, changing customer expectations and heightened competition.

These dynamics require us to proactively address pressures through creating sustainable and scaleable improvements to each operating company's (opco's) revenue streams and cost structure. We do this by defining and embedding our strategy and business model. In this way, we leverage economies of scale and allow operations to implement strategic priorities.

The diagram below depicts the convergence of the telecommunications, IT and media industries which is creating a growing market with numerous opportunities and overlapping boundaries. The success of a converged player depends on ensuring the appropriate operating model to capture the opportunities with the right capabilities (skills, processes and systems) to sustain revenue growth and healthy EBITDA margins.

Convergence of previously separate industries



Our stakeholders and their expectations

Creating and managing stakeholder value is one of MTN's strategic themes, essential to the Group's sustainability. MTN has developed a stakeholder framework that provides a practical engagement plan to help us understand and address our stakeholder requirements. Based on engagements in the past year, this table provides a brief overview of the main

Stakeholder	Requirements	Issues and concerns
Investment community	• Sustainable shareholder returns • Consistent disclosure of operational and financial performance • Clarity on MTN's strategy • Sound governance practices	• Governance and ethics • Capital allocation and shareholder returns • Medium- to long-term growth strategy • Improved performance in South Africa • Regulations (termination rates, spectrum) • Repatriation of cash from operations • Sanctions
Customers	• Provision of relevant voice, data and ICT services • Contribution to socio-economic environment • Good customer service • Value for money	• Network capacity and quality • Service quality • Affordability • Competitive offerings • Innovative and relevant digital solutions
Our people and trade unions	• Competitive pay and compensation benefits • Development opportunities • Working for a market leader • Investment in communities • Fair labour practices	• Aligning skills to the evolving business model • Remuneration • Skills shortages • Best practice sharing and standardisation • A consistent organisational culture • Employee safety in volatile markets • Group reputation • Retrenchment and cost optimisation • Complexity of different labour jurisdictions across MTN's markets • Engaging organised labour on change and transformation
Governments and regulators	• Compliance with licence conditions • Managing market dynamics • Engaging with agencies, departments and government officials responsible for creating and enforcing government policy and directives • Universal service obligations • Good corporate citizenship	• Cost to communicate • Frequency availability • Spectrum allocation • Rural population coverage • Market dominance • National priorities • Local ownership • Quality of service • Infrastructure sharing • Environment and communities
Industry bodies	• Seek consensus and input on industry issues, standards and practices • Best practice sharing • Drive a common agenda through dialogue	• Ensuring the appropriate level of representation and active participation • Compliance with a growing number of protocols • Prioritising affiliation to numerous industry bodies
Media	• Keeping stakeholders informed of MTN's strategy, performance and developments • Transparency	• Lack of wide media understanding of MTN and ICT industry • Access to management and strategic information • Coordination between Group and operations
Suppliers and business partners	• Helping to facilitate MTN's ability to do business • Transparent procurement process and procedures • Participating in evolving ICT offerings	• Complex supply and demand requirements across MTN's business • Payment terms • Deadlines • Appropriate revenue share
Local communities	• Sustainable market place • Social upliftment • Closing the digital divide	• Growing needs of communities • Good corporate citizenship • Giving back • Employment

stakeholder groups, our understanding of their interests and concerns and our approach to addressing these. For more detail on the way we engage, what we have achieved so far and the value we have created, see .

Management approach
• Improve investor knowledge of the Group • Maintain sustainable shareholder returns • Support access to the board and management • Ensure transparent reporting
• Continuous improvement in service delivery which includes simplification of processes and training • Increase self-service options, which improve ease of accessibility • Enhanced CRM systems • Focus on digital and ICT services • Market segmentation • Relevant and competitive offerings
• Training, skills development and talent management • Investment in graduate programmes • Ongoing alignment of skills to operational structures • Internal communication forums • Regular engagement to understand issues and concerns and explain MTN's approach to achieving a sustainable market place • Managing expectations through regular internal updates on key projects • Constructive relationships with trade unions
• Aligning expectations to MTN's sustainable business model • Increased engagement with decision makers • Minimise litigation • Improved internal regular coordination across the Group • Infrastructure sharing
• Aligning the scope of membership to our evolving business model • Structured approach, through analysis and mapping to MTN's needs • Senior management plays a central role
• Improving media's understanding of MTN's business and operating environment through workshops, site visits and management engagement • Increased engagement with MTN's leaders
• Centralisation of procurement • Leveraging best practice across the Group • Ensuring strategic and constructive relationships • Partnership approach • Aligning supplier relationships to MTN's values and service culture
• Focus on CSI • Roll out education initiatives to more MTN markets • Focus on relationships with NGOs and service providers • Generate more media and stakeholder exposure to MTN's CSI initiatives • Integration of projects across the Group • Ensure scalability of projects • Relevant sponsorships

How we create value

MTN achieves profitability and creates value through selling a range of innovative and reliable communications products and services to around 208 million people in 22 emerging economies. To ensure the Group's sustainability, our business model takes into consideration MTN's vision, mission and values, supported by robust governance structures and processes. The environment in which we operate and our engagement with stakeholders both play a critical role in identifying risks and opportunities. Our strategy strives to maximise these opportunities and mitigate the risks effectively, and our management structure enables delivery of our strategy.

Our resources

Radio spectrum, a limited resource, is one of the most important ***natural capital*** inputs to our business: access to it is absolutely vital for MTN. Renewable energy, air and land constitute our other natural capital inputs. The efficient operation of our offices, base stations and retail outlets all rely on the availability and appropriate quality of these, as well as their affordability.

Spectrum

- Mostly 900mHz, 1 800mHz and 2100mHz radio frequency to enable 2G, 3G, LTE and WiMAX technologies.

Our ***human capital inputs*** are made up of the people we employ as well as others who we work with: their health and knowledge, skills and experience, drive and inventiveness as well as their capacity to work constructively in collaborative partnerships.

2013

- Employee numbers — 25 424
- Spending on training — R293 million

The communities in which we operate are at the core of our ***social and relationship*** capital. Customers are very clearly central to our business. Regulators, Group companies, business partners, suppliers and trade unions also make up this resource. Educational institutions play an important role in developing the skills we need. We work with numerous businesses to develop, launch and sustain products and services and to ensure the smooth running of our organisation. To secure our social licence to operate, we consider effective and regular stakeholder engagement critical.

2013

- Countries in which we have a presence — 28
- Regulators with whom we interact — 22
- Value of licences — R5,629 million

Our strong brand and reputation, built up over 20 years, are key ***intellectual capital inputs***.

2013

- Brand ranking in Africa — 1
- Experience and track record — 20 years

MTN's ***manufactured capital inputs*** include our extensive network infrastructure, such as base stations, masts and fibre optic cables. The devices and machinery required for service provision, our investment in submarine cables, as well as the buildings from which we operate are other manufactured capital inputs.

2013

- Number of 2G and 3G sites rolled out — 9 574
- Property, plant and equipment — R92,903 million
- Handsets — R2,547 million
- Software — R6,459 million

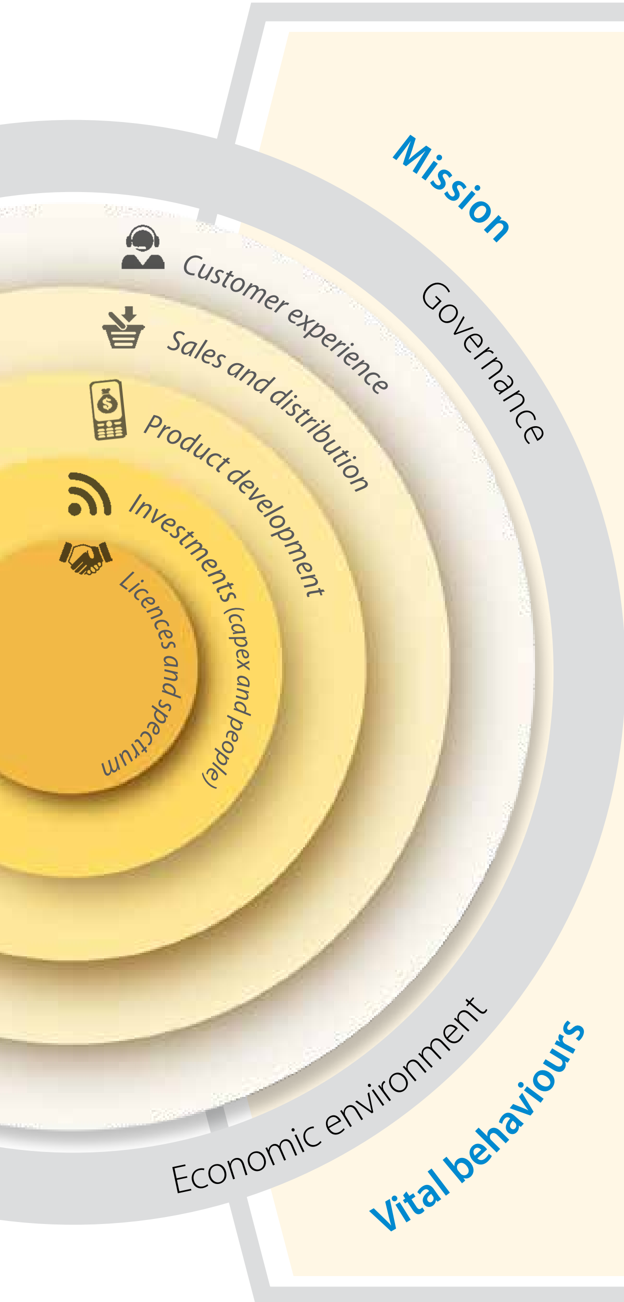
Our ***financial capital inputs*** are the funds available for us to use in our business. These include financing resources, such as debt and equity, as well as cash generated through our operations and investments.

2013

- Interest bearing liabilities — R46,005 million
- Market value on the JSE — R406,539 million
- Capital expenditure — R30,164 million
- Cash generated through operations and investments — R7,190 million

*To understand how our business operates, the centre of this graphic represents the starting point: the acquisition of sufficient and appropriate **radio spectrum** through telecoms **licences** in targeted markets. Then, moving outwards, it is clear that **capital investment** is the next step in our value chain. This ensures efficient coverage, capacity and quality networks. **Investment in people** is also vital and feeds into the following step in our value chain, which is **product development**: ensuring the right products at the right prices. **Sales and distribution** is the next stage: we establish and maintain a wide and deep distribution network and foster sound partnerships. Ultimately, this leads to **creating a distinct customer experience** – we work to attract and retain our customers.*

Our outputs and outcomes



We provide a wide range of voice, data and ICT services to businesses and individuals across 22 countries.

2013

• Voice subscribers	208 million
• Data users	80,6 million
• Significant contracts won	2 large multinational ICT deals won

Our ***financial outcomes and outputs*** include a policy of absolute growth in the dividends we pay to shareholders; a share buyback programme; reliable and competitive returns to providers of debt financing as well as sizeable contributions to governments through the taxes and licence fees we pay. In many countries we are the largest single corporate contributor to taxes. Our contributions also include employment and support for education. Within MTN, ***human, social and intellectual capital outcomes*** also include the benefit to our people of our investment in training; facilitating innovation; and the effect of the MTN work environment on morale.

2013

• Dividends paid	R16,210 million	capital providers
• Interest expense	R4,659 million	capital providers
• Income tax	R12,307 million	regulatory authorities
• Regulatory fees	R2,710 million	regulatory authorities
• Staff costs	R8,670 million	employees

Harnessing ***intellectual and human capital***, our products and services help close the digital divide and make a broad positive socio-economic impact. Our CSI initiatives, in particular those related to education, contribute to social upliftment. By leveraging our ***social and relationship capital***, we keep people connected, give communities a means to share their voice, and support entrepreneurship and the economic growth of the countries in which we operate. Our governance structures entrench accountability. At a micro-economic level, our products and services (including telemetry) help businesses manage costs, improve efficiencies and reduce their environmental impact. This has a positive impact on ***manufactured capital*** and ultimately ***financial capital***.

2013

• CSI spending	R314 million
• Operating expenditure	R77,675 million

Our material ***environmental*** areas of impact are energy use and associated greenhouse gas emissions, and e-waste generated by both MTN and our customers. We are working actively to reduce our environmental impact. SR

2013

• Carbon emissions	1 525 542	(tonnes CO_2 equivalent)
• Emissions avoided and reduced	54 587	(tonnes CO_2 equivalent)
• E-waste tonnes recycled	0,5	

Investing in our communities

MTN is an enthusiastic corporate citizen and invests in numerous community upliftment projects across our footprint. We have established MTN Foundations in 15 of our operations. They invest mainly in education, health, economic empowerment and national priority areas. Below are three case studies outlining the work of the Foundations:

Helping curb blindness in Nigeria

The incidence in Nigeria of low vision and blindness can, in most cases, be ascribed to cataracts, a clouding of the eye's lens. Across the world, cataracts are the most common cause of preventable blindness.

As part of its corporate social responsibility efforts, MTN Nigeria Foundation and the Eye Foundation Centre for Prevention of Blindness conceived the Eye Restoration Intervention Scheme (EyeRIS). This project aims to help reduce the prevalence of preventable blindness in Nigeria and increase the cataract surgical rate in line with the World Health Organisation's VISION 2020: Right to Sight initiative.

The partners selected six Nigerian states in which to focus their efforts: Osun, Niger, Delta, Abia, Sokoto and Jigawa. They provided funds and collaborated with the states' health ministries to offer free eye screening for less-privileged Nigerians, provide medication for minor eye infections and allergies, offer low-cost corrective glasses as well as conduct cataract surgery.

By the end of the first phase of the project in November 2013:
- **10 610** people had their sight restored after undergoing cataract surgery.
- **11 946** pairs of reading glasses had been distributed to people with presbyopia.
- **10 808** packs of medication had been distributed to people with allergies and other eye infections.
- In total, **33 364 people** benefited from the intervention.

Providing ICT access to education in Ghana

MTN is working to enhance educational infrastructure to bridge the digital divide between rural and urban communities in Ghana. In 2013, MTN Ghana Foundation facilitated the establishment of a 50-seater ICT centre for the University College of Agriculture and Environmental Studies in Bunso. This was carried out under the patronage of the Okyenhene Osagyefuo Amoatia Ofori Panin and the Okyeman Traditional Council.

The new ICT centre – which cost US$58 000 – enables students and their teachers to disseminate information and learning materials through linked and secure connections.

Over the years, the MTN Ghana Foundation has supported educational establishments through the refurbishment of 17 school blocks and the construction of libraries and dormitories. Since 2007, it has also been the largest contributor to the national Best Teacher Awards Scheme. It has implemented 50 educational projects, including the establishment of 22 ICT centres across the country.

These initiatives go a long way to augmenting the government's efforts to enhance educational facilities as well as motivate teachers.

Helping to realise a dream in South Africa

Education in South Africa faces a number of challenges, many of which are detrimental to the quality of teaching and therefore the ability of students to gain entrance to universities. This is particularly true in disadvantaged communities. Nkateko Matjeke's story shows that with the right attitude, tools and support, students can realise their dreams. Her dream was to study at university.

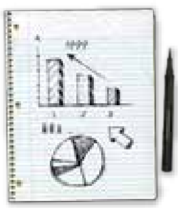
Nkateko came into contact with MTN when the MTN South Africa Foundation responded to calls for help to support her community by intervening in education. In 2009, the Foundation set up a computer laboratory at her school, Matlaisane High School, through its school connectivity programme, which helps learners become computer literate and educators enhance their teaching.

The lab has 21 PCs, an interactive whiteboard, a data projector, a multifunctional printer, internet connectivity and standard security features. MTN South Africa Foundation has also provided educator training as well as education software to assist both educators and learners. In 2012, Mindset Network, a non-governmental organisation, added broadcast equipment to the lab to provide recorded and live lessons for further learning.

Although both her parents are unemployed, Nkateko's attitude, her supportive school environment and access to computers and additional broadcast lessons helped in her studies, particularly in mathematics and science. At the end of 2012, Nkateko passed matric and wanted to enrol for an electrical engineering course at university, but she lacked the funds needed to enrol. MTN South Africa Foundation heard about her plight and decided to support her in her efforts to study further. The Foundation helped in negotiations with Tshwane University of Technology, where she was accepted in the second half of 2013 on a full bursary from MTN. Nkateko is now pursuing the career of her choice by studying electrical engineering.

03

Determining our strategic path



Say goodbye to the pen
and say welcome to the stylus.

Welcome to the
Bold New Digital World.

Our strategy

MTN's strategy is driven through five strategic themes, as depicted here. **Creating and managing stakeholder value,** and **innovation and best practice sharing** describe our approach to our work, people and other stakeholders. Tangible priorities under **creating a distinct customer experience, driving sustainable growth** and **transforming our operating model** define how we at MTN strive to gain a sustainable competitive advantage and superior shareholder returns.

Creating and managing stakeholder value

Creating value for our shareholders, employees and communities in a sustainable way in accordance with the values of MTN.

Creating a distinct customer experience

A unique customer experience based on knowing and segmenting our customers.

Driving sustainable growth

Driving growth in voice while developing new opportunities in data, enterprise, financial services and content.

Transforming our operating model

Allow for operations to be more customer focused through responsive, supportive and efficient back office functions.

Innovation and best practice

Operating under the principle of innovation in everything we do and looking for opportunities to share and apply best practice.

Our five strategic themes are further developed into strategic priorities. The progress we make is measured through the key performance indicators (KPIs) of the executive committee, the most important of which are detailed in this report.

When calculating performance bonuses, the priorities listed below are reflected in KPIs used for the bonus calculation. The bonus calculation process is explained on page *40.*

Performance against these KPIs and primary executive responsibility for each are analysed from pages *54 to 57.*

Strategic theme	Priorities	What we measure (KPIs)
Creating and managing stakeholder value	• A sustainable shareholder return strategy • Responsible corporate citizenship • Creating a great place to work • Instilling sound governance and values	• Sustainable shareholder returns • CSI spend • Group culture audit • Labour productivity • Investors In People accreditation • Rollout of governance and ethics policies • Corporate reputation index
Creating a distinct customer experience	• Brand leadership • Knowing our customer • Customer experience • Network quality and coverage	• Brand ranking • Net additions • Customer satisfaction index (net promoter score) • Capex
Driving sustainable growth	• MTN in the digital space • Adjacent sectors • Enterprise strategy • Voice and data evolution • M&A and partnerships	• Airtime and subscription revenue • Data revenue • ICT revenue • MTN Mobile Money subscribers • M&A partnerships
Transforming our operating model	• Asset optimisation • Supply chain management • Process standardisation and optimisation	• EBITDA margin • Opex savings • Procurement savings • 3G device penetration • Monetisation of assets • Hybrid sites
Innovation and best practice	• Innovation • Best practice sharing	• Transfer of best practice between opcos

Our risks

Using a combined assurance methodology, in 2013, we considered the following to be MTN's top five risks based on the residual risk rating, which considers both probability of occurrence and impact of the risk should it materialise. The residual risk rating takes into consideration the mitigation strategies in place to manage the risk. Management attention has been focused on these top five risks to ensure effective and adequate progress on mitigation strategies:

Risk name and context	MTN Group strategic themes that would be impacted if the risk materialised	Mitigation strategies and key achievements
Adverse regulatory changes or non-compliance with the laws and regulations Increased regulatory or legal changes/requirements may negatively impact our business model.		• Proactive and transparent engagement with authorities at Group and country opco level. • Reinforcement of local regulatory and legal teams in the opcos with a stakeholder management framework, crisis communication policy and issue management framework to proactively engage with relevant regulatory bodies, showcase international best practices and promote environmentally friendly solutions. • A tax risk management framework and mitigation strategies developed and deployed at all MTN opcos.
Create and maintain a competitive advantage Lack of agility to respond to changing market conditions may affect our market share and revenue streams.		• We continue to refine our product offering, as well as actively develop new opportunities to ensure the delivery of our vision. • We strive to create a customer experience that differentiates us from the competition – this includes maintaining a positive brand perception, ensuring the availability of a broad range of products and services and a high quality and consistent customer experience at all touch points.
Network performance Lack of effective capital investment to enhance and maintain our network will negatively impact our customer experience.		• Continue with the implementation of our core network modernisation programme and associated upgrades to increase capacity and reduce network quality issues. • Continuous network monitoring; focus on expanding our network quality and coverage to ensure sufficient capacity to carry traffic seamlessly. This is a key focus area within the new customer experience project as MTN strives to provide our customers with the best network and services. • Continue with the standardisation and optimisation of systems and technologies.
Financial performance targets Lack of programmes to drive operational efficiencies as competition for customer wallets intensifies.		MTN has embarked on several initiatives to transform its operating model with the objective of: • Driving new revenues beyond traditional voice and SMS and improving efficiencies across the Group; • Extracting more efficiency by operating as one company, leveraging our scale for efficiencies; • Enabling revenue growth from new businesses effectively; and • Eliminating non-value adding activities by implementing control measures to enhance cost efficiency.
Compromised information security Lack of an effective Group-wide information security programme may compromise our information as a result of an increase in cyber-attacks worldwide. S R		• MTN has rolled out a Group-wide information security programme to address information security requirements. This is based on global leading industry practices and standards such as ISO/IEC 27001:2005. • A Group information security officer and local information security officers have been appointed with appropriate supporting governance structures and frameworks. • Continuous monitoring of information security controls and emerging information security risks and their potential impact on MTN.

For an explanation of each strategic theme icon, see page 16.

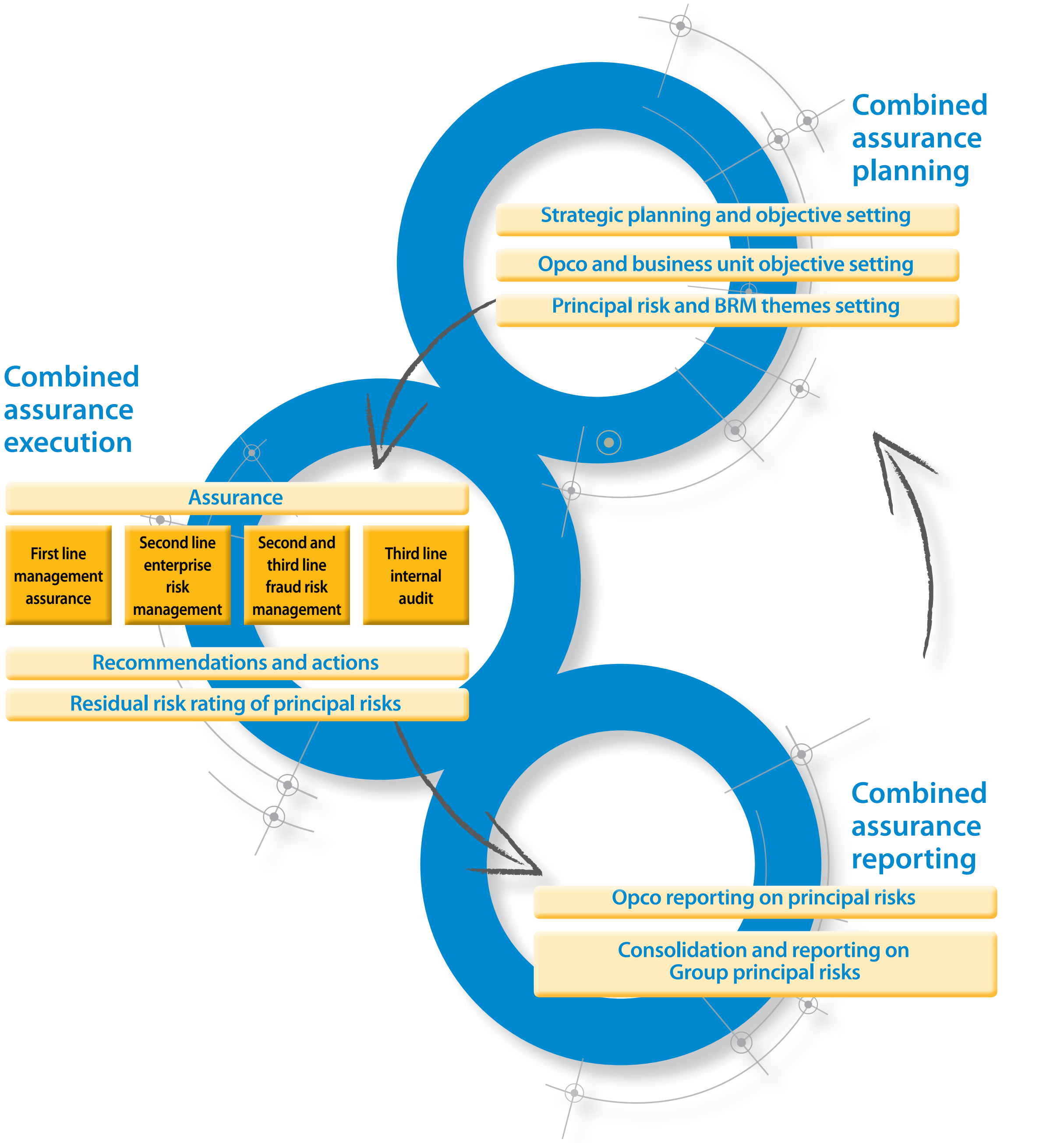
Our risk management process

Combined assurance methodology

The MTN board understands and takes accountability for all risks that potentially affect the achievement of its strategic priorities and has delegated the responsibility for overseeing the adequacy and effectiveness of risk management to the audit and risk committees.

With the objective of ensuring a more integrated approach to managing risks that threaten the organisation, our business risk management division follows a combined assurance methodology in line with the requirements of King III.

The overview of our combined assurance methodology is set out below:



Our risk management process continued

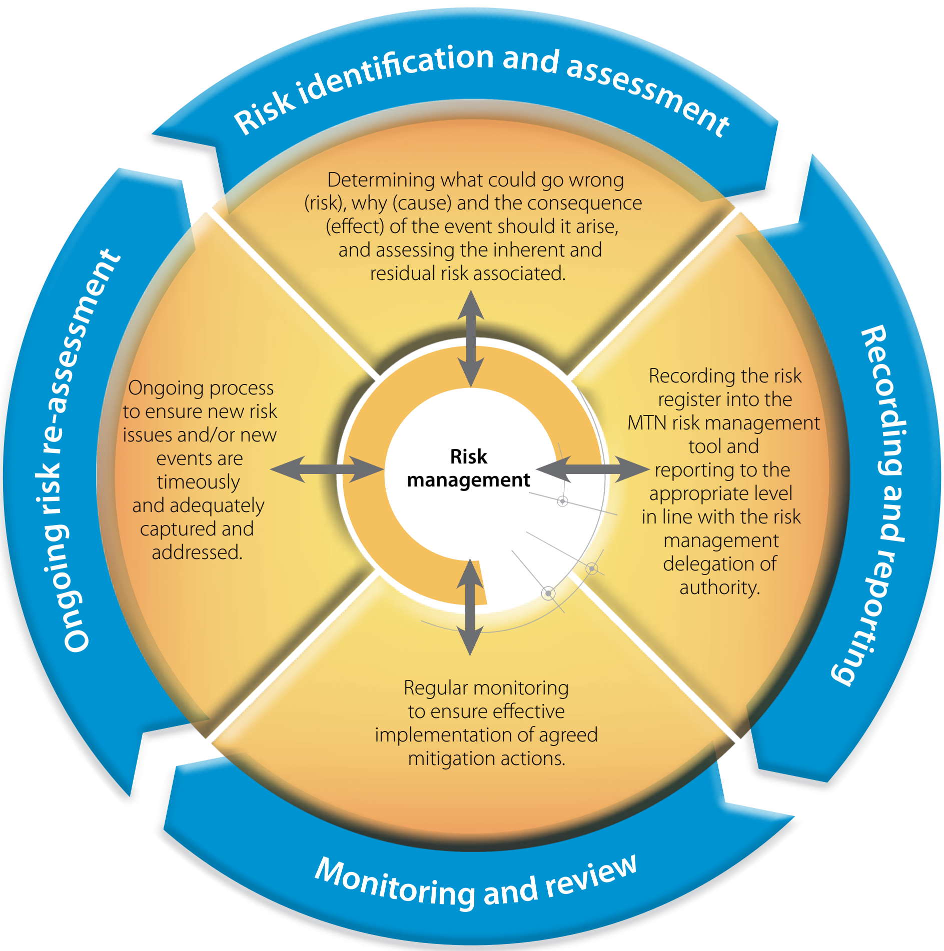
MTN's objectives are to instil greater risk awareness throughout the organisation, standardise the approach to risk management and to embed the process into day-to-day running of the business.

Derived from our combined assurance methodology, MTN has adopted robust risk management frameworks which consist of proactively identifying and understanding the factors and events that may impact the achievement of our strategic and business priorities, then managing them through effective mitigating plans, internal controls and monitoring and reporting processes. This is known as enterprise risk management.

The Group business risk management function is responsible for ensuring the existence of an effective policy and framework for risk management and driving the implementation of these throughout the Group.

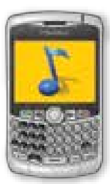
Business risk management is a support function responsible for the disciplines of enterprise risk management, internal audit and fraud risk management and co-ordination of combined assurance across the Group. The business risk management function has a staff complement of more than 230, comprising risk, internal audit, fraud risk and forensic specialists across the 22 operating countries. Of the total, more than two-thirds are internal audit specialists. The internal audit discipline within business risk management is independent of the risk management discipline.

The activities of the business risk management function are guided by a set of policies, frameworks and methodologies which have been approved by the Group audit committee and Group risk management, compliance and corporate governance committee.



04

Our leadership, governance, reward and recognition



Say goodbye to analogue
and say welcome to digital.

***Welcome to the
Bold New Digital World.***

Our board of directors

PF Nhleko (53)

Chairman and non-executive director

BSc (Civil Eng), MBA

Appointed: 28 May 2013

Board committee membership Chairman: Nominations committee; Member: Remuneration and human resources committee.

Other directorships Chairman of various companies in MTN Group, chairman of Pembani Group, director of BP plc, Anglo American plc, Rapid African Energy, Afrisam (South Africa) (Pty) Limited and Opiconsivia Investments 230 (Pty) Limited.

RS Dabengwa (56)

Executive director, Group president and CEO

BSc (Eng), MBA

Appointed: 1 April 2011 as CEO and to the board in 2001

Board committee membership Chairman: Executive committee and attends various board committee meetings by invitation.

Other directorships Chairman and director of various companies in MTN Group, Long Street Property Development (Pty) Limited, Sea Star Motors (Pty) Limited.

B Goschen (49)

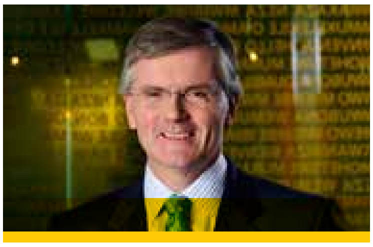
Executive director, Group chief financial officer

BCom, BCompt (Hons), CA(SA)

Appointed: 22 July 2013

Board committee membership Member: Executive committee and attends various board committee meetings by invitation.

Other directorships Director of various companies in MTN Group.



A Harper (57) (British)

Independent non-executive director

BA (Hons)

Appointed: 1 January 2010

Board committee membership Chairman: Remuneration and human resources committee; Member: Nominations committee.

Other directorships Director of various companies in MTN Group, Eaton Towers Limited and Venture Partnership Foundation Limited.

KP Kalyan (59)

Independent non-executive director

BCom (Hons)

Appointed: 13 June 2006

Board committee membership Chairman: Social and ethics committee; Member: Risk management, compliance and corporate governance committee.

Other directorships Director of various companies in MTN Group, chairman of EdgoMErap Energy (London), director of AOS Orwell Energy (Nigeria), AKer Solutions ENergy (Norway), alternate director at Hayleys Energy (Sri Lanka), South African Bank Note Company, Tallberg Foundation (Sweden), Thabo Mbeki Foundation Advisory Council and President Faure Gnassingbe (Togo) Advisory Investment Council.

NP Mageza (59)

Independent non-executive director

FCCA

Appointed: 1 January 2010

Board committee membership Member: Audit committee; Risk management, compliance and corporate governance committee; Social and ethics committee.

Other directorships Director of various companies in the MTN Group, Remgro Limited, Sappi Limited, RCL Foods Limited, Eqstra Holdings Limited, Clover Industries Limited and Ethos Private Equity Limited.

For detailed profiles see GR

MLD Marole (53)

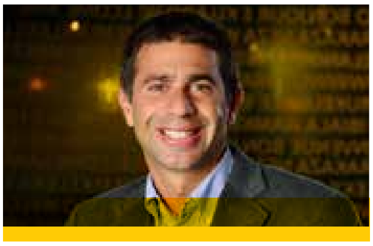
Independent non-executive director

BCom (Acc), Dip Tertiary Education, MBA

Appointed: 1 January 2010

Board committee membership Member: Risk management, compliance and corporate governance committee; Social and ethics committee.

Other directorships Director of various companies in MTN Group, Eyomhlaba Investment Holdings Limited, Richards Bay Mining (Pty) Limited, Santam and the Development Bank of Southern Africa.



AT Mikati (41) (Lebanese)

Non-executive director

BSc

Appointed: 18 July 2006

Board committee membership Member: Nominations committee; Remuneration and human resources committee.

Other directorships Director of various companies in MTN Group, CEO of M1 Group Limited (an international investment group with a strong focus on the telecommunications industry), director of various companies in the M1 Group as well as EZ-Link, B-Pro Limited, B-Jet Limited, Horizon Global Services, IMC, Mint Trading, Unioil and Facconable Group.

MJN Njeke (55)

Independent non-executive director

BCom, BCompt (Hons), CA(SA), H Dip Tax Law

Appointed: 13 June 2006

Board committee membership Member: Audit committee; Risk management, compliance and corporate governance committee.

Other directorships Director of various companies in MTN Group, chairman of MMI Holdings Limited, Resilient Property Income Fund, Adcorp Holdings Limited and Silver Unicorn Trading 33 (Pty Limited. Director of Serengethi Properties (Pty) Limited, Sameh Properties (Pty) Limited, South African Qualifications Authority and Sasol Limited.

JHN Strydom (75)

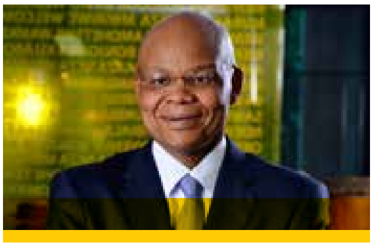
Non-executive director

MCom (Acc), CA(SA)

Appointed: 11 March 2004

Board committee membership Member: Remuneration and human resources committee; Risk management; Compliance and corporate governance committee; Nominations committee.

Other directorships Director of various companies in MTN Group, director of Afrisam (Pty) Limited and Growthpoint Properties Limited.



F Titi (51)

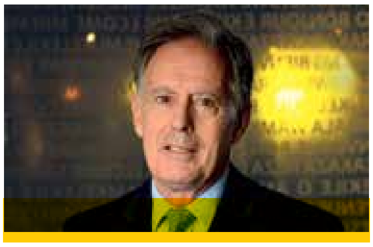
Independent non-executive director

BSc Hons (Mathematics), MA (Mathematics), MBA

Appointed: 1 July 2012

Board committee membership Member: Remuneration and human resources committee.

Other directorships Director of various companies in MTN Group, chairman of Kumba Iron Ore Limited and Investec Bank Limited, and joint chairman of Investec Limited and Investec Plc. Director and investor in the private equity firm Tsiya Group (Pty) Limited.



AF van Biljon (66)

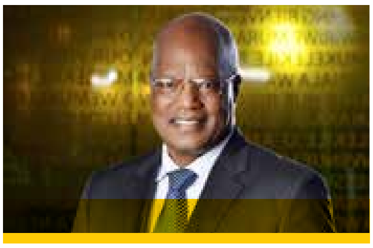
Lead independent non-executive director

BCom, CA(SA), MBA

Appointed: 1 November 2002

Board committee membership Chairman: Audit committee; Member: Nominations committee.

Other directorships Director of various companies in MTN Group, St Augustine College of South Africa, chairman and trustee of Standard Bank Group Retirement Fund and Liberty Group Pension and Provident Funds.



J van Rooyen (64)

Independent non-executive director

BCom, BCompt (Hons), CA(SA)

Appointed: 18 July 2006

Board committee membership Chairman: Risk management, compliance and corporate governance committee; Member: Audit committee; Social and ethics committee.

Other directorships Director of various companies in MTN Group, chairman of Financial Reporting Standards Council and a director of various companies in the Uranus Group, Pick n Pay Stores Limited, Pick n Pay Holdings Limited, Exxaro Resources Limited.

Our executive committee

RS Dabengwa (56)
Group president and CEO
BSc (Eng), MBA

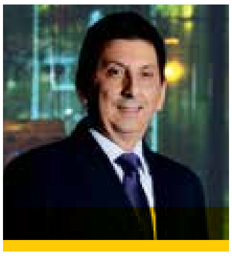
Executive since 2001

B Goschen (49)
Group chief financial officer
BCom, BCompt (Hons), CA(SA)

Executive since 2012

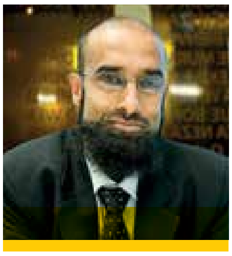
JA Desai (56)
Group chief technology and information officer
BA (Hons), BCom

Executive since 2009



A Farroukh (53) (Canadian and Lebanese)
Group chief operating executive
MBA, CPA

Executive since 2011

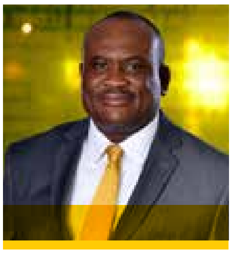


Z Bulbulia (44)
CEO: MTN South Africa
BCom, BCom (Hons), CA(SA)

Executive since 2013

S Fakie (60)
Group chief business risk officer
BCom, BCompt (Hons), CA(SA)

Executive since 2007

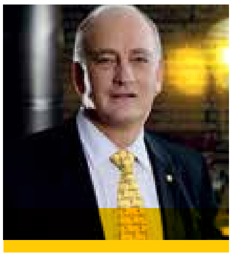


M Ikpoki (44) (Nigerian)
CEO: MTN Nigeria
LLB, BL

Executive since 2013

PD Norman (48)
Group chief human resources and corporate affairs officer
MA (Psych), MBA

Executive since 1997



K Pienaar (55)
Group chief strategy, mergers and acquisition officer
BSc (Eng)

Executive since 2001

PC Verkade (47) (Dutch)
Group chief commercial officer
BMarketing

Executive since 2013

For detailed profiles see GR

Statement from our chairman

Phuthuma Nhleko
Chairman

Dear shareholders,

MTN achieved a satisfactory performance in 2013. This was against a backdrop of relatively stable global economic growth of around 3%, which showed that while the shock waves of the economic crisis of 2008 have not fully abated, we appear to have entered a period of reduced economic turbulence.

It is pleasing that the emerging markets in general, and the African economies in particular, have remained on a robust economic growth trajectory. Nigeria, Uganda and Ghana achieved GDP growth of 6,4%, 3,5% and 7,2% respectively in 2013. The proverbial economic "rising tide lifting all the boats" is central to the growth of the mobile communications sector. As a consequence, the growing African economies have been conducive to mobile penetration growth experienced across our markets in 2013.

The South African economy, however, delivered disappointing growth of 1,9% in 2013. This had an unfavourable impact on MTN's second-largest operation with regards to its contributions to Group earnings. This was further exacerbated by operational challenges faced by MTN South Africa in the year.

Expanding mobile communications

It is encouraging that the overall mobile communications sector in non-OECD countries continues to grow, supported by rapidly growing populations. This growth reflects a customer base trending towards a youthful demographic profile and consumption patterns that are increasing its sophistication with a higher demand for technology, connectivity and other services that reflect a more integrated and connected world. The high demand for communications capacity has resulted in large capex deployment by mobile operators over the years. MTN Group has invested around R211 billion in its networks over the last 16 years. During 2013 alone, MTN Group invested R30 billion to upgrade and create new capacity in its networks.

Although this sector continues to grow and create value for its shareholders, it is clear that the industry has entered a new phase, with slower growth and heightened competition. The reduced growth of voice revenue and the abundance of internet-centric applications and connectivity from a wide range of service providers have put the traditional mobile operators under severe pressure to develop new sources of revenue.

This challenge is further compounded by acute regulatory pressures to reduce tariffs in many markets. In light of this, the MTN Group annually reviews its strategy to ensure that it remains on the cutting edge of competition and innovation, and the preferred provider of communication services in all its markets. To this end, a great deal of effort is being invested on innovation in the development of the business enterprise aspect of mobile communications. Furthermore, the Group continues to assess its position in a continuously consolidating mobile sector, taking into account a wide range of geopolitical matters and their impact on the ability of the Group to repatriate its earnings, among other things.

Enabling optimum operations

Management continues to explore processes and structures that will enable the Group to operate at an optimum level of efficiency and benchmark favourably against the top quartile of comparative operators around the globe. This will ensure that MTN maintains decent margins and continues to deliver an acceptable total return to shareholders.

Statement from our chairman continued

Acknowledging our people

Having served the MTN Group as chairman from 2001 to 2002 and subsequently as Group president and CEO from 2002 to 2011, I am humbled and honoured to have been invited to serve the Group again as non-executive chairman from May 2013. On behalf of the MTN Group board, its staff and all its stakeholders, I would like to convey my gratitude to Cyril Ramaphosa for his sterling contribution in leading the MTN Group board as chairman from 2002 until 13 May 2013. We wish Cyril well in his future endeavours.

In 2013, we had a seamless transition with Brett Goschen replacing Nazir Patel as Group chief financial officer. Brett was previously the CEO of MTN Ghana and then of MTN Nigeria. He brings a wealth of knowledge on the mobile sector and the MTN Group in particular, Brett is well placed to make a valuable contribution to the Group's continued growth. We welcome him to the board.

This is also an opportune time to convey the board's gratitude to the executive team for their dedication, leadership and commitment to continue delivering on the Group strategy during these challenging times. The board members have also continued to work effectively to provide valuable insight and guidance to the executive team. I am grateful for their collective business skills and experience.

I also thank our employees in our many operations across our business for their contribution to our success and their commitment to serving our customers who now number more than 200 million.

Engaging with stakeholders

The MTN Group is delighted and proud to have been named as the most valuable African brand in Millward Brown's BrandZ Top 100 Most Valuable Global Brands 2013 survey. This accolade should be seen in the context of MTN being a South African-domiciled company with a market capitalisation in excess of R400 billion and a wide international shareholder register. This behoves MTN to be exemplary in its stakeholder management. To this end, MTN will continue to explore ways of providing thought leadership and be a beacon of good governance and corporate citizenship. This will ensure, inter alia, that the MTN Group observes a sustainable business model that has development at its core through the many MTN foundations that have been established across our footprint.

During the past year, litigation against the Group in respect of the 2005 award of a licence to MTN Irancell has continued. In November, Turkcell Iletisim Hizmetleri AS (Turkcell) filed a lawsuit against MTN, MTN International (MTNI) and others in the South Gauteng High Court of South Africa, seeking damages of approximately US$4.2 billion plus interest. Its claim arose from substantially the same allegations on which it founded US proceedings against MTN in early 2012. Those were related to Turkcell subsidiary East Asian Consortium's (EAC) unsuccessful effort to obtain the second GSM licence in Iran during 2005. Turkcell had withdrawn its claims in the US proceedings on 1 May 2013.

Turkcell's allegations were investigated by a special committee appointed by the MTN board (the Hoffmann Committee) and its findings reported by MTN to stakeholders in February 2013. After a thorough examination of Turkcell's allegations and consideration of the available evidence, the Hoffmann Committee concluded that the allegations were unfounded. MTN will continue to vigorously defend any proceedings instituted by Turkcell in respect of such matters.

To our stakeholders: Thank you for your continued support over the years, we encourage you to interact with us and share your views.

On 27 May 2014, we will hold our nineteenth AGM. I invite all shareholders to attend. This is your opportunity to meet and interact with the MTN Group's board, particularly regarding the Group's performance for 2013. Please take time to read our integrated report and familiarise yourselves with the resolutions to be tabled at the AGM. We have provided you with background information to each resolution.

Prioritising our governance processes

In 2013, the board focused on improving its effectiveness and ensuring that it continued to align its objectives with sustainable business practices, while keeping abreast of changes in the legislative and regulatory environment.

Maintaining sound governance, while enhancing the ethics of the Group, is central to the work of directors. The Group continues to do its best to uphold the highest level of governance and ethics and in doing so we have strengthened our governance policies and procedures, as well as our stakeholder engagement and communication. In 2013, we implemented most of the key recommendations of the 2012 board appraisal conducted by external appraiser Ratings Afrika. One of the key implementations is the restructuring of our board committees by refreshing the membership of some of them to ensure that each committee has a renewed perspective.

Although our directors have the necessary skills and expertise, the board is planning to supplement these by attaining more skills and experience with regard to technology and industry knowledge. The process of identifying the candidates with the requisite skills will be conducted by our nominations committee, guided by our formal director appointment policy adopted in 2012.

During the year, the board participated in an Ethics SA workshop to reaffirm our commitment to ethical values and practices. The Group also launched an ethics management programme and approved a number of significant policies in support of this. These included a revised conflict of interest policy, which outlines the declaration, management and reporting of conflicts.

As we look ahead in 2014, the board will embark on a programme aimed at enhancing its effectiveness. The programme will entail various robust engagements and development sessions with external advisors.

Looking forward

The MTN Group was founded on the ethos and vision of providing telecommunication services and connectivity primarily to the growing populations in emerging markets. This vision has evolved adjusting for a dynamic and constantly changing competitive landscape. Notwithstanding periods of unforeseen economic, political and regulatory challenges, the MTN Group has managed to stay on course.

We are hopeful that an improving global economic environment in 2014, together with increased efficiencies within the Group will ensure that we can continue to deliver acceptable returns and continued support to all stakeholders.

The board will continue to work to improve its effectiveness and the standard of MTN's corporate governance processes, policies and procedures at all operating subsidiaries to ensure a high standard of practices throughout the Group.

In 2014, MTN celebrates 20 years as a going concern. MTN shares its anniversary with that of a free and democratic South Africa. It is 20 years since Nelson Mandela became the first president of this free and democratic country. As 2013 came to a close, MTNers joined millions around the world in mourning the departure of the elder statesman and embracing the legacy he has left to the advancement of the human spirit. We acknowledge Madiba's important contribution to humanity and continue to draw inspiration from it.

Phuthuma Nhleko
Chairman

11 March 2014

Our corporate governance highlights

Statement of commitment

Good corporate governance is an integral part of the Group's sustainability. Adherence to the standards and recommendations set out in the King III Report and other relevant laws and regulations is vital to achieving our strategic priorities. Corporate governance forms an overarching framework in which our business operates and we are committed to promoting good governance and ethics within all areas of our business.

To achieve this, the Group continues to enhance and align its governance structures, policies and procedures to support its operating environment and strategy.

Key governance developments for the year under review:

Review of governance policies and procedures	A number of significant policies were approved in 2013, most of them in support of our ethics management programme and the standardisation of our governance processes. In order to promote transparency, to avoid any business-related conflicts and to prevent employees from any involvement in corrupt activities, it was decided that the Group should revise its gift policy and adopt a "no gifts policy". The conflict of interest policy was also revised to further implement controls around conflicts of interest. In terms of the new policy directors and employees are required to declare any potential, actual or perceived conflicts and refrain from participating in any decision or transaction in which they have an interest. The share dealing policies have been implemented throughout the Group and the conflict of interest policy is being implemented. Pursuant to the promulgation of the Financial Markets Act, the MTN policies on share dealing by directors and employees were approved to align our share dealing practices with the new act. Various other policies such as the anti-bribery and corruption policy, the human rights policy and other policies related to ethics management were implemented to deal with ethical issues.
Director orientation and development	The directors were engaged in several development sessions, which included a training session provided by Ethics SA on ethics management. The directors also received training presented by a representative of the JSE. The training covered market abuse and in particular insider trading.
Board assessment	Subsequent to the external board appraisal conducted in 2012. In 2013 the board with the assistance of the nominations committee conducted an internal board assessment which assessed the contribution and performance of each director, by means of a questionnaire. To that effect the board endorses the re-election of the retiring directors.
Application of King III principles	The application and adherence to the King III principles continues to be a key focus. In 2013 the Group reviewed its application of the King III principles against the JSE requirements and is satisfied that it has substantially applied the King III principles, save for a few instances which are explained in this integrated report. For details of our group's application to each principle see GR.

Our key objectives for 2014

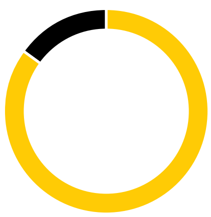
- To implement and embed our new approved policies, creating awareness, ensuring implementation thereof and further ensuring that effective measures for control, monitoring and reporting will be implemented.
- To continue to improve the effectiveness and quality of our governance structures and practices and to ensure that they are further embedded in all our operating subsidiaries.
- To continue to uphold our ethical standards and ensure that we are transparent in all our dealings with our stakeholders.

Board diversity

The board is comprised of an appropriate mix of executive, non-executive and independent non-executive directors, who are diverse in their academic qualifications, industry knowledge and experience, race and gender. This diversity enables directors to provide the board with the relevant judgment to work effectively when conducting and determining the business affairs of the Company.

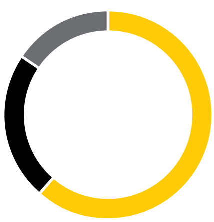
The roles and duties of the non-executive chairman and the Group president and CEO are separated and clearly defined. This division of responsibilities ensures a balance of authority and power, with no individual having unrestricted decision-making powers.

Representation by gender on the board



- Men 85%
- Women 15%

Group board independence status



- Independent non-executives 8
- Executives 2
- Non-executives 3

The role of the board

The MTN Group board retains full and effective control over the Group and is responsible, *inter alia*, for the adoption of strategic plans, the monitoring of operational performance and management, and the development of appropriate and effective risk management policies and processes. The full extent of the board's responsibilities is contained in an approved board charter. The directors are of the opinion that they have adhered to the terms of reference as detailed in the board charter for the financial year under review.

The board, on the advice and recommendation of the exco, is responsible for setting the strategic direction of the Company. Annually, the board considers, debates and adopts with or without amendments, a strategic plan presented by the exco. This plan is further reviewed in the first quarter of each year.

The non-executive directors play a critical role as board representatives on the various board committees and ensure that the Company's interests are served by impartial, objective and independent views that are separate from those of management and shareholders.

Chairman

The responsibility for managing the board and executive responsibility for the conduct of the business are separated. The chairman is responsible for the leadership of the board, ensuring effectiveness in all aspects of its activities and setting its agenda. It is the responsibility of the chairman to ensure that directors receive accurate, timely and reliable information. The chairman also ensures that no individual board member has unfettered powers in respect of decision making.

Lead independent director (LID)

Due to the fact that our chairman had been employed by the Group in an executive capacity within the preceding three financial years, he is not considered independent. The LID, AF van Biljon, provides guidance to the board in situations where the impartiality of the chairman is impaired or when a conflict of interest arises.

Delegation of authority

The ultimate responsibility for the Group's operations rests with the board. The board retains effective control through a well-developed governance structure of board committees that specialise in specific areas of the business.

Our corporate governance highlights continued

RS Dabengwa is the Group president and CEO and is responsible for the day-to-day management of the Group, supported by the exco. Necessary authorities have been delegated to the Group president and CEO to manage the day-to-day business affairs of the Company. The exco assists the Group president and CEO in discharging his duties and the duties of the board when it is not in session. However, certain matters are reserved for board and/or shareholder approval. The delegation of authority is reviewed periodically to ensure it remains aligned and relevant in relation to the rapid growth of the Company.

Group secretary

The Group secretary plays a key role in the continuing effectiveness of the board, ensuring that all directors are provided with adequate guidance on governance and applicable laws. She also ensures that directors have full and timely access to information and training that equips them to perform their duties and obligations properly and enables the board to function effectively.

The performance of the Group secretary, as well as her relationship with the board, is assessed on an annual basis. The board, with the assistance of the nominations committee, has considered the competencies, qualifications and experience of the Group secretary and also whether she maintains an arm's-length relationship. The board is satisfied that she is suitably qualified to fulfil the role.

Name	Bongi Mtshali
Date appointed	August 2005
Qualifications	FCIS and Higher Diploma in Company Law
Previous work experience	Over 25 years of company secretarial experience.

The board charter

The board has approved a board charter which outlines the mandate of the directors. It stipulates that the operation of the board and the executive responsibility for the running of the Company's business should be two key and separate tasks and that there should be a clear division of responsibilities at the head of the Company to ensure a balance of power and authority, ensuring that no individual or block of individuals has unfettered powers of decision making or can dominate the board's decisions.

Memorandum of Incorporation

The general powers of the directors are set out in the Company's Memorandum of Incorporation. They have further unspecified powers and authorities in respect of matters which may be exercised and dealt with by the Company, which are not expressly reserved to the members of the Company in general meetings.

Board induction and ongoing development

All directors undergo a formal induction programme, which outlines their fiduciary and statutory duties and provides an in-depth understanding of the Group and its operations. Re-elected directors are also subject to an ongoing director training and development programme, which includes regular updates and informative consultations on legislative and regulatory changes.

Board rotation

Directors are subject to retirement by rotation at least once every three years and must avail themselves for re-election, in accordance to the Company's Memorandum of Incorporation. For details on rotation in 2014, see page 91.

Evaluation of independence

The majority of directors is independent. The chairman and all the non-executive directors are subject to an annual review of independence. Following the review of independence, directors who have been appointed on the board for a period in excess of nine years are subject to re-election.

Board committees

The MTN Group board recognises that it is ultimately accountable and responsible for the performance and affairs of the Group and that the issue of delegated authorities to board committees and management in no way absolves the board and its directors from the obligation to carry out their fiduciary duties and responsibilities. All board committees operate under written terms of reference approved by the board. All committee chairpersons also provide the board with a report on recent committee activities.

The committees are as follows:

- Audit committee
- Risk management, compliance and corporate governance committee
- Nominations committee
- Remuneration and human resources committee
- Social and ethics committee

Attendance of scheduled and ad hoc meetings

Board members are required to attend all scheduled meetings of the board, including meetings called on an *ad hoc*-basis for special matters, unless prior apology with reasons has been submitted to the chairman or Group secretary. Ad hoc meetings are convened at short notice and therefore directors are not always available to attend.

Attendance register

Board	Special board meetings attended	Scheduled meetings attended	Risk management, compliance and CG	Meetings attended	Remuneration and Human resources	Meetings attended	Nominations	Meetings attended
MC Ramaphosa+	3/7	2/4			Member	1/4	Chairman	1/2
PF Nhleko•	4/7	2/4			Member	2/4	Chairman	0/2
A Harper	6/7	4/4			Chairman	4/4	Member	2/2
KP Kalyan	6/7	4/4	Member	4/4				
MLD Marole	7/7	4/4	Member	4/4				
NP Mageza	6/7	4/4	Member	4/4				
AT Mikati	7/7	4/4			Member	4/4	Member	2/2
MJN Njeke	7/7	3/4	Member	3/4				
F Titi	6/7	4/4			Member	4/4		
JHN Strydom	7/7	4/4	Member	3/4			Member	1/2
AF van Biljon	7/7	4/4	Invitee	3/4			Member	2/2
J van Rooyen	7/7	4/4	Chairman	4/4				
RS Dabengwa	7/7	4/4	Invitee	4/4	Invitee	4/4	Invitee	2/2
BD Goschen#	2/7	2/4	Invitee	2/4	Invitee	2/4		
NI Patel^	3/7	2/4	Invitee	0/4	Invitee	2/4		

• *Appointed 28 May 2013.*
Appointed 22 July 2013.
+ *Resigned 28 May 2013.*
^ *Resigned 21 July 2013.*

Ad hoc committee meetings are not included in the register.

Our corporate governance highlights continued

The board is satisfied that the board committees, set out in detail below, have effectively discharged their responsibilities as contained in their respective terms of reference during the year under review. The committees' profiles are detailed as follows:

	Members	Terms of reference	Key focus for the year under review
Audit committee	AF van Biljon (chairman), NP Mageza, MJN Njeke, J van Rooyen	The audit committee assists the board in discharging its duties relating to: • Safeguarding the assets of the Group; and • Monitoring the operations, financial systems and control processes including internal financial controls and the preparation of financial statements and related financial reporting in compliance with all applicable legal requirements and accounting standards.	An annual audit was conducted by independent, competent and qualified auditors to provide external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the Company in all material respects. Ensured the integrity of the Company's accounting and financial reporting systems, including internal audit. Made sure that appropriate systems of control, in particular systems for financial and operational control, were in place and ensured compliance with the law and relevant standards. *More information on the audit committee is set out in the audit committee report* AFS.

	Members	Terms of reference	Key focus for the year under review
Risk management, compliance and corporate governance committee	J van Rooyen (chairman)[1], KP Kalyan, NP Mageza[2], MLD Marole, MJN Njeke, JHN Strydom [1] *Withdrawn as a member and chairman on 4 March 2014.* [2] *Nominated as chairman on 4 March 2014.*	The risk management, compliance and corporate governance committee was established to improve the efficiency of the board and assist it in discharging its duties which include the following: • Identifying, considering and monitoring risks impacting the Company; • Ensuring compliance with prevailing legislation and other statutory requirements including voluntary corporate governance frameworks; and • Taking responsibility for the sustainability framework and sustainability reporting for the MTN Group.	• With the objective of ensuring a more integrated approach to managing risks that threaten the organisation, in 2011 the committee mandated the Business Risk Management Division to develop and implement a combined assurance methodology in line with the requirements of King III. This methodology continued to be a key focus area for the committee during 2013; • The committee also monitored the risk management framework and internal control systems in the Company in order to manage the Company's material business risks; • One of the committee's primary objectives was to review strategic, financial and operational risks that are inherent in operating in the telecommunications industry and assessing management's responses to these risks; • The committee was instrumental in ensuring that new and emerging risks (such as cyber crime) are afforded the necessary consideration; • The committee was also involved in monitoring the corporate governance framework, including regulatory and listing requirements and business practices, with the objective of maintaining and strengthening risk management in the organisation; and • The committee recommended various governance policies for approval by the board.

	Members	Terms of reference	Key focus for the year under review
Remuneration and human resources committee	A Harper (chairman), PF Nhleko, AT Mikati, F Titi *J van Rooyen appointed as a member on 4 March 2014.*	The committee oversees the formulation of a remuneration philosophy and human resources strategy to ensure that the Company employs and retains the best human capital possible relevant to its business needs and maximises the potential of its employees.	• Ensured that MTN's remuneration strategies and policies are designed to attract, motivate and retain quality employees, directors and senior management committed to achieving the overall goals of the Company; • Benchmarked MTN's remuneration against competitor companies; • Recommended the advisory note on the remuneration philosophy which was ultimately reviewed by shareholders; and • Recommended the submission to the board and the annual general meeting the remuneration of the chairman and members of the board.
Social and ethics committee	KP Kalyan (chairman), NP Mageza, MLD Marole, J van Rooyen	The committee performs an oversight and monitoring role in partnership with other committees to ensure that MTN business is conducted in an ethical and properly governed manner and to develop or review policies, governance structures and existing practices. The committee's responsibilities include: • Holding the Group president and CEO accountable for MTN's ethics performance; • Monitoring activities with respect to legislation, other legal requirements and codes of best practice; • Good corporate citizenship; • Environment, health and public safety; • Promotion of equality and prevention of unfair discrimination; • Prevention of fraud, bribery and corrupt practices; • Deterrence of human rights violations; • Consumer relations; and • Labour and employment.	*More information on the social and ethics committee is set out on page 77 in the social and ethics statement.*
Nominations committee	PF Nhleko (chairman), AT Mikati, A Harper, AF van Biljon, JHN Strydom	The nomination of board members and senior management. The committee makes recommendations to the board on the composition of the board and board committees and on the development of directors.	• Ensured a formal and transparent board nomination and election process (guided by our director appointment policy); • Conducted board independence review; • Evaluated and recommended the audit committee members for re-election; and • Evaluated and recommended the retiring directors for re-election.

Our corporate governance highlights continued

External advisors

The board and its committees make use of external advisors who advise on a variety of matters that require board consideration and approval.

Code of business conduct

The MTN Group is committed to promoting the highest standards of ethical behaviour among its directors, management and employees. In accordance with this objective and in the interests of good corporate governance, the code of business conduct is cascaded down to all operations.

Aligning risk management and corporate governance

MTN recognises that risk management and internal control are an integral part of good corporate governance.

MTN's overall governance structure and integrated risk management framework guides the operation of our business units, which are primarily responsible and accountable for risk management.

MTN's objective is to instil greater risk awareness throughout the organisation; to standardise the approach to risk management and to embed the process into the day-to-day running of the business.

Business continuity and crisis risk management

Business continuity management (BCM) establishes a fit-for-purpose strategic and operational framework that:

- Proactively improves MTN's resilience against disruption to achieve its key objectives;
- Provides a rehearsed method of restoring MTN's ability to supply its key products and deliver its critical services to an agreed level within an agreed time after a disruption; and
- Delivers a proven capability to manage a disruption and protect MTN's reputation and brand.

BCM's understanding at the organisation's highest level will ensure that the objectives of MTN's operations are not compromised by unexpected disruptions. Through a proper and proactive BCM process, MTN ensures effective measures are in place to protect its people, facilities, technology, information, supply chain, stakeholders, reputation and brand. With that recognition, MTN can then take a realistic view on the responses that are likely to be needed as and when a disruption occurs, so that it can be confident that it will manage any consequences without unacceptable delay in delivering its products or services.

Insurance and risk transfer

The MTN insurance programme is built around the close connection between risk management and insurance using an annual assessment of risk management at each operating company.

To achieve this, there is a strong commitment to risk management assessment, improving operational management's adoption of risk management best practice and to reduce risks across the entire insurance programme.

MTN has a comprehensive insurance programme in place that covers perils such as physical/material damage, business interruption, political risk, public liability, directors' and officers' liability, crime and professional indemnity. The limits of indemnity for these covers have been structured to ensure that MTN has adequate cover for its risks but at the same time ensure that the Group gets maximum value from the programme and that premium spend is efficient. MTN also believes that risk retention and self-insurance are necessary to keep premiums at reasonable levels and show commitment towards risk management. MTN's retention levels differ from policy to policy, guided by the nature of the risk being transferred.

Information and technology governance

MTN acknowledges information and technology as integral strategic assets to the business in delivering a bold new digital world to its customers. MTN's commitment to sound governance is supported by the ongoing activities and efforts in embedding the King III Code of Corporate Governance principles and recommendations, with specific focus on technology governance through the establishment of various responsibilities, processes and supporting governance structures.

A Group information security officer (GISO) has been appointed and charged with the responsibility for managing and monitoring the Group-wide information security programme.

Adequate effort at all levels and proper risk management practices will continue to ensure that technology governance is fully integrated across all MTN operations and that current and emerging information security risks, such as cyber security and data privacy, are proactively addressed.

Fraud risk management

The MTN Group fraud risk management strategy is based on the three core elements of prevention, detection and response to fraud, bribery and corruption-related risks.

The proactive management of fraud risk is embedded into MTN Group enterprise risk management processes and also informs the residual rating and consideration of risk on a principal risk level. MTN operating companies are required to identify, monitor, mitigate and report on significant fraud risks on a continual basis. All MTN stakeholders have access to the Deloitte Tip-offs Anonymous website (www.tip-offs.com) and email address (anonymous@tip-offs.net) to report fraud and corruption while 19 operations have an established and dedicated whistleblowing line.

In 2013, MTN received 687 whistleblowing reports about fraud and other administrative matters. The MTN fraud risk management framework ensures that every whistleblowing report is reviewed, investigated accordingly and reported to the audit committee where applicable and relevant. Current and emerging fraud risks such as mobile financial services, cybercrime and procurement fraud continue to be assessed and monitored.

Internal audit

The MTN Group and all its subsidiaries embrace the principles of The King III Report and recognise the significant opportunities that present themselves to companies that do so.

Internal audit's role is that of an objective and independent value-adding assurance provider that embraces a risk-based auditing approach in line with King III to the Group exco and board. It considers the risks that may hamper the achievement of strategic priorities and further determines the effectiveness of MTN's system of internal control and risk management.

MTN's internal audit has adopted a combined assurance model as a coordinated approach to all assurance activities.

MTN has dedicated teams that perform internal audits across MTN and its subsidiaries. Internal audit reports functionally to the audit committee and administratively to the Group president and CEO. Its independence is explicitly stated within the business risk management charter. Internal audit assurance is guided by extensive and proactive risk assessment. Internal audit coverage is extended to all operations and all high-risk processes in line with the internal audit methodology.

In 2013, more than 180 000 hours were spent on internal audit and for 2014 we expect that internal audit activities will exceed 201 370 hours.

Remuneration report

Our philosophy

MTN's remuneration philosophy aims to deliver a competitive, differentiated and flexible pay structure as a means of attracting, rewarding and retaining high-quality individuals. We believe investment in human capital must be commensurate with performance. The optimum mix of competencies, abilities, experiences and skills needed to achieve our overall strategic priorities are considered when selecting an individual. To achieve this, in 2013, the human resources (HR) team worked to improve the alignment of its practices to meet business priorities, encouraging a culture of individual and team performance as well as creating a great place to work. Some of the key initiatives included delivering service excellence to our employees and creating a common culture across the Group through instilling vital behaviours see page 8. In building an engaged and productive workforce, talent management programmes and MTN Academy courses were further refined to address the current skills needs.

Our philosophy also includes recognising those good behaviours which lead to successful achievement of business results. Employees who actively demonstrate living the vital behaviours and values are recognised using the various recognition programmes. Where results are achieved, we reward employees through short and long-term incentive schemes. Our reward mechanisms are informed by best practice, innovation and effective service delivery. Our traditional recognition platform "Yello Stars" was placed on hold during 2013, and a refreshed perspective is currently under review to incorporate more cross-functional recognition options where peer-to-peer, top-down and bottom-up options are introduced.

The remuneration and human resources committee

MTN's remuneration and human resources (R&HR) committee is delegated responsibility by the board to make sound remuneration decisions that are aligned to the Company's strategy and acceptable governance principles.

In executing its duties, the committee consults external experts as and when necessary, although the committee takes the final decision with regard to the interests of stakeholders. The committee ensures that:

- Effective governance structures are implemented within the remuneration framework, supported by a strong and fully compliant reward system;
- Adequate and sound risk controls are implemented across the Group to mitigate any potential negative remuneration exposure;
- The pay structures for executive members are aligned to the market and internal pay policies, taking into account the availability of skills in the market as well as executive competency levels; and
- The Company's pay-for-performance objective is effective and justified in accordance with set performance criteria.

The committee constantly reviews the remuneration strategy and policy to ensure that these principles remain applicable to the dynamics of the business and in accordance with legislative stipulations.

Full details of the committee's terms of reference and key focus for the year under review are outlined in the corporate governance report on pages 32 and 33.

Our remuneration strategy and policy

MTN's remuneration strategy is designed to attract and retain the skills required to meet our strategic priorities. To achieve our strategy a Total Reward model that is compelling, flexible and compliant to legislation is implemented across all Company geographies in line with our philosophy. Although competitive financial rewards are key to attracting employees, a diversified basket of our total reward benefits is where we attain competitiveness in retaining employees. We believe that a strategy and its policies are ineffective without a solid foundation of delivering on our philosophy.

MTN's reward decisions are therefore hinged on the principles of pay fairness, transparency and competitiveness. With a strong high-performance culture, operating in the ICT space demands that we strategically and significantly incentivise high performers, but cautiously managing affordability to fund such payments. While we aim to maintain internal pay equity, the Company does not commit to the remuneration of employees on the principle of equality, as pay differences will always exist and are influenced by the demand and supply of skills as well as the job-related compensatible factors that each candidate possesses.

Executive pay benchmarking

It is essential that the leadership employed by the Group has the necessary skills and expertise to execute the Group's strategic priorities. We benchmark executive salaries against relevant global competitors. The quantum and mix of salaries for our exco members and the operations' CEOs are set against the Company size, job complexity, turnover and market rates. As and when justified, we review executives' annual guaranteed packages against carefully selected benchmark companies. In addition to the external benchmarks, the internal pay scale serves as guidance when positioning packages.

During 2013, MTN made key executive leadership changes at Group level as part of the Company's talent management strategy. Where applicable, it was necessary for the committee to review and align executives' packages with their new roles. Details of the executive team structure are provided on page 24.

- Brett Goschen, the current Group CFO, was previously on assignment in MTN Nigeria. As an expatriate, he was paid in US$ currency. Following his appointment as the Group chief financial officer, his package was benchmarked against the peer comparator group. Full details of the package can be found under the directors' emoluments on page 46.
- Karel Pienaar, former MD of MTN South Africa, was appointed as an exco member. His appointment, however, did not result in his package being changed as he was laterally transferred to his position with the same package.

Our remuneration structure

The Company subscribes to an annual guaranteed package approach. This includes cash and benefits in kind which, when combined with incentive payments and other non-quantifiable elements, make up what we term "Total Reward". Our fixed pay component is defined by general worth of skills while incentive payments are based on short and long-term performance.

Remuneration report continued

The table below summarises the various pay components which collectively make up **Total Reward**.

Fixed pay	+	Benefit programmes	+	Short-term incentives	+	Long-term incentives	+	Other
Annual guaranteed package				*Performance-based incentives*				
Guaranteed fixed basic salary delivered on a monthly basis. Based on scope and nature of the role and generally determined around the market median but can expand or contract based on market dynamics and business goals. Reviewed on an annual basis and, where applicable, benchmarked on an off-cycle basis to ensure competitiveness and relevance.		Guaranteed Company-provided benefits delivered on a monthly basis. Provides economic security for employees and acts as an incentive to attract and retain skills. Contractually agreed and will differ across operations. Commonly includes retirement, health, death and disability insurance.		Variable Company-provided incentives aligned to the short-term goals of the Company delivered on an annual basis. Performances up to one year are assessed and rewarded for achieving minimum, stretch-target and above-target performances. Aligns with financial and strategic key performance. Individual, team and Company performance is taken into consideration, with executive performance skewed towards Company performance. At an operational level, certain sales positions participate in a commission-based incentive scheme.		Variable incentives in the form of share allocations. The allocation of shares is meant to drive long-term sustainability and performance of the Group. Potential payments are attributed to the financial performance of the Company. Share incentive payments make up a larger portion of the total executive remuneration relative to short-term and fixed pay.		MTN offers other benefits. These include lifestyle benefits, leave of absence and additional insurance products. Although some of these benefits are not prevalent in all operations, there are country-specific programmes approved and aligned with equivalent South African benefits.

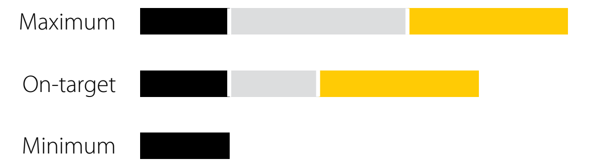
Annual guaranteed package

Generally, employees based in South Africa are remunerated on an annual guaranteed package (AGP) approach, which includes a combination of base remuneration and benefit provisions, commonly referred to as fixed remuneration. The Group has implemented this approach subject to labour regulations and remuneration practices. Non-South African-based operations have adopted and customised the AGP approach in accordance with local practices and regulations.

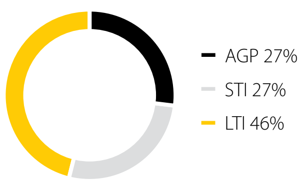
Executive pay composition

Executives at MTN are remunerated by taking cognisance of the short-term and long-term objectives of the Company. Executives are compensated using an optimal combination of fixed pay, short-term variable as well as long-term incentives. This supports alignment of strategy and their behaviours. The mix is aimed at ensuring that executives proportionately achieve an optimal balance of remuneration when executing their duties. The following graphs illustrate the mix of minimum, on-target and the potential maximum compensation for the Group president and CEO and the Group chief financial officer.

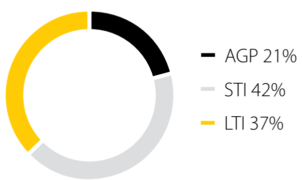
Group chief executive officer (Rm)



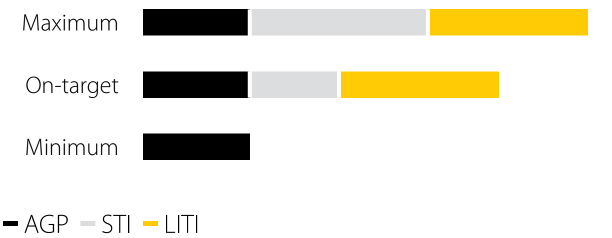
On-target %



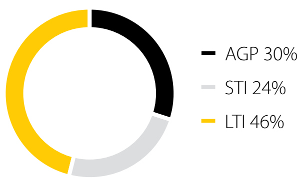
Maximum %



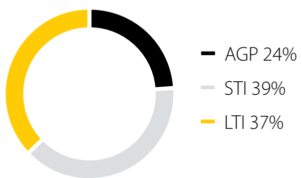
Group chief financial officer (Rm)



On-target %



Maximum %



AGP is minimum.

As illustrated above, the proportion of AGP to performance-based incentives varies between the Group president and CEO and the Group CFO. Both roles comprise a higher weighting on performance incentives "risk pay" and less on their guaranteed package. The Group's integrated performance framework (IPF) guides the execution of business strategy by providing a framework through which the day-to-day and annual performance levels are set, cascaded and measured according to the business strategic themes.

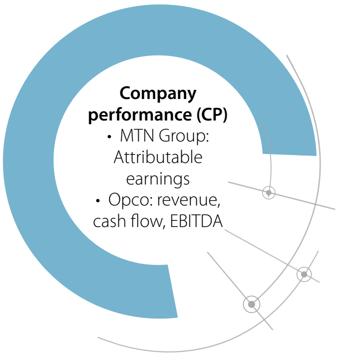
Incentives

Short-term incentives

General staff and executives participate in an annual performance-based bonus plan. The principles of the bonus plan are aligned to the performance achievements of the Company, team and individual priorities. Group priorities are derived from the yearly business plan and budgets. These priorities are aligned to the Group's strategic themes and are delegated to members of the exco team who are responsible for driving, supporting and facilitating the execution of priorities. Page 17 provides details of the Group's strategic priorities. The strategic analysis section on pages 54 to 57 provides executive responsibilities and how we have performed against our strategic priorities. Priorities identified are further cascaded into team and individual key performance indicators (KPIs) which are agreed and contracted with employees at the beginning of the year and measured at the end of it. On completion of the team and individual assessments, employees are rewarded on the outcome together with Company performance. Selected KPIs measured are set out on pages 54 to 57.

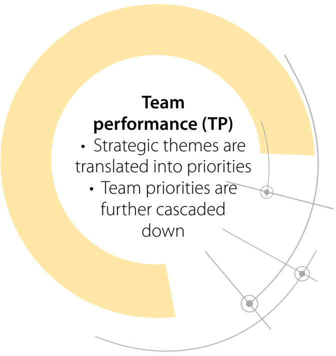
Remuneration report continued

The process of determining the incentive award pools from which performance bonuses are paid is illustrated below.

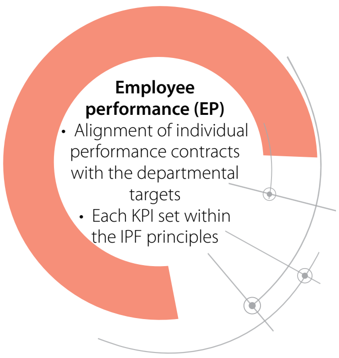


Description of performance criteria

- The financial performance targets of the Company are determined in accordance with the five strategic business planning outcomes at the beginning of the year.
- The achievement of the targets is assessed at year end and results are audited by an independent body.
- The percentage performance achievement against target is translated into a nominal performance-linked scale, adjusted to allow for maximum earning potential.
- Group attributable earnings are used at Company level and EBITDA, revenue and cash flow are used at operational level to measure Company performance.



- The business strategic themes are translated into priorities to be executed at executive member levels. Details on strategic priorities are on page 17.
- Depending on the size of the function, where applicable, team performance scorecards are further cascaded to below executive levels.
- Achievement of each KPI is proportionate and weighted; however, cumulatively they add up to 100%.



- At the beginning of each financial period, every employee enters into a contractual performance agreement.
- The performance agreement stipulates the performance expectations to be measured at year end.
- Performance agreements ensure alignment between Company, team and individual levels.
- Not applicable to executives.

Calculating bonuses

The following steps are considered when calculating bonuses:

1. Targets for each element (CP, TP and EP) are set at the beginning of the financial year.
2. If the target is not achieved, one can still qualify for a bonus on the basis that the pre-determined minimum performance requirements have been met against the target. Additionally, an on-target (100%) and maximum bonus percentage payable is applicable for each element.
3. At year end, an evaluation of the achievement of each element against on-target and maximum is conducted to assess the contribution of the element towards the final bonus calculation.
4. To allow the opportunity for employees to earn above-target bonuses up to the pre-determined cap, any achievements above the target are adjusted accordingly on a job level basis.

The calculation methodology used in computing the final bonus payable to employees participating in the bonus plan as illustrated below.

(CP + TP + EP) times on-target percentage = bonus percentage

The bonus percentage (validated against the minimum and maximum) times annual bonus salary = total bonus payable

Case study: Executive A at MTN Group earned an annual salary of R500 000 in 2013.

At the beginning of the year:
The Group's attributable earnings (GAE) target for calculating bonuses at the end of the year was R10 million. For bonus purposes, a minimum achievement of R9 million was required, and a maximum of R12 million applicable. His team performance was also set, and included rolling out a customer experience project ABC across 20 operations.

At year end:
The Company's GAEs amounted to R11 million – this translated to a bonus percentage of 110% as the Company exceeded the set target.

For the team performance, his team only rolled out the ABC project in 15 of the 20 operations, and this equated to a 75% achievement.

As an executive, his individual performance was excluded from bonus calculation in line with the Company's policy. He also does not have a minimum bonus payment, but for his level, has an 80% on-target and 120% maximum earning potential.

His bonus calculation will hence be calculated as follows:

(110% + 75%) x 50% times 80% = 74%. However, on the basis that 74% does not exceed the maximum potential of 120%, his final bonus percentage will be 74%. Therefore, his taxable bonus amount will be R370 000.

Remuneration report continued

Bonus parameters

The executive bonus parameters governing the bonus plan are summarised below:

Group category	Designation	Incumbent	Company performance	Team performance	Minimum bonus	On target	Hyper bonus
Group president and CEO	Group president and CEO	RS Dabengwa	70%	30%	0%	100%	200%
Group executive director	Group CFO	B Goschen	70%	30%	0%	80%	160%
Group chief officers	Group chief human resources and corporate affairs officer	PD Norman	40%	60%	0%	70%	140%
	Group chief technology and information officer	JA Desai	50%	50%	0%	70%	140%
	Group chief commercial officer	P Verkade	50%	50%	0%	70%	140%
	Group chief operations executive	A Farroukh	60% – Top 7 Large opcos	40%	0%	70%	140%
	Group chief business risk officer	S Fakie	40%	60%	0%	70%	140%
	Group chief strategy, mergers and acquisition officer	K Pienaar	40%	60%	0%	70%	140%
Operating company CEOs (on the Group exco)	CEO: MTN South Africa	Z Bulbulia	60% – MTN South Africa	40%	0%	70%	140%
	CEO: MTN Nigeria	M Ikpoki	60% – MTN Nigeria	40%	0%	70%	140%

Long-term incentive schemes (LTIS)

Long-term incentive schemes are designed to retain key and senior employees by aligning their long-term contribution to the success of the Company with the interests of shareholders. The Group operates a combination of an equity and cash-settled scheme for its eligible workforce where the value gain represents appreciation in the performance of the Company.

In calculating the long-term incentive, the value of the award is expressed as a percentage of fixed remuneration. The potential pay-outs differ according to participant levels.

Since 2001, the Group has implemented the following schemes:

Plan type	Eligible participants	Date implemented	Performance conditions	Last vesting period
Share options scheme (options)	All employees regardless of level	2001	None	2014
Share appreciation rights scheme (SARS)	All employees at junior management level and above	2006	None	2018
Share rights scheme (SRS)	All employees at junior management level and above	2008	None	2020
Employee share ownership plan (ESOP)	All general staff at MTN level 1 and 2	2010	None	2015
Performance share plan (PSP)	All employees at junior management level and above	2010	Total shareholder return and free cash flow	2015

Please refer to "notes to the Group financial statements" for additional information.

MTN Group share administration

In 2012, MTN appointed Investec Share Plan Services (ISPS) to host the online Group share scheme's administration platform. The ISPS platform not only provides a real-time trading platform for participants, but also supports the Company's digital endeavours where the highest levels of service delivery are achieved using available tools.

In 2013, the administration team embarked on a robust process to finalise data migration from the previous administrators to ISPS. To obtain an objective view of the functionality of the platform, the ISPS system underwent an internal audit check with the assistance of the business risk function. The outcome of the audit was presented to the Group share trustees and management and showed satisfactory results.

After the completion of the system built early in 2013, trading in MTN shares was re-opened on 6 March 2013 immediately after the announcement of Group results. Accordingly, trading by eligible employees was conducted via the online system, where participants with matured options and rights used this platform to view and execute trades. The following sections provide a view of the allocation dates under the Group equity schemes.

General rules of the MTN Group long-term incentive schemes

Employees are generally eligible to participate in these schemes if they have met a minimum continuous service criterion within MTN and have not reached their retirement age at the date of allocation. Participation in these schemes is subject to the approval of the R&HR committee. In addition, MTN reserves the right to exclude participation by certain employees by virtue of their employment status, e.g. disciplinary, suspension, dismissal.

Remuneration report continued

A summary of previous allocations and the vesting dates is presented below:

Equity share schemes vesting schedule

			Vesting timelines per anniversary (cumulative)					
Plan type	**Issue period date**	**Year 0**	**> Year 1**	**> Year 2**	**> Year 3**	**> Year 4**	**> Year 5**	**> Year 10**
Share options	28 Sept 2001*	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	2 Sept 2002	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	2 Jan 2003	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	7 Jul 2003	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	1 Dec 2003	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	1 Nov 2004	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	1 Dec 2004	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	31 May 2006	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	31 May 2006*	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	21 Nov 2006	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	1 Jan 2007	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
SARS	2 Apr 2007	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	22 Jun 2007	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	19 Mar 2008	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	1 Sep 2008	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
	28 Jun 2010*	✓	●●●●	◆●●●	◆◆●●	◆◆★●	◆◆★★	✗
PSPs	29 Jun 2011**	✓	●●●●	●●●●	●●➢	◆◆★★		✗
	29 Jun 2011	✓	●●●●	●●●●	●●●●➢	◆◆★★		✗
	29 Dec 2011	✓	●●●●	●●●●	●●●●➢	◆◆★★		✗
	28 Dec 2012	✓	●●●●	●●●●	●●●●➢	◆◆★★		✗
	20 Dec 2013	✓	●●●●	●●●●	●●●●➢	◆◆★★		✗

**This offer includes an allocation with one year accelerated vesting.*
***This offer was accelerated from 36 months to 30 months.*

Key:
✓ Allocation date ◆ 20% tranche vested (cumulative) ★ 30% tranche vested (cumulative)
➢ Performance conditions evaluation ● Non-vested portion of award ✗ Expiry.

Further details on the performance measurement, assessment periods, and settlement criteria are available under the "notes to the Group financial statements" AFS.

MTN non-equity schemes for employees in non-listed operations outside South Africa

MTN offers non-South African-based employees participation in the Group's notional share option (NSO) scheme. This scheme enhances MTN's commitment to the "One Group, One MTN" philosophy.

Qualifying employees own options and also participate in the growth of the Group and its operations, as applicable. The main objective of the NSO scheme is to encourage an alignment between the individual interests of senior employees and the long-term success of the Group. Thus the scheme design rewards employees for the value gain derived from the NSO price per share appreciation between the allocation and vesting dates.

The NSO scheme was reviewed in 2013 and a proposal was presented to the R&HR committee to change the mechanics of the scheme to align it with the Group equity schemes. The committee supported this recommendation and operations will make NSO allocations under the new rules effective 1 April 2014. The key aspects and changes of the NSO scheme include:

- NSO awards are divided into GAN NSO and LAN NSO.
- GAN NSO constitutes up to 30% of the total value of the award and LAN NSO constitutes up to 70% of the total value of the award.
- Gains under GAN NSO are measured by MTN Group's share price movements between the allocation date and exercise date i.e. the difference between the allocation and exercise prices represents the gain.
- Gains under LAN NSO are based on the LAN price movement between allocation and exercise. The determination of the LAN price at allocation and subsequently at each annual valuation is as below:
  - Allocation – LAN price valuation is reflective of the increase in value of an operation through alignment with the EBITDA financial indicator.
  - Valuations – annual valuations of the LAN NSO price are based on the appreciation or depreciation with the LAN allocation price.

Non-executive director (NED) remuneration

The R&HR committee is responsible for advising on the remuneration of non-executive directors, including reviewing remuneration recommendations as put forward by the executive committee in consultation with external remuneration consultants. The committee also recommends the remuneration for approval by the board and shareholders. The remuneration for NEDs is considered annually and is determined in light of market practice and with reference to the time, commitment and responsibilities associated with the roles.

MTN Group's non-executive directors receive an annual retainer and a meeting attendance fee. They do not participate in any type of incentive scheme nor do they receive any medical and pension-related benefits. The remuneration paid to NEDs on page 47 of this report and the proposed remuneration for 2014 is disclosed in the notice to the annual general meeting.

Expatriate compensation

MTN's expatriate pay model was reviewed in order to introduce a greater degree of relative internal pay equity across the various operations.

The choice of the United Arab Emirates as the Global Employment Company for purposes of expatriate compensation management afforded the opportunity to standardise hypothetical expatriate base pay levels in all countries within one pay structure in a hard currency. This base pay foundation is consistent for all assignees with only country specific dynamics being added on, resulting in an MTN framework which represents a balance between relative equity across the Group, and local relevance.

MTN continues to use more local talent in operating companies. The year-on-year decrease in the number of expatriates was 13% from December 2012 to December 2013.

Other executive remuneration arrangements

Contracts and severance: MTN's policies regarding Group executive employment contracts dictate the period of the contract as well as the notice of termination. Presently, the Group president and CEO and the Group CFO have entered limited duration contracts. The inclusion of a period of restraint in the employment contract is generic and no specific timeframes are indicated. Notice of termination for Group executives is three months, unless otherwise specified.

Remuneration report continued

Restraint of trade and notice period

During 2013, the executives' contracts of employment did not contain any specific restraint of trade provisions. To protect the interests of the Company, we revised our employment contract structure to include a provision of a restraint of trade agreement for a six-month period. This provision was introduced to safeguard the Company against situations where employees terminate their services with MTN and seek new employment with a competitor. Effective 2014, new appointments will be contracted on the revised contract basis, which also includes an extended notice of termination for executives of six months.

Directors' emoluments

Directors' and prescribed officers' emoluments and payments in the tables presented below have been audited. Full details on directors' and prescribed officers' emoluments, equity compensation benefits for executive directors and directors of major subsidiaries in respect of the share appreciation rights and share rights schemes can be found on AFS. The annual financial statements also include MTN Group directors', prescribed officers', Group secretary and directors' and company secretaries' of major subsidiaries shareholdings and dealings in MTN Group ordinary shares and MTN Zakhele shares.

Directors' emoluments and related payments

For the year ended 31 December 2013

	Date appointed	Salaries R'000	Post-employment benefits R'000	Other benefits[1] R'000	Bonuses R'000	Sub-total R'000	Share gains[2] R'000	Total R'000
Executive directors								
RS Dabengwa	1/10/01	8 913	1 143	2 621	16 163	28 840	19 237	48 077
NI Patel[3]	27/11/09	3 081	395	2 856	–	6 332	1 223	7 555
BD Goschen	22/07/13	2 336	292	37	3 661	6 326	–	6 326
Total		**14 330**	**1 830**	**5 514**	**19 824**	**41 498**	**20 460**	**61 958**

For the year ended 31 December 2012

	Date appointed	Salaries R'000	Post-employment benefits R'000	Other benefits[1] R'000	Bonuses R'000	Sub-total R'000	Share gains[2] R'000	Total R'000
Executive directors								
RS Dabengwa	1/10/01	8 405	1 078	600	13 456	23 539	–	23 539
NI Patel	27/11/09	5 030	645	1 742	6 431	13 848	–	13 848
Total		**13 435**	**1 723**	**2 342**	**19 887**	**37 387**	**–**	**37 387**

[1] *Includes medical aid and unemployment insurance fund.*
[2] *Pre-tax gains and post-brokerage cost on share appreciation rights scheme and share rights plan.*
[3] *Resigned 21 July 2013.*

For the year ended 31 December 2013

	Date appointed	Retainer# R'000	Attendance# R'000	Special board R'000	Special projects R'000	*Ad hoc* work R'000	Total R'000
Non-executive directors							
MC Ramaphosa^	1/10/01	412	190	248	–	–	850
PF Nhleko	28/5/13	624	218	284	175	–	1 301
KP Kalyan	13/6/06	316	348	226	132	–	1 022
AT Mikati[1†]	18/7/06	1 054	578	657	339	10	2 638
MJN Njeke	13/6/06	296	282	268	111	–	957
JHN Strydom	11/3/04	296	324	289	132	51	1 092
AF van Biljon	1/11/02	298	304	268	169	10	1 049
J van Rooyen	18/7/06	370	440	268	209	–	1 287
MLD Marole	1/1/10	285	325	268	112	–	990
NP Mageza	1/1/10	339	410	222	189	–	1 160
A Harper[1]	1/1/10	1 083	593	557	291	10	2 534
F Titi	1/7/12	231	243	246	150	–	870
Total		**5 604**	**4 256**	**3 801**	**2 009**	**81**	**15 751**

For the year ended 31 December 2012

	Date appointed	Retainer# R'000	Attendance# R'000	Special board R'000	Special projects R'000	*Ad hoc* work R'000	Total R'000
Non-executive directors							
MC Ramaphosa	1/10/01	973	550	400	–	–	1 923
KP Kalyan	13/6/06	270	418	209	–	–	897
AT Mikati[1†]	18/7/06	839	585	402	–	–	1 826
MJN Njeke	13/6/06	279	316	192	–	–	787
JHN Strydom	11/3/04	319	508	210	109	10	1 156
AF van Biljon	1/11/02	280	402	210	145	–	1 037
J van Rooyen	18/7/06	333	498	250	91	58	1 230
MLD Marole	1/1/10	252	411	210	55	–	928
NP Mageza	1/1/10	304	492	210	109	58	1 173
A Harper[1]	1/1/10	854	593	403	35	–	1 885
F Titi	1/7/12	96	174	87	18	–	375
Total		**4 799**	**4 947**	**2 783**	**562**	**126**	**13 217**

[1] *Fees paid in euro.*
[†] *Fees are paid to M1 Limited.*
[#] *Retainer and attendance fees include fees for board and committees.*
[^] *Resigned 28 May 2013.*

Remuneration report continued

Prescribed officers' emoluments and related payments

For the year ended 31 December 2013

	Salaries R'000	Post-employment benefits R'000	Other benefits R'000	Bonuses R'000	Sub-total R'000	Share gains R'000	Total R'000
Prescribed officers							
JA Desai	6 957	790	1 791	10 178	19 716	–	19 716
PD Norman	4 041	518	251	4 501	9 311	–	9 311
C de Faria[1]	517	52	2 353	–	2 922	–	2 922
A Farroukh	6 853	685	932	6 982	15 452	–	15 452
KL Shuenyane[2]	1 946	249	869	–	3 064	–	3 064
SA Fakie	3 013	400	142	4 171	7 726	3 530	11 256
KW Pienaar	4 356	558	210	3 637	8 761	–	8 761
B Goschen	3 310	274	65	3 528	7 177	–	7 177
P Verkade[3]	3 402	340	794	3 763	8 299	–	8 299
Z Bulbulia[4]	2 057	264	419	–	2 740	4 925	7 665
MI Ikpoki[5]	2 603	201	1 053	2 411	6 268	3 032	9 300
Total	**39 055**	**4 331**	**8 879**	**39 171**	**91 436**	**11 487**	**102 923**

For the year ended 31 December 2012

	Salaries R'000	Post-employment benefits R'000	Other benefits R'000	Bonuses R'000	Sub-total R'000	Share gains R'000	Total R'000
Prescribed officers							
JA Desai	5 634	853	1 149	6 256	13 892	–	13 892
I Sehoole[6]	930	119	68	–	1 117	–	1 117
PD Norman	3 809	488	426	4 201	8 924	1 804	10 728
C de Faria	5 633	563	16	5 712	11 924	–	11 924
J Ramadan	1 156	–	31 744	–	32 900	–	32 900
A Farroukh	6 104	–	142	6 788	13 034	–	13 034
KL Shuenyane	3 722	477	261	3 555	8 015	–	8 015
SA Fakie	2 834	377	338	3 200	6 749	–	6 749
K Pienaar	4 104	526	284	4 377	9 291	5 147	14 438
B Goschen	5 045	546	124	3 095	8 810	–	8 810
Total	**38 971**	**3 949**	**34 552**	**37 184**	**114 656**	**6 951**	**121 607**

[1] *Retired 31 January 2013.*
[2] *Resigned 30 June 2013.*
[3] *Appointed 1 February 2013.*
[4] *Appointed 1 June 2013.*
[5] *Appointed 24 July 2013.*
[6] *Withdrawn 31 March 2012.*
[7] *Retired 31 March 2012.*

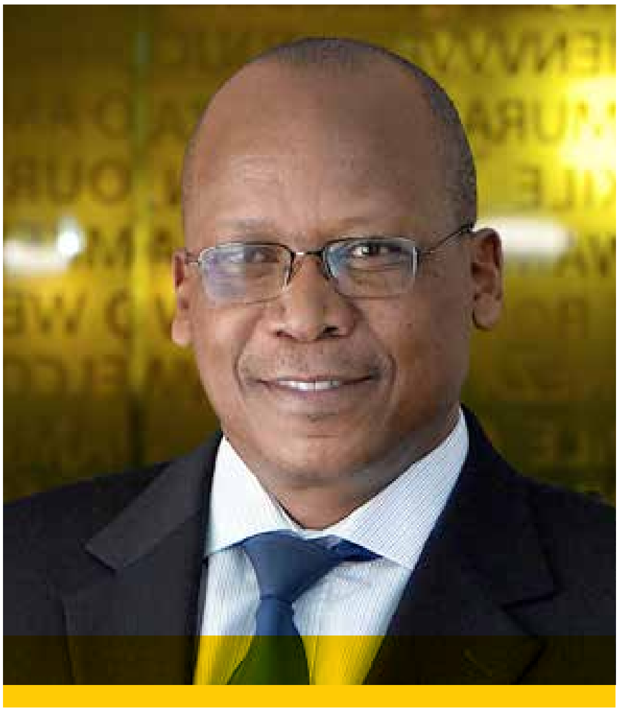
05

Strategic analysis and outlook

Say goodbye to the boardroom
and say welcome to teleconferencing.

Welcome to the
Bold New Digital World.

An interview with our Group president and CEO



Sifiso Dabengwa
Group President and CEO

What were MTN's main successes in 2013?

In the face of fierce price competition and increased regulatory pressure in many of our key markets, our Nigerian operation continued to improve its performance during the year and we made some notable progress in our South African operation in the second half of the year. Our large opco cluster performed well, with particularly encouraging growth reported by our operations in Uganda, Ghana, Cameroon, Iran and Sudan. In our small opco cluster, results from Zambia and Yemen were particularly good.

I am also pleased with the traction we gained in many of our strategic initiatives, particularly in growing our business in the digital space and achieving growth beyond traditional voice. We made good strides in driving our data offering and increased data revenue by 41,4% to R20 670 million, which means it now contributes 15,1% to total revenue. This was achieved by extending our 3G coverage and facilitating the use of more data-enabled devices on our network. At year end, we had 34,8 million smartphones on our network. We expect the recent launch of our own affordable "Steppa" smartphone in South Africa to help quicken the pace of smartphone penetration.

To accelerate MTN's expansion into the digital space, we partnered with Rocket Internet (Rocket), a deal which is expected to be concluded in the first half of 2014. This will enhance growth in our internet business in Africa and the Middle East as Rocket is one of the world's leading internet incubators, with a presence across our footprint. Our partnership was effected through two separate agreements. Firstly, a partnership arrangement was established with Rocket and Millicom International Cellular to develop our internet businesses in Africa, through Africa Internet Holdings (AIH). The second agreement involved Rocket and MTN becoming 50% shareholders in Middle East Internet Holding.

We also continue to leverage our integrated ICT business, which is still in its infancy and is envisaged to increase its contribution going forward. Currently, we provide cloud services to SME customers in seven markets and high speed networks in 11 markets.

During 2013, we secured two large multinational contracts in Africa and a partnership with PCCW, owners of one of the world's largest IP backbones, which will allow us to enhance our ICT offering in Africa.

Other highlights include the successful execution of our capex programme, which significantly improved network quality and capacity, and facilitated higher voice and data traffic. We also continue to be innovative and targeted in our service offering to customers. This means that we remain relevant and protect our revenue base.

**Constant currency.*
***Excluding tower profit.*

What were MTN's main challenges and what have you learnt from them?

Our operating environment remained challenging as we continued to experience highly competitive mobile markets and increased regulatory pressures. We are confident that our substantial investment in network infrastructure and MTN's attractive value proposition will ensure that we continue to deliver sustainable growth.

Competition helps create a vibrant market place and we welcome it. However, while we will remain competitive on price, we strongly believe that we should rather compete on value to ensure that retail tariffs fairly reflect the cost of providing advanced communication services and thus safeguard industry sustainability. A key lesson in 2013 was the success of MTN's segmented targeted offerings that allowed us to compete more effectively without focusing on price. Innovation is central to maintaining a competitive advantage and we have implemented a number of initiatives to support this, such as our investment in the Amadeus IV Digital Prosperity Fund as well as establishing an integrated platform to ensure that opcos share ideas and best practice. Similarly, a seamless network experience is critical to our leadership position. In 2013, the Group spent R30,2 billion in capital expenditure, rolling out 5 161 2G sites and 4 413 3G sites.

Our South African operation continued to experience strong competition and a difficult regulatory environment. Encouragingly we started to see some improvement in performance in the second half of 2013, supported by more relevant segmented offerings to the pre-paid segment and improvements in cost optimisation.

MTN Mobile Money and financial services are becoming an increasingly important part of our service offering. We are not only focused on acquiring subscribers but also on increasing the volume of transactions and expanding our product range to include short-term insurance, ATM withdrawals and remote payments for airline tickets. In 2013, growth in MTN Mobile Money subscribers was lower than expected, due in part to regulatory issues and operational challenges. This will be an area of management focus in 2014.

How will you safeguard sustainable profits in MTN Nigeria?

We are pleased with MTN Nigeria's performance in late 2013. It delivered revenue growth of 5,7%* and subscriber growth of 19,7%. This is a particularly good result after adjusting for the 3,2 million disconnections we had to make in line with the mandatory subscriber registration programme, and the disconnection of service in three northern states, which closed on 30 June 2013. A highlight of the year was the appointment of Michael Ikpoki as CEO of MTN Nigeria.

We aim to ensure sustainable MTN Nigeria profitability by focusing on network optimisation and customer retention. Capex execution also remains central as we continue to invest for growth. In 2013, we brought 2 743 2G sites and 1 607 co-located 3G sites on air. We also continue to expand our offering with innovative products and services, such as an mHealth partnership with Hello Doctor and the launch of mInsurance.

Data contributes 15,1% to total revenue. The number of smartphones on the network increased by 63,1% to 6,2 million at the end of December. Looking ahead, we will be better placed to expand our data offering as we continue to invest in the 3G network.

Importantly, we have experienced a more constructive engagement with the regulator as we continue to seek consistent and realistic network performance targets.

An interview with our Group president and CEO continued

What progress can you report on MTN's cost-optimisation efforts?

In 2013, we made solid progress on cost optimisation across the Group, which assisted in the increase in our EBITDA margin to 43,1%**. As the telecommunication environment continues to evolve towards data and as competition intensifies, revenue will come under pressure. It is therefore imperative that we embed cost optimisation and efficiencies into the business to ensure that we have the most effective cost base for future growth and profitability.

A number of initiatives have already resulted in real cost benefits. These include centralising procurement, reducing costs in our distribution network through the renegotiation of contracts in South Africa and the realignment of our commission structure in Nigeria. Optimising employee numbers in all operations as well as moving more base stations onto the national grid and introducing hybrid power, are other steps that we have taken to optimise costs. In 2013 we started the process to establish a global hub for centralised transaction processing in South Africa.

What is MTN's capital allocation approach?

MTN has a sufficiently large balance sheet to allow for flexibility in our allocation of capital. Importantly, we measure the different uses of our capital against acceptable return on invested capital (ROIC) and return on equity (ROE) levels. The different uses of capital are viewed on a case-by-case basis and investment is decided on individual merits. We aim to have an efficient balance sheet and it is regularly reviewed by both the board and the exco.

Our key funding considerations include:

- Efficiently managing the appropriate flow of cash from operations to the Group;
- Growing our dividends in a range of 5% to 15%, while taking into account the growth needs of the business and the associated free cash generation;
- Investing in a quality network which maximises returns and enables growth; and
- Securing value-accretive M&A transactions.

We continue to work to repatriate funds from Iran and Syria, while complying with international sanctions legislation.

How do you secure a skilled and motivated workforce?

The success of MTN is built on the calibre of its people and the ability to offer an exciting employee value proposition (The MTN Deal) that ensures we attract, develop and retain top talent as a source of competitive advantage and differentiation. As we enter the new digital world, MTN maintains a strategic focus to ensure it has the right talent and capabilities to deliver on its new mission and vision. To this end, we invest extensively in skills and training through the MTN Academy to maintain our competitive edge and develop effective, transformational leaders. We also constantly benchmark our HR practices and remuneration policies against global standards.

As a large organisation spread over a number of countries, we focus on embedding what we consider to be vital MTN behaviours across our business to support our strategy and create a common organisational culture. This is underpinned by a number of internal roadshows, as well as face-to-face quarterly reviews where management and employees can learn from each other and share best practice.

Instilling ethical standards and conduct is critical. In 2013, we made good progress in introducing and standardising policies and building up our ethics management capability across our operations

How has MTN contributed towards community upliftment in 2013?

Being a responsible corporate citizen and ensuring a sustainable marketplace is important to us. During the year, we committed 70% of our total CSI expenditure of R314 million to education projects, particularly ICT projects and the digitisation of education. Over the next two years, we plan to spend R200 million on improving the quality of education across our markets. We will also continue to support initiatives in the areas of health and economic empowerment as well as those areas of each operations' particular national priority.

Relevant sponsorships are made to support our communities' interests.

What are the key opportunities for MTN in the medium term?

MTN has many favourable prospects. We believe leveraging technology and delivering more services via the internet is the greatest source of opportunity, particularly as internet penetration across our footprint is still low. We aim to increase our presence in the digital space and take advantage of growth in data traffic and ICT solutions. Expanding our 3G coverage, as well as access to affordable data-enabled devices, will continue to drive data usage.

We will maintain our focus on MTN Mobile Money and broader financial services as well as providing innovative ICT solutions to corporate and SME customers though our enterprise business unit. We will also sustain our voice business through dynamic tariffing, bundled packages and innovative value-added services.

As competition intensifies, we will remain competitive by improving network quality and capacity and providing innovative and value-added products targeted at our different customer segments. We are targeting a continuous improvement in customer experience as measured by our net promoter score. In 2013, we recorded a 28% increase in this measure in the countries where it has been rolled out already.

We are focused on transforming our organisation through cost optimisation and increasing operational efficiency. There also remain a number of opportunities to leverage our partnerships in adjacent industries and explore value-accretive M&A activities.

Sifiso Dabengwa
Group president and CEO

11 March 2014

Group strategic analysis

This section aims to provide the reader with more insight into how the Company has performed against its strategic themes and priorities.

Strategic theme

Creating and managing stakeholder value

Priorities

- A sustainable shareholder return strategy
- Responsible corporate citizenship
- Creating a great place to work
- Instilling sound governance and ethics

KPIs measured	2013 performance	How we're doing	Relevant capital	Stakeholder	Short- to medium-term focus	Primary executive responsibility
Sustainable shareholder returns	• Grew absolute dividends to shareholders by 25,6%		Financial	Shareholder	• Sustain absolute dividend growth between 5% and 15% • Opportunistic buy-backs	**Brett Goschen**
CSI spend	• Spent R314 million through MTN Foundations with a 70% directed on education		Social and relationship	Communities	• R200 million to be spent on education projects, particularly on ICT projects • Fully deploy MTN Foundations into all opcos	**Paul Norman**
Group culture audit	• 68% employee satisfaction based on 75% participation in audit • Developed MTN culture through MTN's vital behaviours in 18 opcos		Human	Employees	• Ongoing benchmarking of our practices and remuneration polices against global best practice • Further integration of the employee value proposition in line with HR policies and practices	**Paul Norman**
Labour productivity	• Implemented a minimum criteria for performance standard and qualification criteria for bonuses, salary increases and share schemes on training and development • Group headcount reduction of 4,8%		Human	Employees	• Increased focus on labour productivity and organisational redesign • Develop in-house IP • Realignment of talent management to meet strategic priorities • Pay for performance optimisation • Retrenchment in certain operations	**Paul Norman** **Ahmad Farroukh** **Michael Ikpoki** **Zunaid Bulbulia**
Investor in People accreditation	• Three of five opcos obtained accreditation, meeting people management global standards		Human	Employees	• Ensure all major opcos acquire accreditation	**Paul Norman**
Roll-out of governance and ethics policies	• Development and implementation of Group-wide various governance policies and frameworks. See social and ethics statement on page 77 for more detail		Social and relationship	All stakeholders	• Deploy and embed policies and framework across Group	**Paul Norman**
Corporate reputation index	• 27% increase in positive mentions about MTN as ranked by Meltwater Monitoring Group		Social and relationship	All stakeholders	• Improve positive mentions and enhance stakeholder engagements through establishing effective issues council	**Paul Norman**

Strategic theme

Creating a distinct customer experience

Priorities

- Brand leadership
- Knowing our customer
- Customer experience
- Network quality and coverage

KPIs measured	2013 performance	How we're doing	Relevant capital	Stakeholder	Short- to medium-term focus	Primary executive responsibility
Brand ranking	• Ranked 79th in the Millward Brown's Brandz Top 100 Most Valuable Global Brands 2013 study	Good progress made	Social and relationship	Customers	• Improve ranking • Integrate social media into service offerings • Maintain leadership in key markets	**Pieter Verkade**
Net additions	• 18,5 million net additions	Good progress made	Social and relationship	Customers	• Better developed products and services for each segment • Focus on high-value customers	**Pieter Verkade** **Ahmad Farroukh** **Zunaid Bulbulia** **Michael Ikpoki**
Customer satisfaction index (net promoter score)	• Improved 28% from 2012 base	Good progress made	Social and relationship	Customers	• Rollout in all markets • Continued improvement	**Pieter Verkade** **Ahmad Farroukh** **Zunaid Bulbulia** **Michael Ikpoki**
Capex spend	• Spent R30 164 million on investments to improve quality and capacity	Good progress made	Financial	Customers/ regulators	• Ensure adequate quality and capacity of network	**Ahmad Farroukh** **Jyoti Desai** **Zunaid Bulbulia** **Michael Ikpoki**

Good progress made · We are working on it · Requires attention

Group strategic analysis continued

Strategic theme	Priorities
Driving sustainable growth	• MTN in the digital space • Adjacent sectors • Enterprise strategy • Voice and data evolution • M&A and partnerships

KPIs measured	2013 performance	How we're doing	Relevant capital	Stakeholder	Short-medium term focus	Primary executive responsibility
Outgoing voice revenue	• Grew 12,3% (2,4%)*	Requires attention	Financial	Shareholders	• Launch of segmented products and services • Dynamic voice tariffs	**Pieter Verkade Zunaid Bulbulia Michael Ikpoki Ahmad Farroukh**
Data revenue	• Grew 41,4% (32,6%)*	Good progress made	Financial	Shareholders	• Further expansion of 3G network • Improve segmented offerings and value-added services • Establish content partnerships	**Pieter Verkade Jyoti Desai Zunaid Bulbulia Michael Ikpoki Ahmad Farroukh Karel Pienaar**
ICT revenue	• Recorded modest growth, relative to target	Requires attention	Financial	Shareholders/ customers	• Establish multinational contracts • Enhance SME services • Leverage global enterprise unit • Implement global roaming strategy	**Pieter Verkade Jyoti Desai Karel Pienaar**
MTN Mobile Money subscribers	• Increased registered subscribers by 57,3%	We are working on it	Financial	Customers	• Improve active subscriber base • Expand financial services offerings • Share-based practice implementation • Rollout of service delivery platform to all operations	**Pieter Verkade Jyoti Desai Ahmad Farroukh Michael Ikpoki**
3G enabled device penetration through partnerships	• Smartphones on network increased 59,9%	Good progress made	Manufactured	Customers	• Enhance partnership agreements • Rollout MTN smartphone across opcos	**Ahmad Farroukh Jyoti Desai Pieter Verkade Zunaid Bulbulia Michael Ikpoki**
M&A partnerships	• Established partnership with Rocket internet to enhance internet businesses in Africa and the Middle East	We are working on it	Financial	Business partners	• Leverage partnerships • Explore value accretive opportunities	**Karel Pienaar Pieter Verkade**

** Constant currency.*

Good progress made   We are working on it   Requires attention

Strategic theme

Transforming our operating model

Priorities

- Asset optimisation
- Supply chain management
- Process standardisation and optimisation

KPIs measured	2013 performance	How we're doing	Relevant capital	Stakeholder	Short-medium term focus	Primary executive responsibility
EBITDA margin	• Expanded margin		Financial	Shareholders Employees	• Maintain Group EBITDA margin	**Brett Goschen** **Zunaid Bulbulia** **Michael Ikpoki** **Ahmad Farroukh**
Opex savings	• Savings made		Financial	Shareholders Employees Social and relationship Suppliers	• Cost avoidance • Rollout of standardised back office functions *(Project Next!)* • Roll-out of efficient supply chain management	**Brett Goschen** **Zunaid Bulbulia** **Michael Ikpoki** **Ahmad Farroukh** **Jyoti Desai**
Procurement savings	• US$450 million of savings		Financial	Suppliers	• Leverage established procurement company	**Brett Goschen** **Jyoti Desai**
Monetisation of assets	• Towers sold in Cameroon and Ivory Coast		Financial Environ-mental	Shareholders Communities	• Explore opportunities	**Karel Pienaar**
Number of hybrid sites	• 964 implemented		Financial Environ-mental	Communities Shareholders	• Continuous roll-out	**Jyoti Desai**

Strategic theme

Innovation and best practice

Priorities

- Innovation
- Best practice sharing

KPIs measured	2013 performance	How we're doing	Relevant capital	Stakeholder	Short-medium term focus	Primary executive responsibility
Transfer of best practice between opcos	• Deployment of best practice such as Ghana sales and distribution model		Intellectual	Employees	• Continued sharing	**Ahmad Farroukh**

MTN South Africa performance review

Zunaid Bulbulia
CEO MTN South Africa

	2013	2012	2014 guidance
Subscribers ('000)	**25 700**	25 451	27 700
Revenue (Rm)	**39 707**	42 285[1]	
EBITDA margin %	**33,8**	34,1	
Capex (Rm)	**5 835**	6 495[1]	6 290

[1] *Including MTN Business Solutions.*

Although there is still much work to be done, **MTN South Africa** started to show some progress during the second half of the year after a challenging start to 2013. This improvement was largely a result of more relevant segmented offerings to the pre-paid segment, particularly the revised MTN Zone offering. An international calling campaign offering cheaper calls to other African countries and the discontinuation of value-eroding offers were also key contributors. The pre-paid subscriber base declined by 1,1%, bringing the total pre-paid base to 20,7 million subscribers. Most of the subscriber loss reported earlier in the year was recovered in the second half. The post-paid segment performed well, increasing its subscriber base by 11,3% to 5,0 million. MTN South Africa recorded an increase in the number of upgrades to higher tariff plans.

Total revenue declined by 6,1% to R39 707 million. This was impacted by a R1 888 million adjustment made to revenue as a result of management reviewing the accounting treatment for handset sales. Excluding this adjustment, revenue declined by 1,6% (including MTN Business). This was mainly a result of lower outgoing voice revenue, which declined by 8,3% to R19 327 million. Data revenue, including MTN Business, increased by 20,2% to R8 822 million and contributed 22,2% to total revenue. This was a positive result despite lower data pricing. Increased 3G coverage, improved smartphone adoption and competitive data bundles were the main contributors to this growth. The number of smartphones on MTN's network increased by 32,6% to 7,3 million, and the number of data users increased by 6,4% to 14,3 million.

The EBITDA margin declined by 1,8 percentage points excluding the impact of the handset sales adjustment and 0,3 percentage points including the impact of the adjustment. This decline was largely as a result of lower revenue growth. While cost increases in 2013 were kept to below the inflation rate, cost optimisation and labour productivity remains a priority. In December, MTN South Africa reduced the number of employees given its increased focus on aligning costs with revenue. The cost structures of the business will continue to be reviewed in 2014.

Capex for the period amounted to R5 835 million, which mainly related to improving quality and capacity on 2G and 3G networks. During the year, we added 516 new 2G sites and 1 133 co-located 3G sites. The 3G population coverage improved sharply and is now 75,8%.

We continue to have discussions with the authorities regarding the planned auction of 2.6 GHz and 3.5 GHz spectrum frequency and allocations.

MTN Nigeria performance review

Michael Ikpoki
CEO MTN Nigeria

	2013	2012	2014 guidance
Subscribers ('000)	**56 766**	47 441	61 766
Revenue (Rm)	**48 159**	38 697	
EBITDA margin %	**55,4**[2]	58,3	
Capex (Rm)	**14 298**	13 733	10 959

[2] *Excluding the reversal of all prior year management fee provisions.*

MTN Nigeria grew its subscriber base by 19,7% in 2013, bringing total subscribers to 56,8 million at the end of December. This was a notable turnaround in the face of aggressive competition and a difficult operating environment. The strong growth was driven by improved segmented offerings to customers, a better quality network, and was supported by seasonal promotions aimed at growing subscribers and increasing usage.

Total revenue increased by 5,7%*. Revenue growth was dampened by interconnect revenue, which declined by 23,0%* following a 40% reduction in mobile termination rates at the beginning of the year and a lower effective tariff. The effective tariff declined by more than 30,0% (LE) in the year. Fourth quarter revenue showed encouraging growth, ahead of expectations, increasing by 15,3% in local currency terms over the comparable prior year quarter. This follows the mandatory subscriber registration disconnections, the reconnection of service in the three northern states and the lifting of the promotions ban which hampered revenue in the first half of the year.

Data revenue increased by 26,3%* and now contributes 15,1% to total revenue. This growth was driven mainly by innovative local content and attractive data bundles, but was limited by slow speeds resulting from the high volume of traffic on MTN's 3G network. The number of active smartphones on the network increased by 63,1% to 6,2 million at the end of December.

The EBITDA margin (excluding the reversal of prior year management fees provision) declined by 2,9 (3,2*) percentage points to 55,4% as a result of slower revenue growth. Assuming no management fees or other prior year adjustments, the underlying EBITDA margin was 57,0%. The operation performed well on cost-optimisation initiatives, reporting subdued opex growth. We realised cost savings in many areas, including marketing and the revised commission structure implemented during the year. Reported EBITDA increased by 29,7% mainly due to the reversal of the management fee provision. The current year reversal of management fee provisions related to prior periods amounted to R1 778 million, while the management fee expense for 2013 was R758 million.

Capital expenditure for the year increased to R14 298 million and was aimed at significantly improving the quality and capacity of the network. The network KPIs set out by the Nigerian Communications Commission were achieved at the end of December 2013. During the year, MTN Nigeria rolled out a record number of 2 743 new 2G sites and 1 607 co-located 3G sites. The company is fully committed to ensuring that the quality and capacity of the network remains at the appropriate standards.

**Constant currency.*

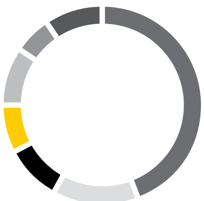
***Excluding tower profits.*

MTN large opco cluster performance review

Ahmad Farroukh
Group chief operations executive

- Subscribers increased 7,1% to 93,4 million
- Revenue 11,0%* higher
- Data revenue increased 72,7%*
- Voice and data evolution
- EBITDA margin expanded 1,1% percentage points to 36,1%

Subscribers ***93,4 million*** *(including joint ventures)*



Iran	44,3%
Ghana	13,8%
Cameroon	9,3%
Ivory Coast	7,6%
Uganda	9,4%
Syria	6,2%
Sudan	9,3%

Revenue ***R29 145 million***

Ghana	28,4%
Cameroon	17,9%
Ivory Coast	18,8%
Uganda	15,3%
Syria	11,1%
Sudan	8,6%

*EBITDA*** ***R10 512 million***

Ghana	29,5%
Cameroon	21,1%
Ivory Coast	21,3%
Uganda	15,2%
Syria	5,3%
Sudan	7,5%

Capex ***R5 805 million***

Ghana	29,1%
Cameroon	13,2%
Ivory Coast	14,3%
Uganda	9,5%
Syria	15,4%
Sudan	18,5%

**Constant currency.*

***Excluding tower profits.*

MTN Irancell (financial numbers 49%)

	2013	2012	2014 guidance
Subscribers ('000)	**41 374**	40 502	43 874
Revenue (Rm)	**9 514**	12 175	
EBITDA margin %	**42,8**	44,3	
Capex (Rm)	**1 758**	1 122	2 978

MTN Irancell delivered a satisfactory performance, increasing its subscriber base by 2,2% to 41,4 million. This subdued growth was mainly the result of high levels of mobile penetration and increased competition. The delay in the approval of a new number range and a weaker economy further impacted growth in net additions.

The numbers below exclude the adjustment made for hyperinflation:

Total revenue increased by 18,3%* compared to the prior year. Outgoing voice revenue grew by 15,8%*, driven by a 5,3% increase in MOU with a marginal decline in the effective voice tariff. SMS and data revenue continued to show good growth, increasing by 18,0%* and 60,2%* respectively. Data revenue now contributes 10,3% of total revenue despite the operation not having a 3G licence. At the end of December, MTN Irancell had 10,3 million active smartphones on its network and 11,7 million data users. SMS revenue contributed 21,2% to total revenue. The number of WiMax subscribers increased by 14,3% to 339 809 at the end of December.

MTN Irancell's EBITDA margin declined by 1,4 (1,1*) percentage points to 42,8%, largely impacted by foreign currency denominated costs following the depreciation of the Iranian rial and an increase in international interconnect costs. In an effort to limit this impact going forward, MTN Irancell has renegotiated some contract terms with key vendors to mitigate the impact of costs denominated in foreign currency. During the year, the operation did well in maintaining cost increases at below the rate of inflation.

MTN Irancell invested R1 758 million of capex during the year. It rolled out 746 new 2G sites and 415 km of fibre, improving the quality and capacity of the network.

MTN Cameroon

	2013	2012	2014 guidance
Subscribers ('000)	**8 771**	7 307	9 271
Revenue (Rm)	**5 204**	3 812	
EBITDA margin %	**42,6**	45,9	
Capex (Rm)	**768**	724	697

MTN Cameroon delivered a strong performance, increasing its subscriber base by 19,2% to 8,7 million at the end of December 2013. This was supported by promotional offerings to segmented groups and increased penetration levels across the countries regions. During the year, MTN launched five new service centres, improving product availability and customer service.

Total revenue grew by 11,9%* despite slow economic growth and increased competition. This performance was achieved as a result of strong expansion in data revenue, which increased by 68,3%* and contributed 6,4% to total revenue. The growth in data was, however, constrained by MTN Cameroon not having a 3G licence. MTN's attractive data bundles and value-added services such as MTN Play and Magic Voice were the main contributors to growth in data revenue. Voice revenue increased by 7,7%* despite a 39,4% decline in the effective tariff. MOU increased marginally relative to the decline in the effective tariff. Interconnect revenue also contributed to total revenue, increasing by 13,1%*.

The number of registered MTN Mobile Money subscribers at the end of December was 1,4 million. Activation of subscribers as well as the roll out of a merchant network remains a priority.

MTN Cameroon's EBITDA margin, excluding profit from the sale of towers, decreased by 3,3 (3,3*) percentage points to 42,6% largely as a result of higher lease rental costs following the tower transaction. Including the tower profit, the EBITDA margin increased to 49,0%.

Capex amounted to R768 million. During the year, 191 2G sites were rolled out and improvements to quality and capacity were made to high traffic sites in the main cities.

MTN large opco cluster performance review continued

MTN Ghana

	2013	2012	2014 guidance
Subscribers ('000)	**12 930**	11 735	13 730
Revenue (Rm)	**8 269**	6 862	
EBITDA margin %	**37,5**	37,0	
Capex (Rm)	**1 690**	1 091	1 535

MTN Ghana increased subscribers by 10,2% to 12,9 million. This was a good performance in light of a very competitive market and high levels of penetration. MTN Ghana's performance was driven by increased regional segmentation, acquisition and retention campaigns and a focus on MTN Mobile Money.

Total revenue increased by 13,0%*, supported by the 81,6%* growth in data revenue. Data contributed 9,7% to total revenue, underpinned by a 20,9% increase in data users to 4,9 million. Outgoing voice revenue increased by 7,0%*. Total revenue was impacted by lower incoming voice revenue due to reduced incoming international traffic on the network.

MTN Ghana's EBITDA margin expanded by 0,5 (0,5*) percentage points to 37,5%, supported by cost savings across various areas of the business, notably on marketing and maintenance costs.

MTN Ivory Coast

	2013	2012	2014 guidance
Subscribers ('000)	**7 078**	6 079	7 828
Revenue (Rm)	**5 480**	4 124	
EBITDA margin %	**40,9**	40,3	
Capex (Rm)	**830**	903	662

MTN Ivory Coast performed well in an economy that is starting to show signs of recovery. Subscribers grew by 16,4% to 7,1 million despite aggressive competition. This was driven by effective churn management programmes, which have reduced churn rates to below 3% per month.

Total revenue increased by 9,1%*, supported by a 158,9%* growth in data revenue and a 16,0%* increase in interconnect revenue. Affordable 3G handsets and value-added services accelerated this growth trend. There are currently 1,8 million smartphones on the network and this number is expected to grow further with the introduction of cheaper smartphones into the market. Voice revenue grew by 2,1%* due to lower MOU and despite a decline in the effective tariff.

MTN Mobile Money started gaining momentum with an increase of 59,0% to 1,5 million registered subscribers at the end of December. The distribution network now has more than 3 000 merchants with a focus on expanding the rural footprint.

The operation's EBITDA margin excluding profits on tower sales rose by 0,6 (0,5*) of a percentage point to 40,9%, helped by notable savings made on network and marketing costs.

MTN Ivory Coast spent R830 million on its capex programme, rolling out 92 new 2G sites and 84 co-located 3G sites in the year.

MTN Uganda

	2013	2012	2014 guidance
Subscribers ('000)	**8 808**	7 702	9 808
Revenue (Rm)	**4 467**	3 296	
EBITDA margin %	**35,9**	36,3	
Capex (Rm)	**553**	435	585

MTN Uganda delivered a good performance, increasing its subscriber base by 14,4% to 8,8 million, driven by strong acquisition promotions, segmented offerings and the continued success of MTN Zone. Increased penetration into rural areas and improved network quality further supported this growth.

Total revenue increased by 17,9%*, supported by a 51,7%* increase in data revenue and a 10,9%* increase in outgoing voice revenue. SMS revenue declined by 3,5%* as customers opted for newer data-driven social media platforms for communication. Data trends were supported by an expanded 3G network, value-added services and enhanced marketing.

MTN Mobile Money continued to perform well and recorded a 47,0% increase in registered subscribers to 5,2 million with more than 25 million transactions per month. Usage was stimulated by a wider mobile payment product range.

MTN Uganda's EBITDA margin declined by 0,5 (0,5*) percentage points to 35,9%, excluding the profit from the sales of towers, mainly because of an increase in network-related and commission costs.

Capex in the year amounted to R553 million, with 117 new 2G sites and 92 co-located 3G sites rolled out, significantly improving quality and capacity on the network.

MTN Syria

	2013	2012	2014 guidance
Subscribers ('000)	**5 829**	6 028	5 779
Revenue (Rm)	**3 229**	5 391	
EBITDA margin %	**17,4**	23,0	
Capex (Rm)	**892**	577	385

Notwithstanding the prevailing circumstances, **MTN Syria** recorded a 3,3% decrease in subscribers to 5,8 million amid extremely challenging conditions. Despite a 4,2%* decline in total revenue, data revenue increased by 44,2%*. MTN Syria's EBITDA margin declined by 5,6 (5,3*) percentage points to 17,4%. The operation's performance will remain under pressure until the crisis in the country is resolved.

MTN Sudan

	2013	2012	2014 guidance
Subscribers ('000)	**8 724**	7 883	9 974
Revenue (Rm)	**2 496**	2 158	
EBITDA margin %	**31,7**	27,7	
Capex (Rm)	**1 072**	1 336	579

MTN Sudan increased its subscriber base by 10,7% to 8,7 million and its market share to approximately 33,8%. Revenue increased by 34,5%* and the EBITDA margin expanded by 4,0 (3,9*) percentage points to 31,7%. Capex in the year amounted to R1 072 million with the roll out of 101 new 2G sites and 366 co-located 3G sites, which supported strong data growth of 202,4%*, albeit off a low base.

Message from our Group chief financial officer

Brett Goschen
Group chief financial officer

Ending the year on a firm footing

MTN ended 2013 on a promising note. The operational performances of both the large and the small opco clusters were strong in the year, MTN Nigeria posted a sharp recovery in the second half and there were some encouraging signs for a better 2014 from MTN South Africa, despite the challenges it faces. Details on operational performance can be found on pages 58 to 63.

The analysis of operational performance shows that despite the bolstering effect of rand weakness on reported results, a decline in revenue and profitability in our South African operation, and subdued growth in our Nigerian business for the year as a whole weighed on the Group overall. These two operations account for nearly two-thirds of Group revenue and so their performance significantly impacts our reported results.

We made good progress in reducing costs as part of our strategic efforts to transform our operating model. For the year, we achieved savings of US$450 million through the centralised procurement initiative, in line with our target. 2013 also marked the year I assumed the role of Group chief financial officer and it gives me great pleasure to present our financial results, details of which appear in the pages that follow.

Reported results from operations outside our South African home base, particularly those in Nigeria, Ivory Coast, Cameroon and Uganda, were supported by the rand's weakness against the US dollar, and more specifically against the currencies of these countries.

On average, the rand lost 18% against the US dollar in the year, and 16% against the Nigerian naira. It lost 17% against the currencies of Cameroon and Ivory Coast, 13% against that of Uganda, and 9% against the Ghanaian cedi. Furthermore, the naira held its ground against the dollar, ebbing just 2% in the year.

In order to mitigate the effects of currency volatility on the Group's earnings, where possible, MTN manages foreign currency translation risks primarily through utilising borrowings denominated in the relevant local currencies.

A particular highlight of the year was the successful raising by MTN Nigeria of a syndicated loan facility, the equivalent of US$3 billion, of which some US$2,1 billion was denominated in naira. Seven international and 17 local financial institutions participated in this, one of the country's largest recorded syndicated loans for a corporate, in support of our capital expenditure programme in Africa's most populous nation.

Where possible, the Group's operations use forward contracts to hedge their actual exposure to foreign currency, largely related to contracts for capital equipment. For example, our Nigerian subsidiary places foreign currency on deposit as security against letters of credit when each order for imports is placed. In the year ahead, we plan more active treasury management across the Group.

In 2013, MTN recorded foreign exchange gains of R1,1 billion, compared to losses of R2,7 billion in 2012. This helped support growth in headline earnings per share (HEPS), which increased by 27,3%.

Our final dividend for 2013 increased by 25,6%, confirming our strategic commitment to creating and managing stakeholder value by providing sustainable shareholder returns without compromising the ability of the Group to invest and grow its operations.

This payout exceeds the absolute growth in dividends of between 5% and 15% normally adopted by the Group. This is partially a result of exceptional forex gains during the year.

The Group did not buy back any shares in the year, after spending approximately R3 billion in 2012 and 2011 on purchasing MTN stock in the open market. We will continue to consider share buy-backs on an opportunistic basis.

Stripping out the currency impact

Looking at the results for each operation on a constant-currency basis provides a clearer picture of the underlying performance of each business.

These details show the strong second half recovery in Nigeria, where we were able to secure stable tariffs, supported by the regulator's maintenance of a floor for market tariffs. This improved performance was also supported by significant infrastructure investment by MTN Nigeria to ensure improved network quality and capacity.

Managing our balance sheet

The efficient and effective management of the Group's liquidity, working capital and currency exposure continues to be a key focus. The step up in our dividend during 2013 as well as the M&A partnerships have seen some, albeit small, increase in our net gearing.

Complying with changes in accounting practices

As part of our efforts to comply with evolving International Financial Reporting Standards, we made some changes in our disclosures in the year. We now account for all joint ventures, most notably MTN Irancell, using equity accounting methodology. And in compliance with IAS 29 *Financial Reporting in Hyperinflationary Economies*, our Iranian operation's results were adjusted in 2013 for the high levels of inflation in that country.

Looking forward

In the year ahead, we will continue to focus on optimising costs and reaping the rewards of our various initiatives in this regard. These include the roll out of shared services platforms, managed services, centralised procurement as well as the adoption of new procurement practices. While historically the main focus of centralised procurement has been on capex, in 2014, the predominant focus will be on opex savings.

We will continue our work to support the strategic priorities of increasing MTN's role in growing revenue streams in the digital space and adjacent sectors. This will be achieved through establishing appropriate revenue-sharing agreements with new partners, as well as by facilitating acquisitions and ensuring the allocation of sufficient capital to guarantee an appropriate return on investment.

With more management focus on the small opco cluster, we see an opportunity for improved returns from these operations, which collectively could make a more positive contribution to overall Group results going forward.

2014 will see specific attention given to treasury management as we aim to further optimise our funding while at all times managing risk appropriately. With increased pressure on tariffs for both voice and data, management is increasingly focused on balance sheet metrics.

I am looking forward to the year ahead as we continue on our journey to deliver a bold, new Digital World to all of our customers.

Brett Goschen
Group chief financial officer

11 March 2014

Financial review

Overview

During the year, MTN Group delivered satisfactory growth in headline earnings, supported by favourable currency movements. The Group faced a number of challenges, including aggressive price competition and increased regulatory pressures in many of our key markets.

Group subscribers increased by 9,8% to 207,8 million, notwithstanding ongoing subscriber registration programmes in a number of markets. Subscriber growth was supported by competitive segmented offerings and improved network quality and capacity in many markets.

The efficient execution of our extensive capital expenditure (capex) programme significantly improved network quality and capacity, and facilitated higher voice and data traffic. This investment in capacity will also ensure that MTN remains competitive and is able to roll out solutions beyond traditional voice services.

Group reported revenue increased by 12,0% in the year. This was positively impacted by a weakening of the rand against a number of currencies in which our businesses operate. For the year as a whole, the rand declined by 18,3% on average against the US dollar. On a constant currency basis, revenue increased by a more muted 3,1%*. This was largely the result of a 6,1% decline in revenue in MTN South Africa and 5,7%* growth in MTN Nigeria. Both our Large and Small opco clusters delivered more pleasing results with revenue growth of 11,0%* and 7,5%* respectively, with particularly encouraging growth reported by our operations in Uganda, Ghana, Cameroon, Sudan, Yemen and Zambia.

Our Nigerian operation continued to improve its performance during the year, with fourth quarter revenue up 15,3% year-on-year (YoY) in local currency. Notwithstanding the challenges faced by our South African operation, the business showed signs of improved performance in the second half.

Group EBITDA increased by 13,0% (1,6%*) to R58 820 million excluding the profit from the sale of towers. Further progress was made on cost optimisation across the Group, which supported the EBITDA margin of 43,1%** for the year, 0,4 percentage points higher than the previous year. The good progress made on cost savings was offset to an extent by the lower EBITDA margin in the South African operation, which was largely driven by the decline in revenue.

Capital expenditure for the year was R30 164 million, 4,6% higher than the previous year. Excluding the effect of changes in foreign exchange movements, capex decreased by 4,3%*. During 2013, the Group's operations rolled out 5 161 2G and 4 413 3G sites, supporting increased minutes of use (MOU) and faster data speeds on our 3G networks.

**Constant currency.*
***Excluding tower profit.*

Revenue

Table 1: Group revenue by country

	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %
South Africa	**39 707**	42 285[†]	(6,1)	(6,1)
Nigeria	**48 159**	38 697	24,5	5,7
Large opco cluster	**29 145**	25 643	13,7	11,0
Ghana	**8 269**	6 862	20,5	13,0
Cameroon	**5 204**	3 812	36,5	11,9
Ivory Coast	**5 480**	4 124	32,9	9,1
Uganda	**4 467**	3 296	35,5	17,8
Syria	**3 229**	5 391	(40,1)	(4,2)
Sudan	**2 496**	2 158	15,7	34,5
Small opco cluster	**19 804**	15 748	25,8	7,5
Head office companies and eliminations	**(320)**	(506)	(36,8)	(40,1)
Total	**136 495**	121 867	12,0	3,1

[†] *Numbers inclusive of MTN Business Solutions.*

Group revenue increased by 12,0% (3,1%*) to R136 495 million. This was supported by strong growth in the Large opco cluster 13,7% (11,0%*), supported by Uganda 35,5% (17,8%*), Ghana 20,5% (13,0%*), Cameroon 36,5% (11,9%*) and Sudan 15,7% (34,5%*). The South African and Nigerian operations reported revenue growth of -6,1% and 24,5% (5,7%*) respectively. The Small opco cluster performed well, increasing revenue by 25,8% (7,5%*). This was supported by strong growth in Zambia 51,0% (33,4%*) and Yemen 31,6% (11,1%*).

The weakness in the rand exchange rate in the year contributed to the improvement in reported revenue for operations outside South Africa. More specifically, the rand declined by 15,6% against the naira, while the naira remained relatively constant against the US dollar.

Table 2: Group revenue analysis

	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %	Contribution to revenue %
Outgoing voice	**87 657**	78 085	12,3	2,4	64,2
Incoming voice	**15 367**	16 070	(4,4)	(12,9)	11,3
Data	**20 670**	14 618	41,4	32,6	15,1
SMS	**5 476**	5 544	(1,2)	(4,9)	4,0
Devices	**5 479**	6 164	(11,1)	(12,4)	4,0
Other	**1 846**	1 386	33,2	22,0	1,4
Total	**136 495**	121 867	12,0	3,1	100,0

Outgoing voice revenue increased by 12,3% (2,4%*) compared to the prior year and contributed 64,2% of total revenue. Performance was negatively impacted by price competition in key markets. In 2013, the average price per minute (APPM) declined by 14,9% in US dollar terms. These lower voice tariffs resulted in a 19,0% increase in MTN's voice traffic volumes YoY. We expect to see APPM declining further in 2014.

Financial review continued

Table 3: Cost analysis

	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %	% of revenue
Handsets	**10 744**	9 590	12,0	8,0	7,9
Interconnect	**12 646**	12 175	3,9	(4,2)	9,3
Roaming	**1 170**	1 079	8,4	2,8	0,9
Commissions	**10 246**	6 823	50,2	36,2	7,5
Revenue share	**1 745**	2 743	(36,4)	(5,2)	1,3
Service provider discount	**2 506**	5 166	(51,5)	(51,2)	1,8
Network	**16 554**	13 270	24,7	13,8	12,1
Marketing	**3 610**	3 642	(0,9)	(9,0)	2,6
Employee benefits	**8 670**	7 534	15,1	5,4	6,4
Other OPEX	**9 784**	7 795	25,5	14,5	7,2
Total	**77 675**	69 817	11,3	4,3	56,9

Group data revenue (excluding SMS) increased by 41,4% (32,6%*), supported by an expanded 3G network, strong growth in data users and an increase in smartphone adoption. Data's contribution to total revenue was 15,1%, 3,1 percentage points higher than the prior year. South Africa and Nigeria were the largest contributors to data revenue growth and together accounted for 77,9% of the Group's total data revenue. Other strong operations included Ghana, Uganda, Cameroon, Ivory Coast and Syria.

Group interconnect revenue declined by 4,4% (12,9%*) following a cut in termination rates in our Nigerian and South African operations. These two operations accounted for 52,0% of total Group interconnect revenue. The 24,9% decline in South Africa interconnect revenue and the 23,0%* decrease in Nigerian interconnect revenue resulted in a 6,5 percentage point decline in the Group's interconnect margin to 17,7%.

EBITDA

Table 4: Group EBITDA by country

	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %
South Africa	**13 425**	14 433*	(7,0)	(7,0)
Nigeria	**29 235**	22 544	29,7	9,9
Large opco cluster	**11 442**	9 547	19,8	10,9
Ghana	**3 123**	2 537	23,1	15,3
Cameroon	**2 550**	1 750	45,7	20,6
Ivory Coast	**2 813**	1 662	69,3	40,0
Uganda	**1 603**	1 762	9,0	(21,1)
Syria	**561**	1 238	(54,7)	(26,3)
Sudan	**792**	598	32,5	53,5
Small opco cluster	**6 732**	5 632	19,5	1,3
Head office companies and eliminations	**(1 046)**	481	(317,5)	(264,4)
Total	**59 788**	52 637	13,6	2,0

** Numbers inclusive of MTN Business Solutions.*

Group earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 13,0%(1,6%*) to R58 820 million, excluding the profit on tower sales. The Group EBITDA margin increased marginally by 0,4 percentage point to 43,1%**, despite lower margins in South Africa and Nigeria (excluding the reversal of the provision of management fees). Progress was made in reducing advertising and transmission costs but these gains were offset by higher rent and utility costs as well as increased interconnect costs.

The slight widening in the Group's EBITDA margin was supported by increased margins in Ghana (0,5pp), Ivory Coast (0,6pp), Sudan (4,0pp), Yemen (2,7pp) and Zambia (13,2pp). However, South Africa, Nigeria (excluding the reversal of the provision of the management fees), Syria, Cameroon and Uganda recorded declines in their EBITDA margins.

Depreciation and amortisation

Table 5: Group depreciation and amortisation

	Depreciation				Amortisation			
	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %
South Africa	**3 329**	3 487*	(4,5)	(4,5)	**598**	499	19,8	19,8
Nigeria	**7 788**	5 651	37,8	17,0	**791**	525	50,7	28,0
Large opco cluster	**2 778**	2 598	6,9	7,5	**713**	566	26,0	13,6
Ghana	**618**	538	14,9	7,6	**102**	80	27,5	18,8
Cameroon	**428**	429	(0,2)	(18,4)	**249**	163	52,8	26,4
Ivory Coast	**445**	368	20,9	(0,8)	**177**	134	32,1	8,2
Uganda	**442**	346	27,7	11,3	**103**	81	27,2	8,6
Syria	**381**	562	(32,2)	5,3	**30**	49	(38,8)	(2,0)
Sudan	**464**	355	30,7	46,8	**52**	59	(11,9)	3,4
Small opco cluster	**2 372**	1 893	25,3	7,6	**404**	330	22,4	4,2
Head office companies and eliminations	**191**	162	17,9	0,6	**314**	241	30,3	24,5
Total	**16 458**	13 791	19,3	8,3	**2 820**	2 161	30,5	18,3

** Numbers inclusive of MTN Business Solutions.*

Depreciation increased by 19,3% as a result of the significant capex roll out in South Africa and Nigeria. Amortisation costs increased by 30,5%, driven by increased spending on software.

Net finance costs

Table 6: Net finance costs

	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %	Percentage of revenue %
Net interest paid/(received)	**2 300**	1 051	118,8	83,8	1,7
Net forex (gains)/losses	**(1 066)**	2 739	(138,9)	(141,6)	(0,8)
Total	**1 234**	3 790	(67,4)	(79,1)	0,9

Net finance costs of R1 234 million were 67,4% below the R3 790 million in the previous year. This was largely due to foreign currency gains of R1 066 million as a result of R2 226 million in functional currency gains in Mauritius, partly offset by foreign exchange losses incurred on the Sudan working capital accounts of R778 million. The increase in interest costs was largely due to the higher debt levels in Nigeria as the business invested in its capex programme.

Financial review continued

Taxation

Table 7: Taxation

	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %	Contribution to taxation %
Normal tax	**8 974**	10 146	(11,6)	(21,7)	72,9
Deferred tax	**2 012**	(465)	(532,7)	(483,0)	16,3
Capital gains tax	**(1)**	–	–	–	–
Foreign income and withholding taxes	**1 322**	1 256	5,3	3,8	10,8
Secondary tax on companies	**–**	898	(100,0)	(100,0)	–
Total	**12 307**	11 835	4,0	(6,8)	100,0

The Group's absolute taxation charge increased by 4,0% to R12 307 million and the effective tax rate declined by 4,2 percentage points to 28,8%. The lower effective tax rate was mainly the result of the discontinuance of secondary tax on companies (STC) in South Africa and the IAS 21 adjustment on foreign exchange losses.

Earnings

Basic headline earnings per share (HEPS) increased by 27,3% to 1 386 cents and attributable earnings per share (EPS) increased by 27,4% to 1 434 cents.

Cashflow

Cash inflows from operating activities increased by 34,7% to R27 025 million mainly due to a 16,8% increase in cash generated from operations and a 16,6% decrease in tax payments. Cash outflows on property, plant and equipment (excluding software) increased by 18,5% to R24 568 million, which contributed significantly to the cash outflow in investing activities. This was partially offset by the proceeds from the sale of the towers of R2 378 million. Cash inflows from financing activities were mainly the result of an increase in borrowings in Nigeria. Cash and cash equivalents increased to R39 577 million due to the net cash inflow and the positive effect of the weaker rand/US dollar exchange rate.

Capital expenditure

Table 8: Capital expenditure

	Actual (Rm)	Prior restated (Rm)	Reported %	Organic %
South Africa	**5 835**	6 495*	(10,2)	(10,2)
Nigeria	**14 298**	13 733	4,1	(11,7)
Large opco cluster	**5 805**	5 066	14,6	18,8
Ghana	**1 690**	1 091	54,9	44,9
Cameroon	**768**	724	6,1	(12,4)
Ivory Coast	**830**	903	(8,1)	(22,3)
Uganda	**553**	435	27,1	9,4
Syria	**892**	577	54,6	148,4
Sudan	**1 072**	1 336	(19,8)	(10,7)
Small opco cluster	**3 809**	2 823	34,9	15,7
Head office companies and eliminations	**417**	710	(41,3)	(49,3)
Total	**30 164**	28 827	4,6	(4,3)

Capex increased by 4,6% (-4,3%*) to R30 164 million, of which R2 563 million related to foreign currency movements. In 2013, we accelerated infrastructure investment to support the improvement of our network quality and capacity.

Cash balance

Table 9: Net debt analysis (Rm)

	Cash and cash equivalents	Interest-bearing liabilities	Inter-company eliminations	Net debt/ (cash)
South Africa	(2 562)	18 066	(18 066)	(2 562)
Nigeria	(13 636)	24 757	–	11 121
Large opco cluster	(9 322)	4 261	–	(5 061)
Ghana	(1 325)	620	–	(705)
Cameroon	(2 896)	418	–	(2 478)
Ivory Coast	(719)	1 167	–	448
Uganda	(628)	184	–	(444)
Syria	(3 492)	–	–	(3 492)
Sudan	(262)	1 872	–	1 610
Small opco cluster	(4 806)	7 380	(3 247)	(673)
Head office companies and eliminations	(15 347)	15 020	(2 146)	(2 473)
Total	(45 673)	69 484	(23 459)	352

The Group reported net debt of R352 million. This excludes R5 518 million (49%) of net cash in MTN Irancell that is now accounted for on an equity basis.

Changes in ownership

During the year under review, the following changes in shareholding occurred:

- The Group concluded the acquisition of the remaining 50% equity interest in MTN Cyprus Limited;
- The Group decreased its shareholding in MTN Côte d'Ivoire SA from 67,67% to 66,83%;
- The Group increased its shareholding in the Mauritian internet service provider Satalite Data Networks Mauritius Proprietary Limited from 60% to 100%; and
- The Group increased its shareholding in MTN Afghanistan from 90,5% to 100%.

Independent assurance report

Independent assurance report to the directors of MTN Group Limited

We have been engaged by the directors of MTN Group Limited (the Company) to perform an independent limited assurance engagement in respect of selected sustainability information reported in the Company's integrated annual report for the year ending 31 December 2013 (the report). This report is produced in accordance with the terms of our contract with the Company dated 23 October 2013.

We have complied with the International Federation of Accountants' (IFAC) Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. Our engagement was conducted by a multi-disciplinary team of health, safety, environmental and assurance specialists with extensive experience in sustainability reporting.

The subject matter of our engagement and the related level of assurance that we are required to provide are as follows:

Limited assurance

The following selected sustainability information in the report was selected for an expression of limited assurance:

(a) MTN Group risk fraud management framework (FRM) implementation – percentage of opcos that have implemented the proactive and reactive reporting requirements of MTN Group Limited in their audit committee packs during the course of the 2013 reporting period (page 5)

(b) MTN Group whistle-blower hotline data – number of incidents reported (page 5)

(c) MTN Group employee culture survey result – overall performance (page 5)

(d) MTN Group foundation spend (ZAR) (page 5)

(e) Energy spend (ZAR) in MTN Nigeria (page 5)

(f) Energy use (kWh for electricity and kL for diesel) in MTN Nigeria (page 5)

(g) Carbon emissions – Scope 1 and 2 (tCO_2e) in MTN Nigeria (page 5).

We refer to this information as the selected sustainability information for limited assurance.

We have not carried out any work on data reported for prior reporting periods, nor have we performed work in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our opinion to the selected sustainability information for limited assurance.

Respective responsibilities of the directors and PricewaterhouseCoopers Inc.

The directors are responsible for the selection, preparation and presentation of the selected sustainability information for limited assurance in accordance with the criteria set out in the definitions for assured sustainability key performance indicators on page 75 of the report, referred to as the reporting criteria, and for the development of the reporting criteria. The directors are also responsible for designing, implementing and maintaining internal controls as the directors determine is necessary to enable the preparation of the selected sustainability information for limited assurance that are free from material misstatements, whether due to fraud or error.

Our responsibility is to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that selected sustainability information for limited assurance has not been prepared, in all material respects, in accordance with the reporting criteria.

This report, including the conclusion, has been prepared solely for the directors of the Company as a body, to assist the directors in reporting on the Company's sustainable development performance and activities. We permit the disclosure of this report within the report for the year ended 31 December 2013, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000: Assurance Engagements' other than Audits and Reviews of Historical Financial Information (ISAE 3000), also taking into consideration International Standard on Assurance Engagements 3410: Assurance Engagements on Greenhouse Gas Statements (ISAE 3410), issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain limited assurance on the selected sustainability information for limited assurance as per the terms of our engagement.

Our work included examination, on a test basis, of evidence relevant to the selected sustainability information for limited assurance. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the selected sustainability information for limited assurance. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence on which to base our conclusion in respect of the selected sustainability information for limited assurance.

Our limited assurance procedures primarily comprised:

- Reviewing the processes that MTN Group Limited has in place for determining the subject matter selected for limited assurance included in the report.
- Obtaining an understanding of the systems used to generate, aggregate and report the subject matter selected for limited assurance.
- Conducting interviews with management at corporate head office and selected opcos.
- Evaluating the data generation and reporting processes against the reporting criteria.
- Performing key controls testing and testing the accuracy of data reported on a sample basis at three opcos material to Group reported data for the subject matter selected for limited assurance.
- Reviewing the consistency between the subject matter selected for limited assurance and related statements in MTN Group Limited's report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

The procedures selected depend on our judgement, including the assessment of the risk of material misstatement of the selected sustainability information for limited assurance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the selected sustainability information for limited assurance in order to design procedures that are appropriate in the circumstances.

Independent assurance report continued

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the report in the context of the reporting criteria set out on page 75.

In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

Conclusion

Based on the results of our limited assurance procedures, nothing has come to our attention that causes us to believe that the selected sustainability information for limited assurance for the year ended 31 December 2013 has not been prepared, in all material respects, in accordance with the reporting criteria.

Other matters

The maintenance and integrity of MTN Group Limited's website is the responsibility of MTN Group Limited's directors. Our procedures did not involve consideration of these matters and accordingly, we accept no responsibility for any changes to either the information in the report or our independent assurance report that may have occurred since the initial date of presentation on MTN Group Limited's website.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Jayne Mammatt
Registered auditor
Johannesburg

11 March 2014

Definition of KPIs for reporting purposes

Reporting period: 1 January – 31 December 2013

KPI	Description of KPI
MTN Group employee culture survey result	The MTN Group employee culture survey is conducted annually across each of the MTN Group's 22 operating countries (referred to as opcos), and within the MTN Group head office (management company referred to as MANCO). The survey is conducted at a business unit level and at a team level within the business unit. The survey reviews 14 dimensions that assess the extent to which MTN's SFTE (Standard Full Time Equivalent) employees are a fit for the Company's operational and competitive requirements as defined by the Group's vision and strategy: • Employee engagement • Leadership • Employee development • Performance management • Employee diversity • Pay and benefits • Company image • Competitive position • Innovation • Work organisation and efficiency • Direct supervisor • Communication • Goals and objectives • Values
MTN Group fraud risk management framework (FRM) implementation	The MTN fraud risk management framework (FRM) outlines the minimum requirements for proactive and reactive fraud risk management across the MTN Group. Implementation of the FRM guideline is considered in place should the following proactive and reactive actions be reported in the opco's quarterly audit reporting committee packs: *Proactive reporting requirements:* Top fraud risks identified and rated (mandatory) and awareness raising, training activities undertaken (other best practice). *Reactive reporting requirements:* Fraud investigation is taking place (mandatory) and feedback on whistle-blowing/tip-offs is recorded (other best practice).
MTN Group whistle-blower hotline data	The anonymous tip-offs line is managed by a third party, who collects the tip-offs and reports to MTN. MTN is responsible for the investigation of the tip-off. The tip-off items include fraudulent tip-offs and other administrative matters. A matter is regarded as received when the call is logged on the anonymous tip-offs line and MTN informed of such matter reported.
MTN Group foundation's spend	MTN Group's corporate social investment (CSI) activities are implemented through two vehicles: MTN foundations in some of the countries in which MTN operates, and 21 Days of Y'ello Care (an employee volunteering initiative undertaken over a set period of 21 days annually). MTN CSI comprises financial, in-kind and employee volunteering initiatives undertaken by the MTN Group and its operations for the benefit of communities and other stakeholders in the countries in which MTN operates. The following areas of spend are recognised for the purposes of CSI reporting: • All direct financial and in-kind contributions (financially quantifiable) to initiatives in the following sectors: – Education, including non-commercial sponsorships and bursaries. – Health, including non-commercial sponsorships and bursaries. – National priority foundation investment, which ideally should be aligned to the millennium development goals. • Economic empowerment initiatives. • CSI spending excludes investment with a direct marketing revenue benefit, commercial and political sponsorships, as well as employee volunteering initiatives authorised and approved annually by the Group stakeholder relations CSI function, in terms of the 21 Days of Y'ello Care programme. • CSI spend includes operating expenses and management fees associated with the running of foundation and volunteering activities, where these are included in the foundation's trial balance and general ledger account.

Definition of KPIs for reporting purposes continued

Reporting period: 1 January – 31 December 2013

KPI	Description of KPI
Energy spend in MTN Nigeria	MTN Nigeria's energy spend figure (ZAR) is a sum of BTS sites and other facilities owned by MTN Nigeria. For BTS sites, the following explains the spend figure reported: • Actual payments for BTS electricity. • Actual payments for BTS diesel fuel (including diesel delivery costs). • For other facilities, the following explains the spend figure reported: – Actual payments for electricity (including variable costing scales such as peak hour rates, and fixed costs related to consumption). – Actual diesel consumed by MTN Nigeria facilities, multiplied by a diesel rate (including diesel delivery costs) per region. In all cases, energy costs not included, as billed by a local or national provider or lessor, include the following: • Municipal service charge. • Business and/or sundry business charge. • Value added or other tax including carbon tax.
Energy use in MTN Nigeria	MTN Nigeria's energy use figure is derived from use at BTS sites and other facilities owned by MTN Nigeria. For BTS sites, the following explains the use figure reported: • Expected electricity use in kWh based on reasonable, agreed figures per BTS site, calculated from aspects including connectivity to the national power grid. • Expected diesel use in kℓ based on reasonable, agreed figures per BTS site, calculated from aspects including generator capacity, site load, and location characteristics. For other facilities, the following explains the spend figure reported: • Actual electricity use in kWh for switches, data centres, head office and regional offices. • Actual diesel use in kℓ for switches, data centres, head office, regional offices, and Company-owned vehicle use.
Carbon emissions for MTN Nigeria: Scope 1 and Scope 2	MTN accounts for its greenhouse gas (GHG) emissions in terms of the scope and definitions indicated by the Carbon Disclosure Project (CDP). The unit of measure is expressed as metric tonnes CO_2e. The scope of emissions are as indicated in the CDP, and includes direct emissions (Scope 1) and indirect emissions (Scope 2). All MTN operations under the direct (majority) financial and/or management control of the MTN opco are included in the calculation.

Social and ethics statement

Social and ethics committee

The MTN Group social and ethics committee (the committee) is pleased to present this social and ethics statement in terms of sections 72(4) and (5) of the Companies Act, 2008, read with regulation 43 of the Companies Regulations, 2011, which states that all listed public companies must establish a social and ethics committee and that the committee must report to shareholders on its activities during the year under review.

Terms of reference

The committee has adopted comprehensive and formal terms of reference which have been approved by the board and which are reviewed on an annual basis. Details of the terms of reference are set out on page 32 of the governance highlights.

Membership, meeting attendance and evaluation

The committee comprises four independent non-executive directors who are suitably qualified to serve as committee members. The composition of the committee and the members' attendance are set out below:

Members	Attendance
KP Kalyan (chairman)	3/3
NP Mageza	3/3
MLD Marole	3/3
J van Rooyen	3/3

The biographical details of members are set out on pages 22 and 23 of the integrated report. The committee meets at least three times a year and members' fees are included in the table of directors' emoluments and related payments.

The Group president and chief executive officer and Group chief human resources and corporate affairs officer attend meetings by invitation.

Ethics management framework implementation

Being a listed company, MTN Group upholds the principles of ethical leadership and corporate citizenship as outlined in Chapter 1 of the Third King Report on Corporate Governance for South Africa (2009):

- Principle 1.1: The board should provide effective leadership based on an ethical foundation.
- Principle 1.2: The board should ensure that the Company is a responsible corporate citizen.
- Principle 1.3: The board should ensure the effective management of the Company's ethics.

In executing on Principle 1.1, oversight of the management of ethics was delegated to the social and ethics committee. A best practice approach was adopted by the committee to ensure ethics is managed in a structured and effective manner, and all MTN-based interventions are being conducted within this framework.

MTN's approach to ethics management involves key systemic capabilities, grounded in leadership commitment, personal and organisational values, business principles, regulatory imperatives and our commitment to key global responsibility protocols.

Systemic capabilities for ethics management and governance

(1) **Governance of ethics:** through independent ethics risk assessment and profiling and ethics risk mitigating strategies.
(2) **Code and policies:** code of ethics; social and ethics Statement; ethics and compliance policies, standards and guidelines; and disciplinary and reward measures.
(3) **Ethics governance structures:** MTN Group board's social and ethics committee; audit committee; risk management, compliance and corporate governance committee; ethics task teams; ethics champions; and cultural operating system (COS) influencers.
(4) **Institutionalisation and reporting:** ethics competence and commitment; ethics communication, advice and support; ethics training; monitoring and reporting (internal and external).

MTN has embarked on a long-term sustainable ethics management intervention (MTN-EMI), commencing with a comprehensive independent ethics risk analysis that requires data to be provided by internal and external stakeholders for analysis in developing an MTN ethics risk profile and associated ethics risk mitigating strategy. All this information is submitted to and debated at the social and ethics committee meetings. After deliberation, the committee passes the requisite approvals and/or recommendations for board approval.

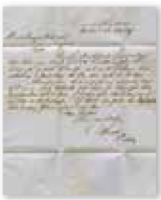
Social and ethics statement continued

Progress in 2013 on elements of the ethics management framework

Governance of ethics	Governance of ethics at MTN is directed through an independent ethics risk assessment and profiling that forms the basis for the Company's ethics risk mitigation strategies. The Ethics Institute of South Africa was commissioned to conduct an independent comprehensive ethics risk assessment, starting at the Group office and cascading to opcos.
Code and policies	The committee commissioned several initiatives to mitigate the risks associated with bribery and corruption in the workplace. This included the development of priority ethics and compliance policies and frameworks to ensure crucial aspects of ethics are governed and managed appropriately and with effect: • Adoption of a revised MTN Group social and ethics statement, to give more emphasis to the intent to balance the benefits of the rapid development of technology with ethical and responsible application. • Adoption of an anti-bribery and corruption policy (aligned to the UK Bribery Act). • Adoption of a fraud incident reporting framework. • Adoption of a gifts and hospitality policy. • Adoption of an issue management framework. • Adoption of a conflict of interest policy. • Adoption of a policy on security and privacy human rights in use of information and communication technologies (human rights policy).
Ethics governance structures	The committee has, in fulfilling its mandate, ensured collaboration between its own activities and those of other board committees and operational structures such as the board's risk management, compliance, and corporate governance committee. Issue management councils came into effect in terms of the issue management framework adopted by the committee. These councils offer a mechanism to manage issues cross-functionally at Group and at opco level. The ethics task team, together with opco ethics champions, continued the institutionalisation of ethics in the organisation. Cultural operating system (COS) influencers were identified and trained to provide ethics leadership through the Company's culture change model.
Institutionalisation and reporting	In order to assist in institutionalising ethics management, an opco mobilisation plan was rolled out which directed the roles and responsibilities of ethics champions. Mobilisation involved the communication of ethics standards and messages and advocacy of ethics resources available to the Group. Ethics governance and management training was undertaken by: • The board • The social and ethics committee • The ethics task team (ethics officer certification) • 25 ethics champions from across the Group Training conducted to institutionalise the use of the MTN issue management toolkit and the corporate affairs handbook. MTN continues to raise its ethics profile across the organisation. In 2013, 12 122 employees completed the MTN Academy e-Live ethics and governance-related online courses. A total of 20 477 online ethics and governance courses were completed during the year.

KP Kalyan
Chairman

Summarised consolidated financial results in accordance with International Financial Reporting Standards (IFRS)



Say goodbye to the letter
and say welcome to email.

Welcome to the Bold New Digital World.

Summarised consolidated income statement

for the year ended 31 December

	Note	2013 Rm	Restated 2012 Rm
Revenue		**136 495**	121 867
Other income		**1 327**	894
Direct network operating costs		**(18 299)**	(16 188)
Costs of handsets and other accessories		**(10 744)**	(9 590)
Interconnect and roaming		**(13 816)**	(13 254)
Staff costs		**(8 670)**	(7 534)
Selling, distribution and marketing expenses		**(16 362)**	(15 631)
Other operating expenses		**(10 143)**	(7 927)
EBITDA		**59 788**	52 637
Depreciation of property, plant and equipment		**(16 458)**	(13 791)
Amortisation of intangible assets		**(2 820)**	(2 161)
Operating profit		**40 510**	36 685
Net finance costs		**(1 234)**	(3 790)
Share of results of joint ventures and associates after tax	8	**3 431**	3 008
Profit before tax		**42 707**	35 903
Income tax expense		**(12 307)**	(11 835)
Profit after tax		**30 400**	24 068
Attributable to:			
Owners of MTN Group Limited		**26 289**	20 704
Non-controlling interests		**4 111**	3 364
		30 400	24 068
Basic earnings per share (cents)	7	**1 434**	1 126
Diluted earnings per share (cents)	7	**1 427**	1 120

Summarised consolidated statement of comprehensive income

for the year ended 31 December

	2013 Rm	2012 Rm
Profit after tax	**30 400**	24 068
Other comprehensive income after tax:		
Exchange differences on translating foreign operations[φ]	**11 078**	(3 507)
Owners of MTN Group Limited	**10 179**	(3 498)
Non-controlling interests	**899**	(9)
Total comprehensive income for the year	**41 478**	20 561
Attributable to:		
Owners of MTN Group Limited	**36 468**	17 206
Non-controlling interests	**5 010**	3 355
	41 478	20 561

[φ] *This component of other comprehensive income does not attract any tax and may subsequently be reclassified to profit and loss.*

Summarised consolidated statement of financial position

as at

	Note	December 2013 Rm	Restated December 2012 Rm	Restated January 2012 Rm
Non-current assets		**150 910**	120 199	110 055
Property, plant and equipment		**92 903**	73 905	64 914
Intangible assets and goodwill		**37 751**	32 594	32 672
Investment in joint ventures and associates		**12 643**	4 645	6 359
Deferred tax and other non-current assets		**7 613**	9 055	6 110
Current assets		**75 911**	55 875	64 018
Non-current assets held for sale	14	**1 281**	1 373	820
Current assets		**74 630**	54 502	63 198
Other current assets		**32 808**	26 522	29 005
Restricted cash		**2 222**	5 272	526
Cash and cash equivalents		**39 600**	22 708	33 667
Total assets		**226 821**	176 074	174 073
Total equity		**119 771**	92 887	92 699
Shareholders' equity		**114 438**	89 006	88 897
Non-controlling interests		**5 333**	3 881	3 802
Non-current liabilities		**49 066**	32 713	32 718
Interest bearing liabilities	12	**34 664**	21 322	23 139
Deferred tax and other non-current liabilities		**14 402**	11 391	9 579
Current liabilities		**57 984**	50 474	48 656
Interest bearing liabilities	12	**11 361**	10 762	10 069
Other current liabilities		**46 623**	39 712	38 587
Total equity and liabilities		**226 821**	176 074	174 073

Summarised consolidated statement of changes in equity

for the year ended 31 December

	Note	2013 Rm	2012 Rm
Opening balance		**89 006**	88 897
Restatement for impact of hyperinflation	8	**5 563**	—
Restated balance at 1 January		**94 569**	88 897
Share buy-back°		**—**	(2 088)
Shares issued during the year		**5**	3
Shares cancelled		**^**	^
Transactions with non-controlling interests	16	**(495)**	(122)
Share-based payment reserve		**215**	147
Total comprehensive income:		**36 468**	17 206
Profit after tax		**26 289**	20 704
Other comprehensive income after tax		**10 179**	(3 498)
Dividends paid		**(16 210)**	(14 919)
Other movements		**(114)**	(118)
Shareholders' equity		**114 438**	89 006
Non-controlling interests		**5 333**	3 881
Closing balance		**119 771**	92 887
Dividends per share (cents)		**873**	797

^ *Amounts less than R1 million.*

° *During 2012 MTN Holdings Proprietary Limited bought 15 573 340 shares in the Company.*

Summarised consolidated statement of cash flows

for the year ended 31 December

	2013 Rm	Restated 2012 Rm
Net cash inflow from operating activities	**27 025**	20 062
Net cash outflow from investing activities	**(19 835)**	(24 212)
Net cash inflow/(outflow) from financing activities	**6 264**	(5 280)
Increase/(decrease) in cash and cash equivalents	**13 454**	(9 430)
Cash and cash equivalents at beginning of the year	**22 539**	33 074
Exchange gains/(losses) on cash and cash equivalents	**3 584**	(1 105)
Cash and cash equivalents at end of the year	**39 577**	22 539

Notes to the summarised consolidated financial results

for the year ended 31 December

1. INDEPENDENT AUDIT

The summarised consolidated financial results have been extracted from the audited consolidated annual financial statements, but are not themselves audited. The directors of the Company take full responsibility for the preparation of the summarised consolidated financial results and that the financial information has been correctly extracted from the underlying audited consolidated annual financial statements.

The consolidated annual financial statements have been audited by our joint auditors PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc., who have performed their audit in accordance with 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 Company) carries on the business of investing in the telecommunications industry through its subsidiary companies, joint ventures and associate companies.

3. BASIS OF PREPARATION

The summarised consolidated financial results are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council (FRSC), and must also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. These summarised financial results should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRS. A copy of the full set of consolidated annual financial statements is available for inspection from the Company secretary at the registered office of the Company.

4. PRINCIPAL ACCOUNTING POLICIES

The Group has adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the Group from 1 January 2013.

The principal accounting policies and methods of computation applied are in accordance with financial reporting standards (IFRS) and are consistent in all material respects with those applied in the previous year except as set out below.

5. CHANGES IN ACCOUNTING POLICIES

IFRS 10 *Consolidated Financial Statements*

The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

The Group concluded that the adoption of IFRS 10 did not result in any material change in the consolidated status of its subsidiaries.

IFRS 11 *Joint Arrangements*

IFRS 11 requires equity accounting of joint ventures and eliminates the proportionate consolidation option of accounting. Previously, the Group proportionately consolidated all joint ventures which entailed that it included its share of the assets, liabilities, income and expenses of jointly controlled entities on a line-by-line basis in its financial statements.

Under the equity method, the investments in joint ventures is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and movements in other comprehensive income of joint ventures after the date of acquisition. The Group's share of the profit or loss of joint ventures is recognised in a single line item in profit or loss under the equity method.

The Group has applied the new policy for investments in joint ventures in accordance with the transition provisions of IFRS 11. The change in accounting policy has been applied as from 1 January 2012. The Group recognised its investment in joint ventures at the beginning of the earliest period presented (1 January 2012), as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. This is the deemed cost of the Group's investments in its joint ventures for purposes of applying equity accounting.

The change from proportionate consolidation to equity accounting resulted in a change in individual asset, liability, income, expense and cash flow line items with no impact on equity or profit attributable to equity holders. The impact of the application of IFRS 11 on the Group's financial results is disclosed in note 17.

Notes to the summarised consolidated financial results continued

for the year ended 31 December

6. SEGMENT ANALYSIS

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

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.

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

	2013 Rm	Restated 2012 Rm
REVENUE		
South Africa	**39 707**	41 338
Nigeria	**48 159**	38 697
Large opco cluster	**38 659**	37 818
Iran†	**9 514**	12 175
Ghana	**8 269**	6 862
Syria	**3 229**	5 391
Cameroon	**5 204**	3 812
Ivory Coast	**5 480**	4 124
Uganda	**4 467**	3 296
Sudan	**2 496**	2 158
Small opco cluster	**19 804**	16 695
Head office companies and eliminations	**(320)**	(506)
***Iran revenue exclusion*¤†**	**(9 514)**	(12 175)
	136 495	121 867

¤ *Irancell Telecommunication Company Services (PJSC) proportionate revenue is included in the segment analysis as reviewed by the CODM and excluded from reported revenue due to equity accounting for joint ventures.*

† *Excludes the impact of hyperinflation of R1 714 million.*

	2013 Rm	Restated 2012 Rm
EBITDA		
South Africa	**13 425**	14 478
Nigeria	**29 235**	22 544
Large opco cluster	**15 517**	14 935
Iran†	**4 075**	5 388
Ghana	**3 123**	2 537
Syria	**561**	1 238
Cameroon	**2 550**	1 750
Ivory Coast	**2 813**	1 662
Uganda	**1 603**	1 762
Sudan	**792**	598
Small opco cluster	**6 732**	5 597
Head office companies and eliminations	**(1 046)**	471
***Iran EBITDA exclusion*¤†**	**(4 075)**	(5 388)
	59 788	52 637
Depreciation and amortisation of assets	**(19 278)**	(15 952)
Net finance cost	**(1 234)**	(3 790)
Share of results of joint ventures and associates after tax#	**3 431**	3 008
Profit before tax	**42 707**	35 903

¤ *Irancell Telecommunication Company Services (PJSC) proportionate EBITDA is included in the segment analysis as reviewed by the CODM and excluded from reported EBITDA due to equity accounting for joint ventures.*

† *Excludes the impact of hyperinflation of R739 million.*

Includes the impact of hyperinflation as required by IAS 29.

7. EARNINGS PER ORDINARY SHARE

	2013	2012
Number of ordinary shares in issue		
At end of the year (excluding MTN Zakhele and treasury shares)	**1 832 845 805**	1 832 672 645
Weighted average number of shares		
Shares for earnings per share (excluding MTN Zakhele and treasury shares)	**1 832 729 584**	1 837 991 865
Add dilutive shares		
– MTN Zakhele shares	**6 740 791**	9 835 922
– Share schemes	**2 988 671**	1 575 047
Shares for dilutive earnings per share	**1 842 459 046**	1 849 402 834

	2013 Rm	2012 Rm
Reconciliation between profit attributable to the owners of MTN Group Limited and headline earnings^		
Profit after tax	**26 289**	20 704
Loss on disposal of property, plant and equipment, and intangible assets	**34**	49
Net reversal of impairment of property, plant and equipment	**(20)**	(26)
Impairment of associate	**–**	6
Realisation of deferred gain	**(357)**	(308)
Profit on disposal of non-current assets held for sale	**(510)**	(368)
Realisation of deferred gain on disposal of non-current assets held for sale	**(38)**	(39)
Basic headline earningsΔ	**25 398**	20 018
Earnings per share (cents)		
– Basic	**1 434**	1 126
– Basic headline	**1 386**	1 089
Diluted earnings per share (cents)		
– Diluted	**1 427**	1 120
– Diluted headline	**1 378**	1 082

^ *Amounts are presented after taking into account tax and non-controlling interests.*

Δ *Headline earnings is calculated in accordance with circular 2/2013 Headline Earnings as issued by the South African Institute of Chartered Accountants at the request of the JSE Limited.*

	2013 Rm	Restated 2012 Rm
8. SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATES AFTER TAX	**3 431**	3 008
Irancell Telecommunication Company Services (PJSC)†	**3 115**	2 896
Other	**316**	112

† *The economy of the Islamic Republic of Iran has been classified as hyperinflationary, which has resulted in the financial results of Irancell Telecommunication Company Services (PJSC) having been accounted for in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". The effect of applying the standard has resulted in an increase in the investment in the joint venture and an increase in the share of the results of the joint venture. Prior period gains and losses arising from the net monetary position have been recognised directly in equity.*

Notes to the summarised consolidated financial results continued

for the year ended 31 December

		2013 Rm	Restated 2012 Rm
9.	**CAPITAL EXPENDITURE INCURRED**	**30 164**	28 827
10.	**CONTINGENT LIABILITIES**	**1 023**	473
11.	**AUTHORISED CAPITAL EXPENDITURE FOR PROPERTY, PLANT AND EQUIPMENT, AND SOFTWARE**	**26 151**	27 157
12.	**INTEREST BEARING LIABILITIES**		
	Bank overdrafts	**23**	169
	Current borrowings	**11 338**	10 593
	Current liabilities	**11 361**	10 762
	Non-current borrowings	**34 664**	21 322
		46 025	32 084

13. ISSUE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

During the year under review, the following entities raised and repaid significant debt instruments:

- MTN Nigeria Communications Limited raised R10,3 billion additional debt through a syndicated loan and export credit facilities.
- MTN Nigeria Communications Limited repaid R1,2 billion relating to a syndicated term loan facility and export credit facility.
- MTN Holdings Proprietary Limited raised R6,2 billion additional debt through a syndicated loan facility, issuance of Unsecured Zero Coupon Commercial Papers and short-term general borrowings.
- MTN Holdings Proprietary Limited repaid R6,0 billion relating to short-term general borrowings, settlement of Senior Unsecured Notes and Unsecured Zero Coupon Commercial Papers.

In accordance with the Domestic Medium Term Note Programme established by MTN Holdings Proprietary Limited, the Group issued R3,9 billion (2012: R5,6 billion) of Senior Unsecured Zero Coupon Notes. R6,0 billion (2012: R4,6 billion) of the Domestic Medium Term Note Programme has been repaid.

There were no share buy-back transactions during the year. During 2012 MTN Holdings Proprietary Limited, a wholly owned subsidiary of the Group, acquired 15 573 340 shares in the ordinary share capital of the Company for an amount of R2,1 billion with the cumulative amount of R3,0 billion spent in respect of the share buy-back at the reporting date (inclusive of transaction costs). The shares so acquired are fully paid up and are held as treasury shares.

14. NON-CURRENT ASSETS HELD FOR SALE

The Group entered into a transaction with IHS Holding Limited (IHS) in which IHS will acquire 558 mobile network towers from MTN Rwandacell Limited and 704 towers from MTN (Zambia) Limited. IHS is a 100% shareholder of the tower companies set up in each country to manage the towers and other passive infrastructure. MTN Rwandacell Limited and MTN (Zambia) Limited will be the anchor tenants on commercial terms of the towers for an initial term of 10 years.

Each transaction is expected to close independently during the first half of 2014, subject to customary closing conditions.

In 2013, MTN Côte d'Ivoire S.A. and Mobile Telephone Networks Cameroon Limited concluded transactions with IHS in which IHS acquired 911 mobile network towers from MTN Côte d'Ivoire S.A. for US$141 million and 820 towers from Mobile Telephone Networks Cameroon Limited for US$143 million. IHS is a 100% shareholder of the tower companies set up in each country to manage the towers and other passive infrastructure. MTN Côte d'Ivoire S.A. and Mobile Telephone Networks Cameroon Limited will be the anchor tenants on commercial terms of the towers for an initial term of 10 years.

15. EVENTS AFTER REPORTING PERIOD

Acquisition of Africa Internet Holding and Middle East Internet Holding

The Group has agreed to acquire 33,3% of Africa Internet Holding (AIH), a joint venture between Rocket Internet and Millicom International Cellular, to develop internet businesses in Africa. The Group, Millicom International Cellular and Rocket Internet will each become 33,3% shareholders in AIH.

The Group and Rocket Internet have also agreed to create a joint venture, Middle East Internet Holding (MEIH), to develop internet businesses in the Middle East, with the Group and Rocket Internet becoming 50% shareholders in MEIH.

The Group expects to invest approximately EUR300 million over the next two to four years into AIH and MEIH.

The investments are subject to regulatory approval, and the two transactions are expected to close during the first and second quarter of 2014 respectively.

16. CHANGES IN SHAREHOLDING

16.1 *Acquisition of 50% in MTN Cyprus Limited*

During March 2013, the Group increased its shareholding in its subsidiary MTN Cyprus Limited from 50% to 100% for R690 million.

16.2 *Disposal of 0,84% in MTN Côte d'Ivoire S.A.*

During March 2013, the Group decreased its shareholding in MTN Côte d'Ivoire S.A. from 67,67% to 66,83% for R57 million.

In 2012, the Group increased its shareholding in MTN Côte d'Ivoire S.A. by 3% to 67,67% for R177 million.

16.3 *Acquisition of 40% in Satalite Data Networks Mauritius Proprietary Limited*

During March 2013, the Group increased its shareholding in Satalite Data Networks Mauritius Proprietary Limited from 60% to 100% for R47 million.

16.4 *MTN Afghanistan Limited*

The International Finance Corporation (IFC) exercised its put option and sold its non-controlling interest of 9,1% in MTN Afghanistan to MTN (Dubai) Limited for R248 million, resulting in 100% shareholding.

17. IMPACT OF THE APPLICATION OF IFRS 11

17.1 *Income statement*

	31 December 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
Revenue	135 112	(13 245)	121 867
Other income	894	—	894
Direct network operating costs	(20 464)	4 276	(16 188)
Costs of handsets and other accessories	(9 789)	199	(9 590)
Interconnect and roaming	(15 041)	1 787	(13 254)
Staff costs	(7 775)	241	(7 534)
Selling, distribution and marketing expenses	(16 052)	421	(15 631)
Other operating expenses	(8 321)	394	(7 927)
EBITDA	58 564	(5 927)	52 637
Depreciation of property, plant and equipment	(14 860)	1 069	(13 791)
Amortisation of intangible assets	(2 386)	225	(2 161)
Operating profit	41 318	(4 633)	36 685
Net finance costs	(4 157)	367	(3 790)
Share of results of joint ventures and associates after tax	(180)	3 188	3 008
Profit before tax	36 981	(1 078)	35 903
Income tax expense	(12 913)	1 078	(11 835)
Profit after tax	24 068	—	24 068

Notes to the summarised consolidated financial results continued

for the year ended 31 December

17. IMPACT OF THE APPLICATION OF IFRS 11 (continued)

17.2 Statement of financial position

	31 December 2012			1 January 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
Non-current assets	121 097	(898)	120 199	113 787	(3 732)	110 055
Property, plant and equipment	77 485	(3 580)	73 905	71 610	(6 696)	64 914
Intangible assets and goodwill	33 935	(1 341)	32 594	34 540	(1 868)	32 672
Investment in joint ventures and associates	1 765	2 880	4 645	2 681	3 678	6 359
Deferred tax and other non-current assets	7 912	1 143	9 055	4 956	1 154	6 110
Current assets	60 287	(4 412)	55 875	67 621	(3 603)	64 018
Non-current assets held for sale	1 373	—	1 373	820	—	820
Current assets	58 914	(4 412)	54 502	66 801	(3 603)	63 198
Other current assets	27 937	(1 415)	26 522	30 449	(1 444)	29 005
Restricted cash	5 277	(5)	5 272	546	(20)	526
Cash and cash equivalents	25 700	(2 992)	22 708	35 806	(2 139)	33 667
Total assets	181 384	(5 310)	176 074	181 408	(7 335)	174 073
Total equity	92 887	—	92 887	92 699	—	92 699
Shareholders' equity	89 006	—	89 006	88 897	—	88 897
Non-controlling interests	3 881	—	3 881	3 802	—	3 802
Non-current liabilities	33 307	(594)	32 713	33 392	(674)	32 718
Interest-bearing liabilities	21 742	(420)	21 322	23 554	(415)	23 139
Deferred tax and other non-current liabilities	11 565	(174)	11 391	9 838	(259)	9 579
Current liabilities	55 190	(4 716)	50 474	55 317	(6 661)	48 656
Interest-bearing liabilities	10 790	(28)	10 762	10 462	(393)	10 069
Other current liabilities	44 400	(4 688)	39 712	44 855	(6 268)	38 587
Total equity and liabilities	181 384	(5 310)	176 074	181 408	(7 335)	174 073

17.3 Statement of cash flows

	31 December 2012		
	Previously reported Rm	Adjustments required in accordance with IFRS 11 Rm	Restated Rm
Net cash inflow from operating activities	25 078	(5 016)	20 062
Net cash outflow used in investing activities	(27 059)	2 847	(24 212)
Net cash outflow used in financing activities	(5 759)	479	(5 280)
Net decrease in cash and cash equivalents	(7 740)	(1 690)	(9 430)
Cash and cash equivalents at beginning of the year	35 213	(2 139)	33 074
Exchange losses on cash and cash equivalents	(1 942)	837	(1 105)
Cash and cash equivalents at end of the year	25 531	(2 992)	22 539

07

Shareholder information

Say goodbye to the wallet
and say welcome to the SIM card.

Welcome to the
Bold New Digital World.

Notice of the nineteenth annual general meeting

MTN GROUP LIMITED
Incorporated in the Republic of South Africa
(Registration number 1994/009584/06)
JSE code: MTN
ISIN: ZAE000042164
(MTN Group or the Company)

This document is important and requires your immediate attention
If you are in any doubt about what action you should take, consult your broker, Central Securities Depository Participant (CSDP), legal adviser, banker, financial adviser, accountant or other professional adviser immediately.

If you have disposed of all your shares in MTN Group, please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

Included in this document are:
- the notice of meeting, setting out the resolutions to be proposed thereat, together with explanatory notes. There are also guidance notes if you wish to attend the meeting (for which purpose the meeting location map is included) or to vote by proxy;
- a proxy form for use by shareholders holding MTN Group ordinary shares in certificated form or recorded in sub-registered electronic form in "own name".

Shareholders on the MTN Group share register who have dematerialised their ordinary shares through STRATE, other than those whose shareholding is recorded in their "own name" in the sub-register maintained by their CSDP, and who wish to attend the meeting in person, will need to request their CSDP or broker to provide them with the necessary authority to do so in terms of the custody agreement entered into between the dematerialised shareholders and their CSDP or broker.

A shareholder (including certificated shareholders and dematerialised shareholders who hold their shares with "own name" registration) who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, participate in and vote at the meeting in his/her/its stead. A proxy does not have to be a shareholder of the Company but must be an individual.

The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the annual general meeting and participating and voting in person thereat to the exclusion of any such proxy. A form of proxy for use at the meeting is attached.

Notice to shareholders: Annual general meeting
Notice is hereby given to shareholders, as at the record date of Friday, 14 March 2014, that the nineteenth annual general meeting of shareholders of MTN Group will be held in the Auditorium, Phase II, Level 0, 216 – 14th Avenue, Fairland, Gauteng, on Tuesday, 27 May 2014 at 14:30 (South African time), to (i) consider and, if deemed fit, pass, with or without modification, the following ordinary and special resolutions, in the manner required by the Companies Act, 71 of 2008, as amended (Companies Act), as read with the JSE Limited Listings Requirements (JSE Listings Requirements), and (ii) deal with such other business as may lawfully be dealt with at the meeting, which meeting is to be participated in and voted at by shareholders as at the record date of Friday, 16 May 2014 (as contemplated in section 62(3)(a), read with section 59 of the Companies Act). The last date to trade to be entitled to participate in and vote at the meeting is Friday, 9 May 2014.

Section 63(1) of the Companies Act – identification of meeting participants
Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification and evidence of authority (where applicable) before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driving licences and passports.

When reading the resolutions that follow, please refer to the explanatory notes for annual general meeting resolutions on pages 99 to 102 of this notice.

For the purposes hereof "Group" shall bear the meaning assigned to it by the JSE Limited Listings Requirements (JSE Listings Requirements), which defines "Group" as a holding company, not itself being a wholly owned subsidiary, together with all companies which are its subsidiaries, if any.

Presentation of annual financial statements

The consolidated audited annual financial statements of the Company and its subsidiaries (as approved by the board of directors of the Company), including the directors' report, the audit committee report and the external auditors' report for the year ended 31 December 2013, have been distributed as required and will be presented to shareholders.

The complete annual financial statements are available on AFS.

Presentation of social and ethics report

The Company and its subsidiaries are pleased to present the social and ethics report, which details the activities of the social and ethics committee for the year ended 31 December 2013.

1. *Ordinary resolutions number 1.1 to 1.7:*

Re-election of directors

To re-elect, by separate resolutions, directors of the Company in accordance with the Companies Act and the Company's memorandum of incorporation, which provides that at least one-third of the directors, being those longest in office at the date of the annual general meeting, should retire and, subject to an evaluation by the nominations committee, may offer themselves for re- election.

1.1 Ordinary resolution number 1.1

"Resolved that KP Kalyan, who retires by rotation in terms of the memorandum of incorporation of the Company and who is eligible and available for re-election, is re-elected as a director of the Company";

1.2 Ordinary resolution number 1.2

"Resolved that MJN Njeke, who retires by rotation in terms of the memorandum of incorporation of the Company and who is eligible and available for re-election, is re-elected as a director of the Company";

1.3 Ordinary resolution number 1.3

"Resolved that J van Rooyen, who retires by rotation in terms of the memorandum of incorporation of the Company and who is eligible and available for re-election, is re-elected as a director of the Company";

1.4 Ordinary resolution number 1.4

"Resolved that JHN Strydom, who has served on the board as a non-executive director for an aggregate period in excess of nine years, who retires by rotation in terms of the memorandum of incorporation of the Company and who is eligible and available for re-election, is re-elected as a director of the Company";

1.5 Ordinary resolution number 1.5

"Resolved that AF van Biljon, who has served on the board as a independent non-executive director for an aggregate period in excess of nine years, who retires by rotation in terms of the memorandum of incorporation of the Company and who is eligible and available for re-election, is re-elected as a director of the Company";

1.6 Ordinary resolution number 1.6

"Resolved that PF Nhleko, who retires by virtue of his appointment to fill a casual vacancy subsequent to the preceding annual general meeting in terms of the memorandum of incorporation of the Company and who is eligible and available for election, is elected as a director of the Company" ;

1.7 Ordinary resolution number 1.7

"Resolved that BD Goschen, who retires by virtue of his appointment to fill a casual vacancy subsequent to the preceding annual general meeting in terms of the memorandum of incorporation of the Company and who is eligible and available for election, is elected as a director of the Company."

Biographical details in respect of each director standing for re-election and election are set out on pages 22 to 23 of the integrated report.

Notice of the nineteenth annual general meeting continued

Ordinary resolutions number 2.1 to 2.4:
Election of audit committee

2.1 Ordinary resolution number 2.1
"Resolved that AF van Biljon is elected as a member of the audit committee, with effect from the end of this meeting, in terms of section 94(2) of the Companies Act, subject to his re-election as a director pursuant to ordinary resolution number 1.5";

2.2 Ordinary resolution number 2.2
"Resolved that J van Rooyen is elected as a member of the audit committee, with effect from the end of this meeting, in terms of section 94(2) of the Companies Act" subject to his re-election as a director pursuant to ordinary resolution 1.3";

2.3 Ordinary resolution number 2.3
"Resolved that NP Mageza is elected as a member of the audit committee, with effect from the end of this meeting, in terms of section 94(2) of the Companies Act";

2.4 Ordinary resolution number 2.4
"Resolved that MJN Njeke is elected as a member of the audit committee, with effect from the end of this meeting, in terms of section 94(2) of the Companies Act", subject to his re-election as a director pursuant to ordinary resolution 1.2.

Biographical details in respect of each director standing for election to the audit committee are set out on pages 22 and 23 of the integrated report.

3. Ordinary resolution number 3:
Reappointment of joint independent auditors
"Resolved that PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc. are reappointed as joint auditors of the Company (for the financial year ending 31 December 2014) until the conclusion of the next annual general meeting."

4. Ordinary resolution number 4:
General authority to directors to allot and issue ordinary shares
"Resolved that, as required by and subject to the Company's memorandum of incorporation, and subject to the provisions of the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, the directors are authorised, as they in their discretion think fit, to allot and issue shares and grant options over shares and to undertake to allot and issue shares and grant options over shares:

- representing not more than 10% of the number of ordinary shares in issue as at 31 December 2013 (i.e. 883 484 324 ordinary shares);
- separately, such shares as have been reserved to be allotted and issued by the Company in terms of its share and other employee incentive schemes (i.e. 5% of the unissued ordinary shares),

from the authorised but unissued ordinary shares of 0,01 cent each in the share capital of the Company, such authority to endure until the next annual general meeting of the Company (whereupon this authority shall lapse, unless it is renewed at the aforementioned annual general meeting), provided that it shall not extend beyond 15 months of the date of this meeting."

Advisory endorsement
Endorsement of the remuneration philosophy (policy)
To endorse, through a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of the non-executive directors and trustees for their services as directors and members of committees), as set out in the remuneration report contained in the integrated report on pages 36 and 37.

1. *Special resolution number 1:*

Proposed increase of remuneration payable to non-executive directors

"Resolved, in terms of article 73(b) of the memorandum of incorporation of the Company and subject to the terms thereof, that the non-executive directors' remuneration, payable quarterly in arrears, be increased with immediate effect as set out below":

	Annual retainer fee			Meeting attendance fee		
	Current	Proposed	Increase %	Current	Proposed	Increase %
MTN Group board						
Chairperson	R1 012 194	R1 055 718	4,3	R87 731	R91 503	4,3
Member	R202 456	R211 161	4,3	R46 012	R47 991	4,3
International member	€76 928	€76 928	0,0	€7 693	€7 693	0,0
Local non-executive directors on special assignments or projects per day	–	–	–	R20 477	R21 357	4,3
International non-executive director on special assignment or projects per day	–	–	–	€3 373	€3 373	0,0
Ad hoc work performed by non-executive directors for special projects (hourly rate)				R3 604	R3 759	4,3
Audit committee						
Chairman	R102 119	R106 510	4,3	R31 502	R32 857	4,3
Member	R55 791	R58 190	4,3	R21 706	R22 639	4,3
Remuneration and human resources committee						
Chairman	R76 252	R79 531	4,3	R28 724	R29 959	4,3
International chairman	€5 625	€5 625	0,0	€3 590	€3 590	0,0
Local member	R44 683	R46 605	4,3	R21 065	R21 971	4,3
International member	€3 297	€3 297	0,0	€3 297	€3 297	0,0
Risk management, compliance and corporate governance committees						
Chairman	R76 252	R79 531	4,3	R28 724	R29 959	4,3
Member	R44 683	R46 605	4,3	R21 065	R21 971	4,3
Social and ethics committee						
Chairman	R76 252	R79 531	4,3	R28 724	R29 959	4,3
Member	R44 683	R46 605	4,3	R21 065	R21 971	4,3
MTN Group Share Trust (trustees)						
Chairman	R67 773	R70 687	4,3	R25 530	R26 628	4,3
Trustee	R29 797	R31 078	4,3	R14 047	R14 651	4,3

Special resolution number 1 is proposed in order to comply with the requirements of the Companies Act and the Company's memorandum of incorporation. The above rates have been determined to ensure that the remuneration of non-executive directors remains competitive in order to enable the Company to retain and attract persons of the calibre, appropriate capabilities, skills and experience required in order to make meaningful contributions to the Company, given its global footprint and growth rate.

In arriving at the proposal set out in special resolution number 1, exco, conducted a review of the remuneration paid to non-executive directors and other non-executive office bearers, based on data provided by independent remuneration specialists and benchmarked against comparable South African companies with international operations. The remuneration and human resources committee considered the remuneration proposal in detail

Notice of the nineteenth annual general meeting continued

and, after consensus, recommended the remuneration proposal to the board, which sanctioned the proposal for recommendation to shareholders.

The proposed remuneration is considered to be fair and reasonable and in the best interests of the Company.

2. Special resolution number 2: Repurchase of the Company's shares

The board has considered the impact of a repurchase or purchase, as the case may be, of up to 10% of the Company's shares, which falls within the amount permissible under a general authority in terms of the JSE Listings Requirements and, in respect of acquisitions by subsidiaries of the Company, the Companies Act.

Should the opportunity arise and should the directors deem it to be advantageous to the Company, or any of its subsidiaries, to repurchase or purchase, as the case may be, such shares, it is considered appropriate that the directors (and relevant subsidiaries) be authorised to repurchase or purchase, as the case may be, the Company's shares.

"Resolved that the Company, and/or a subsidiary of the Company, is authorised to repurchase or purchase, as the case may be, shares issued by the Company, from any person, upon such terms and conditions and in such number as the directors of the Company or the subsidiary may from time to time determine, including that such shares be repurchased or purchased from the capital redemption reserve fund, but subject to the applicable requirements of the Company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time; and subject further to the restriction that the repurchase or purchase, as the case may be, by the Company and/or any of its subsidiaries, of shares in the Company of any class under this authority shall not, in aggregate in any one financial year, exceed 10% of the shares in issue in such class as at the commencement of such financial year."

It is recorded that, as at the last practicable date, the JSE Listings Requirements provide, *inter alia*, that the Company or any subsidiary of the Company may only make a general repurchase of the shares in the Company if:

1. any such repurchase of shares is effected through the order book operated by the trading system of the JSE Limited (JSE) and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);

2. authorisation thereto is given by the Company's memorandum of incorporation;

3. at any point in time, the Company may only appoint one agent to effect any repurchase(s) on its behalf;

4. the general authority shall be valid only until the Company's next annual general meeting or 15 months from the date of passing of this special resolution, whichever is earlier;

5. a resolution by the board that it authorises the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and that from the time that the test was performed there have been no material changes to the financial position of the Group;

6. when the Company or a subsidiary of the Company has cumulatively repurchased 3% of any class of the Company's shares in issue on the date of passing of this special resolution (the initial number), and for each 3% in aggregate of that class of shares acquired thereafter, in each case in terms of this resolution, an announcement shall be published on Stock Exchange News Services (SENS) and in the press as soon as possible and not later than 08:30 on the second business day following the day on which the relevant threshold is reached or exceeded, and the announcement shall comply with the requirements of the JSE Listings Requirements in this regard;

7. the Company or its subsidiaries may not repurchase any of the Company's shares during a prohibited period as defined in the JSE Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period;

8. no repurchases may be made at a price which is greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is

effected (the maximum price). The JSE will be consulted for a ruling if the Company's securities have not traded in such a five-day period; and

9. if the Company enters into derivative transactions that may or will result in the repurchase of shares in terms of this general authority, such transactions will be subject to the requirements in paragraphs 2, 3, 4 and 7 (subject to certain exceptions) above, and the following requirements:
   (a) The strike price of any put option written by the Company less the value of the premium received by the Company for that put option may not be greater than the fair value of a forward agreement based on a spot price not greater than the maximum price in paragraph 8 above.
   (b) The strike price of any call option may be greater than the maximum price in paragraph 8 at the time of entering into the derivative agreement, but the Company may not exercise the call option if it is more than 10% "out the money".
   (c) The strike price of the forward agreement may be greater than the maximum price in paragraph 8 but limited to the fair value of a forward agreement calculated from a spot price not greater than such maximum price.

After considering the effects of such maximum repurchase:
- The Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;
- The assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual Group financial statements.
- The share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting.
- The working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting.

For the purpose of considering special resolution number 2 and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been included in the integrated report, in which this notice of the annual general meeting is incorporated, at the places indicated:
- Directors and management – refer to pages 22 and 23 of the integrated report.
- Major shareholders – refer to page 136 of the AFS.
- Directors' interests in securities – refer to pages 119 and 120 of the AFS.
- Share capital of the Company – refer to page 63 of the AFS.

The directors, whose names are set out on pages 22 and 23 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information contained in this special resolution and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable enquiries in this regard.

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatening of which the Company is aware) which may have or have had a material effect on the Company's financial position over the last 12 months except for the legal action instituted by Turkcell Iletisim Hizmetleri AS and East Asian Consortium B.V (The Plaintiffs). In November 2013, the Plaintiffs filed a lawsuit against the Company, MTN International (MTNI) and others in the South Gauteng High Court of South Africa, seeking damages of approximately US$4,2 billion plus interest. Its claim arose from substantially the same allegations on which it founded US proceedings against MTN in early 2012. Those were related to Turkcell subsidiary East Asian Consortium's (EAC) unsuccessful effort to obtain the second GSM licence in Iran during 2005. Turkcell had withdrawn its claims in the US proceedings on 1 May 2013. Turkcell's allegations were investigated by a special committee appointed by the MTN board (the Hoffmann Committee) and its findings reported by MTN to stakeholders in February 2013. After a thorough examination of Turkcell's allegations and consideration of the available evidence, the Hoffmann Committee concluded that the allegations were unfounded. MTN will continue to vigorously defend any proceedings instituted by Turkcell in respect of such matter.

At the date of completing this notice, there have been no material changes in the financial or trading position of the Company and its subsidiaries that have occurred since 31 December 2013.

Notice of the nineteenth annual general meeting continued

The directors intend, should the proposed authority be granted to them under this resolution, to use such authority to continue, at appropriate times, to repurchase shares on the open market and thereby to more efficiently utilise cash on hand.

A general repurchase or purchase, as the case may be, of the Company's shares shall only take place after the JSE has received written confirmation from the Company's sponsor in respect of the directors' working capital statement.

This authority includes an authority, by special resolution, to repurchase, through the JSE's order book, as contemplated in section 48(8)(a) of the Companies Act, shares disposed of by a director or prescribed officer of the Company or a person related to a director or prescribed officer of the Company.

3. Special resolution number 3:
Financial assistance to subsidiaries and other related and inter-related entities and to directors, prescribed officers and other persons participating in share or other employee incentive schemes

"Resolved that, to the extent required by the Companies Act, the board of directors of the Company may, subject to compliance with the requirements of the Company's memorandum of incorporation, the Companies Act, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to:

1. any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the Company or any of its subsidiaries, and/or to any member of such subsidiary or related or inter-related company or entity, for any purpose or in connection with any matter, including, but not limited to, the subscription for any option, or any securities issued or to be issued by the Company or a related or inter-related company or entity, or for the purchase of any securities of the Company or a related or inter-related company or entity; and/or

2. any of the present or future directors or prescribed officers of the Company or of a related or inter-related company or entity (or any person related to any of them or to any company or entity related or inter-related to any of them), or to any other person who is a participant in any of the Company's or Group's share or other employee incentive schemes, for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company or a related or inter-related company or entity, or for the purchase of any securities of the Company or a related or inter-related company or entity, where such financial assistance is provided in terms of any such scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Companies Act, such authority to endure until the forthcoming annual general meeting of the Company".

4. Special resolution number 4:
Specific authority to repurchase treasury shares from its subsidiary
Resolved that to the extent required by the provisions of the Companies Act, the JSE Listings Requirements and the memorandum of incorporation of the Company, the Company is hereby authorised by way of a specific authority, to repurchase its own ordinary shares by acquiring 22 337 752 ordinary shares which are held as treasury shares by Mobile Telephone Networks Holdings Proprietary Limited (MTN Holdings), a wholly owned subsidiary of the Company.

The acquisition of the Company's shares will not exceed 5% of the issued shares of any class of the Company's shares as at the commencement of such financial year.

It is recorded that, as at the last practicable date the JSE Listings Requirements provide, *inter alia*, that the Company or any subsidiary of the Company may only make the specific repurchase of the shares in the Company if:

1. authorisation thereto is given by the Company's memorandum of incorporation;

2. approval being given in terms of this special resolution shall exclude the votes of any shareholder and its associates, as defined in the JSE Listings Requirements, that are participating in the specific repurchase;

3. a resolution by the board that it authorises the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and that from the time that the test was performed there have been no material changes to the financial position of the Group;

Subject always to the applicable provisions of the Companies Act, the JSE Listings Requirements, and the memorandum of incorporation of the Company (MOI), the Company intends to effect the specific repurchase of its shares which are currently held by MTN Holdings as treasury shares. The reasons for the specific repurchase is to eliminate the circular dividend flows, and to minimise the tax and accounting complexities that arises from the Company's subsidiary holding the treasury shares.

The Company's shareholders, by way of a general authority embodied in a special resolution passed at the annual general meeting of the Company held on 29 May 2012, authorised the Company to purchase shares issued by the Company, from any person, upon such terms and conditions and in such number as the directors may from time to time determine.

The implementation of the repurchase will not involve the Company in the acquisition of more than 5% of the issued shares of any class of the Company's shares (and will, accordingly, not be subject to the requirements of sections 114 and 115 of the Companies Act) nor will it exceed the limits set by the General Authority.

MTN Holdings, its directors and their associates will not vote on this special resolution.

Solvency and liquidity test

The board of the Company, by resolution, has acknowledged that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and has reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

Section 4 of the Companies Act provides that a company satisfies the solvency and liquidity test at a particular time if, considering all reasonably foreseeable financial circumstances of the company at that time: (i) the assets of the company, as fairly valued, equal or exceed the liabilities of the company, as fairly valued; and (ii) it appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months following that distribution.

In applying the solvency and liquidity test, the board has assumed (i) that MTN Holdings will hold not more than 22 337 752 shares; and (ii) that the repurchase will be effected at a price per share of not more than R208,73 per share.

Further information

Further information on the specific repurchase, in accordance with the JSE Listings Requirements, is given in the Appendix to the AGM notice.

VOTING

All ordinary resolutions will, in terms of the Companies Act, require the support of more than 50% of the voting rights of shareholders exercised thereon to be approved.

All the special resolutions will, in terms of the Companies Act, require the support of at least 75% of the total voting rights exercised thereon at the meeting, to be approved.

The directors of the Company decided in 2006 that in order to reflect more accurately the views of all shareholders and best practice, all resolutions and substantive decisions at the annual general meeting were to be put to a vote on a poll, rather than being determined simply on a show of hands. MTN Group has a large number of shareholders and it is not possible for all of them to attend the meeting. In view of this fact and because voting on resolutions at annual general meetings of the MTN Group is regarded as of high importance, putting all resolutions to a vote on a poll takes account of the wishes of those shareholders who are unable to attend the meeting in person, but who have completed a form of proxy. A vote on a poll also takes into account the number of shares held by each shareholder, which the board believes is a more democratic procedure. This year, all resolutions will again be proposed to be put to vote on a poll.

Notice of the nineteenth annual general meeting continued

Voting at the annual general meeting will be undertaken electronically. An electronic voting handset will be distributed before the start of the meeting to all shareholders who attend in person and are eligible to vote. The registrars will identify each shareholder's individual shareholding so that the number of votes that each shareholder has at the meeting will be linked to the number of votes which each shareholder will be able to exercise via the electronic handset. Shareholders who have completed and returned forms of proxy will not need to vote using a handset at the meeting unless they wish to change their vote.

PROXIES

A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not also be a shareholder of the Company.

A form of proxy which sets out the relevant instructions for its completion is attached for use by certificated shareholders and dematerialised shareholders with "own name" registration who wish to appoint a proxy. The instrument appointing a proxy and the authority, if any, under which it is signed must be received by the South African transfer secretaries at the addresses given below by not later than 14:30 (South African time) on Friday, 23 May 2014.

All beneficial owners of shares who have dematerialised their shares through a CSDP or broker, other than those shareholders who have dematerialised their shares in "own name" registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time and in accordance with the agreement between the beneficial owner and the CSDP, broker or nominee, as the case may be, to allow the CSDP, broker or nominee to carry out the instructions and lodge the requisite authority by 14:30 (South African time) on Friday, 23 May 2014.

Should such beneficial owners, however, wish to attend the meeting in person, they may do so by requesting their CSDP, broker or nominee to issue them with appropriate authority in terms of the agreement entered into between the beneficial owner and the CSDP, broker or nominee, as the case may be.

By order of the board

SB Mtshali
Group secretary

Business address and registered office
216 – 14th Avenue
Fairland, 2195
Private Bag X9955, Cresta, 2118

South African transfer secretaries
Computershare Investor Services Proprietary Limited
Registration number 2004/003647/07
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Fax number: +27 11 688 5238

Shareholder communication
Computershare Investor Services Proprietary Limited
Registration number 2004/003647/07
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Toll-free: 0800 202 360
Tel: +27 11 870 8206 (International)
Fax number: +27 11 688 5238

Explanatory notes to resolutions proposed at the nineteenth annual general meeting of the Company

For any assistance or information, please phone the MTN Group Sharecare Line on 0800 202 360 or on +27 11 870 8206 if you are phoning from outside South Africa.

RE-ELECTION OF DIRECTORS RETIRING BY ROTATION AT THE ANNUAL GENERAL MEETING – ORDINARY RESOLUTIONS NUMBER 1.1 TO 1.7

The reason for the proposed ordinary resolutions number 1.1 to 1.3 is to re-elect, in accordance with clause 91 and 92 of the new memorandum of incorporation of the Company and by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act, KP Kalyan, MJN Njeke, JHN Strydom and J van Rooyen as directors of the Company, they having retired by rotation in terms of the Company's memorandum of incorporation and being eligible for re-election by the nominations committee.

The reason for the proposed ordinary resolutions number 1.4 and 1.5 is to re-elect in accordance with the policy adopted by the board and the memorandum of incorporation of the Company which states that directors who have been in office for an aggregate period in excess of nine years, are required to retire at the annual general meeting (AGM). Accordingly, AF van Biljon and JHN Strydom (non-executive directors) who have served on the board for an aggregate period in excess of nine years retire at the forthcoming AGM and are eligible and offer themselves for re-election following an evaluation of their independence.

The reason for the proposed ordinary resolutions 1.6 and 1.7 is to elect, in accordance with article 92 of the memorandum of incorporation of the Company, to fill a vacancy, as required under section 68(2) of the Companies Act. PF Nhleko and BD Goschen, who were appointed as directors of the Company during the year under review by the board, retire in terms of the Company's memorandum of incorporation and are eligible election.

Biographical details of the retiring directors offering themselves for re-election and election are set out on pages 22 and 23.

ELECTION OF THE AUDIT COMMITTEE – ORDINARY RESOLUTIONS NUMBER 2.1 TO 2.4

The audit committee is a statutory committee constituted in terms of the Companies Act. The members of the committee are elected by shareholders at each AGM.

In terms of the regulations under the Companies Act, at least one-third of the members of the Company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Mindful of the foregoing, the nominations committee recommended to the board that the current members of the audit committee continue in such role to fulfil the duties prescribed in section 94(7) of the Companies Act and the board has approved such recommendations, subject to the re-elections being made by the shareholders, as proposed in ordinary resolutions number 2.1 to 2.4.

APPROVAL OF REAPPOINTMENT OF JOINT EXTERNAL AUDITORS – ORDINARY RESOLUTION NUMBER 3

In compliance with section 90 of the Companies Act, PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc. are proposed to be reappointed as joint auditors for the financial year ending 31 December 2014 and until the conclusion of the next AGM.

AUTHORISING THE DIRECTORS TO DEAL, AS THEY IN THEIR DISCRETION THINK FIT, WITH THE UNISSUED ORDINARY SHARES, LIMITED TO 10% OF SHARES IN ISSUE AS AT 31 DECEMBER 2013, AND THE SHARES RESERVED FOR THE COMPANY'S SHARE OR OTHER EMPLOYEE INCENTIVE SCHEMES – ORDINARY RESOLUTION NUMBER 4

In terms of article 7 of the Company's memorandum of incorporation, read with the JSE Listings Requirements, the members (shareholders) of the Company may authorise the directors to, *inter alia*, issue any unissued ordinary shares and/or grant options over them, as the directors in their discretion think fit.

The existing authority granted by the shareholders at the previous AGM on 28 May 2013, is proposed to be renewed at this AGM. The authority will be subject to the Companies Act and the JSE Listings Requirements respectively. The aggregate

Explanatory notes to resolutions proposed at the nineteenth annual general meeting of the Company continued

number of ordinary shares able to be allotted and issued in terms of this resolution, other than in terms of the Company's share or other employee incentive schemes shall be limited to 10% of the number of ordinary shares in issue as at 31 December 2013.

The directors have decided to seek annual renewal of this authority in accordance with best practice. The directors have no current plans to make use of this authority, but wish to ensure, by having it in place, that the Company has the necessary flexibility in managing the Group's capital resources and to enable the Company to take advantage of any business opportunity that may arise in the future.

ENDORSEMENT OF REMUNERATION PHILOSOPHY (POLICY) – ADVISORY VOTE

In terms of the King III Report and Code on Governance 2009 (King III), every year, the Company's remuneration policy should be tabled for a non-binding advisory vote at the AGM. The essence of this endorsement is to enable the shareholders to express their views on the remuneration policies adopted in the remuneration of executive directors and on their implementation.

Accordingly, the shareholders are requested to endorse the Company's remuneration policy set out on page 37.

REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS – SPECIAL RESOLUTION NUMBER 1

The board will determine the level of remuneration paid to members within any limitations imposed by shareholders. Levels and make-up of remuneration should be sufficient to attract and retain the right calibre of members needed to run the Company successfully, but the Company should avoid paying more than is necessary for this purpose. The board will review remuneration annually after taking independent advice and no director will be involved in deciding his own remuneration.

In terms of sections 66(8) and (9) of the Companies Act, which took effect on 1 May 2011, remuneration may only be paid to directors for their service as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of a company's memorandum of incorporation. In terms of article 73(b) of the Company's memorandum of incorporation, directors shall be entitled to such remuneration as directors as may be determined by the Company in a general meeting by an ordinary resolution, save that any director holding office for less than a year shall only be entitled to such remuneration in proportion to the period during which he/she has held office during such year. Although the Company has been advised that, in terms of the transitional provisions of the Companies Act, article 73(b) of the memorandum of incorporation could possibly prevail in the interim in respect of this apparent conflict between such article and the Companies Act, the board of directors nonetheless wishes to comply with the provisions of the Companies Act and as such the resolution is proposed as a special resolution.

The last increase was approved on 28 May 2013. Full particulars of remuneration paid to non-executive directors for the financial year ended 31 December 2013 are set out on pages 46 and 47 and the proposed revised fees to be effective from 28 May 2014 being tabled for approval are set out in special resolution number 1.

GENERAL AUTHORITY FOR THE COMPANY AND/OR A SUBSIDIARY OF THE COMPANY TO REPURCHASE OR PURCHASE, AS THE CASE MAY BE, SHARES IN THE COMPANY – SPECIAL RESOLUTION NUMBER 2

The existing general authority for the Company and/or a subsidiary thereof to repurchase or purchase, as the case may be, shares in the Company, granted by shareholders at the previous AGM on 28 May 2013, is due to expire at this AGM, unless renewed.

The directors are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any subsidiary of the Company to be in a position to repurchase or purchase, as the case may be, the shares issued by the Company through the order book of the JSE, should the market conditions and price justify such action.

Repurchases or purchases, as the case may be, will be made only after careful consideration, where the directors believe that an increase in earnings per share will result and where repurchases or purchases, as the case may be, are, in the opinion of the directors, in the best interests of the Company and its shareholders.

This general approval shall be valid until the earlier of the next AGM of the Company, or the variation or revocation of such general authority by a special resolution passed at any subsequent general meeting of the Company, provided that the general authority shall not be extended beyond 15 months from the date of passing the special resolution.

GENERAL AUTHORITY FOR THE COMPANY TO PROVIDE FINANCIAL ASSISTANCE TO ITS SUBSIDIARIES AND OTHER RELATED AND INTER-RELATED COMPANIES AND ENTITIES AND TO DIRECTORS, PRESCRIBED OFFICERS AND OTHER PERSONS PARTICIPATING IN SHARE OR OTHER EMPLOYEE INCENTIVE SCHEMES – SPECIAL RESOLUTION NUMBER 3

Notwithstanding the title of section 45 of the Companies Act, being "Loans or other financial assistance to directors", on a proper interpretation, the body of the section may also apply to financial assistance provided by a company to related or inter-related companies and entities, including, *inter alia*, its subsidiaries, for any purpose.

Furthermore, section 44 of the Companies Act may also apply to the financial assistance so provided by a company to related or inter-related companies, in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company.

Both sections 44 and 45 of the Companies Act provide, *inter alia*, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the board of directors must be satisfied that:

(a) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test; and
(b) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

MTN Group, when the need previously arose, had to provide loans to and guarantee loans or other obligations of subsidiaries and was not precluded from doing so in terms of its articles of association or in terms of the Companies Act, No 61 of 1973, as amended. MTN Group would like the ability to provide financial assistance, if necessary, also in other circumstances, in accordance with section 45 of the Companies Act. Furthermore, it may be necessary or desirable for MTN Group to provide financial assistance to related or inter-related companies and entities to subscribe for options or securities or purchase securities of MTN Group or another company or entity related or inter-related to it. Under the Companies Act, MTN Group will, however, require the special resolution referred to above to be adopted. In the circumstances and in order to, *inter alia,* ensure that MTN Group's subsidiaries and other related and inter-related companies and entities have access to financing and/or financial backing from MTN Group (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 3.

Sections 44 and 45 contain exemptions in respect of employee share schemes that satisfy the requirements of section 97 of the Companies Act. To the extent that any of the Company or Group's share or other employee incentive schemes do not constitute employee share schemes that satisfy such requirements, financial assistance (as contemplated in sections 44 and 45) to be provided under such schemes will, *inter alia*, also require approval by special resolution. Accordingly, special resolution number 3 authorises financial assistance to any of the directors or prescribed officers of MTN Group or its related or inter-related companies (or any person related to any of them or to any company or corporation related or inter-related to them), or to any other person who is a participant in any of the Company or Group's share or other employee incentive schemes, in order to facilitate their participation in any such schemes that do not constitute employee share schemes that satisfy the requirements of section 97 of the Companies Act.

SPECIFIC AUTHORITY TO REPURCHASE TREASURY SHARES FROM ITS SUBSIDIARY – SPECIAL RESOLUTION 4

The Company's shareholders, by way of a general authority embodied in a special resolution passed at the AGM of the Company held on 29 May 2012, authorised the Company to purchase shares issued by the Company, from any person, upon such terms and conditions and in such number as the directors may from time to time determine, subject to the applicable requirements of the Company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements (General Authority).

Explanatory notes to resolutions proposed at the nineteenth annual general meeting of the Company continued

The Company's acquisition of the shares from MTN Holdings is, in substance, equivalent to its direct repurchase of such shares from the market and does not engage any of the special treatment concerns which specific repurchases otherwise engage in respect of public shareholders.

As required by section 48 read with section 46 of the Act, the board has applied the solvency and liquidity test to the repurchase and by resolution, has authorised the distribution as it reasonably appears that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

The shares are proposed to be purchased by the Company for cash at their then current fair market value, and, that being the case, the financial assistance considerations contained in sections 44 and 45 of the Companies Act do not require consideration for the time being.

VOTING AND PROXIES

1. Every holder of shares present in person or by proxy at the meeting, or, in the case of a body corporate represented at the meeting, shall be entitled to one vote on a show of hands and on a poll shall be entitled to one vote for every share held.

2. A shareholder (including certificated shareholders and dematerialised shareholders who hold their shares with "own name" registration) entitled to attend and vote at the meeting may appoint one or more proxies to attend, participate and vote in his/her/its stead. A proxy does not have to be a shareholder of the Company. The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the annual general meeting and participating and voting in person thereat to the exclusion of any such proxy. A form of proxy for use at the meeting is attached.

3. It is requested that duly completed forms of proxy or powers of attorney be lodged at the registered offices of the Company or with the Company's South African transfer secretaries, Computershare, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), not less than 48 hours before the time appointed for holding the meeting. As the meeting is to be held at 14:30 (South African time) on Tuesday, 27 May 2014, it is requested that forms of proxy or powers of attorney be lodged on or before 14:30 (South African time) on Friday, 23 May 2014. The name and address of the South African transfer secretaries are given on the back of the form of proxy.

4. The attention of shareholders is directed to the additional notes relating to the form of proxy attached, which notes are set out in the form of proxy.

5. Dematerialised shareholders other than dematerialised shareholders who hold their shares with "own name" registration, who wish to attend the AGM must contact their CSDP or broker who will furnish them with the necessary authority to attend the annual general meeting or they must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between such shareholder and his/her CSDP or broker.

Appendix to the notice of annual general meeting

Important notes about the annual general meeting (AGM):

Date: Tuesday, 27 May 2014, at 14:30 (South African time)

Venue: The Auditorium, Phase II, Level 0, 216 – 14th Avenue, Fairland, Gauteng

Time: The AGM will start promptly at 14:30 (South African time)

Shareholders wishing to attend are advised to be in the auditorium by not later than 14:00. The meeting will commence with a short information session, informing shareholders of the electronic voting process to be utilised at the meeting. Staff will direct shareholders to the AGM. Refreshments will be served after the meeting.

Admission: Shareholders attending the AGM are asked to register at the registration desk in the auditorium reception area at the venue. Meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting.

Security: Secured parking is provided at the venue at own risk. Mobile telephones should be switched off for the duration of the proceedings.

Please note

1. Certificated shareholders and dematerialised shareholders who hold their shares with "own name" registration
Shareholders wishing to attend the AGM have to ensure beforehand, with the transfer secretaries of the Company, that their shares are in fact registered in their names. Should this not be the case and the shares be registered in any other name or in the name of a nominee company, it is incumbent on shareholders attending the meeting to make the necessary arrangements with that party to be able to attend and vote in their personal capacity. The form of proxy contains detailed instructions in this regard.

2. Enquiries
Any shareholders having difficulties or queries in regard to the AGM or the above are invited to contact the Group Secretary, SB Mtshali, on +27 (0) 11 912 4067 or the Sharecare line on 0800 202 360 or +27 (0) 11 870 8206 if phoning from outside of South Africa. Calls will be monitored for quality control purposes and customer safety.

3. Results of the annual general meeting
The results of the AGM will be posted on SENS as soon as practically possible after the AGM.

Stock exchange performance

MTN market related metrics for the year ended 31 December	**2013**	2012
Closing price	**21 702**	17 760
Highest price	**21 975**	17 828
Lowest price	**15 679**	12 755
Total volume of shares traded (m)	**1 468**	1 720
Total value of shares traded (Rm)	**267 311**	250 226
Number of shares in issue (m)	**1 873**	1 883
Number of shares traded as a percentage of shares in issue (%)	**78**	91,3
Number of transactions (as per JSE)	**1 521 895**	1 056 984
Average weighted trading price (cents per share) (1 year VWAP)	**18 214**	14 545
Average telecommunication index (close)	**8 726**	7 153
Average industrial index (close)	**53 655**	33 541
Average mobile index (close)	**288**	245
Dividend yield (%)	**4,80**	4,5
Earnings yield (%) (basic headline earnings)	**6,40**	6,4
Price-earnings multiple (basic headline earnings)	**15,7**	15,6
Market capitalisation (Rm)	**406 539**	335

Source: Inet

Shareholders' diary

Annual general meeting		***27 May 2014***
Final dividend declaration		4 March 2014
Summarised annual financial results	published	5 March 2014
Annual financial statements	posted	March 2014
Half-year end		30 June 2014
Interim dividend declaration		August 2014
Interim financial statements	published	August 2014
Financial year end		31 December 2014

Please note that these dates are subject to alteration.

Summary of applicable rights established in section 58 of the Companies Act

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at, a shareholders meeting on behalf of the shareholder.

2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.

3. Except to the extent that the memorandum of incorporation of a company provides otherwise –

3.1. a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder; and

3.2. a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint a proxy –

4.1. the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and

4.2. should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.

5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date –

5.1. stated in the revocation instrument, if any; or

5.2. upon which the revocation instrument is delivered to the proxy and the relevant company.

6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to –

6.1. the shareholder, or

6.2. the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.

7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provides otherwise.

8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy –

8.1. such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised and must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act;

8.2. the company must not require that the proxy appointment be made irrevocable; and

8.3. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act (see paragraph 5 above).

Administration

Company registration number
1994/009584/06
JSE code: MTN
ISIN: ZAE 000042164

Board of directors

BD Goschen[1]	AF van Biljon[3]
PF Nhleko[2]	F Titi[3]
RS Dabengwa[1]	J van Rooyen[3]
KP Kalyan[3]	MLD Marole[3]
AT Mikati[†2]	NP Mageza[3]
MJN Njeke[3]	A Harper[#3]
JHN Strydom[2]	

[†] *Lebanese*
[#] *British*
[1] *Executive*
[2] *Non-executive*
[3] *Independent non-executive*

Group secretary
SB Mtshali
Private Bag X9955, Cresta, 2118

Registered office
216 – 14th Avenue
Fairland
Gauteng, 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

MTN Group Sharecare line
Toll-free: 0800 202 360 or +27 11 870 8206
if phoning from outside South Africa

Office of the transfer secretaries
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

SizweNtsalubaGobodo Inc
1 Woodmead Drive, Woodmead Estate
Woodmead, 2157
PO Box 2939, Saxonwold, 2132

Sponsor
Deutsche Securities (SA) Proprietary Limited
3 Exchange Square, 87 Maude Street, Sandton, 2196

Attorneys
Webber Wentzel
10 Fricker Road, Illovo Boulevard, Johannesburg
PO Box 61771, Marshalltown, 2107

Contact details
Telephone:
National 011 912 3000
International +27 11 912 3000
Facsimile:
National 011 912 4093
International +27 11 912 4093
E-mail: investor_relations@mtn.co.za
Internet: http://www.mtn.com

Form of proxy

To be completed by certificated shareholders and dematerialised shareholders with "own name" registration only

MTN GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1994/009584/06)
(MTN Group or the Company)
JSE code: MTN
ISIN: ZAE 000042164

For use at the annual general meeting to be held at 14:30 (South African time) on Tuesday, 27 May 2014, in the Auditorium, Phase II, level 0, 216 – 14th Avenue, Fairland, Gauteng. For assistance in completing the form of proxy, please phone the MTN Group Sharecare line on 0800 202 360 or on +27 11 870 8206 if you are phoning from outside South Africa. A shareholder (including certificated shareholders and dematerialised shareholders who hold their shares with "own name" registration) entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, vote and speak in his/her/its stead at the annual general meeting. A proxy need not be a shareholder of the Company.

I/We .... (names in block letters)

of (address) ....

being a shareholder(s) of the Company, and entitled to vote, do hereby appoint .... of

.... or failing him/her,

.... of .... or failing him/her,

the chairperson of the annual general meeting, as my/our proxy to represent me/us at the annual general meeting to be held at 14:30 (South African time) on Tuesday, 27 May 2014, in the Auditorium, Phase II, level 0, 216 – 14th Avenue, Fairland, Gauteng, for the purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2 overleaf) as follows:

ORDINARY RESOLUTIONS		*For*	*Against*	*Abstain*
1	**Ordinary resolution number 1.1:** Re-election of KP Kalyan as director			
2	**Ordinary resolution number 1.2:** Re-election of MJN Njeke as a director			
3	**Ordinary resolution number 1.3:** Re-election of J van Rooyen as a director			
4	**Ordinary resolution number 1.4:** Re-election of JHN Strydom as a director			
5	**Ordinary resolution number 1.5:** Re-election of AF Biljon of as a director			
6	**Ordinary resolution number 1.6:** Election of PF Nhleko as a director			
7	**Ordinary resolution number 1.7:** Election of BD Goschen as a director			
8	**Ordinary resolution number 2.1:** To elect Alan van Biljon as a member of the audit committee			
9	**Ordinary resolution number 2.2:** To elect J van Rooyen as a member of the audit committee			
10	**Ordinary resolution number 2.3:** To elect NP Mageza as a member of the audit committee			
11	**Ordinary resolution number 2.4:** To elect MJN Njeke as a member of the audit committee			
12	**Ordinary resolution number 3:** Re-appointment of joint independent auditors			
13	**Ordinary resolution number 4:** General authority for directors to allot and issue ordinary shares			
14	**Advisory endorsement:** Endorsement of the remuneration philosophy (policy)			
SPECIAL RESOLUTIONS				
15	**Special resolution number 1:** To approve the remuneration payable to non-executive directors			
16	**Special resolution number 2:** To approve an authority for the Company and/or any of its subsidiaries to repurchase or purchase, as the case may be, shares in the Company			
17	**Special resolution number 3:** To approve the granting of financial assistance by the Company to its subsidiaries and other related and inter-related companies and corporations and to directors, prescribed officers and other persons participating in share or other employee incentive schemes			
18	**Special resolution number 4:** To approve the specific authority to repurchase the Company's treasury shares from its subsidiaries			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

Please read the notes on the reverse side hereof.

Signed at .... on 2014

Full name(s) .... (in block letters)

Signature(s) ....

Assisted by (guardian) .... Date ....

If signing in a representative capacity, see note on next page.

Notes to proxy

1. Only shareholders who are registered in the register or in the sub-register of the Company under their "own name", may complete a proxy or alternatively attend the meeting. Beneficial owners who are not the registered holder and who wish to attend the meeting in person may do so by requesting the registered holder, being their Central Security Depository Participant (CSDP), broker or nominee, to issue them with a letter of representation in terms of the custody agreements entered into with the registered holder. Letters of representation must be lodged with the Company's registrars by no later than 14:30 on Friday, 23 May 2014.
2. Beneficial owners who are not the registered holder and who do not wish to attend the meeting in person must provide the registered holder, being the CSDP, broker or nominee, with their voting instructions. The voting instructions must reach the registered holder in sufficient time to allow the registered holder to advise the Company or the Company's registrar of their instructions by no later than 14:30 on Friday, 23 May 2014.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion or insertion must be initialled by the shareholder. Any insertion or deletion not complying with the foregoing will be declared not to have been validly effected. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairperson of the general meeting.
4. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she/it deems fit in respect of the entire shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her/its proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the shareholder or by his/her proxy.
5. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of any proposed amendment to the above resolutions. If the aforegoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form is attached.
6. To be effective, completed forms of proxy are requested to be lodged with the Company at its registered address or at the Company's South African transfer secretaries at the address stipulated below, not less than 48 hours before the time appointed for the holding of the meeting. As the meeting is to be held at 14:30 on Tuesday, 27 May 2014, forms of proxy are requested to be lodged on or before 14:30 on Friday, 23 May 2014.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat instead of any proxy appointed in terms hereof.
8. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
9. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy, unless previously recorded by the Company or the registrars or waived by the chairperson of the annual general meeting.
11. Where there are joint holders of shares:
    - 11.1 any one holder may sign the form of proxy; and
    - 11.2 the vote of the senior shareholder (for which purpose seniority will be determined by the order in which the names of the shareholders appear in the Company's register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholders.
12. A minor must be assisted by his/her parent or legal guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
13. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.

Office of the South African transfer secretaries
Computershare Investor Services (Pty) Limited
Registration number 2004/003647/07
70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107, Fax number: +27 11 668 5238

Shareholders are encouraged to make use of the **toll-free Sharecare line** for assistance in completing the form of proxy and any other queries.

If you have any questions regarding the contents of this report,
please call the MTN Group toll-free Sharecare line on 0800 202 360
(or +27 11 870 8206 if phoning from outside South Africa)

Computershare

Please note that your call will be recorded for customer safety.

SPECIFIC REPURCHASE OF MTN GROUP SHARES HELD BY MOBILE TELEPHONE NETWORKS HOLDINGS PROPRIETARY LIMITED ("MTN HOLDINGS") AS TREASURY SHARES

As reported to shareholders in announcements released on the Stock Exchange News Service of the JSE on 7 March 2012 and 6 March 2013, MTN Telephone Networks Holdings Proprietary Limited ("MTN Holdings") a wholly owned subsidiary of MTN Group, purchased a total of 22 337 752 MTN Group shares in the market at an average price of approximately R137.00 per MTN Group share. The purchases were conducted in terms of general authorities granted annually to MTN Group and its subsidiary companies by the shareholders of MTN Group and to MTN Holdings by its shareholder, MTN Group.

everywhere you go

As at 10 March 2014 the 22 337 752 MTN Group shares, which are held as treasury shares by MTN Holdings, constitute 1.19% of the issued share capital of MTN Group. The board of MTN Group has resolved that MTN Group repurchase the 22 337 752 MTN Group shares held by MTN Holdings as treasury shares ("the Specific Repurchase") in order to eliminate circular dividends flows and accounting complexities arising from treasury shares and also eliminate a circular flow of STC credit balance.

The 22 337 752 MTN Group shares will be cancelled as issued shares and restored to the status of authorised but unissued shares in the share capital of MTN Group. In order to effect the Specific Repurchase, it is necessary for the shareholders of MTN Group to pass a special resolution in accordance with the provisions of the Companies Act, No 71 of 2008 as amended, and in terms of the requirements of the Listings Requirements of the JSE Limited ("JSE") ("Listings Requirements") and clause 169 of the MTN Group Memorandum of Incorporation. The votes attaching to the shares held by MTN Holdings, its directors and their associates will not be counted for the purposes of determining the results of the voting on this special resolution.

Once the Specific Repurchase has been implemented, there shall be no treasury shares held by MTN Holdings.

The JSE will be requested to terminate the listing of the 22 337 752 MTN Group shares, which are the subject of the Specific Repurchase, following its implementation. Shareholders will be informed by way of an announcement on SENS once the Specific Repurchase has been implemented and the date upon which the shares are to be delisted is known.

The Specific Repurchase will be entered into at the closing market price per MTN Group share on the business day prior to the effective date of the Specific Repurchase, with a maximum price authorised by the directors of MTN Group of R208.73 per MTN Group share which is a premium of 4.76% to the weighted average traded price of R198.80 per MTN Group share over the 30 business days prior to Tuesday, 4 March 2014, being the day on which the board approved the Specific Repurchase. The amount of R208.73 was the highest envisaged purchase price at which the board was comfortable to execute the share repurchase from MTN Holdings.

The Specific Repurchase will be effected by way of an inter-company loan.

The directors of MTN Group have considered the impact of the Specific Repurchase and are of the opinion that, for the 12-month period following the implementation of the Specific Repurchase:

- the Company will be able to pay its debts as they become due in the ordinary course of business;
- the assets of the Company, as fairly valued, will exceed the liabilities of the Company, as fairly valued (the assets and liabilities being valued in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Company and its subsidiaries (the Group));
- the share capital and reserves of the Group will be adequate for ordinary business purposes;
- the working capital requirements of the Group will be adequate for ordinary business purposes; and

- the Company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group.

As the Specific Repurchase will constitute an intra-group transaction and the financial effect on MTN Group's earnings per share, headline earnings per share, net asset value per share and net tangible asset value per share will be confined to the cost of the sponsor fee and the JSE documentation fee referred to below, which are considered negligible.

The costs that will be incurred in respect of this transaction will be JSE documentation fees of R18 518.63 excluding VAT and the sponsor fee amounting to R100 000.00. According to the opinion provided by our auditors, there will be no Securities Transfer Tax payable on this transaction.

The directors of MTN Group are detailed on pages 22 and 23 of the MTN Group Annual Financial Statements as at 31 December 2013. ("Annual Financial Statements"). The directors of MTN Holdings are the same directors as those of MTN Group detailed on pages 22 and 23 of the Annual Financial Statements. Page 24 of the Annual Financial Statements gives details of MTN Group management and their executive functions.

The major beneficial shareholders as at 31 December 2013 are shown on page 136 of the MTN Integrated Report 2013 which is available on MTN Group's website (www.mtn.com) ("Integrated Report") , which information has not changed as at 13 March 2014, being the last practical date before finalisation of the Integrated Report.

There have been no known material changes in the financial or trading position of MTN Group since 31 December 2013 up to and including the last practical date.

Details of repurchased equity securities are set out on pages 63 and 64 of the Integrated Report.

There are currently no restrictive funding arrangements.

The directors' interests in MTN Group shares as at 31 December 2013 are set out on pages 119 and 120 of the Integrated Report. There has been no change in the directors' interests in MTN Group shares since 31 December 2013.

The table below sets out the authorised and issued share capital of MTN Group before the Specific Repurchase:

Share capital	**31 December 2013**
	R
Authorised share capital	
2 500 000 000 ordinary shares of 0,01 cents each	250 000,00
Issued share capital	
1 873 278 848 ordinary shares of 0,01 cents each	187 327,88

Share capital	**31 December 2013**
	R
Share premium	**42 598,00**
Treasury shares	
22 337 752 ordinary shares of 0,01 cents each	2 233,77
The table below sets out the authorised and issued share capital of MTN Group after the Specific Repurchase:	
Authorised share capital	
2 500 000 000 ordinary shares of 0,01 cents each	250 000,00
Issued share capital	
1 850 941 096 ordinary shares of 0,01 cents each	187 327,88
Share premium*	**37 935 000 000,00**
Treasury shares	
0 ordinary shares of 0,01 cents each	0

** Share premium calculated using 208,73 as the purchase price.*

Save for as disclosed on page 26 and page 95 in the Annual Financial Statements, there are no legal or arbitration proceedings that are pending or threatened of which MTN Group is aware that may have, or have had, in the twelve-month period preceding the date of this Integrated Report, a material effect on the financial position of MTN Group.

The directors of MTN Group, whose details are set out on pages 22 and 23 of the Annual Financial Statements, collectively and individually accept full responsibility for the accuracy of the information in relation to MTN Group given in this notice of Annual General Meeting under the heading "Specific Repurchase of MTN Group shares held as treasury shares" and certify that, to the best of their knowledge and belief, no material facts have been omitted which would make any statement given under this heading false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the information given under this heading contains all the information required by the Listings Requirements.

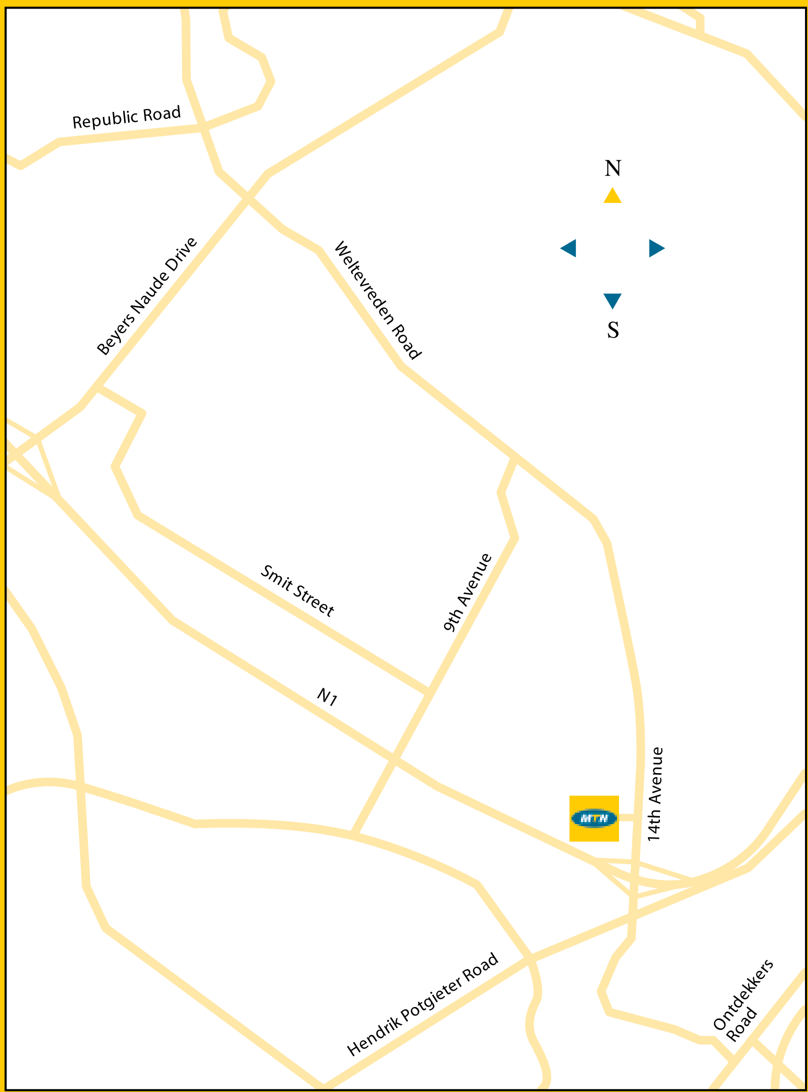
Deutsche Securities (SA) Proprietary Limited has provided its written consent to act in the capacity of sponsor in respect of this matter and to their names being stated as such in the Integrated Report and have not withdrawn their consent prior to the last practical date before the publication of the Integrated Report.

The following documents will be available for inspection at the registered office of MTN Group from 31 March 2014 to 27 May 2014:

- The Memoranda of Incorporation of MTN Group, MTN Holdings, MTN International Proprietary Limited and Mobile Telephone Networks Proprietary Limited;
- The audited Annual Financial Statements of MTN Group and MTN Holdings for the financial years ended 31 December 2013, 2012 and 2011; and
- The signed consent letter of Deutsche Securities (SA) Proprietary Limited.

Map

MTN Innovation Centre



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For access on your mobile to the MTN website scan this QR code.