

MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

(Share code MTN)

(ISIN: ZAE000042164)

("MTN" or "the Company" or "the Group")

Trading statement for the six-month period ended 30 June 2020

MTN is currently in the process of finalising its results for the six months ended 30 June 2020. These will be announced on the Stock Exchange News Service of the JSE Ltd. ("SENS") on or about Thursday, 6 August 2020.

Following the trading statement published on Friday, 24 July 2020, shareholders are further advised that MTN expects to report growth in earnings per share ("EPS") of between 160% and 170% (or 406 cents to 432 cents). Considering the restated EPS of 254 cents for the corresponding six-month period ended 30 June 2019 (restatement explained further below), this translates into a range of 660 cents to 686 cents for the six-month period ended 30 June 2020.

EPS includes the benefit from gains amounting to 341 cents on the disposal of the ATC Uganda and ATC Ghana tower joint ventures as announced in March 2020 (2019: includes 74 cents benefit from gains on disposal).

Headline earnings per share ("HEPS") growth is expected to be between 115% and 125% (or 224 cents to 244 cents). Considering the HEPS of 195 cents for the corresponding six-month period ended 30 June 2019, this translates into a range of 419 cents to 439 cents.

HEPS benefited from non-operational items for the six months ended 30 June 2020 totalling approximately 46 cents per share (June 2019: 55 cents negative impact on HEPS) of which more than half related to foreign exchange gains.

The Group has implemented a voluntary accounting policy change relating to the treatment of foreign currency translation reserves ("FCTR"). IAS 21 requires that, on the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation recognised in equity on the balance sheet over time, shall be reclassified from equity to profit or loss as a reclassification adjustment when the gain or loss on disposal is recognised. In this regard, the Group has changed its accounting policy on the calculation of this reclassification of FCTR from the step-by-step method to the direct method, which provides a more reliable and relevant view of the gain or loss realised in the context of the Group's functional currency

This change in accounting policy impacted the FCTR gain reclassified to profit in the current period on the disposal of the Group's investments in the ATC Uganda and ATC Ghana tower joint ventures. The impact of the change in policy on EPS is an increase of 47 cents (2019: 7 cents, resulting in a restatement of the 2019 EPS). The change in accounting policy had no impact on HEPS in the current or prior comparative period.

Dividend update

MTN has made meaningful progress in strengthening its financial position and maintaining a healthy liquidity position. In order to sustain this, and in line with MTN's capital allocation framework, the board has decided not to declare a 2020 interim dividend in the context of the COVID-19 impacts and the material uncertainties these present. Should conditions warrant a final dividend, this would be no more than 390 cents per share, aligned to the current dividend policy. The key factors to consider will include the general macro-economic environment, the status of cash upstreaming from operating companies and the outlook for the holding company leverage ratio.

MTN succession process on track

The succession process for the MTN Group CEO role is on track and MTN expects to make an announcement in this regard in the next 4 to 8 weeks. Current Group CEO Rob Shuter will complete his fixed four-year contract in March 2021 as announced earlier this year and this timing will enable a seamless handover to his successor.

MTN notes the announcement issued today by BT Group Plc that Rob has been appointed as the CEO of BT Enterprise. Rob will relocate to the UK and start with BT Group Plc in 2021 after finishing at MTN. MTN thanks Rob for his contribution over the years and wishes him well in his new endeavours.

The financial information on which this trading statement is based has not been reviewed and reported on by the external auditors of MTN.

Fairland
31 July 2020

Lead sponsor

Tamela Holdings Proprietary Limited

Joint sponsor

JP Morgan Equities South Africa Proprietary Limited