

### 31. SEGMENTAL SUMMARY

The Group's segment reporting follows the organisational structure as reflected in its internal management reporting systems, which are the basis for assessing the financial performance of the business segments and for allocating resources to these segments. Management's assessment of the Group's organisational structure takes the geographical location of the segments into account.

Operating segments are reported internally to the chief operating decision-maker in a manner consistent with the financial statements. In addition, the chief operating decision-maker uses core net profit as a non-IFRS measure in evaluating the Group's performance on a segmental level. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors, who are responsible for making strategic decisions on behalf of the Group.

Transactions between reportable segments are conducted on similar terms as other transactions of a similar nature.

The segment results for the year ended 31 May are as follows:

|                                                                                  | Total             |               | South African Distribution |               |
|----------------------------------------------------------------------------------|-------------------|---------------|----------------------------|---------------|
|                                                                                  | 2015<br>R'000     | 2014<br>R'000 | 2015<br>R'000              | 2014<br>R'000 |
| Total segment revenue                                                            | 27 780 173        | 25 354 475    | 27 364 493                 | 24 837 763    |
| Inter-segment revenue                                                            | (5 735 951)       | (5 952 809)   | (5 706 602)                | (5 734 111)   |
| <b>Revenue</b>                                                                   | <b>22 044 222</b> | 19 401 666    | <b>21 657 891</b>          | 19 103 652    |
| <b>Segment result</b>                                                            |                   |               |                            |               |
| Operating profit/(loss) before depreciation, amortisation and impairment charges | 1 080 165         | 787 993       | 1 038 252                  | 821 310       |
| Depreciation and amortisation                                                    | (89 112)          | (62 175)      | (72 649)                   | (48 401)      |
| Impairment of property, plant and equipment                                      | —                 | (128)         | —                          | —             |
| Impairment of intangible assets                                                  | —                 | (1 073)       | —                          | —             |
| Impairment of loans                                                              | (4 907)           | (1 761)       | (219)                      | (1 487)       |
| Finance costs                                                                    | (233 165)         | (166 876)     | (225 994)                  | (165 647)     |
| Finance income                                                                   | 173 047           | 156 250       | 156 703                    | 140 942       |
| Share of (losses)/profits from associates and joint ventures                     | (79 338)          | (56 873)      | —                          | —             |
| Taxation                                                                         | (265 497)         | (206 442)     | (222 905)                  | (186 664)     |
| <b>Net profit/(loss) for the year</b>                                            | <b>581 193</b>    | 448 915       | <b>673 188</b>             | 560 053       |

At 31 May 2015, the Group is managed on the basis of five main business segments:

- South African Distribution, which includes the distribution of physical and virtual prepaid airtime and electricity of the South African mobile/fixed-line network operators and utility suppliers, and the distribution of starter packs in South Africa.
- International Distribution, which includes international distribution of physical and virtual prepaid airtime in India and Mexico, and payment solutions in India. This segment also incorporates the Africa Prepaid Services group.
- Mobile, which includes the provision of a complete mobile transactional ecosystem and services provisioning platform delivering mobile-centric products and services through any mobile channel, including location-based and WASP services, and music and digital content provision.
- Solutions, which include marketing of cellular and financial products and services through outbound telemarketing and other channels, provides inbound customer care and technical support, and markets data and analytics services.
- Corporate, which performs the head office administration function.

| International Distribution |               | Mobile        |               | Solutions     |               | Corporate     |               |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2015<br>R'000              | 2014<br>R'000 | 2015<br>R'000 | 2014<br>R'000 | 2015<br>R'000 | 2014<br>R'000 | 2015<br>R'000 | 2014<br>R'000 |
| —                          | —             | 251 085       | 350 783       | 164 595       | 165 929       | —             | —             |
| —                          | —             | (10 917)      | (198 165)     | (18 432)      | (20 533)      | —             | —             |
| —                          | —             | 240 168       | 152 618       | 146 163       | 145 396       | —             | —             |
| 35 379                     | (13 961)      | 51 359        | 34 273        | 40 831        | 29 257        | (85 656)      | (82 886)      |
| —                          | —             | (7 068)       | (3 407)       | (2 877)       | (3 331)       | (6 518)       | (7 036)       |
| —                          | —             | —             | —             | —             | (128)         | —             | —             |
| —                          | —             | —             | (1 073)       | —             | —             | —             | —             |
| (4 688)                    | (274)         | —             | —             | —             | —             | —             | —             |
| (152)                      | (392)         | (733)         | (61)          | (2)           | (1)           | (6 284)       | (775)         |
| 7 190                      | 11 274        | 1 322         | 1478          | 449           | 485           | 7 383         | 2 071         |
| (81 267)                   | (56 249)      | 2 658         | —             | (729)         | (624)         | —             | —             |
| (14 701)                   | (3 700)       | (15 732)      | (7 672)       | (9 480)       | (9 049)       | (2 679)       | 643           |
| (58 239)                   | (63 302)      | 31 806        | 23 538        | 28 192        | 16 609        | (93 754)      | (87 983)      |

|     |                                                                                  | Total              | South African Distribution |                    |                    |
|-----|----------------------------------------------------------------------------------|--------------------|----------------------------|--------------------|--------------------|
|     |                                                                                  | 2015<br>R'000      | 2014<br>R'000              | 2015<br>R'000      | 2014<br>R'000      |
| 31. | <b>SEGMENTAL SUMMARY continued</b>                                               |                    |                            |                    |                    |
|     | <b>Reconciliation of net profit for the year to core net profit for the year</b> |                    |                            |                    |                    |
|     | Net profit/(loss) for the year                                                   | 581 193            | 448 915                    | 673 188            | 560 053            |
|     | Amortisation of intangibles raised through business combinations net of tax      | 19 628             | 10 625                     | 13 389             | 6 323              |
|     | <b>Core net profit/(loss) for the year</b>                                       | <b>600 821</b>     | <b>459 540</b>             | <b>686 577</b>     | <b>566 376</b>     |
|     | <b>Core net profit/(loss) for the year attributable to:</b>                      |                    |                            |                    |                    |
|     | Equity holders of parent                                                         | 596 578            | 460 602                    | 684 756            | 558 996            |
|     | Non-controlling interest                                                         | 4 243              | (1 062)                    | 1 821              | 7 379              |
|     | <b>Non-cash items</b>                                                            |                    |                            |                    |                    |
|     | Net profit/(loss) on sale of subsidiaries                                        | 3 691              | —                          | —                  | —                  |
|     | Net profit on disposal of associates                                             | 18 771             | —                          | —                  | —                  |
|     | Discounting of receivables                                                       | 142 326            | 117 444                    | 142 326            | 116 783            |
|     | Discounting of payables                                                          | (165 201)          | (143 882)                  | (165 201)          | (143 882)          |
|     | <b>The segment assets and liabilities at 31 May are as follows:</b>              |                    |                            |                    |                    |
|     | Assets excluding investments in associates and joint ventures                    | 6 478 248          | 5 904 778                  | 5 890 188          | 5 651 680          |
|     | Investments in associates and joint ventures                                     | 548 572            | 598 109                    | —                  | —                  |
|     | <b>Total assets</b>                                                              | <b>7 026 820</b>   | <b>6 502 887</b>           | <b>5 890 188</b>   | <b>5 651 680</b>   |
|     | <b>Additions to non-current assets</b>                                           |                    |                            |                    |                    |
|     | Property, plant and equipment                                                    | 54 897             | 47 038                     | 44 673             | 42 678             |
|     | Intangible assets and goodwill                                                   | 374 095            | 397 203                    | 344 909            | 388 280            |
|     | Investment in associates                                                         | 51 424             | —                          | —                  | —                  |
|     | Investment in joint ventures                                                     | 30 051             | —                          | —                  | —                  |
|     | <b>Total liabilities</b>                                                         | <b>(3 108 839)</b> | <b>(2 978 898)</b>         | <b>(2 781 588)</b> | <b>(2 838 621)</b> |

### Segmental summary

The Company is domiciled in the Republic of South Africa. The result of its revenue from external customers in South Africa is R22.044 billion (2014: R19.402 billion), and the total revenue from external customers from other countries is nil (2014: nil).

# NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 May 2015



| International Distribution |               | Mobile        |               | Solutions     |               | Corporate     |               |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2015<br>R'000              | 2014<br>R'000 | 2015<br>R'000 | 2014<br>R'000 | 2015<br>R'000 | 2014<br>R'000 | 2015<br>R'000 | 2014<br>R'000 |
| (58 239)                   | (63 302)      | 31 806        | 23 538        | 28 192        | 16 609        | (93 754)      | (87 983)      |
| 3 593                      | 3 315         | 2 646         | 987           | —             | —             | —             | —             |
| (54 646)                   | (59 987)      | 34 452        | 24 525        | 28 192        | 16 609        | (93 754)      | (87 983)      |
| (46 958)                   | (47 862)      | 28 559        | 24 904        | 23 975        | 12 547        | (93 754)      | (87 983)      |
| (7 688)                    | (12 125)      | 5 893         | (378)         | 4 217         | 4 062         | —             | —             |
| —                          | —             | —             | —             | —             | —             | 3 691         | —             |
| 18 771                     | —             | —             | —             | —             | —             | —             | —             |
| —                          | —             | —             | 661           | —             | —             | —             | —             |
| —                          | —             | —             | —             | —             | —             | —             | —             |
| (22 250)                   | (40 235)      | 407 401       | 96 420        | 151 077       | 134 592       | 51 832        | 62 321        |
| 500 203                    | 596 611       | 41 905        | —             | 464           | 1 498         | 6 000         | —             |
| 477 953                    | 556 376       | 449 306       | 96 420        | 151 541       | 136 090       | 57 832        | 62 321        |
| —                          | —             | 8 257         | 3 306         | 1 657         | 912           | 310           | 142           |
| —                          | —             | 27 722        | 7 239         | 1 445         | 1 651         | 19            | 33            |
| 51 424                     | —             | —             | —             | —             | —             | —             | —             |
| —                          | —             | 30 051        | —             | —             | —             | —             | —             |
| (26 792)                   | (24 401)      | (147 536)     | (76 359)      | (18 011)      | (15 767)      | (134 912)     | (23 750)      |

The total non-current assets other than financial instruments and deferred tax assets located in South Africa is R1.483 billion (2014: R1.164 billion), and the total non-current assets located in other countries is R459 million (2014: R555 million).

The South African Distribution segment includes revenues of R3.717 billion and R3.541 billion earned from two external customers.