ECONET WIRELESS ZIMBABWE LIMITED

Inspired to change *your* world

Audited Abridged Financial Results

for the year ended 28 February 2014

FINANCIAL HIGHLIGHTS

	Connected Subscribers	Network Investment	Revenue	Data Contribution	Services Contribution	EBITDA
AUDITED 28 FEBRUARY 2014	8 782 760	$139.7 million	$752.7 million	$72.4 million	$33.4 million	$332.2 million
AUDITED 28 FEBRUARY 2013	8 000 000	$147.0 million	$694.8 million	$44.6 million	$8.2 million	$302.4 million
PERCENTAGE CHANGE	+10%	-5%	+8%	+62%	+307%	+10%



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for the year ended 28 February 2014

CHAIRMAN'S STATEMENT

INTRODUCTION
Zimbabwe continues to seize the potential that the mobile telecoms revolution offers. Its overall mobile penetration rate increased to 104%, breaking the 100% threshold. Internet penetration rates increased to over 42%. These milestone developments in the Zimbabwe ICT sector are largely as a result of significant investment in network and fibre-optic infrastructure by Econet and its subsidiaries and associates.

INVESTMENT REVIEW

The resilience of our business model is anchored on service excellence in our core and enterprise businesses and this is demonstrated by our consistent financial performance and innovations. The core business focuses on the delivery of Voice, SMS, Broadband and Overlay Services. The enterprise business consists of Steward Bank (SB) and Mutare Bottling Company (MBC). Steward Bank continues to play a key role in promoting the growth of Broadband through credit schemes designed to increase smart phone penetration and providing the regulatory platform for mobile financial services, which form part of our Overlay Services. As a result Broadband has grown by 62% whilst Overlay Services grew by 307%.

With over US$ 1 billion invested into the Zimbabwean economy to date, Econet has made a significant contribution to the development of the Zimbabwean economy. There have been significant benefits arising from this investment, which include the creation of over 20,000 new jobs and about US$ 900 million paid to Government in the form of taxes and levies since 2009. Econet continues to invest in the country and in the telecommunications sector and is transforming the way people communicate and do business. The confidence in the business model is demonstrated in the continued investment in the network, new services and our staff despite the current economic challenges.

OPERATIONS REVIEW

Due to the constant and rapid change in the telecommunications industry, a high performance innovation-led culture is critical to ensure the creation of new commercial opportunities. The current business model focuses on growth from new revenue streams mainly through data and Overlay Services. Validation of this strategy is evident from the growth in Broadband and Overlay Services that now contribute 16% of the overall revenues of the business.

Maintaining a high quality network and delivering high client service standards remain core priorities for the business. To this end, Econet has continued to expand its customer service channels and to train customer service agents. Econet has demonstrated the ability to introduce new products and services that are unique and, consequently, has won many accolades at international fora. For example, Capital Finance International recently awarded Econet "The Best Telecom Services and Solutions in Africa" for its culture of innovation.

In excess of 4.2 million people, representing 53% of the adult population in Zimbabwe, were impacted by EcoCash during the year. Transactions on the platform registered a significant increase. EcoCash has provided access to banking accounts to many people who were previously excluded from the financial system, and in doing so, has contributed about half of the national financial services penetration level of about 30%. EcoCash has also brought added convenience to the payment of transactions within the country.

FINANCIAL PERFORMANCE

Revenue for the year ended 28 February 2014 recorded growth of 8% to close at US$ 752.7 million. Earnings Before Interest, Taxation and Depreciation closed at US$ 332.2 million, compared to US$ 302.4 for the previous year. Depreciation and amortisation increased by 42% to US$ 101.7 million in line with the growth of the asset base.

Total assets value increased by 16% to close at US$ 1.2 billion. The debt to equity ratio improved to 38% from 54% for the previous year. During the year, Econet fully paid for a 20-year operating licence at a cost of US$ 137.5 million.

CORPORATE SOCIAL INVESTMENT

Econet believes that the private sector should contribute to alleviating the social challenges arising from Zimbabwe's current constraints. Through Capernaum Trust, Econet has assisted over 50,000 orphans and vulnerable children with fully funded scholarship support.

Econet was awarded the Best Mobile Health Product or Service for its "Energise the Chain" Project, through which excess power from base stations is used to power vaccine refrigerators. 50 free educational websites were introduced to allow students to perform academic research and other learning activities. We believe that it is important to demonstrate our commitment to the people of Zimbabwe through these various support programmes.

OUTLOOK

Econet has developed a solid business model that focuses on growth through corporate sustainability. Given the high mobile penetration rate, smart phone penetration at below 10% and financial inclusion at about 30% present significant opportunities for the business. We plan to continue our investment program to ensure that these service delivery capabilities and innovative solutions are available to our customers.

I would like to thank our shareholders, strategic partners, customers, the regulatory authorities and our employees for their full support during the year under review. I would also like to extend my appreciation for all the support that I received from my fellow Board members.

DR JAMES MYERS
CHAIRMAN OF THE BOARD

25 April 2014

DIVIDEND ANNOUNCEMENT

NOTICE is hereby given that at its meeting held on 25 April 2014, the Board of Directors declared a dividend, in respect of the year ended 28 February 2014, of US cents 1.29 per share.

The dividend will be payable to shareholders registered in the books of the Company at the close of business on Friday 18 July 2014. The share transfer books and the register of members will be closed from the close of business on Friday 18 July 2014 to 20 July 2014, both dates inclusive.

Payment of the dividend will be done on, or about 25 July 2014.

Withholding tax will be deducted at the rate of 10% where applicable.

By order of the Board

C A BANDA
GROUP COMPANY SECRETARY

25 April 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 28 February 2014

(All figures in US$ 000)	Audited 28 February 2014	Audited 28 February 2013
Revenue	**752,678**	**694,844**
Earnings before interest, taxation, depreciation and amortisation	332,174	302,413
Depreciation, amortisation and impairment	(101,724)	(71,563)
Profit from operations	**230,450**	**230,850**
Finance income	596	2,653
Finance costs	(37,037)	(28,600)
Profit before taxation	**194,009**	**204,903**
Taxation	(74,612)	(64,965)
Profit after taxation	**119,397**	**139,938**
Other comprehensive income for the year, net of tax	(106)	(774)
Total comprehensive income for the year	**119,291**	**139,164**
Profit for the year attributable to:-		
EWZL shareholders	119,282	139,593
Non-controlling interest	115	345
Profit for the year	**119,397**	**139,938**
Total comprehensive income for the year attributable to:-		
EWZL shareholders	119,176	138,819
Non-controlling interest	115	345
Total comprehensive income for the year	**119,291**	**139,164**
Earnings per share (US$)		
Basic	0.08	0.09
Diluted	0.08	0.09
Number of shares in issue	1,640,021,430	1,640,021,430
Weighted average number of shares in issue	1,563,868,999	1,545,324,020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 28 February 2014

(All figures in US$ 000)	Audited 28 February 2014	Audited 28 February 2013
ASSETS		
Property, plant and equipment and intangible assets	884,150	706,389
Other non-current assets	24,425	15,013
Deferred taxation	19,238	5,643
Financial instruments: Investments - at fair value	3,406	3,069
Financial instruments: Investments - other	11,736	9,896
Other current assets	230,709	275,100
Total assets	**1,173,664**	**1,015,110**
EQUITY AND LIABILITIES		
EQUITY		
Share capital and share premium	37,449	35,698
Retained earnings	561,883	453,138
Other reserves	463	569
Attributable to equity holders of the parent	599,795	489,405
Non-controlling interest	3,924	3,478
Total equity	**603,719**	**492,883**
LIABILITIES		
Deferred taxation	109,838	85,493
Long-term interest-bearing debt	134,852	202,800
Current liabilities	325,255	233,934
Total liabilities	**569,945**	**522,227**
Total equity and liabilities	**1,173,664**	**1,015,110**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 28 February 2014

(All figures in US$ 000)	Share capital and share premium	Retained earnings	Other	Attributable to equity holders of the parent	Non-controlling interest	Total
Balance at 29 February 2012	**33,125**	**345,478**	**1,343**	**379,946**	**2,847**	**382,793**
Profit for the period	-	139,593	-	139,593	345	139,938
Other comprehensive loss net of tax	-	-	(774)	(774)	-	(774)
Issue of shares	1,685	-	-	1,685	-	1,685
Share cancellation	(731)	-	-	(731)	-	(731)
Disposal of treasury shares	1,619	-	-	1,619	-	1,619
Share buybacks	-	(31,933)	-	(31,933)	-	(31,933)
Acquisition of subsidiary	-	-	-	-	286	286
Balance at 28 February 2013	**35,698**	**453,138**	**569**	**489,405**	**3,478**	**492,883**
Profit for the period	-	119,282	-	119,282	115	119,397
Other comprehensive loss net of tax	-	-	(106)	(106)	-	(106)
Share buybacks	-	(9,903)		(9,903)		(9,903)
Change in ownership	-	(634)	-	(634)	331	(303)
Utilisation of treasury shares	1,751	-	-	1,751	-	1,751
Balance at 28 February 2014	**37,449**	**561,883**	**463**	**599,795**	**3,924**	**603,719**

CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 28 February 2014

(All figures in US$ 000)	Audited 28 February 2014	Audited 28 February 2013
Cash flows from operating activities		
Cash generated from operations	401,086	216,177
Income tax paid	(53,311)	(53,097)
Net cash generated from operations	347,775	163,080
Investing activities		
Purchase of property, plant and equipment: - to expand operating capacity	(139,718)	(147,044)
Acquisition of intangible assets	(141,608)	(566)
Other investing activities	(2,117)	(2,756)
Net cash used in investing activities	(283,443)	(150,366)
Cash flows from financing activities		
Finance costs	(34,340)	(33,360)
Share buybacks	(9,903)	(25,413)
Proceeds from borrowings	48,385	52,000
Repayment of borrowings	(75,373)	(31,808)
Issue of shares	-	3,304
Net cash used in financing activities	(71,231)	(35,277)
Net decrease in cash and cash equivalents	(6,899)	(22,563)
Cash and cash equivalents at the beginning of the year	78,230	100,793
Cash and cash equivalents as at 28 February	71,331	78,230
Comprising:		
Short-term investments	-	65
Bank balances and cash	71,331	78,165
Cash and cash equivalents as at 28 February	71,331	78,230

SUMMARISED AUDITED SEGMENT INFORMATION

	28 February 2014			28 February 2013		
(All figures in US$ 000)	Cellular Network Operations	Other segments	Total	Cellular Network Operations	Other segments	Total
Revenue & net interest income (from external customers)	692,678	60,000	752,678	674,136	20,708	694,844
Depreciation, amortisation and impairment	(96,019)	(5,705)	(101,724)	(70,552)	(1,011)	(71,563)
Segment profit/(loss)	140,914	(21,517)	119,397	141,338	(1,400)	139,938
Segment assets	1,140,942	32,722	1,173,664	981,838	33,272	1,015,110
Segment liabilities	489,039	80,906	569,945	470,849	51,378	522,227

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 28 February 2014

1. General information

The main business of Econet Wireless Zimbabwe Limited ("EWZL" or "the Group") is mobile telecommunications and related value added services together with the provision of financial services. The summarised consolidated financial statements incorporate the results of the subsidiaries and share of associates.

These financial statements are presented in United States dollars being the currency of the primary economic environment in which the Group operates.

These financial statements for the year ended 28 February 2014 were audited by Ernst & Young (Zimbabwe). An unmodified audit opinion was issued on the financial statements.

2. Accounting policies

The Group reports in terms of International Financial Reporting Standards ("IFRS"). The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year.

3. Statement of compliance

The financial results which are summarised by these abridged Group financial statements have been prepared in conformity with (IFRS) promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as the Standing Interpretations Committee (SIC).

The abridged financial statements do not include all the information and disclosures required to fully comply with IFRS and should be read in conjunction with the Group's annual financial statements as at 28 February 2014.

(All figures in US$ 000)	Audited 28 February 2014	Audited 28 February 2013
4. Depreciation and amortisation of property, plant and equipment	101 724	71 563
5. Commitments for capital expenditure		
Authorised by the directors but not contracted	49 765	126 139

The capital expenditure will be funded through internal resources and supplier credit.

6. Borrowings

The Company and its subsidiaries were in compliance with all requirements arising from the multi-creditor facility as at 28 February 2014. The Directors believe the Company and its subsidiaries will be able to continue to meet these requirements during the term of the facilities.

7. Earnings per share

(All figures in US$)	Audited 28 February 2014	Audited 28 February 2013
Basic and diluted earnings per share	0.08	0.09
Basic and diluted headline earnings per share	0.08	0.09

8. Contingent Liabilities

The Group is regularly subject to an evaluation by tax authorities on its direct and indirect tax filings. The consequence of such reviews is that disagreements can arise with tax authorities over the interpretation or application of certain tax rules applicable to the Group's business. Such disagreements may not necessarily be resolved in a manner that is favourable to the Group. Additionally, the resolution of the disagreements could result in an obligation to the Group.

9. Events after reporting date

There have been no significant events after the reporting date at the time of issuing this press release.

10. Going concern

The Directors have assessed the ability of the Company and its subsidiaries to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

Tip-offs Anonymous

Deloitte & Touche

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Econet Wireless Zimbabwe Limited: Incorporated in the Republic of Zimbabwe. Company registration number 7548/98 | Directors: Dr. J. Myers (Chairman)*, Mr. S.T. Masiyiwa, Mr. K.V. Chirairo, Mr. M. Edge*, Mr. C. Fitzgerald*, Mr. G. Gomwe*, Mr. D. Mboweni, Mrs. T.P. Mpofu*, Ms. B. Mtetwa*, and Mrs. S. Shereni*. *Non Executive | Group Company Secretary: C.A. Banda | Registered Office: Econet Park, 2 Old Mutare Road, Msasa, Harare, Zimbabwe. E-mail: info@econet.co.zw Website: www.econet.co.zw | Registrars and Transfer Secretaries: First Transfer Secretaries (Private) Limited, 1 Armagh Avenue, Eastlea, Harare, Zimbabwe | Auditors: Ernst & Young (Zimbabwe), Registered Public Auditors, Angwa City, Cnr Julius Nyerere Way / Kwame Nkrumah Avenue, Harare, Zimbabwe.