

Notes to the consolidated annual financial continued

Rm	2016	2015
7. Taxation continued		
7.5 Factors affecting the tax charge in future years		
Total estimated tax losses	3 169	2 268
Utilised to reduce net temporary differences	(6)	–
Estimated unused tax losses	3 163	2 268
Tax credits	–	–

If the estimated unused tax losses are applied, the available R1 002 million (2015: R726 million) would result in the current year's R2 247 million net deferred tax liability reducing to R1 245 million (2015: R1 740 million net deferred tax liability reducing to R1 014 million), if sufficient future taxable profits will be available against which the unused tax losses can be utilised.

The gross amounts and expiry dates of deductible temporary differences, estimated unused tax losses and unused tax credits, for which no deferred tax asset is recognised, are as follows:

Rm	2 – 5 years	Unlimited	Total
2016			
Deductible temporary differences	2	3 650	3 652
Estimated unused tax losses ¹	211	2 952	3 163
Unused tax credits	–	–	–
2015			
Deductible temporary differences	1	3 082	3 083
Estimated unused tax losses	111	2 157	2 268
Unused tax credits	–	–	–

Note:

1. Effective 1 January 2016 the utilisation of tax losses of Vodacom Congo (RDC) SA are limited to 60% of the taxable income for years of assessment ending on or after 31 December 2016.

Cents	2016	2015
8. Earnings and dividends per share		
Basic earnings per share	881	864
Diluted earnings per share	857	845
Headline earnings per share	883	860
Diluted headline earnings per share	860	840
Dividends per share ¹	795	805

Note:

1. Includes dividends of 400 cents per share and 395 cents per share, declared on 14 May 2015 and 6 November 2015, respectively. The Group declared a final dividend in respect of the year ended 31 March 2016 after the reporting period (Note 28).

8. Earnings and dividends per share continued

8.1 Earnings per share

Earnings per share calculations are based on earnings and the weighted average number of ordinary shares outstanding as set out below:

Rm	2016	2015
8.1.1 Diluted earnings reconciliation		
Earnings attributable to equity shareholders for basic earnings per share	12 917	12 672
Adjusted for:		
Dilutive effect of potential ordinary shares in subsidiary	(333)	(268)
Earnings for diluted earnings per share	12 584	12 404
8.1.2 Headline earnings reconciliation		
Earnings, attributable to equity shareholders, for basic earnings per share	12 917	12 672
Adjusted for:		
Net loss/(profit) on disposal of property, plant and equipment and intangible assets (Note 3)	26	(68)
Net loss/(profit) on disposal of property, plant and equipment and intangible assets (Note 3)	50	(110)
Tax and non-controlling interest impact	(24)	42
Impairment losses (Note 2)	14	–
Impairment losses (Note 2)	14	–
Tax and non-controlling interest impact	–	–
Headline earnings for headline earnings per share ¹	12 957	12 604
Dilutive effect of potential ordinary shares in subsidiary	(333)	(268)
Headline earnings for diluted headline earnings per share	12 624	12 336

Note:

1. This disclosure is a requirement of the JSE Limited and is not a recognised measure under IFRS. It has been calculated in accordance with Circular 2/2015 as issued by SAICA.

Shares	2016	2015
8.1.3 Reconciliation of weighted average number of ordinary shares outstanding		
For basic and headline earnings per share	1 466 641 659	1 466 400 489
Diluted earnings and diluted headline earnings per share	2 041 696	2 021 143
For diluted earnings and diluted headline earnings per share ¹	1 468 683 355	1 468 421 632

Note:

1. Includes shares held under the forfeitable share plan (Note 17.1.1).

8.2 Dividends per share

Vodacom Group Limited acquired 1 767 453 shares in the market during the year at an average price of R136.81 per share. Dividends per share calculations are based on a declared dividend of R11 829 million (2015: R11 978 million) and shares of 1 487 954 000 for all reporting periods. R41 million (2015: R50 million) of the dividend declared was offset against the forfeitable share plan reserve, R5 million (2015: R5 million) expensed as staff expenses and R123 million (2015: R124 million) paid to Wheatfields, a wholly-owned subsidiary holding treasury shares on behalf of the Group.