Notes to the condensed consolidated annual financial statements – continued

for the year ended 31 March 2017

6 Taxation expense

	2017 Rm	Restated 2016 Rm
Taxation expense	**691**	538
Normal company taxation	**713**	574
Deferred taxation	**(50)**	(15)
Withholding tax	**4**	1
Common control transaction	**24**	(22)

The tax expense increased in the current financial year as a result of higher group profit.

7 Earnings per share

	2017 Rm	Restated* 2016 Rm
Total operations		
Basic earnings per share (cents)	**738.8**	432.4
Diluted earnings per share (cents)	**724.1**	425.8
Headline earnings per share (cents)	**721.1**	323.0
Diluted headline earnings per share (cents)	**706.8**	318.1
Reconciliation of weighted average number of ordinary shares:	**Number of shares**	Number of shares
Ordinary shares in issue	**526 948 700**	526 948 700
Weighted average number of shares held by subsidiaries and in escrow	**(12 994 315)**	(15 791 240)
Weighted average number of shares outstanding	**513 954 385**	511 157 460
Reconciliation of diluted weighted average number of ordinary shares		
Weighted average number of shares outstanding	**513 954 385**	511 157 460
Expected future vesting of shares	**10 416 531**	7 808 223
Diluted weighted average number of shares outstanding	**524 370 916**	518 965 683
Reconciliation between earnings and headline earnings:	**Rm**	Rm
Profit for the year	**3 854**	2 321
Non-controlling interests	**(57)**	(111)
Profit attributable to owners of Telkom	**3 797**	2 210
Profit on disposal of property, plant and equipment and intangible assets	**(217)**	(704)
Write-offs of property, plant and equipment and intangible assets	**143**	170
Taxation effects	**(17)**	(25)
Headline earnings	**3 706**	1 651

** Refer to note 2.3.*

Dividend per share (cents)

The calculation of dividend per share is based on dividends of R1 422 million declared on 4 July 2016 and R692 million declared on 11 November 2016 (FY2016: R1 291 million). 526 948 700 ordinary shares were outstanding on the date of the dividend declaration (FY2016: 526 948 700).