Q3 2017 results and business update

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Q3 2017 financial highlights

Q3 2017 financial highlights

Service revenue
(USD MILLION)

735

- 2.3% organic[1] YoY
- 3.3% reported YoY

Mobile customers
(MILLION)

99.7

+ 3.8 million YoY

Underlying[2] EBITDA
(USD MILLION)

382

+ 6.6% organic[1] YoY
+ 5.6% reported YoY

Underlying[2] EBITDA margin
(%)

49.4%

+ 3.5 p.p. YoY

- Service revenue declined organically 2.3% YoY:
  - Performance in Algeria and Bangladesh
  - Partially offset by growth in Pakistan
- Mobile data revenue organic growth of 39.7% YoY
- Underlying EBITDA increased organically by 6.6% YoY:
  - Pakistan achieving strong underlying EBITDA, 40% YoY organic growth mainly due to the release of historic SIM tax accruals
  - Lower underlying EBITDA in Algeria and Bangladesh
- Strong underlying EBITDA margin of 49.4% and EBITDA margin of 48.7%
- Continued customer growth of 4% YoY, fueled by customer additions in Pakistan and Bangladesh

[1] Revenue and EBITDA organic figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions
[2] Underlying EBITDA excludes transformation costs and material exceptional items

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Q3 2017 income statement

USD millions	3Q17	3Q16	Reported YoY
Service revenue	735.3	760.2	-3.3%
-Of which mobile data revenue	112.0	81.0	38.3%
Other revenue	37.8	27.6	36.7%
Total operating Revenue	**773.1**	**787.8**	**-1.9%**
Total expenses	(396.4)	(446.9)	-11.3%
EBITDA	**376.7**	**340.9**	**10.5%**
Depreciation and amortization	(133.7)	(146.8)	-8.9%
(Loss) / Gain on sold property, equipment, intangibles, goodwill and scrapping	(2.6)	1.0	n.m.
Impairment loss from assets	(0.5)	(0.6)	-22.0%
Technical services expense	(10.0)	(25.4)	-60.4%
Other operating (loss) / gain	9.2	7.8	15.7%
Operating profit	**239.1**	**176.9**	**35.1%**
Finance costs	(79.0)	(83.6)	-5.5%
Finance income	2.9	2.3	27.4%
Net foreign exchange (loss) / gain	(20.3)	3.9	n.m.
Profit before income tax	**142.7**	**99.5**	**43.3%**
Income tax expense	(105.7)	(54.9)	92.6%
Profit for the period	**37.0**	**44.6**	**-17.3%**
Attributable to:			
The owners of the parent	7.4	8.6	-14.7%
Non-controlling interests	29.6	36.0	-17.9%
Profit for the period	**37.0**	**44.6**	**-17.3%**
EPS (USD)	0.002	0.002	-

Other revenue increased 36.7% mainly due to release of historic SIM tax accruals

Total expenses decreased by 11% YoY due to decreased SG&A as a result of the performance transformation program that successfully decreased expenses mainly in Pakistan and Algeria in addition to release of historic SIM tax accruals

Technical services expenses decreased by 60% due to decrease of provided technical services

Finance cost decreased due to partial repayment of borrowings in Algeria

Foreign Exchange loss mainly due to BDT depreciating against USD by 3.6% YoY

Income tax expense increased 92.6% YoY due to applying a different minimum tax methodology in Pakistan in addition to the increase in profit before tax

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Debt by entity

As at 30 September 2017

Net debt / underlying[1] LTM EBITDA

1.7x

Gross debt / underlying[1] LTM EBITDA

2.2x

Weighted average cost of debt

7.9%

Total Gross Debt (USD million)	Type of debt		
Entity	**Loans**	**Bonds**	**Total**
GTH Holding	325	-	325
GTH Finance BV	-	1,200	1,200
Pakistan	767	49	816
Algeria	311	-	311
Banglalink	-	300	300
Total Gross Debt	**1,403**	**1,549**	**2,952**

[1] *Underlying EBITDA excludes transformation costs and material exceptional items*

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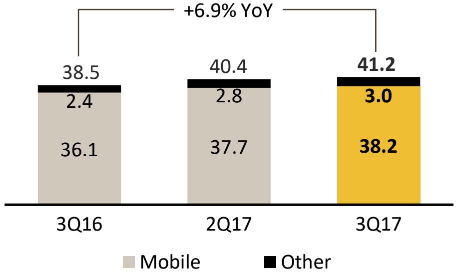
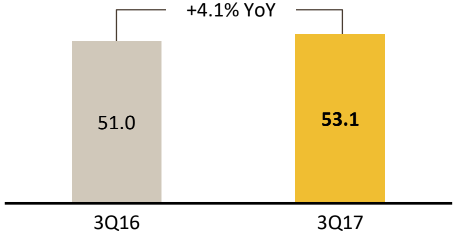
Q3 2017 OpCo performance

Pakistan: strong growth and margin expansion

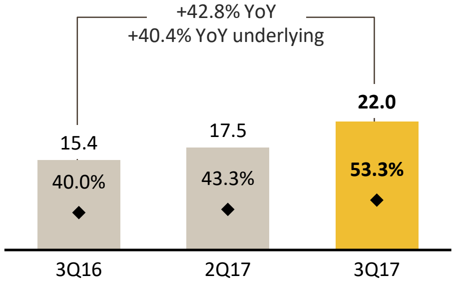
Total Revenue
(PKR BILLION)



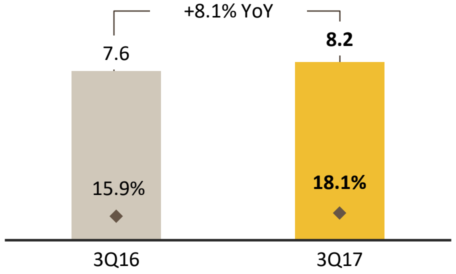
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(PKR BILLION AND %)



CAPEX excl. Licenses and LTM CAPEX/revenue
(PKR BILLION AND %))



- Continued revenue growth, fueled by strong data revenue growth (+39% YoY)
- Network integration activities in progress and on track to be completed by year end 2017
- Underlying EBITDA increase due to revenue growth and synergies
- Underlying EBITDA margin expansion to 55.1%, +13.1 p.p. YoY and +10.4 p.p. QoQ
  - +7.8 p.p. of Q3 margin impact due to release of historic SIM tax accruals
  - Underlying margin excluding release of SIM tax accruals still at robust 47.3%

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[1] Q3 2016 EBITDA negatively impacted by performance transformation costs of PKR 0.7 billion. Q3 2017 EBITDA negatively impacted by performance transformation costs of PKR 0.7 billion

Sale of Pakistan tower business

- On 30 August 2017 Jazz (Pakistan) announced the sale of Deodar, its wholly-owned tower company with a portfolio of ~13,000 towers, for a total consideration of PKR 98,700 million (~USD 940 million equivalent[1])

EV = USD 940 MILLION[1]

- Deodar to be transferred on a debt-and-cash free basis
- Cash proceeds at/after closing: ~USD 760 million[2]
- Deferred component (vendor loan note): ~USD 180 million[3]

VALUATION

- High-single digit EV/EBITDA multiple
- Significant premium vs current VEON/GTH trading multiples

KEY FINANCIAL IMPACTS

- ~USD 420m book gain for GTH at closing
- ~3.8 p.p. annualized dilution impact on GTH's underlying EBITDA margin[4]
- GTH's leverage ratio to decrease by ~0.4x

USE OF PROCEEDS

- Funding of recently awarded spectrum in Pakistan
- Repayment of a proportion of Jazz's debt
- Remaining amount will be distributed to GTH and Dhabi Group by year end 2018
- GTH will use these funds to repay outstanding debt

Delivering on asset light strategy, on track to complete the transaction by year end 2017

[1] Exchange rate of USD/PKR: 105
[2] PKR 69,930m (~USD 666 million) at 1st closing (expected by year end 2017), while the remainder will be paid within 12 months thereafter
[3] Unconditional vendor loan note payable to Jazz at or before three years from closing
[4] Based on Q3 2017 LTM figures for GTH

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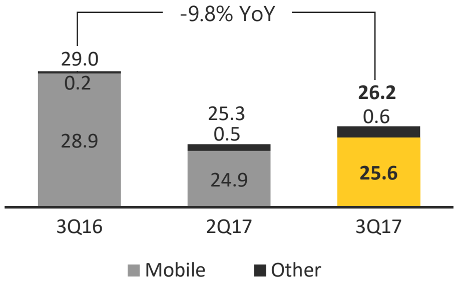
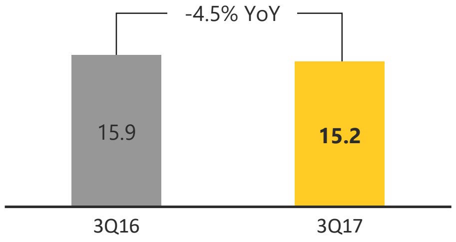
Algeria: regulatory environment improved, aggressive competition

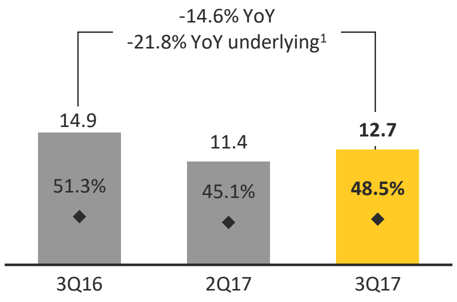
Total Revenue
(DZD BILLION)



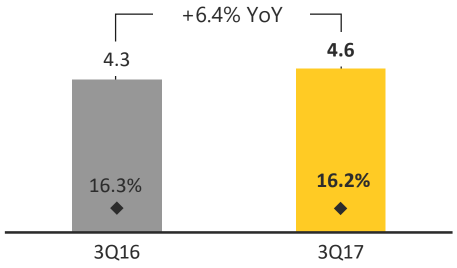
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(DZD BILLION AND %)



CAPEX excl. Licenses and LTM CAPEX/revenue
(DZD BILLION AND %))

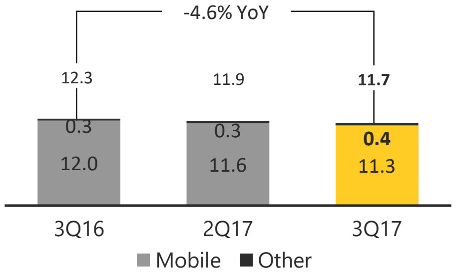


- Mobile termination rate symmetry introduced from 31 October 2017
- Top line remains under pressure due to acceleration of data pricing competition
  - Data revenue +55% YoY, fueled by 4G/LTE network population coverage leadership
- Challenging macro environment
  - Economic slowdown coupled with continued high inflation
  - Telecom share of wallet under pressure from new taxes and food basket inflation
- Underlying EBITDA margin of 48.7%
  - Excluding finance law impact, underlying EBITDA margin would have been 50.9%

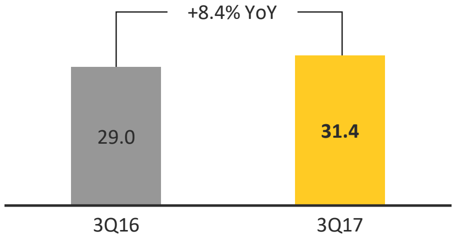
[1] Q3 2016 EBITDA negatively impacted performance transformation costs of DZD 1.4 billion. Q3 2017 EBITDA negatively impacted performance transformation costs of DZD 47 million
[2] Company estimate on current promotions

Bangladesh: market pressure impacting revenue and EBITDA

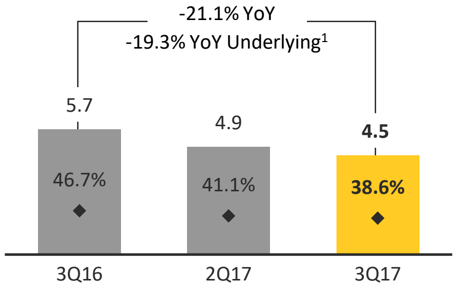
Total Revenue
(BDT BILLION)



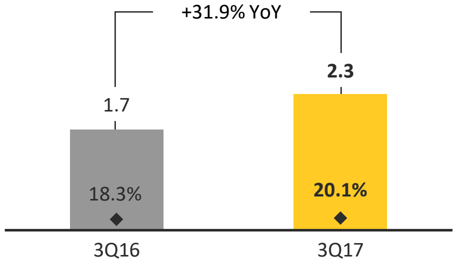
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(BDT BILLION AND %)



CAPEX excl. Licenses and LTM CAPEX/revenue
(BDT BILLION AND %))



- Revenue YoY trend deteriorated vs Q2 2017
  - Continued competition on customer acquisition driving multi-SIM and diluted share of wallet
  - Data revenue +28% YoY, with acceleration of data customer growth at 17.1% YoY
- Underlying EBITDA decline due to revenue pressure, customer acquisition costs and technology expenses to improve network availability, following the extreme weather conditions
  - Underlying EBITDA margin at 39.5%
- 3G population coverage ~70%
- The Government approved the Regulatory and Licensing Guidelines for 4G/LTE Cellular Mobile Services and Spectrum Auction Guidelines
  - Auction likely to occur in 2018

[1] Q3 2016 EBITDA negatively impacted by performance transformation and SIM re-verification costs of BDT 0.1 billion. Q3 2017 negatively impacted by performance transformation costs of BDT 0.1 billion

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Q&A

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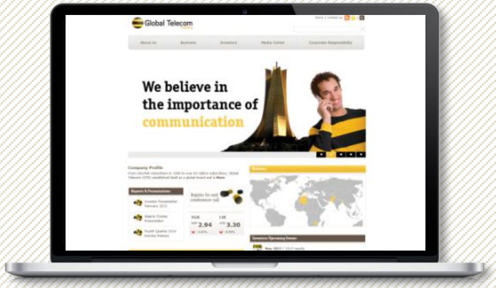

Appendix

FX

FOREIGN EXCHANGE RATES TO USD AS APPLIED TO THE FINANCIAL STATEMENTS

	Average rates			Closing rates		
	3Q17	3Q16	YoY	3Q17	3Q16	YoY
Egyptian pound	17,78	8,87	100,3%	17,64	8,88	98,6%
Pakistan Rupee	109,90	109,77	0,1%	113,04	109,62	3,1%
Algerian Dinar	105,37	104,67	0,7%	105,39	104,46	0,9%
Bangladeshi Taka	81,11	78,32	3,6%	82,31	78,38	5,0%

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Pakistan towers sale - structure and key terms

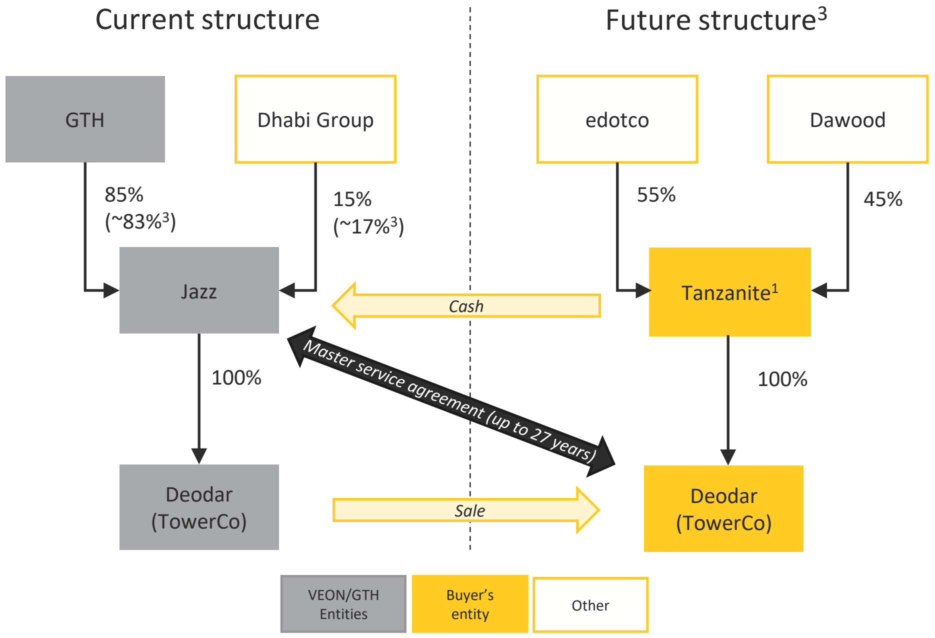
Transaction details:

- Agreement signed on 30 August 2017 with Tanzanite[1] for the disposal of substantially all of the tower business of Jazz (through the sale of Deodar, the tower company 100% owned by Jazz)
- Total consideration of USD 940 million[2]
- ~13,000 sites[3] will be transferred with the sale of Deodar

Key master service agreement[5] terms:

- 27 years (12 years, renewable at Jazz's discretion for 3 consecutive periods of 5 years each)
- KPIs structured in order to guarantee site availability, quality of service and incentivize energy efficiency
- Potential decommissioning capex (~ 3,000 sites) to be borne by the buyer

SIMPLIFIED TRANSACTION STRUCTURE



Start of a long-term partnership with a highly experienced counterparty

1 Tower operating company owned by edotco Group Sdn. bhd. (edotco) and Dawood Hercules Corporation (Dawood)
2 Exchange rate of USD/PKR: 105
3 Structure after completion of the transaction. Change in GTH and Dhabi Group stakes in Jazz triggered by the earn-out agreement of Jazz/Warid transaction
4 All telecom tower assets and related passive infrastructure currently held by Deodar, the tower company presently wholly owned by Jazz
5 Master Service Agreement between Jazz and Tanzanite for the management of former Jazz's towers