Global Telecom Holding

GLOBAL TELECOM REPORTS Q3 2018 RESULTS

Q3 2018 HIGHLIGHTS[1]

- **Total revenue increased organically[2] by 6.3% YoY**
- **Mobile data revenue grew by 64.7% YoY organically[2]**
- **Customer growth of 4.3% YoY to 104 million, driven by customer additions in all operations**
- **EBITDA of USD 330 million, organic[2] decrease of 1.4% YoY**
- **Strong EBITDA margin of 45.0%**
- **Impairment of USD 367 million of Bangladesh asset**

Amsterdam, 8 November 2018, Global Telecom Holding S.A.E. ('GTH', 'the Company' or 'the Group') (EGX: GLTD.CA, GTHE.EY), a leading provider of mobile telecommunications in Africa and Asia, announces its unaudited operating results for the third quarter of 2018.

VINCENZO NESCI, CHIEF EXECUTIVE OFFICER, COMMENTS:

"In Q3 2018, GTH continued to add customers and grew by 4.3% YoY to 104 million customers, driven by customer additions in all markets. In Algeria, we realised the first YoY increase since 2015. Total revenue increased by 6.3% YoY organically[2] to USD 733 million. Data revenue continued to show strong organic[2] growth, increasing by 64.7% YoY. EBITDA decreased by 1.4% YoY organically[2] to USD 330 million. EBITDA margin is still strong at 45.0%.

***In Pakistan,** the environment remained competitive. Jazz continued to show growth in both revenue and customers, with a YoY organic increase of 18.7% and 5.6% in total revenue and customer base, respectively. The country was marked by a further devaluation of its currency.*

***In Algeria,** operating trends stabilized during Q3 2018, with customers and revenue growing QoQ. Revenue decreased YoY at a slightly lower pace compared to Q2 2018, as operational stabilization continued with sequential customer and revenue growth.*

***In Bangladesh**, the regulatory environment remained challenging and there was limited customer growth in the market. The quarter was characterized by a further increase of price pressure led by competition, mostly in data offers. Revenue decreased organically[2] by 5.8% YoY, while the customer base grew by 2.8% YoY and by approximately 1% sequentially. GTH recorded an accounting, non-cash impairment, related to macro economic developments and weakened operational performance of its operations in Bangladesh.*

On 2 July 2018 Veon Ltd. submitted an offer for the acquisition of our shares in Pakistan and Bangladesh. On 10 October 2018 Veon withdrew its offer. We are now preparing for a potential rights issue to existing shareholders of at least USD 500 million to finance interest payments, maturing debt and corporate general purposes until the end of 2019."

GROUP KEY INDICATORS

USD mln, if not stated otherwise	3Q18	3Q17	Reported YoY	Organic[2] YoY	9M18	9M17	Reported YoY	Organic2 YoY
Total customers (mln)	103.9	99.7	4.3%	-	-	-	-	-
Total revenue	733	773	(5.1%)	6.3%	2,126	2,291	(7.2%)	0.8%
Service revenue	703	735	(4.5%)	6.9%	2,030	2,187	(7.2%)	0.8%
-Of which mobile data revenue	164	112	46.4%	64.7%	431.4	312.5	38.1%	50.5%
EBITDA	330	377	(12.5%)	(1.4%)	947	1,037	(8.7%)	(0.5%)
EBITDA margin[4]	45.0%	48.7%	(3.7 p.p)		44.5%	45.3%	(0.8%)	-
(Loss)/profit for the period	(355)	21	N/M	-	(336)	57	N/M	-
(Loss)/profit for the period attr. to GTH shareholders	(379)	(9.1)	N/M	-	(404)	(28)	N/M	-
EPS (USD)	(0.08)	(0.002)	N/M	-	(0.09)	0.01	N/M	-
Net debt[3]/ LTM EBITDA	1.8	1.8	N/M	-	1.8	1.8	(1.7%)	-
Capex excl. licenses	54	148	(63.3%)	-	295	330	(10.6%)	-

1. *Interim condensed consolidated income statement and interim condensed consolidated statement of financial postion figures are in US dollars*
2. *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*
3. *Net Debt is calculated as a sum of short term debt, long term debt, less cash and cash equivalents*
4. *EBITDA margin is EBITDA divided by total revenue*

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PRESENTATION OF FINANCIAL RESULTS

GTH's results in this earnings release are based on IFRS and have not been audited.
Certain amounts and percentages that appear in this earnings release have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including those in tables, may not be an exact arithmetic aggregation of the figures that precede or follow them.

All comparisons are on a year-on-year basis unless otherwise stated.

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. We believe readers of this earnings release should consider these measures as it is more indicative of the Group's ongoing performance. Management uses these measures to evaluate the Group's operational results and trends.

1. MAIN EVENTS AND FINANCIAL RESULTS

MAIN EVENTS

- On 31 August 2018, the Board of Directors of GTH informed the shareholders that it had reviewed the cash flow forecasts of the Company, noting significant debt maturities, interest payments and capital requirements by the end of 2019 amounting to at least USD 500 million. The Board also indicated that it was reviewing different financing alternatives and that given the cash flow forecasts and debt maturities, these options include the possibility of pro-rata capital raising from existing shareholders.
- On 16 September 2018, GTH announced that the agreement for the sale of the tower business of its subsidiary in Pakistan, Jazz, had been terminated, due to the parties failing to receive all required regulatory approvals and the extended long-stop date of 14 September 2018 having passed.
- On 10 October 2018, GTH received notification from VEON Ltd. (“VEON”) of the withdrawal of its offer, made on 2 July 2018, to acquire GTH’s assets in Pakistan (Jazz and its associated operations) and Bangladesh (Banglalink) for a total gross consideration of USD 2,550 million.
- On 17 October 2018, the Board recommended the extension of the revolving credit facility of USD 100 million offered by VEON Holdings B.V., which matures on 30 November 2018. The Company called the Ordinary General Assembly of the Company to convene on 15 November 2018 to resolve on the matter.

  The Company also called the Extraordinary General Assembly to convene on 15 November 2018 to consider the proposed amendments to Articles (17) and (48) of GTH Statutes. The proposed change to Article 17 requires a shareholder vote at an Ordinary General Assembly to increase the Company’s issued capital. The proposed change to Article 48 clarifies and expands on the terminology used to define votes related to an increase or decrease in the authorized capital of the Company. It requires a vote of 75% of the votes cast to approve an increase or decrease in the authorized capital of the Company, as well as a merger or changing the Company’s main purpose. the Company views both of the changes as improvements to shareholder rights and corporate governance, bringing the Articles of Association in line with the new changes to local law.
- On 17 October 2018, the Board resolved to delegate Mr. Gerbrand Nijman in his capacity as Chief Financial Officer to start the preparation of the preliminary required steps and procedures for a potential rights issue of at least USD 500 million to finance debt maturities, interest payments and capital requirements by the end of 2019. The Board also resolved that Mr. Nijman will recommend for the Board’s consideration an increase of the issued share capital to the shareholders and ratification of the disclosure report as per article 48 of the listing rules. In case of approval of the Board, the increase shall be subject to the approval of the relevant regulatory authorities.
- During the third quarter of 2018, due to macro economic developments and operational underperformance in Bangladesh, the Company revised its previous estimates and assumptions regarding the future cash flows of this cash generating unit. As a result, the Company recorded an accounting, non-cash impairment of USD 367 million.

Financial Results

USD mln, if not stated otherwise	3Q18	3Q17	Reported YoY	Organic YoY	9M18	9M17	Reported YoY	Organic YoY
Total revenue	733	773	(5.1%)	6.3%	2,126	2,291	(7.2%)	0.8%
Service revenue	703	735	(4.5%)	6.9%	2,030	2,187	(7.2%)	0.8%
-of which Mobile data revenue	164	112	46.4%	64.7%	431	312	38.1%	50.5%
EBITDA	330	377	(12.5%)	(1.4%)	947	1,037	(8.7%)	(0.5%)
EBITDA margin	45.0%	48.7%	(3.7 p.p)	-	44.5%	45.3%	(0.8 p.p)	-
(Loss)/profit for the period	(355)	21	N/M	-	(336)	57	N/M	-
				-				-
Capex excl. licenses	54	148	(63.3%)	-	295	330	(10.6%)	-
LTM Capex excl. licenses / LTM revenue	15.3%	17.8%	(2.5 p.p)	-	-	-	-	-
				-	-	-	-	-
Gross debt	2,720	2,951	(7.8%)	-	-	-	-	-
Net debt	2,235	2,334	(4.3%)	-	-	-	-	-
Net debt / LTM EBITDA	1.8	1.8	N/M	-	-	-	-	-

Total revenue amounted to USD 733 million in Q3 2018. Total revenue grew organically by 6.3% YoY driven by a strong organic increase in Pakistan's total revenue, which grew by 18.7% YoY, offsetting the organic decrease in total revenue in Algeria and Bangladesh. Mobile data revenue continued to show strong performance with an organic increase of 64.7% YoY, supported by continued data revenue growth across all operations and particularily in Pakistan and Algeria which grew organically by 79.1% and 71.5% respectively.

Customer base grew by 4.3% YoY following the additions of customers in all operations. For the first time since Q4 2015, the customer base grew in Algeria by 2.6% YoY.

EBITDA for the quarter reached USD 330 million, showing an organic decrease of 1.4% YoY, driven by lower EBITDA in Algeria and Bangladesh, which has offset the 7.9% YoY organic increase in EBITDA in Pakistan benefetting from tax-related factors (suspension of taxes and reversal of historic SIM tax accruals). The EBITDA margin was 45.0%, 3.8 percentage points lower YoY.

Loss for the period was USD 355 million, compared to a profit of USD 21 million in Q3 2017, mainly driven by impairment losses. During the third quarter of 2018, due to macro economic developments and operational underperformance of its operations in Bangladesh, the Company has revised its previous estimates and assumptions regarding the future cash flows of Bangalink. As a result, the Company recorded an impairment of USD 367 million.

CAPEX excluding licences amounted to USD 54 million in Q3 2018, a decrease of 63.3% YoY, driven by lower capex in all operations due to a more balanced quarterly distribution of capex in Pakistan and Bangladesh and lower YoY 4G/LTE roll-out activity in Algeria.

Net debt decreased by 4.3% YoY to USD 2,235 million from 2,334 million in Q3 2017, primarily as a result of decreased net debt at GTH Holding level , in Pakistan and in Algeria which was offset by increased net debt in Bangladesh, resulting in the net debt to LTM EBITDA ratio of 1.8x.

2. GTH'S OPERATIONS

2-1 JAZZ, PAKISTAN - KEY INDICATORS

PKR billion	3Q18	3Q17	YoY	9M18	9M17	YoY
Total revenue	48.9	41.2	18.7%	132.2	120.3	9.9%
Mobile service revenue	45.7	38.2	19.5%	123.0	112.1	9.7%
of which mobile data	11.4	6.4	79.3%	26.3	17.4	51.6%
EBITDA	23.7	22.0	7.9%	63.6	55.7	14.2%
EBITDA margin	48.5%	53.3%	(4.8p.p.)	48.1%	46.2%	1.8p.p.
Capex excl. licenses	4.0	8.2	(50.8%)	18.0	18.6	(3.1%)
LTM capex excl. licenses/revenue	14.3%	18.1%	(3.7p.p.)	14.3%	18.1%	(3.7p.p.)
Mobile						
Customers (mln)	56.1	53.1	5.6%			
- of which data users (mln)	33.3	28.4	17.2%			
ARPU (PKR)	272.3	240.9	13.0%			
MOU (min)	531	512	3.8%			
Data usage (MB/user)	1227	573	114.1%			

The market in Q3 2018 remained competitive, particularly in data and social network offers, the latter aimed at offering new services to drive growth. The overall pricing environment was reasonably rational and Jazz maintained its price premium positioning.

Jazz continued to show growth in both revenue and customers despite these competitive market conditions. In Q3 2018, revenue grew by 18.7% year on year; 6.3 percentage points of this growth came from business performance, 13.0 percentage points were driven by the suspension of some taxes collected from customers by mobile operators in Q3 2018, which provided the whole market with additional revenue growth on account of higher usage by customers, and -0.6 percentage points were related to the release of historic SIM tax accruals in both years. Mobile data revenue growth was 79.3% year on year, also driven by an increase in data customers and usage through higher bundle penetration and continued data network expansion.

The customer base increased by 5.6% year on year and by 1.1% quarter on quarter, driven by data network expansion and growth in data subscribers (+5.7% quarter on quarter and +17.2% year on year). Jazz sees data and voice monetization among its key priorities, underpinned by the aim to offer the best network in terms of both quality of service and coverage.
EBITDA posted a healthy growth of 7.9% and EBITDA margin was 48.5%, a decrease of 4.8 percentage points year on year. EBITDA growth. Excluding tax-related factors for both Q3 2017 and 2018, EBITDA growth would have been 6.4%, with stable EBITDA margin year on year.

Capex excluding licenses decreased year on year to PKR 4.0 billion in Q3 2018, due to a more balanced quarterly distribution in 2018 and lower year on year 3G and 4G/LTE roll-out activity. The LTM capex excluding licenses to revenue ratio was 14.3%. At the end of the Q3 2018, 3G was offered in more than 368 cities while 4G/LTE was offered in 149 cities (defined as cities with at least three base stations). At the end of Q3 2018, population coverage of Jazz's 3G and 4G/LTE networks was 52% and 33% respectively.

2-2 DJEZZY, ALGERIA - KEY INDICATORS

DZD billion	3Q18	3Q17	YoY	9M18	9M17	YoY
Total revenue	24.4	26.2	(6.7%)	70.7	76.9	(8.1%)
Mobile service revenue	24.3	25.6	(5.0%)	70.2	75.5	(7.0%)
of which mobile data	5.7	3.3	71.8%	16.5	9.3	77.3%
EBITDA	11.0	12.7	(13.7%)	31.4	36.6	(14.4%)
EBITDA margin	44.9%	48.5%	(3.6p.p.)	44.4%	47.6%	(3.2p.p.)
Capex excl. licenses	1.9	4.6	(59.2%)	6.8	10.7	(36.5%)
LTM capex excl. licenses/revenue	11.3%	16.2%	(4.9p.p.)	11.3%	16.2%	(4.9p.p.)
Mobile						
Customers (mln)	15.6	15.2	2.6%			
- of which mobile data customers (mln)	9.0	7.3	23.8%			
ARPU (DZD)	518	553	(6.4%)			
MOU (min)	448	415	7.9%			
Data usage (MB/user)	1,823	515	254.2%			

In Algeria, operating trends stabilized during Q3 2018, with both customers and revenue growing quarter on quarter. The market is still challenging with intense price competition and a regulatory and macro-economic environment which remains characterized by inflationary pressures and import restrictions on certain goods. In addition, a complementary Finance Law introduced on 15 July 2018 further increased the tax on recharge transfer between operators and distributors from 0.5% to 1.5%.

Revived market competition, evident in Q2 2018 in both voice and data, continued into Q3 2018, putting strong pressure on prices and ARPU, in an overall context of economic slowdown and growing inflation. Djezzy reacted by revamping its offering on prepaid and post-paid through a segmented approach, aiming to drive up value while protecting its customer base with competitive offers on data.

Revenue decreased by 6.7% year on year, a slightly lower pace of decline compared to Q2 2018, as an operational stabilization continued with sequential customer and revenue growth (+5.6% quarter on quarter). Price competition, in both voice and data, caused a continued reduction in ARPU, which declined by 6.4% year on year. Djezzy's Q3 2018 service revenue was DZD 24.3 billion, a 5.0% year on year decline, while data revenue growth was 71.8%, due to higher usage and a substantial increase in data customers as a result of the 3G and 4G/LTE network roll-out. This data revenue growth is still supported by the change towards a more aggressive data pricing strategy that has been in place since the beginning of 2018. The net customer additions trend, which was still positive during Q3 2018, led to customer growth both on a quarter on quarter (+0.8%) and a year on year (+2.6%) basis. The quarter on quarter growth was driven by continued positive uptake of new offers launched in H1 2018.

In June 2018, Djezzy migrated to its new DBSS platform, resulting in a slight increase in technology opex. This new platform offers Djezzy simplification, agility and a faster time to market for new services, coupled with improved customer service. Going forward, DBSS, as a cornerstone of Djezzy digitization, will allow the development of bespoke offers to customers via automatized customer value management tools.

In Q3 2018, EBITDA decreased by 13.7% year on year, mainly due to the decline in revenues, coupled with new taxation and an increase of technology costs primarily related to the DBSS roll-out.

The new Finance Law, effective from January 2018, and further tax increases from mid-July continue to impact year on year performance. As a result of the 2018 new taxation, Djezzy's EBITDA was negatively impacted in Q3 2018 by approximately DZD 410 million. This impact on EBITDA was only partially offset by the positive impact from the partial MTR symmetry, which has been in place since 31 October 2017. Quarter on quarter EBITDA increased by 9.2% and EBITDA margin by 1.5pp to 44.9%.
At the end of Q3 2018, the company's 4G/LTE services covered 28 wilayas and more than 25.4% of Algeria's population, while its 3G network covered all 48 wilayas and more than 75.9% of Algeria´s population. In Q3 2018, capex excluding licenses was DZD 1.9 billion, representing a decrease year on year due to lower 4G/LTE roll-out activity and a more targeted investment approach, with an LTM capex excluding licenses to revenue ratio of 11.3%.

2-3 BANGLALINK, BANGLADESH - KEY INDICATORS

BDT billion	3Q18	3Q17	YoY	9M18	9M17	YoY
Total revenue	11.0	11.7	(5.8%)	32.7	35.7	(8.3%)
Mobile service revenue	10.7	11.3	(5.9%)	31.5	34.7	(9.0%)
of which mobile data	1.9	1.7	11.9%	5.3	4.7	11.5%
EBITDA	4.0	4.5	(12.4%)	11.6	14.9	(22.4%)
EBITDA margin	35.9%	38.6%	(2.7p.p.)	35.5%	41.9%	(6.5p.p.)
Capex excl. licenses	0.8	2.3	(65.2%)	7.1	4.5	59.6%
LTM capex excl. licenses/revenue	25.0%	20.1%	4.9p.p.			
Mobile						
Customers (mln)	32.3	31.4	2.8%			
- of which mobile data customers (mln)	19.7	17.1	15.2%			
ARPU (BDT)	110	121	(9.0%)			
MOU (min)	255	280	(9.1%)			
Data usage (MB/user)	734	523	40.2%			

The market during Q3 2018 was characterized by a further acceleration of price pressure led by competition, mostly in data offers.

The regulatory environment remains challenging and limits customer growth in the market. For example, the restriction on sale of subsequent SIM card within 3-hours of purchase of the preceding SIM using the same national identity card has impacted gross additions across the mobile industry in Bangladesh since Q2 2018.

Q3 2018 results continued to be affected by intense competition, with a specific focus on customer acquisition, and also by costs related to network expansion after the acquisition in Q1 2018 of additional spectrum and a 4G/LTE licence. During Q3 2018, Banglalink continued to focus on acquiring customers in a competitive market, with improved network availability.

Revenue in Q3 2018 decreased by 5.8% year on year, driven by service revenue, which decreased by 5.9% year on year to BDT 10.7 billion. The decline was still mainly due to the gap in Banglalink’s 3G network coverage compared to competitors. However, service revenue increased by 1.8% quarter on quarter in Q3 2018, an improved trend compared to Q2 2018. The increase was mainly driven by data growth resulting from improved network during the quarter, following spectrum acquisition in Q1 2018 and enhanced network availability, along with the expansion of Banglalink’s distribution footprint. The customer base grew by 2.8% year on year and by approximately 1% quarter on quarter, supported by improved distribution and network availability, notwithstanding the intense pricing pressure in the market. As a result of this pricing pressure, ARPU decreased year on year by 9.0%. Data revenue increased by 11.9% year on year, driven by increased smartphone penetration and 40.0% year on year (or 7.3% quarter on quarter) data usage growth, along with 15.2% year on year growth in active data users.

Banglalink’s EBITDA in Q3 2018 decreased by 12.4% to BDT 4.0 billion, mainly as a result of revenue decline and an increase of structural opex due to 4G/LTE network expansion. However, EBITDA grew by 5.2% quarter on quarter with EBITDA margin at 35.9%, which represents a quarter on quarter improvement of 1.5 percentage points.
In Q3 2018, capex excluding licenses significantly decreased year on year to BDT 0.8 billion, due to a more balanced quarterly distribution, with Q3 2017 capex focused on restoring network availability. 3G network coverage was approximately 72% at the end of Q3 2018. The roll-out of 4G/LTE is in progress, and the service, which was launched in February 2018, covered a population of approximately 17% at the end of Q3 2018. LTM capex excluding licenses to revenue ratio was 25.0%.

In August 2018, Bangladesh Telecommunication Regulatory Commission (BTRC) lowered the mobile termination rates (MTR) and required all mobile operators to charge the same retail rate for off-net and on-net calling. Mobile Number Portability (MNP) was launched on 1 October 2018. BTRC has issued four companies tower sharing licenses that will allow the licensees to build and manage telecommunications towers for multiple mobile network operators in Bangladesh.

3. FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

USD millions	3Q18	3Q17	Reported YoY	9M18	9M17	Reported YoY
Service revenue	702.5	735.3	(4.5%)	2,030.3	2,187.0	(7.2%)
-Of which mobile data revenue	164	112	46.4%	431.4	312.5	38.1%
Other revenue	30.8	37.8	(18.5%)	96.0	103.6	(7.4%)
Total operating Revenue	**733.3**	**773.1**	**(5.1%)**	**2,126.3**	**2,290.6**	**(7.2%)**
Total expenses	(403.4)	(396.4)	1.8%	(1,179.4)	(1,253.2)	(5.9%)
EBITDA	**329.9**	**376.7**	**(12.5%)**	**946.9**	**1,037.4**	**(8.7%)**
Depreciation and amortization	(148.8)	(150.2)	(0.9%)	(402.1)	(472.3)	(14.86%)
(Loss) on disposals of non-current assets	(0.6)	(2.6)	(74.4%)	(7.0)	(4.9)	43.5%
Impairment losses	(366.5)	(0.5)	N/M	(368.9)	(0.2)	N/M
Technical services expense	(5.0)	(10.0)	(50.1%)	(16.9)	(39.7)	(57.4%)
Other operating (loss)/gain	7.5	9.2	(18.4%)	3.3	6.1	(45.3%)
Operating profit	**(183.5)**	**222.6**	**N/M**	**155.3**	**526.4**	**(70.4%)**
Finance costs	(89.1)	(79.0)	12.8%	(252.6)	(226.8)	11.4%
Finance income	1.0	2.9	(65.7%)	3.7	9.5	(60.8%)
Net foreign exchange loss	(4.7)	(20.3)	N/M	(28.4)	(32.4)	(12.4%)
Profit before income tax	**(276.3)**	**126.2**	N/M	**(122.0)**	**276.7**	**N/M**
Income tax expense	(78.4)	(105.7)	(25.8%)	(214)	(219.9)	(2.7%)
Profit/(loss) for the period	**(354.7)**	**20.5**	**N/M**	**(336)**	**56.8**	**N/M**
Attributable to:						
The owners of the parent	(378.9)	(9.1)	N/M	(403.6)	(27.7)	N/M
Non-controlling interests	24.2	29.6	(26.1%)	67.6	84.5	(20.0%)
Profit for the period	**(354.7)**	**20.5**	**N/M**	**(336)**	**56.8**	**N/M**
(Losses)/earnings per share	(0.08)	(0.002)	N/M	(0.09)	(0.01)	N/M

CONSOLIDATED STATEMENT OF FINANCIAL POSTION

USD millions	30-Sep-2018	31-Dec 2017
Assets		
Non current assets		
Property and equipment	1,706.2	1,870.1
Intangible assets and goodwill	1,811.5	1,668.1
Other non current assets	313.2	323.3
Total non current assets	**3,830.9**	**3,861.5**
Current assets		
Cash and cash equivalents	471.9	374.5
Trade and other receivables	270.7	250.4
Other current assets	317.0	341.1
Total current assets	**1059.6**	**1,008.4**
Total assets	**4,890.5**	**5,292.7**
Equity and liabilities		
Equity		
Equity attributable to equity owners of the parent	(535.4)	(87.2)
Non-controlling interests	119.2	138.9
Total equity	**(416.2)**	**51.7**
Non current liabilities		
Long term debt	1,823.8	2,173.2
Other non current liabilities	585.3	497.4
Total non current liabilities	**2,409.1**	**2,670.6**
Short term debt	896.4	518.5
Trade and other payables	1,351.8	1,439.4
Other current liabilities	649.4	612.5
Total current liabilities	**2,897.6**	**2,570.4**
Total liabilities	**5,306.7**	**5,241**
Total equity and liabilities	**4,890.5**	**5,292.7**
Net Debt	**2,234.6**	**2,302.8**

CONSOLIDATED STATEMENT OF CASH FLOWS

USD millions	30-Sep-2018	30-Sep-2017
Operating activities		
Profit before tax	(122.0)	276.7
Non cash adjustments to reconcile profit before tax to net cash flows provided from operating activities	1,039.5	650.4
Change in working capital	12.0	12.3
Interest paid	(125.2)	(100.5)
Interest received	3.9	7.8
Income tax paid	(118.9)	(164.1)
Net cash flows provided from operating activities	**689.3**	**682.6**
Investing activities		
Proceeds from sale of property and equipment and intangible assets	4.7	6.8
Purchase of property and equipment and intangible assets	(603.0)	(722.5)
Change in other financial assets	24.0	(53.0)
Net cash flows (used in) investing activities	**(574.3)**	**(768.6)**
Financing activities		
Proceeds from borrowings, net of fees paid	378.8	570.0
Repayment of borrowings	(306.4)	(117.4)
Dividends paid to non-controlling interests	(75.7)	(93.9)
Purchase of treasury shares	-	(259.1)
Net cash flows provided from financing activities	**(3.3)**	**99.6**
Net increase/(decrease) in cash and cash equivalents	**111.7**	**13.5**
Cash and cash equivalents at beginning of the period	384.7	606.4
Effect of movements in exchange rates on cash held	(24.5)	(10.6)
Cash and cash equivalents at end of period	**471.9**	**609.3**

4. APPENDIX

REVENUE AND EBITDA RECONCILIATIONS

SERVICE REVENUE

USD million	3Q18	3Q17	Change YoY	9M18	9M17	Change YoY
Service revenue						
Mobilink, Pakistan	369.3	362.9	1.8%	1,047.5	1,067.7	(1.9%)
Djezzy, Algeria	206.1	232.8	(11.5%)	605.7	688.8	(12.1%)
Banglalink, Bangladesh	127.1	139.6	(9.0%)	377.1	430.6	(12.4%)
Total service revenue	**702.65**	**735.3**	**(4.5%)**	**2,030.3**	**2,187.0**	**(7.2%)**
Other revenue	30.8	37.8	(18.5%)	96.0	103.6	(7.4%)
Total operating revenue	**733.3**	**773.1**	**(5.1%)**	**2,126.3**	**2,290.6**	**(7.2%)**

EBITDA

USD million	3Q18	3Q17	Change YoY	9M18	9M17	Change YoY
Mobile						
Mobilink, Pakistan	191.5	208.5	(8.1%)	541.0	529.9	2.1%
Djezzy, Algeria	93.0	115.4	(19.5%)	270.8	334.3	(19.0%)
Banglalink, Bangladesh	47.2	55.7	(15.3%)	138.6	185.8	(25.4%)
Total Mobile	**331.7**	**379.6**	**(12.7%)**	**950.4**	**1,050.0**	**(9.5%)**
Other	(1.8)	(2.9)	(38.1%)	(3.6)	(12.6)	(71.4%)
Total Consolidated EBITDA	**329.9**	**376.7**	**(12.5%)**	**946.9**	**1,037.4**	**(8.7%)**

FOREIGN EXCHANGE RATES TO USD AS APPLIED TO THE FINANCIAL STATEMENTS

	Average rates			Closing rates		
	3Q18	3Q17	Change YoY	3Q18	3Q17	Change YoY
Egyptian Pound	17.90	17.78	0.7%	17.92	17.64	1.6%
Algerian Dinar	118.01	109.90	7.4%	118.22	113.04	4.6%
Pakistan Rupee	123.69	105.37	17.4%	123.18	105.39	16.9%
Bangladeshi Taka	83.89	81.11	3.4%	83.97	82.31	2.0%

GLOSSARY OF TERMS

Average Revenue per User ("ARPU"): Average monthly recurrent revenue per customer (excluding visitors roaming revenue and connection fee). This includes airtime revenue (national and international), as well as, monthly subscription fee, SMS, GPRS & data revenue. Quarterly ARPU is calculated as an average of the last three months.

Capital Expenditure ("CAPEX"): Tangible and Intangible fixed assets additions during the reporting period, including work in progress, network, IT, and other tangible and intangible fixed assets additions, but excluding license fees.

Churn: Disconnection rate. This is calculated as the number of disconnections during a month divided by the average customer base for that month.

Churn Rule: A customer is considered churned (removed from the customer base) if he or she exceeds 90 days from the end of the validity period without recharging. It is worth noting that the validity period is a function of the scratch denomination. In cases where scratch cards have open validity, a customer is considered churned in the event that he or she has not made a single billable event in the last 90 days (i.e. any outgoing or incoming call or sms, or any wap session). Open validity scratch cards have been applied for OTA, Mobilink and Banglalink so far.

Minutes of Usage ("MOU"): Average airtime minutes per customer per month. This includes billable national and international outgoing traffic originated by customers (on-net, to land line & to other operators). This also includes incoming traffic to customers from landline or other operators.

Organic Growth for Revenue and EBITDA: Revenue and EBITDA organic growth 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; in the organic calculation, Warid is pro-forma consolidated within GTH's results with effect from 1 January 2016.

We believe readers of this earnings release should consider these measures as it is more indicative of the Group's ongoing performance. Management uses these measures to evaluate the Group's operational results and trends.

Earnings per Share ("EPS"): The profit for the period divided by the total number of weighted average common shares outstanding during the periods.

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DISCLAIMER

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This earnings release includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. All statements other than statements of historical facts included in this earnings release, including, without limitation, those regarding the Company's prospects, anticipated performance for 2018, potential capital raising, the stabilization of Algeria and Bangladesh, the ongoing structural measures aimed at improving performance, operational and network development and network investment, including expectations regarding the roll-out and benefits of 3G/4G/LTE networks, as applicable, capital expenditure, the effect of the acquisition of additional spectrum on customer experience and the Company's ability to realize its targets and strategic initiatives in its various countries of operation, the Company's ability to realize the acquisition or disposition of any businesses and assets, and growth strategies and expectations regarding growth (including in relation to voice and data usage and customer bases) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance, liquidity, dividend policy or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Important factors that could cause the Company's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the prices of, and demand for, the Company's products and services, continued volatility in the economies in the Company's markets, unforeseen developments from competition, the availability of credit, governmental regulation of the telecommunications industry in countries in which the Company operates, general political uncertainties in the Company's markets, government investigations or other regulatory actions, litigation or disputes with third parties or other negative developments regarding such parties, risks associated with data protection or cyber security, other risks beyond the Company's control or a failure to meet expectations regarding various strategic priorities, the effect of foreign currency fluctuations, increased competition in the markets in which the Company operates and the effect of consumer taxes on the purchasing activities of consumers of the Company's services. Forward-looking statements should, therefore, be construed in light of such factors and undue reliance should not be placed on forward-looking statements.

These forward-looking statements speak only as to circumstances existing as of the date of this earnings release. The Company expressly disclaims any obligation or undertaking (except as required by applicable law or regulatory obligation including under the rules of the Egyptian Exchange), to release publicly any updates or revisions to any forward-looking statement, whether as a result of new information, future events or otherwise.