Global Telecom Holding

GLOBAL TELECOM REPORTS Q2 2018 RESULTS

Q2 2018 HIGHLIGHTS[1]

- **Total revenue decreased organically[2] by 1.7% YoY**
- **Mobile data revenue grew by 44.8% YoY organically[2]**
- **Customer growth of 4.3% YoY, driven by customer additions in Pakistan and Bangladesh**
- **EBITDA of USD 304 million, organic[2] growth of 1.2% YoY**
- **Solid EBITDA margin of 43.8%**

Amsterdam (02 August 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 second quarter of 2018.

VINCENZO NESCI, CHIEF EXECUTIVE OFFICER, COMMENTS:

"In Q2 2018, GTH continued to add customers and grew by 4.3% YoY, reaching 102.9 million, driven by customer additions in Pakistan and Bangladesh, which was supported by the stabilization of the customer base in Algeria. Total revenue for the period decreased by 1.7% YoY organically[2] to USD 693 million. EBITDA grew by 1.2% YoY organically[2] to USD 304 million. GTH continued to achieve a solid EBITDA margin of 43.8%, 0.9 percentage point higher YoY. Data revenue showed strong organic[2] growth of 44.8% YoY, driven by the increase in data customer base and data usage.

***In Pakistan,** the environment remained competitive. Nevertheless, Jazz continued to show revenue and customer growth, maintaining its leading position with a YoY organic increase of 4.9% and 5.6% in total revenue and customer base respectively. The country was characterized by political uncertainty ahead of the elections, which led to restrictions on the repatriation of dividends.*

***In Algeria,** trends are improving as customer numbers grew and revenue stabilized QoQ, signalling a turnaround in a challenging market with intense price competition and a regulatory and macro-economic environment which remains characterized by inflationary pressures and import restrictions on certain goods. Revenue decreased by 8.5% YoY, a slightly lower pace of decline compared to Q1 2018 (-9.3%). Data revenue organic growth was 80.7% YoY due to higher usage and a substantial increase in data customers.*

***In Bangladesh**, the market was characterized by accelerated price pressure from competition, though the customer base grew by 4.1% YoY, as Banglalink continued to focus on customer acquisitions by improving the network availability and distribution. The costs related to the network expansion, following the acquisition of 4G/LTE license, coupled with the intense market competition, have affected Banglalink Q2 2018 results."*

GROUP KEY INDICATORS

USD mln, if not stated otherwise	2Q18	2Q17	Reported YoY	Organic[2] YoY	1H18	1H17	Reported YoY	Organic2 YoY
Total customers (mln)	102.9	98.7	4.3%	-	-	-	-	-
Total revenue	693	765	(9.4%)	(1.7%)	1,393	1,518	(8.2%)	(2.0%)
Service revenue	660	732	(9.7%)	(2.2%)	1,328	1,452	(8.5%)	(2.4%)
-Of which mobile data revenue	140	105	33.6%	44.8%	267	200	33.4%	42.6%
EBITDA	304	328	(7.6%)	1.2%	604	661	(8.5%)	(0.1%)
EBITDA margin[4]	43.8%	42.9%	0.9p.p		43.4%	43.5%	(0.2 p.p)	-
(Loss)/profit for the period	(20)	35	N/M	-	19	36	(48.5%)	-
(Loss)/profit for the period attr. to GTH shareholders	(41)	8	N/M	-	(25)	(19)	32.7%	-
EPS (USD)	(0.00)	0.01	N/M	-	0.00	0.01	(48.5%)	-
Net debt[3]/ LTM EBITDA	1.8	1.9	(5.5%)	-	-	-	-	-
Capex excl. licenses	106	111	(4.5%)	-	241	182	32.2%	-

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

- Following the OGM's approval, on 30 May 2018, the Company signed an agreement with VEON Holdings B.V. to terminate the first and second unilateral deed polls of USD 45 million and USD 55 million, respectively, and to document a temporary additional increase of USD 100 million, so that the facility amount under the RCF was deemed to have increased from USD 200 million to USD 300 million, with the temporary increase of USD 100 million repayable on 30 November 2018.
  As of 30 June 2018, the outstanding amount under the RCF, including accrued interest, was USD 295.8 million.

- On 1 June 2018, the Company fully repaid the outstanding balance of the bridge loan amounting to USD 98 million with Citi Bank and ING Bank.

- On 2 July 2018, GTH received an offer from VEON Ltd. ("VEON") to acquire its assets in Pakistan (Jazz and its associated operations) and Bangladesh (Banglalink) for a total gross consideration for the equity of USD 2,550 million.

- On 10 July 2018, the GTH Board determined, based on votes of only the independent directors of the Board (Mr. Iskandar Shalaby Naguib Rizk Shalaby and Mr. Hassan Mohamed Elshafei Abdel-Hamid) to appoint KAMCO Investment Company K.S.C. and Fincorp Investment Holding S.A.E., an independent financial advisor approved by the Financial Regulatory Authority, to issue their reports on the offer received from VEON Ltd. on 2 July 2018. The other directors of the Board abstained from voting on this matter.

- On 10 July 2018, the GTH Board also accepted the resignation of Mr. Jon Travis Eddy – Chairman of the Board and representative of VEON Luxembourg Finance S.A. and appointed Mr. Andrew Scott Kemp as Chairman of the Board and representative of VEON Luxembourg Finance S.A.

Financial Results

USD mln, if not stated otherwise	2Q18	2Q17	Reported YoY	Organic YoY	1H18	1H17	Reported YoY	Organic YoY
Total revenue	693	765	(9.4%)	-1.7%	1,393	1,518	(8.2%)	-2.0%
Service revenue	660	732	(9.7%)	-2.2%	1,328	1,452	(8.5%)	-2.4%
-of which Mobile data revenue	140	105	33.6%	44.8%	267	200	33.4%	42.6%
EBITDA	304	328	(7.6%)	1.2%	604	661	(8.5%)	-0.1%
EBITDA margin	43.8%	42.9%	0.9 p.p	-	43.4%	43.5%	(0.2) p.p	-
(Loss)/profit for the period	(20)	35	N/M	-	19	36	(8.5%)	-
				-				-
Capex excl. licenses	106	111	(4.5%)	-	241	182	32.2%	-
LTM Capex excl. licenses / LTM revenue	18.3%	17.3%	1.0 p.p	-	-	-	-	-
				-	-	-	-	-
Gross debt	2,738	3,004	(8.8%)	-	-	-	-	-
Net debt	2,353	2,393	(1.7%)	-	-	-	-	-
Net debt / LTM EBITDA	1.8	1.9	(5.5%)	-	-	-	-	-

Total revenue amounted to USD 693 million in Q2 2018. Total revenue organically decreased by 1.7% YoY driven by lower results in Algeria and Bangladesh, which were slightly offset by good revenue growth in Pakistan, which realized an organic increase of total revenue of 4.9% YoY. Mobile data revenue continued to show strong performance reaching 44.8% YoY organic increase supported by continued data revenue growth across all operations and in particular, growth in Algeria reaching 80.7% YoY organically.

Customer base grew by 4.3% YoY in Q2 2018, following the continued additions of customers in Pakistan and Bangladesh and stabilization YoY of the customer base in Algeria, which showed a growth of 1.1% QoQ.

EBITDA for the quarter reached USD 304 million, showing an organic increase of 1.2% YoY and leading to a strong EBITDA margin of 43.8%, an increase of 0.9 percentage points YoY. The YoY organic growth in EBITDA was driven by Pakistan's strong performance which resulted in a 16.8% organic YoY increase in EBITDA, which has offset the YoY organic decrease in EBITDA in Algeria and Bangladesh. The strong EBITDA in Pakistan was mainly driven by revenue growth, opex synergies and the absence of merger integration costs.

Loss for the period was USD 20 million compared to a profit of USD 35 million in Q2 2017 mainly driven by (i) lower revenues; (ii) higher finance costs mainly due to higher interest costs in Bangladesh; (iii) higher foreign exchange losses due to currency devaluations in all of our markets; and (iv) higher tax expenses (+60% YoY) due to higher income tax in Pakistan.

CAPEX excluding licences amounted to USD 106 million in Q2 2018, a decrease of 4.5% YoY, driven by lower capex in Pakistan and Algeria which offset the increased capex in Bangladesh.

Net debt slightly decreased by 1.7% YoY to USD 2,353 million from 2,393 million in Q2 2017, primarily as a result of decreased net debt at GTH Holding level and in Pakistan, which was offset by increased net debt in Bangladesh, resulting in the **net debt to LTM EBITDA** ratio decreasing YoY from 1.9x to 1.8x.

2. GTH'S OPERATIONS

2-1 JAZZ, PAKISTAN - KEY INDICATORS

PKR billion	2Q18	2Q17	YoY	1H18	1H17	YoY
Total revenue	42.4	40.4	4.9%	83.4	79.2	5.3%
Mobile service revenue	39.4	37.7	4.6%	77.3	73.9	4.7%
of which mobile data	7.9	5.8	37.0%	14.9	11.0	35.5%
EBITDA	20.4	17.5	16.8%	39.9	33.7	18.4%
EBITDA margin	48.2%	43.3%	4.9p.p.	47.8%	42.5%	5.3p.p.
Capex excl. licenses	6.7	6.8	(1.6%)	14.0	10.4	34.5%
LTM capex excl. licenses/revenue	17.5%	18.0%	(0.5p.p.)	17.5%	18.0%	(0.5p.p.)
Mobile						
Customers (mln)	55.5	52.5	5.6%			
- of which data users (mln)	31.5	26.7	17.9%			
ARPU (PKR)	236.9	238.4	(0.7%)			
MOU (min)	543	520	4.4%			
Data usage (MB/user)	950	509	86.7%			

The market in Q2 2018 remained competitive, particularly relating to data and social network offers.

Jazz continued to show growth of both revenue and customers despite these competitive market conditions. In Q2 2018, whilst the country was characterized by political and currency uncertainty ahead of the upcoming elections, revenue growth of 4.9% year on year was supported by an acceleration of mobile data revenue growth of 37.0% year on year, 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, driven by gross additions together with lower churn as a result of simplifying prices and more efficient distribution channel management, coupled with better customer retention. 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 increased by 16.8%, driven by revenue growth, opex synergies and the absence of merger integration costs, leading to an EBITDA margin of 48.2%, an increase of 4.9 percentage points year on year and an increase of 0.7 percentage points quarter on quarter.

Capex excluding licenses slightly decreased year on year to PKR 6.7 billion in Q2 2018, supporting 4G/LTE network expansion. Quarterly distribution is more balanced in FY 2018, while the LTM capex excluding licenses to revenue ratio was 17.5%. At the end of the Q2 2018, 3G was offered in more than 368 cities while 4G/LTE was offered in over 117 cities (defined as cities with at least three base stations). At the end of Q2 2018, population coverage of 3G and 4G/LTE networks was 52% and 32.5%, respectively.

2-2 DJEZZY, ALGERIA - KEY INDICATORS

DZD billion	2Q18	2Q17	YoY	1H18	1H17	YoY
Total revenue	23.1	25.3	(8.5%)	46.2	50.7	(8.9%)
Mobile service revenue	22.9	24.9	(7.9%)	45.9	49.9	(8.0%)
of which mobile data	5.9	3.2	80.7%	10.8	6.0	80.3%
EBITDA	10.0	11.4	(11.9%)	20.4	23.9	(14.8%)
EBITDA margin	43.4%	45.1%	(1.7p.p.)	44.1%	47.2%	(3.0p.p.)
Capex excl. licenses	3.3	3.1	4.3%	4.9	6.0	(19.2%)
LTM capex excl. licenses/revenue	13.9%	15.5%	(1.6p.p.)	13.9%	15.5%	(1.6p.p.)
Mobile						
Customers (mln)	15.5	15.5	(0.2%)			
- of which mobile data customers (mln)	8.3	7.0	18.6%			
ARPU (DZD)	496	522	(5.1%)			
MOU (min)	447	379	18.1%			
Data usage (MB/user)	1,643	478	243.3%			

In Algeria, trends are improving as customers grew and revenue stabilized quarter on quarter, signalling a turnaround in a challenging market with intense price competition and a regulatory and macro-economic environment which remains characterized by inflationary pressures and import restrictions on certain goods.

Revenue decreased by 8.5% year on year, a slightly lower declining pace compared to Q1 2018, as an operational turnaround continued. Price competition, in both voice and data, caused a continued reduction in ARPU.

Djezzy's Q2 2018 service revenue was DZD 22.9 billion, a 7.9% decline, while data revenue growth was 80.7%, 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 also supported by the change towards a more aggressive data pricing strategy since the beginning of 2018. However, in Q2 the market reacted, and the share of gross adds for Djezzy slightly decreased compared to Q1, while still leading the market with the highest share.

The net adds trend, reversed from negative to positive during Q1 2018, was still positive during Q2 2018 and led to customer growth quarter on quarter of 1.1% or broadly flat year on year. The quarter on quarter growth was driven by continued positive uptake of new offers.

ARPU declined by 5.1% year on year, primarily driven by continued and intense price competition.
In June 2018, Djezzy successfully migrated to the new DBSS platform. This step towards the digitization of core processes is expected to result in simplification, agility, faster time to market, coupled with improved competitive speed and customer service.

In Q2 2018, EBITDA decreased by 11.9% year on year, mainly due to the decline in revenues. The new Finance Law, effective from January 2018, continues to impact year on year performance. As a result of new taxation, Djezzy's EBITDA was negatively impacted in Q2 2018 by approximately DZD 207 million. This impact on EBITDA was broadly offset by the positive impact from the partial MTR symmetry, which has been in place since 31 October 2017.

At the end of Q2 2018, the company's 4G/LTE services covered 28 wilayas and more than 25.4% of the country's population, while the 3G network covered all 48 wilayas and more than 75.6% of population. In Q2 2018, capex excluding licenses was DZD 3.3 billion, with an LTM capex excluding licenses to revenue ratio of 13.9%.

2-3 BANGLALINK, BANGLADESH - KEY INDICATORS

BDT billion	2Q18	2Q17	YoY	1H18	1H17	YoY
Total revenue	10.9	12.0	(8.4%)	21.7	24.0	(9.5%)
Mobile service revenue	10.5	11.6	(10.0%)	20.9	23.3	(10.6%)
of which mobile data	1.8	1.5	14.5%	3.4	3.1	11.2%
EBITDA	3.8	4.9	(23.3%)	7.6	10.4	(26.8%)
EBITDA margin	34.4%	41.1%	(6.7p.p.)	35.2%	43.5%	(8.3p.p.)
Capex excl. licenses	1.7	1.4	22.2%	6.3	2.2	189.5%
LTM capex excl. licenses/revenue	27.9%	18.7%	9.2p.p.	27.9%	18.7%	9.2p.p.
Mobile						
Customers (mln)	32.0	30.7	4.1%			
- of which mobile data customers (mln)	19.2	15.9	20.8%			
ARPU (BDT)	109	127	(14.1%)			
MOU (min)	270	285	(5.4%)			
Data usage (MB/user)	684	364	88.0%			

The market during Q2 2018 was characterized by accelerated price pressure from competition. The regulatory environment remains challenging and limits customer growth in the market. For example, the regulator has recently restricted sale of subsequent SIM card within 3-hours of purchase of the preceding SIM using the same national identity card. This restriction has impacted the gross additions across the mobile industry in Bangladesh.

In Bangladesh, Q2 2018 results continue to be affected by intense competition, with a specific focus on customer acquisition, and also by costs related to the network expansion after the acquisition in Q1 2018 of additional spectrum and a 4G/LTE licence. During Q2 2018, Banglalink continued to focus on acquiring customers in a competitive market, with improved network availability.

Revenue in Q2 2018 decreased by 8.4% year on year, mainly driven by service revenue, which decreased by 10.0% year on year to BDT 10.5 billion. The decline in service revenue was still mainly due to the gap in 3G network coverage compared to competition. However, the service revenue increased by 0.8% quarter on quarter in 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 the distribution footprint. The customer base grew by 4.1% year on year, supported by improved distribution, however the sequential decrease in customer base was mainly caused by intense pricing pressure in the market. As a result of this pricing pressure, ARPU decreased year on year by 14.1%. Data revenue increased by 14.5% year on year, driven by increased smartphone penetration and 88.0% year on year data usage growth, along with 20.8% growth in active data users.

Banglalink's EBITDA in Q2 2018 decreased by 23.3% to BDT 3.8 billion, mainly as a result of revenue decline and increase of structural opex due to network expansion. The EBITDA margin was 34.4% in Q2 2018, which represents a year on year reduction of 6.7 percentage points.

In Q2 2018, capex excluding licenses significantly increased year on year to BDT 1.7 billion, driven by investments to improve network resilience and roll-out 4G/LTE sites. Banglalink continues to invest in efficient, high-speed data networks aiming to substantially improve its 3G network coverage (approximately 72% of the population at the end of Q2 2018, versus approximately 70% in Q1 2018) and availability. The 4G/LTE service, which was launched in February 2018, covered a population of approximately 15% at the end of Q2 2018. LTM capex excluding licenses to revenue ratio was 27.9%.

3. FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

USD millions	2Q18	2Q17	Reported YoY	1H18	1H17	Reported YoY
Service revenue	660.3	731.6	(9.7%)	1,327.8	1,451.7	(8.5%)
-Of which mobile data revenue	140	105	33.6%	267	200	33.4%
Other revenue	33.2	33.5	(0.9%)	65.2	65.8	(1.0%)
Total operating Revenue	**693.5**	**765.0**	**(9.4%)**	**1,393.0**	**1,517.5**	**(8.2%)**
Total expenses	(389.9)	(436.7)	(10.7%)	(788.5)	(856.8)	(8.0%)
EBITDA	**303.6**	**328.4**	**(7.6%)**	**604.5**	**660.7**	**(8.5%)**
Depreciation and amortization	(127.1)	(162.4)	(21.7%)	(253.3)	(322.1)	(21.3%)
(Loss)/gain on disposals of non-current assets	(5.8)	2.6	N/M	(6.4)	(2.3)	181.0%
(Impairment losses)/reverse impairment of assets	(1.1)	(1.4)	(21.1%)	(2.4)	0.3	N/M
Technical services expense	(5.0)	(1.8)	N/M	(11.9)	(29.7)	(59.8%)
Other operating (loss)/gain	0.5	(0.5)	N/M	(4.2)	(3.1)	32.8%
Operating profit	**165.0**	**164.9**	**(0.1%)**	**326.3**	**303.8**	**7.3%**
Finance costs	(86.0)	(77.2)	11.4%	(163.5)	(147.8)	10.6%
Finance income	1.1	3.1	(63.4%)	2.7	6.6	(58.6%)
Net foreign exchange loss	(12.2)	(1.1)	N/M	(23.7)	(12.1)	N/M
Profit before income tax	**67.9**	**89.7**	**(24.5%)**	**141.8**	**150.5**	**(5.8%)**
Income tax expense	(87.4)	(54.6)	60.0%	(123.1)	(114.2)	7.8%
Profit/(loss) for the period	**(19.5)**	**35.1**	**N/M**	**18.7**	**36.3**	**(48.5%)**
Attributable to:						
The owners of the parent	(40.7)	7.6	N/M	(24.7)	(18.6)	32.7%
Non-controlling interests	21.2	27.5	(23.0%)	43.4	54.9	(21.0%)
Profit for the period	**(19.5)**	**35.1**	**N/M**	**18.7**	**36.3**	**(48.5%)**
(Losses)/earnings per share	(0.009)	0.002	N/M	(0.005)	(0.004)	(48.5%)

CONSOLIDATED STATEMENT OF FINANCIAL POSTION

USD millions	30-Jun-2018	31-Dec 2017
Assets		
Non current assets		
Property and equipment	1,821.6	1,870.1
Intangible assets and goodwill	1,843.1	1,668.1
Other non current assets	287.4	323.3
Total non current assets	**3,952.1**	**3,861.5**
Current assets		
Cash and cash equivalents	371.3	374.5
Trade and other receivables	237.9	250.4
Other current assets	345.4	341.1
	954.6	966.0
Assets held for sale	470.7	505.9
Total current assets	**1,425.3**	**1,471.9**
Total assets	**5,377.4**	**5,333.4**
Equity and liabilities		
Equity		
Equity attributable to equity owners of the parent	(118.3)	(49.9)
Non-controlling interests	96.6	138.9
Total equity	**(21.7)**	**89.0**
Non current liabilities		
Long term debt	1,846.1	2,173.2
Other non current liabilities	555.1	490.4
Total non current liabilities	**2,401.2**	**2,663.6**
Short term debt	892.0	518.5
Trade and other payables	1,353.8	1,415.1
Other current liabilities	704.8	611.9
	2,950.6	**2,545.6**
Liabilities directly associated with Assets held for sale	47.3	35.2
Total current liabilities	**2,997.9**	**2,580.8**
Total liabilities	**5,399.1**	**5,244.4**
Total equity and liabilities	**5,377.4**	**5,333.4**
Net Debt	**2,353.2**	**2,302.8**

CONSOLIDATED STATEMENT OF CASH FLOWS

USD millions	30-Jun-2018	30-Jun-2017
Operating activities		
Profit before tax	141.8	150.5
Non cash adjustments to reconcile profit before tax to net cash flows provided from operating activities	461.2	406.7
Change in working capital	43.0	77.2
Interest paid	(115.3)	(90.7)
Interest received	2.4	6.0
Income tax paid	(94.6)	(129.0)
Net cash flows provided from operating activities	**438.5**	**420.7**
Investing activities		
Proceeds from sale of property and equipment and intangible assets	3.7	6.1
Purchase of property and equipment and intangible assets	(529.9)	(594.0)
Change in other financial assets	11.0	(66.2)
Net cash flows (used in) investing activities	**(515.2)**	**(654.1)**
Financing activities		
Proceeds from borrowings, net of fees paid	358.0	570.0
Repayment of borrowings	(269.2)	(83.8)
Dividends paid to non-controlling interests	-	(7.1)
Purchase of treasury shares	-	(259.1)
Net cash flows provided from financing activities	**88.8**	**220.0**
Net increase/(decrease) in cash and cash equivalents	**12.1**	**(13.4)**
Cash and cash equivalents at beginning of the period	374.5	606.4
Cash and cash equivalent reclassified as Held for Sale	6.6	(3.5)
Effect of movements in echange rates on cash held	(21.9)	7.1
Cash and cash equivalents at end of period	**371.3**	**596.6**

4. APPENDIX

REVENUE AND EBITDA RECONCILIATIONS

SERVICE REVENUE

USD million	2Q18	2Q17	Change YoY	1H18	1H17	Change YoY
Service revenue						
Mobilink, Pakistan	337.2	359.3	(6.2%)	678.1	704.8	(3.8%)
Djezzy, Algeria	198.1	228.3	(13.2%)	399.6	456.0	(12.4%)
Banglalink, Bangladesh	125.0	143.9	(13.2%)	250.1	291.0	(14.1%)
Total service revenue	**660.3**	**731.6**	**(9.7%)**	**1,327.8**	**1,451.7**	**(8.5%)**
Other revenue	33.2	33.5	(0.9%)	65.2	65.8	(1.0%)
Total operating revenue	**693.5**	**765.1**	**(9.4%)**	**1,393.0**	**1,517.5**	**(8.2%)**

EBITDA

USD million	2Q18	2Q17	Change YoY	1H18	1H17	Change YoY
Mobile						
Mobilink, Pakistan	175.2	167.0	4.9%	341.7	321.4	6.3%
Djezzy, Algeria	86.8	104.5	(16.9%)	177.8	218.7	(18.7%)
Banglalink, Bangladesh	42.6	60.7	(29.8%)	86.6	130.1	(33.4%)
Total Mobile	**304.6**	**332.2**	**(8.3%)**	**606.1**	**670.2**	**(9.6%)**
Other	(1.0)	(3.8)	(72.3%)	(1.6)	(9.5)	(81.8%)
Total Consolidated EBITDA	**303.6**	**328.4**	**(7.5%)**	**604.5**	**660.7**	**(8.5%)**

FOREIGN EXCHANGE RATES TO USD AS APPLIED TO THE FINANCIAL STATEMENTS

	Average rates			Closing rates		
	2Q18	**2Q17**	**Change YoY**	**2Q18**	**2Q17**	**Change YoY**
Egyptian Pound	17.80	18.10	(1.7%)	17.89	18.12	(1.3%)
Pakistan Rupee	115.80	109.04	6.2%	117.50	107.80	9.0%
Algerian Dinar	116.80	104.81	11.4%	121.58	104.83	16.0%
Bangladeshi Taka	83.78	80.86	3.6%	83.78	80.64	3.9%

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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