IHS Netherlands Holdco B.V.

Q3 2016 Condensed Combined Interim Report

for the 9 month and 3 month periods ended 30 September 2016

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Contents

Information on the Company and basis of preparation

Information on the Company and the Group

IHS Netherlands Holdco B.V. (the "**Company**") and its subsidiaries form the "**Restricted Group**" for the purposes of the US$800 million 9½% Senior Notes due 2021, issued on 27 October 2016 (the "**Notes**"), listed on the Irish Stock Exchange. Each of the Company's subsidiaries is a Guarantor of those Notes. The Company and its subsidiaries are hereinafter referred to as the "**Group**".

IHS Netherlands Holdco B.V. was incorporated on 12 May 2016 and shares in the Company were subscribed for by its now immediate parent entity, IHS Netherlands (Interco) Coöperatief U. A., as a result of which the Company became part of the "**IHS Group**", a group whose ultimate parent company is IHS Holding Limited ("**IHS Holding**"), a private company incorporated under the laws of Mauritius.

On 13 May 2016 the Company subscribed for the entire share capital in two special purpose vehicles, IHS Netherlands NG1 B.V. ("**NG1**") and IHS Netherlands NG2 B.V. ("**NG2**").

On 15 September 2016, IHS Holding transferred the shares it held (representing 100% ownership[1]) in IHS Nigeria Limited ("**IHSN**") and IHS Towers NG Limited (formerly Helios Towers Nigeria Limited) ("**ITNG**") to NG1 and NG2 respectively. The Restricted Group for the purposes of Notes (the "**Group**") was thus fully formed on 15 September 2016.

Basis of preparation

These unaudited condensed combined interim financial statements do not constitute statutory accounts.

Since the Group was not fully formed until 15 September 2016, financial information on a statutory basis to 30 September 2016 will have limited use. Consequently, these interim financial statements have been prepared on a pro forma combined basis, aggregating the results of operations and financial position of the two operational subsidiaries (IHSN and ITNG) as if they had been part of the Group from 1 January 2015. These financial statements thus do not fully comply with IAS 34 Interim Financial Reporting.

The principal accounting policies applied in the preparation of these interim financial statements are consistent with those of IHSN's financial statements for the year ended 31 December 2015 except for the estimation of income tax, and adoption of predecessor method accounting and the proforma combined basis adopted to show the results as if the Group were in existence from 1 January 2015 as described in more detail below. Income taxes are accrued using the tax rate that is expected to be applicable for the full financial year, adjusted for certain discrete items which occurred in the interim period.

The formation of the Group is considered to be a transaction under common control and will be accounted for following the principles of predecessor accounting in accordance with IFRS, whereby the assets acquired and liabilities of IHSN and ITNG assumed by the Group will be recognised at their pre-combination carrying values that exist within the consolidated accounts of the IHS Group. As the preliminary valuation of the tangible and identifiable intangible assets acquired and liabilities assumed when IHS Holding acquired ITNG and the estimated purchase price have been used to prepare these unaudited condensed combined interim financial statements, the unaudited pro forma combination adjustments presented could materially differ from those calculated when the final valuation of assets and liabilities become available.

Pro forma adjustments have been made as follows:

- to the opening 1 January 2015 reporting position of ITNG to reflect the preliminary purchase price adjustments assessed on the acquisition of ITNG by IHS Holding Limited on 10 June 2016, thus adding goodwill of US$148.4m, intangible assets of US$203.6m, reducing the value of property, plant and equipment ("**PPE**") by US$33.5m, reducing bond borrowings by

[1] Less one share in each of IHS Nigeria Limited and IHS Towers NG Limited which are held by a nominee shareholder, for local legal reasons

Information on the Company and basis of preparation

US$21.6m to their assessed fair value, and increasing deferred tax liabilities by US$56.1m. In total net assets of ITNG were increased by US$281.9m,

- to reflect amortisation of the intangibles recognised above from 1 January 2015 through to 30 September 2016 (9 months to 30 Sep in each year: US$8.7m),
- to reduce depreciation charged to reflect the reduction in PPE noted above from 1 January 2015 through to 30 September 2016 (9 months to 30 September in each year: US$5.1m),
- to release related deferred tax liabilities related to the above through 1 January 2015 to 30 September 2016 (9 months to 30 September in each year: US$3.7m) and
- to amortise the reduction in the bond borrowings above through 1 January 2015 to 30 September 2016 (9 months to 30 September in each year: US$8.8m).

No pro forma adjustments have been made in these unaudited condensed combined interim financial statements to take any effect of the Notes issued in October 2016, post the reporting period end.

A condensed combined statement of changes in equity has not been provided since the combined aggregation of the operating units' share capital and reserves is not considered to be meaningful to users.

The preparation of the unaudited condensed combined interim financial statements requires management to make estimates and assumptions that affect the reported numbers. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Disclaimer

The information in this document may contain forward-looking statements. Forward-looking statements include, but are not limited to, all statements other than statements of historical fact included in the Information, including, without limitation, those regarding the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets in which it operates or intends to operate. Forward-looking statements can be identified, in some instances, by the use of words such as "target", "believe", "expect", "aim", "intend", "continue", "forecast", "seek", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and other words and terms of similar meaning or the negative thereof, or by the forward-looking nature of discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, 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 it will operate in the future. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise. For the avoidance of doubt, the Company does not accept any liability in respect of any such forward-looking statements.

Certain data included in the information are "non-IFRS measures". These non-IFRS measures may not be comparable to similarly titled financial measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with International Financial Reporting Standards. Although the Company believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of its business, users are cautioned not to place undue reliance on any non-IFRS financial measures and ratios included in this presentation.

Operating and financial review

Overview

All financial and operational key performance indicator information provided in this 'Operating and financial review' represents the combined position of the Group as described in the "Basis of preparation" section on page 3. A glossary of terms used is provided at the end of this document.

The Group is a leading independent telecommunications tower infrastructure owner and operator in Nigeria. Its primary business is leasing tower space for communications equipment to Mobile Network Operators ("**MNOs**") and other customers, who in turn provide wireless, voice and data services to their end users. The Group provides its customers with opportunities to lease space on existing towers alongside current tenants, known as colocation, or to commission new towers for construction to the customer's specifications, known as Build-to-suit ("BTS"). The Group also provides managed services in limited situations, such as maintenance, operations, marketing and leasing services, for certain towers owned by third parties. Services are provided based on long-term contracts with annual contractual escalations. A significant proportion of contracted tenant lease revenues are linked to US dollars.

The Group predominantly serves three of the four main Nigerian mobile network operators. As of 30 September 2016, the Group owns and manages 6,320 towers, with a combined LUR of 1.99x, based on 9,716 PoP Tenants and 2,129 Technology Tenants across the 5,952 towers owned.

Highlights for the quarter and year to date

- Year to date EBITDA growth year-on-year of 17.5% and an increase of 2.5 points in EBITDA margin percentage
- The first full quarter to be impacted by Naira devaluation; reported US$ revenues and EBITDA declined by 8.6% and 7.1% respectively year-on-year
- Continuing improvement in tenancy ratios in the quarter:
    - PoP LUR increasing by 0.03x
    - Technology LUR increasing by 0.09x
- 151 net new PoP Tenants in the quarter
- 322 new Technology Tenants in the quarter

	9 month period ended			**3 month period ended**		
	30 Sep 2016 $'000	30 Sep 2015 $'000	change %	**30 Sep 2016 $'000**	30 Sep 2015 $'000	change **%**
Revenue	**269,261**	240,761	11.8%	**74,995**	82,034	(8.6)%
Operating profit	**109,163**	54,941	98.7%	**15,689**	17,216	(8.9)%
Loss for the period	**(411,034)**	(186,969)	119.8%	**(66,311)**	(19,622)	237.9%
Alternative measures:*						
EBITDA	**139,559**	118,783	17.5%	**37,925**	40,834	(7.1)%
EBITDA Margin	**51.8%**	49.3%	2.5pts	**50.6%**	49.8%	0.8pts

*Alternative performance measures are non-IFRS measures that are presented to provide readers with additional financial information that is regularly reviewed by management. They should not be viewed in isolation or as an alternative to the equivalent IFRS measure. See reconciliations of EBITDA on page 15 to the closest equivalent IFRS measure and Non-IFRS measures definitions on page 22 for further details.

Operating and financial review

Trading results

Trading during Q3 2016 has been characterised by positive underlying operational factors, including continued organic revenue growth and ongoing power cost saving initiatives, but also negative macro-economic factors. Positive operational growth trends as reported in the Naira functional currency of our operating subsidiaries were more than offset by rising diesel prices and, in particular, by the devaluation of the Naira against the US dollar during the period.

We continue to focus on rationalising our portfolio. In Q3 2016 we added 52 towers through BTS (including the reactivation of 5 dormant towers) and decommissioned 83 sites, resulting in a total of 5,952 live owned towers.

During Q3, we added 151 net new PoP Tenants and 322 Technology Tenants, resulting in combined LURs of 1.63x and 1.99x respectively (excluding tenants on SWAP sites). The majority of the tenant growth is coming from MTN under the revised MTN agreement. The growth in PoP Tenants and Technology Tenants in the quarter contributed additional revenue and margin. Additionally, the quarterly Naira to US dollar rate reset in some of our MLAs helped mitigate the effect of the Naira devaluation. Approximately 81% of revenue as at the end of Q3 was linked to US dollars.

We continue to implement our cost savings plans and completed the refurbishment of an additional 613 sites in the quarter. These cost savings investments improved our operating costs and helped improve our margins. Although we continue to reduce our per tenant volume of diesel consumed, rising Naira diesel prices in Q3 increased our operating costs during the quarter. The investment in hybrid power solutions helps us manage the varying price of diesel in Naira.

Revenue

Our combined revenue for the nine months ended 30 September 2016 was US$269.3m compared to US$240.8m in the same period in 2015, an increase of 11.8%.

This was primarily due to increases in tenancies and revenues related to fees earned on 3G and 4G/LTE upgrades as well as an increase in fees resulting from US dollar/Naira contractual exchange rate resets following the devaluation that occurred in the first quarter of 2015. Revenue growth was partially offset by further US dollar/Naira devaluation in June 2016 when the Naira was unpegged from the US dollar.

In the most recent quarter, reported combined revenue of US$75.0m has declined by 8.6% against combined revenue US$82.0m for the same period last year, primarily as a result of the devaluation of the Naira against the US dollar. The top 3 GSM customers contributed 91% of the quarter’s revenue.

Costs

Combined cost of sales increased by 6.7% to US$185.4m in the nine months ended 30 September 2016 from US$173.8m in the comparative period. The increase was primarily due to an increase in depreciation and amortisation charges as a result of a) the change in useful life of tower assets from 50 years to 20 years (following a change in the IHS Parent Group’s policies, intended to align its accounting with other international tower companies) and, b) a higher asset base due to the purchase of 555 MLL towers from Etisalat in August 2015. Reductions in tower repairs and maintenance, power generation and security reflects efficiency savings from investment in new hybrid power solutions and lower costs from fewer managed services sites in 2016 compared to 2015. Although power generation costs have reduced overall year on year, Naira diesel prices have increased by some 49% following the unpegging of the Naira.

Administrative expenses increased by 88.8% year-on-year from US$16.8m to US$31.6m in the first nine months. Staff costs more than doubled year-on-year through increased head count recruited to manage the enlarged business as a result of the MTN agreement. Redundancy costs and other non-recurring costs associated with the acquisition of ITNG totalled US$2.3m and we also provided US$4.0m for trade and other receivables which we deem doubtful in the first half of the year.

Operating and financial review

Operating profit

Combined operating profit for the nine months ended 30 September 2016 was US$109.2m compared to US$54.9m in the same period in 2015, an increase of 98.7%. Included within operating profit in 2016, and causing most of the increase compared to last year is US$51.0m received from Visafone for the exit break fee on the cancellation of 308 tenancies under their MLA with IHSN.

Combined operating profit for Q3 2016 was US$15.6m compared to US$17.2m in the corresponding period in 2015, a decrease of 9.4% largely as a result of the Naira devaluation in 2016.

EBITDA

The Visafone income and other unusual non-recurring items included in operating profit are excluded in calculating EBITDA (please see reconciliation of EBITDA on page 14). Our combined EBITDA for the nine months ended 30 September 2016 was US$139.6m compared to US$118.8m in the prior year, a 17.5% increase. Pro forma combined EBITDA margins have improved from 49.3% for the nine months ended 30 September 2015 to 51.8% in the nine months ended 30 September 2016 and improved by 0.8 percentage points in Q3, 2016 compared to Q3, 2015 to 50.6% with underlying growth largely offset by the lower Naira to US dollar rate in 2016.

Net financing costs

Net financing costs increased to US$703.5m in the nine months ended 30 September 2016 compared to US$284.1m the prior year and increased by US$96.7m from US$38.1m in Q3 2015 to US$134.7m in Q3 2016. These costs increased primarily due to increased unrealised foreign exchange losses on financing following significant downward movement in exchange rates on commercial bank and related party loans denominated in US dollars. In 2015, the fair value of redeemable convertible preference capital liability increased in the nine months by US$39.3m, resulting in a corresponding non-cash increase in finance costs. The preference capital was converted to ordinary capital in December 2015 so there was no related fair value gain or loss for the nine months ended 30 September 2016.

Taxation

The credit to the income statement with respect to deferred tax increased to US$183.3m in the nine months ended 30 September 2016 from US$42.1m for the same period in 2015. This and the increased Q3 credit are primarily due to the deferred tax impact of the Naira devaluation on US dollar denominated borrowings.

IHSN previously held Pioneer Status that exempted it from corporate income tax for a five year period which expired on 31 May 2016. As such, from this date, IHS Nigeria is subject to income tax at the statutory rate of 30%.

Cash flows and funding

During the nine months ended 30 September 2016, we generated sufficient cash flow from operations to fund our capital expenditures and debt service obligations. As at 30 September 2016 we had $69.8m of cash and cash equivalents.

Net cash generated from operating activities increased by 147.5% from US$61.4m to US$151.9m for the nine months year on year. US$51.0m of the increase is the receipt of the Visafone exit fee and the remainder is primarily due a net reduction in the negative movement in working capital compared to the comparative period in the prior year.

We continue to experience some volatility in terms of timing of settlement of invoices from certain

Operating and financial review

customers. As of 30 September 2016, US$13.2 million was more than 180 days overdue from our customers, of which US$4.9 million (30 June 2016: US$3.6 million) is overdue from one of them, and we continue to pursue our contractual rights in collecting the outstanding amounts.

Excluding the impact of business combinations, net cash used in investing activities decreased to US$97.1m in the nine months to 30 September 2016, from US$110.4m in comparative period in 2015, 12.1% lower. This is primarily because higher purchases of towers and equipment were made in 2015, partially offset by advanced payments made for property, plant and equipment relating to investments for upgrading power equipment in the comparative period in 2016.

Capital expenditure (“capex”) for the Group is largely attributable to BTS site build, refurbishment and augmentation and maintenance capex. Given the timing of capex cycles through the year, there can be spikes or drops in capital intensity, which is the reason for the quarterly variation. During the quarter, an additional 613 sites were refurbished with new hybrid power solutions, bring the total refurbished sites to 1,909 out of the planned 2,100. For the 3 and 9 months to 30 September 2016, 6.2% and 17.7% of capex, respectively, was spent on maintenance. For the same periods, 45.2% and 37.9% of capex, respectively, was spent on refurbishment and augmentation.

In the nine months ended 30 September 2015, IHSN drew down US$149m in shareholder loans but none in 2016 year to date. Excluding drawdowns in shareholder loans, net cash used in financing activities decreased to US$58.0m in the nine months ended 30 September 2016, from US$62.6m in the nine months ended 30 September 2015, primarily due to a reduction in interest paid.

Indebtedness

At 30 September 2016 total outstanding loans and borrowings were US$1.3bn, of which US$574.1m is in the form of subordinated shareholder loans from the Company’s ultimate parent entity (with a principal value of US$831.0m). For more information on indebtedness, see the borrowings note (note 15) in the interim financial statements.

Recent Developments

NGN Credit Facility

On 24 September 2016, IHSN entered into a Naira credit facility (the “**NGN Credit Facility**”) with a group of existing and new lenders, which gave it access to a loan facility of ₦26.5bn with an uncommitted option to increase the facility by an additional ₦20bn. The NGN Credit Facility has a five-year term and was used to repay the previous Naira bank loans held by IHSN on 27 October 2016 with any excess available for working capital and general corporate purposes. To date ₦26.5bn is drawn.

Notes settlement

On 27 October 2016, the Company issued the US$800m 9½% Senior Notes due 2021 (the “**Notes**”) which are listed on the Irish Stock Exchange.

The proceeds of the issuance of Notes were used to, among other things, settle amounts due to holders that tendered outstanding US$250m 8.375% Senior Guaranteed Notes due 2019 issued by IHS Towers Netherlands FinCo NG B.V. (formerly known as Helios Towers Finance Netherlands B.V.), a subsidiary of ITNG. US$236.965m in principal amount of the US$250m bond was repaid on 27 October 2016.

Increase in subordinated shareholder loans

On 27 October 2016, IHSH provided additional shareholder loan funding of US$35m to the Group.

Unaudited condensed combined financial statements

Combined income statements and other comprehensive income

for the nine month and three month periods ended 30 September 2016

	Note	9 month period ended		3 month period ended	
		30 Sep 2016 $'000	30 Sep 2015 $'000	**30 Sep 2016 $'000**	30 Sep 2015 $'000
Revenue	3	**269,261**	240,761	**74,995**	82,034
Cost of sales	4	**(185,391)**	(173,823)	**(54,340)**	(60,959)
Gross profit		**83,870**	66,938	**20,655**	21,075
Administrative expenses	5	**(31,631)**	(16,757)	**(7,214)**	(6,197)
Other income	6	**56,924**	4,760	**2,248**	2,338
Operating profit		**109,163**	54,941	**15,689**	17,216
Finance income	7	**11,992**	21,253	**4,684**	871
Finance expense	8	**(715,477)**	(266,054)	**(139,408)**	(36,240)
Changes in fair value through the profit or loss	9	**-**	(39,252)	**-**	(2,699)
Loss before taxation		**(594,322)**	(229,112)	**(119,035)**	(20,852)
Taxation	9	**183,288**	42,143	**52,724**	1,230
Loss for the period	10	**(411,034)**	(186,969)	**(66,311)**	(19,622)
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Changes in fair value of available-for-sale financial assets		**22**	8	3	(1)
Exchange differences on translation		**92,175**	(19,094)	25,631	1
Other comprehensive income/(loss) for the period		**92,197**	(19,086)	25,634	-
Total comprehensive loss for the period		**(318,837)**	(206,055)	(40,677)	(19,622)

The notes on page 12 to 21 are an integral part of these condensed combined financial statements.

Unaudited condensed combined financial statements

Combined statements of financial position

At 30 September 2016

	Note	At 30 Sep 2016 $'000	At 31 Dec 2015 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**563,275**	779,639
Intangible assets	13	**502,064**	609,148
Investments		**7**	10
Trade and other receivables	14	**57,132**	167,649
Deferred tax assets		**152,597**	-
		1,275,075	1,556,446
Current assets			
Inventories		**10,400**	9,018
Amounts due from related parties	18	**5,589**	52,597
Trade and other receivables	14	**132,780**	123,370
Cash and cash equivalents		**69,805**	92,218
		218,574	277,203
Total assets		**1,493,649**	1,833,649
LIABILITIES			
Current liabilities			
Trade and other payables	16	**73,302**	47,170
Borrowings	15	**766,993**	3,582
Amounts due to related parties	18	**3,386**	53,650
Income tax liabilities		**5,264**	3,702
		848,945	108,104
Non-current liabilities			
Borrowings	15	**587,139**	1,341,167
Provision for liabilities and charges		**2,077**	2,074
Deferred tax liabilities		**49,379**	55,278
		638,595	1,398,519
Total liabilities		**1,487,540**	1,506,623
Net assets		**6,109**	327,026

As noted in the basis of preparation on page 3, a combined statement of changes in equity has not been provided since the combined aggregation of the operating units' share capital and reserves is not considered to be meaningful to users.

The notes on page 12 to 21 are an integral part of these condensed combined financial statements.

Unaudited condensed combined financial statements

Combined cash flow statements

For the nine month and three month periods ended 30 September 2016

		9 month period ended		3 month period ended	
		30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	Note	**$'000**	$'000	**$'000**	$'000
Cash flows from operating activities					
Cash generated from operations	16	**154,285**	62,374	**23,973**	25,422
Income taxes paid		**(2,384)**	(1,002)	**(114)**	(1,002)
Net cash flows generated from operating activities		**151,901**	61,372	**23,859**	24,420
Cash flows from investing activities					
Purchase of property, plant and equipment		**(54,938)**	(74,287)	**(18,432)**	(20,423)
Purchase of software and licences		**(375)**	(192)	**(10)**	-
Payment for long-term rent		**(6,085)**	(12,275)	**(1,461)**	(9,905)
Advance payments for property, plant and equipment		**(44,165)**	(27,425)	**(264)**	(27,425)
Consideration paid on business combination		**-**	(132,319)	**-**	(132,319)
Proceeds from the sale of property, plant and equipment		**5,783**	507	**163**	507
Insurance claim received		**1,357**	229	**168**	157
Interest received		**1,330**	3,008	**102**	782
Net cash used in investing activities		**(97,093)**	(242,754)	**(19,734)**	(188,626)
Cash flows from financing activities					
Interest paid		**(57,733)**	(61,922)	**(21,509)**	(28,380)
Loan facility fee		**(77)**	(236)	**-**	(56)
Loan receipts from related parties		**-**	149,000	**-**	149,000
Finance lease repayments		**(162)**	(393)	**-**	(164)
Net cash used in financing activities		**(57,972)**	86,449	**(21,509)**	120,400
Decrease in cash and cash equivalents		**(3,164)**	(94,933)	**(17,384)**	(43,806)
Cash and cash equivalents at beginning of the period		**92,218**	197,385	**87,180**	128,307
Exchange (losses)/gains on cash and cash equivalents		**(19,249)**	(17,763)	**9**	188
Cash and cash equivalents at period end		**69,805**	84,689	**69,805**	84,689

The notes on page 12 to 21 are an integral part of these condensed combined financial statements.

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

1 General information

IHS Netherlands Holdco B.V., is a private company with limited liability incorporated under the laws of the Netherlands in May 2016.

The Company owns 100% of the shares in IHS Netherlands NG1 B.V. and IHS Netherlands NG 2 B.V., who in turn own 100%[2] of the shares in IHS Nigeria Limited and IHS Towers NG Limited respectively. IHS Netherlands Holdco B.V. therefore indirectly owns 100% of IHS Nigeria Limited and IHS Towers NG Limited (formerly known as Helios Towers Nigeria Limited), the two main operating subsidiaries of the Company.

These unaudited condensed combined interim financial statements (“interim financial statements”) as at and for the nine and three months ended 30 September 2016 comprise the Company and its subsidiaries (together referred to as the “Group”). They include the condensed combined interim statement of profit or loss and other comprehensive income, the condensed combined interim statement of financial position, the condensed combined interim statement of cash flows, and the accompanying selected notes.

The Company is principally involved in the managing and leasing of telecommunications infrastructure to telecommunications and other service providers.

2 Basis of preparation

The principal accounting policies applied in the preparation of these interim financial statements are consistent with those of IHSN’s financial statements for the year ended 31 December 2015 except for the estimation of income tax, and adoption of predecessor method accounting and the proforma combined basis adopted to show the results as if the Group were in existence from 1 January 2015 as described in more detail on pages 3 to 4. Income taxes are accrued using the tax rate that is expected to be applicable for the full financial year, adjusted for certain discrete items which occurred in the interim period.

These interim financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance in the current periods presented.

2.1 Functional and presentation currency

The functional and presentation currency of the Company is US dollar (‘USD’ or ‘$’). Unless otherwise indicated, financial information presented in USD has been rounded to the nearest thousand.

The functional currency for IHS Nigeria Limited and IHS Towers NG Limited is Nigerian Naira (₦). The condensed combined interim financial statements were translated to USD (the reporting currency) for the purpose of these condensed combined interim financial statements at ₦305 (2015: ₦196.5) per USD for the condensed combined interim statement of financial position, and monthly average rates ranging from ₦196.58 to ₦310.8 per USD (2015: ₦167.5 to ₦196.62) for the condensed combined interim statement of profit or loss and other comprehensive income.

2.2 Going concern basis in the financial statements

After making enquiries, the Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

[2] Less one share in each of IHS Nigeria Limited and IHS Towers NG Limited which are held by a nominee shareholder, for local legal reasons

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

2.3 Approval

These condensed combined interim financial statements were authorised for issue on 25 November 2016.

3 Revenue

The Group's revenue accrues primarily from providing telecommunication support services. The Group provides services in respect of telecommunication towers ranging from infrastructure sharing and leasing (colocation) and managed services. For the sale of colocation and managed services, revenue is recognised in the accounting period in which the services are rendered.

	9 month period ended		**3 month period ended**	
	30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	$'000	$'000	**$'000**	$'000
Revenue				
Colocation	**259,303**	223,756	**72,431**	77,675
Managed with license to lease	**2,879**	11,596	**2,266**	2,996
Managed services	**7,079**	5,409	**298**	1,363
	269,261	240,761	**74,995**	82,034

4 Cost of sales

4.1 Cost of sales by nature of cost

	9 month period ended		**3 month period ended**	
	30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	$'000	$'000	**$'000**	$'000
Tower repairs and maintenance	**14,127**	17,674	**3,691**	6,054
Power generation	**56,424**	60,619	**18,539**	20,005
Site rental	**10,086**	9,361	**2,553**	3,285
Other rent	**691**	589	**161**	221
Vehicle maintenance and repairs	**2,065**	1,144	**639**	420
Security services	**8,608**	10,678	**2,245**	3,533
Insurance	**333**	338	**75**	126
Staff costs	**4,561**	4,286	**1,291**	1,386
Travel costs	**315**	447	**106**	133
Professional fees	**811**	41	**346**	37
Depreciation	**65,487**	49,726	**18,193**	17,983
Amortisation	**12,641**	12,038	**3,901**	4,811
Others	**9,242**	6,882	**2,600**	2,965
	185,391	173,823	**54,340**	60,959

Included in ‘Others’ above are costs incurred on regulatory permits of $7.37 million and $1.96 million for 9 month and 3 month periods ended 30 September 2016 respectively (*9 month and 3 month periods ended 30 September 2015: $5.94 million and $2.30 million respectively*).

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

5 Administrative expenses

	9 month period ended		3 month period ended	
	30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	$'000	$'000	**$'000**	$'000
Staff costs	**17,519**	8,093	**4,278**	3,090
Rent	**1,175**	708	**270**	252
Repairs and maintenance	**2,517**	1,121	**961**	436
Travel cost	**1,127**	859	**392**	319
Consulting and legal fees	**3,246**	1,015	**375**	346
Depreciation and amortisation	**918**	2,078	**142**	824
Other expenses	**5,129**	2,883	**796**	930
	31,631	16,757	**7,214**	6,197

6 Other income

On 31 January 2016, IHSN received $53.5million from Visafone Communications Limited for the termination of their master lease agreement with IHSN. An amount of $51.0 million is included for the period ended 30 September 2016 being the amount received from Visafone net of value added tax of $2.5 million (*30 September 2015: Nil*). In 2016, other income also includes management fees payable to IHSN by an affiliate (INT Towers Limited).

7 Finance income

	9 month period ended		3 month period ended	
	30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	$'000	$'000	**$'000**	$'000
Interest income - bank deposits	**1,392**	3,013	**102**	782
Net foreign exchange gain arising from financing - realised	**10,600**	18,240	**4,582**	89
	11,992	21,253	**4,684**	871

8 Finance expense

	9 month period ended		3 month period ended	
	30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	$'000	$'000	**$'000**	$'000
Interest expense	**98,566**	98,342	**31,733**	36,181
Loan facility fees	**1,502**	232	**524**	-
Net foreign exchange loss arising from financing - unrealised	**615,409**	167,480	**107,359**	59
	715,477	266,054	**139,616**	36,240

The devaluation of the Nigerian Naira from ₦196.5 (*2015: ₦167.5*) per USD to ₦305 (*2015: ₦196.5*) per USD occurred from June 2016 to September 2016 (*2015: February 2015*). This resulted in a significant foreign exchange loss arising from the revaluation of the USD denominated balances such as bank and related party loans.

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

9 Changes in fair value through the profit and loss

	9 month period ended		3 month period ended	
	30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	$'000	$'000	**$'000**	$'000
Redeemable convertible preference capital - change in fair value	**-**	39,252	**-**	2,699

10 Taxation

	9 month period ended		3 month period ended	
	30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	$'000	$'000	**$'000**	$'000
Company income tax	**(4,072)**	(400)	**(1,817)**	-
Education tax	**(750)**	(44)	**(363)**	(17)
Deferred taxes	**188,110**	42,587	**54,904**	1,247
Taxation	**183,288**	42,143	**52,724**	1,230

IHSN has enjoyed pioneer status on its colocation business for three years since June 2013. Consequently, only the managed services business was subject to Companies Income Tax (CIT) and Education Tax (ET) for the six month period ended June 2015 and for the five months to May 2016.

On expiration of the pioneer status tax exemption on 31 May 2016, the company calculated its CIT and ET for the subsequent four months, June 2016 to September 2016.

The deferred tax credits above in 2016 are predominantly driven by timing differences arising on unrealised foreign exchange losses on US dollar denominated borrowings.

11 Non-IFRS performance measures reconciliations

Reconciliation of loss for the period to EBITDA

	9 month period ended		3 month period ended	
	30 Sep 2016	30 Sep 2015	**30 Sep 2016**	30 Sep 2015
	$'000	$'000	**$'000**	$'000
Loss for the period	**(411,034)**	(186,969)	**(66,311)**	(19,622)
Add back:				
Tax (credit)/charge	**(183,288)**	(42,143)	**(52,724)**	(1,230)
Change in fair value through the profit or loss	**-**	39,252	**-**	2,699
Finance expense	**715,477**	266,054	**139,408**	36,240
Finance income	**(11,992)**	(21,253)	**(4,684)**	(871)
Depreciation and amortisation	**79,046**	63,842	**22,236**	23,618
Visafone exit fee income, net of value added tax	**(50,958)**	-	**-**	-
Other unusual one-off items*	**2,308**	-	**-**	-
EBITDA	**139,559**	118,783	**37,925**	40,834

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

12 Property, plant and equipment

	BTS tower equip-ment $'000	Land and building $'000	Furniture and office equip-ment $'000	Motor Vehicles $'000	Capital work-in-progress $'000	Total $'000
Cost						
At 1 January 2015	879,654	28,659	5,253	8,707	29,310	951,583
Additions during the period	96,689	9,637	6,023	1,293	31,575	145,217
Additions through business combinations	57,913	-	-	-	-	57,913
Disposals	(11,536)	(102)	(2)	(220)	-	(11,860)
Transfers	36,211	3,381	-	-	(39,592)	-
Effect of movement in exchange rates	(133,728)	(4,229)	(774)	(1,221)	(4,326)	(144,278)
At 31 December 2015	925,203	37,346	10,500	8,559	16,967	998,575
At 1 January 2016	**925,203**	**37,346**	**10,500**	**8,559**	**16,967**	**998,575**
Additions during the period	**132,393**	**11,297**	**1,272**	**434**	**10,616**	**156,012**
Disposals	**(13,421)**	**-**	**-**	**(362)**	**-**	**(13,783)**
Transfers from advance payment	**(12,497)**	**-**	**-**	**-**	**12,497**	**-**
Transfers	**25,614**	**355**	**-**	**-**	**(25,969)**	**-**
Effect of movement in exchange rates	**(372,851)**	**(17,298)**	**(4,096)**	**(3,185)**	**(5,855)**	**(403,285)**
At 30 September 2016	**684,441**	**31,700**	**7,676**	**5,446**	**8,256**	**737,519**
Accumulated depreciation						
At 1 January 2015	(167,825)	(556)	(3,838)	(4,047)	-	(176,266)
Charge for the period	(77,565)	(301)	(1,797)	(1,797)	-	(81,460)
Disposals	11,491	-	1	194	-	11,686
Effect of movement in exchange rates	25,815	85	576	628	-	27,104
At 31 December 2015	(208,084)	(772)	(5,058)	(5,022)	-	(218,936)
At 1 January 2016	**(208,084)**	**(772)**	**(5,058)**	**(5,022)**	**-**	**(218,936)**
Charge for the period	**(63,527)**	**(315)**	**(1,329)**	**(1,114)**	**-**	**(66,285)**
Disposals	**12,656**	**-**	**-**	**254**	**-**	**12,910**
Effect of movement in exchange rates	**93,570**	**345**	**2,089**	**2,063**	**-**	**98,067**
At 30 September 2016	**(165,385)**	**(742)**	**(4,298)**	**(3,819)**	**-**	**(174,244)**
Net book value						
At 31 December 2015	1,133,287	38,118	15,558	13,581	16,967	779,639
At 30 September 2016	**849,826**	**32,442**	**11,974**	**9,265**	**8,256**	**563,275**

Property, plant and equipment assets include pro forma adjustments to reflect the preliminary purchase price adjustments assessed on the acquisition of ITNG by IHS Holding Limited on 10 June 2016 (see basis of preparation on page 3).

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

13 Intangible assets

	Goodwill $'000	Software $'000	Customer related intangible assets $'000	Network related intangible assets $'000	Total $'000
Cost					
At 1 January 2015	291,410	1,134	77,266	238,094	607,904
Additions during the period	-	192	-	-	192
Additions through business combination	23,929	-	31,167	9,057	64,153
Effect of movement in exchange rates	(28,365)	(167)	(11,404)	(5,089)	(45,025)
At 31 December 2015	286,974	1,159	97,029	242,062	627,224
At 1 January 2016	**286,974**	**1,159**	**97,029**	**242,062**	**627,224**
Additions during the period	**-**	**375**	**-**	**-**	**375**
Effect of movement in exchange rates	**(49,310)**	**(541)**	**(34,517)**	**(13,679)**	**(98,047)**
At 30 September 2016	**237,664**	**993**	**62,512**	**228,383**	**529,552**
Accumulated depreciation					
At 1 January 2015	-	(870)	(358)	(342)	(1,570)
Charge for the period	-	(145)	(2,667)	(14,030)	(16,842)
Effect of movement in exchange rates	-	129	106	101	336
At 31 December 2015	-	(886)	(2,919)	(14,271)	(18,076)
At 1 January 2016	**-**	**(886)**	**(2,919)**	**(14,271)**	**(18,076)**
Charge for the period	**-**	**(143)**	**(2,113)**	**(10,505)**	**(12,761)**
Effect of movement in exchange rates	**-**	**348**	**1,589**	**1,412**	**3,349**
At 30 September 2016	**-**	**(681)**	**(3,443)**	**(23,364)**	**(27,488)**
Net book value					
At 31 December 2015	286,974	2,045	99,948	256,333	609,148
At 30 September 2016	**237,664**	**1,674**	**65,955**	**251,747**	**502,064**

Intangible assets include pro forma adjustments to reflect the preliminary purchase price adjustments assessed on the acquisition of ITNG by IHS Holding Limited on 10 June 2016 (see basis of preparation on page 3).

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

14 Trade and other receivables

	30 Sep 2016 $'000	31 Dec 2015 $'000
Trade receivables and accrued income	**84,334**	74,892
Less: impairment provisions	**(6,030)**	(8,914)
Net trade receivables	**78,304**	65,978
Prepaid land rent	**9,009**	12,063
Other prepaid expenses	**8,789**	607
Deferred expenses and advanced payments	**2,511**	3,760
Withholding tax receivable	**29,675**	37,279
Other receivable	**4,492**	3,683
Current total	**132,780**	123,370
Prepaid land rent	**27,781**	46,921
Advance payment	**29,351**	120,728
Non-current total	**57,132**	167,649

15 Borrowings

Current		
Bank borrowings	**530,228**	-
Bond borrowings*	**236,765**	3,229
Finance lease liabilities	**-**	353
	766,993	3,582
Non-current		
Bank borrowings	**-**	544,213
Bond borrowings*	**13,035**	242,365
Finance lease liabilities	**-**	17
Loans from related party (note 17)	**574,104**	544,572
	587,193	1,341,167

*Bond borrowings include pro forma adjustments to reflect the preliminary purchase price adjustments assessed on the acquisition of ITNG by IHS Holding Limited on 10 June 2016 (see basis of preparation on page 3).

Bank loans

IHS Nigeria Limited

As at 30 September 2016, IHSN had drawn down in full a $500 million and ₦16.501 billion loan facility (*31 December 2015: same*). The $500 million loan was provided by International Finance Corporation (IFC), Industrial & Commercial Bank of China (ICBC), Managed Co-Lending Portfolio Programme (MCPP), Stanbic IBTC Bank Plc., Standard Chartered Bank (SCB), Investec Asset Management (PTY) Limited and Ecobank Nigeria Limited. The ₦16.501 billion loan was provided by Stanbic IBTC Bank Plc and Ecobank Nigeria Limited.

The loans were issued at 7.0% to 7.5%+libor and 2.5%+nibor (*2015: same*) for USD and Naira loans respectively. On 27 October 2016, the USD loan was repaid in full, while the NGN loan was refinanced.

On 27 October 2016, IHSN obtained a ₦26.5 billion loan facility at an annual interest rate of 2.5%+nibor, which is repayable in full by 2021. ₦18 billion was immediately drawn down to repay the NGN loan and accrued interest. The loan was provided by First City Monument Bank (FCMB), United Bank for Africa Plc (UBA) and Ecobank Nigeria Limited. Interest on this loan is payable quarterly.

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

15 Borrowings (continued)

IHS Towers NG Limited

In June 2014, IHS Towers Netherlands FinCo B.V., a wholly owned subsidiary of ITNG, issued the $250 million 8.375% Senior Guaranteed Notes due 2019 to external investors, which was fully subscribed. The outstanding notes have has a tenor of five years from the date of issue and the principal is repayable in full on maturity. Interest is payable biannually at an annual interest rate of 8.375%.

On 27 October 2016, $236.965 million in principal amount of the $250million bond was repaid pursuant to a tender offer (the "**Finco Tender Offer").**

IHS Netherlands Holdco B.V.

On 27 October 2016, the Company issued the $800 million senior Notes at an annual interest rate of 9.5% payable biannually from the date of issue. The Notes have a tenor of five years from the date of issue and the principal is repayable in full on maturity.

The proceeds from the issue of the Notes were used, among other things, to repay IHSN's $500 million USD loan and to settle amounts due pursuant to the FinCo Tender Offer.

Maintenance covenants of the Notes will, among other things, restrict the ability of the Company and its subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- make certain restricted payments and investments, including dividends or other distributions;
- create or incur certain liens;
- enter into agreements that restrict the ability of restricted subsidiaries to pay dividends;
- transfer or sell certain assets;
- merge or consolidate with other entities; and
- enter into certain transactions with affiliates.

In addition, the Company must provide to the Trustee, and to holders of the Notes, certain annual and quarterly reports.

Loans from a related party

As at 30 September 2016, the Group had received loans of $825 million and $15 million (*31 December 2015: same*) from IHS Holding Limited at 5% and 7% (*31 December 2015: same*) per annum respectively. Interest is chargeable only in the 8th year and loans are interest free before then. The loans are repayable in full in 2023 (*31 December 2015: same*) and are subject to a subordination deed such that they are subordinate to the payment of other debt by IHSN.

Contractual maturities

As at 30 September 2016, the contractual maturities of the group's non-derivative financial liabilities were as follows:

At 30 September 2016	Carrying value $'000	Total contractual cash flows $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Bank borrowings	**530,228**	**557,739**	557,739	-	-	-
Bond borrowings	**249,800**	**253,357**	238,074	1,109	14,174	-
Due to related parties	**574,104**	**906,097**	-	-	-	906,097
	1,354,132	**1,717,193**	**795,813**	**1,109**	**14,174**	**906,097**

16 Trade and other payables

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

	30 Sep 2016 $'000	31 Dec 2015 $'000
Current		
Trade payables	**60,189**	30,733
Deferred revenue	**3,377**	5,090
Accruals and other liabilities	**7,244**	8,326
Value added tax payable	**2,492**	3,021
	73,302	47,170

17 Cash generated from operations

Reconciliation:	**9 month period ended**		**3 month period ended**	
	30 Sep 2016 $'000	30 Sep 2015 $'000	**30 Sep 2016 $'000**	30 Sep 2015 $'000
Loss before taxation	**(594,322)**	(229,115)	**(119,341)**	(20,853)
Adjusted for:				
Depreciation of property, plant and equipment	**66,285**	51,696	**18,320**	19,599
Amortisation of intangible assets	**12,761**	12,146	**3,917**	4,019
Amortisation of prepaid land rent	**7,805**	9,626	**2,330**	3,366
Loss on sale of property, plant and equipment	**957**	-	**(38)**	-
Reversal of impairment loss on trade receivables	**(27)**	-	**-**	-
Interest expense	**97,554**	98,342	**31,813**	36,181
Fair value loss through profit or loss	**-**	39,252	**-**	2,699
Exchange translation differences	**572,417**	148,869	**108,193**	18
Interest income - bank deposits	**(1,392)**	(3,013)	**(102)**	(782)
Share based payment charge reversal	**(2,037)**	-	**-**	-
Gain on sale of property, plant and equipment	**(10)**	(539)	**-**	(539)
Insurance claim receipts	**(1,357)**	(229)	**(168)**	(157)
Operating profit before working capital changes	**158,634**	127,035	**44,924**	43,551
Increase in inventories	**(1,949)**	(5,017)	**(3,934)**	(694)
(Increase)/decrease in trade and other receivables (excluding prepaid rent)	**(12,558)**	(43,879)	**(26,113)**	(8,417)
Increase/(decrease) in trade and other payables	**10,004**	5,380	**16,276**	(6,553)
Decrease/(increase) in net amounts due to related parties	**154**	(21,145)	**(7,180)**	(2,465)
Decrease/(increase) in working capital	**(4,349)**	(64,661)	**(20,951)**	(18,129)
Cash generated from operations	**154,285**	62,374	**23,973**	25,422

Included in cash generated from operations in the nine months to 30 September 2016 is $53.5 million (*30 September 2015: Nil*) received from Visafone for the termination of tenancies (see note 6).

Notes to the financial statements

For the nine month and three month periods ended 30 September 2016

18 Related party transactions

	30 Sep 2016	31 Dec 2015
Current	**$'000**	$'000
Amounts due from:		
IHS Holding Limited	**5,589**	1,492
INT Towers Limited	**-**	51,105
	5,589	52,597
Amounts due to:		
INT Towers Limited	**3,386**	53,650
Non-current		
Amounts due to:		
IHS Holding Limited	**574,104**	544,572

Non-current amounts due to IHS Holdings Limited represent shareholder loans as disclosed in note 15.

19 Events after the balance sheet date

Changes in borrowings after the balance sheet date are disclosed in note 15.

There were no other disclosable events after the balance sheet date.

Non-IFRS performance measures definitions and glossary

EBITDA, EBITDA margin and other non-IFRS financial measures are used by Group management to monitor the underlying performance of the business and the operations. EBITDA, EBITDA margin and other non-IFRS financial measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing EBITDA, EBITDA margin and other non-IFRS financial measures as reported by us to EBITDA, EBITDA margin and other non-IFRS financial measures as reported by other companies. EBITDA, EBITDA margin and the other non-IFRS financial measures described in these financial statements are unaudited and have not been prepared in accordance with IFRS or any other generally accepted accounting principles. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of any regulatory authority and will not be subject to review by any regulatory authority; compliance with such requirements may require us to make changes to the presentation of this information.

Capital expenditure - any expenditure which would be treated as capital expenditure in the financial statements in accordance with applicable accounting principles including advance payments for capital expenditure and excluding any non-cash expenditure.

EBITDA - profit or loss for the period excluding the impact of finance income, finance cost, fair value through profit or loss, depreciation and amortisation, and provision for or benefit from taxes, less other income, plus other expenditures that are sufficiently large and unusual as to distort comparisons from one period to the next. We believe that EBITDA is an indicator of the financial performance of our core business. EBITDA is a component of the calculation that has been used by our lenders to determine compliance with certain covenants under our debt facilities. EBITDA is not intended to be an alternative measure of operating income or gross profit margin as determined in accordance with IFRS.

EBITDA Margin - EBITDA divided by revenue, expressed as a percentage.

Gross debt - borrowings as stated on the balance sheet less related party loans and finance leases.

Gross debt to L2QA EBITDA ratio - gross debt divided by L2QA EBITDA for a stated period, expressed as a multiple.

L2QA EBITDA - EBITDA for the last two quarters on an annualised basis.

L2QA interest coverage - L2QA EBITDA divided by net interest expense for the last two quarters on an annualised basis expressed as a multiple.

L2QA net interest expense - net interest expense for the last two quarters on an annualised basis.

Net debt - gross debt less cash and cash equivalents at a stated balance sheet date.

Net debt to L2QA EBITDA ratio - net debt divided by L2QA EBITDA for a stated period, expressed as a multiple.

Net interest expense – the total cash interest expense (including, without limitation, all commissions, discounts and other commitment and banking fees and charges for such period), adjusted to exclude the amortisation of any deferred finance costs for such period and any interest expense actually ''paid in kind'' or accreted during such period payable in that relevant period plus the interest portion of any finance leases for that relevant period less the total cash interest received in that relevant period.

Dormant tower: Tower without a tenant on air.

LUR (lease-up-rate): Number of a certain type of tenancy (PoP Tenancy or Technology Tenancy) per tower that we own across our portfolio at a point in time.

PoP tenants (Point of Presence): Number of distinct customers who have leased space on each tower that we own across our portfolio. For example, if one customer had leased tower space on five of our towers, we would have five PoP tenants.

PoP LUR: Number of PoP tenants per tower owned across our portfolio at a point in time. We calculate the PoP tenancy ratio by dividing the total number of PoP tenants across our portfolio by the total number of owned live towers in our portfolio at a given time.

Technology tenants: Number of distinct technologies deployed on each tower that we own across our portfolio by a customer that is an existing PoP tenant. For example, if an existing PoP tenant deployed an additional technology such as 3G or 4G/LTE technology at the same site, that tower would have one PoP tenant and one Technology tenant.

Technology LUR: Number of total Technology tenants per tower that we own (managed towers are excluded for purposes of LUR presentation) across our portfolio at a point in time. We calculate the Technology LUR by dividing the total number of PoP tenants and Technology tenants across our portfolio by the total number of owned live towers in our portfolio at a given time.

Summary of unaudited quarterly results

For the respective quarters ended:

Statement of profit or loss	**30 Sep 2016 $'000**	**30 Jun 2016 $'000**	**31 Mar 2016 $'000**
Revenue	**74,995**	**95,814**	**98,452**
Cost of sales	(54,340)	(67,444)	(63,607)
Gross profit	**20,655**	**28,370**	**34,845**
Administrative expenses	(7,214)	(11,975)	(12,442)
Other income	2,248	1,186	53,490
Operating profit	**15,689**	**17,581**	**75,893**
Finance income	4,684	6,120	1,188
Finance cost	(139,408)	(540,716)	(35,353)
Loss before taxation	**(119,035)**	**(517,015)**	**41,728**
Taxation	52,724	132,331	(1,767)
Loss for the period attributable to owners	**(66,311)**	**(384,684)**	**39,961**
EBITDA reconciliation:			
Loss for the period	**(66,311)**	**(384,684)**	**39,961**
Add back:			
Tax (credit)/charge	(52,724)	(132,331)	1,767
Finance expense	139,408	540,716	35,353
Finance income	(4,684)	(6,120)	(1,188)
Depreciation and amortisation	22,236	29,386	27,424
Visafone exit fee income, net of value added tax	-	-	(50,958)
Other unusual one-off items	-	2,308	-
EBITDA	**37,925**	**49,275**	**52,359**
EBITDA Margin	50.6%	51.4%	53.2%
Capital expenditure in quarter:			
Purchase of property, plant and equipment	(18,432)	(24,265)	(12,241)
Purchase of software and licences	(10)	(365)	-
Advance payments for property, plant and equipment	(264)	(24,799)	(19,102)
Total capital expenditure	**(18,706)**	**(49,429)**	**(31,343)**
Interest received	102	608	620
Interest paid	(21,509)	(12,242)	(23,982)
Facilities fees paid	**-**	-	(77)
Net interest paid in quarter	**(21,407)**	**(11,634)**	**(23,439)**