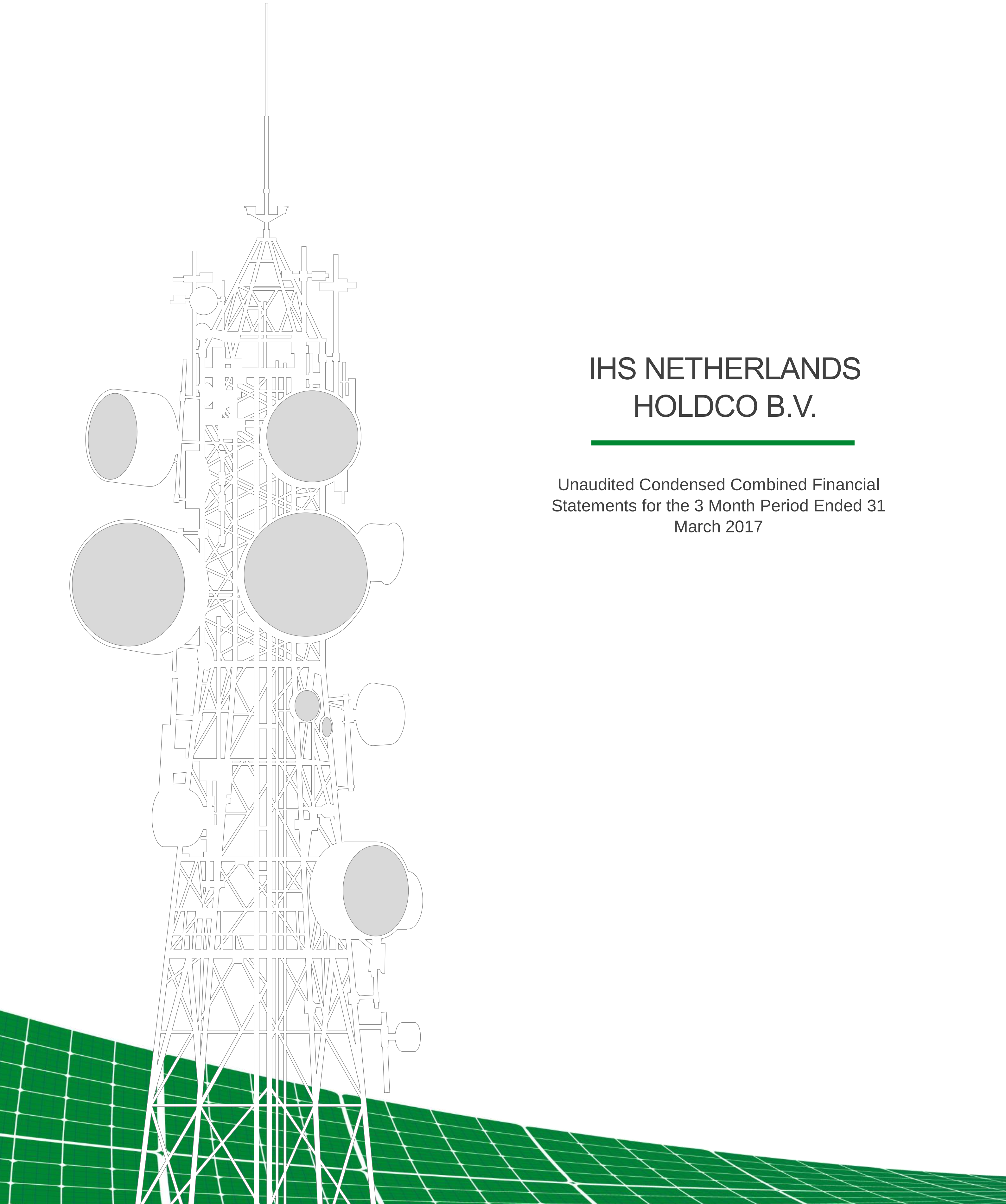

IHS NETHERLANDS HOLDCO B.V.

Unaudited Condensed Combined Financial Statements for the 3 Month Period Ended 31 March 2017

Directors

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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 $800 million 9.5% Senior Notes due 2021, issued on 27 October 2016 (the "Holdco 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 the Holdco Notes was thus fully formed on 15 September 2016.

Basis of preparation

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

The Group was not fully formed until 15 September 2016, and financial information on a statutory basis for the comparative period to 31 March 2016 does not exist. In order to provide information useful to the users, the comparative first quarter information in these financial statements has 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 2016. These financial statements thus do not fully comply with International Financial Reporting Standards ("IFRS").

The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Company's special purpose financial information for the period ended 31 December 2016 except the proforma combined basis adopted for the comparatives to show the results as if the Group were in existence from 1 January 2016 as described in more detail below.

The formation of the Group is a transaction under common control and in the statutory accounts of the Company and Group, were 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 were recognised at their pre-combination carrying values that exist within the consolidated accounts of the IHS Group.

Proforma adjustments

Proforma adjustments in the year to 31 December 2016 have been made as follows:

- to reflect the purchase price adjustments assessed on the acquisition of ITNG by IHS Holding Limited on 10 June 2016. Thus, as at 10 June 2016 the following adjustments were made:
  - adding goodwill of $95.5m,
  - adding intangible assets of $212.9m,
  - reducing the value of property, plant and equipment ("PPE") by $15.3m,
  - reducing bond borrowings by $22.0m to their assessed fair value,
  - increasing deferred tax liabilities by $70.3m, and
  - recognising deferred tax assets of $70.3m.

In total the net assets of ITNG were increased by $315.1m.

For the period 1 January 2017 to 31 March 2017, the above values impact results as follows:

- the amortisation of the intangibles above; a charge of $3.0m in the period (Q1 2016: nil),
- the reduced depreciation charge to reflect the reduction in PPE above; a credit of $0.6m in the period (Q1 2016: nil), and
- the amortisation of the reduction in the bond borrowings above, a credit to finance costs of $0.1m in the period (Q1 2016: nil).

[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 (CONTINUED)

Basis of preparation (continued)

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 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.

IHS NETHERLANDS HOLDCO B.V.
UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2017

OPERATING AND FINANCIAL REVIEW

Overview

All financial information provided in this 'Operating and financial review' represents the combined position of the Group as described in the "Basis of preparation" section on pages 4 to 5. A glossary of terms used is provided at the end of this document. The functional and presentation currency of the Company is US dollar ('USD' or '$').

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 31 March 2017, the Group owned 5,908 towers, with a combined LUR of 2.06x, based on 9,634 PoP Tenants and 2,525 Technology Tenants.

	3 month period ended 31 March		
	2017	2016	Change
	$'000	$'000	%
Revenue	**101,856**	98,452	3.5%
Operating profit	**41,353**	77,104	(46.4)%
Profit for the period	**3,090**	58,578	(94.7)%
*Alternative measures**			
EBITDA	**63,900**	52,333	22.1%
EBITDA Margin	**62.7%**	53.2%	9.5pts

*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 20 for further details.

Trading results

In Q1 2017 we added a net 26 towers, resulting in a total of 5,908 live owned towers (December 2016: 5,882). This quarterly increase was due to 114 gross additions, as well as the removal of 51 single tenant Visafone sites and the consolidation of 37 sites. Visafone tenants and single tenant sites were adjusted for at the beginning of 2017 following the receipt of termination notices in 2015 and 2016. We recorded a net reduction of 140 PoP Tenants after adjusting for the 346 remaining Visafone tenants and adding 206 new PoP Tenants. We also added 238 Technology Tenants in the period. At the end of Q1 2017 we had PoP and Technology LURs of 1.63x and 2.06x respectively (excluding tenants on SWAP sites).

Revenue

Our combined revenue for the 3 month period ended 31 March 2017 was $101.9m compared to $98.4m in the same period in 2016, an increase of 3.5%.

The revenue has increased over the same period due to increases in tenancies and revenues related to fees earned on 3G and 4G/LTE upgrades.

Costs

Cost of sales decreased by 11.1% to $55.5m in the 3 month period ended 31 March 2017 from the combined cost of sales of $62.4m in the comparative period. The decrease was primarily due to: decreased power costs, reflecting efficiency savings from investment in new hybrid power solutions; lower costs from fewer managed services sites in Q1 2017 compared to Q1 2016; and decreases in depreciation and amortisation and site rental costs which are Naira denominated expenses and have decreased in US dollar terms, owing to the devaluation of the Naira in June 2016.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Trading results (continued)

Costs (continued)

Administrative expenses decreased by 36.1% in the 3 month period ended 31 March 2017 to $8.0m from $12.4m in the same period in 2016. While underlying Naira staff costs increased year-on-year through increased head count recruited to manage the enlarged business there is an overall decrease in the reported US dollar consolidated staff costs due to the Naira devaluation in June 2016. Other decreases in administrative expenses are largely due to expenses of a non-recurring nature in Q1 2016 including an allowance of $3.1m in total for trade and other receivables that management deemed doubtful. Provisions for doubtful debts of $1.4m were raised in Q1 2017.

Operating profit

Combined operating profit for Q1 2017 was $41.4m compared to $77.1m in Q1 2016, a decrease of 46.4%. The decrease in operating profit is primarily because 2016 includes $51.0m of non-recurring other income received from Visafone for the exit break fee.

EBITDA

Q1 2017 EBITDA increased by 22.1% year-on-year, from $52.3m in Q1 2016 to $63.9m in Q1 2017, with the EBITDA margin increasing by 9.5pts from 53.2% to 62.7%. This increase is primarily due to growth in operating income, driven by the increased revenue and decreased cost of sales and administrative costs, as detailed above. 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 15).

Net financing costs

Net financing costs increased to $38.3m in Q1 2017 compared to $30.5m in Q1 2016. These costs increased due to increased unrealised foreign exchange losses on financing following downward movement in exchange rates on commercial bank loans, bond borrowing and related party loans denominated in US dollars (opening rate of ₦304.5 to the closing rate of ₦305.9 in Q1 2017), whereas there was minimal movement in the exchange rate in Q1 2016. These foreign exchange losses were partially offset by foreign exchange gains on the non-deliverable forward exchange contracts entered into in the quarter (please refer to note 14 for more information). The issuance of the Holdco Notes and related partial settlement of most of the FinCo Notes in October 2016 resulted in higher weighted average interest rates in Q1 2017 compared to Q1 2016.

Taxation

The tax expense for Q1 2017 is low because IHSN and ITNG have assessed losses which offset taxable income generated in the period. The corporate income tax expense for the current period is the income tax expense of IHS Netherlands Holdco B.V., while the education tax has increased marginally due to increased operating profits from operations.

Cash flows and funding

During the quarter cash flow from operations was $10.6m. Additional capital was raised through a drawdown of ₦6.4bn ($21m) against the syndicated Naira facility, as described in 'Indebtedness' below to fund capital expenditure. As at 31 March 2017 we had $150.7m (December 2016: $140.1m) of cash and cash equivalents of which $104.2m (December 2016: $120.4m) was held in US dollars.

Net cash generated from operating activities decreased by 89.1% from $97.2m to $10.6m year-on-year. The non-recurring receipt of the Visafone exit fees which increased operating cash flows in Q1 2016 ($71.6m) and a net negative movement in working capital due to the calculation and timing of the annual reset escalations were the primary drivers of the decrease.

Net cash used in investing activities decreased to $12.5m in Q1 2017, from $33.9m in Q1 2016, 63.1% lower. Payments made for property, plant and equipment (including advanced payments) was $18.5m higher in Q1 2016. In Q1 2017, $9.2m was spent on new towers, maintenance and augmentation as well as $3.7m for power equipment upgrades.

Q1 2017 had a net inflow from financing activities of $13.0m (2016 Q1: outflow of $24.2m). In Q1 2017, IHSN drew down ₦6.4bn ($21m) against the syndicated Naira facility. Interest payment cycles have also changed due to the re-financing that took place in October 2016, this had the effect of decreasing the interest paid in Q1 2017 to $3.7m compared to $24.0m in Q1 2016. Interest payments for the Holdco Notes take place semi-annually in Q2 and Q4, as opposed to the interest payments on the FinCo Notes which take place semi-annually in Q1 and Q3. Quarterly interest payments on the new ₦32.9bn ($107.6m) facility are also significantly lower than the quarterly payments made on the previous syndicated loan facility.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Indebtedness

At 31 March 2017, total outstanding loans and borrowings were $1.5bn (book value), of which $611.8m is in the form of subordinated shareholder loans from the Company's ultimate parent entity (with a principal value of $866.3m).

IHSN drew down the remaining ₦6.4bn of its committed NGN credit facility in February 2017 meaning that ₦32.9bn was drawn at 31 March 2017 (December 2016: ₦26.5bn).

For more information on indebtedness, see note 15.

Recent Developments

On 5 April 2017, we terminated the SWAP Managed Services Agreement (MSA) which was inherited through the acquisition of ITNG. Managed Services is not a core focus of the business and the termination of the MSA will have a limited impact on the financial profile of the Group from Q2 2017.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

for the three month period ended 31 March 2017

	Note	3 month period ended 31 Mar 2017 $'000	31 Mar 2016 $'000
Revenue	3	**101,856**	98,452
Cost of sales	4	**(55,459)**	(62,412)
Gross profit		**46,397**	36,040
Administrative expenses	5	**(7,951)**	(12,434)
Other income	6	**2,907**	53,498
Operating profit		**41,353**	77,104
Finance income	7	**3,832**	1,201
Finance costs	8	**(42,082)**	(31,722)
Changes in fair value through the profit or loss	9	**820**	15,010
Profit before taxation		**3,923**	61,593
Taxation	10	**(833)**	(3,015)
Profit for the period		**3,090**	58,578
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Changes in fair value of available-for-sale financial assets		**1**	(3)
Exchange differences on translation		**2,172**	3,387
Other comprehensive income for the period		**2,173**	3,384
Total comprehensive income for the period		**5,263**	61,962

The notes are an integral part of these condensed combined financial statements.

COMBINED STATEMENTS OF FINANCIAL POSITION

At 31 March 2017

	Note	At 31 Mar 2017 $'000	At 31 Dec 2016 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**551,131**	561,570
Intangible assets	13	**466,800**	471,652
Investments		**9**	8
Derivative financial instruments	14	**3,470**	2,650
Trade and other receivables		**87,079**	87,184
		1,108,489	1,123,064
Current assets			
Inventories		**10,708**	6,952
Trade and other receivables		**187,718**	119,548
Derivative financial instruments	14	**3,259**	-
Amounts due from related parties	18	**24,272**	15,758
Cash and cash equivalents		**150,650**	140,061
		376,607	282,319
Total assets		**1,485,096**	1,405,383
LIABILITIES			
Current liabilities			
Trade and other payables		**114,321**	91,809
Income tax payable		**3,640**	2,822
Borrowings	15	**36,393**	16,945
Amounts due to related parties	18	**1,863**	1,650
Provisions for liabilities and other charges	16	**2,999**	3,474
		159,216	116,700
Non-current liabilities			
Borrowings	15	**896,316**	875,571
Amounts due to related parties	18	**611,831**	601,120
Deferred tax liabilities		**1,171**	1,171
Provisions for liabilities and other charges	16	**2,696**	2,218
		1,512,014	1,480,080
Total liabilities		**1,671,230**	1,596,780
Net liabilities		**(186,134)**	(191,397)

As noted in the basis of preparation on page 4, 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 are an integral part of these condensed combined financial statements.

COMBINED CASH FLOW STATEMENTS

For the three month period ended 31 March 2016

	Note	3 month period ended 31 Mar 2017 $'000	 31 Mar 2016 $'000
Cash flows from operating activities			
Cash generated from operations	17	**10,555**	97,416
Income taxes paid		**-**	(167)
Net cash flows generated from operating activities		**10,555**	97,249
Cash flows from investing activities			
Purchase of property, plant and equipment		**(9,181)**	(12,241)
Advance payments for property, plant and equipment		**(3,662)**	(19,102)
Purchase of software and licences		**(4)**	-
Payment for long-term rent		**(729)**	(3,159)
Proceeds from the sale of property, plant and equipment		**302**	-
Insurance claim received		**674**	-
Interest received		**105**	620
Net cash used in investing activities		**(12,495)**	(33,882)
Cash flows from financing activities			
Bank loans and bonds received		**20,997**	-
Transaction costs on new borrowings and loan facility fees		**(1,045)**	(77)
Payment of margin deposit for non-deliverable forwards		**(3,199)**	-
Interest paid		**(3,728)**	(23,982)
Finance lease repayments		**-**	(150)
Net cash generated from/(used in) financing activities		**13,025**	(24,209)
Increase in cash and cash equivalents		**11,085**	39,158
Cash and cash equivalents at beginning of the period		**140,061**	92,218
Exchange losses on cash and cash equivalents		**(496)**	(1,590)
Cash and cash equivalents at period end		**150,650**	129,786

The notes are an integral part of these condensed combined financial statements.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

IHS Netherlands Holdco B.V., is a private company with limited liability incorporated under the laws of the Netherlands on 12 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 (“financial statements”) as at and for the three months ended 31 March 2017 comprise the Company and its subsidiaries (together referred to as the “Group”). They include the condensed combined interim statement of comprehensive income, the condensed combined 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 financial statements are consistent with those applied by the Company in its consolidated special purpose financial information for the period ended 31 December 2016 except for the proforma combined basis adopted to show the results as if the Group were in existence from 1 January 2016 as described in more detail on pages 4 to 5.

These 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 US dollar has been rounded to the nearest thousand.

The functional currency for IHS Nigeria Limited and IHS Towers NG Limited is Nigerian Naira (₦). The financial statements were translated to US dollar (the reporting currency) at ₦305.9 (2016: ₦304.5) per USD for the condensed combined statements of financial position, and monthly average rates ranging from ₦304.7 to ₦305.8 per USD (2016: ₦196.6 to ₦310.8) for the condensed combined full year and interim statement of comprehensive income.

2.2 GOING CONCERN BASIS IN THE FINANCIAL STATEMENTS

After making enquiries, the directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. The results of management review of the Group companies’ market, operations and financials in the past twelve months and a forecast for the foreseeable future provides a sound basis for the appropriateness of using the going concern assumption in the preparation of the Group’s financial statements for the 3 month period ended 31 March 2017.

2.3 APPROVAL

These condensed combined interim financial statements were authorised for issue on 19 May 2017.

[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 CONDENSED COMBINED FINANCIAL STATEMENTS

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.

4. COST OF SALES BY NATURE

	3 month period ended	
	31 Mar 2017	31 Mar 2016
	$'000	$'000
Tower repairs and maintenance	**5,334**	5,291
Power generation	**16,131**	18,285
Site rent	**2,586**	3,735
Other rent	**211**	265
Vehicle maintenance and repairs	**194**	713
Security services	**2,905**	3,246
Regulatory permits	**3,597**	2,719
Insurance	**91**	134
Staff costs	**1,563**	1,586
Travel costs	**74**	98
Professional fees	**38**	119
Depreciation and amortisation	**22,626**	25,865
Others	**109**	356
	55,459	62,412

5. ADMINISTRATIVE EXPENSES

	3 month period ended	
	31 Mar 2017	31 Mar 2016
	$'000	$'000
Staff costs	**4,025**	5,566
Rent	**322**	466
Repairs and maintenance	**883**	730
Travel cost	**361**	348
Consulting and legal fees	**259**	536
Depreciation and amortisation	**125**	349
Loss on disposal of property, plant and equipment	**63**	-
Other expenses	**1,913**	4,439
	7,951	12,434

Included in 'Other expenses' for the 3 month period ended 31 March 2017 were allowances for doubtful debts of $1.4 million. In the comparative period 'Other expenses' included $3.1 million in total for trade and other receivables that management deemed doubtful.

6. OTHER INCOME

Other income for the 3 month period ended 31 March 2017 comprises charges to INT Towers Limited (INT) under the management services agreement between IHS Nigeria Limited and INT.

Included in other income for the 3-month period ended 31 March 2016 is $51.0 million, which represents the amount received from Visafone for the termination of the master lease agreement with IHS Nigeria Limited net of value added tax ($2.5 million).

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

7. FINANCE INCOME

	3 month period ended	
	31 Mar 2017	31 Mar 2016
	$'000	$'000
Interest income - bank deposits	**105**	496
Foreign exchange gain from non-deliverable forward exchange contracts	**3,269**	-
Foreign exchange gain arising from financing	**458**	705
	3,832	1,201

8. FINANCE COSTS

	3 month period ended	
	31 Mar 2017	31 Mar 2016
	$'000	$'000
Interest expense	**35,143**	30,257
Loan facility fees	**324**	-
Foreign exchange loss arising from financing	**6,615**	1,465
	42,082	31,722

9. CHANGES IN FAIR VALUE THROUGH THE PROFIT AND LOSS

	3 month period ended	
	31 Mar 2017	31 Mar 2016
	$'000	$'000
Embedded derivatives in bond – change in fair value	**820**	15,010
	820	15,010

10. TAXATION

	3 month period ended	
	31 Mar 2017	31 Mar 2016
	$'000	$'000
Company income tax	**(296)**	(2,826)
Education tax	**(537)**	(189)
	(833)	(3,015)

IHSN and ITNG have assessed losses which offset taxable income generated in the current period. The income tax expense for the current period is the income tax expense of IHS Netherlands Holdco B.V.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

11. NON-IFRS PERFORMANCE MEASURES RECONCILIATIONS

Reconciliation of profit for the period to EBITDA	**3 month period ended**	
	31 Mar 2017	31 Mar 2016
	$'000	$'000
Profit for the period	**3,090**	58,578
Add back:		
Tax charge	**833**	3,015
Change in fair value through the profit or loss	**(820)**	(15,010)
Finance costs	**42,082**	31,722
Finance income	**(3,832)**	(1,201)
Depreciation and amortisation	**22,751**	26,214
Net gain on disposal of property, plant and equipment	**(204)**	(27)
Visafone exit fee income, net of value added tax	**-**	(50,958)
EBITDA	**63,900**	52,333

12. PROPERTY, PLANT AND EQUIPMENT

	Tower equipment $'000	Land and buildings $'000	Furniture and office equip-ment $'000	Motor Vehicles $'000	Capital work-in-progress $'000	Total $'000
Cost						
At 1 January 2016	958,741	37,346	10,500	8,559	16,967	1,032,113
Additions during the period	128,105	11,689	1,417	438	37,531	179,180
Additions through business combinations	(15,309)	-	-	-	-	(15,309)
Disposals	(25,821)	-	-	(395)	-	(26,216)
Transfers	39,626	509	-	-	(40,135)	-
Effect of movement in exchange rates	(363,692)	(17,244)	(4,120)	(3,103)	(6,030)	(394,189)
At 31 December 2016	721,650	32,300	7,797	5,499	8,333	775,579
At 1 January 2017	**721,650**	**32,300**	**7,797**	**5,499**	**8,333**	**775,579**
Additions during the period	**1,750**	**316**	**20**	**-**	**8,958**	**11,044**
Disposals	**(2,717)**	**-**	**-**	**-**	**-**	**(2,717)**
Transfers	**5,496**	**46**	**-**	**-**	**(5,542)**	**-**
Effect of movement in exchange rates	**(3,387)**	**(319)**	**(6)**	**(26)**	**(39)**	**(3,777)**
At 31 March 2017	**722,792**	**32,343**	**7,811**	**5,473**	**11,710**	**780,129**
Accumulated depreciation						
At 1 January 2016	(214,858)	(772)	(5,058)	(5,022)	-	(225,710)
Charge for the period	(84,146)	(392)	(1,855)	(1,335)	-	(87,728)
Disposals	13,479	-	-	246	-	13,725
Impairment	(18,771)	-	-	-	-	(18,771)
Effect of movement in exchange rates	99,946	348	2,125	2,056	-	104,475
At 31 December 2016	(204,350)	(816)	(4,788)	(4,055)	-	(214,009)
At 1 January 2017	**(204,350)**	**(816)**	**(4,788)**	**(4,055)**	**-**	**(214,009)**
Charge for the period	**(17,983)**	**(40)**	**(441)**	**(206)**	**-**	**(18,670)**
Disposals	**2,619**	**-**	**-**	**-**	**-**	**2,619**
Effect of movement in exchange rates	**1,015**	**5**	**23**	**19**	**-**	**1,062**
At 31 March 2017	**(218,699)**	**(851)**	**(5,206)**	**(4,242)**	**-**	**(228,998)**
Net book value						
At 31 December 2016	517,300	31,484	3,009	1,444	8,333	561,570
At 31 March 2017	**504,093**	**31,492**	**2,605**	**1,231**	**11,710**	**551,131**

Property, plant and equipment assets include adjustments to reflect the purchase price adjustments assessed on the acquisition of ITNG by IHS Holding Limited on 10 June 2016 (see basis of preparation on page 4).

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

13. INTANGIBLE ASSETS

	Goodwill $'000	Software and licences $'000	Customer related intangible assets $'000	Network related intangible assets $'000	Total $'000
Cost					
At 1 January 2016	138,611	1,159	97,029	38,452	275,251
Additions during the period	-	739	-	-	739
Additions through business combination	95,500	-	212,894	-	308,394
Effect of movement in exchange rates	(49,163)	(538)	(34,414)	(13,638)	(97,753)
At 31 December 2016	184,948	1,360	275,509	24,814	486,631
At 1 January 2017	**184,948**	**1,360**	**275,509**	**24,814**	**486,631**
Additions during the period	**-**	**4**	**-**	**-**	**4**
Additions through business combinatio	**-**	**-**	**-**	**-**	**-**
Effect of movement in exchange rates	**(409)**	**(7)**	**(287)**	**(114)**	**(817)**
At 31 March 2017	**184,539**	**1,357**	**275,222**	**24,700**	**485,818**
Accumulated depreciation					
At 1 January 2016	-	(886)	(2,919)	(2,654)	(6,459)
Charge for the period	-	(246)	(9,374)	(2,234)	(11,854)
Effect of movement in exchange rates	-	347	1,583	1,404	3,334
At 31 December 2016	-	(785)	(10,710)	(3,484)	(14,979)
At 1 January 2017	**-**	**(785)**	**(10,710)**	**(3,484)**	**(14,979)**
Charge for the period	**-**	**(85)**	**(3,554)**	**(442)**	**(4,081)**
Effect of movement in exchange rates	**-**	**5**	**20**	**17**	**42**
At 31 March 2017	**-**	**(865)**	**(14,244)**	**(3,909)**	**(19,018)**
Net book value					
At 31 December 2016	184,948	575	264,799	21,330	471,652
At 31 March 2017	**184,539**	**492**	**260,978**	**20,791**	**466,800**

Intangible assets include adjustments to reflect the purchase price adjustments assessed on the acquisition of ITNG by IHS Holding Limited on 10 June 2016 (see basis of preparation on page 4).

14. DERIVATIVE FINANCIAL INSTRUMENTS

	31 Mar 2017 $'000	31 Dec 2016 $'000
Current		
Non-deliverable forward exchange contracts	**3,259**	-
Non-current		
Embedded derivatives within listed bonds	**3,470**	2,650
	6,729	2,650

The embedded derivatives at 31 March 2017 represent the fair value of the put and call options embedded within the terms of the Holdco Notes. The call options give the Group the right to redeem the bond instruments at a date prior to the maturity date (27 October 2021), in certain circumstances and at a premium over the initial notional amount.

The put option provides the holders with the right (and the Group with an obligation) to settle the Holdco Notes before their redemption date in the event of a change in control (as defined in the terms of the IHS Notes, which also includes a major asset sale), and at a premium over the initial notional amount.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

14. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

As at reporting date, the Holdco Notes call option had a fair value of $6.270 million (asset) (December 2016: $6.270 million (asset)) while the Holdco Notes put option had a fair value of $2.800 million (liability) (December 2016: $3.620 million (liability)), net $3.470 million (asset) (December 2016: net $2.650 million (asset)).

The short term derivative instruments represent the fair value of non-deliverable forward exchange contracts (NDFs) which give IHS the right to purchase US dollars at a future date at an agreed fixed exchange rate. As at the reporting date the Group had NDF's to the value of $3.259 million (asset), (December 2016: nil).

15. BORROWINGS

	31 Mar 2017 $'000	31 Dec 2016 $'000
Current		
Bank borrowings	**3,564**	2,920
Bond borrowings	**32,829**	14,025
	36,393	16,945
Non-current		
Bank borrowings	**105,569**	84,933
Bond borrowings*	**790,747**	790,638
	896,316	875,571
Total third party borrowings	**932,709**	892,516
Related party loans (note 18)	**611,831**	601,120
All borrowings	**1,544,540**	1,493,636

*Bond borrowings include adjustments to reflect the purchase price adjustments assessed on the acquisition of ITNG by IHS Holding Limited on 10 June 2016 (see basis of preparation on page 4).

Bank borrowings

Bank borrowings are a Naira credit facility (the "NGN Credit Facility") of ₦32.9 billion held by IHS Nigeria Limited provided by a consortium of lenders (First City Monument Bank PLC, United Bank for Africa (UBA), Standard Chartered Bank Nigeria Limited (SCB) and Ecobank Nigeria Limited). The NGN Credit Facility has a five-year term. The facility was issued at Nibor plus a 2.5% margin and is due to be repaid in full by 2021. ₦32.9 billion was drawn at 31 March 2017 (December 2016: ₦26.5 billion).

Bond borrowings

IHS Netherlands Holdco B.V.

IHS Netherlands Holdco B.V. issued $800 million 9.5% Senior Notes due 2021 (the "Holdco Notes") under a Senior Notes Indenture dated 27 October 2016 between the Issuer (IHS Netherlands Holdco B.V.), the Guarantors (each of IHS Netherlands NG1 B.V., IHS Nigeria Limited, IHS Netherlands NG2 B.V., IHS Towers NG Limited, Tower Infrastructure Company Limited and IHS Towers Netherlands FinCo NG B.V.), the Trustee (Citibank N.A., London branch), the Principal Paying Agent and Transfer Agent (Citibank N.A., London branch) and the Registrar (Citibank N.A., London branch). The Notes are listed on the Irish Stock Exchange.

The Holdco Notes have a tenor of five years from the date of issue, interest is payable semi-annually in arrear and the principal is repayable in full on maturity.

The Holdco Notes have early redemption features whereby IHS Netherlands Holdco B.V. has the right to redeem the Holdco Notes before the maturity date, and the holders hold a right to request the early settlement of the Holdco Notes, in certain circumstances. The values of the respective call and put options are disclosed in note 14.

IHS Towers Netherlands FinCo NG B.V

On 27 October 2016, $236.935 million in aggregate principal amount of the existing $250 million 8.375% Guaranteed Senior Notes due 2019 (the "FinCo Notes") issued by IHS Towers Netherlands FinCo NG B.V. (formerly Helios Towers Finance Netherlands B.V.), a wholly owned subsidiary of the Company, were redeemed pursuant to a tender offer made to the holders of the FinCo Notes. The remaining $13.065 million in aggregate principal amount of the FinCo Notes continue to accrue interest at an annual interest rate of 8.375% payable semi-annually in arrears on 15 January and 15 July. The principal is repayable at the maturity date (15 July 2019).

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

15. BORROWINGS (continued)

Related party loans

As at 31 March 2017, the Group had loans with principal value of $849.3 million (2016: $849.3 million) and $17.0 million (2016: $17.0 million) from IHS Holding Limited at 5% and 7% per annum respectively. Interest is chargeable only in the 8th year and loans are interest free before then. The loans are repayable in full by 2024 (2016: 2024) and are subject to a subordination deed such that they are subordinated to the payment of other debt.

Contractual maturities

As at 31 March 2017, the contractual maturities of the Group's borrowings were as follows:

	Carrying value $'000	Total contractual cash flows $'000	Less than 1 year $'000	Between 2 and 3 years $'000	Between 4 and 5 years $'000	Over 5 years $'000
Bank borrowings	**109,133**	**184,077**	23,114	84,462	76,501	-
Bond borrowings	**823,576**	**1,189,502**	77,110	166,725	945,667	-
Loans due to related parties	**611,831**	**910,851**	-	-	186,874	723,977
	1,544,540	**2,284,430**	**100,224**	**251,187**	**1,209,042**	**723,977**

16. PROVISIONS FOR LIABILITIES AND OTHER CHARGES

The provision is for decommissioning and relates to the probable obligation that the Group may incur on the leased land on which its tower equipment is constructed. The amount is recognised initially at the present value of the estimate of the amount that will be required to decommission and restore the leased sites to the original states, discounted using the effective borrowing rate of the Group. The amount provided for each site has been discounted based on the respective lease terms attached to each site.

17. CASH GENERATED FROM OPERATIONS

Reconciliation:	**3 month period ended**	
	31 Mar 2017 $'000	31 Mar 2016 $'000
Profit before taxation	**3,923**	61,593
Adjusted for:		
Depreciation of property, plant and equipment	**18,670**	25,714
Amortisation of intangible assets	**4,081**	500
Amortisation of prepaid land rent	**2,380**	3,735
Net gain on sale of property, plant and equipment	**(204)**	(27)
Loss on liquidation of investment	**-**	7
Impairment of receivables	**1,404**	-
Finance cost	**42,082**	31,722
Fair value gain through profit or loss	**(820)**	(15,010)
Finance income	**(3,832)**	(1,201)
Insurance claim receipts	**(674)**	-
Operating profit before working capital changes	**67,010**	107,033
Increase in inventories	**(3,782)**	(715)
Increase in trade and other receivables (excluding prepaid rent)	**(72,436)**	(10,554)
Increase in trade and other payables	**28,151**	39,511
Decrease in net amounts due to related parties	**(8,388)**	(37,859)
Decrease in working capital	**(56,455)**	(9,617)
Cash generated from operations	**10,555**	97,416

Included in cash generated from operations in the 3 month period to 31 March 2016 is $71.6m (inclusive of value added tax) received from Visafone for the termination of tenancies in IHSN ($53.5m) and ITNG ($18.1m). The termination fee received by ITNG was recognised in Q4 2015 and is therefore not reflected in other income in Q1 2016 (see note 6).

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS

	31 Mar 2017	31 Dec 2016
Current	**$'000**	$'000
Amounts due from:		
IHS Holding Limited	**5,615**	5,004
INT Towers Limited*	**13,647**	10,744
IHS Netherlands (Interco) Coöperatief U.A.	**5,010**	10
	24,272	15,758
Amounts due to:		
INT Towers Limited*	**1,459**	1,507
IHS Netherlands (Interco) Coöperatief U.A.	**7**	7
IHS Holding Limited	**397**	136
	1,863	1,650
Non-current		
Amounts due to:		
IHS Holding Limited	**611,831**	601,120

*INT Towers Limited is a sister subsidiary to IHSN and ITNG in Nigeria.

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

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group had contractual, non-cancellable capital commitments of $75.2 million for full turnkey site build and upgrade of existing sites and delivery of power equipment as at 31 March 2017.

The Group's contingent liabilities in respect of litigations and claims amounted to $4.8 million as at 31 March 2017. Based on legal advice received, the directors are of the view that the Group's liability is not likely to materialise, thus no provision has been made.

20. EVENTS AFTER THE REPORTING PERIOD

On 5 April 2017, we terminated the SWAP Managed Services Agreement (MSA), which was inherited through the acquisition of ITNG. Managed Services is not a core focus of the business and the termination of the MSA will have a limited impact on the financial profile of the Group from Q2 2017.

NON-IFRS MEASURES 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	31 Mar 2017 $'000	31 Dec 2016 $'000	30 Sep 2016 $'000	30 Jun 2016 $'000
Revenue	**101,856**	**75,496**	**74,995**	**95,814**
Cost of sales	(55,459)	(51,908)	(55,501)	(85,550)
Gross profit	**46,397**	**23,588**	**19,494**	**10,264**
Administrative expenses	(7,951)	(15,921)	(32,546)	(12,980)
Other income	2,907	1,832	2,321	2,191
Operating profit/(loss)	**41,353**	**9,499**	**(10,731)**	**(525)**
Finance income	3,832	2,436	4,671	6,120
Finance cost	(42,082)	(83,882)	(150,538)	(541,515)
Changes in fair value though the profit or loss	820	4,770	-	-
Profit/(loss) before taxation	**3,923**	**(67,177)**	**(156,598)**	**(535,920)**
Taxation	(833)	(22,289)	(66,187)	132,236
Profit/(loss) for the period attributable to owners	**3,090**	**(89,466)**	**(222,785)**	**(403,684)**
EBITDA reconciliation:				
Profit/(loss) for the period	**3,090**	**(89,466)**	**(222,785)**	**(403,684)**
Add back:				
Tax charge/(credit)	833	22,289	66,187	(132,236)
Changes in fair value though the profit or loss	(820)	(4,770)	-	-
Finance cost	42,082	83,882	150,538	541,515
Finance income	(3,832)	(2,436)	(4,671)	(6,120)
Depreciation and amortisation	22,751	21,522	23,454	28,392
Impairment of property, plant and equipment	-	-	-	18,771
Net (gain)/loss on disposal of property, plant and equipment	(204)	3,776	(37)	1,006
Impairment of withholding tax asset	-	-	21,764	-
Other unusual one-off items	-	-	2,037	2,308
EBITDA	**63,900**	**34,797**	**36,487**	**49,952**
EBITDA Margin	62.7%	46.1%	48.7%	52.1%
Capital expenditure in quarter:				
Purchase of property, plant and equipment	(9,181)	(8,430)	(18,432)	(24,265)
Purchase of software and licences	(4)	(364)	(10)	(365)
Advance payments for property, plant and equipment	(3,662)	(45,124)	(264)	(24,799)
Total capital expenditure	**(12,847)**	**(53,918)**	**(18,706)**	**(49,429)**
Interest received	105	102	101	608
Interest paid	(3,728)	(10,206)	(21,509)	(12,242)
Bond transaction costs and facility fees paid	(1,045)	(21,655)	-	-
Net interest paid in quarter	**(4,668)**	**(31,759)**	**(21,408)**	**(11,634)**