

CERTIFICATE OF ACCURACY

It is hereby declared that the translation of the enclosed document, from French to English language has been translated by a qualified translator and is, to the best of our knowledge and ability, a true and accurate translation of the corresponding original document.

Signed,

For All Translation Services Pvt. Ltd.


Authorised Signatory



Pawan Bahuguna

**CELTEL NIGER SA
P.O. Box 1922 - NIAMEY
REPUBLIC OF NIGER**

**REPORT OF THE STATUTORY AUDITOR TO THE BOARD OF DIRECTORS (ARTICLE 715
OF THE UNIFORM ACT OF OHADA RELATED TO THE COMPANY LAW AND GIE)
FINANCIAL YEAR CLOSED AS ON 31ST DECEMBER 2015**

Exco
FCA-Fiduciaire Conseil et Audit (FCA- Consultant and Audit Fiduciary)

S.A.R.L. Chartered Accountants / Statutory Auditors / Audit and Consultant with the Capital 25,000,000 CFA

**AUDIT REPORT
TO THE BOARD OF DIRECTORS**

**(Presented in application of Article 715 of the Uniform Act of OHADA related to Company
Law and GIE)
Financial year ending on 31st December 2015**

For the attention of the President of the Board of Directors

Dear Sirs,

In execution of the statutory audit assignment which was entrusted to us by your General Meeting, we present to you, in application of Article 715 of the Uniform Act of PHADA related to Company Law and to the Law of Economic Interest Grouping, our report on the draft financial statements for the financial year ended on 31.12.15 of the company CELTEL Niger S.A. These financial statements especially include as annexes to the present report, the balance sheet, the TAFIRE (financial table of resources and use), the profit and loss account and the annex statement.

The executive board is responsible for the establishment and sincere presentation of these financial statements, in compliance with the accounting law of OHADA. This responsibility includes: the conception, implementation and follow up of an internal control related to the establishment and the sincere presentation of financial statements without any significant anomalies, whether these may result from frauds or errors, as well as the determination of reasonable accounting estimations with respect to the circumstances. **You responsibility is to proceed with the preparation of these financial statements.**

In compliance with the provisions of the Article above, it is our responsibility, on the basis of our audit work, to present to you a report bringing to your knowledge:

- The checks, verifications and the different examinations that we carried out as well as their results;

Membre du Groupe Hélios Afrique (GHA) 61, Rue des Sorkhos BP 07 Niamey, Niger Tel: +227 2073 38 13 / 20 73 80 83 Fax no.: +227207351 95 E-mail: secfca@fca.ne / fca@gha-exco.com	www.gha-exco.com www.exco.fr www.kreston.com	Register in the Table or National Order of Accounting Experts and Chartered Accounts of Niger RCCM: NI-NIM-2003-B18 NIF: 1460/R
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- **The balance sheet items and other accounting documents to which, in our opinion, modifications should be made, the useful observations on the evaluation methods used for the establishment of these documents;**
- **The irregularities and inaccuracies discovered;**
- **The conclusions which are the result of the observations and rectifications above on the results of the financial year compared to those of the last financial year.**

The main characteristics of the provisional financial statements that we have audited and on which you are called upon to arrive at a decision are presented below in thousand of FCFA:

	31/12/2015	31/12/2014
Total of the fixed assets	121096	123475
Total of the Current assets	138397	147490
Cash in bank	3312	10301
Equity capital	25907	52347
Total of stable resources	61285	133016
Total of current liabilities	185747	135728
Cash Liabilities	14702	12522
Total of the balance sheet:	262805	281266
Turnover	107507	121760
Result of recurring activities	-13735	20972
Non-recurring result	-9599	8814
Net profit of the financial year	-25039	17464

1. CHECKING AND AUDITS CARRIED OUT

We conducted our audits of these statements in accordance with International Auditing Standards which envisages that our assignment may be planned and executed in a manner to obtain reasonable assurance that the accounts do not contain significant anomalies.

An audit consists in examining by testing the substantiating elements that support the information contained in the accounts. An audit also includes assessing the principles used and significant estimates made by management, as well as evaluating the presentation of the financial statements.

We estimate that the checks and verifications carried out by us provide a reasonable base for the observations and conclusions expressed hereafter.

2. RESULTS OF CHECKS AND VERIFICATIONS CARRIED OUT

2.1. INTERNAL CONTROL

The evaluation of the functioning of the internal control consisted in examining the application of procedures implemented by the company in order to ensure quality financial information. This evaluation was carried out for the purpose of determining the extent of our checks on the accounts. It, therefore, does not necessarily bring forth all the improvements that a specific and more detailed study could possibly reveal.

We did not observe any significant irregularities that may raise questions on the reliability of accounting and financial information of the company.

2.2. AUDIT OF THE ACCOUNTS

The checks carried out on the provisional financial statements which are submitted to you call for the following observations on our part:

2.2.1. Other assets and other liabilities accounts

Trade receivables and the revenues for the financial year 2014 include an amount of FCFA 10,240 million related to the disputed portion of local interconnect products that concern the period from April 2012 to October 2013 on the clients ORANGE NIGER and SONITEL. These incomes were recognized following the decision of the State Council annulling the decision No. 026 / CNR / ARM / 12 of 21 March 2012 from the ARM. Indeed, the incomes were recognized on the basis of a 35F per minute instead of 65F per minute set by this decision FARM due to disputes the rates of the period of which have been from some correspondents.

The decision of the State Council was the subject of a third party opposition ORANGE NIGER. At this stage, the clients ORANGE NIGER and SONITEL do not recognize the debts relating to this part of the disputed interconnection incomes. The dispute is ongoing and the company has not made provision for impairment of disputed claims.

2.2.2. Penalty imposed by regulatory authorities for 2014

The Regulatory National Council, by decision No. 27 / ARTP / CNRTP / 14 dated 26 August 2014, Celtel Niger assigned to the payment of a penalty of KF CFA 3,041,609 corresponding to 3% of its turnover in 2013 for breaches of the provisions of certain rules on pricing (Decree No. 2000-371 / PRN / MC of 12 October 2000 and Decision No. 72 / ARM / Te of 18 August 2010) contained in the notice of the decision object No 22 / ARTP / CNRTP / 14 of 25 March 2014. Contesting this sanction, Celtel Niger introduced the administrative appeal is pending.

In August 2015, CELTEL NIGER has signed a memorandum of understanding with the Government of the Niger concerning the sanction of ARTP. In the title of this memorandum of understanding, the company CELTEL NIGER paid amount of FCFA 2,000 million to the State of Niger and the dispute is definitively closed.

2.2.3. Risks on the tax audit

CELTEL NIGER was the subject of another documentary control occurred during the fiscal year 2014 which ended with ballast in final relief dated October 28, 2014 with rights of KF CFA 11 A64, 107 and penalties of KF CFA 8,024,845. The rectification on the recovery of VAT, TURTEL and TTTIE determined from the traffic data obtained from ARTP (Wallgates). A meeting of approximation of traffic data with ARTP was held on 15th December 2014. The minutes indicate which resulting overstatement of data provided by ARTP.

CELTEL NIGER has signed a memorandum of understanding with the Government of Niger as on January 15, 2015 for a year recovery of KF CFA 11,464,107 KF and KF CFA 8,024,845 penalties. As this memorandum of understanding, the company CELTEL NIGER paid an amount of CFAF 3,136 million to the Government of Niger and the dispute is definitely settled.

2.3. CONTROL OF COMPLIANCE OF THE STATUTORY AND LEGAL PROVISIONS

The record of the securities implemented by the company are not updated of certain provisions laid down in articles 746-1 and 746-2 of the uniform act OHADA law of commercial companies and GIE revised.

3. CONCLUSION

In the current stage of our works, we certify that the consolidated financial statements ended on 31st December 2015 are a faithful presentation of the assets, the financial position and the results of all of the companies within the scope of consolidation at the end of this financial year.

The point described in paragraph 2.3 will be subject to the observation in the second part of our general report that we will issue after the Board of Directors has adopted the financial statements for that year.

We remain at your disposal for bringing to you any additional information that you wish to obtain. Yours sincerely.

**FOR FCA FIDUCIAIRE CONSEIL & AUDIT
(CONSULTATION AND AUDIT FIDUCIARY)**

Statutory auditors

Nouhou TARI
Managing Partner
Chartered Accountant
Chartered Accountant registered with the ONECCA
Order, Niger

Made in Niamey on 23.03.16

ANNEXES

BALANCE SHEET

INCOME STATEMENT


TAFIRE

STATUS

CERTIFICATE OF ACCURACY

It is hereby declared that the translation of the enclosed document, from French to English language has been translated by a qualified translator and is, to the best of our knowledge and ability, a true and accurate translation of the corresponding original document.

Signed,

For All Translation Services Pvt. Ltd.

Authorised Signatory



Pawan Bahuguna

8
BALANCE SHEET

Company name: **CELTEL NIGER SA**

Common acronym CELTEL NIGER OPERATING UNDER THE
BRAND AIRTEL

Address: **POST BOX No. 11922 NIAMEY ROUTE DE L'AEROPORT**

Tax identification no.: 4421/R

Financial year closed on 31/12/2015

Duration (in months): 12

Ref	ASSET	Financial year N			Financial year N-1
		Gross	Amort/Prov	Net	Net
	FIXED ASSETS (1)				
AA	Fixed charges				
AX	Installation cost				
AY	Deferred charges				
AC	Bond redemption premium				
AD	Intangible assets				
AE	Research and development expenses				
AF	Software, patents, licences, trade marks	40456979307	8759921305	31697058002	34274989985
AG	Goodwill				
AH	Other intangible assets				
AI	Tangible assets				
AJ	Land	2683 395227		2683395227	2679395227
AK	Buildings	35207172805	12545280379	22661892426	10621535541
AL	Fixtures and fittings	32256021108	20840493934	11415527174	17567624164
AM	Equipment	130783623382	78724898537	52058724845	57587510529
AN	Transport equipment	720844238	531003683	189840555	252944000
AP	Advances and prepayments on asset	41211780		41211780	412762537
AQ	Financial assets				
AR	Equity securities	10000000		10000000	10000000
AS	Other financial fixed assets	338313160		338313160	67937354
AW	(1) including H.A.O Gross.....				
	Net.....				
AZ	TOTAL OF FIXED ASSETS (1)	242497561008	121401597837	121095 963171	123474699337

9
BALANCE SHEET

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Financial year closed on 31/12/2015

Duration (in months):

12

Ref	ASSET	Financial year N			Financial year N-1 (12 months)
		Gross	Amort/Prov	Net	Net
AZ	Report FIXED ASSETS (I)	242497561008	121401597837	121095963171	123474699337
	CURRENT ASSET				
BA	Current asset H.A.O.				
BB	Stocks				
BC	Goods	654461655	654461655		31087883
BD	Raw materials, & other procurement supplies	834966374		834966374	12767610252
BE	In progress				
BF	Manufactured products				
BG	Receivables and similar assets				
BH	Suppliers, transferred advances	42946754 912		42946764912	12112131355
BI	Customers	99853529052	25650725489	74202803563	103628672652
BJ	Other receivables	20412225392		20412225392	18950994926
BK	TOTAL CURRENT ASSET (II)	164701937384	26305187144	138396750240	147490497068
	CASH AND CASH EQUIVALENTS				
BQ	Defensive stock				
BR	Cash values				
BS	Banks, postal checks, cash	3312041280		3312041280	10300909381
BT	TOTAL CASH - ASSET (III)	3312041280		3312041280	10300909381
BU	Conversion differences - Assets (IV) (probable loss of exchange)				
BZ	GENERAL TOTAL (I+II+III+IV)	410511639673	147706784981	262804764691	281266106786

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Financial year closed on

31/12/2015

Duration (in months):

12

Ref	LIABILITY (before distribution)	FISCAL PERIOD N	Fiscal year N-1
	EQUITY AND SIMILAR RESOURCES		
CA	Capital	1499999999	1499999999
CB	Shareholders uncalled capital		
CC	Premiums and reserves		
CD	Premium contribution, issuance, merger		
CE	Revaluation deviations	300000000	300000000
CF	Unavailable reserves	6463865083	
CG	Free reserves		
CH	Balance brought forward + or -	-25039253077	17463865083
CI	Net profit of the financial year (profit + or loss -)		
CK	Other equities		
CL	Investment grants		
CM	Regulated and related provisions funds	42682345664	33083052603
CP	TOTAL EQUITIES (I)	25906957669	52346917685
	FINANCIAL DEBTS AND SIMILAR RESOURCES (1)		
DA	Loans	26428047023	15599031748
DB	Debt leasing and assimilated contracts		
DC	Various financial debts	138592323	58755534817
DD	Financial provisions for risks and charges	8811451530	6314783647
DE	(1) including H.A.O. :		
DF	TOTAL FINANCIAL DEBT (II)	35378090876	80669350212
DG	TOTAL STABLE RESOURCES (I + II)	61285048545	133016267897

BALANCE SHEETCompany name: **CELTEL NIGER SA**Common acronym **CELTEL NIGER OPERATING UNDER THE BRAND AIRTEL**Address: **POST BOX No. 11922 NIAMEY ROUTE DE L'AEROPORT**

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Duration (in months):

12

Ref	LIABILITY (before distribution)	FISCAL PERIOD N	Fiscal year N-1
DG	REPORT TOTAL STABLE RESOURCES (I + II)	61285048545	133016267897
	CURRENT LIABILITIES		
DH	Circulating debt and similar resources HAO	261049927	
DI	Customer advances received	18133893737	1443224876
DJ	Suppliers operation	77782618945	71258668544
DK	Tax liabilities	7284505263	19682706529
DL	Accrued payroll	1276825214	3046478977
DM	Other debts	81007644102	40296758195
DN	Risks provisioned		
DP	TOTAL CURRENT LIABILITIES (II)	185746537188	135727837122
	CASH AND LIABILITY		
DQ	Banks, credit discount	14702138719	12512575164
DR	Banks, credit cash discount, treasury		
DS	Banks, overdrafts		9425603
DT.	TOTAL CASH-LIABILITY (III)	14702138719	12522000767
DU	Conversion differences - liabilities (V) (Probable exchange gain)	1071030239	
DZ	GENERAL TOTAL (I+II+III+IV+V)	262804754691	281 266 105 786

**PROFIT AND LOSS ACCOUNT
OF NORMAL SYSTEM
PAGE 1/4**

INCOME STATEMENT

Company name: **CELTEL NIGER SA**

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BRAND AIRTEL**

Address: **POST BOX No. 11922 NIAMEY ROUTE DE L'AEROPORT**

Tax identification no.: 4421/R

Financial year closed on 31/12/2015

Duration (in months): 12

Ref :...	CHARGES	FISCAL PERIOD N	Fiscal year N-1
	OPERATING ACTIVITIES		
RA	Purchases of goods	72335609	255917646
RB	- Variation of stocks (+ or -)	440094204	566175732
	<i>(Gross margin on goods see TB).</i>		
RC	Purchases of raw materials and related supplies		
RD	- Variation of stocks (+ or -)		
RC	<i>(Gross margin on materials see TG).</i>	2815905138	2378796472
RE	Other purchases		
RH	- Variation of stocks (- or +)	816745302	588895171
RI	Transports	47368622950	44744451457
RJ	External services	7796072245	3924239961
RK	Taxes	23860399076	6590361315
RL	Other expenses		
	<i>(Value added see TN)</i>		
RP	Personnel expenses including foreign employee	5439605152	5540835275
RQ	<i>(Gross surplus of operation see TQ) .</i>		
RS	depreciation on investments and other allowances	23815923691	24471502248
RW	Total operation charges	112425703368	89063175277
	<i>(Operating profit see TX).</i>		

**PROFIT AND LOSS ACCOUNT
OF NORMAL SYSTEM
PAGE 2/4**

INCOME STATEMENT

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Address: **POST BOX No. 11922 NIAMEY ROUTE DE L'AEROPORT**

Tax identification no.: 4421/R

Financial year closed on

31/12/2015

Duration (in months):

12

Ref :.....	PRODUCTS	FISCAL PERIOD N	FISCAL PERIOD N-1
	OPERATING ACTIVITIES		
TA	Sale of goods		0
TB	GROSS MARGIN ON GOODS	256816529	372770086
	-255613284	-451323292	
TC	Sales of manufactured products	107250956801	121387713363
TD	Works, services sold		
TE	Stored production (or stocking) (+ or -)		
TF	Capitalised production		
TG	GROSS MARGIN ON MATERIALS	107250958801	121387713363
TH	Ancillary income		-753069
TI	TURNOVER. (TA + TC + TD + TH)	107507020261	121760483449
TJ	For export		
TK	Operation subsidies		
TL	Other incomes	2792097005	2670087599
TN	VALUE ADDED	27128942742	65379733294
TQ	GROSS SURPLUS ON OPERATION	21689337590	59838698019
TS	Reversals of provisions	1497904719	
TT	Transfer of charges		
TW	Total operation incomes	111797021985	124430 571048
TX:	OPERATION INCOME		
	Profit (+) ; Loss (-)	-628681383	35367395771

**PROFIT AND LOSS ACCOUNT
OF NORMAL SYSTEM
PAGE 3/4**

INCOME STATEMENT

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Duration (in months):

12

Ref	CHARGES	FISCAL PERIOD N	Fiscal year N-1
RW	Report Total operation charges	112425703368	89063175277
	FINANCIAL ACTIVITY		
SA	Financial expenses	4316955995	5809301566
SC	Exchange losses	8837449394	9054414166
SD	depreciation on investments and other allowances		-
SF	Total financial charges	13154405389	14863715732
	<i>(Financial income see UG)</i>		
SH	Total expenses from ordinary activities		
	<i>(Profit and loss from ordinary activities see IU)</i>		
	WITHOUT ORDINARY ACTIVITIES (H.A.O.)		
SK	Accounting values from sale of property		
SL	Charges H.A.O.		
SM	Depreciation H.A.O.	9599293061	7653251706
SO	Total of H.A.O charges	9599293061	7653251706
	<i>(Profit and loss H.A.O. see UP)</i>		
SQ	Employee participation	1705180200	12321831300
SR	Taxes on the income		
SS	Total participation and taxes	1705180200	12321831300
ST	GENERAL TOTAL OF THE EXPENSES	136884582018	123901974015
	<i>(Net income see UZ)</i>		

**PROFIT AND LOSS ACCOUNT
OF NORMAL SYSTEM
PAGE 4/4**

INCOME STATEMENT

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Duration (in months):

12

Ref	PRODUCTS		FISCAL PERIOD N	FISCAL PERIOD N
TW	Total operation incomes		111797021985	124430571048
	FINANCIAL ACTIVITY			
UA	Financial income			
UC	Exchange gain		48306956	468166625
UD	Reversals of provisions			
UE	Transfer of charges			
UF	Total of financial incomes		48306956	468166625
UG	FINANCIAL INCOME			
	(+ OR -)	-13106098433	-14395 549107	
UH	Total incomes from ordinary activities		111845328941	124 898737673
UI	INCOME FROM ORDINARY ACTIVITIES			
	(+ or -)	-13734779816	20971846664	
UJ	Including correspondingtax			
	WITHOUT ORDINARY ACTIVITIES (H.A.O.)			
UK	Incomes from sale of capital assets			
UL	H.A.O. incomes			
UM	Recovery H.A.O			16467101425
UN	Transfer of charges			
UO	Total of H.A.O Incomes			16467101425
UP	H.A.O INCOME (+ OR -)	-9599293061	8813849719	
UT	TOTAL GENERAL INCOMES		111 845328941	141365839098
UZ	NET INCOME			
	Profit (+) ; Loss (-)	-25039253077	17463865083	

