



Mobilink

Pakistan Mobile Communications Limited

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Islamabad-Pakistan

Mr. Muhammad Ghufraan
Deputy General Manager Operations
Karachi Stock Exchange Limited,
Stock Exchange Building, Stock Exchange Road
Karachi

Subject: Mobilink to merge with Warid in first merger in Pakistan mobile telecom sector

Dear Mr. Ghufraan,

In accordance with provisions of Listing Regulations and complying with best practices as stated in Code of Corporate Governance, we would like to inform the Stock Exchange(s) and respected Members that VimpelCom and Global Telecom Holding, together with Warid Telecom Pakistan LLC and Bank Alfalah Limited ("Dhabi Group shareholders"), have today reached an agreement to merge their Pakistan telecom businesses.

The deal is the first merger in the mobile telecommunication sector in Pakistan and will see Mobilink and Warid further enhancing their ability to provide our customers with an extensive range of products and services, backed by world class operations which create new revenue streams that lead to sustainable profitability and cash generation. The merger of the two companies will create the country's leading cellular service provider with a total customer base of more than 45 million and the largest 3G and 4G/LTE operator in Pakistan. Integration of the two networks, together with continued investments, will provide our customers with unmatched network coverage and quality and will accelerate the availability of high-speed mobile services throughout the country. These will include 3G and 4G/LTE services, Mobile Financial Services, various new innovative products and services in data, increased value-added services and enhanced voice and business solutions.

The merged entity will have Pro forma revenue and EBITDA margin of USD 1.4 billion and above 40% respectively. We see a substantial opportunity for synergies by combining the two companies. Total synergies from the proposed merger net of integration cost are estimated upwards of USD 500 million in NPV terms. The merged entity will have a strong financial profile with Pro Forma Leverage in terms of Net debt/EBITDA of around 1.8x upon signing, trending further downwards as synergies materialize.

We have a well-defined integration roadmap to capitalize on identified savings, ensure a strong combination of complementary strengths of the two companies and realize the full benefits of the merger for all our stakeholders.

You may inform the TRE certificate holder and other relevant parties accordingly.

Thank you,

Sincerely,

Usman Bajwa
Director Treasury
Pakistan Mobile Communications Limited