# GLOBAL TELECOM REPORTS Q1 2018 RESULTS

## Q1 2018 HIGHLIGHTS[1]

- **Reported total revenue decreased 7.0% YoY**
- **Total revenue decreased organically 2.2% YoY**
- **Mobile data organic revenue growth of 40.1% YoY**
- **Customer growth of 3.5% YoY driven by customer additions in Pakistan and Bangladesh**
- **EBITDA of USD 301 million, organic decrease of 1.3% YoY**
- **Solid EBITDA margin of 43.0%**

Amsterdam (14 May 2018), Global Telecom Holding S.A.E. ('GTH', 'the Company' or 'the Group') (EGX: GLTD.CA, GTHE EY.), a leading provider of mobile telecommunications in Africa and Asia, announces its unaudited operating results for the first quarter of 2018.

## VINCENZO NESCI, CHIEF EXECUTIVE OFFICER, COMMENTS:

*"In Q1 2018, GTH added more customers and grew by 3.5% YoY, driven by customer additions in Pakistan and Bangladesh. Total revenue for the period amounted to USD 669 million, a YoY organic decline of 2.2%. EBITDA reached USD 301 million, an organic decline of 1.3% YoY. However, GTH had a solid EBITDA margin of 43.0%, slightly lower YoY. Data revenue increased to 40.1% YoY organic growth, driven by a strong increase in its customer's base and usage.*

***In Pakistan,*** *Jazz continued to show growth of revenues and customers, maintaining its leading position despite competitive market conditions. A YoY increase of 5.7% and 5.0% was achieved in total revenue and customer base respectively. Jazz strong performance was supported by data revenue growth coupled with continued customer satisfaction.*

***In Algeria,*** *Djezzy operational turnaround continued in Q1 2018 despite the high macro-economic, regulatory and competitive challenges, which resulted in a decrease of 9.3% in total revenues in Q1 2018 compared to Q1 2017, though, at a slightly lower declining rate compared to Q4 2017. A new Finance Law was implemented as of January 2018, imposing new direct taxation the effect of which was broadly offset by the positive YoY impact from partial MTR symmetry.*

***In Bangladesh****, we maintained the growth of our customer base achieving 5.6% increase YoY, as we continued to focus on acquiring customers in a competitive market. The costs related to the network expansion (following the acquisition of 4G/LTE license) coupled with the intense market competition have affected Bangalink Q1 2018 results. However, we are happy to report that the network ,deteriorated by the severe weather conditions in 2017, have significantly improved in Q1 2018."*

## GROUP KEY INDICATORS[1]

| USD mln, if not stated otherwise | 1Q18 | 1Q17 | Reported YoY | Organic[2] YoY |
|---|---|---|---|---|
| Total customers (mln) | 102.6 | 99.1 | 3.5% | |
| Total revenue | 699 | 752 | (7.0%) | (2.2%) |
| Service revenue | 667 | 720 | (7.3%) | (2.5%) |
| -Of which mobile data revenue | 127 | 95 | 33.2% | 40.1% |
| EBITDA | 301 | 332 | (9.5%) | (1.3%) |
| EBITDA margin[4] | 43.0% | 44.2% | (1.2 p.p) | |
| Profit for the period | 38 | 1 | N/M | |
| Profit/(Loss) for the period attr. to GTH shareholders | 16 | (26) | N/M | |
| EPS (USD) | 0.01 | (0.00) | N/M | |
| Net debt[3]/ LTM EBITDA | 1.8 | 1.9 | (3.6%) | |
| Capex excl. licenses | 134 | 71 | 89.9% | |

1. *Interim condensed consolidated income statement and interim condensed consolidated statement of financial postion figures are in US dollars*
2. *Revenue and EBITDA organic figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions*
3. *Net Debt is calculated as a sum of short term debt, long term debt, less cash and cash equivalents*
4. *EBITDA margin is EBITDA divided by total revenue*

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***PRESENTATION OF FINANCIAL RESULTS***

*GTH's results in this earnings release are based on IFRS and have not been audited.*
*Certain amounts and percentages that appear in this earnings release have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including those in tables, may not be an exact arithmetic aggregation of the figures that precede or follow them.*

*All comparisons are on a year-on-year basis unless otherwise stated.*

*Revenue and EBITDA organic figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. We believe readers of this earnings release should consider these measures as it is more indicative of the Group's ongoing performance. Management uses these measures to evaluate the Group's operational results and trends.*

# 1. MAIN EVENTS AND FINANCIAL RESULTS

## MAIN EVENTS

On 13 February 2018, the Company's wholly-owned subsidiary in Bangladesh, Banglalink, was awarded technology neutral spectrum in the 1800 and 2100 MHz bands. Banglalink will pay a total of approximately USD 308.6 million for the spectrum excluding VAT. An upfront payment of 60% for the spectrum was paid in February 2018, with the remaining 40% payable over four years. In addition, Banglalink has paid USD 35 million to convert its existing spectrum holding in 900MHz and 1800MHz into technology neutral spectrum and a USD 1.2 million to acquire the 4G/LTE license.

On 3 April 2018, VEON announced that it notified the Egyptian Financial Regulatory Authority (EFRA) that, given the lapse of time and absence of approval, VEON was withdrawing the Mandatory Tender Offer ("MTO") filed on 8 November 2017, and did not intend to proceed with another MTO at that time.

# FINANCIAL RESULTS

| USD mln, if not stated otherwise | 1Q18 | 1Q17 | Reported YoY | Organic YoY |
|---|---|---|---|---|
| Total revenue | 699 | 752 | (7.0%) | (2.2%) |
| Service revenue | 667 | 720 | (7.3%) | (2.5%) |
| -of which Mobile data revenue | 127 | 95 | 33.2% | 40.1% |
| EBITDA | 301 | 332 | (9.5%) | (1.3%) |
| EBITDA margin | 43.0% | 44.2% | (1.2 p.p) | |
| Profit for the period | 38 | 1 | N/M | |
| | | | | |
| Capex excl. licenses | 134 | 71 | 89.9% | |
| LTM Capex excl. licenses / LTM revenue | 18.0% | 17.7% | 0.3 p.p | |
| | | | | |
| Gross debt | 2,755 | 2,968 | (7.2%) | |
| Net debt | 2,360 | 2,268 | 4.1% | |
| Net debt / LTM EBITDA | 1.8 | 1.9 | (3.6%) | |

**Total revenue** amounted to USD 699 million in Q1 2018. Total revenue organically decreased 2.2% YoY driven by lower results in Algeria and Bangladesh, which were slightly offset by good revenue growth in Pakistan recording an organic increase of 5.7% YoY. Mobile data revenue continued to show strong performance reaching 40.1% YoY organic increase supported by continued data revenue growth across all operations.

**Customer base** grew 3.5% YoY in Q1 2018 following the continued additions of customers in Pakistan and Bangladesh.

**EBITDA** for the quarter reached USD 301 million, recording an organic decline of 1.3% YoY and leading to an EBITDA margin of 43.0% with a decrease of 1.2 percentage points YoY. The lower EBITDA was driven by an organic YoY decrease in EBITDA in Algeria and Bangladesh that was partially compensated by 20.1% YoY organic growth in EBITDA in Pakistan, driven by revenue growth, opex synergies and the phasing-out from Q1 2018 of merger integration costs.

**Profit for the period** was USD 38 million vs. a profit of USD 1 million in Q1 2017 despite lower revenues and lower EBITDA. Increased profit for the quarter was due to (i) lower depreciation and amortization (-21% YoY), mainly due to the reclassification of Deodar as disposal group held for sale and accelerated depreciation in Bangladesh a year ago; (ii) lower losses on sold property and equipment (-89% YoY), mainly due to gains on sold property and equipment in Bangaldesh during Q1 2018; (iii) lower technical services (-75% YoY) due to phasing out of technical cost recorded in Q1 2017 associated with the merger integration in Pakistan, the rollout of networks and performance transformation costs for operations.

**CAPEX excluding licence** amounted to USD 134 million in Q1 2018, an increase of 89.9% YoY due to (i) strong increased capex in Pakistan resulting from the 4G/LTE network expansion; and (ii) significant increased capex in Bangladesh driven by the continuous investment in efficient, high-speed data networks aiming to substantially improve 3G network coverage and availability.

**Net debt** increased 4.1% YoY to USD 2.4 billion as a result of the new syndicated loan in Bangladesh, coupled with decreased cash and cash equivalents in Algeria and Bangladesh, resulting in the **net debt to LTM EBITDA** decreasing YoY from 1.9x to 1.8x.

# 2. GTH'S OPERATIONS

## 2-1 JAZZ, PAKISTAN - KEY INDICATORS

| PKR billion | 1Q18 | 1Q17 | YoY |
|---|---|---|---|
| Total revenue | 40.9 | 38.7 | 5.7% |
| Mobile service revenue | 37.9 | 36.2 | 4.9% |
| of which mobile data | 7.0 | 5.2 | 33.9% |
| EBITDA | 19.4 | 16.2 | 20.1% |
| EBITDA margin | 47.5% | 41.8% | 5.7p.p. |
| Capex excl. licenses | 7.3 | 3.6 | 101.9% |
| LTM capex excl. licenses/revenue | 17.8% | 17.1% | 0.7p.p. |
| | | | |
| **Mobile** | | | |
| Customers (mln) | 55.1 | 52.5 | 5.0% |
| - of which data users (mln) | 30.5 | 26.3 | 15.9% |
| ARPU (PKR) | 232.2 | 231.1 | 0.5% |
| MOU (min) | 538 | 515 | 4.4% |
| Data usage (MB/user) | 821 | 465 | 76.4% |

Jazz continued to show growth of both revenue and customers despite competitive market conditions. Revenue growth of 5.7% year on year was supported by an acceleration of mobile data revenue growth of 33.9% year on year, driven by an increase in data customers due to higher bundle penetration and continued data network expansion. After the completion of network integration in Q4 2017, Jazz is now able to offer 4G/LTE to all its customers and it continues to expand its network.

The customer base increased by 5.0% year on year driven by gross additions as a result of simplifying prices and more efficient distribution channel management. Jazz sees data and voice monetization among its key priorities, underpinned by the aim to offer the best network in terms of both quality of service and coverage.

EBITDA increased by 20.1%, driven by revenue growth, opex synergies and the phasing-out from Q1 2018 of merger integration costs, leading to an EBITDA margin of 47.5%, an increase of 5.7 percentage points year on year, also progressing by 1.8 percentage points quarter on quarter.

Capex excluding licenses increased to PKR 7.3 billion in Q1 2018, mainly due to the 4G/LTE network expansion, while the LTM capex excluding licenses to revenue ratio was 17.8%. At the end of the Q1 2018, 3G was offered in more than 360 cities while 4G/LTE was offered in over 70 cities (defined as cities with at least three base stations). At the end of Q1 2018, population coverage of 3G and 4G/LTE networks was 52% and 28% respectively.

# 2-2 DJEZZY, ALGERIA - KEY INDICATORS

| DZD billion | 1Q18 | 1Q17 | YoY |
|---|---|---|---|
| Total revenue | 23.1 | 25.5 | (9.3%) |
| Mobile service revenue | 23.0 | 25.0 | (8.2%) |
| of which mobile data | 5.0 | 2.8 | 79.7% |
| EBITDA | 10.4 | 12.5 | (17.3%) |
| EBITDA margin | 44.9% | 49.2% | (4.4p.p.) |
| Capex excl. licenses | 1.6 | 2.9 | (44.5%) |
| LTM capex excl. licenses/revenue | 13.5% | 16.6% | (3.2p.p.) |
| | | | |
| **Mobile** | | | |
| Customers (mln) | 15.3 | 16.1 | (4.5%) |
| - of which mobile data customers (mln) | 8.0 | 7.1 | 13.4% |
| ARPU (DZD) | 504 | 513 | (1.8%) |
| MOU (min) | 437 | 365 | 19.8% |
| Data usage (MB/user) | 1,065 | 573 | 85.7% |

Djezzy's operational performance continued to be impacted in Q1 2018 by strong competition, a challenging regulatory and macro-economic environment which remains characterized by inflationary pressures and import restrictions on certain goods. The new Finance Law, effective from January 2018, imposed new direct taxation consisting of a 0.5% tax on revenue and a 0.5% tax on recharge transfer between operators and distributors. As a result of new taxation, Djezzy EBITDA was negatively impacted in Q1 2018 by approximately DZD 176 million. This impact on EBITDA was broadly offset by the positive impact from the partial MTR symmetry, which is in place from 31 October 2017.

Revenue decreased by 9.3% year on year, a slightly lower declining pace compared to Q4 2017, as operational turnaround continued in Q1 2018. Price competition, in both voice and data, caused a continued reduction in ARPU and a year on year increase in churn. Djezzy's Q1 2018 service revenue was DZD 23.0 billion, an 8.2% decline, while data revenue growth was 79.7%, due to higher usage and a substantial increase in data customers as a result of the 3G and 4G/LTE network roll-out. This data revenue growth is also supported by the change towards a more aggressive data pricing strategy, through the launch of new offers which improved Djezzy's share of gross adds and reversed the trend of net adds from negative to positive in Q1 2018.

The customer base in Algeria decreased by 4.5% to 15.3 million year on year, due to continued competitive pressures in the market. However, in the same period, the customer base grew by over 2% quarter on quarter driven by positive uptake of new offers. ARPU declined by 1.8% year on year, a lower decrease compared to Q4 2017, primarily driven by continued and intense price competition.

In Q1 2018, EBITDA decreased by 17.3% year on year, mainly due to the decline in revenues. EBITDA margin was 44.9%, improving by 2 percentage points quarter on quarter.

At the end of Q1 2018, the company's 4G/LTE services covered 28 wilayas and more than 25.3% of the country's population, while the 3G network covered all 48 wilayas and more than 75% of population. In Q1 2018 capex excluding licenses was DZD 1.6 billion, with an LTM capex excluding licenses to revenue ratio of 13.5%.

# 2-3 BANGLALINK, BANGLADESH - KEY INDICATORS

| BDT billion | 1Q18 | 1Q17 | YoY |
|---|---|---|---|
| Total revenue | 10.7 | 12.0 | (10.6%) |
| Mobile service revenue | 10.4 | 11.7 | (11.1%) |
| of which mobile data | 1.6 | 1.5 | 8.0% |
| EBITDA | 3.9 | 5.5 | (29.9%) |
| EBITDA margin | 36.1% | 46.0% | (9.9p.p.) |
| Capex excl. licenses | 4.6 | 0.8 | 501.9% |
| LTM capex excl. licenses/revenue | 26.6% | 20.9% | 5.7p.p. |
| | | | |
| **Mobile** | | | |
| Customers (mln) | 32.2 | 30.5 | 5.6% |
| - of which mobile data customers (mln) | 18.1 | 15.0 | 20.7% |
| ARPU (BDT) | 109 | 128 | (14.8%) |
| MOU (min) | 272 | 305 | (11.1%) |
| Data usage (MB/user) | 600 | 304 | 97.3% |

In Bangladesh, Q1 2018 results continue to be affected by intense competition with a specific focus on customer acquisition, and also by costs related to the network expansion, after the recent acquisition of additional spectrum and 4G/LTE licence. During Q1 2018, Banglalink continued to focus on acquiring customers in a competitive market. The network availability, deteriorated by the severe weather conditions in 2017, has significantly improved in Q1 2018.

Revenue in Q1 2018 decreased by 10.6% year on year, while Banglalink's service revenue decreased by 11.1% year on year to BDT 10.4 billion. The decline in service revenue was still mainly the result of the gap in 3G network coverage compared to the market leader. The market remains characterized by intense price competition especially in relation to data. The customer base grew by 5.6% year on year, despite continued competitive customer acquisition campaigns in the market, supported by improved distribution. ARPU decreased year on year by 14.8%, a trend similar to Q4 2017, as a result of pricing pressure. Data revenue increased by 8.0% year on year, driven by increased smartphone penetration and 97.3% year on year data usage growth, along with 20.7% growth in active data users.

Banglalink's EBITDA in Q1 2018 decreased by 29.9% to BDT 3.9 billion, mainly as a result of revenue decline, increasing customer acquisition costs and network expansion related expenses (e.g. maintenance, leasing, utilities). The EBITDA margin was 36.1% in Q1 2018, which represents a year on year reduction of 9.9 percentage points.

In Q1 2018, capex excluding licenses significantly increased year on year to BDT 4.6 billion, with an LTM capex excluding licenses to revenue ratio of 26.6%. Banglalink continues to invest in efficient, high-speed data networks aiming to substantially improve its 3G network coverage (approximately 70% of the population at the end of Q1 2018) and availability. The 4G/LTE service has been launched in mid-February and at the end of Q1 2018 23 districts towns were covered, with a population coverage of approximately 12%.

# 3. FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

| USD millions | 1Q18 | 1Q17 | Reported YoY |
|---|---|---|---|
| Service revenue | 667.5 | 720.1 | (7.3%) |
| -Of which mobile data revenue | 127.2 | 95.4 | 33.2% |
| Other revenue | 32.0 | 32.3 | (1.0%) |
| **Total operating Revenue** | **699.5** | **752.4** | **(7.0%)** |
| Total expenses | (398.6) | (420.1) | (5.1%) |
| **EBITDA** | **300.9** | **332.3** | **(9.5%)** |
| Depreciation and amortization | (126.2) | (159.7) | (21.0%) |
| Loss on sold property, equipment, intangibles, goodwill and scrapping | (0.5) | (4.9) | (88.9%) |
| Impairment (loss) / reversal of impairment loss from assets | (1.3) | 1.7 | N/M |
| Technical services expense | (6.9) | (27.9) | (75.3%) |
| Other operating loss | (4.7) | (2.6) | 82.1% |
| **Operating profit** | **161.3** | **138.9** | **16.2%** |
| Finance costs | (77.5) | (70.6) | 9.7% |
| Finance income | 1.6 | 3.5 | (54.4%) |
| Net foreign exchange loss | (11.5) | (11.0) | 3.9% |
| | | | |
| **Profit before income tax** | **73.9** | **60.8** | **21.5%** |
| Income tax expense | (35.7) | (59.6) | (40.1%) |
| **Profit for the period** | **38.2** | **1.2** | **N/M** |
| | | | |
| **Attributable to:** | | | |
| The owners of the parent | 16.0 | (26.2) | N/M |
| Non-controlling interests | 22.2 | 27.4 | (19.0%) |
| **Profit for the period** | **38.2** | **1.2** | **N/M** |
| EPS (USD) | 0.01 | 0.00 | N/M |

# CONSOLIDATED STATEMENT OF FINANCIAL POSTION

| USD millions | 31-Mar 2018 | 31-Dec 2017 |
|---|---|---|
| **Assets** | | |
| **Non current assets** | | |
| Property and equipment | 1,872.9 | 1,870.1 |
| Other intangible assets and goodwill | 1,929.0 | 1,668.1 |
| Other non current assets | 308.3 | 323.3 |
| **Total non current assets** | **4,110.2** | **3,861.5** |
| **Current assets** | | |
| Cash and cash equivalents | 380.9 | 374.5 |
| Trade and other receivables | 241.2 | 250.4 |
| Other current assets | 353.4 | 341.1 |
| | 975.5 | 966.0 |
| Assets held for sale | 486.3 | 505.9 |
| **Total current assets** | **1,461.8** | **1,471.9** |
| **Total assets** | **5,572.0** | **5,333.4** |
| **Equity and liabilities** | | |
| **Equity** | | |
| Equity attributable to equity owners of the parent | (36.0) | (49.9) |
| Non-controlling interests | 160.8 | 138.9 |
| **Total equity** | **124.8** | **89.0** |
| **Non current liabilities** | | |
| Long term debt | 2,246.9 | 2,173.2 |
| Other non current liabilities | 553.2 | 490.4 |
| **Total non current liabilities** | **2,800.1** | **2,663.6** |
| Short term debt | 507.8 | 518.5 |
| Trade and other payables | 1,457.4 | 1,415.1 |
| Other current liabilities | 640.4 | 611.9 |
| | **2,605.6** | **2,545.6** |
| Liabilities directly associated with Assets held for sale | 41.5 | 35.2 |
| **Total current liabilities** | **2,647.1** | **2,580.8** |
| **Total liabilities** | **5,447.2** | **5,244.4** |
| **Total equity and liabilities** | **5,572.0** | **5,333.4** |
| **Net Debt** | **2,360.1** | **2,302.8** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

| USD millions | 1Q18 | 1Q17 |
|---|---|---|
| **Operating activities** | | |
| Profit before tax | 73.9 | 60.8 |
| Non cash adjustments to reconcile profit before tax to net cash flows provided from operating activities | 223.2 | 172.7 |
| Change in working capital | 24.6 | 65.3 |
| Interest paid | (10.2) | (2.5) |
| Interest received | 1.1 | 1.6 |
| Income tax paid | (43.1) | (42.6) |
| **Net cash flows provided from operating activities** | **269.4** | **255.3** |
| **Investing activities** | | |
| Proceeds from sale of property and equipment and intangible assets | 2.1 | 0.3 |
| Purchase of property and equipment and intangible assets | (367.6) | (150.6) |
| Change in other financial assets | 21.9 | (24.6) |
| **Net cash flows (used in) investing activities** | **(343.6)** | **(174.9)** |
| **Financing activities** | | |
| Proceeds from borrowings, net of fees paid | 140.4 | 287.3 |
| Repayment of borrowings | (62.1) | (16.1) |
| Dividends paid to non-controlling interests | - | (7.1) |
| Purchase of treasury shares | - | (259.1) |
| **Net cash flows provided from financing activities** | **78.3** | **5.0** |
| | | |
| **Net increase in cash and cash equivalents** | **4.1** | **85.4** |
| Cash and cash equivalents at beginning of the period | 374.5 | 606.4 |
| Cash and cash equivalent reclassified as Held for Sale | 10.2 | - |
| Effect of movements in echange rates on cash held | (7.9) | (0.6) |
| **Cash and cash equivalents at end of period** | **380.9** | **691.2** |

# 4. APPENDIX

## REVENUE AND EBITDA RECONCILIATIONS

### SERVICE REVENUE

| USD million | 1Q18 | 1Q17 | Change YoY |
|---|---|---|---|
| **Service revenue** | | | |
| Mobilink, Pakistan | 340.9 | 345.4 | (1.3%) |
| Djezzy, Algeria | 201.5 | 227.7 | (11.5%) |
| Banglalink, Bangladesh | 125.1 | 147.1 | (15.0%) |
| **Total service revenue** | **667.5** | **720.1** | **(7.3%)** |
| Other revenue | 32.0 | 32.3 | (1.0%) |
| **Total operating revenue** | **699.5** | **752.5** | **(7.0%)** |

### EBITDA

| USD million | 1Q18 | 1Q17 | Change YoY |
|---|---|---|---|
| **Mobile** | | | |
| Mobilink, Pakistan | 166.6 | 154.5 | 7.8% |
| Djezzy, Algeria | 91.0 | 114.2 | (20.3%) |
| Banglalink, Bangladesh | 44.0 | 69.4 | (36.6%) |
| **Total Mobile** | **301.5** | **338.1** | **(10.8%)** |
| Other | (0.6) | (5.7) | (88.8%) |
| **Total Consolidated EBITDA** | **300.9** | **332.4** | **(9.5%)** |

### FOREIGN EXCHANGE RATES TO USD AS APPLIED TO THE FINANCIAL STATEMENTS

| | Average rates | | | Closing rates | | |
|---|---|---|---|---|---|---|
| | 1Q18 | 1Q17 | Change YoY | 1Q18 | 1Q17 | Change YoY |
| Egyptian Pound | 17.67 | 17.83 | (0.9%) | 17.65 | 18.18 | (2.9%) |
| Pakistan Rupee | 114.08 | 109.93 | 3.8% | 114.14 | 110.07 | 3.7% |
| Algerian Dinar | 111.41 | 104.79 | 6.3% | 115.71 | 104.83 | 10.4% |
| Bangladeshi Taka | 83.08 | 79.50 | 4.5% | 83.22 | 80.25 | 3.7% |

# GLOSSARY OF TERMS

**Average Revenue per User ("ARPU"):** Average monthly recurrent revenue per customer (excluding visitors roaming revenue and connection fee). This includes airtime revenue (national and international), as well as, monthly subscription fee, SMS, GPRS & data revenue. Quarterly ARPU is calculated as an average of the last three months.

**Capital Expenditure ("CAPEX"):** Tangible and Intangible fixed assets additions during the reporting period, including work in progress, network, IT, and other tangible and intangible fixed assets additions, but excluding license fees.

**Churn:** Disconnection rate. This is calculated as the number of disconnections during a month divided by the average customer base for that month.

**Churn Rule:** A customer is considered churned (removed from the customer base) if he or she exceeds 90 days from the end of the validity period without recharging. It is worth noting that the validity period is a function of the scratch denomination. In cases where scratch cards have open validity, a customer is considered churned in the event that he or she has not made a single billable event in the last 90 days (i.e. any outgoing or incoming call or sms, or any wap session). Open validity scratch cards have been applied for OTA, Mobilink and Banglalink so far.

**Minutes of Usage ("MOU"):** Average airtime minutes per customer per month. This includes billable national and international outgoing traffic originated by customers (on-net, to land line & to other operators). This also includes incoming traffic to customers from landline or other operators.

**Organic Growth for Revenue and EBITDA:** Revenue and EBITDA organic growth are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions; in the organic calculation, Warid is pro-forma consolidated within GTH's results with effect from 1 January 2016.

We believe readers of this earnings release should consider these measures as it is more indicative of the Group's ongoing performance. Management uses these measures to evaluate the Group's operational results and trends.

**Earnings per Share ("EPS"):** The profit for the period divided by the total number of weighted average common shares outstanding during the periods.

# CONTACT INFORMATION

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This earnings release includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. All statements other than statements of historical facts included in this earnings release, including, without limitation, anticipated performance for 2018 those regarding the Company's prospects, the ongoing structural measures aimed at improving performance, operational and network development and network investment, including expectations regarding the roll-out and benefits of 3G/4G/LTE networks, as applicable, capital expenditure, the effect of the acquisition of additional spectrum on customer experience and the Company's ability to realize its targets and strategic initiatives in its various countries of operation, and growth strategies and expectations regarding growth (including in relation to voice and data usage and customer bases) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance, liquidity, dividend policy or achievements of the Company, 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 the Company will operate in the future. Important factors that could cause the Company's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the prices of, and demand for, the Company's products and services, continued volatility in the economies in the Company's markets, unforeseen developments from competition, the availability of credit, governmental regulation of the telecommunications industry in countries in which the Company operates, general political uncertainties in the Company's markets, government investigations or other regulatory actions, litigation or disputes with third parties or other negative developments regarding such parties, risks associated with data protection or cyber security, other risks beyond the Company's control or a failure to meet expectations regarding various strategic priorities, the effect of foreign currency fluctuations, increased competition in the markets in which the Company operates and the effect of consumer taxes on the purchasing activities of consumers of the Company's services. Forward-looking statements should, therefore, be construed in light of such factors and undue reliance should not be placed on forward-looking statements.

These forward-looking statements speak only as to circumstances existing as of the date of this earnings release. The Company expressly disclaims any obligation or undertaking (except as required by applicable law or regulatory obligation including under the rules of the Egyptian Exchange), to release publicly any updates or revisions to any forward-looking statement, whether as a result of new information, future events or otherwise.