

## Global Telecom Holding Reports 4Q 2018 Earnings

*GTH returns to profitability in 4Q 2018, recording a net profit of USD 98 million during the period. Revenues for the quarter were USD 702 million while EBITDA reached USD 305 million, yielding a solid EBITDA margin of 43.5%.*

Global Telecom Holding S.A.E. (“GTH”, or “the Company”), a leading international telecommunications company operating mobile networks in high-growth markets in Africa and Asia, announced today its results for the quarter ended 31 December 2018.

### 4Q 2018 Financial and Operational Highlights

<p>Total Revenue</p> <p><b>USD 702 million</b></p> <p>(▲ 11.6% organic<sup>1</sup> y-o-y) (▼ 3.1% reported y-o-y)</p>	<p>EBIDTA</p> <p><b>USD 305 million</b></p> <p>(▲ 16.0% organic<sup>1</sup> y-o-y) (▼ 0.2% reported y-o-y)</p>	<p>Total Customers</p> <p><b>104.4 million</b></p> <p>(▲ 4.4% y-o-y)</p>
<p>Mobile Data Revenue</p> <p><b>USD 160 million</b></p> <p>(▲ 70.2% organic<sup>1</sup> y-o-y) (▲ 46.6% reported y-o-y)</p>	<p>EBITDA Margin<sup>2</sup></p> <p><b>43.5%</b></p> <p>(▲ 1.2 p.p y-o-y)</p>	<p>Net Profit</p> <p><b>USD 98 million</b></p> <p>(13.9% NP Margin)</p>

### Note from the CEO

“In Q4 2018, GTH maintained growth of its customer base across all markets, with total customers of 104.4 million. Revenue increased organically<sup>1</sup> by 11.6% year-on-year in Q4 2018, despite a slight decrease in reported revenues of 3.1% year-on-year to USD 702 million during Q4 2018, mainly as result of adverse currency movements in Pakistan. Customer growth and mobile data demand were reflected in enhanced performance at the EBITDA level organically<sup>1</sup>. Reported EBITDA was USD 305 million for Q4 2018, representing a 1.2 percentage-point margin increase to 43.5<sup>2</sup>%. The period also saw a net profit of USD 98 million in Q4 2018 compared to a net loss of USD 136 million in Q4 2017.

<sup>1</sup> Organic Revenue and EBITDA figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals and M&As

<sup>2</sup> EBITDA margin is EBITDA divided by total revenue

In **Pakistan**, the market remained competitive. Despite this, Jazz continued to show growth in both revenue and customers during the period by competitively servicing the growing demand for data and access to social network platforms. Jazz saw an increase in customer subscriptions of 4.8% year-on-year, driven by the expansion of its data network and higher bundle penetration, while the suspension of taxes collected from customers by mobile operators saw a significant increase in MOU and data usage. Both factors almost equally contributed to organic<sup>3</sup> revenue growth of 22.7% year-on-year in 4Q18.

In **Algeria**, Djezzy's operating trends continued to stabilize during Q4 2018. The customer base grew by 5.7% year-on-year and by 1.3% quarter-on-quarter, driven by continued positive uptake of new offers launched earlier in 2018. Despite a healthy growth in its customer base, revenues declined organically<sup>4</sup> by 1.7% year-on-year during Q4 2018 due to declining ARPU, with the market subject to intense price competition.

In **Bangladesh**, competitive forces continued to exert downward pressure on prices during Q4 2018, with data offers coming under particular strain. Bangladesh's regulatory environment remains challenging and limits customer growth in the market. Despite these factors, Banglalink, saw its revenues increase organically during Q4 2018 by 1.3% year-on-year driven by growth in organic<sup>4</sup> service revenues of 2.6% year-on-year. Banglalink continues to focus on acquiring customers despite a highly competitive market, differentiating its offer with improved network availability.

### Vincenzo Nesci, Chief Executive Officer

#### Summary Income Statement

(USD 'mn)	4Q 2018	4Q 2017	% change (reported)	% change (organic <sup>4</sup> )	FY2018	FY2017	% change (reported)	% change (organic <sup>4</sup> )
<b>Total Revenue</b>	<b>702</b>	<b>724</b>	<b>(3.1%)</b>	<b>11.6%</b>	<b>2,828</b>	<b>3,015</b>	<b>-6.2%</b>	<b>3.5%</b>
<b>Service revenue*</b>	<b>666</b>	<b>687</b>	<b>(2.9%)</b>	<b>11.6%</b>	<b>2,697</b>	<b>2,874</b>	<b>-6.2%</b>	<b>3.4%</b>
Mobile data revenue	160	109	46.6%	70.2%	591	421	40.3%	55.7%
<b>EBITDA</b>	<b>305</b>	<b>306</b>	<b>(0.2%)</b>	<b>16.0%</b>	<b>1,252</b>	<b>1,344</b>	<b>-6.8%</b>	<b>3.3%</b>
EBITDA Margin	43.5%	42.3%	+1.2pp	-	44.3%	44.6%	-0.3pp	-
<b>Net Profit/Loss</b>	<b>98</b>	<b>(136)</b>	<b>n/m</b>	<b>n/m</b>	<b>(238)</b>	<b>(79)</b>	<b>n/m</b>	<b>n/m</b>
Net Profit Margin	13.9%	-18.8%	n/m	n/m	(8.43%)	(2.62%)	n/m	n/m
EPS (USD)	0.02	(0.03)	n/m	n/m	(0.07)	(0.04)	n/m	n/m

\* Component of Revenue

#### Other Key Financial Highlights

(USD 'mn)	4Q 2018	4Q 2017	% change	FY2018	FY2017	% change
<b>CAPEX (excluding licenses)</b>	<b>100</b>	<b>140</b>	<b>(29.1%)</b>	<b>394</b>	<b>470</b>	<b>(16.1%)</b>
LTM Capex (excl. licenses)/LTM Revenue	13.9%	15.6%	(1.6pp)	-	-	-
<b>Gross debt</b>	<b>2,568</b>	<b>2,692</b>	<b>(4.6%)</b>	<b>2,568</b>	<b>2,692</b>	<b>(4.6%)</b>
<b>Net Debt<sup>5</sup></b>	<b>2,128</b>	<b>2,293</b>	<b>(7.2%)</b>	<b>2,128</b>	<b>2,293</b>	<b>(7.2%)</b>
LTM Net Debt /LTM EBITDA	1.7	1.7	0%	-	-	-

<sup>4</sup> Organic Revenue and EBITDA figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals and M&As

<sup>5</sup> Net Debt is calculated as a sum of short term debt, long term debt, less cash and cash equivalents

## Financial Highlights

- **Total Revenue** increased organically by 11.6% year-on-year. However, total reported revenue declined by 3.1% year-on-year to USD 702 million in Q4 2018, mainly due to adverse currency movements in Pakistan. Growth in organic<sup>4</sup> revenue was primarily due to an increase in customers in Pakistan and Bangladesh. On an annual basis, reported revenue was USD 2.8 billion in 2018 compared to USD 3.0 billion in 2017, representing a year-on-year decline of 6.2%. Organically the annual revenues increased by 3.5% year-on-year.
- **Service revenue**, which grew organically<sup>6</sup> by 11.6% year-on-year and contributed 94.9% to total revenue during the quarter, was USD 666 million in Q4 2018, a decrease of 2.9% year-on-year due to currency movements. Despite this, reported mobile data revenue grew by 46.6% year-on-year to USD 160 million, representing a 70.2% organic increase year-on-year in Q4 2018 due to increased data usage across our markets. On an annual basis, total service revenue decreased by 6.2% to USD 2.7 billion in 2018, while mobile data revenue grew by 40.3% year-on-year to 591 million during the same period.
- **EBITDA** for Q4 2018 was USD 305 million, representing a marginal decrease of 0.2% y-o-y, and an organic<sup>6</sup> increase of 16% year-on-year. EBITDA margin grew by 1.2 percentage points to 43.5% during the period. Organic growth was driven by strong margins in Pakistan and Algeria, offsetting a decline in organic EBITDA in Bangladesh.
- **Net profit for the period** amounted to USD 98 million, compared to a net loss of USD 136 million in Q4 2017, primarily due to: (i) lower financial expenses, which declined by 32.6% year-on-year as a result of the revaluation of interest over the put option liability coupled with the depreciation of the currency in Pakistan (ii) lower FX losses, which declined by 74.3% year-on-year, primarily due to forex gain from the re-evaluation of put option liability; and (iii) lower income tax, which decreased by 85.4% year-on-year mainly due to the cancellation of Deodar and related tax adjustments.
- Opening balance sheet numbers are restated following retrospective reversal of reclassification of Deodar assets and liabilities as held for sale and retrospective recognition of depreciation charges in respect of Deodar.
- **CAPEX** (excluding licenses) was USD 100 million in Q4 2018, representing a decrease of 29.1% year-on-year, driven by lower capex in Pakistan and Bangladesh, capex grew by 46.6% year-on-year, primarily due to accelerated 4G/LTE roll-out activity during Q4 2018.
- Net debt decreased by 7.2% year-on-year to USD 2.1 billion, resulting in a net debt to LTM EBITDA ratio of 1.7x.

## Operational Highlights

- **Total customer base** grew by 4.3% year-on-year to 103.9 million following the additions of customers across all markets.
- **Data subscribers** recorded strong growth in Pakistan (15.9%), Algeria (28.3%) and Bangladesh (15.9%) driven by higher bundle penetration and continued data network expansion.

## Significant Corporate Events

- The Ordinary General Assembly Meeting (“OGM”) of GTH convened on 15 November 2018 and approved the extension of the revolving credit facility of USD 100 million offered by VEON Holdings B.V. (“VEON”), which was maturing on 30 November 2018, for an additional three months as recommended by the Board. The shareholders also delegated the Board to further extend the same revolving credit facility for 2 additional period(s) for the term of three months each.
- The Extraordinary General Assembly Meeting (“EGM”) of GTH also convened on 15 November 2018 and approved the proposed amendments to Articles (17) and (48) of GTH Statutes which improved the Shareholders’ rights. The amended Article 17 requires a shareholder vote at an OGM to increase the Company’s issued capital, whereas the amended Article 48 clarifies and expands on the terminology used to define votes related to an increase or decrease in the authorized capital of the Company. Both amendments bring the Articles of Association in line with the new changes to local law and regulations.
- On 29 November 2018, the GTH Board announced its intention to raise capital via a rights issue of EGP 11.2 billion (USD 624.7 equivalent) through the issuance of 19.3 billion new shares with a par value of EGP 0.58 (the “Rights Issue”). Also on 29 November 2018, GTH’s Board appointed Grant Thornton as an independent financial advisor to prepare a study on the fair value of the company’s share capital in compliance with the provisions of Article 48 of EGX Listing Rules and FRA letter dated 22 October 2018 in preparation for the announced Rights Issue. The Rights Issue was agreed on by GTH’s Board in order to satisfy the group’s near term financial and funding obligations through to the end of 2019.
- On 3 January 2019, GTH’s Board ratified the report prepared by the independent financial advisor, Grant Thornton regarding the fair value of GTH’s share capital in relation to the Rights Issue amounting to EGP5.31 per share.
- On 23 January 2019, GTH’s Board received two letters from VEON Ltd. The first letter related to the strategic relationship with GTH, including VEON’s intention to explore taking GTH private. The second letter was a letter of support from VEON, as requested by GTH, to provide GTH with its immediate funding requirements related to the servicing of certain debt obligations and an interest payment to external bondholders. Accordingly, the Board decided to postpone the OGM for the Rights Issue from 28 January 2019 to 27 March 2019 to provide with more time to evaluate GTH’s options in light of these developments.
- On 30 January 2019, GTH’s Board approved the extension of maturity of the revolving credit facility of USD 100 million offered by VEON, maturing on 28 February 2019 for an additional three months with the same current terms.
- On 5 February 2019, GTH Board received a letter and a press release from VEON Ltd. regarding its intention to deposit a Mandatory Tender Offer (“MTO”) in relation Global Telecom Holding S.A.E. shares at a price of EGP 5.30 per share.
- On 10 February 2019, VEON deposited the MTO with the Egyptian Financial Regulatory Authority (the “FRA”) in accordance with the provisions of Chapter 12 of the Executive Regulations of the Capital Market Law No. 95 of 1992 for the purchase of up to 1,997,639,608 shares of GTH, representing approximately 42.31% of GTH’s issued shares, at a price of EGP 5.30 per share (the “Offer”).

## Operational & Financial Review

### Jazz, Pakistan

The Pakistan market remained competitive in 4Q 2018, particularly in data and social network offers, aimed at offering new services to drive growth. However, the overall pricing environment was generally rational and Jazz maintained its price premium positioning.


#### Jazz, Pakistan | Key Financial Indicators

(PKR 'bn)	4Q 2018	4Q 2017	% change	FY2018	FY2017	% change
<b>Revenues</b>	<b>49.5</b>	<b>40.3</b>	<b>22.7%</b>	<b>181.7</b>	<b>160.7</b>	<b>13.1%</b>
<b>Service revenue</b> (component of total revenue)	<b>46.2</b>	<b>37.3</b>	<b>24.0%</b>	<b>169.3</b>	<b>149.4</b>	<b>13.3%</b>
Mobile data revenue	11.9	6.4	86.7%	38.2	23.7	61.0%
<b>EBITDA</b>	<b>23.2</b>	<b>18.4</b>	<b>26.0%</b>	<b>86.8</b>	<b>74.1</b>	<b>17.2%</b>
EBITDA Margin	47.0%	45.7%	+1.2pp	47.8%	46.1%	+1.7pp
<b>CAPEX (excluding licenses)</b>	<b>5.9</b>	<b>6.6</b>	<b>(11.6%)</b>	<b>23.9</b>	<b>25.3</b>	<b>(5.3%)</b>
LTM CAPEX (excluding licenses)	13.2%	15.7%	(2.6pp)	13.2%	15.7%	(2.6pp)

Jazz continued to show growth in both revenue and customers despite these competitive market conditions. In 4Q 2018, revenue growth (+22.7% year-on-year) accelerated sequentially; 9.9 percentage points of this growth came from business performance and 10.8 percentage points were driven by higher usage by customers mainly due to suspension of taxes collected from customers by mobile operators, which continued in 4Q 2018 and provided the whole market with additional revenue growth on account of higher usage by customers. Revenue growth also benefitted from the release of historic SIM tax accruals in 4Q 2017. Mobile data revenue growth accelerated sequentially to 86.7% year-on-year, helped by an increase in data customers and data usage through higher bundle penetration and continued data network expansion.

EBITDA posted healthy growth of 26.0% and EBITDA margin was 47.0%, an increase of 1.2 percentage points year-on-year. Excluding tax-related factors for both 4Q 2017 and 2018, EBITDA growth would have been 19.8%, and EBITDA margin would have increased by 3.9 percentage points year-on-year.

#### Jazz, Pakistan | Key Operational Indicators

Operator/Country	KPIs	4Q 2018	4Q 2017	% change
 <b>Pakistan</b>	<b>Customers   mn</b>	<b>56.2</b>	<b>53.6</b>	<b>4.8%</b>
	<b>Mobile data users   mn</b>	<b>33.0</b>	<b>28.5</b>	<b>15.9%</b>
	ARPU   PKR	264.8	232.4	14.0%
	MOU   min	551	515	6.8%
	Data usage (MB/user)	1,373	672	104.3%

The customer base was broadly flat quarter on quarter and increased by 4.8% year-on-year, driven by data network expansion and growth in data subscribers which increased by 15.9% year-on-year. The quarter on quarter customer trend is resulting from the commercial strategy to focus on high quality customers aimed at further improving the new sale customer mix, underpinned by the best network in terms of quality of service.

Capex excluding licenses decreased year-on-year to PKR 5.9 billion in 4Q18, due to a more balanced quarterly distribution in 2018 and lower year-on-year 3G and 4G/LTE roll-out activity in 4Q 2018. The FY 2018 capex (excluding licenses) to revenue ratio was 13.2%. At the end of the 4Q 2018, 3G was offered in more than 368 cities while 4G/LTE was offered in

167 cities (defined as cities with at least three base stations). At the end of 4Q 2018, population coverage of Jazz's 3G and 4G/LTE networks was 52% and 35% respectively.

## Djezzy, Algeria

In Algeria, operating trends further stabilized during 4Q 2018, with the customer base growing quarter-over-quarter. The market remains challenging with intense price competition, especially in channel related incentives, and a regulatory and macro-economic environment which remains characterized by inflationary pressures and import restrictions on certain goods. In addition, a complementary Finance Law introduced on 15 July 2018 further increased the tax on recharge transfer between operators and distributors from 0.5% to 1.5%, with financial impact in both Q3 and 4Q 2018.

### Djezzy, Algeria | Key Financial Indicators

<i>(DZD 'bn)</i>	4Q 2018	4Q 2017	% change	FY2018	FY2017	% change
<b>Revenues</b>	24.1	24.5	(1.7%)	94.8	101.5	(6.6%)
<b>Service revenue</b> (component of total revenue)	23.2	24.1	(3.7%)	93.4	99.6	(6.2%)
Mobile data revenue	5.5	3.3	67.1%	22.0	12.6	74.6%
<b>EBITDA</b>	11.0	10.5	4.9%	42.4	47.2	(10.1%)
<i>EBITDA Margin</i>	45.7%	42.9%	+2.9pp	44.7%	46.5%	(1.7pp)
<b>CAPEX (excluding licenses)</b>	5.8	4	46.6%	12.6	14.6	(13.9%)
<i>LTM CAPEX (excluding licenses)</i>	13.3%	14.4%	(1.1pp)	13.3%	14.4%	(1.1pp)

Against an overall context of economic slowdown and growing inflation, market competition on both voice and data, evident in the first nine months of 2018, further accelerated into 4Q 2018, putting strong pressure on prices and ARPU. Djezzy kept its focus on both prepaid and post-paid with a segmented approach, aiming to drive up value while protecting and sequentially improving its customer base with competitive offers on data.


Total revenue decreased by 1.7% year-on-year, a slower pace of decline compared to Q3 2018, as a result of both operational stabilization with sequential customer growth and favorable adjustments mostly related to the reversal of a liability towards a vendor of approximately DZD 0.7 billion. Excluding the favorable adjustments, revenue would have decreased by 4.5% year-on-year, a lower rate of decline compared to 6.7% in Q3.

Price competition, in both voice and data, caused a continued reduction in ARPU, which declined by 7.4% year-on-year. Djezzy's 4Q 2018 service revenue was DZD 23.2 billion, a 3.7% year-on-year decline, while data revenue growth was 67.1%, due to higher usage and a substantial increase in data customers as a result of the acceleration of 3G and 4G/LTE network roll-out. This data revenue growth is still supported by the change towards a more aggressive data pricing strategy that has been in place since the beginning of 2018. The net customer additions trend, which was still positive during 4Q 2018, led to customer growth of 1.3% quarter on quarter and 5.7% year-on-year. The quarter on quarter growth was driven by continued positive uptake of new offers launched earlier in the year.

In June 2018, Djezzy migrated to its new DBSS platform, resulting in a slight increase in technology opex. This new platform offers Djezzy simplification, agility and a faster time to market for new services, coupled with improved customer service. Going forward, DBSS, as a cornerstone of Djezzy's digitization, will allow the development of bespoke offers to customers via automatized customer value management tools.

In 4Q 2018, EBITDA increased by 4.9% year-on-year. The decline in revenues, coupled with increased taxation, an increase of technology costs and additional channel incentives were more than offset by the favorable revenue adjustments and the release of certain provisions totaling DZD 1.3 billion in 4Q 2018. Excluding the revenue adjustments and the release of certain provisions, EBITDA would have decreased by 7.7% year-on-year and the EBITDA margin would have been 41.4%.

### Djezzy, Algeria | Key Operational Indicators

Operator/Country	KPIs	4Q 2018	4Q 2017	% change
 <b>Algeria</b>	Customers   mn	15.8	15.0	5.7%
	Mobile data users   mn	9.2	7.2	28.3%
	ARPU   DZD	489	528	(7.4%)
	MOU   min	437	430	1.7%
	Data usage (MB/user)	2,191	561	290.5%

The new Finance Law, effective from January 2018, and further tax increases from mid-July continue to impact year-on-year performance. As a result of this new taxation, Djezzy's EBITDA was negatively impacted in 4Q 2018 by approximately DZD 486 million. This impact on EBITDA was only partially offset by the positive impact from full symmetry in MTR (partial symmetry since 31 October 2017, full symmetry achieved in November 2018).

At the end of 4Q 2018, the company's 4G/LTE services covered 28 wilayas and close to 27% of Algeria's population, while its 3G network covered all 48 wilayas and approximately 77% of Algeria's population. In 4Q 2018, capex excluding licenses was DZD 5.8 billion, representing an increase year-on-year due to an acceleration of 4G/LTE roll-out activity in Q4, with an FY 2018 capex (excluding licenses) to revenue ratio of 13.3%.

### Banglalink, Bangladesh

The market during 4Q 2018 was still characterized by price pressure led by competition, mostly in data offers.

The regulatory environment remains challenging and limits customer growth in the market. For example, the restriction on sale of subsequent SIM card within 3-hours of purchase of the preceding SIM using the same national identity card has impacted gross additions across the mobile industry in Bangladesh since Q2 2018.

### Banglalink, Bangladesh | Key Financial Indicators


(BDT 'bn)	4Q 2018	4Q 2017	% change	FY2018	FY2017	% change
Revenues	11.0	10.8	1.3%	43.7	46.5	(6.1%)
Service revenue (component of total revenue)	10.7	10.4	2.6%	42.2	45.1	(6.3%)
Mobile data revenue	2.0	1.6	25.2%	7.3	6.3	14.9%
EBITDA	3.8	3.9	(3.7%)	15.3	18.8	(18.5%)
EBITDA Margin	34.3%	36.1%	(1.8pp)	35.2%	40.5%	(5.4pp)
CAPEX (excluding licenses)	0.7	3.7	(82.6%)	7.8	8.2	(5.4%)
LTM CAPEX (excluding licenses)	17.8%	17.7%	+0.1pp	17.8%	17.7%	+0.1pp

Total revenue in 4Q 2018 grew by 1.3% year-on-year, driven by service revenue, which increased by 2.6% year-on-year to BDT 10.7 billion. The increase represents a stabilization of revenue, despite Banglalink's 3G network coverage gap compared to competitors. Service revenue was broadly flat quarter on quarter in 4Q 2018, an improvement compared to last year when Q4 was lower than Q3. The revenue increase was mainly driven by an acceleration of data revenue growth resulting from network improvements during the quarter, following spectrum acquisition in Q1 2018 and enhanced network availability, along with the continued expansion of Banglalink's distribution footprint.

The customer base grew by 3.1% year-on-year and was stable quarter on quarter, supported by improved distribution and network availability, notwithstanding the intense pricing pressure in the market. ARPU was broadly flat at -0.2% year-on-year. Data revenue increased by 25.2% year-on-year, driven by increased smartphone penetration and 76.6% year-on-year (39.5% quarter on quarter) data usage growth, along with 15.9% year-on-year growth in active data users.

Banglalink's EBITDA in 4Q 2018 decreased by 3.7% to BDT 3.8 billion, mainly as a result of an increase of structural opex due to 4G/LTE network expansion, more than offsetting the positive revenue impact. EBITDA margin was 34.3%.

#### Banglalink, Bangladesh | Key Operational Indicators

Operator/Country	KPIs	4Q 2018	4Q 2017	% change
 <b>Bangladesh</b>	Customers   mn	32.3	31.3	3.1%
	Mobile data users   mn	19.6	16.9	15.9%
	ARPU   BDT	110	111	(0.2%)
	MOU   min	232	274	(15.5%)
	Data usage (MB/user)	1,024	580	76.6%

Notwithstanding continued intense competition in the market with a specific focus on customer acquisition, Banglalink continued to focus on acquiring customers in Q4 2018, with improved network availability and managed to deliver year-on-year revenue growth, following 8 consecutive quarters of decreasing revenue.

In 4Q 2018, capex excluding licenses significantly decreased year-on-year to BDT 0.7 billion, due to a more front-loaded quarterly distribution in 2018. 3G network population coverage was approximately 72% at the end of 4Q 2018. The roll-out of 4G/LTE is in progress and the service, which was launched in February 2018, covered a population of approximately 17% at the end of 4Q 2018. FY 2018 capex (excluding licenses) to revenue ratio was 17.8%.

Finally, effective from 1 October 2018, BTRC has fixed the revenue-sharing ratio on revenue from value added services at 40:60 which will result in higher costs to Banglalink.



### About Global Telecom Holding S.A.E.

Global Telecom Holding, or GTH, is a leading international telecommunications company operating mobile networks in Africa and Asia. GTH operates mobile networks in Algeria (Djezzy), Pakistan (Jazz), Bangladesh (Banglalink), with its total number of customers exceeding 100 million in 2018.

Global Telecom Holding is majority-owned by the VEON Group, one of the world's largest mobile telecommunications provider by number of customers and is traded on the Egyptian Stock Exchange under the symbol (GTHE.CA).

### Shareholder Information

GTHE.CA on the Egyptian Exchange

Shares Outstanding: 4,721,121,558

### Investor Relations Contact

Noha Agaiby

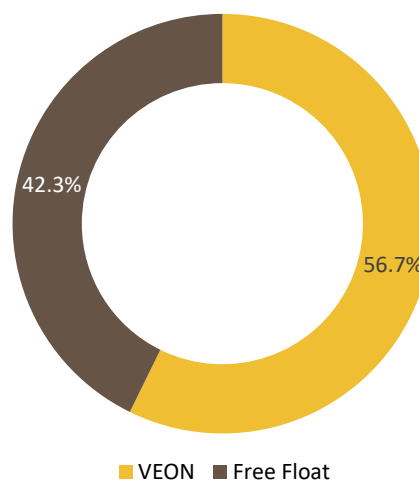
Head of Investor Relations

Tel.: +20 (2) 2461 9655/4

[IR@gtelecom.com](mailto:IR@gtelecom.com)

### Shareholder Structure

(as of December 2018)



### 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.

## Important Notice

This announcement (and the information contained herein) is not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or within the United States of America, its territories and possessions, any State of the United States or the District of Columbia (collectively, the "United States"). This notice is for informational purposes only and is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended (the "US Securities Act"), or an exemption therefrom. The securities referred to herein have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, taken up, resold, transferred or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. Global Telecom Holding SAE (the "Company") does not intend to conduct a public offer of any securities in the United States.

This announcement (and the information contained herein) is not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or within Australia, Canada, Japan or South Africa or any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction.

This announcement is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA"). To the extent that this document does constitute an inducement to engage in any investment activity included within this press release, it is directed at and is only being distributed (A) in member states of the European Economic Area, to persons who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC as amended (including amendments by Directive 2010/73/EU, to the extent implemented in the relevant member state) (the "Prospectus Directive")); (B) in the United Kingdom, to persons who (i) have professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or are high net worth companies, unincorporated associations or partnerships or trustees of high value trusts as described in Article 49(2) of the Order; and (ii) are "qualified investors" as defined in section 86 of FSMA; and (C) to other persons to whom it may otherwise be lawful to communicate it (each a "Relevant Person"). No other person should act or rely on this document and persons distributing this document must satisfy themselves that it is lawful to do so. By accepting this document you represent and agree that you are such a Relevant Person.

## Consolidated Financial Statements

### CONSOLIDATED INCOME STATEMENT

USD millions	4Q 2018	4Q 2017	YoY	FY2018	FY2017	YoY
Service revenue	666.4	686.5	(2.9%)	2,696.7	2,873.5	(6.2%)
-Of which mobile data revenue	159.6	108.5	46.6%	591	421	40.3%
Other revenue	35.4	37.6	(5.7%)	131.4	141.2	(6.9%)
<b>Total operating Revenue</b>	<b>701.8</b>	<b>724.1</b>	<b>(3.1%)</b>	<b>2,828.1</b>	<b>3,014.7</b>	<b>(6.2%)</b>
Total expenses	(396.5)	(417.9)	(5.2%)	(1,575.9)	(1,671.1)	(5.7%)
<b>EBITDA</b>	<b>305.3</b>	<b>306.2</b>	<b>(0.2%)</b>	<b>1,252.2</b>	<b>1,343.6</b>	<b>(6.8%)</b>
Depreciation and amortization <sup>1</sup>	(140.7)	(145.3)	(3.1%)	(542.8)	(617.6)	(12.1%)
(Loss) on disposals of non-current assets	(0.6)	(1.7)	(65.3%)	(7.6)	(6.6)	15.0%
Impairment losses	1.2	(0.5)	n/m	(367.7)	(0.7)	n/m
Technical services expense	(11.0)	(12.0)	-8.7%	(27.9)	(51.7)	(46.0%)
Other operating (loss)/gain	12.1	(15.9)	n/m	15.4	(9.8)	n/m
<b>Operating profit</b>	<b>166.3</b>	<b>130.8</b>	<b>27.14%</b>	<b>321.6</b>	<b>657.2</b>	<b>(51.0%)</b>
Finance costs	(81.1)	(120.3)	-32.6%	(333.7)	(347.1)	(3.9%)
Finance income	4.3	2.9	50.6%	8.0	12.4	(35.2%)
Net foreign exchange loss	(3.1)	(12.1)	n/m	(31.5)	(44.5)	(29.2%)
<b>Profit before income tax</b>	<b>86.4</b>	<b>1.3</b>	<b>n/m</b>	<b>(35.6)</b>	<b>278.0</b>	<b>n/m</b>
Income tax expense	11.2	(137.2)	n/m	(202.8)	(357.1)	(43.3%)
<b>Profit/(loss) for the period</b>	<b>97.6</b>	<b>(135.9)</b>	<b>n/m</b>	<b>(238.4)</b>	<b>(79.1)</b>	<b>n/m</b>
<b>Attributable to:</b>						
The owners of the parent	72.6	(154)	n/m	(331.0)	(181.7)	n/m
Non-controlling interests	25.0	18.1	38.1 %	92.6	102.6	-9.7%
<b>Profit for the period</b>	<b>97.6</b>	<b>(135.9)</b>	<b>n/m</b>	<b>(238.4)</b>	<b>(79.1)</b>	<b>n/m</b>
(Losses)/earnings per share	0.02	(0.03)	n/m	(0.07)	(0.04)	n/m

<sup>1</sup> Opening balance sheet numbers are restated following retrospective reversal of reclassification of Deodar assets and liabilities as held for sale and retrospective recognition of depreciation charges in respect of Deodar

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>1</sup>**

USD millions	31-Dec-2018	31-Dec-2017
<b>Assets</b>		
<b>Non-current assets</b>		
Property and equipment	1,564.9	2008.9
Intangible assets and goodwill	1,703.9	1889.1
Other non-current assets	279.3	386.3
<b>Total non-current assets</b>	<b>3,548.1</b>	<b>4284.3</b>
<b>Current assets</b>		
Cash and cash equivalents	420.4	384.7
Trade and other receivables	263.0	259.7
Other current assets	299.7	364.0
<b>Total current assets</b>	<b>983.1</b>	<b>1008.4</b>
<b>Assets held for sale</b>	<b>16.7</b>	<b>-</b>
<b>Total assets</b>	<b>4,547.9</b>	<b>5292.7</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity attributable to equity owners of the parent	(541.9)	(87.2)
Non-controlling interests	144.3	138.9
<b>Total equity</b>	<b>(397.6)</b>	<b>51.7</b>
<b>Non-current liabilities</b>		
Long term debt	1,643.5	2,173.2
Other non-current liabilities	503.4	497.4
<b>Total non-current liabilities</b>	<b>2,146.9</b>	<b>2670.6</b>
Short term debt	924.5	518.5
Trade and other payables	1,325.5	1439.4
Other current liabilities	544.2	612.5
<b>Total current liabilities</b>	<b>2,794.2</b>	<b>2570.4</b>
<b>Liabilities directly associated with the assets held for sale</b>	<b>4.4</b>	<b>-</b>
<b>Total liabilities</b>	<b>4,945.5</b>	<b>5241.0</b>
<b>Total equity and liabilities</b>	<b>4,547.9</b>	<b>5292.7</b>

<sup>1</sup> Opening balance sheet numbers are restated following retrospective reversal of reclassification of Deodar assets and liabilities as held for sale and retrospective recognition of depreciation charges in respect of Deodar

**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>USD millions</b>	<b>31-Dec-2018</b>	<b>31-Dec-2017</b>
<b><u>Operating activities</u></b>		
Profit before tax	(35.6)	278.0
Non-cash adjustments to reconcile profit before tax to net cash flows provided from operating activities	1,266.1	924.5
Change in working capital	44.1	114.7
Interest paid	(224.8)	(213.5)
Interest received	9.4	11.9
Income tax paid	(158.7)	(238.9)
<b>Net cash flows provided from operating activities</b>	<b>900.3</b>	<b>876.7</b>
<b><u>Investing activities</u></b>		
Proceeds from sale of property and equipment and intangible assets	5.3	8.6
Purchase of property and equipment and intangible assets	(720.2)	(888.0)
Change in other financial assets	20.2	(44.4)
<b>Net cash flows (used in) investing activities</b>	<b>(694.7)</b>	<b>(923.8)</b>
<b><u>Financing activities</u></b>		
Proceeds from borrowings, net of fees paid	419.2	798.7
Repayment of borrowings	(449.2)	(580.1)
Dividends paid to non-controlling interests	(79.6)	(116.1)
Purchase of treasury shares	-	(259.1)
<b>Net cash flows provided from financing activities</b>	<b>(109.6)</b>	<b>(156.6)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>96.0</b>	<b>(203.7)</b>
Cash and cash equivalents at beginning of the period	384.7	606.4
Effect of movements in exchange rates on cash held	(60.3)	(18.0)
<b>Cash and cash equivalents at end of period</b>	<b>420.4</b>	<b>384.7</b>

## Consolidated Financial Statements

### Revenue and EBITDA Reconciliations

#### SERVICE REVENUE

USD million	4Q 2018	4Q 2017	Change YoY	FY2018	FY2017	Change YoY
<b>Service revenue</b>						
Mobilink, Pakistan	343.9	350.3	(1.9%)	1,391.4	1,418.0	(1.9%)
Djezzy, Algeria	195.3	209.6	(6.8%)	801.0	898.4	(10.8%)
Banglalink, Bangladesh	127.2	126.5	0.5%	504.3	557.1	(9.5%)
<b>Total service revenue</b>	<b>666.4</b>	<b>686.5</b>	<b>(2.9%)</b>	<b>2,696.7</b>	<b>2,873.5</b>	<b>(6.2%)</b>
Other revenue	35.4	37.6	(5.7%)	131.4	141.2	(6.9%)
<b>Total operating revenue</b>	<b>701.8</b>	<b>724.1</b>	<b>(3.1%)</b>	<b>2,828.1</b>	<b>3,014.7</b>	<b>(6.2%)</b>

#### EBITDA

USD million	4Q 2018	4Q 2017	Change YoY	FY2018	FY2017	Change YoY
Mobilink, Pakistan	172.8	173.8	(0.3%)	713.8	703.7	1.4%
Djezzy, Algeria	92.7	91.4	1.4%	363.5	425.7	(14.6%)
Banglalink, Bangladesh	44.8	47.4	(5.6%)	183.4	233.2	(21.4%)
<b>Total</b>	<b>310.3</b>	<b>312.6</b>	<b>(0.6%)</b>	<b>1,261.1</b>	<b>1,362.6</b>	<b>(7.4%)</b>
Other	(4.9)	(6.3)	(18.6%)	(8.5)	(18.9)	(53.3%)
<b>Total Consolidated EBITDA</b>	<b>305.3</b>	<b>306.2</b>	<b>(0.2%)</b>	<b>1,252.2</b>	<b>1,343.6</b>	<b>(6.8%)</b>

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

	Average rates			Closing rates		
	4Q 2018	4Q 2017	Change YoY	4Q 2018	4Q 2017	Change YoY
Egyptian Pound	17.92	17.71	1.2%	17.92	17.78	0.8%
Algerian Dinar	118.63	114.77	3.4%	118.21	114.76	3.0%
Pakistan Rupee	134.20	106.42	26.1%	139.80	110.70	26.3%
Bangladeshi Taka	84.06	82.32	2.1%	83.60	82.69	1.1%

## **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.

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

DISCLAIMER

This earnings release is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy shares in GTH (the "Company"). Further, it does not constitute a recommendation by the Company or any other party to sell or buy shares in the Company or any other securities. 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, those regarding the Company's prospects, anticipated performance for 2019, potential capital raising, the stabilization of Algeria and Bangladesh, 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, the Company's ability to realize the acquisition or disposition of any businesses and assets, 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.