



**Investor Presentation**  
**September 2014**

# Disclaimer

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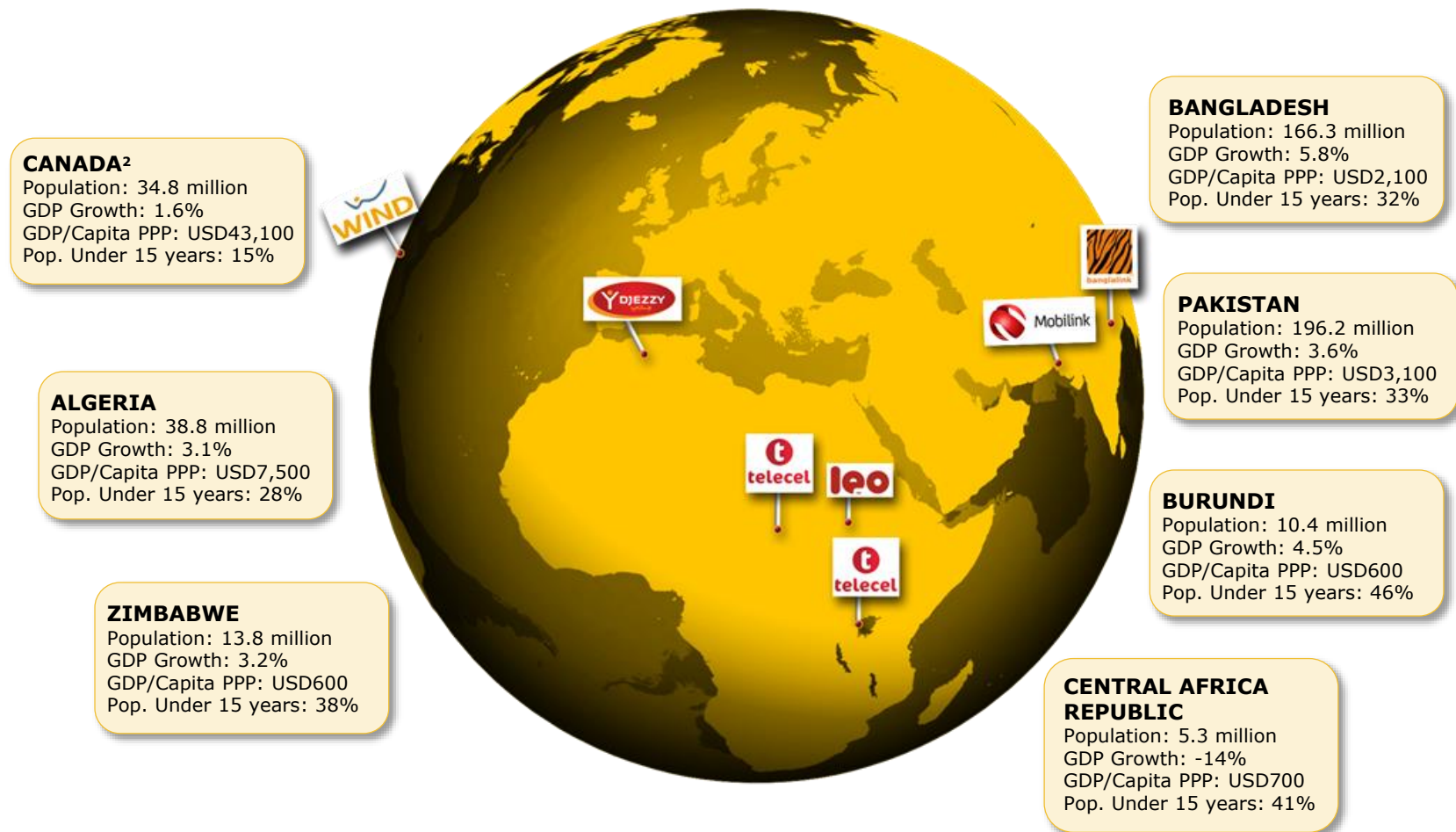
# Agenda

- **Geographical Presence**      **4**
- **Market Position**              **5**
- **Shareholder Structure**        **6**
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- **GTH Operations**              **9**
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# Geographical Presence<sup>1</sup>

GTH serves a population of approximately 466 million



1. Figures from CIA Factbook

2. GTH has 65% indirect economic ownership in Globalive Investment Holding Canada, but a minority voting stake

# Market Position

## **Algeria:**

Djezzy remains a profitable market leader with significant mobile data potential

## **Pakistan:**

Mobilink leads the market, and has great potential for revenue growth through mobile data, MFS and VAS

## **Bangladesh:**

banglalink is a leading operator with strong focus on increasing value share in a rapidly large and growing market with low penetration level

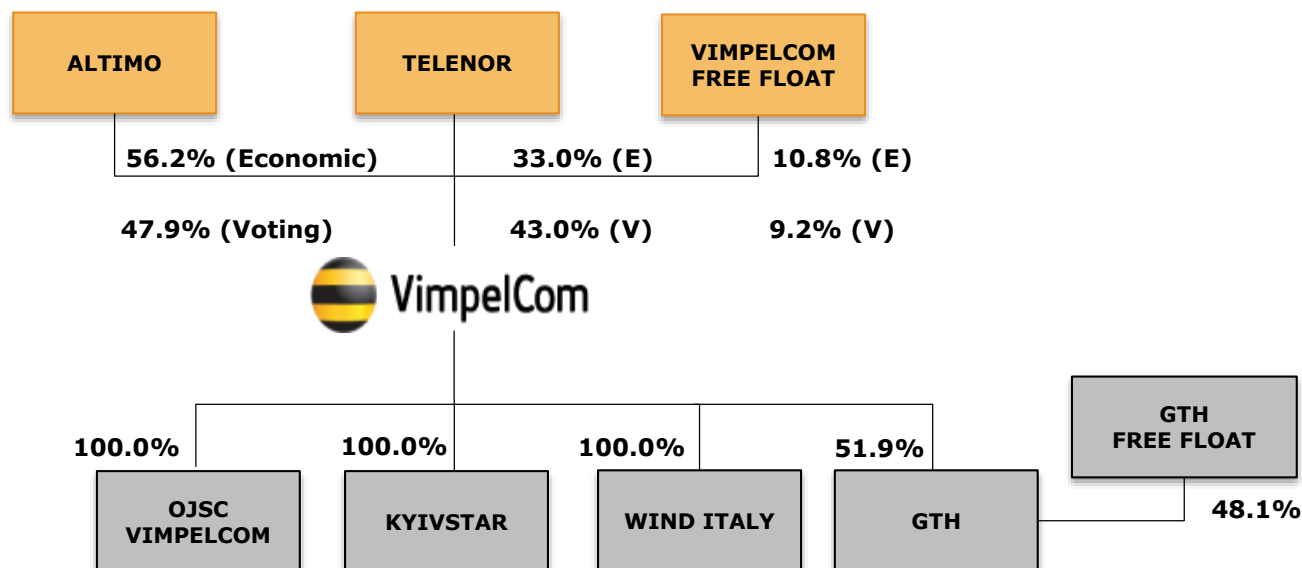
## **Telecel Globe:**

Leading positions in markets with low penetration levels, healthy APPM, and high growth potential. Internet is a mobile story in Africa

## **Canada:**

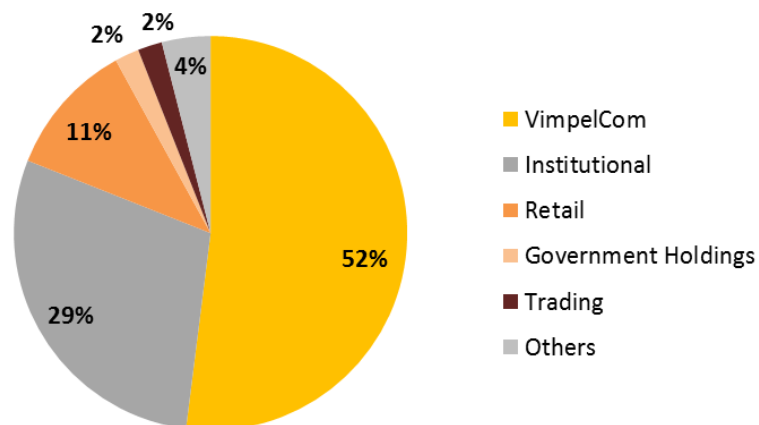
WIND Mobile continues its "Value Plus" strategy execution, adding primarily postpaid subscribers while carefully managing prepaid economics for both voice and mobile broadband customers

# Shareholder Structure

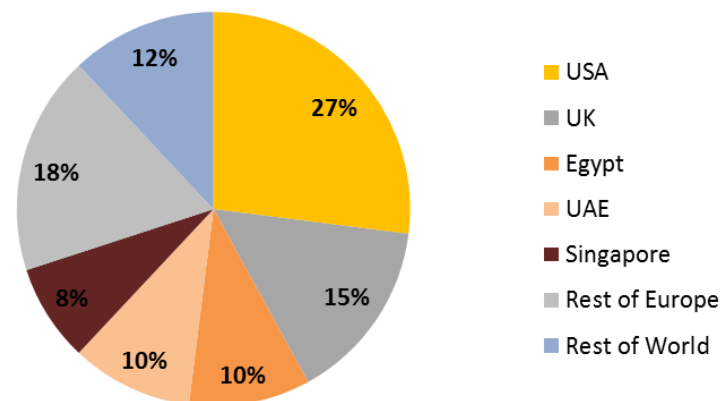


# Shareholder Composition<sup>1</sup>

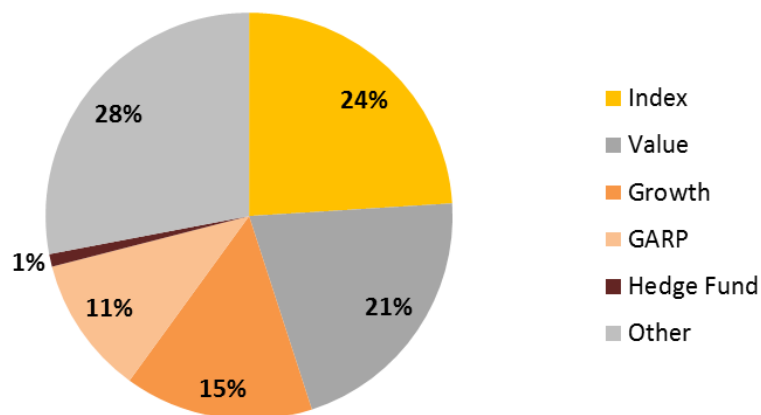
## Total Shareholder Composition



## Institutional Shares by Geography



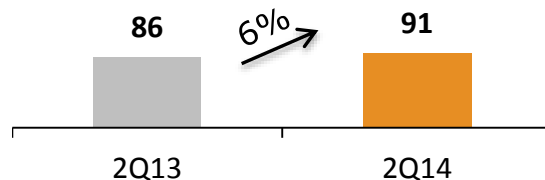
## Institutional Shares by Investment Style



1. Shareholders composition as at June 30, 2014

# 2Q14 Highlights

## Customers<sup>1&2</sup>

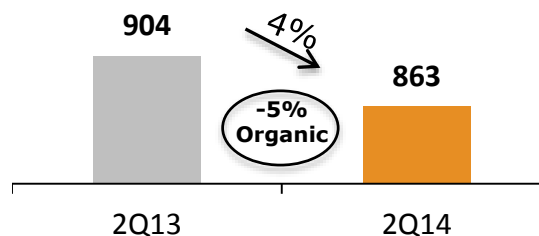


**Djezzy<sup>1</sup>:** Djezzy grew its mobile customer base 4% YoY to 17.5 million. Djezzy expects to stabilize its market leading position during 2H14 and pave the way for revenue growth in FY2015

**Mobilink:** Mobile customer base increased 4% YoY to 38.8 million, supported by the introduction of an attractive tariff plan for new customers and a competitive reactivation campaign

**banglalink:** Customer base grew 10% YoY to 29.8 million, driven by revised start-up offers with an attractive tariff upon recharge, including data, voice and SMS, in addition to various campaigns such as bonus on recharge offers and bundle gifting service

## Total Revenues<sup>3</sup>

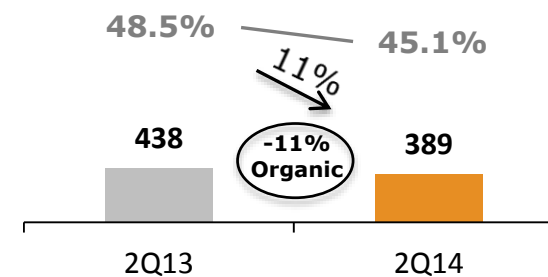


**Djezzy:** Revenue decreased 6% YoY in local currency ("LC"), as a result of lower interconnect revenue and the impact of competitors launching 3G six month ahead of Djezzy

**Mobilink:** Revenue decreased 8% YoY in LC, negatively impacted by intensive competition from attractive bundles on the back of competitors' increased network capacity and unfavorable macro-economic environment

**banglalink:** Revenue increased 8% YoY in LC, driven by higher voice, interconnection, and VAS revenue, mostly due to growth in customers to 29.8 million

## Group EBITDA<sup>3</sup> & EBITDA Margin



Reported EBITDA in US dollar decreased 11% YoY to USD 389 million. Despite the decline, GTH continue to achieve an industry leading EBITDA margin of mobile revenue by 47.4%

**Djezzy:** EBITDA decreased 15% YoY in LC, negatively impacted by lower revenue, higher network cost, related to 3G rollout

**Mobilink:** EBITDA decreased 16% YoY in LC, negatively impacted by lower revenue, higher customer associated cost and higher tax absorption

**banglalink:** EBITDA increased 12% YoY in LC, mainly due to higher revenue and cost

1. As announced on July 1 2013, during an internal investigation with regards to Djezzy's active customers, management found a technical bug that overstated Djezzy's customer base by 1.4 million. The customers' base comparative figures for 2Q13 were adjusted accordingly. This event does not impact historical reported revenue or EBITDA, but positively affect MOU and ARPU

2. Total customers in Millions

3. Group indicators in USD Millions



# Algeria



# Djezzy - Overview



**Population<sup>1</sup>: 38.8 million**  
**GDP/capita<sup>1</sup>: USD 7,500**

## Macro environment

- GDP growth for FY 2013/2014 of ~3.1%
- Government, trade and agricultural sectors account for over 60% of GDP
- 28% of the population is under 15 years old
- Presidential elections concluded in April 2014

## Regulatory environment

- Djezzy was awarded a 3G license in December 2013 and received an exceptional approval from the Bank of Algeria for foreign payments for 3G equipment
- Government plans to list 10 public companies on ASE, including Mobilis

**Market size<sup>2</sup>: 35.4 million**  
**Penetration<sup>2</sup>: 91%**

### Market players (subs):

- Djezzy (17.5 million)
- Mobilis (9.6 million)
- Ooredoo (8.3 million)

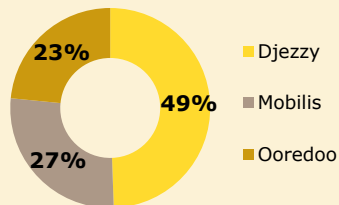
## Competitive landscape

- **Djezzy**: high brand perception with solid market leadership with strong control over distribution
- **Mobilis**: incumbent operator owned by the government, has a strong relationship with the regulator and has been very active on the commercial front lately
- **Ooredoo**: seen as a multimedia operator that offers lower prices, more promotions, subsidies and higher incentives to the retail channel

## Strategic direction

- Launched 3G services in July 2014 targeting high value data users
- Maintain leadership in customer experience and NPS
- Emphasize Djezzy as the preferred Algerian mobile brand while launching 3G
- Maintain a solid network performance from 3G roll out and 2G network modernization and expansion

### Market shares<sup>3</sup>



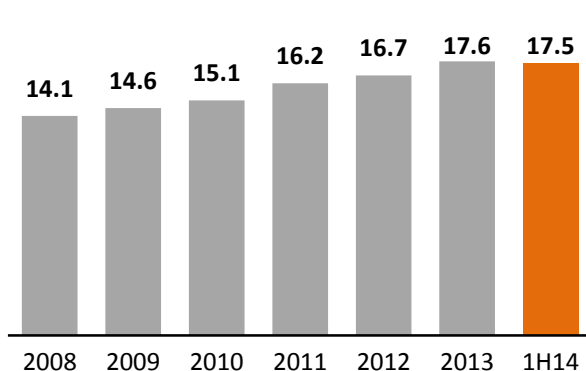
1. CIA Factbook

2. Penetration figures are provided based on OTA closing base and our data warehouse (DWH) figures for competition

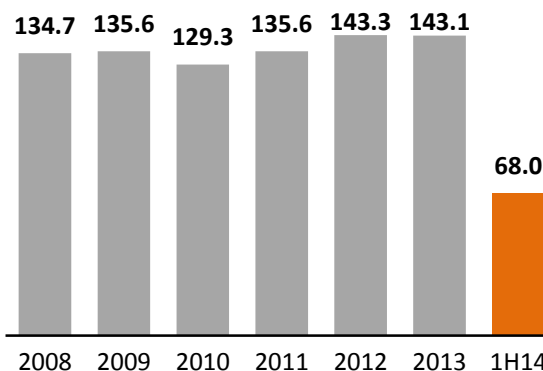
3. DWH market share

# Djezzy - KPIs

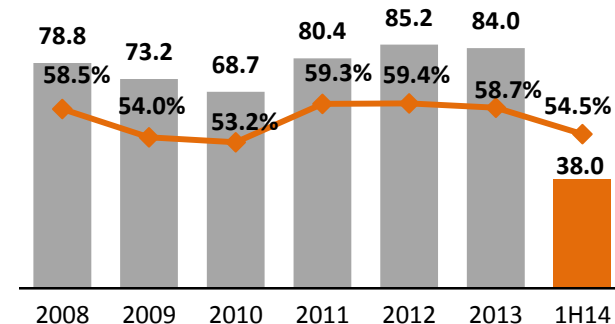
## Mobile Customers<sup>1</sup> (Millions)



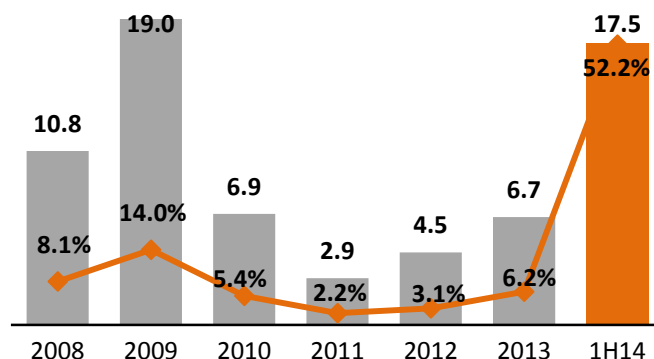
## Revenues (DZD Billions)



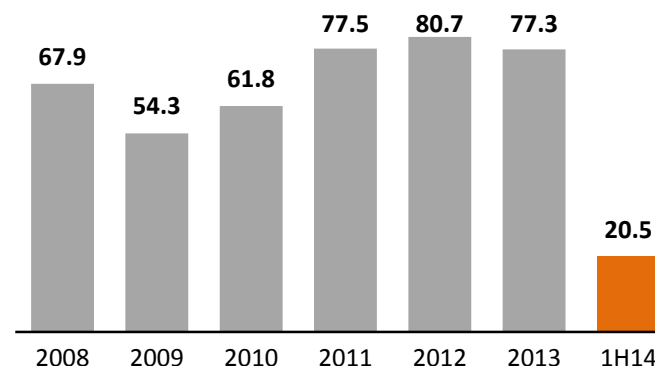
## EBITDA (DZD Billions) & EBITDA Margin



## CAPEX<sup>2</sup> (DZD Billions) & CAPEX/Revenue



## Operating Cash Flow<sup>3</sup> (DZD Billions)



Note: Foreign exchange rate DZD 78.4834/ USD 1

1. As announced on July 1 2013, during an internal investigation with regards to Djezzy's active customers, management found a technical bug that overstated Djezzy's customer base by 1.4 million. The customers' base comparative figures were adjusted accordingly. This event does not impact historical reported revenue or EBITDA, but positively affect MOU and ARPU

2. CAPEX figures excluding license fees and may differ from previously released figures

3. Operating Cash Flow is EBITDA less CAPEX excluding license fees

# Pakistan



# Mobilink - Overview



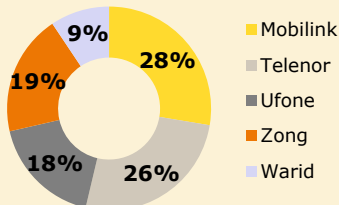
**Population<sup>1</sup>: 196.2 million**  
**GDP/capita<sup>1</sup>: USD 3,100**

**Market size<sup>2</sup>: 139.2 million**  
**Penetration: 71%**

## Market players (subs):

- Mobilink (38.4 million)
- Telenor (36.3 million)
- Ufone (26.7 million)
- Zong (24.6 million)
- Warid (13.1 million)

## Market shares<sup>2</sup>



## Macro environment

- GDP growth for FY 2013/2014 of ~5.4%<sup>3</sup>
- The Rupee is regaining value against USD
- Power shortfalls persist, surging to 6,400 MW in summer
- 33% of the population under 15 years old
- Political tension intensified as opposition parties continue with rhetoric and rallies demanding electoral and political reform

## Regulatory environment

- 3G/4G licenses awarded in April/May 2014. Mobilink won 10 MHz in 2100 band
- Government reduced withholding tax on recharge from 15% to 14%, sales tax from 19.5% to 18.5%
- Biometric Verification System ("BVS") implemented in all customers touch points. Effective August 2014, sales are allowed through BVS only

## Competitive landscape

- **Mobilink:** market leader with strong growth potentials (mobile data, MFS and VAS)
- **Telenor:** value-driven operator with strong market position via youth, mobile data offers and MFS
- **Zong:** aggressive on pricing and market share gain
- **Ufone:** positive mass market perception and aggressive pricing strategy
- **Warid:** Currently testing its 4G services under existing 2G license

## Strategic direction

- Pursue next generation Mobile data services
- Continue with network investments to maintain the largest coverage alongside network quality
- Further enhance operational excellence initiatives
- Retain leadership in mobile data
- Capture market opportunity in MFS
- Enhance customer experience through better quality of service

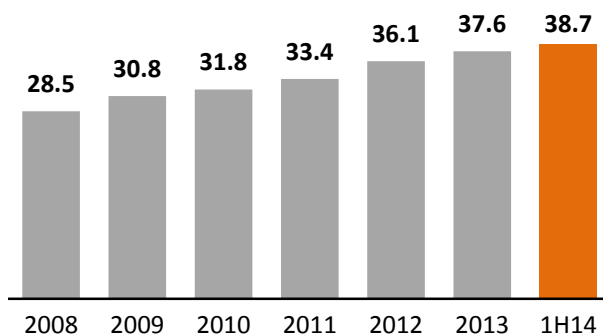
1. CIA Factbook

2. Market share as provided by the regulator as of May 31, 2014

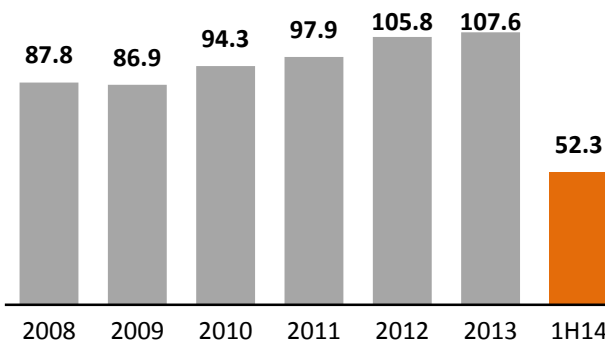
3. EIU estimates

# Mobilink - KPIs

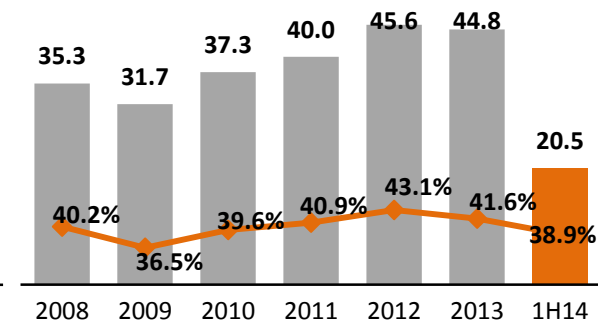
## Mobile Customers (Millions)



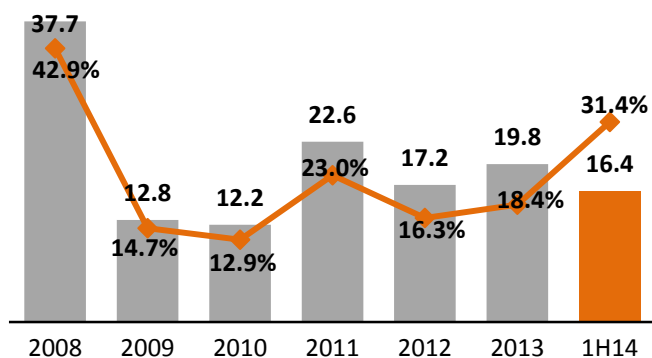
## Revenues (PKR Billions)



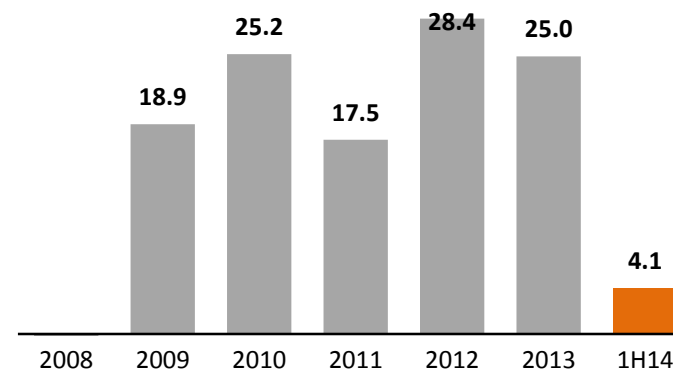
## EBITDA (PKR Billions) & EBITDA Margin



## CAPEX<sup>1</sup> (PKR Billions) & CAPEX/Revenue



## Operating Cash Flow<sup>2</sup> (PKR Billions)



Note: Foreign exchange rate PKR 100.8990/ USD 1

1. CAPEX figures excluding license fees and may differ from previously released figures

2. Operating Cash Flow is EBITDA less CAPEX excluding license fees

# Bangladesh



# banglalink - Overview



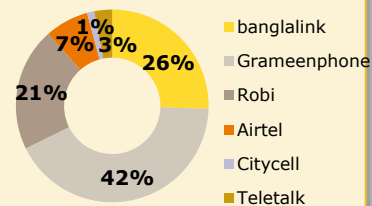
**Population<sup>1</sup>: 166.3 million**  
**GDP/capita<sup>1</sup>: USD 2,100**

**Market size<sup>3</sup>: 116.2 million**  
**Penetration<sup>2</sup>: 70%**

## **Market players (subs):**

- GP (49.1 million)
- banglalink (29.6 million)
- Robi (24.1 million)
- Airtel (8.5 million)
- CityCell (1.4 million)
- TeleTalk (3.5 million)

## **Market shares<sup>3</sup>**



## **Macro environment**

- GDP growth for FY 2013/2014 of ~6%
- One of the world's highest population density
- 32% of the population under 15 years old
- BDT continued to appreciate against the USD
- Macro environment relatively stable with positive economic outlook

## **Regulatory environment**

- Four 3G licenses were awarded in September 2013 during an auction for 8 blocks of spectrum, each consisting of 5 MHz (uplink and downlink). 5 of the 8 blocks were awarded. banglalink launched 3G services in October 2013
- The government reduced VoIP call rate by from USD 0.03 to USD 0.015
- BTRC launched drive to check sales of pre-activated SIMs by MNOs

## **Competitive landscape**

- **banglalink**: 2<sup>nd</sup> in a six player market with an innovative brand positioning among youth segment
- **Grameenphone**: largest network, perceived as expensive as well as best in quality and coverage
- **Robi**: aggressive on prices and communication
- **Airtel**: mainly focused on youth
- **CityCell**: CDMA operator
- **TeleTalk**: Run by national fixed incumbent BTCL

## **Strategic direction**

- Capitalize on introduction of 3G and maximize revenue from mobile data segment with faster 3G rollout
- Enhance revenue by leveraging on enhanced network and competitive pricing
- Grow beyond the core and expand on MFS and VAS fronts
- Maintain price leadership strategy
- Focus on spectrum optimization, network sharing and modernization
- Establish MFS channel to ensure fair share

1. CIA Factbook

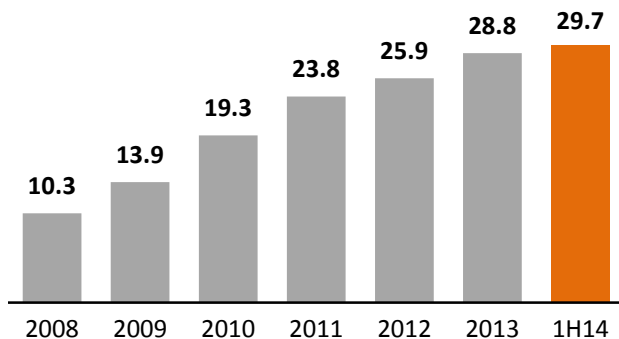
2. Penetration figures are provided based on BTRC published figures

3. BTRC market share as at May 31, 2014

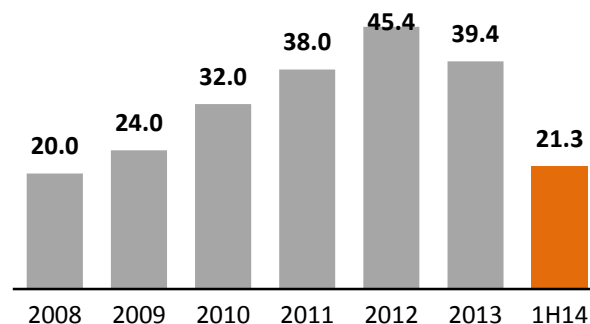


# banglalink - KPIs

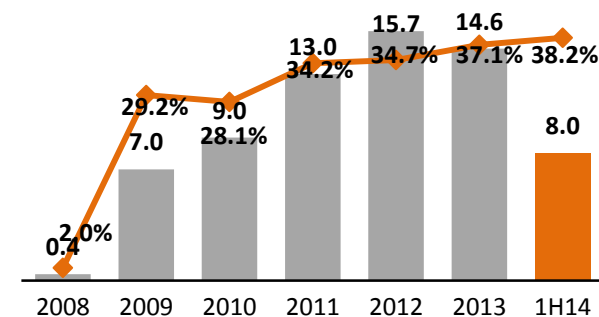
## Mobile Subscribers (Millions)



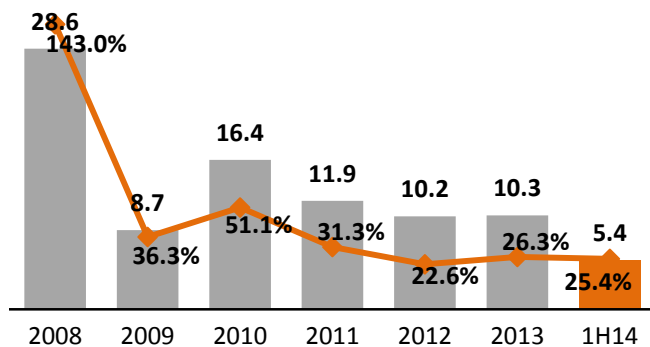
## Revenues (BDT Billions)



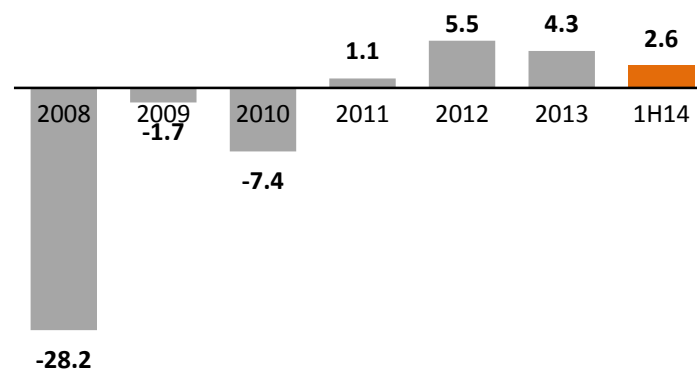
## EBITDA (BDT Billions) & EBITDA Margin



## CAPEX<sup>1</sup> (BDT Billions) & CAPEX/Revenue



## Operating Cash Flow<sup>2</sup> (BDT Billions)



Note: Foreign Exchange Rate BDT 77.6181/ USD 1

1. CAPEX figures excluding license fees and may differ from previously released figures

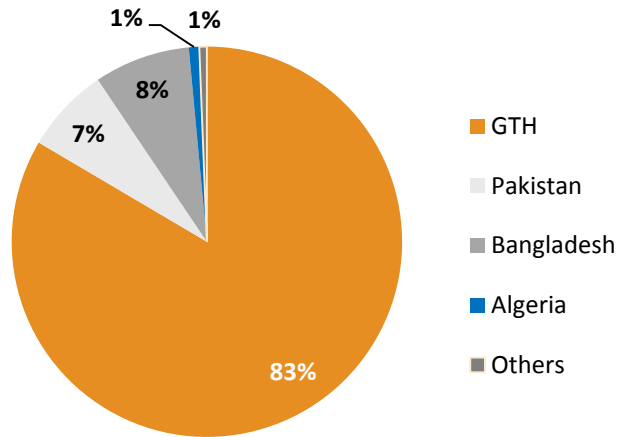
2. Operating Cash Flow is EBITDA less CAPEX excluding license fees



# Appendix

# Debt Profile

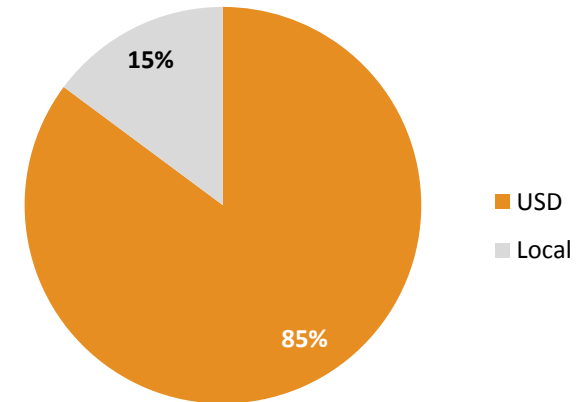
## Debt by Entity



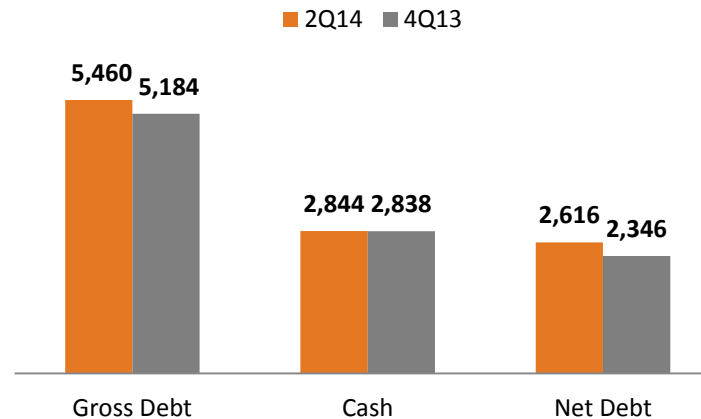
## Debt by Entity

GTH	4,558
Pakistan	387
Bangladesh	434
Algeria	47
Others	34
<b>Total</b>	<b>5,460</b>

## Debt by Currency



## Gross & Net Debt (USD Millions)



# Income Statement

USD thousands	2Q14	2Q13	Change	1H14	1H13	Change
<b>Revenue</b>	<b>863,330</b>	<b>903,756</b>	<b>(4%)</b>	<b>1,693,982</b>	<b>1,753,000</b>	<b>(3%)</b>
Other Income	9,964	279		18,245	3,370	
Total Expense	(484,304)	(465,969)		(927,975)	(904,991)	
<b>EBITDA<sup>1</sup></b>	<b>388,991</b>	<b>438,066</b>	<b>(11%)</b>	<b>784,253</b>	<b>851,379</b>	<b>(8%)</b>
Depreciation and Amortization	(161,674)	(166,760)		(348,443)	(343,763)	
Impairment of Non-Current Assets	(1,982)	(215)		(1,776)	(1,135)	
Gain (Loss) on Disposal of Non-Current Assets	(137)	(1,645)		755	(998)	
Impairment of Assets Held for Sale <sup>2</sup>	(22,429)	1,781		(22,429)	(56,177)	
<b>Operating Income</b>	<b>202,768</b>	<b>271,227</b>	<b>25%</b>	<b>412,359</b>	<b>449,306</b>	<b>(8%)</b>
Financial Expense	(150,699)	(125,712)		(281,620)	(247,667)	
Financial Income	11,765	13,487		15,220	20,844	
Foreign Exchange Gain (Loss)	(108,886)	(85,736)		(89,625)	(259,121)	
Share of Loss from Associates	-	(29,487)		-	(65,052)	
<b>Profit Before Tax</b>	<b>(45,052)</b>	<b>43,779</b>	<b>n.m.</b>	<b>56,334</b>	<b>(101,690)</b>	<b>n.m.</b>
Income Tax	(128,021)	(66,506)		(186,590)	(124,645)	
<b>Profit from Continuing Operations</b>	<b>(173,073)</b>	<b>(22,726)</b>	<b>n.m.</b>	<b>(130,256)</b>	<b>(226,334)</b>	<b>n.m.</b>
Profit for the Period	(173,073)	(22,726)	n.m.	(130,256)	(226,334)	n.m.
Attributable to:						
<b>Equity Holders of the Parent<sup>3</sup></b>	<b>(177,512)</b>	<b>(28,103)</b>	<b>n.m.</b>	<b>(139,429)</b>	<b>(236,377)</b>	<b>n.m.</b>
Earnings Per Share (USD/GDR)	(0.16)	(0.02)	n.m.	(0.12)	(0.22)	n.m.
Minority Interest	4,438	5,377		9,174	10,043	
<b>Net Income</b>	<b>(173,073)</b>	<b>(22,726)</b>	<b>n.m.</b>	<b>(130,256)</b>	<b>(226,334)</b>	<b>n.m.</b>

## Footnotes:

1. Management presentation developed from IFRS financials
2. Incremental impairment of assets held for sale relating to CAR and Burundi's expected sale
3. Equates to net income after minority interest

# Balance Sheet

USD thousands	30 June 2014	31 December 2013 <sup>1</sup>
<b>Assets</b>		
Property and Equipment (net)	2,244,686	2,043,998
Intangible Assets	1,671,534	1,425,596
Other Non-Current Assets	91,802	88,190
<b>Total Non-Current Assets</b>	<b>4,008,022</b>	<b>3,557,784</b>
Cash and Cash Equivalents	2,844,103	2,838,448
Trade Receivables	226,940	225,641
Assets Held for Sale	164,259	170,380
Other Current Assets	582,903	646,539
<b>Total Current Assets</b>	<b>3,818,205</b>	<b>3,881,008</b>
<b>Total Assets</b>	<b>7,826,227</b>	<b>7,438,792</b>
Equity Attributable to Equity Holders of the Company	(1,145,246)	(1,114,848)
Minority Share	46,998	38,344
<b>Total Equity</b>	<b>(1,098,248)</b>	<b>(1,076,504)</b>
<b>Liabilities</b>		
Long Term Debt	635,749	150,904
Other Non-Current Liabilities	490,364	392,461
<b>Total Non-Current Liabilities</b>	<b>1,126,113</b>	<b>543,365</b>
Short Term Debt	4,824,453	5,033,197
Trade Payables	941,787	814,668
Other Current Liabilities	2,032,122	2,124,066
<b>Total Current Liabilities</b>	<b>7,798,362</b>	<b>7,971,931</b>
<b>Total Liabilities</b>	<b>8,924,475</b>	<b>8,515,296</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>7,826,227</b>	<b>7,438,792</b>
<b>Net Debt<sup>2</sup></b>	<b>2,616,099</b>	<b>2,345,653</b>

## Footnotes:

1. The equity caption in 2013 balance sheet has been adjusted to reflect the impact of post balance sheet events, a one-off charge of USD 2 billion, as per the Share Purchase Agreement signed by VimpelCom and GTH with FNI, which obliges GTH upon completion to discontinue legal dispute with respect to the tax receivable and account for the fines imposed by the Algerian Central Bank
2. Net Debt is calculated as a sum of short term debt, long term debt, less cash and cash equivalents

# Cash Flow Statement

USD thousands	30 June 2014	30 June 2013
<b><u>Cash Flows from Operating Activities</u></b>		
<b>Profit (Loss) for the Period</b>	<b>(130,256)</b>	<b>(226,334)</b>
Depreciation, Amortization and Impairment of Non-Current Assets	350,219	344,898
Income Tax Expense	186,590	124,645
Net Financial Charges	356,025	485,944
Share of Loss (Profit) of Associates	-	65,052
Impairment of Financial Assets	22,429	56,177
Other	10,002	(51,584)
Changes in Assets Carried as Working Capital	(230,822)	(85,884)
Changes in Other Liabilities Carried as Working Capital	27,028	30,607
Income Tax Paid	(186,532)	(187,491)
Interest Expense Paid	(39,332)	(60,371)
<b>Net Cash Generated by Operating Activities</b>	<b>365,351</b>	<b>495,659</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Cash Outflow for Investments in Property and Equipment, Intangible Assets, and Financial Assets and Consolidated Subsidiaries	(664,078)	(159,472)
Proceeds from Disposal of Property and Equipment, Subsidiaries and Financial Assets	7,525	59,335
Dividends and Interest Received	6,751	4,328
<b>Net Cash Used in Investing Activities</b>	<b>(649,802)</b>	<b>(95,809)</b>
<b><u>Cash Flows from Financing Activities</u></b>		
Proceeds from loans, banks' facilities and bonds	1,500,560	461,054
Payments for loans, banks' facilities and bonds	(1,185,125)	(478,459)
Net Payments from financial liabilities	(3,714)	(1,067)
Net Change in Cash Collateral	351	-
<b>Net Cash generated by Financing Activities</b>	<b>312,072</b>	<b>(18,472)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>27,621</b>	<b>381,378</b>
Cash included in Assets Held for Sale	2,034	(17,368)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(23,936)	(34,820)
Cash and Cash Equivalents at the Beginning of the Period	2,838,432	2,025,773
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>2,844,151</b>	<b>2,354,963</b>

# Contacts

## For your inquiries, please contact:

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