

# GLOBAL TELECOM REPORTS Q4 2016 RESULTS

## Q4 2016 HIGHLIGHTS<sup>1</sup>

- Reported service revenue increased 7% YoY due to the consolidation of Warid
- Service revenue decreased organically 2% YoY mainly due to weak performance in Algeria
- Mobile data revenue organic growth of 75% YoY
- Customer growth of 15% YoY driven by continued strong customer additions in Pakistan
- Underlying EBITDA of USD 339 million, organically stable YoY
- Continued strong Underlying EBITDA margin of 44.1%
- Share buy-back successfully completed and GDR program cancellation approved
- Pakistan declared for the first time since 11 years a dividend; a gross amount of ~ PKR 5 billion (~ USD 50 million)

Amsterdam (27 February 2016), Global Telecom Holding S.A.E. ('GTH', or 'the Group') (EGX: GLTD.CA, GTHE EY. LSE: GTLD LI, GLTD: TQ), a leading provider of mobile telecommunications in Africa and Asia, announces its unaudited operating results for the fourth quarter of 2016.

## VINCENZO NESCI, CHIEF EXECUTIVE OFFICER, COMMENTS:

"In Q4 2016, GTH's total revenue decreased organically year-on-year due to weak performance in Algeria while underlying EBITDA was stable year-on-year. In Pakistan, we continue to show voice and SMS revenue growth, which is a result of customer growth, and a 62% year-on-year increase of data revenue, due to successful data monetization initiatives, including attractive bundle offers and the unification of the tariff portfolio, together with continued 3G network expansion. Finally, the two companies, Mobilink and Warid, have been rebranded into "Jazz" in January 2017 and have unified distribution channels and systems, simplifying the customer experience. In Algeria, we are still facing pressure on results due to customer churn and ARPU erosion. We have been successfully rolling-out 4G/LTE covering 20 wilayas at the end of 2016. However, we expect the pressure to continue, as it will take time to stabilize its commercial proposition and its customer base.

Mobile data revenue continued to show significant organic growth for the group, up 75% year-on-year, reflecting our strategic focus to transform our business from traditional voice and messaging to digital services.

We are also very delighted that we have successfully completed one of the largest share buy-backs that happened in the Egyptian market with 2.53x times oversubscription in addition to the approval of the cancellation of the GDR program.

I am also pleased that Matthieu Galvani was appointed Chief Executive Officer of Djazzy. Matthieu has a strong commercial background and a deep knowledge of Algeria, the industry and the region; Djazzy is expected to benefit significantly from his expertise as it continues with its transformation into a digital leader."

## GROUP KEY INDICATORS

USD mln, if not stated otherwise	4Q16	4Q16 excl. Warid	4Q15	Reported YoY	Organic <sup>2</sup> YoY	FY16	FY16 excl. Warid	FY15	Reported YoY	Organic <sup>2</sup> YoY
Total customers (mln)	98	88	86	14.0%	2.3%					
Total revenue	768	695	710	8.2%	(0.9%)	2,955	2,650	2,894	2.1%	(4.2%)
Service revenue	736	664	687	7.2%	(2.2%)	2,853	2,548	2,817	1.3%	(5.3%)
-Of which mobile data revenue	87	79	50	73.2%	59.5%	291	276	173	67.9%	64.5%
EBITDA	235	225	295	(20.4%)	(22.2%)	1,220	1,154	1,298	(6.0%)	(6.4%)
Underlying EBITDA <sup>4</sup>	339	329	332	2.1%	0.5%	1,372	1,306	1,334	2.8%	2.5%
EBITDA margin <sup>5</sup>	30.6%	32.3%	41.5%	(26.4%)		41.3%	43.5%	44.8%	(8.0%)	
Underlying EBITDA margin	44.1%	47.3%	46.7%	(5.6%)		46.4%	49.3%	46.1%	0.7%	
Profit for the period	35	42	22	61.2%		194	201	8	n.m	
EPS (USD)	0.01	0.01	0.00	61.2%		0.04	0.04	0.00	n.m	
Profit/(Loss) for the period attr. to GTH shareholders	7	14	(12)	n.m		61	68	(143)	n.m	
Capex excl. licenses	216	216	156	38.3%		517	487	542	(4.6%)	
Net debt <sup>3</sup> /Underlying LTM EBITDA	1.5	1.3	1.4	2.3%						

<sup>1</sup> Income Statement and Balance Sheet figures are in US dollars and numbers include Warid financials starting the 1<sup>st</sup> of July 2016

<sup>2</sup> Organic growth for revenue and EBITDA: non-IFRS financial measures that reflect changes in revenue and EBITDA excluding foreign currency movements and other factors, which includes business under liquidation, disposals, mergers and acquisitions (Please refer to glossary of terms for the definition of "organic growth").

<sup>3</sup> Net Debt is calculated as a sum of short term debt, long term debt, less cash and cash equivalents

<sup>4</sup> Underlying EBITDA excludes transformation costs and material exceptional items

<sup>5</sup> EBITDA margin is EBITDA divided by total revenue

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### **PRESENTATION OF FINANCIAL RESULTS**

*GTH's results presented 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.*

*Warid is consolidated as per the 1<sup>st</sup> of July 2016.*

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

# 1. MAIN EVENTS AND FINANCIAL RESULTS

## MAIN EVENTS

In February 2017, GTH announced that it has received a court ruling concerning **Iraqna litigation**. On 19 November 2012 Atheer Telecom Iraq Limited (“Atheer”) initiated English High Court proceedings against Orascom Telecom Iraq Ltd. (“OTIL”) and GTH in relation to a dispute arising from the 2007 sale of Iraqna, OTIL’s Iraqi mobile subsidiary, to Atheer. Pursuant to the underlying share purchase agreement, Atheer was seeking declarations that OTIL and GTH are liable to indemnify it for certain tax liabilities. Atheer’s initial claim was for USD 280 million, but later reduced to USD 60 million. On 17 February 2017, the Court found OTIL and GTH liable to indemnify Atheer. The precise financial terms of the order, including costs and interest will be determined at a hearing on 1 March 2017. GTH intends to seek leave to appeal the final judgment, however, leave to appeal is discretionary and may not be granted.

In February 2017, GTH announced the **cancellation of GDR program and completion of share buy-back**. The cancellation of the global depositary receipts (“GDRs”) program as proposed by the Board of Directors of Global Telecom Holding S.A.E. (“GTH”) was approved during the extraordinary general assembly meeting of the shareholders on 6 February 2017. As a result, the listing of the GDRs on the Official List of the Financial Conduct Authority and the trading of GDRs on the Main Market for Listed Securities of the London Stock Exchange (the “GDR Listing”) will cease from or around 20 March 2017 and GTH will keep its single listing on the Egyptian Stock Exchange in Cairo. GTH also launched a fixed price buy-back program to acquire up to 10% of the total issued share capital of GTH at a price per share of EGP 7.90 and for a total consideration of up to EGP 4.1 billion (the “Share Buy-Back”). GTH launched the Share Buy-Back primarily to maximize shareholder value, to reduce GTH’s share capital and as a supportive action to the cancellation of its GDR Listing mentioned above, to provide the holders of GDRs in GTH an opportunity to dispose of all or some of their GDRs prior to the cancellation of the GDR Listing. The offer period of the Share Buy-Back expired at 2.30 p.m. (EET) on 16 February 2017, with 1,328,092,079 ordinary shares in the issued share capital of GTH offered for sale and for which, in accordance with the terms of the Share Buy-Back, 524,569,062 shares, representing 10% of all issued ordinary shares, were accepted for sale by GTH on a pro-rata basis. The Deposit Agreements will be amended and immediately terminated on 17 April 2017. On 26 February 2017 GTH has called for an EGM, which will be held on 19 March 2017, to approve the reduction of capital. In addition, GTH announced that it has entered into a short-term loan agreement with CITI and ING bank for a principal amount of USD 200 million.

In January 2017, GTH announced that Matthieu Galvani has been appointed **Chief Executive Officer of Djezzy**, their business in Algeria.

In November 2016, GTH announced that it has completed the previously announced **sale of Telecel International** Ltd to ZARNet (Private) Limited in Zimbabwe for a consideration of USD 40 million, approximately half of which has been paid in cash, with the balance in the form of a loan to the government. Telecel International owns 60% of Telecel Zimbabwe Ltd. ZARNet is wholly owned by the Government of the Republic of Zimbabwe through the Ministry of Information Communication Technology, Postal and Courier Services.

## FINANCIAL RESULTS

USD mln, if not stated otherwise	4Q16	4Q16 excl. Warid	4Q15	Reported YoY	Organic <sup>2</sup> YoY	FY16	FY16 excl. Warid	FY15	Reported YoY	Organic <sup>2</sup> YoY
Total revenue	768	695	710	8.2%	(0.9%)	2,955	2,650	2,894	2.1%	(4.2%)
Service revenue	736	664	687	7.2%	(2.2%)	2,853	2,548	2,817	1.3%	(5.3%)
-of which										
Mobile data revenue	87	79	50	73.2%	59.5%	291	276	173	67.9%	64.5%
EBITDA	235	225	295	(20.4%)	(22.2%)	1,220	1,154	1,298	(6.0%)	(6.4%)
Underlying EBITDA	339	329	332	2.1%	0.5%	1,372	1,306	1,334	2.8%	2.5%
EBITDA margin	30.6%	32.3%	41.5%	(26.4%)		41.3%	43.5%	44.8%	(8.0%)	
Underlying EBITDA margin	44.1%	47.3%	46.7%	(5.6%)		46.4%	49.3%	46.1%	0.7%	
Profit / (Loss) for the period	35	42	22	61.2%		194	201	8	n.m	
Capex excl. licenses	216	216	156	38.3%		517	487	542	(4.6%)	
Capex excl. licenses / revenue	28.1%	31.1%	22.0%	27.9%		17.5%	18.4%	18.7%	(6.5%)	
Gross debt	2,602	2,247	2,468	5.4%						
Net debt	1,990	1,646	1,891	5.2%						
Net debt / Underlying LTM EBITDA	1.5	1.3	1.4	2.3%						

**Service revenue** was USD 736 million in Q4 2016. Excluding Warid, service revenue would have been USD 664 million. Service revenue organically decreased 2.2% YoY as a result of the weak performance of Algeria, due to high churn and ARPU erosion, and Bangladesh, partially compensated for by double-digit growth in Pakistan. Mobile data revenue continued strong growth of 75% YoY. GTH continues to see customer organic growth of 2 million on the back of Pakistan's strong performance.

**EBITDA** was USD 235 million in Q4 2016, while excluding Warid it would have been USD 225 million, declining 22.2% YoY organically mainly due to the provision of USD 66 million in 4Q 2016 for the Iraqna litigation.

**Underlying EBITDA** stood at USD 339 million in Q4 2016, and USD 329 million excluding Warid which was stable organically YoY due to strong performance in Pakistan being offset by a decline in Algeria and Bangladesh.

**Profit for the period reported** increased 61% to USD 35 million in Q4 2016 as a result of the gain from the sale of Zimbabwe of USD 21 million, a significant YoY decrease in impairments of equipment and a foreign exchange gain recorded in the period.

**CAPEX** decreased 5% YoY to USD 517 million in FY 2016 primarily as a result of the performance transformation, leading to a LTM capex excluding licenses to revenue ratio of 18%. The company will maintain its strategy of investing in high-speed data networks to capture mobile data growth, including the roll-out of 4G/LTE networks in Algeria and 3G networks in Algeria, Bangladesh and Pakistan.

**Net debt** increased 5% YoY to reach USD 2.0 billion due to the consolidation of Warid, resulting in the **net debt to underlying LTM EBITDA** increase of 2% to 1.5x at the end of Q4 2016.

## 2. GTH'S OPERATIONS

### 2-1 MOBILINK & WARID, PAKISTAN

#### KEY INDICATORS

PKR billion	4Q16	4Q15	YoY reported	YoY organic	FY16	FY15	YoY reported	YoY organic
Total revenue	38.7	26.8	44.2%	15.7%	135.6	104.2	30.2%	15.0%
Mobile service revenue	36.7	25.3	45.0%	14.6%	127.9	98.6	29.7%	14.1%
of which mobile data	5.0	2.6	92.2%	61.7%	16.2	8.8	84.4%	66.6%
EBITDA	13.5	10.9	24.3%	14.9%	53.1	42.0	26.2%	18.6%
EBITDA underlying	15.6	11.1	40.9%	31.6%	57.8	42.0	37.5%	29.9%
EBITDA margin	34.9%	40.5%	(5.6p.p.)	(0.3p.p.)	39.1%	40.4%	(1.2p.p.)	1.3p.p.
EBITDA underlying margin	40.3%	41.2%	(1.0p.p.)	5.6p.p.	42.6%	40.3%	2.3p.p.	5.2p.p.
Capex excl. licenses	10.1	7.2	41.0%	34.2%	22.6	24.5	(7.9%)	(11.7%)
LTM capex excl. licenses/revenue	16.6%	23.5%	(6.9p.p.)	(5.5p.p.)				
<b>Mobile</b>								
Customers (mln)	51.6	36.2	42.4%	14.0%				
- of which mobile data customers (mln)	25.1	16.8	50.0%	31.0%				
ARPU (PKR)	229	228	0.4%	(0.8%)				
MOU (min)	585	689	(15.1%)	(8.0%)				
Data usage (MB)	464	341	35.9%	32.3%				

*Year-on year organic change in the table above calculated based on Mobilink stand-alone numbers*

In July 2016, GTH closed the transaction to merge Mobilink with Warid, strengthening its leading position in Pakistan, and as a result, Warid's financial results have been consolidated in GTH's financial statements with effect from 1 July 2016. After filing the merger petition with the Islamabad High Court in early October 2016, the companies received merger approval on 15 December 2016.

Despite aggressive price competition in the market, the newly merged entity gained customer market share in Q4 2016 year-on-year, as Mobilink continued to show double digit growth of both its customer base and revenue.

Underlying EBITDA margin, excluding both restructuring costs related to the performance transformation programme and integration costs related to the Warid transaction, was 40.3% in Q4 2016, slightly lower year-on-year due to the consolidation of Warid during 2016. Capex increased to PKR 10.1 billion in Q4 2016 while the full year capex to revenue ratio decreased to 16.6% and full year operating cash flow margin was 26%.

The company is focused on integrating its operations, which is delivering results ahead of schedule. The two companies have been providing, since October 2016, unified on-net offers to their customers. In November, 3G was offered to Warid customers in 30 cities while 4G was offered to Mobilink customers in 17 cities. Interconnect, site sharing activities and marketing synergies reached PKR 8.2 billion of run-rate of synergies in Q4 2016.

The two companies, Mobilink and Warid, were rebranded into "Jazz" in January 2017 and have unified their distribution channels and systems, simplifying the customer experience.

In November 2016, the company declared, for the first time after 11 years, a gross dividend of PKR 5 billion (approximately USD 50 million) to its shareholders.

#### MOBILINK STAND-ALONE PERFORMANCE IN Q4 2016

Mobilink's market position continued to improve in Q4 2016, demonstrating strong performance with double-digit YoY revenue and EBITDA growth.

In Q4 2016, Mobilink's service revenue increased by 15%, supported by all revenue streams. Mobilink continues to show strong voice and VAS revenue growth, primarily as a result of robust customer growth. Data revenue grew by 62% due to successful data monetization initiatives, including attractive bundle offers and the unification of the tariff portfolio, together with continued 3G network expansion.

Mobilink's customer base increased 14% YoY in Q4 2016 supported by the continued focus on price simplicity, distribution and offer transparency. The company sees data and voice monetization among its key priorities, underpinned by striving to be the best network in terms of both quality of service and coverage.

Mobile Financial Services ("MFS") revenue continued to show robust growth at 34%, driven by the success of over-the-counter ("OTC") transactions and higher agent activity.

## 2-2 DJEZZY, ALGERIA

### KEY INDICATORS

DZD bln	4Q16	4Q15	YoY	FY16	FY15	YoY
Total revenue	27.2	31.9	(14.6%)	113.7	127.6	(10.8%)
Mobile service revenue	26.9	31.2	(13.7%)	112.7	126.1	(10.6%)
of which mobile data	2.4	1.4	69.8%	8.0	4.6	72.3%
EBITDA	13.9	17.3	(19.9%)	59.8	68.6	(12.8%)
EBITDA underlying	14.0	18.6	(24.4%)	61.4	69.8	(12.0%)
EBITDA margin	50.9%	54.3%	(3.4p.p.)	52.6%	53.7%	(1.2p.p.)
EBITDA underlying margin	51.6%	58.2%	(6.7p.p.)	54.0%	54.7%	(0.7p.p.)
Capex excl. licenses	6.2	7.3	(15.6%)	18.1	19.5	(6.9%)
LTM Capex excl. licenses/revenue	16.0%	15.3%	0.7p.p.			
<b>Mobile</b>						
Customers (mln)	16.3	17.0	(4.2%)			
- of which mobile data customers (mln)	7.0	4.1	69.1%			
ARPU (DZD)	546	608	(10.2%)			
MOU (min) <sup>1</sup>	323	375	(13.9%)			
Data usage (MB/user)	447	288	55.2%			

<sup>1)</sup> MoU has been adjusted in 2016 and restated for 2015 due to a change of components in the definition of traffic

Although Djazzy's operations delivered strong margins during Q4 2016, the company continued to experience significant pressure on results. Revenue decreased at double-digit rates and Djazzy continued to face customer churn and ARPU erosion. The company expects this pressure to continue, as it will take time to stabilize its commercial proposition and its customer base.

To accelerate the turnaround, on 26 January 2017 Matthieu Galvani was appointed Chief Executive Officer of Djazzy. Matthieu has a strong commercial background and a deep knowledge of Algeria, the industry and the region; Djazzy is expected to benefit significantly from his expertise as it continues with its transformation into a digital leader.

The regulatory environment has recently improved in Algeria, as Djazzy's Significant Market Player status was lifted in the Q3 2016, which removes the Algeria Regulatory Authority for Post and Telecommunications approval procedure and the on-net/off-net asymmetry test on new commercial offers. The mobile termination rate ("MTR") asymmetry for Djazzy is a topic still under discussion with the regulator. From a taxation perspective, starting from January 2017, the new finance law increased pressure through an increase of VAT from 7% to 19% on data and from 17% to 19% on voice, and taxes on recharges from 5% to 7%.

GTH's customer base in Algeria decreased 4% year-on-year to 16.3 million and ARPU declined by 10% due to the combined impact of historic 3G coverage shortfalls, sub-optimal changes in early 2016 to both billing increments and the commission structure for indirect distribution, which were partially corrected in Q2 2016, and forced migrations from legacy tariffs from late 2015 onwards.

As a result, Djazzy's Q4 2016 service revenue was DZD 26.9 billion, a 14% reduction, while data revenue growth remained strong at 70%, due to the higher usage and substantial increase in data customers as a result of the 3G and 4G/LTE network roll-out.

The company is taking structural measures to improve performance and stabilize its customer base, including distribution transformation and mono-brand roll-out, accelerating its 4G/LTE network deployment, promoting micro campaigns with tailored services to increase satisfaction, data monetization activities and smartphone promotions coupled with bundle offers. In late October 2016, Djazzy launched a simplified data centric pricing architecture, with new simple bundle offers within "Djazzy carte".

In Q4 2016, EBITDA decreased 20% to DZD 13.9 billion mainly due to the revenue decline. EBITDA margin remained strong at 50.9% due to commercial and network costs optimization as well as a decline in personnel costs, driven by headcount reduction. Underlying EBITDA decreased 24%, adjusted for exceptional costs of DZD 0.1 billion related to the performance transformation program in Q4 2016 while the underlying EBITDA margin was 51.6%.

The company, having launched 4G/LTE services in early October 2016, had covered 20 wilayas with this new technology by the end of 2016 and holds a distinct 4G/LTE coverage advantage. In Q4 2016, Djazzy also continued to roll-out 3G in new regions and, as expected, completed the 3G network roll-out across all 48 of Algeria's wilayas. In Q4 2016, capex was DZD 6.2 billion, a 16% decrease, while the full year capex to revenue ratio was 16.0% and full year operating cash flow margin was strong at 38.0%.

## 2-3 BANGLALINK, BANGLADESH

### KEY INDICATORS

BDT bln	4Q16	4Q15	YoY	FY16	FY15	YoY
Total revenue	12.0	12.0	(0.1%)	48.7	47.1	3.3%
Mobile service revenue	11.6	11.8	(2.0%)	47.5	46.4	2.3%
of which mobile data	1.4	1.0	43.8%	4.9	3.2	51.2%
EBITDA	4.4	4.0	9.9%	21.0	18.9	11.1%
EBITDA underlying	5.1	5.7	(10.8%)	22.5	20.8	8.4%
EBITDA margin	36.4%	33.1%	3.3p.p.	43.1%	40.1%	3.0p.p.
EBITDA underlying margin	42.9%	48.0%	(5.1p.p.)	46.3%	44.2%	2.1p.p.
Capex excl. licenses	5.1	3.3	56.4%	10.7	10.5	2.6%
LTM Capex excl. licenses /revenue	22.1%	22.2%	(0.2p.p.)			
<b>Mobile</b>						
Customers (mln)	30.4	32.3	(5.9%)			
- of which mobile data customers (mln)	14.9	14.0	6.9%			
ARPU (BDT)	129	121	6.5%			
MOU (min)	322	305	5.4%			
Data usage (MB/user)	391	134	192.0%			

In Bangladesh, the operational focus during Q4 2016 was on network coverage, in order to address the 3G gap vis-à-vis the competition, and on customer acquisition following the completion of the Government-mandated SIM re-verification program, which had contributed to a slowdown of acquisition activity across the market in the earlier part of 2016.

In Q4 2016, excluding the results of the re-verification process, which resulted in 3.8 million SIM cards being blocked by Banglalink, the customer base would have increased by 6% YoY. On a QoQ basis, the customer base grew by 1.4 million customers in Q4 2016.

Total revenue in Q4 2016 was flat YoY while Banglalink's service revenue decreased 2% to BDT 11.6 billion. The low single-digit decline in service revenue was partially caused by the imposition of an incremental 2% supplementary duty on recharges, effective from June 2016, the additional 1% surcharge introduced in March 2016, together with the gap in 3G network coverage versus the market leader. In addition, there was a period of intense price competition,

which accelerated following the SIM-reverification process and which more than offset the continued increase in data revenue of 44%. This data revenue growth was driven by data usage growth of 192% along with 7% growth in active data users which resulted in a 6.5% growth in Banglalink's ARPU in Q4 2016.

In Q4 2016, the company's underlying EBITDA decreased by 11% to BDT 5.1 billion, mainly due to the accelerated customer acquisition activity during the quarter. As a result, in Q4 2016, the underlying EBITDA margin was 42.9%, which represents a reduction of 5.1 percentage points YoY.

In Q4 2016, Capex increased 56% YoY to BDT 5.1 billion in Q4 2016, reversing the trend of Q3 2016, while the full year capex to revenue ratio was 22.1% and the full year operating cash flow margin was 24.3%.

Banglalink continues to invest in efficient data networks and expanding the coverage, aiming to substantially improve its 3G network coverage, which covered 59% of the population at the end of Q4 2016.

## 3. FINANCIAL STATEMENTS

### INCOME STATEMENT

USD millions	4Q16	4Q15	Reported YoY	FY16	FY15	Reported YoY
Service revenue	736.5	687.2	7.2%	2,852.9	2,817.4	1.3%
-Of which mobile data revenue	87.1	50.3	73.2%	290.8	173.2	67.9%
Other revenue	31.3	22.6	38.1%	102.6	77.0	33.1%
<b>Total Revenue</b>	<b>767.8</b>	<b>709.8</b>	<b>8.2%</b>	<b>2,955.5</b>	<b>2,894.4</b>	<b>2.1%</b>
Total expense	(533.2)	(415.2)	28.4%	(1,735.9)	(1,596.8)	8.7%
<b>EBITDA</b>	<b>234.6</b>	<b>294.6</b>	<b>(20.4%)</b>	<b>1,219.6</b>	<b>1,297.6</b>	<b>(6.0%)</b>
Depreciation and amortization of property and equipment	(160.5)	(155.3)	3.4%	(630.1)	(724.7)	(13.1%)
Gains/(Loss) on sold property, equipment, intangibles, goodwill and scrapping	1.2	(3.0)	n.m	3.5	(8.7)	n.m
Impairment loss from assets	(8.6)	(65.9)	(86.9%)	(11.3)	(76.5)	(85.2%)
Technical services expense	(9.9)	(2.4)	303.1%	(54.6)	(20.6)	164.9%
Other Operating Gain/(Loss)	13.6	(14.1)	n.m	25.2	(7.7)	n.m
<b>Operating Profit</b>	<b>70.3</b>	<b>53.9</b>	<b>30.6%</b>	<b>552.3</b>	<b>459.5</b>	<b>20.2%</b>
Financial Expense	(65.5)	(65.1)	0.7%	(267.9)	(345.5)	(22.4%)
Financial Income	3.3	2.6	25.3%	9.8	7.7	28.3%
Foreign Exchange Gain/(Loss)	50.1	8.7	474.0%	67.0	(40.4)	n.m
<b>Profit Before Tax</b>	<b>58.3</b>	<b>0.2</b>	<b>n.m</b>	<b>361.2</b>	<b>81.3</b>	<b>344.2%</b>
Income Tax	(23.1)	21.6	n.m	(167.4)	(73.3)	128.2%
<b>Profit for the Period</b>	<b>35.2</b>	<b>21.8</b>	<b>61.3%</b>	<b>193.9</b>	<b>8.0</b>	<b>n.m</b>
<b>Attributable to:</b>						
The Owners of the Parent	7.3	(12.3)	n.m	61.0	(142.7)	n.m
Non-controlling interests	28.0	34.1	(18.1%)	132.9	150.7	(11.8%)
<b>Profit for the Period</b>	<b>35.2</b>	<b>21.8</b>	<b>61.3%</b>	<b>193.9</b>	<b>8.0</b>	<b>n.m</b>
Earnings Per Share	0.01	0.00	61.3%	0.04	0.00	n.m



## BALANCE SHEET

USD millions	31-Dec 2016	31-Dec 2015
<b>Assets</b>		
Property and Equipment (net)	2,146.1	1,980.0
Intangible Assets and goodwill	1,806.2	1,496.9
Other Non-Current Assets	481.4	120.7
<b>Non-Current Assets (NCA)</b>	<b>4,433.8</b>	<b>3,597.6</b>
Cash and cash equivalents	606.4	508.1
Trade and other receivables	221.5	246.0
Other Current Assets	336.8	406.3
<b>Current Assets (CA)</b>	<b>1,164.6</b>	<b>1,160.3</b>
<b>Total Assets</b>	<b>5,598.4</b>	<b>4,758.0</b>
Equity attributable to equity owners of the parent	404.2	344.1
Equity of non-controlling interests	128.9	71.0
<b>Equity</b>	<b>533.1</b>	<b>415.1</b>
<b>Liabilities</b>		
Long Term Debt	2,318.8	2,088.9
Other Non-Current Liabilities	366.8	311.8
<b>Non-Current Liabilities (NCL)</b>	<b>2,685.6</b>	<b>2,400.7</b>
Short Term Debt	282.8	379.6
Trade and other payables	937.1	780.8
Other Current Liabilities	1,159.8	781.7
<b>Current Liabilities (CL)</b>	<b>2,379.7</b>	<b>1,942.1</b>
<b>Total Liabilities</b>	<b>5,065.3</b>	<b>4,342.8</b>
<b>Total Liabilities and Equity</b>	<b>5,598.4</b>	<b>4,757.9</b>
<b>Net Debt</b>	<b>1,989.7</b>	<b>1,890.9</b>

## CASH FLOW STATEMENT

	FY 2016	FY 2015
<b><u>Cash Flows from Operating Activities</u></b>		
Profit/(Loss) for the period before tax	361.2	81.3
Non cash adjustments to reconcile profit before tax to net cash flows from operating activities	904.1	82.4
Changes in working capital	142.4	(6.1)
Interest paid	(219.4)	(125.3)
Interest received	12.4	3.0
Income tax paid	(124.0)	(365.3)
<b>Net Cash from Operating Activities</b>	<b>1,076.6</b>	<b>(330.0)</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Proceeds from disposal of property, plant and equipment, intangible assets and financial assets	10.6	6.7
Purchase of property, plant and equipment and intangible assets	(539.7)	(758.4)
Change in other financial assets	56.6	(71.2)
<b>Net cash from investing activities</b>	<b>(472.5)</b>	<b>(822.8)</b>
<b><u>Cash Flows from Financing Activities</u></b>		
Gross proceeds from borrowings, net of fees paid	1,382.8	1,953.4
Repayment of borrowings	(1,805.1)	(5,253.2)
Dividends paid to non-controlling interests	(69.4)	(57.4)
Proceeds from sale of non-controlling interest	-	2,325.2
<b>Net cash from financing activities</b>	<b>(491.7)</b>	<b>(1,032.0)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>112.4</b>	<b>(2,184.9)</b>
Cash and Cash Equivalents at the beginning of the period	508.1	2,852.8
Net Foreign Exchange Difference on Cash Accounts	(14.1)	(159.9)
<b>Cash and cash equivalent at end of period</b>	<b>606.4</b>	<b>508.1</b>

## 4. APPENDIX

### REVENUE AND EBITDA RECONCILIATIONS

#### SERVICE REVENUE

USD million	4Q16	4Q15	Change	FY16	FY15	Change
<b>Mobile</b>						
Djezzy, Algeria	243.6	292.3	(16.7%)	1,030.6	1,258.9	(18.1%)
Mobilink, Pakistan	345.7	241.5	43.2%	1,216.7	959.9	26.7%
Banglalink, Bangladesh	147.2	150.5	(2.2%)	605.6	595.6	1.7%
<b>Total Mobile</b>	<b>736.5</b>	<b>684.3</b>	<b>7.6%</b>	<b>2,852.9</b>	<b>2,814.4</b>	<b>1.4%</b>
Other Revenue	31.3	25.6	22.3%	102.6	80.0	28.3%
<b>Total Consolidated Revenue</b>	<b>767.8</b>	<b>709.8</b>	<b>8.2%</b>	<b>2,955.5</b>	<b>2,894.4</b>	<b>2.1%</b>

#### EBITDA

USD million	4Q16	4Q15	Change	FY16	FY15	Change
<b>Mobile</b>						
Djezzy, Algeria	125.4	162.1	(22.7%)	547.5	684.0	(20.0%)
Mobilink, Pakistan	128.9	103.6	24.4%	506.7	409.1	23.9%
Banglalink, Bangladesh	55.4	50.6	9.5%	267.3	242.1	10.4%
<b>Total Mobile</b>	<b>309.7</b>	<b>316.3</b>	<b>(2.1%)</b>	<b>1,321.5</b>	<b>1,335.2</b>	<b>(1.0%)</b>
Other	(75.2)	(21.7)	245.9%	(101.9)	(37.6)	170.5%
<b>Total Consolidated EBITDA</b>	<b>234.6</b>	<b>294.6</b>	<b>(20.4%)</b>	<b>1,219.6</b>	<b>1,297.6</b>	<b>(6.0%)</b>

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

	Average rates			Closing rates		
	4Q16	4Q15	YoY	4Q16	4Q15	YoY
Egyptian pound	14.5	7.9	84.4%	18.1	7.8	131.8%
Algerian Dinar	110.6	106.8	3.5%	110.4	107.1	3.1%
Pakistan Rupee	104.8	104.9	(0.2%)	104.4	104.7	(0.3%)
Bangladeshi Taka	78.6	78.5	0.2%	78.9	78.3	0.9%

## 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, includes work in progress, network, IT, and other tangible and intangible fixed assets additions but excludes 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 exceeds the 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, the customer is considered churned in case he has not made a single billable event in the last 90 days (i.e. outgoing or incoming call or sms, wap session). Open cards validity is 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). Also, this includes incoming traffic to customers from landline or other operators.


**Organic Growth for Revenue and EBITDA:** Are non-IFRS financial measures that reflect changes in Revenue and EBITDA excluding foreign currency movements and other factors, such as business 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.

**EPS:** Earning per share is the profit for the period divided by the total number of outstanding shares

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