

Q4 2016 update and results

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Vincenzo Nesci – Chief Executive Officer
Gerbrand Nijman – Chief Financial Officer

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Highlights

- Reported service revenue increased 7% YoY due to 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 cancellation approved at EGM
- Pakistan declared for the first time since 11 years a dividend; a gross amount of ~ PKR 5 billion (~ USD 50 million)
- Matthieu Galvani appointed CEO of Djezzy in January 2017

Q4 2016 financial highlights

Q4 2016 financial highlights

Service revenue

(USD million)

736

- 2.2% organic¹ YoY
+ 7.2% reported YoY

Mobile customers

(million)

98.3

+ 12.8 million YoY²

Underlying EBITDA

(USD million)

339

+ 0.5% organic¹ YoY
+ 2.1% reported YoY

Underlying EBITDA margin

(%)

44.1

- 5.6 p.p. YoY

- Service revenue declined organically 2.2% YoY due to:
 - ▶ Double-digit growth in Pakistan
 - ▶ Weak performance in Algeria and Bangladesh
- Mobile data revenue significant organic growth of 75% YoY
- Underlying EBITDA was organically stable as a result of:
 - ▶ Strong performance in Pakistan
 - ▶ Offset by a decline in Algeria and Bangladesh
- Continued strong underlying EBITDA margin of 44% and reported EBITDA margin of 31%
- Continued customer growth of 14%, with 12 million customers added YoY due to strong performance in Pakistan and the consolidation of Warid

Q4 2016 income statement

USD millions	4Q16	4Q15	Reported YoY
Service revenue	736.5	687.2	7.2%
-Of which mobile data revenue	87.1	50.3	73.2%
Other revenue	31.3	22.6	38.1%
Total Revenue	767.8	709.8	8.2%
Total expense	(533.2)	(415.2)	28.4%
EBITDA	234.6	294.6	(20.4%)
Depreciation and amortization of property and equipment	(160.5)	(155.3)	3.4%
Gains/(Loss) on sold property, equipment, intangibles, goodwill and scrapping	1.2	(3.0)	n.m
Impairment loss from assets	(8.6)	(65.9)	(86.9%)
Technical services expense	(9.9)	(2.4)	303.1%
Other Operating Gain/(Loss)	13.6	(14.1)	n.m
Operating Profit	70.3	53.9	30.6%
Financial Expense	(65.5)	(65.1)	0.7%
Financial Income	3.3	2.6	25.3%
Foreign Exchange Gain/(Loss)	50.1	8.7	474.0%
Profit Before Tax	58.3	0.2	n.m
Income Tax	(23.1)	21.6	n.m
Profit for the Period	35.2	21.8	61.3%
Attributable to:			
The Owners of the Parent	7.3	(12.3)	n.m
Non-controlling interests	28.0	34.1	(18.1%)
Profit for the Period	35.2	21.8	61.3%
Earnings Per Share	0.01	0.00	61.3%

- EBITDA decline was related to operational performance and provision of USD 66 million of Iraqna litigation

- Substantially lower impairments on assets in 4Q16 versus 4Q15

- More support provided to operations, like network swap in Pakistan, network modernization, 3G and 4G/LTE roll-out in Algeria and 3G network in Bangladesh..

- Gain from sale of Zimbabwe of USD 21 million

- Improved mainly due to unrealized FOREX gain on tax provision as a result of the depreciation of EGP vs. USD

Debt by entity

As at 31 December 2016

**Net debt /
underlying¹ LTM EBITDA**

1.5x

Bridge loan pro-forma:
1.6x

**Gross debt /
underlying¹ LTM EBITDA**

1.9x

Bridge loan pro-forma:
2.0x

**Weighted average
interest rate**

8.2%

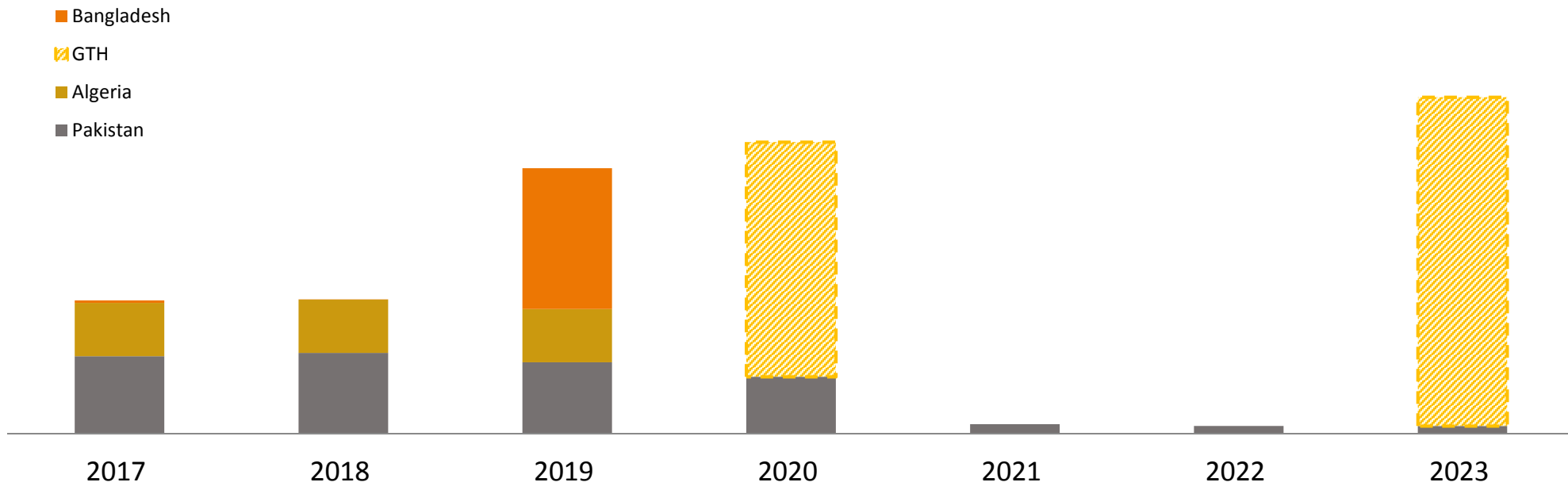
Outstanding external debt

(USD million)

Entity	Currency	Type of debt			Total
		Loans	Bonds	Other	
GTH Finance BV	USD	-	1,200	-	1,200
Pakistan	PKR & USD	598	66	92	757
Banglalink	USD	-	300	5	305
Algeria	DZD	340	-	-	340
Total principal amount		938	1,566	97	2,602

Balanced maturity profile

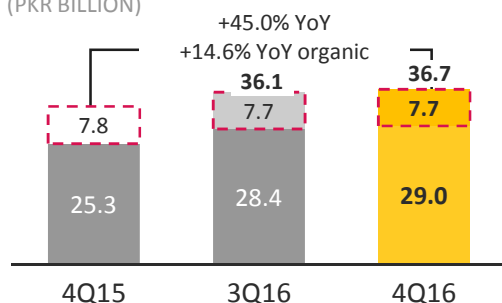
As at 31 December 2016



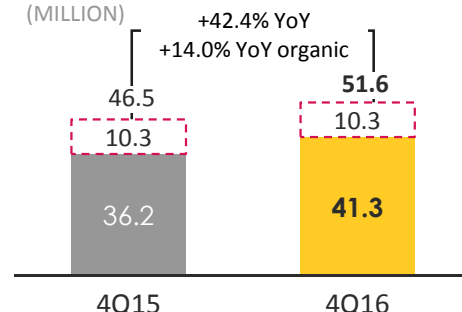
Q4 2016 OpCo performance

4Q16 Pakistan: double digit growth continued, integration ongoing

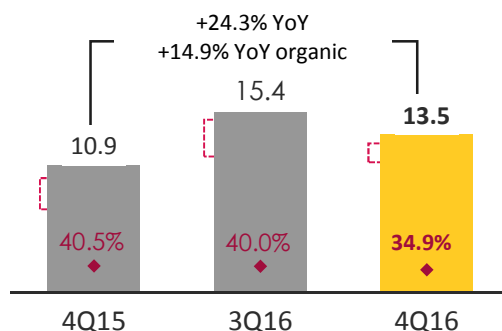
SERVICE REVENUE
(PKR BILLION)



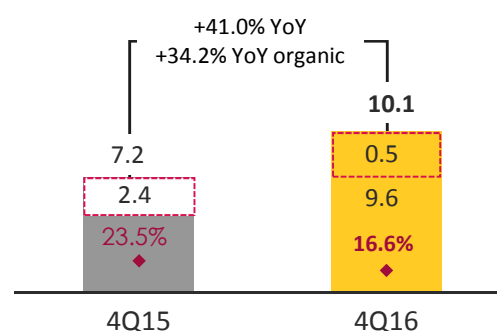
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(PKR BILLION AND %)



CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE
(PKR BILLION AND %)



- Merger integration execution ahead of schedule:
 - ▶ annual run-rate of PKR 8.2 billion (USD 78 million) synergies already achieved
 - ▶ Mobilink and Warid rebranded as “Jazz” in January 2017
- Double digit revenue growth, supported by all revenue streams, resulting in revenue market share gain
- In Q4 2016 mobile data revenue organic growth of 61.7% YoY; MFS revenue growth of 34.2% YoY
- In Q4 Underlying EBITDA margin¹ of merged entity, excluding transformation/integration costs, of 40.3%
- FY 2016 OCF margin² of 26%
- First dividend declared in 11 years
 - ▶ Gross amount ~PKR 5 billion (~USD 50 million)

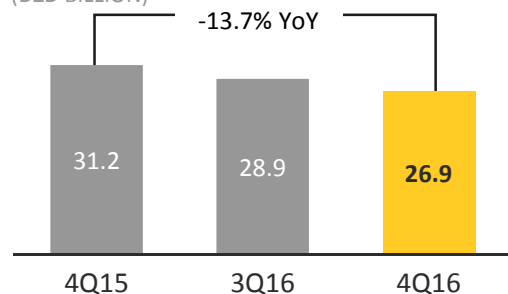
Warid contribution; Q4 2015 total figures are pro-forma, including intercompany transactions with Mobilink
Organic YoY change represents standalone performance of Mobilink

¹ Q4 2016 EBITDA negatively impacted by one-offs of transformation/integration costs of PKR 2.1 billion; Q4 2015 EBITDA negatively impacted by a one-off of PKR 0.2 billion related to transformation costs

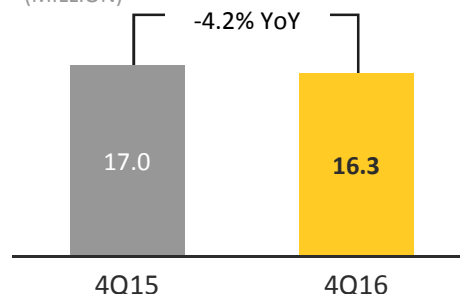
² Operating Cash flow margin= (Underlying EBITDA-Capex excl. licenses)/Total revenue

4Q16 Algeria: continued pressure on results

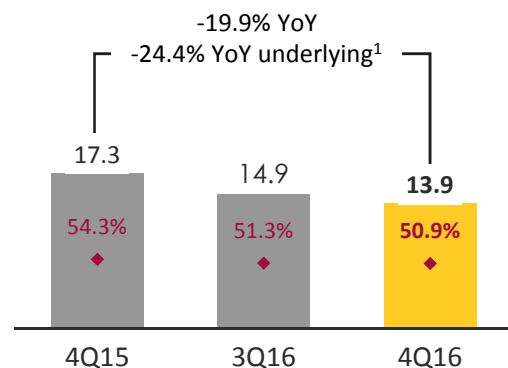
SERVICE REVENUE
(DZD BILLION)



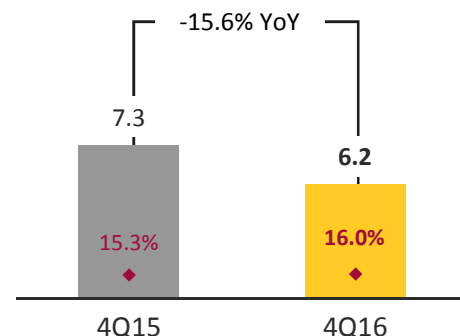
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(DZD BILLION AND %)



CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE
(DZD BILLION AND %)



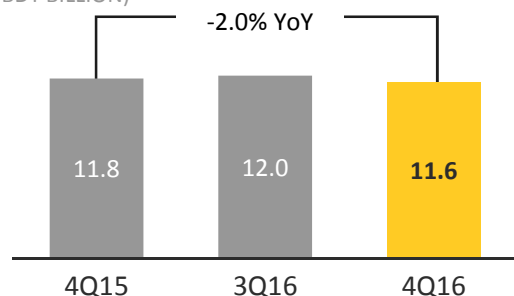
- Service revenue continued to decrease double digit YoY, notwithstanding strong data revenue (+70% YoY)
- New CEO on board since 26 January, leading a renewed management team committed to the turnaround
- Key focal points of the mid-term turnaround:
 - ▶ strengthening the organization, focus on commercial
 - ▶ distribution, both direct and indirect
 - ▶ keeping positive momentum in 4G/LTE roll-out, already completed in 20 willayas, keeping Djezzy ahead of competition
- Customer base increased QoQ
- Underlying EBITDA margin continued to be above 50%, as a result of Performance Transformation program
- FY 2016 OCF margin² of 38%

¹ Q4 2016 EBITDA negatively impacted by one-offs, due to transformation costs, of DZD 0.2 billion; Q4 2015 EBITDA negatively impacted by one-offs, due to transformation costs, of DZD 1.3 billion

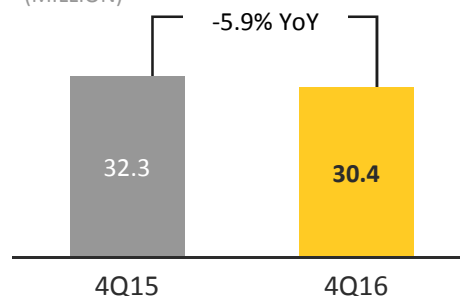
² Operating Cash flow margin= (Underlying EBITDA-Capex excl. licenses)/Total revenue

4Q16 Bangladesh: customer growth in a competitive market

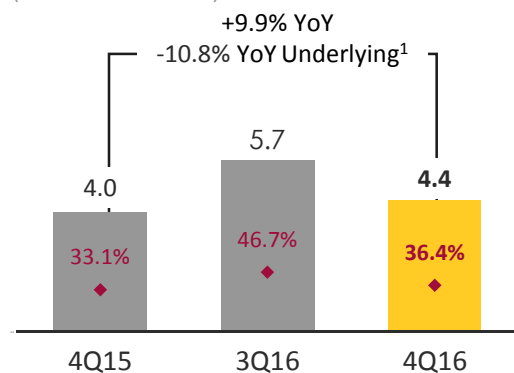
SERVICE REVENUE
(BDT BILLION)



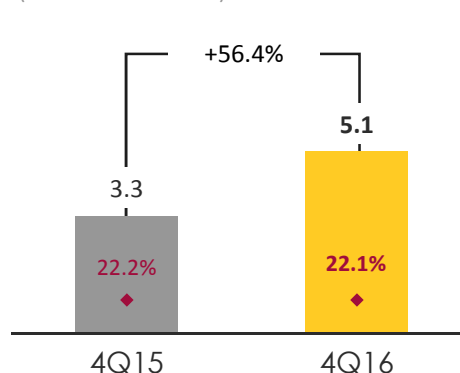
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(BDT BILLION AND %)



CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE
(BDT BILLION AND %)



- Service revenue decreased 2% YoY:
 - ▶ aggressive competition on price and offers, accelerated after the SIM-verification and in-market consolidation
 - ▶ additional supplementary duties introduced in H1 2016
 - ▶ gap in 3G network especially in semi-rural and urban areas
- Sustained strong growth in data revenue of 51% YoY
- Customer grew by 1.4 million QoQ; excluding the SIM re-verification impact of 3.8 million SIM blocking, the customer base in 4Q16 would have increased by ~6% YoY
- Underlying EBITDA declined as a result of accelerated customer acquisition activity during the quarter
- 3G coverage reached 59% of population; Banglalink is addressing the gap versus competitors, aiming at substantially improving the 3G network in 2017
- FY 2016 OCF margin² of 24.3%

¹ Q4 2016 EBITDA negatively impacted by one-offs due to transformation of BDT 0.8 billion; Q4 2015 EBITDA negatively impacted by one-offs, including transformation costs, of BDT 1.8 billion

² Operating Cash flow margin= (Underlying EBITDA-Capex excl. licenses)/Total revenue

Q&A

Vincenzo Nesci – Chief Executive Officer
Gerbrand Nijman – Chief Financial Officer

Further information

Investor Relations

Ola Tayel

Cairo Registered Office

2005C Nile City Towers - Northern Tower

Cornish El Nile Ramlet Beaulac

Cairo 11221, Egypt

Tel: +202 2461 5120

Amsterdam Head Office

Gustav Mahlerlaan 314

1082 ME Amsterdam

The Netherlands

E: ir@gtelecom.com

Visit our website
www.gtelecom.com



Appendix

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%