

الشركة العالمية
للخدمات
C.M.A. & A.C.

Global Telecom

Global Telecom Holding S.A.E.
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The Netherlands
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Disclosure

Global Telecom Holding S.A.E.

Incorporated under the provisions of the Capital Market Law

No. 95 of 1992 and the Executive Regulations

for the purpose of proceeding with the increase of the Company's Issued Capital by an amount

of EGP 11,181,749,496.36 EGP from EGP 2,738,250,503.64 to EGP 13,920,000,000 pursuant to

Article 48 of the EGX Listing Rules and Article 52 of its Executive Regulations

Item	Disclosure
Name of company	Global Telecom Holding S.A.E. (the "Company")
Date of meeting of the Board of Directors (the "Board")	29 November 2018
Nature of proposed amendment	<p>Increasing the issued capital of the Company from EGP 2,738,250,503.64 (two billion, seven hundred and thirty-eight million, two hundred and fifty thousand, five hundred and three Egyptian Pounds and sixty-four piasters) by an amount of EGP 11,181,749,496.36 (eleven billion, one hundred and eighty-one million, seven hundred and forty-nine thousand, four hundred and ninety-six Egyptian Pounds and thirty-six piasters) through the issue of 19,278,878,442.00 (nineteen billion, two hundred and seventy-eight million, eight hundred and seventy-eight thousand, four hundred and forty-two) new shares with a par value of EGP 0.58 (fifty-eight piasters) each, by inviting existing shareholders to subscribe for such new shares. The Company's issued capital after the increase and assuming full subscription, will amount to EGP 13,920,000,000.00 (thirteen billion, nine hundred and twenty million Egyptian Pounds) divided into 24,000,000,000.00 (twenty-four billion) shares. The right to subscribe to new shares will be limited to existing shareholders who will have the ability to sell such subscription rights separately for the shares themselves. To the extent applicable, fractional entitlements will be rounded in favour of minority shareholders.</p>
	<p>1. Having considered the study prepared by the Company's management regarding the reasons of increasing the issued capital of the Company and the use of proceeds plan, approving the increase of the Company's issued capital by an amount of EGP 11,181,749,496.36 (eleven billion, one hundred and eighty-one million, seven hundred and forty-nine thousand, four hundred and ninety-six Egyptian Pounds and thirty-six piasters) through the issue of 19,278,878,442.00 (nineteen billion, two hundred and seventy-eight million, eight hundred and seventy-eight thousand,</p>

Board Resolutions



جوبال تيليكوم

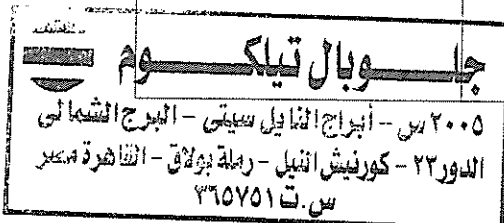
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Global Telecom

four hundred and forty-two) new shares from EGP 2,738,250,503.64 (two billion, seven hundred and thirty-eight million, two hundred and fifty thousand, five hundred and three Egyptian Pounds and sixty-four piasters) to EGP 13,920,000,000.00 (thirteen billion, nine hundred and twenty million Egyptian Pounds) divided into 24,000,000,000.00 (twenty-four billion) shares with a par value of EGP 0.58 (fifty eight Piasters) each. The right to subscribe to new shares will be limited to existing shareholders who will have the ability to sell the right to subscribe to the new shares separately from the shares themselves. Fractional entitlements to the new shares will be rounded in favor of minority shareholders and calling the company's general assembly to consider the increase of the issued capital.

2. Approving the Disclosure Note 48 that has the effect of initiating the process of increasing the Company's issued capital, and delegating to the Managing Director or the Executive Board Member for Financial Affairs the power and authority, each acting individually to:
 - a. take all necessary steps and actions with regards to the FRA and the EGX and any other competent administrative body in order to finalize the Disclosure Note 48, including without limitation making, approving and executing any amendments to the Disclosure Note 48 that any competent administrative body deems appropriate; and
 - b. take all steps or procedures necessary or required in connection with the capital increase and with the purpose guaranteeing the success of the capital increase.
3. Appointing 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 the EGX Listing Rules and to FRA letter dated 22 October 2018 as well as delegating the Managing Director and the Executive Board Member for Financial Affairs (each individually) the power to sign the engagement letter and finalize all legally required procedures.
4. Delegating to the Chairman the power to call for the ordinary general meeting to consider increasing the company's issued capital after finalizing all the procedures and requirements of the FRA, EGX and approving the proposed agenda of the ordinary general meeting.



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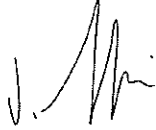
<p>Reasons for the capital increase and how the proceeds will be used</p>	<p>According to the feasibility report prepared by the Company's management dated 28 November 2018 as submitted to the Board on 29 November 2018, the reasons for the increase in the issued capital and the intended use of proceeds are as follow:</p> <p style="text-align: center;"><u>Reasons for the Capital Increase</u></p> <p>The Company is seeking additional capital in a total amount of approximately EGP 11.2 billion due to the following short to medium term financial obligations:</p> <ol style="list-style-type: none"> 1. The settlement of USD interest payment obligations in 2019 under the Company's bonds, namely the USD 500 million Senior Notes due 2020 and the USD 700 million Senior Notes due 2023 as issued by the Company's subsidiary GTH Finance B.V. 2. The repayment of a portion of the Company's outstanding USD debt obligations of which part will be allocated for (i) the partial repayment of the main shareholder's credit facilities that were approved in the Company's general assemblies in 2016 and 2018, and (ii) settlement of the dues to the main shareholder approved in the Company's general assembly in 2015. 3. The financing of future capital requirements including in relation to the potential refinancing needs of the Company's subsidiary levels, as well as ensuring sufficient financial resources for potential future litigation settlements and general corporate purposes <p><u>Use of Proceeds</u></p> <p>The Company intends to use the net proceeds of the capital increase in order to (a) settle USD interest payment obligations under the Company's listed bonds, (b) make repayment of a portion of the Company's outstanding USD debt obligations of which part will be allocated for (i) the partial repayment of the main shareholder's credit facilities that were approved in the Company's general assemblies in 2016 and 2018 and (ii) settlement of the dues to the main shareholder as approved in the Company's general assembly in 2015, and/or (c) the financing of future capital requirements including in relation to the potential refinancing needs of the Company's subsidiaries, as well as ensuring sufficient financial resources for potential future litigation settlements and general corporate purposes.</p>
<p>Effects of the proposed amendment of the capital increase on the company's assets</p>	<p>The capital increase is expected to have a positive effect given the Company's balance sheet will be strengthened due to the resulting increase in shareholder equity.</p>
<p>Effects of the proposed amendment of the capital increase on the Company's obligations</p>	<p>The capital increase is expected to have a positive effect on the Company and its wider group, as part of the proceeds will be used to repay a portion of the Company's outstanding debt. As a consequence, obligations towards debt holders and subsequent outstanding due amounts will be reduced. Following the capital increase, the financial</p>

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	leverage of the Company as well as its future interest costs will be reduced which will consequently improve the overall financial risk profile of the Company.
Effects of the proposed amendment of the capital increase on shareholders' equity	The capital increase will increase shareholder equity as shareholders will be invited to subscribe on a pro rata basis to 19,278,878,442.00 (nineteen billion, two hundred and seventy-eight million, eight hundred and seventy-eight thousand, four hundred and forty-two) shares.

Signature



Vincenzo Nesci
Managing Director

