



Telecom Egypt and Vodafone Egypt reach agreements on transmission, infrastructure services and dividend distribution

Cairo, 18 February 2019: Telecom Egypt (TE) and Vodafone Egypt announce the signing of two ten-year transmission and infrastructure agreements with a total value of EGP 10.85bn. The transmission agreement covers Vodafone Egypt's current and future requirements for domestic transmission services for both fixed and mobile, and the infrastructure agreement represents a new cooperation between the two companies, where Telecom Egypt will avail fiber backhauling capacity to Vodafone Egypt's network. Additionally, Vodafone Egypt has proposed a dividend of EGP12.2bn, of which Telecom Egypt's share is the equivalent of EGP 5.5bn. The dividends will be paid on two tranches, the first of which amounts to EGP 4.8bn and will be paid in March 2019 with the remainder in June 2020.

Adel Hamed, Managing Director and Chief Executive Officer of Telecom Egypt, commented:

"We are pleased to have reached a deal that is mutually beneficial to both parties. Vodafone Egypt is not only a strategic partner in the Egyptian market, but also a successful investment for Telecom Egypt. The agreements secure the growth of TE's domestic wholesale revenue stream for the long-term and prove that we are the partner of choice for domestic mobile operators. Additionally, we are delighted that we have finally reached an agreement with Vodafone Group on our share of retained earnings in Vodafone Egypt. Telecom Egypt plans to utilize the cash inflow to deleverage closing all the facilities in EGP to reduce the financing expenses enhancing its profitability, in addition to support its cost cutting initiatives, and continue its strategic investment plans to benefit the telecom industry in Egypt."

Alexandre Froment-Curtil, Chief Executive Officer of Vodafone Egypt, said:

We at Vodafone value the partnership with Telecom Egypt; we believe that the confidence of Telecom Egypt board and the Government to invest in Vodafone business shows how strong and successful is Vodafone. With the agreements we are signing today, we have confidence in the future of our business in Egypt, as well as in our partnership with Telecom Egypt. The good news for our 44mn customers is that by this agreement, they can soon enjoy higher speed and quality fixed-line internet, as well as highest 4G and 4G+ speed and quality. "The future looks exciting for both of us, signaling more opportunities for growth, with stability and visibility of the economy. We believe that the distribution of dividend to our shareholder Telecom Egypt will help in building fantastic infrastructure for the country."



About Telecom Egypt

Telecom Egypt is the first total telecom operator in Egypt providing all telecom services to its customers including fixed and mobile voice and data services. Telecom Egypt has a long history serving Egyptian customers for over 160 years maintaining a leadership position in the Egyptian telecom market by offering its enterprise and consumer customers the most advanced technology, reliable infrastructure solutions and the widest network of submarine cables. Aside from its mobile operation "WE", the company owns a 45% stake in Vodafone Egypt. Telecom Egypt's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on The Egyptian Exchange and the London Stock Exchange. Please refer to Telecom Egypt's full financial disclosure on ir.te.eg

About Vodafone Egypt

In 1998, Vodafone Egypt entered the Egyptian market, with investments and invested over EGP 40bn, contributing to the development of the telecom sector in Egypt. Vodafone Egypt is a total communications provider, covering a wide array of voice, data exchange services and business solutions. Since its inception, the company supported by Vodafone Group's know-how and its own local market research provides innovative products perfectly suited for its customers. In October 2016, the company completed investments of EGP 9bn to upgrade its network and acquire 4G license and spectrum launching 4G services in September 2017. Vodafone Egypt has grown over the past 20 years to become the leading mobile operator in Egypt, with the largest customer base, it proudly serves over 44mn customers. The company invested more than EGP 450mn, in community development projects, through "Vodafone Egypt Foundation".