



Orange Egypt for Telecommunications (S.A.E)

**The Company's financial results for the period ended 31 March 2018
Orange Egypt new strategy leads to positive outcome in Q1-18 vs Q1-17,
with new offers boosting consolidated revenue growth (+7.4%)
and transformation plan improving net consolidated profit (+105.3%)**

Orange Egypt financial statements for the period ended 31 March 2018 show the positive outcome of the new strategy initiated in Q4 2016. Orange Egypt reported consolidated net profit of EGP 16 M in Q1-18 vs net loss of EGP 301 M in Q1-17.

Consolidated revenues grew by 7.4% Q1-18 vs Q1-17, up to EGP 3 290 M.

Our ambitious transformation plan allowed us to boost Orange Egypt's financial position, partially offsetting the negative impacts of the high inflation and the increase of fuel and electricity costs. Consolidated gross margin grew by 8.52% in Q1-18 vs Q1-17, up to EGP 2.5 Bn.

It is important to mention that the Company has successfully completed the process of capitalizing the Euros 750 M shareholders loans on February 15, 2018, increasing its capital from EGP 1 Bn to EGP 16.3 Bn and on 5 April 2018, the Company has also completed the process of refinancing its current syndicated facilities, which will positively impact the Company's net result in 2018 and for the coming years.

Summary of the separate financial results for the period ended on end of March 2018:

- Revenues amounted to EGP 3 115 M on end of March 2018 vs EGP 2 891 M end of March 2017 reflecting a growth of 7.73%.
- Gross margin amounted to EGP 2 425 M on end of March 2018 vs EGP 2 230 M end of March 2017 reflecting a growth of 8.74%.
- Net operating profit amounted to EGP 337 M on end of March 2018 vs EGP 162 M end of March 2017 reflecting a growth of 108%.
- Net profit amounted to EGP 21 M on end of 31 March 2018 vs net loss of EGP 286 M end of March 2017 reflecting a growth of 107.43%.

Summary of the consolidated financial results for the period ended on end of March 2018:

- Consolidated revenues amounted to EGP 3 290 M on end of March 2018 vs EGP 3 062 M end of March 2017 reflecting a growth of 7.44%.
- Consolidated gross margin amounted to EGP 2 520 M on end of March 2018 vs EGP 2 322 M end of March 2017 reflecting a growth of 8.52%.
- Consolidated net operating profit amounted to EGP 343 M on end of March 2018 vs EGP 149 M end of March 2017 reflecting a growth of 130%.
- Consolidated net profit amounted to EGP 16 M on end of March 2018 vs net loss of EGP 301 M end of March 2017 reflecting a growth of 105.3%.

Financial ratios

a) Separate statement of income for the period ended 31 March 2018

	31/03/2018	31/03/2017	% change
Revenues / sales	3 114 574 465	2 891 164 382	7.73%
Gross Profit	2 425 227 192	2 230 376 360	8.74%
% of gross profit to revenues / sales	77.87%	77.14%	0.94%
Net (loss) before taxes from continued operations	(28 336 024)	(127 124 101)	(77.71)%
Net profit (loss) before taxes from discontinued operations (if any)	-	-	-
Net profit (loss) after taxes	21 265 231	(286 044 953)	(107.43)%
Profits (losses) per share	0.01	(2.86)	(100.35)%
Diluted profits (losses) per share (if any)	-	-	-

b) Separate financial position as of 31 March 2018

	31/03/2018	31/12/2017	% change
Working capital	(4 276 470 476)	(4 738 696 590)	(9.75)%
Total Equity	12 734 603 384	12 633 718 930	0.08%
Paid up capital	16 320 723 540	1 000 000 000	1 532.07%
Amounts paid in respect of capital increase	-	15 231 260 800	(100%)
Reserves	200 000 000	200 000 000	-
Issuance fees of capital increase shares	5 387 744	15 231 261	(64.63)%
(Carry forward losses) retained earnings	(3 795 619 761)	(2 307 542 793)	64.49%
Profits (Losses) for the period / year	21 265 231	(1 488 076 968)	(101.43)%
Others	(17 153 370)	(17 153 370)	-



c) Separate statement of cash flows for the period ended 31 March 2018

	31/03/2018	31/03/2017	% change
Net cash flows (used in) provided from operating activities	(257 819 862)	746 709 772	(134.53)%
Net cash flows (used in) investing activities	(1 117 326 310)	(949 381 554)	17.69%
Net cash flows provided from (used in) financing activities	1 085 282 755	(831 258 832)	(230.56)%

The consolidated results for the period ended 31 March 2018

Financial ratios

a) Consolidated statement of income for the period ended 31 March 2018

	31/03/2018	31/03/2017	% change
Revenues / sales	3 290 255 647	3 062 381 428	7.44%
Gross Profit	2 519 668 607	2 321 933 828	8.52%
% of gross profit to revenue / sales	76.58%	75.82%	1.00%
Net (loss) before taxes from continued operations	(32 995 332)	(143 055 028)	(76.94)%
Net profit (loss) before taxes from discontinued operations (if any)	-	-	-
Net profit (loss) after taxes	15 941 169	(300 604 351)	(105.30)%
Profits (losses) per share	0.01	(3.01)	(100.32)%
Diluted profits (losses) per share (if any)	-	-	-

b) Consolidated financial position as of 31 March 2018

	31/03/2018	31/12/2017	% change
Working capital	(4 604 930 161)	(5 062 494 421)	(9.04)%
Total Equity	12 521 340 324	12 425 779 932	0.77%
Paid up capital	16 320 723 540	1 000 000 000	1 532.07%
Amounts paid in respect of capital increase	-	15 231 260 800	(100)%
Reserve	200 000 000	200 000 000	-
Issuance fees of capital increase shares	5 387 744	15 231 261	(64.63)%
(Carry forward losses) retained earnings	(4 040 543 857)	(2 394 057 052)	68.77%
Profits (losses) for the period / year	15 941 169	(1 646 486 805)	(100.97)%
Others	42 210 596	42 210 596	-
Treasury stocks	(22 378 868)	(22 378 868)	-



c) Consolidated statement of cash flows for the period ended 31 March 2018

	31/03/2018	31/03/2017	% change
Net cash flows (used in) provided from operating activities	(387 637 673)	812 837 389	(147.69)%
Net cash flows (used in) investing activities	(1 004 943 087)	(1 002 582 884)	0.24%
Net cash flows provided from (used in) financing activities	1 085 282 755	(831 258 833)	(230.56)%