

Telecom Egypt announces a potential submarine cable investment opportunity and accordingly approves the amendment of its FY 2017 dividend proposal

Tuesday, 27 March 2018

In light of an arising investment opportunity in the submarine cable industry that is expected to maximize the company's returns from the cable business and ensure the continuation of the current revenue stream, the board of directors determined to reduce the earlier proposed dividend for FY 2017 to EGP 0.25 from EGP 1 per share.

The BoD decision to amend the dividends' proposal comes in light of the company's decision to:

- preserve the revenue stream of the cable systems' segment,
- avail short-term financing to the potential investment opportunity without inflating the company's debt position,
- and achieve a short-term return on the potential investment opportunity.

Ahmed El Beheiry, Telecom Egypt's Managing Director and Chief Executive Officer, commented:

"The amendment of the dividend proposal for FY 2017 is intended to avail short-term financing to an investment opportunity that Telecom Egypt believes is crucial for the continuation of the revenue stream of its cable business and comes in line with our prudent cash flow management. The company intends to maintain its long-standing dividend policy to its shareholders in FY 2018 and beyond. Such dividend policy aims to provide investors with a continuous stream of annual dividends, while balancing dividend distribution and the reinvestment of its cash flows in its Capex program, which is viewed as the key driver for inducing future growth. "

El Beheiry added that further disclosure will be made regarding all details related to the investment opportunity once the commercial arrangements have been concluded.

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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, the leading and most profitable mobile operator in Egypt.

Telecom Egypt's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on The Egyptian Exchange and the London Stock Exchange.

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