



Corporate review 2015-2016

4Generation





Summary

A word from the Chairman of the Axian, the No.1 in telecommunications i A word from t

OUR

Telma for you

Telma Group is the premier telecommunications operator in Madagascar. It is unique in offering Fibre Optic cable and 4G. It is Telma's ambition to allow every Malagasy citizen to have the best communication (landline/mobile/internet), information (through Moov), applications (smartphones, tablets) and money transfer (mobile money : MVola).

The partner for suc Supporting busine

The first high speed infrastruc Telma - Operatir

OUR

Telma - Best Telma Green - Monitoring the en Sekoly Telma

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Strategic REVIEW





- A word from the Director General
- Our history

• A word from the Chairman of the Board of Directors • Axian, the No.1 in telecommunications in the Indian Ocean

FROM THE CHAIRMAN



2016 WAS A YEAR OF DEVELOPMENT IN THE INDIAN OCEAN REGION

Dear Clients, Partners and Collaborators,

A new chapter in Telma Group's history is now opened. I hope to share with you this vision.

Telma's strategy in Madagascar is based on strong long term investments (more than US\$400 million were invested in the mobile network, the fibre optic National Backbone and the international sub-marine cable, EASSy), and on products and services offered, accessible to the Malagasy population : FTTX, 4G, low cost smartphones and mobile money, MVola.

This strategy allowed us to remain leader in Madagascar and to envisage our regional development.

Regardless of acquisition of Axian, through the Outremer Telecom activities in Mayotte and Reunion and Telma's second licence in Comoros - which was partnered by NJJ Capital (the founder of Free, Xavier Niel's investment society) - we have clearly positioned ourselves as one of the major players in telecoms in the Indian Ocean region. We are proud to be the exporter of Malagasy 'savoir faire'.

Our ambition is to allow easy access for each Malagasy to have changes in the digital world available to them. These may be professional or through the benefits of local communities. Now the citizens of Mayotte, Comoros and Reunion have joined us. We welcome them !

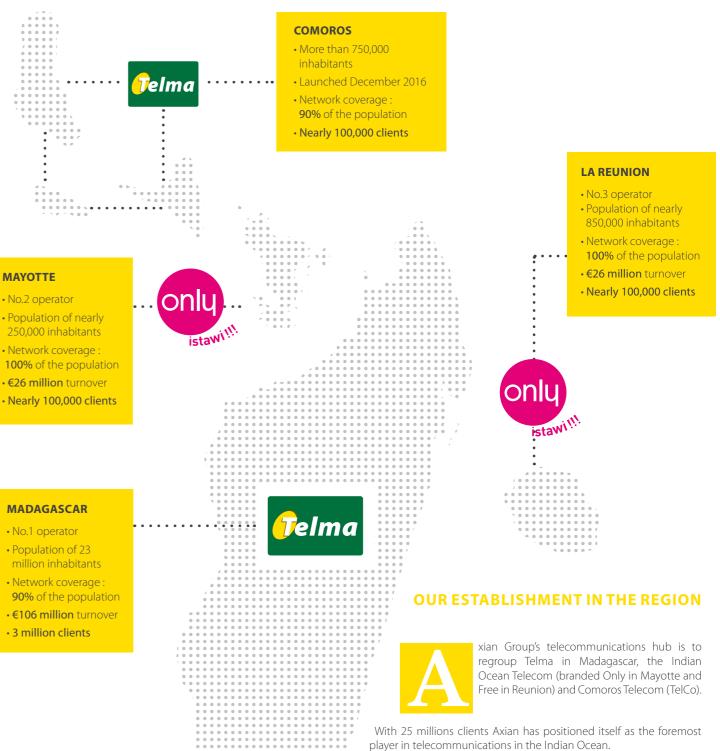
Clients, Partners and Collaborators, I want to thank you for confidence and loyalty. We remain committed to you and offer each of you the best of telecommunications.

Hassanein Hiridjee

THE PRESIDENT OF TELMA GROUP'S BOARD OF DIRECTORS

XIAN LET'S GROW TOGETHER

NO. 1 IN TELECOMMUNICATIONS IN THE INDIAN OCEAN



Word TOR GENERAL

2016 is a milestone for Telma : it has been a year of achievement and new beginnings in the Indian Ocean region.



Telma



Dear Clients, Partners and Collaborators

GROWN THE CAPACITY OF OUR NETWORKS WITH 4G AND THE NATIONAL BACKBONE

With the launching of the only 4G network in 2015, Madagascar became the first country in Africa and the Indian Ocean to have a large 4G coverage as soon as it was launched.

4G's arrival is the realisation of significant investments made by Telma for 10 years. From the start 4G covered more than 50 towns in the country. In social development, like education and health services, 4G played an important role. In the economic domaine and in every sector - tourism, mining, real estate, and BPO and call centres - 4G was major.

OFFERING OUR CLIENTS THE BEST PRODUCTS

Once again this year we offer our clients the best of technology. Now, people are able to buy a 4G smartphone for only US\$70.

In 2017, the challenge is responding to the increasingly higher expectations of clients. We want to make every Malagasy citizen a citizen of the world. We aim to improve operational efficiency at all levels. This will bring solutions tailored to each of our customer needs as quickly as possible.

For two years, Telma is the only operator that is ISO 9001-2008 certified for its broadband and very high speed internet services.

• OPENING TO THE INDIAN OCEAN AND THE WORLD

Telma is foremost among the telecommunications operators in Madagascar. A position recognised by the Comoros Union as it gave Telma its second licence there in 2015.

Telma Comoros (TelCo SA) worked with its partner, Huawei (a worldwide

player in telecom infrastructure) to put in place Comoros mobile network. Today it already has more than 50 sites that are 100% covered by 4G. These sites are used across Comoros covering 90% of the population.

Like Madagascar, Telma wanted to benefit the Comoros population, its businesses and administration with efficient and affordable information and communications technology.

In 2016, Telma also supported the 45th meeting of the Organisation of Francophone Press at the Francophone Summit. This collaboration is an example of a successful partnership between an ICT group and the media.

TELMA, MORE THAN AN OPERATOR

Telma proves itself however, in more than just telecommunication. To make each Malagasy a global citizen, Telma has, through its Foundation, come to the aid of those people who are the most vulnerable. Thus the Foundation represented the private sector of the Southern and East African region at the World Humanitarian Summit in May 2016, in Turkey.

Finally, I want to thank you all for your efforts and their achievements in making Telma successful. It has been 10 years now.

2017 promises to be an exceptional year for Telma: it has an ambition to conquer markets beyond the Indian Ocean region.

Patrick Pisal Hamida

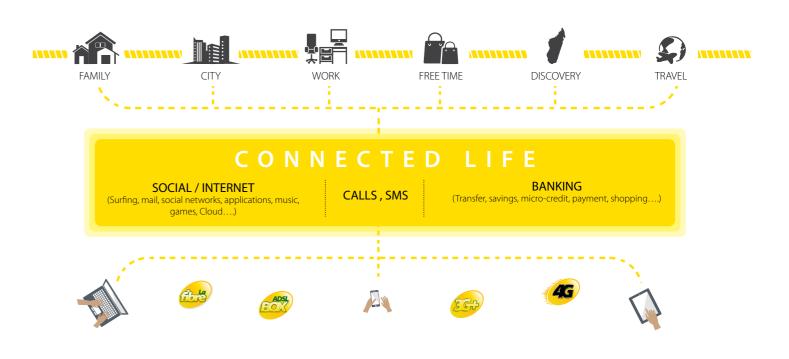
DIRECTOR GENERAL OF TELMA GROUP

OUR VALUES

A house is built on its foundations. Our values are shared by our teams. These are the pillars on which we realise our mission.

- A leader in telecommunications and innovation in Madagascar. We put our creativity at your service to be the number 1 choice.
- We think of services that are **simple** to use in everyday life.
- We put our **passion** into the challenges you have to accompany you in your successes.
- Like you, we are entrepreneurs. We research the efficiency and performance of everything we do.

CONNECTED LIFE

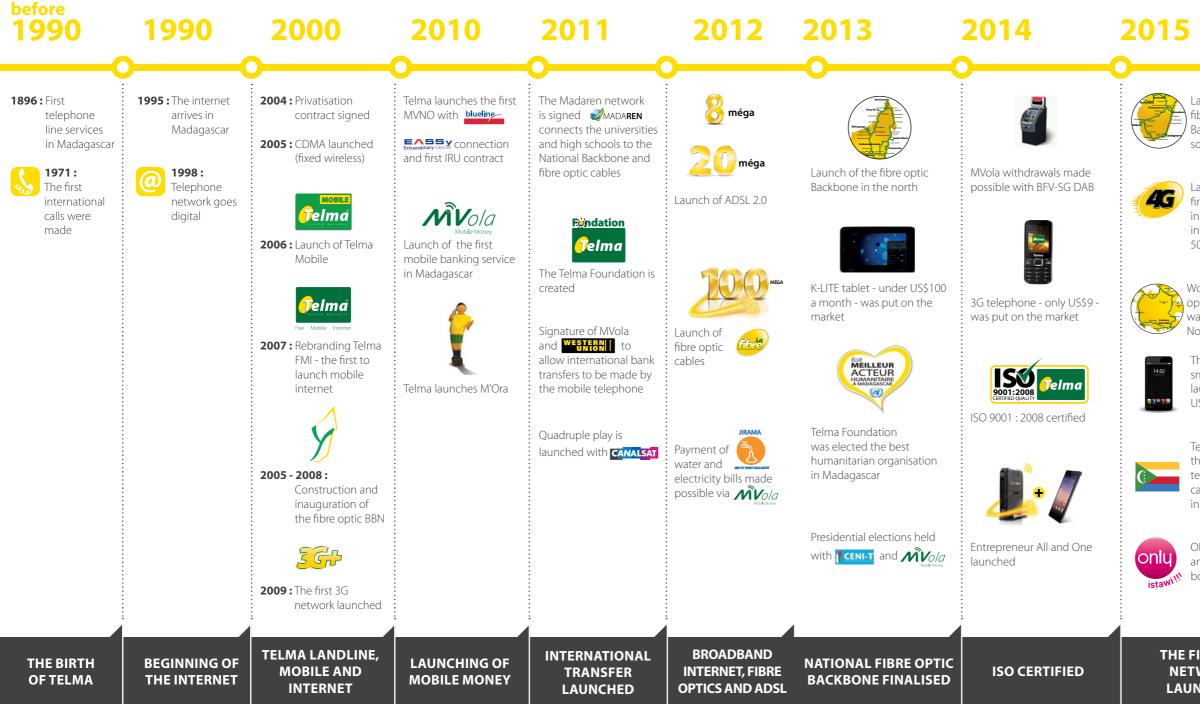


IN TELECOMMUNICATIONS

Our history

ioneer in telecommunications in Madagascar, Telma has spent more than 120 years opening the Grande Isle to the rest of the world. We are proud of the innovations the we have bought to all Malagasy people. Our ambition is to intensify our clients digital uses which is our core strategy. Our mission : to simply provide every Malagasy citizen with easy access to the changes bought about by the increasingly digital aspects of their everyday lives, personal or professional, to the benefit of Malagasy society.







2016

Launch of the fibre optic Backbone in the south

Launch of the first 4G network in Madagascar in more than 50 towns

Work on the fibre optic MAN was started in Nosy Be

The 3G+ F1 smartphone was launched for U\$\$50

Telma won the second telecommunications licence in Comores

ONLY in Reunion and Mayotte bought by Axian MAN Nosy Be launched

Fibre optic cables between Ambatondrazaka -Toamasina connected

National fibre optics were upgraded



Telma Foundation represented Malagasy private sector at the World Humanitarian Summit, Turkey



Launching of 4Gen first 4G smartphone at US\$70



Interoperability of Mobile Money services in Madagascar



THE FIRST 4G NETWORK LAUNCHED

DEVELOPMENT IN THE INDIAN OCEAN REGION

2017...

Payment of taxes via

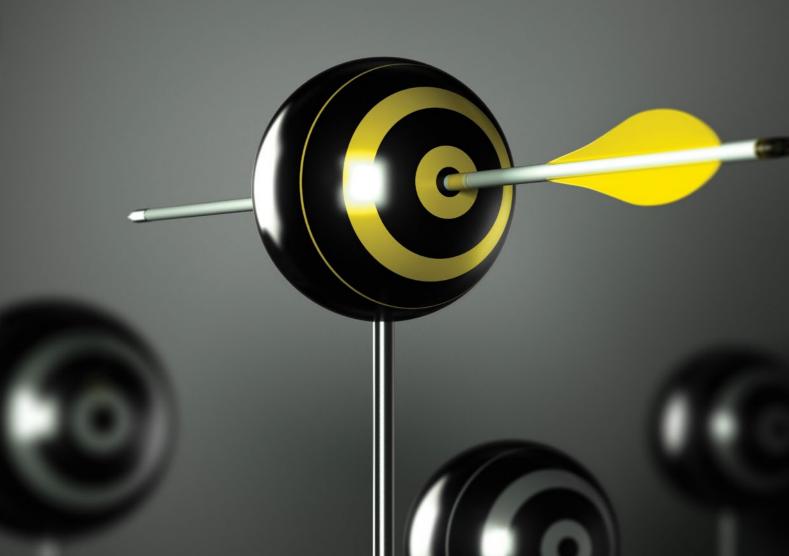


Telma Sekoly project : the construction of 50 schools across Madagascar

...

THE CONQUEST OF NEW MARKETS

PERFORMANCE





TELMA LIFESTYLE 2015 - 2016

- Memo 2015
- Memo 2016
- 4G in Madagascar
- The best of MVola

TELMA BUSINESS

- Support businesses development

WHOLESALE

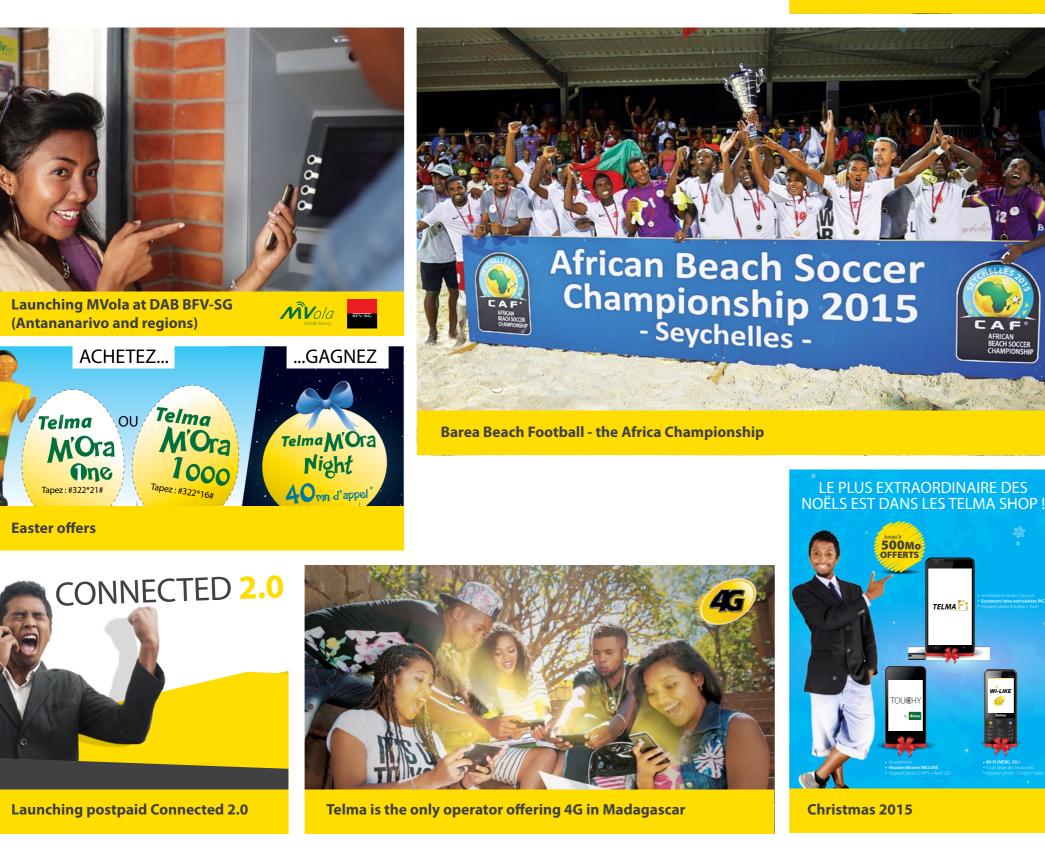
- Network coverage
- Zoom on south backbone
- Wholesale offers

Accompanying business internationalisation

• First very high speed infrastructure in Madagascar

Telma LIFESTYLE 2015







Somarôho Festival Nosy Be



Cycling tour of Madagascar



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Next Gen Pazzapa

Telma Shop in Ambanja opened

Telma wins the licence in Comoros

Telma **LIFESTYLE 2016**

JE LE VEUX ! -



The Indian Ocean Commission of Youth and Sports

MASIM / MACIN Mon 034 pour la vie! ENREGISTREZ-VOUS & GAGNEZ PLEIN DE LOTS !

GROS

LOT

14:02

TELMA 🎦

 Smartphone, écran 5 pouces Ecouteurs intra-auriculaires INCLUS Appareil photo 8.0 Mpx + flash

164000 ARTIC

« I want it » F1, Valentine's Day 2016



RENDEZ-VOUS EN TELMA SHOP!

Launched 4Gen first 4G smartphone



MVola app launched

My SIM, My CIN



15:06

TIRAGE DE 16 TÉLÉPHONES/MOIS **TOUS LES MOIS**

Telma partners the Francophone Union of Press at their 45th meeting







Telma Comores launched





Somarôho Festival Nosy Be

The Telma Streamliner Shop is opened in Toamasina

The money transfer between Mobile **Money services is** launched



Telma turns 10 years

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ADAGASCAR







100% of towns covered were on the national highways Over **7** million Malagasy people in 2016



85% of landlocked locations covered Over **10** million Malagasy people in 2016 (8 million covered and 2 million less than 10 km away)

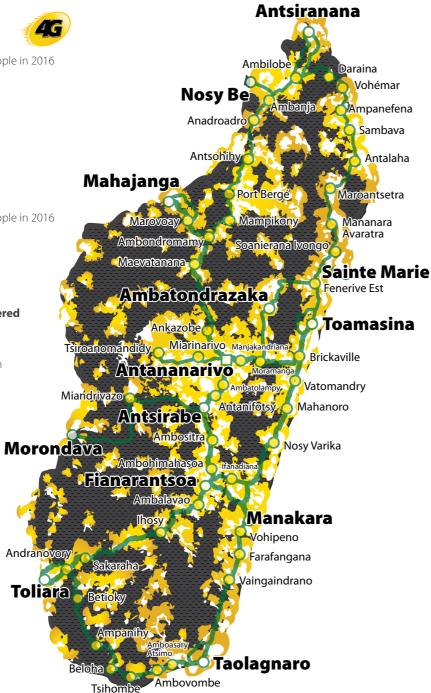


2015 Madagascar gained its unique 4 Generation network from

The most developed countries share this technology, and only 18 of the 54 countries in Africa and the Indian Ocean.

Today, Madagascar has a huge 4G network coverage. In 2016, more than 60 towns were covered - 80% of the population.

The 4G network was made possible by the fibre optic National Backbone, which joins all the major towns - south to north, and east to west.



The best OF MVola



not.

PAYMENT BY MVola : AN INNOVATIVE SERVICE

The success of MVola proved that the Malagasy people needed it - a simple way of transferring money: immediate and secure, 24/7 in all of Madagascar.



A 20% bonus is available on all credit via MVola



Paying bills was never so easy : Telma, Jirama, Canal+, Parabole, Jovenna

MVola, A BANKING PARTNER

Not only is MVola complementary to banking, it is a partner to banks. It brings people without bank accounts access to money transfer services without using cash. MVola offers many more people a way to become financially active.

It is now possible to withdraw money from DAB BFV-SG with MVola - without a bank account - 24/7 in all of Madagascar.





MVola's new app offers a more fluid and intuitive version. It is simple, immediate and secure. The new interface gives a view of all the services that MVola offers.







ince 2010, millions of people who use MVola have made one thing clear : their life is much more simple with it. Telma's Mobile Money service is accessible to everyone - with a mobile telephone or





With a vast network of partners - including restaurants and boutiques payment by MVola is available in every area of life

More than 100 online sellers have adopted a system of payment online that is uniquely available by MVola - Leader Drive, exeia. com and more

MONEY TRANSFER AS SIMPLE AS EVER

Since September 2016, it has been possible to send money via MVola directly to other Mobile Money provider (MVola, Orange Money, Airtel Money). This new service means that MVola can be used without coupons.

NOUVEAU





BE THE BEST - CHOOSE No.1

MAKING BUSINESSES MORE DIGITAL



- Fibre by Telma : 100 mbps for your office (all principal locations pre-fibre) and at home
- The best **4G in Madagascar** with the Power Box
- Guarantee: real time, guaranteed intervention
- Interconnection to satellite offices via intranet



- Multiple payments : Salaries, business expenses and more 24/7
- Payments for water, electricity, gas, fuel, taxes
- Withdrawal from DAB 24/7
- E-commerce
- Following your transaction in real time



- Offre Flotte for large accounts and businesses
- Competitive rates for voice, 4G internet, SMS
- A range of **smartphone** Apple, Samsung, Huawei, Telma
- Allowed to choose your budget with pay as you go credit and self-care



- Optimisation of your visibility on Madagascar's premier portal : www.moov.mg
- **SMS connect** : market directly personalised
- Your first promotion is you : email address and the name of your website
- Magic numbers: numbers you can remember, short numbers, numbers that charge a premium rate



- Secure with the first Data Centre, tier 3, in Madagascar.
- Private international network : A private network in IPLC in more than 300 cities in the world so you can exchange your personal details in total security.
- Outsourcing solutions : Bandwidth, application usage statistics, url filtering and anti-virus, secure backup and more.









INTERNET OF THINGS (IOT)



• From a unique web interface : Geolocalisation, measuring distance, vehicle consumption, real time alerts and progress reports.



VIDEO SURVEILLANCE :

• Video surveillance at your location - streamed and accessible from a mobile application.

• Wherever you are, connect with Telma mobile phone - everywhere in the world.



THE FIRST VERY HIGH SPEED NETWORK IN MADAGASCAR

Telma has put in place wholesales solutions that are unique to Madagascar. With the sub-marine EASSy cable these are connected internationally with national connectivity via the fibre optic National Backbone, and locally by FO, ADSL, SDSL or WLL.

• EASSy : INTERNATIONAL CAPACITY

THE SUB-MARINE CABLE THAT CONNECTS MADAGASCAR TO THE REST OF THE WORLD

naugurated in 2010, the EASSy cable linked Mtunzini in South Africa with Port Sudan. It was more that 10,000kms, and it had landing points in 9 countries, interconnected by the global network of sub-marine cables. Telma, unique in Madagascar, is a member of the international consortium that overlooks EASSy.

Telma is also a member of the 3 global IXPs (Linx, Franceix and Equinix). It is connected to more that 500 peering points in the world. International connectivity is secured by the LION sub-marine cable, which leaves via Toamasina.



NATIONAL BACKBONE : NATIONAL CAPACITY THE ONLY FIBRE OPTIC INFRASTRUCTURE IN MADAGASCAR

Access to very high speed internet has completely transformed economic activity in Madagascar.

The National Backbone is more than 8,000 kms long. It connects over 900 communes, all the economic centres and universities in Madagascar. The National Backbone is 100% redundant with four secure loops.



• MAN : LOCAL CAPACITY

THE METROPOLITAN UNDERGROUND FIBRE OPTIC NETWORK

With a network of more that 100 kms in Antananarivo MAN is redundant with four fibre optic loops. It underpins all of the administrative and economic systems.

12 other towns now have the same network : Toamasina, Antsirabe, Mahajanga, Antsiranana, Toliara, Taolagnaro, Moramanga, Fianarantsoa, Ambatondrazaka, Morondava, Manakara, Fenerive Est.



TRANSPORT CAPACITY

 Local, nation or international transmission Transit or distributed circuit Available in MRC or IRU

- Interface with E1, FE, GE, STM1, STM4, STM16



REINVENTING THE INTERNET

 Solution for the operators and for their financial clients Internet offers in ADSL and fibre optics to businesses and homes

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TELMA, THE OPERATOR OF OPERATORS



SECURE HOSTING

- Secure spaces in a Data Centre supervised 24/7
- Redundant equipment hosted in the principal (Analakely) or secondary (Galaxy Andraharo) site



SLA

Telma's services conform to the International Telecom's highest standards (99.5% availability of services) through the Service Level Agreement (SLA).







TELMA, A PARTNER No.1 IN EDUCATION, CULTURE AND SPORT

- **# TELMA, BEST PREFERRED EMPLOYER**
- **# TELMA GREEN, MANAGING ENVIRONMENTAL IMPACTS**
- **# SEKOLY TELMA, BUILT FOR THE FUTURE**

The next generation

• TELMA, SUPPORTER OF THE MALAGASY YOUNG TALENTS

Telma and its team supports young Malagasy pursue their own ideas. It gives them the opportunities to follow music, art and lots more.

elma supports young Malagasies, the next generation, to achieve their dreams and express their passion. It is the reason why we are the first partner in education, culture and sport in Madagascar.

HIGHER EDUCATION A PRIORITY

Telma partners both public and private higher education establishments. We make all the latest telecommunication technologies available to students : 4G, fibre optics, tablets...

Madagascar's 7 universities are all linked to the National Backbone.





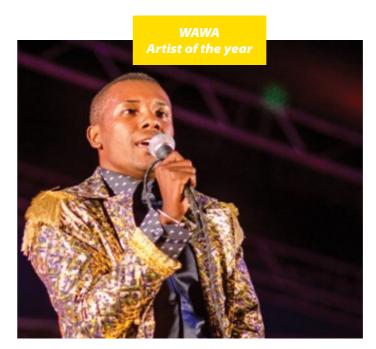
SPORT

The No.1 sporting partner, Telma supports both basketball and football in Madagascar. It is the official sponsor for both Federations. Telma brings its commitment and dynamism to help develop local sports: the potential power of Madagascar is it young people. Telma helps sport go beyond Madagascar's frontiers.

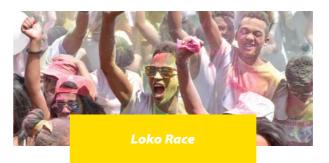
















E BEST EMPLOYER

+ de **1 200** employees **40%** are women



5000 h hours of training

+ de new recruits in 2016



A TEAM SPORT

Telma brings with it a dynamism that is unique. We lives sport. An evening for the Euro 2016 final was organised by ti bring our partners together during a major international tournament. We also organised corporate games twice a year : Partners had to field teams for basketball, bowls, football, volleyball and more. Through sport Telma helps to develop a team spirit and a sense of belonging.



expectations.

It has been 10 years since I became the Director of Telma Shop and Development Network. Telma gives me the space to learn but also innovate systems that make us successful.

It is true that Telma's leitmotiv is to evolve if is to remain Madagascar's premier operator. I am proud to be part of Telma. It has invested in Madagascar for 10 years to make each of us a global citizen.

My work consists of making the apparatus run smoothly, the software, share points and much more. I make the package that Telma offers more adaptable for the client. This makes sure that our clients have the best experience possible.

I am proud to be a part of Telma. It has invested in 4G and fibre optics. It listens to our clients needs. And it makes sure that the « savoir-faire » that Madagascar has goes far beyond our borders. Telma remains the premier operator in the Indian Ocean.

I'm here, and I'm staying!



he experts are our partners. They are passionate about what they do. Working with us they have built Telma's success. Now every person in Madagascar is connected to the rest of the world.



ANDO **RAZAFINDRAINIBE** | Telma Shop and Development Network Director

📒 📒 My work is to make sure that Telma is always driven by the clients we have and responds to their

NJAKA **HAJARIMAVO** | MOA Client Experience and Transformation Manager

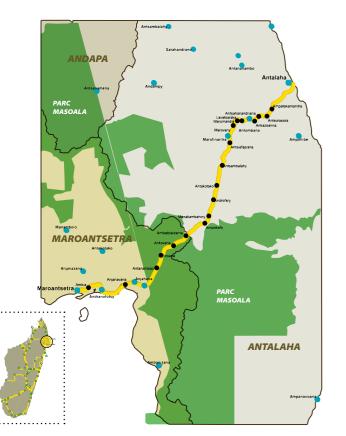
Green Telma MANAGING OUR ENVIRONMENTAL IMPACTS





reserving the environment is at the heart of everything Telma does. As our projects are designed and implemented their environmental impacts are managed to preserve Malagasy biodiversity.

We work jointly with the National Environment Office. This has allowed us to minimise the impact of infrastructures - like the Fibre Optic cables and pylons - on the environment. At the same time it allowing us to develop the isolated parts of Madagascar. In doing this we hope to benefit the people who live there and those that visit.



NORTHERN BACKBONE : THE MASOALA PARK'S PRESERVATION

At 118.5 kms the Maroantsetra-Antalaha tranche of the National Backbone passes 1.5 kms through Masoala Park.



Ensuring workers protect the environment and do so in respect of the laws that govern the park
Security teaching - fire drills
First aid

Recruiting workers from the villages nearbyRespect of customs and culture



No cutting down of large trees during the operations
Working hours will be adapted to minimise their effects on animals and birds

SOLAR POWER

The majority of Madagascar's regions have more than 2,800 hours of sunshine a year. In partnership with Madagascar's Towerco (TOM) and Madagascar's Electricity (EDM) all our sites are equipped with renewable energy.

More than 400 telecommunication sites in Madagascar also have equipment to reduce their environmental impact. With renewable energy we can reach the remotest areas.



isolated villages use solar energy for mobile coverage









telecom sites that produce their own power



+ 1 600 W of site production

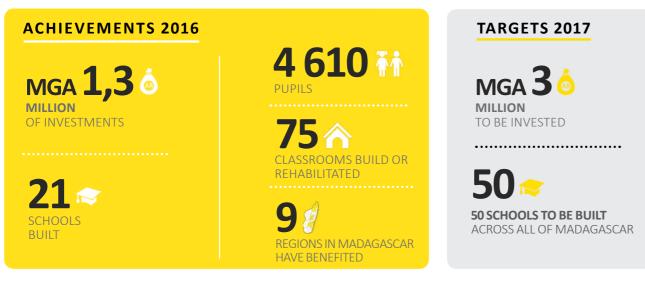




SEKOLY TELMA : BUILT FOR THE FUTURE

The Telma Foundation has built 21 schools in Madagascar in 2016 - showing its continuing commitment to education.

Since 2015, the Sekoly Telma projects have been the most ambitious ones created by a Malagasy Foundation in order to make access to education better for children.



Solidarity project



The programme is to **benefit children** who live **in isolated areas of the country.** We **build schools in villages were they don't have any**; we build **classrooms** where the construction of schools is **incomplete**; we rehabilitate schools damaged by **cyclones**, **flooding** and **other natural disasters**.

Often the works are done by volunteers: **school children's parents,** youth associations, local and national NGOs, **even local celebrities.**

Our partners



WORLD HUMANITARIAN SUMMIT 2016

2016



Madagascar booth held by Telma Foundation at the World Humanitarian Summit

2015

October 2015 : Preparation for the World Humanitarian Summit in Geneva.

2014

May, 1st 2014 : The United Nations (UNOCHA) chose the Foundation to represent the Eastern and Southern Africa private sector at the World Humanitarian Summit.



2013



2011 - 2012

The Foundation supported the BNGRC in Risk and Disasters Management and humanitarian emergencies by giving telecommunication and internet across the whole of the country. **May, 23rd to 26th 2016 :** The Foundation represented Madagascar at the World Humanitarian Summit in Turkey.



Geneva Workshop - October 2015

December, 5th 2014: The Humanitarian Platform for the private sector launched.





Platform launched - members present

2013 : The Foundation named the Best Humanitarian Actor following its involvement in the Risks and Disasters Management, Madagascar.



Telecom coordination in partnership with Vodafone Foundation and Telecom without Borders



Sending texts to populations at risk



Reinforcing national telecoms infrastructure



3G keys for BNGRC

Governance



Patrick

Director General of Telma Group 25 years of experience in services and telecommunications 12 years in Madagascar

Matthieu

Deputy Director General

telecommunications

financial services 12 years in Madagascar

19 years of experience in services and

Chief Executive of Telma Money 7 years of experience in mobile

Mace



José Yvon Raserijaona

Secretary General 14 years of experience in services and telecommunications 34 years of experience in financial services

Joël

Deputy Technical Director General 13 years experience in services and telecommunications



Paulin Alazard

Deputy Financial Director General 12 years of experience in services and telecommunications 8 years in Madagascar



Mialisoa Andrianasolo

Deputy Director General of Client **Experiences and Transformation** 17 years of experience in services and telecommunications



Jérôme

Deputy Director of Information Systems

12 years of experience in services and telecommunications 11 years in Madagascar



Jean Luc

Human Resources Director 12 years of experience in services and telecommunications

Key statistics

FINANCIAL RESULTS MGA 1,019 billion

MGA 362.6 billion

turnover 2016

MGA 3,176 USD MGA 3,509 EUR Exchange rate

NETWORK COVERAGE

+ de 8 000 km fibre optic National Backbone

7 Universities & 23 schools linked by the Backbone

.....

90% population connected

1 467 of communes covered





MVola IN FIGURES

+ de 2 million are subscribers clients certified 2016

5335 selling points throughout Madagascar



SALES NETWORK

+ de 3 million subscribers



DISTRIBUTION NETWORK

+20000retailers

58 **Telma Shops**



Groupe Telma

Andraharo - Antananarivo 101 Madagascar | Email : B.P. 763 Phone number : +261 20 25 427 05 | Fax : +261 20 22 240 08