

CHIEF EXECUTIVE OFFICER'S REVIEW

IT GIVES ME GREAT PLEASURE TO PRESENT THE 2018 ANNUAL REPORT. IT HAS BEEN ANOTHER AMAZING YEAR FOR MAURITIUS TELECOM WITH IMPRESSIVE FINANCIAL RESULTS ACHIEVED THROUGH THE SUCCESSFUL EXECUTION OF OUR AMBITIOUS STRATEGY SET OUT IN 2015.

OVER THE PAST FOUR YEARS, THE COMPANY HAS PERFORMED STRONGLY, WITH A 16% INCREASE IN REVENUE AND A 32% GROWTH IN NET PROFIT OVER THE SAME PERIOD. THE YEAR UNDER REVIEW HAS BEEN VERY SPECIAL. DESPITE SIGNIFICANT INVESTMENT TO SUPPORT OUR BUSINESS TRANSFORMATION, WE HAVE ACHIEVED A RECORD TURNOVER OF RS 10.6 BILLION WITH A NET PROFIT OF RS 1.3 BILLION WHICH REPRESENTS A LEAP OF 25% COMPARED TO PROFITS MADE IN 2017.

MANVENDRA (SHERRY) SINGH
Chief Executive Officer

This Annual Report is testimony to the effectiveness of strategies we set out to turn around the Company and reverse the trend of declining profit since 2014. Today, when I look at the financial performance and the mindset that prevails within the Company, I am more than ever convinced that we are on the right track to make Mauritius Telecom shine both on the local and international scenes.

The strategic priorities set out for Mauritius Telecom in 2015 have instilled a new dynamism within our workforce to take the company to greater heights.

ENRICHED CONNECTIVITY

By enhancing connectivity, we have enriched people's lives as Mauritius transforms itself into a smart island.

Mauritius Telecom completed the Fibre-to-The-Home (FTTH) Rollout Project over the whole island in record time, an achievement acclaimed by the FTTX Council Africa and the international community, making Mauritius the most connected country in Africa and ranked



“MAURITIUS TELECOM'S TRANSFORMATION OVER THE PAST YEARS HAS ALSO MEANT INCULCATING A CULTURE OF INNOVATION, TOGETHERNESS AND SENSE OF BELONGING WITHIN OUR TEAMS.”

CHIEF EXECUTIVE OFFICER'S REVIEW

(CONT'D)

8th in the world just after Japan and China (iDate February 2018 report). 230,000 households and businesses are now connected to fibre broadband out of 366,000 that are fibre ready.

With the deployment of 4G mobile technology, our customers are able to enjoy high-speed mobile internet all over the island. By the end of December 2018, 76% of our mobile internet subscribers were using the 4G network.

By continuously upgrading our network infrastructure for both fixed-line and mobile users and bringing innovative solutions to the population, Mauritius Telecom is nurturing an environment conducive to Mauritius reaching the next milestone in its socio-economic development.

In November 2017, Mauritius Telecom was awarded the contract to link Rodrigues to Mauritius with a submarine cable. Just as we understood the necessity for accelerated fibre deployment in Mauritius, we understood how vital the Mauritius and Rodrigues Submarine (MARS) cable is for development in Rodrigues. Together with our partners PCCW Global and Huawei Marine Networks, Mauritius Telecom fast tracked the project and brought the 677-kilometre cable span to land in Rodrigues in November 2018, exactly one year after the signing of the contract.

HIGH-SPEED BROADBAND IN RODRIGUES WILL FACILITATE GREAT LEAPS IN INNOVATION, RESULTING IN A FUNDAMENTAL RESTRUCTURING OF THE ECONOMY AND HAVE A POSITIVE IMPACT ON PRODUCTIVITY, TRADE, EXPORTS AND ECONOMIC GROWTH.

WORLD-CLASS SERVICE

Over the past four years, we have brought in many innovative changes and the enhancement of our services has led to a 76% decrease in complaints between 2015 and December 2018.

In order to provide a world-class service and exceed customer expectations, we embarked in 2018 on a major company-wide initiative to transform the service culture within Mauritius Telecom with our Speed Project. This involved a new approach, from problem identification to problem resolution, which has improved both service delivery and customer experience.

CREATING VALUE FOR OUR SOCIETY

As one of the country's leading companies, Mauritius Telecom is committed to meeting its corporate social responsibility towards society.

From 2015 till 2018, the Mauritius Telecom Foundation injected a total of Rs160 million to support projects in the fields of education, ICT, disabilities, art and music, empowerment, and entrepreneurship development so as to bridge the social and digital divide. We reviewed our CSR priorities in 2017 by focusing on key areas which will have sustainable and life-changing impacts community-wide.

MUGA (Multi Use Games Area), a community-based Fun and Fitness movement, was developed by Mauritius Telecom leveraging on the use of technology and with the active collaboration of the government and the local authorities and community. The mission of MUGA is to promote healthy living through physical activity and education for all segments of the population.

We set up the first MUGA in Phoenix in August 2018. This project will be extended in 2019 to other parts of the country, namely Tyack, Triolet, Goodlands and Curepipe.

FOSTERING AN ENGAGED WORKFORCE

At Mauritius Telecom, we consider our people to be the Company's most valuable asset and we have instilled a sense of togetherness to create what we call the MT Family.

We promote a culture anchored on five core values: Passion, Professionalism, Creativity & Innovation, Agility & Speed and Respect & Responsibility.

We aim to be an equal opportunity employer and a company to which our people feel proud to belong. We foster staff welfare, health & safety and personal and career development in a collaborative workplace.

Mauritius Telecom's transformation over the past years has also meant inculcating a culture of innovation, togetherness and sense of belonging within our teams.

THE FUTURE IS BRIGHT

Mauritius Telecom has seen major changes over the past four years, receiving major recognition on the international scene. We have been helping to revolutionise the ICT sector and have several more projects in the pipeline for 2019:

- ▶ The launch of a revolutionary TV experience with the new 4K my.t Smart Box in partnership with Google and Huawei.
- ▶ Launch of a new mobile payment ecosystem.
- ▶ Expansion of our Tier IV Uptime Institute certified Data Centre in Rose Belle.

The Company will pursue its Africa agenda and seek growth opportunities to meet its ambitions of becoming a regional player.

CONCLUSION

Our results this year and over the past four years show that we can respond to industry challenges and deliver strong performance. Mauritius Telecom is a very different company today from what it was in 2014.

We are firmly committed to maintaining our leadership position and to continuing to leverage on our strong and growing core business to enrich people's lives. I am confident that a strong foundation is now in place and that we can capture new opportunities as we move forward.

I am very grateful for the invaluable contributions made by my colleagues throughout the Group, to our partners and shareholders for their belief in our strategies, and not least to our Chairman and Board members for all their support.



SHERRY SINGH

Chief Executive Officer

June 2019