



GENERAL MANAGER'S SPEECH AT THE 16th ANNUAL GENERAL MEETING OF AMALGAMATED TELECOM HOLDINGS LIMITED HELD AT THE GRAND PACIFIC HOTEL, SUVA ON WEDNESDAY, 22 OCTOBER 2014 AT 9.30AM.

In the telecommunications ecosystem of 2014, Telecommunications, mobile in particular, is on the leading edge of innovation that crosses virtually every industry and sector. Locally and globally, our industry is at once both exciting and challenging. There are many opportunities and challenges laid out before us and we need to consider carefully and make tough decisions if we are to reap the rewards of those prospects.

Over the past two years, we have endeavoured to capitalise on what we do best, consolidating parts of our companies and reorienting others. Wholesale change in any business is always disruptive and comes with associated human and corporate costs, but we have navigated our way through this period successfully.

The Group reports a consolidated profit after tax of \$14.469 million (attributable to the equity holders of the holding company – consolidated after tax \$33.738 million) for the financial year ended 31 March 2014 . This comes after a net loss of \$15.905 million (attributable to the equity holders of the holding company – consolidated (\$22.725 million) for the corresponding period of the prior year, although the prior year's numbers were affected largely by a disposal of assets by Vodafone Fiji Limited and impairment of assets in FINTEL.

Outlining some of our other achievements of the past financial year:

- Consolidated sales revenue grew by 4 per cent, pushing revenue to \$281 million.
- Gross Profit declined by approximately \$2 million – this largely is a result of more aggressive pricing on handsets and devices to ensure the group maintains market share and also as a result of the increased takeup in broadband services across the group – globally, broadband gross margins are lower than legacy voice and messaging service margins.
- Cash flow remained healthy with the Group recording a consolidated EBITDA of \$93.109 million, resulting in free cash flow of \$43.717 million, after capital expenditures and acquisitions.

While TFL reported a net loss after tax, this was largely as a result of impairment to its network and other one off restructuring costs. The results for the 1st half of this financial year show that the company is now in the black.

These figures are likely to improve if we consider that there have been developments apace since they were compiled. For example, in 2014 Vodafone Fiji Limited became one of the first company's in the South Pacific to commercially launch 4G mobile services, with a rapid uptake of service that to date has surpassed expectations.

Our exercise of consolidation and the shedding of non-core businesses that began three years ago continued during the last financial year with a focus on consumer-centric service. As outlined in the Annual Report, our financial performance has been robust despite the intense competition in the telecommunications sector. Our companies are still the service providers of choice for the majority of Fijians.

Two major developments within the Group over the past year has been the acquisition of the remaining 51 per cent shareholding in FINTEL from the Government of Fiji. This has enabled a turnaround from the negative result of the previous year.

ATH sold its 51 per cent shareholding in Pacific Emerging Technologies (Fiji) Limited to the minority shareholder.

The FINTEL purchase is a key step in ensuring end-to-end delivery of services, while the PET sale allows the ATH Group to focus its resources on its core business – the provision of top-of-the-range quality telecommunications and data services to Fijians and Pacific Islanders.

Also you will be aware that Vodafone International Holdings BV has sold its 49% shareholding of Vodafone Fiji Limited to the FNPF. It is expected that with the company now being fully locally owned, with synergies between the two shareholders will provide further opportunities to add value.

Another development has been the completion by FINTEL of the task of connecting Vanuatu to the Southern Cross Cable Network, following its earlier connection of Tonga. The expansion of the SCCN through Fiji is an important milestone as it improves Fiji's position as the telecommunications hub of the Pacific.

In the spectrum auctions conducted by the Department of communications in July 2013, the ATH operating companies secured 60MHz out of 105MHz that was made available. Given that spectrum is a critical resource in the delivery of wireless broadband services, the acquisition of spectrum is a vital element in addressing the growing demand for broadband.

These initiatives make the Group a key player in the Pacific region and set the platform for further expansion and collaboration.

A key growth factor for ATH Group has been data and broadband internet take-up and usage. This is a trend that has emerged with the easy availability and affordability of smart phones and tablets, reflecting a corresponding growth in revenue from these streams.

Both Vodafone Fiji and Telecom Fiji continue to invest in infrastructure to meet the growth in broadband and data volumes now consumed. Vodafone Fiji continues to increase the number of base stations in the network and also continues to upgrade these to 4G LTE technology while TFL is rolling out high speed optical fiber both for backhauling traffic and also delivering high speed Internet to the premises.

The digital revolution, as confirmed by the growth of data and broadband internet, has begun to impact changes in modes of access on search and directory services. Fiji Directories Limited, which has traditionally focussed on its print directory is now increasingly delivering over new media. Improved connectivity has driven many Fijians – and those further afield – to use FDL's website for local people and business searches. Indeed, monthly online users on FDL's website increased by 270 per cent increase since the previous year. This is also reflected in FDL's encouraging sales revenue growth of 8.1 per cent to \$4.4m.

In implementing our corporate social responsibility, the Vodafone ATH Fiji Foundation has continued to pursue its vision of applying the benefits of technologies and resources towards achieving social good. In the past financial year, the Foundation distributed \$633,068 through its various programmes aimed at improving lives and creating livelihoods.

For the future, volume growth is sure to continue, particularly with respect to Broadband services, gross margins from the provision of broadband access are lower than for legacy services. The prospects of Machine to Machine communications and the Internet of Things which look to drive end user connections up by an order of magnitude which should drive growth.

In addition, to provide services which earn higher premiums, the subsidiaries are now working on providing mobile and internet apps to ensure that we build the know how to participate in these new areas. Examples include VFL launch of its own app store with a number of mobile apps, TFL providing internet applications, integrating digital signage with live online data and FDL moving to online and mobile search.

Thank you for your attention.

(END)



MARKET ANNOUNCEMENT
(For Immediate Release)

ATH AGM Resolutions

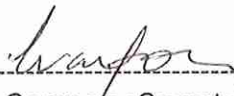
The following resolutions were passed by unanimous vote by those attending and eligible to vote at the 16th ATH Annual General Meeting held on Wednesday, 22 October 2014 at 9.30 am at the Matua Functions Room, Grand Pacific Hotel, Suva:

1. The Adoption of the Minutes of the 15th AGM held on Tuesday, 27 August 2013.
2. To adopt the financial statements of the company and of the group, comprising of the statements of financial position, the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cashflows, and the reports of the Directors and Auditors for the financial year ended 31 March 2014.
3. To declare a final dividend of 2c per share totalling \$8,442,097.36 in accordance with the recommendations of the Directors.
4. To re-elect Mr Ajith Kodagoda as Chairman and elect Mr Isikeli Voceduaadua as a Director in accordance with Articles 6.4 of the Articles of Association.
5. To fix the total remuneration of the Directors for the ensuing year at \$90,000 in accordance with article 6.7.
6. To appoint BDO as Auditors for the financial year ending 31 March 2015 and authorise the Directors to fix their remuneration.
7. To adopt the special resolution for the sale of Ganilau House by Telecom Fiji Limited (pursuant to Section 143 of the Companies Act [Cap 247], Laws of Fiji) to the Fiji National Provident Fund for the sum of \$16,250,000 (VEP).

- End -
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Director



Company Secretary

22 October 2014

About ATH:

ATH is a public company listed on the South Pacific Stock Exchange and is Fiji's principal telecommunications holding company, through its investments and provision of direct services in a broad range of telecommunications and related services, throughout the Fiji market.

Contact:

Ivan Fong, General Manager/Company Secretary 3308-700 or IvanF@ath.com.fj

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Market Announcement – Additional Disclosures - TFL Sale of Ganilau House

Introduction

SPSE has requested that ATH provide additional disclosure as to how the consideration of \$16.25Mn was arrived at in order to provide assurance on the fairness and reasonableness of the transaction.

SPSE has further requested that ATH disclose the following:

1. The main purpose of selling this property.
2. The terms of the leaseback to TFL and the rates that would apply on the respective lease.
3. What the proceeds of the sale will be used for.
4. The financial impact of the sale on TFL.

ATH hereby provides the following additional information:

Additional Disclosures

1. TFL commenced the process of seeking a buyer for its Ganilau House Property in 2012. The company advertised in the daily newspapers seeking an Expression of Interest for the Sale of Ganilau House;
2. Property Solutions was commissioned in 2012 to undertake a valuation of the property (Market Value, Income Assessment and Replacement cost) The valuation opinion of 31 January 2012 estimated replacement value at \$16Million VEP;
3. During this stage, TFL received expressions of interest with indicative bids ranging \$7.7 million - \$10 million;
4. The Board of TFL assessed that none of the expressions of interest were favourable and requested that management continue efforts to secure better consideration for the property;
5. During 2013, TFL continued negotiations with a number of interested parties, including the FNPF, however, no agreement could be reached on commercial terms that were satisfactory to management and the Board;
6. TFL advertised on 8 February 2014 seeking expressions of interest for the leasing of a number of vacant floors at Ganilau House;
7. No expressions of interest were received from parties interested in leasing the floorspace;
8. On 8 March 2014, TFL re-advertised publicly, for expressions of interest for the sale of the Ganilau House property;
9. The considerations in the expressions of interest received at this stage ranged from \$7.7Mn VEP - \$14.34Mn VEP;
10. TFL commissioned Property Solutions to undertake a new valuation of the property. The opinion was provided on 18 June 2014. Indicative market valuation opinion was \$19.5Mn.
11. In negotiations with FNPF, a maximum offer of \$16.25Mn VEP was conveyed to TFL.

12. The TFL Board resolved on 19 July 2014 to sell the Ganilau House property to the FNPF on the key terms contained in section 5.0 of the explanatory memorandum.
13. The Ganilau House property is surplus to TFL's operating requirements. Given the technological advancements allowing infrastructure to occupy much less space in order to provide the required services and operational efficiencies at TFL in reducing the total staff complement required to deliver these services much of the property is now vacant and unutilised. Therefore the sale of underutilised assets would allow TFL to improve its capital efficiency;
14. Further to the key terms, the commercial terms of TFL's leaseback of a portion (approximately 1500 square meters out of 6000 square meters) of the property is to be negotiated on commercial terms on arms' length basis;
15. The proceeds of the sale is planned to be utilised to fund TFL's infrastructure deployments and early discharging of TFL loans:
 - a. Its Next Generation Network Upgrade
 - b. Fixed line and Optical fiber broadband rollout
 - c. Wireless Broadband rollout
16. In summary, the Board and Management of TFL have arrived at the contemplated transaction on the sale of Ganilau House to the FNPF through a process where the commercial terms of the transaction have been established by the market.



MARKET ANNOUNCEMENT
(For Immediate Release)

ATH DECLARES FINAL DIVIDEND

Amalgamated Telecom Holdings Limited ('ATH') has declared a final dividend of 2 cents per share or \$8,442,097.36 for the financial year ended 31 March 2014.


The final dividend was declared at the 16th Annual General Meeting ('AGM') of the company, held this morning at the Grand Pacific Hotel, on Victoria Parade, Suva. It will be paid on 13 November 2014.

The final dividend is in addition to the interim dividend of 3 cents per share or \$12,663,146.04 that was paid out in March this year.

(End)

22 October 2014


Director


Company Secretary

About ATH:

The ATH Group of Companies comprises ATH, Telecom Fiji Limited, Vodafone Fiji Limited, FINTEL and Fiji Directories Limited.

ATH is a public company listed on the South Pacific Stock Exchange and is Fiji's principal telecommunications holding company, through its investments and provision of direct services in a broad range of telecommunications and related services, throughout the Fiji market.

Contact:

Ivan Fong, General Manager/Company Secretary on 3308-700 or IvanF@ath.com.fj



Appendix F: DIVIDEND DECLARATION
Amalgamated Telecom Holdings Limited Declaration of Dividend

Amalgamated Telecom Holdings Limited is pleased to announce a Final dividend for the Year Ending 31 March 2014

Date of Closure of Registry : 12 November 2014

Date of Ex-Benefit : 04 November 2014

Date of Payment of Dividends : 13 November 2014

(Intentions to close or fix the Share Register by a listed company should be done 15 business days after notifying the SPSE)

	Current	Previous
Dividend per share	2 cents	3 cents
Amount of dividends (\$)	8,442,097.36	12,663,146.04
Turnover	\$281.0m	\$270.4m
Gross Profit	\$194.3m	\$196.6m
Income from other sources	\$6.5m	\$10.7m
Income tax expense/(benefit)	\$11.6m	(\$6.7m)
Net profit/(loss) after tax and MI	\$14.4m	(\$15.9m)

Chairman/ Chief Executive Officer/ Company Secretary's Comments.

(refer attached market announcement)

Director
Date : 22 October 2014

Company Secretary
Date : 22 October 2014