Orascom Telecom Media and Technology Holding S.A.E.

Condensed Consolidated Interim Financial Statements and Limited Review Report

Nine months ended September 30, 2014

Deloitte.

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Translation of Review Report
Originally Issued in Arabic

Review Report

To: The Board of Directors of Orascom Telecom, Media and Technology Holding – S.A.E

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Orascom Telecom, Media and Technology Holding – S.A.E which comprise of condensed consolidated interim statement of financial position as of September 30, 2014 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements (2410) "Review of Interim Financial Statement Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material respects, the condensed consolidated interim financial position of the entity as at September 30, 2014, and of its condensed consolidated interim financial performance and its condensed consolidated interim cash flows for the nine months then ended in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting".

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Emphasis of matters

We draw attention to note (22) to the accompanying condensed consolidated interim financial statements which describes in more details that the net assets of Koryolink (subsidiary) equivalent to EGP 5,326 million of the Group's consolidated net assets amounting to EGP 8,349 million as of September 30, 2014. Also Koryolink assets include restricted deposits balances in North Korean currency equivalent to EGP 3,888 million and are reported within non-current financial assets in the condensed consolidated interim financial statements (Note 12-2) due to the restrictions imposed on cash transfers from the local currency into foreign currencies, and on the exchange rates in North Korea.

We draw attention to note (10) to the accompanying condensed consolidated interim financial statements which describes in more details that according to management's best estimate, and according to the available information, there are no differences between the tax basis and accounting basis of the recognized assets and liabilities related to the Group's subsidiary in North Korea (Koryolink) that may result in the recognition of any deferred tax assets or liabilities as of September 30, 2014. Management believes that in case any additional information develops in future periods that would give rise to such differences on the assets or liabilities recognized in the financial statements as of September 30, 2014, management would revise its estimates, and recognition of deferred taxes associated with those assets and liabilities might be required.

Our conclusion on the accompanying condensed consolidated interim financial statements as of September 30, 2014 is not qualified in respect to the matters referred to in the above paragraphs.

Cairo, November 13, 2014

Kamel Magdy Saleh, FCA
F.E.S.A.A. (R.A.A. 8510)
CMA Registration No "69"

Translation of Financial Statements
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ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2014

(in thousands of EGP)	Note	September 30, 2014	December 31, 2013
Assets			
Non-current assets			
Property and equipment (net)	11	2,693,157	2,579,110
Intangible assets (net)	11	416,390	437,642
Investments in associates (net)	9	598,689	641,807
Other non-current financial assets	12	4,843,547	4,792,328
Other assets		55,494	44,527
Total non-current assets		8,607,277	8,495,414
Current assets			
Inventories		2,636	3,546
Trade receivables (net)		446,158	459,102
Other current financial assets	12	297,975	25,008
Other assets		130,490	86,613
Cash and cash equivalent	13	1,256,328	866,850
Total current assets		2,133,587	1,441,119
Total assets		10,740,864	9,936,533
Equity and Liabilities			
Share capital	14	2,203,190	2,203,190
Reserves		1,040,769	1,081,232
Retained earnings		3,803,963	3,442,381
Equity attributable to shareholders' of the Parent Company		7,047,922	6,726,803
Non-controlling interest		1,300,982	1,082,345
Total equity		8,348,904	7,809,148
Liabilities			
Non-current liabilities			
Non-current borrowings	15	22,374	15,955
Payables and other non-current liabilities	16	43,211	37,724
Defined benefits obligation		15,690	15,872
Deferred tax liabilities		92,669	90,979
Total non-current liabilities		173,944	160,530
Current liabilities			
Current borrowings	15	37,367	44,861
Payables and other non-current liabilities	16	1,447,806	1,310,498
Tax liabilities – income tax		167,341	109,871
Provisions	18	565,502	501,625
Total current liabilities		2,218,016	1,966,855
Total liabilities		2,391,960	2,127,385
Total Equity and Liabilities		10,740,864	9,936,533

- The accompanying notes form an integral part of these condensed consolidated interim financial statements and should be read therewith.

Chief financial officer **Chairman and chief executive officer**

Review report 'attached'.

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ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

(in thousands of EGP)	Note	For the nine months ended September 30, 2014	For the nine months ended September 30, 2013	For the three months ended September 30, 2014	For the three months ended September 30, 2013
Operating revenues	6	2,433,036	2,169,811	792,752	739,246
Other income		6,566	26,183	2,012	12,089
Purchases and services costs	7	(697,448)	(632,641)	(218,837)	(223,393)
Other expenses		(96,567)	(165,344)	(9,541)	(5,067)
Personnel costs		(225,454)	(199,588)	(72,742)	(58,432)
Depreciation and amortization		(204,893)	(160,807)	(68,467)	(54,621)
Impairment losses		-	(10)	-	(7)
Capital (losses) gains		(162)	3	83	(8)
Operating income		**1,215,078**	**1,037,607**	**425,260**	**409,807**
Finance (costs) income	8	(208,923)	236,877	(357,534)	(147,813)
Foreign exchange (losses) gains	8	(19,529)	85,433	(23,992)	19,393
Group's share of losses of investments in associates	9	(43,118)	(41,674)	(8,748)	(13,990)
Profit before income taxes		**943,508**	**1,318,243**	**34,986**	**267,397**
Income taxes	10	(340,132)	(88,521)	(107,626)	(19,081)
Net profit (loss) for the period		**603,376**	**1,229,722**	**(72,640)**	**248,316**
Attributable to:					
Shareholders' of the Parent Company		361,582	951,455	(152,167)	142,536
Non-controlling interest		241,794	278,267	79,527	105,780
		603,376	**1,229,722**	**(72,640)**	**248,316**
Earnings per share – in EGP	17	**0.07**	**0.18**	**(0.03)**	**0.03**

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Chief financial officer **Chairman and chief executive officer**

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

(in thousands of EGP)	Share capital	Legal reserve	Translation reserve for foreign subsidiaries	Other reserves	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
As at January 1, 2013	2,203,190	414,501	239,944	-	4,158,551	7,016,186	612,494	7,628,680
Translation differences of the financial statements of foreign subsidiaries	-	-	281,080	-	-	281,080	-	281,080
Share of non-controlling interest and financial statements translation differences of foreign subsidies	-	-	-	-	-	-	45,817	45,817
Dividends to shareholders of the Parents Company	-	-	-	-	(1,352,000)	(1,352,000)	-	(1,352,000)
Transferred to legal reserve	-	87,572	-	-	(87,572)	-	-	-
Net profit for the period	-	-		-	951,455	951,455	278,267	1,229,722
As at September 30, 2013	2,203,190	502,073	521,024	-	3,670,434	6,896,721	936,578	7,833,299

(in thousands of EGP)	Share capital	Legal reserve	Translation reserve for foreign subsidiaries	Other reserves	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
As at January 1, 2014	2,203,190	502,073	577,721	1,438	3,442,381	6,726,803	1,082,345	7,809,148
Translation differences of the financial statements of foreign subsidiaries	-	-	(40,463)	-	-	(40,463)	(23,157)	(63,620)
Net profit for the period	-	-	-	-	361,582	361,582	241,794	603,376
As at September 30, 2014	2,203,190	502,073	537,258	1,438	3,803,963	7,047,922	1,300,982	8,348,904

- The accompanying notes form an integral part of these condensed consolidated interim financial statements and should be read therewith.

Chief financial officer | **Chairman and chief executive officer**

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ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

(in thousands of EGP)	For the nine months ended September 30, 2014	For the nine months ended September 30, 2013
Profit for the period before income tax	943,508	1,318,243
Adjustments for:		
Depreciation, amortization and impairment charges	204,893	160,817
Losses (gains) on revaluation of financial derivatives at fair value	205,916	(262,457)
Finance cost	8,514	9,272
Finance income	(5,507)	(7,981)
Foreign exchange differences	19,529	(85,433)
Impairment losses in debit balances	-	24,289
Capital losses (gains)	162	(3)
Group's share of losses of investments in associates	43,118	41,674
Change in provisions	70,166	150,526
Changes in current assets reported in working capital	20,233	(3,822)
Changes in current liabilities reported in working capital	33,047	192,326
Cash flows generated by operating activities	1,543,579	1,537,451
Income taxes paid	(291,762)	(182,251)
Finance cost paid	(8,514)	(9,272)
Finance income collected	5,507	7,981
Net Cash flows generated by operating activities	1,248,810	1,353,909
Cash flows from investing activities		
Cash outflows for investments in:		
- Property and equipment	(187,873)	(205,649)
- Intangible assets	(3,143)	(18,581)
- Non-current financial assets	(624,270)	(1,001,973)
Proceeds from disposal of:		
- Property and equipment	3,035	2,108
- Intangible assets	-	3,398
Cash flows used in investing activities	(812,251)	(1,220,697)
Cash flows from financing activities		
Net proceeds from (payments for) non-current borrowings	(2,905)	(13,763)
Dividends distribution	-	(1,352,000)
Cash flows used in financing activities	(2,905)	(1,365,763)
Net change in cash and cash equivalents during the period	433,654	(1,232,551)
Effect of exchange rates on cash and cash equivalents	(44,176)	11,318
Cash and cash equivalents at the beginning of the period	866,850	1,989,835
Cash and cash equivalents at the end of the period	1,256,328	768,602

- The accompanying notes form an integral part of these condensed consolidated interim financial statements and should be read therewith.

Chief financial officer **Chairman and chief executive officer**

1- General information about Parent of the group

a- Legal Status

Orascom Telecom Media and Technology Holding S.A.E "the Company" is an Egyptian Joint Stock Company pursuant to the provisions of the Capital Market Law No. 95 of 1992 and its executive regulations. The Company was registered at Cairo Commercial Register on November 29, 2011 under No. 394061. The Company's Head Office located at Nile City Towers, Ramlet Boulak, Cairo, Egypt. The Company's duration is 25 years starting from November 29, 2011.

b- Purpose of the Company

The Company's purpose is to participate in establishing the joint stock and limited liability Companies that issue securities or to increase its share capital of these companies, and considering the provisions of Article 127 of the executive regulations and the regulations of the Capital Market Law. The Company may have interest or participate, by any mean, in companies and other enterprises that have activities similar to those of the Company or those that may assist the Company to achieve its objectives in Egypt or abroad. It may also merge into those companies and enterprises purchase them or affiliate them pursuant to the provisions of the law and its executive regulations.

c- Brief over the incorporation of the Company

The Company was established as a result of legal demerger from Orascom Telecom Holding S.A.E as part of the VimpelCom transaction. In October 2010, VimpelCom Ltd and Wind Telecom announced that both groups had signed a merger agreement, and where Wind Telecom (previously Wind Investment) owns 51.7% of shares of Orascom Telecom Holding SAE – OTH. On April 14, 2011 the demerger plan was concluded, in order to transfer certain assets to the demerged Company that are not intended to form part of the VimpelCom – Wind Telecom group going forward. Those assets represent mainly OTH investments in the Egyptian Company for Mobile Services, CHEO Technology in North Korea, Orascom Telecom Ventures SAE, as well as other investments in the media and technology sectors, including undersea cable assets.

Accordingly the demerger plan provided that the split of OTH will be executed by way of legal demerger, and the incorporation of Orascom Telecom, Media and Technology Holding S.A.E - OTMT (demerged Company), which will acquire the investments excluded from the transaction. The demerger resulted in existing shareholders of OTH holding the same percentage interest in OTMT as they hold in OTH as of the execution date of the demerger.

2- Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the Egyptian Accounting Standard No. (30) "Interim Financial Reporting". As permitted by EAS (30), condensed consolidated interim financial statements do not include all of the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2013.

The Egyptian Accounting Standards require referral to International Financial Reporting Standards "IFRS" for certain types of transactions or events when no Egyptian Accounting Standard or legal requirement exists to address treatment for these transactions or events.

3- Basis for preparation of condensed consolidated interim financial statements

The condensed consolidated interim financial statements of the Group incorporate the financial statements of the Company (Parent) and entities controlled by the company (its Subsidiaries) as of the balance sheet date. Control is achieved where the Group has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination. Losses applicable to owners of the non-controlling interests in excess of their interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that owners of the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

A) Basis of measurement

The consolidated financial statements are prepared on the historical cost convention, except for financial derivatives that are measured at fair value, and financial instruments at fair value through profit or loss. The historical cost depends mainly on the fair value of the consideration transferred to obtain assets.

B) Presentation currency

These consolidated financial statements are presented in Egyptian pounds, which is the Company's functional currency. All financial information presented in Egyptian pounds has been rounded to the nearest thousand except for earnings per share for the year / period, unless otherwise stated in the consolidated financial statements or notes.

C) Critical accounting judgments and key sources of uncertainty estimates

Preparation of the condensed consolidated interim financial statements and application of the Group's accounting policies referred to in note (4) below, according to the Egyptian accounting standards, requires management to make judgments, estimates and assumptions about the presentation of these statements and about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Those estimates and associated assumptions are based on management historical experience and other factors that are considered relevant under current circumstances and conditions in which carrying amounts of assets and liabilities are determined. Actual results may differ from these estimates significantly if surrounding conditions and factors changed. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4- Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial information are consistent with those used in the consolidated financial statements as of December 31, 2013. The accounting policies have been consistently applied to all the periods presented.

It is worth mentioning that the Group's activities are not subject significant seasonal or periodical changes.

5- Segment reporting

(In thousand EGP)	GSM	Management Fees	Media & Technology	Cables	Other	Total
For the nine months ended September 30, 2014						
Operating revenues	1,815,454	38,351	461,293	128,897	81,422	2,525,417
(Deducted) intercompany revenues	-	-	(19,763)	-	(72,618)	(92,381)
Operating revenues from parties outside the group	1,815,454	38,351	441,530	128,897	8,804	2,433,036
EBITDA	1,413,208	15,739	2,749	14,012	(25,575)	1,420,133
Unallocated items						
Depreciation and amortization						(204,893)
Impairment losses						-
Capital gains						162
Finance (cost) income						(208,923)
Foreign exchange losses						(19,529)
Group's share of loss in investments in associates						(43,118)
Profit for the period before income taxes						943,508
For the nine months ended September 30, 2013						
Operating revenues	1,582,241	69,903	489,713	113,169	-	2,255,026
(Deducted) intercompany revenues	-	-	(21,925)	-	(63,290)	(85,215)
Operating revenues from parties outside the group	1,582,241	69,903	467,788	113,169	(63,290)	2,169,811
EBITDA	1,228,762	37,211	(48,933)	15,539	(34,158)	1,198,421
Unallocated items						
Depreciation and amortization						(160,807)
Impairment losses						(10)
Capital gains						3
Finance (cost) income						236,877
Foreign exchange gains						85,433
Group's share of loss in investments in associates						(41,674)
Profit for the period before income tax						1,318,243

Assets (In thousand EGP)	GSM	Media & Technology	Cables	Other	Total
As at September 30, 2014					
Property and equipment	1,209,042	64,056	1,377,387	42,672	2,693,157
Intangible assets	375,034	31,168	8,636	1,552	416,390
As at December 31, 2013					
Property and equipment	1,194,349	75,158	1,266,055	43,548	2,579,110
Intangible assets	395,539	31,897	9,071	1,135	437,642

Unallocated items are represented in the revenues and costs related to the activities provided centrally from headquarter to subsidiaries, and these activities also include functions of employees with extensive responsibilities within the Group, such as internal audit, financial consultation, legal services, communications and investor relations.

6- Operating revenues

(In thousand EGP)	For the period ended September 30, 2014	For the period ended September 30, 2013
Telephone Services	1,909,663	1,577,781
Interconnection traffic tariff	272,727	260,865
Content downloads	116,286	200,923
Management Fees	47,155	72,066
Other services	87,205	58,176
Total	2,433,036	**2,169,811**

The increase in telephone services revenue is due to the increase in the revenues generated from the telecommunications operator in North Korea "Koryolink" amounting to EGP 331,882 thousand which is due to the increase in the numbers of users between the current and comparative period.

7- Purchases and services

(In thousand EGP)	For the period ended September 30, 2014	For the period ended September 30, 2013
Telecommunications cost	152,992	165,937
Customer acquisition and retention costs	57,436	65,203
Maintenance costs	37,445	40,299
Utilities and energy	13,447	12,911
Advertising and promotional services	8,368	6,994
Miscellaneous lease contracts costs	105,368	113,684
Consulting and professional services	35,936	38,945
Purchases of goods, materials cost and consumables	196,025	124,449
Insurance expenses	3,677	2,648
Other services cost	84,192	57,532
Interconnection traffic	2,562	4,039
Total	697,448	**632,641**

The increase in purchases of goods and consumable materials of Orascom telecom ventures amounting to EGP 71,576 is due to the increase in the cost of managing electronic sites between the current and comparative period.

8- Net finance (cost) income

(In thousand EGP)	For the period ended September 30, 2014	For the period ended September 30, 2013
Finance income from:		
Finance income	5,507	7,981
Change on fair value of financial derivatives	(205,916)	262,457
Total finance (cost) income	(200,409)	**270,438**
Finance costs from:		
Debit interest	(4,204)	(7,099)
Other finance costs	(4,310)	(2,173)
Impairment Of other Debit	-	(24,289)
Total finance costs	(8,514)	**(33,561)**
Foreign exchange (losses) gains	(19,529)	85,433
Total (losses) gains on foreign exchange	(19,529)	**85,433**
Net finance (cost) income	(228,452)	**322,310**

The decrease in finance income is due to losses recognized from fair value of financial derivatives during the current period amounting to EGP 205,916 thousand.

9- Investment in associates

(In thousand EGP)	Country	%	September 30, 2014	December 31, 2013
MT Telecom SCRL	Belgium	28.75	56,073	56,073
Egyptian Company For Mobile Services	Egypt	5	542,616	585,734
			598,689	**641,807**

The following table identify the detailed transactions on investments:

(In thousand EGP)	September 30, 2014	December 31, 2013
Beginning balance before impairment	734,855	781,996
Beginning balance of impairment	(93,048)	-
Net investments at the beginning of the period / year	641,807	782,996
Share of loss of the group in the investments in associates	(43,118)	(48,579)
Share of the group in associates reserves	-	1,438
Impairment during the period / year	-	(93,048)
Ending balance for the period / year	598,689	**641,807**

The carrying amount of the investments in associates decreased by an amount of EGP 43,118 million as result of the Group's share of the additional losses of the associate companies during the current period.

The following table includes financial information of the Egyptian company for mobile services as of September 30, 2014, and which the company has voting rights and economic benefits:

(In thousand EGP)	September 30, 2014	December 31, 2013
Total assets	15,574,048	15,923,652
Total liabilities	(14,184,562)	**(14,146,098)**
Net assets	1,389,486	**1,777,554**
	September 30, 2014	September 30, 2013
Total revenues	8,188,182	7,873,999
Group's share of losses of investments in associates	(43,118)	(41,674)

10- Income tax expense

(In thousand EGP)	For the period ended September 30, 2014	For the period ended September 30, 2013
Current tax for the period	338,395	83,721
Deferred tax for the period	1,737	4,800
Total income tax	340,132	**88,521**

Koryolink, the Group's subsidiary in North Korea, enjoyed a tax exemption for a period of five years ended in December 2013. After the elapse of exemption period the subsidiary net profit is subject to tax according to the tax rules applicable to foreign investment in North Korea. During the tax exemption period, the subsidiary is not required to submit its tax returns according to the applicable tax laws.

The Company has paid an amount equivalent to EGP 202 641 thousand under tax settlement until preparation of the tax return of the Company for the year ended December 31, 2014 which represents the first fiscal year subject to tax after the elapse of the exemption period. In the absence of specific legal requirements or information of any adjustments required to net accounting profits for the purposes of calculating the income tax according to tax law on the foreign activities in North Korea, and in the absence of any sources of reliable information in similar situations of other foreign activities, in accordance with the limited information available, Management believes that there are no differences between the tax basis and the accounting basis of assets and liabilities recorded in the financial statements of the subsidiary at the date of the consolidated financial statements, accordingly no deferred tax assets or liabilities have been recognized.

Should additional information arise in future periods resulting in differences between the tax basis and accounting basis of recorded assets and liabilities in the financial statements as at September 30, 2014, Management will reassess its estimate in a way that might result in the recognition of deferred taxes related to those assets and liabilities.

11- Property & equipment and intangible assets (net)

(In thousand EGP)	Property and equipment	Intangible assets
Balance as of January 1, 2014	2,579,110	437,642
Additions	286,989	2,533
Disposals	(3,035)	-
Depreciation and amortization	(184,442)	(20,451)
Currency translation differences	14,407	(3,206)
Reclassification	128	(128)
Net book value as of September 30, 2014	2,693,157	416,390
Balance as of January 1, 2013	**2,549,319**	**486,128**
Additions	286,195	18,581
Disposals	(2,108)	(59,972)
Depreciation and amortization	(143,519)	(17,288)
Impairment	(10)	-
Currency translation differences	183,017	15,941
Net book value as of September 30, 2013	**2,872,894**	**443,390**

12- Other financial assets

	September 30, 2014			**December 31, 2013**		
(In thousand EGP)	Non-current	Current	Total	**Non-current**	**Current**	**Total**
Financial assets	310	4,238	4,548	327	3,642	3,969
Financial instruments and derivatives	910,652	278,166	1,188,818	1,394,734	-	1,394,734
Deposits	3,888,302	15,571	3,903,873	3,352,917	21,366	3,374,283
Financial assets available for sale	44,283	-	44,283	44,350	-	44,350
	4,843,547	297,975	5,141,522	**4,792,328**	**25,008**	**4,817,336**

12 - 1 **Financial derivatives**

Represents the fair value of the put option, which entitles the company to sell its direct stake in the Egyptian Company for Mobile Services - ECMS (associate company), in addition to its indirect voting rights, to France Telecom Company, in accordance with the amended shareholders' agreement dated April 11, 2012. The agreement provides for the Company's option to put 1.67% per annum of the shares of the associate company during January and February of each year starting 2015 till 2017 based on each year accreting prices ranging from EGP 268.5 in 2015 to EGP 296 in 2017 per each share of the shares of ECMS.

The agreement also provides that France Telecom has the option to call all (but not less than all) of the Company's direct stake in Egyptian Company for Mobile Services (ECMS) which is reported in the balance sheet as investments in associates with a percentage of 5% in addition to related voting rights with a percentage of 28.75% on execution of the deal. This option is exercisable by France Telecom during January and February of each year starting from the year ended 2013 till 2017, at an accreting price ranging from EGP 243.5 to EGP 296 per each share of the shares of ECMS.

The Company appointed an independent valuator to estimate the fair value of both call and put options, referred to above, and which resulted in a financial asset to the company amounted to EGP 1,189 million (December 31, 2013; EGP 1 395 million) where the fair value was estimated using one of the accepted options' valuation methodologies.

During the current period, a portion of the Company's right in exercising the put option referred to above in each of January and February 2015 was classified as a current asset with an amount of EGP 278 million based on the evaluation performed by the independent valuator.

12 - 2 **Restricted deposits**

Deposits as at September 30, 2014 include an amount of EGP 3,888 million relating to cash restricted in North Korea in local currency which is subject to restrictions on use for certain operating and capital expenditures in local currency only. The funds cannot be converted into foreign currency and cannot be repatriated overseas, subject to the laws of North Korea.

12 - 3 **Available for sale investments**

These investments are carried at cost as they represent unlisted shares in the stock exchange and there is no other way to measure their fair value.

13- Cash and cash equivalent

The increase in cash and cash equivalent is represented in the increase in cash balances of the subsidiary company "Koryolink" during the period with an amount of EGP 548,035 thousand due to the increase in cash collections from customers during the period, where the cash balance as at September 30, 2014 amounted to EGP 927,545 thousand (December 31, 2013; EGP 379,510 thousand).

14- Share capital

The Company's authorized capital amounted to EGP 22 Billion, the issued and paid up capital EGP 2 203 190 060distributed among 5 245 690 620 shares of EGP 0.42 par value each, according to the approvals of the General Authority for Investment and of the Extraordinary General Assembly of Orascom Telecom Holding (Demerging company) as described in more detail in note (1 c).

15- Borrowings

(In thousand EGP)	For the period ended September 30, 2014	For the period ended September 30, 2013
Balance at beginning of the period	60,816	69,552
of which non-current portion	44,861	16,260
of which current portion	15,955	53,292
Payments for borrowings	(22,267)	(27,120)
Collections from borrowings	19,362	13,523
Foreign exchange differences	1,830	14,885
Ending balance	59,741	70,840
of which non-current portion	37,367	21,669
of which current portion	22,374	49,171

Borrowings include loans obtained from the shareholders of Trans World Associate Private by an amount of EGP 29 million from which EGP 17 million due within one year and EGP 12 million due after more than one year with an interest rate 1.58%.

Borrowings also include loans obtained from banks amounted to EGP 22 million from which EGP 11 million due within one year and EGP 11 million due after more than one year these borrowings were obtained by Trans World Associate Private with interest rates ranges between 14.91% to 19%.

In addition to the above; the balance also includes notes payable by Orascom telecom ventures amounted to EGP 8 million as at September 30, 2014.

16- Creditors and other liabilities

	September 30, 2014			December 31, 2013		
(In thousand EGP)	Non-current	Current	Total	Non-current	Current	Total
Fixed assets suppliers	-	323,557	323,557	-	236,220	236,220
Trade payables	-	327,513	327,513	-	325,425	325,425
Other payables	-	132,268	132,268	-	113,891	113,891
	-	783,338	783,338	-	675,536	675,536
Prepaid traffic and deferred revenue	13,159	502,615	515,774	12,456	500,854	513,310
Due to governmental authorities	-	21,985	21,985	-	21,288	21,288
Personnel accrued expenses	-	7,018	7,018	-	41,519	41,519
Other credit balances	30,052	132,850	162,902	25,268	71,301	96,569
	43,211	664,468	707,679	37,724	634,962	672,686
Total	43,211	1,447,806	1,491,017	37,724	1,310,498	1,348,222

17- Earnings per share

Basic: Basic earnings per share is calculated by dividing the net profit attributable to shareholders' of the Parent company by the weighted average number of ordinary shares outstanding during the period.

	For the period ended September 30, 2014	For the period ended September 30, 2013
Net profit of the period (In thousand EGP)	361,582	951,455
Weighted average number of shares for the period (in thousands)	5,245,690	5,245,690
Earnings per share for the period (in EGP)	0.07	0.18

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all convertible financial instruments and share options. The net profit is adjusted by omission of the cost of convertible debt instruments taking tax effect into consideration. As for share option the average potential shares to be issued by options is added to the average ordinary shares and deducting from that the average potential shares weighted by the relation between the exercise price and average fair value of the share during period. As there are no debt instruments that are convertible to bonds, so diluted and basic earnings per share are equal.

18- Provisions

(In thousand EGP)	January 1, 2014	Formed	Reclassification	Usage	Translation Differences	September 30, 2014
Provision for claims	501,625	65,604	(1,729)	(337)	339	565,502
Total provisions	**501,625**	**65,604**	**(1,729)**	**(337)**	**339**	**565,502**

Provisions are recognized according to the best estimate of the value of the expected liabilities at the date of the financial statements, arising from the exercise of the group activities and its contractual relationship with others and provisions formed during the period are included in other expenses in the income statement and the management annually review and settle these provisions according to the latest developments, discussions and agreements with the parties concerned. Further information about these provisions have not been disclosed according to the Egyptian Accounting Standards, management believes that such disclosures will negatively affect the final settlement of probable claims.

19- Capital Commitments

The capital commitments are as follows:

(In thousand EGP)	September 30, 2014	December 31, 2013
Commitments related to property and equipment	77,563	61,665
Other commitments	270,932	152,612
Total	348,495	**214,277**

Other capital commitments arise from the commitments of the Group to acquire items of fixed assets related to the marine cables under construction by Middle East and North Africa for Sea Cables Company (subsidiary). The increase in capital commitments is due to the foreign currency exchanges differences resulted from translation of these commitments from its foreign currency to Egyptian currency (presentation currency).

20- Significant transactions with related parties

The board of directors of the subsidiary company Koryolink has approved an interest-free loan amounted to USD 2.8 million, equivalent to EGP 20 million, on September 27, 2014 to one of the shareholders of the subsidiary company "Korean Post and Telecommunication Company - KPTC" to improve telecommunication network in North Korea. The loan should be fully repaid within one year. The subsidiary company Koryolink reserves the right to deduct the outstanding amounts from the foreign currency dues of KPTC with Koryolink, in case of any default or failure of KPTC to fully repay the loan amount within the specified time frame. The loan agreement has been signed between the subsidiary and the shareholder on October 15, 2014 and the whole loan amount was transferred to KPTC on October 17, 2014.

21- Contingent Liabilities

The contingent liabilities, excluding those related to the Egyptian Company for Mobile Services, are represented in guarantees issued by the holding company and related to the activities of its subsidiaries, as follows:

Orascom Telecom, Media and Technology Holding

- A Letter of guarantee in favour of Lebanon Ministry of Telecommunication to guarantee Orascom Telecom Lebanon in the payment of any amount due by the selected participants amounting to USD 40 million.
- A guarantee was issued in favour of one of the suppliers of the subsidiary "Koryolink" amounting to USD 25 million.

Trans World Associates (Subsidiary)

- A bank guarantee was issued in favour of one of the subsidiary's clients amounting to Rupees 5,169,000 to fulfil its contractual obligations represented in performing the contracted services.
- A bank guarantee was issued in favour of one of the subsidiary's clients amounting to USD 1,425,000 to fulfil its contractual obligations represented in performing the contracted services.

Middle East and North Africa for Sea Cables – MENA cables (Subsidiary)

- A guarantee was issued in favour of one of the subsidiary's clients amounting to USD 82 million to guarantee the subsidiary to fulfil its contractual obligations represented in performing the contracted services.

Egyptian Company for Mobile Services (Associate)

There is no change occurred in the position of administrative lawsuit filed by Egyptian Company for Mobile Services against National Telecommunication Regulatory Authority (NTRA) in which the administrative Court ruled to stop the implementation of the decisions taken by Egyptian Company for Mobile Services (Mobinil) on December 5, 2010. To know more details about the case mentioned above please refer to Note No. (32) of the notes to the Consolidated Financial Statements of the Group for the full fiscal year ended December 31, 2013.

22- Group's activities in North Korea

The Groups operations in North Korea relate primarily to the 75% holding in the local telecom operator Koryolink.

North Korea is subject to international sanctions imposed by the European Union and the United States, among others, as well as by the United Nations. These sanctions have the effect of restricting financial transactions and the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks.

Whilst these sanctions do not currently have a material impact on the operations of Koryolink, the Company's operating subsidiary in North Korea, as it is a domestic mobile operator with minimal foreign interaction, there can be no assurance that if international sanctions are changed or subject to enhanced enforcement, the Company's operating subsidiary in North Korea will be able to finance its operations, transfer funds to and from the Company or operate its mobile network in North Korea. If the Group becomes unable to continue to operate its business in North Korea, then this could adversely affect the business, financial position and results of operations of the Company.

In addition cash transfers in North Korea from local currency to foreign currencies is subject to control restrictions by the governmental authorities and, in particular, rules surrounding the repatriation of dividends to foreign investors, additionally the local currency of North Korea is not tradable outside the country. Such restrictions limit the level of dividends that can be paid to the Company from its North Korea operations. The Group has interests in a diverse range of business and is not currently dependent on, and does not expect to become dependent on its operations in North Korea to provide cash flow to service its obligations, meet committed CAPEX, obligations or continue its operations. In addition such currency control restrictions do not currently have a material impact on the Group and do not materially impact on the ability of the Group to service its liabilities which are currently outstanding and the Company does not expect the impact of these restrictions on the Group to become material to the Group and the Company does not expect these restrictions to have a material effect on the on-going business of the Group.

The Company's management is currently in discussion with the Korean party about the transfer of the realized profits in the North Korean subsidiary into foreign currencies using the exchange rates announced by government and to transfer these profits to the Holding Company given the prevailing circumstances referred to above as well as the restrictions imposed on cash transfers from local Korean currency to foreign currencies and the restrictions on exchange rates in North Korea.

The net assets of Koryolink (subsidiary) reached EGP 5,326 million of the Group's consolidated net assets amounting to EGP 8,349 million as of September 30, 2014. Also Koryolink assets include cash balances in North Korean currency equivalent to EGP 3,888 million and are reported within non-current financial assets in the condensed consolidated interim financial statements due to the restrictions imposed on cash transfers from the local currency into foreign currency in North Korea as referred to in previous paragraphs. The interim financial statements of the subsidiary were translated using the official exchange rate announced by North Korean banks as at September 30, 2014 and which is determined by Government noting that there is no free floating currency exchange market in North Korea.

Chief financial officer **Chairman and chief executive officer**