

**Orascom Telecom, Media
And Technology Holding (S.A.E)**
**Subject to the provisions of law no. 95 for year 1992
and its executive regulations**
Condensed Separate Interim Financial Statements
For the three months ended March 31, 2015
Together with Limited Review Report

Translation of Review Report
Originally Issued in Arabic

Limited Review Report

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

Introduction

We have reviewed the accompanying condensed separate interim financial statements of Orascom Telecom, Media and Technology Holding – S.A.E which comprise of condensed separate interim statement of financial position as of March 31, 2015 and the related condensed separate interim statements of income, changes in equity and cash flows for the three months period then ended. Management is responsible for the preparation and fair presentation of the condensed separate interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

Scope of Review

Except as explained in the following paragraph, 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 separate 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 on these condensed separate interim financial statements.

Basis for Qualified Conclusion

As disclosed in more details in note (14) to the condensed separate interim financial statements, the investments in subsidiaries included an investment in CHEO Technology "Koryolink" in North Korea. The subsidiary is facing financial and operational obstacles due to the following reasons; firstly, because of the international sanctions imposed on financial transactions and transfers, the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks which has resulted, lately, in increasing severance of long term restrictions on the ability of the subsidiary to transfer realized profits to the Group, secondly; the absence of a free-floating currency exchange market in North Korea, whereas the Group's management has no exchange rate available other than the official exchange rate announced by the Central Bank of North Korea which is being used by the Group's management in translating

the subsidiary's financial statements, however, the currency exchange is not available at such official rates unless a prior approval from the authorities is obtained, thirdly; the North Korean Government, a shareholder in the subsidiary, has launched a competing telecom operator wholly owned by the Government.

In the view of management the existence of such obstacles and restrictions did not affect the Group's ability to control the subsidiary's activities, in addition management is looking for solutions to the obstacles and its effect through continuing discussions with the Korean party including merging the subsidiary "Koryolink" with the second local telecom operator, wholly owned by the North Korean Government. According to the Group's management there is an initial consent from the Korean party regarding merger. This may lead to the presence of possible future solutions for some of the obstacles according to the management's estimates.

In light of the aforementioned restrictions and the non-completeness of merger discussions, we were not able to determine the effect on the recoverable amount of the investment reported in the condensed separate interim financial statements as a result of the restrictions referred to above at the date of the interim financial statements, and we were not able to perform alternative procedures with this respect.

Qualified Conclusion

In our conclusion, except for the effect of the matter described in the basis of qualified conclusion the accompanying condensed separate interim financial statements, and based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements do not present fairly in all material respects the condensed separate interim financial position of Orascom Telecom, Media and Technology Holding as at March 31, 2015, and of its condensed separate interim financial performance and its condensed separate interim cash flows for the three months then ended in accordance with Egyptian Accounting Standard no. (30) "Interim Financial Reporting".

Cairo, June 23, 2015


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



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

Subject to the provisions of law no. 95 for year 1992 and its executive regulations

Condensed separate interim financial position as of March 31, 2015

(In thousand EGP)	Note No.	March 31, 2015	December 31, 2014
Current assets			
Cash and bank balances	(7)	1 776 261	73 075
Due from related parties - current (net)	(8 , 21)	44 365	197 554
Current portion of financial assets at fair value through profit or loss - financial derivatives	(9)	-	244 227
Other debit balances		3 846	3 416
Total current assets		1 824 472	518 272
Current liabilities			
Provisions	(18)	278 372	460 950
Accounts payable		2 800	2 236
Other credit balances	(10)	14 533	10 693
Current income tax		182 498	15 366
Due to related parties	(11 , 21)	355 700	333 538
Total current liabilities		833 903	822 783
Excess (deficit) of working capital		990 569	(304 511)
Non-current assets			
Property and equipment (net)	(12)	42 305	42 463
Intangible assets (net)	(13)	1 380	1 466
Investments in subsidiaries (net)	(14)	1 780 172	1 778 421
Available for sale investments		160	160
Investments in associates	(15)	-	272 560
Time deposits at banks - non current	(16)	6 028	-
Due from related parties - non current	(8 , 21)	12 841	16 112
Financial assets at fair value through profit or loss - financial derivatives	(9)	-	805 207
Total non-current assets		1 842 886	2 916 389
Total investment		2 833 455	2 611 878
Financed as follows:			
Shareholders' equity			
Issued and paid-up capital	(17)	2 203 190	2 203 190
Legal reserve		502 073	502 073
(Accumulated losses) retained earnings		(93 755)	663 314
Net profit for the period / (losses) for the year		221 470	(757 069)
Total shareholders' equity		2 832 978	2 611 508
Non-current liabilities			
Deferred tax liability		477	370
Total non-current liabilities		477	370
Total finance of working capital and non-current assets		2 833 455	2 611 878

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

Chief Financial Officer

Review report attached.

Executive Chairman and Managing Director

Orascom Telecom, Media and Technology Holding "S.A.E"**Subject to the provisions of law no. 95 for year 1992 and its executive regulations****Condensed separate interim income statement for the three months ended March 31, 2015**

(In thousand EGP)	<u>Note</u> <u>No.</u>	<u>Three months ended</u> <u>March 31, 2015</u>	<u>Three months ended</u> <u>March 31, 2014</u>
Technical support service revenue		2 937	26 605
Gain on sale of investments in associates	(3)	1 542 569	-
Other income		691	-
Total income		1 546 197	26 605
(Less) / add:			
Employees cost & board of directors' remuneration		(14 636)	(5 899)
General and administrative expenses	(4)	(10 225)	(6 800)
Depreciation & amortization	(12 · 13)	(396)	(366)
Provisions formed	(18)	-	(16 875)
Provisions no longer required	(18)	182 578	-
Interest income		70	144
Foreign exchange differences	(6)	(87 516)	373
Impairment losses in due from related parties	(8)	(177 928)	(716)
Gains on revaluation of financial derivatives at fair value	(9)	(1 049 434)	65 907
Net profit for the period before tax		388 710	62 373
Income taxes	(5)	(167 240)	(4 609)
Net profit for the period		221 470	57 764
Earning per share (EGP/Share)			
- Basic	(19)	0.058	0.047
- Dilluted	(19)	0.058	0.047

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Chief Financial Officer

Executive Chairman and Managing Director




Translation of Financial Statements
Originally Issued in Arabic

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

Subject to the provisions of law no. 95 for year 1992 and its executive regulations
Condensed separate interim statement of changes in equity for the three months ended March 31, 2015

(In thousand EGP)	<u>Issued and Paid-up capital</u>	<u>Legal reserve</u>	<u>Retained earnings (Accumulated losses)</u>	<u>Net (loss) profit for the period</u>	<u>Total</u>
Balance as of January 1, 2014	2 203 190	502 073	853 805	(190 491)	3 368 577
Transferred to retained earnings	-	-	(190 491)	190 491	-
Net profit for the period	-	-	-	57 764	57 764
Balance as of March 31, 2014	<u>2 203 190</u>	<u>502 073</u>	<u>663 314</u>	<u>57 764</u>	<u>3 426 341</u>
Balance as of January 1, 2015	2 203 190	502 073	663 314	(757 069)	2 611 508
Transferred to retained earnings (accumulated losses)	-	-	(757 069)	757 069	-
Net profit for the period	-	-	-	221 470	221 470
Balance as of March 31, 2015	<u>2 203 190</u>	<u>502 073</u>	<u>(93 755)</u>	<u>221 470</u>	<u>2 832 978</u>

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

Chief Financial Officer



Executive Chairman and Managing Director



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

Subject to the provisions of law no. 95 for year 1992 and its executive regulations

Condensed separate interim statement of cash flows for the three months ended March 31, 2015

(In thousand EGP)	Note No.	Three months ended March 31, 2015	Three months ended March 31, 2014
Net profit of the period before tax		388 710	62 373
Adjusted by:			
Depreciation & amortization	(12, 13)	396	366
Impairment losses in due from related parties	(8)	177 928	716
Losses (gains) on revaluation of financial derivatives at fair value	(9)	1 049 434	(65 907)
Foreign exchange differences - unrealized		5 235	(373)
Interest income		(70)	(144)
Provisions formed	(18)	-	16 875
Provisions no longer required	(18)	(182 578)	-
Gain from sale of investment in associates	(3)	(1 542 569)	-
Operating (losses) income before changes in working capital		(103 514)	13 906
Increase in due from related parties - current		(24 739)	(36 560)
Increase in other debit balances		(430)	(277)
Increase (decrease) in accounts payable		564	(332)
Increase in other credit balances		3 840	902
Decrease in due to related parties	(11)	-	(19 178)
Decrease in due from related parties - non current		3 271	3 872
Cash flows used in operating activities		(121 008)	(37 667)
Taxes paid		-	-
Net cash flows used in from operating activities		(121 008)	(37 667)
Cash flows from investing activities			
Payments for purchase of property and equipment	(12)	(152)	-
Payments for investments in subsidiaries		(1 750)	-
Net proceeds from sale of investment in associates		1 815 129	-
Increase in time deposit - non current		(6 028)	-
Interest received		70	144
Net cash flows generated from investing activities		1 807 269	144
Effect of change in foreign exchange rates on cash in foreign currencies		16 925	373
Net change in cash and cash equivalent during the period		1 686 261	(37 523)
Cash at the beginning of the period		73 075	232 360
Cash at the end of the period	(7)	1 776 261	195 210

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

Chief Financial Officer



Executive Chairman and Managing Director



Orascom Telecom, Media and Technology Holding
Notes to the Condensed Separate Interim Financial Statements
For the three months ended March 31, 2015

1- General information

a- Legal status and activity

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 No. 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.

2- Basis of preparation of condensed separate interim financial statements

a- Statement of compliance with the Egyptian Accounting Standards

The condensed separate interim financial statements have been prepared in accordance with the Egyptian Accounting Standard No. 30 "Interim Financial Reporting". As permitted by EAS 30, condensed separate 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 separate financial statements for year ended December 31, 2014.

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.

b- Basis of measurement

These condensed separate interim financial statements are prepared on the historical cost convention, except for assets and liabilities, which are measured at fair value which comprise of the, financial derivatives and financial assets and liabilities classified at fair value through profit or loss.

Investments in subsidiaries and associates are accounted for in the accompanying condensed separate interim financial statements at cost, which represents the Company's direct ownership interest in equity and, not on the results of operations and net assets of the subsidiaries and associates. The consolidated financial statements provide more understanding of the consolidated financial position, results of operations and the consolidated cash flows of the Company and its subsidiaries (the Group).

c- Functional and presentation currency

The Company's functional and reporting currency is the Egyptian Pound. All the financial information presented in Egyptian pound has been rounded to thousands, except earnings per share and unless otherwise stated.

d- Use of estimates and judgments

According to Egyptian Accounting Standards, in the application of the Company's accounting policies, the management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. 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.

The critical judgments and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the separate financial statements have not changed from those used and applied in the company's separate full financial statements as at December 31, 2014.

e- Significant accounting policies applied

The accounting policies adopted for the preparation of the condensed separate interim financial information are consistent with those used in the separate full financial statements for the period ended December 31, 2014.

3- Gain from sale of investments in associates

On February 22, 2015 the Board of Directors of the Company agreed on the sale of all the company's share in the Egyptian Company for Mobile Service (ECMS), in addition to potential voting rights in MT Telecom SCRL, according to the call option notice received from Orange SA Company (previously; France Telecom) – note (16), and on March 12, 2015 the Company collected the sale price which amounted to Euro 209 632 133.

The following table shows gain from sale of investments in associates resulting from the exercise of call option:

<u>(In thousand EGP)</u>	<u>March 31, 2015</u>
Sale price of investments in associates	1 820 094
Deduct:	
Sale transaction costs and commissions	(4 965)
Investment in Egyptian company for mobile services at cost – note (16)	(216 487)
Investment in MT Telecom at cost – note (16)	(56 073)
Gain from sale of investments in associates	<u>1 542 569</u>

4- General and administrative expenses

During the current period, general and administrative expenses amounted to EGP 10 225 thousand (for the Three months ended March 31, 2014: EGP 6 800 thousand), The increase in general and administrative expenses during the period is mainly due to the increase in consulting, airfare, and subscription fees in the amount of EGP 3 449 thousand.

5- Income taxes

- Income tax expense recognized during the current period amounted to EGP 167 133 thousand (for the Three months ended March 31, 2014: EGP 4 609 thousand), which was calculated at the estimated weighted average of the effective tax rate applicable to the whole financial year.

- Deferred tax expense recognized during the current period amounted to EGP 107 thousand resulting from temporary differences between accounting basis and tax basis of property and equipment.

6- Foreign exchange differences

During the current period foreign currency revaluation differences amounted to EGP 87 516 thousand (for the Three months ended March 31, 2014: EGP 373 thousand), The increase in foreign exchange revaluation losses during the period is due to the decline in the exchange rate of EGP against USD which had a negative impact on monetary liabilities denominated in USD, besides the decline in the exchange rate of Euro against EGP which had a negative impact on monetary assets denominated in Euro at the date of the interim financial statements.

7- Cash and balances at banks

<u>(In thousand EGP)</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Cash at bank – local currency	6 009	635
Cash at bank – Foreign currencies	1 769 502	72 033
Cash on hand	750	407
	<u>1 776 261</u>	<u>73 075</u>

The increase in cash and balances at banks is represented in the consideration received against the sale of investments in each of Egyptian Company for Mobile Service, and MT Telecom with an aggregate amount of Euro 209 632 thousand, equivalent to EGP 1 820 094 thousand, note (4), during the three months ended March 31, 2015.

8- Due from related parties

<u>a- Current (net)</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
<u>(In thousand EGP)</u>		
CHEO Technology JV (Koryolink) *	173 442	172 735
Link Egypt	216	216
Egyptian Company for Mobile Services	--	9 108
O Capital for Energy	81	--
Orascom Telecom Lebanon	2 168	1 302
Arpu Communication Services	4 707	4 498
Trans World Associate (private) Ltd – Pakistan	9 859	9 295
Oracap Holding **	374 888	370 402
Orascom Telecom Holding (Demerging company)	3 848	3 848
Middle East and North Africa Submarine Cables – MENA Cables *	273 703	246 575
Orascom TMT investment	724	918
Orascom Telecom mobile infrastructure services	996	996
<u>Deduct:</u>		
Impairment in due from related parties	<u>(800 267)</u>	<u>(622 339)</u>
	<u>44 365</u>	<u>197 554</u>

* Significant transactions with related parties represented in cash transfers to MENA Cables during the period amounted to EGP 11 385 thousand, note (22).

b- <u>Non-current</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
<u>(In thousand EGP)</u>		
Trans World Associate (private) Ltd – Pakistan	12 841	16 112
	12 841	16 112

9- Financial derivatives at fair value through profit or loss

<u>(In thousand EGP)</u>	<u>March 31, 2015</u>			<u>December 31, 2014</u>		
	<u>Current</u>	<u>non-current</u>	<u>Total</u>	<u>Current</u>	<u>non-current</u>	<u>Total</u>
	<u>portion</u>	<u>portion</u>		<u>portion</u>	<u>portion</u>	
Fair value of put option	--	--	--	244 227	805 207	1 049 434
Charged to Income statement			(1 049 434)			65 907

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), an associate company, in addition to its indirect voting rights, to Orange SA (previously; France Telecom), 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 Orange SA (previously; 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 Orange SA 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 income statement was charged during the period by an amount of EGP 1 049 434 thousand which represents the reversal of the Company's valuation gains of its put option related to the direct and indirect stakes of investments in associates, whereas on February 22, 2015 the Board of Directors of the Company agreed on the sale of all the Company's shares in the Egyptian Company for Mobile Service (ECMS), in addition to potential voting rights in MT Telecom SCRL, according to the call option notice received from Orange SA Company, note (16), which resulted in the cancelation of the Company's right to exercise its put option, and led to reversal of previously recognized gains resulting from the valuation of the put option to be charged to income statement during the period.

10- Other credit balances

<u>(In thousand EGP)</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Withholding tax	20	39
Social insurance authority	79	137
Payroll tax	3 054	1 116
Accrued expenses	11 241	9 136
Employees' dividends payable	139	265
	<u>14 533</u>	<u>10 693</u>

11- Due to related parties

<u>(In thousand EGP)</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Orascom Telecom Ventures	355 700	333 538
	<u>355 700</u>	<u>333 538</u>

The increase in balances of Orascom Telecom Ventures represents the foreign exchange revaluation losses of the liability recognized during the period due to the increase in USD exchange rate. The foreign exchange losses amounted to EGP 22 162 thousand.

12- Property and equipment (net)

<u>(In thousand EGP)</u>	<u>Buildings</u>	<u>Computers</u>	<u>Furniture and Fixture</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>					
As of December 31, 2014	44 743	353	147	553	45 796
Additions during the period	--	127	25	--	152
As of March 31, 2015	<u>44 743</u>	<u>480</u>	<u>172</u>	<u>553</u>	<u>45 948</u>
<u>Accumulated depreciation</u>					
As of December 31, 2014	2 684	185	95	369	3 333
Depreciation for the period	224	28	12	46	310
As of March 31, 2015	<u>2 908</u>	<u>213</u>	<u>107</u>	<u>415</u>	<u>3 643</u>
NBV as of March 31, 2015	<u>41 835</u>	<u>267</u>	<u>65</u>	<u>138</u>	<u>42 305</u>
NBV as of December 31, 2014	<u>42 059</u>	<u>168</u>	<u>52</u>	<u>184</u>	<u>42 463</u>

13- Intangible assets (net)

(In thousand EGP)

Cost

As of December 31, 2014

1 994

Additions during the period

--

As of March 31, 2015

1 994

Accumulated amortization

As of December 31, 2014

528

Amortization for the period

86

As of March 31, 2015

614

Net book value as of March 31, 2015

1 380

Net book value as of December 31, 2014

1 466

14- Investments in subsidiaries (net)

(In thousand EGP)

	<u>Country</u>	<u>%</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
CHEO Technology JV (Koryolink) *	North Korea	75	613 632	613 632
Middle East and North Africa	Egypt	100	1 688 206	1 688 206
Submarine Cables – MENA Cables				
Trans World Associate Pvt. Ltd Pakistan	Pakistan	51	60 862	60 862
Orascom Telecom Ventures	Egypt	99.9	222 803	222 802
Orascom Telecom mobile infrastructure services	Egypt	99.2	63	63
<u>Payment under the investment account</u>				
O Capital for energy (under incorporation)	Egypt		1 750	--
<u>Impairment in investments in subsidiaries</u>				
Middle East and North Africa			(807 081)	(807 081)
Submarine Cables – MENA Cables				
Orascom Telecom mobile infrastructure services **			(63)	(63)
			<u>1 780 172</u>	<u>1 778 421</u>

* The Company's investments 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 international community including the United States, the European Union and 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. Although these sanctions do not currently have a significant impact on the operations of Koryolink, being a domestic mobile operator with minimal foreign transactions, there is no assurance that the Company's operating subsidiary in North Korea will be able to finance its operations, transfer funds to and from the Parent Company or continue operating its mobile network in North Korea, if the international sanctions are subject to enhanced enforcement. This could negatively affect the investments of the Company, if the Parent Company becomes unable to operate its business in North Korea. In addition to the aforementioned, the exchange of local currency into foreign currencies in North Korea is subject to currency control restrictions implemented by the governmental

authorities. Additionally the local currency of North Korea is not tradable outside the country, which results in severed long-term restrictions on transfer of the subsidiary's realized profits.

In light of the restrictions, financial and operating difficulties facing Koryolink due to the international sanction referred to above which resulted in severed long-term restrictions on transfer of the subsidiary's realized profits, the absence of a free-floating currency exchange market, and launching a competing local telecom operator owned by the North Korean Government, a shareholder in the subsidiary. In the management's view the existence of such obstacles and restrictions didn't affect the Group's ability to control the subsidiary's activities, in addition management is looking for solutions to the obstacles and its effect through continuing discussions with the Korean party and searched and suggested a range of solutions including performing a merge transaction between the two networks, which may lead to removing some obstacles faced by Koryolink. Whereas the Korean party initially agreed, in principle, upon the suggested solutions, the discussions are still ongoing by both parties to reach an initial agreement or other alternatives, which may help Koryolink in its operating activities.

** The subsidiary company was liquidated based on the extraordinary general assembly meeting's decision, which took place on September 1, 2014. The commercial register was amended to reflect this change on January 27, 2015.

15- Investment in associates

<u>(In thousand EGP)</u>	<u>Country</u>	<u>%</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Egyptian Company For Mobile Services	Egypt	5	--	216 487
MT Telecom SCRL	Belgium	28.75	--	56 073
Total			<u>--</u>	<u>272 560</u>

On February 22, 2015 the Board of Directors of the Company agreed on the sale of all the Company's shares in the Egyptian Company for Mobile Services (ECMS) amounting to 5,000,000 shares representing 5% of the capital of the Egyptian Company for Mobile Services (ECMS), in addition to 28,750,000 shares of potential voting rights in MT Telecom SCRL, according to the call option notice received from Orange SA Company (previously; France Telecom) for a total price of Euro 209 632 133, which represents the present value for this option during the announced and agreed upon exercise windows for the years 2016 and 2017. The Company's selling price of its investment in the Egyptian Company for Mobile Services (ECMS), according to the deal, equal an amount of Euro 163 785 940 (with an approximate value amounting to Euro 32.76 per share), whereas the Company's selling price of its investment in MT Telecom SCRL, according to the deal, equal an amount of Euro 45 846 193 (with an approximate value amounting to Euro 1.59 per share). This deal is considered a finalization for the call option according to the amended and restated agreement dated April 11, 2012.

The price of the share of the Egyptian Company for Mobile Services (ECMS), according to the deal, is equivalent to EGP 280.7 per share, with a total value amounted to EGP 1 403 500 000. Whereas the price of the potential voting right in MT Telecom SCRL is equivalent to EGP 13.62 per potential voting right, with a total amount of EGP 391 575 000.

16- Time deposits at banks – non-current

<u>(In thousand EGP)</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Time deposit – foreign currencies	6 028	--
	6 028	--

Time deposits amounted to EGP 6 028 thousand, equivalent to USD 790 thousand, held at banks on March 25, 2015 until May 24, 2016 renewed on monthly basis. The deposit is pledged against a letter of guarantee issued in favor of a governmental authority, which amounted to USD 750 thousand – note (25).

17- Capital

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

18- Provisions

<u>(In thousand EGP)</u>	<u>December 31,</u> <u>2014</u>	<u>Formed</u>	<u>No longer</u> <u>required</u>	<u>March 31,</u> <u>2015</u>
Provisions for expected claims	460 950	--	(182 578)	278 372
Total	460 950	--	(182 578)	278 372

19- Earnings per share

Earnings per share was calculated based on the consolidated results of the company, According to the Egyptian Accounting Standard (22) and Earning per share was presented in the consolidated financial statements of the Company.

20- Tax position

Corporate income tax

The Company's profit is subject to the provisions of the Income Tax Law No. 91 for the year 2005, its amendments and its executive regulations. The Company submits its tax returns on due dates. The Company's books were not inspected yet.

Payroll tax

The Company pays payroll tax to the tax authority on due dates. The Company's books were not inspected yet.

Withholding tax

The Company pays withholding tax to the tax authority on due dates. The Company's books were not inspected yet.

Stamp tax

The Company was subject to an inspection of stamp tax for the period since the date of incorporation till December 31, 2013. This inspection resulted in tax differences that the Company has agreed upon and settled during the period.

21- Significant transactions with related parties

<u>In thousand EGP</u>	<u>Nature of the relationship</u>	<u>Nature of the transactions</u>	<u>Volume of transactions</u>	<u>Balance Debit (credit)</u>
CHEO Technology JV (KoryoLink)	Subsidiary	Payments of expenses on behalf of related party	707	173 442
The Egyptian Company for Mobile Services	Associate	Technical support revenue	2 937	--
		Proceeds from related party	(12 045)	
Orascom Telecom Lebanon	Subsidiary of Orascom Telecom Ventures	Payments of expenses on behalf of related party	1 145	2 168
Middle East and North Africa Submarine Cables – MENA Cables	Subsidiary	Cash transfer to related party	11 385	273 703
TransWorld Associate (private) Ltd-Pakistan	Subsidiary	Proceeds from loans	(4 213)	22 700
Oracap Holding	Subsidiary	Payments of expenses on behalf of related party	4 486	374 888

22- Capital commitments

On March 15, 2015, Orascom Telecom, Media and Technology Holding declared that its intention to establish an electricity plant works by solar power in Kom-Ombo in Aswan. Accordingly, the Company is currently incorporating O Capital for Energy Company "S.A.E" for the purpose of designing, building, establishing, managing, operating and maintenance of all types of power plants and its different sources and distribution networks. The Company's authorized capital amounted to EGP 500 million, and the issued capital amounted to EGP 175 million, an amount of EGP 1.75 million have been paid under capital and was reported in payments under investments in subsidiaries – note (15). The Egyptian's contribution in capital of the company is 100%.

23- Financial instruments and management of associated risks

The Company's financial instruments are represented in financial assets and liabilities, the financial assets comprise cash at banks, due from related parties, and certain other debit balances .The financial liabilities comprise due to related parties, accounts payable and other credit balances.

Liquidity risk

Liquidity risk represents the factors which may affects the Company's ability to pay part or all of its liabilities, management pursuit this liabilities and if the company's liabilities increased, the company monitors it through manage the excess of cash at subsidiaries level and through dividends distributions from the subsidiaries.

Interest rate risk

Interest rate risk represents fluctuations in interest rates which may affect the company's results of operations and cash flows as the company depend on its own resources and finance from subsidiaries. This risk is considered limited as management depends on equity finance.

Foreign currencies' risk

Foreign currencies' risk represents fluctuations in exchange rates of foreign currencies, which affect receipts and disbursements in foreign currencies as well as the value of assets and liabilities denominated in foreign currencies. Management monitors the foreign currencies positions and banks exchange rates on an ongoing basis and seeks to reduce uncovered positions of foreign currencies, the matter which may reduce this risk to an acceptable level.

24- Contingent liabilities

<u>Company Name</u>	<u>Guarantee</u>	<u>Maximum level for liability</u>	<u>Outstanding liability till March 31, 2015 (EGP Thousand)</u>	<u>Expiry date of the guarantee</u>
Orascom Telecom Lebanon *	Guarantee of the company to pay any due amount to participants	USD 10 Million	76 301	April 2015
Orascom Telecom Lebanon *	Guarantee of the company to pay any due amount to participants	USD 30 Million	228 903	April 2015
O-Capital for energy	Guarantee issued from governmental authority	USD 750 thousand	5 723	June 2016

* Based on the Lebanese Council of Minister's decision which amended the validity date of the guarantee provided for Orascom telecom Lebanon, a subsidiary company to Orascom telecom ventures, starting from December 31, 2014 to April 30, 2015, with a possibility to extend the validity of the guarantee 90 days after expiry date.

Chief Financial Officer



Executive Chairman and Managing Director

