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

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

Consolidated Financial Statements

For the Financial Year

Ended on December 31, 2015

Together with the Auditor's Report

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

Consolidated financial statements and auditor's report

31 December 2015
US$

Deloitte.

Saleh, Barsoum & Abdel Aziz
Nile City South Tower, 6th floor
2005A Cornish El Nil, Ramlet Boulaq,
Cairo, 11221
Egypt

Tel : +20 (2) 24 619 909
Fax: +20 (2) 24 619 904
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To: The Shareholder of Orascom Telecom, Media and Technology Holding S.A.E.

Introduction

We have audited the accompanying consolidated financial statements of Orascom Telecom, Media and Technology Holding - S.A.E. and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidation statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the international Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidation financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Deloitte.

Saleh, Barsoum & Abdel Aziz
Nile City South Tower, 6th floor
2005A Cornish El Nil, Ramlet Boulaq,
Cairo, 11221
Egypt

Tel : +20 (2) 24 619 909
Fax: +20 (2) 24 619 904
www.deloitte.com

Basis for Qualified opinion

As disclosed in more details in note (15-2), of the notes to consolidated financial statements, the Company has modified the accounting treatment of the investment in CHEO Technology JV (Koryolink) to be investment in associate instead of investment in subsidiaries. In the management view, the control over the subsidiary's activities was lost, due to the increase of the severity of financial and operational obstacles and the futility of the negotiation conducted by the management of the Group and the Korean side to the expected results that were anticipated remove some of such obstacles according to management estimates.

Thus the investment in CHEO Technology JV (Koryolink) is measured at cost represented the fair value that is expected to be recovered by the Company from its investments in the future. The losses resulted from the modification of the accounting treatment amounted to US$ 476,779 thousand reported in losses from discontinued operations in the income statement note (6).

In light of the aforementioned we were not able to verify the fair value that will be recovered at the balance sheet date and we were not able to perform other alternative procedures with this respect.

Opinion

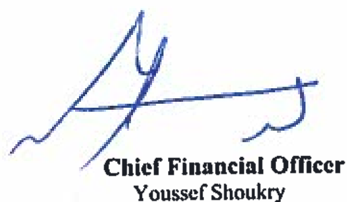
In our opinion, except for the effect of the matter described in the basis of qualified opinion paragraph, the consolidation financial statement present fairly, in all material respects, the consolidation financial position of Orascom Teelecom Media and Technology Holding S.A.E and its subsidiaries as at December 31, 2015, and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard.

Cairo, April 27, 2016

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

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2015 AND 2014

(in thousands of US$)	Note	As of 31 December 2015	As of 31 December 2014
Assets			
Property and equipment	17	112,608	292,650
Intangible assets	18	56,107	72,393
Investment Property	19	63,853	-
Investments in associates	15	78,451	82,739
Other non-current financial assets	20	8,030	703,689
Other non-current assets	23	9,307	9,144
Total non-current assets		328,356	1,160,615
Inventories		156	264
Trade receivables	22	17,401	13,963
Other current financial assets	20	10,818	38,005
Other current assets	23	14,872	19,550
Cash and balances at banks	24	202,454	130,251
Assets held for sale	6	-	63,801
Total current assets		245,701	265,834
Total Assets		574,057	1,426,449
Equity and Liabilities			
Share capital	25	366,148	366,148
Other reserves		(40,887)	(27,277)
Retained earnings		828	573,156
Equity attributable to equity holders of the Company		326,089	912,027
Non-controlling interest		16,690	189,253
Total equity		342,779	1,101,280
Liabilities			
Non-current borrowings	26	77,026	2,099
Other non-current liabilities	27	10,171	8,630
Deferred tax liabilities	21	8,043	12,775
Total non-current liabilities		95,240	23,504
Current borrowings	26	10,530	4,099
Trade payables and other current liabilities	27	33,405	150,717
Current income tax liabilities		13,040	20,565
Current provisions	28	79,063	76,464
Liabilities held for sale	6	-	49,820
Total current liabilities		136,038	301,665
Total Liabilities		231,278	325,169
Total Equity and Liabilities		574,057	1,426,449



Chief Financial Officer
Youssef Shoukry

Executive Chairman and Managing Director
Naguib Sawiris

Auditor's report 'attached'

(The notes 1 to 35 are an integral part of these Consolidated Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(in thousands of US$)	Note	Year ended 31 December 2015	Year ended 31 December 2014
Continued operations			
Revenues	7	37,791	36,464
Other income		885	1,161
Purchases and services	8	(25,898)	(23,445)
Other expenses	9	(13,822)	(11,388)
Personnel cost	10	(17,406)	(14,522)
Depreciation and amortisation	11	(12,274)	(3,890)
Impairment charges	12	(40,727)	(56,871)
Disposal of non-current assets	15	157,053	(224)
Operating income		**85,602**	**(72,715)**
Financial income	14	(135,516)	(47,932)
Financial expense	14	(4,176)	(2,350)
Foreign exchange (loss) gain	14	5,490	(2,798)
Share of loss of investment in associates	15	(586)	(7,058)
Loss before income tax		**(49,186)**	**(132,853)**
Income tax expense	16	(14,398)	(4,242)
Loss for the year from continuing operation		**(63,584)**	**(137,095)**
Discontinued operations			
(Loss) profit from discontinued operation (net of income tax)	6	(476,779)	174,359
(Loss) profit for the year		**(540,363)**	**37,264**
Attributable to:			
Owners of the company		*(572,328)*	*(8,735)*
Non-controlling interests		*31,965*	*45,999*
Earnings per share from continuing operations (basic and diluted) – (in US$)s		(0.012)	(0.027)
Earnings per share from discontinued operations (basic and diluted) – (in US$)		(0.097)	0.033

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
(Loss) profit for the year	**(540,363)**	**37,264**
Other comprehensive loss:		
Items that may be subsequently reclassified to profit or loss, net of tax		
Share of loss recognised directly in equity of associates	(186)	-
Currency translation differences	(18,913)	(59,842)
Total comprehensive loss for the year	**(559,462)**	**(22,578)**
Attributable to:		
Owners of the parent	*(585,938)*	*(56,060)*
Non-controlling interest	*26,476*	*33,482*

Chief Financial Officer
Youssef Shoukry

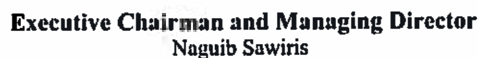
Executive Chairman and Managing Director
Naguib Sawiris

(The notes 1 to 35 are an integral part of these Consolidated Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(in thousands of US$)	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling Interest	Total equity
As of 1 January 2014	366,148	81,329	(61,490)	209	581,891	968,087	155,771	1,123,858
Comprehensive income								
Other comprehensive income	-	-	(47,325)	-	-	(47,325)	(12,517)	(59,842)
Profit for the year	-	-	-	-	(8,735)	(8,735)	45,999	37,264
Total comprehensive income	-	-	(47,325)	-	(8,735)	(56,060)	33,482	(22,578)
Transactions with owners	-	-	-	-	-	-	-	-
As of 31 December 2014	366,148	81,329	(108,815)	209	573,156	912,027	189,253	1,101,280

(in thousands of US$)	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling Interest	Total equity
As of 1 January 2015	366,148	81,329	(108,815)	209	573,156	912,027	189,253	1,101,280
Comprehensive income								
Other comprehensive income	-	-	(13,401)	(209)	-	(13,610)	(5,489)	(19,099)
Loss for the year	-	-	-		(572,328)	(572,328)	31,965	(540,363)
Total comprehensive income	-	-	(13,401)	(209)	(572,328)	(585,938)	26,476	(559,462)
Change in the scope of consolidation	-	-	-	-	-	-	(199,039)	(199,039)
Total transactions with owners	-	-	-	-	-	-	(199,039)	(199,039)
As of 31 December 2015	366,148	81,329	(122,216)	-	828	326,089	16,690	342,779



Chief Financial Officer
Youssef Shoukry

Executive Chairman and Managing Director
Naguib Sawiris

The notes 1 to 35 are an integral part of these Consolidated Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(in thousands of US$)	Note	Year ended 31 December 2015	Year ended 31 December 2014
Loss before income tax		(49,186)	(132,853)
Adjustments for			
Depreciation, amortisation and impairment charges	11, 12	53,001	60,761
Fair value loss on derivative instrument		136,089	48,733
Interest expense	14	4,176	1,267
Investment income	14	(573)	(801)
Foreign exchange (gain) /loss	14	(5,490)	2,798
Impairment of financial assets	14	-	1,083
Loss from disposal of assets		299	-
Disposal of non-current assets	15	(157,053)	224
Share of profit of associate	15	586	7,058
Accruals to provisions		13,091	15,157
Changes in other assets		(29,025)	1,194
Changes in other liabilities		11,189	1,993
Cash flows (used in) / generated by operating activities		**(22,896)**	**6,614**
Income taxes paid		(4,866)	(12,393)
Interest paid		(1,693)	(1,565)
Interest collected		354	800
Net Cash flows used in operating activities		**(29,101)**	**(6,544)**
Cash out flow for investments in			
Property and equipment		(21,273)	(2,439)
Intangible assets		(1,424)	(20,194)
Change in Deposits and financial assets		(1,355)	(2,470)
Investment in new acquisition (Beltone)	13	(42,856)	-
Investment in new acquisitions (Victoire)	13	(58,035)	-
Investment Available for sale		(4,950)	-
Proceeds from disposal of			
Property and equipment		122	111
Disposal of investment in subsidiary	6	13,981	-
Disposal of investment in associate	15	235,210	-
Cash flows generated by / (used in) investing activities		**119,420**	**(24,992)**
Cash flows from financing activities			
Proceeds from loan and bank facilities		72,699	3,131
Payments for loans and bank facilities		(3,361)	(5,307)
Cash flows generated by / (used in) financing activities		**69,338**	**(2,176)**
Net cash generated by / (used in) continuing operations		**159,657**	**(33,712)**
Discontinued operations			
Net cash generated by operating activities		169,259	243,755
Net cash used in investing activities		(124,937)	(176,726)
Net cash generated by financing activities		-	364
Net cash generated by discontinued operations		**44,322**	**67,393**
Net increase in cash and cash equivalents		**203,979**	**33,681**
Cash included in disposal assets / assets held for sale		(119,437)	(12,742)
Effect of exchange rates on cash and cash equivalents		(12,339)	(15,442)
Cash and cash equivalents at the beginning of the period		130,251	124,754
Cash and cash equivalents at the end of the period		**202,454**	**130,251**

Chief Financial Officer
Youssef Shoukry

Executive Chairman and Managing Director
Naguib Sawiris

1. General information

Orascom Telecom, Media and Technology Holding S.A.E. ("OTMT" or the "Company") is a joint stock company with its head office in Cairo, Egypt. As part of a larger transaction pursuant to which VimpelCom Ltd had acquired Orascom Telecom Holding, S.A.E. ("OTH"), its shareholders agreed to effect the demerger, whereby, OTH was split into two companies, OTH and the Company and certain telecom, cable and media and technology assets where transferred to the Company.

The Company and its subsidiaries (together the "Group") are business operating in high growth emerging markets in the Middle East and Brazil. The Company is a subsidiary of Orascom TMT Investment S.à.r.l. or the "Parent Company" (formerly Weather Investments II, "Weather Investments").

The Company's shares are listed on the Egyptian Stock Exchange and its GDRs are listed on the London Stock Exchange.

The Company prepares its separate and consolidated financial statements for statutory purposes in accordance with applicable Egyptian laws and regulations and Egyptian Accounting Standards. The IFRS consolidated financial statements are prepared for the convenience of international shareholders and to meet the continuing obligations of the Company's GDR listing on the London Stock Exchange.

The consolidated financial statements as of and for the year ended 31 December 2015 (the "Consolidated Financial Statements") were approved for issue by the Board of Directors of the Company on March 10, 2015.

2. Significant accounting policies

2.1 Basis of preparation

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as adopted by the International Accounting Standards Board ("IASB") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and all interpretations of the Standing Interpretations Committee ("SIC").

The Consolidated Financial Statements have been prepared under the historical cost basis except for the following:

- derivative financial instruments are measured at fair value;
- Financial instruments at fair value through profit or loss are measured at fair value.

For presentational purposes, the current/non-current distinction has been used for the statement of financial position. The statement of comprehensive income is presented using the two-statement approach, dividing items of comprehensive income between a separate income statement and a separate statement of comprehensive income. Expenses are analysed in the income statement using a classification based on their nature. The indirect method has been selected to present the cash flow statement.

The information presented in this document has been presented in thousands of United States Dollar ("US$"), except earnings per share and unless otherwise stated.

2.2 Application of new and revised International Financial Reporting Standards ("IFRSs")

2.2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment had no significant effect on the Group's consolidated financial statements.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs, which had been included in IAS 36 by the issue of IFRS 13. The amendment had no significant effect on the Group's consolidated financial statements

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39, novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The amendment had no significant effect on the Group's consolidated financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 27 'Separate Financial Statements' on consolidation for investment entities. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made to IFRS 12 to introduce disclosures that an investment entity needs to make. As the Group is not an investment entity (based on the criteria set out in IFRS 10), the application of the amendments had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

2.2.2 Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not adopted the following Standards and Interpretations that have been issued but are not yet effective. They will be effective on or after the dates described below.

New, amended and revised Standards and Interpretations		Effective from
Various	**Annual improvements 2012:** these annual improvements amend standards from the 2010 – 2012 reporting cycle. It includes changes to: • IFRS 2, '*Share based payments*', and clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. • IFRS 3, '*Business combinations*', and clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, '*Financial instruments: Presentation*'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss.	1 July 2014

New, amended and revised Standards and Interpretations		Effective from
	• IAS 16, '*Property, plant and equipment*' and IAS 38, '*Intangible assets*' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.IFRS 8, '*Operating segments*' which is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. • IAS 24, '*Related party disclosures*' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. • **Annual improvements 2013:** these annual improvements amend standards from the 2011 – 2013 reporting cycle. It includes changes to IFRS 3, '*Business combinations*' on clarification regarding joint arrangements. • IFRS 13, '*Fair value*' which amended the basis of conclusions to clarify that it did not intend to remove the ability to measure short term receivables and payables at invoice amounts where the effect of discounting is immaterial. • IAS 40, 'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.	
IAS 19	Amendment to IAS 19, '*Employee benefits*' regarding employee or third party contributions to defined benefit plans. The amendment applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives.	1 July 2014
IFRS 11		1 January 2016
IAS 16 & IAS 38	Amendment to IAS 16, '*Property, plant and equipment*' and IAS 38, '*Intangible assets*' regarding depreciation and amortisation. This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.	1 January 2016

	New, amended and revised Standards and Interpretations	Effective from
IAS 16 & IAS 41	Amendments to IAS 16, '*Property, plant and equipment*' and IAS 41, '*Agriculture*' regarding bearer plants. These amendments change the reporting for bearer plants, such as grape vines, rubber trees and oil palms. Bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. The amendments include them in the scope of IAS 16 rather than IAS 41. The production on bearer plants will remain in the scope of IAS 41.	1 January 2016
IFRS 10 & IAS 28	Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture. These amendments address an inconsistency between IFRS 10 and IAS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.	1 January 2016
IAS 27	Amendment to IAS 27, '*Separate financial statements*' regarding the equity method. The amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016
IFRS 14	IFRS 14, '*Regulatory deferral accounts*'. This standard permits first-time adopters of IFRS to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.	1 January 2016
IFRS 10 & IAS 28	Amendments to IFRS 10 and IAS 28 clarify the application of the consolidation exception for investment entities and their subsidiaries.	1 January 2016
IAS 1	Amendments to clarify guidance in IAS 1 '*Presentation of Financial Statements*' on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved.	1 January 2016
Various	**Annual improvements 2014**: These annual improvements amend standards from the 2012 – 2014 reporting cycle. It includes changes to: • IFRS 5, '*Non-current assets held for sale and discontinued operations*' – The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as 'held for sale' or 'held for distribution' simply because the manner of disposal has changed. The amendment also explains that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as 'held for sale'. • IFRS 7, '*Financial instruments: Disclosures*' – There are two amendments: - Servicing contracts – If an entity transfers a financial asset to a third party under conditions, which allow the transferor to derecognise the asset, IFRS 7, requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The standard provides guidance about what is meant by continuing	1 January 2016

New, amended and revised Standards and Interpretations		Effective from
	involvement. The amendment is prospective with an option to apply retrospectively. There is a consequential amendment to IFRS 1 to give the same relief to first time adopters. - Interim financial statements – the amendment clarifies that the additional disclosure required by the amendments to IFRS 7, '*Disclosure – Offsetting financial assets and financial liabilities*' is not specifically required for all interim periods unless required by IAS 34. This amendment is retrospective. • IAS 19, '*Employee benefits*' – The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented. • IAS 34, '*Interim financial reporting*' – the amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.	
IFRS 15	IFRS 15, '*Revenue from contracts with customers*'. This is the converged standard on revenue recognition. It replaces IAS 11, '*Construction contracts*', IAS 18, '*Revenue*' and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: ▪ Step 1: Identify the contract(s) with a customer ▪ Step 2: Identify the performance obligations in the contract ▪ Step 3: Determine the transaction price ▪ Step 4: Allocate the transaction price to the performance obligations in the contract ▪ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.	1 January 2018
IFRS 9	IFRS 9, '*Financial instruments*' The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be	1 January 2018

New, amended and revised Standards and Interpretations		Effective from
	measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.	
IFRS 16	IFRS 16, '*Leases*' In January 2016, the IASB issued IFRS 16 - Leases, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 - Leases. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and, instead, introduces a single lessee accounting model whereby a lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leases assets separately from interest on lease liabilities in the income statement. As IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently.	1 January 2019

The Group is currently assessing whether these changes will affect the consolidated financial statements in the period of initial application.

2.3 Summary of main accounting principles and policies

The main accounting principles and policies adopted in preparing these Consolidated Financial Statements are set our below. These policies have been applied consistently by the Group entities.

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposes to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Consolidated Financial Statements include the financial statements of the Company and the financial statements of those entities over which the Company has control, both directly or indirectly, from the date on which control is transferred to the Group until the date such control ceases.

The financial statements used in the consolidation process are those prepared by the individual Group entities in accordance with IFRS.

The consolidation procedures used are as follows:

- The assets and liabilities and income and expenses of subsidiaries are included on a line-by-line basis, allocating to non-controlling interests, where applicable, the share of equity and profit or loss for the period that is attributable to them. The resulting balances are presented separately in equity and the consolidated income statement; the acquisition method of accounting is used to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets;
- Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity;
- Goodwill represents the excess of the cost of an acquisition over the interest acquired in the net fair value at the acquisition date of the assets and liabilities of the entity or business acquired. Goodwill relating to investments accounted for using the equity method is included in the carrying amount of the investment. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair values of non-controlling interest over the net identifiable assets acquired and the liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss;
- acquisition costs on business combinations are expensed as incurred;
- The purchase of equity holdings from non-controlling holders are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration received and the relevant share of the carrying value of net assets of the subsidiary is recorded in equity;
- Unrealised gains and losses on transactions carried out between companies consolidated on a line-by-line basis and the respective tax effects are eliminated if material, as are corresponding balances for receivables and payables, income and expense, and finance income and expense.

Associates

Associates are investments in companies where the Group exercises a significant influence, which is presumed to exist when the Group holds voting rights between 20% and 50%. Associates are accounted for using the equity method.

The equity method is as follows:

- The Group's share of the profit or loss of an investee is recognised in the income statement from the date when significant influence begins up to the date when that significant influence ceases or when the investment is classified as held for sale. Investments in associates with negative shareholders' equity are impaired and a provision for its losses is accrued only if the Group has a legal or constructive obligation to cover such losses. Equity changes in investees accounted for using the equity method that do not result from profit or loss are recognised directly in consolidated equity reserves;
- The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value;
- if the ownership interest in an associate is reduced, but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit and loss;

- Unrealised gains and losses generated from transactions between the Company or its subsidiaries and its investees accounted for using the equity method are eliminated on consolidation for the portion pertaining to the Group; unrealised losses are eliminated unless they represent impairment.

Management fees received from associates are included within revenue.

Appendix A includes a list of the entities included in the scope of consolidation.

Interests in joint operations

A joint operation is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities of the joint operation require the unanimous consent of the parties sharing control.

Joint operation arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the entities are in the incorporation phase or have not started significant operations till the date of the consolidated financial statements. Investments classified as held for sale, are accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, where they are stated at the lower of their carrying amount or fair value less costs to sell.

Under the proportionate consolidation method, the Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the corresponding items in the consolidated financial statements on a line-by-line basis.

Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interest in the joint operation.

The following table provides a list of the jointly controlled entities, in which Beltone Financial Holding holds direct and indirect interests:

	Interest percentage		
	Segment	Country	Direct and indirect interest in entity
Misr Beltone Asset Management	Mutual funds management	Egypt	50%

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Egyptian pound. The Consolidated Financial Statements are presented in 'US Dollars' (US$), which is the Group's presentation currency.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the relevant entity at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated, at the reporting date, into the prevailing exchange rates at that date. Foreign currency exchange differences arising on the settlement of transactions and the translation of the statement of financial position are recognised in the income statement. Gains and losses on long-term financing provided to Group subsidiaries by the parent company, for which settlement is neither planned nor likely to occur, are initially recognised in other comprehensive income and reclassified to the income statement on disposal of the relevant entity.

Group companies

The financial statements of the Group entities are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rate;

- income and expenses are translated at the average exchange rate for the period;
- all resulting exchange differences are recognised as a separate component of equity in the "translation reserve" until the Group loses control of the relevant subsidiary. When the Group disposes of a foreign operation the translation reserve, previously recognised in equity, is transferred to the income statement;
- goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate; and
- in the preparation of the consolidated cash flow statement, the cash flows of foreign subsidiaries are translated at the average exchange rate for the period.

The exchange rates applied in relation to the US$ are as follows:

	Average for the year ended 31 December 2015	Closing rate as of 31 December 2015	Average for the year ended 31 December 2014	Closing rate as of 31 December 2014
Egyptian Pound (EGP)	0.1297	0.1277	0.1411	0.1398
Pakistan Rupee (PKR)	0.0097	0.0096	0.0099	0.0099
Euro (EUR)	1.1101	1.0860	1.3252	1.2098
DRRK Won (KPW)	0.0093	0.0092	0.0100	0.0095

Property and equipment

Property and equipment are stated at purchase cost or production cost, net of accumulated depreciation and any impairment losses. Cost includes expenditure directly attributable to bringing the asset to the location and condition necessary for use and any dismantling and removal costs which may be incurred because of contractual obligations, which require the asset to be returned to its original state and condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Each asset is treated separately if it has an autonomously determinable useful life and value. Depreciation is charged at rates calculated to write off the costs over their estimated useful lives on a straight-line basis from the date the asset is available and ready for use.

The useful lives of property and equipment and their residual values are reviewed and updated, where necessary, at least at each year-end. Land is not depreciated. When a depreciable asset is composed of identifiable separate components whose useful lives vary significantly from those of other components of the asset, depreciation is calculated for each component separately, applying the "component approach".

The useful lives estimated by the Group for the various categories of property and equipment are as follows.

	Number of years
Land and buildings	
Buildings	50
Leasehold improvements and renovations	3-8
Plant and machinery	8-15
Cable system and equipment	4-20
Commercial and other tangible assets	
Tools	5-10
Computer equipment	3-5
Furniture and fixtures	5-10
Vehicles	3-6

Gains or losses arising from the sale or retirement of assets are determined as the difference between the net disposal proceeds and the net carrying amount of the asset sold or retired and are recognised in the income statement in the period incurred under "Disposal of non-current assets".

Leases

The Group leases certain property and equipment. Leases of property and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Licenses

Costs for the purchase of telecommunication licenses are capitalised. Amortisation is charged on a straight-line basis such as to write off the cost incurred for the acquisition of a right over the shorter of the period of its expected use and the term of the underlying agreement, starting from the date on which the acquired license may be exercised.

Software

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software licenses are amortised on a straight-line basis over their useful life (between 3 to 8 years), while software maintenance costs are expensed in the income statement in the period in which they are incurred.

Costs incurred on development of software products are recognised as intangible assets when the Group has intentions to complete and use or sell the assets arising from the project, considering the existence of a market for the asset, its commercial and technological feasibility, its costs can be measured reliably and there are adequate financial resources to complete the development of the asset. Other development expenditures are recognised in the income statement in the period in which they are incurred.

Directly attributable costs that are capitalised as part of a software product include software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. In determining an asset's value in use the estimated future cash flows are discounted using a pre-tax rate that reflects the market's current assessment of the cost of money for the investment period and the specific risk profile of the asset. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, "CGU"). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or Groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Investment Property

Investment properties are property (land or a building or part of a building or both) held by the Group to earn rental income or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in supply of goods or services or for administrative purposes. Investment properties are initially measured at cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure.

Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. Subsequent to initial recognition, the Group has elected to measure investment properties at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is derecognised upon disposal, when it is permanently withdrawn from use and no future economic benefits expected from its disposal. Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal. Reclassifications to / from investment property are made when, and only when, there is a change of use.

Revenue from operating lease rentals is recognised on a straight-line basis over the relevant term of the lease. The rental income generated by investment properties is recognised within revenue in the consolidated income statement.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each component of the investment properties. The estimated useful lives of leased units is estimated at 50 years.

Financial instruments

Financial instruments consist of financial assets and liabilities whose classification is determined on their initial recognition and on the basis of the purpose for which they were purchased. Purchases and sales of financial instruments are recognised at their settlement date.

Financial assets

The group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

With the exception of derivative financial assets, the Group does not hold any financial assets at fair value through profit or loss; see "Derivative financial instruments" for the accounting policy on derivatives.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not a fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified in the category of available of sale, held to maturity, financial assets at fair value through profit or loss loans and receivables and subsequently measured as described.

Loans and receivables and held-to maturity investments are subsequently carried at amortised cost using the effective interest method.

Loans and receivables comprise 'trade and other receivables' in the statement of financial position. Loans and receivables are non-derivative financial instruments which are not traded on an active market and which are expected to generate fixed or determinable repayments. They are included as current assets unless they are contractually due more than twelve months after the reporting date in which case they are classified as non-current assets. These assets are measured at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gain or losses arising from changes in the fair value are recognised as follows:

- for "financial assets at fair value through profit or loss"- in profit or loss within other income or other expenses;
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency- translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income.

The Group has investments classified as available for sale. As the fair value cannot be reliably determined, the investment is measured at cost. Cost is adjusted for impairment losses if necessary, as described in the paragraph "Impairment of Financial Assets".

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in profit or loss as part of financial income from continuing operations when the Group's right to receive payments is established.

Interest income from financial assets are recognised at fair value through profit or loss. Interest on available-for-sale securities, held to maturity investments and loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of financial income from continuing operation.

The classification of an asset as current or non-current is the consequence of strategic decisions regarding the estimated period of ownership of the asset and its effective marketability, with those, which are expected to be realised within twelve months from the reporting date being classified as current assets.

Financial assets are derecognised when the right to receive cash flows from them expires or have been transferred and the Group has effectively transferred all risks and rewards related to the instrument and its control.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as- available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in profit or loss- is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed though profit or loss in a subsequent period.

In the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash-flow discounted at the original effective interest rate of the instrument, and continues unwiding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Financial liabilities and equity instruments

Debt and equity instruments issued by a Group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities consisting of borrowings, trade payables and other obligations are measured at amortised cost using the effective interest method. Financial liabilities are classified as current liabilities except where the Group has an unconditional right to defer payment until at least twelve months after the reporting date.

Financial liabilities are derecognised when settled and the Group has transferred all the related costs and risks relating to an instrument.

Derivative financial instruments and embedded derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group has entered into foreign currency forwards for the purposes of hedging the risk on foreign exchange rates in relation to the receivable on the partial disposal of ECMS. In addition, the agreement between the Company and France Telecom in relation to ECMS also includes put and call options. The fair value of the options on ECMS is disclosed in Note (20). Fair value gains and losses on all of the Groups derivative financial instruments are recognised in the income statement within finance income and expense.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

Inventories

Inventories are stated at the lower of purchase cost or production cost and net realisable value. Cost is based on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. When necessary, obsolescence allowances are made for slow-moving and obsolete inventories.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the near future.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Business Combination

The acquisition method of accounting is used to account for all business combination, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement and;
- fair value of any pre-existing equity interest in the subsidiary;

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly on profit or loss as a bargain purchase.

Where the settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Provisions

Provisions are only recognised when the Group has a present legal or constructive obligation arising from past events that will probably result in a future outflow of resources, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. The amount provided represents the best estimate of the present value of the outlay required to meet the obligation. The interest rate used in determining the present value of the liability reflects current market rates and takes into account the specific risk of each liability.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, rebates and discounts and after eliminating sales within the Group.

Revenue from the sale of goods is recognised when the Group transfers the risks and rewards of ownership of the goods. Revenue from services is recognised in the income statement by reference to the stage of completion and only when the outcome can be reliably estimated.

More specifically, the criteria followed by the Group in recognising ordinary revenue are as follows:

- revenue arising from post-paid traffic, interconnection and roaming is recognised on the basis of the actual usage made by each subscriber and telephone operator. Such revenue includes amounts paid for access to and usage of the Group network by customers and other domestic and international telephone operators;
- revenue from the sale of prepaid cards and recharging is recognised on the basis of the prepaid traffic actually used by subscribers during the period. The unused portion of traffic at period end is recognised deferred income;
- one-off revenue from mobile (prepaid or subscription) activation and/or substitution, prepaid recharge fees and the activation of new services and tariff plans is recognised for the full amount at the moment of activation independent of the period in which the actual services are rendered by the Group. In the case of promotions with a cumulative plan still open at the end of the period, the activation fee is recognised on an accruals basis so as to match the revenue with the period in which the service may be used;

- revenue from bandwidth capacity sales (Cable segment revenue) is recognised over the period of the contract on the basis of usage of bandwidth by the customers. Advances received from customers, for which the service has not yet been provided is disclosed as deferred income.

Dividend income from investments recorded at cost is recognised when the right to receive payment is established.

Revenue of the financial service section

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

a) the amount of revenue can be measured reliably; and
b) it is probable that the economic benefits associated with the transaction will flow to the entity; and
c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Operating Revenues

Operating revenues represent the following types:

Investment banking revenue

The activities revenue is recognised that represented in security and investment banking fees for the companies when complete the implementation of the service.

Management fees of funds and portfolios

Management fees are recognised as revenue on an accrual basis, as the services are rendered, in accordance with the contractual terms of each fund and portfolio.

Incentive fees are recognised as revenue based on predetermined percentages agreed with clients, calculated by reference to the annual return on each fund or portfolio, but only to the extent that the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group.

Business Combination

The acquisition method of accounting is used to account for all business combination, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement and;
- fair value of any pre-existing equity interest in the subsidiary;

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition date fair value of any previous equity interest in the acquired entity

Dividend income from investments recorded at cost is recognised when the right to receive payment is established.

Commissions

Sale commissions: represent commissions on sale of securities for clients in local or global stock exchanges, calculated at specified rates agreed with clients as a percentage of the sale transaction.

Purchase commissions: represent commissions on purchase of securities for clients in local or global stock exchanges, calculated at specified rates agreed with clients as a percentage of the purchase transaction.

Custodian fees

Custodian fees are recognised as the difference between fees collected from clients and those incurred or paid to custodians.

They are recognised according to contracts signed with clients on accrual basis.

They are recognised the commissions for collecting coupons for customers, the collection of these coupons are on behalf of the customers.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit for the period attributable to equity holders of the Company, both from continuing and discontinued operations, by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted

Diluted earnings per share are calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares of the Company outstanding during the period where, compared to basic earnings per share, the weighted average number of shares outstanding is modified to include the conversion of all dilutive potential shares, while the profit for the period is modified to include the effects of such conversion net of taxation. Diluted earnings per share are not calculated when there are losses as any dilutive effect would improve earnings per share.

Segment reporting

Operating segments are reported in a manner which is consistent with the internal reporting information provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the Company.

Non-current assets and liabilities held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets and liabilities held for sale (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial

classification as held for sale and subsequent losses on re-measurement are recognised in the income statement. Subsequent increase in fair value less costs to sell may be recognised in the income statement only to the extent of the cumulative impairment loss that has been recognised previously.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- the fair value of a financial instrument traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active, if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.
- the fair value of instruments that are not traded in an active market (for example privately negotiated derivatives between two parties) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include quoted market prices or dealer and broker quotes for similar instruments and other techniques such as option valuation models and discounted cash flows.

The following table sets forth the Group's financial assets and liabilities that are measured at fair value as of 31 December 2015 and 2014.

	As of 31 December	
	2015	2014
(in thousands of US$)	*Level 1*	*Level 2*
Assets		
Financial assets available for sale at fair value (EGX 30)	545	-
Treasury bonds	4,782	-
Put option with Orange SA	-	146,720
Total assets	5,327	146,720

The Group did not measure any financial assets or liabilities as level 3 fair value estimates and there were no transfers between level 1 and 2 during the years ended 31 December 2015 or 2014.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives, including put and call options) is determined by using valuation techniques. These valuation techniques maximise the use of observable market date where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include;

- quoted market prices of shares traded on a stock market;
- fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- other techniques, such as discounted cash flows and a Monte Carlo approach combined with the Longstaff-Schwartz algorithm for the remaining financial instruments.

Particularly investment in financial assets available for sale, and mainly Smart Village Company, is stated at cost, as it relates to unlisted equity securities that do not have a quoted market price in an active market for an identical instrument and for which fair value cannot be measured reliably. For further details, refer to Note (20) 'Other financial assets'.

The carrying amount of short-term trade and other receivables and payables reasonably approximates fair value as of 31 December 2015.

3. Use of estimates and critical judgements

The preparation of the Consolidated Financial Statements requires that the directors apply accounting policies and methodologies that, in some circumstances, are based upon complex and subjective judgments and estimates that are based on historical experience and assumptions that are considered reasonable and realistic at the time, considering the relevant circumstances. The application of such estimates and assumptions affects the amounts recorded in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income and cash flows, as well as in the notes. Actual results might differ from such estimates due to the uncertainty surrounding the assumptions and conditions upon which estimates are based. The accounting estimates that require the more subjective judgment of management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results reported in these Consolidated Financial Statements are summarised below.

__Valuation of financial instruments__

For some financial instruments that are not traded in an active market and included in the financial statements such as financial derivatives, Management estimates fair value using valuation techniques based on inputs and assumptions, some of which are linked to quoted market prices and others on management's estimations. Management applied reasonable option valuation models during the period in estimating the fair value of these financial instruments. Management also conducted a sensitivity analysis for changes in the estimated fair value of these instruments and changes in inputs used for assessing the reasonableness of results reached using the acceptable valuation models.

__Impairment of non-current assets__

Non-current assets are reviewed to determine whether there are any indications that the net carrying amount of these assets may not be recoverable and that they have suffered an impairment loss that needs to be recognised. In order to determine whether any such elements exist, it is necessary to make subjective measurements, based on information obtained within the Group, in the market and on past experience. When indicators are identified that an asset may have become impaired, the Group estimates the impairment loss using suitable valuation techniques. The identification of elements indicating that a potential impairment exists and estimates of the amount of the impairment, depend on factors that may vary in time, affecting management's assessments and estimates.

Impairment of financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The Group assesses whether there is an objective evidence that, as a result of one or more events (a "loss event") that occurred after the initial recognition of a financial asset or a group of financial assets, the estimated future cash flows of an asset or a group of assets have been affected.

The Group monitors impairment losses recognised, and where an impairment loss subsequently reverses, the carrying amount of a financial asset or a group of financial assets is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset.

Intangibles

Intangible assets constitute a significant part of the Group's total assets and the scheduled amortisation charges from a significant part of the annual operation expenses. The useful economic lives arrived at, on the basis of management's estimates and assumptions, have a major impact on the valuation of intangible assets.

At the end of each reporting period, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the intangible asset is estimated, in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, intangible assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Depreciation of non-current assets

The cost of property and equipment is depreciated on a straight-line basis throughout the useful economic life of the relevant asset. The useful economic life is determined by management at the time the asset is acquired and is based upon historical experience for similar assets, market conditions, and forecasts regarding future events that could have an impact on useful life, including changes in technology. Therefore, the actual useful economic life may differ from the estimated useful life. The Group periodically evaluates sector and technology changes in order to update the remaining useful life. Such periodic updates could result in a change during the depreciation period, and therefore also in the depreciation in future periods.

Taxes

Income taxes (both current income tax and deferred taxes) are determined in each country where the Group operates in accordance with a prudent interpretation of the applicable tax regulations.

This process results in complex estimates in determining taxable and deductible income and taxable temporary differences between accounting and tax values. In particular, deferred tax assets are recognised when it is probable that there will be future taxable income against which the temporary differences can be utilised. The assessment of the recoverability of deferred tax assets, in relation to tax losses that can be used in future periods and deductible temporary differences, considers the estimated future taxable income on the basis of a prudent tax planning.

Goodwill

The impairment test on goodwill is carried out by comparing the carrying amount of cash-generating units and their recoverable amount. The recoverable amount of a cash-generating unit is the higher of fair value, less costs to sell, and its value in use. This complex valuation process entails the use of methods such as the discounted cash flow method which uses assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for the extrapolation.

Provisions and contingent liabilities

Management assess events and circumstances indicating that the Group may have an obligation resulting in the ordinary course of business, Management applies its judgment in determining whether the recognition criteria have been meet through assessing the probability of the obligation, making assumptions about timing and amounts of future cash outflows expected to settle the obligation.

4. Financial risk management

Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. In particular, the Group is exposed to risks from movements in exchange rates, interest rates and market prices. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance through ongoing operational and finance activities. The management has overall responsibility for the establishment and oversight of the Group's risk management framework.

Market Risk

i) ***Foreign exchange risk***

The Group operates internationally and is exposed to foreign exchange risk arising when its business transactions are in currencies other than its functional currency. The main currencies to which the Group is exposed are the US dollar ("US$"), the Pakistani Rupee ("PKR"), the Euro ("EUR"), DPRK Won ("KPW") and the Egyptian Pound ("EGP").

The Group is exposed to foreign currency risk arising in two separate ways:

a) ***Foreign exchange operations risk***

The Group entities predominantly execute their operating activities in their respective functional currencies. Some Group subsidiaries are, however, exposed to foreign currency risks in connection with scheduled payments in currencies that are not their functional currencies. In general, this relates to foreign currency denominated supplier payables due to capital expenditures and receivables. The Group monitors the exposure to foreign currency risk arising from operating activities and in general does not use derivative financial instruments to hedge foreign exchange exposure in relation to ordinary operating activities.

As of 31 December 2015, if the functional currencies had strengthened/(weakened) by 10% against the US$, Euro, Egyptian pound, DPRK Won and Pakistani Rupee, with all other variables held constant, the translation of foreign currency receivables and payables would have resulted in an increase/(decrease) of US$ 3,497 thousand of net profit (2014: US$ 2,650 thousand of net loss).

b) ***Foreign exchange translation risk***

Due to its international presence, the Group's Consolidated Financial Statements are exposed to foreign exchange fluctuations, as these affect the translation of subsidiaries' assets and liabilities denominated in foreign currencies to the US$ (the Group's presentational currency). The currencies concerned are mainly the Egyptian pound, the Pakistani Rupee DPRK Won and the Euro. This represents a translational risk rather than a financial risk given that these movements are posted directly to equity in the cumulative translation reserve.

ii) ***Price risk***

The Group has limited exposure to equity instruments of other entities that are publicly traded.

iii) ***Cash flow and fair value interest rate risk***

The Groups interest rate risk arises from borrowings. Borrowings received at variable interest rates expose the Group to cash flow interest rate risk. The Group has not entered into any derivative financial instruments to hedge its exposure to cash flow interest rate risk.

All borrowings outstanding as of 31 December 2015 and 2014 (US$87,556 thousand; US$6,204 thousand) are at a fixed interest rate, at a variable interest rate and interest rate free.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies.

The impact of a 1% interest rate shift would be a maximum increase/decrease in 2015 finance costs of US$ 838 thousands (2014: US$ 59 thousand).

Credit Risk

The Group considers that it is not exposed to major concentrations of credit risk in relation to trade receivables. However, credit risk can arise in the event of non-performance of a counterparty, particularly in relation to credit exposures for trade and other receivables, financial instruments and cash and cash equivalents.

The credit risk to which the Group is exposed to be analysed by segment as follows:

i) *Financial Service*
In general, all costumers are relating to the financial services of Beltone financial group as follows: financial segment of Investment Banking, Asset Management, Brokerage and Other financial Services.

ii) *Investment property:*
Substantially there is only one significant international client.

iii) *GSM*
Substantially all customers in Lebanon are prepaid customers meaning that there is a low credit risk associated with this GSM operation.

iv) *Cable*
In general, cable customers are offered maximum payment terms of 30 days. Customers are checked for credit worthiness before offering credit terms.

v) *Other (including Media & Technology, classified as assets held for sale in 2015)*
Customers' credit worthiness is reviewed before credit terms are offered. Accounts receivable are monitored and outstanding balances are followed up until the balance is received.

The Group tries to mitigate credit risk by adopting specific control procedures, including assessing the credit worthiness of the counterparty and limiting the exposure to any one counterparty. Accruals to the allowance of doubtful receivables amounted to US$ 36,555 thousand during 2015 (US$ 6,506 thousand for the period ended 31 December 2014). See also Note (22).

Credit risk relating to cash and cash equivalents and financial deposits arises from the risk that the counterparty becomes insolvent and accordingly is unable to return the deposited funds or execute the obligations under the derivative transactions as a result of the insolvency.

In general, the receivables and financial receivables included in financial assets relate to a variety of small amounts due from a wide range of counterparties, therefore, the Group does not consider that it has a significant concentration of credit risk.

Liquidity Risk

The Group monitors and mitigates liquidity risk arising from the uncertainty of cash inflows and outflows by maintaining sufficient liquidity of cash balances. In general, liquidity risk is monitored at entity level whereby each subsidiary is responsible for managing and monitoring its cash flows and rolling liquidity reserve forecast in order to ensure that it has sufficient committed facilities to meet its liquidity needs.

Laws and regulations in certain countries, such as North Korea, in which the Group operates limit the conversion of current cash balances into foreign currency. Given the nature of the business, Group companies may have to make payments in foreign currencies (for example capital expenditures), the lack of individual entity foreign currency reserves means that these companies are largely dependent on the Company to make these payments on its behalf.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the tables are the gross contractual, undiscounted cash flows including interest, charges and other fees.

(in thousands of US$)	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years
Liabilities				
Liabilities to banks	84,564	85,264	6,854	78,410
Finance lease liability	213	242	75	167
Other borrowings	2,779	2,814	2,267	547
Trade payables	21,800	21,800	21,800	-
As of 31 December 2015	109,356	110,120	30,996	79,124

(in thousands of US$)	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years
Liabilities				
Liabilities to banks	2,572	2,892	1,805	1,087
Finance lease liability	128	138	95	43
Other borrowings	3,498	3,556	2,458	1,098
Trade payables	63,611	63,611	63,611	-
As of 31 December 2014	69,809	70,197	67,969	2,228

* Expected cash flows are the gross contractual undiscounted cash flows including interest, charges and other fees.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Other risks

Governmental authorisations

Certain future Group activities, including the GSM operations in Lebanon or the cable segment, are dependent on obtaining appropriate government authorisations. Should these authorisations not be obtained or delayed, there could be an adverse impact on the future operations of the Group, such as a decrease in revenues or penalty payments due to contractual counterparties.

Political and economic risk in emerging countries

A significant amount of the Group's operations is conducted in Egypt, North Korea and Pakistan. The operations of the Group depend on the market economy of the countries in which the subsidiaries or associate operate. In particular, these markets are characterised by economies that are in various stages of development or are undergoing restructuring. Therefore, the operating results of the Group are affected by the current and future economic and political developments in these countries. In particular, the results of operations could be unfavourably affected by changes in the political or governmental structures or weaknesses in the local economies in the countries where it operates. These changes could also have an unfavourable impact on financial condition, performance and business prospects.

Regulatory risk in emerging countries

Due to the nature of the legal and tax jurisdictions in the emerging countries where the Group operates, it is possible that laws and regulations could be amended. This could include factors such as the current tendency to withhold tax on the dividends of these subsidiaries, receiving excessive tax assessments, granting of relief to certain operations and practices relating to foreign currency exchange. These factors could have an unfavourable effect on the financial activities of the Group and on the ability to receive funds from the subsidiaries.

Revenue generated by the majority of the Group subsidiaries is expressed in local currency. The Group expects to receive most of this revenue from its subsidiaries and therefore it relies on their ability to be able to transfer funds. The regulations in the various countries, such as North Korea, where Koryolink operates could reduce the ability to pay interest and dividends and to repay loans, credit instruments and securities expressed in foreign currency through the transfer of currency. In addition, in some countries it could be difficult to convert large amounts of foreign currency due to central bank regulations. The central banks may amend regulations in the future and therefore the ability of the Company to receive funds from its subsidiaries may change.

Classes of financial instrument

The tables below present the Groups financial assets and liabilities by category.

(in thousands of US$)	As of 31 December 2015			As of 31 December 2014			
	Loans and receivables	Available for sale	Total	Derivatives	Loans and receivables	Available for sale	Total
Other financial assets	6,228	12,620	**18,848**	146,720	588,785	6,189	**741,694**
Trade receivables	17,401	-	**17,401**	-	13,963	-	**13,963**
Other current assets[1]	1,748	-	**1,748**	-	4,818	-	**4,818**
Cash and cash equivalents	202,454	-	**202,454**	-	130,251	-	**130,251**
Total	227,831	12,620	**240,451**	146,720	737,817	6,189	**890,726**

[1] Excludes prepaid expenses, advances to suppliers, employee loans and assets from current tax as these do not meet the definition of a financial asset.

(in thousands of US$)	As of 31 December 2015		As of 31 December 2014	
	Other financial liabilities at amortised cost	Total	Other financial liabilities at amortised cost	Total
Borrowings	87,556	**87,556**	6,198	**6,198**
Other non-current liabilities[2]	1,677	**1,677**	4,406	**4,406**
Trade payable and other current liabilities	32,661	**32,661**	78,925	**78,925**
Total	121,894	**121,894**	89,529	**89,529**

[2] Excludes Prepaid traffic and deferred income, as these do not meet the definition of a financial liability.

5. Segment reporting

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors reviews the Group's internal reporting in order to assess its performance and allocate resources, mainly from a geographical perspective, of the mobile telecommunication business.

Pursuant to the decision to dispose of entities previously included in the Media and Technology segment, OTMT management has changed its internal reporting as analysed by the chief operating decision-maker and revised the reportable operating segments as follows:

- *Financial Service*: relating to the financial services of Beltone financial group represented in the group of different financial segment of Investment Banking, Asset Management, Brokerage and Other financial Services.
- *Investment property*: investment properties relate to real estate property the Group owns in Sao Paolo, Brazil
- *GSM – Lebanon*: relating to the management contract of the Lebanese mobile telecommunications operator Alfa, which is owned by the Republic of Lebanon.
- *Cable*: relating to the provision of direct broadband and high-speed connectivity to telecom operators, internet service providers and major corporations through submarine fibre optic cables.

- *Other*: includes Media & Technology (relating mainly to the provision of online advertising and content to corporate customer, mobile value added services and software development and hosting of corporate clients) and the Group's equity investments and income and expenses related to OTMT. In 2015, Media & Technology entities have been classified as assets held for sale and discontinued operations.

The Group reports on operating segments, which are independently managed. The chief operating decision-maker assesses the performance of such operating segments based on:

- total revenue;
- EBITDA, defined as profit for the period before income tax expense /(benefit), impairment of associate, share of profit/(loss) of investment in associates, foreign exchange gains /(loss), financial expense, financial income, disposal of non-current assets, impairment charges and depreciation and amortisation; and
- segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

Revenue and EBITDA disclosure per segment

The following information is regularly provided to the chief operating decision maker and is measured consistently with that of the financial statements.

	31 December 2015				31 December 2014			
	Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA	Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA
Investment Property	1,042	-	1,042	(1,973)	-	-	-	-
GSM Lebanon	7,230	-	7,230	3,539	9,802	-	9,802	5,412
Cable	27,530	-	27,530	3,238	24,996	-	24,996	2,941
Financial Services	1,608	-	1,608	1	-	-	-	-
Other	3,081	(2,700)	381	(23,255)	1,666	-	1,666	(20,083)
Total	40,491	(2,700)	37,791	(18,450)	36,464	-	36,464	(11,730)

Assets per segment

The following table illustrates assets for each reportable segment as they are regularly provided to the board of directors.

	As of 31 December 2015					As of 31 December 2014			
(in thousands of US$)	Property and equipment	Intangible assets	Equity investments	Investment property	Total	Property and equipment	Intangible assets	Equity investments	Total
Investment property	-	-	-	63,853	63,853	-	-	-	-
Financial Service	713	42,394	-	-	43,107	-	-	-	-
Cable	104,009	13,637	-	-	117,646	126,301	21,084	-	147,385
Other	7,886	76	78,451	-	86,413	166,349	51,309	82,739	300,397
Total	112,608	56,107	78,451	63,853	311,019	292,650	72,393	82,739	447,782

Reconciliation of EBITDA to profit before income tax

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
EBITDA	(18,450)	(11,730)
Depreciation and amortisation	(12,274)	(3,890)
Impairment charges	(40,727)	(56,871)
Disposal of non-current assets	157,053	(224)
Financial income	(135,516)	(47,932)
Financial expense	(4,176)	(2,350)
Foreign exchange gain /(loss)	5,490	(2,798)
Share of profit (loss) of equity investments	(586)	(7,058)
Profit before income tax	(49,186)	(132,853)

Reconciliation of assets allocated to total assets

(in thousands of US$)	As Of 31 December 2015	As Of 31 December 2014
Assets allocated	311,019	447,782
Other non current financial assets	8,030	703,689
Other non current assets	9,307	9,144
Inventories	156	264
Trade receivables	17,401	13,963
Other current financial assets	10,818	38,005
Other current assets	14,872	19,550
Cash and cash equivalents	202,454	130,251
Assets held for sale	-	63,801
Total assets	574,057	1,426,449

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment for the year ended 31 December 2015 and the year ended 31 December 2014:

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Cable	24,427	21,462
Other [1]	8,901	4,565
Total	33,328	26,027

[1] Amounts in the "Other" segment includes capital expenditure attributable to Media and Technology entities, which have been reclassified as assets held for sale in 2014.

6. Assets Held for Sale and Discontinued Operation

6-1 Disposal of Subsidiary Related to Orascom Telecom Ventures S.A.E

Orascom Telecom, Media and Technology Holding S.A.E announced that the Board of Directors of Orascom Telecom Ventures S.A.E (subsidiary company) has agreed to sell some of its subsidiaries and their subsidiary companies in a deal with an estimated total value of US$ 19.5 million to one of the subsidiaries of Accelero Capital Management Ltd. Company, taking into account that the cash consideration is US$ 13.9 million.

The deal includes companies working in the fields of value-added mobile services, advertisements via the internet, software development and management of electronic content. The deal was finalised during the first quarter of 2015.

The following are the names of the subsidiary companies included in the deal and the Group's percentages of direct and indirect investment:

Subsidiary companies	Activity	Country	Direct and indirect investment percentage
ARPU for Telecommunication Services S.A.E.	Media and Technology	Egypt	100.00%
Egypt Call Communications S.A.	Media and Technology	Egypt	99.98%
LinkDotNet KSA	Media and Technology	KSA	100.00%
LinkDotNet	Media and Technology	UAE	100.00%
Link Online S.A.E.	Media and Technology	Egypt	100.00%
Arab Finance Securities	Brokerage	Egypt	100.00%
Link Development S.A.E.	Media and Technology	Egypt	99.80%
Link for Domain Registration S.A.E.	Media and Technology	Egypt	100.00%
Connect Ads	Media and Technology	Egypt	100.00%
Otlob Company for restaurant reservations	Media and Technology	Egypt	100.00%

At the year end December 31, 2014 the fair value was re-estimated to be US$13,981 thousand. A fair value loss of US$9,499 thousands, relating to impairment in property, plant and equipment US$6,716 thousand and in intangible assets US$2,783 thousand.

The following table provides a breakdown of assets and liabilities held for sale relating to Orascom Telecom Ventures SAE.

(in thousands of US$)	As of 31 December 2014	
	Book value before adjustment	*Fair value*
Property, plant and equipment	7,080	365
Intangible assets	3,745	962
Financial Assets	1,602	1,602
Inventories	29	29
Trade receivables	40,800	40,800
Other receivables	7,422	7,421
Cash and cash equivalents	12,622	12,622
Total assets held for sale	**73,300**	**63,801**
Financial liabilities	850	850
Employee benefits	3,872	3,872
Provisions	4,619	4,619
Deferred Tax	52	52
Tax liabilities	602	602
Trade payables	39,825	39,825
Total liabilities held for sale	**49,820**	**49,820**
Total identifiable assets on sale	**23,480**	**13,981**

The following is the revenues and the expenses related to the discontinued operations:

(in thousands of US$)	Year ended 31 December 2014
Revenue	92,107
Expenses	(94,670)
Loss recognised on the re-measurement of assets of the disposal group	(9,499)
Loss from operating activities	**(12,062)**
Income tax expense	(1,262)
Loss from discontinued operations	**(13,324)**

6-2 Net (loss) / profit from discontinued operations - Koryolink

Loss and gain from discontinued operations as of December 31, 2015 represented in losses from disposal of Koryolink with a value of US$ 477 million (December 31, 2014 gain from disposal of Koryolink with a value of US$ 188 million). The Company's investments in North Korea related primarily to the 75% holding in the local telecom operator Koryolink. The accounting treatment has been modified during this period and recognised as investment in associates instead of investment in subsidiaries. In the management's view, the control over the Koryolink's activity was lost as aforementioned in detail in Note (15-2).

Analysis of (loss) / profit from discontinued operations of Koryolink are as follows:

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Revenue	246,951	344,383
Expenses	(104,570)	(97,952)
Profit from operating activities	**142,381**	**246,431**
Income tax expense	(44,071)	(58,748)
Profit from operating activities, net of tax income	**98,310**	**187,683**
Loss on disposal	(575,089)	-
(Loss) / profit from discontinued operations	**(476,779)**	**187,683**

The loss on disposal has been determined as follows:

(in thousands of US$)	Carrying amount at disposal
Property and equipment	141,298
Intangible assets	44,886
Inventories	127
Other current financial assets	686,682
Other current assets	1,958
Cash and cash equivalents	140,201
Total assets	1,015,152
Trade payables	(53,363)
Non-controlling interests	(204,859)
Other current liabilities	(69,003)
Provisions	(1,157)
Current income tax liabilities and Differed tax	(22,525)
Total liability	(350,907)
Net assets disposed of	**664,245**
Loss of Control	
Investment and Current account	114,111
Loss on disposal before recycling of foreign exchange	**(550,134)**
Recycling of Foreign exchange	(24,993)
Loss on disposal	**(575,127)**

The subsidiary company's financial statements were translated at the date when control was lost on September 30, 2015 by using the official exchange rate announced by the Banks operating in North Korea, whereas determined by the Central Bank of North Korea, the absence of a free-floating currency exchange market and there is no indicators refers to the effect of the change on the Korean currency exchange market on the company's assets, accordingly, for the purpose of disposal of the company from combination and according to IAS 21 "The Effects of Changes in Foreign Exchange Rates", the interim financial statements for Koryolink at September 30, 2015 (the date when control was lost) were translated to US$ using the official exchange rate announced by Central Bank of North Korean as this is the only exchange rate available for the subsidiary company.

7. Revenue

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Interconnection traffic	27,530	24,996
Management contract -Fees	7,611	11,468
Revenue form Financial services	1,608	-
Investment Property Revenue	1,042	-
Total	**37,791**	**36,464**

8. Purchases and services

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Rental of local network, technical sites and other leases	6,755	5,619
Purchases of goods and changes in inventories	5,100	3,956
Band width cost	4,075	3,712
Consulting and professional services	2,449	1,958
Maintenance costs	2,103	1,227
Airfare	1,654	800
Advertising and promotional services	464	982
Other service expenses	3,298	5,191
Total	**25,898**	**23,445**

9. Other expenses

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Provisions for risks	10,217	5,266
Accruals for provisions ,write downs and penalties	2,875	5,511
Other operating expenses	730	611
Total	**13,822**	**11,388**

10. Personnel costs

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Wages and salaries	14,686	12,836
Contractual bonuses	1,127	350
Pension costs	351	260
Social security	350	488
Other personnel costs	892	588
Total	**17,406**	**14,522**

11. Depreciation and Amortisation

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Depreciation of tangible assets		
Buildings	309	336
Plant and machinery	6	-
Cable system and equipment	9,804	2,869
Commercial and other tangible assets	445	421
Depreciation of Investment property		
Buildings	323	-
Amortisation of intangible assets		
		-
License	195	169
Right of use	1,190	95
Other	2	-
Total	**12,274**	**3,890**

12. Impairment of non-current assets

Impairment charges of US$ 41 million (2014: US$ 57 million) mainly relate to the main asset of MENA Cable, a submarine cable which was impaired following an appraisal of the asset performed by the company, which indicated that the expected recoverable value was less than the book value as of 31 December 2015.

13. Business Combination

Beltone Financial Holding

On November 19, 2015, the Group launched a joint tender offer with Act Financial S.A.E.of 97.4%of Beltone Group. The Group has acquired 81.3% of Beltone Financial Holding shares for a purchase consideration of US$ 70 million. The acquisition resulted in a preliminary goodwill of US$ 43 million and the final purchase price allocation will be completed within 12 months of the acquisition date. Through the acquisition of Beltone Financial Holding the Group has entered business in the financial service sector.

The preliminary fair value of assets and liabilities recognised as a result of the acquisition of Beltone Financial Holding are as follows:

(in thousands of US$)	Preliminary fair value
Current assets	39,409
Long term assets	5,663
Total assets	**45,072**
Current liabilities	12,472
Total liabilities	**12,472**
The net assets of acquired	**32,600**
% acquired	81.30%
The share of the Group in net assets of acquired	**26,504**
Consideration in cash	69,551
The net goodwill resulted from acquisition	43,047

Accounting of non-controlling interests

The Group recognises non-controlling interest in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Beltone Financial Holding acquired the Group elected to recognise non-controlling interests at its proportionate share of the acquired net identifiable assets.

Revenue and profit contribution

The acquired business contributed revenues of US$ 1.6 million and net loss of US$ 33 thousands to the Group for the period from the acquisition date to December 31, 2015. If the acquisition had occurred on January 1, 2015, consolidated pro-forma revenue and profit for the year ended December 31, 2015 would have been US$ 8 million and US$ .7 million respectively.

Acquisition related costs

Acquisition related costs of US$ 2 million have been charged to purchases and services in the consolidated income statement for the year ended December 31, 2015.

Victoire Group

On October 22, 2015 the Group acquired 100% of the shares in Victoire Investment Holding Cooperatie UA ("Victoire Coop Holding"), a company registered in the Netherlands for a purchase consideration of US$ 58 million. This company owns, through subsidiaries, real estate property in Brazil.

The preliminary fair value of assets and liabilities recognised as a result of the acquisition of Victoire Investment Holding Cooperative UA are as follows:

(in thousands of US$)	Preliminary fair value
Current assets	2,657
Long term assets	64,743
Total assets	67,400
Current liabilities	9,273
The net assets of acquired	58,127

The Group will complete the final purchase price allocation within 12 months of the acquisition date.

Revenue and profit contribution

The acquired business contributed revenues of US$ 1 million and net loss of US$ 3 million to the Group for the period from the acquisition date to December 31, 2015. The business started operating substantially at the acquisition date.

Acquisition related costs

Acquisition related costs of US$ 2.4 million have been charged to purchases and services in the consolidated income statement for the year ended December 31, 2015.

14. Net financing (costs) income

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Fair value gains on derivative instrument	(136,089)	(48,733)
Interest income on deposits	529	801
Profit and returns from Investment Funds	44	
Financial income	**(135,516)**	**(47,932)**
Interest expense on borrowings	(1,374)	(463)
Other interest expense and financial charges	(2,802)	(804)
Impairment of financial assets	-	(1,083)
Financial expense	**(4,176)**	**(2,350)**
Foreign exchange gain/ (loss)	5,490	(2,798)
Total	**(134,202)**	**(53,080)**

Financial income

Financial income includes the gain related to the exercise of ECMS option in 2015. See also Note (15, and 20) for an additional description of the derivative instruments.

Financial expense

Financial expense includes the impairment of other amounts paid in relation to the Group's investment in North Korea due to uncertainties regarding its recoverability.

15. Investment in associates

Investment in associates primarily relate to the investment in the telecommunication operator in North Korea (Cheo Technology Koryolink) as of December 31, 2015. As of December 31, 2014, investment in associates included the Egyptian Company for Mobile Services S.A.E. ("ECMS"), a mobile telecommunication operator in Egypt which provides a range of prepaid and post-paid voice and data telecommunication services under the brand name of Mobinil. Such investment was sold during the first months of 2015.

The following table provides a breakdown of investments in associates:

Company	Country	Ownership	As of 31 December 2015	As of 31 December 2014
MT Telecom SCRL	Belgium	28.75%	-	7,840
Egyptian Company For Mobile Services	Egypt	5.00%	-	74,899
Cheo Technology-Koryolink	DPRK	75.00%	78,369	-
Electronic Fund Administration Services		20.00%	82	-
Axes Holding company	USA	33.90%	-	-
			78,451	82,739

The following table illustrates the detailed movement of investments in associates.

(in thousands of US$)	2015	2014
As of 1 January	82,739	92,367
Change in Scope	79,643	-
Share of income of associate before impairment	*29,740*	*(7,058)*
Impairment	*(30,326)*	-
Share of loss of associate	**(586)**	**(7,058)**
Share of loss recognised directly equity of associates	(186)	
Sale	(209)	-
Disposal (Including voting rights compensation)	(75,932)	-
Exchange differences	(7,018)	(2,570)
As of 31 December	**78,451**	**82,739**

(15-1) Egyptian Company for Mobil Services (ECMS)

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, the selling price was agreed also on the basis of 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.

Based on negotiations with Orange S.A. Company, the Company's selling price of its investment in the Egyptian Company for Mobile Services (ECMS), amounted to 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, amounted to Euro 45,846,193 (with an approximate value amounting to Euro 1.59 per share). The total consideration received in connection with the disposal of ECMS amounted to US$ 235 million.

This deal also closes 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. In this context the Company derecognised the previously recognised fair value of derivative instruments, recording a fair value less od US$ 136 million and accounted for a gain on disposal of its investments in MT Telecom SCRL and ECMS of US$ 157 million.

During 2014 Group management identified impairment indicators that triggered an impairment test. The recoverable amount identified for ECMS was below its carrying amount and resulted in an impairment charge of US$ 13,556 thousand.

The tables below sets forth-summary financial information of the associate.

	As of 31 December2014
Current	
Cash and cash equivalents	38,474
Other current assets (excluding cash)	320,487
Total current assets	**358,961**
Current financial liabilities (excluding trade and other payables)	(175,685)
Other current liabilities (including trade and other payables)	(863,624)
Total current liabilities	**(1,039,309)**
Non-current	
Non-current assets	**1,726,959**
Non-current financial liabilities (excluding trade and other payables)	(734,108)
Other non-current liabilities (including trade and other payables)	(121,121)
Total non-current liabilities	**(855,229)**
Net assets	**191,382**

	Year ended 31 December 2014
Revenue	**1,542,038**
Depreciation and Amortisation	**(369,500)**
Interest income	**5,634**
Interest expense	**(143,320)**
Loss from continuing operations	**(56,419)**
Income tax expense	**(2,349)**
Post tax loss from continuing operations	**(58,768)**
Other comprehensive income	**-**
Total comprehensive income	**(58,768)**

The information above reflects the amounts presented in the financial statements of the associate ECMS (and not the Company's share in the investment).

(in thousands of US$)	As of 31 December 2014
Net assets of associate	191,382
Proportion of the Group's ownership interest in ECMS	5%
Goodwill	42,436
Other purchase price adjustments	30,734
Carrying amount of the Group's interest in ECMS	**82,739**

(15-2) Koryolink

The tables below sets forth-summary financial information of the associate.

Summarised balance sheet

(in thousands of US$)	As of December 31, 2015
Current	
Cash and cash equivalents	880,722
Other current assets (excluding cash)	3,658
Total current assets	**884,380**
Current financial liabilities (excluding trade and other payables)	(14,011)
Other current liabilities (including trade and other payables)	(165,860)
Total current liabilities	**(179,871)**
Non-current	
Non-current assets	**153,723**
Non-current financial liabilities (excluding trade and other payables)	-
Other non-current liabilities (including trade and other payables)	-
Total non-current liabilities	-
Net assets	**858,232**

	Year ended 31 December 2015
Revenue	83,209
Cost of Revenue	(15,823)
Other Expenses	(14,608)
Profit or (loss) from continuing operations	52,778
Income tax expense	(13,195)
Post tax profit (loss) from continuing operations	39,583
Other comprehensive income	-
Total comprehensive income	39,583

The Company's investments in North Korea related primarily to the 75% holding in the local telecom operator Koryolink. The accounting treatment has been modified during this year through recognizing it as an investment in associates instead of investment in subsidiaries. Thus in light of the increase of the restrictions, financial and operating difficulties facing Koryolink due to the international sanction 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 and increase of long term restrictions which affect the ability to transfer of the subsidiary's profits to the Holding Company, 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, other than launching a competing local telecom operator wholly owned by the North Korean Government.

The group's management seek to find solutions for the aforementioned and its effect through negotiations with the Korean side including merging 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 that would remove some of the obstacles. In light of the change in the results of those negotiations during the current period which indicates a disagreement from the Korean side to grant the management the rights to control in case of the merger and due to the increase in aforementioned restrictions during the current period, the group's management decided that it lost control on the Koryolink's activities according to the requirements of the IAS 27, which led to modify the accounting treatment to be investment in associates instead of investment in subsidiaries. The fair value of the investment has been determined based on independent valuator report.

The subsidiary's net assets was translated as of September 30, 2015 based on the official exchange rate announced by the Central Bank of North Korean, 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 led to losses from the modification in the accounting treatment amounted to US$ 476,779 thousand included in losses from discontinued operations in the income statement Note (6-2).

16. Income tax expense

(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014
Current tax expense	12,635	3,772
Deferred tax liabilities (expenses)	1,763	470
Total	**14,398**	**4,242**

The main increase due to the taxes on capital gains related to exercise of ECMS option.

17. Property and equipment

(in thousands of US$)	Land and Buildings	Plant and machinery	Cable system and equipment	Commercial and other tangible assets	Assets under Construction	Total
Cost	*11,369*	*206,968*	*292,086*	*29,368*	*24,437*	*564,228*
Accumulated depreciation and impairment	*(1,367)*	*(82,762)*	*(171,930)*	*(13,887)*	*(1,632)*	*(271,578)*
Net book value as of 1 January 2015	**10,002**	**124,206**	**120,156**	**15,481**	**22,805**	**292,650**
Additions	72	5,621	378	4,653	23,172	33,896
Change in the scope of consolidation	-	(115,028)	-	(13,542)	(12,138)	(140,708)
Disposals	(93)	-	-	(252)	(75)	(420)
Currency translation differences	(648)	(3,265)	(1,068)	(456)	(1,042)	(6,479)
Reclassifications	-	8,431	-	55	(8,486)	-
Impairment loss	-	-	(32,994)	-	(264)	(33,258)
Depreciation	(309)	(19,965)	(9,804)	(2,995)	-	(33,073)
Net book value as of 31 December 2015	**9,024**	**-**	**76,668**	**2,944**	**23,972**	**112,608**
Cost	*10,540*	*8*	*290,977*	*7,852*	*25,826*	*335,203*
Accumulated depreciation and impairment	*(1,516)*	*(8)*	*(214,309)*	*(4,908)*	*(1,854)*	*(222,595)*

(in thousands of US$)	Land and Buildings	Plant and machinery	Cable system and equipment	Commercial and other tangible assets	Assets under Construction	Total
Cost	*12,984*	*214,201*	*29,852*	*33,260*	*281,461*	***571,758***
Accumulated depreciation and impairment	*(1,386)*	*(70,727)*	*(7,654)*	*(14,900)*	*(105,916)*	***(200,583)***
Net book value as of 1 January 2014	**11,598**	**143,474**	**22,198**	**18,360**	**175,545**	**371,175**
Additions	52	22,114	1,982	5,307	4,676	**34,131**
Disposals	(2)	-	-	(69)	(307)	**(378)**
Depreciation	(403)	(27,943)	(2,869)	(4,728)	-	**(35,943)**
Impairment charges	-	-	(55,239)	-	(1,632)	**(56,871)**
Exchange differences	(272)	(9,684)	706	(1,090)	(2,060)	**(12,400)**
Assets held for sale	(954)	(3,743)	-	(2,348)	(35)	**(7,080)**
Impairment transferred from projects under construction	-	-	153,382	-	(153,382)	**-**
Reclassifications	(17)	(12)	(4)	49	-	**16**
Net book value as of 31 December 2014	**10,002**	**124,206**	**120,156**	**15,481**	**22,805**	**292,650**
Cost	*11,369*	*206,968*	*292,086*	*29,368*	*24,437*	***564,228***
Accumulated depreciation and impairment	*(1,367)*	*(82,762)*	*(171,930)*	*(13,887)*	*(1,632)*	***(271,578)***

Additions to property and equipment mainly relate to cell site investments and assets under construction relating to new base stations in North Korea, cable system and equipment. These investments are mainly driven by the expansion of the business, increased capacity and the change in GSM technology.

Note that 2015 additions had for a significant portion already been settled through advance payments as of 31 December 2014.

During the year Trans World Associates have been approved for credit facilities by PKR 3,200 Million (equivalent to US$ 31 Million) for the expansion in marine cables SMW5, it pledged by amount of PKR 4,267 Million (equivalent to EGP 41 Million) from Company's assets except for land and buildings.

18. Intangible assets

(in thousands of US$)	License	Goodwill	Right of use	Other	Total
Cost	*64,665*	*1,833*	*20,000*	*1,794*	*88,292*
Accumulated amortisation and impairment	*(14,612)*	*(1,132)*	*(95)*	*(60)*	*(15,899)*
Net book value as of 1 January 2015	**50,053**	**701**	**19,905**	**1,734**	72,393
Additions	69	-	1,353	2	1,424
Amortisation	(2,234)	-	(1,190)	(2)	(3,426)
Impairment loss	-	-	(7,529)	-	(7,529)
Disposals	-	-	-	(242)	(242)
Change in the scope of consolidation	(43,448)	43,046	-	(1,438)	(1,840)
Reclassifications	1	-	-	(1)	-
Assets held for sale	-	-	-	-	-
Exchange differences	(3,916)	(713)	-	(44)	(4,673)
Net book value as of 31 December 2015	525	43,034	12,539	9	**56,107**
Cost	*1,240*	*44,068*	*21,353*	*71*	*66,732*
Accumulated amortisation and impairment	*(715)*	*(1,034)*	*(8,814)*	*(62)*	*(10,625)*

(in thousands of US$)	License	Goodwill	Right of use[1]	Other	Total
Cost	*69,537*	*6,537*	-	*3,043*	*79,117*
Accumulated amortisation and impairment	*(13,085)*	*(2,663)*	-	*(387)*	*(16,135)*
Net book value as of 1 January 2014	**56,452**	**3,874**	**-**	**2,656**	**62,982**
Additions	570	-	20,000	5	**20,575**
Amortisation	(3,477)	-	(95)	(347)	**(3,919)**
Impairment loss	-	(1,891)	-	-	**(1,891)**
Reclassifications	(41)	-	-	22	**(19)**
Assets held for sale	(962)	(1,190)	-	(450)	**(2,602)**
Exchange differences	(2,489)	(92)	-	(152)	**(2,733)**
Net book value as of 31 December 2014	**50,053**	**701**	**19,905**	**1,734**	**72,393**
Cost	*64,665*	*1,833*	*20,000*	*1,794*	***88,292***
Accumulated amortisation and impairment	*(14,612)*	*(1,132)*	*(95)*	*(60)*	***(15,899)***

[1] Relates to an agreement between MenaCable and Telecom Egypt for the use of a fibre cable in Egypt.

The following table provides an analysis of goodwill by segment reporting:

(in thousands of US$)	2015				2014		
	Other	Cable	Financial sector	Total	Other	Cable	Total
As of 1 January	-	701	-	701	3,173	701	3,874
Cost	*1,132*	*701*	-	*1,833*	*5,836*	*701*	*6,537*
Accumulated impairment	*(1,132)*	-	-	*(1,132)*	*(2,663)*	-	*(2,663)*
Additions	-	-	43,046	43,046	(1,891)	-	(1,891)
Impairment	-	-	-	-	(1,190)	-	(1,190)
Exchange differences		-	(713)	(713)	(92)	-	(92)
As of 31 December	-	701	42,333	43,034	-	701	701
Cost	*1,132*	*701*	*42,333*	*44,166*	*1,132*	*701*	*1,833*
Accumulated impairment	*(1,132)*	-	-	*(1,132)*	*(1,132)*	-	*(1,132)*

19. Investment Property

The property investment balance comprises the value of seven floors which are owned by Victoire in Brazil. The property investment is carried at its historical cost, as its present value does not significantly differ from its cost at the date of the balance sheet.

The fair value attributed to the real estate during the preliminary purchase price allocation performed in connection with the business combination at the end of 2015 is used as a proxy for fair value as of 31 December 2015. The fair value of the investment properties is considered to be the value of the individual assets on the reporting date, assuming that they were to be sold in arms-length transactions between market operators at market conditions. The fair value of investment properties is measured by taking into consideration market parameters at the balance sheet date, using valuation techniques widely accepted in the financial business environment (Level 2).

(in thousands of US$)	Total
Cost	
As at January 1, 2015	-
Change in the scope of consolidation-In coming	65,447
Currency translation differences	(1,282)
As of 31 December 2015	**64,165**
Accumulated Depreciation and Impairment	
As at January 1, 2015	-
Charge for the year	323
Currency translation differences	(11)
As of 31 December 2015	**312**
Net book value as of December 31, 2015	**63,853**

The fair value of investment property does not change materially from the cost as of 31 December 2015. Amounts recognised for investment properties are recorded in the consolidated income statement within the line items Investment Property Revenue:

(in thousands of US$)	Year ended 31 December 2015
Rental income	1,183
Direct operating expenses from property that generated rental income	235
Direct operating expenses from property that did not generate rental income	383

Leasing arrangement

A substantial part of the investment properties are leased to tenants under long-term operating leases with rentals payable (monthly – in advance or in arrears). Minimum lease payments receivable on leases of investment properties are as follows:

(in thousands of US$)	As of 31 December 2015
Within one year	3,078
Later than one year but not later than 5 years	12,310
Later than 5 years	-

20. Other financial assets

(in thousands of US$)	As of 31 December 2015			As of 31 December 2014		
	Non-current	Current	Total	Non-current	Current	Total
Financial receivables	192	294	486	42	2,746	2,788
Derivative financial instruments	-	-	-	112,575	34,145	146,72-
Deposits	-	5,742	5,742	584,883	1,114	585,99-
Financial assets available for sale -at cost	7,293	-	7,293	6,189	-	6,189
Financial assets available for sale -at fair value	545	4,782	5,327	-	-	-
Total	**8,030**	**10,818**	**18,848**	**703,689**	**38,005**	**741,694**

Derivatives

Call / Put options with Orange SA

Represents the fair value of the put-option by which the Company can sell its stake in the Egyptian Company for Mobile Services including the voting rights to Orange SA.

According to the amended and restated shareholders agreement between the Company and Orange SA dated 11 April 2012, and as disclosed in Note (15), the amended agreement states that Orange SA has the option to call all (but not less than all) of the Company's remaining direct stake in Egyptian Company for Mobile Services - ECMS and in MT Telecom, which are reported in the consolidated financial statements as investments in associates with direct ownership interest of 5% and 28.75% respectively. This option is exercisable during a January-February exercise period in each year from 2014 to 2017, ranging from EGP 243.5 to 296 (Euro 30.55 to Euro 37.14) ECMS share.

The agreement also provides that the Company has the option to put 1.67% per annum of its direct interest in the ECMS over a three-year period from 2015 to 2017 subject to the trading rules of the Egyptian Stock Exchange - EGX and the applicable law.

This option is exercisable in January-February of each such year at accreting prices determined based on the date of exercise ranging from EGP 268.5 to 296 (Euro 33.68 in 2015 to Euro 37.14) in 2017 per ECMS share.

The fair value of both the put and call options is determined by an independent appraisal, which stated that the fair value of the asset to the company as at 31 December 2014 amounted to US$ 147 million (2013: US$ 201 million).

During the current year, a portion of the Holding 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 US$ 34 million based on the evaluation performed by the independent valuator.

In February 2015, Orange SA exercised its call option (see further Note (35) 'Subsequent events' for further details).

Deposits

As of 31 December 2015 deposits amounting to US$ 5,742 thousand (31 December 2014: US$ 585,997 thousand) are pledged or blocked as security against related bank borrowings or others commitments related to issued LGS and outstanding loan requirements. Deposits as of 31 December 2014 are relating to cash held in North Korea in local currency which is subject to restrictions on use for certain operating and capital expenses in local currency only. The funds cannot be converted into foreign currencies and cannot be repatriated overseas.

The following table shows the ageing analysis of financial receivables and long-term deposits:

(in thousands of US$)	As of 31 December 2015		As of 31 December 2014	
	Deposits	*Financial receivables*	*Deposits*	*Financial receivables*
Not past due	5,501	486	585,997	2,788
Past due 0-30 days	-	-	-	-
Past due 31-120 days	-	-	-	-
Past due 121-150 days	-	-	-	-
Past due more than 150 days	241	-	-	-
Total	**5,742**	**486**	**585,997**	**2,788**

Financial assets available for sale -At Cost

(in thousands of US$)	As of 31 December 2015	As of 31 December 2014
Smart Village	5,645	6,189
Misr for Central Clearing Depository and Registry	986	-
Guarantee Settlement Fund	648	-
El Arabi for Investment	25	-
MENA Capital	183	-
NRG for trade & distribution	150	-
(Less): Impairment loss of available for sale investments	(344)	-
Total	**7,293**	**6,189**

Smart Village Company is an Egyptian company with offices in Giza, which establishes and manages a branded chain of technology cluster and business parks located in Giza as well as variety of other products and services.

The above investments are stated at cost as they represent unlisted securities that do not have quoted market prices and its fair value cannot be reliably measured.

Financial assets available for sale -At Fair Value

(in thousands of US$)	As of 31 December 2015	As of 31 December 2014
EGX 30	545	-
Treasury Bonds	4,782	-
Total	**5,327**	-

21. Deferred taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax assets and liabilities relate to income taxes due to the same tax authority.

The movement in deferred income tax liabilities is as follows:

(in thousands of US$)	As of 31 December 2015	As of 31 December 2014
As of January 1,	(12,775)	(13,094)
Exchange differences	459	608
Change in the scope of consolidation out going	8,239	-
Held for sale	-	52
Income statement charge	(3,966)	(243)
Reclassification	-	(98)
As of December 31,	(8,043)	(12,775)

A breakdown of the movement in deferred tax liabilities is provided in the tables below:

(in thousands of US$)	Depreciation and amortisation	Unremitted earnings	Other	Total
As of 1 January, 2015	5,262	8,458	(945)	12,775
Charged / (credited) to the income statement	(555)	2,200	2,320	3,965
Change in the scope of consolidation out going	-	(8,239)	-	(8,239)
Exchange differences	(202)	(252)	(4)	(458)
As of December 31, 2015	4,505	2,167	1,371	8,043

(in thousands of US$)	Depreciation and amortisation	Unremitted earnings	Other	Total
As of 1 January 2014	(2,192)	10,374	4,912	13,094
Charged / (credited) to the income statement	7,539	(1,241)	(6,056)	242
Exchange differences	(131)	(675)	297	(509)
Classified as non-current liabilities held for sale	(52)	-	-	(52)
As of 31 December 2014	5,164	8,458	(847)	12,775

Generally, the Group does not recognise deferred tax assets for temporary differences related to accruals for provisions, due to uncertainties in connection with the tax treatment of such expenses, as they might be challenged by local tax authorities.

No deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries, branches and associates, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Management believes that there are no differences between the tax base and the accounting base 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 recognised.

Should additional information arise in future periods resulting in differences between the tax base and accounting base of recorded assets and liabilities in the financial statements as at 31 December 2015, Management will reassess its estimate in a way that might result in the recognition of deferred taxes related to those assets and liabilities.

22. Trade receivables

(in thousands of US$)	As of 31 December 2015	As of 31 December 2014
Receivables due from customers	24,732	18,637
Receivables due from telephone operators	34,265	-
Other trade receivables	237	247
Allowance for doubtful receivables	(41,833)	(4,921)
Total	17,401	13,963

The following table shows the movement in the allowance for doubtful receivables:

(in thousands of US$)	2015	2014
As of 1 January	4,921	7,236
Exchange differences	(960)	(158)
Additions (allowances recognised as an expense)	36,555	6,506
Change in the scope of consolidation	1,691	-
Assets held for sale	-	(6,787)
Use	(992)	(1,779)
Reclassifications	618	(97)
As of 31 December	41,833	4,921

The following table shows the ageing analysis of trade receivables as of 31 December 2015 and 2014, net of the relevant allowance for doubtful receivables:

(in thousands of US$)	As of 31 December 2015	As of 31 December 2014
Not past due	12,285	10,418
Past due 0-30 days	1,733	1,296
Past due 31-120 days	2,148	1,123
Past due 121 - 150 days	159	147
Past due more than 150 days	1,076	979
Trade receivables	17,401	13,963

The maximum exposure to credit risk at the reporting date is the carrying value of the receivable. The Group does not hold any collateral as security.

23. Other assets

(in thousands of US$)	As of 31 December 2015			As of 31 December 2014		
	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	9,307	4,821	14,128	9,144	3,863	13,007
Advances to suppliers	-	1,429	1,429	-	4,473	4,473
Employee loans	-	352	352	-	-	-
Assets from current tax	-	6,522	6,522	-	6,396	6,396
Other non-trade receivables	-	1,748	1,748	-	4,818	4,818
Total	9,307	14,872	24,179	9,144	19,550	28,694

The following table shows the movement in the allowance for doubtful current assets:

(in thousands of US$)	2014
As of 1 January	1,282
Exchange differences	(104)
Additions (allowances recognised as an expense)	104
Use	(368)
Assets held for sale	(914)
Reclassifications	-
As of 31 December	-

There are no movements in the allowance for doubtful for 2015.

24. Cash and balances at banks

(in thousands of US$)	As of 31 December 2015	As of 31 December 2014
Bank accounts and Deposits	201,645	129,752
Cash on hand	439	499
Investments at fair value through profit or loss, mutual fund certificates	370	-
Total	**202,454**	**130,251**

25. Equity attributable to the owners of the Company

Share capital

On 29 November 2011, the Company was incorporated with an authorised and issued share capital amounting to EGP 2,203,190,060 distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42.

Non-distributable earnings

Retained earnings include an amount of US$ 1,180 thousand as of December 2015 comparing to US$ 34,487 thousand as of December 2014, which is not available for distribution representing a legal and special reserves at the subsidiaries level.

26. Borrowings

	As of 31 December 2015			As of 31 December 2014		
(in thousands of US$)	Current	Non-current	Total	Current	Non-current	Total
Liabilities to banks	8,223	76,341	84,564	1,577	995	2,572
Finance lease liability	60	153	213	92	36	128
Other borrowings	2,247	532	2,779	2,430	1,068	3,498
Total	**10,530**	**77,026**	**87,556**	**4,099**	**2,099**	**6,198**

Liabilities due to banks

Liabilities due to banks are detailed in Appendix B – "Liabilities due to banks".

(in thousands of US$)	within one year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
Liabilities to banks	8,223	-	3,899	37,237	29,475	5,730	84,564
Finance lease liability	60	63	52	38	-	-	213
Other borrowings	2,247	532	-	-	-	-	2,779
As of 31 December 2015	**10,530**	**595**	**3,951**	**37,275**	**29,475**	**5,730**	**87,556**
Liabilities to banks	1,577	995	-	-	-	-	2,572
Finance lease liability	92	18	18	-	-	-	128
Other borrowings	2,430	539	529	-	-	-	3,498
As of 31 December 2014	**4,099**	**1,552**	**547**	**-**	**-**	**-**	**6,198**

Finance lease liabilities

(in thousands of US$)	As of 31 December 2015	As of 31 December 2014
Gross finance lease liabilities – minimum lease payments		
Within one year	75	99
Between 1-5 years	167	39
Over 5 years	242	138
Future finance charges on finance leases	(29)	(10)
Present value of finance lease liabilities	**213**	**128**
The present value of finance lease liabilities is as follows:		
Within one year	60	92
Between 1-5 years	153	36
After 5 years	-	-
	213	128

Other Borrowings

Other borrowings mainly include loans from non-controlling shareholders in subsidiaries. The detail of "Other borrowings" is included in Appendix B – "Other borrowings".

Currency Information of current and non-current borrowings

The following table provides the breakdown of total borrowings by currency of issue:

(in thousands of US$)	US$	Egyptian Pound	Pakistan Rupee	Others	Total
As of 31 December 2015	36,119	32,504	18,933	-	87,556
As of 31 December 2014	3,308	190	2,700	-	6,198

Financial liabilities include secured liabilities of US$ 2,812 thousand as of 31 December 2015 comparing to US$ 2,572 thousand as of 31 December 2014. In general, the financial liabilities are secured on property and equipment of the relevant subsidiary, pledged shares and receivables.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair value of non-current borrowings, calculated as cash flows discounted suing a current borrowing rate, approximates the carrying value due to the fact that all non-current borrowings are at variable interest rate and management assumes that conditions originally negotiated, such as spread, would still be the same compared to current market conditions. Fair values are within level 2 of the fair value hierarchy.

27. Trade payables and other liabilities

	As of 31 December 2015			As of 31 December 2014		
(in thousands of US$)	Current	Non-current	Total	Current	Non-current	Total
Trade Payables						
Capital expenditure payables	321	-	321	32,378	-	32,378
Trade payables due to suppliers	7,694	-	7,694	27,443	-	27,443
Customers credit balance	10,907	-	10,907	-	-	-
Other trade payables	2,878	-	2,878	3,790	-	3,790
Total	**21,800**	-	**21,800**	**63,611**	-	**63,611**
Other current liabilities						
Prepaid traffic and deferred income	744	8,494	9,238	71,792	4,224	76,016
Due to local authorities	5,079	-	5,079	2,706	-	2,706
Personnel payables	1,078	-	1,078	1,226	-	1,226
Other credit balances	4,704	1,677	6,381	11,382	4,406	15,788
Total	**11,605**	**10,171**	**21,776**	**87,106**	**8,630**	**95,736**
Total	**33,405**	**10,171**	**43,576**	**150,717**	**8,630**	**159,347**

28. Provisions

(in thousands of US$)	2015	2014
As of 1 January	76,464	76,658
Additions	10,217	11,487
Disposals	-	(4,380)
Currency translation differences	(6,585)	(2,500)
Provision used	-	(182)
Change in scope	(768)	-
Classified as non-current liabilities held for sale	(265)	(4,619)
As of 31 December	79,063	76,464

29. Earnings per share

Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purposes of the earnings per share calculation, it has been assumed that the number of issued shares at the date of incorporation (5,245,690 thousand) had been outstanding during the periods

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the period covered by the report, the Company did not have any dilutive potential ordinary shares and as such diluted and basic earnings per share from continuing operations and from discontinued operations are equal.

	Continued operation		Discontinued operation	
	Year ended 31-Dec-15	Year ended 31-Dec-14	Year ended 31-Dec-15	Year ended 31-Dec-14
Profit (loss) attributable to equity holders of the Company	(64,073)	(139,187)	(507,991)	174,350
Weighted average number of shares (in thousands of shares)	5,245,690	5,245,690	5,245,690	5,245,690
Earnings (loss) per share – basic and diluted (in US$)	(0.0122)	(0.0265)	(0.0968)	0.0332

30. Subsidiaries

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Company do not differ from the proportion of ordinary shares held. The Company does not have any shareholdings in preference share of subsidiaries included in the Group.

Significant restrictions

Cash and short-term deposits of US$ 585 million are held in North Korea and are subject to local exchange control regulations. These local exchange control regulations provide for certain restrictions on exporting capital from the country.

Summarised financial information of non-wholly owned subsidiaries with material non-controlling interests.

Summarised balance sheet

	Trans World Associates (Pvt) Ltd		CHEO Technology JV Company	
	As of 31 December		As of 31 December	
(in thousands of US$)	2015	2014	2015	2014
Current				
Current assets	13,928	16,058	-	112,304
Current liabilities	(15,020)	(16,642)	-	(164,837)
Total current net assets	**(1,092)**	**(584)**	-	**(52,533)**
Non-current assets	31,363	51,410	-	765,974
Non-current liabilities	(10,567)	(27,707)	-	-
Total non-current net assets	**20,796**	**23,703**	-	**765,974**
Net assets	19,704	23,119	-	713,441

Summarised income statement

	Trans World Associates (Pvt) Ltd		CHEO Technology JV Company	
(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
Revenue	20,714	23,646	-	344,383
Profit (loss) before income tax	5,192	5,778	-	232,338
Income tax expense	(1,765)	(2,211)	-	(58,757)
Post tax profit (loss) from continuing operations	3,427	3,567	-	173,581
Other comprehensive income	(210)	(3,830)	-	(49,223)
Total comprehensive income	3,217	(263)	-	124,358
Total comprehensive income allocated to non-controlling interests	1,576	(129)	-	31,090

Summarised cash flows

	Trans World Associates (Pvt) Ltd		CHEO Technology JV Company	
(in thousands of US$)	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
Cash flows generated from (used in) operating activities	6,423	9,049	-	270,101
Interest paid	(1,043)	-	-	
Income tax paid	(1,443)	(1,895)	-	(43,374)
Net cash generated from (used in) operating activities	3,937	7,154	-	226,727
Net cash used in investing activities	(21,847)	(3,087)	-	(174,981)
Net cash used in financing activities	17,207	(5,109)	-	-
Net (decrease) / increase in cash and cash equivalents	(703)	(1,042)	-	51,746
Cash and cash equivalents at the beginning of the period	4,854	5,521	-	54,617
Exchange gains (losses) on cash and cash equivalents	(289)	375	-	(722)
Cash and cash equivalents at the end of the period	3,862	4,854	-	105,641

The above information is the amount before intercompany eliminations.

31. Commitments

The commitments as of 31 December 2015 and 2014 are provided in the table below:

(in thousands of US$)	As of 31 December 2015	As of 31 December 2014
Purchase of property and equipment	31,068	2,447
Others-	23,109	27,932
Total	54,177	30,379

Other capital commitments arise from the commitment to acquire items of fixed assets related to the marine cables under construction by Middle East and North Africa for Sea Cables Company (subsidiary).

32. Related party transactions

Transactions with subsidiaries, associates, with the Parent Company and its subsidiaries and other related parties are not considered atypical or unusual, as they fall within the Group's normal course of business and are conducted under market conditions that would be performed by independent third parties.

The main related party transactions are summarised as follows:

(in thousands of US$)	Year ended 31 December 2015		Year ended 31 December 2014	
	Revenue	*Purchase of services and goods*	*Revenue*	*Purchase of services and goods*
OTMT	369	63	502	72
Associate				
ECMS	-	-	8,544	-
Others				
Orascom Solutions	-	104	-	164
Korean Post and Telecommunication Company	-	29,353	-	30,353
Orastar LTD	-	28	-	40
Dr. Omar Zawawy (shareholder of a subsidiary)	-	7	-	10
Contrack facility management	-	8	-	7
Total	**369**	**29,563**	**9,046**	**30,646**

Revenues in last year with ECMS mainly relate to management fees for services rendered by the Company.

(in thousands of US$)	As of 31 December 2015		As of 31 December 2014	
	Receivables	*Payables*	*Receivables*	*Payables*
OTMT	33	9	33	8
Associate				
ECMS	-	-	1,063	-
Others				
Korean Post and Telecommunication Company – KPTC	-	16,465	-	17,026
LDN	-	1	-	1
Orastar LTD	-	2,228	-	2,569
Dr. Omar Zawawy (shareholder of a subsidiary)	-	571	-	659
E-management services company in the area of investment funds	923	-	-	-
Beltone partners for investment and trade	20	-	-	-
Belton Mena Equity Fund	57	-	-	-
Beltone for trade and distribution	15	-	-	-
Beltone partners holding co. Ltd PVI	13	-	-	-
Union Bay Holding BVI	2	-	-	-
Beltone Financial for portfolio management	11	-	-	-
Other related parties	114	-	-	-
EGX funds company	20	-	-	-
	1,208	**19,274**	**1,096**	**20,263**

Key management compensation

Key management includes executive and non-executive directors, the chief financial officer and other managing directors considered key personnel.

The compensation paid or payable to key management for employee services amounted to US$ 801 thousand and US$ 861 thousand respectively for the year ended December 31, 2015 and 2014.

33. Contingent assets and 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:

Trans World Associates (Subsidiary)

- A bank guarantee issued in favour of Link Dot Net amounting to US$ 4,772 thousand, which is equivalent to EGP 37,365 thousand and valid until July 23, 2016.

- A bank guarantee was issued in favour of NIB Bank amounting to Rupees 250 million equivalent to US$ 2.4 million and the guarantee is validated to September 17, 2017.

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

- A guarantee issued to one of the subsidiary's clients amounting to US$ 82 Million to guarantee the subsidiary to fulfil its contractual obligations represented in performing the contracted services.

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 US$ 40 Million.

34. Non-cash transactions

Significant non-cash transactions are represented in amounts, which were eliminated when preparing the consolidated cash flows, including US$ 4 million relating to the purchase of fixed assets during the year 2015. These amounts were reported in the change in creditors and other credit balances.

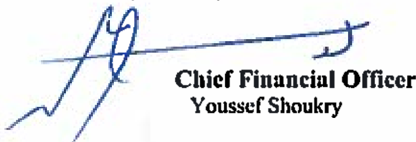
35. Subsequent events

- On February 14, 2016 with reference to the announcement made on December 17th, 2015 regarding the submission of a non-Bidding offer to acquire CI Capital Holding, Orascom Telecom Media and Technology Holding S.A.E ("OTMT") announced that it has submitted a Binding offer to the Commercial International Bank ("CIB") to acquire 100% of its fully owned subsidiary CI Capital, the value of the offer is EGP 924 Million which equivalent to US$ 118 Million to be executed through OTMT or Beltone financial Holding. OTMT has received the acceptance from CIB on the Binding offer subject to reaching an agreement on the final terms and conditions, and will move forward with the necessary process to complete the transaction. OTMT looks forward to the successful conclusion of the transaction, however the transaction has not been executed and approved by the regulatory authorities at the date of issuing consolidation financial statements.

- During the subsequent period and in the light of new international sanctions that the United States administration has decided to impose on the North Korean government and its various department, the Group's management to follow up ongoing activities to make sure that the sanctions not violated, and the two sides reached some understandings, regulatory framework and initial commercial that works on organizing the work of telecommunications market in North Korea.

This arrangement will guarantee the fair allocation of subscribers between Koryolink and the Government telecom operator "Kang Song NET" and initially handling some other issues faced by Koryolink, such as; the transfer of the cash balances in local currency to Euro using the parallel market rate (parallel market rate: 1 Euro is equivalent to 8,650 of the local currency, official rate: 1 Euro is equivalent to 118 of the local currency). This is conditional that the Korean party will fulfil its obligations. In addition the arrangements setting rules allows the transfer profits, in case of the availability of retained earnings and foreign currency balances, needed for the profits distribution process. The management of the Group is currently monitoring the execution of the arrangements, and following up in the remaining issues faced by the Company to reach a solution, in the light of the new international sanctions.

- OTV (subsidiary company) re-acquired 100% of Arab Finance company's shares which amounted to EGP 23 Million which equivalent to US$ 2.5 Million, this due to the inability of the buyer to accomplish the acquisition procedures and obtain the required permits.



Chief Financial Officer
Youssef Shoukry

Executive Chairman and Managing Director
Naguib Sawiris

APPENDIX A - SUBSIDIARIES, ASSOCIATES AND INVESTMENTS AS OF 31 DECEMBER 2015

Segment	Country of incorporation and place of business	Entity name	Nature of business	Proportion of ordinary shares held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by the non-controlling interest (%)	Investment type
GSM Lebanon	Lebanon	Orascom Telecom Lebanon S.A.L	Telecommunication operator	100.000%	99.790%	0.210%	Subsidiary
Cable	Pakistan	Trans World Associates (Pvt) Ltd	Cable business	51.000%	51.000%	49.000%	Subsidiary
Cable	Pakistan	Trans World Enterprise Services (Private) Ltd	Cable business	100.000%	51.000%	49.000%	Subsidiary
Cable	Italy	Mena Srl	Cable business	100.000%	100.000%	0.000%	Subsidiary
Cable	Free Zone II	Middle East and North Africa for Sea Cables	Cable business	100.000%	99.630%	0.370%	Subsidiary
Other (Media &Technology)	Egypt	Orascom Telecom Ventures S.A.E.	Digital solutions , solution development, and hosting services	99.999%	99.990%	0.010%	Subsidiary
Other	Free Zone I	Oracap Holding Co.	Holding company	99.960%	99.960%	0.040%	Subsidiary
Other	Malta	Oracap Far East Limited	Holding company	100.000%	100.000%	0.000%	Subsidiary
Other	Egypt	Orascom Telecom for Mobile Infrastructure	Infrastructure	100.000%	99.200%	0.800%	Subsidiary
Financial Services	Egypt	Beltone Financial Holding "S.A.E"	Financial services	81,3%	81,3%		Subsidiary
Financial Services	Egypt	Beltone Asset Management "S.A.E"	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	Egypt	Beltone Investment Banking	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	Egypt	Beltone Investments Holding- free zone "S.A.E"	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	Egypt	International Administrative Services for Mutual Funds "S.A.E"	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	Egypt	Beltone Information Technology "S.A.E"	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	Egypt	Beltone Securities Holding "S.A.E"	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	Egypt	Beltone Securities Brokerage "S.A.E"	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	UAE	Beltone Financial – Emirates	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	Egypt	Beltone Fixed Income "S.A.E"	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	Libya	International For Securities Company – Libya	Financial services	100.000%	100.000%	51.00%	Subsidiary
Financial Services	Egypt	Beltone Market Maker "S.A.E"	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	USA	Beltone Financial – USA	Financial services	100.000%	100.000%	0.000%	Subsidiary
Financial Services	UK	Beltone Financial – UK	Financial services	100.000%	100.000%	0.000%	Subsidiary

Appendix A

Segment	Country of incorporation and place of business	Entity name	Nature of business	Proportion of ordinary shares held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by the non-controlling interest (%)	Investment type
Investment Property	Netherlands	Victoire coop Investment Holding	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Investment Property	Netherlands	Victoire BV	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Investment Property	Brazil	Victoire 2 (Brazil)	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Investment Property	Brazil	Victorie 9 (Brazil)	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Investment Property	Brazil	Victoire 11 (Brazil)	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Investment Property	Brazil	Victoire 13 (Brazil)	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Investment Property	Brazil	Victoire 17 (Brazil)	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Investment Property	Brazil	Victoire 18 (Brazil)	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Investment Property	Brazil	Victoire 19 (Brazil)	Investment Property	100.000%	100.000%	0.000%	Subsidiary
Other	Egypt	O Capital for energy	Energy	99.200%	99.200%	0.08%	Subsidiary
Other	Egypt	O Capital for services and construction	Energy	99.200%	99.200%	0.08%	Subsidiary
GSM North Korea	North Korea	CHEO Technology JV Company	Telecommunication operator	75.000%	75.000%	25.000%	Associate
Financial Services	USA	Axes Holding	Information system for financial services	33.9%	33.9%	66.1%	Associate
Financial Services	Egypt	Electronic Fund Administration Services	Mutual funds management services	20%	20%	80%	Associate
Financial Services	Egypt	Misr Beltone Asset Management	Mutual funds management	50%	50%	50%	Joint Venture
Other	Egypt	Smart Village ECDMV	Managing smart village projects	10.496%	10.496%	89.504%	Other investment

APPENDIX B – LIABILITIES TO BANKS AND OTHER BORROWINGS AS OF 31 DECEMBER 2015

Bank	US$ Thousand			Denomination currency				
	Current	Non-current	Total	Currency	Nominal	Maturity	Interest	Secured / Unsecured
Banks								
Medium term loan facility	956	-	956	PKR	100,000,000	31-dic-16	6M KIBOR + 2.25%	Secured
Long term syndicated finance facility	323	17,432	17,755	PKR	1,826,052,294	17-apr-22	6M KIBOR + 2.50%	Secured
Long term loan facility	2,888	25,278	28,166	EGP	221,145,003	21-giu-21	CBE Rate + 2.25%	Secured
Long term loan facility	111	416	527	EGP	4,338,200	31-dic-20	CBE Rate + 2%	Secured
Long term loan facility	-	33,215	33,215	US$	33,423,495	21-ott-18	BLF Rate - 1.25%	Secured
Belton Facilities	3,945	-	3,945					Secured
Total	**8,223**	**76,341**	**84,564**					

Other borrowings	US$ Thousand			Denomination currency				
	Current	Non-current	Total	Currency	Nominal	Maturity	Interest	Maturity
Long term loan from sponsor's (Orastar)	877	422	1,299	US$	135,081,460	31-dic-17	3M LIBOR+1%	Unsecured
Long term loan from sponsor's (Dr. Omar Zawawi)	225	110	335	US$	34,636,272	31-dic-17	3M LIBOR+1%	Unsecured
Short term loan-2 from sponsor's (Orastar)	912	-	912	US$	86,916,051	23-dic-16	3M LIBOR+1%	Unsecured
Short term loan-2 from sponsor's (Dr. Omar Zawawi)	233	-	233	US$	22,283,613	23-dic-16	3M LIBOR+1%	Unsecured
Total Other borrowings	**2,247**	**532**	**2,779**					
Finance lease	**60**	**153**	**213**					
	10,530	**77,026**	**87,556**					