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Orascom Telecom Media and Technology Holding S.A.E

Condensed consolidated interim financial statements and Auditor's Report

Period from inception (29 November 2011) to 30 September 2012

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

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US$

Deloitte.

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Report on Review of Interim Financial Information

To: The Board of directors of Orascom Telecom Media and Technology Holding S.A.E.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of *Orascom Telecom Media and Technology Holding S.A.E.* (the Parent company) and its subsidiaries (together the "Group") as of 30 September 2012 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the period from inception (29 November 2011) to 30 September 2012, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2012, and its consolidated financial performance and cash flows for the period then ended in accordance with IAS 34.

Explanatory paragraph

We drive your attention to note (1) to the accompanying interim financial information which describes in more details the fact that the Parent company was established by a way of demerger from Orascom Telecom Holding, and that the demerger was effected based on the outstanding carrying amounts of net assets as of 30 September 2010 as adjusted by the General Authority for Investments. Our report on the accompanying interim financial information as of and for the period ended 30 September 2012 is not qualified in respect to this matter.

Cairo, 12 November 2012

Kamel Magdy Saleh ACA

F.E.S.A.A. (R.A.A. 8510)

CMA Registration No "69"

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2012

(in thousands of US$)

	Note	As of 30 September 2012
Assets		
Property and equipment	14	418,046
Intangible assets	14	78,832
Investments in associates	12	129,503
Other non current financial assets	15	228,178
Deferred tax assets		3
Total non-current assets		854,562
Inventories		464
Trade receivables		68,408
Other current financial assets	15	5,406
Other current assets		27,971
Cash and cash equivalents	16	192,071
Total current assets		294,320
Total assets		1,148,882
Equity and liabilities		
Share capital	(17)	366,148
Other reserves		62,590
Retained earnings		365,573
Equity attributable to the owners of the company		794,311
Non-controlling interest		83,535
Total equity		877,846
Liabilities		
Non-current borrowings	18	4,593
Non-current provisions		756
Other non-current liabilities	19	3,472
Deferred tax liabilities		8,778
Total non-current liabilities		17,599
Current borrowings	18	7,614
Trade payables and Other current liabilities	19	238,209
Current income tax liabilities		2,195
Current provisions		5,419
Total current liabilities		253,437
Total liabilities		271,036
Total equity and liabilities		1,148,882

Chief financial officer
Youssef Shoukry

Chief executive officer
Karim Beshara

Auditor's report 'attached'

(The notes 1 to 25 are an integral part of these Condensed Consolidated Interim Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM INCEPTION (29 NOVEMBER 2011) TO 30 SEPTEMBER 2012

(in thousands of US $)	Note	**Period from inception (29 November 2011) to 30 September 2012**	**Three months ended 30 September 2012**
Revenue	6	255,786	87,078
Other income		2,169	1,482
Purchases and services	7	(90,644)	(28,506)
Other expenses	8	(5,900)	397
Personnel costs	9	(28,807)	(12,325)
Depreciation and amortization	10	(18,011)	(6,671)
Operating income		**114,593**	**41,455**
Financial income	11	4,800	1,411
Financial expense	11	(47,915)	(2,955)
Foreign exchange (loss)	11	(37,608)	(5,254)
Share of (loss) of investment in associate	12	(14,383)	(1,368)
Gain on partial disposal of investment in associate	12	254,981	(618)
Profit before income tax		**274,468**	**32,671**
Income tax expense	13	(8,861)	(1,776)
Profit for the period		**265,607**	**30,895**
Attributable to:			
Owners of the Company		236,828	20,107
Non-controlling interest		28,779	10,788
Earnings per share (basic and diluted) – (in US$)	20	0.045	0.005

(in thousands of US$)	**Period from inception (29 November 2011) to 30 September 2012**	**Three months ended 30 September 2012**
Profit for the period	**265,607**	**30,895**
Other comprehensive income /(loss):		
Currency translation differences	**-14,296**	**5,621**
Total comprehensive income for the period	**251,311**	**36,516**
Attributable to:		
Owners of the Company	**222,730**	**23,039**
Non-controlling interest	**28,581**	**13,477**
Total comprehensive income for the period	**251,311**	**36,516**

(The notes 1 to 25 are an integral part of these Condensed Consolidated Interim Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM INCEPTION (29 NOVEMBER 2011) TO 30 SEPTEMBER 2012

(in thousands of US$)	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Equity attributable to owners of the parent company	Non controlling interest	Total equity
As of inception (29 November 2011)	366,148	30,959		(1,591)	288,825	684,341		684,341
Group's share in subsidiaries' and associates' reserves and combination adjustments at the demerger date			8,206		786,339	794,545	57,962	852,507
Initial equity balance	366,148	30,959	8,206	(1,591)	1,075,164	1,478,886	57,962	1,536,848
Comprehensive income						-		
Profit for the period					236,828	236,828	28,779	265,607
Other comprehensive income/(loss)			(14,098)			(14,098)	(198)	(14,296)
Total comprehensive income	-	-	(14,098)	-	236,828	222,730	28,581	251,311
Transactions with owners								
						-		-
Share of non-controlling interests in capital increase of subsidiaries						-	3,209	3,209
Reclassification		37,523		1,591	(39,114)	-		-
Dividend payment					(907,305)	(907,305)	(6,217)	(913,522)
As of 30 September 2012	366,148	68,482	(5,892)	-	365,573	794,311	83,535	877,846

(The notes 1 to 25 are an integral part of these Condensed Consolidated Interim Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION (29 NOVEMBER 2011) TO 30 SEPTEMBER 2012

(in thousands of US$)	**Period from inception (29 November 2011) to 30 September 2012**
Profit for the period before income tax	**274,468**
Adjustments for	
Depreciation, amortisation and impairment charges	18,010
Impairment of financial assets	6,799
Interest expense	1,865
Investment income	(4,800)
Foreign exchange (gain) /loss	(4,983)
Gain on partial disposal of investment in associate	(254,981)
Fair value loss on derivative instrument	39,252
Share of (loss) of investment in associate	14,383
Change in provisions	2,080
Changes in other assets	(20,049)
Changes in other liabilities	20,178
Cash flows generated by operating activities	**92,222**
Income taxes paid	(5,136)
Interest paid	(1,865)
Interest collected	4,800
Net Cash flows generated by operating activities	**90,021**
Cash out flow for investments in	
Property and equipment	(29,481)
Intangible assets	(5,258)
Associates	(9,263)
Proceeds from disposal of	
Property and equipment	163
Investments in associates	990,045
Change in deposits and financial assets	(101,604)
Cash flows generated by investing activities	**844,602**
Proceeds from loans and bank facilities	2,582
Payments for loans and bank facilities	(2,171)
Dividends paid	(907,305)
Changes in non controlling interest	(6,217)
Cash flows generated by financing activities	**(913,111)**
Net increase in cash and cash equivalents	**21,512**
Effect of exchange rates on cash and cash equivalents	(2,716)
Cash and cash equivalents at the beginning of the period	173,275
Cash and cash equivalents at the end of the period	**192,071**

(The notes 1 to 25 are an integral part of these Condensed Consolidated Interim Financial Statements)

2. Statement of compliance

These condensed consolidated interim financial statements as of 30 September 2012 and for the period from inception (29 November 2011) to 30 September 2012 have been prepared in accordance with IAS 34 "Interim Financial Reporting". As permitted by IAS 34, the Company has opted to prepare a condensed version as compared to the consolidated financial statements as of 30 June 2012. The condensed consolidated interim financial statements do not include all of the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements for the period ended 30 June 2012, which have been prepared in accordance with IFRSs.

This condensed consolidated interim financial information was approved for issue on 12 November 2012.

3. Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial information are consistent with those used in the consolidated financial statements as of and for the period ended June 30, 2012. The accounting policies have been consistently applied to all the periods presented.

a) New standards, amendments and interpretations issued but not effective and not early adopted.

- *IAS 19 (amendment), 'Employee benefits'* was amended in June 2011 and will be effective on 1 January 2013. The impact on the Group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in other comprehensive income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Group is currently assessing the impact of this amended standard.

- *IFRS 9, 'Financial instruments',* addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and amended in October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015. The Group is currently assessing the impact of this new standard.

- *IAS 1 (amendment) 'Financial statement presentation'* will be effective for annual periods starting on or after 1 July 2012. The main changes resulting from this amendment is a requirement for entities to group items presented in "other comprehensive income" on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in other comprehensive income. The Group is currently assessing the impact of this amendment.

- *IFRS 10, 'Consolidated financial statements'* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the annual accounting period beginning on or after 1 January 2013.

- *IFRS 11, 'Joint arrangements'* effective for annual accounting periods beginning on or after 1 January 2013 focuses on the rights and obligations of the joint arrangements rather than its legal from. Proportional consolidation of joint ventures is no longer allowed. The Group is yet to assess IFRS 11's full impact and intends to adopt IFRS 11 no later than the annual accounting period beginning on or after 1 January 2013.

- *IFRS 12, 'Disclosures of interests in other entities'* includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the annual accounting period beginning on or after 1 January 2013.

- *IFRS 13, 'Fair value measurement'* will be effective for annual accounting periods beginning on or after 1 January 2013 and aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The Group is currently assessing the impact of this new standard.

- *IAS 28 'Associated and joint ventures (revised')* will be effective for annual accounting periods beginning on or after 1 January 2013 and includes requirements for joint ventures and associates accounted for using the equity method following the issue of IFRS 11. The Group is currently assessing the impact of this new standard.

- *IAS 32 (amendment), 'Financial instruments: Presentation'* – This amendment updates the application guidance to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. This amendment will be effective for periods beginning on or after 1 January 2014. The Group is currently assessing the impact of this new standard.

- *IAS 1 (amendment), 'Presentation of financial statements'* – This amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8 'Accounting policies, changes in accounting estimates and errors' ,or voluntary. The amendment will be effective retrospectively for annual accounting periods beginning on or after 1 January 2013. The Group is not expecting a significant impact on adoption of this amendment..

- *IAS 16 (amendment), - 'Property, plant and equipment'* – This amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The amendment will be effective retrospectively for annual accounting periods beginning on or after 1 January 2013. The Group is not expecting a significant impact on adoption of this amendment.

- *IAS 32 (amendment), - Financial instruments: Presentation'* – This amendment clarifies the treatment of income tax relating to distributions and transaction costs. . The amendment will be effective retrospectively for annual accounting periods beginning on or after 1 January 2013. The Group is not expecting a significant impact on adoption of this amendment.

Foreign currency
The exchange rates applied in the preparation of the condensed consolidated interim financial statements in relation to the US$ are as follows:

	Average for the period from inception (29 November 2011) to 30 September 2012	**Closing rate as of 30 September 2012**
Egyptian Pound (EGP)	0.1647	0.1637
Pakistan Rupee (PKR)	0.0107	0.0104
Euro (EUR)	1.2929	1.30

4. Use of estimates

The preparation of the condensed consolidated interim 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 to be reasonable and realistic at the time, considering the relevant circumstances. The application of such estimates and assumptions impacts the amounts recorded in the consolidated statement of financial position, the consolidated income statement, the consolidated statements 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.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the period ended 30 June 2012.

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. OTMT management has determined the reportable operating segments according to the information analysed by the chief operating decision-maker as follows:

- *GSM – North Korea*: relating to the mobile telecommunication operations performed in North Korea through the operator Koryolink.
- *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.
- *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.
- *Other*: relating to the Group's equity-accounting investment and income and expenses related to OTMT.

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) (or if applicable profit from continuing operations for the period before income tax expense /(benefit)), gain on partial disposal of investment in associate , share of profit of investment in associate, foreign exchange gains /(loss), financial expense, financial income, disposal of non-current assets, impairment charges and depreciation and amortisation, and
- Segment capital expenditure which is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

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

	Period from inception (29 November 2011) to 30 September 2012
Revenue	
Telephony services	171,083
Interconnection traffic - revenue	23,821
Other income from services and sale of goods	60,882
Total	**255,786**

Revenue and EBITDA disclosure per segment for the period from inception (29 November 2011) to 30 September 2012

	Total segment revenue	**Inter segment revenue**	**Revenue from external customers**	**EBITDA**
GSM North Korea	160,307		160,307	**127,638**
GSM Lebanon	12,882		12,882	**7,386**
Media & Technology	51,132		51,132	**77**
Cable	14,567		14,567	**(658)**
Other	20,699	(3,801)	16,898	**(1,839)**
Total	**259,587**	**(3,801)**	**255,786**	**132,604**

Assets per segment as of 30 September 2012

	Property and equipment	**Intangible assets**	**Investments in associates**	**Total**
GSM North Korea	109,769	72,139	-	181,908
Media & Technology	10,248	5,363	-	15,611
Cable	290,698	1,330	-	292,028
Other	7,331	-	129,503	136,834
Total	**418,046**	**78,832**	**129,503**	**626,381**

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment for the period from inception to 30 September 2012:

	Period from inception (29 November 2011) to 30 September 2012
GSM North Korea	38,167
Media & Technology	2,676
Cable	10,557
Other	7,493
Total	**58,893**

6. Revenue

	Period from inception (29 November 2011) to 30 September 2012
Telephony services	171,083
Interconnection traffic - revenue	23,821
Management contract -fees	29,780
Content downloads	22,468
Other income from services and sale of goods	8,634
Total	**255,786**

7. Purchases and services

	Period from inception (29 November 2011) to 30 September 2012
Rental of local network, technical sites and other leases	15,449
Customer acquisition costs	7,996
Purchases of goods and changes in inventories	14,991
Maintenance costs	3,486
Telephony cost	20,782
Utilities	1,104
Interconnection traffic	529
Advertising and promotional services	915
Consulting and professional services	18,669
Bank and post office charges	735
Insurance	1,647
Other service expenses	4,341
Total	**90,644**

8. Other expenses

	Period from inception (29 November 2011) to 30 September 2012
Accruals for provisions, write downs and penalties	2,514
Promotion and gifts	166
Other operating expenses	3,220
Total	**5,900**

9. Personnel costs

	Period from inception (29 November 2011) to 30 September 2012
Wages and salaries	18,589
Social security	3,250
Pension costs	429
Other personnel costs	6,539
Total	**28,807**

10. Depreciation and amortisation

	Period from inception (29 November 2011) to 30 September 2012
Depreciation of tangible assets	
Land and buildings	305
Plant and machinery	11,984
Cable system and equipment	977
Commercial and other tangible assets	1,384
Amortisation of intangible assets	
License	3,346
Other	15
Total	**18,011**

12. Investments in associates

The group's sole investment in associates relate to the Egyptian Company for Mobile Services S.A.E. ("ECMS"), a mobile telecommunication operator in Egypt and provides a range of prepaid and postpaid voice and data telecommunication services under the brand name of Mobinil.

As a consequence of a binding agreement entered on 12 April 2012 with France Telecom - Orange ("France Telecom"), the Company sold its 29.67% direct and indirect holdings in ECMS at a price of EGP 202.5 per share for a total cash consideration of approximately US$ 993 million and retained a 5% direct economic interest in ECMS. Additionally, the Company acquired from France Telecom 28.75% of voting rights in MT Telecom Scrl ("MT Telecom" the controlling shareholder of ECMS) for a total cash consideration of approximately US$9 million. The transaction was completed on 14 June 2012.

Furthermore, France Telecom and the Company have amended certain provisions under their existing shareholders agreement in order to adjust the governance structure to the new shareholding interests and to put in place mechanisms to protect minority shareholder's interest and leave the Company with similar voting rights and board representations as previously in place.
In particular, the Company remains France Telecom's strategic partner in Egypt and continues to participate in the management of ECMS, including through its appointment of three out of thirteen directors in the board of directors of ECMS, its participation in the audit committee and in the nomination and compensation committee of ECMS. The chief operating officer of ECMS will be appointed by ECMS's board of directors after consultations with ECMS's nomination and compensation committee. The chief operating officer of ECMS will appoint the other senior management of ECMS, always after consultations with ECMS's nomination and compensation committee. The Company has been continuing to provide services to ECMS under the general service agreement renewed on 22 March 2012. Such agreement is subject to possible future changes that may be decided by ECMS or for the assignment of the agreement to France Telecom, at France Telecom's discretion, against compensation of Euro 110 million to the Company. On 15 October 2012 the Company received a notice from France Telecom indicating that it was exercising its right to require the Company to assign to France Telecom such agreement. See Note 23 Subsequent Events for further information.

Furthermore, the Company and France Telecom have agreed to the following put and call options with respect to the Company's direct economic stake in ECMS and voting rights in MT Telecom.

- In order to grant France Telecom increased flexibility to maintain Egyptian shareholding in ECMS, France Telecom and the Company have agreed to limit the Company's put option for its 5% remaining direct stake in ECMS to 1.67% per annum over a three-year period from 2015 to 2017, subject to the trading rules and the then 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 in 2015 to EGP 296 in 2017 per ECMS share, the last exercise of such put option leading to the sale of the 28.75% voting rights in MT Telecom. The Company will also have certain agreed exit rights in the event France Telecom involves another local partner in the ECMS business.
- To give France Telecom additional control over a potential future divestment by the Company, France Telecom will have the option to call all (but not less than all) of the Company's remaining direct stake in ECMS and voting rights in MT Telecom. This option is exercisable during a January-February exercise period in each year from 2013 to 2017, at prices accreting at a rate similar to that for the put option granted to the Company and described above, ranging from EGP 243.5 to EGP 296 per ECMS share. The agreement also provides France Telecom with call option rights in certain other circumstances, including upon a change of control of the Company.

The Company also granted France Telecom a right of first refusal over any sale by the Company of its stake in ECMS.

See also note 19. Trade payables and other liabilities.

The following table provides the movements in the Group's equity investment in ECMS for the period from inception to 30 September 2012:

	Period from inception (29 November 2011) to 30 September 2012
As of inception	**876,280**
Share of (loss) of equity investment	(14,383)
Partial sale	(734,941)
Consideration for voting rights	9263
Exchange differences	(6,716)
As of 30 September 2012	**129,503**

The Group's share of the revenues and loss of the associate, its aggregated assets and liabilities are as follows:

	As of 30 September 2012 and for the period from inception (29 November 2011) to 30 September 2012
Assets	2,665,463
Liabilities	2,274
Revenues	1,266
Share of (loss) of investment in associate	(14,383)

13. Income tax expense

	Period from inception (29 November 2011) to 30 September 2012
Current tax expense	2,395
Deferred tax expense	6,466
Income tax expense	**8,861**

14. Property and equipment and Intangible assets

	Property and equipment	Intangible assets
As of inception (29 November 2011)	381,001	77,515
Additions	53,635	5,258
Disposals	(167)	-
Depreciation and amortisation	(14,650)	(3,361)
Currency translation differences	(1,773)	(580)
Balance as of 30 September 2012	**418,046**	**78,832**

Property and equipment

The detail of the property and equipment acquired and disposed of during the nine months ended 30 September 2012 is detailed in the following table:

	Additions	Disposals
Land and buildings	7,465	-
Plant and machinery	27,834	-
Cable system and equipment	2,920	-
Commercial and other tangible assets	1,487	(26)
Assets under construction	13,929	(141)
Total	**53,635**	**(167)**

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

Additions to land and buildings mainly relate to the acquisition of the administrative premises. The Company estimated the premises' acquisition cost based on the terms of the preliminary agreement reached with OTH.

15. Other financial assets

	As of 30 September 2012		
	Non - current	*Current*	*Total*
Deposits	220,891	4,854	225,745
Investments	7,239	-	7,239
Financial receivables	48	552	600
Total	**228,178**	**5,406**	**233,584**

Deposits

Deposits as of 30 September 2012 include an amount of US$ 220,891 thousand 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 Euro and cannot be repatriated overseas.

As of 30 September 2012 deposits in the total amounts of US$ 956 thousand are pledged or blocked as security against related bank borrowings or others commitments.

19. Trade payables and other liabilities

	As of 30 September 2012		
	Current	Non-current	Total
Capital expenditure payables	32,264		32,264
Trade payables due to suppliers	68,338		68,338
Other trade payables	44,659		44,659
Prepaid traffic and deferred income	35,976		35,976
Due to local authorities	2,287		2,287
Personnel payables	6,255		6,255
Other credit balances	9,430	3,472	12,902
Derivatives	39,000	-	39,000
Total	238,209	3,472	241,681

Derivatives

Derivatives balance relate to the fair value of call options granted to France Telecom pursuant to the amended and restated shareholders agreement between the Company and France Telecom dated 11 April 2012, and as disclosed in Note 12.

Management estimated the fair value of call and put option. The liability fair value for the call options (level 3) equivalent to US$ 39 million was determined based on the present value of the excess resulting of the expected market price above the pre-determined exercise price. Consequently there is no value resulting from the valuation of the put option due to the fact that the estimated market price is expected to exceed the pre-determined exercise price which indicates that it is least likely that the company would exercise the put option.

Other trade payables

Include balance due to Orascom Telecom Holding - OTH which represents the net liability due as a result of the finance made by OTH to the Group's entities starting from the date used as a basis of the demerger on 30 September 2010 and up to the completion date of the demerger, the date on which the OTMT assets were transferred and recognized in the Company's books. The company has agreed payable balance to OTH up to 30 September 2011.

20. 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 period

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 are equal.

	Period from inception (29 November 2011) to 30 September 2012
Profit attributable to equity holders of the Company	236,828
Total	236,828
Weighted average number of shares (in thousands of shares)	5,245,690
Earnings per share – basic and diluted (in US$)	
Earnings per share – basic	0.045

24. Subsequent events

The Company has received a notice which France Telecom ("FT") exercised its right to require OTMT to assign to FT the general services agreement (the "GSA") governing the provision of services by OTMT to the Egyptian Company for Mobile Services S.A.E ("ECMS"), along with certain related deferred receivables, in compliance with the Master Agreement between FT and OTMT as amended and restated on 11 April 2012 and in accordance with the joint announcements made by the same parties or their predecessors in interest on 9 May 2010, and on 12 April 2012. OTMT and FT also expect to enter into a transition services agreement with ECMS pursuant to which OTMT and FT will assist ECMS in the review of other related party agreements ECMS has with OTMT, FT and certain related companies in order to consider potential ways to further improve ECMS's cost structure; such transition services agreement would not impose additional financial obligations on ECMS. In connection with the assignment to FT of the GSA and the related deferred receivables and undertakings, as well as the entering of the transition services agreement in favour of ECMS, FT will pay OTMT a transfer fee of Euro 110,000,000, to be marginally increased pursuant to the terms of the Master Agreement. Following the assignment of the GSA, OTMT expects to continue to offer management support services to ECMS as an integral local partner and as a key advisor with respect to ECMS' future operations in Egypt.
The procedures for the execution of the transition services and advisory services agreements are being undertaken in conjunction with ECMS, which procedures OTMT expects to be completed during the months of October and November 2012.

25. Comparative figures

As shown in more details in Note 1, The Company was legally established on 29 November 2011, therefore, the consolidated financial results are shown from the inception date till 30 September 2012

Appendix B – Liabilities due to banks

Entity Bank	US$ Thousand			Denomination currency				
TransWorld Associates (Private) Ltd	Current	Non-current	Total	Currency	Nominal	Maturity	Interest	Secured / Unsecured
Banks								
United Bank Limited (Syndicated facility)	502	250	752	PKR	69.04	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
Habib Bank Limited (Syndicated facility)	367	184	551	PKR	50.42	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
Allied Bank Limited (Syndicated facility)	292	146	438	PKR	40.00	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
Askari Bank Limited (Syndicated facility)	251	125	376	PKR	31.78	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
Standard Chartered Bank Pakistan Limited (Syndicated facility)	251	125	376	PKR	44.38	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
Pak Oman Investment Company Limited (Syndicated facility)	218	109	327	PKR	20.14	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
The Bank of Punjab (Syndicated facility)	167	83	250	PKR	25.74	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
Bank Alfalah Limited (Syndicated facility)	145	72	217	PKR	20.00	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
Saudi Pak Industrial & Agricultural Co. (Pvt) Limited (Syndicated facility)	145	72	217	PKR	20.00	27-Nov-13	6M KIBOR + 3% (15.01%)	Secured
Pak Oman Investment Company Limited (Medium term syndicated finance facility)	260	129	389	PKR	43.75	20-Mar-14	6M KIBOR + 3% (14.95%)	Secured
Pak Oman Investment Company Limited (Medium term syndicated finance facility)	265	194	459	PKR	50.00	31-May-14	6M KIBOR + 3% (15.02%)	Secured
Saudi Pak Industrial & Agricultural Co. (Pvt) Limited (Medium term syndicate finance facility)	380	268	648	PKR	69.00	4-Jun-14	6M KIBOR + 3% (15.01%)	Secured
Total	3,243	1,757	5,000					

Other borrowings	US$ Thousand				Denomination currency			
	Current	Non-current	Total	Currency	Nominal	Maturity	Interest	Maturity
								Unsecured
Orastar Limited / long term loan from sponsors	-	2,076	2,076	USD	196.81	1-Jan-13	Interest -free	Unsecured
Orastar Limited / short term loan loan-1 from sponsors	984	-	984	USD	94.43	19-Jun-12	Interest -free	Unsecured
Orastar Limited / short term loan-2 from sponsors	1,969	-	1,969	USD	170.79	23-Dec-12	3M LIBOR + 1% (1.4610%)	Unsecured
Dr. Omar Bin Abdul Muniem Al Zawawi / long term loan from sponsors	-	573	573	USD	50.46	1-Jan-13	Interest -free	Unsecured
Dr. Omar Bin Abdul Muniem Al Zawawi / short term loan-1 from sponsors	252	-	252	USD	24.21	19-Jun-12	Interest -free	Unsecured
Dr. Omar Bin Abdul Muniem Al Zawawi / short term loan-2 from sponsors	482	-	482	USD	43.79	23-Dec-12	3M LIBOR + 1% (1.4610%)	Unsecured
Total TWA (Private) Ltd	3,687	2,649	6,336					

Current and non-current borrowings as of 30 September 2012

	US$ Thousand		
	Current	Non-current	Total
Liabilities due to banks	3,243	1,757	5,000
Finance lease	81	188	269
Other borrowings	4,290	2,649	6,939
	7,614	4,593	12,208

صالح وبرسوم وعبد العزيز
٩٥ج شارع الميرغنى
مصر الجديدة
القاهرة ١١٣٤١
ج.م.ع
تليفون : ٢٧٨ ٩٠٣ ٢٢ (٢) ٢٠+
فاكس : ٢٧٦ ٩٠٣ ٢٢ (٢) ٢٠+

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