Deloitte.

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, 2013

Together with the Auditor's Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

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, 2013, and the consolidated statements of income and 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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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.

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Orascom Telecom Media and Technology Holding S.A.E. and its subsidiaries as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matters

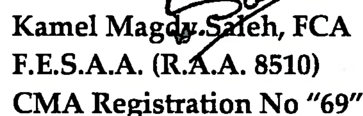
We draw attention to note (4) to the accompanying consolidated financial statements which describes in more details that the net assets of Koryolink (subsidiary) equivalent to USD 641 million of the Group's consolidated net assets amounting to USD 1,124 million as of December 31, 2013. Also Koryolink assets include cash balances in North Korean currency equivalent to USD 483 million and are reported within non-current financial assets in the consolidated financial statements due to the restrictions imposed on cash transfers from the local currency into foreign currency, and on the exchange rates in North Korea.

We draw attention to note (20) to the accompanying consolidated financial statements which describes in more details that according to management's best estimate, and in light of the available information, there are no differences between the tax base and accounting base of the recognized assets and liabilities related to the Group's subsidiary in North Korea (Koryolink) that might result in the recognition of any deferred tax assets or liabilities at December 31, 2013.

Management believes that in the case any additional information has developed in future periods, that would give rise to such differences on the assets or liabilities recognized in the financial statements as of December 31, 2013, management would revise its estimates and recognition of deferred taxes associated with those assets and liabilities might be required.

Our report on the accompanying consolidated financial statements as at December 31, 2013 is not qualified in respect to the above paragraphs.

Cairo, March 12, 2014



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

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2013 AND 2012

(in thousands of US$)	Note	As of 31 December 2013	As of 31 December 2012
Assets			
Property and equipment	17	371,175	396,861
Intangible assets	18	62,982	75,676
Investments in associates	14	92,367	121,736
Other non-current financial assets	19	689,695	444,590
Other non-current assets	22	6,408	3,578
Total non-current assets		**1,222,627**	**1,042,441**
Inventories		511	587
Trade receivables	21	66,070	55,641
Other current financial assets	19	3,598	4,705
Other current assets	22	12,459	16,530
Cash and balances at banks	23	124,753	309,764
Total current assets		**207,391**	**387,227**
Total Assets		**1,430,018**	**1,429,668**
Equity and Liabilities			
Share capital		366,148	366,148
Other reserves		20,048	40,004
Retained earnings		581,891	686,083
Equity attributable to equity holders of the Company	24	**968,087**	**1,092,235**
Non-controlling interest		155,771	95,349
Total equity		**1,123,858**	**1,187,584**
Liabilities			
Non-current borrowings	25	2,295	2,531
Other non-current liabilities	26	5,429	5,601
Defined benefits obligations	28	2,284	-
Deferred tax liabilities	20	13,094	10,200
Total non-current liabilities		**23,102**	**18,332**
Current borrowings	25	6,456	8,296
Trade and other payables	26	188,599	145,710
Current income tax liabilities		11,345	18,352
Current provisions	27	76,658	51,394
Total current liabilities		**283,058**	**223,752**
Total Liabilities		**306,160**	**242,084**
Total Equity and Liabilities		**1,430,018**	**1,429,668**

Chief financial officer
Youssef Shoukry

Chief executive officer
Karim Beshara

Auditor's report 'attached'

(The notes 1 to 37 are an integral part of these Consolidated Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013 AND THE PERIOD ENDED 31 DECEMBER 2012

(in thousands of US$)	Note	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Revenues	6	441,774	354,555
Other income		7,095	10,469
Purchases and services	7	(119,382)	(120,604)
Other expenses	8	(35,072)	(58,364)
Personnel cost	9	(43,480)	(43,002)
Depreciation and amortization	10	(32,714)	(25,269)
Impairment charges	11	(68,449)	(38,327)
Gain on disposal of subsidiary	12	-	14,312
Operating income		**149,772**	**93,770**
Financial income	13	50,012	179,200
Financial expense	13	(5,365)	(11,499)
Foreign exchange gain (loss)	13	11,848	(15,882)
Share of loss of investment in associates	14	(7,067)	(15,810)
Impairment of associate	14	(13,536)	-
Gain on partial disposal of associates	14	-	253,383
Other non-operating income	15	-	145,116
Profit before income tax		**185,664**	**628,278**
Income tax expense	16	(22,810)	(29,157)
Profit for the year / period		**162,854**	**599,121**
Attributable to			
Owners of the company		105,234	559,788
Non-controlling interest		57,620	39,333
		162,854	**599,121**
Earnings per share (basic and diluted) – (in US$)	29	0.02	0.11

(in thousands of US$)	Note	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Profit for the year / period		**162,854**	**599,121**
Items that may be subsequently reclassified to profit or loss-Net of tax			
Share of gains of associate comprehensive income	14	209	-
Currency translation differences		(30,768)	(35,729)
Total comprehensive income for the year		132,295	**563,392**
Attributable to:			
Owners of the parent		**72,538**	**522,997**
Non-controlling interest		**59,757**	**40,395**
Total comprehensive income for the period		132,295	**563,392**

(The notes 1 to 37 are an integral part of these Consolidated Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013 AND THE PERIOD ENDED 31 DECEMBER 2012

(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 at 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	-	-	-	-	559,788	**559,788**	39,333	**599,121**
Other comprehensive income/ (Loss)	-	-	(36,791)	-	-	**(36,791)**	1,062	**(35,729)**
Total comprehensive income	**-**	**-**	**(36,791)**	**-**	**559,788**	**522,997**	**40,395**	**563,392**
						-		**-**
Share of non-controlling interest in capital increase of subsidiaries	-	-	-	-	-	**-**	3,209	**3,209**
Reclassification	-	37,630	-	1,591	(39,221)	**-**	-	**-**
Dividends payment	-	-	-	-	(909,648)	**(909,648)**	(6,217)	**(915,865)**
	-	**37,630**	**-**	**1,591**	**(948,869)**	**(909,648)**	**3,008**	**(912,656)**
As at 31 December 2012	**366,148**	**68,589**	**(28,585)**	**-**	**686,083**	**1,092,235**	**95,349**	**1,187,584**

(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 at January 1, 2013	**366,148**	**68,589**	**(28,585)**	**-**	**686,083**	**1,092,235**	**95,349**	**1,187,584**
Comprehensive income								
Financial statements translation differences of foreign subsidiaries	-	-	(32,905)		-	**(32,905)**	2,137	**(30,768)**
Group's share in other items of statement of shareholders' equity of associates				209		**209**		**209**
Profit for the period	-	-	-	-	105,234	**105,234**	57,620	**162,854**
Total comprehensive income	**-**	**-**	**(32,905)**	**209**	**105,234**	**72,538**	**59,757**	**132,295**
						-		**-**
Dividends to shareholders' of the Parent company	-	-	-	-	(196,686)	**(196,686)**	-	**(196,686)**
Change in non-controlling interests due to disposal of subsidiaries	-	-	-	-	-	**-**	665	**665**
Transfer to legal reserve	-	12,740	-	-	(12,740)	**-**	-	**-**
	-	**12,740**	**-**	**-**	**(209,426)**	**(196,686)**	**665**	**(196,021)**
As at 31 December 2013	**366,148**	**81,329**	**(61,490)**	**209**	**581,891**	**968,087**	**155,771**	**1,123,858**

(The notes 1 to 37 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 YEAR ENDED 31 DECEMBER 2013 AND THE PERIOD ENDED 31 DECEMBER 2012

(in thousands of US$)	*Note*	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Profit for the period		**185,664**	**628,278**
Adjustments for			
Depreciation, amortization and impairment charges	17,18	100,727	63,596
Fair value gains on derivative instrument	13	(48,528)	(173,701)
Interest expense	13	1,730	2,335
Investment income	13	(1,484)	(5,499)
Foreign exchange differences	13	(11,848)	(13,632)
Impairment of financial assets	13	3,635	9,114
Impairment of investments in subsidiaries		436	
(Gain)on partial disposal of associate		-	(253,383)
Share of loss of associate	14	7,067	15,810
Impairment of associate	14	13,536	
Change in provisions		31,428	53,020
Gain on disposal of subsidiary		-	(14,312)
Changes in other assets		(5,370)	3,144
Changes in other liabilities		34,152	(17,167)
Cash flows generated by operating activities		**311,145**	**297,603**
Income taxes paid		(27,114)	(6,565)
Interest paid		(1,730)	(2,359)
Interest collected		1,484	5,499
Net Cash flows generated by operating activities		**283,785**	**294,178**
Cash flow from investment activities			
Cash out flow for investments in			
Property and equipment	17	(44,655)	(65,600)
Intangible assets	18	(2,988)	(13,099)
Investments in associate		-	(9,263)
Change in Deposits and financial assets	19	(216,770)	(144,718)
Proceeds from disposal of		-	
Property and equipment	17	211	854
Intangible assets	18	245	-
Change in Deposits and financial assets	19	8,886	
Investments in subsidiary	12	-	16,008
Investments in associate		-	983,782
Net cash flows (used in) generated by investing activities		**(255,071)**	**767,965**
Cash flows from financing activities			
Proceeds from loan and bank facilities	22	2,948	2,980
Payments for loans and bank facilities	25	(5,767)	(3,951)
Dividends to shareholders	24	(196,686)	(901,602)
Changes in non-controlling interest		-	(6,239)
Net cash flows (used in) financing activities		**(199,505)**	**(908,812)**
Net increase in cash and cash equivalents		**(170,791)**	**153,330**
Effect of exchange rates on cash and cash equivalents and balances at banks		(14,220)	(16,840)
Cash and cash equivalents at the beginning of the Year / period		309,764	173,274
Cash and cash equivalents at the end of the Year / period		**124,753**	**309,764**

(The notes 1 to 37 are an integral part of these Consolidated Financial Statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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. The Company was established on 29 November 2011 (the "inception") and until this date the businesses of the Company were performed under various entities which were controlled by Orascom Telecom Holding, S.A.E. ("OTH"). As part of a larger transaction pursuant to which VimpelCom Ltd had acquired OTH, its shareholders agreed to effect the demerger, whereby, OTH was split into two companies, OTH and the Company ("Demerger"). The Demerger resulted in the transfer of certain telecom, cable and media and technology assets (the "OTMT Assets") to the Company.
In particular, on the Demerger, ownership of the following OTMT Assets was transferred from OTH to the Company:

- 28.76% ownership stake in Mobinil for Telecommunication S.A.E.
- 20.00% ownership stake in the Egyptian Company for Mobile Services S.A.E.
- 75.00% ownership stake in CHEO Technology Joint Venture Company, together with all other assets and businesses located in North Korea
- 100.00% direct and indirectly held ownership stake in Middle East and North Africa for Sea Cables
- 51.00% ownership stake in Trans World Associate (Private) Limited (Pakistan)
- 99.99% ownership stake in OT Ventures S.A.E. (a/k/a Intouch Communications Services Internet portals and other ventures in Egypt including Link Development, ARPU+ and LINKonLine) and
- 1% ownership stake in ARPU for Telecommunications Services S.A.E (direct and indirect holding in ARPU for Telecommunications Services S.A.E is 100%).

The Company and the OTMT Assets (together the "Group") are a mobile telecommunications business operating in high growth emerging markets in the Middle East, Africa and Asia. The Company is a subsidiary of Orascom TMT Investment S.à.r.l. (formerly Weather Investments II, "Weather Investments" or the "Parent Company").
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 2013 and as of and for the period 29 November 2011 to 31 December 2012 (the "Consolidated Financial Statements") were approved for issue by the Board of Directors of the Company on March 12, 2014.

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

IAS 19 Employee Benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects

The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach'" permitted under the previous version of IAS 19. The amendments also accelerate the recognition of past service costs.
Due to the amendments to IAS 19 relates to the presentation of changes in defined benefits obligations and plan assets with changes being split into three components:

- Service cost – recognised in profit or loss, in personnel costs, and includes current and past service cost as well as gains or losses on settlements.
- Net interest – recognised in profit or loss, in interest expenses, and calculated by applying the discount rate at the beginning of the reporting period to the net defined benefit liability or asset at the beginning of each reporting period.
- Remeasurement – recognized in other comprehensive income and comprises actuarial gains and losses on the defined benefit obligation, the excess of the actual return on plan assets over the change in plan assets due to the passage of time and the changes, if any, due to the impact of the asset ceiling.

The application of these changes didn't have an impact on the amounts recognized in profit or loss, or other comprehensive income of prior years, as the current year is the first time to introduce defined benefits obligations by the Group.

Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 Consolidated financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

In the current year, the Group has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding the transitional guidance. IAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below:

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee. Some guidance included in IFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

The application of IFRS 10 has had no impact on the consolidated financial statements.

Impact of the application of IFRS 11

As the Group does not have any investments in joint arrangements, the application of IFRS 11 has had no impact on the consolidation financial statements.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

IFRS 13 Fair Value Measurement

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 established a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell and asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

Further, the amendments to IAS 1also require items of other comprehensive income, in the other comprehensive income section, to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. Management considered the latter amendments in

preparing the Group's consolidated statement of comprehensive income for the year ending 31 December 2013 and has retrospectively restated its 2012 comparatives on the same basis.

2.2.3 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
IAS 19	Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.	Annual periods beginning on or after 1 July 2014
IAS 32	The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.	Annual periods beginning on or after 1 January 2014
IAS 36	The amendments to IAS 36 reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.	Annual periods beginning on or after 1 January 2014
IAS 39	The amendments to IAS 39 make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the partiers. In order to apply the amendments and continue hedge accounting, novation to a central counterparty must happen as a consequence of laws and regulations or the introduction of laws or regulations.	Annual periods beginning on or after 1 January 2014
IFRIC 21	IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.	Annual periods beginning on or after 1 January 2014
Various	**Annual Improvements 2010-2012 Cycle** Makes amendments to the following applicable standards: IFRS 3 — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date. IFRS 13 — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only). IAS 16 and IAS 38 — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount. IAS 24 — Clarify how payments to entities providing management services are to be disclosed.	Annual periods beginning on or after 1 July 2014

Various	**Annual Improvements 2011-2013 Cycle** Makes amendments to the following applicable standards: IFRS 3 — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. IFRS 13 — Clarify the scope of the portfolio exception in paragraph 52. IAS 40 — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.	Annual periods beginning on or after 1 July 2014

The Group is currently assessing whether these changes will impact 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

As disclosed in Note-1, the Company was established by a way of demerger from OTH, the new legal status represents continued economic body starting from the date on which the demerging company acquired or established the subsidiaries and associates and then ownership was transferred to the resulting demerged company.

The Company considers that the substance of the demerger and establishment of the company with the objective of transferring ownership of certain businesses (subsidiaries and associates) and continuation of its activities under the umbrella of a new legal entity, is out of scope of IFRS 3 Business Combinations, however management believes that the transaction is considered a common control transaction. The transferred entities pursuant to the demerger plan were under the control of same main shareholders both before and after the demerger and control is not considered temporary.

Business reorganizations under common control are scoped out of IFRS 3. In the absence of a specific guidance in IFRSs, IAS 8 requires management to select and apply an appropriate accounting policy. Management used its judgement in developing and applying an accounting policy to account for its investments in subsidiaries and associates transferred as part of the demerger as follow:
The Consolidated Financial Statements include the financial statement 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. Accordingly, the group's equity include the group's share in the change in the book value of net assets of the transferred subsidiaries and associates since date of having control or significant influence over each group entity.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls and 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 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 to be 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.

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 recognized 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 recognized 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 2013	Closing rate as of 31-Dec-13	Average for the period from inception (29 November 2011) to 31 December 2012	Closing rate as of 31-Dec-12
Egyptian Pound (EGP)	0.1455	0.1439	0.1637	0.1557
Pakistan Rupee (PKR)	0.0099	0.0095	0.0105	0.0097
Euro (EUR)	1.3284	1.3746	1.2975	1.3277
DRRK Won (KPW)	0.0100	0.0102	0.01	0.01

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 as a result 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. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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 recognized separately from goodwill are initially recognized 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 amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognized 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, are recognized in profit or loss when the asset is derecognized.

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.

<u>Financial instruments</u>

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

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.

Financial assets are initially recognised at fair value, classified in the category of available of sale or loans and receivables and subsequently measured as described:

Loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' 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.

The Group has one investment 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".

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.

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.

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.

Financial liabilities and equity instruments

Debt and equity instruments issued by a Group entity are classified as either 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 recognized 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 derivative instruments used to hedge against foreign exchange is disclosed in Note [13], and the fair value of the options on ECMS is disclosed in Note [19]. 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 foreseeable 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.

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.

Employee benefits obligation

Short-term employee benefits :
Including any payments made by the Group entities under state-defined contribution schemes, are recognized in the income statement in the period in which an employee renders service that entitles the employee to the benefit.

Defined benefit obligation :
Is a post-employment benefit plan under which the Group has legal or constructive obligations to pay contributions as set out in the terms established with the employees.

Typically defined benefit obligation define an amount of benefit that an employee will receive on termination of employment, usually dependent on one or more factors such as age, years of services and compensation.

The liability recognised in the balance sheet in respect of defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually be independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in income.

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 at cost is recognised when the right to receive payment is established.

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 remeasurement 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 2013 and 2012.

	As of 31 December	
	2013	**2012**
	Level 2	*Level 2*
Assets		
Financial assets at fair value through profit or loss		
Call & Put Options with France Telecom	200,725	165,194
Total assets	**200,725**	**165,194**

The Group did not measure any financial assets or liabilities as level 1 or 3 fair value estimates and there were no transfers between level 1 and 2 during the year ended 31 December 2013 or 2012.

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 19.

The carrying amount of short term trade and other receivables and payables reasonably approximate fair value as of 31 December 2013.

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 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 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 estimate 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 the purpose of 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 and in the market and also 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.

Depreciation of non-current assets

The cost of plant and equipment is depreciated on a straight-line basis throughout the useful economic life of the relevant asset. The useful econmic 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 income and deductible 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, consider 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.

Post-employment benefits

The Group accounts for post-employment benefits in accordance with IAS 19 – Employee benefits. IAS 19 requires the exercise of judgment in relation to various assumptions including future pay rise in excess of inflation, employee and pensioner demographics and discount rates. Any changes in these assumptions will impact the carrying amount of post-employment obligations. The Group determines the assumptions to be adopted in discussions with actuaries at the end of each year.

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 2013, if the functional currencies had strengthened/(weakened) by 10% against the US$, Euro, Egyptian pound, DPRK Won and Pakistani Rupee, with all other variables held constant, the translation of foreign currency receivables and payables would have resulted in an increase/(decrease) of US$ 2,650 thousand of net profit (2012: US$ 4,301 thousand).

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. Borrowings received at fixed interest rates expose the Group to fair value interest rate risk. The Group has not entered into any derivative financial instruments to hedge its exposure to fair value or cash flow interest rate risk.

The following table illustrates the total borrowings outstanding as of 31 December 2013 and 2012 indicating the percentage of borrowings received at a fixed interest rate, at a variable interest rate and interest rate free.

	As of 31 December 2013	As of 31 December 2012
Total borrowings	8,751	10,827
of which % is at a fixed interest rate	-	-
of which % is at a variable interest rate	100%	52%
of which % is interest rate free	-	48%

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 0.1% interest rate shift would be a maximum increase/decrease in 2013 finance costs of US$ 343 thousands (2012: US$ 576 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 can be analysed by segment as follows:

i) GSM
Substantially all customers in North Korea are prepay customers meaning that there is a low credit risk associated with this GSM operation.

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

iii) Media & Technology
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$ 2,249 thousand during 2013 (US$ 3,569 thousand for the period from inception to 31 December 2012). See also Notes 21 and 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 for example 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.

As of 31 December 2013	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years	More than 5 years
Liabilities					
Liabilities to banks	2,012	2,207	1,643	564	-
Finance lease liability	231	259	112	147	-
Other borrowings	6,508	6,820	5,154	1,666	-
Trade payables	97,219	97,219	97,219	-	-
	105,970	**106,505**	**104,128**	**2,377**	-

As of 31 December 2012	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years
Liabilities				
Liabilities to banks	3,382	3,677	2,944	733
Finance lease liability	234	268	77	191
Other borrowings	7,211	7,526	5,275	2,251
Trade payables	83,596	83,596	83,596	-
	94,423	**95,067**	**91,892**	**3,175**

* 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 are conducted in Egypt, North Korea and Pakistan. The operations of the Group depend on the market economies of the countries in which the subsidiaries 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 for example North Korea, where the subsidiaries operate 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 be changed.

Group's activities in North Korea

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

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

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

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

The net assets of Koryolink (subsidiary) reached US$ 641 Million of the Group's consolidated net assets amounting to US$ 1,124 Million as of December 31, 2013. Also Koryolink assets include cash

balances in North Korean currency equivalent to US$ 483 Million (2012: US$ 272 Million) and are reported within non-current financial assets in the consolidated financial statements due to the restrictions imposed on cash transfers from the local currency into foreign currency in North Korea as referred to in previous paragraphs. The financial statements of the subsidiary were translated using the official exchange rate announced by North Korean banks as at December 31, 2013 and which is determined by Government noting that there is no free floating currency exchange market in North Korea.

Classes of financial instrument

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

	As of 31 December 2013				As of 31 December 2012			
Assets per statement of financial position	Derivatives	Loans and receivables	Available for sale	**Total**	Derivatives	Loans and receivables	Available for sale	**Total**
Other financial assets	200,725	486,184	6,384	**693,293**	165,194	277,212	6,889	**449,295**
Trade receivables	-	66,070	-	**66,070**	-	55,641	-	**55,641**
Other current assets[1]	-	6,549	-	**6,549**	-	5,157	-	**5,157**
Cash and cash equivalents	-	124,753	-	**124,753**	-	309,764	-	**309,764**
Total	**200,725**	**683,556**	**6,384**	**890,665**	**165,194**	**647,774**	**6,889**	**819,857**

[1] Excludes prepaid expenses, advances to suppliers and receivables due from tax authority, as these do not meet the definition of a financial asset.

	As of 31 December 2013			As of 31 December 2012		
Liabilities as per statement of financial position	Liabilities at fair value through the profit and loss	Other financial liabilities at amortized cost	**Total**	Liabilities at fair value through the profit and loss	Other financial liabilities at amortised cost	**Total**
Borrowings	-	8,751	**8,751**	-	10,827	**10,827**
Other non-current liabilities[1]	-	3,637	**3,637**	-	3,457	**3,457**
Trade payable and other liabilities[1]	-	116,519	**116,519**	-	98,754	**98,754**
Total	**-**	**128,907**	**128,907**	**-**	**113,038**	**113,038**

[1] 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. 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 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 equity investments, gain on disposal of subsidiary, share of loss of equity investments, impairment of associate, other non-operating income, 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.

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

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Revenue		
Telephony Services	312,280	242,573
Interconnection traffic - revenue	59,578	32,046
Other income from services and sale of goods	69,916	79,936
Total	**441,774**	354,555

Revenue and EBITDA disclosure per segment

	Year ended 31 December 2013				Period from inception (29 November 2011) to 31 December 2012			
	Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA	Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA
GSM North Korea	310,712	-	**310,712**	**251,131**	228,146	-	**228,146**	**183,037**
GSM Lebanon	19,577	-	**19,577**	**14,523**	21,075	-	**21,075**	**14,254**
Media & Technology	89,891	(3,191)	**86,670**	**(10,540)**	68,873	-	**68,873**	**(6,269)**
Cable	23,417	-	**23,417**	**3,495**	19,668	-	**19,668**	**(374)**
Other	13,826	(12,428)	**1,398**	**(7,648)**	25,715	(8,922)	**16,793**	**(47,594)**
Total	**457,423**	**(15,619)**	**441,774**	**250,961**	**363,477**	**(8,922)**	**354,555**	**143,054**

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 2013				As of 31 December 2012			
	Property and equipment	Intangible assets	Investments in associate	Total	Property and equipment	Intangible assets	Investments in associate	Total
GSM North Korea	171,886	56,923	-	228,809	126,287	68,463	-	194,750
Media & Technology	10,816	4,592	-	15,408	12,629	5,956	-	18,585
Cable	182,206	1,304	-	183,510	250,996	1,257	-	252,253
Other	6,267	163	92,367	98,797	6,949	-	121,736	128,685
Total	**371,175**	**62,982**	**92,367**	**526,524**	**396,861**	**75,676**	**121,736**	**594,273**

Reconciliation of EBITDA to profit before income tax

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
EBITDA	**250,961**	**143,054**
Depreciation and amortization	(32,714)	(25,269)
Impairment charges	(68,449)	(38,327)
Financial income	50,012	179,200
Financial expense	(5,365)	(11,499)
Foreign exchange gain /(loss)	11,848	(15,882)
Share of loss of investments in associates	(7,067)	(15,810)
Other non-operating income	-	145,116
Impairment of associate	(13,536)	-
Gain on partial disposal of associate	-	253,383
Gain on disposal of subsidiary	-	14,312
Profit before income tax	**185,690**	**628,278**

Reconciliation of assets allocated to total assets

	As of 31 December 2013	As of 31 December 2012
Assets allocated	**526,524**	**594,273**
Other non-current financial assets	689,695	444,590
Other non-current assets	6,408	3,578
Inventories	511	587
Trade receivables	66,070	55,641
Other current financial assets	3,598	4,705
Other current assets	12,459	16,530
Cash and cash equivalents	124,753	309,764
Total assets	**1,430,018**	**1,429,668**

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment for the year ended 31 December 2013 and the period from inception to 31 December 2012:

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
GSM North Korea	68,769	54,929
Media & Technology	2,661	7,995
Cable	1,606	11,067
Other	283	7,397
Total	73,319	**81,388**

6. Revenue

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Telephony Services	312,280	242,573
Interconnection traffic	59,578	32,046
Content downloads	37,881	30,223
Management contract –Fees	21,273	37,867
Other income from services and sale of goods	10,762	11,846
Total	**441,774**	**354,555**

7. Purchases and services

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Rental of local network, technical sites and other leases	7,141	20,299
Customer acquisition costs	12,955	11,189
Purchases of goods and changes in inventories	31,553	21,622
Maintenance costs	7,691	5,272
Telephony cost	33,176	28,540
Utilities	2,603	1,704
Interconnection traffic	804	601
Advertising and promotional services	1,809	2,692
Consulting and professional services	8,567	18,276
Bank and post office charges	465	308
Insurance	551	1,737
Other service expenses	12,067	8,364
Total	**119,382**	**120,604**

8. Other expenses

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Accruals for provisions ,write downs and penalties (Notes 21, 22)	2,249	3,719
Provisions for risks (Note 27)	32,456	49,388
Promotion and gifts	193	190
Other operating expenses	174	5,067
Total	**35,072**	**58,364**

9. Personnel costs

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Wages and salaries	27,152	29,564
Social security	5,417	4,397
Employees defined benefits	2,309	-
Other personnel costs	8,602	9,041
Total	**43,480**	**43,002**

10. Depreciation and Amortisation

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Depreciation of tangible assets		
Buildings	409	405
Plant and machinery	23,034	18,392
Cable system and equipment	1,904	1,323
Commercial and other tangible assets	3,975	1,876
Amortisation of intangible assets		
License	3,104	3,253
Other	288	20
Total	**32,714**	**25,269**

11. Impairment of non-current assets

Impairment charges of US$ 68 million (2012: US$ 38 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 2013.

12. Acquisition and disposal of subsidiaries

During 2013 the Company acquired 51% of the share capital of Genart for total consideration of Turkish Lira 1.1 million (equivalent to US$ 554 thousand). As a result of the acquisition, the Group is expected to increase its presence in the media and technology business in Turkey. The goodwill arising from the acquisition is attributable to acquired customer base. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Genart, the preliminary fair value of assets acquired, liabilities assumed and non-controlling interest at the acquisition date.

(in thousands of US$)	**Value at date of acquisition**
Property and equipment	141
Trade receivables	3,343
Other current financial assets	2
Other current assets	284
Cash and cash equivalents	307
Current borrowings	(19)
Trade payables	(3,088)
Other current liabilities	(562)
Current income tax liabilities	(26)
Total identifiable net assets	**382**
Non -controlling interest	187
Goodwill	**363**
Consideration	**550**

The fair value of assets and liabilities is provisional pending on the final valuation to be concluded within 12 months from the date of acquisition. Non-controlling interest of Grenat, an unlisted company, was measured based on the fair value of the proportion of identifiable assets and liabilities.

The revenue included in the consolidated income statement since the date of acquisition contributed by Grenat was US$ 6,902 thousand. Grenat also contributed profit of US$ 696 thousand over the same period.

During November 2012 the company sold its entire holding in Med Cable Limited-United Kingdom ("Medcable"), for total consideration of EUR 12.3 million, (equivalent to US$ 16,054 thousand). Based on the book value of the net assets disposed of, the related sale consideration and the effect of recycling of foreign exchange, the gain on disposal of Medcable is summarised below:

(in thousands of US$)	**Book value at date of disposal**
Trade receivables	85
Other current financial assets	68
Other current assets	275
Cash and cash equivalents	33
Total assets	**461**
Current borrowings	-
Trade payables	(2,644)
Other current liabilities	(6)
Provisions	(756)
Total liability	(3,406)
Net assets disposed of	**(2,945)**
Sale proceeds	
Cash	16,054
Profit on disposal before recycling of foreign exchange	**18,999**
Recycling of Foreign exchange	(4,687)
Gain (Loss) on disposal	**14,312**

13. Net financing costs

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Fair value gains on derivative instrument	48,528	173,701
Interest income on deposits	1,484	5,127
Other interest income	-	372
Financial income	**50,012**	**179,200**
Interest expense on borrowings	(1,357)	(1,386)
Other interest expense and financial charges	(373)	(999)
Impairment of financial asset	(3,635)	(9,114)
Financial expense	**(5,365)**	**(11,499)**
Foreign exchange gain/ (loss)	11,848	11,456
Fair value loss on derivative instrument	-	(27,338)
Foreign exchange gain/ (loss)	**11,848**	**(15,882)**
Total	**56,495**	**151,819**

Financial income	Income (losses)	Fair value asset/ (liability)
Fair value of ECMS call options (note 14)	48,528	200,725

See also note 19 for 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.

Foreign exchange derivative financial instruments

During 2012, the Company entered into foreign currency forward deal contracts, the following analysis shows details of currency forward deals contracted. All derivative contracts below were closed before 31 December 2012.

Contract	Notional amounts payable	Notional amount receivable	Income (losses)
EGP to Euro	EGP 3 037 500	Euro 378 764	(19,182)
EGP to Euro	EGP 2 823 876	Euro 350 946	(23,607)
Euro to US Dollar	Euro 194 734	USD Dollar 250 000	4,016
Euro to US Dollar	Euro 177 195	USD Dollar 227 520	5,095
Euro to US Dollar	Euro 370 000	USD Dollar 467 378	5,254
US Dollar to Euro	Dollar 25 240	Euro 20 000	1,086
			(27,338)

14. Investment in associates

Investment in associates relate to 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.

	Country	Principal activity	Ownership %	Voting %	31-Dec-13	31-Dec-12
MT Telecom SCRL	Belgium	Holding Company	28.8	28.8	8,135	8,729
Egyptian Company For Mobile Services	Egypt	GSM operator	5	5	97,768	113,007
					105,903	121,736
Deduct: impairment					(13,536)	-
Investment in associate					**92,367**	**121,736**

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 holding in ECMS at a price of EGP 202.5 per share for a total cash consideration of approximately US$ 933 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 will continue to provide services to ECMS under the general service agreement renewed on 22 March 2012, subject to possible future changes that may be decided by ECMS for that agreement or its assignment to France Telecom, at France Telecom's discretion, against compensation of Euro 110 million to the Company.

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 Euro 33.68 in 2015 to Euro 37.14 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 Euro 30.55 to Euro 37.14 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. Other financial assets in relation to the above mentioned put and call options.

There are no significant contingent liabilities relating to the Group's interest in ECMS, except for a legal case mentioned in the note 33 with the Egyptian Regulator.

The following table provides the movements in the Group's investment in ECMS for the year ended December 2013 and for period from inception to 31 December 2012:

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Opening	121,736	876,280
Share of (loss) of associate	(7,067)	(15,810)
Partial sale	-	(730,322)
Consideration for voting rights	-	9,179
Share of gains of associate comprehensive income	209	-
Impairment	(13,536)	-
Exchange differences	(8,975)	(17,591)
As of 31 December	**92,367**	**121,736**

During 2013 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$ 13,536 thousand.

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

Summarized balance sheet

	As of 31 December	
	2013	**2012**
Current		
Current assets	426,161	470,234
Current liabilities	(1,102,753)	(1,136,446)
Total current net assets	**(676,592)**	**(666,212)**
Non-current assets	1,865,506	2,119,488
Non-current liabilities	(933,096)	(1,104,322)
Total non-current net assets	**932,410**	**1,015,166**
Net assets	**255,818**	**348,954**

Summarized statement of comprehensive income

	Year ended 31 December 2013	**Period from inception (29 November 2011) to 31 December 2012**
Revenue	1,539,814	1,692,645
Depreciation and amortisation	(372,802)	(406,977)
Interest income	7,821	9,317
Interest expense	(143,949)	(137,282)
Profit or (loss) from continuing operations	(76,680)	(33,023)
Income tax expense	10,247	(4,795)
Post tax profit (loss) from continuing operations	(66,433)	(37,818)
Other comprehensive income	(1,072)	980
Total comprehensive income	**(67,505)**	**(36,838)**

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

	As of 31 December	
	2013	**2012**
Net assets of associate	255,818	348,954
Proportion of the Group's ownership interest in ECMS	5%	5%
Goodwill	43,682	61,736
Other purchase price adjustments	35,894	42,552
Carrying amount of the Group's interest in ECMS	**92,367**	**121,736**

15. Other non-operating income

During prior period other non-operating income included the settlement fee relating to the transfer of general service agreement governing the provision of services by OTMT to the Egyptian Company for Mobile Services to France Telecom. During the prior period, France Telecom exercised its right to transfer the service agreement according to the amended master agreement on 11 April 2012 between the Company and FT in which it is stated that FT will pay OTMT a transfer fee of EUR 110 Million equivalent to US$ 145,116 thousand in addition to-including accrued management fees for the period from 1 July 2012 till the transfer date of the contract with amount EUR 2.2 million equivalent to US$ 2.8 million which is recorded as technical services revenue, and also includes the settlement of the receivable balance from ECMS amounting EUR 1.6 million equivalent to US$ 2.1 million to the company for transferring the contract.

16. Income tax expense

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Current tax expense	19,646	20,667
Deferred tax liabilities (expenses)	3,164	8,490
Total Income Tax Expenses	**22,810**	**29,157**

17. Property and equipment

	Land and Buildings	Plant and machinery	Cable system and equipment	Commercial and other tangible assets	Assets under Construction	Total
Cost	*13,210*	*177,409*	*29,326*	*12,971*	*267,556*	*500,472*
Accumulated depreciation and impairment	*(966)*	*(50,318)*	*(5,883)*	*(8,133)*	*(38,311)*	*(103,611)*
As of 1 January 2013	**12,244**	**127,091**	**23,443**	**4,838**	**229,245**	**396,861**
Additions	214	49,557	906	4,835	14,878	70,390
Disposals	-	(29)	-	(102)	(80)	(211)
Change in scope of consolidation	1	-	-	66	-	67
Depreciation	(409)	(23,034)	(1,904)	(3,975)	-	(29,322)
Impairment charges	-	-	-	(1)	(67,605)	(67,606)
Exchange differences	(456)	1,262	(247)	73	364	996
Reclassifications	3	(11,373)	-	12,627	(1,257)	-
As of 31 December 2013	**11,598**	**143,474**	**22,198**	**18,360**	**175,545**	**371,175**
Cost	*12,983*	*214,201*	*29,852*	*33,261*	*281,461*	*571,758*
Accumulated depreciation and impairment	*(1,386)*	*(70,727)*	*(7,654)*	*(14,900)*	*(105,916)*	*(200,583)*

	Land and Buildings	Plant and machinery	Cable system and equipment	Commercial and other tangible assets	Assets under Construction	Total
Cost	*6,210*	*128,606*	*60,329*	*11,769*	*259,572*	*466,486*
Accumulated depreciation and impairment	*(618)*	*(31,214)*	*(37,260)*	*(6,752)*	*-*	*(75,844)*
As of inception (29 November 2011)	**5,592**	**97,392**	**23,069**	**5,017**	**259,572**	**390,642**
Additions	7,548	45,620	3,913	1,994	9,216	68,291
Disposals	-	-	-	(62)	(792)	(854)
Depreciation	(405)	(18,392)	(1,323)	(1,876)	-	(21,996)
Impairment charges	-	-	(14)	(1)	(38,312)	(38,327)
Exchange differences	(491)	2,471	(2,696)	(248)	69	(895)
Reclassifications			494	14	(508)	-
As of 31 December 2012	**12,244**	**127,091**	**23,443**	**4,838**	**229,245**	**396,861**
Cost	*13,210*	*177,409*	*29,326*	*12,971*	*267,556*	*500,472*
Accumulated depreciation and impairment	*(966)*	*(50,318)*	*(5,883)*	*(8,133)*	*(38,311)*	*(103,611)*

Additions to property and equipment 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.

Note that 2013 additions had for a significant portion already been settled through advance payments as of 31 December 2012. 2012 additions to land and building mainly related to the acquisition of the administrative premises from OTH.
Borrowings, primarily of Trans World Associated Private Limited ("TWA"), are secured on property and equipment for the value of US$ 4,991 thousand as of 31 December 2013.

18. Intangible assets

	License	Goodwill	Other	Total
Cost	*72,137*	*6,683*	*10,219*	*89,039*
Accumulated amortization and impairment	*(10,534)*	*(2,445)*	*(384)*	*(13,363)*
As of 1 January 2013	**61,603**	**4,238**	**9,835**	**75,676**
Additions	719	363	2,210	3,292
Amortization	(3,104)	-	(288)	(3,392)
Impairment loss	-	(407)	-	(407)
Disposals	(276)	-	(8,268)	(8,544)
Change in the scope of consolidation	(461)	-	(420)	(881)
Exchange differences	(2,029)	(320)	(413)	(2,762)
As of 31 December 2013	**56,452**	**3,874**	**2,656**	**62,982**
Cost	***69,537***	***6,537***	***3,043***	***79,117***
Accumulated amortization and impairment	***(13,085)***	***(2,663)***	***(387)***	***(16,135)***

	License	Goodwill	Other	Total
Cost	*70,112*	*7,118*	*1,342*	*78,572*
Accumulated amortization and impairment	*(7,707)*	*(2,604)*	*(386)*	*(10,697)*
As of inception (29 November 2011)	**62,405**	**4,514**	**956**	**67,875**
Additions	4,314	-	8,783	13,097
Amortization	(3,253)	-	(20)	(3,273)
Exchange differences	(1,863)	(276)	116	(2,023)
As of 31 December 2012	**61,603**	**4,238**	**9,835**	**75,676**
Cost	***72,137***	***6,683***	***10,219***	***89,039***
Accumulated amortization and impairment	***(10,534)***	***(2,445)***	***(384)***	***(13,363)***

The following table provides an analysis of goodwill by segment:

	Media and Technology	Cable	Total	Media and Technology	Cable	Total
Year ended 31 December 2013 / Period from inception (29 November 2011) to 31 December 2012	**3,459**	**779**	**4,238**	**3,683**	**831**	**4,514**
Cost	*5,904*	*779*	*6,683*	*6,287*	*831*	*7,118*
Accumulated impairment	*(2,445)*	*-*	*(2,445)*	*(2,604)*	*-*	*(2,604)*
Additions	363	-	363	-	-	-
Impairment	(407)	-	(407)	-	-	-
Exchange differences	(210)	(110)	(320)	(224)	(52)	(276)
Closing balances	**3,205**	**669**	**3,874**	**3,459**	**779**	**4,238**
Cost	*5,868*	*669*	*6,537*	*5,904*	*779*	*6,683*
Accumulated impairment	*(2,663)*	*-*	*(2,663)*	*(2,445)*	*-*	*(2,445)*

19. Other financial assets

	As of 31 December 2013			As of 31 December 2012		
	Non-current	Current	Total	Non-current	Current	Total
Derivative financial instruments	200,725	-	200,725	165,194	-	165,194
Deposits	482,539	3,074	485,613	272,462	4,226	276,688
Financial assets available for sale -At Cost	6,384	-	6,384	6,889	-	6,889
Financial receivables	47	524	571	45	479	524
Other financial assets	**689,695**	**3,598**	**693,293**	**444,590**	**4,705**	**449,295**

Derivatives

Call / Put options with France Telecom

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 France Telecom.
According to the amended and restated shareholders agreement between the Company and France Telecom dated 11 April 2012, and as disclosed in Note 14 the amended agreement states that France Telecom 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 2013 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 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 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 2013 amounted to US$ 201 million (2012: US$ 165 million).

Deposits

Deposits as of 31 December 2013 also include an amount of US$ 482,539 thousand (31 December 2012: US$ 272,343 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 31 December 2013 deposits amounting to US$ 3,704 thousand (31 December 2012: US$ 940 thousand) are pledged or blocked as security against related bank borrowings or others commitments related to issued LGS and outstanding loan requirements.

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

	As of 31 December 2013		As of 31 December 2012	
	Deposits	*Financial receivables*	*Deposits*	*Financial receivables*
Not past due	485,613	571	276,688	524
Past due 0-30 days	-	-	-	-
Past due 31-120 days	-	-	-	-
Past due 121-150 days	-	-	-	-
Past due more than 150 days	-	-	-	-
Total	**485,613**	**571**	**276,688**	**524**

AFS investments

Company name	% ownership	As of 31 December 2013	As of December 2012
Smart Village	10%	6,367	6,889
Others	-	17	-
		6,384	**6,889**

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.

20. 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.

	As of 31 December 2013	As of 31 December 2012
Deferred tax liabilities, gross	(13,094)	(10,200)
Deferred tax assets offset	-	-
Deferred tax liabilities	**(13,094)**	(10,200)

The movement in the deferred income tax account is as follows:

	As of 31 December 2013	As of 31 December 2012
As of 1 January	**(10,200)**	**(2,392)**
Exchange differences	269	681
(Charged) to income statement.	(3,163)	(8,489)
As of 31 December	**(13,094)**	**(10,200)**

The movement of deferred tax assets and liabilities during the period, without taking into consideration any offsetting is provided in the tables below:

Deferred Tax Assets

Deferred tax assets	Depreciation and amortization	Other	Total
As of inception (29 November 2011)	**12**	**3,471**	**3,483**
Credited/(charged) to the income statement	(12)	(3,426)	(3,438)
Exchange differences	-	(45)	(45)
As of 31 December 2012	-	-	-

Deferred tax liabilities	Unremitted earnings	Other	Total
As of 1 January 2013	**9,169**	**1,031**	**10,200**
Charged / (credited) to the income statement	1,361	1,801	**3,162**
Exchange differences	(156)	(112)	**(268)**
As of 31 December 31, 2013	10,374	2,720	**13,094**

Deferred tax liabilities	**Unremitted earnings**	**Others**	**Total**
As of inception (29 November 2011)	**5,543**	**332**	**5,875**
Charged / (credited) to the income statement	4,169	882	5,051
Exchange differences	(543)	(183)	(726)
As of 31 December 2012	**9,169**	**1,031**	**10,200**

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.

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

Management believes that pursuant to the agreement signed with the government of North Korea which organizes shareholders relationship in the operator of mobile phone service, the Company's financial statements prepared in accordance with IFRS will be the base used to determine taxable profits following the tax exemption period.

In the absence of specific legal requirements or information of any adjustments required to net accounting profits for the purposes of calculating the income tax according to tax law on the foreign activities in North Korea, and in the absence of any sources of reliable information in similar situations of other foreign activities, in accordance with the limited information available,

Management believes that there are no differences between the tax 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 recognized.

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 2013, Management will reassess its estimate in a way that might result in the recognition of deferred taxes related to those assets and liabilities.

21. Trade receivables

	As of 31 December 2013	**As of 31 December 2012**
Receivables due from customers	73,306	61,747
Allowance for doubtful receivables	(7,236)	(6,106)
Total	**66,070**	**55,641**

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

	2013	2012
Opening Balances	**6,106**	**8,507**
Foreign exchange differences	(272)	(392)
Additions (allowances recognized as an expense)	5,116	2,979
Change in scope of consolidation	-	(3,908)
Used	(230)	(1,080)
Reversal of impairment	(3,484)	-
Closing Balances	**7,236**	**6,106**

The allowance for doubtful receivables mainly relate to customers of the Media & Technology segment.

The following table shows the ageing analysis of trade receivables as of 31 December 2013 and 2012, net of the relevant allowance for doubtful receivables:

	As of 31 December 2013	As of 31 December 2012
Not past due	46,246	32,754
Past due 0-30 days	6,786	4,380
Past due 31-120 days	3,497	5,289
Past due 121 - 150 days	576	3,777
Past due more than 150 days	8,965	9,441
Trade receivables	**66,070**	**55,641**

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.

22. Other assets

(in thousands of US$)	As of 31 December 2013			As of 31 December 2012		
	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	6,408	2,389	**8,797**	3,578	2,513	**6,091**
Advances to suppliers	-	1,690	**1,690**	-	7,779	**7,779**
Receivables due form tax authorities	-	3,113	**3,113**	-	2,072	**2,072**
Other receivables	-	6,549	**6,549**	-	5,157	**5,157**
Allowance for doubtful current assets	-	(1,282)	**(1,282)**	-	(991)	**(991)**
Total	**6,408**	**12,459**	**18,867**	**3,578**	**16,530**	**20,108**

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

	2013	2012
Opening	**991**	**504**
Exchange differences	(91)	(53)
Additions (allowances recognized as an expense)	617	1,081
reversal of provisions	-	(541)
Used	(235)	
Closing	1,282	991

23. Cash and balances at banks

	As of 31 December 2013	As of 31 December 2012
Bank accounts and Deposits	124,393	309,459
Cash on hand	360	305
Total	**124,753**	**309,764**

24. 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.

Dividends

On 18 March 2013 at the OTMT shareholders meeting, a dividend payment of EGP 0.25 per share, for an aggregate amount of US$ 197 million was approved. The dividend was paid on May 2013.

25. Borrowings

	As of 31 December 2013			As of 31 December 2012		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities to banks	1,478	534	2,012	3,034	348	3,382
Finance lease liability	94	137	231	77	157	234
Other borrowings	4,884	1,624	6,508	5,185	2,026	7,211
As of December 31,	**6,456**	**2,295**	**8,751**	**8,296**	**2,531**	**10,827**

	within one year	1-2 years	2-3 years	3-4 years	4-5 years	after 5 years	Total
Liabilities to banks	1,478	534	-	-	-	-	2,012
Finance lease liability	94	94	23	20	-	-	231
Other borrowings	4,884	542	542	540	-	-	6,508
As of December 31, 2013	**6,456**	**1,170**	**565**	**560**	**-**	**-**	**8,751**
Liabilities to banks	3,033	348	-	-	-	-	3,381
Other borrowings	77	77	80	-	-	-	234
Finance lease liability	5,185	509	506	506	506	-	7,212
As of December 31, 2012	**8,295**	**934**	**586**	**506**	**506**	**-**	**10,827**

Liabilities due to banks

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

Finance lease liabilities

	As of 31 December 2013	As of 31 December 2012
Gross finance lease liabilities – minimum lease payments		
Within one year	112	100
Between 1-5 years	147	169
After 5 years	-	-
	259	269
Future finance charges on finance leases	(28)	(35)
Present value of finance lease liabilities	231	234
The present value of finance lease liabilities is as follows:		
Within one year	94	77
Between 1-5 years	137	157
After 5 years	-	-
	231	234

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:

	US$	Egyptian Pound	Pakistan Rupee	Total
As of 31 December 2013	5,965	548	2,238	8,751
As of 31 December 2012	6,067	1,235	3,525	10,827

Financial liabilities include secured liabilities of US$ 6,511 thousand as of 31 December 2013 vs US$ 5,449 thousand as of 31 December 2012. 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.

26. Trade payables and other liabilities

	As of 31 December 2013			As of 31 December 2012		
	Current	Non-current	Total	Current	Non-current	Total
Trade payables						
Capital expenditure payables	33,995	-	33,995	17,906	-	17,906
Trade payables due to suppliers	46,834	-	46,834	25,335	-	25,335
Other trade payables	16,390	-	16,390	40,355	-	40,355
Subtotal	**97,219**	**-**	**97,219**	**83,596**	**-**	**83,596**
Other payable						
Prepaid traffic and deferred income	72,080	1,792	73,872	47,294	2,144	49,438
Due to local authorities	3,063	-	3,063	3,119	-	3,119
Personnel payables	5,976	-	5,976	6,547	-	6,547
Other credit balances	10,261	3,637	13,897	5,154	3,457	8,611
Subtotal	**91,380**	**5,429**	**96,809**	**62,114**	**5,601**	**67,715**
Total	**188,599**	**5,429**	**194,028**	**145,710**	**5,601**	**151,311**

27. Provisions

	As of December 2013	As of December 2012
Opening	51,394	5,003
Additions	32,456	49,388
Currency translation differences	(3,867)	(2,547)
Provision used	(3,277)	(450)
Closing	**76,658**	**51,394**

28. Defined benefit obligation

Some subsidiaries of the Group grant to their employees post-employment benefits other than pensions in the form of a lump sum payment on termination of service of the final monthly salary for each year of service. The expected costs of these benefits are accrued over the period of employment as a post-employment defined benefit Obligation . All post-employment benefits other than pensions are directly paid by the Group to the employees at the end of employment and therefore no obligation assets are accumulated for such benefits. The present value of the unfunded post-employment benefit amounts to US$ 2,284 as of 31 December 2013.

The movement in the defined benefit obligation over the year is as follows:

	2013
As of 1 January	-
Current service cost	445
Interest expense	-
Past service cost and gains and losses on settlements	1,864
Components of defined benefit costs recognised in profit and loss	2,309
Remeasurement of the defined benefit liability:	
(Gain)/Loss from change in demographic assumptions	-
(Gain)/Loss from change in financial assumptions	-
Experience (gains)/losses	-
Components of defined benefit costs recognised in other comprehensive income	-
Payment from plan	-
Exchange differences	(25)
As of 31 December	**2,284**

As of the last valuation date, the present value of the defined benefit obligation was comprised of only active employees.

The significant actuarial assumptions were as follows:

	2013
Financial assumptions:	
Discount rate	13.50%
Inflation	NA
Salary growth rate	10%
Demographic assumptions:	
Average longevity at retirement age for current pensioners (years)	
- male	24
- female	24

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory and reflected in the average employee service period.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0,50%	(50)	105
Salary growth rate	0,50%	50	(11)
Life expectancy	1 year	19	40

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value calculated using the projected unit credit method) has been applied as when calculating the pension liability recognised within the statement of financial position.

Through its defined benefit obligation the Group is exposed to a number of risks, the most significant of which are detailed below.

Interest rate risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bonds. A decrease in those yields will increase plan liabilities.

Life and employee service expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of life and employee service expectancy. An increase in life or employee service expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the post-employment plan liability is calculated by reference to future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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 are equal.

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Profit attributable to equity holders of the Parent Company	105,234	559,788
Weighted average number of shares (in thousands of shares)	5,245,690	5,245,690
Earnings per share – basic and diluted (in US$)	**0.02**	**0.11**

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$ 483 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.

Summarized balance sheet

	Trans World Associates (Pvt) Ltd		CHEO Technology JV Company	
	As of 31 December		As of 31 December	
	2013	2012	2013	2012
Current				
Current assets	14,595	11,761	55,133	21,940
Current liabilities	(18,605)	(17,733)	(144,990)	(94,479)
Total current net assets	**(4,010)**	**(5,972)**	**(89,857)**	**(72,539)**
Non-current assets	26,769	24,227	679,666	431,228
Non-current liabilities	(6,525)	(5,327)	-	-
Total non-current net assets	**20,244**	**18,900**	**679,666**	**431,228**
Net assets	**16,234**	**12,928**	**589,809**	**358,689**

Summarised income statement

	Trans World Associates (Pvt) Ltd		CHEO Technology JV Company	
	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Revenue	20,808	18,687	310,699	228,146
Profit (loss) before income tax	5,764	4,310	221,721	153,692
Income tax expense	(2,110)	(723)	(992)	-
Post tax profit (loss) from continuing operations	3,654	3,587	220,729	153,692
Other comprehensive income	1,956	(4,857)	12,562	14,141
Total comprehensive income	**5,610**	**(1,270)**	**233,291**	**167,833**
Total comprehensive income allocated to non-controlling interests	2,749	(622)	114,313	82,238
Dividends paid to non-controlling interests	-	-	-	6,217

Summarised cash flows

	Trans World Associates (Pvt) Ltd		CHEO Technology JV Company	
	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Cash flows generated from (used in) operating activities	7,848	3,743	277,096	223,310
Interest paid	(556)	(817)	-	-
Income tax paid	(1,003)	(518)	-	-
Net cash generated from (used in) operating activities	6,289	2,407	277,096	223,310
Net cash used in investing activities	(433)	(2,230)	(244,354)	(194,937)
Net cash used in financing activities	(2,463)	(1,786)	-	(17,885)
Net (decrease) / increase in cash and cash equivalents	**3,395**	**(1,609)**	**32,742**	**10,487**
Cash and cash equivalents at the beginning of the period	2,214	4,217	16,308	8,161
Exchange gains (losses) on cash and cash equivalents	(86)	(394)	5,567	(2,341)
Cash and cash equivalents at the end of the period	**5,521**	**2,214**	**54,617**	**16,307**

The above information is the amount before intercompany eliminations.

31. Commitments

The commitments as of 31 December 2013 and 2012 are provided in the table below:

	As of 31 December 2013	As of 31 December 2012
Purchase of property and equipment	8,875	317
Others	21,974	15,989
Total	30,849	16,306

Commitments for purchase of property and equipment mainly relate to MenaCable commitments to purchase marine cables and related equipment. Other commitments mainly relate to maintenance and insurance for MenaCable submarine cable

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:

	For the Year ended 31 December 2013		Period from inception (29 November 2011) to 31 December 2012	
	Revenue	*Purchase of services and goods*	*Revenue*	*Purchase of services and goods*
Associate				
ECMS	1,427	-	8,955	-
Others				
Summit Technology	-	128	-	-
Contrack facility management	2,174	-	-	-
Total	**3,601**	**128**	**8,955**	**-**

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

	As of 31 December 2013		As of 31 December 2012	
	Receivables	*Payables*	*Receivables*	*Payables*
Associate				
ECMS	1,702	-	4,937	-
Others				
Korean Post and Telecommunication Company – KPTC	-	17,157	-	-
LDN	-	-	2,759	776
Orastar LTD	-	4,809	-	-
Dr. Omar Zawawy (shareholder of a subsidiary)	-	1,233	-	-
	1,702	**23,200**	**7,696**	**776**

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

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 is shown below:

	Year ended 31 December 2013	Period from inception (29 November 2011) to 31 December 2012
Key management compensation	165	112
	165	**112**

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:

Orascom Telecom Media and Technology Holding

- A guarantee is issued to one of the suppliers of the subsidiary (Koryolink) amounted to USD 25 Million.
- A Letter of guarantee in favour of Lebanon Ministry of Telecommunication to guarantee Orascom Telecom Lebanon in the payment of any amount due by the selected participants amounting to USD 40 Million.

Trans World Associates (subsidiary)

- A bank guarantee issued in favour of Higher Education Commission amounting to Rupees 2,000 thousand which is equivalent to USD 19 thousand and valid until December 31, 2013.

- A bank guarantee issued in favour of Karachi Electric Supply Company (LTD) amounting to Rupees 2,976 thousand which is equivalent to USD 28 thousand and valid until December 31, 2013.

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

- A guarantee issued to one of the subsidiary's clients amounting to USD 83 Million to guarantee the subsidiary to fulfil its contractual obligations represented in performing the contracted services.

Egyptian Company for Mobile Services (associate)

Telecom Egypt filed a complaint with the National Telecommunication Regulatory Authority (NTRA), with the purpose of changing its interconnect prices with the mobile operators, with which it has existing contracts. ECMS responded to the complaint before the NTRA Dispute Resolution Committee asking to honour the existing effective contract between ECMS and Telecom Egypt. The NTRA issued a ruling on the dispute in favour of Telecom Egypt on 3 September 2008. Furthermore, on 31 December 2009 NTRA issued a decree making new changes to the interconnect prices among operators to be retroactively applied from 1 September 2009 (subsequently amended on 14 January 2010).

ECMS filed various law suits against the NTRA rulings and decrees in the Administrative Court at the State Counsel asking for staying and nullifying the NTRA decision and decrees.

On 5 June 2010 the Administrative Court accepted the summary request in the lawsuits filed by ECMS against the NTRA decision and decrees and ruled in favour of ECMS, referring the lawsuit also to the State Commissioners' Authority to prepare a legal opinion concerning the request to nullify the said decisions and decrees of NTRA.

The NTRA appealed the ruling of the Administrative Court before the High Administrative Court, which referred it to the State Commissioners' Authority. The State Commissioners' Authority issued its advisory report on 6 December 2010 recommending the ruling against ECMS.

In the hearing of May 25, 2013 the High Administrative Court refused NTRA's appeal to the Administrative Court ruling. On October 8, 2013 the Administrative Court issued its first instance judgment in favour of Vodafone Egypt for a similar lawsuit.

Although Telecom Egypt appealed the Administrative Court ruling in favour of Vodafone Egypt, ECMS and its external legal counsel believe that it has a strong legal position as the NTRA's decisions do not have legal or contractual ground, hence interconnect revenue and costs continued to be recorded based on the existing agreement with Telecom Egypt and other mobile operators.

If the Egyptian Company for Mobile Services applies the opinion of the Egyptian Telecommunications Company, this will have a negative impact on the company's share in the affiliate companies in the income statement by the amount of USD 11 million before taxes.

34. Comparative figures

As discussed in further detail in Note 1, The Company was legally established on 29 November 2011, therefore, the consolidated financial results are shown from the inception date to the 31 December 2012.

35. Subsequent events

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

The Company has signed, on January 21, 2014, an indefeasible right of use agreement with Telecom Egypt Company for diversified fiber pair between Zaafarana and Abu-Talat pending on acquiring the mandatory permits, thereby completing the terrestrial infrastructure of the company's cable system extending across Egypt.

36. Non-cash transactions

Significant non-cash transactions are represented in amounts which were eliminated when preparing the consolidated cash flows, as follows:

- Elimination of effect of non-cash transaction related to purchase of fixed assets during the year amounted to US$ 16 Million.
- Elimination of effect of non-cash transaction related to intangible assets during the year amounted to US$ 8 Million.

These amounts were reported in the change in creditors and other credit balances.

37. Non-distributable earnings

Retained earnings include an amount of US$ 25,592 thousand as of December 2013 vs US$ 21,361 as of December 2012 which is not available for distribution representing a legal and special reserves at the subsidiaries level.

Appendix A - Subsidiaries, associates and investments as of 31 December 2013

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 North Korea	North Korea	CHEO Technology JV Company	Telecommunication operator	75.000%	75.000%	25.000%	Subsidiary
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 Serivces (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 ll	Middle East and North Africa for Sea Cables	Cable business	100.000%	99.630%	0.370%	Subsidiary
Media and Technology	Egypt	Orascom Telecom Ventures S.A.E.	Digital solutions , solution development, and hosting services	99.999%	99.990%	0.010%	Subsidiary
Media and Technology	Egypt	Dare N' Deal	Online marketing	60.000%	60.000%	40.000%	Subsidiary
Media and Technology	Egypt	Link Development S.A.E.	Digital solutions , solution development, and hosting services	99.800%	99.800%	0.200%	Subsidiary
Media and Technology	Egypt	ARPU for Telecommunication Services S.A.E.	Mobile vas and applications	99.000%	99.000%	1.000%	Subsidiary
Media and Technology	Pakistan	Mobi Zone Pakistan (Pvt) Ltd	Mobile vas and applications	100.000%	100.000%	0.000%	Subsidiary
Media and Technology	Tunisia	Mobi Zone Tunisia	Mobile vas and applications	99.000%	99.000%	1.000%	Subsidiary
Media and Technology	Algeria	Mobi Zone Algeria Ltd	Mobile vas and applications	100.000%	100.000%	0.000%	Subsidiary
Media and Technology	Italy	Mobi Zone Italy	Mobile vas and applications	99.000%	99.000%	1.000%	Subsidiary
Media and Technology	UAE	Mobi Zone FZ LLC	Mobile vas and applications	100.000%	100.000%	0.000%	Subsidiary
Media and Technology	Bangladesh	Mobi Zone Bangladesh	Mobile vas and applications	75.000%	100.000%	0.000%	Subsidiary
Media and Technology	Saudi Arabia	Mobi Zone Saudi Arabia	Mobile vas and applications	80.000%	100.000%	0.000%	Subsidiary
Media and Technology	Canada	Mobi Zone Canada Inc	Mobile vas and applications	100.000%	100.000%	0.000%	Subsidiary
Media and Technology	Egypt	Global Telecom S.A.E.	Mobile vas and applications	95.833%	95.833%	4.167%	Subsidiary
Media and Technology	Morocco	Rosten Investments Ltd	Mobile vas and applications	100.000%	100.000%	0.000%	Subsidiary
Media and Technology	Egypt	Egypt Call Communications S.A.	Mobile vas and applications	99.000%	100.000%	0.000%	Subsidiary
Media and Technology	Algeria	Algeria Win Call	Mobile vas and applications	100.000%	100.000%	0.000%	Subsidiary
Media and Technology	Palestine	Palestine Call	Mobile vas and applications	99.993%	99.993%	0.007%	Subsidiary
Media and Technology	British Virgin Islands	Arab Call Group Ltd	Mobile vas and applications	0.000%	99.490%	0.510%	Subsidiary

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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
Media and Technology	Pakistan	Call Pak Pakistan	Mobile vas and applications	100.000%	100.000%	0.000%	Subsidiary
Media and Technology	Saudi Arabia	LinkDotNet KSA	Digital solutions (social marketing, content services, solution development, hosting services)	95.000%	100.000%	0.000%	Subsidiary
Media and Technology	UAE	LinkDotNet LLC	Digital solutions (social marketing, content services, solution development, hosting services)	100.000%	100.000%	0.000%	Subsidiary
Media and Technology	Egypt	Link Online S.A.E.	Digital solutions (social marketing, content services, solution development, hosting services)	99.960%	100.000%	0.000%	Subsidiary
Media and Technology	Egypt	Orascom call center	Call center operation	98.000%	100.000%	0.000%	Subsidiary
Media and Technology	Egypt	Arab Finance Securities	Securities brokerage	86.360%	100.000%	0.000%	Subsidiary
Media and Technology	Egypt	Link for Domain Registration S.A.E.	Application development and hosting for arabic websites	98.000%	100.000%	0.000%	Subsidiary
Media and Technology	Egypt	Connect Ads	Online advertising	98.000%	100.000%	0.000%	Subsidiary
Media and Technology	Qatar	Link Dot Net Qatar	Digital solutions (social marketing, content services, solution development, hosting services)	90.000%	90.000%	10.000%	Subsidiary
Media and Technology	Egypt	Into Development ECP	Application development	51.000%	51.000%	49.000%	Subsidiary
Media and Technology	Turkey	Genart	Online advertising	51.000%	51.000%	49.000%	Subsidiary
Media and Technology	Egypt	Data Tech	Developing programs and software applications	34.000%	34.000%	66.000%	Other investment
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
Other	North Korea	Orabank NK Ltd	Holding company	96.250%	96.250%	3.750%	Subsidiary
Other	Belgium	MT Telecom SCRL	Holding company	0.000%	28.755%	71.245%	Associate
Other	Egypt	Egyptian company for Mobile Services S.A.E.	Telecommunication operator	0.000%	5.000%	95.000%	Other investment
Other	Egypt	Smart Village ECDMV	Managing smart village projects	10.496%	10.496%	89.504%	Other investment

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Appendix B – Liabilities to banks and Other Borrowings as of 31 December 2013

Bank	US$ Thousand			Denomination currency				
	Current	Non-current	Total	Currency	Nominal	Maturity	Interest	Secured / Unsecured
TransWorld Associates (Private) Ltd								
Medium term syndicated finance facility - POICL & SAPICO	345	-	345	PKR	36,000	4 June 2014	6M KIBOR + 3.00%	Secured
Medium term Shirkat-ul-Melk Cum Ijarah facility - DIB	1,133	534	1,666	PKR	168,750	6 March 2015	6M KIBOR + 2.25%	Secured
Total	**1,478**	**534**	**2,012**					

Other borrowings	US$ Thousand			Denomination currency				
	Current	Non-current	Total	Currency	Nominal	Maturity	Interest	Maturity
TransWorld Associates (Private) Ltd								
Long term loan from sponsor's	1,118	1,624	2743	USD	581,743	6 March 2015	3M LIBOR+1%	Secured
Short term loan-1 from sponsor's	775	-	775	USD	164,596	6 March 2015	3M LIBOR+1%	Secured
Short term loan-2 from sponsor's	2,445	-	2445	USD	489,015	6 March 2015	3M LIBOR+1%	Secured
Total	**4,338**	**1,624**	**5,963**					
Notes payable	**546**	**-**	**547**					
Total other borrowings	**4,884**	**1,624**	**6,508**					
Finance lease	**94**	**137**	**234**					
Total Borrowings	**6,456**	**2,295**	**8,751**					