

**Orascom Telecom,
Media and Technology Holding S.A.E.**
Subject to the provisions of law no. 95 for year 1992 and
its executive regulations
Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2014
Together with Auditor's Review Report



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

Condensed consolidated interim
Financial statements together with review report

**Three Months ended
March 31, 2014
US\$**

Report on Review of Interim Financial Information

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Orascom Telecom Media and Technology Holding S.A.E. and its subsidiaries (The Group) which comprise the condensed consolidated statement of financial position as at March 31, 2014 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not fairly presented, in all material respects, in accordance with IAS (34) "Interim Financial Reporting".

Emphasis of matters

- We draw attention to note (21) to the accompanying condensed consolidated interim financial statements which describes in more details that the net assets of Koryolink (subsidiary) equivalent to USD 517 million of the Group's consolidated net assets amounting to USD 1 167 million as of March 31, 2014. Also Koryolink assets include cash balances in North Korean currency equivalent to USD 522 million and are reported within non-current financial assets in the condensed consolidated interim financial statements due to the restrictions imposed on cash transfers from the local currency into foreign currency, and the exchange rates in North Korea.

- We draw attention to note (10) to the accompanying condensed consolidated interim financial statements which describes in more details that according to management's best estimate, and in light of the available information, there are no differences between the tax basis and accounting basis of the recognized assets and liabilities related to the Group's subsidiary in North Korea (Koryolink) that may result in the recognition of any deferred tax assets or liabilities as at March 31, 2014. Management believes that in case any additional information develops in future periods, that would give rise to any such differences on the assets or liabilities recognized in the financial statements as of March 31, 2014, management would revise its estimates and recognition of deferred taxes associated with those assets and liabilities might be required.

Our conclusion on the accompanying condensed consolidated interim financial statements as of March 31, 2014 is not qualified in respect to the matters referred to in the above paragraphs.

Cairo, May 14, 2014



Kamel Magdy Saleh, FCA
F.E.S.A.A. (R.A.A. 8510)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF 31 March 2014

(in thousands of US\$)	Note	As Of 31 March 2014	As Of 31 December 2013
Assets			
Non-current assets			
Property and equipment	11	364,550	371,175
Intangible assets	11	61,948	62,982
Investments in associates	9	89,922	92,367
Other non-current financial assets	12	738,234	689,695
Other non-current assets		6,817	6,408
Total non-current assets		1,261,471	1,222,627
Current assets			
Inventories		308	511
Trade receivables		64,746	66,070
Other current financial assets	12	3,780	3,598
Other current assets		16,745	12,459
Cash and balances at banks		144,700	124,753
Total current assets		230,279	207,391
Total Assets		1,491,750	1,430,018
Equity			
Share capital	13	366,148	366,148
Other reserves		16,946	20,048
Retained earnings		617,275	581,891
Equity attributable to equity holders of the Company		1,000,369	968,087
Non-controlling interest		166,596	155,771
Total equity		1,166,965	1,123,858
Liabilities			
Non-current liabilities			
Non-current borrowings	14	3,765	2,295
Other non-current liabilities	15	6,338	5,429
Defined benefits obligations		2,318	2,284
Deferred tax liabilities		13,708	13,094
Total non-current liabilities		26,129	23,102
Current liabilities			
Current borrowings	14	6,666	6,456
Trade payables and other liabilities	15	186,062	188,599
Current income tax liabilities		26,722	11,345
Provisions	16	79,206	76,658
Total current liabilities		298,656	283,058
Total Liabilities		324,785	306,160
Total Equity and Liabilities		1,491,750	1,430,018

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

Chief Financial Officer
Youssef Shoukry

Chief Executive Officer
Karim Beshara

Review report 'attached'

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT AND STATEMENT OF
COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 March 2014

(in thousands of US\$)	Note	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Operating revenues	6	112,385	104,965
Other income		102	1,142
Purchases and services	7	(33,927)	(28,913)
Other expenses		(4,028)	(5,413)
Personnel cost		(9,778)	(8,693)
Depreciation and amortization		(9,564)	(7,830)
Disposal of non-current assets			44
Operating income		55,190	55,302
Financial income	8	9,688	20,794
Financial expense	8	(428)	(448)
Foreign exchange gain	8	466	11,797
Share of loss of investment in associates	9	(2,196)	(2,143)
Profit before income tax		62,720	85,302
Income tax expense	10	(16,117)	(7,839)
Profit for the period		46,603	77,463
Owners of the parent company		35,384	64,633
Non-controlling interests		11,219	12,830
		46,603	77,463
Earnings per share (basic and diluted) – (in US\$)	17	0.007	0.012

(in thousands of US\$)	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Profit for the period	46,603	77,463
Items that may be subsequently reclassified to profit or loss net of tax		
Currency translation differences	(3,496)	(32,343)
Total comprehensive income for the period	43,107	45,120
Attributable to:		
Owners of the parent company	32,282	32,602
Non-controlling interests	10,825	12,518
Total comprehensive income for the period	43,107	45,120

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

Chief Financial Officer
Youssef Shoukry

Chief Executive Officer
Karim Beshara

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 March 2014

(in thousands of US\$)	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Equity attributable to shareholders of the parent company	Non-Controlling Interests	Total equity
As at January 1, 2014	366,148	81,329	(61,490)	209	581,891	968,087	155,771	1,123,858
Comprehensive income								
Other comprehensive income	-	-	(3,102)	-	-	(3,102)	(394)	(3,496)
Profit for the period	-	-	-	-	35,384	35,384	11,219	46,603
Total comprehensive income	-	-	(3,102)	-	35,384	32,282	10,825	43,107
As of March 31, 2014	366,148	81,329	(64,592)	209	617,275	1,000,369	166,596	1,166,965

(in thousands of US\$)	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Equity attributable to shareholders of the parent company	Non-Controlling Interests	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								
Other comprehensive income	-	-	(32,031)	-	-	(32,031)	(312)	(32,343)
Profit for the period	-	-	-	-	64,633	64,633	12,830	77,463
Total comprehensive income	-	-	(32,031)	-	64,633	32,602	12,518	45,120
Dividends to shareholders	-	-	-	-	(199,332)	(199,332)	-	(199,332)
Transferred to legal reserves	-	12,911	-	-	(12,911)	-	-	-
Total transactions with owners	-	12,911	-	-	(212,243)	(199,332)	-	(199,332)
As at March 31, 2013	366,148	81,500	(60,616)	-	538,473	925,505	107,867	1,033,372

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

Chief Financial Officer
Youssef Shoukry

Chief Executive Officer
Karim Beshara



ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 March 2014

(in thousands of US\$)	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Profit for the period	62,720	85,302
<i>Adjustments for</i>		
Depreciation, amortisation and impairment charges	9,564	7,830
Fair value gains on derivative instrument	(9,469)	(20,203)
Interest expense	428	407
Investment income	(219)	(591)
Foreign exchange (gain) /loss	(466)	(8,566)
Share of profit of associate	2,196	2,143
Net movement of provisions	2,792	4,526
Gain on disposal of non-current assets	-	(44)
Changes in other assets	(2,290)	3,344
Changes in other liabilities	5,977	17,556
Cash flows generated by operating activities	71,233	91,704
Income taxes paid	(545)	(2,511)
Interest paid	(428)	(407)
Interest collected	219	591
Net Cash flows generated by operating activities	70,479	89,377
<i>Cash out flow for investments in</i>		
Property and equipment	(9,353)	(12,712)
Intangible assets	-	(1,883)
Change in Deposits and financial assets	(42,999)	(62,411)
<i>Proceeds from disposal of</i>		
Property and equipment	855	299
Cash flows used in investing activities	(51,497)	(76,707)
Proceeds from loan and bank facilities	1,425	1,132
Cash flows generated by financing activities	1,425	1,132
Net increase in cash and cash equivalents	20,407	13,802
Effect of exchange rates on cash and cash equivalents	(460)	(3,621)
Cash and cash equivalents at the beginning of the period	124,753	309,764
Cash and cash equivalents at the end of the period	144,700	319,945

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

Chief Financial Officer
Youssef Shoukry

Chief Executive Officer
Karim Beshara

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 March 2014

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.

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 Telecom Media and Technology Investments II S.à.r.l. (the “Ultimate Parent Company”).

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

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. Statement of compliance

These condensed consolidated interim financial statements as of 31 March 2014 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. As permitted by IAS 34, the Company has opted to prepare a condensed version as compared to the consolidated financial statements as of 31 December 2013. The condensed consolidated interim financial statements do not include all of the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRSs.

This condensed consolidated interim financial information was approved for issue on 14 May 2014. The financial statements are not the statutory financial statements of the company, as the statutory financial statements are prepared in accordance with the Egyptian Accounting Standards

3. Significant accounting policies

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

A. Adoption of new and revised International Financial Reporting Standards

A.1 Standards and interpretations effective in the current period

The following revised standards are effective for the current period. The adoption of these standards has not led to material changes in the Group’s accounting policies.

Revised Standards

IFRS 7	Financial Instruments – Offsetting financial assets and liabilities (amendment)
IFRS 11	Joint Arrangements
IFRS 13	Fair Value Measurement

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 March 2014

IAS 1	Presentation of Financial Statements— Amendments to revise the way other comprehensive income is presented
IAS 19	Employee Benefits— Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects
IAS 28	Investments in Associates and Joint Ventures (2011) - Amendment for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12
Various	Amendments resulting from annual improvement project

New Interpretations

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

A.2 Standards and interpretations not yet adopted

At the date of authorization of these condensed consolidated interim 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 for annual periods beginning on or after the dates described below.

New and Revised Standards	Effective from
IFRS 9 Financial Instrument	1 January 2015
IFRS 9 Mandatory effective date of IFRS 9 and transition disclosures	1 January 2015
IFRS 7 Mandatory effective date of IFRS 9 and transition disclosures	1 January 2015

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

4. Use of estimates

The preparation of the condensed consolidated interim financial statements requires that the directors apply accounting policies and methodologies that, in some circumstances, are based upon complex and subjective judgments and estimates that are based on historical experience and assumptions that are considered to be reasonable and realistic at the time, considering the relevant circumstances. The application of such estimates and assumptions impacts the amounts recorded in the consolidated statement of financial position, the consolidated income statement, the consolidated 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.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2013.

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:

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 March 2014

- *GSM – North Korea*: relating to the mobile telecommunication operations performed in North Korea through the operator Koryolink.
- *GSM – Lebanon*: relating to the management contract of the Lebanese mobile telecommunications operator Alfa which is owned by the Republic of Lebanon.
- *Cable*: relating to the provision of direct broadband and high-speed connectivity to telecom operators, internet service providers and major corporations through submarine fibre optic cables.
- *Media & Technology*: relating mainly to the provision of online advertising and content to corporate customer, mobile value added services and software development and hosting of corporate clients.
- *Other*: relating to the Group's equity accounting investment and income and expenses related to OTMT.

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

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

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

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Telephony Services	87,494	76,598
Interconnection traffic - revenue	12,162	9,505
Other income from services and sale of goods	12,729	18862
Total	112,385	104,965

Revenue and EBITDA disclosure per segment for the period ended 31 March

	For the Period ended 31 March 2014				For the Period ended 31 March 2013			
	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	84,802	-	84,802	64,931	74,799	-	74,799	61,343
GSM Lebanon	1,804	-	1,804	1,135	4,829	-	4,829	4,039
Media & Technology	20,364	(668)	19,696	(1,221)	19,661	-	19,661	3,008
Cable	5,652	-	5,652	342	5,676	-	5,676	1,386
Other	3,822	(3,391)	431	(433)	2,812	(2,812)	-	(6,689)
Total	116,444	(4,059)	112,385	64,754	107,777	(2,812)	104,965	63,087

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 March 2014

Assets per segment as of 31 March 2014

	As of 31 March 2014			
	Property and equipment	Intangible assets	Equity investments	Total
GSM North Korea	164,472	55,869	-	220,341
Media & Technology	10,307	4,537	-	14,844
Cable	183,564	1,288	-	184,852
Other	6,207	254	89,922	96,383
Total	364,550	61,948	89,922	516,420

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment in the current and comparative period

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
GSM North Korea	1,644	13,875
Media & Technology	365	462
Cable	485	140
Other	101	85
Total	2,595	14,562

There has no change in reportable segments since December 31, 2013.

6. Revenue

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Telephony Services	87,494	76,598
Interconnection traffic	12,162	9,505
Content downloads	7,272	10,933
Management contract –Fees	2,239	4,829
Other income from services and sale of goods	3,218	3,100
Total	112,385	104,965

The increase in telephone services revenue is due to the increase in the revenues generated from the telecommunications operator in North Korea “Koryolink” amounting to USD 10,896 thousand which is due to the increase in the numbers of users between the current and comparative period.

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 March 2014

7. Purchases and services

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Rental of local network, technical sites and other leases	5,254	4,982
Customer acquisition costs	3,150	3,410
Purchases of goods and changes in inventories	8,264	4,518
Maintenance costs	2,334	1,693
Telephony cost	8,311	7,405
Utilities	756	614
Interconnection traffic	93	171
Advertising and promotional services	454	454
Consulting and professional services	1,583	3,361
Bank and post office charges	147	85
Insurance	161	143
Other service expenses	3,420	2,077
Total	33,927	28,913

The increase in purchases of goods and consumable materials of Orascom telecom ventures amounting to USD 3,746 is due to the increase in the cost of managing electronic sites between the current and comparative period.

8. Net financing costs

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Fair value gains on derivative instrument	9,469	20,203
Interest income on deposits	219	533
Other interest income	-	58
Financial income	9,688	20,794
Interest expense on borrowings	(346)	(279)
Other interest expense and financial charges	(82)	(169)
Financial expense	(428)	(448)
Foreign exchange gain	466	11,797
Foreign exchange gain	466	11,797
Total	9,726	32,143

The decrease in finance income is due to the decrease in fair value of financial derivatives during the current period amounting to USD 10,734 thousand.

9. Investment in associates

Company	Country	%	31 March 2014	31 December 2013
Egyptian Company For Mobile Services	Egypt	5	81,874	84,232
MT Telecom SCRL	Belgium	28.75	8,048	8,135
			89,922	92,367

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 March 2014

	31 March 2014	31 December 2013
Assets	2,291,079	2,291,666
Liabilities	(2,061,210)	(2,035,849)
Net assets	229,869	255,817

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Revenues	383,021	377,780
Share of loss of associates	(2,196)	(2,143)

10. Income tax expense

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Current income Tax	15,641	5,938
Deferred tax expenses	476	1,901
Total Income Tax Expenses	16,117	7,839

Koryolink, the Group's 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 bases and accounting base of recorded assets and liabilities in the financial statements as at March 31, 2014, Management will reassess its estimate in a way that might result in the recognition of deferred taxes related to those assets and liabilities.

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 March 2014

11. Property and equipment and intangible assets

The detail of the property and equipment acquired and disposed of during the current and comparative period is detailed in the following table:

	Property and equipment	Intangible assets
Balance as of January 1, 2014	371,175	62,982
Additions	2,494	101
Disposals	(855)	-
Depreciation and amortization	(8,667)	(897)
Currency translation differences	403	(236)
Other movements	-	(2)
Balance as of March 31, 2014	364,550	61,948
Balance as of January 1, 2013	396,861	75,676
Additions	12,712	1,883
Disposals	(256)	-
Depreciation and amortization	(6,508)	(1,427)
Currency translation differences	(216)	(1,948)
Other movements	-	-
Balance as of March 31, 2013	402,593	74,184

Property and equipment

Additions to Property and equipment mainly related 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.

12. Other financial assets

	As of 31 March 2014			As of 31 December 2013		
	Non-current	Current	Total	Non-current	Current	Total
Financial receivables	49	422	471	47	524	571
Derivative financial instruments	209,639	-	209,639	200,725	-	200,725
Deposits	522,189	3,358	525,547	482,539	3,074	485,613
Financial assets available for sale -At Cost	6,357	-	6,357	6,384	-	6,384
Other financial assets	738,234	3,780	742,014	689,695	3,598	693,293

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 (ECMS) 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, the amended agreement states 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 in 2015 to EGP 296 in 2017 per ECMS share.

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 March 2014

The agreement also provides 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 condensed consolidated interim 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 EGP 296 per ECMS share.

The fair value of both the put and call options is determined by an independent appraisal, using one of the valuation techniques acceptable in practice. The appraisal study has resulted in a derivative asset with a fair value of US\$ 210 million at the end of the current reporting period compared to 201 million in December 2013.

Deposits

Deposits as of 31 March 2014 include an amount of US\$ 522 million 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.

13. Equity attributable to the owners of the Parent Company

On 29 November 2011 the Company was incorporated with an authorised share capital amounting to EGP 22 billion, of which, the issued amounts to EGP 2,203,190,060 distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42.

14. Borrowings

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Opening balance	8,751	10,827
of which current portion	6,456	8,296
of which non-current portion	2,295	2,531
Repayment of borrowings and Movements in current borrowings	(2,246)	(1,428)
New borrowings	3,672	2,568
Exchange rate differences	254	1,725
Ending balance	10,431	13,692
of which current portion	6,666	9,526
of which non-current portion	3,765	4,166

Other Borrowings

Other borrowings mainly include loans from non-controlling shareholders in subsidiaries.

Borrowings include loans obtained from the shareholders of Trans World associate private by an amount of USD 5.4 million from which USD 3.3 million due within one year and USD 2.1 million due after more than one year with an interest rate 1.58%.

Borrowings also include loans obtained from banks amounted to USD 4.4 million from which USD 2.9 million due within one year and USD 1.5 million due after more than one year these borrowings were obtained by Trans World Associate Private with interest rates ranges between 14.91% to 19%.

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 March 2014

In addition to the above; the balance also includes notes payable by Orascom telecom ventures amounted to USD 872 Thousands as at March 31, 2014.

15. Trade payables and other liabilities

	As of 31 March 2014			As of 31 December 2013		
	Current	Non-current	Total	Current	Non-current	Total
<i>Trade Payable</i>						
Capital expenditure payables	26,955	-	26,955	33,995	-	33,995
Trade payables due to suppliers	40,547	-	40,547	46,834	-	46,834
Other trade payables	19,482	-	19,482	16,390	-	16,390
Total	86,984	-	86,984	97,219	-	97,219
<i>Other payable</i>						
Prepaid traffic and deferred income	73,720	1,921	75,641	72,080	1,792	73,872
Due to local authorities	2,916	-	2,916	3,063	-	3,063
Personnel payables	1,131	-	1,131	5,976	-	5,976
Other credit balances	21,311	4,417	25,728	10,261	3,637	13,898
Total	99,078	6,338	105,416	91,380	5,429	96,809
Total	186,062	6,338	192,400	188,599	5,429	194,028

16. Provisions

Provisions are recognized according to the best estimate of the amount expected to settle the present obligations, at the end of the reporting period, arising as result from the Group's operations and contractual relationships with third parties. Provisions recognized during the period are reported among other expenses in the statement of comprehensive income and are subject to an annual review by management and are revised based on the most recent developments, negotiations and agreements with the relevant counterparties.

	2014	2013
As of January 1	76,658	51,394
Additions	2,792	5,069
Disposals	-	(531)
Currency translation differences	(244)	(2,932)
As of March 31	79,206	53,000

17. Earnings per share

Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

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

	For the Period ended 31 March 2014	For the Period ended 31 March 2013
Profit attributable to equity holders of the Parent Company	35,357	64,634
Weighted average number of shares (in thousands of shares)	5,245,690	5,245,690
Earnings per share – basic and diluted (in US\$)	0.007	0.012

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 March 2014

18. Commitments

The capital commitments are provided in the table below:

	As of 31 March 2014	As of 31 December 2013
Property and equipment	198	8,875
Other	27,107	21,974
Total	27,305	30,849

Commitments for the purchase of property and equipment mainly relate to Mena Cable as a result of the purchase of marine cables and related equipment, while other commitments are mainly related to the maintenance and insurance of the cable asset in Mena Cable.

20. Contingent assets and liabilities

Telecom Egypt Interconnection Prices

Telecom Egypt filed a complaint with the National Telecommunication Regulatory Authority (NTRA), for 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 case is still pending and there was no major change compared to what was presented on 31 December 2013.

Letters of credit and guarantee

The Group has provided guarantees and letters of credit in the ordinary course of business of the Group's activities. Guarantees include the following:

Orascom telecom, multimedia and technology holding

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

Trans World Associates (Subsidiary)

- A bank guarantee issued in favour of one of the subsidiary's clients amounting to Rupees 345 600 to fulfil its contractual obligations represented in performing the contracted services.

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

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

21. 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

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 March 2014

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 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 Parent Company does not expect the impact of these restrictions on the Group to become material to the Group does not expect these restrictions to have a material effect on the on-going business of the Group.

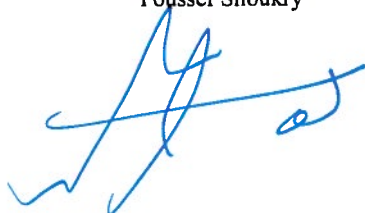
The net assets of Koryolink (subsidiary) equivalent to USD 517 million of the Group's consolidated net assets amounting to USD 1 167 million as of March 31, 2014. Also Koryolink assets include cash balances in North Korean currency equivalent to USD 522 million and are reported within non-current financial assets in the condensed consolidated interim financial statements due to the restrictions imposed on cash transfers from the local currency into foreign currency, and the exchange rates in North Korea.

22. Non-cash transactions

Significant non-cash transactions are represented in amounts which were eliminated from investing activities and operating activities during the period, as follows:

- Elimination of effect of non-cash transaction related to intangible assets during the period amounted to USD 101 thousands from both investing activities and current liabilities included in working capital.

Chief Financial officer
Youssef Shoukry



Chief Executive Officer
Karim Beshara