

**Orascom Telecom, Media
And Technology Holding (S.A.E)**
**Subject to the provisions of law no. 95 for year 1992
and its executive regulations**
Condensed Separate Interim Financial Statements
For the six months ended June 30, 2015
Together with Limited Review Report

Translation of Review Report
Originally Issued in Arabic

Limited Review Report

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

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in more details in note (9) to the condensed separate interim financial statements, the investments in subsidiaries included an investment in CHEO Technology "Koryolink" in North Korea. The subsidiary is facing financial and operational obstacles due to the following reasons; firstly, because of the international sanctions imposed on financial transactions and transfers, the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks which has resulted, lately, in increasing severance of long term restrictions on the ability of the subsidiary to transfer realized profits to the Group, secondly; the absence of a free-floating currency exchange market in North Korea, whereas the Group's management has no exchange rate available other than the official exchange rate announced by the Central Bank of North Korea which is being used by the Group's management in translating

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

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

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

Qualified Conclusion

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

Cairo, August 12, 2015

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



Orascom Telecom. Media and Technology Holding "S.A.E"
Subject to the provisions of law no. 95 for year 1992 and its executive regulations
Condensed separate interim financial position as of June 30, 2015

(In thousand EGP)	Note No.	June 30, 2015	December 31, 2014
<u>Non-current assets</u>			
Property and equipment (net)	(7)	42 109	42 463
Intangible assets (net)	(8)	1 294	1 466
Investments in subsidiaries (net)	(9)	1 780 197	1 778 421
Available for sale investments		160	160
Investments in associates	(10)	-	272 560
Due from related parties - non current	(11 , 21)	12 841	16 112
Financial assets at fair value through profit or loss - financial derivatives	(12)	-	805 207
Total non-current assets		1 836 601	2 916 389
<u>Current assets</u>			
Cash and bank balances	(13)	1 841 782	73 075
Due from related parties - current (net)	(11 , 21)	63 939	197 554
Current portion of financial assets at fair value through profit or loss - financial derivatives	(12)	-	244 227
Other debit balances		6 240	3 416
Time deposits at banks	(14)	6 028	-
Total current assets		1 917 989	518 272
<u>Current liabilities</u>			
Provisions	(15)	278 372	460 950
Accounts payable		4 276	2 236
Other credit balances	(16)	5 755	10 693
Current income tax		170 733	15 366
Due to related parties	(17 , 21)	449 017	333 538
Total current liabilities		908 153	822 783
Net current assets / (liabilities)		1 009 836	(304 511)
Total investment		2 846 437	2 611 878
Financed as follows:			
<u>Shareholders' equity</u>			
Issued and paid-up capital	(18)	2 203 190	2 203 190
Legal reserve		502 073	502 073
(Accumulated losses) retained earnings		(93 755)	663 314
Net profit for the period / (losses) for the year		234 402	(757 069)
Total shareholders' equity		2 845 910	2 611 508
<u>Non-current liabilities</u>			
Deferred tax liability		527	370
Total non-current liabilities		527	370
Total finance of working capital and non-current assets		2 846 437	2 611 878

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

Chief Financial Officer

- Review report attached.

Executive Chairman and Managing Director



Orascom Telecom Media and Technology Holding "S.A.E"
Subject to the provisions of law no. 95 for year 1992 and its executive regulations
Condensed separate interim income statement for the six months ended June 30, 2015

(In thousand EGP)	Note No.	Six months ended June 30, 2015	Six months ended June 30, 2014	Three months ended June 30, 2015	Three months ended June 30, 2014
Technical support service revenue		2 937	53 901	-	26 605
Gain on sale of investments in associates	(3)	1 542 569	-	-	-
Other income		1 111	2 621	420	-
Total income		1 546 617	56 522	420	26 605
(Less)/add:					
Employees cost & board of directors' remuneration		(25 790)	(14 711)	(11 154)	(8 812)
General and administrative expenses	(4)	(25 162)	(22 504)	(14 937)	(15 704)
Depreciation & amortization	(7 + 8)	(793)	(800)	(397)	(434)
Impairment losses in due from related parties	(11)	(181 688)	(1 843)	(3 760)	(1 127)
Bad debts		-	(338)	-	(338)
Gains on revaluation of financial derivatives at fair value	(12)	(1 049 434)	151 689	-	85 782
Provisions formed	(15)	-	(62 647)	-	(45 772)
Provisions no longer required	(15)	182 578	-	-	-
Interest income		138	253	68	108
Foreign exchange differences	(5)	(34 091)	617	53 425	245
Net profit for the period before tax		412 375	106 238	23 665	40 553
Income taxes	(6)	(177 973)	(10 163)	(10 733)	(5 554)
Net profit for the period		234 402	96 075	12 932	34 999
Earnings per share (EGP/Share)					
- Basic	(19)	0.108	0.10	0.05	0.05
- Dilluted	(19)	0.108	0.10	0.05	0.05

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

Chief Financial Officer

Executive Chairman and Managing Director

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

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

Condensed separate interim statement of changes in equity for the six months ended June 30, 2015

(In thousand EGP)	<u>Issued and Paid-up capital</u>	<u>Legal reserve</u>	<u>(Accumulated losses) retained earnings</u>	<u>Net profit for the period</u>	<u>Total</u>
Balance as of January 1, 2014	2 203 190	502 073	853 805	(190 491)	3 368 577
Transferred to retained earnings	-	-	(190 491)	190 491	-
Net profit for the period	-	-	-	96 075	96 075
Balance as of June 30, 2014	<u>2 203 190</u>	<u>502 073</u>	<u>663 314</u>	<u>96 075</u>	<u>3 464 652</u>
Balance as of January 1, 2015	2 203 190	502 073	663 314	(757 069)	2 611 508
Transferred to retained earnings	-	-	(757 069)	757 069	-
Net profit for the period	-	-	-	234 402	234 402
Balance as of June 30, 2015	<u>2 203 190</u>	<u>502 073</u>	<u>(93 755)</u>	<u>234 402</u>	<u>2 845 910</u>

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

Chief Financial Officer

Executive Chairman and Managing Director




Orascom Telecom. Media and Technology Holding "S.A.E"
Subject to the provisions of law no. 95 for year 1992 and its executive regulations
Condensed separate interim statement of cash flows for the six months ended June 30, 2015

(In thousand EGP)	<u>Note No.</u>	<u>Six months ended June 30, 2015</u>	<u>Six months ended June 30, 2014</u>
Net profit of the period before tax		412 375	106 238
Adjusted by:			
Depreciation & amortization	(7, 8)	793	800
Impairment losses in due from related parties	(11)	181 688	1 843
Losses (gains) on revaluation of financial deivatives at fair value	(12)	1 049 434	(151 689)
Foreign exchange differences - unrealized		5 130	(617)
Interest income		(138)	(253)
Provisions formed	(15)	-	62 647
Provisions no longer required	(15)	(182 578)	-
Gain from sale of investment in associates	(10)	(1 542 569)	-
Operating (losses) income before changes in working capital		(75 865)	18 969
Increase in due from related parties - current		(48 073)	(53 904)
Increase in other debit balances		(2 824)	(3 255)
Increase (decrease) in accounts payable		2 040	(490)
Increase in other credit balances		(4 938)	(791)
Decrease in due to related parties		115 479	11 748
Decrease in due from related parties - non current		3 271	3 463
Cash flows used in operating activities		(10 910)	(24 260)
Taxes paid		(22 449)	(34 058)
Interest received		138	253
Net cash flows used in from operating activities		(33 221)	(58 065)
Cash flows from investing activities			
Payments for purchase of property and equipment	(7)	(267)	(19)
Payments for purchase of intangible assets	(8)	-	(702)
Payments for investments in subsidiaries	(9)	(1 776)	-
Net proceeds from sale of investment in associates	(3)	1 815 129	-
Increase in time deposit	(14)	(6 028)	-
Net cash flows generated from (used in) investing activities		1 807 058	(721)
Net change in cash and bank balances during the period		1 773 837	(58 786)
Effect of change in foregin exchange rates on cash and bank balances in foreign currencies		(5 130)	617
Cash and bank balances at the beginning of the period		73 075	232 360
Cash and bank balances at the end of the period	(13)	1 841 782	174 191

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

Chief Financial Officer

Executive Chairman and Managing Director

Orascom Telecom, Media and Technology Holding
Notes to the Condensed Separate Interim Financial Statements
For the six months ended June 30, 2015

1- General information

a- Legal status and activity

Orascom Telecom Media and Technology Holding S.A.E "the Company" is an Egyptian Joint Stock Company pursuant to the provisions of the capital market law No. 95 of 1992 and its executive regulations. The Company was registered at Cairo Commercial Register on November 29, 2011 under No 394061. The Company's head office located at Nile City Towers, Ramlet Boulak – Cairo –Egypt. The Company's duration is 25 years starting from November 29, 2011.

b- Purpose of the Company

The Company's purpose is to participate in establishing the joint stock and limited liability companies that issue securities or to increase its share capital of these companies, and considering the provisions of Article No. 127 of the executive regulations and the regulations of the Capital Market Law. The Company may have interest or participate, by any mean, in companies and other enterprises that have activities similar to those of the Company or those that may assist the Company to achieve its objectives in Egypt or abroad. It may also merge into those companies and enterprises purchase them or affiliate them pursuant to the provisions of the law and its executive regulations.

2- Basis of preparation of condensed separate interim financial statements

a- Statement of compliance with the Egyptian Accounting Standards

The condensed separate interim financial statements have been prepared in accordance with the Egyptian Accounting Standard No. 30 "Interim Financial Reporting". As permitted by EAS 30, condensed separate interim financial statements do not include all of the information required for the full annual financial statements, and should be read in conjunction with the separate financial statements for year ended December 31, 2014.

The Egyptian Accounting Standards require referral to International Financial Reporting Standards "IFRS" for certain types of transactions or events when no Egyptian Accounting Standard or legal requirement exists to address treatment for these transactions or events.

b- Basis of measurement

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

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

results of operations and the consolidated cash flows of the Company and its subsidiaries (the Group).

c- **Functional and presentation currency**

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

d- **Use of estimates and judgments**

According to Egyptian Accounting Standards, in the application of the Company's accounting policies, the management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

e- **Significant accounting policies applied**

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

3- **Gain from sale of investments in associates**

On February 22, 2015 the Board of Directors of the Company agreed on the sale of all the Company's share in the Egyptian Company for Mobile Service (ECMS), in addition to potential voting rights in MT Telecom SCRL, according to the call option notice received from Orange S.A Company (previously; France Telecom) – note (10), and on March 12, 2015 the Company collected the sale price which amounted to Euro 209 632 133.

Gain from sale of investments in associates resulting from the exercise of call option is analyzed as follows:

<u>(In thousand EGP)</u>	<u>June 30, 2015</u>
Sale price of investments in associates	1 820 094
Deduct:	
Sale transaction costs and commissions	(4 965)
Investment in Egyptian Company for Mobile Services at cost – note (10)	(216 487)
Investment in MT Telecom SCRL at cost – note (10)	(56 073)
Gain from sale of investments in associates	<u>1 542 569</u>

4- General and administrative expenses

During the current period, general and administrative expenses amounted to EGP 25 162 thousand (for the six months ended June 30, 2014: EGP 22 504 thousand), The increase in general and administrative expenses during the period is mainly due to the increase in consulting fees and other expenses in the amount of EGP 1 763 thousand.

5- Foreign exchange differences

During the current period, losses from foreign currency revaluation differences amounted to EGP 34 091 thousand (for the six months ended June 30, 2014: gains amounted to EGP 617 thousand), the increase in foreign exchange revaluation losses during the period is due to the decline in the exchange rate of EGP against USD which had a negative impact on monetary liabilities denominated in USD, in addition to the decline in the exchange rate of Euro against EGP which had a negative impact on monetary assets denominated in Euro at the date of the interim financial statements.

6- Income taxes

- Income tax expense recognized during the current period amounted to EGP 177 816 thousand (for the six months ended June 30, 2014: EGP 10 163 thousand), which was calculated at the estimated weighted average of the effective tax rate applicable to the whole financial year.

- Deferred tax expense recognized during the current period amounted to EGP 157 thousand resulting from temporary differences between the accounting net book value and tax net book value of property and equipment.

7- Property and equipment (net)

<u>(In thousand EGP)</u>	<u>Buildings</u>	<u>Computers</u>	<u>Furniture and Fixture</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>					
As of December 31, 2014	44 743	353	147	553	45 796
Additions during the period	-	219	48	-	267
As of June 30, 2015	44 743	572	195	553	46 063
<u>Accumulated depreciation</u>					
As of December 31, 2014	2 684	185	95	369	3 332
Depreciation for the period	447	58	24	92	621
As of June 30, 2015	3 131	243	119	461	3 954
NBV as of June 30, 2015	41 612	329	76	92	42 109
NBV as of December 31, 2014	42 059	168	52	184	42 463

8- Intangible assets (net)

(In thousand EGP)

Cost

	Computer Software
As of December 31, 2014	1 994
Additions during the period	--
As of June 30, 2015	1 994

Accumulated amortization

As of December 31, 2014	528
Amortization for the period	172
As of June 30, 2015	700
Net book value as of June 30, 2015	1 294
Net book value as of December 31, 2014	1 466

9- Investments in subsidiaries (net)

(In thousand EGP)

	Country	%	June 30, 2015	December 31, 2014
CHEO Technology JV (Koryolink) *	North Korea	75	613 632	613 632
Middle East and North Africa Submarine Cables – MENA Cables	Egypt	100	1 688 206	1 688 206
Trans World Associate Pvt. Ltd	Pakistan	51	60 862	60 862
Orascom Telecom Ventures	Egypt	99.9	222 802	222 802
Orascom Telecom Mobile Infrastructure Services **	Egypt	99.2	63	63
O Capital for energy	Egypt	99.99	1 751	--
O Capital for services and contracting	Egypt	99.99	25	--
<u>Impairment in investments in subsidiaries</u>				
Middle East and North Africa Submarine Cables – MENA Cables			(807 081)	(807 081)
Orascom Telecom Mobile Infrastructure Services **			(63)	(63)
			1 780 197	1 778 421

* The Company's investments in North Korea relate primarily to the 75% holding in the local telecom operator Koryolink. North Korea is subject to international sanctions imposed by the international community including the United States, the European Union and the United Nations. These sanctions have the effect of restricting financial transactions and the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks. Although these sanctions do not currently have a significant impact on the operations of Koryolink, being a domestic mobile operator with minimal foreign transactions, there is no assurance that the Company's operating subsidiary in North Korea will be able to finance its operations, transfer funds to and from the Parent Company or continue operating its mobile network in North Korea, if the international sanctions are subject to enhanced enforcement. This could negatively affect the investments of the Company, if the Parent Company becomes unable to operate its business in North Korea. In addition to the aforementioned, the exchange of local currency into foreign currencies in North

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

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

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

10- Investment in associates

<u>(In thousand EGP)</u>	<u>Country</u>	<u>%</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Egyptian Company For Mobile Services	Egypt	5	--	216 487
MT Telecom SCRL	Belgium	28.75	--	56 073
Total			--	272 560

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

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

Telecom SCRL is equivalent to EGP 13.62 per potential voting right, with a total amount of EGP 391 575 000.

11- Due from related parties

a- Current (net)	<u>June 30, 2015</u>	<u>December 31, 2014</u>
(In thousand EGP)		
CHEO Technology JV (Koryolink)	175 459	172 735
Link Egypt	216	216
Egyptian Company for Mobile Services	--	9 108
O Capital for Energy	501	--
O Capital for services and contracting	5	--
Orascom Telecom Lebanon	4 106	1 302
Arpu Communication Services	4 790	4 498
Trans World Associate (private) Ltd – Pakistan	10 017	9 295
Oracap Holding	376 631	370 402
Orascom Telecom Holding (Demerging company)	3 848	3 848
Middle East and North Africa Submarine Cables – MENA Cables *	290 673	246 575
Orascom TMT investment	724	918
Orascom Telecom Mobile Infrastructure Services	996	996
<u>Deduct:</u>		
Impairment in due from related parties	(804 027)	(622 339)
	<u>63 939</u>	<u>197 554</u>

* Significant transactions with related parties represented in cash transfers to MENA Cables during the period amounted to EGP 29 697 thousand, note (21). The impairment in due from related parties includes a partial impairment in the balance due from of MENA cables.

b- Non-current	<u>June 30, 2015</u>	<u>December 31, 2014</u>
(In thousand EGP)		
Trans World Associate (private) Ltd – Pakistan	12 841	16 112
	<u>12 841</u>	<u>16 112</u>

12- Financial derivatives at fair value through profit or loss

(In thousand EGP)	<u>June 30, 2015</u>			<u>December 31, 2014</u>		
	<u>Current portion</u>	<u>non-current portion</u>	<u>Total</u>	<u>Current portion</u>	<u>non-current portion</u>	<u>Total</u>
Fair value of put option	-	-	-	244 227	805 207	1 049 434
Charged to Income statement			(1 049 434)			151 689

Represented in the fair value of the put option, which entitled the Company to sell its direct stake in the Egyptian Company for Mobile Services (ECMS), Previously an associate company, in addition to its indirect voting rights, to Orange S.A (previously; France Telecom), in accordance with the amended shareholders' agreement dated April 11, 2012. The agreement provided for the Company's option to put 1.67% per annum of the shares of the associate company during January and February of each year starting 2015 till 2017 based on each year accreting prices ranging from EGP 268.5 in 2015 to EGP 296 in 2017 per each share of the shares of ECMS.

The agreement also provided that Orange S.A has the option to call all (but not less than all) of the Company's direct stake in Egyptian Company for Mobile Services (ECMS) which is reported in the balance sheet as investments in associates with a percentage of 5% in addition to related voting rights with a percentage of 28.75% on execution of the deal. This option is exercisable by Orange S.A during January and February of each year starting from the year ended 2013 till 2017, at an accreting price ranging from EGP 243.5 to EGP 296 per each share of the shares of ECMS.

An amount of EGP 1 049 434 thousand was charged to the income statement during the period which represents the reversal of the Company's valuation gains of its put option related to the direct and indirect stakes of investments in associates, whereas on February 22, 2015 the Board of Directors of the Company agreed on the sale of all the Company's shares in the Egyptian Company for Mobile Services (ECMS), in addition to potential voting rights in MT Telecom SCRL, according to the call option notice received from Orange S.A Company, note (10), which resulted in the cancelation of the Company's right to exercise its put option, and led to reversal of previously recognized gains resulting from the valuation of the put option to be charged to income statement during the period.

13- Cash and balances at banks

<u>(In thousand EGP)</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Cash at bank – local currency	6 786	635
Cash at bank – Foreign currencies	1 834 483	72 033
Cash on hand	513	407
	<u>1 841 782</u>	<u>73 075</u>

The increase in cash and balances at banks is represented in the consideration received against the sale of investments in each of Egyptian Company for Mobile Services, and MT Telecom with an aggregate amount of Euro 209 632 thousand, equivalent to EGP 1 820 094 thousand, note (3), during the six months ended June 30, 2015.

14- Time deposits at banks

<u>(In thousand EGP)</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Time deposits – foreign currencies	6 028	--
	<u>6 028</u>	<u>--</u>

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

15- Provisions

<u>(In thousand EGP)</u>	<u>December 31, 2014</u>	<u>Formed</u>	<u>No longer required</u>	<u>June 30, 2015</u>
Provisions for expected claims	460 950	--	(182 578)	278 372
Total	460 950	--	(182 578)	278 372

Provisions are recognized according to the best estimate of the value of the commitments expected at the date of the financial statements, arising from the exercise of the Company's activities and its contractual relationship with others and the management annually review and settle these provisions according to the latest developments, discussions and agreements with the parties concerned.

16- Other credit balances

<u>(In thousand EGP)</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Withholding tax	15	39
Social insurance authority	125	137
Payroll tax	2 041	1 116
Accrued expenses	3 512	9 136
Employees' dividends payable	62	265
	<u>5 755</u>	<u>10 693</u>

17- Due to related parties

<u>(In thousand EGP)</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Orascom Telecom Ventures	449 017	333 538
	<u>449 017</u>	<u>333 538</u>

The increase in balances due to Orascom Telecom Ventures is mainly due to collection of cash transfers of EGP 100 163 thousand on behalf of the related party during the period.

18- Capital

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

19- Earnings per share

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

20- Tax position

Corporate income tax

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

Payroll tax

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

Withholding tax

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

Stamp tax

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

21- Significant transactions with related parties

<u>In thousand EGP</u>	<u>Nature of the relationship</u>	<u>Nature of the transactions</u>	<u>Volume of transactions</u>	<u>Balance Debit (credit)</u>
CHEO Technology JV (KoryoLink)	Subsidiary	Payments of expenses on behalf of related party	2 724	175 459
The Egyptian Company for Mobile Services	Associate	Proceeds from related party	(12 045)	--
Orascom Telecom Lebanon	Subsidiary of Orascom Telecom Ventures	Payments of expenses on behalf of related party	3 014	4 106
Middle East and North Africa Submarine Cables – MENA Cables	Subsidiary	Cash transfer to related party	29 697	290 673
TransWorld Associate (private) Ltd-Pakistan	Subsidiary	Proceeds from loans	(4 213)	22 858
Oracap Holding	Subsidiary	Payments of expenses on behalf of related party	6 229	376 631
Orascom Telecom Ventures	Subsidiary	Cash collection on behalf of a related party	100 163	(449 017)

22- Capital commitments

On March 15, 2015, Orascom Telecom, Media and Technology Holding declared its intention to establish an electricity plant works by solar power in Kom-Ombo in Aswan. Accordingly, the Company has incorporated O Capital for Energy Company "S.A.E" for the purpose of designing, building, establishing, managing, operating and maintenance of all types of power plants and its different sources and distribution networks. The Company's authorized capital amounted to EGP 175 million, and the issued capital amounted to EGP 17.5 million, an amount of EGP 1.75 million have been paid under capital and was reported in investments in subsidiaries - note (9). The Egyptian's contribution in capital of the company is 100%.

23- Financial instruments and management of associated risks

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

Liquidity risk

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

Interest rate risk

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

Foreign currencies' risk

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

24- Contingent liabilities

<u>Company Name</u>	<u>Guarantee</u>	<u>Maximum level for liability</u>	<u>Outstanding liability till June 30, 2015 (EGP Thousand)</u>	<u>Expiry date of the guarantee</u>
Orascom Telecom Lebanon *	Guarantee of the company to pay any due amount to participants	USD 10 Million	76 301	December 2015
Orascom Telecom Lebanon *	Guarantee of the company to pay any due amount to participants	USD 30 Million	228 903	December 2015

O Capital for energy	Guarantee issued from governmental authority	USD 750 thousand	5 723	June 2016
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* Based on the Lebanese Council of Minister's decision which amended the validity date of the guarantee provided for Orascom telecom Lebanon, a subsidiary company to Orascom telecom ventures, from April 30, 2015 to December 31, 2015, with a possibility to extend the validity of the guarantee 90 days after expiry date.

25- Approval of the condensed Separate interim financial Statements

The condensed separate interim financial statements of the Company for the six months ended June 30, 2015 were approved by the Board of Directors on August 12, 2015.

Chief Financial Officer



Executive Chairman and Managing Director

