



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

**Condensed Separate Interim
Financial Statements and Limited Review Report**

**Nine Months Ended
September 30, 2014**

Translation of Review Report
Originally Issued in Arabic

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 September 30, 2014 and the related condensed separate interim statements of income, changes in equity and cash flows for the nine 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

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.

Conclusion

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 September 30, 2014, and of its condensed separate interim financial performance and its condensed separate interim cash flows for the nine months then ended in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting".

Cairo, November 13, 2014



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

Translation of Financial Statements

Originally Issued in Arabic

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 September 30, 2014

(In thousand EGP)	Note No.	September 30, 2014	December 31, 2013
<u>Current assets</u>			
Cash and bank balances	(7)	138 414	232 360
Due from related parties - current (net)	(8, 20)	351 443	253 399
Short term portion of financial assets at fair value through profit or loss - financial derivatives	(9)	278 166	-
Other debit balances		5 254	3 110
Total current assets		773 277	488 869
<u>Current liabilities</u>			
Provisions	(17)	460 950	402 669
Accounts payable		1 982	1 953
Other credit balances	(10)	5 778	8 605
Current income tax		13 329	34 058
Due to related parties	(11, 20)	309 968	287 996
Total current liabilities		792 007	735 281
Excess (deficit) of working capital		(18 730)	(246 412)
<u>Non-current assets</u>			
Property and equipment (net)	(12)	42 673	43 547
Intangible assets (net)	(13)	1 552	1 135
Investments in subsidiaries (net)	(14)	1 883 548	1 883 548
Investments in associates	(15)	272 560	272 560
Due from related parties - non current	(8, 20)	16 112	19 575
Financial assets at fair value through profit or loss - financial derivatives	(9)	910 652	1 394 734
Total non-current assets		3 127 097	3 615 099
Total investment		3 108 367	3 368 687
Financed as follows:			
<u>Shareholders' equity</u>			
Issued and paid-up capital	(16)	2 203 190	2 203 190
Legal reserve		502 073	502 073
Retained earnings		663 314	853 805
Net loss for the period / year		(260 320)	(190 491)
Total shareholders' equity		3 108 257	3 368 577
<u>Non-current liabilities</u>			
Deferred tax liability		110	110
Total non-current liabilities		110	110
Total finance of working capital and non-current assets		3 108 367	3 368 687

- 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.

Chairman and Chief Executive Officer

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 nine months ended September 30, 2014

(In thousand EGP)	Note	Nine months ended September 30, 2014	Nine months ended September 30, 2013	Three months ended September 30, 2014	Three months ended September 30, 2013
Technical support service revenue	(3)	82 146	71 086	28 245	26 897
Other income		2 934	22 189	313	17 160
Total income		85 080	93 275	28 558	44 057
General and administrative expenses	(4)	(28 289)	(37 443)	(5 785)	(6 087)
Employees cost & board of directors' remuneration		(18 667)	(17 097)	(3 956)	(4 123)
Depreciation & amortization	(12, 13)	(1 190)	(1 022)	(390)	(364)
Provisions formed	(17)	(62 647)	(65 614)	-	32 868
Provisions no longer required	(17)	4 366	-	4 366	-
Bad debts - write-off		(338)	-	-	-
Total expenses		(106 765)	(121 176)	(5 765)	22 294
Interest income		272	2 205	18	180
Foreign exchange revaluation differences	(6)	(12 327)	55 264	(12 943)	2 005
Impairment losses in due from related parties	(8)	(7 335)	(33 984)	(5 492)	(16 937)
Losses (gains) on revaluation of financial derivatives at fair value	(9)	(205 916)	262 457	(357 605)	(131 474)
Total finance (cost) income		(225 306)	285 942	(376 022)	(146 226)
Net (loss) profit for the period before tax		(246 991)	258 041	(353 229)	(79 875)
Income taxes	(5)	(13 329)	(36 360)	(3 166)	(9 355)
Net (loss) profit for the period after tax		(260 320)	221 681	(356 395)	(89 230)
Earning Per share (EGP/Share)					
- Basic	(18)	0.07	0.18	(0.03)	0.03
- Dilluted	(18)	0.07	0.18	(0.03)	0.03

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Chief Financial Officer



Chairman and Chief Executive Officer



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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 nine months ended September 30, 2014

(In thousand EGP)	<u>Issued and Paid-up capital</u>	<u>Legal reserve</u>	<u>Retained earnings</u>	<u>Net (loss) profit for the period</u>	<u>Total</u>
Balance as of January 1, 2013	2 203 190	414 501	(4 013 869)	6 307 246	4 911 068
Transferred to legal reserve	-	87 572	(87 572)	-	-
Transferred to retained earnings	-	-	6 307 246	(6 307 246)	-
Dividends distribution	-	-	(1 352 000)	-	(1 352 000)
Net profit for the period	-	-	-	221 681	221 681
Balance as of September 30, 2013	2 203 190	502 073	853 805	221 681	3 780 749
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 loss for the period	-	-	-	(260 320)	(260 320)
Balance as of September 30, 2014	2 203 190	502 073	663 314	(260 320)	3 108 257

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

Chief Financial Officer

Chairman and Chief Executive Officer




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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 nine months ended September 30, 2014

(In thousand EGP)		<u>Nine months</u> <u>ended on</u> <u>September 30, 2014</u>	<u>Nine months</u> <u>ended on</u> <u>September 30, 2013</u>
Net (loss) profit of the period before tax		(246 991)	258 041
Adjusted by:			
Depreciation & amortization	(12, 13)	1 190	1 022
Impairment losses in due from related parties	(8)	7 335	33 984
Losses (gains) on revaluation of financial derivatives at fair value	(9)	205 916	(262 457)
Foreign exchange revaluation differences - unrealized		12 327	(39 738)
Interest income		(272)	(2 205)
Provisions formed		62 647	65 614
Provisions no longer required		(4 366)	-
Operating income before changes in working capital		37 786	54 261
Increase in due from related parties - current		(105 379)	(126 406)
Increase decrease in other debit balances		(2 144)	(1 542)
Increase in accounts payable		29	1 447
(Decrease) increase in other credit balances		(2 827)	2 281
Increase in due to related parties		21 972	267 603
Decrease (increase) in due from related parties - non current		3 463	(2 948)
Cash flows (used in) generated from operating activities		(47 100)	194 696
Taxes paid		(34 058)	(100 980)
Net cash flows (used in) generated from operating activities		(81 158)	93 716
<u>Cash flows from investing activities</u>			
Payments for purchase of property and equipment	(12)	(31)	(102)
Payments for purchase of intangible assets	(13)	(702)	(1 292)
Payments for investments in subsidiaries		-	(15)
Interest received		272	1 817
Net cash flows (used in) generated from investing activities		(461)	408
<u>Cash flows from financing activities</u>			
Dividends distribution		-	(1 357 996)
Net cash flows used in financing activities		-	(1 357 996)
Net change in cash and cash equivalent during the period		(81 619)	(1 263 872)
Effect of change in foreign exchange rates on cash and cash equivalent		(12 327)	39 738
Cash at the beginning of the period		232 360	1 455 092
Cash at the end of the period	(7)	138 414	230 958

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

Chief Financial Officer



Chairman and Chief Executive Officer



Orascom Telecom, Media and Technology Holding
Notes to the Condensed Separate Interim Financial Statements
For the nine months ended September 30, 2014

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, 2013.

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 instruments 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, 2013.

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 period ended December 31, 2013.

3- Technical support service revenue

<u>(In thousand EGP)</u>	<u>For the nine</u> <u>months ended</u> <u>September 30, 2014</u>	<u>For the nine</u> <u>months ended</u> <u>September 30, 2013</u>
Egyptian Company for Mobile Services *	8 804	6 613
CHEO Technology (Koryolink)	73 342	64 473
	<u>82 146</u>	<u>71 086</u>

* As at March 12, 2013 the Company signed a contract for technical support services with the Egyptian Company for Mobile Services (ECMS) amounted to EGP 1000 thousand per month.

4- General and administrative expenses

During the current period general and administrative expenses recognized amounted to EGP 28 289 thousand (for the nine months ended September 30, 2013: EGP 37 443 thousand). The decrease in the amount of expenses is due to the legal and other consulting fees amounted to EGP 8 224 thousand.

5- Income taxes

Income tax expense recognized during the current period amounted to EGP 13 329 thousand (for the nine months ended September 30, 2013 amounted to EGP 36 360 thousand), which was calculated at the estimated weighted average of the effective tax rate applicable to the whole financial year. Some rulings of the Income Tax Law have been amended during the period, whereas the effect of increasing tax rate has led to the increase in current income tax for the period by EGP 2 180 thousand (Note No. 19).

6- Foreign exchange revaluation differences

During the period foreign currency revaluation differences amounted to EGP 12 327 thousand (for the nine months ended September 30, 2013: EGP 55 264 thousand). The decrease in foreign currency revaluation difference during the period is due to the decrease in cash balances in foreign currencies during the current period compared to the prior period.

7- Cash and balances at banks

The significant change in cash and balances at banks is represented in the cash transfers paid to related parties amounted to EGP 64 621 and others for related parties transaction amounted to EGP 107 950 thousand during the nine months ended September 30, 2014.

8- Due from related parties

a- <u>Current (net)</u>	<u>September 30,</u>	<u>December 31,</u>
	<u>2014</u>	<u>2013</u>
<u>(In thousand EGP)</u>		
CHEO Technology JV (Koryolink) *	203 641	137 825
Link Egypt	216	216
Egyptian Company for Mobile Services	6 108	11 829
Orascom Telecom Lebanon **	3 535	8 955
Arpu Communication Services	4 591	4 045
Trans World Associate (private) Ltd – Pakistan	14 687	23 905
Oracap Holding **	366 623	363 654
Orascom Telecom Holding (Demerging company) **	3 847	3 549
Middle East and North Africa Submarine Cable – MENA Cable	117 269	62 385
Orascom TMT investment (previously Weather Investment)	919	690
Orascom Telecom for telecommunication & infrastructure	996	--
<u>Deduct :</u>		
Impairment in due from related parties **	(370 989)	(363 654)
	<u>351 443</u>	<u>253 399</u>

- * Significant transactions with the subsidiary represented in the accrued management fees of technical support services for the period ended September 30, 2014 amounted to EGP 73 342 thousand.
- ** During the period, the Company recognized impairment losses with an amount of EGP 7 335 thousand based on the current estimate of the expected recoverable value for both Orascom Telecom Holding amounted to EGP 3 847, Orascom Telecom Lebanon amounted to EGP 519, and amounts transferred to Oracap Holding amounted to EGP 2 969, based on the current events till date of financial statements.

b- <u>Non-current</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
<u>(In thousand EGP)</u>		
Trans World Associate (private) Ltd – Pakistan	16 112	19 575
	16 112	19 575

9- Financial derivatives at fair value through profit or loss

<u>(In thousand EGP)</u>	<u>September 30, 2014</u>			<u>December 31, 2013</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, if exercised	278 166	910 652	1 188 818	—	1 394 734	1 394 734
Charged to Income Statement			(205 916)			333 576

Represents the fair value of the put option, which entitles the company to sell its direct stake in the Egyptian Company for Mobile Services (ECMS), an associate company, in addition to its indirect voting rights, to France Telecom Company, in accordance with the amended shareholders' agreement dated April 11, 2012. The agreement provides 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 provides that France Telecom 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 France Telecom 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.

The Company appointed an independent valuator to estimate the fair value of both call and put options, referred to above, and which resulted in a financial asset to the company amounted to EGP 1 189 million (December 31, 2013; EGP 1 395 Million) where

the fair value was estimated using one of the acceptable options' valuation methodologies.

During the current period, a portion of the Company's right in exercising the put option referred to above in each of January and February 2015 was classified as a current asset with an amount of EGP 278 million based on the evaluation performed by the independent valuator.

10- Other credit balances

<u>(In thousand EGP)</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Withholding tax	44	8
Social insurance authority	184	164
Payroll tax	119	835
Accrued expenses	5 166	4 640
Employees' dividends payable	265	2 958
	<u>5 778</u>	<u>8 605</u>

Significant transactions in other credit balances during the period represent a payment amounted to EGP 2 693 thousand against employees' dividends payable in April 2014.

11- Due to related parties

<u>(In thousand EGP)</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Orascom Telecom Ventures	309 968	287 996
	<u>309 968</u>	<u>287 996</u>

The increase in the balance of Orascom Telecom Ventures represents the cash transfers which were made during the period with an amount equivalent to EGP 64 621 thousand .

12- Fixed assets (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, 2013	44 743	237	137	553	45 670
Additions during the period	--	31	--	--	31
As of September 30, 2014	<u>44 743</u>	<u>268</u>	<u>137</u>	<u>553</u>	<u>45 701</u>
<u>Accumulated depreciation</u>					
As of December 31, 2013	1 790	100	49	184	2 123
Depreciation for the period	671	62	34	138	905
As of September 30, 2014	<u>2 461</u>	<u>162</u>	<u>83</u>	<u>322</u>	<u>3 028</u>
NBV as of September 30, 2014	<u>42 282</u>	<u>106</u>	<u>54</u>	<u>231</u>	<u>42 673</u>
NBV as of December 31, 2013	<u>42 953</u>	<u>137</u>	<u>88</u>	<u>369</u>	<u>43 547</u>

13- Intangible assets (net)

(In thousand EGP)

Cost

	<u>Computer Software</u>
As of December 31, 2013	1 292
Additions during the period	702
As of September 30, 2014	1 994

Accumulated amortization

As of December 31, 2013	157
Amortization for the period	285
As of September 30, 2014	442
Net book value as of September 30, 2014	1 552
Net book value as of December 31, 2013	1 135

14- Investments in subsidiaries (net)

(In thousand EGP)

	<u>Country</u>	<u>%</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
CHEO Technology JV (Koryolink)	North Korea	75	613 632	613 632
Middle East and North Africa Submarine Cable – MENA Cable	Egypt	100	1 688 206	1 688 206
Trans World Associate Ltd Pakistan	Pakistan	51	60 862	60 862
Orascom Telecom Ventures S.A.E	Egypt	99.9	222 802	222 802
Arpu Communication Services *	Egypt	1	160	160
Orascom Telecom for telecommunication & infrastructure	Egypt	99.2	63	63
<u>Impairment in investments in subsidiaries</u>				
Middle East and North Africa Submarine Cable – MENA Cable			(702 177)	(702 177)
			1 883 548	1 883 548

* Investment in ARPU was classified as investment in subsidiaries although the Company holds 1% direct interest in Arpu for Telecommunications Company, while holding 99% indirect interest through Orascom telecom ventures, a wholly owned subsidiary, Orascom telecom media, and technology holding with a direct and indirect method with a percent 100%.

15- Investment in associates

(In thousand EGP)

	<u>Country</u>	<u>%</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Egyptian Company For Mobile Services	Egypt	5	216 487	216 487
MT Telecom SCRL	Belgium	28.75	56 073	56 073
Total			272 560	272 560

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

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Notes to the condensed separate interim financial statements
For the nine months ended September 30, 2014

16- 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).

17- Provisions

<u>(In thousand EGP)</u>	<u>December 31,</u> <u>2013</u>	<u>Formed</u>	<u>No longer</u> <u>required</u>	<u>September 30,</u> <u>2014</u>
Provisions for expected claims	402 669	62 647	(4 366)	460 950
Total	402 669	62 647	(4 366)	460 950

18- 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.

19- Tax position

On June 4, 2014, Law No. 44 for the year 2014 was issued to amend some rulings of the Income Tax Law No. 91 for the year 2005, whereas a temporary additional annual tax on income has been imposed, for a period of three years from the current tax period, by 5% on taxable profits exceeding one million Egyptian pound from the income of individual or legal entities according to the provisions of the Income Tax Law referred to.

On June 30, 2014, Law No. 53 for the year 2014 was issued to amend some rulings of the Income Tax Law No. 91 for the year 2005 and Stamp Duties Law No. 111 of the year 1980, whereas the law replaced some rulings of Income Tax Law No. 91 for the year 2005 and amended some other rulings, whereas the ruling No. 83 of the Stamp Duties Law No. 111 for the year 1980 was revoked.

Corporate income tax

The Company's profit is subject to the provisions of the Income Tax Law No. 91 for the year 2005 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.

20- 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 (KoryoLink)	Subsidiary	Payments of expenses on behalf of related party	4 454	203 641
		Technical support revenue	73 342	
The Egyptian Company for Mobile Services	Associate	Technical support revenue	8 804	6 108
		Proceeds from related party	(14 193)	
Orascom Telecom Lebanon	Subsidiary of Orascom Telecom Ventures	Payments of expenses on behalf of related party	4 237	3 535
		Cash transfer from related party	(64 621)	
Middle East and North Africa Submarine Cable - MENA Cable	Subsidiary	Cash transfer to related party	56 787	117 269
		Payments of expenses on behalf of related party	4 237	
TransWorld Associate (private) Ltd-Pakistan	Subsidiary	Proceeds from loans	14 105	30 799
Orascom Telecom Ventures	Subsidiary	Payments of expenses on behalf of related party	50 843	(309 968)
		Closing transfers of Orascom Telecom Lebanon in Orascom Telecom Ventures	(64 621)	
Oracap Holding	Subsidiary	Payments of expenses on behalf of related party	2 969	366 623

21- Financial instruments and management of associated risks

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

Liquidity risk

Liquidity risk represents the factors which may affect the Company's ability to pay part or all of its liabilities, management monitors its liquidity position and manage it through management of excess 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.

22- Contingent liabilities

<u>Company Name</u>	<u>Guarantee</u>	<u>Maximum level for liability</u>	<u>Outstanding liability till September 30, 2014 (EGP Thousand)</u>	<u>Expiry date of the guarantee *</u>
CHEO technology JV (Koryolink)	Guarantee issued in favor of a subsidiary's supplier	USD 25 Million	179 503	--
Orascom Telecom Lebanon	Guarantee of the company to pay any due amount to participants	USD 10 Million	71 801	December 2014
Orascom Telecom Lebanon	Guarantee of the company to pay any due amount to participants	USD 30 Million	215 403	December 2014

* Based on the Lebanese Council of Minister's decision No. 4/1 dated March 31, 2014, whereby they amended the validity date of the guarantee provided for Orascom telecom Lebanon, a subsidiary company to Orascom telecom ventures, starting from March 31, 2014 to September 30, 2014, with a possibility to extend the validity of the guarantee 90 days after expiry date. The validity of the guarantee has been extended to December 31, 2014.

23- Comparative figures

Some comparative figures were reclassified to match the current presentation of financial statements as follows:

<u>Description (EGP Thousand)</u>	<u>Financial statements</u>	<u>Before Reclassification</u>	<u>After Reclassification</u>	<u>Difference</u>
Change in due from other related parties	Cash Flows	(86 668)	(126 406)	39 738
Effect of changes in exchange rates on cash and cash equivalent	Cash flows	--	39 738	(39 738)

Chief Financial Officer

Chairman and Chief Executive Officer