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

(incorporated as a joint stock company in Egypt with registered number 394061)

Prospectus relating to admission of up to 1,049,138,124 global depositary receipts representing interests in ordinary shares in the Company to the Official List and trading on the London Stock Exchange's regulated market for listed securities

This Prospectus has been prepared in connection with the admission of up to 1,049,138,124 global depositary receipts ("**GDRs**") representing interests in ordinary shares, each with a nominal value of EGP 0.42 per share ("**Ordinary Shares**"), of Orascom Telecom Media and Technology Holding S.A.E. (the "**Company**" or "**OTMT**") to the Official List and to trading on the London Stock Exchange's market for listed securities, with one GDR representing an interest in five Ordinary Shares. The Company is seeking the approval of the United Kingdom Financial Services Authority (the "**FSA**") in accordance with the prospectus rules (the "**Prospectus Rules**") of the FSA made under section 73A of the Financial Services and Markets Act 2000 (the "**FSMA**") only in relation to the GDRs.

This document, upon approval by the FSA, comprises a Prospectus relating to the Company prepared in accordance with the Prospectus Rules. Application has been made (1) to the FSA, in its capacity as competent authority under the FSMA, for a listing of up to 1,049,138,124 GDRs, consisting of up to 714,113,895 GDRs already issued and up to 335,024,229 additional GDRs to be issued from time to time against the deposit of Ordinary Shares (to the extent permitted by law) with The Bank of New York Mellon, as depositary (the "**Depositary**"), to be admitted to the Official List of the FSA (the "**Official List**") and (2) to the London Stock Exchange plc (the "**London Stock Exchange**"), for such additional GDRs to be admitted to trading on the London Stock Exchange's regulated market for listed securities, which is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). Only Ordinary Shares that are in existence as at the date of admission of the GDRs to the Official List of the FSA and to the regulated market of the LSE can be deposited with the Depositary for GDRs; shares issued after the date of admission ("**New Shares**") cannot be used as deposits for GDRs. For GDRs to be issued against such New Shares the Issuer will produce a Prospectus approved by the FSA to enable New Shares to be deposited against GDRs. Admission to the Official List and unconditional trading on the London Stock Exchange ("**Admission**") is expected to take place on or about 26 June 2012. The GDRs are expected to be traded under the symbol "**OTMT**". The GDRs are currently trading on the unregulated segment of the London Stock Exchange's International Order Book under the symbol "**OTMT**" having been admitted to trading on 13 March 2012.

This Prospectus has been prepared in connection with the completed demerger (as defined below) of Orascom Telecom Holdings S.A.E., which is further described on page 22 of this document.

This Prospectus is not an offer or invitation to the public to subscribe for GDRs and has been prepared in order to satisfy s85(2) of the Financial Services and Markets Act 2000. This Prospectus is not, and should not be construed as an inducement or encouragement to buy or sell any GDRs. All of the GDRs were issued to existing shareholders of Orascom Telecom Holdings S.A.E. on the Completed Demerger Closing Date and no GDRs have been offered or marketed to the public in the UK or elsewhere in connection with the Completed Demerger or Admission.

This document (including, in particular, the factors described in the "Risk Factors" section of the document) should be read as a whole.

The distribution of this document in certain jurisdictions other than the United Kingdom may be restricted by law. Accordingly, neither this document nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful. This document has not been passported, and will not be passported, into any EEA state jurisdiction outside the United Kingdom.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company or the Directors. The Company will comply with its obligation to publish a supplementary Prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

The GDRs originally sold outside the United States (the "**Regulation S GDRs**") are evidenced by a Master Regulation S Global Depositary Receipt (the "**Master Regulation S GDR**") registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"). Except as described herein, beneficial interests in the Master Regulation S GDR are shown as, and transfers thereof are effected only through DTC with respect to the Regulation S GDRs. The GDRs originally sold in the United States are in registered uncertificated form on the direct registration system of the Depositary, will not be eligible for any book-entry settlement system, and the Rule 144A GDRs (as defined herein) will not be admitted to the Official List maintained by the FSA or admitted to trading on the LSE.

Prospectus dated 20 June 2012

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

This Prospectus, including the financial information included herein, is in compliance with the Prospectus Rules of the FSA, which comply with the provisions of Directive 2003/71/EC (the "**Prospectus Directive**") for the purpose of giving information with regard to the Company and the GDRs.

The Company accepts responsibility for the information contained in this Prospectus, and having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts and contains no omissions likely to affect its import.

The information appearing in this Prospectus is accurate only as of its date. The Group's business, financial condition, results of operations, prospects and the information set forth in this Prospectus may have changed since the date of this Prospectus.

The contents of any of the Company's or its subsidiaries' websites do not form any part of this document.

No information in this Prospectus constitutes investment, legal or tax advice.

The implications of Admission for, and the distribution of this document to GDR holders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom ("**Overseas GDR Holders**") may be affected by the laws of the relevant jurisdictions in which such Overseas GDR Holders are located. Such Overseas GDR Holders should inform themselves about and observe all applicable legal requirements. See "*Terms and Conditions of the Global Depositary Receipts*" and "*Transfer Restrictions*" elsewhere in this Prospectus.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Listing and the distribution of this document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. Overseas GDR Holders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Listing in their particular circumstances.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the GDRs or passed upon the accuracy or adequacy of this Prospectus or any document referred to herein. Any representation to the contrary is a criminal offense.

The Company has not been registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**"). The GDRs have not been, nor will they be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and the GDRs may not be offered or sold except (i) to persons who are both qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") and qualified purchasers ("**QPs**") as defined in Section 2(a)(51) of the U.S. Investment Company Act, or (ii) to non-"U.S. persons" in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**").

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (''RSA'') WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to UK and other EEA Investors

This Prospectus is only addressed to and directed at persons in member states of the European Economic Area (the "**EEA**"), who are "qualified investors" ("**Qualified Investors**") within the meaning of Article 2(1)(e) of the Prospectus Directive (including any relevant implementing measure in each relevant member state of the EEA). In addition, in the United Kingdom, this Prospectus is only being distributed to and is only directed at (1) Qualified Investors who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or high net worth entities falling within Article 49(2)(a)-(d) of the Order or (2) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This Prospectus and its contents should not be acted upon or relied upon (1) in the United Kingdom, by persons who are not relevant persons or (2) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors.

This Prospectus has been prepared on the basis that all offers of the GDRs in the United Kingdom following approval by the FSA will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a Prospectus for offers of the GDRs. Accordingly, any person making or intending to make any offer within the EEA of the GDRs should only do so in circumstances in which no obligation arises for the Group to produce a Prospectus for such offer. The Company has not authorized or authorizes the making of any offer of the GDRs through any financial intermediary.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

***Background*.** The Company was established on 29 November 2011 and until then 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 a demerger, whereby, OTH was split into two companies, OTH and the Company (the "**Demerger**"). The Demerger resulted in the transfer of certain telecom, cable and media and technology assets (the "**OTMT Assets**") to the Company. In particular, on the Demerger, ownership of the following OTMT Assets were transferred from OTH to the Company:

- 28.75% ownership stake in MobiNil for Telecommunication S.A.E.
- 20.00% ownership stake in the Egyptian Company for Mobile Services S.A.E.
- 75.00% ownership stake in CHEO Technology Joint Venture Company, together with all other assets and businesses located in DPRK
- 100.00% direct and indirectly held ownership stake in Middle East and North Africa for Sea Cables
- 51.00% ownership stake in Trans World Associate (Private) Limited (Pakistan)
- 100.00% ownership of Med Cable Limited (UK)
- 99.99% ownership stake in OT Ventures S.A.E. (a/k/a Intouch Communications Services Internet portals and other ventures in Egypt including Link Development, ARPU+ and LINKonLine) and
- 1% ownership stake in ARPU for Telecommunications Services S.A.E (direct and indirect holding in ARPU for Telecommunications Services S.A.E is 100%).

Solely for the purposes of the Company's GDR listing on the London Stock Exchange, the Company prepared combined financial statements as of and for the years ended 31 December 2008, 2009 and 2010 and interim combined financial information as of 30 September 2011 and for the nine months ended 30 September 2010 and 2011, to present the net assets, financial position and results of operations of the companies and net assets which became part of the Group, as if the Group had been operating as a stand-alone group, independent of OTH, during these periods.

The combined financial statements and interim combined financial information were prepared by aggregating the financial information relating to the assets and liabilities which entered into the Group's scope of consolidation on the Demerger and which until then were part of OTH. In preparing the combined financial statements and the interim combined financial information, the revenues and costs of the OTMT Assets which were not directly attributable to such business, and in particular those relating to central services performed by the former holding company, were allocated using drivers appropriate to the revenue or cost to be allocated. In particular, the following assumptions and allocations of indirect expenses which are consistent with international practice were used:

- Indirect costs mainly relating to personnel expenses and centralised services, such as accounting and financial reporting, legal, treasury, taxation, investor relations, human resources, information technology and commercial, were allocated based on the capital invested and dividend income of OTH subsidiaries and equity investments. These costs were affected by the arrangements that existed in OTH and are not necessarily representative of the expenses that may prevail in the future;
- Income tax was calculated as if OTMT was a separate legal entity preparing a tax return at company level;
- Trade payables and receivables and income tax payables of OTMT were assumed to have been directly settled or paid immediately through capital distributions and contributions by OTH;
- Financial funding of the OTMT Assets was provided by long-term capital accounts with OTH as part of the invested capital of OTH in OTMT Assets. The historical capital structure does not necessarily reflect the future capital structure. In particular, financial expense may be different in the future.

However, it should be highlighted that if the Group had been operating as a stand-alone group during this period, the net assets, financial position and results of operations could have been different. Therefore the combined financial information is not necessarily indicative of results that would have occurred if the OTMT Assets had been a separate group during the entire period presented, or of the future results of the Group.

*Historical Financial Information***.** Combined financial information as of and for the years ended 31 December 2008, 2009 and 2010 included in this Prospectus has been extracted without adjustment from the Group's audited combined financial statements for the same period (the "**Combined Financial Statements**"), prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Interim combined financial information as of 30 September 2011 and for the nine months ended 30 September 2010 and 2011 has been extracted without adjustment from the Group's audited combined interim financial information as of and for the nine months ended 30 September 2011 (the "**Combined Interim Financial Information**"). The financial information for the nine months ended 30 September 2010 included in the Combined Interim Financial Information is unaudited. Interim results are not necessarily indicative of the results of operations that may be expected for any other period or for a full year.

*Pro forma Financial Information***.** The combined financial information on a pro forma basis as of 30 September 2011, for the nine months ended 30 September 2011 and for the year ended 31 December 2010 has been extracted without adjustment from the unaudited pro forma combined statement of financial position as of 30 September 2011 and the unaudited pro forma combined income statements for the nine months ended 30 September 2011 and for the year ended 31 December 2010, and related notes (the "**Unaudited Pro Forma Combined Financial Information**").

The Unaudited Pro Forma Combined Financial Information was prepared to simulate the effect of the disposal of 29.67% direct and indirect interest in ECMS and the acquisition of 28.75% voting rights in MT Telecom SCRL, a wholly owned subsidiary of France Telecom – Orange ("**FT**" or "**France Telecom**").

The Unaudited Pro Forma Combined Financial Information presented in the Prospectus is based on available information and certain assumptions that the Group believes are reasonable. The Unaudited Pro Forma Combined Financial Information is presented for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial results. It may not, therefore, give a true picture of the Group's financial position or results of operations, nor is it indicative of the results that may, or may not, be expected to be achieved in the future. It should be noted that the Unaudited Pro Forma Combined Financial Information does not purport to predict or estimate the future results of the Group and should not be used for this purpose.

The Combined Financial Statements, the Combined Interim Financial Information and the Unaudited Pro Forma Combined Financial Information are contained elsewhere in this Prospectus and should be read with the relevant notes thereto.

*Other Information***.** The Company has included certain measures in this Prospectus that are not measures specifically defined by IFRS, and in particular information relating to EBITDA on a combined basis for the Group and EBITDA for each of the Group's segments. The Group presents EBITDA as it believes that similar measures are widely used by certain investors, securities analysts and other interested parties.

EBITDA is defined as profit before income tax, gain on partial disposal of equity investments, share of profit/(loss) of equity investments, foreign exchange gain/(loss), financial expense, financial income, disposal of non-current assets, impairment charges and depreciation and amortisation.

It should be noted that EBITDA is not recognised as a measure of performance or liquidity under IFRS and should not be recognised as an alternative to operating income or net profit or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles. EBITDA is used by management to monitor the underlying performance of the business and operations. EBITDA is not indicative of the Group's historical operating results, nor is it meant to be predictive of future results. Since all companies do not calculate these measures in an identical manner, the Group's presentation may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on this data.

Currencies. The functional currency of the individual Group entities varies according to the relevant economic environment in which the Group operates. The Company's presentation currency is the US dollar. Solely for the convenience of the reader, certain amounts included in this Prospectus have been translated from local currencies such as the Egyptian Pound into US dollars, as set forth under "*Currencies and Exchange Rates*". Investors in the GDRs should not construe those translations as a representation that those amounts could be converted from one currency to another at any particular rate or at all.

Rounding. Certain amounts that appear in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Definitions. Unless the context otherwise requires, all references in this Prospectus to the "**Company**" are to Orascom Telecom Media and Technology Holding S.A.E. and none of its subsidiaries and all references in this Prospectus to the "**Group**" refer collectively to the Company and its subsidiaries:

Country of incorporation	**Entity name**	**Direct and indirect interest in entity as at date of Prospectus**
DPRK	CHEO Technology JV Company	75.000%
Lebanon	Orascom Telecom Lebanon S.A.L	99.790%
Pakistan	Trans World Associates (Pvt) Ltd	51.000%
Pakistan	Transworld Enterprise Services (Private) Ltd	51.000%
UK	Medcable Ltd	100.000%
Italy	Mena Srl	100.000%
Free Zone II	Middle East and North Africa for Sea Cables	99.630%
Egypt	Orascom Telecom Ventures S.A.E.	99.990%
Egypt	Link Development S.A.E.	99.790%
Egypt	ARPU for Telecommunication Services S.A.E.	99.490%
Pakistan	Mobi Zone Pakistan (Pvt) Ltd	99.490%
Tunisia	Mobi Zone Tunisia	98.495%
Algeria	Mobi Zone Algeria Ltd	99.490%
Italy	Mobi Zone Italy	98.495%
UAE	Mobi Zone FZ LLC	99.490%
Bangladesh	Mobi Zone Bangladesh	99.490%
Saudi Arabia	Mobi Zone Saudi Arabia	99.490%
Canada	Mobi Zone Canada Inc	99.490%
Egypt	Global Telecom S.A.E.	95.361%
Morocco	Rosten Investments Ltd	99.490%
Egypt	Egypt Call Communications S.A.E.	99.470%
Algeria	Algeria Win Call	99.490%
Palestine	Palestine Call	99.490%
BVI	Arab Call Group Ltd	99.490%
Pakistan	Call Pack Pakistan	99.490%
Egypt	Skill Link	37.496%

Egypt	Data Tech	33.997%
Egypt	Intonet	50.995%
Saudi Arabia	LinkDotNet KSA	94.991%
UAE	LinkDotNet LLC	99.990%
Egypt	Link Online S.A.E.	98.990%
Egypt	Arab Finance Securities	99.870%
Egypt	Link for Domain Registration S.A.E.	99.968%
Egypt	Connect Ads	97.990%
Qatar	Link Dot Net Qatar	48.995%
Egypt	Into Development ECP	50.995%
Free Zone I	Oracap Holding Co.	99.950%
Malta	Oracap Far East Limited	99.900%
DPRK	Orabank NK Ltd	94.905%
Egypt	Egyptian company for Mobile Services S.A.E.	5.000%
Egypt	Smart Village ECDMV	10.459%

Market Data. Market data used in this Prospectus, including statistics in respect of the Company's competitors' sales volumes and market share, has been extracted from official and industry sources and including, without limitation, in the sections headed "*Operating and Financial Review*", and "*Business*". Such information, data and statistics may be approximations or estimates or use rounded numbers. Where information has been sourced from a third party, this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the Company has identified the source of the information in the relevant section of the Prospectus. The Company notes that these independent sources do not accept liability for the accuracy of any such information.

In particular, the Company has cited: www.oanda.com and other independent sources which, in each case, are independent sources. The Company confirms that this information has been accurately reproduced and that as far as the Company is aware and are able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, some of the information contained in this document has been extracted from the official data of Egyptian and other government agencies. The official data published by Egyptian regional and local and other governments are substantially less complete or researched than those of Western countries. Official statistics may also be produced on different bases than those used in Western countries. Any discussion of matters relating to Egypt and other jurisdictions in this Prospectus is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information. The veracity of some official data released by the Egyptian and other governments may be questionable.

CURRENCIES AND EXCHANGE RATES

In this Prospectus, references to "**US dollars**", "**US$**" or "**$**" are to the currency of the United States, references to "**Egyptian Pound**", "**EGP**" or "**L.E.**" are to the currency of Egypt and references to "**Euro**", "**EUR**" or "**€**" are to the currency of the member states of the European Union participating in the European Monetary Union.

The following tables show, for the periods indicated, certain information regarding the exchange rate between the Egyptian Pound and the US dollar, based on the exchange rate quoted by www.oanda.com. These rates differ from the actual rates used in the preparation of the Group's financial statements and other financial information appearing in this Prospectus.

	Egyptian Pound per US dollar			
Years ended December 31,	**High**	**Low**	**Average[(1)]**	**Period end**
2008	5.2910	5.6243	5.4407	5.5279
2009	5.4259	5.8445	5.5525	5.4825
2010	5.4171	5.8072	5.6306	5.8005
2011	6.0416	5.7660	5.9439	6.0340

	Egyptian Pound per US dollar	
Month ended	**High**	**Low**
January 2011	5.7637	5.8548
February 2011	5.8514	5.9347
March 2011	5.8893	5.9701
April 2011	5.9137	5.9737
May 2011	5.9277	5.9916
June 2011	5.9277	5.9844
July 2011	5.9418	5.9666
August 2011	5.9172	5.9809
September 2011	5.9453	5.9916
October 2011	5.9810	5.9629
November 2011	6.0173	5.9536
December 2011	6.0416	6.0035
January 2012	6.0499	6.0043
February 2012	6.0396	6.0154
March 2012	6.0402	6.0173
April 2012	6.0390	5.9141
May 2012	6.0292	5.9243

(1) The average of the exchange rates for each day during the year.

The Egyptian Pound /US dollar exchange rate as quoted by quoted by www.oanda.com on 19 June 2012 was 5.9666 EGP = $1.00.

LIMITATION ON ENFORCEMENT OF CIVIL LIABILITIES

The Company's presence outside the United States and the United Kingdom may limit legal recourse against the Company. The Company is incorporated under the laws of Egypt. See "*Directors and Governance*". All of its directors and executive officers named in this Prospectus reside outside the United States and the United Kingdom, principally in Egypt. Almost all of its assets and almost all of the assets of its directors and executive officers are located outside the United States and the United Kingdom, principally in Egypt. As a result, it may not be possible to effect service of process within the United States or the United Kingdom upon the Company or its directors and executive officers or to enforce US or UK court judgments obtained against the Company or its directors and executive officers in jurisdictions outside the United States and the United Kingdom, including actions under the civil liability provisions of US securities laws. In addition, it may be difficult to enforce, in original actions brought in courts in jurisdictions outside the United States and the United Kingdom, liabilities predicated upon United States or United Kingdom securities laws. See "*Risk factors – Risks relating to the GDRs – Investors may have limited recourse against the Company or the Company's directors and executive officers because they generally conduct their operations outside the United States and the United Kingdom and all of its current directors and executive officers may reside outside the United States and the United Kingdom*".

Judgments rendered by a court in any jurisdiction outside Egypt may be recognized by courts in Egypt as per the same terms of their enforcement in their country of origin provided that reciprocal treatment for the enforcement of Egyptian judgments in that jurisdiction exists. However, in order for a foreign judgment to be enforceable in Egypt, an exequatur proceeding has to take place. An exequatur may not be granted unless the following conditions are met:

- the courts of Egypt are not competent to hear the dispute which constituted the subject of the foreign judgment, and the foreign court is shown to have been competent to hear the dispute in accordance with its laws;

- the parties to the dispute were duly notified and properly represented in the proceedings;
- the judgment is final and conclusive in accordance with the laws of its place of issuance; and
- the judgment does not conflict with a prior Egyptian judgment in the same matter and is not contrary to public policy in Egypt.

Although Egyptian courts have acknowledged joint jurisdiction, Egyptian courts are competent to hear disputes raised against Egyptians whether or not resident in Egypt which may result in the rejection of the request of exequatur of a non-Egyptian judgment rendered against the Company. Further, since a review of whether the judgment conflicts with Egyptian public policy is a matter for Egyptian courts to decide, foreign court judgments would not be enforceable without being re-examined on the merits. The only exception is where an international treaty providing for the recognition and enforcement of judgments in civil cases exists between Egypt and the country where the judgment has been rendered. No such treaty exists between Egypt and the United States or the United Kingdom for the reciprocal enforcement of foreign court judgments. Because judgments of the United States or United Kingdom courts are not automatically enforceable in Egypt, it may be difficult to recover against the Company based upon such judgments.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus are not historical facts and are "**forward-looking**" within the meaning of Section 27A of the Securities Act and Section 21E of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe," "expect," "anticipate," "intend," "estimate," "forecast," "project," "will," "may," "should" and similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements appear in a number of places in this Prospectus including, without limitation, "*Risk Factors*," "*Business*" and "*Operating and Financial Review*", and include statements regarding:

- strategies, outlook and growth prospects;
- future plans, expectations, projections and potential for future growth;
- plans or intentions relating to acquisitions;
- future revenues and performance;
- integration of its businesses, including recently acquired businesses;
- liquidity, capital resources and capital expenditures;
- growth in demand for its properties;
- economic outlook and industry trends;
- developments of its markets;
- the impact of regulatory initiatives;
- its competitive strengths and weaknesses; and
- the strengths of its competitors.

The forward-looking statements in this Prospectus are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management's examination of historical operating trends, data contained in its records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and which are beyond its control, and the Company may not achieve or accomplish these expectations, beliefs or projections. In addition to these important factors and matters discussed elsewhere herein, important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- changes in political, social, legal or economic conditions in Egypt (or other countries in which the Company conducts its operations), including significant declines in Egypt's (or other countries in which the Company conducts its operations) gross domestic product ("**GDP**");
- changes in the policies of the government of Egypt (or other countries in which the Company conducts its operations);
- increased interest rates and operating costs in Egypt (or other countries in which the Company conducts its operations);
- its ability to service its existing indebtedness;
- its ability to fund its future operations and capital needs through borrowing or otherwise;
- its ability to successfully implement any of its business strategies;
- its ability to obtain necessary regulatory approvals;
- changes in customer preferences;
- its ability to identify properties to acquire and to successfully complete acquisitions and developments;
- competition in the marketplace;
- changes in real property or other tax rates;
- changes in accounting standards or practices;
- inflation, fluctuation in exchange rates and the availability of foreign currencies;
- the impact of general business and global economic conditions; and
- its success in identifying other risks relating to its business and managing the risks of the aforementioned factors.

The foregoing list is not exhaustive. When relying on forward-looking statements, the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Company operates, should be carefully considered. Such forward-looking statements speak only as of the date on which they are made. Except to the extent required by law, neither the Company nor any of its agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this Prospectus.

AVAILABLE INFORMATION

For so long as any Rule 144A GDRs or the Shares represented thereby are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or Section 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted Rule 144A GDRs or to any prospective purchaser of such restricted Rule 144A GDRs designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered to such persons pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

CONTENTS

Page

PROSPECTUS SUMMARY

Following the implementation of the relevant provisions of the Prospectus Directive in each member state of the EEA, no civil liability will attach to those persons who are responsible for this summary in any such member state solely on the basis of this summary, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a member state of the EEA, the claimant may, under the national legislation of that member state, be required to bear the costs of translating this Prospectus before legal proceedings are initiated.

The following summary information should be read as an introduction to the more detailed information appearing elsewhere in this Prospectus, including the Combined Financial Statements and the Combined Interim Financial Information and the accompanying notes beginning on page F-3 of this Prospectus. Any investment decision relating to the GDRs should be based on consideration of this Prospectus as a whole, including the information discussed in "Cautionary Note Regarding Forward-looking Statements" and "Risk Factors", and not solely on this summarized information.

Business Overview

The Company is a holding company for a group of companies and investments in companies active in the GSM, media and technology and cable spheres, with operations mainly in Egypt, the Democratic People's Republic of Korea ("**DPRK**") and Lebanon. The Company has a 5% ownership interest in a leading mobile operator in Egypt (as a result of the recent transaction outlined below in the section entitled "*Information relating to the Sale of Direct and Indirect Ownership Interests in ECMS*"), a 75% ownership interest in DPRK's sole mobile operator and holds the management contract for one of the two mobile operators in Lebanon.

The activities of the Company are mainly divided into its GSM, media and technology, and cable businesses as follows:

	COMPANY	DESCRIPTION	OWNERSHIP
GSM	ECMS	A leading mobile telecommunications operator in Egypt operating under the brand name MobiNil.	5.0%
	koryolink	DPRK's sole mobile and 3G operator.	75.0%
	OT Lebanon	Holds the management contract of Alfa, a leading Lebanese mobile operator.	99.9%
Media and Technology	LINKonLINE, Connect Ads, ArabFinance	Companies active in online advertising and content through the development of leading Internet portals in Egypt, Middle East and Africa.	100.0%
	Arpu+	Arpu+ is specialized in mobile value-added services and offers a large range of mobile and telecommunications applications.	100.0%
	Link Development	Link Development is a leading company specialised in software development and hosting in North Africa and the Middle East.	100.0%
Cable	Trans World Associates	Submarine cable fiber optic cable operator in Pakistan, connecting Pakistan to UAE and Oman.	51.0%
	MENA	Submarine cable system planned to connect Italy, Greece, Egypt, Saudi Arabia, Oman and India.	100.0%
	Med Cable	Submarine cable connecting Marseille (France) to Algiers, Annaba and Oran in Algeria.	100.0%

Sale of Direct and Indirect Ownership Interests in ECMS

On 12 April 2012 France Telecom-Orange ("**FT**" or "**France Telecom**") and the Company announced that they had agreed on the final terms governing the partial sale of the Company's direct and indirect stakes in ECMS and the parties' continued partnership in the governance and ownership of ECMS (the "**FT Transaction**").

The FT Transaction was approved by an Extraordinary General Meeting of the Company on 1 March 2012 and was completed on 19 June 2012 (the "**FT Transaction Completion Date**").

Summary of the FT Transaction

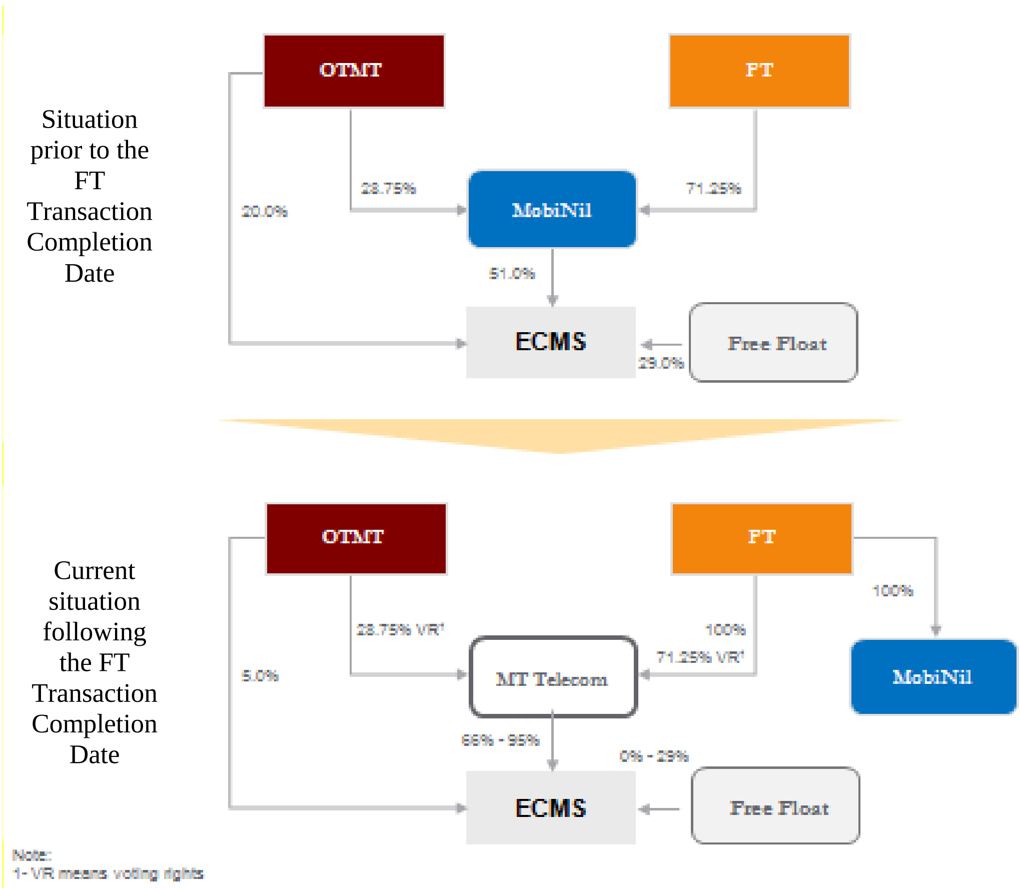
Prior to the FT Transaction Completion Date, MobiNil for Telecommunications S.A.E. (“**MobilNil S.A.E**”) owned 51.03% of the shares and voting rights in the Egyptian Company for Mobile Services (“**ECMS**”). FT held 71.25% of MobiNil S.A.E’s shares while the Company held the remaining 28.75%. In addition, the Company directly owned 20% of the shares and voting rights in ECMS.

On 11 April 2012, the Company, together with MobiNil S.A.E, FT and certain of FT’s affiliates, executed an Amended and Restated Master Agreement (the “**Master Agreement**”) in contemplation of the FT Transaction, the principal terms of which are described below. Pursuant to the Master Agreement, the Company was to enter into transactions the effect of which was to sell to FT’s wholly-owned subsidiary the Company’s 29.67% direct and indirect holding in ECMS at a price of EGP 202.5 per share for a total cash consideration of approximately US$953 million and to retain a 5% direct economic interest in ECMS.

The Company believes that the FT Transaction represented good value for shareholders on an economic level as a partial exit of the ECMS business whilst simultaneously maintaining ongoing exposure to the Egyptian telecommunication market.

The FT Transaction completed on 19 June 2012.

Illustration of “Before and After” the FT Transaction



Mandatory Tender Offer

- On 12 April 2012, FT, through its wholly-owned subsidiary, MT Telecom SCRL (“**MT Telecom**”), submitted an application to the Egyptian Financial Supervisory Authority (“**EFSA**”) for authorization to launch an unconditional and irrevocable mandatory public tender offer request (the “**MTO**”) to acquire up to 100% of the issued capital of ECMS at a tender offer price per share of EGP 202.5 (the “**MTO Price**”).

- The MTO was completed on 23 May 2012, whereby MT Telecom acquired 93.92% of the share capital of ECMS (with 5% of the remainder being retained by the Company, and 1.08% remaining outstanding as a free float on the Egyptian Exchange).

The Sales of Shares owned by ECMS and MobiNil S.A.E

As a result of the FT Transaction:

- The Company reduced its direct shareholding interest in ECMS to 5% of the Company's capital and voting rights in ECMS by tendering in the MTO a 15% direct stake in ECMS.

- MobiNil S.A.E tendered to the MTO its entire shareholding and the voting rights in ECMS, representing 51.03% of the share capital of ECMS.

- The Company and MobiNil S.A.E. received payment for their direct interests in ECMS on 29 May 2012. On 19 June 2012 the Company received total aggregate proceeds of approximately EGP 6 billion for its direct and indirect ECMS stake tendered in the MTO.

- MobiNil S.A.E no longer holds any shares in ECMS. Accordingly, following the payment by MobiNil S.A.E to the Company of its portion of the MTO proceeds, the Company will sell all its MobiNil SA.E shares to the France Telecom Group at book value.

Governance of the ECMS Group

- The Company has subscribed for 28.75% of the voting rights of MT Telecom for an amount of US$ 9 million, and an amended and restated shareholders agreement has taken effect, reflecting the new structure and granting certain rights to the Company to participate in the management of MT Telecom and ECMS.

Put and Call Provisions

- The parties have agreed to a revised set of put and call options with respect to the Company's remaining stakes in ECMS and MT Telecom.

    - FT and the Company have agreed to limit the Company's put option for its 5% remaining direct stake in ECMS to 1.67% per annum over a three-year period from 2015 to 2017, subject to the trading rules of the 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, the last exercise of such put option leading to the sale of the 28.75% voting rights in MT Telecom.

      The Company has certain agreed exit rights in the event France Telecom-Orange involves another local partner in the MobiNil business.

    - FT has the option to call all (but not less than all) of the Company's remaining direct stake in ECMS and in MT Telecom.

      This option is exercisable during a January-February exercise period in each year from 2013 to 2017, at prices accreting at a rate similar to that for the put option granted to the Company and described above, ranging from EGP 243.5 to EGP 296 per ECMS share.

      The agreement also provides FT with call option rights in certain other circumstances, including upon a change of control of the Company.

- The Company has granted FT a right of first refusal over any sale by the Company of its stake in ECMS.

The Completed Demerger

On 29 November 2011 (the "**Completed Demerger Closing Date**"), Orascom Telecom Holding S.A.E. ("**OTH**"), a joint stock company incorporated in Egypt with registered number 365751, completed a statutory demerger under Egyptian law, whereby OTH was partitioned into two separate companies, OTH and the Company (the "**Completed Demerger**"). The Completed Demerger was approved by OTH's shareholders at extraordinary general meetings held on 14 April 2011 and 23 October 2011 and was carried out in accordance with the demerger guidelines of the Egyptian Financial Supervisory Authority ("**EFSA**") promulgated in 2010.

The Completed Demerger was undertaken as part of a larger transaction pursuant to which VimpelCom Ltd. ("**VimpelCom**") has acquired all the shares of Wind Telecom S.p.A. ("**Wind Telecom**"), which is the 51.7% indirect shareholder of OTH (the VimpelCom-Wind Telecom combination, which closed on 15 April 2011, created the 6th largest mobile platform in the world by subscribers, with operations in 20 countries). As part of the consideration for the VimpelCom-Wind Telecom transaction, VimpelCom and OTH agreed to effect the Completed Demerger of the Company (which holds certain telecom, media and technology assets not intended to form part of the VimpelCom business going forward) and to cause VimpelCom's 51.7% indirect stake in the Company to be transferred back to Weather Investments II S.à r.l., the principal selling shareholder of Wind Telecom. On the Completed Demerger Closing Date, each eligible holder of an OTH ordinary share (the "**OTH Shares**") received one ordinary share of the Company (the "**Company Shares**"), and each eligible holder of an OTH GDR became entitled to receive one GDR of the Company, in each case, subject to applicable legal restrictions and the requirement that such holder hold such security on the applicable record date (24 November 2011 for ordinary shareholders, and 20 January 2012 for OTH GDR holders).

On 22 January 2012, the Company Shares commenced trading on the Egyptian Exchange ("**EGX**"). The GDRs are admitted to the unregulated segment of the London Stock Exchange's International Order Book under the symbol "**OTMT"** having been admitted to trading on 13 March 2012.

Summary Risk Factors

- The Company is subject to political, social and economic risks in the countries in which it operates, including in Egypt following the revolution in January 2011.
- The Company has operations in DPRK, which is subject to international sanctions imposed by the European Union and the United States.
- Emerging markets are generally subject to greater risk than more developed markets and actual and perceived risks associated with investing in emerging economies could dampen foreign investment in the countries in which the Company operates.
- Local currency fluctuations could affect the Company's cash flows which could, in turn, impact its ability to invest in its subsidiaries and pay certain obligations as cash flows are generated in local currencies.
- The Company operates in a competitive environment.
- The Company operates in the highly regulated telecommunications market. Changes in laws, regulations or governmental policy affecting its business activities could adversely affect its business, financial condition and results of operations.
- The Company's telecommunications licenses, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal, each of which may result in modification or early termination. In addition, its inability to obtain new licenses and permits, in some cases for new technologies, could adversely affect its respective businesses.
- The Company is controlled by one major shareholder whose interests may conflict with the interests of investors.
- The Company's infrastructure, including its network equipment and systems and its terrestrial and undersea cables, may be vulnerable to natural disasters, security risks and other events that may

disrupt its services and could affect its business, prospects, financial condition and results of operations.

- The mobile telecommunications, media, technology and cable businesses are significantly affected by rapid technological change, and the Company may not be able to effectively anticipate or react to these changes.

- The Company may not realize all of the anticipated benefits from the Completed Demerger, and the Completed Demerger and separation of the Company operations from OTH may affect the price of the GDRs.

Summary Financial Information

The following tables set forth summary combined financial information of the Group as of and for the periods indicated.

Summary combined financial information as of and for the years ended 31 December 2010, 2009 and 2008 has been extracted without adjustment from the Combined Financial Statements. Summary combined financial information as of 30 September 2011 and for the nine months ended 30 September 2011 and 2010 has been extracted without adjustment from the Combined Interim Financial Information. Interim results are not necessarily indicative of the results that may be expected for any other interim period nor are they indicative of results for a full year. Summary pro forma combined financial information for the year ended 31 December 2010 and as of and for the nine months ended 30 September 2011 illustrates retrospectively the effect of the disposal of 29.67% in ECMS and the acquisition of 28.75% voting rights in MT Telecom SCRL, a wholly owned subsidiary of FT for the respective periods and has been extracted without adjustment from the Unaudited Pro Forma Combined Financial Information.

The Company was established on 29 November 2011 and until this date the businesses of the Company were performed under various entities which were controlled by OTH. As a result, this Prospectus includes combined financial information as of and for the year ended 31 December 2008, 2009 and 2010, as of 30 September 2011 and for the nine months ended 30 September 2011 and 2010 that represents the net assets, financial position and results of operations of the companies and net assets which became part of the Group, as if the Group had been operating as a stand-alone group, independent of OTH, during the relevant period. However, it should be highlighted that if the Group had been operating as a stand-alone group during this period, the net assets, financial position and results of operations could have been different. See "*Presentation of Financial and Other Information*" for further information.

Summary Income Statement Data

(in thousands of US$)	Nine months ended 30 September				Year ended 31 December		
	Pro Forma 2011	**2011**	**2010**	**Pro Forma 2010**	**2010**	**2009**	**2008**
	(Unaudited)		*(Unaudited)*	*(Unaudited)*			
Revenue	236,373	236,373	175,751	246,535	246,535	163,017	74,311
Operating income	80,903	80,903	7,003	23,132	23,132	(6,007)	(9,349)
Share of profit (loss) of equity investments	(5,991)	(41,545)	55,306	7,118	49,364	125,645	97,331
Gain on partial disposal of equity investments	-	-	965,927	-	964,298	-	-
Profit before income tax	76,254	134,478	1,030,425	898	1,007,442	118,379	81,347
Profit for the period	66,330	124,554	994,823	23,871	970,415	113,472	64,361
Attributable to owners of the company	*47,785*	*106,009*	*989,241*	*11,092*	*957,636*	*112,191*	*66,895*
Attributable to minority interests	*18,545*	*18,545*	*5,582*	*12,779*	*12,779*	*1,281*	*(2,534)*

Summary Statement of Financial Position Data

(in thousands of US$)	As of 30 September		As of 31 December		
	Pro Forma 2011	**2011**	**2010**	**2009**	**2008**
	(Unaudited)				
Property and equipment	443,357	443,357	381,445	310,933	260,198
Intangible assets	76,696	76,696	74,538	70,873	118,181
Equity investments	127,412	883,568	1,029,502	407,221	303,570
Other non current assets	95,439	188,665	41,429	32,331	21,508
Cash and cash equivalents	1,126,798	183,047	174,848	70,083	70,038
Other current assets	87,953	87,953	95,813	183,171	86,296
Total assets	**1,957,655**	**1,863,286**	**1,797,575**	**1,074,612**	**859,791**
Total equity	**1,715,754**	**1,621,385**	**1,609,582**	**841,430**	**652,940**
Non-current liabilities	15,916	15,916	13,468	16,040	44,698
Current liabilities	225,985	225,985	174,525	217,142	162,153
Total liabilities	**241,901**	**241,901**	**187,993**	**233,182**	**206,851**
Total equity and liabilities	**1,957,655**	**1,863,286**	**1,797,575**	**1,074,612**	**859,791**

Summary Statement of Cash Flows Data

(in thousands of US$)	As of and for the nine months Ended 30 September		As of and for the year ended 31 December		
	2011	**2010**	**2010**	**2009**	**2008**
	(Unaudited)				
Cash flows generated by /(used in) operating activities	138,283	(36,787)	(40,323)	32,454	31,778
Cash flows generated by /(used in) investing activities	(42,860)	363,224	301,967	(80,702)	(95,657)
Cash flow generates from/ (used in) financing activities	(82,456)	(228,802)	(150,032)	58,226	102,514
Cash and cash equivalents at the end of the period	**183,047**	**163,887**	**174,848**	**70,083**	**70,038**

RISK FACTORS

Any of the following risks, individually or together, could adversely affect the Group's business, results of operations, financial condition and prospects, in which case the trading price of the GDRs could decline and all or part of any investment may be lost.

The Company has described the risks and uncertainties that the Company believes are material, but these risks and uncertainties may not be the only ones the Group faces. Additional risks and uncertainties of which the Group is currently not aware of or which the Company currently deems immaterial may also have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The value of the GDRs and any income from them may go down as well as up. The Company and its subsidiaries operate in various different jurisdictions and the risks outlined below relate to the Group.

Risks Relating to the Countries in which the Company Operates

The Company is subject to political, social and economic risks in the countries in which it operates, including in Egypt following the revolution in January 2011.

A substantial part of the Company's assets and operations are located in jurisdictions which are, have been, or could in the future be subject to political, economic and social instability, in particular Egypt, DPRK and Lebanon. Its operating results are and will be affected by economic and political developments in or affecting these jurisdictions and, in particular, by the level of economic activity.

In particular, in January, February and March of 2011 there were widespread protests in Egypt against the government which resulted in extensive disruption and damage throughout the country to public and private property and infrastructure.

Widespread protests and strikes followed the 2011 Egyptian revolution and the unstable security situation has continued with numerous outbreaks of civil disorder and rioting.

In addition to civil disobedience, Egypt is currently going through a period of constitutional flux as a result of the revolution in January 2011. Following the stepping down of former President Hosni Mubarak on 11 February 2011, the Supreme Council of Armed Forces ("**SCAF**") assumed power in Egypt. In March 2011, SCAF proposed constitutional amendments by way of a referendum, which was followed by a constitutional declaration. Lower chamber elections were held and resulted in a commanding parliamentary majority of Islamist parties. Upon the election of the higher chamber, both chambers appointed a committee to draft a new constitution. However, on 15 June 2012, the Egyptian Supreme Constitutional Court declared the Parliamentary Elections law unconstitutional and thus the lower chamber was dissolved. Presidential elections took place on two stages, the last of which saw a run off between the Muslim Brotherhood's candidate Dr. Mohamed Morsi and former Prime Minister Dr. Ahmed Shafiq, it is expected that the incoming president will initially be elected without a parliament and without a constitution. On 17 June 2012, SCAF issued a supplementary constitutional declaration by virtue of which the powers will be shared between SCAF and the newly elected president. Therefore, in light of these recent events, there is no guarantee that the process will be implemented as planned, and no guarantee that any constitutional reforms will be long lasting.

As a result of this instability within Egypt, ECMS has experienced:

- damage to shops and infrastructure during the January, February and March protests in 2011;
- disruption to its business as a result of the temporary suspension of mobile networks and services in Egypt in January 2011 by order of the authorities;
- a decrease in the level of acquisitions and recharges from customers;
- a decrease in revenues from corporate clients and from the tourism sector;
- increased costs to maintain the safety of their personnel, property and equipment, and ECMS may in the future have to incur further substantial costs if such instability continues;

- potential delays or cancellations in network maintenance and expansion projects within Egypt due to the need for heightened security for employees and contractors; and

- a weakened Egyptian economy in which it conducts its operations.

Such factors have had a negative impact on the financial performance of ECMS, and contributed towards a decrease in ECMS revenues for the nine months ended 30 September 2011 by 5.6% compared to the same period in 2010 despite an 11.2% increase in the active customer base.

Continuing uncertainty with respect to the political environment in Egypt, with expected political, constitutional, and economic reforms and parliamentary and presidential elections, together with the continuation of the negative economic implications described above, or similar events, circumstances or other forms of political instability occurring in other jurisdictions in which the Group conducts its operations, such as DPRK or Lebanon, may have a material adverse effect on the business, prospects, financial condition and results of operations of the Company.

The Company has operations in DPRK, which is subject to international sanctions imposed by the European Union and the United States, and the Company could commence operations in other countries which are subject to international sanctions.

DPRK 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 DPRK, 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 DPRK will be able to finance its operations, transfer funds to and from the Company or operate its mobile network in DPRK. If the Group becomes unable to continue to operate its business in DPRK, then this could adversely affect the business, financial condition and results of operations of the Company.

There can be no assurance that the Company will be able to continue to comply with all international sanctions regimes, whether or not there are any changes to such regimes. If the Company cannot comply with such regimes in the future, it may be required to cease its operations in DPRK (or any other sanctioned country in which it commences operations), which could adversely affect its business, financial condition and results of operations.

Emerging markets are generally subject to greater risk than more developed markets and actual and perceived risks associated with investing in emerging economies could dampen foreign investment in the countries in which the Company operates.

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk for certain market participants and have resulted in a general reduction of available financing. Companies, such as the Company and its counterparts located in emerging markets countries such as, amongst others, Egypt, Lebanon and DPRK may be particularly susceptible to these disruptions and reductions in the availability of credit or increased financing costs, which could result in financial difficulties.

Whilst the Group does not currently face any material liquidity constraints, availability of credit to companies such as the Company and its counterparts operating within the emerging markets is significantly influenced by levels of investor confidence in these markets, and, as such, any factors that impact market confidence, for example, a decrease in credit ratings or state or central bank intervention in one market, could affect the price or availability of funding for entities within any other emerging market. During such times, companies such as the Company and its counterparts operating in emerging markets could potentially face severe liquidity constraints as foreign funding resources are withdrawn. Thus, financial turmoil in any emerging market country, even those which the Company does not operate in, and some of which recently have experienced significant political instability and terrorism could seriously disrupt its business. Any such disruption could adversely affect its business, financial condition and results of operations.

In addition, the relationship the Company has with governments in countries such as DPRK can be key to the ongoing success of the Company's operations in those jurisdictions. In particular, on 17 December 2011, the Supreme Leader of DPRK, Kim Jong-il died, and his son, Kim Jong-un, was announced as his successor. The Company has no substantive reason to believe that there will be any material negative action by the government of DPRK against the Company's operations in DPRK, either in connection with this leadership succession or otherwise, however if any such action did occur, it could adversely affect the Company's business, financial condition and results of operations.

Local currency fluctuations could affect the Group's cash flows which could, in turn, impact the ability to pay certain obligations as cash flows are generated in local currencies.

The Group entities predominantly execute their operating activities in their respective functional currencies. Some Group entities are, however, exposed to foreign currency risks in connection with scheduled payments in currencies that are not their functional currencies. In general this relates to foreign currency denominated supplier payables due to capital expenditures and receivables.

Any negative effect of local currency fluctuations compared to the currency in which the payable or receivable is to be settled could adversely impact the Group's cash flows, and the ability to maintain the expected level of capital expenditure.

In addition, the Group's financial statements are presented in US$. Due to its international presence, the Group is exposed to foreign exchange fluctuations, as these affect the translation of subsidiaries' assets and liabilities denominated in foreign currencies to the US$. The currencies concerned are mainly the Egyptian pound, the Pakistani Rupee and the Euro. This represents a translation risk rather than a financial risk.

For example, any devaluation of the Egyptian pound as a result of recent political and economic turmoil could have a negative impact on the business, prospects, financial condition and results of operations of the Group.

Most of the jurisdictions in which the Group operates have currency control restrictions, and the Group may be exposed to losses from foreign exchange movements.

At the subsidiary level, the Group seeks to reduce its foreign exchange exposure arising from transactions through a policy of matching, to the extent possible, the denomination of expenses and revenues. Its ability to reduce its foreign currency exchange exposure may be limited by restrictions on borrowings in local currency and restrictions on converting local currency into foreign currencies. The Group cannot make assurances regarding its ability to reduce its foreign exchange exposure by borrowing in local currency. As a result, losses from foreign exchange movements could adversely affect the Group's business, financial condition and results of operations.

In addition, some of the countries in which the Group operates have implemented currency control restrictions and, in particular, rules surrounding the repatriation of dividends to foreign investors. For example, in DPRK, koryolink generates approximately 55% of its revenues in DPRK Won but faces limitations on its ability to transfer DPRK Won into foreign currency, which could limit the level of dividends that can be paid to the Company from its DPRK operations. Whilst: (i) the Group has interests in a diverse range of business and is not currently dependent on, and does not expect to become dependent on following the successful completion of the FT Transaction, its operations in DPRK (or any one of its other business interests) to provide cash flow to service its obligations, meet committed capex obligations or continue its operations; (ii) 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; (iii) the Company does not expect the impact of these restrictions on the Group to become material to the Group in the event of reduced exposure to ECMS as a result of the successful completion of the FT Transaction (particularly given that the Company received cash consideration upon completion) or as a result of the exercise by FT of its call options with respect to the Company's shareholding in ECMS; and (iv) the Company does not expect these restrictions to have a material effect on the ongoing business of the Group, there can be no guarantee that (x) existing or future legislation will not have an adverse impact on the Company's profit or cash flows to the extent that it is prevented from receiving dividends from its subsidiaries or (y) the Group's subsidiaries may not incur problems with external financing or supply contracts with foreign companies as a result of applicable or future legislation.

Potential inflation in local economies may affect some customers' ability to pay for the Group's services, and it may also adversely affect the stability of the telecommunications market and other relevant markets in which the Group operates.

The Group's operations will be dependent upon the economies of the markets in which it has interests, in particular Egypt, DPRK and Lebanon. These countries are in various stages of development or structural reform, some of which are subject to rapid fluctuations in terms of consumer prices, employment levels, gross domestic product and interest and foreign exchange rates. The Group may be subject to such fluctuation in the local economies and to the effect of such fluctuations on the ability of customers to pay for its services and to its ability to increase its customer base in such affected countries. In addition, these fluctuations may affect the ability of the market to support its existing telecommunications interests or any growth in telecommunications operations. It is also possible that a period of significant inflation in any of its markets could adversely affect its business, financial condition and results of operations.

Egyptian or other insolvency laws to which we may be subject may not be as favorable to shareholders as U.S. or other local insolvency laws.

The Company is organized in Egypt, and our subsidiaries and associates are organized under the laws of various jurisdictions, including Egypt, DPRK and Lebanon and conduct operations in different countries. Consequently, the Company and its subsidiaries and associates are likely to be subject to the insolvency laws of jurisdictions other than the United States and the United Kingdom. The insolvency laws of these jurisdictions may not be as favorable to creditors interests as the laws of the United States, the United Kingdom or other jurisdictions.

More specifically, in the case of the Company, the bankruptcy of an Egyptian company may be declared by the Egyptian courts, upon the request of the company itself, one of its creditors or the public prosecution. The Egyptian courts, while examining a case, are also empowered to ''automatically'' declare a bankruptcy without any request from the Company. The court declaring the bankruptcy appoints a bankruptcy trustee that is empowered to manage and preserve the funds of the bankrupt entity and to represent the bankrupt entity in all suits related to the management of its funds. The main functions performed by the bankruptcy trustee are to verify debts, liquidate the bankrupt property and distribute its proceeds among the creditors pro rata to their respective debts. The declaration of bankruptcy results in prohibitions on the bankrupt entity from managing and disposing of its property, and such prohibitions extend to all funds owned or to be owned by the bankrupt entity on or after the date of the bankruptcy declaration.

The period up to two years before the bankruptcy declaration date may be declared as a suspect period, during which creditors may claim the non-opposability of fraudulent transactions as well as prepayments made by the debtor during such period. Upon the issuance of the bankruptcy ruling, creditors are prevented from taking any individual legal actions, and existing proceedings initiated by creditors prior to the issuance of the bankruptcy ruling are suspended. Therefore, ordinary creditors are required to join the creditor group in order to recover their debts. Secured creditors and parties entitled to special lien rights, as well as those procuring liens over a debtor's property, are guaranteed to receive the benefit of the security, and have the right to file individual actions or pursue their rights individually through the bankruptcy trustee.

All creditors should declare their debts and related privileges to the bankruptcy trustee during the ten days following the newspaper publication of the declaration of bankruptcy or after the invitation to declare debts published in the same newspaper by the bankruptcy trustee. After verifying the debts and related privileges, the bankruptcy trustee prepares an inventory of all the debts and submits it to the judge for ratification.

With respect to a pledge of shares, the rights of creditors benefiting from the pledge is preserved, subject to the rights of the general privileged debts, including legal fees, fiscal dues, preservation costs and salaries. If the sale price of the shares underlying the pledge is not sufficient to cover the debt or exceeds the amount of the debt, the creditor holding the pledge shall join the other creditors as an ordinary creditor and be subjected to the proportional distribution to the ordinary creditors of their debts out of the available funds.

The Group operates in a number of jurisdictions, any of which could change its fiscal, tax or foreign exchange laws in a way that could unfavorably affect its financial status.

The Group will hold interests in its mobile networks and other operations through its subsidiaries in various jurisdictions inside and outside Egypt, in particular Lebanon and DPRK. It cannot be assured that the laws or administrative practices relating to taxation (including the current position as to withholding taxes on dividends from these subsidiaries, and tax concessions in certain operations), foreign exchange or otherwise in these jurisdictions will not change. Any such change could have a material adverse effect on its financial affairs and on its ability to receive funds from its subsidiaries.

Corporate governance standards in Egypt are not of the same standard as those in Western Europe and the United States.

Although the Company is working towards establishing a higher standard of corporate governance, it should be noted that generally corporate governance standards in Egypt are not of the same standard as corporate governance standards in Western European countries or in the United States and may provide less protection for investors. In particular, corporate governance practices in Egypt may suffer from the lack of transparency and information disclosure, both to the public and to shareholders; lack of independence of directors; and insufficient regulatory oversight and protection of shareholder's rights.

Risks Relating to the Company's Business

The Company has granted a call option to France Telecom, the exercise of which is outside its control.

As a result of the successful completion of the FT Transaction the Company has granted to France Telecom a call option to purchase the Company's remaining 5% interest in the ECMS business in the following circumstances:

- During a January-February exercise period in each year from 2013 to 2017. The exercise price of the option accretes from EGP 243.5 (in 2013) to EGP 296 (in 2017) payable in cash per ECMS share.

- Upon a change of control of the Company, in which case the exercise price of the call option will be the fair market value of ECMS shares plus a premium of 5% payable in cash.

These circumstances are outside of the control of the Company. The exercise by France Telecom of this call option would reduce the Company's ownership interest in ECMS to zero in exchange for a cash payment to the Company, and the Company would lose its voting rights in ECMS, no longer benefit from any future dividends in respect of the ECMS shares, and would lose its stake in the ECMS business going forward. As outlined in the bullets above, the cash payment received by the Company upon exercise of the call option depends on the circumstances of the exercise, and whilst the Company believes the terms of the call options currently represent good economic value for the Company, in the event of a change of control of the Company and a substantial decline in the market value of ECMS, the Company may receive a reduced cash payment, which may have a negative impact on the financial condition of the Company.

The Group operates in a competitive environment.

The Group operates in an increasingly competitive environment across many of its markets, including most significantly the Egyptian mobile telecommunications market. Although new laws and regulatory initiatives in telecommunications markets may provide it with increased business opportunities by removing or substantially reducing certain barriers to competition, in so doing they also create a more competitive business environment and may encourage new entrants, which could affect its key operating items such as average revenue per user ("**ARPU**") and churn rate.

The Group's competitors in its global system for mobile communications ("**GSM**") business fall into three broad categories: (i) international diversified telecommunications companies; (ii) state-owned and partly state-owned telecommunications companies; and (iii) local and regional companies. Many of its global competitors have substantially greater financial, personnel, technical, marketing and other resources. In a number of countries, its competitors are government-owned entities or major international or local business participants. Although the Group has local partners and/or management in all of its operations, its local competitors (including the state-owned and partially state-owned competitors) may have greater locally available resources, may be more favored politically and by local regulators or may be preferred by customers.

The continuing trend toward business combinations and strategic alliances in the telecommunications industry, as exemplified by the VimpelCom-Wind Telecom transaction, may create increased competition. Competition may lead to a reduction in the rate at which the Company is able to add new customers and to a decrease in its market share as customers purchase telecommunications services, or other competing services, from other providers. The competitive focus in certain of the Company's markets such as Egypt continues to shift from customer acquisition to customer retention as a result of increased penetration of the mobile telecommunications market. There can be no assurance that the Company will not continue to experience increases in customer churn rates in certain markets, reflecting increased numbers of customer deactivations, particularly as competition for existing customers intensifies. An increase in churn rates may result in lower revenue and higher costs resulting from the need to replace customers and may consequently have a material adverse effect on its profitability. Increasing competition in certain markets has also led to reductions in the prices that the Company will be able to charge for its services and may lead to further price declines in the future. In addition, it may face increasing competition in the markets in which it operates due to the entrance of new telecommunications services providers.

Competition is also an important factor in the Company's non-GSM operations. In particular, the media and technology and cable businesses tend to be characterized by a wide variety of competing participants, a lack of geographical barriers and rapid innovation.

If the Company is not able to successfully compete in its markets, this could have a material adverse effect on its business, prospects, financial condition and results of operations.

The Group operates in the highly regulated telecommunications market. Changes in laws, regulations or governmental policy affecting its business activities could adversely affect its business, financial condition and results of operations.

The Group's telecommunications operations in each of Egypt, Lebanon and DPRK, which are the markets in which it currently operates telecommunications businesses, are subject to governmental regulation regarding licensing, competition, frequency allocation and costs, and arrangements pertaining to interconnection and leased lines. In addition, the operation of the Group's terrestrial and undersea cables business is also subject to significant regulation across the multiple jurisdictions which the cables run through. Changes in laws, regulations or governmental policy affecting the Group's business activities could materially adversely affect its business, prospects, financial condition and results of operations.

In the countries in which the Group currently operates mobile telecommunications businesses, which are Egypt, Lebanon and DPRK, local regulators and governments have significant or absolute latitude regarding the issuance, administration and interpretation of telecommunications licenses and regulations. In addition, the actions taken by these regulators in the administration and interpretation of these licenses are outside of the Group's control and may be influenced by local political and economic pressures.

For example, no specific telecommunication regulation exists in DPRK, which means the Company has limited guidance with respect to ensuring it is in full compliance with the wishes of the relevant regulatory bodies, and limited ability to predict the actions of regulatory authorities. In addition, the Company's management contract in the Republic of Lebanon is due for renewal in January 2013, and there is no guarantee that the regulator in the Republic of Lebanon will agree to extend the license on satisfactory terms to the Company.

Whilst the Company does not consider that any current, specific regulations or decisions made by regulators in Egypt, Lebanon or DPRK give rise to a material risk to its business, future decisions by regulators and governments, including the amendment or revocation of any existing licenses, differing interpretations of existing laws and regulations, the introduction of new laws and regulations and/or disagreements with such regulators or governments, could materially adversely affect the Group's business, prospects, financial condition and results of operations.

The Group's telecommunications licenses, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal, each of which may result in modification or early termination. In addition, its inability to obtain new licenses and permits, in some cases for new technologies, could adversely affect its respective businesses.

The terms of the Group's, licenses, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal and, in some cases, are subject to modification or early termination or may require renewal with the applicable government authorities. For example:

- the Company has a one year management agreement with the Republic of Lebanon to manage one of its two mobile networks through Orascom Telecom Lebanon S.A.L., which is renewed on a yearly basis, and is due for renewal in January 2013;

- ECMS has a 2G and 3G license which has been granted until October 2022, however the license is subject to various quality of service and coverage obligations; and

- the Company has a 25 year license (beginning January 2008) to operate a 3G Network in DPRK, with exclusivity for 4 years. This exclusivity period is due for renewal this year.

While the Company does not expect any of its subsidiaries or associated companies to be required to cease operations at the end of the term of their business arrangements or licenses, there can be no assurance that these business arrangements or licenses will be renewed on equivalent satisfactory terms, or at all. Upon termination, the licenses and assets of these companies may revert to the local governments or local telecommunications operators, in some cases without any or adequate compensation being paid.

The Group has in the past paid significant amounts for certain of its GSM and 3G telecommunications licenses, and the competition for granting these licenses is increasing as more competitors enter its markets. For this reason, upon renewal, the Group may have to pay increasingly substantial license fees in certain markets, as well as meet specified network build out requirements. There can be no assurance that it will be successful in obtaining or funding these licenses, or, if licenses are awarded, that they can be obtained on terms acceptable to it. In addition, if it obtains or renews further licenses, it may need to seek future funding through additional borrowings or equity offerings, and it cannot be assured that such funding will be obtained on satisfactory terms or at all, which could adversely affect its business, financial condition and results of operations.

If the Group is unable to renew its licenses on satisfactory terms, then this could materially adversely affect the Group's business, prospects, financial condition and results of operations.

The Group is exposed to certain risks in respect of the development, expansion and maintenance of its mobile telecommunications networks.

The Group's ability to increase its subscriber base in its mobile telecom markets depends upon the success of the expansion and management of its networks and upon its ability to obtain sufficient financing to facilitate these plans. The build-out of its networks is subject to risks and uncertainties which could delay the introduction of services in some areas and increase the cost of network construction, including obtaining sufficient financing. The Group may engage in a number of network expansion and infrastructure projects. In connection with its network strategy, from time to time, the Group may establish joint ventures with other carriers in its markets which may involve the sale of assets and may require funding from it. Network expansion and infrastructure projects, including those in its development pipeline, typically require substantial capital expenditure throughout the planning and construction phases and it may take months or years before it can obtain the necessary permits and approvals and the new sites become operational, during which time the Group is subject to a number of construction, financing, operating, regulatory and other risks beyond its control, including, but not limited to:

- shortages of materials, equipment and labor;
- an inability to make any necessary financing arrangements on favorable terms, if at all;
- changes in demand for its services;
- labor disputes and disputes with sub-contractors;
- inadequate infrastructure, including as a result of failure by third parties to fulfill their obligations relating to the provision of utilities and transportation links that are necessary or

desirable for the successful operation of a project;
- failure to complete projects according to specifications;
- adverse weather conditions and natural disasters;
- accidents;
- changes in local governmental priorities; and
- an inability to obtain and maintain project development permission or requisite governmental licenses, permits or approvals.

The occurrence of one or more of these events may have a material adverse effect on the Group's ability to complete its current or future network expansion projects on schedule or within budget, if at all, and may prevent it from achieving increases in its subscriber base, revenues, internal rates of return or capacity in connection with such projects. In particular, the finalization of construction of the MENA cable project may be vulnerable to such risks. There can be no assurance that the Group will be able to generate revenues from its expansion projects that meet its planned targets and objectives, or that they will be sufficient to cover the associated construction and development costs, which could have a material adverse effect on its business, prospects, financial condition, results of operations and prospects.

The Company is controlled by one major shareholder whose interests may conflict with the interests of investors.

Mr. Naguib Sawiris is the executive chairman of the Company's board of directors. The Sawiris family indirectly beneficially owns OTMT Acquisition S.à .r.l., which controls 51.7% of the outstanding shares of the Company. As a result, the Sawiris family are the Company's majority beneficial owners and through their interest in OTMT Acquisition S.à .r.l. may exercise significant indirect control over the management and day-to-day operations of the Company and all strategic decisions including an ability to affect the Company's legal and capital structures. The majority shareholder has, directly or indirectly, the power, among other things, to pass ordinary resolutions of the Company, to approve related party transactions of the Company, to affect the Company's legal and capital structures and day-to-day operations, as well as the ability to elect and change the Company's management and to approve any other changes to the Company's operations.

Further, whilst the Company (as an Egyptian listed Company on the Egyptian Exchange) is subject to oversight by the Egyptian Financial Supervisory Authority, which has scope to intervene in the event that majority shareholders are abusing their position at the expense of minority investors, the constitutional documents of the Company do not contain specific minority protection provisions to ensure control of the Company is not abused by the majority shareholder. In addition, whilst the majority shareholder is under obligations to comply with Statutes of the Company and Egyptian law, the majority shareholder is under no other contractual obligations with respect to its interest in the Company, and the Company has not entered into a relationship agreement with the majority shareholder governing the relationship between the Company and the majority shareholder.

Consequently, the interests of Naguib Sawiris and his family may not be the same as the interests of minority shareholders or investors in the Company, and he or they may make decisions that may have a material adverse effect on an investment in the GDRs and on the business operations of the Group, and minority shareholders may have a limited ability to block or challenge such decisions through the constitutional documents of the Company.

The Group's infrastructure, including its network equipment and systems and its terrestrial and undersea cables, may be vulnerable to natural disasters, security risks and other events that may disrupt its services and could affect its business, prospects, financial condition and results of operations.

The Group's business depends on providing subscribers with service reliability, network capacity, security and account management, among other services. The services it provides, however, may be subject to disruptions resulting from numerous factors, including fire, flood or other natural disasters, signal jamming, power outages, acts of terrorism and vandalism, equipment or system failures and breaches of network or information technology security. If any of these events were to occur, it could cause limited or severe service disruption which could result in subscriber dissatisfaction, regulatory penalties or reduced revenues. For example, in January and February 2011 telecommunications services in Egypt were intermittently affected by government orders (including a temporary suspension of all mobile networks) in response to the nationwide protests. In addition, the Group relies on manufacturers of telecommunications equipment for continued maintenance service and supply, and continued cooperation on the part of these manufacturers is important for it to maintain its operations without disruption.

In the event the Group experiences significant problems with its switches, cables, base stations, base station controllers, network backbone, other system hardware or software or with the manufacturers on whom it relies, including problems outside its control, it could result in limited or severe service interruptions or quality of service problems. The Group's non-GSM businesses also rely on having continuous functioning electricity and internet connections. Although the Group has backup capacity for its network management operations and maintenance systems, automatic transfer to its backup capacity is not seamless, and may cause network service interruptions. Any interruption of services could harm its business reputation and reduce the confidence of its subscribers and users, and consequently impair its ability to obtain and retain subscribers and users, and could lead to a violation of the terms of its various licenses, each of which could materially or adversely affect its business.

The mobile telecommunications, media, technology and cable businesses are significantly affected by rapid technological change, and the Group may not be able to effectively anticipate or react to these changes.

The mobile telecommunications, media, technology and cable industries are characterized by technological changes, including an increasing pace of change in existing mobile systems, industry standards and ongoing improvements in the capacity and quality of technology. Its commercial success depends on providing high quality telecommunications services. If the Group is unable to anticipate customer preferences or industry changes, or if it is unable to modify its services on a timely basis, it may lose customers. As new technologies develop, its equipment may need to be replaced or upgraded, or its networks may need to be rebuilt in whole or in part in order to sustain its competitive position as a market leader. Continuing technological advances, ongoing improvements in the capacity and quality of digital technology and short development cycles also contribute to the need for continual upgrading and development of its equipment, technology and operations, in the Group's mobile telecommunications, media, technology and cables businesses. As a result, the Company cannot make assurances that existing, proposed or as yet undeveloped technologies will not become dominant in the future and render the technologies it uses less profitable or that it will be successful in responding in a timely and cost-effective way to keep up with new developments. To respond successfully to technology advances, the Group may require substantial capital expenditures and access to related or enabling technologies in order to integrate the new technology with its existing technology. If the Group is not successful in anticipating and responding to technological change and resulting consumer preferences in a timely and cost-effective manner, its quality of services, business prospects, financial condition and results of operations could be materially adversely affected.

The Group's strategy across its telecom, media, technology and cable businesses are subject to risks and uncertainties.

The Group's strategy across its telecom, media, technology and cable businesses are subject to risks and uncertainties. The Group may pursue new acquisitions or investments (including telecom investments in underserved or emerging markets) and may pursue additional investment opportunities in relation to its existing operations, or restructuring of existing operations. The ability to carry out the Group's strategy in each of its business areas will depend, among other things, on its ability to identify and compete for new opportunities, the availability of financing and regulatory licensing and approvals (if applicable) and, in some cases, the selection of appropriate international and local partners and the continued contributions of certain of its key management and technical personnel. There can be no assurance that it will be able to attract and retain the qualified personnel needed for its business. Competition for key personnel in the telecommunications, media and technology industries is intense, and there is limited availability of individuals with the requisite knowledge and experience in the markets in which the Group operates. The Group may not be able to successfully recruit, train or retain the necessary qualified personnel in the future. Its failure to manage its personnel needs successfully could have a material adverse effect on its business, financial condition and results of operations. In addition, its prospects should be considered in light of the risks and transaction costs that are inherent in acquisitions and the development of new activities. Further, although the Company is not currently bidding for any new telecommunications licenses, if the Company chooses to pursue new acquisition and investment opportunities, then there is no assurance that the Group will be successful in any potential future bids for new telecommunications licenses (if any).

The Group's business, prospects, financial condition, results of operations and liquidity may be adversely affected by the current unfavorable global economic conditions.

As the crisis in the global financial and credit markets began to spread to non-financial sectors of the world economy in the second half of 2008 and in 2009, economies worldwide started to show significant signs of weakness, resulting in a general contraction in consumer spending that varies by market. While the telecommunications sector is one market segment that has been somewhat less affected by the global financial crisis and economic slowdown and that the global trends show an increase in the usage of and dependency on this sector in the emerging markets, recessionary conditions and uncertainty in the macroeconomic environment may adversely impact consumer spending on telecommunications products and services. Customers may decide that they can no longer afford mobile services, or that they can no longer afford the data services and value-added services that are instrumental in maintaining or increasing ARPU, and, in turn, increasing its revenues.

In addition, the global financial system has continued to experience unprecedented credit and liquidity conditions and disruptions, leading to a reduction in liquidity, greater volatility, general widening of credit spreads and, in some cases, lack of transparency in money and capital markets. As a result, many lenders have reduced or ceased to provide funding to borrowers. These conditions may have been and may continue to be exacerbated by the ongoing sovereign debt crisis in the Eurozone. If these conditions continue, or similar global or regional issues occur, in 2012 and beyond it could negatively affect the Group's ability to raise funding in the debt or equity capital markets and/or access secured lending markets on financial terms acceptable to it or at all.

The continued impact of the global economic and market conditions, including, among others, the events described above could have a material adverse effect on the Group's business, prospects, financial condition, results of operations or liquidity.

The Company may not realize all of the anticipated benefits from the Completed Demerger and separation of the Company's operations from OTH may affect the price of the GDRs.

The Company is able to function as a standalone entity separate from OTH. However, there can be no assurance that the Company will realize all of the potential benefits that it expects from the Completed Demerger. As a result of this separation and the different profile of assets following the Completed Demerger, actual and perceived risks associated with the Company's business could increase, which could affect the Company's revenues and profitability and cause the market price of the GDRs to decline.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Company will be unable to comply with its obligations as a company with securities admitted to the Official List.

There is no guarantee that dividends will be paid.

There can be no assurances that the Company will determine that it will pay dividends. If it determines that it will pay dividends, there can be no assurance that it will be able to pay dividends in the future. As a holding company, the Company's ability to pay dividends in the future will be affected by a number of factors, including having sufficient distributable reserves and its ability to receive sufficient dividends from subsidiaries. The ability of companies within the Group to pay dividends and the Company's ability to receive distributions from its investments in other entities are subject to restrictions, including, but not limited to, the existence of sufficient distributable reserves and cash. These restrictions could limit the payment of dividends and distributions to the Company by its subsidiaries, which could in future restrict the Company's ability to fund other operations or to pay a dividend to holders of the GDRs. Any of the foregoing could have an adverse impact on the market price of the GDRs.

The Group's mobile telecommunications and cable operations are dependent in several jurisdictions on third party telecommunications providers over which it has no direct control for the provision of interconnection and roaming services, hosting services and landing station services.

The Group's ability to provide high quality and commercially viable mobile telecommunications services depends, in some cases, on its ability to interconnect with the telecommunications networks and services of other local, domestic and international mobile and fixed-line operators. The Group also relies on other telecommunications operators for the provision of international roaming services for its subscribers.

While it has interconnection and international roaming agreements in place with other telecommunications operators, it has no direct control over the quality of their networks and the interconnections and international roaming services they provide. In addition, the Group's cable operations depend on the ability to interconnect with, and receive services from, locally-licensed operators in several jurisdictions including Oman, Saudi Arabia and India. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections, roaming or other services to it on a consistent basis, could result in its loss of subscribers or a decrease in traffic, which could adversely affect its business, financial condition and results of operations.

The Group cannot make assurances that it will generate sufficient cash flows in the future to meet its capital expenditure needs, sustain its operations or meet its other capital requirements and commitments.

The Group's capital expenditure needs relate to the maintenance and expansion of its networks, operations and services and pursuing investment and acquisition opportunities for both its existing and potential new GSM and non-GSM businesses. In addition, its actual capital expenditure requirements may exceed the amounts currently estimated or the timing of its future capital requirements may differ materially from its current estimates due to various factors, many of which are beyond its control. Accordingly, the Group may be required to raise additional debt or equity financing in amounts that could be substantial in order to meet capital requirements or other obligations to trade and financial creditors. The Group's ability to arrange external financing, and the cost of such financing, depends on numerous factors, including its future financial condition, general economic and capital markets conditions, interest rates, credit availability from banks or other lenders, restrictions and covenants contained in its existing and future financing agreements, investor confidence in its business, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. There can be no assurance the Group would be able to accomplish any of these measures on a timely basis or on commercially reasonable terms, if at all. Any reductions or delays in its capital expenditure program and its acquisition strategy could have an adverse effect on its business, prospects, financial condition and results of operations.

The Company is dependent upon payments from its subsidiaries to fund its liquidity needs, and its ability to receive funds from, and exercise control over, its subsidiaries may depend upon the consent and co-operation of other participants who are not under its control. Disagreements or terms in the agreements governing its subsidiaries and affiliated companies could adversely affect its business, prospects, financial condition and results of operations.

The Company is a holding company that does not itself conduct any business operations. As a result, it will rely upon dividends, management fees, and other payments from its subsidiaries and its affiliated companies to generate the funds necessary to meet its obligations.

The Company's subsidiaries and its affiliated companies are separate legal entities and are under no obligation, contractual or otherwise, to pay dividends. In addition, in many jurisdictions, the ability of the Company's subsidiaries to pay dividends to it may be subject to consent by national regulators, or may be restricted by national laws which constrain the ability of the Company's subsidiaries to exchange revenue generated in local currency for US$, EUR or other suitable currencies. For example, in DPRK, koryolink generates approximately 55% of its revenues in DPRK Won but faces limitations on its ability to transfer DPRK Won into foreign currency, which could limit the level of dividends that can be paid to the Company from its DPRK operations. Notwithstanding this, in DPRK the Company currently generates enough revenue in freely exchangeable currencies in order to cover its capital expenditure, operating expenditure and dividend payments according to its budget.

The Company's subsidiaries and its affiliated companies may be required to make certain payments to it under management services and technical assistance agreements. The ability of the Company's subsidiaries and affiliated companies to make such payments to it will be subject to, among other things, the availability of profits or funds, the terms of each entity's indebtedness, the terms of their license (if applicable), the terms of their articles of association, the terms of their shareholder agreements and applicable laws, including foreign exchange controls, withholding tax issues, and other laws and approvals of the central bank and other regulatory bodies of the relevant jurisdictions. The Company's subsidiaries and affiliated companies may enter into financing facilities which restrict the payment of dividends by such subsidiaries and associates to the Company. In addition, from time to time, the

Company could, at its option, forgo the payment of a dividend by a subsidiary to the extent that it determines that the retention of the proceeds at the subsidiary level of such amounts would be beneficial to it or the respective subsidiary.

Furthermore, the Company's participation of ownership in each of its subsidiaries and affiliated companies varies from market to market, and it does not always have a majority interest in its affiliated companies. For example, one of the Company's most valuable assets is its minority interest in ECMS in Egypt. The Company's business, prospects, financial condition and results of operations may be materially and adversely affected if disagreements develop with its partners, as has been experienced in the past.

The Company's ability to withdraw funds, including dividends, from its participation in, and to exercise management control over, subsidiaries and investments may depend on the consent of its other partners in these subsidiaries. Further, failure to resolve any disputes with its partners in certain of its operating subsidiaries could restrict payments made by these operating subsidiaries to it and have an adverse effect on its business, prospects, financial condition and results of operations. In addition, agreements governing these arrangements contain, in certain cases (including with respect to the Company's stake in ECMS), change of control and similar provisions which, if triggered under certain circumstances could give other participants in these investments the ability to purchase the Company's interests or enact other penalties.

The Company's subsidiaries and affiliated companies will be subject to ongoing tax audits and investigations in the jurisdictions in which they operate.

The tax and other regulatory laws and regulations in the jurisdictions in which the Group operates are subject to change or interpretation by local authorities, including changes or interpretations that may subject it to penalties, both monetary and statutory, which in turn could adversely affect the conduct of its business. The Group will be subject to routine and non-routine tax audits in a number of countries in relation to its operations.

The Company's operations in Egypt represent a leading market share, which may subject the Company to less favorable National Telecommunications Regulatory Authority regulations.

Under the Egyptian Telecommunications Law, all telecommunications tariffs must be approved by the National Telecommunications Regulatory Authority ("**NTRA**"). The NTRA validates tariffs for various telecommunications services. The NTRA may elect to subsidize tariffs through a telecommunications fund. Although the relevant decree has not yet been implemented since all mobile operators have a significant market share, the NTRA may classify the 2 biggest operators, ECMS and another operator, as an entity exercising "significant market power" within its market, which may result in ECMS being treated less favorably than other operators and/or being subject to restrictions such as asymmetric pricing for interconnection rates (with other leading operators charging lower rates), restrictions on pricing, limits on acquisitions or other controls as regulators seek to allow for greater competition within the market, with a corresponding negative effect on its business, prospects, financial condition and results of operations in Egypt. In particular, increased regulation could result in higher operational costs and decrease ECMS's ability to present attractive offers to subscribers and potential subscribers which could adversely affect its business, financial condition and results of operations.

Risks Relating to Admission and the GDRs

The trading price of the GDRs may be highly volatile and an active and liquid market for the GDRs may not develop.

The global stock markets have experienced extreme price and volume fluctuations, especially since the beginning of the recent financial and economic crises. Although an application has been made for the GDRs to be admitted to trading on the London Stock Exchange, an active, liquid trading market may not develop or be sustained after Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors.

Consequently, the trading prices of the GDRs may be subject to wide fluctuations in response to a number of factors, including:

- variations in our operating results;

- variations in national and industry growth rates;
- changes in governmental legislation or regulation;
- general economic conditions within our business sectors; and
- extreme price and volume fluctuations on the Egyptian or other emerging market stock exchanges.

Future sales or buybacks of GDRs may adversely affect the market price of the GDRs and lock up arrangements has not been entered into.

Sales, or the possibility of sales, of substantial numbers of GDRs in the public markets following the Listing could have an adverse effect on the trading prices of the GDRs and could affect the ability of the Company to obtain further capital through an offering of equity securities. In addition, subsequent equity offerings may reduce the percentage ownership of the existing shareholders. Furthermore, lock up arrangements which, in the context of a global marketed offering might customarily be entered into by the Company, certain shareholders and management have not been entered into. Immediate or subsequent sales of GDRs by the Company, certain shareholders or management following Admission could have an adverse effect on the trading price of the GDRs.

GDR holders may not be able to exercise pre-emption rights or participate in future issues of GDRs.

Securities laws of certain other jurisdictions may restrict the participation, or the Company's ability to allow participation, by certain GDR holders in such jurisdictions in any future issue of GDRs or of other securities carried out by the Company.

In the case of a future allotment of new GDRs, existing GDR holders have certain statutory pre-emption rights unless those rights are disapplied by a special resolution of the Shareholders at a general meeting. An issue of new GDRs or when pre-emption rights have been disapplied could dilute the interests of the then-existing GDR holders. Even where pre-emption rights do apply, holders of GDRs who are located in the US may not be able to exercise their pre-emption rights unless a registration statement under the US Securities Act is effective with respect to such rights or an exemption from the registration requirements is available thereunder. There can be no assurance that the Company will file any such registration statements, or that an exemption to the registration requirements of the US Securities Act will be available, which would result in certain GDR holders in the US being unable to exercise their pre-emption rights. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by GDR holders in such jurisdictions in any future issue of GDRs or of other securities carried out by the Company.

Holders of GDRs may not be able to exercise voting rights associated with the Ordinary Shares on the same terms as holders of Ordinary Shares.

Under the terms of the deposit agreements entered into with respect to the GDRs, holders of GDRs as of the applicable record date may instruct the Depositary how to vote the Ordinary Shares represented by the GDRs. The Depositary has agreed in the deposit agreements to endeavor, as far as practicable and subject to Egyptian law, the terms of the Company's articles of association ("**Statutes**") and the deposit agreements for the GDRs, to vote the Ordinary Shares represented by the GDRs in accordance with the instructions of the holders of GDRs.

At meetings of holders of the Company's shares, the Depositary will vote (or cause to be voted) the Ordinary Shares represented by the GDRs in respect of which it has received timely and valid voting instructions in accordance with such voting instructions. However, holders of GDRs may not receive voting materials in time to enable them to provide timely voting instructions to the Depositary. In addition, the Depositary will distribute the voting materials to holders of GDRs only if the Company so requests, and will not do so if it determines that the distribution of such materials to holders of GDRs may violate US law or the law of other jurisdictions. As a result, holders of GDRs may not receive the voting materials that the Company distributes to holders of the Company Ordinary Shares in Egypt.

Holders of GDRs may not receive distributions on Ordinary Shares represented by the GDRs or any value if it is illegal or impractical to make the distribution available to holders of GDRs.

The Depositary has agreed in the deposit agreements to distribute to holders of GDRs, after deducting its fees and expenses, the cash dividends and other distributions it or the custodian of the Ordinary Shares represented by the GDRs receives on Ordinary Shares or other deposited securities. Holders of GDRs will receive these distributions in proportion to the number of Ordinary Shares represented by the GDRs they hold. However, under the deposit agreements the Depositary is not required to make any such distribution if it decides that it is unlawful or impractical to make the distribution available to any holders of GDRs. The Company will have no obligation to take any action to permit the distribution of GDRs, shares, rights or anything else to holders of GDRs. This means that holders of GDRs may not receive the distributions the Company makes on its shares or any value if it is illegal or impractical for the Company to make the distribution available to holders of GDRs. These restrictions may have a material adverse effect on the value of the GDRs.

Investors may have limited recourse against the Company or the Company's directors and executive officers because they generally conduct their operations outside the United States and the United Kingdom and all of its current directors and executive officers may reside outside the United States and the United Kingdom.

The Company's presence outside the United States and the United Kingdom may limit legal recourse against the Company. Some or all of its directors and executive officers named in this Prospectus may reside outside the United States and the United Kingdom, principally in Egypt. Almost all of its assets are and almost all of the assets of its directors and executive officers are located outside the United States and the United Kingdom, principally in Egypt. As a result, it may not be possible to effect service of process within the United States or the United Kingdom upon the Company or its directors and executive officers or to enforce US or UK court judgments obtained against the Company or its directors and executive officers in jurisdictions outside the United States and the United Kingdom, including actions under the civil liability provisions of US securities laws. In addition, it may be difficult to enforce, in original actions brought in courts in jurisdictions outside the United States and the United Kingdom, liabilities predicated upon US or UK securities laws.

Judgments rendered by a court in any jurisdiction outside Egypt may be recognized by courts in Egypt as per the same terms of their enforcement in their country of origin, provided that reciprocal treatment for the enforcement of Egyptian judgments in that jurisdiction exists. However, in order for a foreign judgment to be enforceable in Egypt, an exequatur proceeding has to take place. An exequatur may not be granted unless the following conditions are met:

- the courts of Egypt are not competent to hear the dispute which constituted the subject of the foreign judgment, and the foreign court is shown to have been competent to hear the dispute in accordance with its laws;
- the parties to the dispute were duly notified and properly represented in the proceedings;
- the judgment is final and conclusive in accordance with the laws of its place of issuance; and
- the judgment does not conflict with a prior Egyptian judgment in the same matter and is not contrary to public policy in Egypt.

Although Egyptian courts have acknowledged joint jurisdiction, Egyptian courts are competent to hear disputes raised against Egyptians whether or not resident in Egypt which may result in the rejection of the request of an exequatur of a non-Egyptian judgment rendered against the Company. Further, since a review of whether the judgment conflicts with Egyptian public policy is a matter for Egyptian courts to decide, foreign court judgments would not be enforceable without being re-examined on the merits. The only exception is where an international treaty providing for the recognition and enforcement of judgments in civil cases exists between Egypt and the country where the judgment has been rendered. No such treaty exists between Egypt and the United States or the United Kingdom for the reciprocal enforcement of foreign court judgments. Because judgments of the United States or the United Kingdom courts are not automatically enforceable in Egypt, it may be difficult to recover against the Company based upon such judgments. These limitations may prohibit effective legal recourse for claims related to holding the GDRs.

INFORMATION RELATING TO THE COMPLETED DEMERGER

On 29 November 2011 (the "**Completed Demerger Closing Date**"), Orascom Telecom Holding S.A.E. ("**OTH**"), a joint stock company incorporated in Egypt with registered number 365751 closed a statutory demerger under Egyptian law, whereby OTH was partitioned into two separate companies, OTH and the Company (the "**Completed Demerger**"). The Completed Demerger was approved by OTH's shareholders at extraordinary general meetings held on 14 April 2011 and 23 October 2011 and was carried out in accordance with the demerger guidelines of the Egyptian Financial Supervisory Authority ("**EFSA**") promulgated in 2010.

The Completed Demerger was undertaken as part of a larger transaction pursuant to which VimpelCom Ltd. ("**VimpelCom**") has acquired all the shares of Wind Telecom S.p.A. ("**Wind Telecom**"), which is the 51.7% indirect shareholder of OTH (the VimpelCom-Wind Telecom combination, which closed on 15 April 2011, created the 6th largest mobile platform in the world by subscribers, with operations in 20 countries). As part of the consideration for the VimpelCom-Wind Telecom transaction, VimpelCom and OTH agreed to effect the Completed Demerger of the Company (which holds certain telecom, media and technology assets not intended to form part of the VimpelCom business going forward) and to cause VimpelCom's 51.7% indirect stake in the Company to be transferred back to Weather Investments II S.à r.l., the principal selling shareholder of Wind Telecom. On the Completed Demerger Closing Date, each eligible holder of an OTH ordinary share (the "**OTH Shares**") received one ordinary share of the Company (the "**Company Shares**"), and each eligible holder of an OTH GDR became entitled to receive one GDR of the Company, in each case, subject to applicable legal restrictions and the requirement that such holder hold such security on the applicable record date (24 November 2011 for ordinary shareholders, and 20 January 2012 for OTH GDR holders).

On 22 January 2012, the Company Shares commenced trading on the Egyptian Stock Exchange, and the GDRs became eligible for over the counter trading. The GDRs are currently admitted to the unregulated segment of the London Stock Exchange's International Order Book under the symbol "**OTMT**".

All of the GDRs were issued to existing shareholders of Orascom Telecom Holdings S.A.E on the Completed Demerger Closing Date and no GDRs have been marketed to the public in the UK or elsewhere in connection with the Completed Demerger or Admission.

Separation Agreement

On 15 April 2011, OTH, Wind Telecom S.p.A., Weather Investments II S.à r.l. and VimpelCom Ltd. entered into a separation agreement (the "**Separation Agreement**") relating to the VimpelCom-Wind Telecom transaction, and setting forth the terms and conditions upon which the Completed Demerger was to be effected. The Company is not a party to the Separation Agreement (as it was not in existence when the Separation Agreement was entered into), and is reliant on Weather Investments II S.à r.l., the parent company of OTMT Acquisition S.à r.l., the Company's controlling shareholder, to enforce the terms of the Separation Agreement on behalf of the Company if necessary. Pursuant to the Separation Agreement, the Company was entitled to receive certain services from OTH for a limited period following the Completed Demerger, however the Company has not requested OTH to provide any such services.

INFORMATION RELATING TO THE SALE OF DIRECT AND INDIRECT OWNERSHIP INTERESTS IN ECMS

Overview of ECMS

ECMS operates a leading mobile network in Egypt and provides a range of prepaid and postpaid voice and data telecommunication services under the brand name of MobiNil ("**MobiNil**"). MobiNil launched its operations in May 1998.

The Company has a 5% economic interest in ECMS following the FT Transaction Completion Date (as defined below).

Prior to the FT Transaction Completion Date (as defined below) the Company held an investment of 34.67% in ECMS through its 20% directly-held stake as well as its 28.75% holding in MobiNil for Telecommunications S.A.E. ("**MobiNil S.A.E**"), an entity that was 71.25% owned by the France Telecom group and that in turn owned approximately 51% of ECMS. The remaining shares were publicly traded on the EGX.

The Group records its investment in ECMS using the equity method. Consequently, ECMS does not contribute to the consolidated EBITDA or consolidated net revenues from operations of the Group. The Group records a share of profit or loss of the investment in ECMS on a separate line of its income statement.

The Group also receives a management fee equal to 0.75% of the total revenues of ECMS (excluding equipment sales, sales taxes and value added tax) pursuant to the General Services Agreement (as defined below).

For further information on the ECMS business, see "*Business – Organisational Structure of the Group – GSM Division – ECMS*".

Sale of Direct and Indirect Ownership Interests in ECMS

On 12 April 2012, France Telecom-Orange ("**FT**" or "**France Telecom**") and the Company announced that they had agreed on the final terms governing the partial sale of the Company's direct and indirect stakes in ECMS and the parties' continued partnership in the governance and ownership of ECMS (the "**FT Transaction**").

The FT Transaction was approved by an Extraordinary General Meeting (the "**EGM**") of the Company on 1 March 2012 and completed on 19 June 2012. The rationale for the Company entering into the FT Transaction was as follows:

- The Company and FT did not have a common view on the operation of certain call and put option provisions in a shareholders agreement between them relating to ECMS and MobiNil S.A.E. (the "**MobiNil Shareholders Agreement**").

- To move forward on the future of the ECMS investment without risking the possibility of a potentially lengthy and costly dispute to determine the operation of these provisions, the Company and FT entered into discussions regarding the terms of a partial sale by the Company of its interest in ECMS to FT, pursuant to which the terms of the FT Transaction were agreed (as outlined in more detail below).

- The Company believes this is a good solution for the Company that avoids potential arbitration which could have impacted the businesses of both the Company and ECMS, and represents good value for the Company on an economic level as a partial exit of the ECMS business whilst simultaneously maintaining an interest in and ongoing exposure to the Egyptian telecommunication market.

On 11 April 2012, the Company, together with MobiNil S.A.E, FT and certain of FT's affiliates, executed an Amended and Restated Master Agreement (the "**Master Agreement**") in contemplation of the FT Transaction, the principal terms of which are described below. Pursuant to the Master Agreement, the Company entered into transactions the effect of which was to sell to FT's wholly-owned subsidiary the

Company's 29.67% direct and indirect holding in ECMS at a price of EGP 202.5 per share for a total cash consideration of approximately US$ 953 million and to retain a 5% direct economic interest in ECMS. The Company entered into foreign currency derivative financial instruments with certain financial institutions in order to limit its exposure to foreign currency exchange rate fluctuation in connection with the receipt of the cash consideration resulting from the FT Transaction.

Mandatory Tender Offer

- On 12 April 2012, FT, through its wholly-owned subsidiary, MT Telecom SCRL ("**MT Telecom**"), submitted an application to the Egyptian Financial Supervisory Authority ("**EFSA**") for authorization to launch an unconditional and irrevocable mandatory public tender offer request (the "**MTO**") to acquire up to 100% of the issued capital of ECMS at a tender offer price per share of EGP 202.5 (the "**MTO Price**").

- The MTO was completed on 23 May 2012, whereby MT Telecom acquired 93.92% of the share capital of ECMS (with 5% of the remainder being retained by the Company, and 1.08% remaining outstanding as a free float on the Egyptian Exchange).

The Sales of Shares owned by ECMS and MobiNil S.A.E

As a result of the FT Transaction:

- The Company reduced its direct shareholding interest in ECMS to 5% of the Company's capital and voting rights in ECMS by tendering in the MTO a 15% direct stake in ECMS.

- MobiNil S.A.E tendered to the MTO its entire shareholding and the voting rights in ECMS, representing 51.03% of the share capital of ECMS.

- The Company and MobiNil S.A.E. received payment for their direct interests in ECMS on 29 May 2012. An ordinary general assembly meeting of MobiNil S.A.E was convened on 4 June 2012 to resolve, *inter alia*, on the distribution of dividends resulting from the sale of shares under the FT Transaction. Following ratification of the general assembly meeting of MobiNil S.A.E by the Egyptian General Authority for Investment, on 19 June 2012 the Company received total aggregate proceeds of approximately EGP 6 billion for its direct and indirect ECMS stake tendered in the MTO.

- MobiNil S.A.E no longer holds any shares in ECMS. Accordingly, following the payment by MobiNil S.A.E to the Company of its portion of the MTO proceeds, the Company will sell all its MobiNil S.A.E shares to the France Telecom Group at book value.

Governance of the ECMS Group

- The Company will remain FT's strategic partner in Egypt and will continue to participate in the management of ECMS through the arrangements described below.

- Upon closing of the above transactions, the Company subscribed for shares representing 28.75% of the voting rights of MT Telecom for an amount of approximately EUR 7 million (equivalent to approximately US$ 9 million). The economic rights attaching to these MT Telecom shares do not match the voting rights. The economic rights entitle the Company to a dividend equal to 3% of the distributed amounts, capped on an annual basis at 3% of the subscription price of the shares, provided that a decision is made at the general meeting of the partners of MT Telecom to distribute a dividend. These economic rights are required under Belgian law (the jurisdiction in which MT Telecom is incorporated), which requires all voting rights to have some economic exposure. The Company subscribed for these MT Telecom voting rights in order to allow it to participate in the management of MT Telecom (the majority shareholder in ECMS), in order to help the Company protect its 5% direct interest in ECMS.

- The MobiNil Shareholders Agreement was amended and restated to reflect the new structure, under which (so long as the Company maintains agreed shareholding thresholds):

- The Board of Directors of ECMS (as is the case today) will consist of 13 directors, 7 appointed by FT and 6 Egyptian citizens including 3 appointed by the Company and 3 independent directors.

- The Company will continue to participate in the management of ECMS, including through its participation in the Audit Committee and in the Nomination and Compensation Committee of ECMS.

- The CEO of ECMS will be appointed by the Board of Directors of ECMS following consultation with ECMS' Nomination and Compensation Committee. The CEO, further to consultation with the Nomination and Compensation Committee, will appoint the other senior management of ECMS.

Put and Call Provisions

- Under the MobiNil Shareholders Agreement, the parties have agreed to the following revised set of put and call options with respect to the Company's remaining stakes in ECMS and MT Telecom.

Put Option

- FT and the Company have agreed to limit the Company's put option for its 5% remaining direct stake in ECMS to 1.67% per annum over a three-year period from 2015 to 2017, subject to the trading rules of the 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, the last exercise of such put option leading to the sale of the 28.75% voting rights in MT Telecom.

- The Company will also have certain agreed exit rights in the event FT involves another local partner in the MobiNil business.

Call Option

- To give FT additional control over a potential future divestment by the Company, FT will have the option to call all (but not less than all) of the Company's remaining direct stake in ECMS and in MT Telecom, in the following circumstances:

1. During a January-February exercise period in each year from 2013 to 2017. The exercise price of the option accretes from EGP 243.5 (in 2013) to EGP 296 (in 2017) payable in cash per ECMS share.

2. Upon a change of control of the Company, in which case the exercise price of the call option will be the fair market value of ECMS shares (as determined per the amended and restated shareholders agreement) plus a premium of 5% payable in cash.

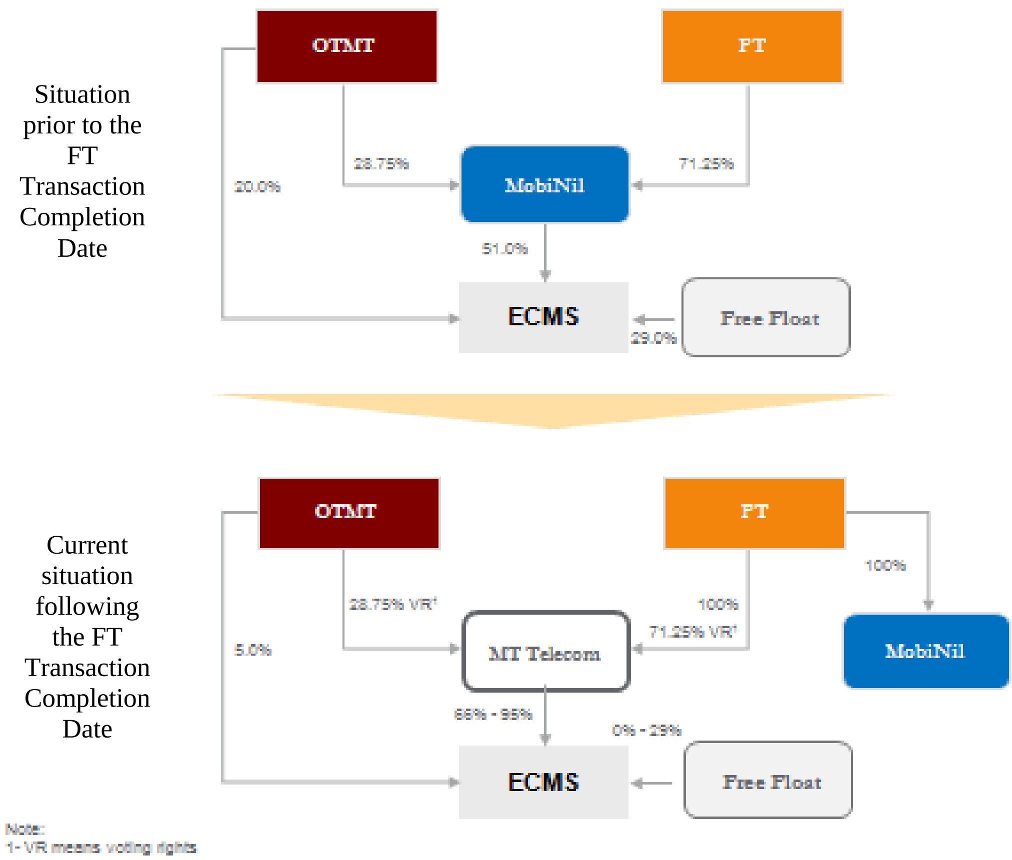
- The Company has also granted FT a right of first refusal over any sale by the Company of its stake in ECMS.

Other Matters

- Following the above transactions, the Company will continue to provide services to ECMS under its general services agreement (the "**General Service Agreement**"), which was renewed by virtue of the resolution of the General Assembly of ECMS dated 11 April 2012, subject to any possible future changes that may be decided by ECMS for that agreement or its assignment to FT, at FT's discretion, against compensation.

- The FT Transaction is not expected to have any material impact on the licence held by ECMS (see "*Business – Organisational Structure of the Group – GSM Division – ECMS – ECMS' Licence" and "Additional Information – Material Contracts – ECMS Licence*").

Illustration of the FT Transaction



Effect of the FT Transaction on the Remaining Group Businesses

Following the FT Transaction Completion Date, the Company intends to continue to operate its other operations and its business as a whole in line with its strategy as described in "*Business – Strategy*" of the Prospectus, as it has done prior to the completion of the FT Transaction.

Following the completion of the FT Transaction, the Company's remaining 5% interest in ECMS continues to be an asset of material importance to the Company. The Company considers that its 5% interest in ECMS, including the corresponding put and call option rights relating to this interest, remains the Company's most material asset in terms of short term monetary value. Notwithstanding this, as outlined in "*Business - Strategy*", the Company is focused on capturing substantial revenue growth in all of its existing markets, and believes that, in terms of long term strategic importance and growth opportunities, its other mobile operations, in particular koryolink are of comparable importance to the Group.

Unaudited Pro Forma Financial Statements

The Unaudited Pro Forma Combined Financial Information was prepared to simulate the effect of the disposal of 29.67% direct and indirect interest in ECMS and the acquisition of 28.75% voting rights in MT Telecom SCRL, a wholly owned subsidiary of FT.

The Unaudited Pro Forma Combined Financial Information presented in the Prospectus is based on available information and certain assumptions that the Group believes are reasonable. The Unaudited Pro Forma Combined Financial Information is presented for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial results. It may not, therefore, give a true picture of the Group's financial position or results of operations, nor is it indicative of the results that may, or may not, be expected to be achieved in the future. It should be noted that the Unaudited Pro Forma Combined Financial Information does not purport to predict or estimate the future results of the Group and should not be used for this purpose.

The Unaudited Pro Forma Combined Financial Information can be found on page P-1 of this Prospectus.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected combined financial information of the Group as of and for the periods indicated.

Selected combined financial information as of and for the years ended 31 December 2010, 2009 and 2008 has been extracted without adjustment from the Combined Financial Statements. Selected combined financial information as of 30 September 2011 and for the nine months ended 30 September 2011 and 2010 has been extracted without adjustment from the Combined Interim Financial Information. Interim results are not necessarily indicative of the results that may be expected for any other interim period nor are they indicative of results for a full year. Selected pro forma combined financial information for the year ended 31 December 2010 and as of and for the nine months ended 30 September 2011 illustrates retrospectively the effect of the disposal of 29.67% direct and indirect interest in ECMS and the acquisition of 28.75% voting rights in MT Telecom SCRL, a wholly owned subsidiary of FT for the respective periods and has been extracted without adjustment from the Unaudited Pro Forma Combined Financial Information.

As described in further detail in the section "*Presentation of Financial and Other Information*", the Company was established on 29 November 2011 and until this date the businesses of the Company were performed under various entities which were controlled by OTH. As a result, this Prospectus includes combined financial information as of and for the year ended 31 December 2008, 2009 and 2010, as of 30 September 2011 and for the nine months ended 30 September 2011 and 2010 that represents the net assets, financial position and results of operations of the companies and net assets which became part of the Group, as if the Group had been operating as a stand-alone group, independent of OTH, during the relevant period. However, it should be highlighted that if the Group had been operating as a stand-alone group during this period, the net assets, financial position and results of operations could have been different. See "*Presentation of Financial and Other Information*" for further information.

Combined Income Statement

	Nine months ended 30 September			Year ended 31 December			
(in thousands of US$)	**Pro Forma 2011**	**2011**	**2010**	**Pro Forma 2010**	**2010**	**2009**	**2008**
	(Unaudited)		*(Unaudited)*	*(Unaudited)*			
Revenue	236,373	236,373	175,751	246,535	246,535	163,017	74,311
Other income	1,863	1,863	2,714	1,743	1,743	1,273	474
Purchases and services	(84,753)	(84,753)	(89,228)	(116,252)	(116,252)	(99,478)	(51,722)
Other expenses	(9,976)	(9,976)	(1,727)	(10,460)	(10,460)	(7,431)	(1,715)
Personnel costs	(45,507)	(45,507)	(45,642)	(57,206)	(57,206)	(45,768)	(23,253)
Depreciation and amortisation	(14,400)	(14,400)	(10,156)	(14,620)	(14,620)	(13,602)	(6,403)
Impairment charges	(2,719)	(2,719)	(24,704)	(26,603)	(26,603)	(4,032)	(1,017)
Disposal of non current assets	22	22	(5)	(5)	(5)	14	(24)
Operating income/(loss)	**80,903**	**80,903**	**7,003**	**23,132**	**23,132**	**(6,007)**	**(9,349)**
Financial income	2,892	96,670	2,470	2,428	2,428	3,609	3,227
Financial expense	(10,940)	(10,940)	(2,109)	(32,722)	(32,722)	(3,699)	(4,630)
Foreign exchange gain /(loss)	9,390	9,390	1,828	942	942	(1,169)	(5,232)
Share of profit /(loss) of equity investments	(5,991)	(41,545)	55,306	7,118	49,364	125,645	97,331
Gain on partial disposal of equity investments	-	-	965,927	-	964,298	-	-
Profit before income tax	**76,254**	**134,478**	**1,030,425**	**898**	**1,007,442**	**118,379**	**81,347**

Income tax expense	(9,924)	(9,924)	(64,076)	(5,933)	(65,933)	(2,228)	(2,351)
Profit/(loss) from continuing operations	**66,330**	**124,554**	**966,349**	**(5,035)**	**941,509**	**116,151**	**78,996**
Discontinued operations							
Profit/ (loss) from discontinued operation (net of income tax)	-	-	28,474	28,906	28,906	(2,679)	(14,635)
Profit for the period	**66,330**	**124,554**	**994,823**	**23,871**	**970,415**	**113,472**	**64,361**
Attributable to:							
Owners of the Company	47,785	106,009	989,241	11,092	957,636	112,191	66,895
Non-controlling interest	18,545	18,545	5,582	12,779	12,779	1,281	(2,534)

Combined Statement of Financial Position

(in thousands of US$)	As of 30 September		As of 31 December		
	Pro Forma				
	2011	**2011**	**2010**	**2009**	**2008**
Assets	*(Unaudited)*				
Property and equipment	443,357	443,357	381,445	310,933	260,198
Intangible assets	76,696	76,696	74,538	70,873	118,181
Equity investments	127,412	883,568	1,029,502	407,221	303,570
Other non current financial assets	91,917	185,143	38,527	32,331	21,508
Deferred tax assets	3,522	3,522	2,902	-	-
Total non-current assets	**742,904**	**1,592,286**	**1,526,914**	**821,358**	**703,457**
Inventories	1,271	1,271	667	639	5,834
Trade receivables	62,879	62,879	76,348	54,055	45,923
Other current financial assets	2,870	2,870	1,015	2,072	2,252
Current income tax receivables	1,025	1,025	1,070	2,360	1,384
Other current assets	19,908	19,908	16,713	14,092	30,903
Cash and cash equivalents	1,126,798	183,047	174,848	70,083	70,038
Assets held for sale	-	-	-	109,953	-
Total current assets	**1,214,751**	**271,000**	**270,661**	**253,254**	**156,334**
Total assets	**1,957,655**	**1,863,286**	**1,797,575**	**1,074,612**	**859,791**
Equity and liabilities					
Invested capital	1,663,379	1,569,010	1,579,767	832,419	637,944
Non-controlling interest	52,375	52,375	29,815	9,011	14,996
Total equity	**1,715,754**	**1,621,385**	**1,609,582**	**841,430**	**652,940**
Liabilities					

Non-current borrowings	6,434	6,434	7,390	12,886	41,717
Other non-current liabilities	3,225	3,225	2,538	2,479	-
Non-current provisions	751	751	602	-	396
Deferred tax liabilities	5,506	5,506	2,938	675	2,585
Total non-current liabilities	**15,916**	**15,916**	**13,468**	**16,040**	**44,698**
Current borrowings	7,988	7,988	10,615	13,103	28,572
Trade payables	101,214	101,214	84,003	68,729	103,364
Other current liabilities	107,334	107,334	63,845	78,148	27,106
Current income tax liabilities	4,107	4,107	10,732	1,285	2,318
Current provisions	5,342	5,342	5,330	1,331	793
Liabilities held for sale	-	-	-	54,546	-
Total current liabilities	**225,985**	**225,985**	**174,525**	**217,142**	**162,153**
Total liabilities	**241,901**	**241,901**	**187,993**	**233,182**	**206,851**
Total equity and liabilities	**1,957,655**	**1,863,286**	**1,797,575**	**1,074,612**	**859,791**

Combined Statement of Cash Flows

	Nine months ended 30 September		**Year ended 31 December**		
(in thousands of US$)	**2011**	**2010**	**2010**	**2009**	**2008**
		(Unaudited)			
Profit for the period	**124,554**	**994,823**	**970,415**	**113,472**	**64,361**
Adjustments for					
Depreciation, amortisation and impairment charges	17,119	34,860	41,223	31,970	17,911
Impairment of financial assets	9,619	-	30,121	-	-
Foreign exchange differences	(9,390)	(1,828)	(942)	1,169	5,232
Fair value gain on derivative instruments	(93,778)	-	-	-	-
(Gain)/loss on disposal of non-current assets	(22)	5	5	(14)	24
Gain from discontinued operations	-	(28,474)	(28,906)	-	-
Share of profit (loss) of equity investments	41,545	(55,306)	(49,364)	(125,645)	(97,331)
Gain on partial disposal of equity investments	-	(965,927)	(964,298)	-	-
Changes in inventories	(603)	(150)	(37)	4,818	(3,942)
Changes in trade receivables and payables	11,591	(27,972)	(39,076)	(25,616)	44,149
Changes in other assets and liabilities	37,648	13,182	536	32,300	1,374
Cash flows generated by /(used in) operating activities	**138,283**	**(36,787)**	**(40,323)**	**32,454**	**31,778**
Cash out flow for investments in					

Property and equipment	(60,951)	(96,333)	(115,530)	(117,492)	(156,925)
Intangible assets	(1,333)	(361)	(4,432)	(22,368)	(51,796)
WOL	-	-	-	-	(8,019)
Proceeds from disposal of					
Property and equipment	16,842	168	409	29,977	9,189
Intangible assets	-	-	22	-	6,439
Equity investments	-	300,000	300,000	-	-
LinkDotNet and LinkEgypt	-	97,921	97,921	-	-
Changes in current and non current financial assets	(70,096)	1,648	(36,457)	(11,463)	407
Dividends received	72,678	60,181	60,034	40,644	105,048
Cash flows generated by / (used in) investing activities	**(42,860)**	**363,224**	**301,967**	**(80,702)**	**(95,657)**
Proceeds from loan and bank facilities	422	172	858	132	208
Payments for loans and bank facilities	(4,036)	(8,110)	(9,093)	(8,896)	(4,772)
Changes in current financial liabilities	41	2,849	1,001	(7,866)	(3,577)
Net capital contributions /(distributions)	(78,883)	(223,713)	(142,798)	74,856	110,655
Cash flows generated by (used in) financing activities	**(82,456)**	**(228,802)**	**(150,032)**	**58,226**	**102,514**
Net cash increase in cash and cash equivalents	**12,967**	**97,635**	**111,612**	**9,978**	**38,635**
Effect of exchange rates on cash and cash equivalents	(4,768)	(3,831)	(6,847)	462	(259)
Cash and cash equivalents transferred to asset held for sale	-	-	-	(10,395)	-
Cash and cash equivalents at the beginning of the period	**174,848**	**70,083**	**70,083**	**70,038**	**31,662**
Cash and cash equivalents at the end of the period	**183,047**	**163,887**	**174,848**	**70,083**	**70,038**
Income tax paid	6,201	68,921	71,356	1,835	2,927
Interest expense paid	1,293	1,419	1,512	1,872	4,168

Other Financial Information

(in thousands of US$)	**Nine months ended 30 September**		**Year ended 31 December**		
	2011	**2010**	**2010**	**2009**	**2008**
		(Unaudited)			
EBITDA [(1)]	98,000	41,868	64,360	11,613	(1,905)
Capital expenditures [(2)]	81,945	82,082	130,148	129,016	271,291
Dividends received[(3)]	72,678	60,181	60,034	27,669	95,511

[(1)] EBITDA is defined as profit before income tax, gain on partial disposal of equity investments, share of profit/(loss) of equity investments, foreign exchange gain/(loss), financial expense, financial income, disposal of non-current assets, impairment charges and depreciation and amortisation.

The following table provides a reconciliation between profit before income tax and EBITDA.

(in thousands of US$)	**Nine months ended 30 September**		**Year ended 31 December**		
	2011	**2010**	**2010**	**2009**	**2008**
		(Unaudited)			
Profit before income tax	**134,478**	**1,030,425**	**1,007,442**	**118,379**	**81,347**
Gain on partial disposal of equity investments	-	(965,927)	(964,298)	-	-
Share of loss/(profit)of equity investments	41,545	(55,306)	(49,364)	(125,645)	(97,331)
Foreign exchange (gain)/loss	(9,390)	(1,828)	(942)	1,169	5,232
Financial expense	10,940	2,109	32,722	3,699	4,630
Financial income	(96,670)	(2,470)	(2,428)	(3,609)	(3,227)
Disposal of non current assets	(22)	5	5	(14)	24
Impairment charges	2,719	24,704	26,603	4,032	1,017
Depreciation and amortisation	14,400	10,156	14,620	13,602	6,403
EBITDA	**98,000**	**41,868**	**64,360**	**11,613**	**(1,905)**

[(2)] Capital expenditure is equivalent to total costs incurred during the period to acquire property and equipment and intangible assets other than goodwill.

[(3)] Dividends received represent the dividends received from the Group's equity investment in ECMS.

Segment financial and operating measures

Segmental revenue

(in thousands of US$)	**Nine months ended 30 September**		**Year ended 31 December**		
	2011	**2010**	**2010**	**2009**	**2008**
		(Unaudited)			
GSM North Korea	102,704	41,626	66,402	25,951	451
GSM Lebanon	71,072	64,870	88,401	63,095	-
Media & Technology	38,939	40,962	54,559	37,088	44,473
Cable	14,592	17,524	22,702	21,806	15,172
Other	9,066	10,769	14,471	15,077	14,215
Total	**236,373**	**175,751**	**246,535**	**163,017**	**74,311**

Segmental EBITDA

(in thousands of US$)	Nine months ended 30 September		Year ended 31 December		
	2011	2010	2010	2009	2008
	(Unaudited)				
GSM North Korea	80,763	30,354	52,153	14,047	(3,324)
GSM Lebanon	16,867	14,000	19,025	802	-
Media & Technology	613	2,402	5,068	(10,284)	(2,873)
Cable	(1,799)	2,725	(2,950)	6,747	1,570
Other	1,556	(7,613)	(8,936)	301	2,722
Total	**98,000**	**41,868**	**64,360**	**11,613**	**(1,905)**

Segmental Capital Expenditure

(in thousands of US$)	Nine months ended 30 September		Year ended 31 December		
	2011	2010	2010	2009	2008
	(Unaudited)				
GSM North Korea	38,384	29,936	47,332	35,015	89,567
Media & Technology	5,816	1,603	1,822	13,576	58,141
Cable	37,687	50,542	80,993	79,611	123,465
Other	58	1	1	814	118
Total capital expenditures	**81,945**	**82,082**	**130,148**	**129,016**	**271,291**

GSM North Korea KPI's

	As of and for the nine months ended 30 September		As of and for the year ended 31 December		
	2011	2010	2010	2009	2008
Total subscribers (in thousands)	809	301	432	92	*n.a.*
ARPU (US$)	14.1	20.4	17.1	22.9	*n.a.*
Market Share	100%	100%	100%	100%	*n.a.*

GSM Lebanon KPI's

	As of and for the nine months ended 30 September		As of and for the year ended 31 December		
	2011	2010	2010	2009	2008
Total subscribers (in thousands)	1,525	1,290	1,342	1,069	*n.a.*
ARPU (US$)	37.9	41.0	40.4	52.1	*n.a.*
Market Share	47.4%	46.7%	46.4%	45.2%	*n.a.*

CAPITALISATION

The following table sets out the Group's combined capitalisation as of 30 September 2011. The information included in the table below has been extracted without adjustment from the Combined Interim Financial Information. The following table should be read in conjunction with ''*Selected Financial Information*'', ''*Operating and Financial Review*'' and the Combined Financial Statements and the Combined Interim Financial Information included elsewhere in this Prospectus.

(in thousands of US$)	**As of 30 September 2011**
Cash and cash equivalents	**183,047**
Current borrowings	7,988
Non-current borrowings	6,434
Total debt (1)	**14,422**
Invested capital	1,569,010
Non-controlling interest	52,375
Total equity	**1,621,385**
Total capitalisation (2)	**1,635,807**

(1) Total debt is defined as the sum of current borrowings and non-current borrowings

(2) Total capitalisation is defined as the sum of total debt and total equity

There have not been any significant changes in our capitalisation since 30 September 2011.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read together with the Combined Financial Statements, and the Combined Interim Financial Information, including the accompanying notes, included elsewhere in this Prospectus. The Combined Financial Statements, the Combined Interim Financial Information and accompanying notes have been prepared in accordance with IFRS.

Some of the information in the discussion and analysis set forth below and elsewhere in this Prospectus includes forward-looking statements that involve risks and uncertainties. See "Presentation of Information – Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in the Prospectus.

Basis of Presentation

As described in further detail in the section "*Presentation of Financial and Other Information*", the Company was established on 29 November 2011 as part of the Demerger and until this date the businesses of the Company were performed under various entities which were controlled by OTH. The Demerger resulted in the transfer of the OTMT Assets to the Company.

Solely for the purposes of admission of the GDRs to the Official List maintained by the UK Listing Authority and admission to trading on the London Stock Exchange plc's regulated market for listed securities, the Company prepared combined financial statements as of and for the years ended 31 December 2008, 2009 and 2010 and interim combined financial information as of 30 September 2011 and for the nine months ended 30 September 2010 and 2011, to present the net assets, financial position and results of operations of the companies and net assets which became part of the Group, as if the Group had been operating as a stand-alone group, independent of OTH, during these periods.

The combined financial statements and interim combined financial information were prepared by aggregating the financial information relating to the assets and liabilities which entered into the Group's scope of consolidation on the Demerger and which until then were part of OTH. In preparing the combined financial statements and the interim combined financial information, the revenues and costs of the OTMT Assets which were not directly attributable to such business, and in particular those relating to central services performed by the former holding company, were allocated using drivers appropriate to the revenue or cost to be allocated.

However, it should be highlighted that if the Group had been operating as a stand-alone group during this period, the net assets, financial position and results of operations could have been different. Therefore the combined financial information is not necessarily indicative of results that would have occurred if the OTMT Assets had been a separate group during the entire period presented, or of the future results of the Group.

See "*Presentation of Financial and Other Information*" for further information. The criteria used in the preparation of such combined financial information is described in Note 2 to the Combined Financial Statements.

Overview

The Company is a holding company for a group of companies and investments in companies active in (i) mobile telecommunications activities through the GSM North Korea and GSM Lebanon segments, (ii) online advertising, content services and mobile value-added services for consumers and corporate customers through the Media & Technology segment and (iii) provision of direct broadband and high-speed connectivity using submarine business cables through the Cables business segment.

In particular, the activities of the Group are organised in the following business segments:

- *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.

- *Media & Technology:* relating to activities mainly in Egypt, the Middle East and Africa for the provision of online advertising and content to corporate customers, mobile value added services and software development and hosting of corporate clients.
- *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. In particular, this business segment includes;

  (i) the operations of TWA relating to the TW1 cable, a cable connecting Pakistan to the UAE with a branch landing at Oman. TWA's main clients are major telecom operators in Pakistan;
  (ii) Med Cable which is a submarine network connecting France to Algiers, Oran and Annaba in Algeria. The sole customer of Med Cable is Orascom Telecom Algeria ("**OTA**"); and
  (iii) Mena Cable which is a submarine communications cable system under construction which will connect Italy, Egypt , Saudi Arabia, Oman and India.

- *Other:* relating mainly to the Group's equity investment in ECMS, management fees received from ECMS and the income and expenses allocated to the Group.

Key Factors Affecting the Results of Operations

The results of operations for the historical periods have been affected by the developing nature of the operations and the growth of new businesses. In particular, the GSM business activities in North Korea and Lebanon only commenced during December 2008 and January 2009 respectively, and the significant growth in these businesses has strongly influenced the growing revenues of the Group. The following section sets forth a description of the main factors affecting each of the Group's business segments for the historical periods.

The following table sets forth the Group's revenues and EBITDA by business segment for the periods indicated.

Revenue by segment	**Nine months ended 30 September**				**Year ended 31 December**					
(in thousands of US$)	**2011**	**% of total revenues**	**2010**	**% of total revenues**	**2010**	**% of total revenues**	**2009**	**% of tota revenues**	**2008**	**% of total revenues**
			(Unaudited)							
GSM North Korea	102,704	43.4%	41,626	23.7%	66,402	26.9%	25,951	15.9%	451	0.6%
GSM Lebanon	71,072	30.1%	64,870	36.9%	88,401	35.9%	63,095	38.7%	-	0.0%
Media & Technology	38,939	16.5%	40,962	23.3%	54,559	22.1%	37,088	22.8%	44,473	59.9%
Cable	14,592	6.2%	17,524	10.0%	22,702	9.2%	21,806	13.4%	15,172	20.4%
Other	9,066	3.8%	10,769	6.1%	14,471	5.9%	15,077	9.2%	14,215	19.1%
Total revenues	**236,373**	**100%**	**175,751**	**100%**	**246,535**	**100%**	**163,017**	**100%**	**74,311**	**100%**

EBITDA by segment	**Nine months ended 30 September**				**Year ended 31 December**					
(in thousands of US$)	**2011**	**% of segment revenues**	**2010**	**% of segment revenues**	**2010**	**% of segment revenues**	**2009**	**% of segment revenues**	**2008**	**% of segment revenues**
			(Unaudited)							
GSM North Korea	80,763	78.6%	30,354	72.9%	52,153	78.5%	14,047	54.1%	(3,324)	n/a
GSM Lebanon	16,867	23.7%	14,000	21.6%	19,025	21.5%	802	1.3%	-	n/a
Media & Technology	613	1.6%	2,402	5.9%	5,068	9.3%	(10,284)	(27.7%)	(2,873)	(6.5%)
Cable	(1,799)	(12.3%)	2,725	15.6%	(2,950)	(13.0%)	6,747	30.9%	1,570	10.3%
Others	1,556	17.2%	(7,613)	(70.7%)	(8,936)	(61.8%)	301	2.0%	2,722	19.1%
Total EBITDA	**98,000**		**41,868**		**64,360**		**11,613**		**(1,905)**	

GSM North Korea

The GSM North Korea business segment represents the activities of CHEO, operating under the trading name of koryolink, a partnership between the Group and the state-owned KPTC. The Company owns a 75% investment in the operator and fully consolidates the entity.

koryolink launched its operations in December 2008 and it is the first and only provider of 3G mobile operations in the Democratic People's Republic of Korea (DPRK). The mobile license was awarded for a period of 25 years with an exclusivity period of 4 years. The results of operations of this business segment have therefore been strongly affected by the growth of the business. In particular, the number of subscribers has increased from 92 thousand as of 31 December 2009 to 809 thousand as of 30 September 2011.

The operations of koryolink initially commenced with a direct sales network only, through one centralised store in the capital Pyongyang. The business has expanded since its inception and in late 2009 the sales outlets also expanded outside the capital. This expansion has continued throughout the main cities in the DPRK. In addition, koryolink has increased the subscriber base by developing an indirect sales network with its partner KPTC, which has helped to increase the operator's footprint and provide services to subscribers in different areas throughout the country.

As of 30 September 2011 the sales network included 24 shops in the capital Pyongyang and 9 shops in other main cities.

Capital expenditure of the North Korea segment for the period from 1 January 2008 to 30 September 2011 amounted to US$ 210.3 million and related to investments to support and develop the business, providing coverage in Pyongyang and the other main cities. The number of cell sites increased from 153 as of 31 December 2009 to 453 as of 30 September 2011. By 30 September 2011 the network covered 14% of the North Korean territory, including the capital, 14 main cities and 86 smaller cities.

GSM Lebanon

In January 2009 the Group, through its subsidiary, OT Lebanon, was awarded a management contract for one of the two operating GSM networks in Lebanon owned by the Ministry of Telecommunications (Alfa). The initial management contract was for a period of one year, renewable for a further year. Pursuant to the original contract, OT Lebanon was required to increase the number of subscribers of Alfa from approximately 600 thousand at the end of 2008 to approximately 1 million at the end of 2009. This requirement was fulfilled and by 31 December 2009 Alfa had approximately 1.1 million subscribers. OT Lebanon was responsible for all operating expenses whilst the Republic of Lebanon was fully responsible for the capital expenditure. OT Lebanon was paid a monthly management fee calculated based on a fixed amount of US$ 6.75 per active subscriber.

In February 2010, the contract was renewed for a further 6 months until July 2010, when it was subsequently renewed until January 2011. Under the terms of the new contract signed in 2010, OT Lebanon received a monthly fee of US$ 2.5 million and 8.5% of the total revenues of the operator, whilst the operating cost and capital expenditure conditions remained unchanged. On expiry of the contract it was renewed for a further year until January 2012 under the same terms. In February 2012 a new management contract was agreed for a further year. See "Recent Developments – Renewal of OT Lebanon Management Contract."

The number of subscribers have steadily grown since the inception of the management contract, reaching 1.5 million subscribers by 30 September 2011. The indirect sales channels have increased from 1,250 at the inception of the contract in 2009 to 1,750 certified points of sale as of 30 September 2011, an increase of 409.0%. The Alfa network covers 98.3% of Lebanese territories, or 98.8% of populated areas in Lebanon. The number of cell sites operated by Alfa has increased from 660 as of December 2009 to 956 as of 30 September 2011, an increase of 44.8%.

The management contract awarded to OT Lebanon states that the operator will incur all capital expenditure, meaning that the GSM Lebanon business does not have any fixed or intangible assets.

Media & Technology Business Segment

The results of operations of the Media & Technology Business segment have been influenced by changing consumer tendencies and a change in the contracts with two key corporate customers for the provision of online advertising services.

In particular, the market for mobile phone users is becoming more sophisticated and developed, with subscribers more focussed on mobile applications, particularly ring back tones, mobile entertainment, games and graphics. There is also an increase in the number of corporate entities who target consumers through mobile marketing and mobile phone based competitions. The increase in demand for value added services has created opportunities for the Group to expand the business, catering for more than 42 network operators in 20 different countries.

The results of this segment have also been particularly affected by new exclusive contracts entered into in July 2010 with Microsoft and December 2009 with Facebook whereby the Group has an exclusive relationship for online advertising with such entities in certain territories. In particular the contract with Microsoft covers Egypt, UAE, Saudia Arabia, Qatar, Oman, Bahrain, Kuwait, Pakistan, Morocco, Jordan and Lebanon, whilst the contracts with Facebook cover Egypt, UAE, Saudia Arabia and North Africa. Prior to entering into these contracts the Group sold advertising space with such entities on a non-exclusive basis, however, since entering into the exclusive contracts, the Group has seen a significant increase in revenues as a result of the increase in the advertising space available.

During 2011, the results of the Media & Technology business segment were negatively impacted by the revolution in Egypt, which resulted in several forced shutdowns of the network.

Cable Business Segment

The Cable business segment has mainly been characterised by growth in the TWA business since it commenced operations in 2006. In particular the growth in the business is mainly related to an increase in the demand for internet services in Pakistan through which the Company has been able to increase the capacity sold.

The growth in the TWA business was partially offset by a decline in the performance of Med Cable due to the suspension of the international gateway licence of its sole client, OTA, and a subsequent impairment to its plant and equipment due to the ongoing uncertainty regarding future operations. In particular in May 2010 OTA's international gateway licence to operate the network cable was suspended by the Algerian Regulation Authority of Post and Telecommunications. Since such date there have been no ongoing revenues or cash flow generated from the cable. Following the suspension of the international gateway licence, Med Cable revenues decreased from US$ 4.3 million for the year ended 31 December

2009, to US$ 2.1 million for the year ended 31 December 2010 (representing only the period until suspension of the license). As a result of the future uncertainty of the business, the plant and equipment of Med Cable were fully impaired in 2010 and any subsequent capital expenditure has also been fully impaired. Impairments of plant and equipment for Med Cable amounted to US$ 25.1 million for the year ended 31 December 2010 and US$ 1.2 million for the nine months ended 30 September 2011.

Construction of the Mena Cable commenced in January 2008 and total capital expenditure on the cable until 30 September 2011 amounted to US$ 319 million, with a further US$ 36 million committed as at that date. The completion of the cable was delayed as, due to political unrest in certain countries all of the regulatory approvals have not been received and therefore the cable is not yet operational. Dependent on regulatory approvals, it is expected that the cable will be operational during 2013. The Group expects to incur expenditure of approx US$ 95 million, of which approximately US$ 36 million had been committed as of 30 September 2011, to complete the cable. Minor revenues have been generated from the purchase of capacity from other operators for the onward sale to customers. In addition, in 2009, the Group entered into a sales contract with Gulf Bridge International to sell one of the fibre pairs which connects Oman to Europe. Pursuant to this contract the Group was required to comply with certain conditions, which included the requirement that the cable was operational by a certain date. As the cable was not operational by such date, during 2010 the Group incurred penalties of US$ 4.5 million. No further penalties are expected to be incurred. The sale was completed in the last quarter of 2011.

Other Factors Affecting Operations

Investment in ECMS

For the historical periods covered by the Prospectus the Group held a 34.67% investment in ECMS, whilst the France Telecom Group held 36.34% of the shares in ECMS and the remaining shareholding is publicly traded on the Cairo and Alexandria Stock Exchange.

The Group records the investment using the equity method and records the share of profit or loss of the investment on a separate line of the income statement. The Group also receives a management fee equal to 0.75% of the total revenues of the company excluding equipment sales and sales taxes.

Changes in governance structure

Until July 2010, the Group's investment in ECMS was recorded as a joint venture using the equity method.

In April 2010, following an extended period of legal disputes, the Group entered into a new and comprehensive agreement regarding ECMS. A revised shareholders agreement was implemented which became effective on 14 July 2010. In accordance with the new agreement, on 13 July 2010 France Telecom paid a fee to the Group of US$ 300 million to settle all disputes. As a result of the new agreement the governance structure of the investment changed and the Group ceased to have joint control over ECMS but retained significant influence. Therefore, from this date the investment was recorded as an associate.

On the date that ECMS became an associate, the investment was measured at fair value and the gain, including the settlement fee of US$ 300 million, was recognised in the income statement.

In April 2010, France Telecom and OTH entered into a new and comprehensive agreement whereby, among other, OTH has the option to put its 34.67% interest in ECMS to France Telecom (i) during the period from 15 September to 15 November 2012 (ii) during the period from 15 September through to 15 November 2013 and anytime until 15 November 2013 in a limited number of deadlock situations. The strike price of the put option increases over time from Euro 29.44 to Euro 33.0 as of 31 December 2013.

Discontinued operations

During 2009, management decided to sell LinkDotNet and Link Egypt, 100% subsidiaries within the Media & Technology segment. The results of operations of these entities have been classified as "discontinued operations" in the years ended 31 December 2008, 2009 and 2010 and for the nine months ended 30 September 2010, whilst the assets and liabilities were classified as assets held for sale and liabilities held for sale, respectively, as of 31 December 2009 and 2010. In September 2010, LinkDotNet and Link Egypt were sold to ECMS, an associate of the Group.

Economic factors

- ***Foreign exchange***

The Group operates internationally and is exposed to foreign exchange risk arising when its business transactions are in currencies other than its functional currency. The main currencies to which the Group is exposed are the US dollar (US$), the Pakistani Rupee (PKR), the Euro (EUR) and the Egyptian Pound (EGP). In general, the exposure arises from trade receivables, trade payables and capex payables denominated in foreign currencies. As of 31 December 2010, if the functional currencies had strengthened/weakened by 10% against the US$, Euro, Egyptian pound and Pakistani Rupee, with all other variables held constant, the translation of foreign currency receivables and payables would have resulted in an increase/decrease of US$ 7,556 thousand, (2009: US$ 720 thousand, 2008: US$ 1,639 thousand) of profit for the year. Profit is more sensitive to movement in foreign exchange rates in 2010 than 2009 and 2008, primarily due to the increase in Euro and US$ denominated cash balances and financial receivables in entities with functional currency in Egyptian Pound.

- ***Political, social and economic instability***

A substantial part of the Group's assets and operations are currently located in jurisdictions which are, have been, or could in the future be subject to political, economic and social instability. Its operating results are and will be affected by economic and political developments in or affecting each of the countries in which it operates and, in particular, by the level of economic activity. While recent economic and political reforms have been implemented in certain of its markets, there is no assurance that these reforms will be long lasting. In particular, the Group, and in particular ECMS and the Media & Technology segment, was affected by the revolution in Egypt in early 2011.

- ***Currency control and political restrictions***

Some of the countries in which the Group operates have implemented currency control restrictions and, in particular, rules surrounding the repatriation of dividends to foreign investors and some of the entities have been subject to political restrictions, with the effect of restricting financial transactions and the import and export of goods or services and rules regarding the exchange of local currency into foreign currency (for example North Korea). As a result, certain subsidiaries rely on the holding company to make foreign currency payments (particularly in relation to salaries, costs of expat staff and capital expenditure costs), on their behalf. Additionally, subsidiaries may not be able to transfer dividends out of their home country.

Recent Developments

Renewal of OT Lebanon Management Contract

In February 2012, OT Lebanon's management contract for Alfa was renewed for a further year. The terms of the renewal were re-negotiated compared to the previous management contract and OT Lebanon will now receive a monthly fee of US$ 0.6 million and a percentage of revenues which is variable depending on achieving certain objectives. The percentage of revenues varies from 0.05% to 0.1% per objective with a potential upside if the objective is met before the required date. In addition, under the new contract, all operating costs, including personnel costs will be borne by the operator. The operator will also continue to incur all capital expenditure.

France Telecom

As explained in "*Information Relating to the Sale of Direct and Indirect Ownership Interests in ECMS*", on 12 April 2012 the Company announced that it had agreed on the final terms of the partial sale of the Company's direct and indirect holding in ECMS. The aggregate cash consideration for the FT Transaction amounts to US$ 953 million. The FT Transaction was completed on 19 June 2012. As a result, the Company's direct shareholding interest in ECMS is 5%. Additionally, the Company acquired 28.75% voting rights in MT Telecom for an amount of approximately US$ 9 million. MT Telecom SCRL is a directly controlling shareholder of ECMS. France Telecom and the Company have amended certain provision under their current shareholders agreement in order to adjust the governance structure to the new shareholding interests and to put in place mechanisms to protect minority shareholder's interest and leave the Company with similar voting rights and board representations as currently in place.

In particular, the Company will remain France Telecom's strategic partner in Egypt and will continue to participate in the management of ECMS, including through its appointment of three out of thirteen directors in the board of directors of ECMS, its participation in the audit committee and in the nomination and compensation committee of ECMS. The chief executive officer of ECMS will be appointed by ECMS's board of directors after consultations with ECMS's nomination and compensation committee. The chief executive officer of ECMS will appoint the other senior management of ECMS, always after consultations with ECMS's nomination and compensation committee. The Company will continue to provide services to ECMS under the general service agreement renewed on 11 April 2012, subject to possible future changes that may be decided by ECMS for that agreement or its assignment to France Telecom, at France Telecom's discretion, against compensation of Euro 110 million, subject to adjustment depending on the date of such assignment.

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

- In order to grant France Telecom increased flexibility to maintain Egyptian shareholding in ECMS, France Telecom and the Company have agreed to limit the Company's put option for its 5% remaining direct stake in ECMS to 1.67% per annum over a three-year period from 2015 to 2017, subject to the trading rules and the then applicable law. This option is exercisable in January-February of each such year at accreting prices determined based on the date of exercise ranging from EGP 268.5 in 2015 to EGP 296 in 2017 per ECMS share, the last exercise of such put option leading to the sale of the 28.75% voting rights in MT Telecom SCRL. The Company will also have certain agreed exit rights in the event France Telecom involves another local partner in the ECMS business.

- To give France Telecom additional control over a potential future divestment by the Company, France Telecom will have the option to call all (but not less than all) of the Company's remaining direct stake in ECMS and voting rights in MT Telecom SCRL. This option is exercisable during a January-February exercise period in each year from 2013 to 2017, at prices accreting at a rate similar to that for the put option granted to the Company and described above, ranging from EGP 243.5 to EGP 296 per ECMS share. The agreement also provides France Telecom with call option rights in certain other circumstances, including upon a change of control of the Company.

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

Post 30 September 2011 Financial Performance

Other than the completion of the FT Transaction, the Group is not aware of any other trends, developments or factors which would have materially affected its results of operations, financial position, assets or liabilities subsequent to 30 September 2011 to the date of this Prospectus. The Company considers that trading conditions subsequent to 30 September 2011 up until the date of this Prospectus have been in line with the previous year in all material respects and in line with management's expectations.

The Company believes that an increase in the subscribers base in the GSM North Korea segment from 432 thousand subscribers as of 31 December 2010 to 945 thousand subscribers as of 31 December 2011 (as a result of an increase in network coverage during 2011 and the expansion of the direct and indirect sales network) has had a positive impact on the Group's revenues.

The activities of the Cable business segment continue to be negatively affected by the suspension of OTA's international gateway license and the construction of the Mena Cable, which is not yet generating revenues. Therefore, revenues of the Cable business segment for the year ended 31 December 2011 will mainly relate to TWA.

The Group has continued to support the expected future growth in the business through capital expenditure.

The Group has not entered into any material new financing contracts subsequent to 30 September 2011.

Critical Accounting Estimates

The discussion and analysis of the combined results of operations and combined financial condition are based on the Combined Financial Statements and Combined Interim Financial Information which have been prepared in accordance with IFRS.

The preparation of the Combined Financial Statements and the Combined Interim Financial Information 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 Combined Financial Statements and the Combined Interim Financial Information. Actual results might differ from such estimates due to the uncertainty surrounding the assumptions and conditions upon which estimates are based. The accounting estimates that require the more subjective judgment of management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results reported in the Combined Financial Statements and the Combined Interim Financial Information are summarised below.

Detailed information regarding accounting policies applied in the preparation of the financial statements is provided in Note 2 to the Combined Financial Statements and Note 4 to the Combined Interim Financial Information, included elsewhere in this Prospectus.

Impairment of non-current assets

Non-current assets are reviewed to determine whether there are indications that the net carrying amount of these assets may not be recoverable and that they have suffered an impairment loss that needs to be recognised. In order to determine whether any such elements exist, it is necessary to make subjective measurements, based on information obtained within the Group, and in the market, and also on past experience. When indicators are identified that an asset may have become impaired, the Group estimates the impairment loss using suitable valuation techniques. The identification of elements indicating that a potential impairment exists and estimates of the amount of the impairment, depend on factors that may vary in time, affecting management's assessments and estimates.

Depreciation of non-current assets

The cost of plant and equipment is depreciated on a straight-line basis throughout the useful economic life of the relevant asset. The useful econmic life is determined by management at the time the asset is acquired and is based upon historical experience for similar assets, market conditions, and forecasts regarding future events that could have an impact on useful life, including changes in technology. Therefore, the actual useful economic life may differ from the estimated useful life. The Group periodically evaluates sector and technology changes in order to update the remaining useful life. Such periodic updates could result in a change during the depreciation period, and therefore also in the depreciation or amortisation in future years.

Taxes

Income taxes (both current income tax and deferred taxes) are determined in each country where the Group operates in accordance with a prudent interpretation of the applicable tax regulations.

This process results in complex estimates in determining taxable income and deductible and taxable temporary differences between accounting and tax values. In particular, deferred tax assets are recognised when it is probable that there will be future taxable income against which the temporary differences can be utilised. The assessment of the recoverability of deferred tax assets, in relation to tax losses that can be used in future years and deductible temporary differences, consider the estimated future taxable income on the basis of a prudent tax planning.

Provisions and contingencies

Provisions are recorded for legal and tax risks that represent the risk of negative outcome. The amount of provisions recorded for those risks represent management's best estimates of the outflow required to settle the obligation at the reporting date. Those estimates involve assumptions that may vary over time and, therefore, could have a significantly different impact compared with the current estimates made by management in preparing the Group's combined financial statements.

Goodwill

The impairment test on goodwill is carried out by comparing the carrying amount of cash-generating units and their recoverable amount. The recoverable amount of a cash-generating unit is the higher of fair value, less costs to sell, and its value in use. This complex valuation process entails the use of methods such as the discounted cash flow method which uses assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for the extrapolation.

Explanation of Key Income Statement Items

Revenue

Revenues from the GSM North Korea segment

GSM North Korea revenues are generated through telephony services, which includes revenues from traffic, roaming, fees and contributions. GSM North Korea revenues in 2009 also includes minor revenues from the sale of handsets. From 2010 the sale of handsets was performed directly by koryolink's partner, KPTC.

Revenues from the GSM Lebanon segment

GSM Lebanon revenues comprise the management fee paid to OT Lebanon.

Revenues from the Media & Technology segment

The largest components of Media & Technology segment revenues are: online advertising, content downloads and the sale of value added services, such as ring back tones.

Revenues from the Cable segment

Cable segment revenues are comprised of bandwidth sales and international private leased circuits ("**IPLC**") services. An IPLC is a point-to-point private line used by an organisation to communicate between offices that are geographically dispersed throughout the world. An IPLC can be used for internet access, business data exchange, video conferencing, and any other form of telecommunication. Revenues from bandwidth capacity sales are recognised over the period of the contract on the basis of usage of bandwidth by the customers. IPLC revenues are recognised on a straight line basis based throughout the length of the contract.

Revenues from the Other segment

Revenues from the Other segment relate to the management fee received from ECMS, which is calculated based on a percentage of the gross service revenue of ECMS. Following the FT Transaction, the Company will continue to provide services to ECMS under the general service agreement renewed on 11 April 2012, subject to possible future changes that may be decided by ECMS for that agreement or its assignment to France Telecom, at France Telecom's discretion.

Purchases and services

Purchases and services primarily include:

- interconnection traffic and roaming costs relating to costs incurred to connect customers to other networks;
- customer acquisition costs mainly relating to commissions paid to agents and dealers, particularly within GSM operations;
- lease and rental costs, which include lease of civil and technical sites, lease of telecommunications circuits, lease of local access network and lease of facilities;
- advertising and promotional services;
- utilities costs; and
- other costs incurred for the provisions of services, including maintenance costs for network and information systems and costs for raw, ancillary and consumable materials and goods.

Other expenses

Other expenses mainly include provisions for doubtful receivables, annual contribution for license fees, provisions for risks and charges, fines or penalties and other operating expenses.

Personnel costs

Personnel costs primarily include wages, social security, pension contributions, bonuses and employee benefits, net of capitalised costs for internal work.

Depreciation and amortisation

Depreciation and amortisation consists of the depreciation of plant and equipment and the amortisation of intangible assets.

Amortisation of intangible assets mainly includes the amortisation of intangible assets such as licences and software.

Impairment charges

Impairment charges consist of the impairment of goodwill, plant and equipment and intangible assets and is the amount by which the carrying amount of such assets exceeds the estimated recoverable amount at the statement of financial position date. Any impairment loss is recognised in the combined income statement whenever the carrying amount of an investment exceeds its recoverable amount.

Disposal of non-current assets

Disposal of non-current assets includes the gains or losses arising from the disposal of plant and equipment.

Net Financing Costs

Net financing costs consist of:

- Financial income – which includes interest income from banks and from financial receivables, dividend income and other finance income.
- Financial expenses – which includes interest expense on bank borrowings, and financial debts, discounting of provisions, impairment of financial assets and other finance expense.
- Net foreign exchange gain/(loss) includes realised and non-realised exchange gains and losses.

Share of gain / (loss) of equity investments

The share of gain / (loss) is related to direct and indirect interests for the Group's investment in ECMS recorded with the equity method. The Group's share of the investments results is recorded within a separate line in the income statement as "share of profit/loss of equity investments". The investment is recorded in non-current assets in the statement of financial position as "equity investments".

Gain on partial disposal of equity investments

Gain on partial disposal of equity investments relates to the gain recorded as a result of a revised and amended shareholders agreement, in which the Group lost joint control and only retained significant influence, while retaining a 34.67% interest in ECMS . Following the amendment of the agreement the investment was no longer recorded as a joint venture but was instead recorded as an associate and the investment was measured at fair value. Gain on partial disposal of equity investments includes the gain from re-measuring the investment at fair value and the settlement fee received from France Telecom to end all disputes.

Income tax expense

Income tax expense is comprised of current income tax expense and deferred tax benefits or expenses.

Profit (loss) from discontinued operations

Profit / (loss) from discontinued operations includes the profits and losses in the related periods for Link Dot Net S.A.E. and Link Egypt S.A.E. Both of these entities were sold to ECMS in September 2010.

Non-controlling interests

Profit/(loss) attributable to non-controlling interest reflects the profit or loss for the year attributable to non-controlling interest in the Group's subsidiaries.

EBITDA

Group management also control and monitor the business using EBITDA as a key financial measure of operating performance. EBITDA is defined as profit before income tax, gain on partial disposal of equity investments, share of profit/(loss) of equity investments, foreign exchange gain/(loss), financial expense, financial income, disposal of non-current assets, impairment charges and depreciation and amortisation.

Results of Operations

The following table sets forth the results of operations for the nine months ended 30 September 2011 and 2010.

Combined income statement *(in thousands of US$)*	**Nine months ended 30 September** **2011**	**% of revenues**	**2010**	**% of revenues**	**% change**
			(*Unaudited*)		
Revenues	236,373	100.0%	175,751	100.0%	34.5%
Other income	1,863	0.8%	2,714	1.5%	(31.4%)
Purchases and services	(84,753)	(35.9%)	(89,228)	(50.8%)	(5.0%)
Other expenses	(9,976)	(4.2%)	(1,727)	(1.0%)	n/a
Personnel costs	(45,507)	(19.3%)	(45,642)	(26.0%)	(0.3%)
Depreciation and amortisation	(14,400)	(6.1%)	(10,156)	(5.8%)	41.8%
Impairment charges	(2,719)	(1.2%)	(24,704)	(14.1%)	(89.0%)
Disposal of non current assets	22	0.0%	(5)	(0.0%)	n/a
Operating income	**80,903**	34.2%	**7,003**	4.0%	n/a
Net financing income	95,120	40.2%	2,189	1.2%	n/a
Share of profit /(loss) of equity investments	(41,545)	(17.6%)	55,306	31.5%	n/a
Gain on partial disposal of equity investments	-	0.0%	965,927	n/a	(100.0%)
Profit before income tax	**134,478**	56.9%	**1,030,425**	n/a	(86.9%)
Income tax expense	(9,924)	(4.2%)	(64,076)	(36.5%)	(84.5%)
Profit from continuing operations	**124,554**	52.7%	**966,349**	549.8%	(87.5%)
Discontinued operations					
Profit from discontinued operation (net of income tax)	-	n/a	28,474	16.2%	n/a
Profit for the period	**124,554**	52.7%	**994,823**	n/a	(84.6%)
EBITDA	98,000	41.5%	41,868	23.8%	134.1%

Nine Months Ended 30 September 2011 Compared with Nine Months Ended 30 September 2010

Revenue

Total revenues amounted to US$ 236.4 million for the nine months ended 30 September 2011, an increase of US$ 60.6 million, or 34.5%, from US$ 175.8 million for the nine months ended 30 September 2010. The increase in revenues was primarily related to an increase in the revenues of the GSM North Korea and Lebanon segments. The following table sets forth revenues for the nine months ended 30 September 2011 and 2010.

(in thousands of US$, except percentages)	**For the nine months ended 30 September** **2011**	**2010**	**Change %**	**% of total revenues** **2011**	**2010**
		(*Unaudited*)			
GSM North Korea	102,704	41,626	146.7%	43.4%	23.7%
GSM Lebanon	71,072	64,870	9.6%	30.1%	36.9%
Media & Technology	38,939	40,962	(4.9%)	16.5%	23.3%
Cable	14,592	17,524	(16.7%)	6.2%	10.0%
Other	9,066	10,769	(15.8%)	3.8%	6.1%
Total revenues...	**236,373**	**175,751**	**34.5%**	**100%**	**100%**

GSM North Korea

Revenues of the GSM North Korea segment amounted to US$ 102.7 million for the nine months ended 30 September 2011, an increase of US$ 61.1 million, or 146.7%, from US$ 41.6 million for the nine months ended 30 September 2010. The following table sets forth certain KPI information of the GSM North Korea segment as of and for the nine months ended 30 September 2011 and 2010.

	As of and for the nine months ended 30 September		
	2011	**2010**	**% change**
Total subscribers(*in thousands)*	809	301	169%
ARPU (*US$*)	14.1	20.4	(31)%
Market share	100%	100%	n.a.

The 146.7% increase in revenues of the GSM North Korea segment was primarily driven by a 169% increase in the number of subscribers, from 301 thousand subscribers as of 30 September 2010 to 809 thousand subscribers as of 30 September 2011. As well as introducing new offerings to the market, the subscriber base has also grown due to an increase in the network coverage and an expansion of the direct and indirect sales network. In particular, the network coverage increased from covering Pyongyang, 13 main cities and 42 small cities as of 30 September 2010 to covering Pyongyang, 14 main cities and 86 smaller cities as of 30 September 2011, whilst the sales network increased from 26 sales outlets to 33 sales outlets as of 30 September 2011.

ARPU decreased by 31% from US$ 20.4 for the nine months ended 30 September 2011 to US$ 14.1 for the nine months ended 30 September 2010. The change in ARPU is primarily due to a reduction in prices to enable additional subscribers to be acquired. Strong subscriber growth traditionally results in dilution of ARPU due to the decreased use of additional subscribers.

GSM Lebanon

Revenues of the GSM Lebanon segment amounted to US$ 71.1 million for the nine months ended 30 September 2011, an increase of US$ 6.2 million, or 9.6%, from US$ 64.9 million for the nine months ended 30 September 2010.

The following table sets forth certain KPI information of the operator as of and for the nine months ended 30 September 2011 and 2010.

	As of and for the nine months ended 30 September		
	2011	**2010**	**% change**
Total subscribers (*in thousands)*	1,525	1,290	18%
ARPU (*US$*)	37.9	41.0	(8)%
Market share	47.4%	46.7%	0.7%

The 9.6% increase in revenues of the GSM Lebanon segment was primarily driven by an 18% increase in the number of subscribers of the operator, from 1,290 thousand subscribers as of 30 September 2010 to 1,525 thousand subscribers as of 30 September 2011 resulting in a 7 basis points increase in market share from 46.7% as of 30 September 2010 to 47.4% as of 30 September 2011. The increase in revenues is not proportional to the increase in subscribers as the number of subscribers has continued to grow month by month. With the aim of retaining and acquiring new subscribers, new and revised packages have been offered to subscribers. In particular, a Blackberry offer was introduced for prepaid subscribers in July 2010 and from the beginning of 2011 a second prepaid plan which offered discounted rates was introduced. ARPU decreased by 8% from US$ 41.0 for the nine months ended 30 September 2010 to US$ 37.9 for the nine months ended 30 September 2011. The decrease in ARPU is mainly attributable to the increase in subscribers which in general results in ARPU dilution and the aforementioned discounted rates.

Media & Technology

Revenues of the Media & Technology business segment amounted to US$ 38.9 million for the nine months ended 30 September 2011, a decrease of US$ 2.1 million, or 4.9%, from US$ 41.0 million for the nine months ended 30 September 2010.

The decrease in revenues of the Media & Technology segment was mainly related to a decrease in revenues from content downloads due to a one off campaign by one of the segments customers which took place in 2010, which was only partially offset by an increase in revenues from online advertising, particularly related to the new Microsoft and Facebook contracts.

Cable

Revenues of the Cable segment amounted to US$ 14.6 million for the nine months ended 30 September 2011, a decrease of US$ 2.9 million, or 16.7%, from US$ 17.5 million for the nine months ended 30 September 2010.

The decrease in revenues of the Cable segment was mainly attributable to a decrease in revenues from the Med Cable of US$ 2.0 million and a decrease in revenues from the TW1 cable of US$ 1.5 million.

Revenues from Med Cable amounted to US$ 2.0 million for the nine months ended 30 September 2010 compared to nil for the nine months ended 30 September 2011 as the cable had not been operational since the suspension of OTA's international gateway licence in May 2010.

Revenues generated from the TW1 cable were US$ 14.0 million for the nine months ended 30 September 2011, a decrease of US$ 1.5 million, or 9.5%, from US$ 15.5 million for the nine months ended 30 September 2010. The decrease in revenues was attributable to a decrease in the IPLC activities and in particular an approximate 29% decrease in IP transit tariffs aimed to counter balance aggressive pricing of the main competitor and the termination of services with one of the key international customers, who sourced alternative options which had not previously been available to them, including use of their own cable.

Other

Revenues of the Other business segment amounted to US$ 9.1 million for the nine months ended 30 September 2011, a decrease of US$ 1.7 million, or 15.8%, from US$ 10.8 million for the nine months ended 30 September 2010.

Other segment revenue relates entirely to the management fee paid to the Group by ECMS. The management fee paid to the Group is based on 0.75% of ECMS gross service revenue. The decrease in Other segment revenues is attributable to the decrease in ECMS revenues.

Purchases and services

The table below sets forth purchases and services costs for the nine months ended 30 September 2011 as compared to the nine months ended 30 September 2010.

(In thousands of US$, except percentages)	**For the nine months ended September 30** **2011**	**2010**	**Change %**	**% of total revenues** **2011**	**2010**
	(*Unaudited*)				
Rental of local network and other leases and rentals	14,072	11,900	18.3%	6.0%	6.8%
Customer acquisition costs	12,978	9,366	38.6%	5.5%	5.3%
Purchases of goods and changes in inventories	11,729	8,841	32.7%	5.0%	5.0%
Maintenance costs	9,537	10,559	(9.7%)	4.0%	6.0%
Telephony cost	7,738	11,049	(30.0%)	3.3%	6.3%
Utilities	7,181	7,807	(8.0%)	3.0%	4.4%
Interconnection traffic	6,998	7,699	(9.1%)	3.0%	4.4%
Other service expenses	5,954	6,589	(9.6%)	2.5%	3.7%
Consulting and professional services	4,085	11,399	(64.2%)	1.7%	6.5%
Advertising and promotional services	3,663	3,293	11.2%	1.5%	1.9%
Bank and post office charges	818	726	12.7%	0.3%	0.4%
Total purchases and services...	**84,753**	**89,228**	**(5.0%)**	**35.9%**	**50.8%**

Purchases and services were US$ 84.8 million for the nine months ended 30 September 2011, a decrease of US$ 4.4 million, or 5.0%, from US$ 89.2 million for the nine months ended 30 September 2010.

The decrease in purchases and services was substantially related to a decrease in consulting and professional fees and telephony costs which were only partially offset by an increase in customer acquisition costs, purchases of goods and changes in inventories and rental of local network and other leases and rentals.

Consulting and professional fees decreased by US$ 7. 3 million, from US$ 11.4 million for the nine months ended 30 September 2010 to US$ 4.1 million for the nine months ended 30 September 2011 primarily related to a decrease in legal fees. In particular, during 2010 the Group incurred significant costs relating to the dispute with France Telecom regarding ECMS. Telephony costs decreased by US$ 3.3 million, from US$ 11.0 million for the nine months ended 30 September 2010 to US$ 7.7 million for the nine months ended 30 September 2011, mainly related to a decrease in content download costs of the Media & Technology segment, directly related to a decrease in content download revenue.

The decrease in consulting and professional fees and telephony costs were partially offset by an increase in customer acquisition costs, purchases of goods and changes in inventories and rental of local network and other leases and rentals. In particular, customer acquisition costs increased by US$ 3.6 million, mainly related to increased dealer commissions in GSM North Korea and OT Lebanon as a result of the increase in subscribers from indirect sales channels which supported the overall subscriber growth in both of these businesses. Purchases of goods and changes in inventories increased by US$ 2.9 million mainly related to the Media & Technology segment and in particular to an increase in the costs for the purchases of hardware and servers for customers related to development and hosting activities. Rental of local network and other leases and rentals increased by US$ 2.2 million, from US$ 11.9 million for the nine months ended 30 September 2010 to US$ 14.1 million for the nine months ended 30 September 2011 mainly attributable to the GSM activities.

Other expenses

Other expenses amounted to US$ 10.0 million for the nine months ended 30 September 2011 an increase of US$ 8.3 million, from US$ 1.7 million for the nine months ended 30 September 2010. Other expenses mainly include annual contributions for licences which amounted to US$ 7.7 million for the nine months ended 30 September 2011 compared to nil for the nine months ended 30 September 2010, due to a new agreement entered into between koryolink and its partner effective from March 2011.

Personnel costs

Personnel costs were substantially unchanged, amounting to US$ 45.5 million for the nine months ended 30 September 2011, a decrease of US$ 0.1 million, or 0.3% from US$ 45.6 million for the nine months ended 30 September 2010. The average number of employees was 1,711 for the nine months ended 30 September 2011 compared to 1,622 for the nine months ended 30 September 2010. The increase in the average number of employees was primarily related to the growth in GSM activities. In particular, the average number of employees of GSM North Korea increased by 43 and OT Lebanon increased by 33. Personnel costs were substantially unchanged as an increase in wages and salaries attributable to the increase in the number of employees was offset by a decrease in bonus and other one-off payments.

The following table sets forth the average number of employees by segment for the periods indicated

	Average number of employees for the nine months ended 30 September	
	2011	**2010**
GSM North Korea	276	233
GSM Lebanon *	602	569
Media & Technology	732	728
Cable	92	82
Other	9	10
Total	**1,711**	**1,622**

*Including employees of the operator

EBITDA

EBITDA was US$ 98.0 million for the nine months ended 30 September 2011, an increase of US$ 56.1 million, or 134.1%, from US$ 41.9 million for the nine months ended 30 September 2010. The increase in EBITDA was driven by the increase in the EBITDA of the GSM North Korea and GSM Lebanon segments, which was only partially offset by a decrease in EBITDA of the Media & Technology and Cable segments. The following table sets forth EBITDA for the nine months ended 30 September 2011 and 2010, by business segment.

EBITDA by segment	**Nine months ended 30 September**				
(in thousands of US$)	**2011**	**% of segment revenues**	**2010**	**% of segment revenues**	**% change**
			(*Unaudited*)		
GSM North Korea	80,763	78.6%	30,354	72.9%	n/a
GSM Lebanon	16,867	23.7%	14,000	21.6%	20.5%
Media & Technology	613	1.6%	2,402	5.9%	(74.5%)
Cable	(1,799)	(12.3%)	2,725	15.6%	n/a
Others	1,556	17.2%	(7,613)	(70.7%)	(120.4%)
Total EBITDA	**98,000**		**41,868**		**134.1%**

GSM North Korea

The EBITDA of the GSM North Korea segment was US$ 80.8 million for the nine months ended 30 September 2011, an increase of US$ 50.4 million, or 166.1%, from US$ 30.4 million for the nine months ended 30 September 2010. The increase in EBITDA can be attributed to the previously explained US$ 61.1 million increase in revenue. Operating costs of the GSM North Korea segment increased from US$ 10.7 million for the nine months ended 30 September 2010 to US$ 21.9 million for the nine months ended 30 September 2011.

GSM Lebanon

The EBITDA of the GSM Lebanon segment was US$ 16.9 million for the nine months ended 30 September 2011, an increase of US$ 2.9 million, or 20.5%, from US$ 14.0 million for the nine months ended 30 September 2010. The increase in EBITDA can be attributed to the previously explained increase in revenues of US$ 6.2 million, which was only partly offset by an increase in operating costs of US$ 3.3 million. The increase in operating costs is primarily related to an increase in personnel costs due to the increase in the average number of employees and an increase in dealer commissions and rental and lease costs to support the growth in the business.

Media & Technology

The EBITDA of the Media & Technology segment was US$ 0.6 million for the nine months ended 30 September 2011, a decrease of US$ 1.8 million, or 74.5%, from US$ 2.4 million for the nine months ended 30 September 2010. The decrease in EBITDA is principally due to the previously explained decrease in revenues of US$ 2.1 million.

Cable

The EBITDA of the Cable segment was negative US$ 1.8 million for the nine months ended 30 September 2011, a decrease of US$ 4.5 million, or 166.0%, from US$ 2.7 million for the nine months ended 30 September 2010. The decrease in EBITDA can be attributed to the previously explained US$ 2.0 million decrease in revenues of Med Cable and the US$ 1.5 million decrease in revenues of TWA. In addition, operating costs increased by US$ 1.6 million, largely due to increased purchases and services from Mena Cable, which entered into new rental contracts for the maintenance of the cable and storage.

Other

The EBITDA of the other business segment was negative US$ 7.6 million for the nine months ended 30 September 2010 compared to positive US$ 1.6 million for the nine months ended 30 September 2011. EBITDA for the nine months ended 30 September 2010 was particularly impacted by the significant legal costs incurred in connection with the France Telecom dispute regarding ECMS.

Depreciation and amortisation

Depreciation and amortisation was US$ 14.4 million for the nine months ended 30 September 2011, an increase of US$ 4.2 million, or 41.8%, from US$ 10.2 million for the nine months ended 30 September 2010, comprising an increase of US$ 3.7 million in depreciation and an increase of US$ 0.5 million in amortisation.

The increase in depreciation is primarily related to an increase of US$ 3.5 million in depreciation of plant and machinery from US$ 7.0 million for the nine months ended 30 September 2010 to US$ 10.5 million for the nine months ended 30 September 2011. Such increase is mainly attributable to an increase in depreciation of GSM North Korea for an amount of US$ 3.8 million, due to the significant capital expenditure in cell sites and roll out of the network to support the growth in operations in North Korea.

Impairment charges

Impairment charges were US$ 2.7 million for the nine months ended 30 September 2011, a decrease of US$ 22.0 million, or 89.0% compared to US$ 24.7 million for the nine months ended 30 September 2010.

As previously explained, in May 2010, the international gateway licence of Med Cable's sole customer, OTA was suspended. As a result of this suspension, OTA has had to cease using the cable and Med Cable no longer has ongoing revenues or cash flow from the cable. Considering the uncertainty regarding when, or if, the restrictions will be removed, the equipment of Med Cable was fully impaired in 2010, whilst impairment charges during the nine months ended 30 September 2011 relate to the impairment of Med Cable's capital expenditure.

Net finance income

Net finance income was US$ 95.1 million for the nine months ended 30 September 2011, an increase of US$ 92.9 million, compared to US$ 2.2 million for the nine months ended 30 September 2010.

Finance income amounted to US$ 96.7 million for the nine months ended 30 September 2011, an increase of US$ 94.2 million, from US$ 2.5 million for the nine months ended 30 September 2010. This increase has been primarily driven by the increase in the fair value of the option to put 34.67% interest in ECMS to France Telecom.

Foreign exchange gains amounted to $ 9.4 million for the nine months ended 30 September 2011, an increase of US$ 7.6 million, from US$ 1.8 million for the nine months ended 30 September 2011. The increase in foreign exchange gains is due mainly to exchange movements between the US dollar and the Euro.

The increase in finance income and foreign exchange gains was offset by an increase in finance costs. Finance costs amounted to US$ 10.9 million for the nine months ended 30 September 2011, an increase of US$ 8.8 million from US$ 2.1 million for the nine months ended 30 September 2010, primarily due to impairment of financial assets.

Share of profit/(loss) of equity investments

Share of loss of equity investments amounted to US$ 41.5 million for the nine months ended 30 September 2011, a decrease of US$ 96.8 million, compared to a profit of US$ 55.3 million for the nine months ended 30 September 2010.

ECMS generated a loss for the nine months ended 30 September 2011 due to the combined effect of a decrease in revenues and an increase in operating costs. During the first quarter of 2011 the revolution in Egypt resulted in increased instability in the country, which included, forced shut downs of the mobile network, a decrease in the level of acquisitions and recharges from customers a decrease in revenues from corporate clients and from the tourism sector which overall had a negative impact on the revenues of ECMS. Revenues for the nine months ended 30 September 2011 decreased by 5.6% compared to the same period in 2010 despite an 11.2% increase in the active customer base. The number of active subscribers reached 31.6 million as of 30 September 2011 compared to 28.4 million as of 30 September 2010. The decrease in revenues was attributable to both the disruption of the network during the revolution and a decrease in tariffs.

ARPU was EGP 25.8 for the nine months ended 30 September 2011, a decrease of EGP 6.1, or 19.1% from EGP 31.9 for the nine months ended 30 September 2010. During 2011, ECMS reduced tariffs in order to maintain a strong market position, resulting in the decrease in ARPU.

EBITDA decreased by approximately 17% for the nine months ended 30 September 2010. The decrease in EBITDA is attributable to both the decrease in the revenues and an increase in operating costs mainly related to increased activities to try to maintain the competitive position.

Gain on partial disposal of equity investments

The Group generated a gain of US$ 965.9 million for the nine months ended 30 September 2010 relating to the change in governance structure of ECMS. As previously explained, in April 2010, France Telecom and the Group entered into a new agreement regarding ECMS, pursuant to which France Telecom would fully consolidated ECMS in its financial statements. As a result of the amended shareholders agreement the Group ceased to have joint control over ECMS and it became an associate. Despite the fact that the Groups interest in ECMS did not change, the change in governance structure has been accounted for as a partial disposal, in accordance with IFRS. The gain on partial disposal includes US$ 300 million consideration received from France Telecom to settle certain disputes and the effect of re-measuring the equity investment to fair value.

Income tax expense

The Group’s income tax expense was US$ 9.9 million for the nine months ended 30 September 2011, a decrease of US$ 54.2 million, or 84.5%, compared to US$ 64.1 million for the nine months ended 30 September 2010. The effective tax rate increased from 6.2% for the nine months ended 30 September 2010 to 7.4% for the nine months ended September 2011.

The increase in the effective tax rate is mainly attributable to an increase in the tax rate of corporate entities registered in Egypt, from 20% in 2010 to 25% in 2011 and to the gain on the partial disposal of ECMS in 2010 which was non-taxable.

Gain on discontinued operations

The gain on discontinued operations of US$ 28.5 million for the nine months ended 30 September 2010 relates to the sale of the subsidiaries LinkDotNet and Link Egypt. These subsidiaries were classified as assets held for sale in 2009 and subsequently sold to ECMS in September 2010.

Years ended 31 December 2010, 2009 and 2008

The following table sets forth the results of operations for the years ended 31 December 2010, 2009 and 2008.

Combined income statement	**Year ended 31 December**							
(in thousands of US$)	**2010**	**% of revenues**	**2009**	**% of revenues**	**2008**	**% of revenues**	**% change 2010 – 2009**	**% change 2009-2008**
Revenues	246,535	100.0%	163,017	100.0%	74,311	100.0%	51.2%	119.4%
Other income	1,743	0.7%	1,273	0.8%	474	0.6%	36.9%	168.6%
Purchases and services	(116,252)	(47.2%)	(99,478)	(61.0%)	(51,722)	(69.6%)	16.9%	92.3%
Other expenses	(10,460)	(4.2%)	(7,431)	(4.6%)	(1,715)	(2.3%)	40.8%	n/a
Personnel costs	(57,206)	(23.2%)	(45,768)	(28.1%)	(23,253)	(31.3%)	25.0%	96.8%
Depreciation and amortisation	(14,620)	(5.9%)	(13,602)	(8.3%)	(6,403)	(8.6%)	7.5%	112.4%
Impairment charges	(26,603)	(10.8%)	(4,032)	(2.5%)	(1,017)	(1.4%)	n/a	n/a
Disposal of non current assets	(5)	(0.0%)	14	0.0%	(24)	(0.0%)	(135.7%)	n/a
Operating income / (loss)	**23,132**	**9.4%**	**(6,007)**	**(3.7%)**	**(9,349)**	**(12.6%)**	**(485.1%)**	**(35.7%)**
Net financing income	(29,352)	(11.9%)	(1,259)	(0.8%)	(6,635)	(8.9%)	n/a	(81.0%)
Share of profit (loss) of equity investments	49,364	20.0%	125,645	77.1%	97,331	n/a	(60.7%)	29.1%
Gain on partial disposal of equity investments	964,298	n/a	-	0.0%	-	0.0%	n/a	n/a
Profit before income tax	**1,007,442**	**n/a**	**118,379**	**72.6%**	**81,347**	**109.5%**	**751.0%**	**45.5%**
Income tax expense	(65,933)	(26.7%)	(2,228)	(1.4%)	(2,351)	(3.2%)	n/a	n/a
Profit from continuing operations	**941,509**	**n/a**	**116,151**	**71.3%**	**78,996**	**106.3%**	**710.6%**	**47.0%**
Discontinued operations							n/a	n/a
Profit from discontinued operation (net of income tax)	28,906	11.7%	(2,679)	(1.6%)	(14,635)	(19.7%)	n/a	(81.7%)
Profit for the period	**970,415**	**n/a**	**113,472**	**69.6%**	**64,361**	**86.6%**	**755.2%**	**76.3%**
EBITDA	64,360	26.1%	11,613	7.1%	(1,905)	(2.6%)	n/a	n/a

Revenue

Total revenues amounted to US$ 246.5 million for the year ended 31 December 2010, an increase of US$ 83.5 million, or 51.2%, from US$ 163.0 million for the year ended 31 December 2009. The increase in revenues was primarily related to an increase in the revenues of the GSM North Korea and GSM Lebanon segments.

Total revenues amounted to US$ 163.0 million for the year ended 31 December 2009, an increase of US$ 88.7 million, or 119.4%, from US$ 74.3 million for the year ended 31 December 2008. The increase in revenues was primarily related to an increase in revenues of the GSM North Korea and GSM Lebanon segments.

The following table sets forth revenues for the years ended 31 December 2010, 2009 and 2008.

	Year ended 31 December					
(in thousands of US$)	**2010**	**% of total revenues**	**2009**	**% of total revenues**	**2008**	**% of total revenues**
GSM North Korea	66,402	26.9%	25,951	15.9%	451	0.6%
GSM Lebanon	88,401	35.9%	63,095	38.7%	-	0.0%
Media & Technology	54,559	22.1%	37,088	22.8%	44,473	59.9%
Cable	22,702	9.2%	21,806	13.4%	15,172	20.4%
Other	14,471	5.9%	15,077	9.2%	14,215	19.1%
Total revenues	**246,535**	**100%**	**163,017**	**100%**	**74,311**	**100%**

GSM North Korea

The following table sets forth certain KPI information of the GSM North Korea segment as of and for the years ended 31 December 2010, 2009 and 2008.

	As of and for the year ended 31 December		
	2010	**2009**	**2008**
Total subscribers (*in thousands*)	432	92	*n.a.*
ARPU (*US$*)	17.1	22.9	*n.a.*
Market share	100%	100%	*n.a.*

2010 vs. 2009

Revenues of the GSM North Korea segment amounted to US$ 66.4 million for the year ended 31 December 2010, an increase of US$ 40.4 million, or 155.9%, from US$ 26.0 million for the year ended 31 December 2009.

The 155.9% increase in the revenues of the GSM North Korea segment was primarily driven by a 371% increase in the number of subscribers from 92 thousand as of 31 December 2009 to 432 thousand as of 31 December 2010. The growth in subscribers is attributable to the growth in the business following its start up in December 2008. During 2010, koryolink established an indirect sales channel with its partner KPTC, which as of 31 December 2010 included 18 outlets in Pyongyang and 8 sales outlets covering major cities outside of the capital, compared to 12 outlets in Pyongyang as of 31 December 2009. Additionally, koryolink introduced new offerings to the market, in particular targeting lower end customers. Revenue did not increase in proportion with the increase in subscribers as such increase in subscribers was spread across the entire period, with subscribers increasing consistently on a month by month basis. ARPU was US$17.1 for the year ended 31 December 2010, a decrease of US$ 5.8, or 25.3%, from US$ 22.9 for the year ended 31 December 2009. The decrease in ARPU reflects the pricing strategy and growth in subscriber volume.

koryolink has also increased its network coverage. As of 31 December 2010, koryolink had 333 cell sites compared to 153 as of 31 December 2009. As of 31 December 2010 the koryolink network covered 91% of the North Korean population.

2009 vs. 2008

GSM North Korea revenues amounted to US$ 26.0 million for the year ended 2009, an increase of US$ 25.5 million, from US$ 0.5 million for the year ended 31 December 2008. The increase in revenues can be attributed to the first year of operation of koryolink in North Korea, which commenced operations on 17 December 2008 and grew to 92 thousand subscribers as of 31 December 2009.

GSM Lebanon

The following table sets forth certain KPI information of the operator as of and for the years ended 31 December 2010, 2009 and 2008.

	As of and for the year ended 31 December		
	2010	**2009**	**2008**
Total subscribers *(in thousands)*	1,342	1,069	n.a.
ARPU (*US$*)	40.4	52.1	n.a.
Market share	46.4%	45.2%	n.a.

2010 vs. 2009

GSM Lebanon revenues amounted to US$ 88.4 million for the year ended 31 December 2010, an increase of US$ 25.3 million, or 40.1%, from US$ 63.1 million for the year ended 31 December 2009.

The 40.1% increase in revenues in 2010 compared to 2009 was primarily related to the increase in the number of subscribers of the operator, from 1,069 thousand subscribers as of 31 December 2009 to 1,342 thousand subscribers as of 31 December 2010. During 2010 the management fee changed from a fixed fee of US$ 6.75 per subscriber to a fee of US$ 2.5 million per month plus 8.5% of the revenues of the operator. On a like for like basis, the change in calculation of revenues also had an impact as, in 2010 US$ 27.5 million of the revenues were fixed (based on the US$ 2.5 million fee per month) whilst the remaining portion of US$ 60.9 million was linked to the revenues of the operator. This differs to the revenues for 2009 which were based on a fixed fee per subscriber.

2009 vs. 2008

GSM Lebanon revenues for the year ended 31 December 2009 amounted to US$ 63.1 million compared to zero for the year ended 31 December 2008. OT Lebanon commenced operations on 24 February 2009. As of 31 December 2009, the operator had 1,069 thousand subscribers and a 45.2% market share.

Media & Technology

2010 vs. 2009

Media & Technology revenues for the year ended 31 December 2010 amounted to US$ 54.6 million, an increase of US$ 17.5 million, or 47.1% from US$ 37.1 million for the year ended 31 December 2009.

Other income from services of the Media & Technology segment was US$ 36.2 million for the year ended 31 December 2010, an increase of US$ 13.7 million, or 60.7%, from US$ 22.5 million for the year ended 31 December 2009. This increase was mainly driven by promotions on value added services, in 2009 there were no such promotions. Content downloads increased by US$ 3.8 million, mainly due to an increase in demand for ring back tones.

The additional growth was largely attributable to the growth of the online advertising and content business and new contracts entered into pursuant to which the Group became the sole advertising agent for Microsoft and Facebook in the Middle East and North Africa, which has allowed the Group to significantly increase the advertising space sold. Prior to entering into these contracts the Group sold advertising space for these entities on a non-exclusive basis and therefore was restricted in the space available to sell.

2009 vs. 2008

Revenues of the Media & Technology segment amounted to US$ 37.1 million for the year ended 31 December 2009, a decrease of US$ 7.4 million, or 16.6% from US$ 44.5 million for the year ended 31 December 2008. The decrease in revenues is primarily driven by a decrease in the content downloads for the year ended 31 December 2009 compared to the year ended 31 December 2008.

Cable

Revenues of the Cable segment mainly relate to the TWA business. The following table sets forth certain KPI information of the TWA business as of and for the years ended 31 December 2010, 2009 and 2008.

	As of 31 December		
	2010	**2009**	**2008**
Bandwidth (cumulative)			
IP Transit (mbps)	15,874	11,047	4,678
IPLC Domestic (mbps)	1,232	917	323
IPLC International (mbps)	2,990	3,255	3,110
Cumulative bandwidth sold capacity (mbps)	**20,096**	**15,219**	**8,111**
Number of active circuits / customers (cumulative)			
IP Transit	127/89	84/54	83/56
IPLC	24/10	19/6	16/5

2010 vs. 2009

Cable segment revenues amounted to US$ 22.7 million for the year ended 31 December 2010, an increase of US$ 0.9 million, or 4.1%, from US$ 21.8 million for the year ended 31 December 2009. The increase in revenues was primarily driven by the growth and improvement of TWA. TWA revenues for the year ended 31 December 2010 were US$ 20.5 million, an increase of 17.1%, or US$ 3.0 million, from US$ 17.5 million for the year ended 31 December 2009. As of 31 December 2010, TWA sold 20,096 mbps of bandwidth capacity, a 32.0% increase from the 15,219 mbps sold as of 31 December 2009. The increase in bandwidth sales is primarily due to an increase in demand for internet services in Pakistan. During the same period, TWA has increased its number of customers from 54 as of 31 December 2009 to 89 as of 31 December 2010.

The increase in TWA revenues has been partly offset by a decrease in Med Cable revenues. For the year ended 31 December 2010, Med Cable revenues were US$ 2.1 million, a decrease of US$ 2.2 million, or 52.3% compared to US$ 4.3 million for the year ended 31 December 2009. The decrease in revenues is due to the suspension of its sole customer's international gateway licence in May 2010.

2009 vs. 2008

Cable segment revenues for the year ended 31 December 2009 amounted to US$ 21.8 million, an increase of US$ 6.6 million, or 43.7% from the US$ 15.2 million for the year ended 31 December 2008. The increase in Cable segment revenues was attributed to the growth and improvement of the TWA business. TWA revenues amounted to US$ 17.5 million for the year ended 31 December 2009, an increase of US$ 6.7 million, or 61.4%, from US$ 10.8 million for the year ended 31 December 2008. The increase in TWA revenues during the period was attributed to an increase in the bandwidth sold, reflecting growing demand for internet services in Pakistan. As of 31 December 2008, TWA sold 8,111 mbps of bandwidth compared to 15,219 mbps during the same period in 2009, an increase of 7,108 mbps or 87.6%. This increase has been partly offset by a decrease in the number of active customers, from 56 as of 31 December 2008 to 54 as of 31 December 2009.

Med Cable revenues remained unchanged amounting to US$ 4.3 million for both years ended 31 December 2009 and 2008.

Other

2010 vs. 2009

Other business segment revenues for the year ended 31 December 2010 amounted to US$ 14.5 million, a decrease of US$ 0.6 million, or 4.0% from US$ 15.1 million for the year ended 31 December 2009.

Other segment revenue relates entirely to the management fee paid to the Group by ECMS. The management fee paid to the Group is based on 0.75% of ECMS gross service revenue. The decrease in Other segment revenues is attributable to the decrease in ECMS revenues.

2009 vs. 2008

Revenues of the Other segment amounted to US$ 15.1 million for the year ended 31 December 2009, an increase of US$ 0.9 million, or 6.1% from US$ 14.2 million for the year ended 31 December 2008.

Purchases and services

The table below sets forth the purchases and services costs for the years ended 31 December 2010, 2009 and 2008.

(in thousands of US$)	**For the year ended 31 December**			**% change**		**% of total revenues**		
	2010	**2009**	**2008**	**09-10**	**08-09**	**2010**	**2009**	**2008**
Purchases and services:								
Rental of local network, technical sites and other leases	17,112	12,546	2,830	36.4%	343.3%	6.9%	7.7%	3.8%
Maintenance costs	15,018	11,480	2,127	30.8%	*n/a*	6.1%	7.0%	2.9%
Consulting and professional services	13,705	7,324	7,424	87.1%	(1.3%)	5.6%	4.5%	10.0%
Customer acquisition costs	13,051	10,458	-	24.8%	*n/a*	5.3%	6.4%	0.0%
Telephony cost	11,382	7,673	10,694	48.3%	(28.2%)	4.6%	4.7%	14.4%
Purchases of goods and changes in inventories	11,087	16,451	5,699	(32.6%)	*n/a*	4.5%	10.1%	7.7%
Interconnection traffic	10,249	8,888	6,181	15.3%	43.8%	4.2%	5.5%	8.3%
Advertising and promotional services	5,210	5,429	5,869	(4.0%)	(7.5%)	2.1%	3.3%	7.9%
Utilities	9,813	8,628	1,689	13.7%	*n/a*	4.0%	5.3%	2.3%
Bank and post office charges	1,099	865	4	27.1%	*n/a*	0.4%	0.5%	0.0%
Other service expenses	8,526	9,736	9,205	(12.4%)	5.8%	3.5%	6.0%	12.4%
Total purchases and services.....................................	**116,252**	**99,478**	**51,722**	**16.9%**	**92.33%**	**47.2%**	**61.0%**	**69.6%**

2010 vs. 2009

Purchases and services were US$ 116.3 million for the year ended 31 December 2010, an increase of US$ 16.8 million, or 16.9%, from US$ 99.5 million for the year ended 31 December 2009. The overall increase of US$ 16.8 million was primarily due to the combined effect of the following:

- Consulting and professional services increased by US$ 6.4 million. In particular, during 2010 the Group incurred significant legal costs relating to the dispute with France Telecom regarding ECMS.
- Rentals of local network, technical sites and other leases increased by US$ 4.6 million mainly due to increases from the GSM Lebanon and Cable segments. Lease expenses of the GSM Lebanon segment increased by US$ 2.1 million, driven primarily by the development of the GSM network in Lebanon. Rental expenses of Mena Cable increased by US$ 1.4 million due to new contracts for equipment storage and maintenance of the Mediterranean cable in 2010.
- Telephony costs increased by US$ 3.7 million. The increase was attributed to the Media & Technology segment. The increase was mainly due to the third party costs associated with executing a special promotion on behalf of mobile providers, which were not a significant part of the Media & Technology business in 2009.
- Maintenance costs increased by US$ 3.5 million primarily due to an increase in the number of cell sites, particularly in North Korea. In 2010 the one year warranty on cell sites acquired in 2009 expired and the Group either entered into new maintenance contracts or incurred the costs for maintenance which in 2009 had been covered by warranty contracts.
- Customer acquisition costs increased by US$ 2.6 million, primarily due to an increase in dealer commissions for indirect sales channels of koryolink. During 2010 koryolink established an indirect sales channel with its partner KPTC, which as of 31 December 2010 included 18 outlets in Pyongyang and 8 sales outlets covering major cities outside of the capital. Customer acquisition costs of OT Lebanon also marginally increased as a result of the increased number of subscribers.
- Interconnection traffic costs increased by US$ 1.3 million. The increase was entirely related to TWA, for which interconnection capacity sold increased by 32.0% from 2009 to 2010.

Interconnection traffic costs as a percent of interconnection revenues amounted to 38.0% for the year ended 31 December 2009 and 40.0% during the year ended 31 December 2010.

- Purchases of goods and inventories decreased by US$ 5.4 million mainly related to the termination of handset sales in North Korea and Lebanon.

2009 vs. 2008

Purchases and services amounted to US$ 99.5 million for the year ended 31 December 2009, an increase of US$ 47.8 million, from US$ 51.7 million for the year ended 31 December 2008. The overall increase of US$ 47.8 million was primarily due to the combined effect of the following:

- Increases of US$ 10.5 million in customer acquisition costs, US$ 6.9 million in utilities, US$ 9.7 million in the rental of local network, technical sites and other leases which were substantially due to the start-up of OT Lebanon in 2009. OT Lebanon did not generate revenues or expenses in 2008 and commenced operations on 24 February 2009.
- Purchases of goods and changes in inventories increased by US$ 10.8 million, of which US$ 8 million related to the commencement of operations in North Korea and Lebanon. Additionally, direct cost of goods sold increased in the Media & Technology group primarily for website costs.
- Maintenance expenses increased by US$ 9.4 million, mainly driven by the start-up of OT Lebanon in 2009, which incurred costs of US$ 8.2 million in 2009.
- Interconnection traffic costs increased by US$ 2.7 million, mainly related to TWA, which had increased capacity sold by 87.6%.
- Telephony costs decreased by US$ 3.0 million mainly attributable to the Media & Technology segment.

Other expenses

2010 vs. 2009

Other expenses were US$ 10.5 million for the year ended 31 December 2010, an increase of US$ 3.1 million compared to US$ 7.4 million for the year ended 31 December 2009.

Other expenses in 2009 and 2010 mainly included accruals for provisions, write-downs and penalties.

Accruals for provisions for write-downs and penalties amounted to US$ 7.6 million for the year ended 31 December 2010, an increase of US$ 3.0 million, or 66.3%, from US$ 4.6 million for the year ended 31 December 2009. The increase is primarily due to an accrual of US$ 4.5 million for a penalty payable by Mena Cable to Gulf Bridge International ("GBI"), related to certain timing stipulations signed when a portion of the submarine cable was sold to GBI. The penalties became payable as the cable network was not operational within the agreed timeframe.

For the year ended 31 December 2009, accruals for provisions, write-downs and penalties were mainly within the Media & Technology segment.

2009 vs. 2008

Other expenses were US$ 7.4 million for the year ended 31 December 2009, an increase of US$ 5.7 million, compared to US$ 1.7 million for the year ended 31 December 2008. The increase in other expenses was mainly due to the increase in accruals to the provision for doubtful receivables from US$ 1.0 million to US$ 4.6 million, related to the previously explained provisions in the Media & Technology segment.

Other operating expenses were US$ 2.3 million for the year ended 31 December 2009, an increase of US$ 1.6 million, from US$ 0.7 million for the year ended 31 December 2008. The increase in other operating expenses is primarily related to an increase in the other operating expenses of the GSM Lebanon segment which started operations in 2009.

Personnel costs

The following table sets forth the average number of employees for the periods indicated.

	Average number of employees for the year ended 31 December		
	2010	**2009**	**2008**
GSM North Korea	244	190	18
GSM Lebanon*	574	512	-
Media & Technology	731	721	727
Cable	83	76	70
Other	10	10	9
Total	**1,642**	**1,509**	**824**

*Including employees of the operator

2010 vs. 2009

Personnel expenses were US$ 57.2 million for the year ended 31 December 2010, an increase of US$ 11.4 million, or 25.0%, from US$ 45.8 million for the year ended 31 December 2009. The increase in personnel costs was related to an increase in wages and salary costs from US$ 34.2 million for the year ended 31 December 2009 to US$ 41.8 million for the year ended 31 December 2010 and an increase in other personnel costs from US$ 8.6 million for the year ended 31 December 2009 to US$ 10.9 million for the year ended 31 December 2010.

The increase in such costs is mainly attributable to the full year of costs for wages and salaries in Lebanon in 2010, compared to only 9 full months in 2009, and the increase in the average number of employees of the Group from 1,509 for the year ended 31 December 2009 to 1,642 for the year ended 31 December 2010. The increase in the number of employees was primarily related to the GSM activities.

2009 vs. 2008

Personnel expenses were US$ 45.8 million for the year ended 31 December 2009, an increase of US$ 22.5 million, or 96.8%, from US$ 23.3 million for the year ended 31 December 2008. The increase in personnel costs was mainly related to the increase in the average number of employees from 824 for the year ended 31 December 2008 to 1,509 for the year ended 31 December 2009, and in particular due to the increase in the number of employees of GSM North Korea from 18 in 2008 to 190 in 2009 and GSM Lebanon from zero in 2008 to 512 in 2009. Both segments did not have significant operations in 2008 and grew significantly in 2009.

EBITDA

The following table sets forth EBITDA by segment for the years ended 31 December 2010, 2009 and 2008.

EBITDA by segment

(in thousands of US$)	Year ended 31 December 2010	% of segment revenues	2009	% of segment revenues	2008	% of segment revenues
GSM North Korea	52,153	78.5%	14,047	54.1%	(3,324)	*n/a*
GSM Lebanon	19,025	21.5%	802	1.3%	-	*n/a*
Media & Technology	5,068	9.3%	(10,284)	(27.7%)	(2,873)	(6.5%)
Cable	(2,950)	(13.0%)	6,747	30.9%	1,570	10.3%
Other	(8,936)	(61.8%)	301	2.0%	2,722	19.1%
Total EBITDA	**64,360**		**11,613**		**(1,905)**	

GSM North Korea

2010 vs. 2009

GSM North Korea EBITDA amounted to US$ 52.2 million for the year ended 31 December 2010, an increase of US$ 38.2 million, or 271.3%, from US$ 14.0 million for the year ended 31 December 2009.

The increase in EBITDA is largely due to a US$ 40.4 million increase in GSM North Korea revenue, as described above. With the exception of personnel costs, operating costs were substantially unchanged. Personnel costs increased by US$ 2.6 million, mainly attributable to an increase in the number of employees.

2009 vs. 2008

GSM North Korea EBITDA was US$ 14.0 million for the year ended 31 December 2009, an increase of US$ 17.3 million, or 524.2%, from negative US$ 3.3 million for the year ended 31 December 2008.

The increase in EBITDA can be attributed to the fact that koryolink commenced operations in December 2008, incurring expenses in that year, but not yet generating significant revenues.

GSM Lebanon

2010 vs. 2009

GSM Lebanon EBITDA amounted to US$ 19.0 million for the year ended 31 December 2010, an increase of US$ 18.2 million, from US$ 0.8 million for the year ended 31 December 2009.

The increase in EBITDA is largely due to a US$ 25.3 million increase in the revenues generated from the management contract, as described above. The increase in revenues was only partly offset by a US$ 7.1 million increase in operating costs, mainly attributable to an increase in personnel costs.

2009 vs. 2008

GSM Lebanon EBITDA was US$ 0.8 million for the year ended 31 December 2009. Given that The GSM Lebanon business segment did not begin operations until February 2009, the segment did not generate EBITDA in 2008.

Media & Technology

2010 vs. 2009

Media & Technology EBITDA amounted to US$ 5.1 million for the year ended 31 December 2010, an increase of US$ 15.4 million, from negative US$ 10.3 million for the year ended 31 December 2009.

The increase in EBITDA is largely due to a US$ 17.5 million increase in the revenues generated by the Media & Technology segment, as described above. The increase in revenues was only partly offset by an increase of US$ 2.1 million in operating costs, mainly related to an increase in purchases and services costs.

2009 vs. 2008

Media & Technology EBITDA was negative US$ 10.3 million for the year ended 31 December 2009, a decrease of US$ 7.4 million, from negative US$ 2.9 million for the year ended 31 December 2008.

The decrease in EBITDA can be attributed to a decrease in revenues of US$ 7.4 million for the year ended 31 December 2009 compared to the year ended 31 December 2008. Operating expenses remained unchanged from the year ended 31 December 2008 to the year ended 31 December 2009.

Cable

2010 vs. 2009

Cable segment EBITDA was negative US$ 3.0 million for the year ended 31 December 2010, a decrease of US$ 9.7 million, from US$ 6.7 million for the year ended 31 December 2009.

The decrease in EBITDA is mainly attributable to an increase in costs and in particular the penalties incurred by Mena Cable for an amount of US$ 4.5 million. In addition, purchases and services and personnel costs of Mena Cable increased to support the set up of the operations. EBITDA of TWA was substantially consistent in both periods.

2009 vs. 2008

Cable segment EBITDA was US$ 6.7 million for the year ended 31 December 2009, an increase of US$ 5.1 million, or 329.7%, from US$ 1.6 million for the year ended 31 December 2008.

The increase in cable segment EBITDA is largely attributed to the improved performance of TWA for the year ended 31 December 2009 compared to the year ended 31 December 2008. The previously explained US$ 6.7 million increase in TWA revenues for the year ended 31 December 2009 compared to the year ended 31 December 2008 was only partly offset by a US$ 1.2 million increase in operating costs. The largest contributor to the increase in the operating costs of the Cable segment were the interconnection costs of TWA, which, as previously explained, increase in line with the interconnection traffic sold by the entity.

Other

EBITDA of the Other business segment was negative US$ 8.9 million for the year ended 31 December 2010 compared to positive US$ 0.3 million for the year ended 31 December 2009 and positive US$ 2.7 million for the year ended 31 December 2008. . EBITDA for year ended 31 December 2010 was particularly impacted by the significant legal costs incurred in connection with the France Telecom dispute regarding ECMS.

Depreciation and amortisation

2010 vs. 2009

Depreciation and amortisation was US$ 14.6 million for the year ended 31 December 2010, an increase of US$ 1.0 million, or 7.5%, from US$ 13.6 million for the year ended 31 December 2009, comprising an increase in depreciation of US$ 0.7 million and an increase in amortisation of US$ 0.3 million. The increase in depreciation mainly relates to the GSM segments and in particular to koryolink, which due to the start up of its activities in December 2008 had significant capital expenditure during 2009 and 2010. The increase in depreciation of GSM North Korea was partially offset by a decrease in depreciation of Med Cable due to the impairment of all its assets in 2010.

2009 vs. 2008

Depreciation and amortisation was US$ 13.6 million for the year ended 31 December 2009, an increase of US$ 7.2 million, or 112.4%, from US$ 6.4 million for the year ended 31 December 2008, comprising an increase in depreciation of US$ 4.9 million and an increase in amortisation of US$ 2.3 million. The increase was substantially due to the commencement of operations at koryolink and build up of sales sites in North Korea to 153 cell sites at 31 December 2009 from zero at 31 December 2008. GSM North Korea depreciation was US$ 5.4 million for the year ended 31 December 2009, an increase of US$ 5.2 million, from US$ 0.2 million depreciation for the year ended 31 December 2008.

Impairment charges

2010 vs. 2009

Impairment charges amounted to US$ 26.6 million for the year ended 31 December 2010, an increase of US$ 22.6 million compared to US$ 4.0 million for the year ended 31 December 2009. Impairment charges in 2010 mainly related to the impairment of Med Cable's assets as a result of the suspension of the international gateway licence of OTA to use the cable. Considering the uncertainty regarding when, or if, the restrictions will be removed, the submarine cable and all other equipment of Med Cable was fully impaired in 2010. Additionally, any subsequent capital expenditure has been fully impaired as incurred.

Impairment charges in 2009 mainly relate to impairments to property, plant and equipment in the Media & Technology business segment relating to uncertainties over the future profitability of one of the subsidiaries.

2009 vs. 2008

Impairment charges amounted to US$ 4.0 million for the year ended 31 December 2009, an increase of US$ 3.0 million, from US$ 1.0 million for the year ended 31 December 2008.

For the year ended 31 December 2009 and for the year ended 31 December 2008, the impairments were largely attributed to the Media & Technology business segment, relating to uncertainties over the future profitability of one of the subsidiaries.

Net financing costs

2010 vs. 2009

Net financing costs for the year ended 31 December 2010 amounted to US$ 29.3 million, an increase of US$ 28.0 million, from US$ 1.3 million for the year ended 31 December 2009.

Finance income was US$ 2.4 million for the year ended 31 December 2010, a decrease of US$ 1.2 million compared to US$ 3.6 million for the year ended 31 December 2009. The decrease in finance income was mainly due to a US$ 3.0 million in other interest income due to an increase in deposits, particularly related to GSM Lebanon and Media & Technology.

Finance expense amounted to US$ 32.7 million for the year ended 31 December 2010, an increase of US$ 29.0 million compared to US$ 3.7 million for the year ended 31 December 2009. The increase in financial expense was mainly related to impairments of financial assets amounting to US$ 30.1 million in 2010 relating to the Group's investment in North Korea.

Net foreign exchange gains and losses amounted to a gain of US$ 0.9 million for the year ended 31 December 2010 compared to a loss of US$ 1.2 million for the year ended 31 December 2009.

2009 vs. 2008

Net financing costs for the year ended 31 December 2009 amounted to US$ 1.3 million, a decrease of US$ 5.3 million, from US$ 6.6 million for the year ended 31 December 2008.

Finance income was US$ 3.6 million for the year ended 31 December 2009, an increase of US$ 0.4 million from US$ 3.2 million for the year ended 31 December 2008.

Finance expense amounted to US$ 3.7 million for the year ended 31 December 2009, a decrease of US$ 0.9 million compared to US$ 4.6 million for the year ended 31 December 2008.

Net foreign exchange gains and losses amounted to a loss of US$ 1.2 million for the year ended 31 December 2009 compared to a loss of US$ 5.2 million for the year ended 31 December 2008. The decrease in foreign exchange losses is partly due to a decrease in the TWA borrowings denominated in US$ (TWA functional currency is the Pakistani Rupee), and changes in the exchange rate of the PKR against the US dollar. In particular, the average exchange rate of the Pakistani Rupee against the US dollar for the years ended 31 December 2008 and 2009 was 0.0141 and 0.122 respectively.

Share of profit of equity investments

2010 v 2009

Share of profit of equity investments, which relates to the Group's investment in ECMS, amounted to US$ 49.4 million for the year ended 31 December 2010, a decrease of US$ 76.2 million, or 60.7% compared to US$ 125.6 million for the year ended 31 December 2009.

The decrease in share of profit is due to the decrease in profit of ECMS, and in particular a decrease in EBITDA related to a decrease in revenues. The decrease in revenues reflects the increasingly competitive environment in the mobile telecommunications industry in Egypt. In order to maintain a strong market position, ECMS offered customers discounted tariffs, the effects of which are reflected in the ARPU of ECMS which decreased by 20.5% to EGP 31 in 2010 compared to EGP 39 in 2009. Subscriber numbers increased from 25.4 million subscribers as of 31 December 2009 to 30.2 million as of 31 December 2010.

Operating costs of ECMS increased between 2010 and 2009, mainly relating to operating costs from the subsidiaries acquired during 2010 (Link Dot Net and Link Egypt), and an increase in the selling costs due to cost of equipment sales and interconnect costs with 3rd parties.

2009 v 2008

Share of profit of equity investments, which relates to the Group's investment in ECMS, amounted to US$ 125.6 million for the year ended 31 December 2009, an increase of US$ 28.3 million, or 29.1% compared to US$ 97.3 million for the year ended 31 December 2008.

This increase is primarily due to an increase in the EBITDA of ECMS. The increase in EBITDA was principally driven by an increase in revenues between 2009 and 2008 driven by an increase in subscribers. ECMS subscribers amounted to 25.4 million as at 31 December 2009, an increase of 5.4 million subscribers, or 27% from 20.0 million subscribers for the year ended 31 December 2008. The increase in subscribers was partially offset by a decrease in ARPU. The 15.2% decrease in ARPU from EGP 46 as of

31 December 2008 to EGP 39 as of 31 December 2009 was mainly related to reduced tariffs offered to the market in order to main the leadership position in the market.

Operating costs increased between 2009 and 2008, principally due to variable costs to support the increase in revenues, and in particular, selling expenses and costs related to the expansion of the network, including increased transmission costs, network maintenance and cell site rental.

Gain on partial disposal of equity investments

2010 v 2009

The Group generated a gain of US$ 964.3 million from the partial disposal of equity investments for the nine months ended 30 September 2010 relating to the change in governance structure of ECMS. As previously explained, in April 2010, France Telecom and the Group entered into a new agreement regarding ECMS, pursuant to which France Telecom would fully consolidate ECMS in its financial statements. As a result of the amended shareholders agreement the Group ceased to have joint control over ECMS and it became an associate. On the date that ECMS became an associate the investment was measured at fair value and the resulting gain was recognised in the income statement.

Income tax expense

2010 v 2009

Income tax expense for the year ended 31 December 2010 was US$ 65.9 million, an increase of US$ 63.7 million from US$ 2.2 million recorded for the year ended 31 December 2009. In 2010 income tax expense increased mainly due to the increase in taxable income. In both 2010 and 2009, profit before tax included items which were not fully taxable, such as the gain on partial disposal of equity investments amounting to US$ 964.3 million in 2010, of which only US$ 300.0 million is subject to tax and the share of profit of ECMS amounting to US$ 49.4 million in 2010 and US$ 125.7 million in 2009 which is not taxable.

2009 v 2008

Income tax expense for the year ended 31 December 2009 was US$ 2.2 million a decrease of US$ 0.2 million compared to income tax expense of US$ 2.4 million for the year ended 31 December 2008. Despite the increase in profit before tax, income tax expense did not increase mainly due to an increase in non taxable items. In particular, profit before tax for the years ended 31 December 2008 and 2009 included the share of profit of ECMS amounting to US$ 97.4 million and US$ 125.7 million which is not subject to income tax. .

Profit/ (loss) from discontinued operations

2010 v 2009

Profit from discontinued operations was US$ 28.9 million for the year ended 31 December 2010, an increase of US$ 31.6 million compared to the loss from discontinued operations of US$ 2.7 million during the year ended 2009. The discontinued operations are the subsidiaries Link Egypt and Link Dot Net which were sold in September 2010. The increase in profit from discontinued operations is principally due to the gain on disposal generated from the sale of the discontinued operations in 2010, which after tax was US$ 21.9 million. Additionally, from the start of the year to the date of disposal, the discontinued operations generated profit after tax of US$ 7.0 million compared to a loss of US$ 2.7 million for the year ended 31 December 2009. The main reason for the increase in profit is due to decreased costs incurred by the subsidiaries held for sale.

2009 v 2008

The loss from discontinued operations was US$ 2.7 million for the year ended 31 December 2009, a decrease of US$ 11.9 million, or 81.7% compared to the loss from discontinued operations of US$ 14.6 million during the year ended 2008. The loss from discontinued operations decreased primarily due to an increase in revenues of the entities classified as discontinued. Revenues for the year ended 31 December

2009 amounted to US$ 59.9 million, an increase of US$ 14.3 million, or 31.2%, from US$ 45.6 million for the year ended 31 December 2009. The increase in revenues was only partly offset by an increase in costs of US$ 2.7 million from US$ 60.0 million for the year ended 31 December 2008 to US$ 62.7 million for the year ended 31 December 2009.

Liquidity and capital resources

The Group's primary use of funds in the historical periods has been to fund capital expenditure for the maintenance and growth of existing business and the development of new businesses, particularly in relation to the construction of the Mena Cable and the acquisition of cell sites in North Korea, together with financing ongoing working capital requirements. In the historical periods, the cash generated by operations was supplemented by financial support from OTH in the form of capital injections. Historically, the Group has made limited use of external financing. However, in the future, the Group may not be able to entirely fund the capital expenditure for the growth of the business together with the other planned uses of cash through cash from operations. Therefore, the Group may need to borrow under external financing arrangements, where available. The Group currently expects to fund the committed capital expenditure through existing cash and from the proceeds of the partial disposal of the investment in ECMS.

CASH FLOW INFORMATION

Until the date of the Demerger, the OTMT Assets were a fully integrated business within OTH. Accordingly, certain financial funding of the OTMT Assets was provided by long term capital contributions from OTH. In preparing the Combined Financial Statements and Combined Interim Financial Information, expenses common to all OTH business that have been allocated to OTMT Assets were assumed to have been directly settled by OTH. In particular, the major amounts contributed to OTMT Assets by OTH include financing provided and income tax, personnel expenses, consulting and legal fees and other centralised expenses paid on behalf of OTMT. Major amounts distributed by OTMT Assets to OTH include dividends and management fees and payments received from ECMS and the settlement fee received in connection with the disputes with France Telecom.

During the historical periods the Group's cash flows have been strongly affected by the receipts and payments which OTH has received and paid on behalf of the Group. These movements have therefore strongly influenced our operating cash flows, investing cash flows and financing cash flows. Therefore, considering that in the future the Group will operate as a stand-alone group, the Group's future cash flows will be impacted by the new funding structure.

Cash Flows For The Nine Months Ended 30 September 2011 and 2010

The following table sets forth the Group's cash flows for the nine months ended 30 September 2011 and 2010.

(in thousands of US$)	**Nine months ended 30 September**	
	2011	**2010**
		(Unaudited)
Cash flows generated by /(used in) operating activities	138,283	(36,787)
Cash flows generated by /(used in) investing activities	(42,860)	363,224
Cash flow used in financing activities	(82,456)	(228,802)
Effect of exchange rates on cash and cash equivalents	(4,768)	(3,831)
Net movement in cash and cash equivalents	**8,199**	**93,804**

Cash Flow Generated By / Used in Operating Activities

Cash flow from operating activities increased from cash used in operating activities of US$ 36.8 million for the nine months ended 30 September 2010 to cash generated from operating activities of US$ 138.3 million for the nine months ended 30 September 2011 mainly due to the following factors:

- An increase in EBITDA from US$ 41.9 million for the nine months ended 30 September 2010 to US$ 98.0 million for the nine months ended 30 September 2011.
- Cash generated from movements in trade receivables of approximately US$ 11.5 million for the nine months ended 30 September 2011 compared to cash absorbed of approximately US$ 31.7 million for the nine months ended 30 September 2010, mainly related to the settlement of related party trade receivables.
- A decrease in 2011 of the operating expenses, payables and receivables settled or cashed in directly by OTH on our behalf. In particular, in the nine months ended 30 September 2010, OTH directly settled income tax payables of approximately US$ 60.0 million on our behalf in relation to the tax payable on the US$ 300 million settlement fee paid to the Group by France Telecom. See "Other Factors Affecting Operations – Investment in ECMS" for further details.

Cash Flow Generated By / Used in Investing Activities

Cash used in investing activities amounted to US$ 42.9 million for the nine months ended 30 September 2011 and mainly related to the following activities:

- Investments in property and equipment and intangible assets amounting to US$ 62.3 million primarily relating to GSM North Korea and Cables business segments.
- Net investments in current and non-current financial assets amounting to US$ 70.1 million mainly relating to an increase in deposits of koryolink and financing provided to the Group's investment in North Korea.
- Dividends received amounting to US$ 72.7 million relating to the dividends from the Group's investment in ECMS.
- Proceeds from the disposal of property and equipment amounting to US$ 16.9 million mainly relating to an advance payment received from Gulf Bridge International in connection with the sale contract of one fibre pair and indefeasible right of use from Italy to Oman.

Cash generated from investing activities amounted to US$ 363.2 million for the nine months ended 30 September 2010 and mainly related to the following activities:

- Cash received for the settlement of disputes with France Telecom in relation to ECMS for an amount of US$ 300 million. See "Operating and Financial Review – Other Factors Affecting Operations – Investment in ECMS" for further information.
- Proceeds from the sale of LinkDotNet and LinkEgypt to ECMS, for a net amount of US$ 97.9 million.
- Dividends received amounting to US$ 60.2 million relating to the dividends from the Group's investment in ECMS
- Investments in property and equipment and intangible assets amounting to US$ 96.7 million primarily related to the Cables business segment

Cash Flow Used In Financing Activities

Cash used in financing activities amounted to US$ 228.8 million for the nine months ended 30 September 2011 compared to US$ 82.5 million for the nine months ended 30 September 2010 and mainly related to the following transactions:

- Repayments for loans and bank facilities amounting to US$ 8.1 million for the nine months ended 30 September 2010 and US$ 4.1 million for the nine months ended 30 September 2011, mainly relating to repayments of long-term loans in the Cable segment, including the final repayment of Med Cable's loan in 2011.
- Net capital distributions amounting to US$ 223.7 million for the nine months ended 30 September 2010 and US$ 78.9 million for the nine months ended 30 September 2011 relating to the excess cash which was received on our behalf by OTH after payments that they made on our behalf. The capital distribution is higher in the nine months ended 30 September 2010 as OTH also received the US$ 300 million relating to the settlement of the ECMS disputes.

Cash Flows For The Years Ended 31 December 2010, 2009 and 2008

The following table sets forth the Group's cash flows for years ended 31 December 2010, 2009 and 2008.

(in thousands of US$)	Year ended 31 December 2010	2009	2008
Cash flows generated by /(used in) operating activities	(40,323)	32,454	31,778
Cash flows generated by /(used in) investing activities	301,967	(80,702)	(95,657)
Cash flow generated by / (used in) financing activities	(150,032)	58,226	102,514
Effect of exchange rates on cash and cash equivalents	(6,847)	462	(259)
Cash and cash equivalents transferred to asset held for sale	-	(10,395)	-
Net movement in cash and cash equivalents	**104,765**	**45**	**38,376**

Cash Flow Generated By / Used in Operating Activities

2010 v 2009

Cash flow from operating activities decreased from cash generated in operating activities of US$ 32.5 million for the year ended 31 December 2009 to cash used in operating activities of US$ 40.3 million for the year ended 31 December 2010.

The movements in cash from operating activities is primarily related to higher costs which were paid directly on our behalf by OTH during 2010 compared to 2009, in particular the previously explained US$ 60 million income tax on the settlement fee, and due to an increase in cash absorbed from movements in working capital due to growth in the business.

2009 v 2008

Cash flow from operating activities marginally increased from cash generated in operating activities of US$ 31.8 million for the year ended 31 December 2008 to cash generated in operating activities of US$ 32.5 million for the year ended 31 December 2009. The increase in cash generated from operating activities is due to the increase in EBITDA from negative EBITDA of US$ 1.9 million for the year ended 31 December 2008 to EBITDA of US$ 11.6 million for the year ended 31 December 2009, which was partially offset by an increase in cash absorbed from movements in working capital due to the growth in the business.

Cash Flow Generated By / Used in Investing Activities

Cash generated from investing activities amounted to US$ 302.0 million for the year ended 31 December 2010 and mainly related to the following activities:

- Cash received for the settlement of disputes with France Telecom in relation to ECMS for an amount of US$ 300 million. See "Operating and Financial Review – Other Factors Affecting Operations – Investment in ECMS" for further information.
- Proceeds from the sales of LinkDotNet and LinkEgypt to ECMS, for a net amount of US$ 97.9 million.
- Dividends received amounting to US$ 60.0 million relating to the dividends from the Group's investment in ECMS
- Investments in property and equipment and intangible assets amounting to US$ 120.0 million mainly related to the Cables business
- Net investments in current and non-current financial assets amounting to US$ 36.5 million relating to an increase in deposits of koryolink and OT Lebanon

Cash used in investing activities amounted to US$ 80.7 million for the year ended 31 December 2009 and mainly related to the following activities:

- Investments in property and equipment and intangible assets amounting to US$ 139.9 million mainly for the Cables business
- Proceeds from the disposal of property and equipment amounting to US$ 30.0 million relating to an advance payment received from Gulf Bridge International in connection with the sale contract of one fibre pair and indefeasible right of use from Italy to Oman.
- Dividends received amounting to US$ 40.6 million relating to the dividends from the Group's investment in ECMS

Cash used in investing activities amounted to US$ 95.7 million for the year ended 31 December 2008 and mainly related to the following activities:

- Investments in property and equipment and intangible assets amounting to US$ 208.7 million mainly related to the Cable business segment and GSM North Korea
- Proceeds from the disposal of property and equipment and intangible assets amounting to US$ 15.6 million generated from disposals in the Media &Technology segment .
- Dividends received amounting to US$ 105.0 million relating to the dividends from the Group's investment in ECMS

Cash Flow Used In Financing Activities

Cash used in financing activities amounted to US$ 150.0 million for the year ended 31 December 2010, compared to cash generated from financing activities of US$ 58.2 million for the year ended 31 December 2009 and cash generated of US$ 102.5 million for the year ended 31 December 2008. The movements during the periods have mainly related to the movements in OTH funding on our behalf.

Net capital contributions (representing the excess of cash received by OTH on our behalf after payments made on our behalf) was US$ 142.8 million for the year ended 31 December 2010. However for the years ended 31 December 2009 and 2008 OTH sustained more costs on our behalf than income received and therefore provided net capital contribution of US$ 74.9 million and US$110.7 million in each of the periods respectively. The surplus cash in 2010 is related to the settlement fee of US$ 300 million with France Telecom collected by OTH.

Repayments of banks loans and current liabilities amounted to US$ 8.1 million for the year ended 31 December 2010, US$ 16.8 million for the year ended 31 December 2008 and US$ 8.3 million for the year ended 31 December 2008 and mainly related to the scheduled loan repayments of OT Ventures and Med Cable-

Investments

For a discussion of the Group's principal investments during the historical periods see "Capital Expenditure and Investments".

Financial liabilities

The following table sets forth an analysis of the Group's financial liabilities by type and interest rate.

(in thousands of US$)	**30 September 2011**	**31 December 2010**	**31 December 2009**	**31 December 2008**
Liabilities due to banks	6,070	9,655	18,124	27,522
Finance lease liabilities	333	172	117	33,225
Other borrowings	8,019	8,178	7,748	9,542
Total	14,422	18,005	25,989	70,289
of which % is at a fixed rate of interest	11%	*9%*	*22%*	*65%*
of which % is at a variable rate of interest	60%	*68%*	*62%*	*29%*
of which % is interest free	29%	*23%*	*16%*	*6%*

Financial liabilities as of 31 December 2008 include financial liabilities of LinkdotNet and Link Egypt amounting to US$ 32.4 million. In 2009 the financial liabilities of these entities were classified as liabilities held for sale due to the Group's decision to dispose of these entities. The disposal was completed in September 2010.

The following table sets forth an analysis of the Group's financial liabilities by currency as of 31 December 2010, 2009 and 2008.

(US$ thousands)	**US$**	**Euro**	**Egyptian Pound**	**Pakistan Rupee**	**Total**
As of 31 December 2010	6,587	2,700	1,685	7,033	**18,005**
As of 31 December 2009	6,659	5,882	5,584	7,864	**25,989**
As of 31 December 2008	8,806	9,916	42,609	8,958	**70,289**

The following table sets forth an analysis of the maturity of the Group's financial liabilities as of 30 September 2011

(in thousands of US$)	**Within one year**	**1 – 2 years**	**2 – 3 years**	**3 - 4 years**	**Total**
Liabilities due to banks	2,394	2,354	1,322	-	6,070
Finance lease	65	84	130	54	333
Other borrowings	5,529	-	2,490	-	8,019
Total	**7,988**	**2,438**	**3,942**	**54**	**14,422**

Liabilities due to banks

Liabilities due to banks amounted to US$ 6.1 million as of 30 September 2011, US$ 9.7 million as of 31 December 2010, US$ 18.1 million as of 31 December 2009 and US$ 27.5 million as of 31 December 2008. The decrease in liabilities to banks between 31 December 2008 and 30 September 2011 is mainly due to a decrease in the bank overdrafts of OT Ventures and the repayment of capital of the Med Cable loans, as discussed in further details below.

The following table sets forth the Group's liabilities to due banks analysed by segment for the periods indicated.

(in thousands of US$)	**30 September 2011**	**31 December 2010**	**31 December 2009**	**31 December 2008**
Cable	6,028	9,562	13,629	18,052
of which: Trans World Associates (Private) Ltd	*6,028*	*6,861*	*7,747*	*8,134*
Med Cable Ltd	-	*2,701*	*5,882*	*9,918*
Media & Technology	42	93	4,495	9,470
Total	**6,070**	**9,655**	**18,124**	**27,522**

TWA

Liabilities to banks of TWA relate to two financing agreements which were entered into to finance the construction and operation of the undersea fibre optic cable from Karachi, Pakistan to Fujairah landing station, United Arab Emirates, with a landing station at Oman. The first agreement, entered into in May 2005, for an amount of PKR 1,400 million (the "Syndicated Term Loan") and the second, in September 2006, for an amount of PKR 207.5 million (the "Oman Extension Agreement"). Both facilities have been secured on TWA's present and future moveable assets and inventory, if any, and carry interest of 6 months KIBOR plus 13.35%.

In 2008, 50% of the outstanding principal amount of the syndicated term loan agreement was repaid and the remaining amount of PKR 560 million was due in eight semi-annual instalments starting from 27 May 2010. As of 31 December 2008 the outstanding capital balance on the Oman Extension Agreement was PKR 83 million, also due in eight semi-annual instalments starting from 27 May 2010.

Med Cable Ltd

Liabilities to banks of Med Cable Ltd relate to an agreement entered into with Calyon in December 2004 for the financing of the submarine cable between Algeria and France. The loan comprised two portions (i) an export credit agreement for a maximum amount of Euro 12.2 million which bore variable rate interest of Euribor +0.95%, which was fully repaid in September 2011 (ii) a commercial loan for a maximum of Euro 4 million which bore variable rate interest of Euribor +3.5%, and was fully repaid in 2009. Both loans were denominated in Euro and guaranteed by OTH.

OT Ventures Group

OT Ventures liabilities to banks mainly relate to overdrafts. In 2008 the liabilities to banks were all borne by LinkDotNet. This subsidiary was reclassified to assets and liabilities held for sale in 2009. During 2009 other OT Ventures entities obtained overdrafts in order to finance general operations. These overdrafts were short term in nature incurring fixed interest and were mainly repaid during the periods.

Finance lease liabilities

Finance lease liabilities amounting to US$ 0.3 million as of 30 September 2011 relate mainly to leases of vehicles by TWA. The future lease payments are secured on the underlying asset.

Other borrowings

Other borrowings include promissory notes and loans from non-controlling shareholders in subsidiaries relating to TWA and OT Ventures.

TWA

Other borrowings of TWA amounted to US$ 6.5 million as of 30 September 2011, compared to US$ 6.6 million as of 31 December 2010, US$ 6.5 million as of 31 December 2009 and US$ 8.8 million as of 31 December 2008. Such loans were provided by non-controlling shareholders, in US$, and have generally been repayable within one year. The loans have been used to finance working capital requirements and to finance the interest on the Syndicated Term Loan and Oman Extension Agreement.

In particular, TWA received an unsecured loan of US$ 2.8 million from its minority shareholders. This loan was interest free and is fully repayable in one instalment on 1 January 2013. As of 30 September 2011 an amount of US$ 2.5 million was outstanding under such agreement compared to US$ 2.3 million as of 31 December 2010, US$ 2.2 million as of 31 December 2009 and US$ 2.1million as of 31 December 2008.

In addition TWA has received two short term unsecured loans from its minority shareholders to finance working capital requirements. These loans are denominated in US$ and one of the loans is interest free whilst the other has an interest rate of 3 month Libor +1%. As of 30 September 2011 an amount of US$ 4.0 million was outstanding under such facilities, compared to US$ 4.3 million as of 31 December 2010, US$ 4.3 million as of 31 December 2009 and US$ 6.7 million as of 31 December 2008.

Capital Expenditures and Investments

Capital expenditure is defined as the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill. The table below sets forth a breakdown of total capital expenditure incurred by the Group for the nine months ended 30 September 2011 and for the years ended 31 December 2010, 2009 and 2008.

(in thousands of US$)	**30 September 2011**	**31 December 2010**	**31 December 2009**	**31 December 2008**
Land and buildings	57	70	2,507	365
Plant and machinery	40,642	30,871	33,068	48,665
Cable system and equipment	1,369	813	548	2,456
Commercial and industrial equipment and other tangible assets	1,327	1,355	7,185	10,848
Assets under construction	33,016	83,527	83,023	120,409
Total tangible asset capital expenditures	**76,411**	**116,636**	**126,331**	**182,743**
Intangible assets	5,534	13,512	2,685	88,548
Total intangible asset capital expenditures	**5,534**	**13,512**	**2,685**	**88,548**
Total capital expenditures	**81,945**	**130,148**	**129,016**	**271,291**

From 30 September 2011 to the date of the Offering Circular, the Group made investments in line with ordinary course of business activities.

The following table shows the capital expenditures by segment for the nine months ended 30 September 2011 and the years ended 31 December 2010, 2009 and 2008:

(in thousands of US$)	**30 September 2011**	**31 December 2010**	**31 December 2009**	**31 December 2008**
GSM North Korea	38,384	47,332	35,015	89,567
Media & Technology	5,816	1,822	13,576	58,141
Cable	37,687	80,993	79,611	123,465
Other	58	1	814	118
Total capital expenditures	**81,945**	**130,148**	**129,016**	**271,291**

The management contract for the GSM Lebanon business states that the operator incurs all the capital expenditure, therefore no capital expenditure is borne by the Group in relation to that business.

The following section sets forth a discussion of investments in property and equipment by segment for the historical periods indicated.

GSM North Korea

(in thousands of US$)	**30 September 2011**	**31 December 2010**	**31 December 2009**	**31 December 2008**
Plant and machinery	32,405	29,795	29,544	16,546
Commercial and industrial equipment and other tangible assets	449	478	1,089	1,727
Assets under construction	-	3,857	4,382	653
Total tangible asset capital expenditures	**32,854**	**34,130**	**35,015**	**18,926**

GSM North Korea property and equipment investments mainly relate to network build out and information technology investments aimed at supporting network development, commercial products and services and overall customer management. Expenditures in the GSM North Korea network amounted to US$ 32.9 million for the nine months ended 30 September 2011, US$ 34.1 million for the year ended 31 December 2010, US$ 35.0 million for the year ended 31 December 2009 and US$ 18.9 million for the year ended 31 December 2008.

Of the total US$ 120.9 million invested in the presented periods, US$ 108.3 million, or 89.6%, related to plant and machinery, US$ 8.9 million, or 7.4%, related to assets under construction and US$ 3.7 million, or 3.1% related to commercial and industrial equipment and other tangible assets. The plant and machinery and assets under construction were primarily for the acquisition of cell sites in North Korea and maintenance of existing sites to increase capacity and quality. Active cell sites for koryolink were 427 sites as of 30 September 2011, 333 sites as of 31 December 2010 and 153 sites as of 31 December 2009 (operations commenced in December 2008). The continued increase in cell sites from 2009 to 30 September 2011 was related to the expansion of coverage capability across North Korea.

Capital expenditure of GSM North Korea has mainly been financed internally through cash from operations and from capital contributions.

Cable

(in thousands of US$)	30 September 2011	31 December 2010	31 December 2009	31 December 2008
Land and buildings	-	70	136	236
Cable system and equipment	1,369	813	548	2,456
Commercial and industrial equipment and other tangible assets	275	322	220	515
Assets under construction	36,040	79,597	78,631	119,756
Total tangible asset capital expenditures	**37,684**	**80,802**	**79,535**	**122,963**

Cable investments mainly relate to setting up submarine cables under international waters, land cables and landing stations for transmitting international communications across continents. The largest capital expenditure projects relate to the Mena Cable for the construction of a fibre optic submarine cable system to connect Italy, Egypt, Saudi Arabia, Oman and India, which is entirely classified as assets under construction as the cable is not yet operational. The construction and operation of the cable system commenced on 15 January 2008 and the initial stages included connecting Italy to Egypt and Saudi Arabia, which was completed in 2010. The Company completed the connection to a landing station in India in January 2012 and an expanded network within Egypt is pending a connection to Alexandria that requires additional licensing and permits from the Egyptian government to complete.

The construction of the Mena Cable has been financed through capital contributions from OTH.

Media & Technology

(in thousands of US$)	30 September 2011	31 December 2010	31 December 2009	31 December 2008
Land and buildings	-	-	1,619	129
Plant and machinery	4,515	1,076	3,523	32,119
Commercial and industrial equipment and other tangible assets	599	554	5,815	8,487
Assets under construction	701	73	10	-
Total tangible asset capital expenditures	**5,815**	**1,703**	**10,967**	**40,735**

Media & Technology property and equipment investments relate primarily to the build up of platforms required for mobile value added services and hosting servers. In the presented periods, capital expenditures were mainly for plant and machinery related to network equipment to build up the capacity for delivery of internet services.

The increased capital expenditure in 2008 compared to the other periods is due to Link Dot Net and Link Egypt which were classified as held for sale in 2010.

Intangible assets

Investments in intangible assets primarily relate to licences.

Assets under construction

The following table sets forth details of assets under construction as of 30 September 2011.

(in thousands of US$)	As of 30 September 2011
GSM North Korea	5,158
Media & Technology	710
Cable	315,437
Total assets under construction	**321,305**

Assets under construction mainly relate to the Cable segment for the build up of the submarine cable system for Mena Cable connecting Italy to Egypt, Saudi Arabia, Oman and India. The assets under construction within the GSM North Korea segment principally relate to acquisition of cell sites in North Korea.

Future capital expenditure

A10.5.2.2

As of 30 September 2011, the Group had entered into contracts for future capital expenditure amounting to US$ 40 million, primarily relating to the expenditure required for completion of the Mena Cable. This capital expenditure is expected to be financed through existing cash and from the proceeds of the partial disposal of the investment in ECMS.

Quantitative and Qualitative Disclosures About Risk

Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. In particular the Group is exposed to risks from movements in exchange rates, interest rates and market prices. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance through ongoing operational and finance activities. The management has overall responsibility for the establishment and oversight of the Group's risk management framework.

Market Risk

i) *Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising when its business transactions are in currencies other than its functional currency. The main currencies to which the Group is exposed are the US dollar, the Pakistani Rupee, the Euro and the Egyptian Pound.

The Group is exposed to foreign currency risk arising in two separate ways:

a) *Foreign exchange operations risk*

The Group entities predominantly execute their operating activities in their respective functional currencies. Some Group subsidiaries are, however, exposed to foreign currency risks in connection with scheduled payments in currencies that are not their functional currencies. In general this relates to foreign currency denominated supplier payables due to capital expenditures and receivables. The Group monitors the exposure to foreign currency risk arising from operating activities. The Group does not use derivative financial instruments to hedge its foreign exchange exposure in relation to investments or cash flows.
As of 31 December 2010, if the functional currencies had strengthened/weakened by 10% against the US$, Euro, Egyptian pound and Pakistani Rupee, with all other variables held constant, the translation of foreign currency receivables and payables would have resulted in an increase/decrease of US$ 7,556 thousand, (2009: US$ 720 thousand, 2008: US$ 1,639 thousand) of profit for the year. Profit is more sensitive to movement in foreign exchange rates in 2010 than 2009 and 2008, primarily due to the increase in Euro and US$ denominated cash balances and financial receivables in entities with functional currency EGP.

b) *Foreign exchange translation risk*

Due to its international presence, the Group's Combined Financial Statements are exposed to foreign exchange fluctuations, as these affect the translation of subsidiaries' assets and liabilities denominated in foreign currencies to the US$ (the Group's presentational currency). The currencies concerned are mainly the Egyptian pound, the Pakistani Rupee and the Euro. This represents a translational risk rather than a financial risk given that these movements are posted directly to equity in the cumulative translation reserve.

ii) *Price risk*

The Group has limited exposure to equity instruments of other entities that are publicly traded.

iii) *Cash flow and fair value interest rate risk*

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

The following table illustrates the total borrowings outstanding as of 31 December 2010, 2009 and 2008 indicating the percentage of borrowings received at a fixed interest rate, at a variable interest rate and interest rate free.

	2010	**2009**	**2008**
Total borrowings (*in thousands of US$)*	**18,005**	**25,989**	**70,289**
of which % is at a fixed interest rate	*9%*	*22%*	*65%*
of which % is at a variable interest rate	*68%*	*62%*	*29%*
of which % is interest rate free	*23%*	*16%*	*6%*

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit and loss of a defined interest rate shift. The same interest rate shift is used for all currencies.

In the year ended 31 December 2010, the impact of a 0.1% interest rate shift would be a maximum increase/decrease in finance costs of US$ 12 thousand (2009: US$ 16 thousand, 2008:US$ 20 thousand).

Credit Risk

The Group considers that it is not exposed to major concentrations of credit risk in relation to trade receivables. However, credit risk can arise in the event of non-performance of a counterparty, particularly in relation to credit exposures for trade and other receivables, financial instruments and cash and cash equivalents.

The credit risk to which the Group is exposed to can be analysed by segment as follows:

i) *GSM*

Substantially all customers in North Korea are prepay customers meaning that there is a low credit risk associated with the GSM operations.

ii) *Cable*

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

iii) *Media & Technology*

Customer's credit worthiness is reviewed before credit terms are offered. Accounts receivable are monitored and outstanding balances are followed up until the balance is received.

The Group tries to mitigate credit risk by adopting specific control procedures, including assessing the credit worthiness of the counterparty and limiting the exposure to any one counterparty. Accruals to the allowance of doubtful receivables amounted to US$ 151 thousand for the year ended 31 December 2010 (2009: US$ 4,771 thousand, 2008: US$ 2,943 thousand) mainly related to the Media & Technology segment .

Credit risk relating to cash and cash equivalents and financial deposits arises from the risk that the counterparty becomes insolvent and accordingly is unable to return the deposited funds or execute the obligations under the derivative transactions as a result of the insolvency.

In general the receivables and financial receivables included in financial assets relate to a variety of small amounts due from a wide range of counterparties, therefore, the Group does not consider that it has a significant concentration of credit risk.

Liquidity Risk

The Group monitors and mitigates liquidity risk arising from the uncertainty of cash inflows and outflows by maintaining sufficient liquidity of cash balances and capital contributions from OTH. In general, liquidity risk is monitored at entity level whereby each OTMT Asset is responsible for managing and monitoring its cash flows and rolling liquidity reserve forecast in order to ensure that it has sufficient committed facilities to meet its liquidity needs.

In the past, the Group companies have been largely financed though intercompany loans from its previous holding company, OTH. In the future it is likely that the Group companies will continue to be financed largely though intercompany loans provided by the Company given a lack of adequate financing markets in some of the countries in which the Group operates. The Group is also in part financed from dividends received from its equity investment. When this investment does not pay out dividends, this has a negative impact on the liquidity of the Group.

Laws and regulations in certain countries, such as for example North Korea, in which the Group operates limit the conversion of current cash balances into foreign currency. Given the nature of the business, Group companies may have to make payments in foreign currencies (for example capital expenditures), the lack of individual entity foreign currency reserves means that these companies are largely dependent on the Company to make these payments on its behalf.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the tables are the gross contractual, undiscounted cash flows including interest, charges and other fees.

As of 31 December 2010

(in thousands of US$)	Carrying amount	Contractual cash-flows	Within 1 year	1-5 years	More than 5 years
Liabilities					
Liabilities due to banks	9,655	11,602	5,697	5,905	-
Finance lease liability	172	218	61	157	-
Other borrowings	8,178	8,749	6,054	2,695	-
Trade payables	84,003	84,003	84,003	-	-
	102,008	**104,572**	**95,815**	**8,757**	**-**

As of 31 December 2009

(in thousands of US$)	Carrying amount	Contractual cash-flows	Within 1 year	1-5 years	More than 5 years
Liabilities					
Liabilities due to banks	18,124	21,543	6,453	15,090	-
Finance lease liability	117	148	51	97	-
Other borrowings	7,748	8,223	5,528	2,695	-
Trade payables	68,729	68,729	68,729	-	-
	94,718	**98,643**	**80,761**	**17,882**	**-**

As of 31 December 2008

(in thousands of US$)	Carrying amount	Contractual cash-flows	Within 1 year	1-5 years	More than 5 years
Liabilities					
Liabilities due to banks	27,522	34,466	11,979	22,487	-
Finance lease liability	33,225	42,479	14,642	27,837	-
Other borrowings	9,542	10,156	7,461	2,695	-
Trade payables	103,364	103,364	103,364	-	-
	173,653	**190,465**	**137,446**	**53,019**	**-**

Capital risk management

In the periods presented the capital of the Group, was managed as part of the capital of OTH group. The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The historical capital structure does not necessarily reflect the future capital structure of the Group.

Other risks

Governmental authorisations
Certain future Group activities, including the GSM operations in Lebanon or the cable segment, are dependent on obtaining appropriate government authorisations. Should these authorisations not be obtained or delayed, there could be an adverse impact on the future operations of the Group, such as a decrease in revenues or penalty payments due to contractual counterparties.

Political and economic risk in emerging countries
A significant amount of the Group’s operations are conducted in Egypt, North Korea and Pakistan. The operations of the Group depend on the market economies of the countries in which the subsidiaries operate. In particular, these markets are characterised by economies that are in various stages of development or are undergoing restructuring. Therefore the operating results of the Group are affected by the current and future economic and political developments in these countries. In particular, the results of operations could be unfavourably affected by changes in the political or governmental structures or weaknesses in the local economies in the countries where it operates. These changes could also have an unfavourable impact on financial condition, performance and business prospects.

Regulatory risk in emerging countries
Due to the nature of the legal and tax jurisdictions in the emerging countries where the Group operates, it is possible that laws and regulations could be amended. This could include factors such as the current tendency to withhold tax on the dividends of these subsidiaries, receiving excessive tax assessments, granting of relief to certain operations and practices relating to foreign currency exchange. These factors could have an unfavourable effect on the financial activities of the Group and on the ability to receive funds from the subsidiaries.

Revenue generated by the majority of the Group subsidiaries is expressed in local currency. The Group expects to receive most of this revenue from its subsidiaries and therefore it relies on their ability to be able to transfer funds. The regulations in the various countries, such as for example North Korea, where the subsidiaries operate could reduce the ability to pay interest and dividends and to repay loans, credit instruments and securities expressed in foreign currency through the transfer of currency. In addition, in some countries it could be difficult to convert large amounts of foreign currency due to central bank regulations. The central banks may amend regulations in the future and therefore the ability of the Company to receive funds from its subsidiaries may be changed.

BUSINESS

Overview

The Company is a holding company for a group of companies and investments in companies active in the GSM, Media and Technology and Cable spheres, with operations mainly in Egypt, the Democratic People's Republic of Korea and Lebanon. The Company has a 5% economic ownership interest in a leading mobile operator in Egypt, a 75% ownership interest in DPRK's sole mobile operator and holds the management contract for one of the two mobile operators in Lebanon.

The activities of the Company are mainly divided into its GSM, media and technology, and cable businesses as follows:

	COMPANY	DESCRIPTION	OWNERSHIP INTEREST
GSM	ECMS	Leading mobile telecommunications operator in Egypt providing pre and post paid voice and data services under the brand name MobiNil.	5.0%
	koryolink	DPRK's sole mobile and 3G operator.	75.0%
	OT Lebanon	Holds the management contract of Alfa, a leading Lebanese mobile operator.	99.9%
Media and Technology	LINKonLINE, Connect Ads, ArabFinance	Companies active in online advertising and content through the development of leading Internet portals in Egypt, Middle East and Africa. Portals include Masrawy.com, Yallakora.com, CareerMidEast.com, etc.	100.0%
	Arpu+	Arpu+ is specialized in mobile value-added services and offers a large range of mobile and telecommunications applications including SMS services, mobile marketing, mobile banking solutions, etc.	100.0%
	Link Development	Link Development is a leading company specialised in software development and hosting in North Africa and the Middle East. The company provides mobile solutions, user experience design and e-commerce applications, nearshore outsourcing, etc.	100.0%
Cable	Trans World Associates	Submarine cable fiber optic cable operator in Pakistan, connecting Pakistan to UAE and Oman.	51.0%
	MENA	Submarine cable system planned to connect Italy, Greece, Egypt, Saudi Arabia, Oman and India.	100.0%
	Med Cable	Submarine cable connecting Marseille (France) to Algiers, Annaba and Oran (Algeria).	100.0%

History and Development

The Company was incorporated in Egypt on 29 November 2011, as a result of the demerger of Orascom Telecom Holdings S.A.E. See "*Information Relating to the Completed Demerger*".

Our Key Strengths

We believe we benefit from the following key strengths.

- ***Leading mobile operator in our core markets***. We hold a minority interest in, and are party to a general services agreement with respect to, the leading mobile operator in Egypt and are the only mobile operator in DPRK. We also hold the management contract for one of the leading mobile operators in Lebanon. These operations have developed strong brand recognition and high on-network traffic in their respective markets and, as a result, we believe we are well placed to face future competition.

- ***Diverse portfolio of operations***. We have a diverse portfolio of operations across our mobile telecommunications, media and technology and cable businesses, which operate in a variety of countries across the Middle East, Africa and South Asia. Such a diversification of assets reduces the potential effect on us of unfavourable developments in a single market, industry or currency.

- ***Strong management team***. Our management team are highly experienced with strong backgrounds in the telecommunications industry across a variety of emerging markets.

- ***Synergies from multiple networks and operations***. Our management structure facilitates the sharing of information, experience and best practices among our operating companies, for example with respect to network planning and the introduction of new product offerings. Our diverse operations provide the opportunity for us to cross sell products and services across different markets.

Strategy

Our principal strategic goals are as follows.

- ***Manage existing operations cost-effectively and efficiently to deliver increased cashflow and maximum value***. We intend to grow cashflow and maximize value for our shareholders by ensuring that our operations are managed cost-effectively and efficiently in terms of operating costs, financing costs and capital expenditures. To this end, we will work with our operating companies to streamline management activities and improve financing arrangements to reduce the overall cost of capital, maximize our financial and operating flexibility and further increase upstream cashflow from our operating companies.

- ***Capture substantial revenue growth in our existing markets***. We believe that there will be continued growth in most of our existing markets, which have all experienced rapid growth in recent years but to an extent remain under-penetrated as compared with Western European markets. We will seek to retain our existing substantial share of the market in many of these countries and build on our less developed markets by selectively and prudently investing in our networks to ensure that they have sufficient capacity to meet anticipated demand, leveraging our strong position in our principal markets to respond to increasing competition, and remaining at the forefront of product and service innovation to maximize our ARPU over voice and non-voice services. We also intend to further develop our presence in the high value business segments. We expect that our operating companies will continue to expand and upgrade their network on an incremental basis, consistent with our expectation of growth in such markets.

- ***Continue to develop and implement tailor-made strategies and maintain brand recognition designed specifically for each of our individual markets***. We will continue to design and implement market specific strategies in each of the individual markets in which we operate. Additionally, we intend to further expand our distribution channels in order to capture additional subscribers and meet the needs of our existing subscribers within each of our markets. These strategies are tailored to the particular conditions of each market, such as the stage of development, the cultural and financial characteristics of the market, demand for particular products and services and our own competitive position in that market. Our brands are viewed as local brands; in each of our operating subsidiaries, we have built a strong local brand, such as MobiNil in Egypt and koryolink in DPRK. We believe that our brand portfolio in each of our markets is a key factor in sustaining our competitive advantage.

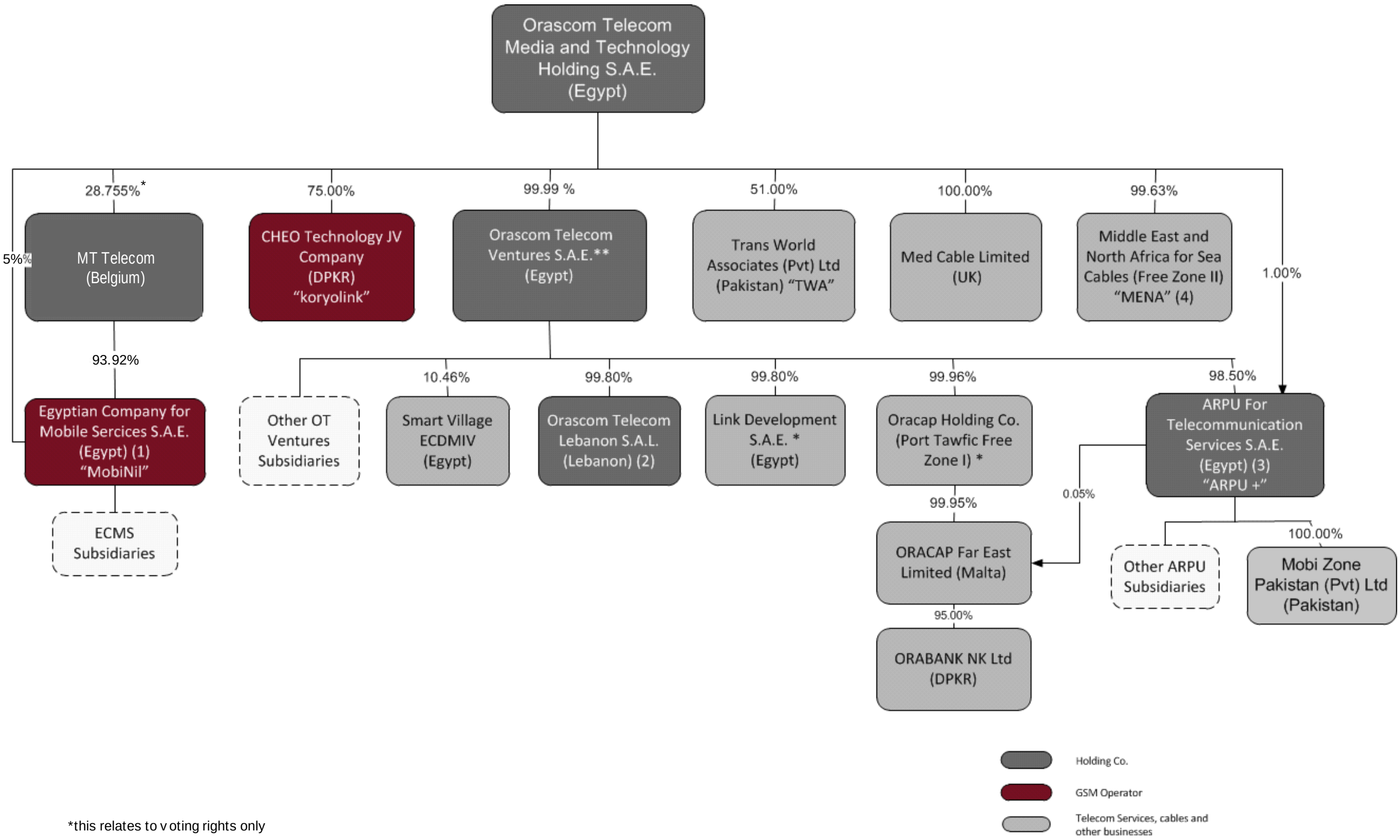
- ***Maintain strong market share, expand our range of product and service offerings***. In order to build the strength of our brand portfolio, and thus build upon and maintain our strong market share in our various markets, we intend to expand and enhance our range of product and service offerings in each of our markets which we believe will have a positive impact on our churn rates and ARPU.

- ***Pursue selective acquisition and investment opportunities***. We intend to focus our investment strategy on our telecommunications business, which we may seek to expand through a variety of options, such as greenfield licences, acquisitions and management contracts. We intend to continue to take a disciplined approach to investment opportunities in order to identify acquisition, divestiture and investment opportunities for both our existing and potential new telecommunications businesses, and we may consider participating in consolidating mergers within certain markets, acquisitions, or sales of assets. We regularly monitor our markets and intend to seek to acquire networks or licenses in markets which offer the potential for high growth, or significant improvement of operating performances, where we believe we can leverage our experience as we have in our existing markets. We intend to seek to achieve a leading position in terms of market share in these new markets by leveraging our access to capital and expertise in financing, developing and operating mobile businesses.

Organisational Structure of the Group

Group Legal Structure

Following the Demerger of OTH (see "*Information Relating to the Demerger*") the Company was established on 29 November 2011 as an Egyptian joint stock holding company under the provisions of the Capital Market Law No. 95 for the year 1992 and its executive regulations. The shareholding structure of the Company is as set forth in the chart below:



*this relates to voting rights only

Overview of the Divisional Structure of the Group

The operations of the Group are organised into three main divisions: GSM, Media and Technology and Cable.

For discussion of external revenue and other financial information relating to these three divisions in the years ended 31 December 2008, 2009 and 2010 and the nine months ended 30 September 2010 and 2011, see "*Operating and Financial Review*".

GSM Division

The Company's GSM division comprises (i) a 5% economic stake in ECMS, a leading mobile operator in Egypt; (ii) a 75% ownership interest in koryolink, DPRK's only 3G mobile operator; and (iii) a 99.9% interest in Orascom Telecom Lebanon S.A.L., which currently holds the management contract for the Alfa mobile operations in Lebanon.

ECMS

ECMS operates a leading mobile network in Egypt that provides a range of prepaid and postpaid voice and data telecommunication services under the brand name of MobiNil. MobiNil launched its operations in May 1998. Following the FT Transaction Completion Date the Company has a 5% economic interest in ECMS, and France Telecom has a 93.92% interest. The remaining 1.08% free float is traded publically on the Egyptian Exchange.

The Group records its investment in ECMS using the equity method. Consequently, ECMS does not contribute to, amongst other items, the combined EBITDA or combined revenues of the Group. The Group records a share of profit or loss of the investment in ECMS on a separate line of its income statement.

Whilst the Company only holds a 5% in ECMS (as outlined above), it has entered into a General Services Agreement (which was renewed and restated on 11 April 2012) with ECMS, whereby the Company receives a management fee equal to 0.75% of the total revenues of ECMS excluding equipment sales and sales taxes in return for providing various services to ECMS including, but not limited to, marketing organisation and process design, marketing strategy, market research, geomarketing, pricing policy, product design and development, communication policy and support, sales strategy and support, technical organisation, network planning, customer care, information systems organisation, information systems planning, interconnection relations, finance and administration for business projects, information systems (including billing, customer care and network management), procurement policy, recruitment and legal support). Pursuant to the General Services Agreement OTMT is appointed as one of ECMS' preferred suppliers for providing telecommunication operations services, and ECMS will provide OTMT with a right to prepare and submit offers prior to other providers being contacted. The General Services Agreement can be terminated by either party in the event of material default by the other party.

The Group's share of profit of the equity investment in ECMS amounted to US$ 49.4 million for the year ended 31 December 2010 and a loss of US$ 41.5 million for the nine months ended 30 September 2011.

As of 30 September 2011 MobiNil's network covered approximately 99.65% of the total population of Egypt and MobiNil served approximately 31.6 million subscribers, representing a market share of approximately 33.70% of total mobile subscribers.

Sale of Direct and Indirect Interests in ECMS

The Company has recently disposed of most of its direct and indirect interest in ECMS. See "*Information Relating to the Sale of Direct and Indirect Interests in ECMS".*

Key Operating and Financial Data

	As of and for the nine months ended 30 September		**As of and for the year ended 31 December**		
	2011	**2010**	**2010**	**2009**	**2008**
Subscribers (millions)					
Prepaid	30.8	27.6	29.4	24.7	19.0
% of total	97.4%	97.3%	97.3%	97.3%	97.0%
Postpaid	0.8	0.8	0.8	0.7	0.6
% of total	2.6%	2.7%	2.7%	2.7%	3.0%
Total	31.6	28.4	30.2	25.4	20
Market Share[1] (%)	39.3%	39.5%	39.8%	42.0%	47.1%
Churn[2] (%)	-29.2%	-26.1%	-33.4%	-35.0%	-30.3%
ARPU[3] (L.E.)	25.8	31.9	30.0	37.3	46.0
Management Fee (US$ millions)	9.1	10.8	14.5	15.1	14.2
Share of profit/loss of equity investments (US$ millions)	(41.5)	55.3	49.4	125.6	97.3

1. We calculate the market share of MobiNil based on market share data as reported by us and our competitors in their financial disclosure.
2. We calculate churn rates by dividing the number of disconnections during a period by the average number of customers over the period based on the number at the start and the end of the period.
3. Average revenue per user is average monthly recurrent revenue per customer (excluding visitors roaming revenue and connection fees) including national and international airtime revenue, monthly fees, SMS, GPRS and data revenue and calculated as an average of the months in the relevant period.

ECMS's License

The license and annexes as described below was granted to (and is held by) ECMS, not the Company. The Company has a minority investment in ECMS and has entered into the General Services Agreement with respect to ECMS (as described above). The currently applicable terms of the ECMS license and annexes are as outlined below.

1. *The ECMS GSM License*

On 18 April 1998, the Minister of Transport and Communications representing the Regulatory Authority acting on behalf of Egypt (the ''**Licensor''**) and ECMS entered into a license agreement (the "**ECMS License Agreement**"). The ECMS GSM License Agreement has the following key terms:

- ECMS is granted a license to establish and operate a GSM 900 digital cellular mobile telephone network within Egypt for an initial fee of EGP 1.76 billion.
- The license period is 15 years, renewable for successive five-year periods (this period has been extended until 16 October 2022 as a result of the 3G Annex (as defined and discussed below). The license is to be automatically renewed within two years prior to the expiry of the initial license without the requirement of any upfront royalty.
- ECMS must cover 85% of the populated area of Egypt within four years of the date of the agreement (this requirement has been met) and is required to maintain certain quality of service standards.
- Any changes to tariffs, new tariffs or tariff packages are subject to the prior written approval of the Licensor.
- ECMS may not transfer any of its rights or obligations except with the prior written consent of the Licensor (such consent not to be unreasonably withheld).
- The license terminates upon the bankruptcy of ECMS, failure of ECMS to pay license fees, or repeated or intentional breach of the license agreement by ECMS. ECMS is entitled to enter into conciliation meetings and to appeal any termination decision.

2. *ECMS Annex I and II*

On 27 January 2005, and 2 July 2006, the NTRA and ECMS entered into annexes to the ECMS License Agreement (the "**ECMS Annex I and II**"). This supplements the ECMS License Agreement with the following key terms:

- ECMS is granted a license to establish and operate a GSM 1800 MHz network until 16 October 2022.
- ECMS is required to prepare and provide to the NTRA a plan for the development and renovation of the network infrastructure in line with the quality levels applicable to the Egyptian telecom market. ECMS must observe the goals and estimated timetables set out in the plan and submit a semi-annual report reflecting such compliance.
- Mobile number portability and national roaming have been introduced.
- ECMS must host Etisalat Misr on its network.

3. *The 3G Annex*

On 17 October 2007, the NTRA and ECMS entered into an annex to the ECMS License to use frequencies enabling third generation "3G" services (the "**3G Annex**"). This supplements the ECMS License Agreement and ECMS Annex I and II with the following key terms:

- A 3G license is granted until 16 October 2022 and the GSM licenses described above are extended for the same period.
- The license is renewable for 5 years, provided ECMS complies with its obligations.
- The 3G license provides ECMS with 10 MHz of additional bandwidth in the 3G range.
- 3G coverage service for 97% of Egypt's population must be attained by the end of 2012 and certain quality of service standards must be maintained.
- Specific network coverage requirements applying to Egypt's highway network must be attained.
- ECMS is currently required to pay a fee for the universal fund, up to but not exceeding 0.5% of its total revenue for the duration of the license.

The completion of the FT Transaction has not impacted on the licences held by ECMS, as they are held directly by ECMS, not by the Company. In the event that the put or call options described on page 25 of this Prospectus were exercised and the Company's remaining 5% interest in ECMS was transferred to FT, ECMS would still hold the licences outlined above, but the Company would no longer have any interest in ECMS.

Egyptian Telecommunications Market

Telecommunications services in Egypt are provided principally by Telecom Egypt, the incumbent government-owned fixed-line operator, with respect to fixed-line services, and by three GSM mobile operators, MobiNil, Vodafone Egypt and Etisalat Misr. Telecom Egypt has a substantial interest in Vodafone Egypt. Telecom Egypt planned to begin operating a GSM network in 2002 but subsequently cancelled those plans as part of an industry-wide agreement between Telecom Egypt, MobiNil, Vodafone Egypt and the regulator which included a requirement that certain payments be made to the regulator by MobiNil and Vodafone Egypt. In July 2006, Etisalat Misr, from the United Arab Emirates, won the auction to operate Egypt's third GSM mobile license, which incorporates an entitlement to use frequencies enabling 2G and 3G services.

Telecom Egypt's monopoly on fixed-line services expired at the end of 2005 and the sector is currently in the process of progressive liberalization. In December 2005, the Egyptian government partially privatized Telecom Egypt by selling a 20% interest through an initial public offering. However, the Egyptian government is required by law to maintain a majority interest in Telecom Egypt.

The Egyptian mobile telecommunications market in general and MobiNil in particular have experienced a period of rapid growth over the past several years. Competitive pressures in the Egyptian mobile market have intensified significantly following the entry into the market of a third mobile operator, Etisalat Misr in May 2007. Etisalat Misr entered the Egyptian market with a massive marketing campaign and aggressive pricing strategy, and this has resulted in a significant loss of market share for the existing operators (including MobiNil and Vodafone).

According to disclosure published by each of Vodafone Egypt and Etisalat Misr's mother companies, as of 31 December 2011, MobiNil had a 34.4% market share, Vodafone Egypt had a 37.5% market share, and Etisalat Misr had a 28.5% market share.

The political situation in Egypt has been unstable since the revolution in January 2011. See "*Risk Factors – Risks Relating to the Countries in which OTMT Operates- OTMT is subject to political, social and economic risks in the countries in which it operates, including in Egypt following its revolution in January 2011*".

Regulation

Law 10, issued in February 2003 (the "**Egyptian Telecommunications Law**"), regulates the telecommunications sector in Egypt. Among other things, the legislation stipulates that a license is needed in order to provide telecommunications services or operate a telecommunications network and sets out the terms that each license must contain. It also establishes general rules relating to the management, licensing and use of the frequency spectrum.

As part of the liberalization and reform of the Egyptian telecommunications industry, the Ministry of Communications and Information Technology ("**MCIT**") was established in October 1999 to replace the Ministry of Transport and Telecommunications. As the policymaking authority for the telecommunications industry, the MCIT is charged with further developing and improving telecommunications infrastructure and promoting the development of an information society in Egypt. In 2003, a newly reorganized NTRA was established under the Egyptian Telecommunications Law. The NTRA has broad authority to regulate the Egyptian telecommunications industry and is mandated to improve and expand the sector's services to high levels of technical and technological specifications in order to meet consumer requirements at certain price levels and encourage national and international investment in the sector within the framework of free competition. The NTRA maintains a controlling role over section development.

Under the Egyptian Telecommunications Law, all telecommunications tariffs must be approved by the NTRA. As per NTRA letter # 1405, for any new product or change in tariff operators have to notify them 5 working days prior to the launch date, and for any new promotions operators have to notify them 3 working days prior to the launch date.

Licensees are required to provide interconnection between mobile network operators and require disclosure of technical specifications of the services provided and either an interconnection agreement ratified by the NTRA or acceding to an existing interconnection agreement. In case of a dispute, the NTRA is authorized to determine the terms of the interconnection agreement and to arbitrate between service providers. ECMS has entered into an interconnection agreement with Telecom Egypt, Etisalat Misr and Vodafone Egypt.

Mobile Number Portability "MNP" was launched in April 2008 based on an annex to the license signed in August 2006 (Annex 3).

Although national roaming services to competing mobile operators was not required under the Egyptian Telecommunications Law, Annex (3) explicitly puts an obligation on all mobile operators to provide national roaming to Etisalat Misr, based on an agreement that was reached between the three operating mobile companies ECMS, Vodafone Egypt and Etisalat Misr. There are presently no mobile virtual network operators in Egypt and no regulations to enable such operators.

There are currently three 3G licenses in Egypt, the most recent acquired by ECMS on October 17, 2007. The other two 3G licenses are held by Etisalat Misr and Vodafone Egypt. In addition to these 3G licenses, there are two international gateway licenses, the first of which is held by Telecom Egypt for the market as a whole, while the second is held by Etisalat Misr and is exclusive to Etisalat Misr customers.

In September 2009 MCIT announced that new licenses will be granted to operate closed networks (e.g. landline networks within compounds "**3P license**") based on revenue sharing rather than an upfront fee. After a delay in the bidding process, LinkDotNet, a fully owned subsidiary of ECMS, and Vodafone, participated in the process and both were awarded a 3P license to operate. Telecom Egypt holds a similar license without entering into the process, in accordance with the bidding terms and the Telecom Egypt license.

Network

As of 30 September 2011, MobiNil's network covered approximately 25.86% of Egypt's territory, enabling coverage of approximately 99.65% of the population. As of September 30, 2011, MobiNil's core network consisted of approximately 26 switches and 4 gateways.

Services and Marketing

MobiNil provides both basic voice and value-added services to its corporate and retail subscribers, although ECMS' revenues are overwhelmingly driven by voice services. MobiNil provides its mobile subscribers with value-added services such as voicemail, caller identification, call waiting/holding, call forwarding and data services such as short message service ("**SMS**"), information services, multimedia messaging service ("**MMS**") and wireless application protocol ("**WAP**") based on general packet radio service ("**GPRS**") technologies. The proportion of revenues driven by SMS and data services, while currently small, is growing.

In September 2008, MobiNil launched its advanced 3G services, video call, missed call alert, mobile broadband (internet everywhere with 3G Flybox and USB modem), EeePC (laptop offers based on providing cheap netbooks) and WiFi. During the course of 2010, MobiNil enhanced its mobile broadband activities by making available data solution bundles which combine high end laptops with MobiNil 3G USB modems and free data lines. MobiNil also introduced time based mobile broadband for the first time in Egypt. In 2010, MobiNil launched the "Blackberry Enterprise Service Express" in collaboration with Research In Motion, which is a free secured software designed to access e-mail and data with a Blackberry smartphone. MobiNil also launched a free video calling service for both local and international calls.

MobiNil offers both prepaid and postpaid telephony services. As of September 30, 2011, prepaid subscribers represented approximately 97% of MobiNil's total subscribers. MobiNil markets its prepaid services using the "MobiNil ALO" trade name and its postpaid services using the "Star" trade name in addition to "MobiNil Business" to cater to the corporate and business market. MobiNil charges its prepaid subscribers an initial connection fee and a monthly subscription. Incoming calls to a MobiNil subscriber are paid for by the caller, with MobiNil receiving an interconnection charge from the incoming network.

MobiNil's pricing strategy is to offer subscribers a variety of subscription options designed to suit their differing usage levels while still providing MobiNil with stable revenues from monthly subscription fees. In its postpaid services offering, MobiNil has promotional packages that reduce the price per minute depending on the intensity of use. In addition, MobiNil is focused on reducing barriers to entry for its customers through the introduction of lower-priced handsets and schemes to enable customers to reduce upfront handset costs by committing to longer term tariff plans or by crediting handset costs against pre-payment of airtime over an extended period.

In addition to its focus on the lower end of the market, MobiNil is focused on enhancing its service provision to the more affluent, postpaid segment. In early 2006, "MobiNil Star" was launched as the new brand name for the postpaid service. In 2011, MobiNil revamped its star tariff plans and launched a new portfolio of tariff plans serving different needs. For example, the "star control" tariff plan that allows customers to control their spending and manage their mobile expenses and the "star global" tariff plan that offers customers a global concierge service which grants them access to services such as travel assistance, reservations, tickets for sporting events, shopping and practical assistance. MobiNil also revamped its loyalty program "SPECIAL" to foster loyalty and retain its customer base.

As of 30 September 2011, MobiNil had entered into roaming agreements with significant number of foreign operators. It offers both prepaid and postpaid customers roaming service for a flat rate through MobiNil global rates.

Recent launches in the fourth quarter of 2011 include:

- MobiNil continued its successful "Happy Friday" promotion where a new promotion is launched every Friday. Promotions included offers on SMS, Call tone, competitions on handsets, and promoting some value added services.
- A daily bucket was launched below the line offering customers to talk freely to any MobiNil number for 1 LE per day.
- A reconnection promotion was launched in order to encourage customers to use their SIM cards.
- MobiNil has launched the new BlackBerry® curve, BlackBerry® Bold 9900 and the new iPhone 4S.
- MobiNil Introduced its new MobiNil Business Prepaid Buckets, whereby customers will be able to have full control over their expenses and enjoy simple and flexible tariff plans where

their monthly fees will be deducted from their balance based on their Tariff plan and date of renewal.

Distribution and Sales

MobiNil sells its mobile telecommunications services through indirect channels (third party distributors), MobiNil-owned shops and a sales force. As of September 30, 2011, MobiNil had agreements with a substantial number of national distributors that together have approximately more than 10,000 active points of sale sales outlets. This authorized dealer network can provide network connections from points of sale. These distributors sell mostly prepaid services to the middle- to lower-income market.

MobiNil's sales force focuses on selling post-paid services primarily to the corporate and higher-income segment of the market and to government agencies.

MobiNil also uses its distribution network to sell handsets and accessories and provides after sales support and maintenance through authorized service centers. MobiNil does not currently provide subsidies on its handsets. In order to further stimulate growth, MobiNil is exploring limited handset subsidies whereby entry costs for customers are reduced in return for extended contracts in the post-paid segment or, alternatively, via the prepayment of airtime over an extended period of time, thereby increasing customer loyalty and stimulating usage. These developments reflect a shift in MobiNil's overall strategy from customer acquisition to customer retention.

Customer Care

MobiNil has two call centers operating 24 hours a day, 7 days a week located at Agouza & WTC, Cairo. The call centres are staffed by operators with different specialties to handle different market segments, and handles a substantial number of calls a day. In addition, an interactive voice response system is in place to help accommodate the current customer base.

koryolink

CHEO Technology Joint Venture Co. ("**CHEO**", which operates under the trading name of koryolink) is a partnership between the Company and the state-owned Korean Post and Telecom. Corp. ("**KPTC**"). The Company owns a 75% stake in CHEO.

koryolink is the first and only 3G mobile operator in DPRK and provides a range of prepaid voice and multimedia services. koryolink launched its operations in December 2008.

As of 30 September 2011 koryolink's network covered approximately 94% of the total population of DPRK and koryolink served approximately 809,000 subscribers, representing a market share of 100% of total mobile subscribers.

koryolink accounted for 26.9% of the Group's combined revenues and 81.0% of the Group's combined EBITDA for the year ended 31 December 2010 and 43.4% of the Group's combined revenues and 82.4% of the Group's EBITDA for the nine months ended 30 September 2011.

Key Operating and Financial Data

	As of and for the nine months ended 30 September		As of and for the year ended 31 December		
	2011	**2010**	**2010**	**2009**	**2008**
Subscribers (millions)					
Prepaid	0.809	0.301	0.432	0.0917	0.0053
% of total	100	100	100	100	100
Postpaid	0	0	0	0	0
% of total	0	0	0	0	0
Total	0.809	0.301	0.432	0.0917	0.0053
Market Share[1] (%)	100	100	100	100	100
ARPU[3] (US$)	14.1	20.4	17.1	22.9	N/A
Revenue[4] (US$ millions)	102.7	41.6	66.4	26.0	0.5
EBITDA[4] (US$ millions)	80.8	30.4	52.2	14.0	(3.3)
% of koryolink revenues	78.6%	72.9%	78.5%	54.1%	n.a.
Capital Expenditures[5] (US$ millions)	38.4	29.9	47.3	35.0	89.6

1. We calculate the market share of koryolink based on market share data as reported by us and our competitors to the national regulator and in the industry.
3. Average revenue per user is average monthly recurrent revenue per customer (excluding visitors roaming revenue and connection fees) including national and international airtime revenue, monthly fees, SMS, GPRS and data revenue and calculated as an average of the months in the relevant period.
4. The revenue and EBITDA data disclosed in the table above represent koryolink's contribution to our combined revenue and EBITDA, respectively. For a definition of EBITDA see "*Presentation of Financial and Other Information*."
5. Capital expenditure is equivalent to total costs incurred during the period to acquire property and equipment and intangible assets other than goodwill.

Agreements with DPRK

The agreements outlined below were entered into by OTH and transferred to OTMT as part of the Demerger.

OTH entered into an agreement with KPTC in January 2008 (as supplemented by an agreement entered into in March 2010) whereby it agreed to form and invest in koryolink with KPTC. Below is a summary of the key currently applicable terms of this agreement:

- CHEO Technology Joint Venture Co. was formed, with the Company holding a 75% economic interest and KPTC holding a 25% economic interest;
- the Company was awarded a greenfield license to establish and operate a 3G network in DPRK for a period of 25 years with an exclusivity period of 4 years, which it would establish and operate through the koryolink vehicle;
- the Company is entitled to appoint 4 out of 7 members of the board of directors of koryolink (including the chairman of koryolink), and KPTC is entitled to appoint the remaining 3 directors (including the vice chairman);
- the Company agreed to establish a mobile network in high population areas in DPRK, including provincial seats, cities and county seats;
- the Company agreed to use efforts to achieve various planned targets for numbers of subscribers, which it has now fulfilled;
- each of KPTC and the Company has a right of first refusal in the event the other party wishes to sell their shareholding in koryolink and
- the agreement can be terminated by either party in the event of insolvency, written consent of both parties, or material breach by the other party.

In addition to the agreement outlined above, OTH entered into a separate management agreement in December 2008 with koryolink and KPTC (the "**koryolink Management Agreement**"). The currently applicable terms of the koryolink Management Agreement are that the Company provides technical, management, accounting, legal, tax, regulatory, compliance, personnel, IT, know how, training and other administrative and operational assistance to support and secure the continued growth of koryolink, as well as specific assistance on a project-definition basis. In exchange for the provision of such services, the Company receives a management fee of 4% of the total gross revenue of koryolink, paid directly to the Company quarterly in USD. The Company is under an obligation in the koryolink Management Agreement to provide such services diligently and in accordance with international standards and practices as they apply in the telecommunications business. The koryolink Management Agreement is effective for the full license period as described above, and automatically renews upon renewal of such license.

DPRK Telecommunications Market

koryolink is currently the only mobile operator in DPRK. A government owned and operated 2G mobile operator which had been operational since 2002 closed down in 2010.

Fixed line telecommunications services in DPRK are provided exclusively by KPTC. Fixed-line service is available in the capital Pyongyang with much lower availability in other cities due to outdated or nonexistent infrastructure.

Internet services are provided through KPTC and are only available for foreigners resident in DPRK.

DPRK is subject to international sanctions imposed by the European Union and the United States. See "*Risk Factors – Risks Relating to the Countries in which the Company Operates – DPRK is subject to international sanctions*".

Regulation

No specific telecommunication regulation exists in DPRK. However, the DPRK government actively oversees koryolink's operations, and since koryolink is the first commercial mobile operator operating and sustaining a large scale operation in DPRK, issues are addressed by the government on a case by case basis. Regulatory issues which arise are handled through direct discussion with governmental bodies.

Network

As of 30 September 2011, koryolink's network covered approximately 94% of DPRK's population (estimated at 24.5 million) and 14% of its territory through 453 "on air" base stations, covering the capital Pyongyang and 14 main cities and 86 smaller cities. koryolink's network coverage also extends to over 22 highways through the use of a government built telecommunications network.

Services and Marketing

koryolink's 3G network supports a variety of services – in addition to voice – such as video call, SMS, MMS, voice mail, newspaper browsing, WAP and high speed packet access ("**HSPA**").

Recently, koryolink has focused on boosting subscriber growth through targeting various segments with innovative offerings, while continuously expanding sales outlets throughout all main cities in DPRK.

In Q2 2010, in an attempt to make the mobile service more affordable, koryolink introduced a new rate plan targeting lower-end customers resulting acquiring more subscribers from areas outside Pyongyang. In addition, koryolink successfully launched a Video Call service in Q3 2010.

In January 2011, koryolink offered to its customers, for the first time in DPRK, the Multimedia Messaging Service (MMS). The service was positively received and continues to exhibit healthy enrolment growth to date.

In February 2011, koryolink introduced a new offering targeting all Korean customers aiming to boost its Euro revenue, called the "Euro Packs". The "Euro Packs" recharge cards offer free voice & VAS in the off-peak period against Euro currency only. The “Euro Packs” sales trend has seen a steady increase since launch to date, illustrating wide acceptance of the offering in the DPRK market.

In September 2011 the DPRK hosted, for the first time, the 17th ITF Taekwon-do world championships. In recognition of the importance of this worldwide event, koryolink secured a sponsorship agreement with the International Taekwon-do Federation (ITF) through which it became the platinum and exclusive sponsor of the event. This sponsorship and the associated advertising and intense media coverage for koryolink activities and services was the first of its kind in DPRK.

Distribution and Sales

koryolink’s sales network currently consists of five sales shops in various areas of Pyongyang. An indirect sales channel has also been established with koryolink’s local partner (KPTC) consisting of 13 outlets in Pyongyang and 8 sales outlets covering major cities outside the capital.

Customers are able to top up their mobile phones by purchasing scratch cards directly from koryolink outlets or from their local partners.

In its efforts to maximize its reach to customers, koryolink is continuing to expand its sales presence across DPRK, and hopes to gradually increase the services which it is able to offer to its users.

Customer Care

Being the first company of its kind and scale in DPRK, koryolink has established a number of precedents with respect to customer care. These include a first of its kind bilingual call center to provide customer service, a launch announcement in major newspapers and on radio despite almost non-existent marketing and advertising industries, and the implementation of a koryolink advertising billboard, the first of its kind in Pyongyang.

Other DPRK Operations

In addition to the mobile phone businesses with koryolink, the Company has two other operations in DPRK.

Firstly, the Company indirectly holds a 95% ownership stake in Orabank, a bank joint venture with DPRK’s state-owned Foreign Investment Authority. Orabank started operations in December 2008 and has only provided minor financings to date. The Company hopes to use its investment in Orabank in order to eventually provide koryolink’s customers with access to mobile banking services.

Secondly, the Company is involved in the construction and refurbishment of the 104 story Ryugyong Hotel tower in Pyongyang. Construction of the tower began in 1987 with planned completion in 1989, however, after several delays, construction was halted in 1992. Construction resumed in April 2008 under the supervision of OTH (who had previously not been involved in the project). The exterior work on the building was concluded in 2011 and it is hoped to partially complete the interior refurbishment of the tower’s 360,000 square metres of floor space during 2012. The Company (and previously OTH) has provided financing of approximately US$ 30 million to date and expects to provide a further US$ 15 million. The loan is expected to be repaid when the tower becomes operational. The Company expects to receive a right of use in the tower upon its completion.

Orascom Telecom Lebanon S.A.L. and Alfa

The Company owns a 99.8% ownership stake in Orascom Telecom Lebanon S.A.L. (“**OTL**”).The purpose of OTL is to manage and operate a GSM Network which is owned by the Republic of Lebanon. In January 2009, OTL was awarded the management contract for Mobile Interim Company 1 (“**MIC1**”), commercially known as Alfa, one of two operating GSM networks in Lebanon owned by the Ministry of Telecommunications (“**MoT**”). This contract has been renewed each year since 2009, and in February 2012 the Company has entered into a renewed management contract with respect to the management of MIC1, which it will manage through the OTL vehicle.

OTL accounted for 35.9% of the Group's combined revenues and 29.6% of the Group's combined EBITDA for the year ended 31 December 2010 and 30.1% of the Group's combined revenues and 17.2% of the Group's EBITDA for the nine months ended 30 September 2011.

Management Contract

In 2009, OTL entered into a management contract for Alfa with the MoT (the "**Alfa Management Contract**"). This has been renewed year on year on varying terms since 2009. In February 2012 the Company reentered into the Alfa Management Contract, pursuant to which it was renewed for another year. The currently applicable material terms of the Alfa Management Contract are as follows:

- the Alfa Management Contract is valid for one year (and may be renewed at the discretion of the Republic of Lebanon). The Alfa Management Contract can be terminated by the Republic of Lebanon on three months' notice to the Company if it pays a fee to the Company, or upon material unremedied or persistent breach by either party;

- the Company has undertaken to take full responsibility for the management, operation and maintenance of the digital mobile cellular telecommunications system which it has agreed to manage, including all MIC1 mobile network assets, and has taken full responsibility for the management and operation of OTL and MIC1. The Company has also undertaken to provide managerial, technical, marketing, know-how and other services to OTL and MIC1 or otherwise in connection with the management of the MIC1 mobile assets, as well as to ensure the mobile network assets are updated, enhanced and upgraded in line with technical and engineering developments which are generally adopted in the industry;

- the Company has undertaken to use its best efforts to achieve certain performance targets, which relate to, amongst others: successful call completion rates; general quality of radio network; network dropped call rates; network successful handovers; percentage of bad debts; percentage of postpaid uncollected bills; number of subscriber billing complaints; average time to resolve customer complaints; and average time to respond to customer calls. The Company must also provide a quality of service to subscribers which is at least equivalent to that achieved on average during the 12 months immediately preceding February 2012;

- the Company receives a monthly fee of US$ 0.6 million and a percentage of revenues which is variable depending on achieving certain objectives. The percentage of revenues varies from 0.05% to 0.1% per objective with a potential upside if the objective is met before the required date. The Company has undertaken to use its best efforts to achieve these objectives and they relate to various quality of service, roaming, innovation, mobile applications, remote monitoring and introduction of Mobile Internet Service Provider milestones, as well as not exceeding certain budgeted operating expenditure costs; and

- all operating costs, including personnel costs will be borne by the operator. The operator will also incur all capital expenditure.

Lebanese Telecommunications Market

The Lebanese telecom sector has two main operators, which are both owned by the Government of Lebanon: Mobile Interim Company 1 (commercially known as "**Alfa**") and Mobile Interim Company 2 (commercially known as "**MTC**"). Alfa is managed by OTL and MTC is managed by the Zain group of Kuwait.

As of 30 September 2011, Alfa had a market share of approximately 47.4% of total mobile subscribers, which has grown from 41% as of the date OTL was awarded the Alfa Management Contract in 2009[1].

The mobile business is highly regulated in Lebanon and all pricing is initiated and approved by the MoT.

---

[1] We calculate the market share of Alfa based on market share data as reported by us and our competitors to the national regulator and in the industry.

As of 30 September 2011, mobile penetration was 73.3%.

The Ministry of Telecommunications is currently considering whether to launch a mobile virtual network operator ("**MVNO**").

Key Operating and Financial Data

The data below relates to OTL.

	As of and for the nine months ended 30 September		As of and for the year ended 31 December		
	2011	**2010**	**2010**	**2009**	**2008**
Revenue (US$ millions) (1)	71.1	64.9	88.4	63.1	n.a.
EBITDA (US$ millions) (1)	16.9	14.0	19.0	0.8	n.a.
% of OTL revenues	23.7%	21.6%	21.5%	1.3%	n.a.

(1) The revenue and EBITDA data disclosed in the table above represent OTL's contribution to our combined revenue and EBITDA, respectively. For a definition of EBITDA see "Presentation of Financial and Other Information."

Network

Alfa's network is owned by the Government of Lebanon and provides both 2G and (since October 2011) 3G services.

As of 30 September 2011 Alfa's GSM network covered approximately 98% of the Lebanese territories and 99.96% of the populated areas (the population of Lebanon is approximately 4.1 million people) and Alfa served approximately 1.53 million subscribers, representing a market share of approximately 47.4% of total mobile subscribers. Alfa's 3G network was launched in October 2011.

Some of the major projects that have been implemented since OTL was awarded the Alfa Management Contract are listed below:

- Replacement of old mobile switching centres ("**MSC**") and consolidation of the core network.
- Implementation of a new billing system.
- An upgrade of the Ericsson prepaid system from version 4 to version 5.
- Implementation of a rapid expansion plan.
- Implementation of GPRS roaming capability.
- Fast launch of 3G capability over the course of 8 months, and as of 30 September 2011 on over 55% of the existing mobile sites.
- Enhancement of mobile coverage and an increase of, as of 30 September over 44% of 2G sites and over 167% of increase in capacity since the Alfa Management Contract was awarded.

Services and Marketing

OTL provides both basic voice and value-added services to its corporate and retail subscribers. In addition to basic voice services, OTL provides its subscribers with value added services such as voicemail, calling line identification presentation or restriction, missed call alert, free web SMS, data services, MMS, e-vouchers (including a cash point based recharge option), credit transfer, enhanced data rates for GSM evolution ("**EDGE**"), Blackberry, WAP Portal, streaming, automatic device management, friends and family, twin card, 3G and roaming services (including data roaming, SMS roaming, regional roaming, roam-in for prepaid).

OTL's revenues are overwhelmingly driven by the voice services it provides. The proportion of revenues driven by messaging and data services as of September 30, 2011 was around 18%.

OTL's marketing strategy focuses on capitalizing on its superior quality of the services it offers as well as its renowned customer care service. OTL has adapted its products and services to local practices and conditions to reach a broad base of customers. These products and services include prepaid cards as well as residential and corporate postpaid plans.

OTL has achieved high brand recognition in Lebanon by embedding "Managed by Orascom Telecom" in the brand logo Alfa since the start of its management operations in 2009. In January 2010, OTL launched Blackberry service for postpaid followed by the innovative weekly Blackberry offer for prepaid in July 2010. Beginning of 2011, OTL launched a second prepaid plan under the sub brand "Waffer" introducing discounted rates up to 36%. Finally, in October 2011, OTL was the first operator in Lebanon to launch 3G with 6 bundles for mobile internet and mobile broadband along with branded dongles and routers with speeds up to 28.8 Mbps. OTL is expected to cover 99% of the population in Lebanon with 3G by May 2012.

OTL offers both prepaid and postpaid services under the "Alfa" brand. As of 30 September 2011, prepaid subscribers represented approximately 84% of Alfa's total subscribers. Alfa markets its prepaid services using the "Alfa" and "Alfa Waffer" commercial brands for various customer offers to attract different market segments. Alfa offers a variety of prepaid scratch card denominations and electronic vouchers with multiple validity periods. If subscribers use the cards beyond their validity period, they enter into a retention period of 12 days (5 days incoming yes, outgoing no and credit preserved, 3 days incoming yes but credit lost, 4 days incoming no) after which the line is lost if they do not recharge. Product offerings are designed to promote regular recharges within the validity period. Prepaid subscribers have a number of value added services they can subscribe to via a free dedicated interactive voice response ("**IVR**") service. The latest VAS offered was data bundles (mobile internet and mobile broadband).

Since 2009, the growth of the Alfa subscribers' base was mainly driven by prepaid sales. Alfa is still promoting its postpaid service to the high-end and corporate segments of the market. Alfa offers one postpaid plan for residential customers markets based on a monthly subscription fee and low minute rates. For corporate clients, Alfa offers a virtual private network ("**VPN**")-based solution where the company benefits from discounts based on usage as well as free services and administration capabilities to manage the fleet of lines. In addition, corporate clients enjoy data cards offer targeted to machine-to-machine applications. In addition to voice-based services, Alfa offers its subscribers' data only SIM cards with longer validity periods to be used with Alfa branded dongles, tablets or 3G enabled laptops.

Alfa has also launched co-branded credit and debit cards with Lebanon's leading bank – BLOM. Alfa postpaid and prepaid customers using the AlfaBLOM Mastercard benefit from monthly offers as well as additional free minutes based on their spending using the credit card.

OTL provides international roaming for postpaid users and, as of 30 September 2011, had agreements allowing its subscribers to roam in more than 119 countries with over 230 international operators out of which data roaming agreements with 97 operators in 61 countries. For prepaid users, Alfa offers an unstructured supplementary services data ("**USSD**") based roaming service where roamers send USSD commands to initiate a call.

In addition to its voice and data plans, Alfa offers premium services and Bulk SMS services through appointed service providers. For the data and value-added services market Alfa launched the USB connection on to the mass market to ensure that all the customer needs are fulfilled. Alfa also offers the possibility for its postpaid subscribers to view the bill over the internet through its alfa.com.lb web portal. Also, in order to help the environment, Alfa is pushing customers to subscribe to Email bill, a free service where postpaid customers accept to replace their hard copy bill by an electronic detailed bill sent to their preferred email address.

Since being awarded the Alfa Management Contract, OTL has attained a churn rate of below 3%.

Alfa has an active brand in social networking through Alfa web and WAP portals, Alfa facebook page and Alfa twitter account.

In 2011, Alfa increased its communication spending by launching three major campaigns for the launch of Friends and Family, Waffer prepaid plans and 3G. The 3G campaign included demo stands in commercial malls in Beirut. Alfa has also implemented a corporate social responsibility project "Alfa For Life", which involves public relations and fund raising events to support unfortunate children. In addition, Alfa struck an exclusive deal to sponsor the Lebanese football league for 2011-2012 as well as sponsoring a leading basketball team- Champville.

Distribution and Sales

Alfa has three principle sales channels: indirect, direct and corporate sales.

Indirect Sales:

- Alfa has agreements with 13 exclusive national distributors that cover all of the Lebanese territories. These national distributors sell a range of Alfa products (postpaid voice, postpaid data, prepaid voice, prepaid data, recharge cards, electronic vouchers and 3G dongles).
- Alfa has continued to expand its distribution channel and currently offers its services through 1,611 certified points of sale (out of which 122 shops are co-branded Alfa).
- Distributors are paid a commission on a sliding scale based on the market share attainment.

Direct Sales:

- Alfa operates and directly owns 7 stores, out of which 6 regional stores located out of the capital Beirut, assume the role of customer service in addition to sales activities.
- All 7 Alfa stores sell the full range of Alfa products.

Corporate Sales:

- Alfa corporate VPN based solution is sold directly to business customers through corporate key account managers. VPN-based voice solution, mobile broadband, BlackBerry and machine2machine data cards agreements are all targeted at business users.

Customer Care

OTL provides customer support through various channels. OTL operates a call center (from 7am until 1am 7 days a week) staffed by more than 132 customer service representatives handling, as of September 31 2011, an average of 430,000 received calls and 7,000 outbound calls per month. In addition, as of 30 September 2011, OTL supports around 80,000 customers on average per month via 6 regional Alfa stores and 1 Alfa service center spread over the Lebanese territory.

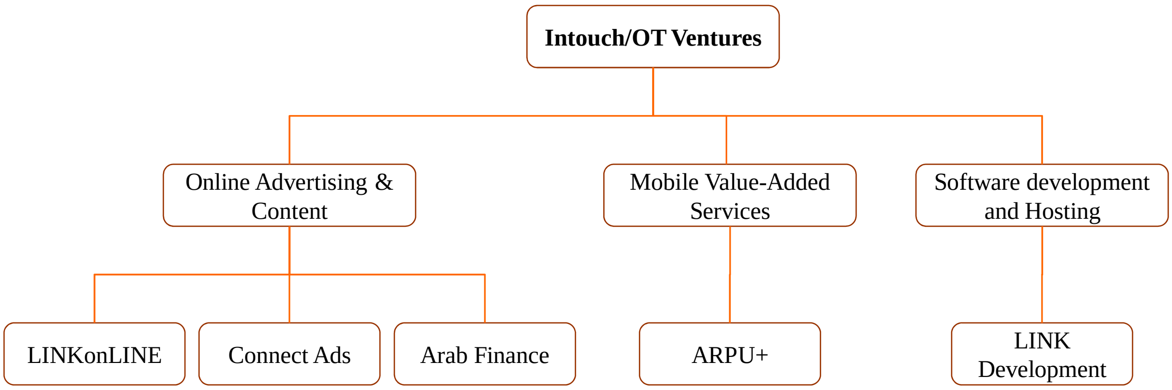
OTL has a risk management team to monitor daily consumption, follow up on bills collection and minimize risk and reduce bad debts rates.

Customer credit verifications are performed daily and a deposit is required for postpaid subscribers having payment incidents or bad payment history. Some customers are informed when they reach a predefined credit limit, which varies based on a customers' payment and consumption history, others have the auto bar feature enabled for better control and risk management. In addition, OTL sends bill info SMS each month on bill issuance date and voice message reminders to unpaid subscribers prior to line disconnection.

During 2011, OTL has continued to enhance in its quality of service through in-depth processes, procedure and policies redesign in various customer operations activities. Continuous audits on operations and policies are performed by a dedicated quality control team to remain fully focused on its customers' needs, while trying to maintain strong quality of service.

Media and Technology Division

The Company's Media and Technology activities are structured around Orascom Telecom Ventures S.A.E. (formerly Intouch Communication Services S.A.E.) ("**Intouch/OT Ventures**"), which includes the OT Ventures Internet portals and other ventures in Egypt, including LINK Development, ARPU+ and LINKonLINE. There are three main business lines through OT Ventures: (i) online advertising and content, (ii) mobile value added services and (iii) software development and hosting, as set forth below.



The Media & Technology division accounted for 22.1% of the Group's combined revenues and 7.9% of the Group's combined EBITDA for the year ended 31 December 2010 and 16.5% of the Group's combined revenues and 0.6% of the Group's EBITDA for the nine months ended 30 September 2011.

Online Advertising & Content

LINKonLINE

Founded in 2002, LINKonLINE (www.linkonlinecorp.com) owns, manages and develops a wide range of internet portals, and is a leader in providing online services and online content in Egypt, the Middle East and North Africa. Its lines of business include traffic management, online services, online advertising, streaming services, wireless connectivity, online payment services, website acquisition, content management, content aggregation, content syndication, and technology platforms (hosted technologies).

LINKonLINE owns, in particular, 14 principal websites:

- **Masrawy.com**: launched in 1998, it was the first portal in Egypt and it offers news, videos, classifieds and web SMS. With around 90 million page views and 7 Million unique users every month. Masrawy is the largest Egyptian portal.

- **Yallakora.com**: launched in 2002, Egypt's & Middle East top sport news portal. Yallakora is a football enthusiast's website housing the biggest fantasy football game and the most dynamic prediction game in Arabia. Yallakora has 4 million visitors a month.

- **Mazika.com**: launched in 1998, the largest legal online retailer of Arabic digital media. It is based on an in-house developed digital media platform and it offers its "B2C Music Store" and "B2B DMP" services.

- **Shofha.com**: launched in 2010, it is the first video on demand portal for Arabic movies. It is based on an in-house developed digital media platform and it offers its "B2C movies Store" and "B2B DMP" services.

- **Otlob.com**: launched in 1999, it offers online food delivery service in several Egyptian cities (over 250 restaurants and direct routing with most of large restaurant chains). A Market Pioneer with over than 10 years of experience as the first in MENA, multi-platform, local dominance, flexibility and regional presence. Otlob.com operates in Egypt, KSA, UAE and Bahrain.

- **Otlobmall.com:** Following the great success of Otlob.com; Otlobmall.com is one of the new websites owned and manages by LINKonLINE allowing users to shop online for a variety of products including electronics, beauty, sports, jewelry, apparel, books, magazines and gifts.

- **Yallabina.com**: launched in 1998, it offers online entertainment guide of Cairo. Its services include movie listings, restaurant and events search.

- **CareerMidEast.com**: With channels catering to job seekers, employers, recruiters and training centers, CareerMidEast.com, launched in 1999, uses internet technology to offer the best recruitment solutions and career development tools in the Middle East and North Africa.

- **El3ab.com**: offers online gaming, single player local games, multiplayer local board and card games and traditional Arabic games. It is based on in-house development.

- **Mobawaba**.com: is the largest e-commerce portal in Middle East. Its advantage as the first classifieds business in Egypt and region presenting classifieds and advertising services in an up to date portal to provide strong buy & sell service in an interactive way.

- **Jawhara.me**: launched in 2011, Jawhara.me is a modern, chic, intelligent and powerful career woman, house-wife, mother, sister, and daughter. An inclusive online women's destination with a mission to inspire its readers in all aspects of their lives.

- **Ykarabia.com:** launched in 2011, One of Arabia's top sports platforms where the Gulf sports enthusiasts can find the most comprehensive and up-to-date sports content. Yallakora Arabia witnesses an avg. of 200K visitors/month.

- **Fabreka.com**: provides a unique experience for Internet users, enabling them to handling the sale and purchase new and used cars, through a huge database, in addition to providing information about everything related to the world of cars including news and information and tips.

- **barcaarabia.com:** Barcaarabia.com privileges users with the first highly sophisticated Arabic language portal ever launched for any sports club, designed and implemented by an Egyptian firm. The site brings most updated news about the famous FC Barcelona Club to Arabic speaking audience, allowing them even to be abreast of the FC Barcelona matches timetable, an impressive facility now accessible through the official website.

LINKonLINE is also a participant in a partnership with Microsoft (MSN) launched in 2001, MSN Arabia is today the fastest growing Portal in the MENA Region. With localized Portals for KSA, Egypt, Maghreb, UAE and Pakistan, MSN Arabia offers a unique mix of local, regional and international content to more than 30 Million Users monthly. Through engaging content, videos, photo galleries and services, its user base is growing exponentially. Integrated with Windows Live Hotmail and Windows Live Messenger, the network serves more than 80 Million Users in the region and exceeds 2 Billion Pages Views per month.

Connect Ads

Connect Ads (www.connectads.com) is a media agent company developed by LINK Development that offers publisher services (ad serving services, website representation, ad sales outsourcing) and advertiser services (online media planning and buying, creative consultancy and ad development). Connect Ads is the exclusive media agent for some of the region's most successful and popular portals, namely MSN Arabia, MSN Maghreb, Facebook.com, ArabFinance.com, Masrawy.com, Otlob.com, Yallabina.com, Mazika.com, CareerMidEast.com, YallaKora.com, Barca Arabia and El3ab.com.

Connect Ads provides the following publisher services:

- **Ad Serving Solutions**: the company offers online publishers the ability to monitor and keep track (real-time) of all the details of their advertising activities.

- **Ad Sales Models**: the company offers online publishers the opportunity of selling ad spaces by including their online property within the Connect Ads network.

In addition Connect Ads provides new services including:

- **Tattlr**: launched in 2011, Tattlr is a social media relation and online PR delivering ideas that connects the customer brands and consumers together. Through analytical tools, know-how and technical skills, Tattlr services enable any company to fully understand, participate and interact with its consumers online, as well as study the competitor's activities in the digital world.

- **Searchworx:** launched in 2011, is a form of Internet marketing that seeks to promote Brands/websites by increasing their visibility in search engine result pages and other internet publishers through the use of paid placement and contextual advertising via the process of selecting specific and relevant keyword expressions.

Connect Ads also provides advertiser services, including digital media planning and buying, and creative executions and consultancy.

Arab Finance

Arabfinance.com (www.arabfinance.com) was established in 2001 as the first online portal offering prices, news and information on the Egyptian capital markets and economy. In June 2008 Arab Finance Brokerage Company ("**Arab Finance**") became a fully integrated brokerage company with both online and offline services. The company is a licensed brokerage house, linking traders directly to the Egyptian Exchange. It is also a comprehensive content gateway, providing the latest financial and economic news on regional and international markets, live market data, detailed corporate information and reviews and commentaries on market activity.

Mobile Value-Added Services – ARPU+

Launched in 2003, ARPU+ (www.arpuplus.com) specializes in providing Value Added Services ("**VAS**") and platform solutions. Its goal is to be a leading regional data service provider in North Africa, the Middle East and Europe. It currently has offices in Algeria, Tunisia, Morocco, Sudan, Dubai, Saudi Arabia, Jordan, Yemen, Pakistan, Bangladesh, Italy, USA and Canada, as well as a head office in Egypt.

Corporate clients use ARPU+ for its services in different mobile and telecommunication applications, including SMS services, mobile marketing and mobile banking solutions. ARPU+ employs more than 200 people.

ARPU+ caters to more than 42 Network operators in 20 different countries. Network operators are offered gateway solutions (SMS, MMS and IVR) and managed multi-access portals, in addition to turn-key solutions for managed ring back tones and platforms and over-the-air applications. Under the Mobizone brand, ARPU+ offers customers a range of mobile entertainment and multimedia services, including access to the latest ringtones, logos, graphics, games, as well as song dedications and chat functions.

Software Development and Hosting – LINK Development

Founded in 1996 LINK Development (www.linkdev.com), an OTVentures portfolio company, is a leading international software and services company based in the Middle East.

The company has more than ten years of experience, serving Fortune 500 companies across regions. Through its offices in Egypt, the UAE, Saudi Arabia, Qatar, Italy and Canada, LINK Development has gained a well-founded understanding of the market and acquired a repertoire of clients including governments, multinationals and leading local companies operating on local, regional and international levels.

Combining the latest in software development with creative design skills, it provides a range of solutions and services: portals and intranets, e-commerce, mobile based solutions and applications, helpdesk solutions, infrastructure solutions including unified communications, virtualization and internet protocol television.

With a 300+-strong force of young employees, the company is one of the largest development houses in the region. Being a Microsoft Gold Certified Partner in six competency areas, the highest level of partner certification from Microsoft, LINK Development boasts best of breed team of .NET developers, designers, architects, project managers and quality engineers.

LINK Development prides itself for receiving a number of worldwide and regional awards and recognitions from Microsoft as well as from leading government agencies, non-government organizations and independent industry players.

In addition, LINK Development operates one of the largest data centers in Egypt located in the center of the capital business area in Mohandessin (www.linkdatacenter.net). The data center is engineered to the highest levels, with extensive systems to address security and network redundancy, enabling LINK Development to offer a high infrastructure availability guarantee.

Link Development is connected to the Internet via two of the largest IP providers in the world (UUNet and Flag Telecom).

Cable Division

The Company's cable division is comprised of Trans World Associates (Pvt) Ltd ("**TWA**"), Middle East and North Africa for Sea Cables ("**MENA**") and Med Cable Ltd ("**Med Cable**").

The Cable division accounted for 9.2% of the Group's combined revenues for the year ended 31 December 2010 and 6.2% of the Group's combined revenues for the nine months ended 30 September 2011. The Cable division had negative EBITDA of US$ 3.0 million for the year ended 31 December 2010 and US$ 1.8 million for the nine months ended 30 September 2011.

Trans World Associates (Pvt) Ltd.

TWA is a leading submarine fiber optic cable operator in Pakistan and commenced operations in 2006. The Company owns a 51% ownership stake in TWA, which is a partnership with Orastar Limited, UK and Omzest Group, Oman.

TWA owns and operates its own cable system, known as TW1, and provides direct broadband and high-speed connectivity to telecom operators, internet service providers and major corporations. TW1 has a total capacity of 1.28 Tbps and the network stretches 1,274 kms in the Arabian Sea and connects Karachi in Pakistan to the Fujairah in the UAE and Al Seeb in the Sultanat of Oman and onwards to the rest of the world. More than 50% of Pakistan's bandwidth capacity is met by this cable system.

TWA has a peer to peer relationship with most major cable systems of the world and especially in the Middle East and brings this connectivity to Pakistan via its proprietary TW1 cable. TWA's landing partners are Etisalat and Omantel, while its bandwidth partners include Verizon, Telecom Italia, Cable and Wireless, Airtel and Singtel. TWA's main clients are major telecom operators in Pakistan like Mobilink, Worldcall, Wateen, Multinet, Telenor, HEC, NTC, Nayatel etc, and DU in the Middle East.

Middle East and North Africa for Sea Cables

MENA is a long submarine communications cable system planned to connect Italy, Egypt, Saudi Arabia, Oman and India which, depending upon regulatory approvals, is intended to be fully operational by the end of 2013. The Company indirectly owns a 100% ownership stake in MENA.

MENA will consist of a six-fiber pairs submarine cable system with 96 wavelengths per fiber pair, and an ultimate system capacity of 5.76Tbps. It will be a 7,100 km submarine cable network and 880 km terrestrial cable network structured around four segments. One of the fiber pairs (which connects Oman to Europe) was sold by MENA to Gulf Bridge International in 2009 for $82m.

MENA indirectly owns three landing stations. The first is located in Alexandria, the second in Zaafarana on the Red Sea, both in Egypt, and the third is located in Mazara Del Vallo, Sicily, Italy.

The MENA cable is not yet operational and has therefore not generated any significant revenues, however in order to raise its profile, MENA has acted as a broker for Egyptian companies of capacity on other cable networks, which has generated some minor revenues.

Construction of the MENA cable commenced in January 2008 and total capital expenditure on the cable up to 30 September 2011 amounted to a total of $319m. The Group expects to incur additional expenditure of approximately $95m (of which approximately US$ 40 million is related to contracts which the Group had committed to as of 30 September 2011) on the project in order to make it fully operational.

Med Cable Limited

Med Cable is a submarine network connecting Marseille (France), to Algiers, Oran and Annaba (Algeria) spanning approximately 1,300km. The Company has a 100% ownership interest in Med Cable Limited which is based in the United Kingdom.

The cable is owned by MedCable Limited from the landing station in Marseille to the border of the Algerian territorial water, and by Orascom Telecom Algeria ("**OTA**") an entity which is not within the Group) from the border of the Algerian territorial water to the 3 different landing stations in Algeria.

Med Cable has 4 main branches of the network: the fiber between Marseille and Algiers; the fiber between Marseille and Annaba; the fiber between Algiers and Annaba; and the fiber between Algiers and Oran. Each of these cities has a landing station. Other fiber connections may be built in the future, mainly between Oran and Marseille and between Marseille and the east part of the Mediterranean.

OTA is the sole client of Med Cable. In 2010 OTA's international gateway license was suspended and since then there has been no revenue or cash flow generated from the cable.

Employees and Labour Relations

The table below sets forth the average number of employees by segment for the periods indicated[1].

Company Name	Average number of employees for nine months ended 30 September 2011		Average number of employees for year ended 31 December 2010		
	2011	2010	2010	2009	2008
GSM					
koryolink	276	233	244	190	18
OT Lebanon	602	569	574	512	-
Media and Technology Operations	732	728	731	721	727
Cable Operations	92	82	83	76	70
Other	9	10	10	10	9
Total	1,711	1,622	1,642	1,509	824

None of our employees are represented by a labour union or covered by a collective bargaining agreement, and we have never experienced a work stoppage.

The Company does not currently have a stock option programme or pension programme in place.

Insurance

Our operations maintain the types and amounts of insurance customary in the industries and countries in which they operate, including coverage for employee-related accidents and injuries and property damage. All of the material insurance policies are decentralized to our subsidiaries. We consider the insurance coverage to be adequate both as to risks and amounts for the business we conduct.

Environment

We believe that we are in compliance in all material respects with all such environmental laws and regulations applicable to us. There are currently no proceedings pending or, to our knowledge, threatened

[1] As OTMT did not exist during this period, these numbers do not relate to OTMT employees.

against us or any of our directors, officers or employees in relation to such environmental laws and regulations.

Intellectual Property

Our intellectual property consists of certain trademarks. In addition, we depend upon our brands and branded products.

DIRECTORS AND GOVERNANCE

The board of directors of the Company (the "**Board**") currently consists of 5 directors (the "**Directors**"). Pursuant to the Company's Statutes, the term of each director is 3 years, however the current Directors have been appointed for a period of 5 years.

The table below sets forth the names of the current Directors of the Company. The business address of each of the directors is the address of the Company. The address is: OTMT, twenty sixth floor -2005A Nile City Towers –South Tower-Corniche El Nil-Ramlet Beaulac-11221, Cairo, Egypt.

Name	Position	Nationality	Date of Birth	Year appointed	Date of expiration of term
Naguib Sawiris	Executive Chairman	Egyptian	15/6/1954	2011	2016
Khaled Bishara[1]	Managing Director	Egyptian	27/7/1971	2011	2016
Hassan Abdou	Non-Executive Board Member	Egyptian	20/7/1969	2011	2016
Mohamed Shaker	Non-Executive Board Member	Egyptian	16/10/1933	2011	2016
Iskandar Shalaby	Non-Executive Board Member	Egyptian	14/3/1945	2011	2016

Directors Biographies

Naguib Sawiris is the Executive Chairman of the Company, a position he has held since the incorporation of the Company. Mr. Sawiris managed the construction and tourism operations as well as information technology, railway and telecommunications interests within the Orascom group of companies from 1979 to 1997 when he headed the establishment of Orascom Telecom Holding S.A.E. which he managed and chaired until May 2011. Mr. Sawiris was also Chairman of the Board of Wind Telecomunicazioni S.p.A. and Chairman and CEO of Weather Investments S.p.A. from 2006 until 2011. Mr. Sawiris is Chairman of the Board of Weather Investments II S.à r.l and is also a member of the international advisory board to the NYSE Board of Directors since November 2005 and a board member of the International Advisory Board to the National Bank of Kuwait. Mr. Sawiris holds a Bachelor of Science degree in Mechanical Engineering and a Master degree in Technical Administration from the Swiss Institute of Technology, ETH Switzerland.

Khaled Bishara is the Group Chief Executive Officer, a position he has held since the incorporation of the Company. Prior to the Demerger he was Group Executive Chairman of OTH. He was also Group President and Chief Operating Officer of VimpelCom Ltd until December 2011. Mr. Bishara was appointed Chief Operating Officer of OTH in April 2009 prior to which he was Chief Operating Officer of Wind Telecomunicazioni S.p.A. He is also the co-founder of LINKdotNET, a private internet service provider. Mr. Bishara has a Bachelor of Science Degree from the American University in Cairo in 1993 with a major in Computer Science and a minor in Business Administration. He is a member of the Advisory Board for the Computer Science and Engineering Deportment of the American University in Cairo.

Hassan Abdou is a non-executive director of the Company, a position he has held since the incorporation of the Company. Mr. Abdou is currently involved with several profit and not for profit organizations throughout the Middle East, Europe and the United States. He is a founding partner in Macat International

[1] Khaled Bishara, Chief Executive Officer, has submitted his resignation from his position as Managing Director. He will continue as a member of the board. Mr. Bishara will continue to assume all responsibilities of his current position until the appointment of the new Managing Director is completed and registered with regulatory authorities. The Board has approved the nomination of Mr. Karim Beshara as the successor to this position subject to the Shareholders' approval of his admission to the board.

which operates in the field of higher education as well as The Alexandria Trust which is a charitable organization supporting various high impact educational projects throughout the Middle East. Mr Abdou is also founder of Archimedia which specializes in the area of home media and communications and is an advisor and board member in various corporations and institutions throughout the world including being a member of the Advisory Board of the American University in Cairo Business School. Until December 2010, Mr. Abdou was CEO of Weather Investments II (the majority owner of Wind Telecom and Orascom Telecom) and Gemini Technologies (a diversified private equity holding company operating throughout the Middle East and Asia). He has held various board seats throughout the region and globally including Orascom Telecom, Wind Telecom, Alef Capital, Beltone Financial etc. Prior to this, he was Chief Investment Officer of a leading regional private equity group where he began as Fund Manager In 1998. In 1995 and until returning to Egypt, he was a consultant in the New York office of the Boston Consulting Group where he worked with Fortune 500 companies in such areas as Telecommunications, Media & Entertainment, Energy and Pharmaceuticals. Mr. Abdou had begun his career with Exxon Company where he worked for several years as a Project Controls Engineer. Mr. Abdou received his Bachelor of Science in Mechanical Engineering from the University of Pennsylvania and a Bachelor of Science in Economics from the Wharton Business School. In addition, he received his MBA from the Harvard Business School.

Mohamed Shaker is a non-executive director of the Company, a position he has held since the incorporation of the Company. Dr. Shaker joined the Egyptian foreign ministry in 1956 and served as an ambassador to the United Nations at New York from 1984-1986, Vienna from 1986-1988 and London from 1988- 1997. He is presently Chairman of the Board of a number of think tanks and academic institutions including the Egyptian Council for Foreign Affairs, the National Center for Middle East Studies and the Regional Information Technology Institute. He has two decorations bestowed upon him by the President of Egypt – Order of the Republic, Second Grade, 1976 and Order of Merit, First Grade, 1983. Dr. Shaker graduated from the Cairo University Faculty of Law in 1955 and obtained a Doctorate degree in Political Science from the Graduate Institute of International Studies, University of Geneva in 1975.

Iskandar Shalaby is a non-executive director of the Company, a position he has held since the incorporation of the Company. Mr. Shalaby is the Chairman of ECMS, a position he has held since September 1, 2008, and is on the Board of OTH. From 2005 onwards he previously served as President and CEO of ECMS, and previously as Chief Officer of Regulatory Affairs from 1998 to 2005. He joined ECMS from AT&T, where he served in various capacities such as AT&T Director for Public Affairs, based in Washington DC, and prior to that Regional Director for International Public Affairs, Managing Director, and General Manager for the Middle East and North Africa region. Mr. Shalaby graduated with a Bachelor of Science degree in Electrical Engineering from the University of Alexandria in 1966 and has a Masters of Science Degree in Electrical Engineering and Computer Science from San Jose State University.

Board of Directors

Article 21 of the Statutes provides that the Board, which should consist of a minimum of three and maximum of fifteen Directors, is responsible for the management of the Company. The Statutes further stipulate that the majority of the Directors must hold non-executive positions with half of that being independent members having no share ownership in the Company.

The Board appoints a chairman ("**Chairman**") and may also appoint a vice chairman to assume the responsibilities of the Chairman in his absence. In the unlikely event that both the Chairman and the vice chairman are absent, the Board may appoint one of the Directors to temporarily undertake the duties of the Chairman. The Board may also appoint one or more managing directors and determine their powers and remunerations. The Board may also form from among its Directors one or more committees and grant such committee(s) certain powers of the Board or assign the supervision of the progress of the work of the Company and the implementation of the decisions of the Board to any such committee(s).

Meetings of the Board are to take place in the Company's registered head office at least four times in a fiscal year. The Board may also, when necessary, convene outside of the Company's head office provided that all Directors are in attendance or represented in the meeting and such meetings are held in Egypt. The Board may also convene through conference calls and may, when necessary, convene outside of Egypt provided that the meeting minutes convened via a conference call are written in a document signed by the Chairman.

A Director may, in case of necessity, delegate another Director to represent him on the Board, provided that such delegation is in writing and is certified by the Chairman. In such case, the representative shall have two votes. However, Egyptian Directors must be represented by other Egyptian Directors.

Resolutions of the Board are issued by the majority of the Directors in attendance or duly represented in the meeting. In addition, the Board may issue unanimous circular written resolutions.

The quorum of a Board meeting is satisfied when attended by the majority of Directors, provided that such majority is not less than three Directors including the Chairman or the vice chairman.

Mr. Sawiris, Mr. Shaker, Mr. Shalaby and Mr. Bishara were previously all board members of OTH prior to the Completed Demerger. As board members of OTH they recommended (together with the other OTH board members) the Completed Demerger to OTH shareholders.

Audit Committee

One of the requirements for the Company to acquire a holding license was to have an audit committee. Accordingly, the Company has formed an audit committee comprising of the non-executive Directors: Mohamed Shaker, Iskandar Shalaby and Hassan Abdou. The audit committee is responsible for, among other things, assisting the Board in fulfilling its oversight responsibilities by reviewing, among other matters, (i) proposed financial plans; (ii) financial information provided to shareholders; (iii) systems of internal controls which management and the Board have established; (iv) the audit process, including both internal and external audits for the financial reporting process; (v) examining preliminary financial statements; (vi) submitting a semi quarterly report of the committee's businesses to the Board; and (vii) recommending an auditor to the Board.

Corporate Governance Rules

A company with securities listed on EGX is required to have an audit committee composed of no less than three non-executive members of the board of directors of relevant expertise, as verified by the EFSA, and competence in the company's field of business. In the event that there is no adequate number of non-executive members with suitable expertise and competence, the vacancies may be filled by independent experts, irrespective of whether or not they serve on the board of directors.

The audit committee is required to perform its duties independently from the board of directors. The committee is required to perform the following tasks, in addition to other tasks delegated to it by the board of directors:

- examine and review the company's internal supervisory procedures;
- examine and review accounting policies implemented by the company and changes resulting from implementation of new accounting standards;
- examine and review internal review procedures, plans and results thereof;
- examine procedures followed in preparation and review of quarterly and annual financial statements, public offer subscriptions of securities and estimated budgets including cash-flow statements and estimated income;
- ensure implementation of supervisory procedures necessary in order to maintain the company's assets and to perform quarterly assessments of administrative procedures;
- recommend the appointment of an auditor and determine remuneration, and address issues pertaining to the termination or resignation of the auditor; and
- recommend tasks to be delegated to the auditor (not including the preparation of financial statements) and determine the remuneration for such tasks without prejudice to the auditor's independence.

The audit committee is required to submit to the board of directors a quarterly report of its activities and recommendations. The board of directors, together with the company's executive officers, are required to respond to the audit committee's recommendations within 15 days from receipt of notice thereof. The audit committee's quarterly report is also required to include an assessment of management's responsiveness to recommendations made to the company by its auditor. The chairman of the audit committee is required to inform the EGX in the event the company fails to implement recommendations made by the EFSA. For a description of the Company's audit committee, see "*—Audit Committee*".

The Company is in compliance with Egypt's corporate governance guidelines.

Corporate governance standards in Egypt are not of the same standard as corporate governance standards in Western European countries or in the United States and may provide less protection for investors. See "*Risk factors - Corporate governance standards in Egypt are not of the same standard as corporate governance standards in Western European countries or in the United States*".

Senior Management

Overall management of the Company is the responsibility of the Chairman of the Board.

The table below sets out the names of the principal executive officers and their current responsibilities (the "**Senior Managers**"). Each of the principal executive officers' business address is the address of the Company. The address is: OTMT, twenty sixth floor -2005A Nile City Towers –South Tower-Corniche El Nil-Ramlet Beaulac-11221, Cairo, Egypt.

Name	Position	Nationality	Date of Birth	Year appointed	Date of expiration of term
Naguib Sawiris	Executive Chairman	Egyptian	15/6/1954	2011	2016
Khaled Bishara	Managing Director	Egyptian	27/7/1971	2011	2016
Karim Beshara	General Manager	Egyptian	30/7/1974	2012	n.a
Youssef Shoukry	Chief Financial Officer	Egyptian	2/11/1971	2012	n.a

Mr. Karim Beshara and Mr. Khaled Bishara are brothers. No other directors or Senior Managers are related to each other for the purposes of the Prospectus Rules.

Senior Management Biographies

Naguib Sawiris see "Directors Biographies".

Khaled Bishara see "Directors Biographies".

Karim Beshara is the General Manager of the Company, a position he has held since 2012. From 2005 – 2011 Mr Bishara was Chief Executive Officer of LINKdotNET, a Middle Eastern internet service provider and fully owned subsidiary of ECMS. Prior to becoming CEO, Mr. Beshara held several positions in business development, sales, new ventures and commercial activities at LINKdotNET. Mr Beshara is also currently a partner in Accelero Capital. Mr. Beshara graduated from the American University in Cairo in 1997 majoring in Business Administration.

Youssef Shoukry is the Chief Financial Officer of the Company, a position he has held since 2012. From January 2010 to January 2012 Mr. Shoukry was vice president and chief financial officer at Hawa Limited, a television news network consisting of ONTV and ONTV live, and prior to this was Group Chief Financial Officer at Asec Cement from January 2009 – January 2010. From July 2004 – January 2009 Mr. Shoukry was chief Financial Officer of LINKdotNET, a Middle Eastern internet service provider and fully owned subsidiary of ECMS. Earlier in his career, Mr. Shoukry held various finance positions with Ahram Beverages Company (Heineken) and a number of banking institutions and consultancy firms. Mr. Shoukry has a Bachelor of Science degree from Helwan University in Cairo.

Remuneration and Benefits of Directors and Senior Managers

The aggregate emoluments of each of the Directors and Senior Managers for the financial year ended 31 December 2011 was US$763,000. This included salaries, bonuses, benefits in kind and other payments to the Directors and Senior Managers. None of the directors or senior managers has any contract with the Company or any of its subsidiaries providing for benefits upon termination of employment.

The total amount set aside or accrued by us to provide pension or retirement benefits to the Directors and Senior Managers was US$100,000 as at 31 December 2011.

Interests of Directors and Senior Managers

As at the date of this Prospectus the share ownership (including in the form of GDRs) held by the Directors and Senior Managers in respect of the share capital of the Company were as set out below. No options have been granted.

Name	Number of Ordinary Shares	Number of GDRS	Total Share Ownership	Percentage of share capital of the Company
Naguib Sawiris*	5,900	0	5,900	0.00011%
Khaled Bishara	797,900	157,250	1,584,150	0.03019%
Hassan Abdou..............	-	-	-	-
Mohamed Shaker	-	-	-	-
Iskandar Shalaby	-	-	-	-
Karim Beshara	-	58,286	291,430	0.00556%
Youssef Shoukry	-	-	-	-

*In addition, OTMT Acquisition S.à r.l. holds 541,997,864 GDRs (51.7% of the share capital of the Company) and is 100% owned by Weather Investments II S.à.r.l, which is owned by entities beneficially owned by the Sawiris family. See "*Additional Information - 8. Major Shareholders*".

Directorships and Partnerships

Set out below are the directorships and partnerships in which the Directors and Senior Managers are currently directors or partners or have been directors or partners at any time in the five years preceding the date of this Prospectus.

Name	Current directorships / partnerships	Former directorships / partnerships in the last five years
Naguib Sawiris	Venus Investments	Marchmont Limited
	Venus Investments II	Weather Investments SA (liquidated)
	Weather II Special Purpose I	Orascom Telecom Holding S.A.E.
	Weather II Special Purpose II	Egyptian French Company for Finance
	Cylo Investments Ltd	International Wireless Communications Pakistan Limited
	April Holding	Telecom Management Group Limited
	Weather Investments II S.à r.l	Pakistan Mobile Communications
	OTMT Acquisition S.à r.l	
	Libero Acquisition S.à r.l	

Tango SP1 S.à r.l

MobiNil for Telecommunications S.A.E.

Egyptian Company for Mobile Services S.A.E.

MobiNil Services S.A.E.

MT Telecom

Telecel International Limited

Cortex for Services & Consultations S.A.E.

Egyptian Space Com- Under Liquidation

M-Link Ltd- In Dissolution

Consortium Algerien de Telecomunications S.p.A.- Filed for Bankruptcy

Misr for Cinema & Productions

Misr for Touristic Establishments

Sphinx Real Estate

Royal Estate Contractors

Egyptian Company for Investments & Development

PromoMedia for Production & Distribution

Standout for Project Developments

Pyramid Hills Developments

Orascom Aviation

Al Masry Establishment for Printing & Publishing

Al Shagara for Restaurants

Micro Finance (Reefy)

Gemini Technology Egypt

OTS1

Nile Sugar Egypt

Misr for Entertainment Investment Company

Arab Thought Foundation

Egyptian Concel for Foreign Affairs

Consumer Rights protection Association

Cancer Society of Egypt

GSM Association

Sphinx Trading & Distribution

Global Real Estate Development Ltd

Elite Estate (Private) Pakistan

International Advisory Board to the National Bank of Kuwait

Supreme Council of Sciences and Technology

Endeavor

International Advisory Committee to Ltd

Moga Holding ltd

Oratel International Inc Limited

OTH Canada (Malta) Limited

Orascom telecom Ventures Limited

Orascom Telecom Bangladesh Ltd

Orascom Tunisia Holding Ltd

Carthage Consortium Ltd

Orascom Telecom Tunisia S.A.

Orascom Iraq Holding Ltd

Orascom Telecom Iraq Corp.

Telecel Globe

Arab Call Group Ltd

Hutchison Telecommunications International Limited

International Telecommunications Consortium Limited

Oracap Holding Company

Orascom Telecom ESOP Ltd

Financial Powers Plan Ltd

Orascom Telecom CS Ltd

Minimax Ventures Limited (formerly Orascom Telecom Asia ltd)

OT Eurasia Limited

Sawyer Limited

OrasInvest Holding Inc Limited

First Service S.A.E

First Service International S.A.E

MobiServe Egypt

MobiFactory S.A.E

Orasinvest Management services

Multi Media Mega Stores

Smart Village (ECDMIV)

Database Management Services Ltd

Database Management Services Algeria Eurl

WIND Telecomunicazioni S.p.A

WIND Hellas

WIND-PPC Holding N.V.

O Asia Limited (formely Zaman Group Ltd)

Orascom Telecom Algerie S.p.A.

	the New York Stock Exchange	
	Oasis Capital Egypt	
	Commercial International Bank (Egypt) S.A.E	
	Orascom Telecom, Media & Technology SAE (OTMT)	
	Abella Egypt	
Khaled Bishara	Wind Telecomunicazioni S.p.A	Orascom Telecom Holding S.A.E.
	Wind International Services S.p.A.	Smart Village
	Joyent	Vimpelcom
	Accelero Cable	Arpu Plus
	Divine Worx	ALFA
	Endeavour	Pakistan Mobile Communication
	MENA Cable	Orascom Telecom Service
	Gefco for Rice Mills	Orascom Telecom Bangladesh
	Egetco	LinkDOTnet
Hassan Abdou		Orascom Telecom Holding S.A.E.
		Nile for Sugar S.A.E.
		Gemini Technology
		Film for Production
		Weather Investment S.p.A.
		Wind Telecomunicazioni S.p.A.
Mohamed Shaker		
Iskandar Shalaby	MobiNil for Telecommunications S.A.E.	
	Egyptian Company for Mobile Services S.A.E.	
	MobiNil services S.A.E	
	MobiNil for Importing S.A.E	
	LinkdotNet S.A.E.	
	Link Egypt for Trade and Services S.A.E.	
	Link One S.A.E	
	CHEO Technology Joint Venture Company	
	Trans World Associates (Private) Limited	
	ORACAP Holding Co.S.A.E	
	Middle East and North Africa Submarine Cable Systems S.A.E	
	ORACAP Far East Limited	
	ORABANK NK Ltd	
	Med Cable Limited	
	LIBERO S.r.l.	
	WIND International Services S.p.A.	
	Orascom Telecom Holding S.A.E	
	Pakistan Mobile Communications Ltd	
	Cortex for Services & Consultations	

	S.A.E. Limited Telecel International Services S.A.	
Karim Beshara	Accelero Capital Divine Worx Gefco for Rice Mills Egetco Kijami	LINKdotNET Telecommunications
Youssef Shoukry		LINKdotNET Telecommunications HAWA Limited Asec Cement

Conflicts of Interest

Save as described below there are no potential conflicts of interest between any duties of the Directors and the senior managers towards the Company and their private interests or other duties.

The Company's controlling shareholder is OTMT Acquisition S.à r.l, an entity which is 100% owned by Weather Investments II S.à.r.l, which is ultimately beneficially owned by the Sawiris family. In addition, Naguib Sawiris is Chairman of the Company, a director of OTMT Acquisition S.à r.l and an A manager of Weather Investments II S.à.r.l. As an A manager of Weather Investments II S.à.r.l, Naguib Sawiris has the ability to exercise control over Weather Investments II S.à.r.l.

As a result, Naguib Sawiris and his family have the ability to influence any decisions to be taken by the board of managers of OTMT Acquisition S.à r.l., including but not limited to those to be taken in view of the capacity of OTMT Acquisition S.à r.l. as majority shareholder of the Company. The majority shareholder of the Company has the ability to pass ordinary resolutions of the Company. Matters within the competence of the ordinary general meeting consist of, but are not limited to, the election, re-election or dismissal of directors, the compensation of the members of the Board, the approval of the annual financial statements, the appointment of statutory auditors and the determination of their fees, and the approval of the distribution of profits.

In addition, the Sawiris family have a number of other business interests in the telecommunications sector, and although none of these other business interests are currently in competition with the Group in any of the markets in which the Group operates, the directors of the Company are generally not prohibited from owning or acquiring interests in companies which could compete with the Group in the future for investments or business.

As such, the Sawiris' family's interests may conflict with the interests of other investors. See "*Risk Factors – Risks Relating to Our Business – The Company is controlled by one major shareholder whose interests may conflict with the interests of investors*"

Receiverships, liquidations and administrations

Except as disclosed below, no Director or Senior Manager has, in the five years preceding the date of this Prospectus:

(a) been convicted in relation to fraudulent offences;

(b) been associated with any bankruptcy, receivership or liquidation in the capacity of a member of any administrative, management or supervisory body;

(c) been subject to public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies) or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

Mr Shalaby is currently subject to legal proceedings in his capacity as Chairman of ECMS, whereby it is alleged that ECMS constructed a mobile site in Egypt without having the necessary permit. On 20 May 2012 Mr Shalaby was sentenced to three years imprisonment and a fine of EGP 200,000 in connection with this matter. Mr Shalaby paid EGP 20,000 in bail and the decision is currently suspended, pending an appeal court hearing. The Company has been informed by counsel to Mr Shalaby that he has a strong defence and expects to be cleared on appeal.

TERMS AND CONDITIONS OF THE GLOBAL DEPOSITARY RECEIPTS

The following is an outline of material provisions of the Rule 144A deposit agreement (the "**Rule 144A Deposit Agreement**") entered into among the Company, the Depositary, the Rule 144A Owners (as defined herein) and beneficial owners from time to time of depositary shares (the "**Rule 144A GDSs**") pursuant to which the Rule 144A GDRs are to be issued, and the Regulation S Deposit Agreement (the "**Regulation S Deposit Agreement**" and, together with the Rule 144A deposit agreement, the "**Deposit Agreements**") entered into among the Company, the Depositary and the Regulation S Owners and Regulation S Beneficial Owners (as defined herein) from time to time of depositary shares (the "**Regulation S GDSs**"), pursuant to which the Regulation S GDRs are to be issued. Copies of the Deposit Agreements will be available for inspection at the Corporate Trust Office of the Depositary, currently located at 101 Barclay Street, New York, New York 10286, United States, and at the principal office of Commercial International Bank (Egypt) S.A.E., the custodian and agent of the Depositary under each of the Deposit Agreements (the "**Custodian**"). The Depositary's principal executive office is located at One Wall Street, New York, New York 10286, United States. Unless the context otherwise requires, references herein to GDRs and GDSs shall apply equally to the Rule 144A GDRs and the Regulation S GDRs and to the Rule 144A GDSs and the Regulation S GDSs, respectively.

The Rule 144A GDSs have initially been issued in registered uncertificated form on the direct registration system of the Depositary and are not eligible for any book-entry settlement system. After the initial distribution, registered holders of Rule 144A GDSs shall be entitled to request a Rule 144A GDR, which is a certificate evidencing Rule 144A GDSs, by submitting a written instruction to the Depositary. In this section, references to issuance and delivery of Rule 144A GDRs includes registration of uncertificated Rule 144A GDSs in the Depositary's direct registration system. The Rule 144A GDRs will not be admitted to the Official List maintained by the FSA or admitted to trading on the LSE.

The Regulation S GDSs are represented by interests in a global Regulation S GDR (the "**Master Regulation S GDR**") registered in the name of Cede & Co as nominee for DTC, which will be held by The Bank of New York Mellon as custodian for DTC.

References in this summary to the Rule 144A Owner shall mean the person in whose name Rule 144A GDSs are registered on the books of the Depositary maintained for such purpose (the "**Rule 144A Register**"). References in this summary to the Regulation S Owner (and together with the Rule 144A Owner, the "**Owner**") shall mean the person in whose name a Regulation S GDR is registered on the books of the Depositary maintained for such purpose (the "**Regulation S Register**" and together with the Rule 144A Register, the "**Register**"). References in this summary to "**Regulation S Beneficial Owner**" shall mean each person owning from time to time any beneficial interest in the Master Regulation S GDR but who is not the Regulation S Owner of such Regulation S GDR. References in this summary to Rule 144A GDSs, Rule 144A Global Depositary Shares, GDSs, Regulation S GDSs or Regulation S Global Depositary Shares shall mean the securities representing the interests in the Deposited Securities (defined herein) and evidenced by the GDRs issued pursuant to the Rule 144A Deposit Agreement or Regulation S Deposit Agreement, as applicable.

Global Depositary Receipts

Rule 144A GDRs evidencing Rule 144A GDSs are issued pursuant to the Rule 144A Deposit Agreement. Regulation S GDRs evidencing Regulation S GDSs are issued pursuant to the Regulation S Deposit Agreement. Each Rule 144A GDR will evidence a specified number of Rule 144A GDSs, each Rule 144A GDS representing five shares of the Company (the "**Shares**"), or evidence of the right to receive five Shares, deposited with the Custodian and registered in the name of the Depositary or its nominee (the "**Rule 144A Deposited Shares**") (together with any additional Shares at any time deposited or deemed deposited under such Deposit Agreement and any other securities, cash or other property received by the Depositary or the Custodian in respect or in lieu of such Shares, the "**Rule 144A Deposited Securities**"). Each Regulation S GDR will evidence a specified number of Regulation S GDSs, each Regulation S GDS representing five Shares, and thus evidence of the right to receive five Shares, deposited with the Custodian and registered in the name of the Depositary or its nominee (the "**Regulation S Deposited Shares**" and together with the Rule 144A Deposited Shares, the "**Deposited Shares**") (such Regulation S Deposited Shares, together with any additional Shares at any time deposited or deemed deposited under the Regulation S Deposit Agreement and any other securities, cash or other property received by the Depositary or the Custodian in respect or in lieu of such Shares, the "**Regulation S Deposited**

Securities" and, together with the Rule 144A Deposited Securities, the "**Deposited Securities**"). Only persons in whose names Rule 144A GDSs or Regulation S GDSs, as the case may be, are registered on the books of the Depositary as owners of the Rule 144A GDSs or Regulation S GDSs, as the case may be, will be treated by the Depositary and the Company as Rule 144A Owners or Regulation S Owners, respectively.

Available Information

The Company has agreed in the Deposit Agreements that if, at any time prior to the termination of the Rule 144A Deposit Agreement (in the case of Rule 144A GDSs) or prior to the expiration of the Restricted Period (as defined below) in the case of Regulation S GDSs, the Company is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b), the Company will provide to any Owner, beneficial owner or any holder of Shares underlying such GDSs, and to any prospective purchaser of GDSs or of Shares underlying such GDSs, upon request of any such Owner, beneficial owner, holder of Shares or prospective purchaser, the information required by Rule 144A(d)(4)(i) of the U.S. Securities Act and otherwise comply with Rule 144A(d)(4) of the U.S. Securities Act.

Deposit, Transfer and Withdrawal

Rule 144A GDRs

The Depositary agrees, in accordance with the terms and conditions of the Rule 144A Deposit Agreement, that upon delivery to the Custodian of Shares (or evidence of rights to receive Shares) and pursuant to appropriate instruments of transfer in a form satisfactory to the Custodian, the Depositary will, upon payment of the fees, charges and taxes due pursuant to the Rule 144A Deposit Agreement, execute and deliver at its Corporate Trust Office to, or upon the written order of, the person or persons named in the notice of the Custodian delivered to the Depositary or requested by the person depositing such Shares with the Depositary, a Rule 144A GDR or Rule 144A GDRs, registered in the name or names of such person or persons, and evidencing any authorized number of Rule 144A GDSs requested by such person or persons.

Any deposit of Shares for Rule 144A GDSs must be accompanied by a written certification (a "**Depositor's Certificate**") by or on behalf of the person who will be the beneficial owner of the Rule 144A GDR or Rule 144A GDRs to be issued upon deposit of such Shares, certifying that it (a) is both a QIB and a QP acquiring such beneficial ownership for its own account or for the account of one or more person each of whom is both a QIB and a QP, and (b) will comply with the restrictions set forth under "*Transfer Restrictions*" on transfers of the Rule 144A GDRs, the Rule 144A GDSs evidenced thereby and the Shares represented thereby. The Depositary will also refuse to accept certain Shares for deposit if notified in writing that the Shares are listed on a U.S. securities exchange or quoted on a U.S. automated inter-dealer quotation system, unless accompanied by evidence satisfactory to the Depositary that any Shares presented for deposit are not, when issued, of the same class (within the meaning of Rule 144A(d)(3)(i)), as the securities so listed or quoted.

Any deposit of Shares for Rule 144A GDRs evidencing Rule 144A GDSs must be effected through the Egyptian clearing system (MCDR) in compliance with all prevailing laws and regulations.

Upon surrender at the Corporate Trust Office of the Depositary of a Rule 144A GDR for the purpose of withdrawal of the Deposited Securities represented by the Rule 144A GDSs evidenced by such Rule 144A GDR, and upon payment of the fees, governmental charges and taxes provided in the Rule 144A Deposit Agreement, and in accordance with the terms and conditions of the Rule 144A Deposit Agreement, the bylaws of the Company and the Rule 144A Deposited Securities, the Rule 144A Owner of such Rule 144A GDR will be entitled to delivery, to him or upon his order, as permitted by applicable law, of the amount of Deposited Securities at the time represented by the Rule 144A GDS or Rule 144A GDSs evidenced by such Rule 144A GDS. The forwarding of share certificates, other securities, property, cash and other documents of title for such delivery will be at the risk and expense of the Rule 144A Owner.

Notwithstanding the foregoing, no Rule 144A Deposited Securities may be withdrawn in the manner described in the preceding paragraph unless, at or prior to the time of surrender, the Depositary shall have received a duly executed and completed certificate and agreement (the "**Withdrawal and Transfer Certificate**"), by or on behalf of the person surrendering such Rule 144A GDR who after withdrawal will be the beneficial owner of the Shares withdrawn, within which such person (i) acknowledges that such Shares have not been registered under the U.S. Securities Act and that the Company is not registered under the U.S. Investment Company Act in reliance on the exception set forth in Section 3(c)(7) thereof; (ii) certifies as to whether or not such Shares will remain restricted upon withdrawal; (iii) agrees not to offer, sell, pledge or otherwise transfer such Shares except: (a) to the Company or any affiliate thereof; (b) to a person that is both a QIB or QP; or (c) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S, in each case in a manner that would not require the Company to register under, or would otherwise violate, the U.S. Investment Company Act and as otherwise permitted under "*Transfer Restrictions*"; and (iv) in the case of Shares that will remain restricted, agrees not to deposit or cause to be deposited such Shares into any unrestricted depositary receipt facility established or maintained by a depositary bank (including another facility maintained by the Depositary) relating to such Shares unless such Shares are no longer deemed to be restricted securities within the meaning of Rule 144 under the U.S. Securities Act. In the absence of such certification no withdrawals of Shares may be made.

Regulation S GDRs

The Depositary agrees, in accordance with the terms and conditions of the Regulation S Deposit Agreement, that upon delivery to the Custodian of Shares (or evidence of rights to receive Shares) and pursuant to appropriate instruments of transfer in a form satisfactory to the Custodian, the Depositary will, upon payment of the fees, charges and taxes provided in the Regulation S Deposit Agreement, execute and deliver outside the United States at the expense and risk of the person depositing such Shares to, or upon the written order of, the person or persons named in the notice of the Custodian delivered to the Depositary or requested by the person depositing such Shares with the Depositary, a Regulation S GDR or Regulation S GDRs, registered in the name or names of such person or persons, and evidencing any authorized number of Regulation S GDSs requested by such person or persons.

Any deposit of Shares for Regulation S GDSs must be accompanied by a Depositor's Certificate by or on behalf of the person who will be the beneficial owner of the Regulation S GDR or Regulation S GDRs to be issued upon deposit of such Shares, certifying that (i) the Regulation S GDRs, the Regulation S GDSs evidenced thereby and the Shares represented thereby have not been registered under the U.S. Securities Act and it will comply with the restrictions set forth under "*Transfer Restrictions*" on transfers of the Regulation S GDRs, the Regulation S GDSs evidenced thereby and the Shares represented thereby, (ii) it is located outside the United States (within the meaning of Regulation S) and has acquired, or has agreed to acquire and will acquire, the Shares to be deposited outside the United States in compliance with Rule 903 or Rule 904 of Regulation S and it is not a U.S. person as defined in Regulation S; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares to be deposited from the Company or any affiliate thereof in the demerger and (iii) that it will not offer, sell, pledge or otherwise transfer the Regulation S GDRs, the Regulation S GDSs evidenced thereby and the Shares represented thereby, except (A) to a person that is both a QIB and a QP and that will cause such Shares to be withdrawn in accordance with the terms and conditions of the Regulation S Deposit Agreement and deposited under the Rule 144A Deposit Agreement for issuance of Rule 144A GDRs in accordance with the terms and conditions of such Deposit Agreement or (B) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; in either case in accordance with any applicable securities laws of any state of the United States.

Any deposit of Shares for Regulation S GDRs evidencing Regulation S GDSs must be effected through the Egyptian clearing system (MCDR) in compliance with all prevailing laws and regulations.

Upon surrender at the Corporate Trust Office of the Depositary of a Regulation S GDR for the purpose of withdrawal of the Regulation S Deposited Securities represented by the Regulation S GDSs evidenced by such Regulation S GDR, and upon payment of the fees, governmental charges and taxes provided in the Regulation S Deposit Agreement, and subject to the terms and conditions of the Regulation S Deposit Agreement, the statutes of the Company and the Regulation S Deposited Securities, the Regulation S Owner of such Regulation S GDR will be entitled to delivery, to him or upon his order, as permitted by applicable law, of the amount of Regulation S Deposited Securities at the time represented by the Regulation S GDR or Regulation S GDSs evidenced by such Regulation S GDR. The forwarding of share certificates, other securities, property, cash and other documents of title for such delivery will be at the risk and expense of the Regulation S Owner.

Notwithstanding the foregoing, prior to the expiration of a restricted period of 40 days following the later of commencement of the offering of Regulation S GDSs and the last related closing (the "**Restricted Period**"), no Regulation S Deposited Securities may be withdrawn in the manner described in the preceding paragraph unless at or prior to the time of surrender, the Depositary shall have received a duly executed and completed Withdrawal and Transfer Certificate, by or on behalf of the person surrendering such Regulation S GDR who after withdrawal will be the beneficial owner of the Shares withdrawn, within which such person (i) acknowledges that the Regulation S GDRs, the Regulation S GDSs evidenced thereby and the Shares represented thereby have not been registered under the Securities Act and that the Company is not registered under the U.S. Investment Company Act in reliance on the exception set forth in Section 3(c)(7) thereof; (ii) certifies that either (1) it is located outside the United States and it is not a U.S. person as defined in Regulation S; that either (a) the GDRs or Shares are being sold, transferred or withdrawn in accordance with Regulation S under the U.S. Securities Act and it is the beneficial owner of GDRs, or (b) the GDRs or Shares are being sold, transferred or withdrawn to persons who are both QIBs and QPs, that will cause such Shares to be withdrawn in accordance with the terms and conditions of the Regulation S Deposit Agreement and deposited under the Rule 144A Deposit Agreement for issuance of Rule 144A GDRs in accordance with the terms and conditions of such Deposit Agreement; and it is the beneficial owner of GDRs, it will be the beneficial owner of the Shares upon withdrawal and it will not offer, sell, pledge or otherwise transfer the Shares except (A) to a person it (and anyone acting on its behalf) reasonably believes is a both QIB and a QP that, prior to such transfer, furnishes to the Company and the Depositary a signed letter containing certain representations and agreements substantially in the form of the letter set forth in Annex 1 of this Prospectus, or (B) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act or (2) it is both a QIB and a QP acting for its own account or for the account of one or more persons that are QIBs and QPs and that it will cause such Shares to be deposited under the Rule 144A Deposit Agreement for issuance of GDRs in accordance with the terms and conditions of such Rule 144A Deposit Agreement. In the absence of such certification, no withdrawals of Shares may be made.

Dividends, Other Distributions and Rights

Subject to any restrictions imposed by Egyptian law, regulations or applicable permits, the Depositary is required to convert or cause to be converted into U.S. dollars, to the extent that in its judgment it can do so on a reasonable basis and can transfer the resulting U.S. dollars to the United States, all cash dividends and other cash distributions denominated in a currency other than U.S. dollars, including Egyptian pounds ("**Foreign Currency**"), that it receives in respect of the Deposited Shares, and to distribute the resulting U.S. dollar amount (net of reasonable and customary expenses incurred by the Depositary in converting such Foreign Currency and of the fees of the Depositary) to the Owners entitled thereto, in proportion to the number of GDRs representing such Deposited Securities evidenced by GDRs held by them, respectively. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners on account of exchange restrictions or the date of delivery of any GDR or GDRs or otherwise. The amount distributed will be reduced by any amount on account of taxes to be withheld by the Company or the Depositary. See "*—Liability of Owner for Taxes*". If the Depositary determines that in its judgment any Foreign Currency received by it cannot be so converted and transferred, or if any approval or license of any government or agency thereof which is required for such conversion is denied or in the opinion of the Depositary is not obtainable, or if any such approval or license is not obtained within a reasonable period as determined by the Depositary, the Depositary may (a) as that portion of the Foreign Currency that is convertible into U.S. dollars, make such conversion and distribute in U.S. dollars to the extent permissible to the Owners entitled thereto and (b) as to the inconvertible balance, if any (i) if requested by an Owner, distribute the Foreign Currency received by it to and (ii) if not so requested by an Owner, may hold such Foreign Currency uninvested and without liability for interest thereon for the respective accounts of the Owners entitled to receive the same.

If the Company declares a dividend in, or free distribution of, Shares, the Depositary will, as promptly as practicable after the receipt thereof, distribute to the Owners of outstanding GDRs entitled thereto, in proportion to the number of GDSs evidenced by the GDRs held by them, respectively, additional GDRs evidencing an aggregate number of GDSs that represents the amount of Shares received as such dividend or free distribution, in accordance with the terms and conditions of the Deposit Agreements with respect to the deposit of Shares and the issuance of GDRs evidenced by GDRs, including the withholding of any tax or other governmental charge and the payment of fees and agrees of the Depositary. The Depositary may withhold any such distribution of GDRs if it has not received satisfactory assurances from the Company that such distribution does not require registration under the U.S. Securities Act and will not require the Company to register under, or otherwise violate, the U.S. Investment Company Act. In lieu of delivering GDRs for fractional GDSs in the event of any such dividend or free distribution, the Depositary will sell the amount of Shares represented by the aggregate of such fractions and distribute the net proceeds in accordance with the terms and conditions of the Deposit Agreements. If additional GDRs are not so distributed, each GDS shall thenceforth also represent the additional Shares distributed upon the Deposited Securities represented thereby.

Each beneficial owner of Rule 144A GDRs and Regulation S GDRs or Shares so distributed shall be deemed to have acknowledged that the Shares have not been registered under the U.S. Securities Act and that the Company is not registered under the U.S. Investment Company Act, and to have agreed to comply with the restrictions on transfer set forth under "*Transfer Restrictions*".

If the Company offers or causes to be offered to the holders of any Deposited Securities any rights to subscribe for additional Shares or any rights of any other nature, the Depositary will, after consultation with the Company, have discretion as to the procedure to be followed in making such rights available to any Owners of GDRs or in disposing of such rights for the benefit of any Owners and, as promptly as practicable, making the net proceeds available in U.S. dollars to such Owners or, if by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any Owners or dispose of such rights and make the net proceeds available to such Owners, then the Depositary shall allow the rights to lapse; *provided however*, if at the time of the offering of any rights the Depositary determines, after consultation with the Company, in its reasonable discretion that it is lawful and feasible to make such rights available to all Owners or to certain Owners but not to other Owners, the Depositary may distribute to any Owner to whom it determines the distribution to be lawful and feasible, in proportion to the number of GDSs held by such Owner, warrants or other instruments therefor in such form as it deems appropriate. The Depositary will not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Owners in general or any Owner or Owners in particular.

In circumstances in which rights would not otherwise be distributed, if an Owner of GDRs requests the distribution of warrants or other instruments in order to exercise the rights allocable to the GDSs of such Owner, the Depositary will make such rights available to such Owner, as promptly as practicable, upon written notice from the Company to the Depositary that (a) the Company has elected in its sole discretion to permit such rights to be exercised and (b) such Owner has executed such documents as the Company has determined in its sole discretion are reasonably required under applicable law. Upon instruction pursuant to such warrants or other instruments to the Depositary from such Owner to exercise such rights, upon payment by such Owner to the Depositary for the account of such Owner of an amount equal to the purchase price of the Shares to be received in exercise of the rights, and upon payment of the fees of the Depositary as set forth in such warrants or other instruments, the Depositary will, on behalf of such Owner, exercise the rights and purchase the Shares, and the Company shall cause the Shares so purchased to be delivered to the Depositary on behalf of such Owner. As agent for such Owner, the Depositary will cause the Shares so purchased to be deposited, and will, as promptly as practicable, execute and deliver GDRs to such Owner, in accordance with the terms and conditions of the Deposit Agreements.

The Depositary will not offer rights to Owners unless both the rights and the securities to which such rights relate are: (i) either exempt from registration under the U.S. Securities Act with respect to a distribution to all Owners or are registered under the provisions of such U.S. Securities Act; and (ii) such offering is permitted under the U.S. Investment Company Act. If an Owner of GDRs requests the distribution of warrants or other instruments, notwithstanding that there has been no such registration under such U.S. Securities Act, the Depositary shall not effect such distribution unless it has received an opinion from recognized counsel in the United States for the Company upon which the Depositary may rely that such distribution to such Owner is exempt from such registration and is not in contravention of the U.S. Investment Company Act. Notwithstanding any terms of the Deposit Agreements to the contrary, the Company shall have no obligation to prepare and file a registration statement for any purpose.

Whenever the Depositary shall receive any distribution other than cash, Shares or rights in respect of the Deposited Securities, the Depositary will, as promptly as practicable after receipt thereof, cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary or any taxes or other governmental charges, in proportion to their holdings, respectively, in any manner that the Depositary may reasonably deem equitable and practicable for accomplishing such distribution; *provided however*, that if in the reasonable opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason (including any requirement that the Company or the Depositary withhold an amount on account of taxes or other governmental charges or that such securities must be registered under the U.S. Securities Act in order to be distributed) the Depositary reasonably deems such distribution not to be feasible, the Depositary may, after consultation with the Company, adopt such method as it may reasonably deem equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, and the net proceeds of any such sale will be distributed by the Depositary to the Owners entitled thereto as in the case of a distribution received in cash.

Neither the Depositary nor the Custodian, shall accept Rule 144A GDSs issued pursuant to the Rule 144A Deposit Agreement or Shares withdrawn from the Rule 144A Deposit Agreement for the purpose of deposit under the Regulation S Deposit Agreement, or issue Regulation S GDSs or Regulation S GDRs against delivery thereof, as long as such Rule 144A GDSs, Rule 144A GDRs or Shares are or may be deemed restricted securities within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

If the Depositary determines that any distribution of property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may, by public or private sale, dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes or charges and the Depositary will, as promptly as practicable, distribute the net proceeds of any such sale after deduction of such taxes or charges to the Owners entitled thereto in proportion to the number of GDSs held by them, respectively.

Upon any change in nominal or par value, split-up, consolidation, cancellation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting the Company or to which it is a party, any securities that shall be received by the Depositary or Custodian in exchange for, in conversion of, or in respect of Deposited Securities will be treated as new Deposited Securities under the Deposit Agreements, and the GDSs shall thenceforth represent, in addition to the existing Deposited Securities, the right to receive the new Deposited Securities so received in exchange or conversion, unless additional GDRs are delivered pursuant to the following sentence. In any such case the Depositary may, and will, if the Company so requests (a) if book-entry GDSs are available, make appropriate entry in its records, or (b) if book-entry GDSs are not available either (i) execute and deliver additional GDRs as in the case of a distribution in Shares, or (ii) call for the surrender of outstanding GDRs to be exchanged for new GDRs specifically describing such new Deposited Securities.

Record Dates

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or whenever rights shall be issued with respect to the Deposited Securities, or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each GDS, or whenever the Depositary shall receive notice of any meeting of holders of Shares or other Deposited Securities, or whenever the Depositary shall find it necessary or convenient, in respect of any matter, including the calculation of Egyptian property or other taxes owed by Owners, the Depositary will fix a record date, (a) for the determination of the Owners who shall be (i) entitled to receive such dividend, distribution or rights, or the net proceeds of the sale thereof, or (ii) entitled to give instructions for the exercise of voting rights at any such meeting, or (b) for fixing the date on or after which each GDS will represent the changed number of Shares, all subject to the provisions of the Deposit Agreements.

Voting of Deposited Securities

Upon receipt of written notice of any meeting of holders of Shares or other Deposited Securities, if requested by the Company, the Depositary shall, as soon as practicable thereafter, mail to the Owners a notice, the form of which shall be in the sole discretion of the Depositary, which notice shall contain (i) such information as is contained in such notice of meeting, and (ii) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of Egyptian law and the statutes of the Company, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other Deposited Securities represented by their respective GDSs and (iii) a statement as to the manner in which instructions may be given, including an express indication that if the Depositary does not receive instructions, it may deem instructions to have been given to give a discretionary proxy to a person designated by the Company. Upon the written request of an Owner on the record date set with respect to a meeting of holders of Deposited Securities with respect to a specified number of GDSs of the Owners, received on or before the date established by the Depositary for such purpose (the "**Instruction Date**"), the Depositary shall endeavor, in so far as practicable and permitted under applicable Egyptian law, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by these GDSs in accordance with the instructions contained in that request; *provided however*, that the Depositary will not be required to vote any Deposited Securities, or take any other action unless, in each instance, it shall have been advised by Egyptian counsel to the Company (such counsel being reasonably acceptable to the Depositary any Deposited Securities) that any such vote or other action does not violate applicable provisions of Egyptian law.

If (i) the Depositary is not permitted under Egyptian law to exercise the voting rights in respect of the Deposited Securities as set forth above because it is not permitted to vote some Deposited Securities for a resolution and other Deposited Securities against that resolution and (ii) the Depositary has been instructed by Owners acting in respect of a majority of the outstanding GDSs to vote in the same manner with respect to a resolution, the Depositary will endeavor, in so far as practicable and permitted under Egyptian law, to vote all the Deposited Securities in accordance with those instructions on that resolution.

If (i) the Company made a request to the Depositary as contemplated above and complied with the notice requirement as described below and (ii) no instructions are received by the Depositary from an Owner with respect to an amount of Deposited Securities represented by such Owner's GDSs on or before the Instruction Date, the Depositary will deem that Owner to have instructed the Depositary to give, and the Depositary shall give, a discretionary proxy to a person designated by the Company with respect to that amount of Deposited Securities, except that such instruction will not be deemed to have been given and the Depositary will not give a discretionary proxy with respect to any matter as to which the Company informs the Depositary (and the Company agrees to provide that information as promptly as practicable in writing, if applicable) that (a) the Company does not wish to receive a discretionary proxy, (b) substantial opposition exists or (c) the matter materially and adversely affects the rights of holders of Shares.

In order to give Owners a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Deposited Securities, if the Company will request the Depositary to act as described above, the Company will give the Depositary notice of any such meeting or solicitation and details concerning the matters to be voted upon not less than 45 days prior to the meeting date.

There can be no assurance that the Owners generally or any Owner in particular will receive the notice described in this section sufficiently prior to the Instruction Date to ensure that the Depositary will in fact vote the Shares or Deposited Securities in accordance with the provisions set forth above.

Nothing covered herein shall affect or otherwise restrict the right of any Owner or beneficial owner to vote, or take any other action in respect of, Shares after withdrawal of such Shares from the facility.

Disclosure of Beneficial Ownership and Limitations on Voting

Each Owner will agree in the Deposit Agreement to inform the Depositary and the Company in writing, upon request, within 14 days of any such request whether any of the GDSs held by such Owner are being held, directly or indirectly, by a beneficial owner and, if being so held, the name and address of such beneficial owner.

Any beneficial owner of a GDS who, after acquiring directly or indirectly the beneficial ownership of any Share (either directly or by virtue of the ownership of GDSs), is directly or indirectly the beneficial owner of more than 10% of the Shares, within 10 days after such acquisition will agree to provide to the Depositary and the Company (i) the background, and identity, residence, and citizenship of, and the nature of such beneficial ownership by, such person and all other persons by whom or on whose behalf the purchases have been or are to be effected; (ii) the number of Shares and GDSs which are beneficially owned, and the number of Shares and GDSs concerning which there is a right to acquire directly or indirectly by such person and by each associate of such person, giving the background, identity, residence and citizenship of each such associate; and (iii), if any material change occurs in the facts set forth in the statements to the Company, an amendment setting forth such changes. In addition, any person who is directly or indirectly the beneficial owner of more than 10% of the Shares shall, upon the acquisition (either directly or by virtue of the ownership of GDSs) of Shares and/or GDSs of each additional holding representing 5% or more of the capital of the Company, provide within 10 days of such acquisition to the Depositary and the Company the information specified in (ii) in the preceding paragraph.

In determining the percentage of Shares in the preceding paragraphs, the Shares shall be deemed to consist of the amount of the outstanding Shares, exclusive of any Shares held by or for the account of the Company or a subsidiary of the Company.

To the extent permitted under applicable law, in the event that the Company shall determine that an Owner or a beneficial owner has failed to comply with the disclosure of beneficial ownership requirements set forth above, the Company shall advise the Depositary in writing that the Depositary shall not, until further notice is received from the Company, vote any Shares represented by such GDSs and evidenced by such beneficial owner's GDR by proxy or otherwise at any meeting of shareholders. Upon receipt of such written notice, the Depositary shall not take into account any voting instructions provided by an Owner on behalf of such beneficial owner's GDR.

Reports and Other Communications

The Depositary will make available for inspection by Owners at its Corporate Trust Office any notices, reports and communications, including any proxy soliciting material, received from the Company which are both (i) received by the Depositary, Custodian or nominee of either as the holder of the Deposited Securities and (ii) made generally available to the holders of such Deposited Securities by the Company. The Depositary will also send upon written request to the Owners copies of such reports when furnished by the Company pursuant to the Deposit Agreements. Any such reports and communications, including any proxy soliciting material, furnished to the Depositary by the Company will be furnished in English.

Amendment and Termination of the Deposit Agreements

The GDRs and the Deposit Agreements may at any time be amended by agreement between the Company and the Depositary without the consent of the Owners or beneficial owners of GDRs. An amendment that imposes or increases any fees or charges (other than taxes, other governmental charges, custody, transfer and registration fees and other fees and expenses in respect of transfers or sales of Shares, and delivery expenses and charges incurred by the Depositary in the conversion of Foreign currency and in connection with foreign exchange control regulation and cable, telex or facsimile transmission costs, delivery and other such expenses), or which otherwise prejudices any substantial existing right of Owners, will not take effect as to outstanding GDRs until the expiration of 90 days after notice of any amendment has been given to the Owners of outstanding GDRs. Every Owner and beneficial owner of a GDR, at the time any amendment so becomes effective, will be deemed by continuing to hold such GDR to consent and agree to such amendment and to be bound by the Deposit Agreements as amended thereby. In no event shall any amendment impair the right of the Owner of any GDR to surrender such GDR and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

The Depositary shall at any time at the direction of the Company terminate the Deposit Agreements by mailing notice of such termination to the Owners of the GDRs then outstanding at least 90 days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate the Deposit Agreements by mailing notice of such termination to the Company and the Owners of all GDRs then outstanding if, any time after 90 days have expired after the Depositary shall have delivered to the Company a written notice of its election to resign, a successor depositary shall not have been appointed and accepted its appointment, in accordance with the terms of the Deposit Agreements. If any GDRs remain outstanding after the date of termination of the Deposit Agreements, the Depositary thereafter will discontinue the registration of transfers of GDRs, will suspend the distribution of dividends to the Owners thereof and will not give any further notices or perform any further acts under the Deposit Agreements, except the collection of dividends and other distributions pertaining to the Deposited Securities, the sale of rights and other property and the delivery of underlying Shares, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for surrendered GDRs (after deducting the fees of the Depositary and other expenses set forth in the Deposit Agreements). At any time after the expiration of one year from the date of termination, the Depositary may sell the Deposited Securities then held thereunder and hold uninvested the net proceeds of such sale together with any other cash, unsegregated and without liability for interest, for the pro rata benefit of the Owners that have not theretofore surrendered their GDRs, such Owners thereupon becoming general creditors of the Depositary with respect to such net proceeds. After making such sale, the Depositary will be discharged from all obligations under the Deposit Agreements, except to account for net proceeds and other cash (after deducting the fees of the Depositary and other expenses set forth in the Deposit Agreements and any applicable taxes or other governmental charges). Upon the termination of the Deposit Agreements, the Company shall be discharged from all obligations under the Deposit Agreements except for certain obligations to the Depositary relating to indemnity and fees.

Charges of Depositary

The Depositary will charge any party depositing or withdrawing Shares or any party surrendering GDRs or to whom GDRs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the GDRs or Deposited Securities or a distribution of GDRs pursuant to the Deposit Agreements) where applicable: (i) taxes and other governmental charges; (ii) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the share register of the Company or Foreign Registrar (or any other appointed agent of the Company for transfer and registration of Shares) or relevant central depositary and such brokerage and stock exchange fees and commissions, in each case, applicable to transfers of Shares to the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals; (iii) such cable, telex and facsimile transmission expenses as are expressly provided in the Deposit Agreements to be at the expense of persons depositing Shares or Owners; (iv) such reasonable expenses as are incurred by the Depositary in the conversion of Foreign Currency pursuant to the Deposit Agreements; (v) a fee not in excess of US$5.00 per 100 GDSs (or portion thereof) for the execution and delivery or surrender in exchange for shares, respectively, of GDRs pursuant to the Deposit Agreements; (vi) a fee not in excess of US$0.02 per GDS (or portion thereof) for any cash distribution made pursuant to the Deposit Agreements; (vii) a fee for the distribution of securities other than cash, rights or Shares pursuant to the Deposit Agreements, such fee being in an amount equal to the fee for the execution and delivery of GDSs referred to above which would have been charged as a result of the deposit of such securities (treating all such securities as if they were Shares), but which securities are instead distributed by the Depositary to Owners; (viii) a fee not in excess of US$1.50 per certificate for a GDR or GDRs for physical transfers made pursuant to the Deposit Agreements; and (ix) any other charge payable by the Depositary or its agents (including the custodian) in connection with the servicing of Shares or other Deposited Securities (to be assessed against Owners on the record date fixed by the Depositary as described above, and collected at the sole discretion of the Depositary by billing such Owners or by deducing such charges from one or more cash dividends or cash distributions).

Liability of Owner for Taxes

If any tax or other governmental charge or brokerage, stock exchange or central depositary fee payable by the Custodian or the Depositary with respect to any GDR or any Deposited Securities represented by the GDRs evidenced by such GDR, such tax or other governmental charge will be payable by the Owner or beneficial owner of such GDR to the Depositary. The Depositary may refuse to effect any transfer of such GDR or any withdrawal of Deposited Securities underlying such GDR until such payment is made and may withhold any dividends or other distributions or may sell for the account of the Owner or beneficial owner thereof any part or all of the Deposited Securities underlying such GDR and may apply such dividends, distributions or the proceeds of any such sale to pay any such tax or other governmental charge or brokerage, stock exchange or central depositary fee and the Owner or beneficial owner of such GDR shall remain liable for any deficiency.

From time to time, the Depositary may make reimbursement payments to the Company for expenses relating to the GDR programs.

General

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates will be liable to any Owner or beneficial owner if by reason of any provision of any present or future law, regulation order, decree, moratorium or fiat of the United States, Egypt or any other country, or of any other governmental or regulatory authority or stock exchange or by reason of any provision, present or future, of the statutes of the Company, or by reason of any provision of any securities issued or distributed by the Company, or any offering or distribution thereof, or by reason of any act of God or war or other circumstances beyond its control, the Depositary or the Company or any of their respective directors, employees, agents, or affiliates shall be prevented, delayed or forbidden from, or be subject to any civil or criminal penalty on account of, doing or performing any act or thing which by the terms of the Deposit Agreements or the Deposited Securities it is provided shall be done or performed; nor will the Depositary or the Company nor any of their respective directors, employees, agents or affiliates incur any liability to any Owner or beneficial owner by reason of any nonperformance or delay, caused as stated above, in the performance of any act or thing which by the terms of the Deposit Agreements it is provided shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for under the Deposit Agreements.

The Company and the Depositary assume no obligation nor will they be subject to any liability under the Deposit Agreements to Owners or beneficial owners of GDRs, except that they agree to perform their respective obligations specifically set forth under the Deposit Agreements without negligence or bad faith.

The GDRs are transferable on the books of the Depositary, *provided that* the Depositary may close the transfer books at any time or from time to time when reasonably deemed expedient by it in connection with the performance of its duties or at the reasonable request of the Company. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any GDR or withdrawal of any Deposited Securities, the Depositary, the Company, the Custodian or Registrar may require payment from the person presenting the GDR or the depositor of the Shares of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer, brokerage, central depositary or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees.

The Depositary may refuse to deliver GDRs, to register the transfer of any GDR or to make any distribution on, or related to, Shares or the delivery of any Deposited Securities or the sale proceeds thereof until it has received such proof of citizenship or residence, exchange control approval or other information as it may deem necessary or proper.

The delivery, transfer and surrender of GDRs generally may be suspended during any period when the transfer books of the Depositary, the Company or the Foreign Registrar are closed or if any such action is deemed necessary or advisable by the Depositary or the Company, at any time or from time to time. At and subsequent to the effective date of the demerger, the surrender of outstanding Regulation S GDRs and the withdrawal of Regulation S Deposited Securities may not be suspended subject only to (i) the temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting or the payment dividends, (ii) the payment of any fees, taxes and similar charges and (iii) compliance with any U.S. or foreign laws of governmental regulations relating to the Regulation S GDRs or to the withdrawal of the Regulation S Deposited Securities.

Pre-Release

Unless requested by the Company in writing to cease doing so, the Depositary may execute and deliver GDRs prior to the receipt of Shares (a "**Pre-Release**") and deliver Shares upon the receipt and cancellation of GDRs which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such GDR has been Pre-Released. The Depositary may receive GDRs in lieu of Shares in satisfaction of a Pre-Release. Neither the Depositary nor the Custodian shall deliver Shares in any manner or otherwise permit Shares to be withdrawn except upon the receipt and cancellation of GDRs. Each Pre-Release will be (a) preceded or accompanied by a written representation and agreement from the person to whom GDRs are to be delivered (the "**Pre-Releasee**"), that the Pre-Releasee or its customer, (i) owns the Shares or GDRs to be remitted, as the case may be, (ii) assigns all beneficial rights, title and interest in such Shares or GDRs, as the case may be, to the Depositary in its capacity as such and for the benefit of the Owners, and (iii) will not take any action with respect to such Shares or GDRs, as the case may be, that is inconsistent with the transfer of beneficial ownership (including, without the consent of the Depositary, disposing of such Shares or GDRs, as the case may be), other than in satisfaction of such Pre-Release; (b) at all times fully collateralized with cash, U.S. government securities or such other collateral as the Depositary determines, in good faith, will provide substantially liquidity and security; (c) terminable by the Depositary on not more than five business days' notice; and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of Shares not deposited but represented by Global Depositary Shares outstanding at any time as a result of Pre-Releases will not normally exceed thirty percent (30%) of the Shares deposited; *provided however*, that the Depositary reserves the right to disregard such limit from time to time as it reasonably deems appropriate, and may, with the prior written consent of the Company, change such limit for purposes of general application. The Depositary will also set U.S. dollar limits with respect to Pre-Release transactions to be entered into with any particular Pre-Release on a case-by-case basis as the Depositary deems appropriate. For purposes of enabling the Depositary to fulfill its obligations to the Owners under the Deposit Agreements, the collateral referred to in (b) shall be held by the Depositary as security for the performance of the Pre-Releasee's obligations to the Depositary in connection with a Pre-Release transaction, including the Pre-Releasee's obligation to deliver Shares or GDRs upon termination of a Pre-Release transaction (and shall not, for the avoidance of doubt, constitute Deposited Securities hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing, including, without limitation, earnings on the collateral.

Each person to whom a pre-release is to be made under the Rule 144A deposit agreement or the Regulation S deposit agreement, must deliver to the depositary a written deposit certification and agreement as described under "Deposit, Transfer and Withdrawal —Rule 144A GDSs" in the case of a pre-release of Rule 144A GDSs or "—Regulation S GDSs" in the case of a pre-release of Regulation S GDSs.

The Depositary will keep books at its Corporate Trust Office for the registration of GDRs and registration of transfer of GDRs, which at all reasonable times will be open for inspection by the Owners, *provided that* such inspection will not be for the purpose of communicating with Owners in the interest of a business or object other than the business of the Company or a matter related to the Deposit Agreements or the GDRs.

The Depositary may appoint one or more co-transfer agents for the purpose of effecting transfers, combinations and split-ups of GDRs at designated transfer offices on behalf of the Depositary. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by Owners or persons entitled thereto but only to the extent that the Depositary would be entitled to require such evidence under the Deposit Agreements and will be entitled to protection and indemnity to the same extent as the Depositary.

Holding of deposited securities and other deposited property by Depositary

The Depositary will hold the Deposited Shares and any other deposited property (such as cash dividends paid by the Company) for the sole benefit of the GDR holders. The Deposit Agreements provide that, except in the case of mandatory redemptions or exchanges or sales required to pay taxes on the Deposited Shares, the Deposited Shares can only be delivered out of the GDR facility to or to the order of a holder of the related GDRs upon surrender of such GDRs. Further, the Deposit Agreements provide that the Depositary may exercise voting rights with respect to Deposited Shares only as instructed by GDR holders.

The Deposit Agreements provide that deposited cash shall be held by the Depositary or by the Custodian for the account and to the order of the Depositary or at such other place or places as the Depositary shall determine. The Depositary currently intends to hold any such cash in an account at the Custodian in the name of the Depositary or in an account at The Bank of New York Mellon in the name of the Depositary. Subject only to fees and taxes, the Deposit Agreements require the Depositary to distribute all cash it receives in respect of deposited securities or that are proceeds of the sale of any deposited securities to the GDR holders. The Deposit Agreements require the Depositary to convert deposited cash that is in a foreign currency into U.S. dollars if it can do so on a reasonable basis. If for any reason the Depositary cannot distribute deposited cash to GDR holders it will under the terms of the Deposit Agreements hold that cash for the account of the GDR holders that have not been paid. To the extent the Depositary holds deposited cash with respect to which a record date for distribution has not been fixed, a GDR holder is entitled to receive its proportionate share of that cash upon surrender of its GDRs.

In connection with the above, set out below is a description of the movements of funds that occur when dividends are paid by the Company:

1. On the date upon which the Company makes a payment of a cash dividend, the Depositary receives such cash into an account of The Bank of New York Mellon ("BNYM") at the relevant local custodian bank (the "Cash Account"). The Cash Account is for the sole use of BNYM's Depositary Receipts ("DR") business and is governed by a separate and specific DR custody agreement.

2. The Cash Account is then debited and BNYM's 'DR Dividend Account' (the "DR Dividend Account") is credited to reflect the receipt and allocation of the funds in BNYM's books. The DR Dividend Account is for the sole use of the DR business and all funds are held for the benefit of DR holders.

3. If required, a foreign exchange trade is executed to convert the local currency into the denomination of the Depositary Receipt (being U.S. dollars in the case of the GDRs). The local currency would be paid, at the Depositary's order, from the Cash Account to the foreign exchange counterparty and movement of funds would be reflected in BNYM's books by a debit to the Cash Account and a credit to the DR Dividend Account.

4. On the GDR dividend payment date, the funds are distributed to GDR holders through the various clearing systems (DTC, Euroclear and Clearstream) and/or via cheques or other appropriate means if there are registered holders.

BNYM's DR business has a cash dividend technology designed to track and manage the flow of funds at all times. The cash representing each dividend paid by a company is discrete within BNYM's system, thereby enabling BNYM to identify funds owed to holders of each individual DR programme. The system records all relevant dates, local currency, declared rate, gross rate, withholding tax rate, tax, fees where appropriate, the net rate and the calculation used to arrive at it.

Governing Law

The Deposit Agreements are governed by the laws of the State of New York. In the Deposit Agreements, the Company has submitted to the non-exclusive jurisdiction of the New York State and United States federal courts sitting in the City and State of New York.

Restrictions Imposed by Egyptian Law

In addition to the terms and conditions of the Deposit Agreements outlined above, the following restrictions of Egyptian law are also of relevance to Owners and may impact on their rights under the Deposit Agreements:

1. *Restrictions on currency conversion and transfer of dividends*

Egyptian Banking Law provides for the conversion of Egyptian pound into foreign currency and the transfer thereof outside Egypt so long as such conversion and transfer are undertaken through the banking system. Nevertheless, the Central Bank of Egypt imposes, every now and then, certain requirements and restrictions on such operations. For instance, reporting requirements for money laundering purposes or restrictions on transfers by individuals in excess of USD100,000, which some banks interpret as a global cap rather than a cap on single transfers, may be applied on dividends of GDRs held by individual Owners. In addition, there are restrictions on transfers by corporate entities which are required to provide a justification in line with their corporate purpose, while in practice such restrictions are not applied to GDRs, there is nothing that prevents the Central Bank in the future from subjecting dividends to similar restrictions. More generally, conversion and repatriation of funds is always subject to the availability of foreign currency. Furthermore, the exchange rates while in theory are subject to market fluctuations, in reality they are indirectly controlled by the Central Bank.

2. *Voting rights*

Under Egyptian law, voting of shares represented by GDRs is done through the local depositary, which is the holder of record and while no specific laws exist that allow for the splitting of votes by the depository to reflect the different instructions given by the Owners, it has been the local practice to do so. However, nothing could guarantee that future practices would allow the same.

In addition, Egyptian law does not recognise the concept of abstaining from voting. GDR voting cards occasionally give GDR holders the right to abstain from voting. If a GDR holder elects on the voting card to abstain from voting, then when a representative of the local depositary attends the general assembly meeting to vote on behalf of the Owners, the abstaining votes would not be accounted for as an abstaining vote, and may be considered as either in favor of, or against, the relevant resolution, which would mean the vote is accounted for differently than intended by the abstaining Owner.

SUMMARY OF PROVISIONS RELATING TO THE GLOBAL DEPOSITARY RECEIPTS WHILST IN MASTER FORM

The Regulation S GDSs will be evidenced by a single Master Regulation S GDR in registered form. The Master Regulation S GDR will be registered in the name of Cede & Co as nominee for DTC and will be held by The Bank of New York Mellon as custodian for DTC. The Master Regulation S GDR will contain provisions which apply to the Regulation S GDSs while they are in master form.

If DTC ceases to make its book-entry settlement system available for the Regulation S GDSs, the Company shall consult with the Depositary regarding other arrangements for book-entry settlement. Only in the event that the Company and the Depositary believe it would be impracticable without undue effort or expense to continue to make the Regulation S GDSs available in book-entry form, the Company shall instruct the Depositary to make separate Regulation S GDRs evidencing Regulation S GDSs available to the respective beneficial owners.

The Master Regulation S GDR shall provide that it shall represent the aggregate amount of Regulation S GDSs held at DTC from time to time. Upon any issuance or delivery of Regulation S GDSs, or any surrender of Regulation S GDSs, or any distribution or dividend issue of Shares, or any reduction in the number of Regulation S GDSs represented thereby following any withdrawal of Deposited Securities the relevant details shall be entered by the Depositary on the register maintained by the Depositary whereupon the number of Regulation S GDSs represented by the Master Regulation S GDR shall be reduced or increased (as the case may be) for all purposes by the amount so exchanged and entered on the register; *provided always* that if the number of Regulation S GDSs represented by a Master Regulation S GDR is reduced to zero such Master Regulation S GDR shall continue in existence until the obligations of the Company under the Regulation S Deposit Agreement and the obligations of the Depositary pursuant to the Regulation S Deposit Agreement have terminated.

Payments of cash dividends and other amounts (including cash distributions) in relation to the Master Regulation S GDR will be distributed to the Owners entitled thereto by the Depositary. Upon any free distribution or dividend issue of Shares to the Depositary on behalf of the Owners the Depositary shall reflect in its records the increase in the aggregate number of Regulation S GDSs evidenced by the Master Regulation S GDR.

TAXATION

The following summary of the principal US federal income, United Kingdom and Egyptian tax consequences of ownership of the GDRs is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect the tax consequences to holders of the GDRs, possibly on a retroactive basis, and could alter or modify the statements and conclusions set forth herein. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of the GDRs. Each holder is urged to consult its own tax advisor as to the particular tax consequences to such holder of the ownership and disposition of the GDRs, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as of the date of this Prospectus, and of any actual changes in applicable tax laws after such date.

Certain Egyptian Tax Considerations

The statements herein regarding taxation are based on the laws in effect in Egypt as of the date of this Prospectus and are subject to any changes of law occurring after such date, which changes could be made on retroactive basis. The following is a summary only of the material Egyptian tax consequences of the ownership and disposal of the GDRs for Egyptian resident and nonresident beneficial owners. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to own or dispose of the GDRs and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Holders of the GDRs are advised to consult their own tax advisors concerning the overall tax consequences of their acquiring, holding, and disposing of GDRs, including in particular the effect of any local laws.

Egyptian Resident Holders

Pursuant to Law 91 for 2005, interest paid by an Egyptian resident to a non-Egyptian resident is subject to tax at the rate of 20%. However, dividend paid by an Egyptian resident company to another Egyptian resident company, as a result of the latter's investment in the former, is exempt from the abovementioned tax.

Non-Egyptian Resident Holders

Unless the GDRs are viewed as strictly being issued by the Depositary outside Egypt in which case interest and other proceeds (including dividends) paid in respect of the GDRs to a non-Egyptian resident would not be subject to Egyptian tax, interest and other proceeds (including dividends) paid in respect of the GDRs to a non-Egyptian resident would be subject to a withholding tax at a rate of 20%, on the basis that the GDRs are not listed in Egypt but are issued by an Egyptian company. In such case, the holders of the GDRs may seek a reduction of withholding tax under any applicable double taxation treaties between the country of residence of the beneficial owner of the GDR and Egypt (one condition of relief under an applicable treaty will be the provision of a certificate of tax residence by the recipient of payment). However, there can be no assurance that such relief will be available.

Capital Gain

Any capital gain realized upon the sale or redemption of the GDRs by holders resident in Egypt will be treated for the purpose of income tax and/or tax on movable capital as part of the taxable income of note holders and accordingly subject to tax in Egypt.

Other Taxes

No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Egypt in connection with the issuance or delivery of the GDRs unless the GDRs are brought to Egypt to produce legal effect. In such a case, an ad valorem stamp duty not exceeding US$1 per page shall be due on the GDRs.

Certain United Kingdom Tax Considerations

The following is a general summary of certain UK tax considerations relating to the ownership and disposal of the GDRs. It is based on current UK tax law and published HM Revenue & Customs ("**HMRC**") practice as at the date of this Prospectus, both of which are subject to change, possibly with retrospective effect.

The summary applies only to persons who are resident (and, in the case of individuals, ordinarily resident and domiciled) in the United Kingdom for tax purposes and who are not resident for tax purposes in any other jurisdiction and do not have a permanent establishment or fixed base in any other jurisdiction with which the holding of GDRs is connected ("**UK Holders**"). Persons (a) who are not resident or ordinarily resident (or, if resident or ordinarily resident, are not domiciled) in the United Kingdom for tax purposes, including those individuals and companies who trade in the United Kingdom through a branch, agency or permanent establishment in the United Kingdom to which the GDRs are attributable, or (b) who are resident or otherwise subject to tax in a jurisdiction outside the United Kingdom, are recommended to seek the advice of professional advisors in relation to their taxation obligations.

This summary is for general information only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor. It does not address all of the tax considerations that may be relevant to specific investors in light of their particular circumstances or to investors subject to special treatment under UK tax law. In particular:

1. this summary only applies to the absolute beneficial owners of the GDRs and any dividends paid in respect of the underlying Ordinary Shares of the Company where the dividends are regarded for UK tax purposes as that person's own income (and not the income of some other person);

2. this summary: (a) only addresses the principal UK tax consequences for investors who hold GDRs as capital assets, (b) does not address the tax consequences which may be relevant to certain special classes of investor such as dealers, brokers or traders in shares or securities and other persons who hold GDRs otherwise than as an investment, (c) does not address the tax consequences for holders that are financial institutions, insurance companies, collective investment schemes, pension schemes, charities and tax-exempt organizations, (d) assumes that the holder is not an officer or employee of the Company (or of any related company) and has not (and is not deemed to have) acquired the GDRs by virtue of an office or employment, and (e) assumes that the holder does not control or hold (and is not deemed to control or hold), either alone or together with one or more associated or connected persons, directly or indirectly (including through the holding of the GDRs), an interest of 10% or more in the shares, voting power, rights to profits or capital of the Company, and is not otherwise connected with the Company.

This summary further assumes that (i) a holder of GDRs is, for UK tax purposes, absolutely beneficially entitled to the underlying Ordinary Shares of the Company and to the dividends on those shares and (ii) dividends paid in respect of the underlying Ordinary Shares of the Company will be treated as income distributions for UK tax purposes.

Taxation of dividends

Withholding Tax

Dividend payments in respect of the GDRs may be made without withholding or deduction for or on account of UK tax. As discussed in the paragraphs headed "—Certain Egyptian Tax Considerations—Non-Egyptian Resident Holders", such dividends may be subject to Egyptian withholding tax.

Income Tax

Dividends received by individual UK Holders will be subject to UK income tax on the full amount of the dividend paid (before the deduction of any Egyptian withholding tax), grossed up for the amount of the non-refundable UK dividend tax credit referred to below, with potential credit for Egyptian tax deducted at source (as described below).

The rate of UK income tax which is chargeable on dividends received in the tax year 2011/2012 by

(i) additional rate taxpayers is 42.5 per cent, (ii) higher rate taxpayers is 32.5 per cent, and (iii) basic rate taxpayers is 10 per cent. Individual UK Holders will be entitled to a non-refundable tax credit equal to one-ninth of the full amount of the dividend received from the Company (before the deduction of any Egyptian withholding tax), which will be taken into account in computing the gross amount of the dividend which is chargeable to UK income tax. The tax credit will be credited against the UK Holder's liability (if any) to UK income tax on the gross amount of the dividend. After taking into account the tax credit, the effective rate of tax (i) for additional rate taxpayers will be approximately 36 per cent of the dividend paid, (ii) for higher rate taxpayers will be 25 per cent of the dividend paid, and (iii) for basic rate taxpayers will be nil. An individual shareholder who is not subject to UK income tax on dividends received from the Company will not be entitled to claim payment of the tax credit in respect of such dividends. An individual's dividend income is treated as the top slice of their total income which is chargeable to UK income tax.

Corporation Tax

A UK Holder within the charge to UK corporation tax will generally be subject to UK corporation tax on any distribution paid in respect of the GDRs. However under Part 9A of the Corporation Tax Act 2009, where a distribution is paid to a corporate UK Holder (which is not a "small company") in respect of the GDRs and such distribution falls within a specified exempt class and does not trigger any of the anti-avoidance rules set out in the legislation, the corporate UK Holder will not be subject to UK corporation tax on such distribution. If the conditions for the exemption are not satisfied, or a UK Holder elects for an otherwise exempt dividend to be taxable, UK corporation tax will be chargeable on the gross amount of any dividends, subject to any applicable credit for Egyptian tax deducted at source (as described below). If potential investors are in any doubt as to their position, they should consult their own professional advisers.

Credit for Egyptian Tax

Credit may be given for Egyptian tax withheld from dividends, subject to general rules regarding the calculation and availability of such credit, including a requirement to take all reasonable steps to minimize the amount of Egyptian tax on such dividends, including obtaining relief at source and any available refunds. Where a dividend paid by the Company is treated as exempt from UK corporation tax, a corporate UK Holder will not be entitled to claim relief by way of credit in the United Kingdom in respect of any Egyptian tax paid by such holder, either directly or by deduction, in respect of that dividend. See the paragraphs headed "—Certain Egyptian Tax Considerations—Non-Egyptian Resident Holders" for certain information on the operation of treaty relief that may be available to GDR holders in respect of any such Egyptian tax.

Provision of information

Persons in the United Kingdom paying "foreign dividends" to, or receiving "foreign dividends" on behalf of, another person, may, in certain circumstances, be required to provide certain information to HMRC regarding the identity of the payee or the person entitled to the "foreign dividend", and, in certain circumstances, such information may be exchanged with tax authorities in other countries. However, in accordance with guidance published by HMRC applicable for the 2011/2012 tax years, dividend payments in respect of the GDRs should not be treated as falling within the scope of the requirement. There is no guarantee that equivalent guidance will be issued in respect of future years.

Taxation of disposals

A disposal or deemed disposal of GDRs by an individual UK Holder may, depending on his or her individual circumstances, give rise to a chargeable gain or to an allowable loss for the purpose of UK capital gains tax. The principal factors that will determine the capital gains tax position on a disposal of GDRs are the extent to which the holder realizes any other capital gains in the tax year in which the disposal is made, the extent to which the holder has incurred capital losses in that or any earlier tax year and the level of the annual allowance of tax-free gains in that tax year (the "annual exemption"). The annual exemption for the 2011/2012 tax year is £10,600. If, after all allowable deductions, an individual UK Holder's taxable income for the year exceeds the basic rate income tax limit, a taxable capital gain accruing on a disposal of GDRs will be taxed at 28%. In other cases, a taxable capital gain accruing on a disposal of GDRs may be taxed at 18% or at a combination of 18% and 28%.

An individual UK Holder who ceases to be resident or ordinarily resident in the United Kingdom for a period of less than five years and who disposes of his or her GDRs during that period of temporary non-residence may be liable to UK capital gains tax on a chargeable gain accruing on such disposal on his or her return to the United Kingdom (subject to available exemptions or reliefs).

A disposal of GDRs by a corporate UK Holder may give rise to a chargeable gain or an allowable loss for the purpose of UK corporation tax. Such a holder should be entitled to an indexation allowance, which applies to reduce capital gains to the extent that such gains arise due to inflation. The allowance may reduce a chargeable gain but will not create an allowable loss.

Any gains or losses in respect of currency fluctuations relating to the GDRs would be brought into account on the disposal.

Stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax will be payable on the delivery of the GDRs into DTC, Euroclear or Clearstream (as applicable).

No UK stamp duty or stamp duty reserve tax will be payable on any transfer of the GDRs once they are issued into DTC, Euroclear or Clearstream (as applicable), where such transfer is effected in electronic book entry form in accordance with the procedures of DTC, Euroclear or Clearstream.

Certain U.S. Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE COMPANY IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain U.S. federal income tax considerations of the demerger to a beneficial owner of OTH ordinary shares or GDRs ("**OTH Shares**") that is a citizen or resident of the United States, a domestic corporation or otherwise subject to United States federal income tax on a net income basis in respect of the OTH Shares (a "**U.S. Holder**"). The discussion does not deal with special classes of holders, such as beneficial owners of 10% or more of the OTH Shares, dealers in securities or currencies, traders that elect mark-to-market accounting, banks, financial institutions, insurance companies, tax-exempt organizations, entities classified as partnerships for U.S. federal income tax purposes and partners therein, persons holding OTH Shares as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction, or persons that have a functional currency other than the U.S. dollar. This discussion assumes that the OTH Shares are held as "capital assets" for U.S. federal income tax purposes.

This summary is based on the provisions of the Internal Revenue Code of 1986, as amended ("**the Code**"), Treasury regulations, administrative rulings and judicial authority, all as in effect as of this date. All of these laws and authorities are subject to change, and any change could be effective retroactively. No assurances can be given that any change in these laws or authorities will not affect the accuracy of the discussion set forth herein. In addition, the discussion does not describe any tax consequences arising out of the laws of any state or local or foreign jurisdiction. Accordingly, each holder should consult its own tax adviser with regard to the demerger and the application of United States federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdictions, to its particular situation.

Treatment of the Demerger is unclear

The treatment of the distribution for U.S. federal income tax purposes is not entirely clear. The distribution of the Company ordinary shares or GDRs (the "**Company Shares**") to holders of OTH

Shares pursuant to the demerger is likely to be treated as a dividend for U.S. federal income tax purposes, not as a tax-free distribution. In particular, there is significant uncertainty whether the Company will meet the five-year active trade or business test necessary for the distribution to qualify as a tax-free distribution under the spin-off rules of Section 355 of the Code. Pursuant to this test the Company must be engaged – or treated as engaged – immediately after the distribution in a trade or business that has been actively conducted for the last five years. Among the businesses that the Company will hold, Orascom Telecom Ventures S.A.E. (formerly Intouch Communication Services) is the business most likely to satisfy the active trade or business test. OTH can provide no assurances as to whether U.S. Holders will receive tax-free treatment under Section 355 of the Code on receipt of the Company Shares or whether the distribution will be taxable as a dividend. U.S. Holders should consult with their own tax advisors regarding the appropriate U.S. federal income tax treatment of the distribution.

Taxable distribution

In the event the distribution does not qualify as a tax-free spin-off under Section 355, a U.S. Holder generally will be treated as having received a taxable distribution in an amount equal to the fair market value of the Company Shares in U.S. dollars received in the distribution. Because OTH does not compute earnings and profits under U.S. federal income tax principles, such a distribution will be subject to U.S. federal income taxation as dividend income. All such dividend income will constitute non-U.S. source income for U.S. federal income tax purposes.

Subject to certain exceptions, the dividends received by certain non-corporate U.S. Holders will be subject to taxation at reduced rates if the dividends are "qualified dividends." The distribution will be a qualified dividend if (i) the Company is eligible for the benefits of a comprehensive income tax treaty with the United States that the IRS has approved for purposes of the qualified dividend rules and (ii) the Company was not, in the year prior to the year in which the interest payment was made, and is not, in the year in which the interest payment is made, a passive foreign investment company ("**PFIC**"). OTH expects to be eligible for the benefits of the comprehensive income tax treaty between the United States and Egypt (which has been approved by the IRS for the purposes of the qualified dividend rules) and OTH is not presently a PFIC and does not anticipate being a PFIC at the time of the distribution. Each U.S. Holder who receives the Company Shares pursuant to the distribution will have a tax basis in such shares equal to the fair market value in U.S. dollars of such shares on the date of the distribution. The holding period for such shares will commence on the day after the date of the distribution.

Tax-free distribution

If the event the distribution does qualify for tax-free treatment, a U.S. Holder will not recognize any income, gain or loss as a result of its receipt of Company Shares in the distribution. Such a U.S. Holder's tax basis for the Company Shares and OTH Shares immediately after the distribution will equal the U.S. Holder's tax basis in its OTH Shares immediately before the distribution, allocated in proportion to the relative fair market values of OTH Shares and Company Shares. The holding period of Company Shares received by such a U.S. Holder in the distribution will include the period during which the U.S. Holder held its OTH Shares.

In the event a U.S. Holder takes the position that the distribution to him or her qualifies for tax-free treatment, in order to avoid the possibility of the accuracy-related penalty in Section 6662 of the Code being imposed if this position is incorrect, such U.S. Holder should seriously consider adequately disclosing its tax treatment by filing a properly completed IRS Form 8275, "Disclosure Statement," with its tax return.

Taxation of the ownership and disposition of Company Shares

The following summary describes certain U.S. federal income tax consequences for a U.S. Holder of owning and disposing of Company Shares.

The gross amount of any cash distribution received by a U.S. Holder with respect to its Company Shares generally will be subject to U.S. federal income taxation as dividend income. Any distributions paid in a currency other than U.S. dollars will be included in a U.S. Holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of a U.S. Holder's receipt of the dividend, regardless of whether the payment is in fact converted into U.S. dollars on such date. If such a dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. If such a dividend is not converted into U.S. dollars on the date of receipt, a U.S. Holder generally will have a basis in the non-U.S. currency equal to its U.S. dollar value on that date. A U.S. Holder also generally will be required to recognize foreign currency gain or loss realized on a subsequent conversion or other disposition of such currency, which will be treated as U.S.-source ordinary income or loss. Dividends will be subject to taxation at reduced rates subject to the exceptions, conditions and limitations discussed above under "Taxable distribution."

A U.S. Holder will generally recognize capital gain or loss on the sale or other taxable disposition of Company Shares in an amount equal to the difference between the U.S. dollar value of the amount realized on the disposition (which, if the amount realized is not in U.S. dollars, will be the U.S. dollar amount calculated by reference to the spot rate in effect on the date of sale or other disposition or, with respect to a cash basis or electing accrual basis holder, the settlement date) and such holder's tax basis in the shares (as determined in U.S. dollars). Any such capital gain or loss generally will be U.S.-source gain or loss for U.S. foreign tax credit purposes, and will be long-term capital gain or loss, subject to taxation at reduced rates for individual taxpayers, if the Company Shares were held for more than one year. The deductibility of capital losses is subject to limitations.

Taxation of Non-U.S. Holders

A non-U.S. Holder (a holder of Company Shares that is not a U.S. Holder or a partnership) will generally not be subject to U.S. federal income tax on the distribution or on dividends received on Company Shares unless it conducts a trade or business in the United States and the dividends are effectively connected with that trade or business.

A non-U.S. Holder will be exempt from U.S. federal income tax on any gain realized from the sale or exchange of Company Shares unless such gain is effectively connected the conduct of a trade or business in the United States or a non-U.S. Holder is an individual holder present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

Information reporting and backup withholding

Taxable distributions to a U.S. Holder generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding unless the holder (i) establishes that it is a corporation or other exempt holder or (ii) provides an accurate taxpayer identification number on a properly completed Internal Revenue Service Form W-9 and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the U.S. Holder's United States federal income tax liability and may entitle such holder to a refund, provided that certain required information is furnished to the Internal Revenue Service.

A Non-U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

TRANSFER RESTRICTIONS

Distribution Restrictions

No action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of the Shares, GDSs or GDRs (other than in Egypt), or registration, qualification, possession or distribution of this Prospectus or any amendment or supplement thereto or any other offering or publicity material relating to the Shares, GDSs or GDRs, in any country or jurisdiction where action for that purpose is required.

United States

None of the Shares, GDSs or the GDRs have been offered or sold, and will not be offered or sold, by the Company, in the demerger and distribution described herein, except for distributions (i) in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(2) thereof to persons who are both QIBs and QPs, and (ii) to non-U.S. persons in offshore transactions in reliance on Regulation S, in each case in compliance with the further requirements set forth herein.

United Kingdom

In the United Kingdom, this Prospectus is being distributed only to persons who (i) an investment professional within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**"); (ii) are high net worth entities or other persons, falling within Article 49(2)(a)-(d) of the Order; or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities of the Company or any member of its group may otherwise lawfully be communicated or caused to be communicated. In the United Kingdom, this Prospectus is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this document related is available only to Relevant Persons and will be engaged in only with Relevant Persons.

European Economic Area

In relation to each Relevant Member State a distribution to the public of any GDRs contemplated by this Prospectus may not be made in that Relevant Member State except that a distribution to the public in that Relevant Member State of any GDRs may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to a Qualified Investor; or

(b) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such distribution of GDRs shall result in a requirement for the publication by the Company of a Prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an offer to the public in relation to any GDRs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the GDRs to be offered so as to enable an investor to decide to purchase or subscribe for the GDRs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Transfer Restrictions

Each holder of Shares, GDSs or GDRs (the "**Securities**") may re-offer or re-sell such Securities only pursuant to exemptions from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. In the event that at some future time any recipient of Securities wishes to dispose of any of the Securities, it may not do so unless it complies with the applicable restrictions described in the legends described below and unless:

(a) the Securities are sold to the Company or any affiliate thereof;

(b) the Securities are sold to a QP and QIB that, prior to such transfer, furnishes to the Company a signed letter containing certain representations and agreements substantially in the form set forth in Annex 1 of this Prospectus; or

(c) the Securities are sold outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act.

The Rule 144A GDSs distributed in reliance on the exception set forth in Section 3(c)(7) of the U.S. Investment Company Act and the exemption provided by Section 4(2) of the U.S. Securities Act will be issued in registered, uncertificated form, and the Regulation S GDSs distributed in reliance on the exemption from registration provided by Regulation S will be evidenced by a Master Regulation S GDR registered in the name of Cede & Co as nominee for DTC and will be held by The Bank of New York Mellon as custodian for DTC.

Each confirmation of registration of uncertificated Rule 144A GDSs and each Rule 144A GDR will bear the following legend, which will apply to the Rule 144A GDSs evidenced thereby and the Shares represented thereby:

> THE RULE 144A GLOBAL DEPOSITARY SHARES AND THE ORDINARY SHARES (“SHARES”) OF ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E. (THE “COMPANY”) REPRESENTED THEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND THE COMPANY IS NOT REGISTERED UNDER THE U.S. INVESTMENT COMPANY OF 1940, AS AMENDED (THE “40 ACT”) IN RELIANCE ON THE EXCEPTION SET FORTH IN SECTION 3(C)(7) THEREOF, AND THOSE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO A PERSON WHOM THE BENEFICIAL OWNER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS BOTH A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE 40 ACT (A “QUALIFIED PURCHASER”) AND A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“QIB”) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, THAT DELIVERS A SIGNED CERTIFICATION AND AGREEMENT SUBSTANTIALLY IN THE FORM OF ANNEX I TO THE RULE 144A DEPOSIT AGREEMENT; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (PROVIDED THE TRANSFEROR SHALL, PRIOR TO THE SETTLEMENT OF SUCH SALE, WITHDRAW THE SHARES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE RULE 144A DEPOSIT AGREEMENT AND INSTRUCT THAT SHARES BE DELIVERED TO THE CUSTODIAN UNDER THE REGULATION S DEPOSIT AGREEMENT FOR ISSUANCE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS THEREOF, OF REGULATION S GLOBAL DEPOSITARY SHARES TO OR FOR THE ACCOUNT THE TRANSFEREE); OR (C) TO THE COMPANY OR ITS AFFILIATES, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. THE BENEFICIAL OWNER OF SHARES RECEIVED UPON CANCELLATION OF ANY RULE 144A GLOBAL DEPOSITARY SHARES MAY NOT DEPOSIT OR CAUSE TO BE DEPOSITED SUCH SHARES INTO ANY DEPOSITARY RECEIPT FACILITY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK, OTHER THAN A RULE 144A RESTRICTED DEPOSITARY

SHARES FACILITY, SO LONG AS SUCH SHARES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT. EACH HOLDER OF THE RULE 144A GLOBAL DEPOSITARY SHARES REPRESENTED HEREBY, BY PURCHASING THIS SECURITY, REPRESENTS AND WARRANTS ON EACH DAY FROM AND INCLUDING THE DATE OF ITS PURCHASE OF THIS SECURITY THROUGH AND INCLUDING THE DATE OF ITS DISPOSITION OF THIS SECURITY THAT THE ACQUISITION, HOLDING AND DISPOSITION OF SUCH SECURITY DOES NOT AND WILL NOT CONSTITUTE A PROHIBITED TRANSACTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR THE INTERNAL REVENUE CODE OF 1986, FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

Each Regulation S GDR will bear the following legend, which will apply to the Regulation S GDSs evidenced thereby and the Shares represented thereby:

THIS REGULATION S GLOBAL DEPOSITARY RECEIPT, THE REGULATION S GLOBAL DEPOSITARY SHARES EVIDENCED HEREBY AND THE ORDINARY SHARES (THE "SHARES") OF ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E. (THE "COMPANY") REPRESENTED THEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, PRIOR TO THE EXPIRATION OF A RESTRICTED PERIOD (DEFINED AS THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE REGULATION S GLOBAL DEPOSITARY SHARES EVIDENCED HEREBY AND THE RULE 144A GLOBAL DEPOSITARY SHARES AND THE RELATED CLOSING), THOSE SECURITIES MAY NOT BE OFFERED, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; (B) TO A PERSON WHOM THE BENEFICIAL OWNER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS BOTH A "QUALIFIED PURCHASER" AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (A "QUALIFIED PURCHASER") AND A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("QIB") IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, THAT DELIVERS A SIGNED CERTIFICATION AND AGREEMENT SUBSTANTIALLY IN THE FORM OF ANNEX I TO THE RULE 144A DEPOSIT AGREEMENT (PROVIDED THE TRANSFEROR SHALL, PRIOR TO THE SETTLEMENT OF SUCH SALE, WITHDRAW THE SHARES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE REGULATION S DEPOSIT AGREEMENT AND INSTRUCT THAT SHARES BE DELIVERED TO THE CUSTODIAN UNDER THE RULE 144A DEPOSIT AGREEMENT FOR ISSUANCE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS THEREOF, OF RULE 144A GLOBAL DEPOSITARY SHARES TO OR FOR THE ACCOUNT THE TRANSFEREE); OR (C) TO THE COMPANY OR ITS AFFILIATES, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND WARRANTS ON EACH DAY FROM AND INCLUDING THE DATE OF ITS PURCHASE OF THIS SECURITY THROUGH AND INCLUDING THE DATE OF ITS DISPOSITION OF THIS SECURITY THAT THE ACQUISITION, HOLDING AND DISPOSITION OF SUCH SECURITY DOES NOT AND WILL NOT CONSTITUTE A PROHIBITED

TRANSACTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR THE INTERNAL REVENUE CODE OF 1986, FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

SETTLEMENT AND DELIVERY

Clearing and Settlement of Regulation S GDRs

Custodial and depositary links have been established with DTC to facilitate the initial issue of the Regulation S GDRs and cross-market transfers of the Regulation S GDRs associated with secondary market trading.

DTC

DTC has advised the Company as follows: DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants (including Euroclear and Clearstream) and facilitates the clearance and settlement of securities transactions between DTC participants through electronic computerized book-entry changes in DTC participants' accounts. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. Indirect access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the Regulation S GDRs holding through DTC will receive, to the extent received by the Depositary, all distributions of dividends or other payments with respect to book-entry interests in the Regulation S GDRs from the Depositary through DTC and DTC participants. Distributions in the United States will be subject to relevant US tax laws and regulations. See "*Taxation—United States Federal Tax Considerations.*"

As DTC can act on behalf of DTC direct participants only, who in turn act on behalf of DTC indirect participants, the ability of beneficial owners who are indirect participants to pledge book-entry interests in the Regulation S GDRs to persons or entities that do not participate in DTC, or otherwise take actions with respect to book-entry interests in the Regulation S GDRs, may be limited.

Euroclear and Clearstream

Euroclear and Clearstream, Luxembourg each hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Clearance and Settlement Procedures for Regulation S GDRs

Ownership of interest in Regulation S GDRs evidenced by the Master Regulation S GDR will be limited to DTC participants or persons who hold interests through DTC participants (including Euroclear and Clearstream). Ownership of such interests will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee, Cede & Co (with respect to interests of DTC participants) and the records of DTC participants (with respect to interests of persons other than DTC participants). Transfer of Regulation S GDRs will settle in same day funds.

So long as Cede & Co. as nominee of DTC, is the registered owner or holder of the Master Regulation S GDR, Cede & Co., will be considered the sole legal owner of the Regulation S GDRs evidenced by such security for all purposes under the Deposit Agreements and the GDRs. In addition, no owner of an interest in the Regulation S GDRs evidenced by the Master Regulation S GDR will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Deposit Agreements, and, if applicable, those of Euroclear and Clearstream).

Transfers between DTC participants will be effected through DTC. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in Regulation S GDRs evidenced by a Master Regulation S GDR may be limited. Because DTC can only act on behalf of DTC participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in Regulation S GDRs evidenced by the Master Regulation S GDR to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of such interest, may be affected by the lack of physical individual definitive securities in respect of such interest. Transfers between account holders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Regulation S GDRs described above, cross-market transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream accountholders, on the other, will be effected through DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Regulation S GDRs, as the case may be, and making or receiving payment in accordance with normal procedures for settlement applicable to DTC. Euroclear and Clearstream accountholders may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of the time zone differences, the securities of a Euroclear or Clearstream accountholder purchasing an interest in a security from a DTC participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and such credit of any transactions in interests in such securities settled during such processing day will be reported to the relevant Euroclear or Clearstream accountholder on such day. Cash received in Euroclear or Clearstream as a result of sales of interest in securities by or through a Euroclear or Clearstream accountholder to a DTC participant will be received for value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

DTC has advised the Company that it will take any action permitted to be taken by a holder of Regulation S GDRs only at the direction of one or more DTC participants to whose account or accounts with DTC interests in the Regulation S GDRs evidenced by the Master Regulation S GDR are credited and only in respect of such portion of the number of Regulation S GDRs, as to which such DTC participant or DTC participants has or have given such direction. However, in the limited circumstances described above, DTC will exchange Master Regulation S GDRs for individual definitive securities, which will be distributed to its participants. Holders of indirect interests in securities evidenced by the Master Regulation S GDR through DTC participants have no direct rights to enforce such interests while the securities are in global form. In the event that the Regulation S GDRs are issued in definitive certificated form, the Company will appoint a paying agent and registrar in the United Kingdom.

General

Although the foregoing sets out the procedures of Euroclear, Clearstream and DTC in order to facilitate the transfers of interests in the Regulation S GDRs among participants of Euroclear, Clearstream and DTC, none of Euroclear, Clearstream or DTC are under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Depositary, the Custodian or their respective agents will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective participants of their respective obligations under the rules and procedures governing their operations.

Form, Exchange and Transfer of Rule 144A GDSs

The Rule 144A GDSs were issued initially only in fully registered uncertificated form on the direct registration system of the Depositary. Rule 144A GDSs will not be eligible for any book-entry settlement system. As a result, transfers of title to Rule 144A GDSs will not clear and settle through DTC, Euroclear or Clearstream, Luxembourg.

Holders may obtain Rule 144A GDRs evidencing their Rule 144A GDSs by delivering a written instruction to the Depositary.

Holders may exchange or register transfers of their certificated securities at the Depositary’s office.

Holders will be required to pay a service charge to register transfer of their Rule 144A GDSs. In addition, they may be required to pay any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if the Depositary is satisfied with the holder’s proof of legal ownership and the certifications described under “*Transfer Restrictions*”.

ADDITIONAL INFORMATION

1. Information Relating to the Depositary

a. The Depositary is a state-chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Department of Financial Services. The Depositary was constituted in 1784 in the State of New York. It is a wholly owned subsidiary of The Bank of New York Mellon Corporation, a New York bank holding company. The principal office of the Depositary is located at One Wall Street, New York, New York 10286, United States. Its principal administrative offices are located at 101 Barclay Street, 22nd Floor West, New York, New York 10286, United States. A copy of the Depositary's articles of association, as amended, together with copies of The Bank of New York Mellon Corporation's most recent financial statements and annual report are available for inspection at the Corporate Trust Office of the Depositary located at 101 Barclay Street, New York, NY 10286, United States and at The Bank of New York, One Canada Square, London E14 5AL, United Kingdom. The Depositary is validly incorporated.

b. The Depositary maintains the register of GDR holders at its New York offices or at the specified office of its agent.

2. Statutory Auditors

a. The Group's Combined Financial Statements and Combined Interim Financial Information included in this Prospectus has been audited by KPMG Hazem Hassan of Pyramids Heights Office Park, Km 22 Cairo/ Alex Road, P.O. Box 48 Al Ahram, Giza, Egypt. KPMG is a member of the Egyptian Central Auditing Organisation. The financial information for the nine months ended 30 September 2010 included in the Combined Interim Financial Information is unaudited.

b. KPMG Hazem Hassan has given and not withdrawn its written consent to the inclusion in this Prospectus of its auditor's reports on the OTMT Group in relation to (i) the Combined Financial Statements (ii) the Combined Interim Financial Information and (iii) the Unaudited Pro Forma Combined Financial Information in the form and context in which they appear, and has authorized the contents of its reports on the OTMT Group for the purposes of paragraph 5.5.4R(2)(f) of the Prospectus Rules and for the purpose of paragraph 23.1 of Annex X of the Prospectus Directive Regulation. KPMG Hazem Hassan has also accepted responsibility for its reports as part of the Prospectus and declared that it has taken all reasonable care to ensure that the information contained in such reports are to the best of its knowledge, in accordance with the facts and contains no omission likely to affect their import. This declaration is included in the Prospectus in compliance with Annex X item 1.2 of the Prospectus Directive Regulation.

3. Key Information about the Admission of the GDRs

a. All of the GDRs were issued to existing shareholders of Orascom Telecom Holdings S.A.E on the Demerger Closing Date and no GDRs have been marketed to, nor are any available for purchase, in whole or in part, by the public in the UK or elsewhere in connection with the Demerger or Admission. This document is not an offer or invitation to the public to subscribe for GDRs but is issued for the purposes of the admission of the GDRs to the Official List and to trading on the London Stock Exchange's regulated market for listed securities.

b. There will be no proceeds in connection with Admission.

c. The total estimated expenses incurred by the Company in connection with Admission is \$3,000,000.

4. Dividend policy

a. The Company's primary goal will be to maintain sufficient reserves and liquidity to ensure its operational and financial needs and to maintain a strong growth profile for its business.

The Company intends to operate a progressive distribution policy based on what are believed to be sustainable levels of dividend payments supplemented by variable distribution to shareholders of any excess cash resources. Consequently, dividends will vary from year to year.

The level of dividends suggested by the Board and the approval of the shareholders at the annual general assembly meeting will be dependent in part on the Company's financial condition, results of operations, prospects, cash flow, capital requirements and reserves and the effect of any such dividends on the Company's tax position. Any amounts available for payment of dividends by the Company will also depend on the level of dividends received from its subsidiaries and affiliates. The Company has never before paid dividends but intends to pay dividends in the future.

As a holding company, the level of the Company's income and its ability to pay dividends depend primarily upon the receipt of dividends and any other distributions from its subsidiaries. The payment of dividends by its subsidiaries is contingent upon the sufficiency of their earnings, cash flows and distributable profits. In addition, the Company's ability to make any distribution of dividends may be limited by the restrictive covenants contained within any financing facilities.

b. The Company has not paid any dividends since its incorporation.

5. Material Contracts

Below is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Group is a party (i) in the two years immediately preceding the date of this Prospectus and which are, or may be, material or (ii) which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this Prospectus.

a. Sale of Direct and Indirect Interests in ECMS

On 11 April 2012, the Company has entered into an agreement whereby it agreed to dispose of most of its direct and indirect interest in ECMS. This transaction completed on 19 June 2012. See "*Information Relating to the Sale of Direct and Indirect Interests in ECMS".*

b. MobiNil Shareholders Agreement

On 11 April 2012, the Company entered into an amended and restated shareholders agreement with FT whereby it agreed to continue participating in the management of ECMS going forward and various put and call options with France Telecom-Orange. The material terms of the MobiNil Shareholders Agreement are outlined below.

Pursuant to the MobiNil Shareholders Agreement, the Company and FT have agreed the following governance mechanics relating to ECMS (so long as the Company maintains agreed shareholding thresholds):

- The board of directors of ECMS will consist of 13 directors, 7 appointed by FT and 6 Egyptian citizens including 3 appointed by the Company and 3 independent directors;
- The Company will continue to participate in the management of ECMS, including through its participation in the Audit Committee and in the Nomination and Compensation Committee of ECMS; and
- The CEO of ECMS will be appointed by the Board of Directors of ECMS following consultation with ECMS' Nomination and Compensation Committee. The CEO, further to consultation with the Nomination and Compensation Committee, will appoint the other senior management of ECMS.

In addition, under the MobiNil Shareholders Agreement, the parties have agreed to the following set of put and call options with respect to the Company's remaining stakes in ECMS and MT Telecom:

- Put Option
  - FT and the Company have agreed to limit the Company's put option for its 5% remaining direct stake in ECMS to 1.67% per annum over a three-year period from 2015 to 2017, subject to the trading rules of the 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, the last exercise of such put option leading to the sale of the 28.75% voting rights in MT Telecom.
  - The Company will also have certain agreed exit rights in the event FT involves another local partner in the MobiNil business.
- Call Option
  - To give FT additional control over a potential future divestment by the Company, FT will have the option to call all (but not less than all) of the Company's remaining direct stake in ECMS and in MT Telecom, in the following circumstances:
  - During a January-February exercise period in each year from 2013 to 2017. The exercise price of the option accretes from EGP 243.5 (in 2013) to EGP 296 (in 2017) payable in cash per ECMS share.
  - Upon a change of control of the Company, in which case the exercise price of the call option will be the fair market value of ECMS shares (as determined per the amended and restated shareholders agreement) plus a premium of 5% payable in cash.

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

c. General Services Agreement

The Company has entered into a General Services Agreement (which was amended and restated on 11 April 2012) with ECMS, whereby the Company receives a management fee equal to 0.75% of the total revenues of ECMS excluding equipment sales and sales taxes in return for providing various services to ECMS including, but not limited to, marketing organisation and process design, marketing strategy, market research, geomarketing, pricing policy, product design and development, communication policy and support, sales strategy and support, technical organisation, network planning, customer care, information systems organisation, information systems planning, interconnection relations, finance and administration for business projects, information systems (including billing, customer care and network management), procurement policy, recruitment and legal support).

Pursuant to this General Services Agreement OTMT is appointed as one of ECMS' preferred suppliers for providing telecommunication operations services, and ECMS will provide OTMT with a right to prepare and submit offers prior to other providers being contacted.

The General Services Agreement can be terminated by either party in the event of material default by the other party.

d. Agreements with DPRK

The agreements outlined below were entered into by OTH and transferred to OTMT as part of the Demerger.

OTH entered into an agreement with KPTC in January 2008 (as supplemented by an agreement entered into in March 2010) whereby it agreed to form and invest in koryolink with KPTC.

Pursuant to this agreement:

- CHEO Technology Joint Venture Co. was formed, with the Company holding a 75% economic interest and KPTC holding a 25% economic interest;
- the Company was awarded a greenfield license to establish and operate a 3G network in DPRK for a period of 25 years with an exclusivity period of 4 years, which it would establish and operate through the koryolink vehicle;
- the Company is entitled to appoint 4 out of 7 members of the board of directors of koryolink (including the chairman of koryolink), and KPTC is entitled to appoint the remaining 3 directors (including the vice chairman);
- the Company agreed to establish a mobile network in high population areas in DPRK, including provincial seats, cities and county seats;
- the Company agreed to use efforts to achieve various planned targets for numbers of subscribers, which it has now fulfilled;
- each of KPTC and the Company has a right of first refusal in the event the other party wishes to sell their shareholding in CHEO Technology Joint Venture Company; and
- the agreement can be terminated by either party in the event of insolvency, written consent of both parties, or material breach by the other party.

In addition to the agreement outlined above, OTH also entered into the koryolink Management Agreement. Pursuant to the koryolink Management Agreement the Company provides technical, management, accounting, legal, tax, regulatory, compliance, personnel, IT, know how, training and other administrative and operational assistance to support and secure the continued growth of koryolink, as well as specific assistance on a project-definition basis. In exchange for the provision of such services, the Company receives a management fee of 5% of the total gross revenue of koryolink, paid directly to the Company quarterly in USD. The Company is under an obligation in the koryolink Management Agreement to provide such services diligently and in accordance with international standards and practices as they apply in the telecommunications business. The koryolink Management Agreement is effective for the full license period as described above, and automatically renews upon renewal of such license.

e. Alfa Management Contract

In February 2012 the Company reentered into the Alfa Management Contract, pursuant to which it was renewed for another year. The currently applicable material terms of the Alfa Management Contract are as follows:

- the Alfa Management Contract will be valid for one year (and may be renewed at the discretion of the Republic of Lebanon). The Alfa Management Contract can be terminated by the Republic of Lebanon on three months notice to the Company if it pays a fee to the Company, or upon material unremedied or persistent breach by either party;

- the Company has undertaken to take full responsibility for the management, operation and maintenance of the digital mobile cellular telecommunications system which it has agreed to manage, including all MIC1 mobile network assets, and has taken full responsibility for the management and operation of OTL and MIC1. The Company has also undertaken to provide managerial, technical, marketing, know-how and other services to OTL and MIC1 or otherwise in connection with the management of the MIC1 mobile assets, as well as to ensure the mobile network assets are updated, enhanced and upgraded in line with technical and engineering developments which are generally adopted in the industry;

- the Company has undertaken to use its best efforts to achieve certain performance targets, which relate to, amongst others: successful call completion rates; general quality of radio network; network dropped call rates; network successful handovers; percentage of bad debts;

percentage of postpaid uncollected bills; number of subscriber billing complaints; average time to resolve customer complaints; and average time to respond to customer calls. The Company must also provide a quality of service to subscribers which is at least equivalent to that achieved on average during the 12 months immediately preceding February 2012;

- the Company shall receives a monthly fee of US$ 0.6 million and a percentage of revenues which is variable depending on achieving certain objectives. The percentage of revenues varies from 0.05% to 0.1% per objective with a potential upside if the objective is met before the required date. The Company has undertaken to use its best efforts to achieve these objectives and they relate to various quality of service, roaming, innovation, mobile applications, remote monitoring and introduction of Mobile Internet Service Provider milestones, as well as not exceeding certain budgeted operating expenditure costs; and

- all operating costs, including personnel costs will be borne by the operator. The operator will also incur all capital expenditure.

f. ECMS Licence

The currently applicable terms of the ECMS license and annexes are as outlined below.

The ECMS GSM License

On 18 April 1998, the Minister of Transport and Communications representing the Regulatory Authority acting on behalf of Egypt (the ‘‘**Licensor’’**) and ECMS entered into a license agreement (the "**ECMS License Agreement**"). The ECMS GSM License Agreement has the following key terms:

- ECMS is granted a license to establish and operate a GSM 900 digital cellular mobile telephone network within Egypt for an initial fee of EGP 1.76 billion.

- The license period is 15 years, renewable for successive five-year periods (this period has been extended until 16 October 2022 as a result of the 3G Annex (as defined and discussed below). The license is to be automatically renewed within two years prior to the expiry of the initial license without the requirement of any upfront royalty.

- ECMS must cover 85% of the populated area of Egypt within four years of the date of the agreement (this requirement has been met) and is required to maintain certain quality of service standards.

- Any changes to tariffs, new tariffs or tariff packages are subject to the prior written approval of the Licensor.

- ECMS may not transfer any of its rights or obligations except with the prior written consent of the Licensor (such consent not to be unreasonably withheld).

- The license terminates upon the bankruptcy of ECMS, failure of ECMS to pay license fees, or repeated or intentional breach of the license agreement by ECMS. ECMS is entitled to enter into conciliation meetings and to appeal any termination decision.

ECMS Annex I and II

On 27 January 2005, and 2 July 2006, the NTRA and ECMS entered into annexes to the ECMS License Agreement (the "**ECMS Annex I and II**"). This supplements the ECMS License Agreement with the following key terms:

- ECMS is granted a license to establish and operate a GSM 1800 MHz network until 16 October 2022.

- ECMS is required to prepare and provide to the NTRA a plan for the development and renovation of the network infrastructure in line with the quality levels applicable to the

Egyptian telecom market. ECMS must observe the goals and estimated timetables set out in the plan and submit a semi-annual report reflecting such compliance.

- Mobile number portability and national roaming have been introduced.
- ECMS must host Etisalat Misr on its network.

The 3G Annex

On 17 October 2007, the NTRA and ECMS entered into an annex to the ECMS License to use frequencies enabling third generation "3G" services (the "**3G Annex**"). This supplements the ECMS License Agreement and ECMS Annex I and II with the following key terms:

- A 3G license is granted until 16 October 2022 and the GSM licenses described above are extended for the same period.
- The license is renewable for 5 years, provided ECMS complies with its obligations.
- The 3G license provides ECMS with 10 MHz of additional bandwidth in the 3G range.
- 3G coverage service for 97% of Egypt's population must be attained by the end of 2012 and certain quality of service standards must be maintained.
- Specific network coverage requirements applying to Egypt's highway network must be attained.
- ECMS is currently required to pay a fee for the universal fund, up to but not exceeding 0.5% of its total revenue for the duration of the license.

6. Legal Proceedings

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware), during the last 12 months that which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

7. Related Party Transactions

The following section sets out details of the related party transactions, as defined by IFRS and in particular by IAS 24 - *Related Party Disclosures*, of the Group for the years ended 31 December 2010, 2009 and 2008 and for the nine months ended 30 September 2011 and 2010.

Transactions with subsidiaries, associates, with the Parent Company and its subsidiaries and other related parties are not considered atypical or unusual, as they fall within the Group's normal course of business and are conducted under market conditions that would be performed by independent third parties.

The information set forth below has been extracted without adjustment from the Combined Financial Statements and the Combined Interim Financial Information.

Related party revenues mainly related to the sale of content download services. Transactions with Orascom Telecom Algeria and Pakistan Mobile Communication Limited Group also included leased line revenue. Transactions with Wind International Services Group referred to broadband and high-speed connectivity leasing from TWA, furthermore, Wind International Services Group and Orasinvest Holding Inc. have provided maintenance and support services to the Group.

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

Orascom Telecom Services Europe and Minimax Ventures provide consulting and management support, including outsourcing of employees.

Details of related party transactions are included in Note 27 to the Combined Financial Statements and Note 21 to the Combined Interim Financial Information.

Years ended 31 December 2010, 2009 and 2008

Income Statement Effect of Transactions with Related Parties

Revenues

The Group's revenues from related parties amounted to US$ 29.3 million for the year ended 31 December 2010, US$ 28.2 million for the year ended 31 December 2009 and US$ 36.7 million for the year ended 31 December 2008, representing 11.9%, 17.3% and 49.3% of the Group's combined revenues for each of the periods respectively. In each of the periods, related party revenues mainly relate to the management fee received from ECMS. The following table summarises the revenues generated from each of the Group's related parties for the years ended 31 December 2010, 2009 and 2008.

	Year ended 31 December		
(in thousands of US$)	**2010**	**2009**	**2008**
	Revenue		
Orascom Telecom Algeria	4,728	8,300	12,093
Pakistan Mobile Communication Limited Group	6,473	1,982	6,554
Wind International Services Group	-	274	-
banglalink	1,012	643	905
LinkDotNet	905	-	-
Ring Group	1,686	636	429
ECMS	14,471	16,388	16,679
Total	**29,275**	**28,223**	**36,660**
% of total	*11.9%*	*17.3%*	*49.3%*

Costs

The Group's costs for the purchases and services of goods from related parties amounted to US$ 2.2 million for the year ended 31 December 2010, US$ 6.0 million for the year ended 31 December 2009 and US$ 9.0 million for the year ended 31 December 2008, representing 1.9%, 6.0% and 17.5% of the Group's combined costs for purchases of services and goods for each of the periods respectively.

In addition, the Group incurred personnel expenses with related parties amounting to US$ 5.5 million in the year ended 31 December 2010, US$ 4.0 million in the year ended 31 December 2009 and US$ 0.9 million in the year ended 31 December 2008, relating entirely to consulting and management support provided by Minimax Ventures. The following table summarises the purchases of services and goods and personnel expenses incurred with each of the Group's related parties for the years ended 31 December 2010, 2009 and 2008.

	Year ended 31 December					
(in thousands of US$)	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
	Purchase of services and goods			*Personnel expenses*		
Wind International Services Group	(392)	-	(1,462)	-	-	-
Orascom Telecom Services Europe	(1,822)	(1,286)	(753)	-	-	-
Minimax Ventures	-	-	-	(5,482)	(3,994)	(887)
Ring Group	-	(4,728)	(861)	-	-	-

Orasinvest Holding Inc.	-	-	(5,960)	-	-	-
Total	**(2,214)**	**(6,014)**	**(9,036)**	**(5,482)**	**(3,994)**	**(887)**
% of total	*1.9%*	*6.0%*	*17.5%*	*9.6%*	*8.7%*	*3.8%*

Statement of Financial Position

The following table summarises the statement of financial position impact of the Group's related party transactions as of 31 December 2010, 2009 and 2008.

	As of 31 December					
(in thousands of US$)	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
	Receivables			*Payables*		
Orascom Telecom Algeria	5,918	5,604	6,522	-	-	-
banglalink	-	-	747	-	-	-
Pakistan Mobile Communication Limited Group	20,106	19,921	6,168	-	-	-
Ring Group	1,227	1,293	-	-	-	(653)
Wind International Services Group	-	-	-	-	-	(20,195)
Total	**27,251**	**26,818**	**13,437**	**-**	**-**	**(20,848)**

Nine months ended 30 September 2011 and 2010

Income Statement Effect of Transactions with Related Parties

Revenues

The Group's revenues from related parties amounted to US$ 15.9 million for the nine months ended 30 September 2011 and US$ 21.7 million for the nine months ended 30 September 2010, representing 6.7%, and 12.3% of the Group's combined revenues for each of the periods respectively. In each of the periods, related party revenues mainly relate to the management fee received from ECMS. The following table summarises the revenues generated from each of the Group's related parties for the nine months ended 30 September 2011 and 2010.

	Nine months ended 30 September	
(in thousands of US$)	**2011**	**2010**
	Revenue	
		(unaudited)
Orascom Telecom Algeria	-	3,848
Pakistan Mobile Communication Limited Group	4,810	5,073
banglalink	-	598
Ring Group	2,016	1,368
ECMS	9,066	10,769
Total	**15,892**	**21,656**
% of total	*6.7%*	*12.3%*

Costs

The Group's costs for the purchases and services of goods from related parties amounted to US$ 0.6 million for the nine months ended 30 September 2011 and US$ 2.0 million for the nine months ended 30 September 2010, representing 0.7% and 2.3% of the Group's combined costs for purchases of services and goods for each of the periods respectively.

In addition, the Group incurred personnel expenses with related parties amounting to US$ 4.3 million in each of the nine months ended 30 September 2011 and 2010, relating entirely to consulting and management support provided by Minimax Ventures. The following table summarises the purchases of services and goods and personnel expenses incurred with each of the Group's related parties for the nine months ended 30 September 2011 and 2010.

	Nine months ended 30 September			
(in thousands of US$)	**2011**	**2010**	**2011**	**2010**
	Purchase of services and goods		*Personnel expenses*	
		(unaudited)		*(unaudited)*
Wind International Services Group	-	(335)	-	-
Orascom Telecom Services Europe	(604)	(1,713)	-	-
Minimax Ventures	-	-	(4,310)	(4,272)
Total	**(604)**	**(2,048)**	**(4,310)**	**(4,272)**
% of total	*0.7%*	*2.3%*	*9.5%*	*9.4%*

Statement of Financial Position

The following table summarises the statement of financial position impact of the Group's related party transactions as of 30 September 2011 and as of 31 December 2010.

	As of 30 September	**As of 31 December**
(in thousands of US$)	**2011**	**2010**
	Receivables	
Orascom Telecom Algeria	-	5,918
banglalink	686	-
Pakistan Mobile Communication Limited Group	12,275	20,106
Ring Group	47	1,227
Total	**13,009**	**27,251**

Related Party Transactions Subsequent to 30 September 2011

The following section sets out details of the related party transactions, as defined by IFRS and in particular by IAS 24 - *Related Party Disclosures*, of the Group for the period covering 30 September 2011 to the date of the Prospectus.

Management Fee from ECMS

The ECMS management fee for the period from 1 October 2011 until the date of the Prospectus amounted to approximately US$8 million.

Management support provided by Minimax Ventures
During the three months ended 31 December 2011, Minimax Ventures provided consulting and management support, including outsourcing of employees. The total related party personnel expenses for the three months ended 31 December 2011 was approximately US$ 1 million. From January 2012, the Minimax employees were employed by the Group and no further transactions with Minimax Ventures have taken place.

Pakistan Mobile Communication Limited Group
Revenues generated from Pakistan Mobile Communication Group Limited, in relation to content download and leased line revenue, for the period from 1 October 2011 until the date of the Prospectus amounted to approximately US$ 4 million.

OTH
In connection with the Demerger and the Separation Agreement, subsequent to 30 September 2011 the Group has recorded a payable to OTH for an amount of approximately US$ 50 million. The final settlement amount is under negotiation between the parties.

There are no other related party transactions subsequent to 30 September 2011 to the date of the Prospectus.

8. Major Shareholders

a. As of the date of this Prospectus, we are aware of the following persons who, directly or indirectly, had a notifiable interest in 5% or more of the Company's issued Shares:

Identity of Person or Group	*Number of Shares owned*	*Number of GDRs owned*	*Percentage of Equity Capital*
OTMT Acquisition S.à r.l.	0	541,997,864	51.7%

b. OTMT Acquisition S.à r.l. is 100% owned by Weather Investments II *S.à.r.l*, which is owned by entities beneficially owned and controlled by the Sawiris family. Naguib Sawiris is the Chairman of the Company.

c. None of our principal holders of Shares listed above have voting rights different from other holders of Shares.

d. As of the date of this Prospectus), there are no arrangements the operation of which may at a later date result in a change of control of the Company.

e. Save in respect of OTMT Acquisition S.à r.l., we are not aware of any person who either as at the date of this Prospectus or immediately following the Listing who exercises, or could exercise, directly or indirectly, control over us.

f. Certain protections are in place which serve to limit the control exercised by the majority shareholder. These are:

- Certain matters within the exclusive scope of the extraordinary shareholders' meeting require a 75% majority vote of those present or represented at the meeting to be passed. These include amendments to the Company's Statutes, modification of certain shareholders' rights, approval of mergers, increases or decreases in share capital, and the dissolution of the Company. Such provisions help ensure control is not abused by the majority shareholder because a sufficient number of minority shareholders would be able to prevent such a resolution being passed by the majority shareholder if necessary.

- As an Egyptian listed company with a listing on the EGX, the Company is regulated by the EFSA which has scope to intervene in the event that it believes there is abuse by a majority shareholder of a company. The board of directors of the EFSA, based on a request by any shareholder holding at least 5% of the Shares, may suspend or nullify a resolution adopted by any ordinary or extraordinary general meeting if such resolution is found to favor or disfavor a certain group of shareholders or any particular member or provides a special benefit to the Board or any particular member.

Notwithstanding the above, the majority shareholder has a sufficiently large shareholding to pass ordinary resolutions of the Company by itself, and the Statutes of the Company do not provide any specific provisions that ensure control by the majority shareholder of the Company is not abused. Consequently, minority shareholders have limited protections and may have limited recourse against the actions of the majority shareholder, which has extensive rights, and whose interests may conflict with those of minority investors. See "*Risk Factors - The Company is controlled by one major shareholder whose interests may conflict with the interests of investors*".

9. Description of Share Capital and Statutes

Below is a summary of certain information relating to the Ordinary Shares and the GDRs, certain provisions of the Statutes of the Company, the Egyptian Capital Markets' Law no. 95 of 1992 ("**Capital Markets Law**"), Egyptian Companies' Law no. 159 of 1981 ("**Companies' Law**") and certain related laws and regulations, all in effect as at the date hereof. This summary does not purport to be complete.

a. *Share Capital*

As of the date of this Prospectus, the Company has a single class of ordinary shares of the same class and ranking ("**Shares**") comprising of 5,245,690,620 fully paid issued Shares each with a par value of EGP 0.42. No preferred shares are currently outstanding and there have been no changes to the share capital of the Company since its incorporation.

The Company's authorised share capital is EGP 22,000,000,000 and the Company's issued share capital is EGP 2,203,190,060.40 fully paid up.

Pursuant to Article 1 of the Capital Markets Law, no fractional shares may be issued by an Egyptian company. The Shares have been issued in compliance with Article 31 of the Egyptian Companies' Law.

The Shares are in registered form with Misr for Central Clearing, Depositary and Registry ("**MCDR**").

Each share entitles its holder to a *pari passu* ranking with other shares in the same class. Shares of the same class have the same rights in dividend distribution and liquidation proceeds.

Shareholders are entitled to dividends by virtue of a general assembly resolution approving such distribution within one month after the date of declaration thereof.

Article 18 of the Statutes stipulates that any rights, benefits or restrictions related to any type of shares may not be amended unless by virtue of an extraordinary general assembly resolution and following the approval of a two thirds majority of a special committee of the shareholders of the relevant class of shares which are being amended. Such special committee is convened in the same manner prescribed for the convocation of an extraordinary general assembly.

b. Summary of the Company's Statutes

The Company was incorporated and registered in Egypt under the name of Orascom Telecom Media and Technology Holding S.A.E., as a joint stock company, on 29 November 2011 for an initial term of 25 years in accordance with the Capital Markets Law.

The Statutes encompass all the terms and conditions related to the Company's authorized and issued capital and the shareholding structure. Moreover, the Statutes spell out the rules governing Board meetings and ordinary or extraordinary meetings of the shareholders.

Furthermore, the Statutes provide for the appointment of the auditor setting out his duties and responsibilities towards the shareholders.

The Statutes have no specific disclosure requirements leaving such matter to the applicable provisions of the Capital Market Law and the EGX disclosure requirements envisaged by the EGX Listing Rules.

c. Description of Objects and Purposes of the Company

Article 3 of the Statutes sets out the purpose of the Company as follows:

"Taking into account the provisions of Article 127 of the Executive Regulations and the regulations of the Capital Market Law, the Company may participate in the incorporation of all joint stock companies or limited partnerships that issue securities or in any capital increase thereof. The Company may have interests or participate, in any way, with other entities having similar purposes or that cooperates with the Company in performing its purposes in Egypt or abroad, in addition, the Company may merge, acquire or render its affiliate any of the aforementioned entities according to the Law [Capital Market Law] and its Executive Regulations."

d. Incorporation Liquidation Rights

In the event of liquidation of the Company, the assets of the Company remaining after payment of its debts, liquidation expenses and all of its remaining obligations will be distributed towards the full repayment of the nominal value of the Shares with the balance thereof, if any, distributed pro rata among holders of the Shares.

e. Increases and Reductions in Capital

The Company's authorized share capital may not be decreased or increased unless through a shareholders' resolution duly adopted at an extraordinary general meeting. The approval of the EFSA, and an amendment to the Statutes, is required for such resolutions to become effective. Any increase of the Company's capital must be annotated in the commercial register of the Company.

Increases in the share capital of the Company are regulated by the Statutes. An issuance of shares (within the authorized share capital) may be effected by resolution of the Board setting forth the number and price of the new shares to be issued taking into consideration without prejudice to pre-emptive rights, see "*Pre-emptive Rights*", as determined by an extraordinary general meeting. Notification to the EFSA is required for any increase.

The Company may increase its capital by preferential shares through a shareholders' resolution duly adopted at an extraordinary general meeting. Preferential shares entitle their owner to a greater share in dividends or greater representation in voting or priority in liquidation proceeds in accordance with the extraordinary general assembly resolution.

f. Pre-emptive Rights

The capital of the Company may be increased through the issuance of new shares. The value of such new shares is to be determined based on the fair value on the date of issuance, pursuant to a report of a financial advisor certified by the EFSA for such purpose.

With respect to any capital increase, the following is to be taken into consideration:

- If the set value exceeds the Share's nominal value, then the balance thereof is to be allocated for reserves;
- If the set value is less than the Share's nominal value, then the Company should reduce the nominal value of the Share, including existing Shares, to equal such value and accordingly calculate the capital and

- If the set value is less than the minimum nominal value of shares as stipulated in the Capital Markets Law (currently being EGP 0.10), then the value of the Shares, including existing Shares, will be equal to such minimum value and as a result decrease the number of Shares with the capital calculated accordingly.

The Statues provide existing shareholders with a pre-emptive right to subscribe into any capital increase via cash nominal shares. The subscription period within which the existing shareholders have the right to exercise their pre-emptive rights with respect to the capital increase should not be less than thirty days commencing from the start of the subscription in such shares and in accordance with Articles 31 and 33 of the Executive Regulations of the Capital Market Law.

Nevertheless, the aforementioned subscription period is terminated prior to the lapse of thirty days, in the event that all capital increase shares have been fully subscribed into, pro rata by the existing shareholder.

Transfer of such right, whether independently or coupled with the original shares, within the subscription period is allowed.

Existing shareholders are to be notified of the issuance of capital increase shares through the publication in two daily newspapers; at least one of which should be in Arabic, seven days prior to the date of the commencement of the subscription period. The publication should include the following:

- The Company name, legal structure, headquarters and address;
- The amount of capital increase;
- The date of the commencement and end of the subscription period;
- The pre-emptive rights entitled to existing shareholders to subscribe in the capital increase shares;
- The value of the new shares;
- The name of the entity where the subscription values are held and its address; and
- A statement of the in kind shares or quotas -if any- its value and its allocated shares.

In case the Company did not issue any shares for public subscription and did not issue any bearer shares, the notice may be made by virtue of registered mail with return receipt at least two weeks prior to the commencement of the subscription period, including the aforementioned information.

g. Conversion Provisions

A debt may be capitalized through a shareholders' resolution duly adopted at an extraordinary general meeting.

h. Repurchase of Shares

Pursuant to Article 149 of the Executive Regulations of the Companies' Law, the Company is only entitled to purchase its own shares in order to reduce its outstanding share capital or for distribution to its employees as profit-sharing. The Company must dispose of the acquired Shares within one calendar year from the date of acquisition, any Shares held beyond such period must be cancelled and the Company would be obliged to reduce its capital in an amount equal to the par value of the cancelled shares.

i. Attendance and Voting at Shareholders' Meetings

The Companies' Law provides for two types of shareholders' meetings, ordinary and extraordinary. All shareholders are entitled to attend a shareholders' meeting either personally or by virtue of a proxy. Pursuant to Article 61 of the Companies' Law, an ordinary shareholders' meeting is to be convened at least once a year, within three months following the end of the preceding fiscal year. The Board must prepare the financial statements and a report on the Company’s activities during the year in question within three months following the end of the relevant fiscal year. No later than two weeks prior to the meeting, the financial statements, an abstract of the report and the entire text of the auditors’ report for the relevant fiscal year must be made available to the shareholders.

According to the Statues, all shareholders’ meetings of the Company are to be held in either Cairo or Giza. Notice of the meeting is to be published twice with each notice published in two Egyptian daily morning widely spread newspapers, one of which must be in Arabic, with an interval of at least five days between publication of the first and the second notice. The notice must include the time and place of the meeting, a summary of the agenda and the number of shares outstanding. A copy of the notice of the shareholders’ meeting must be sent to the EFSA and, if any debentures are outstanding, to the representative of the debenture holders, at the same time as notice is given to shareholders, along with a copy of the financial statements and report of the Board to the shareholders. The auditors of the Company are also required to be invited to attend the meeting.

An ordinary general meeting may be convened upon the request of the Board, upon the request of the auditors or at the request of shareholders that hold or represent at least 5% of the outstanding share capital of the Company provided that shareholders wishing to convoke the meeting freeze their shares until after the meeting occurs and obtain a certificate from MCDR to that effect. Matters that may be considered at an ordinary general meeting are to be set forth on the agenda and summarized in the notice issued by the body convening the meeting. Shareholders representing at least 5% of the issued and outstanding Shares may require an item be included on the agenda by providing notice to the Board, by registered mail, return receipt requested, no later than ten days prior to the scheduled date of the meeting, along with evidence of the deposit of their Shares with the company or authorized banks. Matters within the competence of the ordinary general meeting consist of, but are not limited to, the election, re-election or dismissal of directors, the compensation of the members of the Board, the approval of the annual financial statements, the appointment of statutory auditors and the determination of their fees, and the approval of the distribution of profits.

Pursuant to the Statutes a quorum for the ordinary general meeting is constituted by the presence, in person or by proxy, of shareholders holding at least 25% of the outstanding share capital. If there is no quorum then the meeting is adjourned for a maximum of 30 days. Upon recommencement of an adjourned meeting, there is no quorum requirement. Resolutions of ordinary general assemblies are adopted by a virtue of simple majority vote of shareholders present or duly represented at the meeting.

An extraordinary general meeting may be held, at any time, upon the request of the Board or the auditors or at the request of shareholders holding or representing at least 10% of the Company’s outstanding Shares provided that shareholders wishing to convoke the meeting freeze their shares until after the meeting occurs and obtain a certificate from MCDR to that effect. If the Board fails to convene such an extraordinary general meeting within one month of the shareholders’ request, then such request shall be submitted to the EFSA which shall call the meeting.

Pursuant to the Statutes a quorum for the extraordinary general assembly meeting is constituted by is constituted by the presence in person or by proxy of shareholders representing at least 50% of the Company’s outstanding Shares and a quorum of the Board. If there is no quorum, a second meeting must be convened within 30 days, for which the quorum requirement is fulfilled by shareholders holding or representing 25% of the Company’s outstanding Shares. Resolutions of extraordinary general assemblies are adopted by virtue of a two thirds majority vote of the shareholders present or duly represented at the meeting, unless the resolution is relating to an increase or decrease of the capital, the liquidation of the Company, a change of the Company’s purpose or a merger or demerger in which case a 75% majority vote of the shareholders present or duly represented at the meeting is required.

Certain matters are within the exclusive scope of the extraordinary shareholders’ meeting, including, without limitation, amendments to the Company’s Statutes, modification of certain shareholders’ rights, approval of mergers, increases or decreases in share capital, the dissolution of the Company and the extension of the life of the Company beyond the 25 year term provided in the Statutes.

Each Share entitles its holder to one vote at a shareholders' meeting. The manner of voting in all shareholders' meetings is normally by a show of hands. If the resolution relates to the appointment or removal of any Director or the filing of any allegations against a Director, or if the Chairman or at least 10% of shareholders attending the meeting so request, voting can be held by secret ballot. Directors may not vote on any resolution relating to the determination of directors' compensation, fees, discharge of liability or management conduct and responsibility.

Shareholders that are not represented by Directors on the Board may not grant a proxy to a Director of the Board. All proxies must be in writing and the proxy holder must be a shareholder, unless the shareholder giving the proxy is a legal entity. A legal entity may give a proxy to whomever it chooses as its representative other than its representative on the Board. Pursuant to Article 8 of the Executive Regulations of the Capital Market Law and Article 8 of the Statutes, no shareholder may represent, as a proxy holder, more than 10% of the outstanding Shares or more than 20% of the voting power at a meeting. The minutes of the shareholders' meetings are recorded in a register held by the Company. Such minutes are ratified by the EFSA. A brief summary of the resolutions are required to be delivered to the EFSA immediately following the meeting, and the minutes are required to be delivered within 30 days of the meeting. The resolutions are to be disclosed to EGX with material resolutions published on the EGX website as a reporting and transparency requirement.

j. Form, Holding and Transfer of Shares

The Company's Shares are all in registered form, denominated in EGP, created under the laws of Egypt and are freely transferable. All transfers of Shares of the Company must be transacted on EGX through a registered broker. The ISIN code for the ordinary shares is GS693V1C014.

The Company's Shares are eligible for clearing and settlement through MCDR, a book-entry clearing and settlement system. The Company is entitled to request MCDR at any time to issue a detailed statement of the registered owners of Shares held through MCDR.

Article 8 of the Capital Market Law provides, that with respect to a company that has previously offered its shares in a public offering, if any transaction results in an acquirer obtaining more than 10% of the outstanding capital, then such acquirer must notify the company two weeks prior to concluding the contemplated transfer by registered letter. The company must then notify its shareholders holding at least 1% of its shares and the EGX within one week of receiving the prospective purchaser's notice. If the acquirer is a member of the board of directors or an employee then the threshold for notification is 5% of the outstanding capital. The acquirer must complete the transaction in question within one month of the notice. Failure to comply with such article will render the transaction null.

In February 2007, the Minister of Investment issued decree no. 12 adding Chapter 12 to the Executive Regulations of the Capital Market Law. The new chapter requires, without prejudice to Article 8 of the Capital Market Law, any person who acquires 5% of the voting rights or ownership, or multiples thereof, but not exceeding one-third of the voting rights or ownership of companies listed with the EGX, through one or more transaction, to notify the EFSA and the EGX within two working days from the conclusion of the transaction. The notification shall contain full disclosure of the acquirer and its shareholding of the company after the transaction, the number of shares subject to the transaction, the purchase price, disclosure of related parties and the name and address of the brokerage company that executed the transaction. In the event the percentage of acquired shares reaches 25% or more (but not exceeding one-third) of the issued capital of the company or its voting rights, the disclosure shall include the future investments plan and directions in relation to the management of the company, if existent. No public disclosure of the notification is required; however, the EFSA may choose to publish the information.

In the event that one-third or more of the capital or voting rights of a company are acquired on the open market through an acquirer (whether directly or through related parties), the acquirer must present a mandatory tender offer to purchase 100% of the shares and convertible bonds of the target company within 30 days. The same obligation applies where the acquirer increases the aforementioned holding by more than 2% during twelve consecutive months.

In the event the offer price for the securities is less than the average trading price for the six months preceding the tender offer, the tender offer is a swap offer or a mixed offer (i.e. cash and swap), or other events listed in Article 338 of the new chapter, the board of directors has to opine on the tender offer as to its advantage to the company, employees and the shareholders of the company. The EFSA may, in this event, require the board of directors of the company to appoint an independent financial advisor (''**IFA**'') to opine on the tender offer. The rules also necessitate the appointment referenced above, if the tender offer is made by an existing shareholder holding 20% or more of the capital, or in the context of a management buy-out. The new chapter also requires, in the event of an acquisition of more than 90% of the capital or voting rights of a target company, that a mandatory tender offer be presented for the protection of minority rights. The new decree applies to all companies listed on EGX.

k. Limitation of Liability

Pursuant to the Egyptian Companies' Law, a shareholder's liability for an Egyptian joint stock company's losses is limited to the amount of their investment in the Shares or the GDRs, unless the shares are not fully paid, in which case the shareholder is liable for the rest of the unpaid portion of the nominal value of the partly-paid shares.

l. Dividends

Article 58 of the Statutes provides that dividends are paid annually based on the generated profits according to the Company's audited financial statements (prepared in accordance with Egyptian Accounting Standards). Pursuant to the Egyptian Companies Law, the Company must convene an ordinary general meeting no later than three months after the end of the fiscal year to determine dividends, if any, to be distributed. Dividends declared by resolution of the shareholders at an ordinary general meeting must be distributed within one month from the date of the ordinary general meeting. The Statutes provide that certain percentages of the Company's profits be allocated for legal reserves, distribution to employees, shareholders' dividends and Board remuneration.

m. Liquidation Rights and Other Distributions

In the event of liquidation, dissolution or winding-up of the Company, the assets of the Company are to be applied to satisfy its liabilities with the balance thereof pro rata distributed to shareholders.

If, during any given fiscal year, the Company sustains losses exceeding half its capital then the Board must convene an extraordinary general meeting to resolve on whether or not to dissolve the Company.

10. General Information

a. It is expected that the GDRs will be admitted to the Official List on or about 26 June 2012. Application has been made for the additional GDRs to be traded on the main market of the London Stock Exchange. Transactions in GDRs will normally be effected for delivery on the third working day after the day of the transaction.

b. The Ordinary Shares underlying the GDRs being offered were registered with the commercial register in Egypt on 29 November 2011, and were listed on EGX on 29 December 2011.

c. The Company has obtained all consents, approvals and authorizations in Egypt in connection with the issue of the GDRs.

d. Copies of the following documents will be available for inspection free of charge, during normal business hours on any weekday, at the registered offices of the Company from the date of publication of this Prospectus to the admission:

- this Prospectus;
- its Statutes (with a direct and accurate English translation);
- its financial statements as of and for the years ended December 31, 2008, 2009 and 2010, together with the auditors' reports relating thereto; and
- its financial statements as of and for the nine months ended 30 September 2010 and 2011.

e. The Company is a joint stock corporation incorporated and operating under the laws of Egypt, and the registered office of the Company is located at the twenty sixth floor -2005A Nile City Towers –South Tower-Corniche El Nil-Ramlet Beaulac-11221, Cairo, Egypt and the telephone number is + (202) 246 17 300.

f. If definitive certificates are issued in exchange for the Master GDR Certificates, the Company will appoint an agent in the United Kingdom.

g. Other than the completion of the FT Transaction with FT, as described in "*Information Relating to the Sale of Direct and Indirect Ownership Interests in ECMS*" on page 23 of the Prospectus, there has been no significant change in the financial or trading position of the Company since September 30, 2011, the end of the last financial period for which financial information has been published.

h. The GDRs are not denominated in any currency and have no nominal or par value. There is no offer price as the GDRs are not being offered to investors.

i. The London Stock Exchange trading symbol is OTMT.

j. The ISIN code for the Reg S GDRs is US68555D2062.

GLOSSARY

"**2G**" means second generation mobile telecommunications built mainly for voice services and slow data transmission;

"**3G**" means third generation mobile telecommunications, which is a generation of standards for mobile phones and mobile telecommunication services fulfilling the International Mobile Telecommunications 2000 specifications by the International Telecommunication Union. Application services include wide-area wireless voice telephone, mobile internet access, video calls and mobile TV;

"**3P license**" means licenses to operate closed networks, such as landline networks within compounds;

"**Admission**" means admission of the GDRs to the Official List and unconditional trading on the London Stock Exchange;

"**Alfa**" is the commercial name of Mobile Interim Company 1;

"**Alfa Management Contract**" means the management contract entered into by OTL with the MoT in 2009;

"**Arab Finance**" means Arab Finance Brokerage Company;

"**ARPU**" means average revenue per user;

"**Board**" means the board of directors of the Company;

"**Capital Markets Law**" means the Egyptian Capital Markets' Law no. 95 of 1992;

"**Chairman**" means the Chairman as appointed by the Board;

"**CHEO**" means CHEO Technology Joint Venture Co.;

"**CHEO Management Agreement**" means the management agreement between CHEO and KPTC entered into in December 2008;

'**churn rate**' is calculated by dividing the number of disconnections during a period by the average number of customers over the period based on the number at the start and the end of the period;

"**Combined Financial Statements**" means the Group's audited combined financial for the years ended 31 December 2008, 2009 and 2010;

"**Combined Interim Financial Information**" means the interim combined financial information as of 30 September 2011 and for the nine months ended 30 September 2010 and 2011;

"**Companies' Law**" means the Egyptian Companies' Law no. 159 of 1981.

"**Company**" or "**OTMT**" means Orascom Telecom Media and Technology Holding S.A.E;

"**Company Shares**" means the ordinary shares or GDRs of the Company;

"**Completed Demerger**" means the demerger of OTMT from OTH;

"**Completed Demerger Closing Date**" means 29 November 2011;

"**Custodian**" means the Corporate Trust Office of the Depositary;

"**Demerger**" or "**Completed Demerger**" means the Egyptian statutory demerger whereby OTH was partitioned into two separate companies, OTH and the Company;

"**Deposit Agreements**" means the Regulation S Deposit Agreement and the Rule 144A deposit agreement;

"**Depositor's Certificate**" means written certification required in connection with any deposit of Shares for GDSs;

"**Deposited Shares**" means the Regulation S Deposited Shares and, together with the Rule 144A Deposited Shares;

"**Deposited Securities**" means the Regulation S Deposited Securities and, together with the Rule 144A Deposited Securities;

"**Depositary**" means The Bank of New York Mellon;

"**Directors**" means the directors of the Company;

"**DPRK**" means the Democratic People's Republic of Korea;

"**DTC**" means The Depository Trust Company;

"**EBITDA**" means earnings before interest, taxes, depreciation and amortisation;

"**ECMS**" means Egyptian Company for Mobile Services;

"**ECMS Annex I and II**" means the annexes to the ECMS License Agreement;

"**ECMS License Agreement**" means the license agreement entered into on 18 April 1998 by the Minister of Transport and Communications in Egypt and ECMS;

"**EDGE**" means enhanced data rates for GSM evolution and is a digital mobile phone technology that allows improved data transmission rates as a backward-compatible extension of GSM. EDGE is considered a pre-3G radio technology and is part of the International Telecommunication Union's 3G definition;

"**EEA**" means the European Economic Area;

"**EFSA**" means the Egyptian Financial Supervisory Authority;

"**EGX**" means the Egyptian Exchange;

"**Egyptian Pound**", "**EGP**" or "**L.E.**" means references to the currency of Egypt;

"Egyptian Telecommunications Law" means the laws that regulate the telecommunications sector in Egypt;

"**Euro**", "**EUR**" or "**€**" means references to the currency of the member states of the European Union participating in the European Monetary Union;

"**Exchange Act**" means the US Securities Exchange Act of 1934, as amended;

"**Foreign Currency**" means all cash dividends and other cash distributions denominated in a currency other than U.S. dollars, including Egyptian pounds;

"**FSA**" means the United Kingdom Financial Services Authority;

"**FSMA**" means the Financial Services and Markets Act 2000;

"**FT**" means France Telecom-Orange;

"**FT Transaction**" means the sale of the Company's 29.67% stake in ECMS to FT, retention of 5% ownership interest in ECMS and subscription for 28.755% of the voting rights in MT Telecom;

"**FT Transaction Completion Date**" means 19 June 2012;

"**GDP**" means the gross domestic product;

“**GDRs**” the 1,049,138,124 global depositary receipts representing interests in ordinary shares in the Company;

“**General Service Agreement**” means an agreement between the Company and ECMS to provide services to ECMS;

“**GPRS**” means general packet radio service and is a packet oriented mobile data service on the 2G and 3G cellular communication system's global system for mobile communications. It extends GSM capabilities and makes services such as SMS messaging and broadcasting, “always on” internet access, multimedia messaging services and internet applications available to mobile users;

‘**greenfield licence**’ means a licence not constrained by original spectrum in place;

“**Group**” means collectively the Company and its subsidiaries as listed on page vii of this Prospectus;

“**GSM**” means global system for mobile communications, and is a standard set developed by the European Telecommunications Standards Institute to describe technologies for second generation digital cellular networks. The standard has been expanded over time to include first circuit switched data transport, then packet data transport via GPRS;

“**HMRC**” means HM Revenue & Customs;

“**HSPA**” means high speed packet access, which is an amalgamation of two mobile telephony protocols, High Speed Downlink Packet Access and High Speed Uplink Packet Access, that extends and improves the performance of existing WCDMA protocols;

“**HSDPA**” is an enhanced 3G mobile telephony communications protocol in the High-Speed Packet Access family, also dubbed 3.5G, 3G+ or turbo 3G, which allows networks based on Universal Mobile Telecommunications System to have higher data transfer speeds and capacity;

“HSUPA” is a 3G mobile telephony protocol in the HSPA family with up-link speeds up to 5.76 Mbit/s;

“**IFA**” means an independent financial advisor that may need to be appointed in conjunction with a tender offer;

“**IFRS**” means the International Financial Reporting Standards;

“**Instruction Date**” means the record date set with respect to a meeting of holders of Deposited Securities with respect to a specified number of GDSs of the Owners, received on or before the date established by the Depositary for such purpose;

‘**international gateway licence**’ means a international gateway operators licence granted by the NTRA;

“**Intouch/OT Ventures**” means Orascom Telecom Ventures S.A.E. (formerly Intouch Communication Services S.A.E.);

“**IPLC**” means a point-to-point private line used by an organisation to communicate between offices that are geographically dispersed throughout the world;

“**ITF**” means the International Taekwon-do Federation;

“**IVR**” means interactive voice response, which is a technology that allows a computer to interact with humans through the use of voice and DTMF tones input via keypad;

“**KPTC**” means Korean Post and Telecom. Corp.;

“**koryolink Management Agreement”** means the agreement entered into in December 2008 between OTH, koryolink and KPTC;

‘‘**Licensor**’’ means the Minister of Transport and Communications representing the Regulatory Authority acting on behalf of Egypt to the 1998 ECMS License Agreement;

"**London Stock Exchange**" means London Stock Exchange plc's regulated market to which the GDRS will be admitted for trading;

"**Master Agreement**" means an Amended and Restated Master Agreement between the Company, MobiNil S.A.E, FT and certain of FT's affiliates dated 11 April 2012;

"**Master Regulation S GDR**" means Master Regulation S Global Depositary Receipt;

"**MCDR**" means the Misr for Central Clearing, Depositary and Registry;

"**MCIT**" means the Ministry of Communications and Information Technology;

"**Med Cable**" means Med Cable Ltd;

"**MENA**" means Middle East and North Africa for Sea Cables;

"**MIC1**" means Mobile Interim Company 1;

"**MMS**" means multimedia messaging service, which is a standard way to send messages that include multimedia content to and from mobile phones. It extends the core SMS capability;

"**MNP**" means mobile number portability, which enables mobile telephone users to retain their mobile telephone numbers when changing from one mobile network operator to another;

"**MSC**" means mobile switching centers, which is the primary service delivery node for GSM, responsible for routing voice calls and SMS as well as other services (such as conference calls, FAX and circuit switched data);

"**MSN**" means a collection of internet sites and services provided by Microsoft;

"**MVNO**" means mobile virtual network operator, which is a wireless communications services provider that does not own the radio spectrum or wireless network infrastructure over which it provides services to its customers;

"**MobiNil**" means the brand name for ECMS' leading GSM network in Egypt which provides a range of prepaid and postpaid voice and data telecommunication services;

"**MobilNil S.A.E**" means MobiNil for Telecommunications S.A.E.;

"**MobilNil Shareholders Agreement**" the shareholders agreement between France Telecom-Orange and the Company regarding ECMS;

"**MoT**" means Ministry of Telecommunications;

"**MT Telecom**" means MT Telecom SCRL;

"**MTO**" means MT Telecom's mandatory public tender offer to acquire up to 100% of the issued capital of ECMS;

"**MTO Price**" means the tender offer price per share of EGP 202.5;

"**New Shares**" means shares issued after the date of admission to the Official List;

"**NTRA**" means the National Telecommunications Regulatory Authority;

"**Official List**" means the official list maintained by the FSA;

"**Order**" means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;

"**Ordinary Shares**" means shares of the Company each with a nominal value of EGP 0.42 per share;

"**OTA**" means Orascom Telecom Algeria;

"**OTH**" means Orascom Telecom Holding S.A.E.;

“**OTH GDR**” means global depositary receipts representing interests in ordinary shares of OTH;

“**OTH Shares**” means the ordinary shares of OTH;

“**OTL**” or “**OT Lebanon**” means Orascom Telecom Lebanon S.A.L.;

“**OTMT Assets**” means certain telecom, cable and media and technology assets belonging to OTMT;

“**Overseas GDR Holders**” means GDR holders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;

“**Owner**” means a Regulation S Owner or a Rule 144A Owner;

“**PFIC**” means a passive foreign investment company;

‘**post-paid service**’ means a service provided by a prior arrangement with a mobile network operator;

“**Pre-Release**” means the Depositary may execute and deliver GDRs prior to the receipt of Shares;

“**Prospectus Directive**” means Directive 2003/71/EC;

“**Prospectus Rules**” means rules made under FSMA in relation to transferable securities;

“**QIBs**” means qualified institutional buyers for the purposes of SEC rules;

“**QPs**” means qualified purchasers as defined in Section 2(a)(51) of the U.S. Investment Company Act;

“**Qualified Investors**” means a qualified investor as defined in Article 2(1)(e) of the Prospectus Directive;

“**Register**” means the Regulation S Register and the Rule 144A Register;

“**Regulation S**” means a safe harbor from registration as defined the U.S. Securities Act of 1933;

“**Regulation S Beneficial Owner**” means each person owning from time to time any beneficial interest in the Master Regulation S GDR but who is not the Regulation S Owner of such Regulation S GDR;

“**Regulation S Deposit Agreement**” means an agreement entered into among the Company, the Depositary and the Regulation S Owners and Regulation S Beneficial Owners from time to time of depositary shares;

“**Regulation S Deposited Securities**” means any additional Shares at any time deposited or deemed deposited under the Regulation S Deposit Agreement and any other securities, cash or other property received by the Depositary or the Custodian in respect or in lieu of such Shares;

“**Regulation S Deposited Shares**” means each Regulation S GDS representing five Shares deposited with the Custodian and registered in the name of the Depositary or its nominee;

“**Regulation S GDRs**” means the GDRs originally sold outside the United States;

“**Regulation S Register**” means the person in whose name a Regulation S GDR is registered on the books maintained by the Depositary;

“**Restricted Period**” means the period prior to the expiration of a restricted period of 40 days following the later of commencement of the offering of Regulation S GDSs and the last related closing where no Regulation S Deposited Securities may be withdrawn;

“**Rule 144A**” refers to the safe harbor from registration for offers made to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act 1933;

“**Rule 144A Deposit Agreement**” means an agreement entered into among the Company, the Depositary, the Rule 144A Owners and beneficial owners from time to time of depositary shares;

Rule 144A Deposited Securities" means any additional Shares at any time deposited or deemed deposited under such Deposit Agreement and any other securities, cash or other property received by the Depositary or the Custodian in respect or in lieu of such Shares;

"**Rule 144A Deposited Shares**" means the five Shares deposited with the Custodian and registered in the name of the Depositary or its nominee;

"**Rule 144A GDSs**" means the despositary shares in relation to the Rule 144A Deposit Agreement

"**Rule 144A Register**" means a maintained list of persons in whose name Rule 144A GDSs are registered on the books of the Depositary;

"**SCAF**" means Egypt's Supreme Council of Armed Forces;

"**Securities**" means the Shares, GDSs or GDRs;

"**Senior Managers**" means the principal executive officers of the Company;

"**Separation Agreement**" means the separation agreement between OTH, Wind Telecom and Weather Investments II S.a.r.l entered into on 15 April 2011;

"**Shares**" refers to the ordinary shares of the Company;

"**SMS**" means short message service, which is a text messaging service component of phone, web, or mobile communication systems, using standardized communications protocols that allow the exchange of short text messages between fixed line or mobile phone devices;

"**Statutes**" means the Company's articles of association;

"**the Code**" means the Internal Revenue Code of 1986, as amended;

"**TWA**" means Trans World Associates (Pvt) Ltd;

"**UK Holders**" means persons who are resident (and, in the case of individuals, ordinarily resident and domiciled) in the United Kingdom for tax purposes and who are not resident for tax purposes in any other jurisdiction and do not have a permanent establishment or fixed base in any other jurisdiction with which the holding of GDRs is connected;

"**Unaudited Pro Forma Combined Financial Information**" means the unaudited pro forma combined statement of financial position as of 30 September 2011 and the unaudited pro forma combined income statements for the nine months ended 30 September 2011 and for the year ended 31 December 2010, and related notes;

"**US dollars**", "**US$**" or "**$**" means references to the currency of the United States;

"**U.S. Holder**" means a citizen or resident of the United States, a domestic corporation or otherwise subject to United States federal income tax on a net income basis in respect of the OTH Shares;

"**U.S. Investment Company Act**" means the U.S. Investment Company Act of 1940, as amended;

"**U.S. Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**USSD**" means unstructured supplementary services data, which is a protocol used by GSM cellular telephones to communicate with the service provider's computers. USSD can be used for WAP browsing, prepaid callback service, mobile-money services, location-based content services, menu-based information services, and as part of configuring the phone on the network;

"**VAS**" means Value Added Services;

"**VimpelCom**" means VimpelCom Ltd.;

"**VPN**" means virtual private network, which is a private network that interconnects remote (and often geographically separate) networks through primarily public communication infrastructures such as the Internet;

"**WAP**" means wireless application protocol, which is a technical standard for accessing information over a mobile wireless network;

"WCDMA" means wideband code division multiple access, which is an air interface standard found in 3G mobile telecommunications networks;

"**WiMax**" means worldwide interoperability for microwave access, which is a wireless communications standard designed to provide 30 to 40 megabit per second data rates;

"**Wind Telecom**" means Wind Telecom S.p.A.; and

"**Withdrawal and Transfer Certificate**" means a certificate provided to the Depositary which evidences a withdrawal of Rule 144A Deposited Securities.

INDEX TO COMBINED FINANCIAL INFORMATION

Combined Financial Statements of Orascom Telecom Media and Technology Holding S.A.E. as of and for the years ended 31 December 2010, 2009 and 2008

Combined Interim Financial Information of Orascom Telecom Media and Technology Holding S.A.E. as of and for the nine months ended 30 September 2010 and 30 September 2011

Unaudited Pro Forma Combined Financial Information of Orascom Telecom Media and Technology Holding S.A.E. as of and for the nine months ended 30 September 2011 and for the year ended 31 December 2010

KPMG

Hazem Hassan
Public Accountants & Consultants

Pyramids Heights Office Park
Km 22 Cairo/Alex Road
P.O. Box 48 Al Ahram
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11
Telefax : (202) 35 36 23 01 - 35 36 23 05
E-mail : egypt@kpmg.com.eg
Postal Code : 12556 Al Ahram

Independent Auditor's Report
To the board of directors of Orascom Telecom Media and Technology Holding S.A.E.

We have audited the accompanying combined financial statements of Orascom Telecom Media and Technology Holding S.A.E, which comprise the combined statement of financial position as at December 31, 2010, 2009, 2008, and income statement and statement of comprehensive income, statement of changes in equity and statements of cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and presentation of these combined financial statements in accordance with the basis set out in note 2 to the combined financial statements. The combined financial statements contain an aggregation of financial information relating to the Orascom Telecom Media and Technology Holding S.A.E and have been prepared from the books and records maintained by Orascom Telecom Holding S.A.E and its subsidiaries. Management's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of combined financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the combined financial statements are free of material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Hazem Hassan

Opinion

In our opinion, the combined financial statements referred to above presented fairly, in all material respects, the financial position of Orascom Telecom Media and Technology Holding S.A.E as at December 31, 2010, 2009 and 2008 and the results of its operations and its cash flows for each of the years in the three years period ended December 31, 2010 in accordance with International Financial Reporting Standards and basis set out in note 2.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to note 2 to the combined financial statements, which describe the basis of preparation. However, had the Orascom Telecom Media and Technology Holding S.A.E actually operated as an independent group, its financial position, results of operations and cash flows may not necessarily have been those set out in the combined financial statements. The combined financial statements are prepared to assist Orascom Telecom Media and Technology Holding S.A.E to meet the requirements of United Kingdom Listing Authority "UKLA". As a result, the combined financial statements may not be suitable for another purpose. Our report is intended solely for Orascom Telecom Media and Technology Holding S.A.E and UKLA and should not be distributed to parties other than Orascom Telecom Media and Technology Holding S.A.E and UKLA.

KPMG Hazem Hassan

Cairo, Egypt, April 23, 2012

KPMG Hazem Hassan
Public Accountants and Consultants
㉓

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
COMBINED STATEMENT OF FINANCIAL POSITION
As of 31 December 2010, 2009 and 2008

(in thousands of US$)	Note	As of 31 December 2010	2009	2008
Assets				
Property and equipment	12	381,445	310,933	260,198
Intangible assets	13	74,538	70,873	118,181
Equity investments	10	1,029,502	407,221	303,570
Other non current financial assets	14	38,527	32,331	21,508
Deferred tax assets	15	2,902	-	-
Total non-current assets		1,526,914	821,358	703,457
Inventories		667	639	5,834
Trade receivables	16	76,348	54,055	45,923
Other current financial assets	14	1,015	2,072	2,252
Current income tax receivables	11	1,070	2,360	1,384
Other current assets	17	16,713	14,092	30,903
Cash and cash equivalents	18	174,848	70,083	70,038
Assets held for sale	23	-	109,953	-
Total current assets		270,661	253,254	156,334
Total assets		1,797,575	1,074,612	859,791
Equity and liabilities				
Invested capital	19	1,579,767	832,419	637,944
Non-controlling interest		29,815	9,011	14,996
Total equity		1,609,582	841,430	652,940
Liabilities				
Non-current borrowings	20	7,390	12,886	41,717
Other non-current liabilities		2,538	2,479	-
Non-current provisions		602	-	396
Deferred tax liabilities	15	2,938	675	2,585
Total non-current liabilities		13,468	16,040	44,698
Current borrowings	20	10,615	13,103	28,572
Trade payables	22	84,003	68,729	103,364
Other current liabilities	21	63,845	78,148	27,106
Current income tax liabilities	11	10,732	1,285	2,318
Current provisions		5,330	1,331	793
Liabilities held for sale	23	-	54,546	-
Total current liabilities		174,525	217,142	162,153
Total liabilities		187,993	233,182	206,851
Total equity and liabilities		1,797,575	1,074,612	859,791

Chief financial officer
Youssef Shoukry

General manager
Karim Beshara

Auditor's report 'attached'

(The notes 1 to 29 are an integral part of these combined financial statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
COMBINED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2010, 2009 and 2008

(in thousands of US$)	Note	Year ended 31 December 2010	2009	2008
Revenue	5	246,535	163,017	74,311
Other income		1,743	1,273	474
Purchases and services	6	(116,252)	(99,478)	(51,722)
Other expenses	7	(10,460)	(7,431)	(1,715)
Personnel costs	8	(57,206)	(45,768)	(23,253)
Depreciation and amortisation	12, 13	(14,620)	(13,602)	(6,403)
Impairment charges	12,13	(26,603)	(4,032)	(1,017)
Disposal of non current assets		(5)	14	(24)
Operating income /(loss)		**23,132**	**(6,007)**	**(9,349)**
Financial income	9	2,428	3,609	3,227
Financial expense	9	(32,722)	(3,699)	(4,630)
Foreign exchange gain /(loss)	9	942	(1,169)	(5,232)
Share of profit of equity investments	10	49,364	125,645	97,331
Gain on partial disposal of equity investments	10	964,298	-	-
Profit before income tax		**1,007,442**	**118,379**	**81,347**
Income tax expense	11	(65,933)	(2,228)	(2,351)
Profit from continuing operations		941,509	116,151	78,996
Discontinued operations				
Profit /(loss) from discontinued operation (net of income tax)	23	28,906	(2,679)	(14,635)
Profit for the year		970,415	113,472	64,361
Attributable to:				
Owners of the Company		957,636	112,191	66,895
Non-controlling interest		12,779	1,281	(2,534)
Earnings per share (basic and diluted) – (in US$)	25	**0.183**	**0.021**	**0.013**
From continuing operations		0.177	0.022	0.016
From discontinued operations		0.006	(0.001)	(0.003)

(in thousands of US$)	Year ended 31 December 2010	2009	2008
Profit for the year	**970,415**	**113,472**	**64,361**
Other comprehensive income /(loss):			
Currency translation differences	(68,534)	8,174	(5,678)
Other comprehensive income /(loss) for the year, net of tax	(68,534)	8,174	(5,678)
Total comprehensive income for the year	901,881	121,646	58,683
Attributable to:			
Owners of the Company	890,146	119,619	62,229
Non-controlling interest	11,735	2,027	(3,546)

(The notes 1 to 29 are an integral part of these combined financial statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
COMBINED STATEMENT OF CHANGES IN EQUITY
As of and for the year ended 31 December 2010, 2009 and 2008

(in thousands of US$)	Translation reserve	Retained earnings	Total invested capital	Non controlling Interest	Total equity
As of 1 January 2008	**67**	**464,993**	**465,060**	**1,443**	**466,503**
Comprehensive income					
Profit for the year	-	66,895	66,895	(2,534)	64,361
Other comprehensive loss	(4,666)	-	(4,666)	(1,012)	(5,678)
Total comprehensive income	**(4,666)**	**66,895**	**62,229**	**(3,546)**	**58,683**
Transactions with owners					
Invested /(distributed) capital, net	-	110,655	110,655	17,099	127,754
As of 31 December 2008	**(4,599)**	**642,543**	**637,944**	**14,996**	**652,940**
Comprehensive income					
Profit for the year	-	112,191	112,191	1,281	113,472
Other comprehensive income	7,428	-	7,428	746	8,174
Total comprehensive income	**7,428**	**112,191**	**119,619**	**2,027**	**121,646**
Transactions with owners					
Invested /(distributed) capital, net	-	74,856	74,856	(8,012)	66,844
As of 31 December 2009	**2,829**	**829,590**	**832,419**	**9,011**	**841,430**
Comprehensive income					
Profit for the year	-	957,636	957,636	12,779	970,415
Other comprehensive loss	(67,490)	-	(67,490)	(1,044)	(68,534)
Total comprehensive income	**(67,490)**	**957,636**	**890,146**	**11,735**	**901,881**
Transactions with owners					
Invested /(distributed) capital, net	-	(142,798)	(142,798)	9,069	(133,729)
As of 31 December 2010	**(64,661)**	**1,644,428**	**1,579,767**	**29,815**	**1,609,582**

(The notes 1 to 29 are an integral part of these combined financial statements)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
COMBINED STATEMENT OF CASH FLOWS
Year ended 31 December 2010, 2009 and 2008

(in thousands of US$)	Note	Year ended 31 December 31 2010	2009	2008
Profit for the year		**970,415**	**113,472**	**64,361**
Adjustments for				
Depreciation, amortisation and impairment charges		41,223	31,970	17,911
Impairment of financial assets		30,121	-	-
Foreign exchange (gain) /loss		(942)	1,169	5,232
(Gain) /loss on disposal of non-current assets		5	(14)	24
Gain from discontinued operations		(28,906)	-	-
Share of profit of equity investments		(49,364)	(125,645)	(97,331)
Gain on partial disposal of equity investments		(964,298)	-	-
Changes in inventories		(37)	4,818	(3,942)
Changes in trade receivables and payables		(39,076)	(25,616)	44,149
Changes in other assets and liabilities		536	32,300	1,374
Cash flows generated by /(used in) operating activities		**(40,323)**	**32,454**	**31,778**
Cash out flow for investments in				
Property and equipment	12,22	(115,530)	(117,492)	(156,925)
Intangible assets	13,22	(4,432)	(22,368)	(51,796)
WOL	24	-	-	(8,019)
Proceeds from disposal of				
Property and equipment	21	409	29,977	9,189
Intangible assets		22	-	6,439
Equity investments	10	300,000	-	-
LinkDotNet and LinkEgypt	23	97,921	-	-
Changes in current and non current financial assets		(36,457)	(11,463)	407
Dividends received	10	60,034	40,644	105,048
Cash flows generated by /(used in) investing activities		**301,967**	**(80,702)**	**(95,657)**
Proceeds from loan and bank facilities		858	132	208
Payments for loans and bank facilities		(9,093)	(8,896)	(4,772)
Changes in current financial liabilities		1,001	(7,866)	(3,577)
Net capital contributions /(distributions)	19	(142,798)	74,856	110,655
Cash flows generated by /(used in) financing activities		**(150,032)**	**58,226**	**102,514**
Net increase in cash and cash equivalents		**111,612**	**9,978**	**38,635**
Effect of exchange rates on cash and cash equivalents		(6,847)	462	(259)
Cash and cash equivalents transferred to assets held for sale	23	-	(10,395)	-
Cash and cash equivalents at the beginning of the year		**70,083**	**70,038**	**31,662**
Cash and cash equivalents at the end of the year		**174,848**	**70,083**	**70,038**
Income tax paid	19	71,356	1,835	2,927
Interest expense paid		1,512	1,872	4,168

(The notes 1 to 29 are an integral part of these combined financial statements)

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

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

The Company and the OTMT Assets (together the "Group") are a mobile telecommunications business operating in high growth emerging markets in the Middle East, Africa and Asia. The Company is a subsidiary of Weather Investments II S.à.r.l. ("Weather Investments" or the "Parent Company"). The Company is listed on the Egyptian Stock Exchange.

These combined financial statements as of and for the years ended 31 December 2010, 2009 and 2008 (the "Combined Financial Statements") which were approved for issue by the board of directors of the Company on 22 April 2012, were prepared solely for the purpose of the Company's GDR listing on the London Stock Exchange, to present the net assets, financial position and results of operations of the companies and net assets which became part of the Group, as if the Group had been operating as a stand-alone group, independent of OTH, during the relevant period. However, it should be highlighted that if the Group had been operating as a stand-alone group during this period, the net assets, financial position and results of operations could have been different from those presented herein. Therefore, the Combined Financial Statements are not necessarily indicative of results that would have occurred if the OTMT Assets had been a separate group during the entire period presented, or of the future results of the Group.

2. Significant accounting policies

2.1 Basis of presentation

The Combined Financial Statements of the Group, as of and for the years ended 31 December 2010, 2009 and 2008 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as adopted by the International Accounting Standards Board ("IASB") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and all interpretations of the Standing Interpretations Committee ("SIC").

The Combined Financial Statements have been prepared by aggregating the financial information relating to the assets and liabilities which entered into the Group's scope of consolidation on the Demerger and which until then were part of OTH. In preparing the Combined Financial Statements, the revenues and costs of the OTMT Assets which were not directly attributable to such business, and in particular those relating to central services performed by the former holding company, were allocated using drivers appropriate to the revenue or cost to be allocated. In particular, in relation to the period considered in these Combined Financial Statements, the following assumptions and allocations of indirect expenses, which are consistent with international practice, were used:

- indirect costs mainly relating to personnel expenses and centralised services, such as accounting and financial reporting, legal, treasury, taxation, investor relation, human resources, information technology and commercial, were allocated based on the capital invested and dividend income allocated to the OTMT Assets, expressed as a total of capital invested and dividend income of OTH subsidiaries and equity investments. These costs were affected by the arrangements that existed in OTH and are not necessarily representative of the expenses that may prevail in the future;
- income tax was calculated as if OTMT was a separate legal entity preparing a tax return at company level;
- trade payables and receivables and income tax payables of OTMT were assumed to have been directly settled or paid immediately through capital distributions and contributions by OTH;
- financial funding of the OTMT Assets was provided by long-term capital accounts with OTH as part of the invested capital of OTH in OTMT Assets. The historical capital structure does not necessarily reflect the future capital structure. In particular financial expense may be different in the future.

The Combined Financial Statements have been prepared under the historical cost basis except for the following:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value; and

For presentational purposes, the current/non-current distinction has been used for the statement of financial position. The statement of comprehensive income is presented using the two statement approach, dividing items of comprehensive income between a separate income statement and a separate statement of comprehensive income. Expenses are analysed in the income statement using a classification based on their nature. The indirect method has been selected to present the cash flow statement.

The information presented in this document has been presented in thousands of United States Dollar ("US$"), except earnings per share and unless otherwise stated.

2.2 Change in accounting policy and disclosures

a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

- *IFRS 3 (revised), "Business combinations.* The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The new standard did not have a material impact on the Combined Financial Statements.

- *IAS 27 (revised), 'Consolidated and separate financial statements'.* The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the equity is re-measured to fair value, and a gain or loss is recognised in profit or loss. IAS 27 (revised) has had a significant impact on the Combined Financial Statements (see Note 10).

- *IAS 38 (amendment), 'Intangible Assets'.* The amendment is part of the IASB's annual improvements project published in April 2009 and the Group will apply IAS 38 (amendment) from that date that IFRS 3 (revised) is adopted (1 January 2010). The amendment to the standard clarifies guidance in measuring the fair value of an intangible asset that is acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. IAS 38(amendment) has not had a material impact on the Combined Financial Statements.

b) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted.*

- *IAS 32 (amendment), 'Financial instruments: Presentation'.* This amendment will be applicable for the Group from 1 January 2011. The amendment clarifies the classification of rights issues as equity or liabilities when the rights are denominated in a currency other than the issuer's functional currency. The Group is currently assessing the impact of this amendment.

- *IAS 24, 'Related Party Disclosures'* will be effective for the Group from 1 January 2011. The amendment simplifies the definition of a related party by clarifying its intended meaning and elimination of any inconsistencies from the definition and furthermore provides a partial exemption from the disclosure requirements. The Group is currently assessing the impact of this new standard.

- *IFRIC 14, 'Prepayments of a minimum funding requirement'* will be applicable for the Group from 1 January 2011 . The amendment applies in limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover these requirements. The amendment permits an entity to treat the benefit of such a payment as an asset. The Group is currently assessing the impact of this new interpretation.

- *IFRIC 19, 'Extinguishing financial liabilities with equity instruments'* will be applicable for the Group from 1 January 2011. The interpretation provides guidance on how to interpret IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept equity instruments to fully or partially settle the financial liabilities. The Group is currently assessing the impact of this new interpretation.

- *IAS 19 (amendment), 'Employee benefits'* was amended in June 2011 and will be effective on 1 January 2013. The impact on the Group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Group is not expecting a significant impact by its adoption.

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

- *IFRS 7 (amendment), 'Financial instruments : Disclosures'*, effective for annual periods starting on or after 1 July 2011, will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The Group is not expecting a significant impact by its adoption.

- *IAS 12 (amendment), 'Income taxes'* introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. The amendment will be effective on 1 January 2012 and the Group is not expecting a significant impact by its adoption.

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

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

- *IFRS 11, 'Joint arrangements'* effective on 1 January 2013 focuses on the rights and obligations of the joint arrangements rather than its legal from. Proportional consolidation of joint ventures is no longer allowed. The Group is not expecting a significant impact by its adoption.

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

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

- *IAS 28 'Associated and joint ventures (revised')* includes requirements for joint ventures and associates accounted for using the equity method following the issue of IFRS 11. The Group is currently assessing the impact of this new standard.

2.3 Summary of main accounting principles and policies

The main accounting principles and policies adopted in preparing these Combined Financial Statements are set our below. These policies have been consistently applied to all periods in those Combined Financial Statements, and have been applied consistently by the Group entities.

Basis of combination

The Combined Financial Statements include the net assets of the Company and the financial statements of those entities over which the Company has control, both directly or indirectly as if the company had always existed, from the date of acquisition to the date when such control ceases. Control may be exercised through direct or indirect ownership of shares with majority voting rights, or by exercising a dominant influence expressed as the direct or indirect power, based on contractual agreements or statutory provisions, to determine the financial and operational policies of the entity and obtain the related benefits, regardless of any equity relationships. The existence of potential voting rights that are exercisable or convertible at the balance sheet date is also considered when determining whether there is control or not.

The financial statements used in the combination process are those prepared by the individual Group entities as of and for the years ended 31 December, 2010, 2009 and 2008 (the reporting date for these combined financial statements) in accordance with IFRS used by the Company in preparing these statements and approved by the respective boards of directors.

The combination procedures used are as follows:

- the assets and liabilities and income and expenses of combined subsidiaries are included on a line-by-line basis, allocating to non-controlling interests, where applicable, the share of equity and profit or loss for the year that is attributable to them. The resulting balances are presented separately in combined equity and the combined income statement; the acquisition method of accounting is used to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets;
- business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination are considered business combinations involving entities under common control. In the absence of an accounting standard guiding the accounting treatment of these operations the Group applies IAS 8, consolidating the book values of the entity transferred and reporting any gains arising from the transfer in goodwill;
- the purchase of equity holdings from non-controlling holders are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration received and the relevant share of the carrying value of net assets of the subsidiary is recorded in equity;
- any options to purchase non-controlling interests outstanding at the end of the year are treated as exercised and are reported as a financial liability or in equity depending on whether the transaction is to be settled in cash or through the exchange of equity instruments;
- unrealised gains and losses on transactions carried out between companies combined on a line-by-line basis and the respective tax effects are eliminated if material, as are corresponding balances for receivables and payables, income and expense, and finance income and expense;
- gains and losses arising from the sale of holdings in combined entities are recognised in the income statement as the difference between the selling price and the corresponding portion of combined equity sold.

Associates & Joint ventures

Associates are investments in companies where the Group exercises a significant influence, which is presumed to exist when the Group holds between 20% and 50%. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures are accounted for using the equity method.

The equity method is as follows:

- the Group's share of the profit or loss of an investee is recognised in the income statement from the date when significant influence or joint control begins up to the date when that significant influence or joint control ceases. Investments in associates and joint ventures with negative shareholders' equity are impaired and a provision for its losses is accrued only if the Group has a legal or constructive obligation to cover such losses. Equity changes in investees accounted for using the equity method that do not result from profit or loss are recognised directly in combined equity reserves;

- unrealised gains and losses generated from transactions between the Company or its subsidiaries and its investees accounted for using the equity method are eliminated on consolidation for the portion pertaining to the Group; unrealised losses are eliminated unless they represent impairment.

Appendix A includes a list of the entities included in the scope of combination.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Egyptian pound. The Combined Financial Statements are presented in 'US Dollars' (US$), which is the Group's presentation currency.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the relevant entity at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated, at the balance sheet date, into the prevailing exchange rates at that date. Foreign currency exchange differences arising on the settlement of transactions and the translation of the statement of financial position are recognised in the income statement.

Group companies

The financial statements of the Group entities are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rate;
- income and expenses are translated at the average exchange rate for the year;
- all resulting exchange differences are recognised as a separate component of equity in the "translation reserve";
- goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate; and
- in the preparation of the combined cash flow statement, the cash flows of foreign subsidiaries are translated at the average exchange rate for the year.

The exchange rates applied in relation to the US$ are as follows:

	Average for year ended 31 December			Closing rate as of 31 December			Closing rate as of 1 January
	2010	2009	2008	2010	2009	2008	2008
Egyptian Pound (LE)	0.1774	0.1792	0.1827	0.1722	0.1815	0.1807	0.1797
Pakistan Rupee (PKR)	0.0117	0.0122	0.0141	0.0117	0.0119	0.0126	0.0168
British Pound (GBP)	1.5627	1.5821	1.8745	1.5647	1.6290	1.4941	2.0082
Euro (EUR)	1.3257	1.4134	1.4935	1.3362	1.4551	1.4113	1.4656

Property and equipment

Property and equipment are stated at purchase cost or production cost, net of accumulated depreciation and any impairment losses. Cost includes expenditure directly attributable to bringing the asset to the location and condition necessary for use and any dismantling and removal costs which may be incurred as a result of contractual obligations which require the asset to be returned to its original state and condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Each asset is treated separately if it has an autonomously determinable useful life and value. Depreciation is charged at rates calculated to write off the costs over their estimated useful lives on a straight-line basis from the date the asset is available and ready for use.

The useful lives of property and equipment and their residual values are reviewed and updated, where necessary, at least at each year end. Land is not depreciated. When a depreciable asset is composed of identifiable separate components whose useful lives vary significantly from those of other components of the asset, depreciation is calculated for each component separately, applying the "component approach".

The useful lives estimated by the Group for the various categories of property and equipment are as follows.

	Number of years
Land and buildings	
Buildings	50
Leasehold improvements and renovations	3-8
Cell Sites	8-15
Cable system and equipment	4-20
Commercial and other tangible assets	
Tools	5-10
Computer equipment	3-5
Furniture and fixtures	5-10
Vehicles	3-6

Gains or losses arising from the sale or retirement of assets are determined as the difference between the net disposal proceeds and the net carrying amount of the asset sold or retired and are recognised in the income statement in the period incurred under "Disposal of non-current assets".

Leases

The Group leases certain property and equipment. Leases of property and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance which can be controlled and which are capable of generating future economic benefits. Intangible assets are stated at purchase and/or production cost including any expenses that are directly attributable to preparing the asset for its intended use, net of accumulated amortisation and impairment losses, if applicable.

Licenses

Costs for the purchase of telecommunication licenses are capitalised. Amortisation is charged on a straight-line basis such as to write off the cost incurred for the acquisition of a right over the shorter of the period of its expected use and the term of the underlying agreement, starting from the date on which the acquired license may be exercised.

Software

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software licenses are amortised on a straight-line basis over their useful life (between 3 to 8 years), while software maintenance costs are expensed in the income statement in the period in which they are incurred.
Costs incurred on development of software products are recognised as intangible assets when the Group has intentions to complete and use or sell the assets arising from the project, considering the existence of a market for the asset, its commercial and technological feasibility, its costs can be measured reliably and there are adequate financial resources to complete the development of the asset. Other development expenditures are recognised in the income statement in the period in which they are incurred.

Directly attributable costs that are capitalised as part of a software product include software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the interest acquired in the net fair value at the acquisition date of the assets and liabilities of the entity or business acquired. Goodwill relating to investments accounted for using the equity method is included in the carrying amount of the investment.

Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. In determining an asset's value in use the estimated future cash flows are discounted using a pre-tax rate that reflects the market's current assessment of the cost of money for the investment period and the specific risk profile of the asset. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, 'CGU'). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or Groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Investments

Investments in companies other than those classified as available for sale are measured at fair value with any changes in fair value being recognised in the income statement. If fair value cannot be reliably determined, an investment is measured at cost. Cost is adjusted for impairment losses if necessary, as described in the paragraph "Impairment of Financial Assets". If the reasons for an impairment loss no longer exist, the carrying amount of the investment is increased up to the extent of the loss with the related effect recognised in the income statement. Any risk arising from losses exceeding the carrying amount of the investment is accrued in a specific provision to the extent of the Group's legal or constructive obligations on behalf of the investment.

Financial instruments

Financial instruments consist of financial assets and liabilities whose classification is determined on their initial recognition and on the basis of the purpose for which they were purchased. Purchases and sales of financial instruments are recognised at their settlement date. Financial assets are derecognised when the right to receive cash flows from them ceases and the Group has effectively transferred all risks and rewards related to the instrument and its control.

Financial assets

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

Loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position. Loans and receivables are non-derivative financial instruments which are not traded on an active market and which are expected to generate fixed or determinable repayments. They are included as current assets unless they are contractually due more than twelve months after the balance sheet date in which case they are classified as non-current assets. These assets are measured at amortised cost using the effective interest method..

The classification of an asset as current or non-current is the consequence of strategic decisions regarding the estimated period of ownership of the asset and its effective marketability, with those which are expected to be realised within twelve months from the balance sheet date being classified as current assets.

Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the combined income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the combined income statement.

Financial liabilities

Financial liabilities consisting of borrowings, trade payables and other obligations are measured at amortised cost using the effective interest method. When there is a change in cash flows which can be reliably estimated, the value of the financial liability is recalculated to reflect such change based on the present value of expected cash flows and the originally determined internal rate of return. Financial liabilities are classified as current liabilities except where the Group has an unconditional right to defer payment until at least twelve months after the balance sheet date.

Financial liabilities are derecognised when settled and the Group has transferred all the related costs and risks relating to an instrument.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Inventories

Inventories are stated at the lower of purchase cost or production cost and net realisable value. Cost is based on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. When necessary, obsolescence allowances are made for slow-moving and obsolete inventories. Inventories mainly comprise handsets and SIM cards.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In the combined statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries, associates and joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Combined Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Provisions

Provisions are only recognised when the Group has a present legal or constructive obligation arising from past events that will result in a future outflow of resources, and when it is probable that this outflow of resources will be required to settle the obligation. The amount provided represents the best estimate of the present value of the outlay required to meet the obligation. The interest rate used in determining the present value of the liability reflects current market rates and takes into account the specific risk of each liability. Provisions are not recognised for future operating losses.

Employee benefits

Short-term benefits are recognised in the income statement in the year when an employee renders service.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, rebates and discounts and after eliminating sales within the Group.

Revenue from the sale of goods is recognised when the Group transfers the risks and rewards of ownership of the goods. Revenue from services is recognised in the income statement by reference to the stage of completion and only when the outcome can be reliably estimated.

More specifically, the criteria followed by the Group in recognising ordinary revenue are as follows:

- revenue arising from post-paid traffic, interconnection and roaming is recognised on the basis of the actual usage made by each subscriber and telephone operator. Such revenue includes amounts paid for access to and usage of the Group network by customers and other domestic and international telephone operators;
- revenue from the sale of prepaid cards and recharging is recognised on the basis of the prepaid traffic actually used by subscribers during the year. The unused portion of traffic at period end is recognised deferred income;
- revenue from the sale of mobile phones and related accessories is recognised at the time of sale;
- one-off revenue from mobile (prepaid or subscription) activation and/or substitution, prepaid recharge fees and the activation of new services and tariff plans is recognised for the full amount at the moment of activation independent of the period in which the actual services are rendered by the Group. In the case of promotions with a cumulative plan still open at the end of the year, the activation fee is recognised on an accruals basis so as to match the revenue with the year in which the service may be used.
- revenue from bandwidth capacity sales (Cable segment revenue) is recognised over the period of the contract on the basis of usage of bandwidth by the customers. Advances received from customers, for which the service has not yet been provided is disclosed as deferred income.

Dividend income from investments recorded at fair value through profit and loss or at cost is recognised when the right to receive payment is established.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest rate method.

Earnings per share

Basic
Basic earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company, both from continuing and discontinued operations, by the weighted average number of

ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted

Diluted earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average of the number of ordinary shares of the Company outstanding during the year where, compared to basic earnings per share, the weighted average number of shares outstanding is modified to include the conversion of all dilutive potential shares, while the profit for the year is modified to include the effects of such conversion net of taxation. Diluted earnings per share are not calculated when there are losses as any dilutive effect would improve earnings per share.

Segment reporting

Operating segments are reported in a manner which is consistent with the internal reporting information provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the Company.

Non-current assets and liabilities held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets and liabilities held for sale (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent losses on remeasurement are recognised in the income statement. Subsequent increase in fair value less costs to sell may be recognised in the income statement only to the extent of the cumulative impairment loss that has been recognised previously.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

Fair value estimation

The fair value of a financial instrument traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active, if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of instruments that are not traded in an active market (for example privately negotiated derivatives between two parties) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include quoted market prices or dealer and broker quotes for similar instruments and other techniques such as discounted cash flow.

3. Use of estimates

The preparation of the Combined 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 Combined Financial Statements, the combined statement of financial position, the combined income statement, the combined statement of comprehensive income and cash flows, as well as in the notes. Actual results might differ from such estimates due to the uncertainty surrounding the assumptions and conditions upon which estimates are based. The accounting estimates that require the more subjective judgment of management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results reported in these Combined Financial Statements are summarised below.

Impairment of non-current assets

Non-current assets are reviewed to determine whether there are any indications that the net carrying amount of these assets may not be recoverable and that they have suffered an impairment loss that needs to be recognised. In order to determine whether any such elements exist it is necessary to make subjective measurements, based on information obtained within the Group and in the market and also on past experience. When indicators are identified that an asset may have become impaired, the Group estimates the impairment loss using suitable valuation techniques. The identification of elements indicating that a potential impairment exists and estimates of the amount of the impairment, depend on factors that may vary in time, affecting management's assessments and estimates.

Depreciation of non-current assets

The cost of plant and equipment is depreciated on a straight-line basis throughout the useful economic life of the relevant asset. The useful econmic life is determined by management at the time the asset is acquired and is based upon historical experience for similar assets, market conditions, and forecasts regarding future events that could have an impact on useful life, including changes in technology. Therefore, the actual useful economic life may differ from the estimated useful life. The Group periodically evaluates sector and technology changes in order to update the remaining useful life. Such periodic updates could result in a change during the depreciation period, and therefore also in the depreciation in future years.

Taxes

Income taxes (both current income tax and deferred taxes) are determined in each country where the Group operates in accordance with a prudent interpretation of the applicable tax regulations.

This process results in complex estimates in determining taxable income and deductible and taxable temporary differences between accounting and tax values. In particular, deferred tax assets are recognised when it is probable that there will be future taxable income against which the temporary differences can be utilised. The assessment of the recoverability of deferred tax assets, in relation to tax losses that can be used in future years and deductible temporary differences, consider the estimated future taxable income on the basis of a prudent tax planning.

Goodwill

The impairment test on goodwill is carried out by comparing the carrying amount of cash-generating units and their recoverable amount. The recoverable amount of a cash-generating unit is the higher of fair value, less costs to sell, and its value in use. This complex valuation process entails the use of methods such as the discounted cash flow method which uses assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for the extrapolation.

4. Financial risk management

Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. In particular the Group is exposed to risks from movements in exchange rates, interest rates and market prices. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance through ongoing operational and finance activities. The management has overall responsibility for the establishment and oversight of the Group's risk management framework.

Market Risk

i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising when its business transactions are in currencies other than its functional currency. The main currencies to which the Group is exposed are the US dollar ("US$"), the Pakistani Rupee ("PKR"), the Euro ("EUR") and the Egyptian Pound ("EGP").

The Group is exposed to foreign currency risk arising in two separate ways:

a) *Foreign exchange operations risk*

The Group entities predominantly execute their operating activities in their respective functional currencies. Some Group subsidiaries are, however, exposed to foreign currency risks in connection with scheduled payments in currencies that are not their functional currencies. In general this relates to foreign currency denominated supplier payables due to capital expenditures and receivables. The Group monitors the exposure to foreign currency risk arising from operating activities. The Group does not use derivative financial instruments to hedge its foreign exchange exposure in relation to investments or cash flows.

As of 31 December 2010, if the functional currencies had strengthened/weakened by 10% against the US$, Euro, Egyptian pound and Pakistani Rupee, with all other variables held constant, the translation of foreign currency receivables and payables would have resulted in an increase/decrease of US$ 7,556 thousand, (2009: US$ 720 thousand, 2008: US$ 1,639 thousand) of profit for the year. Profit is more sensitive to movement in foreign exchange rates in 2010 than 2009 and 2008, primarily due to the increase in Euro and US$ denominated cash balances and financial receivables in entities with functional currency EGP.

b) *Foreign exchange translation risk*

Due to its international presence, the Group's Combined Financial Statements are exposed to foreign exchange fluctuations, as these affect the translation of subsidiaries' assets and liabilities denominated in foreign currencies to the US$ (the Group's presentational currency). The currencies concerned are mainly the Egyptian pound, the Pakistani Rupee and the Euro. This represents a translational risk rather than a financial risk given that these movements are posted directly to equity in the cumulative translation reserve.

ii) *Price risk*

The Group has limited exposure to equity instruments of other entities that are publicly traded.

iii) *Cash flow and fair value interest rate risk*

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

The following table illustrates the total borrowings outstanding as of 31 December 2010, 2009 and 2008 indicating the percentage of borrowings received at a fixed interest rate, at a variable interest rate and interest rate free.

	2010	2009	2008
Total borrowings	**18,005**	**25,989**	**70,289**
of which % is at a fixed interest rate	*9%*	*22%*	*65%*
of which % is at a variable interest rate	*68%*	*62%*	*29%*
of which % is interest rate free	*23%*	*16%*	*6%*

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit and loss of a defined interest rate shift. The same interest rate shift is used for all currencies.

The impact of a 0.1% interest rate shift would be a maximum increase/decrease in finance costs of US$ 12 thousand (2009: US$ 16 thousand, 2008:US$ 20 thousand).

Credit Risk

The Group considers that it is not exposed to major concentrations of credit risk in relation to trade receivables. However, credit risk can arise in the event of non-performance of a counterparty, particularly in relation to credit exposures for trade and other receivables, financial instruments and cash and cash equivalents.

The credit risk to which the Group is exposed to can be analysed by segment as follows:

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

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

iii) *Media & Technology*
Customers credit worthiness is reviewed before credit terms are offered. Accounts receivable are monitored and outstanding balances are followed up until the balance is received.

The Group tries to mitigate credit risk by adopting specific control procedures, including assessing the credit worthiness of the counterparty and limiting the exposure to any one counterparty. Accruals to the allowance of doubtful receivables amounted to US$ 151 thousand for the year ended 31 December 2010 (2009: US$ 4,771 thousand, 2008: US$ 2,943 thousand) mainly related to the Media & Technology segment. See also Note 16.

Credit risk relating to cash and cash equivalents and financial deposits arises from the risk that the counterparty becomes insolvent and accordingly is unable to return the deposited funds or execute the obligations under the derivative transactions as a result of the insolvency.

In general the receivables and financial receivables included in financial assets relate to a variety of small amounts due from a wide range of counterparties, therefore, the Group does not consider that it has a significant concentration of credit risk.

Liquidity Risk

The Group monitors and mitigates liquidity risk arising from the uncertainty of cash inflows and outflows by maintaining sufficient liquidity of cash balances and capital contributions from OTH. In general, liquidity risk is monitored at entity level whereby each OTMT Asset is responsible for managing and monitoring its cash flows and rolling liquidity reserve forecast in order to ensure that it has sufficient committed facilities to meet its liquidity needs.

In the past, the Group companies have been largely financed though intercompany loans from its previous holding company, OTH. In the future it is likely that the Group companies will continue to be financed largely though intercompany loans provided by the Company given a lack of adequate financing markets in some of the countries in which the Group operates. The Group is also in part financed from dividends received from its equity investment. When this investment does not pay out dividends, this has a negative impact on the liquidity of the Group.

Laws and regulations in certain countries, such as for example North Korea, in which the Group operates limit the conversion of current cash balances into foreign currency. Given the nature of the business, Group companies may have to make payments in foreign currencies (for example capital expenditures), the lack of individual entity foreign currency reserves means that these companies are largely dependent on the Company to make these payments on its behalf.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the tables are the gross contractual, undiscounted cash flows including interest, charges and other fees.

As of 31 December 2010

	Carrying amount	Contractual cash-flows	Within 1 year	1-5 years	More than 5 years
Liabilities					
Liabilities due to banks	9,655	11,602	5,697	5,905	-
Finance lease liability	172	218	61	157	-
Other borrowings	8,178	8,749	6,054	2,695	-
Trade payables	84,003	84,003	84,003	-	-
	102,008	104,572	95,815	8,757	-

As of 31 December 2009

	Carrying amount	Contractual cash-flows	Within 1 year	1-5 years	More than 5 years
Liabilities					
Liabilities due to banks	18,124	21,543	6,453	15,090	-
Finance lease liability	117	148	51	97	-
Other borrowings	7,748	8,223	5,528	2,695	-
Trade payables	68,729	68,729	68,729	-	-
	94,718	98,643	80,761	17,882	-

As of 31 December 2008

	Carrying amount	Contractual cash-flows	Within 1 year	1-5 years	More than 5 years
Liabilities					
Liabilities due to banks	27,522	34,466	11,979	22,487	-
Finance lease liability	33,225	42,479	14,642	27,837	-
Other borrowings	9,542	10,156	7,461	2,695	-
Trade payables	103,364	103,364	103,364	-	-
	173,653	190,465	137,446	53,019	-

Capital risk management

In the periods presented the capital of the Group, was managed as part of the capital of OTH group. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The historical capital structure does not necessarily reflect the future capital structure of the Group.

Other risks

Governmental authorisations
Certain future Group activities, including the GSM operations in Lebanon or the cable segment, are dependent on obtaining appropriate government authorisations. Should these authorisations not be obtained or delayed, there could be an adverse impact on the future operations of the Group, such as a decrease in revenues or penalty payments due to contractual counterparties.

Political and economic risk in emerging countries
A significant amount of the Group's operations are conducted in Egypt, North Korea and Pakistan. The operations of the Group depend on the market economies of the countries in which the subsidiaries operate. In particular, these markets are characterised by economies that are in various stages of development or are undergoing restructuring. Therefore the operating results of the Group are affected by the current and future economic and political developments in these countries. In particular, the results of operations could be unfavourably affected by changes in the political or governmental structures or weaknesses in the local economies in the countries where it operates. These changes could also have an unfavourable impact on financial condition, performance and business prospects.

Regulatory risk in emerging countries
Due to the nature of the legal and tax jurisdictions in the emerging countries where the Group operates, it is possible that laws and regulations could be amended. This could include factors such as the current tendency to withhold tax on the dividends of these subsidiaries, receiving excessive tax assessments, granting of relief to certain operations and practices relating to foreign currency exchange. These factors could have an unfavourable effect on the financial activities of the Group and on the ability to receive funds from the subsidiaries.

Revenue generated by the majority of the Group subsidiaries is expressed in local currency. The Group expects to receive most of this revenue from its subsidiaries and therefore it relies on their ability to be able to transfer funds. The regulations in the various countries, such as for example North Korea, where the subsidiaries operate could reduce the ability to pay interest and dividends and to repay loans, credit instruments and securities expressed in foreign currency through the transfer of currency. In addition, in some countries it could be difficult to convert large amounts of foreign currency due to central bank regulations. The central banks may amend regulations in the future and therefore the ability of the Company to receive funds from its subsidiaries may be changed.

5. Segment reporting

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors reviews the Group's internal reporting in order to assess its performance and allocate resources, mainly from a geographical perspective, of the mobile telecommunication business. OTMT management has determined the reportable operating segments according to the information analysed by the chief operating decision-maker as follows:

- *GSM – North Korea*: relating to the mobile telecommunication operations performed in North Korea through the operator Koryolink.
- *GSM – Lebanon*: relating to the management contract of the Lebanese mobile telecommunications operator Alfa, which is owned by the Republic of Lebanon.
- *Cable*: relating to the provision of direct broadband and high-speed connectivity to telecom operators, internet service providers and major corporations through submarine fibre optic cables.

- *Media & Technology*: relating mainly to the provision of online advertising and content to corporate customer, mobile value added services and software development and hosting of corporate clients.
- *Other*: relating to the Group's equity investment and income and expenses allocated to the Group from OTH.

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

- Total revenue
- EBITDA, defined as profit for the period before income tax expense /(benefit) (or if applicable profit from continuing operations for the period before income tax expense /(benefit)), gain on partial disposal of equity investments, 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 is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

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

	Year ended 31 December		
	2010	**2009**	**2008**
Telephony Services	81,852	32,065	14,823
Interconnection traffic - revenue	25,617	23,382	15,368
Other income from services and sale of goods	139,066	107,570	44,120
Total revenue	246,535	163,017	74,311

Revenue and EBITDA disclosure per segment

	Year ended 31 December 2010				Year ended 31 December 2009				Year ended 31 December 2008			
	Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA	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	66,402	-	66,402	52,153	25,951	-	25,951	14,047	451	-	451	(3,324)
GSM Lebanon	88,401	-	88,401	19,025	63,095	-	63,095	802	-	-	-	-
Media & Technology	56,110	(1,551)	54,559	5,068	38,186	(1,098)	37,088	(10,284)	44,473	-	44,473	(2,873)
Cable	22,702	-	22,702	(2,950)	21,806	-	21,806	6,747	15,172	-	15,172	1,570
Other	19,049	(4,578)	14,471	(8,936)	15,077	-	15,077	301	14,215	-	14,215	2,722
Total	252,664	(6,129)	246,535	64,360	164,115	(1,098)	163,017	11,613	74,311	-	74,311	(1,905)

Assets per segment

	As of 31 December 2010				As of 31 December 2009				As of 31 December 2008			
	Property and equipment	Intangible assets	Equity investments	Total	Property and equipment	Intangible assets	Equity investments	Total	Property and equipment	Intangible assets	Equity investments	Total
GSM North Korea	69,785	65,597	-	135,382	49,570	59,996		109,566	18,533	66,749	-	85,282
Media & Technology	5,354	7,430	-	12,784	5,531	9,449		14,980	67,036	50,059	-	117,095
Cable	305,604	1,511	-	307,115	254,978	1,428		256,406	174,524	1,373	-	175,897
Other	702	-	1,029,502	1,030,204	854	-	407,221	408,075	105	-	303,570	303,675
Total	381,445	74,538	1,029,502	1,485,485	310,933	70,873	407,221	789,027	260,198	118,181	303,570	681,949

Reconciliation of EBITDA to profit before income tax

	Year ended 31 December		
	2010	**2009**	**2008**
EBITDA	**64,360**	**11,613**	**(1,905)**
Depreciation and amortisation	(14,620)	(13,602)	(6,403)
Impairment charges	(26,603)	(4,032)	(1,017)
Disposal of non current assets	(5)	14	(24)
Financial income	2,428	3,609	3,227
Financial expense	(32,722)	(3,699)	(4,630)
Foreign exchange gain /(loss)	942	(1,169)	(5,232)
Share of profit (loss) of equity investments	49,364	125,645	97,331
Gain on partial disposal of equity investments	964,298	-	-
Profit before income tax	**1,007,442**	**118,379**	**81,347**

Reconciliation of assets allocated to total assets

	As of 31 December		
	2010	**2009**	**2008**
Assets allocated	**1,485,485**	**789,027**	**681,949**
Other non current financial assets	38,527	32,331	21,508
Deferred tax assets	2,902	-	-
Inventories	667	639	5,834
Trade receivables	76,348	54,055	45,923
Other current financial assets	1,015	2,072	2,252
Current income tax receivables	1,070	2,360	1,384
Other current assets	16,713	14,092	30,903
Cash and cash equivalents	174,848	70,083	70,038
Assets held for sale	-	109,953	-
Total assets	**1,797,575**	**1,074,612**	**859,791**

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment for the years ended 31 December 2010, 2009 and 2008:

	Year ended 31 December		
	2010	**2009**	**2008**
GSM North Korea	47,332	35,015	89,567
Media & Technology	1,822	13,576	58,141
Cable	80,993	79,611	123,465
Other	1	814	118
Total	**130,148**	**129,016**	**271,291**

6. Purchases and services

	Year ended 31 December		
	2010	2009	2008
Rental of local network, technical sites and other leases	17,112	12,546	2,830
Maintenance costs	15,018	11,480	2,127
Consulting and professional services	13,705	7,324	7,424
Customer acquisition costs	13,051	10,458	-
Telephony cost	11,382	7,673	10,694
Purchases of goods and changes in inventories	11,087	16,451	5,699
Interconnection traffic	10,249	8,888	6,181
Advertising and promotional services	5,210	5,429	5,869
Utilities	9,813	8,628	1,689
Bank and post office charges	1,099	865	4
Other service expenses	8,526	9,736	9,205
Total	**116,252**	**99,478**	**51,722**

7. Other expenses

	Year ended 31 December		
	2010	2009	2008
Accruals for provisions, write downs and penalties	7,639	4,594	984
Promotion and gifts	881	546	-
Other operating expenses	1,940	2,291	731
Total	**10,460**	**7,431**	**1,715**

For the year ended 31 December 2010 accruals for provisions, write downs and penalties include US$ 4,485 thousand accrued for penalty payable by Middle East and North Africa for Sea Cables ("MenaCable") to Gulf Bridge International related to the fact that MenaCable's cable network was not operational within the agreed timeframe.

8. Personnel costs

	Year ended 31 December		
	2010	2009	2008
Wages and salaries	41,842	34,222	19,700
Social security	3,301	2,741	270
Pension costs	1,153	230	181
Other personnel costs	10,910	8,575	3,102
Total	**57,206**	**45,768**	**23,253**

Other personnel costs mainly relate to bonus and other on-off payments, including expatriate costs.

9. Net financing costs

	Year ended 31 December		
	2010	2009	2008
Interest income on deposits	1,669	126	1,540
Dividend income	693	53	1,590
Other interest income	66	3,430	97
Financial income	**2,428**	**3,609**	**3,227**
Interest expense on borrowings	(1,955)	(2,614)	(4,240)
Interest expense on trade and other liabilities	(443)	(742)	(72)
Other interest expense and financial charges	(204)	(343)	(318)
Impairment of financial asset	(30,120)	-	-
Financial expense	**(32,722)**	**(3,699)**	**(4,630)**
Foreign exchange gain (losses)	942	(1,169)	(5,232)
Total	**(29,352)**	**(1,259)**	**(6,635)**

Financial expense includes the impairment of a financial asset relating to the Group's investment in North Korea due to uncertainties regarding its recoverability.

10. Equity investments

The equity investments relates to the Egyptian Company for Mobile Services S.A.E. ("ECMS"), a mobile telecommunication operator in Egypt and provides a range of prepaid and postpaid voice and data telecommunication services under the brand name of Mobinil. The Company has an investment of 34.67% in ECMS and the France Telecom group also has an investment of 36.34%. The remaining shareholding is publicly traded on the Cairo and Alexandria Stock Exchange.

In April 2010, France Telecom and OTH entered into a new and comprehensive agreement, which brought to an end all disputes in relation to their joint investment. A revised shareholders' agreement was implemented and became effective on 14 July 2010, as a result of which France Telecom will change its accounting method and will fully consolidate its holding in ECMS in its consolidated financial statements. As a result of the amended shareholders agreement, the OTH ceased to have joint control over ECMS, which became an associate. In consideration for the settlement of all disputes between the parties France Telecom paid a settlement fee of US$ 300.0 million on 13 July 2010. Such US$ 300.0 million, together with the gain relating to the re-measurement to fair value of the investment in ECMS, are included in "Gain on partial disposal of equity investments".
OTH also entered into a put option whereby OTH has the option to put its 34.67% interest in ECMS to France Telecom (i) during the period from 15 September to 15 November 2012 (ii) during the period from 15 September through to 15 November 2013 and anytime until 15 November 2013 in a limited number of deadlock situations. The strike price of the put option increases over time from Euro 29.44 to Euro 33.0 as of 31 December 2013. The put option had zero fair value (Level 3) as of 31 December 2010. See also note 29. Subsequent events.

The following table provides the movements in the Group's equity investment in ECMS as of and for the years ended 31 December 2010, 2009 and for 2008:

	2010	2009	2008
As of 1 January	**407,221**	**303,570**	**301,504**
Share of profit of equity investment	49,364	125,645	97,331
Dividend received	(60,034)	(27,669)	(95,511)
Re-measurement to fair value	664,298	-	-
Exchange differences	(31,347)	5,675	246
As of 31 December	**1,029,502**	**407,221**	**303,570**

The Group's share of the revenues of the equity investment, its aggregated assets (including goodwill) and liabilities are as follows:

	As of and for the year ended 31 December		
	2010	2009	2008
Assets	2,028,416	1,097,931	1,019,725
Liabilities	998,914	690,710	716,155
Revenues	650,448	671,303	633,488
Share of profit of equity investments	49,364	125,645	97,331

The fair value of the 34.67% holding in ECMS amounted to US$ 973,314 thousand as of 31 December 2010 (US$ 1,507,477 thousand as of 31 December 2009 and US$ 908,344 thousand as of 31 December 2008).

11. Income tax expense

Income tax expense is derived as follows from the theoretical income tax that would have arisen had the weighted average statutory income tax rate of the combined entities been applied to profit before income tax:

	Year ended 31 December		
	2010	2009	2008
Profit before income tax	1,007,442	118,379	81,347
Tax calculated at Company's income tax rate	201,488	23,676	16,269
Different income tax rates in subsidiaries	(9,652)	(1,015)	(229)
Theoretical income tax for the year	191,836	22,661	16,040
Income not subject to tax	(132,860)	-	-
Expenses not deducted for tax purposes	12,921	2,594	1,410
Tax on unremitted earnings	3,730	24	-
Share of result in equity investment reported net of tax	(9,873)	(25,129)	(19,466)
Other	179	2,078	4,367
Income tax expense	65,933	2,228	2,351

12. Property and equipment

	Land and Buildings	Plant and machinery	Cable system and equipment	Commercial and other tangible assets	Assets under Construction	Total
As of 1 January 2008	**1,416**	**24,974**	**61,510**	**5,508**	**10,335**	**103,743**
Cost	*1,569*	*36,215*	*65,991*	*10,546*	*10,335*	*124,656*
Accumulated depreciation	*(153)*	*(11,241)*	*(4,481)*	*(5,038)*	*-*	*(20,913)*
Year ended 31 December 2008						
Additions	365	48,665	2,456	10,848	120,409	182,743
Disposals	(7)	(8,444)	(1)	(761)	-	(9,213)
Depreciation	(103)	(7,830)	(3,069)	(2,166)	-	(13,168)
Impairment charges	-	(143)	-	-	-	(143)
Reclassification	-	-	333	7	(340)	-
Exchange differences	(467)	(985)	(6,969)	(288)	(1,663)	(10,372)
Business combinations (Note 24)	257	5,660	-	691	-	6,608
As of 31 December 2008	**1,461**	**61,897**	**54,260**	**13,839**	**128,741**	**260,198**
Cost	*1,807*	*80,143*	*61,288*	*21,488*	*128,741*	*293,467*
Accumulated depreciation and impairment	*(346)*	*(18,246)*	*(7,028)*	*(7,649)*	*-*	*(33,269)*
Year ended 31 December 2009						
Additions	2,507	33,068	548	7,185	83,023	126,331
Disposals	-	(53)	-	(1,181)	-	(1,234)
Depreciation	(169)	(14,225)	(2,819)	(4,238)	-	(21,451)
Impairment charges	-	(1,030)	-	-	-	(1,030)
Exchange differences	(109)	2,717	(670)	399	(73)	2,264
Change in scope of combination	(359)	(3,579)	-	(963)	(1,907)	(6,808)
Transfer to asset held for sale (Note 23)	(11)	(34,936)	-	(9,623)	(2,767)	(47,337)
As of 31 December 2009	**3,320**	**43,859**	**51,319**	**5,418**	**207,017**	**310,933**
Cost	*3,615*	*52,497*	*61,175*	*9,334*	*207,017*	*333,638*
Accumulated depreciation and impairment	*(295)*	*(8,638)*	*(9,856)*	*(3,916)*	*-*	*(22,705)*
Year ended 31 December 2010						
Additions	70	30,871	813	1,355	83,527	116,636
Disposals	(55)	(71)	-	(288)	-	(414)
Depreciation	(155)	(8,073)	(1,763)	(1,517)	-	(11,508)
Impairment charges	-	-	(25,059)	(4)	-	(25,063)
Reclassification	8	-	58	152	(218)	-
Exchange differences	(30)	(5,421)	(2,898)	(374)	(416)	(9,139)
As of 31 December 2010	**3,158**	**61,165**	**22,470**	**4,742**	**289,910**	**381,445**
Cost	*3,602*	*79,334*	*58,760*	*10,028*	*289,910*	*441,634*
Accumulated depreciation and impairment	*(444)*	*(18,169)*	*(36,290)*	*(5,286)*	*-*	*(60,189)*

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

Property and equipment pledged as security for bank borrowings amount to US$ 1.2 million as of 31 December 2010 and primarily relate to securities for borrowings of Trans World Associated Private Limited ("TWA").

In May 2010 Med Cable Ltd main customer had its license suspended by the Algerian government, resulting in the cessation of cable operation and no ongoing revenue or cash inflow for the company. As a result its cable assets were impaired by approximately US$ 25.0 million during the year ended 31 December 2010.

13. Intangible assets

	Licence	Goodwill	Other	Total
As of 1 January 2008	**17,806**	**20,149**	**975**	**38,930**
Cost	*24,595*	*20,417*	*975*	*45,987*
Accumulated amortisation and impairment	*(6,789)*	*(268)*	*-*	*(7,057)*
Additions	88,116	-	432	88,548
Business combination (Note 24)	1,998	3,746	-	5,744
Disposals	(6,439)	-	-	(6,439)
Amortisation	(3,720)	-	(5)	(3,725)
Impairment charges	-	(595)	(279)	(874)
Exchange differences	(4,091)	91	(3)	(4,003)
As of 31 December 2008	**93,670**	**23,391**	**1,120**	**118,181**
Cost	*103,856*	*24,248*	*1,390*	*129,494*
Accumulated amortisation and impairment	*(10,186)*	*(857)*	*(270)*	*(11,313)*
Additions	2,609	-	76	2,685
Change in the scope of combination	(2,815)	(3,258)	-	(6,073)
Assets held for sale (Note 23)	(22,054)	(8,654)	-	(30,708)
Disposals	(6,147)	-	-	(6,147)
Amortisation	(6,482)	-	(6)	(6,488)
Impairment charges	-	(3,002)	-	(3,002)
Exchange differences	2,213	219	(7)	2,425
As of 31 December 2009	**60,994**	**8,696**	**1,183**	**70,873**
Cost	*63,843*	*15,626*	*1,474*	*80,943*
Accumulated amortisation and impairment	*(2,849)*	*(6,930)*	*(291)*	*(10,070)*
Additions	13,397	-	115	13,512
Disposals	(22)	-	-	(22)
Amortisation	(3,097)	-	(15)	(3,112)
Impairment charges	-	(1,540)	-	(1,540)
Exchange differences	(4,584)	(399)	(190)	(5,173)
As of 31 December 2010	**66,688**	**6,757**	**1,093**	**74,538**
Cost	*72,351*	*8,507*	*1,385*	*82,243*
Accumulated amortisation and impairment	*(5,663)*	*(1,750)*	*(292)*	*(7,705)*

Impairment tests for goodwill

Goodwill is allocated to the individual CGU which reflects the minimum level at which the units are monitored for management control purposes.

The carrying amount as of 31 December 2010, 2009 and 2008 was subject to an impairment test to compare the carrying amount with value in use and the recoverable amount. No evidence of impairment arose. Value in use was determined by discounting the expected cash flows, resulting from the five year business plans approved by the respective board of directors, using the weighted average cost of capital, net of the tax effect, calculated using the capital asset pricing model (WACC). A growth rate of 1% was assumed for the years not covered by the respective business plans.

The following table provides an analysis of goodwill by segment:

	Media and Technology	Cable	Total
As of 1 January 2008	**19,248**	**901**	**20,149**
Cost	*19,516*	*901*	*20,417*
Accumulated impairment	*(268)*	-	*(268)*
Impairment charges	(595)	-	(595)
Business combination (Note 24)	3,746	-	3,746
Exchange differences	87	4	91
As of 31 December 2008	**22,486**	**905**	**23,391**
Cost	*23,343*	*905*	*24,248*
Accumulated impairment	*(857)*	-	*(857)*
Change in scope of combination	(3,258)	-	(3,258)
Transfer to asset held for sale (Note 23)	(8,654)	-	(8,654)
Impairment charges	(3,002)	-	(3,002)
Exchange differences	214	5	219
As of 31 December 2009	**7,786**	**910**	**8,696**
Cost	*14,716*	*910*	*15,626*
Accumulated impairment	*(6,930)*	-	*(6,930)*
Impairment charges	(1,540)	-	(1,540)
Exchange differences	(352)	(47)	(399)
As of 31 December 2010	**5,894**	**863**	**6,757**
Cost	*7,644*	*863*	*8,507*
Accumulated impairment	*(1,750)*	-	*(1,750)*

14. Other financial assets

	As of 31 December								
	2010			2009			2008		
	Non - current	*Current*	*Total*	*Non - current*	*Current*	*Total*	*Non - current*	*Current*	*Total*
Deposits	28,987	580	**29,567**	502	1,904	**2,406**	37	278	**315**
Investments	7,795	-	**7,795**	8,033	-	**8,033**	8,519	-	**8,519**
Financial receivables	1,745	435	**2,180**	23,796	168	**23,964**	12,952	1,974	**14,926**
Total	**38,527**	**1,015**	**39,542**	**32,331**	**2,072**	**34,403**	**21,508**	**2,252**	**23,760**

Deposits

Deposits as of 31 December 2010 also include an amount of US$ 28,234 thousand relating to cash held in North Korea which is subject to restrictions on use for certain operating and capital expenses in local currency only. The funds cannot be converted into Euro and cannot be repatriated overseas.

As of 31 December 2010 deposits with amounts of US$ 755 thousand are pledged or blocked as security against related bank borrowings or others commitments (2009: US$ 1,151 thousand, 2008: US$ 228 thousand).

The following table shows the ageing analysis of financial receivables and long term deposits as of 31 December 2010, 2009 and 2008:

	As of 31 December					
	2010		2009		2008	
	Deposits	*Financial receivables*	*Deposits*	*Financial receivables*	*Deposits*	*Financial receivables*
Not past due	29,567	2,126	2,406	629	315	4,139
Past due 0-30 days	-	54	-	-	-	-
Past due 31-120 days	-	-	-	-	-	-
Past due more than 150 days	-	-	-	23,335	-	10,787
Total	29,567	2,180	2,406	23,964	315	14,926

Investments

Company name	% ownership	As of 31 December 2010	2009	2008
Smart Village Company	10%	7,795	8,033	8,519

Smart Village Company is an Egyptian company with offices in Cairo which establishes and manages a branded chain of technology cluster and business parks located in Cairo as well as variety of other products and services.

15. Deferred taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax assets and liabilities relate to income taxes due to the same tax authority.

	As of 31 December		
	2010	2009	2008
Deferred tax liability	(2,938)	(675)	(2,585)
Deferred tax asset	2,902	-	-
Net deferred tax asset /(liability)	(36)	(675)	(2,585)

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

	As of and for the year ended 31 December		
	2010	2009	2008
As of 1 January,	(675)	(2,585)	(1,310)
(Charged) / credited to the income statement	618	368	(897)
Change in scope of combination	-	1,376	(287)
Exchange differences	21	166	(91)
As of 31 December,	(36)	(675)	(2,585)

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

Deferred tax assets

	Depreciation and amortisation	Other	Total
As of December 31, 2009	-	-	-
Credited to the income statement	18	2,971	2,989
Exchange differences	-	(87)	(87)
As of December 31, 2010	18	2,884	2,902

There were no deferred tax asset movements for the years ended 31 December 2008 and 2009.

Deferred Tax liability

	Depreciation and amortisation	Unremitted earnings	Amortised cost effect	Other	Total
As of 1 January 2008	1,033	205	-	72	1,310
Charged / (credited) to the income statement	440	-	457	-	897
Business combination (Note 24)	287	-	-	-	287
Exchange differences	208	1	(118)	-	91
As of 31 December 2008	1,968	206	339	72	2,585
Charged / (credited) to the income statement	(318)	24	(74)	-	(368)
Transfer to assets held for sale (Note 23)	(1,376)	-	-	-	(1,376)
Exchange differences	(149)	1	(19)	1	(166)
As of 31 December 2009	125	231	246	73	675
Charged / (credited) to the income statement	(156)	2,631	(76)	(28)	2,371
Exchange differences	(13)	(87)	(12)	(4)	(108)
As of 31 December 2010	(44)	2,775	158	41	2,938

Unrecognised deferred tax assets on tax losses carry forwards mainly refer to income tax loss carry forwards of the Group's subsidiaries in Orascom Telecom Ventures S.A.E. entities.

Generally the Group does not recognise deferred tax assets for temporary differences related to accruals for provisions, due to uncertainties in connection with the tax treatment of such expenses, as they might be challenged by local tax authorities.

No liability has been recognised in respect of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The following table provides a breakdown by estimated recoverability of recognised deferred tax assets and liabilities.

	As of 31 December		
	2010	2009	2008
Deferred tax liabilities			
Within 1 year	117	77	77
Within 1-5 years	2,508	427	1,866
After 5 years	313	171	642
	2,938	675	2,585

	As of 31 December		
	2010	2009	2008
Deferred tax assets			
Within 1 year	-	-	-
Within 1-5 years	-	-	-
After 5 years	2,902	-	-
	2,902	-	-

16. Trade receivable

	As of 31 December		
	2010	2009	2008
Receivables due from customers	23,348	15,916	43,275
Other trade receivables	54,865	39,040	5,890
Allowance for doubtful receivables	(1,865)	(901)	(3,242)
Total	76,348	54,055	45,923

As of 31 December 2010 other trade receivables include US$ 24,735 thousand of receivables due from Gulf Bridge International relating to the sale of a portion of the submarine cable of MenaCable.

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

	2010	2009	2008
As of 1 January	(901)	(3,242)	(7,173)
Exchange differences	(824)	163	14
Additions (allowances recognised as an expense)	(3,545)	(7,945)	(2,943)
Use	11	135	7,393
Reversal	3,394	3,174	-
Change in scope of combination (Note 24)	-	1,361	(533)
Transfer to assets held for sale (Note 23)	-	5,453	-
As of 31 December 31	(1,865)	(901)	(3,242)

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

The following table shows the ageing analysis of trade receivables as of 31 December 2010, 2009 and 2008, net of the relevant allowance for doubtful receivables:

	As of 31 December		
	2010	2009	2008
Not past due	49,809	35,860	22,790
Past due 0-30 days	5,818	8,430	2,979
Past due 31-120 days	7,314	4,653	6,006
Past due 121 - 150 days	2,630	2,713	6,610
Past due more than 150 days	10,777	2,399	7,538
Total	76,348	54,055	45,923

The maximum exposure to credit risk at the reporting date is the carrying value of the receivable. The Group does not hold any collateral as security.

17. Other current assets

	As of 31 December		
	2010	2009	2008
Prepaid expenses	7,769	6,054	5,432
Advances to suppliers	6,240	2,781	-
Receivables due from tax authority	954	229	89
Other receivables	1,999	5,028	25,382
Allowance for doubtful current assets	(249)	-	-
Total	16,713	14,092	30,903

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

	2010	2009	2008
At 1 January	-	-	-
Additions	(255)	-	-
Exchange differences	6	-	-
As of 31 December	(249)	-	-

18. Cash and cash equivalents

	As of 31 December		
	2010	2009	2008
Bank accounts and Deposits	173,106	55,131	69,790
Cash on hand	1,742	14,952	248
Total	174,848	70,083	70,038

Cash and cash equivalents mainly relate to the Media & Technology segment. As of 31 December 2010 cash and cash equivalents include the net proceeds of the sale of LinkDotNet S.A.E. and Link Egypt for Trade and Services S.A.E. to ECMS amounting to US$ 95,521 thousand.

19. Invested capital

Until the date of Demerger the OTMT Assets were a fully integrated business within OTH. Accordingly, the Company did not have its own share capital and reserves and certain financial funding of the OTMT Assets was provided by long term capital contributions from OTH. In preparing the Combined Financial Statements, expenses common to all OTH businesses that have been allocated to OTMT Assets were assumed to be settled directly by OTH. In particular, the major amounts contributed to OTMT Assets by OTH include financing provided and income tax, personnel expenses, consulting and legal fees and other centralised services paid on behalf of OTMT. Major amounts distributed by OTMT Assets to OTH include dividends and management fee payments received from ECMS and the settlement fee received in connection with the disputes with France Telecom.

On 29 November 2011 the Company was incorporated with an authorised and issued share capital amounting to EGP 2,098,276,248 distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42.

20. Borrowings

	As of 31 December 2010						
	Within one year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	after 5 years	Total
Liabilities due to banks	4,776	2,252	2,627	-	-	-	9,655
Finance lease	34	32	54	30	22	-	172
Other borrowings	5,834	-	2,344	-	-	-	8,178
Total	10,615	2,294	5,044	30	22	-	18,005

	As of 31 December 2009						
	Within one year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	after 5 years	Total
Liabilities due to banks	7,537	5,625	70	4,892	-	-	18,124
Finance lease	38	18	22	28	11	-	117
Other borrowings	5,528	-	2,220	-	-	-	7,748
Total	**13,103**	**5,643**	**2,312**	**4,920**	**11**	**-**	**25,989**

	As of 31 December 2008						
	Within one year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	after 5 years	Total
Liabilities due to banks	9,518	7,792	2,844	2,440	4,928	-	27,522
Finance lease	11,593	6,838	5,856	4,778	4,160	-	33,225
Other borrowings	7,461	2,081	-	-	-	-	9,542
Total	**28,572**	**16,711**	**8,700**	**7,218**	**9,088**	**-**	**70,289**

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

Finance lease liabilities

	As of 31 December		
	2010	2009	2008
Gross finance lease liabilities - Minimum lease payments			
Within one year	61	51	14,642
Between 1-5 years	157	97	27,837
After 5 years	-	-	-
Future charges on finance leases	(46)	(31)	(9,254)
Present value of finance lease liability	**172**	**117**	**33,225**
The present value of finance lease liabilities is as follows:			
Within one year	34	38	11,593
Between 1-5 years	138	79	21,632
After 5 years	-	-	-
	172	117	33,225

Finance lease liabilities as of 31 December 2008 mainly related to LinkDotNet S.A.E. and Link Egypt for Trade and Services S.A.E., reclassified to Assets and Liabilities held for sale as of 31 December 2009.

Other Borrowings

Other borrowings mainly include loans from non-controlling shareholders in subsidiaries. The detail of "Other borrowings" is included in Appendix C – "Other borrowings".

Currency Information of current and non-current borrowings

The following table provides the breakdown of total borrowings by currency of issue:

	US$	Euro	Egyptian Pound	Pakistan Rupee	Total
As of 31 December 2010	6,587	2,700	1,685	7,033	**18,005**
As of 31 December 2009	6,659	5,882	5,584	7,864	**25,989**
As of 31 December 2008	8,806	9,916	42,609	8,958	**70,289**

Financial liabilities include secured liabilities of US$ 9,562 thousand as of 31 December 2010, US$13,628 thousand as of 31 December 2009 and $ 20,129 thousand as of 31 December 2008. In general, the financial liabilities are secured on property and equipment of the relevant subsidiary, pledged shares and receivables.

21. Other current liabilities

	As of 31 December		
	2010	2009	2008
Prepaid traffic and deferred income	40,391	36,036	9,305
Due to local authorities	11,126	36,580	-
Personnel payables	3,350	2,145	582
Other	8,978	3,387	17,219
Total	63,845	78,148	27,106

Prepaid traffic and deferred income includes advance payments received from Gulf Bridge International in connection with the sale contract of one fibre pair and indefeasible right of use from Italy to Oman amounting to approximately US$ 29,100 thousand as of 31 December 2010 and 2009. See also note 29.

22. Trade payables

	As of 31 December		
	2010	2009	2008
Capital expenditure payables	33,919	34,603	45,373
Trade payables due to suppliers	21,161	11,515	40,311
Other trade payables	28,923	22,611	17,680
Total	84,003	68,729	103,364

Trade payables are all due within one year.

23. Non-current assets held for sale and discontinued operations

In 2010, LinkDotNet S.A.E. and Link Egypt for Trade and Services S.A.E. (previously 100% subsidiaries) were sold to ECMS, an equity investment of the Group for a consideration of US$ 130.0 million. Proceeds of the sale transaction, net of financing previously provided by the Group and transferred to ECMS, amounted to US$ 97,921 thousand. The date of the sale of the subsidiaries is the date at which control over the entities was passed over to ECMS. The combined income statement for 2010 includes the results of the subsidiaries up to the date at which control was lost over the subsidiaries and the profit or loss arising on the sale. The calculation of the gain or loss on disposal is the difference between the carrying amount of the net assets (including goodwill) disposed of and any proceeds received. The calculation of net assets includes the appropriate portion of cumulative exchange differences and any other amounts recognised in other comprehensive income and accumulated in equity. The effects of the sale of these subsidiaries have been detailed below:

	Year ended 31 December		
	2010	2009	2008
Cash generated by operating activities	60,874	15,481	9,383
Cash used in investing activities	(6,553)	(9,060)	(8,144)
Cash generated by /(used in) financing activities	(51,429)	(1,353)	363
Exchange gain (loss) on cash and cash equivalent	(85)	65	(17)
Total cash generated	2,807	5,133	1,585

a) Assets of the subsidiaries transferred to "Assets held for sale"

	As of 31 December 2009
Property and equipment	47,337
Intangible assets	30,708
Inventories	145
Trade receivables	16,055
Other current financial assets	461
Other current assets	4,852
Cash and cash equivalents	10,395
Total	**109,953**

b) Liabilities of the subsidiaries transferred to "Assets held for sale"

	As of 31 December 2009
Non-current borrowings	14,183
Deferred tax liabilities	1,376
Current borrowings	9,290
Trade payables	16,040
Other current liabilities	10,600
Provisions current	3,057
Total	**54,546**

Analysis of the result of discontinued operations and the gain on disposal of discontinued operations:

	Year ended 31 December		
	2010	2009	2008
Revenues	43,548	59,877	45,641
Cost	(36,510)	(62,672)	(59,967)
Income tax	(28)	116	(309)
Profit /(loss) after tax of discontinued operations	**7,010**	**(2,679)**	**(14,635)**
Gain on disposal	28,065	-	-
Tax on gain on disposal	(6,169)	-	-
Profit (loss) from discontinued operation (net of income tax)	**28,906**	**(2,679)**	**(14,635)**

24. Business combinations

The Group acquired 100% of the share capital of WOL Telecom Limited ("WOL"), a telecommunication company, operating in software development, internet and related services, for a cash consideration of approximately US$ 17,080 thousand. WOL is combined from 1 January 2008. The goodwill is attributable to WOL's market positioning and the synergies expected to arise after its acquisition by the Group. The goodwill is attributable to the Media & Technology segment.

The following tables summarise the consideration paid for WOL, net of cash and cash equivalents acquired, the fair value of the assets acquired and the liabilities assumed.

Consideration	17,080
Cash and cash equivalents acquired	(9,061)
Consideration, net of cash and cash equivalents acquired	**8,019**

Recognised amounts of identifiable assets acquired and liabilities assumed	
Assets	
Property and equipment	6,608
Intangible assets	1,998
Inventories	230
Trade receivables	654
Assets for current taxes	5
Other receivables	1,771
Cash and cash equivalents	9,061
Liabilities	
Non current borrowings	306
Deferred tax liabilities	287
Current borrowings	740
Trade payables	2,911
Other payables	2,749
Net assets acquired	**13,334**
Goodwill	**3,746**
Total	**17,080**

There were no external acquisition costs incurred relating to the purchase of WOL.

25. Earnings per share

On 29 November 2011, the Company was incorporated with an authorised and issued share capital amounting to EGP 2,098,276,248 distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42. For the purposes of calculating earnings per share, the assumption has been made that the Company had the same shares in issue as of and for the years ended 31 December 2010, 2009 and 2008.

Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year according to the assumption mentioned above.

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 periods covered by the report, the Company did not have any dilutive potential ordinary shares and as such diluted and basic earnings per share are equal.

	Year ended 31 December		
	2010	**2009**	**2008**
Profit attributable to equity holders of the Company	928,730	114,870	81,530
Profit from discontinued operations attributable to equity holders of the Company	28,906	(2,679)	(14,635)
Total	**957,636**	**112,191**	**66,895**
Weighted average number of shares (in thousands of shares)	5,245,691	5,245,691	5,245,691
Earnings per share – basic and diluted (in US$)			
From continuing operations	0.177	0.022	0.016
From discontinued operations	0.006	(0.001)	(0.003)
From profit for the year	**0.183**	**0.021**	**0.013**

26. Commitments

The commitments as of 31 December 2010, 2009 and 2008 are provided in the table below:

	As of 31 December		
	2010	2009	2008
Intangible assets	19,434	18,540	28,200
Property and equipment	57,533	83,736	153,800
Repairs and maintenance	7,893	-	-
Financial assets	-	-	28
Total	84,860	102,276	182,028

Commitments for purchase of property and equipment mainly relate to commitments of MenaCable relating to the purchase of marine cables and related equipment.

27. Related party transactions

Transactions with subsidiaries, associates, with the Parent Company and its subsidiaries and other related parties are not considered atypical or unusual, as they fall within the Group's normal course of business and are conducted under market conditions that would be performed by independent third parties.
The main related party transactions are summarised as follows:

	Year ended 31 December		
	2010	2009	2008
		Revenue	
Orascom Telecom Algeria	4,728	8,300	12,093
Pakistan Mobile Communication Limited Group	6,473	1,982	6,554
Wind International Services Group	-	274	-
banglalink	1,012	643	905
LinkDotNet	905	-	-
Ring Group	1,686	636	429
ECMS	14,471	16,388	16,679
Total	29,275	28,223	36,660

	Year ended 31 December					
	2010	2009	2008	2010	2009	2008
	Purchase of services and goods			*Personnel expenses*		
Wind International Services Group	(392)	-	(1,462)	-	-	-
Orascom Telecom Services Europe	(1,822)	(1,286)	(753)	-	-	-
Minimax Ventures	-	-	-	(5,482)	(3,994)	(887)
Ring Group	-	(4,728)	(861)	-	-	-
Orasinvest Holding Inc.	-	-	(5,960)	-	-	-
Total	(2,214)	(6,014)	(9,036)	(5,482)	(3,994)	(887)

	As of 31 December					
	2010	2009	2008	2010	2009	2008
	Receivables			*Payables*		
Orascom Telecom Algeria	5,918	5,604	6,522	-	-	-
bangalink	-	-	747	-	-	-
Pakistan Mobile Communication Limited Group	20,106	19,921	6,168	-	-	-
Ring Group	1,227	1,293	-	-	-	(653)
Wind International Services Group	-	-	-	-	-	(20,195)
Total	**27,251**	**26,818**	**13,437**	**-**	**-**	**(20,848)**

Related party revenues mainly related to the sale of content download services. Transactions with Orascom Telecom Algeria and Pakistan Mobile Communication Limited Group also included leased line revenue. Transactions with Wind International Services Group referred to broadband and high-speed connectivity leasing from TWA, furthermore, Wind International Services Group and Orasinvest Holding Inc. have provided maintenance and support services to the Group.

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

Orascom Telecom Services Europe and Minimax Ventures provide consulting and management support, including outsourcing of employees.

Key management compensation

Key management includes executive and non executive directors, the chief financial officer and other managing directors considered key personnel. Key management compensation has been allocated to the Group based on the capital invested and dividend income allocated to the OTMT Assets, expressed as a total of capital invested and dividend income of OTH subsidiaries and equity investments.

The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December		
	2010	2009	2008
Key management compensation	2,647	1,929	1,412

28. Contingent assets and liabilities

The Group is subject to various legal proceedings and claims which arise in the ordinary course of business due to the nature of the operations of the Group and the nature of the markets where the Group operates.

The Group recognises a provision for losses and liabilities when the existence of an economic outflow is certain or probable. As of 31 December 2010 the Company is a party in a number of legal cases which resulted from carrying out its activities. Based on the legal advice obtained, the Company's management believe that the outcome of these lawsuits, individually or in aggregate, would not be material to the Group's results.

Telecom Egypt Interconnection Prices

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

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

The NTRA appealed the ruling of the Administrative Court before the High Administrative Court, which referred it to the State Commissioners' Authority. The State Commissioners' Authority issued its advisory report on 6 December 2010 recommending the ruling against ECMS. The High Administrative Court will hear the parties reply to the State Commissioners' Authority advisory report in April 2012 and its decision is still pending.

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

If ECMS had applied the NTRA rulings and decrees it would have recorded less interconnect revenue and cost with a net impact on ECMS's profit before income tax of US$ 67,629 thousand for the year ended 31 December 2010 (2009: US$ 46,916 thousand and 2008: US$ 12,071 thousand).

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:

- Letter of Guarantee amounting to US$ 1.0 million in favour of NTRA to guarantee MenaCable execution of its entire obligation related to constructing, operating and renting sea cables networks and its infrastructure for international communications.

- Letter of guarantee in a favour of Lebanon Ministry of Telecommunication (ROL) to guarantee the Company in the payment of any amount due by the selected Participant to ROL amount with US$ 30.0 million.

- Guarantee provided by MenaCable in favour of Gulf Bridge International amounting to US$ 29.1 million.

29. Subsequent events

On 12 April 2012 the Company entered into a binding agreement with France Telecom - Orange ("France Telecom") to sell its 29.67% direct and indirect holding in ECMS at a price of EGP 202.5 per share for a total cash consideration of approximately US$ 998 million (based on the exchange rate at 12 April 2012) and to retain a 5% direct economic interest in ECMS. Additionally, the Company will acquire from France Telecom 28.75% of indirect voting rights in ECMS for a total cash consideration of EGP 58 million (approximately US$10 million (based on the exchange rate at 12 April 2012)).
France Telecom and the Company have amended certain provision under their current shareholders agreement in order to adjust the governance structure to the new shareholding interests and to put in place

mechanisms to protect minority shareholder's interest and leave the Company with similar voting rights and board representations as currently in place.
In particular, the Company will remain France Telecom's strategic partner in Egypt and will continue to participate in the management of ECMS, including through its appointment of three out of thirteen directors in the board of directors of ECMS, its participation in the audit committee and in the nomination and compensation committee of ECMS. The chief operating officer of ECMS will be appointed by ECMS's board of directors after consultations with ECMS's nomination and compensation committee. The chief operating officer of ECMS will appoint the other senior management of ECMS, always after consultations with ECMS's nomination and compensation committee. The Company will continue to provide services to ECMS under the general service agreement renewed on 22 March 2012, subject to possible future changes that may be decided by ECMS for that agreement or its assignment to France Telecom, at France Telecom's discretion, against compensation of Euro 110 million.

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

- In order to grant France Telecom increased flexibility to maintain Egyptian shareholding in ECMS, France Telecom and the Company have agreed to limit the Company's put option for its 5% remaining direct stake in ECMS to 1.67% per annum over a three-year period from 2015 to 2017, subject to the trading rules and the then applicable law. This option is exercisable in January-February of each such year at accreting prices determined based on the date of exercise ranging from EGP 268.5 in 2015 to EGP 296 in 2017 per ECMS share, the last exercise of such put option leading to the sale of the 28.75% indirect voting rights in ECMS. The Company will also have certain agreed exit rights in the event France Telecom involves another local partner in the ECMS business.
- To give France Telecom additional control over a potential future divestment by the Company, France Telecom will have the option to call all (but not less than all) of the Company's remaining direct stake in ECMS and indirect voting rights. This option is exercisable during a January-February exercise period in each year from 2013 to 2017, at prices accreting at a rate similar to that for the put option granted to the Company and described above, ranging from EGP 243.5 to EGP 296 per ECMS share. The agreement also provides France Telecom with call option rights in certain other circumstances, including upon a change of control of the Company.

The Company will also grant France Telecom a right of first refusal over any sale by the Company of its stake in ECMS. The proposed transaction was approved by the regulatory authorities on 22 April 2012.

In the last quarter of 2011 MenaCable completed the sale of one fibre pair and indefeasible right of use from Italy to Oman to Gulf Bridge International, recognising a gain of US$ 7,853 thousand.

In February 2011 the management contract of the mobile telecommunications operator Alfa was extended until January 2012, whereby Orascom Telecom Lebanon S.A.I. received a monthly fee of US$ 2.5 million and 8.5% of the total revenues of the Lebanese operator. The operating costs were borne by Orascom Telecom Lebanon S.A.I. and capital expenditure was incurred by the operator. In February 2012 Orascom Telecom Lebanon S.A.I.'s management contract for Alfa was renewed for a further year. The terms of the renewal were re-negotiated compared to the previous management contract and Orascom Telecom Lebanon S.A.I. will now receive a monthly fee of US$ 0.6 million and a percentage of revenues which is variable depending on achieving certain objectives. The percentage of revenues varies from 0.05% to 0.1% per objective with a potential upside if the objective is met before the required date. In addition, under the new contract, all operating costs, including personnel costs will be borne by the operator. The operator will also continue to incur all capital expenditure.

At the beginning of 2012, Orascom Telecom Ventures S.A.E., the regional company in online and mobile technology, acquired 51% in DARE'n'DEAL, the largest and fastest growing group-buying site in Egypt, valued at EGP 20.0 million (approximately US$ 4.0 million). This deal represents a turning point in the development of the region's e-commerce industry.

During February 2012 Trans World Associates (Pvt) Ltd repaid US$ 1.0 million of its short term interest free loan due to the minority shareholders.

The OTMT GDRs were approved for trading on unregulated market on the London Stock Exchange as of 12 March 2012.

Appendix A - Subsidiaries, associates and investments as of 31 December 2010

Segment	Country	Entity name	Direct and indirect interest in entity
GSM North Korea	North Korea	CHEO Technology JV Company	75.000%
GSM Lebanon	Lebanon	Orascom Telecom Lebanon S.A.L	99.790%
Cable	Pakistan	Trans World Associates (Pvt) Ltd	51.000%
Cable	UK	Medcable Ltd	100.000%
Cable	Italy	Mena Srl	100.000%
Cable	Free Zone II	Middle East and North Africa for Sea Cables	99.630%
Media and Technology	Egypt	Orascom Telecom Ventures S.A.E.	99.990%
Media and Technology	Egypt	Link Development S.A.E.	99.790%
Media and Technology	Egypt	ARPU for Telecommunication Services S.A.E.	99.490%
Media and Technology	Pakistan	Mobi Zone Pakistan (Pvt) Ltd	99.490%
Media and Technology	Tunisia	Mobi Zone Tunisia	98.495%
Media and Technology	Algeria	Mobi Zone Algeria Ltd	99.490%
Media and Technology	Italy	Mobi Zone Italy	98.495%
Media and Technology	UAE	Mobi Zone FZ LLC	99.490%
Media and Technology	Bangladesh	Mobi Zone Bangladesh	99.490%
Media and Technology	Saudi Arabia	Mobi Zone Saudi Arabia	99.490%
Media and Technology	Canada	Mobi Zone Canada Inc	99.490%
Media and Technology	Egypt	Global Telecom S.A.E.	95.361%
Media and Technology	Morocco	Rosten Investments Ltd	99.490%
Media and Technology	Egypt	Egypt Call Communications S.A.	99.470%
Media and Technology	Algeria	Algeria Win Call	99.490%
Media and Technology	Palestine	Palestine Call	99.490%
Media and Technology	British Virgin Islands	Arab Call Group Ltd	99.490%
Media and Technology	Pakistan	Call Pak Pakistan	99.490%
Media and Technology	Egypt	Skill Link	37.496%
Media and Technology	Egypt	Data Tech	33.997%
Media and Technology	Egypt	Intonet	50.995%
Media and Technology	Saudi Arabia	LinkDotNet KSA	94.991%
Media and Technology	UAE	LinkDotNet LLC	99.990%
Media and Technology	Egypt	Link Online S.A.E.	98.990%
Media and Technology	Egypt	Arab Finance Securities	99.870%
Media and Technology	Egypt	Link for Domain Registration S.A.E.	99.968%
Media and Technology	Egypt	Connect Ads	97.990%
Media and Technology	Qatar	Link Dot Net Qatar	48.995%
Media and Technology	Egypt	Into Development ECP	50.995%
Other	Free Zone I	Oracap Holding Co.	99.950%
Other	Malta	Oracap Far East Limited	99.900%
Other	North Korea	Orabank NK Ltd	94.905%
Other	Egypt	Mobinil for Telecommunications S.A.E.	28.755%
Other	Egypt	Egyptian company for Mobile Services S.A.E.	34.674%
Other	Egypt	Smart Village ECDMV	10.459%

Appendix B – Liabilities due to banks
Liabilities due to banks as of 31 December 2010

		US$				Denomination currency				
Entity	**Bank**	**Current**	**Non-current**	**Total**	**Currency**	**Nominal**	**Line of credit**	**Maturity**	**Interest**	**Securitised**
Medcable Ltd	Export Credit Loan Calyon	2,701	-	2,701	EUR	2,000	12,157	13/09/2011	0.95%	Guaranteed
Total Medcable Ltd		2,701	-	2,701	EUR					
TransWorld Associates (Private) Ltd										
	United Bank Limited	425	1,049	1,474	PKR	124,272	345,200	27/11/2013	6M Kibor+13.35%	Secured
	Habib Bank Limited	311	765	1,076	PKR	90,756	252,100	27/11/2013	6M Kibor+13.35%	Secured
	Allied Bank Limited	247	607	854	PKR	72,000	200,000	27/11/2013	6M Kibor+13.35%	Secured
	Askari Bank Limited	213	524	737	PKR	62,136	172,600	27/11/2013	6M Kibor+13.35%	Secured
	Standard Chartered Bank Pakistan Limited	213	524	737	PKR	62,136	172,600	27/11/2013	6M Kibor+13.35%	Secured
	Pak Oman Investment Company Limited	185	455	640	PKR	54,000	150,000	27/11/2013	6M Kibor+13.35%	Secured
	The Bank of Punjab	142	349	491	PKR	41,400	115,000	27/11/2013	6M Kibor+13.35%	Secured
	Bank Alfalah Limited	123	303	426	PKR	36,000	100,000	27/11/2013	6M Kibor+13.35%	Secured
	Saudi Pak Industrial and Agricultural Investment Company (Private) Limited (SAPICO)	123	303	426	PKR	36,000	100,000	27/11/2013	6M Kibor+13.35%	Secured
Total TWA (Private) Ltd		1,982	4,879	6,861						
Orascom Telecom Ventures group		93	-	93	EGP					
Total Orascom Telecom Ventures group		93	-	93						
Total		4,776	4,879	9,655						

Appendix B – Liabilities due to banks
Liabilities due to banks as of 31 December 2009

		US$				Denomination currency				
Entity	**Bank**	**Current**	**Non-current**	**Total**	**Currency**	**Nominal**	**Line of credit**	**Maturity**	**Interest**	**Securitised**
Medcable Ltd	Export Credit Loan Calyon	2,959	2,923	5,882	EUR	6,135	12,157	13/09/2011	0.95%	Guaranteed
Total Medcable Ltd		2,959	2,923	5,882						
TransWorld Associates (Private) Ltd										
	United Bank Limited	188	1,476	1,664	PKR	138,080	345,200	27/11/2013	6M Kibor+13.35%	Secured
	Habib Bank Limited	137	1,077	1,214	PKR	100,840	252,100	27/11/2013	6M Kibor+13.35%	Secured
	Allied Bank Limited	109	855	964	PKR	80,000	200,000	27/11/2013	6M Kibor+13.35%	Secured
	Askari Bank Limited	94	738	832	PKR	69,040	172,600	27/11/2013	6M Kibor+13.35%	Secured
	Standard Chartered Bank Pakistan Limited	94	738	832	PKR	69,040	172,600	27/11/2013	6M Kibor+13.35%	Secured
	Pak Oman Investment Company Limited	82	641	723	PKR	60,000	150,000	27/11/2013	6M Kibor+13.35%	Secured
	The Bank of Punjab	63	491	554	PKR	46,000	115,000	27/11/2013	6M Kibor+13.35%	Secured
	Bank Alfalah Limited	55	427	482	PKR	40,000	100,000	27/11/2013	6M Kibor+13.35%	Secured
	Saudi Pak Industrial and Agricultural Investment Company (Private) Limited (SAPICO)	55	427	482	PKR	40,000	100,000	27/11/2013	6M Kibor+13.35%	Secured
Total TWA (Private) Ltd		877	6,870	7,747						
Orascom Telecom Ventures group										
	NBAD	1,588	794	2,382	EGP	35,000	35,000	01/04/2011	11.50%	
	Barclays	1,920	-	1,920	EGP	35,000	35,000	01/10/2010	14.50%	
	Barclays	119	-	119	EGP	653	653	< 1 year	14.50%	
	Barclays	74	-	74	EGP	405	405	01/04/2011	14.50%	
Total Orascom Telecom Ventures group		3,701	794	4,495						
Total		7,537	10,587	18,124						

Appendix B – Liabilities due to banks
Liabilities due to banks as of 31 December 2008

		US$				Denomination currency				
Entity	**Bank**	**Current**	**Non-current**	**Total**	**Currency**	**Nominal**	**Line of credit**	**Maturity**	**Interest**	**Securitised**
Medcable Ltd										
	Export Credit Calyon	2,991	5,669	8,660	EUR	6,025	12,157	13/09/2011	0.95%	Guaranteed
	Commercial Loan Calyon	1,258	-	1,258	EUR	889	4,000	17/12/2009	Euribor + 3.5 %	Guaranteed
Total Medcable Ltd		4,249	5,669	9,918						
TransWorld Associates (Private) Ltd										
	United Bank Limited	-	1,746	1,746	PKR	138,080	345,200	27/11/2013	6M Kibor+13.35%	Secured
	Habib Bank Limited	-	1,275	1,275	PKR	100,840	252,100	27/11/2013	6M Kibor+13.35%	Secured
	Allied Bank Limited	-	1,012	1,012	PKR	80,000	200,000	27/11/2013	6M Kibor+13.35%	Secured
	Askari Bank Limited	-	873	873	PKR	69,040	172,600	27/11/2013	6M Kibor+13.35%	Secured
	Standard Chartered Bank Pakistan Limited	-	873	873	PKR	69,040	172,600	27/11/2013	6M Kibor+13.35%	Secured
	Pak Oman Investment Company Limited	-	759	759	PKR	60,000	150,000	27/11/2013	6M Kibor+13.35%	Secured
	The Bank of Punjab	-	582	582	PKR	46,000	115,000	27/11/2013	6M Kibor+13.35%	Secured
	Bank Alfalah Limited	-	506	506	PKR	40,000	100,000	27/11/2013	6M Kibor+13.35%	Secured
	Saudi Pak Industrial and Agricultural Investment (SAPICO)	-	508	508	PKR	40,000	100,000	27/11/2013	6M Kibor+13.35%	Secured
Total TWA (Private) Ltd		-	8,134	8,134						
Orascom Telecom Ventures group										
	Barclays	1,807	1,809	3,616	EGP	35,000	35,000	10/01/2010	14%	
	NBAD	1,581	2,371	3,952	EGP	35,000	35,000	04/01/2011	15%	
	Barclays (Overdraft)	807	-	807	EGP	4,467	5,000	> 1 year	14%	
	NBAD (Overdraft)	283	-	283	EGP	1,569	2,000	> 1 year	14%	
	Barclays (Overdraft)	126	-	126	EGP	700	700	10/01/2010	14%	
	NBAD (Overdraft)	142	-	142	EGP	787	787	04/01/2011	14%	
	NBAD (Overdraft)	10	-	10	EGP	54	54	> 1 year	14%	
	Barclays (Overdraft)	503	-	503	EGP	2,786	2,786	> 1 year	14%	
	Morabha Bank	10	21	31	PKR				0%	
Total Orascom Telecom Ventures group		5,269	4,201	9,470						
Total		9,518	18,004	27,522						

Appendix C - Other borrowings
Other borrowings as of 31 December 2010

		US$				Denomination currency				
Entity	Counterparty	Current	Non-current	Total	Currency	Nominal	Line of credit	Maturity	Interest	Securitised
TransWorld Associates (Private) Ltd										
Subordinated (Long Term) interest free loan from minority shareholder	Dr. Zawawi & Orastar Ltd	-	2,344	2,344	US$	2,695	2,695	31/12/2012	-	Unsecured
Short term interest free loan from minority shareholder	Dr. Zawawi & Orastar Ltd	1,869	-	1,869	US$	1,869	1,869	19/06/2011	-	Unsecured
Short term interest bearing loan from minority shareholder	Dr. Zawawi & Orastar Ltd	2,374	-	2,374	US$	2,265	2,265	23/12/2011	3M LIBOR	Unsecured
Total TWA (Private) Ltd		4,243	2,344	6,587						
Orascom Telecom Ventures group										
Notes payable		1,591	-	1,591	LE	1,591	N/A	N/A		
Total Orascom Telecom Ventures group		1,591	-	1,591						
Total		5,834	2,344	8,178						

Appendix C - Other borrowings
Other borrowings as of 31 December 2009

		US$				Denomination currency				
Entity	**Counterparty**	**Current**	**Non-current**	**Total**	**Currency**	**Nominal**	**Line of credit**	**Maturity**	**Interest**	**Securitised**
TransWorld Associates (Private) Ltd										
Subordinated (Long Term) interest free loan from minority shareholder	Dr. Zawawi & Orastar Ltd	-	2,220	2,220	US$	2,695	2,695	31/12/2012	-	Unsecured
Short term interest free loan from minority shareholder	Dr. Zawawi & Orastar Ltd	1,987	-	1,987	US$	1,987	1,987	19/06/2010	-	Unsecured
Short term interest bearing loan from minority shareholder	Dr. Zawawi & Orastar Ltd	2,309	-	2,309	US$	2,265	2,265	23/12/2010	3M LIBOR	Unsecured
Total TWA (Private) Ltd		4,296	2,220	6,516						
Orascom Telecom Ventures group										
Notes payable		443	-	443	LE	443	N/A	N/A	-	-
Shareholder loans from non controlling interest		750	-	750	LE	750	N/A	N/A	-	-
Total Orascom Telecom Ventures group		1,193	-	1,193						
Other		39	-	39						
Total		5,528	2,220	7,748						

Appendix C - Other borrowings
Other borrowings as of 31 December 2008

Entity	Counterparty	US$ Current	US$ Non-current	US$ Total	Currency	Denomination currency Nominal	Denomination currency Line of credit	Maturity	Interest	Securitised
TransWorld Associates (Private) Ltd										
Subordinated (Long Term) interest free loan from minority shareholder	Dr. Zawawi & Orastar Ltd	-	2,081	2,081	US$	2,695	2,695	31/12/2012	-	Unsecured
Short term interest free loan from minority shareholder	Dr. Zawawi & Orastar Ltd	1,987	-	1,987	US$	1,987	1,987	19/06/2010	-	Unsecured
Short term interest bearing loan from minority shareholder	Dr. Zawawi & Orastar Ltd	2,265	-	2,265	US$	2,265	2,265	23/12/2010	3M LIBOR	Unsecured
Deposit for shares received from minority shareholder	Dr. Zawawi & Orastar Ltd	2,462	-	2,462	US$	N/A	N/A	N/A	-	N/A
Total TWA (Private) Ltd		6,714	2,081	8,795						
Orascom Telecom Ventures group										
Shareholder loans from non controlling interest		747	-	747	LE	746	N/A	N/A		
Total Orascom Telecom Ventures group		747	-	747						
Total		7,461	2,081	9,542						

KPMG

Hazem Hassan
Public Accountants & Consultants

Pyramids Heights Office Park
Km 22 Cairo/Alex Road
P.O. Box 48 Al Ahram
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11
Telefax : (202) 35 36 23 01 - 35 36 23 05
E-mail : egypt@kpmg.com.eg
Postal Code : 12556 Al Ahram

Independent Auditor's Report
To the board of directors of Orascom Telecom Media and Technology Holding S.A.E.

We have audited the accompanying combined interim financial statements of Orascom Telecom Media and Technology Holding S.A.E., which comprise the combined interim statement of financial position as at September 30, 2011 and the combined interim income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine- month then ended, and notes to the interim financial information "the combined interim financial information".

Management's Responsibility for the Combined Interim Financial Information

Management is responsible for the preparation and presentation of this combined interim financial information in accordance with the basis of preparation set out in note 3 to the combined interim financial information. The combined interim financial information contain an aggregation of financial information relating to Orascom Telecom Media and Technology Holding S.A.E. and have been prepared from the books and records maintained by Orascom Telecom Holding S.A.E. and its subsidiaries. Management's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of combined interim financial information that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on this combined interim financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the combined interim financial information is free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined interim financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined interim financial information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and presentation of the combined interim financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined interim financial information. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Hazem Hassan

Opinion

In our opinion, the combined interim financial information referred to above presented fairly, in all material respects, the financial position of Orascom Telecom Media and Technology Holding S.A.E as at September 30, 2011 and the results of its operations and its cash flows for period ended September 30, 2011 in accordance with International Financial Reporting Standards and basis set out in notes 3 to the combined interim financial information.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to note 3 to the combined interim financial information, which describe the basis of preparation. However, had the Orascom Telecom Media and Technology Holding S.A.E actually operated as an independent group, its financial position, results of operations and cash flows my not necessarily have been those set out in the combined financial statements. The combined interim financial statements are prepared for inclusion in the prospectus relating to admission global depositary receipts ("GDRs") of the Company to the Official List and to trading on the London Stock Exchange's regulated market for listed securities. As a result, the combined interim financial statements may not be suitable for another purpose.

KPMG Hazem Hassan

Cairo, Egypt April 23, 2012

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
COMBINED INTERIM STATEMENT OF FINANCIAL POSITION
As of 30 September 2011 and 31 December 2010

(in thousands of US$)	Note	As of 30 September 2011	As of 31 December 2010
Assets			
Property and equipment	13	443,357	381,445
Intangible assets	13	76,696	74,538
Equity investments	11	883,568	1,029,502
Other non current financial assets	16	185,143	38,527
Deferred tax assets		3,522	2,902
Total non-current assets		1,592,286	1,526,914
Inventories		1,271	667
Trade receivables		62,879	76,348
Other current financial assets		2,870	1,015
Current income tax receivables		1,025	1,070
Other current assets		19,908	16,713
Cash and cash equivalents	17	183,047	174,848
Total current assets		271,000	270,661
Total assets		1,863,286	1,797,575
Equity and liabilities			
Invested capital	14	1,569,010	1,579,767
Non-controlling interest		52,375	29,815
Total equity		1,621,385	1,609,582
Liabilities			
Non-current borrowings	15	6,434	7,390
Other non-current liabilities		3,225	2,538
Non-current provisions		751	602
Deferred tax liabilities		5,506	2,938
Total non-current liabilities		15,916	13,468
Current borrowings	15	7,988	10,615
Trade payables		101,214	84,003
Other current liabilities		107,334	63,845
Current income tax liabilities		4,107	10,732
Current provisions		5,342	5,330
Total current liabilities		225,985	174,525
Total liabilities		241,901	187,993
Total equity and liabilities		1,863,286	1,797,575

Chief financial officer
Youssef Shoukry

General manager
Karim Beshara

Auditor's report 'attached'

(The notes 1 to 23 are an integral part of the combined interim financial information)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
COMBINED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
Nine months ended 30 September 2011 and 2010

(in thousands of US$)	Note	Nine months ended 30 September 2011	2010
Revenues	6	236,373	175,751
Other income		1,863	2,714
Purchases and services	7	(84,753)	(89,228)
Other expenses	8	(9,976)	(1,727)
Personnel costs	9	(45,507)	(45,642)
Depreciation and amortization	13	(14,400)	(10,156)
Impairment charges	13	(2,719)	(24,704)
Disposal of non current assets		22	(5)
Operating income		**80,903**	**7,003**
Financial income	10	96,670	2,470
Financial expense	10	(10,940)	(2,109)
Foreign exchange gain	10	9,390	1,828
Share of profit/ (loss) of equity investments	11	(41,545)	55,306
Gain on partial disposal of equity investments	11	-	965,927
Profit before income tax		134,478	1,030,425
Income tax expense	12	(9,924)	(64,076)
Profit from continuing operations		124,554	966,349
Discontinued operations			
Profit from discontinued operation (net of income tax)	22	-	28,474
Profit for the period		124,554	994,823
Attributable to:			
Owners of the Company		106,009	989,241
Non-controlling interest		18,545	5,582
Basic and diluted earnings per share - (US$)	18	0.020	0.188
From continuing operations		0.020	0.183
From discontinued operations		-	0.005

(in thousands of US$)	Nine months ended 30 September 2011	2010
Profit for the period	124,554	994,823
Other comprehensive income:		
Currency translation differences	(38,069)	(44,098)
Other comprehensive loss for the period, net of tax	(38,069)	(44,098)
Total comprehensive income /(loss) for the period	86,485	950,725
Attributable to:		
Owners of the Company	68,126	948,480
Non-controlling interest	18,359	2,245

(The notes 1 to 23 are an integral part of the combined interim financial information)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
COMBINED INTERIM STATEMENT OF CHANGES IN EQUITY
As of and for the nine months ended 30 September 2011 and 2010

(in thousands of US$)	Translation reserve	Retained earnings	Total invested capital	Non controlling Interest	Total equity
As of 31 December 2009	2,829	829,590	832,419	9,011	841,430
Comprehensive income					
Profit for the period	-	989,241	989,241	5,582	994,823
Other comprehensive loss	(40,761)	-	(40,761)	(3,337)	(44,098)
Total comprehensive income	(40,761)	989,241	948,480	2,245	950,725
Transactions with owners					
Invested /(distributed) capital, net	-	(223,713)	(223,713)	8,270	(215,443)
As of 30 September 2010	(37,932)	1,595,118	1,557,186	19,526	1,576,712

(in thousands of US$)	Translation reserve	Retained earnings	Total invested capital	Non controlling Interest	Total equity
As of 31 December 2010	(64,661)	1,644,428	1,579,767	29,815	1,609,582
Comprehensive income					
Profit for the period	-	106,009	106,009	18,545	124,554
Other comprehensive loss	(37,883)	-	(37,883)	(186)	(38,069)
Total comprehensive income /(loss)	(37,883)	106,009	68,126	18,359	86,485
Transactions with owners					
Invested /(distributed) capital, net	-	(78,883)	(78,883)	4,201	(74,682)
As of 30 September 2011	(102,544)	1,671,554	1,569,010	52,375	1,621,385

(The notes 1 to 23 are an integral part of the combined interim financial information)

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
COMBINED INTERIM STATEMENT OF CASH FLOWS
Nine months ended 30 September 2011 and 2010

(in thousands of US$)	*Note*	Nine months ended 30 September 2011	2010
Profit for the period		**124,554**	**994,823**
Adjustments for			
Depreciation, amortisation and impairment charges		17,119	34,860
Impairment of financial assets		9,619	-
Foreign exchange gain		(9,390)	(1,828)
Fair value gain on derivative instrument		(93,778)	-
(Gain) /loss on disposal of non-current assets		(22)	5
Gain from discontinued operations		-	(28,474)
Share of profit (loss) of equity investments		41,545	(55,306)
Gain on partial disposal of equity investments		-	(965,927)
Changes in inventories		(603)	(150)
Changes in trade receivables and payables		11,591	(27,972)
Changes in other assets and liabilities		37,648	13,182
Cash flows generated by /(used in) operating activities		**138,283**	**(36,787)**
Cash out flow for investments in			
Property and equipment	13	(60,951)	(96,333)
Intangible assets	13	(1,333)	(361)
Proceeds from disposal of			
Property and equipment	13	16,842	168
Equity investments	11	-	300,000
LinkDotNet and LinkEgypt	22	-	97,921
Changes in current and non current financial assets		(70,096)	1,648
Dividends received	11	72,678	60,181
Cash flows generated by /(used in) investing activities		**(42,860)**	**363,224**
Proceeds from loan and bank facilities		422	172
Payments for loans and bank facilities		(4,036)	(8,110)
Changes in current financial liabilities		41	2,849
Net capital distributions	14	(78,883)	(223,713)
Cash flows used in financing activities		**(82,456)**	**(228,802)**
Net increase in cash and cash equivalents		**12,967**	**97,635**
Effect of exchange rates on cash and cash equivalents		(4,768)	(3,831)
Cash and cash equivalents at the beginning of the year		**174,848**	**70,083**
Cash and cash equivalents at the end of the year		**183,047**	**163,887**
Income tax paid	14	6,201	68,921
Interest expense paid		1,293	1,419

(The notes 1 to 23 are an integral part of the combined interim financial information)

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

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

The Company and the OTMT Assets (together the "Group") are a mobile telecommunications business operating in high growth emerging markets in the Middle East, Africa and Asia. The Company is a subsidiary of Weather Investments II S.à.r.l. ("Weather Investments" or the "Parent Company"). The Company is listed on the Egyptian Stock Exchange.

The combined interim financial information as of and for the nine months ended 30 September 2011 and 2010 (the "Combined Interim Financial Information") which was approved for issue by the board of directors of the Company on 22 April 2012, was prepared solely for the purpose of the Company's GDR listing on the London Stock Exchange, to present the net assets, financial position and results of operations of the companies and net assets which became part of the Group, as if the Group had been operating as a stand-alone group, independent of OTH, during the relevant period. However, it should be highlighted that if the Group had been operating as a stand-alone group during this period, the net assets, financial position and results of operations could have been different from those presented herein. Therefore, the Combined Interim Financial Information is not necessarily indicative of results that would have occurred if the OTMT Assets had been a separate group during the entire period presented, or of the future results of the Group.

2. Statement of compliance

The Combined Interim Financial Information has been prepared in accordance with IAS 34 "Interim Financial Reporting". The Combined Interim Financial Information does not include all of the information required for full annual financial statements and should be read in conjunction with the combined financial statements as of and for the years ended 31 December 31 2010, 2009 and 2008.

3. Basis of preparation

The Combined Interim Financial Information of the Group, as of and for the nine months ended 30 September 2011 has been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as adopted by the International Accounting Standards Board ("IASB") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and all interpretations of the Standing Interpretations Committee ("SIC").

The Combined Interim Financial Information has been prepared by aggregating the financial information relating to the assets and liabilities which entered into the Group's scope of consolidation on the Demerger and which until then were part of OTH. In preparing the Combined Interim Financial Information, the revenues and costs of the OTMT Assets which were not directly attributable to such business, and in particular those relating to central services performed by the former holding company, were allocated using drivers appropriate to the revenue or cost to be allocated. In particular, in relation to the period considered in the Combined Interim Financial Information, the following assumptions and allocations of indirect expenses, which are consistent with international practice, were used:

- indirect costs mainly relating to personnel expenses and centralised services, such as accounting and financial reporting, legal, treasury, taxation, investor relation, human resources, information technology and commercial, were allocated based on the capital invested and dividend income allocated to the OTMT Assets, expressed as a total of capital invested and dividend income of OTH subsidiaries and equity investments. These costs were affected by the arrangements that existed in OTH and are not necessarily representative of the expenses that may prevail in the future;
- income tax was calculated as if OTMT was a separate legal entity preparing a tax return at company level;
- trade payables and receivables and income tax payables of OTMT were assumed to have been directly settled or paid immediately through capital distributions and contributions by OTH;
- financial funding of the OTMT Assets was provided by long-term capital accounts with OTH as part of the invested capital of OTH in OTMT Assets. The historical capital structure does not necessarily reflect the future capital structure. In particular financial expense may be different in the future.

The Combined Interim Financial Information has been prepared under the historical cost basis except for the following:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value.

For presentational purposes, the current/non-current distinction has been used for the statement of financial position. The statement of comprehensive income is presented using the two statement approach, dividing items of comprehensive income between a separate income statement and a separate statement of comprehensive income. Expenses are analysed in the income statement using a classification based on their nature. The indirect method has been selected to present the cash flow statement.

The information presented in this document has been presented in thousands of United States Dollar ("US$"), except earnings per share and unless otherwise stated.

4. Significant accounting policies

4.1 Change in accounting policies and disclosures

The Group has adopted the following new and amended IFRSs and IFRIC Interpretations, as of 1 January 2011, with no material impact:

- *IAS 32 (amendment), "Financial instruments: Presentation – Classification of rights issues".* Amended to allow rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments provided the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

- *IAS 24, "Related party disclosures" (revised).* The revised standard clarifies the definition of a related party and modifies certain related-party disclosure requirements for government-related entities.

- *IFRIC 19, "Extinguishing financial liabilities with equity instruments".* The interpretation clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially.

- *IFRIC 14 (amendment), "IAS 19 – The limit on a defined benefit assets, minimum funding requirements and their interaction".* The amendment removes unintended consequences arising from the treatment of pre-payments where there is a minimum funding requirement. Results in pre-payments of contributions in certain circumstances being recognized as an asset rather than an expense.

4.2 Summary of main accounting principles and policies

The main accounting principles and policies adopted in preparing this Combined Interim Financial Information are set our below. These policies have been consistently applied to all periods in this Combined Interim Financial Information, and have been applied consistently by the Group entities.

Basis of combination

The Combined Interim Financial Information includes the net assets of the Company and the financial statements of those entities over which the Company has control, both directly or indirectly as if the company had always existed, from the date of acquisition to the date when such control ceases. Control may be exercised through direct or indirect ownership of shares with majority voting rights, or by exercising a dominant influence expressed as the direct or indirect power, based on contractual agreements or statutory provisions, to determine the financial and operational policies of the entity and obtain the related benefits, regardless of any equity relationships. The existence of potential voting rights that are exercisable or convertible at the balance sheet date is also considered when determining whether there is control or not.

The financial statements used in the combination process are those prepared by the individual Group entities as of and for the nine months ended 30 September 2011 and 2010 (the reporting date of this Combined Interim Financial Information) in accordance with IFRS used by the Company in preparing these statements and approved by the respective boards of directors.

The combination procedures used are as follows:

- the assets and liabilities and income and expenses of combined subsidiaries are included on a line-by-line basis, allocating to non-controlling interests, where applicable, the share of equity and profit or loss for the period that is attributable to them. The resulting balances are presented separately in combined equity and the combined income statement; the acquisition method of accounting is used to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets;
- business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination are considered business combinations involving entities under common control. In the absence of an

accounting standard guiding the accounting treatment of these operations the Group applies IAS 8, consolidating the book values of the entity transferred and reporting any gains arising from the transfer in goodwill;

- the purchase of equity holdings from non-controlling holders are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration received and the relevant share of the carrying value of net assets of the subsidiary is recorded in equity;
- any options to purchase non-controlling interests outstanding at the end of the period are treated as exercised and are reported as a financial liability or in equity depending on whether the transaction is to be settled in cash or through the exchange of equity instruments;
- unrealised gains and losses on transactions carried out between companies combined on a line-by-line basis and the respective tax effects are eliminated if material, as are corresponding balances for receivables and payables, income and expense, and finance income and expense;
- gains and losses arising from the sale of holdings in combined entities are recognised in the income statement as the difference between the selling price and the corresponding portion of combined equity sold.

Associates & Joint ventures

Associates are investments in companies where the Group exercises a significant influence, which is presumed to exist when the Group holds between 20% and 50%. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures are accounted for using the equity method.
The equity method is as follows:

- the Group's share of the profit or loss of an investee is recognised in the income statement from the date when significant influence or joint control begins up to the date when that significant influence or joint control ceases. Investments in associates and joint ventures with negative shareholders' equity are impaired and a provision for its losses is accrued only if the Group has a legal or constructive obligation to cover such losses. Equity changes in investees accounted for using the equity method that do not result from profit or loss are recognised directly in combined equity reserves;
- unrealised gains and losses generated from transactions between the Company or its subsidiaries and its investees accounted for using the equity method are eliminated on consolidation for the portion pertaining to the Group; unrealised losses are eliminated unless they represent impairment.

Appendix A includes a list of the entities included in the scope of combination.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Egyptian pound. The Combined Interim Financial Information is presented in 'US Dollars' (US$), which is the Group's presentation currency.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the relevant entity at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated, at the balance sheet date, into the prevailing exchange rates at that date. Foreign currency exchange differences arising on the settlement of transactions and the translation of the statement of financial position are recognised in the income statement.

Group companies

The financial statements of the Group entities are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rate;
- income and expenses are translated at the average exchange rate for the period;
- all resulting exchange differences are recognised as a separate component of equity in the "translation reserve";
- goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate; and
- in the preparation of the combined cash flow statement, the cash flows of foreign subsidiaries are translated at the average exchange rate for the period.

The exchange rates applied in relation to the US$ are as follows:

	Average for nine months ended 30 September		Closing rate as of 30 September	Closing rate as of 31 December
	2011	2010	2011	2010
Egyptian Pound (LE)	0.1199	0.1779	0.1241	0.1722
Pakistan Rupee (PKR)	0.0083	0.0117	0.0085	0.0117
Euro (EUR)	1.4065	1.3302	1.3503	1.3362

Property and equipment

Property and equipment are stated at purchase cost or production cost, net of accumulated depreciation and any impairment losses. Cost includes expenditure directly attributable to bringing the asset to the location and condition necessary for use and any dismantling and removal costs which may be incurred as a result of contractual obligations which require the asset to be returned to its original state and condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Each asset is treated separately if it has an autonomously determinable useful life and value. Depreciation is charged at rates calculated to write off the costs over their estimated useful lives on a straight-line basis from the date the asset is available and ready for use.

The useful lives of property and equipment and their residual values are reviewed and updated, where necessary, at least at each year end. Land is not depreciated. When a depreciable asset is composed of identifiable separate components whose useful lives vary significantly from those of other components of the asset, depreciation is calculated for each component separately, applying the "component approach".

The useful lives estimated by the Group for the various categories of property and equipment are as follows.

	Number of years
Land and buildings	
Buildings	50
Leasehold improvements and renovations	3-8
Cell Sites	8-15
Cable system and equipment	4-20
Commercial and other tangible assets	
Tools	5-10
Computer equipment	3-5
Furniture and fixtures	5-10
Vehicles	3-6

Gains or losses arising from the sale or retirement of assets are determined as the difference between the net disposal proceeds and the net carrying amount of the asset sold or retired and are recognised in the income statement in the period incurred under "Disposal of non-current assets".

Leases

The Group leases certain property and equipment. Leases of property and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance which can be controlled and which are capable of generating future economic benefits. Intangible assets are stated at purchase and/or production cost including any expenses that are directly attributable to preparing the asset for its intended use, net of accumulated amortisation and impairment losses, if applicable.

Licenses

Costs for the purchase of telecommunication licenses are capitalised. Amortisation is charged on a straight-line basis such as to write off the cost incurred for the acquisition of a right over the shorter of the period of its expected use and the term of the underlying agreement, starting from the date on which the acquired license may be exercised.

Software

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software licenses are amortised on a straight-line basis over their useful life (between 3 to 8 years), while software maintenance costs are expensed in the income statement in the period in which they are incurred.
Costs incurred on development of software products are recognised as intangible assets when the Group has intentions to complete and use or sell the assets arising from the project, considering the existence of a market for the asset, its commercial and technological feasibility, its costs can be measured reliably and there are adequate financial resources to complete the development of the asset. Other development expenditures are recognised in the income statement in the period in which they are incurred.

Directly attributable costs that are capitalised as part of a software product include software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the interest acquired in the net fair value at the acquisition date of the assets and liabilities of the entity or business acquired. Goodwill relating to investments accounted for using the equity method is included in the carrying amount of the investment.

Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. In determining an asset's value in use the estimated future cash flows are discounted using a pre-tax rate that reflects the market's current assessment of the cost of money for the investment period and the specific risk profile of the asset. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, 'CGU'). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or Groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Investments

Investments in companies other than those classified as available for sale are measured at fair value with any changes in fair value being recognised in the income statement. If fair value cannot be reliably determined, an investment is measured at cost. Cost is adjusted for impairment losses if necessary, as described in the paragraph "Impairment of Financial Assets". If the reasons for an impairment loss no longer exist, the carrying amount of the investment is increased up to the extent of the loss with the related effect recognised in the income statement. Any risk arising from losses exceeding the carrying amount of the investment is accrued in a specific provision to the extent of the Group's legal or constructive obligations on behalf of the investment.

Financial instruments

Financial instruments consist of financial assets and liabilities whose classification is determined on their initial recognition and on the basis of the purpose for which they were purchased. Purchases and sales of financial instruments are recognised at their settlement date. Financial assets are derecognised when the right to receive cash flows from them ceases and the Group has effectively transferred all risks and rewards related to the instrument and its control.

Financial assets

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

Loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position. Loans and receivables are non-derivative financial instruments which are not traded on an active market and which are expected to generate fixed or determinable repayments. They are included as current assets unless they are contractually due more than twelve months after the balance sheet date in which case they are classified as non-current assets. These assets are measured at amortised cost using the effective interest method..

The classification of an asset as current or non-current is the consequence of strategic decisions regarding the estimated period of ownership of the asset and its effective marketability, with those which are expected to be realised within twelve months from the balance sheet date being classified as current assets.

Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the combined income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the combined income statement.

Financial liabilities

Financial liabilities consisting of borrowings, trade payables and other obligations are measured at amortised cost using the effective interest method. When there is a change in cash flows which can be reliably estimated, the value of the financial liability is recalculated to reflect such change based on the present value of expected cash flows and the originally determined internal rate of return. Financial liabilities are classified as current liabilities except where the Group has an unconditional right to defer payment until at least twelve months after the balance sheet date.

Financial liabilities are derecognised when settled and the Group has transferred all the related costs and risks relating to an instrument.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Inventories

Inventories are stated at the lower of purchase cost or production cost and net realisable value. Cost is based on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. When necessary, obsolescence allowances are made for slow-moving and obsolete inventories. Inventories mainly comprise handsets and SIM cards.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In the combined statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries, associates and joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Combined Interim Financial Information. However, deferred income tax is not accounted for if it arises from initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Provisions

Provisions are only recognised when the Group has a present legal or constructive obligation arising from past events that will result in a future outflow of resources, and when it is probable that this outflow of resources will be required to settle the obligation. The amount provided represents the best estimate of the present value of the outlay required to meet the obligation. The interest rate used in determining the present value of the liability reflects current market rates and takes into account the specific risk of each liability. Provisions are not recognised for future operating losses.

Employee benefits

Short-term benefits are recognised in the income statement in the period in which an employee renders service.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, rebates and discounts and after eliminating sales within the Group.
Revenue from the sale of goods is recognised when the Group transfers the risks and rewards of ownership of the goods. Revenue from services is recognised in the income statement by reference to the stage of completion and only when the outcome can be reliably estimated.

More specifically, the criteria followed by the Group in recognising ordinary revenue are as follows:

- revenue arising from post-paid traffic, interconnection and roaming is recognised on the basis of the actual usage made by each subscriber and telephone operator. Such revenue includes amounts paid for access to and usage of the Group network by customers and other domestic and international telephone operators;
- revenue from the sale of prepaid cards and recharging is recognised on the basis of the prepaid traffic actually used by subscribers during the period. The unused portion of traffic at period end is recognised deferred income;
- revenue from the sale of mobile phones and related accessories is recognised at the time of sale;
- one-off revenue from mobile (prepaid or subscription) activation and/or substitution, prepaid recharge fees and the activation of new services and tariff plans is recognised for the full amount at the moment of activation independent of the period in which the actual services are rendered by the Group. In the case of promotions with a cumulative plan still open at the end of the period, the activation fee is recognised on an accruals basis so as to match the revenue with the period in which the service may be used.
- revenue from bandwidth capacity sales (Cable segment revenue) is recognised over the period of the contract on the basis of usage of bandwidth by the customers. Advances received from customers, for which the service has not yet been provided is disclosed as deferred income.

Dividend income from investments recorded at fair value through profit and loss or at cost is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit for the period attributable to equity holders of the Company, both from continuing and discontinued operations, by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted

Diluted earnings per share are calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average of the number of ordinary shares of the Company outstanding during the period where, compared to basic earnings per share, the weighted average number of shares outstanding is modified to include the conversion of all dilutive potential shares, while the profit for the period is modified to include the effects of such conversion net of taxation. Diluted earnings per share are not calculated when there are losses as any dilutive effect would improve earnings per share.

Segment reporting

Operating segments are reported in a manner which is consistent with the internal reporting information provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the Company.

Non-current assets and liabilities held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets and liabilities held for sale (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent losses on remeasurement are recognised in the income statement. Subsequent increase in fair value less costs to sell may be recognised in the income statement only to the extent of the cumulative impairment loss that has been recognised previously.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

Fair value estimation

The fair value of a financial instrument traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active, if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of instruments that are not traded in an active market (for example privately negotiated derivatives between two parties) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include quoted market prices or dealer and broker quotes for similar instruments and other techniques such as discounted cash flow.

5. Use of estimates

The preparation of the Combined Interim Financial Information 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 Combined Interim Financial Information, the combined statement of financial position, the combined income statement, the combined statement of comprehensive income and cash flows, as well as in the notes. Actual results might differ from such estimates due to the uncertainty surrounding the assumptions and conditions upon which estimates are based. The accounting estimates that require the more subjective judgment of management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results reported in this Combined Interim Financial Information are summarised below.

Impairment of non-current assets

Non-current assets are reviewed to determine whether there are any indications that the net carrying amount of these assets may not be recoverable and that they have suffered an impairment loss that needs to be recognised. In order to determine whether any such elements exist it is necessary to make subjective measurements, based on information obtained within the Group and in the market and also on past experience. When indicators are identified that an asset may have become impaired, the Group estimates the impairment loss using suitable valuation techniques. The identification of elements indicating that a potential impairment exists and estimates of the amount of the impairment, depend on factors that may vary in time, affecting management's assessments and estimates.

Depreciation of non-current assets

The cost of plant and equipment is depreciated on a straight-line basis throughout the useful economic life of the relevant asset. The useful econmic life is determined by management at the time the asset is acquired and is based upon historical experience for similar assets, market conditions, and forecasts regarding future events that could have an impact on useful life, including changes in technology. Therefore, the actual useful economic life may differ from the estimated useful life. The Group periodically evaluates sector and technology changes in order to update the remaining useful life. Such periodic updates could result in a change during the depreciation period, and therefore also in the depreciation in future periods.

Taxes

Income taxes (both current income tax and deferred taxes) are determined in each country where the Group operates in accordance with a prudent interpretation of the applicable tax regulations.
This process results in complex estimates in determining taxable income and deductible and taxable temporary differences between accounting and tax values. In particular, deferred tax assets are recognised when it is probable that there will be future taxable income against which the temporary differences can be utilised. The assessment of the recoverability of deferred tax assets, in relation to tax losses that can be used in future periods and deductible temporary differences, consider the estimated future taxable income on the basis of a prudent tax planning.

Goodwill

The impairment test on goodwill is carried out by comparing the carrying amount of cash-generating units and their recoverable amount. The recoverable amount of a cash-generating unit is the higher of fair value, less costs to sell, and its value in use. This complex valuation process entails the use of methods such as the discounted cash flow method which uses assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for the extrapolation.

6. Segment reporting

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors reviews the Group's internal reporting in order to assess its performance and allocate resources, mainly from a geographical perspective, of the mobile telecommunication business. OTMT management has determined the reportable operating segments according to the information analysed by the chief operating decision-maker as follows:

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

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

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

	Nine months ended 30 September	
	2011	2010
Telephony Services	116,658	52,358
Interconnection traffic - revenue	17,910	19,640
Other income from services and sale of goods	101,805	103,753
Total revenue	236,373	175,751

Revenue and EBITDA disclosure per segment

	Nine months ended 30 September 2011				Nine months ended 30 September 2010			
	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	102,704	-	102,704	80,763	41,626	-	41,626	30,354
GSM Lebanon	71,072	-	71,072	16,867	64,870	-	64,870	14,000
Media & Technology	40,710	(1,771)	38,939	613	41,892	(930)	40,962	2,402
Cable	14,592	-	14,592	(1,799)	17,524	-	17,524	2,725
Other	14,088	(5,022)	9,066	1,556	14,230	(3,461)	10,769	(7,613)
Total	243,166	(6,793)	236,373	98,000	180,142	(4,391)	175,751	41,868

Assets per segment

	As of 30 September 2011				As of 30 September 2010			
	Property and equipment	Intangible assets	Equity investments	Total	Property and equipment	Intangible assets	Equity investments	Total
GSM North Korea	93,192	69,404	-	162,596	56,884	56,833	-	113,717
Media & Technology	9,114	5,890	-	15,004	5,603	7,394	-	12,997
Cable	340,294	1,402	-	341,696	276,401	1,533	-	277,934
Other	757	-	883,568	884,325	701	-	1,044,678	1,045,379
Total	443,357	76,696	883,568	1,403,621	339,589	65,760	1,044,678	1,450,027

Reconciliation of EBITDA to profit before income tax

	Nine months ended 30 September	
	2011	2010
EBITDA	98,000	41,868
Depreciation and amortisation	(14,400)	(10,156)
Impairment charges	(2,719)	(24,704)
Disposal of non current assets	22	(5)
Financial income	96,670	2,470
Financial expense	(10,940)	(2,109)
Foreign exchange gain	9,390	1,828
Share of profit (loss) of equity investments	(41,545)	55,306
Gain on partial disposal of equity investments	-	965,927
Profit before income tax	134,478	1,030,425

Reconciliation of assets allocated to total assets

	As of 30 September	
	2011	2010
Assets allocated	1,403,621	1,450,027
Other non current financial assets	185,143	10,327
Deferred tax assets	3,522	3,013
Inventories	1,271	774
Trade receivables	62,879	86,175
Other current financial assets	2,870	1,659
Current income tax receivables	1,025	1,182
Other current assets	19,908	13,962
Cash and cash equivalents	183,047	163,887
Total assets	1,863,286	1,731,006

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment for the nine months ended 30 September 2011 and 2010:

	Nine months ended 30 September	
	2011	2010
GSM North Korea	38,384	29,936
Media & Technology	5,816	1,603
Cable	37,687	50,542
Other	58	1
Total capital expenditures	81,945	82,082

7. Purchases and services

	Nine months ended 30 September	
	2011	2010
Rental of local network and other leases and rentals	14,072	11,900
Customer acquisition costs	12,978	9,366
Purchases of goods and changes in inventories	11,729	8,841
Maintenance costs	9,537	10,559
Telephony cost	7,738	11,049
Utilities	7,181	7,807
Interconnection traffic	6,998	7,699
Other service expenses	5,954	6,589
Consulting and professional services	4,085	11,399
Advertising and promotional services	3,663	3,293
Bank and post office charges	818	726
Total	84,753	89,228

8. Other expenses

	Nine months ended 30 September	
	2011	2010
Accruals for provisions, write downs and penalties	789	(530)
Contributions	7,705	-
Promotion and gifts	221	763
Other operating expenses	1,261	1,494
Total	9,976	1,727

Contributions relate to annual contributions for licenses due to a new agreement entered into between Koryolink and is local partner.

9. Personnel cost

	Nine months ended 30 September	
	2011	2010
Wages and salaries	34,565	34,731
Social security	2,652	2,438
Pension costs	1,132	824
Other personnel costs	7,158	7,649
Total	45,507	45,642

10. Net financing cost

	Nine months ended 30 September	
	2011	2010
Fair value gain on derivative instrument	93,778	-
Interest income on deposits	2,732	1,158
Dividend income	1	695
Other interest income	159	617
Financial income	**96,670**	**2,470**
Interest expense on borrowings	(1,293)	(1,419)
Other interest expense and financial charges	(28)	(690)
Impairment of financial asset	(9,619)	-
Financial expense	**(10,940)**	**(2,109)**
Foreign exchange gain	9,390	1,828
Total	**95,120**	**2,189**

11. Equity investments

The equity investments relates to the Egyptian Company for Mobile Services S.A.E. ("ECMS"), a mobile telecommunication operator in Egypt and provides a range of prepaid and postpaid voice and data telecommunication services under the brand name of Mobinil. The Company has an investment of 34.67% in ECMS and the France Telecom group also has an investment of 36.34%. The remaining shareholding is publicly traded on the Cairo and Alexandria Stock Exchange.
In April 2010, France Telecom and OTH entered into a new and comprehensive agreement whereby, among other, OTH has the option to put its 34.67% interest in ECMS to France Telecom (i) during the period from 15 September to 15 November 2012 (ii) during the period from 15 September through to 15 November 2013 and anytime until 15 November 2013 in a limited number of deadlock situations. The strike price of the put option increases over time from Euro 29.44 to Euro 33.0 as of 31 December 2013. See also note 23. Subsequent events.

	2011	2010
As of 1 January	**1,029,502**	**407,221**
Share of profit/(loss) of equity investment	(41,545)	55,306
Dividend received	(72,678)	(60,181)
Re-measurement to fair value	-	665,927
Exchange differences	(31,711)	(23,595)
As of 30 September	**883,568**	**1,044,678**

The Group's share of the revenues of the associate, its aggregated assets (including goodwill) and liabilities are as follows:

	As of and for the nine months ended 30 September	
	2011	2010
Assets	1,842,029	1,967,671
Liabilities	958,461	922,993
Revenues	446,703	481,661
Share of profit /(loss) of equity investments	(41,545)	55,306

The fair value of the 34.67% holding in ECMS amounted to US$ 538,777 thousand as of 30 September 2011 (US$ 996,997 thousand as of 30 September 2010).

12. Income tax expense

	Nine months ended 30 September 2011	2010
Current income tax expense	7,525	65,541
Deferred income tax	2,399	(1,465)
Total	9,924	64,076

Income tax expense is derived as follows from the theoretical income tax that would have arisen had the weighted average statutory income tax rate of the combined entities been applied to profit before income tax:

	Nine months ended 30 September 2011	2010
Profit before income tax	134,478	1,030,425
Tax calculated at Company's income tax rate	33,620	206,085
Different income tax rates in subsidiaries	(17,650)	(6,979)
Theoretical income tax for the period	15,970	199,106
Income not subject to tax	(23,445)	(133,185)
Expenses not deducted for tax purposes	2,666	6,281
Tax on unremitted earnings	3,780	2,627
Re-measurement of deferred tax - income tax rate change	(592)	-
Share of result in equity investment reported net of tax	10,386	(11,061)
Other	1,159	308
Income tax expense	9,924	64,076

During 2011 the theoretical income tax in Egypt changed from 20% to 25%.

13. Property and equipment and intangible assets

	Property and equipment	Intangible assets
Opening net book value as of 1 January 2011	381,445	74,538
Cost	*441,634*	*82,244*
Accumulated depreciation and impairment	*(60,189)*	*(7,706)*
Addition	76,411	5,534
Disposal	(391)	-
Depreciation and amortisation	(11,912)	(2,488)
Exchange differences	(662)	297
Impairment charges	(1,534)	(1,185)
Closing net book value as of 30 September 2011	443,357	76,696
Cost	*516,696*	*88,039*
Accumulated depreciation and impairment	*(73,339)*	*(11,343)*

	Property and equipment	Intangible assets
Opening net book value as of 1 January 2010	**310,933**	**70,873**
Cost	*333,638*	*80,943*
Accumulated depreciation and impairment	*(22,705)*	*(10,070)*
Addition	73,450	8,632
Disposal	(173)	-
Depreciation and amortisation	(8,240)	(1,916)
Exchange differences	(11,677)	(11,829)
Impairment charges	(24,704)	-
Closing net book value as of 30 September 2010	**339,589**	**65,760**
Cost	*391,014*	70,176
Accumulated depreciation and impairment	*(51,425)*	(4,416)

The detail of the property and equipment acquired and disposed of during the nine months ended 30 September 2011 is detailed in the following table:

	Additions	Disposals
Land and buildings	57	(42)
Plant and machinery	40,642	(113)
Cable system and equipment	1,369	-
Commercial and other tangible assets	1,327	(236)
Assets under construction	33,016	-
Total	**76,411**	**(391)**

Proceeds from the disposal of property and equipment during the nine months ended 30 September 2011 mainly related to advance payments received from Gulf Bridge International in connection with the sale contract of one fibre pair and indefeasible right of use from Italy to Oman. Total advance payments received from Gulf Bridge International as of 30 September 2011 amounted approximately to US$ 44,650 thousand. See also note 23.

14. Invested capital

Until the date of Demerger the OTMT Assets were a fully integrated business within OTH. Accordingly, the Company did not have its own share capital and reserves and certain financial funding of the OTMT Assets was provided by long term capital contributions from OTH. In preparing the Combined Interim Financial Information, expenses common to all OTH businesses that have been allocated to OTMT Assets were assumed to be settled directly by OTH. In particular, the major amounts contributed to OTMT Assets by OTH include financing provided and income tax, personnel expenses, consulting and legal fees and other centralised services paid on behalf of OTMT. Major amounts distributed by OTMT Assets to OTH include dividends and management fee payments received from ECMS and the settlement fee received in connection with the disputes with France Telecom.

On 29 November 2011 the Company was incorporated with an authorised and issued share capital amounting to EGP 2,098,276,248 distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42.

15. Borrowings

	2011	2010
Opening balance as of 1 January	18,005	25,989
of which current portion	*10,615*	*13,103*
of which non current portion	*7,390*	*12,886*
Re-payment in current and non current borrowing	(5,095)	(10,726)
New borrowings	1,528	4,683
Exchange differences	(16)	32
Closing balance as of 30 September	14,422	19,978
of which current portion	*7,988*	*11,634*
of which non current portion	*6,434*	*8,344*

See Appendix B "Financial liabilities" for detail information on liabilities due to banks and other borrowings as of 30 September 2011.

16. Other non current financial assets

The increase in other non current financial assets is mainly due to (i) the increase in deposits in Koryolink and (ii) the increase in fair value of the option to put 34.67% interest in ECMS to France Telecom. See also note 11. Koryolink's deposits increased from US$ 28,234 thousand as of 31 December 2010 to US$ 81,853 thousand as of 30 September 2011.

17. Cash and cash equivalents

Cash and cash equivalents as of 30 September 2011 mainly relate to the Media & Technology segment.

18. Earnings per share

On 29 November 2011, the Company was incorporated with an authorised and issued share capital amounting to EGP 2,098,276,248 distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42. For the purposes of calculating earnings per share, the assumption has been made that the Company had the same shares in issue as of and for the years ended 31 December 2010, 2009 and 2008, and as of and for the nine months ended 30 September 2011 and 2010.

Basic and diluted
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period according to the assumption mentioned above.

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 periods 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.

	Nine months ended 30 September	
	2011	2010
Profit attributable to equity holders of the Company	106,009	960,767
Profit from discontinued operations attributable to equity holders of the Company	-	28,474
Total	**106,009**	**989,241**
Weighted average number of shares (in thousands of shares)	5,245,691	5,245,691
Earnings per share – basic and diluted (in US$)		
From continuing operations	0.020	0.183
From discontinued operations	-	0.005
From profit for the period	**0.020**	**0.188**

19. Contingent liabilities

The Group is subject to various legal proceedings and claims which arise in the ordinary course of business due to the nature of the operations of the Group and the nature of the markets where the Group operates.

The Group recognises a provision for losses and liabilities when the existence of an economic outflow is certain or probable. As of 30 September 2011 the Company is a party in a number of legal cases which resulted from carrying out its activities. Based on the legal advice obtained, the Company's management believe that the outcome of these lawsuits, individually or in aggregate, would not be material to the Group's results.

Telecom Egypt Interconnection Prices

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

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

The NTRA appealed the ruling of the Administrative Court before the High Administrative Court, which referred it to the State Commissioners' Authority. The State Commissioners' Authority issued its advisory report on 6 December 2010 recommending the ruling against ECMS. The High Administrative Court will hear the parties reply to the State Commissioners' Authority advisory report in April 2012 and its decision is still pending.

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

If ECMS had applied the NTRA rulings and decrees it would have recorded less interconnect revenue and cost with a negative impact on ECMS's result of the period.

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:

- Letter of Guarantee amounting to US$ 1.0 million in favour of NTRA to guarantee Mena Cable execution of its entire obligation related to constructing, operating and renting sea cables networks and its infrastructure for international communications.

- Letter of guarantee in a favour of Lebanon Ministry of Telecommunication (ROL) to guarantee OTMT in the payment of any amount due by the selected Participant to ROL amount with US$ 31.0 million.

- Guarantee provided by Mena Cable in favour of Gulf Bridge International amounting to US$ 101.0 million.

20. Commitments

Commitments for purchasing property and equipment, intangibles and repairs and maintenance amounted to US$ 40,014 thousand as of 30 September 2011 (US$ 84,860 thousand as of 31 December 2010) and mainly relate to the supply and installation of submarine equipment of Middle East and North Africa Submarine Cable Company S.A.E. free zone.

21. Related party transactions

	Nine months ended 30 September	
	2011	**2010**
	Revenue	
Orascom Telecom Algeria	-	3,848
Pakistan Mobile Communication Limited Group	4,810	5,073
Banglalink	-	598
Ring Group	2,016	1,368
ECMS	9,066	10,769
Total	15,892	21,656

	Nine months ended 30 September			
	2011	**2010**	**2011**	**2010**
	Purchase of services and goods		*Personnel expenses*	
Wind International Services Group	-	(335)	-	-
Orascom Telecom Services Europe	(604)	(1,713)	-	-
Minimax Ventures	-	-	(4,310)	(4,272)
Total	(604)	(2,048)	(4,310)	(4,272)

	As of 30 September 2011	As of 31 December 2010
	Receivables	
Orascom Telecom Algeria	-	5,918
banglalink	686	-
Pakistan Mobile Communication Limited Group	12,275	20,106
Ring Group	47	1,227
Total	13,009	27,251

22. Non current assets held for sale and discontinued operations

In September 2010, LinkDotNet S.A.E. and Link Egypt for Trade and Services S.A.E. (previously 100% subsidiaries) were sold to ECMS, an equity investment of the Group for a consideration of US$ 130.0 million. Proceeds of the sale transaction, net of financing previously provided by the Group and transferred to ECMS, amounted to US$ 97,921 thousand. The date of the sale of the subsidiaries is the date at which control over the entities was passed over to ECMS. The combined income statement for the nine months ended 30 September 2010 includes the results of the subsidiaries up to the date at which control was lost over the subsidiaries and the profit or loss arising on the sale. The calculation of the gain or loss on disposal is the difference between the carrying amount of the net assets (including goodwill) disposed of and any proceeds received. The calculation of net assets includes the appropriate portion of cumulative exchange differences and any other amounts recognised in other comprehensive income and accumulated in equity.

The effects of the sale of these subsidiaries on the combined cash flows of the Group have been detailed below:

	Nine months ended 30 September 2010
Cash generated by operating activities	61,024
Cash used in investing activities	(6,569)
Cash used in financing activities	(51,555)
Exchange gain (loss) on cash and cash equivalent	(43)
Total cash generated	2,857

Analysis of the result of discontinued operations and the gain on disposal of discontinued operations:

	Nine months ended 30 September 2010
Revenues	44,782
Cost	(37,727)
Income tax	(28)
Profit after tax of discontinued operations	7,027
Gain on disposal	25,894
Tax on gain on disposal	(4,447)
Profit from discontinued operation (net of income tax)	28,474

23. Subsequent events

On 12 April 2012 the Company entered into a binding agreement with France Telecom - Orange ("France Telecom") to sell its 29.67% direct and indirect holding in ECMS at a price of EGP 202.5 per share for a total cash consideration of approximately US$ 998 million (based on the exchange rate at 12 April 2012) and to retain a 5% direct economic interest in ECMS. Additionally, the Company will acquire from France Telecom 28.75% of indirect voting rights in ECMS for a total cash consideration of EGP 58 million (approximately US$ 10 million (based on the exchange rate at 12 April 2012)).
France Telecom and the Company have amended certain provision under their current shareholders agreement in order to adjust the governance structure to the new shareholding interests and to put in place mechanisms to protect minority shareholder's interest and leave the Company with similar voting rights and board representations as currently in place.

In particular, the Company will remain France Telecom's strategic partner in Egypt and will continue to participate in the management of ECMS, including through its appointment of three out of thirteen directors in the board of directors of ECMS, its participation in the audit committee and in the nomination and compensation committee of ECMS. The chief operating officer of ECMS will be appointed by ECMS's board of directors after consultations with ECMS's nomination and compensation committee. The chief operating officer of ECMS will appoint the other senior management of ECMS, always after consultations with ECMS's nomination and compensation committee. The Company will continue to provide services to ECMS under the general service agreement renewed on 22 March 2012.

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

- In order to grant France Telecom increased flexibility to maintain Egyptian shareholding in ECMS, France Telecom and the Company have agreed to limit the Company's put option for its 5% remaining direct stake in ECMS to 1.67% per annum over a three-year period from 2015 to 2017, subject to the trading rules and the then applicable law. This option is exercisable in January-February of each such year at accreting prices determined based on the date of exercise ranging from EGP 268.5 in 2015 to EGP 296 in 2017 per ECMS share, the last exercise of such put option leading to the sale of the 28.75% indirect voting rights in ECMS. The Company will also have certain agreed exit rights in the event France Telecom involves another local partner in the ECMS business.
- To give France Telecom additional control over a potential future divestment by the Company, France Telecom will have the option to call all (but not less than all) of the Company's remaining direct stake in ECMS and indirect voting rights. This option is exercisable during a January-February exercise period in each year from 2013 to 2017, at prices accreting at a rate similar to that for the put option granted to the Company and described above, ranging from EGP 243.5 to EGP 296 per ECMS share. The agreement also provides France Telecom with call option rights in certain other circumstances, including upon a change of control of the Company.

The Company will also grant France Telecom a right of first refusal over any sale by the Company of its stake in ECMS. The proposed transaction is subject to approval of regulatory authorities.

In the last quarter of 2011 MenaCable completed the sale of one fibre pair and indefeasible right of use from Italy to Oman to Gulf Bridge International, recognising a gain of US$ 7,853 thousand.

In February 2012 Orascom Telecom Lebanon S.A.I.'s management contract for the mobile telecommunications operator Alfa was renewed for a further year. The terms of the renewal were re-negotiated compared to the previous management contract and Orascom Telecom Lebanon S.A.I. will now receive a monthly fee of US$ 0.6 million and a percentage of revenues which is variable depending on achieving certain objectives. The percentage of revenues varies from 0.05% to 0.1% per objective with a potential upside if the objective is met before the required date. In addition, under the new contract, all operating costs, including personnel costs will be borne by the operator. The operator will also continue to incur all capital expenditure.

At the beginning of 2012 Orascom Telecom Ventures S.A.E., the regional company in online and mobile technology, acquired 51% in DARE'n'DEAL, the largest and fastest growing group-buying site in Egypt, valued at EGP 20.0 million (approximately US$ 4.0 million). This deal represents a turning point in the development of the region's e-commerce industry.

During February 2012 Trans World Associates (Pvt) Ltd repaid US$ 1.0 million of its short term interest free loan due to the minority shareholder.

The OTMT GDRs were approved for trading on unregulated market on the London Stock Exchange as of 12 March 2012.

Appendix A - Subsidiaries, associates and investments as of 30 September 2011

Segment	Country	Entity name	Direct and indirect interest in entity
GSM North Korea	North Korea	CHEO Technology JV Company	75.000%
GSM Lebanon	Lebanon	Orascom Telecom Lebanon S.A.L	99.790%
Cable	Pakistan	Trans World Associates (Pvt) Ltd	51.000%
Cable	Pakistan	Trans World Enterprise Services (Private) Ltd	51.000%
Cable	UK	Medcable Ltd	100.000%
Cable	Italy	Mena Srl	100.000%
Cable	Free Zone II	Middle East and North Africa for Sea Cables	99.630%
Media and Technology	Egypt	Orascom Telecom Ventures S.A.E.	99.990%
Media and Technology	Egypt	Link Development S.A.E	99.790%
Media and Technology	Egypt	ARPU for Telecommunication Services S.A.E.	99.490%
Media and Technology	Pakistan	Mobi Zone Pakistan (Pvt) Ltd	99.490%
Media and Technology	Tunisia	Mobi Zone Tunisia	98.495%
Media and Technology	Algeria	Mobi Zone Algeria Ltd	99.490%
Media and Technology	Italy	Mobi Zone Italy	98.495%
Media and Technology	UAE	Mobi Zone FZ LLC	99.490%
Media and Technology	Bangladesh	Mobi Zone Bangladesh	99.490%
Media and Technology	Saudi Arabia	Mobi Zone Saudi Arabia	99.490%
Media and Technology	Canada	Mobi Zone Canada Inc	99.490%
Media and Technology	Egypt	Global Telecom S.A.E.	95.361%
Media and Technology	Morocco	Rosten Investments Ltd	99.490%
Media and Technology	Egypt	Egypt Call Communications S.A.	99.470%
Media and Technology	Algeria	Algeria Win Call	99.490%
Media and Technology	Palestine	Palestine Call	99.490%
Media and Technology	British Virgin Islands	Arab Call Group Ltd	99.490%
Media and Technology	Pakistan	Call Pak Pakistan	99.490%
Media and Technology	Egypt	Skill Link	37.496%
Media and Technology	Egypt	Data Tech	33.997%
Media and Technology	Egypt	Intonet	50.995%
Media and Technology	Saudi Arabia	LinkDotNet KSA	94.991%
Media and Technology	UAE	LinkDotNet LLC	99.990%
Media and Technology	Egypt	Link Online S.A.E.	98.990%
Media and Technology	Egypt	Arab Finance Securities	99.870%
Media and Technology	Egypt	Link for Domain Registration S.A.E.	99.968%
Media and Technology	Egypt	Connect Ads	97.990%
Media and Technology	Qatar	Link Dot Net Qatar	48.995%
Media and Technology	Egypt	Into Development ECP	50.995%
Other	Free Zone I	Oracap Holding Co.	99.950%
Other	Malta	Oracap Far East Limited	99.900%
Other	North Korea	Orabank NK Ltd	94.905%
Other	Egypt	Mobinil for Telecommunications S.A.E.	28.755%
Other	Egypt	Egyptian company for Mobile Services S.A.E.	34.674%
Other	Egypt	Smart Village ECDMV	10.459%

Appendix B – Financial Liabilities as of 30 September 2011

Liabilities due to banks as of 30 September 2011

		US$				Denomination currency				
Entity	**Bank**	**Current**	**Non-current**	**Total**	**Currency**	**Nominal**	**Line of credit**	**Maturity**	**Interest**	**Securitised**
	United Bank Limited	505	789	1,294	PKR	124,272	345,200	11/27/2013	6M Kibor+13.35%	Secured
	Habib Bank Limited	369	576	945	PKR	90,756	252,100	11/27/2013	6M Kibor+13.35%	Secured
	Allied Bank Limited	293	457	750	PKR	72,000	200,000	11/27/2013	6M Kibor+13.35%	Secured
	Askari Bank Limited	253	395	648	PKR	62,136	172,600	11/27/2013	6M Kibor+13.35%	Secured
	Standard Chartered Bank Pakistan Limited	253	395	648	PKR	62,136	172,600	11/27/2013	6M Kibor+13.35%	Secured
	Pak Oman Investment Company Limited	219	343	562	PKR	54,000	150,000	11/27/2013	6M Kibor+13.35%	Secured
	The Bank of Punjab	168	263	431	PKR	41,400	115,000	11/27/2013	6M Kibor+13.35%	Secured
	Bank Alfalah Limited	146	229	375	PKR	36,000	100,000	11/27/2013	6M Kibor+13.35%	Secured
	Saudi Pak Industrial & Agricultural Co. (Pvt) Limited	146	229	375	PKR	36,000	100,000	11/27/2013	6M Kibor+13.35%	Secured
Trans World Associates (Private) Limited		**2,352**	**3,676**	**6,028**						
		42	-	42	L.E.	42	N/A		N/A	N/A
Orascom Telecom Ventures group		**42**	**-**	**42**						
Total liabilities due to banks		**2,394**	**3,676**	**6,070**						

Other borrowings as of 30 September 2011

Entity	Bank	US$ Current	US$ Non-current	US$ Total	Currency	Denomination currency Nominal	Denomination currency Line of credit	Maturity	Interest	Securitised
	Long term interest free loan from minority shareholder	-	2,490	2,490	US$	2,695	2,695	12/31/2012	-	Unsecured
	Short term interest free loan from minority shareholder	1,745	-	1,745	US$	1,745	1,988	6/19/2012	-	Unsecured
	Short term interest-bearing loan from minority shareholder	2,286	-	2,286	US$	2,265	2,265	12/23/2011	3M LIBOR	Unsecured
Trans World Associates (Private) Limited		4,031	2,490	6,521						
	Notes payable	1,498	-	1,498	1,498	N/A	L.E	N/A		
Orascom Telecom Ventures group		1,498	-	1,498						
Total other borrowings		5,529	2,490	8,019						

Current and non-current borrowings as of 30 September 2011

	US$ Current	US$ Non-current	US$ Total
Liabilities due to banks	2,394	3,676	6,070
Other borrowings	5,529	2,490	8,019
Finance lease liabilities	65	268	333
	7,988	6,434	14,422

KPMG

Hazem Hassan
Public Accountants & Consultants

Pyramids Heights Office Park
Km 22 Cairo/Alex Road
P.O. Box 48 Al Ahram
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11
Telefax : (202) 35 36 23 01 - 35 36 23 05
E-mail : egypt@kpmg.com.eg
Postal Code : 12556 Al Ahram

Independent Practitioner's Assurance Report on The Compilation Of Unaudited Pro Forma Financial Information Included In A Prospectus

To the board of directors of Orascom Telecom Media and Technology Holding S.A.E.

We have completed our assurance engagement to report on the compilation of the unaudited pro forma combined financial information of Orascom Telecom Media and Technology Holding S.A.E,"OTMT" or "the company" by OTMT management. The unaudited pro forma combined financial information consists of the unaudited pro forma combined statement of financial position as of 30 September 2011, the unaudited pro forma combined interim income statement for the nine month ended 30 September 2011 and the unaudited pro forma combined interim income statement for the year ended 31 December 2010, and related notes. The applicable criteria on the basis of which OTMT management has compiled the unaudited pro forma combined financial information are specified in Commission Regulation (EC) No 809/2004 and described in notes1 to 2.

The unaudited pro forma combined financial information has been compiled by OTMT management to illustrate the impact of the disposal of 29.67% direct and indirect interest the Egyptian Company for Mobile Services S.A.E and the acquisition of 28.75% voting rights in MT Telecom Scrl, a wholly owned subsidiary of France Telecom – Orange (the "Transaction") set out in notes 3 & 4 on the unaudited pro forma combined statement of financial position as of 30 September 2011 and the unaudited pro forma combined interim income statement for the nine month ended 30 September 2011 and the unaudited pro forma combined interim income statement for the year ended 31 December 2010, as if the transaction had taken place at 30 September 2011 and 1 January 2010 respectively. As part of this process, information about the company's financial position, financial performance has been extracted by OTMT management from the audited combined financial statements of OTMT Group as of and for the years ended 31 December 2010, 2009 and 2008 (the "Combined Financial Statements") and from the audited combined interim financial information of OTMT Group as of and for the nine months ended 30 September 2011 (the "Combined Interim Financial Information").

OTMT Management Responsibility for the Unaudited Pro Forma Combined Financial Information

OTMT Management is responsible for compiling the unaudited pro forma combined financial information on the basis of the guidance in the Commission Regulation (EC) No 809/2004 based upon available information, accounting policies and certain assumptions that management believes are reasonable.

Practitioner's Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma combined financial information has been compiled, in all material respects, by OTMT management on the basis of the guidance in the Commission Regulation (EC) No 809/2004 based upon available information, accounting policies and certain assumptions that management believes are reasonable.

KPMG

Hazem Hassan

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of unaudited pro forma combined financial information included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether OTMT management has compiled, in all material respects, the unaudited pro forma combined financial information on the basis of the guidance in the Commission Regulation (EC) No 809/2004 based upon available information and certain assumptions that management believes are reasonable.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma combined financial information.

The purpose of unaudited pro forma combined financial information included in a prospectus is solely to illustrate the impact of the transaction on unadjusted financial information of the entity as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction at 30 September 2011 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma combined financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by OTMT management in the compilation of the unaudited pro forma combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

•The related pro forma adjustments give appropriate effect to those criteria; and

•The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma combined financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma combined financial information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the unaudited pro forma combined financial information has been properly complied on the basis stated and that basis is consistent with the accounting policies of the Company.

KPMG Hazem Hassan

Cairo, Egypt June 6, 2012

KPMG Hazem Hassan
Public Accountants and Consultants
④

1. Overview

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 and until this date the businesses transferred to the Company were performed under various entities which were controlled by Orascom Telecom Holding, S.A.E. (together the "Group").

The unaudited pro forma combined financial information of the Group as of and for the nine months ended 30 September 2011 and for the year ended 31 December 2010 and related notes ("Unaudited Pro Forma Combined Financial Information") has been prepared to illustrate retrospectively the effect of the disposal of 29.67% direct and indirect interest in ECMS and the acquisition of 28.75% voting rights in MT Telecom Scrl, a wholly owned subsidiary of France Telecom – Orange ("France Telecom") (the "Transaction") on the combined income statements of the Group, assuming that the Transaction had occurred as of 1 January 2010 and on the combined statement of financial position of the Group, assuming that the Transaction had occurred as of 30 September 2011.

This Unaudited Pro Forma Combined Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial results. It may not, therefore, give a true picture of the Group's financial position or results of operations nor is it indicative of the results that may, or may not, be expected to be achieved in the future.

It should be noted that the Unaudited Pro Forma Combined Financial Information does not purport to predict or estimate the future results of the Group and should not be used for this purpose.

This pro forma financial information was prepared in accordance with the guidance in the Commission Regulation (EC) No 809/2004 based upon available information and certain assumptions that management believes are reasonable.

2. Basis of preparation and accounting principles

The Unaudited Pro Forma Combined Financial Information is prepared on the basis of the combined financial information extracted from the audited combined financial statements of the Group as of and for the years ended 31 December 2010, 2009 and 2008 (the "Combined Financial Statements") and from the audited combined interim financial information of the Group as of and for the nine months ended 30 September 2011 (the "Combined Interim Financial Information"), adjusted to reflect effects of the Transaction.

The Combined Financial Statements and the Combined Interim Financial Information of the Group, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as adopted by the International Accounting Standards Board ("IASB") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and all interpretations of the Standing Interpretations Committee ("SIC").

The accounting principles used in the preparation of the Unaudited Pro Forma Combined Financial Information are, consistent with those used in the preparation of the Combined Financial Statements and Combined Interim Financial Information.

In consideration of the different purposes of the Unaudited Pro Forma Combined Financial Information compared to the historical financial statements and the different methods of calculation of the effects related to the unaudited pro forma combined statement of financial position and the unaudited pro forma combined income statements, the unaudited pro forma combined statement of financial position and the unaudited pro forma combined income statements should be read and interpreted without comparisons between them.

On 11 April 2012 the Company entered into a binding agreement with France Telecom - Orange ("France Telecom") to sell its 29.67% direct and indirect holding in ECMS at a price of 202.5 Egyptian Pound ("EGP") per share and to retain a 5% direct economic interest and voting rights in ECMS. Additionally, the Company will acquire from France Telecom 28.75% of MT Telecom Scrl's, voting rights for a total cash consideration of approximately US$9 million. MT Telecom Scrl will be the directly controlling shareholder of ECMS upon closing of the Transaction. The Company has entered into various derivative financial instruments to convert the proceeds into US$ at fixed foreign exchange rates, depending on the settlement dates of the Transaction. The total net cash consideration of the Transaction amounts to approximately US$ 944 million. The net cash consideration has been translated to US$, considering (i) the net proceeds already received and (ii) the net proceeds the Company expects to receive, converted to US$ based on the expected foreign exchange rates of the derivative financial instruments. The actual exchange rates to convert the proceeds to be received are those of the derivative financial instruments and will depend on the actual settlement dates of the Transaction. It is assumed that the Transaction will not have any tax impact.

France Telecom and the Company have amended certain provision under their current shareholders agreement in order to adjust the governance structure to the new shareholding interests and to put in place mechanisms to protect minority shareholder's interest and leave the Company with similar voting rights and board representations as currently in place.

In particular, the Company will remain France Telecom's strategic partner in Egypt and will continue to participate in the management of ECMS, including through its appointment of three out of thirteen directors in the board of directors of ECMS, its participation in the audit committee and in the nomination and compensation committee of ECMS. The chief operating executive of ECMS will be appointed by ECMS's board of directors after consultations with ECMS's nomination and compensation committee. The chief operating executive of ECMS will appoint the other senior management of ECMS, always after consultations with ECMS's nomination and compensation committee.

The Company will continue to provide services to ECMS under the general service agreement renewed on 22 March 2012, subject to possible future changes that may be decided by ECMS for that agreement or its assignment to France Telecom, at France Telecom's discretion, against compensation of Euro 110 million subject to adjustment depending on the date of such assignment. This contingent event is not reflected in the Unaudited Pro Forma Combined Financial Information as it is not controlled by the Company

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

- In order to grant France Telecom increased flexibility to maintain Egyptian shareholding in ECMS, France Telecom and the Company have agreed to limit the Company's put option for its 5% remaining direct stake in ECMS to 1.67% per annum over a three-year period from 2015 to 2017, subject to the trading rules and the then applicable law. This option is exercisable in January-February of each such year at accreting prices determined based on the date of exercise ranging from EGP 268.5 in 2015 to EGP 296 in 2017 per ECMS share, the last exercise of such put option leading to the sale of the 28.75% voting rights in MT Telecom Scrl. The Company will also have certain agreed exit rights in the event France Telecom involves another local partner in the ECMS business.
- To give France Telecom additional control over a potential future divestment by the Company, France Telecom will have the option to call all (but not less than all) of the Company's remaining direct stake in ECMS and voting rights in MT Telecom Scrl. This option is exercisable during a January-February exercise period in each year from 2013 to 2017, at prices accreting at a rate similar to that for the put option granted to the Company and described above, ranging from EGP 243.5 to EGP 296 per ECMS share. The agreement also provides France Telecom with call option rights in certain other circumstances, including upon a change of control of the Company.

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

The Transaction was approved by the regulatory authorities on 22 April 2012.

3. Pro Forma Combined Statement of Financial Position

The following table sets forth the pro forma adjustments by nature to illustrate the significant effects of the Transaction on the Group combined statement of financial position as of 30 September 2011 assuming that the Transaction had occurred on that date.

Unaudited Pro Forma Combined Statement of Financial Position as of 30 September 2011

(in thousands of US$)	Historical as of 30 September 2011	Pro Forma Adjustments	Pro Forma as of 30 September 2011
	(A)	*(B)*	*(A) + (B)*
Assets			
Property and equipment	443,357	-	443,357
Intangible assets	76,696	-	76,696
Equity investments	883,568	(756,156)	127,412
Other non current financial assets	185,143	(93,226)	91,917
Deferred tax assets	3,522	-	3,522
Total non-current assets	**1,592,286**	**(849,382)**	**742,904**
Inventories	1,271	-	1,271
Trade receivables	62,879	-	62,879
Other current financial assets	2,870	-	2,870
Current income tax receivables	1,025	-	1,025
Other current assets	19,908	-	19,908
Cash and cash equivalents	183,047	943,751	1,126,798
Total current assets	**271,000**	**943,751**	**1,214,751**
Total assets	**1,863,286**	**94,369**	**1,957,655**
Equity and liabilities			
Invested capital	1,569,010	94,369	1,663,379
Non-controlling interest	52,375	-	52,375
Total equity	**1,621,385**	**94,369**	**1,715,754**
Liabilities			
Non-current borrowings	6,434	-	6,434
Other non-current liabilities	3,225	-	3,225
Non-current provisions	751	-	751
Deferred tax liabilities	5,506	-	5,506
Total non-current liabilities	**15,916**	**-**	**15,916**
	-		
Current borrowings	7,988	-	7,988
Trade payables	101,214	-	101,214
O3ther current liabilities	107,334	-	107,334
Current income tax liabilities	4,107	-	4,107
Current provisions	5,342	-	5,342
Total current liabilities	**225,985**	**-**	**225,985**
Total liabilities	**241,901**	**-**	**241,901**
Total equity and liabilities	**1,863,286**	94,369	**1,957,655**

Chief financial officer
Youssef Shoukry

General manager
Karim Beshara

Practitioner's report 'attached'

4. Pro Forma Combined Income Statement

Unaudited Pro Forma Combined Interim Income Statement for the nine months ended 30 September 2011

The following table sets forth the pro forma adjustments by nature to illustrate the significant effects of the Transaction on the Group's combined interim income statement for the nine months ended 30 September 2011 assuming that the Transaction had occurred on 1 January 2010.

(in thousands of US$)	**Historical Nine Months Ended 30 September 2011**	**Pro Forma Adjustments**	**Pro Forma Nine Months Ended 30 September 2011**
	(A)	*(B)*	*(A) + (B)*
Revenue	236,373	-	236,373
Other income	1,863	-	1,863
Purchases and services	(84,753)	-	(84,753)
Other expenses	(9,976)	-	(9,976)
Personnel costs	(45,507)	-	(45,507)
Depreciation and amortisation	(14,400)	-	(14,400)
Impairment charges	(2,719)	-	(2,719)
Disposal of non current assets	22	-	22
Operating income	**80,903**	-	**80,903**
Financial income	96,670	(93,778)	2,892
Financial expense	(10,940)	-	(10,940)
Foreign exchange gain	9,390	-	9,390
Share of loss of equity investments	(41,545)	35,554	(5,991)
Profit before income tax	**134,478**	**(58,224)**	**76,254**
Income tax expense	(9,924)	-	(9,924)
Profit for the period	**124,554**	**(58,224)**	**66,330**
Attributable to:			
Owners of the Company	106,009	(58,224)	47,785
Non-controlling interest	18,545	-	18,545

The following table sets forth the pro forma adjustments by nature to illustrate the significant effects of the Transaction on the Group's combined income statement for the year ended 31 December assuming that the Transaction had occurred on 1 January 2010.

Unaudited Pro Forma Combined Income Statement for the year ended 31 December 2010

(in thousands of US$)	**Historical Year Ended 31 December 2010**	**Pro Forma Adjustments**	**Pro Forma Year Ended 31 December 2010**
	(A)	*(B)*	*(A) + (B)*
Revenue	246,535	-	246,535
Other income	1,743	-	1,743
Purchases and services	(116,252)	-	(116,252)
Other expenses	(10,460)	-	(10,460)
Personnel costs	(57,206)	-	(57,206)
Depreciation and amortisation	(14,620)	-	(14,620)
Impairment charges	(26,603)	-	(26,603)
Disposal of non current assets	(5)	-	(5)
Operating income	**23,132**	-	**23,132**
Financial income	2,428	-	2,428
Financial expense	(32,722)	-	(32,722)
Foreign exchange gain	942	-	942
Share of profit of equity investments	49,364	(42,246)	7,118
Gain on partial disposal of equity investments	964,298	(964,298)	-
Profit before income tax	**1,007,442**	**(1,006,544)**	**898**
Income tax expense	(65,933)	60,000	(5,933)
Profit /(loss) from continuing operations	941,509	(946,544)	(5,035)
Discontinued operations	-		-
Profit from discontinued operation (net of income tax)	28,906	-	28,906
Profit for the year	970,415	(946,544)	23,871
Attributable to:			
Owners of the Company	957,636	(946,544)	11,092
Non-controlling interest	12,779	-	12,779

5. Notes to the Unaudited Pro Forma Combined Financial Information

The following notes include a description of the pro forma adjustments and the basis of preparation for the Unaudited Pro Forma Combined Financial Information.

(A) This column includes information that has been extracted without adjustment from (i) the Group combined statement of financial position as of 30 September 2011 and the combined interim income statement for the nine months ended 30 September 2011, included in the Combined Interim Financial Information and (ii) the Group combined income statement for the year ended 31 December 2010 included in the Combined Financial Statements.

(B) This column includes the pro forma adjustments to the following line items of the:

Pro Forma Combined Statement of Financial Position:

- ***Equity investments***: reflects the elimination of the carrying amount as of 30 September 2011 of 29.67% of direct and indirect holding in ECMS being disposed amounting to US$ 756,156 thousand;
- ***Other non current financial assets***: US$ 93,226 thousand reflects the elimination of the carrying amount as of 30 September 2011 of the previous option to put the Company's 34.67% interest in ECMS to France Telecom which is being extinguished upon the Transaction. The fair value of the new put and call options entered into between France Telecom and the Company on 11 April 2012, mentioned in paragraph 2, have not been reflected in the Pro Forma Combined Statement of Financial Position;
- ***Cash and cash equivalents***: US$ 943,751 thousand represents: *i)* the cash proceeds from the sale of 29.67% of direct and indirect holdings in ECMS amounting to US$ 952,662 thousand, and *ii)* the cash payments to be made to acquire 28.75% of voting rights in MT Telecom Scrl for an amount of US$ 8,911 thousand. The proceeds and payments relating to the Transaction have been translated to US$, considering (i) the net proceeds already received and (ii) the net proceeds the Company expects to receive, converted to US$ based on the expected foreign exchange rates of the derivative financial instruments.. It is the Company's management intention to distribute the majority of proceeds from the Transaction to its shareholders in form of dividends;
- ***Invested capital***: US$ 94,369 thousand reflects the net adjustment to invested capital resulting from the Transaction;

Pro Forma Combined Income Statement:

- ***Financial income***: US$ 93,778 thousand represents the elimination of the fair value gain, recorded in the nine months ended 30 September 2011, relating to the option to put the Company's 34.67% interest in ECMS to France Telecom being extinguished as part of the Transaction .The fair value of the new put and call options entered into between France Telecom and the Company on 11 April 2012, mentioned in paragraph 3, have not been reflected in the Pro Forma Combined Income Statement;
- ***Share of profit /(loss) of equity investments***: reflects the elimination of the 29.67% share of profit of the equity investment in ECMS being disposed amounting to US$ 42,246 thousand for the year ended 31 December 2010 and share of loss of the equity investment in ECMS amounting to US$ 35,554 thousand for the nine months ended 30 September 2011;
- ***Gain on partial disposal of equity investment***: represents the elimination of a non-recurring gain amounting to US$ 964,298 thousand relating to ECMS recorded during 2010 that would not have been recorded if the Transaction had occurred on 1 January 2010 (See note 10 to the Combined Financial Statements);
- ***Income tax expense:*** reflects the elimination of the income tax effect on the non-recurring gain relating to ECMS amounting to US$ 60,000 thousand..