# ORASCOM TELECOM HOLDING

## First Half 2011

ORASCOM TELECOM

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# Orascom Telecom Holding First Half 2011 Results

**Cairo, August 10th, 2011**: Orascom Telecom Holding (OTH) (Ticker: ORTE.CA, ORTEq.L, ORAT EY, OTLD LI), announces its first half 2011 consolidated results.

## Highlights

- **Total subscribers exceeded 105 million**, an increase of 13% over the same period last year.
- On 4 January 2011, OTH sold its entire shareholding in Orascom Tunisia Holding and Carthage Consortium through which OTH owned 50% of Orascom Telecom Tunisia ("OTT") for a total cash consideration of US$ 1.2 billion. At the end of Q2 2011, certain provisions of the Egyptian income tax law have been amended resulting in an increased corporate tax rate from 20% to 25% for annual year 2011. The gain realized for the sale of Tunisiana has been affected accordingly and hence reduced by approximately US$ 58 million in Q2 2011. As a result **Net Income before minority interest** for the first half of 2011 stood at **US$ 774 million**; displaying a sharp increase compared to the same period of the previous year. **Net income attributable to equity holders** for the first half of 2011 was **US$ 754 million**.
- **Revenues reached US$ 1,951 million**[1], increasing by over 4% over the same period last year as a result of strong growth in all GSM operations.
- **EBITDA reached US$ 913 million**[1], an increase of 16% compared to the same period last year, demonstrating **a solid performance** across all the GSM subsidiaries.
- **Group EBITDA margin stood at 46.8%,** an increase of 4.8% compared to H1 2010. EBITDA margins for the major subsidiaries were: Djezzy 59.3%, Mobilink 40.3%, banglalink 39.2%, and koryolink 84.3%.
- **Earnings per GDR** reached US$ 0.72[2].
- **Net Debt**[3] as of June 30, 2011 stood at US$ 2,884 million, a decrease of 28% compared to 31 December 2010; with a Net Debt/EBITDA of 1.7x.

1. US$ financial figures in the Income Statement & Balance Sheet are according to the International Financial Reporting Standards (IFRS).
2. Based on a weighted average for the outstanding GDRs of 1,046,064,032 over 6M 2011.
3. Net Debt is calculated as a sum of Short Term Debt, Long Term Debt, less Cash and Cash Equivalents.

## Khaled Bichara, Executive Chairman, commented on the results:

"In the first half of 2011 Orascom Telecom Holding has succeeded in delivering value, and has shown that it is positioned to continue to play a significant role in the telecom industry as a whole, in addition to its countries of operation.

**"The combination of companies on the parent level, and the clear composition of OTH's leadership reinforce our promise to deliver key benefits and maintained value to our shareholders."**

While the industry has long been displaying the trend of consolidation, WIND TELECOM, the parent company of OTH, waited for the opportune moment and ideal circumstances to benefit from a larger scale and scope of business through its combination with VimpelCom Ltd. As a result of this combination, OTH is in an excellent position to benefit from the resulting synergies in technology procurement and commercial development. The benefits will allow us to further continue to grow the operations of OTH, solidifying its leadership and pioneer positions in its operating environments.

In light of the combination of WIND TELECOM and VimpelCom Ltd, I will be focusing on executing the VimpelCom synergy roadmap to ensure all our targets are achieved in my new capacity as President and Chief Operating Officer of VimpelCom Ltd. In addition, my new capacity as Executive Chairman of OTH will ensure that the benefits of the synergy roadmap are appropriately applied to our operations in order to expand and develop our leading networks.

I am pleased to entrust Ahmed Abou Doma with the responsibility of leading a stronger OTH in his capacity as our Chief Executive Officer. After spearheading the transformation of our unit in Bangladesh, I am confident in his ability to bring value and growth to OTH. The combination of companies on the parent level, and the clear composition of OTH's leadership reinforce our promise to deliver key benefits and maintained value to our shareholders."

## Ahmed Abou Doma, Chief Executive Officer, commented on the results:

"The year 2011 has proven to be a milestone year for OTH and the first half of this year is a testament to the stability and strength this company promises and consistently delivers.

OTH has displayed perseverance and resilience with regards to its operation in Algeria, where the current operating limitations have forced us to put in place tight cost management initiatives within the unit, leading to an improvement in the EBITDA margin which reached 59.3%, a 3.3% increase compared to the previous year. However, we do not think this is a sustainable situation in the midterm and we intend to do our utmost to find a balanced way forward, acceptable to all stakeholders.

**"The year 2011 [...] is a testament to the stability and strength this company promises and consistently delivers."**

Mobilink now counts over 33 million subscribers and maintains its market leadership position despite heightened competitive pressure in the Pakistani telecommunications market.

The political situation in Egypt has stabilized since the previous quarter's turmoil, while minor disruptions still persist. Mobinil witnessed a growth in its customers of nearly 17% compared to H1 2010, with ARPU showing resilience and remaining stable compared to the Q1 2011.

In Bangladesh, strong subscriber acquisitions over the first half of the year and intermittent SIM tax subsidies have had a positive effect on EBITDA which increased over 35% in comparison to the first half of 2010. It is worth noting that the government reduced SIM tax by Tk 194, effective June 9th, 2011.

Our operation in North Korea continues to display tremendous growth with a subscriber base that has more than tripled compared to H1 2010, the growth of which impacted revenues which increased 164% YoY.

Our operations under Telecel Globe in Burundi, the Central African Republic and Zimbabwe saw a combined growth in subscribers of 24% compared to the previous year, despite intense competition in Burundi and a country-wide economic slowdown in the Central African Republic.

WIND Mobile in Canada has over 300 thousand customers subscribed to its network, and through its innovative positioning in the market has managed to increase its ARPU compared to the previous quarter as a result of data offerings and uptake.

Amidst the change OTH's parent company WIND TELECOM is undergoing through the combination with VimpelCom Ltd., it is clear that our operations remain strong and innovative within their operating environments. In my new capacity as CEO of OTH, I look forward to working with our team to build upon OTH's accomplishments and reach new heights as part of one of the largest telecom operators in the world."

# Operational Performance

## Subscribers

The first half of 2011 showed a continued growth of Orascom Telecom's customer base which exceeded 105 million subscribers, an increase of 13% compared to the same period last year. For comparative purposes, the subscriber base for H1 2010 and Q1 2011 has been adjusted to reflect the sale of Tunisiana and Powercom Ltd (Namibia).

In Algeria, Djezzy subscribers grew 5% YoY despite the limitations that Djezzy has been encountering over the course of this year. Djezzy continued to focus on successful churn management, thus retaining its loyal customer base. In addition, post-paid and pre-paid promotions were launched within ARPT restrictions imposed upon all operators, as well as being necessarily restricted by the limitations imposed upon the network.

Mobilink exceeded 33 million subscribers in H1 2011, increasing by almost 4% compared to the previous year, targeting new subscribers through location-based promotions, as well as a continuing focus on mobile number portability (MNP).

In Bangladesh, banglalink subscribers increased nearly 26% compared to the same period last year, as a result of a selective acquisition strategy in anticipation of the SIM tax reduction which became effective from June 9th, 2011.

Telecel Globe subscribers increased by 24% compared to the same period last year, as a result of successful efforts to contain competitive pressure in the markets and add to customer growth.

koryolink continued its strong subscriber growth strategy for 2011 by more than tripling its customers in comparison to June 30th 2010.

In Lebanon, subscribers steadily increased by almost 25% compared to the same period last year under the management contract of Alfa.

In Egypt, subscribers of Mobinil increased 17% YoY despite intense competition levels.

WIND Mobile in Canada has surpassed 300 thousand customers, growing 17% compared to Q1 2011.

**Table 1: Total Subscribers**

| Subsidiary | 30 June 2010 | 31 Mar. 2011 | 30 June 2011 | Inc/(dec) June 2010 vs. June 2011 |
|---|---|---|---|---|
| Djezzy (Algeria) | 15,142,460 | 15,509,202 | **15,963,553** | 5.4% |
| Mobilink (Pakistan) | 32,202,547 | 32,706,945 | **33,378,160** | 3.7% |
| banglalink (Bangladesh) | 16,096,598 | 20,126,537 | **20,202,539** | 25.5% |
| Telecel Globe[1] | 2,250,000 | 2,349,766 | **2,789,461** | 24.0% |
| koryolink (DPRK) | 184,531 | 535,133 | **666,517** | n.m. |
| **Total** | **65,876,136** | **71,227,583** | **73,000,230** | **10.8%** |

| Operations accounted for under the equity method | 30 June 2010 | 31 Mar. 2011 | 30 June 2011 | Inc/(dec) June 2010 vs. June 2011 |
|---|---|---|---|---|
| Mobinil (Egypt) | 26,147,615 | 30,358,000 | **30,541,000** | 16.8% |
| Wind Canada (Canada) | 93,882 | 271,659 | **317,000** | n.m. |
| **Total** | **26,241,497** | **30,629,659** | **30,858,000** | **17.6%** |

| Management Contracts | 30 June 2010 | 31 Mar. 2011 | 30 June 2011 | Inc/(dec) June 2010 vs. June 2011 |
|---|---|---|---|---|
| Alfa (Lebanon) | 1,148,473 | 1,379,034 | **1,430,241** | 24.5% |
| **Grand Total[2]** | **93,266,106** | **103,236,276** | **105,288,471** | **12.9%** |

1. Including Zimbabwe; after excluding Powercom Ltd (Namibia) subscribers in June 2010 and March 2011.
2. After excluding Tunisiana's subscribers in June 2010.

## ARPU

In Algeria, ARPU increased almost 4% in US$ terms while showing stability in local currency terms compared to Q2 2010, as a result of careful acquisition of customers and efficient use of promotions.

In Pakistan, Mobilink's ARPU for Q2 2011 saw a decline in comparison to Q2 2010, due to a drop in the pre-paid effective rate per minute, while showing an increase in local currency terms compared to the previous quarter as a result of growing usage.

In Bangladesh, banglalink's ARPU remained stable compared to the previous quarter, while dropping almost 19% YoY as a result of penetration in rural areas and in the younger lower end market segments.

The strong subscriber growth trend in North Korea led to ARPU dilution of 32% YoY. It is worth noting that a tariff revision took place in Q3 2010 which led to a lower effective rate per minute, and consequently impacted ARPU.

In Egypt, Mobinil's ARPU declined by over 15% compared to Q2 2010 due to a highly competitive environment. However, ARPU showed stability compared to the previous quarter in light of a recovery from the nation-wide turmoil and an improved customer acquisition strategy.

In Canada, the ARPU of WIND Mobile increased compared to the previous quarter, showing an adjustment to competitive pressures and improvement in the uptake of new data offerings.

The increase in Alfa's subscriber base had a dilutive impact on ARPU in comparison to the same period last year.

**Table 2: Blended Average Revenue Per User (ARPU)[1]**

| Subsidiary | 30 June 2010 US$ (3 months) | 31 March 2011 US$ (3 months) | 30 June 2011 US$ (3 months) | Inc/(dec) June 2010 vs. June 2011 |
|---|---|---|---|---|
| Djezzy (Algeria) | 9.5 | 9.4 | **9.9** | 4.2% |
| Mobilink (Pakistan) | 2.9 | 2.8 | **2.8** | (2.3%) |
| banglalink (Bangladesh) | 2.5 | 2.0 | **2.0** | (18.7%) |
| koryolink (DPRK) | 21.5 | 12.7 | **14.7** | (31.8%) |
| Mobinil (Egypt)[2] | 5.4 | 4.5 | **4.6** | (15.5%) |
| Wind Canada (Canada) | - | 27.4 | **28.5** | n.a. |
| Alfa (Lebanon) | 42.1 | 35.3 | **38.3** | (9.0%) |
| **Global ARPU (YTD)[3]** | **4.7** | **4.3** | **4.4** | **(5.7%)** |
| **Global ARPU (3 months)** | **4.7** | **4.3** | **4.5** | **(4.4%)** |

**Table 3: Blended Average Revenue Per User (ARPU) (Local Currency)**

| Subsidiary | 30 June 2010 (3 months) | 31 March. 2011 (3 months) | 30 June 2011 (3 months) | Inc/(dec) Mar. 2011 vs. Mar. 2010 |
|---|---|---|---|---|
| Djezzy (Algeria) (DZD) | 711.3 | 683.1 | **711.3** | 0.0% |
| Mobilink (Pakistan) (PKR) | 246.9 | 234.9 | **243.1** | (1.5%) |
| banglalink (Bangladesh) (BDT) | 171.9 | 147.6 | **152.5** | (11.3%) |

1. After excluding Tunisiana's subscribers in June 2010.
2. ARPU expressed under OTH's definition may differ from Mobinil's disclosed ARPU. Please see Appendix for definition.
3. Global ARPU is calculated on a year to date basis, taking into account the weighted average subscribers for calculation.

## Market Share & Competition

The majority of Orascom Telecom's operators are leaders and pioneers in their respective markets. Due to successful churn management, Djezzy maintained its share of the market compared to the previous quarter, despite operating limitations incurred. It is worth noting that the ban on advertising on government TV channels was lifted in July 2011, but is yet to be finalized.

Mobilink's market leadership position was confirmed as measured internally on traffic patterns, declining slightly to 38% at the end of Q2 2011, as a result of lower net adds and higher disconnections in light of the highly competitive environment.

banglalink still remains in second position in the market in Bangladesh, however the operator witnessed a 1.3 p.p. decrease in market share as a result of the halting of SIM Tax subsidies intermittently during H1 2011.

### Table 4: Market Share & Competition

| Country | Brand name | Market Share (%) 31 March 2011 | 30 June 2011 | Market Position | Names of additional network operations |
|---|---|---|---|---|---|
| Algeria | Djezzy | 58.1% | 58.1% | 1 | AMN, Qtel |
| Pakistan [1] | Mobilink | 30.7% | n.a.[2] | 1 | U-Fone, Paktel, Telenor, Al Warid |
| Bangladesh [1] | banglalink | 27.6% | 26.3% | 2 | Grameen, Aktel, Citycell, BTTB, Airtel |

1. Market share, as announced by the national Regulator is based on information disclosed by the other operators which use different subscriber recognition policies.
2. Market share for June 2011 had not been disclosed by the Pakistani Regulator prior to this release.

## CAPEX

Total consolidated capital expenditures for the six months to June 30th, 2011 declined by 27% compared to the same period last year.

Djezzy's CAPEX has declined 69% in comparison to the same period last year, as a result of the ban on foreign currency transfers preventing the payment of essential suppliers, as well as the importing of equipment critical to network maintenance and necessary expansion.

In Pakistan, Mobilink focused on the IT and network development of the operation leading to an increase in CAPEX of 56%.

In Bangladesh, banglalink's CAPEX decreased by 74% compared to the aggressive rollout plan for the previous year.

"Other" CAPEX decreased by 11% in comparison to the six months of 2010. The decline is related to investments in Telecel Globe, koryolink and our submarine cables.

**Table 5: Capital Expenditure of OTH Subsidiaries for the six months to June 30[1]**

| Country | Service name | Total US$ million 2010 | Total US$ million 2011 | Inc/(dec) |
|---|---|---|---|---|
| Algeria | Djezzy | 45 | 14 | (69%) |
| Pakistan | Mobilink | 62 | 97 | 56% |
| Bangladesh | banglalink | 102 | 27 | (74%) |
| Other [1] | | 84 | 75 | (11%) |
| **Total Consolidated** | | **293** | **213** | **(27%)** |
| **Consolidated Capex/Sales** | | **15.7%** | **10.9%** | **(5%)** |

1. "Other" companies include CHEO, Intouch, Mena-Cable, OT Holding, Ring and Telecel Globe.

# Main Financial Events

## OTH Lenders Support Further Financial Flexibility

In January 2011, Orascom Telecom Holding S.A.E. ("OTH") announced that it has successfully obtained the support of its Senior Secured Lenders for relief from representations, warranties, and covenants in the credit agreements as they relate to Orascom Telecom Algeria ("OTA"), in order to provide the Group with greater flexibility while it assesses its alternative options relating to OTA and enabling OTH to be in a position to negotiate effectively with the Algerian government to procure the most favourable outcome relating to Algeria in order to protect its interest and that of its stakeholders. Furthermore, part of the Orascom Telecom Tunisie ("Tunisiana") disposal proceeds would be applied to prepay principal maturities, eliminating debt repayment obligations until the second half of 2012. Consequently, the Group significantly strengthened its liquidity position and financial flexibility.

## OTH Extends its Management Contract of Alfa in Lebanon for Another Year

In March 2011, Orascom Telecom Holding S.A.E. ("OTH") announced that it signed an extension to the management contract of the Lebanese mobile telecommunications operator "Alfa" with the Republic of Lebanon for one year commencing on February 1st, 2011.

The terms of the new contract remain the same as the previous one, whereby OTH receives a monthly sum of USD 2.5 Million in addition to 8.5% of total revenues. Out of these amounts OTH is liable to cover all the operational expenses (OPEX) of the network and is entitled to keep the remainder as management fees. The Republic of Lebanon is fully responsible for the CAPEX during the contract period.

The renewal of the contract will allow OTH to complete its plans for the future development of mobile phone services in Lebanon, the most important of which is the deployment of the third generation "3G" services, the expansion of Alfa's network coverage to new areas, and the promotion of spreading telecommunication services all over the country

## VimpelCom combines with WIND TELECOM to create new global telecom group

In October 2010, WIND TELECOM S.p.A (WIND TELECOM), the parent company of Orascom Telecom Holding S.A.E. ("OTH") announced that it signed an agreement with VimpelCom Ltd. ("VimpelCom") to combine the two groups creating the world's sixth largest mobile telecommunications carrier by subscribers. In March 2011, WIND TELECOM announced that the shareholders of VimpelCom Ltd. voted in their Special General Meeting in favor of the combination with WIND TELECOM. On April 15th, 2011, VimpelCom and WIND TELECOM announced the closing of the transaction that combines the two entities to create a new global telecom group.

## Over 97% of The Voting Shares that Participated in OTH's OGM/EGM Approve Demerger and Refinancing Plan

On April 14th, 2011, Orascom Telecom Holding S.A.E. ("OTH" or the "Company") announced that the Company's shareholders overwhelmingly approved all of the items on the agenda of the Ordinary and Extraordinary General Assembly Meetings, paving the way to implement the Company's refinancing plan and the demerger of the Company into two separate entities, Orascom Telecom Holding S.A.E. and Orascom Telecom Media and Technology Holding S.A.E., in connection with the "VimpelCom-WIND TELECOM" transaction.

Shareholders approved the following significant resolutions, among others:

1. the approval of a refinancing plan to refinance the Company's outstanding secured and high yield debt together with certain derivative transactions in an amount of approximately US$2.7BN.

2. an increase in OTH's authorized share capital to EGP 14BN (with the issued and paid-in capital remaining unchanged).

3. the approval of the planned demerger from OTH of Orascom Telecom Media and Technology Holding S.A.E. ("OTMT"), a company to be formed at the time of the demerger. OTMT will hold certain assets of OTH that are not intended to form part of the VimpelCom-WIND TELECOM group going forward, including OTH's interests in Egyptian Company for Mobile Services ("ECMS"), CHEO Technology Joint Venture company ("koryolink") in North Korea, Orascom Telecom Ventures S.A.E. (formerly Intouch Communication Services S.A.E.), as well as other investments in the media and technology sectors, including undersea cable assets.

On June 29th, 2011, the Company informed its shareholders that the Egyptian authorities requested, as part of their verifications and in the best interest of OTH's shareholders, that a committee reviews some underlying accounting documents that will serve as a basis for the Demerger. This additional step has created some delays in the implementation of the Demerger. The Company is actively pursuing its dialog with the authorities, and still expects to receive the required approvals in the coming weeks. The Company remains committed to delivering to its shareholders this transaction in the shortest possible timeframe with further announcements to be made in due course as appropriate.

## Orascom Telecom Announces Appointment of New Chief Executive Officer

On May 16th, 2011, Orascom Telecom Holding S.A.E. ("OTH" or the "Company") announced that the Board of Directors appointed Mr. Ahmed Abou Doma to the position of Chief Executive Officer reporting to Mr. Khaled Bichara, who is nominated to the position of Executive Chairman (subject to board and general assembly approval and appointment) to ensure the smooth transition of the company within the newly formed VimpelCom merged entity, while overlooking the company's continued implementation of its strategy.

In his new capacity as President and Chief Operating Officer of VimpelCom Ltd. ("VimpelCom"), the company created through the combination of VimpelCom Ltd. and WIND TELECOM S.p.A., Mr. Khaled Bichara, will also be focused on executing VimpelCom synergy roadmap and achieving the targets for technology procurement and commercial development, a key benefit resulting from the merger to OTH and its minority shareholders.

Weather Capital Special Purpose 1 (the majority shareholder of the Company) has also decided to recommend the election of the following board candidates to the General Assembly of the Company following the expiry of the term of the existing board members: Khaled Bichara, Ahmed Abou Doma, Aldo Mareuse, Alexander Shalaby, Emad Farid, Mohamed Shaker, Henk Van Dalen, Jeffery McGhie and Ragy Soliman. The General Assembly will take place on May 17, 2011.

## Orascom Telecom Holding Announces The Sale of Powercom (Pty) Limited Orascom

On June 2nd, 2011, Orascom Telecom Holding S.A.E. ("OTH" or the "Company") announced that its fully owned subsidiary Telecel Globe ("Telecel") finalized an agreement to sell Powercom (Pty) Limited ("Powercom"), Telecel's subsidiary in Namibia, to Investec and Nedbank. The consideration for the sale consists of all liabilities of Powercom of around US$60 Million.

## Successful Refinancing of OTH's Capital Structure

The Refinancing Plan disclosed to shareholders during the last AGM dated April 14th, 2011 was successfully completed in June 2011 which resulted in the obligations of OTH under debt agreements with banks or financial institutions being fully refinanced by VimpelCom (USD 2.7bn).

The Refinancing Plan entailed the purchase by VimpelCom in full of the interests of the creditors under the Senior Credit Facility, and the interest of the holder of the Equity Linked Notes followed by the redemption of the High Yield Notes and the termination and close out the hedging transactions.

# Financial Review

## Revenues

Total Consolidated Revenues for H1 2011 increased by 4% in comparison to H1 2010, driven by a 9% growth in GSM revenues compared to the same period last year.

In Algeria, revenues increased 8% YoY, confirming the relative recovery trend following the negative impact of the riots and crisis over the football match in November 2009 which also impacted H1 2010 performance.

In Pakistan, the revenues of Mobilink for H1 2011 increased over 1% compared to the previous year. The growth in revenues is mainly a result of a growing customer base which was partially offset by a decrease in pre-paid average rate per minute as a result of competitive pressures.

In Bangladesh, revenues of banglalink increased by nearly 19% YoY as a result of the growing customer base, as well as the launch of promotions and tariff amendments.

Telecel Globe revenues showed a minor decline in the second quarter of 2011 but the performance in the first half remained stable compared to the previous year as a result of contained competitive pressures in Burundi and the Central African Republic (CAR), coupled with penetration of rural market segments.

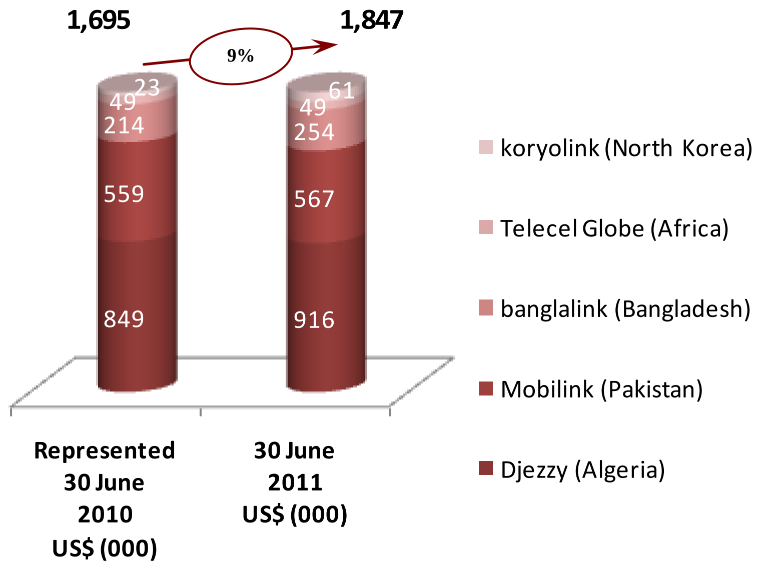
koryolink's growing customer base resulted in tremendous revenue growth in comparison to H1 2010.

### Table 6: Consolidated Revenues[1]

| Subsidiary | Represented 30 June 2010[2] US$ (000) | 30 June 2011 US$ (000) | Inc/ (dec) | Q1 - 2011 (3 months) US$ (000) | Q2 - 2011 (3 months) US$ (000) | Inc/ (dec) |
|---|---|---|---|---|---|---|
| ***GSM*** | | | | | | |
| Djezzy (Algeria) | 849,053 | **916,048** | 7.9% | 438,585 | 477,463 | 8.9% |
| Mobilink (Pakistan) | 559,494 | **567,039** | 1.3% | 275,383 | 291,655 | 5.9% |
| banglalink (Bangladesh) | 214,123 | **253,707** | 18.5% | 126,210 | 127,498 | 1.0% |
| Telecel Globe (Africa) | 48,783 | **48,600** | (0.4%) | 24,646 | 23,955 | (2.8%) |
| koryolink (North Korea) | 23,199 | **61,208** | 163.8% | 25,761 | 35,447 | 37.6% |
| Total GSM | 1,694,652 | **1,846,603** | 9.0% | 890,585 | 956,017 | 7.3% |
| ***Telecom Services*** | | | | | | |
| Ring | 75,877 | **29,020** | (61.8%) | 23,040 | 5,980 | (74.0%) |
| Other | 51,742 | **54,806** | 5.9% | 26,875 | 27,931 | 3.9% |
| Total Telecom Services [3] | 127,620 | **83,826** | (34.3%) | 49,915 | 33,911 | (32.1%) |
| Internet Services [4] | 48,218 | **20,351** | (57.8%) | 8,748 | 11,603 | 32.6% |
| **Total Consolidated** | **1,870,489** | **1,950,780** | **4.3%** | **949,249** | **1,001,531** | **5.5%** |

1. On 4 January 2011, OTH sold its entire shareholding in Orascom Tunisia Holding and Carthage Consortium through which OTH owned 50% of Orascom Telecom Tunisia ("OTT"). H1 2010 figures are represented accordingly.
2. On July 13, 2010, the amended and restated shareholders' and settlement agreements concluded with France Telecom entered into force. Consequently, starting Q3 2010, Mobinil is reflected through the equity method. Mobinil's financial figures for H1 2010 are represented accordingly.
3. Other Telecom Services Companies include OT Lebanon and TWA in H1 2010 and OT Lebanon, Mena Cable and TWA in H1 2011.
4. As per IFRS rules, Internet Services' figures have not been represented in H1 2010 to reflect the disposal of LINKdotNET and LINK Egypt in Q3 2010.

**Total GSM Revenues**




Consolidated revenues for the second quarter of 2011 increased by almost 6% compared to the previous quarter, driven by a 7% increase in GSM revenues QoQ.

In Algeria, revenues increased 9% in comparison to Q1 2011 in an effort to maximize the capacity of its current network being denied maintenance due to the ban on foreign currency transfers and equipment imports. The limitations on Djezzy's network are being countered by successful customer management.

In Pakistan, Mobilink's revenues grew 6% compared to the previous quarter as a result of subscriber growth and increase in usage, as well as higher VAS usage and subscriptions to VAS bundles.

In Bangladesh, revenues of banglalink increased by 1% over the previous quarter mostly attributed to a slower pace of subscriber acquisition for the quarter.

Telecel Globe revenues for Q2 2011 dropped by nearly 3% compared to Q1 2011 as a result of highly competitive pressures in CAR, and a price war in Burundi which was contained towards the end of the quarter.

In North Korea, revenues for koryolink increased 38% in comparison to Q1 2011 as a result of subscriber growth and increase in usage.

**Table 7: Proforma Consolidated Revenues (Local Currency)[1]**

| Subsidiary | 30 June 2010 | 30 June 2011 | Inc/ (dec) | Q1 - 2011 (3 months) | Q2 - 2011 (3 months) | Inc/ (dec) | Q2 - 2010 (3 months) | Inc/ (dec) |
|---|---|---|---|---|---|---|---|---|
| GSM | | | | | | | | |
| Djezzy (Algeria) (DZD bn) | 62.99 | **66.39** | 5.4% | 32.02 | **34.37** | 7.3% | 32.6 | 5.4% |
| Mobilink (Pakistan) (PKR bn) | 47.45 | **48.48** | 2.2% | 23.55 | **24.93** | 5.9% | 24.4 | 2.2% |
| banglalink (Bangladesh) (BDT bn) | 14.92 | **18.37** | 23.1% | 9.01 | **9.36** | 3.9% | 7.98 | 17.3% |

1. Un-audited Figures.

## EBITDA

Consolidated EBITDA for the first half of 2011 increased by 16% compared to the same period last year, with GSM EBITDA also displaying 16% growth YoY.

In Algeria, Djezzy witnessed a 14% increase in EBITDA in comparison to H1 2010 as a result of the aforementioned revenue increase coupled with tight cost management and the phasing out of marketing expenses related to the ban on advertising on government-owned television, which remained in place until the end of Q2 2011.

In Pakistan, Mobilink's EBITDA showed an increase of 3% as a result of applied cost efficiency measures.

In Bangladesh, the EBITDA of banglalink increased 35% YoY, as a result of revenue growth and reduced SIM card costs.

Telecel Globe's EBITDA decreased 35% compared to the same period last year as a result of higher subscriber acquisition costs and offerings to counter competition in highly competitive markets.

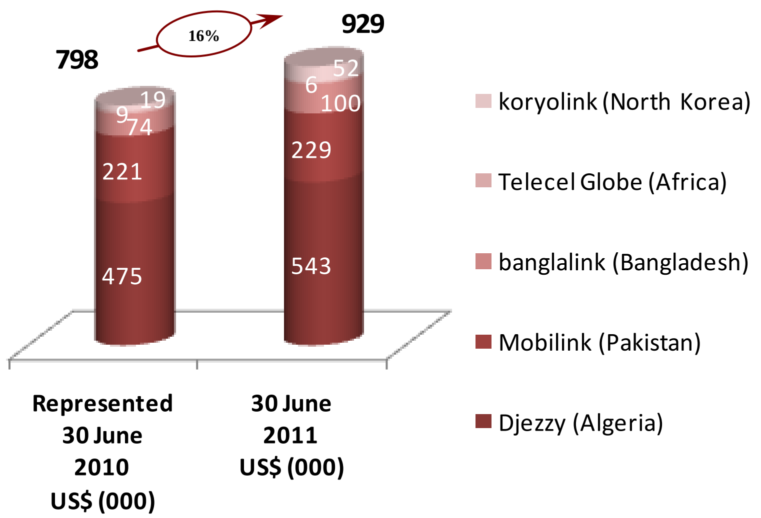
In North Korea, koryolink's EBITDA increased tremendously YoY, in line with growing subscriber and revenue figures.

### Table 8: Consolidated EBITDA[1, 2]

| Subsidiary | Represented 30 June 2010 [3] US$ (000) | 30 June 2011 [3] US$ (000) | Inc/ (dec) | Q1 - 2011 (3 months) US$ (000) | Q2 - 2011 (3 months) US$ (000) | Inc/ (dec) |
|---|---|---|---|---|---|---|
| ***GSM*** | | | | | | |
| Djezzy (Algeria) | 475,262 | **543,239** | 14.3% | 260,639 | 282,600 | 8.4% |
| Mobilink (Pakistan) | 221,417 | **228,764** | 3.3% | 111,009 | 117,755 | 6.1% |
| banglalink (Bangladesh) | 73,574 | **99,559** | 35.3% | 45,048 | 54,511 | 21.0% |
| Telecel Globe (Africa) | 9,297 | **6,059** | (34.8%) | 4,285 | 1,774 | (58.6%) |
| koryolink (North Korea) | 18,679 | **51,627** | 176.4% | 22,562 | 29,065 | 28.8% |
| Total GSM | 798,228 | **929,248** | 16.4% | 443,542 | 485,706 | 9.5% |
| ***Telecom Services*** | | | | | | |
| Ring | 2,796 | **(8,693)** | n.m. | (3,937) | (4,756) | (20.8%) |
| Other [4] | 11,402 | **10,645** | (6.6%) | 4,480 | 6,165 | 37.6% |
| Total Telecom Services | 14,198 | **1,952** | (86.3%) | 543 | 1,409 | 159.8% |
| Internet Services | 6,189[5] | **2,093** | (66.2%) | 808 [5] | 1,285 | 59.0% |
| OT Holding & Other [6] | (33,700) | **(20,233)** | 40.0% | (8,327) | (11,907) | (43.0%) |
| **Total Consolidated** | **784,915** | **913,060** | **16.3%** | **436,566** | **476,494** | **9.1%** |

1. EBITDA excludes management fees which were previously treated as a cost in each subsidiary and as a revenue for the Holding.
2. On 4 January 2011, OTH sold its entire shareholding in Orascom Tunisia Holding and Carthage Consortium through which OTH owned 50% of Orascom Telecom Tunisia ("OTT"). H1 2010 figures are represented accordingly.
3. On July 13, 2010, the amended and restated shareholders' and settlement agreements concluded with France Telecom entered into force. Consequently, starting Q3 2010, Mobinil is reflected through the equity method. Mobinil's financial figures for H1 2010 are represented accordingly.
4. Other Telecom Services Companies include: C.A.T., MedCable, Mena Cable, OT Lebanon, TWA, and OTWIMAX.
5. As per IFRS rules, Internet Services' figures have not been represented in H1 2010 to reflect the disposal of LINKdotNET and LINK Egypt in Q3 2010.
6. Other non operating companies include: OTH, OTV, OIIH, OTI Malta, Cortex, Eurasia, FPPL, IWCPL, Moga, Oratel, OT Finance, Swyer, OT Holding Canada, OT Asia, Oscar, OT ESOP, OT Services Europe, TMGL, Pioneers, OT Wireless Europe, TIL and TILSA.

## Total GSM EBITDA




Consolidated EBITDA of Q2 2011 increased by 9% compared to the previous quarter, with GSM EBITDA increasing by nearly 10% compared to Q1 2011.

In Algeria, EBITDA increased by over 8% compared to Q1 2011, due to tight cost management as a response to the ban on foreign currency transfer, advertising limitations, and preservation of available network capacity.

In Pakistan, the EBITDA of Mobilink increased by 6% QoQ in line with the operation's revenue growth trend.

In Bangladesh, the EBITDA of banglalink showed an increase of 21% compared to the previous quarter as a result of declining SIM tax costs.

Telecel Globe's EBITDA declined by almost 59% as a result of both strong competitive pressure in Burundi and a country-wide economic slowdown in the Central Republic of Africa (CAR).

In North Korea, koryolink's EBITDA increased by 29% in line with revenue and subscriber growth for the quarter.

### Table 9: Proforma Consolidated EBITDA (Local Currency)[1]

| Subsidiary | 30 June 2010 | 30 June 2011 | Inc/ (dec) | Q1 - 2011 (3 months) | Q2 - 2011 (3 months) | Inc/ (dec) | Q2 - 2010 (3 months) | Inc/ (dec) |
|---|---|---|---|---|---|---|---|---|
| ***GSM*** | | | | | | | | |
| Djezzy (Algeria) (DZD bn) | 35.41 | **39.37** | 11.2% | 19.02 | **20.35** | 7.0% | 18.4 | 10.6% |
| Mobilink (Pakistan) (PKR bn) | 18.81 | **19.58** | 4.1% | 9.55 | **10.03** | 5.0% | 9.8 | 2.3% |
| banglalink (Bangladesh) (BDT bn) | 5.13 | **7.21** | 40.5% | 3.22 | **3.99** | 23.9% | 2.16 | 84.7% |

1. Un-audited Figures.

## EBITDA MARGIN

The Consolidated EBITDA margin for the first half of 2011 stood at 46.8% representing a 5% increase over the first half of 2010.

In Algeria, Djezzy's margin increased by 3% compared to H1 2010 as a result of the continued effort of cost management to counter the hurdles and restrictions imposed upon the operation, in addition to declining costs related to the many government imposed limitations placed upon the network.

In Pakistan, the EBITDA margin of Mobilink remained relatively stable, increasing by nearly 1% as a result of moderate revenue and EBITDA growth.

In Bangladesh, banglalink's EBITDA margin increased by 5% compared to the same period last year as a result of slight decreases in subscriber acquisition and SIM tax costs.

Telecel Globe witnessed a 7% decrease in its margin for H1 2011 in comparison to H1 2010 as a result of lower revenues in Burundi and higher dealer commissions in CAR.

In North Korea, koryolink's EBITDA margin increased 4% as result of higher revenues.

**Table 10: Consolidated EBITDA Margin**

| Subsidiary | Represented 30 June 2010 | 30 June 2011 US$ (000) | Change | Q1 - 2011 (3 months) | Q2 - 2011 (3 months) | Change |
|---|---|---|---|---|---|---|
| ***GSM*** | | | | | | |
| Djezzy (Algeria) | 56.0% | **59.3%** | 3.3% | 59.4% | 59.2% | (0.2%) |
| Mobilink (Pakistan) | 39.6% | **40.3%** | 0.8% | 40.3% | 40.4% | 0.1% |
| banglalink (Bangladesh) | 34.4% | **39.2%** | 4.9% | 35.7% | 42.8% | 7.1% |
| Telecel Globe (Africa) | 19.1% | **12.5%** | (6.6%) | 17.4% | 7.4% | (10.0%) |
| koryolink (North Korea) | 80.5% | **84.3%** | 3.8% | 87.6% | 82.0% | (5.6%) |
| Total GSM | 47.1% | **50.3%** | 3.2% | 49.8% | 50.8% | 1.0% |
| Total Telecom Services | 11.1% | **2.3%** | (8.8%) | 1.1% | 4.2% | 3.1% |
| Internet Services | 12.8%[1] | **10.3%** | (2.5%) | 9.2%[1] | 11.1% | 1.8% |
| **EBITDA Margin** | **42.0%** | **46.8%** | **4.8%** | **46.0%** | **47.6%** | **1.6%** |

1. As per IFRS rules, Internet Services' figures have not been represented in H1 2010 to reflect the disposal of LINKdotNET and LINK Egypt in Q3 2010.

# Foreign Exchange Rates

## Table 11: Foreign Exchange Rates used in the Income Statement & Balance Sheet

| Currency | June. 10 | Mar. 11 | June. 2011 | % Chg [3] June. 2011 vs June. 10 | % Chg [3] June. 2011 vs Mar. 11 |
|---|---|---|---|---|---|
| **Egyptian Pound/USD** | | | | | |
| Income Statement [1] | 5.5747 | 5.8763 | 5.9146 | 5.7 | 0.6 |
| Balance Sheet [2] | 5.7150 | 5.9625 | 5.9693 | 4.3 | 0.1 |
| **Algerian Dinar/USD** | | | | | |
| Income Statement [1] | 74.1869 | 73.0075 | 72.4738 | (2.4) | (0.7) |
| Balance Sheet [2] | 75.3636 | 72.0652 | 72.0591 | (4.6) | (0.0) |
| **Pakistan Rupee/USD** | | | | | |
| Income Statement [1] | 84.8122 | 85.4958 | 85.3968 | 0.7 | (0.1) |
| Balance Sheet [2] | 85.5000 | 85.2594 | 85.9745 | 0.6 | 0.8 |
| **Bangladeshi Taka/USD** | | | | | |
| Income Statement [1] | 69.6633 | 71.3234 | 72.3713 | 3.7 | 1.4 |
| Balance Sheet [2] | 69.8000 | 72.6649 | 74.1459 | 5.9 | 2.0 |
| **Canadian Dollar/USD** | | | | | |
| Income Statement[1] | 1.0258 | 0.9857 | 0.9767 | (5.0) | (0.9) |
| Balance Sheet[2] | 1.0392 | 0.9703 | 0.9653 | (7.7) | (0.5) |

1- Represents the average monthly exchange rate from the start of the year until the end of the period.
2- Represents the spot exchange rate at the end of the period.
3- Appreciation / (Depreciation) of USD vs. Local Currency.

# Net Income

On 4 January 2011, OTH sold its entire shareholding in Orascom Tunisia Holding and Carthage Consortium through which OTH owned 50% of Orascom Telecom Tunisia ("OTT") for a total cash consideration of US$ 1.2 billion. At the end of Q2 2011, certain provisions of the Egyptian income tax law have been amended resulting in an increased corporate tax rate from 20% to 25% for annual year 2011. The gain realized for the sale of Tunisiana has been affected accordingly and hence reduced by approximately US$ 58 million in Q2 2011. As a result Net Income before minority interest for the first half of 2011 stood at US$ 774 million, displaying a sharp increase compared to the same period of the previous year. Net income attributable to equity holders for the first half of 2011 was US$ 754 million.

EPS in the 6 months ended June 30, 2011 stood at US$ 0.72/GDR.

## Table 12: Income Statement in IFRS/US$

| | Represented 30 June 2010 US$ (000) | 30 June 2011 US$ (000) | Inc/ (dec) | Q1 - 2011 (3 months) US$ (000) | Q2 - 2011 (3 months) US$ (000) | Inc/ (dec) |
|---|---|---|---|---|---|---|
| **Revenues** | **1,870,491** | **1,950,780** | **4%** | **949,249** | **1,001,531** | **6%** |
| Other Income | 18,042 | 16,413 | | 9,058 | 7,355 | |
| Total Expense | (1,103,621) | (1,054,133) | | (521,706) | (532,427) | |
| **EBITDA** [1] | **784,912** | **913,060** | **16%** | **436,600** | **476,460** | **9%** |
| Depreciation & Amortization | (370,589) | (393,903) | | (194,802) | (199,101) | |
| Impairment of Non Current Assets | (35,036) [2] | (2,955) | | (1,009) | (1,946) | |
| Gain (Loss) on Disposal of Non Current Assets | (559) | 57,975 | | (1,268) | 59,243 [3] | |
| **Operating Income** | **378,728** | **574,177** | **52%** | **239,522** | **334,655** | **40%** |
| Financial Expense | (251,553) | (355,796) [4] | | (113,937) | (241,859) | |
| Financial Income | 37,140 | 42,962 | | 21,008 | 21,954 | |
| Foreign Exchange Gain (Loss) | (111,545) [5] | 16,315 [5] | | 32,928 | (16,613) | |
| Net Financing Cost | (325,958) | (296,519) | | (60,001) | (236,518) | |
| Share of Profit (Loss) of Associates | (66,913) | (84,264) | | (41,167) | (43,097) | |
| Impairment of Financial Recievables | - | (9,619) [6] | | (9,448) | (171) | |
| **Profit Before Tax** | **(14,143)** | **183,775** | **n.m.** | **128,906** | **54,869** | **(57%)** |
| Income Tax | (98,345) | (106,385) | | (61,564) | (44,821) | |
| **Profit from Continuing Operations** | **(112,488)** | **77,390** | **n.m.** | **67,342** | **10,048** | **(85%)** |
| Gains or losses from discontinued operations | 129,244 [7] | 696,739 | | 754,419 [8] | (57,680) [9] | |
| **Profit for the Period** | **16,756** | **774,129** | **n.m.** | **821,761** | **(47,632)** | **n.m.** |
| **Attributable to:** | | | | | | |
| **Equity Holders of the Parent** [10] | **(17,276)** | **754,303** | **n.m.** | **812,755** | **(58,452)** | **n.m.** |
| **Earnings Per Share (US$/GDR)** [11] | **(0.02)** | **0.72** | **n.m.** | **0.78** | **(0.06)** | **n.m.** |
| Minority Interest | 34,032 | 19,826 | | 9,006 | 10,820 | |
| **Net Income** | **16,756** | **774,129** | **n.m.** | **821,761** | **(47,632)** | **n.m.** |

1- Management Presentation developed from IFRS financials.
2- Mainly due to the impairment of MedCable in Algeria.
3- Due to the disposal of Powercom Ltd (Namibia).
4- Mainly due to the refinancing of OTH's debt.
5- Mainly due to appreciation of the Canadian Dollar which was offset by the appreciation of the US$ against the Egyptian Pound in H1 2010 vs. H1 2011.
6- Due to the impairment of Orabank, a financial receivable related to North Korea.
7- H1 2010 figures include the accounting treatment of Mobinil as a discontinued operation as a result of the amended and restated shareholders' and settlement agreements concluded with France Telecom which entered into force on July 13, 2010.
8- On 4 January 2011, OTH sold its entire shareholding in Orascom Tunisia Holding and Carthage Consortium through which OTH owned 50% of Orascom Telecom Tunisia ("OTT").
9- Reflects the effect of the increase of the Egyptian corporate tax rate from 20% to 25% on the gain realized for the sale of Tunisiana.
10- Equates to Net Income after Minority Interest.
11- Based on a weighted average for the outstanding number of GDRs of 1,046,064,032 GDRs as of 30 June 2011. The weighted average for the outstanding number of GDRs for H1 2010, Q1 2011 and Q2 2011 is 983,507,696 GDRs, 1,045,864,753 GDRs and 1,046,261,121 GDRs respectively.

## Table 13: Balance Sheet in IFRS/US$

| | IFRS/US$ 31 December 2010 US$ (000) | IFRS/US$ 30 June 2011 US$ (000) |
|---|---|---|
| **Assets** | | |
| Property and Equipment (net) | 3,763,337 | 3,593,080 |
| Intangible Assets | 1,486,654 | 1,443,960 |
| Investment in Associates | 1,029,288 | 898,729 |
| Other Non-Current Assets | 1,104,785 | 1,225,829 |
| **Total Non-Current Assets** | **7,384,064** | **7,161,598** |
| Cash and Cash Equivalents | 824,080 | 924,837 |
| Trade Receivables | 258,819 | 264,546 |
| Assets Held for Sale | 422,601 | |
| Other Current Assets | 1,090,906 | 1,410,971 |
| **Total Current Assets** | **2,596,406** | **2,600,354** |
| **Total Assets** | **9,980,469** | **9,761,952** |
| Equity Attributable to Equity Holders of the Company | 2,724,843 | 3,548,180 |
| Minority Share | 76,354 | 103,457 |
| **Total Equity** | **2,801,198** | **3,651,637** |
| **Liabilities** | | |
| Long Term Debt | 3,859,425 | 3,317,403 |
| Other Non-Current Liabilities | 354,223 | 412,382 |
| **Total Non-Current Liabilities** | **4,213,648** | **3,729,785** |
| Short Term Debt | 973,449 | 491,148 |
| Trade Payables | 811,438 | 755,561 |
| Other Current Liabilities | 1,180,737 | 1,133,821 |
| **Total Current Liabilities** | **2,965,624** | **2,380,530** |
| **Total Liabilities** | **7,179,271** | **6,110,315** |
| **Total Liabilities & Shareholder's Equity** | **9,980,469** | **9,761,952** |
| **Net Debt** [1] | **4,008,793** | **2,883,713** |

1- Net Debt is calculated as a sum of Short Term Debt, Long Term Debt, less Cash and Cash Equivalents.

## Table 14: Cash Flow Statement in IFRS/US$

| | IFRS/US$ Represented 30 June 2010[1] US$ (000) | IFRS/US$ 30 June 2011 US$ (000) |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| **Profit for the Period** | **(112,488)** | **77,390** |
| Depreciation, Amortization & Impairment of Non-Current Assets | 405,625 | 396,858 |
| Income Tax Expense | 98,345 | 106,385 |
| Net Financial Charges | 325,958 | 296,519 |
| Share of Loss (Profit) of Associates Accounted for Using the Equity Method | 66,913 | 84,264 |
| Impairment of Financial Assets | - | - |
| (Gain)/loss on disposal of non-current assets | 559 | (57,978) |
| Other | 26,276 | 7,026 |
| Changes in Assets Carried as Working Capital | (603,012) | (346,860) |
| Changes in Other Liabilities Carried as Working Capital | 145,361 | 78,458 |
| Income Tax Paid | (209,523) | (141,833) |
| Interest Expense Paid | (202,591) | (192,167) |
| **Net Cash Generated by Operating Activities** | **(58,577)** | **308,062** |
| **Cash Flows from Investing Activities** | | |
| Cash Outflow for Investments in Property & Equipment, Intangible Assets, and Financial Assets & Consolidated Subsidiaries | (348,682) | (322,372) |
| Proceeds from Disposal of Property & Equipment, Subsidiaries and Financial Assets | 31,807 | 36,114 |
| Advances & Loans made to Associates & other parties | (264,154) | (81,419) |
| Dividends & Interest Received | 10,359 | 82,110 |
| **Net Cash Used in Investing Activities** | **(570,670)** | **(285,567)** |
| **Cash Flows from Financing Activities** | | |
| Proceeds from loans, banks' facilities and bonds | 516,389 | 73,491 |
| Payments for loans, banks' facilities and bonds | (670,667) | (1,157,405) |
| Net Payments from financial liabilities | (22,826) | (4,352) |
| Net Change in Cash Collateral | (195,438) | (15,300) |
| Dividend Payments | - | - |
| Payments for Treasury Shares | (992) | - |
| Capital injection | 775,205 | - |
| Change in non-controlling interest | - | - |
| **Net Cash generated by Financing Activities** | **401,671** | **(1,103,566)** |
| **Discontinued operations** | | |
| Net cash generated by operating activities | 122,269 | - |
| Net cash (used in) generated by investing activities | (127,016) | 1,167,168 |
| Net cash (used in) generated by financing activities | (43,463) | - |
| **Net cash generated from discontinued operations** | **(48,210)** | **1,167,168** |
| **Net Increase in Cash & Cash Equivalents** | **(275,786)** | **86,097** |
| Cash included in Assets Held for Sale | (92,316) | - |
| Effect of Exchange Rate Changes on Cash & Cash Equivalents | (12,992) | 14,655 |
| Cash & Cash Equivalents at the Beginning of the Period | 758,930 | 824,085 |
| **Cash & Cash Equivalents at the End of the Period** | **377,836** | **924,837** |

1- a) On 4 January 2011, OTH sold its entire shareholding in Orascom Tunisia Holding and Carthage Consortium through which OTH owned 50% of Orascom Telecom Tunisia ("OTT"). H1 2010 figures are represented accordingly.
b) H1 2010 figures include the accounting treatment of Mobinil as a discontinued operation as a result of the amended and restated shareholders' and settlement agreements concluded with France Telecom which entered into force on July 13, 2010.

## Table 15: Income Statement in EAS/Egyptian Pounds

| | Represented 30 June 2010 LE (000) | 30 June 2011 LE (000) | Inc/ (dec) | Q1 - 2011 (3 months) LE (000) | Q2 - 2011 (3 months) LE (000) | Inc/ (dec) |
|---|---|---|---|---|---|---|
| **Revenues** | **10,436,697** | **11,537,993** | **11%** | **5,578,047** | **5,959,946** | **7%** |
| Other Income | 100,578 | 97,078 | | 52,946 | 44,132 | |
| Total Expense | (6,130,972) | (6,246,270) | | (3,071,546) | (3,174,724) | |
| **EBITDA** [1] | **4,406,303** | **5,388,801** | **22%** | **2,559,447** | **2,829,354** | **11%** |
| Depreciation & Amortization | (2,063,969) | (2,327,375) | | (1,143,435) | (1,183,940) | |
| Other | (198,350) | 325,521 | | (13,335) | 338,856 | |
| **Operating Income** | **2,143,984** | **3,386,947** | **58%** | **1,402,677** | **1,984,270** | **41%** |
| Financial Expense | (1,394,793) | (2,097,220) | | (665,936) | (1,431,284) | |
| Financial Income | 207,046 | 254,105 | | 123,445 | 130,660 | |
| Foreign Exchange Gain (Loss) | (621,827) | 96,495 | | 193,495 | (97,000) | |
| Net Financing Cost | *(1,809,574)* | *(1,746,620)* | | *(348,996)* | *(1,397,624)* | |
| Share of Profit (Loss) of Associates | (373,020) | (348,205) | | (158,040) | (190,165) | |
| Impairment of Financial Recievables | | (56,891) | | | (1,372) | |
| **Profit Before Tax** | **(38,610)** | **1,235,231** | **n.m.** | **840,122** | **395,109** | **(53%)** |
| Income Tax | (548,242) | (556,786) | | (365,790) | (190,996) | |
| **Profit from Continuing Operations** | **(586,852)** | **678,445** | **n.m.** | **474,332** | **204,113** | **(57%)** |
| Gains or losses from discontinued operations | 598,973 | 4,138,311 | | 4,450,587 | (312,276) | |
| **Profit for the Period** | **12,121** | **4,816,756** | **n.m.** | **4,924,919** | **(108,163)** | **n.m.** |
| **Attributable to:** | | | | | | |
| **Equity Holders of the Parent** | **(147,960)** | **4,699,494** | **n.m.** | **4,871,995** | **(172,501)** | **n.m.** |
| **Earnings Per Share (EGP/Share)** [2] | **(0.03)** | **0.90** | **n.m.** | **0.93** | **(0.03)** | **n.m.** |
| Minority Interest | 160,081 | 117,262 | | 52,924 | 64,338 | |
| **Net Income** | **12,121** | **4,816,756** | **n.m.** | **4,924,919** | **(108,163)** | **n.m.** |

1- Management Presentation developed from EAS financials.
2- Based on a weighted average for the outstanding number of ordinary shares of 5,230,320,160 as of 30 June 2011. The weighted average for the outstanding number of ordinary shares for H1 2010, Q1 2011 and Q2 2011 is 4,917,538,480; 5,229,323,765 and 5,231,305,605 respectively.

## Table 16: Balance Sheet in EAS/Egyptian Pounds[1]

| | EAS/LE 31 December 2010 LE (000) | EAS/LE 30 June 2011 LE (000) |
|---|---|---|
| **Assets** | | |
| Property and Equipment (net) | 21,710,070 | 21,311,854 |
| Intangible Assets | 8,584,912 | 8,572,142 |
| Other Non-Current Assets | 8,558,597 | 8,995,148 |
| **Total Non-Current Assets** | **38,853,579** | **38,879,144** |
| Cash and Cash Equivalents | 4,784,360 | 5,520,648 |
| Trade Receivables | 1,502,624 | 1,579,162 |
| Assets Held for Sale | 2,430,567 | |
| Other Current Assets | 6,332,816 | 8,426,312 |
| **Total Current Assets** | **15,050,367** | **15,526,121** |
| **Total Assets** | **53,903,946** | **54,405,265** |
| Equity Attributable to Equity Holders of the Company | 12,246,749 | 17,845,780 |
| Minority Share | 458,581 | 632,839 |
| **Total Equity** | **12,705,330** | **18,478,619** |
| **Liabilities** | | |
| Long Term Debt | 22,314,854 | 19,712,122 |
| Other Non-Current Liabilities | 1,735,569 | 2,068,178 |
| **Total Non-Current Liabilities** | **24,050,423** | **21,780,300** |
| Short Term Debt | 5,639,775 | 2,921,046 |
| Trade Payables | 4,710,968 | 4,510,186 |
| Other Current Liabilities | 6,797,450 | 6,715,114 |
| **Total Current Liabilities** | **17,148,193** | **14,146,346** |
| **Total Liabilities** | **41,198,616** | **35,926,646** |
| **Total Liabilities & Shareholder's Equity** | **53,903,946** | **54,405,265** |
| **Net Debt[2]** | **23,170,269** | **17,112,520** |

1- Management presentation developed from EAS financials.
2- Net Debt is calculated as a sum of Short Term Debt, Long Term Debt, less Cash and Cash Equivalents.

## Presence in Countries with Favourable Dynamics:


## OTH serves a population of 515 million* with an average penetration of 47%

**CANADA**
Population: 34 million
GDP Growth: 3.1%
GDP/Capita PPP ($): 39,400
Pop. Under 15 years: 16%
Sovereign Rating: AAA
Mobile Penetration: 70%

**EGYPT**
Population: 82million
GDP Growth: 5.1%
GDP/Capita PPP ($): 6,200
Pop. Under 15 years: 33%
Sovereign Rating: BB
Mobile Penetration: 97%

**ALGERIA**
Population: 35 million
GDP Growth: 3.3%
GDP/Capita PPP ($): 7,300
Pop. Under 15 years: 24%
Sovereign Rating: NR
Mobile Penetration: 77%

**BANGLADESH**
Population: 158 million
GDP Growth: 6%
GDP/Capita PPP ($): 1,700
Pop. Under 15 years: 34%
Sovereign Rating: NR
Mobile Penetration: 46%

**PAKISTAN**
Population: 187 million
GDP Growth: 4.8%
GDP/Capita PPP ($): 2,500
Pop. Under 15 years: 35%
Sovereign Rating: CCC
Mobile Penetration: 56%

**CENTRAL AFRICA REPUBLIC**
Population: 4.9 million
GDP Growth: 3.3%
Pop. Under 15 years3: 41%
Sovereign Rating: NR
Mobile Penetration: 19%

**NORTH KOREA**
Population: 24.5 million
GDP Growth: -0.9%
GDP/Capita (PPP) ($): 1,800
Pop. Under 15 years: 22%
Sovereign Rating: NR
Mobile Penetration: 2%

**ZIMBABWE**
Population: 12 million
GDP Growth: 9%
Pop. Under 15 years3: 42%
Sovereign Rating: NR
Mobile Penetration: 50%

**BURUNDI**
Population: 10.2 million
GDP Growth: 3.9%
Pop. Under 15 years: 46%
Sovereign Rating: NR
Mobile Penetration: 22%

Note: Sovereign Ratings shown are Moody's/S&P.
Population Figures from CIA Factbook (est. July 2011).
Mobile Penetration is based on June 30, 2011 subscriber figures & market share

*excluding Canada and Lebanon

# Operational Overview

## Djezzy – Algeria

| Financial Data | June 2010 | June 2011 | Inc/ (dec) |
|---|---|---|---|
| Financial Data | | | |
| Revenues (US$ 000) | 849,053 | 916,048 | 7.9% |
| Revenues (DZD bn) | 62.99 | 66.39 | 5.4% |
| EBITDA (US$ 000) | 475,262 | 543,239 | 14.3% |
| EBITDA (DZD bn) | 35.41 | 39.37 | 11.2% |
| EBITDA Margin | 56.0% | 59.3% | 3.3% |
| Capex (US$ m) | 45 | 14 | (69%) |

| Operational Data | June 2010 | March 2011 | June 2011 | Inc/(dec) June 2011 vs. June 2010 |
|---|---|---|---|---|
| Operational Data | | | | |
| Subscribers | 15,142,460 | 15,509,202 | 15,963,553 | 5.4% |
| Market Share | 59.1% | 58.1% | 58.1% | (1.0%) |
| ARPU (US$) (3 months) | 9.5 | 9.4 | 9.9 | 4.2% |
| ARPU (DZD) (3 months) | 711 | 683 | 711 | 0.0% |
| MOU (YTD) | 273 | 284 | 290 | 6.1% |
| Churn (3 months) | 6.2% | 4.7% | 5.2% | (1.0%) |

During the first half of 2011, Orascom Telecom Algerie (OTA) continued to face various challenges; for example, the Bank of Algeria is still preventing the import of goods which are necessary for maintenance purposes and for network capacity expansion. This factor continues to exert significant pressure on the network especially in terms of quality, capacity and expansion. This factor is also prejudicing international roaming agreements and jeopardizing the possibility of launching any new products which would ultimately require new technological platforms. In spite of these major obstacles OTA is seeking to serve its customers with the best possible network quality.

Despite the challenges described above, which are having an increasingly negative effect as time goes by, OTA succeeded in managing a very challenging first half of 2011, closing with almost 16 million subscribers, maintaining its leadership position with a 58.1% market share, controlling the largest distribution across all 48 Wilayas and operating the largest network with 7,549 BTS by the end of the quarter.

From a regulatory perspective, during Q1 2011, new promotional rules were introduced by the Algerian telecommunication regulator (ARPT), including with respect to the duration of pre-paid promotions, which has been reduced from one month to fifteen days, and with respect to the required time period between pre-paid promotions within any given month.

In this new regulatory context, OTA launched several products and promotions during the first half of 2011. These products and promotions were necessarily restricted by the network limitations which have resulted from the Bank of Algeria's injunction and its expected potential evolution. New post-paid pricing plans (Control 900 & 1900) were launched during H1 2011 supported by an initial 50% reduction on subscription fee and first monthly fee. These new post-paid plans saw a great success due to their attractiveness and availability through any point of sales (historically post-paid products were only sold through the 87 owned shops, that availability ended at +2000 POS by end of June). Other promotions included a recharge bonus for the "Allo" pre-paid product. The VAS activity distinguished itself on the marketplace through the launch of the Arabic version of "Scoop", the OTA information service, as well as the re-launch of "Ranati", the ring back tone service, through a strong communication campaign. Finally a large SMS educational campaign was launched to increase SMS penetration among non-users; the campaign leveraged on a "free SMS" upon recharge promotion and was communicated through all media channels including regional TV (although an arbitrary ban on OTA advertising on national public TV was in force from March 2010 until July 2011). OTA also distinguished itself within the young segment by launching through OTA Internet web sites and Facebook, a series of short productions with "Irban" (one of the most popular comedians in Algeria) to become number one in viewed and shared videos on the Algerian web and on YouTube Algeria during the week after launch.

By the end of H1 2011 an agreement was reached for OTA to be allowed to advertise on national public TV from beginning of July, putting to an end the ban from advertising on the national public TV introduced in March 2010. As already mentioned, during the first half of 2011 OTA continued to seek to mitigate the effects of this ban through advertising on other regional TV channels like Nessma and MBC, as well as on the internet and through continuously changing its media mix to ensure awareness about new launches and maintaining the emotional bond with OTA's customer base.

On the sales side, OTA continued to sell its mobile telecommunication services through indirect channels (distributors) and through the 87 owned "Djezzy" branded shops. The nine exclusive national distributors cover all the 48 Wilayas and are distributing OTA's products through 19,000 authorized points of sales ("POS"). During Q1 2011 OTA focused on expanding the network of POS selling post-paid from 87 (owned shops) to 600 (through authorized POS) in order to increase post-paid gross adds.

Despite the extremely challenging conditions described above, the overall customer base increased by 5% to reach 16 million customers by the end of June 2011. OTA managed to maintain its leadership position in terms of market share of Gross adds remaining stable from 37% in Q1 2011 to 38% in Q2 2011. OTA also continued to control churn through the continued enhancement of the "Imtyaz" loyalty program with a special focus on high value customers. Churn rate for 3 months remained relatively stable at historically low levels from 4.7% in Q1 2011 to 5.2% in Q2 2011.

By carefully monitoring the value of customers being acquired and not launching value-destroying promotions, OTA's ARPU saw a very slight increase in Q2 2011 compared to Q2 2010 (it went up from US$ 9.5 to US$ 9.9. OTA's revenue evolution in H1 2011 followed a parallel trend to the actions undertaken by OTA to mitigate operational handicaps. Revenues for the first half of 2011 showed a positive increase of 8% over the same period of 2010, from US$ 849 million to US$ 916 million in line with the recovery trend seen in previous quarters. The EBITDA increased by 14% and EBITDA margin by 3% compared to 2010. The CAPEX dropped from US$ 45 million to US$ 14 million mostly due to the ban on overseas foreign currency transfers by OTA, which is preventing the payment of essential suppliers and creditors, the import of essential equipment, and the undertaking of critical network maintenance. The inability to carry out those maintenance and expansion works and to secure essential goods and services for the network represent a key source of high operational uncertainty for the months to come.

In April 2010, OTA paid the last part of 2005-2007 tax claims for an amount of DZD 11 bn under protest. The tax administration (DGE) further asked for penalties of recovery for an amount of DZD 1.8 bn representing 16% of the principal delayed (the 11 bn). As OTA disputes the tax reassessments before the Algerian administrative court, those penalties were not paid considering them as suspended by law (Article 158 of the Tax Procedure Code).

In June 2011, the tax administration (DGE) sent a command to pay (*commandement à payer*) for the same penalties but by applying a higher percentage than the first one (25% on the DZD 11 bn), effectively asking to pay an amount of DZD 2.8 bn instead of DZD 1.8 bn. After negotiations with the DGE, the total amount was paid by OTA under protest, in order to avoid any blockage on its bank accounts. OTA intends to file a claim for reimbursement of these penalties before the Algerian administrative court.

## Mobilink – Pakistan

| Financial Data | June 2010 | June 2011 | Inc/ (dec) |
|---|---|---|---|
| Financial Data | | | |
| Revenues (US$ 000) | 559,494 | 567,039 | 1.3% |
| Revenues (PKR bn) | 47.45 | 48.48 | 2.2% |
| EBITDA (US$ 000) | 221,417 | 228,764 | 3.3% |
| EBITDA (PKR bn) | 18.81 | 19.58 | 4.1% |
| EBITDA Margin | 39.6% | 40.3% | 0.8% |
| Capex (US$ m) | 62 | 97 | 56% |

| Operational Data | June 2010 | March 2011 | June 2011 | Inc/(dec) June 2011 vs. June 2010 |
|---|---|---|---|---|
| Operational Data | | | | |
| Subscribers | 32,202,547 | 32,706,945 | 33,378,160 | 3.7% |
| Market Share * | 32.6% | 30.7% | n.a. | n.a. |
| ARPU (US$) (3 months) | 2.9 | 2.8 | 2.8 | (2.3%) |
| ARPU (PKR) (3 months) | 247 | 235 | 243 | (1.5%) |
| MOU (YTD) | 206 | 206 | 210 | 1.9% |
| Churn (3 months) | 5.9% | 6.4% | 7.1% | 1.2% |

* Market share, as announced by the Pakistani Regulator is based on information disclosed by the other operators which use different subscriber recognition policies.

Mobilink closed the first half of 2011 with revenue of US$ 567 million showing an increase over the same period in 2010. The subscriber base also exhibited a positive trend, closing at 33 million by the end of H1 2011.

The mobile industry remained aggressive during Q2 2011 with lots of focus on regional offers as well as different consumer segments. Mobilink continued rolling out new offers targeting various segments as well as different usage needs. Location based offers were launched to target low market share locations as well as various voice and value added services that were launched to increase customer engagement. Along with the new product launches, the focus also remained on new acquisitions through sales and mobile number portability to increase the subscriber base.

Mobilink continued its focus on youth as a key consumer segment. The competitive Friends and Family (F&F) offer continued its momentum and also strengthened F&F positioning while increasing the subscriber base. A massive on-ground brand activation and subscriber awareness promotion targeting students, "Such Talent", was launched in approximately 100 universities all across Pakistan. To associate with the summer vacations, "Such Vacations" promotion was launched from the youth platform offering an incentive trip to the northern areas of Pakistan.

Location based promotions were launched in eight cities including Karachi, Lahore and Islamabad/Rawalpindi, offering free calling at night and discounted rates during daytime. A usage based offer Jazz Malamaal was launched during the quarter, offering attractive prizes on the basis of daily activity. Jazz Week promotion, which is based on an innovative concept of having 7 different offers on the 7 days of week, was launched to enhance the engagement of the subscriber base.

Focus on International Direct Dialing (IDD) continued through Q2, 2011. An aggressive offer was launched for Saudi Arabia and UAE which helped engaging IDD customers by offering them attractive call rates for these destinations.

Promotions of varying facets were also rolled out on the value added services (VAS) front. The second quarter of 2011 has been a period of strong growth for Mobilink VAS versus the first quarter. Such growth was primarily aided by a successful run of the fifth version of SMS Khazana, as well as the launch of an unlimited pre-paid Mobile Internet offer called Such Mobile Internet. New value added services were introduced including youth centric services like Movie Alerts, and Jazz Encyclopedia. Other than this, Mobilink's smart phone line up was beefed up with the launch of the Samsung Nexus S, HTC sensation and Dell Streak 5, all of them being the industry's firsts.

## banglalink – Bangladesh

| Financial Data | June 2010 | June 2011 | Inc/ (dec) |
|---|---|---|---|
| **Financial Data** | | | |
| Revenues (US$ 000) | 214,123 | 253,707 | 18.5% |
| Revenues (BDT bn) | 14.92 | 18.37 | 23.1% |
| EBITDA (US$ 000) | 73,574 | 99,559 | 35.3% |
| EBITDA (BDT bn) | 5.13 | 7.21 | 40.5% |
| EBITDA Margin | 34.4% | 39.2% | 4.9% |
| Capex (US$ m) | 102 | 27 | (74%) |

| Operational Data | June 2010 | March 2011 | June 2011 | Inc/(dec) June 2011 vs. June 2010 |
|---|---|---|---|---|
| **Operational Data** | | | | |
| Subscribers | 16,096,598 | 20,126,537 | 20,202,539 | 25.5% |
| Market Share* | 26.9% | 27.6% | 26.3% | (0.6%) |
| ARPU (US$) (3 months) | 2.5 | 2.0 | 2.0 | (18.7%) |
| ARPU (BDT) (3 months) | 172 | 148 | 153 | (11.3%) |
| MOU (YTD) | 235 | 205 | 208 | (11.5%) |
| Churn (3 months) | 2.1% | 3.8% | 5.1% | 3.0% |

* Market share, as announced by the Regulator in Bangladesh is based on information disclosed by the other operators which use different subscriber recognition policies.

banglalink has crossed the 20 million subscriber mark in January this year and ended H1 at 20.2 million base, a 4.5% increase from EOY 2010 and 25.5% increase from same period last year (SPLY). The company maintained a selective acquisition strategy from February till June in anticipation of SIM tax reduction which was effective June 9th, 2011 – Government reduced SIM tax by Tk. 194. The Market share at the end of Q2 2011 was 26.3%, although acquisition was low due to cautious approach mentioned above.

banglalink's revenue has grown to US$ 253 million in H1 which is an increase of nearly 19% compared to the same period last year.

banglalink achieved an EBITDA of US$ 99 million in H1 this year representing a 35% increase compared to same period last year. EBITDA margin increased to 39.2% in H1 2011 from 34.4% in H1 2010. EBITDA margin increased due to higher revenue and lower subscriber acquisition cost. Capital expenditure in H1 2011 was US$ 27 million.

In Q2 2011, banglalink has continued to launch attractive services and offers to the market. banglalink has launched bonus on usage, reactivation promotion offering bonus on recharge and attractive tariff, daily fee based attractive tariff as well as limited tariff adjustment in some packages. banglalink has also launched 'Unlimited SMS' offer giving up to 100 SMS for a daily fee of Tk. 2.99. banglalink has launched several mobile internet data plan and branded data modem leading to more penetration of data users. banglalink also launched innovative service for agriculture sector which is the biggest community of the country. banglalink has launched Krishi (agri) Bazaar that created a virtual buy-sell platform for farmers as well as launched info dissemination service to support all government agriculture officers by providing relevant agriculture info.

Government of Bangladesh has reduced SIM Tax by Tk.194 in the national budget declared in June 2011. The Government is close to finalizing the 2G license renewal guideline for 4 major operators in Nov 2011. Government, as part of its vision of Digital Bangladesh by 2021, has taken up aggressive data infrastructure projects of 1500 km fiber cable and additional international bandwidth of 145 Gbps. Five PSTN operators who were forced to shutdown are expected to get back their licenses.

## koryolink – Democratic People's Republic of Korea

| Financial Data | | | | | | Operational Data |
|---|---|---|---|---|---|---|

| | June 2010 | June 2011 | Inc/ (dec) |
|---|---|---|---|
| Financial Data | | | |
| Revenues (US$ 000)* | 23,199 | 61,208 | 163.8% |
| EBITDA (US$ 000) * | 18,679 | 51,627 | 176.4% |
| EBITDA Margin | 80.5% | 84.3% | 3.8% |
| Capex (US$ m)* | 21 | 21 | 0% |

| | June 2010 | March 2011 | June 2011 | Inc/(dec) June 2011vs. June 2010 |
|---|---|---|---|---|
| Operational Data | | | | |
| Subscribers | 184,531 | 535,133 | 666,517 | n.m. |
| Market Share | 100.0% | 100.0% | 100.0% | 0% |
| ARPU (US$) * (3 months) | 21.5 | 12.7 | 14.7 | (31.8%) |
| MOU (YTD) | 327 | 270 | 288 | (12.0%) |

* Based on the official exchange rate between the US$ and the North Korean Won (KPW) of KPW 135 as sourced by Bloomberg.

koryolink, the first and only mobile operator in DPRK, has successfully crossed the 600,000 subscribers mark in H1 2011 representing more than a 361% increase in subscribers when compared to the H1 2010 closing base.

koryolink's main focus throughout H1 2011 was to increase subscriber growth as well as to maximize the foreign currency revenues. This was achieved through focusing on subscriber acquisition and the introduction of innovative offerings and VAS to the market.

In February 2011, and with the objective of maximizing foreign currency revenues, koryolink introduced the "Euro Pack" bundles which offer subscribers voice minutes and VAS in return of fees that could be only paid in Euros. The sales trend for such product has shown a steady increase since launch promising solid performance for the remainder of the year.

Separately, in its efforts to launch new products and services to appeal to a larger portion of the Korean population, koryolink launched the Balance Transfer service to all its customers in June 2011. The service proved to be a huge success across all base sectors – with nearly 40% of the base using it heavily within 2 weeks from launch.

In January 2011, koryolink offered its customers – for the first time in DPRK – the Multimedia Messaging Service (MMS). The service was very positively received and continues to exhibit healthy enrollment growth to date. Moreover, the Video Call service that was launched end of Q3 2010, has quadrupled its usage in June 2011 after it was availed to the entire subscriber base; and the usage is still accelerating since such move was conducted.

During the first half of 2011, koryolink capitalized on its distribution agreement with KPTC and increased its scratch card sales network in Pyongyang to reach 24 shops. Through these new shops – together with the 18 shops that previously existed inside the capital and the 8 shops covering other main cities, koryolink has successfully become more reachable for its existing as well as potential customers.

koryolink's network currently consists of 370 on air base stations covering the capital Pyongyang as well as 14 main cities and 78 smaller cities. Additionally, network coverage extends to over 22 roads and highways. koryolink covers 13.79% of the territory and 92.91% of the DPRK's population. The network supports a variety of services – in addition to voice – such as video call, SMS, MMS, voice mail, WAP and HSPA.

# Equity Method

## Mobinil – Egypt

## Operational Data

| | June 2010 | March 2011 | June 2011 | Inc/(dec) June 2011vs. June 2010 |
|---|---|---|---|---|
| **Operational Data** | | | | |
| Subscribers | 26,147,615 | 30,358,000 | 30,541,000 | 16.8% |
| ARPU (US$) * (3 months) | 5.4 | 4.5 | 4.6 | (15.5%) |
| ARPU (EGP) * (3 months) | 30 | 25 | 27 | (10.3%) |

* ARPU expressed under OTH's definition may differ from Mobinil's disclosed figures.

Mobinil experienced a better business environment during Q2 2011 leading to significant improvement of its financials compared to the previous quarter. However, the impact of the turmoil continued to weigh on H1 results when compared to the same period last year.

H1 2011 closing mobile base reached 30,541 million customers representing a 0.6% increase over Q1 2011 and leading to an increase of 17% over H1 2010.

During Q2 Mobinil became commercially active again after an inactive first quarter where Mobinil launched a new concept of happy Friday offers, new postpaid buckets, "Ghanily" product, targeting the youth segment and Data focused promotions.

## WIND Mobile– Canada

| | June 2010 | March 2011 | June 2011 | Inc/(dec) June 2011vs. June 2010 |
|---|---|---|---|---|
| **Operational Data** | | | | |
| Subscribers | 93,882 | 271,659 | 317,000 | n.m. |
| ARPU (US$)(3 months) | - | 27.4 | 28.5 | n.a. |
| ARPU (CAD)(3 months) | - | 26.7 | 27.8 | n.a. |

Globalive Wireless Management Corp. ("Company" or "GWMC"), operating its wireless business under the brand name WIND Mobile, is now in its second year of operations in the Canadian market. At the end of the second quarter of 2011 it had 317 thousand active subscribers. WIND Mobile provides HSUPA network coverage in five of the top six population centers in Canada and their peripheries with a population well over 11 million covered. This coverage is supplemented with National Roaming for its customers. WIND Mobile has established its position as the first real, country-wide alternative in the Canadian wireless market, a market historically dominated by three incumbents.

WIND Mobile offers simple, feature-rich service plans and seasonal promotions and is the pioneer for unlimited tariffs in the Canadian market. It has a wide range of voice and data services starting as low as CAD15 a month which provide global standards and true value for Canadians. It also features no charges for incoming text or incoming long distance, no system access fees and no term contracts. Second quarter indicators show continued strong customer acceptance across different market segments, increasing WIND Mobile's active subscriber base by 17% in Q2 2011 and reinforcing its solid share of net adds. This happened in a climate of increased competition and seasonal mild growth rates in the first half of the year.

WIND Mobile's controlled handset subsidy program ("WINDtab") has been a success. The Company has introduced a number of new rate plans at different price points as part of a continuing effort to meet customer needs and in response to customer feedback, including a flexible Family Plan. WIND Mobile continues to extend its device lineup with offerings ranging from high-end Blackberries and Android devices to entry-level feature phones.

WIND Mobile's distribution network reached a total of 500 points of sale during the quarter including around 150 WIND branded locations. The diversity of WIND Mobile's distribution network serves customers across all market segments. WIND Mobile's distribution network comprises a mix of corporate stores and kiosks, strategic alliances, exclusive dealers, and third party retailers.

On June 8, 2011, the Federal Court of Appeal overturned the previous Federal Court of Canada decision that overturned the Cabinet order which permitted GWMC to launch its wireless operations. This was a very clear victory for WIND Mobile and all wireless consumers in Canada.

# Table 17: Ownership Structure & Consolidation Methods

| Subsidiary | Ownership June 30 2010 | 2011 | Consolidation Method June 30 2010 | 2011 |
|---|---|---|---|---|
| **GSM Operations** | | | | |
| Mobinil (Egypt) [2] | 28.75% | 28.75% | DCO | Equity consolidation[1] |
| Egyptian Co. for Mobile Services | 20.00% | 20.00% | DCO | Equity consolidation[1] |
| MWCPL (Pakistan) | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Orascom Telecom Algeria [3] | 96.81% | 96.81% | Full Consolidation | Full Consolidation |
| Telecel (Africa) | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Orascom Telecom Tunisia | 50.00% | Divested | Proportionate Consolidation | Divested |
| Telecel Globe | 94.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT Ventures [4] | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| CHEO | 75.00% | 75.00% | Full Consolidation | Full Consolidation |
| **Internet Service** | | | | |
| Intouch | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| **Non GSM Operations** | | | | |
| Ring | 99.00% | 99.00% | Full Consolidation | Full Consolidation |
| OTCS | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT ESOP | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT Services Europe | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| MedCable | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Mena Cable | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Moga Holding | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| Oratel | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| C.A.T. [5] | 50.00% | 50.00% | Proportionate Consolidation | Proportionate Consolidation |
| OT Wireless Europe | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT WIMAX | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| TWA | 51.00% | 51.00% | Full Consolidation | Full Consolidation |
| OIIH | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT Holding | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| FPPL | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| MinMax Ventures | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OIH [6] | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OTFCSA | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT Holding Canada [7] | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| ITCL | 50.00% | 50.00% | Proportionate Consolidation | Proportionate Consolidation |
| SAWLTD | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OT_OSCAR | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OTLB | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| TMGL | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| OTO | 100.00% | 100.00% | Full Consolidation | Full Consolidation |
| C.C | 100.00% | 100.00% | Full Consolidation | Divested |
| OTUH | 100.00% | 0.00% | Full Consolidation | Divested |
| CORTEX | 100.00% | 100.00% | Full Consolidation | Full Consolidation |

1. On July 13, 2010, the amended and restated shareholders' and settlement agreements concluded with France Telecom entered into force. Consequently, starting Q3 2010, Mobinil is reflected through the equity method. H1 2010 figures include the accounting treatment of Mobinil as a discontinued operation.
2. Mobinil is a holding company which controls 51% of ECMS, the mobile operator. Mobinil is also the brand name used by ECMS.
3. Direct and Indirect stake through Moga Holding Ltd. and Oratel.
4. OT Ventures owns 100% of Sheba Telecom which operates under the trade name banglalink.
5. Direct and Indirect stake through International Telecommunications Consortium Limited (ITCL).
6. OIH owns 100% of Orascom Telecom Iraq which sold Iraqna in December 2007.
7. Holding company for OTH's Share in Globalive which has been accounted for under the equity method.

# Appendix

## Glossary

**ARPU (Average Revenue per User):** Average monthly recurrent revenue per customer (excluding visitors roaming revenue and connection fee). This includes airtime revenue (national and international), as well as, monthly subscription fee, SMS, GPRS & data revenue. Quarterly ARPU is calculated as an average of the last three months.

**Capex:** Tangible & Intangible fixed assets additions during the reporting period, includes work in progress, network, IT, and other tangible and intangible fixed assets additions but excludes license fees.

**Churn:** Disconnection rate. This is calculated as the number of disconnections during a month divided by the average customer base for that month.

**Churn Rule:** A subscriber is considered churned (removed from the subscriber base) if he exceeds the 90 days from the end of the validity period without recharging. It is worth noting that the validity period is a function of the scratch denomination. In cases where scratch cards have open validity, the subscriber is considered churned in case he has not made a single billable event in the last 90 days (i.e. outgoing or incoming call or sms, wap session…). Open cards validity is applied for OTA, Mobilink, Mobinil and banglalink so far. A koryolink customer is considered churn if he/she does not recharge within four months after the validity of the scratch card.

**MOU (Minutes of Usage**): Average airtime minutes per customer per month. This includes billable national & international outgoing traffic originated by subscribers (on-net, to land line & to other operators). Also, this includes incoming traffic to subscribers from land line or other operators.

**OTH's Market Share Calculation Method:** The market share is calculated through the data warehouse of OTH's subsidiaries. The number of SIM cards of competitors that appeared in the call detail record of each of OTH's subsidiaries is collected. This reflects the number of subscribers of the competition. However, OTH deducts the number of SIM cards that did not appear in the call detail records for the last 90 days to account for churn. The same is applied to OTH subsidiaries. This method is used to calculate the market shares of Djezzy and Mobinil only. In Pakistan and Bangladesh, Market share as announced by the Regulators is based on disclosed information by the other operators which may use different subscriber recognition policy.

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